

Utah Retirement Systems

A Component Unit of the State of Utah

Comprehensive Annual Financial Report

*For the Year Ended
December 31, 2002*

2002

Contributory
Retirement System

Noncontributory
Retirement System

Public Safety
Retirement System

Firefighters
Retirement System

Judges
Retirement System

*Governors
and Legislative*
Pension Plan

*401(k)
and 457 Plans*



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, 2001

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.



William Patrick Harte
President

Jeffrey L. Esser
Executive Director

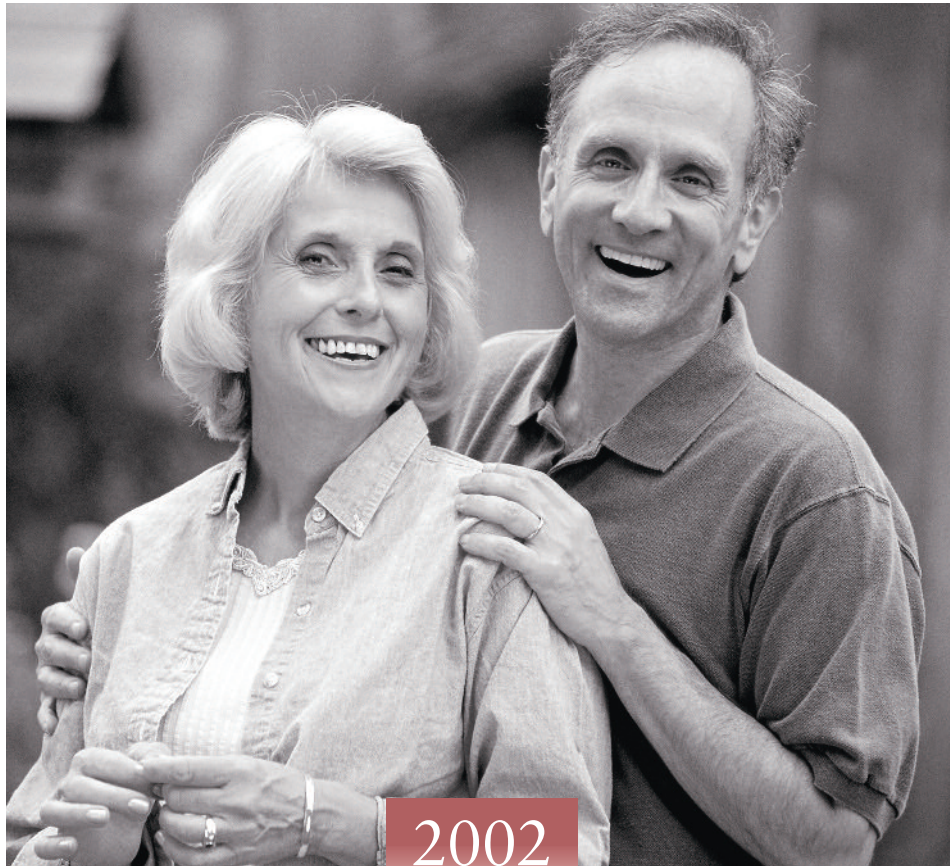
On the Cover:
Tamra Turpin
Salt Lake City International Airport
Employee Programs Coordinator

Utah Retirement Systems

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For the Year Ended December 31, 2002



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Retirement System

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Retirement System

Public Safety
Retirement System

Firefighters
Retirement System

Judges
Retirement System

*Governors
and Legislative*
Pension Plan

401(k) and 457 Plans

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

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

2002 Comprehensive Annual Financial Report

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Introductory Section



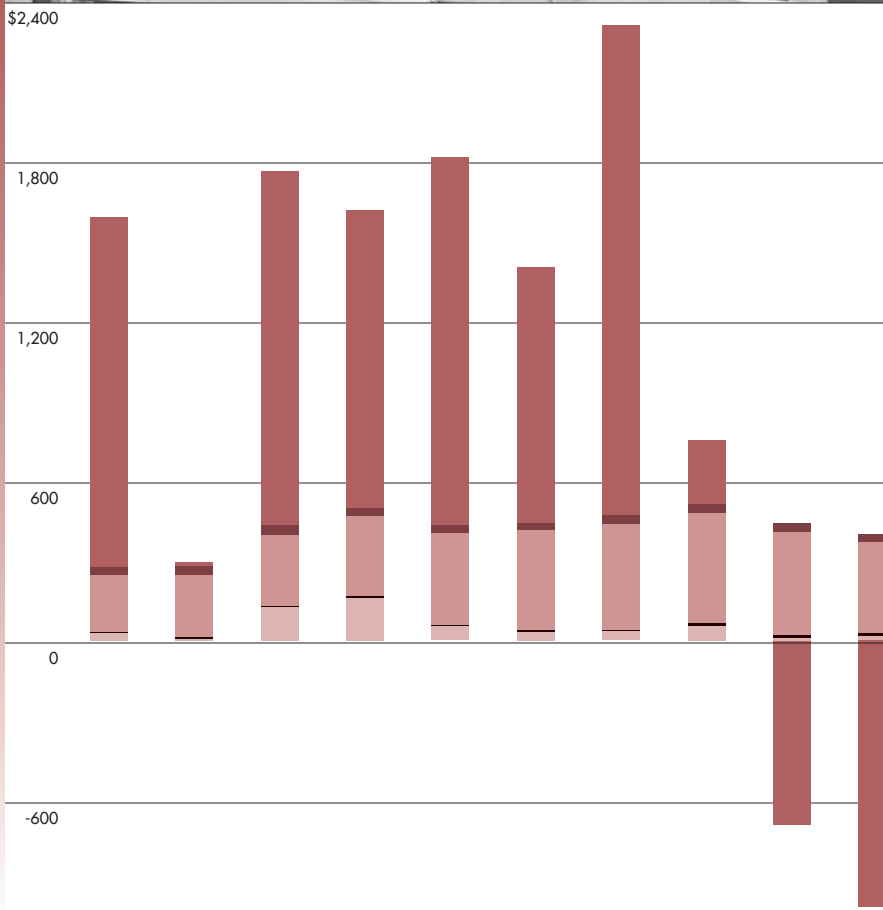
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Consultants
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All Retirement Systems



Additions
by Source

(in millions)



(in millions)	93	94	95	96	97	98	99	00	01	02
Net Investment Income (Loss)	\$1,312	14	1,330	1,118	1,381	958	1,836	239	(693)	(999)
Member Contributions	32	33	34	28	29	29	33	34	31	31
Employer Contributions	212	234	266	302	344	374	397	414	388	341
Court Fees and Fire Insurance Tax	5	5	6	6	6	6	6	8	10	12
Transfers from Systems	27	6	124	158	52	32	33	55	8	15
Totals	\$1,588	292	1,760	1,612	1,812	1,399	2,305	750	(256)	(599)

Letter of Transmittal

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

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

February 28, 2003

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

Dear Board Members:

We are pleased to present the 2002 Comprehensive Annual Financial Report of the Utah Retirement Systems (Systems) and 401(k) and 457 Plans (Plans), a component unit of the State of Utah, administered by the Utah State Retirement Board for calendar year 2002. The financial reporting entity of the Systems and Plans include the Public Employees Contributory and Noncontributory Retirement Systems, for both government and public education employees, the Public Safety, Firefighters and Judges Retirement Systems, the Governors and Legislative Pension Plan, and the 401(k) and 457 Plans.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Systems. 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*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. Assets of the Systems and Plans are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the required supplementary information following the notes to the basic financial statements.

The Utah Retirement Systems and 401(k) and 457 Plans were established by legislation and authorized as indicated in the notes to the basic financial statements on page 42. The Summaries of Plan Provisions are presented on pages 106 through 115. The number of active and retired members and beneficiaries for each system is presented in the Systems' Highlights on pages 12 through 24. The purpose of the Systems and Plans is to provide benefits for all

eligible State, local government and most public education employees whose employers have elected to participate. Services provided by the staff are performed to meet that objective.

The 2002 Comprehensive Annual Financial Report is presented in five sections. The Introductory Section contains the letter of transmittal, the Board President's letter, identification of the Systems' administrative organization and professional consultants, as well as Systems' Highlights for each retirement system and plan. The Financial Section contains the opinion of the independent auditors, management's discussion and analysis (MD&A), the basic financial statements and required supplementary information of the Systems, and further information about the Systems at division levels. The Investment Section contains investment information and a list of the largest holdings. The Actuarial Section contains the independent consulting actuary's certification, an outline of actuarial assumptions and methods, and other actuarial statistics. The Statistical Section contains tables of significant data pertaining to the Systems.

Letter of Transmittal *(Continued)*

Economic Condition and Outlook

The economic condition of the Systems is based primarily upon investment earnings. The Systems' investments were evaluated at year end by Callan Associates Inc., Investment Measurement Service. A comparative analysis of rates of return is presented on page 86 of this report.

For the Future

During 2002, actuarial assumptions and contribution rates were based on the recommendations of our actuary. See the Actuarial Section of this report and the notes to the basic financial statements for explanations of these rates. Rate changes resulted from actuarial assumption modifications, economic conditions, actuarial experience gains and losses and benefit enhancements in the Systems.

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

Financial Information

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

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

Funding

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

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

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

Although the historical level of funding is good, constant effort will be directed at achieving full funded status, assuring participants of financially sound retirement systems. Funded status and progress for overall Systems are presented in the Required Supplementary Information Schedules of Funding Progress on page 52. The current funded ratios range from 88% to 132%.

Investments

The investment portfolio mix at fair value as of the end of 2002 was 23% debt securities, 54% equities, 6% alternative investments, 10% real estate and 7% short term. The 23% debt securities are comprised of 17% domestic and 6% international instruments. The 54% equities are comprised of 37% domestic and 17% international equities. See MD&A and Investment Section for more detailed analysis and information. The Systems' investment outlook is long-term allowing the portfolio to take advantage of the favorable risk-return characteristics of equities by placing more emphasis on this category.

The Board utilizes internal and external portfolio managers employ-

Letter of Transmittal *(Continued)*

ing both passive (indexed) and active strategies. The portfolio is broadly diversified among equities, debt securities, real estate and alternative investments 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 \$13.2 billion in investments at fair value as of December 31, 2002, 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 audi-

tors' report on the basic financial statements is included in the Financial Section of this report.

Actuarial Valuation

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utah Retirement Systems for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2001. 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 18 years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

Acknowledgments

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

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

Sincerely yours,



Robert J. Stringham, CPA
Chief Financial Officer



Robert V. Newman
Executive Director

Board President's Letter

UTAH STATE RETIREMENT BOARD

UTAH RETIREMENT SYSTEMS

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

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

February 28, 2003

Dear members of the Retirement Systems:

As I report on the activities and programs of the Utah Retirement Systems for 2002, I'm pleased to note that nearly 32,000 retirees now enjoy monthly benefits from the Retirement Systems, and more than 94,000 working members of the Systems are earning future retirement benefits.

As Board members we serve as trustees to ensure that members' interests are properly safeguarded. We have the responsibility and mandate to provide retirement benefits to eligible members for the valued service they've rendered to the public. Despite a continuing weak economy and adverse investment returns, we emphasize that the systems are sound. Benefits to retired members will continue to be paid in timely fashion, and working members of the retirement systems can count on receiving their promised retirement benefits.

Why the Systems remain sound. Thanks to far-sighted actuarial funding principles established over several decades by governors, legislatures and boards, the outlook for the Systems is ultimately positive. Even though the year's market troubles trimmed the Systems' assets by \$1.1 billion, I wish to reiterate that this decline does not impair the Fund's ability to pay promised benefits to retirees. Assets of the Retirement Systems remain at around \$11.5 billion. As the economy improves, the Systems are poised for the opportunities and growth it will bring.

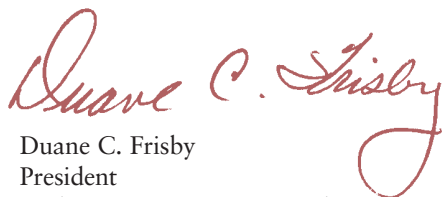
Investments show prudent, long-term planning. In 2002 as many investors saw further double-digit losses, the Systems' Investment Fund limited its decline to a negative 7.5%. The Board has successfully minimized adverse external influences by diversifying investment assets. The ability to minimize losses in an unfavorable investment environment is evidence of sound investment strategy over the long term.

401(k) and 457 plans remain important. I'm happy to report that member contribution to the 401(k) and 457 plans continued to grow. Account balances in these plans exceeded \$1.48 billion in 2002. While participants' rates of return varied in a year of market volatility, participants are increasingly diversifying their investments among the eleven available investment options to reduce risk while enhancing their potential opportunities.

Board and Staff. I express my appreciation to outgoing Board President Lily Eskelsen and to board member William N. Sheibler for their dedicated service. I'm happy to welcome two new members, each with varied expertise: Phyllis Sorensen and Phillip W. Clinger.

I also express the board's confidence and appreciation to Executive Director Robert Newman and his staff for their excellent management of the Systems.

Sincerely,



Duane C. Frisby
President
Utah State Retirement Board



Utah Retirement Systems

Retirement Board *(pictured left to right)*

<p>Phyllis Sorensen</p> <ul style="list-style-type: none"> ■ Appointed Sept. 25, 2002 ■ Term expires July 1, 2003 ■ Represents education employees 	<p>F. James Cowan Vice-President</p> <ul style="list-style-type: none"> ■ Appointed July 1, 2001 ■ Term expires July 1, 2005 ■ Represents investment community 	<p>John L. Lunt</p> <ul style="list-style-type: none"> ■ Appointed July 1, 2001 ■ Term expires July 1, 2005 ■ Represents investment community 	<p>Duane C. Frisby President</p> <ul style="list-style-type: none"> ■ Appointed July 1, 1999 ■ Term expires July 1, 2003 ■ Represents public employees 	<p>Phillip W. Clinger</p> <ul style="list-style-type: none"> ■ Appointed June 21, 2002 ■ Term expires July 1, 2005 ■ Represents investment community 	<p>Edward T. Alter</p> <ul style="list-style-type: none"> ■ Member since Jan. 1, 1981 ■ Ex-officio member ■ State Treasurer 	<p>Clifford D. White</p> <ul style="list-style-type: none"> ■ Appointed Oct. 20, 2000 ■ Term expires July 1, 2003 ■ Represents investment community
--	--	---	--	--	---	---

Executive Director



Robert V. Newman
Executive Director

Membership Council

Member/Represents

- Ms. Patti Wayman***
Chairperson
Represents Utah Public Employees Association
- Mr. Marty Peterson***
Vice-chairperson
Represents Professional Firefighters of Utah
- Mr. G. Steven Baker***
Represents Utah Association of Counties
- Sgt. Les Langford***
Represents Utah Peace Officers Association

*Executive Committee

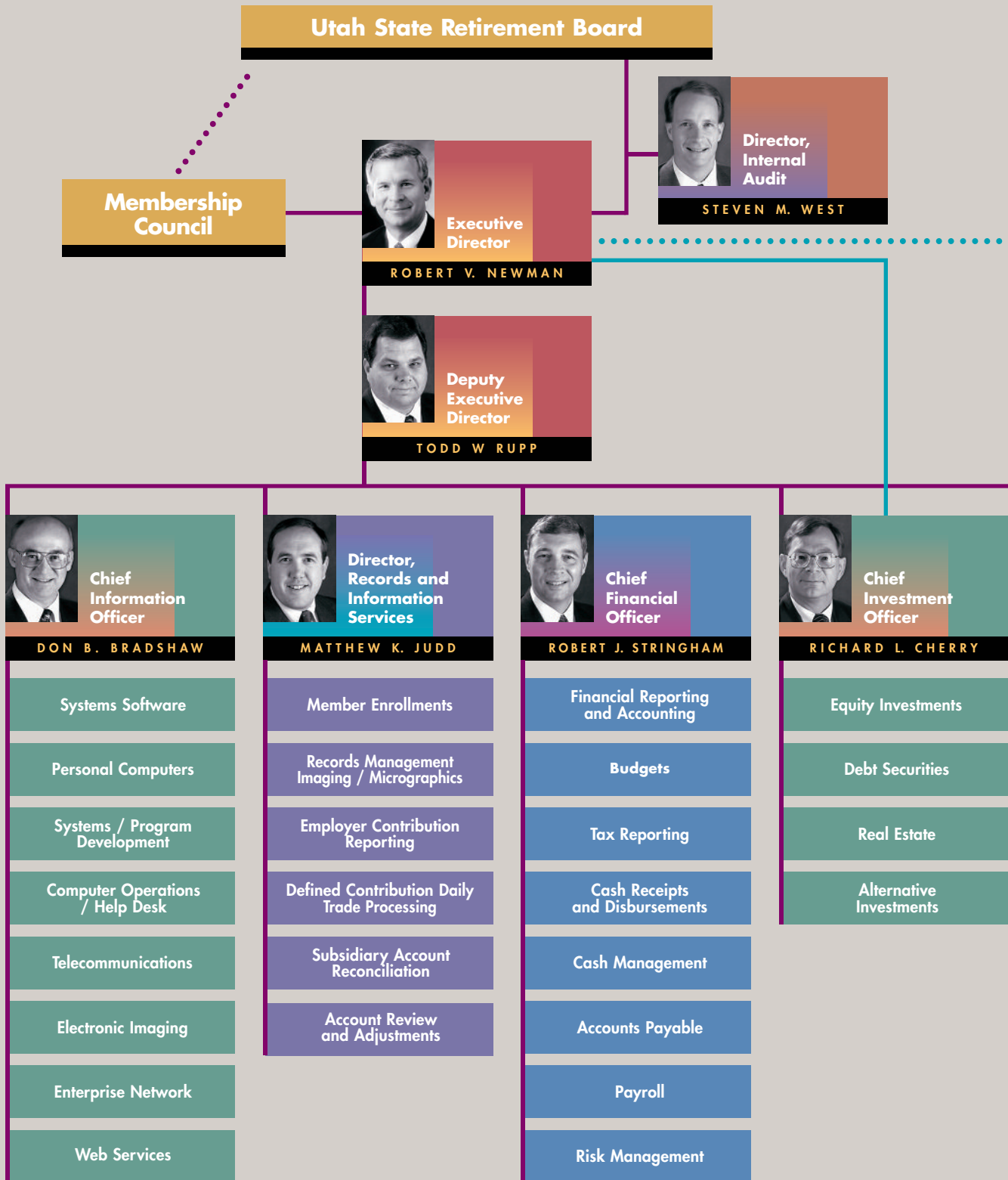
Member/Represents

- Ms. Elaine Tzourtzouklis***
Represents Utah Education Association
- Mr. Kent Abel**
Represents Utah Retired School Employees Association
- Mr. Tom Hardy**
Represents Utah League of Cities and Towns
- Mr. Dean Holbrook**
Represents Utah Association of Retired Public Employees
- Mr. Douglas B. Luke**
Represents Utah Education Association

Member/Represents

- Honorable Paul G. Maughan**
Represents Utah Judicial Council
- Ms. Pat Rusk**
Represents Utah Education Association
- Mr. Ken Serre**
Represents Utah Public Employees Association
- Ms. Patricia Thompson**
Represents Utah School Employees Association

Utah Retirement Systems Organizational Chart



PROFESSIONAL SERVICES

Actuary • Auditor • Legal • Consultants
Investment Advisors • Medical Advisor

Details for professional service providers is shown at right. Investment professionals are presented on pages 88 and 91.



**Director,
Defined
Contribution
Plans and Field
Services**

CRAIGE D. STONE

401(k) Plan

457 Plan

Education
and Marketing

Branch Office



**Director,
Human
Resources and
Administrative
Services**

DON G. PUGMIRE

Human Resources

Communications

Maintenance /
Engineering

Safety / Security



**Director,
Retirement**

SHERRIE ARCHIBALD

Retirement Benefits

Death Benefits

Redeposits, Purchases
and Adjustments

Refunds

Administrative Staff

Robert V. Newman, CPA
Executive Director

Todd W Rupp, CPA
Deputy Executive Director

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

Don B. Bradshaw
Chief Information Officer

Robert J. Stringham, CPA
Chief Financial Officer

Matthew K. Judd
Director, Member Services

Don G. Pugmire
Director, Human Resources
and Administrative Services

Sherrie Archibald
Director, Retirement

Craige D. Stone
Director, Defined Contribution
Plans and Field Services

Richard L. Cherry
Chief Investment Officer

**Professional
Consultants**

Actuary

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

Auditor

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

Legal Counsel

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

Medical Advisor

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

Other Consultants

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

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

C o n t r i b u t o r y

System Highlights

Composite Picture

Total Membership12,562

Active3,649

Terminated vested1,511

Retired7,402

2002 Active Members3,649

Average age49.7

Average years of service18.1

Average annual
salary\$38,784

2002 Retirees

Number120

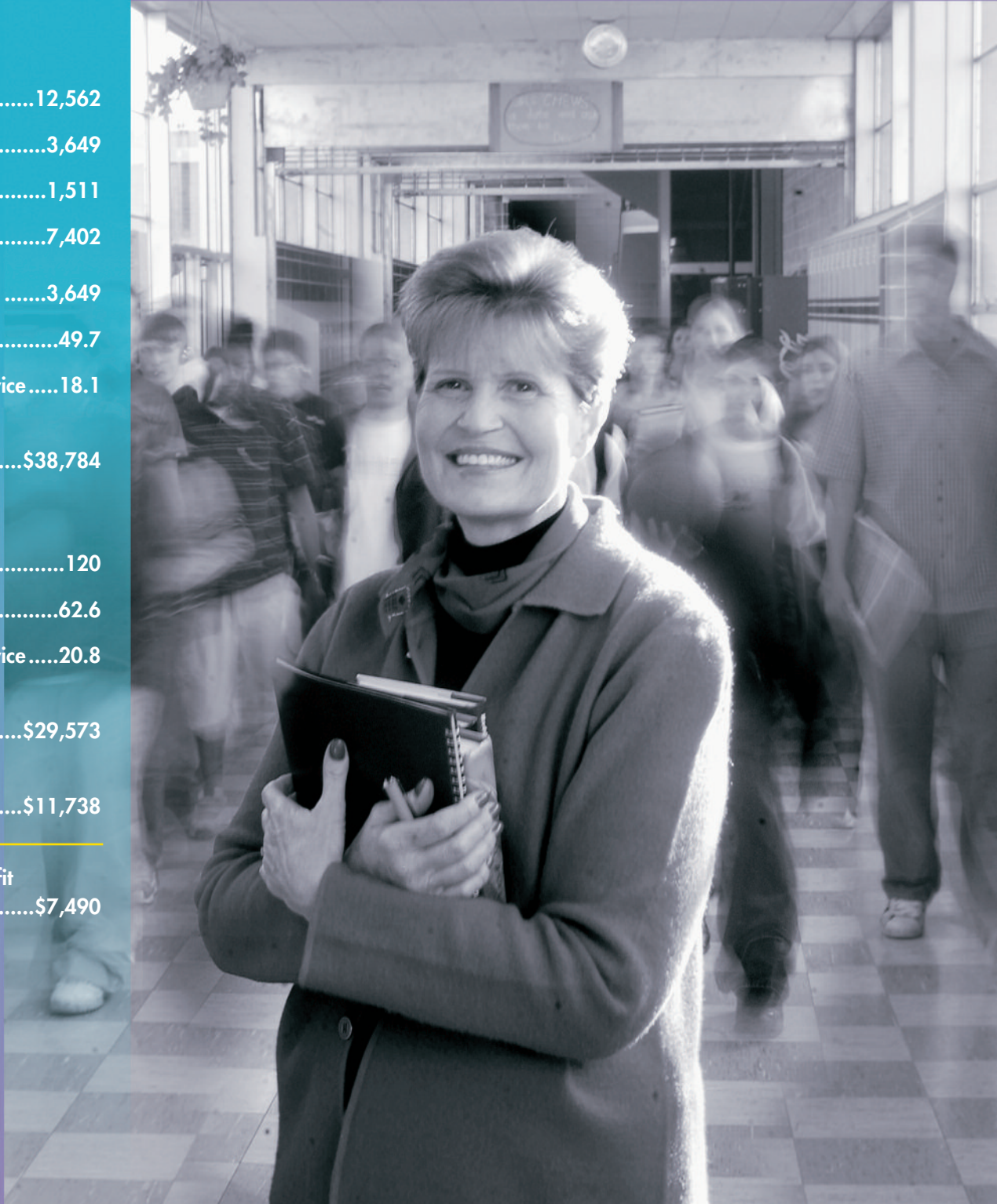
Average age62.6

Average years of service20.8

Final average
annual salary\$29,573

Average annual
benefit\$11,738

Average annual benefit
—all retirees\$7,490



Grace P. Marshall, Gear Up Grant-Site Coordinator/Reading Teacher, Provo

Contributory System Highlights

Membership

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

Service Retirement

Age	Years of Service	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

- Number of years of service before 7-1-75 x 1.25% x FAS*.
- Number of years of service after 6-30-75 x 2.0% x FAS*.
- 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.

** If FAS is \$500 or less the formula is 1.15% for each year of service before 7-1-67.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2002)

Member rate is 6.00% of covered salary. Employer rate for the State and School Division (Level A) is 5.91% of covered salary and 4.68% for the Local Government Division (Level B).

For more detail see Summary of Plan Provisions on page 106.



Additions by Source
(in millions)

	97	98	99	00	01	02
Investment Income (Loss)	\$133.3	84.7	148.8	17.5	(47.8)	(64.3)
Transfers from Systems	—	1.7	1.8	—	—	—
Member Contributions	8.5	8.4	8.5	8.5	8.6	8.9
Employer Contributions	10.7	10.7	10.8	10.5	8.5	6.7
Totals	\$152.5	105.5	169.9	36.5	(30.7)	(48.7)



Deductions by Type
(in millions)

	97	98	99	00	01	02
Benefit Payments	\$ 63.9	62.2	61.1	60.3	59.6	59.5
Administrative Expense	0.8	0.7	0.8	0.7	0.7	0.6
Refunds	4.7	4.2	4.2	5.0	3.1	3.7
Transfers to Systems	52.0	27.7	27.4	54.6	8.4	15.4
Totals	\$121.4	94.8	93.5	120.6	71.8	79.2



Funding Progress with Funded Ratios
(dollars in millions)

	97	98	99	00	01	02
Actuarial Value of Assets	\$809.4	840.2	878.2	924.6	927.5	859.4
Accrued Actuarial Liability	880.5	892.0	894.5	935.8	948.9	975.3
Funded Ratios	92%	94%	98%	99%	98%	88%

Noncontributory

System Highlights

Composite Picture

Total Membership123,784

Active82,486

Terminated vested20,632

Retired20,666

2002 Active Members82,486

Average age44.3

Average years of service9.9

Average annual salary\$35,481

2002 Retirees

Number1,737

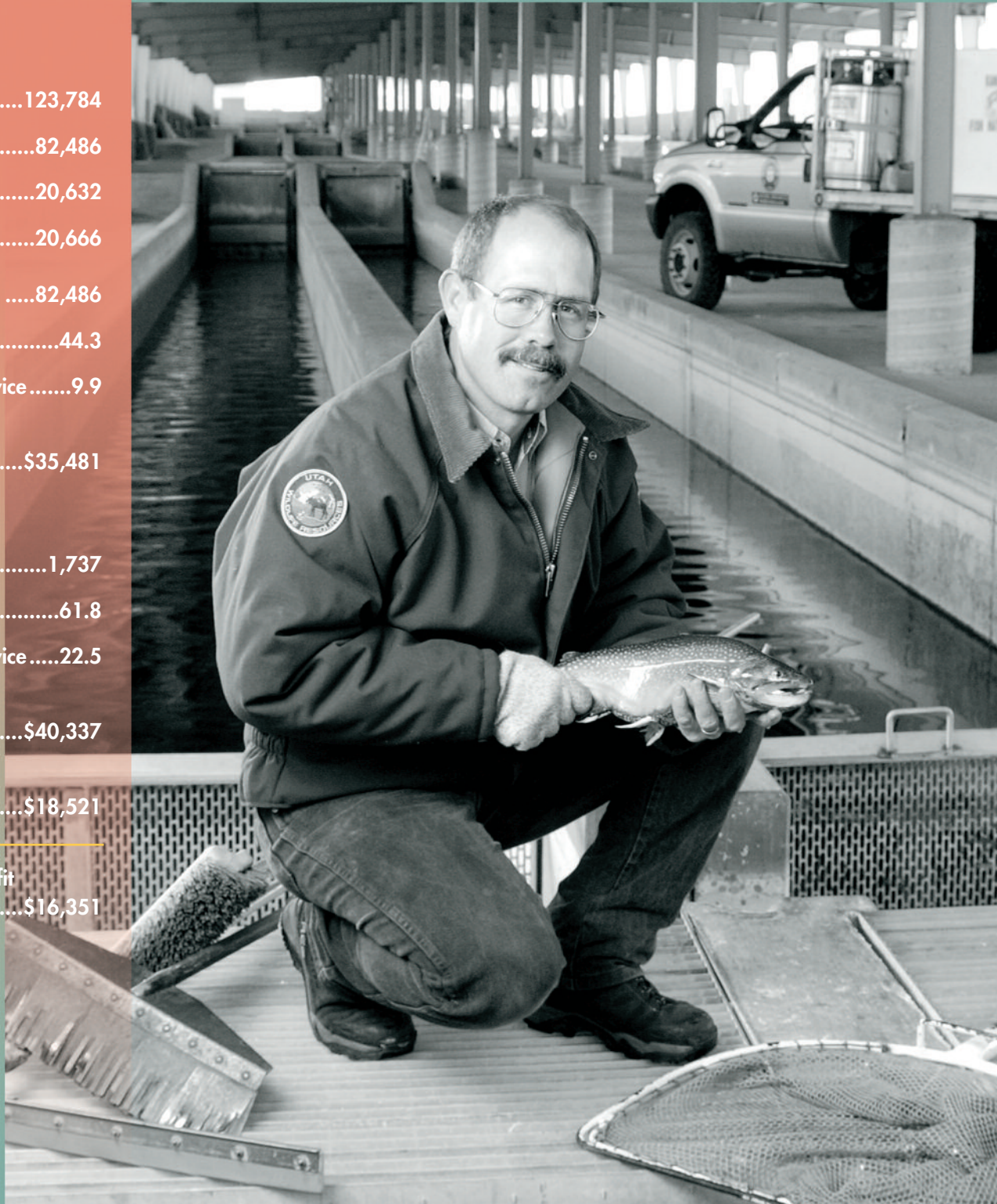
Average age61.8

Average years of service22.5

Final average annual salary\$40,337

Average annual benefit\$18,521

Average annual benefit
—all retirees\$16,351



Ted Hallows, Kamas Hatchery Supervisor, Kamas

Noncontributory System Highlights

Membership

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

Service Retirement

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.

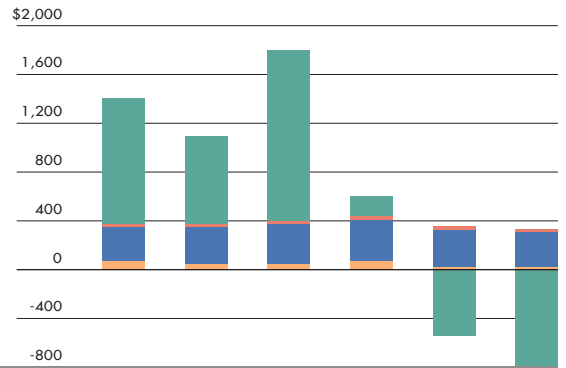
Contribution Rates (as of 12-31-2002)

Employer rate for the State and School Division (Level A) is 10.40% of covered salary and 8.69% for the Local Government Division (Level B).

For more detail see Summary of Plan Provisions on page 107.



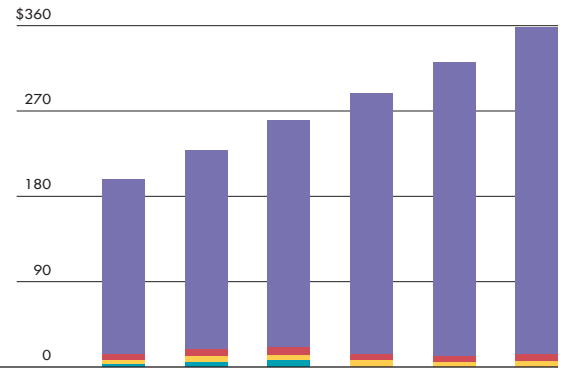
Additions by Source
(in millions)



	97	98	99	00	01	02
Investment Income (Loss)	\$1,047.2	734.4	1,421.4	186.8	(544.8)	(788.9)
Member Contributions	7.3	7.7	10.9	11.5	11.0	12.5
Employer Contributions	294.9	318.6	338.7	352.3	332.0	291.3
Transfers from Systems	50.3	27.2	28.0	51.0	5.3	12.2
Totals	\$1,399.7	1,087.9	1,799.0	601.6	(196.5)	(472.9)



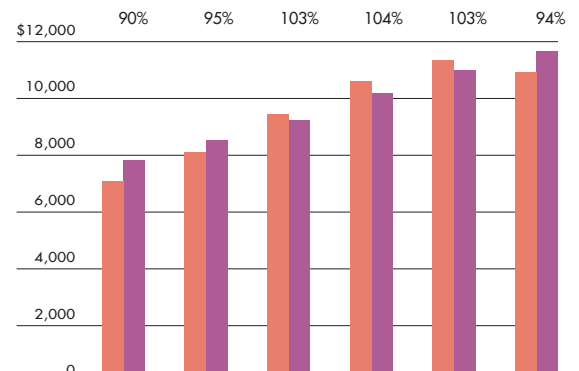
Deductions by Type
(in millions)



	97	98	99	00	01	02
Benefit Payments	\$186.3	213.8	243.8	276.9	311.3	348.2
Administrative Expense	6.3	6.5	7.1	6.8	6.7	7.1
Refunds	5.0	4.5	4.3	5.3	3.3	3.7
Transfers to Systems	0.3	3.5	4.7	—	—	—
Totals	\$197.9	228.3	259.9	289.0	321.3	359.0



Funding Progress with Funded Ratios
(dollars in millions)



	97	98	99	00	01	02
Actuarial Value of Assets	\$6,922.6	7,931.2	9,237.4	10,361.3	11,104.3	10,888.5
Accrued Actuarial Liability	7,654.3	8,335.7	9,006.3	9,933.5	10,806.0	11,628.2
Funded Ratios	90%	95%	103%	104%	103%	94%

Public Safety

System Highlights

Composite Picture

Total Membership10,674

Active6,966

Terminated vested987

Retired2,721

2002 Active Members6,966

Average age38.6

Average years of service8.8

Average annual salary\$39,004

2002 Retirees

Number162

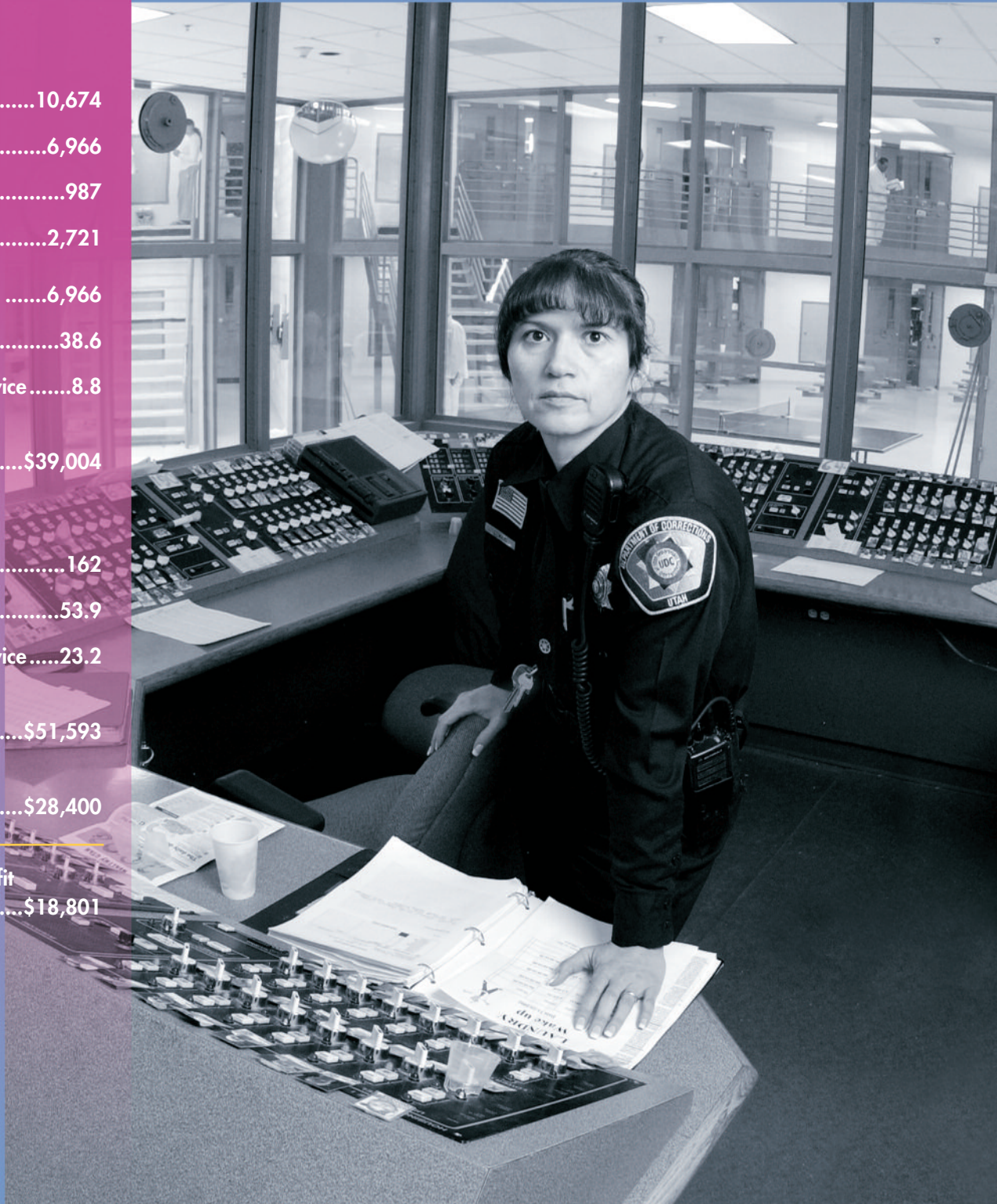
Average age53.9

Average years of service23.2

Final average annual salary\$51,593

Average annual benefit\$28,400

Average annual benefit
—all retirees\$18,801



Lucia Rodriguez Weis, Correctional Officer, Gunnison

Public Safety System Highlights

Membership

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

Service Retirement

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.

**Benefits paid cannot exceed 70% of FAS.

Cost of Living Allowance

Up to 2.5% annually on original retirement benefit.

Contribution Rates (as of 12-31-2002)

Contributory

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

Employer rates range from 2.17% to 15.50% of covered salary.

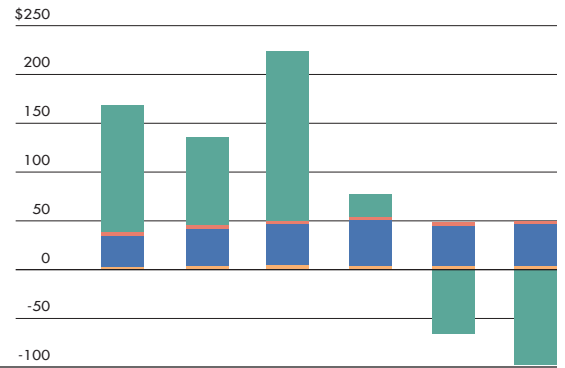
Noncontributory

Employer rates range from 13.89% to 28.27% of covered salary.

For more detail see Summary of Plan Provisions on page 108.



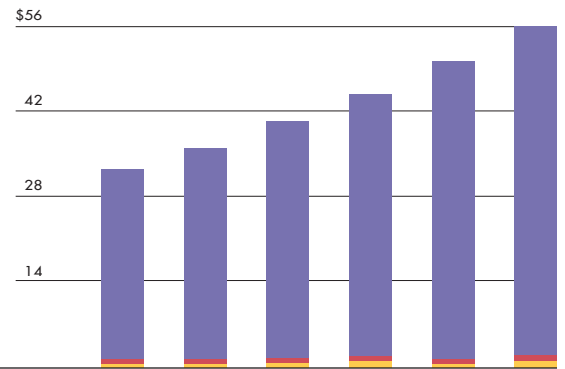
Additions by Source
(in millions)



	97	98	99	00	01	02
Investment Income (Loss)	\$132.5	92.3	177.0	23.2	(67.7)	(97.8)
Member Contributions	4.3	4.5	3.9	4.1	4.0	4.3
Employer Contributions	34.2	40.1	45.1	49.4	46.1	42.3
Transfers from Systems	0.9	1.9	2.3	2.0	1.4	2.0
Totals	\$171.9	138.8	228.3	78.7	(16.2)	(49.2)



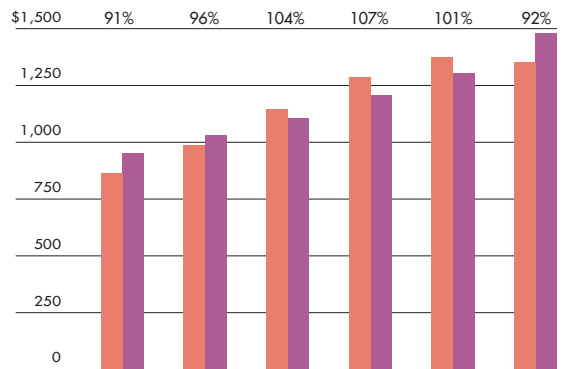
Deductions by Type
(in millions)



	97	98	99	00	01	02
Benefit Payments	\$31.0	34.4	38.5	42.8	48.6	54.0
Administrative Expense	0.8	0.8	0.9	0.8	0.8	0.9
Refunds	0.6	0.6	0.7	1.0	0.5	1.2
Totals	\$32.4	35.8	40.1	44.6	49.9	56.1



Funding Progress with Funded Ratios
(dollars in millions)



	97	98	99	00	01	02
Actuarial Value of Assets	\$867.2	988.8	1,146.3	1,287.0	1,376.5	1,349.5
Accrued Actuarial Liability	952.1	1,034.1	1,105.2	1,206.9	1,366.1	1,473.9
Funded Ratios	91%	96%	104%	107%	101%	92%

Firefighters

System Highlights

Composite Picture

Total Membership2,478

Active1,538

Terminated vested55

Retired885

2002 Active Members1,538

Average age39.2

Average years of service10.5

Average annual salary\$46,548

2002 Retirees

Number32

Average age53.8

Average years of service24.6

Final average annual salary\$53,479

Average annual benefit\$31,649

Average annual benefit
—all retirees\$22,131



Brian Christensen, Engineer/Hazardous Materials Technician, Murray

Firefighters System Highlights

Membership

The Firefighters Retirement System includes 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.

**Benefits paid cannot exceed 70% of FAS.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2002)

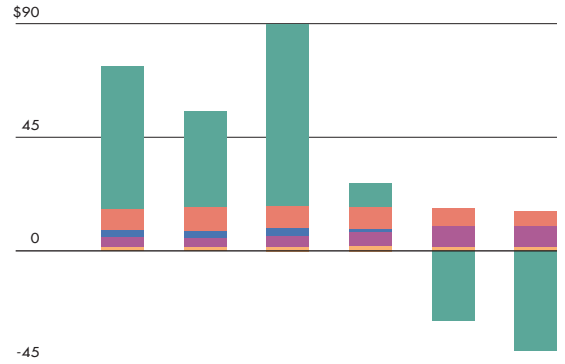
Member rate for Division A (with Social Security) is 7.82% of covered salary and 7.83% for Division B (without Social Security).

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

For more detail see Summary of Plan Provisions on page 110.



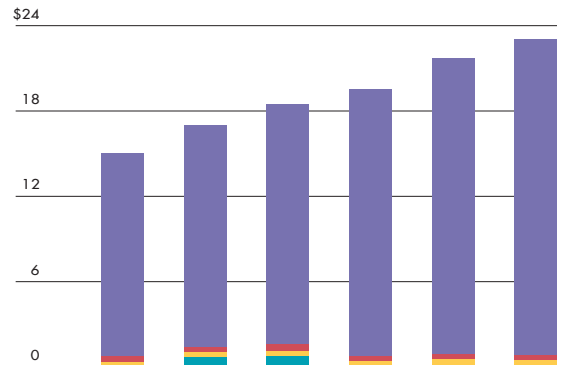
Additions by Source
(in millions)



	97	98	99	00	01	02
Investment Income (Loss)	\$57.5	39.7	75.2	9.7	(28.0)	(40.2)
Member Contributions	8.4	8.8	9.4	9.6	7.5	5.8
Employer Contributions	2.8	2.5	1.2	0.1	—	—
Fire Insurance Tax	4.6	4.4	4.5	6.6	8.4	9.5
Transfers from Systems	0.3	0.4	0.5	1.3	1.5	0.7
Totals	\$73.6	55.8	90.8	27.3	(10.6)	(24.2)



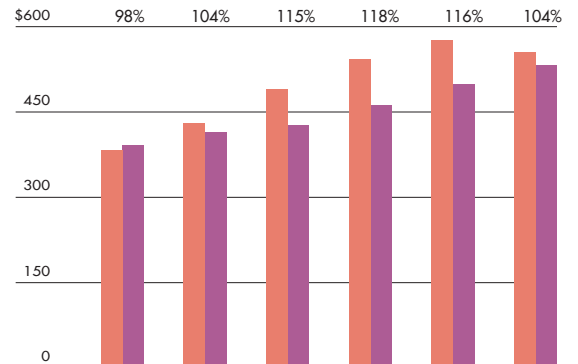
Deductions by Type
(in millions)



	97	98	99	00	01	02
Benefit Payments	\$14.3	15.7	17.0	18.7	20.8	22.3
Administrative Expense	0.3	0.3	0.4	0.3	0.3	0.3
Refunds	0.3	0.3	0.3	0.3	0.5	0.4
Transfers to Systems	—	0.5	0.6	—	—	—
Totals	\$14.9	16.8	18.3	19.3	21.6	23.0



Funding Progress with Funded Ratios
(dollars in millions)



	97	98	99	00	01	02
Actuarial Value of Assets	\$376.2	423.4	483.4	536.5	569.2	553.6
Accrued Actuarial Liability	385.0	407.7	419.2	455.5	491.3	530.2
Funded Ratios	98%	104%	115%	118%	116%	104%

J u d g e s

System Highlights

Composite Picture

Total Membership188

Active103

Terminated vested8

Retired77

2002 Active Members103

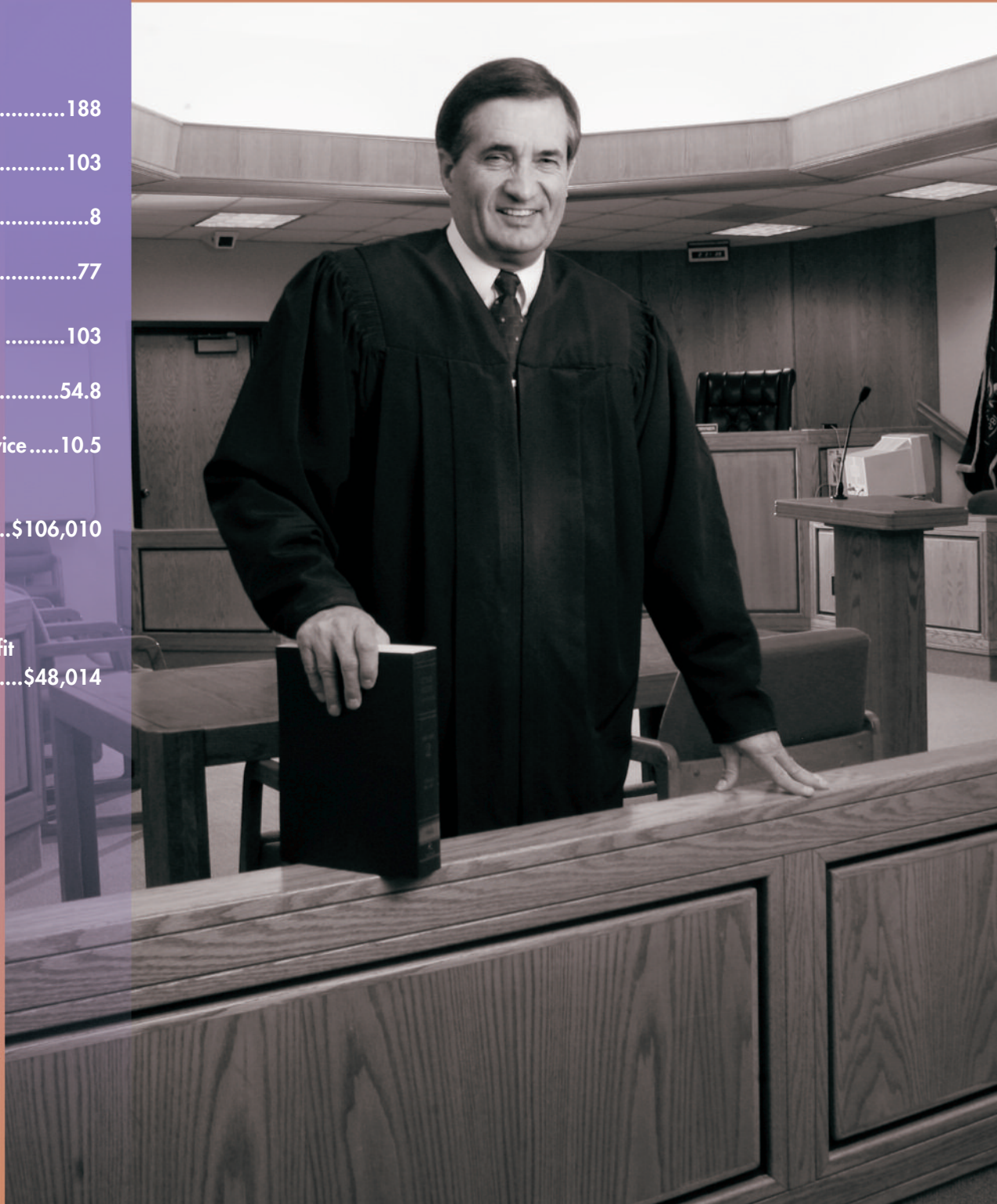
Average age54.8

Average years of service10.5

Average annual salary\$106,010

Retirees

Average annual benefit
—all retirees\$48,014



Judge Bryce K. Bryner, 7th District Court, Price

Judges System Highlights

Membership

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.

**Benefits paid cannot exceed 75% of FAS.

Cost of Living Allowance

Up to 4% compounded annually.

Contribution Rates (as of 12-31-2002)

Contributory

Member rate is 4.92% of covered salary.
Employer rate is 0.00% of covered salary.

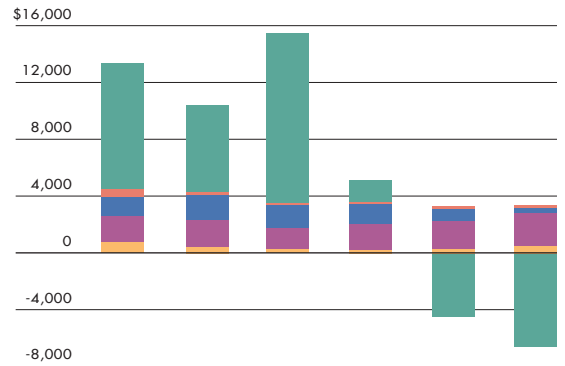
Noncontributory

Employer rate is 4.92% of covered salary.

For more detail see Summary of Plan Provisions on page 112.



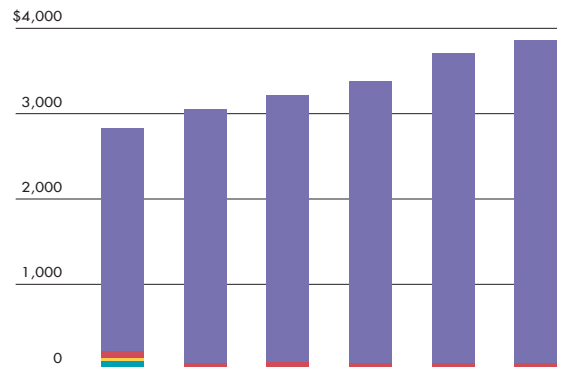
Additions by Source
(in thousands)



	97	98	99	00	01	02
Investment Income (Loss)	\$ 8,933	6,260	12,048	1,571	(4,559)	(6,564)
Member Contributions	482	15	8	8	7	5
Employer Contributions	1,305	1,792	1,637	1,476	1,007	472
Court Fees	1,901	1,912	1,681	1,946	2,046	2,381
Transfers from Systems	754	427	116	183	239	560
Totals	\$13,375	10,406	15,490	5,184	(1,260)	(3,146)



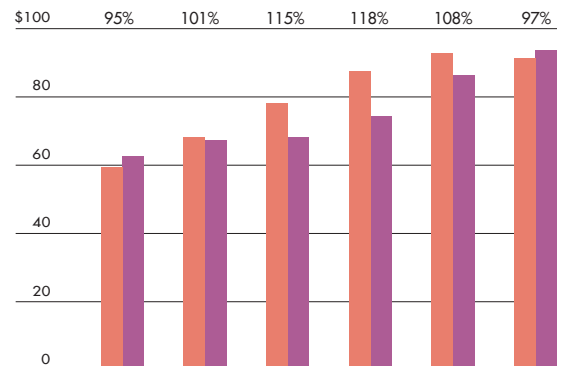
Deductions by Type
(in thousands)



	97	98	99	00	01	02
Benefit Payments	\$2,690	3,002	3,160	3,322	3,659	3,804
Administrative Expense	55	53	59	52	52	57
Refunds	8	—	—	—	—	—
Transfers to Systems	80	—	—	—	—	—
Totals	\$2,833	3,055	3,219	3,374	3,711	3,861



Funding Progress with Funded Ratios
(dollars in millions)



	97	98	99	00	01	02
Actuarial Value of Assets	\$59.4	68.0	78.1	87.1	92.6	90.9
Accrued Actuarial Liability	62.4	67.2	68.1	74.0	86.0	93.4
Funded Ratios	95%	101%	115%	118%	108%	97%

Governors and Legislative Pension Plan Highlights

Composite Picture

Total Membership409

Active91

Terminated vested87

Retired231

2002 Active Members91

Average age51.1

Average years of service6.2

Average annual
salary\$6,454

2002 Retirees

Number7

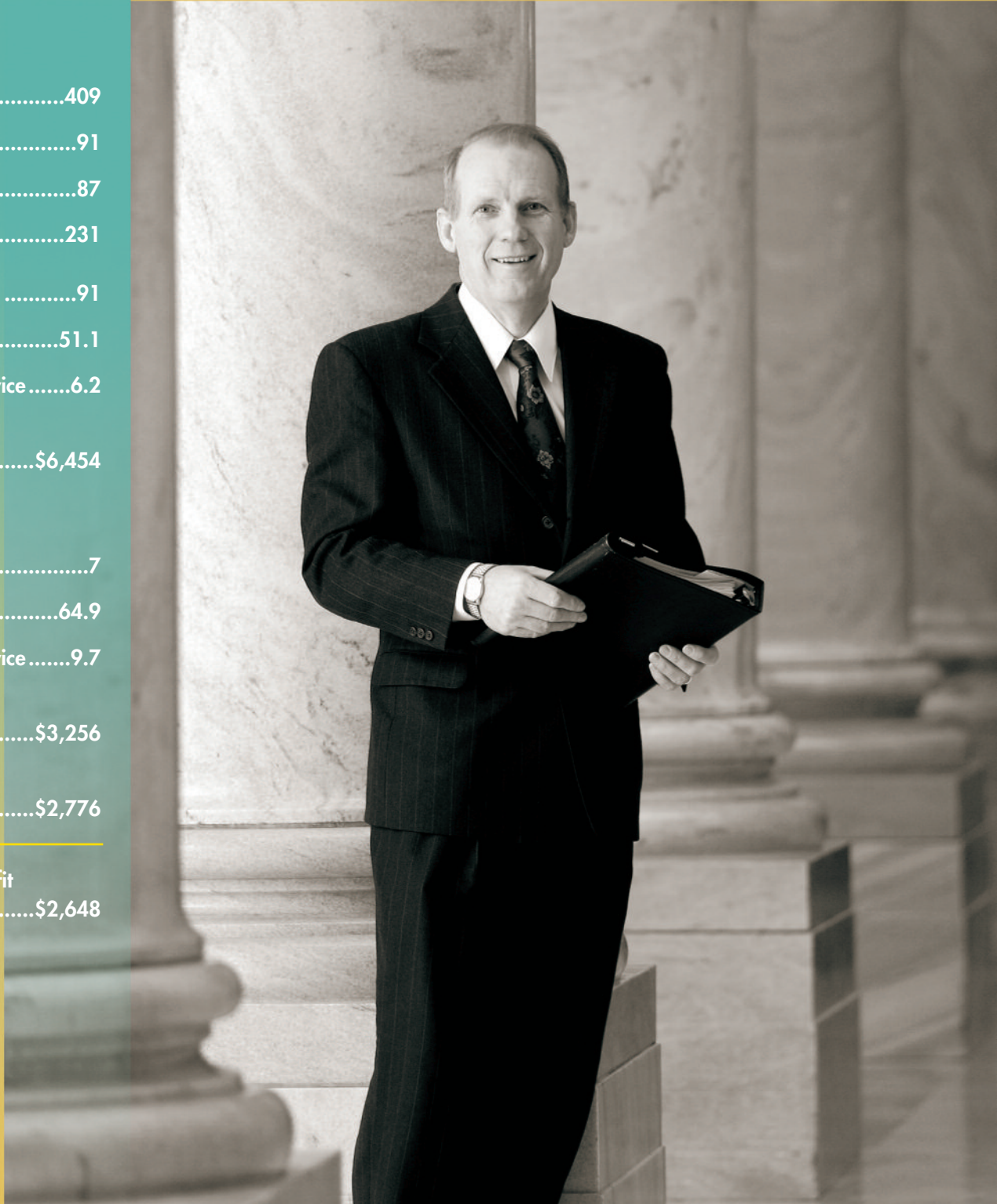
Average age64.9

Average years of service9.7

Final average
annual salary\$3,256

Average annual
benefit\$2,776

Average annual benefit
—all retirees\$2,648



Ron Bigelow, Utah State Representative, District 32: Salt Lake County

Governors and Legislative Pension Plan Highlights

Membership

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

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 12-31-02 is \$1,080 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 12-31-02 is \$24.00.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2002)

There are currently no required contributions.

For more detail see Summary of Plan Provisions on page 113.



Additions by Source

(in thousands)

	97	98	99	00	01	02
Investment Income (Loss)	\$1,481	973	1,757	218	(595)	(806)
Transfers from Systems	15	16	17	16	18	3
Totals	\$1,496	989	1,774	234	(577)	(803)



Deductions by Type

(in thousands)

	97	98	99	00	01	02
Benefit Payments	\$519	538	583	662	691	708
Administrative Expense	6	6	6	6	6	5
Refunds	1	—	2	1	2	0
Totals	\$526	544	591	669	699	713



Funding Progress with Funded Ratios

(dollars in millions)

	97	98	99	00	01	02
Actuarial Value of Assets	\$9.3	10.0	10.9	11.6	11.7	10.7
Accrued Actuarial Liability	7.0	7.3	8.3	7.9	8.2	8.1
Funded Ratios	133%	137%	131%	147%	143%	132%

401(k) and 457 Plan Highlights

The purpose of the 401(k) and 457 Plans is to allow public employees throughout Utah to adequately prepare themselves for retirement by investing a portion of their pre-tax income in one or both of these supplemental

retirement plans. It has long been recognized that for employees to experience the comfortable and rewarding retirement they desire, they cannot rely entirely upon Social Security and their employer-provided retirement. Employees must take the initiative to personally put aside a portion of their salary into some type of long-term savings plan.

The Plans provide the following benefits:

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

Each year the number of employees participating in these

plans increases. Individuals may participate in more than one option. As of December 31, 2002 the number of participants by investment option are shown to the right.

Annualized rates of returns for the Investment Funds are shown on page 91.

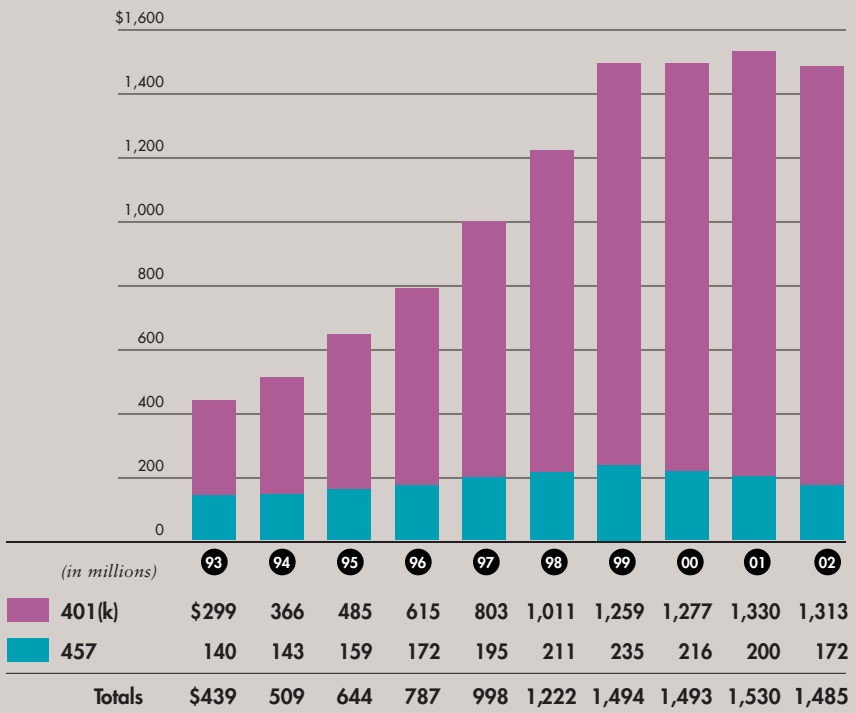
Membership Information

At December 31, 2002

	401(k)	457
Number of active employees eligible to participate	88,586	78,396
Employee contributions (excluding employer contributions):		
Number of employees contributing	38,673	3,608
Percent of eligible employees contributing	43.7%	4.6%
Average percent of salary deferred by employees	6.0%	6.8%
Total participants	122,125	10,325
Average participant account balance	\$10,749	16,616

401(k) and 457 Member Balances

(in millions)



Financial Section

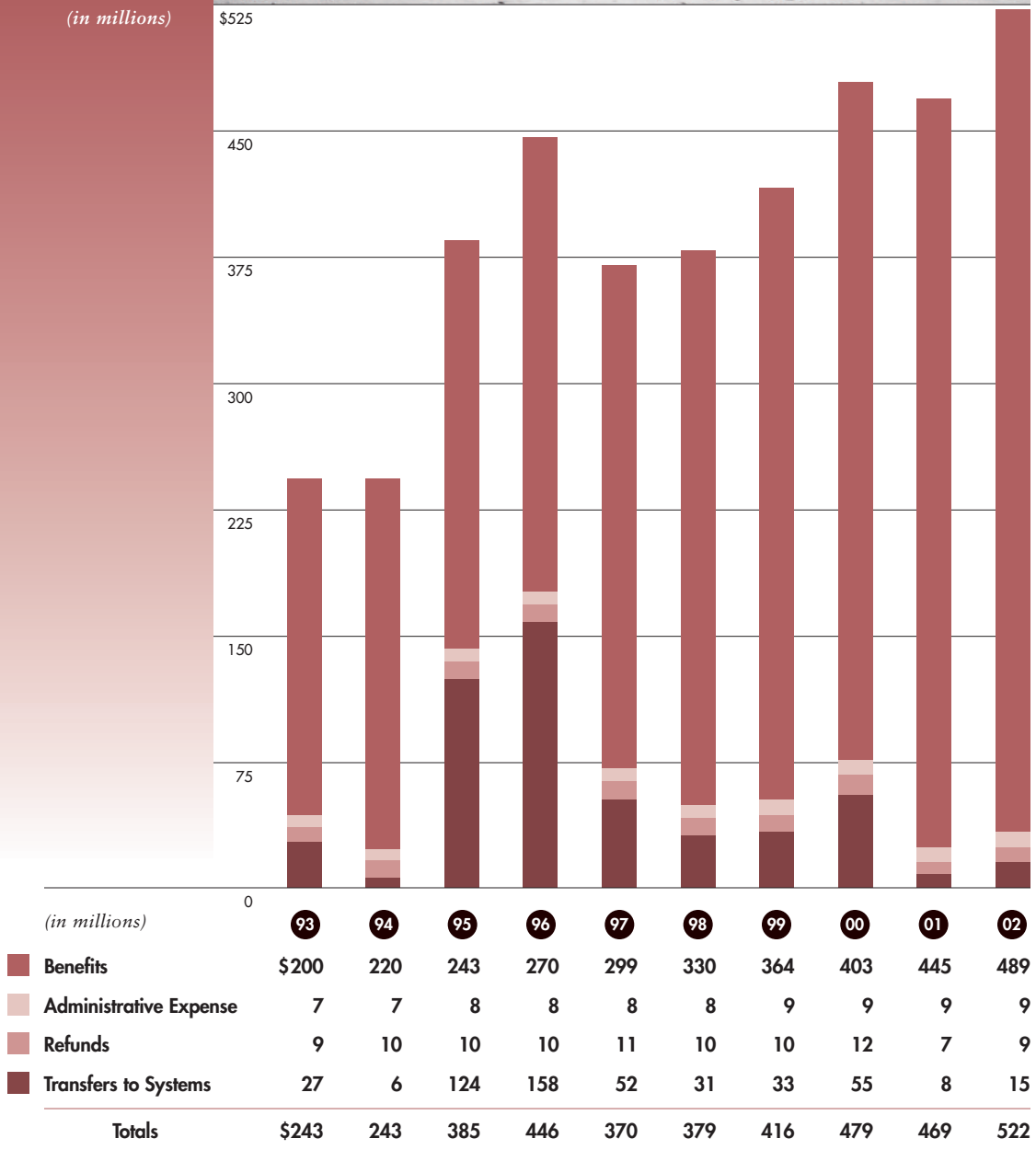


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- 28 Management's Discussion and Analysis
- 38 Basic Financial Statements
- 52 Required Supplementary Information
- 56 Individual Retirement Systems' Schedules by Division
- 76 401(k) and 457 Plans' Schedules by Investment Fund
- 80 Schedules of Administrative and Investment Expenses

All Retirement Systems

Deductions
by Type

(in millions)



Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

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, 2002, and for the year then ended, listed in the foregoing table of contents. These financial statements are the responsibility of the management of Utah Retirement Systems. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, such basic financial statements present fairly, in all material respects, the plan net assets of the pension trust funds of Utah Retirement Systems administered by the Utah State Retirement Board as of December 31, 2002, and the changes in plan net assets of the pension trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2003, on our consideration of Utah Retirement Systems' internal control over financial reporting and our tests of their compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

February 28, 2003

**Deloitte
Touche
Tohmatsu**

Management Discussion and Analysis

This section presents management's discussion and analysis of the Utah Retirement Systems' (URS) financial position and performance for the year ended December 31, 2002. It is presented as a narrative overview and analysis. Please read it in conjunction with the Letter of Transmittal included in the Introductory Section, the financial statements and other information which are presented in the Financial Section of this Comprehensive Annual Financial Report.

URS is responsible for administering retirement and defined contribution benefits for State, local government and public education employees in the State of Utah. URS is comprised of six defined benefit pension systems (Systems) and two defined contribution plans (Plans). The six defined benefit pension systems are the Public Employees Contributory Retirement System (Contributory System), the Public Employees Noncontributory Retirement System (Noncontributory System), the Public Safety Retirement System (Public Safety System), the Firefighters Retirement System (Firefighters System), the Judges Retirement System (Judges System) and the Governors and Legislative Pension Plan (Governors and Legislative Plan). The two defined contribution plans (Plans) are the 401(k) and 457 Plans. All of these Systems and Plans are defined as pension (and other employee benefit) trust funds, which are fiduciary funds. Throughout this discussion and analysis units of measure (i.e. billions, millions, thousands) are approximate, being rounded up or down to the nearest tenth of the respective unit value.

Financial Highlights

- **The URS Defined Benefit Pension Systems' combined total net assets decreased by \$1.1 billion, or 8.9 percent during calendar year 2002. The decrease was primarily due to the continued downturn in equity markets and increasing benefit payments.**
- **The URS Defined Benefit Pension Systems' rate of return on investments during calendar year 2002 was negative 7.5 percent compared with calendar year 2001 rate of return of negative 5.0 percent. The decrease in rate of return was due primarily to the continued downturn in equity markets.**
- **The URS Defined Benefit Pension Systems were actuarially funded at an average of 102.7 percent as of January 1, 2002, a decrease from the comparative average of 104.7 percent as of January 1, 2001. During 2002 the funded ratio further declined from 102.7 percent at the beginning of the year to 93.5 percent at December 31, 2002 due to lower than expected investment returns.**
- **The Defined Contribution Plans' net assets decreased \$45.2 million during calendar year 2002 due to investment losses from the continued downturn in equity markets and participant withdrawals.**
- **The Defined Contribution Plans' rates of return for investment options ranged from a high of 10.5 percent to a low of negative 29.9 percent compared to prior year investment option returns of a high of 12.8 and a low of negative 21.2 percent.**

Management 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, 2002. 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, 2002, basic financial statements are presented for the fiduciary funds administered by URS. Fiduciary funds are used to account for resources held for the benefit of parties outside of URS. The fiduciary fund is comprised of eight pension (and other employee benefit) trust funds which consist of six defined benefit systems and two defined contribution plans.

■ The Statements of Fiduciary Net Assets are presented for the pension trust funds at December 31, 2002 with combined total comparative information at December 31, 2001. 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, 2002 with combined total comparative information for the year ended December 31, 2001. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries, for calendar years 2002 and 2001.

(2) Notes to the Basic Financial Statements. The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. Information in the Notes to the Basic Financial Statements is described below.

■ Note 1 provides a general description of URS as well as a description of each of the Systems and Plans administered by URS and a summary of benefits. Information regarding employer and member participation in the Systems and Plans administered by URS is also provided.

■ Note 2 provides a summary of significant accounting policies, including the basis of accounting, investment accounting poli-

cies, management's use of estimates, information regarding the implementation of new accounting pronouncements, and other significant accounting policies.

- Note 3 describes investments, investing authority, investment risk categorizations, and additional information about cash, securities lending, and derivatives.
- Note 4 explains property and equipment of URS including depreciation and net carrying amounts.
- Note 5 provides information about actuarial values and methods for the defined benefit systems administered by URS.
- Note 6 provides information about contributions to the defined benefit systems administered by URS.
- Note 7 explains transfers to or from affiliated systems.
- Note 8 describes supplemental benefits.
- Note 9 provides information about litigation.
- Note 10 describes commitments for investment funding.
- Note 11 provides information about post employment benefit and insurance reserves.
- Note 12 describes required supplementary information.
- Note 13 provides information about risk management of URS.
- Note 14 provides information about mortgages payable.

(3) Required Supplementary Information. The required supplementary information consists of two schedules and related notes

Management Discussion and Analysis *(Continued)*

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, 2002, URS Defined Benefit Systems had total net assets of \$11.5 billion, a decrease of \$1.1 billion from calendar year 2001 investment totals. The combined investment portfolio experienced a return of negative 7.5 percent compared with the URS investment benchmark return of a negative 8.4 percent. Investment results over time compared with URS benchmarks are presented on page 86 in the Investment Section.

Since investment losses in all of the retirement systems were about 7.5 percent of net assets, further investment performance will not be evaluated in each respective system.

Equities

At December 31, 2002, URS Defined Benefit Systems held \$6.4

billion in U.S. and international equity securities, a decrease of \$674 million from year 2001. U.S. equity and international equity securities had negative returns of 19.7 percent and 9.6 percent respectively, for the 2002 calendar year, compared to URS benchmark returns of negative 21.1 percent and negative 13.8 percent respectively.

Debt Securities

At December 31, 2002, URS Defined Benefit Systems held \$2.7 billion in U.S. debt and international debt securities, a decrease of \$764.9 million from year 2001. U.S. debt securities returned 6.5 percent while international debt securities returned 17.6 percent in calendar year 2002 compared with URS benchmark returns of 9.2 percent and 19.0 percent respectively.

Real Estate

At December 31, 2002, URS Defined Benefit Systems held \$1.1 billion in real estate investments, an increase of \$47.4 million from year 2001. Real estate investments returned 5.5 percent in calendar year 2002 which was below the URS benchmark return of 7.2 percent.

Alternative Investments

At December 31, 2002, URS Defined Benefit Systems held \$762.0 million in alternative investments, an increase of \$84.4 million from year 2001. Alternative investments returned a negative 10.8 percent in calendar year 2002. Alternative investments do not have a benchmark but have an annualized long term target assumption of 15 percent.

Short Term

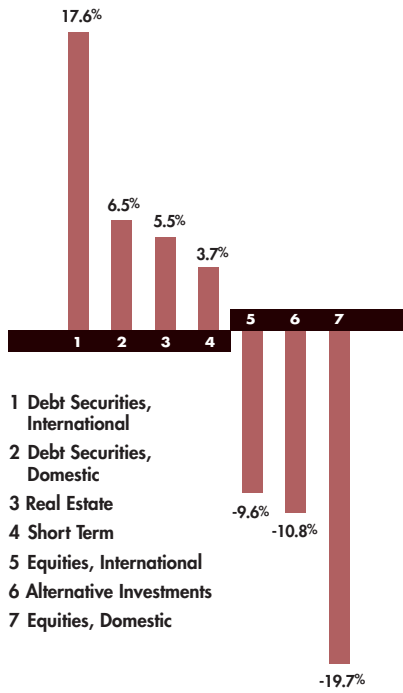
At December 31, 2002, URS Defined Benefit Systems held \$763.4 million in short-term investments, an increase of \$160.4 million from year 2001. Short-term investments returned 3.7 percent in calendar year 2002, which compared to the URS benchmark return of 1.8 percent.

Security Lending

The Systems earn additional investment income by lending investment securities to brokers. This is done on a pooled basis by URS's custodial bank, The Northern Trust Company (TNT). The brokers provide collateral to TNT and generally use the borrowed securities to cover short sales and failed trades. TNT invests the cash collateral received from the brokers in order to earn interest. At December 31, 2002, the Systems had \$1.38 billion on loan secured by collateral of \$1.42 billion. For calendar year 2002, net securities lending income to the Systems amounted to \$4.4 million, a decrease of \$0.7 million under calendar year 2001. The decrease in security lending revenue for year 2002 represents mainly a decrease in demand by brokers to borrow available securities.

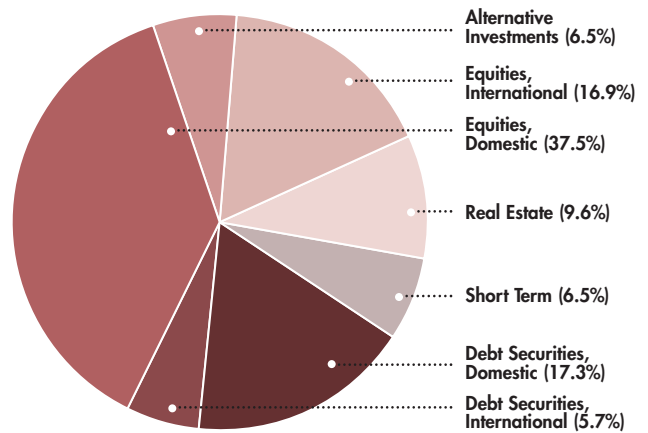
Management Discussion and Analysis *(Continued)*

Defined Benefit Systems Investment Rates of Return by Investment Type for 2002



Defined Benefit Systems Asset Allocation at Fair Value

December 31, 2002



Analysis of Individual Systems:

Contributory System

The Contributory system provides retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2002 totaled \$716.1 million, a decrease of \$127.9 million (15.1 percent) from \$844.0 million at December 31, 2001.

Additions to the Contributory System net assets held in trust for benefits include employer and member contributions and investment income. For the 2002 calendar year, member and employer contributions decreased from \$17.1 million for the calendar year 2001 to \$15.7 million, a decrease of \$1.4 million (8.3 percent). Contributions declined because

contribution rates decreased and the number of currently employed members for whom contributions are paid decreased. 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 loss of \$64.3 million for the 2002

calendar year compared with net investment losses of \$47.8 million for the 2001 calendar year. The decrease in investment income was mainly due to the continued downturn in equity markets during 2002.

Deductions from the Contributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers to other systems. For the 2002 calendar year, benefits amounted to \$63.2 million, an increase of \$551 thousand (.9 percent) from 2001 calendar year. The increase in benefit payments was due to COLA increases. For the 2002 calendar year, the costs of administering the system totaled \$624 thousand, a decrease of \$30 thousand (4.6 percent) from calendar year 2001.

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

Management Discussion and Analysis *(Continued)*

Fiduciary Net Assets—Pension Trust Funds

December 31

(dollars in thousands)

	Contributory System		Noncontributory System		Public Safety System	
	2002	2001	2002	2001	2002	2001
Assets:						
Cash and receivables	\$ 8,779	11,242	119,144	141,421	14,354	17,108
Investments at fair value	734,470	865,614	9,298,185	10,149,927	1,152,758	1,260,669
Invested securities lending collateral	85,494	105,414	1,082,326	1,236,060	134,183	153,526
Property and equipment	321	370	4,058	4,340	503	539
Total assets	829,064	982,640	10,503,713	11,531,748	1,301,798	1,431,842
Liabilities:						
Securities lending liability	85,494	105,414	1,082,326	1,236,060	134,183	153,526
Investment accounts and other payables	27,438	33,244	347,621	389,886	43,066	48,413
Total liabilities	112,932	138,658	1,429,947	1,625,946	177,249	201,939
Total net assets	\$ 716,132	843,982	9,073,766	9,905,802	1,124,549	1,229,903

Changes in Fiduciary Net Assets—Pension Trust Funds

Year Ended December 31

(dollars in thousands)

	Contributory System		Noncontributory System		Public Safety System	
	2002	2001	2002	2001	2002	2001
Additions:						
Contributions	\$ 15,658	17,084	303,752	342,920	46,522	50,089
Investment income (loss)	(64,251)	(47,761)	(788,906)	(544,848)	(97,816)	(67,688)
Transfers from affiliated systems	—	—	12,166	5,255	1,956	1,416
Total additions	(48,593)	(30,677)	(472,988)	(196,673)	(49,338)	(16,183)
Deductions:						
Pension benefits	59,497	59,575	348,230	311,311	53,962	48,607
Refunds	3,716	3,087	3,715	3,264	1,155	542
Administrative expenses	624	654	7,103	6,695	899	843
Transfers to affiliated systems	15,420	8,445	—	—	—	—
Total deductions	79,257	71,761	359,048	321,270	56,016	49,992
Increase (decrease) in net assets	\$(127,850)	(102,438)	(832,036)	(517,943)	(105,354)	(66,175)

actuarial valuation, January 1, 2002, the funded status of the system decreased to 97.7 percent from 98.8 percent at January 1, 2001. The amount by which the Contributory System actuarial assets were under actuarial benefit liabilities was \$21.4 million at January 1, 2002, compared with \$11.2 million at January 1, 2001. The decrease in funded status as of the last actuarial valuation is a result of the lower than expected investment returns over the last 3 years.

Noncontributory System

The Noncontributory System provides retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2002 totaled \$9.1 billion, a decrease of \$832.0 million (8.4 percent) from \$9.9 billion at December 31, 2001.

Additions to the Noncontributory System net assets held in trust for benefits include employer contributions, investment income and inter system transfers. For the 2002 calendar year, member and employer contributions decreased from \$342.9 million for the calendar year 2001 to \$303.8 million, a decrease of \$39.2 million (11.4 percent). Contributions decreased because contribution rates decreased. The system recognized a net investment loss of \$788.9

Management Discussion and Analysis *(Continued)*

Firefighters System		Judges System		Governors and Legislative Pension Plan		Total Defined Benefit Pension Plans		Total Percent Change
2002	2001	2002	2001	2002	2001	2002	2001	
5,364	8,295	1,176	1,190	101	130	148,918	179,386	(17.0)%
473,440	520,019	77,435	84,790	9,169	10,725	11,745,457	12,891,744	(8.9)
55,110	63,328	9,014	10,326	1,067	1,306	1,367,194	1,569,960	(12.9)
207	222	34	36	4	5	5,127	5,512	(7.0)
534,121	591,864	87,659	96,342	10,341	12,166	13,266,696	14,646,602	(9.4)
55,110	63,328	9,014	10,326	1,067	1,306	1,367,194	1,569,960	(12.9)
17,688	19,971	2,892	3,256	342	412	439,047	495,182	(11.3)
72,798	83,299	11,906	13,582	1,409	1,718	1,806,241	2,065,142	(12.5)
461,323	508,565	75,753	82,760	8,932	10,448	11,460,455	12,581,460	(8.9)%
<hr/>								
Firefighters System		Judges System		Governors and Legislative Pension Plan		Total Defined Benefit Pension Plans		Total Percent Change
2002	2001	2002	2001	2002	2001	2002	2001	
15,254	15,903	2,858	3,060	—	—	384,044	429,056	(10.5)%
(40,198)	(28,038)	(6,564)	(4,559)	(806)	(595)	(998,541)	(693,489)	44.0
735	1,517	560	239	3	18	15,420	8,445	82.6
(24,209)	(10,618)	(3,146)	(1,260)	(803)	(577)	(599,077)	(255,988)	134.0
22,288	20,778	3,804	3,659	708	691	488,489	444,621	9.9
422	543	—	—	—	2	9,008	7,438	21.1
323	318	57	52	5	6	9,011	8,568	5.2
—	—	—	—	—	—	15,420	8,445	82.6
23,033	21,639	3,861	3,711	713	699	521,928	469,072	11.3
(47,242)	(32,257)	(7,007)	(4,971)	(1,516)	(1,276)	(1,121,005)	(725,060)	54.6%

million for the 2002 calendar year compared with net investment losses of \$544.8 million for the 2001 calendar year. The decrease in investment income was mainly due to the continued downturn in equity markets during 2002.

Deductions from the Noncontributory System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2002 calendar year, benefits amounted to \$351.9 million, an

increase of \$37.4 million (11.9 percent) over 2001 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2002 calendar year, the costs of administering the system's benefits totaled \$7.1 million, an increase of \$408 thousand (6.1 percent) from calendar year 2001.

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, 2002, the funded status of the system decreased to 102.8 percent from 104.3 percent at January 1, 2001. The amount by which the Noncontributory System actuarial assets were over actuarial benefit liabilities was \$298.3 million at January 1, 2002, compared with \$427.8 million at January 1, 2001. The decrease in funded status as of the last actuarial valuation is a result

Management Discussion and Analysis *(Continued)*

of the lower than expected investment returns over the last 3 years.

Public Safety System

The Public Safety System provides retirement benefits to State of Utah, local government and higher education public safety personnel covered under the Public Safety System. 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, 2002 amounted to \$1.1 billion, a decrease of \$105.3 million (8.6 percent) from \$1.2 billion at December 31, 2001.

Additions to the Public Safety System net assets held in trust for benefits include employer contributions, investment income and inter system transfers. For the 2002 calendar year, member and employer contributions decreased from \$50.1 million for the calendar year 2001 to \$46.5 million, a decrease of \$3.6 million (7.1 percent). Contributions decreased because contribution rates decreased. The system recognized a net investment loss of \$97.8 million for the 2002 calendar year compared with net investment losses of \$67.7 million for the 2001 calendar year. The decrease in investment income was mainly due to the continued downturn in equity markets during 2002.

Deductions from the Public Safety System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2002 calendar year, benefits amounted to \$55.1 million, an increase of \$6.0 million (12.1 percent) over 2001 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2002 calendar year, the costs of administering the system totaled \$899 thousand, an increase of \$56 thousand (6.6 percent) from calendar year 2001.

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, 2002, the funded status of the system decreased to 100.8 percent from 106.6 percent at January 1, 2001. The amount by which the Public Safety System actuarial assets were over actuarial benefit liabilities was \$10.3 million at January 1, 2002, compared with \$80.1 million at January 1, 2001. The decrease in funded status as of the last actuarial valuation is a result of the lower than expected investment returns over the last 3 years.

Firefighters System

The Firefighters System provides retirement benefits to covered firefighters of the State of Utah and local governments. Benefits of the system are funded by member and employer contributions, and by earnings on investments. The system net assets held in trust for benefits at December 31, 2002 amounted to \$461.3 million, a decrease of \$47.2 million (9.3 percent) from \$508.6 million at December 31, 2001.

Additions to the Firefighters System net assets held in trust for benefits consist of employer contributions, including insurance premium taxes, investment income and inter system transfers. For the 2002 calendar year, member and employer contributions decreased from \$15.9 million for the calendar year 2001 to \$15.3 million, a decrease of \$649 thousand (4.1 percent). Contributions decreased because contribution rates decreased. The system recognized a net investment loss of \$40.2 million for the 2002 calendar year compared with net investment losses of \$28.0 million for the 2001 calendar year. The decrease in investment income was mainly due to the continued downturn in equity markets during 2002.

Deductions from the Firefighters System net assets held in trust for benefits include retirement benefits

and administrative expenses. For the 2002 calendar year, benefits amounted to \$22.7 million, an increase of \$1.4 million (6.5 percent) over 2001 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2002 calendar year, the costs of administering the system totaled \$323 thousand, an increase of \$5 thousand (1.6 percent) from calendar year 2001.

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, 2002, the funded status of the system decreased to 115.9 percent from 117.8 percent at January 1, 2001. The amount by which the Firefighters System actuarial assets were over actuarial benefit liabilities was \$77.9 million at January 1, 2002, compared with \$81.0 million at January 1, 2001. The decrease in funded status as of the last actuarial valuation is a result of the lower than expected investment returns over the last 3 years.

Judges System

The Judges System provides retirement benefits to judges in the State of Utah who are eligible to participate in the system. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2002 amounted to \$75.8 million, a decrease of \$7.0 million (8.5 percent) from \$82.8 million at December 31, 2001.

Additions to the Judges System net assets held in trust for benefits consist of employer contributions, including court fees, investment income and inter system transfers. For the 2002 calendar year, member and employer contributions decreased from \$3.1 million for the calendar year 2001 to \$2.9 million, a decrease of \$202 thousand (6.6

Management Discussion and Analysis *(Continued)*

percent). Contributions decreased because contribution rates decreased. The system recognized a net investment loss of \$6.6 million for the 2002 calendar year compared with net investment losses of \$4.6 million for the 2001 calendar year. The decrease in investment income was mainly due to the continued downturn in equity markets during 2002.

Deductions from the Judges System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2002 calendar year, benefits amounted to \$3.8 million, an increase of \$145 thousand (4.0 percent) over 2001 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2002 calendar year, the costs of administering the system totaled \$57 thousand, which was an increase of \$5 thousand (9.6 percent) over calendar year 2001.

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, 2002, the funded status of the system decreased to 107.7 percent from 117.8 percent at January 1, 2001. The amount by which the Judges System actuarial

assets were over actuarial benefit liabilities was \$6.7 million at January 1, 2002, compared with \$13.2 million at January 1, 2001. The decrease in funded status as of the last actuarial valuation is a result of the lower than expected investment results over the last 3 years.

Governors and Legislative Plan

The Governors and Legislative Plan provides retirement benefits to governors and legislators of the State of Utah. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2002 amounted to \$8.9 million, a decrease of \$1.5 million (14.5 percent) from \$10.4 million at December 31, 2001.

Additions to the Governors and Legislative Plan net assets held in trust for benefits include investment income and inter system transfers. No employer contributions were needed for this plan because of the current over funded status. The system recognized a net investment loss of \$806 thousand for the 2002 calendar year compared with net investment losses of \$595 thousand for the 2001 calendar year. The decrease in investment income was mainly due to the continued downturn in equity

markets during 2002.

Deductions from the Governors and Legislative Plan net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2002 calendar year, retirement benefits amounted to \$708 thousand, an increase of \$15 thousand (2.2 percent) from 2001 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2002 calendar year, the costs of administering the system totaled \$5 thousand or slightly less than that of the preceding year.

An actuarial valuation of the Governors and Legislative Plan assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2002, the funded status of the system decreased to 143.1 percent from 146.3 percent at January 1, 2001. The amount by which the Governors and Legislative Plan actuarial assets were over actuarial benefit liabilities was \$3.5 million at January 1, 2002, compared with \$3.7 million at January 1, 2001. The decrease in funded status as of the last actuarial valuation is a result of the lower than expected investment results over the last 3 years.

Actuarial Valuations and Funding Progress

An actuarial valuation of each defined benefit system is performed annually. At January 1, 2002, the date of the most recent actuarial valuation, the average funded

ratio for the Systems was 102.7 percent. This was a decrease from the Systems' January 1, 2001 valuation average funded ratio of 104.7 percent, a decrease in funded status of 2 percent. As of December 31, 2002 the Systems' average funded ratio had further declined to 93.5 percent. This was a further decrease in the Systems'

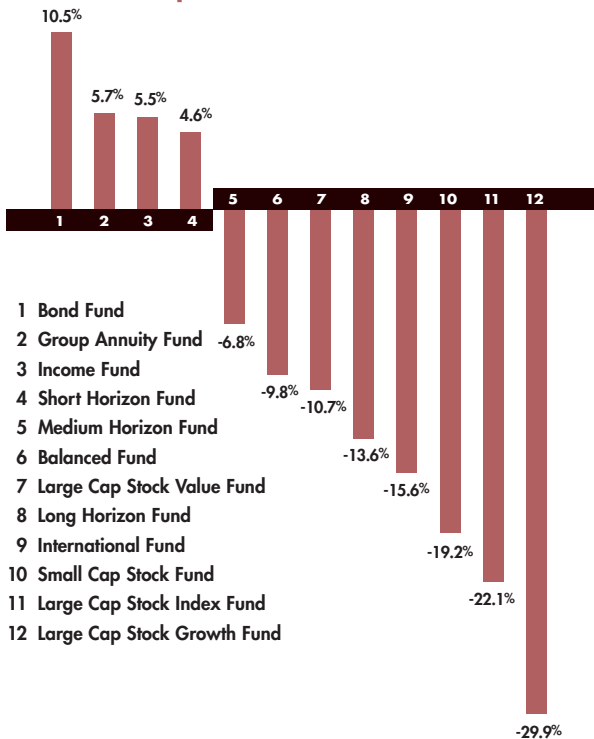
funded ratio of 11.2 percent for calendar year 2002. The funded ratio decreases for all systems was the result of investment returns below the investment return assumption of 8 percent for the last three years.

At December 31, 2002 the Systems' unfunded actuarial accrued liability had increased to \$956

million from an over funded status of \$375 million at January 1, 2002. This is a net change from over funded to under funded position of \$1.3 billion for the year. At December 31, 2002 the difference between the actuarial value of assets and market value of assets was about \$2.3 billion in actuarially deferred losses. This was an increase of \$800 million in actuarially deferred losses from the \$1.5 billion in actuarially deferred losses at January 1, 2002. These actuarially deferred losses will be recognized by the actuary over the next four years leading to probable increases in contribution rates.

Management Discussion and Analysis *(Continued)*

Defined Contribution Plans Investment Options Rates of Return for 2002



Defined Contribution Plans Comparative Annualized Rates of Return

Year Ended December 31

Investment Option	2002	2001
Income Fund	5.5%	6.7%
Bond Fund	10.5	10.2
Balanced Fund	(9.8)	1.5
Large Cap Stock Value Fund	(10.7)	9.2
Large Cap Stock Index Fund	(22.1)	(12.1)
Large Cap Stock Growth Fund	(29.9)	(21.2)
International Fund	(15.6)	(17.1)
Small Cap Stock Fund	(19.2)	12.8
Short Horizon Fund	4.6	6.1
Medium Horizon Fund	(6.8)	(0.5)
Long Horizon Fund	(13.6)	(5.4)
Group Annuity Fund	5.7	6.1

Defined Contribution 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, 2002 amounted to \$1.3 billion, a decrease of \$17.3 million (1.3 percent) under net assets at December 31, 2001.

Additions to the 401(k) Plan net assets held in trust for benefits include contributions and investment income. For the 2002 calendar year, contributions increased from those of 2001 calendar year from \$145.6 million to \$160.3 million or an increase of \$14.7 million (10.1 percent). Contributions increased because of increased

participation. The plan recognized a net investment loss of \$109.8 million for the 2002 calendar year compared with a net investment loss of \$34.1 million for the 2001 calendar year. The negative return from investments was mainly due to the continued downturn in equity markets.

Deductions from the 401(k) Plan net assets include participant and beneficiary refunds, and administrative expenses. For the 2002 calendar year, refunds amounted to \$63.9 million, an increase of \$9.1 million (16.6 percent) over 2001 calendar year. The increase in refunds was due

to an increase in withdrawals for calendar year 2002. For the 2002 calendar year, the costs of administering the system's benefits amounted to \$3.9 million, an increase of \$476 thousand over calendar year 2001.

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

457 Defined Contribution Plan

The 457 Plan is established under Section 457 of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits at December 31, 2002 amounted to \$171.6 million, a decrease of \$28.0 million (14.0 percent) under net assets at

Management Discussion and Analysis *(Continued)*

Fiduciary Net Assets — Defined Contribution Plans

December 31

(dollars in thousands)

	401(k) Plan		457 Plan		Total Defined Contribution Plans		Total Percent Change
	2002	2001	2002	2001	2002	2001	
Assets:							
Cash and receivables	\$ 31,057	25,644	1,047	335	32,104	25,979	23.6%
Investments at fair value	1,286,492	1,305,790	171,616	199,546	1,458,108	1,505,336	(3.1)
Invested securities lending collateral	45,934	28,099	5,444	4,012	51,378	32,111	60.0
Total assets	1,363,483	1,359,533	178,107	203,893	1,541,590	1,563,426	(1.4)
Liabilities:							
Securities lending liability	45,934	28,099	5,444	4,012	51,378	32,111	60.0
Investment accounts and other payables	4,785	1,389	1,102	363	5,887	1,752	236.0
Total liabilities	50,719	29,488	6,546	4,375	57,265	33,863	69.1
Total net assets	\$ 1,312,764	1,330,045	171,561	199,518	1,484,325	1,529,563	(3.0)%

Changes in Fiduciary Net Assets — Defined Contribution Plans

Year Ended December 31

(dollars in thousands)

	401(k) Plan		457 Plan		Total Defined Contribution Plans		Total Percent Change
	2002	2001	2002	2001	2002	2001	
Assets:							
Contributions	\$ 160,267	145,557	10,353	5,935	170,620	151,492	12.6%
Investment income (loss)	(109,790)	(34,051)	(13,325)	(5,395)	(123,115)	(39,446)	212.1
Total additions	50,477	111,506	(2,972)	540	47,505	112,046	(57.6)
Deductions:							
Refunds	63,908	54,819	24,498	16,129	88,406	70,948	24.6
Administrative expenses	3,850	3,374	487	498	4,337	3,872	12.0
Total deductions	67,758	58,193	24,985	16,627	92,743	74,820	24.0
Increase (decrease) in net assets	\$ (17,281)	53,313	(27,957)	(16,087)	(45,238)	37,226	(221.5)%

December 31, 2001.

Additions to the 457 Plan net assets held in trust for benefits include contributions and investment income. For the 2002 calendar year, contributions increased from those of 2001 calendar year from \$5.9 million to \$10.4 million or an increase of \$4.4 million (74.4 percent). Contributions increased because of increased participation. The plan recognized a net investment loss of \$13.3 million for the 2002

calendar year compared with a net investment loss of \$5.4 million for the 2001 calendar year. The negative return from investments was mainly due to the continued downturn in equity markets during 2002.

Deductions from the 457 Plan net assets include participant and beneficiary refunds, and administrative expenses. For the 2002 calendar year, refunds amounted to \$24.5 million, an increase of \$8.4 million (51.9 percent) over 2001 calendar

year. The increase in refunds was due to an increase in withdrawals for calendar year 2002. For the 2002 calendar year, the costs of administering the system's benefits amounted to \$487 thousand, a decrease of \$11 thousand under calendar year 2001.

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

Basic Financial Statements

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

December 31, 2002

With Comparative Totals for December 31, 2001

(in thousands)

	Contributory System	Noncontributory System	Public Safety System	Firefighters System
Assets:				
Cash	\$ 2	241	15	2
Receivables:				
Member contributions	404	—	170	201
Employer contributions	367	17,544	1,603	1
Court fees and fire insurance tax	—	—	—	—
Investments	8,006	101,359	12,566	5,160
Total receivables	8,777	118,903	14,339	5,362
Investments at fair value:				
Short-term securities, domestic	42,068	532,570	66,027	27,117
Short-term securities, international	5,669	71,774	8,899	3,654
Debt securities, domestic	126,901	1,606,528	199,171	81,800
Debt securities, international	41,824	529,478	65,641	26,959
Equity investments, domestic	275,450	3,487,115	432,321	177,555
Equity investments, international	124,384	1,574,668	195,222	80,178
Alternative investments	47,649	603,219	74,785	30,715
Real estate	70,276	889,679	110,300	45,301
Mortgage loans	249	3,154	392	161
Investment contracts	—	—	—	—
Total investments	734,470	9,298,185	1,152,758	473,440
Invested securities lending collateral	85,494	1,082,326	134,183	55,110
Property and equipment at cost, net of accumulated depreciation	321	4,058	503	207
Total assets	829,064	10,503,713	1,301,798	534,121
Liabilities:				
Securities lending liability	85,494	1,082,326	134,183	55,110
Disbursements in excess of cash balance	990	12,534	1,553	639
Insurance and post employment benefits reserve	2,798	35,424	4,393	1,804
Investment accounts payable	19,057	241,509	29,910	12,285
Mortgages payable	4,593	58,154	7,210	2,960
Total liabilities	112,932	1,429,947	177,249	72,798
Net assets held in trust for pension benefits (see supplemental schedules of funding progress, page 52)	\$716,132	9,073,766	1,124,549	461,323

See accompanying notes to basic financial statements.

Judges System	Defined Benefit Pension Plans		Defined Contribution Plans			Total Pension Trust Funds	
	Governors and Legislative Pension Plan	Total Defined Benefit Pension Plans	401(k) Plan	457 Plan	Total Defined Contribution Plans	2002	2001
1	1	262	4,244	1,047	5,291	5,553	2,124
—	—	775	—	—	—	775	850
310	—	19,825	—	—	—	19,825	23,630
21	—	21	—	—	—	21	23
844	100	128,035	26,813	—	26,813	154,848	178,738
1,175	100	148,656	26,813	—	26,813	175,469	203,241
4,435	525	672,742	—	—	—	672,742	536,442
598	71	90,665	—	—	—	90,665	66,608
13,379	1,584	2,029,363	568,585	71,544	640,129	2,669,492	3,211,296
4,409	522	668,833	—	—	—	668,833	760,975
29,041	3,439	4,404,921	595,755	69,733	665,488	5,070,409	6,099,750
13,114	1,553	1,989,119	87,037	8,419	95,456	2,084,575	1,901,959
5,024	595	761,987	—	—	—	761,987	677,600
7,409	877	1,123,842	—	—	—	1,123,842	1,076,469
26	3	3,985	—	—	—	3,985	3,363
—	—	—	35,115	21,920	57,035	57,035	62,618
77,435	9,169	11,745,457	1,286,492	171,616	1,458,108	13,203,565	14,397,080
9,014	1,067	1,367,194	45,934	5,444	51,378	1,418,572	1,602,071
34	4	5,127	—	—	—	5,127	5,512
87,659	10,341	13,266,696	1,363,483	178,107	1,541,590	14,808,286	16,210,028
9,014	1,067	1,367,194	45,934	5,444	51,378	1,418,572	1,602,071
104	12	15,832	2,838	987	3,825	19,657	15,907
295	35	44,749	—	—	—	44,749	48,542
2,008	237	305,006	1,947	115	2,062	307,068	432,485
485	58	73,460	—	—	—	73,460	—
11,906	1,409	1,806,241	50,719	6,546	57,265	1,863,506	2,099,005
75,753	8,932	11,460,455	1,312,764	171,561	1,484,325	12,944,780	14,111,023

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

Year Ended December 31, 2002

With Comparative Totals for Year Ended December 31, 2001

(in thousands)

	Contributory System	Noncontributory System	Public Safety System	Firefighters System
Additions:				
Contributions:				
Member contributions	\$ 8,923	12,496	4,258	5,800
Employer contributions	6,735	291,256	42,264	—
Court fees and fire insurance tax	—	—	—	9,454
Total contributions	15,658	303,752	46,522	15,254
Investment income:				
Net appreciation (depreciation) in fair value of investments	(86,520)	(1,062,312)	(131,715)	(54,129)
Interest, dividends and other investment income	23,798	292,185	36,227	14,888
Total investment income (loss)	(62,722)	(770,127)	(95,488)	(39,241)
Less investment expenses	1,529	18,779	2,328	957
Net investment income (loss)	(64,251)	(788,906)	(97,816)	(40,198)
Transfers from affiliated systems	—	12,166	1,956	735
Total additions	(48,593)	(472,988)	(49,338)	(24,209)
Deductions:				
Retirement benefits	37,256	294,735	45,588	17,314
Cost of living benefits	20,292	53,495	7,689	4,223
Supplemental retirement benefits	1,949	—	685	751
Refunds	3,716	3,715	1,155	422
Administrative expenses	624	7,103	899	323
Transfers to affiliated systems	15,420	—	—	—
Total deductions	79,257	359,048	56,016	23,033
Increase (decrease) from operations	(127,850)	(832,036)	(105,354)	(47,242)
Net assets held in trust for pension benefits beginning of year	843,982	9,905,802	1,229,903	508,565
Net assets held in trust for pension benefits end of year	\$716,132	9,073,766	1,124,549	461,323

See accompanying notes to basic financial statements.

	Defined Benefit Pension Plans			Defined Contribution Plans			Total Pension Trust Funds	
	Judges System	Governors and Legislative Pension Plan	Total Defined Benefit Pension Plans	401(k) Plan	457 Plan	Total Defined Contribution Plans	2002	2001
	5	—	31,482	160,267	10,353	170,620	202,102	182,597
	472	—	340,727	—	—	—	340,727	387,551
	2,381	—	11,835	—	—	—	11,835	10,400
	2,858	—	384,044	160,267	10,353	170,620	554,664	580,548
	(8,839)	(1,806)	(1,344,601)	(112,316)	(14,530)	(126,846)	(1,471,447)	(1,095,194)
	2,431	299	369,828	4,018	1,369	5,387	375,215	386,070
	(6,408)	(787)	(974,773)	(108,298)	(13,161)	(121,459)	(1,096,232)	(709,124)
	156	19	23,768	1,492	164	1,656	25,424	23,811
	(6,564)	(806)	(998,541)	(109,790)	(13,325)	(123,115)	(1,121,656)	(732,935)
	560	3	15,420	—	—	—	15,420	8,445
	(3,146)	(803)	(599,077)	50,477	(2,972)	47,505	(551,572)	(143,942)
	3,009	556	398,458	—	—	—	398,458	362,619
	795	152	86,646	—	—	—	86,646	78,151
	—	—	3,385	—	—	—	3,385	3,851
	—	—	9,008	63,908	24,498	88,406	97,414	78,386
	57	5	9,011	3,850	487	4,337	13,348	12,440
	—	—	15,420	—	—	—	15,420	8,445
	3,861	713	521,928	67,758	24,985	92,743	614,671	543,892
	(7,007)	(1,516)	(1,121,005)	(17,281)	(27,957)	(45,238)	(1,166,243)	(687,834)
	82,760	10,448	12,581,460	1,330,045	199,518	1,529,563	14,111,023	14,798,857
	75,753	8,932	11,460,455	1,312,764	171,561	1,484,325	12,944,780	14,111,023

Basic Financial Statements

Notes to Basic Financial Statements

December 31, 2002

1 Description of Systems and Plans

A brief description of the Utah Retirement Systems (Systems) and 401(k) and 457 Plans (Plans) follows. For a more complete description of plan provisions, membership and benefit statistics, see the Systems Highlights on pages 12 through 24 and Summaries of Plan Provisions on pages 106 through 115.

(A) General Information and Reporting Entity

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

- i) the **Public Employees Contributory Retirement System (Contributory System)**; the **Public Employees Noncontributory Retirement System (Noncontributory System)**; and the **Firefighters Retirement System** which are multiple-employer, cost sharing, public employee retirement systems;
- ii) the **Public Safety Retirement System** which is a mixed agent and cost-sharing, multiple-employer retirement system;
- iii) the **Judges Retirement System** and the **Governors and Legislative Pension Plan** which are single employer service employee retirement systems; and
- iv) two defined contribution plans comprised of the **401(k) Plan** and the **457 Plan**.

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

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

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems and Plans under the direction of the Board, whose members are appointed by the Governor. The Plans are established under the authority of the same sections of the Utah Code Annotated 1953, as amended, as well as under Sections 401(k) and 457 of the Internal Revenue Code. The Plans may be amended by the Board within the parameters of Sections 401(k) and 457 of the Internal Revenue Code. The Systems and Plans are fiduciary funds defined as pension (and other employee benefit) trust funds. 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 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 on page 43.

The Governors and Legislative Pension Plan provides the following benefits. Former governors at age 65 receive \$1,080 per month per term. Legislators receive a benefit at age 65 with four or more years of service at the rate of \$24.00 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.

Basic Financial Statements

Notes to Basic Financial Statements (Continued)

December 31, 2002

Summary of Benefits by System

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

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

* With actuarial reductions.

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

(C) 401(k) and 457 Plans

The 401(k) and 457 Plans administered by the Board are defined contribution plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems for employees of employers who have adopted the 401(k) and 457 Plans. Contributions may be made into the Plans subject to plan and Internal Revenue Code limitations by employees of employers sponsoring the Plans. Employer contributions may be made into the Plans at rates determined by the employers. There are 331 employers participating in the 401(k) Plan and 154 employers participating in the 457 Plan. There are 122,125 plan participants in the 401(k) Plan and 10,325 participants in the 457 Plan.

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

ances are fully vested to the participants at the time of deposit.

Investments in the 401(k) and 457 Plans are individually directed and controlled by plan participants who direct the investment of their funds among several investment options of varying degrees of risk and earnings potential. Participants may transfer their funds between these options daily. 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 fire insurance taxes. Contribution rates are listed in note 6. In the defined contribution plans, voluntary deferral of compensation within the limits of Plan provi-

sions 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.

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,

Basic Financial Statements

Notes to Basic Financial Statements *(Continued)*

December 31, 2002

where authorized, are credited to individual member accounts which may be withdrawn upon the termination of employment.

(E) Covered Employees

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

The **Public Employees Noncontributory Retirement System (Noncontributory System)** was established

on July 1, 1986. All eligible employees of the State and school entities hired subsequent to that date are automatically members of the Noncontributory System. Local government entities had the option of adopting the new System or remaining with the Contributory System. All Contributory System members whose employers adopted the Noncontributory System were given the opportunity to transfer to the new System during limited window periods. All eligible new hires subsequent to adoption of the noncontributory plans are automatically members of that plan.

The **Public Safety Retirement System** includes eligible state and local government employees directly involved in law enforcement (e.g., game wardens, prison guards, police officers and highway patrol officers).

The Public Safety System consists of both contributory and noncontributory divisions. The noncontributory divisions were authorized by the Legislature effective July 1, 1989.

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

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

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

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

At December 31, 2002 participating members by System are included in the table below.

Participating Members by System

	Contributory System	Noncontributory System	Public Safety System	Firefighters System	Judges System	Governors and Legislative Pension Plan
Number of participating:						
Employers	164	376	119	40	1	1
Members:						
Active	3,649	82,486	6,966	1,538	103	91
Terminated vested	1,511	20,632	987	55	8	87
Retirees and beneficiaries:						
Service benefits	7,249	20,666	2,678	815	77	231
Disability benefits	153	—	43	70	—	—

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 expenses are recorded when the liability is incurred 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*

Basic Financial Statements

Notes to Basic Financial Statements *(Continued)*

December 31, 2002

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*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. Investments are presented at fair value. The actuarial accrued liability under the entry age actuarial funding method is presented in the Required Supplementary Information on page 52.

(B) Investments

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

and expenses have been allocated to and presented in each respective system in the basic financial statements as required for investment pools.

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

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

Approximately 10% 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 10%, approximately 4% are U.S. Government debt securities and approximately 6% are debt securities of the U.S. Government instrumentalities. The Systems and Plans have no investments of any commercial or industrial organization whose market value equals 5% or more of the Systems' net assets available for benefits.

(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.

Estimated Useful Life by Class

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

(D) Administrative Expenses

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

3 Description of Systems and Plans

Investing is governed by the prudent person rule in accordance with statutes of the State of Utah. All investments of the Systems are considered to have made in accordance with these governing statutes.

(A) Deposits

All deposits of the Systems and Plans are carried at cost plus accrued interest which approximates fair value. At December 31, 2002 the carrying amount of deposits totaled approximately \$(14,104,000) and the corresponding bank balance was \$461,850. The deposits are held in one financial institution with an

Basic Financial Statements

Notes to Basic Financial Statements (Continued)

December 31, 2002

Cash Deposits (in thousands)	
Cash	\$ 5,553
Disbursements in excess of cash balances	(19,657)
Total	\$(14,104)

insured balance of \$100,000. The deposits in the bank in excess of \$100,000 are Category 3 which is uncollateralized. Deposits are not collateralized nor are they required to be by state statute. Deposits are presented in the basic financial statements at cost plus accrued interest which is also the market or fair value.

(B) Investments

The table to the right provides information about the custodial credit risks associated with the Systems' and Plans' investments. Category 1 includes investments that are insured or registered, or for which the securities are held by the systems or its agent in the systems' name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the systems' name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the systems' name. Currently the Systems and Plans have no category 2 or category 3 investments.

(C) Securities Lending

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

bank is the agent for the securities lending program. Securities under loan are maintained in the financial records and are classified in the following summary of custodial risk. A corresponding liability is 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 \$1,381,163,000 and the collateral received for those securities on loan was \$1,418,572,000. Under the terms of the lending

Investments by Category of Custodial Risk

	(in thousands)	Fair Value
Category 1 Investments:		
Debt securities, domestic		\$ 2,080,775
Debt securities, international		644,890
Equity investments, domestic		4,147,575
Equity investments, international		1,836,745
Total Category 1 Investments		8,709,985
Investments not categorized:		
Short-term securities pools		763,407
Mortgage loans:		
Collateralized loans		31
Real estate notes		3,953
Real estate		466,092
Real estate joint ventures		657,747
Alternative investments (venture capital)		761,986
Guaranteed investment contracts		57,035
Equity investments, domestic (pooled)		104,697
Mutual fund, international		95,456
Mutual fund, balanced		202,013
Investments held by broker-dealers under securities lending program:		
U.S. Government and agency securities		473,739
Corporate debt securities, domestic		114,979
Debt securities, international		23,946
Equity investments, domestic		616,124
Equity investments, international		152,375
Total investments not categorized		4,493,580
Total investments		\$13,203,565
Securities lending collateral pool (not categorized)		\$ 1,418,572

Basic Financial Statements**Notes to Basic Financial Statements** *(Continued)*

December 31, 2002

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 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.

(D) Derivative Financial Instruments

The Systems 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. As of December 31, 2002 the

Systems had three types of derivative financial instruments: Futures, currency forwards, and options.

Futures represent commitments to purchase (asset) or sell (liability) securities or money market instruments at a future date and at a specific price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing the Systems' credit risk. The net change in the futures contract value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included with trading account securities gains (losses) in the Statement of Changes in Fiduciary Net Assets. At December 31, 2002 the Systems' investments had the following futures balances:

	Value Covered by Contract
Long-equity futures	\$ 91,831,711
Short-equity futures	(37,302,560)
Long-debt securities futures	148,481,513
Short-debt securities futures	(255,008,963)

Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rates 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 net realized gains or losses on foreign currency related transactions. At December 31, 2002 the Systems' investments included the following currency forwards balances:

Currency forwards
(pending foreign
exchange purchases) **\$ 547,129,646**

Currency forwards
(pending foreign
exchange sales) **(544,383,853)**

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 receives a premium at the outset of the agreement and bears the risk of an unfavorable change in the price of the financial instrument underlying the option. As a purchaser of financial options, the Systems 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, 2002 the Systems' investments had the following options balances:

	Value Covered by Contract
Cash and cash equivalent purchased put options	\$ (486,188)
Cash and cash equivalent purchased call options	(665,438)
Fixed income written put options	(258,267)
Fixed income written call options	(2,245,003)

(E) Investment Payables

The investment accounts payable are comprised of investment advisor fees payable of \$5,593,000, administrative expenses payable of \$385,000, investment purchases payable of \$296,080,000 and real estate security deposits of \$2,948,000.

Basic Financial Statements

Notes to Basic Financial Statements (Continued)

December 31, 2002

4 Property and Equipment

Property and equipment consists of the amounts shown in the following table as of December 31, 2002 and 2001.

There were no significant leases as of December 31, 2002 or 2001.

Property and Equipment

	<i>(in thousands)</i>	
	2002	2001
Land	\$ 1,779	1,779
Buildings and building improvements	10,715	10,587
Furniture and equipment	2,974	2,984
Total property and equipment	15,468	15,350
Less accumulated depreciation	6,817	6,517
Less operating reserves	3,524	3,321
Net property and equipment	\$ 5,127	5,512

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 to the right were utilized in determining the actuarial value of assets as of January 1, 2002 and December 31, 2002, 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 52 and 53 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).

Calculation of Actuarial Value of Assets

January 1, 2002

<i>(in thousands)</i>			
1. Fair value of assets			\$12,581,460
2. Deferral to smooth asset values based on (excess)/ shortfall of expected investment income for:			
	Year	Total (Excess)/ Shortfall	Percent Deferred
a. 2001		\$1,765,658	80%
b. 2000		814,093	60%
c. 1999		(932,957)	40%
d. 1998		(137,130)	20%
e. 1997		(675,272)	0%
f. Total			1,500,373
3. Actuarial value of assets available for benefits			\$14,081,833

Calculation of Actuarial Value of Assets

December 31, 2002

<i>(in thousands)</i>			
1. Fair value of assets			\$11,460,455
2. Deferral to smooth asset values based on (excess)/ shortfall of expected investment income for:			
	Year	Total (Excess)/ Shortfall	Percent Deferred
a. 2002		\$2,009,531	80%
b. 2001		1,765,658	60%
c. 2000		814,093	40%
d. 1999		(932,957)	20%
e. 1998		(137,130)	0%
*f. Adjustment			(513,974)
g. Total deferral			2,292,091
3. Actuarial value of assets available for benefits			\$13,752,546

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

Basic Financial Statements**Notes to Basic Financial Statements** *(Continued)*

December 31, 2002

Actuarial Value of Assets by System

January 1, 2002

(in thousands)

	Contributory System	Noncontributory System	Public Safety System	Firefighters System	Judges System	Governors and Legislative	Total All Systems
1. Net assets available for benefits at fair value	\$827,741	9,922,043	1,229,903	508,565	82,760	10,448	12,581,460
2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income on fair value	99,782	1,182,291	146,563	60,586	9,889	1,262	1,500,373
3. Actuarial value of assets available for benefits	\$927,523	11,104,334	1,376,466	569,151	92,649	11,710	14,081,833

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, 2002 is presented in Notes to Required Supplementary Information on page 55.

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 supplemental present value, and the same actuarial assumptions that were used to calculate the actuarial accrued liability in the Schedules of Funding Progress on pages 52 and 53.

The schedule to the right summarizes contribution rates in effect at December 31, 2002.

Contributions made by employers and members were in accordance with actuarially computed funding requirements. Fire insurance premium taxes and court fees are con-

sidered as part of employer contributions in the schedule on page 50 for the Firefighters and Judges Systems,

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

Contribution Rates

System	Contribution Rates as a Percent of Covered Payroll		
	Member	Employer	Other
Contributory	6.00%	4.68 - 5.91%	—
Noncontributory	—	8.69-10.40	—
Public Safety:			
Contributory	10.50-13.74	2.17-15.50	—
Noncontributory	—	13.89-28.27	—
Firefighters:			
Division A	7.82	0.00	8.88%
Division B	7.83	0.00	8.88
Judges:			
Contributory	4.92	0.00	18.40
Noncontributory	—	4.92	18.40
Governors and Legislative	—	—	—

Basic Financial Statements

Notes to Basic Financial Statements (Continued)

December 31, 2002

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 Percent of Covered Payroll	Employer			
	Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll				Amount	Percent of Covered Payroll		
Contributory	\$ 14,562	10.23%	\$ 1,096	0.77%	\$ 15,658	\$ 15,658	\$ 8,923	6.27%	\$ 6,735	4.73%	\$ 142,325
Noncontributory	356,246	12.17	(52,494)	(1.79)	303,752	303,752	12,496	0.43	291,256	9.95	2,926,449
Public Safety	51,810	19.30	(5,288)	(1.97)	46,522	46,522	4,258	1.59	42,264	15.74	268,478
Firefighters	12,292	17.23	(6,492)	(9.10)	5,800	5,800	5,800	8.13	0	0.00	71,354
Judges	1,435	12.84	(958)	(8.57)	477	477	5	0.04	472	4.22	11,173
Governors and Legislative	—	0.00	—	0.00	—	—	—	0.00	—	0.00	556
Total	\$436,345		\$(64,136)		\$372,209	\$372,209	\$31,482		\$340,727		\$3,420,335

The actuary recommended some increases and some decreases in contribution rates which became effective July 1, 2002.

Information with regard to contributions to the Retirement Systems for the year ended December 31,

2002 is indicated in the schedule above.

Member contributions in the 401(k) and 457 Plans total \$170,620,000, which in combination with the member contributions made in the Retirement Systems total

\$202,102,000.

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

7 Transfers To or From Affiliated Systems

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

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.

9 Litigation

The Systems are involved in various claims and legal actions arising in the ordinary course of business. In the opin-

ion 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.

10 Commitments

At December 31, 2002, the Systems had committed to fund certain alternative investment partnerships and real estate projects for an amount of \$1,828,847,759. Funding of \$1,167,747,134 had been provided by December 31, 2002 leaving an unfunded commitment as of December 31, 2002 of \$661,100,625 which will be funded over the next six years.

Basic Financial Statements**Notes to Basic Financial Statements** *(Continued)*

December 31, 2002

11 Post Employment Benefits and Insurance Reserves

This consists of termination and post employment benefits of \$1,594,000 and an insurance reserve of \$43,155,000. The termination and post employment benefit reserve was established to pay out termination and post employment benefits and compensated absences for Utah State Retirement Office employees as explained below. As set forth in section 67-19-14(2) of the Utah Code Annotated, 1953 as amended, upon retirement, all employees will receive up to five years health and life insurance, and may be paid for 25% of unused accumulated sick leave at the employee's current rate of pay. Retired employees may use accrued sick leave (after the 25% cashout) for coverage of health insurance benefits at the rate of one month's coverage for each eight hours of unused sick leave to age 65. This reserve is fully funded. As of December 31, 2002, there were eight retired individuals on the insurance program. For the year ended December 31, 2002, the System payout was \$39,909 in insurance premiums.

12 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 52 through 55. 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.

13 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 for large deductibles and otherwise uninsured losses are retained by the Systems, Plans or Investment Fund. 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. Experience and contingency losses of the Systems or Plans may be paid out of the experience and insurance reserve established by the board from investment earnings as authorized by statute.

14 Mortgages Payable

The following is a schedule of outstanding real estate mortgages payable as of December 31, 2002:

Mortgages Payable

(During calendar year 2002, interest only payments were made on these mortgages.)

Mortgage payable to Security Life of Denver Insurance Company, interest at 90 day London InterBank Offering Rate (LIBOR) rate plus 1.75% (3.23% at December 31, 2002) principal and any unpaid interest is due on August 1, 2007. The note is collateralized by real estate	\$ 4,800,000
Mortgage payable to Massachusetts Insurance Company, interest at 90 day LIBOR rate plus 1.45% (2.83% at December 31, 2002) principal and any unpaid interest is due on August 1, 2005. The note is collateralized by real estate.	27,660,000
Mortgage payable to Massachusetts Insurance Company, interest at 90 day LIBOR rate plus 1.60% (2.98% at December 31, 2002) principal and any unpaid interest is due on August 1, 2005. The note is collateralized by real estate.	41,000,000
Total mortgages	\$73,460,000

Principal payments on mortgages are as follows:

December 31, 2002	\$ 0
December 31, 2003	1,000
December 31, 2004	1,000
December 31, 2005	68,851,920
December 31, 2006	191,920
Thereafter	4,414,160
Total principal payments	\$73,460,000

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)
Contributory Retirement System	1/01/94	\$ 911,717	1,099,162	187,445	82.9%	\$ 293,833	63.8%
	1/01/95	964,218	1,176,222	212,004	82.0	287,743	73.7
	1/01/96	852,034	992,374	140,340	85.9	261,685	53.6
	1/01/97	772,977	868,723	95,746	89.0	141,974	67.4
	1/01/98	809,388	880,499	71,111	91.9	138,231	51.4
	1/01/99	840,215	891,983	51,768	94.2	137,042	37.8
	1/01/00	878,190	894,484	16,294	98.2	137,561	11.8
	1/01/01	924,573	935,799	11,226	98.8	141,067	8.0
	1/01/02	927,523	948,912	21,389	97.7	142,882	15.0
	12/31/02	859,358	975,288	115,930	88.1	142,325	81.5
Noncontributory Retirement System	1/01/94	\$ 4,039,120	4,624,515	585,395	87.3%	\$1,477,220	39.6%
	1/01/95	4,372,190	5,205,873	833,683	84.0	1,642,123	50.8
	1/01/96	5,136,582	6,032,412	895,830	85.1	1,801,948	49.7
	1/01/97	5,969,813	6,917,958	948,145	86.3	2,054,879	46.1
	1/01/98	6,922,583	7,654,335	731,752	90.4	2,200,988	33.2
	1/01/99	7,931,193	8,335,731	404,538	95.1	2,365,650	17.1
	1/01/00	9,237,447	9,006,308	(231,139)	102.6	2,499,087	(9.2)
	1/01/01	10,361,333	9,933,514	(427,819)	104.3	2,659,200	(16.1)
	1/01/02	11,104,334	10,806,024	(298,310)	102.8	2,832,060	(10.5)
	12/31/02	10,888,518	11,628,203	739,685	93.6	2,926,449	25.3
Public Safety Retirement System	1/01/94	\$ 555,514	627,358	71,844	88.5%	\$ 8,954	51.7%
	1/01/95	596,892	691,107	94,215	86.4	148,791	63.3
	1/01/96	670,610	771,150	100,540	87.0	159,943	62.9
	1/01/97	755,106	866,504	111,398	87.1	176,979	62.9
	1/01/98	867,151	952,100	84,949	91.1	195,464	43.5
	1/01/99	988,800	1,034,147	45,347	95.6	212,414	21.3
	1/01/00	1,146,331	1,105,166	(41,165)	103.7	226,057	(18.2)
	1/01/01	1,286,996	1,206,876	(80,120)	106.6	247,985	(32.3)
	1/01/02	1,376,466	1,366,134	(10,332)	100.8	260,783	(4.0)
	12/31/02	1,349,458	1,473,862	124,404	91.6	268,478	46.3

See accompanying notes to required supplementary information.

Required Supplementary Information

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	1/01/94	\$243,228	279,084	35,856	87.2%	\$37,879	94.7%
	1/01/95	261,523	307,459	45,936	85.1	40,157	114.4
	1/01/96	293,816	333,432	39,616	88.1	43,027	92.1
	1/01/97	329,475	362,411	32,936	90.9	45,969	71.6
	1/01/98	376,178	384,975	8,797	97.7	51,287	17.2
	1/01/99	423,405	407,703	(15,702)	103.9	54,326	(28.9)
	1/01/00	483,374	419,157	(64,217)	115.3	57,561	(111.6)
	1/01/01	536,503	455,456	(81,047)	117.8	63,274	(128.1)
	1/01/02	569,151	491,274	(77,877)	115.9	67,192	(115.9)
	12/31/02	553,589	530,155	(23,434)	104.4	71,354	(32.8)
Judges Retirement System	1/01/94	\$ 35,479	45,631	10,152	77.8%	\$ 7,013	144.8%
	1/01/95	38,726	49,830	11,104	77.7	6,955	159.7
	1/01/96	44,304	55,952	11,648	79.2	7,903	147.4
	1/01/97	50,721	60,055	9,334	84.5	8,981	103.9
	1/01/98	59,373	62,406	3,033	95.1	9,286	32.7
	1/01/99	67,998	67,211	(787)	101.2	9,388	(8.4)
	1/01/00	78,130	68,134	(9,996)	114.7	10,104	(98.9)
	1/01/01	87,139	73,962	(13,177)	117.8	10,397	(126.7)
	1/01/02	92,649	85,987	(6,662)	107.7	10,927	(61.0)
	12/31/02	90,904	93,397	2,493	97.3	11,173	22.3
Governors and Legislative Pension Plan	1/01/94	\$ 7,683	6,116	(1,567)	125.6%	\$ 246	(637.0)%
	1/01/95	7,804	6,606	(1,198)	118.1	398	(301.0)
	1/01/96	8,185	6,853	(1,332)	119.4	398	(334.7)
	1/01/97	8,636	7,020	(1,616)	123.0	482	(335.3)
	1/01/98	9,318	6,998	(2,320)	133.2	468	(495.7)
	1/01/99	9,988	7,278	(2,710)	137.2	468	(579.1)
	1/01/00	10,946	8,253	(2,693)	132.6	468	(575.4)
	1/01/01	11,569	7,908	(3,661)	146.3	464	(789.0)
	1/01/02	11,710	8,182	(3,528)	143.1	556	(634.5)
	12/31/02	10,719	8,108	(2,611)	132.2	556	(469.6)

See accompanying notes to required supplementary information.

Required Supplementary Information

Schedules of Employer Contributions

(dollars in thousands)

System	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Contributory Retirement System	1993	\$ 17,938	100%
	1994	18,719	100
	1995	17,723	100
	1996	10,224	100
	1997	10,651	100
	1998	10,729	100
	1999	10,840	100
	2000	10,484	100
	2001	8,480	100
	2002	6,735	100
Noncontributory Retirement System	1993	\$174,227	100%
	1994	194,202	100
	1995	220,955	100
	1996	260,068	100
	1997	294,937	100
	1998	318,635	100
	1999	338,704	100
	2000	352,339	100
	2001	331,951	100
	2002	291,256	100
Public Safety Retirement System	1993	\$ 16,960	100%
	1994	18,895	100
	1995	24,732	100
	1996	29,271	100
	1997	34,217	100
	1998	40,099	100
	1999	45,110	100
	2000	49,353	100
	2001	46,113	100
	2002	42,264	100

System	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Firefighters Retirement System	1993	\$4,960	100%
	1994	5,498	100
	1995	6,547	100
	1996	6,335	100
	1997	7,388	100
	1998	6,937	100
	1999	5,737	100
	2000	6,755	100
	2001	8,354	100
	2002	9,454	100
Judges Retirement System	1993	\$2,260	100%
	1994	2,213	100
	1995	2,352	100
	1996	2,731	100
	1997	3,206	100
	1998	3,704	100
	1999	3,318	100
	2000	3,422	100
	2001	3,053	100
	2002	2,853	100
Governors and Legislative Pension Plan	1993	\$ 0	100%
	1994	0	100
	1995	0	100
	1996	0	100
	1997	0	100
	1998	0	100
	1999	0	100
	2000	0	100
2001	0	100	
2002	0	100	

See accompanying notes to required supplementary information.

Required Supplementary Information

Notes to Required Supplemental Information

December 31, 2002

1 Schedules of Funding Progress

The information contained in the schedule of funding progress is based on the actuarial study dated January 1, 2002 and calendar year 2002 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 48.

2 Schedules of Employer Contributions

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

3 Actuarial Assumptions

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

Additional Actuarial Information

	Contributory	Noncontributory	Public Safety	Firefighters	Judges	Governors and Legislative
Valuation date	1/1/02	1/1/02	1/1/02	1/1/02	1/1/02	1/1/02
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.

Contributory Retirement System**Schedules of Fiduciary Net Assets—
Pension Trust Fund by Division**

December 31, 2002

With Comparative Totals for December 31, 2001

	<i>(in thousands)</i>			
	Local Government	State and School	Total All Divisions	
			2002	2001
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	127	277	404	431
Employer contributions	97	270	367	410
Investments	2,313	5,693	8,006	10,399
Total receivables	2,537	6,240	8,777	11,240
Investments at fair value:				
Short-term securities, domestic	12,154	29,914	42,068	36,019
Short-term securities, international	1,638	4,031	5,669	4,473
Debt securities, domestic	36,664	90,237	126,901	181,433
Debt securities, international	12,084	29,740	41,824	51,096
Equity investments, domestic	79,583	195,867	275,450	353,914
Equity investments, international	35,937	88,447	124,384	120,677
Alternative investments	13,767	33,882	47,649	45,497
Real estate	20,304	49,972	70,276	72,280
Mortgage loans	72	177	249	225
Total investments	212,203	522,267	734,470	865,614
Invested securities lending collateral	24,701	60,793	85,494	105,414
Property and equipment at cost, net of accumulated depreciation	93	228	321	370
Total assets	239,535	589,529	829,064	982,640
Liabilities:				
Securities lending liability	24,701	60,793	85,494	105,414
Disbursements in excess of cash balance	286	704	990	1,013
Insurance and post employment benefits reserve	808	1,990	2,798	3,260
Investment accounts payable	5,506	13,551	19,057	28,971
Mortgages Payable	1,327	3,266	4,593	—
Total liabilities	32,628	80,304	112,932	138,658
Net assets held in trust for pension benefits	\$206,907	509,225	716,132	843,982

Contributory Retirement System**Schedules of Changes in Fiduciary Net Assets—
Pension Trust Fund by Division**

Year Ended December 31, 2002

With Comparative Totals for Year Ended December 31, 2001

	<i>(in thousands)</i>			
	Local Government	State and School	Total All Divisions	
			2002	2001
Additions:				
Contributions:				
Member	\$ 3,701	5,222	8,923	8,604
Employer	2,441	4,294	6,735	8,480
Total contributions	6,142	9,516	15,658	17,084
Investment income:				
Net appreciation (depreciation) in fair value of investments	(24,620)	(61,900)	(86,520)	(72,423)
Interest, dividends and other investment income	6,772	17,026	23,798	26,186
Total investment income (loss)	(17,848)	(44,874)	(62,722)	(46,237)
Less investment expenses	435	1,094	1,529	1,524
Net investment income (loss)	(18,283)	(45,968)	(64,251)	(47,761)
Total additions	(12,141)	(36,452)	(48,593)	(30,677)
Deductions:				
Retirement benefits	8,148	29,108	37,256	36,714
Cost of living benefits	3,775	16,517	20,292	20,528
Supplemental retirement benefits	269	1,680	1,949	2,333
Refunds	1,208	2,508	3,716	3,087
Administrative expenses	175	449	624	654
Transfers to affiliated systems	4,010	11,410	15,420	8,445
Total deductions	17,585	61,672	79,257	71,761
Increase (decrease) from operations	(29,726)	(98,124)	(127,850)	(102,438)
Net assets held in trust for pension benefits beginning of year	236,633	607,349	843,982	946,420
Net assets held in trust for pension benefits end of year	\$206,907	509,225	716,132	843,982

Contributory Retirement System

Schedules of Funding Progress by Division

(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)
Contributory Local Government	1/01/94	\$232,690	271,413	38,723	85.7%	\$ 99,903	38.8%
	1/01/95	247,291	298,280	50,989	82.9	97,715	52.2
	1/01/96	215,418	254,449	39,031	84.7	91,446	42.7
	1/01/97	191,393	218,534	27,141	87.6	54,829	49.5
	1/01/98	207,641	226,233	18,592	91.8	52,444	35.5
	1/01/99	219,415	232,061	12,646	94.6	52,448	24.1
	1/01/00	236,830	239,601	2,771	98.8	53,388	5.2
	1/01/01	253,681	256,676	2,995	98.8	56,007	5.3
	1/01/02	260,569	266,365	5,796	97.8	56,444	10.3
	12/31/02	248,288	279,821	31,533	88.7	57,595	54.7
Contributory State and School	1/01/94	\$679,027	827,749	148,722	82.0%	\$193,930	76.7%
	1/01/95	716,927	877,942	161,015	81.7	190,028	84.7
	1/01/96	636,616	737,925	101,309	86.3	170,239	59.5
	1/01/97	581,584	650,189	68,605	89.4	87,145	78.7
	1/01/98	601,747	654,266	52,519	92.0	85,787	61.2
	1/01/99	620,800	659,922	39,122	94.1	84,594	46.2
	1/01/00	641,360	654,883	13,523	97.9	84,173	16.1
	1/01/01	670,892	679,123	8,231	98.8	85,060	9.7
	1/01/02	666,954	682,547	15,593	97.7	86,438	18.0
	12/31/02	611,070	695,467	84,397	87.9	84,730	99.6
Total Contributory Retirement System	1/01/94	\$911,717	1,099,162	187,445	82.9%	\$293,833	63.8%
	1/01/95	964,218	1,176,222	212,004	82.0	287,743	73.7
	1/01/96	852,034	992,374	140,340	85.9	261,685	53.6
	1/01/97	772,977	868,723	95,746	89.0	141,974	67.4
	1/01/98	809,388	880,499	71,111	91.9	138,231	51.4
	1/01/99	840,215	891,983	51,768	94.2	137,042	37.8
	1/01/00	878,190	894,484	16,294	98.2	137,561	11.8
	1/01/01	924,573	935,799	11,226	98.8	141,067	8.0
	1/01/02	927,523	948,912	21,389	97.7	142,882	15.0
	12/31/02	859,358	975,288	115,930	88.1	142,325	81.5

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	1993	\$ 3,427	100%
	1994	4,200	100
	1995	4,329	100
	1996	3,009	100
	1997	3,332	100
	1998	3,393	100
	1999	3,530	100
	2000	3,524	100
	2001	2,926	100
	2002	2,441	100
Contributory State and School	1993	\$14,511	100%
	1994	14,519	100
	1995	13,394	100
	1996	7,215	100
	1997	7,319	100
	1998	7,336	100
	1999	7,310	100
	2000	6,960	100
	2001	5,554	100
	2002	4,294	100
Total Contributory Retirement System	1993	\$17,938	100%
	1994	18,719	100
	1995	17,723	100
	1996	10,224	100
	1997	10,651	100
	1998	10,729	100
	1999	10,840	100
	2000	10,484	100
	2001	8,480	100
	2002	6,735	100

Noncontributory Retirement System**Schedules of Fiduciary Net Assets—
Pension Trust Fund by Division**

December 31, 2002

With Comparative Totals for December 31, 2001

	(in thousands)			
	Local Government	State and School	Total All Divisions	
			2002	2001
Assets:				
Cash	\$ 1	240	241	2
Receivables:				
Employer contributions	2,216	15,328	17,544	19,494
Investments	16,507	84,852	101,359	121,925
Total receivables	18,723	100,180	118,903	141,419
Investments at fair value:				
Short-term securities, domestic	86,732	445,838	532,570	422,353
Short-term securities, international	11,689	60,085	71,774	52,441
Debt securities, domestic	261,631	1,344,897	1,606,528	2,127,436
Debt securities, international	86,228	443,250	529,478	599,131
Equity investments, domestic	567,894	2,919,221	3,487,115	4,149,885
Equity investments, international	256,442	1,318,226	1,574,668	1,415,023
Alternative investments	98,237	504,982	603,219	533,487
Real estate	144,889	744,790	889,679	847,524
Mortgage loans	514	2,640	3,154	2,647
Total investments	1,514,256	7,783,929	9,298,185	10,149,927
Invested securities lending collateral	176,262	906,064	1,082,326	1,236,060
Property and equipment at cost, net of accumulated depreciation	661	3,397	4,058	4,340
Total assets	1,709,903	8,793,810	10,503,713	11,531,748
Liabilities:				
Securities lending liability	176,262	906,064	1,082,326	1,236,060
Disbursements in excess of cash balance	2,041	10,493	12,534	11,881
Insurance and post employment benefits reserve	5,769	29,655	35,424	38,219
Investment accounts payable	39,289	202,220	241,509	339,786
Mortgages payable	9,471	48,683	58,154	—
Total liabilities	232,832	1,197,115	1,429,947	1,625,946
Net assets held in trust for pension benefits	\$1,477,071	7,596,695	9,073,766	9,905,802

Noncontributory Retirement System**Schedules of Changes in Fiduciary Net Assets—
Pension Trust Fund by Division**

Year Ended December 31, 2002

With Comparative Totals for Year Ended December 31, 2001

	<i>(in thousands)</i>			
	Local Government	State and School	Total All Divisions	
			2002	2001
Additions:				
Contributions:				
Member	\$ 2,613	9,883	12,496	10,969
Employer	52,143	239,113	291,256	331,951
Total contributions	54,756	248,996	303,752	342,920
Investment income:				
Net appreciation (depreciation) in fair value of investments	(172,015)	(890,297)	(1,062,312)	(826,185)
Interest, dividends and other investment income	47,312	244,873	292,185	298,719
Total investment income (loss)	(124,703)	(645,424)	(770,127)	(527,466)
Less investment expenses	3,041	15,738	18,779	17,382
Net investment income (loss)	(127,744)	(661,162)	(788,906)	(544,848)
Transfers from affiliated systems	4,347	7,819	12,166	5,255
Total additions	(68,641)	(404,347)	(472,988)	(196,673)
Deductions:				
Retirement benefits	41,737	252,998	294,735	265,102
Cost of living benefits	6,809	46,686	53,495	46,209
Refunds	759	2,956	3,715	3,264
Administrative expenses	1,096	6,007	7,103	6,695
Total deductions	50,401	308,647	359,048	321,270
Increase (decrease) from operations	(119,042)	(712,994)	(832,036)	(517,943)
Net assets held in trust for pension benefits beginning of year	1,596,113	8,309,689	9,905,802	10,423,745
Net assets held in trust for pension benefits end of year	\$1,477,071	7,596,695	9,073,766	9,905,802

Noncontributory Retirement System

Schedules of Funding Progress by Division

(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 Local Government	1/01/94	\$ 591,167	587,087	(4,080)	100.7%	\$ 265,872	(1.5)%
	1/01/95	642,303	640,310	(1,993)	100.3	286,648	(0.7)
	1/01/96	779,728	812,952	33,224	95.9	324,541	10.2
	1/01/97	930,817	987,043	56,226	94.3	394,828	14.2
	1/01/98	1,083,991	1,101,505	17,514	98.4	443,169	4.0
	1/01/99	1,252,949	1,217,362	(35,587)	102.9	478,195	(7.4)
	1/01/00	1,470,043	1,342,091	(127,952)	109.5	511,311	(25.0)
	1/01/01	1,660,838	1,515,951	(144,887)	109.6	555,112	(26.1)
	1/01/02	1,790,398	1,667,820	(122,578)	107.3	583,682	(21.0)
	12/31/02	1,772,485	1,819,048	46,563	97.4	617,784	7.5
Noncontributory State and School	1/01/94	\$3,447,953	4,037,428	589,475	85.4%	\$1,211,348	48.7%
	1/01/95	3,729,887	4,565,563	835,676	81.7	1,355,475	61.7
	1/01/96	4,356,854	5,219,460	862,606	83.5	1,477,407	58.4
	1/01/97	5,038,996	5,930,915	891,919	85.0	1,660,051	53.7
	1/01/98	5,838,592	6,552,830	714,238	89.1	1,757,819	40.6
	1/01/99	6,678,244	7,118,369	440,125	93.8	1,887,455	23.3
	1/01/00	7,767,404	7,664,217	(103,187)	101.3	1,987,776	(5.2)
	1/01/01	8,700,495	8,417,563	(282,932)	103.4	2,104,088	(13.4)
	1/01/02	9,313,936	9,138,204	(175,732)	101.9	2,248,378	(7.8)
	12/31/02	9,116,033	9,809,155	693,122	92.9	2,308,665	30.0
Total Noncontributory Retirement System	1/01/94	\$4,039,120	4,624,515	585,395	87.3%	\$1,477,220	39.6%
	1/01/95	4,372,190	5,205,873	833,683	84.0	1,642,123	50.8
	1/01/96	5,136,582	6,032,412	895,830	85.1	1,801,948	49.7
	1/01/97	5,969,813	6,917,958	948,145	86.3	2,054,879	46.1
	1/01/98	6,922,583	7,654,335	731,752	90.4	2,200,988	33.2
	1/01/99	7,931,193	8,335,731	404,538	95.1	2,365,650	17.1
	1/01/00	9,237,447	9,006,308	(231,139)	102.6	2,499,087	(9.2)
	1/01/01	10,361,333	9,933,514	(427,819)	104.3	2,659,200	(16.1)
	1/01/02	11,104,334	10,806,024	(298,310)	102.8	2,832,060	(10.5)
12/31/02	10,888,518	11,628,203	739,685	93.6	2,926,449	25.3	

Noncontributory Retirement System

Schedules of Employer Contributions by Division

(dollars in thousands)

N	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Noncontributory Local Government	1993	\$ 18,983	100%
	1994	23,214	100
	1995	28,014	100
	1996	37,215	100
	1997	46,053	100
	1998	50,947	100
	1999	55,110	100
	2000	58,626	100
	2001	54,274	100
	2002	52,143	100
Noncontributory State and School	1993	\$155,244	100%
	1994	170,988	100
	1995	192,941	100
	1996	222,853	100
	1997	248,884	100
	1998	267,688	100
	1999	283,594	100
	2000	293,713	100
	2001	277,677	100
	2002	239,113	100
Total Noncontributory Retirement System	1993	\$174,227	100%
	1994	194,202	100
	1995	220,955	100
	1996	260,068	100
	1997	294,937	100
	1998	318,635	100
	1999	338,704	100
	2000	352,339	100
2001	331,951	100	
2002	291,256	100	

Public Safety Retirement System**Schedules of Fiduciary Net Assets—
Pension Trust Fund by Division**

December 31, 2002

With Comparative Totals for December 31, 2001

PS	<i>(in thousands)</i>		
	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City
Assets:			
Cash	\$ 2	2	2
Receivables:			
Member contributions	5	112	1
Employer contributions	665	587	214
Investments	4,577	5,158	1,207
Total receivables	5,247	5,857	1,422
Investments at fair value:			
Short-term securities, domestic	24,047	27,104	6,343
Short-term securities, international	3,241	3,653	855
Debt securities, domestic	72,538	81,760	19,133
Debt securities, international	23,907	26,946	6,306
Equity investments, domestic	157,451	177,466	41,531
Equity investments, international	71,100	80,138	18,754
Alternative investments	27,237	30,699	7,184
Real estate	40,171	45,278	10,596
Mortgage loans	142	161	38
Total investments	419,834	473,205	110,740
Invested securities lending collateral	48,869	55,082	12,890
Property and equipment at cost, net of accumulated depreciation	183	207	48
Total assets	474,135	534,353	125,102
Liabilities:			
Securities lending liability	48,869	55,082	12,890
Disbursements in excess of cash balance	566	638	149
Insurance and post employment benefits reserve	1,599	1,803	422
Investment accounts payable	10,893	12,278	2,873
Mortgages payable	2,626	2,959	693
Total liabilities	64,553	72,760	17,027
Net assets held in trust for pension benefits	\$409,582	461,593	108,075

Ogden	Provo	Logan	Bountiful	Other Division B (without Social Security)	Total All Divisions	
					2002	2001
2	1	2	2	2	15	14
—	—	9	—	43	170	178
—	—	4	12	121	1,603	1,773
360	213	122	102	827	12,566	15,143
360	213	135	114	991	14,339	17,094
1,890	1,121	642	536	4,344	66,027	52,458
255	151	87	72	585	8,899	6,514
5,701	3,381	1,937	1,618	13,103	199,171	264,237
1,879	1,114	638	533	4,318	65,641	74,414
12,375	7,340	4,205	3,512	28,441	432,321	515,434
5,588	3,314	1,899	1,586	12,843	195,222	175,753
2,141	1,270	727	607	4,920	74,785	66,262
3,157	1,873	1,073	896	7,256	110,300	105,267
11	7	4	3	26	392	330
32,997	19,571	11,212	9,363	75,836	1,152,758	1,260,669
3,841	2,278	1,305	1,090	8,828	134,183	153,526
14	9	5	4	33	503	539
37,214	22,072	12,659	10,573	85,690	1,301,798	1,431,842
3,841	2,278	1,305	1,090	8,828	134,183	153,526
44	26	15	13	102	1,553	1,475
126	75	43	36	289	4,393	4,746
856	508	291	243	1,968	29,910	42,192
207	122	70	59	474	7,210	—
5,074	3,009	1,724	1,441	11,661	177,249	201,939
32,140	19,063	10,935	9,132	74,029	1,124,549	1,229,903

Public Safety Retirement System**Schedules of Changes in Fiduciary Net Assets—
Pension Trust Fund by Division**

Year Ended December 31, 2002

With Comparative Totals for Year Ended December 31, 2001

PS	<i>(in thousands)</i>		
	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City
Additions:			
Contributions:			
Member	\$ 188	2,321	98
Employer	16,476	14,639	5,633
Total contributions	16,664	16,960	5,731
Investment income:			
Net appreciation (depreciation) in fair value of investments	(47,993)	(54,048)	(12,795)
Interest, dividends and other investment income	13,200	14,866	3,519
Total investment income (loss)	(34,793)	(39,182)	(9,276)
Less investment expenses	848	955	226
Net investment income (loss)	(35,641)	(40,137)	(9,502)
Transfers from affiliated systems	1,161	488	(321)
Total additions	(17,816)	(22,689)	(4,092)
Deductions:			
Retirement benefits	17,298	16,601	6,664
Cost of living benefits	3,044	2,345	1,555
Supplemental retirement benefits	371	191	80
Refunds	33	612	—
Administrative expenses	335	341	104
Total deductions	21,081	20,090	8,403
Increase (decrease) from operations	(38,897)	(42,779)	(12,495)
Net assets held in trust for pension benefits beginning of year	448,479	504,372	120,570
Net assets held in trust for pension benefits end of year	\$409,582	461,593	108,075

Ogden	Provo	Logan	Bountiful	Other Division B (without Social Security)	Total All Divisions	
					2002	2001
—	611	256	—	784	4,258	3,976
976	433	78	291	3,738	42,264	46,113
976	1,044	334	291	4,522	46,522	50,089
(3,830)	(2,252)	(1,282)	(1,068)	(8,447)	(131,715)	(102,635)
1,053	619	353	294	2,323	36,227	37,107
(2,777)	(1,633)	(929)	(774)	(6,124)	(95,488)	(65,528)
68	40	23	19	149	2,328	2,160
(2,845)	(1,673)	(952)	(793)	(6,273)	(97,816)	(67,688)
(17)	(110)	31	9	715	1,956	1,416
(1,886)	(739)	(587)	(493)	(1,036)	(49,338)	(16,183)
1,760	794	348	267	1,856	45,588	41,084
314	201	59	57	114	7,689	6,801
25	11	2	5	—	685	722
12	228	15	—	255	1,155	542
27	17	8	7	60	899	843
2,138	1,251	432	336	2,285	56,016	49,992
(4,024)	(1,990)	(1,019)	(829)	(3,321)	(105,354)	(66,175)
36,164	21,053	11,954	9,961	77,350	1,229,903	1,296,078
32,140	19,063	10,935	9,132	74,029	1,124,549	1,229,903

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	1/01/94	\$204,170	245,379	41,209	83.2%	\$52,803	78.0%
	1/01/95	219,963	268,672	48,709	81.9	56,174	86.7
	1/01/96	246,859	296,811	49,952	83.2	57,193	87.3
	1/01/97	278,328	334,751	56,423	83.1	64,857	87.0
	1/01/98	318,711	363,551	44,840	87.7	69,652	64.4
	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
	12/31/02	491,499	547,514	56,015	89.8	90,782	61.7
Public Safety Other Division A (with Social Security)	1/01/94	\$225,842	213,216	(12,626)	105.9%	\$54,192	(23.3)%
	1/01/95	242,135	239,066	(3,069)	101.3	57,909	(5.3)
	1/01/96	272,119	272,849	730	99.7	64,802	1.1
	1/01/97	306,419	311,406	4,987	98.4	71,915	6.9
	1/01/98	352,448	344,437	(8,011)	102.3	79,944	(10.0)
	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)
	12/31/02	553,911	563,794	9,883	98.2	118,507	8.3
Public Safety Salt Lake City	1/01/94	\$ 63,359	100,095	36,736	63.3%	\$11,116	330.5%
	1/01/95	66,034	106,419	40,385	62.1	12,387	326.0
	1/01/96	72,889	114,732	41,843	63.5	13,787	303.5
	1/01/97	80,299	120,767	40,468	66.5	13,804	293.2
	1/01/98	90,670	130,903	40,233	69.3	16,069	250.4
	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
	12/31/02	129,690	166,273	36,583	78.0	19,305	189.5
Public Safety Ogden	1/01/94	\$ 19,148	24,542	5,394	78.0%	\$ 3,254	165.8%
	1/01/95	20,375	26,990	6,615	75.5	3,464	191.0
	1/01/96	22,461	27,287	4,826	82.3	3,442	140.2
	1/01/97	24,767	30,598	5,831	80.9	3,629	160.7
	1/01/98	27,838	31,691	3,853	87.8	3,899	98.8
	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)
	12/31/02	38,568	42,319	3,751	91.1	5,059	74.1
Public Safety Provo	1/01/94	\$ 9,837	13,339	3,502	73.7%	\$ 2,304	152.0%
	1/01/95	10,416	14,397	3,981	72.3	2,608	152.6
	1/01/96	11,597	15,800	4,203	73.4	2,750	152.8
	1/01/97	12,955	17,344	4,389	74.7	3,160	138.9
	1/01/98	14,904	18,311	3,407	81.4	3,532	96.5
	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
	12/31/02	22,875	26,739	3,864	85.5	4,512	85.6

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	1/01/94	\$ 5,489	5,585	96	98.3%	\$ 1,667	5.8%
	1/01/95	5,912	5,929	17	99.7	1,213	1.4
	1/01/96	6,590	6,639	49	99.3	1,354	3.6
	1/01/97	7,352	7,749	397	94.9	1,500	26.5
	1/01/98	8,397	8,358	(39)	100.5	1,671	(2.3)
	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)
	12/31/02	13,122	13,453	331	97.5	2,312	14.3
Public Safety Bountiful	1/01/94	\$ 4,925	5,346	421	92.1%	\$ 1,112	37.9%
	1/01/95	5,250	5,717	467	91.8	1,109	42.1
	1/01/96	5,847	6,524	677	89.6	1,100	61.5
	1/01/97	6,500	7,607	1,107	85.4	1,167	94.9
	1/01/98	7,402	8,310	908	89.1	1,246	72.9
	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)
	12/31/02	10,958	11,308	350	96.9	1,601	21.9
Public Safety Other Divisions (without Social Security)	1/01/94	\$ 22,744	19,856	(2,888)	114.5%	\$ 12,506	(23.1)%
	1/01/95	26,807	23,917	(2,890)	112.1	13,927	(20.8)
	1/01/96	32,248	30,508	(1,740)	105.7	15,515	(11.2)
	1/01/97	38,486	36,282	(2,204)	106.1	16,947	(13.0)
	1/01/98	46,781	46,539	(242)	100.5	19,451	(1.2)
	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
	12/31/02	88,835	102,462	13,627	86.7	26,400	51.6
Total Public Safety Retirement System	1/01/94	\$ 555,514	627,358	71,844	88.5%	\$ 138,954	51.7%
	1/01/95	596,892	691,107	94,215	86.4	148,791	63.3
	1/01/96	670,610	771,150	100,540	87.0	159,943	62.9
	1/01/97	755,106	866,504	111,398	87.1	176,979	62.9
	1/01/98	867,151	952,100	84,949	91.1	195,464	43.5
	1/01/99	988,800	1,034,147	45,347	95.6	212,414	21.3
	1/01/00	1,146,331	1,105,166	(41,165)	103.7	226,057	(18.2)
	1/01/01	1,286,996	1,206,876	(80,120)	106.6	247,985	(32.3)
	1/01/02	1,376,466	1,366,134	(10,332)	100.8	260,783	(4.0)
	12/31/02	1,349,458	1,473,862	124,404	91.6	268,478	46.3

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	1993	\$ 8,205	100%
	1994	8,907	100
	1995	10,670	100
	1996	12,938	100
	1997	14,310	100
	1998	16,515	100
	1999	17,888	100
	2000	19,250	100
	2001	17,990	100
	2002	16,476	100
Public Safety Other Division A (with Social Security)	1993	\$ 3,809	100%
	1994	4,503	100
	1995	7,101	100
	1996	8,860	100
	1997	10,755	100
	1998	13,448	100
	1999	15,611	100
	2000	17,700	100
	2001	16,326	100
	2002	14,639	100
Public Safety Salt Lake City	1993	\$ 3,307	100%
	1994	3,755	100
	1995	4,363	100
	1996	4,359	100
	1997	5,222	100
	1998	5,482	100
	1999	5,986	100
	2000	6,286	100
	2001	6,052	100
	2002	5,633	100
Public Safety Ogden	1993	\$ 369	100%
	1994	352	100
	1995	689	100
	1996	792	100
	1997	899	100
	1998	1,003	100
	1999	1,133	100
	2000	1,122	100
	2001	1,070	100
	2002	976	100
Public Safety Provo	1993	\$ 240	100%
	1994	273	100
	1995	303	100
	1996	341	100
	1997	423	100
	1998	479	100
	1999	537	100
	2000	562	100
	2001	485	100
	2002	433	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	1993	\$ 100	100%
	1994	94	100
	1995	82	100
	1996	72	100
	1997	96	100
	1998	131	100
	1999	162	100
	2000	162	100
	2001	109	100
	2002	78	100
Public Safety Bountiful	1993	\$ 130	100%
	1994	149	100
	1995	179	100
	1996	203	100
	1997	230	100
	1998	277	100
	1999	320	100
	2000	340	100
	2001	320	100
	2002	291	100
Public Safety Other Divisions (without Social Security)	1993	\$ 800	100%
	1994	862	100
	1995	1,345	100
	1996	1,706	100
	1997	2,282	100
	1998	2,764	100
	1999	3,473	100
	2000	3,931	100
	2001	3,761	100
	2002	3,738	100
Total Public Safety Retirement System	1993	\$16,960	100%
	1994	18,895	100
	1995	24,732	100
	1996	29,271	100
	1997	34,217	100
	1998	40,099	100
	1999	45,110	100
	2000	49,353	100
	2001	46,113	100
	2002	42,264	100

Firefighters Retirement System**Schedules of Fiduciary Net Assets—
Pension Trust Fund by Division**

December 31, 2002

With Comparative Totals for December 31, 2001

	(in thousands)			
	Division A (with Social Security)	Division B (without Social Security)	Total All Divisions	
			2002	2001
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	35	166	201	241
Employer contributions	1	—	1	1,806
Fire insurance tax	—	—	—	—
Investments	514	4,646	5,160	6,246
Total receivables	550	4,812	5,362	8,293
Investments at fair value:				
Short-term securities, domestic	2,703	24,414	27,117	21,638
Short-term securities, international	364	3,290	3,654	2,687
Debt securities, domestic	8,154	73,646	81,800	108,996
Debt securities, international	2,687	24,272	26,959	30,696
Equity investments, domestic	17,699	159,856	177,555	212,614
Equity investments, international	7,992	72,186	80,178	72,497
Alternative investments	3,062	27,653	30,715	27,333
Real estate	4,516	40,785	45,301	43,422
Mortgage loans	16	145	161	136
Total investments	47,193	426,247	473,440	520,019
Invested securities lending collateral	5,494	49,616	55,110	63,328
Property and equipment at cost, net of accumulated depreciation	21	186	207	222
Total assets	53,259	480,862	534,121	591,864
Liabilities:				
Securities lending liability	5,494	49,616	55,110	63,328
Disbursements in excess of cash balance	64	575	639	609
Insurance and post employment benefits reserve	180	1,624	1,804	1,958
Investment accounts payable	1,225	11,060	12,285	17,404
Mortgages payable	295	2,665	2,960	—
Total liabilities	7,258	65,540	72,798	83,299
Net assets held in trust for pension benefits	\$46,001	415,322	461,323	508,565

Firefighters Retirement System**Schedules of Changes in Fiduciary Net Assets—
Pension Trust Fund by Division**

Year Ended December 31, 2002

With Comparative Totals for Year Ended December 31, 2001

	<i>(in thousands)</i>			
	Division A (with Social Security)	Division B (without Social Security)	2002	2001
Additions:				
Contributions:				
Member	\$ 1,029	4,771	5,800	7,549
Employer	—	—	—	—
Fire insurance tax	1,791	7,663	9,454	8,354
Total contributions	2,820	12,434	15,254	15,903
Investment income:				
Net appreciation (depreciation) in fair value of investments	(5,247)	(48,882)	(54,129)	(42,515)
Interest, dividends and other investment income	1,443	13,445	14,888	15,372
Total investment income (loss)	(3,804)	(35,437)	(39,241)	(27,143)
Less investment expenses	93	864	957	895
Net investment income (loss)	(3,897)	(36,301)	(40,198)	(28,038)
Transfers from affiliated systems	25	710	735	1,517
Total additions	(1,052)	(23,157)	(24,209)	(10,618)
Deductions:				
Retirement benefits	1,188	16,126	17,314	16,207
Cost of living benefits	230	3,993	4,223	3,775
Supplemental retirement benefits	44	707	751	796
Refunds	18	404	422	543
Administrative expenses	30	293	323	318
Total deductions	1,510	21,523	23,033	21,639
Increase (decrease) from operations	(2,562)	(44,680)	(47,242)	(32,257)
Net assets held in trust for pension benefits beginning of year	48,563	460,002	508,565	540,822
Net assets held in trust for pension benefits end of year	\$46,001	415,322	461,323	508,565

Firefighters Retirement System

Schedules of Funding Progress by Division

(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 Division A (with Social Security)	1/01/94	\$ 25,213	20,326	(4,887)	124.0%	\$ 5,682	(86.0)%
	1/01/95	27,804	24,708	(3,096)	112.5	5,768	(53.7)
	1/01/96	31,807	28,026	(3,781)	113.5	6,299	(60.0)
	1/01/97	36,473	32,138	(4,335)	113.5	7,032	(61.6)
	1/01/98	42,528	37,464	(5,064)	113.5	7,968	(63.6)
	1/01/99	48,851	40,479	(8,372)	120.7	9,375	(89.3)
	1/01/00	56,976	42,464	(14,512)	134.2	10,944	(132.6)
	1/01/01	49,688	38,955	(10,733)	127.6	9,733	(110.3)
	1/01/02	54,345	46,108	(8,237)	117.9	12,070	(68.2)
	12/31/02	55,202	52,374	(2,828)	105.4	13,423	(21.1)
Firefighters Division A (without Social Security)	1/01/94	\$218,015	258,758	40,743	84.3%	\$32,197	126.5%
	1/01/95	233,719	282,751	49,032	82.7	34,389	142.6
	1/01/96	262,009	305,406	43,397	85.8	36,728	118.2
	1/01/97	293,002	330,273	37,271	88.7	38,937	95.7
	1/01/98	333,650	347,511	13,861	96.0	43,319	32.0
	1/01/99	374,554	367,224	(7,330)	102.0	44,951	(16.3)
	1/01/00	426,398	376,693	(49,705)	113.2	46,617	(106.6)
	1/01/01	486,815	416,501	(70,314)	116.9	53,541	(131.3)
	1/01/02	514,806	445,166	(69,640)	115.6	55,122	(126.3)
	12/31/02	498,387	477,781	(20,606)	104.3	57,931	(35.6)
Total Firefighters Retirement System	1/01/94	\$243,228	279,084	35,856	87.2%	\$37,879	94.7%
	1/01/95	261,523	307,459	45,936	85.1	40,157	114.4
	1/01/96	293,816	333,432	39,616	88.1	43,027	92.1
	1/01/97	329,475	362,411	32,936	90.9	45,969	71.6
	1/01/98	376,178	384,975	8,797	97.7	51,287	17.2
	1/01/99	423,405	407,703	(15,702)	103.9	54,326	(28.9)
	1/01/00	483,374	419,157	(64,217)	115.3	57,561	(111.6)
	1/01/01	536,503	455,456	(81,047)	117.8	63,274	(128.1)
	1/01/02	569,151	491,274	(77,877)	115.9	67,192	(115.9)
	12/31/02	553,589	530,155	(23,434)	104.4	71,354	(32.8)

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)	1993	\$ 394	100%
	1994	499	100
	1995	697	100
	1996	651	100
	1997	691	100
	1998	758	100
	1999	813	100
	2000	1,290	100
	2001	1,489	100
	2002	1,791	100
Firefighters Division A (without Social Security)	1993	\$4,566	100%
	1994	4,999	100
	1995	5,850	100
	1996	5,684	100
	1997	6,697	100
	1998	6,179	100
	1999	4,924	100
	2000	5,465	100
	2001	6,865	100
	2002	7,663	100
Total Firefighters Retirement System	1993	\$4,960	100%
	1994	5,498	100
	1995	6,547	100
	1996	6,335	100
	1997	7,388	100
	1998	6,937	100
	1999	5,737	100
	2000	6,755	100
	2001	8,354	100
	2002	9,454	100

401(k) Plan**Schedules of Fiduciary Net Assets by Investment Fund**

Year Ended December 31, 2002

With Comparative Totals for

Year Ended December 31, 2001

(in thousands)

	401(k) Income Fund	Group Annuity Fund	Member Loan Fund	Bond Fund	Balanced Fund	Large Cap Stock Value Fund
Assets:						
Cash	\$ 2,052	—	2	735	42	92
Receivables	—	—	26,813	—	—	—
Investments at fair value:						
Debt securities	420,252	—	—	87,247	—	—
Equity investments, domestic	—	—	—	—	184,601	24,128
Equity investments, international	—	—	—	—	—	—
Investment contracts	—	35,115	—	—	—	—
Total investments	420,252	35,115	—	87,247	184,601	24,128
Invested securities lending collateral	—	—	—	—	15,970	—
Total assets	422,304	35,115	26,815	87,982	200,613	24,220
Liabilities:						
Securities lending liability	—	—	—	—	15,970	—
Disbursements in excess of cash balance	—	6	—	—	—	—
Administrative expenses payable	1,343	9	—	22	49	6
Investment advisor fees payable	150	—	—	—	75	—
Total liabilities	1,493	15	—	22	16,094	6
Net assets held in trust for pension benefits	\$420,811	35,100	26,815	87,960	184,519	24,214

401(k) Plan**Schedules of Changes in Fiduciary Net Assets by Investment Fund**

Year Ended December 31, 2002

With Comparative Totals for

Year Ended December 31, 2001

(in thousands)

	401(k) Income Fund	Group Annuity Fund	Member Loan Fund	Bond Fund	Balanced Fund	Large Cap Stock Value Fund
Additions:						
Member contributions	\$ 34,928	—	—	9,210	20,284	4,863
Investment Income:						
Net appreciation (depreciation) in fair value of investments	21,521	—	—	6,465	(20,846)	(3,331)
Investment contracts	—	2,101	1,917	—	—	—
Total investment income (loss)	21,521	2,101	1,917	6,465	(20,846)	(3,331)
Less investment expenses	564	—	—	—	322	—
Net investment income (loss)	20,957	2,101	1,917	6,465	(21,168)	(3,331)
Transfers (to) from affiliated funds	40,692	(1,217)	2,183	29,241	(23,223)	8,956
Total additions	96,577	884	4,100	44,916	(24,107)	10,488
Expenditures:						
Refunds	22,986	2,374	1,028	2,896	9,033	644
Administrative expenses	1,155	103	136	184	567	66
Total deductions	24,141	2,477	1,164	3,080	9,600	710
Increase (decrease) from operations	72,436	(1,593)	2,936	41,836	(33,707)	9,778
Net assets held in trust for pension benefits beginning of the year	348,375	36,693	23,879	46,124	218,226	14,436
Net assets held in trust for pension benefits end of year	\$420,811	35,100	26,815	87,960	184,519	24,214

Large Cap Stock Index Fund	Large Cap Stock Growth Fund	Small Cap Stock Fund	International Fund	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund	Total	
							2002	2001
—	1,185	—	—	48	9	79	4,244	1,767
—	—	—	—	—	—	—	26,813	23,877
—	—	—	—	29,140	18,344	13,602	568,585	447,932
240,175	41,275	46,971	—	3,446	16,564	38,595	595,755	726,769
—	—	—	61,705	1,537	6,367	17,428	87,037	94,384
—	—	—	—	—	—	—	35,115	36,705
240,175	41,275	46,971	61,705	34,123	41,275	69,625	1,286,492	1,305,790
23,524	3,145	—	—	352	880	2,063	45,934	28,099
263,699	45,605	46,971	61,705	34,523	42,164	71,767	1,363,483	1,359,533
23,524	3,145	—	—	352	880	2,063	45,934	28,099
223	—	178	2,431	—	—	—	2,838	544
65	11	13	17	9	11	19	1,574	464
18	35	—	58	4	10	23	373	381
23,830	3,191	191	2,506	365	901	2,105	50,719	29,488
239,869	42,414	46,780	59,199	34,158	41,263	69,662	1,312,764	1,330,045

Large Cap Stock Index Fund	Large Cap Stock Growth Fund	Small Cap Stock Fund	International Fund	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund	Total	
							2002	2001
30,415	9,420	7,834	9,315	5,254	10,023	18,721	160,267	145,557
(71,029)	(16,450)	(12,354)	(4,425)	1,445	(3,000)	(10,312)	(112,316)	(36,767)
—	—	—	—	—	—	—	4,018	4,214
(71,029)	(16,450)	(12,354)	(4,425)	1,445	(3,000)	(10,312)	(108,298)	(32,553)
84	153	—	227	15	37	90	1,492	1,498
(71,113)	(16,603)	(12,354)	(4,652)	1,430	(3,037)	(10,402)	(109,790)	(34,051)
(33,519)	(2,009)	(907)	(11,447)	2,881	(4,571)	(7,060)	—	—
(74,217)	(9,192)	(5,427)	(6,784)	9,565	2,415	1,259	50,477	111,506
12,041	1,795	2,095	2,406	1,957	2,180	2,473	63,908	54,819
778	128	149	185	84	113	202	3,850	3,374
12,819	1,923	2,244	2,591	2,041	2,293	2,675	67,758	58,193
(87,036)	(11,115)	(7,671)	(9,375)	7,524	122	(1,416)	(17,281)	53,313
326,905	53,529	54,451	68,574	26,634	41,141	71,078	1,330,045	1,276,732
239,869	42,414	46,780	59,199	34,158	41,263	69,662	1,312,764	1,330,045

457 Plan**Schedules of Fiduciary Net Assets by Investment Fund**

Year Ended December 31, 2002

With Comparative Totals for

Year Ended December 31, 2001

(in thousands)

	Income Fund	Group Annuity Fund	Bond Fund	Balanced Fund	Large Cap Stock Value Fund
Assets:					
Cash	\$ 619	—	287	—	27
Investments at fair value:					
Debt securities	50,001	—	13,473	—	—
Equity investments, domestic	—	—	—	17,412	3,990
Equity investments, international	—	—	—	—	—
Investment contracts	—	21,920	—	—	—
Total investments	50,001	21,920	13,473	17,412	3,990
Invested securities lending collateral	—	—	—	1,506	—
Total assets	50,620	21,920	13,760	18,918	4,017
Liabilities:					
Securities lending liability	—	—	—	1,506	—
Disbursements in excess of cash balance	—	—	—	2	—
Administrative expenses payable	41	6	3	5	1
Investment advisor fees payable	18	—	—	7	—
Total liabilities	59	6	3	1,520	1
Net assets held in trust for pension benefits	\$50,561	21,914	13,757	17,398	4,016

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

Year Ended December 31, 2002

With Comparative Totals for

Year Ended December 31, 2001

(in thousands)

	Income Fund	Group Annuity Fund	Bond Fund	Balanced Fund	Large Cap Stock Value Fund
Additions:					
Member contributions	\$ 2,917	—	789	878	594
Investment Income:					
Net appreciation (depreciation) in fair value of investments	2,605	—	1,000	(2,232)	(578)
Investment contracts	—	1,369	—	—	—
Total investment income (loss)	2,605	1,369	1,000	(2,232)	(578)
Less investment expenses	67	—	—	32	—
Net investment income (loss)	2,538	1,369	1,000	(2,264)	(578)
Transfers (to) from affiliated funds	8,184	(1,036)	5,037	(3,353)	1,681
Total additions	13,639	333	6,826	(4,739)	1,697
Expenditures:					
Refunds	7,318	4,262	1,109	2,550	369
Administrative expenses	124	64	29	55	11
Total deductions	7,442	4,326	1,138	2,605	380
Increase (decrease) from operations	6,197	(3,993)	5,688	(7,344)	1,317
Net assets held in trust for pension benefits beginning of the year	44,364	25,907	8,069	24,742	2,699
Net assets held in trust for pension benefits end of year	\$50,561	21,914	13,757	17,398	4,016

Large Cap Stock Index Fund	Large Cap Stock Growth Fund	Small Cap Stock Fund	International Fund	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund	Total	
							2002	2001
—	99	—	—	9	3	3	1,047	335
—	—	—	—	5,325	1,841	904	71,544	61,242
32,369	4,522	6,584	—	630	1,662	2,564	69,733	102,082
—	—	—	6,341	281	639	1,158	8,419	10,309
—	—	—	—	—	—	—	21,920	25,913
32,369	4,522	6,584	6,341	6,236	4,142	4,626	171,616	199,546
3,170	344	—	—	47	111	266	5,444	4,012
35,539	4,965	6,584	6,341	6,292	4,256	4,895	178,107	203,893
3,170	344	—	—	47	111	266	5,444	4,012
18	—	145	822	—	—	—	987	273
9	1	2	2	2	1	1	74	42
2	4	—	6	1	1	2	41	48
3,199	349	147	830	50	113	269	6,546	4,375
32,340	4,616	6,437	5,511	6,242	4,143	4,626	171,561	199,518

Large Cap Stock Index Fund	Large Cap Stock Growth Fund	Small Cap Stock Fund	International Fund	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund	Total	
							2002	2001
1,482	581	664	471	441	589	947	10,353	5,935
(10,571)	(2,053)	(1,894)	27	292	(357)	(769)	(14,530)	(6,853)
—	—	—	—	—	—	—	1,369	1,646
(10,571)	(2,053)	(1,894)	27	292	(357)	(769)	(13,161)	(5,207)
12	17	—	23	3	4	6	164	188
(10,583)	(2,070)	(1,894)	4	289	(361)	(775)	(13,325)	(5,395)
(6,239)	(500)	(102)	(1,868)	(39)	(1,151)	(614)	—	—
(15,340)	(1,989)	(1,332)	(1,393)	691	(923)	(442)	(2,972)	540
4,769	513	957	675	632	633	711	24,498	16,129
108	14	21	19	16	12	14	487	498
4,877	527	978	694	648	645	725	24,985	16,627
(20,217)	(2,516)	(2,310)	(2,087)	43	(1,568)	(1,167)	(27,957)	(16,087)
52,557	7,132	8,747	7,598	6,199	5,711	5,793	199,518	215,605
32,340	4,616	6,437	5,511	6,242	4,143	4,626	171,561	199,518

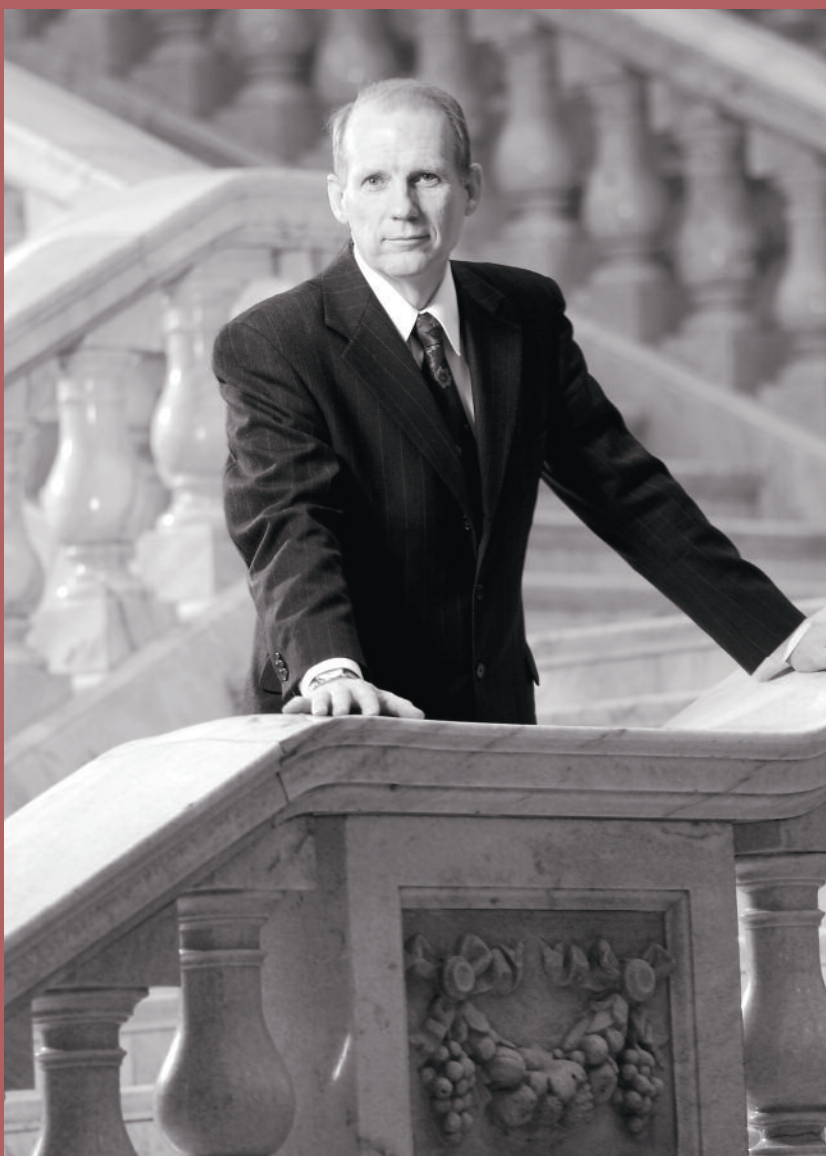
Schedules of Administrative and Investment Expenses

Year Ended December 31, 2002

(in thousands)

	Defined Benefit Pension Plans	Investments	401(k) and 457 Plans	Total
Personal services:				
Salaries and wages	\$3,534	985	2,273	6,792
Employee benefits	1,485	323	861	2,669
Total personal services	5,019	1,308	3,134	9,461
Professional services:				
Audit	67	—	15	82
Actuarial services	180	—	—	180
General counsel	514	6	11	531
Banking services	58	—	147	205
Security handling expense	—	1,714	16	1,730
Investment advisor fees	—	20,477	1,656	22,133
Other consulting services	44	—	8	52
Total professional services	863	22,197	1,853	24,913
Communications:				
Telephone	146	26	115	287
Postage	353	—	211	564
Total communications	499	26	326	851
Rentals:				
Office space	735	72	111	918
Data processing equipment	250	—	—	250
Total rentals	985	72	111	1,168
Miscellaneous:				
Data processing	351	98	344	793
Travel	256	60	35	351
Contractual services	353	1	125	479
Supplies and maintenance	122	2	2	126
Insurance and bonding premiums	125	—	49	174
Subscription expense	9	4	2	15
Office supplies	50	—	11	61
Other	63	—	1	64
Depreciation expense	316	—	—	316
Total miscellaneous	1,645	165	569	2,379
Total administrative expenses	\$9,011	23,768	5,993	38,772
Allocation of administrative expenses:				
Contributory Retirement System	\$ 624	—	—	624
Noncontributory Retirement System	7,103	—	—	7,103
Public Safety Retirement System	899	—	—	899
Firefighters Retirement System	323	—	—	323
Judges Retirement System	57	—	—	57
Governors and Legislative Pension Plan	5	—	—	5
401(k) Plan	—	—	3,850	3,850
457 Plan	—	—	487	487
Total administrative expenses	9,011	—	4,337	13,348
Investment administrative expense	—	3,291	—	3,291
Investment advisor fees:				
Investments	—	20,477	—	20,477
401(k) Plan	—	—	1,492	1,492
457 Plan	—	—	164	164
Total investment advisor fees	—	20,477	1,656	22,133
Total administrative expense allocations	\$9,011	23,768	5,993	38,772

Investment Section

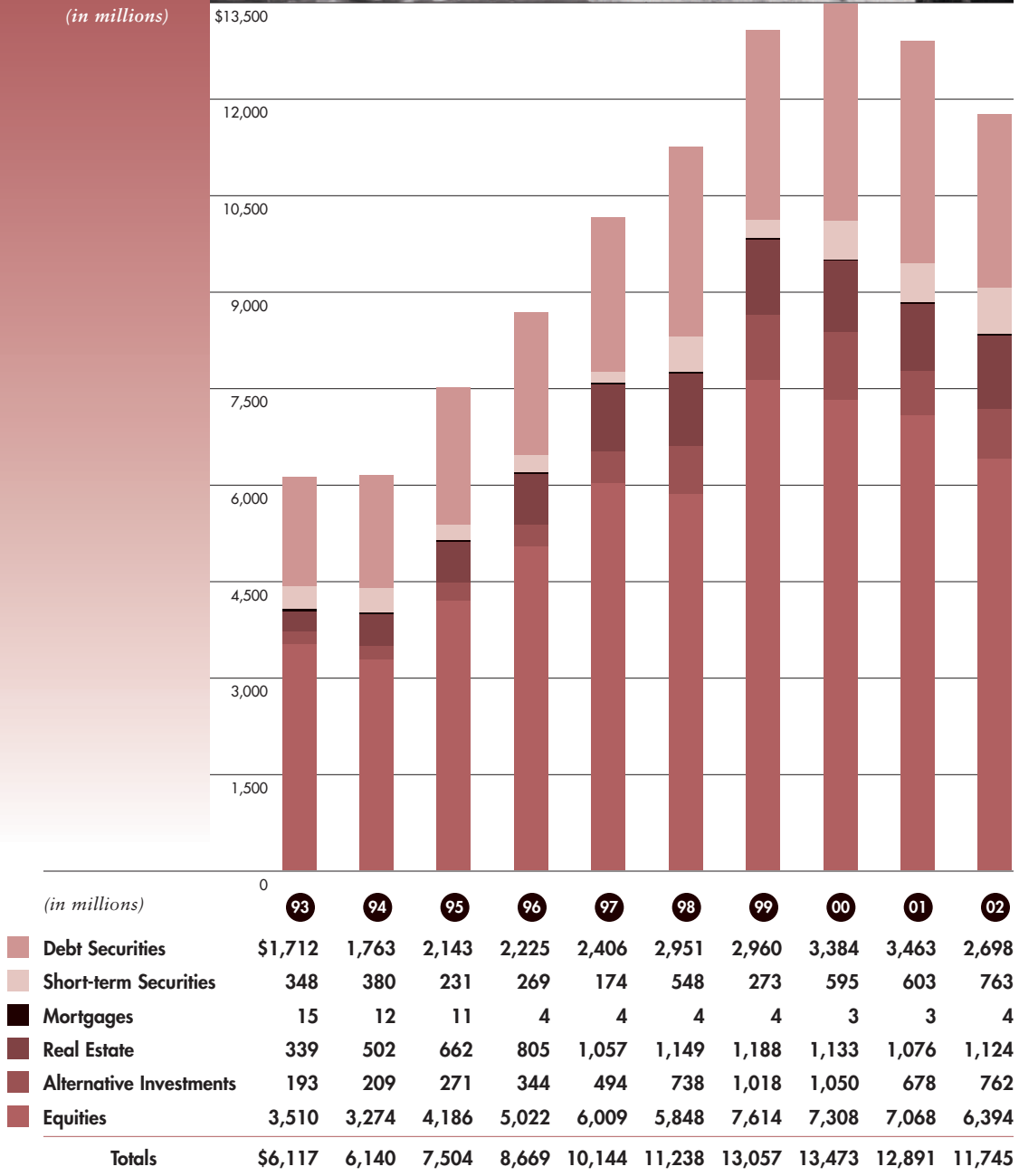


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All Retirement Systems

Ten-Year Investment Comparison

(in millions)



Defined Benefit Investments

Report on Investment Activity

As we conclude a difficult year, both in the markets here and around the world, we see that many of the excesses built into the market in the late 1990s have now been erased. The Standard & Poor's 500 Index experienced returns of over 20% for each of the five years 1995 through 1999. The following three years, from 2000 through 2002, each experienced negative returns in excess of 9%. Public confidence in the economic and geopolitical outlook is somewhat negative and three years of losses have reduced stock investors' expectations to modest levels.

The domestic market as measured by the total return for the Standard & Poor's 500 index declined approximately 22.1% for the year ended December 31, 2002. The international market total return as measured by the Europe Australia/Asia Far East ("EAFE") index was only slightly better declining approximately 15.9% for the same period. Although the equity markets had significant declines, the domestic fixed income market as measured by the Lehman Brothers Aggregate returned 10.3% for the year. The international fixed income market did even better. The total return as measured by the Salomon Smith Barney Non-U.S. Government index was 22.0%.

The Utah Retirement Systems ("Systems") were not immune to the decline in the equity markets for 2002. However, because the Systems diversifies its portfolio, its loss was significantly less than the equity market returns as noted above. The Systems declined in fair market value by 7.5%. This loss impacted the Systems five-year return number dropping it to 2.8% as compared to the five year number a year ago of 7.5%. In spite of the negative news, the Systems continue to be financially strong. Over the past ten years, the Systems have returned 8.1% achieving its actuarial goal of 8%.

Going forward, the equity markets are much more reasonably

valued and, hopefully, as the economy continues to recover, the markets will return to positive returns. As we have stated previously, and will continue to state, the Systems' time horizon is very long term.

Our outlook covers twenty to thirty years. Although these past few years have certainly been painful for all of us, we do not view this environment as having any devastating impact on the Systems. The Systems produced returns better than 60% of its peers over these past three difficult years. We will continue to hold to our investment process, which we believe is sound and should produce the needed return for our participants in the long run. We have just concluded an Asset/Liability study to determine if we need to make any changes to our asset allocation strategy. We are happy to report that the study's conclusions confirm our current allocation. Although we might make minor adjustments, our commitment of 58% to equity investments, 26% to fixed income investments, 9% to real estate investments, and 7% to alternative investments remains in place. The Utah Retirement Systems are committed to following a disciplined plan that will product long-term success.

Defined Benefit Investments

Investment Highlight

Outline of Investment Policies

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

The Board has statutory authority to pool pension assets in the Utah Retirement Investment Fund (Fund). Statutes also establish that this Fund shall be invested in accordance with the “prudent person rule”. The prudent person rule requires all members of the Board and investment staff to discharge their duties solely in the interest of Systems’ participants and beneficiaries and with the care, skill, prudence and diligence which they

would exercise in the conduct of their own affairs. To this end a Statement of Investment Policy and Performance Objectives has been created for the Fund and adopted by the Board. The purpose of this Statement is to:

- Outline the expected return and risk profile for the Fund;
- Establish the target asset allocation mix and acceptable rebalancing ranges;

- Describe plan and manager policies and objectives for performance evaluation;
- Communicate investment performance standards to investment managers.

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

The Systems’ investment portfolio includes strategic, long-term commitments in the following asset classes: Domestic Equities, Domestic Debt Securities, International Equities, International Debt Securities, Real Estate, and Alternative Investments. Asset allocation is reviewed in conjunction with the plan liabilities at least every five years.

2002 Investment Summary

(dollars in thousands)

	2002 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2002 Ending Fair Value	Percentage of Total Fair Value
Short-term securities, domestic	\$ 536,442	17,306,421	17,170,121	—	672,742	5.73%
Short-term securities, international	66,608	8,855,060	8,838,778	7,775	90,665	0.77
Debt securities, domestic	2,702,122	7,430,423	8,167,650	64,468	2,029,363	17.28
Debt securities, international	760,975	1,019,751	1,199,146	87,253	668,833	5.69
Equities, domestic	5,270,899	2,981,157	2,829,067	(1,018,068)	4,404,921	37.50
Equities, international	1,797,266	1,380,973	1,080,122	(108,998)	1,989,119	16.94
Alternative investments	677,600	375,053	121,605	(169,061)	761,987	6.49
Real estate	1,076,469	209,918	110,373	(52,172)	1,123,842	9.57
Mortgage loans	3,363	3,965	3,343	—	3,985	0.03
Totals	\$12,891,744	39,562,721	39,520,205	(1,188,803)	11,745,457	100.00%

Defined Benefit Investments

Investment Highlights *(Continued)*

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

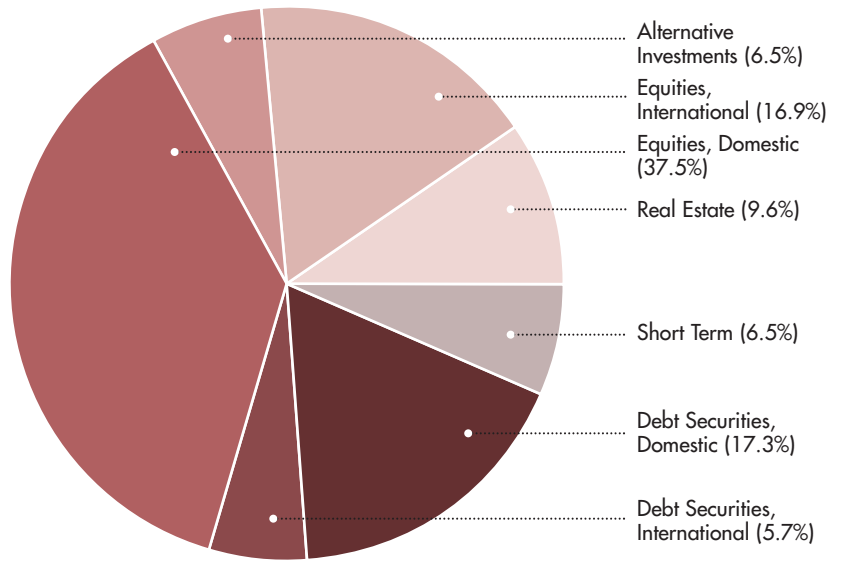
To implement the asset allocation plan, the Executive Director, supported by the Board, staff and consultant, selects appropriate money management experts to invest the Fund assets. This selection process includes the creation of specific search criteria, completion and documentation of analysis and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

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

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

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

Asset Allocation at Fair Value
December 31, 2002



Asset Allocation at Fair Value

	December 31,				
	1998	1999	2000	2001	2002
Debt securities, domestic	16.2%	14.2%	19.5%	21.0%	17.3%
Debt securities, international	10.1	8.5	5.7	5.9	5.7
Equities, domestic	36.9	38.0	38.5	40.9	37.5
Equities, international	15.1	20.3	15.7	13.9	16.9
Alternative investments	6.6	7.8	7.8	5.2	6.5
Real estate	10.2	9.1	8.4	8.4	9.6
Short-term securities	4.9	2.1	4.4	4.7	6.5
Total portfolio	100.0%	100.0%	100.0%	100.0%	100.0%

Defined Benefit Investments

Investment Highlights *(Continued)*

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

Year Ended December 31, 2002

Investment Category Comparative Index	1 Year	3 Year	5 Year
Domestic Equity	(19.65)%	(9.32)%	0.03%
Domestic Equity Database	(21.07)	(8.91)	1.51
International Equity	(9.64)	(15.60)	(2.05)
Non-U.S. Equity Database	(13.76)	(15.86)	(0.13)
Domestic Debt Securities	6.50	8.28	6.31
Domestic Fixed Database	9.21	9.58	7.35
International Global Debt Securities	17.61	5.66	5.45
Non-U.S. Fixed Database	19.00	6.59	5.47
Real Estate	5.54	8.36	8.63
CAI Real Estate Funds	7.16	8.39	8.19
Alternative Investments	(10.78)	(2.60)	5.14
% Assumption	15.00	15.00	15.00
Short Term Investments	3.69	6.65	6.22
Treasury Bills	1.78	4.11	4.49
Utah Retirement Systems in Total	(7.54)	(3.60)	2.75
CAI Public Plan			
Sponsor Database	(8.35)	(3.39)	3.18
Inflation	2.40	2.47	2.34

(1) Callan Associates Inc.

(2) Total rates of return include cash income plus gains and losses due to changes in market value, whether realized or unrealized.

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

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
1993	\$ 6,117	13.67%	16.50%	8.00%
1994	6,140	8.84	0.00	8.00
1995	7,504	11.64	22.18	8.00
1996	8,669	11.73	15.11	8.00
1997	10,144	13.72	15.75	8.00
1998	11,238	12.64	9.61	8.00
1999	13,057	14.67	16.55	8.00
2000	13,474	11.23	1.86	8.00
2001	12,892	6.80	(4.99)	8.00
2002	11,745	(1.54)	(7.54)	8.00

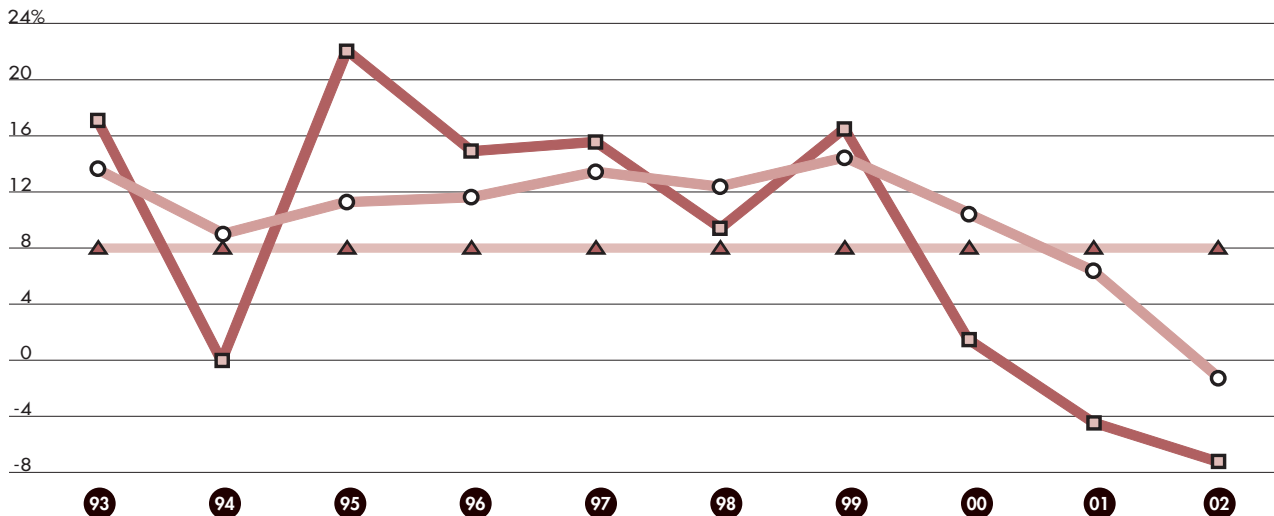
(1) Smoothed Expected Rate of Return consists of investment income in excess or shortfall of the expected 8% on fair value smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.

(2) Fair Value Rate of Return consists of cash income plus gains and losses due to changes in market value, whether realized or unrealized.

(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.

Ten-Year Total Pension Investment Rates of Return

(in percents)



Defined Benefit Investments**List of Largest Assets Held**

December 31, 2002

Largest Equity Holdings*(By Fair Value)*

Description	Shares	Fair Value
General Electric Co.	3,597,745	\$87,605,091
Microsoft Corp.	1,653,071	85,463,771
Exxon Mobil Corp.	2,442,622	85,345,213
Pfizer Inc.	2,293,112	70,100,434
Citigroup Inc.	1,916,778	67,451,418
Johnson & Johnson	1,104,506	59,323,017
Wal-Mart Stores Inc.	1,014,497	51,242,243
Merck & Co. Inc.	826,104	46,765,747
International Business Machines Corp.	589,829	45,711,748
American International Group Inc.	783,703	45,337,219

Largest Debt Securities Holdings*(By Fair Value)*

Description	Par Value	Fair Value
GNMA TBA Pool 6.5 TBA Rating AAA	\$98,500,000	103,301,875
GNMA I 30 Yr Single Family Pass-Throughs (SF) 6 30 Years Settles Jan Rating AAA	52,130,000	54,215,783
US Treasury Bonds Inflation Index Linked 3.875 04-15-2029 Rating AAA	40,470,000	54,113,277
Germany (Fed Rep) 4.5% BDS 4/7/2009 Euro.01 Rating AAA	42,520,000	46,360,467
US Treasury Bonds 6.75% Due 08-15-2026 Reg Rating AAA	36,089,000	45,135,072
US Treasury Bonds 8.5% Due 02-15-2020 Reg Rating AAA	25,040,000	36,106,678
PVTPL Nationwide CSN TR TR NT 144A 9.875 Due 02-15-2025 Reg Rating A-	30,000,000	32,531,100
US Treasury Bonds 8% Due 11-15-2021/04-29-1999 Reg Rating AAA	20,425,000	28,464,894
US Treasury NTS Inflation Indexed 4.25 Due 01-15-2010 Reg Rating AAA	20,074,000	24,638,535
FNMA 30 Yr Pass-Throughs 6.5% 30 YEARS Settles Jan Rating AAA	19,500,000	20,304,375

A complete list of portfolio holdings is available upon request.

Schedules of Fees and Commissions**Broker Commission Fees***Year Ended December 31, 2002*

Broker	Total Commission Fees
Goldman Sachs & Company	\$ 25,706
Instinet	51,582
Jefferies and Co.	15,593
Morgan Stanley Dean Witter	372,340
Solomon Smith Barney	1,374
Total	\$466,595

Schedule of Investment Fees and Commissions*Year Ended December 31, 2002*

Investment advisor fees:	
Equity securities, domestic	\$ 6,587,638
Equity securities, international	7,698,508
Debt securities, domestic	3,085,431
Debt securities, international	1,800,739
Alternative investments	899,401
Real Estate	405,457
Total investment advisor fees	20,477,174
Investment brokerage fees	466,595
Total fees and commissions	\$20,943,769

Defined Benefit Investments

Investment Professionals

Investment Advisors

**Defined Benefit Plan—
Equities**

Abbott Capital Management, LLC
1330 Avenue of the Americas
New York, NY 10019

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

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

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

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

Capital International
333 South Hope Street
Los Angeles, CA 90071

CS First Boston
11 Madison Avenue
New York, NY 10010

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

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

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

Mazama Capital
One South West Columbia
Suite 1860
Portland, OR 97258

Morgan Stanley Asset Management
1221 Avenue of the Americas
5th Floor
New York, NY 10020

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

Putnam Investments
1 Post Office Square, Mail Stop A10
Boston, MA 02109

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

State Street Global Advisors
One International Place, 22nd Floor
Boston, MA 02110

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

**Defined Benefit Plan—
Debt Securities**

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

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

Metropolitan West Asset
Management
11766 Wilshire Blvd.
Suite 1580
Los Angeles, CA 90024

Western Asset Management Co.
117 East Colorado Blvd.
Pasadena, CA 91105

**Defined Benefit Plan—
Real Estate**

BNA Realty Advisors
Barlow Nielsen Associates
350 So. Rio Grande
Salt Lake City, UT 84101

CB Richard Ellis
865 South Figueroa Street
Los Angeles, CA 90071

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

CS First Boston
11 Madison Avenue
New York, NY 10010

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

Hancock Timber Resources Group
99 High Street
Boston, MA 02110

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

OPUS U.S. Corp.
P.O. Box 59110
Minneapolis, MN 55459

Henderson Investors
One Financial Plaza
Hartford, CT 06103

Security Capital Group, Inc.
125 Lincoln Avenue
Santa Fe, NM 87501

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

**Utah Retirement
Systems Consultants**

Callan Associates Inc.
6 Concourse Parkway
Atlanta, GA 30328

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

401(k) and 457 Investments

Investment Highlights

Introduction

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

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

various investment options. The asset graph below shows the asset distribution at December 31, 2002.

Investment and Administrative Expenses

There are no front-end load, redemption, or other hidden fees associated with these plans;

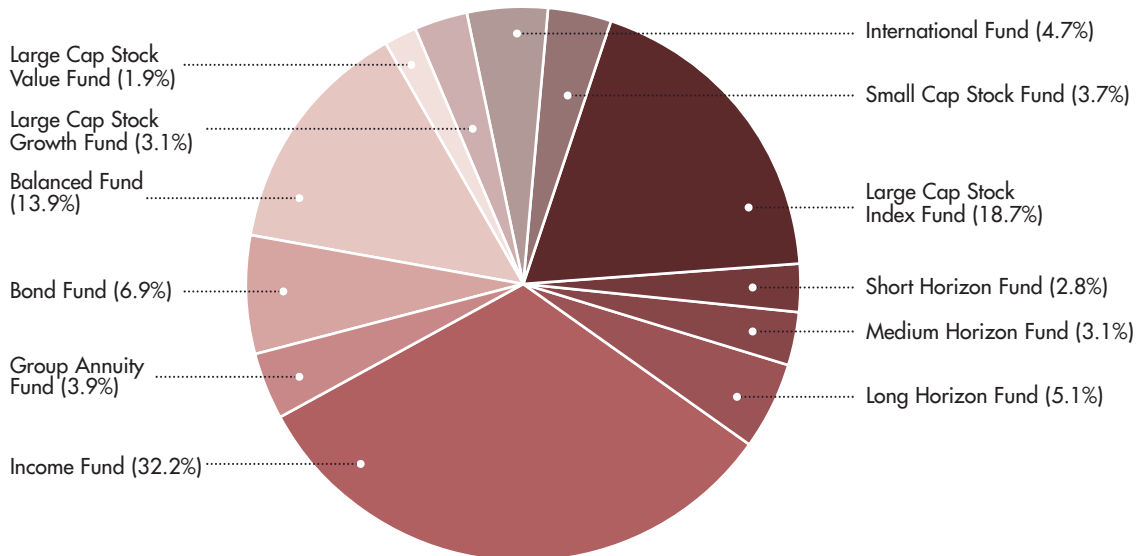
401(k) and 457 Plan Investments

(in thousands)

Investment Options	Total
Income Fund	\$ 470,253
Bond Fund	100,720
Balanced Fund	202,013
Large Cap Stock Value Fund	28,118
Large Cap Stock Index Fund	272,544
Large Cap Stock Growth Fund	45,797
International Fund	68,046
Small Cap Stock Fund	53,555
Short Horizon Fund	40,359
Medium Horizon Fund	45,417
Long Horizon Fund	74,251
Group Annuity Fund (closed to contributions)	57,035
Total	\$1,458,108

401(k) and 457 Investments

December 31, 2002



401(k) and 457 Investments**Investment Highlights** *(Continued)***2002 Investment Summary and Investment and Administrative Fees***(dollars in thousands)*

Fund	2002 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2002 Ending Fair Value	Percentage of Total Fair Value	Invest- ment Fees	Admin- istrative Fees	Total Fees
Income Fund	\$ 392,863	592,219	490,891	(23,938)	470,253	32.25%	.15%	.30%	.45%
Bond Fund	54,364	99,661	57,072	3,767	100,720	6.91	.38	.30	.68
Balanced Fund	242,989	10,181	24,932	(26,225)	202,013	13.85	.38	.30	.68
Large Cap Stock Value Fund	16,966	37,278	23,464	(2,662)	28,118	1.93	.44	.30	.74
Large Cap Stock Index Fund	379,194	49,549	78,073	(78,126)	272,544	18.69	.03	.30	.33
Large Cap Stock Growth Fund	60,137	76,624	93,149	2,185	45,797	3.15	.34	.30	.64
Small Cap Stock Fund	63,065	44,365	40,721	(13,154)	53,555	3.67	.17	.30	.47
International Fund	76,668	704,193	714,402	1,587	68,046	4.67	.34	.30	.64
Short Horizon Fund	32,873	17,476	10,903	913	40,359	2.77	.30	.30	.60
Medium Horizon Fund	46,788	12,109	10,164	(3,316)	45,417	3.11	.31	.30	.61
Long Horizon Fund	76,811	16,624	8,140	(11,044)	74,251	5.09	.26	.30	.56
Group Annuity Fund (closed to contributions)	62,618	—	6,829	1,246	57,035	3.91	1.13	.30	1.43
Totals	\$1,505,336	1,660,279	1,558,740	(148,767)	\$1,458,108	100.00%			

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 on participant statements.

By administering the defined contribution plans internally rather than through a third party, expenses are kept at very low levels to maximize earnings to each participant. The

table above shows these expenses to be nominal when compared to fees as high as 10% on some annuities, mutual funds, and insurance contracts.

Rates of Return

Rates of return shown on the accompanying chart on page 91 are net rates, after all costs and fees have been deducted.

401(k) and 457 Investments**Investment Highlights** *(Continued)***401(k) and 457 Plans Comparative Annualized Rates of Return**

Year Ended December 31, 2002

Investment Option Comparative Index	1 Year	3 Year	5 Year	10 Year
Income Fund <i>Treasury Bills Index</i>	5.45% 1.78	6.12% 4.11	6.04% 4.49	6.34% 4.61
Bond Fund <i>Lehman Aggregate Bond Index</i>	10.52 10.26	10.39 10.10	7.36 7.55	N/A* 7.51
Balanced Fund <i>Balanced Index (1)</i>	(9.76) (9.49)	(1.93) (4.71)	2.54 3.32	9.14 9.04
Large Cap Stock Value Fund <i>Russell 1000 Value Index</i>	(10.72) (15.52)	N/A* (5.14)	N/A* 1.16	N/A* 10.80
Large Cap Stock Index Fund <i>S&P 500 Index</i>	(22.07) (22.10)	(14.79) (14.55)	(0.96) (0.59)	9.08 9.34
Large Cap Stock Growth Fund <i>Russell 1000 Growth Index</i>	(29.93) (27.88)	(24.56) (23.64)	(7.14) (3.84)	N/A* 6.70
International Fund <i>MSCI EAFE Index</i>	(15.60) (15.94)	(17.30) (17.24)	1.58 (2.89)	N/A* 4.01
Small Cap Stock Fund <i>Russell 2000 Index</i>	(19.22) (20.48)	(2.29) (7.54)	1.95 (1.36)	N/A* 7.15
Short Horizon Fund <i>Short Horizon Index (2)</i>	4.62 3.92	3.55 4.29	6.75 6.56	N/A* 7.78
Medium Horizon Fund <i>Medium Horizon Index (3)</i>	(6.83) (6.72)	(4.27) (3.62)	3.61 3.17	N/A* 7.56
Long Horizon Fund <i>Long Horizon Index (4)</i>	(13.55) (13.99)	(9.36) (9.24)	1.56 0.59	N/A* 7.32
Group Annuity Fund (5) <i>Treasury Bill Index</i>	5.69 1.78	5.97 4.11	6.18 4.49	6.01 4.61

Past performance does not guarantee future results.

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

Indexes below reflect current asset allocations.

(1) *Balanced Index*: 60% S&P 500 Index, 40% Lehman Brothers Aggregate Bond Index.

(2) *Short Horizon Index*: 20% Treasury Bills, 65% LB Aggregate Bond, 10% S&P 500, 5% MSCI EAFE

(3) *Medium Horizon Index*: 45% LB Aggregate Bond, 35% S&P 500, 15% MSCI EAFE, 5% Russell 2000

(4) *Long Horizon Index*: 20% LB Aggregate Bond, 45% S&P 500, 25% MSCI EAFE, 10% Russell 2000

(5) *The Group Annuity Fund* is closed to future contributions. Returns prior to 1998 represent performance of the 401(k) Group Annuity Fund.

*This fund has existed less than the number of years indicated.

401(k) and 457 Plans Investment Professionals

American Express Trust Co.
1200 Northstar West
Minneapolis, MN 55440

Beneficial Life Insurance Co.
Beneficial Life Tower
36 South State Street
Salt Lake City, UT 84136

Capital Guardian Trust Co.
333 South Hope Street
Los Angeles, CA 90071

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

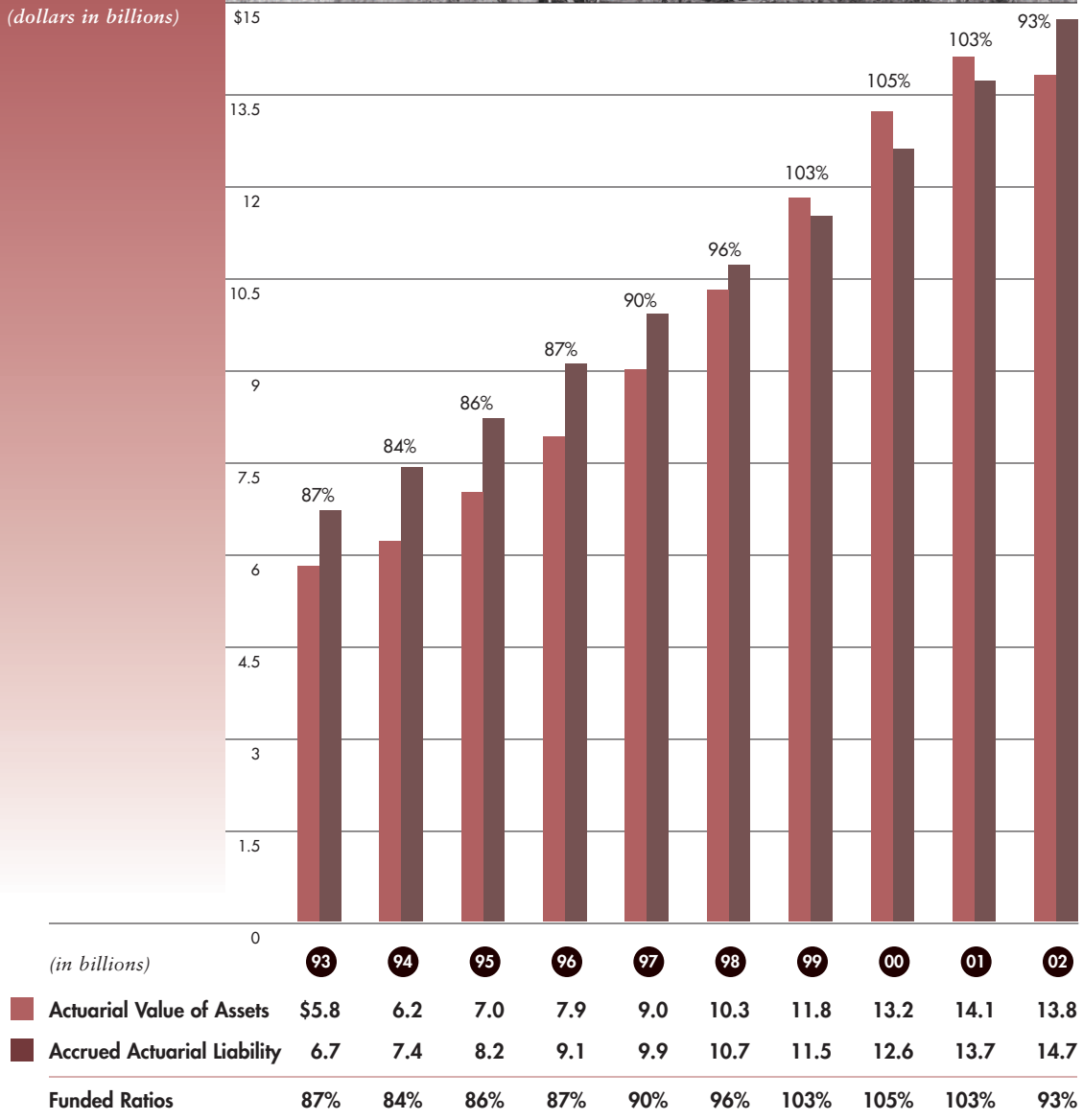
Dodge & Cox
One Sansome Street
San Francisco, CA 94104

Alliance Capital
Management L.P.
601 Second Avenue South
Suite 5000
Minneapolis, MN 55402

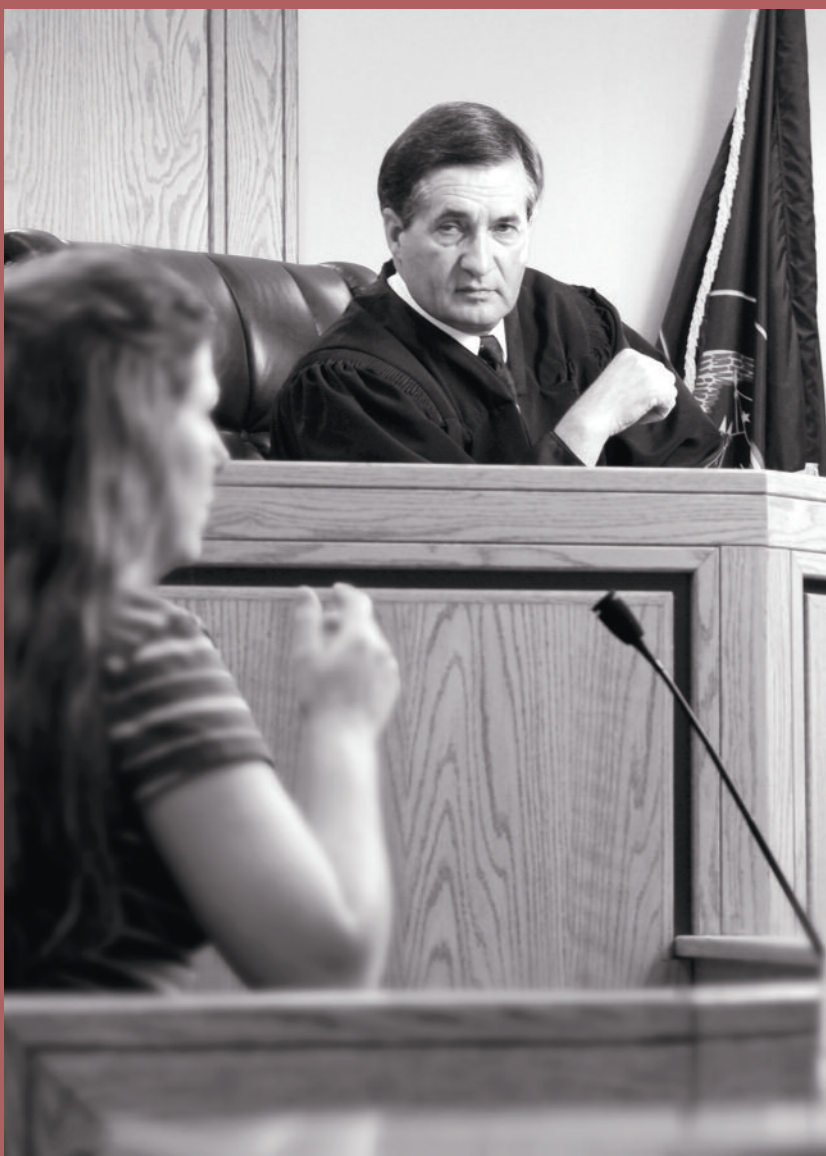
All Retirement Systems

Funding Progress with Funded Ratios

(dollars in billions)



Actuarial Section



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Actuary's Certification Letter



GABRIEL, ROEDER, SMITH & COMPANY
Consultants & Actuaries

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

August 8, 2002

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

Dear Members of the Board

Subject: Certification of 2002 Actuarial Valuation

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

Under URS statutes, the Board of Trustees must certify employer contribution rates annually. These rates are determined actuarially, based on the Board's funding policy. Contribution rates determined by a given actuarial valuation become effective eighteen months after the valuation date. For example, the rates determined by this January 1, 2002 actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning July 1, 2003 and ending June 30, 2004. If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board may adjust the recommended 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 20 years in installments which increase at the assumed rate of growth in payroll for URS. The current assumed rate of growth in payroll for URS is 4.00%, increased from 3.00% last year.

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.

Progress toward realization of financing objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. Because of the investment losses recognized in the actuarial value of assets, the funded ratio for almost all of the funds in URS decreased since the last valuation. The exceptions were two of the smaller public safety funds — Provo and Bountiful — and the 3% substantial substitute.

For all systems combined, the funded ratio decreased from 104.7% to 102.7%. Most of the individual funds have ratios over 100%, and only the 3% Substantial Substitute Fund and the Salt Lake City Noncontributory Public Safety Fund have funded ratios less than 90%. Since the funded ratio for all systems combined was 76.9% in 1990, significant progress has

been made over the last twelve years, even though a number of benefit increases have been granted during that time, and even though the 3% substantial substitute was added as a URS liability. However, if market value had been used in the calculation instead of actuarial value, the aggregate ratio for all funds combined would have been 91.8%.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on January 1, 2002, or which were adopted by the end of the 2002 legislative session and are effective on or before July 1, 2003.

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

Assumptions and methods

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

An experience analysis was carried out in connection with this valuation, and as a result we are recommending a number of changes in the actuarial assumptions. Our recommendation include:

- Changes to the post-retirement mortality assumptions for most groups
- Changes to the service-related salary increase rates for members of the public safety systems
- Decreases in the disability incidence rates for most groups
- An increase in the payroll growth rate assumption from 3.00% to 4.00%

We have recommended that the assumed inflation rate remain at 3.00% and that the assumed nominal investment return rate remain at 8.00%. We have not recommended any changes in the actuarial cost method (entry age normal) or in the method for determining the actuarial value of assets (five-year smoothing).

It is our opinion that the assumption are internally consistent and are reasonably based on past and anticipated future experience of the System.

Data

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

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of URS as of January 1, 2002. We prepared the accompanying Summary of Actuarial Assumptions and Methods, but the URS staff prepared the other supporting schedules in this section and the trend tables in the financial section based on information supplied in our report. The staff rolls forward to December 31 the actuarial liabilities supplied in our report as of January 1, and the staff computes the actuarial value of assets as of December 31. These procedures have been reviewed by us and found reasonable.

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

Sincerely,
Gabriel, Roeder, Smith & Company



Lewis Ward
Consultant



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



W. Michael Carter, FSA, EA, MAAA
Senior Consultant

GABRIEL, ROEDER, SMITH & COMPANY

Summary of Actuarial Assumptions and Methods

As of January 1, 2002

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, 2002).

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

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

c The total rates of assumed annual salary increase are shown on the actuarial schedule on page 99. The rates include increases due to promotion and longevity and a 4.75% per annum rate of increase in the general wage level of the membership. Salaries of judges are assumed to increase at 4.75%. These assumptions were adopted January 1, 2001. (Rates for public safety members were adopted January 1, 2002.)

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.

e Tables of mortality rates for members retired for service and beneficiaries were developed from standard mortality tables. The mortality basis is dependent upon the member’s class and gender as shown below. These rates were adopted January 1, 2002. Mortality rates for active members were developed from actual experience of that group.

Retired Member Mortality

Class of Member

Educators

Men..... UP94M (-4)

Women UP94F (0)

Public Safety and Firefighters

Men..... UP94M (0)

Women..... UP94F (0)

Local Government, Public Employees and All Beneficiaries

Men..... UP94M (-2)

Women..... UP94F (0)

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

UP94F (xx) = 1994 Unisex 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.

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

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 adopted by the Retirement Board in 2002, as recommended by the actuary.

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2002

	Percent Retiring Within Next Year Among Active Members							
	Retirement Age	Eligible for Retirement						Governors and Legislative Pension Plan
		Male			Female			
		State and School Division		Local Government Division	State and School Division		Local Government Division	
Educators	Public Employees		Educators	Public Employees				
Contributory and Noncontributory Retirement Systems	55	30.00%	20.00%	30.00%	35.00%	30.00%	40.00%	0.00%
<i>Adopted January 1, 2000</i>	56	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	57	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	58	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	59	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	60	60.00	50.00	50.00	50.00	60.00	50.00	0.00
	61	40.00	35.00	40.00	50.00	40.00	40.00	0.00
	62	70.00	60.00	65.00	70.00	60.00	60.00	100.00
	63	49.00	30.00	50.00	50.00	40.00	40.00	100.00
	64	56.00	30.00	50.00	50.00	40.00	40.00	100.00
	65	75.00	70.00	80.00	75.00	75.00	70.00	100.00
	66	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	67	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	68	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	69	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	70	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
Retirement Age		Retirement Age		Retirement Age		Retirement Age
Public Safety Retirement System	45	14.00%	52	14.00%	59	33.00%
<i>Adopted January 1, 2000</i>	46	14.00	53	14.00	60	50.00
	47	14.00	54	14.00	61	50.00
	48	14.00	55	33.00	62	50.00
	49	14.00	56	33.00	63	50.00
	50	14.00	57	33.00	64	50.00
	51	14.00	58	33.00	65	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
Retirement Age		Retirement Age		Retirement Age		Retirement Age
Firefighters Retirement System	45	6.00%	52	35.00%	59	75.00%
<i>Adopted January 1, 2000</i>	46	6.00	53	35.00	60	75.00
	47	6.00	54	35.00	61	75.00
	48	6.00	55	75.00	62	75.00
	49	6.00	56	75.00	63	75.00
	50	35.00	57	75.00	64	75.00
	51	35.00	58	75.00	65	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
Retirement Age		Retirement Age		Retirement Age		Retirement Age
Judges Retirement System	60	5.00%	64	30.00%	68	50.00%
<i>Adopted January 1, 1990</i>	61	5.00	65	50.00	69	50.00
	62	10.00	66	50.00	70	100.00
	63	20.00	67	50.00		

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2002

Other Termination of Employment Percent of Active Members Separating Within Next Year								
Retirement Age	Male			Female			Governors and Legislative Pension 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								
Contributory and Noncontributory Retirement Systems	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
<i>Adopted January 1, 2000</i>	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								
Contributory and Noncontributory Retirement Systems	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
<i>Adopted January 1, 2000</i>	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				
	25	9.56%		6.16%				
	30	9.12		4.17				
<i>Adopted January 1, 2000</i>	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								
	Age	During the First Year		During the Sixth and Subsequent Years				
	25	12.43%		1.50%				
	30	9.98		1.40				
<i>Adopted January 1, 1996</i>	35	7.52		1.30				
	40	5.21		0.70				
	45	7.22		0.49				
	50	11.01		0.27				
	55	16.84		0.09				
	60	24.71		0.13				
Judges Retirement System								
	None assumed.							

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2002

	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
Contributory and Noncontributory Retirement Systems	20	0.0187%	0.0597%	0.0404%	0.0344%
<i>Adopted January 1, 2000</i>	25	0.0171	0.0443	0.0164	0.0313
	30	0.0188	0.0536	0.0073	0.0331
	35	0.0242	0.0783	0.0158	0.0402
	40	0.0449	0.1002	0.0379	0.0547
	45	0.0767	0.1229	0.0694	0.0802
	50	0.1481	0.1798	0.1072	0.1212
	55	0.2688	0.3036	0.1478	0.1812
	60	0.4256	0.4958	0.2047	0.2614
	65	0.5426	0.7540	0.2845	0.3603
	70	0.6020	1.0807	0.3903	0.4766

	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
Contributory and Noncontributory 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				Percent Electing a Refund of Contributions Upon Termination While Vested	
	Public Safety and Firefighters Employees		Public Safety and Firefighters Retirement System		Years of Service	Public Safety and Firefighters Retirement System
	Age	Age				
Public Safety Retirement System and Firefighters Retirement System	20	0.0525%	50	0.2101%	0-3	100%
<i>Adopted January 1, 2000</i>	25	0.0499	55	0.3228	4	76
	30	0.0495	60	0.4440	5	74
	35	0.0520	65	0.5606	10	57
	40	0.0721	70	0.6713	15	35
	45	0.1234			19	15
					20	0

Analysis of Financial Experience

As of December 31
(in thousands)

System	January 1, 2001 Unfunded Actuarial Accrued Liability	Amortization Payments	Liability (Gain) Loss	Asset (Gain)	Change in Actuarial Assumptions	Change in Benefit Provisions	Asset Transfers	January 1, 2002 Unfunded Actuarial Accrued Liability
Contributory	\$ 11,226	(2,288)	4,892	6,591	(17,232)	—	18,200	21,389
Noncontributory	(427,819)	(75,621)	178,252	129,218	(84,140)	—	(18,200)	(298,310)
Public Safety	(80,120)	(7,302)	36,912	15,883	24,295	—	—	(10,332)
Firefighters	(81,047)	(6,928)	6,427	6,155	(2,484)	—	—	(77,877)
Judges	(13,177)	(675)	2,120	1,077	3,993	—	—	(6,662)
Governors and Legislative	(3,661)	(163)	384	82	(170)	—	—	(3,528)

Member and Employer Contribution Rates

As of December 31

System	Year	Contributory			Noncontributory			
		Member	Employer	Employer	Employer	Employer		
Contributory and Noncontributory Retirement System			State and School	Local Government	State and School	Local Government		
	1993	6.00%	7.92%	3.98%	12.24%	7.80%		
	1994	6.00	8.68	4.81	13.00	8.63		
	1995	6.00	8.65	4.86	12.97	8.68		
	1996	6.00	9.67	6.42	13.99	10.24		
	1997	6.00	9.67	6.50	14.16	10.51		
	1998	6.00	9.67	6.73	14.16	10.74		
	1999	6.00	9.67	6.73	14.16	10.74		
	2000	6.00	9.19	6.31	13.68	10.32		
	2001	6.00	5.91	4.19	10.40	8.20		
	2002	6.00	5.91	4.68	10.40	8.69		
Firefighters Retirement System		Division A (with Social Security)		Division B (without Social Security)		All Divisions Fire Insurance Premium Tax		
		Member	Employer	Member	Employer			
	1993	13.31%	—%	14.81%	5.73%	6.09%		
	1994	13.31	—	16.71	5.68	6.14		
	1995	13.31	—	16.71	3.50	7.31		
	1996	13.31	—	16.71	6.64	7.98		
	1997	13.31	—	16.71	6.43	8.19		
	1998	13.31	—	16.71	4.74	8.48		
	1999	13.31	—	16.71	0.54	8.60		
	2000	10.20	—	15.50	—	8.71		
	2001	6.77	—	8.43	—	8.28		
2002	7.82	—	7.83	—	8.88			
Judges Retirement System		Member	Contributory		Noncontributory		Judges Court Fees	Governors and Legislative Appropriation
			Employer	Employer				
	1993	8.00%	6.44%	—	27.22%	\$—		
	1994	8.00	8.87	—	26.02	—		
	1995	8.00	9.31	—	26.11	—		
	1996	8.00	10.70	—	25.62	—		
	1997	8.00	12.21	20.21%	24.11	—		
	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	—			

Member and Employer Contribution Rates (Continued)

As of December 31

System	Year	State of Utah		Other Division A (with Social Security)		Bountiful					
		Member	Employer	Member	Employer	Member	Employer				
Public Safety Retirement System Contributory Division A	1993	12.29%	6.75%	12.29%	1.70%	11.94%	3.21%				
	1994	12.29	7.53	12.29	1.48	11.94	0.94				
	1995	12.29	10.77	12.29	3.82	11.94	10.54				
	1996	12.29	10.82	12.29	3.72	11.94	5.77				
	1997	12.29	12.26	12.29	5.62	11.94	8.98				
	1998	12.29	12.26	12.29	5.87	11.94	10.36				
	1999	12.29	14.12	12.29	6.84	—	—				
	2000	12.29	12.98	12.29	5.88	—	—				
	2001	12.29	8.81	12.29	2.41	—	—				
	2002	12.29	8.05	12.29	2.17	—	—				
Public Safety Retirement System Noncontributory Division A	1993	—	15.76%	—	11.40%	—	12.81%				
	1994	—	17.96	—	12.68	—	14.80				
	1995	—	21.19	—	15.22	—	18.36				
	1996	—	20.60	—	14.47	—	16.97				
	1997	—	22.94	—	17.09	—	20.65				
	1998	—	23.14	—	17.42	—	22.05				
	1999	—	24.98	—	18.43	—	23.99				
	2000	—	23.62	—	17.40	—	23.18				
	2001	—	19.68	—	14.08	—	19.03				
	2002	—	18.94	—	13.89	—	17.41				
Public Safety Retirement System Contributory Division B	1993	13.74%	18.57%	13.18%	9.60%	11.13%	8.38%	13.54%	10.23%	10.50%	4.27%
	1994	13.74	0.00	13.18	9.68	11.13	7.22	13.54	10.68	10.50	4.27
	1995	13.74	0.00	13.18	10.52	11.13	4.90	13.54	10.37	10.50	4.48
	1996	13.74	20.38	13.18	12.65	11.13	4.65	13.54	11.03	10.50	5.27
	1997	13.74	21.82	13.18	12.65	11.13	6.72	13.54	12.81	10.50	7.55
	1998	13.74	21.82	13.18	12.90	11.13	7.76	13.54	12.81	10.50	7.11
	1999	13.74	24.00	13.18	12.83	11.13	8.28	13.54	13.52	10.50	9.97
	2000	13.74	22.56	13.18	12.23	11.13	6.96	13.54	12.58	10.50	8.92
	2001	13.74	18.21	13.18	9.08	11.13	2.93	13.54	9.72	10.50	6.43
	2002	13.74	15.50	—	—	11.13	3.66	13.54	9.47	10.50	7.34
Public Safety Retirement System Noncontributory Division B	1993	—	29.01%	—	—	—	—	—	—	—	13.71%
	1994	—	31.97	—	22.13%	—	—	—	—	—	15.01
	1995	—	31.70	—	22.62	—	—	—	—	—	15.15
	1996	—	31.51	—	24.03	—	—	—	—	—	15.94
	1997	—	33.68	—	24.77	—	—	—	—	—	17.29
	1998	—	33.68	—	25.49	—	—	—	—	—	17.07
	1999	—	36.14	—	25.80	—	—	—	—	—	19.85
	2000	—	34.73	—	24.47	—	—	—	—	—	19.01
	2001	—	30.72	—	21.06	—	—	—	—	—	16.75
	2002	—	28.27	—	17.98	—	14.79%	—	—	—	17.66

Solvency Tests

(dollars in thousands)

System	Date	(1) Active Members Contributions	(2) Retired and Beneficiaries	(3) Active Member (Employer Financed Portion)
Contributory Retirement System	1/01/94	\$282,271	561,683	255,208
	1/01/95	247,639	564,284	364,299
	1/01/96	234,967	543,628	213,779
	1/01/97	182,158	523,025	163,540
	1/01/98	197,833	499,390	183,276
	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
	12/31/02	287,481	420,577	267,230
Noncontributory Retirement System	1/01/94	\$762,706	1,387,085	2,474,724
	1/01/95	888,824	1,619,632	2,697,417
	1/01/96	890,207	1,965,816	3,176,389
	1/01/97	969,310	2,273,016	3,675,632
	1/01/98	977,799	2,547,911	4,128,625
	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
	12/31/02	960,125	4,331,661	6,336,417
Public Safety Retirement System	1/01/94	\$ 84,639	253,776	288,943
	1/01/95	85,516	283,273	322,318
	1/01/96	85,112	323,064	362,974
	1/01/97	84,621	355,291	426,592
	1/01/98	86,500	394,325	471,275
	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
	12/31/02	85,071	672,934	715,857
Firefighters Retirement System	1/01/94	\$ 44,398	123,902	110,784
	1/01/95	53,247	140,965	113,247
	1/01/96	52,839	155,538	125,055
	1/01/97	56,890	169,852	135,669
	1/01/98	60,314	189,904	134,757
	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
	12/31/02	78,602	273,430	178,123
Judges Retirement System	1/01/94	\$ 5,071	24,938	15,622
	1/01/95	6,189	29,339	14,302
	1/01/96	6,163	30,573	19,216
	1/01/97	7,045	31,108	21,902
	1/01/98	7,419	34,607	20,380
	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
	12/31/02	8,895	40,862	43,640
Governors and Legislative Pension Plan	1/01/94	\$ 263	3,475	2,378
	1/01/95	250	3,958	2,398
	1/01/96	251	4,111	2,491
	1/01/97	224	4,429	2,367
	1/01/98	224	4,467	2,307
	1/01/99	215	4,715	2,380
	1/01/00	204	5,573	2,476
	1/01/01	204	5,081	2,623
	1/01/02	203	5,079	2,900
	12/31/02	187	5,031	2,890

Actuarial Accrued Liabilities

(4) Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Portion of Actuarial Accrued Liabilities Covered by Assets			
		(1)	(2)	(3)	(4)
1,099,162	911,717	100%	100%	27%	83%
1,176,222	964,218	100	100	42	82
992,374	852,340	100	100	34	86
868,723	772,977	100	100	41	89
880,499	809,388	100	100	61	92
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
975,288	859,358	100	100	57	88
4,624,515	4,039,120	100%	100%	76%	87%
5,205,873	4,372,190	100	100	70	84
6,032,412	5,136,582	100	100	72	85
6,917,958	5,969,813	100	100	74	86
7,654,335	6,922,583	100	100	82	90
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
11,628,203	10,888,518	100	100	88	94
627,358	555,514	100%	100%	75%	89%
691,107	596,892	100	100	71	86
771,150	670,610	100	100	72	87
866,504	755,106	100	100	74	87
952,100	867,151	100	100	82	91
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
1,473,862	1,349,458	100	100	83	92
279,084	243,228	100%	100%	68%	87%
307,459	261,523	100	100	59	85
333,432	293,816	100	100	68	88
362,411	329,475	100	100	76	91
384,975	376,178	100	100	93	98
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
530,155	553,589	100	100	100	104
45,631	35,479	100%	100%	35%	78%
49,830	38,726	100	100	22	78
55,952	44,304	100	100	39	79
60,055	50,721	100	100	57	84
62,406	59,373	100	100	85	95
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
93,397	90,904	100	100	94	97
6,116	7,683	100%	100%	100%	126%
6,606	7,804	100	100	100	118
6,853	8,185	100	100	100	119
7,020	8,636	100	100	100	123
6,998	9,318	100	100	100	133
7,310	9,988	100	100	100	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
8,108	10,719	100	100	100	132

Schedules of Active Member Valuation Data

Year Ended December 31

System	Year	Number of Participating Employers	Active Members	Active Members			Inflation Increase (CPI)
				Annual Payroll	Average Pay	Percent Increase	
Contributory Retirement System	1993	299	11,423	\$ 293,833,000	25,629	4.03%	2.70%
	1994	245	10,622	287,743,000	27,347	6.70	2.70
	1995	231	7,419	261,685,000	28,013	2.44	2.50
	1996	225	4,830	141,974,000	29,081	3.81	3.30
	1997	209	4,522	138,231,000	30,860	6.12	1.70
	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	
Noncontributory Retirement System	1993	314	66,479	\$1,477,220,000	24,682	3.98%	2.70%
	1994	322	67,181	1,642,123,000	25,627	3.83	2.70
	1995	331	70,838	1,801,948,000	26,951	5.17	2.50
	1996	336	73,652	2,054,879,000	28,580	6.04	3.30
	1997	344	75,599	2,200,988,000	30,013	5.01	1.70
	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	
Public Safety Retirement System	1993	115	5,120	\$ 138,954,000	28,760	2.50%	2.70%
	1994	116	5,132	148,791,000	29,462	2.44	2.70
	1995	117	5,471	159,943,000	29,824	1.23	2.50
	1996	115	5,736	176,979,000	31,429	5.38	3.30
	1997	115	6,041	195,464,000	32,885	4.63	1.70
	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	
Firefighters Retirement System	1993	29	1,104	\$ 37,879,000	34,215	3.98%	2.70%
	1994	27	1,099	40,157,000	36,454	6.54	2.70
	1995	28	1,173	43,027,000	37,258	2.21	2.50
	1996	28	1,224	45,969,000	38,062	2.16	3.30
	1997	33	1,281	51,287,000	39,695	4.29	1.70
	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	
Judges Retirement System	1993	1	86	\$ 7,013,000	82,123	10.21%	2.70%
	1994	1	85	6,955,000	85,572	4.20	2.70
	1995	1	99	7,903,000	88,201	3.07	2.50
	1996	1	100	8,981,000	90,350	2.44	3.30
	1997	1	102	9,286,000	92,532	2.42	1.70
	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	
Governors and Legislative Pension Plan	1993	1	84	\$ 246,000	2,929	0.31%	2.70%
	1994	1	84	398,000	3,825	30.61	2.70
	1995	1	95	398,000	3,825	0.00	2.50
	1996	1	95	482,000	4,667	22.01	3.30
	1997	1	90	468,000	5,419	16.11	1.70
	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	

Schedules of Retirants and Beneficiaries

Year Ended December 31

System	Year	Number Added	Number Removed	Total Retirants and Beneficiaries	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
Contributory Retirement System	1993	101	593	11,556	\$ 65,956,000	(0.17)%	\$ 5,196
	1994	130	525	11,161	65,824,000	(0.20)	5,316
	1995	76	545	10,692	72,722,000	10.48	5,436
	1996	61	524	10,229	64,494,000	(11.31)	5,652
	1997	69	545	9,753	63,884,000	(0.95)	5,916
	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
Noncontributory Retirement System	1993	1,070	112	8,081	\$101,551,000	17.48%	\$13,020
	1994	1,155	98	9,138	118,240,000	16.43	12,540
	1995	1,348	12	10,474	146,343,000	23.77	12,756
	1996	1,448	50	11,872	161,036,000	10.04	13,164
	1997	1,429	78	13,223	186,262,000	15.66	13,668
	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	19,256	348,230,000	11.86	16,351
Public Safety Retirement System	1993	104	31	1,536	\$ 20,560,000	9.68%	\$16,224
	1994	99	35	1,600	22,634,000	10.09	13,368
	1995	146	27	1,719	25,271,000	11.65	13,476
	1996	117	19	1,817	28,223,000	11.68	14,328
	1997	123	8	1,932	30,972,000	9.74	14,868
	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
Firefighters Retirement System	1993	17	9	599	\$ 9,978,000	5.10%	\$18,672
	1994	36	15	620	10,734,000	7.58	15,192
	1995	42	16	646	11,769,000	9.64	14,856
	1996	35	5	676	12,888,000	9.51	15,744
	1997	43	9	710	14,321,000	11.12	16,896
	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
Judges Retirement System	1993	2	2	69	\$ 1,958,000	44.08%	\$30,540
	1994	8	7	70	2,193,000	12.00	30,108
	1995	2	1	71	2,355,000	7.39	32,208
	1996	1	3	69	2,472,000	4.97	34,776
	1997	5	1	73	2,690,000	8.82	35,796
	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
Governors and Legislative Pension Plan	1993	12	7	188	\$ 419,000	8.27%	\$ 1,956
	1994	13	4	197	445,000	6.21	2,184
	1995	12	9	200	487,000	9.44	2,364
	1996	8	8	200	504,000	3.49	2,448
	1997	12	2	210	519,000	2.98	2,400
	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

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>Age</th> <th>Years of Service</th> <th>Allowance Reduction†</th> </tr> </thead> <tbody> <tr> <td>Any age.....</td> <td>30.....</td> <td>None</td> </tr> <tr> <td>60-61</td> <td>203% each year before age 65</td> <td></td> </tr> <tr> <td>62-64</td> <td>103% each year before age 65</td> <td></td> </tr> <tr> <td>65.....</td> <td>4.....</td> <td>None</td> </tr> </tbody> </table> <p>†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	203% each year before age 65		62-64	103% each year before age 65		65.....	4.....	None
Age	Years of Service	Allowance Reduction†														
Any age.....	30.....	None														
60-61	203% each year before age 65															
62-64	103% 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>*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>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>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>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 <i>(as of 12-31-02)</i>	Member contribution rate is 6.00%* of covered salary. Employer rate for State and School (Level A) is 5.91% of covered salary and 4.68% for Local Government (Level B). *Employers have the option of paying all or part of member contributions on behalf of their employees.															
Interest	8% on member contributions.															

Noncontributory Retirement System

Summary of Plan Provisions

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="0"> <thead> <tr> <th style="text-align: left;">Age</th> <th style="text-align: left;">Years of Service</th> <th style="text-align: left;">Allowance Reduction†</th> </tr> </thead> <tbody> <tr> <td>Any age.....</td> <td>30.....</td> <td>None</td> </tr> <tr> <td>Any age.....</td> <td>25.....</td> <td>Full actuarial before age 60</td> </tr> <tr> <td>60-61.....</td> <td>20.....</td> <td>3% each year before age 65</td> </tr> <tr> <td>62-64.....</td> <td>10.....</td> <td>3% each year before age 65</td> </tr> <tr> <td>65.....</td> <td>4.....</td> <td>None</td> </tr> </tbody> </table> <p>†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>Number of years of service x 2.0% x FAS*.</p> <p>*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>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>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>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 <i>(as of 12-31-02)</i>	Employer rate for State & School (Level A) is 10.40% of covered salary and 8.69% for Local Government (Level B).																		
Interest	8% on member contributions transferred from the Contributory Retirement System.																		

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="0"> <thead> <tr> <th style="text-align: left;">Age</th> <th style="text-align: left;">Years of Service</th> <th style="text-align: left;">Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>Any age.....</td> <td>20</td> <td>None</td> </tr> <tr> <td>60.....</td> <td>10</td> <td>None</td> </tr> <tr> <td>65.....</td> <td>4</td> <td>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	<ol style="list-style-type: none"> 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>*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> <p>**Benefits paid cannot exceed 70% of FAS.</p>												
Cost of Living Allowance	Up to 2.5% annually on original retirement benefit. Eligible after one year.												
Death Benefits	<p>Division A (with Social Security)</p> <p>If death is in the line of duty, the benefit to the surviving spouse is \$1,000 plus a monthly benefit of 30% of the final average salary. In the noncontributory system only, if death is in the line of duty, and the member has 20 years of service credit, the spouse's benefit is the same as for a retired member. If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For more than 10 years of service, the benefit to the surviving spouse is \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. Dependent children receive no additional benefits. A retired member's death benefit to the surviving spouse is 65% of the monthly benefit.</p> <p>Division B (without Social Security)</p> <p>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>												

Public Safety Retirement System**Summary of Plan Provisions** *(Continued)*

Description	Requirement
Refunds	A terminated member is eligible for a 100% refund of member contributions. There is a 60-day refund processing period after the last day of paid employment.
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.
Contribution Rates <i>(as of 12-31-02)</i>	<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 8.05%; and other law enforcement units 2.17% of covered salary. Employer rates for Division B are: Salt Lake City 15.50%; Logan 3.66%; Provo 9.47%; and other units 7.34% of covered salary.</p> <p>*Employers have the option of paying all or part of member contributions on behalf of their employees.</p> <p>Noncontributory Option Employer rates for Division A are: State units 18.94%; Bountiful 17.41%; and other units 13.89% of covered salary. Employer rates for Division B are: Salt Lake City 28.27%; Ogden 17.98% and all other units 17.66% of covered salary.</p>
Interest	8% on member contributions in the Contributory System.

Firefighters Retirement System

Summary of Plan Provisions

Description	Requirement												
Membership Eligibility	The Firefighters Retirement System includes eligible state and local government employees directly involved in fire fighting and whose duties are classified as hazardous. If an employer does not classify the duties as hazardous, the employee will be enrolled in either the Public Employees Contributory or Noncontributory Retirement System. Employees are qualified for membership in the Firefighters System if they are regularly scheduled to work and be compensated for 2,080 hours a year in a regular constituted fire department and are regularly assigned to hazardous duty. Although volunteer firefighters who are on the rolls of a regularly constituted fire department do not contribute to the System and are not eligible for service retirement benefits, they or their beneficiaries receive benefits based on the salary of the lowest paid firefighters in a first-class city if they are disabled or killed in the line of duty.												
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of service credit. Eligible member contributions vest immediately.												
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>Any age.....</td> <td>20.....</td> <td>None</td> </tr> <tr> <td>60.....</td> <td>10.....</td> <td>None</td> </tr> <tr> <td>65.....</td> <td>4.....</td> <td>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	<ol style="list-style-type: none"> 1) $2.5\% \times \text{FAS}^* \times \text{years of service up to 20 years.}$ 2) $2.0\% \times \text{FAS}^* \times \text{years of service over 20 years.}$ 3) Monthly benefit = total of 1 and 2. ** <p>*FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. **Benefits paid cannot exceed 70% of FAS, but cannot be less than \$500.</p>												
Cost of Living Allowance	Up to 4.0% annually on original retirement benefit. Eligible after one year.												
Disability Benefits	If disability is in the line of duty, the benefit is 50% of the final average salary with no minimum age or service requirements. If disability is not in the line of duty, the benefit is a refund of contributions for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for disability incurred in the line of duty. Benefits are suspended while receiving Workers Compensation.												
Death Benefits	<p>Division A (with Social Security)</p> <p>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.</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. 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>												

Firefighters Retirement System**Summary of Plan Provisions** *(Continued)*

Description	Requirement
	<p>Division B (without Social Security)</p> <p>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	A terminated member is eligible for a 100% refund of member contributions. There is a 60-day refund processing period after the last day of paid employment.
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.
Contribution Rates <i>(as of 12-31-02)</i>	<p>Member rate in Division A is 7.82% of covered salary. Member rate in Division B is 7.83% of covered salary.* Employer rate in Division A is 0.00% and in Division B is 0.00% of covered salary. A fire insurance premium tax equal to 8.88% of salaries is also an additional part of the employer contribution rates.</p> <p>Fire insurance premium taxes are collected by the Utah State Treasurer for the Firefighters Retirement System to help fund retirement benefits.</p> <p>*Employers have the option of paying all or part of member contributions on behalf of their employees.</p>
Interest	Member contributions receive no interest.

Judges Retirement System

Summary of Plan Provisions

Description	Requirement															
Membership Eligibility	The Judges Retirement System includes justices and judges of the courts of record as authorized in state statutes.															
Vesting	Retirement benefit becomes vested upon the member's completion of 6 years of service credit. Eligible member contributions and interest thereon vest immediately.															
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>Any age.....</td> <td>25.....</td> <td>None</td> </tr> <tr> <td>55.....</td> <td>20.....</td> <td>Full actuarial reduction</td> </tr> <tr> <td>62.....</td> <td>10.....</td> <td>None</td> </tr> <tr> <td>70.....</td> <td>6.....</td> <td>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	<ol style="list-style-type: none"> 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 years. 3) 1.00% x FAS* x years of service over 20 years. 4) Monthly benefit = total of 1, 2, and 3. ** <p>*FAS (Final Average Salary) = highest two years' earnings in judicial service converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. **Benefits paid cannot exceed 75% of FAS.</p>															
Service 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 <i>(as of 12-31-02)</i>	<p>Noncontributory Option Employer rate includes 4.92% of covered salary and 18.40% from court fees.</p> <p>Contributory Option Member rate is 4.92% of covered salary. Employer rate includes 0.00% of covered salary and 18.40% from court fees.</p>															
Interest	8% on member contributions.															

Governors and Legislative Pension Plan Summary of Plan Provisions



Description	Requirement									
Membership Eligibility	The Governors and Legislative Pension Plan includes only governors and legislators of the State of Utah.									
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of service credit.									
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>65</td> <td>4</td> <td>None</td> </tr> <tr> <td>62</td> <td>10</td> <td>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 12-31-02 is \$1,080 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 12-31-02 is \$24.00.</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	There are currently no required contributions to the Governors and Legislative Pension Plan.									

Utah Retirement Systems

Changes in Plan Provisions

Legislation in the 2002 Session comprised two retirement bills, one comprising recodification of the retirement code and the second addressing certain types of transfers between public safety retirement systems.

General

Retirement Law Recodification

HB 250 Recodifies—or rewrites—the Retirement Code to update and clarify the language of the statute. Over time, individual bills board actions, and changes in practices and policies of the Systems necessitate incorporating these changes into the retirement law itself. Recodification was last done in the 1980s. While this bill makes significant changes in the *structure* of the statute and in administrative practices, it creates *no changes in benefits*.

Public Safety Retirement System

Retirement of Public Safety Officials

HB 230 Allows employers in the Public Safety Contributory System to convert to the Public Safety Noncontributory Retirement System for future employees. Also allows a current, appointed chief of police whose employer belongs or converts to the Public Safety Noncontributory System to also move to that system. The appointed chief may then at any future date retire and continue as the appointed chief of police.

401(k) and 457 Plans

Summary of Plan Provisions

Introduction

Utah Retirement Systems' 401(k) and 457 Plans are voluntary tax-deferred retirement savings programs authorized under sections 401(k) and 457 of the Internal Revenue Code. These plans are available to state, local government, and education employees throughout Utah whose employers have adopted the Plans.

Goals and Objectives

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

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

Employer Contributions

In addition to accepting employee deferrals, these plans also accept employer contributions on behalf of their employees. All state and public education employees participating in the Noncontributory Retirement System receive an amount equal to 1.5% of their salary in the 401(k)

Plan. All local government employers also have the option of contributing to the 401(k) Plan on behalf of their employees. Many contribute amounts in excess of the 1.5% the State contributes. Some employers match employee contributions.

Social Security Substitute

Local governments that have exempted themselves from Social Security coverage and have part-time, temporary, or seasonal employees, who are not participating in a qualifying retirement system, must now cover these employees with a substitute Social Security 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 2002 to an annual maximum of \$11,000. Employer contributions and employee deferrals combined could not exceed \$40,000.

457—Limited to an annual maximum of \$11,000 or 100% of includable compensation.

Coordination of Deferrals

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

Catch-up Provisions

401(k)—An additional \$1,000 for participants 50 or older during the year.

457—An additional \$1,000 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 three years immediately preceding the year they qualify for retirement. However, the special catch-up is limited to unused deferrals allowed in previous years.

Withdrawals

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

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

Rollovers

401(k)—Allowable to or from another eligible retirement plan or to an IRA upon termination or other qualifying circumstance. May be either a direct rollover by the Plan or by the participant within 60 days after distribution.

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

Vesting

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

Loans

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

457—None.

401(k) and 457 Plans**Summary of Plan Provisions** *(Continued)***Investment Transfer Options**

Changes in deferral amounts and in the investment options for current contributions may be made at any time. Also, accumulated balances may be transferred from one investment option to another on a daily basis.

2002 Investment Options**Income Fund**

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

Bond Fund

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

Balanced Fund

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

Large Cap Stock Value Fund

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

Large Cap Stock Index Fund

The *Large Cap Stock Index Fund* invests in stocks included in the Stan-

dard & Poor's 500 Index. This fund represents a broad range of industries in the U.S. economy.

Large Cap Stock Growth Fund

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

International Fund

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

Small Cap Stock Fund

The *Small Cap Stock Fund* invests in U.S. small companies listed on the New York Stock Exchange, the American Stock Exchange, and the NASDAQ national market system. Small company stocks have the potential for greater returns than large company stocks, and conversely have a greater risk of loss. Significant price fluctuations are more likely than in the other invest-

ment options. However this fund is well diversified and invests in over 3,000 companies.

Horizon Funds

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

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

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

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

The historical rates of returns for each investment fund are found on page 91.

Horizon Funds Asset Allocations

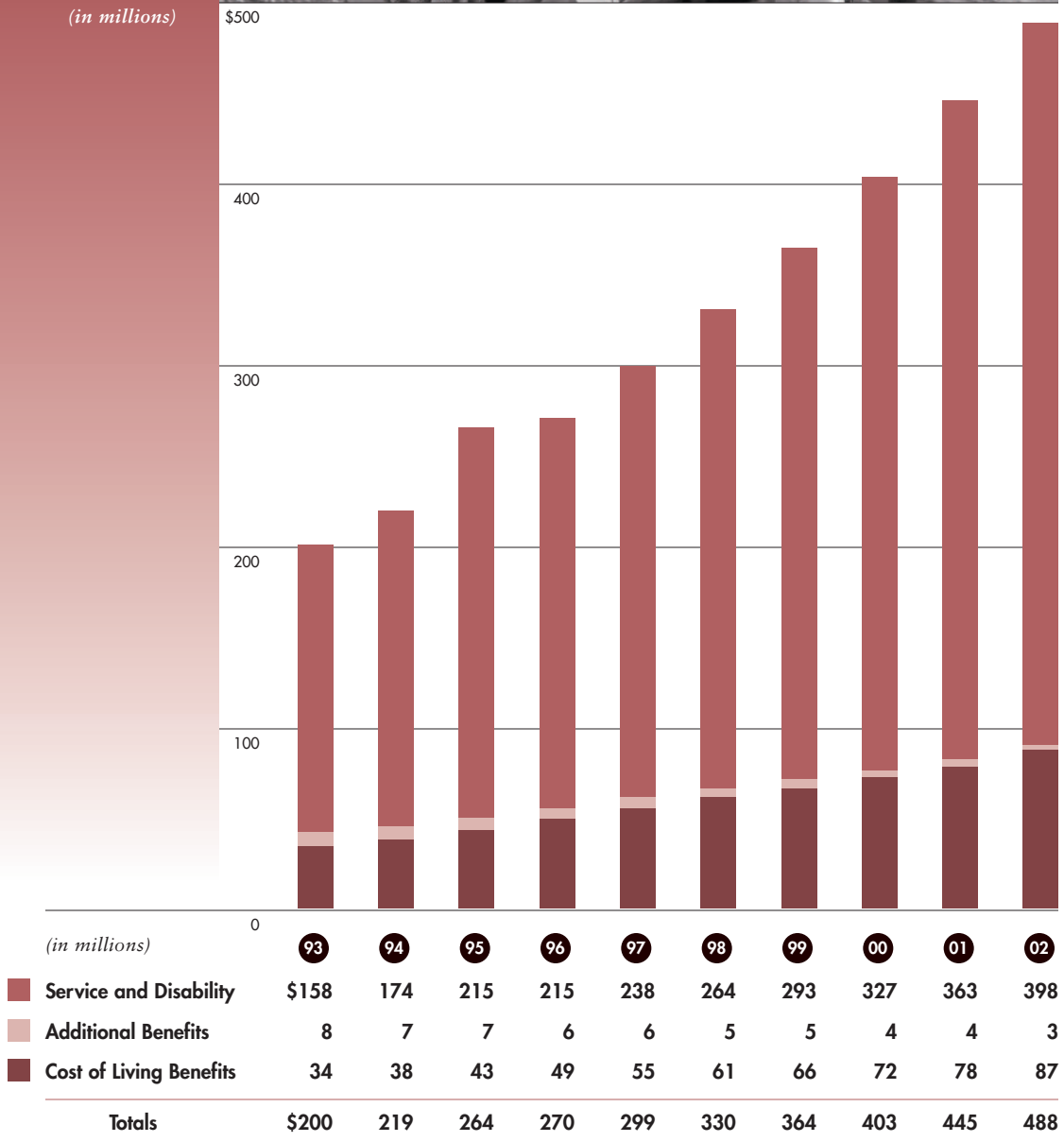
	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund
Income Fund	20%	—%	—%
Bond Fund	65	45	20
Large Cap Stock Value Fund	—	10	10
Large Cap Stock Index Fund	10	15	25
Large Cap Stock Growth Fund	—	10	10
International Fund	5	15	25
Small Cap Stock Fund	—	5	10
Total	100%	100%	100%

All Retirement Systems



Benefits
by Type

(in millions)



Statistical Section



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Schedules of Additions by Source

Year Ended December 31

(dollars in thousands)

System	Year	Member Contributions	Total Employer Contributions		Employer Contributions as a Percent of Covered Payroll	Net Investment Income	Transfers from Systems	Total Additions
			Employer Contributions	Court Fees and Fire Insurance Tax				
Contributory Retirement System	1993	\$17,630	17,938	—	6.10%	\$ 123,303*	17	158,888
	1994	17,646	18,719	—	6.51	2,193	4,489	43,047
	1995	16,362	17,723	—	6.77	193,708	21,817	249,610
	1996	8,765	10,224	—	7.20	123,006	—	141,995
	1997	8,537	10,651	—	7.71	133,286	—	152,474
	1998	8,399	10,729	—	7.83	84,692	1,735	105,555
	1999	8,525	10,840	—	7.88	148,794	1,770	169,929
	2000	8,464	10,484	—	7.43	17,543	—	36,491
	2001	8,604	8,480	—	5.93	(47,761)	—	(30,677)
	2002	8,923	6,735	—	4.73	(64,251)	—	(48,593)
Noncontributory Retirement System	1993	\$ 2,410	174,227	—	11.79%	\$1,066,354*	26,213	1,269,204
	1994	2,937	194,202	—	11.83	9,886	217	207,242
	1995	5,614	220,955	—	12.26	943,721	101,449	1,271,739
	1996	6,679	260,068	—	12.66	832,473	157,272	1,256,492
	1997	7,301	294,937	—	13.40	1,047,207	50,333	1,399,778
	1998	7,698	318,635	—	13.47	734,399	27,219	1,087,951
	1999	10,829	338,704	—	13.55	1,421,401	28,034	1,798,968
	2000	11,518	352,339	—	13.25	186,787	51,020	601,664
	2001	10,969	331,951	—	11.72	(544,848)	5,255	(196,673)
	2002	12,496	291,256	—	9.95	(788,906)	12,166	(472,988)
Public Safety Retirement System	1993	\$ 5,897	16,960	—	12.21%	\$ 80,052*	476	103,385
	1994	5,777	18,895	—	12.70	1,345	605	26,622
	1995	4,318	24,732	—	15.46	127,222	510	156,782
	1996	4,151	29,271	—	16.54	107,070	434	140,926
	1997	4,345	34,217	—	17.51	132,490	918	171,970
	1998	4,463	40,099	—	18.88	92,284	1,938	138,784
	1999	3,900	45,110	—	19.96	177,027	2,305	228,342
	2000	4,132	49,353	—	19.90	23,226	2,027	78,738
	2001	3,976	46,113	—	17.68	(67,688)	1,416	(16,183)
	2002	4,258	42,264	—	15.74	(97,816)	1,956	(49,338)
Firefighters Retirement System	1993	\$ 5,530	2,121	2,839	13.09%	\$ 35,008*	4	45,502
	1994	6,199	1,961	3,537	13.69	589	—	12,286
	1995	6,976	1,685	4,862	15.22	55,580	5	69,108
	1996	7,461	2,002	4,333	13.78	46,626	30	60,452
	1997	8,358	2,836	4,552	14.41	57,541	311	73,598
	1998	8,771	2,546	4,391	12.77	39,699	432	55,839
	1999	9,352	1,221	4,516	9.97	75,242	466	90,797
	2000	9,617	140	6,615	10.68	9,733	1,303	27,408
	2001	7,549	—	8,354	12.43	(28,038)	1,517	(10,618)
	2002	5,800	—	9,454	13.25	(40,198)	735	(24,209)
Judges Retirement System	1993	\$ 561	405	1,855	32.23%	\$ 6,664*	—	9,485
	1994	572	504	1,709	31.82	86	258	3,129
	1995	654	680	1,670	29.74	8,333	292	11,629
	1996	734	833	1,898	30.41	7,114	102	10,681
	1997	482	1,305	1,901	34.53	8,933	754	13,375
	1998	15	1,792	1,912	39.45	6,260	427	10,406
	1999	8	1,637	1,681	32.84	12,048	116	15,490
	2000	8	1,476	1,946	32.91	1,571	183	5,184
	2001	7	1,007	2,046	27.94	(4,559)	239	(1,260)
	2002	5	472	2,381	25.53	(6,564)	560	(3,146)
Governors and Legislative Pension Plan	1993	\$ —	—	—	—%	\$ 1,315*	—	1,315
	1994	—	—	—	—	19	—	19
	1995	—	—	—	—	1,604	—	1,604
	1996	—	—	—	—	1,270	—	1,270
	1997	—	—	—	—	1,481	15	1,496
	1998	—	—	—	—	973	16	989
	1999	—	—	—	—	1,757	17	1,774
	2000	—	—	—	—	218	16	234
	2001	—	—	—	—	(595)	18	(577)
2002	—	—	—	—	(806)	3	(803)	

*Year the accounting method was changed to record unrealized gains and losses on the fair value of investments.

Schedules of Deductions by Type

Year Ended December 31

(in thou-

System	Year	Benefit Payments	Refunds	Administrative and Actuarial Expense	Transfers to Systems	Total Deductions
Contributory Retirement System	1993	\$ 65,956	4,057	1,213	26,615	97,841
	1994	65,824	5,606	1,178	252	72,860
	1995	65,588	5,342	1,214	101,504	173,648
	1996	64,494	4,833	985	157,599	227,911
	1997	63,884	4,735	794	51,957	121,370
	1998	62,249	4,168	743	27,742	94,902
	1999	61,141	4,232	789	27,399	93,561
	2000	60,317	5,040	680	54,549	120,586
	2001	59,575	3,087	654	8,445	71,761
	2002	59,497	3,716	624	15,420	79,257
Noncontributory Retirement System	1993	\$ 101,551	3,819	4,418	112	109,900
	1994	118,240	3,521	4,616	5,301	131,678
	1995	137,928	3,571	5,138	22,559	169,196
	1996	161,036	4,774	5,721	326	171,857
	1997	186,262	4,995	6,323	304	197,884
	1998	213,752	4,500	6,460	3,502	228,214
	1999	243,829	4,343	7,093	4,703	259,968
	2000	276,878	5,292	6,850	—	289,020
	2001	311,311	3,264	6,695	—	321,270
	2002	348,230	3,715	7,103	—	359,048
Public Safety Retirement System	1993	\$20,560	946	642	—	22,148
	1994	22,634	936	664	17	24,251
	1995	25,271	737	714	—	26,722
	1996	28,223	895	766	—	29,884
	1997	30,972	611	792	—	32,375
	1998	34,374	639	803	44	35,860
	1999	38,549	731	916	7	40,203
	2000	42,769	971	840	—	44,580
	2001	48,607	542	843	—	49,992
	2002	53,962	1,155	899	—	56,016
Firefighters Retirement System	1993	\$ 9,978	68	308	—	10,354
	1994	10,734	60	300	—	11,094
	1995	11,769	181	320	—	12,270
	1996	12,888	84	331	2	13,305
	1997	14,321	298	331	19	14,969
	1998	15,741	274	325	493	16,833
	1999	16,955	292	361	596	18,204
	2000	18,738	312	319	—	19,369
	2001	20,778	543	318	—	21,639
	2002	22,288	422	323	—	23,033
Judges Retirement System	1993	\$ 1,958	—	62	—	2,020
	1994	2,193	73	61	19	2,346
	1995	2,355	—	53	5	2,413
	1996	2,472	—	55	—	2,527
	1997	2,690	8	55	80	2,833
	1998	3,002	—	53	—	3,055
	1999	3,160	—	59	—	3,219
	2000	3,322	—	52	—	3,374
	2001	3,659	—	52	—	3,711
	2002	3,804	—	57	—	3,861
Governors and Legislative Pension Plan	1993	\$ 419	2	7	—	428
	1994	445	—	7	—	452
	1995	485	6	7	—	498
	1996	504	1	7	—	512
	1997	519	1	6	—	526
	1998	538	—	6	—	544
	1999	583	2	6	—	591
	2000	662	1	6	—	669
	2001	691	2	6	—	699
	2002	708	—	5	—	713

Schedules of Benefit Deductions by Type

Year Ended December 31

(in thousands)

System	Year	Service and Disability Benefits	Cost of Living Benefits	Supplemental Benefits	Total Benefits
Contributory Retirement System	1993	\$ 43,137	16,995	5,824	65,956
	1994	42,512	17,895	5,417	65,824
	1995	41,815	18,789	4,984	65,588
	1996	40,580	19,445	4,469	64,494
	1997	39,784	20,085	4,015	63,884
	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
Noncontributory Retirement System	1993	\$ 89,142	12,409	—	101,551
	1994	102,729	15,511	—	118,240
	1995	118,986	18,942	—	137,928
	1996	138,373	22,663	—	161,036
	1997	159,169	27,093	—	186,262
	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
Public Safety Retirement System	1993	\$ 17,130	2,503	927	20,560
	1994	18,871	2,862	901	22,634
	1995	21,048	3,317	906	25,271
	1996	23,499	3,817	907	28,223
	1997	25,741	4,347	884	30,972
	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
Firefighters Retirement System	1993	\$ 7,250	1,541	1,187	9,978
	1994	7,890	1,708	1,136	10,734
	1995	8,728	1,973	1,068	11,769
	1996	9,638	2,224	1,026	12,888
	1997	10,836	2,510	975	14,321
	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
Judges Retirement System	1993	\$ 1,641	317	—	1,958
	1994	1,833	360	—	2,193
	1995	1,976	379	—	2,355
	1996	2,045	427	—	2,472
	1997	2,216	474	—	2,690
	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
Governors and Legislative Pension Plan	1993	\$ 316	103	—	419
	1994	336	109	—	445
	1995	365	120	—	485
	1996	383	121	—	504
	1997	399	120	—	519
	1998	411	127	—	538
	1999	450	133	—	583
	2000	520	142	—	662
	2001	547	144	—	691
	2002	556	152	—	708

Schedules of Retired Members by Type of Benefit Option

December 31, 2002

System	Amount of Monthly Benefit	Number of Retirees by Benefit Option								
		1	2	3	4	5	6	7	8	9
Contributory Retirement System	\$1-1,000	2,236	1,372	886	245	546	284	—	—	—
	1,001-2,000	474	247	324	105	174	87	—	—	—
	2,001-3,000	102	44	94	33	29	17	—	—	—
	3,001-4,000	19	22	23	9	9	5	—	—	—
	4,001-5,000	2	1	3	—	2	2	—	—	—
	over-5,000	2	2	2	—	—	—	—	—	—
Noncontributory Retirement System	\$1-1,000	4,412	745	1,457	232	1,767	752	—	—	—
	1,001-2,000	2,189	298	1,344	212	1,397	681	—	—	—
	2,001-3,000	1,331	123	1,094	238	896	473	—	—	—
	3,001-4,000	225	18	268	98	140	101	—	—	—
	4,001-5,000	36	3	48	14	17	16	—	—	—
	over-5,000	11	—	18	6	2	3	—	—	—
Public Safety Retirement System	\$1-1,000	—	—	—	—	—	—	—	771	—
	1,001-2,000	—	—	—	—	—	—	—	976	—
	2,001-3,000	—	—	—	—	—	—	—	738	—
	3,001-4,000	—	—	—	—	—	—	—	183	—
	4,001-5,000	—	—	—	—	—	—	—	42	—
	over-5,000	—	—	—	—	—	—	—	11	—
Firefighters Retirement System	\$1-1,000	—	—	—	—	—	—	—	181	—
	1,001-2,000	—	—	—	—	—	—	—	231	—
	2,001-3,000	—	—	—	—	—	—	—	344	—
	3,001-4,000	—	—	—	—	—	—	—	112	—
	4,001-5,000	—	—	—	—	—	—	—	15	—
	over-5,000	—	—	—	—	—	—	—	2	—
Judges Retirement System	\$1-1,000	—	—	—	—	—	—	18	—	2
	1,001-2,000	—	—	—	—	—	—	9	—	1
	2,001-3,000	—	—	—	—	—	—	6	—	3
	3,001-4,000	—	—	—	—	—	—	3	—	1
	4,001-5,000	—	—	—	—	—	—	2	—	3
	over-5,000	—	—	—	—	—	—	16	—	13
Governors and Legislative Pension Plan*	\$1-1,000	—	—	—	196	—	—	—	—	—
	1,001-2,000	—	—	—	22	—	—	—	—	—
	2,001-3,000	—	—	—	11	—	—	—	—	—
	3,001-4,000	—	—	—	2	—	—	—	—	—
	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.

* Governors and Legislative Pension Plan provides a normal lifetime pension to the retiree and 50% of the retiree's benefit to the retiree's lawful spouse at the time of death if the retiree had four or more years of service.

Schedules of Average Benefit Payments

December 31

System			Years of Credited Service					
			4-10	10-15	15-20	20-25	25-30	30+
Contributory Retirement System	1998	Average Monthly Benefit	\$ 225	546	659	872	818	1,754
		Monthly Final Average Salary	1,478	2,085	1,953	2,029	1,584	3,025
		Number of Active Retired	10	21	25	8	5	1
	1999	Average Monthly Benefit	\$ 282	598	667	776	1,572	1,161
		Monthly Final Average Salary	2,016	1,807	1,933	1,792	3,092	1,867
		Number of Active Retired	10	26	24	19	8	1
	2000	Average Monthly Benefit	\$ 300	553	542	1,024	1,482	1,666
		Monthly Final Average Salary	1,967	2,213	1,668	2,580	2,940	3,047
		Number of Active Retired	12	22	19	31	13	4
	2001	Average Monthly Benefit	\$ 237	445	756	998	1,724	1,599
		Monthly Final Average Salary	1,729	1,776	2,077	2,541	3,070	2,780
		Number of Active Retired	6	25	31	18	15	3
	2002	Average Monthly Benefit	\$ 283	424	753	1,005	1,679	2,668
		Monthly Final Average Salary	1,946	1,700	2,305	2,397	3,101	4,602
		Number of Active Retired	10	14	37	25	27	7
Noncontributory Retirement System	1998	Average Monthly Benefit	\$ 264	572	895	1,109	1,920	2,449
		Monthly Final Average Salary	1,816	2,259	2,541	2,546	3,359	3,909
		Number of Active Retired	249	192	204	186	386	265
	1999	Average Monthly Benefit	\$ 304	620	956	1,222	2,207	2,645
		Monthly Final Average Salary	1,827	2,464	2,664	2,755	3,655	4,078
		Number of Active Retired	272	217	249	189	473	316
	2000	Average Monthly Benefit	\$ 279	593	847	1,140	2,146	2,650
		Monthly Final Average Salary	1,965	2,371	2,637	2,808	3,878	4,231
		Number of Active Retired	278	240	212	209	457	313
	2001	Average Monthly Benefit	\$ 276	585	967	1,358	2,269	2,769
		Monthly Final Average Salary	2,095	2,348	2,920	3,115	4,050	4,374
		Number of Active Retired	251	220	226	182	431	267
	2002	Average Monthly Benefit	\$ 327	646	978	1,370	2,493	2,821
		Monthly Final Average Salary	2,148	2,355	2,787	3,255	4,222	4,476
		Number of Active Retired	260	258	222	195	482	320
Public Safety Retirement System	1998	Average Monthly Benefit	\$ 456	982	1,537	2,560	2,829	2,862
		Monthly Final Average Salary	3,205	3,021	3,154	3,868	4,205	3,986
		Number of Active Retired	30	19	57	35	21	8
	1999	Average Monthly Benefit	\$ 619	1,169	1,847	1,984	2,674	2,876
		Monthly Final Average Salary	3,960	3,349	3,446	3,558	3,997	4,062
		Number of Active Retired	19	18	41	44	33	5
	2000	Average Monthly Benefit	\$ 641	1,056	1,780	2,455	2,888	3,580
		Monthly Final Average Salary	3,545	3,190	3,585	4,077	4,267	4,763
		Number of Active Retired	27	12	50	32	24	6
	2001	Average Monthly Benefit	\$ 469	1,271	1,836	2,284	3,055	3,248
		Monthly Final Average Salary	3,854	3,886	3,777	4,035	4,486	4,566
		Number of Active Retired	52	28	54	70	53	14
	2002	Average Monthly Benefit	\$ 647	1,238	2,172	2,779	2,968	3,600
		Monthly Final Average Salary	4,537	3,886	3,912	4,359	4,387	4,993
		Number of Active Retired	13	3	42	51	39	14

Schedules of Average Benefit Payments (Continued)

December 31

System			Years of Credited Service					
			4-10	10-15	15-20	20-25	25-30	30+
Firefighters Retirement System	1998	Average Monthly Benefit	\$1,239	—	2,111	2,280	2,492	3,031
		Monthly Final Average Salary	2,707	—	3,843	3,916	3,706	4,278
		Number of Active Retired	3	—	7	12	7	3
	1999	Average Monthly Benefit	\$1,235	1,272	1,943	2,673	2,915	3,100
		Monthly Final Average Salary	3,293	3,458	4,034	3,868	4,088	3,975
		Number of Active Retired	1	1	10	14	11	5
	2000	Average Monthly Benefit	\$ 753	1,160	2,045	2,611	2,785	3,920
		Monthly Final Average Salary	3,616	3,810	4,060	4,348	4,311	4,935
		Number of Active Retired	2	2	4	24	19	2
	2001	Average Monthly Benefit	\$ 789	1,255	2,212	2,523	2,901	2,853
		Monthly Final Average Salary	3,539	4,002	3,844	4,408	4,331	4,031
		Number of Active Retired	5	1	9	14	20	3
	2002	Average Monthly Benefit	\$ 359	—	1,972	2,771	3,118	3,543
		Monthly Final Average Salary	2,945	—	4,140	4,584	4,653	5,061
		Number of Active Retired	2	—	10	5	11	4
Judges Retirement System	1998	Average Monthly Benefit	\$ —	4,620	4,923	5,718	—	—
		Monthly Final Average Salary	—	7,500	7,454	7,543	—	—
		Number of Active Retired	—	1	1	1	—	—
	1999	Average Monthly Benefit	\$ —	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	—	—	—	—	—	—
	2000	Average Monthly Benefit	\$ —	—	—	6,348	6,257	—
		Monthly Final Average Salary	—	—	—	8,562	7,896	—
		Number of Active Retired	—	—	—	1	1	—
	2001	Average Monthly Benefit	\$2,702	5,080	—	6,222	—	7,240
		Monthly Final Average Salary	8,179	8,023	—	8,023	—	8,054
		Number of Active Retired	1	1	—	1	—	1
	2002	Average Monthly Benefit	\$ —	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	—	—	—	—	—	—
Governors and Legislative Pension Plan	1998	Average Monthly Benefit	\$ 174	271	326	—	—	—
		Monthly Final Average Salary	102	213	283	—	—	—
		Number of Active Retired	4	2	1	—	—	—
	1999	Average Monthly Benefit	\$ 143	278	329	—	682	—
		Monthly Final Average Salary	272	294	102	—	375	—
		Number of Active Retired	10	1	1	—	1	—
	2000	Average Monthly Benefit	\$ 148	258	—	—	—	—
		Monthly Final Average Salary	231	347	—	—	—	—
		Number of Active Retired	3	2	—	—	—	—
	2001	Average Monthly Benefit	\$ 142	329	—	—	—	—
		Monthly Final Average Salary	341	307	—	—	—	—
		Number of Active Retired	8	2	—	—	—	—
	2002	Average Monthly Benefit	\$ 178	—	—	552	—	—
		Monthly Final Average Salary	276	—	—	—	—	—
		Number of Active Retired	6	—	—	1	—	—

Schedule of Participating Employers

C = Public Employees Retirement System
—Contributory

N = Public Employees Retirement System
—Noncontributory

PS = Public Safety Retirement System

F = Firefighters Retirement System

D = 457 Plan

K = 401(k) Plan

Employer	C	N	PS	F	D	K
School Districts and Education Employers						
Alpine School District.....	C	N			D	K
Beaver School District.....		N				K
Box Elder School District.....	C	N			D	K
Cache School District.....	C	N			D	K
Carbon School District.....	C	N			D	K
College of Eastern Utah.....	C	N			D	K
Daggett School District.....	C	N			D	K
Davis School District.....	C	N			D	K
Dixie College.....	C	N	PS			K
Duchesne School District.....	C	N			D	K
Emery School District.....	C	N			D	K
Garfield School District.....	C	N				K
Grand School District.....	C	N				K
Granite School District.....	C	N			D	K
Iron School District.....	C	N			D	K
Jordan School District.....	C	N			D	K
Juab School District.....	C	N			D	K
Kane School District.....	C	N			D	K
Logan School District.....	C	N			D	K
Millard School District.....	C	N				K
Morgan School District.....		N			D	K
Murray School District.....	C	N			D	K
Nebo School District.....	C	N			D	K
North Sanpete School District.....	C	N			D	K
North Summit School District.....	C	N			D	K
Ogden School District.....	C	N			D	K
Park City School District.....	C	N			D	K
Piute School District.....	C	N				K
Provo School District.....	C	N			D	K
Rich School District.....	C	N				K
Salt Lake Community College.....	C	N			D	K
Salt Lake School District.....	C	N			D	K
San Juan School District.....	C	N			D	K
Sevier School District.....	C	N			D	K
Snow College.....	C	N			D	K
South Sanpete School District.....	C	N			D	K
South Summit School District.....		N				K
Southern Utah University.....	C	N	PS			K

Employer	C	N	PS	F	D	K
Tintic School District.....	C	N				K
Tooele School District.....	C	N			D	K
Uintah School District.....	C	N			D	K
University of Utah.....	C	N	PS			K
Utah State University.....	C	N	PS		D	K
Utah Valley State College.....	C	N			D	K
Wasatch School District.....	C	N			D	K
Washington School District.....	C	N			D	K
Wayne School District.....		N			D	K
Weber County School District.....	C	N			D	K
Weber State University.....	C	N				K
Academic Achievement.....		N				K
Active Re Entry Incorporated.....		N				K
Bridgerland Applied Technology Center.....		N				K
Davis Applied Technology Center.....		N				K
Educators Mutual—LTD.....	C	N	PS			
Educators Mutual Insurance.....	C	N			D	K
High School Activity Association.....	C	N				K
Ogden-Weber Area Vocation.....	C	N				K
Snow College South.....	C	N			D	K
Space Dynamics Lab.....		N				K
Summit Employment.....		N				K
Tuacahan High School.....		N				K
Uintah Basin Applied Technology Center.....	C	N			D	K
Utah Education Association.....	C	N			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 Uniserv.....	C	N			D	K
Utah Valley Care and Training Center.....		N				K
Wasatch Front South Applied Technology Center.....		N				K
State and Other Employers						
State of Utah (also participates in the Judges Retirement System and the Governors and Legislative Pension Plan).....	C	N	PS	F	D	K
Utah Communications Agency Network.....		N				K
Utah Dairy Commission/Dairy Council of Utah/Nevada.....		N				
Utah Employees' Group Ins.—LTD....	C	N	PS			
Utah Housing Finance Agency.....	C	N				K
Utah Industries f/t Blind.....		N				K

Schedule of Participating Employers *(Continued)*

Employer	C	N	PS	F	D	K
Utah Retirement Systems		N			D	K
Utah Safety Council.....		N				K
Utah Technology Finance Corp.....		N				K
Workers Compensation Fund	C	N			D	K

Counties and County Organizations

Beaver County		N	PS		D	K
Box Elder County	C	N	PS		D	K
Cache County	C	N	PS	F	D	K
Carbon County.....	C	N	PS		D	K
Daggett County		N	PS			K
Davis County.....		N	PS		D	K
Duchesne County.....	C		PS		D	K
Emery County.....	C	N	PS		D	K
Garfield County.....	C	N	PS		D	K
Grand County.....	C	N	PS			K
Iron County	C	N	PS		D	K
Juab County	C	N	PS			
Kane County.....		N	PS			
Millard County.....	C	N	PS		D	K
Morgan County.....		N	PS			K
Piute County.....		N	PS			K
Rich County	C		PS			
Salt Lake County	C	N	PS	F	D	K
San Juan County.....	C	N	PS		D	K
Sanpete County.....	C	N	PS			K
Sevier County	C	N	PS		D	
Summit County.....	C	N	PS			
Tooele County	C	N	PS	F	D	K
Uintah County	C		PS		D	K
Utah County.....	C	N	PS		D	
Wasatch County.....		N	PS			K
Wasatch County Fire District.....		N		F		K
Washington County		N	PS		D	K
Wayne County		N	PS			
Weber County.....	C	N	PS		D	K
Weber County Fire.....	C			F	D	K

Cities and Towns

Alpine City		N				K
American Fork City		N	PS			
Annabella Town.....		N				K
Aurora City		N				K
Ballard City		N				K
Beaver City		N				K
Blanding City.....		N	PS			K
Bluffdale City.....	C				D	K
Bountiful City	C	N	PS	F	D	K
Brian Head Town	C		PS		D	
Brigham City	C	N	PS		D	K
Castle Dale City.....		N				
Cedar City		N	PS	F		K
Cedar Hills Town		N				
Centerville City.....	C	N	PS		D	K
Clearfield City		N	PS	F	D	K
Clinton City.....	C	N	PS	F	D	K
Coalville City.....		N				K

Employer	C	N	PS	F	D	K
Corinne City	C					
Delta City	C	N				K
Draper City.....		N				K
Duchesne City.....		N				
Eagle Mountain Town		N				
East Carbon City		N	PS		D	K
Elk Ridge Town		N				K
Emery Town	C					K
Enoch City.....		N	PS			K
Enterprise City.....		N				K
Ephraim City		N	PS			K
Escalante Town.....		N	PS			
Eureka City.....		N				
Fairview City		N				K
Farmington City		N	PS	F		
Farr West City		N			D	K
Ferron City		N				K
Fillmore City.....		N			D	K
Fountain Green City		N	PS			
Francis City		N				K
Fruit Heights City.....		N				K
Garden City.....		N				K
Garland City.....	C		PS			K
Goshen Town.....		N				
Grantsville City.....		N	PS		D	K
Green River City.....		N				K
Gunnison City		N	PS		D	K
Harrisville City	C	N	PS			K
Heber City		N	PS		D	K
Helper City		N	PS			K
Herriman Town		N				K
Highland City		N			D	K
Hinckley Town		N				K
Holden Town.....		N				
Holladay City		N				K
Huntington City		N			D	K
Hurricane City.....		N	PS	F		K
Hyde Park.....		N				K
Hyrum City		N				K
Ivins Town.....		N	PS			K
Kamas City		N	PS		D	K
Kanab City		N	PS		D	K
Kanosh Town.....		N				
Kaysville City.....	C	N	PS			
La Verkin City	C					K
Layton City.....	C	N	PS	F	D	
Leeds Town.....		N				K
Lehi City	C	N	PS	F		
Levan Town		N				
Lewiston City		N				K
London City		N				K
Logan City.....	C	N	PS	F	D	K
Lone Peak Safety District.....		N	PS	F		K
Manila Town	C					K
Manti City		N				K
Mantua City		N	PS			K
Mapleton City		N	PS			K
Marriott/Slaterville City.....		N				K

Schedule of Participating Employers *(Continued)*

Employer	C	N	PS	F	D	K
Meadow Town.....		N				K
Midvale City.....	C	N	PS	F	D	
Midway City.....	C	N				K
Milford City.....		N	PS			K
Millville City.....		N		D		K
Minersville.....		N				K
Moab City.....	C	N	PS	D		K
Monroe City.....		N				K
Monticello City.....		N	PS			
Morgan City.....		N				K
Moroni City.....		N				
Mt Pleasant City.....	C	N	PS			K
Murray City.....	C	N	PS	F	D	K
Naples City.....	C		PS			K
Nephi City.....		N	PS	D		K
New Harmony Town.....		N				K
Nibley City.....		N				K
North Logan City.....	C	N	PS			K
North Ogden City.....	C	N	PS	F		
North Salt Lake City.....		N	PS	D		K
Oakley City.....	C					K
Ogden City.....	C	N	PS	F	D	K
Orangeville City.....		N				K
Orderville Town.....		N				
Orem City.....	C	N	PS	F	D	K
Panguitch City.....		N				K
Paragonah Town.....	C					
Park City.....	C	N	PS			
Parowan City.....	C	N	PS			K
Payson City.....		N	PS			K
Perry City.....		N	PS			K
Plain City.....		N				K
Pleasant Grove City.....		N	PS	F		
Pleasant View City.....	C	N	PS	D		K
Price City.....	C	N	PS	F		K
Providence City.....		N				K
Provo City.....	C	N	PS	F	D	K
Redmond.....		N				
Richfield City.....	C	N	PS	D		
Richmond City.....		N				K
Riverdale City.....	C	N	PS	F		K
Riverton City.....	C	N		F	D	K
Roosevelt City.....		N	PS	F	D	K
Roy City.....	C	N	PS	F	D	K
Salem City.....		N	PS	D		K
Salina City.....		N	PS			
Salt Lake City Corp.....	C	N	PS	F	D	K
Sandy City.....	C	N	PS	F	D	
Santa Clara City.....		N				K
Santaquin City.....		N	PS			K
Saratoga Springs Town.....		N		F		K
Smithfield City.....		N	PS			K
South Jordan City.....	C		PS	F		K
South Ogden City.....		N	PS	F		K
South Salt Lake City.....		N	PS	F	D	K
South Weber City.....		N				K
Spanish Fork City.....		N	PS			
Spring City.....	C					

Employer	C	N	PS	F	D	K
Springdale Town.....		N	PS			K
Springville City.....	C	N	PS	F		
St. George City.....	C	N	PS		D	K
Sunnyside City.....		N			D	K
Sunset City.....	C	N	PS		D	K
Syracuse City.....		N	PS		D	K
Taylorsville.....		N				K
Tooele City.....	C	N	PS	D		
Tremonton City.....	C	N	PS		D	K
Vernal City.....	C	N	PS			K
Washington City.....		N				K
Washington Terrace.....		N	PS		D	K
Wellington City.....		N	PS			K
Wellsville City.....		N				K
Wendover City.....		N	PS		D	K
West Bountiful City.....	C		PS			K
West Haven.....		N				K
West Jordan City.....	C	N	PS	F	D	
West Valley City.....	C	N	PS	F		
West Point.....		N				K
Willard City.....		N	PS			
Woods Cross City.....	C	N	PS		D	K

Other Government Entities

Ash Creek Special Service District.....		N			D	K
Ashley Valley Sewer Management Board.....		N				
Ashley Valley Water & Sewer.....		N				
Bear Lake Special Service District.....		N				K
Bear River Association of Governments.....		N			D	K
Bear River Health District.....	C	N			D	K
Bear River Mental Health.....		N			D	K
Bear River Water Conservancy.....		N				K
Beaver County Special Service District.....		N				K
Beaver Valley Hospital.....		N				K
Bona Vista Water Improvement.....		N			D	K
Bountiful Water District.....		N			D	K
Box Elder County Mosquito District.....		N				K
Cache Metro Planning Organization.....		N				
Castle Valley Special Service District....	C	N				K
Cedar City Library.....	C	N				K
Central Davis Sewer.....		N			D	K
Central Utah Public Health.....		N				K
Central Utah Water District.....		N			D	K
Central Weber Sewer District.....	C	N			D	K
Children's Aid Society—Utah.....		N				K
Copperton Improvement District.....		N				K
Cottonwood Improvement District.....		N			D	K
Davis & Weber County Canal.....	C					K
Davis Behavioral Health.....		N			D	K
Davis County Mosquito Abatement ..		N				K
Davis County Housing.....	C					K
Davis County Solid Waste Management.....		N			D	K

Schedule of Participating Employers *(Continued)*

Employer	C	N	PS	F	D	K	Employer	C	N	PS	F	D	K
DDI Advantage.....	C					K	SLC School Credit Union.....		N				K
Duchesne County Mosquito District..	C						SLC Sub. Sanitation #1.....		N				K
Duchesne County Water							SLC Sub. Sanitation #2.....		N				K
Conservancy District.....		N					SL County Regional Service Area		N				K
Emery County Nursing Home	C				D	K	SL County Service Area #2		N			D	K
Emery County Recreation Special							SL County Service Area #3		N			D	K
Service District.....		N				K	SL County Sewer Improvement						
Emery Water Conservancy District.....		N				K	District #1.....	C	N			D	K
Farmington Area Pressurized							San Juan Mental Health/						
Irrigation District.....		N				K	Substance Abuse District.....		N				K
Five-County Association							Sandy Sub. Improvement District		N				K
of Governments	C	N			D	K	Six-County Association						
Four Corners Mental Health	C	N			D	K	of Governments	C	N			D	K
Grand County Solid							Snyderville Basin.....	C	N			D	K
Waste Management.....		N				K	Solitude Improvement District		N				K
Grand County Water							South Davis County Sewer						
Conservancy District.....		N					Improvement District	C	N			D	K
Granger-Hunter Improvement							South Davis County Water						
District.....		N			D	K	Improvement District.....		N				K
Gunnison Valley Hospital.....	C	N				K	South Davis County Fire Department ..		N		F	D	K
Heber Light & Power		N			D	K	Southeastern Utah A.O.G.	C	N			D	K
Heber Valley Historic Railroad							Southeastern Utah Health.....	C	N				K
Authority		N				K	South Ogden Conservancy						
Heber Valley Special District.....		N					District.....		N			D	K
Hooper Water Improvement District..		N					South SL County Mosquito						
Housing Authority of Carbon		N				K	Abatement.....		N				K
Housing Authority of SLC.....	C	N				K	Southwest Center		N				K
Housing Authority of SL County.....		N					Southwest Utah District Health	C	N			D	K
Jordan Valley Water							South Utah Valley Solid Waste.....		N				K
Conservancy District.....	C	N			D	K	St. George Housing Authority		N				K
Jordanelle Special Service District		N				K	Summit Park Water						
Kearns Improvement District.....	C	N				K	Special Service District		N				K
Maesar Water District.....		N				K	Taylorsville—Bennion Improvement		N			D	K
Magna Mosquito Abatement.....		N				K	Timber Lakes Special						
Metro Water District—SLC		N			D	K	Service District		N				K
Midway Sanitation District.....		N				K	Timpanogos Special Service District....	C	N				
Moab Valley Fire District.....		N		F		K	Tooele County Housing		N				K
Mountain Regional Water Special							Trans-Jordan Cities.....		N			D	K
Service District		N				K	Tri-City Golf Course.....		N				K
Mountainland Association							Tridell-Lapoint Water District.....		N				K
of Governments	C	N			D	K	Twin Creeks Special Service District ...		N				K
Nebo Credit Union		N				K	Uintah Basin Assistance Council.....		N				
North Davis County Sewer.....	C	N					Uintah Basin Association						
North Emery Water							of Governments		N				
Users Association		N					Uintah Basin Tri-County						
North Fork Special Service District		N					Mental Health.....		N				K
North Pointe Solid Waste							Uintah County Mosquito Abatement..		N				K
Special Service District		N				K	Uintah Health Care Special						
Park City Fire Service District.....		N		F		K	Service District		N				K
Price River Water Improvement.....		N			D	K	Uintah Special Service District		N				K
Provo Housing Authority		N					Uintah Water Conservancy District		N				
Provo Reservoir Water Users		N					Upper Country Water District.....		N				
Provo River Water Users.....		N			D	K	Utah Association of Counties		N				K
Roosevelt City Housing Authority.....		N					Utah County Housing Authority	C	N			D	
Roy Water Conservancy District.....		N				K	Utah Lake Distributing Co.		N				
SLC Employees Credit Union		N				K	Utah League of Cities & Towns.....	C					
SLC Library		N				K	Utah Local Governments Trust.....		N				
SLC Mosquito Abatement		N				K	Utah Municipal Power Agency		N				K

Schedule of Participating Employers *(Continued)*

Employer	C	N	PS	F	D	K
Utah Public Employees Association ...	C	N				K
Utah State Fair Corporation		N				K
Utah Zoological Society.....	C	N				K
Valley Emergency Communication Center.....		N		D	K	
Valley Mental Health.....	C	N		D	K	
Wasatch County Special Service Area I.....		N				K
Wasatch Front Regional Council	C			D	K	
Wasatch Mental Health	C	N		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						402
Contributory						164
Noncontributory						376
Public Safety						119
Firefighters						40
Judges.....						1
Governor and Legislative						1
457 Plan						154
401(k) Plan.....						331

Employer

Inactive Units with Retirees

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

Utah Retirement Systems

Year Ended December 31, 2002

	Contributory	Non-contributory	Public Safety	Firefighters	Judges	Governors and Legislators	Averages And Totals All Systems
Membership Information							
Total Membership	12,562	123,784	10,674	2,478	188	409	150,095
Active	3,649	82,486	6,966	1,538	103	91	94,833
Terminated vested	1,511	20,632	987	55	8	87	23,280
Retired	7,402	20,666	2,721	885	77	231	31,982
2002 Active Members	3,649	82,486	6,966	1,538	103	91	94,833
Average age	49.7	44.3	38.6	39.2	54.8	51.1	44.0
Average years of service	18.1	9.9	8.8	10.5	10.5	6.2	10.1
Average annual salary	\$ 38,784	35,481	39,004	46,548	106,010	6,454	36,095
2002 Retirees							
Number	120	1,737	162	32	—	7	2,059
Average age	62.6	61.8	53.9	53.8	—	64.9	61.1
Average years of service	20.8	22.5	23.2	24.6	—	9.7	22.5
Final average annual salary	\$ 29,573	40,337	51,593	53,479	—	3,256	40,703
Average annual benefit	\$ 11,738	18,521	28,400	31,649	—	2,776	19,088
Average annual benefit —all retirees	\$ 7,490	16,351	18,801	22,131	48,014	2,648	14,646

Financial Information

Changes in Net Assets	<i>(in thousands)</i>						
Contributions	\$ 15,658	303,752	46,522	15,254	2,858	—	384,044
Investment income/(loss)	\$(64,251)	(788,906)	(97,816)	(40,198)	(6,564)	(806)	(998,541)
Pension benefits	\$ 59,497	348,230	53,962	22,288	3,804	708	488,489
Net assets at market value	\$716,132	9,073,766	1,124,549	461,323	75,753	8,932	11,460,455

Actuarial Information

Funding Progress	<i>(dollars in thousands)</i>						
Actuarial value of assets	\$859,358	10,888,518	1,349,458	553,589	90,904	10,719	13,752,546
Actuarial accrued liability	\$975,288	11,628,203	1,473,862	530,155	93,397	8,108	14,709,013
Unfunded actuarial							
Accrued liability	\$115,930	739,685	124,404	(23,434)	2,493	(2,611)	956,467
Funded ratios	88.1%	93.6%	91.6%	104.4%	97.3%	132.2%	93.5%

401(k) and 457 Plans

	401(k)	457
Membership Information		
Number of active employees eligible to participate	88,586	78,396
Employee contributions (excluding employer contributions):		
Number of employees contributing	38,673	3,608
Percent of eligible employees contributing	43.7%	4.6%
Average percent of salary deferred by employees	6.0%	6.8%
Total participants	122,125	10,325
Average participant account balance	\$ 10,749	16,616

Financial Information

Changes in net assets	<i>(in thousands)</i>		Total
Contributions	\$ 160,267	10,353	170,620
Net investment income (loss)	(109,790)	(13,325)	(123,115)
Refunds	63,908	24,498	88,406
Total net assets	\$1,312,764	171,561	1,484,325

Utah Retirement Systems

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