

Utah Retirement Systems

A Component Unit of the State of Utah

Comprehensive Annual Financial Report

For the Year Ended December 31, 2005

2005



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

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, 2004

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.



Carla E. Perry
President

Jeffrey L. Essler
Executive Director



Public Pension Coordinating Council
**Public Pension Standards
2005 Award**

Presented to
Utah Retirement Systems

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

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

Alan H. Winkle
Alan H. Winkle
Program Administrator

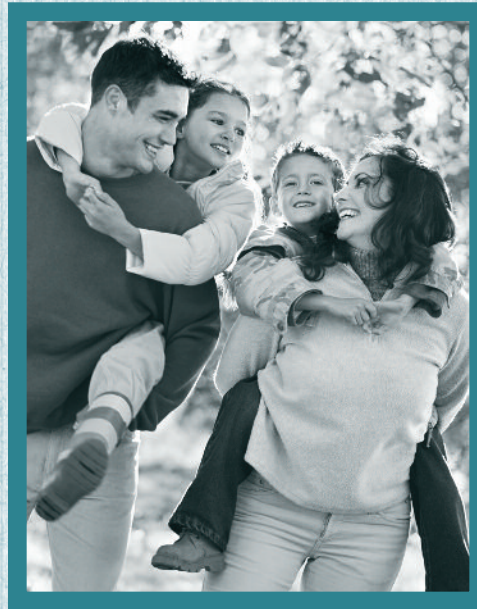
Cover Photo:
James N. Taylor,
Maintenance Manager,
Wasatch Integrated
Waste Management,
Layton

Utah Retirement Systems

A Component Unit of the State of Utah

2005 Comprehensive Annual Financial Report

For the Year Ended December 31, 2005



Noncontributory *Retirement System*

Contributory *Retirement System*

Public Safety *Retirement System*

Firefighters *Retirement System*

Judges *Retirement System*

Governors and Legislators *Retirement Plan*

401(k) and 457 *Plans*

Roth and Traditional IRA *Plans*

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

Robert V. Newman, Executive Director • Robert K. Kellersberger, CGFM, Controller

2005 Comprehensive Annual Financial Report

Table of Contents

Introductory Section

- 5 Letter of Transmittal
- 8 Board President's Letter
- 9 Utah State Retirement Board, Membership Council, and Executive Director
- 10 Organization Chart and Administrative Staff
- 11 Professional Consultants

Systems' Highlights:

- 12 Noncontributory Retirement System
- 14 Contributory Retirement System
- 16 Public Safety Retirement System
- 18 Firefighters Retirement System
- 20 Judges Retirement System
- 22 Utah Governors and Legislators Retirement Plan
- 24 Defined Contributions Plans

Financial Section

- 26 Independent Auditors' Report
- 27 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance
- 28 Management's Discussion and Analysis

Basic Financial Statements:

- 42 Statements of Fiduciary Net Assets—Pension (and Other Employee Benefit) Trust Funds
- 44 Statements of Changes in Fiduciary Net Assets—Pension (and Other Employee Benefit) Trust Funds
- 46 Notes to the Basic Financial Statements

Required Supplementary Information:

- 66 Schedules of Funding Progress
- 68 Schedules of Employer Contributions
- 69 Notes to Required Supplementary Information

Supplementary Financial Supporting Schedules:

Individual Retirement Systems' Schedules by Division:

Noncontributory Retirement System:

- 70 Schedules of Fiduciary Net Assets by Division
- 71 Schedules of Changes in Fiduciary Net Assets by Division
- 72 Schedules of Funding Progress by Division
- 73 Schedules of Employer Contributions by Division

Contributory Retirement System:

- 74 Schedules of Fiduciary Net Assets by Division
- 75 Schedules of Changes in Fiduciary Net Assets by Division
- 76 Schedules of Funding Progress by Division
- 77 Schedules of Employer Contributions by Division

Public Safety Retirement System:

- 78 Schedules of Fiduciary Net Assets by Division
- 80 Schedules of Changes in Fiduciary Net Assets by Division
- 82 Schedules of Funding Progress by Division
- 84 Schedules of Employer Contributions by Division

Firefighters Retirement System:

- 86 Schedules of Fiduciary Net Assets by Division
- 87 Schedules of Changes in Fiduciary Net Assets by Division
- 88 Schedules of Funding Progress by Division
- 89 Schedules of Employer Contributions by Division
- 90 Schedules of Administrative and Investment Expenses

Investment Section

Defined Benefits Investments:

- 93 Report on Investment Activity
- 94 Outline of Investment Policies
- 94 Investment Summary
- 95 Asset Allocation
- 96 Investment Results
- 97 List of Largest Assets Held
- 97 Schedules of Fees and Commissions
- 98 Investment Professionals

Defined Contribution Plans Investments:

- 99 Investment Highlights
- 101 Investment Professionals

Actuarial Section

- 104 Actuary's Certification Letter
- 106 Summary of Actuarial Assumptions and Methods
- 111 Analysis of Financial Experience
- 112 Member and Employer Contribution Rates
- 114 Solvency Tests
- 116 Schedules of Active Member Valuation Data
- 118 Schedules of Retirants and Beneficiaries

Summaries of Plan Provisions:

- 120 Noncontributory Retirement System
- 121 Contributory Retirement System
- 122 Public Safety Retirement System
- 124 Firefighters Retirement System
- 126 Judges Retirement System
- 127 Utah Governors and Legislators Retirement Plan
- 128 Changes in Plan Provisions
- 129 Defined Contribution Plans

Statistical Section

- 134 Schedules of Additions by Source
- 135 Schedules of Deductions by Type
- 136 Schedules of Benefit Deductions by Type
- 137 Schedules of Retired Members by Type of Benefit Option
- 138 Schedules of Average Benefit Payments
- 140 Schedule of Participating Employers

Systems and Plans Statistical Highlights

(Inside back cover)

Utah Retirement Systems
Comprehensive Annual Financial Report

Introductory | *Section*

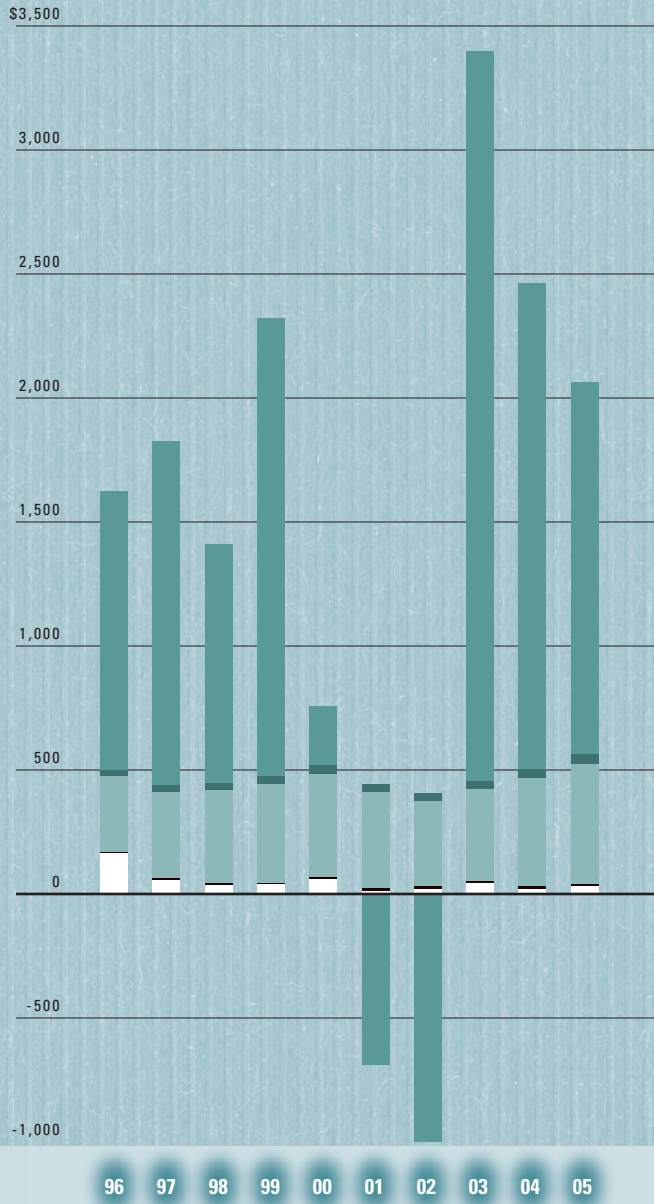


- 5 Letter of Transmittal
- 8 Board President's Letter
- 9 Utah State Retirement Board
- 10 Organization Chart
- 10 Administrative Staff and Professional Consultants
- 12 Systems' Highlights

All Retirement Systems

Additions | by Source

(in millions)



(in millions)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
● Net Investment Income (Loss)	\$1,118	1,381	958	1,836	239	(693)	(999)	2,929	1,950	1,491
● Member Contributions	28	29	29	33	34	31	31	31	35	42
● Employer Contributions	302	344	374	397	414	388	341	369	436	479
● Court Fees and Fire Insurance Tax	6	6	6	6	8	10	12	11	10	11
● Transfers from Systems	158	52	32	33	55	8	15	37	16	25
Totals	\$1,612	1,812	1,399	2,305	750	(256)	(600)	3,377	2,446	2,048

Letter of Transmittal

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

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

March 8, 2006

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

Dear Board Members:

We are pleased to present the 2005 Comprehensive Annual Financial Report of the Utah Retirement Systems (Systems) and 401(k), 457, Roth and Traditional IRA Plans (Plans), a component unit of the State of Utah, administered by the Utah State Retirement Board (Board) for calendar year 2005. The financial reporting entity of the Systems and Plans include the Public Employees Noncontributory and Contributory Retirement Systems, for both government and public education employees, the Public Safety, Firefighters and Judges Retirement Systems, the Utah Governors and Legislators Retirement Plan, and the 401(k), 457, Roth and Traditional IRA Plans.

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

For financial reporting purposes, the Systems and Plans utilize Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, GASB Statement No. 34, *Basic Financial*

Statements — and Management's Discussion and Analysis — for State and Local Governments, GASB Statement No. 37, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, and GASB Statement No. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Plans Other Than Pension*. Assets of the Systems and Plans are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the required supplementary information following the notes to the basic financial statements.

The Utah Retirement Systems and 401(k), 457, Roth and Traditional IRA Plans were established by legislation and authorized as indicated in the notes to the basic financial statements on page 46. The Summaries of Plan Provisions are presented on pages 120 through 127. The number of active and retired members and beneficiaries for each system is presented in the Systems' Highlights on pages 12 through 24. The purpose of the Systems and Plans is to provide benefits for all eligible State, local government and most public education employees whose employers have elected to participate. Services provided by the staff are performed to meet that objective.

The 2005 Comprehensive Annual Financial Report is presented in five sections. The Introductory Section contains the letter of transmittal, the Board President's letter, identification of the Systems' administrative organization and professional consultants, as well as Systems' Highlights for each retirement system and plan. The Financial Section contains the opinion of the independent auditors, management's discussion and analysis (MD&A), the basic financial statements and required supplementary information of the Systems, and further information about the Systems at division levels. The Investment Section contains investment information and a list of the largest holdings. The Actuarial Section contains the independent consulting actuary's certification, an outline of actuarial assumptions and methods, and other actuarial statistics. The Statistical Section contains tables of significant data pertaining to the Systems.

Letter of Transmittal *(Continued)*

Management's Discussion and Analysis

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

Economic Condition and Outlook

The economic condition of the Systems is based primarily upon investment earnings. The Systems' investments were evaluated at year end by Callan Associates Inc., Investment Measurement Service. A comparative analysis of rates of return is presented on page 96 of this report.

For the Future

During 2005, actuarial assumptions and contribution rates were based on the recommendations of our actuary. See the Actuarial Section of this report and the notes to the basic financial statements for explanations of these rates. Rate changes resulted from actuarial assumption modifications, economic conditions, actuarial experience gains and losses and benefit enhancements in the Systems.

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

Financial Information

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. This system includes written policies and procedures and an internal audit department that reports to the Board. Discussion and analysis of net assets and related additions and deductions is presented in the MD&A beginning on page 28.

Funding

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

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

Although the historical level of funding is good, constant effort will be directed at achieving full funded status, assuring participants of financially sound retirement systems. Funded status and progress for overall Systems are presented in the Required Supplementary Information Schedules of Funding Progress on page 66. The current funded ratios range from 88% to 122%.

Investments

The target investment portfolio mix at fair value as of the end of 2005 is 25% debt securities, 48% equities, 7% private equity, 10% real estate and 10% absolute return. The 25% debt securities target is comprised of 20% domestic and 5% international instruments. The 48% equities target is comprised of 35% domestic and 13%

Letter of Transmittal *(Continued)*

international equities. See MD&A and Investment Section for more detailed analysis and information. The Systems' investment outlook is long-term allowing the portfolio to take advantage of the favorable risk-return characteristics of equities by placing more emphasis on this category.

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

Investment Risk

The investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. All collateral on deposits is held in the counterparties' joint custody accounts at the Federal Reserve Bank. On occasion, deposits may be significantly greater than collateral due to investment purchase "fails", receipt of interest earnings on the 15th of each month and proceeds from investment sales and maturities. Of approximately \$20.9 billion in investments at fair value as of December 31, 2005, none of the investments were in the category of highest custodial credit risk as defined by the GASB.

Independent Audit

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

Actuarial Valuation

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utah Retirement Systems for its Comprehensive Annual Financial Report for the fiscal year ended December 31,

2004. 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 21 years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

In addition the Utah Retirement Systems were awarded the Public Pension Coordinating Council Public Pension Standards 2005 Award. This award is in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards.

Acknowledgments

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

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

Sincerely yours,



Robert K. Kellersberger, CGFM, Controller



Robert V. Newman, Executive Director

Board President's Letter

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

ROBERT V. NEWMAN
EXECUTIVE DIRECTOR

March 8, 2006

Dear members of the Retirement Systems:

As I report on the activities and programs of the Utah Retirement Systems for 2005, I'm pleased to note that over 36,000 retirees now enjoy monthly benefits from the Retirement Systems, and nearly 98,000 working members of the Systems are earning future retirement benefits.

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

Financial markets continued positive in 2005

Despite concerns of rising inflation, ever higher oil and industrial commodity prices, and rising short-term interest rates, investment returns for 2005 were ultimately gratifying. Thanks to investment returns of 8.96%, assets of the Retirement Systems increased by more than \$1.37 billion to a new high of more than \$17.46 billion. Over the past ten years, the Systems have returned better than 9.04%, against the actuarial goal of 8%.

401(k), 457, Roth and Traditional IRA plans assets top \$2 billion

During 2005 the Systems introduced two new IRAs to members — the Roth and Traditional. The financial flexibility they present to our members has been a key element in their initial popularity. I'm pleased to report that member contributions to these new plans, as well as to the 401(k) and 457 plans, continue to grow. Account balances in these plans grew by some \$238 million in 2005 reaching a total net asset value of more than \$2.34 billion. While participants' individual rates of return varied according to their choices among the eleven available investment options, most participants were rewarded with investment gains.

Taken together, the defined benefit plans and the defined contribution plans contributed more than \$1.61 billion to the total net assets of the systems, carrying total net assets to a new high of \$19.8 billion. As the economy continues to demonstrate its economic resilience going into 2006, I believe the Systems are well positioned to take advantage of its opportunities.

Excellent management

I express my appreciation for the breadth and depth of experience possessed by members of the Board. Each board member makes a valuable contribution to the success of Utah Retirement Systems. I also express the Board's confidence and appreciation to Executive Director Robert Newman and his staff for their excellent management of the Systems.

Sincerely,



John L. Lunt, President, Utah State Retirement Board

Utah Retirement Systems | Retirement Board



Kenneth L. Serre

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

Kathryn D. Jones-Price

Appointed March 5, 2004; Term expires July 1, 2009; Represents investment community

Edward T. Alter

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

John L. Lunt

President
Appointed July 1, 2001; Term expires July 1, 2009; Represents investment community

David B. Winder

Vice President
Appointed Oct. 20, 2003; Term expires July 1, 2007; Represents investment community

Phyllis P. Sorensen

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

Phillip W. Clinger

Appointed June 21, 2002; Term expires July 1, 2009; Represents investment community

Executive Director



Robert V. Newman

Membership Council

Member

Represents

Ms. Elaine Tzourtzouklis*
Chairperson

Represents Utah Education Association

Mr. Marty Peterson*
Vice-Chairperson

Represents Professional Firefighters of Utah

Mr. Kent J. Abel*

Represents Utah Retired School Employees Association

Mr. G. Steven Baker*

Represents Utah Association of Counties

Ms. Patti Wayman*

Represents Utah Public Employees Association

Honorable Judith M. Billings

Represents Utah Judicial Council

Mr. Dean Drew

Represents Utah Public Employees Association

Officer Mike Galieti

Represents Utah Peace Officers Association

Mr. Tom Hardy

Represents Utah League of Cities and Towns

Mr. Russell S. Judd

Represents Utah Education Association

Ms. Pat Rusk

Represents Utah Education Association

Mr. James Tabet

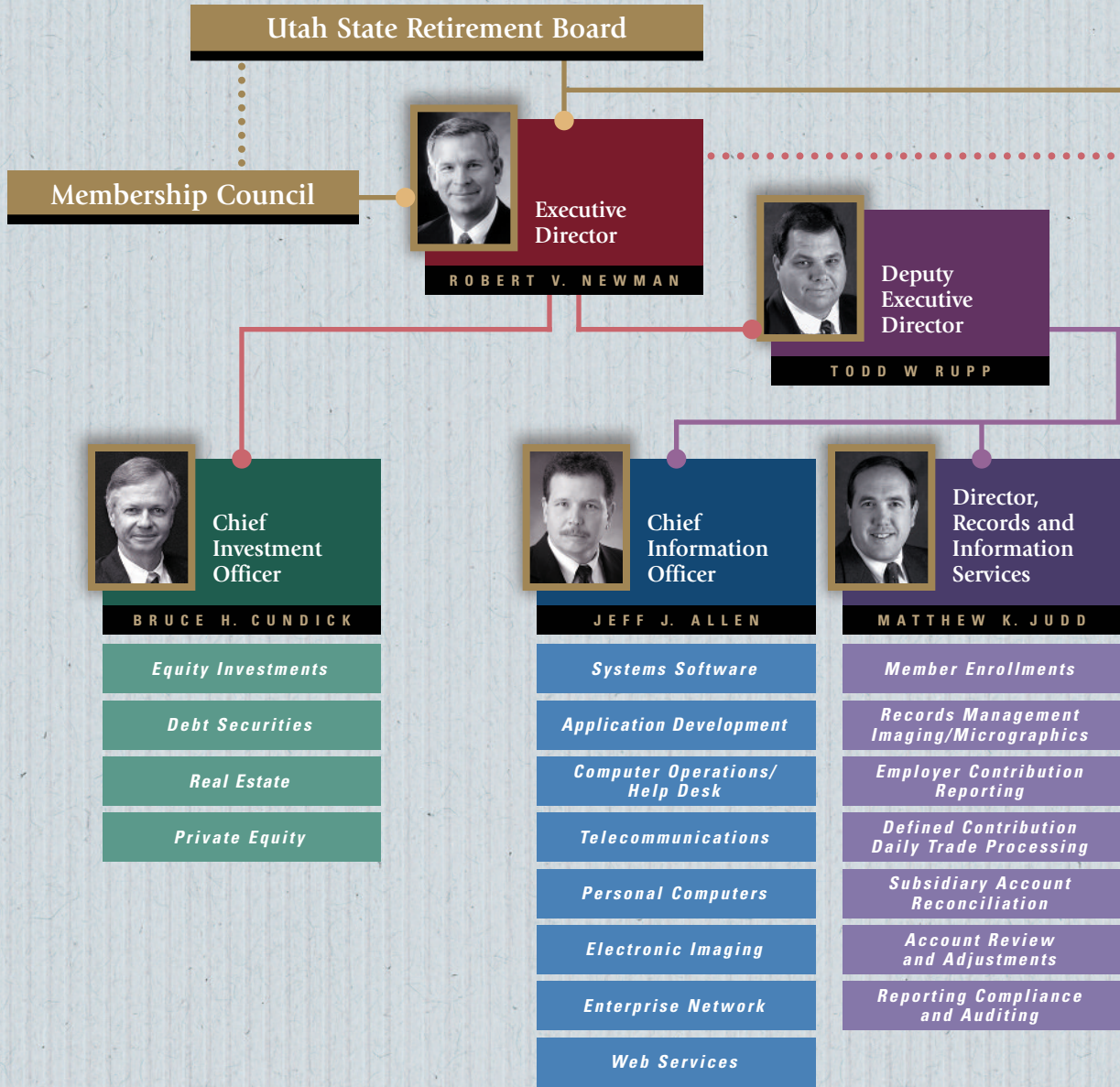
Represents Utah Association of Retired Public Employees

Ms. Patricia Thompson

Represents Utah School Employees Association

**Executive Committee*

Utah Retirement Systems Organization Chart



Administrative Staff

Robert V. Newman, CPA
Executive Director

Todd W Rupp, CPA
Deputy Executive Director

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

Bruce H. Cundick, CFA
Chief Investment Officer

Jeff J. Allen
Chief Information Officer

Matthew K. Judd
Director, Records and Information Services

Robert K. Kellersberger, CGFM
Controller

Don G. Pugmire
Director, Human Resources

Judy C. Lund
Director, Retirement

Craige D. Stone
Director, Defined Contribution Plans and Education/Marketing



**Director,
Internal Audit**

STEVEN M. WEST

Professional Services

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

Detail for professional service providers is shown below. Investment professionals are presented on pages 98 and 101.



Controller

ROBERT K. KELLERSBERGER

Financial Reporting and Accounting

Budgets

Tax Reporting

Cash Receipts and Disbursement

Cash Management

Accounts Payable

Payroll

Risk Management



**Director,
Defined Contribution Plans and Education/Marketing**

CRAIGE D. STONE

401(k) Plan

457 Plan

Traditional IRA

Roth IRA

Education/Marketing



**Director,
Human Resources**

DON C. PUGMIRE

Human Resources

Communications

Maintenance/Engineering

Safety/Security



**Director,
Retirement**

JUDY LUND

Retirement Benefits

Death Benefits

Redeposits, Purchases and Adjustments

Refunds

Branch Office

Professional Consultants

Actuary

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

Auditor

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

Legal Counsel

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

Medical Director

Howard McQuarrie, M.D.
560 East 200 South
Salt Lake City, UT 84102

Other Consultants

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

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

Noncontributory | System Highlights



*Photo: Becky Reese
Cheerleading Coach
Bear River High School, Garland*

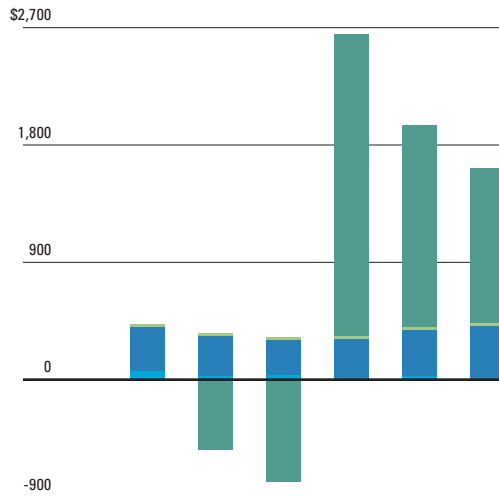
2005 Noncontributory Composite Picture

Total Membership	137,375
Active.....	85,637
Terminated vested	26,028
Retired	25,710
<hr/>	
2005 Active Members	85,637
Average age	44.8
Average years of service	10.2
Average annual salary.....	\$37,633
<hr/>	
2005 Retirees	2,212
Number	2,212
Average age.....	61.9
Average years of service	22.6
Final average annual salary	\$41,863
Average annual benefit	\$19,210
<hr/>	
Average annual benefit — all retirees ...	\$17,731

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

Additions by Source

(in millions)

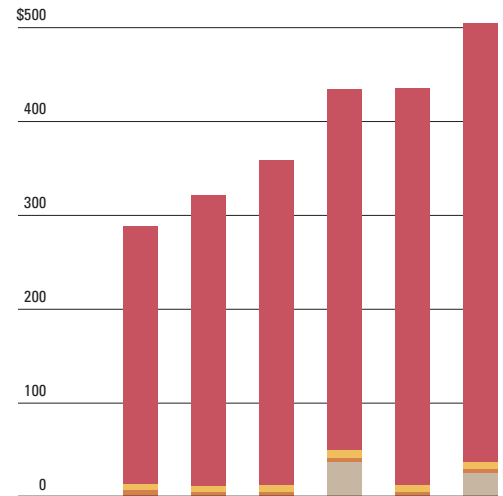


(in millions)

	00	01	02	03	04	05
Investment Income (Loss)	\$186.8	(544.8)	(788.9)	2,315.6	1,547.6	1,185.1
Member Contributions	11.5	11.0	12.5	11.5	14.4	19.8
Employer Contributions	352.3	332.0	291.3	314.5	369.1	406.8
Transfers from Systems	51.0	5.3	12.2	—	10.6	—
Totals	\$601.6	(196.5)	(472.9)	2,641.6	1,941.7	1,611.7

Deductions by Type

(in millions)



(in millions)

	00	01	02	03	04	05
Benefit Payments	\$276.9	311.3	348.2	386.8	424.9	469.7
Administrative Expense	6.8	6.7	7.1	8.1	7.8	7.6
Refunds	5.3	3.3	3.7	3.3	3.0	3.2
Transfers to Systems	—	—	—	37.0	—	25.0
Totals	\$289.0	321.3	359.0	435.2	435.7	505.5

Service Retirement

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

Service Benefit Formula

Number of years of service x 2.00% x FAS*

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

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

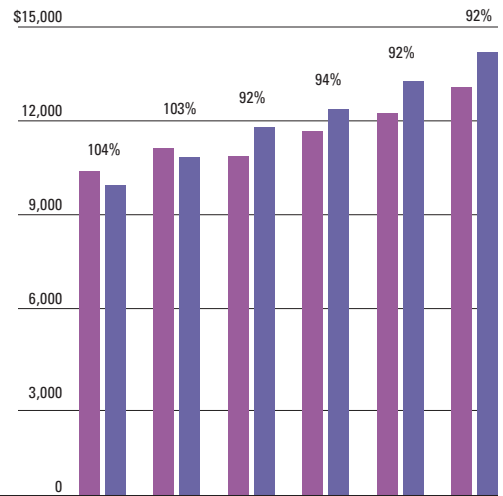
Contribution Rates (as of 12-31-2005)

Employer rate for the State and School Division (Level A) is 13.38% of covered salary and 11.09% for the Local Government Division (Level B).

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

Funding Progress with Funded Ratios

(dollars in millions)



(dollars in millions)

	00	01	02	03	04	05
Actuarial Value of Assets	\$10,361.3	11,104.3	10,848.6	11,657.5	12,212.4	13,065.5
Accrued Actuarial Liability	9,933.5	10,806.0	11,764.4	12,351.3	13,235.4	14,166.5
Funding Ratios	104%	103%	92%	94%	92%	92%

Contributory | System Highlights



*Photo: Santina Valente
Parks Lead Worker
South Jordan*

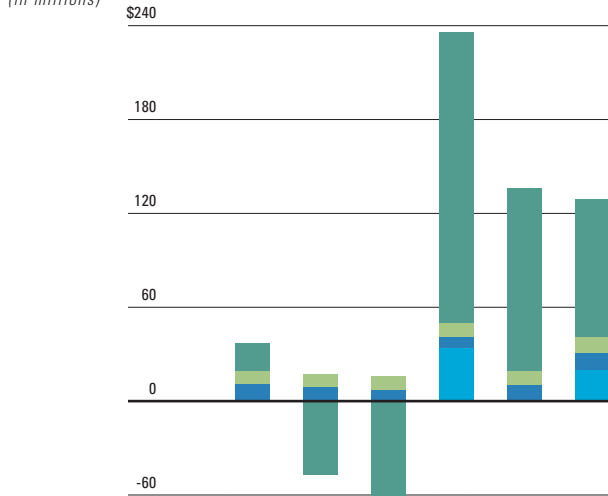
2005 Contributory Composite Picture

Total Membership	10,810
Active.....	3,198
Terminated vested	1,437
Retired	6,175
<hr/>	
2005 Active Members	3,198
Average age.....	51.0
Average years of service	19.6
Average annual salary	\$41,758
<hr/>	
2005 Retirees	178
Number.....	178
Average age	60.6
Average years of service	25.4
Final average annual salary.....	\$36,876
Average annual benefit.....	\$17,889
<hr/>	
Average annual benefit — all retirees	\$8,799

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

Additions by Source

(in millions)



(in millions)

(in millions)	00	01	02	03	04	05
Investment Income (Loss)	\$17.5	(47.8)	(64.3)	186.3	117.3	88.4
Member Contributions	8.5	8.6	8.9	8.7	9.0	10.3
Employer Contributions	10.5	8.5	6.7	7.3	9.6	10.4
Transfers from Systems	—	—	—	33.3	—	19.6
Totals	\$36.5	(30.7)	(48.7)	235.6	135.9	128.7

Service Retirement

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

Service Benefit Formula

1. Number of years of service before 7-1-75 x 1.25% x FAS*
2. Number of years of service after 6-30-75 x 2.00% x FAS*
3. Plan 1 allowance = total of 1 and 2.

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

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

Cost of Living Allowance

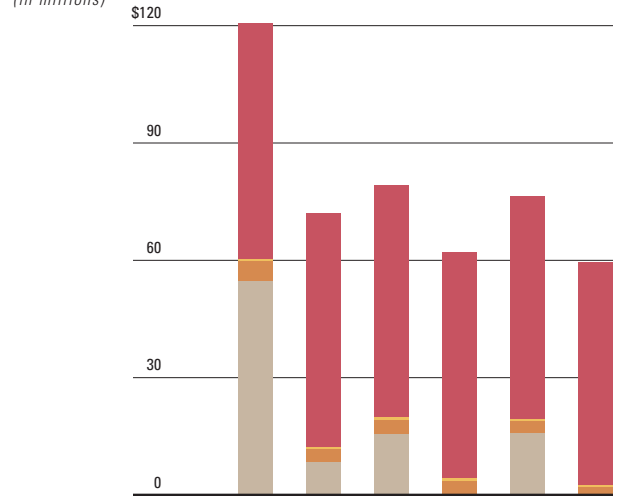
Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2005)

Member rate is 6.00% of covered salary. Employer rate for State and School Division (Level A) is 8.89% of covered salary and 7.08% for the Local Government Division (Level B).

Deductions by Type

(in millions)

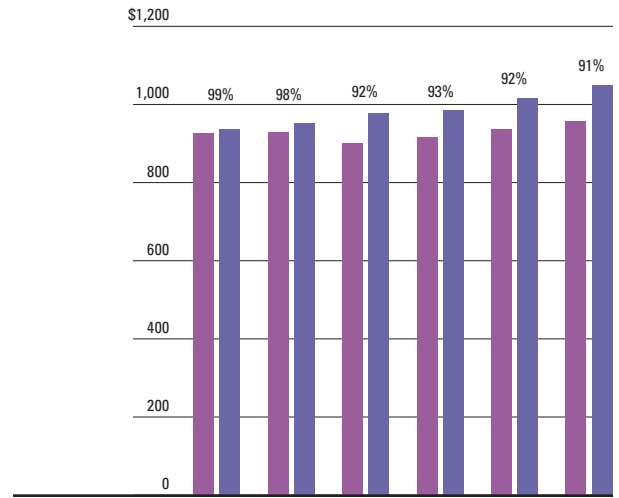


(in millions)

(in millions)	00	01	02	03	04	05
Benefit Payments	\$ 60.3	59.6	59.5	57.9	57.0	57.1
Administrative Expense	0.7	0.7	0.6	0.7	0.6	0.6
Refunds	5.0	3.1	3.7	3.4	2.9	1.8
Transfers to Systems	54.6	8.4	15.4	—	15.8	—
Totals	\$120.6	71.8	79.2	62.0	76.3	59.5

Funding Progress with Funded Ratios

(dollars in millions)



(dollars in millions)

(dollars in millions)	00	01	02	03	04	05
Actuarial Value of Assets	\$924.6	927.5	899.3	913.9	934.0	955.4
Accrued Actuarial Liability	935.8	948.9	976.9	982.6	1,013.8	1,047.5
Funding Ratios	99%	98%	92%	93%	92%	91%

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

Public Safety | System Highlights



*Photo: Chris Snyder
Captain, Police Department
South Salt Lake*

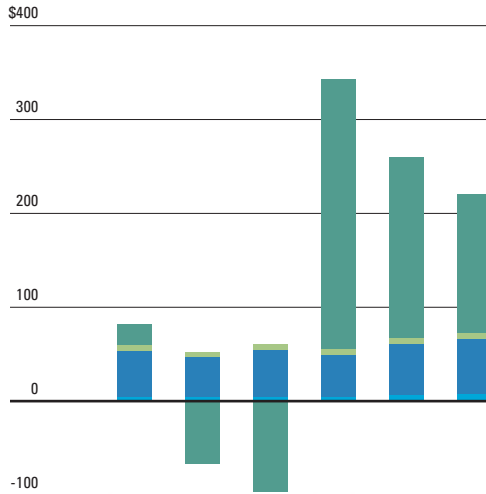
2005 Public Safety Composite Picture

Total Membership	11,883
Active.....	7,239
Terminated vested	1,376
Retired	3,268
<hr/>	
2005 Active Members	7,239
Average age	38.6
Average years of service	8.8
Average annual salary.....	\$40,737
<hr/>	
2005 Retirees	252
Number.....	252
Average age	53.5
Average years of service	22.9
Final average annual salary	\$51,604
Average annual benefit.....	\$28,873
<hr/>	
Average annual benefit — all retirees ...	\$21,724

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

Additions by Source

(in millions)



(in millions)

	00	01	02	03	04	05
Investment Income (Loss)	\$23.2	(67.7)	(97.8)	288.1	192.8	148.1
Member Contributions	4.1	4.0	4.3	4.4	5.0	4.8
Employer Contributions	49.4	46.1	42.3	46.7	56.3	61.3
Transfers from Systems	2.0	1.4	2.0	2.0	4.0	4.3
Totals	\$78.7	(16.2)	(49.2)	341.2	258.1	218.5

Service Retirement

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

Service Benefit Formula

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

Cost of Living Allowance

Up to 2.5% annually on original retirement benefit.

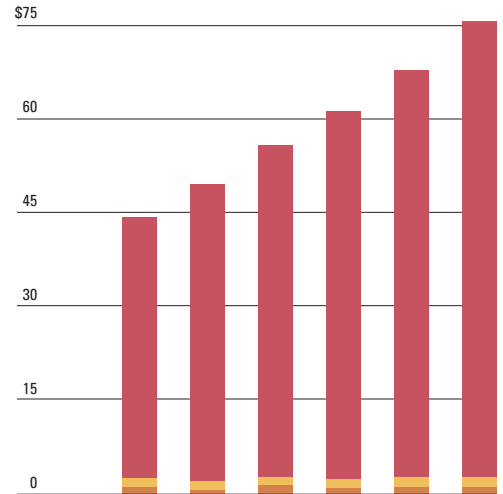
Contribution Rates (as of 12-31-2005)

Noncontributory — Employer rates range from 19.34% to 32.52% of covered salary.

Contributory — Member rates range from 10.50% to 13.74% of covered salary. Employer rates range from 7.95% to 19.96% of covered salary.

Deductions by Type

(in millions)

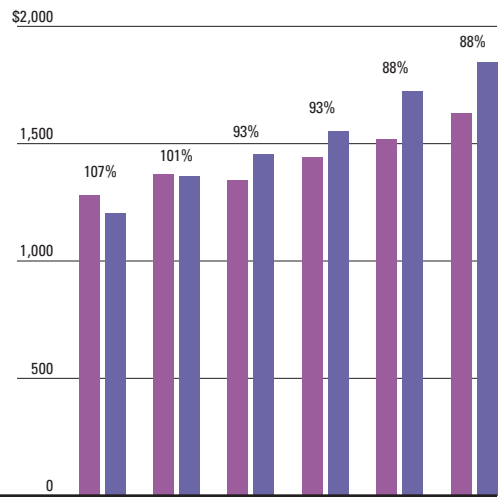


(in millions)

	00	01	02	03	04	05
Benefit Payments	\$42.8	48.6	54.0	59.9	66.3	74.0
Administrative Expense	0.8	0.8	0.9	1.0	1.0	1.0
Refunds	1.0	0.5	1.2	0.7	1.0	1.0
Totals	\$44.6	49.9	56.1	61.6	68.3	76.0

Funding Progress with Funded Ratios

(dollars in millions)



(dollars in millions)

	00	01	02	03	04	05
Actuarial Value of Assets	\$1,287.0	1,376.5	1,349.4	1,448.9	1,524.9	1,633.0
Actuarial Liability	1,206.9	1,366.1	1,458.5	1,556.8	1,726.8	1,851.6
Funding Ratios	107%	101%	93%	93%	88%	88%

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

Firefighters | System Highlights



*Photo: Kevin Kemp
 Battalion Chief
 Fire Department, Orem*

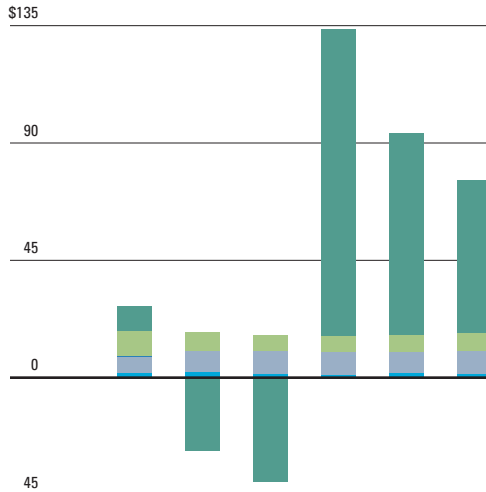
2005 Firefighters Composite Picture

Total Membership	2,704
Active.....	1,636
Terminated vested	94
Retired.....	974
<hr/>	
2005 Active Members	1,636
Average age	39.4
Average years of service	10.5
Average annual salary	\$50,471
<hr/>	
2005 Retirees	974
Number.....	53
Average age	53.8
Average years of service	25.9
Final average annual salary.....	\$64,636
Average annual benefit.....	\$39,087
<hr/>	
Average annual benefit — all retirees ...	\$25,319

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

Additions by Source

(in millions)

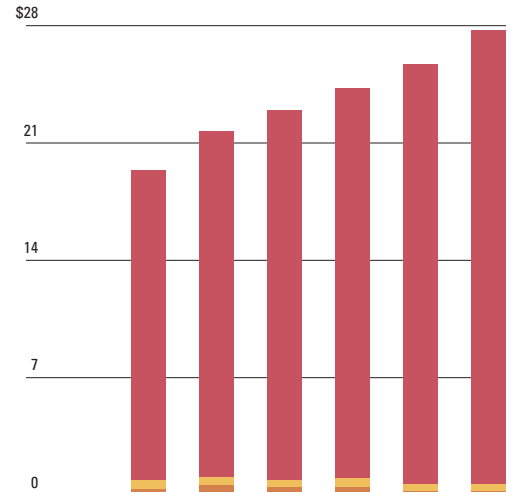


(in millions)

	00	01	02	03	04	05
Investment Income (Loss)	\$9.7	(28.0)	(40.2)	117.4	77.6	58.8
Member Contributions	9.6	7.5	5.8	6.1	6.3	6.7
Employer Contributions	0.1	—	—	—	—	—
Fire Insurance Tax	6.6	8.4	9.5	9.1	8.7	9.6
Transfers from Systems	1.3	1.5	0.7	0.6	1.0	0.6
Totals	\$27.3	(10.6)	(24.2)	133.2	93.6	75.7

Deductions by Type

(in millions)



(in millions)

	00	01	02	03	04	05
Benefit Payments	\$18.7	20.8	22.3	23.5	25.3	27.3
Administrative Expense	0.3	0.3	0.3	0.4	0.3	0.3
Refunds	0.3	0.5	0.4	0.4	0.1	0.1
Totals	\$19.3	21.6	23.0	24.3	25.7	27.7

Service Retirement

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

Service Benefit Formula

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

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

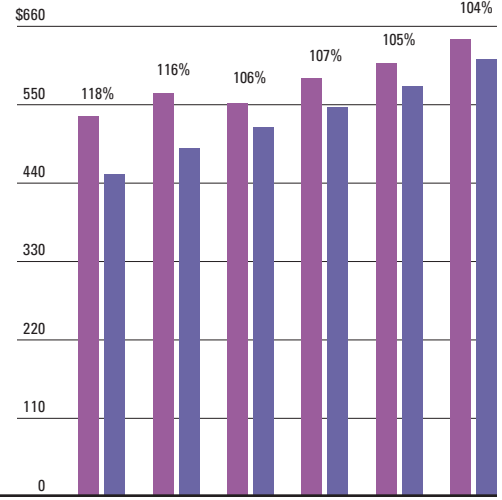
Contribution Rates (as of 12-31-2005)

Member rates for Division A (with Social Security) is 8.61% of covered salary and 7.83% for Division B (without Social Security).

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

Funding Progress with Funded Ratios

(dollars in millions)



(dollars in millions)

	00	01	02	03	04	05
Actuarial Value of Assets	\$536.5	569.2	553.6	589.5	610.7	644.5
Accrued Actuarial Liability	455.5	491.3	521.2	549.4	578.9	617.1
Funding Ratios	118%	116%	106%	107%	105%	104%

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

Judges | System Highlights



*Photo: Howard H. Maetani
Judge, Fourth District Court
American Fork*

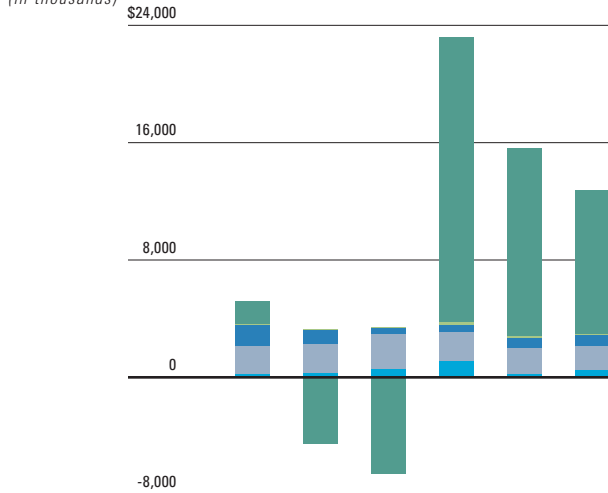
2005 Judges Composite Picture

Total Membership	202
Active	108
Terminated vested.....	6
Retired.....	88
<hr/>	
2005 Active Members	108
Average age	55.9
Average years of service.....	11.2
Average annual salary.....	\$110,539
<hr/>	
2005 Retirees	5
Number.....	5
Average age	65.3
Average years of service	19.7
Final average annual salary	\$105,508
Average annual benefit	\$74,491
<hr/>	
Average annual benefit — all retirees ...	\$52,465

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

Additions by Source

(in thousands)



(in thousands)	00	01	02	03	04	05
Investment Income (Loss)	\$1,571	(4,559)	(6,564)	19,417	12,852	9,762
Member Contributions	8	7	5	103	8	8
Employer Contributions	1,476	1,007	472	551	723	792
Court Fees	1,946	2,046	2,381	1,939	1,808	1,605
Transfers from Systems	183	239	560	1,128	204	518
Totals	\$5,184	(1,260)	(3,146)	23,138	15,595	12,685

Service Retirement

Age	Years of Service	Allowance Reduction
Any age	25	None
55	20	Full actuarial reduction
62	10	None
70	6	None

Service Benefit Formula

- 5.00% x FAS* x years of service up to 10 years.
- 2.25% x FAS* x years of service between 10 and 20 years.
- 1.00% x FAS* x years of service over 20 years.
- Monthly benefit = total of 1, 2 and 3.**

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

** Benefit paid cannot exceed 75% of FAS.

Cost of Living Allowance

Up to 4% compounded annually.

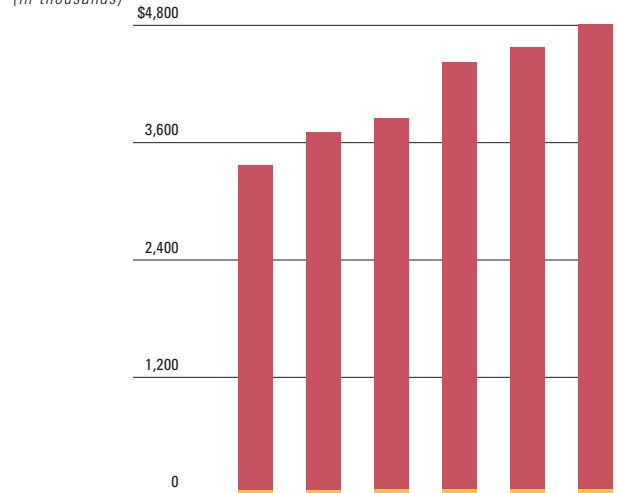
Contribution Rates (as of 12-31-2005)

Noncontributory — Employer rate for is 8.26% of covered salary.

Contributory — Member rate is 2.00% of covered salary. Employer rate is 6.26% of covered salary.

Deductions by Type

(in thousands)



(in thousands)	00	01	02	03	04	05
Benefit Payments	\$3,322	3,659	3,804	4,361	4,519	4,755
Administrative Expense	52	52	57	63	61	60
Totals	\$3,374	3,711	3,861	4,424	4,580	4,815

Funding Progress with Funded Ratios

(dollars in millions)

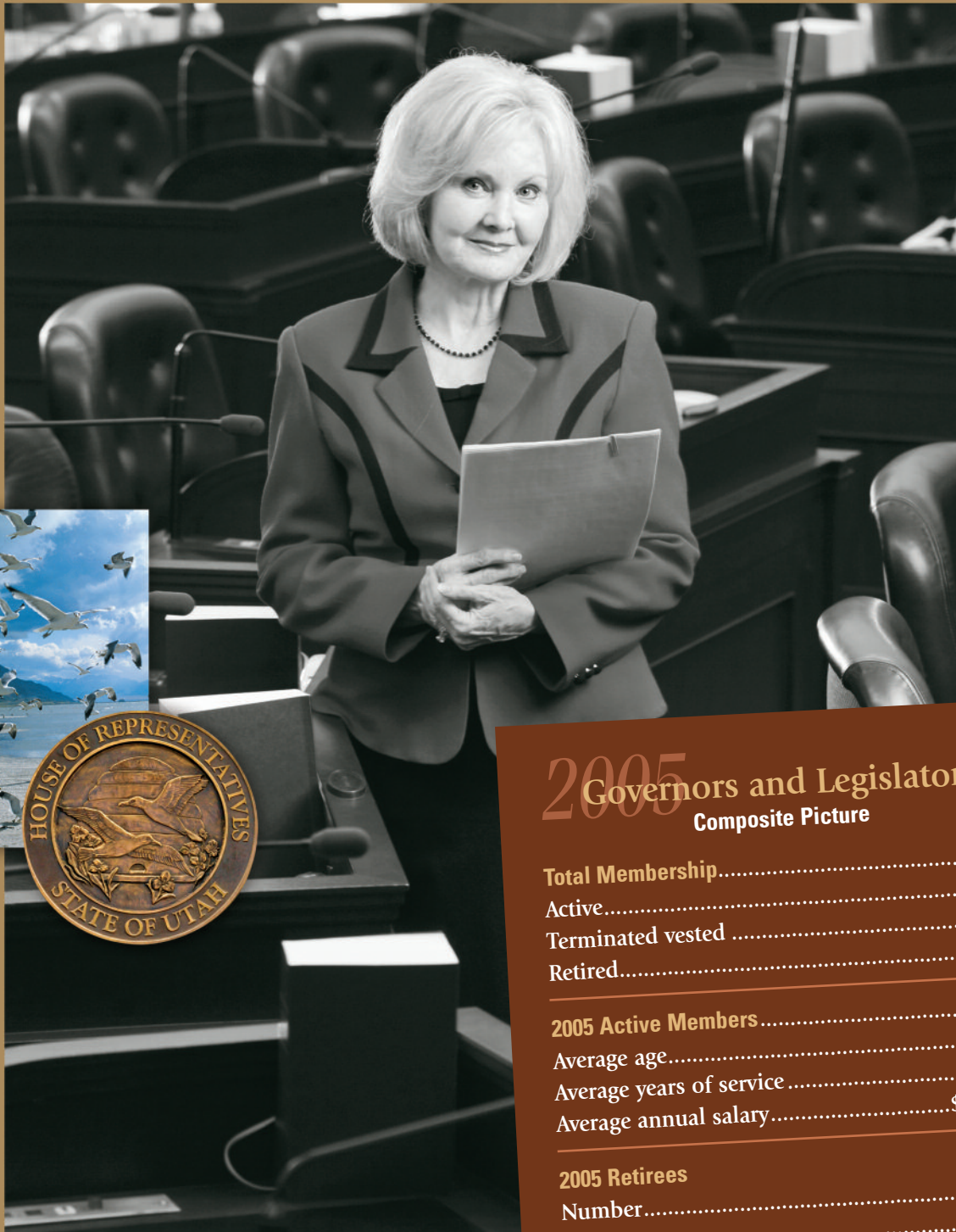


(dollars in millions)	00	01	02	03	04	05
Actuarial Value of Assets	\$87.1	92.6	90.9	97.4	100.8	106.4
Accrued Actuarial Liability	74.0	86.0	90.6	97.9	104.0	110.7
Funding Ratios	118%	108%	100%	99%	97%	96%

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

Utah Governors and Legislators

Retirement Plan Highlights



*Photo: Ann W. Hardy
Representative, District 20, Bountiful
Utah House of Representatives*

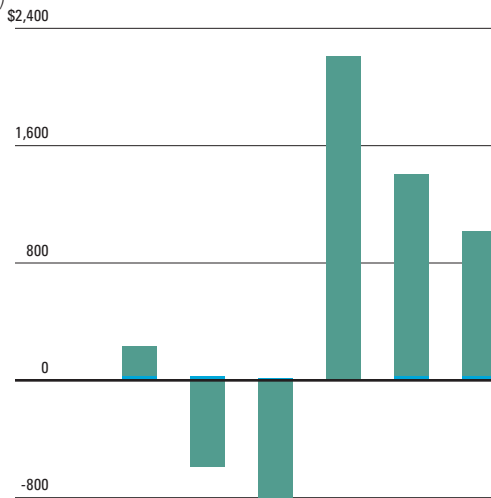
2005 Governors and Legislators Composite Picture

Total Membership	414
Active.....	88
Terminated vested	96
Retired.....	230
<hr/>	
2005 Active Members	88
Average age.....	51.0
Average years of service	5.8
Average annual salary.....	\$8,955
<hr/>	
2005 Retirees	12
Number.....	66.8
Average age	11.8
Average years of service.....	\$4,116
Final average annual salary	\$3,548
Average annual benefit.....	
<hr/>	
Average annual benefit — all retirees	\$2,851

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

Additions by Source

(in thousands)

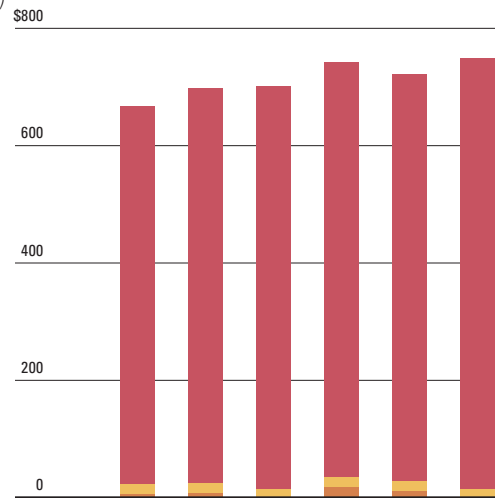


(in thousands)

	00	01	02	03	04	05
● Investment Income (Loss)	\$218	(595)	(806)	2,202	1,381	997
● Transfers from Systems	16	18	3	—	18	16
Totals	\$234	(577)	(803)	2,202	1,399	1,013

Deductions by Type

(in thousands)



(in thousands)

	00	01	02	03	04	05
● Benefit Payments	\$ 662	691	708	726	712	755
● Administrative Expense	6	6	5	6	6	5
● Refunds	1	2	—	12	5	—
Totals	\$ 669	699	713	744	723	760

Service Retirement

Age	Years of Service	Allowance Reduction
65	4	None
62	10	3% each year before age 65

Service Benefit Formula

Governors

\$500* per month per term.

* Increased semi-annually up to 2% based on the CPI.
The amount as of 12-31-05 is \$1,140 per term.

Legislators

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

** Increased semi-annually up to 2% based on the CPI.
The amount as of 12-31-05 is \$25.20.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

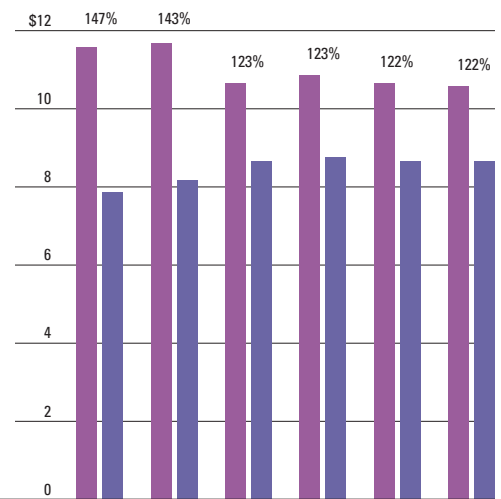
Contribution Rates (as of 12-31-2005)

There are currently no required contributions.

For more detail see Summary of Plan Provisions on page 127.

Funding Progress with Funded Ratios

(dollars in millions)



(dollars in millions)

	00	01	02	03	04	05
● Actuarial Value of Assets	\$11.6	11.7	10.7	10.9	10.7	10.6
● Actuarial Liability	7.9	8.2	8.7	8.8	8.7	8.7
Funding Ratios	147%	143%	123%	123%	122%	122%

Defined Contribution Plan Highlights

December 31, 2005

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

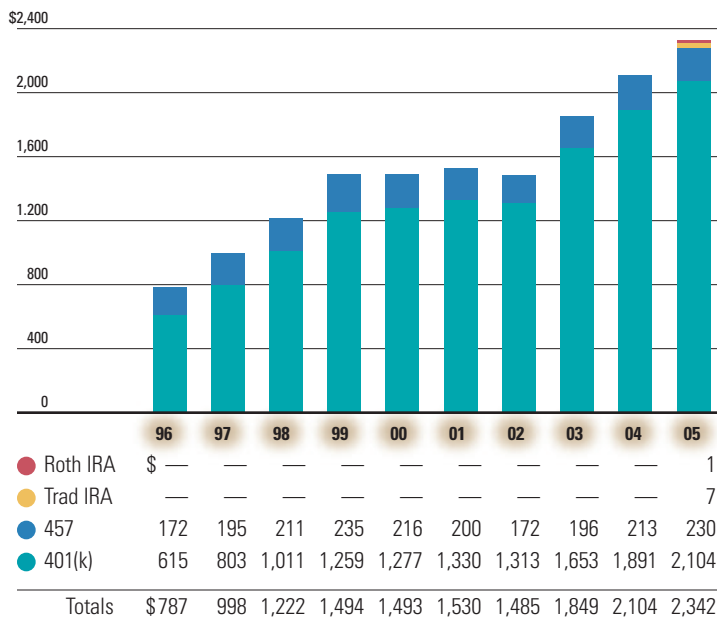
Membership Information

At December 31, 2005

	401(k)	457	Roth IRA	Traditional IRA
Number of active employees eligible to participate	92,466	81,373	97,906	97,906
Employee contributions (excluding employer contributions):				
Number of employees contributing	43,320	6,103	123	13
Percent of eligible employees contributing	46.8%	7.5	0.4	0.1
Average percent of salary deferred by employees	6.2%	8.4	3.7	6.0
Total participants	127,279	13,825	259	118
Average participant account balance	\$16,534	16,639	3,965	55,559

Defined Contribution Member Balances

(in millions)



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

The Plans provide the following benefits:

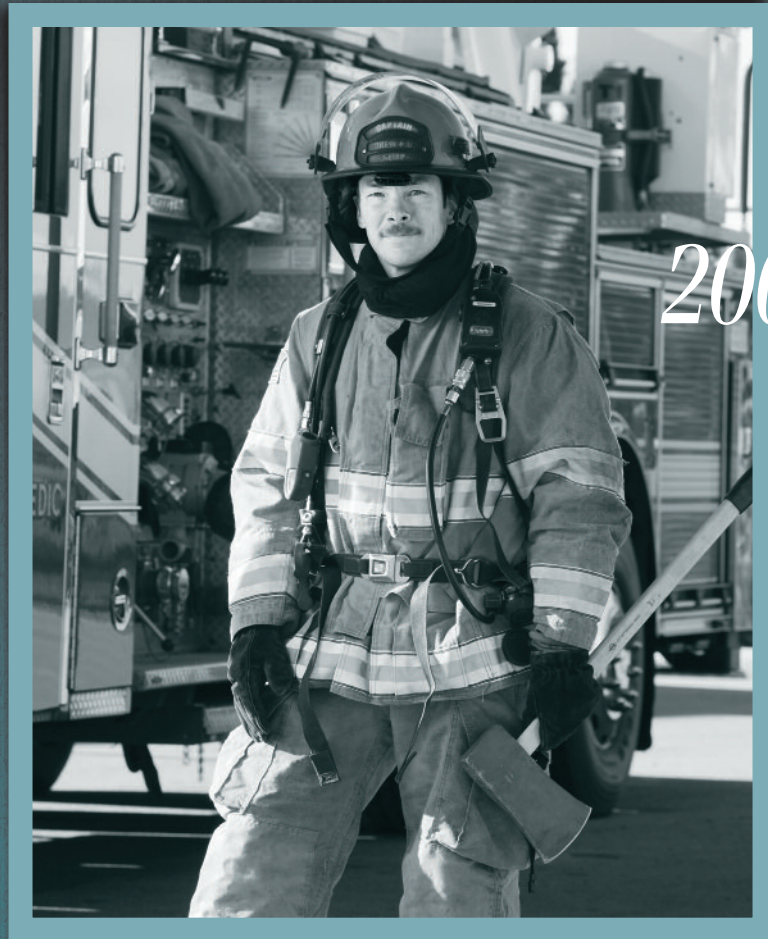
- Convenient, automatic payroll deduction
- Eleven investment options
- Tax deferred and/or tax free savings
- Increase or decrease contributions as often as every pay period
- Rollover funds into any eligible plan or IRA upon termination or retirement
- Upon death, funds transfer to beneficiaries
-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

Each year the number of employees participating in these plans increases. Individuals may participate in more than one option. As of December 31, 2005 the number of participants by investment plan is shown at the upper left.

Annualized rates of returns for the Investment Funds are shown on page 101.

Utah Retirement Systems
Comprehensive Annual Financial Report

Financial | *Section*



2005

26	Independent Auditors' Report
27	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance
28	Management's Discussion and Analysis
42	Basic Financial Statements
66	Required Supplementary Information
70	Individual Retirement Systems' Schedules by Division
90	Schedules of Administrative and Investment Expenses

Independent Auditors' Report



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INDEPENDENT AUDITORS' REPORT

Utah State Retirement Board:

We have audited the accompanying basic financial statements of Utah Retirement Systems, a component unit of the State of Utah, administered by the Utah State Retirement Board as of December 31, 2005, and for the year then ended, listed in the foregoing table of contents. These financial statements are the responsibility of the management of Utah Retirement Systems. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utah Retirement Systems' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such basic financial statements present fairly, in all material respects, the plan net assets of the pension (and other employee benefit) trust funds of Utah Retirement Systems, administered by the Utah State Retirement Board as of December 31, 2005, and the changes in plan net assets of the pension (and other employee benefit) trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2006, on our consideration of Utah Retirement Systems' internal control over financial reporting and our tests of their compliance and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Deloitte & Touche LLP

March 8, 2006

Member of
Deloitte Touche Tomatsu



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

Utah State Retirement Board:

We have audited the basic financial statements of Utah Retirement Systems, a component unit of the State of Utah, administered by the Utah State Retirement Board, as of and for the year ended December 31, 2005, and have issued our report thereon dated March 8, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Utah Retirement Systems' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Utah Retirement Systems in a separate letter dated March 8, 2006.

Compliance and Other Matters

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

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

Deloitte & Touche LLP

March 8, 2006

Member of
Deloitte Touche Tomatsu

Utah Retirement Systems

Management's Discussion and Analysis

Introduction

T

his section presents management's discussion and analysis of the Utah Retirement Systems' (URS) financial position and performance for the year ended December 31, 2005. It is presented as a narrative overview and analysis. Please read it in conjunction with the Letter of Transmittal included in the Introductory Section, the financial statements and other information which are presented in the Financial Section of this Comprehensive Annual Financial Report.



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

Financial Highlights

- The URS Defined Benefit Pension Systems' combined total net assets increased by \$1.4 billion, or 8.5 percent during calendar year 2005. The increase was primarily due to the increase in equity markets and increasing retirement contributions.
- The URS Defined Benefit Pension Systems' rate of return on investments during calendar year 2005 was 9.0 percent compared with the calendar year 2004 rate of return of 13.2 percent. The decrease in rate of return was due primarily to the decrease in equity performance in 2005.
- The URS Defined Benefit Pension Systems were actuarially funded at an average of 92.4 percent as of January 1, 2005, a decrease from the comparative average of 94.7 percent as of January 1, 2004. During 2005 the funded ratio decreased from 92.4 percent at the beginning of the year to 92.2 percent at December 31, 2005 due to negative actuarial experience.
- The Defined Contribution Plans' net assets increased \$238 million during calendar year 2005 primarily due to investment gains from the increase in equity markets and participant contributions.
- The Defined Contribution Plans' rates of return for investment options ranged from a high of 19.8 percent to a low of 1.8 percent compared to prior year investment option returns of a high of 18.9 percent and a low of 3.4 percent.

Management's Discussion and Analysis *(Continued)*

T

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the URS financial reporting which is comprised of the following components:



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

Collectively, this information presents the combined net assets held in trust for pension benefits for each of the funds administered by URS as of December 31, 2005. This financial information also summarizes the combined changes in net assets held in trust for pension benefits for the year then ended. The information in each of these components is briefly summarized as follows:

1) Basic Financial Statements.

For the calendar year ended December 31, 2005, basic financial statements are presented for the fiduciary funds administered by URS. Fiduciary funds are used to account for resources held for the benefit of the participants outside of URS. The fiduciary funds are comprised of ten pension (and other employee benefit) trust funds which consist of six defined benefit systems and four defined contribution plans.

- The Statements of Fiduciary Net Assets are presented for the pension trust funds at December 31, 2005 with combined total comparative information at December 31, 2004. These financial statements reflect the resources available to pay benefits to members, including retirees and beneficiaries, at the end of the years reported.

- The Statements of Changes in Fiduciary Net Assets are presented for the pension trust funds for the year ended December 31, 2005 with combined total comparative information for the year ended December 31, 2004. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries, for calendar years 2005 and 2004.

2) Notes to the Basic Financial Statements.

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

- Note 1 provides a general description of URS as well as a description of each of the Systems and Plans administered by URS and a summary of benefits. Information regarding employer and member participation in the Systems and Plans administered by URS is also provided.
- Note 2 provides a summary of significant accounting policies including the basis of accounting, investment accounting policies, management's use of estimates, information regarding the implementation of new accounting pronouncements, and other significant accounting policies.

Management's Discussion and Analysis *(Continued)*

- Note 3 describes deposits, investment risk disclosures, and additional information about cash, securities lending, and derivatives.
- Note 4 explains property and equipment of URS including depreciation and net carrying amounts.
- Note 5 provides information about actuarial values and methods for the defined benefit systems administered by URS.
- Note 6 provides information about contributions to the defined benefit systems administered by URS.
- Note 7 explains transfers to or from affiliated systems.
- Note 8 describes supplemental benefits.
- Note 9 provides information about litigation.
- Note 10 describes commitments for investment funding.
- Note 11 provides information about pension plan participation.
- Note 12 provides information about URS post employment benefits.

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

3) Required Supplementary Information. The required supplementary information consists of two schedules and related notes concerning actuarial information, funded status and required contributions of the defined benefit pension systems administered by URS.

4) Other Supplementary Schedules.

Other schedules include more detailed information pertaining to the Systems and Plans as well as schedules of administrative expenses.

Management's Discussion and Analysis *(Continued)*

Financial Analysis of the Systems — Defined Benefit Plans

Investments

I



Investments of the URS Defined Benefit Systems are combined in a commingled investment pool as authorized by state statute. Each system owns an equity position in the pool and receives proportionate investment income from the pool in accordance with each respective ownership percentage.

Each system's allocated share of each type of investment in the pool is

shown in the Statement of Net Assets of each respective system. Investment gains or losses are reported in the Statement of Changes in Fiduciary Net Assets of each retirement system. The rate of return on investments is therefore approximately the same for each of the systems.

Systems Total Investments

At December 31, 2005, URS Defined Benefit Systems had total net assets of \$17.5 billion, an increase of \$1.4 billion from calendar year 2004 investment totals. The combined investment portfolio experienced a return of 9.0 percent compared with the URS investment benchmark return of 8.2 percent. Investment results over time compared with URS benchmarks are presented on page 96 in the Investment Section.

Since the investment gain in all of the retirement systems was about 9.0 percent of net assets, further investment performance will not be evaluated in each respective system.

Equities

At December 31, 2005, URS Defined Benefit Systems held \$10.1 billion in U.S. and international equity securities, an increase of \$164.9 million from year 2004. U.S. equity and international equity securities had returns of 7.3 percent and 17.4 percent respectively for the 2005 calendar year, compared to URS benchmark returns of 6.1 percent and 16.4 percent respectively.

Debt Securities

At December 31, 2005, URS Defined Benefit Systems held \$4.3 billion in U.S. debt and international debt securities, an increase of \$546.5 million from year 2004. U.S. debt securities returned 2.1 percent while international debt securities returned (2.9) percent in calendar year 2005 compared with URS benchmark returns of 2.4 percent and (4.5) percent respectively.

Real Estate

At December 31, 2005, URS Defined Benefit Systems held \$2.4 billion in real estate investments, an increase of \$680.1 million from year 2004. Real estate investments returned 16.4 percent in calendar year 2005 compared with URS benchmark return of 18.9 percent.

Private Equity

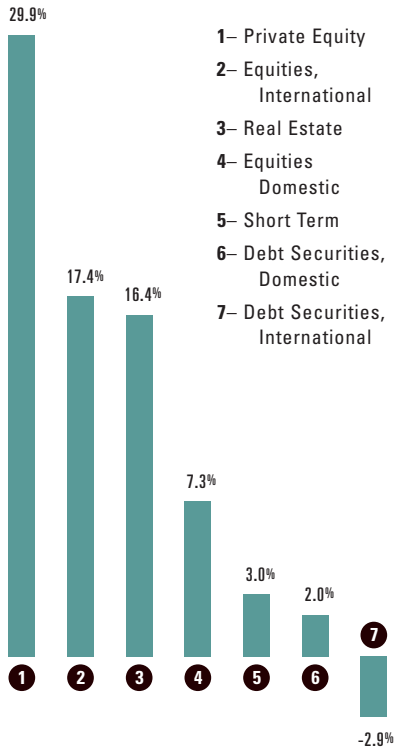
At December 31, 2005, URS Defined Benefit Systems held \$611.6 million in private equity investments, an increase of \$59.1 million from year 2004. Private equity investments returned 29.9 percent in calendar year 2005. The URS benchmark for private equity investments was 9.4 percent.

Short Term

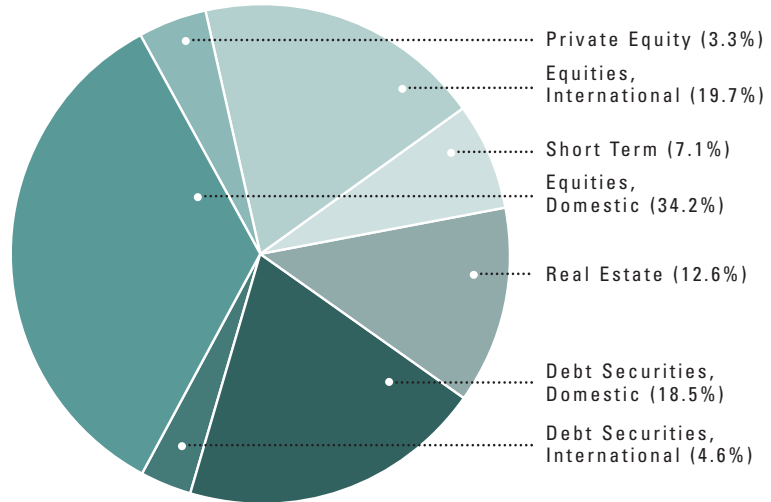
At December 31, 2005, URS Defined Benefit Systems held \$1.3 billion in short-term investments, an increase of \$269.4 million from year 2004. Short-term investments returned 3.0 percent in calendar year 2005, which compared to the URS benchmark return of 3.1 percent.

Management’s Discussion and Analysis *(Continued)*

**Defined Benefit Systems
Investment Rates of Return
by Investment Type for 2005**



**Defined Benefit Systems
Asset Allocation at Fair Value**



Security Lending

The Systems earn additional investment income by lending investment securities to brokers. This is done on a pooled basis by URS’ custodial bank, The Northern Trust Company (TNT). The brokers provide collateral to TNT and generally use the borrowed securities to cover short sales and failed trades. TNT invests the cash collateral received from the brokers in order to earn interest. At December 31, 2005, the Systems had \$2.4 billion on loan secured by collateral of \$2.5 billion. For calendar year 2005, net securities lending income to the Systems amounted to \$6.9 million, an increase of \$2.5 million over calendar year 2004. The increase in security lending revenue for year 2005 represents mainly an increase in demand by brokers to borrow available securities.

Management's Discussion and Analysis *(Continued)*

Analysis of the Defined Benefit Systems

Noncontributory System

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The Noncontributory System provides retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2005 totaled \$13.9 billion, an increase of \$1.1 billion (8.7 percent) from \$12.8 billion at December 31, 2004.

Additions to the Noncontributory System net assets

held in trust for benefits include employer contributions, investment income and transfers. For the 2005 calendar year, member and employer contributions increased from \$383.5 million for the calendar year 2004 to \$426.6 million, an increase of \$43.1 million (11.2 percent). Contributions increased because salaries increased. The system recognized a net investment gain of \$1.2 billion for the 2005 calendar year compared with net investment gain of \$1.5 billion for the 2004 calendar year. The decrease in investment gain for 2005 compared to 2004 was due to the lower rate of return realized in 2005.

Deductions from the Noncontributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For the 2005 calendar year, benefits amounted to \$469.7 million, an increase of \$44.8 million (10.5 percent) over 2004 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2005 calendar year, the costs of administering the system totaled \$7.6 million, a decrease of \$201,000 (2.6 percent) from calendar year 2004.

An actuarial valuation of the Noncontributory System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2005, the funded status of the system decreased to 92.3 percent from 94.4 percent at January 1, 2004. The amount by which the Noncontributory System actuarial

assets were under actuarial benefit liabilities was \$1.0 billion at January 1, 2005, compared with being under funded by \$693.8 million at January 1, 2004. The decrease in funded status as of the last actuarial valuation was a result of negative actuarial experience.

Contributory System

The Contributory system provides retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2005 totaled \$1.0 billion, an increase of \$69.1 million (7.3 percent) from \$949.4 million at December 31, 2004.

Additions to the Contributory System net assets held in trust for benefits include employer and member contributions, investment income and transfers. For the 2005 calendar year, member and employer contributions increased from \$18.6 million for the calendar year 2004 to \$20.7 million, an increase of \$2.1 million (11.1 percent). Contributions increased because salaries increased. For the most part the Contributory System is a closed system. For this reason both the numbers of active members and retired individuals are declining. The system recognized a net investment gain of \$88.4 million for the 2005 calendar year compared with net investment gain of \$117.3 million for the 2004 calendar year. The decrease in investment gain for 2005 compared to 2004 was due to the lower rate of return realized in 2005.

Management's Discussion and Analysis *(Continued)*

Fiduciary Net Assets — Pension Trust Funds

December 31

(dollars in thousands)

	Noncontributory System		Contributory System		Public Safety System	
	2005	2004	2005	2004	2005	2004
Assets:						
Cash and receivables	\$ 625,093	295,018	45,024	20,977	77,988	35,887
Investments at fair value	14,844,735	13,463,600	1,089,227	1,000,685	1,855,611	1,679,443
Invested securities lending collateral	1,894,493	1,837,043	139,007	136,539	236,815	229,152
Property and equipment	2,394	3,236	176	241	300	405
Total assets	17,366,715	15,598,897	1,273,434	1,158,442	2,170,714	1,944,887
Liabilities:						
Securities lending collateral liability	1,894,493	1,837,043	139,007	136,539	236,815	229,152
Investment accounts and other payables	1,579,783	975,724	115,902	72,510	197,448	121,692
Total liabilities	3,474,276	2,812,767	254,909	209,049	434,263	350,844
Total net assets	\$13,892,439	12,786,130	1,018,525	949,393	1,736,451	1,594,043

Changes in Fiduciary Net Assets — Pension Trust Funds

Year Ended December 31

(dollars in thousands)

	Noncontributory System		Contributory System		Public Safety System	
	2005	2004	2005	2004	2005	2004
Additions:						
Contributions	\$ 426,612	383,486	20,657	18,587	66,132	61,357
Investment income	1,185,095	1,547,605	88,388	117,340	148,071	192,784
Transfers from affiliated systems	—	10,583	19,565	—	4,257	4,002
Total additions	1,611,707	1,941,674	128,610	135,927	218,460	258,143
Deductions:						
Pension benefits	469,695	424,897	57,100	56,992	74,041	66,329
Refunds	3,189	3,029	1,800	2,945	1,026	960
Administrative expenses	7,557	7,758	578	618	985	978
Transfers to affiliated systems	24,957	—	—	15,787	—	—
Total deductions	505,398	435,684	59,478	76,342	76,052	68,267
Increase in net assets	\$ 1,106,309	1,505,990	69,132	59,585	142,408	189,876

Deductions from the Contributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For the 2005 calendar year, benefits amounted to \$57.1 million, an increase of \$108,000 (0.2 percent) from 2004 calendar year. The increase in benefit payments was due to the increase in the number of retired members

in the system. For the 2005 calendar year, the costs of administering the system totaled \$578,000, a decrease of \$40,000 (6.5 percent) from calendar year 2004.

An actuarial valuation of the Contributory System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2005, the funded status of the system decreased to

Management's Discussion and Analysis (Continued)

Firefighters System		Judges System		Utah Governors and Legislators Retirement Plan		Total Defined Benefit Pension Plans		Percent Change
2005	2004	2005	2004	2005	2004	2005	2004	
29,947	15,960	5,073	2,442	490	236	783,615	370,520	111.5%
734,111	670,439	121,152	111,060	12,117	11,673	18,656,953	16,936,900	10.2
93,688	91,478	15,462	15,153	1,547	1,593	2,381,012	2,310,958	3.0
118	161	20	27	2	3	3,010	4,073	(26.1)
857,864	778,038	141,707	128,682	14,156	13,505	21,824,590	19,622,451	11.2
93,688	91,478	15,462	15,153	1,547	1,593	2,381,012	2,310,958	3.0
78,114	48,581	12,892	8,046	1,290	846	1,985,429	1,227,399	61.8
171,802	140,059	28,354	23,199	2,837	2,439	4,366,441	3,538,357	23.4
686,062	637,979	113,353	105,483	11,319	11,066	17,458,149	16,084,094	8.5%

Firefighters System		Judges System		Utah Governors and Legislators Retirement Plan		Total Defined Benefit Pension Plans		Percent Change
2005	2004	2005	2004	2005	2004	2005	2004	
16,327	14,951	2,405	2,539	—	—	532,133	480,920	10.6%
58,827	77,602	9,762	12,852	997	1,381	1,491,140	1,949,564	(23.5)
601	980	518	204	16	18	24,957	15,787	58.1
75,755	93,533	12,685	15,595	1,013	1,399	2,048,230	2,446,271	(16.3)
27,269	25,263	4,755	4,518	755	712	633,615	578,711	9.5
72	106	—	—	—	5	6,087	7,045	(13.6)
331	345	60	61	5	6	9,516	9,766	(2.6)
—	—	—	—	—	—	24,957	15,787	58.1
27,672	25,714	4,815	4,579	760	723	674,175	611,309	10.3
48,083	67,819	7,870	11,016	253	676	1,374,055	1,834,962	(25.1)%

92.1 percent from 93.0 percent at January 1, 2004. The amount by which the Contributory System actuarial assets were under actuarial benefit liabilities was \$79.9 million at January 1, 2005, compared with \$68.6 million at January 1, 2004. The decrease in funded status as of the last actuarial valuation was a result of negative actuarial experience.

Management's Discussion and Analysis *(Continued)*

Public Safety System

The Public Safety System provides retirement benefits to eligible public safety employees of the State of Utah, local governments and higher education. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2005 amounted to \$1.7 billion, an increase of \$142.4 million (8.9 percent) from \$1.6 billion at December 31, 2004.

Additions to the Public Safety System net assets held in trust for benefits include employer contributions, investment income and transfers. For the 2005 calendar year, member and employer contributions increased from \$61.4 million for the calendar year 2004 to \$66.1 million, an increase of \$4.7 million (7.8 percent). Contributions increased because salaries increased. The system recognized a net investment gain of \$148.1 million for the 2005 calendar year compared with net investment gain of \$192.8 million for the 2004 calendar year. The decrease in investment gain for 2005 compared to 2004 was due to the lower rate of return realized in 2005.

Deductions from the Public Safety System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2005 calendar year, benefits amounted to \$74.0 million, an increase of \$7.7 million (11.6 percent) over the 2004 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2005 calendar year, the costs of administering the system totaled \$985,000, an increase of \$7 thousand (0.7 percent) from calendar year 2004.

An actuarial valuation of the Public Safety System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2005, the funded status of the system decreased to 88.3 percent from 93.1 percent at January 1, 2004. The amount by which the Public Safety System actuarial assets were under actuarial benefit liabilities



was \$201.9 million at January 1, 2005, compared with being under funded by \$107.9 million at January 1, 2004. The decrease in funded status as of the last actuarial valuation was a result of negative actuarial experience.

Firefighters System

The Firefighters System provides retirement benefits to covered firefighters of the State of Utah and local governments. Benefits of the system are funded by mem-

ber and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2005 amounted to \$686.1 million, an increase of \$48.1 million (7.5 percent) from \$638.0 million at December 31, 2004.

Additions to the Firefighters System net assets held in trust for benefits consist of employer contributions, including insurance premium taxes, investment income and transfers. For the 2005 calendar year, member and employer contributions increased from \$15.0 million for the calendar year 2004 to \$16.3 million, an increase of \$1.3 million (9.2 percent). Contributions increased because member contributions and insurance premium taxes increased. The system recognized a net investment gain of \$58.8 million for the 2005 calendar year compared with net investment gain of \$77.6 million for the 2004 calendar year. The decrease in investment gain for 2005 compared to 2004 was due to the lower rate of return realized in 2005.

Deductions from the Firefighters System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2005 calendar year, benefits amounted to \$27.3 million, an increase of \$2.0 million (7.9 percent) over the 2004 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2005 calendar year, the costs of administering the system totaled \$331,000, a decrease of \$14,000 (4.1 percent) from calendar year 2004.

Management's Discussion and Analysis *(Continued)*

An actuarial valuation of the Firefighters System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2005, the funded status of the system decreased to 105.5 percent from 107.3 percent at January 1, 2004. The amount by which the Firefighters System actuarial assets were over actuarial benefit liabilities was \$31.8 million at January 1, 2005, compared with \$40.1 million at January 1, 2004. The decrease in funded status as of the last actuarial valuation was a result of negative actuarial experience.



Deductions from the Judges System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2005 calendar year, benefits amounted to \$4.8 million, an increase of \$237,000 (5.2 percent) over 2004 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2005 calendar year, the costs of administering the system totaled \$60,000, a decrease of \$1,000 (1.6 percent) over calendar year 2004.

Judges System

The Judges System provides retirement benefits to judges in the State of Utah who are eligible to participate in the system. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2005 amounted to \$113.4 million, an increase of \$7.9 million (7.5 percent) from \$105.5 million at December 31, 2004.

Additions to the Judges System net assets held in trust for benefits consist of employer contributions, including court fees, investment income and transfers. For the 2005 calendar year, member and employer contributions decreased from \$2.5 million for the calendar year 2004 to \$2.4 million, a decrease of \$134,000 (5.3 percent). Contributions decreased because court fees decreased. The system recognized a net investment gain of \$9.8 million for the 2005 calendar year compared with net investment gain of \$12.9 million for the 2004 calendar year. The decrease in investment gain for 2005 compared to 2004 was due to the lower rate of return realized in 2005.

An actuarial valuation of the Judges System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2005, the funded status of the system decreased to 96.7 percent from 99.5 percent at January 1, 2004. The amount by which the Judges System actuarial assets were under actuarial benefit liabilities was \$3.4 million at January 1, 2005, compared with \$490,000 over at January 1, 2004. The decrease in funded status as of the last actuarial valuation was a result of negative actuarial experience.

Utah Governors and Legislators Retirement Plan

The Governors and Legislators Retirement Plan provides retirement benefits to governors and legislators of the State of Utah. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2005 amounted to \$11.3 million, an increase of \$235,000 (2.3 percent) from \$11.1 million at December 31, 2004.

Additions to the Governors and Legislative Retirement Plan net assets held in trust for benefits include investment income and transfers. No employer contributions were needed for this plan because of the current over funded status. The system recognized a net investment gain of \$997,000 for the 2005 calendar year compared with net investment gain of \$1.4 million for the 2004 calendar year. The decrease in investment gain for 2005 compared to 2004 was due to the lower rate of return realized in 2005.

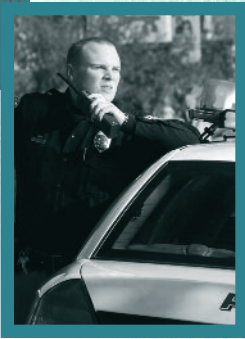
Management's Discussion and Analysis *(Continued)*

Deductions from the Governors and Legislators Retirement Plan net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2005 calendar year, retirement benefits amounted to \$755,000, an increase of \$43,000 (6.0 percent) from 2004 calendar year. The increase in benefit payments was due to an increase in the number of benefit recipients. For the 2005 calendar year, the costs of administering the system totaled \$5,000, a slight decrease over the preceding year.

An actuarial valuation of the Governors and Legislators Retirement Plan assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2005, the funded status of the system decreased to 122.0 percent from 123.8 percent at January 1, 2004. The amount by which the Governors and Legislators Retirement Plan actuarial assets were over actuarial benefit liabilities was \$1.9 million at January 1, 2005, compared with \$2.1 million at January 1, 2004. The decrease in funded status as of the last actuarial valuation was a result of the negative actuarial experience.

Actuarial Valuations and Funding Progress

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actuarial valuation of each defined benefit system is performed annually. At January 1, 2005, the date of the most recent actuarial valuation, the average funded ratio of the Systems was 92.4 percent. This was a decrease from the Systems' January 1, 2004 valuation average funded ratio of 94.7 percent, a decrease in funded status of 2.3 percent. As of December 31, 2005, the Systems' average funded ratio had decreased to 92.2 percent. This was a decrease in the Systems' funded ratio of 0.2 percent for calendar year 2005. The funded ratio decrease for all systems was the result of negative actuarial experience.

At December 31, 2005 the Systems' unfunded actuarial accrued liability was \$1.4 billion. This was a net increase in the under funded position of \$112.3 million for the year. At December 31, 2005 the difference between the actuarial value of assets and market value of

assets was \$1.0 billion in actuarially deferred gains. This was an increase of \$352 million in actuarially deferred gains from the \$691 million in actuarially deferred gains at January 1, 2005. These actuarially deferred gains will be recognized by the actuary over the next four years.

Management's Discussion and Analysis *(Continued)*

Analysis of the Defined Contribution Plans

401(k) Defined Contribution Plan

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The 401(k) Plan is established under section 401(k) of the Internal Revenue Code.

This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits at December 31, 2005 amounted to \$2.1 billion, an increase of \$213.9 million (11.3 percent) over net assets at December 31, 2004.

Additions to the 401(k) Plan net assets held in trust for benefits include contributions and investment income. For the 2005 calendar year, contributions increased from those of 2004 calendar year from \$171.0 million to \$182.7 million, an increase of \$11.7 million (6.9 percent). Contributions increased because of increased participation. The plan recognized a net investment gain of \$142.8 million for the 2005 calendar year compared with a net investment gain of \$152.4 million for the 2004 calendar year.

Deductions from the 401(k) Plan net assets include participant and beneficiary refunds, and administrative expenses. For the 2005 calendar year, refunds amounted to \$106.7 million, an increase of \$25.1 million (30.7 percent) over 2004 calendar year. The increase in refunds was due to an increase in withdrawals for calendar year 2005. For the 2005 calendar year, the costs of administering the plan amounted to \$4.9 million, an increase of \$342,000 over calendar year 2004.

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

457 Defined Contribution Plan

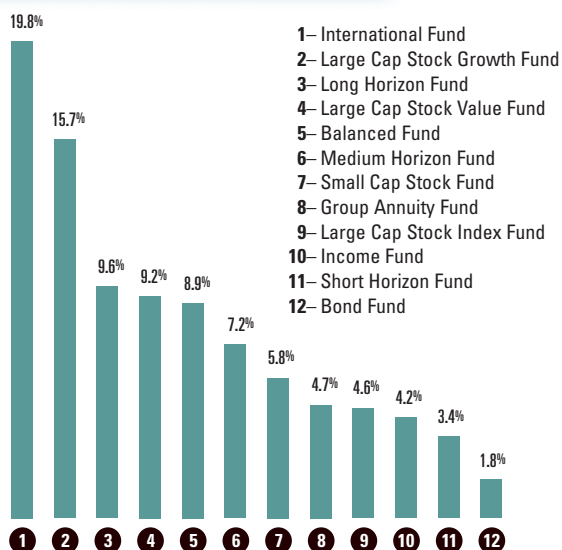
The 457 Plan is established under Section 457 of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits at December 31, 2005 amounted to \$230 million, an increase of \$16.7 million (7.9 percent) over net assets at December 31, 2004.

Additions to the 457 Plan net assets held in trust for benefits include contributions and investment income. For the 2005 calendar year, contributions increased from those of 2004 calendar year from \$17.4 million to \$22.0 million or an increase of \$4.6 million (26.9 percent). Contributions increased because of increased participation. The plan recognized a net investment gain of \$14.9 million for the 2005 calendar year compared with a net investment gain of \$17.1 million for the 2004 calendar year.

Deductions from the 457 Plan net assets include participant and beneficiary refunds and administrative expenses. For the 2005 calendar year, refunds amounted to \$19.6 million, an increase of \$2.7 million (15.9 percent) over the 2004 calendar year. The increase in refunds was due to an increase in withdrawals for calendar year 2005. For the 2005 calendar year, the costs of administering the plan amounted to \$531,000, an increase of \$34,000 over calendar year 2004.

Management's Discussion and Analysis (Continued)

Defined Contribution Plans Investment Options Rates of Return for 2005



Defined Contribution Plans Comparative Annualized Rates of Return

December 31, 2005

Investment Option	2005	2004
Income Fund	4.2%	3.4%
Bond Fund	1.8	3.5
Balanced Fund	8.9	9.9
Large Cap Stock Value Fund	9.2	19.0
Large Cap Stock Index Fund	4.6	10.5
Large Cap Stock Growth Fund	15.7	7.4
International Fund	19.8	14.3
Small Cap Stock Fund	5.8	17.6
Short Horizon Fund	3.4	4.9
Medium Horizon Fund	7.2	8.9
Long Horizon Fund	9.6	11.4
Group Annuity Fund	4.7	4.7

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

Roth IRA

The Roth IRA is "deemed IRA" authorized by section 408(q) of the Internal Revenue Code, and governed by section 408A of the code. This plan allows participants

Fiduciary Net Assets — Defined Contribution Plans

December 31

(dollars in thousands)

	401(k) Plan	
	2005	2004
Assets:		
Cash and receivables	\$ 49,922	39,360
Investments at fair value	2,058,768	1,854,016
Invested securities lending collateral	68,422	52,879
Total assets	2,177,112	1,946,255
Liabilities:		
Securities lending collateral liability	68,422	52,879
Investment accounts and other payables	4,228	2,821
Total liabilities	72,650	55,700
Total net assets	\$2,104,462	1,890,555

Changes in Fiduciary Net Assets — Defined Contribution Plans

Year Ended December 31

(dollars in thousands)

	401(k) Plan	
	2005	2004
Additions:		
Contributions	\$182,744	170,958
Investment income	142,760	152,410
Total additions	325,504	323,368
Deductions:		
Refunds	106,678	81,611
Administrative expenses	4,919	4,577
Total deductions	111,597	86,188
Increase in net assets	\$213,907	237,180

to make after-tax contribution, while earnings may be withdrawn tax-free (for qualified distributions).

The plan is funded by participant contributions, rollovers, conversions from traditional IRAs and by investment earnings. This plan was implemented during the 2005 calendar year and has accumulated \$1.0 million since inception.

Management's Discussion and Analysis (Continued)

457 Plan		Roth IRA Plan		Traditional IRA Plan		Total Defined Contribution Plans		Percent Change
2005	2004	2005	2004	2005	2004	2005	2004	
4,070	1,859	2	—	11	—	54,005	41,219	31.0%
226,466	211,662	1,025	—	6,547	—	2,292,806	2,065,678	11.0
5,553	5,315	25	—	119	—	74,119	58,194	27.4
236,089	218,836	1,052	—	6,677	—	2,420,930	2,165,091	11.8
5,553	5,315	25	—	119	—	74,119	58,194	27.4
505	250	—	—	2	—	4,735	3,071	54.2
6,058	5,565	25	—	121	—	78,854	61,265	28.7
230,031	213,271	1,027	—	6,556	—	2,342,076	2,103,826	11.3

457 Plan		Roth IRA Plan		Traditional IRA Plan		Total Defined Contribution Plans		Percent Change
2005	2004	2005	2004	2005	2004	2005	2004	
22,033	17,368	1,007	—	6,527	—	212,311	188,326	12.7%
14,891	17,118	53	—	353	—	158,057	169,528	(6.8)
36,924	34,486	1,060	—	6,880	—	370,368	357,854	3.5
19,633	16,937	33	—	315	—	126,659	98,548	28.5
531	497	—	—	9	—	5,459	5,074	7.6
20,164	17,434	33	—	324	—	132,118	103,622	27.5
16,760	17,052	1,027	—	6,556	—	238,250	254,232	(6.3)

Traditional IRA

The traditional IRA is a "deemed IRA" authorized by section 408(q) of the Internal Revenue Code and governed by section 408 of the code. This plan allows participants to make after-tax contributions and possibly deduct all or a portion of the contributions from their current taxable income. This plan also allows participants to consolidate many other eligible plan assets when they

become eligible for rollover (such as 401(k), 457, and other IRAs). Participants may also convert traditional IRA funds into a Roth IRA.

The plan is funded by participant contributions, rollovers, and by investment earning. This plan was implemented during the 2005 calendar year and has accumulated \$6.6 million since inception.

Utah Retirement Systems

Basic Financial Statements

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

December 31, 2005

(in thousands)

With Comparative Totals for December 31, 2004

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System
Assets:					
Cash	\$ 69	2	15	2	1
Receivables:					
Member contributions	—	441	235	300	—
Employer contributions	25,543	595	2,802	—	37
Court fees and fire insurance tax	—	—	—	—	142
Investments	599,481	43,986	74,936	29,645	4,893
Total receivables	625,024	45,022	77,973	29,945	5,072
Investments at fair value:					
Short-term securities, domestic	933,009	68,459	116,628	46,140	7,615
Short-term securities, international	120,365	8,832	15,045	5,952	982
Debt securities, domestic	2,733,543	200,572	341,696	135,181	22,309
Debt securities, international	688,486	50,518	86,062	34,048	5,619
Equity investments, domestic	5,079,799	372,728	634,982	251,209	41,458
Equity investments, international	2,925,026	214,622	365,632	144,650	23,872
Private equity	486,622	35,706	60,828	24,065	3,971
Real estate	1,872,423	137,389	234,056	92,596	15,281
Mortgage loans	5,462	401	682	270	45
Investment contracts	—	—	—	—	—
Total investments	14,844,735	1,089,227	1,855,611	734,111	121,152
Invested securities lending collateral	1,894,493	139,007	236,815	93,688	15,462
Property and equipment at cost, net of accumulated depreciation	2,394	176	300	118	20
Total assets	17,366,715	1,273,434	2,170,714	857,864	141,707
Liabilities:					
Securities lending collateral liability	1,894,493	139,007	236,815	93,688	15,462
Disbursements in excess of cash balance	10,903	791	1,346	533	88
Compensated absences, post employment benefits and insurance reserve	9,252	679	1,157	457	76
Investment accounts payable	874,277	64,145	109,276	43,231	7,135
Real estate liabilities	685,351	50,287	85,669	33,893	5,593
Total liabilities	3,474,276	254,909	434,263	171,802	28,354
Net assets held in trust for pension benefits (see supplemental schedules of funding progress, page 66)	\$13,892,439	1,018,525	1,736,451	686,062	113,353

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

Defined Benefit Pension Plans		Defined Contribution Plans					Total Pension Trust Funds	
Utah Governors and Legislators Retirement Plan	Total Defined Benefit Pension Plans	401(k) Plan	457 Plan	Roth IRA Plan	Traditional IRA Plan	Total Defined Contribution Plans	2005	2004
1	90	6,319	1,666	2	11	7,998	8,088	2,392
—	976	—	—	—	—	—	976	589
—	28,977	—	—	—	—	—	28,977	26,121
—	142	—	—	—	—	—	142	2,479
489	753,430	43,603	2,404	—	—	46,007	799,437	380,158
489	783,525	43,603	2,404	—	—	46,007	829,532	409,347
762	1,172,613	—	—	—	—	—	1,172,613	985,416
98	151,274	—	—	—	—	—	151,274	69,095
2,231	3,435,532	694,087	73,049	289	2,016	769,441	4,204,973	3,584,170
562	865,295	—	—	—	—	—	865,295	880,628
4,147	6,384,323	1,110,042	115,775	590	3,375	1,229,782	7,614,105	7,637,934
2,388	3,676,190	223,275	21,787	146	1,156	246,364	3,922,554	3,562,705
397	611,589	—	—	—	—	—	611,589	552,534
1,528	2,353,273	—	—	—	—	—	2,353,273	1,673,204
4	6,864	—	—	—	—	—	6,864	6,659
—	—	31,364	15,855	—	—	47,219	47,219	50,233
12,117	18,656,953	2,058,768	226,466	1,025	6,547	2,292,806	20,949,759	19,002,578
1,547	2,381,012	68,422	5,553	25	119	74,119	2,455,131	2,369,152
2	3,010	—	—	—	—	—	3,010	4,073
14,156	21,824,590	2,177,112	236,089	1,052	6,677	2,420,930	24,245,520	21,787,542
1,547	2,381,012	68,422	5,553	25	119	74,119	2,455,131	2,369,152
9	13,670	65	358	—	1	424	14,094	10,388
8	11,629	—	—	—	—	—	11,629	10,285
714	1,098,778	4,163	147	—	1	4,311	1,103,089	729,797
559	861,352	—	—	—	—	—	861,352	480,000
2,837	4,366,441	72,650	6,058	25	121	78,854	4,445,295	3,599,622
11,319	17,458,149	2,104,462	230,031	1,027	6,556	2,342,076	19,800,225	18,187,920

Utah Retirement Systems

Basic Financial Statements

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

Year Ended December 31, 2005

With Comparative Totals for Year Ended

December 31, 2004

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

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System
Additions:					
Contributions:					
Member	\$ 19,817	10,300	4,806	6,726	8
Employer	406,795	10,357	61,326	—	792
Court fees and fire insurance tax	—	—	—	9,601	1,605
Total contributions	426,612	20,657	66,132	16,327	2,405
Investment income:					
Net appreciation in fair value of investments	867,967	64,735	108,447	43,085	7,150
Interest, dividends and other investment income	354,021	26,404	44,234	17,573	2,916
Total investment income	1,221,988	91,139	152,681	60,658	10,066
Less investment expenses	36,893	2,751	4,610	1,831	304
Net investment income	1,185,095	88,388	148,071	58,827	9,762
Transfers from affiliated systems	—	19,565	4,257	601	518
Total additions	1,611,707	128,610	218,460	75,755	12,685
Deductions:					
Retirement benefits	397,759	37,508	62,608	21,405	3,784
Cost of living benefits	71,936	18,479	10,859	5,252	971
Supplemental retirement benefits	—	1,113	574	612	—
Refunds	3,189	1,800	1,026	72	—
Administrative expenses	7,557	578	985	331	60
Transfers to affiliated systems	24,957	—	—	—	—
Total deductions	505,398	59,478	76,052	27,672	4,815
Increase from operations	1,106,309	69,132	142,408	48,083	7,870
Net assets held in trust for pension benefits beginning of year	12,786,130	949,393	1,594,043	637,979	105,483
Net assets held in trust for pension benefits end of year	\$13,892,439	1,018,525	1,736,451	686,062	113,353

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

Defined Benefit Pension Plans		Defined Contribution Plans					Total Pension Trust Funds	
Utah Governors and Legislators Retirement Plan	Total Defined Benefit Pension Plans	401(k) Plan	457 Plan	Roth IRA Plan	Traditional IRA Plan	Total Defined Contribution Plans	2005	2004
—	41,657	182,744	22,033	1,007	6,527	212,311	253,968	223,064
—	479,270	—	—	—	—	—	479,270	435,715
—	11,206	—	—	—	—	—	11,206	10,467
—	532,133	182,744	22,033	1,007	6,527	212,311	744,444	669,246
730	1,092,114	141,265	14,183	53	357	155,858	1,247,972	1,709,151
298	445,446	3,739	928	—	—	4,667	450,113	453,365
1,028	1,537,560	145,004	15,111	53	357	160,525	1,698,085	2,162,516
31	46,420	2,244	220	—	4	2,468	48,888	43,424
997	1,491,140	142,760	14,891	53	353	158,057	1,649,197	2,119,092
16	24,957	—	—	—	—	—	24,957	15,787
1,013	2,048,230	325,504	36,924	1,060	6,880	370,368	2,418,598	2,804,125
595	523,659	—	—	—	—	—	523,659	477,426
160	107,657	—	—	—	—	—	107,657	98,687
—	2,299	—	—	—	—	—	2,299	2,598
—	6,087	106,678	19,633	33	315	126,659	132,746	105,593
5	9,516	4,919	531	—	9	5,459	14,975	14,840
—	24,957	—	—	—	—	—	24,957	15,787
760	674,175	111,597	20,164	33	324	132,118	806,293	714,931
253	1,374,055	213,907	16,760	1,027	6,556	238,250	1,612,305	2,089,194
11,066	16,084,094	1,890,555	213,271	—	—	2,103,826	18,187,920	16,098,726
11,319	17,458,149	2,104,462	230,031	1,027	6,556	2,342,076	19,800,225	18,187,920

Notes to the Basic Financial Statements

December 31, 2005

Note

1

Description of Systems and Plans

A brief description of the Utah Retirement Systems (Systems) and 401(k), 457, Roth and Traditional IRA Plans (Plans) follows. For a more complete description of plan provisions, membership and benefit statistics, see the Systems Highlights on pages 12 through 24 and Summaries of Plan Provisions on pages 120 through 127.



A) General Information and Reporting Entity

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

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

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

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

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems and Plans under the direction of the Board, whose members are appointed by the Governor. The Plans are established under the authority of the same sections of the Utah Code Annotated 1953, as amended, as well as under Sections 401(k), 457, 408 and 408A of the Internal Revenue Code. The Plans may be amended by the Board within the parameters of the Internal Revenue Code. The Systems and Plans are fiduciary funds defined as pension (and other employee benefit) trust funds. Utah Retirement Systems are a component unit of the State of Utah.

B) Retirement and Death Benefits

Retirement Systems' benefits are specified by the statute listed in note 1 (A). The Retirement Systems are defined benefit plans wherein benefits are based on age and/or years of service and highest average salary. Various

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

Summary of Benefits by System

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

Note: The Utah Governors and Legislators Retirement Plan benefits are explained in the second paragraph following this table.

* With actuarial reductions.

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

plan options within the Systems may be selected by retiring members. Some options require actuarial reductions based on attained age, age of spouse and similar actuarial factors. A brief summary of eligibility and benefits of the various Systems is shown in the table above.

The Utah Governors and Legislators Retirement Plan provides the following benefits. Former governors at age 65 receive \$1,140 per month per term. Legislators receive a benefit at age 65 with four or more years of service at the rate of \$25.20 per month per year of service. Retirement at age 62 with ten or more years of service will receive an actuarial reduction. Both the governors' and legislators' benefits are adjusted based on the CPI limited to 4% of the base benefit per year.

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

C) Defined Contribution Plans

The 401(k), 457, Roth and Traditional IRA Plans administered by the Board are defined contribution plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems. Contributions may be made into the Plans subject to plan and Internal Revenue Code limitations by employees of employers sponsoring the Plans. Employer contributions may be made into the Plans at rates determined by the employers. There are 351 employers participating in the 401(k) Plan and 154 employers participating in the 457 Plan. There are 127,279 plan participants in the 401(k) Plan, 13,825 participants in the 457 Plan, 259 participants in the Roth IRA Plan and 118 participants in the Traditional IRA Plan.

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

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

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

D) Contributions

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

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

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

E) Covered Employees

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

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

Participating Members by System

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors and Legislators Retirement Plan
Number of participating:						
Employers	401	161	120	48	1	1
Members:						
Active	85,637	3,198	7,239	1,636	108	88
Terminated vested	26,028	1,437	1,376	94	6	96
Retirees and beneficiaries:						
Service benefits	25,710	6,171	3,252	909	88	230
Disability benefits	—	4	16	65	—	—

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

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

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

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

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

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

At December 31, 2005 participating members by System are included in the table on page 48.

Note

2

Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Systems and Plans:



A) Method of Accounting

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

Utah Retirement Systems adhere to Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis — for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements — and Management's Discussion and Analysis — or State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Investments are presented at fair value. The actuarial accrued liability under the entry age actuarial funding method is presented in the Required Supplementary Information on page 66.

B) Investments

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

Utah Retirement Systems

Notes to Basic Financial Statements *(Continued)*

December 31, 2005

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

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

Approximately 12% of the net assets held in trust for pension benefits are invested in debt securities of the U.S. Government and its instrumentalities. Of the 12%, approximately 3% are U.S. Government debt securities and approximately 9% are debt securities of the U.S. Government instrumentalities. The Systems and Plans have no investments of any commercial or industrial organization whose market value equals 5% or more of the Systems' net assets held in trust for pension benefits.

C) Property and Equipment

Property and equipment are recorded at cost (see note 4), are depreciated utilizing the straight-line method, and are included in the assets of the Investment Fund. The schedule to the right summarizes the estimated useful life by class. The Systems policy is to capitalize all acquisitions of furniture and equipment with a unit cost of \$1,000 or more.

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

D) Administrative Expenses

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

E) Federal Tax Status

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

F) Use of Estimates

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

Utah Retirement Systems

Notes to Basic Financial Statements *(Continued)*

December 31, 2005

Note
3

Deposits and Investment Risk Disclosures

A) Deposits

Custodial Credit Risk for Deposits is the risk that in the event of a bank failure, the Systems' and Plans' deposits may not be returned to them. The deposits are held in one financial institution with an insured balance of \$100,000. The deposits in the bank in excess of \$100,000 are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. The Systems and Plans do not have a deposit policy for custodial credit risk. Deposits are presented in the basic financial statements at cost plus accrued interest which is also the market or fair value. At December 31, 2005, the carrying



amount of deposits totaled approximately \$(6,006,000) and the corresponding bank balance was \$10,500,712 of which \$10,400,712 was exposed to custodial credit risk.

Cash Deposits

(in thousands)

Cash	\$ 8,088
Disbursements in excess of cash balances	(14,094)
Total	\$ (6,006)

B) Investments

The upper left table on page 52 shows the Systems' and Plans' investments by investment type.

C) Credit Risk Debt Securities:

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

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

- Upon approval, a domestic debt securities investment manager may invest up to 10% of the portfolio in non-U.S. dollar denominated bonds.
- Upon approval, the international debt securities investment managers may hold up to 25% of the market value of their portfolios in securities rated below investment grade (S&P index BBB- or Moody's index Baa3). The remaining assets shall have on average an investment grade rating.

The weighted quality rating average of the domestic debt securities, excluding pooled investments, at December 31, 2005 is AA+ and the fair value of below grade investments is \$51,912,067 or 1.25% of the domestic portfolio. The weighted quality rating average of the international debt securities investments, at December 31, 2005 is AA- and the fair value of below grade investments is \$6,675,428 or .77% of the international portfolio.

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

Investments

at December 31, 2005

	<i>(in thousands)</i>
	Fair Value
Debt securities, domestic	\$ 3,471,621
Debt securities, international	400,941
Equity securities, domestic	5,794,377
Equity securities, international	3,672,021
Short-term securities pools	1,323,887
Mortgage loans:	
Collateralized loans	19
Real estate notes	6,846
Real estate	2,353,273
Alternative investments (venture capital)	611,590
Guaranteed investment contracts	47,219
Equity securities, domestic (pooled)	343,136
Mutual fund, international	246,364
Mutual fund, balanced	299,263
Investments held by broker-dealers under securities lending program:	
U.S. Government and agency securities	628,764
Corporate debt securities, domestic	104,586
Debt securities, international	464,353
Equity securities, domestic	1,177,330
Equity securities, international	4,169
Total investments	\$ 20,949,759
Securities lending collateral pool	\$ 2,455,131

Debt Securities Investments at Fair Value

at December 31, 2005

	<i>(in thousands)</i>		
Quality Rating	Domestic	International	Total
AAA	\$ 1,302,330	405,237	1,707,567
AA+	71,805	—	71,805
AA	19,227	19,839	39,066
AA-	50,986	50,635	101,621
A+	68,219	5,413	73,632
A	58,119	55,026	113,145
A-	49,260	49,200	98,460
BBB+	53,742	24,575	78,317
BBB	83,375	41,827	125,202
BBB-	38,447	18,989	57,436
BB+	14,936	591	15,527
BB	7,403	644	8,047
BB-	22,170	1,876	24,046
B+	—	—	—
B	11,034	—	11,034
B-	—	381	381
NR	11,305	3,184	14,489
Total credit risk debt securities	1,862,358	677,417	2,539,775
U.S. Government and Agencies Pooled investments	1,518,828 823,787	49,029 138,849	1,567,857 962,636
Total debt securities investments	\$ 4,204,973	865,295	5,070,268

D) Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Systems and Plans will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. At December 31, 2005 the following table represents the investments that have custodial credit risk.

Exposed to Custodial Credit Risk: *(in thousands)*

Type of investment	Fair Value
Cash and cash equivalents	\$ 20,868

Exposure to Custodial Credit Risk Not Determined:

Type of investment	Fair Value
Common stock	\$ 720
Corporate bonds	2,521
Short term bills and notes	839
Cash and cash equivalents	(49,634)
	\$ (45,554)

E) Concentrations of Credit Risk

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

- AAA/Aaa Debt Securities — no more than 5% of an investment manager's assets at market with a single issuer
- AA-/Aa3 Debt Securities or higher — no more than 4% of an investment manager's assets at market with a single issuer
- A-/A3 Debt Securities or higher — no more than 3% of an investment manager's assets at market with a single issuer
- BBB-/Baa3 Debt Securities or higher — no more than 2% of an investment manager's assets at market with a single issuer

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

Debt Securities Investments, Domestic

at December 31, 2005

(dollars in thousands)

Investment	Fair Value	Effective Weighted Duration
Asset backed securities	\$ 164,829	0.98
Commercial mortgage-backed	127,799	4.04
Convertible equity	2,217	NA
Corporate bonds	542,962	4.78
Corporate convertible bonds	171	NA
Fixed income derivatives — futures	161,874	(0.29)
Fixed income derivative — options	674	189.70
Fixed income futures	(161,874)	NA
Government agencies	81,920	4.05
Government bonds	493,588	7.13
Government mortgage backed securities	1,505,962	3.84
Index linked government bonds	118,136	2.97
Municipal/provincial bonds	2,201	8.55
Non-government backed C.M.O.s	387,476	2.12
Other fixed income	7,598	NA
Pooled debt securities	769,440	NA
Total debt securities investments, domestic	\$ 4,204,973	4.14

Debt Securities Investments, International

at December 31, 2005

(dollars in thousands)

Investment	Fair Value	Effective Weighted Duration
Asset backed securities	\$ 15,915	2.28
Commercial mortgage backed	12,446	3.11
Corporate bonds	349,346	5.06
Fixed income derivatives — options	(30)	141.91
Government agencies	10,225	2.92
Government bonds	404,290	6.69
Government mortgage backed securities	45,422	3.41
Index linked government bonds	1,937	8.45
Municipal/provincial bonds	14,475	7.01
Non-government backed C.M.O.s	11,269	3.21
Total debt securities investments, international	\$ 865,295	5.83

- For Debt Securities — no individual holding shall constitute more than 10% of the market value of outstanding debt of a single issuer with the exception of the U.S. Government or its agencies, or collateralized mortgage obligations.
- For Domestic Equity Securities — no individual holdings shall constitute more than 4% of the securities of any single issuer. Also, no more than 8% of an investment manager's assets shall be invested in the equity or REIT securities of any single issuer at market.
- For International Equity Securities — no more than 8% of an investment manager's assets shall be invested in the equity or REIT securities of any single issuer at market.

At December 31, 2005 there were no single issuer investments that exceeded the above guidelines.

F) Interest Rate Risk

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

- For domestic debt securities managers, an individual debt securities investment manager's portfolio shall have an effective duration between 75 – 125% of the effective duration of the appropriate index.
- The international debt securities investment managers shall maintain an effective duration of their portfolio between 50-150% of the appropriate index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investments full price.

The Systems and Plans compare an investment's effective duration against the Lehman Brothers Aggregate Index for domestic debt securities and the Lehman Brothers Global Aggregate Index for international debt securities. The index range at December 31, 2005 is 3.43 – 5.71 for domestic debt securities and 2.64 – 7.93 for international debt securities. At December 31, 2005, no individual debt security investment manager's portfolio was outside of the policy guidelines. At December 31, 2005 the foregoing tables show the investments by investment type, amount and the effective weighted duration.

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

Foreign Currency Risk

International Investment Securities
at Fair Value at December 31, 2005

(in thousands)

Currency	Short Term	Debt	Equity	Total
Argentine peso	\$ —	381	—	381
Australian dollar	(1,179)	11,267	60,098	70,186
Brazilian real	—	—	6,785	6,785
Canadian dollar	50	4,305	31,461	35,816
Danish krone	3	2,706	14,778	17,487
Euro	37,276	265,709	807,334	1,110,319
Hong Kong dollar	131	—	58,932	59,063
Japanese yen	11,636	51,976	609,831	673,443
Mexican peso	340	4,342	1,311	5,993
New Israeli shekel	—	2,619	—	2,619
New Taiwan dollar	—	—	2,263	2,263
New Zealand dollar	18	2,271	7,122	9,411
Norwegian krone	1	—	15,851	15,852
Poland zloty	—	3,564	—	3,564
Pound sterling	(1,226)	64,153	527,088	590,015
Republic of Korea won	—	9,102	29,635	38,737
Singapore dollar	36	—	20,376	20,412
Swedish krona	452	21,253	36,165	57,870
Swiss franc	495	—	226,968	227,463
Thailand baht	—	2,251	—	2,251
International equity mutual fund (various currencies)	—	—	246,364	246,364
Total Securities subject to foreign currency risk	48,033	445,899	2,702,362	3,196,294
United States dollars (securities held by international investment managers)	103,241	419,396	1,220,192	1,742,829
Total international investment securities	\$ 151,274	865,295	3,922,554	4,939,123

G) Foreign Currency Risk

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

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

Risk of loss arises from changes in currency exchange rates. The Systems' and Plans' exposure to foreign currency risk is shown to the left.

H) Security Lending

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

At year end there was no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at year end were \$2,379,202,000 and the collateral received for those securities on loan was \$2,455,131,000. Under the terms of the lending agreement, the Systems and Plans are indemnified against loss should the lending agent be unable to recover borrowed securities and distributions due to borrower insolvency or failure of the lending agent to properly evaluate the creditworthiness of the borrower. In addition, the Systems and Plans are indemnified against loss should the lending agent fail to demand adequate and appropriate collateral on a timely basis. All securities loaned can be terminated on demand by either the Systems and Plans or the borrower. Cash collateral is invested in the lending agent's short-term investment pool.

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

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

I) Derivative Financial Instruments

The Systems and Plans invest in derivative financial investments as authorized by Board policy. Derivatives are financial arrangements between two parties whose payments are based on, or "derived" from, the performance of some agreed-upon benchmark. At December 31, 2005 the Systems and Plans had four types of derivative financial instruments: futures, currency forwards, options, and swaps.

Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specified price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing the Systems' and Plans' credit risk. The net change in the futures contracts value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included with trading account securities gains (losses) in the Statement of Changes in Fiduciary Net Assets. At December 31, 2005 the Systems' and Plan's investments had the following futures balances:

	Value Covered by Contract
Long—cash and cash equivalent—futures.....	\$ 104,485,150
Long-equity futures	736,323,579
Short-equity futures	(413,397,345)
Long-debt securities futures	767,163,381
Short-debt securities futures.....	(135,174,046)

Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rate on the foreign currency dominated portfolio holdings. A forward foreign exchange contract is a commitment to

purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net realized gains or losses on foreign currency related transactions. At December 31, 2005 the Systems' and Plans' investments included the following currency forwards balances:

Currency forwards (pending foreign exchange purchases).....	\$ 1,482,374,618
Currency forwards (pending foreign exchange sales).....	(1,477,711,955)

Options represent or give buyers the right, but not the obligation, to buy or sell an asset at a preset price over a specified period. The option's price is usually a small percentage of the underlying asset's value. As a writer of financial options, the Systems and Plans receive a premium at the outset of the agreement and bear the risk of an unfavorable change in the price of the financial instrument underlying the option. As a purchaser of financial options, the Systems and Plans pay a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. At December 31, 2005 the Systems' and Plans' investments had the following option balances:

	Value Covered by Contract
Cash and cash equivalent purchased call options	\$ 2,869,119
Cash and cash equivalent purchased put options.....	(13,236)
Fixed income written put options	(110,147)
Fixed income written call options.....	753,407

Swaps represent an agreement between two or more parties to exchange sequences of cash flows over a period in the future. At the end of the year the Systems had two different types of swap arrangements: interest rate swaps and credit default swaps. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty who, in turn, agrees to make return interest payments that float with some reference rate. The interest rate swaps allowed the Systems to effectively convert most of their long term variable interest rate credit facility loans into fixed interest rate loans. The credit default

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

swaps protects the rental cash flows on one of the Systems' real estate investments in case the major tenant defaults on its lease contract. Gains and losses on swaps are determined based on market values and are recorded in the Statement of Changes in Plan Net Assets. At December 31, 2005 the Systems investments had the following swap market value balances as shown in the table to the right.

J) Investment Payables

The investment accounts payable are comprised of investment advisor fees payable of \$8,882,000, administrative expenses payable of \$3,922,000, investment purchases payable of \$1,084,591,000 and various real estate payables of \$5,693,000.

Swaps

	Outstanding Notational Amount (Base Used to Calculate Interest)	Interest Rate	Maturity Date	Fair Value
Interest Rate Swaps				
Morgan Stanley Interest Rate Swap	\$ 20,000,000	4.447%—LIBOR*	10/20/2014	\$ 498,161
Morgan Stanley Interest Rate Swap	37,000,000	4.406%—LIBOR	11/1/2014	1,032,085
Morgan Stanley Interest Rate Swap	120,000,000	4.163%—LIBOR	12/1/2011	3,748,409
Morgan Stanley Interest Rate Swap	38,000,000	3.4675%—LIBOR	11/2/2007	878,275
Morgan Stanley Interest Rate Swap	48,400,000	3.907%—LIBOR	3/1/2008	843,057
Morgan Stanley Interest Rate Swap	5,200,000	4.4275%—LIBOR	4/1/2008	32,859
Morgan Stanley Interest Rate Swap	36,612,500	4.4251%—LIBOR	6/1/2010	730,996
Morgan Stanley Interest Rate Swap	9,500,000	4.057%—LIBOR	9/1/2010	280,469
Morgan Stanley Interest Rate Swap	4,485,385	4.690%—LIBOR	3/1/2018	61,406
Morgan Stanley Interest Rate Swap	32,600,000	5.046%—LIBOR	9/1/2015	(641,022)
Morgan Stanley Interest Rate Swap	41,039,825	4.466%—LIBOR	10/1/2012	864,394
Morgan Stanley Interest Rate Swap	5,762,331	4.3075%—LIBOR	1/1/2013	178,846
Morgan Stanley Interest Rate Swap	71,700,000	4.722%—LIBOR	10/1/2020	1,156,694
Morgan Stanley Interest Rate Swap	26,467,452	4.466%—LIBOR	10/1/2012	461,800
Merrill Lynch Interest Rate Swap	11,570,168	4.647%—LIBOR	10/1/2012	77,786
Morgan Stanley Interest Rate Swap	1,099,248	4.730%—LIBOR	10/1/2012	77,898
Morgan Stanley Interest Rate Swap	32,900,000	4.868%—LIBOR	1/4/2016	(145,076)
Merrill Lynch Interest Rate Swap	51,917,095	4.890%—LIBOR	12/31/2012	(375,382)
Morgan Stanley Interest Rate Swap	45,500,000	4.845%—LIBOR	12/31/2010	(185,347)
Morgan Stanley Interest Rate Swap	6,100,000	4.870%—LIBOR	12/31/2010	(23,062)
Morgan Stanley Interest Rate Swap	4,869,065	4.748%—LIBOR	12/31/2010	7,800
Morgan Stanley Interest Rate Swap	9,645,782	4.732%—LIBOR	12/29/2010	12,357
Total Interest Rate Swaps	\$ 660,368,851			\$ 9,573,403
Credit Default Swaps				
Morgan Stanley Credit Default Swaps	\$ 111,000,000		9/29/2008	\$ (727,390)

*One month London Interbank Offered Rate (LIBOR)

Note

4

Property and Equipment

Property and equipment consist of the amounts shown in the following table as of December 31, 2005 and 2004. There were no significant leases as of December 31, 2005 or 2004.



(in thousands)

	2005	2004
Land	\$ 1,779	1,779
Buildings and building improvements	11,098	11,050
Furniture and equipment	3,170	3,326
Total property and equipment	16,047	16,155
Less accumulated depreciation:		
Buildings and building improvements	5,741	5,333
Furniture and equipment	2,594	2,652
Total accumulated depreciation	8,335	7,985
Less operating reserves	4,702	4,097
Net property and equipment	\$ 3,010	4,073

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

Note

5

Actuarial Values and Methods

A) Actuarial Asset Valuation

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



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

The calculations below were utilized in determining the actuarial value of assets as of January 1, 2005 and December 31, 2005, and the next table shows the smoothed actuarial value of assets for each System.

B) Actuarial Accrued Liability

The actuarial accrued liability for the Systems is presented in the Required Supplementary Information Schedule of Funding Progress on page 66 and 67 of this report.

Calculation of Actuarial Value of Assets

January 1, 2005

(dollars in thousands)

1. Fair value of assets				\$16,084,094
2. Deferral to smooth asset values based on (excess)/ shortfall of expected investment income for:				
	Year	Total (Excess)/ Shortfall	Percent Deferred	Amount Deferred
a.	2004	\$ (804,065)	80%	\$(643,253)
b.	2003	(2,007,188)	60%	(1,204,316)
c.	2002	2,009,531	40%	803,811
d.	2001	1,765,658	20%	353,131
e.	2000	814,093	0%	0
f. Total deferred gains				(690,627)
3. Actuarial value of assets available for benefits				\$15,393,467

December 31, 2005

(dollars in thousands)

1. Fair value of assets				\$17,458,149
2. Deferral to smooth asset values based on (excess)/ shortfall of expected investment income for:				
	Year	Total (Excess)/ Shortfall	Percent Deferred	Amount Deferred
a.	2005	\$(199,197)	80%	\$(159,358)
b.	2004	(804,065)	60%	(482,440)
c.	2003	(2,007,188)	40%	(802,875)
d.	2002	2,009,531	20%	401,905
e.	2001	1,765,658	0%	0
f. Total deferred gains				(1,042,768)
3. Actuarial value of assets available for benefits				\$16,415,381

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

Utah Retirement Systems

Notes to Basic Financial Statements *(Continued)*

December 31, 2005

C) Actuarial Cost Method and Assumptions

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

Actuarial accrued liabilities are future periodic payments including lump-sum distributions that are

attributable to the service employees have rendered to date and the plan provisions of the various systems. The present value of actuarial accrued liabilities are calculated based on the entry age actuarial cost method with benefits based on projected salary increases.

A schedule of the actuarial assumptions used in the actuarial report dated January 1, 2005 is presented in Notes to Required Supplementary Information on page 69.

Actuarial Value of Assets by System

January 1, 2005

(in thousands)

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors and Legislators Retirement Plan	Total All Systems
1. Net assets available for benefits at fair value	\$12,764,281	971,242	1,594,043	637,979	105,483	11,066	16,084,094
2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income on fair value	(551,844)	(37,268)	(69,139)	(27,291)	(4,669)	(416)	(690,627)
3. Actuarial value of assets available for benefits	\$12,212,437	933,974	1,524,904	610,688	100,814	10,650	15,393,467

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

Note
6

Actuarially Determined Contribution Requirements and Contributions Made

Employer contribution rates consist of (1) an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and (2) an amount for amortization of the unfunded or excess funded actuarial accrued liability over an open 20 year amortization period. These rates are determined using the entry age actuarial cost method with a supplemental present value and the same actuarial assumptions that were used to calculate the actuarial accrued liability in the Schedules of Funding Progress on pages 66 and 67.



The schedule below summarizes contribution rates in effect at December 31, 2005.

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 on page 60 for the Firefighters and Judges Systems, respectively. These contribution rates also include rates for a 3% benefit enhancement which is funded by the State. For contribution rate purposes the actuary evaluates the assets of the Systems based on a five-year smoothed expected return wherein 20% of a year's excess or shortfall of expected return is recognized each year for five years.

The actuary recommended some increases and some decreases in contribution rates which became effective July 1, 2005.

Information with regard to contributions to the Retirement Systems for the year ended December 31, 2005 is indicated in the schedule on page 75.

Member contributions in the 401(k), 457, Roth and Traditional IRA Plans total \$212,311,000, which in combination with the member contributions made in the Retirement Systems total \$253,968,000.

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

Contribution Rates

System	Contribution Rates as a Percent of Covered Payroll		
	Member	Employer	Other
Noncontributory	—	11.09-13.38%	—
Contributory	6.00%	7.08-8.89	—
Public Safety: Noncontributory	—	19.34-32.52	—
Contributory	10.50-13.74	7.95-19.96	—
Firefighters: Division A	8.61	0.00	12.16%
Division B	7.83	0.00	12.16
Judges: Noncontributory	—	8.26	19.19
Contributory	2.00	6.26	19.19
Governors and Legislators	—	—	—

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

Required Contributions

(dollars in thousands)

System	Contribution Requirements				Total Required Contri- butions	Total Actual Contri- butions	Contributions Made				Covered Payroll
	Normal Cost		Unfunded Cost (assets in excess)				Member		Employer		
	Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll			Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll	
Noncontributory	\$388,353	12.27%	\$38,259	1.21%	\$426,612	\$426,612	\$19,817	0.63%	\$406,795	12.85%	\$3,165,504
Contributory	15,536	11.28	5,121	3.72	20,657	20,657	10,300	7.48	10,357	7.52	137,730
Public Safety	57,838	19.36	8,294	2.78	66,132	66,132	4,806	1.61	61,326	20.53	298,756
Firefighters	9,329	11.10	(2,603)	(3.10)	6,726	6,726	6,726	8.00	—	0.00	84,061
Judges	794	6.85	6	0.05	800	800	8	0.07	792	6.83	11,594
Governors and Legislators	—	0.00	—	0.00	—	—	—	0.00	—	0.00	887
Total	\$471,850		\$49,077		\$520,927	\$520,927	\$41,657		\$479,270		\$3,698,532

Note

7

Transfers To or From Affiliated System

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

Note

8

Supplemental Benefits

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

Note

9

Litigation

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

Utah Retirement Systems

Notes to Basic Financial Statements *(Continued)*

December 31, 2005

Note
10

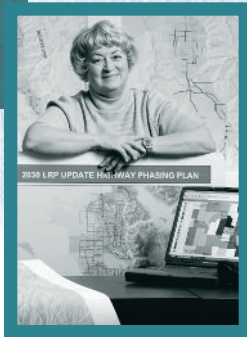
Commitments

At December 31, 2005, the Systems had committed to fund certain private equity partnerships and real estate projects for an amount of \$3,143,956,914. Funding of \$1,948,419,354 had been provided by December 31, 2005 leaving an unfunded commitment as of December 31, 2005 of \$1,195,537,560 which will be funded over the next five years.

Note
11

Pension Plan Participation

Defined Benefit Plans — Utah Retirement Systems contributes to the State and



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

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

Funding Policy: In the State and School Noncontributory Retirement System, the Utah Retirement Systems is required to contribute 13.8% of its annual covered salary. The contribution rates are the actuarial determined rates. The contributions were equal to the requirements of the Systems, are authorized by statute, and specified by the Board.

The Utah Retirement Systems' contributions to the State and School Noncontributory Retirement System for the years ending December 31, 2005, 2004, and 2003 were \$1,185,475, \$1,035,931, and \$888,998 respectively. The contributions were equal to the required contributions for each year.

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

401(k) Plan — The Utah Retirement Systems offers its employees a 401(k) plan to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of 1.5% of covered salaries automatically made by Utah Retirement Systems. Employees participating in the Systems can make additional contributions through payroll deduction to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended December 31, 2005, 2004, 2003 are

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

\$360,012, \$292,707, \$283,851, respectively; the employee contributions for the years ending December 31, 2005, 2004, 2003 are: \$438,087, \$421,800, and \$402,892, respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by Utah Retirement Systems.

457 Plan —The Utah Retirement Systems also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of

employment and are vested immediately upon participating. Employee contributions to the Section 457 plan for the years ended December 31, 2005, 2004, 2003 are: \$269,628, \$269,033, and \$196,864 respectively.

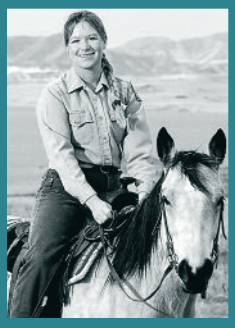
Roth and Traditional IRAs — Utah Retirement Systems offers its employees two tax advantaged saving plans authorized by section 408 of the Internal Revenue Code. Employees are eligible to participate from the date of employment and are vested immediately upon participating. For the year ended 2005 the employee contributions are \$32,433 for the Roth IRA Plan and \$5,983 for the traditional IRA Plan.

Note

12

Post Employment Healthcare Plan

Plan Description



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

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

Funding Policy

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

Utah Retirement Systems

Notes to Basic Financial Statements *(Continued)*

December 31, 2005

Annual Costs

For the calendar year ending December 31, 2005 the annual cost (expense) of \$ 220,000 for UREPEHP was equal to the ARC. The net Other Post Employment Benefits (OPEB) obligation for 2005 was as follows:

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

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2005, was as follows:

Actuarial accrued liability (AAL)	\$ 5,289,000
Actuarial value of plan assets	3,506,000
Unfunded actuarial accrued liability (UAAL)	1,783,000
Funded ratio (actuarial value of plan assets/AAL).....	66%
Covered salaries and wages (active plan members).....	\$ 8,709,000
UAAL as a percentage of covered salaries and wages.....	20.5%

Actuarial valuations of the ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status and the annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the

future. The schedule of funding progress, presented as required supplementary information, shows the actuarial value of plan assets compared to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the December 31, 2004 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included an 8.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 15.0 percent initially, reduced by decrements to an ultimate rate of 4.75 percent after 12 years. Both rates include a 3.0 percent inflation assumption. The actuarial value of UREPEHP is the current market value of the fund's assets. The actuarial accrued liability was computed using likely health benefits to be paid to retirees and to be paid active employees after their service that were discounted using the investment return, health cost increase and various mortality assumptions.

Schedule of Funding Progress

(dollars in thousands)

Division	Date	Based on fair value of assets					
		(1) Actuarial Value of Assets	(2) Actuarial 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)
URS Employees*	12/31/04	\$3,089	4,913	1,824	62.9%	\$8,124	22.5%
	12/31/05	3,506	5,289	1,783	66.3	8,709	20.5

*Additional years will be added as they become available.

Schedule of Required Contributions

(dollars in thousands)

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

*Additional years will be added as they become available.

Utah Retirement Systems

Notes to Basic Financial Statements *(Continued)*

December 31, 2005

Note

13

Compensated Absences, Post Employment Benefits and Insurance Reserve

The compensated absences liability for Utah Retirement Office employees at December 31, 2005, is \$2,401,000. This represents the amount of unused, leave to be paid to employees upon termination. At December 31, 2005 the insurance reserve was \$5,466,000. The insurance reserve coverage is explained in Note 15, Risk Management.



Note

14

Required Supplementary Information

The historical trend information designed to provide information about the Utah Retirement Systems' progress made in accumulating sufficient assets to pay benefits when due is required supplementary information. Required supplementary information is included immediately following the notes to the financial statements on pages 66 through 69. Other supplementary information presented in succeeding sections of this report is for the benefit of statement users and is not a required part of the basic financial statements.

Note

15

Risk Management

Most risks of loss to which the Systems, Plans and Investment Fund are exposed, other than routine investment losses, are covered under commercial insurance policies. Risks in excess of coverage limits or large deductible, and otherwise uninsured losses, are retained by the Systems, Plans or Investment Fund through the insurance reserve. There have been no reductions of insurance coverage from coverages of the previous year in any of the categories of risk. Coverages are increased or decreased commensurate with real estate acquisitions or dispositions. During the past three calendar years, no loss settlements exceeded insurance coverages beyond immaterial deductible amounts. The insurance reserve was established by the board from investment earnings as authorized by statute.

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2005

Note

16

Real Estate Liabilities



The real estate liabilities consist of three credit facility (lines of credit) loans, eight real estate notes and one mortgage loan. These loans and notes bear various interest rates and will be repaid over the next 11 years. Except for the Granite Park Mortgage which is secured by real estate, the rest of the liabilities are secured by the total investment portfolio. As mentioned in Note 3, page 56, the Systems and Plans entered into various interest rate swap agreements that effectively changed credit facility liabilities from variable interest rates to fixed interest rates. As of December 31, 2005 there are \$760 million in credit facility debt and \$660 million in interest rate swaps. Using interest rates as of December 31, 2005, principal and interest requirements of the debt and net swap payments for the term of the debt and swap are as follows.

Real Estate Liabilities

(dollars in thousands)

	Initial/Affected Balance	Interest/Payment Rate	Maturity Date	Annual Payment
BNP Paribas Credit Facility	\$ 425,000	LIBOR* + 0.15%	3/23/2010	Interest Only
JPMorgan Chase Credit Facility	235,000	LIBOR* + 0.25%	5/9/2006	Interest Only
KBC Bank Credit Facility	100,000	LIBOR* + 0.20%	12/15/2010	Interest Only
Private Placement Notes:				
Allstate Insurance Co.	5,000	4.86%	7/1/2011	Interest Only
Allstate Insurance Co.	5,000	4.86%	7/1/2011	Interest Only
Allstate Insurance Co.	5,000	4.86%	7/1/2011	Interest Only
Allstate Insurance Co.	5,000	4.86%	7/1/2011	Interest Only
State Farm Life Insurance Co.	35,487	4.86%	7/1/2016	4,296
State Farm Life & Acc. Assur. Co.	910	4.86%	7/1/2016	110
Northwestern Mutual Life Ins. Co.	20,000	5.38%	7/1/2014	Interest Only
Modern Woodment of America	7,000	5.38%	7/1/2014	Interest Only
Granite Park Mortgage Payable	17,956	6.03%	1/15/2013	1,473
Total	\$ 861,353			

* One month London Interbank Offered Rate (LIBOR)

(in thousands)

Year Ending December 31,	Total Principal Payments	Total Interest Payments*	Net Swap Payments*	Total
2006	\$ 238,098	33,239	270	271,607
2007	3,257	29,264	360	32,881
2008	3,424	29,097	847	33,368
2009	3,600	28,921	886	33,407
2010	528,784	13,377	925	543,086
2011-2015	69,047	12,925	3,521	85,493
2016-2020	\$ 15,144	1,534	1,162	17,840

* Interest calculated using December 31, 2005 LIBOR rate of 4.39% for variable interest loans and swaps

Utah Retirement Systems

Required Supplementary Information

Schedules of Funding Progress

(dollars in thousands)

System	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Noncontributory Retirement System	1/01/97	\$ 5,969,813	6,917,958	948,145	86.3%	\$2,054,879	46.1%
	1/01/98	6,922,583	7,654,335	731,752	90.4	2,200,988	33.2
	1/01/99	7,931,193	8,335,731	404,538	95.1	2,365,650	17.1
	1/01/00	9,237,447	9,006,308	(231,139)	102.6	2,499,087	(9.2)
	1/01/01	10,361,333	9,933,514	(427,819)	104.3	2,659,200	(16.1)
	1/01/02	11,104,334	10,806,024	(298,310)	102.8	2,832,060	(10.5)
	1/01/03	10,848,586	11,764,353	915,767	92.2	2,926,449	31.3
	1/01/04	11,657,525	12,351,310	693,785	94.4	2,959,347	23.4
	1/01/05	12,212,437	13,235,444	1,023,007	92.3	3,084,317	33.2
	12/31/05	13,065,512	14,166,548	1,101,036	92.2	3,165,504	34.8
Contributory Retirement System	1/01/97	\$ 772,977	868,723	95,746	89.0%	\$ 141,974	67.4%
	1/01/98	809,388	880,499	71,111	91.9	138,231	51.4
	1/01/99	840,215	891,983	51,768	94.2	137,042	37.8
	1/01/00	878,190	894,484	16,294	98.2	137,561	11.8
	1/01/01	924,573	935,799	11,226	98.8	141,067	8.0
	1/01/02	927,523	948,912	21,389	97.7	142,882	15.0
	1/01/03	899,290	976,918	77,628	92.1	142,325	54.5
	1/01/04	913,949	982,569	68,620	93.0	139,470	49.2
	1/01/05	933,974	1,013,836	79,862	92.1	139,362	57.3
	12/31/05	955,390	1,047,544	92,154	91.2	137,730	66.9
Public Safety Retirement System	1/01/97	\$ 755,106	866,504	111,398	87.1%	\$ 176,979	62.9%
	1/01/98	867,151	952,100	84,949	91.1	195,464	43.5
	1/01/99	988,800	1,034,147	45,347	95.6	212,414	21.3
	1/01/00	1,146,331	1,105,166	(41,165)	103.7	226,057	(18.2)
	1/01/01	1,286,996	1,206,876	(80,120)	106.6	247,985	(32.3)
	1/01/02	1,376,466	1,366,134	(10,332)	100.8	260,783	(4.0)
	1/01/03	1,349,435	1,458,491	109,056	92.5	268,478	40.6
	1/01/04	1,448,888	1,556,758	107,870	93.1	278,402	38.7
	1/01/05	1,524,904	1,726,785	201,881	88.3	293,797	68.7
	12/31/05	1,633,022	1,851,635	218,613	88.2	298,756	73.2

See accompanying notes to required supplementary information.

Utah Retirement Systems

Required Supplementary Information (Continued)

Schedules of Funding Progress (Continued)

(dollars in thousands)

System	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Firefighters Retirement System	1/01/97	\$329,475	362,411	32,936	90.9%	\$45,969	71.6%
	1/01/98	376,178	384,975	8,797	97.7	51,287	17.2
	1/01/99	423,405	407,703	(15,702)	103.9	54,326	(28.9)
	1/01/00	483,374	419,157	(64,217)	115.3	57,561	(111.6)
	1/01/01	536,503	455,456	(81,047)	117.8	63,274	(128.1)
	1/01/02	569,151	491,274	(77,877)	115.9	67,192	(115.9)
	1/01/03	553,589	521,164	(32,425)	106.2	71,354	(45.4)
	1/01/04	589,502	549,378	(40,124)	107.3	75,619	(53.1)
	1/01/05	610,688	578,891	(31,797)	105.5	79,638	(39.9)
12/31/05	644,496	617,088	(27,408)	104.5	84,061	(32.6)	
Judges Retirement System	1/01/97	\$ 50,721	60,055	9,334	84.5%	\$ 8,981	103.9%
	1/01/98	59,373	62,406	3,033	95.1	9,286	32.7
	1/01/99	67,998	67,211	(787)	101.2	9,388	(8.4)
	1/01/00	78,130	68,134	(9,996)	114.7	10,104	(98.9)
	1/01/01	87,139	73,962	(13,177)	117.8	10,397	(126.7)
	1/01/02	92,649	85,987	(6,662)	107.7	10,927	(61.0)
	1/01/03	90,904	90,573	(331)	100.4	11,173	(3.0)
	1/01/04	97,412	97,902	490	99.5	10,888	4.5
	1/01/05	100,814	104,210	3,396	96.7	11,646	29.2
12/31/05	106,374	110,667	4,293	96.1	11,594	37.0	
Utah Governors and Legislators Retirement Plan	1/01/97	\$ 8,636	7,020	(1,616)	123.0%	\$ 482	(335.3)%
	1/01/98	9,318	6,998	(2,320)	133.2	468	(495.7)
	1/01/99	9,988	7,278	(2,710)	137.2	468	(579.1)
	1/01/00	10,946	8,253	(2,693)	132.6	468	(575.4)
	1/01/01	11,569	7,908	(3,661)	146.3	464	(789.0)
	1/01/02	11,710	8,182	(3,528)	143.1	556	(634.5)
	1/01/03	10,719	8,706	(2,013)	123.1	556	(362.1)
	1/01/04	10,905	8,812	(2,093)	123.8	556	(376.4)
	1/01/05	10,650	8,727	(1,923)	122.0	556	(345.9)
12/31/05	10,587	8,662	(1,925)	122.2	887	(217.0)	

See accompanying notes to required supplementary information.

Utah Retirement Systems

Required Supplementary Information (Continued)

Schedules of Employer Contributions

(dollars in thousands)

System	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Noncontributory Retirement System	1996	\$260,068	100%
	1997	294,937	100
	1998	318,635	100
	1999	338,704	100
	2000	352,339	100
	2001	331,951	100
	2002	291,256	100
	2003	314,511	100
	2004	369,109	100
	2005	406,795	100
Contributory Retirement System	1996	\$ 10,224	100%
	1997	10,651	100
	1998	10,729	100
	1999	10,840	100
	2000	10,484	100
	2001	8,480	100
	2002	6,735	100
	2003	7,297	100
	2004	9,564	100
	2005	10,357	100
Public Safety Retirement System	1996	\$ 29,271	100%
	1997	34,217	100
	1998	40,099	100
	1999	45,110	100
	2000	49,353	100
	2001	46,113	100
	2002	42,264	100
	2003	46,655	100
	2004	56,319	100
	2005	61,326	100

System	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Firefighters Retirement System	1996	\$6,335	100%
	1997	7,388	100
	1998	6,937	100
	1999	5,737	100
	2000	6,755	100
	2001	8,354	100
	2002	9,454	100
	2003	9,059	100
	2004	8,659	100
	2005	9,601	100
Judges Retirement System	1996	\$2,731	100%
	1997	3,206	100
	1998	3,704	100
	1999	3,318	100
	2000	3,422	100
	2001	3,053	100
	2002	2,853	100
	2003	2,490	100
	2004	2,531	100
	2005	2,397	100
Governors and Legislators Retirement Plan	1996	\$ 0	100%
	1997	0	100
	1998	0	100
	1999	0	100
	2000	0	100
	2001	0	100
	2002	0	100
	2003	0	100

See accompanying notes to required supplementary information.

Utah Retirement Systems

Notes to Required Supplementary Information

December 31, 2005

Note 1 Schedules of Funding Progress

The information contained in the schedule of funding progress is based on the actuarial study dated January 1, 2005 and calendar year 2005 activity. The actuarial accrued liability is presented based on the report generated by that study conducted by Gabriel, Roeder, Smith & Company. The actuarial value of assets for that date is based on a smoothed expected investment income rate. Investment income in excess or shortfall of the expected 8% return on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year. The calculations for this smoothing process are disclosed in note 5 of the notes to the basic financial statements on page 57.

Note 2 Schedules of Employer Contributions

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

Note 3 Actuarial Assumptions

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

Additional Actuarial Information

	Noncontributory	Contributory	Public Safety	Firefighters	Judges	Governors and Legislators
Valuation date	1/1/05	1/1/05	1/1/05	1/1/05	1/1/05	1/1/05
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Dollar Amount
Amortization period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period
Actuarial asset valuation method (All Systems under same method.)	Based on the total fair value income of investments with the excess or shortfall of actual investment income over or under the expected investment return smoothed over five years. One-fifth of the excess or shortfall is recognized each year for five years.					
Actuarial assumptions:						
Investment rate of return	8%	8%	8%	8%	8%	8%
Projected salary increases	4.75-15.00%	4.75-15.00%	4.75-10.75%	4.75-11.75%	4.75%	None
Inflation rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Post retirement cost-of-living adjustment	3.00%	3.00%	2.50%	3.00%	3.00%	3.00%

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

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

December 31, 2005

With Comparative Totals for December 31, 2004

(in thousands)

	Local Government	State and School	Total All Divisions	
			2005	2004
Assets:				
Cash	\$ 1	68	69	142
Receivables:				
Employer contributions	3,785	21,758	25,543	23,672
Investments	100,643	498,838	599,481	271,204
Total receivables	104,428	520,596	625,024	294,876
Investments at fair value:				
Short-term securities, domestic	156,637	776,372	933,009	783,333
Short-term securities, international	20,207	100,158	120,365	54,925
Debt securities, domestic	458,919	2,274,624	2,733,543	2,284,410
Debt securities, international	115,586	572,900	688,486	700,035
Equity investments, domestic	852,818	4,226,981	5,079,799	5,183,525
Equity investments, international	491,066	2,433,960	2,925,026	2,682,780
Private equity	81,696	404,926	486,622	439,223
Real estate	314,350	1,558,073	1,872,423	1,330,076
Mortgage loans	917	4,545	5,462	5,293
Total investments	2,492,196	12,352,539	14,844,735	13,463,600
Invested securities lending collateral	318,055	1,576,438	1,894,493	1,837,043
Property and equipment at cost, net of accumulated depreciation	402	1,992	2,394	3,236
Total assets	2,915,082	14,451,633	17,366,715	15,598,897
Liabilities:				
Securities lending collateral liability	318,055	1,576,438	1,894,493	1,837,043
Disbursements in excess of cash balance	1,809	9,094	10,903	8,102
Compensated absences, post employment benefits and insurance reserve	1,553	7,699	9,252	8,176
Investment accounts payable	146,765	727,512	874,277	577,881
Real estate liabilities	115,060	570,291	685,351	381,565
Total liabilities	583,242	2,891,034	3,474,276	2,812,767
Net assets held in trust for pension benefits	\$ 2,331,840	11,560,599	13,892,439	12,786,130

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

Year Ended December 31, 2005

With Comparative Totals for Year Ended December 31, 2004

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

	Local Government	State and School	Total All Divisions	
			2005	2004
Additions:				
Contributions:				
Member	\$ 2,969	16,848	19,817	14,377
Employer	79,179	327,616	406,795	369,109
Total contributions	82,148	344,464	426,612	383,486
Investment income:				
Net appreciation in fair value of investments	145,052	722,915	867,967	1,224,011
Interest, dividends and other investment income	59,163	294,858	354,021	356,378
Total investment income	204,215	1,017,773	1,221,988	1,580,389
Less investment expenses	6,165	30,728	36,893	32,784
Net investment income	198,050	987,045	1,185,095	1,547,605
Transfers from affiliated systems	—	—	—	10,583
Total additions	280,198	1,331,509	1,611,707	1,941,674
Deductions:				
Retirement benefits	56,762	340,997	397,759	360,819
Cost of living benefits	9,476	62,460	71,936	64,078
Refunds	924	2,265	3,189	3,029
Administrative expenses	1,212	6,345	7,557	7,758
Transfers to affiliated systems	9,437	15,520	24,957	—
Total deductions	77,811	427,587	505,398	435,684
Increase from operations	202,387	903,922	1,106,309	1,505,990
Net assets held in trust for pension benefits beginning of year	2,129,453	10,656,677	12,786,130	11,280,140
Net assets held in trust for pension benefits end of year	\$ 2,331,840	11,560,599	13,892,439	12,786,130

Noncontributory Retirement System**Schedules of Funding Progress by Division***(dollars in thousands)*

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Noncontributory Local Government	1/01/97	\$ 930,817	987,043	56,226	94.3%	\$ 394,828	14.2%
	1/01/98	1,083,991	1,101,505	17,514	98.4	443,169	4.0
	1/01/99	1,252,949	1,217,362	(35,587)	102.9	478,195	(7.4)
	1/01/00	1,470,043	1,342,091	(127,952)	109.5	511,311	(25.0)
	1/01/01	1,660,838	1,515,951	(144,887)	109.6	555,112	(26.1)
	1/01/02	1,790,398	1,667,820	(122,578)	107.3	583,682	(21.0)
	1/01/03	1,766,403	1,842,886	76,483	95.8	617,784	12.4
	1/01/04	1,916,701	1,985,092	68,391	96.6	648,410	10.5
	1/01/05	2,027,791	2,213,427	95,636	95.5	680,620	14.1
	12/31/05	2,194,630	2,301,835	107,205	95.3	718,228	14.9
Noncontributory State and School	1/01/97	\$ 5,038,996	5,930,915	891,919	85.0%	\$ 1,660,051	53.7%
	1/01/98	5,838,592	6,552,830	714,238	89.1	1,757,819	40.6
	1/01/99	6,678,244	7,118,369	440,125	93.8	1,887,455	23.3
	1/01/00	7,767,404	7,664,217	(103,187)	101.3	1,987,776	(5.2)
	1/01/01	8,700,495	8,417,563	(282,932)	103.4	2,104,088	(13.4)
	1/01/02	9,313,936	9,138,204	(175,732)	101.9	2,248,378	(7.8)
	1/01/03	9,082,183	9,921,467	839,284	91.5	2,308,665	36.4
	1/01/04	9,740,824	10,366,218	625,394	94.0	2,310,937	27.1
	1/01/05	10,184,646	11,112,017	927,371	91.7	2,403,697	38.6
	12/31/05	10,870,882	11,864,713	993,831	91.6	2,447,276	40.6
Total Noncontributory Retirement System	1/01/97	\$ 5,969,813	6,917,958	948,145	86.3%	\$ 2,054,879	46.1%
	1/01/98	6,922,583	7,654,335	731,752	90.4	2,200,988	33.2
	1/01/99	7,931,193	8,335,731	404,538	95.1	2,365,650	17.1
	1/01/00	9,237,447	9,006,308	(231,139)	102.6	2,499,087	(9.2)
	1/01/01	10,361,333	9,933,514	(427,819)	104.3	2,659,200	(16.1)
	1/01/02	11,104,334	10,806,024	(298,310)	102.8	2,832,060	(10.5)
	1/01/03	10,848,586	11,764,353	915,767	92.2	2,926,449	31.3
	1/01/04	11,657,525	12,351,310	693,785	94.4	2,959,347	23.4
	1/01/05	12,212,437	13,235,444	1,023,007	92.3	3,084,317	33.2
	12/31/05	13,065,512	14,166,548	1,101,036	92.2	3,165,504	34.8

Noncontributory Retirement System

Schedules of Employer Contributions by Division

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Noncontributory Local Government	1996	\$ 37,215	100%
	1997	46,053	100
	1998	50,947	100
	1999	55,110	100
	2000	58,626	100
	2001	54,274	100
	2002	52,143	100
	2003	60,097	100
	2004	70,010	100
	2005	79,179	100
Noncontributory State and School	1996	\$ 222,853	100%
	1997	248,884	100
	1998	267,688	100
	1999	283,594	100
	2000	293,713	100
	2001	277,677	100
	2002	239,113	100
	2003	254,414	100
	2004	299,099	100
	2005	327,616	100
Total Noncontributory Retirement System	1996	\$ 260,068	100%
	1997	294,937	100
	1998	318,635	100
	1999	338,704	100
	2000	352,339	100
	2001	331,951	100
	2002	291,256	100
	2003	314,511	100
	2004	369,109	100
	2005	406,795	100

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

December 31, 2005

With Comparative Totals for December 31, 2004

(in thousands)

	Local Government	State and School	Total All Divisions	
			2005	2004
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	196	245	441	339
Employer contributions	232	363	595	479
Investments	13,521	30,465	43,986	20,157
Total receivables	13,949	31,073	45,022	20,975
Investments at fair value:				
Short-term securities, domestic	21,044	47,415	68,459	58,222
Short-term securities, international	2,715	6,117	8,832	4,082
Debt securities, domestic	61,655	138,917	200,572	169,789
Debt securities, international	15,529	34,989	50,518	52,030
Equity investments, domestic	114,575	258,153	372,728	385,267
Equity investments, international	65,974	148,648	214,622	199,398
Private equity	10,976	24,730	35,706	32,645
Real estate	42,233	95,156	137,389	98,858
Mortgage loans	123	278	401	394
Total investments	334,824	754,403	1,089,227	1,000,685
Invested securities lending collateral	42,730	96,277	139,007	136,539
Property and equipment at cost, net of accumulated depreciation	54	122	176	241
Total assets	391,558	881,876	1,273,434	1,158,442
Liabilities:				
Securities lending collateral liability	42,730	96,277	139,007	136,539
Disbursements in excess of cash balance	243	548	791	602
Compensated absences, post employment benefits and insurance reserve	209	470	679	608
Investment accounts payable	19,718	44,427	64,145	42,940
Real estate liabilities	15,458	34,829	50,287	28,360
Total liabilities	78,358	176,551	254,909	209,049
Net assets held in trust for pension benefits	\$ 313,200	705,325	1,018,525	949,393

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

Year Ended December 31, 2005

With Comparative Totals for Year Ended December 31, 2004

(in thousands)

	Local Government	State and School	Total All Divisions	
			2005	2004
Additions:				
Contributions:				
Member	\$ 4,201	6,099	10,300	9,023
Employer	4,238	6,119	10,357	9,564
Total contributions	8,439	12,218	20,657	18,587
Investment income:				
Net appreciation in fair value of investments	19,702	45,033	64,735	92,839
Interest, dividends and other investment income	8,036	18,368	26,404	26,988
Total investment income	27,738	63,401	91,139	119,827
Less investment expenses	837	1,914	2,751	2,487
Net investment income	26,901	61,487	88,388	117,340
Transfers from affiliated systems	7,593	11,972	19,565	—
Total additions	42,933	85,677	128,610	135,927
Deductions:				
Retirement benefits	9,206	28,302	37,508	36,620
Cost of living benefits	3,507	14,972	18,479	19,041
Supplemental retirement benefits	142	971	1,113	1,331
Refunds	663	1,137	1,800	2,945
Administrative expenses	175	403	578	618
Transfers to affiliated systems	—	—	—	15,787
Total deductions	13,693	45,785	59,478	76,342
Increase from operations	29,240	39,892	69,132	59,585
Net assets held in trust for pension benefits beginning of year	283,960	665,433	949,393	889,808
Net assets held in trust for pension benefits end of year	\$ 313,200	705,325	1,018,525	949,393

Contributory Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Contributory Local Government	1/01/97	\$ 191,393	218,534	27,141	87.6%	\$ 54,829	49.5%
	1/01/98	207,641	226,233	18,592	91.8	52,444	35.5
	1/01/99	219,415	232,061	12,646	94.6	52,448	24.1
	1/01/00	236,830	239,601	2,771	98.8	53,388	5.2
	1/01/01	253,681	256,676	2,995	98.8	56,007	5.3
	1/01/02	260,569	266,365	5,796	97.8	56,444	10.3
	1/01/03	254,370	280,435	26,065	90.7	57,595	45.3
	1/01/04	263,839	289,001	25,162	91.3	57,965	43.4
	1/01/05	280,286	307,221	26,935	91.2	58,482	46.1
	12/31/05	294,311	323,869	29,558	90.9	60,616	48.8
Contributory State and School	1/01/97	\$ 581,584	650,189	68,605	89.4%	\$ 87,145	78.7%
	1/01/98	601,747	654,266	52,519	92.0	85,787	61.2
	1/01/99	620,800	659,922	39,122	94.1	84,594	46.2
	1/01/00	641,360	654,883	13,523	97.9	84,173	16.1
	1/01/01	670,892	679,123	8,231	98.8	85,060	9.7
	1/01/02	666,954	682,547	15,593	97.7	86,438	18.0
	1/01/03	644,920	696,483	51,563	92.6	84,730	60.9
	1/01/04	650,110	693,568	43,458	93.7	81,505	53.3
	1/01/05	653,688	706,615	52,927	92.5	80,880	65.4
	12/31/05	661,079	723,675	62,596	91.4	77,114	81.2
Total Contributory Retirement System	1/01/97	\$ 772,977	868,723	95,746	89.0%	\$141,974	67.4%
	1/01/98	809,388	880,499	71,111	91.9	138,231	51.4
	1/01/99	840,215	891,983	51,768	94.2	137,042	37.8
	1/01/00	878,190	894,484	16,294	98.2	137,561	11.8
	1/01/01	924,573	935,799	11,226	98.8	141,067	8.0
	1/01/02	927,523	948,912	21,389	97.7	142,882	15.0
	1/01/03	899,290	976,918	77,628	92.1	142,325	54.5
	1/01/04	913,949	982,569	68,620	93.0	139,470	49.2
	1/01/05	933,974	1,013,836	79,862	92.1	139,362	57.3
	12/31/05	955,390	1,047,544	92,154	91.2	137,730	66.9

Contributory Retirement System**Schedules of Employer Contributions by Division***(dollars in thousands)*

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Contributory Local Government	1996	\$ 3,009	100%
	1997	3,332	100
	1998	3,393	100
	1999	3,530	100
	2000	3,524	100
	2001	2,926	100
	2002	2,441	100
	2003	2,881	100
	2004	3,822	100
	2005	4,238	100
Contributory State and School	1996	\$ 7,215	100%
	1997	7,319	100
	1998	7,336	100
	1999	7,310	100
	2000	6,960	100
	2001	5,554	100
	2002	4,294	100
	2003	4,416	100
	2004	5,742	100
	2005	6,119	100
Total Contributory Retirement System	1996	\$10,224	100%
	1997	10,651	100
	1998	10,729	100
	1999	10,840	100
	2000	10,484	100
	2001	8,480	100
	2002	6,735	100
	2003	7,297	100
	2004	9,564	100
	2005	10,357	100

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

December 31, 2005

With Comparative Totals for December 31, 2004

(in thousands)

	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City
Assets:			
Cash	\$ 2	2	2
Receivables:			
Member contributions	3	148	1
Employer contributions	852	1,217	292
Investments	27,208	30,667	6,904
Total receivables	28,063	32,032	7,197
Investments at fair value:			
Short-term securities, domestic	42,346	47,730	10,745
Short-term securities, international	5,463	6,157	1,386
Debt securities, domestic	124,065	139,839	31,482
Debt securities, international	31,248	35,221	7,929
Equity investments, domestic	230,553	259,866	58,504
Equity investments, international	132,756	149,635	33,687
Private equity	22,086	24,894	5,604
Real estate	84,982	95,787	21,565
Mortgage loans	248	279	63
Total investments	673,747	759,408	170,965
Invested securities lending collateral	85,984	96,916	21,819
Property and equipment at cost, net of accumulated depreciation	109	122	28
Total assets	787,905	888,480	200,011
Liabilities:			
Securities lending collateral liability	85,984	96,916	21,819
Disbursements in excess of cash balance	489	551	124
Compensated absences, post employment benefits and insurance reserve	420	473	107
Investment accounts payable	39,677	44,721	10,068
Real estate liabilities	31,105	35,060	7,893
Total liabilities	157,675	177,721	40,011
Net assets held in trust for pension benefits	\$ 630,230	710,759	160,000

Ogden	Provo	Logan	Bountiful	Other Division B (without Social Security)	Total All Divisions	
					2005	2004
2	1	2	2	2	15	15
—	23	8	—	52	235	103
46	21	11	26	337	2,802	1,939
1,913	1,234	709	615	5,686	74,936	33,830
1,959	1,278	728	641	6,075	77,973	35,872
2,978	1,920	1,104	956	8,849	116,628	97,713
384	248	142	123	1,142	15,045	6,852
8,724	5,625	3,233	2,802	25,926	341,696	284,956
2,197	1,417	814	706	6,530	86,062	87,323
16,212	10,453	6,008	5,207	48,179	634,982	646,589
9,335	6,019	3,460	2,998	27,742	365,632	334,648
1,553	1,001	576	499	4,615	60,828	54,790
5,976	3,853	2,215	1,919	17,759	234,056	165,912
17	11	6	6	52	682	660
47,376	30,547	17,558	15,216	140,794	1,855,611	1,679,443
6,046	3,899	2,241	1,942	17,968	236,815	229,152
8	5	3	2	23	300	405
55,391	35,730	20,532	17,803	164,862	2,170,714	1,944,887
6,046	3,899	2,241	1,942	17,968	236,815	229,152
34	22	13	11	102	1,346	1,010
30	19	11	9	88	1,157	1,020
2,790	1,799	1,034	896	8,291	109,276	72,066
2,187	1,410	811	703	6,500	85,669	47,596
11,087	7,149	4,110	3,561	32,949	434,263	350,844
44,304	28,581	16,422	14,242	131,913	1,736,451	1,594,043

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

Year Ended December 31, 2005

With Comparative Totals for Year Ended December 31, 2004

(in thousands)

	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City
Additions:			
Contributions:			
Member	\$ 322	2,595	113
Employer	21,340	24,049	7,424
Total contributions	21,662	26,644	7,537
Investment income:			
Net appreciation in fair value of investments	39,398	44,450	10,029
Interest, dividends and other investment income	16,070	18,130	4,091
Total investment income	55,468	62,580	14,120
Less investment expenses	1,675	1,889	426
Net investment income	53,793	60,691	13,694
Transfers (to) from affiliated systems	4,206	(2,694)	554
Total additions	79,661	84,641	21,785
Deductions:			
Retirement benefits	23,988	22,878	7,977
Cost of living benefits	4,206	3,538	2,000
Supplemental retirement benefits	306	163	70
Refunds	76	663	—
Administrative expenses	360	382	107
Total deductions	28,936	27,624	10,154
Increase from operations	50,725	57,017	11,631
Net assets held in trust for pension benefits beginning of year	579,505	653,742	148,369
Net assets held in trust for pension benefits end of year	\$ 630,230	710,759	160,000

Ogden	Provo	Logan	Bountiful	Other Division B (without Social Security)	Total All Divisions	
					2005	2004
—	685	224	—	867	4,806	5,038
1,170	565	271	339	6,168	61,326	56,319
1,170	1,250	495	339	7,035	66,132	61,357
2,816	1,794	1,030	886	8,044	108,447	152,469
1,149	732	420	361	3,281	44,234	44,398
3,965	2,526	1,450	1,247	11,325	152,681	196,867
120	76	44	38	342	4,610	4,083
3,845	2,450	1,406	1,209	10,983	148,071	192,784
147	39	32	185	1,788	4,257	4,002
5,162	3,739	1,933	1,733	19,806	218,460	258,143
2,374	1,086	580	361	3,364	62,608	56,047
430	251	86	73	275	10,859	9,670
21	10	1	3	—	574	612
—	225	—	—	62	1,026	960
27	17	9	7	76	985	978
2,852	1,589	676	444	3,777	76,052	68,267
2,310	2,150	1,257	1,289	16,029	142,408	189,876
41,994	26,431	15,165	12,953	115,884	1,594,043	1,404,167
44,304	28,581	16,422	14,242	131,913	1,736,451	1,594,043

Public Safety Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Public Safety State of Utah	1/01/97	\$278,328	334,751	56,423	83.1%	\$ 64,857	87.0%
	1/01/98	318,711	363,551	44,840	87.7	69,652	64.4
	1/01/99	363,057	391,061	28,004	92.8	74,094	37.8
	1/01/00	419,682	415,815	(3,867)	100.9	77,352	(5.0)
	1/01/01	470,153	452,131	(18,022)	104.0	83,674	(21.5)
	1/01/02	501,970	508,897	6,927	98.6	88,523	7.8
	1/01/03	491,499	536,944	45,445	91.5	90,782	50.1
	1/01/04	526,545	565,809	39,264	93.1	91,540	42.9
	1/01/05	554,342	630,095	75,753	88.0	97,654	77.6
	12/31/05	592,472	674,615	82,143	87.8	94,611	86.8
Public Safety Other Division A (with Social Security)	1/01/97	\$ 306,419	311,406	4,987	98.4%	\$ 71,915	6.9%
	1/01/98	352,448	344,437	(8,011)	102.3	79,944	(10.0)
	1/01/99	402,408	380,864	(21,544)	105.7	89,257	(24.1)
	1/01/00	467,856	407,837	(60,019)	114.7	97,056	(61.8)
	1/01/01	526,386	450,645	(75,741)	116.8	109,941	(68.9)
	1/01/02	564,325	518,791	(45,534)	108.8	115,482	(39.4)
	1/01/03	553,911	558,141	4,230	99.2	118,507	3.6
	1/01/04	594,020	603,281	9,261	98.5	125,617	7.4
	1/01/05	625,506	669,261	43,755	93.5	132,238	33.1
	12/31/05	668,555	718,848	50,293	93.0	136,367	36.9
Public Safety Salt Lake City	1/01/97	\$ 80,299	120,767	40,468	66.5%	\$ 13,804	293.2%
	1/01/98	90,670	130,903	40,233	69.3	16,069	250.4
	1/01/99	101,349	136,236	34,887	74.4	16,355	213.3
	1/01/00	115,568	143,223	27,655	80.7	17,224	160.6
	1/01/01	127,803	148,910	21,107	85.8	17,883	118.0
	1/01/02	135,031	158,626	23,595	85.1	18,579	127.0
	1/01/03	129,690	168,084	38,394	77.2	19,305	198.9
	1/01/04	138,148	176,136	37,988	78.4	20,380	186.4
	1/01/05	142,134	187,740	45,606	75.7	20,672	220.6
	12/31/05	150,347	197,608	47,261	76.1	22,778	207.5
Public Safety Ogden	1/01/97	\$ 24,767	30,598	5,831	80.9%	\$ 3,629	160.7%
	1/01/98	27,838	31,691	3,853	87.8	3,899	98.8
	1/01/99	31,038	34,191	3,153	90.8	4,126	76.4
	1/01/00	35,220	36,839	1,619	95.6	4,442	36.4
	1/01/01	38,652	38,128	(524)	101.4	4,513	(11.6)
	1/01/02	40,505	40,331	(174)	100.4	4,763	(3.7)
	1/01/03	38,568	42,649	4,081	90.4	5,059	80.7
	1/01/04	40,214	44,245	4,031	90.9	5,120	78.7
	1/01/05	40,288	47,666	7,378	84.5	5,167	142.8
	12/31/05	41,541	49,652	8,111	83.7	4,842	167.5
Public Safety Provo	1/01/97	\$ 12,955	17,344	4,389	74.7%	\$ 3,160	138.9%
	1/01/98	14,904	18,311	3,407	81.4	3,532	96.5
	1/01/99	16,906	20,036	3,130	84.4	3,740	83.7
	1/01/00	19,601	21,478	1,877	91.3	4,069	46.1
	1/01/01	22,045	23,608	1,563	93.4	4,446	35.2
	1/01/02	23,568	25,176	1,608	93.6	4,365	36.8
	1/01/03	22,875	26,434	3,559	86.5	4,512	78.9
	1/01/04	24,546	28,009	3,463	87.6	4,482	77.3
	1/01/05	25,302	30,072	4,770	84.1	4,402	108.4
	12/31/05	26,857	31,921	5,064	84.1	4,626	109.5

Public Safety Retirement System

Schedules of Funding Progress by Division *(Continued)*

(dollars in thousands)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Public Safety Logan	1/01/97	\$ 7,352	7,749	397	94.9%	\$ 1,500	26.5%
	1/01/98	8,397	8,358	(39)	100.5	1,671	(2.3)
	1/01/99	9,542	9,066	(476)	105.3	1,800	(26.4)
	1/01/00	11,086	9,898	(1,188)	112.0	2,019	(58.8)
	1/01/01	12,462	11,221	(1,241)	111.1	2,131	(58.2)
	1/01/02	13,375	12,422	(953)	107.7	2,199	(43.3)
	1/01/03	13,099	13,685	586	95.7	2,312	25.3
	1/01/04	13,826	14,599	773	94.7	2,372	32.6
	1/01/05	14,510	16,234	1,724	89.4	2,467	69.9
12/31/05	15,432	17,336	1,904	89.0	2,308	82.5	
Public Safety Bountiful	1/01/97	\$ 6,500	7,607	1,107	85.4%	\$ 1,167	94.9%
	1/01/98	7,402	8,310	908	89.1	1,246	72.9
	1/01/99	8,157	8,959	802	91.0	1,327	60.4
	1/01/00	9,369	9,444	75	99.2	1,384	5.4
	1/01/01	10,439	10,101	(338)	103.3	1,442	(23.4)
	1/01/02	11,148	10,484	(664)	106.3	1,518	(43.7)
	1/01/03	10,958	11,170	212	98.1	1,601	13.2
	1/01/04	11,809	11,640	(169)	101.5	1,653	(10.2)
	1/01/05	12,384	12,337	(47)	100.4	1,621	(2.9)
12/31/05	13,392	13,406	14	99.9	1,724	0.8	
Public Safety Other Division B (without Social Security)	1/01/97	\$ 38,486	36,282	(2,204)	106.1%	\$ 16,947	(13.0)%
	1/01/98	46,781	46,539	(242)	100.5	19,451	(1.2)
	1/01/99	56,343	53,734	(2,609)	104.9	21,715	(12.0)
	1/01/00	67,949	60,632	(7,317)	112.1	22,511	(32.5)
	1/01/01	79,056	72,132	(6,924)	109.6	23,955	(28.9)
	1/01/02	86,544	91,407	4,863	94.7	25,354	19.2
	1/01/03	88,835	101,384	12,549	87.6	26,400	47.5
	1/01/04	99,780	113,039	13,259	88.3	27,238	48.7
	1/01/05	110,438	133,380	22,942	82.8	29,576	77.6
12/31/05	124,426	148,249	23,823	83.9	31,500	75.6	
Total Public Safety Retirement System	1/01/97	\$ 755,106	866,504	111,398	87.1%	\$176,979	62.9%
	1/01/98	867,151	952,100	84,949	91.1	195,464	43.5
	1/01/99	988,800	1,034,147	45,347	95.6	212,414	21.3
	1/01/00	1,146,331	1,105,166	(41,165)	103.7	226,057	(18.2)
	1/01/01	1,286,996	1,206,876	(80,120)	106.6	247,985	(32.3)
	1/01/02	1,376,466	1,366,134	(10,332)	100.8	260,783	(4.0)
	1/01/03	1,349,435	1,458,491	109,056	92.5	268,478	40.6
	1/01/04	1,448,888	1,556,758	107,870	93.1	278,402	38.7
	1/01/05	1,524,904	1,726,785	201,881	88.3	293,797	68.7
12/31/05	1,633,022	1,851,635	218,613	88.2	298,756	73.2	

Public Safety Retirement System

Schedules of Employer Contributions by Division

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Public Safety State of Utah	1996	\$12,938	100%
	1997	14,310	100
	1998	16,515	100
	1999	17,888	100
	2000	19,250	100
	2001	17,990	100
	2002	16,476	100
	2003	17,406	100
	2004	20,923	100
	2005	21,340	100
Public Safety Other Division A (with Social Security)	1996	\$ 8,860	100%
	1997	10,755	100
	1998	13,448	100
	1999	15,611	100
	2000	17,700	100
	2001	16,326	100
	2002	14,639	100
	2003	16,980	100
	2004	21,426	100
	2005	24,049	100
Public Safety Salt Lake City	1996	\$ 4,359	100%
	1997	5,222	100
	1998	5,482	100
	1999	5,986	100
	2000	6,286	100
	2001	6,052	100
	2002	5,633	100
	2003	6,182	100
	2004	6,405	100
	2005	7,424	100
Public Safety Ogden	1996	\$ 792	100%
	1997	899	100
	1998	1,003	100
	1999	1,133	100
	2000	1,122	100
	2001	1,070	100
	2002	976	100
	2003	986	100
	2004	1,158	100
	2005	1,170	100
Public Safety Provo	1996	\$ 341	100%
	1997	423	100
	1998	479	100
	1999	537	100
	2000	562	100
	2001	485	100
	2002	433	100
	2003	455	100
	2004	543	100
	2005	565	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	1996	\$ 72	100%
	1997	96	100
	1998	131	100
	1999	162	100
	2000	162	100
	2001	109	100
	2002	78	100
	2003	132	100
	2004	221	100
	2005	271	100
Public Safety Bountiful	1996	\$ 203	100%
	1997	230	100
	1998	277	100
	1999	320	100
	2000	340	100
	2001	320	100
	2002	291	100
	2003	298	100
	2004	310	100
	2005	339	100
Public Safety Other Division B (without Social Security)	1996	\$ 1,706	100%
	1997	2,282	100
	1998	2,764	100
	1999	3,473	100
	2000	3,931	100
	2001	3,761	100
	2002	3,738	100
	2003	4,216	100
	2004	5,333	100
	2005	6,168	100
Total Public Safety Retirement System	1996	\$29,271	100%
	1997	34,217	100
	1998	40,099	100
	1999	45,110	100
	2000	49,353	100
	2001	46,113	100
	2002	42,264	100
	2003	46,655	100
	2004	56,319	100
	2005	61,326	100

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

December 31, 2005

With Comparative Totals for December 31, 2004

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

	Division A (with Social Security)	Division B (without Social Security)	Total All Divisions	
			2005	2004
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	71	229	300	147
Fire insurance tax	—	—	—	2,306
Investments	3,316	26,329	29,645	13,505
Total receivables	3,387	26,558	29,945	15,958
Investments at fair value:				
Short-term securities, domestic	5,162	40,978	46,140	39,007
Short-term securities, international	666	5,286	5,952	2,735
Debt securities, domestic	15,123	120,058	135,181	113,755
Debt securities, international	3,809	30,239	34,048	34,859
Equity investments, domestic	28,103	223,106	251,209	258,122
Equity investments, international	16,182	128,468	144,650	133,593
Private equity	2,692	21,373	24,065	21,872
Real estate	10,359	82,237	92,596	66,233
Mortgage loans	30	240	270	263
Total investments	82,126	651,985	734,111	670,439
Invested securities lending collateral	10,481	83,207	93,688	91,478
Property and equipment at cost, net of accumulated depreciation	13	105	118	161
Total assets	96,008	761,856	857,864	778,038
Liabilities:				
Securities lending collateral liability	10,481	83,207	93,688	91,478
Disbursements in excess of cash balance	60	473	533	403
Compensated absences, post employment benefits and insurance reserve	51	406	457	407
Investment accounts payable	4,836	38,395	43,231	28,770
Real estate liabilities	3,792	30,101	33,893	19,001
Total liabilities	19,220	152,582	171,802	140,059
Net assets held in trust for pension benefits	\$76,788	609,274	686,062	637,979

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

Year Ended December 31, 2005

With Comparative Totals for Year Ended December 31, 2004

(in thousands)

	Division A (with Social Security)	Division B (without Social Security)	Total All Divisions	
			2005	2004
Additions:				
Contributions:				
Member	\$ 1,563	5,163	6,726	6,292
Fire insurance tax	2,098	7,503	9,601	8,659
Total contributions	3,661	12,666	16,327	14,951
Investment income:				
Net appreciation in fair value of investments	4,713	38,372	43,085	61,384
Interest, dividends and other investment income	1,922	15,651	17,573	17,862
Total investment income	6,635	54,023	60,658	79,246
Less investment expenses	200	1,631	1,831	1,644
Net investment income	6,435	52,392	58,827	77,602
Transfers (to) from affiliated systems	518	83	601	980
Total additions	10,614	65,141	75,755	93,533
Deductions:				
Retirement benefits	1,797	19,608	21,405	19,757
Cost of living benefits	287	4,965	5,252	4,851
Supplemental retirement benefits	28	584	612	655
Refunds	6	66	72	106
Administrative expenses	36	295	331	345
Total deductions	2,154	25,518	27,672	25,714
Increase from operations	8,460	39,623	48,083	67,819
Net assets held in trust for pension benefits beginning of year	68,328	569,651	637,979	570,160
Net assets held in trust for pension benefits end of year	\$ 76,788	609,274	686,062	637,979

Firefighters Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

Division	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Firefighters	1/01/97	\$ 36,473	32,138	(4,335)	113.5%	\$ 7,032	(61.6)%
Division A	1/01/98	42,528	37,464	(5,064)	113.5	7,968	(63.6)
(with Social Security)	1/01/99	48,851	40,479	(8,372)	120.7	9,375	(89.3)
	1/01/00	56,976	42,464	(14,512)	134.2	10,944	(132.6)
	1/01/01	49,688	38,955	(10,733)	127.6	9,733	(110.3)
	1/01/02	54,345	46,108	(8,237)	117.9	12,070	(68.2)
	1/01/03	55,202	51,170	(4,032)	107.9	13,423	(30.0)
	1/01/04	60,889	56,399	(4,490)	108.0	14,524	(30.9)
	1/01/05	65,260	62,802	(2,458)	103.9	15,490	(15.9)
	12/31/05	72,396	70,320	(2,076)	103.0	18,344	(11.3)
Firefighters	1/01/97	\$ 293,002	330,273	37,271	88.7%	\$38,937	95.7%
Division B	1/01/98	333,650	347,511	13,861	96.0	43,319	32.0
(without Social Security)	1/01/99	374,554	367,224	(7,330)	102.0	44,951	(16.3)
	1/01/00	426,398	376,693	(49,705)	113.2	46,617	(106.6)
	1/01/01	486,815	416,501	(70,314)	116.9	53,541	(131.3)
	1/01/02	514,806	445,166	(69,640)	115.6	55,122	(126.3)
	1/01/03	498,387	469,994	(28,393)	106.0	57,931	(49.0)
	1/01/04	528,613	492,979	(35,634)	107.2	61,095	(58.3)
	1/01/05	545,428	516,089	(29,339)	105.7	64,148	(45.7)
	12/31/05	572,100	546,768	(25,332)	104.6	65,717	(38.5)
Total	1/01/97	\$329,475	362,411	32,936	90.9%	\$45,969	71.6%
Firefighters	1/01/98	376,178	384,975	8,797	97.7	51,287	17.2
Retirement	1/01/99	423,405	407,703	(15,702)	103.9	54,326	(28.9)
System	1/01/00	483,374	419,157	(64,217)	115.3	57,561	(111.6)
	1/01/01	536,503	455,456	(81,047)	117.8	63,274	(128.1)
	1/01/02	569,151	491,274	(77,877)	115.9	67,192	(115.9)
	1/01/03	553,589	521,164	(32,425)	106.2	71,354	(45.4)
	1/01/04	589,502	549,378	(40,124)	107.3	75,619	(53.1)
	1/01/05	610,688	578,891	(31,797)	105.5	79,638	(39.9)
	12/31/05	644,496	617,088	(27,408)	104.4	84,061	(32.6)

Firefighters Retirement System**Schedules of Employer Contributions by Division***(dollars in thousands)*

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Firefighters Division A (with Social Security)	1996	\$ 651	100
	1997	691	100
	1998	758	100
	1999	813	100
	2000	1,290	100
	2001	1,489	100
	2002	1,791	100
	2003	1,748	100
	2004	1,687	100
	2005	2,098	100
Firefighters Division B (without Social Security)	1996	\$ 5,684	100
	1997	6,697	100
	1998	6,179	100
	1999	4,924	100
	2000	5,465	100
	2001	6,865	100
	2002	7,663	100
	2003	7,311	100
	2004	6,972	100
	2005	7,503	100
Total Firefighters Retirement System	1996	\$ 6,335	100
	1997	7,388	100
	1998	6,937	100
	1999	5,737	100
	2000	6,755	100
	2001	8,354	100
	2002	9,454	100
	2003	9,059	100
	2004	8,659	100
	2005	9,601	100

All Retirement Systems**Schedules of Administrative and Investment Expenses**

Year Ended December 31, 2005

(in thousands)

	Defined Benefit Pension Plans	Investments	Defined Contribution Plans	Total
Personal services:				
Salaries and wages	\$3,587	1,108	2,570	7,265
Employee benefits	1,499	422	1,255	3,176
Total personal services	5,086	1,530	3,825	10,441
Professional services:				
Audit	91	—	22	113
Actuarial services	253	—	—	253
General counsel	582	11	16	609
Banking services	57	—	151	208
Security handling expense	—	1,806	53	1,859
Investment advisor fees	—	42,459	2,469	44,928
Other consulting services	88	215	128	431
Total professional services	1,071	44,491	2,839	48,401
Communications:				
Telephone	227	18	128	373
Postage	262	—	471	733
Total communications	489	18	599	1,106
Rentals:				
Office space	1,042	88	152	1,282
Data processing equipment	—	—	—	—
Total rentals	1,042	88	152	1,282
Miscellaneous:				
Data processing	272	209	262	743
Professional development	132	73	48	253
Contractual services	312	8	108	428
Supplies and maintenance	62	—	1	63
Insurance and bonding premiums	323	2	33	358
Subscription expense	8	1	3	12
Office supplies	270	—	57	327
Depreciation expense	449	—	—	449
Total miscellaneous	1,828	293	512	2,633
Total administrative expenses	\$9,516	46,420	7,927	63,863
Allocation of administrative expenses:				
Noncontributory Retirement System	\$7,557	—	—	7,557
Contributory Retirement System	578	—	—	578
Public Safety Retirement System	985	—	—	985
Firefighters Retirement System	331	—	—	331
Judges Retirement System	60	—	—	60
Utah Governors and Legislators Retirement Plan	5	—	—	5
401(k) Plan	—	—	4,919	4,919
457 Plan	—	—	531	531
Roth IRA	—	—	—	—
Traditional IRA	—	—	9	9
Total administrative expenses	9,516	—	5,459	14,975
Investment administrative expense	—	3,961	—	3,961
Investment advisor fees:				
Investments	—	42,459	—	42,459
401(k) Plan	—	—	2,244	2,244
457 Plan	—	—	220	220
Roth IRA	—	—	—	—
Traditional IRA	—	—	4	4
Total investment advisor fees	—	42,459	2,468	44,927
Total administrative expense allocations	\$9,516	46,420	7,927	63,863

Utah Retirement Systems
Comprehensive Annual Financial Report

Investment | *Section*



2005

93 Report on Investment Activity

94 Outline of Investment Policies and Investment Summary

95 Asset Allocation

96 Investment Results

97 List of Largest Assets Held

97 Schedules of Fees and Commissions

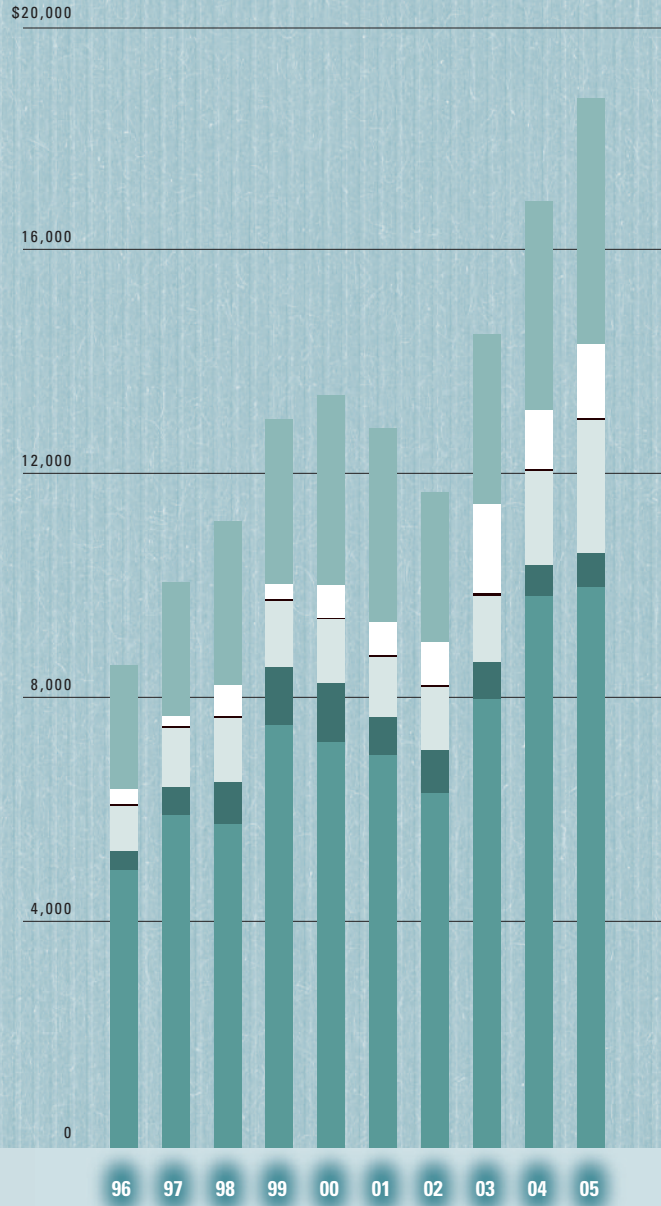
98 Investment Professionals

99 Defined Contribution Plans

All Retirement Systems

Ten Year Investment Comparison

(in millions)



(in millions)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Debt Securities	\$2,225	2,406	2,951	2,960	3,384	3,463	2,698	3,062	3,754	4,301
Short Term Securities	269	174	548	273	595	603	763	1,582	1,055	1,324
Mortgages	4	4	4	4	3	3	4	7	7	7
Real Estate	805	1,057	1,149	1,188	1,133	1,076	1,124	1,188	1,673	2,353
Private Equity	344	494	738	1,018	1,050	678	762	654	553	612
Equities	5,022	6,009	5,848	7,614	7,308	7,068	6,394	8,070	9,896	10,061
Totals	\$8,669	10,144	11,238	13,057	13,473	12,892	11,745	14,563	16,937	18,657

Defined Benefit Investments

Report on Investment Activity

T



The economy held up remarkably well in 2005 even though we saw \$70 per barrel oil prices, higher interest rates and weather related disasters. Equities continued to rise while fixed income securities were challenged due to the risk in interest rates. The year saw short term rates as measured by the 90 day T-bill rate up over 1.8% whereas the 30 year Treasury bond decreased a little over 0.25%. Thus the yield curve dramatically flattened. The markets also continued a period of low volatility creating challenges for active managers to add excess returns above their benchmarks. Even though the United States achieved a record current account deficit, the dollar rallied and the economy finished with a respectable 3.5% increase in Gross Domestic Product. Inflation continued to remain subdued at 3.4% as measured by the Consumer Price Index.

Although the U.S. equity market as measured by the S&P 500 was up only 4.9% and the U.S. fixed income market as measured by the Lehman Brothers Aggregate was up only 2.4%, other markets did surprisingly well. The international equity market as measured by the Europe Australia/Asia Far East ("EAFE") index and the MSCI Emerging Markets Free-Unhedged index returned 13.5% and 34.5% respectively. Real Estate as measured by the National Council of Real Estate Investment Fiduciaries ("NCREIF") was up 20%.

The Utah Retirement Systems ("Systems") posted a respectable 9% return for the year. The Systems' gain was helped by its exposure to international equities (both developed and emerging), small cap stocks (both domestic and international), real estate and private equity. Detractors were domestic equity and domestic fixed income. Active management strategies continued to add value net of fees. The Systems' three-year return was 16% and the five-year return increased to 6.5% as compared to the five year return a year ago of 5% (two of those years include a bear market). Over the past ten

years, the Systems' portfolio has returned 9%, exceeding its actuarial goal of 8%.

During 2005, we began to further diversify the portfolio into additional active strategies to lower overall market risk. We will continue to diversify the portfolio in 2006 and 2007. However, we expect to maintain our overall return expectations.

We have been well served by a diversified portfolio. Different asset classes perform well or poorly just about every year. Because we are a long term investor, those ups and downs are expected. In fact, without volatility there would be no return. We certainly can't plan for major geopolitical risks, weather or market turmoil, but we feel we've built a solid foundation that can weather the storms in the long run. The key to investing is to be patient. That patience has given us the ability to provide our participants the retirement security they expect for their future.

Bruce H. Cundick, Chief Investment Officer

Defined Benefit Investments

Investment Highlights *(Continued)*



Outline of Investment Policies

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

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

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

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

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

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

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

All managers must act within the restrictions established by the investment guidelines put forth in the Statement of Investment Policy.

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

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

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

Defined Benefit Investments

Investment Highlights *(Continued)*

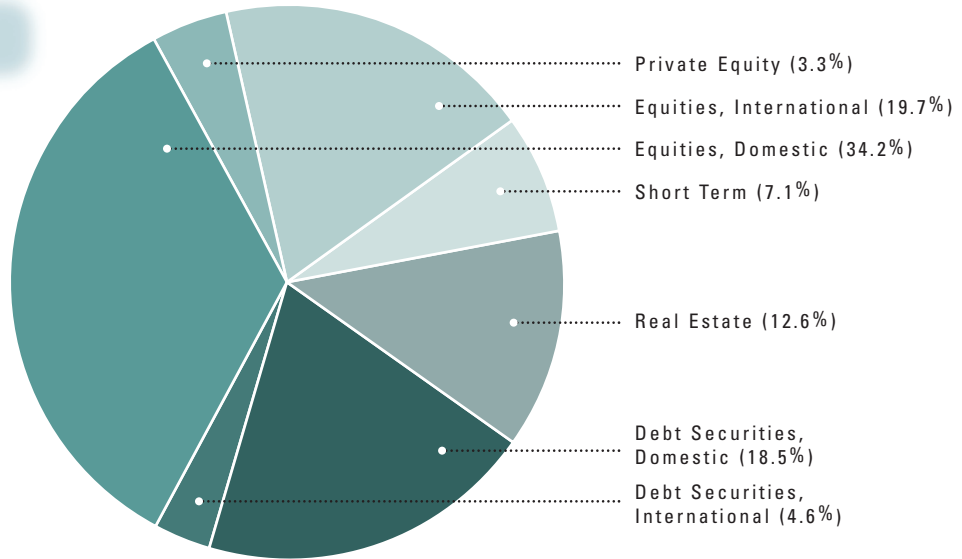
2005 Investment Summary

(dollars in thousands)

	2005 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2005 Ending Fair Value	Percent of Total Fair Value
Short-term securities, domestic	\$ 985,416	27,894,170	27,706,973	—	1,172,613	6.29%
Short-term securities, international	69,095	16,194,826	16,129,991	17,344	151,274	0.81
Debt securities, domestic	2,873,734	19,910,246	19,316,692	(31,756)	3,435,532	18.41
Debt securities, international	880,628	629,017	573,056	(71,294)	865,295	4.64
Equities, domestic	6,520,755	2,323,271	2,434,309	(25,394)	6,384,323	34.22
Equities, international	3,374,875	1,645,375	1,362,715	18,655	3,676,190	19.70
Private equity	552,534	162,885	101,622	(2,208)	611,589	3.28
Real estate	1,673,204	1,036,727	506,610	149,952	2,353,273	12.61
Mortgage loans	6,659	349	144	—	6,864	0.04
Totals	\$16,936,900	69,796,866	68,132,112	55,299	18,656,953	100.0%

Year-end Asset Allocation at Fair Value

December 31, 2005



December 31,

	2001	2002	2003	2004	2005
Debt securities, domestic	21.0%	17.3	15.6	17.0	18.5
Debt securities, international	5.9	5.7	5.4	5.2	4.6
Equities, domestic	40.9	37.5	37.2	38.5	34.2
Equities, international	13.9	16.9	18.2	19.9	19.7
Private equity	5.2	6.5	4.5	3.3	3.3
Real estate	8.4	9.6	8.2	9.9	12.6
Short-term securities	4.7	6.5	10.9	6.2	7.1
Total portfolio	100.0%	100.0	100.0	100.0	100.0

Defined Benefit Investments

Investment Highlights

(Continued)

Ten-Year Total Pension Investment Rates of Return

(dollars in millions)

		(1)	(2)	(3)
	Total Investment Portfolio Fair Value	Smoothed Expected Rate of Return	Fair Value Rate of Return	Actuarial Assumed Interest Rate
1996	\$ 8,669	11.73	15.11	8.00
1997	10,144	13.72	15.75	8.00
1998	11,238	12.64	9.61	8.00
1999	13,057	14.67	16.55	8.00
2000	13,474	11.23	1.86	8.00
2001	12,892	6.80	(4.99)	8.00
2002	11,745	(1.54)	(7.54)	8.00
2003	14,563	8.01	26.00	8.00
2004	16,937	5.32	13.24	8.00
2005	18,657	7.36	8.96	8.00

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

(2) Fair Value Rate of Return consists of cash income plus gains and losses due to changes in fair value, whether realized or unrealized (before deduction of investment fees). (For 2005, 8.69 net of fees.)

(3) Actuarial Assumed Interest Rate is the assumed rate of return on the fair value of assets, and is used in establishing retirement contribution rates and in determining current benefit reserve requirements.

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

Year Ended December 31, 2005

Investment Category Comparative Index	1 Year	3 Years	5 Years	10 Years
Domestic Equity Russell 3000 Index	7.29% 6.12	19.15% 15.90	5.09% 1.58	10.40% 9.20
International Equity International Equity Benchmark Benchmark consisting of: 80% MSCI EAFE Index 10% MSCI Emerging Markets Index 10% Citigroup Extended Markets Index World ex-US	17.42 16.35	25.75 26.15	8.67 6.91	7.46 6.22
Domestic Debt Securities Lehman Brothers Aggregate Index	2.05 2.43	4.04 3.62	5.00 5.87	5.66 6.16
International Global Debt Securities Lehman Brothers Global Aggregate Index	-2.93 -4.49	8.12 5.50	7.90 6.81	5.55 5.35
Real Estate Real Estate Benchmark Benchmark consisting of: 90% NCREIF Real Estate Index 10% NAREIT Index	16.35 18.88	14.36 15.48	10.61 12.15	11.64 12.27
Private Equity Private Equity Benchmark Benchmark consisting of: 85% Russell 3000 Index + 3.5%, 15% Russell 3000 Index + 2.0%	29.88 9.40	19.58 19.18	1.22 4.86	12.82 12.48
Short Term Investments Treasury Bills	3.00 3.07	1.81 1.84	3.26 2.34	4.86 3.84
Total Fund Total Fund Benchmark Benchmark consisting of: 40% Russell 3000 Index 20% Lehman Brothers Aggregate Index 18% International Equity Benchmark 10% Real Estate Benchmark 7% Private Equity Benchmark 5% Lehman Brothers Global Aggregate Index	8.96 8.20	16.03 14.96	6.47 4.95	9.04 8.40
CAI Public Fund — Large Database Medium	8.17	14.19	5.33	8.81
Inflation	3.40	2.87	2.51	2.53

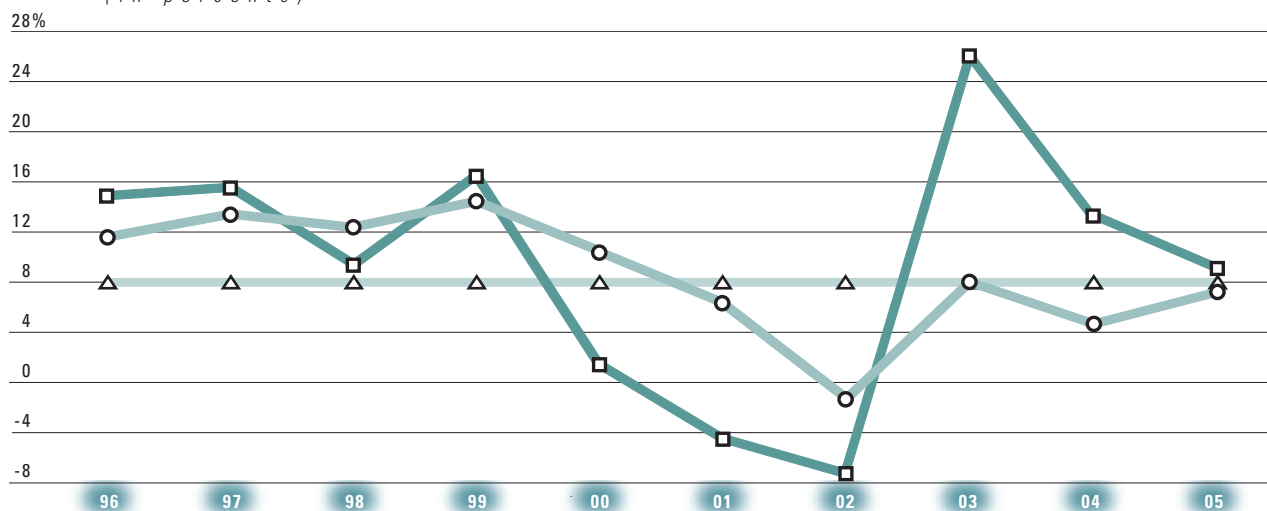
(1) Callan Associates Inc.

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

(3) Investment return calculations were prepared using a time-weighted return in accordance with the Performance Presentation Standards of the CFA Institute (CFAI), formerly known as AIMR.

Ten-Year Total Pension Investment Rates of Return

(in percents)



Defined Benefit Investments**Investment Highlights** *(Continued)***List of Largest Assets Held**

December 31, 2005

Largest Equity Holdings *(By Fair Value)*

Description	Shares	Fair Value
General Electric Co.	3,920,842	\$137,425,512
Exxon Mobil Corp.	2,369,678	133,104,813
Citigroup Inc.	1,925,018	93,421,124
Microsoft Corp.	3,472,514	90,806,241
Procter & Gamble Co.	1,412,884	81,777,726
Bank of America Corp.	1,744,598	80,513,198
Johnson & Johnson.....	1,171,658	70,416,646
Pfizer Inc.	2,935,137	68,447,395
JP Morgan Chase & Co.	1,548,425	61,456,988
American International Group Inc.	849,481	57,960,089

Largest Debt Securities Holdings *(By Fair Value)*

Description	Par Value	Fair Value
FNMA Single Family Mortgage 5% 30 Years Settles January Rating AAA.....	\$252,900,000	244,996,875
FNMA 30 Year Pass-Throughs 6% 30 Years Settles January Rating AAA	161,200,000	162,660,794
FNMA 30 Year Pass-Throughs 5.5% 30 Years Settles January Rating AAA	105,100,000	104,049,000
GNMA I 30 Years Single Family Pass-Throughs (SF) 6% 30 Years Settles January Rating AAA.....	77,240,000	79,026,175
FNMA 15 Year Pass-Throughs 5.5% 15 Years Settles January Rating AAA	69,900,000	70,315,066
US Treasury Bonds 6.75% Due 08/15/2026 Rating AAA.....	43,411,000	55,593,212
FNMA 15 Year Pass-Throughs 5% 15 Years Settles January Rating AAA	48,500,000	47,969,507
FNMA 30 Year Pass-Throughs 6.5% 30 Years Settles January Rating AAA	31,800,000	32,614,875
US Treasury Notes DTD 01/18/2000 Inflation Indexed 4.25% Due 01-15-2010 Reg Rating AAA	25,164,000	32,294,096
FNMA Single Family Mortgage 4.5% 15 Years Settles January Rating AAA.....	28,200,000	27,433,298

Schedules of Fees and Commissions**Broker Commission Fees**

Year Ended December 31, 2005

Broker	Total Commission Fees
Instinet	\$ 247,228
Investment Technology Group (ITG)	139,976
Jefferies and Company	59,986
Merrill Lynch Amsterdam	39,718
Merrill Lynch Fenner & Smith	47,225
Merrill Lynch International London	1,923
Merrill Lynch International Ltd Equities	84,313
Weeden & Co.	826
Yamner & Company	4,195
Total	\$ 625,390

Schedule of Investment Fees and Commissions

Year Ended December 31, 2005

Investment advisor fees:	
Equity securities, domestic	\$ 8,878,278
Equity securities, international	20,875,582
Debt securities, domestic	3,979,302
Debt securities, international	2,367,028
Private equity	5,213,980
Real Estate	1,145,320
Total investment advisor fees	42,459,490
Investment brokerage fees	625,390
Total fees and commissions	\$43,084,880

Defined Benefit Investments

Investment Highlights *(Continued)*

Investment Professionals

Investment Advisors

Defined Benefit Plan — Equities

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

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

Alliance Capital Management
1345 Avenue of the Americas
New York, NY 10105

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

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

Capital International
333 South Hope Street
Los Angeles, CA 90071

CS First Boston
11 Madison Avenue
New York, NY 10010

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

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

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

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

Lord Abbett
90 Hudson Street
Jersey City, NJ 07302

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

Mondrian Investment
Partners Limited
80 Cheapside
London EC2V 6EE, UK

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

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

Putnam Investments
1 Post Office Square
Boston, MA 02109

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

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

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

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

Defined Benefit Plan — Debt Securities

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

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

JP Morgan Fleming
Asset Management
227 West Monroe
Chicago, IL 60606

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

Defined Benefit Plan — Real Estate

BNA Realty Advisors
Barlow Nielsen Associates
358 South Rio Grande
Suite 250
Salt Lake City, UT 84101

Black Rock Realty Advisors
300 Campus Drive
Florham Park, NJ 07932

CB Richard Ellis
865 South Figueroa Street
Suite 3500
Los Angeles, CA 90071

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

CS First Boston
11 Madison Avenue
New York, NY 10010

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

Hancock Timber Resources
Group
99 High Street
Boston, MA 02110

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

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

Henderson Global Investors
One Financial Plaza
Hartford, CT 06103

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

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

Utah Retirement Systems Consultants

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

Frank Russell Securities, Inc.
909 A Street
Tacoma, WA 98402

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

Defined Contributions Investments

Defined Contributions Plan Investments

(in thousands)

Investment Options	Total
Income Fund	\$ 557,832
Bond Fund	77,322
Balanced Fund	299,263
Large Cap Stock Value Fund	141,845
Large Cap Stock Index Fund	377,846
Large Cap Stock Growth Fund	111,858
International Fund	173,069
Small Cap Stock Fund	144,081
Short Horizon Fund	60,408
Medium Horizon Fund	108,914
Long Horizon Fund	193,149
Group Annuity Fund <i>(closed to contributions)</i>	47,219
Total	\$2,292,806

Investment Highlights



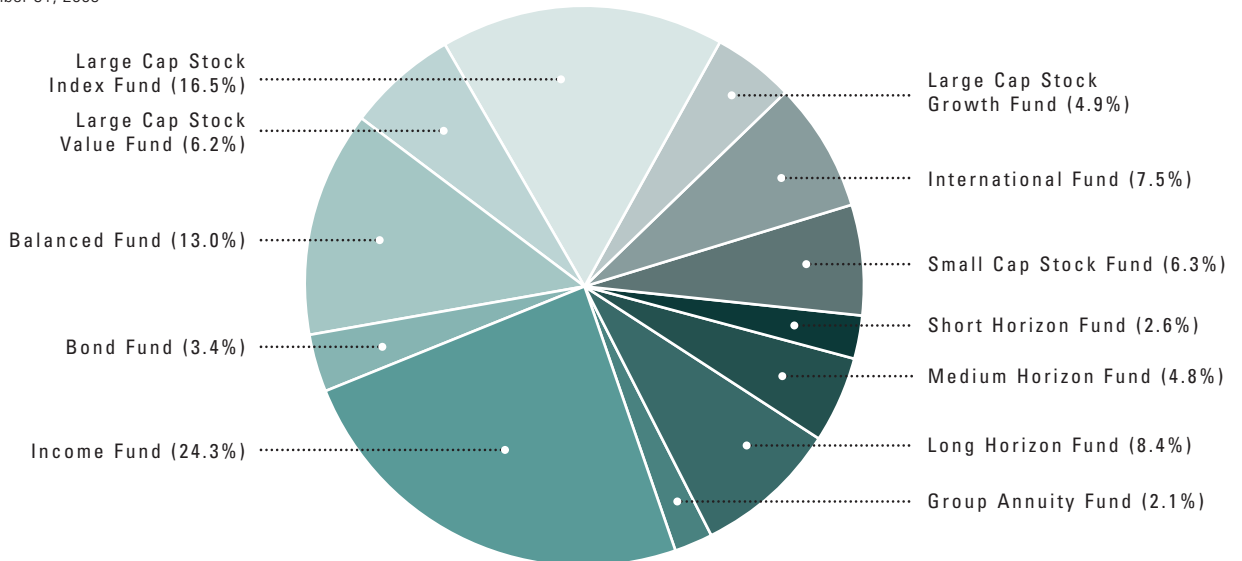
Introduction

Utah Retirement Systems' 401(k), 457, Roth and Traditional IRA Plans are tax-advantaged retirement savings programs authorized under sections 401(k), 457 and 408 of the Internal Revenue Code. These plans are available to employees of the state, local government and public education employers throughout Utah.

The participants of the plans have a choice of eleven investment funds in which their monies may be invested. Each participant may choose one or a combination of these funds. In addition, there is a Group Annuity Fund that is closed to contributions, but where current balances still exist. The table to the right shows the total investments in the various investment options. The asset graph below shows the asset distribution at December 31, 2005.

Defined Contribution Investments

December 31, 2005



Defined Contributions Investments

Investment Highlights *(Continued)*

2005 Investment Summary and Investment and Administrative Fees

(dollars in thousands)

Fund	2005 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2005 Ending Fair Value	Percent of Total Fair Value	Invest- ment Fees	Admin- istrative Fees	Total Fees
Income Fund	\$ 519,814	69,953	51,376	19,441	557,832	24.34%	0.14%	0.27%	0.41%
Bond Fund	77,432	11,045	11,672	517	77,322	3.37	0.36	0.27	0.63
Balanced Fund	273,183	16,213	10,662	20,529	299,263	13.05	0.38	0.27	0.65
Large Cap Stock Value Fund	114,911	32,887	15,147	9,194	141,845	6.19	0.43	0.27	0.70
Large Cap Stock Index Fund	382,160	12,583	27,280	10,383	377,846	16.48	0.03	0.27	0.30
Large Cap Stock Growth Fund	72,438	33,867	6,927	12,480	111,858	4.88	0.33	0.27	0.60
International Fund	129,599	36,760	17,714	24,424	173,069	7.55	0.35	0.27	0.62
Small Cap Stock Fund	146,526	19,071	24,008	2,492	144,081	6.28	0.41	0.27	0.68
Short Horizon Fund	55,734	13,652	9,560	582	60,408	2.63	0.28	0.27	0.55
Medium Horizon Fund	88,788	20,897	6,548	5,777	108,914	4.75	0.31	0.27	0.58
Long Horizon Fund	154,860	28,010	4,876	15,155	193,149	8.42	0.28	0.27	0.55
Group Annuity Fund <i>(closed to contributions)</i>	50,233	—	3,481	467	47,219	2.06	1.13	0.27	1.40
Totals	\$2,065,678	294,938	189,251	121,441	2,292,806	100.00%			

Investment and Administrative Expenses

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

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

An annual account maintenance fee of \$15 is assessed to inactive accounts with combined 401(k), 457, Roth and Traditional IRA plan balances of less than \$5,000. There may also be special service fees for loans and short-term trading.

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

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

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

Defined Contributions Investments

Investment Highlights *(Continued)*

Defined Contribution Plans Comparative Annualized Rates of Return

Year Ended December 31, 2005

Investment Option <i>Comparative Index</i>	Annualized			
	1 Year	3 Year	5 Year	10 Year
Income Fund	4.15%	3.82%	4.72%	5.42%
<i>Treasury Bills Index</i>	3.07	1.84	2.34	3.84
Bond Fund	1.79	3.65	6.29	NA*
<i>Lehman Aggregate Bond Index</i>	2.43	3.62	5.87	6.16
Balanced Fund	8.85	12.83	5.64	8.66
<i>Balanced Index (1)</i>	3.94	10.14	3.17	8.37
Large Cap Stock Value Fund	9.19	19.73	10.84	NA*
<i>Russell 1000 Value Index</i>	7.05	17.49	5.28	10.94
Large Cap Stock Index Fund	4.60	14.00	0.29	8.72
<i>S&P 500 Index</i>	4.91	14.39	0.54	9.07
Large Cap Stock Growth Fund	15.66	14.81	-3.54	NA*
<i>Russell 1000 Growth Index</i>	5.26	13.23	-3.58	6.73
International Fund	19.84	23.07	5.46	10.74
<i>MSCI EAFE Index</i>	13.54	23.68	4.55	5.84
Small Cap Stock Fund	5.81	23.50	11.40	NA*
<i>Russell 2000 Index</i>	4.55	22.13	8.22	9.26
Short Horizon Fund	3.40	5.74	5.58	NA*
<i>Short Horizon Index (2)</i>	3.38	5.37	4.84	6.55
Medium Horizon Fund	7.21	11.88	5.37	NA*
<i>Medium Horizon Index (3)</i>	5.10	11.37	4.53	7.52
Long Horizon Fund	9.55	15.92	4.97	NA*
<i>Long Horizon Index (4)</i>	6.56	15.37	3.83	7.90
Group Annuity Fund (5)	4.72	4.84	5.25	5.75
<i>Treasury Bills Index</i>	3.07	1.84	2.34	3.84

Past performance does not guarantee future results.

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

Investment return calculations were prepared using a time-weighted return in accordance with the Performance Presentation Standards of the CFA Institute (CFI), formerly known as AIMR.

Comparative indexes below reflect current asset allocation targets.

- (1) Balanced Index: 60% S&P 500 Index, 40% Lehman Brothers Aggregate Bond Index
- (2) Short Horizon Index: 20% Treasury Bills, 65% LB Aggregate Bond, 10% S&P 500, 5% MSCI EAFE
- (3) Medium Horizon Index: 45% LB Aggregate Bond, 35% S&P 500, 15% MSCI EAFE, 5% Russell 2000

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

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

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

Investment Professionals

Defined Contribution Plans Investment Professionals

Ameriprise Trust Company
50900 AXP Financial Center
Minneapolis, MN 55474
(Income Fund)

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

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

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

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

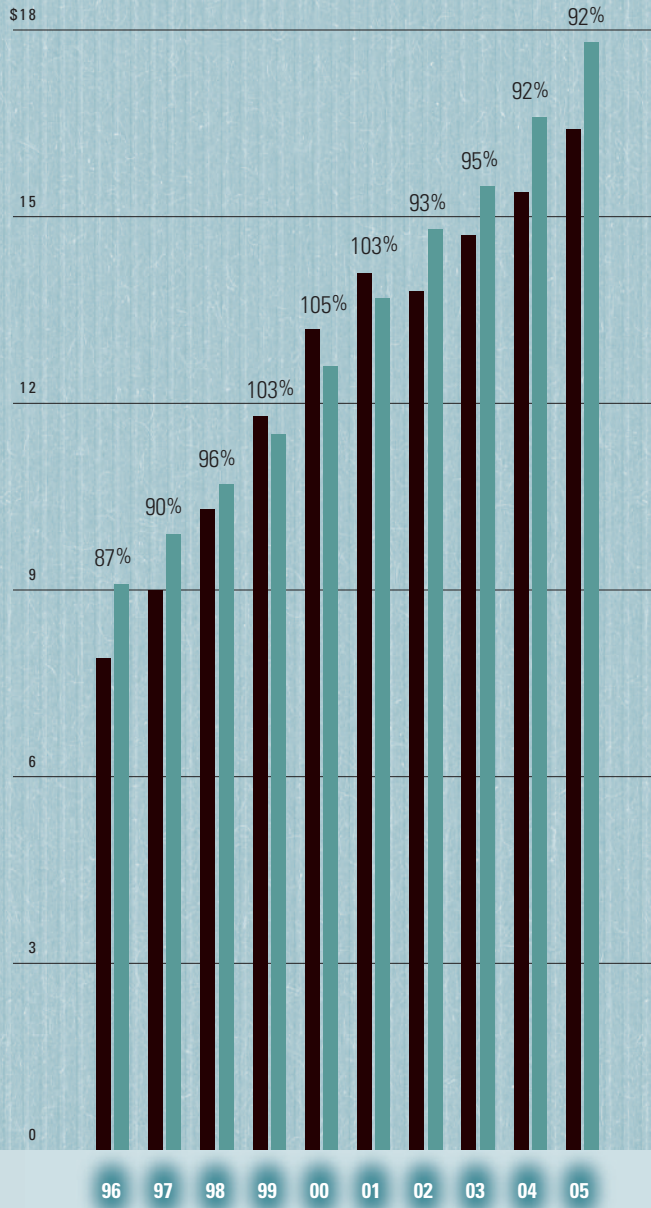
Alliance Capital Management L.P.
1345 Avenue of the Americas
New York, NY 10105
(Balanced Fund, Large Cap Stock Growth Fund)

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

All Retirement Systems

Funding Progress | with Funding Ratios

(dollars in billions)



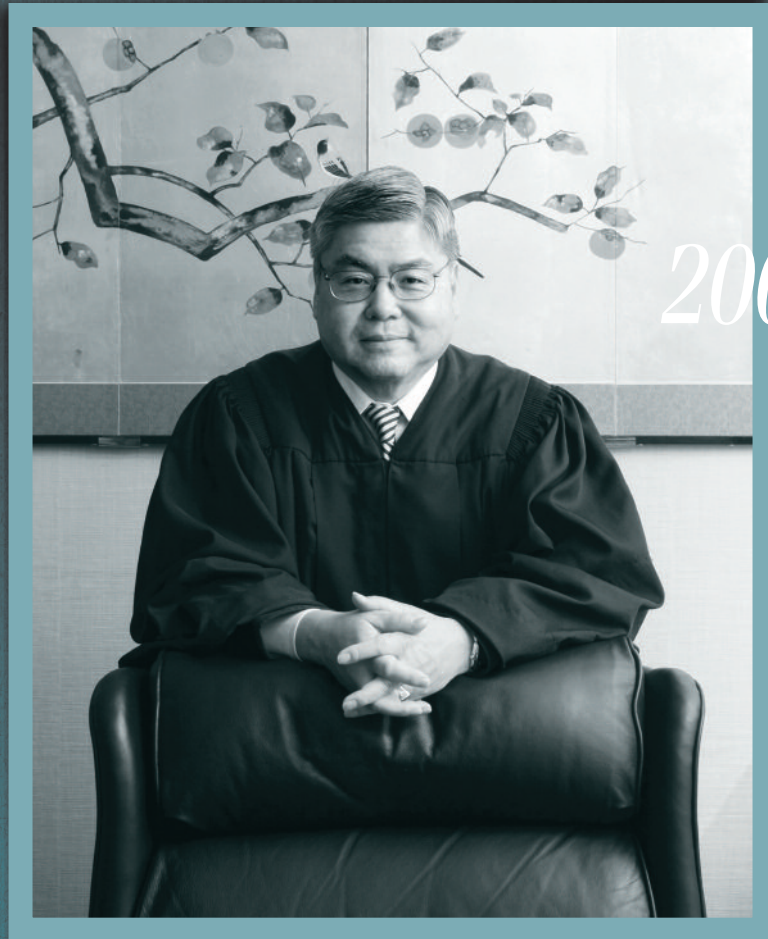
(dollars in billions)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
● Actuarial Value of Assets	\$ 7.9	9.0	10.3	11.8	13.2	14.1	13.8	14.7	15.4	16.4
● Accrued Actuarial Liability	9.1	9.9	10.7	11.5	12.6	13.7	14.8	15.5	16.7	17.8
Funding Ratios	87%	90%	96%	103%	105%	103%	93%	95%	92%	92%

Utah Retirement Systems

Comprehensive Annual Financial Report

Actuarial | *Section*



2005

104 Actuary's Certification Letter

106 Summary of Actuarial Assumptions and Methods

 111 Analysis of Financial Experience

 112 Member and Employer Contribution Rates

 115 Solvency Tests

116 Schedules of Active Member Valuation Data

 118 Schedules of Retirants and Beneficiaries

 120 Summaries of Plan Provisions

 128 Changes in Plan Provisions

129 Summary of Defined Contribution Plans Provisions

Actuary's Certification Letter



Gabriel Roeder Smith & Company
Consultants & Actuaries

4600 S. Ulster Street
Suite 700
Denver, CO 80237-2882

303.846.3031 phone
303.846.3028 fax
www.gabrielroeder.com

October 14, 2005

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

Dear Members of the Board

Subject: Certification of 2005 Actuarial Valuation

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

Under URS statutes, the Board of Trustees must certify employer contribution rates annually. These rates are determined actuarially, based on the Board's funding policy. Contribution rates determined by a given actuarial valuation become effective eighteen months after the valuation date. I.e., the rates determined by this January 1, 2005 actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning July 1, 2006 and ending June 30, 2007. If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board may adjust the calculated rates before certifying them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

Financing objectives and funding policy

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

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

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

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

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

In 2004, the Utah Legislature approved an act that allows the Board to set the employer contribution rate at the prior year's rate, if the rate otherwise would decrease and if the funded ratio is less than 110%. In such a case, the rate set by the Board would be higher than the actuarially determined contribution rate. The object of this legislation is to enhance the Board's ability to maintain more-level contribution rates while targeting a 100% - 110% funded level.

Progress toward realization of financing objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%.

For all systems combined, the funded ratio decreased from 94.7% to 92.4%. Most of the individual funds have ratios over 90%, and only the 3% Substantial Substitute Fund, the Salt Lake City Noncontributory Public Safety Fund, and the Logan Noncontributory Public Safety Fund have funded ratios less than 80%. It should be pointed out that the funded ratio for all systems combined was 76.9% in 1990. Significant progress has been made over the last fifteen years, even though a number of benefit increases have been granted during that time, and even though the 3% substantial substitute was added as a URS liability. If market value had been used in the calculation instead of actuarial value, the aggregate funded ratio for all funds combined would have been 96.5%, compared to 91.7% in the prior year.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on January 1, 2005, or which were adopted by the end of the 2005 legislative session and are effective on or before July 1, 2006.

No significant pieces of legislation impacting the benefit provisions of URS were enacted during the 2005 legislative session.

Assumptions and methods

The Board, in consultation with the actuary, sets the actuarial assumptions and methods used in the valuation. Current Board policy is to perform an experience study every three years. In connection with the appropriate valuation, the actuary conducts a thorough review of plan experience for the preceding five years, and then makes recommendations to the Board.

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

- Changes to the post-retirement mortality assumptions for teachers and uniformed officers.
- No changes to the salary increase rates for most groups, but the salary increase rate for judges is lowered from 4.75% to 4.00%
- Increases in the disability incidence rates for most groups
- No changes to the termination rates for most groups, but the termination rates for firefighters are modified, and now reflect service only, rather than both age and service
- Changes to retirement rates for most groups with rates increasing at earlier ages and decreasing at later ages

We recommended that the assumed inflation rate remain at 3.00%, the assumed nominal investment return rate remain at 8.00%, and the payroll growth assumption remain at 4.00%. We have not recommended any changes in the actuarial cost method (entry age normal) or in the method for determining the actuarial value of assets (five-year smoothing).

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods. The actuarial calculations are intended to provide information for rational decision making.

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

Data

Member data for retired, active and inactive members was supplied as of December 31, 2004 by the URS staff. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The staff also supplied asset information as of December 31, 2004.

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of URS as of January 1, 2005. We prepared the accompanying Summary of Actuarial Assumptions and Methods, but the URS staff prepared the other supporting schedules in this section and the trend tables in the financial section based on information supplied in our report. The staff rolls forward to December 31 the actuarial liabilities supplied in our report as of January 1, and the staff computes the actuarial value of assets as of December 31. These procedures have been reviewed by us and found reasonable.

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

Sincerely,
Gabriel Roeder Smith & Company



Lewis Ward
Consultant



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



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

Gabriel Roeder Smith & Company

Summary of Actuarial Assumptions and Methods

As of January 1, 2005

a)

The actuarial valuation was prepared using the entry age actuarial cost method. As described in the certification letter, the contribution rates are set based on the board's funding policy, which states the contribution rate will not be less than the amount needed to amortize the unfunded actuarial accrued liability of each System over a 20-year period from the valuation date (January 1, 2005).

In calculating this minimum, amortization payments are designed to remain level as a percent of payroll, and payroll is assumed to increase 4% per year. Under this method, actuarial gains and losses are identified and amortized as part of the unfunded actuarial accrued liability over a 20-year period.

b) The future investment earnings of the assets of the Systems are assumed to accrue at an annual rate of 8.0%, compounded annually. This rate is made up of a 3.0% assumed inflation rate and a 5.0% assumed real rate of return. This assumption was adopted January 1, 2000.

c) The total rates of assumed annual salary increase are shown on the actuarial schedule on page 108. The rates include increases due to promotion and longevity and a 4.75% per annum rate of increase in the general wage level of the membership. Salaries of judges are assumed to increase at 4.00%. Most of these assumptions were adopted January 1, 2001. (Rates for public safety members were adopted January 1, 2002, and rates for judges were adopted January 1, 2005.)

d) Post retirement benefit increases are based on the Consumer Price Index, limited by the provisions of each System. For members of the Public Safety Retirement System, annual increases are assumed to be 2.5%. All other Systems' annual increases are assumed to be 3.0%. Increases are based on the member's original retirement allowance except in the Judges Retirement System, where increases are compounded.

e) Except for educators, tables of mortality rates for members retired for service and beneficiaries were developed from standard mortality tables. The mortality basis is dependent upon the member's class and gender as shown to the right. Most of these rates were adopted January 1, 2002. Rates for educators and uniformed officers were adopted January 1, 2005. Mortality rates for active members and retired educators were developed from actual experience of that group.

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2005

Retired Member Mortality

Class of Member

Educators

Men	EDUM
Women	EDUF

Public Safety and Firefighters

Men	UP94M (-1)
Women	UP94F (0)

Local Government, Public Employees and All Beneficiaries

Men	UP94M (-2)
Women	UP94F (0)

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

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

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

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

f) Mortality among disabled members is based on a special 1981 Disability Table developed by a previous actuary from the Systems' experience. Rates for males are based on a 2-year set forward and rates for females are based on a 2-year setback. These rates were modified January 1, 2002.

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

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

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

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

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

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2005

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

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

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

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

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2005

Other Termination of Employment Percent of Active Members Separating Within Next Year								
Retirement Age	Male			Female			Governors and Legislators Retirement Plan	
	State and School Division			State and School Division				
	Educators	Public Employees	Local Government Division	Educators	Public Employees	Local Government Division		
During the First Year of Service								
Noncontributory and Contributory Retirement Systems	25	14.98%	35.36%	18.84%	22.57%	30.44%	27.66%	10.00%
Adopted January 1, 2000	30	12.68	29.03	15.88	15.87	27.40	25.72	10.00
	35	11.95	25.25	13.73	12.28	24.11	23.52	10.00
	40	11.30	22.79	12.35	11.87	20.88	21.25	10.00
	45	11.52	20.67	11.84	11.35	18.08	19.22	10.00
	50	13.43	18.41	12.28	10.24	16.10	17.99	10.00
	55	17.64	15.90	13.83	8.34	15.24	18.25	10.00
	60	18.53	13.22	14.52	8.77	15.79	20.66	10.00
During the Sixth and Subsequent Years of Service								
Noncontributory and Contributory Retirement Systems	25	6.29%	11.85%	8.15%	13.04%	18.70%	13.16%	10.00%
Adopted January 1, 2000	30	4.30	8.32	6.05	8.38	11.87	8.95	10.00
	35	2.90	5.78	4.63	5.21	7.56	6.18	10.00
	40	2.08	4.10	3.81	3.47	5.26	4.73	10.00
	45	1.62	3.04	3.34	2.74	4.05	4.22	10.00
	50	1.25	2.43	3.11	2.45	3.43	4.21	10.00
	55	0.93	2.42	3.36	2.43	3.34	4.32	10.00
	60	0.98	3.24	3.52	2.55	3.75	4.43	10.00
Public Safety Retirement System								
Adopted January 1, 2000	Age	During the First Year			During the Sixth and Subsequent Years			
	25	9.56%			6.16%			
	30	9.12			4.17			
	35	10.02			2.74			
	40	12.18			1.82			
	45	15.42			1.35			
	50	19.61			1.15			
	55	24.57			1.14			
	60	30.22			1.25			
Firefighters Retirement System								
Adopted January 1, 2005	Years of Service	Years of Service			Years of Service			
	0	7.0%			9			2.0%
	1	6.0			10			1.5
	2	5.0			11			1.5
	3	4.0			12			1.5
	4	3.0			13			1.5
	5	2.0			14			1.5
	6	2.0			15+			0.0
	7	2.0						
	8	2.0						
Judges Retirement System								
	None assumed.							

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2005

	Years of Service	Total Annual Increase in Salary (Male and Female)				
		State and School Division		Local Government Division	Public Safety Retirement System	Firefighters Retirement System
		Educators	Public Employees			
All Retirement Systems	0	15.00%	10.75%	11.75%	10.75%	11.75%
Adopted January 1, 2001	1	10.75	9.25	9.25	7.75	10.50
(Public Safety adopted January 1, 2002)	2	9.25	8.25	8.25	7.50	9.75
	3	9.00	7.75	7.25	7.25	9.25
	4	8.75	7.25	7.00	7.00	8.75
	5	8.50	7.00	6.75	6.75	8.50
	6	8.00	6.50	6.75	6.75	8.25
	7	7.75	6.25	6.50	6.50	8.25
	8	7.50	6.25	6.50	6.50	8.00
	9	7.25	6.00	6.25	6.25	8.00
	10	6.75	6.00	6.00	6.25	7.75
	11	6.50	5.75	5.75	6.00	7.75
	12	6.00	5.50	5.50	5.75	6.75
	13	5.50	5.50	5.25	5.50	5.75
	14	5.00	5.25	5.25	5.25	5.25
	15	4.75	4.75	4.75	4.75	4.75

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

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

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

	Percent Electing a Refund of Contributions Upon Termination While Vested	
	Years of Service	Public Safety and Firefighters Retirement Employees
Public Safety Retirement System and Firefighters Retirement System	0-3	100%
Adopted January 1, 1993	4	76
	5	74
	10	57
	15	35
	19	15
	20	0

Analysis of Financial Experience

As of December 31

(in thousands)

System	January 1, 2004 Unfunded Actuarial Accrued Liability	Amortization Payments	Liability (Gain) Loss	Asset (Gain)	Change in Actuarial Assumptions	Change in Benefit Provisions	Asset Transfers	January 1, 2005 Unfunded Actuarial Accrued Liability
Noncontributory	\$ 693,785	4	7,315	304,867	(3,864)	—	20,900	1,023,007
Contributory	68,620	158	2,991	31,485	(2,492)	—	(20,900)	79,862
Public Safety	107,870	2,661	16,636	37,730	36,984	—	—	201,881
Firefighters	(40,124)	408	(2,362)	16,118	(5,837)	—	—	(31,797)
Judges	490	595	(284)	2,536	59	—	—	3,396
Governors and Legislators	(2,093)	(22)	(204)	400	(4)	—	—	(1,923)

Member and Employer Contribution Rates

As of December 31

System	Year	Contributory			Noncontributory		
		Member	Employer	Employer	Employer	Employer	
			State and School	Local Government	State and School	Local Government	
Noncontributory and Contributory Retirement System	1996	6.00%	9.67%	6.42%	13.99%	10.24%	
	1997	6.00	9.67	6.50	14.16	10.51	
	1998	6.00	9.67	6.73	14.16	10.74	
	1999	6.00	9.67	6.73	14.16	10.74	
	2000	6.00	9.19	6.31	13.68	10.32	
	2001	6.00	5.91	4.19	10.40	8.20	
	2002	6.00	5.91	4.68	10.40	8.69	
	2003	6.00	7.21	5.61	11.70	9.62	
	2004	6.00	8.89	7.08	13.38	11.09	
	2005	6.00	8.89	7.08	13.38	11.09	
		Division A (with Social Security)		Division B (without Social Security)		All Divisions Fire Insurance Premium Tax	
		Member	Employer	Member	Employer		
Firefighters Retirement System	1996	13.31%	—%	16.71%	6.64%	7.98%	
	1997	13.31	—	16.71	6.43	8.19	
	1998	13.31	—	16.71	4.74	8.48	
	1999	13.31	—	16.71	0.54	8.60	
	2000	10.20	—	15.50	—	8.71	
	2001	6.77	—	8.43	—	8.28	
	2002	7.82	—	7.83	—	8.88	
	2003	8.21	—	7.83	—	10.35	
	2004	8.61	—	7.83	—	12.16	
	2005	8.61	—	7.83	—	12.16	
		Contributory		Noncontributory		Judges	Governors and Legislative Appropriation
		Member	Employer	Employer	Court Fees		
Judges Retirement System	1996	8.00%	10.70%	—	25.62%		\$—
	1997	8.00	12.21	20.21%	24.11		—
	1998	8.00	11.00	19.00	22.86		—
Utah Governors and Legislators Retirement Plan	1999	8.00	7.39	15.39	21.16		—
	2000	8.00	7.10	15.10	20.29		—
	2001	5.55	—	5.55	18.93		—
	2002	4.92	—	4.92	18.40		—
	2003	7.08	—	7.08	18.06		—
	2004	2.00	5.14	7.14	19.69		—
	2005	2.00	6.26	8.26	19.19		—

Member and Employer Contribution Rates *(Continued)*

As of December 31

System	Year	State of Utah		Other Division A (with Social Security)		Bountiful					
		Member	Employer	Member	Employer	Member	Employer				
Public Safety Retirement System Noncontributory Division A	1996	—	20.60%	—	14.47%	—	16.97%				
	1997	—	22.94	—	17.09	—	20.65				
	1998	—	23.14	—	17.42	—	22.05				
	1999	—	24.98	—	18.43	—	23.99				
	2000	—	23.62	—	17.40	—	23.18				
	2001	—	19.68	—	14.08	—	19.03				
	2002	—	18.94	—	13.89	—	17.41				
	2003	—	21.15	—	16.24	—	18.63				
	2004	—	23.46	—	19.08	—	19.68				
2005	—	23.46	—	19.34	—	19.68					
Public Safety Retirement System Contributory Division A	1996	12.29%	10.82%	12.29%	3.72%	11.94%	5.77%				
	1997	12.29	12.26	12.29	5.62	11.94	8.98				
	1998	12.29	12.26	12.29	5.87	11.94	10.36				
	1999	12.29	14.12	12.29	6.84	—	—				
	2000	12.29	12.98	12.29	5.88	—	—				
	2001	12.29	8.81	12.29	2.41	—	—				
	2002	12.29	8.05	12.29	2.17	—	—				
	2003	12.29	10.02	12.29	4.52	—	—				
	2004	12.29	12.50	12.29	7.70	—	—				
2005	12.29	12.50	12.29	7.95	—	—					
Public Safety Retirement System Noncontributory Division B	1996	Salt Lake City		Ogden		Logan		Provo		Other Division B (without Soc Sec)	
		Member	Employer	Member	Employer	Member	Employer	Member	Employer	Member	Employer
	1996	—	31.51%	—	24.03%	—	—	—	—	—	15.94%
	1997	—	33.68	—	24.77	—	—	—	—	—	17.29
	1998	—	33.68	—	25.49	—	—	—	—	—	17.07
	1999	—	36.14	—	25.80	—	—	—	—	—	19.85
	2000	—	34.73	—	24.47	—	—	—	—	—	19.01
	2001	—	30.72	—	21.06	—	—	—	—	—	16.75
	2002	—	28.27	—	17.98	—	14.79%	—	—	—	17.66
	2003	—	30.05	—	20.85	—	17.10	—	—	—	19.42
	2004	—	32.52	—	24.30	—	20.77	—	—	—	22.17
2005	—	32.52	—	24.30	—	21.25	—	—	—	22.32	
Public Safety Retirement System Contributory Division B	1996	13.74%	20.38%	13.18%	12.65%	11.13%	4.65%	13.54%	11.03%	10.50%	5.27%
	1997	13.74	21.82	13.18	12.65	11.13	6.72	13.54	12.81	10.50	7.55
	1998	13.74	21.82	13.18	12.90	11.13	7.76	13.54	12.81	10.50	7.11
	1999	13.74	24.00	13.18	12.83	11.13	8.28	13.54	13.52	10.50	9.97
	2000	13.74	22.56	13.18	12.23	11.13	6.96	13.54	12.58	10.50	8.92
	2001	13.74	18.21	13.18	9.08	11.13	2.93	13.54	9.72	10.50	6.43
	2002	13.74	15.50	—	—	11.13	3.66	13.54	9.47	10.50	7.34
	2003	13.74	17.61	—	—	11.13	5.97	13.54	10.85	10.50	9.47
	2004	13.74	19.96	—	—	11.13	10.03	13.54	12.22	10.50	12.35
2005	13.74	19.96	—	—	11.13	10.54	13.54	12.22	10.50	12.47	

Solvency Tests

(dollars in thousands)

System	Date	(1) Active Members Contributions	(2) Retired and Beneficiaries	(3) Active Member (Employer Financed Portion)
Noncontributory Retirement System	1/01/97	\$ 969,310	2,273,016	3,675,632
	1/01/98	977,799	2,547,911	4,128,625
	1/01/99	981,227	2,888,469	4,466,035
	1/01/00	974,082	3,019,704	5,012,522
	1/01/01	962,724	3,404,486	5,566,304
	1/01/02	971,496	3,751,586	6,082,942
	1/01/03	955,624	4,171,062	6,637,667
	1/01/04	878,125	4,587,481	6,885,704
	1/01/05	850,926	5,051,930	7,332,588
	12/31/05	823,385	5,793,312	7,549,851
Contributory Retirement System	1/01/97	\$ 182,158	523,025	163,540
	1/01/98	197,833	499,390	183,276
	1/01/99	214,828	478,808	198,347
	1/01/00	231,996	451,865	210,623
	1/01/01	247,491	447,521	240,787
	1/01/02	267,963	425,956	254,993
	1/01/03	285,260	416,552	275,106
	1/01/04	283,694	409,430	289,445
	1/01/05	296,155	407,905	309,776
	12/31/05	309,463	430,627	307,454
Public Safety Retirement System	1/01/97	\$ 84,621	355,291	426,592
	1/01/98	86,500	394,325	471,275
	1/01/99	87,640	448,200	498,307
	1/01/00	87,169	485,980	532,017
	1/01/01	85,774	540,074	581,028
	1/01/02	85,106	610,272	670,756
	1/01/03	84,479	669,736	704,276
	1/01/04	81,121	742,358	733,279
	1/01/05	94,259	827,157	805,369
	12/31/05	91,988	925,699	833,948
Firefighters Retirement System	1/01/97	\$ 56,890	169,852	135,669
	1/01/98	60,314	189,904	134,757
	1/01/99	65,671	204,540	137,492
	1/01/00	70,055	212,537	136,565
	1/01/01	73,003	240,403	142,050
	1/01/02	76,510	257,301	157,463
	1/01/03	78,253	270,842	172,069
	1/01/04	79,177	289,194	181,007
	1/01/05	81,754	306,927	190,210
	12/31/05	82,682	336,442	197,964
Judges Retirement System	1/01/97	\$ 7,045	31,108	21,902
	1/01/98	7,419	34,607	20,380
	1/01/99	7,603	36,433	23,175
	1/01/00	7,990	35,621	24,523
	1/01/01	8,025	38,603	27,334
	1/01/02	8,355	40,022	37,610
	1/01/03	8,639	40,800	41,134
	1/01/04	7,873	47,713	42,316
	1/01/05	8,058	48,904	47,248
	12/31/05	7,893	53,724	49,050
Utah Governors and Legislators Retirement Plan	1/01/97	\$ 224	4,429	2,367
	1/01/98	224	4,467	2,307
	1/01/99	215	4,715	2,348
	1/01/00	204	5,573	2,476
	1/01/01	204	5,081	2,623
	1/01/02	203	5,079	2,900
	1/01/03	187	5,212	3,307
	1/01/04	178	5,044	3,590
	1/01/05	169	4,989	3,569
	12/31/05	148	5,225	3,289

Actuarial Accrued Liabilities	(4) Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Portion of Actuarial Accrued Liabilities Covered by Assets			
			(1)	(2)	(3)	(4)
	6,917,958	5,969,813	100%	100%	74%	86%
	7,654,335	6,922,583	100	100	82	90
	8,335,731	7,931,193	100	100	91	95
	9,006,308	9,237,447	100	100	100	103
	9,933,514	10,361,333	100	100	100	104
	10,806,024	11,104,334	100	100	100	103
	11,764,353	10,848,586	100	100	86	92
	12,351,310	11,657,525	100	100	90	94
	13,235,444	12,212,437	100	100	86	92
	14,166,548	13,065,512	100	100	85	92
	868,723	772,977	100%	100%	41%	89%
	880,499	809,388	100	100	61	92
	891,983	840,215	100	100	74	94
	894,484	878,190	100	100	92	98
	935,799	924,573	100	100	95	99
	948,912	927,523	100	100	92	98
	976,918	899,290	100	100	72	92
	982,569	913,949	100	100	76	93
	1,013,836	933,974	100	100	74	92
	1,047,544	955,390	100	100	70	91
	866,504	755,106	100%	100%	74%	87%
	952,100	867,151	100	100	82	91
	1,034,147	988,800	100	100	91	96
	1,105,166	1,146,331	100	100	100	104
	1,206,876	1,286,996	100	100	100	107
	1,366,134	1,376,466	100	100	100	101
	1,458,491	1,349,435	100	100	85	93
	1,556,758	1,448,888	100	100	85	93
	1,726,785	1,524,904	100	100	75	88
	1,851,635	1,633,022	100	100	74	88
	362,411	329,475	100%	100%	76%	91%
	384,975	376,178	100	100	93	98
	407,703	423,405	100	100	100	104
	419,157	483,374	100	100	100	115
	455,456	536,503	100	100	100	118
	491,274	569,151	100	100	100	116
	521,164	553,589	100	100	100	106
	549,378	589,502	100	100	100	107
	578,891	610,688	100	100	100	105
	617,088	644,496	100	100	100	104
	60,055	50,721	100%	100%	57%	84%
	62,406	59,373	100	100	85	95
	67,211	67,998	100	100	100	101
	68,134	78,130	100	100	100	115
	73,962	87,139	100	100	100	118
	85,987	92,649	100	100	100	108
	90,573	90,904	100	100	100	100
	97,902	97,412	100	100	99	99
	104,210	100,814	100	100	93	97
	110,667	106,374	100	100	91	96
	7,020	8,636	100%	100%	100%	123%
	6,998	9,318	100	100	100	133
	7,278	9,988	100	100	100	137
	8,253	10,946	100	100	100	133
	7,908	11,569	100	100	100	146
	8,182	11,710	100	100	100	143
	8,706	10,719	100	100	100	123
	8,812	10,905	100	100	100	124
	8,727	10,650	100	100	100	122
	8,662	10,587	100	100	100	122

Schedules of Active Member Valuation Data

Year Ended December 31

System	Year	Number of Participating Employers	Active Members	Active Members			Inflation Increase (CPI)
				Annual Payroll	Average Pay	Percent Increase	
Noncontributory Retirement System	1996	336	73,652	\$ 2,054,879,000	28,580	6.04%	3.30%
	1997	344	75,599	2,200,988,000	30,013	5.01	1.70
	1998	349	77,512	2,365,650,000	31,063	3.50	1.60
	1999	356	81,132	2,499,087,000	31,577	1.65	2.70
	2000	367	81,894	2,659,200,000	32,744	3.70	3.40
	2001	374	81,383	2,832,060,000	34,581	5.61	1.60
	2002	376	82,486	2,926,449,000	35,481	2.60	2.40
	2003	380	83,156	2,959,347,000	35,806	0.92	1.90
	2004	391	85,046	3,084,317,000	36,643	2.34	3.30
	2005	401	85,637	3,165,504,000	37,633	2.70	3.40
Contributory Retirement System	1996	225	4,830	\$ 141,974,000	29,081	3.81%	3.30%
	1997	209	4,522	138,231,000	30,860	6.12	1.70
	1998	167	4,287	137,042,000	32,296	4.65	1.60
	1999	165	4,101	137,561,000	33,791	4.63	2.70
	2000	163	3,972	141,067,000	35,218	4.22	3.40
	2001	164	3,760	142,882,000	37,627	6.84	1.60
	2002	164	3,649	142,325,000	38,784	3.07	2.40
	2003	161	3,493	139,470,000	39,666	2.27	1.90
	2004	161	3,393	139,362,000	40,821	2.91	3.30
	2005	161	3,198	137,730,000	41,758	2.30	3.40
Public Safety Retirement System	1996	115	5,736	\$ 176,979,000	31,429	5.38%	3.30%
	1997	115	6,041	195,464,000	32,885	4.63	1.70
	1998	115	6,380	212,414,000	33,842	2.91	1.60
	1999	115	6,631	226,057,000	34,819	2.89	2.70
	2000	116	6,839	247,985,000	36,166	3.87	3.40
	2001	116	6,905	260,783,000	37,705	4.26	1.60
	2002	119	6,966	268,478,000	39,004	3.45	2.40
	2003	117	7,041	278,402,000	39,579	1.47	1.90
	2004	119	7,173	293,797,000	40,300	1.82	3.30
	2005	120	7,239	298,756,000	40,737	1.08	3.40

Schedules of Active Member Valuation Data *(Continued)*

Year Ended December 31

System	Year	Number of Participating Employers	Active Members	Active Members			Inflation Increase (CPI)
				Annual Payroll	Average Pay	Percent Increase	
Firefighters Retirement System	1996	28	1,224	\$45,969,000	38,062	2.16%	3.30%
	1997	33	1,281	51,287,000	39,695	4.29	1.70
	1998	35	1,349	54,326,000	40,419	1.82	1.60
	1999	38	1,386	57,561,000	42,178	4.35	2.70
	2000	39	1,452	63,274,000	43,403	2.90	3.40
	2001	39	1,498	67,192,000	44,895	3.44	1.60
	2002	40	1,538	71,354,000	46,548	3.68	2.40
	2003	43	1,568	75,619,000	48,132	3.40	1.90
	2004	44	1,591	79,638,000	49,863	3.60	3.30
	2005	48	1,636	84,061,000	50,471	1.22	3.40
Judges Retirement System	1996	1	100	\$ 8,981,000	90,350	2.44%	3.30%
	1997	1	102	9,286,000	92,532	2.42	1.70
	1998	1	104	9,388,000	95,531	3.24	1.60
	1999	1	106	10,104,000	97,562	2.13	2.70
	2000	1	104	10,397,000	100,396	2.90	3.40
	2001	1	105	10,924,000	104,298	3.89	1.60
	2002	1	103	11,173,000	106,010	1.64	2.40
	2003	1	106	10,888,000	106,613	0.57	1.90
	2004	1	106	11,646,000	107,237	0.59	3.30
	2005	1	108	11,594,000	110,539	3.08	3.40
Utah Governors and Legislators Retirement Plan	1996	1	95	\$ 482,000	4,667	22.01%	3.30%
	1997	1	90	468,000	5,419	16.11	1.70
	1998	1	91	468,000	5,440	0.39	1.60
	1999	1	94	468,000	5,437	(0.06)	2.70
	2000	1	88	464,000	5,533	1.77	3.40
	2001	1	92	556,000	6,422	16.07	1.60
	2002	1	91	556,000	6,454	0.50	2.40
	2003	1	97	556,000	6,388	(1.02)	1.90
	2004	1	95	556,000	5,400	(15.47)	3.30
	2005	1	88	887,000	8,955	65.83	3.40

Schedules of Retirants and Beneficiaries

Year Ended December 31

System	Year	Number Added	Number Removed	Total Retirants and Beneficiaries	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
Noncontributory Retirement System	1996	1,448	50	11,872	\$161,036,000	10.04%	\$13,164
	1997	1,429	78	13,223	186,262,000	15.66	13,668
	1998	1,482	106	14,599	213,752,000	14.76	14,184
	1999	1,716	119	16,196	243,829,000	14.07	14,577
	2000	1,709	150	17,755	276,878,000	13.55	15,120
	2001	1,577	167	19,165	311,311,000	12.44	15,756
	2002	1,737	236	20,666	348,230,000	11.86	16,351
	2003	1,805	256	22,215	386,791,000	11.07	16,884
	2004	1,803	244	23,774	424,897,000	9.85	17,126
	2005	2,212	276	25,710	469,695,000	10.54	17,731
Contributory Retirement System	1996	61	524	10,229	\$ 64,494,000	(11.31)%	\$ 5,652
	1997	69	545	9,753	63,884,000	(0.95)	5,916
	1998	70	585	9,238	62,249,000	(2.56)	6,168
	1999	88	578	8,748	61,141,000	(1.78)	6,423
	2000	101	557	8,292	60,317,000	(1.35)	6,742
	2001	98	542	7,848	59,575,000	(1.23)	7,078
	2002	120	566	7,402	59,497,000	(0.13)	7,490
	2003	122	582	6,942	57,863,000	(2.75)	7,865
	2004	140	564	6,518	56,992,000	(1.51)	8,039
	2005	178	521	6,175	57,100,000	0.19	8,799
Public Safety Retirement System	1996	117	19	1,817	\$ 28,223,000	11.68%	\$14,328
	1997	123	8	1,932	30,972,000	9.74	14,868
	1998	169	15	2,086	34,374,000	10.98	15,360
	1999	160	22	2,224	38,549,000	12.15	16,248
	2000	151	4	2,371	42,769,000	10.95	16,974
	2001	271	53	2,589	48,607,000	13.65	17,743
	2002	162	30	2,721	53,962,000	11.02	18,801
	2003	183	26	2,878	59,941,000	11.08	19,796
	2004	204	35	3,047	66,329,000	10.66	20,816
	2005	252	31	3,268	74,041,000	11.63	21,724

Schedules of Retirants and Beneficiaries *(Continued)*

Year Ended December 31

System	Year	Number Added	Number Removed	Total Retirants and Beneficiaries	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
Firefighters Retirement System	1996	35	5	676	\$12,888,000	9.51%	\$15,744
	1997	43	9	710	14,321,000	11.12	16,896
	1998	32	6	736	15,741,000	9.92	18,180
	1999	42	5	773	16,955,000	7.71	18,853
	2000	53	1	825	18,738,000	10.52	19,717
	2001	52	10	867	20,778,000	10.89	20,928
	2002	32	14	885	22,288,000	7.27	22,131
	2003	40	4	921	23,520,000	5.53	22,573
	2004	30	18	933	25,263,000	7.41	24,257
	2005	53	12	974	27,269,000	7.94	25,319
Judges Retirement System	1996	1	3	69	\$ 2,472,000	4.97%	\$34,776
	1997	5	1	73	2,690,000	8.82	35,796
	1998	3	3	73	3,002,000	11.60	39,912
	1999	1	1	73	3,160,000	5.26	42,032
	2000	2	—	75	3,322,000	5.13	43,018
	2001	4	1	78	3,659,000	10.14	45,547
	2002	1	2	77	3,804,000	3.96	48,014
	2003	8	2	83	4,361,000	14.64	51,023
	2004	2	1	84	4,518,000	3.62	52,243
	2005	5	1	88	4,755,000	5.25	52,465
Utah Governors and Legislators Retirement Plan	1996	8	8	200	\$ 504,000	3.49%	\$ 2,448
	1997	12	2	210	519,000	2.98	2,400
	1998	7	4	213	538,000	3.66	2,460
	1999	13	5	221	583,000	8.36	2,556
	2000	5	7	219	662,000	13.55	2,649
	2001	10	—	229	691,000	4.38	2,606
	2002	7	5	231	708,000	2.46	2,648
	2003	3	11	223	726,000	2.54	2,817
	2004	6	8	221	712,000	(1.93)	2,804
	2005	12	3	230	755,000	6.04	2,851

Noncontributory Retirement System

Summary of Plan Provisions

Noncontributory

Description	Requirement																		
Membership Eligibility	The Public Employees Noncontributory Retirement System was established on July 1, 1986. All eligible employees of the State and School entities hired subsequent to that date are automatically members of the Noncontributory System. Local government entities had the option of adopting the new System or remaining with the Contributory System. An employee is qualified for membership in the Noncontributory System if his or her employer participates in the System and the employee works at least 20 hours per week and receives benefits normally provided by his or her employer as approved by the Retirement Board, teachers who teach half-time, and classified school employees who work an average of 20 hours or more per week, regardless of benefits provided.																		
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of qualifying service.																		
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction†</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>30</td> <td>None</td> </tr> <tr> <td>Any age</td> <td>25</td> <td>Full actuarial before age 60</td> </tr> <tr> <td>60-61</td> <td>20</td> <td>3% each year before age 65</td> </tr> <tr> <td>62-64</td> <td>10</td> <td>3% each year before age 65</td> </tr> <tr> <td>65</td> <td>4</td> <td>None</td> </tr> </tbody> </table> <p>† With fewer than 30 years of service from any combination of Utah Retirement Systems, retiring before age 65 will reduce the monthly benefit approximately 7% for every year under age 60 and 3% for each year between ages 60 and 65.</p>	Age	Years of Service	Allowance Reduction†	Any age	30	None	Any age	25	Full actuarial before age 60	60-61	20	3% each year before age 65	62-64	10	3% each year before age 65	65	4	None
Age	Years of Service	Allowance Reduction†																	
Any age	30	None																	
Any age	25	Full actuarial before age 60																	
60-61	20	3% each year before age 65																	
62-64	10	3% each year before age 65																	
65	4	None																	
Service Benefit Formula	<p>Number of years of service x 2.0% x FAS*.</p> <p>*FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.</p>																		
Cost of Living Allowance	Up to 4% annually on the original retirement benefit. Eligible after one year.																		
Death Benefits	<p>An active member's death benefit consists of an insurance payment equal to 75% of the highest annual salary with a minimum of \$1,000 and a refund of transferred contributions plus interest. The spouse of a deceased member is eligible for a monthly benefit if they have been married for at least six months and the member meets age and service qualifications or has 15 or more years of service credit.</p> <p>An inactive member's death benefit for someone with fewer than ten years of service consists of a refund of transferred contributions plus interest. For those with ten or more years of service credited to their account prior to July 1, 1987 and who have not withdrawn their contributions, the benefit is the same as for active members.</p> <p>A retired member's death benefit depends on the retirement option selected at retirement. No death benefit is available without a reduced retirement benefit.</p>																		
Refunds	A terminated member who transferred from the Contributory Retirement System is eligible for a 100% refund of transferred member contributions plus interest. There is a 60-day refund processing period after the last day of paid employment.																		
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.																		
Contribution Rates <small>(as of 12-31-05)</small>	Employer rate for State & School (Level A) is 13.38% of covered salary and 11.09% for Local Government (Level B).																		
Interest	Up to 8% on member accounts transferred from the Contributory Retirement System.																		

Contributory Retirement System

Summary of Plan Provisions

Contributory

Description	Requirement															
Membership Eligibility	The Public Employees Contributory Retirement System includes eligible public employees of the State of Utah and its political subdivisions including public education employees of those entities covered by the System. An employee is qualified for membership in the Contributory System if his or her employer participates in the System and the employee works at least 20 hours per week and receives benefits normally provided by his or her employer as approved by the Retirement Board, teachers who teach half-time, and classified school employees who work an average of 20 hours per week or more regardless of benefits provided.															
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of qualifying service. Eligible member contributions and interest thereon vest immediately.															
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction†</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>30</td> <td>None</td> </tr> <tr> <td>60-61</td> <td>20</td> <td>3% each year before age 65</td> </tr> <tr> <td>62-64</td> <td>10</td> <td>3% each year before age 65</td> </tr> <tr> <td>65</td> <td>4</td> <td>None</td> </tr> </tbody> </table> <p>† With fewer than 30 years of service from any combination of Utah Retirement Systems, retiring before age 65 will reduce the monthly benefit by 3% for each year between ages 60 and 65.</p>	Age	Years of Service	Allowance Reduction†	Any age	30	None	60-61	20	3% each year before age 65	62-64	10	3% each year before age 65	65	4	None
Age	Years of Service	Allowance Reduction†														
Any age	30	None														
60-61	20	3% each year before age 65														
62-64	10	3% each year before age 65														
65	4	None														
Service Benefit Formula	<ol style="list-style-type: none"> Number of years of service before 7-1-75 x 1.25% x FAS* Number of years of service after 6-30-75 x 2.0% x FAS* Plan 1 allowance = total of 1 and 2. <p>*FAS (Final Average Salary) = highest five years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.</p>															
Cost of Living Allowance	Up to 4% annually on the original retirement benefit. Eligible after one year.															
Death Benefits	<p>An active member's death benefit consists of an insurance payment equal to 75% of the highest annual salary with a minimum of \$1,000 and a refund of contributions plus interest. The spouse of a deceased member is eligible for a monthly benefit if they have been married for at least six months and the member meets age and service qualifications, or has 25 years of service.</p> <p>An inactive member's death benefit for someone with fewer than ten years of service consists of a refund of contributions plus interest. For those with ten or more years of service credited to their account prior to July 1, 1987 and who have not withdrawn their contributions, the benefit is the same as for active members.</p> <p>A retired member's death benefit depends on the retirement option selected at retirement. No death benefit is available without a reduced retirement benefit.</p>															
Refunds	A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 60-day refund processing period after the last day of paid employment.															
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.															
Contribution Rates (as of 12-31-05)	Member contribution rate is 6.00%* of covered salary. Employer rate for State and School (Level A) is 8.89% of covered salary and 7.08% for Local Government (Level B). *Employers have the option of paying all or part of member contributions on behalf of their employees.															
Interest	Up to 8% on member accounts.															

Public Safety Retirement System

Summary of Plan Provisions

Public Service

Description	Requirement												
Membership Eligibility	The Public Safety Retirement System includes eligible state and local government employees directly involved in law enforcement. The Public Safety System consists of the Contributory and Noncontributory divisions. Employees are qualified for membership in the Public Safety System if: (1) they are regularly scheduled to work and be compensated for 2,080 hours a year in a recognized public safety department; (2) they have completed a certified training program; (3) their primary duty is as a peace officer, correctional officer or special function officer; and (4) in the course of employment their life or personal safety is at risk.												
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of service credit. Eligible member contributions vest immediately.												
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction†</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>20</td> <td>None</td> </tr> <tr> <td>60</td> <td>10</td> <td>None</td> </tr> <tr> <td>65</td> <td>4</td> <td>None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction†	Any age	20	None	60	10	None	65	4	None
Age	Years of Service	Allowance Reduction†											
Any age	20	None											
60	10	None											
65	4	None											
Service Benefit Formula	<p>1) 2.5% x FAS* x years of service up to 20 years. 2) 2.0% x FAS* x years of service over 20 years. 3) Monthly benefit = total of 1 and 2. **</p> <p>*FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. **Benefits paid cannot exceed 70% of FAS.</p>												
Cost of Living Allowance	Up to 2.5% annually on original retirement benefit. Eligible after one year.												
Death Benefits	<p>Division A (with Social Security)</p> <p>If death is in the line of duty, the benefit to the surviving spouse is \$1,000 plus a monthly benefit of 30% of the final average salary. In the noncontributory system only, if the member has 20 years of service credit, the spouse's benefit is the same as for a retired member. If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For more than 10 years of service, the benefit to the surviving spouse is \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. Dependent children receive no additional benefits. A retired member's death benefit to the surviving spouse is 65% of the monthly benefit.</p>												

Public Safety Retirement System

Summary of Plan Provisions *(Continued)*

Description	Requirement
	<p><i>Division B (without Social Security)</i> If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 37.5% of the final average salary. Each unmarried child under 18 or dependent unmarried mentally or physically disabled child receives \$50 per month if the member had two or more years of service. If death is not in the line of duty, the benefit is a refund of contributions plus 50% of the last 12 months of salary for members with fewer than two years of service. For members with more than two years of service, the benefit is the same as that for death in the line of duty. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. A retired member's death benefit to a surviving spouse is 65% of the monthly benefit. An unmarried child under 18 or dependent unmarried mentally or physically disabled child receives \$50 per month.</p>
Refunds	A terminated member is eligible for a 100% refund of member contributions. There is a 60-day refund processing period after the last day of paid employment.
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.
Contribution Rates (as of 12-31-05)	<p><i>Noncontributory Option</i> Employer rates for Division A are: State units 23.46%; Bountiful 19.68%; and other units 19.34% of covered salary. Employer rates for Division B are: Salt Lake City 32.52%; Ogden 24.30%, Logan 21.25% and all other units 22.32% of covered salary.</p> <p><i>Contributory Option</i> Member rates in Division A are: State units 12.29%; and all other units 12.29% of covered salary. Member rates in Division B are: Salt Lake City 13.74%; Logan 11.13%; Provo 13.54%; and other units 10.50% of covered salary.* Employer rates for Division A are: State units 12.50%; and other law enforcement units 7.95% of covered salary. Employer rates for Division B are: Salt Lake City 19.96%; Logan 10.54%; Provo 12.22%; and other units 12.47% of covered salary.</p> <p><i>*Employers have the option of paying all or part of member contributions on behalf of their employees.</i></p>
Interest	Up to 8% on member accounts.

Firefighters Retirement System

Summary of Plan Provisions



Description	Requirement												
Membership Eligibility	The Firefighters Retirement System includes eligible state and local government employees directly involved in fire fighting and whose duties are classified as hazardous. If an employer does not classify the duties as hazardous, the employee will be enrolled in either the Public Employees Contributory or Noncontributory Retirement System. Employees are qualified for membership in the Firefighters System if they are regularly scheduled to work and be compensated for 2,080 hours a year in a regular constituted fire department and are regularly assigned to hazardous duty. Although volunteer firefighters who are on the rolls of a regularly constituted fire department do not contribute to the System and are not eligible for service retirement benefits, they or their beneficiaries receive benefits based on the salary of the lowest paid firefighters in a first-class city if they are disabled or killed in the line of duty.												
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of service credit. Eligible member contributions vest immediately.												
Service Retirement	<table border="1"> <thead> <tr> <th data-bbox="411 842 443 863">Age</th> <th data-bbox="608 842 735 863">Years of Service</th> <th data-bbox="879 842 1054 863">Allowance Reduction†</th> </tr> </thead> <tbody> <tr> <td data-bbox="411 873 496 894">Any age</td> <td data-bbox="663 873 695 894">20</td> <td data-bbox="983 873 1046 894">None</td> </tr> <tr> <td data-bbox="411 905 443 926">60</td> <td data-bbox="663 905 695 926">10</td> <td data-bbox="983 905 1046 926">None</td> </tr> <tr> <td data-bbox="411 936 443 957">65</td> <td data-bbox="663 936 695 957">4</td> <td data-bbox="983 936 1046 957">None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction†	Any age	20	None	60	10	None	65	4	None
Age	Years of Service	Allowance Reduction†											
Any age	20	None											
60	10	None											
65	4	None											
Service Benefit Formula	<p>1) 2.5% x FAS* x years of service up to 20 years. 2) 2.0% x FAS* x years of service over 20 years. 3) Monthly benefit = total of 1 and 2. **</p> <p><i>*FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.</i></p> <p><i>**Benefits paid cannot exceed 70% of FAS, but cannot be less than \$500.</i></p>												
Cost of Living Allowance	Up to 4.0% annually on original retirement benefit. Eligible after one year.												
Disability Benefits	If disability is in the line of duty, the benefit is 50% of the final average salary with no minimum age or service requirements. If disability is not in the line of duty, the benefit is a refund of contributions for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for disability incurred in the line of duty. Benefits are suspended while receiving Workers Compensation.												
Death Benefits	<p><i>Division A (with Social Security)</i></p> <p>If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 30% of final average salary. If death is in the line of duty, and the member has 20 or more years of service credit, the spouse's benefit is the same as for a retired member. Total benefits cannot exceed 70% of the final average salary.</p> <p>If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For members with more than 10 years of service, the benefit to the surviving spouse consists of \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary.</p>												

Firefighters Retirement System

Summary of Plan Provisions *(Continued)*

Description	Requirement
	<p><i>Division B (without Social Security)</i></p> <p>If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 37.5% of the final average salary. Each unmarried child under 21 or dependent unmarried mentally or physically disabled child receives \$75 per month if the member had five or more years of service. If death is in the line of duty, and the member has 20 or more years of service credit, the spouse's benefit is the same as for a retired member.</p> <p>If death is not in the line of duty, the benefit is a refund of contributions plus 50% of the last 12 months of salary for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for death in the line of duty. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. Total benefits cannot exceed 70% of the final average salary.</p> <p>A retired member's death benefit to a surviving spouse is 75% of the monthly benefit with a minimum monthly payment of \$350. An unmarried child under 21 or dependent unmarried mentally or physically disabled child receives \$75 per month.</p>
Refunds	A terminated member is eligible for a 100% refund of member contributions. There is a 60-day refund processing period after the last day of paid employment.
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.
Contribution Rates <small>(as of 12-31-05)</small>	<p>Member rate in Division A is 8.61% of covered salary. Member rate in Division B is 7.83% of covered salary.* Employer rate in Division A is 0.00% and in Division B is 0.00% of covered salary. A fire insurance premium tax equal to 12.16% of salaries is also an additional part of the employer contribution rates.</p> <p>Fire insurance premium taxes are collected by the Utah State Treasurer for the Firefighters Retirement System to help fund retirement benefits.</p> <p><i>*Employers have the option of paying all or part of member contributions on behalf of their employees.</i></p>
Interest	Member contributions receive no interest.

Judges Retirement System

Summary of Plan Provisions



Description	Requirement															
Membership Eligibility	The Judges Retirement System includes justices and judges of the courts of record as authorized in state statutes.															
Vesting	Retirement benefit becomes vested upon the member's completion of 6 years of service credit. Eligible member contributions and interest thereon vest immediately.															
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>Any age</td> <td>25</td> <td>None</td> </tr> <tr> <td>55</td> <td>20</td> <td>Full actuarial reduction</td> </tr> <tr> <td>62</td> <td>10</td> <td>None</td> </tr> <tr> <td>70</td> <td>6</td> <td>None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age	25	None	55	20	Full actuarial reduction	62	10	None	70	6	None
Age	Years of Service	Allowance Reduction														
Any age	25	None														
55	20	Full actuarial reduction														
62	10	None														
70	6	None														
Service Benefit Formula	<p>1) 5.00% x FAS*x years of service up to 10 years. 2) 2.25% x FAS*x years of service between 10 and 20 yrs. 3) 1.00% x FAS*x years of service over 20 years. 4) Monthly benefit = total of 1, 2, and 3.**</p> <p>*FAS (Final Average Salary) = highest two years' earnings in judicial service converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. **Benefits paid cannot exceed 75% of FAS.</p>															
Cost of Living Allowance	Up to 4% compounded annually, beginning one year after retirement.															
Death Benefits	<p>An active or inactive member's death benefit to the surviving spouse consists of a refund of member contributions and interest plus 65% of the final average salary on a yearly rate, or a monthly allowance equal to 65% of the amount computed for a service retirement with no early retirement reduction.</p> <p>A retired member's death benefit to the surviving spouse is 65% of the member's monthly benefit at the time of death. If the member elected a reduced monthly benefit, the surviving spouse will receive a death benefit of 75% of the member's monthly benefit.</p>															
Refunds	A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 60-day refund processing period after the last day of paid employment.															
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.															
Contribution Rates (as of 12-31-05)	<p>Noncontributory Option—Employer rate includes 8.26% of covered salary and 19.19% from court fees.</p> <p>Contributory Option— Member rate is 2.00% of covered salary. Employer rate includes 6.26% of covered salary and 19.19% from court fees.</p>															
Interest	Up to 8% on member accounts.															

Utah Governors and Legislators Retirement Plan

Summary of Plan Provisions

Governors and Legislators

Description	Requirement									
Membership Eligibility	The Utah Governors and Legislators Retirement Plan includes only governors and legislators of the State of Utah.									
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of service credit.									
Service Retirement	<table border="1"> <thead> <tr> <th>Age</th> <th>Years of Service</th> <th>Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td>65</td> <td>4</td> <td>None</td> </tr> <tr> <td>62</td> <td>10</td> <td>3% each year before age 65</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	65	4	None	62	10	3% each year before age 65
Age	Years of Service	Allowance Reduction								
65	4	None								
62	10	3% each year before age 65								
Service Benefit Formula	<p>Governors \$500 per month per term increased semi-annually up to 2% based on the CPI. The amount as of 12-31-05 is \$1,140 per term.</p> <p>Legislators \$10 per month per each year of service as a legislator increased semi-annually up to 2% based on the CPI. The amount as of 12-31-05 is \$25.20.</p>									
Cost of Living Allowance	Up to 4% annually on the original retirement benefit. Eligible after one year.									
Death Benefits	An active or retired member's death benefit to a spouse consists of a monthly pension equal to 50% of the retirement allowance paid, or to which the member would have been entitled to upon reaching age 65, if the member has four or more years of service as a governor or legislator. The deceased member and surviving spouse must have been married at least six months.									
Contribution Rates (as of 12-31-05)	There are currently no required contributions to the Utah Governors and Legislative Retirement Plan.									

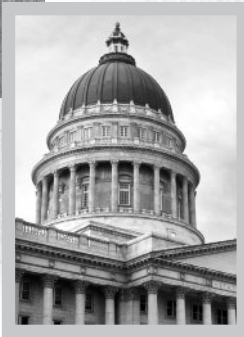
Utah Retirement Systems

Summary of Plan Provisions *(Continued)*

T

Changes in Plan Provisions

The following retirement-related bills were passed by the 2005 Utah Legislature:



Public Safety Retirement System

HB 217

Public Safety Retirement — Exemption of Certain Employees

Allows an eligible commissioner of public safety to retire from the Public Safety Contributory or Public Safety Noncontributory Retirement System, receive a retirement allowance, and continue in the same position.

SB 130

Retirement for Airport Police

Allows a public safety employee to elect to remain in the employee's current retirement system if he or she is employed by an airport police department which elects to cover its public safety service employees under the Public Safety Noncontributory Retirement system; provides certain procedures for election.

General

HB 180 (sub)

Retirement Office Amendments

Makes technical amendments to the Utah Retirement Act; clarifies:

- the definition of "exempt employee;"
- the ability to purchase service credit;
- the process for filing a beneficiary designation;
- the scope of the hearing process;
- who is eligible for a volunteer firefighter benefit.

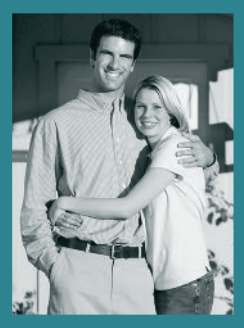
Defined Contribution Plans

Summary of Plan Provisions

T

Introduction

The 401(k), 457, Roth and Traditional IRA plans administered by the Board are Defined Contribution Savings Plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems. These Plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457, and 408 of the Internal Revenue Code and are available to state, local government, and education employees throughout Utah whose employees have adopted the plans.



Goals and Objectives

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

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

Employer Contributions

In addition to accepting employee contributions, the 401(k) and 457 plans also accept employer contributions on behalf of their employees. All state and public education employees participating in the Noncontributory Retirement System receive an amount equal to 1.5% of their salary in the 401(k) Plan. All local government

employers also have the option of contributing to the 401(k) and 457 Plans on behalf of their employees. Many contribute amounts in excess of the 1.5% the State contributes. Some employers match employee contributions.

Social Security Substitute

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

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

Summary of Plan Provisions

Deferral Limits

401(k)—Limited in 2005 to an annual maximum of \$14,000. Employer contributions and employee deferrals combined could not exceed the lesser of \$42,000 or 100% of compensation.

Defined Contribution Plans

Summary of Plan Provisions *(Continued)*

457—Limited to an annual maximum of \$14,000 or 100% of includable compensation.

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

Coordination of Deferrals

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

457—None.

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

Catch-up Provisions

401(k)—An additional \$4,000 for participants 50 or older during the year.

457—An additional \$4,000 for participants age 50 or older during the year. There is an additional “special catch-up” provision for individuals who are within four years of retirement eligibility. It allows participants to double their contributions to a 457 plan during the three years immediately preceding the year they qualify for retirement. However, the special catch-up is limited to unused deferrals allowed in previous years.

Roth and Traditional IRA—An additional \$500 for participants 50 or older.

Withdrawals

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

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

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

Rollovers

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

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

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

Vesting

401(k)—Fully vested.

457—Fully vested.

Roth and Traditional IRA—Fully vested.

Loans

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

Roth and Traditional IRA—Not available.

Short-term Trading Fees

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

Investment Transfer Options

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

2005 Investment Options

Income Fund

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

Defined Contribution Plans

Summary of Plan Provisions *(Continued)*

Bond Fund

The *Bond Fund* invests in a diversified portfolio consisting of U.S. government securities, mortgages, corporate bonds, and short-term funds.

Balanced Fund

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

Large Cap Stock Value Fund

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

Large Cap Stock Index Fund

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

Large Cap Stock Growth Fund

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

International Fund

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

Small Cap Stock Fund

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

Horizon Funds Asset Allocations

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

Horizon Funds

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

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

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

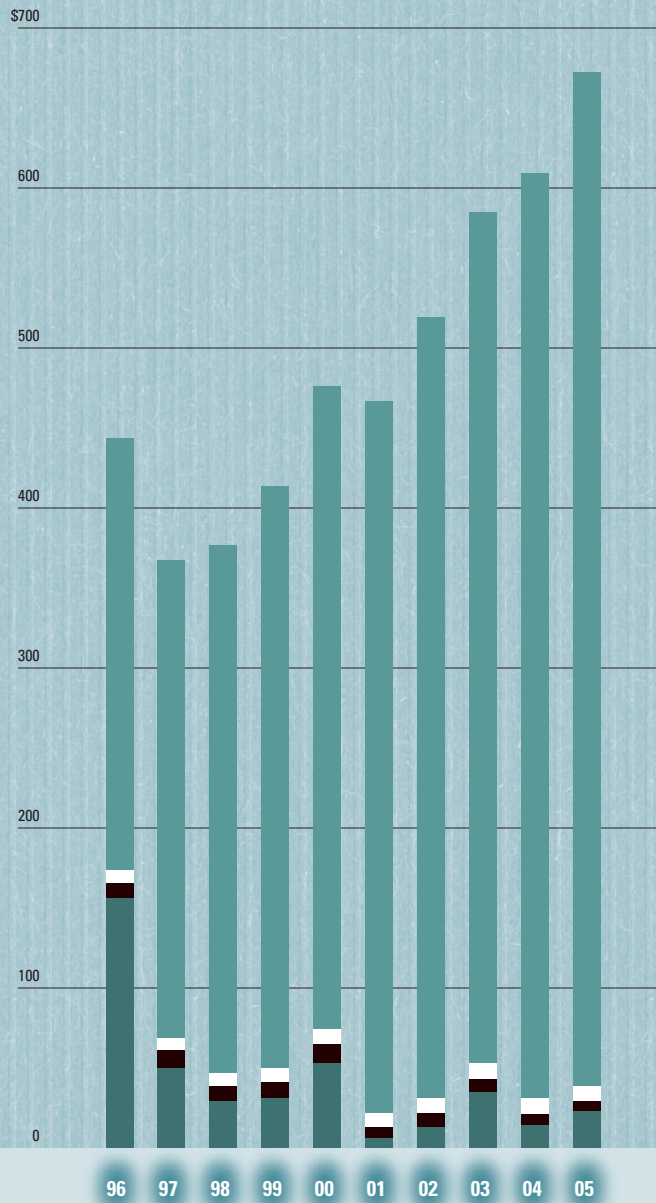
The *Long Horizon Fund* is designed for investors with ten or more years to invest before withdrawing their funds. The fund offers the potential for higher returns over a long period of time. There is higher market risk with this horizon fund, along with higher potential returns.

The historical rates of returns for each investment fund are found on page 101.

All Retirement Systems

Deductions | by Type

(in millions)



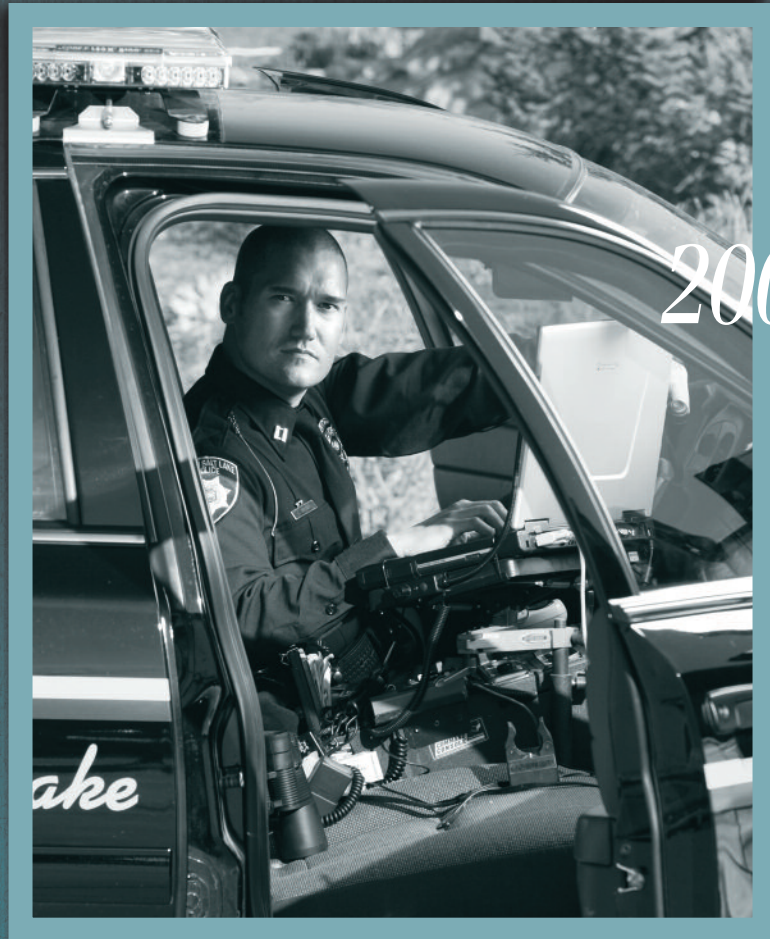
(in millions)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
● Benefits	\$270	299	330	364	403	445	489	533	579	634
● Administrative Expense	8	8	8	9	9	9	9	10	10	10
● Refunds	10	11	10	10	12	7	9	8	7	6
● Transfers to Systems	158	52	31	33	55	8	15	37	16	25
Totals	\$446	370	379	416	479	469	522	588	611	674

Utah Retirement Systems

Comprehensive Annual Financial Report

Statistical | *Section*



134 Schedules of Additions by Source

135 Schedules of Deductions by Type

136 Schedules of Benefit Deductions by Type

137 Schedules of Retired Members by Type of Benefit Option

138 Schedules of Average Benefit Payments

140 Schedule of Participating Employers

Schedules of Additions by Source

Year Ended December 31

System	Year	Total Employer Contributions			Employer Contributions as a Percent of Covered Payroll	Net Investment Income	Transfers from Systems	Total Additions
		Member Contributions	Employer Contributions	Court Fees and Fire Insurance Tax				
<i>(dollars in thousands)</i>								
Noncontributory Retirement System	1996	\$ 6,679	260,068	—	12.66%	\$ 832,473	157,272	1,256,492
	1997	7,301	294,937	—	13.40	1,047,207	50,333	1,399,778
	1998	7,698	318,635	—	13.47	734,399	27,219	1,087,951
	1999	10,829	338,704	—	13.55	1,421,401	28,034	1,798,968
	2000	11,518	352,339	—	13.25	186,787	51,020	601,664
	2001	10,969	331,951	—	11.72	(544,848)	5,255	(196,673)
	2002	12,496	291,256	—	9.95	(788,906)	12,166	(472,988)
	2003	11,517	314,511	—	10.63	2,315,577	—	2,641,605
	2004	14,377	369,109	—	11.97	1,547,605	10,583	1,941,674
	2005	19,817	406,795	—	12.85	1,185,095	—	1,611,707
Contributory Retirement System	1996	\$ 8,765	10,224	—	7.20%	\$ 123,006	—	141,995
	1997	8,537	10,651	—	7.71	133,286	—	152,474
	1998	8,399	10,729	—	7.83	84,692	1,735	105,555
	1999	8,525	10,840	—	7.88	148,794	1,770	169,929
	2000	8,464	10,484	—	7.43	17,543	—	36,491
	2001	8,604	8,480	—	5.93	(47,761)	—	(30,677)
	2002	8,923	6,735	—	4.73	(64,251)	—	(48,593)
	2003	8,673	7,297	—	5.23	186,339	33,263	235,572
	2004	9,023	9,564	—	6.86	117,340	—	135,927
	2005	10,300	10,357	—	7.52	88,388	19,565	128,610
Public Safety Retirement System	1996	\$ 4,151	29,271	—	16.54%	\$ 107,070	434	140,926
	1997	4,345	34,217	—	17.51	132,490	918	171,970
	1998	4,463	40,099	—	18.88	92,284	1,938	138,784
	1999	3,900	45,110	—	19.96	177,027	2,305	228,342
	2000	4,132	49,353	—	19.90	23,226	2,027	78,738
	2001	3,976	46,113	—	17.68	(67,688)	1,416	(16,183)
	2002	4,258	42,264	—	15.74	(97,816)	1,956	(49,338)
	2003	4,448	46,655	—	16.76	288,126	2,002	341,231
	2004	5,038	56,319	—	19.17	192,784	4,002	258,143
	2005	4,806	61,326	—	20.53	148,071	4,257	218,460
Firefighters Retirement System	1996	\$ 7,461	2,002	4,333	13.78%	\$ 46,626	30	60,452
	1997	8,358	2,836	4,552	14.41	57,541	311	73,598
	1998	8,771	2,546	4,391	12.77	39,699	432	55,839
	1999	9,352	1,221	4,516	9.97	75,242	466	90,797
	2000	9,617	140	6,615	10.68	9,733	1,303	27,408
	2001	7,549	—	8,354	12.43	(28,038)	1,517	(10,618)
	2002	5,800	—	9,454	13.25	(40,198)	735	(24,209)
	2003	6,055	—	9,059	11.98	117,392	625	133,131
	2004	6,292	—	8,659	10.87	77,602	980	93,533
	2005	6,726	—	9,601	11.43	58,827	601	75,755
Judges Retirement System	1996	\$ 734	833	1,898	30.41%	\$ 7,114	102	10,681
	1997	482	1,305	1,901	34.53	8,933	754	13,375
	1998	15	1,792	1,912	39.45	6,260	427	10,406
	1999	8	1,637	1,681	32.84	12,048	116	15,490
	2000	8	1,476	1,946	32.91	1,571	183	5,184
	2001	7	1,007	2,046	27.94	(4,559)	239	(1,260)
	2002	5	472	2,381	25.53	(6,564)	560	(3,146)
	2003	103	551	1,939	22.87	19,417	1,128	23,138
	2004	8	723	1,808	21.73	12,852	204	15,595
	2005	8	792	1,605	20.67	9,762	518	12,685
Utah Governors and Legislators Retirement Plan	1996	\$ —	—	—	—%	\$ 1,270	—	1,270
	1997	—	—	—	—	1,481	15	1,496
	1998	—	—	—	—	973	16	989
	1999	—	—	—	—	1,757	17	1,774
	2000	—	—	—	—	218	16	234
	2001	—	—	—	—	(595)	18	(577)
	2002	—	—	—	—	(806)	3	(803)
	2003	—	—	—	—	2,202	—	2,202
	2004	—	—	—	—	1,381	18	1,399
	2005	—	—	—	—	997	16	1,013

Schedules of Deductions by Type

Year Ended December 31

(in thousands)

System	Year	Benefit Payments	Refunds	Administrative and Actuarial Expense	Transfers to Systems	Total Deductions
Noncontributory Retirement System	1996	\$161,036	4,774	5,721	326	171,857
	1997	186,262	4,995	6,323	304	197,884
	1998	213,752	4,500	6,460	3,502	228,214
	1999	243,829	4,343	7,093	4,703	259,968
	2000	276,878	5,292	6,850	—	289,020
	2001	311,311	3,264	6,695	—	321,270
	2002	348,230	3,715	7,103	—	359,048
	2003	386,791	3,310	8,124	37,006	435,231
	2004	424,897	3,029	7,758	—	435,684
	2005	469,695	3,189	7,557	24,957	505,398
Contributory Retirement System	1996	\$ 64,494	4,833	985	157,599	227,911
	1997	63,884	4,735	794	51,957	121,370
	1998	62,249	4,168	743	27,742	94,902
	1999	61,141	4,232	789	27,399	93,561
	2000	60,317	5,040	680	54,549	120,586
	2001	59,575	3,087	654	8,445	71,761
	2002	59,497	3,716	624	15,420	79,257
	2003	57,863	3,358	675	—	61,896
	2004	56,992	2,945	618	15,787	76,342
	2005	57,100	1,800	578	—	59,478
Public Safety Retirement System	1996	\$ 28,223	895	766	—	29,884
	1997	30,972	611	792	—	32,375
	1998	34,374	639	803	44	35,860
	1999	38,549	731	916	7	40,203
	2000	42,769	971	840	—	44,580
	2001	48,607	542	843	—	49,992
	2002	53,962	1,155	899	—	56,016
	2003	59,941	666	1,006	—	61,613
	2004	66,329	960	978	—	68,267
	2005	74,041	1,026	985	—	76,052
Firefighters Retirement	1996	\$ 12,888	84	331	2	13,305
	1997	14,321	298	331	19	14,969
	1998	15,741	274	325	493	16,833
	1999	16,955	292	361	596	18,204
	2000	18,738	312	319	—	19,369
	2001	20,778	543	318	—	21,639
	2002	22,288	422	323	—	23,033
	2003	23,520	414	360	—	24,294
	2004	25,263	106	345	—	25,714
	2005	27,269	72	331	—	27,672
Judges Retirement System	1996	\$ 2,472	—	55	—	2,527
	1997	2,690	8	55	80	2,833
	1998	3,002	—	53	—	3,055
	1999	3,160	—	59	—	3,219
	2000	3,322	—	52	—	3,374
	2001	3,659	—	52	—	3,711
	2002	3,804	—	57	—	3,861
	2003	4,361	—	63	—	4,424
	2004	4,518	—	61	—	4,579
	2005	4,755	—	60	—	4,815
Utah Governors and Legislators Retirement Plan	1996	\$ 504	1	7	—	512
	1997	519	1	6	—	526
	1998	538	—	6	—	544
	1999	583	2	6	—	591
	2000	662	1	6	—	669
	2001	691	2	6	—	699
	2002	708	—	5	—	713
	2003	726	—	6	12	744
	2004	712	5	6	—	723
	2005	755	—	5	—	760

Schedules of Benefit Deductions by Type

Year Ended December 31

(in thousands)

System	Year	Service and Disability Benefits	Cost of Living Benefits	Supplemental Benefits	Total Benefits
Noncontributory Retirement System	1996	\$138,373	22,663	—	161,036
	1997	159,169	27,093	—	186,262
	1998	182,013	31,739	—	213,752
	1999	207,798	36,031	—	243,829
	2000	236,377	40,501	—	276,878
	2001	265,102	46,209	—	311,311
	2002	294,735	53,495	—	348,230
	2003	327,972	58,819	—	386,791
	2004	360,819	64,078	—	424,897
	2005	397,759	71,936	—	469,695
Contributory Retirement System	1996	\$ 40,580	19,445	4,469	64,494
	1997	39,784	20,085	4,015	63,884
	1998	38,276	20,419	3,554	62,249
	1999	37,371	20,647	3,123	61,141
	2000	36,662	20,929	2,726	60,317
	2001	36,714	20,528	2,333	59,575
	2002	37,256	20,292	1,949	59,497
	2003	36,520	19,719	1,624	57,863
	2004	36,620	19,041	1,331	56,992
	2005	37,508	18,479	1,113	57,100
Public Safety Retirement System	1996	\$ 23,499	3,817	907	28,223
	1997	25,741	4,347	884	30,972
	1998	28,600	4,923	851	34,374
	1999	32,245	5,494	810	38,549
	2000	35,900	6,105	764	42,769
	2001	41,084	6,801	722	48,607
	2002	45,588	7,689	685	53,962
	2003	50,653	8,638	650	59,941
	2004	56,047	9,670	612	66,329
	2005	62,608	10,859	574	74,041
Firefighters Retirement System	1996	\$ 9,638	2,224	1,026	12,888
	1997	10,836	2,510	975	14,321
	1998	11,987	2,821	933	15,741
	1999	12,950	3,116	889	16,955
	2000	14,496	3,403	839	18,738
	2001	16,207	3,775	796	20,778
	2002	17,314	4,223	751	22,288
	2003	18,270	4,552	698	23,520
	2004	19,757	4,851	655	25,263
	2005	21,405	5,252	612	27,269
Judges Retirement System	1996	\$ 2,045	427	—	2,472
	1997	2,216	474	—	2,690
	1998	2,464	538	—	3,002
	1999	2,590	570	—	3,160
	2000	2,704	618	—	3,322
	2001	2,965	694	—	3,659
	2002	3,009	795	—	3,804
	2003	3,508	853	—	4,361
	2004	3,624	894	—	4,518
	2005	3,784	971	—	4,755
Utah Governors and Legislators Retirement Plan	1996	\$ 383	121	—	504
	1997	399	120	—	519
	1998	411	127	—	538
	1999	450	133	—	583
	2000	520	142	—	662
	2001	547	144	—	691
	2002	556	152	—	708
	2003	572	154	—	726
	2004	559	153	—	712
	2005	595	160	—	755

Schedules of Retired Members by Type of Benefit Option

December 31, 2005

System	Amount of Monthly Benefit	Number of Retirees by Benefit Option								
		1	2	3	4	5	6	7	8	9
Noncontributory Retirement System	\$1-1,000	5,259	730	1,388	210	1,865	701	—	—	—
	1,001-2,000	2,466	419	1,197	202	1,457	647	—	—	—
	2,001-3,000	1,912	312	1,526	273	1,656	651	—	—	—
	3,001-4,000	641	92	629	159	452	209	—	—	—
	4,001-5,000	110	22	161	38	87	50	—	—	—
	over-5,000	47	7	68	17	33	17	—	—	—
Contributory Retirement System	\$1-1,000	2,305	1,154	396	88	394	188	—	—	—
	1,001-2,000	571	228	229	73	167	81	—	—	—
	2,001-3,000	107	24	54	13	34	16	—	—	—
	3,001-4,000	18	10	6	1	5	5	—	—	—
	4,001-5,000	—	1	4	—	—	1	—	—	—
	over-5,000	—	1	—	—	—	1	—	—	—
Public Safety Retirement System	\$1-1,000	—	—	—	—	—	—	—	500	—
	1,001-2,000	—	—	—	—	—	—	—	1,116	—
	2,001-3,000	—	—	—	—	—	—	—	1,115	—
	3,001-4,000	—	—	—	—	—	—	—	377	—
	4,001-5,000	—	—	—	—	—	—	—	127	—
	over-5,000	—	—	—	—	—	—	—	33	—
Firefighters Retirement System	\$1-1,000	—	—	—	—	—	—	—	66	—
	1,001-2,000	—	—	—	—	—	—	—	206	—
	2,001-3,000	—	—	—	—	—	—	—	431	—
	3,001-4,000	—	—	—	—	—	—	—	221	—
	4,001-5,000	—	—	—	—	—	—	—	43	—
	over-5,000	—	—	—	—	—	—	—	7	—
Judges Retirement System	\$1-1,000	—	—	—	—	—	—	2	—	—
	1,001-2,000	—	—	—	—	—	—	2	—	—
	2,001-3,000	—	—	—	—	—	—	5	—	2
	3,001-4,000	—	—	—	—	—	—	2	—	—
	4,001-5,000	—	—	—	—	—	—	3	—	5
	over-5,000	—	—	—	—	—	—	37	—	30
Utah Governors and Legislators Retirement Plan*	\$1-1,000	—	—	—	226	—	—	—	—	—
	1,001-2,000	—	—	—	1	—	—	—	—	—
	2,001-3,000	—	—	—	3	—	—	—	—	—
	3,001-4,000	—	—	—	—	—	—	—	—	—
	4,001-5,000	—	—	—	—	—	—	—	—	—
	over-5,000	—	—	—	—	—	—	—	—	—

1— A maximum monthly benefit for the retiree's life. No benefit to a beneficiary.

2— A reduced lifetime benefit to the retiree. A beneficiary receives the balance in retiree's account after the monthly annuity payments are deducted.

3— A reduced lifetime benefit to a retiree and a lifetime benefit equal to the retiree's benefit payable to the retiree's lawful spouse at the time of retirement.

4— A reduced lifetime benefit to the retiree and a lifetime benefit equal to half of the retiree's benefit to the retiree's lawful spouse at the time of retirement.

5— Approximately 95% of the benefit in type 3 and the same lifetime benefit for retiree's lawful spouse at the time of retirement. Benefit reverts to 100% at time of spouse's death.

6— Approximately 98% of the benefit in type 4 and a lifetime benefit for equal to half of the retiree's for retiree's lawful spouse at the time of the retirement. Benefit reverts to 100% at time of spouse's death.

7— Normal retirement for age and service and a lifetime benefit of 65% of the retiree's benefit to the retiree's lawful spouse at the time of the retiree's death.

8— Normal retirement for age and service and a lifetime benefit of 75% of the retiree's benefit to the retiree's lawful spouse at the time of the retiree's death.

9— Normal retirement for age and service and a lifetime benefit of 75% of the retiree's benefit to the retiree's lawful spouse at the time of the retirement.

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

Schedules of Average Benefit Payments

December 31

System			Years of Credited Service					
			4-10	10-15	15-20	20-25	25-30	30+
Noncontributory Retirement System	2001	Average Monthly Benefit	\$ 276	585	967	1,358	2,269	2,769
		Monthly Final Average Salary	2,095	2,348	2,920	3,115	4,050	4,374
		Number of Active Retired	251	220	226	182	431	267
	2002	Average Monthly Benefit	\$ 327	646	978	1,370	2,493	2,821
		Monthly Final Average Salary	2,148	2,355	2,787	3,255	4,222	4,476
		Number of Active Retired	260	258	222	195	482	320
	2003	Average Monthly Benefit	\$ 303	597	953	1,262	2,332	2,815
		Monthly Final Average Salary	2,009	2,496	2,971	3,103	4,176	4,523
		Number of Active Retired	262	220	258	209	500	356
	2004	Average Monthly Benefit	\$ 301	634	937	1,339	2,363	2,934
		Monthly Final Average Salary	2,169	2,524	2,838	3,218	4,206	4,660
		Number of Active Retired	260	250	266	199	482	346
	2005	Average Monthly Benefit	\$ 324	707	1,145	1,495	2,508	3,182
		Monthly Final Average Salary	2,095	2,640	3,158	3,422	4,200	4,605
		Number of Active Retired	316	276	328	226	615	451
Contributory Retirement System	2001	Average Monthly Benefit	\$ 237	445	756	998	1,724	1,599
		Monthly Final Average Salary	1,729	1,776	2,077	2,541	3,070	2,780
		Number of Active Retired	6	25	31	18	15	3
	2002	Average Monthly Benefit	\$ 283	424	753	1,005	1,679	2,668
		Monthly Final Average Salary	1,946	1,700	2,305	2,397	3,101	4,602
		Number of Active Retired	10	14	37	25	27	7
	2003	Average Monthly Benefit	\$ 220	542	785	1,063	1,861	1,998
		Monthly Final Average Salary	1,724	2,120	2,361	2,675	3,559	3,637
		Number of Active Retired	9	11	25	35	31	11
	2004	Average Monthly Benefit	\$ 338	672	795	1,067	1,875	2,415
		Monthly Final Average Salary	1,661	2,819	2,403	2,581	3,479	4,201
		Number of Active Retired	5	12	35	32	47	9
	2005	Average Monthly Benefit	\$ 295	587	985	1,235	2,042	2,109
		Monthly Final Average Salary	1,906	2,341	2,674	2,697	3,541	3,468
		Number of Active Retired	7	6	35	33	76	22
Public Safety Retirement System	2001	Average Monthly Benefit	\$ 469	1,271	1,836	2,284	3,055	3,248
		Monthly Final Average Salary	3,854	3,886	3,777	4,035	4,486	4,566
		Number of Active Retired	52	28	54	70	53	14
	2002	Average Monthly Benefit	\$ 647	1,238	2,172	2,779	2,968	3,600
		Monthly Final Average Salary	4,537	3,886	3,912	4,359	4,387	4,993
		Number of Active Retired	13	3	42	51	39	14
	2003	Average Monthly Benefit	\$ 1,372	1,073	1,834	2,468	3,241	3,586
		Monthly Final Average Salary	2,832	3,113	3,701	4,432	4,848	5,106
		Number of Active Retired	7	10	59	55	39	13
	2004	Average Monthly Benefit	\$ 723	1,207	1,970	2,282	3,386	3,233
		Monthly Final Average Salary	3,532	3,613	3,969	4,081	4,879	4,697
		Number of Active Retired	7	12	77	62	31	15
	2005	Average Monthly Benefit	\$ 445	1,229	2,175	2,986	3,720	3,256
		Monthly Final Average Salary	2,642	3,249	4,094	4,546	4,779	4,346
		Number of Active Retired	6	7	96	76	49	19

Schedules of Average Benefit Payments (Continued)

December 31

System			Years of Credited Service					
			4-10	10-15	15-20	20-25	25-30	30+
Firefighters Retirement System	2001	Average Monthly Benefit	\$ 789	1,255	2,212	2,523	2,901	2,853
		Monthly Final Average Salary	3,539	4,002	3,844	4,408	4,331	4,031
		Number of Active Retired	5	1	9	14	20	3
	2002	Average Monthly Benefit	\$ 359	—	1,972	2,771	3,118	3,543
		Monthly Final Average Salary	2,945	—	4,140	4,584	4,653	5,061
		Number of Active Retired	2	—	10	5	11	4
	2003	Average Monthly Benefit	\$ 800	—	2,036	2,522	3,610	3,263
		Monthly Final Average Salary	3,436	—	4,326	4,594	4,863	4,636
		Number of Active Retired	3	—	5	10	19	3
	2004	Average Monthly Benefit	\$ 890	1,219	2,308	2,666	3,679	3,247
		Monthly Final Average Salary	4,241	3,579	4,040	4,979	5,293	4,532
		Number of Active Retired	4	1	9	5	8	3
	2005	Average Monthly Benefit	\$ 1,578	2,014	2,784	3,281	3,662	3,539
		Monthly Final Average Salary	3,614	4,028	5,029	5,721	5,359	5,056
		Number of Active Retired	5	2	11	11	18	6
Judges Retirement System	2001	Average Monthly Benefit	\$ 2,702	5,080	—	6,222	—	7,240
		Monthly Final Average Salary	8,179	8,023	—	8,023	—	8,054
		Number of Active Retired	1	1	—	1	—	1
	2002	Average Monthly Benefit	\$ —	—	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	—	—	—	—	—	—
	2003	Average Monthly Benefit	\$ —	4,882	6,148	7,076	—	7,052
		Monthly Final Average Salary	—	8,604	8,836	9,065	—	8,608
		Number of Active Retired	—	1	4	2	—	1
	2004	Average Monthly Benefit	\$ —	5,079	—	6,631	—	—
		Monthly Final Average Salary	—	8,672	—	8,645	—	—
		Number of Active Retired	—	1	—	1	—	—
	2005	Average Monthly Benefit	\$ —	5,349	6,467	6,377	—	—
		Monthly Final Average Salary	—	8,556	9,002	8,701	—	—
		Number of Active Retired	—	1	2	2	—	—
Utah Governors and Legislators Retirement Plan	2001	Average Monthly Benefit	\$ 142	329	—	—	—	—
		Monthly Final Average Salary	341	307	—	—	—	—
		Number of Active Retired	8	2	—	—	—	—
	2002	Average Monthly Benefit	\$ 178	—	—	552	—	—
		Monthly Final Average Salary	276	—	—	—	—	—
		Number of Active Retired	6	—	—	1	—	—
	2003	Average Monthly Benefit	\$ 169	—	—	—	—	—
		Monthly Final Average Salary	372	—	—	—	—	—
		Number of Active Retired	3	—	—	—	—	—
	2004	Average Monthly Benefit	\$ 171	—	—	—	—	—
		Monthly Final Average Salary	267	—	—	—	—	—
		Number of Active Retired	6	—	—	—	—	—
	2005	Average Monthly Benefit	\$ 202	302	520	624	—	—
		Monthly Final Average Salary	746	746	746	746	—	—
		Number of Active Retired	9	1	1	1	—	—

Schedule of Participating Employers

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

Employer	N	C	PS	F	D	K
School Districts and Education Employers						
Academy for Math, Engineering and Science	N					K
Alpine School District	N	C			D	K
Beaver School District	N					K
Box Elder School District	N	C			D	K
Cache School District	N	C			D	K
Carbon School District	N	C			D	K
College of Eastern Utah	N	C			D	K
Daggett School District	N	C			D	K
Davis School District	N	C			D	K
Dixie College	N	C	PS			K
Duchesne School District	N	C			D	K
East Hollywood High School	N					K
Emery School District	N	C			D	K
Garfield School District	N	C				K
Grand School District	N	C				K
Granite School District	N	C			D	K
Iron School District	N	C			D	K
Jordan School District	N	C			D	K
Juab School District	N	C			D	K
Kane School District	N	C			D	K
Logan School District	N	C			D	K
Millard School District	N	C				K
Morgan School District	N				D	K
Murray School District	N	C			D	K
Nebo School District	N	C			D	K
North Sanpete School District	N	C			D	K
North Summit School District	N	C			D	K
Ogden School District	N	C			D	K
Park City School District	N	C			D	K
Piute School District	N	C				K
Provo School District	N	C			D	K
Rich School District	N	C				K
Salt Lake Arts Academy	N					
Salt Lake Community College	N	C			D	K
Salt Lake School District	N	C			D	K
San Juan School District	N	C			D	K

Employer	N	C	PS	F	D	K
Sevier School District	N	C			D	K
Snow College	N	C			D	K
South Sanpete School District	N	C			D	K
South Summit School District	N					K
Southern Utah University	N	C	PS			K
Thomas Edison Charter School	N					K
Tintic School District	N	C				K
Tooele School District	N	C			D	K
Uintah School District	N	C			D	K
University of Utah	N	C	PS			K
Utah State University	N	C	PS		D	K
Utah Valley State College	N	C			D	K
Wasatch School District	N	C			D	K
Washington School District	N	C			D	K
Wayne School District	N				D	K
Weber County School District	N	C			D	K
Weber State University	N	C				K
Academic Achievement	N					K
Active Re Entry Incorporated	N					K
Bridgerland Applied Technology Center	N					K
Davis Applied Technology Center	N					K
Educators Mutual Insurance	N	C			D	K
Fast Forward Charter High School	N					K
High School Activity Association	N	C				K
Mountainland Applied Technology College	N					K
Northern Utah Academy of Math, English and Science	N					K
Ogden-Weber Area Vocation	N	C				K
Soldier Hollow Charter School	N					K
Southwest Applied Technology College	N					K
Southwest Educational Development Center	N					K
Space Dynamics Lab	N					K
Success Academy	N					K
Summit Academy Charter School	N					K
Summit Employment	N					K
Tuacahan High School	N					K
Uintah Basin Applied Technology Center	N	C			D	K
Utah Education Association	N	C			D	K
Utah School Boards Association	N					K
Utah School Boards Risk Man Mut Ins Assn	N					K
Utah School Employee Association	N				D	K
Utah Uniserv	N	C			D	K
Utah Valley Care and Training Center						K
Wasatch Front South Applied Technology Center	N					K

Schedule of Participating Employers (Continued)

Employer	N	C	PS	F	D	K
State and Other Employers						
State of Utah (also participates in the Judges Retirement System and the Governors and Legislative Pension Plan).....	N	C	PS	F	D	K
Utah Communications Agency Network	N					K
Utah Dairy Commission/Dairy Council of Utah/Nevada.....	N					
Utah Housing Finance Agency	N	C				K
Utah Industries f/t Blind.....	N					K
Utah Retirement Systems	N			D		K
Utah Safety Council.....	N					K
Utah Technology Finance Corp.....	N					K
Workers Compensation Fund.....	N	C			D	K

Counties and County Organizations

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

Employer	N	C	PS	F	D	K
Cities and Towns						
Alpine City	N					K
American Fork City	N		PS			
Annabella Town.....	N					K
Aurora City.....	N					K
Ballard City	N					K
Beaver City.....	N					K
Blanding City.....	N		PS			K
Bluffdale City.....		C			D	K
Bountiful City.....	N	C	PS	F	D	K
Brian Head Town		C	PS		D	
Brigham City	N	C	PS		D	K
Castle Dale City.....	N					
Cedar City	N		PS	F		K
Cedar Hills Town.....	N					
Centerfield Town	N					
Centerville City	N	C	PS		D	K
Clearfield City	N		PS	F	D	K
Cleveland Town	N					
Clinton City	N	C	PS	F	D	K
Coalville City.....	N					K
Corinne City		C				
Delta City	N	C				K
Draper City.....	N					K
Duchesne City.....	N					
Eagle Mountain Town.....	N			F		
East Carbon City	N		PS		D	K
Elk Ridge Town	N					K
Emery Town		C				K
Enoch City.....	N		PS			K
Enterprise City	N					K
Ephraim City.....	N		PS			K
Escalante Town.....	N		PS			
Eureka City.....	N					
Fairview City	N					K
Farmington City.....	N		PS	F		
Farr West City.....	N				D	K
Ferron City.....	N					K
Fillmore City.....	N				D	K
Fountain Green City	N		PS			
Francis City	N					K
Fruit Heights City.....	N					K
Garden City.....	N					K
Garland City		C	PS			K
Goshen Town	N					
Grantsville City	N		PS		D	K
Green River City.....	N					K
Gunnison City	N		PS		D	K
Harrisville City	N	C	PS			K
Heber City.....	N		PS		D	K
Helper City.....	N		PS			K
Herriman Town	N					K
Highland City	N				D	K

Schedule of Participating Employers (Continued)

Employer	N	C	PS	F	D	K
Hinckley Town.....	N					K
Holden Town.....	N					
Holladay City.....	N					K
Hooper City.....	N					K
Huntington City.....	N				D	K
Hurricane City.....	N	PS	F			K
Hyde Park.....	N					K
Hyrum City.....	N					K
Ivins Town.....	N	PS				K
Kamas City.....	N	PS		D		K
Kanab City.....	N	PS		D		K
Kanosh Town.....	N					
Kaysville City.....	N	C	PS			
La Verkin City.....		C				K
Layton City.....	N	C	PS	F	D	
Leeds Town.....	N					K
Lehi City.....	N	C	PS	F		
Levan Town.....	N					
Lewiston City.....	N					K
Lindon City.....	N					K
Logan City.....	N	C	PS	F	D	K
Lone Peak Safety District.....	N		PS	F		K
Manila Town.....		C				K
Manti City.....	N					K
Mantua City.....	N		PS			K
Mapleton City.....	N		PS			K
Marriott/Slaterville City.....	N					K
Meadow Town.....	N					K
Midvale City.....	N	C	PS	F	D	
Midway City.....	N	C				K
Milford City.....	N		PS			K
Millville City.....	N				D	K
Minersville.....	N					K
Moab City.....	N	C	PS		D	K
Monroe City.....	N					K
Monticello City.....	N		PS			
Morgan City.....	N					K
Moroni City.....	N		PS			
Mt Pleasant City.....	N	C	PS			K
Murray City.....	N	C	PS	F	D	K
Myton City.....	N					
Naples City.....		C	PS			K
Nephi City.....	N		PS		D	K
New Harmony Town.....	N					K
Nibley City.....	N					K
North Logan City.....	N	C	PS	F		K
North Ogden City.....	N	C	PS	F		
North Salt Lake City.....	N		PS		D	K
Oakley City.....		C				K
Ogden City.....	N	C	PS	F	D	K
Orangeville City.....	N					K
Orderville Town.....	N					
Orem City.....	N	C	PS	F	D	K
Panguitch City.....	N					K

Employer	N	C	PS	F	D	K
Paragonah Town.....			C			
Park City.....	N	C	PS			
Parowan City.....	N	C	PS			K
Payson City.....	N		PS	F		K
Perry City.....	N		PS			K
Plain City.....	N					K
Pleasant Grove City.....			PS	F		
Pleasant View City.....	N	C	PS		D	K
Price City.....	N	C	PS	F		K
Providence City.....	N					K
Provo City.....	N	C	PS	F	D	K
Redmond.....	N					
Richfield City.....	N	C	PS		D	
Richmond City.....	N					K
Riverdale City.....	N	C	PS	F		K
Riverton City.....	N	C		F	D	K
Roosevelt City.....	N		PS	F	D	K
Roy City.....	N	C	PS	F	D	K
Salem City.....	N		PS		D	K
Salina City.....	N		PS			
Salt Lake City Corp.....	N	C	PS	F	D	K
Sandy City.....	N	C	PS	F	D	
Santa Clara City.....	N					K
Santaquin City.....	N		PS			K
Saratoga Springs Town.....	N			F		K
Smithfield City.....	N		PS	F		K
South Jordan City.....		C	PS	F		K
South Ogden City.....	N		PS	F		K
South Salt Lake City.....	N		PS	F	D	K
South Weber City.....	N					K
Spanish Fork City.....	N		PS			
Spring City.....		C				
Springdale Town.....	N		PS			K
Springville City.....	N	C	PS	F		
St. George City.....	N	C	PS		D	K
Sunnyside City.....	N				D	K
Sunset City.....	N	C	PS		D	K
Syracuse City.....	N		PS		D	K
Taylorsville.....	N		PS			K
Tooele City.....	N	C	PS		D	
Tremonton City.....	N	C	PS		D	K
Vernal City.....	N	C	PS			K
Washington City.....	N					K
Washington Terrace.....	N		PS		D	K
Wellington City.....	N		PS			K
Wellsville City.....	N					K
Wendover City.....	N		PS		D	K
West Bountiful City.....		C	PS			K
West Haven.....	N					K
West Jordan City.....	N	C	PS	F	D	
West Valley City.....	N	C	PS	F		
West Point.....	N					K
Willard City.....	N		PS			
Woods Cross City.....	N	C	PS		D	K

Schedule of Participating Employers (Continued)

Employer	N	C	PS	F	D	K
Other Government Entities						
Ash Creek Special Service District					D	K
Ashley Valley Sewer Management Board	N					
Ashley Valley Water & Sewer	N					
Bear Lake Special Service District	N					K
Bear River Association of Governments	N				D	K
Bear River Health District	N	C			D	K
Bear River Mental Health	N				D	K
Bear River Water Conservancy	N					K
Beaver County Special Service District	N					K
Beaver Valley Hospital	N					K
Benchland Water Compnay	N					K
Bona Vista Water Improvement	N				D	K
Bountiful Water District	N				D	K
Box Elder County Mosquito District	N					K
Cache Metro Planning Organization	N					
Castle Valley Special Service District	N	C				K
Cedar City Housing Authority	N					
Cedar City Library	N	C				K
Central Davis Sewer	N				D	K
Central Utah Public Health	N					K
Central Utah Water District	N				D	K
Central Weber Sewer District	N	C			D	K
Children's Aid Society—Utah	N					K
Copperton Improvement District	N					K
Cottonwood Improvement District	N				D	K
Davis & Weber County Canal		C				K
Davis Behavioral Health	N				D	K
Davis County Mosquito Abatement	N					K
Davis County Housing		C				K
Davis County Solid Waste Management	N				D	K
DDI Advantage		C				K
Duchesne County Mosquito District		C				
Duchesne County Water Conservancy District	N					
East Duchesne Culinary Water Imp District	N					K
Emery County Nursing Home		C			D	K
Emery County Recreation Special Service District	N					K
Emery Water Conservancy District	N					K
Five-County Association of Governments	N	C			D	K
Four Corners Mental Health	N	C			D	K
Grand County Solid Waste Management	N					K
Grand County Water Conservancy District	N					
Granger-Hunter Improvement District	N				D	K
Gunnison Valley Hospital	N	C				K
Heber Light & Power	N				D	K
Heber Valley Historic Railroad Authority	N					K
Heber Valley Special District	N					
Hooper Water Improvement District	N					
Housing Authority of Carbon	N					K
Housing Authority of Ogden City	N					
Housing Authority of SLC	N	C				K
Housing Authority of SL County	N					
Jordan Valley Water Conservancy District	N	C			D	K

Employer	N	C	PS	F	D	K
Jordanelle Special Service District	N					K
Kane Water Conservancy District	N					
Kearns Improvement District	N	C				K
Maesar Water District	N					K
Magna Mosquito Abatement	N					K
Metro Water District—SLC	N				D	K
Midvalley Improvement District	N					
Midway Sanitation District	N					K
Moab Valley Fire District	N			F		K
Mountain Regional Water Special Service District	N					K
Mountainland Association of Governments	N	C			D	K
Nebo Credit Union	N					K
North Davis County Sewer	N	C				
North Davis Fire District	N			F		
North Emery Water Users Association	N					
North Fork Special Service District	N					
North Pointe Solid Waste Special Service Dist	N					K
North View Fire Agency				F		
Oquirrh Recreation and Parks District	N					K
Park City Fire Service District	N			F		K
Price River Water Improvement	N				D	K
Provo Housing Authority	N					
Provo Reservoir Water Users	N					
Provo River Water Users	N				D	K
Roosevelt City Housing Authority	N					
Roy Water Conservancy District	N					K
SLC Employees Credit Union	N					K
SLC Library	N					K
SLC Mosquito Abatement	N					K
SLC School Credit Union	N					K
SLC Sub. Sanitation #1	N					K
SLC Sub. Sanitation #2	N					K
SL County Service Area #2	N				D	K
SL County Service Area #3	N				D	K
SL County Sewer Improvement District #1	N	C			D	K
San Juan Mental Health/ Substance Abuse District	N					K
Sandy Sub. Improvement District	N					K
Six-County Association of Governments	N	C			D	K
Snyderville Basin	N	C			D	K
Solitude Improvement District	N					K
South Davis County Sewer Improvement District	N	C			D	K
South Davis County Water Improvement District	N					K
South Davis County Fire Department	N			F	D	K
South Davis Metro Fire Agency	N			F		K
Southeastern Utah A.O.G.	N	C			D	K
Southeastern Utah Health	N	C				K
Southern Utah Valley Power System	N					K
South Ogden Conservancy District	N				D	K
South SL County Mosquito Abatement	N					K
Southwest Center	N					K

Schedule of Participating Employers (Continued)

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

Total Participating Employers	
Noncontributory	428
Contributory	401
Public Safety	161
Firefighters	120
Judges	48
Governor and Legislative	1
457 Plan	154
401(k) Plan	351

Inactive Units with Retirees

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

Systems and Plans Statistical Highlights

Year Ended December 31, 2005

Utah Retirement Systems	Noncontributory	Contributory	Public Safety	Firefighters	Judges	Governors and Legislators	Averages And Totals All Systems
Membership Information							
<i>Total Membership</i>	137,375	10,810	11,883	2,704	202	414	163,388
Active	85,637	3,198	7,239	1,636	108	88	97,906
Terminated vested	26,028	1,437	1,376	94	6	96	29,037
Retired	25,710	6,175	3,268	974	88	230	36,445
<i>2005 Active Members</i>	85,637	3,198	7,239	1,636	108	88	97,906
Average age	44.8	51.0	38.6	39.4	55.9	51.0	44.5
Average years of service	10.2	19.6	8.8	10.5	11.2	5.8	10.4
Average annual salary	\$37,633	41,758	40,737	50,471	110,539	8,955	37,438
<i>2005 Retirees</i>							
Number	2,212	178	252	53	5	12	2,712
Average age	61.9	60.6	53.5	53.8	65.3	66.8	60.9
Average years of service	22.6	25.4	22.9	25.9	19.7	11.8	22.8
Final average annual salary	\$41,863	36,876	51,604	64,636	105,508	4,116	42,836
Average annual benefit	\$19,210	17,889	28,873	39,087	74,491	3,548	20,443
Average annual benefit —all retirees	\$17,731	8,799	21,724	25,319	52,465	2,851	16,768

Financial Information

(in thousands)

Changes in Net Assets	\$ 426,612	20,657	66,132	16,327	2,405	—	532,133
Contributions	1,185,095	88,388	148,071	58,827	9,762	997	1,491,140
Investment income	469,695	57,100	74,041	27,269	4,755	755	633,615
Pension benefits	13,892,439	1,018,525	1,736,451	686,062	113,353	11,319	17,458,149
Net assets at market value							

Actuarial Information

(dollars in thousands)

Funding Progress	\$13,065,512	955,390	1,633,022	644,496	106,374	10,587	16,415,381
Actuarial value of assets	\$14,166,548	1,047,544	1,851,635	617,088	110,667	8,662	17,802,144
Actuarial accrued liability	\$ 1,101,036	92,154	218,613	(27,408)	4,293	(1,925)	1,386,763
Unfunded actuarial accrued liability	92.2%	91.2%	88.2%	104.4%	96.1%	122.2%	92.2%
Funded ratios							

Defined Contribution Plans

401(k) 457 Roth IRA Traditional IRA

Membership Information

Number of active employees eligible to participate	92,466	81,373	97,906	97,906
Employee contributions (excluding employer contributions):				
Number of employees contributing	43,320	6,103	123	13
Percent of eligible employees contributing	46.8%	7.5%	0.4%	0.1%
Average percent of salary deferred by employees	6.2%	8.4%	3.7%	6.0%
Total participants	127,279	13,825	259	118
Average participant account balance	\$ 16,534	16,639	3,965	55,559

Financial Information

(in thousands)

Changes in Net Assets	\$ 182,744	22,033	1,007	6,527	212,311
Contributions	142,760	14,891	53	353	158,057
Net investment income	106,678	19,633	33	315	126,659
Refunds	\$2,104,462	230,031	1,027	6,556	2,342,076
Net assets at market value					

Utah Retirement Systems

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