

UTAH RETIREMENT SYSTEMS

96



1996 Comprehensive Annual Financial Report

*For the Year Ended
December 31, 1996*

**Contributory
Retirement System**

**Noncontributory
Retirement System**

**Public Safety
Retirement System**

**Firefighters
Retirement System**

**Judges
Retirement System**

**Governors
and Legislative
Pension Plan**

**401(k) & 457
Defined
Contribution Plans**



On the Cover:

Lori Salvo
Girls' Basketball Coach
Viewmont High School
Bountiful

96

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**Governors
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Pension Plan**

**401(k) & 457
Defined
Contribution Plans**

*Prepared by
Finance Department
Utah Retirement Systems*

*540 East 200 South
Salt Lake City, Utah 84102-2099*

*M. Dee Williams, Executive Director
Robert J. Stringham, CPA, Chief Financial Officer*

Certificate of Achievement

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, 1995

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.



Arthur R. Lynch
President

Jeffrey L. Esser
Executive Director

Achievement Award



Public Pension Coordinating Council

**Public Pension Principles
1996 Achievement Award**

Presented to

Utah Retirement Systems

In recognition of instituting professional standards for public employee retirement systems as established by the Public Pension Principles.

Presented by the Public Pension Coordinating Council, a confederation of
Government Finance Officers Association (GFOA)
National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink, appearing to read 'Carlos Resendez'.

Carlos Resendez
Chairman

1996 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION



M. Dee Williams

*Executive Director
Utah State
Retirement Systems*

Letter of Transmittal

UTAH STATE RETIREMENT BOARD
UTAH RETIREMENT SYSTEMS
 540 East 200 South
 Salt Lake City, Utah 84102-2099
 (801) 366-7700
 FAX (801) 366-7705

M. DEE WILLIAMS
 EXECUTIVE DIRECTOR

March 6, 1997

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

Dear Board Members:

We are pleased to present the Comprehensive Annual Financial Report of the Utah Retirement Systems (Systems) and 401(k) and 457 Plans (Plans) administered by the Utah State Retirement Board for calendar year 1996. The financial reporting entity of the Systems and Plans include the Public Employees Contributory and Noncontributory Retirement Systems, for both public and educational employees, and the Public Safety, Firefighters and the Judges Retirement Systems, the Governors and Legislative Pension Plan, the 401(k) and 457 Plans and the Retirement Investment Trust Fund into which the assets of the participating funds are invested on a pooled basis.

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 of the Systems.

For financial reporting purposes, the Systems utilize Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. The major effects of this pronouncement on the Systems' financial reporting are the presentation of plan assets of the Systems at fair value and the presentation of the actuarial accrued liability in required supplementary information following the notes to the financial statements and not in the general purpose financial statements.

The Utah Retirement Systems and 401(k) and 457 Plans were established by legislation as indicated in the notes to the financial statements on page 34. The Summary of Plan Provisions is presented on pages 12 through

25. The numbers of active and retired members and beneficiaries for each system are also presented on the summary pages. The purpose of the Systems and Plans is to provide benefits for all eligible state, local governmental and most public education employees whose employers have elected to participate. All services provided by the staff are performed to meet that objective.

The 1996 Comprehensive Annual Financial Report is presented in six sections. The Introductory Section contains the transmittal letter, the Board President's letter, identification of the Systems' administrative organization and professional consultants, as well as Systems' summaries of plan provisions for each retirement system. The Financial Section contains the opinion of the independent certified public accountants, the financial statements and required supplementary information of the Systems. The Supporting Schedules Section of the report presents further information about the Systems at division levels. 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. The Investment Section contains investment information and a detailed listing of its holdings.

Economic Condition and Outlook

The economic condition of the Systems is based primarily upon investment earnings. For the last five years, the Systems have experienced an average annualized fair value rate of return of 11.4%. The Systems' investments are evaluated quarterly by The Northern Trust and compared to the Trust Universe Comparison Services. The Northern Trust is the Systems' custodian bank and a major consultant to several large public funds. A comparative analysis of rates of return is presented on page 98 of this report.

For the Future

During 1996, 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 general purpose 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 main-

tained on an actuarially sound basis as certified in this report by our actuary, thus protecting participants' future benefits. We anticipate that investment earnings will continue to meet or exceed actuarially assumed earning rates. We expect all systems to continue toward fully funded positions.

Financial Information

The management of the Systems is responsible for maintaining a system of adequate internal accounting control 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.

Additions

The reserves needed to finance retirement benefits are accumulated through the collection of employer and employee retirement contributions and through earnings on investments. Contributions and net investment income for calendar year 1996 totaled approximately \$1.6 billion for all retirement systems and related funds (see Table 1).

The overall additions decreased approximately \$165 million compared to those of 1995 due to decreased investment earnings. Retirement contributions increased 9.6%. The Investment Section of this report reviews activity and results of the investments for 1996. The fair value of the investments of the Systems and Plans exceeded \$10.7 billion on December 31, 1996, an increase of approximately \$1.6 billion over 1995.

Deductions

The primary deductions of the Systems include the payment of benefits to members and beneficiaries, the refund of contributions to former members and the cost of administering the retirement systems. Deductions for calendar year 1996 totaled approximately \$319 million, an increase of 6.5% over 1995 deductions (see Table 2). The increase in benefit payments resulted primarily from an increase in both the number and average amount of benefits paid. Additions of \$1.6 billion exceeded deductions of approximately \$319 million by \$1.3 billion during 1996.

TABLE 1. Additions (All Systems)

<i>(Dollars in Millions)</i>				
Utah Retirement Systems	1996	1995	Increase (Decrease) Amount	Increase (Decrease) Percentage
Member contributions	\$ 114.0	106.5	7.5	7.0%
Employer contributions	289.3	254.1	35.2	13.9
Miscellaneous contributions	19.4	18.2	1.2	6.6
Investment income	1,196.3	1,404.8	(208.5)	(14.8)
Total additions	\$1,619.0	1,783.6	(164.6)	(9.2)%

TABLE 2. Deductions (All Systems)

Utah Retirement Systems	<i>(Dollars in Millions)</i>			
	1996	1995	Increase (Decrease) Amount	Increase (Decrease) Percentage
Benefit payments	\$269.6	258.9	10.7	4.1%
Refunds	41.1	32.8	8.3	2.5
Administrative and actuarial expenses	7.9	7.5	0.4	5.3
Total deductions	\$318.6	299.2	19.4	6.5%

Funding

Funds are derived from the excess of additions over deductions and 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 Statement of Plan Net Assets in the financial section of this report. The actuarial accrued liability is not disclosed in the financial statements but is disclosed in the required supplementary information schedules immediately following the notes to the financial statements. These schedules show the actuarial value of assets which is based on a five-year smoothed valuation 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 plans as disclosed in note 5 to the 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 "funding ratio". This ratio provides an indication of the funding 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 funding progress, assuring participants of financially sound retirement systems. Funding status and progress for overall Systems are presented in the Required Supplementary Information Schedules of Funding Progress on page 43. Funding ratios range from 83% to 125%.

Investments

At fair value the investment portfolio mix at the end of 1996 is 25% fixed income, 57% equities, 4% venture capital, 9% real estate and 5% cash equivalents. The 25% fixed income is comprised of 22% domestic and 3% international instruments. The 57% equities are comprised of 40% domestic and 17% international equities. The Systems' investment outlook is long-term allowing the portfolio to take

advantage of the favorable risk-return characteristics of equities by placing more emphasis on this category.

The Board utilizes internal and external portfolio managers employing both passive (indexed) and active strategies. The portfolio is broadly diversified among the equities, fixed income, real estate, venture capital with additional diversification achieved through domestic and international investing.

Cash Management

Cash is invested in demand deposits, short-term investment funds and high grade commercial paper. The short-term portion of the portfolio achieved a 5.34% rate of return compared to the 91-day Treasury bill rate of 5.25% for the same period.

Investment Risk

The Systems' 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 \$10.7 billion in investments at fair value at December 31, 1996, none of the Systems' investments were in the category of highest custodial credit risk as defined by GASB.

Independent Audit

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

Actuarial Survey and Valuation

An actuarial review of the Systems is performed annually. An assumption experience study is performed at least every other year. The actuarial firm, Watson Wyatt & 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 Component Unit Financial Report for the fiscal year ended December 31, 1995. 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 12 years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

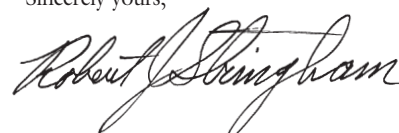
In addition, the Utah Retirement Systems were awarded the Public Pension Coordinating Council's Public Pension Principles Achievement Award. This award is for achievement of high professional standards for public employee retirement systems. The award is based on compliance with principles that underlie retirement system achievements in the areas of benefits, actuarial valuations, financial reporting, investments and disclosures to members.

Acknowledgments

The compilation of this report reflects the combined efforts of the staff under the leadership of the Utah State Retirement Board. It 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



M. Dee Williams
Executive Director

Board President's Letter

UTAH STATE RETIREMENT BOARD
UTAH RETIREMENT SYSTEMS
 540 East 200 South
 Salt Lake City, Utah 84102-2099
 (801) 366-7700
 FAX (801) 366-7705

M. DEE WILLIAMS
 EXECUTIVE DIRECTOR

March 6, 1997

Dear Members of the Utah Retirement Systems:

As trustees and fiduciaries of the Utah Retirement Systems, we are pleased to provide to you our annual report on the activities of the Utah Retirement Systems. It has indeed been another good year on many fronts.

Actuarial Soundness—All of the retirement systems are actuarially sound. You can be assured that the assets in the Retirement Fund, which totaled approximately \$8.7 billion on December 31, 1996, will provide you with the benefits you have earned from public employment. We acknowledge here the support of the Governor, Legislature, and all participating employers and employees whose commitment to pay the required contribution rates has resulted in a system which is the envy of other pension funds.

Investments—In calendar year 1996, the Utah Retirement Systems achieved a 15% rate of return—in large part because of a strong performance by the U.S. stock markets. In addition, the Fund's compounded average rate of return for the past five years is 11.4%. Congratulations to our investment staff, advisors, and managers for their exemplary performance. The assets dedicated to providing your retirement benefit will continue to be prudently invested under Board approved policies which balance investment risk and return in a diversified investment portfolio.

401(k)/457 Deferred Compensation Plans—Assets in the 401(k)/457 plans grew from \$644 million to \$789 million during 1996. This resulted from two major factors. First, the investment options offered by the Board achieved outstanding rates of return:

S & P Stock Index—24.9%	Templeton—22.5%	Fidelity Puritan—16.6%
Income Fund—6.3%	Group Annuity Fund—6% (closed to future contributions)	

Secondly, more and more members recognized the value of preparing and saving for retirement years through these tax deferred programs. We applaud your vision and encourage you to continue to prepare and plan now for your retirement.

Legislation—A significant death benefit enhancement was passed by the Legislature in the 1997 General Session. The passage of House Bill 6 allows spouses of deceased members of the Noncontributory Public Employees System to receive a one-third pension benefit after 15 years of service and two-thirds benefit after 20 years of service. Prior to this legislation a member had to have 25 years of service if under age 60 to qualify for their spouse to begin receiving a monthly benefit upon their death. We appreciate the action of the Legislature in providing this important protection to your families.

Board Members and Staff—We as a Board wish to recognize the dedication and exceptional leadership of the System's Administrator and Executive Director, M. Dee Williams. He and his staff are dedicated to serving you and your needs. We will all continue to have your best interests and financial security in mind as we discharge our fiduciary obligations.

Sincerely,



Edgar H. Thronsdson, President
 Utah State Retirement Board

Utah State Retirement Board and Executive Director

Retirement Board



Edgar H. Throndsen
President

- Appointed July 1, 1987
- Current term expires June 30, 1998
- Represents investment community



Dannie R. McConkie
Vice President

- Appointed July 1, 1987
- Current term expires June 30, 1999
- County Commissioner
- Represents public employees



Edward T. Alter

- Member since January 1, 1981
- Ex-officio member
- State Treasurer



Mary A. Garner

- Appointed August 19, 1991
- Current term expires June 30, 1997
- President, United Savings Bank, Western Mortgage Loan Corp.
- Represents investment community



Marvin J. Hammond

- Appointed August 19, 1993
- Current term expires June 30, 1997
- Represents investment community



J. Chad Hamilton

- Appointed July 1, 1994
- Current term expires July 1, 1998
- Senior Vice President Zion's First National Bank
- Represents investment community



Lily Eskelsen

- Appointed July 1, 1995
- Current term expires June 30, 1999
- Past President, Utah Education Association
- Represents education employees

Executive Director



M. Dee Williams
Executive Director

Membership Council

Member/Represents

Mrs. Thelma Whittaker* (*Chair*)
Utah Education Association

Mr. Dennis D. Ewing* (*Vice Chair*)
Utah Association of Counties

Mr. Phil Goodrich*
Utah League of Cities and Towns

Mr. Fred Van Der Veur*
Utah Public Employees Association

Dr. Norman D. Riggs*
Utah Retired School Employees Association

Mr. Ken Serre
Utah Public Employees Association

Mr. Jim James
Utah Education Association

Mr. Dan Howlett
Utah Peace Officers Association

Mr. Allen B. Rasmussen
Utah Education Association

Judge Leslie D. Brown
Utah Judicial Council

Mr. Jay Bingham
Utah Association of Retired Public Employees

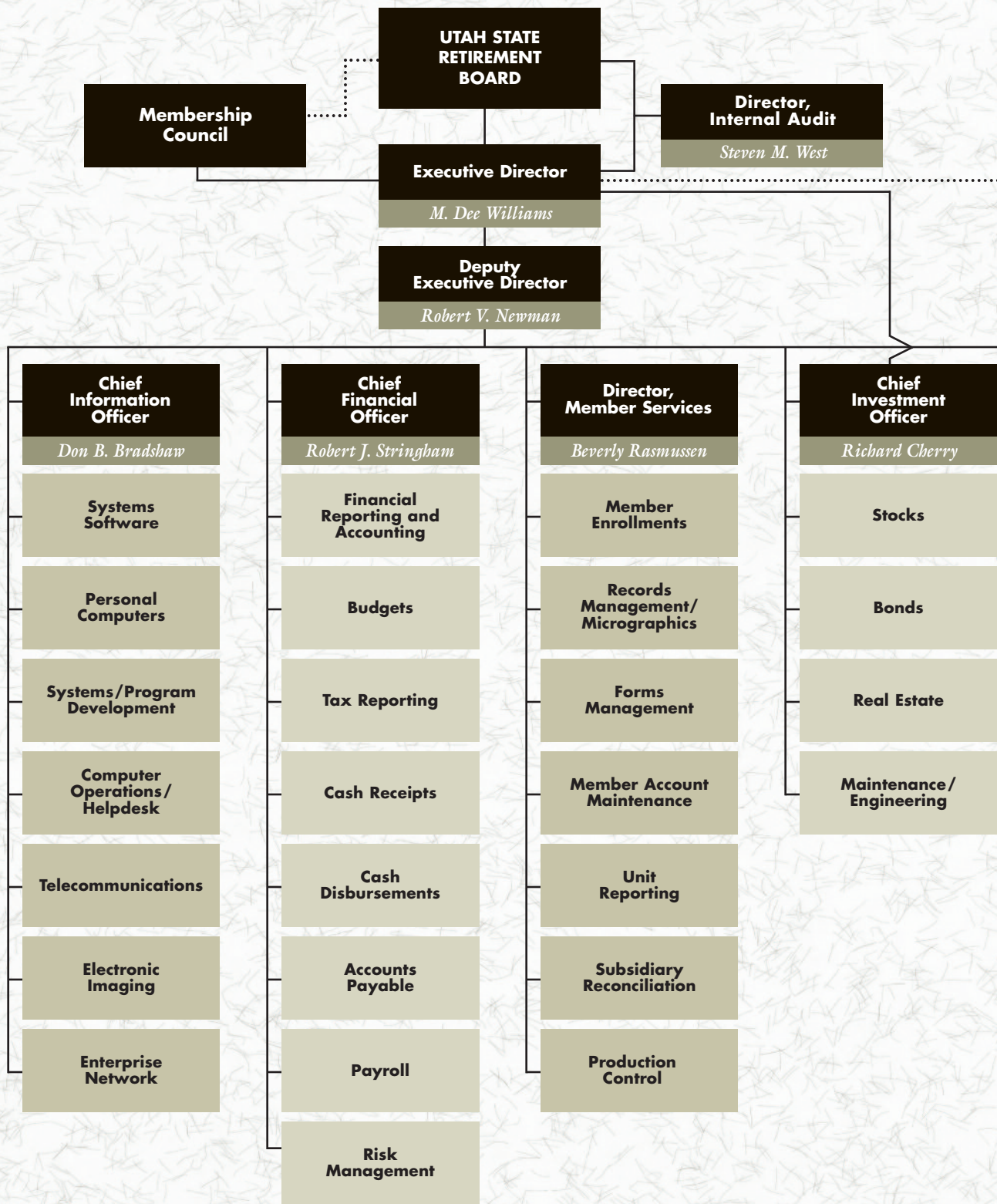
Mr. Ken Budge
Professional Firefighters of Utah

Ms. Karen Maestas
Utah School Employees Association

*Executive Committee

UTAH STATE RETIREMENT BOARD

Organization Chart



Professional Services

*Actuary • Auditor • Legal • Consultants
Investment Advisors • Medical Examiner*
Detail for professional service providers is shown at right.

Director, Defined Contribution Plans and Field Services <i>Todd W Rupp</i>	Director, Human Resources <i>Don G. Pugmire</i>	Director, Retirement <i>Sharon Archibald</i>
Golden Horizon 401(k)	Compensation	Public Division
457 Deferred Compensation	Recruitment	School Division
Field Services	Training and Development	Public Safety / Firefighters / Judges
Branch Office	Employee Relations	Death Benefits
Communications	Office Receptionist	Redeposits, Purchases and Adjustments
Mailroom / Duplicating / Supplies	Personnel Policies	Refunds

Administrative Staff

- M. Dee Williams
Executive Director
- Robert V. Newman, CPA
Deputy Executive Director
- Steven M. West, CPA
Director, Internal Audit
- Don B. Bradshaw
Chief Information Officer
- Robert J. Stringham, CPA
Chief Financial Officer
- Beverly Rasmussen
Director, Member Services
- Don G. Pugmire
Director, Human Resources
- Sharon Archibald
Director, Retirement
- Todd W Rupp, CPA
Director, Defined Contribution Plans and Field Services
- Richard Cherry
Chief Investment Officer

Professional Consultants

- ACTUARY**
Watson Wyatt & Company
2121 San Jacinto Street
Dallas, TX 75201
- AUDITOR**
Deloitte & Touche LLP
Certified Public Accountants
50 South Main
Salt Lake City, UT 84144
- LEGAL COUNSEL**
Howard and Associates
560 East 200 South
Salt Lake City, UT 84102
- MEDICAL EXAMINER**
Howard McQuarrie, M.D.
1141 East 3900 South
Salt Lake City, UT 84117
- CONSULTANTS**
Advanced Risk Mgmt. Techniques Inc.
23701 Birtcher Dr.
Lake Forest, CA 92630
- Martin E. Segal Company
520 S. Virgil Ave.
Los Angeles, CA 90020

CONTRIBUTORY RETIREMENT SYSTEM
Summary of Plan Provisions

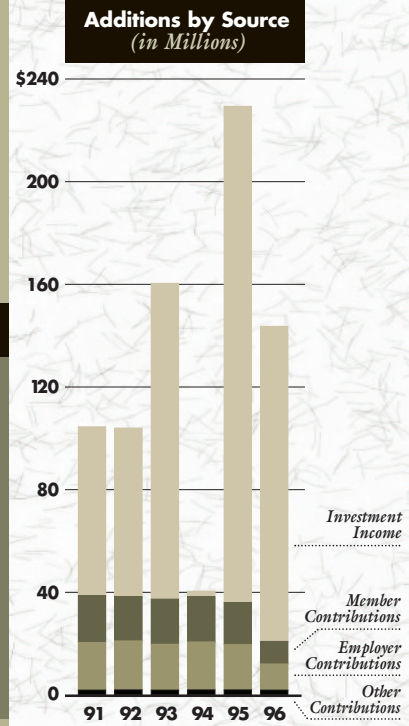
CONTRIBUTORY

A Composite Picture

Total Membership16,472
Active4,830
Terminated vested.....1,413
Retired.....10,229

1996 Active Members4,830
Average age46.2
Average years of service13.8
Average annual salary\$29,081

1996 Retirees
Number.....61
Average age65.3
Average years of service15.4
Final average annual salary.....\$17,995
Average monthly benefit\$436
Average monthly benefit —all retirees.....\$471



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

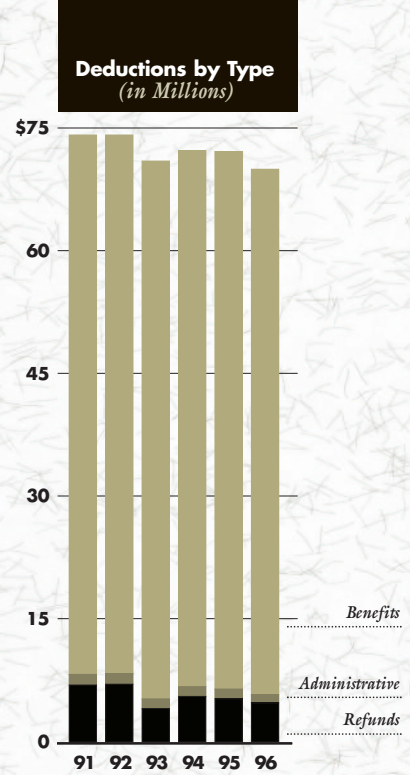
Pamela Rasmussen
Animal Control Officer
South Jordan

CONTRIBUTORY RETIREMENT SYSTEM

(in Millions)

◀ Additions by Source	1991	1992	1993	1994	1995	1996
Investment Income	\$ 65.9	65.9	123.3	2.2	193.7	123.0
Member Contributions	18.3	17.2	17.6	17.6	16.4	8.8
Employer Contributions	18.6	19.1	17.9	18.7	17.7	10.2
Other Contributions	1.7	1.8	1.7	1.8	1.8	1.7
TOTALS	\$104.5	104.0	160.5	40.3	229.6	143.7

▶ Deductions by Type	1991	1992	1993	1994	1995	1996
Benefit Payments	\$66.2	66.1	66.0	65.8	65.6	64.5
Administrative Expense	1.3	1.3	1.2	1.2	1.2	1.0
Refunds	7.0	7.1	4.1	5.6	5.3	4.8
TOTALS	\$74.5	74.5	71.3	72.6	72.1	70.3



Service Benefit Formula

1. Number of years of service before 7-1-67 x 1.10%† x FAS*
2. Number of years of service between 7-1-67 and 6-30-75 x 1.25% of FAS.
3. Number of years of service after 7-1-75 x 2.0% x FAS.
4. Plan 1 allowance = total of 1, 2 and 3.

* FAS (Final Average Salary) = highest five years' earnings converted to a monthly average. Consecutive year 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 Adjustment

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

Death Benefits

An active member death benefit consists of an insurance payment equal to 60% 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.

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

A retired member death benefit depends on the retirement plan that was selected at retirement. No death benefit is available without a reduced retirement benefit.

Refunds

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

Redeposits

A redeposit may be made in monthly installments or by a lump-sum payment prior to retirement. A redeposit includes the refund amount plus interest. Service credit is restored when the redeposit is completed.

Contribution Rates (as of 12-31-96)

Member rate in levels A and B is 6.0%‡ of salary. Employer rate in Level A is 9.67% of payroll; in Level B 6.42%.

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

Interest

8% on member contributions.

Significant Legislation

None.



NONCONTRIBUTORY RETIREMENT SYSTEM

Summary of Plan Provisions

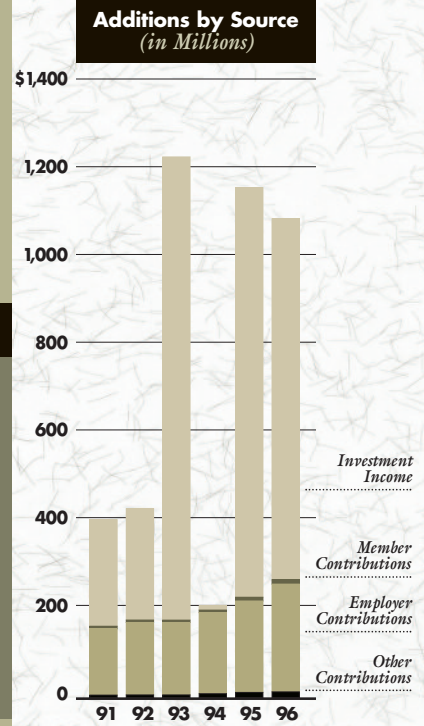
NONCONTRIBUTORY

A Composite Picture

Total Membership95,734
Active73,652
Terminated vested.....10,210
Retired.....11,872

1996 Active Members73,652
Average age43.2
Average years of service9.2
Average annual salary\$28,580

1996 Retirees
Number.....1,448
Average age62.2
Average years of service21.8
Final average annual salary.....\$30,911
Average monthly benefit\$1,140
Average monthly benefit —all retirees.....\$1,097



Service Retirement

Age	Years of Service	Allowance Reduction
Any age	30	None
Any age	25	Full actuarial before 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 2.0% x FAS*

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

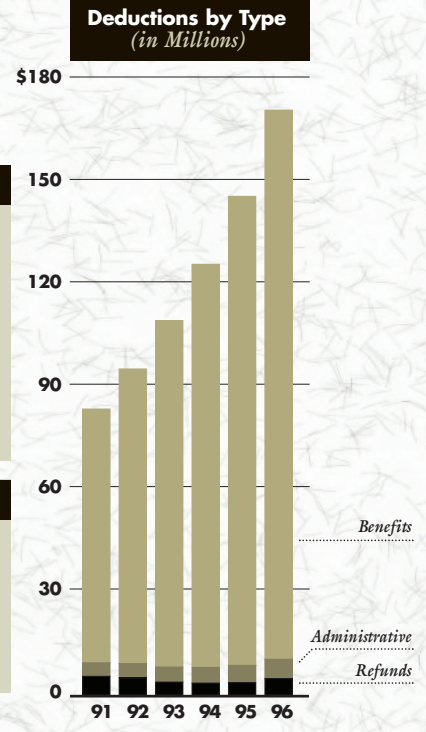
Louis Amodt
 State of Utah Mine Inspector
 Salt Lake City

NONCONTRIBUTORY RETIREMENT SYSTEM

(in Millions)

◀ Additions by Source	1991	1992	1993	1994	1995	1996
Investment Income	\$ 243.9	254.6	1,066.4	9.9	943.7	832.5
Member Contributions	2.8	2.6	2.4	2.9	5.6	6.7
Employer Contributions	151.9	165.8	168.5	185.5	209.3	247.0
Other Contributions	2.6	3.1	3.1	5.9	8.8	10.1
TOTALS	\$401.2	426.1	1,240.4	204.2	1,167.4	1,096.3

▶ Deductions by Type	1991	1992	1993	1994	1995	1996
Benefit Payments	\$74.4	86.4	101.6	118.2	137.9	161.0
Administrative Expense	3.9	4.2	4.4	4.6	5.1	5.7
Refunds	5.7	5.0	3.8	3.5	3.6	4.8
TOTALS	\$84.0	95.6	109.8	126.3	146.6	171.5



Cost of Living Adjustment

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

Death Benefits

An *active member* death benefit consists of an insurance payment equal to 60% 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.

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

A *retired member* death benefit depends on which retirement plan was selected at retirement. No death benefit is available without a reduced retirement benefit.

Refunds

A terminated member who transferred from the Contributory Retirement System is eligible for a 100% refund of transferred contributions plus interest. Members hired after July 1, 1986, are ineligible for refunds. There is a 60-day refund processing period after the last day of paid employment.

Redeposits

A redeposit may be made in monthly installments or by lump-sum payment prior to retirement. A redeposit includes the refund amount plus interest. Service credit is restored when the redeposit is completed.

Contribution Rates (as of 12-31-96)

Employer rate for Level A is 13.99% of payroll; and for Level B 10.24%.

Interest

8% on member contributions transferred from the Contributory Retirement System.

Significant Legislation

SB34—Allows members of all retirement systems to buy service credit for other eligible public employment.

HB156—Clarifies the time and period for application for retirement benefits; authorizes benefit protection contracts where substantially equivalent disability programs are offered.



PUBLIC SAFETY RETIREMENT SYSTEM

Summary of Plan Provisions

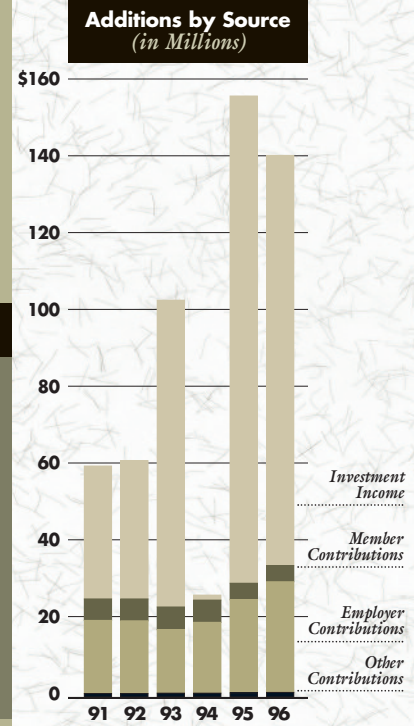
PUBLIC SAFETY

A Composite Picture

Total Membership8,132
Active5,736
Terminated vested579
Retired1,817

1996 Active Members5,736
Average age38.5
Average years of service8.6
Average annual salary\$31,429

1996 Retirees
Number117
Average age53.9
Average years of service20.5
Final average annual salary\$38,528
Average monthly benefit\$1,612
Average monthly benefit —all retirees\$1,194



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.
- 2.0% x FAS x years of service over 20.
- Monthly benefit = total of 1 and 2.†

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

† Benefits paid cannot exceed 70% of FAS.

Cost of Living Adjustment

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

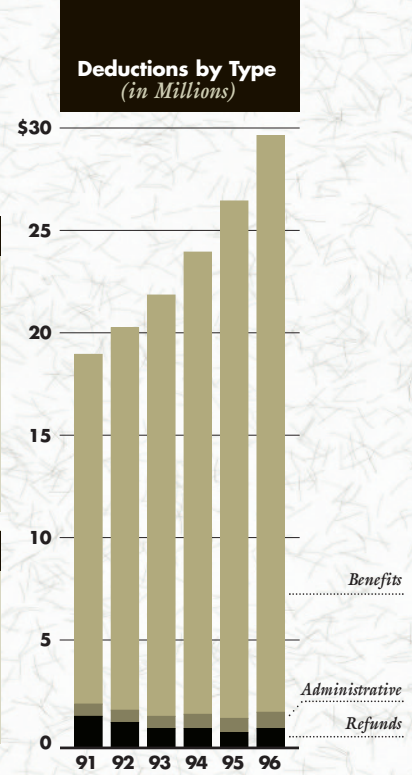
Steve Anderson
 Supervisor, State Criminal ID
 Salt Lake City

PUBLIC SAFETY RETIREMENT SYSTEM

(in Millions)

◀ Additions by Source	1991	1992	1993	1994	1995	1996
Investment Income	\$ 34.7	36.1	80.1	1.3	127.2	107.1
Member Contributions	5.6	5.7	5.9	5.8	4.3	4.2
Employer Contributions	19.5	19.4	17.0	18.9	24.7	29.3
Other Contributions	0.5	0.5	0.6	0.6	0.7	0.8
TOTALS	\$60.3	61.7	103.6	26.6	156.9	141.4

▶ Deductions by Type	1991	1992	1993	1994	1995	1996
Benefit Payments	\$17.1	18.7	20.6	22.6	25.3	28.2
Administrative Expense	0.6	0.6	0.6	0.7	0.7	0.8
Refunds	1.5	1.2	0.9	0.9	0.7	0.9
TOTALS	\$19.2	20.5	22.1	24.2	26.7	29.9



Death Benefits

DIVISION A

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. Dependent children receive no additional benefits.

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.

A retired member's death benefit to the surviving spouse is 65% of the monthly benefit.

DIVISION B

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 dependent child under 18 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.

Total benefits cannot exceed 75% of the final average salary.

A retired member's death benefit to a surviving spouse is 65% of the monthly benefit. A dependent child under 18 receives \$50 per month.

Refunds

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

Redeposits

A redeposit may be made in monthly installments or by a lump-sum payment prior to retirement. A redeposit includes the refund amount plus interest. Service credit is restored when the redeposit is completed.

Contribution Rates

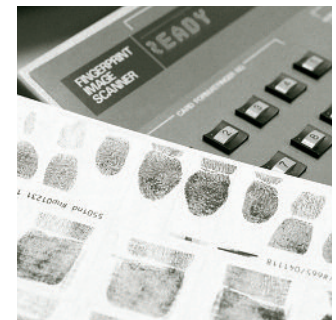
(as of 12-31-96)

CONTRIBUTORY OPTION

Member rates in Division A are: State units 12.29%; Bountiful 11.94%; and all other units 12.29% of salary. Member rates in Division B are: Salt Lake City 13.74%; Ogden 13.18%; Logan 11.13%; Provo 13.54%; and other units 10.50% of salary. ‡

Employer rates for Division A are: State units 10.82%; Bountiful 5.77%; and other law enforcement units 3.72% of payroll. Employer rates for Division B are: Salt Lake City 20.38%; Ogden 12.65%; Logan 4.65%; Provo 11.03%; and other units 5.27% of payroll.

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



NONCONTRIBUTORY OPTION

Employer rates for Division A are: State units 20.60%; Bountiful 16.97%; and other units 14.47% of payroll. Employer rates for Division B are: Salt Lake City 31.51%; Ogden 24.03%; and all other units 15.94% of payroll.

Interest

Member contributions in the Contributory System receive interest at 8%.

Significant Legislation

None.

FIREFIGHTERS RETIREMENT SYSTEM

Summary of Plan Provisions

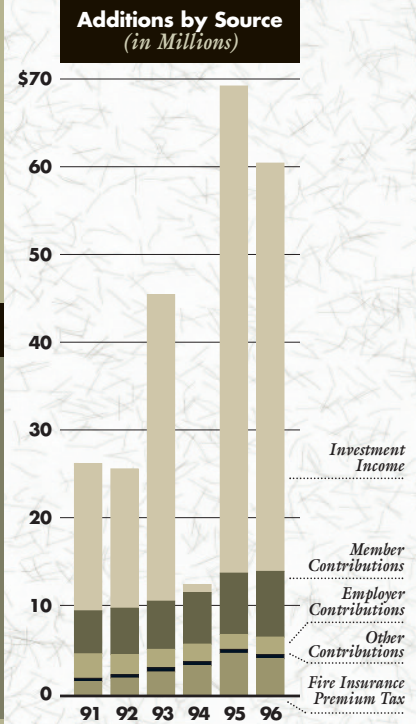
FIREFIGHTERS

A Composite Picture

Total Membership1,949
Active1,224
Terminated vested49
Retired676

1996 Active Members1,224
Average age40.3
Average years of service12.2
Average annual salary\$38,062

1996 Retirees
Number35
Average age52.0
Average years of service24.5
Final average annual salary\$45,944
Average monthly benefit\$2,258
Average monthly benefit —all retirees\$1,312



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.
- 2.0% x FAS x years of service over 20.
- Monthly benefit = total of 1 and 2.†

* FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Consecutive year 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.

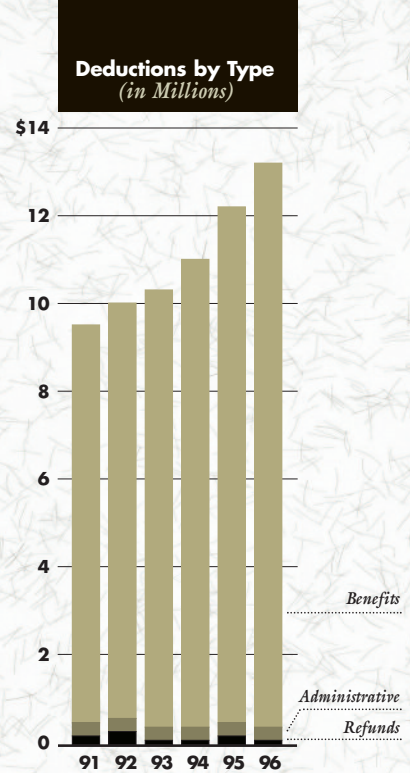
Gil Rodriguez
Fire Captain
Murray

FIREFIIGHTERS RETIREMENT SYSTEM

(in Millions)

◀ Additions by Source	1991	1992	1993	1994	1995	1996
Investment Income	\$ 16.8	15.9	35.0	0.6	55.6	46.6
Member Contributions	4.9	5.3	5.5	6.2	7.0	7.5
Employer Contributions	2.8	2.3	2.1	2.0	1.7	2.0
Other Contributions	0.2	0.2	0.3	0.3	0.3	0.3
Fire Insurance Premium Tax	1.7	2.1	2.8	3.5	4.9	4.3
TOTALS	\$26.4	25.8	45.7	12.6	69.5	60.7

▶ Deductions by Type	1991	1992	1993	1994	1995	1996
Benefit Payments	\$9.1	9.5	10.0	10.7	11.8	12.9
Administrative Expense	0.3	0.3	0.3	0.3	0.3	0.3
Refunds	0.2	0.3	0.1	0.1	0.2	0.1
TOTALS	\$9.6	10.1	10.4	11.1	12.3	13.3



Cost of Living Adjustment

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

Disability Benefits

If disability is in the line of duty, the benefit is 50% of the final average salary with no minimum age or service requirements.

If disability is not in the line of duty, the benefit is a refund of contributions for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for disability incurred in the line of duty.

Benefits are suspended while receiving Workers Compensation.

Death Benefits

DIVISION A

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

If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For members with more than 10 years of service, the benefit to the surviving spouse consists of \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary.

DIVISION B

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 dependent child under 21 receives \$75 per month if the member had five 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 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 75% of the final average salary.

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

Refunds

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

Redeposits

A redeposit may be made in monthly installments or by a lump-sum payment prior to retirement. A redeposit includes the refund amount plus interest. Service credit is restored when the redeposit is completed.

Contribution Rates (as of 12-31-96)

Member rate in Division A is 13.31% of salary. Member rate in Division B is 16.71% of salary.† Employer rate in Division A is 0.00%. Employer rate in Division B is 6.64%. A fire insurance premium tax equal to 7.98% of salaries is also an additional part of the employer contribution rates.

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

Interest

Member contributions receive no interest.

Significant Legislation

None.



JUDGES RETIREMENT SYSTEM

Summary of Plan Provisions

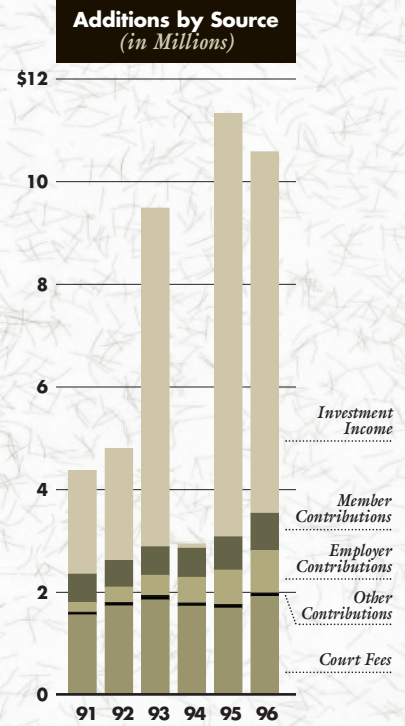
JUDGES

A Composite Picture

Total Membership	172
<i>Active</i>	100
<i>Terminated vested</i>	3
<i>Retired</i>	69

1996 Active Members	100
<i>Average age</i>	51.8
<i>Average years of service</i>	8.3
<i>Average annual salary</i>	\$90,350

1996 Retirees	
<i>Number</i>	1
<i>Average age</i>	64.1
<i>Average years of service</i>	14.9
<i>Final average annual salary</i>	\$83,675
<i>Average monthly benefit</i>	\$4,198
<i>Average monthly benefit —all retirees</i>	\$2,898



Service Retirement

Age	Years of Service	Allowance Reduction
Any age	25	None
Any age	20	Full actuarial reduction
62	10	None
70	10	None

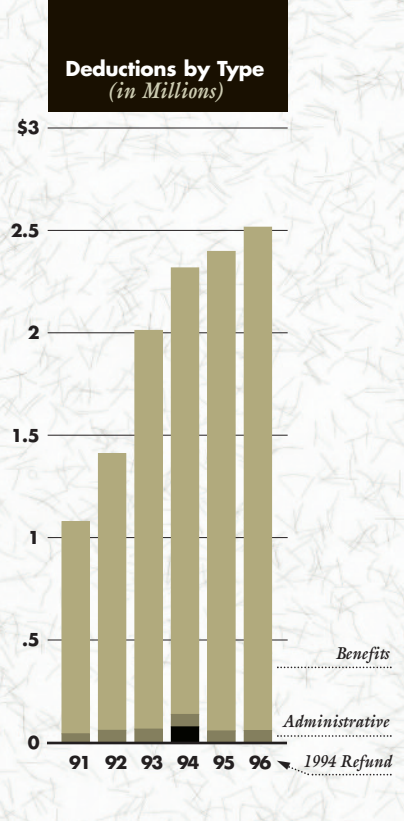
Jon M. Memmot
 2nd District Court Judge
 Farmington

JUDGES RETIREMENT SYSTEM

(in Thousands)

◀ Additions by Source	1991	1992	1993	1994	1995	1996
Investment Income	\$ 2,040	2,206	6,664	86	8,333	7,114
Member Contributions	558	523	561	572	654	734
Employer Contributions	191	304	405	504	680	833
Other Contributions	30	40	57	64	69	72
Court Fees	1,561	1,741	1,855	1,709	1,670	1,898
TOTALS	\$4,380	4,814	9,542	2,935	11,406	10,651

▶ Deductions by Type	1991	1992	1993	1994	1995	1996
Benefit Payments	\$ 1,042	1,359	1,958	2,193	2,355	2,472
Administrative Expense	39	56	62	61	53	55
Refunds	—	—	—	73	—	—
TOTALS	\$1,081	1,415	2,020	2,327	2,408	2,527



Service Benefit Formula

1. 5.0% 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.†

* FAS (Final Average Salary) = highest two years' earnings in judicial service converted to a monthly average. Consecutive year salary increases are limited to 10% plus a COLA determined by the CPI.

† Benefits paid cannot exceed 70% of FAS.

Cost of Living Adjustment

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

Death Benefits

An active member death benefit to the surviving spouse consists of a refund of member contributions and interest plus 65% of the final average salary on a yearly rate, or a monthly allowance equal to 65% of the amount computed for a service retirement with no early retirement reduction.

A retired member death benefit to the surviving spouse is 65% of the member's monthly benefit at the time of death. If the member elected an actuarial reduction in monthly benefits, the surviving spouse will receive a death benefit of 75% of the member's monthly benefit.

Refunds

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

Redeposits

A redeposit may be made in monthly installments or by a lump-sum payment prior to retirement. A redeposit includes the refund amount plus interest. Service credit is restored when the redeposit is completed.

Contribution Rates (as of 12-31-96)

Member rate is 8.0% of salary.‡ Employer rate includes 10.70% of payroll and 25.62% from court fees.

‡ State picks up 6% of member contributions.

Interest

8% on member contributions.

Significant Legislation

None.



GOVERNORS AND LEGISLATIVE PENSION PLAN

Summary of Plan Provisions

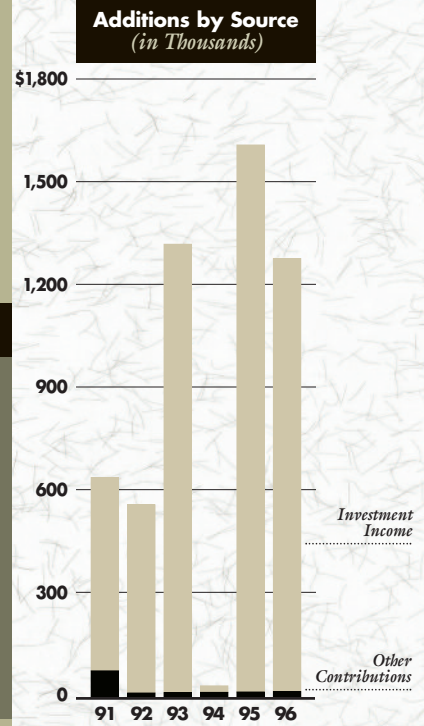
GOVERNORS & LEGISLATIVE

A Composite Picture

Total Membership	373
<i>Active</i>	95
<i>Terminated vested</i>	78
<i>Retired</i>	200

1996 Active Members	95
<i>Average age</i>	51.3
<i>Average years of service</i>	6.2
<i>Average annual salary</i>	\$4,667

1996 Retirees	
<i>Number</i>	8
<i>Average age</i>	64.2
<i>Average years of service</i>	7.8
<i>Final average</i>	
<i> annual salary</i>	\$2,607
<i>Average monthly benefit</i>	\$396
<i>Average monthly benefit</i>	
<i> —all retirees</i>	\$204



Raymond W. Short
 District 37 Representative
 Utah House of Representatives
 Salt Lake County

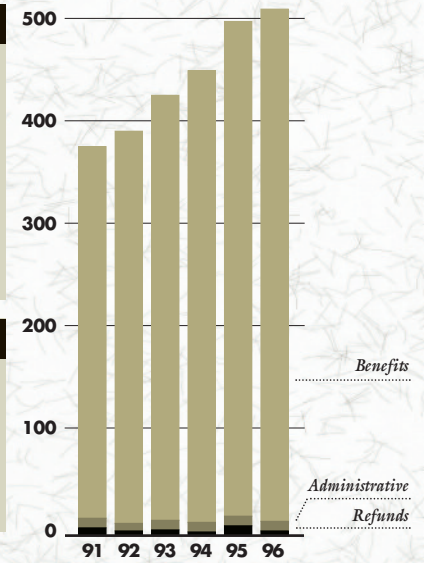
GOVERNORS AND LEGISLATIVE PENSION PLAN

\$600

(in Thousands)

◀ Additions by Source	1991	1992	1993	1994	1995	1996
Investment Income	\$ 569	552	1,315	19	1,604	1,270
Member Contributions	—	—	—	—	—	—
Employer Contributions	—	—	—	—	—	—
Other Contributions	76	11	12	13	14	15
TOTALS	\$645	563	1,327	32	1,618	1,285

▶ Deductions by Type	1991	1992	1993	1994	1995	1996
Benefit Payments	\$ 367	387	419	445	487	504
Administrative Expense	7	5	7	7	7	7
Refunds	4	1	2	—	6	1
TOTALS	\$378	393	428	452	500	512



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 for one term
\$1,000* per month for two or more terms

* Increased semi-annually up to 2% based on the Consumer Price Index. The amount as of 12-31-96 is \$960 for one term and \$1,920 for two or more terms.

LEGISLATORS

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

**Increased semi-annually up to 2% based on the Consumer Price Index. The amount as of 12-31-96 is \$21.60.

Cost of Living Adjustment

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

Death Benefits

An active or retired member 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

An annual appropriation by the Legislature.

Significant Legislation

None.



401(k) AND 457 DEFINED CONTRIBUTION PLANS*Summary of Plan Provisions*

401(k) & 457

Utah Retirement Systems Golden Horizon 401(k) Plan and 457 Deferred Compensation Plan 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 educational employees throughout Utah.

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. In providing the third leg of a three-legged stool (Social Security and their retirement system being the other two legs), 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 these goals, and to provide the third leg of the three-legged stool; enhancing an employee's well balanced retirement plan. Employees who begin participating in these plans early in their careers can accumulate sizeable nest-eggs by the time they retire.

Employer Contributions

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

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 Social Security.

Employers may use the 457 Deferred Compensation Plan as a qualifying retirement system for these employees, but must contribute a minimum of 7.5% of salary to the Plan 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 of it.

Summary of Plan Provisions**DEFERRAL LIMITS**

401(k)—Limited in 1996 to an annual maximum of \$9,500 (indexed). Deferrals to 401(k) and all other qualified pension plans are limited to 25% of includable compensation. Includable means compensation derived after deducting deferrals to this and other tax deferred plans.

457—Limited to an annual maximum of \$7,500 or 33.3% of includable compensation.

COORDINATION OF DEFERRALS

Deferrals to the 401(k), 457, and 403(b) plans must be coordinated. The limits in one plan are reduced dollar for dollar by deferrals in another. If participating in the 457 Plan, the maximum in all plans combined is \$7,500.

CATCH-UP PROVISIONS

401(k)—None.

457—Allowable only during the last three years before the year of retirement. Participants may contribute the difference between actual and maximum deferrals for prior years up to an additional \$7,500 each year.

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,

401(k) AND 457 DEFINED CONTRIBUTION PLANS

Summary of Plan Provisions (Continued)

death, or severe unforeseeable financial emergencies.

ROLLOVERS

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

457—Direct transfers to or from another 457 Plan are permitted.

VESTING

401(k)—Fully Vested.

457—Credited immediately to participants accounts, but funds remain the property of the employer until withdrawn.

Investment Option Transfers

Although changes in deferral amounts and in the investment options for current contributions may be made at any time, accumulated balances may be transferred from one investment option to another only one time per calendar month. Furthermore, Beneficial Life Insurance Company restricts transfers of account balances in excess of \$1,000 from the Group Annuity Fund to 25% of the highest account balance of the past four years without a market value adjustment, when applicable. The Internal Revenue Code does not allow transfers between the 401(k) and 457 plans.

Investment Options

TEMPLETON INSTITUTIONAL GROWTH SERIES FUND

This fund is a member of the Franklin/Templeton Group which is an open-end management investment company. The Templeton Institutional Growth Series Fund, patterned after the Templeton Growth Fund, is a no-load, global fund seeking to achieve long-term capital growth by investing in stocks and debt obligations of companies and governments of any nation, including developing nations. Although the Fund generally invests in common stock, it may also invest in preferred stocks and certain debt securities that offer potential for capital growth. In selecting securities, the

Fund managers look for those companies in various countries and industries where economic and political factors, including currency movements, are expected to produce above-average appreciation. Because of the possibility of high return, significant price fluctuations are more likely than in the other investment options.

S&P STOCK INDEX FUND

This Fund is managed internally by the Retirement Board's investment staff. Money is invested in most of the 500 stocks of the Standard & Poor's Index. The objective of the Fund is to minimize deviation between its performance and that of the S&P 500 Index. Although the potential for high returns over a long period of time is present in this fund, the possibility of losses in a declining stock market also exists. Administrative costs, dividends and interest, as well as increases and decreases in the market value of the stocks are reflected in the unit value of the fund and do not appear as separate items on account statements.

FIDELITY PURITAN FUND

The Puritan Fund is managed by Fidelity Investments, the country's largest private investment firm. This no-load, balanced mutual fund is designed to provide income and long-term growth potential by investing in common stocks, preferred stocks and bonds in both U.S. and international markets. Because of its balanced approach, this Fund is considered less risky than most stock investments but has higher risk than fixed income investments. Investments in this Fund could decrease in value in declining security markets.

INCOME FUND

Managed by American Express Trust Company, this Fund is invested in Guaranteed Investment Contracts (GICs), U.S. Treasury and federal agency securities, mortgage backed securities, corporate bonds and short-term funds. GICs are unsecured obligations of insurance companies and are not guaranteed by Utah Retirement Systems or the federal government. Although GICs currently comprise a large portion of this portfolio, no addi-

tional GICs will be purchased. This fund seeks reduced risk while providing a competitive, stable rate of return, though anticipated to be lower than the other investment options over a long period of time.

GROUP ANNUITY FUND

This Fund, a group annuity contract with Beneficial Life Insurance Company, is closed to future contributions. Beneficial Life guarantees the principal and a minimum 5% rate of return. Money is invested in Beneficial Life's general account which is invested in bonds, mortgages, and short-term securities. The excess earnings Beneficial Life declares on its general account determines the fund's rate of return.

GENERAL AND ADMINISTRATIVE EXPENSES

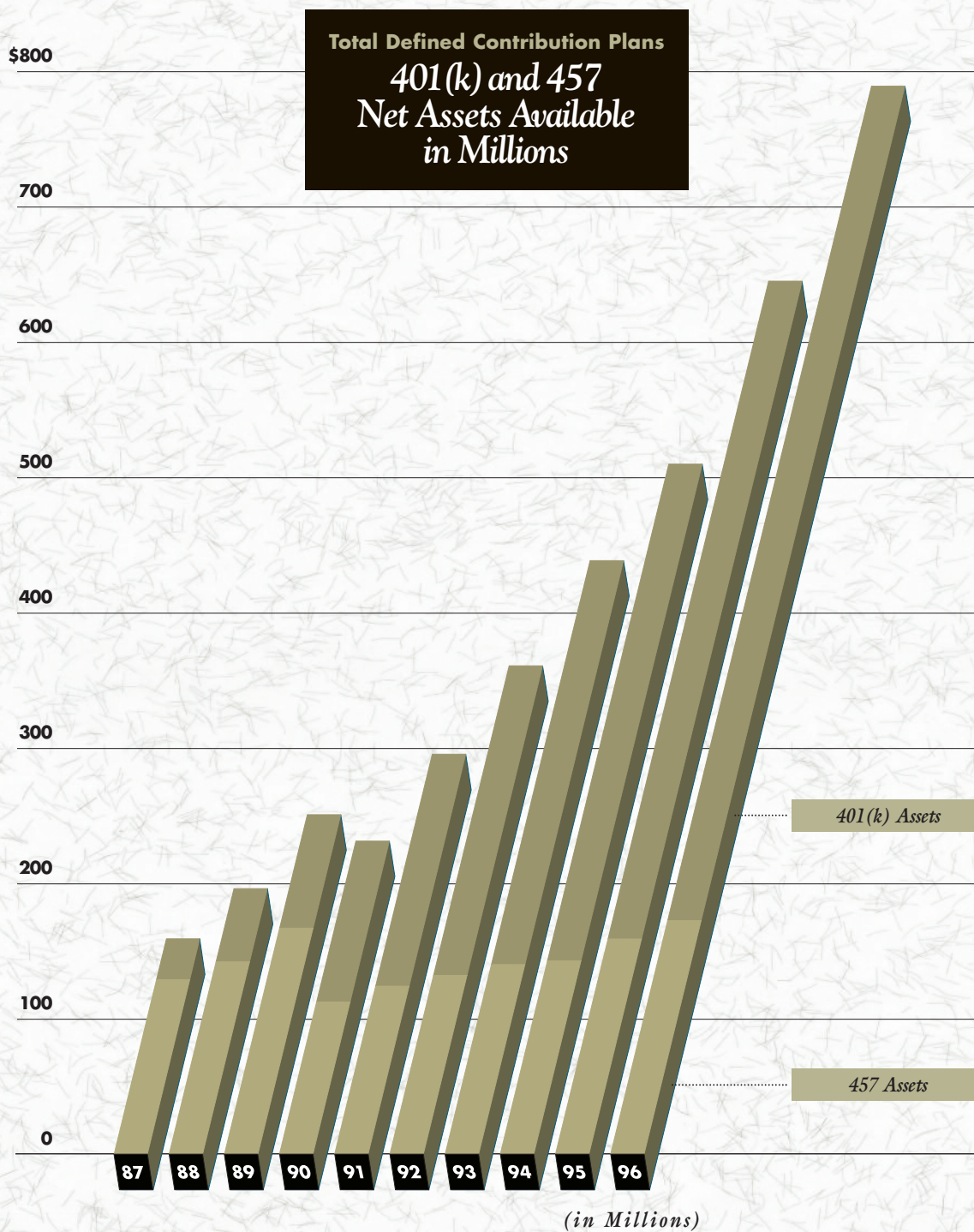
There are no front-end load, redemption, or other hidden fees associated with these plans. All costs reflected in the following table are deducted from earnings prior to posting to participant accounts and do not appear on statements of account.

Fund	Investment Fees	Administrative Costs	Total Costs
Income Fund	.16%	.20%	.36%
Fidelity Puritan	.74	.20	.94
S&P 500 Stock Index	.01	.20	.21
Templeton	.88	.20	1.08
Group Annuity Fund	.70	.20	.90

By administering the defined contribution plans internally rather than through a third party, we are able to keep expenses at the lowest possible level to maximize earnings to each participant. The above chart 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

The chart on page 100 reflects rates of return earned on the various investment funds after deducting all costs. These rates of return and market indices include market changes as well as interest and dividends earned.



	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
401(k) Assets	\$ 30.2	54.1	83.8	118.9	171.4	228.7	298.4	366.5	485.2	615.3
457 Assets	128.9	142.1	167.0	112.4	124.1	132.1	140.1	142.9	159.0	172.6
TOTALS	\$159.1	196.2	250.8	231.3	295.5	360.8	438.5	509.4	644.2	787.9

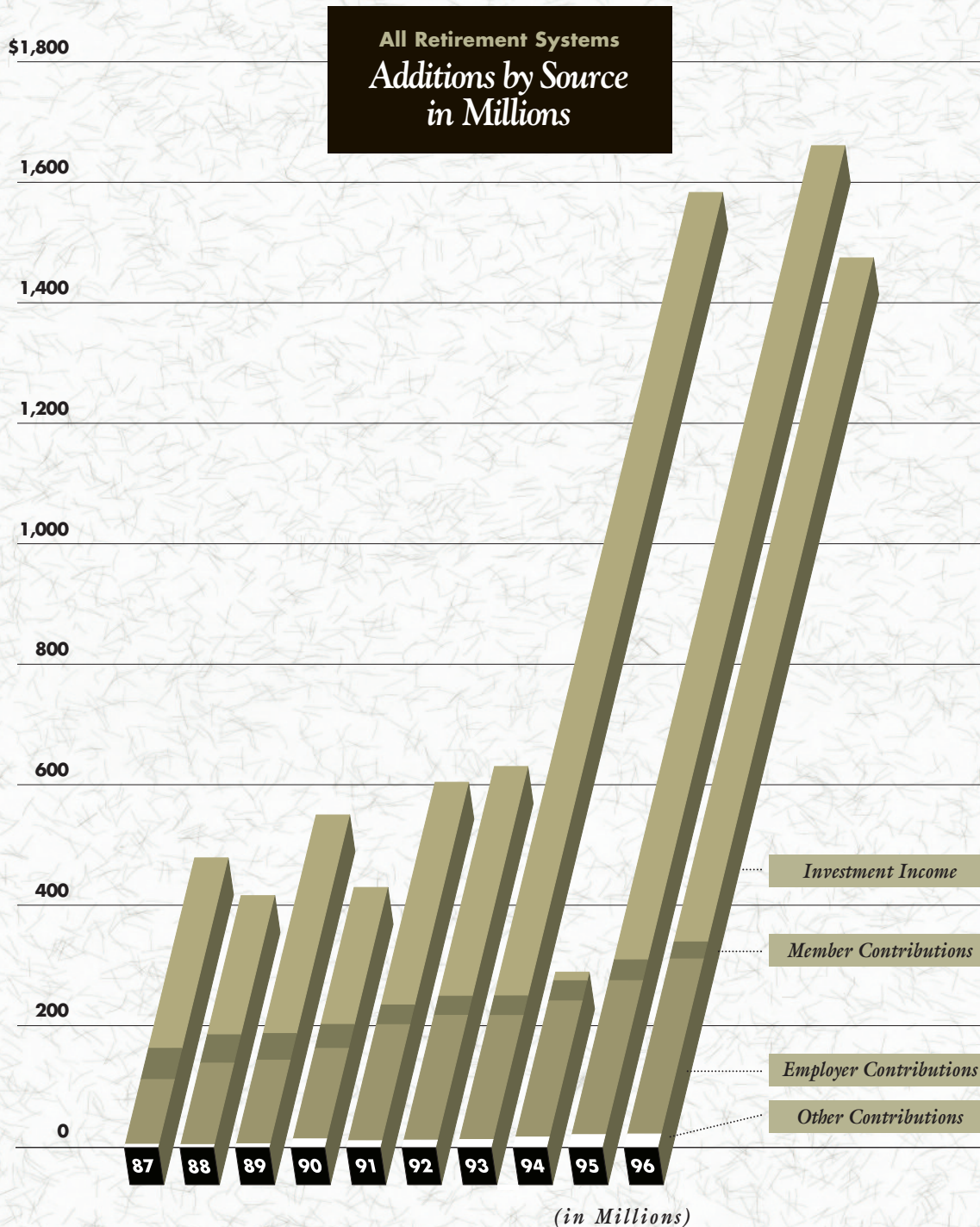
FINANCIAL SECTION

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Utah Retirement Systems

1996 Comprehensive

Annual Financial Report



	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Investment Income	\$311.2	227.3	357.2	223.8	363.9	375.2	1,312.7	14.1	1,330.2	1,117.6
Member Contributions	50.9	46.3	43.4	39.2	32.1	31.4	32.0	33.1	33.9	27.8
Employer Contributions	110.1	137.1	140.0	151.1	193.0	207.1	205.9	225.6	254.1	289.3
Other Contributions	1.2	0.7	3.1	11.0	8.3	9.5	10.4	13.7	18.2	19.3
Totals	\$473.4	411.4	543.7	425.1	597.3	623.2	1,561.0	286.5	1,636.4	1,454.0

*Independent Auditors' Report***Deloitte &
Touche LLP**Suite 1800
50 South Main Street
Salt Lake City, Utah 84144-0458Telephone: (801) 328-4706
Facsimile: (801) 355-7515**INDEPENDENT AUDITORS' REPORT**

Utah State Retirement Board:

We have audited the accompanying general purpose financial statements of Utah Retirement Systems administered by the Utah State Retirement Board as of December 31, 1996, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of Utah Retirement Systems. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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, the general purpose financial statements referred to above present fairly, in all material respects, the financial status of the defined benefit pension funds and the financial position of the Pension Investment Trust Fund, the 401(k) Defined Contribution Plan, and the 457 Deferred Compensation Plan of Utah Retirement Systems administered by the Utah State Retirement Board as of December 31, 1996, and changes in the financial status of the defined benefit pension funds, and the results of operations of the Pension Investment Fund and the 401(k) Defined Contribution Plan for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The required supplementary information and the supporting schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Utah Retirement Systems. The required supplementary information and the 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 general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

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

In accordance with Government Auditing Standards, we have also issued a report dated March 6, 1997, on our consideration of Utah Retirement Systems' internal control structure and a report dated March 6, 1997, on its compliance with laws and regulations.

Deloitte & Touche LLP

March 6, 1997

**Deloitte Touche
Tohmatsu
International**

GENERAL PURPOSE FINANCIAL STATEMENTS

Statements of Plan Net Assets—Defined Benefit Pension Plans
and Balance Sheets—Other Pension Trust and Agency Funds

December 31, 1996

With Comparative Totals for December 31, 1995

(in Thousands)

	Contributory System	Noncontributory System	Public Safety System	Firefighters System	Judges System
Assets:					
Cash (note 3)	\$ 2	26	14	2	1
Receivables:					
Member contributions	413	—	209	235	28
Employer contributions	602	17,544	1,168	74	271
Fire insurance premium tax	—	—	—	347	—
Investments	—	—	—	—	—
Total receivables	1,015	17,544	1,377	656	299
Investments at fair value (note 3):					
Short-term securities	—	—	—	—	—
Bonds domestic	—	—	—	—	—
Bonds international	—	—	—	—	—
Equity investments domestic	—	—	—	—	—
Equity investments international	—	—	—	—	—
Venture capital	—	—	—	—	—
Real estate	—	—	—	—	—
Mortgage loans	—	—	—	—	—
Investment contracts, at fair value	—	—	—	—	—
Equity in Investment Fund	911,373	6,492,924	829,871	361,897	55,457
Total investments	911,373	6,492,924	829,871	361,897	55,457
Property and equipment, at cost, net of accumulated depreciation (note 4)	—	—	—	—	—
Total assets	912,390	6,510,494	831,262	362,555	55,757
Liabilities and fund balance:					
Liabilities:					
Securities lending liability (note 3)	—	—	—	—	—
Disbursements in excess of cash balance (note 3)	—	—	—	—	—
Employee deferred compensation	—	—	—	—	—
Due to other funds and entities (note 8)	—	24	—	—	—
Investment accounts payable (note 3)	—	—	—	—	—
Total liabilities	—	24	—	—	—
Fund balance:					
Active members	—	—	—	—	—
Administrative reserve (note 14)	—	—	—	—	—
Terminated and post employment reserve (note 11)	—	—	—	—	—
Insurance reserve (note 13)	—	—	—	—	—
Total fund balance	—	—	—	—	—
Liabilities and fund balance	—	—	—	—	—
Net assets held in trust for pension benefits (A schedule of funding progress for each system is presented on page 43)	\$912,390	6,510,470	831,262	362,555	55,757

See accompanying notes to general purpose financial statements.

Governors and Legislative Pension Plan	Total Defined Benefit Pension Funds	Pension Investment Trust Fund	Pension Trust Funds		Agency Fund	Total Pension Trust and Agency Funds (Memorandum Only)	
			401(k) Plan	Total Pension Trust Funds	457 Plan	1996	1995 (as restated note 2)
1	46	\$ —	—	46	—	46	152
—	885	—	918	1,803	—	1,803	1,178
—	19,659	—	—	19,659	—	19,659	17,583
—	347	—	—	347	—	347	1,552
—	—	41,377	—	41,377	591	41,968	40,541
—	20,891	41,377	918	63,186	591	63,777	60,854
—	—	1,524,348	2,349	1,526,697	731	1,527,428	1,293,414
—	—	1,936,411	—	1,936,411	—	1,936,411	1,869,092
—	—	288,493	—	288,493	—	288,493	273,675
—	—	3,463,696	335,221	3,798,917	80,983	3,879,900	3,192,834
—	—	1,557,787	—	1,557,787	—	1,557,787	1,278,738
—	—	344,185	—	344,185	—	344,185	271,063
—	—	805,463	—	805,463	—	805,463	662,123
—	—	4,016	—	4,016	—	4,016	10,892
—	—	—	277,893	277,893	90,331	368,224	353,309
9,560	8,661,082	(8,661,082)	—	—	—	—	—
9,560	8,661,082	1,263,317	615,463	10,539,862	172,045	10,711,907	9,205,140
—	—	2,584	—	2,584	—	2,584	2,131
9,561	8,682,019	\$ 1,307,278	616,381	10,605,678	172,636	10,778,314	9,268,277
—	—	\$ 1,255,149	—	1,255,149	—	1,255,149	1,058,586
—	—	7,164	209	7,373	591	7,964	4,999
—	—	—	—	—	170,832	170,832	157,400
—	24	6,286	741	7,051	1,200	8,251	11,075
—	—	4,167	88	4,255	13	4,268	4,812
—	24	1,272,766	1,038	1,273,828	172,636	1,446,464	1,236,872
—	—	—	615,407	615,407	—	615,407	484,561
—	—	—	(64)	(64)	—	(64)	641
—	—	1,015	—	1,015	—	1,015	883
—	—	33,497	—	33,497	—	33,497	29,142
—	—	34,512	615,343	649,855	—	649,855	515,227
—	—	\$ 1,307,278	616,381	1,923,683	172,636	2,096,319	1,752,099
9,561	8,681,995			8,681,995		8,681,995	7,516,178

GENERAL PURPOSE FINANCIAL STATEMENTS*Statements of Changes in Plan Net Assets—Defined Benefit Pension Plans and
Statements of Operations and Changes in Fund Balance—Other Pension Trust Funds**Year ended December 31, 1996**With Comparative Totals for Year Ended December 31, 1995**(in Thousands)*

	Contributory System	Noncontributory System	Public Safety System
Additions:			
Contributions (note 6):			
Member contributions	\$ 8,765	6,679	4,151
Employer contributions	10,224	246,979	29,271
Court fees	—	—	—
Tax liability offset contributions (note 7)	1,748	10,112	794
Fire insurance premium tax	—	—	—
Total contributions	20,737	263,770	34,216
Investment income (note 3):			
Net appreciation in fair value of investments	—	—	—
Allocations of appreciation in fair value of investments	92,205	624,176	80,280
Short-term interest	—	—	—
Bonds interest domestic	—	—	—
Bonds interest international	—	—	—
Equity dividends domestic	—	—	—
Equity dividends international	—	—	—
Venture capital	—	—	—
Real estate operating income, net	—	—	—
Mortgage loans	—	—	—
Security loans	—	—	—
Investment contracts	—	—	—
Allocation of investment earnings (note 3)	30,801	208,297	26,790
Total investment income	123,006	832,473	107,070
Less investment advisor fees	—	—	—
Less investment administrative expenses	—	—	—
Net investment income	123,006	832,473	107,070
Total additions	143,743	1,096,243	141,286
Deductions:			
Retirement benefits	38,326	133,584	22,702
Cost of living benefits	19,445	22,663	3,817
Death benefits (note 15)	6	106	3
Additional retirement benefits	4,469	—	907
Supplemental benefits (note 7)	500	—	—
Tax liability offset (note 7)	1,748	4,683	794
Refunds—member	4,818	4,511	818
Refunds—employer	15	263	77
Earnings distribution	—	—	—
Administrative expenses	985	5,721	766
Total deductions	70,312	171,531	29,884
Increase from operations	73,431	924,712	111,402
Transfers between systems and affiliated funds	(157,599)	156,946	434
Net increase (decrease)	(84,168)	1,081,658	111,836
Net assets held in trust for pension benefits/fund balance beginning of year	996,558	5,428,812	719,426
Net assets held in trust for pension benefits/fund balance end of year	\$ 912,390	6,510,470	831,262

See accompanying notes to general purpose financial statements.

Firefighters System	Judges System	Governors and Legislative Pension Plan	Total Defined Benefit Pension Funds	Pension Trust Funds		Total Pension Trust Funds (Memorandum Only)	
				Pension Investment Trust Fund	401(k) Plan	1996	1995 (as restated note 2)
7,461	734	—	27,790	—	86,199	113,989	106,496
2,002	833	—	289,309	—	—	289,309	254,085
—	1,898	—	1,898	—	—	1,898	1,670
345	72	15	13,086	—	—	13,086	11,690
4,333	—	—	4,333	—	—	4,333	4,862
14,141	3,537	15	336,416	—	86,199	422,615	378,803
—	—	—	—	848,531	31,235	879,766	1,129,217
34,959	5,334	952	837,906	(837,906)	—	—	—
—	—	—	—	17,771	148	17,919	20,785
—	—	—	—	127,166	—	127,166	123,423
—	—	—	—	17,418	—	17,418	15,551
—	—	—	—	54,814	19,995	74,809	60,132
—	—	—	—	15,410	—	15,410	10,373
—	—	—	—	3,110	—	3,110	2,493
—	—	—	—	58,269	—	58,269	41,520
—	—	—	—	678	—	678	659
—	—	—	—	2,084	—	2,084	1,436
—	—	—	—	—	15,332	15,332	13,858
11,667	1,780	318	279,653	(279,653)	—	—	—
46,626	7,114	1,270	1,117,559	27,692	66,710	1,211,961	1,419,447
—	—	—	—	12,153	—	12,153	11,526
—	—	—	—	2,106	1,311	3,417	3,078
46,626	7,114	1,270	1,117,559	13,433	65,399	1,196,391	1,404,843
60,767	10,651	1,285	1,453,975	13,433	151,598	1,619,006	1,783,646
9,291	1,973	368	206,244	—	—	206,244	185,001
2,224	427	121	48,697	—	—	48,697	43,520
2	—	—	117	—	—	117	16,021
1,026	—	—	6,402	—	—	6,402	6,958
—	—	—	500	—	—	500	572
345	72	15	7,657	—	—	7,657	6,875
83	—	1	10,231	—	21,546	31,777	23,102
1	—	—	356	—	—	356	342
—	—	—	—	8,946	—	8,946	9,374
331	55	7	7,865	—	—	7,865	7,446
13,303	2,527	512	288,069	8,946	21,546	318,561	299,211
47,464	8,124	773	1,165,906	4,487	130,052	1,300,445	1,484,435
28	102	—	(89)	—	89	—	—
47,492	8,226	773	1,165,817	4,487	130,141	1,300,445	1,484,435
315,063	47,531	8,788	7,516,178	30,025	485,202	8,031,405	6,546,970
362,555	55,757	9,561	8,681,995	34,512	615,343	9,331,850	8,031,405

GENERAL PURPOSE FINANCIAL STATEMENTS

Notes to General Purpose Financial Statements

December 31, 1996

(1) Description of Systems

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 Summaries of Plan Provisions and the Actuarial Section in this report.

(A) GENERAL INFORMATION AND REPORTING ENTITY

General—The Utah Retirement Systems are comprised of the following defined benefit plans:

- 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 public employee retirement systems;

and two defined contribution plans comprised of a **401(k) Plan** and a **457 Plan**.

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

Reporting Entity—These general purpose 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 Chapter 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 Chapter 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 457 and 401(k) 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. These Systems and Plans are presented as pension trust funds and an agency fund in the general purpose financial statements. All of the Systems and Plans are considered a component unit of the State of Utah financial reporting entity and are included in the State of Utah Comprehensive Annual Financial Report.

(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 following table.

	Contributory System	Noncontributory System	Public Safety System	Firefighters System	Judges System
Highest average salary	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***	1.10% per year to June 1967 1.25% per year July 1967 to June 1975 2.00% per year July 1975 to present**		2.5% per year up to 20 years 2.0% per year over 20 years		5.00% first 10 years 2.25% second 10 years 1.00% over 20 years

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

*With full actuarial reductions

**Since July 1990, all new Public Employee Noncontributory retirees' years of service are paid using a 2% benefit formula for all years of service.

***For all members and retirees in the system effective December 31, 1989 or before, an additional 3% benefit applies to compensate for removal of the State income tax exclusion for retirees of the Utah Retirement Systems.

GENERAL PURPOSE FINANCIAL STATEMENTS*Notes to General Purpose Financial Statements (Continued)*

December 31, 1996

The Governors and Legislative Pension Plan provides the following benefits. Former governors at age 65 receive \$960 per month per term limited to two terms. Legislators receive a benefit actuarially reduced at age 62 with ten or more years of service or an unreduced benefit at age 65 with four or more years of service at the rate of \$21.60 per month per year of service. Both the governors' and legislators' benefits are adjusted based on the CPI limited to 4% of the base benefit per year.

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

(C) 401(K) AND 457 DEFINED CONTRIBUTION PLANS

The 401(k) Plan and 457 Deferred Compensation Plan 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. Voluntary 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 272 employers participating in the 401(k) Plan and 157 employers participating in the 457 Plan. There are 97,781 employees and retirees of those employers who are members of the 401(k) Plan and 8,474 who are members of 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.

The 401(k) Plan account balances are fully vested to the participants at the time of deposit. The assets of the 457 Plan as of December 31, 1996 are agency funds held for respective employers and do not belong to the member participants until the funds are disbursed to them. Until that time the funds remain the assets of the employer and were available to the general creditors of the respective employer. Section 457 of IRC was recently amended to provide that 457 funds are held in trust solely for the benefit of plan participants. As of December 31, 1996 this 457 Plan had not yet been amended to reflect the trust nature of this plan but this amendment is currently pending. The amount held in the 457 Plan for the employers at year end was \$170,832,000.

Investments in the 401(k) and 457 Plans are individually directed and controlled by plan participants who direct the investment of their funds among several investment options of varying degrees of risk and earnings potential. Participants may transfer their funds between these options no more than once a month. Most investments of the Plans are reported at fair value. Short-term investments are reported at cost, which approximates fair value. No single investment of either of the plans constitutes 5% or more of their total plan assets.

More detailed explanations are provided in the Summary of Plan Provisions on pages 24 through 25.

(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, insurance premium taxes or legislative appropriations. Contribution rates are listed in note 6. In the defined contribution plans, voluntary deferral of compensation within the limits

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

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. The member then forfeits a right to the service credit which corresponds to the member contributions withdrawn. The noncontributory retirement systems have no member contributions flowing into the systems. However, where members had a balance transferred in or purchase service credit in the system, these balances and on-going interest, where authorized, are credited to individual member accounts which may be withdrawn upon the termination of employment.

(E) COVERED EMPLOYEES OF DEFINED BENEFIT PLANS

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

GENERAL PURPOSE FINANCIAL STATEMENTS

Notes to General Purpose Financial Statements (Continued)

December 31, 1996

governmental 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

governmental 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 governmental employees directly involved in fire fighting.

The **Judges Retirement System** includes eligible state and local, appointed or elected judges.

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

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

At December 31, 1996 participating members by System are included in the following table.

	Contributory System	Noncontributory System	Public Safety System	Firefighters System	Judges System	Governors and Legislative Pension Plan
Number of participating:						
Employers	225	336	115	28	1	1
Members:						
Active	4,830	73,652	5,736	1,224	100	95
Terminated vested	1,413	10,210	579	49	3	78
Retirees and beneficiaries:						
Service benefits	10,229	11,872	1,817	676	69	200
Disability benefits	266	0	56	62	0	0

(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. Defined contribution plan revenue is recorded when received.

Utah Retirement Systems adhere to Statement No. 25 of the Governmental Accounting Standards Board (GASB No. 25), *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. Investments are presented at fair value.

The actuarial accrued liability under the entry age normal actuarial funding method is presented in the Required Supplementary Information on page 43.

Total (Memorandum only) columns on the accompanying financial statements captioned "Total (Memorandum only)" do not present consolidated financial information and are not necessary for a fair presentation of the financial statements, but are presented only to facilitate financial analysis.

(B) INVESTMENTS

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 have equity in the Investment Fund based upon 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 various Systems (see note 3). For financial statement presentation, the Pension Investment Trust Fund is included in the general purpose financial statements.

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 bonds 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

GENERAL PURPOSE FINANCIAL STATEMENTS

Notes to General Purpose Financial Statements (Continued)

December 31, 1996

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 16% of the net assets held in trust for pension benefits are invested in bonds of the U.S. Government and its instrumentalities. The Systems 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) CHANGES IN ACCOUNTING PRINCIPLE

The Systems adopted Statement No. 28 of the Governmental Accounting Standards Board (GASB No. 28), *Accounting and Financial Reporting for Securities Lending Transactions* for the year ending December 31, 1996. This resulted in the presentation of securities lending reporting explained in note 3(c) of the notes to the financial statements. The 1995

financial memorandum only columns were restated to reflect an increase in short-term securities of \$1,058,586,000 and an increase in securities lending liability of the same amount. Since the securities lending collateral is in a pool maintained by the custodian bank, it was not necessary to report the total income and expenses of securities lending. Rather, the net income from securities lending, which was already appropriately reported in the 1995 financial statements, remained unchanged.

In 1996 the Pension Investment Trust Fund and the 401(k) Plan eliminated the Statement of Cash Flows to be consistent with reporting practices in the industry. Additional changes were made in the 1995 investment presentations to match

new classification breakouts in some investment categories between domestic and international investments. These were not accounting principle changes but rather simply reflected reclassification of amounts presented the prior year. These reclassifications were reflected in both the Balance Sheet and the Statement of Changes in Net Assets Available for Benefits in the "memorandum only" total columns of the statements.

(D) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost (see note 4) and are included in the assets of the Investment Fund. The following schedule summarizes the depreciation method and the estimated useful life by class.

	Method of Depreciation	Estimated Useful Life
Building	Straight-line	40 years
Building improvements	Straight-line	10 years
Furniture and equipment	Straight-line	4-10 years

(E) ADMINISTRATIVE EXPENSES

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

(3) Deposits and Investments

Listed on the next page is a summary of the deposit and investment portfolio as of the financial statement date. Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Systems are considered to have been made in accordance with these governing statutes.

(A) DEPOSITS

All deposits of the Systems are carried at cost plus accrued interest which approximates fair value. At December 31, 1996 the carrying amount of deposits totaled approximately \$(7,918,000) and the corresponding bank balance was \$536,817. The deposits are held in one

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

	<i>(in Thousands)</i>
Cash	\$ 46
Disbursements in excess of cash balances	(7,964)
Total	\$(7,918)

GENERAL PURPOSE FINANCIAL STATEMENTS*Notes to General Purpose Financial Statements (Continued)*

December 31, 1996

	<i>(in Thousands)</i>			Fair Value
	Category			
	1	2	3	
Bonds domestic	\$1,331,567	—	—	1,331,567
Equity securities international	2,649	—	—	2,649
Equity securities domestic	2,598,634	—	—	2,598,634
	<u>\$3,932,850</u>	<u>—</u>	<u>—</u>	<u>3,932,850</u>
Investments not categorized:				
Short-term securities TNT Short-term pool				267,250
Short-term securities First Security Bank				5,029
Mortgage loans:				
Collateralized loans				366
Real estate notes				3,650
Real estate				102,436
Real estate joint ventures				349,602
Title holding companies				353,425
Venture capital				344,185
Dimensional Fund Advisors—Small Capital Fund				306,026
Baring International—International Equity Fund				444,781
Baring International—Pacific Basin Portfolio				225,511
J.P. Morgan—International European				221,811
Capital International—International Emerging Market Fund				232,854
Schroder—International Emerging Market Fund				267,654
Templeton—International Emerging Market Fund				69,034
Dimensional Fund Advisors—Small Capital Index Fund				297,255
Rogge International Fixed Income				254,450
Life insurance investment contracts Beneficial Life				105,810
Life insurance investment contracts Jefferson Pilot				1,453
Guaranteed investment contracts				94,158
Synthetic investment contracts				140,499
Pooled investment contracts				26,304
Templeton International Growth Series Fund				32,571
Fidelity Puritan				164,573
Investments held by broker—dealers under securities lending program:				
U.S. Government and agency securities				585,703
Domestic corporate fixed-income securities				19,141
Domestic equities				480,841
International fixed-income securities				34,043
International equities				93,493
Securities lending short-term TNT collateral investment pool				1,255,149
Total investments				<u>\$10,711,907</u>

(B) INVESTMENTS

The table to the left provides information about the custodial credit risks associated with the Systems' 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.

(C) SECURITIES LENDING

The Systems' Investment Fund (Fund) participates 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 letter of credits equal to 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 Fund's custodial agent is the agent for its securities lending program. Securities under loan are maintained in the Fund's financial records and are classified in the preceding summary of custodial risk. A corresponding liability is recorded for the market value of the collateral received.

At year end the Investment Fund had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at year end were \$1,213,221,000 and the collateral received for those securities on loan was \$1,255,149,000. Under the terms of the lending agreement, the Fund is 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

GENERAL PURPOSE FINANCIAL STATEMENTS

Notes to General Purpose Financial Statements (Continued)

December 31, 1996

the borrower. In addition, the Fund is 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 Fund 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 Fund's loans is affected by the maturities of the securities loans made by other

entities that use the agent's pool, which the system cannot determine.

(D) INVESTMENT INCOME

Net appreciation (depreciation) in fair value of investments includes realized gains and losses. Investment income for 1996 and 1995 are summarized in the following table:

(in Thousands)

Investment	Realized Gain (Loss) on Sale of Investments	Appreciation (Depreciation) in Fair Value of Investments	Total Net Appreciation (Depreciation) in Fair Value of Investments	Interest Dividend and Rental Income	Total	
					1996	1995
Short-term securities	\$ —	—	—	17,919	17,919	20,785
Bonds domestic	6,862	(67,827)	(60,965)	127,166	66,201	326,105
Bonds international	5,813	(8,446)	(2,633)	17,418	14,785	37,377
Equity investments domestic	329,095	355,470	684,565	74,809	759,374	819,590
Equity investments international	39,949	112,272	152,221	15,410	167,631	77,688
Venture capital	77,524	(322)	77,202	3,110	80,312	63,715
Real estate	(1,560)	31,362	29,802	58,269	88,071	55,296
Mortgage loans	(1,133)	10	(1,123)	678	(445)	671
Security loans	—	—	—	2,084	2,084	1,436
Investment contracts	—	697	697	15,332	16,029	16,784
	\$456,550	423,216	879,766	332,195	1,211,961	1,419,447
Less:						
Investment administrative expenses					3,417	3,078
Investment advisor fees					12,153	11,526
Net investment earnings					\$1,196,391	1,404,843
Net investment rate of return					15.11%	22.18%

(in Thousands)

System	Balance December 31, 1995 at Fair Value	Net Earnings Allocated at Fair Value	Net Cash Transfers To/From Investment Fund at Fair Value	Balance December 31, 1996 at Fair Value
Contributory	\$ 995,188	123,006	(206,821)	911,373
Noncontributory	5,413,481	832,473	246,970	6,492,924
Public Safety	717,928	107,070	4,873	829,871
Firefighters	313,089	46,626	2,182	361,897
Judges	47,370	7,114	973	55,457
Governors and Legislative	8,787	1,270	(497)	9,560
Totals	\$7,495,843	1,117,559	47,680	8,661,082

Systems' equity in the Investment Fund consists of cash contributed by each of the participating Systems, plus net investment income. Systems' equity is summarized in the table at the left.

(E) INVESTMENT PAYABLES

The Investment accounts payable are comprised of real estate liabilities of \$1,552,000, and other miscellaneous payables of \$2,703,000. The Investment Fund amounts due to other funds are comprised of \$6,286,000 due to Public Employees Health Program.

GENERAL PURPOSE FINANCIAL STATEMENTS

Notes to General Purpose Financial Statements (Continued)

December 31, 1996

(4) Property and Equipment

Property and equipment consists of the amounts shown in the following table as of December 31, 1996 and 1995. There were no significant leases as of December 31, 1996 or 1995.

	<i>(in Thousands)</i>	
	1996	1995
Land	\$1,000	1,000
Building and building improvements	3,692	3,558
Furniture and equipment	3,506	2,816
Total property and equipment	8,198	7,374
Less accumulated depreciation	3,400	2,909
Less operating reserves	2,214	2,334
Net property and equipment	\$2,584	2,131

(5) Funding Status and Progress

(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 investment income 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 following calculation was utilized in determining the actuarial value of assets as of January 1, 1996, and the next table shows the smoothed actuarial value of assets for each System.

<i>January 1, 1996</i>		<i>(Dollars in Thousands)</i>	
1. Fair value of assets			\$7,516,178
2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for:			
	Year	Total (Excess)/ Shortfall	Weight Subtracted
	a. 1995	\$ (829,598)	80%
	b. 1994	475,053	60%
	c. 1993	(413,037)	40%
	d. 1992	166,071	20%
	e. Total		(510,647)
3. Actuarial value of assets available for benefits (1-2e)			(510,647)
			\$7,005,531

January 1, 1996

(in Thousands)

CALCULATION OF NET ASSETS AVAILABLE BASED ON 5 YEAR EXPECTED INVESTMENT INCOME BASED ON FAIR VALUE	Contributory System	Noncon- tributory System	Public Safety System	Fire- fighters System	Judges System	Governors and Legislative	Total All Systems
1. Net assets available for benefits at fair value	\$919,007	5,506,363	719,426	315,063	47,531	8,788	7,516,178
2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income on fair value for:	(66,973)	(369,781)	(48,816)	(21,247)	(3,227)	(603)	(510,647)
3. Actuarial value of assets available for benefits (1-2)	\$852,034	5,136,582	670,610	293,816	44,304	8,185	7,005,531

(B) ACTUARIAL ACCRUED LIABILITY

The actuarial accrued liability for the Systems is presented in the Required

Supplementary Information Schedule of Funding Progress on page 43 of this report.

GENERAL PURPOSE FINANCIAL STATEMENTS

Notes to General Purpose Financial Statements (Continued)

December 31, 1996

(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 required reserves for active and terminated members, retired individuals and beneficiaries,

and for the determination of contribution rates (note 6).

Actuarial accrued liabilities are future periodic payments including lump-sum distributions that are attributable to the service employees have rendered to date and the plan provisions of the various systems. The present value of actuarial accrued liabilities are calculated based

on the projected unit credit actuarial cost method with benefits based on projected salary increases.

A schedule of the actuarial assumptions used in the actuarial report dated January 1, 1996 is presented in the notes to the Required Supplementary Schedules on page 45.

(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 service year) and (2) an amount for amortization of the unfunded actuarial accrued liability over a period representing the remainder of the original 30 year amortization period. These rates are determined using the entry age normal actuarial cost method with a supplemental present value, and the same actuarial assumptions that were used to calculate the actuarial accrued liability listed in note 5.

The schedule to the right summarizes contribution rates in effect as of December 31, 1996.

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

System	Contribution Rates as a Percent of Covered Payroll		
	Member	Employer	Other
Contributory	6.00%	6.42 - 9.67%	—
Noncontributory	—	10.24 - 13.99	—
Public Safety:			
Contributory	10.50-13.74	3.72 - 20.38	—
Noncontributory	—	14.47 - 31.51	—
Firefighters			
Group A	13.31	0.00	7.98%
Group B	16.71	6.64	7.98
Judges	8.00	10.70	25.62
Governors and Legislative	—	Appropriation	—

fighters and Judges Systems, respectively. For contribution rate purposes the actuary evaluates the assets of the Systems based on a 5 year smoothed expected return wherein 20% of a year's excess or shortfall of expected return is recognized each year for 5 years.

The actuary recommended some increases and some decreases in contribution rates which were placed in effect July 1, 1996.

Information with regard to contribu-

tions to the Retirement Systems for the year ended December 31, 1996 is indicated in the schedule below.

Member contributions in the 401(k) funds total \$86,199,000 which, in combination with the actual contributions made in the retirement systems shown below, totals \$113,989,000.

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.

(Dollars in Thousands)

System	Contribution Requirements				Contributions Made						
	Normal Cost Percent of Covered Payroll		Unfunded Cost Percent of Payroll		Total Required Covered Contributions	Total Actual Contributions	Member Percent of Covered Payroll		Employer Percent of Covered Payroll		Covered Payroll
Amount	Amount	Amount	Amount	Amount			Amount	Amount	Amount	Amount	
Contributory	\$ 15,161	10.68%	\$ 5,576	3.93%	\$ 20,737	\$ 20,737	\$ 8,765	6.17%	\$ 11,972	8.43%	\$ 141,974
Noncontributory	224,773	10.94	38,997	1.90	263,770	263,770	6,679	0.33	257,091	12.51	2,054,879
Public Safety	28,445	16.07	5,771	3.26	34,216	34,216	4,151	2.35	30,065	16.99	176,979
Firefighters	11,480	24.97	2,661	5.79	14,141	14,141	7,461	16.23	6,680	14.53	45,969
Judges	2,797	31.15	740	8.24	3,537	3,537	734	8.17	2,803	31.21	8,981
Governors and Legislative	15	3.11	0	0.00	15	15	0	0.00	15	3.11	482
Total	\$282,671		\$53,745		\$336,416	\$336,416	\$27,790		\$308,626		\$2,429,264

GENERAL PURPOSE FINANCIAL STATEMENTS*Notes to General Purpose Financial Statements (Continued)*

December 31, 1996

(7) Supplemental Benefits and Tax Liability Offset

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.

The state income tax exemption for benefits paid out of the Systems was removed in 1989 and legislation was passed providing for a 3% retirement benefit allowance increase to offset the increased tax liability of retirees who were members of the Systems prior to 1989. The obligation for payment of this benefit is being funded by the State on a level percentage of State funded salaries over the remainder of the unfunded amortization period. This benefit is included in the actuarial accrued liability of the Noncontributory System and was included in the contribution rates effective July 1, 1994.

(8) Due To Other Funds and Entities

The amounts due to other funds are comprised of \$6,286,000 due to the Public Employees Health Program and \$365,000 due to the Investment Fund from the 457 Defined Contribution Plans and \$741,000 due to the Investment Fund from the 401(k) Defined Contribution Plans, \$24,000 due to the various Systems.

(9) Litigation

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

(10) Commitments

At December 31, 1996, the Investment Fund had committed to fund certain venture capital partnerships and real estate projects for an amount of \$688,968,851. Funding of \$327,433,050 had been provided by December 31, 1996, leaving an unfunded commitment as of December 31, 1996 of \$361,535,801.

(11) Termination and Post Employment Reserve

This 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 5 years health and life insurance or medicare supplement, 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 8 hours of unused sick leave to age 65. This reserve is fully funded. As of December 31, 1996, there were 8 retired individuals on the insurance program. For the year ended December 31, 1996, the System payout was \$24,352 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 43 to 44.

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 general purpose financial statements.

(13) Insurance Reserve

Most risks of loss to which the Investment Fund and the Systems are exposed other than routine investment losses are covered under commercial insurance policies. Large deductibles and otherwise uninsured losses are covered by the insurance reserve established by the Board out of investment earnings for uninsured risks. This reserve is fully funded.

(14) Administrative Reserves

These are reserves set aside for the administration of the plans in which they are established. Participation in these plans is optional at the choice of the participants and administrative reserves are maintained to cover investment options administrative costs. The reserves are fully funded.

(15) Death Benefit Transferred to Life Insurance Option

During 1995, the optional death benefit, which retirees may obtain at the time of retirement, was transferred from the Systems to a life insurance program. In making this change, \$15,547,338 in existing reserves for this benefit were transferred to the life insurance plan which is outside of the Systems. Those reserves were previously included in the actuarial accrued liability of the Systems. The Systems retain no further liability for this benefit.

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) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Contributory Retirement System	*1/01/89	\$ 897,600	1,202,664	305,064	74.6%	\$ 465,490	65.5%
	1/01/90	954,900	1,235,925	281,025	77.3	449,350	62.5
	1/01/91	837,797	1,060,808	223,011	79.0	414,917	53.7
	1/01/92	822,863	1,016,027	193,164	81.0	305,400	63.2
	1/01/93	835,299	1,054,163	218,864	79.2	286,183	76.5
	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
	12/31/96	820,737	930,906	110,169	88.2	141,974	77.6
Noncontributory Retirement System	*1/01/89	\$1,808,800	2,275,555	466,755	79.5%	\$ 808,029	57.8%
	1/01/90	2,096,939	2,733,130	636,191	76.7	945,917	67.3
	1/01/91	2,594,245	3,227,549	633,304	80.4	1,004,462	63.0
	1/01/92	3,041,640	3,799,605	757,965	80.1	1,277,671	59.3
	1/01/93	3,480,582	4,186,743	706,161	83.1	1,381,842	51.1
	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
	12/31/96	5,922,053	6,655,664	733,611	89.0	2,054,879	35.7
Public Safety Retirement System	*1/01/89	\$ 298,315	440,942	142,627	67.7%	\$ 99,984	142.6%
	1/01/90	330,407	437,674	107,267	75.5	101,902	105.3
	1/01/91	381,501	464,633	83,132	82.1	110,363	75.3
	1/01/92	433,651	506,576	72,925	85.6	123,595	59.0
	1/01/93	485,861	557,664	71,803	87.1	120,904	59.4
	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
	12/31/96	755,106	832,733	77,627	90.7	176,979	43.9
Firefighters Retirement System	*1/01/89	\$ 134,500	187,632	53,132	71.7%	\$ 29,136	182.4%
	1/01/90	149,672	191,863	42,191	78.0	29,407	143.5
	1/01/91	171,739	209,397	37,658	82.0	30,912	121.8
	1/01/92	192,866	227,915	35,049	84.6	33,227	105.5
	1/01/93	213,159	237,752	24,593	89.7	36,517	67.3
	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
	12/31/96	329,475	358,559	29,084	91.9	45,969	63.3
Judges Retirement System	*1/01/89	\$ 16,400	21,506	5,106	76.3%	\$ 4,762	107.2%
	1/01/90	19,127	25,400	6,273	75.3	5,625	111.5
	1/01/91	22,242	30,388	8,146	73.2	6,450	126.3
	1/01/92	26,167	38,970	12,803	67.1	6,975	183.6
	1/01/93	30,254	40,594	10,340	74.5	6,538	158.2
	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
	12/31/96	50,721	60,883	10,162	83.3	8,981	113.1
Governors and Legislative Pension Plan	**1/01/90	\$ 6,007	4,724	(1,283)	127.2%	\$ 279	(459.9)%
	1/01/91	6,355	5,157	(1,198)	123.2	288	(416.0)
	1/01/92	6,790	5,717	(1,073)	118.8	238	(450.8)
	1/01/93	7,122	6,150	(972)	115.8	254	(382.7)
	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)
	12/31/96	8,636	6,893	(1,743)	125.3	482	(361.6)

*Information prior to 1989 is not available.

**Information prior to 1990 is not available.

REQUIRED SUPPLEMENTARY INFORMATION
Schedules of Employer Contributions

(Dollars in Thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Contributory Retirement System	1987	\$ 26,546	100%
	1988	31,685	100
	1989	26,308	100
	1990	20,716	100
	1991	18,558	100
	1992	19,142	100
	1993	17,938	100
	1994	18,719	100
	1995	17,723	100
	1996	10,244	100
Noncontributory Retirement System	1987	\$ 73,049	100%
	1988	94,672	100
	1989	100,914	100
	1990	111,581	100
	1991	151,937	100
	1992	165,847	100
	1993	168,517	100
	1994	185,533	100
	1995	209,265	100
	1996	246,979	100
Public Safety Retirement System	1987	\$ 7,777	100%
	1988	7,623	100
	1989	9,640	100
	1990	15,468	100
	1991	19,479	100
	1992	19,441	100
	1993	16,960	100
	1994	18,895	100
	1995	24,732	100
	1996	29,271	100
Firefighters Retirement System	1987	\$ 4,873	100%
	1988	5,507	100
	1989	5,064	100
	1990	4,902	100
	1991	4,508	100
	1992	4,409	100
	1993	4,960	100
	1994	5,498	100
	1995	6,547	100
	1996	6,335	100
Judges Retirement System	1987	\$ 739	100%
	1988	647	100
	1989	1,050	100
	1990	1,159	100
	1991	1,752	100
	1992	2,045	100
	1993	2,260	100
	1994	2,213	100
	1995	2,352	100
	1996	2,731	100
Governors and Legislative Pension Plan	1987	\$ 25	100%
	1988	2	100
	1989	0	100
	1990	0	100
	1991	0	100
	1992	0	100
	1993	0	100
	1994	0	100
	1995	0	100
	1996	0	100

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Schedules

December 31, 1996

(1) Schedules of Funding Progress

The information contained in the schedule of funding progress is based on the actuarial study dated January 1, 1996. The actuarial accrued liability is presented based on the report generated by that study conducted by Watson Wyatt & 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 general purpose financial statements on page 40.

(2) Schedules of Employer Contributions

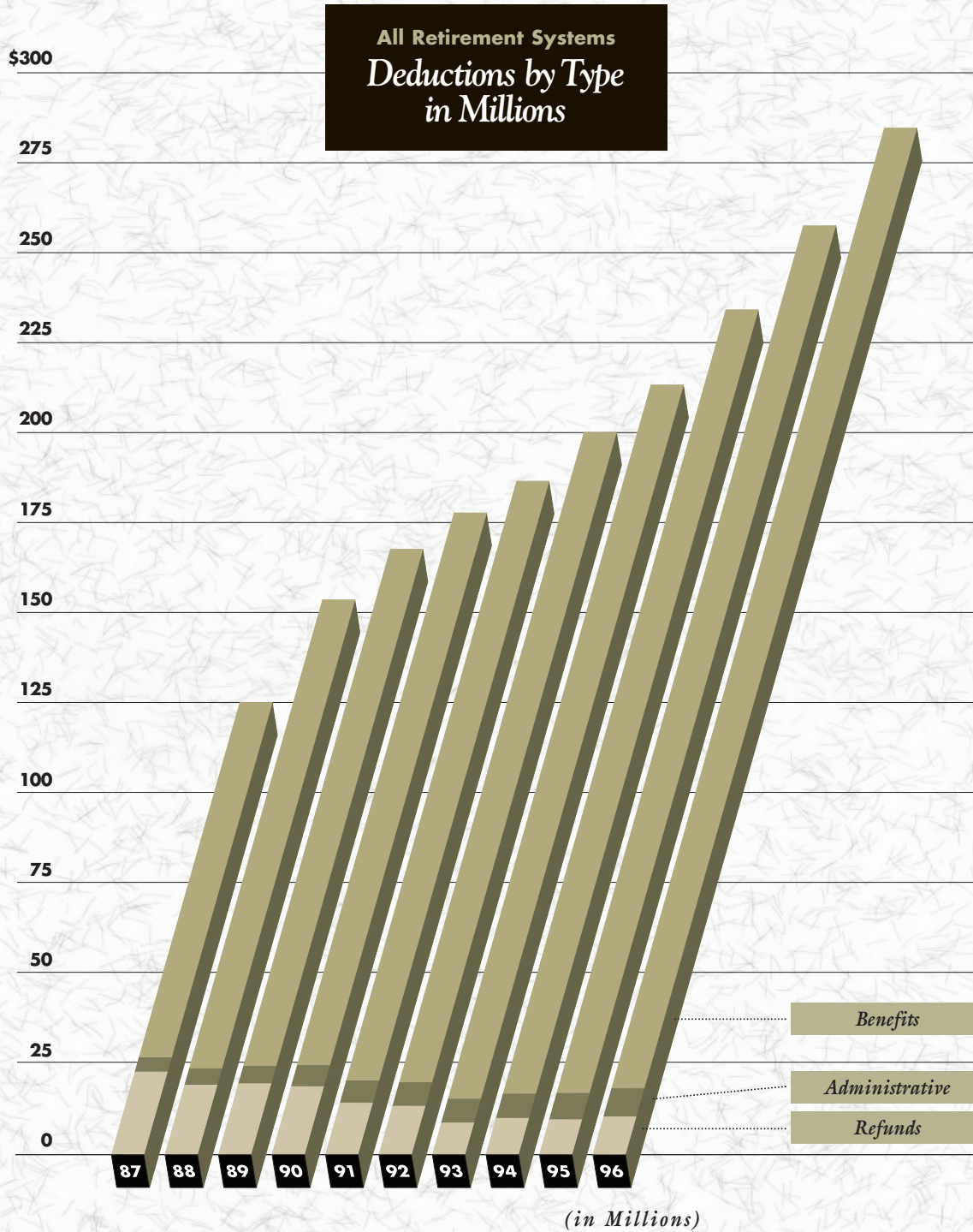
The required employer contributions and percent of those contributions actually made are presented in the schedule.

(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.

	Contributory	Noncontributory	Public Safety	Firefighters	Judges	Governors and Legislative
Valuation date	1/1/96	1/1/96	1/1/96	1/1/96	1/1/96	1/1/96
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
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
Remaining amortization period	Open Group 24 Years	Open Group 24 Years	Open Group 24 Years	Open Group 24 Years	Open Group 24 Years	Open Group 24 Years
	Closed Period	Closed Period	Closed Period	Closed Period	Closed Period	Closed Period
Actuarial asset valuation method (All Systems under same method.)	Based on the total fair value income of investments with the excess/shortfall of actual investment income over or under the expected investment return spread over five years. One-fifth of the excess/shortfall is recognized each year for five years.					
Actuarial assumptions:						
Investment rate of return	8%	8%	8%	8%	8%	8%
Projected salary increases	4.25-14.75%	4.25-14.75%	4.25-10.25%	4.25-13.25%	5.50%	none
Includes inflation at	4.00%	4.00%	4.00%	4.00%	4.00%	none
Post retirement cost-of-living adjustments	4.00%	4.00%	2.50%	4.00%	4.00%	4.00%

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.



	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Benefit Payments	\$ 99.7	131.6	145.1	155.1	168.3	182.5	200.4	220.1	243.4	269.6
Administrative Expense	4.0	4.6	4.9	5.9	6.2	6.6	6.7	6.8	7.4	7.9
Refunds	23.2	19.5	19.9	19.1	14.5	13.6	8.9	10.2	9.8	10.6
TOTALS	126.9	155.7	174.9	183.1	189.0	202.7	218.0	237.1	260.6	290.1

SUPPORTING SCHEDULES

96

Utah Retirement Systems

1996 Comprehensive

Annual Financial Report

CONTRIBUTORY RETIREMENT SYSTEM*Schedules of Plan Net Assets by Division**December 31, 1996**With Comparative Totals for December 31, 1995***C***(in Thousands)*

	Local Governmental	State and School	Total All Divisions	
			1996	1995
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	119	294	413	614
Employer contributions	128	474	602	754
Total receivables	247	768	1,015	1,368
Investments at fair value:				
Equity in Investment Fund	230,344	681,029	911,373	995,188
Total investments	230,344	681,029	911,373	995,188
Net assets held in trust for pension benefits	\$230,592	681,798	912,390	996,558

CONTRIBUTORY RETIREMENT SYSTEM*Schedules of Changes in Plan Net Assets by Division**Year Ended December 31, 1996**With Comparative Totals for Year Ended December 31, 1995***C***(in Thousands)*

	Local Governmental	State and School	Total All Divisions	
			1996	1995
Additions:				
Contributions:				
Member	\$ 3,342	5,423	8,765	16,362
Employer	3,009	7,215	10,224	17,723
Tax liability offset	344	1,404	1,748	1,760
Total contributions	6,695	14,042	20,737	35,845
Investment income:				
Allocation of appreciation in fair value of investments	23,293	68,912	92,205	156,703
Allocation of investment earnings	7,773	23,028	30,801	37,005
Net investment income	31,066	91,940	123,006	193,708
Total additions	37,761	105,982	143,743	229,553
Deductions:				
Retirement benefits	7,791	30,535	38,326	39,305
Cost of living benefits	3,548	15,897	19,445	18,789
Death benefits	1	5	6	7,312
Additional retirement benefits	637	3,832	4,469	4,984
Supplemental benefits	100	400	500	572
Tax liability offset	344	1,404	1,748	1,760
Refunds—member	1,334	3,484	4,818	5,320
Refunds—employer	5	10	15	22
Administrative expenses	253	732	985	1,214
Total deductions	14,013	56,299	70,312	79,278
Increase from operations	23,748	49,683	73,431	150,275
Transfers between systems and affiliated funds	(49,078)	(108,521)	(157,599)	(79,687)
Net increase (decrease)	(25,330)	(58,838)	(84,168)	70,588
Net assets held in trust for pension benefits beginning of year	255,922	740,636	996,558	925,970
Net assets held in trust for pension benefits end of year	\$230,592	681,798	912,390	996,558

CONTRIBUTORY RETIREMENT SYSTEM

Schedules of Funding Progress by Division

C

(Dollars in Thousands)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Contributory Local Governmental	1/01/89	\$242,352	285,807	43,455	84.8%	\$158,267	27.5%
	1/01/90	253,060	286,592	33,532	88.3	152,779	21.9
	1/01/91	223,607	247,581	23,974	90.3	141,072	17.0
	1/01/92	210,268	241,285	31,017	87.1	103,836	29.9
	1/01/93	209,020	254,884	45,864	82.0	97,317	47.1
	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
	12/31/96	207,653	238,915	31,262	86.9	54,829	57.0
Contributory State and School	1/01/89	\$655,248	916,857	261,609	71.5%	\$307,223	85.2%
	1/01/90	701,840	949,333	247,493	73.9	296,571	83.5
	1/01/91	614,190	813,227	199,037	75.5	273,845	72.7
	1/01/92	612,595	774,742	162,147	79.1	201,564	80.4
	1/01/93	626,279	799,279	173,000	78.4	188,866	91.6
	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
	12/31/96	613,084	691,991	78,907	88.6	87,145	90.5
Total Contributory Retirement System	1/01/89	\$897,600	1,202,664	305,064	74.6%	\$465,490	65.5%
	1/01/90	954,900	1,235,925	281,025	77.3	449,350	62.5
	1/01/91	837,797	1,060,808	223,011	79.0	414,917	53.7
	1/01/92	822,863	1,016,027	193,164	81.0	305,400	63.2
	1/01/93	835,299	1,054,163	218,864	79.2	286,183	76.5
	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
	12/31/96	820,737	930,906	110,169	88.2	141,974	77.6

Information prior to 1989 is not available.

CONTRIBUTORY RETIREMENT SYSTEM*Schedules of Employer Contributions by Division*

C

(Dollars in Thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Contributory Local Governmental	1987	\$ 5,193	100%
	1988	4,806	100
	1989	3,584	100
	1990	2,579	100
	1991	3,017	100
	1992	3,612	100
	1993	3,427	100
	1994	4,200	100
	1995	4,329	100
	1996	3,009	100
Contributory State and School	1987	\$21,353	100%
	1988	26,879	100
	1989	22,724	100
	1990	18,137	100
	1991	15,541	100
	1992	15,530	100
	1993	14,511	100
	1994	14,519	100
	1995	13,394	100
	1996	7,215	100
Total Contributory Retirement System	1987	\$26,546	100%
	1988	31,685	100
	1989	26,308	100
	1990	20,716	100
	1991	18,558	100
	1992	19,142	100
	1993	17,938	100
	1994	18,719	100
	1995	17,723	100
	1996	10,224	100

NONCONTRIBUTORY RETIREMENT SYSTEM*Schedules of Plan Net Assets by Division**December 31, 1996**With Comparative Totals for December 31, 1995***N***(in Thousands)*

	Local Governmental	State and School	Total All Divisions	
			1996	1995
Assets:				
Cash	\$ 1	25	26	132
Receivables:				
Employer contributions	1,889	15,655	17,544	15,329
Total receivables	1,889	15,655	17,544	15,329
Investments at fair value:				
Equity in Investment Fund	1,002,939	5,489,985	6,492,924	5,413,481
Total investments	1,002,939	5,489,985	6,492,924	5,413,481
Total assets	1,004,829	5,505,665	6,510,494	5,428,942
Liabilities:				
Due to other funds	—	24	24	130
Total liabilities	—	24	24	130
Net assets held in trust for pension benefits	\$1,004,829	5,505,641	6,510,470	5,428,812

NONCONTRIBUTORY RETIREMENT SYSTEM*Schedules of Changes in Plan Net Assets by Division**Year Ended December 31, 1996**With Comparative Totals for Year Ended December 31, 1995***N***(in Thousands)*

	Local Governmental	State and School	Total All Divisions	
			1996	1995
Additions:				
Contributions:				
Member	\$ 1,087	5,592	6,679	5,614
Employer	37,215	209,764	246,979	209,265
Tax liability offset	601	9,511	10,112	8,827
Total contributions	38,903	224,867	263,770	223,706
Investment income:				
Allocation of appreciation in fair value of investments	95,881	528,295	624,176	763,555
Allocation of investment earnings	31,997	176,300	208,297	180,166
Net investment income	127,878	704,595	832,473	943,721
Total additions	166,781	929,462	1,096,243	1,167,427
Deductions:				
Retirement benefits	17,373	116,211	133,584	114,690
Cost of living benefits	2,723	19,940	22,663	18,942
Death benefits	—	106	106	8,699
Tax liability offset	601	4,082	4,683	4,012
Refunds—member	1,294	3,217	4,511	3,319
Refunds—employer	50	213	263	252
Administrative expenses	806	4,915	5,721	5,138
Total deductions	22,847	148,684	171,531	155,052
Increase from operations	143,934	780,778	924,712	1,012,375
Transfers between systems and affiliated funds	48,998	107,948	156,946	78,890
Net increase	192,932	888,726	1,081,658	1,091,265
Net assets held in trust for pension benefits beginning of year	811,897	4,616,915	5,428,812	4,337,547
Net assets held in trust for pension benefits end of year	\$1,004,829	5,505,641	6,510,470	5,428,812

NONCONTRIBUTORY RETIREMENT SYSTEM

Schedules of Funding Progress by Division

N

(Dollars in Thousands)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Noncontributory Local Governmental	1/01/89	\$ 235,144	259,606	24,462	90.6%	\$ 145,445	16.8%
	1/01/90	276,786	294,639	17,853	93.9	170,267	10.5
	1/01/91	363,006	352,819	(10,187)	102.9	180,812	(5.6)
	1/01/92	442,072	465,625	23,553	94.9	229,978	10.2
	1/01/93	513,514	526,878	13,364	97.5	243,372	5.5
	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
12/31/96	914,557	920,306	5,749	99.4	394,828	1.5	
Noncontributory State and School	1/01/89	\$1,573,656	2,015,949	442,293	78.1%	\$ 662,584	66.8%
	1/01/90	1,820,153	2,438,491	618,338	74.6	775,650	79.7
	1/01/91	2,231,239	2,874,730	643,491	77.6	823,650	78.1
	1/01/92	2,599,568	3,333,980	734,412	78.0	1,047,693	70.1
	1/01/93	2,967,068	3,659,865	692,797	81.1	1,138,470	60.9
	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
12/31/96	5,007,496	5,735,358	727,862	87.3	1,660,051	43.8	
Total Noncontributory Retirement System	1/01/89	\$1,808,800	2,275,555	466,755	79.5%	\$ 808,029	57.8%
	1/01/90	2,096,939	2,733,130	636,191	76.7	945,917	67.3
	1/01/91	2,594,245	3,227,549	633,304	80.4	1,004,462	63.0
	1/01/92	3,041,640	3,799,605	757,965	80.1	1,277,671	59.3
	1/01/93	3,480,582	4,186,743	706,161	83.1	1,381,842	51.1
	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
12/31/96	5,922,053	6,655,664	733,611	89.0	2,054,879	35.7	

Information prior to 1989 is not available.

NONCONTRIBUTORY RETIREMENT SYSTEM*Schedules of Employer Contributions by Division*

N

(Dollars in Thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Noncontributory Local Governmental	1987	\$ 6,879	100%
	1988	8,760	100
	1989	9,636	100
	1990	10,715	100
	1991	15,209	100
	1992	17,715	100
	1993	18,983	100
	1994	23,214	100
	1995	28,014	100
	1996	37,215	100
Noncontributory State and School	1987	\$ 66,170	100%
	1988	85,912	100
	1989	91,278	100
	1990	100,866	100
	1991	136,728	100
	1992	148,132	100
	1993	149,534	100
	1994	162,319	100
	1995	181,251	100
	1996	209,764	100
Total Noncontributory Retirement System	1987	\$ 73,049	100%
	1988	94,672	100
	1989	100,914	100
	1990	111,581	100
	1991	151,937	100
	1992	165,847	100
	1993	168,517	100
	1994	185,533	100
	1995	209,265	100
	1996	246,979	100

PUBLIC SAFETY RETIREMENT SYSTEM*Schedules of Plan Net Assets by Division*

December 31, 1996

With Comparative Totals for December 31, 1995

(in Thousands)

PS

	State of Utah
Assets:	
Cash	\$ 2
Receivables:	
Member contributions	9
Employer contributions	538
Total receivables	547
Investments at fair value:	
Equity in Investment Fund	305,829
Total investments	305,829
Net assets held in trust for benefits	\$306,378

PUBLIC SAFETY RETIREMENT SYSTEM*Schedules of Changes in Plan Net Assets by Division*

Year Ended December 31, 1996

With Comparative Totals for

Year Ended December 31, 1995

(in Thousands)

PS

	State of Utah
Additions:	
Contributions:	
Member	\$ 324
Employer	12,938
Tax liability offset	321
Total contributions	13,583
Investment income:	
Allocation of appreciation in fair value of investments	29,572
Allocation of investment earnings	9,869
Net investment income	39,441
Total additions	53,024
Deductions:	
Retirement benefits	9,203
Cost of living benefits	1,505
Death benefits	2
Additional retirement benefits	482
Tax liability offset	321
Refunds—member	167
Refunds—employer	40
Administrative expenses	295
Total deductions	12,015
Increase from operations	41,009
Transfers between systems and affiliated funds	531
Net increase	41,540
Net assets held in trust for pension benefits beginning of year	264,838
Net assets held in trust for pension benefits end of year	\$306,378

Other Division A	Salt Lake City	Ogden	Provo	Logan	Bountiful	Other Division B	Total All Divisions	
							1996	1995
2	2	2	1	1	2	2	14	14
119	—	2	17	13	—	49	209	206
490	—	32	14	6	8	80	1,168	1,278
609	—	34	31	19	8	129	1,377	1,484
336,753	88,489	27,283	14,230	8,082	7,154	42,051	829,871	717,928
336,753	88,489	27,283	14,230	8,082	7,154	42,051	829,871	717,928
337,364	88,491	27,319	14,262	8,102	7,164	42,182	831,262	719,426

Other Division A	Salt Lake City	Ogden	Provo	Logan	Bountiful	Other Division B	Total All Divisions	
							1996	1995
2,116	42	97	430	167	4	971	4,151	4,318
8,860	4,359	792	341	72	203	1,706	29,271	24,732
235	161	34	22	7	7	7	794	708
11,211	4,562	923	793	246	214	2,684	34,216	29,758
32,584	8,633	2,665	1,381	786	696	3,963	80,280	102,933
10,874	2,881	889	461	262	232	1,322	26,790	24,289
43,458	11,514	3,554	1,842	1,048	928	5,285	107,070	127,222
54,669	16,076	4,477	2,635	1,294	1,142	7,969	141,286	156,980
6,800	4,459	984	599	220	208	229	22,702	20,334
1,058	895	169	124	29	24	13	3,817	3,317
1	—	—	—	—	—	—	3	6
252	111	35	17	3	7	—	907	906
235	161	34	22	7	7	7	794	708
503	5	21	32	—	—	90	818	672
19	16	1	—	—	—	1	77	65
271	114	27	16	6	6	31	766	714
9,139	5,761	1,271	810	265	252	371	29,884	26,722
45,530	10,315	3,206	1,825	1,029	890	7,598	111,402	130,258
(106)	9	—	—	—	—	—	434	510
45,424	10,324	3,206	1,825	1,029	890	7,598	111,836	130,768
291,940	78,167	24,113	12,437	7,073	6,274	34,584	719,426	588,658
337,364	88,491	27,319	14,262	8,102	7,164	42,182	831,262	719,426

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) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Public Safety State of Utah	1/01/89	\$104,261	161,380	57,119	64.6%	\$37,994	150.3%
	1/01/90	119,065	162,008	42,943	73.5	38,723	110.9
	1/01/91	139,975	178,773	38,798	78.3	41,938	92.5
	1/01/92	159,186	192,533	33,347	82.7	46,965	71.0
	1/01/93	178,409	214,757	36,348	83.1	43,715	83.1
	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
	12/31/96	278,328	319,991	41,663	87.0	64,857	64.2
Public Safety Other Division A	1/01/89	\$125,086	151,231	26,145	82.7%	\$38,993	67.1%
	1/01/90	136,143	149,755	13,612	90.9	39,742	34.3
	1/01/91	155,096	155,438	342	99.8	43,042	0.8
	1/01/92	176,403	171,522	(4,881)	102.8	48,202	(10.1)
	1/01/93	197,574	187,752	(9,822)	105.2	45,614	(21.5)
	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
	12/31/96	306,419	297,042	(9,377)	103.2	71,915	(13.0)
Public Safety Salt Lake City	1/01/89	\$ 40,158	80,494	40,336	49.9%	\$ 8,000	504.2%
	1/01/90	42,050	79,413	37,363	53.0	8,152	458.3
	1/01/91	47,389	82,124	34,735	57.7	8,829	393.4
	1/01/92	52,163	88,340	36,177	59.0	9,888	365.9
	1/01/93	56,930	94,811	37,881	60.0	11,565	327.5
	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
	12/31/96	80,299	120,423	40,124	66.7	13,804	290.7
Public Safety Ogden	1/01/89	\$ 10,522	17,608	7,086	59.8%	\$ 2,466	287.3%
	1/01/90	11,630	17,905	6,275	65.0	2,513	249.7
	1/01/91	13,230	18,521	5,291	71.4	2,682	197.3
	1/01/92	15,013	20,009	4,996	75.0	2,947	169.5
	1/01/93	16,767	21,781	5,014	77.0	3,844	130.4
	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
	12/31/96	24,767	28,825	4,058	85.9	3,629	111.8
Public Safety Provo	1/01/89	\$ 5,862	7,738	1,876	75.8%	\$ 1,534	122.3%
	1/01/90	6,218	9,518	3,300	65.3	1,563	211.1
	1/01/91	7,133	10,212	3,079	69.8	1,732	177.8
	1/01/92	7,926	11,485	3,559	69.0	1,997	178.2
	1/01/93	8,777	12,486	3,709	70.3	2,092	177.3
	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
	12/31/96	12,955	16,810	3,855	77.1	3,160	122.0

Information prior to 1989 is not available.

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) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Public Safety Logan	1/01/89	\$ 3,056	4,732	1,676	64.6%	\$ 1,200	139.7%
	1/01/90	3,346	4,452	1,106	75.2	1,223	90.4
	1/01/91	3,754	4,795	1,041	78.3	1,324	78.6
	1/01/92	4,266	5,216	950	81.8	1,483	64.1
	1/01/93	4,783	5,475	692	87.4	1,064	65.0
	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
	12/31/96	7,352	7,154	(198)	102.8	1,500	(13.2)
Public Safety Bountiful	1/01/89	\$ 2,735	3,177	442	86.1%	\$ 799	55.3%
	1/01/90	3,147	3,165	18	99.4	815	2.2
	1/01/91	3,558	3,761	203	94.6	883	23.0
	1/01/92	3,963	4,155	192	95.4	989	19.4
	1/01/93	4,358	4,601	243	94.7	990	24.5
	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
	12/31/96	6,500	6,975	475	93.2	1,167	40.7
Public Safety Division B	1/01/89	\$ 6,635	14,582	7,947	45.5%	\$ 8,998	88.3%
	1/01/90	8,808	11,458	2,650	76.9	9,171	28.9
	1/01/91	11,366	11,009	(357)	103.2	9,933	(3.6)
	1/01/92	14,731	13,316	(1,415)	110.6	11,124	(12.7)
	1/01/93	18,263	16,001	(2,262)	114.1	12,020	(18.8)
	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)
	12/31/96	38,486	35,513	(2,973)	108.4	16,947	(17.5)
Total Public Safety Retirement System	1/01/89	\$298,315	440,942	142,627	67.7%	\$ 99,984	142.6%
	1/01/90	330,407	437,674	107,267	75.5	101,902	105.3
	1/01/91	381,501	464,633	83,132	82.1	110,363	75.3
	1/01/92	433,651	506,576	72,925	85.6	123,595	59.0
	1/01/93	485,861	557,664	71,803	87.1	120,904	59.4
	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
	12/31/96	755,106	832,733	77,627	90.7	176,979	43.9

Information prior to 1989 is not available.

PUBLIC SAFETY RETIREMENT SYSTEM*Schedules of Employer Contributions by Division**(Dollars in Thousands)*

PS

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Public Safety State of Utah	1987	\$ 2,540	100%
	1988	2,422	100
	1989	4,330	100
	1990	7,661	100
	1991	8,995	100
	1992	8,855	100
	1993	8,205	100
	1994	8,907	100
	1995	10,670	100
	1996	12,938	100
Public Safety Other Division A	1987	\$ 2,680	100%
	1988	2,633	100
	1989	2,622	100
	1990	3,576	100
	1991	5,147	100
	1992	4,984	100
	1993	3,809	100
	1994	4,503	100
	1995	7,101	100
	1996	8,860	100
Public Safety Salt Lake City	1987	\$ 1,442	100%
	1988	1,406	100
	1989	1,444	100
	1990	2,562	100
	1991	3,314	100
	1992	3,582	100
	1993	3,307	100
	1994	3,755	100
	1995	4,363	100
	1996	4,359	100
Public Safety Ogden	1987	\$ 282	100%
	1988	298	100
	1989	303	100
	1990	314	100
	1991	397	100
	1992	423	100
	1993	369	100
	1994	352	100
	1995	689	100
	1996	792	100
Public Safety Provo	1987	\$ 231	100%
	1988	228	100
	1989	219	100
	1990	251	100
	1991	257	100
	1992	319	100
	1993	240	100
	1994	273	100
	1995	303	100
	1996	341	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	1987	\$ 62	100%
	1988	66	100
	1989	72	100
	1990	77	100
	1991	106	100
	1992	121	100
	1993	100	100
	1994	94	100
	1995	82	100
	1996	72	100
Public Safety Bountiful	1987	\$ 50	100%
	1988	43	100
	1989	49	100
	1990	130	100
	1991	157	100
	1992	127	100
	1993	130	100
	1994	149	100
	1995	179	100
	1996	203	100
Public Safety Other Division B	1987	\$ 490	100%
	1988	527	100
	1989	601	100
	1990	897	100
	1991	1,106	100
	1992	1,030	100
	1993	800	100
	1994	862	100
	1995	1,345	100
	1996	1,706	100
Total Public Safety Retirement System	1987	\$ 7,777	100%
	1988	7,623	100
	1989	9,640	100
	1990	15,468	100
	1991	19,479	100
	1992	19,441	100
	1993	16,960	100
	1994	18,895	100
	1995	24,732	100
	1996	29,271	100

FIREFIGHTERS RETIREMENT SYSTEM*Schedules of Plan Net Assets by Division**December 31, 1996**With Comparative Totals for December 31, 1995***F***(in Thousands)*

	Division A	Division B	Total All Divisions	
			1996	1995
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	49	186	235	358
Employer contributions	—	74	74	62
Fire insurance premium tax	52	295	347	1,552
Total receivables	101	555	656	1,972
Investments at fair value:				
Equity in Investment Fund	39,935	321,962	361,897	313,089
Total investments	39,935	321,962	361,897	313,089
Net assets held in trust for pension benefits	\$40,037	322,518	362,555	315,063

FIREFIGHTERS RETIREMENT SYSTEM*Schedules of Changes in Plan Net Assets by Division**Year Ended December 31, 1996**With Comparative Totals for Year Ended December 31, 1995***F***(in Thousands)*

	Division A	Division B	Total All Divisions	
			1996	1995
Additions:				
Contributions:				
Member	\$ 946	6,515	7,461	6,976
Employer	2	2,000	2,002	1,685
Fire insurance premium tax	649	3,684	4,333	4,862
Tax liability offset	19	326	345	312
Total contributions	1,616	12,525	14,141	13,835
Investment income:				
Allocation of appreciation in fair value of investments	3,806	31,153	34,959	44,969
Allocation of investment earnings	1,270	10,397	11,667	10,611
Net investment income	5,076	41,550	46,626	55,580
Total additions	6,692	54,075	60,767	69,415
Deductions:				
Retirement benefits	511	8,780	9,291	8,414
Cost of living benefits	122	2,102	2,224	1,973
Death benefits	2	—	2	2
Additional retirement benefits	56	970	1,026	1,068
Tax liability offset	19	326	345	312
Refunds—member	2	81	83	178
Refunds—employer	—	1	1	3
Administrative expenses	28	303	331	320
Total deductions	740	12,563	13,303	12,270
Increase from operations	5,952	41,512	47,464	57,145
Transfers between systems and affiliated funds	7	21	28	5
Net increase	5,959	41,533	47,492	57,150
Net assets held in trust for pension benefits beginning of year	34,078	280,985	315,063	257,913
Net assets held in trust for pension benefits end of year	\$40,037	322,518	362,555	315,063

FIREFIGHTERS RETIREMENT SYSTEM

Schedules of Funding Progress by Division

F

(Dollars in Thousands)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Firefighters Division A	1/01/89	\$ 13,450	12,880	(570)	104.4%	\$ 4,079	(14.0)%
	1/01/90	14,463	12,984	(1,479)	111.4	4,117	(35.9)
	1/01/91	16,780	14,748	(2,032)	113.8	4,637	(43.8)
	1/01/92	19,234	16,513	(2,721)	116.5	4,984	(54.6)
	1/01/93	21,570	17,367	(4,203)	124.2	5,327	(78.9)
	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)
12/31/96	36,473	31,412	(5,061)	116.1	7,032	(72.0)	
Firefighters Division B	1/01/89	\$121,050	174,752	53,702	69.3%	\$25,057	214.3%
	1/01/90	135,209	178,879	43,670	75.6	25,290	172.7
	1/01/91	154,959	194,649	39,690	79.6	26,275	151.1
	1/01/92	173,632	211,402	37,770	82.1	28,243	133.7
	1/01/93	191,589	220,385	28,796	86.9	31,190	92.3
	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
12/31/96	293,002	327,147	34,145	89.6	38,937	87.7	
Total Firefighters Retirement System	1/01/89	\$134,500	187,632	53,132	71.7%	\$29,136	182.4%
	1/01/90	149,672	191,863	42,191	78.0	29,407	143.5
	1/01/91	171,739	209,397	37,658	82.0	30,912	121.8
	1/01/92	192,866	227,915	35,049	84.6	33,227	105.5
	1/01/93	213,159	237,752	24,593	89.7	36,517	67.3
	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
12/31/96	329,475	358,559	29,084	91.9	45,969	63.3	

Information prior to 1989 is not available.

FIREFIGHTERS RETIREMENT SYSTEM*Schedules of Employer Contributions by Division***F***(Dollars in Thousands)*

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Firefighters Division A	1987	\$ 367	100%
	1988	410	100
	1989	373	100
	1990	365	100
	1991	275	100
	1992	204	100
	1993	394	100
	1994	499	100
	1995	697	100
1996	651	100	
Firefighters Division B	1987	\$4,506	100%
	1988	5,097	100
	1989	4,691	100
	1990	4,537	100
	1991	4,233	100
	1992	4,205	100
	1993	4,566	100
	1994	4,999	100
	1995	5,850	100
1996	5,684	100	
Total Firefighters Retirement System	1987	\$4,873	100%
	1988	5,507	100
	1989	5,064	100
	1990	4,902	100
	1991	4,508	100
	1992	4,409	100
	1993	4,960	100
	1994	5,498	100
	1995	6,547	100
1996	6,335	100	

JUDGES RETIREMENT SYSTEM*Schedule of Plan Net Assets**December 31, 1996**With Comparative Totals for December 31, 1995***J***(in Thousands)*

	1996	1995
Assets:		
Cash	\$ 1	1
Receivables:		
Member contributions	28	27
Employer contributions	271	133
Total receivables	299	160
Investments at fair value:		
Equity in Investment Fund	55,457	47,370
Total investments	55,457	47,370
Net assets held in trust for pension benefits	\$55,757	47,531

GOVERNORS AND LEGISLATIVE PENSION PLAN*Schedule of Plan Net Assets**December 31, 1996**With Comparative Totals for December 31, 1995***G&L***(in Thousands)*

	1996	1995
Assets:		
Cash	\$ 1	1
Investments at fair value:		
Equity in Investment Fund	9,560	8,787
Total investments	9,560	8,787
Net assets held in trust for pension benefits	\$9,561	8,788

401(k) DEFINED CONTRIBUTION PLAN*Balance Sheets by Investment Fund**December 31, 1996**With Comparative Totals for December 31, 1995***401(k)***(in Thousands)*

	Group Annuity Fund	Member Loan Fund	S&P Stock Index Fund	Templeton Fund	Income Fund	Fidelity Puritan Fund	Total	
							1996	1995
Assets:								
Receivables	\$ 209	709	—	—	—	—	918	1,134
Investments at fair value:								
Short-term securities	—	—	2,349	—	—	—	2,349	2,865
Equity investments	—	—	172,047	27,175	—	135,999	335,221	223,499
Investment contracts	50,925	—	—	—	226,968	—	277,893	258,537
Total investments	50,925	—	174,396	27,175	226,968	135,999	615,463	484,901
Total assets	51,134	709	174,396	27,175	226,968	135,999	616,381	486,035
Liabilities:								
Disbursements in excess of cash balance	209	—	—	—	—	—	209	610
Due to affiliated funds	152	—	—	15	323	251	741	145
Investment advisor fees payable	—	—	—	—	88	—	88	78
Total liabilities	361	—	—	15	411	251	1,038	833
Net assets available for benefits	\$50,773	709	174,396	27,160	226,557	135,748	615,343	485,202
Fund balance:								
Employee deferred compensation	\$50,719	709	174,098	27,205	227,139	135,537	615,407	484,561
Total actuarial liability	50,719	709	174,098	27,205	227,139	135,537	615,407	484,561
Administrative expense reserve	54	—	298	(45)	(582)	211	(64)	641
Total fund balance	\$50,773	709	174,396	27,160	226,557	135,748	615,343	485,202

401(k) DEFINED CONTRIBUTION PLAN*Schedules of Revenues, Expenses and Changes in Fund Balance by Investment Fund**Year Ended December 31, 1996**With Comparative Totals for Year Ended December 31, 1995***401(k)***(in Thousands)*

	Group Annuity Fund	Member Loan Fund	S&P Stock Index Fund	Templeton Fund	Income Fund	Fidelity Puritan Fund	Total	
							1996	1995
Additions:								
Contributions:								
Member contributions	\$ —	42	25,911	6,401	29,581	24,264	86,199	72,572
Investment income:								
Net appreciation in fair value of investments	—	—	26,296	2,143	697	2,099	31,235	38,994
Investment contracts	3,169	8	—	—	12,155	—	15,332	13,858
Short-term earnings	(51)	—	127	—	47	25	148	126
Equity earnings	—	—	3,319	1,880	—	14,796	19,995	7,884
Total investment income	3,118	8	29,742	4,023	12,899	16,920	66,710	60,862
Less investment administrative expenses	101	8	171	37	769	225	1,311	1,162
Net investment income	3,017	—	29,571	3,986	12,130	16,695	65,399	59,700
Total additions	3,017	42	55,482	10,387	41,711	40,959	151,598	132,272
Deductions:								
Member refunds	2,895	130	4,885	465	9,375	3,796	21,546	13,607
Total deductions	2,895	130	4,885	465	9,375	3,796	21,546	13,607
Additions in excess of deductions	122	(88)	50,597	9,922	32,336	37,163	130,052	118,665
Transfers between systems and affiliated funds	(3,360)	273	8,755	5,139	(10,193)	(525)	89	(5)
Net increase (decrease) in plan assets	(3,238)	185	59,352	15,061	22,143	36,638	130,141	118,660
Plan assets beginning of year	54,011	524	115,044	12,099	204,414	99,110	485,202	366,542
Plan assets end of year	\$50,773	709	174,396	27,160	226,557	135,748	615,343	485,202

457 DEFERRED COMPENSATION PLAN*Balance Sheets by Investment Fund*

December 31, 1996

With Comparative Totals for December 31, 1995

457

(in Thousands)

	Group Annuity/Life Insurance Fund	S&P Stock Index Fund	Templeton Fund	Income Fund	Fidelity Puritan Fund	Total	
						1996	1995
Assets:							
Receivables:							
Investments	\$ 591	—	—	—	—	591	1,057
Investments at market:							
Short-term securities	—	731	—	—	—	731	905
Equity investments	—	47,013	5,396	—	28,574	80,983	62,237
Investment contracts	56,337	—	—	33,994	—	90,331	94,772
Total assets	\$56,928	47,744	5,396	33,994	28,574	172,636	158,971
Liabilities:							
Disbursements in excess of cash balance	\$ 591	—	—	—	—	591	1,057
Employee deferred compensation	56,109	47,608	5,284	33,347	28,484	170,832	157,400
Due to affiliated fund	228	136	112	634	90	1,200	502
Investment advisor fees payable	—	—	—	13	—	13	12
Total liabilities	\$56,928	47,744	5,396	33,994	28,574	172,636	158,971

457 DEFERRED COMPENSATION PLAN*Schedule of Changes in Assets and Liabilities—Agency Fund*

Year Ended December 31, 1996

457

(in Thousands)

	Balance		Additions	Deductions	Balance	
	January 1, 1996	December 31, 1996			January 1, 1996	December 31, 1996
Assets:						
Cash	\$ —	—	46,482	46,482	—	—
Receivables:						
Investments	1,057	591	591	1,057	591	591
Investments at market:						
Short-term securities	905	731	139	313	731	731
Equity investments	62,237	80,983	23,199	4,453	80,983	80,983
Investment contracts	94,772	90,331	14,731	19,172	90,331	90,331
Total assets	\$158,971	172,636	85,142	71,477	172,636	172,636
Liabilities:						
Disbursements in excess of cash balance	\$ 1,057	591	591	1,057	591	591
Employee deferred compensation	157,400	170,832	48,674	35,242	170,832	170,832
Due to affiliated fund	502	1,200	28,243	27,545	1,200	1,200
Investment advisor fees payable	12	13	13	12	13	13
Total liabilities	\$158,971	172,636	77,521	63,856	172,636	172,636

457 DEFERRED COMPENSATION PLAN*Schedules of Changes in Assets and Liabilities by Investment Fund**Year Ended December 31, 1996*

457

(in Thousands)

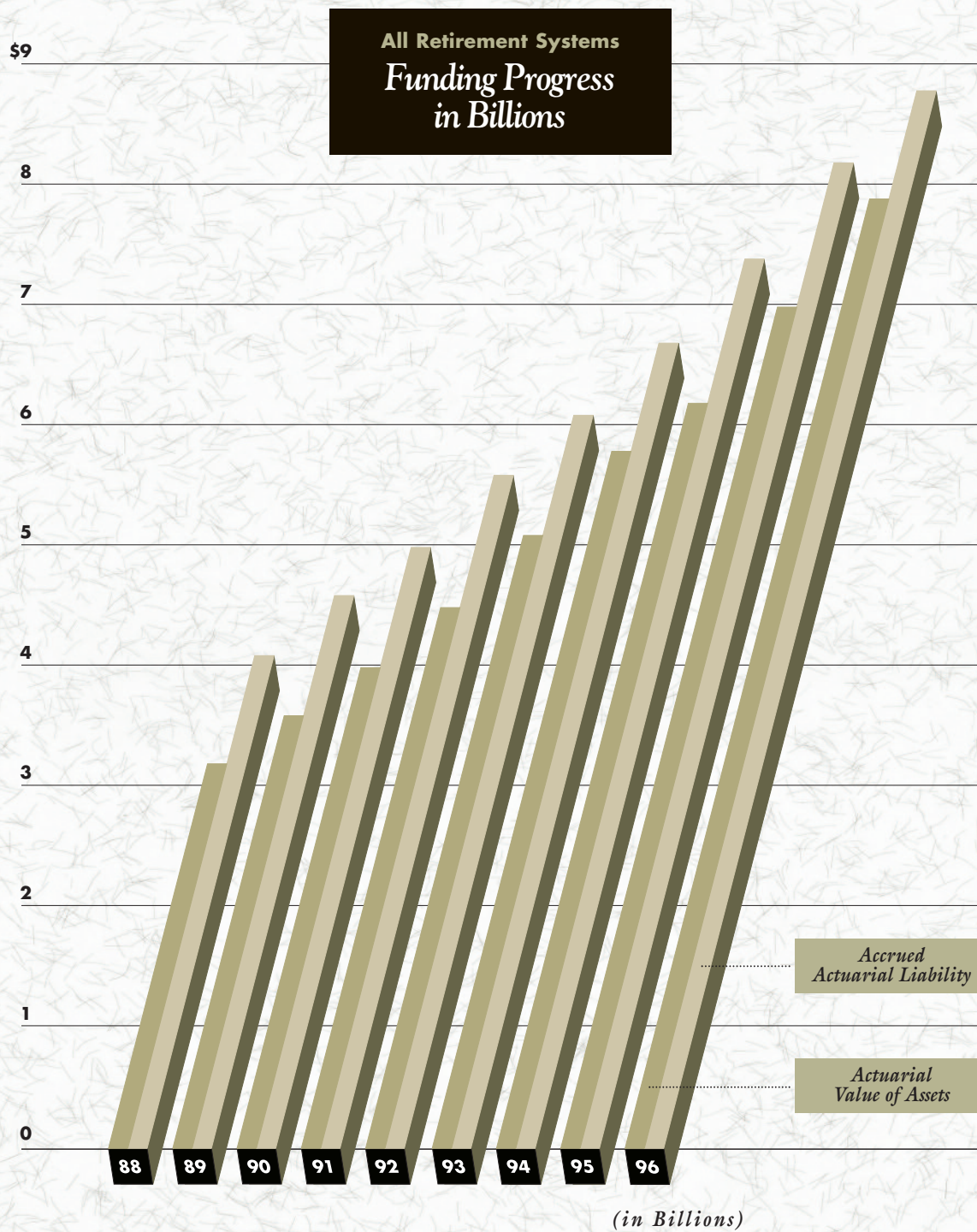
	Balance Jan. 1, 1996	Additions	Deductions	Balance Dec. 31, 1996		Balance Jan. 1, 1996	Additions	Deductions	Balance Dec. 31, 1996
457 Group Annuity / Life Insurance Fund					457 Income Fund				
Assets:					Assets:				
Cash	\$ —	11,094	11,094	—	Cash	\$ —	17,982	17,982	—
Receivables:					Investments at market:				
Investments	1,057	591	1,057	591	Short-term securities	11	91	102	—
Investments at market:					Investment contracts	30,623	11,592	8,221	33,994
Investment contracts	64,149	3,139	10,951	56,337	Total assets	\$30,634	29,665	26,305	33,994
Total assets:	\$65,206	14,824	23,102	56,928					
Liabilities:					Liabilities:				
Disbursements in excess of cash balance	\$ 1,057	591	1,057	591	Investment advisor fees payable	\$ 12	13	12	13
Employee deferred compensation	63,865	3,010	10,766	56,109	Employee deferred compensation	30,709	10,523	7,885	33,347
Due to affiliated fund	284	3,305	3,361	228	Due to affiliated fund	(87)	2,502	1,781	634
Total liabilities	\$65,206	6,906	15,184	56,928	Total liabilities	\$30,634	13,038	9,678	33,994
457 S&P Stock Index Fund					457 Fidelity Puritan Fund				
Assets:					Assets:				
Cash	\$ —	8,799	8,799	—	Cash	\$ —	5,728	5,728	—
Investments at market:					Investments at market:				
Short-term securities	856	—	125	731	Short-term securities	34	46	80	—
Equity investments	34,678	12,535	200	47,013	Equity investments	24,899	7,527	3,852	28,574
Total assets	\$35,534	21,334	9,124	47,744	Total assets	\$24,933	13,301	9,660	28,574
Liabilities:					Liabilities:				
Employee deferred compensation	\$35,428	19,345	7,165	47,608	Employee deferred compensation	\$24,820	11,711	8,047	28,484
Due to affiliated fund	106	10,851	10,821	136	Due to affiliated fund	113	9,945	9,968	90
Total liabilities	\$35,534	30,196	17,986	47,744	Total liabilities	\$24,933	21,656	18,015	28,574
457 Templeton Fund									
Assets:									
Cash	\$ —	2,879	2,879	—					
Investments at market:									
Short-term securities	4	2	6	—					
Equity investments	2,660	3,137	401	5,396					
Total assets	\$ 2,664	6,018	3,286	5,396					
Liabilities:									
Employee deferred compensation	\$ 2,578	4,085	1,379	5,284					
Due to affiliated fund	86	1,640	1,614	112					
Total liabilities	\$ 2,664	5,725	2,993	5,396					

Schedule of Administrative Expenses

Year Ended December 31, 1996

(in Thousands)

Personnel services:	
Salaries and wages	\$ 4,510
Employee benefits	1,623
Total personnel services	6,133
Professional services:	
Audit	72
Actuarial services	112
General counsel	210
Banking services	34
Security handling expense	1,269
Investment advisors fees	12,556
Other consulting services	78
Total professional services	14,331
Communications:	
Telephone	144
Postage	379
Other	28
Total communications	551
Rentals:	
Office space	484
Office equipment rental	35
Data processing equipment	51
Total rentals	570
Miscellaneous:	
Data processing	683
Travel	111
Contractual services	292
Supplies and maintenance	137
Insurance and bonding premiums	264
Subscription expense	25
Office supplies	139
Depreciation expense	386
Other expense	285
Total miscellaneous	2,322
Total administrative expenses	\$23,907
Allocation of administrative expenses:	
Contributory Retirement System	\$ 985
Noncontributory Retirement System	5,721
Public Safety Retirement System	766
Firefighters Retirement System	331
Judges Retirement System	55
Governors and Legislative Pension Plan	7
Total administrative expenses retirement systems	7,865
Investment Fund advisor fees	12,153
Investment Fund administrative expense	2,106
401(k) Plan administrative expense	1,311
Other affiliated funds	472
Total administrative expense allocations	\$23,907



	1988	1989	1990	1991	1992	1993	1994	1995	1996
Actuarial Value of Assets	\$3.2	3.6	4.0	4.5	5.1	5.8	6.2	7.0	7.9
Accrued Actuarial Liability	4.1	4.6	5.0	5.6	6.1	6.7	7.4	8.2	8.8

ACTUARIAL SECTION

96

Utah Retirement Systems

1996 Comprehensive

Annual Financial Report

Actuary's Certification Letter

January 24, 1997

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

Dear Members of the Board:

Certification of the 1996 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 the contribution rates. Valuations are prepared annually, as of January 1 of each year, the first day of the URS plan year.

Under URS statutes, employer contribution rates are certified annually by the Board of Trustees. 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, 1996 actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning July 1, 1997 and ending June 30, 1998. 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 new 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 30-year period beginning January 1, 1990—i.e., over a 24-year period from the current valuation date
- to set rates so that they remain relatively level over time.

To accomplish this, the Board adopted a funding policy in 1990 which required that the employer contribution rate be 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 by January 1, 2020 (i.e., in 30 years) in installments which increase at 5.25% per year. The 5.25% rate represents the assumed rate of growth in payroll for URS, and it is composed of an assumed 4.00% inflation rate and a 1.25% rate of growth in the number of members. The resulting contribution rate is the Board's "old policy rate."

In 1996, the Board modified this policy so that the rate certified to the employers is a function of the old policy rate and three other rates: (i) the rate paid by the employer in the prior year, adjusted for new legislation, (ii) the minimum Annual Required Contribution (ARC) under Governmental Accounting Standards Board Statement No. 25 (GASB 25), and (iii) a new "target rate", computed like the old policy rate, but using a 4.00% inflation-only payroll growth assumption. Under the new policy, the Board will certify the rate which is the largest of the rate actually paid in the prior year, the minimum GASB 25 ARC and the old policy rate, but not more than the new target rate.

This new policy should reduce the year-to-year volatility of the contribution rates somewhat, and will allow the Board to transition slowly to the use of an inflation-only payroll growth rate. This approach is somewhat more conservative, because actuarial gains will not be used to lower the contribution rate until the target rate is less than the rate being paid. Using an inflation-only payroll growth rate is also consistent with GASB 25, which prohibits anticipating future membership growth in determining the minimum ARC. Under this policy, the objectives of amortizing the UAAL by 2020 and maintaining relatively level contribution rates over time will still be 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%.

The Wyatt Company

Suite 2400
2121 San Jacinto Street
Dallas, TX 75201-2772

Telephone 214 978 3400
Fax 214 978 3650



For most of the systems in URS, the funded ratio increased since the last valuation, although it decreased for some public safety funds, due to the change in the termination rates. For all systems combined, it increased from 86.3% to 88.3%. In 1990, the funded ratio for all systems combined was 76.9%, so significant progress has been made over the last six years.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on January 1, 1996, or which were adopted by the end of the 1996 legislative session and are effective on or before July 1, 1997.

Two material changes were made to the provisions since the preceding valuation:

- The optional retiree life insurance benefit was moved from URS to the Group Insurance Program. This change only impacted the Contributory and Noncontributory Public Employee Retirement Systems.
- Interest must now be credited on member contribution account balances for members in the Contributory Public Safety Retirement System. This change is effective July 1, 1996 and was made prospectively only.

Assumptions and methods

The actuarial assumptions and methods used in the valuation are set by the Board, based on the recommendation of the actuary. The actuarial assumptions, with one exception, were last changed in connection with the January 1, 1995 actuarial valuation, following a complete review of the assumptions and actual experience. However, because of concerns about the validity of the underlying data used in analyzing the termination assumptions, the Board decided, upon our recommendation, to have these rates reviewed again this year. Additional data was gathered in connection with this valuation, and the concerns about the validity of the data were resolved. The termination rates were reviewed again using the new data, and, as a result, we recommended making additional changes to the termination rates only for the public safety and firefighter systems. The Board adopted these recommendations in July 1996.

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

Data

Member data for retired, active and inactive members was supplied as of December 31, 1995 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. Asset information as of December 31, 1995 was supplied by the auditors and by the Systems' staff.


Certification

We certify that the results of the actuarial valuation are accurate and fairly portray the actuarial position of URS as of January 1, 1996. 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. Information shown for years prior to 1991 is based on the work of the prior actuaries.

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. Both are Enrolled Actuaries and Members of the American Academy of Actuaries, and both are experienced in performing valuations for large public retirement systems.

Sincerely,


J. Christian Conradi, ASA, EA, MAAA
Actuary


W. Michael Carter, FSA, EA, MAAA
Actuary

Summary of Actuarial Assumptions and Methods

As of January 1, 1996

a.) The employer contribution rates recommended as a result of the January 1, 1996 actuarial valuations are as follows:

Systems

Noncontributory Retirement System

State and Schools	*13.99%
Local Governmental	10.32

Contributory Retirement System

State and Schools	*9.67%
Local Governmental	6.50

Firefighters Retirement System

Division A	0.00%
Division B	6.43

Judges Retirement System

	*12.21%
--	---------

Public Safety Retirement System

Contributory

State	*12.26%
Other Division A	5.62
Bountiful	8.98
Salt Lake City	21.82
Ogden	12.65
Provo	12.81
Logan	6.72
Other Division B	7.55

Noncontributory

State	*22.94%
Other Division A	17.09
Bountiful	20.65
Salt Lake City	33.68
Ogden	24.77
Other Division B	17.29

*Includes substantial substitute contribution

b.) The actuarial valuation was prepared using the entry age actuarial cost method. As described in the certification letter, actual contribution rates are set as a function of several other calculated rates. However, the contribution rate will not be less than the amount needed to amortize the unfunded actuarial accrued liability of each system over a 30-year period from January 1, 1990 (24 years from January 1, 1996). In calculating this minimum, amortization payments are designed to remain level as a percent of payroll, and payroll is assumed to increase 5.25% per year (4.00% from inflation and 1.25% from membership growth). Under this method, actuarial gains and losses are identified and amortized as part of the unfunded actuarial

accrued liability over the remainder of the original 30-year period.

c.) 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 4% assumed inflation rate and a 4% assumed real rate of return. This assumption was adopted January 1, 1995.

d.) The total rates of assumed annual salary increase are shown on the actuarial schedule on page 79. The rates include increases due to promotion and longevity and a 4% per annum rate of increase in the general wage level of the membership. Salaries of judges are assumed to increase at 5.25%.

e.) 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 4%. Increases are based on the member's original retirement allowance except in the Judges Retirement System, where increases are compounded.

f.) 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, 1995. Mortality rates for active members were developed from actual experience of that group.

Retired Member Mortality

Class of Member

Educators

Men	IAM (-1)
Women	GAM (-1)

Public Safety and Firefighters

Men	GAM (-1)
Women	GAM (-1)

Local Government, Public Employees and All Beneficiaries

Men	GAM (-2)
Women	GAM (-1)

GAM (xx) = 1983 Group Annuity Mortality Table adjusted xx years, and IAM (xx) = 1983 Individual Annuity Mortality Table adjusted xx years.

g.) Mortality among disabled members is based upon a special 1981 Disability Table developed by a previous actuary from the Systems' experience. These rates were adopted January 1, 1990.

h.) 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. 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.

i.) The Retirement Board has adopted a method for calculating the actuarial value of assets. The method is based upon the total earnings of the commingled Fund, 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.

j.) All of the actuarial assumptions, except for the assumed rates of termination, were adopted by the Retirement Board in 1995. The assumptions adopted were recommended by the actuary following the last complete analysis of plan experience. Plan experience related to the termination assumption was reviewed again in 1996, new termination assumptions were recommended by the actuary, and these were adopted by the Board.

Summary of Actuarial Assumptions and Methods (Continued)

As of January 1, 1996

Percent Retiring Within Next Year Among Active Members								
Eligible for Retirement With 30 or More Years of Service								
Retirement Age	Male			Female			Governors and Legislative Pension Plan	
	State and School Division		Local Governmental Division	State and School Division		Local Governmental Division		
	Educators	Public Employees		Educators	Public Employees			
Contributory and Noncontributory Retirement Systems <i>Adopted January 1, 1995</i>	55	12.00%	10.00%	12.00%	12.00%	10.00%	12.00%	0.00%
	56	14.00	10.00	12.00	14.00	10.00	12.00	0.00
	57	16.00	10.00	12.00	16.00	10.00	12.00	0.00
	58	18.00	10.00	12.00	18.00	10.00	12.00	0.00
	59	20.00	10.00	12.00	20.00	10.00	12.00	0.00
	60	25.00	20.00	12.00	25.00	20.00	12.00	0.00
	61	35.00	30.00	30.00	25.00	25.00	25.00	0.00
	62	45.00	40.00	40.00	40.00	40.00	30.00	100.00
	63	35.00	30.00	25.00	30.00	30.00	25.00	100.00
	64	40.00	40.00	35.00	35.00	40.00	35.00	100.00
	65	45.00	50.00	50.00	40.00	40.00	40.00	100.00
	66	35.00	20.00	25.00	35.00	20.00	20.00	100.00
	67	35.00	20.00	25.00	35.00	20.00	20.00	100.00
	68	35.00	20.00	25.00	35.00	20.00	20.00	100.00
	69	35.00	20.00	25.00	35.00	20.00	20.00	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	Retirement Age	Retirement Age	Retirement Age
Public Safety Retirement System <i>Adopted January 1, 1993</i>	45	16.00%	52	17.00%	59	27.00%
	46	16.00	53	18.00	60	30.00
	47	16.00	54	19.00	61	35.00
	48	16.00	55	20.00	62	40.00
	49	16.00	56	21.00	63	45.00
	50	16.00	57	22.00	64	50.00
	51	17.00	58	24.00	65	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
Retirement Age	Retirement Age	Retirement Age	Retirement Age	Retirement Age	Retirement Age	Retirement Age
Firefighters Retirement System <i>Adopted January 1, 1993</i>	45	3.60%	52	15.70%	59	24.50%
	46	5.40	53	16.60	60	27.30
	47	7.40	54	17.30	61	30.20
	48	9.40	55	18.00	62	33.30
	49	11.20	56	19.00	63	36.40
	50	13.00	57	20.30	64	39.30
	51	14.50	58	22.20	65	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
Retirement Age	Retirement Age	Retirement Age	Retirement Age	Retirement Age	Retirement Age	Retirement Age
Judges Retirement System <i>Adopted January 1, 1990</i>	60	5.00%	64	30.00%	68	50.00%
	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, 1996

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 Governmental Division	State and School Division		Local Governmental Division	
	Educators	Public Employees	Public Employees		Educators	Public Employees		
During the First Year of Service								
Contributory and Noncontributory Retirement Systems	25	14.98%	29.86%	18.84%	18.71%	25.69%	27.66%	10.00%
<i>Adopted January 1, 1995</i>	30	12.68	24.51	15.88	13.15	23.12	25.72	10.00
	35	11.95	21.32	13.73	10.18	20.35	23.52	10.00
	40	11.30	19.24	12.35	9.84	17.62	21.25	10.00
	45	11.52	17.45	11.84	9.41	15.26	19.22	10.00
	50	13.43	15.55	12.28	8.49	13.59	17.99	10.00
	55	17.64	13.43	13.83	6.92	12.86	18.25	10.00
	60	18.53	11.16	14.52	7.27	13.33	20.66	10.00
During the Sixth and Subsequent Years of Service								
Contributory and Noncontributory Retirement Systems	25	6.29%	10.01%	8.15%	10.81%	15.78%	13.16%	10.00%
<i>Adopted January 1, 1995</i>	30	4.30	7.02	6.05	6.94	10.02	8.95	10.00
	35	2.90	4.88	4.63	4.32	6.38	6.18	10.00
	40	2.08	3.47	3.81	2.87	4.44	4.73	10.00
	45	1.62	2.57	3.34	2.27	3.42	4.22	10.00
	50	1.25	2.05	3.11	2.03	2.89	4.21	10.00
	55	0.93	2.04	3.36	2.02	2.82	4.32	10.00
	60	0.98	2.74	3.52	2.12	3.17	4.43	10.00
Public Safety Retirement System								
<i>Adopted January 1, 1995</i>	Age	During the First Year			During the Sixth and Subsequent Years			
	25	11.95%			7.70%			
	30	11.40			5.21			
	35	12.53			3.42			
	40	15.22			2.28			
	45	19.28			1.69			
	50	24.51			1.44			
	55	30.71			1.43			
	60	37.77			1.56			
Firefighters Retirement System								
<i>Adopted January 1, 1995</i>	Age	During the First Year			During the Sixth and Subsequent Years			
	25	12.43%			1.50%			
	30	9.98			1.40			
	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, 1996

		Total Annual Increase in Salary (Male and Female)				
Years of Service	State and School Division		Local Governmental Division	Public Safety Retirement System	Firefighters Retirement System	
	Educators	Public Employees				
All Retirement Systems	0	14.75%	12.75%	10.75%	10.25%	13.25%
<i>Adopted January 1, 1995</i>	1	12.75	10.75	9.00	7.75	12.00
	2	9.50	8.25	8.25	6.25	9.00
	3	8.75	7.25	7.75	6.25	8.00
	4	8.00	6.75	7.25	6.00	7.75
	5	7.75	6.50	7.00	6.00	7.50
	6	7.50	6.25	6.50	5.75	7.25
	7	7.00	5.75	6.00	5.50	6.75
	8	6.75	5.50	5.75	5.50	6.50
	9	6.50	5.25	5.75	5.00	6.50
	10	6.25	5.25	5.75	5.00	6.50
	11	6.00	5.00	5.50	4.75	6.50
	12	5.75	5.00	5.50	4.75	6.50
	13	5.25	4.75	5.25	4.75	6.50
	14	4.75	4.50	5.25	4.75	6.50
	15	4.25	4.25	4.25	4.25	4.25

		Probability Mortality Within the Next Year for Active Members			
Age		Male		Female	
		Educators	Local Governmental and Public Employees	Educators	Local Governmental and Public Employees
Contributory and Noncontributory Retirement Systems	20	0.0249%	0.0919%	0.0674%	0.0529%
<i>Adopted January 1, 1991</i>	25	0.0228	0.0682	0.0273	0.0481
	30	0.0251	0.0824	0.0122	0.0509
	35	0.0323	0.1205	0.0263	0.0619
	40	0.0598	0.1542	0.0632	0.0841
	45	0.1022	0.1891	0.1157	0.1234
	50	0.1974	0.2766	0.1787	0.1864
	55	0.3584	0.4670	0.2463	0.2787
	60	0.5674	0.7627	0.3411	0.4021
	65	0.7234	1.1600	0.4741	0.5543
	70	0.8027	1.6626	0.6505	0.7333

		Percent Electing a Refund of Contributions Upon Termination While Vested					
Years of Service		Male			Female		
		Educators	Public Employees	Local Governmental Division	Educators	Public Employees	Local Governmental 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	
Age		Public Safety and Firefighters Employees		Public Safety and Firefighters Retirement System	Years of Service	Public Safety and Firefighters Retirement System	
		Age					
Public Safety Retirement System and Firefighters Retirement System	20	0.0807%	50	0.3233%	0-3	100%	
<i>Adopted January 1, 1991</i>	25	0.0768	55	0.4966	4	76	
	30	0.0762	60	0.6830	5	74	
	35	0.0800	65	0.8625	10	57	
	40	0.1109	70	1.0327	15	35	
	45	0.1899			19	15	
					20	0	

Member and Employer Contribution Rates

As of December 31

System	Year	Contributory			Noncontributory	
		Member	Employer	Employer	Employer	Employer
Contributory and Noncontributory Retirement	1987	6.00%	*A) State and School 6.00%	B) Local 3.65%	A) State and School 10.32%	B) Local 7.00%
	1988	6.00	7.11	3.65	11.68	7.54
	1989	6.00	6.37	2.20	11.35	6.80
	1990	6.00	6.91	2.25	11.89	6.85
	1991	6.00	8.95	4.27	13.51	8.26
	1992	6.00	7.88	3.44	12.20	7.16
	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

System	Year	Division A						All Divisions Fire Insurance Premium Tax
		With Offset		Without Offset		Division B		
		Member	Employer	Member	Employer	Member	Employer	
Firefighters Retirement	1987	13.31%	4.39%	13.31%	5.56%	14.81%	11.15%	6.25%
	1988	13.31	4.39	13.31	5.56	14.81	11.15	6.25
	1989	13.31	4.39	13.31	5.56	14.81	11.15	6.25
	1990	—	—	13.31	5.56	14.81	11.15	6.25
	1991	—	—	13.31	0.02	14.81	7.50	6.25
	1992	—	—	13.31	—	14.81	7.38	5.18
	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

(Dollars in Thousands)

System	Year	Judges			Governors and Legislative	
		Member	Employer	Court Fees	Member	Appropriation
Judges Retirement and Governors and Legislative Pension Plan	1987	8.00%	1.32%	17.50%	0%	\$100
	1988	8.00	1.32	17.50	0	100
	1989	8.00	1.32	17.50	0	100
	1990	8.00	1.32	17.50	0	100
	1991	8.00	4.38	21.00	0	76
	1992	8.00	5.88	24.57	0	0
	1993	8.00	6.44	27.22	0	0
	1994	8.00	8.87	26.02	0	0
	1995	8.00	9.31	26.11	0	0
	1996	8.00	10.70	25.62	0	0

Member and Employer Contribution Rates (Continued)

As of December 31

System	Year	**State of Utah		Other Division A		Corrections		Bountiful			
		Member	Employer	Member	Employer	Member	Employer	Member	Employer		
Public Safety Retirement Contributory Division A	1987	14.44%	10.75%	12.29%	5.87%	12.09%	6.60%	11.94%	5.59%		
	1988	14.44	10.75	12.29	5.87	12.09	6.07	11.94	5.59		
	1989	14.44	12.91	12.29	5.43	12.09	5.36	11.94	5.59		
	1990	12.09	10.49	12.29	5.43	—	—	11.94	5.59		
	1991	12.09	10.49	12.29	7.00	—	—	11.94	5.61		
	1992	12.29	8.07	12.29	3.11	—	—	11.94	4.27		
	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		
Public Safety Noncontributory Division A	1989	—	19.21%	—	16.11%	—	—	—	16.59%		
	1990	—	19.21	—	16.11	—	—	—	16.59		
	1991	—	21.60	—	18.28	—	—	—	16.83		
	1992	—	16.54	—	11.95	—	—	—	13.13		
	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		
Public Safety Retirement Contributory Division B	1987	13.74%	14.64%	13.18%	10.24%	11.13%	8.27%	13.54%	13.46%	10.50%	7.59%
	1988	13.74	15.26	13.18	10.24	11.13	8.27	13.54	13.46	10.50	7.59
	1989	13.74	16.14	13.18	10.24	11.13	8.27	13.54	13.46	10.50	7.59
	1990	13.74	17.43	13.18	10.24	11.13	8.27	13.54	13.46	10.50	7.59
	1991	13.74	21.29	13.18	14.65	11.13	12.98	13.54	14.80	10.50	10.04
	1992	13.74	19.40	13.18	10.91	11.13	9.72	13.54	10.92	10.50	5.43
	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
Public Safety Noncontributory Division B	1989	—	28.77%	—	—	—	—	—	—	—	16.72%
	1990	—	30.06	—	—	—	—	—	—	—	16.72
	1991	—	34.20	—	—	—	—	—	—	—	19.53
	1992	—	28.44	—	—	—	—	—	—	—	14.25
	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

**Effective in 1989 all State public safety divisions were combined into one division.

Prior to 1989 Highway Patrol and Division of Corrections were separated divisions with separate contribution rates.

Solvency Tests

(Dollars in Thousands)

System	Date	(1) Active Members Contributions	(2) Retired and Beneficiaries
Contributory Retirement System	* 1/01/89	\$314,564	557,961
	1/01/90	346,759	608,992
	1/01/91	260,955	571,914
	1/01/92	230,415	570,001
	1/01/93	252,922	572,403
	1/01/94	284,672	561,683
	1/01/95	316,556	564,284
	1/01/96	247,639	543,628
	12/31/96	183,996	526,932
Noncontributory Retirement System	* 1/01/89	\$492,371	766,211
	1/01/90	518,321	848,953
	1/01/91	649,425	881,401
	1/01/92	729,541	1,028,026
	1/01/93	754,440	1,193,366
	1/01/94	769,814	1,387,085
	1/01/95	783,653	1,619,632
	1/01/96	888,824	1,965,816
	12/31/96	980,172	2,254,953
Public Safety Retirement System	* 1/01/89	\$ 63,046	149,050
	1/01/90	78,126	176,230
	1/01/91	77,095	181,654
	1/01/92	77,963	201,066
	1/01/93	78,669	221,777
	1/01/94	86,114	253,776
	1/01/95	87,197	283,273
	1/01/96	85,516	323,064
	12/31/96	84,767	354,243
Firefighters Retirement System	* 1/01/89	\$ 26,824	76,481
	1/01/90	30,074	85,017
	1/01/91	33,257	95,581
	1/01/92	36,999	101,003
	1/01/93	40,767	108,190
	1/01/94	45,219	123,902
	1/01/95	49,567	140,965
	1/01/96	53,247	155,538
	12/31/96	57,580	172,266
Judges Retirement System	* 1/01/89	\$ 3,683	8,446
	1/01/90	4,104	8,758
	1/01/91	4,897	9,254
	1/01/92	5,373	12,818
	1/01/93	5,067	20,766
	1/01/94	5,274	24,938
	1/01/95	5,439	29,339
	1/01/96	6,189	30,573
	12/31/96	7,348	31,340
Governors and Legislative Pension Plan	** 1/01/90	\$ 262	2,533
	1/01/91	336	2,565
	1/01/92	266	3,189
	1/01/93	262	3,505
	1/01/94	263	3,475
	1/01/95	254	3,958
	1/01/96	250	4,111
	12/31/96	224	4,468

*Information prior to 1989 is not available.

**Information prior to 1990 is not available.

Actuarial Accrued Liability							
(3) Active Member (Employer Financed Portion)	(4) Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Portion of Actuarial Accrued Liability Covered by Assets				
			(1)	(2)	(3)	(4)	
330,139	1,202,664	897,600	100%	100%	8%	75%	
280,174	1,235,925	954,900	100	100	0	77	
227,939	1,060,808	837,797	100	100	2	79	
215,611	1,016,027	822,863	100	100	10	81	
228,838	1,054,163	835,299	100	100	4	79	
252,807	1,099,162	911,717	100	100	26	83	
295,382	1,176,222	964,218	100	100	28	82	
201,107	992,374	852,430	100	100	30	86	
219,978	930,906	820,737	100	100	50	88	
1,016,973	2,275,555	1,808,800	100%	100%	54%	79%	
1,365,856	2,733,130	2,096,939	100	100	53	77	
1,696,723	3,227,549	2,594,245	100	100	63	80	
2,042,038	3,799,605	3,041,640	100	100	63	80	
2,238,937	4,186,743	3,480,582	100	100	68	83	
2,467,616	4,624,515	4,039,120	100	100	76	87	
2,802,588	5,205,873	4,372,190	100	100	70	84	
3,177,772	6,032,412	5,136,582	100	100	72	85	
3,420,539	6,655,664	5,922,053	100	100	79	89	
228,846	440,942	298,315	100%	100%	38%	68%	
183,318	437,674	330,407	100	100	41	75	
205,884	464,633	381,501	100	100	60	82	
227,547	506,576	433,651	100	100	68	86	
257,218	557,664	485,861	100	100	72	87	
287,468	627,358	555,514	100	100	75	89	
320,637	691,107	596,892	100	100	71	86	
362,570	771,150	670,610	100	100	72	87	
393,723	832,733	755,106	100	100	80	91	
84,327	187,632	134,500	100%	100%	37%	72%	
76,772	191,863	149,672	100	100	45	78	
80,559	209,397	171,739	100	100	53	82	
89,913	227,915	192,866	100	100	61	85	
88,795	237,752	213,159	100	100	72	90	
109,963	279,084	243,228	100	100	67	87	
116,927	307,459	261,523	100	100	61	85	
124,647	333,432	293,816	100	100	68	88	
128,713	358,559	329,475	100	100	77	92	
9,377	21,506	16,400	100%	100%	46%	76%	
12,538	25,400	19,127	100	100	50	75	
16,237	30,388	22,242	100	100	50	73	
20,779	38,970	26,167	100	100	38	67	
14,761	40,594	30,254	100	100	30	75	
15,419	45,631	35,479	100	100	34	78	
15,052	49,830	38,726	100	100	26	78	
19,190	55,952	44,304	100	100	39	79	
22,195	60,883	50,721	100	100	54	83	
1,929	4,724	6,007	100%	100%	167%	127%	
2,256	5,157	6,355	100	100	153	123	
2,262	5,717	6,790	100	100	147	119	
2,383	6,150	7,122	100	100	141	116	
2,378	6,116	7,683	100	100	166	126	
2,394	6,606	7,804	100	100	150	118	
2,492	6,853	8,185	100	100	153	119	
2,201	6,893	8,636	100	100	179	125	

Participating Employers and Active Members

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	1987	303	27,359	\$ 498,156,000	18,635	0.01%	4.40%
	1988	304	24,090	465,490,000	19,470	4.48	4.40
	1989	302	21,980	449,350,000	20,525	5.42	4.60
	1990	304	14,477	414,917,000	21,668	5.57	6.10
	1991	304	12,809	305,400,000	23,172	6.94	3.10
	1992	299	11,952	286,183,000	24,636	6.32	2.90
	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
Noncontributory Retirement System	1987	238	39,045	\$ 739,453,000	19,243	(3.72)%	4.40%
	1988	249	44,587	808,029,000	20,420	6.12	4.40
	1989	254	49,034	945,917,000	20,753	1.63	4.60
	1990	295	58,922	1,004,462,000	21,456	3.39	6.10
	1991	303	63,000	1,277,671,000	22,501	4.87	3.10
	1992	307	65,777	1,381,842,000	23,737	5.49	2.90
	1993	314	68,982	1,477,220,000	23,655	(0.35)	2.70
	1994	322	67,181	1,642,123,000	25,627	8.34	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
Public Safety Retirement System	1987	102	4,019	\$ 105,300,000	26,201	4.84%	4.40%
	1988	104	4,091	99,984,000	24,727	(5.63)	4.40
	1989	104	4,276	101,902,000	24,977	1.01	4.60
	1990	106	4,606	110,363,000	25,360	1.53	6.10
	1991	109	4,819	123,595,000	26,149	3.11	3.10
	1992	112	5,010	120,904,000	28,059	7.30	2.90
	1993	115	5,120	138,954,000	27,749	(1.10)	2.70
	1994	116	5,132	148,791,000	29,462	6.17	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
Firefighters Retirement System	1987	24	1,041	\$ 28,505,000	27,382	6.18%	4.40%
	1988	24	1,010	29,136,000	28,381	3.65	4.40
	1989	26	1,006	29,407,000	28,626	0.86	4.60
	1990	27	1,038	30,912,000	29,762	3.97	6.10
	1991	27	1,053	33,227,000	31,595	6.16	3.10
	1992	28	1,092	36,517,000	31,408	(0.59)	2.90
	1993	29	1,104	37,879,000	34,215	8.94	2.70
	1994	27	1,099	40,157,000	36,454	6.54	2.70
	1995	28	1,173	43,027,000	36,040	(1.14)	2.50
	1996	28	1,224	45,969,000	38,062	5.61	3.30
Judges Retirement System	1987	1	89	\$ 4,351,000	50,011	1.25%	4.40%
	1988	1	86	4,762,000	54,022	8.02	4.40
	1989	1	91	5,625,000	59,009	9.23	4.60
	1990	1	87	6,450,000	67,437	14.28	6.10
	1991	1	89	6,975,000	70,417	4.42	3.10
	1992	1	81	6,538,000	74,515	5.82	2.90
	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
Governors and Legislative Pension Plan*	1989	1	75	\$ 279,000	3,720	1.63%	4.60%
	1990	1	76	288,000	3,789	3.39	6.10
	1991	1	57	238,000	4,175	10.19	3.10
	1992	1	87	254,000	2,920	(30.08)	2.90
	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	796,000	3,825	0.00	2.50
1996	1	95	482,000	4,667	22.01	3.30	

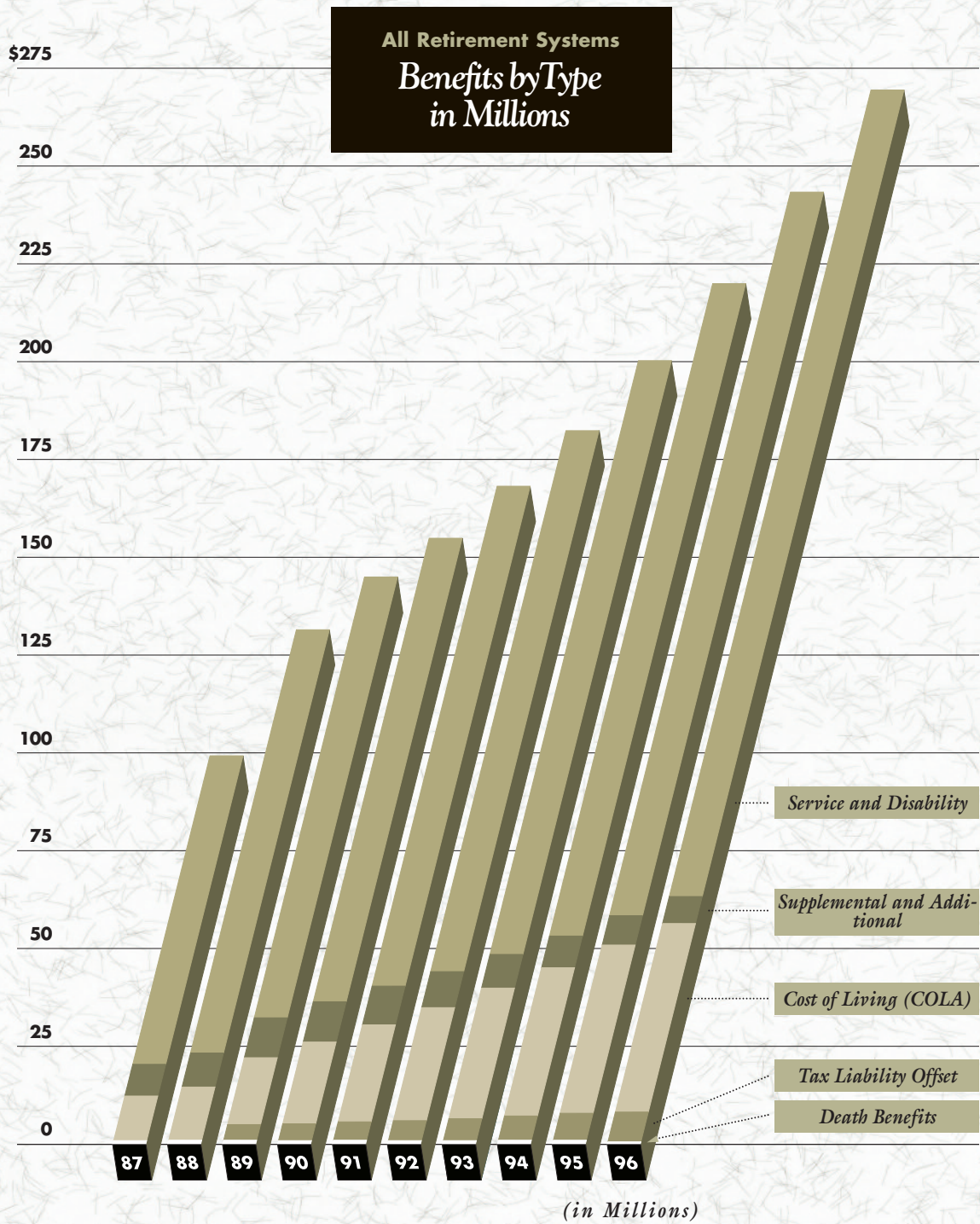
*Governors and Legislative Pension Plan is combined with Contributory Retirement System prior to 1989.

Retirant and Beneficiary Data

Year Ended December 31

System	Year	Number Added	Number Removed	Total Retirants	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
Contributory Retirement System	1987	447	402	14,252	\$ 59,366,000	1.53%	\$ 3,742
	1988	164	471	13,945	62,266,000	4.88	3,802
	1989	189	574	13,560	65,299,000	5.47	3,962
	1990	109	520	13,149	66,305,000	1.54	4,137
	1991	65	701	12,513	66,246,000	(0.09)	4,764
	1992	75	540	12,048	66,068,000	(0.27)	4,980
	1993	101	593	11,556	65,956,000	(0.17)	5,196
	1994	130	525	11,161	65,824,000	(0.20)	5,196
	1995	161	630	10,692	72,722,000	10.48	5,436
	1996	160	623	10,229	64,494,000	(11.31)	5,652
Noncontributory Retirement System	1987	2,792	5	3,440	\$ 23,250,000	800.81%	\$12,097
	1988	637	11	4,066	49,841,000	114.37	12,944
	1989	400	42	4,424	56,460,000	13.28	12,454
	1990	874	43	5,255	63,304,000	12.12	11,630
	1991	1,054	62	6,247	74,439,000	17.59	12,684
	1992	943	67	7,123	86,442,000	16.12	12,732
	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	1,418	82	10,474	146,343,000	23.77	12,756
	1996	1,635	237	11,872	161,036,000	10.04	13,164
Public Safety Retirement System	1987	116	13	1,165	\$ 10,568,000	15.16%	\$ 9,381
	1988	83	12	1,236	12,140,000	14.88	11,284
	1989	85	32	1,289	14,197,000	16.93	12,949
	1990	87	23	1,353	15,669,000	10.37	11,630
	1991	91	26	1,418	17,136,000	9.36	14,292
	1992	73	28	1,463	18,745,000	9.39	15,000
	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	171	52	1,719	25,271,000	11.65	13,476
	1996	148	50	1,817	28,223,000	11.68	14,328
Firefighters Retirement System	1987	25	7	518	\$ 10,568,000	15.16%	\$ 9,381
	1988	40	8	550	12,140,000	14.88	11,284
	1989	21	14	557	7,935,000	20.19	13,343
	1990	26	9	574	8,525,000	7.44	13,980
	1991	19	12	581	9,051,000	6.17	14,496
	1992	25	15	591	9,494,000	4.89	15,204
	1993	17	9	599	9,978,000	5.10	18,672
	1994	36	15	620	10,734,000	7.58	15,192
	1995	52	26	646	11,769,000	9.64	14,856
	1996	49	19	676	12,888,000	9.51	15,744
Judges Retirement System	1987	9	3	55	\$ 616,000	18.46%	\$12,833
	1988	2	5	52	700,000	13.64	16,879
	1989	4	—	56	860,000	22.86	18,081
	1990	—	3	53	920,000	6.98	19,766
	1991	4	—	57	1,042,000	13.26	21,768
	1992	15	3	69	1,359,000	30.42	28,848
	1993	2	2	69	1,958,000	44.08	30,540
	1994	8	7	70	2,193,000	12.00	30,108
	1995	3	2	71	2,355,000	7.39	32,208
	1996	4	8	69	2,472,000	4.97	34,776
Governors and Legislative Pension Plan*	1989	11	8	173	\$ 330,000	(5.98)%	\$ 2,055
	1990	10	8	175	349,000	5.76	3,841
	1991	12	10	177	367,000	5.16	2,883
	1992	12	6	183	387,000	5.45	2,078
	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	12	12	200	504,000	3.49	2,448

*Governors and Legislative Pension Plan is combined with Contributory Retirement System prior to 1989.



(in Millions)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Service and Disability	\$79.2	108.2	112.7	118.5	127.8	138.3	151.8	166.8	185.0	206.2
Supplemental and Additional	8.1	8.7	10.2	10.3	9.9	9.2	8.6	8.1	7.5	6.9
Cost of Living (COLA)	11.9	14.1	17.6	21.4	25.3	29.4	33.9	38.4	43.5	48.7
Tax Liability Offset	—	—	4.0	4.3	4.7	5.1	5.6	6.2	6.9	7.7
Death Benefits	0.5	0.6	0.6	0.5	0.6	0.5	0.5	0.6	0.5	0.1
TOTALS	\$99.7	131.6	145.1	155.0	168.3	182.5	200.4	220.1	243.4	269.6

STATISTICAL SECTION

96

Utah Retirement Systems

1996 Comprehensive

Annual Financial Report

Comparative Summary of Additions by Source

Year Ended December 31

(Dollars in Thousands)

System	Year	Member Contributions	Employer Contributions	Investment Income	Other Contributions	Court Fees and Premium Tax	Total Additions	Employer Contributions as a Percent of Covered Payroll
Contributory Retirement System	1987	\$31,467	26,546	126,205	445	—	184,663	5.33%
	1988	28,128	31,685	64,550	—	—	124,363	6.81
	1989	26,961	26,308	100,169	—	—	153,438	5.85
	1990	24,895	20,716	57,313	3,389	—	106,313	4.99
	1991	18,324	18,558	65,852	1,720	—	104,454	6.08
	1992	17,171	19,142	65,920	1,755	—	103,988	6.69
	1993	17,630	17,938	123,303*	1,745	—	160,616	6.10
	1994	17,646	18,719	2,193	1,752	—	40,310	6.51
	1995	16,362	17,723	193,708	1,760	—	229,553	6.77
1996	8,765	10,224	123,006	1,748	—	143,743	7.20	
Noncontributory Retirement System	1987	\$ 2,754	73,049	143,335	—	—	219,138	9.88%
	1988	1,052	94,672	130,435	—	—	226,159	11.72
	1989	826	100,914	205,981	—	—	307,721	10.67
	1990	3,139	111,581	134,397	3,487	—	252,604	11.11
	1991	2,798	151,937	243,929	2,555	—	401,219	11.89
	1992	2,643	165,847	254,565	3,095	—	426,150	12.00
	1993	2,410	168,517	1,066,354*	3,070	—	1,240,351	11.41
	1994	2,937	185,533	9,886	5,929	—	204,285	11.30
	1995	5,614	209,265	943,721	8,827	—	1,167,427	11.61
1996	6,679	246,979	832,473	10,112	—	1,096,243	12.02	
Public Safety Retirement System	1987	\$12,102	7,777	27,065	—	—	46,944	7.39%
	1988	12,438	7,623	21,022	—	—	41,083	7.62
	1989	10,811	9,640	33,332	—	—	53,783	9.46
	1990	6,134	15,468	20,956	817	—	43,375	14.02
	1991	5,596	19,479	34,650	470	—	60,195	15.76
	1992	5,707	19,441	36,090	517	—	61,755	16.08
	1993	5,897	16,960	80,052*	570	—	103,479	12.21
	1994	5,777	18,895	1,345	632	—	26,649	12.70
	1995	4,318	24,732	127,222	708	—	156,980	15.46
1996	4,151	29,271	107,070	794	—	141,286	16.54	
Firefighters Retirement System	1987	\$ 4,194	2,665	12,440	—	—	19,299	9.35%
	1988	4,248	3,094	9,659	—	—	17,001	10.62
	1989	4,302	3,042	15,248	—	2,022	24,614	10.34
	1990	4,521	3,232	9,567	403	1,670	19,393	10.46
	1991	4,859	2,833	16,810	226	1,675	26,403	8.53
	1992	5,337	2,344	15,914	240	2,065	25,900	6.42
	1993	5,530	2,121	35,008*	256	2,839	45,754	5.60
	1994	6,199	1,961	589	279	3,537	12,565	4.88
	1995	6,976	1,685	55,580	312	4,862	69,415	3.92
1996	7,461	2,002	46,626	345	4,333	60,767	4.36	
Judges Retirement System	1987	\$ 381	58	1,514	—	681	2,634	1.33%
	1988	381	63	1,185	—	584	2,213	1.32
	1989	450	70	1,877	—	980	3,377	1.33
	1990	516	77	1,202	52	1,082	2,929	1.32
	1991	558	191	2,040	30	1,561	4,380	1.32
	1992	523	304	2,206	40	1,741	4,814	4.65
	1993	561	405	6,664*	57	1,855	9,542	5.77
	1994	572	504	86	64	1,709	2,935	7.25
	1995	654	680	8,333	69	1,670	11,406	8.60
1996	734	833	7,114	72	1,898	10,651	9.28	
Governors and Legislative Pension Plan	1987	\$ 25	24	637	86	—	772	6.00%
	1988	3	2	406	100	—	511	0.50
	1989	2	—	611	100	—	713	1.33
	1990	1	—	363	85	—	449	1.32
	1991	—	—	569	76	—	645	1.32
	1992	—	—	552	11	—	563	0.00
	1993	—	—	1,315*	12	—	1,327	0.00
	1994	—	—	19	13	—	32	0.00
	1995	—	—	1,604	14	—	1,618	0.00
1996	—	—	1,270	15	—	1,285	0.00	

*Reflects the change in accounting method to record unrealized gains and losses on the fair value of investments.

Comparative Summary of Deductions by Type

Year Ended December 31

(in Thousands)

System	Year	Refunds	Benefit Payments	Administrative and Actuarial Expenses	Total Deductions
Contributory Retirement System	1987	\$18,585	59,033	1,984	79,602
	1988	14,544	61,915	1,872	78,331
	1989	14,798	65,299	1,705	81,802
	1990	13,820	66,305	1,963	82,088
	1991	7,031	66,246	1,348	74,625
	1992	7,111	66,068	1,322	74,501
	1993	4,057	65,956	1,213	71,226
	1994	5,606	65,824	1,178	72,608
	1995	5,342	65,588	1,214	72,144
	1996	4,833	64,494	985	70,312
Noncontributory Retirement System	1987	\$ 2,500	23,250	1,656	27,406
	1988	3,241	49,841	2,205	55,287
	1989	3,111	56,460	2,519	62,090
	1990	3,213	63,304	3,266	69,783
	1991	5,711	74,439	3,883	84,033
	1992	4,976	86,442	4,208	95,626
	1993	3,819	101,551	4,418	109,788
	1994	3,521	118,240	4,616	126,377
	1995	3,571	137,928	5,138	146,637
	1996	4,774	161,036	5,721	171,531
Public Safety Retirement System	1987	\$ 1,923	10,568	256	12,747
	1988	1,581	12,141	385	14,107
	1989	1,728	14,197	431	16,356
	1990	1,808	15,669	456	17,933
	1991	1,480	17,136	615	19,231
	1992	1,236	18,745	649	20,630
	1993	946	20,560	642	22,148
	1994	936	22,634	664	24,234
	1995	737	25,271	714	26,722
	1996	895	28,223	766	29,884
Firefighters Retirement System	1987	\$ 139	5,923	81	6,143
	1988	110	6,602	150	6,862
	1989	257	7,935	181	8,373
	1990	181	8,525	163	8,869
	1991	240	9,051	286	9,577
	1992	270	9,494	312	10,076
	1993	68	9,978	308	10,354
	1994	60	10,734	300	11,094
	1995	181	11,769	320	12,270
	1996	84	12,888	331	13,303
Judges Retirement System	1987	\$ 1	616	15	632
	1988	45	700	16	761
	1989	—	860	30	890
	1990	47	920	20	987
	1991	—	1,042	39	1,081
	1992	—	1,359	56	1,415
	1993	—	1,958	62	2,020
	1994	73	2,193	61	2,327
	1995	—	2,355	53	2,408
	1996	—	2,472	55	2,527
Governors and Legislative Pension Plan	1987	\$ 8	333	18	359
	1988	3	351	16	370
	1989	2	330	15	347
	1990	1	349	18	368
	1991	4	367	7	378
	1992	1	387	5	393
	1993	2	419	7	428
	1994	—	445	7	452
	1995	6	485	7	498
	1996	1	504	7	512

Comparative Summary of Benefit Deductions by Type

Year Ended December 31

(in Thousands)

System	Year	Service and Disability Benefits	Cost of Living Benefits	Death Benefits	Supplemental and Additional Benefits	Tax Liability Offset	Total Benefits
Contributory Retirement System	1987	\$ 41,985	9,986	358	6,704	—	59,033
	1988	43,139	11,092	461	7,223	—	61,915
	1989	42,818	12,381	386	8,029	1,685	65,299
	1990	42,481	13,638	351	8,090	1,745	66,305
	1991	41,701	14,809	321	7,672	1,743	66,246
	1992	41,057	15,941	261	7,054	1,755	66,068
	1993	40,438	16,995	285	6,493	1,745	65,956
	1994	39,880	17,895	248	6,049	1,752	65,824
	1995	39,305	18,789	178	5,556	1,760	65,588
1996	38,326	19,445	6	4,969	1,748	64,494	
Noncontributory Retirement System	1987	\$ 23,098	49	103	—	—	23,250
	1988	48,896	857	88	—	—	49,841
	1989	51,906	2,726	174	—	1,654	56,460
	1990	56,504	4,788	142	—	1,870	63,304
	1991	64,978	7,013	240	—	2,208	74,439
	1992	74,151	9,575	189	—	2,527	86,442
	1993	85,948	12,409	241	—	2,953	101,551
	1994	98,989	15,511	304	—	3,436	118,240
	1995	114,690	18,942	284	—	4,012	137,928
1996	133,584	22,663	106	—	4,683	161,036	
Public Safety Retirement System	1987	\$ 9,121	842	2	603	—	10,568
	1988	10,456	1,048	4	633	—	12,141
	1989	11,613	1,282	1	912	389	14,197
	1990	12,741	1,545	2	952	429	15,669
	1991	13,839	1,843	7	974	473	17,136
	1992	15,110	2,156	13	949	517	18,745
	1993	16,556	2,503	4	927	570	20,560
	1994	18,234	2,862	5	901	632	22,634
	1995	20,334	3,317	6	906	708	25,271
1996	22,702	3,817	3	907	794	28,223	
Firefighters Retirement System	1987	\$ 4,300	859	—	764	—	5,923
	1988	4,894	936	—	772	—	6,602
	1989	5,402	1,034	—	1,306	193	7,935
	1990	5,862	1,157	—	1,295	211	8,525
	1991	6,267	1,276	—	1,282	226	9,051
	1992	6,610	1,407	2	1,235	240	9,494
	1993	6,994	1,541	—	1,187	256	9,978
	1994	7,611	1,708	—	1,136	279	10,734
	1995	8,414	1,973	2	1,068	312	11,769
1996	9,291	2,224	2	1,026	345	12,888	
Judges Retirement System	1987	\$ 496	120	—	—	—	616
	1988	575	125	—	—	—	700
	1989	695	141	—	—	24	860
	1990	685	208	—	—	27	920
	1991	791	221	—	—	30	1,042
	1992	1,064	255	—	—	40	1,359
	1993	1,584	317	—	—	57	1,958
	1994	1,769	360	—	—	64	2,193
	1995	1,907	379	—	—	69	2,355
1996	1,973	427	—	—	72	2,472	
Governors and Legislative Pension Plan	1987	\$ 213	75	—	45	—	333
	1988	221	81	—	49	—	351
	1989	236	84	—	—	10	330
	1990	247	92	—	—	10	349
	1991	265	88	3	—	11	367
	1992	280	96	—	—	11	387
	1993	304	103	—	—	12	419
	1994	323	109	—	—	13	445
	1995	351	120	—	—	14	485
1996	368	121	—	—	15	504	

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

Employers Name	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
Duchesne School District.....	C	N			D	K
Dixie College.....	C	N	PS			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.....	C	N				K
Southern Utah University.....	C	N	PS			K
Tintic School District.....	C	N				K
Tooele School District.....	C	N			D	K
Uintah School District.....	C	N			D	K

Employers Name	C	N	PS	F	D	K
University of Utah.....	C	N				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.....	C	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 Vocational Technical.....	C	N				K
Davis Applied Technology Center.....	C	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
Sevier Valley Technical.....	C	N			D	K
Space Dynamics Lab.....	C	N				K
Summit Employment.....		N				K
Trail Incorporated.....	C	N			D	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
State and Other Employers						
State of Utah (including Judges Retirement System and Governors and Legislative Pension Plan).....	C	N	PS	F	D	K
Utah Dairy Commission/ Dairy Council of Utah/Nevada.....		N				
Utah Dept. of Employment Security.....	C	N			D	K
Utah Employees' Group Ins.—LTD.....	C	N	PS			
Utah Housing Finance Agency.....	C	N				K
Utah Industries f/t Blind.....		N				K
Utah Retirement Systems.....	C	N			D	K
Utah Safety Council.....		N				K
Utah Technology Finance Corp.....		N				K
Utah Worker's Compensation Fund.....	C	N			D	K

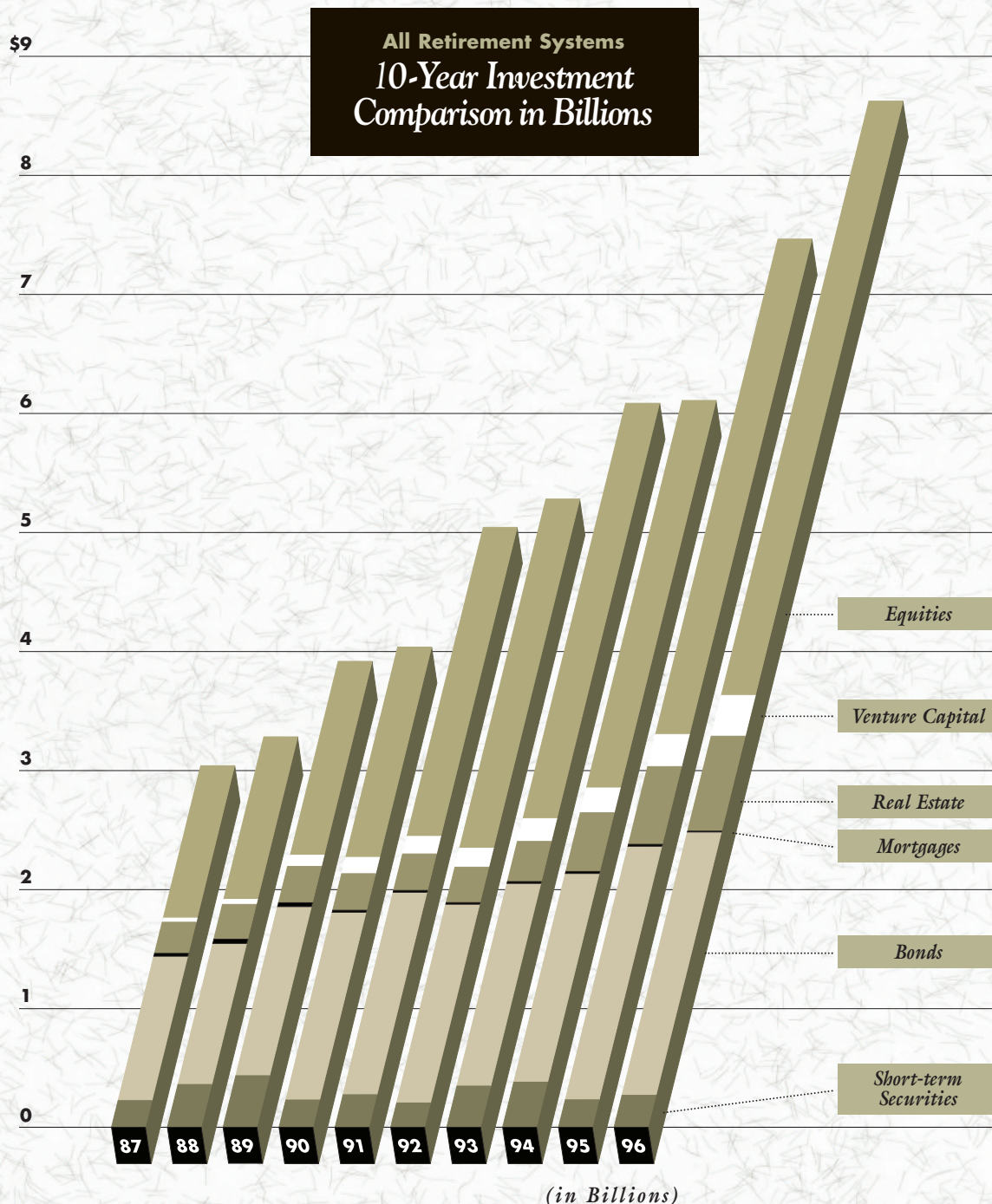
Employers Name	C	N	PS	F	D	K
Counties and County Organizations						
Beaver County.....	C	N	PS		D	K
Box Elder County.....	C	N	PS		D	K
Cache County.....	C	N	PS	F	D	K
Carbon County.....	C	N	PS		D	K
Daggett County.....		N	PS			K
Davis County.....	C	N	PS		D	K
Duchesne County.....	C		PS		D	K
Emery County.....	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.....	C	N	PS			
Millard County.....	C	N	PS		D	K
Morgan County.....	C	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		D	K
Uintah County.....	C		PS		D	K
Utah County.....	C	N	PS		D	
Wasatch County.....	C	N	PS			K
Washington County.....	C	N	PS		D	K
Wayne County.....	C	N	PS			
Weber County.....	C	N	PS		D	K
Weber County Fire.....	C			F	D	K
Cities and Towns						
Alpine City.....		N	PS			K
American Fork City.....		N	PS			
Aurora City.....		N				
Beaver City.....		N				K
Blanding City.....	C	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.....	C	N	PS	F		K
Centerville.....	C	N	PS		D	K
Clearfield City.....	C	N	PS	F	D	K
Clinton City.....	C	N	PS		D	K
Coalville City.....	C	N				K
Corinne City.....	C					
Delta City.....	C	N				K
Draper City.....		N				K
Duchesne City.....	C	N				
East Carbon City.....		N	PS		D	K
Elk Ridge Town.....		N				K
Enoch City.....		N				K
Ephraim City.....		N	PS			K
Escalante Town.....	C	N	PS			
Eureka City.....		N				
Fairview City.....		N				K
Farmington City.....	C	N	PS			

Participating Employers (Continued)

Employers Name	C	N	PS	F	D	K	Employers Name	C	N	PS	F	D	K	Employers Name	C	N	PS	F	D	K	
Farr West City		N			D		Payson City	C		PS			K	Beaver County Special							
Ferron City		N				K	Perry City		N	PS			K	Service Dist.	N						
Fillmore City		N			D	K	Pleasant Grove City		N	PS				Beaver Valley Hospital	N						K
Fountain Green City			PS				Pleasant View City	C	N	PS		D	K	Bona Vista Water							
Fruit Heights City		N				K	Price City	C	N	PS	F		K	Improvement	N				D		K
Garland City	C		PS			K	Providence	C	N				K	Bountiful Water District	N					D	K
Grantsville City	C	N	PS		D	K	Provo City	C	N	PS	F	D	K	Box Elder Co. Mosq.							
Green River City	C	N				K	Richfield City	C	N	PS		D		District	N						K
Gunnison City		N	PS		D	K	Richmond City	C	N				K	Box Elder Co.							
Harrisville City	C	N	PS			K	Riverdale City	C	N	PS				Nursing Home	C	N					D
Heber City		N	PS		D	K	Riverton City	C	N			D	K	Cache Metro Planning							
Helper City		N	PS			K	Roosevelt City	C	N	PS		D	K	Organization	N						
Hiawatha Town	C						Roy City	C	N	PS	F	D		Castle Valley Spec.							
Highland City		N			D	K	Salem City	C	N	PS		D	K	Serv. Dist.	C	N					K
Hinckley Town		N				K	Salina City		N	PS				Cedar City Library	C	N					K
Huntington City		N			D	K	Salt Lake City Corp.	C	N	PS	F		K	Central Davis Sewer	N					D	K
Hurricane City		N	PS	F		K	Sandy City	C	N	PS	F	D		Central Utah Water District	C	N				D	K
Hyde Park		N					Santa Clara City		N				K	Central Weber							
Hyrum City	C	N				K	Santaquin City		N	PS				Sewer District	C	N				D	K
Ivins Town		N				K	Smithfield City	C	N				K	Children's Aid							
Kamas City	C	N	PS		D	K	South Jordan City	C		PS	F			Society—Utah	C						K
Kanab City		N	PS		D	K	South Ogden City		N	PS			K	Cottonwood							
Kanosh Town		N					South Salt Lake City	C	N	PS	F	D	K	Improvement District	C	N				D	K
Kaysville City	C	N	PS				South Weber City		N				K	Davis & Weber							
La Verkin City	C					K	Spanish Fork City		N	PS				County Canal	C						K
Layton City	C	N	PS	F	D		Spring City	C						Davis Co. Mental Health	C	N				D	K
Lehi City	C	N	PS	F			Springdale Town	C	N				K	Davis Co. Mosquito Abate	N						K
Lewiston City		N				K	Springville City	C	N	PS	F			Davis County Housing	C						K
Lindon City		N				K	St. George City	C	N	PS		D	K	Davis Co. Solid Waste Mgt.	N					D	K
Logan City	C	N	PS	F	D	K	Sunnyside City		N			D		Development Disability	C						K
Manila Town	C						Sunset City	C	N	PS		D	K	Dixie Ctr. Spec.							
Manti City	C	N				K	Syracuse City		N	PS		D	K	Service Dist.	N						K
Mantua City		N	PS				Taylorville		N					Duchesne Co.							
Mapleton City		N	PS				Tooele City	C	N	PS		D	K	Mosquito District	C						
Marysvalle Town	C						Tremonton City	C	N	PS		D	K	Emery County							
Meadow Town	C	N					Vernal City	C	N	PS			K	Nursing Home	C					D	
Midvale City	C	N	PS		D		Washington City	C	N				K	Emery Water Conser. Dist.	N						K
Midway City	C	N				K	Washington Terrace	C	N	PS		D	K	Farmington Area Pressurized							
Milford City		N	PS			K	Wellington City	C	N	PS			K	Irrigation District	N						
Millville City		N			D	K	Wellsville City		N				K	Five-Co. Association							
Minersville		N				K	Wendover City		N	PS		D	K	of Govt.	C	N				D	K
Moab City	C	N	PS		D	K	West Bountiful City	C		PS			K	Four Corners							
Monroe City	C	N					West Haven		N	PS		D	K	Mental Health	C	N				D	K
Monticello City		N	PS				West Jordan City	C	N	PS	F	D		Grand County Road							
Morgan City		N					West Valley City	C	N	PS	F			Special Service District	N						
Mt Pleasant City	C	N	PS			K	West Point		N					Grand County Solid							
Murray City	C	N	PS	F	D	K	Willard City		N	PS				Waste Mgmt.	N						K
Naples City	C		PS			K	Woods Cross City	C	N	PS		D	K	Grand County Water							
Nephi City	C	N	PS		D									Conservancy District	N						
North Logan City	C		PS			K	Other Governmental Entities						Granger-Hunter								
North Ogden City	C	N	PS	F			Ashley Valley Sewer							Imp. District	C	N					D
North Salt Lake City	C	N	PS		D	K	Mgt. Bd.		N					Gunnison Valley Hospital	C	N					K
Ogden City	C	N	PS	F	D	K	Ashley Valley Water & Sewer		N					Heber Light & Power	C	N					D
Orangeville City		N				K	Bear Lake Special							Heber Valley Historic							
Orderville Town		N					Service Dist.		N				K	Railroad Authority	N						K
Orem City	C	N	PS	F	D		Bear River Assn. of Govts.	C	N			D	K	Heber Valley Special							
Panguitch City		N				K	Bear River Health District	C	N			D	K	District	N						
Park City	C	N	PS				Bear River Mental Health	C	N			D	K	Hooper Water Improv. Dist.	N						
Parowan City	C	N	PS			K	Bear River Water							Housing Auth. of SLC	C	N					
							Conservancy		N				K	Housing Auth.							
														of SL County	C	N					K

Participating Employers (Continued)

Employers Name	C	N	PS	F	D	K	Employers Name	C	N	PS	F	D	K	Employers Name
Kearns Improvement District	C	N				K	Timpanogos Spec. Serv. Dist.	C	N					Inactive Units with Retirees American Fork Hospital Bay Area Refuse Disposal Bingham City Carbon County Hospital Carbon Nursing Home Coalville Health Center Dixie Hospital Emery Medical Center Four Corners Regional Hospital Genola Honeyville Town I W Allen County Hospital Juab County Hospital Midvale Wastewater Treatment Morgan County Library Oakley Town Paragonah Payson City Hospital Reg 2 Law Enf Plan Agency Salt Lake County Fair San Juan County Hospital, Six-County Economic Develop Sugarhouse Park Authority Tooele Valley Hospital U of U Research Institute USU Comm Credit Union Uintah Basin Counsel Inc Uintah County Council on Aging Uintah County Hospital Wasatch County Hospital Weber County Hospital Weber Economic Develop Corp West Millard Hospital
Maesar Water District		N					Tri-City Golf Course		N				K	
Magna Mosquito Abatement		N				K	Tridell-Lapoint Water District		N					
Metro Water District—Provo		N					Uintah Basin Assistance Council		N					
Metro Water District—SLC	C	N			D	K	Uintah Basin Assn. of Govt.		N					
Midway Sanitation District		N				K	Uintah Basin Medical Center	C	N				K	
Moab Valley Fire Dist.		N		F		K	Uintah Co. Mosquito Abate.		N				K	
Mountain America Credit Union	C	N				D	Uintah Water Conserv. District		N					
Mountainland Assn. of Govt.	C	N				D	Upper Country Water Dist.		N					
Nebo Credit Union		N				K	Utah Assn. of Counties		N				K	
North Davis County Sewer	C	N					Utah Co. Housing Authority	C	N				D	
No. Emery Water Users Assn.	C	N					Utah Co. Solid Waste Spec. District		N				K	
Park City Fire Service District		N		F		K	Utah Lake Distributing Co.		N					
Pioneer Care Center	C	N				D	Utah League of Cities & Towns	C						
Price River Water Improve.	C	N				D	Utah Local Govt. Ins. Trust		N					
Provo Housing Authority		N					Utah Municipal Power Agency		N				K	
Provo Reser. Water Users		N					Utah Partnership for Education Economics		N				K	
Provo River Water Users		N				D	Utah Public Employees Assn.	C	N				K	
Roy Water Conservancy District		N				K	Utah State Fair Corporation		N				K	
SLC Employees Credit Union		N				K	Utah Zoological Society	C	N				K	
SLC Mosquito Abatement		N				K	Valley Emergency Communication Center		N			D	K	
SLC School Credit Union		N				K	Valley Mental Health	C	N			D	K	
SLC Sub. Sanitation #1		N				K	Wasatch Front Reg. Council	C					D	
SLC Sub. Sanitation #2		N				K	Wasatch Mental Health	C	N				D	
SL County Service Area #1		N				K	Washington Co. Assn. for Retarded Citizens		N					
SL County Service Area #2		N			D	K	Washington Co. Solid Waste #1	C	N				K	
SL County Service Area #3		N			D	K	Washington Co. Water District		C				K	
SL County Sewer Imp. District #1	C	N				D	Weber Basin Water Conser.		N			D	K	
SL Co. Water Conserv. District	C	N				D	Weber Co. Mosquito Abate.		N			D	K	
Sandy Sub. Imp. District	C	N				K	Weber Human Services		N			D	K	
Six-Co. Assoc of Governments	C	N				D	Weber River Water Users	C					K	
Snyderville Basin	C	N				D	Western Kane Co.		N				K	
Solitude Improve. District		N				K	White City Water Improvement District		N				K	
So. Davis Co. Sewer Imp. District	C	N				D								
So. Davis Co. Water Imp. Dist.		N				K								
So. Davis Co. Fire Protection		N		F		D								
Southeastern Utah A.O.G.	C	N				D								
Southeastern Utah Health	C	N				K								
So. Ogden Conserv. District		N				D								
So. SL County Mosquito Abate.		N				K								
Southwest Center	C	N				K								
Southwest Utah District Health	C	N				D								
South Utah Valley Solid Waste		N				K								
St. George Housing Authority		N				K								
Taylorsville—Bennion Imp.	C	N				D								
							Total Participating Employers				367			
							Contributory				225			
							Noncontributory				336			
							Public Safety				115			
							Firefighters				28			
							Judges				1			
							Governor and Legislative				1			
							457 Plan				157			
							401(k) Plan				272			



(in Billions)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Equities	\$ 1,218.6	1,373.3	1,637.8	1,777.2	2,611.1	2,950.7	3,509.6	3,273.9	4,185.8	5,021.5
Venture Capital	35.1	42.6	95.0	137.8	148.3	159.6	192.6	209.3	271.1	344.2
Real Estate	263.5	293.7	306.4	309.2	308.4	299.7	339.4	501.6	662.1	805.5
Mortgages	23.7	36.1	32.9	16.5	15.2	13.5	15.2	11.8	10.9	4.0
Bonds	1,220.3	1,191.8	1,428.7	1,586.6	1,710.9	1,879.3	1,712.7	1,763.2	2,142.8	2,224.9
Short-term Securities	224.3	360.7	434.9	229.5	274.1	205.8	347.7	380.2	231.1	269.2
TOTALS	\$2,985.5	3,298.2	3,935.7	4,056.8	5,068.0	5,508.6	6,117.2	6,140.0	7,503.8	8,669.3

INVESTMENT SECTION

96

Utah Retirement Systems

1996 Comprehensive

Annual Financial Report

PENSION INVESTMENT TRUST FUND

Investment Highlights

Introduction

The investment activity of the Utah Retirement Systems is governed statutorily by the "Prudent Man Rule". The prudent man 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.

The prudent man standard permits further diversification within a fund by allowing investment alternatives to traditional stocks and bonds. The opportunity to diversify among various asset classes may enable a fund to reduce portfolio volatility and increase returns.

Investment Goals and Objectives

The basic goal influencing the investment of the Systems' assets is realization of compound rates of return sufficient to fund promised benefits at the lowest possible cost to employers and employees.

The basic investment objective of the Fund is achievement of a total return which exceeds the actuarial assumption (8%) over rolling five-year periods. Additionally, over the long term, the portfolio is expected to produce returns comparable to those of other public and private pension funds.

Asset Allocation

Correct asset allocation is the main determinant of the Fund's success in meeting long-term investment objectives.

The portfolio mix which has a high probability of achieving the Fund's basic investment objective is: 55% equity investments, 27% fixed income investments, 7% alternative investments and 11% real estate investments. During 1996, progress was made toward achieving the target mix.

The Fund has a long-term investment horizon. This allows the Fund to have a large commitment to equities which have historically provided superior rates of return.

Investment Management and Results

The Fund continues to use both internal and external portfolio managers. Both passive (indexed) and active management strategies are utilized. The portfolio is broadly diversified within the various asset classes (stocks, bonds, real estate, venture capital, etc.).

Rates of return over the most recent three and five year periods continue to exceed both inflation and the actuarial assumed interest rate. Over the last five years, on average the Fund's annualized return has exceeded inflation by 8.6% per year and has exceeded the actuarial rate by 3.4% per year.

At December 31, 1996, the Fund's market value was \$8.6 billion, an increase of \$1.1 billion over December 31, 1995.

Annual Rates of Return (1)(2)

	Years Ended December 31,					Annualized	
	1992	1993	1994	1995	1996	3 Year	5 Year
Total Fund							
Utah	4.5%	16.5%	0.0%	22.0%	15.1%	11.9%	11.4%
TUCS (3) Public Funds	7.1	12.7	(.4)	24.7	14.1	11.8	11.3
TUCS (3) Large Funds	7.1	14.0	(.1)	24.8	14.7	12.6	11.8
Inflation	2.9	2.7	2.7	2.5	3.3	2.8	2.8

(1) Source: The Northern Trust Analytical Services.

(2) Total Rates of Return: Includes cash income plus gains and losses due to changes in market value, whether realized or unrealized.

(3) Trust Universe Comparison Services.

INVESTMENTS

Schedule of 1996 Investment Activity

(Dollars in Thousands)

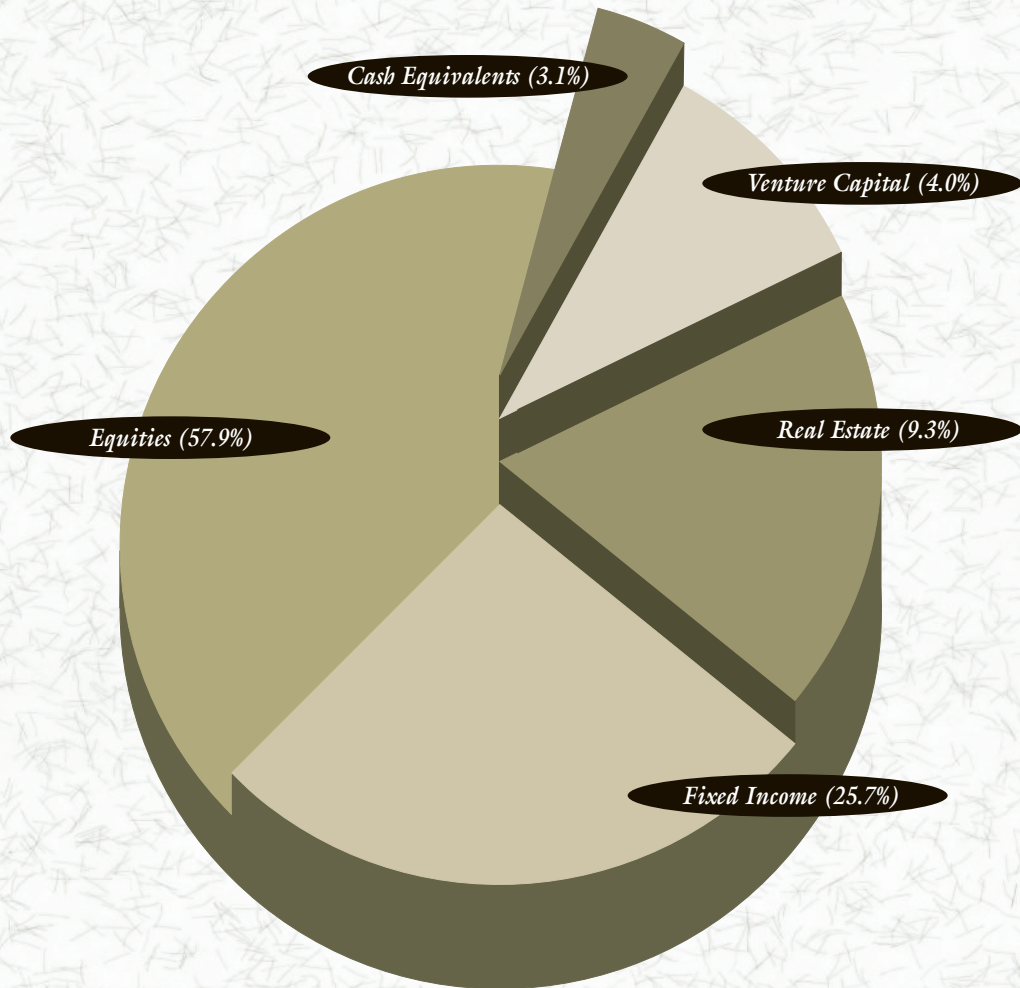
	1996 Beginning Fair Value	Purchases	Sales & Redemptions	Increase (Decrease) in Fair Value	1996 Ending Fair Value	Percentage of Total Fair Value
Short-term securities	\$ 231,058	5,526,968	5,488,827	—	269,199*	3.11%
Bonds domestic	1,869,092	1,728,422	1,593,276	(67,827)	1,936,411	22.34
Bonds international	273,675	28,165	4,902	(8,445)	288,493	3.33
Equities domestic	2,907,098	1,668,660	1,431,368	319,306	3,463,696	39.94
Equities international	1,278,738	170,942	4,166	112,273	1,557,787	17.97
Venture capital	271,063	122,472	49,028	(322)	344,185	3.97
Real estate	662,123	154,865	42,887	31,362	805,463	9.29
Mortgage loans	10,892	13	6,899	10	4,016	0.05
Totals	\$7,503,739	9,400,507	8,621,353	386,357	8,669,250	100.00%

*Does not include \$1,255,149 of short-term securities held as collateral for securities lending.

PENSION INVESTMENT TRUST FUND

Portfolio Structure at Fair Value

December 31, 1996



Portfolio Structure at Fair Value

December 31,

	1992	1993	1994	1995	1996
Fixed Income	31.8	28.1	28.9	28.7	25.7
Equities	55.6	57.4	53.3	55.8	57.9
Venture Capital	3.0	3.2	3.4	3.6	4.0
Real Estate	5.7	5.6	8.2	8.8	9.3
Cash Equivalents	3.9	5.7	6.2	3.1	3.1
TOTAL PORTFOLIO	100.0%	100.0%	100.0%	100.0%	100.0%

PENSION INVESTMENT TRUST FUND

Rates of Return and Assumed Interest

Ten-Year Total Pension Investment Rates of Return <i>(Dollars in Millions)</i>				
		(1)	(2)	(3)
Total Investment Portfolio Fair Value		Smoothed Expected Investment Income Rate	Rate of Return on Fair Value	Actuarial Assumed Interest Rate
1987	\$2,985	13.51%	4.10%	7.50%
1988	3,298	8.58	9.60	7.50
1989	3,936	13.66	10.89	7.50
1990	4,057	7.84	6.08	8.00
1991	5,068	11.26	21.60	8.00
1992	5,308	10.48	4.50	8.00
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

(1) Rate of Return on Smoothed Expected Investment Income—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) Rate of Return on Fair Value—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 book value of the establishing retirement contribution rates and in determining current benefit reserve requirements.

Rates of Return and Assumed Interest
(in Percents)

Rate of return on smoothed expected investment income

Rate of return on fair value

Actuarial assumed interest rate

PENSION INVESTMENT TRUST FUND

Investment Professionals

Investment Advisors

DEFINED BENEFIT PLAN—EQUITIES

Abbott Capital Mgmt. L.P.
1330 Avenue of the Americas
New York, NY 10019

Baring International
155 Bishopsgate
London, EC2M 3XY England

Baring Pacific
1901 Edinburgh Tower
15 Queens Road Central
Hong Kong

Capital International
333 S. Hope Street
Los Angeles, CA 90071

Cohen & Steers Capital
Mgmt.

757 Third Avenue
New York, NY 10017

Dimensional Fund Advisors
1299 Ocean Avenue
Santa Monica, CA 90401

Goldman Sachs Asset
Management

One New York Plaza
New York, NY 10004

J.P. Morgan
83 Pall Mall
London SW1Y 5ES England

LSV Asset Management
181 West Madison
Chicago, IL 60602

Miller, Anderson & Sherrerd
L.L.P.

One Tower Bridge
West Conshohocken, PA
19428

Morgan Stanley Asset Mgmt.,
Inc.

1221 Avenue of the Americas
New York, NY 10020

Schneider Capital
Management
460 E. Swedesford Road
Wayne, PA 19087

Schroder International
33 Guter Lane
London EC2V 8AS England

Scudder, Stevens & Clark
333 S. Hope Street

Los Angeles, CA 90071

Templeton Investment
Counsel, Inc.

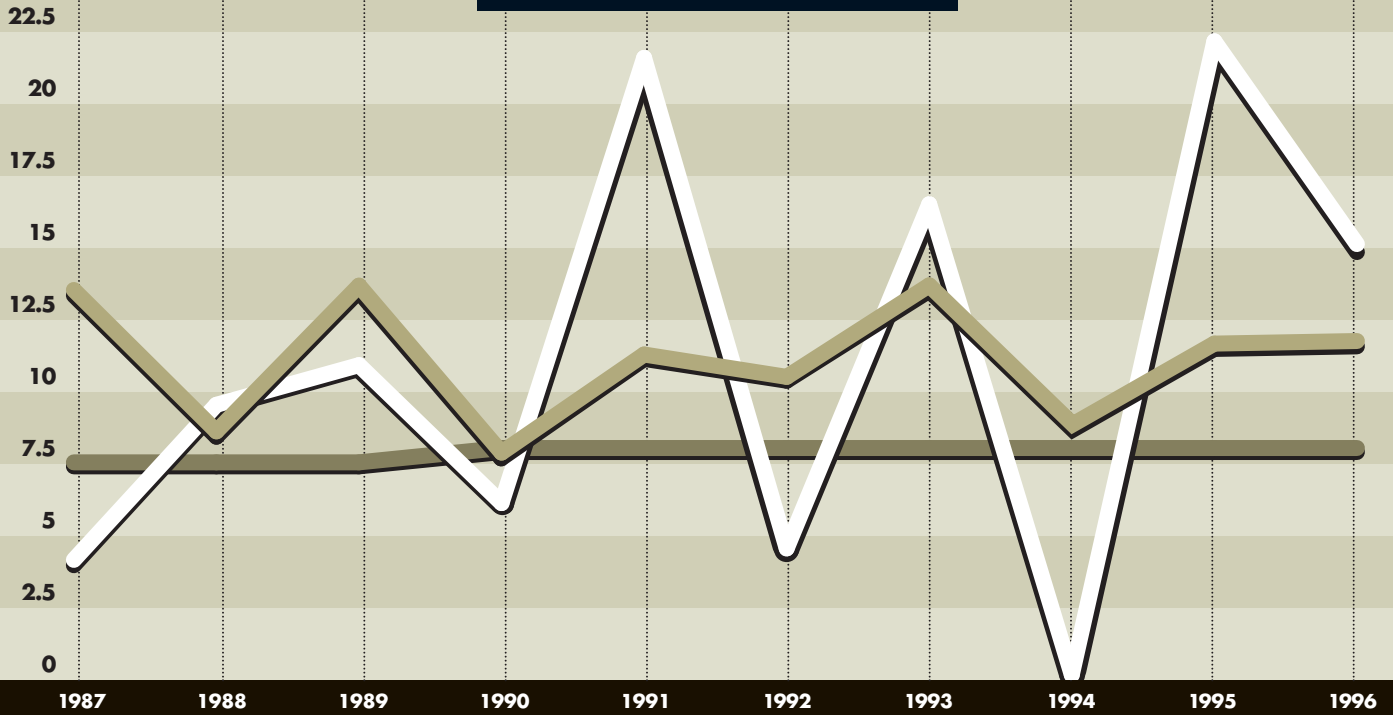
500 E. Broward Blvd
Fort Lauderdale, FL 33394

Value Line Asset Mgmt.
220 E. 42nd Street
New York, NY 10017

DEFINED BENEFIT PLANS—FIXED INCOME

Rogge Global Partners
5-6 St. Andrews Hill
London, ECAV 5BY England

**Pension Investment
Trust Fund**
Rates of Return in Percents



**DEFINED BENEFIT PLANS—
REAL ESTATE**

AMB Institutional Advisors,
Inc.

505 Montgomery Street
San Francisco, CA 94111

CS First Boston Corp.
55 East 52nd St.
New York, NY 10055

Equitable Real Estate
Investment Mgmt, Inc.
1150 Lake Hearn Dr. NE
Atlanta, GA 30326

Goldman, Sachs & Co.
85 Broad Street
New York, NY 10004

Hancock Timber Resource
Group
PO Box 111
Boston, MA 02117

Heitman/JMB Realty Corp.
900 North LaSalle St.
Chicago, IL 60611

Metric Institutional Realty
Advisors
1 California Street
San Francisco, CA 94111

Phoenix Realty Advisors
One American Row
Hartford, CT 06115

Sentinel Real Estate Corp.
666 Fifth Avenue
New York, NY 10103

Westmark Realty Advisors
865 S. Figueroa Street
Los Angeles, CA 90071

DEFINED CONTRIBUTION PLAN
American Express Trust
Company
1200 Northstar West
Minneapolis, MN 55440

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

Fidelity Investments
6312 South Fiddler's Green
Circle
Englewood, CO 80111

Franklin Templeton
Institutional Services
P.O. Box 7777
San Mateo, CA 94403

Consultants

Callan Associates
6 Concourse Parkway
Atlanta, GA 30328

Institutional Property
Consultants, Inc.
4330 LaJolla Village Dr.
San Diego, CA 92122

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

401(k) AND 457 DEFINED CONTRIBUTION PLANS

Investment Highlights

Introduction

Utah Retirement Systems Golden Horizon 401(k) Plan and 457 Deferred Compensation Plan are voluntary tax-deferred retirement savings programs authorized under section 401(k) and 457 of the Internal Revenue Code. These plans are available to employees of the state, local government, and educational employers throughout Utah.

The participants of the plans have a choice of four 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 below shows the number of participants in the various investment funds. The asset graph shows the asset distribution at December 31, 1996.

Number of Participants* by Investment Fund

Fund	Participants*
S&P Stock Index Fund	62,444
Income Fund	94,734
Fidelity Puritan Fund	57,697
Group Annuity Fund	31,499
Templeton Fund	32,091

*Some individuals participate in more than one investment fund. There were 106,255 participants as of December 31, 1996 with 97,781 in the 401(k) Plan and 8,474 in the 457 Plan.

Rates of Return

Rates of return shown on the accompanying chart are net rates, after all costs and fees have been deducted. There are no front-end loads, surrender charges or other hidden fees. All fees are deducted from Fund earnings, rather than from the participants' contributions.

S&P STOCK INDEX FUND

All amounts were invested by the Utah Retirement Systems' investment staff. The assets are included in its Combined Stock Portfolio Listing in this report.

INCOME FUND

The Income Fund is invested by American Express Trust Company in the contracts listed on page 112.

FIDELITY PURITAN FUND

All amounts were invested by Fidelity Investments in the Puritan Fund as shown in the table of Asset Mix at December 31, 1996.

GROUP ANNUITY FUND

The Group Annuity Fund is an annuity contract with Beneficial Life Insurance Company which has been closed to new contributions. Money is invested in the general account of Beneficial Life.

TEMPLETON INSTITUTIONAL GROWTH SERIES FUND

The Templeton Institutional Growth Series Fund (Templeton Fund) is invested by the Franklin/Templeton Group. This fund may invest in common stocks and debt obligations of companies and governments of any nation.

401(k) and 457 Plans Annualized Rates of Return as of December 31, 1996

	12 Month	3 Year	5 Year	10 Year
<i>Investment Funds</i>				
Income Fund	6.3%	6.7%	6.9%	7.6%
Fidelity Puritan Fund	16.6	12.7	14.8	12.5
S&P Stock Index Fund	24.9	20.1	15.6	15.4
Templeton Fund	22.5	12.4	N/A	N/A
<i>The following two funds are closed to future contributions.</i>				
401(k) Group Annuity Fund	6.0	5.9	6.2	7.1
457 Group Annuity Fund	5.9	5.8	6.2	7.5
<i>Market Index (for comparison only)</i>				
U.S. Treasury Bills Index	5.3	5.2	4.4	5.6
Gov't—Corp Bond Index	2.9	5.8	7.2	8.4
S&P Stock Index	23.1	19.7	15.2	15.3
MSCI World Index	14.0	13.4	11.4	11.2

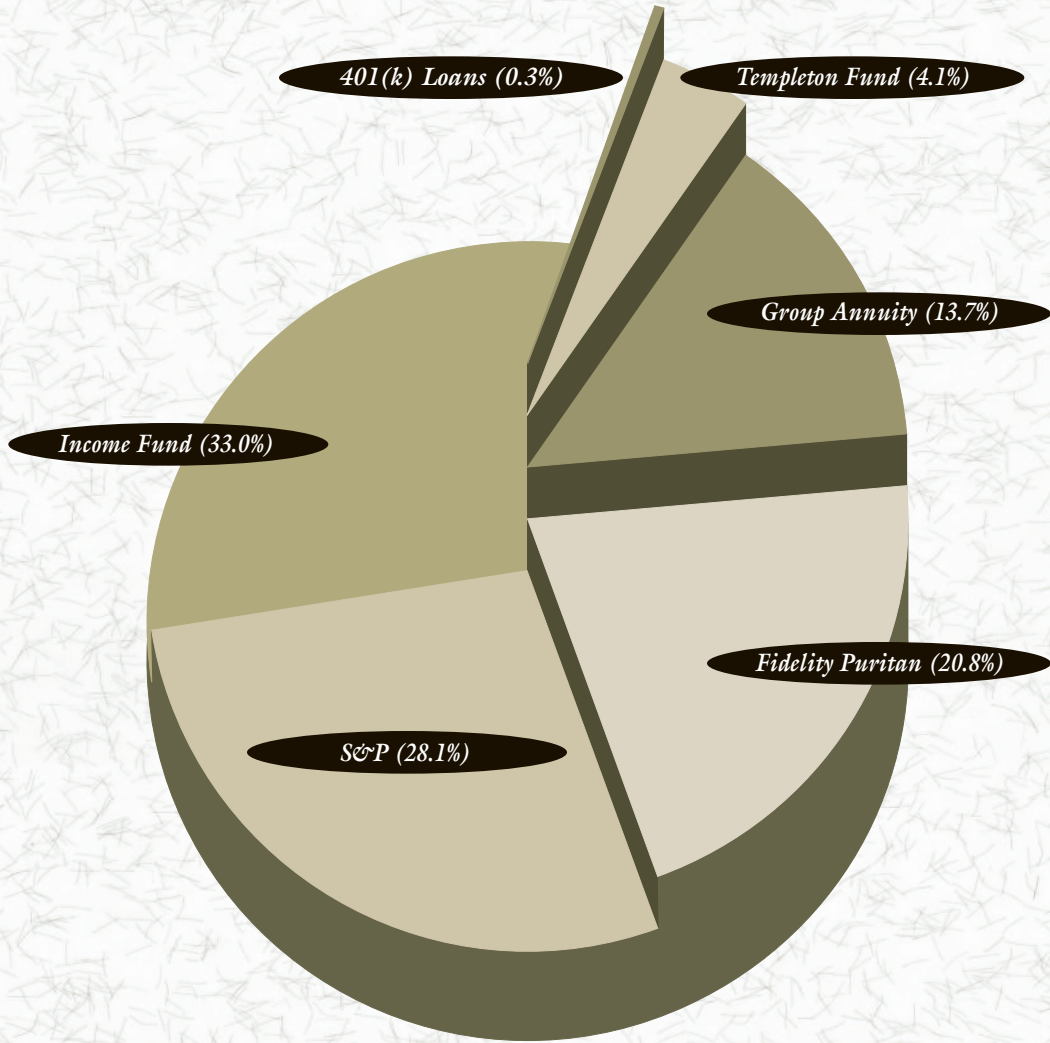
401(k) and 457 Plans Asset Mix at December 31, 1996

Investment Type	Insurance Policies	Income Fund	Group Annuity Fund	Fidelity Puritan Fund	S&P Stock Index Fund	401(k) Loan Fund	Templeton Fund
Equities	—	—	5.1%	60.6%	98.6%	—	91.2%
Convertibles	—	—	—	0.7	—	—	—
Bonds, Mortgages	—	65.4%	92.0	33.9	—	—	0.4
Loans	—	—	—	—	—	100.0%	—
Life Insurance Policies	39.5%	—	—	—	—	—	—
Individual Annuity Policies	60.5	—	—	—	—	—	—
Cash and Short-term Investments	—	—	2.9	4.8	1.4	—	8.4
Guaranteed Investment Contracts	—	34.6	—	—	—	—	—
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

401(k) AND 457 DEFINED CONTRIBUTION PLANS

Defined Contribution Investments

December 31, 1996



DETAILED INVESTMENT LISTING

Combined Bond Portfolio

As of December 31, 1996

Bond Name	Rating	Coupon	Maturity	Par Value	Market Value
DOMESTIC					
Corporates					
CSR America Inc	A	6.875	03/01/2004	\$13,900,000	13,711,655
Assoc Corp N. Amer	AA	6.750	07/15/2001	10,000,000	10,071,800
AST Securitization Corp	AAA	7.100	08/13/2029	11,818,246	11,802,481
BankAmerica Corp	A	8.070	12/31/2026	10,000,000	10,086,800
Bayersishce Landesbank Girozentrale	AAA	6.200	02/09/2006	9,400,000	8,965,156
Caliber Sys Inc	A	7.800	08/01/2006	10,000,000	10,289,300
Chase Mortgage Finance Corp	AAA	7.000	05/24/2024	10,969,503	10,262,368
Citicorp Mortgage Securities Inc	AAA	7.000	03/25/2023	7,710,441	7,334,557
Citicorp Mortgage Securities Inc	AAA	6.250	05/25/2024	11,900,000	11,052,125
Countrywide Funding Corp	A	5.804	03/09/2001	15,000,000	15,079,050
CWMBS Inc	AAA	7.500	01/25/2009	3,202,920	3,234,949
CWMBS Inc Mtg Pass thru Ctf	AAA	9.000	11/25/2008	3,015,950	3,076,269
Dayton Hudson Corp	A	9.875	07/01/2020	11,150,000	13,760,773
Dean Witter Discover & Co	A	6.300	01/15/2006	10,000,000	9,452,900
Den Norske Stats Oljeselskap	AA	6.875	05/01/2006	10,000,000	10,034,700
DLJ Acceptance Corp	AAA	7.290	11/12/2021	5,000,000	5,016,250
DLJ Mortgage Acceptance Corp	AAA	6.750	01/25/2024	12,000,000	10,831,534
DLJ Mortgage Acceptance Corp	AAA	7.680	03/13/2006	11,500,000	11,756,450
DLJ Mortgage Acceptance Corp	AAA	6.850	11/17/2005	13,150,000	13,045,458
DLJ Mortgage Acceptance Corp	AAA	7.280	02/12/2005	10,584,266	10,809,711
Dow Cap B V Corp	A	8.700	05/15/2022	9,400,000	9,879,212
Farmers Insurance Exchange	BBB	8.625	05/01/2024	10,000,000	10,223,300
General Electric Capital Corp	AAA	7.980	12/15/2007	20,000,000	19,720,200
General Motors Acceptance Corp	A	6.375	09/30/1998	7,000,000	7,028,210
General Telephone Co. of California	AA	7.125	12/01/1998	5,000,000	5,013,800
Goldman Sachs Trust #2 Series B	AAA	8.950	07/01/2017	5,553,653	5,543,212
Hydro-Quebec	A	8.050	07/07/2024	5,000,000	5,497,600
Kidder Peabody Acceptance Corp	AA	2.821	04/25/2025	63,897,282	12,459,970
Kidder Peabody Acceptance Corp	A	7.150	04/25/2025	5,455,000	5,536,825
Kidder Peabody Acceptance Corp	AA	7.150	04/25/2025	10,646,175	10,709,413
Lehman Bros Inc	A	10.000	05/15/1999	13,500,000	14,468,355
LTC 1996-1 Class A	AAA	7.060	04/15/2028	9,246,318	9,307,713
LTC Commercial Class A	AAA	7.100	11/28/2012	5,831,998	5,847,745
McKesson Corp	A	8.625	02/01/1998	10,000,000	10,193,300
Mercantile Stores Co	A	8.200	09/15/2022	5,000,000	5,016,600
MGIC 1982I-UT	AAA	6.291	03/25/2007	884,009	1,094,669
MGIC N-UT	AAA	6.291	05/25/2007	1,315,825	1,633,728
Morgan Stanley Group Inc	A	5.554	03/09/1999	20,650,000	20,597,962
Mortgage Capital Funding Inc Class A-2a	AAA	7.350	07/15/2028	9,753,726	9,814,414
Nationwide Csn Tr	A	9.875	02/15/2025	20,000,000	22,238,000
New England Mutual Life Ins Co	A	7.875	02/15/2024	10,000,000	10,079,300
Norsk Hydro A/S	A	7.150	11/15/2025	10,000,000	9,707,900
Pacificorp	A	8.940	06/25/1998	10,000,000	10,404,000
Philip Morris Companies	A	7.125	12/01/1999	11,325,000	11,486,495
Philip Morris Companies	A	7.750	05/01/1999	10,000,000	10,241,000
PNC Mortgage Securities Corp Class A5	AAA	7.500	06/25/2026	12,750	12,272
Potomac Capital Investment Corp	BBB	5.820	07/07/1997	10,000,000	10,000,000
Prudential Home 30 year Mortgage	A	7.900	04/28/2022	10,510,000	10,825,300
Prudential Home 30 year Mortgage	A	7.900	04/28/2022	13,897,000	14,244,425
Prudential Home 30 year Mortgage	BBB	7.850	04/28/2022	9,882,073	10,129,125
Prudential Home Relocation	AAA	7.108	06/25/2023	6,301,580	6,397,995
Residential Funding Mortgage Securities Inc	AAA	7.250	01/25/2026	11,851,203	12,147,483
Residential Funding Mortgage Securities Inc	AAA	7.500	12/25/2025	7,271,889	7,490,046
Sears Mortgage Securities Class A	AAA	7.500	12/25/2019	4,891,413	4,936,943
St George Bank	A	6.875	04/01/1999	10,000,000	10,015,800
State Street Bank	A	7.940	12/30/2026	10,000,000	10,000,000
WMX Technologies Inc	A	7.000	10/15/2006	10,000,000	9,996,900
Total Corporates				594,378,220	549,613,498

DETAILED INVESTMENT LISTING*Combined Bond Portfolio (Continued)**As of December 31, 1996*

Bond Name	Rating	Coupon	Maturity	Par Value	Market Value
United States Treasuries					
United States Treasury Bond	AAA	6.750	08/15/2026	\$118,000,000	118,885,000
United States Treasury Note	AAA	6.250	08/31/2000	52,000,000	52,195,000
United States Treasury Note	AAA	7.750	11/30/1999	35,000,000	36,569,400
United States Treasury Note	AAA	5.750	08/15/2003	50,000,000	48,500,000
United States Treasury Note	AAA	7.250	05/15/2004	25,000,000	26,304,750
United States Treasury Note	AAA	6.500	11/15/2026	10,200,000	10,010,382
United States Treasury Note	AAA	6.500	05/31/2001	95,000,000	96,039,300
United States Treasury Note	AAA	6.375	09/30/2001	15,000,000	15,089,100
United States Treasury Note	AAA	6.500	10/15/2006	20,000,000	20,109,400
United States Treasury Note	AAA	5.875	02/15/2004	110,000,000	107,094,900
United States Treasury Note	AAA	6.500	05/15/2005	25,000,000	25,168,000
United States Treasury Note	AAA	6.750	04/30/2000	20,000,000	20,378,200
Total United States Treasuries				575,200,000	576,343,432
Federal Agencies					
Federal Home Loan Mortgage Corp	AAA	6.280	07/15/2003	5,000,000	4,855,450
FHLMC	AAA	6.970	03/15/2006	10,000,000	9,829,700
FHLMC Debs	AAA	7.440	04/07/2006	12,000,000	11,956,680
FHLMC Debs	AAA	7.860	07/06/2006	25,000,000	25,507,750
FHLMC Debs	AAA	6.330	02/13/2006	12,000,000	11,525,640
FHLMC Debs	AAA	6.775	03/06/2006	13,500,000	13,280,625
FHLMC Debs	AAA	7.340	06/05/2006	15,000,000	15,189,900
FHLMC Debs	AAA	6.550	04/02/2003	25,000,000	24,461,000
FHLMC Group #170079	AAA	12.000	05/01/2013	728,750	834,529
FHLMC Group #18-1475	AAA	8.500	11/01/2008	612,959	636,171
FHLMC Group #18-6569	AAA	8.500	09/01/2008	421,813	439,035
FHLMC Group #18-9423	AAA	12.000	04/01/2014	288,065	330,915
FHLMC Group #18-9501	AAA	11.500	04/01/2010	252,635	282,120
FHLMC Group #30-4299	AAA	8.500	09/01/2018	5,338,156	5,600,473
FHLMC Group #G10430	AAA	7.000	10/01/2010	17,599,824	17,614,432
FHLMC Multiclass 1161-G	AAA	8.000	11/15/2020	5,704,360	5,771,286
FHLMC Multiclass 1241	AAA	7.000	10/15/2019	10,000,000	10,071,800
FHLMC Multiclass 1416-PK	AAA	7.550	02/15/2021	14,625,000	15,077,351
FHLMC Multiclass 1543-PI	AAA	7.000	09/15/2021	8,684,000	8,708,402
FHLMC Multiclass 1685-G	AAA	6.000	09/15/2023	12,000,000	11,201,160
FHLMC Multiclass 1731-G	AAA	6.250	03/15/2024	15,000,000	12,853,050
FHLMC Multiclass 1747-H	AAA	7.870	06/15/2023	12,000,000	12,671,160
FHLMC Multiclass 1768-PG	AAA	7.500	03/15/2022	19,131,000	19,668,964
FHLMC Multiclass 1839-C	AAA	6.500	04/15/2025	13,833,000	12,390,171
FHLMC Multiclass G24-H	AAA	6.000	09/25/2022	10,000,000	9,437,500
FHLMC Note	AAA	6.970	10/03/2005	15,000,000	14,857,050
FHLMC/GNMA Multiclass Ser 21	AAA	6.250	08/25/2022	15,000,000	14,409,300
FNMA	AAA	7.930	09/20/2006	30,000,000	30,670,200
FNMA	AAA	6.400	03/25/2003	5,230,000	5,116,404
FNMA Debs	AAA	7.550	06/10/2004	10,000,000	10,160,900
FNMA Debs	AAA	7.000	05/10/2001	15,000,000	15,154,650
FNMA Med Term Nt	AAA	7.210	06/18/2001	20,000,000	20,131,200
FNMA Med Term Nt	AAA	6.625	11/05/2001	10,000,000	10,012,500
FNMA Med Term Nt	AAA	7.150	11/03/2010	12,000,000	11,731,920
FNMA Pool # 303455	AAA	8.500	07/01/2025	18,485,802	19,202,127
FNMA Pool # 337431	AAA	6.500	03/01/2026	11,420,604	10,906,677
FNMA Pool # 339174	AAA	6.500	03/01/2026	13,817,492	13,195,705
FNMA Pool #70199	AAA	8.500	02/01/2019	2,784,944	2,914,611
FNMA Pool #83313	AAA	7.500	10/01/2019	1,574,060	1,588,100
FNMA Remic Tr 1992-198L	AAA	6.500	05/25/2021	10,393,000	10,074,662

DETAILED INVESTMENT LISTING*Combined Bond Portfolio (Continued)*

As of December 31, 1996

Bond Name	Rating	Coupon	Maturity	Par Value	Market Value
Federal Agencies (Continued)					
FNMA Remic Tr 1993-21H	AAA	7.000	03/25/2022	\$ 15,000,000	14,732,700
FNMA Remic Tr 1993-23PM	AAA	7.050	04/25/2022	20,162,000	20,111,595
FNMA Remic Tr G94-5PH	AAA	7.000	01/17/2022	15,000,000	15,051,450
GNMA Gtd Ser 1996-17 Cl-C	AAA	7.000	06/16/2020	10,000,000	9,915,600
GNMA Pool # 194907	AAA	9.000	11/15/2016	123,830	132,845
GNMA Pool # 316079	AAA	8.000	02/15/2022	4,887,329	5,021,730
GNMA Pool # 327173	AAA	8.000	06/15/2021	3,962,716	4,083,540
GNMA Pool # 348813	AAA	7.500	06/15/2023	22,658,533	22,764,575
GNMA Pool # 352865	AAA	8.000	08/01/2024	11,115,237	11,358,327
GNMA Pool # 352921	AAA	8.000	07/15/2024	26,081,225	26,651,621
GNMA Pool # 354681	AAA	8.000	10/15/2023	8,805,227	9,014,263
GNMA Pool # 354741	AAA	8.000	01/15/2024	3,091,941	3,165,343
GNMA Pool # 354782	AAA	8.000	03/15/2024	6,769,504	6,930,212
GNMA Pool # 354857	AAA	8.000	07/15/2024	12,200,159	12,466,976
GNMA Pool # 365885	AAA	7.500	12/15/2023	979,933	984,519
GNMA Pool # 368880	AAA	7.500	12/15/2023	5,671,891	5,693,161
GNMA Pool # 369457	AAA	8.000	09/15/2024	5,917,141	6,057,614
GNMA Pool # 377615	AAA	7.500	09/15/2025	10,761,367	10,771,375
GNMA Pool # 385321	AAA	8.000	12/15/2024	4,135,048	4,225,482
GNMA Pool # 385370	AAA	8.000	06/15/2025	13,085,720	13,359,604
GNMA Pool # 385380	AAA	8.000	07/15/2025	3,516,376	3,589,974
GNMA Pool # 400113	AAA	8.000	09/15/2026	2,963,823	3,023,099
GNMA Pool # 403965	AAA	8.000	09/15/2024	11,430,621	11,680,608
GNMA Pool # 403978	AAA	8.000	10/15/2024	2,834,718	2,896,714
GNMA Pool # 405197	AAA	8.000	12/15/2025	2,924,832	2,986,049
GNMA Pool # 405528	AAA	8.000	11/15/2025	3,201,339	3,268,343
GNMA Pool # 405558	AAA	7.500	01/15/2026	7,850,295	7,857,596
GNMA Pool # 410214	AAA	8.000	12/15/2025	7,316,555	7,469,691
GNMA Pool # 410301	AAA	8.000	12/15/2025	12,273,067	12,529,942
GNMA Pool # 412669	AAA	8.000	09/15/2026	14,795,090	15,090,992
GNMA Pool # 412774	AAA	8.000	07/15/2025	3,491,338	3,564,412
GNMA Pool # 413127	AAA	8.000	09/15/2025	6,562,074	6,699,418
GNMA Pool # 414702	AAA	8.000	10/15/2025	4,135,086	4,221,634
GNMA Pool # 415762	AAA	8.000	11/15/2025	5,843,738	5,966,047
GNMA Pool # 419241	AAA	8.000	11/15/2025	3,113,014	3,178,170
GNMA Pool # 420189	AAA	8.000	11/15/2025	3,512,167	3,585,677
GNMA Pool # 427646	AAA	8.000	09/15/2026	987,627	1,007,380
GNMA Pool # 429374	AAA	7.500	03/15/2026	5,815,864	5,821,273
GNMA Pool # 780042	AAA	8.000	01/15/2025	5,501,296	5,631,896
GNMA Pool # 780190	AAA	7.500	07/15/2025	5,685,391	5,701,366
GNMA Pool # 780247	AAA	8.000	09/15/2025	14,234,714	14,546,028
Residential Funding Mortgage 1993	AAA	7.500	08/25/2023	6,603,785	6,603,785
Residential Funding Mortgage Conduits	AAA	8.000	07/25/2007	6,015,666	6,153,685
Tennessee Valley Authority Series E	AAA	7.250	07/15/2043	15,000,000	14,566,350
Total Federal Agencies				810,442,741	810,453,931
Total Domestic				1,980,020,961	1,936,410,861
INTERNATIONAL					
Rogge International Fixed Income					288,493,049
Total Bonds				\$1,980,020,961	2,224,903,910

DETAILED INVESTMENT LISTING

Combined Stock Portfolio

As of December 31, 1996

Description	Shares	Fair Value	Description	Shares	Fair Value	Description	Shares	Fair Value
DOMESTIC			American Power			Bankers Trust New		
360 Communications	83,266	\$ 1,935,935	Conversion Corp	49,900	\$ 1,359,775	York Corp	22,900	\$ 1,975,125
A C Nielsen Corp	14,200	216,550	American Real Estate			Banta Corp	16,650	380,869
Abbott Laboratories	165,500	8,399,124	Partners MLP	466,700	4,258,638	Bard (C R) Inc	3,000	84,000
Acuson	14,600	355,875	American Stores Co	68,900	2,816,288	Barnett Banks Inc	19,500	801,938
ACX Technologies Inc	31,400	624,075	American Telephone			Barrick Gold Corp	72,700	2,090,125
Acxiom	24,400	585,600	& Telegraph Corp	343,170	14,884,998	Barry R.G. Corp	247,700	2,724,700
ADC Telecommunications	287,500	8,948,437	American Water Works			Battle Mountain Gold Co	55,300	380,188
Adobe Sys Inc	39,200	1,465,100	Co Inc	41,400	853,875	Bausch & Lomb Inc	33,400	1,169,000
Advanced Micro			Amerisource Distr Corp			Baxter International Inc	81,040	3,322,640
Devices Inc	7,100	182,825	Class A	24,100	1,162,825	Bay Apartment		
Advanced Tech Labs Inc	7,400	229,400	Ameritech Corp	107,100	6,492,938	Communities Inc	20,000	720,000
AES Corp	40,113	1,865,255	Ametek Inc	17,500	389,375	BCE Inc	245,000	11,698,749
AES Corp Warrants	19	390	Amgen Inc	141,200	7,677,750	Beacon Properties Corp	96,200	3,523,325
Aetna Inc	33,862	2,708,960	Amoco Corp	156,100	12,585,562	Bear-Stearns &		
AFLAC Inc	75,050	3,208,387	AMP Inc	98,072	3,763,513	Companies Inc	134,378	3,745,787
AGL Resources	29,600	625,300	AMR Corp	59,400	5,234,625	Beckman Instruments Inc	28,500	1,093,688
Ahmanson (H F) & Co	50,800	1,651,000	Anadarko Petroleum Corp	31,600	2,046,100	Becton Dickinson & Co	8,000	347,000
Air Prod & Chem Inc	34,500	2,384,813	Analog Devices Inc	61,600	2,086,700	Bed Bath & Beyond Inc	187,600	4,549,300
Airborne Freight Corp	11,300	264,138	Andrew Corp	115,500	6,128,661	Bell Atlantic Corp	112,500	7,284,375
Airtouch			Angelica Corp	4,900	93,713	Bellsouth Corp	243,800	9,873,899
Communications Inc	123,400	3,115,850	Anheuser-Busch			Belo (A.H.) Corp Class A	68,300	2,381,963
AK Stl Holding Corp	46,700	1,850,488	Companies Inc	122,000	4,880,000	Bemis Co Inc	2,800	103,250
Alaska Air Group Inc	7,400	155,400	Ann Taylor Stores Corp	12,300	215,250	Beneficial Corp	33,700	2,135,738
Albany International Corp			AON Corp	12,100	751,713	Bergen Brunswig		
Class A	166,200	3,843,375	Apache Corp	47,900	1,682,488	Corp Class A	277,080	7,966,049
Albermarle Corp	30,300	549,188	APL Ltd	13,700	323,663	Best Buy Inc	22,800	242,250
Alberto-Culver Co Class B	1,500	72,000	Apple Computer Inc	31,600	659,650	Bethlehem Steel Corp	5,800	51,475
Albertson's Inc	8,500	302,813	Applied Materials Inc	44,400	1,595,603	Betz Lab Inc	14,800	865,800
Alcan Aluminum Ltd	60,075	2,020,022	Apria Healthcare Group Inc	86,200	1,616,250	Beverly Enterprises Inc	5,200	66,300
Alcatel Alsthom ADR	401,500	6,423,999	Arbor Drugs	43,050	747,994	Biogen Inc	38,000	1,472,500
Alco Standard Corp	8,000	413,000	Archer-Daniels-Midland Co	200,988	4,421,736	Biomet Inc	64,900	981,613
Alexander & Alexander			Armco Inc	104,000	429,000	Bisys Group Inc	37,400	1,386,119
Services Inc	2,400	41,700	Armstrong World			BJ Services Co	66,600	3,396,600
Alexander & Baldwin Inc	24,200	605,000	Industries Inc	32,200	2,237,900	Black Box Corp	21,700	895,125
Aliant Communications Inc	19,600	333,200	Arnold Industries Inc	14,300	227,013	Black Hills Corp	7,700	216,563
Allegheny Power System	64,700	1,965,263	Arrow Electronics Inc	27,112	1,450,492	Black & Decker Corp	59,200	1,783,400
Allegiance Corp	11,488	317,356	Arvin Industries Inc	11,900	294,525	BMC Software Inc	203,000	8,399,125
Allegry Teledyne Inc	45,000	1,035,000	Asarco Inc	2,200	54,725	Boatmen's Bancshares Inc	58,900	3,799,050
Allergan Inc	9,100	324,188	Ashland Inc	3,400	149,175	Boeing Co	94,564	10,071,065
Allied Signal Inc	143,834	9,636,877	AST Resch Inc	23,928	100,187	Boise Cascade Corp	152,634	4,846,130
Allstate Corp	149,248	8,637,727	Astoria Financial Corp	79,100	2,916,813	Bombardier Inc Class B	126,000	2,326,086
Alltel Corp	76,800	2,409,600	Atlantic Energy Inc	28,100	481,213	Borg Warner Security Corp	325,000	3,493,750
Altera Corp	23,400	1,700,876	Atlantic Richfield Co	50,100	6,638,249	Borland International Inc	16,500	89,711
Alumax Inc	24,000	804,000	Atlantic Southeast			Boston Chicken Inc	28,800	1,033,200
Aluminum Company			Airlines Inc	16,700	365,313	Boston Scientific Corp	31,300	1,878,000
of America	379,400	\$24,186,749	Atmel Corp	91,800	3,040,875	Bowater Inc	72,600	2,731,575
Amdahl Corp	6,300	76,388	Auto Data Processing Inc	78,600	3,369,975	Bradley Real Estate Inc	273,358	4,920,444
Amerada Hess Corp	150,900	8,733,338	Avalon Properties Inc	117,700	3,383,875	Briggs & Stratton Corp	1,500	66,000
America On-line	46,400	1,542,800	Avery Dennison Corp	119,800	4,237,925	Brinker International Inc	41,100	657,600
America West Holding	782,000	12,414,249	Aviall Inc	734,300	6,792,275	Bristol Hotel Co	37,000	1,174,750
American Brands Inc	52,600	2,610,275	Aviation Sales Co	77,800	1,594,900	Bristol Myers Squibb Co	122,420	13,343,779
American Electric			Avnet Inc	23,200	1,351,400	British Petroleum ADR	13,800	1,950,975
Power Co Inc	48,600	1,998,675	Avon Prod Inc	7,900	451,288	Brooklyn Union Gas Co	26,300	792,288
American Express Co	119,500	6,751,749	B E Aerospace Inc	696,200	18,884,424	Brown Group Inc	37,300	676,063
American Financial			BA Merchant Services Inc			Brown-Forman Inc Class B	12,700	581,025
Group Inc	32,500	1,226,875	Class A	21,000	375,375	Browning-Ferris		
American General Corp	83,400	3,408,974	Baker Hughes Inc	209,800	7,238,100	Industries Inc	174,200	4,572,750
American Greetings Corp			Baker J Inc	400,000	2,124,800	Brunswick Corp	68,000	1,632,000
Class A	3,900	110,663	Ball Corp	1,600	42,000	Brush Wellman Inc	8,500	139,188
American Home Products			Ballard Med Prod	47,400	882,825	Buffets Inc	16,700	152,388
Corp	147,500	8,647,187	Baltimore Gas &			Burlington Industries Inc	33,400	367,400
American International			Electric Co	73,050	1,954,088	Burlington Northern		
Group Inc	148,680	16,094,609	Banc One Corp	119,656	5,145,208	Santa Fe Corp	55,109	4,760,040
American Medical			Bancorp Haw Inc	51,225	2,151,450	Burlington Resources Inc	13,500	680,063
Response Inc	26,700	867,750	Bank of Boston Corp	81,100	5,210,675	Cabletron Sys Inc	8,400	279,300
American Oncology			Bank of New York Co Inc	143,900	4,856,625	Cabot Corp	57,700	1,449,713
Resources	65,200	668,300	Bank Plus Corp	455,917	5,243,046	Cadence Design Systems Inc	90,400	3,570,800
			BankAmerica Corp	139,884	13,953,428	Calenergy Inc	27,800	934,775

DETAILED INVESTMENT LISTING

Combined Stock Portfolio (Continued)

As of December 31, 1996

Description	Shares	Fair Value	Description	Shares	Fair Value	Description	Shares	Fair Value
Calgon Carbon Corp	21,600	\$ 264,600	Clayton Homes Inc	63,348	\$ 855,191	Cypress Semiconductor Corp	42,500	\$ 600,313
Caliber Systems Inc	19,200	369,600	Cleveland-Cliffs Inc	58,300	2,645,363	Cyprus Amax Minerals Co	35,900	843,650
California Federal Bancorp Inc	157,667	3,862,842	Clorox Co	29,600	2,971,100	Cytec Industries	49,200	1,998,750
California Realty Corp	130,500	4,029,188	CML Group Inc	26,300	88,763	Dana Corp	48,000	1,566,000
Callaway Golf Co	35,500	1,020,625	CMS Energy Corp	49,100	1,650,988	Danaher Corp	84,900	3,958,463
Calmat Co	12,400	232,500	Coast Savings Financial Inc	110,000	4,028,750	Danielson Holding Corp	914,200	4,571,000
Camco International Inc	74,500	3,436,313	Coastal Corp	5,500	268,813	Darden Restaurants Inc	45,500	398,125
Camden Property Trust	86,300	2,470,338	Coca Cola Co	556,500	29,285,812	Dart Group Corp Class A	11,500	1,069,500
Campbell Soup Co	9,000	722,250	Coca Cola Enterprises Inc	67,000	3,249,500	Data General Corp	106,600	1,545,700
Canadaigua Wine Inc Class A	230,000	6,554,999	Cognizant Corp	42,600	1,405,800	Datascope Corp	8,600	172,000
Canadian Imperial Bank	35,000	1,543,850	Cohr Inc	26,900	726,300	Dauphin Deposit Corp	16,300	537,900
Canadian Pacific Ltd	155,000	4,107,500	Colgate-Palmolive Co	34,182	3,153,290	Dayton-Hudson Corp	113,500	4,454,875
Capital I Financial	31,000	1,116,000	Colonial Properties Trust	71,700	2,177,888	Dean Foods Co	21,450	691,763
Caraustar Industries Inc	50,000	1,662,500	Columbia Gas Systems Inc	35,500	2,258,688	Dean Witter Discover & Co	66,600	4,412,250
Cardinal Health Inc	169,463	9,871,191	Columbia Realty Trust	82,000	1,865,500	Deere & Co	97,600	3,952,800
Carlisle Companies Inc	8,100	490,050	Columbia /HCA Healthcare Corp	167,050	6,807,288	Dell Computer Corp	107,200	5,695,000
Carolina Power & Light Co	16,100	587,650	Comcast Corp Class A	16,600	295,679	Delmarva Power & Light Co	32,500	662,188
Carpenter Tech Corp	8,900	325,963	Comdisco Inc	87,395	2,774,791	Delta Air Lines Inc	30,300	2,147,513
CarrAmerica Realty Corp	148,800	4,352,400	Comerica Inc	14,000	733,250	Deluxe Corp	26,200	858,050
Carter-Wallace Inc	24,700	385,938	Compaq Computer Corp	100,800	7,497,000	Dentsply International Inc	14,400	684,000
Cascade Communications Corp	60,000	3,307,500	Computer Assoc International Inc	169,200	8,417,699	Developers Diversified Realty Corp	61,000	2,264,625
Case Corp	72,600	3,956,700	Computer SCI Corp	4,200	344,925	Dexter Corp	43,800	1,396,125
Catalina Marketing Corp	8,600	474,075	Compuware Corp	42,500	2,130,313	Diagnostic Products Corp	7,200	186,300
Catellus Development Corp	507,400	5,771,675	Comsat Corp Series 1	25,700	632,863	Diebold Inc	97,087	6,104,345
Caterpillar Inc	92,800	6,983,199	Conagra	62,525	3,110,619	Digital Equipment Corp	41,500	1,504,375
CBL & Assoc Properties Inc	66,200	1,712,925	Concord	115,330	3,258,073	Dillard Dept Stores Inc Class A	86,400	2,667,600
C-Cube Microsystems Inc	43,000	1,588,291	Conrail	8,300	826,888	Dole Food Inc	32,100	1,087,388
Celtrix Pharmaceuticals Inc	13,424	26,848	Conseco	298	19,010	Dollar General Corp	38,562	1,233,984
Centerpoint Properties Corp	57,100	1,870,025	Consolidated Edison Co New York Inc	60,500	1,762,063	Dominion Resources Inc	53,200	2,048,200
Centex Corp	1,500	56,438	Consolidated Freightways Corp	301,100	2,672,263	Donaldson Co Inc	13,700	458,950
Centocor	36,100	1,290,575	Consolidated Natural Gas Co	31,300	1,729,325	Donaldson Lufkin & Jenrette Inc	55,200	1,987,200
Central Louisiana Electric Co Inc	12,000	331,500	Consolidated Papers Inc	23,900	1,174,088	Donnelley R R & Sons Co	39,100	1,226,763
Central Maine Power Co	189,200	2,199,450	Continental Airlines Inc Class B	100,000	2,825,000	Dover Corp	54,400	2,747,200
Central & South West Corp	61,800	1,583,625	Cooper Cameron Corp	14,719	1,126,004	Dow Chemicals Co	77,800	6,097,575
Century Fidelity Banks Inc	31,350	807,263	Cooper Ind Inc	34,245	1,442,571	Dow Jones & Co Inc	31,650	1,072,144
Century Telephone Enterprises Inc	31,650	977,194	Cooper Inds Inc	7,500	145,313	DQE Inc	55,400	1,606,600
Ceridian Corp	4,000	162,000	Cooper Tire & Rubber Co	4,400	86,900	Dresser Industries Inc	56,200	1,742,200
CH & Dwight Co Inc	10,400	237,900	Coors Adolph Co Class B	31,300	594,700	Dreyer's Grand Ice Cream Inc	6,900	200,100
Champion International	29,113	1,259,137	Coram Healthcare Corp	938,274	4,574,085	DSC Communications Corp	49,700	888,388
Charming Shoppes Inc	5,500	27,841	Corestates Financial Corp	7,500	389,063	DTE Energy Co	90,700	2,936,413
Chase Manhattan Corp	134,576	12,027,729	Corning Inc	9,400	434,750	Du Pont E I De Nemours & Co	141,000	13,271,624
Chelsea GCA Realty Inc	59,400	2,056,725	Corrections Corp America	18,800	573,400	Duke Power Co	48,200	2,229,250
Chesapeake Corp	12,500	392,188	Cost Plus Inc California	23,100	441,788	Dun & Bradstreet Corp	49,400	1,173,250
Chevron Corp	162,600	10,568,999	Cousins Properties Inc	89,600	2,520,000	Duriron Co Inc	13,100	355,338
Chiquita Brands International Inc	330,600	4,215,150	Cox Communications Inc Class A	28,055	648,772	Duty Free International Inc	14,600	211,700
Chiron Corp	89,184	1,661,052	CPC International Inc	37,800	2,929,500	E G & G Inc	2,500	50,313
Chris-Craft Industries Inc	16,040	661,650	CPI Corp	7,400	123,950	Earthgrains Co	2,104	109,934
Chrysler Corp	198,102	6,537,366	CRA Managed Care Inc	32,100	1,444,500	Eastern Enterprises	1,100	38,913
Chubb Corp	62,100	3,337,875	Cracker Barrel Old Country Store Inc	32,275	818,978	Eastman Chemical Co	31,600	1,745,900
Cigna Corp	33,700	4,604,263	Crane Co	2,400	69,600	Eastman Kodak Co	90,725	7,280,681
Cincinnati Bell Inc	32,000	1,972,000	Crescent Real Estate Equities Inc	90,700	4,784,425	Eaton Corp	47,500	3,313,125
Cincinnati Milacron Inc	70,400	1,540,000	Crestar Financial Corp	31,800	2,365,125	Echelon International Corp	3,447	53,854
Cinergy Corp	39,300	1,311,638	Crompton & Knowles Corp	25,900	498,575	Echlin Inc	46,400	1,473,200
Cintas Corp	59,400	3,489,750	Cross (A T) Co Class A	8,900	103,463	Echo Bay Mines Ltd	7,300	48,363
Circuit City Stores Inc	5,100	153,638	Crown Cork & Seal Co Inc	6,800	369,750	Edison International	433,000	8,605,875
Circus Circus Enterprises Inc	93,600	3,217,500	Crown Vantage Inc	3,540	30,090	Edwards A.G. Inc	33,850	1,138,206
Cirrus Logic Inc	34,000	527,000	CSX Corp	80,400	3,396,900	El Paso Electric Co	208,100	1,352,650
Cisco Systems Inc	398,000	25,322,749	CUC Corp	55,662	1,349,804	El Paso Natural Gas Co	82,741	4,178,421
Citicorp	184,600	19,013,799	Cummins Engine Co Inc	17,100	786,600	Electrical Arts	28,100	841,230
City National Corp	23,700	512,513	CVS Corp	25,100	1,038,513	Elsag Bailey	595,000	11,156,249
Claire's Stores Inc	25,500	334,688				EMC Corp	93,600	3,100,500
						Emerson Electric Co	61,200	5,928,750
						Engelhard Corp	68,925	1,318,191

DETAILED INVESTMENT LISTING

Combined Stock Portfolio (Continued)

As of December 31, 1996

Description	Shares	Fair Value	Description	Shares	Fair Value	Description	Shares	Fair Value
Ennis Business Forms Inc	8,800	\$ 99,000	Fresenius National Med.			Hasbro Inc	129,500	\$ 5,034,313
Enron Corp	72,900	3,143,813	CID SPI Div.	54,400	\$ 7,072	Hawaiian Electric		
Enron Oil & Gas Co	50,800	1,282,700	Frontier Corp	84,500	1,911,813	Industries Inc	16,100	581,613
EnSCO International Inc	67,400	3,268,900	Fruit of the Loom Class A	4,000	151,500	HBO & Co	211,000	12,528,124
Enserch Corp	51,500	1,184,500	Fuller (H.B.) Co	7,500	352,500	HCIA Inc	3,000	103,500
Entergy Corp	86,300	2,384,038	G & K Services Inc	58,800	2,219,700	Health Care Property		
Equifax Inc	83,800	2,566,375	Gannett Co Inc	4,800	359,400	Investors Inc	39,300	1,375,500
Ethan Allen Interiors Inc	47,800	1,840,300	Gap Inc	132,600	3,994,575	Health Care REIT Inc	42,700	1,046,150
Ethyl Corp	63,300	601,350	GATX Corp	10,800	523,800	Health Care & Retirement		
Evans Bob Farm Inc	22,766	307,341	Gaylord Container Corp			Corp	24,800	709,900
Everest Reins			Class A	200,000	1,225,000	Healthcare Compare		
Holdings Inc	89,200	2,564,500	Gen Re Corp	20,500	3,233,875	Corp	103,700	4,394,288
Exabyte Corp	11,700	156,488	GenCorp Inc	137,900	2,499,438	Healthsource Inc	34,000	446,250
Exide Corp	310,000	7,168,750	General Dynamics Corp	30,800	2,179,100	Healthsouth Corp	146,395	5,654,507
Exxon Corp	335,700	32,898,599	General Electric Co	368,900	36,474,987	Heilig-Meyers Co	26,000	419,250
F P L Group Inc	45,300	2,083,800	General Instruments Corp	12,400	269,700	Heinz (H J) Co	86,100	3,078,075
Family Dollar Stores Inc	30,400	619,400	General Mills Inc	5,100	324,488	Helmerich & Payne Inc	73,200	3,815,550
Fastenal	20,300	928,725	General Motors			Hercules Inc	36,700	1,587,275
Federal Express Corp	6,000	267,000	Common Stock	249,900	13,931,924	Heritage Media Corp	200,000	2,250,000
Federal Home Loan			General Nutrition			Hershey Foods Corp	8,800	385,000
Mortgage Corp	104,600	11,545,225	Companies	41,400	698,625	Hewlett-Packard Co	221,600	11,135,399
Federal National			General Signal Corp	52,900	2,261,475	Hexcel Corp	400,000	6,500,000
Mortgage Assoc.	360,100	13,548,762	Genuine Parts Co	36,175	1,609,788	HFS Inc	103,800	6,202,050
Federal Realty			Genzyme Corp	73,600	1,600,800	Hibernia Corp Class A	65,300	865,225
Investment Trust	120,500	3,268,563	Georgia Gulf Corp	19,500	524,063	Highlands Insurance		
Federal Signal Corp	24,200	626,175	Georgia-Pacific Corp	23,800	1,713,600	Group Inc	2,560	51,840
Federal-Mogul Corp	18,800	413,600	Geoworks	5,419	132,766	Highwoods Properties Inc	128,100	4,323,375
Federated Department			Giant Cement Holding Inc	105,000	1,693,125	Hilton Hotels Corp	114,400	3,003,000
Stores Inc	21,500	733,688	Giant Food Inc Class A	3,100	106,950	Home Depot Inc	129,749	6,503,669
Ferro Corp	14,300	405,763	Giant Industries Inc	80,600	1,128,400	Home State Holdings Inc	125,000	968,750
FHP International Corp	21,600	801,900	Gibson Greetings Inc	8,600	168,775	Homestake Mining Co	34,600	493,050
Fifth Third Bancorp	11,400	716,057	Giddings & Lewis Inc	1,800	23,175	HON Industries Inc	41,300	1,362,900
Figgie International			Gillette Co	229,300	17,828,074	Honeywell Inc	49,100	3,228,325
Holding Inc Class A	485,000	5,820,000	Glatfelter (P.H.) Co	22,900	412,200	Horizon/CMS		
Fila Holding SPA ADR	18,400	1,067,200	Glendale Federal Bank			Healthcare Corp	27,735	350,154
Fingerhut Companies Inc	24,600	301,350	Series E Cum Conv Pfd	121,000	7,108,750	Houghton Mifflin Co	7,800	441,675
Finova Group Inc	62,000	3,983,500	Glimcher Realty Trust	58,000	1,276,000	Household International Inc	9,600	885,600
First Bank Systems Inc	33,500	2,286,375	Global Marine Inc	240,600	4,962,375	Houston Industries Inc	79,900	1,807,738
First Brands Corp	22,200	629,925	Golden Books Family			HSN Inc	21,825	518,344
First Chicago Corp	103,801	5,579,304	Entertainment	11,300	125,713	Hubbell Inc Class B	35,250	1,524,563
First Data Corp	286,700	10,464,549	Golden West Financial Corp	3,000	189,375	Hughes Supply	38,000	1,638,750
First of America			Goodrich (B F) Co	85,200	3,450,600	Humana Inc	119,500	2,270,500
Bank Corp	33,900	2,038,238	Goodyear Tire &			Hunt (J.B.) Transportation		
First Security Corp	40,125	1,354,219	Rubber Co	101,100	5,194,013	Services Inc	20,300	284,200
First Tennessee			Goulds Pumps Inc	11,400	261,482	IBP Inc	153,500	3,722,375
National Corp	35,900	1,346,250	GPU Inc	106,900	3,594,513	Idaho Power Co	20,100	625,613
First Union Corp	78,565	5,813,810	Grace (W R) & Co	28,300	1,464,525	IDEXX Laboratories Inc	34,100	1,227,600
First USA Paymentech Inc	16,000	542,000	Grainger (W W) Inc	27,600	2,214,900	IHOP Corp	50,000	1,181,250
First Virginia Banks Inc	17,950	859,356	Granite Construction Inc	9,700	184,300	Illinois Central Corp		
Firstar Corp	39,300	2,063,250	Great Atlantic & Pacific			Series A	32,825	1,050,400
Fiserv Inc	24,000	882,000	Tea Co Inc	82,400	2,626,500	Illinois Tool Works Inc	4,700	375,413
Fleet Financial Group Inc	56,966	2,841,179	Great Lakes Chemical Corp	78,700	3,679,225	Illinova Corp	119,500	3,286,250
Fleetwood Enterprises Inc	1,900	52,250	Great Western Financial	56,950	1,651,550	Imation Corp	152,130	4,278,656
Fleming Companies Inc	47,700	822,825	Greentree Financial Corp	217,800	8,412,525	IMC Global Inc	78,800	3,083,050
Flightsafety			GTE Corp	210,400	9,546,899	Inco Ltd	38,500	1,227,188
International Inc	78,700	3,767,763	Guidant Corp	29,500	1,681,500	Indiana Energy Inc	12,050	293,719
Florida Progress Corp	51,700	1,667,325	Haemonetics Corp	45,700	862,588	Information Resources Inc	34,739	486,346
Flowers Industries Inc			Halliburton Co	126,800	7,639,700	Informix Corp	110,650	2,254,494
Class A	30,950	665,425	Hancock Fabrics Inc	11,500	119,313	Ingersoll-Rand Co	13,500	600,750
FMC Corp	31,700	2,222,963	Hanna (M.A.) Co	27,825	608,672	Inland Steel Industries Inc	33,200	664,000
Footstar Inc	4,807	119,574	Hannaford Bros Co	22,600	768,400	Integrated Device		
Ford Motor Co	382,200	12,325,949	Harcourt General Inc	28,200	1,300,725	Technologies Inc	41,400	564,075
Forest Laboratories Inc	56,400	1,847,100	Harley Davidson Inc	80,300	3,774,100	Intel Corp	251,000	32,865,186
Foundation Health Corp	76,800	2,438,400	Harnischfeger Industries Inc	46,100	2,218,563	Intelligent Electronics Inc	18,500	148,000
Franklin Resources Inc	43,000	2,940,125	Harrish's Entertainment Inc	200	3,975	Intergraph Corp	2,500	25,625
Freeport McMoran			Harris Corp	2,000	137,250	Interim Services Inc	38,400	1,363,200
C & G Class B	63,500	1,897,063	Harsco Corp	34,300	2,349,550	International Business		
Fresenius Medical Care			Hartford Steam Boiler			Machines Corp	177,200	26,845,799
Actiengesellschaft ADR	25,597	719,916	Inspection & Insurance	10,800	500,850			

DETAILED INVESTMENT LISTING

Combined Stock Portfolio (Continued)

As of December 31, 1996

Description	Shares	Fair Value	Description	Shares	Fair Value	Description	Shares	Fair Value
International Dairy Queen Inc Class A	12,100	\$ 242,000	Lilly (Eli) & Co	115,800	\$8,453,399	Media General Inc Class A	14,100	\$ 426,525
International Game Technology	67,100	1,224,575	Lincoln National Corp	42,800	2,247,000	Medtronic Inc	111,700	7,595,600
International Multifoods Corp	296,700	5,377,688	Linear Technology Corp	61,000	2,676,375	Mellon Bank Corp	97,409	6,916,039
International Paper Co	59,500	2,409,750	Liposome Inc	200,000	3,825,000	Mentor Graphics Corp	32,900	320,775
Interpublic Group Companies Inc	7,900	375,250	Litton Industries Inc	24,800	1,181,100	Mercantile Bancorporation Inc	33,450	1,718,494
Inter-Regional Financial Group Inc	30,000	1,057,500	Liz Claiborne Inc	64,100	2,475,863	Mercantile Bankshares Corp	68,450	2,190,400
Intersolv Inc	200,000	1,850,000	Lockheed Martin Corp	47,498	4,346,067	Mercantile Stores Co Inc	3,100	153,063
Interstate Bakeries Corp	30,400	1,493,400	Loctite Corp	17,200	1,047,050	Merck & Co Inc	272,300	21,681,888
Interstate Hotels Co	19,000	536,750	Loews Corp	9,800	923,650	Meridian Industrial Trust Inc	32,700	686,700
Intertan Inc	200,000	975,000	London & Overseas Freighters ADR	42,500	520,625	Merrill Lynch & Co Inc	66,700	5,436,050
IPALCO Enterprises Inc	30,350	827,038	Lone Star Steakhouse Saloon	21,400	572,450	Meyer Fred Inc	76,400	2,712,200
Irvine Apartment Communities Inc	63,400	1,585,000	Lone Star Technologies Inc	185,000	3,145,000	MGIC Investment Corp	35,000	2,660,000
ITT Corp	22,900	993,288	Long Drug Stores Corp	1,000	49,125	Michael Foods	10,300	131,325
ITT Hartford Group Inc	50,600	3,415,500	Longview Fibre Co	96,600	1,775,025	Michaels Stores Inc	200,000	2,400,000
ITT Industries Inc	25,700	629,650	Louisiana Land & Exploration Co	176,800	\$9,480,899	Micro Warehouse Inc	18,200	213,850
Ivax Corp	164,150	1,682,538	Louisiana-Pacific Corp	44,086	931,317	Micron Technology Inc	57,000	1,660,125
Jacobs Engineering Group Inc	13,800	326,025	Lowes Companies Inc	76,100	2,711,063	Microponent Technology Inc	377	990
James River Corp	45,700	1,513,813	LSI Logic Corp	18,700	500,225	Microsoft Corp	344,000	28,422,999
Jefferson-Pilot Corp	3,700	209,513	LTD Inc	76,751	1,410,300	Mid-American Energy Holdings Co	53,825	854,472
Johnson Controls Inc	2,200	182,325	LTV Corp	132,200	1,569,875	Miller Herman Inc	40,200	2,276,325
Johnson & Johnson	386,800	19,243,299	Lubrizol Corp	32,700	1,013,700	Mills Corp	86,200	2,058,025
Jones Apparel Group Inc	110,400	4,126,200	Luby's Cafeterias Inc	1,300	25,838	Min Technologies Inc	112,100	4,596,100
Jostens Inc	98,000	2,070,250	Lucent Technologies Inc	115,215	5,328,694	Minnesota Mining & Manufacturing Co	101,600	8,432,800
JP Realty Inc Inc	70,600	1,826,775	Lukens Inc	7,900	158,988	Minnesota Power & Light Co	16,900	464,750
K Mart Corp	906,200	9,401,825	Lyondell Petrochemical Co	42,800	946,950	Mirage Resorts Inc	98,600	2,132,225
Kansas City Power & Light Co	33,100	943,350	Mac Frugals Bargains Close Outs Inc	13,600	355,300	MK Rail Corp	229	1,789
Kansas City Southern Indiana Inc	20,500	922,500	Macerich Co	110,900	2,897,263	Mobil Corp	105,600	12,909,600
Kaufman & Broad Home Corp	2,000	25,750	Magnetek Inc	13,200	169,950	Mobile Telecommunications Technologies	45,200	384,200
Kaydon Corp	8,800	414,700	Mail Boxes Etc	31,000	697,500	Modine Manufacturing Co	15,900	425,325
Kellogg Co	52,400	3,438,750	Mallinckrodt Inc	50,600	2,232,725	Molex Inc	53,775	2,103,947
Kelly Services Inc Class A	20,325	548,775	Manor Care Inc	3,300	89,100	Molex Inc Class A	28,125	1,001,953
Kennametal Inc	19,800	769,725	Manpower Inc	43,400	1,410,500	Monsanto Co	160,000	6,220,000
Kerr-McGee	2,600	187,200	MAPCO Inc	76,900	2,614,600	Montana Power Co	29,200	624,150
KeyCorp	68,900	3,479,450	Mark IV Industries Inc	33,750	763,594	Moore Corp Limited	45,100	924,550
Keystone International Inc	380,600	7,659,574	Marriot International	7,600	419,900	Morgan Stanley Group Inc	13,600	776,900
Kimberly-Clark Corp	57,578	5,484,305	Marsh & Mc Lennan Companies Inc	18,700	1,944,800	Morgan (J P) & Co Inc	63,700	6,218,713
Kimco Realty Corp	97,600	3,403,800	Marshall & Ilsley Corp	49,600	1,717,400	Morrison Fresh Cooking Inc	2,337	10,809
King World Products Inc	2,000	73,750	Martin Marietta Materials Inc	30,172	701,499	Morrison Health Care Inc	3,116	45,961
KLÅ Instruments Corp	42,100	1,494,550	Masco Corp	56,200	2,023,200	Morrison Knudsen Corp	497	4,473
Knight-Ridder Inc	57,600	2,203,200	Mattel Inc	83,000	2,303,250	Morrison Knudsen Corp Series A Preferred	37	37
Koger Equity Inc	116,000	2,175,000	Maxicare Health Plans Inc	20,100	447,225	Morrison Knudsen Corp warrants	127	460
Kohls Corp	98,500	3,866,125	Maxim Integrated Products Inc	71,800	3,105,350	Morton International	15,500	631,625
Kroger Co	67,600	3,143,400	Maxxam Inc	4,700	223,838	Motorola Inc	174,800	10,706,499
La Quinta Inns Inc	52,900	1,011,713	May Department Stores Co	58,600	2,739,550	Murphy Oil Corp	24,000	1,335,000
Laboratory Corp American Holdings	65,736	188,991	May & Speh Inc	67,600	828,100	Mutual Risk Management Ltd	31,233	1,155,621
Laidlaw Inc Class B	16,400	188,600	Maytag Corp	5,300	104,675	Mylan Lab Inc	63,900	1,062,338
Lancaster Colony Corp	15,933	732,918	MBIA Inc	2,300	232,875	Nabors Industries Inc	45,100	868,175
Lance Inc	16,200	291,600	MBNA Corp	11,400	474,525	Nacco Industries Inc Class A	500	26,750
Lands End Inc	18,000	477,000	McCormick & Co Inc	43,500	1,024,947	Nalco Chemical Co	3,500	126,438
Lawson Products Inc	6,200	135,625	McDermott International Inc	305,000	5,146,875	National Bank of Canada Montreal Quebec	144,000	1,455,264
Lawter International Inc	24,100	304,263	McDonalds Corp	168,700	7,654,763	National City Corp	21,000	942,375
LCL International Inc	103,000	2,227,375	McDonnell Douglas Corp	128,700	8,445,938	National Data Corp	42,000	1,827,000
Lee Enterprises Inc	47,100	1,095,075	McGraw Hill Companies Inc	31,200	1,439,100	National Fuel Gas Co	20,100	829,125
Leggett & Platt Inc	48,300	1,672,388	MCI Communications Corp	244,500	7,991,972	National Presto Industries Inc	3,900	145,763
Lexmark International Group Inc Class A	120,900	3,339,863	McKesson Corp	22,900	1,279,538	National Semiconductor Corp	15,200	372,400
LG&E Energy Corp	35,400	867,300	McMoran Oil & Gas Co	3,400	7,436	National Service Industries Inc	38,450	1,437,069
			MCN Corp	35,700	1,030,838	NationsBank Corp	79,100	7,732,025
			Mead Corp	29,200	1,697,250			
			Meadowbrook Ins Group Inc	21,700	455,700			
			Measorex	8,500	204,000			
			Medaphis	38,100	426,225			

DETAILED INVESTMENT LISTING

Combined Stock Portfolio (Continued)

As of December 31, 1996

Description	Shares	Fair Value	Description	Shares	Fair Value	Description	Shares	Fair Value
Nationwide Health Properties	62,500	\$ 1,515,625	Oregon Metallurgical Corp	65,000	\$ 2,096,250	Potlatch Corp	1,500	\$ 64,500
Nautica Enterprises Inc	82,000	2,070,500	Oregon Steel Mills Inc	13,600	227,800	Potomac Electric Power Co	63,400	1,632,550
Navistar International Corp	4,000	36,500	Oryx Energy Co	162,700	4,026,825	PPG Ind Inc	48,600	2,727,675
NCH Corp	4,200	253,050	Outback Steakhouse Inc	24,100	644,675	Praxair Inc	188,600	8,699,174
Nellcor Puritan Bennett Inc	78,800	1,723,750	Overseas Shipholding Group Inc	92,400	1,570,800	Precision Castparts Corp	104,000	5,160,999
Nevada Power Co	25,400	520,700	P P & L Resources Inc	8,500	195,500	Premark International Inc	126,400	2,812,400
New England Electric Systems	34,700	1,210,163	Paccar Inc	2,000	136,000	Prentiss Properties Trust	69,200	1,730,000
New York State Electric & Gas Corp	95,100	2,056,538	Pacific Enterprises	44,300	1,345,613	Price Enterprises	12,100	210,238
New York Times Co Class A	59,500	2,261,000	Pacific Gas & Electric	291,100	6,113,100	Price (T Rowe) Associates Inc.	30,700	1,335,450
Newbridge Networks Corp	356,000	10,012,499	Pacific Greystone Corp	98,700	1,085,700	Price/Costco Inc	10,300	258,788
Newfield Exploration Co	25,000	1,300,000	Pacific Telesis Group	89,100	3,274,425	Procter & Gamble Co	145,410	15,649,750
Newhall Land & Farming Co MLP	379,000	6,395,625	Pacificare Health Systems Inc Class A	27,000	2,193,750	Progressive Corp Ohio	66,400	4,473,700
Newmont Mining Corp	42,185	1,887,779	Pacificare Health Systems Inc Class A	16,600	1,415,150	Promus Hotel Corp	115,000	3,406,875
Newport News Shipbuilding Inc	7,400	111,000	Pacificorp	71,400	1,463,700	Provident Companies Inc	24,300	1,175,513
Nextel Communications Inc Class A	469,800	6,136,528	Paine Webber Group Inc	129,800	3,650,625	Providian Corp	124,600	6,401,324
NFO Research	12,900	283,800	PanEnergy Corp	137,300	6,178,500	Public Service Co Colorado	34,200	1,329,525
Niagara Mohawk Power Corp	1,397,800	13,803,274	Papa Johns International Inc	16,100	543,375	Public Service Co New Mexico	22,300	437,638
Nicor Inc	2,600	92,950	Parametric Technology Corp	196,600	10,100,324	Public Storage Inc	132,400	4,104,399
Nike Inc Class B	110,800	6,648,000	Parker Drilling Co	30,000	288,750	Puget Sound Power & Light Co	34,000	816,000
Nine West Group	18,800	871,850	Parker & Parsley Petroleum Co	71,600	2,631,300	Pulte Corp	1,300	39,975
NIPSCO Industries Inc	63,700	2,524,113	Parker-Hannifin Corp	39,500	1,530,625	Quaker Oats Co	39,600	1,509,750
Noble Affiliates Inc	67,900	3,250,713	Patriot American Hospitality Inc	56,100	2,419,313	Quaker State Corp	19,100	267,400
Noble Drilling Corp	60,000	1,192,500	Paychex Inc	58,612	3,014,825	Qualcomm Inc	100,000	3,987,499
Noram Energy Corp	7,200	111,600	Payless Shoesource Inc	217,556	8,158,350	Quantum Corp	28,300	810,088
Nordic American Tanker Shipping Ltd	677,400	3,048,300	Peco Energy Co	102,600	2,590,650	Questar Corp	21,800	801,150
Nordson Corp	9,600	612,000	Penney (J.C.) Co Inc	54,500	2,656,875	Quorum Health Group Inc	80,100	2,382,975
Nordstrom Inc	36,500	1,293,451	Pennzoil Co	11,800	666,700	Ralston-Ralston Purina Group	4,700	344,863
Norfolk Southern Corp	31,300	2,754,400	Penske Motorsports Inc	140,000	3,535,000	Ranger Oil Ltd	52,700	520,413
Northeast Utilities	68,300	896,438	Pentair Inc	20,000	645,000	Rayonier Inc	15,800	606,325
Northern States Power Co	39,800	1,825,825	Peoples Energy Corp	1,800	60,975	Raytheon Co	89,500	4,307,187
Northern Telecom Ltd	69,100	4,275,563	Pepsico Inc	379,100	11,088,674	Reckson Associates Realty Corp	57,600	2,433,600
Northern Trust Corp	178,000	6,452,500	Perrigo Co	40,800	372,300	Reebok Interational	2,900	121,800
Northrop Gruman Corp	8,300	686,825	Petco Animal Supplies Inc	21,000	435,750	Regions Financial Corp	33,360	1,724,278
Norwest Corp	98,800	4,297,800	Petroleum Geologic Services ADR	53,000	2,067,000	Reliastar Financial Corp	5,400	311,850
Novacare Inc	35,300	388,300	Petroleum Heat & Power Co Inc Class A	629,376	4,012,272	Repsol SA ADR	28,100	1,071,313
Novell Inc	93,500	885,352	PETSmart Inc	42,146	921,944	Republic New York Corp	17,800	1,452,925
Novellus Sys Inc	27,400	1,484,724	Pfizer Inc	291,900	24,227,699	Research Medical Inc	51,600	1,186,800
Nucor Corp	36,300	1,851,300	Pharmaceutical Products Development Inc	6,405	161,726	Revco (D S) Inc	36,400	1,346,800
NynexCorp	111,800	5,380,375	Pharmacia & Upjohn Inc	129,680	5,138,570	Reynolds Metals Co	113,300	6,387,287
Occidental Petroleum Corp	72,600	1,697,025	Phelps Dodge Corp	7,100	479,250	Reynolds & Reynolds Co Class A	102,600	2,667,600
Occusystems Inc	39,100	1,055,700	PHH Corp	69,500	2,988,500	Rhone Poulenc SA ADR	36,300	1,229,663
Ocel Communications Corp	27,100	474,250	Philip Morris Companies Inc	334,400	37,787,199	Rite Aid Corp	56,800	2,257,800
OEA Inc	11,000	503,250	Phillips Petroleum Co	75,400	3,336,450	RJR Nabisco Holdings Corp	95,500	3,247,000
Office Depot Inc	83,800	1,497,925	Pinnacle West Capital Corp	273,300	8,677,275	Roadway Express Inc	7,350	142,406
Officemax Inc	266,000	2,859,500	Pioneer Hi-Bred International Inc	16,400	1,148,000	Robert Half International Inc	73,500	2,508,188
Ogden Corp	25,000	475,000	Pitney Bowes Inc	53,200	2,912,700	Rockwell International Corp	58,400	3,555,100
Ohio Edison Co	59,700	1,358,175	Pittston Brinks Group	61,700	1,665,900	Rohm & Haas Co	34,400	2,807,900
Oklahoma Gas & Electric Co	21,600	901,800	Pittston Co Burlington Group	19,750	395,000	Rohr Inc	59,500	1,346,188
Old Republic International Corp	14,600	390,550	Placer Dome Inc	54,900	1,194,075	Rollins Environmental Services Inc	500,000	875,000
Olin Corp	26,600	1,000,825	PMI Group Inc	22,700	1,257,013	Rollins Inc	19,200	384,000
Olsten Corp	87,250	1,297,844	PNC Bank Corp	91,400	3,438,925	Ross Stores Inc	20,000	1,000,000
OMI Corp	850,000	7,437,500	Polaroid Corp	85,257	3,708,680	Rouse Co	124,900	3,965,575
Omnicare Inc	64,000	2,056,000	Policy Management Systems Corp	10,000	461,250	Rowan Companies Inc	234,500	5,305,563
Omnicon Group Inc	204,400	9,351,299	Portland General Corp	27,300	1,146,600	Royal Dutch Petroleum New York	144,400	24,656,299
Oneok Inc	1,400	42,000	Post Properties Inc	73,700	2,966,424	RPM Inc	41,375	703,375
Ontrack Data International Inc	12,900	193,500	Potash Corp Saskatchewan Inc	7,000	595,000	Rubbermaid Inc	8,500	192,313
Oracle Corp	155,900	6,508,825				Ruddick Corp	24,800	347,200
						Russell Corp	2,000	59,500
						Ryan's Family Steak Houses Inc	143,900	989,313
						Ryder Systems Inc	164,300	4,620,938

DETAILED INVESTMENT LISTING

Combined Stock Portfolio (Continued)

As of December 31, 1996

Description	Shares	Fair Value	Description	Shares	Fair Value	Description	Shares	Fair Value
Ryerson Tull Inc Class A	300,000	\$4,050,000	Southtrust Corp	50,075	\$ 1,746,366	Tele Communications Inc		
Rykoff-Sexton Inc	311,500	4,945,063	Southwestern Public			Series A TCI Group	131,400	\$ 1,716,347
Ryland Group Inc	37,400	509,575	Service Co	21,900	774,713	Tele Danmark A/S ADR	64,300	1,760,213
Safeco Corp	56,200	2,216,359	Spieker Properties Inc	133,100	4,791,599	Teleflex Inc	9,400	489,975
Safety-Kleen Corp	3,100	50,763	Springs Industries Inc			Telephone & Data		
Safeway Inc	52,000	2,223,000	Class A	33,300	1,431,900	Systems Inc	80,900	2,932,624
Salomon Inc	89,200	4,203,549	Sprint Corp	111,700	4,454,037	Tellabs Inc	157,000	5,907,124
Santa Fe Energy			St Jude Medical Inc	10,200	432,225	Temple Inland Inc	2,900	156,963
Resources Inc	109,636	1,521,200	St Paul Companies Inc	29,200	1,711,850	Tenet Healthcare Corp	65,000	1,421,875
Santa Fe Pacific Gold Corp	6,900	106,088	Standard Commercial			Tenneco Inc	37,000	1,669,625
Sara Lee Corp	112,800	4,201,799	Corp	177,490	3,594,173	Teradyne Inc	44,600	1,087,125
Savannah Foods &			Standard Federal			Tesoro Petroleum Corp	375,000	5,249,999
Industries Inc	14,000	189,000	Bancorporation Inc	20,100	1,143,188	Texaco Inc	111,700	10,960,562
Sbarro Inc	10,850	276,675	Standard Register Co	16,000	520,000	Texas Instruments Inc	55,800	3,557,249
SBC Communications Inc	149,900	7,776,062	Stanhome Inc	9,800	259,700	Texas Utilities Co	53,800	2,192,350
Scana Corp	56,000	1,498,000	Stanley Works	64,100	1,730,700	Textron Inc	68,300	6,437,274
Scherer (R P) Corp	12,500	628,125	Staples Inc	261,930	4,730,979	Thermo Electron Corp	381,225	15,725,530
Schering-Plough Corp	119,600	7,744,099	Star Banc Corp	52,000	4,777,499	Thiokol Corp	9,700	434,075
Schlumberger Ltd	58,632	5,855,870	Starwood Lodging Trust	25,200	1,389,150	Thomas & Betts Corp	2,100	93,188
Scholastic Corp	24,000	1,614,000	State Street Boston Corp	85,300	5,512,512	Three Com Corp	92,700	6,801,862
Schulman (A)	20,062	491,519	Sterling Communications Inc	61,278	2,160,050	Tidewater Inc	286,300	12,955,074
Schwab (Charles) Corp	93,524	2,992,768	Sterling Software Inc	489	15,465	Tiffany & Co	101,200	3,706,450
Schweitzer-Mauduit			Stewart-Stevenson			Time Warner Inc	98,600	3,697,500
International Inc	103,280	3,266,229	Services Inc	17,700	515,513	Times Mirror Co Preferred		
Scientific-Atlanta Inc	104,000	1,560,000	Stone Container Corp	67,777	1,008,183	Series B	13,648	380,438
Scor ADR	30,000	1,031,250	Storage Technology Corp	28,511	1,364,964	Times Mirror Co Series A	31,450	1,564,638
Sea Containers Ltd Class A	250,600	3,915,624	Strategic Diagnostics Inc	18,055	36,110	Timken Co	1,700	77,775
Seagate Technology	195,018	7,703,210	Stratus Computer Inc	76,900	2,095,525	TJX Companies Inc	64,000	3,031,999
Seagram Co Ltd—			Stride Rite Corp	2,600	26,000	Tommy Hilfiger	40,000	1,920,000
Lapagnie Seagram	93,100	3,607,624	Structural Dynamics			Topps Inc	25,200	100,800
Seagull Energy Corp	19,400	426,800	Research Corp Class A	16,800	336,000	Torchmark Corp	32,050	1,618,525
Sealed Air Corp	22,700	944,888	Stryker Corp	51,700	1,544,538	Tosco Corp	113,700	8,996,512
Sears Roebuck & Co	106,300	4,889,799	Student Loan			Toys R Us Inc		
Security Capital Industrial			Marketing Association	44,000	4,097,499	(Holding Company)	81,343	2,430,122
Trust	11,100	237,263	Summit Bancorp	48,800	2,135,000	Transaction Systems		
Sensormatic Electronic Corp	39,500	661,625	Summit Property Inc	49,400	1,092,975	Architects Inc	1,600	53,200
Sequa Corp Class A	141,900	5,569,574	Sun Co Inc	25,400	619,125	Transamerica Corp	7,300	576,700
Sequa Corp Class B	110,800	5,539,999	Sun Communities Inc	32,300	1,114,350	Transatlantic Holdings Inc	19,100	1,537,550
Sequent Computer			Sun Microsystems Inc	83,600	2,147,433	Transocean Offshore Inc	104,000	6,512,999
Systems Inc	337,800	5,995,949	Sun Trust Banks Inc	101,100	4,979,174	Travelers Group Inc	358,832	16,282,001
Service Corp International	77,200	2,161,600	SunAmerica Inc	291,400	13,003,724	Triarc Companies Inc		
Service Merchandise			Sundstrand Corp	32,900	1,398,250	Class A	21,600	248,400
Co Inc	53,350	220,069	Sungard Data Systems Inc	64,200	2,535,900	Trinity Industries Inc	22,250	834,375
Shaw Industries Inc	72,500	860,938	Sunrise Assisted Living Inc	80,600	2,246,725	Trinova Corp	103,200	3,753,900
Sherwin-Williams Co	11,000	616,000	Super Valu Inc	51,800	1,469,825	TRW Inc	68,000	3,366,000
Shiva Corp	26,000	906,750	Superior Industries			Tupperware Corp	17,500	938,438
Shoney's Inc	100,000	700,000	International Inc	15,500	358,438	Tyco International Ltd	111,800	5,911,424
Sierra Pacific Resources	87,800	2,524,250	Symantec Corp	28,600	414,700	Tyson Foods Inc Class A	77,500	2,654,375
Sigma-Aldrich Corp	2,600	162,336	Symbol Technologies Inc	13,700	606,225	U S West Communications		
Signet Banking Corp	18,800	578,100	Synovus Financial Corp	145,000	4,658,124	Group	111,600	3,599,099
Silicon Graphics Inc	15,186	387,243	SYS Software Assoc Inc	310,000	3,293,749	U S West Inc Com-Media		
Simon Debartolo			Sysco Corp	9,200	300,150	Group	134,300	2,467,763
Group REIT	108,500	3,363,499	Tambrands Inc	19,600	801,150	UAL Corp	28,700	1,793,750
Sitel Corp	42,800	609,900	Tandem Computers Inc	71,700	985,875	UCAR International Inc.	37,800	1,422,225
Smith International Inc	147,400	6,614,574	Tandy Corp	3,100	136,400	Ultramar-Diamond		
Smith (Charles E)			Tanger Factory Outlet			Shamrock Corp	48,812	1,543,680
Residential Realty Inc	69,300	2,027,025	Centers Inc	38,400	1,046,400	Unicom Corp	348,900	9,463,912
Smucker (J.M.) Co Class A	15,600	274,950	Target Therapeutics Inc	6,300	264,600	Unifi Inc	88,275	2,835,834
Snap-On Inc	3,250	115,781	Taubman Centers Inc	240,000	3,089,999	Unilever N V New York ADR	38,700	6,782,174
Solectron Corp	27,700	1,478,488	TCA Cable TV Inc	13,100	394,638	Union Camp Corp	33,700	1,609,175
Sonat Inc	4,500	231,750	TCF Financial Corp	59,000	2,566,500	Union Carbide Corp	44,657	1,825,355
Sonic Corp	59,400	1,514,700	TCI Satellite Entertainment			Union Electric Co	12,500	481,250
Sonoco Products Co	48,695	1,259,983	Inc Class A	118,140	1,166,633	Union Pacific	55,000	3,306,874
Sothebys Holding Inc			Teco Energy Inc	62,600	1,510,225	Union Pacific Resources		
Class A	29,800	555,025	Tecumseh Products Co			Group Inc	35,740	1,036,460
Southdown Inc	9,300	289,463	Class A	82,100	4,710,487	Union Texas Petroleum		
Southern Co	164,700	3,726,337	Tektronix Inc	23,900	1,224,875	Holdings	157,000	3,512,875
Southern New England			Tele Communications Inc			Unisys Corp	9,100	61,425
Telecommunications Corp	34,900	1,356,738	Liberty Media Group	28,250	806,877	United Healthcare Corp	46,538	2,094,210

DETAILED INVESTMENT LISTING

Combined Stock Portfolio (Continued)

As of December 31, 1996

Description	Shares	Fair Value
United Technologies Corp	65,800	\$ 4,359,249
United Waste Systems Inc	17,800	611,875
Universal Corp Virginia	430,700	13,836,237
Universal Foods Corp	47,900	1,688,475
Unocal Corp	116,182	4,734,416
Unum Corp	3,800	274,550
Urban Shopping Centers Inc	25,600	742,400
US Life Corp	1,800	59,850
USA World Services Inc	46,900	1,494,938
USCS International	48,750	822,656
USF&G Corp	6,200	129,425
UST Inc	60,000	1,942,500
USX — Marathon Group	71,181	1,699,446
USX—US Steel Group	4,400	138,050
Utilicorp United Inc	24,600	664,200
U.S. Air Group	95,300	2,227,638
U.S. Bancorp	32,206	1,447,241
U.S. Robotics Corp	75,700	5,450,400
U.S. Surgical Corp	13,500	531,563
V F Corp	31,500	2,126,250
Valero Energy Corp	23,400	669,825
Value Health Inc	28,634	558,363
Vanguard Cellular Systems Inc Class A	22,100	348,075
Vantive Corp	14,300	446,875
Varco International Inc	16,200	374,625
Varian Associates Inc	44,700	2,274,113
Vencor Inc	37,400	1,182,775
Verifone Inc	13,300	392,350
Vesta Insurance Group Inc	11,200	351,400
Viacom Class B	102,886	3,588,149
Vical Inc	5,932	97,878
Viking Office Products Inc	140,400	3,746,854
Vishay Intertechnology Inc	33,640	782,130
Vivra Inc	53,000	1,464,125
Vons Companies Inc	86,900	5,203,137
Vornado Realty Trust	87,300	4,583,249
Vulcan Materials Co	18,600	1,132,275
Waban Inc	17,700	460,200
Wachovia Corp	52,400	2,960,600
Walgreen Co	75,200	3,026,800
Wallace Computer Services	24,400	841,800
Wal-Mart Stores Inc	549,000	12,489,749
Walt Disney Co (Holding Company)	131,700	9,186,075
Warnaco Group Inc Class A	27,700	820,613
Warner Lambert Co	72,400	5,430,000
Washington Gas Light Co	23,200	524,900
Washington Mutual Inc	50,000	2,165,600
Washington Post Co Class B	5,900	1,977,238
Watson Pharmaceuticals Inc	19,600	880,765
Watts Industries Inc Class A	15,900	379,613
Wausau Paper Mills Co	19,652	363,562
Weatherford Enterra Inc	27,437	823,110
Weeks Corp	68,500	2,277,625
Weingarten Realty Investors	25,500	1,035,938
Wellman Inc	17,900	306,538
Wellpoint Health Networks Inc	35,800	1,230,625
Wells Fargo & Co	31,800	8,578,049
Wendy's International Inc	103,741	2,126,691
Western Atlas Inc	8,400	595,350
Westinghouse Electric Corp	315,600	6,272,549
Westvaco Corp	83,637	2,404,564

Description	Shares	Fair Value
Weyerhaeuser Co	48,000	\$ 2,274,000
Whirlpool Corp	18,000	839,250
Whittman-Hart Inc	27,800	712,375
Willamette Industries Inc	2,900	201,913
Williams Co Inc	130,600	7,346,249
Willis Corroon Group ADR	116,900	1,344,350
Wilmar Industries Inc	40,800	1,132,200
Wilmington Trust Corp	18,700	738,650
Winn-Dixie Stores Inc	47,064	1,488,399
WIS Energy	59,300	1,593,688
Witco Corp	30,200	921,100
WMX Technologies Inc	329,300	10,702,249
Woolworth Corp	39,700	873,400
World Inc Georgia	223,600	5,827,462
Worthington Industries Inc	4,800	87,000
WPL Holdings	16,500	464,063
Wrigley (Wm), Jr Co	5,500	309,375
Wyman-Gordon Co	195,000	4,338,750
Xerox Corp	56,400	2,968,050
Xilinx Inc	38,100	1,402,537
Yellow Corp	342,500	4,923,438
York International Corp	23,100	1,290,713
Ypf Sociedad Anonima ADR	40,700	1,027,675
Zale Corp New	72,000	1,386,000
Zions Bancorp	47,000	4,888,000
Total Domestic	88,792,315	3,079,474,730

INTERNATIONAL

Baring International Equity Pool	18,278,923	444,781,029
Baring Pacific Basin	39,583,181	277,464,610
DFA Small Cap Index	353,538	297,254,582
DFA Small Cap Value Fund	1,230,158	306,026,336
Capital International Emerging Market Growth Fund	4,198,602	232,854,471
J.P. Morgan International European	23,535,655	265,998,109
Schroder Emerging Market Fund	122,367	267,653,593
Templeton Institutional Emerging Market Fund	5,544,927	69,034,342
Total International	92,847,351	2,161,067,072
Fidelity Puritan Fund	9,545,975	164,572,614
Templeton Institutional Growth Fund	2,428,862	32,571,034
Total Equity Securities	193,614,503	\$5,437,685,450

Real Estate Portfolio

As of December 31, 1996

Description	Fair Value
Income Properties	\$102,435,879
Joint Ventures	349,602,104
Title holding companies	353,425,482
Total Real Estate	\$805,463,465

Venture Capital Partnerships

As of December 31, 1996

Partnership Name	Fair Value
Alta Communications VI	\$ 2,363,082
Bay Partners IV	957,813
BCI Growth IV	1,148,047
Boston Ventures IVA	7,999,229
Boston Ventures V	1,350,000
Candover 1994 U.S. No. 2	2,202,779
Centennial Business Development Fund	569,847
Centennial Fund III	2,836,844
Charterhouse Equity Partners II	13,203,550
CII Liquidating Partnership	130,041
Cinven Fund US No. 1	1,505,039
Columbine Venture Fund II	2,606,403
Cornerstone Equity Investors IV	750,000
CVC European Equity Partners	1,640,315
DLJ Limited Partnership	13,394,783
Domain Partners III	2,930,327
Dougerty & Wilder III	6,034,207
ECI 5	2,231,648
FS Equity Partners III	6,773,882
Golder, Thoma, Cressey Fund III	3,633,408
Hancock Venture Partners III	4,835,059
InterVen II	795,993
InterWest Partners III	381,011
InterWest Partners IV	3,674,976
John Hancock Venture Capital Fund II	2,015,112
Kelso Investment Associates V	3,918,139
KKR 1987 Fund	135,222,371
KKR 1993 Fund	49,231,716
Mayfield VIII	3,113,915
MBW Venture Partners	511,376
Morganthaler Venture Partners II	434,843
Morganthaler Venture Partners III	8,950,022
Morgan, Holland Fund II	892,810
New Enterprise Associates VI	7,302,778
New Enterprise Associates VII	500,000
Oak Investment Partners VI	6,279,476
Palmer Organization III	1,393,643
Prudential Private Equity Investors III	18,487,614
Prudential Venture Partners II	3,151
Southern California Ventures II	571,299
Stonington Capital Appreciation Partnership	1,014,538
Summit Ventures IV	3,331,922
Summit Subordinated Debt Fund	2,428,982
Thomas H. Lee Equity Fund III	3,788,967
Utah Ventures	493,002
U.S. Venture Partners V	460,692
Warburg, Pincus Ventures	4,802,095
Welsh, Carson, Anderson, & Stowe VII	5,088,205
Total Venture Capital	\$344,184,951

DETAILED INVESTMENT LISTING

Investment Contracts

As of December 31, 1996

Insurance Company	S&P Rating	Coupon	Maturity	Fair Value
Guaranteed Investment Contracts:				
Allstate Life Insurance	AA+	6.78	12/04/1997	\$1,005,406
Allstate Life Insurance	AA+	5.95	10/15/1997	2,024,856
Allstate Life Insurance	AA+	6.43	03/23/1999	2,624,655
Allstate Life Insurance	AA+	7.54	06/01/1999	2,609,372
Allstate Life Insurance	AA+	5.82	08/03/1998	3,037,717
Allstate Life Insurance	AA+	6.70	11/05/1997	2,525,449
Allstate Life Insurance	AA+	6.62	10/30/1997	1,010,948
Canada Life Assurance	AAA	5.60	01/26/1999	2,629,773
CNA Life	AA+	6.98	02/04/1997	2,126,231
Commonwealth Life	AAA	7.71	04/01/1997	2,115,108
Commonwealth Life	AAA	7.16	08/16/1999	1,283,113
Hartford Life	AAA	5.56	11/16/1998	2,516,733
Hartford Life	AAA	5.83	04/01/1998	3,092,483
Hartford Life	AAA	5.42	10/29/1998	2,523,245
Hartford Life	AAA	5.56	01/02/1999	1,772,496
John Hancock Mutual Life	AAA	5.81	02/10/1999	2,628,929
Life of Virginia	AA	6.95	07/02/1997	2,585,555
Life of Virginia	AA	7.14	06/18/1997	2,075,821
Lincoln National Life	AA-	7.09	07/01/1999	2,587,836
Lincoln National Life	AA-	5.59	04/30/1999	1,250,559
Lincoln National Life	AA-	5.67	05/01/1998	4,150,851
Lincoln National Life	AA-	6.59	01/10/1997	2,128,550
Nationwide Life	AAA	7.49	04/16/1997	2,809,796
New York Life	AAA	5.30	09/15/1998	2,963,886
New York Life	AAA	7.44	10/15/1999	1,034,856
New York Life	AAA	7.44	08/02/1999	2,587,453
Ohio National Life	AA	6.89	01/23/1997	1,064,422
Ohio National Life	AA	7.05	11/30/1997	1,037,260
Ohio National Life	AA	6.80	11/30/1997	3,273,730
Ohio National Life	AA	7.15	01/04/1998	3,312,282
Protective Life	AA	6.00	06/30/1998	1,044,879
Protective Life	AA	6.02	03/01/1998	2,624,311
Protective Life	AA	6.03	07/01/1998	2,588,558
Protective Life	AA	6.42	02/01/1998	2,646,515
Protective Life	AA	5.80	12/16/1998	2,506,186
Protective Life	AA	5.85	08/03/1998	1,023,481
Protective Life	AA	7.33	05/03/1999	2,620,552
Provident Life & Accident	A+	6.83	01/15/1998	2,604,895
Provident Mutual Life	AA-	7.85	03/20/1997	1,061,003
Prudential	AA-	6.94	04/07/1999	3,151,500
United of Omaha	AA	7.42	08/14/2000	3,897,094
Total Guaranteed Investment Contracts				94,158,345

Insurance Company	S&P Rating	Coupon	Maturity	Fair Value
Synthetic Investment Contracts:				
National Westminster	AA	6.22	open-ended	\$ 5,145,165
National Westminster	AA	6.19	open-ended	31,423,730
RaboBank	AAA	6.82	open-ended	3,397,767
RaboBank	AAA	6.76	open-ended	24,910,959
J. P. Morgan	AAA	6.38	open-ended	5,680,941
J. P. Morgan	AAA	6.31	open-ended	31,517,075
Deutsche Bank	AAA	7.24	open-ended	3,350,362
Deutsche Bank	AAA	7.24	open-ended	35,073,250
Total Synthetic Investment Contracts				140,499,249
AMEX Trust Collective				
Federal Income Fund	AAA+			26,304,033
Other Life Insurance				
Company Investment Contracts:				
Group annuity contracts, Beneficial Life Insurance				100,911,464
Individual annuity contracts, Beneficial Life Insurance				2,374,111
Individual annuity contracts, Alexander Hamilton Life				1,452,813
Life insurance policies, Beneficial Life Insurance				2,524,944
Total Other Life Insurance				
Company Investment Contracts				107,263,332
Total Defined Contribution Plan				
Investment Contracts				\$368,224,959

**Utah
Retirement
Systems**

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Salt Lake City
Utah 84102-2099