

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

A PENSION TRUST FUND OF THE STATE OF ARIZONA

THIRTY- FIFTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2003

This report was prepared by the staff of PSPRS

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**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
THIRTY-FIFTH COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
THIRTY-FIFTH COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2003

Fund Managers' Report

Letter of Transmittal

Certificate of Achievement for
Excellence in Financial Reporting

The Retirement Board and
Administrative Organization

Organizational Chart

Summary of Plan Provisions
(See Note 1 in Notes to Financial Statements)

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORRECTIONS OFFICER RETIREMENT PLAN
ELECTED OFFICIALS' RETIREMENT PLAN**

1020 East Missouri Avenue
Phoenix, Arizona 85014-2613

Jack M. Cross, C.P.A., C.F.A.
Administrator

TELEPHONE: (602) 255-5575
FAX: (602) 255-5572

James A. Nielsen, C.P.A., J.D.
Assistant Administrator

September 29, 2003

The Honorable Janet Napolitano
Governor of the State of Arizona
State Capitol
Phoenix, Arizona 85007

Dear Governor Napolitano:

The Fund Manager of the Public Safety Personnel Retirement System respectfully submits the Thirty-Fifth Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003, in accordance with the provisions of A.R.S. Section 38-848.

We are pleased to report that the System is still in good financial and actuarial condition despite the difficult investing environment of the past few years. The System's current funding level is 93.6%. Stakeholders continue to benefit greatly from our outstanding current and past performance. In fact, funding levels have increased from a low of 27.0% in 1972 to a high of 126.9% two years ago. The average employer contribution rate, as a percentage of gross payroll, decreased from a high of 22.13% for the 1972/73 fiscal year to 7.66% for the 2003/04 fiscal year. While the average contribution rate has increased this past year, and will continue to do so for some time, the average contribution rate for our employer groups is still below the normal cost of the System at 11.61% and has been below the normal cost for the past eighteen years due to our investment earnings. This is a direct savings to the taxpayers of approximately \$120 million annually.

We realize that we are now in a different investment environment, even from just a few years ago. In order to maintain prudent funding levels, we are reducing our assumed earnings rate from 9.0% to 8.75%, effective July 1, 2004, with subsequent annual reductions of one-quarter of one percent each year thereafter until the rate is reduced to 8.0%. We believe this to be a more realistic rate for our System to achieve. Additionally, we will continue to follow a sensible long-term investment approach as well as continuing to control costs. Set forth below are some of the highlights for the fiscal year ended June 30, 2003.

We are pleased to report that for the current year the System had a total rate of return of 6.7%. This return is very good compared to similar pension plans nationwide. Additionally, the System continues to perform well against the market indexes (S&P 500/NYSE stock and Shearson Lehman Government/Corporate bond) on a long-term basis. The 5, 10, 15 and 20-year total rates of return, including realized as well as unrealized gains and losses, for the total fund were -0.09%, 7.41%, 9.2% and 10.36%, respectively. The 1, 5, 10, 15 and 20-year rates of return for the equity portfolio were 3.62%, -3.89%, 7.72%, 9.98% and 11.05%, respectively. The 1, 5, 10, 15 and 20-year rates of return for the fixed income portfolio were 12.06%, 7.53%, 7.77%, 9.11% and 10.21%, respectively.

Benefits paid to retired members and their beneficiaries increased from \$185,035,202 to \$209,715,238. Total administrative and investment expenses increased from \$1,167,049 to \$1,250,386 for this year. Costs have increased only 94% during the past eighteen years. This increase is very low since the assets managed have increased 432%, the System membership has increased 122%, and inflation has increased over 70% during this same time period.

We sincerely appreciate the opportunity of serving the State of Arizona, its political subdivisions and its Public Safety members.

Respectfully submitted,

Pat Cantelme, Chairman

Ron Snodgrass, Member

Wendy Hancock, Member

Carter Olson, Member

Kevin Keogh, Member

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORRECTIONS OFFICER RETIREMENT PLAN
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James A. Nielsen, C.P.A., J.D.
Assistant Administrator

September 29, 2003

The Fund Manager
Public Safety Personnel Retirement System
State of Arizona
Phoenix, Arizona

Gentlemen:

There is presented, herewith, the Thirty-Fifth Comprehensive Annual Financial Report of the operations and financial conditions of the Public Safety Personnel Retirement System, State of Arizona, for the fiscal year ended June 30, 2003. Incorporated in this report are the audited financial statements and other financial data from the June 30, 2003, report of Barrows & Schatza, P.L.C., Certified Public Accountants and auditors for the System. Also included are the Actuarial Certification Statement and the Actuarial Balance Sheet from the June 30, 2003, Actuarial Valuation prepared by the System's actuary, Rodwan & Nichols, Consulting Actuaries.

This report has been organized into five sections: (1) the Introductory Section containing general information regarding the operations of the PSPRS; (2) the Financial Section containing the new Management's Discussion and Analysis and, the financial reports and schedules of the funds administered by the PSPRS; (3) the Investment Section containing detailed lists of the investment transactions and portfolios of the System, along with investment performance; (4) the Actuarial Section containing actuarial information regarding the funding of the pension trusts; and (5) the Statistical Section containing statistical data pertaining to the benefits paid by the PSPRS and growth of the System.

FINANCIAL INFORMATION

The primary responsibility for the integrity and objectivity of the financial statements and related financial data rests with the management of the System. The financial statements were prepared in conformity with generally accepted accounting principles appropriate for government-sponsored defined benefit pension plans. Management believes that all other financial information included in this annual report is consistent with those financial statements.

It is the System's policy to maintain a control-conscious environment through an effective system of accounting controls. These controls are adequate to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and to produce the records necessary for the preparation of financial information. There are limits inherent in all systems of internal control based on the recognition that the costs of such systems should be related to the benefits to be derived. Management believes the System's controls provide this appropriate balance.

The System uses the accrual basis of accounting for both revenues and expenses. Contributions to the System are based on principles of level-cost financing with current service financed as a level percent of payroll on a current basis and prior service amortized as a level percent of payroll over a rolling twenty (20) year period.

REVENUES

Revenues to the System are derived from three sources: member contributions, employer contributions and investment income. As shown by the Schedule of Revenues by Source included in the Statistical Section later in this report, the System suffered an investment loss this fiscal year that was partly offset by member contributions, direct employer contributions, and insurance premium taxes. Please refer to the Statistical Section for a ten-year history of revenues and expenses.

ADMINISTRATIVE AND INVESTMENT EXPENSES

The 2002/2003 Administrative and Investment Expenses of the Administrative Office totaled \$1,250,386 compared to \$1,167,049 for the prior year. This is only 94% higher than the total for fiscal year 1984/1985. This is a compounded annual rate of increase of 3.74% over the last eighteen years. This rate of increase is well below the rate of growth of the System. A dedicated staff and constantly improving internal expertise has allowed management to keep costs nearly flat for the past eighteen years even though inflation, membership and assets managed have increased substantially during this same period (over 70%, over 120%, and over 430%, respectively).

INVESTMENTS

Since the System is well funded, management takes a moderately conservative approach to investing. The System invests primarily in bonds rated A or better and blue chip common stock. A detailed summary of the investment portfolio and all investment transactions is presented in the Investment Section. At year-end, the investment portfolio was made up of 7.28% U. S. Government Securities, 18.31% Corporate Bonds, 6.02% Other Investments, 6.90% Corporate Notes, 0.02% insured Money Market Funds and 61.47% Common Stocks. All investments are held in trust by the Arizona subsidiary of one of the largest banks in the world.

Even with this relatively conservative investment philosophy, the fixed income portfolio has outperformed the Lehman Government/Corporate Bond Index in ten of the last fifteen years. The equity portfolio has also outperformed the applicable Index in ten of the last fifteen years. The System's performance resulted in a net effective yield of -9.01% and a 15-year total rate of return of 9.2%. Graphs depicting the fund's extraordinary performance since 1974, the year internal staff took over the portfolio management, can be found in the Investment Section.

ECONOMIC OUTLOOK

We realize that we are now in a different investment environment, even from just a few years ago. In order to maintain prudent funding levels, the Fund Manager reduced the assumed earnings rate from 9.0% to 8.75%, effective July 1, 2004, with subsequent annual reductions of one-quarter of one percent each year thereafter until the rate is reduced to 8.0%. We believe this is a more realistic rate for our System to achieve. Our employer groups continue to benefit greatly from our outstanding past and current performance. Additionally, we will continue to follow a sensible long-term investment approach as well as continuing to control costs.

ACTUARIAL AND FUNDING INFORMATION

Funding a retirement system on a sound actuarial reserve basis involves the accumulation of substantial reserves to guarantee the payment of promised benefits. These reserves are invested and the rate of investment earnings, over time, is a major factor in determining the employer contribution requirement to meet the calculated level cost of the System.

There is no single all-encompassing test to measure a retirement system's funding progress and current status. A traditional measure is the ratio of assets to unfunded accumulated normal costs, often referred to as the "percent funded." The percent funded for the System at June 30, 2003, is 93.6%.

The System is funded through a member contribution of 7.65% of gross payroll, an employer contribution set by an actuarial valuation expressed as a percent of gross payroll and a distribution of the net earnings of the System. While each employer has a different contribution rate, the average for the entire System for the 2003/2004 fiscal year is 7.66% of gross payroll. The firefighter groups and the Department of Public Safety receive a percentage of the Insurance Premium Tax, which underwrites a large portion of their employer contributions.

POST RETIREMENT BENEFIT INCREASES

State law provides for an annual benefit increase for retirees or their survivors either two years after retirement, regardless of age, or when the retiree or survivor attains age 55 and has been retired for a year. These increases are dependent upon the production of excess earnings on a portion of the System's assets and are limited to four percent of the average benefit being paid.

Below is a schedule of the increases in monthly benefits granted since this program began on July 1, 1986:

July 1, 1986 - \$36.17
July 1, 1987 - \$38.59
July 1, 1988 - \$42.84
July 1, 1989 - \$44.95
July 1, 1990 - \$47.83
July 1, 1991 - \$52.35
July 1, 1992 - \$55.13
July 1, 1993 - \$58.69
July 1, 1994 - \$63.94
July 1, 1995 - \$45.00
July 1, 1996 - \$50.00
July 1, 1997 - \$55.00
July 1, 1998 - \$78.36
July 1, 1999 - \$81.95
July 1, 2000 - \$87.37
July 1, 2001 - \$93.24
July 1, 2002 - \$98.17
July 1, 2003 - \$102.53
July 1, 2004 - \$111.90
Cumulative Total - \$1,244.01

A benefit increase schedule showing how these amounts were calculated can be found in the Statistical Section.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the PSPRS for its comprehensive annual financial report for the fiscal year ended June 30, 2002. This was the eleventh consecutive year that the System has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

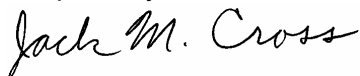
SUMMARY

The System's actuary, Rodwan & Nichols, summarized the results of the latest Actuarial Valuation as of June 30, 2003, as follows:

The results of the valuations indicate that Retirement System benefit obligations are being funded as incurred. Current assets are 93.6% of actuarial accrued liability. Superior investment returns, over an extended period, have made possible the excellent actuarial condition of the Retirement System, improved benefits, cost-of-living increases to retired members and their beneficiaries, and substantial reductions in contribution requirements.

The System has experienced great change during the past thirty-five years. The System was created on July 1, 1968 to provide a uniform statewide retirement system for public safety personnel. The System successfully transitioned from a 25-year/age-55 program to a straight 20-year program. The System now provides for disability benefits, survivor benefits for spouses and children, post-retirement increases and health insurance subsidies. Employer contribution rates have dropped from an average of 22.13% to 7.66%. I am proud to have been a part of the System's management team and I look forward to the System's continued success in the future.

Respectfully submitted,



Jack M. Cross, C.P.A., CFA
Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Safety Personnel
Retirement System,
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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.



A handwritten signature in black ink, appearing to read "William Patrick Pate".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
THE RETIREMENT BOARD AND ADMINISTRATIVE ORGANIZATION**

THE FUND MANAGER

		<u>Term Expires</u>
Pat Cantelme Retired Firefighter City of Phoenix	Chairman	January 2005
Ron Snodgrass Police Officer City of Phoenix	Member	January 2004
Wendy Hancock Public Member	Member	January 2005
Carter Olson Pinal County Attorney	Member	January 2006
Kevin Keogh Finance Director City of Phoenix	Member	January 2006

PROFESSIONAL ADVISORS

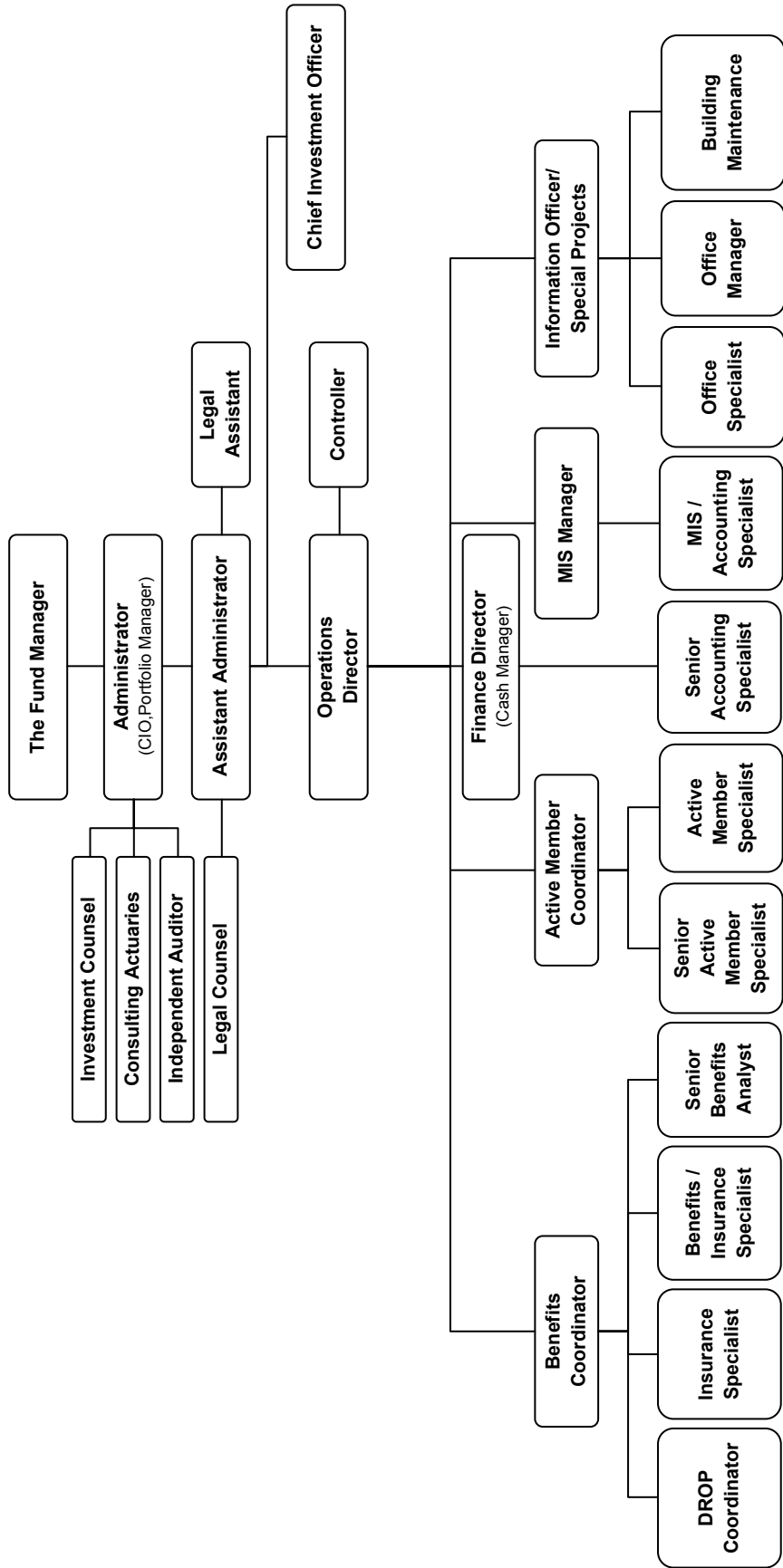
Standard & Poor's Securities, Inc.	Investment Counsel
Rodwan & Nichols	Consulting Actuaries
Barrows & Schatza, P.L.C.	Independent Auditors
Lieberman, Dodge, Gerding, Kothe & Anderson, Ltd.	Legal Counsel

ADMINISTRATIVE STAFF

Jack M. Cross, CPA, CFA	Administrator
James A. Nielsen, CPA, JD	Assistant Administrator
Tracey D. Peterson, CPA, CFE	Operations Director
Jared A. Smout	Finance Director
Karen L. Lewis, CPA	Controller
Donald B. Mineer	DROP Coordinator/Special Projects Assistant
LaDawn M. Snodgrass	Active Member Coordinator
Sheryl D. Saltsman	Benefits Coordinator
Deborah S. Irwin	Senior Active Member Specialist
Joann L. Lowey	Senior Benefits Analyst
Lilian L. Leung	Senior Accounting Specialist
Kathleen A. Mattoon	Office Specialist
Annette L. Jorgensen	Insurance Specialist
Lori A. Boyle	Office Manager
Scott D. Willard	MIS/Accounting Specialist
D. Steven Williams	Legal Assistant
Tiffani M. Wright	Active Member Specialist
Alliene Jonas	Benefits/Insurance Specialist
Devin Delap	Building Maintenance

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**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
ORGANIZATIONAL CHART
JUNE 30, 2003**



FINANCIAL SECTION

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
THIRTY-FIFTH COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2003**

Independent Auditor's Report
Management's Discussion and Analysis
Statements of System Net Assets
Statements of Changes in System Net Assets
Notes to Financial Statements
Schedule of Funding Progress
Schedule of Employer Contributions
Supporting Schedule of Changes in Fund Balance Reserves
Supporting Schedule of Administrative and Investment Expenses
Supporting Schedule of Payments to Consultants
Supplemental Schedule of Cash Receipts and Cash Disbursements



INDEPENDENT AUDITOR'S REPORT

**FUND MANAGER
STATE OF ARIZONA PUBLIC SAFETY
PERSONNEL RETIREMENT SYSTEM
PHOENIX, ARIZONA**

We have audited the accompanying statements of system net assets of the **STATE OF ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM** as of June 30, 2003 and 2002, and the related statements of changes in system net assets for the years then ended, appearing on pages 19 and 20, respectively. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of **STATE OF ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM** as of June 30, 2003 and 2002, and the results of its operations and the changes in system net assets for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, the **STATE OF ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM** adopted the provisions of the Governmental Accounting Standards Board Statements No. 34, *Basis Financial Statements and Management's Discussion and Analysis for State and Local Governments*, No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments – Omnibus*, and No. 38, *Certain Financial Statement Note Disclosures* for fiscal year end June 30, 2002.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information, Management's Discussion and Analysis, Schedule of Funding Progress and Schedule of Employer Contributions, are required by the Governmental Accounting Standards Board and are not a required part of the basic financial statements. Also, the accompanying additional information, contained on pages 30 to 32, are not required disclosures under Governmental Accounting Standards Board (GASB) statement No. 25 and are not a required part of the basic financial statements. The additional information schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Barrows & Schatza, P.L.C.

September 8, 2003

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2003 AND 2002**

The Public Safety Personnel Retirement System's discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the System's financial activity, identify changes in the System's financial position and identify any issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, it is intended to be read in conjunction with the Transmittal Letter, Financial Statements and Notes to the Financial Statements.

Financial Highlights

Key financial highlights for 2003 are as follows:

- The System had a total rate of return of 6.7% this year. Our equity portfolio had a return of 3.62%, which outperformed the stock index by over 300 basis points. Our bond portfolio had a return of 14.03%, which outperformed the bond index by over 80 basis points.
- As of the close of the fiscal year 2003, the Future Benefit Increase Reserve was \$468.1 million. This will enable another increase for qualifying retirees or their survivors for the nineteenth consecutive year.
- Retirement benefits paid totaled \$209.7 million for the current fiscal year, compared to \$185.0 million for the previous year. This represents a 14% increase from the prior year. The majority of this increase is the result of increased health insurance benefits and cost of living adjustments (COLAs) paid to the retirees or their survivors of the System.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand the System as an operating entity. The statements and notes then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and The Statement of Changes in Net Assets

These statements include all assets and liabilities of the System using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

These two statements report the System's *net assets* and changes in them. Net assets are the difference between assets and liabilities, one way to measure the financial health, or *financial position*. Over time, *increases or decreases* in the net assets are one indicator of the *financial health* of the System.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes can be found immediately following *The Statement of Net Assets* and *The Statement of Changes in Net Assets*.

Required Supplemental Information

The basic financial statements are followed by a section of required supplemental information. This section includes the Schedule of Funding Progress and the Schedule of Employer Contributions.

The Schedule of Funding Progress shows the ratio of assets as a percentage of the actuarial accrued liability (funding ratio) and the ratio of unfunded actuarial accrued liabilities to member payroll. The trend in these two ratios provides information about the financial strength of the System. Improvement is indicated when the funding ratio is increasing and the ratio of the unfunded actuarial liability to payroll is decreasing.

The Schedule of Employer Contributions shows the Annual Required Contributions by fiscal year. The purpose of this schedule is to provide information about the required contributions of the employers and the extent to which those contributions are being made. The information should assist users in understanding the changes and possible reasons for the changes in the System's funding status over time.

Other Supplemental Information

The Other Supplemental Information Section includes the Supporting Schedule of Changes in Fund Balance Reserves, Supporting Schedule of Payments to Consultants, Supplemental Schedule of Cash Receipts and Cash Disbursements, Schedule of Changes in Employer Reserves, Schedule of Changes in Refundable Member Reserves, and Schedule of Earnings Distribution. The total columns and information provided on these schedules carry forward to the applicable financial statement.

Financial Analysis

Net Assets

The System's Net Assets totaled \$3.8 billion at the close of the fiscal year 2003, compared to \$3.7 billion at the close of the previous fiscal year. This is a 4% increase from the prior year. The increase is the result of market conditions and investment earnings.

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
NET ASSETS**

	<u>2003</u>		<u>2002</u>	
	<u>Book Cost*</u>	<u>Fair Value</u>	<u>Book Cost*</u>	<u>Fair Value</u>
Current Assets	\$ 34,218,349	\$ 34,218,349	\$ 32,505,352	\$ 32,505,352
Capital Assets	444,998	444,998	456,903	456,903
Investments	<u>4,571,097,054</u>	<u>4,823,441,054</u>	<u>5,020,915,538</u>	<u>4,687,452,697</u>
Total Assets	<u>4,605,760,401</u>	<u>4,858,104,401</u>	<u>5,053,877,793</u>	<u>4,720,414,952</u>
Other Liabilities	<u>1,025,087,932</u>	<u>1,025,566,303</u>	<u>1,015,778,981</u>	<u>1,024,096,716</u>
Total Liabilities	<u>1,025,087,932</u>	<u>1,025,566,303</u>	<u>1,015,778,981</u>	<u>1,024,096,716</u>
Total Net Assets	<u>\$ 3,580,672,469</u>	<u>\$ 3,832,538,098</u>	<u>\$ 4,038,098,812</u>	<u>\$ 3,696,318,236</u>

*Cost information is provided for reference only.

The largest portion of the System's Net Assets (62%) are invested in Equity Securities; 18% is invested in high quality Corporate Bonds; 7% is invested in Government Securities; 7% is invested in Cash or cash equivalents; and, the remaining 6% is invested in Other investments.

Changes in Net Assets

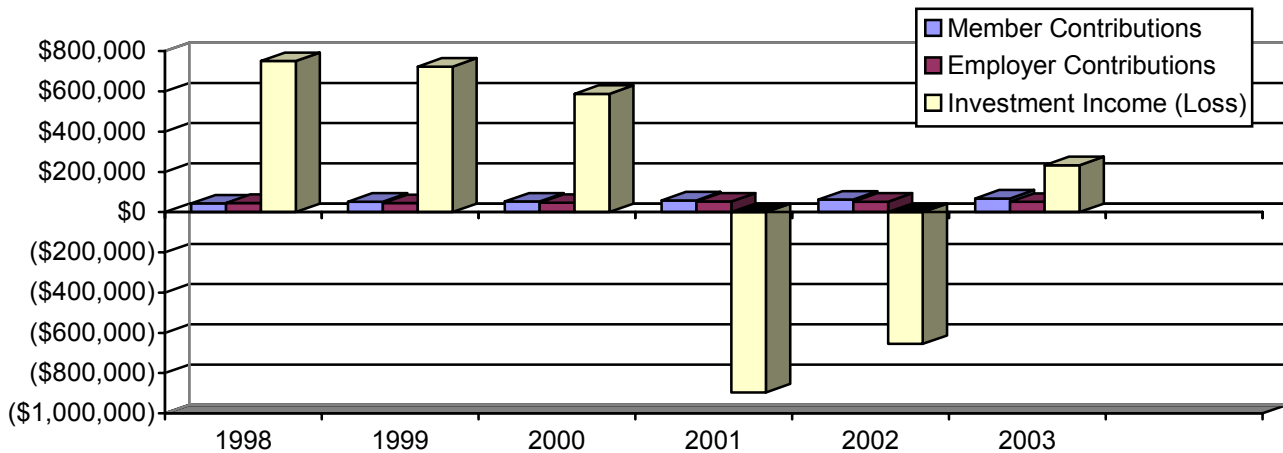
Market conditions and investment earnings have attributed to the majority of the increase in net assets, as noted earlier. Additional key elements of this increase are as follows:

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CHANGES IN NET ASSETS**

	<u>2003</u>	<u>2002</u>
Additions:		
Contributions	\$ 118,737,957	\$ 114,470,132
Net Investment Income (Loss)	233,424,570	(654,569,820)
Transfers	<u>1,393,775</u>	<u>6,412,646</u>
Total Additions	353,556,302	(533,687,042)
Deductions:		
Pension Benefits	209,715,238	185,035,202
Terminated Members Refunds	6,422,965	6,057,924
Administrative Expenses	812,332	735,241
Transfers	<u>385,906</u>	<u>228,610</u>
Total Deductions	<u>217,336,440</u>	<u>192,056,977</u>
Change in Net Assets	136,219,862	(725,744,019)
Net Assets, Beginning of Year	<u>3,696,318,236</u>	<u>4,422,062,255</u>
Net Assets, End of Year	<u>\$ 3,832,538,098</u>	<u>\$ 3,696,318,236</u>

Total additions increased by \$887.2 million from that of the prior year, due primarily to market conditions and investment earnings. Total contributions increased from the previous year by \$4.2 million or 4%. This slight increase is due to an increase in member contributions. Our membership increased from the previous year. Member contribution rates are set by Statute and were unchanged from the previous fiscal year. Employer contributions actually decreased from the previous fiscal year due to a reduction in employer rates. Investment income increased from the previous year by \$890 million. The Investment Section of this report reviews the results of investment activity for 2003.

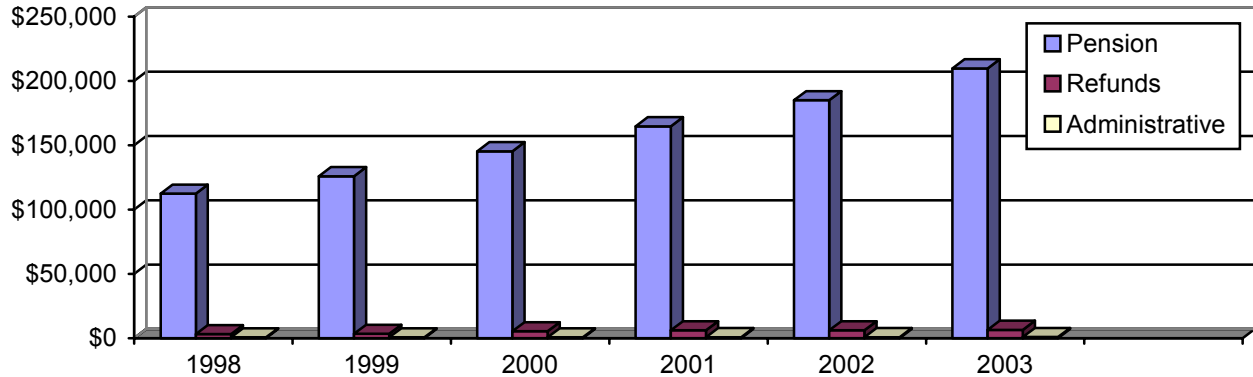
**Trend in Revenues – by Type
(Member and Employer Contributions, Investment Income (Loss)) (in 000's)**



The primary expenses of the System include the payment of pension benefits to members and beneficiaries, refunds of contributions to former members who terminated employment during the year and the cost of administering the System. Total deductions for fiscal year 2003 were \$217 million, an increase of 14% over the

prior fiscal year. Pension benefits, to include health insurance subsidies, the deferred retirement option and cost of living adjustments, increased \$24.6 million or 14% from the previous year. Refunds of contributions to former members increased \$.3 million or 6% from the previous year. Administrative expenses increased \$77,091 or 11% from the previous year.

**Trend in Expenses – by Type
(Pension Benefits, Refunds and Administrative Expenses) (in 000's)**



Capital Assets

The System’s investment in capital assets totaled \$444,998 (net of depreciation) for the current fiscal year. This investment in capital assets includes land, building and improvements. There were no additions to capital assets during the fiscal year. The change in capital assets for the current year was depreciation expense. A schedule of the capital assets can be found in Note 2 – Property, on page 26 of this report.

Economic Factors and Employer Rates

Revenues to the System are derived from three sources: member contributions, employer contributions and investment income. Member contribution rates are set by Statute and will remain unchanged at 7.65%. Employer contribution rates are determined annually by an actuarial valuation. The valuation encompasses the rate of investment earnings and the accumulation of substantial reserves to guarantee payment of promised benefits.

Investment gains and losses are smoothed over a four-year period to stabilize the employer contribution rates from year to year. The Fund Manager, the five member governing board, decided that the current smoothing rate over a four-year period should remain unchanged at this time. However, the Fund Manager did reduce the assumed earnings rate from 9.0% to 8.75%, effective July 1, 2004, with subsequent annual reductions of one-quarter of one percent each year thereafter until the rate is reduced to 8.0%. We believe this is a more realistic rate for our System to achieve. The Fund Manager did reserve the right to address these issues annually or on an as needed basis.

Additionally, we have met our fund objectives by annually adjusting employer contribution rates based on the recommendations made by the actuarial valuations. The System’s funding goal is for the actuarial value of the assets to be equal to the actuarial accrued liabilities within any twenty-year period. For the current fiscal year end, our funding ratio is 93.6%. The average employer rate, as a percentage of gross payroll, is 7.66% for the 2003/04 fiscal year. While the employer rate has increased this past year, and may continue to do so for some time, the average contribution rate for our employers is still below the normal cost of the System of 11.61%. Employers continue to benefit greatly from our outstanding past and current investment performance.

Management believes, and actuarial studies concur, that the System is in a financial position to meet its current obligations. We believe the current financial position will continue to improve due to a prudent conservative long-term investment approach, cost controls and strategic planning.

Requests for Information

This report is designed to provide a general overview of the Public Safety Personnel Retirement System's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Public Safety Personnel Retirement System, Operations Director, 1020 E. Missouri, Phoenix, AZ 85014.

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
STATEMENTS OF SYSTEM NET ASSETS
AS OF JUNE 30, 2003 AND 2002**

ASSETS	2003	2002
Receivables		
Members' Contributions	\$ 2,161,875	\$ 2,402,712
Employers' Contributions	6,112,620	5,324,928
Interest and Dividends	25,943,854	24,777,712
Total Receivables	34,218,349	32,505,352
	<i>[Book Cost -</i>	<i>[Book Cost -</i>
	<i>For Reference Only]</i>	<i>For Reference Only]</i>
Investments at Fair Value (Note 2)		
U.S. Government Securities	\$ 257,811,287	\$ 419,337,938
Corporate Bonds	649,343,052	691,376,934
Corporate Notes	244,600,991	135,429,579
Corporate Stocks	2,179,718,427	2,559,849,166
Other Investments	213,449,024	198,470,604
Money Market Account	1,086,342	672,336
Collateral Held in Trust for Securities on Loan	1,025,087,932	1,024,096,716
Total Investments	\$ 4,571,097,054	\$ 5,020,915,538
Property (Note 2)	444,998	456,903
Total System Assets	4,858,104,401	4,720,414,952
Liability - Collateral Subject to Return to Borrower	(1,025,566,303)	(1,024,096,716)
Net Assets Held in Trust for Pension Benefits	\$ 3,832,538,098	\$ 3,696,318,236
Net Asset Reserves		
Refundable Members' Reserve	\$ 543,817,016	\$ 495,565,136
Employers' Reserve	2,820,595,730	2,698,296,454
Future Benefit Increase Reserve	468,125,352	502,456,646
Total Net Asset Reserves	\$ 3,832,538,098	\$ 3,696,318,236

A schedule of funding progress is presented immediately following the notes to the financial statements. The accompanying notes are an integral part of these financial statements.

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN SYSTEM NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
Additions		
Contributions		
Members' Contributions (Notes 1 and 3)	\$ 67,937,288	\$ 62,486,725
Employers' Contributions (Notes 1 and 3)	50,800,669	51,983,407
Total Contributions	<u>118,737,957</u>	<u>114,470,132</u>
Net (Depreciation) Appreciation		
in Fair Value of Investments (Note 2)	120,305,052	(774,840,348)
Interest	93,189,134	102,871,389
Dividends	18,760,623	15,682,287
Securities Lending Activities		
Securities Lending Income	\$ 16,702,054	\$ 32,301,581
Borrower Rebates	(14,228,530)	(28,995,989)
Agents Share of Income	(865,710)	(1,156,932)
Net Securities Lending Income (Note 2)	<u>1,607,814</u>	<u>2,148,660</u>
	233,862,623	(654,138,012)
Less Investment Expense	<u>(438,054)</u>	<u>(431,808)</u>
Net Investment Income	<u>233,424,569</u>	<u>(654,569,820)</u>
Amounts Transferred from Other State- Sponsored Pension Plans and Service Credits Purchased	<u>1,393,775</u>	<u>6,412,646</u>
Total Additions	<u>353,556,301</u>	<u>(533,687,042)</u>
Deductions		
Pension and Insurance Benefits (Note 1)	209,715,238	185,035,202
Refunds to Terminated Members (Note 1)	6,422,965	6,057,924
Administrative Expenses	812,332	735,241
Amounts Transferred to Other State- Sponsored Pension Plans	<u>385,905</u>	<u>228,610</u>
Total Deductions	<u>217,336,440</u>	<u>192,056,977</u>
Net (Decrease) Increase	136,219,861	(725,744,019)
Net Assets Held In Trust for Pension Benefits		
Beginning of Year - July 1	<u>3,696,318,236</u>	<u>4,422,062,255</u>
End of Year - June 30	<u>\$ 3,832,538,098</u>	<u>\$ 3,696,318,236</u>

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

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003 AND 2002**

NOTE 1 - PLAN DESCRIPTION

Organization

The Public Safety Personnel Retirement System (PSPRS), a pension trust fund of the State of Arizona, is an agent multiple-employer public employee retirement system established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes, to provide benefits for public safety employees of certain state and local governments. The System is jointly administered by the Fund Manager and 195 Local Boards.

The Fund Manager is a five-member board. Effective August 6, 1999, it became the Governor's responsibility to appoint all members of the Fund Manager, who serve a fixed three-year term. The Fund Manager is responsible for the investment of the System's assets, setting employer contribution rates in accordance with an actuarial study, adopting a budget, hiring personnel to administer the System, setting up records, setting up accounts for each member and each Local Board, paying benefits and the general protection and administration of the System.

Each eligible group participating in the System has a five-member Local Board. Three members are appointed by the chief elected official of the organization and two members are elected by the active members of the eligible group. In general, each member serves a fixed four-year term. Each Local Board is responsible for determining eligibility for membership, service credits, eligibility for benefits, timing of benefit payments, and the amount of benefits for its eligible group of employees. All costs associated with the administration of the Local Boards are paid by the various governing bodies.

The addition or deletion of eligible groups does not require the approval of the other participating employers. New eligible groups are approved for participation by the Fund Manager. The PSPRS is not reported as a component unit of any other organization. The Local Boards are reported as component units of their respective sponsoring organization.

The Fund Manager of the PSPRS is also responsible for the investment and general administration of two other statewide retirement plans—the Corrections Officer Retirement Plan and the Elected Officials' Retirement Plan. The investments and expenses of these plans are held and accounted for separately from those of the PSPRS. Since none of the plans have the authority to impose their will on any of the other plans, each plan is reported as its own stand-alone government.

At June 30, 2003 and 2002, the number of participating local government employer groups was:

	2003	2002
Municipalities	118	118
Counties or County Agencies	21	21
State Agencies	10	10
Special Districts	46	45
Total Employers	195	194

Any state or local government in the State of Arizona may elect to have its paid, full-time eligible employees (generally, fire fighters and police officers in full-time hazardous duty positions) covered by the PSPRS. At June 30, 2003 and 2002, statewide PSPRS membership consisted of:

	2003	2002
Retirees and beneficiaries currently receiving benefits	6,184	5,989
Terminated vested employees	84	82
Deferred Retirement Option Plan (DROP)	1,011	645
Current employees		
Vested	6,485	6,522
Non-vested	9,045	9,035
Total Members	22,809	22,273

PSPRS provides retirement benefits as well as death and disability benefits. A member of the System does not have vested rights to benefits under the System until he files an application for benefits and is found eligible for those benefits.

An eligible claimant's rights to benefits vest on the date of his application for those benefits or his last day of employment under the System, whichever occurs first. A summary of benefits and plan provisions follows:

SUMMARY OF BENEFITS

Purpose (A.R.S. §38-841)

To provide a uniform, consistent and equitable statewide program for public safety personnel who are regularly assigned hazardous duty in the employ of the State of Arizona, or a political subdivision of this State. Membership consists of those eligible employees who are employed by an employer who entered the System in 1968 or who has entered into an agreement to join the System on behalf of an eligible group.

Eligibility (A.R.S. §38-842, ¶13)

Full-time paid firefighters, whose customary employment is at least forty hours per week, of a participating employer who is or was regularly assigned to hazardous duty of the type normally expected of a firefighter and full-time paid certified peace officers, whose customary employment is at least forty hours per week, of a participating employer who is or was regularly assigned to hazardous duty of the type normally expected of a certified peace officer.

Contributions

Each member shall contribute 7.65% of compensation to the System on a pre-tax basis by payroll deduction. (A.R.S. §38-843.C). Each employer shall contribute a level percent of compensation as determined by actuarial valuation to ensure proper funding for the System but not less than 2% of compensation (A.R.S. §38-843.B).

Credited Service (A.R.S. §38-842, ¶ 8)

The member's total period of service before the member's effective date of participation, plus those compensated periods of the member's service thereafter for which the member made contributions to the fund.

Average Monthly Compensation (A.R.S. §38-842, ¶ 4)

One thirty-sixth of total compensation paid a member during the highest three consecutive years out of the last twenty years of credited service.

Compensation (A.R.S. §38-842, ¶ 7)

For purposes of computing retirement benefits, base salary, overtime pay, shift differential pay and holiday pay paid to an employee on a regular monthly, semimonthly or bi-weekly payroll basis and longevity pay paid to an employee at least every six months for which contributions are made to the System. Compensation does not include payments for unused sick leave, payment in lieu of vacation payment for compensatory time or any other payment for fringe benefits.

Normal Retirement Date (A.R.S. §38-842, ¶ 20)

First day of month immediately following completion of twenty years of service, or following sixty-second birthday and completion of fifteen years of service.

The amount of monthly normal pension is based on credited service and average monthly compensation as follows:

For retirement with twenty years of credited service but less than twenty-five years of credited service, 50% of average monthly compensation for the first twenty years of credited service, plus 2% of average monthly compensation for each year of credited service between twenty and twenty-five. (A.R.S. §38-845.A, ¶ 2)

For retirement with twenty years of service, but less than twenty years of credited service, the pension is reduced by a rate of 4% per year for each year of credited service under twenty years. (A.R.S. §38-845.A, ¶ 1)

For retirement with twenty-five or more years of credited service, 50% of average monthly compensation for the first twenty years of credited service, plus 2-1/2% of average monthly compensation for each year of credited service above twenty years, up to a maximum of 80% of average monthly compensation. (A.R.S. §38-845.A, ¶ 2)

Deferred Retirement Option Plan (DROP) (A.R.S. §§38-844.02 through 38-844.09)

Effective August 9, 2001, a member with 20 or more years of credited service under the System may enter into a DROP program with his employer. Under the DROP program, the member must voluntarily and irrevocably elect to enter into the program with his employer for a period of up to 60 months. During the DROP period, the member remains in the employ of the employer as a full-time paid firefighter or full-time paid certified peace officer but no member or employer contributions are made to the System, therefore no additional years of credited service are accrued on the member's behalf. The member's monthly pension is calculated based upon the years of credited service and average monthly compensation at the beginning of the DROP period. This monthly pension amount is credited to a DROP participation account with interest at the rate of 9% annually, but credited monthly to the account. At the end of the DROP period or prior to that time if the member terminates employment, the monies in the DROP participation account will be either paid to the member in a lump-sum amount or paid in a lump-sum distribution to an eligible retirement plan or individual retirement account. The member will then begin receiving the monthly pension amount directly from the System in the same amount as was being credited to the DROP participation account.

Deferred Retirement (A.R.S. §38-846.01)

A member with at least ten years of credited service, who terminates employment, may elect to leave their contributions in the System and receive a deferred retirement allowance, commencing at age sixty-two. Pension is a lifetime monthly annuity, based on twice the amount of the member's contributions. Under this option, there is no survivor benefit payable. The benefit is forfeited if the member elects a refund of their contributions.

Accidental Disability Retirement (Service Connected) (A.R.S. §38-842, ¶ 1, A.R.S. §38-845.B and A.R.S. §38-844.B)

Total and permanent disability incurred in performance of duty, preventing performance of a reasonable range of duties within the employee's job classification. No credited service requirement. The pension is 50% of average monthly compensation or normal pension amount, whichever is greater.

Ordinary Disability Retirement (Not Service Connected) (A.R.S. §38-842, ¶ 21 and §38-845.C and §38-844.B)

Physical condition: Total and permanent disability preventing performance of a reasonable range of duties within the employee's department, prior to normal retirement date. Mental condition: Total and permanent disability preventing any substantial gainful activity, prior to normal retirement date. Benefit is a percentage of normal retirement. The percentage is computed based on the employee's years of credited service divided by twenty.

Offset Of Accidental Or Ordinary Disability Pension (A.R.S. §38-844.F)

Before the member's normal retirement date, an accidental or ordinary disability pension will be reduced if the retiree engages in any employment and the income from this employment is greater than the retiree's pension. The reduction is equal to the difference between the retiree's income from employment and the retiree's pension.

Temporary Disability (Service Connected) (A.R.S. §38-844.H and §38-842, ¶ 28)

Total and presumably temporary disability, incurred in performance of duty, prior to normal retirement, preventing performance of a reasonable range of duties within the employee's department. No credited service requirement. Monthly pension is one-twelfth of 50% of annual compensation at time of disability. Payments terminate after twelve months or return to work. Member must terminate employment to receive this benefit.

Survivor Pension (A.R.S. §38-846)

The survivors of members, who die in service, or after retirement, are eligible for benefits as follows: No credited service requirement.

Spouse's Pension – Four-fifths (80%) of the pension the deceased active member would have been paid for accidental disability retirement, or in the case of retired member, four-fifths (80%) of retired member's pension. Requires two years of marriage for a retired member's spouse. Terminates on death. For a member killed in the line of duty, the spouse's pension is 100% of deceased member's average monthly benefit compensation, less any amount payable for an eligible child. (A.R.S. §38-846.A and §38-846.B)

Child's Pension - One-tenth of pension deceased active member would have been paid for accidental disability retirement (equal shares of two-tenths if more than two children), or, in the case of a retired member, one-tenth of the retired member's pension (equal shares of two-tenths if more than two children). Eligible child must be unmarried, a dependent of the surviving spouse or guardian and either under the age of 18 or a full-time student under the age of 23 or under a disability which began before the age of 23. (A.R.S. §38-842, ¶ 12 and 38-846.E)

Guardian's Pension - Same amount as spouse's pension. Payable only during periods no spouse is being paid and there is at least one eligible child. (A.R.S. §38-846.C and §38-846.D)

Death Benefit (A.R.S. §38-846.F)

If a member has accumulated contributions remaining in the System at the date of death of the last pension recipient the remaining accumulated contributions are payable to the beneficiary named by the member.

Termination Refund (A.R.S. §38-846.02)

Upon termination of employment, for any reason other than death or retirement, a member shall, within twenty days after filing an application with the Fund Manager, receive a lump-sum payment, equal to their accumulated contributions, as of the date of termination, less any benefits paid or any amounts owed to the System. A member forfeits all membership rights and credited service in the System upon receipt of refund of contributions. If the member has 5 or more years of credited service upon termination they shall receive an additional amount according to the schedule below:

- 5 to 5.9—25% of member contributions deducted from the member's salary pursuant to ARS 38-843.C
- 6 to 6.9—40% of member contributions deducted from the member's salary pursuant to ARS 38-843.C
- 7 to 7.9—55% of member contributions deducted from the member's salary pursuant to ARS 38-843.C

8 to 8.9—70% of member contributions deducted from the member's salary pursuant to ARS 38-843.C
9 to 9.9—85% of member contributions deducted from the member's salary pursuant to ARS 38-843.C
10 or more—100% of member contributions deducted from the member's salary pursuant to ARS 38-843.C plus interest at 3% if left on deposit after 30 days.

Transfer Of Contributions To Another Employer (A.R.S. §38-853)

A member who terminates employment with an employer and accepts, within two years, a position with the same, or another employer participating in the System, shall have the credited service transferred to the member's record with the new employer, provided the member leaves the accumulated contributions on deposit with the Fund. The termination of employment shall not constitute a break in service; however, the period not employed shall not be considered as service. (Use Form P1A)

Re-employment And Repayment Of Contributions (A.R.S. §38-849.C)

Members who terminate and take a refund of their contributions may elect, only upon reemployment with the same employer, to recover their prior service. To recover this prior service, their re-employment must be within two years from date of termination and they sign a written election within ninety days after re-employment to reimburse the Fund within one year the amount of monies refunded plus interest at the rate of 9%. (Use form P1B)

Re-employment After Retirement (A.R.S. §38-849.D)

A retired member who is reemployed by an employer shall not make contributions nor accrue credited service during the period of reemployment. However, if the employer from which the member retired reemploys the retired member in the same position, the retired member's pension is suspended during the period of reemployment.

Transfer Into Or Out Of System (A.R.S. §38-855)

A member who changes employment or transfers or is assigned to a non-eligible position because of a change in duties or otherwise may elect one of the following options:

1. Leave service credits and contributions on account with the PSPRS, except that after two years, the member must request a refund of his accumulated contributions or transfer his credited service to another state retirement plan or system.
2. Apply for refund of accumulated member contributions (forfeiting all service credits and membership rights).
3. Transfer all service credits to the Arizona retirement system or plan applicable to the new position pursuant to the requirements for transfer between Arizona state retirement systems.

A member who begins employment with a participating employer in this System and who has credited service from a different Arizona state retirement system may transfer or redeem his prior service to this System pursuant to the requirements for transfer between Arizona state retirement systems.

Redemption Of Prior Service (A.R.S. §38-853.01.A)

Active members who had previous service in this state in a covered position with an employer now participating in the System or had previous service as a full-time paid fire-fighter or full-time paid certified peace officer with an agency of the U.S. Government, a state of the U.S. or a political subdivision of a state of the U.S., may elect to redeem any part of the prior service by paying into the system the amounts required in A.R.S. §38-853.01.B., if the prior service is not on account with any other retirement system. (Use Form P2)

Purchase Of Prior Active Military Service (A.R.S. §38-858)

A member may purchase up to four years of prior active military time even if the member will receive a military pension¹. The member must pay the actuarial present value of the increase of credited service resulting from this purchase (Use Form 18)

Transfer Between State Retirement Systems (A.R.S. §38-921 and §38-922)

Members of any of the four Arizona state retirement systems or plans who have credited service under another Arizona state retirement system or plan may transfer or redeem the credited service to their current Arizona state retirement system or plan by paying or transferring the full actuarial present value of the credited service into their current Arizona retirement system or plan with approval of the Fund Manager or retirement boards involved. A reduced credited service amount may be transferred based on the transfer of the actuarial present value of the credited service under the prior Arizona state system or plan. (Use Form U2)

¹ Pursuant to *Cantwell v. County of San Mateo*, 631 F.2d 631, 637 (9th Cir. 1980), cert. denied, 450 U.S. 998 (1981), the System must allow its participants to use up to 48 months of their prior active duty military service on account with the federal government to purchase a corresponding period of credited service with the Plan, notwithstanding any prohibition in § 38-858(A)(3) to the contrary.

Cola Benefit Increases (A.R.S. 38-856)

Effective July 1 of each year, each retired member or survivor of a retired member may be entitled to a permanent benefit increase in their base benefit. The maximum amount of the increase is four percent (4%) of the average normal PSPRS benefit being received on the preceding June 30 and is contingent upon sufficient excess investment earnings for the fund. To be eligible for the increase the member or survivor must be age 55 or older on July 1 of the current year and was receiving benefits on or before July 31 of the previous year. A member or survivor is also eligible if they were receiving benefits on or before July 31 of the two previous years regardless of age.

Health Insurance Premium Subsidy (A.R.S. §38-857)

For PSPRS retirees or survivors who have elected group health and accident insurance coverage provided and administered by this state or another PSPRS employer, the PSPRS will pay up to the following amounts:

Single		Family		
Not Medicare Eligible	Medicare Eligible	All Not Medicare Eligible	All Medicare Eligible	One with Medicare
\$150.00	\$100.00	\$260.00	\$170.00	\$215.00

Until June 30, 2005, a retiree or survivor who lives in a nonservice area receives up to the following amounts in addition to the subsidy listed above after they have paid an out-of-pocket expense as set forth below. A nonservice area is defined as an area in this state where the state retiree group insurance program or employer's retiree health insurance program does not provide or administer a health maintenance organization (HMO) for which the member or survivor is eligible. The subsidy consists of up to the following amounts:

Single		Family		
Not Medicare Eligible	Medicare Eligible	All Not Medicare Eligible	All Medicare Eligible	One with Medicare
\$300.00 <u>after \$125.00 paid out-of-pocket</u>	\$170.00 <u>after \$100.00 paid out-of-pocket</u>	\$600.00 <u>after \$425.00 paid out-of-pocket</u>	\$350.00 <u>after \$200.00 paid out-of-pocket</u>	\$470.00 <u>after \$400.00 paid out-of-pocket</u>

State Taxation Of PSPRS Benefits (A.R.S. §38-852 and §43-1022)

Effective tax year commencing January 1, 1989, all PSPRS retirement benefits in excess of \$2500 annually will be subject to Arizona state tax.

Purchase Of Handgun Or Shotgun (A.R.S. §38-845)

A PSPRS retiree has the ability to purchase the handgun or shotgun issued by the employer to the member at less than fair market value, subject to approval of the employer.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS**Basis of Accounting**

PSPRS financial statements are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenues when they are due and payable in the period in which employee services are performed. Benefits are recognized when due and payable in accordance with the terms of the System. Refunds are due and payable by state law within 20 days of receipt of a written application for a refund. Refunds are recorded when paid. Furniture and equipment purchases, which are not material in amount, are expensed in the year of purchase. Investment income net of administrative and investment expenses is allocated to each employer group based on the average relative fund size for each employer group for that year.

The System implemented Statement No. 25 of the Governmental Accounting Standards Board (GASB) for Fiscal Year End 1997. As such, the System reports assets on a Fair Value Basis. Certain cost information is provided for reference only and to comply with state law.

The System implemented GASB Statement No. 34 for the Fiscal Year End 2002. The purpose of Statement No. 34 is to enhance the understandability and usefulness of state and local government financial reports. To accomplish this, Statement No. 34 requires supplemental information titled Management's Discussion and Analysis (MDA) which precedes the basic financial statements. The MDA will provide an analytical overview of the government's financial activities.

Other GASB Statements were required to be implemented in conjunction with GASB Statement No. 34. Therefore, the System has also implemented the following GASB Statements in the current fiscal year: Statement No. 37 – Basic Financial Statements – and MDA for State and Local Governments-Omnibus; and, Statement No. 38 – Certain Financial Statement Note Disclosures.

By state statute, this System is required to provide information in the financial statements used to calculate Net Effective Yield. Net Effective Yield includes only realized gains and losses. The Net Realized Gains (Losses) used in this calculation totaled \$(473,341,153) for FYE 2003 and \$(25,030,995) for FYE 2002.

Investments

PSPRS investments are reported at Fair Value. Fair Values are determined as follows: Short-term investments are reported at Fair Value, which approximates Cost. Equity securities are valued at the last reported sales price. Fixed-income securities are valued using the last reported sales price or the estimated fair market value as determined by one of the world's largest and most prominent fixed-income broker/dealers. Investments that do not have an established market are reported at estimated fair value. Investment income is recognized as earned.

Statutes enacted by the Arizona Legislature authorize the Fund Manager to make investments in accordance with the "Prudent Man" rule. The Fund Manager is not limited to so-called "Legal Investments for Trustees." In making every investment, the Fund Manager shall exercise the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income from their funds as well as the probable safety of their capital, provided:

- 1) That not more than seventy percent of the pension fund shall be invested at any given time in corporate stocks, based on cost value of such stocks irrespective of capital appreciation.
- 2) That not more than five percent of the pension fund shall be invested in securities issued by any one institution, agency or corporation, other than securities issued as direct obligations of and fully guaranteed by the United States Government.
- 3) That not more than five percent of the voting stock of any one corporation shall be owned.
- 4) That corporate stocks eligible for purchase shall be restricted to stocks that, except for bank stocks and insurance stocks, are either:
 - a) Listed or approved on issuance for listing on an exchange registered under the Securities Exchange Act of 1934, as amended (15 United States Code §78a through §7811);
 - b) Designated or approved on notice of issuance for designation on the national market system of a national securities association registered under the Securities Exchange Act of 1934, as amended (15 United States Code §78a through §7811)
 - c) Listed or approved on issuance for listing on an exchange registered under the laws of this [Arizona] state or any other state; or
 - d) Listed or approved on issuance for listing on an exchange registered of a foreign country with which the United States is maintaining diplomatic relations at the time of purchase, except that no more than ten percent of the pension fund shall be invested in foreign equity securities on these exchanges, based on the cost value of the stocks irrespective of capital appreciation.

A.R.S. §38-848.D

The System's investment portfolio is in compliance with state law.

Statement No. 3 of the GASB requires government entities to categorize investments for the purpose of giving an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which securities are held by the System or its agent in the name of the System. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the System's name.

All investments of the System (other than those held by broker/dealers under the security loan program and those investments categorized as "Other Investments") meet the criteria of Category 1. "Other Investments", which primarily consists of loans and real estate investments, are not considered securities for purposes of credit risk classification. Substantially all investments are held in the name of the System by its custodian bank.

Money Market Account

The money market account is on deposit with an Arizona bank. These deposits are insured by federal depository insurance. The money market account is subject to the general depository laws of the State of Arizona that require deposits to be either insured by the Federal Deposit Insurance Corporation or collateralized by certain securities including U.S. Government obligations and first mortgages.

Securities Lending Income

The System is party to a securities lending agreement with a bank. The bank, on behalf of the System, enters into agreements with brokers to loan securities and have the same securities returned at a later date. The loans are fully collateralized primarily by cash. Collateral is marked-to-market on a daily basis. Non-cash collateral can be sold only upon borrower default. The System requires collateral of at least 102% of the fair value of the loaned U.S. Government or corporate security. Securities on loan are carried at fair value. As of June 30, 2003 and 2002 the fair value of securities on loan was \$1,009,389,578 (consisting of Stocks-\$530,226,766, Corporate Bonds-\$205,929,378 and Treasuries and Agencies-\$273,233,434) and \$995,801,848 (consisting of Stocks-\$420,186,296, Corporate Bonds-\$136,573,032 and Treasuries and Agencies-\$439,042,520), respectively. The System receives a negotiated fee for its loan activities and is indemnified for broker default by the securities lending agent. The System participates in a collateral investment pool. All security loans may be terminated on demand by either the lender or the borrower. The total cash collateral investments received for unmatched loans (any loan for which the cash collateral has not been invested for a specific maturity) will have a maximum effective duration of 233 days. And, at least 20% of total collateral investments shall be invested on an overnight basis. All matched loans shall have matched collateral investments. At June 30, 2003, the weighted average maturity was 3 days for all investments purchased with cash collateral from unmatched loans. The System has no credit risk because the amounts owed to the borrowers exceed the amounts the borrowers owe to the System. Under this program, the System has not experienced any defaults or losses on these loans.

Property

These assets are stated at cost, and depreciable assets are depreciated using the straight-line method over the estimated life of the asset. Repairs and maintenance are charged to expense as incurred. Depreciation expense for June 30, 2003 and 2002 was \$11,905 and \$11,905, respectively.

Property consists of the following:

	<u>Estimated Useful Life</u>	<u>2003</u>	<u>2002</u>
Land		\$ 158,731	\$ 158,731
Building	40 years	\$ 479,596	\$ 479,596
Fixtures	3 years	\$ 55,459	\$ 55,459
		<u>\$ 693,786</u>	<u>\$ 693,786</u>
Less Accumulated Depreciation		<u>\$ 248,788</u>	<u>\$ 236,883</u>
		<u>\$ 444,998</u>	<u>\$ 456,903</u>

NOTE 3 - CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

The Retirement System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities and assets in excess of actuarial accrued liabilities are being amortized as a level percent of payroll over a rolling twenty (20) year period. Beginning with fiscal year 2001-2002, the employer contribution rate shall not be less than two per cent of compensation.

During the year ended June 30, 2003, contributions totaling \$118,737,957 (\$50,800,669 employer and \$67,937,288 member) were made in accordance with contribution requirements determined by an actuarial valuation of the System as of June 30, 2001. The employer contributions consisted of approximately \$99,552,548 for normal cost less (\$48,751,879) for amortization of the assets in excess of the actuarial accrued liability in aggregate. Employer contributions represented 3.75% of covered payroll. [11.21% for normal costs and (7.46)% for amortization of assets in excess of the actuarial accrued liability in aggregate.] Member contributions represented 7.65% of covered payroll and are attributable to normal costs.

During the year ended June 30, 2002, contributions totaling \$114,470,132 (\$51,983,407 employer and \$62,486,725 member) were made in accordance with contribution requirements determined by an actuarial valuation of the System as of June 30, 2000. The employer contributions consisted of approximately \$108,656,296 for normal cost less (\$56,672,889) for amortization of the assets in excess of the actuarial accrued liability in aggregate. Employer contributions represented 4.21% of covered payroll. [10.86% for normal costs and (6.65)% for amortization of assets in excess of the actuarial accrued liability in aggregate.] Member contributions represented 7.65% of covered payroll and are attributable to normal costs.

NOTE 4 - REQUIRED SCHEDULES

The Schedule of Funding Progress and the Schedule of Employer Contributions are presented immediately following the notes to the financial statements.

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**

While not any one or two numeric indices can fully describe the financial condition of a retirement system, the ratio of unfunded actuarial accrued liabilities to active member payroll is significant. The ratio of unfunded actuarial accrued liabilities to member payroll is a relative index of condition where inflation is present in both items. Observation of the ratio over a period of years gives an indication of funding achievement. The smaller the index, the stronger the system's condition. Shown below is a Comparative Schedule (\$ in thousands) since legislation was enacted in 1977, setting up a 40-year amortization schedule. Effective June 30, 1997, Unfunded (Excess) Actuarial Accrued Liabilities are being amortized on a level percent method over a rolling twenty (20) year period.

Actuarial Valuation Date	Actuarial Value of Assets (a)²	Actuarial Accrued Liability (AAL) at Entry Age (b)	Unfunded (Excess) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-77	\$ 198,449	\$ 252,662	\$ 54,213	78.5%	\$ 97,177	55.8%
6-30-78	\$ 234,751	\$ 281,716	\$ 46,965	83.3%	\$ 109,359	42.9%
6-30-79	\$ 276,500	\$ 322,354	\$ 45,854	85.8%	\$ 125,667	36.5%
6-30-80	\$ 323,768	\$ 371,873	\$ 48,105	87.1%	\$ 144,371	33.3%
6-30-81 *	\$ 381,720	\$ 407,302	\$ 25,582	93.7%	\$ 165,055	15.5%
6-30-82	\$ 446,529	\$ 475,147	\$ 28,618	94.0%	\$ 185,650	15.4%
6-30-83 ¹	\$ 519,155	\$ 557,232	\$ 38,077	93.2%	\$ 199,736	19.1%
6-30-84 *	\$ 599,945	\$ 617,369	\$ 17,424	97.2%	\$ 217,163	8.0%
6-30-85 *	\$ 693,159	\$ 706,779	\$ 13,620	98.1%	\$ 244,094	5.6%
6-30-86 *	\$ 816,882	\$ 802,038	\$ (14,844)	101.9%	\$ 268,511	-5.5%
6-30-87 ¹	\$ 919,931	\$ 915,089	\$ (4,842)	100.5%	\$ 299,559	-1.6%
6-30-88 *	\$ 1,037,988	\$ 1,026,251	\$ (11,737)	101.1%	\$ 321,750	-3.6%
6-30-89 ¹	\$ 1,164,003	\$ 1,156,502	\$ (7,501)	100.6%	\$ 345,743	-2.2%
6-30-90 *	\$ 1,297,562	\$ 1,322,781	\$ 25,219	98.1%	\$ 371,950	6.8%
6-30-91 *	\$ 1,432,023	\$ 1,470,778	\$ 38,755	97.4%	\$ 402,687	9.6%
6-30-92 *	\$ 1,595,739	\$ 1,605,890	\$ 10,151	99.4%	\$ 415,471	2.4%
6-30-93 *	\$ 1,769,345	\$ 1,758,746	\$ (10,599)	100.6%	\$ 425,811	-2.5%
6-30-94 *	\$ 1,945,166	\$ 1,932,046	\$ (13,120)	100.7%	\$ 451,022	-2.9%
6-30-95 *	\$ 2,181,351	\$ 2,117,733	\$ (63,618)	103.0%	\$ 496,063	-12.8%
6-30-96 *	\$ 2,487,953	\$ 2,328,276	\$ (159,677)	106.9%	\$ 541,231	-29.5%
6-30-97 *	\$ 2,915,173	\$ 2,533,435	\$ (381,738)	115.1%	\$ 579,341	-65.9%
6-30-98 *	\$ 3,192,627	\$ 2,743,998	\$ (448,629)	116.3%	\$ 625,222	-71.8%
6-30-99 *	\$ 3,709,251	\$ 3,082,202	\$ (627,049)	120.3%	\$ 682,184	-91.9%
6-30-00 *	\$ 4,260,168	\$ 3,415,157	\$ (845,011)	124.7%	\$ 751,280	-112.5%
6-30-01 *	\$ 4,661,941	\$ 3,674,758	\$ (987,183)	126.9%	\$ 826,740	-119.4%
6-30-02 *	\$ 4,684,386	\$ 4,144,211	\$ (540,175)	113.0%	\$ 854,249	-63.2%
6-30-03 *	\$ 4,435,373	\$ 4,739,613	\$ 304,240	93.6%	\$ 881,285	34.5%

* One-time cost-of-living adjustments for retired members and survivors, effective July 1 were included in this valuation. Future increases for retirees and their survivors are dependent upon excess earnings created by the System.

1. Significant benefit changes were enacted by the 1983 Legislature, the 1987 Legislature and the 1989 Legislature, respectively.
2. Excludes the amount held in reserve for future benefit increases. Beginning 6-30-95, includes an amount for partial recognition of the difference between market value and book value of System assets amortized over a four-year period.

AAL is calculated using the entry-age normal method. Significant assumptions used in determining AAL include: (a) a rate of return on the investment of present and future assets of 9.0% per year compounded annually; (b) projected salary increases of 6.5% per year compounded annually, attributable to an assumed inflation rate of 5.5% and other across-the-board factors of 1.0%; and (c) additional projected salary increases ranging from 0.0% to 3.0% per year, depending on age, attributable to seniority/merit.

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ended June 30	Employer Contributions	
	Annual Required Contributions	Percentage Contributed
1990	\$19,854,866	100.00%
1991	\$27,845,260	100.00%
1992	\$35,813,576	100.00%
1993	\$41,332,044	100.00%
1994	\$41,197,876	100.00%
1995	\$40,455,946	100.00%
1996	\$46,369,942	100.00%
1997	\$52,469,969	100.00%
1998	\$45,320,932	100.00%
1999	\$44,384,344	100.00%
2000	\$46,890,892	100.00%
2001	\$52,540,310	100.00%
2002	\$51,983,407	100.00%
2003	\$50,800,669	100.00%

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPORTING SCHEDULE OF CHANGES IN FUND BALANCE RESERVES
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

	Refundable Members' Reserve	Employers' Reserve	Future Benefit Increase Reserve
Balance - June 30, 2001	\$ 449,791,950	\$ 3,309,372,289	\$ 662,898,016
Distribution of Revenues and Expenses			
Members' Contributions	62,486,725		
Employers' Contributions		51,983,407	
Earnings (Loss) on Investments Net of Investment Expenses		(654,569,821)	
Pension and Insurance Benefits		(185,035,202)	
Refunds to Terminated Members	(4,099,823)	(1,958,100)	
Administrative Expenses		(735,241)	
Distribution of Transfers			
Excess Investment Earnings to be used for Future Benefit Increases			-
Earnings on Excess Investment Earnings Account Assets		98,838,094	(98,838,094)
Amount Utilized by Benefit Increases Granted		61,603,276	(61,603,276)
Net Transfers from Other State-Sponsored Pension Plans	2,308,847	3,875,189	
Inter-System Transfers -- Member Account Balances Transferred to Employers' Reserve due to Retirement	(14,922,563)	14,922,563	
Balance - June 30, 2002	\$ 495,565,136	\$ 2,698,296,454	\$ 502,456,646
Distribution of Revenues and Expenses			
Members' Contributions	67,937,288		
Employers' Contributions		50,800,669	
Earnings (Loss) on Investments Net of Investment Expenses		233,424,569	
Pension and Insurance Benefits		(209,715,238)	
Refunds to Terminated Members	(4,183,429)	(2,239,536)	
Administrative Expenses		(812,332)	
Distribution of Transfers			
Excess Investment Earnings to be used for Future Benefit Increases			-
Earnings (Loss) on Excess Investment Earnings Account Assets		(33,664,595)	33,664,595
Amount Utilized by Benefit Increases Granted		67,995,889	(67,995,889)
Net Transfers from Other State-Sponsored Pension Plans	311,218	696,652	
Inter-System Transfers -- Member Account Balances Transferred to Employers' Reserve due to Retirement	(15,813,198)	15,813,198	
Balance - June 30, 2003	\$ 543,817,016	\$ 2,820,595,730	\$ 468,125,352

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPORTING SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES
SUPPORTING SCHEDULE OF PAYMENTS TO CONSULTANTS
FOR THE YEAR ENDED JUNE 30, 2003**

	Administrative	Investment	Total
Accounting and Auditing Services	\$ 7,300	\$ -	\$ 7,300
Actuarial Services	82,825	-	82,825
Computer Equipment	18,121	7,930	26,051
Contractual Services	30,559	13,373	43,932
Educational Expenses	20,482	34,682	55,164
Furniture and Equipment	3,933	1,721	5,654
Investment Services	-	3,138	3,138
Occupancy Expenses	23,209	3,386	26,595
Office Supplies	6,743	2,213	8,956
Payroll Taxes and Fringe Benefits	103,799	68,136	171,935
Postage Expenses	24,807	3,619	28,426
Printing, Publications and Subscriptions	11,810	1,306	13,116
Professional Services	25,410	3,707	29,117
Salaries and Wages	444,088	291,508	735,596
Telephone Expenses	7,552	1,750	9,301
Travel Expenses	1,694	1,585	3,279
	\$ 812,332	\$ 438,054	\$ 1,250,386

Consultants

	Fees Paid
Standard & Poor's Securities, Inc. - Investment Counsel	\$ (1)
Rodwan & Nichols - Consulting Actuaries	82,825
Barrows & Schatza, P.L.C. - Auditors	7,300
Lieberman, Dodge, Gerding, Kothe & Anderson, Ltd. - Legal Counsel	29,117
	\$ 119,242

(1) This Service was provided to the System without charge by Standard & Poor's Securities, Inc.
The value of these services is approximately \$120,000.

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPLEMENTAL SCHEDULE OF
CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

	2003	2002
RECEIPTS		
Members' Contributions	\$ 68,178,126	\$ 62,118,748
Employers' Contributions	50,012,976	51,462,213
Interest	92,551,834	100,484,735
Dividends	18,199,109	15,657,145
Securities Lending Income	1,640,486	2,215,163
Amounts Transferred from Other		
State-Sponsored Pension Plans	1,393,776	6,412,646
Maturities and Sales of		
U.S. Government Securities	161,526,651	141,121,295
Corporate Bonds	124,747,149	105,305,404
Corporate Notes	9,203,176,586	10,437,640,193
Other Investments	108,629,495	47,519,269
Common Stock	559,512,947	434,912,001
Net Decrease in Money Market Fund		665,405
Total Receipts	10,389,569,135	11,405,514,217
DISBURSEMENTS		
Pension Benefits	209,715,238	185,035,202
Refunds to Terminated Members	6,422,965	6,057,924
Investment and Administrative Expenses	1,238,481	1,075,418
Amounts Transferred to Other		
State-Sponsored Pension Plans	385,905	228,610
Acquisitions of		
U.S. Government Securities	-	39,862,500
Corporate Bonds	127,789,376	150,935,624
Corporate Notes	9,312,347,998	10,470,116,109
Other Investments	107,261,483	93,301,281
Common Stock	623,993,684	458,901,549
Property		
Net Increase in Money Market Fund	414,006	-
Total Disbursements	10,389,569,135	11,405,514,217
DECREASE IN CASH	-	-
BEGINNING CASH BALANCE - July 1	-	-
ENDING CASH BALANCE - June 30	\$ -	\$ -

INVESTMENT SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
THIRTY-FIFTH COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2003

Fund Objectives

Investment Performance Data

Supporting Schedule of Commissions Paid to Brokers

Summary of Changes in Investment Portfolio

Detailed List of Investments Acquired

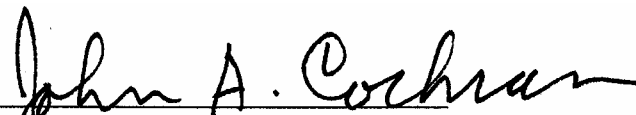
Detailed List of Sales and Redemption of Investments


Detailed List of Investments Owned

FUND OBJECTIVES

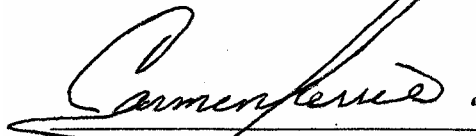
1. The intent of the Public Safety Personnel Retirement System, the Elected Officials' Retirement Plan and the Corrections Officer Retirement Plan (hereinafter referred to as the Plan) is to provide the Plan participants benefits as defined in Title 38, chapter 5, articles 3, 4 and 6 of the Arizona Revised Statutes.
2. The Fund Manager and the Administrator will discharge their duties with respect to the Plan solely in the interest of the Plan participants, beneficiaries and employer sponsors. In making every investment, the Fund Manager shall exercise the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income from their funds as well as the probable safety of their capital, provided these investments are made in conformity with all applicable laws.
3. The intention of the Plan is to maintain the benefit level as stated in Title 38, chapter 5, articles 3, 4 and 6 of the Arizona Revised Statutes and as amended from time to time by the Arizona State Legislature. In order to maintain this benefit level the Plan will annually adjust the employer contribution rate based on the recommendations made by the annual actuarial valuations. The Plan's funding goal is for the Plan assets to be equal to Plan liabilities within any twenty-year period.
4. It is the intent of the Plan to level off or reduce the employer contribution rate to the Plan as well as to provide the opportunity for increased benefits for retirees as the legislature may from time to time enact, through the systematic growth of the investments of the fund.
5. The primary objective of the investment program of the Plan is a reasonable, long-range total rate of return. Inherent in this goal is the preservation and enhancement of capital through effective management of the portfolio in order to take advantage of attractive opportunities various market sectors have to offer.


Adopted this 17th day of June, 1998, by the Fund Manager.


John A. Cochran, Ph.D., Chairman


F. Michael Geddes, Member


Donald L. De Ment, Member


Carmen Torrie, Member


Tony West, Member

Added 11-57-92
Revised 11-55-97
Revised 06-45-98

STANDARD
& POOR'S

55 Water Street
New York, NY 10041-0003
212 438 1000 Tel
212 438 3909 Fax

August 28, 2003

The Fund Manager
Public Safety Personnel Retirement System
of the State of Arizona
1020 East Missouri Avenue
Phoenix, Arizona 85014

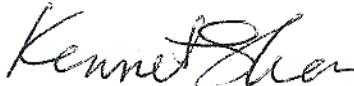
Dear Sirs:

The attached charts and tables depict the investment performance for the Public Safety Retirement System of the State of Arizona. The performance results shown are based entirely on data provided by the plan's staff and does not constitute an audit on Standard & Poor's part. We note that Standard & Poor's has assumed that all data that has been supplied by the staff is accurate and complete and that Standard & Poor's has not taken steps to verify same. We also note that the performance was calculated under the assumption that cash inflows and outflows take place uniformly throughout each month.

The performance data include realized and unrealized capital gains and losses, as well as interest and dividend income earned by the fund. We believe these computations were performed in accordance with accepted AIMR procedures.

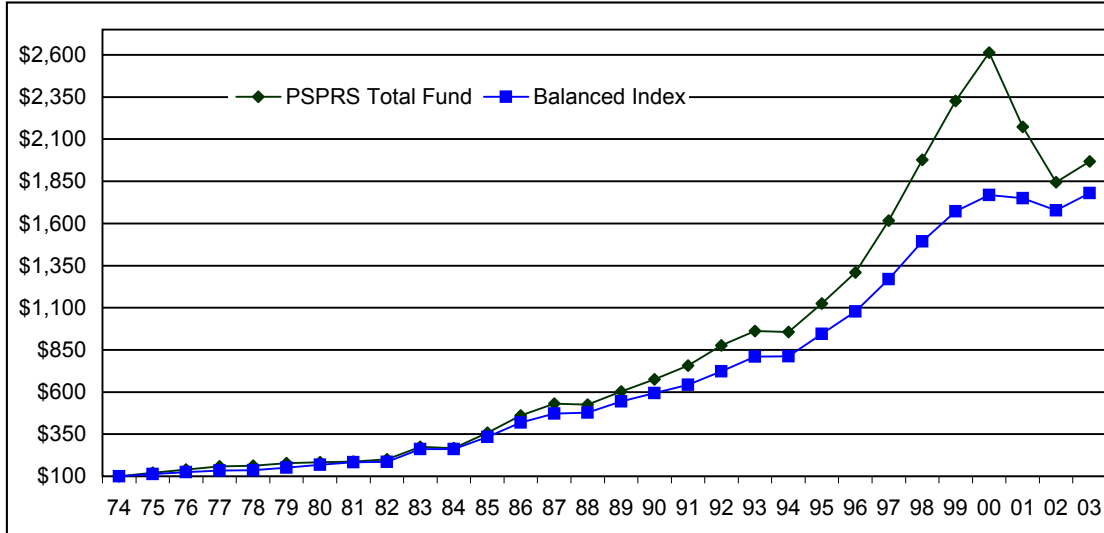
Based on the foregoing, during the past fiscal year, the stock portfolio outperformed the NYSE and S&P 500 indices, while the bond portfolio underperformed the Lehman Government/Credit Index. The overall fund outperformed a custom benchmark, using bond and stock indices weighted in a fixed proportion. The overall fund has attained a rate of return over the past twenty years (in line with the actuarial assumptions of the fund) that compares favorably with this custom index.

Sincerely,



Kenneth Shea
Managing Director-Global Equity Research

**Investment Performance Data
Cumulative Return - Total Fund
Public Safety Personnel Retirement System**



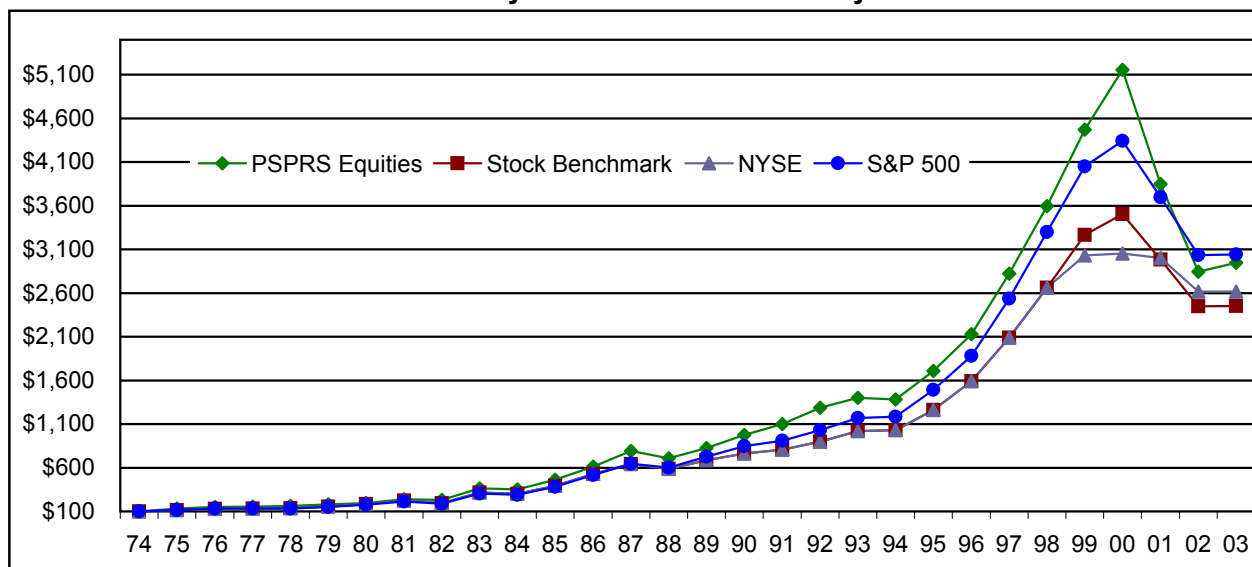
FYE	Fair Value	Contribution	Total Return	Balanced Index*
06-30-03	\$ 3,797,874,751	\$ (99,343,854)	6.67%	6.18%
06-30-02	\$ 3,663,355,981	\$ (74,748,840)	-15.07%	-4.13%
06-30-01	\$ 4,392,242,834	\$ (58,899,769)	-16.86%	-1.07%
06-30-00	\$ 5,346,760,140	\$ (40,728,025)	12.31%	5.75%
06-30-99	\$ 4,799,032,031	\$ (42,171,100)	17.69%	11.94%
06-30-98	\$ 4,117,504,057	\$ (27,295,036)	22.24%	17.66%
06-30-97	\$ 3,393,713,299	\$ (15,244,314)	23.43%	17.87%
06-30-96	\$ 2,764,579,315	\$ (13,627,135)	16.45%	13.98%
06-30-95	\$ 2,387,258,324	\$ (11,730,534)	17.69%	16.30%
06-30-94	\$ 2,040,534,626	\$ (3,736,636)	-0.71%	0.25%
06-30-93	\$ 2,058,778,434	\$ (5,497,735)	9.76%	12.26%
06-30-92	\$ 1,880,846,956	\$ 9,729,880	15.89%	12.12%
06-30-91	\$ 1,614,307,083	\$ 10,925,999	12.21%	8.32%
06-30-90	\$ 1,428,631,192	\$ 7,099,861	11.82%	9.21%
06-30-89	\$ 1,270,848,790	\$ 19,119,731	14.70%	13.98%
06-30-88	\$ 1,089,934,034	\$ 15,123,458	-1.10%	1.19%
06-30-87	\$ 1,086,519,311	\$ 21,366,628	15.50%	12.61%
06-30-86	\$ 921,122,839	\$ 17,116,567	28.34%	25.50%
06-30-85	\$ 704,031,440	\$ 18,162,936	34.17%	28.01%
06-30-84	\$ 515,661,673	\$ 21,383,722	-2.45%	-0.53%
06-30-83	\$ 507,216,188	\$ 20,393,414	36.84%	41.25%
06-30-82	\$ 354,453,695	\$ 23,006,994	7.19%	1.19%
Annualized Returns			3-year	0.23%
			5-year	3.58%
			10-year	8.19%
			15-year	9.17%
			20-year	10.05%

*The Balanced Index is calculated using the following formula: 45% Stock Benchmark + 45% Lehman Government/Credit + 10% 91 Day T-bill.

Our investment universe is the New York Stock Exchange (NYSE) prior to July 21, 1997. Prior to FYE June 30, 1998, the Fund's stock benchmark was the NYSE Composite. S&P 500 is the stock benchmark for each FYE thereafter. The Lehman Government/Credit bond index includes more than 5,000 publicly traded bond issues of \$25 million or more rated Baa or better for a total market value of more than \$2 trillion.

Prior to 1990, the weightings in each asset class were calculated using the fiscal year-end market values. Since 1990, the asset class weightings have been calculated using the average weightings of the quarter's beginning and ending market values.

**Investment Performance Data
Cumulative Return - Domestic Equities
Public Safety Personnel Retirement System**



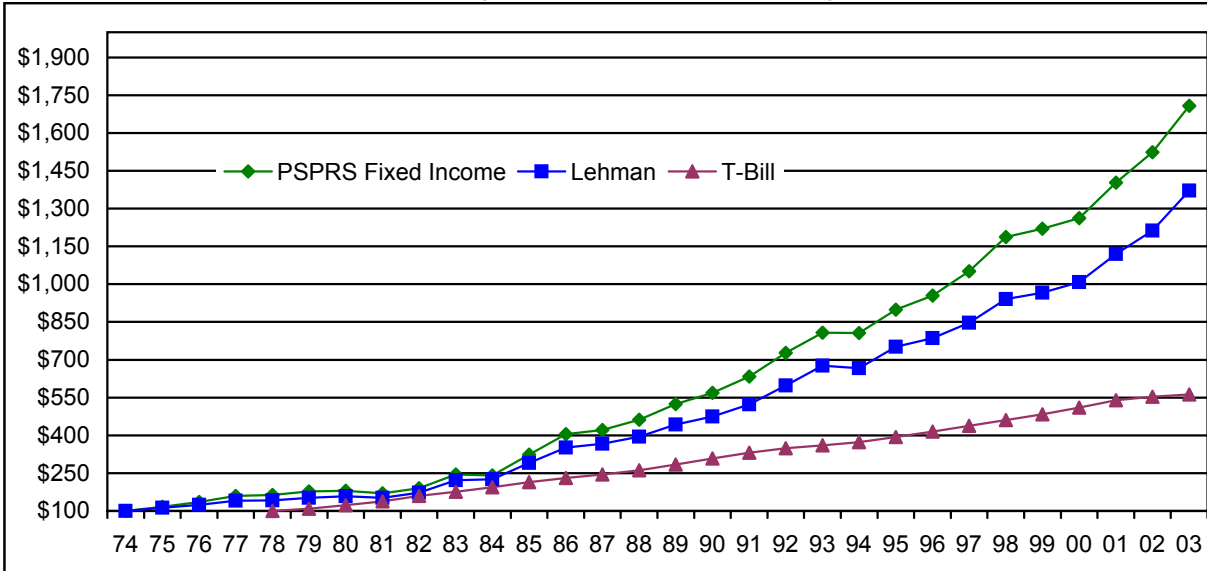
FYE	Fair Value	Contribution	Total Return	Stock* Benchmark	NYSE Index	S&P 500
06-30-03	\$ 2,323,385,091	\$ 45,720,114	3.62%	0.25%	-0.05%	0.25%
06-30-02	\$ 2,210,717,178	\$ 8,307,260	-26.12%	-17.99%	-12.80%	-17.99%
06-30-01	\$ 2,977,526,884	\$ (139,900,329)	-25.35%	-14.83%	-1.77%	-14.83%
06-30-00	\$ 4,149,828,967	\$ 91,069,097	15.31%	7.25%	0.84%	7.25%
06-30-99	\$ 3,510,963,034	\$ (24,956,479)	24.42%	22.76%	13.86%	22.76%
06-30-98	\$ 2,847,416,226	\$ 62,789,349	27.36%	27.29%	27.29%	30.16%
06-30-97	\$ 2,189,785,301	\$ 12,414,490	32.48%	31.51%	31.51%	34.71%
06-30-96	\$ 1,646,181,750	\$ 72,955,246	24.62%	25.91%	25.91%	26.00%
06-30-95	\$ 1,249,064,319	\$ (73,778,340)	23.49%	22.40%	22.40%	26.06%
06-30-94	\$ 1,079,624,319	\$ 17,567,044	-1.18%	1.24%	1.24%	1.23%
06-30-93	\$ 1,076,135,294	\$ 20,148,748	8.72%	13.32%	13.32%	13.52%
06-30-92	\$ 924,885,669	\$ 27,758,211	17.00%	11.59%	11.59%	13.45%
06-30-91	\$ 765,961,738	\$ 100,051,684	12.96%	5.50%	5.50%	7.39%
06-30-90	\$ 586,485,375	\$ 38,836,422	17.97%	11.25%	11.25%	16.44%
06-30-89	\$ 463,610,700	\$ (27,032,573)	16.78%	16.81%	16.81%	20.53%
06-30-88	\$ 423,707,612	\$ (94,474,445)	-10.56%	-8.57%	-8.57%	-6.92%
06-30-87	\$ 583,885,788	\$ 65,257,942	29.10%	21.46%	21.46%	25.08%
06-30-86	\$ 395,006,488	\$ (57,644,263)	32.17%	34.36%	34.36%	35.83%
06-30-85	\$ 347,907,038	\$ (4,655,381)	31.07%	31.21%	31.21%	31.19%
06-30-84	\$ 269,543,480	\$ 81,697,323	-2.40%	-5.04%	-5.04%	-4.60%
06-30-83	\$ 195,489,212	\$ 45,082,539	57.04%	61.94%	61.94%	61.01%
06-30-82	\$ 92,342,163	\$ 10,698,094	-3.72%	-12.93%	-12.93%	-11.43%

Annualized Returns	3-year	-17.02%	-11.20%	-5.05%	-11.20%
	5-year	-3.89%	-1.61%	-0.34%	-1.61%
	10-year	7.72%	9.19%	9.89%	10.02%
	15-year	9.98%	10.00%	10.47%	11.39%
	20-year	11.05%	10.79%	11.14%	12.19%

*Our investment universe is the New York Stock Exchange (NYSE) prior to July 21, 1997. Prior to FYE June 30, 1998, the Fund's stock benchmark was the NYSE Composite. S&P 500 is the stock benchmark for each FYE thereafter.

Prior to 1990, the weightings in each asset class were calculated using the fiscal year-end market values. Since 1990, the asset class weightings have been calculated using the average weightings of the quarter's beginning and ending market values.

**Investment Performance Data
Cumulative Return - Fixed Income
Public Safety Personnel Retirement System**



FYE	Fair Value	Contribution	Total Return	Lehman*	91-Day T-Bill	
06-30-03	\$ 1,474,489,661	\$ (145,063,968)	12.06%	13.14%	1.53%	
06-30-02	\$ 1,452,638,803	\$ (83,056,100)	8.59%	8.24%	2.57%	
06-30-01	\$ 1,414,715,950	\$ 81,000,560	11.14%	11.14%	5.89%	
06-30-00	\$ 1,196,931,173	\$ (131,797,122)	3.50%	4.29%	5.53%	
06-30-99	\$ 1,288,068,997	\$ (17,214,621)	2.73%	2.69%	4.90%	
06-30-98	\$ 1,270,087,831	\$ (90,084,385)	12.97%	11.08%	5.28%	
06-30-97	\$ 1,203,927,998	\$ (27,658,804)	10.14%	7.76%	5.43%	
06-30-96	\$ 1,118,397,565	\$ (86,582,381)	6.13%	4.65%	5.52%	
06-30-95	\$ 1,138,194,005	\$ 62,047,807	11.53%	12.75%	5.52%	
06-30-94	\$ 960,910,163	\$ (21,303,679)	-0.16%	-1.45%	3.37%	
06-30-93	\$ 982,643,140	\$ (15,007,410)	11.00%	13.15%	3.37%	
06-30-92	\$ 955,961,286	\$ (18,028,331)	14.90%	14.17%	5.19%	
06-30-91	\$ 848,345,345	\$ (89,127,685)	11.47%	10.21%	7.55%	
06-30-90	\$ 842,145,817	\$ (31,736,561)	8.33%	7.11%	8.50%	
06-30-89	\$ 807,238,090	\$ 46,152,304	13.55%	12.33%	8.47%	
06-30-88	\$ 666,226,422	\$ 109,597,902	9.69%	7.47%	6.75%	
06-30-87	\$ 502,633,523	\$ (43,891,314)	3.99%	4.68%	6.17%	
06-30-86	\$ 526,116,351	\$ 74,760,830	25.23%	20.63%	7.61%	
06-30-85	\$ 356,124,402	\$ 22,818,317	33.86%	28.69%	10.44%	
06-30-84	\$ 246,118,193	\$ (60,313,601)	-1.17%	1.77%	10.23%	
06-30-83	\$ 311,489,212	\$ (24,689,125)	28.83%	29.12%	10.57%	
06-30-82	\$ 262,218,170	\$ 12,308,308	11.52%	13.38%	15.30%	
Annualized Returns			3-year	10.59%	10.82%	3.31%
			5-year	7.53%	7.83%	4.07%
			10-year	7.77%	7.33%	4.54%
			15-year	9.11%	8.66%	5.22%
			20-year	10.21%	9.53%	5.97%

*The Lehman Government/Credit bond index includes more than 5,000 publicly traded bond issues of \$25 million or more and rated Baa or better for a total market value of more than \$2 trillion.

Prior to 1990, the weightings in each asset class were calculated using the fiscal year-end market values. Since 1990, the asset class weightings have been calculated using the average weightings of the quarter's beginning and ending market values.

Our Fixed Income is comprised of all Bonds, Notes, Other Investments and Money Market securities.

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPORTING SCHEDULE OF COMMISSIONS PAID TO BROKERS
FISCAL YEAR ENDED JUNE 30, 2003**

Broker	Number of Shares Traded	Average Commission	Commissions
Greenberg Financial Group	4,903,156	0.048	\$ 237,157.80
ISI Group, Inc.	3,588,800	0.048	\$ 172,440.00
Investors Capital Corporation	1,615,800	0.050	\$ 80,790.00
Merrill Lynch	3,880,300	0.039	\$ 151,753.00
UBS Paine Webber	4,793,000	0.039	\$ 185,177.20
Morgan Stanley/Dean Witter	4,212,695	0.048	\$ 203,634.75
Salomon Smith Barney--Phoenix	6,710,712	0.037	\$ 247,035.60
Salomon Smith Barney--Scottsdale	3,126,747	0.047	\$ 146,337.35
Standard & Poor's Securities	6,541,800	0.050	\$ 327,090.00
U. S. Financial Investments, Inc.	4,263,000	0.048	\$ 205,150.00
Wells Fargo Securities	3,942,500	0.048	\$ 190,125.00
Wells Fargo / Van Kasper	1,550,000	0.050	\$ 77,500.00
Total Commissions	49,128,510	0.045	\$ 2,224,190.70

The System typically pays \$.05 per share traded plus SEC charges on sale transactions. Over the Counter stocks are typically traded net of commissions. The firms with an average commission of less than \$.05 have traded Over the Counter stocks net of commissions for the System.

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUMMARY OF CHANGES IN INVESTMENT PORTFOLIO
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

Description	Percent at Fair Value	Balance June 30, 2002		Acquisitions	Maturities and Sales	(Premium) Discount	Balance June 30, 2003		Percent at Fair Value
		Fair Value	Book Value				Fair Value	Book Value	
U.S. Treasury Obligations	2.96%	108,396,090.00	88,098,694.46	-	-	28,896.79	113,768,790.00	88,127,591.25	3.00%
Federal Agency Obligations	9.56%	350,314,333.57	331,239,243.55	-	161,555,547.68	-	183,576,289.35	169,683,695.87	4.83%
Total U.S. Government Securities	12.52%	458,710,423.57	419,337,938.01	-	161,555,547.68	28,896.79	297,345,079.35	257,811,287.12	7.83%
Corporate Bonds	18.00%	659,355,859.75	691,376,933.95	127,789,375.82	169,856,297.94	33,040.01	718,008,224.68	649,343,051.84	18.91%
Total Bond Portfolio	30.52%	1,118,066,283.32	1,110,714,871.96	127,789,375.82	331,411,845.62	61,936.80	1,015,353,304.03	907,154,338.96	26.74%
Corporate Notes	3.70%	135,429,578.96	135,429,578.96	9,312,347,998.16	9,203,176,586.18	-	244,600,990.94	244,600,990.94	6.44%
Common Stock	60.35%	2,210,717,178.41	2,559,849,165.52	623,993,684.27	1,004,124,423.01	-	2,323,385,090.76	2,179,718,426.78	61.18%
Other Investments	5.42%	198,470,604.23	198,470,604.23	107,261,482.86	92,283,063.29	-	213,449,023.80	213,449,023.80	5.61%
Money Market Account	0.02%	672,336.41	672,336.41	414,005.52	-	-	1,086,341.93	1,086,341.93	0.03%
Total Portfolio	100.00%	3,663,355,981.33	4,005,136,557.08	10,171,806,546.63	10,630,995,918.10	61,936.80	3,797,874,751.46	3,546,009,122.41	100.00%

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2002 THROUGH JUNE 30, 2003**

BONDS ACQUIRED

Security	Coupon	Maturity	Purchase Price	Par Value	Principal	(Premium) Discount	Accrued Interest	Total Amount	Book Yield
CORPORATE BONDS									
AT&T BROADBAND CORP	9.4550	11/15/2022	101.97585	3,480,120.00	3,548,882.00	(68,762.00)	108.72	3,548,990.72	9.27%
AT&T CORP	6.5000	3/15/2013	88.59262	9,500,000.00	8,416,298.83	1,083,701.17	(1,464.74)	8,414,834.09	7.34%
BAYER HYPO-VEREINSBANK	8.7410	6/30/2031	84.98900	6,000,000.00	5,099,340.00	900,660.00	43,705.00	5,143,045.00	10.28%
BAYER HYPO-VEREINSBANK	8.7410	6/30/2031	81.12500	3,000,000.00	2,433,750.00	566,250.00	103,435.17	2,537,185.17	10.77%
BAYER HYPO-VEREINSBANK	8.7410	6/30/2031	81.37500	3,000,000.00	2,441,250.00	558,750.00	106,348.83	2,547,598.83	10.74%
CONTINENTAL AIRLINES	6.7030	6/15/2021	93.41000	4,655,783.45	4,348,967.27	306,816.18	141,301.60	4,490,268.87	7.18%
DAIMLER CHRYSLER	8.5000	1/18/2031	124.25000	5,000,000.00	6,212,500.00	(1,212,500.00)	167,638.89	6,380,138.89	6.84%
DELTA AIR LINES	7.3790	5/18/2010	100.00000	1,609,326.14	1,609,326.14	0.00	57,396.89	1,666,723.03	7.38%
ELECTRONIC DATA SYSTEMS	7.1250	10/15/2009	107.98000	10,000,000.00	10,798,000.00	(798,000.00)	89,082.50	10,887,062.50	6.60%
FORD MOTOR CREDIT	7.2500	10/25/2011	103.25000	10,000,000.00	10,325,000.00	(325,000.00)	66,458.33	10,391,458.33	7.02%
GENERAL MOTORS NOVA SCOTIA FINANCIAL	6.8500	10/15/2008	104.35000	2,000,000.00	2,087,000.00	(87,000.00)	11,036.11	2,098,036.11	6.56%
GMAC	7.2500	3/2/2011	104.25000	10,000,000.00	10,425,000.00	(425,000.00)	227,569.44	10,652,569.44	6.95%
GMAC	6.8750	8/28/2012	103.43900	5,000,000.00	5,171,950.00	(171,950.00)	87,847.22	5,259,797.22	6.65%
GMAC	8.0000	11/1/2031	100.00000	7,000,000.00	7,000,000.00	0.00	118,222.22	7,118,222.22	8.00%
HOUSEHOLD FINANCE CORP	7.6250	5/17/2032	90.32500	7,000,000.00	6,322,750.00	677,250.00	212,017.36	6,534,767.36	8.44%
HOUSEHOLD FINANCE CORP	6.5000	11/15/2008	91.67500	7,000,000.00	6,417,250.00	582,750.00	190,847.22	6,608,097.22	7.09%
LEGRAND S.A.	8.5000	2/15/2025	76.95000	8,000,000.00	6,156,000.00	1,844,000.00	164,333.33	6,320,333.33	11.05%
NORTHWEST AIR LINES	7.0410	4/1/2022	98.75000	6,110,897.08	6,034,510.84	76,386.24	86,053.65	6,120,564.49	7.13%
NORTHWEST AIR LINES	7.0410	4/1/2022	98.25000	2,402,082.19	2,360,045.74	42,036.45	27,718.63	2,387,764.37	7.17%
SEARS ROEBUCK ACCEPTANCE	7.0000	6/1/2032	79.10000	3,000,000.00	2,373,000.00	627,000.00	83,416.67	2,456,416.67	8.85%
SEARS ROEBUCK ACCEPTANCE	7.0000	6/1/2032	83.75000	2,000,000.00	1,675,000.00	325,000.00	66,500.00	1,741,500.00	8.36%
SECURITY BENEFIT	8.7500	5/15/2016	109.66500	8,500,000.00	9,321,525.00	(821,525.00)	223,125.00	9,544,650.00	7.98%
UNION CENTRAL LIFE	8.2000	11/1/2026	103.02900	7,000,000.00	7,212,030.00	(212,030.00)	178,577.78	7,390,607.78	7.96%
TOTAL BONDS ACQUIRED				131,258,208.86	127,789,375.82	3,468,833.04	2,451,255.82	130,240,631.64	

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2002 THROUGH JUNE 30, 2003
SHORT TERM INVESTMENTS MATURED**

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Description	Cost	Amount of Interest	Maturity Value
ALABAMA POWER COMPANY	20,991,915.00	8,085.00	21,000,000.00
ALCON FINANCE	68,991,527.50	8,472.50	69,000,000.00
AMSTEL FUNDING	38,986,651.40	13,348.60	39,000,000.00
AMSTERDAM FUNDING CORP	80,985,024.99	14,975.01	81,000,000.00
ASSET ONE SECURITIZATION	142,575,301.80	74,698.20	142,650,000.00
ASSET SECURT. COOPERATIVE	30,228,993.05	21,006.95	30,250,000.00
ATLANTIS ONE FUNDING	27,997,200.00	2,800.00	28,000,000.00
AUTOBAHN FUNDING CORP	601,018,145.43	190,854.57	601,209,000.00
BARCLAYS U.S. FUNDING CORP	27,998,102.22	1,897.78	28,000,000.00
BARTON CAPITAL CORP	83,327,601.40	47,398.60	83,375,000.00
BAVARIA FINANCE FUNDING	29,998,591.67	1,408.33	30,000,000.00
BEETHOVEN FUNDING CORPORATION	401,132,893.16	167,106.84	401,300,000.00
BRYANT PARK FUNDING LLC	76,199,847.92	50,152.08	76,250,000.00
CARGILL INC	21,499,307.22	692.78	21,500,000.00
CBA (DELAWARE) FINANCE INC	33,996,571.66	3,428.34	34,000,000.00
CENTRICA PLC	23,984,573.34	15,426.66	24,000,000.00
CHARTA CORP	29,490,781.25	9,218.75	29,500,000.00
CHECK POINT CHARLIE INC	168,075,970.59	124,029.41	168,200,000.00
CLIPPER RECEIVABLES	128,641,473.44	8,526.56	128,650,000.00
CONCORD MINUTEMAN CAPITAL	57,424,359.36	25,640.64	57,450,000.00
CONSOLIDATED EDISON COMPANY	31,371,888.65	3,111.35	31,375,000.00
COOPERATIVE ASSN OF TRACTOR DEALERS	202,674,535.63	25,464.37	202,700,000.00
CROWN POINT CAPITAL	393,600,699.09	99,300.91	393,700,000.00
DAKOTA NOTES	23,990,506.67	9,493.33	24,000,000.00
DEALERS CAPITAL ACCEPTANCE	5,999,786.67	213.33	6,000,000.00
DEALERS CAPITAL ACCESS TRUST INC.	1,499,046.67	953.33	1,500,000.00
EAGLE FUNDING CAPITAL	654,631,342.90	118,657.10	654,750,000.00
EMINENT FUNDING	84,418,154.31	81,845.69	84,500,000.00
ENTERPRISE FUNDING CORPORATION	57,476,396.25	23,603.75	57,500,000.00
FALCON ASSET SECURITIZATION	27,792,277.78	7,722.22	27,800,000.00
FORRESTAL FUNDING MASTER TRUST	63,782,451.66	17,548.34	63,800,000.00
FORTIS FUNDING	18,990,104.17	9,895.83	19,000,000.00
GALLEON CAPITAL	356,584,569.51	40,430.49	356,625,000.00
GE CAPITAL CORP	16,994,380.56	5,619.44	17,000,000.00
GENERAL ELECTRIC COMPANY	19,993,350.00	6,650.00	20,000,000.00
GIRO MULTI-FUNDING US CORP	66,663,499.66	36,500.34	66,700,000.00
GOETHAM FUNDING	97,950,559.43	49,440.57	98,000,000.00
HALOGEN CAPITAL COMPANY	239,908,692.48	41,307.52	239,950,000.00
HANNOVER FUNDING	46,484,325.83	15,674.17	46,500,000.00
HOLDENBY CAPITAL COMPANY LLC	84,485,412.22	14,587.78	84,500,000.00
HOLLAND LIMITED SECURITIZATION	179,425,944.14	74,055.86	179,500,000.00
HUDSON AMERICAN REALTY	106,497,920.31	52,079.69	106,550,000.00
KITTY HAWK FUNDING CORP	40,490,020.70	9,979.30	40,500,000.00
LEXINGTON PARKER CAPITAL CORP	69,961,506.11	38,493.89	70,000,000.00
LONG LANE MASTER TRUST IV	99,089,690.88	60,309.12	99,150,000.00
MARKET STREET FUNDING	162,580,662.12	19,337.88	162,600,000.00
MAXIMILIAN CAPITAL CORP	89,927,202.22	72,797.78	90,000,000.00
MERRILL LYNCH & CO, INC.	89,270,115.20	4,884.80	89,275,000.00
NAPEXIS BANQUES POPULAIRES	25,694,603.00	5,397.00	25,700,000.00
NATIONAL AUSTRALIA FUNDING	55,130,551.28	19,448.72	55,150,000.00
NEPTUNE FUNDING	158,442,501.19	57,498.81	158,500,000.00
NORDDEUTSCHE LANDESBANK	62,718,466.11	31,533.89	62,750,000.00

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2002 THROUGH JUNE 30, 2003
SHORT TERM INVESTMENTS MATURED**

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Description	Cost	Amount of Interest	Maturity Value
OLD LINE FUNDING	111,471,096.39	28,903.61	111,500,000.00
PARADIGM FUNDING	119,979,792.77	20,207.23	120,000,000.00
PREFERRED RECEIVABLES FUNDING CORP	58,982,430.55	17,569.45	59,000,000.00
RECEIVABLES CAPITAL CORP	22,993,611.11	6,388.89	23,000,000.00
REGENCY MARKETS NO. 1	95,153,326.78	46,673.22	95,200,000.00
SAINT GERMAIN HOLDINGS LTD	57,669,756.42	30,243.58	57,700,000.00
SIGMA FINANCE	91,691,295.60	8,704.40	91,700,000.00
SPECIAL PURPOSE ACCTS. REC.	38,022,954.17	27,045.83	38,050,000.00
STARBIRD FUNDING CORPORATION	360,223,392.15	76,607.40	360,299,999.55
STEAMBOAT FUNDING	276,512,876.15	87,123.85	276,600,000.00
SUNBELT FUNDING CORP	88,135,969.73	64,030.27	88,200,000.00
SYDNEY CAPITAL CORP	25,494,581.66	5,418.34	25,500,000.00
THREE CROWNS FUNDING	1,148,130,506.36	169,493.64	1,148,300,000.00
THREE RIVERS FUNDING	20,246,540.62	3,459.38	20,250,000.00
THUNDER BAY FUNDING	34,972,736.95	27,162.49	34,999,899.44
TORONTO DOMINION HOLDING	30,235,295.14	14,704.86	30,250,000.00
TOTAL FINA ELF SA	67,245,918.26	4,081.74	67,250,000.00
TRANSAMERICA ASSET FUNDING	146,181,058.95	68,941.05	146,250,000.00
TRANSAMERICA FINANCE CORP	30,747,206.88	2,793.12	30,750,000.00
TRIPLE A-1 FUNDING	175,960,593.81	39,406.19	176,000,000.00
UBS AMERICAS INC	134,141,382.85	8,617.15	134,150,000.00
UBS FINANCE (DELAWARE)	231,460,445.13	39,554.87	231,500,000.00
VICTORIA REC	20,989,220.00	10,780.00	21,000,000.00
WELLS FARGO & COMPANY	52,480,093.61	19,906.39	52,500,000.00
WINDMILL FUNDING CORPORATION	20,999,241.67	758.33	21,000,000.00
WORLD OMNI VEHICLE LEASING	14,989,266.67	10,733.33	15,000,000.00
TOTAL SHORT TERM INVESTMENTS MATURED	9,203,176,586.18	2,682,312.81	9,205,858,898.99

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2002 THROUGH JUNE 30, 2003**

Page 1 of 2

COMMON STOCK ACQUIRED

Company	No. Shares	Dividend Rate	Annual Income	Book Yield	Average Cost	Book Cost
ACCREDITO HEALTH	71,300		-	-	18.53	1,321,184.14
ADVANCED ENERGY INDUSTRIES	67,900		-	-	10.41	707,151.30
ALCOA INC	201,600	0.60	120,960	3.17	18.93	3,815,647.44
ALLTEL CORPORATION	100,000	1.40	140,000	2.62	53.52	5,351,730.00
AMBAC FINANCIAL GROUP INC	200,000	0.40	80,000	0.70	56.94	11,387,548.80
AMERICAN STATES WATER	16,000		-	-	24.07	385,088.20
AMSURG CORPORATION	52,400		-	-	26.01	1,363,079.64
ANIXTER INTERNATIONAL	55,400		-	-	24.49	1,356,604.62
AT&T CORP	205,000	0.75	153,750	4.45	16.84	3,452,835.50
ATMI INC	63,400		-	-	21.33	1,352,226.90
AUTOZONE INC	100,000		-	-	87.45	8,745,020.00
BANK OF AMERICA CORPORATION	450,000	3.20	1,440,000	4.64	68.91	31,009,380.00
BLACK BOX CORPORATION	45,000	0.20	9,000	0.67	30.05	1,352,250.00
BOSTON COMMUNICATIONS GROUP	91,600		-	-	15.04	1,377,888.05
BOSTON SCIENTIFIC CORPORATION	300,000		-	-	42.74	12,821,876.47
CABOT OIL & GAS	54,800		-	-	24.55	1,345,340.52
CACI INTERNATIONAL	41,400		-	-	32.73	1,355,046.84
CAL DIVE INTL	66,900		-	-	21.94	1,467,541.94
CARDINAL HEALTH INC.	100,000	0.12	12,000	0.20	58.76	5,875,520.00
CATERPILLAR INC	84,700	1.40	118,580	3.11	45.07	3,817,090.20
CEPHALON INC	29,200		-	-	46.26	1,350,792.00
CHELSEA PROPERTY GROUP	201,600	2.14	431,424	6.46	33.11	6,674,250.14
COCA-COLA CO	400,000	0.88	352,000	1.76	49.94	19,975,950.00
COINSTAR INC	90,200		-	-	15.65	1,411,201.40
COMMERCE BANCORP, INC.	200,000	0.66	132,000	1.54	42.81	8,562,665.90
COMMUNITY FIRST BANKSHARES	51,600	0.88	45,408	3.35	26.27	1,355,378.99
CORINTHIAN COLLEGES, INC	400,000		-	-	39.98	15,990,079.64
CULLEN/FROST BANKERS	44,000	0.96	42,240	3.12	30.73	1,351,956.12
CUNO INC	24,800		-	-	32.94	816,840.00
DEAN FOODS	350,000		-	-	44.12	15,443,593.66
DOWNEY FINANCIAL	34,800	0.36	12,528	0.92	39.26	1,366,378.80
E.I. du PONT de NEMOURS AND CO	106,900	1.40	149,660	3.92	35.74	3,820,221.16
EASTMAN KODAK COMPANY	131,800	1.80	237,240	6.21	28.98	3,819,247.68
EVERGREEN RESOURCES	30,000		-	-	45.13	1,353,785.00
FACTSET RESEARCH SYSTEMS	43,000		-	-	31.54	1,356,364.46
FAIR ISAAC & CO	150,000	0.08	12,000	0.15	52.32	7,847,909.65
FEDEX CORPORATION	200,000	0.20	40,000	0.41	48.26	9,651,347.09
FLEXTRONICS INTERNATIONAL	450,000		-	-	10.89	4,899,780.00
GANNETT COMPANY	200,000	0.96	192,000	1.31	73.14	14,628,717.26
GENERAL MOTORS CORPORATION	123,600	2.00	247,200	6.53	30.64	3,786,856.80
GILEAD SCIENCES, INC	375,000		-	-	34.85	13,066,950.00
HAIN CELESTIAL GROUP	89,000		-	-	15.29	1,361,059.32
HARTFORD FINANCIAL SERVICES GROUP	350,000	1.08	378,000	2.18	49.65	17,377,709.20
HELIX TECHNOLOGY	55,700	0.16	8,912	1.32	12.15	677,004.73
HILB, ROGAL & HAMILTON	43,000	0.37	15,910	1.17	31.49	1,354,247.35
HONEYWELL INTERNATIONAL INC	179,400	0.75	134,550	3.52	21.31	3,822,547.56
HUDSON UNITED BANCORP	43,600	1.20	52,320	3.86	31.10	1,355,757.20
INAMED CORPORATION	6,500		-	-	42.63	277,062.50
INTEGRA LIFESCIENCES HOLDINGS	59,400		-	-	22.67	1,346,370.00
INTERACTIVECORP	595,000		-	-	35.42	21,072,661.10
INTERNATIONAL BUSINESS MACH.	100,000	0.64	64,000	0.75	85.39	8,539,090.00
INTERNATIONAL PAPER COMPANY	112,100	1.00	112,100	2.91	34.35	3,850,623.79
JEFFERIES GROUP	34,600		-	-	39.08	1,352,083.19
JOHNSON & JOHNSON CO	500,000	0.96	480,000	1.70	56.62	28,308,920.00
JP MORGAN CHASE & CO	177,200	1.36	240,992	6.34	21.44	3,799,168.00
KAYDON CORP	72,000	0.48	34,560	2.55	18.85	1,357,156.08
LANDRY'S RESTAURANTS	79,800	0.10	7,980	0.59	17.00	1,356,808.18
LANDSTAR SYSTEMS, INC	101,000		-	-	53.85	5,438,639.17
LENNAR CORP Class A	100,000	0.05	5,000	0.07	76.77	7,676,874.40
MANITOWOC COMPANY INC.	35,300	0.28	9,884	1.44	19.50	688,275.87
MEDTRONIC, INC.	150,000	0.29	43,500	0.60	48.04	7,205,640.00
MEN'S WEARHOUSE	90,400		-	-	15.10	1,365,200.84
MENTOR CORPORATION	81,700	0.08	6,536	0.47	17.16	1,402,298.69
MICROCHIP TECHNOLOGY INC.	100,000	0.10	10,000	0.36	27.72	2,772,106.24
MICROSOFT CORPORATION	450,000	0.08	36,000	0.15	54.77	24,645,310.98
NATIONAL CITY CORP	300,000	1.28	384,000	3.98	32.13	9,640,384.18
NBTY INC	74,400		-	-	18.28	1,360,002.90

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2002 THROUGH JUNE 30, 2003**

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COMMON STOCK ACQUIRED

Company	No. Shares	Dividend Rate	Annual Income	Book Yield	Average Cost	Book Cost
NOKIA CORPORATION	900,000	0.26	234,000	1.62	16.03	14,429,435.00
O'REILLY AUTOMOTIVE	49,300		-	-	27.09	1,335,630.67
PACIFIC SUNWEAR OF CALIFORNIA	66,500		-	-	20.36	1,353,973.25
PAXAR CORP	103,100		-	-	10.65	1,098,233.40
PEPSICO INC.	300,000	0.64	192,000	1.46	43.78	13,134,949.80
PERFORMANCE FOOD GROUP	45,200		-	-	32.98	1,490,508.84
PFIZER INC.	187,500	0.60	112,500	1.88	31.85	5,971,875.00
PHOTRONICS, INC	102,000		-	-	13.15	1,341,641.40
POLARIS INDUSTRIES	27,000	1.24	33,480	2.50	49.61	1,339,571.30
PROCTER & GAMBLE COMPANY	400,000	1.64	656,000	1.82	89.93	35,972,039.36
PROVIDENT BANKSHARES	58,000		-	-	23.34	1,353,672.37
QUEST DIAGNOSTIC	150,000		-	-	53.19	7,977,765.00
QUIKSILVER, INC	42,500		-	-	32.04	1,361,831.75
REGENERON PHARMACEUTICALS	66,500		-	-	20.23	1,345,353.88
REGIS CORPORATION	54,000	0.12	6,480	0.48	25.14	1,357,742.70
REHAB CARE GROUP	36,600		-	-	18.49	676,805.37
RELIANCE STEEL & ALUMINUM	86,700	0.24	20,808	1.55	15.53	1,346,780.91
RESMED INC	45,000		-	-	30.08	1,353,804.36
RESPIRONICS INC	36,600		-	-	35.14	1,286,267.99
ROADWAY CORPORATION	37,500		-	-	35.96	1,348,623.75
SBC COMMUNICATIONS INC.	195,900	1.53	299,727	7.81	19.60	3,839,150.25
SCOTTS CO'A	25,900		-	-	52.43	1,357,857.75
SMURFIT-STONE CONTAINER CORP	250,000		-	-	14.97	3,742,090.24
ST. JUDE MEDICAL	200,000		-	-	38.69	7,738,314.07
STEEL DYNAMICS	112,400		-	-	12.15	1,365,470.56
SURMODICS INC	43,500		-	-	31.30	1,361,378.19
SWIFT ENERGY	146,700		-	-	8.87	1,300,518.41
SYSCO CORPORATION	425,000	0.44	187,000	1.55	28.39	12,065,354.81
SYSTEMS & COMPUTER TECH	88,100		-	-	7.44	655,183.45
TECHNE COPR	49,800		-	-	26.94	1,341,831.12
TENET HEALTHCARE CORPORATION	175,000		-	-	48.54	8,493,940.00
TRACTOR SUPPLY CO.	38,400		-	-	35.25	1,353,600.00
TRIUMPH GROUP	23,800		-	-	28.05	667,590.00
TYSON FOODS, INC.	1,000,000	0.16	160,000	1.37	11.72	11,717,715.14
UNITED NATURAL FOODS	52,200		-	-	25.54	1,333,254.92
VIACOM INC.	150,000		-	-	47.93	7,189,275.00
VORNADO REALTY TRUST	500,000	2.72	1,360,000	6.72	40.50	20,248,961.77
WAL-MART STORES	650,000	0.36	234,000	0.68	53.11	34,522,990.00
WATSON WYATT 'A'	67,800		-	-	19.99	1,355,615.17
WATTS INDUSTRIES 'A'	83,000	0.24	19,920	1.47	16.38	1,359,166.50
WILLIAMS COMPANIES, INC.	500,000	0.04	20,000	0.52	7.62	3,810,673.46
WINTRUST FINANCIAL	48,100	0.16	7,696	0.57	28.20	1,356,179.50
YELLOW CORPORATION	52,300		-	-	25.77	1,347,750.08
TOTAL COMMON STOCK ACQUIRED	17,655,900		9,535,845.00		35.34	623,993,684.27

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2002 THROUGH JUNE 30, 2003
OTHER INVESTMENTS ACQUIRED**

Name	Coupon	Maturity	Book Cost
<i>BRIDGE FINANCIAL</i>			
BRIDGE FINANCIAL-GRAND INN	12.500	9/25/2000	261,139.42
TOTAL BRIDGE FINANCIAL ACQUIRED			261,139.42
<i>MISCELLANEOUS</i>			
APEX CAPITAL FUND I, LLC	11.000	10/15/209	249,492.80
DESERT TROON FINANCE, LLC	10.000	8/27/2005	48,450,000.00
PIVOTAL DEBT FUND	10.000	12/1/2011	3,401,000.00
PROSPECTOR EQUITY CAPITAL	8.000	6/1/2009	215,152.24
VALLEY VENTURES III	8.000	9/17/2006	2,472,698.40
TOTAL MISCELLANEOUS ACQUIRED			54,788,343.44
<i>PIVOTAL EQUITY</i>			
CENTURY PLAZA HOTEL			720,000.00
NXTV, LLC			720,000.00
PIVOTAL PROMONTORY			1,800,000.00
PIVOTAL PROMONTORY-LOANS			10,296,000.00
SPA AT RED CANYON			468,000.00
TOTAL PIVOTAL EQUITY ACQUIRED			14,004,000.00
<i>DESERT TROON EQUITY</i>			
DESERT TROON-DTR, LLC			25,600,000.00
TOTAL DESERT TROON EQUITY ACQUIRED			25,600,000.00
<i>DIVERSIFIED FUNDING GROUP</i>			
TIERRA DEL RIO (TDR), LLC	12.000	10/22/2004	12,608,000.00
TOTAL DIVERSIFIED FUNDING GROUP ACQUIRED			12,608,000.00
TOTAL OTHER INVESTMENTS ACQUIRED			107,261,482.86

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTION OF INVESTMENTS
JULY 1, 2002 THROUGH JUNE 30, 2003**

BONDS SOLD

Security	Coupon	Maturity	Par Value	Sale Price	Accrued Interest	Principal	Amortized Cost	Gain or (Loss)	Amount Due
FEDERAL AGENCY OBLIGATIONS									
Detailed information for the redemptions of Federal Agency Obligations are too lengthy to include in this report; therefore, only totals are given.									
TOTAL FEDERAL AGENCY OBLIGATIONS							161,555,547.68		
CORPORATE BONDS									
AT&T BROADBAND CORP	9.455	11/15/2022	120.00	0.00000	0.00	120.00	0.00	120.00	120.00
AT&T CORPORATES	6.500	3/15/2029	99,852.08	0.00000	0.00	99,852.08	0.00	99,852.08	99,852.08
AT&T CORP	6.500	3/15/2013	9,500,000.00	102.07800	236,708.33	9,697,410.00	8,442,307.66	1,255,102.34	9,934,118.33
AT&T CORPORATES	6.500	3/15/2029	9,500,000.00	88.57475	233.15	8,414,601.25	8,414,601.25	0.00	8,414,834.40
AT&T CORPORATES	8.350	1/15/2025	3,500,000.00	101.40008	(12.11)	3,549,002.80	3,549,002.80	0.00	3,548,990.69
AUTO BOND RECEIVABLE TRUST	7.100	6/15/2021	163,007.57	100.00000	0.00	0.00	163,007.57	(163,007.57)	0.00
AUTO BOND RECEIVABLE TRUST	6.400	4/15/2001	76,037.67	100.00000	0.00	0.00	76,037.67	(76,037.67)	0.00
CONTINENTAL AIRLINES	8.048	11/1/2020	217,647.11	104.71277	0.00	227,904.32	227,904.32	(0.00)	227,904.32
DELTA AIR LINES	7.379	5/18/2010	79,546.94	100.00000	0.00	79,546.94	79,546.94	0.00	79,546.94
FHR 2301 KA	6.500	4/15/2031	3,551,756.85	99.51173	6,371.97	3,534,414.69	3,534,414.69	(0.00)	3,540,786.66
FIRSTPLUS HOME IMPROVEMENT	8.300	2/20/2022	3,618,566.95	99.84435	0.00	3,612,934.65	3,612,934.65	0.00	3,612,934.65
HOUSEHOLD FINANCE CORP	7.625	5/17/2032	7,000,000.00	110.75000	88,958.33	7,752,500.00	6,328,393.75	1,424,106.25	7,841,458.33
HOUSEHOLD FINANCE CORP	6.500	11/15/2008	7,000,000.00	102.30000	42,972.22	7,161,000.00	6,433,000.00	728,000.00	7,203,972.22
LEGRAND S.A.	8.500	2/15/2025	8,000,000.00	80.25000	272,000.00	6,420,000.00	6,169,659.26	250,340.74	6,692,000.00
LUMBERMANS MUTUAL CASUALTY CO	8.300	12/1/2037	12,000,000.00	9.15000	0.00	1,098,000.00	12,895,559.85	(11,797,559.85)	1,098,000.00
LUMBERMANS MUTUAL CASUALTY CO	9.150	7/1/2026	18,000,000.00	9.18333	0.00	1,652,999.40	20,154,507.68	(18,501,508.28)	1,652,999.40
MERRILL LYNCH & COMPANY	8.000	6/1/2007	10,000,000.00	114.87500	113,333.33	11,487,500.00	10,000,000.00	1,487,500.00	11,600,833.33
NORTHWEST AIR LINES	7.935	4/1/2019	120,000.48	113.45970	0.00	136,152.18	136,152.18	0.00	136,152.18
ROCKWELL INTERNATIONAL	6.700	1/15/2028	10,000,000.00	116.65000	297,777.78	11,665,000.00	9,178,966.61	2,486,033.39	11,962,777.78
ROYAL & SUN ALLIANCE INSURANCE	8.950	10/15/2029	3,000,000.00	51.37500	131,266.67	1,541,250.00	3,275,093.71	(1,733,843.71)	1,672,516.67
SEARS ROEBUCK & CO.	9.375	11/1/2011	5,000,000.00	103.22400	32,031.25	5,161,200.00	5,000,000.00	161,200.00	5,193,231.25
SECURITY NATIONAL MORTGAGE 99-1	8.353	9/25/2030	2,625,355.82	100.00000	0.00	2,625,355.82	2,625,355.82	0.00	2,625,355.82
SECURITY NATIONAL MORTGAGE LOAN	7.870	8/25/2030	6,670,744.23	100.00000	0.00	6,670,744.23	6,670,744.23	0.00	6,670,744.23
STANDARD CHARTERED BANK	8.000	5/30/2031	16,000,000.00	113.21375	417,111.11	18,114,200.00	16,778,419.21	1,335,780.79	18,531,311.11
WORLDCOM INC.	8.250	5/15/2031	21,000,000.00	22.10000	0.00	4,641,000.00	21,430,330.29	(16,789,330.29)	4,641,000.00
XEROX CAPITAL TRUST I CAP SEC.	8.000	2/1/2027	14,000,000.00	67.41071	121,333.34	9,437,500.55	14,680,357.80	(5,242,857.25)	9,558,833.89
TOTAL CORPORATE BONDS			170,722,635.70		1,760,085.37	124,780,188.91	169,856,297.94	(45,076,109.03)	126,540,274.28
TOTAL BONDS SOLD			170,722,635.70		1,760,085.37	124,780,188.91	331,411,845.62	(45,076,109.03)	126,540,274.28

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEMS
SALES AND REDEMPTION OF INVESTMENTS
JULY 1, 2002 THROUGH JUNE 30, 2003**

COMMON STOCK SOLD

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Company	Shares Sold	Sale Price	Amount	Commission + SEC Fee	Net Amount	Book Cost	Gain (Loss) on Sale	% Gain on Sale
AMERICAN INT'L GROUP	600,000	49.7664	29,859,842.50	30,898.81	29,828,943.69	15,597,570.08	14,231,373.61	91.24%
AMERICAN STATES WATER	16,000	25.7577	412,123.44	819.31	411,304.13	385,088.20	26,215.93	6.81%
APACHE CORPORATION	455,000	60.7459	27,639,404.78	23,581.99	27,615,822.79	22,012,671.22	5,603,151.57	25.45%
APPLIED MATERIALS	2,900,000	13.7843	39,974,520.00	143,203.27	39,831,316.73	25,884,210.57	13,947,106.16	53.88%
BIOPEN INC	400,000	33.9234	13,569,370.00	20,408.45	13,548,961.55	20,967,296.58	(7,418,335.03)	-35.38%
BJ SERVICES COMPANY	1,050,000	32.8164	34,457,174.77	53,569.74	34,403,605.03	40,053,178.04	(5,649,573.01)	-14.11%
BJ'S WHOLESALE CLUB, INC.	750,000	18.9553	14,216,484.40	37,927.96	14,178,556.44	30,114,059.07	(15,935,502.63)	-52.92%
BROADWING INC.	900,000	1.8858	1,697,262.46	23,051.13	1,674,211.33	22,151,508.53	(20,477,297.20)	-92.44%
CABLEVISION SYSTEMS CORP	500,000	8.3780	4,189,023.92	25,126.11	4,163,897.81	22,393,043.96	(18,229,146.15)	-81.41%
CABOT OIL & GAS	56,400	24.9372	1,406,458.08	2,885.83	1,403,572.25	1,345,340.52	58,231.73	4.33%
CHEVRONTEXACO CORP	200,000	73.3171	14,663,420.00	10,441.37	14,652,978.63	16,739,398.40	(2,086,419.77)	-12.46%
CISCO SYSTEMS	600,000	13.2679	7,960,710.00	30,239.63	7,930,470.37	5,191,071.26	2,739,399.11	52.77%
COVAD COMMUNICATIONS GROUP	2,600,000	1.2493	3,248,229.43	52,097.86	3,196,131.57	104,357,655.10	(101,161,523.53)	-96.94%
CYTYC CORPORATION	1,100,000	11.2320	12,355,183.00	53,435.01	12,301,747.99	20,203,495.87	(7,901,747.88)	-39.11%
ELECTRONICS BOUTIQUE HOLDINGS CC	153,700	13.0355	2,003,562.16	7,745.34	1,995,816.82	5,629,014.24	(3,633,197.42)	-64.54%
EXPRESS SCRIPTS	290,000	50.4363	14,626,519.00	14,940.26	14,611,578.74	6,950,721.65	7,660,857.09	110.22%
EXXON MOBIL CORP	140,112	35.7700	5,011,806.24	7,240.16	5,004,566.08	4,905,911.88	98,654.20	2.01%
FACTSET RESEARCH SYSTEMS	43,000	35.7182	1,535,882.70	2,221.89	1,533,660.81	1,356,364.46	177,296.35	13.07%
FLEETBOSTON FINANCIAL CORPORATIC	400,000	23.8622	9,544,863.40	20,287.31	9,524,576.09	15,141,486.40	(5,616,910.31)	-37.10%
GLOBAL SANTAFE CORP	100,000	22.3139	2,231,386.00	5,067.17	2,226,318.83	3,462,040.97	(1,235,722.14)	-35.69%
HEALTHSOUTH CORP	200,000	5.5540	1,110,800.00	10,033.44	1,100,766.56	3,005,480.00	(1,904,713.44)	-63.37%
HOME DEPOT	500,000	26.3783	13,189,137.35	25,456.06	13,163,681.29	5,113,568.02	8,050,113.27	157.43%
INAMED CORPORATION	6,500	49.2600	320,190.00	339.99	319,850.01	277,062.50	42,787.51	15.44%
INTEGRA LIFESCIENCES HOLDINGS	59,400	28.7733	1,709,135.60	3,050.00	1,706,085.60	1,346,370.00	359,715.60	26.72%
INTEL CORPORATION	1,600,000	17.7221	28,355,290.00	80,853.52	28,274,436.48	35,997,383.74	(7,722,947.26)	-21.45%
JDS UNIPHASE CORPORATION	1,100,000	2.8959	3,185,536.60	38,093.77	3,147,442.83	77,686,495.95	(74,539,053.12)	-95.95%
JEFFERIES GROUP	34,600	38.8860	1,345,455.55	1,792.98	1,343,662.57	1,352,063.19	(8,420.62)	-0.62%
JP MORGAN CHASE & CO	900,000	21.2902	19,161,157.72	36,587.90	19,124,569.82	27,265,984.00	(8,141,394.18)	-29.86%
KIMBERLY-CLARK CORPORATION	600,000	45.3027	27,181,647.68	30,818.19	27,150,829.49	32,736,715.73	(5,585,886.24)	-17.06%
LENNAR CORP Class B	35,000	72.4437	2,535,530.90	1,868.67	2,533,662.23	1,406,162.31	1,127,499.92	80.18%
LEXMARK INTERNATIONAL GROUP	200,000	59.6552	11,931,040.64	10,359.14	11,920,681.50	14,502,734.36	(2,582,052.86)	-17.80%
LSI LOGIC	1,300,000	4.8109	6,254,160.59	46,234.19	6,207,926.40	49,440,142.40	(43,232,216.00)	-87.44%
MEN'S WEARHOUSE	90,400	18.4809	1,670,671.66	4,598.20	1,666,073.46	1,365,200.84	300,872.62	22.04%
NABORS INDUSTRIES, LTD	100,000	40.3000	4,030,000.00	5,121.31	4,024,878.69	5,460,049.22	(1,435,170.53)	-26.28%
NATIONAL-OILWELL, INC.	350,000	21.7436	7,610,258.24	17,747.95	7,592,510.29	13,650,245.42	(6,057,735.13)	-44.38%
NBTY INC	74,400	15.6895	1,167,295.12	3,774.64	1,163,520.48	1,360,002.90	(196,482.42)	-14.45%
NEWS CORPORATION	250,000	20.1136	5,028,400.00	12,651.36	5,015,748.64	5,442,067.92	(426,319.28)	-7.83%

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTION OF INVESTMENTS
JULY 1, 2002 THROUGH JUNE 30, 2003**

COMMON STOCK SOLD

Page 2 of 2

Company	Shares Sold	Sale Price	Amount	Commission + SEC Fee	Net Amount	Book Cost	Gain (Loss) on Sale	% Gain on Sale
NOBLE CORPORATION	100,000	35.7611	3,576,106.92	5,107.65	3,570,999.27	4,487,058.22	(916,058.95)	-20.42%
P. F. CHANG'S CHINA BISTRO	100,000	45.9172	4,591,715.22	5,214.92	4,586,500.30	2,644,842.52	1,941,657.78	73.41%
PAXAR CORP	103,100	10.2060	1,052,237.76	5,204.25	1,047,033.51	1,098,233.40	(51,199.89)	-4.66%
PHARMACEUTICAL PRODUCT DEVELOPI	400,000	22.6141	9,045,655.12	20,272.29	9,025,382.83	9,592,486.30	(567,103.47)	-5.91%
PROVIDENT BANKSHARES	58,000	24.5303	1,422,755.80	2,966.60	1,419,789.20	1,353,672.37	66,116.83	4.88%
QUORUM HEALTH GROUP SETTLEMENT	0	-	113,366.02	0.00	113,366.02	0.00	113,366.02	0.00%
REGENERON PHARMACEUTICALS	66,500	7.4200	493,430.00	2,018.10	491,411.90	1,345,353.88	(853,941.98)	-63.47%
ROADWAY CORPORATION	37,500	29.8083	1,117,811.25	1,927.32	1,115,883.93	1,348,623.75	(232,739.82)	-17.26%
SAFEWAY INC	650,000	18.5977	12,088,489.70	32,955.87	12,055,533.83	20,783,596.79	(8,728,062.96)	-41.99%
SANMINA CORP.	650,000	4.3526	2,829,176.32	19,593.25	2,809,583.07	17,006,458.69	(14,196,875.62)	-83.48%
SCHOLASTIC CORPORATION	250,000	25.8056	6,451,400.00	12,694.19	6,438,705.81	6,417,531.65	21,174.16	0.33%
SCOTTS CO'A	25,900	47.6177	1,233,298.43	1,352.72	1,231,945.71	1,357,857.75	(125,912.04)	-9.27%
SEARS, ROEBUCK AND COMPANY	200,000	26.1329	5,226,570.00	10,157.33	5,216,412.67	11,272,649.20	(6,056,236.53)	-53.73%
SEITEL, INC	500,000	0.2988	149,382.71	1,795.71	147,587.00	9,355,497.64	(9,207,910.64)	-98.42%
SIEBEL SYSTEMS	300,000	8.9076	2,672,280.00	15,080.44	2,657,199.56	10,469,100.00	(7,811,900.44)	-74.62%
SOLETRON	1,200,000	3.7223	4,466,731.42	40,169.76	4,426,561.66	49,014,544.35	(44,587,982.69)	-90.97%
SPRINT CORPORATION (PCS GROUP)	600,000	3.1371	1,882,280.00	30,056.67	1,852,223.33	16,014,120.00	(14,161,896.67)	-88.43%
SWIFT ENERGY	146,700	10.5905	1,553,627.57	7,407.72	1,546,219.85	1,300,518.41	245,701.44	18.89%
SYMANTEC CORPORATION	900,000	43.5418	39,187,625.96	46,285.00	39,141,340.96	22,382,175.32	16,759,165.64	74.88%
TARGET CORP	800,000	31.6614	25,329,103.14	40,762.43	25,288,340.71	22,284,052.87	3,004,287.84	13.48%
TECHNE COPR	49,800	29.0088	1,444,638.24	2,557.61	1,442,080.63	1,341,831.12	100,249.51	7.47%
TENET HEALTHCARE CORPORATION	850,000	17.0231	14,469,632.30	42,935.55	14,426,696.75	29,237,012.70	(14,810,315.95)	-50.66%
TRAVELERS PROPERTY CASUALTY-CLE	246,342	15.6399	3,852,770.77	12,433.07	3,840,337.70	5,090,947.27	(1,250,609.57)	-24.57%
TXU CORP	500,000	12.4750	6,237,500.00	25,187.76	6,212,312.24	20,540,589.76	(14,328,277.52)	-69.76%
TYCO INTERNATIONAL LTD.	485,756	14.2176	6,906,281.60	24,611.02	6,881,670.58	16,122,176.72	(9,240,506.14)	-57.32%
TYSON FOODS, INC.	200,000	8.4757	1,695,134.92	10,079.35	1,685,055.57	2,343,543.03	(658,487.46)	-28.10%
UNITED RENTALS, INC	150,000	6.5659	984,890.28	7,529.66	977,360.62	3,262,215.00	(2,284,854.38)	-70.04%
VALERO ENERGY CORPORATION	200,000	31.6148	6,322,960.00	10,190.33	6,312,769.67	10,005,880.00	(3,693,110.33)	-36.91%
VISHAY INTERTECHNOLOGY INC	100,000	9.4501	945,009.90	5,028.46	939,981.44	2,635,452.78	(1,695,511.34)	-64.33%
VODAFONE GROUP PLC	500,000	16.7215	8,360,750.00	25,251.66	8,335,498.34	10,757,399.77	(2,421,901.43)	-22.51%
WATERS CORPORATION	200,000	19.8518	3,970,360.00	10,119.51	3,960,240.49	6,859,700.00	(2,899,459.51)	-42.27%
WHIRLPOOL CORP	100,000	46.8985	4,689,850.00	5,141.17	4,684,708.83	7,753,165.90	(3,068,457.07)	-39.58%
WINTRUST FINANCIAL	2,900	30.0000	87,000.00	149.08	86,850.92	81,765.50	5,085.42	6.22%
WORLDCOM INC.	500,000	0.1020	51,000.00	1.54	50,998.46	16,315,474.85	(16,264,476.39)	-99.69%
TOTAL COMMON STOCK SOLD	31,827,010		560,889,755.28	1,376,807.90	559,512,947.38	1,004,124,423.01	(444,611,475.63)	-44.28%

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTION OF INVESTMENTS
JULY 1, 2002 THROUGH JUNE 30, 2003**

OTHER INVESTMENTS SOLD

Name	Coupon	Maturity	Book Cost	Capital Gains (Loss)
SBA LOANS				
ALL UNLIMITED	9.750	5/1/2009	43,043.68	-
ASAYO HOLDINGS	9.500	7/1/2010	39,433.28	-
EQUITY PARTNERSHIP	9.250	5/1/2016	40,177.41	-
NIARKOS	10.000	5/1/2014	23,664.17	-
TOTAL SBA SOLD			146,318.54	-
BRIDGE FINANCIAL				
BRIDGE FINANCIAL-DYNAMITE MOUNTAIN RANCH	12.750	6/30/2002	2,140,879.99	-
TOTAL BRIDGE FINANCIAL SOLD			2,140,879.99	-
PIVOTAL				
PIVOTAL DEBT FUND	10.000	12/1/2011	9,280,000.00	-
PIVOTAL PROMONTORY-LOANS	10.000		6,696,000.00	-
PIVOTAL SIMON HOTEL XXIV, LLC	10.000	5/14/2003	4,100,000.00	2,515,078.00
TOTAL PIVOTAL SOLD			20,076,000.00	2,515,078.00
DESERT TROON				
DESERT TROON FINANCE, LLC	14.000	9/15/2001	67,070,000.00	-
DESERT TROON PROP-SUMMMIT PRJC	10.000	6/24/2007	2,849,864.76	-
TOTAL DESERT TROON SOLD			69,919,864.76	-
MISCELLANEOUS				
CRYSTAL GARDENS PROPERTIES, LLC	10.000	4/20/2000	-	328,797.46
TALLEY PROPERTIES	12.000	12/1/2001	-	13,502,556.00
TOTAL MISCELLANEOUS SOLD			-	13,831,353.46
TOTAL OTHER INVESTMENTS SOLD			92,283,063.29	16,346,431.46

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2003
BOND PORTFOLIO**

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM	Duration
U.S. TREASURY OBLIGATIONS												
6,500,000	U.S. TREASURY BOND	9.375	2/15/2006	6,513,436.79	100.2067	120.1880	7,812,220.00	1,298,783.21	609,375.00	9.36	1.16	2.28
10,000,000	U.S. TREASURY BOND	9.125	5/15/2009	9,997,984.67	99.9799	106.8750	10,687,500.00	689,515.33	912,500.00	9.13	7.67	4.75
10,000,000	U.S. TREASURY BOND	10.375	11/15/2009	9,988,050.08	99.5805	112.3440	10,736,400.00	1,276,349.92	1,037,500.00	10.42	7.91	4.91
2,000,000	U.S. TREASURY BOND	11.750	2/15/2010	1,988,681.90	99.4341	116.6560	2,333,120.00	344,438.10	235,000.00	11.82	8.38	4.75
5,000,000	U.S. TREASURY BOND	12.750	11/15/2010	4,957,938.75	99.1588	126.0000	6,300,000.00	1,342,061.25	637,500.00	12.86	8.06	5.08
10,000,000	U.S. TREASURY BOND	7.500	11/15/2016	9,681,286.48	96.8129	135.7500	13,575,000.00	3,893,713.52	750,000.00	7.75	4.04	9.00
10,000,000	U.S. TREASURY BOND	9.125	5/15/2018	10,000,000.00	100.0000	155.0940	15,509,400.00	5,509,400.00	912,500.00	9.13	4.15	8.45
10,000,000	U.S. TREASURY BOND	8.125	8/15/2019	10,007,363.14	100.0735	144.6250	14,462,500.00	4,455,146.86	812,500.00	8.12	4.25	9.22
10,000,000	U.S. TREASURY BOND	8.000	11/15/2021	10,000,000.00	100.0000	144.8750	14,487,500.00	4,487,500.00	800,000.00	8.00	4.42	9.95
15,000,000	U.S. TREASURY BOND	10.000	5/15/2010	15,022,859.44	100.1524	115.7810	17,367,150.00	2,344,290.56	1,500,000.00	9.98	7.10	5.19
88,500,000	TOTAL U.S. TREASURY OBLIGATIONS			88,127,591.25			113,768,790.00	25,641,198.75	8,206,875.00	9.31	5.43	6.67
FEDERAL AGENCY OBLIGATIONS												
219,305	GNMA Pool #153415	9.000	4/15/2016	209,299.62	95.4375	111.4410	244,396.05	35,096.43	19,737.48	9.43	3.18	5.51
37,592	GNMA Pool #154058	9.000	6/15/2016	36,416.31	96.8736	111.4410	41,892.43	5,476.12	3,383.24	9.29	3.18	5.48
6,057	GNMA Pool #155939	9.000	8/15/2016	5,718.29	94.4020	111.4410	6,750.40	1,032.11	545.16	9.53	3.18	5.68
151,092	GNMA Pool #156462	9.000	7/15/2016	146,374.36	96.8773	111.4410	168,378.95	22,004.59	13,598.32	9.29	3.18	5.50
304,030	GNMA Pool #159801	9.000	9/15/2019	295,687.91	97.2561	111.5250	339,069.54	43,381.63	27,362.71	9.25	3.18	6.44
63,796	GNMA Pool #160350	9.000	5/15/2016	62,351.10	97.7501	111.4410	71,084.05	8,732.95	5,740.76	9.21	3.18	5.40
123,279	GNMA Pool #161638	9.000	9/15/2016	114,378.66	92.7803	111.4410	137,383.42	23,004.76	11,095.12	9.70	3.18	5.80
188,736	GNMA Pool #161682	9.000	7/15/2016	187,732.94	99.4688	111.4410	210,328.84	22,595.90	16,986.20	9.05	3.18	5.36
96,074	GNMA Pool #161684	9.000	7/15/2016	93,852.06	97.6875	111.4410	107,065.55	13,213.49	8,646.64	9.21	3.18	5.46
23,899	GNMA Pool #162599	9.000	6/15/2016	22,525.19	94.2501	111.4410	26,633.72	4,108.53	2,150.95	9.55	3.18	5.63
195,907	GNMA Pool #164468	9.000	12/15/2016	181,178.15	92.4819	111.4410	218,320.33	37,142.18	17,631.60	9.73	3.18	5.91
310,323	GNMA Pool #164501	9.000	8/15/2016	303,455.55	97.7869	111.4410	345,827.40	42,371.85	27,929.10	9.20	3.18	5.48
875,398	GNMA Pool #164681	9.000	10/15/2016	854,882.09	97.6564	111.4410	975,552.26	120,670.17	78,785.82	9.22	3.18	5.54
186,212	GNMA Pool #164924	9.000	9/15/2016	172,283.23	92.5197	111.4410	207,517.02	35,233.79	16,759.12	9.73	3.18	5.82
210,986	GNMA Pool #165172	9.000	6/15/2016	195,112.67	92.4767	111.4410	235,124.61	40,011.94	18,988.72	9.73	3.18	5.74
136,613	GNMA Pool #168283	9.000	8/15/2016	129,528.07	94.8139	111.4410	152,242.78	22,714.71	12,295.16	9.49	3.18	5.65
103,809	GNMA Pool #172800	9.000	8/15/2016	99,818.83	96.1563	111.4410	115,685.69	15,866.86	9,342.80	9.36	3.18	5.57
468,096	GNMA Pool #173847	9.000	9/15/2016	461,805.78	98.6563	111.4410	521,650.52	59,844.74	42,128.61	9.12	3.18	5.46
114,535	GNMA Pool #174829	9.000	9/15/2016	112,995.72	98.6563	111.4410	127,638.66	14,642.94	10,308.13	9.12	3.18	5.46
7,878	GNMA Pool #175243	9.000	11/15/2016	7,435.02	94.3750	111.4410	8,779.51	1,344.49	709.04	9.54	3.18	5.76
229,863	GNMA Pool #178234	9.000	11/15/2016	212,552.39	92.4693	111.4410	256,161.18	43,608.79	20,687.63	9.73	3.18	5.88
132,800	GNMA Pool #182491	9.000	10/15/2016	129,812.13	97.7500	111.4410	147,993.76	18,181.63	11,952.01	9.21	3.18	5.59
22,192	GNMA Pool #182914	9.000	10/15/2016	21,970.33	99.0001	111.4410	24,731.25	2,760.92	1,997.30	9.09	3.18	5.47
219,108	GNMA Pool #183553	9.000	8/15/2017	214,177.85	97.7500	111.5130	244,333.63	30,155.78	19,719.70	9.21	3.18	5.79
78,094	GNMA Pool #183715	9.000	11/15/2016	75,824.00	97.0938	111.4410	87,028.22	11,204.22	7,028.42	9.27	3.18	5.60
645,917	GNMA Pool #183733	9.000	1/15/2017	597,619.82	92.5227	111.5130	720,281.23	122,661.41	58,132.51	9.73	3.18	5.93
34,938	GNMA Pool #184707	9.000	12/15/2016	33,835.72	96.8438	111.4410	38,935.75	5,100.03	3,144.46	9.29	3.18	5.64
73,950	GNMA Pool #185639	9.000	11/15/2016	72,010.88	97.3785	111.4410	82,410.06	10,399.18	6,655.46	9.24	3.18	5.58
244,804	GNMA Pool #187705	9.000	1/15/2017	237,426.52	96.9862	111.5130	272,988.75	35,562.23	22,032.40	9.28	3.18	5.66

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2003**

BOND PORTFOLIO

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM	Duration
124,552	GNMA Pool #188192	9.000	5/15/2017	120,660.17	96.8751	111.5130	138,892.04	18,231.87	11,209.71	9.29	3.18	5.77
346,451	GNMA Pool #190921	9.000	12/15/2016	336,869.12	97.2344	111.4410	386,087.95	49,218.83	31,180.55	9.26	3.18	5.82
75,497	GNMA Pool #191648	9.000	5/15/2017	71,737.70	95.0204	111.5130	84,189.14	12,451.44	6,794.74	9.47	3.18	5.88
163,381	GNMA Pool #191943	9.000	7/15/2018	154,854.38	94.7814	111.5300	182,218.41	27,364.03	14,704.26	9.50	3.18	6.26
219,009	GNMA Pool #194468	9.000	12/15/2016	212,165.38	96.8750	111.4410	244,066.27	31,900.89	19,710.85	9.29	3.18	5.64
16,595	GNMA Pool #198466	9.000	2/15/2017	16,190.13	97.5625	111.5130	18,505.16	2,315.03	1,493.52	9.22	3.18	5.65
30,140	GNMA Pool #204136	9.000	5/15/2017	29,583.88	98.1562	111.5130	33,609.56	4,025.68	2,712.56	9.17	3.18	5.69
53,608	GNMA Pool #206683	9.000	4/15/2020	51,195.73	95.5000	111.5100	59,778.37	8,582.64	4,824.73	9.42	3.18	6.72
51,280	GNMA Pool #208638	9.000	5/15/2017	48,620.34	94.8126	111.5130	57,184.39	8,564.05	4,615.24	9.49	3.18	5.89
244,580	GNMA Pool #210798	9.000	7/15/2018	225,395.77	92.1563	111.5300	272,779.98	47,384.21	22,012.19	9.77	3.18	6.44
86,397	GNMA Pool #216520	9.000	5/15/2017	82,192.43	95.1332	111.5130	96,344.12	14,151.69	7,775.75	9.46	3.18	5.88
137,472	GNMA Pool #221494	9.000	7/15/2017	127,591.51	92.8126	111.5130	153,299.43	25,707.92	12,372.50	9.70	3.18	6.08
202,742	GNMA Pool #221509	9.000	12/15/2016	196,811.64	97.0751	111.4410	225,937.31	29,125.67	18,246.75	9.27	3.18	5.63
187,618	GNMA Pool #223282	9.000	5/15/2018	179,396.82	95.6179	111.5300	209,250.78	29,853.96	16,885.65	9.41	3.18	6.15
69,072	GNMA Pool #223307	9.000	4/15/2018	66,071.42	95.6563	111.5300	77,035.63	10,964.21	6,216.45	9.41	3.18	6.13
41,662	GNMA Pool #225586	9.000	5/15/2018	39,266.64	94.2500	111.5300	46,465.86	7,199.22	3,749.60	9.55	3.18	6.24
121,471	GNMA Pool #226614	10.000	11/15/2017	120,711.84	99.3750	115.0620	139,766.99	19,055.15	12,147.10	10.06	8.69	5.62
20,392	GNMA Pool #228184	9.000	5/15/2018	19,219.23	94.2501	111.5300	22,742.90	3,523.67	1,835.26	9.55	3.18	6.24
119,092	GNMA Pool #228233	9.000	5/15/2018	107,815.63	90.5314	111.5300	132,823.32	25,007.69	10,718.28	9.94	3.18	6.50
191,547	GNMA Pool #229731	9.000	7/15/2017	177,781.28	92.8134	111.5130	213,599.82	35,818.54	17,239.23	9.70	3.18	6.08
110,977	GNMA Pool #232531	9.000	10/15/2017	108,480.33	97.7500	111.5130	123,754.13	15,273.80	9,987.96	9.21	3.18	5.85
161,013	GNMA Pool #234450	9.000	4/15/2018	154,823.83	96.1563	111.5300	179,577.46	24,753.63	14,491.14	9.36	3.18	6.10
154,631	GNMA Pool #236041	10.000	11/15/2017	152,891.05	98.8750	115.0620	177,921.08	25,030.03	15,463.06	10.11	8.69	5.65
29,458	GNMA Pool #236835	10.000	11/15/2017	29,339.70	99.5991	115.0620	33,894.72	4,555.02	2,945.78	10.04	8.69	5.60
29,915	GNMA Pool #236936	9.000	4/15/2018	28,176.54	94.1875	111.5300	33,364.61	5,188.07	2,692.38	9.56	3.18	6.22
222,281	GNMA Pool #236937	9.000	4/15/2018	212,070.40	95.4063	111.5300	247,910.33	35,839.93	20,005.32	9.43	3.18	6.14
44,020	GNMA Pool #236939	9.000	4/15/2018	41,489.15	94.2500	111.5300	49,095.84	7,606.69	3,961.83	9.55	3.18	6.22
207,114	GNMA Pool #237138	10.000	10/15/2017	205,912.62	99.4199	115.0620	238,309.56	32,396.94	20,711.40	10.06	8.69	5.59
22,416	GNMA Pool #237195	9.000	6/15/2018	18,513.04	82.5901	111.5300	25,000.09	6,487.05	2,017.40	10.90	3.18	7.15
9,587	GNMA Pool #238133	9.000	4/15/2018	9,201.41	95.9762	111.5300	10,692.58	1,491.17	862.85	9.38	3.18	6.11
95,916	GNMA Pool #247506	9.000	1/15/2020	93,428.18	97.4063	111.5100	106,955.93	13,527.75	8,632.44	9.24	3.18	6.52
229,124	GNMA Pool #249621	9.000	5/15/2018	212,584.30	92.7813	111.5300	255,541.97	42,957.67	20,821.16	9.70	3.18	6.34
160,678	GNMA Pool #252052	9.000	6/15/2018	151,890.95	94.5313	111.5300	179,204.07	27,313.12	14,461.01	9.52	3.18	6.25
200,320	GNMA Pool #252055	9.000	6/15/2018	184,607.05	92.1563	111.5300	223,416.38	38,809.33	18,028.76	9.77	3.18	6.41
188,497	GNMA Pool #256372	9.000	10/15/2019	184,491.78	97.8750	111.5300	210,221.60	25,729.82	16,964.76	9.20	3.18	6.42
60,225	GNMA Pool #257869	9.000	9/15/2019	58,317.66	96.8330	111.5250	67,165.91	8,848.25	5,420.25	9.29	3.18	6.46
191,272	GNMA Pool #266545	9.000	1/15/2019	177,464.85	92.7813	111.5250	213,316.35	35,851.50	17,214.50	9.70	3.18	6.55
186,127	GNMA Pool #271090	9.000	10/15/2019	182,171.52	97.8750	111.5250	207,577.79	25,406.27	16,751.40	9.20	3.18	6.42
29,050	GNMA Pool #271897	9.000	9/15/2019	31,613.90	108.8243	111.5250	32,398.47	784.57	2,614.54	8.27	3.18	5.75
178,743	GNMA Pool #273548	9.000	9/15/2019	172,989.27	96.7813	111.5250	199,342.60	26,353.33	16,086.83	9.30	3.18	6.47
237,051	GNMA Pool #274140	9.000	9/15/2019	229,494.95	96.8125	111.5250	264,371.03	34,876.08	21,334.58	9.30	3.18	6.47
93,403	GNMA Pool #277907	9.000	11/15/2019	92,702.29	99.2500	111.5250	104,167.45	11,465.16	8,406.25	9.07	3.18	6.35
65,483	GNMA Pool #282815	9.000	11/15/2019	64,919.93	99.1407	111.5250	73,029.53	8,109.60	5,893.44	9.08	3.18	6.36
51,637	GNMA Pool #284420	9.000	2/15/2020	49,571.30	96.0001	111.5100	57,580.10	8,008.80	4,647.30	9.38	3.18	6.64
138,557	GNMA Pool #285101	9.000	4/15/2020	131,282.99	94.7500	111.5100	154,505.14	23,222.15	12,470.15	9.50	3.18	6.77

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2003**

BOND PORTFOLIO

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM	Duration
100.324	GNMA Pool #285593	9.000	2/15/2020	97,085.49	96.7723	111.5100	111,870.89	14,785.40	9,029.13	9.30	3.18	6.59
273.307	GNMA Pool #286371	9.000	2/15/2020	261,423.34	95.6520	111.5100	304,764.42	43,341.08	24,597.61	9.41	3.18	6.66
186.493	GNMA Pool #286427	9.000	4/15/2020	178,100.89	95.5000	111.5100	207,958.34	29,857.45	16,784.37	9.42	3.18	6.72
83.495	GNMA Pool #287851	9.000	4/15/2020	80,767.28	96.7328	111.5100	93,105.54	12,338.26	7,514.57	9.30	3.18	6.63
149.343	GNMA Pool #290000	9.000	4/15/2020	149,342.50	100.0000	111.5100	166,531.82	17,189.32	13,440.83	9.00	3.18	6.42
26.506	GNMA Pool #290057	9.000	6/15/2020	26,505.75	100.0000	111.5100	29,556.56	3,050.81	2,385.52	9.00	3.18	6.46
46.226	GNMA Pool #291136	9.000	5/15/2020	43,423.62	93.9376	111.5100	51,546.63	8,123.01	4,160.34	9.58	3.18	6.86
72.886	GNMA Pool #295076	9.000	12/15/2020	72,863.44	99.9687	111.5100	81,275.44	8,412.00	6,559.76	9.00	3.18	6.59
66.244	GNMA Pool #297590	9.000	3/15/2021	66,223.08	99.9688	111.4490	73,828.00	7,604.92	5,961.94	9.00	3.18	6.66
74.344	GNMA Pool #298952	9.000	4/15/2021	74,344.02	100.0000	111.4490	82,855.67	8,511.65	6,890.96	9.00	3.18	6.68
228.396	GNMA Pool #319521	8.000	2/15/2022	228,897.26	99.3438	109.0510	249,068.23	22,170.97	18,271.69	8.05	3.24	7.19
2,824.321	GNMA Pool #337419	7.000	6/15/2023	2,650,931.64	93.8608	106.3600	3,003,948.01	353,016.37	197,702.48	7.46	2.11	8.30
1,101.224	GNMA Pool #345731	8.000	5/15/2024	1,093,997.01	99.3438	108.6020	1,195,951.05	101,954.04	88,097.90	8.05	3.24	7.77
363.556	GNMA Pool #348865	8.000	6/15/2023	361,170.64	99.3438	108.9470	396,083.87	34,913.23	29,084.52	8.05	3.24	7.54
284.747	GNMA Pool #352219	8.000	4/15/2023	282,885.90	99.3464	108.9470	310,223.30	27,337.40	22,779.76	8.05	3.24	7.50
1,968.376	GNMA Pool #352964	7.000	5/15/2024	1,841,772.09	93.5681	106.2990	2,092,364.23	250,592.14	137,786.33	7.48	2.11	8.59
3,491.360	GNMA Pool #366756	7.000	3/15/2024	3,266,668.33	93.5643	106.2990	3,711,281.04	444,612.71	244,395.22	7.48	2.11	8.55
1,600.183	GNMA Pool #371734	7.000	4/15/2024	1,497,171.12	93.5625	106.2990	1,700,978.41	203,807.29	112,012.80	7.48	2.11	8.57
3,423.148	GNMA Pool #377589	7.500	8/15/2025	3,413,520.04	99.7188	106.8080	3,656,195.38	242,675.34	256,736.06	7.52	2.89	8.22
1,164.766	GNMA Pool #386030	7.000	5/15/2024	1,090,035.44	93.5841	106.2990	1,238,134.38	148,098.94	81,533.60	7.48	2.11	8.59
846.891	GNMA Pool #398831	8.000	8/15/2026	845,571.64	99.8442	108.4050	918,072.62	72,500.98	67,751.31	8.01	3.24	8.26
379.230	GNMA Pool #402544	7.500	4/15/2026	378,104.55	99.7031	106.7430	404,801.86	26,697.31	28,442.28	7.52	2.89	8.38
1,116.052	GNMA Pool #403979	8.500	10/15/2024	1,097,048.78	98.2973	109.2790	1,219,610.73	122,561.95	94,864.44	8.65	4.02	7.79
1,583.542	GNMA Pool #405618	7.500	4/15/2026	1,581,586.30	99.8753	106.7430	1,690,319.86	108,733.56	118,765.62	7.51	2.89	8.37
798.790	GNMA Pool #417666	7.500	8/15/2025	796,426.73	99.7042	106.8080	853,171.56	56,744.83	59,909.25	7.52	2.89	8.22
1,023.696	GNMA Pool #421711	7.500	4/15/2026	1,022,417.36	99.8751	106.7430	1,092,723.90	70,306.54	76,777.21	7.51	2.89	8.37
987.003	GNMA Pool #429356	7.500	3/15/2026	984,072.56	99.7031	106.7430	1,053,556.26	69,483.70	74,025.20	7.52	2.89	8.36
424.963	GNMA Pool #430384	8.000	8/15/2026	424,299.55	99.8438	108.4050	460,681.47	36,381.92	33,997.06	8.01	3.24	8.26
1,210.630	GNMA Pool #432701	8.000	6/15/2026	1,210,630.07	100.0000	108.4050	1,312,383.53	101,753.46	96,984.38	8.00	3.24	8.21
1,385.491	GNMA Pool #433892	7.000	7/15/2028	1,360,414.93	98.1901	105.7770	1,465,530.93	105,116.00	96,984.38	7.13	2.11	9.27
528.097	GNMA Pool #434101	7.000	12/15/2028	517,708.45	98.0328	105.7770	558,605.66	40,897.21	36,966.82	7.14	2.11	9.38
193.915	GNMA Pool #438772	8.000	8/15/2026	193,612.33	99.8438	108.4050	210,213.90	16,601.57	15,513.23	8.01	3.24	8.26
385.651	GNMA Pool #438778	8.000	8/15/2026	385,064.91	99.8481	108.4050	418,064.53	32,999.62	30,852.05	8.01	3.24	8.26
1,090.026	GNMA Pool #439645	8.000	9/15/2026	1,089,344.72	99.9375	108.4050	1,181,642.45	92,297.73	87,202.06	8.01	3.24	8.27
240.783	GNMA Pool #441619	7.500	11/15/2029	239,847.20	99.6115	106.3070	255,968.86	16,121.66	18,058.70	7.53	2.89	9.20
1,143.667	GNMA Pool #450368	7.000	8/15/2028	1,122,960.47	98.1894	105.7770	1,209,736.97	86,776.50	80,056.71	7.13	2.11	9.29
562.035	GNMA Pool #458918	7.000	8/15/2028	551,956.33	98.2067	105.7770	594,504.19	42,547.86	39,342.48	7.13	2.11	9.28
4,389.524	GNMA Pool #464692	7.000	7/15/2028	4,288,575.67	97.7003	105.7770	4,643,106.58	354,530.91	307,266.67	7.16	2.11	9.31
1,502.230	GNMA Pool #466888	7.000	7/15/2028	1,475,021.24	98.1888	105.7770	1,589,014.17	113,992.93	105,156.12	7.13	2.11	9.27
3,480.383	GNMA Pool #469797	7.000	12/15/2028	3,412,143.53	98.0393	105.7770	3,681,444.58	269,301.05	243,626.80	7.14	2.11	9.38
1,991.109	GNMA Pool #470493	7.000	6/15/2029	1,976,844.48	99.2836	105.6960	2,104,522.56	127,678.08	139,377.63	7.05	2.11	9.38
1,203.416	GNMA Pool #472997	7.000	6/15/2029	1,197,024.00	99.4688	105.6960	1,271,962.93	74,938.93	84,239.14	7.04	2.11	9.36
1,153.647	GNMA Pool #478875	7.500	11/15/2029	1,149,155.66	99.6107	106.3070	1,226,407.59	77,251.93	86,523.53	7.53	2.89	9.20
1,283.258	GNMA Pool #478881	7.500	11/15/2029	1,278,245.71	99.6094	106.3070	1,364,193.55	85,947.84	96,244.38	7.53	2.89	9.20
1,808.116	GNMA Pool #482784	7.000	10/15/2028	1,795,129.37	99.2818	105.7770	1,912,570.70	117,441.33	126,568.11	7.05	2.11	9.22

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2003**

BOND PORTFOLIO

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM	Duration
2,462,418	GNMA Pool #485451	6.500	5/15/2031	2,453,220.49	99.6265	105.0090	2,585,760.94	132,540.45	160,057.20	6.52	1.67	10.04
2,043,697	GNMA Pool #486539	7.000	9/15/2028	2,029,013.67	99.2815	105.7770	2,161,761.69	132,748.02	143,058.81	7.05	2.11	9.20
391,604	GNMA Pool #486761	7.000	12/15/2028	383,900.85	98.0329	105.7770	414,227.24	30,326.39	27,412.30	7.14	2.11	9.38
640,109	GNMA Pool #487221	7.000	5/15/2029	612,939.35	95.7554	105.6960	676,570.11	63,630.76	44,807.66	7.31	2.11	9.70
2,798,521	GNMA Pool #487222	7.000	5/15/2029	2,684,555.62	95.9277	105.6960	2,957,924.35	273,368.73	195,896.44	7.30	2.11	9.69
2,859,779	GNMA Pool #493996	7.000	7/15/2029	2,738,514.26	95.7596	105.6960	3,022,672.45	284,158.19	200,184.56	7.31	2.11	9.74
2,498,773	GNMA Pool #499876	7.000	6/15/2029	2,485,504.47	99.4690	105.6960	2,641,103.36	155,598.89	174,914.13	7.04	2.11	9.36
1,474,204	GNMA Pool #500931	7.000	6/15/2029	1,466,382.47	99.4694	105.6960	1,558,174.71	91,792.24	103,194.28	7.04	2.11	9.36
8,686,215	GNMA Pool #503019	6.000	3/15/2029	8,044,347.30	92.6105	104.9670	9,117,659.58	1,073,312.28	521,172.92	6.48	2.77	10.51
222,893	GNMA Pool #504418	7.000	6/15/2029	221,708.77	99.4688	105.6960	235,588.87	13,880.10	15,602.50	7.04	2.11	9.36
5,510,321	GNMA Pool #505728	7.000	6/15/2029	5,481,060.25	99.4690	105.6960	5,824,188.99	343,128.74	385,722.48	7.04	2.11	9.36
874,034	GNMA Pool #506075	7.000	11/15/2029	838,389.73	95.9219	105.6960	923,818.84	85,429.11	61,182.37	7.30	2.11	9.80
2,105,689	GNMA Pool #509328	7.000	6/15/2029	2,041,231.38	96.9389	105.6960	2,225,629.23	184,397.85	147,398.24	7.22	2.11	9.60
547,300	GNMA Pool #510100	7.000	7/15/2029	537,388.39	98.1890	105.6960	578,473.94	41,085.55	38,310.98	7.13	2.11	9.50
650,626	GNMA Pool #510302	7.000	8/15/2029	624,105.26	95.9238	105.6960	687,685.75	63,580.49	45,543.83	7.30	2.11	9.74
2,321,845	GNMA Pool #510958	7.000	5/15/2029	2,305,158.99	99.2814	105.6960	2,454,097.04	148,938.05	162,529.13	7.05	2.11	9.36
687,151	GNMA Pool #510983	7.000	6/15/2029	659,143.99	95.9242	105.6960	726,291.29	67,147.30	48,100.58	7.30	2.11	9.71
900,225	GNMA Pool #512888	7.000	7/15/2029	872,673.63	96.9396	105.6960	951,501.36	78,827.73	63,015.72	7.22	2.11	9.62
1,583,526	GNMA Pool #512915	7.000	7/15/2029	1,535,066.50	96.9398	105.6960	1,673,723.40	138,656.90	110,846.80	7.22	2.11	9.62
675,944	GNMA Pool #513367	7.000	8/15/2029	647,239.24	95.7534	105.6960	714,445.59	67,206.35	47,316.07	7.31	2.11	9.76
525,512	GNMA Pool #520045	6.500	6/15/2031	523,172.04	99.5547	105.0090	551,834.82	28,662.78	34,158.28	6.53	1.67	10.07
5,487,208	GNMA Pool #530203	6.500	4/15/2031	5,473,491.22	99.7500	105.0090	5,762,062.70	288,571.48	356,668.55	6.52	1.67	10.01
8,438,548	GNMA Pool #530611	6.500	5/15/2031	8,431,295.81	99.9141	105.0090	8,861,234.52	429,938.71	548,505.60	6.51	1.67	10.01
3,558,723	GNMA Pool #530631	6.500	6/15/2031	3,542,875.74	99.5547	105.0090	3,736,979.14	194,103.40	231,316.98	6.53	1.67	10.07
2,601,919	GNMA Pool #541464	6.500	6/15/2031	2,590,333.20	99.5547	105.0090	2,732,248.77	141,915.57	169,124.71	6.53	1.67	10.07
2,692,648	GNMA Pool #549889	6.500	5/15/2031	2,682,550.34	99.6250	105.0090	2,827,522.48	144,972.14	175,022.10	6.52	1.67	10.04
2,335,249	GNMA Pool #549890	6.500	4/15/2031	2,326,485.88	99.6252	105.0090	2,452,221.70	125,735.82	151,791.19	6.52	1.67	10.02
521,895	GNMA Pool #549915	6.500	5/15/2031	519,938.04	99.6250	105.0090	548,036.88	28,098.84	33,923.18	6.52	1.67	10.04
21,710,334	GNMA Pool #552518	6.500	4/15/2032	21,635,705.68	99.6563	105.0030	22,796,501.94	1,160,796.26	1,411,171.71	6.52	1.67	10.24
3,846,899	GNMA Pool #557424	6.500	5/15/2031	3,829,775.62	99.5549	105.0090	4,039,590.46	209,814.84	250,048.45	6.53	1.67	10.05
4,089,029	GNMA Pool #557467	6.500	5/15/2031	4,070,840.12	99.5552	105.0090	4,293,848.18	223,008.06	265,786.87	6.53	1.67	10.05
3,779,264	GNMA Pool #560189	6.500	4/15/2031	3,769,815.48	99.7500	105.0090	3,968,566.93	198,751.45	245,652.14	6.52	1.67	10.01
5,837,006	GNMA Pool #780076	8.000	2/15/2025	5,736,355.13	98.2757	108.8870	6,355,740.44	619,385.31	466,960.46	8.14	3.24	8.04
6,599,873	GNMA Pool #780220	7.500	8/15/2025	6,587,746.96	99.9678	107.0120	7,062,655.67	484,908.71	494,990.45	7.50	2.89	8.20
1,518,421	GNMA Pool #781129	7.000	11/15/2028	1,492,823.36	98.3142	105.8030	1,606,535.13	113,711.77	106,289.48	7.12	2.11	9.33
172,824,117	TOTAL FEDERAL AGENCY OBLIGATIONS			169,683,695.87			183,576,289.35	13,892,593.48	12,173,170.11	7.17	2.26	9.21
CORPORATE BONDS												
10,500,000	AGL CAPITAL TRUST	8.170	6/1/2037	10,680,633.21	101.7203	114.8360	12,057,780.00	1,377,146.79	857,850.00	8.03	7.02	11.70
16,000,000	AMERICAN UNITED LIFE INS CO	7.750	3/30/2026	15,340,897.22	95.8806	104.7460	16,759,360.00	1,418,462.78	1,240,000.00	8.08	7.32	11.55
29,000,000	ANTHEM INSURANCE COMPANY INC	9.000	4/1/2027	30,282,991.88	104.4241	134.2860	38,942,940.00	8,659,948.12	2,610,000.00	8.62	6.23	9.77
3,480,000	AT&T BROADBAND CORP	9.455	11/15/2022	3,546,614.74	101.9142	136.2960	4,743,100.80	1,196,486.06	329,034.00	9.28	6.22	9.07
5,000,000	AXA SA	8.600	12/15/2030	5,398,671.29	107.9734	128.7880	6,439,400.00	1,040,728.71	430,000.00	7.96	6.37	10.12

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2003
BOND PORTFOLIO**

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM	Duration
10,000,000	BANKERS TRUST	7.750	12/1/2026	9,769,060.55	97.6906	111.4580	11,145,800.00	1,376,739.45	775,000.00	7.93	6.77	11.42
12,000,000	BANKERS TRUST CORP 144A	8.090	12/1/2026	12,000,000.00	100.0000	114.7760	13,773,120.00	1,773,120.00	970,800.00	8.09	8.82	10.87
12,000,000	BAYER HYPO-VEREINSBANK	8.741	6/30/2031	10,015,820.44	83.4652	105.1380	12,616,560.00	2,600,739.56	1,048,920.00	10.47	8.27	13.00
4,768,303	CONTINENTAL AIRLINES	8.048	11/1/2020	4,899,287.23	102.7470	99.1100	4,725,864.71	(173,422.52)	383,752.99	7.83	8.14	9.42
4,655,783	CONTINENTAL AIRLINES	6.703	6/15/2021	4,351,756.51	93.4699	96.9380	4,513,223.36	161,466.85	312,077.16	7.17	7.01	11.46
10,500,000	COUNTRYWIDE CAPITAL I	8.000	12/15/2026	10,500,000.00	100.0000	113.1060	11,876,130.00	1,376,130.00	840,000.00	8.00	6.87	10.94
5,000,000	DAIMLER CHRYSLER	8.500	1/18/2031	6,208,880.60	124.1776	117.7860	5,889,300.00	(319,580.60)	425,000.00	6.85	7.03	8.88
1,529,779	DELTA AIR LINES	7.379	5/18/2010	1,529,779.20	100.0000	102.7290	1,571,526.87	41,747.67	112,882.41	7.38	6.88	5.59
10,000,000	DELTA AIRLINES SERIES 01-1B	7.711	9/18/2011	9,958,061.39	99.5806	84.1750	8,417,500.00	(1,540,561.39)	771,100.00	7.74	10.71	6.14
5,000,000	DELTA FUNDING HOME EQUITY LOAN	7.600	1/15/2030	4,932,244.58	98.6449	105.0690	5,253,450.00	321,205.42	380,000.00	7.70	7.17	11.62
5,000,000	DISCOVER CREDIT	9.100	4/13/2012	5,000,000.00	100.0000	130.5900	6,529,500.00	1,529,500.00	455,000.00	9.10	4.86	6.33
10,000,000	ELECTRONIC DATA SYSTEMS	7.125	10/15/2009	10,777,538.46	107.7754	107.5000	10,750,000.00	(27,538.46)	712,500.00	6.61	5.73	4.93
19,000,000	FARMERS INSURANCE EXCHANGE	8.625	5/1/2024	17,765,106.68	93.5006	97.5000	18,525,000.00	759,893.32	1,638,750.00	9.22	8.89	10.74
8,000,000	FIRST EMPIRE CAPITAL TRUST I	8.234	2/1/2027	8,575,722.29	107.1965	116.6290	9,330,320.00	754,597.71	658,720.00	7.68	6.81	10.02
10,000,000	FIRST EMPIRE CAPITAL TRUST I	8.277	6/1/2027	10,477,092.22	104.7709	117.7600	11,776,000.00	1,298,907.78	827,700.00	7.90	6.77	10.29
14,000,000	FIRST HAWAIIAN CAPITAL TRUST	8.343	7/1/2027	14,711,212.98	105.0801	119.2460	16,694,440.00	1,983,227.02	1,168,020.00	7.94	6.72	10.21
4,000,000	FIRST UNION CAPITAL II	7.950	11/15/2029	3,638,896.47	90.9724	126.9630	5,078,520.00	1,439,623.53	318,000.00	8.74	5.92	12.56
1,950,183	FIRSTPLUS HOME IMPROVEMENT	8.300	2/20/2022	1,947,177.90	99.8459	99.9560	1,949,324.97	2,147.07	161,865.19	8.31	8.31	9.54
7,488,000	FORD HOLDINGS INC	9.375	3/1/2020	8,362,282.98	111.6758	105.2260	7,879,322.88	(482,960.10)	702,000.00	8.39	8.77	7.79
5,000,000	FORD MOTOR COMPANY	9.500	9/15/2011	4,998,316.62	99.9663	115.0420	5,752,100.00	753,783.38	475,000.00	9.50	7.01	5.78
18,500,000	FORD MOTOR CREDIT	7.250	10/25/2011	18,951,167.26	102.4387	102.8070	19,019,295.00	68,127.74	1,341,250.00	7.08	6.81	6.34
17,000,000	GENERAL AMERICAN LIFE INSURANCE	7.625	1/15/2024	15,279,023.42	89.8766	107.7790	18,322,430.00	3,043,406.58	1,296,250.00	8.48	6.91	11.88
2,000,000	GENERAL MOTORS NOVA SCOTIA FIN	6.850	10/15/2008	2,084,323.08	104.2162	104.9950	2,099,900.00	15,576.92	137,000.00	6.57	5.78	4.48
10,000,000	GMAC	7.250	3/2/2011	10,420,430.11	104.2043	102.6100	10,261,000.00	(159,430.11)	725,000.00	6.96	6.80	5.68
5,000,000	GMAC	6.875	8/28/2012	5,168,906.64	103.3781	99.7660	4,988,300.00	(180,606.64)	343,750.00	6.65	6.91	6.63
12,000,000	GMAC	8.000	11/1/2031	11,999,336.02	99.9945	98.1160	11,773,920.00	(225,416.02)	960,000.00	8.00	8.17	11.61
10,000,000	GOLDMAN SACHS GROUP INC.	8.000	3/1/2013	9,975,019.90	99.7502	126.5390	12,653,900.00	2,678,880.10	800,000.00	8.02	4.53	6.85
14,000,000	GOODRICH CORPORATION	7.100	11/15/2027	12,790,466.47	91.3605	98.5780	13,800,920.00	1,010,453.53	994,000.00	7.77	7.23	13.07
9,780,000	GTE CORPORATION	7.900	2/1/2027	9,576,183.56	97.9160	113.8570	11,135,214.60	1,559,031.04	772,620.00	8.07	6.72	11.26
3,500,000	HUNTINGTON BANKS SUB NTS	6.600	6/15/2018	3,227,251.48	92.2072	116.7310	4,085,585.00	858,333.52	231,000.00	7.16	5.00	10.57
15,000,000	JOHN HANCOCK MUTUAL LIFE INS CO	7.375	2/15/2024	14,188,213.53	94.5881	117.8910	17,683,650.00	3,495,436.47	1,106,250.00	7.80	5.86	11.50
14,666,000	JPM CAPITAL TRUST II	7.950	2/1/2027	15,302,758.95	104.3417	115.1360	16,885,845.76	1,583,086.81	1,165,947.00	7.62	6.67	10.53
7,000,000	KEY CORP CAPITAL III	7.750	7/15/2029	6,700,474.37	95.7211	122.6440	8,585,080.00	1,884,605.63	542,500.00	8.10	6.02	12.06
14,000,000	LIBERTY MUTUAL INSURANCE	7.875	10/15/2026	13,216,875.52	94.4063	85.1130	11,915,820.00	(1,301,055.52)	1,102,500.00	8.34	9.47	11.70
2,000,000	NATIONAL RURAL UTILITIES	8.000	3/1/2032	2,021,988.97	101.0995	128.9670	2,579,340.00	557,351.03	160,000.00	7.91	5.89	11.48
25,315,000	NATIONWIDE MUTUAL INS CO	7.500	2/15/2024	24,485,981.31	96.7252	104.5550	26,468,098.25	1,982,116.94	1,898,625.00	7.75	7.08	11.14
15,000,000	NEW ENGLAND MUTUAL LIFE INSURAI	7.875	2/15/2024	14,851,570.22	99.0105	123.1360	18,470,400.00	3,618,829.78	1,181,250.00	7.95	5.91	10.59
3,590,026	NORTHWEST AIR LINES	7.935	4/1/2019	3,895,128.79	108.4986	107.4780	3,858,488.36	(36,640.43)	284,868.58	7.31	7.14	8.60
8,512,979	NORTHWEST AIR LINES	7.041	4/1/2022	8,395,258.74	98.6172	98.3370	8,371,408.42	(23,850.32)	599,398.87	7.14	7.20	10.91
17,000,000	PMI CAPITAL	8.309	2/1/2027	17,469,821.68	102.7637	105.1400	17,873,800.00	403,978.32	1,412,630.00	8.09	7.83	10.40
5,000,000	PORTLAND GENERAL ELECTRIC (ENR	7.750	4/15/2023	4,999,094.15	99.9819	91.7130	4,585,650.00	(413,444.15)	387,500.00	7.75	8.63	10.48
23,200,000	PRINCIPAL MUTUAL LIFE INSURANCE	7.875	3/1/2024	22,774,516.09	98.1660	104.2470	24,185,304.00	1,410,787.91	1,827,000.00	8.02	7.47	10.69
10,000,000	PRUDENTIAL FUNDING	6.750	9/15/2023	8,652,573.63	86.5257	105.1080	10,510,800.00	1,858,226.37	747,000.00	7.80	6.30	13.01
9,000,000	PRUDENTIAL INSURANCE CO OF AMEI	8.300	7/1/2025	8,843,094.59	98.2566	127.6410	11,487,690.00	2,644,595.41	675,000.00	8.45	6.02	10.64
6,000,000	ROCKWELL INTERNATIONAL	6.700	1/15/2028	5,509,027.52	91.8171	115.0140	6,900,840.00	1,391,812.48	402,000.00	7.30	5.57	13.46

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2003**

BOND PORTFOLIO

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM	Duration
12,825,000	SAFECO CAPITAL TRUST	8.072	7/15/2037	12,901,279.14	100.5948	115.7800	14,848,785.00	1,947,505.86	1,035,234.00	8.02	6.87	11.94
5,000,000	SEARS ROEBUCK ACCEPTANCE	7.000	6/1/2032	4,070,917.35	81.4184	111.8550	5,592,750.00	1,521,832.65	350,000.00	8.60	6.12	15.69
8,500,000	SECURITY BENEFIT	8.750	5/15/2016	9,272,035.50	109.0828	121.5670	10,333,195.00	1,061,159.50	743,750.00	8.02	6.30	7.34
12,000,000	SECURITY MUTUAL LIFE NEW YORK	9.375	12/15/2016	13,105,090.28	109.2091	131.4230	15,770,760.00	2,665,669.72	1,125,000.00	8.58	5.96	7.26
4,862,219	SECURITY NATIONAL MORTGAGE 99-1	8.353	9/25/2030	4,862,219.18	100.0000	103.0300	5,009,544.42	147,325.24	406,141.17	8.35	8.08	10.80
9,046,147	SECURITY NATIONAL MORTGAGE LOA	7.870	8/25/2030	9,046,146.98	100.0000	106.8180	9,662,913.28	616,766.30	711,931.77	7.87	7.29	11.26
15,000,000	SOUTHERN COMPANY CAPITAL TRUS	8.190	2/1/2037	16,075,876.38	107.1725	117.2610	17,589,150.00	1,513,273.62	1,228,500.00	7.64	6.87	11.05
7,875,000	TRANSAMERICA CAPITAL II	7.650	12/1/2026	7,989,237.67	101.4506	101.0040	7,954,065.00	(35,172.67)	602,437.50	7.54	7.56	11.09
6,000,000	TYCO INTERNATIONAL GROUP	6.875	1/15/2029	5,414,923.74	90.2487	101.0000	6,060,000.00	645,076.26	412,500.00	7.62	6.79	13.70
3,000,000	UNION CARBIDE CORP	7.875	4/1/2023	2,905,466.16	96.8489	101.0330	3,030,990.00	125,523.84	236,250.00	8.13	7.77	10.72
5,775,000	UNION CARBIDE CORP	7.500	6/1/2025	5,446,547.04	94.3125	98.6160	5,695,074.00	248,526.96	433,125.00	7.95	7.63	11.76
18,500,000	UNION CENTRAL LIFE	8.200	11/1/2026	19,350,958.38	104.5998	110.9990	20,534,815.00	1,183,856.62	1,517,000.00	7.84	7.22	10.30
13,500,000	US WEST COMMUNICATIONS	7.500	6/15/2023	12,920,340.88	95.7062	96.0000	12,960,000.00	39,659.12	1,012,500.00	7.84	7.90	11.14
17,000,000	USF&G CAPITAL II, SERIES B	8.470	1/10/2027	18,397,827.48	108.2225	114.0820	19,393,940.00	996,112.52	1,439,900.00	7.83	7.22	9.75
11,000,000	ZURICH CAPITAL TRUST I	8.376	6/1/2037	11,137,654.24	101.2514	109.8180	12,079,980.00	942,325.76	921,360.00	8.27	7.57	11.53
650,819,420	TOTAL CORPORATE BONDS			649,343,051.84			718,008,224.68	68,665,172.84	51,872,840.64	7.99	6.97	10.35
912,143,537	BOND PORTFOLIO TOTALS			907,154,338.96			1,015,353,304.03	108,198,965.07	72,252,885.75	7.96	5.95	9.77

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2003**

CORPORATE NOTES

Date Acquired	Description	Interest Rate	Maturity Date	Cost	Amount of Interest	Maturity Value
6/30/2003	UBS FINANCE	1.30	7/1/2003	27,399,010.56	989.44	27,400,000.00
6/30/2003	MERRILL LYNCH	1.12	7/2/2003	27,398,295.11	1,704.89	27,400,000.00
6/25/2003	ASSET ONE SECURITIZATION	1.02	7/9/2003	35,860,769.58	14,230.42	35,875,000.00
6/26/2003	NORDDEUTSCHE LANDESBANK	1.10	7/9/2003	29,988,083.33	11,916.67	30,000,000.00
6/30/2003	STEAMBOAT FUNDING	1.13	7/10/2003	27,391,399.44	8,600.56	27,400,000.00
6/26/2003	CROWN POINT CAPITAL	1.07	7/11/2003	29,986,625.00	13,375.00	30,000,000.00
6/27/2003	INTERNATIONAL LEASE FINANCE	1.02	7/18/2003	30,731,703.75	18,296.25	30,750,000.00
6/25/2003	WORLD OMNI VEHICLE LEASING	1.00	7/25/2003	35,845,104.17	29,895.83	35,875,000.00
TOTAL CORPORATE NOTES				244,600,990.94	99,009.06	244,700,000.00

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2003**

COMMON STOCK PORTFOLIO

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
1,000,000	ABBOTT LABORATORIES	0.98	14.0629	14,062,899.69	43.7600	43,760,000.00	980,000.00	29,697,100.31
71,300	ACCREDO HEALTH	-	18.5299	1,321,184.14	21.6500	1,543,645.00	-	222,460.86
700,000	ADOBE SYSTEMS	0.05	39.8393	27,887,502.00	32.0700	22,449,000.00	35,000.00	(5,438,502.00)
67,900	ADVANCED ENERGY INDUSTRIES	-	10.4146	707,151.30	14.3000	970,970.00	-	263,818.70
200,000	ALBERTO CULVER CO	0.42	54.3181	10,863,626.30	51.1000	10,220,000.00	84,000.00	(643,626.30)
201,600	ALCOA INC	0.60	18.9288	3,815,647.44	25.5000	5,140,800.00	120,960.00	1,325,152.56
850,000	ALLSTATE CORPORATION	0.92	21.8064	18,535,466.80	35.6500	30,302,500.00	782,000.00	11,767,033.20
600,000	ALLTEL CORPORATION	1.40	62.9145	37,748,704.77	48.2200	28,932,000.00	840,000.00	(8,816,704.77)
200,000	AMBAC FINANCIAL GROUP INC	0.40	56.9377	11,387,548.80	66.2500	13,250,000.00	80,000.00	1,862,451.20
800,000	AMERICAN EXPRESS	0.40	35.1221	28,097,707.91	41.8100	33,448,000.00	320,000.00	5,350,292.09
500,000	AMERICAN INTL GROUP	0.21	25.9960	12,997,975.07	55.1800	27,590,000.00	104,000.00	14,592,024.93
150,000	AMERICAN STANDARD COMPANY INC	-	76.5617	11,484,254.70	73.9300	11,089,500.00	-	(394,754.70)
1,200,000	AMGEN	-	38.5470	46,256,362.66	65.9400	79,128,000.00	-	32,871,637.34
52,400	AMSURG CORPORATION	-	26.0130	1,363,079.64	30.5300	1,599,772.00	-	236,692.36
650,000	ANALOG DEVICES, INC.	-	77.8881	50,627,241.60	34.8200	22,633,000.00	-	(27,994,241.60)
55,400	ANIXTER INTERNATIONAL	-	24.4874	1,356,604.62	23.4300	1,298,022.00	-	(58,582.62)
735,000	APACHE CORPORATION	0.40	46.0757	33,865,648.03	65.0600	47,819,100.00	294,000.00	13,953,451.97
205,000	AT&T CORP	0.75	16.8431	3,452,835.50	19.2500	3,946,250.00	153,750.00	493,414.50
63,400	ATMI INC	-	21.3285	1,352,226.90	24.9500	1,581,830.00	-	229,603.10
100,000	AUTOZONE INC	-	87.4502	8,745,020.00	75.9700	7,597,000.00	-	(1,148,020.00)
450,000	BANK OF AMERICA CORPORATION	3.20	68.9097	31,009,380.00	79.0300	35,563,500.00	1,440,000.00	4,554,120.00
450,000	BJ SERVICES COMPANY	-	38.1459	17,165,647.73	37.3600	16,812,000.00	-	(353,647.73)
45,000	BLACK BOX CORPORATION	0.20	30.0500	1,352,250.00	36.1200	1,625,400.00	9,000.00	273,150.00
91,600	BOSTON COMMUNICATIONS GROUP	-	15.0424	1,377,888.05	16.9100	1,548,956.00	-	171,067.95
300,000	BOSTON SCIENTIFIC CORPORATION	-	42.7396	12,821,876.47	61.1000	18,330,000.00	-	5,508,123.53
600,000	CABLEVISION SYSTEMS CORP	-	44.7861	26,871,652.75	20.7600	12,456,000.00	-	(14,415,652.75)
41,400	CACI INTERNATIONAL	-	32.7306	1,355,046.84	34.3000	1,420,020.00	-	64,973.16
66,900	CAL DIVE INTL	-	21.9364	1,467,541.94	21.7800	1,457,082.00	-	(10,459.94)
350,000	CANADIAN NATIONAL RAILWAY	0.74	47.1904	16,516,647.90	48.2600	16,891,000.00	259,140.00	374,352.10
100,000	CARDINAL HEALTH INC.	0.12	58.7552	5,875,520.00	64.3000	6,430,000.00	12,000.00	554,480.00
84,700	CATERPILLAR INC	1.40	45.0660	3,817,090.20	55.6600	4,714,402.00	118,580.00	897,311.80
29,200	CEPHALON INC	-	46.2600	1,350,792.00	41.0500	1,198,660.00	-	(152,132.00)
200,000	CHELSEA PROPERTY GROUP	2.14	33.3713	6,674,250.14	40.3100	8,062,000.00	428,000.00	1,387,749.86
533,333	CHOICEPOINT INCORPORATED	-	39.0997	20,853,162.66	34.5200	18,410,655.16	-	(2,442,507.50)
2,400,000	CISCO SYSTEMS	-	8.6518	20,764,285.00	16.7900	40,296,000.00	-	19,531,715.00
1,866,666	CITIGROUP, INC.	0.80	40.0874	74,829,853.48	42.8000	79,893,304.80	1,493,332.80	5,063,451.32
400,000	COCA-COLA CO	0.88	49.9399	19,975,950.00	46.4100	18,564,000.00	352,000.00	(1,411,950.00)
90,200	COINSTAR INC	-	15.6452	1,411,201.40	18.9300	1,707,486.00	-	296,284.60
1,900,000	COMCAST CORP-SPECIAL CL A	-	31.8365	60,489,323.64	28.9900	55,081,000.00	-	(5,408,323.64)
200,000	COMMERCE BANCORP, INC.	0.66	42.8133	8,562,665.90	37.1000	7,420,000.00	132,000.00	(1,142,665.90)
51,600	COMMUNITY FIRST BANKSHARES	0.88	26.2670	1,355,378.99	27.2300	1,405,068.00	45,408.00	49,689.01

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2003**

COMMON STOCK PORTFOLIO

Page 2 of 4

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
200,000	CONSTELLATION ENERGY GROUP INC	1.04	43.8045	8,760,900.00	34.3000	6,860,000.00	208,000.00	(1,900,900.00)
400,000	CORINTHIAN COLLEGES, INC	-	39.9762	15,990,079.64	48.3100	19,324,000.00	-	3,333,920.36
44,000	CULLEN/FROST BANKERS	0.96	30.7263	1,351,956.12	32.1000	1,412,400.00	42,240.00	60,443.88
24,800	CUNO INC	-	32.9371	816,840.00	36.2100	898,008.00	-	81,168.00
400,000	CYTYC CORPORATION	-	18.3668	7,346,725.78	10.5500	4,220,000.00	-	(3,126,725.78)
525,000	DEAN FOODS	-	29.4164	15,443,593.66	31.5000	16,537,500.00	-	1,093,906.34
34,800	DOWNEY FINANCIAL	0.36	39.2638	1,366,378.80	41.3000	1,437,240.00	12,528.00	70,861.20
106,900	E.I. du PONT de NEMOURS AND CO	1.40	35.7364	3,820,221.16	41.6400	4,451,316.00	149,660.00	631,094.84
131,800	EASTMAN KODAK COMPANY	1.80	28.9776	3,819,247.68	27.3500	3,604,730.00	237,240.00	(214,517.68)
396,300	ELECTRONICS BOUTIQUE HOLDINGS CORP.	-	36.6234	14,513,847.40	22.9400	9,091,122.00	-	(5,422,725.40)
1,600,000	EMC CORP	-	11.3255	18,120,841.34	10.4700	16,752,000.00	-	(1,368,841.34)
30,000	EVERGREEN RESOURCES	-	45.1262	1,353,785.00	54.3100	1,629,300.00	-	275,515.00
900,000	EXPRESS SCRIPTS	-	23.9680	21,571,205.11	68.4100	61,569,000.00	-	39,997,794.89
1,650,000	EXXON MOBIL CORP	1.00	35.0142	57,773,457.00	35.9100	59,251,500.00	1,650,000.00	1,478,043.00
150,000	FAIR ISAAC & CO	0.08	52.3194	7,847,909.65	51.4500	7,717,500.00	12,000.00	(130,409.65)
200,000	FEDEX CORPORATION	0.20	48.2567	9,651,347.09	62.0300	12,406,000.00	40,000.00	2,754,652.91
450,000	FLEXTRONICS INTERNATIONAL	-	10.8884	4,899,780.00	10.4300	4,693,500.00	-	(206,280.00)
151,700	FORTUNE BRANDS, INC.	1.08	51.9508	7,880,931.35	52.2000	7,918,740.00	163,836.00	37,808.65
200,000	GANNETT COMPANY	0.96	73.1436	14,628,717.26	76.8100	15,362,000.00	192,000.00	733,282.74
200,000	GENENTECH, INC.	-	45.0459	9,009,180.00	72.1200	14,424,000.00	-	5,414,820.00
123,600	GENERAL MOTORS CORPORATION	2.00	30.6380	3,786,856.80	36.0000	4,449,600.00	247,200.00	662,743.20
400,000	GENZYME CORPORATION	-	57.5662	23,026,473.30	41.8600	16,744,000.00	-	(6,282,473.30)
375,000	GILEAD SCIENCES, INC	-	34.8452	13,066,950.00	55.5500	20,831,250.00	-	7,764,300.00
550,000	GLOBAL SANTAFE CORP	0.15	34.6204	19,041,225.30	23.3400	12,837,000.00	82,500.00	(6,204,225.30)
89,000	HAIN CELESTIAL GROUP	-	15.2928	1,361,059.32	15.9700	1,421,330.00	-	60,270.68
350,000	HARTFORD FINANCIAL SERVICES GROUP	1.08	49.6506	17,377,709.20	50.3600	17,626,000.00	378,000.00	248,290.80
55,700	HELIX TECHNOLOGY	0.16	12.1545	677,004.73	13.0900	729,113.00	8,912.00	52,108.27
43,000	HILB, ROGAL & HAMILTON	0.37	31.4941	1,354,247.35	34.0400	1,463,720.00	15,910.00	109,472.65
950,000	HOME DEPOT	0.24	10.2271	9,715,779.25	33.1200	31,464,000.00	228,000.00	21,748,220.75
179,400	HONEYWELL INTERNATIONAL INC	0.75	21.3074	3,822,547.56	26.8500	4,816,890.00	134,550.00	994,342.44
43,600	HUDSON UNITED BANCORP	1.20	31.0953	1,355,757.20	34.1500	1,488,940.00	52,320.00	133,182.80
595,000	INTERACTIVECORP	-	35.4162	21,072,661.10	39.3300	23,401,350.00	-	2,328,688.90
500,000	INTERNATIONAL BUSINESS MACH.	0.64	36.6063	18,303,127.42	82.5000	41,250,000.00	320,000.00	22,946,872.58
112,100	INTERNATIONAL PAPER COMPANY	1.00	34.3499	3,850,623.79	35.7300	4,005,333.00	112,100.00	154,709.21
800,000	JABIL CIRCUIT	-	20.4064	16,325,115.07	22.1000	17,680,000.00	-	1,354,884.93
300,000	JACOBS ENGINEERING GROUP INC.	-	30.1908	9,057,238.24	42.1500	12,645,000.00	-	3,587,761.76
700,000	JOHNSON & JOHNSON CO	0.96	55.8271	39,079,000.00	51.7000	36,190,000.00	672,000.00	(2,889,000.00)
177,200	JP MORGAN CHASE & CO	1.36	21.4400	3,799,168.00	34.1800	6,056,696.00	240,992.00	2,257,528.00
72,000	KAYDON CORP	0.48	18.8494	1,357,156.08	20.8000	1,497,600.00	34,560.00	140,443.92
400,000	KINDER MORGAN, INC.	1.60	54.0842	21,633,690.00	54.6500	21,860,000.00	640,000.00	226,310.00
79,800	LANDRY'S RESTAURANTS	0.10	17.0026	1,356,808.18	23.6000	1,883,280.00	7,980.00	526,471.82

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2003**

COMMON STOCK PORTFOLIO

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
300,000	LANDSTAR SYSTEMS, INC	-	51.2284	15,368,506.37	62.5600	18,768,000.00	-	3,399,493.63
450,000	LENNAR CORP Class A	0.05	47.8633	21,538,489.29	71.5000	32,175,000.00	22,500.00	10,636,510.71
300,000	LEXMARK INTERNATIONAL GROUP	-	72.5137	21,754,101.54	70.7700	21,231,000.00	-	(523,101.54)
35,300	MANITOWOC COMPANY INC.	0.28	19.4979	688,275.87	22.3000	787,190.00	9,884.00	98,914.13
2,475,000	MBNA CORP	0.32	10.0811	24,950,805.00	20.8400	51,579,000.00	792,000.00	26,628,195.00
375,000	MEDIMMUNE, INC.	-	58.6045	21,976,699.00	36.3700	13,638,750.00	-	(8,337,949.00)
150,000	MEDTRONIC, INC.	0.29	48.0376	7,205,640.00	47.9700	7,195,500.00	43,500.00	(10,140.00)
81,700	MENTOR CORPORATION	0.08	17.1640	1,402,298.69	19.4000	1,584,980.00	6,536.00	182,681.31
400,000	MICROCHIP TECHNOLOGY INC.	0.10	26.3234	10,529,365.24	24.7500	9,900,000.00	38,400.00	(629,365.24)
2,900,000	MICROSOFT CORPORATION	0.08	36.1838	104,933,045.54	25.6400	74,356,000.00	232,000.00	(30,577,045.54)
194,260	MOHAWK INDUSTRIES	-	71.1180	13,815,385.70	55.5300	10,787,257.80	-	(3,028,127.90)
400,000	MOODY'S CORPORATION	0.18	35.9570	14,382,784.57	52.7100	21,084,000.00	72,000.00	6,701,215.43
500,000	NABORS INDUSTRIES, LTD	-	54.6005	27,300,246.08	39.5300	19,765,000.00	-	(7,535,246.08)
300,000	NATIONAL CITY CORP	1.28	32.1346	9,640,384.18	32.7100	9,813,000.00	384,000.00	172,615.82
600,000	NOBLE CORPORATION	-	44.8706	26,922,349.33	34.3000	20,580,000.00	-	(6,342,349.33)
900,000	NOKIA CORPORATION	0.26	16.0327	14,429,435.00	16.4300	14,787,000.00	232,290.00	357,565.00
49,300	O'REILLY AUTOMOTIVE	-	27.0919	1,335,630.67	33.4700	1,650,071.00	-	314,440.33
400,000	OXFORD HEALTH PLANS, INC.	-	26.9641	10,785,639.70	42.0300	16,812,000.00	-	6,026,360.30
1,100,000	P.F. CHANG'S CHINA BISTRO	-	26.4484	29,093,267.59	49.2100	54,131,000.00	-	25,037,732.41
66,500	PACIFIC SUNWEAR OF CALIFORNIA	-	20.3605	1,353,973.25	24.0800	1,601,320.00	-	247,346.75
200,000	PACTIV CORPORATION	-	16.0019	3,200,380.00	19.7100	3,942,000.00	-	741,620.00
800,000	PEPSICO INC.	0.64	46.8262	37,460,922.20	44.5000	35,600,000.00	512,000.00	(1,860,922.20)
45,200	PERFORMANCE FOOD GROUP	-	32.9759	1,490,508.84	37.0000	1,672,400.00	-	181,891.16
1,150,000	PFIZER INC.	0.60	28.7782	33,094,893.43	34.1500	39,272,500.00	690,000.00	6,177,606.57
102,000	PHOTONICS, INC	-	13.1533	1,341,641.40	17.1900	1,753,380.00	-	411,738.60
700,000	PLANTRONICS, INC.	-	27.4680	19,227,604.60	21.6700	15,169,000.00	-	(4,058,604.60)
27,000	POLARIS INDUSTRIES	1.24	49.6138	1,339,571.30	61.4000	1,657,800.00	33,480.00	318,228.70
400,000	PROCTER & GAMBLE COMPANY	1.64	89.9301	35,972,039.36	89.1800	35,672,000.00	656,000.00	(300,039.36)
200,000	QUALCOMM INCORPORATED	0.20	45.6952	9,139,040.00	35.9400	7,188,000.00	40,000.00	(1,951,040.00)
300,000	QUEST DIAGNOSTIC	-	70.1330	21,039,900.00	63.8000	19,140,000.00	-	(1,899,900.00)
85,000	QUIKSILVER, INC	-	16.0216	1,361,831.75	16.4900	1,401,650.00	-	39,818.25
54,000	REGIS CORPORATION	0.12	25.1434	1,357,742.70	29.0500	1,568,700.00	6,480.00	210,957.30
36,600	REHAB CARE GROUP	-	18.4920	676,805.37	14.6500	536,190.00	-	(140,615.37)
86,700	RELIANCE STEEL & ALUMINUM	0.24	15.5338	1,346,780.91	20.7000	1,794,690.00	20,808.00	447,909.09
45,000	RESMED INC	-	30.0845	1,353,804.36	39.2000	1,764,000.00	-	410,195.64
36,600	RESPIRONICS INC	-	35.1439	1,286,267.99	37.2300	1,362,618.00	-	76,350.01
850,000	SAFEWAY INC	-	31.9748	27,178,549.65	20.4600	17,391,000.00	-	(9,787,549.65)
1,550,000	SANMINA CORP.	-	26.1638	40,553,863.02	6.3200	9,796,000.00	-	(30,757,863.02)
195,900	SBC COMMUNICATIONS INC.	1.53	19.5975	3,839,150.25	25.5500	5,005,245.00	299,727.00	1,166,094.75
870,000	SCHOLASTIC CORPORATION	-	25.6701	22,333,010.15	29.7800	25,908,600.00	-	3,575,589.85
700,000	SCP POOL CORPORATION	-	26.7510	18,725,683.27	34.3900	24,073,000.00	-	5,347,316.73

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2003**

COMMON STOCK PORTFOLIO

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
700,000	SEI INVESTMENTS COMPANY	0.14	39.3673	27,557,135.95	31.9900	22,393,000.00	98,000.00	(5,164,135.95)
300,000	SIEBEL SYSTEMS	-	34.8970	10,469,100.00	9.4830	2,844,900.00	-	(7,624,200.00)
250,000	SMURFIT-STONE CONTAINER CORP	-	14.9684	3,742,090.24	13.0100	3,252,500.00	-	(489,590.24)
800,000	ST. JUDE MEDICAL	-	40.2596	32,207,686.87	57.5000	46,000,000.00	-	13,792,313.13
112,400	STEEL DYNAMICS	-	12.1483	1,365,470.56	13.7900	1,549,996.00	-	184,525.44
43,500	SURMODICS INC	-	31.2961	1,361,378.19	30.5200	1,327,620.00	-	(33,758.19)
1,100,000	SYMANTEC CORPORATION	-	24.8691	27,355,992.08	43.9100	48,301,000.00	-	20,945,007.92
425,000	SYSCO CORPORATION	0.44	28.3891	12,065,354.81	30.0400	12,767,000.00	187,000.00	701,645.19
88,100	SYSTEMS & COMPUTER TECH	-	7.4368	655,183.45	8.8100	776,161.00	-	120,977.55
550,000	T. ROWE PRICE GROUP INC	0.68	38.9340	21,413,692.20	37.7700	20,773,500.00	374,000.00	(640,192.20)
38,400	TRACTOR SUPPLY CO.	-	35.2500	1,353,600.00	47.3600	1,818,624.00	-	465,024.00
23,800	TRIUMPH GROUP	-	28.0500	667,590.00	28.1700	670,446.00	-	2,856.00
1,450,000	TYCO INTERNATIONAL LTD.	0.05	33.1899	48,125,306.20	18.9800	27,521,000.00	72,500.00	(20,604,306.20)
800,000	TYSON FOODS, INC.	0.16	11.7177	9,374,172.11	10.6200	8,496,000.00	128,000.00	(878,172.11)
52,200	UNITED NATURAL FOODS	-	25.5413	1,333,254.92	28.3600	1,480,392.00	-	147,137.08
150,000	VIACOM INC.	-	47.9285	7,189,275.00	43.6600	6,549,000.00	-	(640,275.00)
900,000	VISHAY INTERTECHNOLOGY INC	-	26.3549	23,719,435.02	13.2000	11,880,000.00	-	(11,839,435.02)
1,500,000	VODAFONE GROUP PLC	0.29	21.5148	32,272,199.32	19.6500	29,475,000.00	440,700.00	(2,797,199.32)
500,000	VORNADO REALTY TRUST	2.72	40.4979	20,248,961.77	43.6000	21,800,000.00	1,360,000.00	1,551,038.23
650,000	WALGREEN COMPANY	0.15	17.0344	11,072,336.95	30.1000	19,565,000.00	97,500.00	8,492,663.05
1,350,000	WAL-MART STORES	0.36	53.6877	72,478,372.80	53.6700	72,454,500.00	486,000.00	(23,872.80)
67,800	WATSON WYATT 'A'	-	19.9943	1,355,615.17	23.1800	1,571,604.00	-	215,988.83
83,000	WATTS INDUSTRIES 'A'	0.24	16.3755	1,359,166.50	17.8500	1,481,550.00	19,920.00	122,383.50
1,100,000	WILLIAMS COMPANIES, INC.	0.04	24.9221	27,414,344.54	7.9000	8,690,000.00	44,000.00	(18,724,344.54)
45,200	WINTRUST FINANCIAL	0.16	28.1950	1,274,414.00	29.7900	1,346,508.00	7,232.00	72,094.00
52,300	YELLOW CORPORATION	-	25.7696	1,347,750.08	23.2900	1,218,067.00	-	(129,683.08)
TOTAL COMMON STOCK PORTFOLIO				2,179,718,426.78		2,323,385,090.76	21,372,155.80	143,666,663.98

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2003**

OTHER INVESTMENTS PORTFOLIO

Security	Coupon	Maturity	Book Cost	Current Value	Gain or Loss	Annual Income	Book Yield
SBA LOANS							
ALL UNLIMITED	9.750	5/1/2009	362,767.84	362,767.84	-	35,369.86	9.8%
ASAYO HOLDING, LTD.	9.500	7/1/2010	388,960.45	388,960.45	-	36,951.24	9.5%
EQUITY PARTNERSHIP	9.250	5/1/2016	1,057,008.52	1,057,008.52	-	97,773.29	9.3%
NIARKOS	10.000	5/1/2014	495,004.13	495,004.13	-	49,500.41	10.0%
TOTAL SBA LOANS			2,303,740.94	2,303,740.94	-	219,594.81	9.5%
BRIDGE FINANCIAL LOANS							
BRIDGE FINANCIAL--Grand Inn	12.500	9/25/2000	2,021,139.42	2,021,139.42	-	-	0.0%
TOTAL BRIDGE FINANCIAL LOANS			2,021,139.42	2,021,139.42	-	-	0.0%
DIVERSIFIED FUNDING GROUP							
TIERRA DEL RIO (TDR), LLC	12.000	10/22/2004	12,608,000.00	12,608,000.00	-	1,512,960.00	12.0%
TOTAL DIVERSIFIED FUNDING GROUP			12,608,000.00	12,608,000.00	-	1,512,960.00	12.0%
MISCELLANEOUS							
VALLEY VENTURES III	8.000	9/17/2006	2,472,698.40	2,472,698.40	-	197,815.87	8.0%
PEBBLECREEK PROPERTIES	10.000	4/1/2005	80,000.00	80,000.00	-	8,000.00	10.0%
TOTAL MISCELLANEOUS			2,552,698.40	2,552,698.40	-	205,815.87	8.1%
TOTAL BEFORE LLC			19,485,578.76	19,485,578.76	-	1,938,370.68	9.9%
LLC							
DESERT TROON, LLC			74,320,000.00	74,320,000.00	-		
PROSPECTOR EQUITY CAPITAL			215,152.24	215,152.24	-		
APEX CAPITAL FUND I, LLC			249,492.80	249,492.80	-		
PIVOTAL X, LLC			119,178,800.00	119,178,800.00	-		
TOTAL LLC			193,963,445.04	193,963,445.04	-		
TOTAL OTHER INVESTMENTS PORTFOLIO			213,449,023.80	213,449,023.80	-		

ACTUARIAL SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
THIRTY-FIFTH COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2003

Actuarial Certification Statement

Aggregate Actuarial Balance Sheet, June 30, 2003

Summary of Valuation Methods and Assumptions

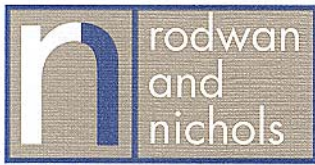
Solvency Test

Summary of Active Member Data

Summary of Inactive Member Data

Schedule of Retirants and Beneficiaries

Schedule of Experience Gain / (Loss)



Enrolled Actuaries and Consultants

September 29, 2003

The Fund Manager
Arizona Public Safety Personnel Retirement System
1020 East Missouri
Phoenix, Arizona 85014-2613

Attention: Jack Cross, Administrator

The purpose of the annual actuarial valuations of the Arizona Public Safety Personnel Retirement System is to determine the liabilities and funding requirements for the participating groups. We certify that the June 30, 2003 annual actuarial valuations were made in accordance with recognized actuarial methods.

Data for the annual valuations was furnished by the Administrator and was checked by us for internal completeness and year to year consistency, but was not otherwise audited. The actuary prepared all of the schedules in the Actuarial Section and the Schedule of Funding Progress in the Financial Section of the Comprehensive Annual Financial Report.

The actuarial assumptions were adopted by the Fund Manager based upon the recommendations of the actuary and the results of experience studies, the most recent of which covered the 5 year period ended June 30, 1998. The assumptions and methods conform to the parameters established in Governmental Accounting Standards Board Statement 25. Actuarial gains (losses) are amortized as level percents of payroll over 20 years.

The funding value of assets is a smoothed market value which spreads differences between the actual and assumed investment return over a four year period.

On the basis of the June 30, 2003 valuation, it is our opinion that the liabilities of the Retirement System are being funded as incurred in accordance with sound actuarial principles.

Respectfully submitted,

Handwritten signature of Sandra W. Rodwan in cursive.

Sandra W. Rodwan

Handwritten signature of Joseph A. Nichols in cursive.

Joseph A. Nichols

Members, American Academy of Actuaries

**Rodwan & Nichols
Consulting Company**

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**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
AGGREGATE ACTUARIAL BALANCE SHEET
JUNE 30, 2003**

Actuarial Assets

Accrued Assets			
Member Accumulated contributions	\$	543,817,016	
Employer and benefit payment reserves		3,504,980,806	
Funding value adjustment		<u>854,700,871</u>	
Total accrued assets*	\$		4,903,498,693
Prospective assets (computed value)			
Member contributions		803,973,718	
Employer normal costs		1,061,634,941	
Employer unfunded actuarial accrued liability		<u>304,239,424</u>	
Total prospective assets			<u>2,169,848,083</u>
Total Actuarial Assets	\$		<u>7,073,346,776</u>

**Includes \$468,125,352 reserve for payment of ad-hoc pension increases. The net funding value of assets is \$4,435,373,341.*

Actuarial Present Values (Liability)

Pensions in payment status			
Service pensions	\$	1,554,361,035	
Disability pensions		263,715,441	
Survivor pensions		192,724,196	
Health insurance		<u>106,711,370</u>	
Total Benefit values	\$		2,117,512,042
Prospective pension payments (future retirements)			4,335,544,393
Prospective health insurance payments (future retirements)			141,834,418
Prospective refunds of member contributions			10,330,571
Reserve for future pension increases			<u>468,125,352</u>
Total Actuarial Present Values (Liability)	\$		<u>7,073,346,776</u>

SUMMARY OF PLAN PROVISIONS

See Note 1 in the Notes to the Financial Statements.

SUMMARY OF VALUATION METHODS

The **actuarial cost method** used for the valuation was the individual entry age normal cost method.

Normal cost contributions were computed as follows:

The series of contributions, payable from date of employment, sufficient to accumulate at time of retirement the discounted value of each member's projected pension and potential survivors pension was computed, using the assumptions summarized on the following pages, so that each contribution in the series is a constant percentage of the member's year by year projected compensation (entry age normal cost).

Actuarial accrued liability was computed and financed as follows:

- (1) Retirants and beneficiaries. The discounted value of pensions likely to be paid retired members and their potential survivors were computed using the investment return and mortality assumptions. The computed amount was reduced by applicable valuation assets and the unfunded amount, if any, was amortized over an open period of 20 years.
- (2) Active members and former members. The actuarial accrued liability associated with service rendered prior to the valuation date, including experience gains and losses, was computed using the investment return, mortality and other factors outlined on the following pages. The computed amount was reduced by applicable valuation assets and the unfunded amount, if any, was amortized over an open period of 20 years. If valuation assets exceed the actuarial accrued liability, the excess was amortized over an open period of 20 years and applied as a credit toward the computed normal cost.

SUMMARY OF VALUATION ASSUMPTIONS

Economic Assumptions

The rate of investment return used was 9.0 percent a year, compounded annually. This assumption was first used for the June 30, 1984 valuations. The assumption consists of 3.5% for assuming maturity and principal risks and 5.5% in recognition of inflation. These components, adopted by the Fund Manager, as recommended by the system's actuary, were revised for the June 30, 1989 annual valuations. This assumption is used to discount the value of future payments.

The rates of salary increase used are in accordance with the following graded table. These assumptions, adopted by the Fund Manager, as recommended by the System's actuary, were first used for the June 30, 1989 valuations. The assumption consists of 5.5% in recognition of inflation, a graded allowance for promotion and longevity, and 1.0% for other across-the-board factors.

Sample Annual Rates of Salary Increase

Age	Across-the-Board	Merit and Longevity	Other	Total
20	5.5%	3.0%	1.0%	9.5%
25	5.5	3.0	1.0	9.5
30	5.5	2.6	1.0	8.6
35	5.5	1.1	1.0	7.6
40	5.5	0.2	1.0	6.7
45	5.5	0.2	1.0	6.7
50	5.5	0.2	1.0	6.7
55	5.5	0.1	1.0	6.6
60	5.5	-	1.0	6.5
65	5.5	-	1.0	6.5

Demographic Assumptions

- ❖ **Non-Disability Mortality rates:** 1971 Group Annuity Mortality Table Projected to 2000 (Male), female ages set back six years (first used for June 30, 1999 valuation).
- ❖ **Disability Mortality Rates:** 1971 Group Annuity Mortality Table Projected to 1984 (Male), female ages set back six years.

Sample Ages	Deaths per 1,000		Single Life Retirement Values							
			Non-Disability Table		Disability Table		Non-Disability Table		Disability Table	
			Present Value of \$100 Monthly for Life		Present Value of \$100 Monthly for Life		Future Life Expectancy (years)		Future Life Expectancy (years)	
			Men	Women	Men	Women	Men	Women	Men	Women
20	0.4	0.3					56.86	62.72	55.98	61.84
25	0.5	0.4					51.98	57.83	51.12	56.96
30	0.7	0.5					47.12	52.95	43.27	52.09
35	0.9	0.6					42.29	48.09	41.46	47.24
40	1.4	0.9	\$12930	\$13,272	\$12,861	\$13,225	37.51	43.25	36.69	42.42
45	2.4	1.2	12,522	12,997	12,430	12,933	32.80	38.46	32.01	37.64
50	4.4	2.1	11,997	12,613	11,879	12,526	28.28	33.73	27.53	32.93
55	7.1	3.9	11,342	12,112	11,199	11,999	23.98	29.17	23.28	28.40
60	10.9	6.5	10,513	11,485	10,346	11,347	19.90	24.82	19.27	24.11
65	17.7	9.9	9,490	10,694	9,308	10,532	16.09	20.70	15.55	20.05
70	30.7	15.9	8,326	9,710	8,145	9,530	12.69	16.82	12.25	16.27
75	48.4	27.4	7,124	8,564	6,963	8,382	9.82	13.32	9.49	12.87
80	78.7	44.6	5,879	7,371	5,748	7,206	7.39	10.36	7.17	10.02
85	120.6	71.4	4,791	6,120	4,696	5,983	5.57	7.83	5.43	7.59
90	171.3	111.7	3,864	4,994	3,796	4,893	4.19	5.89	4.10	5.74

Termination of Employment: Service-related rates for first five years of employment and age-related rates after first five years of employment. The sample rates are as follows:

Sample Ages	Years of Service	Percent Terminating Within Next Year				Disability			
		Police Officers		Firefighters		Police Officers		Firefighters	
		Low	High	Low	High	Low	High	Low	High
ALL	0	20.00%	25.00%	8.00%	10.00%				
	1	8.50	15.00	3.00	7.00				
	2	3.00	7.50	2.00	4.00				
	3	2.50	7.00	1.00	4.00				
	4	2.00	5.00	0.60	4.00				
25	5 and over	1.00	2.50	0.60	2.50	0.15%	0.15%	0.12%	0.14%
30		1.00	2.50	0.40	2.50	0.16	0.16	0.13	0.14
35		0.95	2.35	0.35	1.70	0.23	0.23	0.18	0.21
40		0.85	2.10	0.30	1.50	0.34	0.34	0.27	0.31
45		0.75	1.85	0.20	1.50	0.52	0.52	0.42	0.47
50		0.65	1.75	0.10	1.50	0.83	0.83	0.66	0.75
55		0.55	1.75	0.10	1.50	1.45	1.45	1.16	1.30
60		0.50	1.75	0.10	1.50	2.00	2.00	1.60	1.80

Rates first used for June 30, 1999 valuation.

Retirement Rates: Age-related rates based on the following schedule:

**Percent of Active Members Retiring within Year
Following Attainment of Indicated Retirement Age**

Service	Percent of Active Members Retiring During Next year			
	Police Low	Police High	Fire Low	Fire High
20	25%	40%	15%	30%
21	10	16	5	10
22	10	16	5	15
23	10	16	5	10
24	5	5	5	10
25	25	40	20	40
26	10	15	15	15
27	10	20	10	20
28	15	30	10	30
29	20	50	10	50
30	10	75	20	75
31	10	75	25	75
32	60	75	60	75
33	75	75	75	75
34	75	75	75	75
35	75	75	75	75
36	75	75	75	75
37	75	75	75	75
38	75	75	75	75
39	75	75	75	75

Active members with at least 40 years of service are assumed to retire within the year. Members who do not acquire 20 years of service prior to age 62 are assumed to retire upon first eligibility following attainment of age 62.

These rates adopted by the Fund Manager, as recommended by the System's actuary, were first used for the June 30, 1999 valuations.

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SOLVENCY TEST**

SOLVENCY TEST – Testing the financial solvency of a retirement system can be done in several ways. The funding objective is to meet long-term benefit promises through contributions that remain approximately level from year to year as a percent of member payroll. If the contributions to the system are level in concept and soundly executed, and if the system continues its present operations pattern for the indefinite future, the system will pay all promised benefits when due—the ultimate test of financial soundness.

A short term solvency test is one means of checking a system's progress under its funding program. In a short term solvency test, the system's present assets (cash and investments) are compared with:

1. Active member contributions on deposit;
2. The liabilities for future benefits to present retired lives;
3. The liabilities for service already rendered by active members.

In a system that has been following the discipline of level percent of payroll financing, the liabilities for active member contributions on deposit (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in rare circumstances). In addition, the liabilities for service already rendered by active members (liability 3) will be partially covered by the remainder of present assets. Generally, if the system has been using level cost financing, the funded portion of liability 3 will increase over time. Liability 3 being fully funded is very rare. All amounts presented are in thousands.

Valuation Date	<u>Aggregate Accrued Liabilities for</u>				Valuation Assets Available for Benefits (2)	<u>Portion of Accrued Liabilities Covered by Net Assets Available for Benefits</u>		
	(1) Active Member Contributions	(2) Retirants And Beneficiaries	(3) Active Members (Employer Financed Portion)	(3)		(1)	(2)	(3)
6-30-83 ¹	\$ 90,348	\$ 150,042	\$ 316,842	\$ 519,155	100.0%	100.0%	88.0%	
6-30-84*	\$ 101,786	\$ 180,804	\$ 334,779	\$ 599,945	100.0%	100.0%	94.8%	
6-30-85*	\$ 115,671	\$ 214,203	\$ 376,905	\$ 693,159	100.0%	100.0%	96.4%	
6-30-86*	\$ 130,489	\$ 248,134	\$ 423,415	\$ 816,882	100.0%	100.0%	100.0%	
6-30-87 ¹	\$ 149,457	\$ 276,817	\$ 488,815	\$ 919,931	100.0%	100.0%	100.0%	
6-30-88*	\$ 169,445	\$ 306,598	\$ 550,208	\$ 1,037,988	100.0%	100.0%	100.0%	
6-30-89 ¹	\$ 188,660	\$ 360,069	\$ 607,773	\$ 1,164,003	100.0%	100.0%	100.0%	
6-30-90*	\$ 206,052	\$ 419,548	\$ 697,181	\$ 1,297,562	100.0%	100.0%	96.4%	
6-30-91*	\$ 227,287	\$ 471,289	\$ 772,202	\$ 1,432,023	100.0%	100.0%	95.0%	
6-30-92*	\$ 246,692	\$ 553,619	\$ 805,579	\$ 1,595,739	100.0%	100.0%	98.7%	
6-30-93*	\$ 256,431	\$ 688,360	\$ 813,955	\$ 1,769,345	100.0%	100.0%	100.0%	
6-30-94	\$ 276,375	\$ 763,017	\$ 892,654	\$ 1,945,166	100.0%	100.0%	100.0%	
6-30-95	\$ 297,619	\$ 858,965	\$ 961,149	\$ 2,181,351	100.0%	100.0%	100.0%	
6-30-96	\$ 321,660	\$ 948,959	\$ 1,057,657	\$ 2,487,953	100.0%	100.0%	100.0%	
6-30-97	\$ 344,167	\$ 1,045,721	\$ 1,143,547	\$ 2,915,173	100.0%	100.0%	100.0%	
6-30-98	\$ 368,729	\$ 1,140,194	\$ 1,235,075	\$ 3,192,627	100.0%	100.0%	100.0%	
6-30-99	\$ 395,991	\$ 1,328,328	\$ 1,357,883	\$ 3,709,251	100.0%	100.0%	100.0%	
6-30-00	\$ 418,847	\$ 1,524,355	\$ 1,471,955	\$ 4,260,168	100.0%	100.0%	100.0%	
6-30-01	\$ 449,792	\$ 1,722,264	\$ 1,502,702	\$ 4,661,941	100.0%	100.0%	100.0%	
6-30-02	\$ 495,565	\$ 1,905,916	\$ 1,742,730	\$ 4,684,386	100.0%	100.0%	100.0%	
6-30-03	\$ 543,817	\$ 2,117,512	\$ 2,078,284	\$ 4,435,373	100.0%	100.0%	82.9%	

See notes on page 27.

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUMMARY OF ACTIVE MEMBER DATA**

Listed below is a summary of Active Members by age group, years of service and annual compensation. The summary points out that 1,579 active members were eligible for retirement on June 30, 2003, compared to 1,761 for the prior year.

Attained Age	Years of Service to Valuation Date							Totals	
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 Plus	No.	Valuation Payroll
< 20	12							12	\$ 411,489
20 - 24	916	21						937	\$ 38,318,309
25 - 29	1,812	882	6					2,700	\$ 125,998,589
30 - 34	1,265	1,777	591	25				3,658	\$ 192,931,976
35 - 39	516	882	1,020	673	25			3,116	\$ 183,752,413
40 - 44	254	368	533	945	489	23		2,612	\$ 170,140,104
45 - 49	95	135	240	468	406	258	10	1,612	\$ 111,268,455
50 - 54	34	51	96	177	136	126	43	663	\$ 45,036,084
55 - 59	9	13	36	74	23	19	13	187	\$ 11,495,287
60 - 69		3	5	17	6		2	33	\$ 1,932,011
70+								-	
Totals	4,913	4,132	2,527	2,379	1,085	426	68	15,530	\$ 881,284,717

Listed below is a Comparative Schedule of the changes in active members since 6-30-78:

COMPARATIVE SCHEDULE

Fiscal Year Ended	Employer Units	Active Members	Total Payroll (+000)	Averages			
				Age (years)	Service (years)	Pay	Increase in Average Pay
6-30-78	57	6,554	\$ 109,359	34.1	7.9	\$16,686	10.0%
6-30-79	64	6,842	\$ 125,667	34.2	8.0	\$18,367	10.1%
6-30-80	71	7,264	\$ 144,371	34.1	7.9	\$19,875	8.2%
6-30-81	83	7,559	\$ 165,055	34.3	8.1	\$21,836	9.9%
6-30-82	91	7,750	\$ 185,650	34.7	8.3	\$23,955	9.7%
6-30-83	101	7,835	\$ 199,736	35.0	8.6	\$25,493	6.4%
6-30-84	107	8,039	\$ 217,163	35.1	8.8	\$27,014	6.0%
6-30-85	106	8,536	\$ 244,094	35.2	8.7	\$28,596	5.9%
6-30-86	110	8,774	\$ 268,511	35.5	8.9	\$30,603	7.0%
6-30-87	113	9,331	\$ 299,559	35.7	9.0	\$32,104	4.9%
6-30-88	115	9,600	\$ 321,750	36.1	9.4	\$33,516	4.4%
6-30-89	123	9,858	\$ 345,743	36.4	9.7	\$35,072	4.6%
6-30-90	130	10,125	\$ 371,950	36.6	9.8	\$36,736	4.7%
6-30-91	135	10,612	\$ 402,687	36.8	10.0	\$37,946	3.3%
6-30-92	137	10,686	\$ 415,471	37.2	11.3	\$38,880	2.5%
6-30-93	145	10,872	\$ 425,811	37.3	10.3	\$39,166	0.7%
6-30-94	150	11,303	\$ 451,022	37.4	10.4	\$39,903	1.9%
6-30-95	155	11,971	\$ 496,063	37.4	10.3	\$41,439	3.8%
6-30-96	162	12,477	\$ 541,231	37.6	10.3	\$43,378	4.7%
6-30-97	162	13,109	\$ 579,341	37.6	10.3	\$44,194	1.9%
6-30-98	169	13,635	\$ 625,222	37.8	10.3	\$45,854	3.8%
6-30-99	171	14,128	\$ 682,184	37.8	10.3	\$48,286	5.3%
6-30-00	181	14,886	\$ 751,280	37.7	10.0	\$50,469	4.5%
6-30-01	187	15,473	\$ 826,740	37.2	10.0	\$53,431	5.9%
6-30-02	194	15,557	\$ 854,249	36.9	9.4	\$54,911	2.8%
6-30-03	195	15,530	\$ 881,285	37.0	9.5	\$56,747	3.3%

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUMMARY OF INACTIVE MEMBER DATA
SCHEDULE OF RETIRANTS AND BENEFICIARIES**

INACTIVE MEMBERS

Attained Age	Years of Service to Valuation Date					Totals
	0 - 4	5 - 9	10 - 14	15 - 19	20+	
20 - 29	108	5				113
30 - 39	93	42	17	3		155
40 - 44	19	8	14	9		50
45 - 49	3	4	7	7		21
50 - 54	4	2	6	2		14
55 - 59	1	2	12	2	1	18
60 - 69			4			4
70+						0
Totals	228	63	60	23	1	375

RETIRANTS AND BENEFICIARIES

Valuation Date	Number Removed From Roles	Number Added to Roles	Totals	Annual Pensions	Percent Increase	Average Pension
6/30/1992			3,184	\$ 56,057,423	14.2%	\$ 17,606
6/30/1993			3,674	\$ 69,708,702	24.4%	\$ 19,182
6/30/1994	30	141	3,785	\$ 77,548,220	11.2%	\$ 20,707
6/30/1995	61	275	3,999	\$ 85,544,670	10.3%	\$ 21,608
6/30/1996	67	318	4,250	\$ 94,897,897	10.9%	\$ 22,541
6/30/1997	81	311	4,480	\$ 104,374,026	10.0%	\$ 23,508
6/30/1998	75	335	4,740	\$ 115,542,977	10.7%	\$ 24,584
6/30/1999	73	423	5,090	\$ 132,364,761	14.6%	\$ 26,211
6/30/2000	84	436	5,442	\$ 152,227,372	15.0%	\$ 27,973
6/30/2001	89	429	5,782	\$ 170,281,580	11.9%	\$ 29,450
6/30/2002	91	298	5,989	\$ 184,212,972	8.2%	\$ 30,759
6/30/2003	104	299	6,184	\$ 207,616,176	12.7%	\$ 33,573

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF EXPERIENCE GAIN/(LOSS)
YEAR ENDED JUNE 30, 2003**

	Year Ended June 30 (\$ Thousands)			
	2003	2002	2001	2000
(1) UAAL at start of year*	(540,175)	(987,183)	(845,011)	(627,049)
(2) Normal cost	164,570	155,923	139,061	126,477
(3) Funding method contributions	118,738	(114,470)	(108,936)	(99,342)
(4) Interest accrual	(39,148)	(86,981)	(74,695)	(55,213)
(5) Expected UAAL before changes	(533,491)	(1,032,711)	(889,581)	(655,127)
(6) Change from amendments***	none	63,700	66,000	978
(7) Change from assumption revision	none	none	none	none
(8) Expected UAAL after changes	(533,491)	(969,011)	(823,591)	(654,149)
(9) Actual UAAL	304,239	(540,175)	(987,183)	(845,011)
(10) Gain(+)/Loss(-) (8)-(9)	(837,730)	(428,836)	163,592	190,862
(11) Percent of actuarial accrued liability**	20.2%	11.7%	4.8%	6.2%

* Unfunded Actuarial Accrued Liability

** Actuarial Accrued Liability

*** Estimated

STATISTICAL SECTION

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
THIRTY- FIFTH COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2003**

Schedule of Revenues by Source and Expenses by Type

Schedule of Benefit Expenses by Type

Summary of Retired Member and Survivor Data

Summary of Benefit Increases

Participating Employers

Schedule of Changes in Employer Reserves – Year Ended June 30, 2003,
and Unfunded Accrued Normal Costs at June 30, 2002

Schedule of Changes in Refundable Member Reserves
Fiscal Year Ended June 30, 2003

Earnings Distribution, Fiscal Year Ended June 30, 2003

Summary of Growth of the System

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF REVENUES BY SOURCE AND EXPENSES BY TYPE**

FYE	<u>REVENUES</u>						
	Member ** Contributions	Direct Payments	Insurance Premium Tax	Percent of Annual Covered Payroll	Net Investment Income***	Amounts Transferred From Other Plans	Total
1994	\$33,393,715 14%	\$34,120,463 14%	\$7,077,413 3%	8.16%	\$167,558,270 69%	\$753,027 0%	\$242,902,888 100%
1995	\$35,341,047 13%	\$32,917,493 12%	\$7,538,453 3%	7.66%	\$199,847,112 72%	\$891,455 0%	\$276,535,560 100%
1996	\$39,500,494 13%	\$37,734,258 12%	\$8,635,684 3%	7.85%	\$390,660,701 72%	\$2,543,910 1%	\$479,075,047 100%
1997	\$39,788,668 6%	\$42,760,823 6%	\$9,709,146 1%	8.11%	\$644,116,823 87%	\$1,120,794 0%	\$737,496,254 100%
1998	\$43,094,843 5%	\$38,287,697 5%	\$7,033,235 1%	6.36%	\$750,793,356 89%	\$1,185,939 0%	\$840,395,070 100%
1999	\$51,684,448 6%	\$36,512,536 5%	\$7,871,808 1%	5.82%	\$723,369,908 88%	\$760,190 0%	\$820,198,890 100%
2000	\$52,451,478 7%	\$38,645,798 6%	\$8,245,094 1%	5.29%	\$588,132,626 86%	\$952,294 0%	\$688,427,290 100%
2001	\$58,052,765 -7%	\$45,435,300 -6%	\$7,105,010 -1%	5.21%	(\$895,995,528) 114%	\$874,673 0%	(\$784,527,780) 100%
2002	\$62,486,725 -12%	\$44,518,693 -8%	\$7,464,714 -1%	4.21%	(\$654,569,820) 123%	\$6,412,646 -1%	(\$533,687,042) 100%
2003	\$67,937,288 19%	\$40,047,132 11%	\$10,753,537 3%	3.75%	\$233,424,569 66%	\$1,393,775 0%	\$353,556,301 100%

FYE	<u>EXPENSES</u>				
	Benefits	Administrative Expenses****	Refunds	Amounts Transferred To Other Plans	Total
1994	\$74,512,008 96%	\$764,719 1%	\$2,107,933 3%	\$55,332 0%	\$77,439,992 100%
1995	\$83,992,275 97%	\$801,898 1%	\$2,172,524 2%	\$16,112 0%	\$86,982,809 100%
1996	\$92,851,755 97%	\$508,498 1%	\$2,251,458 2%	\$1,081 0%	\$95,612,792 100%
1997	\$102,404,128 97%	\$540,899 1%	\$2,866,764 3%	\$237,792 0%	\$106,049,583 100%
1998	\$112,374,125 97%	\$607,518 1%	\$3,020,135 3%	\$185,247 0%	\$116,187,025 100%
1999	\$125,879,371 97%	\$624,710 0%	\$3,317,624 3%	\$92,023 0%	\$129,913,728 100%
2000	\$145,302,173 96%	\$616,109 0%	\$5,313,595 4%	\$293,862 0%	\$151,525,739 100%
2001	\$164,727,744 96%	\$679,372 0%	\$6,051,785 4%	\$501,851 0%	\$171,960,752 100%
2002	\$185,035,202 96%	\$735,241 0%	\$6,057,924 3%	\$228,610 0%	\$192,056,977 100%
2003	\$209,715,238 96%	\$812,332 0%	\$6,422,965 3%	\$385,905 0%	\$217,336,440 100%

NOTE: *Contributions were made in accordance with actuarially determined contribution requirements. The Employer contributions reported above are equal to the annual required contributions.

**The member contribution rate was 8% until fiscal year 1992 when it was reduced to 7.65% of covered payroll. Some employers have elected to pick up part of the member contributions.

***Prior to fiscal year 1996, Investment income includes only realized gains and losses. See note 2.

****Prior to 1996, Investment Expenses were not broken out between Administrative and Investment Expenses. However, for the fiscal years 1996, 1997, 1998, 1999, 2000 and 2001, Investment Expenses were \$331,446, \$323,951, \$270,602, \$300,380, \$311,642, and \$370,934, respectively. These amounts are now shown net in Investment Income as opposed to inclusion with Administrative Expenses as in prior reports.

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF BENEFIT EXPENSES BY TYPE**

Fiscal Year	Normal Benefits	Disability Benefits	Survivor Benefits	Insurance Benefits	DROP Benefits	Totals
1987	\$22,180,419 82%	\$2,588,194 10%	\$2,259,776 8%	-	-	\$27,028,389 100%
1988	\$24,445,979 82%	\$2,731,143 9%	\$2,563,086 9%	-	-	\$29,740,208 100%
1989	\$27,706,016 81%	\$3,018,943 9%	\$3,085,000 9%	\$292,628 1%	-	\$34,102,587 100%
1990	\$33,823,643 80%	\$3,644,963 9%	\$3,679,641 9%	\$876,734 2%	-	\$42,024,981 100%
1991	\$38,029,200 80%	\$4,329,314 9%	\$4,250,266 9%	\$1,145,054 2%	-	\$47,753,834 100%
1992	\$43,171,260 80%	\$4,860,391 9%	\$4,736,125 9%	\$1,300,328 2%	-	\$54,068,104 100%
1993	\$52,846,300 80%	\$6,009,143 9%	\$5,352,177 8%	\$1,580,017 3%	-	\$65,787,637 100%
1994	\$59,780,201 80%	\$7,068,362 10%	\$5,872,280 8%	\$1,791,165 2%	-	\$74,512,008 100%
1995	\$66,599,816 79%	\$8,246,615 10%	\$6,540,242 8%	\$2,605,602 3%	-	\$83,992,275 100%
1996	\$73,343,074 79%	\$9,359,298 10%	\$7,205,537 8%	\$2,943,846 3%	-	\$92,851,755 100%
1997	\$80,258,423 78%	\$10,871,547 11%	\$8,079,674 8%	\$3,194,484 3%	-	\$102,404,128 100%
1998	\$87,459,220 78%	\$12,460,407 11%	\$8,853,712 8%	\$3,600,786 3%	-	\$112,374,125 100%
1999	\$97,432,778 77%	\$14,628,479 12%	\$9,883,152 8%	\$3,934,962 3%	-	\$125,879,371 100%
2000	\$111,687,492 77%	\$17,061,548 12%	\$12,187,246 8%	\$4,365,887 3%	-	\$145,302,173 100%
2001	\$126,333,327 77%	\$19,543,264 12%	\$14,049,906 8%	\$4,801,247 3%	-	\$164,727,744 100%
2002	\$137,627,245 74%	\$21,914,529 12%	\$15,342,508 7%	\$9,715,347 5%	\$435,573 1%	\$185,035,202 100%
2003	\$151,252,007 72%	\$24,102,353 11%	\$20,135,779 9%	\$11,196,923 5%	\$3,028,175 2%	\$209,715,238 100%

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUMMARY OF RETIRED MEMBER AND SURVIVOR DATA**

The following summary presents an analysis of the benefit changes that have taken place during the past 18 years. The number of retired members and the amount of annual pensions has increased at compounded annual rates of 5.6% and 12.4% over the last five years.

COMPARATIVE SCHEDULE

Year Ended June 30	Retired			Annual Pensions	Average Pension	Ratio of Active to Retired	
	Normal	Disability	Survivors Totals				
1986	1,513	248	335	2,096	\$25,526,417	\$12,179	4.2 to 1
1987	1,612	258	350	2,220	\$28,531,465	\$12,852	4.2 to 1
1988	1,709	264	371	2,344	\$31,608,067	\$13,485	4.1 to 1
1989	1,839	280	410	2,529	\$36,286,530	\$14,348	3.9 to 1
1990	2,003	322	446	2,771	\$43,514,479	\$15,704	3.7 to 1
1991	2,134	349	486	2,969	\$49,103,054	\$16,539	3.6 to 1
1992	2,314	363	507	3,184	\$56,057,423	\$17,606	3.4 to 1
1993	2,697	417	520	3,634	\$69,708,702	\$19,182	3.0 to 1
1994	2,756	436	553	3,745	\$77,548,220	\$20,707	3.0 to 1
1995	2,914	471	574	3,959	\$85,544,676	\$21,608	3.0 to 1
1996	3,082	527	601	4,210	\$94,897,897	\$22,541	3.0 to 1
1997	3,240	573	627	4,440	\$104,374,026	\$23,508	3.0 to 1
1998	3,415	626	659	4,700	\$115,542,977	\$24,584	2.9 to 1
1999	3,655	694	701	5,050	\$132,364,761	\$26,211	2.8 to 1
2000	3,938	763	741	5,442	\$152,227,372	\$27,973	2.7 to 1
2001	4,182	826	774	5,782	\$170,281,580	\$29,450	2.7 to 1
2002	4,315	872	802	5,989	\$184,212,972	\$30,759	2.6 to 1
2003	4,419	912	853	6,184	\$207,616,176	\$33,573	2.5 to 1

Set forth below is a summary of pensions being paid to retired members and survivors:

SUMMARY OF RETIRED MEMBERS AND SURVIVORS - JUNE 30, 2003

Pensions Being Paid*	Number	Annual Pensions	Average Pensions
Retired Members - Service Pensions	4,419	\$ 159,641,916	\$ 36,126
- Disability Pensions	912	\$ 25,733,736	\$ 28,217
Totals	5,331	\$ 185,375,652	\$ 34,773
Survivors of Members - Spouses	815	\$ 21,745,104	\$ 26,681
- Children with Guardians**	38	\$ 495,420	\$ 13,037
Totals	853	\$ 22,240,524	\$ 26,073
Total Pensions Being Paid	6,184	\$ 207,616,176	\$ 33,573

* Does not include DROP participants totaling 1,011 with annual pensions of \$48,886,836

** Does not include pensions payable to children whose parent is being paid a survivor pension.

	Average Age	Average Service (yrs)	Average Age at Retirement (yrs)
Normal retired members	60.1	25.5	49.7
Disability retired members	52.8	14.7	43.3
Spouse beneficiaries	64.0	19.3	44.2
DROP Participants	52.3	26.0	

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUMMARY OF BENEFIT INCREASES**

State law provides for an annual benefit increase for retirees or their survivors who are over age fifty-five on the effective day of the increase and for disability retirees regardless of age. These increases are dependent upon the production of excess earnings on part of the assets of the Fund and are limited to four percent of the average benefit being paid to retirees and their survivors. The following schedule summarizes the statutorily-designed process of calculating the monthly benefit increases effective each July 1st.

BENEFIT INCREASE SCHEDULE

Fiscal Year Ended	Excess Yield per Statute*	Excess Earnings Assets**	Excess Earnings	Monthly Benefit Increase Fundable	Maximum per Statutory 4% Cap	Lesser of Two - Increase Awarded
6/30/1985	2.85%	\$ 214,202,673	\$ 6,104,776			
			Investment earnings on balance	902,896 **		
			Amount utilized: 7-1-86 increase	(4,482,398)	\$50.00	\$36.17
6/30/1986	5.79%	\$ 248,133,744	\$ 14,366,944			
			Amount available: 7-1-87 increase	16,892,218	\$120.00 **	\$38.59
			Investment earnings on balance	1,859,833		
			Amount utilized: 7-1-87 increase	(5,185,664)		
6/30/1987	2.01%	\$ 276,817,044	\$ 5,564,023			
			Amount available: 7-1-88 increase	19,130,410	\$110.00 **	\$42.84
			Investment earnings on balance	2,027,823		
			Amount utilized: 7-1-88 increase	(6,319,400)		
6/30/1988	1.60%	\$ 306,597,600	\$ 4,905,562			
			Amount available: 7-1-89 increase	19,744,395	\$95.00 **	\$44.95
			Investment earnings on balance	1,986,286		
			Amount utilized: 7-1-89 increase	(7,236,088)		
6/30/1989	1.06%	\$ 360,069,033	\$ 3,816,732			
			Amount available: 7-1-90 increase	18,311,325	\$55.00 **	\$47.83
			Investment earnings on balance	1,919,027		
			Amount utilized: 7-1-90 increase	(7,635,888)		
6/30/1990	1.48%	\$ 430,743,103	\$ 6,374,998			
			Amount available: 7-1-91 increase	18,969,462	\$75.00 **	\$52.35
			Investment earnings on balance	1,940,576		
			Amount utilized: 7-1-91 increase	(10,212,948)		
6/30/1991	1.23%	\$ 484,159,254	\$ 5,955,159			
			Amount available: 7-1-92 increase	16,652,249	\$70.00	\$55.13
			Investment earnings on balance	1,815,095		
			Amount utilized: 7-1-92 increase	(11,984,957)		
6/30/1992	1.90%	\$ 757,998,498	\$ 14,401,971			
			Amount available: 7-1-93 increase	20,884,358	\$80.00	\$58.69
			Investment earnings on balance	2,234,626		
			Amount utilized: 7-1-93 increase	(13,063,068)		
6/30/1993	1.70%	\$ 842,142,928	\$ 14,316,430			
			Amount available: 7-1-94 increase	24,372,346	\$90.00	\$63.94
			Investment earnings on balance	2,278,814		
			Amount utilized: 7-1-94 increase	(15,878,424)		
6/30/1994	0.35%	\$ 926,038,066	\$ 3,241,133			
			Amount available: 7-1-95 increase	14,013,869	\$45.00	\$69.02
			Investment earnings on balance	1,433,619		
			Amount utilized: 7-1-95 increase	(12,092,280)		
6/30/1995	1.23%	\$ 1,019,971,216	\$ 12,545,646			
			Amount available: 7-1-96 increase	15,900,854	\$50.00	\$72.03
			Investment earnings on balance	1,677,540		

BENEFIT INCREASE SCHEDULE

Fiscal Year Ended	Excess Yield per Statute*	Excess Earnings Assets**	Excess Earnings	Monthly Benefit Increase Fundable	Maximum per Statutory 4% Cap	Lesser of Two - Increase Awarded
6/30/1996	Amount utilized:	7-1-96 increase	(15,055,224)			
	1.55%	\$ 1,121,106,488	\$ 17,377,151			
	Amount available:	7-1-97 increase	19,900,321	\$55.00	\$75.14	\$55.00
	Investment earnings on balance		2,202,966			
6/30/1997	Amount utilized:	7-1-97 increase	(17,529,672)			
	2.07%	\$ 1,545,766,186	\$ 31,997,360			
	Amount available:	7-1-98 increase	36,570,975	\$80.00	\$78.36	\$78.36
	Investment earnings on balance		8,129,728			
	Amount utilized:	7-1-98 increase	(26,935,849)			
Prior Excess	Earnings Transferred per HB 2496		256,823,185			
6/30/1998	13.23%	\$ 1,876,344,607	\$ 248,240,392			
	Amount available:	7-1-99 increase	522,828,431	\$1,335.00	\$81.95	\$81.95
	Investment earnings on balance		92,540,632			
6/30/1999	Amount utilized:	7-1-99 increase	(42,154,215)			
	8.70%	\$ 1,986,262,497	\$ 172,804,837			
	Amount available:	7-1-00 increase	746,019,685	\$1,375.00	\$87.37	\$87.37
	Investment earnings on balance		91,835,023			
6/30/2000	Amount utilized:	7-1-00 increase	(47,369,499)			
	3.31%	\$ 2,182,040,163	\$ 72,225,529			
	Amount available:	7-1-01 increase	862,440,738	\$1,490.00	\$93.24	\$93.24
	Investment earnings on balance		(145,364,386)			
6/30/2001	Amount utilized:	7-1-01 increase	(54,178,336)			
	0.00%	\$ 2,018,932,892	\$ -			
	Amount available:	7-1-02 increase	662,898,016	\$1,070.00	\$98.17	\$98.17
	Investment earnings on balance		(98,838,094)			
6/30/2002	Amount utilized:	7-1-02 increase	(61,603,276)			
	0.00%	\$ 1,698,146,115	\$ -			
	Amount available:	7-1-03 increase	502,456,646	\$750.00	\$102.53	\$102.53
	Investment earnings on balance		33,664,595			
6/30/2003	Amount utilized:	7-1-03 increase	(67,995,889)			
	0.00%	\$ 1,630,985,760	\$ -			
	Amount available:	7-1-04 increase	468,125,352	\$665.00	\$111.90	\$111.90

**In 1989 Senate Bill 1129 was signed into law and became effective September 15, 1989. This bill required future earnings on the excess account to be added back to the excess earnings account. In 1990 House Bill 2495 was signed into law and was effective August 15, 1990. This bill required earnings on the excess earnings account between June 30, 1986, and September 15, 1989, be added to the excess earnings account. The Monthly Benefit Increase Fundable Amount prior to 7-1-91 has not been recalculated to reflect the effects of this retroactive legislation.

***Amount equal to retired reserves until 6-30-92 when the assets to be used was changed to one-half of the average net total assets as published in the annual report (market value was used beginning 6/30/97).

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
PARTICIPATING EMPLOYERS**

Apache County Sheriffs	Gila County Sheriffs
Apache Junction Fire District	Gila River Fire
Apache Junction Police	Gila River Police
Arizona State Parks	Gilbert Fire
Arizona State University Campus Police	Gilbert Police
Avondale Fire	Glendale Fire
Avondale Police	Glendale Police
Avra Valley Fire District	Globe Fire
AZ State Attorney General	Globe Police
AZ State Capitol Police	Golden Valley Fire District
Benson Police	Golder Ranch Fire District
Bisbee Fire	Goodyear Fire
Bisbee Police	Goodyear Police
Buckeye Fire	Graham County Sheriffs
Buckeye Police	Greenlee County Attorney Investigators
Buckskin Fire	Greenlee County Sheriffs
Bullhead City Fire	Green Valley Fire
Bullhead City Police	Guadalupe Fire
Camp Verde Fire	Guadalupe Police
Camp Verde Marshals	Hayden Police
Casa Grande Fire	Heber-Overgaard Fire
Casa Grande Police	Highland Fire
Central Yavapai Fire	Holbrook Police
Chandler Fire	Hualapai Indian Tribe Police
Chandler Police	Hualapai Valley Fire
Chino Valley Fire	Kearny Police
Chino Valley Police	Kingman Fire
Clarkdale Police	Kingman Police
Clifton Fire	La Paz County Attorney Investigators
Clifton Police	La Paz County Sheriffs
Cochise County Sheriffs	Lake Havasu Fire
Coconino County Sheriffs	Lake Havasu Police
Coolidge Police	Lakeside Fire
Cottonwood Fire	Linden Fire
Cottonwood Police	Mammoth Police
Daisy Mountain Fire District	Marana Marshals
Department of Emergency and Military Affairs	Maricopa County Attorney Investigators
Department of Game & Fish	Maricopa County Park Rangers
Department of Public Safety	Maricopa County Sheriffs
Department of Liquor License and Control	Mayer Fire District
Diamond Star Fire	Mesa Fire
Douglas Fire	Mesa Police
Douglas Police	Miami Fire
Drexel Heights Fire	Miami Police
Eager Police	Mohave County Sheriffs
El Mirage Fire	Mohave Valley Fire
El Mirage Police	Montezuma-Rimrock
Eloy Police	Northern Arizona University Campus Police
Flagstaff Fire	Navajo County Attorney Investigators
Flagstaff Police	Navajo County Sheriffs
Florence Fire	Nogales Fire
Florence Police	Nogales Police
Flowing Wells Fire	Northwest Fire District
Fort McDowell Fire	Oro Valley Police
Fort McDowell Police	Page Fire
Fort Mohave Mesa Fire	Page Police
Fountain Hill Marshals	Paradise Valley Police
Fredonia Marshals	Parker Police
Fry Fire	Patagonia Marshals

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
PARTICIPATING EMPLOYERS**

Peoria Fire
Peoria Police
Phoenix Fire
Phoenix Police
Picture Rock Fire District
Pima County Attorney Investigators
Pima County Community College Police
Pima County Sheriffs
Pima Police
Pinal County Sheriffs
Pine-Strawberry Fire
Pinetop Fire
Pinetop-Lakeside Police
Prescott Fire
Prescott Police
Prescott Valley Police
Quartzsite Marshals
Rio Rico Fire
Safford Police
Sahuarita Police
Salt River Pima-Maricopa Fire
Salt River Pima-Maricopa Police
San Luis Fire
San Luis Police
Santa Cruz County Deputies
Scottsdale Police
Sedona Fire District
Sedona Police
Showlow Fire
Showlow Police
Sierra Vista Fire
Sierra Vista Police
Snowflake Police
Somerton Fire
Somerton Police
South Tucson Fire
South Tucson Police

Payson Fire
Payson Police
Springerville Police
St. Johns Police
Summitt Fire District
Sun City Fire District
Sun City West Fire District
Sun Lakes Fire District
Superior Police
Surprise Fire
Surprise Police
Taylor Police
Tempe Fire
Tempe Police
Thatcher Police
Three Points Fire
Tolleson Fire
Tolleson Police
Tombstone Police
Tri-City Fire
Tubac Fire District
Tucson Airport Authority Fire
Tucson Airport Authority Police
Tucson Fire
Tucson Police
University of Arizona Campus Police
Verde Valley Fire District
Wellton Police
Wickenburg Police
Wilcox Police
Williams Police
Winslow Fire
Winslow Police
Yavapai County Attorney Investigators
Yavapai County Sheriffs
Youngtown Police
Yuma County Sheriffs
Yuma Fire
Yuma Police

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2003
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2002**

Sys No.	System	Balance June 30, 2002 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2003 (at cost)	Unfunded Accrued Normal Costs June 30, 2002
001	Bisbee Fire	3,045,172.13	1,061.20	66,776.36	(3,495.63)	(360,710.18)	-	-	(299,893.12)	2,448,910.76	673,089.00
002	Casa Grande Fire	5,732,046.90	(7,707.42)	69,493.93	45,484.37	(521,814.08)	-	-	(563,206.57)	4,758,297.13	(105,482.00)
003	Casa Grande Police	8,856,433.50	72,783.39	220,532.65	-	(670,360.07)	-	-	(944,860.55)	7,534,528.92	44,558.00
004	Chandler Fire	21,153,627.49	12,805.26	122,005.97	598,329.86	(548,856.16)	-	-	(2,435,068.85)	18,902,843.57	(4,825,178.00)
005	Chandler Police	28,463,498.02	352,815.40	1,451,590.92	-	(1,201,672.22)	(25,724.50)	(14,355.35)	(3,389,094.00)	25,637,058.27	(2,463,117.00)
006	Clifton Fire	415,183.16	-	-	2,088.59	(21,279.52)	-	-	(40,722.31)	355,269.92	(254,380.00)
007	Dept. of Public Safety	432,265,383.94	1,189,684.94	2,743,204.45	-	(29,196,030.42)	(523,638.22)	(53,359.51)	(39,864,397.51)	366,560,847.67	(80,003,384.00)
008	Douglas Fire	4,686,410.42	42,785.67	81,661.13	14,083.05	(434,999.13)	-	(4,255.89)	(465,244.25)	3,920,441.00	76,877.00
009	Douglas Police	5,228,434.98	74,202.25	53,104.10	-	(370,852.04)	-	(51,925.61)	(527,781.49)	4,405,182.19	(884,340.00)
010	Flagstaff Fire	24,962,155.15	232,464.22	-	173,235.37	(1,338,043.28)	(205,905.55)	(7,120.01)	(2,548,302.59)	21,268,483.31	(5,331,872.00)
011	Flagstaff Police	17,599,359.56	228,146.57	218,991.54	-	(1,253,352.24)	(49,879.31)	-	(1,794,334.95)	14,948,931.17	(1,002,093.00)
012	Glendale Fire	40,467,159.41	(72,349.54)	-	443,039.59	(1,599,887.55)	(45,716.17)	-	(4,243,831.63)	34,948,414.11	(10,170,226.00)
013	Glendale Police	49,983,849.72	569,693.01	1,489,855.05	-	(3,417,852.13)	(147,823.31)	(86,929.91)	(5,399,234.83)	42,991,557.60	2,144,622.00
014	Globe Fire	2,446,045.66	9,553.81	5,434.74	11,755.76	(210,669.22)	-	-	(239,707.09)	2,022,413.66	(464,122.00)
015	Kingman Fire	4,542,887.75	106,815.67	110,858.01	48,104.22	(201,085.10)	-	(11,078.16)	(533,682.85)	4,062,819.54	(246,275.00)
016	Maricopa Cnty Sheriff	133,986,864.14	113,941.24	1,186,893.26	-	(9,247,935.83)	(124,332.99)	(130,076.07)	(13,410,446.69)	112,374,907.06	(20,598,080.00)
017	Mesa Fire	95,625,488.05	366,116.59	150,448.09	1,012,477.64	(3,835,647.82)	(55,291.53)	(27,998.90)	(10,132,395.74)	83,103,196.38	(19,388,426.00)
018	Mesa Police	139,869,082.73	358,234.65	3,267,907.07	-	(7,513,343.63)	-	(104,798.53)	(14,875,121.31)	121,001,960.98	(20,810,892.00)
019	Miami Fire	321,192.42	-	-	-	(21,171.86)	-	-	(28,088.87)	271,931.69	(137,096.00)
020	Nogales Fire	4,014,736.24	42,761.75	100,848.46	38,093.52	(366,249.16)	-	-	(433,974.98)	3,396,275.83	813,124.00
021	Phoenix Fire	463,266,373.10	1,385,372.36	533,943.15	3,485,614.99	(22,241,674.18)	(508,613.32)	(41,847.19)	(47,616,512.82)	398,262,656.09	(79,225,946.00)
022	Phoenix Police	819,011,255.74	2,441,513.41	4,351,070.99	-	(46,942,948.55)	(761,036.09)	(345,385.58)	(82,462,573.84)	695,291,896.08	(136,685,026.00)
023	Prescott Fire	13,651,965.66	58,852.81	-	152,262.41	(855,167.12)	-	-	(1,402,499.90)	11,605,413.86	(1,247,901.00)
024	Prescott Police	9,809,940.71	33,560.43	363,812.76	-	(1,038,671.40)	-	-	(1,022,508.22)	8,146,134.28	2,089,668.00
025	Scottsdale Police	70,108,779.25	659,185.61	1,162,646.14	-	(3,818,482.87)	-	-	(7,355,176.55)	60,749,735.61	(13,786,628.00)
026	Sierra Vista Fire	7,009,096.77	(223,996.48)	-	66,476.99	(204,861.73)	-	-	(745,960.85)	5,900,754.70	(4,188,728.00)
027	Tempe Fire	52,451,930.87	-	29,039.03	538,828.88	(2,685,559.65)	-	-	(5,228,307.77)	45,105,931.36	(9,630,652.00)
028	Tempe Police	59,783,794.14	615,294.34	1,233,256.78	-	(4,058,773.52)	(74,718.85)	(75,218.41)	(6,312,928.15)	51,110,706.33	(396,518.00)
029	Tucson Fire	183,339,397.51	470,782.96	795,425.62	929,145.93	(11,896,150.20)	(11,992.11)	-	(17,974,538.46)	155,552,071.25	(26,064,603.00)
030	Tucson Police	255,945,713.26	1,082,708.61	2,991,819.97	-	(15,958,116.25)	-	(79,757.53)	(25,296,188.03)	218,686,180.03	(40,602,229.00)
031	Winslow Fire	3,148,526.99	-	638.89	11,081.81	(47,214.22)	-	-	(301,822.00)	2,811,211.47	(2,724,111.00)
032	Yuma Fire	23,567,774.95	252,809.06	91,043.94	122,407.50	(2,035,588.57)	-	(7,029.38)	(2,334,804.25)	19,656,613.25	(1,619,188.00)
033	Yuma Police	29,325,447.92	71,259.94	10,881.17	-	(1,719,826.83)	-	(44,891.47)	(2,951,209.81)	24,691,660.92	(7,804,478.00)
034	Yuma Cnty Sheriff	9,689,282.49	69,880.79	150,464.28	-	(878,883.42)	-	-	(957,147.48)	8,001,616.06	(915,955.00)
035	Game & Fish	34,973,651.73	345,837.71	400,267.34	-	(3,235,945.93)	-	(25,798.65)	(3,481,829.63)	28,976,182.57	3,243,505.00
036	Sierra Vista Police	9,474,690.93	138,607.48	108,436.55	-	(659,919.33)	-	(24,695.34)	(977,359.30)	8,059,760.99	(573,846.00)
037	Benson Police	1,151,351.31	16,362.92	18,158.87	-	(80,796.20)	-	-	(120,171.80)	984,905.10	(261,644.00)
038	Bisbee Police	1,927,458.92	97,649.52	62,661.66	-	(282,865.94)	-	-	(199,300.66)	1,572,210.37	794,184.00
039	Pima Cnty Sheriff	109,012,442.64	221,206.39	1,462,802.47	-	(7,341,745.28)	(101,121.89)	(17,056.95)	(10,347,516.53)	92,889,010.85	(15,662,562.00)
040	Kingman Police	6,041,051.95	52,331.25	149,368.53	-	(463,217.00)	-	-	(628,973.52)	5,150,561.21	(291,564.00)
041	A.S.U. Campus PD	9,992,775.45	(4,198.53)	58,935.50	-	(630,324.38)	-	-	(987,494.83)	8,429,693.21	(3,325,971.00)
042	Lake Havasu Fire	14,458,468.01	42,084.49	80,335.89	162,991.07	(558,050.75)	-	-	(1,524,777.16)	12,580,715.66	(3,451,867.00)
043	MoHAVE Cnty Sheriff	10,625,796.82	26,331.93	6,170.92	-	(584,333.76)	-	-	(1,101,167.40)	9,004,184.35	(2,884,551.00)
044	Bullhead City Fire	8,997,014.61	(224,075.58)	-	78,148.80	(214,012.60)	-	(12,637.21)	(927,805.77)	7,702,803.17	(2,817,642.00)
045	U of A Campus PD	5,760,514.43	60,808.04	157,340.68	-	(495,652.25)	-	(9,387.89)	(594,030.49)	4,879,592.52	(549,737.00)
046	Cochise Cnty Sheriff	10,143,267.71	(133,429.89)	207,186.38	-	(1,027,795.58)	-	-	(1,014,088.90)	8,175,139.72	1,020,893.00

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2003
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2002**

Sys No.	System	Balance June 30, 2002 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2003 (at cost)	Unfunded Accrued Normal Costs June 30, 2003
047	Safford Police	2,544,425.21	-	53,461.22	-	(204,334.24)	-	-	(266,334.16)	2,127,218.03	360,573.00
049	Drexel Heights Fire	3,426,727.05	(69,734.51)	78,871.19	48,482.95	(21,849.96)	-	(28,513.48)	(416,654.67)	3,017,328.57	(1,709,286.00)
050	Winslow Police	2,807,967.64	50,008.91	11,329.87	-	(196,226.91)	(21,809.65)	(3,144.73)	(278,360.77)	2,369,764.36	(1,020,781.00)
051	Payson Fire	1,939,813.32	14,898.61	4,674.34	57,865.47	(62,580.24)	-	-	(221,789.54)	1,732,881.96	(621,918.00)
052	Payson Police	3,085,161.63	27,831.28	123,415.31	-	(275,471.94)	-	-	(341,719.75)	2,619,216.53	557,127.00
053	Hualapai Valley Fire	838,453.00	(43,801.61)	96,950.86	39,272.81	(53,074.63)	-	-	(103,481.54)	774,318.89	(383,406.00)
054	Fry Fire	4,982,324.35	262,623.08	36,564.75	31,082.97	(363,042.70)	-	-	(514,141.62)	4,435,410.83	(506,075.00)
055	Fredonia Marshals	50,354.44	15,890.29	92,038.02	-	-	-	-	(11,475.75)	146,807.00	(9,345.00)
056	N.A.U. Police Dept	3,667,739.53	(8,471.79)	4,200.73	-	(296,785.62)	-	(3,538.23)	(360,449.33)	3,002,695.29	(995,513.00)
058	South Tucson Fire	1,447,818.17	-	17,264.92	(1,637.45)	(107,963.40)	-	(24,369.28)	(145,947.28)	1,185,265.68	(288,260.00)
059	Avondale Fire	1,941,771.89	(20,941.12)	148,162.26	79,851.19	(48,131.76)	-	-	(252,950.62)	1,847,761.84	(329,961.00)
060	Parker Police	967,930.61	-	7,758.09	-	(23,401.44)	-	-	(108,589.40)	843,697.86	(513,102.00)
061	Coconino Cnty Sheriff	9,882,062.83	72,205.16	209,069.61	-	(893,835.12)	-	(39,619.93)	(1,014,966.77)	8,214,915.78	928,715.00
062	Central Yavapai Fire	6,980,223.89	1,828.14	100,900.08	132,404.55	(276,431.08)	-	-	(807,439.75)	6,131,485.83	(612,970.00)
064	Buckskin Fire	1,502,498.84	33,154.29	3,078.94	14,378.94	(128,826.96)	-	-	(150,007.73)	1,274,276.32	(165,728.00)
065	Snowflake Police	653,362.65	15.89	35,945.24	-	(53,983.20)	-	-	(77,325.59)	558,014.99	234,598.00
066	Cottonwood Police	1,687,970.74	(73,299.32)	115,075.01	-	(138,459.18)	-	(3,209.28)	(193,566.38)	1,394,511.59	481,871.00
067	Laik Havasu Police	9,029,143.08	143,372.80	168,161.26	-	(500,168.47)	-	(12,766.93)	(995,935.70)	7,831,806.04	(1,083,679.00)
068	Verde Rural Fire	0.00	(0.00)	-	-	-	-	-	-	-	-
069	South Tucson Police	1,113,107.47	(25,246.02)	165,041.03	-	(255,447.64)	-	-	(127,886.51)	869,568.33	1,743,073.00
070	Apache Junction PD	6,199,284.79	6,074.48	169,104.79	-	(248,488.62)	-	-	(718,519.99)	5,407,455.45	(676,419.00)
071	Navajo Cnty Sheriffs	5,783,143.87	103,164.23	39,504.68	-	(500,769.12)	-	(5,914.44)	(586,175.85)	4,832,953.37	(863,525.00)
072	Mohave Valley Fire	1,177,310.02	66,816.91	4,131.60	13,099.16	-	-	(13,890.62)	(141,781.67)	1,105,685.40	(754,521.00)
073	Peonia Fire	10,625,802.38	95,631.08	44,653.13	312,040.13	(144,139.34)	-	-	(1,302,008.53)	9,631,978.85	(3,304,714.00)
074	Peonia Police	12,280,256.89	694,592.76	818,275.72	-	(558,778.71)	-	(41,499.00)	(1,429,348.84)	11,763,498.82	(277,767.00)
076	Paradise Valley PD	6,716,435.04	103,462.00	119,830.51	-	(436,195.85)	-	-	(721,534.89)	5,781,996.81	299,486.00
077	Wilcox Police	967,235.24	109,224.71	45,082.62	-	(85,781.78)	(16,716.61)	-	(109,701.62)	909,342.56	(60,740.00)
078	Show Low Police	1,807,820.35	117,233.60	95,151.18	-	(116,303.27)	-	-	(201,091.91)	1,666,809.95	(315,133.00)
079	Eloy Police	1,499,290.05	(20,707.26)	90,901.99	-	(46,041.80)	-	-	(189,604.65)	1,333,838.33	(612,310.00)
080	Nogales Police	5,272,797.92	32,018.55	112,935.71	-	(356,450.57)	-	(72,004.02)	(579,522.84)	4,409,774.75	(736,719.00)
081	Gilbert Police	8,902,008.31	79,173.89	631,623.49	-	(426,675.64)	-	(13,267.87)	(1,116,045.64)	8,056,816.54	(130,563.00)
083	Clifton Police	358,106.39	1,510.33	3,337.53	-	-	-	-	(37,146.26)	325,807.99	(320,236.00)
084	Taylor Police	1,454.73	-	-	-	-	-	-	(131.55)	1,323.18	(1,688.00)
085	Coolidge Police	1,971,578.13	3,900.90	100,646.83	-	(104,686.56)	-	-	(229,212.80)	1,742,226.50	(411,520.00)
086	Holbrook Police	2,057,827.48	12,183.78	47,532.23	-	(205,548.04)	-	-	(203,270.25)	1,708,725.20	994.00
087	Santa Cruz Police	2,874,507.90	217.85	141,693.38	-	(245,758.95)	-	(25,943.01)	(323,625.26)	2,421,091.91	787,700.00
088	Prescott Valley PD	1,955,128.49	28,057.85	146,330.78	-	(89,372.34)	-	-	(241,874.12)	1,798,270.66	(337,572.00)
089	Eagar Police	499,249.46	(11,040.80)	26,651.64	-	(20,621.76)	-	-	(58,072.08)	436,166.46	(45,825.00)
090	Tolleson Police	1,857,392.77	134,958.96	58,654.37	-	(154,472.58)	-	-	(199,922.69)	1,696,610.83	(357,626.00)
091	Florence Police	1,222,361.64	(22,214.25)	12,981.73	-	(21,389.88)	-	-	(133,243.34)	1,058,495.90	(888,266.00)
092	Springerville Police	355,861.28	2,828.05	5,100.25	-	-	-	-	(44,779.49)	319,010.09	(184,769.00)
093	El Mirage Police	963,113.13	32,610.28	163,441.11	-	-	-	(6,884.62)	(138,194.20)	1,014,085.70	(300,742.00)
094	Superior Police	515,180.87	(4,273.50)	12,606.41	-	-	-	-	(56,428.20)	447,825.94	(255,018.00)
095	San Luis Police	1,095,466.79	(54,697.67)	105,240.96	-	-	-	(48,984.71)	(135,217.40)	932,233.07	(151,067.00)
096	Page Police	2,067,314.43	211,537.23	26,213.09	-	(81,646.21)	-	(19,843.52)	(232,778.94)	1,970,796.08	(989,754.00)
097	Page Fire	339,121.88	(1,750.97)	4,959.61	11,976.00	(45,073.70)	-	-	(31,055.59)	278,177.23	120,140.00

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2003
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2002**

Sys No.	System	Balance June 30, 2002 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2003 (at cost)	Unfunded Accrued Normal Costs June 30, 2002
098	Yavapai City Sheriff	8,805,109.05	77,871.75	465,783.42	-	(794,824.14)	-	(11,998.50)	(975,928.31)	7,566,013.27	1,671,686.00
099	Guadalupe Police	274,179.41	-	-	-	-	-	-	(24,794.69)	249,384.72	(318,061.00)
100	Pima Police	117,716.79	8,224.09	2,048.71	-	-	-	-	(13,017.32)	114,972.27	(106,239.00)
101	Apache City Sheriff	2,295,704.73	(32,617.82)	159,459.06	-	(237,005.12)	-	-	(257,282.31)	1,928,258.54	680,498.00
102	Cottonwood Fire	717,467.29	867.02	4,101.82	19,744.22	-	-	-	(88,962.36)	653,217.99	(371,508.00)
103	LaPaz City Sheriff	3,825,736.05	(117,679.19)	99,177.22	-	(290,384.24)	-	-	(396,832.87)	3,120,016.97	141,382.00
104	Pinal City Sheriff	16,453,134.40	212,569.06	266,538.61	-	(1,147,613.88)	-	-	(1,721,123.29)	14,063,504.90	(3,916,041.00)
105	Clarkdale Police	582,053.81	-	15,323.24	-	(16,578.80)	-	-	(68,448.98)	512,349.27	(142,429.00)
106	Buckeye Police	1,256,707.43	63,182.67	104,795.60	-	(62,322.20)	-	(41,122.84)	(150,055.43)	1,171,185.23	93,071.00
107	Marana Marshals	3,585,187.81	(42,533.57)	159,961.32	-	(115,931.86)	-	(86,433.53)	(420,693.82)	3,079,556.35	(1,721,878.00)
108	Toileson Fire	1,244,613.94	(84,608.83)	55,422.58	(7,543.98)	-	-	-	(157,674.19)	1,050,209.52	(415,427.00)
109	Chino Valley Police	1,043,516.49	1,478.46	41,011.93	-	(18,350.28)	-	(3,524.07)	(131,388.73)	932,743.80	(388,374.00)
110	Surprise Police	3,406,586.30	4,216.70	260,897.46	-	(75,918.48)	-	-	(429,199.07)	3,166,582.91	(797,465.00)
111	Wilton Police	167,806.66	(5,012.20)	5,586.66	-	-	-	-	(20,561.56)	147,819.56	(52,476.00)
112	Gila City Sheriff	4,122,835.77	281,974.00	69,887.93	-	(342,554.79)	-	(33,217.32)	(444,777.61)	3,654,147.98	(458,144.00)
113	Pinetop-Lakeside	1,431,692.18	(24,170.18)	44,109.92	-	(132,211.20)	-	-	(144,267.20)	1,175,153.52	63,830.00
114	Bullhead City Police	7,306,305.06	20,982.79	246,442.65	-	(219,028.92)	-	(54,056.24)	(877,669.82)	6,422,975.52	(1,000,449.00)
115	Williams Police	783,397.37	3,285.96	8,874.04	-	(24,416.88)	-	-	(82,516.73)	650,065.64	(363,121.00)
116	Miami Police	381,959.69	(1,732.09)	7,880.65	-	(20,066.52)	-	-	(41,678.12)	326,363.61	(46,770.00)
117	Thatcher Police	1,304,714.77	3,003.49	15,345.27	-	(32,982.24)	-	-	(150,478.85)	1,139,602.44	(488,135.00)
118	Youngtown Police	626,794.01	(10,480.55)	18,799.65	-	(43,225.08)	-	-	(64,659.23)	527,228.80	(301,505.00)
119	D.E.M.A.	3,187,514.76	(25,087.57)	86,078.33	-	(119,378.26)	-	-	(365,995.09)	2,763,132.17	(551,386.00)
120	Surprise Fire	2,029,655.16	575,831.46	142,405.41	137,437.64	(8,046.20)	-	-	(311,075.37)	2,566,208.10	(1,264,183.00)
121	Camp Verde Marshls	930,543.70	(8,949.01)	39,660.80	-	(44,790.72)	-	-	(104,765.91)	811,698.86	(189,515.00)
122	Oro Valley Police	4,031,295.76	299,164.86	311,931.23	-	(65,804.68)	-	(43,068.76)	(549,600.06)	3,983,918.29	(237,453.00)
123	Greenlee City Sheriff	1,450,572.03	(230.67)	8,368.78	-	(57,354.00)	-	-	(159,109.83)	1,242,246.31	(487,324.00)
124	Tucson Air Auth Fire	3,928,964.29	-	72,707.39	-	(183,811.56)	-	-	(432,610.04)	3,385,250.08	(363,789.00)
125	Tucson Air Auth Pd	2,928,681.03	(26,279.26)	186,650.54	-	(297,082.48)	-	-	(329,658.59)	2,462,311.24	1,155,912.00
126	Wickenburg Police	739,622.96	-	64,966.91	-	(73,415.04)	-	-	(89,358.55)	641,816.28	482,108.00
127	El Mirage Fire	578,271.01	69.72	66,110.03	29,183.06	(31,831.44)	-	-	(66,327.34)	575,475.04	(192,317.00)
128	Patagonia Marshals	76,928.09	149,013.68	5,619.54	-	-	-	-	(17,158.24)	214,403.07	(78,750.00)
129	Sedona Police	1,174,436.09	25,066.11	55,332.82	-	-	-	-	(155,147.28)	1,099,687.74	(576,016.00)
130	Mammoth Police	(24,611.51)	681.30	22,492.20	-	(17,605.20)	-	-	(3,395.42)	(22,438.63)	168,178.00
131	Globe Police	1,965,568.94	(18,067.66)	90,338.77	-	(147,067.54)	-	(37,459.00)	(217,954.20)	1,635,359.31	434,474.00
132	Tomestone Police	241,951.47	5,986.18	30,928.47	-	-	-	-	(33,395.28)	245,470.84	(274,487.00)
133	Golder Ranch Fire	2,523,937.08	-	150,685.36	105,827.84	(29,852.60)	-	-	(332,349.47)	2,418,248.21	(447,267.00)
134	Fort Mohave Mesa FD	2,279,154.09	(42,080.85)	71,249.56	26,023.78	(76,831.41)	-	(112,593.85)	(256,830.58)	1,821,712.09	(643,489.00)
135	Laveen Fire	42,080.85	-	-	-	-	-	-	-	-	-
136	Goodyear Fire	1,386,138.75	47,242.65	146,609.79	87,416.75	-	-	-	(205,098.08)	1,462,309.86	(640,825.00)
137	Goodyear Police	2,670,619.29	-	237,104.13	-	(71,982.48)	-	-	(347,546.83)	2,488,194.11	(327,902.00)
138	Chino Valley Fire	978,988.31	53,391.30	46,062.27	27,785.12	-	-	-	(130,962.35)	975,264.65	(154,686.00)
139	Avondale Police	2,916,331.62	221,889.32	382,829.80	-	(208,721.23)	-	(24,823.94)	(387,240.22)	2,900,265.35	716,955.00
140	Graham City Sheriff	911,806.96	10,781.69	58,591.65	-	(62,772.00)	-	-	(111,636.74)	806,771.56	81,287.00
141	Flowing Wells Fire	64,379.70	-	-	-	-	-	-	(5,822.01)	58,557.69	(74,684.00)
142	Golden Valley Fire	928,329.43	(3,513.40)	11,376.77	12,526.82	-	-	-	(109,076.38)	839,643.24	(504,154.00)
143	Daisy Mountain Fire	890,770.09	(6,716.39)	123,025.40	41,305.73	-	-	-	(133,799.28)	914,585.55	(206,775.00)

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2003
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2002**

Sys No.	System	Balance June 30, 2002 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2003 (at cost)	Unfunded Accrued Normal Costs June 30, 2002
144	Quartsite Marshals	228,221.97	134,008.09	31,413.30	-	-	-	-	(41,211.82)	352,431.54	(41,936.00)
145	Picture Rock Fire	739,395.42	7,128.13	3,115.48	11,468.42	-	-	-	(87,422.70)	673,684.75	(441,302.00)
146	Pima College	2,412,766.09	152,289.66	85,271.02	-	(55,787.52)	-	-	(293,407.80)	2,301,131.45	(596,824.00)
147	Northwest Fire	6,971,354.67	85,550.52	304,891.40	227,941.38	(130,316.28)	-	(60,092.01)	(865,142.15)	6,534,187.53	(1,131,974.00)
148	Apache Junction Fire	3,832,826.40	253.71	299,626.28	110,473.22	(85,010.48)	-	-	(499,444.38)	3,658,724.75	486,882.00
149	Gilbert Fire	3,390,220.07	28,668.89	87,791.85	364,117.27	(21,092.40)	-	-	(479,590.34)	3,370,115.34	(1,355,346.00)
150	Pine-Strawberry Fire	756,555.75	27,179.68	56,057.11	23,036.52	(27,179.68)	-	-	(100,312.29)	735,337.09	44,356.00
151	Attorney Gen Inv	5,821,363.69	373,095.01	92,710.24	-	(353,204.16)	(139,218.46)	-	(631,151.56)	5,163,594.76	(684,423.00)
152	Tucson Estate Fire	(0.00)	0.00	-	-	-	-	-	-	-	-
153	St. Johns Police	130,842.53	5,179.53	21,846.29	-	-	-	-	(20,965.00)	136,903.35	(115,702.00)
154	Pima City Attn Inv	1,030,198.47	81,466.83	5,395.72	-	(36,596.20)	-	-	(114,433.56)	966,031.26	(201,082.00)
155	SunLakes Fire	2,141,273.24	-	122,786.43	64,832.70	(24,847.68)	-	-	(265,846.33)	2,038,198.36	(638,596.00)
156	Kearny Police	180,917.62	(4,471.56)	15,468.78	-	(24,554.52)	-	-	(18,743.55)	148,616.77	95,628.00
157	Greenlee City Attn Inv	25,135.26	-	-	-	-	-	-	(2,273.04)	22,862.22	(29,158.00)
158	Navajo City Attn Inv	138,234.41	-	885.68	-	-	-	-	(16,308.65)	122,811.44	(127,808.00)
159	Doney Park Rural FD	0.00	(0.00)	-	-	-	-	-	-	-	-
160	AZ State Capitol PD	1,096,074.24	(35,841.50)	82,404.68	-	(34,846.56)	-	-	(135,981.52)	971,809.34	(374,678.00)
161	Fountain Hills Mrshl	313,124.84	(297,240.35)	38,522.25	-	-	-	-	(29,772.16)	24,634.58	(34,291.00)
162	Avera Valley Fire	532,886.61	3,707.42	13,646.48	9,333.01	-	-	-	(60,524.67)	499,048.85	(408,308.00)
163	San Luis Fire	413,424.30	(37,223.71)	62,048.17	10,513.01	-	-	-	(54,838.35)	393,923.42	(101,323.00)
164	Az St. Dept. Liquor/Licn	1,605,136.79	65,837.38	85,521.26	-	(17,146.76)	-	-	(204,261.74)	1,535,086.93	(876,445.00)
165	Maricopa Cnty Atty Inv	3,972,366.95	(11,140.79)	13,665.97	-	(328,980.28)	-	(3,025.36)	(387,504.87)	3,255,381.62	(371,642.00)
166	Sedona Fire	2,565,310.57	23,636.07	173,749.69	125,972.19	(96,151.21)	-	(3,660.64)	(330,839.10)	2,458,017.57	(471,452.00)
167	Guadalupe Fire	187,783.42	-	35,444.44	-	-	-	-	(29,946.56)	193,281.30	(29,823.00)
168	Mayer Fire	155,552.02	26,381.31	43,628.36	4,581.37	(14,171.50)	-	-	(23,555.45)	192,416.11	(19,804.00)
169	Somerton Police	481,643.00	(7,229.61)	71,705.63	-	(20,907.37)	-	(21,320.73)	(60,667.56)	443,223.36	358,833.00
170	Sun City West Fire	2,785,608.57	(100,403.21)	99,661.20	119,012.55	(30,291.60)	-	-	(352,570.88)	2,521,016.63	(692,312.00)
171	Somerton Fire	353,125.65	(71,353.33)	57,991.76	6,041.05	(15,268.56)	-	-	(43,142.76)	287,393.81	138,203.00
172	Tubac Fire District	468,756.44	6,497.40	39,910.82	12,306.35	-	-	-	(63,301.26)	464,169.75	(231,981.00)
173	La Paz Cnty Atty Inv	73,250.99	-	1,090.71	-	-	-	-	(9,648.29)	64,693.41	(69,907.00)
174	Sahuarita Police	143,986.73	94,188.68	28,447.60	-	-	-	-	(27,887.17)	238,735.84	(81,991.00)
176	Florence Fire	177,793.43	(6,957.39)	21,254.27	5,582.79	-	-	-	(25,686.36)	171,986.74	(148,008.00)
177	Sun City Fire	4,124,077.23	(175,140.89)	370,329.83	131,268.94	(29,526.92)	-	-	(740,879.28)	3,680,128.91	994,265.00
178	Hayden Police	55,565.89	-	18,623.84	-	-	-	-	(8,629.02)	65,560.71	48,413.00
179	Gila River Fire	977,763.21	(82,125.24)	313,885.75	-	(15,773.04)	-	-	(156,542.42)	1,037,208.26	425,087.00
180	Gila River Police	923,787.00	26,363.57	303,917.84	-	-	-	-	(157,425.01)	1,087,636.30	82,770.00
181	SaltRiver Pima-MircpFD	1,486,231.46	(21,235.40)	394,913.56	-	(11,035.37)	-	(9,007.10)	(209,299.74)	1,639,574.51	848,895.00
182	SaltRiver Pima-MircpPD	924,184.69	35,024.13	398,186.85	-	(85,483.92)	-	-	(153,472.26)	1,118,439.49	1,578,278.00
183	Lakeside Fire District	146,441.26	(16,860.11)	33,004.80	22,550.86	-	-	-	(22,662.92)	162,473.89	(11,682.00)
184	Cornville-PageSpringsF	(0.00)	0.00	-	-	-	-	-	-	-	-
185	Pinetop Fire District	241,681.61	-	84,599.38	38,231.04	-	-	-	(40,860.90)	323,651.13	254,816.00
186	Show Low Fire District	149,148.55	(18,239.01)	46,533.48	25,613.17	-	-	-	(23,301.11)	179,755.08	(85,396.00)
187	Yavapai Cnty Attny Invst	175,672.35	-	9,010.15	-	-	-	-	(24,592.20)	160,090.30	35,281.00
188	Three Points Fire	114,181.09	(16,116.02)	28,196.67	11,820.41	-	-	-	(17,543.79)	120,538.36	(119,198.00)
189	Timberline-Fernwood	0.00	(0.00)	-	-	-	-	-	-	-	-
190	Buckeye Fire	74,365.79	167,637.22	62,296.08	17,801.22	-	-	-	(26,504.32)	295,595.99	(94,223.00)

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2003
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2002**

Sys No.	System	Balance June 30, 2002 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2003 (at cost)	Unfunded Accrued Normal Costs June 30, 2002
191	Montezuma-Rimrock	138,272.06	(5,621.76)	11,002.75	7,934.53	-	-	-	(18,741.42)	132,846.16	(137,693.00)
192	Heber-Overgaard	65,278.34	-	9,209.45	21,111.08	-	-	-	(10,464.10)	85,134.77	(31,302.00)
193	Diamond Star Fire	47,582.70	-	25,133.68	5,490.27	-	-	-	(8,245.71)	69,960.94	126,121.00
194	Green Valley Fire	1,608,800.28	-	213,416.57	82,952.40	-	-	-	(181,840.09)	1,723,329.16	576,829.00
195	Summitt Fire District	679,063.11	8,711.27	87,944.48	23,344.84	-	-	-	(89,802.45)	709,261.25	(3,595.00)
196	Camp Verde Fire	135,659.32	(8,659.96)	127,095.86	17,000.72	-	-	-	(25,006.85)	246,089.09	396,753.00
197	Fort McDowell Fire	298,232.90	12,926.10	67,350.08	-	-	-	-	(40,334.92)	338,174.16	(317,515.00)
198	Fort McDowell Police	125,740.23	155,287.07	133,281.00	-	-	-	(1,817.09)	(34,751.83)	377,739.38	413,098.00
199	Highlands Fire	154,229.26	70,301.64	163,651.55	31,495.22	-	-	-	(36,122.53)	383,555.14	664,501.00
200	Rio Rico Fire	72,156.06	(30,001.14)	30,031.42	15,900.73	-	-	-	(11,509.30)	76,577.77	94,666.00
201	Tri-City Fire	78,689.93	(33,954.13)	26,767.72	4,091.32	-	-	-	(9,632.56)	65,962.28	(31,105.00)
202	Maricopa Park Rangers	740,021.45	328,052.66	82,315.96	-	(5,378.91)	(44,176.63)	-	(127,772.72)	973,061.81	19,168.00
203	Verde Valley Fire	995,229.23	368,615.80	73,348.31	40,060.93	(10,366.48)	-	-	(141,670.51)	1,325,217.28	(659,002.00)
204	Arizona State Parks	2,064,599.41	328,461.22	239,556.91	-	(18,051.08)	(29,850.58)	-	(334,603.00)	2,250,112.88	500,454.00
205	Linden Fire	-	9,266.06	7,140.33	12,978.56	-	-	-	(2,054.92)	27,330.03	-
206	Hualapai Tribal Police	-	-	-	-	-	-	-	-	-	-
207	Pinewood Fire	-	-	-	-	-	-	-	-	-	-
TOTALS		3,542,533,675.26	16,509,850.76	40,047,132.17	10,753,536.49	(206,687,062.85)	(3,028,174.87)	(2,239,536.04)	(361,033,967.14)	3,036,855,453.78	(540,175,204.00)
TOTALS		3,542,533,675.26	16,509,850.76	40,047,132.17	10,753,536.49	(206,687,062.85)	(3,028,174.87)	(2,239,536.04)	(361,033,967.14)	3,036,855,453.78	(540,175,204.00)

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 2003**

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Sys No.	System	Balance	Reserve Transfers	Contributions Received	Withdrawn Members	Balance
		June 30, 2002 (at cost)				June 30, 2003 (at cost)
001	BISBEE POLICE	396,574.40	(1,061.20)	54,157.44	(7,790.71)	441,879.93
002	CASA GRANDE FIRE	623,277.47	(458.58)	135,830.64	-	758,649.53
003	CASA GRANDE POLICE	1,709,436.55	(92,839.39)	238,678.18	(4,017.49)	1,851,257.85
004	CHANDLER FIRE	5,138,767.30	8,949.74	810,415.64	-	5,958,132.68
005	CHANDLER POLICE	8,051,742.06	(154,308.14)	1,547,039.66	(32,729.61)	9,411,743.97
006	CLIFTON FIRE	43,728.74	-	1,037.96	-	44,766.70
007	DEPT. OF PUBLIC SAFETY	21,135,014.34	(1,218,388.49)	1,998,679.77	(100,716.47)	21,814,589.15
008	DOUGLAS FIRE	611,936.77	(59,054.67)	67,881.86	(21,839.74)	598,924.22
009	DOUGLAS POLICE	734,742.68	16,769.85	97,890.58	(73,139.27)	776,263.84
010	FLAGSTAFF FIRE	3,734,020.70	(317,939.22)	371,201.20	(20,097.59)	3,767,185.09
011	FLAGSTAFF POLICE	2,552,607.24	(167,959.57)	414,245.72	(10,649.69)	2,788,243.70
012	GLENDALE FIRE	6,870,302.63	(475,227.71)	730,489.33	-	7,125,564.25
013	GLENDALE POLICE	10,140,774.49	(687,640.95)	1,552,033.12	(111,211.91)	10,893,954.75
014	GLOBE FIRE	271,918.26	(6,989.81)	50,976.98	-	315,905.43
015	KINGMAN FIRE	1,224,381.29	42,788.33	170,521.47	(20,190.89)	1,417,500.20
016	MARICOPA CNTY SHERIFFS	17,646,921.87	(854,397.24)	2,580,817.84	(207,306.51)	19,166,035.96
017	MESA FIRE	16,571,686.61	(330,135.85)	2,012,597.27	(53,515.93)	18,200,632.10
018	MESA POLICE	24,952,567.58	(434,946.23)	3,947,852.38	(186,315.42)	28,279,158.31
019	MIAMI FIRE	-	-	-	-	-
020	NOGALES FIRE	830,086.76	(45,951.75)	126,291.35	(4,991.82)	905,434.54
021	PHOENIX FIRE	68,032,606.44	(733,503.21)	7,051,476.90	(54,967.26)	74,295,612.87
022	PHOENIX POLICE	108,167,035.56	(2,558,664.71)	13,831,708.36	(632,176.40)	118,807,902.81
023	PRESCOTT FIRE	2,040,994.56	(58,852.81)	266,715.47	-	2,248,857.22
024	PRESCOTT POLICE	1,730,215.43	(67,213.11)	250,361.51	(8,390.85)	1,904,972.98
025	SCOTTSDALE POLICE	11,597,847.61	(359,250.31)	1,656,367.25	(39,563.39)	12,855,401.16
026	SIERRA VISTA FIRE	1,375,954.45	(73,105.52)	136,449.35	(3,162.78)	1,436,135.50
027	TEMPE FIRE	6,097,077.66	-	415,151.82	(10,496.40)	6,501,733.08
028	TEMPE POLICE	10,742,468.56	(564,343.16)	1,634,352.71	(145,780.28)	11,666,697.83
029	TUCSON FIRE	19,447,388.11	(470,782.96)	1,821,938.64	(2,484.52)	20,796,059.27
030	TUCSON POLICE	28,672,091.14	(1,191,800.68)	3,500,781.20	(131,246.39)	30,849,825.27
031	WINSLOW FIRE	194,514.98	-	19,749.63	-	214,264.61
032	YUMA FIRE	2,895,038.09	(87,616.06)	346,468.02	(26,400.77)	3,127,489.28
033	YUMA POLICE	3,881,350.22	24,365.06	600,930.86	(87,416.75)	4,419,229.39
034	YUMA COUNTY SHERIFFS	1,232,456.26	(74,286.92)	245,799.01	(116,215.72)	1,287,752.63
035	GAME & FISH	4,716,682.13	(318,811.42)	508,928.79	(51,069.80)	4,855,729.70
036	SIERRA VISTA POLICE	1,533,729.83	(132,782.48)	213,671.25	(44,900.61)	1,569,717.99
037	BENSON POLICE	186,275.13	7,248.08	30,281.54	(8,790.88)	215,013.87
038	BISBEE POLICE	382,736.50	(97,649.52)	40,936.09	-	326,023.07
039	PIMA COUNTY SHERIFFS	7,971,037.37	(331,869.13)	1,030,777.18	(44,480.35)	8,625,465.07
040	KINGMAN POLICE	993,723.57	(47,825.25)	164,788.29	(14,630.80)	1,096,055.81
041	A.S.U. CAMPUS POLICE	1,167,660.86	(87,519.49)	191,618.56	(9,967.92)	1,261,792.01
042	LAKE HAVASU FIRE	2,412,659.93	24,886.51	234,883.29	-	2,672,429.73
043	MOHAVE CNTY SHERIFFS	1,751,029.13	(75,818.93)	261,165.98	(65,157.24)	1,871,218.94
044	BULLHEAD CITY FIRE	1,361,957.45	(58,085.42)	248,048.42	(58,164.52)	1,493,755.93
045	U OF A CAMPUS POLICE	916,766.19	(56,368.04)	154,512.54	(28,247.61)	986,663.08
046	COCHISE CNTY SHERIFFS	1,494,659.04	(129,581.21)	241,450.76	(6,113.78)	1,600,414.81
047	SAFFORD POLICE	458,069.29	-	43,928.89	(7,803.78)	494,194.40
049	DREXEL HEIGHTS FIRE	1,093,437.32	(17,333.49)	193,128.45	(29,467.38)	1,239,764.90
050	WINSLOW POLICE	337,333.66	(44,995.91)	83,887.28	(13,430.09)	362,794.94
051	PAYSON FIRE	458,043.38	(14,898.61)	83,748.15	-	526,892.92
052	PAYSON POLICE	727,704.40	(35,083.28)	91,043.91	-	783,665.03
053	HUALAPAI VALLEY FIRE	333,524.39	(172,252.39)	64,759.27	(2,686.77)	223,344.50
054	FRY FIRE	659,577.19	(1,453.08)	107,267.59	-	765,391.70
055	FREDONIA MARSHALS	0.00	10,003.71	35,156.57	-	45,160.28
056	N.A.U. POLICE DEPARTMENT	453,819.25	(12,972.21)	60,292.77	(14,152.90)	486,986.91
058	SOUTH TUCSON FIRE	215,955.54	-	38,702.06	(21,877.09)	232,780.51
059	AVONDALE FIRE	676,378.61	(10,769.88)	175,595.18	-	841,203.91
060	PARKER POLICE	225,546.87	-	30,249.41	-	255,796.28

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 2003**

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Sys No.	System	Balance	Reserve	Contributions	Withdrawn	Balance
		June 30, 2002 (at cost)	Transfers	Received	Members	June 30, 2003 (at cost)
061	COCONINO CNTY SHERIFFS	1,670,261.92	(167,165.16)	200,926.79	(39,245.75)	1,664,777.80
062	CENTRAL YAVAPAI FIRE	1,782,058.08	1,169.86	314,103.89	-	2,097,331.83
064	BUCKSKIN FIRE	200,049.54	(33,154.29)	27,770.03	(10,403.37)	184,261.91
065	SNOWFLAKE POLICE	196,048.41	(15.89)	29,347.07	-	225,379.59
066	COTTONWOOD POLICE	490,638.61	(32,677.68)	69,099.13	(12,837.10)	514,222.96
067	LAKE HAVASU POLICE	2,027,320.72	(137,828.80)	276,652.78	(24,255.93)	2,141,888.77
068	VERDE RURAL FIRE DIST.	(0.00)	0.00	-	-	-
069	SOUTH TUCSON POLICE	337,408.19	(15,950.98)	67,592.97	(8,685.17)	380,365.01
070	APACHE JUNCTION POLICE	1,690,678.03	(6,074.48)	190,232.22	-	1,874,835.77
071	NAVAJO COUNTY SHERIFFS	877,978.81	(81,162.23)	118,049.19	(31,264.04)	883,601.73
072	MOHAVE VALLEY FIRE	325,438.58	22,838.09	51,091.36	(19,843.74)	379,524.29
073	PEORIA FIRE	3,297,836.46	42,717.92	457,486.96	-	3,798,041.34
074	PEORIA POLICE	2,813,146.33	89,323.24	464,229.39	(41,499.00)	3,325,199.96
076	PARADISE VALLEY POLICE	1,333,580.99	(103,462.00)	175,965.66	(2,180.90)	1,403,903.75
077	WILCOX POLICE	260,614.84	(109,224.71)	31,593.20	(3,718.75)	179,264.58
078	SHOWLOW POLICE	397,560.31	(98,657.60)	75,159.61	-	374,062.32
079	ELOY POLICE	544,059.87	(14,662.71)	102,854.23	(5,751.58)	626,499.81
080	NOGALES POLICE	1,304,186.24	(136,067.55)	167,759.61	(85,444.31)	1,250,433.99
081	GILBERT POLICE	3,075,907.49	(61,240.88)	575,194.67	(58,195.77)	3,531,665.51
083	CLIFTON POLICE	44,902.20	(1,510.33)	12,766.70	(595.56)	55,563.01
085	COOLIDGE POLICE	546,756.94	(63,519.90)	96,971.03	(716.70)	579,491.37
086	HOLBROOK POLICE	246,938.69	(17,196.78)	49,017.40	-	278,759.31
087	SANTA CRUZ COUNTY DEPUTIES	753,130.10	(8,505.85)	94,750.90	(54,440.48)	784,934.67
088	PRESCOTT VALLEY POLICE	610,609.88	(1,020.85)	135,853.30	(2,042.14)	743,400.19
089	EAGER POLICE	135,314.39	(5,589.20)	25,793.47	-	155,518.66
090	TOLLESON POLICE	355,738.63	(170,324.66)	127,406.81	(999.52)	311,821.26
091	FLORENCE POLICE	251,814.94	(17,675.93)	49,597.95	(2,845.68)	280,891.28
092	SPRINGERVILLE POLICE	125,603.05	(2,828.05)	22,313.31	-	145,088.31
093	EL MIRAGE POLICE	406,678.51	(7,885.28)	162,928.91	(27,493.40)	534,228.74
094	SUPERIOR POLICE	108,688.58	(5,258.50)	18,334.27	(1,922.89)	119,841.46
095	SAN LUIS POLICE	420,849.06	(19,044.33)	89,853.88	(84,959.61)	406,699.00
096	PAGE POLICE	533,764.19	(187,327.23)	64,270.69	(67,226.88)	343,480.77
097	PAGE FIRE	12,099.63	-	8,810.99	-	20,910.62
098	YAVAPAI COUNTY SHERIFFS	2,022,873.98	(119,042.75)	350,711.43	(40,855.83)	2,213,686.83
100	PIMA POLICE	14,785.65	4,776.91	7,836.27	-	27,398.83
101	APACHE COUNTY SHERIFFS	564,111.79	(21,852.18)	102,433.58	-	644,693.19
102	COTTONWOOD FIRE	233,555.90	418.98	35,321.97	(3,832.49)	265,464.36
103	LA PAZ COUNTY SHERIFFS	700,460.29	(55,259.81)	100,490.61	(12,389.40)	733,301.69
104	PINAL COUNTY SHERIFFS	2,706,287.56	(46,681.06)	464,471.29	(3,799.05)	3,120,278.74
105	CLARKDALE POLICE	164,318.27	-	22,327.78	-	186,646.05
106	BUCKEYE POLICE	339,891.21	29,588.33	92,359.60	(61,055.43)	400,783.71
107	MARANNA MARSHALS	1,138,030.25	(163,605.46)	200,060.04	(93,896.85)	1,080,587.98
108	TOLLESON FIRE	490,115.00	(33,891.17)	88,282.81	-	544,506.64
109	CHINO VALLEY POLICE	340,683.33	906.54	137,404.41	(21,536.13)	457,458.15
110	SURPRISE POLICE	1,119,929.22	1,213.29	265,968.90	(17,250.73)	1,369,860.68
111	WELTON POLICE	55,823.68	(3,175.80)	10,079.67	-	62,727.55
112	GILA COUNTY SHERIFFS	793,208.28	(27,295.00)	101,458.18	(45,648.16)	821,723.30
113	PINETOP-LAKESIDE POLICE	208,316.94	(13,242.82)	39,381.43	(3,274.76)	231,180.79
114	BULLHEAD CITY POLICE	2,201,155.58	7,261.21	476,819.54	(82,813.79)	2,602,422.54
115	WILLIAMS POLICE	172,136.81	2,493.04	31,892.14	(69,700.23)	136,821.76
116	MIAMI POLICE	79,551.89	(2,164.91)	14,812.13	-	92,199.11
117	THATCHER POLICE	350,731.91	(3,003.49)	34,730.94	-	382,459.36
118	YOUNGTOWN POLICE	96,488.95	(1,091.45)	26,244.05	(6,810.20)	114,831.35
119	D.E.M.A.	847,856.68	(11,932.43)	99,393.99	(5,476.65)	929,841.59
120	SURPRISE FIRE	783,346.81	119,724.36	227,080.64	-	1,130,151.81
121	CAMP VERDE MARSHALS	216,165.61	(7,729.99)	48,544.82	(3,153.79)	253,826.65
122	ORO VALLEY POLICE	1,628,214.19	34,027.02	342,561.13	(42,886.53)	1,961,915.81
123	GREENLEE COUNTY SHERIFFS	318,275.70	(1,619.55)	32,009.79	-	348,665.94

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 2003**

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Sys No.	System	Balance	Reserve Transfers	Contributions Received	Withdrawn Members	Balance
		June 30, 2002 (at cost)				June 30, 2003 (at cost)
124	TUCSON AIR.AUTH.FIRE	869,786.01	-	81,198.66	-	950,984.67
125	TUCSON AIR.AUTH.POLICE	744,696.10	(18,038.98)	104,278.96	(5,560.09)	825,375.99
126	WICKENBURG POLICE	236,389.25	-	32,675.66	-	269,064.91
127	EL MIRAGE FIRE	91,874.31	(69.72)	55,965.44	(4,584.75)	143,185.28
128	PATAGONIA MARSHALS	10,931.71	43,523.32	6,852.38	(1,257.32)	60,050.09
129	SEDONA POLICE	455,196.82	13,890.89	94,525.30	(16,846.79)	546,766.22
130	MAMMOTH POLICE	53,625.53	(681.30)	12,178.05	-	65,122.28
131	GLOBE POLICE	499,087.17	(14,437.34)	60,675.45	(43,024.01)	502,301.27
132	TOMBSTONE POLICE	95,615.02	4,593.82	21,927.92	-	122,136.76
133	GOLDER RANCH FIRE DISTRICT	908,679.81	-	212,486.04	-	1,121,165.85
134	FORT MOHAVE MESA FIRE	653,171.76	(48,166.50)	161,035.44	(108,437.55)	657,603.15
135	LAVEEN FIRE DISTRICT	-	-	-	-	-
136	GOODYEAR FIRE DEPT.	611,875.64	24,524.35	196,975.85	-	833,375.84
137	GOODYEAR POLICE DEPT.	970,356.93	16.84	239,247.84	-	1,209,621.61
138	CHINO VALLEY FIRE	352,345.15	20,129.80	73,946.59	-	446,421.54
139	AVONDALE POLICE DEPT.	1,112,381.31	(119,583.32)	306,660.18	(51,479.48)	1,247,978.69
140	GRAHAM COUNTY SHERIFFS	301,225.91	(1,792.69)	47,131.53	(9,049.96)	337,514.79
141	FLOWING WELLS FIRE DISTRICT	-	-	-	-	-
142	GOLDEN VALLEY FIRE DISTRICT	243,688.92	(2,565.60)	45,403.37	(598.15)	285,928.54
143	DAISY MOUNTAIN FIRE DISTRICT	433,425.55	(15,878.61)	150,917.69	-	568,464.63
144	QUARTZSITE MARSHALS	113,008.38	38,930.91	29,216.90	(4,590.00)	176,566.19
145	PICTUREROCKS FIRE	191,220.67	3,091.87	42,258.44	-	236,570.98
146	PIMA COMMUNITY COLLEGE	756,568.31	(145,220.79)	115,375.05	(1,594.97)	725,127.60
147	NORTHWEST FIRE	2,145,755.30	11,458.77	437,424.62	(78,232.83)	2,516,405.86
148	APACHE JUNCTION FIRE	1,349,382.68	(253.71)	308,148.61	-	1,657,277.58
149	GILBERT FIRE	1,418,688.79	7,421.78	364,138.56	(3,157.64)	1,787,091.49
150	PINE-STRAWBERRY FIRE	295,935.33	(27,179.68)	51,338.42	-	320,094.07
151	ATTORNEY GENERAL	1,247,610.22	(301,696.61)	153,655.57	(4,753.96)	1,094,815.22
152	TUCSON ESTATES FIRE	0.00	(0.00)	-	-	-
153	ST. JOHNS POLICE	80,887.70	(2,189.53)	20,480.58	(5,115.79)	94,062.96
154	PIMA CO. ATTORNEY INVSTGTR	223,528.19	(81,466.83)	54,557.46	-	196,618.82
155	SUN LAKES FIRE DIST.	628,850.55	-	147,262.58	-	776,113.13
156	KEARNY POLICE	33,429.03	(2,564.44)	10,079.64	(8,119.11)	32,825.12
157	GREENLEE CO. ATTRNY INVSTGTR	(0.00)	0.00	-	-	-
158	NAVAJO CO.ATTORNEY INVSTGTR	39,969.69	-	3,387.90	-	43,357.59
159	DONEY PARK RURAL FIRE	(0.00)	0.00	-	-	-
160	AZ STATE CAPITOL POLICE	386,924.91	(30,549.50)	66,779.26	(6,580.02)	416,574.65
161	FOUNTAIN HILLS MARSHALS	197,161.70	(132,108.65)	35,041.05	(6,346.94)	93,747.16
162	AVRA VALLEY FIRE DISTRICT	106,326.44	458.58	31,123.97	(2,246.05)	135,662.94
163	SAN LUIS FIRE	155,772.14	(14,951.29)	56,064.97	(6,623.74)	190,262.08
164	AZ DEPT OF LIQUOR LICENSE	576,607.16	(131,996.38)	151,745.30	-	596,356.08
165	MARICOPA CNTY ATTY INVSTGTR	427,114.19	(8,983.04)	117,114.81	(7,563.41)	527,682.55
166	SEDONA FIRE DISTRICT	857,420.02	(35,216.07)	241,282.24	(14,642.55)	1,048,843.64
167	GUADALUPE FIRE	109,348.06	-	32,590.14	-	141,938.20
168	MAYER FIRE DISTRICT	50,384.04	15,479.69	34,755.54	(3,628.73)	96,990.54
169	SOMERTON POLICE	170,706.11	(5,771.39)	45,511.90	(24,964.11)	185,482.51
170	SUN CITY WEST FIRE DSTRCT	956,627.21	(61,500.79)	231,855.11	-	1,126,981.53
171	SOMERTON FIRE	125,282.03	(15,741.67)	39,824.52	(6,884.42)	142,480.46
172	TUBAC FIRE DISTRICT	178,394.14	(6,497.40)	47,867.29	-	219,764.03
173	LA PAZ CNTY ATTY INVSTGTR	31,218.84	-	3,351.13	-	34,569.97
174	SAHUARITA POLICE	79,035.75	35,865.32	24,038.02	(11,832.43)	127,106.66
176	FLORENCE FIRE	84,721.70	(5,196.61)	25,803.41	-	105,328.50
177	SUN CITY FIRE	3,792,008.87	(102,831.54)	298,504.74	-	3,987,682.07
178	HAYDEN POLICE	25,851.20	-	13,504.54	(4,123.39)	35,232.35
179	GILA RIVER FIRE	551,486.63	(33,401.76)	232,025.20	(11,021.42)	739,088.65
180	GILA RIVER POLICE	558,270.04	7,624.43	239,199.06	(50,603.36)	754,490.17
181	SALT RIVER PIMA-MARICOPA FIRE	548,816.72	(35,525.60)	244,892.31	(13,236.83)	744,946.60
182	SALT RIVER PIMA-MARICOPA POLICE	466,679.94	27,669.87	237,063.31	-	731,413.12

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 2003**

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Sys No.	System	Balance	Reserve	Contributions	Withdrawn	Balance
		June 30, 2002 (at cost)	Transfers	Received	Members	June 30, 2003 (at cost)
183	LAKESIDE FIRE DISTRICT	62,954.88	(4,072.89)	37,855.80	-	96,737.79
184	CORNVILLE-PAGE SPRINGS FIRE	0.00	(0.00)	-	-	-
185	PINETOP FIRE DISTRICT	106,375.54	-	67,849.37	-	174,224.91
186	SHOW LOW FIRE DISTRICT	64,158.38	(12,897.99)	39,325.18	(2,731.67)	87,853.90
187	YAVAPAI CNTY ATTRNY INVSTGTR	88,100.45	-	7,324.76	-	95,425.21
188	THREE POINTS FIRE DISTRICT	58,761.85	(11,994.98)	27,587.76	(2,205.87)	72,148.76
189	TIMBERLINE-FERNWOOD FIRE DISTRICT	(0.00)	0.00	-	-	-
190	BUCKEYE FIRE DEPARTMENT	40,883.04	43,568.78	56,531.12	-	140,982.94
191	MONTEZUMA/RIMROCK FIRE DISTRICT	53,440.91	(2,983.24)	17,176.34	-	67,634.01
192	HEBER-OVERGAARD FIRE DISTRICT	20,534.08	-	20,154.02	-	40,688.10
193	DIAMOND STAR FIRE DISTRICT	18,978.18	-	17,300.46	(1,112.98)	35,165.66
194	GREEN VALLEY FIRE	136,950.66	-	196,833.40	-	333,784.06
195	SUMMIT FIRE	220,235.78	(8,711.27)	65,650.99	-	277,175.50
196	CAMP VERDE FIRE	44,938.51	(2,737.04)	51,497.87	-	93,699.34
197	FORT MCDOWELL FIRE	85,750.75	5,021.87	43,663.24	(4,882.33)	129,553.53
198	FORT MCDOWELL POLICE	59,725.30	60,461.93	68,589.33	(18,162.47)	170,614.09
199	HIGHLANDS FIRE	46,212.09	44,941.00	73,777.84	-	164,930.93
200	RIO RICO FIRE	30,681.75	(2,664.86)	31,397.89	(2,929.32)	56,485.46
201	TRI-CITY FIRE	23,703.61	(5,432.87)	14,974.16	-	33,244.90
202	MARICOPA PARK RANGERS	591,521.15	(243,126.74)	45,047.45	-	393,441.86
203	VERDE VALLEY FIRE	290,146.02	3,218.20	71,343.03	-	364,707.25
204	ARIZONA STATE PARKS	1,275,925.56	35,072.27	163,834.77	-	1,474,832.60
205	LINDEN FIRE	-	5,672.94	6,062.33	-	11,735.27
206	HUALAPAI TRIBAL POLICE	-	-	-	-	-
207	PINEWOOD FIRE	-	-	-	-	-
TOTALS		495,565,135.60	(15,501,979.63)	67,937,288.46	(4,183,428.81)	543,817,015.62

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2003**

Sys No.	System	Employer Reserve June 30, 2002	Employer Reserve June 30, 2003	Member Reserve June 30, 2002	Member Reserve June 30, 2003	Combined Reserves	Mean Balance	Factor	Investment Earnings
001	Bisbee Fire	3,045,172.13	2,748,803.88	396,574.40	441,879.93	6,632,430.34	3,316,215.17	0.0831%	(299,893.12)
002	Casa Grande Fire	5,732,046.90	5,341,891.46	623,277.47	758,649.53	12,455,865.36	6,227,932.68	0.1560%	(563,206.57)
003	Casa Grande Police	8,856,433.50	8,479,389.47	1,709,436.55	1,851,257.85	20,896,517.37	10,448,258.69	0.2617%	(944,860.55)
004	Chandler Fire	21,153,627.49	21,603,407.46	5,138,767.30	5,958,132.68	53,853,934.93	26,926,967.47	0.6745%	(2,435,068.85)
005	Chandler Police	28,463,498.02	29,026,152.27	8,051,742.06	9,411,743.97	74,953,136.32	37,476,568.16	0.9387%	(3,389,094.00)
006	Clifton Fire	415,183.16	396,935.25	43,728.74	44,766.70	900,613.85	450,306.93	0.0113%	(40,722.31)
007	Dept. of Public Safety	432,265,383.94	406,425,245.18	21,135,014.34	21,814,589.15	881,640,232.61	440,820,116.31	11.0417%	(39,864,397.51)
008	Douglas Fire	4,686,410.42	4,392,061.24	611,936.77	598,924.22	10,289,332.65	5,144,666.33	0.1289%	(465,244.25)
009	Douglas Police	5,228,434.98	4,932,963.68	734,742.68	776,263.84	11,672,405.18	5,836,202.59	0.1462%	(527,781.49)
010	Flagstaff Fire	24,962,155.15	23,894,849.00	3,734,020.70	3,767,185.09	56,358,209.94	28,179,104.97	0.7058%	(2,548,302.59)
011	Flagstaff Police	17,599,359.56	16,743,266.12	2,552,607.24	2,788,243.70	39,683,476.62	19,841,738.31	0.4970%	(1,794,334.95)
012	Glendale Fire	40,467,159.41	39,393,470.65	6,870,302.63	7,125,564.25	93,856,496.94	46,928,248.47	1.1755%	(4,243,831.63)
013	Glendale Police	49,983,849.72	48,390,792.43	10,140,774.49	10,893,954.75	119,409,371.39	59,704,685.70	1.4955%	(5,399,234.83)
014	Globe Fire	2,446,045.66	2,267,488.03	271,918.26	315,905.43	5,301,357.38	2,650,678.69	0.0664%	(239,707.09)
015	Kingman Fire	4,542,887.75	4,618,150.22	1,224,381.29	1,417,500.20	11,802,919.46	5,901,459.73	0.1478%	(533,682.85)
016	Maricopa Cnty Sheriff	133,986,864.14	125,785,353.75	17,646,921.87	19,166,035.96	296,585,175.72	148,292,587.86	3.7145%	(13,410,446.69)
017	Mesa Fire	95,625,488.05	93,690,058.46	16,571,686.61	18,200,632.10	224,087,865.22	112,043,932.61	2.8065%	(10,132,395.74)
018	Mesa Police	139,869,082.73	135,877,082.29	24,952,567.58	28,279,158.31	328,977,890.91	164,488,945.46	4.1201%	(14,875,121.31)
019	Miami Fire	321,192.42	300,020.56	-	-	621,212.98	310,606.49	0.0078%	(28,088.87)
020	Nogales Fire	4,014,796.24	3,847,464.50	830,086.76	905,434.54	9,597,782.04	4,798,891.02	0.1202%	(433,974.98)
021	Phoenix Fire	463,266,373.70	447,449,189.31	68,032,606.44	74,295,612.87	1,053,048,955.22	526,524,477.61	13.1885%	(47,616,512.82)
022	Phoenix Police	819,011,255.74	777,754,469.92	108,167,035.56	118,807,902.81	1,823,740,654.03	911,870,332.02	22.8407%	(82,462,573.84)
023	Prescott Fire	13,651,965.66	13,075,842.79	2,040,994.56	2,248,857.22	31,017,660.23	15,508,830.12	0.3885%	(1,402,499.90)
024	Prescott Police	9,809,940.71	9,168,642.50	1,730,215.43	1,904,972.98	22,613,771.62	11,306,885.81	0.2832%	(1,022,508.22)
025	Scottsdale Police	70,108,779.25	68,104,912.16	11,597,847.61	12,855,401.16	162,666,940.18	81,333,470.09	2.0373%	(7,355,176.55)
026	Sierra Vista Fire	7,009,096.77	6,676,468.70	1,375,954.45	1,436,135.50	16,497,655.42	8,248,827.71	0.2066%	(745,960.85)
027	Tempe Fire	52,451,930.87	50,578,410.28	6,097,077.66	6,501,733.08	115,629,151.89	57,814,575.95	1.4481%	(5,228,307.77)
028	Tempe Police	59,783,794.14	57,423,634.48	10,742,468.56	11,666,697.83	139,616,595.01	69,808,297.51	1.7486%	(6,312,928.15)
029	Tucson Fire	183,339,397.51	173,941,694.75	19,447,388.11	20,796,059.27	397,524,539.64	198,762,269.82	4.9786%	(17,974,538.46)
030	Tucson Police	255,945,713.26	243,982,368.06	28,672,091.14	30,849,825.27	559,449,997.73	279,724,998.87	7.0066%	(25,296,188.03)
031	Winslow Fire	3,148,526.99	3,117,782.89	194,514.98	214,264.61	6,675,089.47	3,337,544.74	0.0836%	(301,822.00)
032	Yuma Fire	23,567,774.95	22,046,182.56	2,895,038.09	3,127,489.29	51,636,484.88	25,818,242.44	0.6467%	(2,334,800.25)
033	Yuma Police	29,325,447.92	27,642,870.73	3,881,350.22	4,419,229.38	65,268,898.26	32,634,449.13	0.8174%	(2,951,209.81)
034	Yuma County Sheriff	9,689,282.49	8,958,763.54	1,232,456.26	1,287,752.63	21,168,254.92	10,584,127.46	0.2651%	(957,147.48)
035	Game & Fish	34,973,651.73	32,458,012.20	4,716,682.13	4,855,729.70	77,004,075.76	38,502,037.88	0.9644%	(3,481,829.63)
036	Sierra Vista Police	9,474,690.93	9,037,120.29	1,533,729.83	1,569,717.99	21,615,259.04	10,807,629.52	0.2707%	(977,359.30)
037	Benson Police	1,151,351.31	1,105,076.90	186,275.13	215,013.87	2,657,717.21	1,328,858.61	0.0333%	(120,171.80)
038	Bisbee Police	1,927,458.92	1,771,511.03	382,736.50	326,023.07	4,407,729.52	2,203,864.76	0.0552%	(199,300.66)
039	Pima County Sheriff	109,012,442.64	103,236,527.38	7,971,037.37	8,625,465.07	228,845,472.46	114,422,736.23	2.8661%	(10,347,516.53)

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2003**

Sys No.	System	Employer Reserve		Member Reserve		Combined Reserves	Mean Balance	Factor	Investment Earnings
		June 30, 2002	June 30, 2003	June 30, 2002	June 30, 2003				
040	Kingman Police	6,041,051.95	5,779,534.73	993,723.57	1,096,055.81	13,910,366.06	6,955,183.03	0.1742%	(628,973.52)
041	A.S.U. Campus Police	9,992,775.45	9,417,188.04	1,167,660.86	1,261,792.01	21,839,416.36	10,919,708.18	0.2735%	(987,494.83)
042	Lake Havasu Fire	14,458,468.01	14,178,384.15	2,412,659.93	2,672,429.73	33,721,941.82	16,860,970.91	0.4223%	(1,524,777.16)
043	Mohave Cnty Sheriff	10,625,796.82	10,105,351.75	1,751,029.13	1,871,218.94	24,353,396.64	12,176,698.32	0.3050%	(1,101,167.40)
044	Bullhead City Fire	8,997,014.61	8,666,606.14	1,361,957.45	1,493,755.93	20,519,334.13	10,259,667.07	0.2570%	(927,805.77)
045	U of A Campus Police	5,760,514.43	5,473,623.01	916,766.19	986,663.08	13,137,566.71	6,568,783.36	0.1645%	(594,030.49)
046	Cochise Cnty Sheriff	10,143,267.71	9,189,228.62	1,494,659.04	1,600,414.81	22,427,570.18	11,213,785.09	0.2809%	(1,014,088.90)
047	Safford Police	2,544,425.21	2,393,552.19	458,069.29	494,194.40	5,890,241.09	2,945,120.55	0.0738%	(266,334.16)
049	Drexel Heights Fire	3,426,727.05	3,454,797.14	1,093,437.32	1,239,764.90	9,214,726.41	4,607,363.21	0.1154%	(416,654.67)
050	Winslow Police	2,807,967.64	2,648,125.13	337,333.66	362,794.94	6,156,221.37	3,078,110.69	0.0771%	(278,360.77)
051	Payson Fire	1,939,813.32	1,980,343.52	458,043.38	526,892.92	4,905,093.14	2,452,546.57	0.0614%	(221,789.54)
052	Payson Police	3,085,161.63	2,960,936.28	727,704.40	783,665.03	7,557,467.34	3,778,733.67	0.0947%	(341,719.75)
053	Hualapai Valley Fire	838,453.00	893,273.84	333,524.39	223,344.50	2,288,595.73	1,144,297.87	0.0287%	(103,481.54)
054	Fry Fire	4,982,324.35	4,963,452.65	659,577.19	765,391.70	11,370,745.89	5,685,372.95	0.1424%	(514,141.62)
055	Fredonia Marshalls	50,354.44	158,282.75	0.00	45,160.28	253,797.47	126,898.74	0.0032%	(11,475.75)
056	N.A.U. Police	3,667,739.53	3,363,144.62	453,819.25	486,986.91	7,971,690.31	3,985,845.16	0.0998%	(360,449.33)
058	South Tucson Fire	1,447,818.17	1,331,212.96	215,955.54	232,780.51	3,227,767.18	1,613,883.59	0.0404%	(145,947.28)
059	Avondale Fire	1,941,771.89	2,134,896.48	676,378.61	841,203.91	5,594,250.89	2,797,125.45	0.0701%	(252,950.62)
060	Parker Police	967,930.61	952,887.26	225,546.87	255,796.28	2,401,561.02	1,200,780.51	0.0301%	(108,589.40)
061	Coconino Cnty Sheriff	9,882,062.83	9,229,882.55	1,670,261.92	1,664,777.80	22,446,985.10	11,223,492.55	0.2811%	(1,014,966.77)
062	Central Yavapai Fire	6,980,223.89	6,997,707.83	1,782,058.08	2,097,331.83	17,857,321.63	8,928,660.82	0.2236%	(807,439.75)
064	Buckskin Fire	1,502,498.84	1,430,757.69	200,049.54	184,261.91	3,317,567.98	1,658,783.99	0.0415%	(150,007.73)
065	Snowflake Police	653,362.65	635,340.58	196,048.41	225,379.59	1,710,131.23	855,065.62	0.0214%	(77,325.59)
066	Cottonwood Police	1,687,970.74	1,588,077.97	490,638.61	514,222.96	4,280,910.28	2,140,455.14	0.0536%	(193,566.38)
067	Lake Havasu Police	9,029,143.08	8,827,741.74	2,027,320.72	2,141,888.77	22,026,094.31	11,013,047.16	0.2759%	(995,935.70)
068	Verde Rural Fire	0.00	-	(0.00)	-	(0.00)	(0.00)	0.0000%	-
069	South Tucson Police	1,113,107.47	997,454.84	337,408.19	380,365.01	2,828,335.51	1,414,167.76	0.0354%	(127,886.51)
070	Apache Junction Police	6,199,284.79	6,125,975.44	1,690,678.03	1,874,835.77	15,890,774.03	7,945,387.02	0.1990%	(718,519.99)
071	Navajo County Sheriff	5,783,143.87	5,419,129.22	877,978.81	883,601.73	12,963,853.63	6,481,926.82	0.1624%	(586,175.85)
072	Mohave Valley Fire	1,177,310.02	1,253,367.75	325,438.58	379,524.29	3,135,640.64	1,567,820.32	0.0393%	(141,781.67)
073	Peoria Fire	10,625,802.38	11,073,514.98	3,297,836.46	3,798,041.34	28,795,195.16	14,397,597.58	0.3606%	(1,302,008.53)
074	Peoria Police	12,280,256.89	13,192,847.66	2,813,146.33	3,325,199.96	31,611,450.84	15,805,725.42	0.3959%	(1,429,348.84)
076	Paradise Valley Police	6,716,435.04	6,503,531.70	1,333,580.99	1,403,903.75	15,957,451.48	7,978,725.74	0.1999%	(721,534.89)
077	Willcox Police	967,235.24	1,019,044.18	260,614.84	179,264.58	2,426,158.84	1,213,079.42	0.0304%	(109,701.62)
078	Show Low Police	1,807,820.35	1,867,901.86	397,560.31	374,062.32	4,447,344.84	2,223,672.42	0.0557%	(201,091.91)
079	Eloy Police	1,499,290.05	1,523,442.98	544,059.87	626,499.81	4,193,292.71	2,096,646.36	0.0525%	(189,604.65)
080	Nogales Police	5,272,797.92	4,989,297.59	1,304,186.24	1,250,433.99	12,816,715.74	6,408,357.87	0.1605%	(579,522.84)
081	Gilbert Police	8,902,008.31	9,172,862.18	3,075,907.49	3,531,665.51	24,682,443.49	12,341,221.75	0.3091%	(1,116,045.64)
083	Clifton Police	358,106.39	362,954.25	44,902.20	55,563.01	821,525.85	410,762.93	0.0103%	(37,146.26)

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2003**

Sys No.	System	Employer Reserve June 30, 2002	Employer Reserve June 30, 2003	Member Reserve June 30, 2002	Member Reserve June 30, 2003	Combined Reserves	Mean Balance	Factor	Investment Earnings
084	Taylor Police	1,454.73	1,454.73	-	-	2,909.46	1,454.73	0.0000%	(131.55)
085	Coolidge Police	1,971,578.13	1,971,439.30	546,756.94	579,491.37	5,069,265.74	2,534,632.87	0.0635%	(229,212.80)
086	Holbrook Police	2,057,827.48	1,911,995.45	246,938.69	278,759.31	4,495,520.93	2,247,760.47	0.0563%	(203,270.25)
087	Santa Cruz Cnty Deputy	2,874,507.90	2,744,717.17	753,130.10	784,934.67	7,157,289.84	3,578,644.92	0.0896%	(323,625.26)
088	Prescott Valley Police	1,955,128.49	2,040,144.78	610,609.88	743,400.19	5,349,283.34	2,674,641.67	0.0670%	(241,874.12)
089	Eagar Police	499,249.46	494,238.54	135,314.39	155,518.66	1,284,321.05	642,160.53	0.0161%	(58,072.08)
090	Tolleson Police	1,857,392.77	1,896,533.52	355,738.63	311,821.26	4,421,486.18	2,210,743.09	0.0554%	(199,922.69)
091	Florence Police	1,222,361.64	1,191,739.24	251,814.94	280,891.28	2,946,807.10	1,473,403.55	0.0369%	(133,243.34)
092	Springerville Police	355,861.28	363,789.58	125,603.05	145,088.31	990,342.22	495,171.11	0.0124%	(44,779.49)
093	El Mirage Police	963,113.13	1,152,279.90	406,678.51	534,228.74	3,056,300.28	1,528,150.14	0.0383%	(138,194.20)
094	Superior Police	515,180.87	504,254.14	108,688.58	119,841.46	1,247,965.05	623,982.53	0.0156%	(56,428.20)
095	San Luis Police	1,095,466.79	1,067,450.47	420,849.06	406,699.00	2,990,465.32	1,495,232.66	0.0375%	(135,217.40)
096	Page Police	2,067,314.43	2,203,575.02	533,764.19	343,480.77	5,148,134.41	2,574,067.21	0.0645%	(232,778.94)
097	Page Fire	339,121.88	314,692.62	12,099.63	20,910.62	686,824.75	343,412.38	0.0086%	(31,055.59)
098	Yavapai Cnty Sheriff	8,805,109.05	8,541,941.58	2,022,873.98	2,213,686.83	21,583,611.44	10,791,805.72	0.2703%	(975,928.31)
099	Guadalupe Police	274,179.41	274,179.41	-	-	548,358.82	274,179.41	0.0069%	(24,794.69)
100	Pima Police	117,716.79	127,989.59	14,785.65	27,398.83	287,890.86	143,945.43	0.0036%	(13,017.32)
101	Apache Cnty Sheriff	2,295,704.73	2,185,540.85	564,111.79	644,693.19	5,690,050.56	2,845,025.28	0.0713%	(257,282.31)
102	Cottonwood Fire	717,467.29	751,002.34	233,555.90	265,464.36	1,967,489.89	983,744.95	0.0246%	(88,962.36)
103	La Paz Cnty Sheriff	3,825,736.05	3,516,849.84	700,460.29	733,301.69	8,776,347.87	4,388,173.94	0.1099%	(396,832.87)
104	Pinal Cnty Sheriff	16,453,134.40	15,784,628.19	2,706,287.56	3,120,278.74	38,064,328.89	19,032,164.45	0.4767%	(1,721,123.29)
105	Clarksdale Police	582,053.81	580,798.25	164,318.27	186,646.05	1,513,816.38	756,908.19	0.0190%	(68,448.98)
106	Buckeye Police	1,256,707.43	1,321,240.66	339,891.21	400,783.71	3,318,623.01	1,659,311.51	0.0416%	(150,055.43)
107	Marana Marshalls	3,585,187.81	3,500,250.17	1,138,030.25	1,080,587.98	9,304,056.21	4,652,028.11	0.1165%	(420,693.82)
108	Tolleson Fire	1,244,613.94	1,207,883.71	490,115.00	544,506.64	3,487,119.29	1,743,559.65	0.0437%	(157,674.19)
109	Chino Valley Police	1,043,516.49	1,064,132.53	340,683.33	457,458.15	2,905,790.50	1,452,895.25	0.0364%	(131,388.73)
110	Surprise Police	3,406,586.30	3,595,781.98	1,119,929.22	1,369,860.68	9,492,158.18	4,746,079.09	0.1189%	(429,199.07)
111	Wilton Police	167,806.66	168,381.12	55,823.68	62,727.55	454,739.01	227,369.51	0.0057%	(20,561.56)
112	Gila Cnty Sheriff	4,122,835.77	4,098,925.59	793,208.28	821,723.30	9,836,692.94	4,918,346.47	0.1232%	(444,777.61)
113	Pinetop-Lakeside Police	1,431,692.18	1,319,420.72	208,316.94	231,180.79	3,190,610.63	1,595,305.32	0.0400%	(144,267.20)
114	Bullhead City Police	7,306,305.06	7,300,645.34	2,201,155.58	2,602,422.54	19,410,528.52	9,705,264.26	0.2431%	(877,669.82)
115	Williams Police	783,397.37	732,582.37	172,136.81	136,821.76	1,824,938.31	912,469.16	0.0229%	(82,516.73)
116	Miami Police	381,959.69	368,041.73	79,551.89	92,199.11	921,752.42	460,876.21	0.0115%	(41,678.12)
117	T Thatcher Police	1,304,714.77	1,290,081.29	350,731.91	382,459.36	3,327,987.33	1,663,993.67	0.0417%	(150,478.85)
118	Youngtown Police	626,794.01	591,888.03	96,488.95	114,831.35	1,430,002.34	715,001.17	0.0179%	(64,659.23)
119	D.E.M.A.	3,187,514.76	3,129,127.26	847,856.68	929,841.59	8,094,340.29	4,047,170.15	0.1014%	(365,995.09)
120	Surprise Fire	2,029,655.16	2,936,583.06	783,346.81	1,130,151.81	6,879,736.84	3,439,868.42	0.0862%	(311,075.37)
121	Camp Verde Marshalls	930,543.70	916,464.77	216,165.61	253,826.65	2,317,000.73	1,158,500.37	0.0290%	(104,765.91)
122	Oro Valley Police	4,031,295.70	4,533,518.35	1,628,214.19	1,961,915.81	12,154,944.05	6,077,472.03	0.1522%	(549,600.06)

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2003**

Sys No.	System	Employer Reserve June 30, 2002	Employer Reserve June 30, 2003	Member Reserve June 30, 2002	Member Reserve June 30, 2003	Combined Reserves	Mean Balance	Factor	Investment Earnings
123	Greenlee Cnty Sheriff	1,450,572.03	1,401,356.14	318,275.70	348,665.94	3,518,869.81	1,759,434.91	0.0441%	(159,109.83)
124	Tucson Airprt Auth. Fire	3,928,964.29	3,817,860.12	869,786.01	950,984.67	9,567,595.09	4,783,797.55	0.1198%	(432,610.04)
125	Tucson Airprt Auth. PD	2,928,681.03	2,791,969.83	744,696.10	825,375.99	7,290,722.95	3,645,361.48	0.0913%	(329,658.59)
126	Wickenburg Police	739,622.96	731,174.83	236,389.25	269,064.91	1,976,251.95	988,125.98	0.0248%	(89,358.55)
127	El Mirage fire	578,271.01	653,563.57	91,874.31	143,185.28	1,466,894.17	733,447.09	0.0184%	(66,327.34)
128	Patagonia Marshall	76,928.09	231,561.31	10,931.71	60,050.09	379,471.20	189,735.60	0.0048%	(17,158.24)
129	Sedona Police	1,174,436.09	1,254,835.02	455,196.82	546,766.22	3,431,234.15	1,715,617.08	0.0430%	(155,147.28)
130	Mammoth Police	(24,611.51)	(19,043.21)	53,625.53	65,122.28	75,093.09	37,546.55	0.0009%	(3,395.42)
131	Globe Police	1,965,568.94	1,853,313.51	499,087.17	502,301.27	4,820,270.89	2,410,135.45	0.0604%	(217,954.20)
132	Tombstone Police	241,951.47	278,866.12	95,615.02	122,136.76	738,569.37	369,284.69	0.0092%	(33,395.28)
133	Golder Ranch Fire Dist.	2,523,937.08	2,796,451.52	908,679.81	1,121,165.85	7,350,234.26	3,675,117.13	0.0921%	(332,349.47)
134	Fort Mohave Mesa Fire	2,279,154.09	2,090,130.97	653,171.76	657,603.15	5,680,059.97	2,840,029.99	0.0711%	(256,830.58)
135	Laveen Fire Dist.	42,080.85	-	-	-	36,907.35	18,453.68	0.0005%	-
136	Goodyear Fire	1,386,138.75	1,704,554.97	611,875.64	833,375.84	4,535,945.20	2,267,972.60	0.0568%	(205,098.08)
137	Goodyear Police	2,670,619.29	2,835,740.94	970,356.93	1,209,621.61	7,686,338.77	3,843,169.39	0.0963%	(347,546.83)
138	Chino Valley Fire Dist.	978,988.31	1,118,605.67	352,345.15	446,421.54	2,896,360.67	1,448,180.34	0.0363%	(130,962.35)
139	Avondale Police	2,916,331.62	3,287,505.57	1,112,381.31	1,247,978.69	8,564,197.19	4,282,098.60	0.1073%	(387,240.22)
140	Graham Cnty Sheriff	911,806.96	918,408.30	301,225.91	337,514.79	2,468,955.96	1,234,477.98	0.0309%	(111,636.74)
141	Flowing Wells Fire	64,379.70	64,379.70	-	-	128,759.40	64,379.70	0.0016%	(5,822.01)
142	Golden Valley Fire	928,329.43	954,384.12	243,688.92	285,928.54	2,412,331.01	1,206,165.51	0.0302%	(109,076.38)
143	Daisy Mountain Fire	890,770.09	1,066,441.95	433,425.55	568,464.63	2,959,102.22	1,479,551.11	0.0371%	(133,799.28)
144	Quartzsite Marshall	228,221.97	393,643.36	113,008.38	176,566.19	911,439.90	455,719.95	0.0114%	(41,211.82)
145	Picturerock Fire	739,395.42	766,251.73	191,220.67	236,570.98	1,933,438.80	966,719.40	0.0242%	(87,422.70)
146	Pima Cmnty Coll. PD	2,412,766.09	2,594,539.25	756,568.31	725,127.60	6,489,001.25	3,244,500.63	0.0813%	(293,407.80)
147	Northwest Fire	6,971,354.67	7,499,951.04	2,145,755.30	2,516,405.86	19,133,466.87	9,566,733.44	0.2396%	(865,142.15)
148	Apache Junction Fire	3,832,826.40	4,206,215.50	1,349,382.68	1,657,277.58	11,045,702.16	5,522,851.08	0.1383%	(499,444.38)
149	Gilbert Fire	3,390,220.07	4,010,610.11	1,418,688.79	1,787,091.49	10,606,610.46	5,303,305.23	0.1328%	(479,590.34)
150	Pine-Strawberry Fire	756,555.75	845,919.56	295,935.33	320,094.07	2,218,504.71	1,109,252.36	0.0278%	(100,312.29)
151	Attrny Genrl Investgr	5,821,363.69	5,794,746.32	1,247,610.22	1,094,815.22	13,958,535.45	6,979,267.73	0.1748%	(631,151.56)
152	Tucson Estates Fire	(0.00)	-	0.00	-	0.00	0.00	0.0000%	-
153	St. Johns Police	130,842.53	157,868.35	80,887.70	94,062.96	463,661.54	231,830.77	0.0058%	(20,965.00)
154	Pima Cnty Attrny Invest	1,030,198.47	1,080,464.82	223,528.19	196,618.82	2,530,810.30	1,265,405.15	0.0317%	(114,433.56)
155	Sun Lakes Fire Dist.	2,141,273.24	2,333,215.28	628,850.55	776,113.13	5,879,452.20	2,939,726.10	0.0736%	(265,846.33)
156	Kearny Police	180,917.62	167,360.32	33,429.03	32,825.12	414,532.09	207,266.05	0.0052%	(18,743.55)
157	Greenlee Cnty Atny Invest	25,135.26	25,135.26	(0.00)	-	50,270.52	25,135.26	0.0006%	(2,273.04)
158	Navajo Cnty Attrny Invest	138,234.41	139,120.09	39,969.69	43,357.59	360,681.78	180,340.89	0.0045%	(16,308.65)
159	Doney Park Rural Fire	0.00	-	(0.00)	-	0.00	0.00	0.0000%	-
160	AZ State Capitol Police	1,096,074.24	1,107,790.86	386,924.91	416,574.65	3,007,364.66	1,503,682.33	0.0377%	(135,981.52)
161	Fountain Hills Marshall	313,124.84	54,406.74	197,161.70	93,747.16	658,440.44	329,220.22	0.0082%	(29,772.16)

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2003**

Sys No.	System	Employer Reserve June 30, 2002	Employer Reserve June 30, 2003	Member Reserve June 30, 2002	Member Reserve June 30, 2003	Combined Reserves	Mean Balance	Factor	Investment Earnings
162	Avra Valley Fire	532,886.61	563,686.49	106,326.44	135,662.94	1,338,562.48	669,281.24	0.0168%	(60,524.67)
163	San Luis Fire	413,424.30	453,345.32	155,772.14	190,262.08	1,212,803.84	606,401.92	0.0152%	(54,838.35)
164	AZ Dept. of Liquor/Lions	1,605,136.79	1,739,348.67	576,607.16	596,356.08	4,517,448.70	2,258,724.35	0.0566%	(204,261.74)
165	Maricopa Cnty Atmny Invst	3,972,366.95	3,642,886.49	427,114.19	527,682.55	8,570,050.18	4,285,025.09	0.1073%	(387,504.87)
166	Sedona Fire District	2,565,310.57	2,845,256.83	857,420.02	1,048,843.64	7,316,831.06	3,658,415.53	0.0916%	(330,839.10)
167	Guadalupe Fire	187,783.42	223,227.86	109,348.06	141,938.20	662,297.54	331,148.77	0.0083%	(29,946.56)
168	Mayer Fire District	155,552.02	218,025.28	50,384.04	96,990.54	520,951.88	260,475.94	0.0065%	(23,555.45)
169	Somerton Police	481,643.00	503,890.92	170,706.11	185,482.51	1,341,722.54	670,861.27	0.0168%	(60,667.56)
170	SunCity West Fire Dstrct	2,785,608.57	2,928,233.32	956,627.21	1,126,981.53	7,797,450.63	3,898,725.32	0.0977%	(352,570.88)
171	Somerton Fire	353,125.65	333,256.31	125,282.03	142,480.46	954,144.45	477,072.23	0.0119%	(43,142.76)
172	Tubac Fire District	468,756.44	533,054.89	178,394.14	219,764.03	1,399,969.50	699,984.75	0.0175%	(63,301.26)
173	LaPaz Cnty Atmny Invst	73,250.99	74,341.70	31,218.84	34,569.97	213,381.50	106,690.75	0.0027%	(9,648.29)
174	Sahuarita Police	143,986.73	266,623.01	79,035.75	127,106.66	616,752.15	308,376.08	0.0077%	(27,887.17)
176	Florence Fire Dept	177,793.43	200,235.36	84,721.70	105,328.50	568,078.99	284,039.50	0.0071%	(25,686.36)
177	Sun City Fire Dept	4,124,077.23	4,481,503.33	3,792,008.87	3,987,682.07	16,385,271.50	8,192,635.75	0.2052%	(740,879.28)
178	Hayden Police	55,565.89	74,189.73	25,851.20	35,232.35	190,839.17	95,419.59	0.0024%	(8,529.02)
179	Gila River Fire Dept	977,763.21	1,193,750.68	551,486.63	739,088.65	3,462,089.17	1,731,044.59	0.0434%	(156,542.42)
180	Gila River Police Dept	923,787.00	1,245,061.31	558,270.04	754,490.17	3,481,608.52	1,740,804.26	0.0436%	(157,425.01)
181	SaltRiverPima-MaricopFire	1,486,231.46	1,848,874.25	548,816.72	744,946.60	4,628,869.03	2,314,434.52	0.0580%	(209,299.74)
182	SaltRiverPima-MaricopPD	924,184.69	1,271,911.75	466,679.94	731,413.12	3,394,189.50	1,697,094.75	0.0425%	(153,472.26)
183	Lakeside Fire District	146,441.26	195,078.75	62,954.88	96,737.79	501,212.68	250,606.34	0.0063%	(22,662.92)
184	Cornville-PageSpringsFD	(0.00)	-	0.00	-	(0.00)	(0.00)	0.0000%	-
185	Pinetop Fire District	241,681.61	381,396.87	106,375.54	174,224.91	903,678.93	451,839.47	0.0113%	(40,860.90)
186	Show Low Fire District	149,148.55	214,166.06	64,158.38	87,853.90	515,326.89	257,663.45	0.0065%	(23,301.11)
187	Yavapai Cnty Atmny Inv.	175,672.35	184,682.50	88,100.45	95,425.21	543,880.51	271,940.26	0.0068%	(24,592.20)
188	Three Points Fire District	114,181.09	142,906.51	58,761.85	72,148.76	387,998.21	193,999.11	0.0049%	(17,543.79)
189	Timberline-Fernwood	0.00	-	(0.00)	-	0.00	0.00	0.0000%	-
190	Buckeye Fire	74,365.79	329,937.15	40,883.04	140,982.94	586,168.92	293,084.46	0.0073%	(26,504.32)
191	Montezuma/Rimrock	138,272.06	155,137.84	53,440.91	67,634.01	414,484.82	207,242.41	0.0052%	(18,741.42)
192	Heber-Overgaard Fire	65,278.34	104,923.31	20,534.08	40,688.10	231,423.83	115,711.92	0.0029%	(10,464.10)
193	Diamond Star Fire	47,582.70	80,635.38	18,978.18	35,165.66	182,361.92	91,180.96	0.0023%	(8,245.71)
194	Avra Valley Fire	1,608,800.28	1,942,036.84	136,950.66	333,784.06	4,021,571.84	2,010,785.92	0.0504%	(181,840.09)
195	Summit Fire	679,063.11	809,594.77	220,235.78	277,175.50	1,986,069.16	993,034.58	0.0249%	(89,802.45)
196	Camp Verde Fire	135,659.32	278,753.76	44,938.51	93,699.34	553,050.93	276,525.47	0.0069%	(25,006.85)
197	Fort McDowell Fire	298,232.90	378,509.08	85,750.75	129,553.53	892,046.26	446,023.13	0.0112%	(40,334.92)
198	Fort McDowell Police	125,740.23	412,491.21	59,725.30	170,614.09	768,570.83	384,285.42	0.0096%	(34,751.83)
199	Highlands Fire	154,229.26	433,512.98	46,212.09	164,930.93	798,885.26	399,442.63	0.0100%	(36,122.53)
200	Rio Rico Fire	72,156.06	95,216.26	30,681.75	56,485.46	254,539.53	127,269.77	0.0032%	(11,509.30)
201	Tri-City Fire	78,689.93	77,395.03	23,703.61	33,244.90	213,033.47	106,516.74	0.0027%	(9,632.56)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2003

Sys No.	System	Employer Reserve June 30, 2002	Employer Reserve June 30, 2003	Member Reserve June 30, 2002	Member Reserve June 30, 2003	Combined Reserves	Mean Balance	Factor	Investment Earnings
202	Maricopa Park Rangers	740,021.45	1,100,834.53	591,521.15	393,441.86	2,825,818.99	1,412,909.50	0.0354%	(127,772.72)
203	Verde Valley Fire	995,229.23	1,483,099.71	290,146.02	364,707.25	3,133,182.21	1,566,591.11	0.0392%	(141,670.51)
204	Arizona State Park Rangers	2,064,599.41	2,584,715.88	1,275,925.56	1,474,832.60	7,400,073.45	3,700,036.73	0.0927%	(334,603.00)
205	Linden Fire	-	33,711.14	-	11,735.27	45,446.41	22,723.21	0.0006%	(2,054.92)
206	Hualapai Tribal Police	-	-	-	-	-	-	0.0000%	-
207	Pinewood Fire	-	-	-	-	-	-	0.0000%	-
TOTALS		3,542,533,675.26	3,402,704,302.41	495,565,135.60	543,817,015.62	7,984,620,128.89	3,992,310,064.45	100.00000%	(361,033,967.14)

**STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUMMARY OF GROWTH OF THE SYSTEM**

Listed below is a table setting forth the growth of the System in some of the major areas since it was started July 1, 1968.

Fiscal Year	Total Assets at Book	Realized Earnings from Investments	Assumed Actuarial Yield	Net Effective Yield	Average Employer Cost
1968-69	\$ 38,892,316	\$ 2,034,246	5.50%	5.93%	—
1969-70	\$ 45,368,608	\$ 2,199,532	5.50%	5.33%	14.49%
1970-71	\$ 53,436,024	\$ 2,762,000	5.50%	5.66%	15.28%
1971-72	\$ 65,047,747	\$ 4,242,551	5.50%	7.33%	15.58%
1972-73 ¹	\$ 84,362,537	\$ 5,297,962	5.50%	7.30%	22.13%
1973-74	\$ 107,645,740	\$ 7,505,558	5.50%	8.07%	21.62%
1974-75	\$ 135,240,197	\$ 9,206,170	5.50%	7.85%	20.79%
1975-76 ²	\$ 166,054,317	\$ 11,453,347	6.50%	7.87%	20.24%
1976-77 ²	\$ 198,469,142	\$ 13,563,347	6.50%	7.70%	16.37%
1977-78 ²	\$ 234,790,742	\$ 16,463,161	6.50%	8.07%	15.34%
1978-79 ²	\$ 276,477,938	\$ 20,545,314	7.00%	8.36%	15.62%
1979-80	\$ 323,768,207	\$ 26,648,270	7.50%	9.23%	13.46%
1980-81 ²	\$ 380,187,981	\$ 33,507,824	7.50%	10.02%	12.28%
1981-82	\$ 446,521,727	\$ 42,444,841	8.50%	10.85%	11.86%
1982-83 ³	\$ 519,164,091	\$ 50,436,554	8.50%	11.05%	10.61%
1983-84 ²	\$ 599,947,817	\$ 57,911,781	9.00%	10.94%	10.10%
1984-85 ²	\$ 693,159,911	\$ 72,204,630	9.00%	11.85%	9.16%
1985-86 ²	\$ 816,881,983	\$ 103,855,044	9.00%	14.79%	7.87%
1986-87 ²	\$ 930,734,209	\$ 91,102,340	9.00%	11.01%	7.67%
1987-88	\$ 1,048,036,360	\$ 99,543,634	9.00%	10.60%	6.67%
1988-89 ³	\$ 1,172,200,963	\$ 106,249,997	9.00%	10.06%	7.18%
1989-90	\$ 1,305,872,179	\$ 123,320,968	9.00%	10.48%	6.72%
1990-91 ³	\$ 1,448,675,091	\$ 134,468,900	9.00%	10.23%	7.01%
1991-92 ⁴	\$ 1,616,623,400	\$ 158,382,801	9.00%	10.90%	8.10%
1992-93	\$ 1,793,717,029	\$ 173,241,734	9.00%	10.70%	8.73%
1993-94	\$ 1,959,179,925	\$ 167,558,270	9.00%	9.35%	8.16%
1994-95	\$ 2,148,732,676	\$ 199,847,113	9.00%	10.23%	7.66%
1995-96	\$ 2,367,494,985	\$ 226,292,201	9.00%	10.55%	7.85%
1996-97	\$ 2,615,893,843	\$ 261,392,961	9.00%	11.07%	8.11%
1997-98	\$ 2,894,319,707	\$ 305,281,778	9.00%	11.73%	6.36%
1998-99	\$ 3,512,950,451	\$ 652,015,871	9.00%	22.66%	5.82%
1999-00	\$ 3,845,046,198	\$ 383,638,465	9.00%	10.99%	5.29%
2000-01	\$ 4,014,033,477	\$ 229,978,521	9.00%	6.02%	5.21%
2001-02	\$ 4,038,098,811	\$ 95,669,176	9.00%	2.40%	4.21%
2002-03	\$ 3,580,672,469	\$ (359,783,581)	9.00%	-9.01%	3.75%
2003-04					7.66%

1. Plan was changed from 25 years and age 55 to 20 years at any age.

2. One-time cost-of-living adjustments for retired members and survivors, effective July 1 were included in this valuation. Future increases for retirees and their survivors over age fifty-five are dependent upon excess earnings created by the Fund.

3. Significant benefit changes were enacted by the 1983 Legislature, the 1987 Legislature and the 1989 Legislature, respectively.

4. Employer contribution rate reflects the greatly-increased utilization of health insurance subsidies enacted by the 1988 and 1989 Legislature.

5. A detailed Schedule of Revenues by Source and Expenses by Type can be found in the Statistical Section.