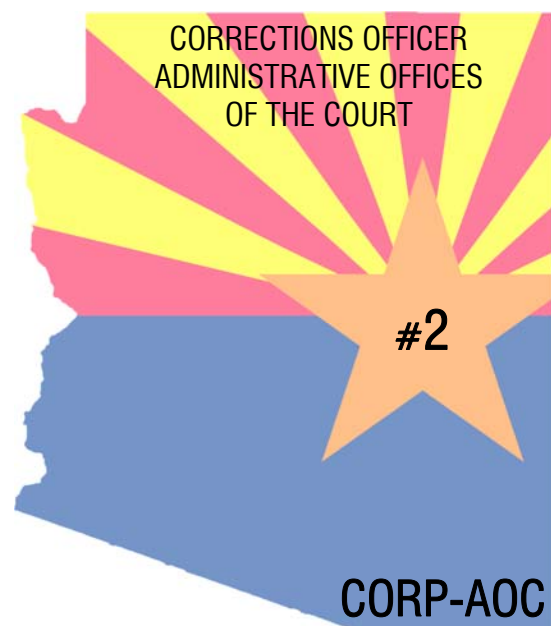
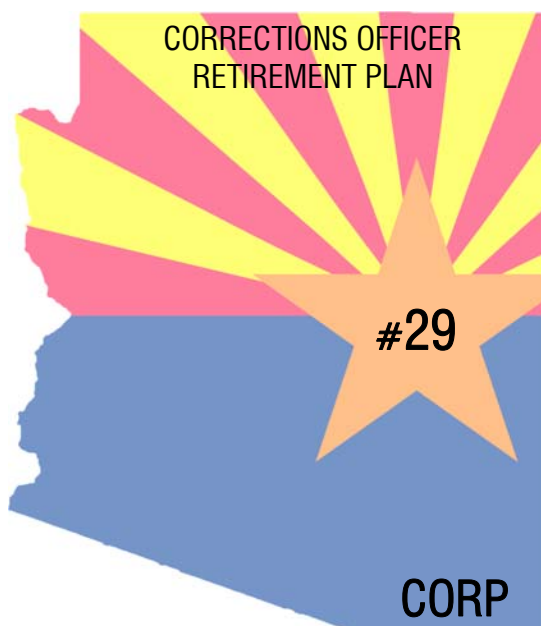
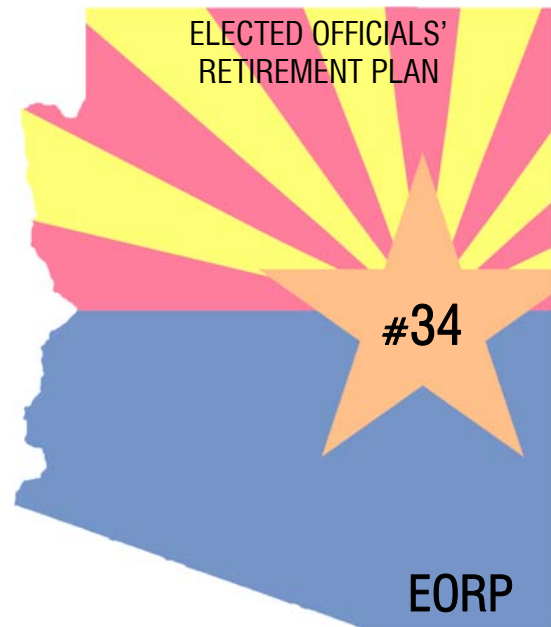


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015
A PENSION TRUST FUND OF THE STATE OF ARIZONA



THIS PAGE INTENTIONALLY BLANK

Comprehensive Annual Financial Report

for the following
Pension Trust Funds of the State of Arizona

Public Safety Personnel Retirement System

Elected Officials' Retirement Plan

Corrections Officer Retirement Plan (Administrative Offices of the Courts)

For the Fiscal Year Ended
June 30, 2015

Prepared by the Staff of PSPRS

Public Safety Personnel Retirement System
3010 E. Camelback Road, Suite 200
Phoenix, AZ 85016
Phone (602) 255-5575 Fax (602) 255-5572
www.psprs.com

The **Purpose** of the Public Safety Personnel Retirement System is to provide *uniform, consistent, and equitable* statewide retirement programs for those who have been entrusted to our care.

This is accomplished through our **Governing Principles** where

A spirit of **Gratitude** guides all our actions, thereby *fostering* a culture of unparalleled *service* to others through which *growth* is nurtured, *progress* is developed, and *results* are achieved.

Trust is engendered by *transparency* of our decisions and *accountability* for our actions as measured against sound *expectations*.

We recognize that **Respect** for the *individual* strengthens the *whole* and is only earned by genuinely *understanding* and *fulfilling* the needs of others through *appropriate, timely* and *clear communication* and *education*.

TABLE OF CONTENTS

INTRODUCTORY SECTION

Certificates of Achievement	8
Board of Trustees Transmittal Letter	11
Board of Trustees	18
Executive Staff	19
Organizational Chart	19
Professional Advisors	20

FINANCIAL SECTION

Independent Auditor's Report	22
Management Discussion & Analysis	24
Basic Financial Statements	
Combined Statement of Fiduciary Net Position	36
Combined Statement of Changes in Fiduciary Net Position	38
Plan Specific Notes to the Financial Statements	41
PSPRS Notes	41
PSPRS Summary of Benefits	42
EORP Notes	50
EORP Summary of Benefits	51
CORP Notes	57
CORP Summary of Benefits	58
Combined Notes to the Financial Statements	66
Required Supplementary Information	79
Schedules of Funding Progress Health Insurance	79
Schedules of Employer Cont. Health Insurance	79
Schedules of Pension Contributions	80
Money Weighted Rate of Return	80
Schedules of Employer Net Pension Liability	81
Schedules of Changes in Employers Net Pension Liabilities	82
Notes to the Required Supplementary Information	84
Supporting Schedules Information	85
Schedule of Changes in Reserve Balances	85
Schedule of Receipts and Disbursements	87
Schedule of Administrative Expenses	88
Schedule of Consultant Expenses	89

INVESTMENT SECTION

Chief Investment Officer's Letter	92
Fund Investment Objectives	95
Investment Performance	95
Asset Allocation	95
Annualized Trust Rate of Return	96
Top 10 Investment Holdings	97
Trust Equity Portfolio	97
Trust Fixed Income Portfolio	97
Summary of Changes in Trust Investment Portfolio	97
Schedule of Commissions Paid to Brokers	98
Trust Equity Portfolio	100
U.S. Equity Portfolio	100
Non U.S. Equity Portfolio	100
Trust Fixed Income Portfolio	101
U.S. Government Securities	101
Corporate Bonds	101
Trust Credit Opportunities Portfolio	102
Trust Private Equity Portfolio	103
Trust Absolute Return Portfolio	103
Trust Real Assets Portfolio	104
Trust Real Estate Portfolio	104
Trust Risk Parity Portfolio	105
Trust GTAA Securities Portfolio	105
Trust Investment Management Fees By Asset Class	105
Trust Investment Management Fees By Asset Class (As a percentage of Total)	105

TABLE OF CONTENTS (Continued)

ACTUARIAL SECTION

PSPRS Specific Information	108
Actuary Certification Letter	108
Actuarial Balance Sheet	111
Summary of Valuation Assumptions	112
Summary of Active Member Data	114
Summary of Inactive Member Data	115
Summary of Retired Member Data	115
EORP Specific Information	116
Actuary Certification Letter	116
Actuarial Balance Sheet	119
Summary of Valuation Assumptions	120
Summary of Active Member Data	122
Summary of Inactive Member Data	123
Summary of Retired Member Data	123
CORP Specific Information	124
Actuary Certification Letter	124
Actuarial Balance Sheet	127
Summary of Valuation Assumptions	128
Summary of Active Member Data	130
Summary of Inactive Member Data	131
Summary of Retired Member Data	131
Combined Information	132
Solvency Test	132
Schedule of Experience Gain/Loss	133

STATISTICAL SECTION

Statistical Summary	136
Changes in Net Plan Position - Pension	137
Changes in Net Plan Position - Health Insurance	138
Schedules of Revenues by Source	139
Schedules of Benefits by Type	140
Deductions from Net Position for Benefits and Refunds By Type	142
Valuation Assets vs. Pension Liabilities	143
Schedules of Benefits by Type and Range	143
Funding Ratios	144
Contribution Rates	145
Benefit Recipients by Location	146
System Membership	146
Principal Participating Employers	146
Summary of Benefit Increases	147
Summary of Growth of the System	148
Benefits Payable by Type of Benefit	149
Average Monthly Benefits and Membership	150
Ten Year Estimated Contribution Rates	153
Schedules of Changes in Refundable Member Reserve Balances	154
Schedules of Changes in Employer Reserve Balances and Unfunded AAL	162
Schedules of Changes in Health Insurance Reserve Balances	176
Participating Employers	183

THIS PAGE INTENTIONALLY BLANK

INTRODUCTORY SECTION





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Arizona Public Safety
Personnel Retirement System**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Arizona Elected Officials'
Retirement Plan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Arizona Corrections Officer
Retirement Plan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director/CEO

Brian P. Tobin, Chairman
 Gregory Ferguson, Vice Chair
 Jeff McHenry, Trustee
 Richard J. Petrenka, Trustee
 Randie A. Stein, Trustee
 Lauren W. Kingry, Trustee
 William C. Davis, Trustee

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

3010 East Camelback Road, Suite 200
 Phoenix, Arizona 85016-4416

www.psprs.com

TELEPHONE: (602) 255-5575

FAX: (602) 255-5572

Administration

Jared A. Smout
 Administrator

Ryan Parham
 Chief Investment Officer

December 23, 2015

The Honorable Douglas A. Ducey
 Governor of the State of Arizona
 Executive Tower
 1700 W. Washington
 Phoenix, Arizona 85007

Dear Governor Ducey:

The Board of Trustees (Board) of the Public Safety Personnel Retirement System (PSPRS) respectfully submits the forty-seventh Comprehensive Annual Financial Report (CAFR) for the PSPRS, the thirty-fourth for the Elected Officials' Retirement Plan (EORP), and the twenty-ninth for the Corrections Officer Retirement Plan (CORP), (collectively The System) for the fiscal year ended June 30, 2015 (FY'15), in accordance with the provisions of A.R.S. § 38-848. This is the first year we have consolidated all three CAFR's into one report.

Financial Information Reporting

Under the direction of the Board, the primary responsibility for the integrity and objectivity of this CAFR and related financial data rests with the management of the System. It is a product of the collective efforts of the staff and is intended to provide complete and reliable information that will facilitate the management decision process and serve as a means for determining compliance with the System's governance and investment policies and legal requirements.

It is the System's policy to have and maintain an effective system of accounting controls. We believe our 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 controls 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 period of at least twenty but not more than thirty years.

The financial statements were prepared in conformity with generally accepted accounting principles appropriate for government-sponsored defined benefit pension plans and have received a "clean" opinion from Heinfeld, Meech & Co., P.C., Certified Public Accountants and auditors for the System. This unmodified opinion can be found at the beginning of the Financial Section. Management believes that all other financial information included in this annual report is consistent with those financial statements.

History and Administration of the System

The PSPRS was created on July 1, 1968 by A.R.S. § 38-841, "for public safety personnel who are regularly assigned hazardous duty in the employ of the state of Arizona or a political subdivision thereof." It was joined by the EORP on August 7, 1985 by A.R.S. § 38-802, when the Judge's Retirement Plan merged with the previous Elected Officials' Retirement Plan and is for eligible judges and state, county and local elected officials of participating governmental employer units. Finally, on July 1, 1986 the CORP was added by A.R.S. § 38-882, for corrections officers, county, city or town detention officers, dispatchers and probation officers. Each were created "to provide a uniform, consistent and equitable statewide program" for their respective eligible members (A.R.S. §§ 38-810.02, 38-841 and 38-900.01).

The PSPRS and the CORP are agent multiple-employer defined benefit plans and are administered at the local level by 236 (PSPRS) and 26 (CORP) individual Local Boards in accordance with A.R.S. §§ 38-847 and 38-893. As agent-multiple plans, the assets and liabilities of each individual Local Board are accounted for separately, thereby allowing for individual funding levels and employer contribution rates. The EORP is a cost sharing, multiple-employer defined benefit plan where the Board administers and manages the plan. As such, the assets and liabilities of EORP are pooled for all the employers who share the same funding level and employer contribution rate. The EORP plan was closed to newly elected officials as of January 1, 2014. All the assets of PSPRS, EORP and CORP are pooled for investment purposes only and reside in the PSPRS Trust (Trust), a formal entity created for that express purpose.

Each Local Board for PSPRS and CORP and the Board for EORP determine eligibility for membership, normal retirement benefits based on years of service, the annual benefit accrual rate and final average compensation; they also determine eligibility for disability benefits, survivor benefits for spouses and children, post-retirement adjustments and health insurance premium subsidies.

The contributions received from and benefits distributed for each local board and EORP are accounted for by the Board through the administrative offices. However, in accordance with A.R.S. § 38-848, the Board is not responsible for nor has the duty to review the actions or omissions of the individual Local Boards, but does have the discretion to seek review or rehearing (and does so) to protect the System as a whole. Additionally, although not part of a defined benefit plan or the Trust, the Board also administers a separate cancer insurance program for members of PSPRS and CORP.

The System’s Funding Status

As of fiscal year-end, the financial status of each plan stayed relatively the same from the previous year. There are many factors that contribute to changes in the funding levels, some having a greater effect than others. Below is a reconciliation from the previous year to this year showing those contributing factors and their relative effect on the funded status of each plan:

Funded % as of	PSPRS	EORP	CORP
June 30, 2014	50.4%	41.6%	59.0%
Asset Losses	(3.1%)	(1.6%)	(1.8%)
Tier 2	1.4%	0.8%	0.8%
Payroll	0.0%	0.0%	0.0%
PBI	0.5%	0.8%	1.1%
Other	1.1%	(0.5%)	0.1%
June 30, 2015	50.3%	41.1%	59.2%

Asset Losses

One of the biggest contributing factors to the funded status are the investment returns. In order to calculate appropriate contribution rates today to pay for future pension liabilities, assumptions must be made about future behavior and one of those assumptions is the long-term rate of return that will be made on the investments of the Trust. For June 30, 2015, the assumed rate of return was 7.85% where the market rate of return was only 3.68% (net of fees). However, to greatly dampen the volatility of the market, accepted actuarial methods allow for a smoothing of those returns where only one-seventh of any year’s investment gain or loss is recognized. As can be seen in the table above, the Trust is continuing to recognize investment losses from 2009 and 2012. Additionally, even though this year’s 3.68% return was acceptable in relation to our peers in a down market, it did not meet the assumed rate, thereby causing the Trust to experience an actuarial investment loss. Fortunately, this is the last year that the Trust will have to account for the substantial 2009 losses in this seven-year actuarial smoothing methodology.

Permanent Benefit Increase (PBI)

The second biggest contributor to the change in the funded status for PSPRS and EORP (third for CORP) is the permanent benefit increase. As part of that pension reform in 2011, changes were made to the permanent benefit increase structure to no longer fund the reserve for future benefit increases. That change was challenged in the courts and ultimately found unconstitutional to where it was reinstated in 2014 for those members retired prior to the effective date of the change (the class identified in the lawsuit). As such, assumptions needed to be made as to the probability to pay out those benefit increases in the future. The reserve for future benefit increases were depleted with the 2014 payout for PSPRS and CORP,

but a little bit remained in EORP for 2015. Because this year’s investment return did not exceed the threshold of nine percent to add to the reserve for an increase, eligible PSPRS and CORP retirees did not receive an increase for June 30, 2015. However, because of the remaining balance in EORP, those eligible retirees received a 1.77% increase and their reserve is now also depleted. Therefore, the gain experienced in this area was due to not having to pay out a PBI for PSPRS and CORP and only having to payout a portion of the assumed amount for EORP.

Tier 2

As a result of pension reform in 2011, a different tier of benefits were created for new hires. Still being relatively young, this change in benefit structure did not have a significant effect on the funding levels, but did have a minimal effect on the employer rates, as shown in the employer rate reconciliation table in the next section.

Payroll

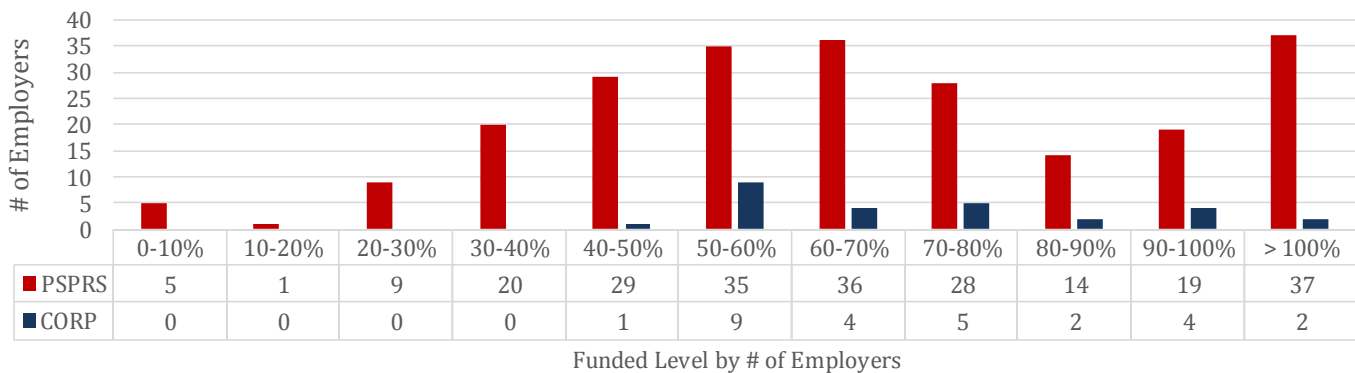
Another assumption that must be made is how much payroll will grow to determine expected salaries for future retirees upon which their pensions will be calculated. Payroll growth reflects salary and merit increases, inflation, overtime (for PSPRS only) and any other change in pensionable salary. This payroll growth assumption is determined based on past experience and is revised every five years. The gain that each plan experienced in this area tells us payroll did not grow this past year as expected, thereby decreasing future liabilities and increasing the funding level a requisite amount.

Other

This is the combination of all factors other than those listed above and primarily reflect demographic gains and losses (i.e., retirement, turnover, disability, etc. experience that differs from the actuarial assumptions). While this number is small on a combined plan basis, it will vary considerably from employer to employer, especially for employers with a smaller number of members.

Additionally, all of the above factors are further affected by how long it is assumed a person will be receiving these benefits. National mortality tables are used to make this determination and are also adjusted every five years as part of the aforementioned experience study. Finally, we have to make an assumption on the investment return our portfolio will earn over a long-term period. Up until 2003, we were using an assumed rate of 9.00%. We have gradually reduced that assumption over the past 12 years to now be at 7.5% as of July 1, 2016. Lowering the assumed earnings rate raises the employer contribution rate to account for that lower investment income.

While the numbers above are presented in the aggregate, it is important to remember that any aggregate number calculated for PSPRS and CORP is for comparison purposes only and does not necessarily reflect the most accurate picture of the System. Because PSPRS and CORP are agent multiple-employer plans, each individual plan has its own funding level. Therefore, a more appropriate representation for PSPRS and CORP is a distribution of those employers by their individual funding status as shown in the following chart:



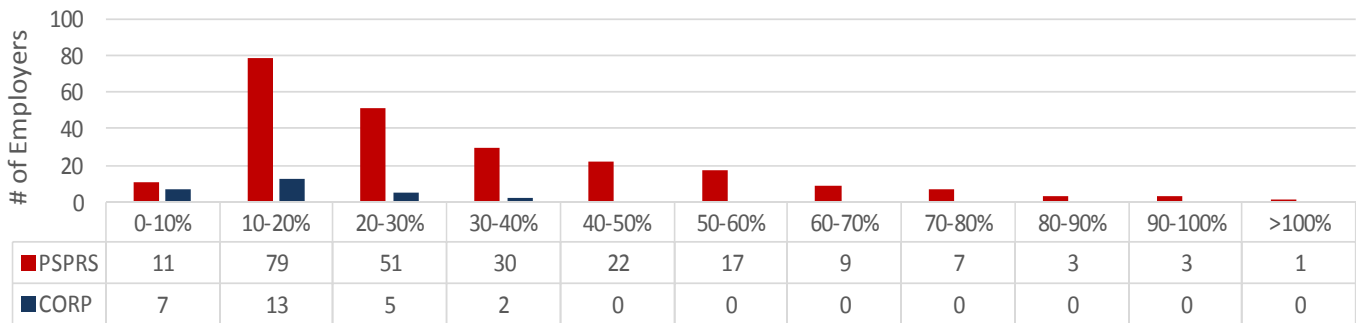
Member and Employer Contribution Rates

Both PSPRS and CORP experienced about a relative three percent (not three percentage point) increase in their aggregate employer rate as shown in the following reconciliation:

Rates as of	PSPRS	EORP	CORP
June 30, 2014	41.37%	86.54%	18.21%
Asset Losses	0.94%	2.09%	0.51%
PBI	(0.44%)	(1.00%)	(0.24%)
Tier 2	(0.17%)	(0.16%)	(0.16%)
Payroll	0.79%	6.32%	0.32%
Other	0.12%	1.78%	0.07%
June 30, 2015	42.61%	95.56%	18.71%
Member Contribution	11.65%	13.00%	7.96%
			Dispatchers 8.41%
			All Others

All things being equal, the contributing factors are inversely correlated in regards to funding levels and employer contribution rates. In other words, if it increases the funding level, it will most likely decrease the rate and vice versa. So, the explanations given for the different factors for the funding level changes should hold true for the contribution rate changes for PSPRS and CORP. Because the employer rate is based on the projected payroll base, it should also be understood that shrinking payrolls will increase the employer rate while the total dollar contribution amount could remain relatively constant.

Again, as with the funding level, the aggregate employer rate could be misinterpreted because each individual plan in PSPRS and CORP has its own employer contribution rate. A distribution graph representing those individual rates is more informative:



Employer Contribution Rate by # of Employers

The EORP is a different story. When it was closed, the employer contribution rate was statutorily set at 23.5% for all employers. The actual contribution rate should be closer to 95%. The plan is unsustainable at this statutory rate and current estimates show that the plan will run out of assets in less than 15 years. To put it into perspective, last year that estimate was 20 years, so we have lost 5 years in just the past year. Additionally, the factors have a more dramatic effect in EORP because of a decreasing payroll base due to the declining membership.

In addition to the changes in the PBI funding mechanism promulgated by SB 1609, the employee contribution rates for PSPRS and EORP had steadily increased since fiscal year 2011-12 to their current amount as shown in the table. The CORP employee contribution rates did not change during these years. However, these contribution rate increases in PSPRS and EORP also face a legal challenge (*Hall*) that has secured a Superior Court ruling declaring the changes unconstitutional on reconsideration. This lawsuit is currently on appeal in the Arizona Supreme Court with oral arguments currently set for February 18, 2016.

Should the plaintiffs ultimately prevail, member contribution rates may be retroactively reset to pre-SB1609 levels and the previous PBI mechanism could also be made available to eligible active members. Both outcomes will exacerbate the funding levels and increasing employer contribution rates.

FY'15 Investment Results

As mentioned previously, all defined benefit plan assets managed by the Board of Trustees are pooled for investment purposes in accordance with A.R.S. § 38-848. The FY'15 investment return is 3.68%, net of fees. This is 417 basis points lower than the 7.85% actuarial assumed rate of return, but 98 basis points higher than the 2.70% benchmark return for the System. Eight of the Trust's eleven asset classes outperformed their respective benchmark with nine receiving positive returns for the fiscal year.

The investment strategy for the Trust is one where individual investments are selected based on their return and risk characteristics. The total portfolio risk is guided so as to allow the opportunity to exceed both the assumed rate and the portfolio benchmark (both of which are set by the Board of Trustees in consultation with outside experts), on a regular basis and in a manner which most reliably eliminates the depth and duration of lower or negative investment performance periods. The portfolio diversification needed for this conservative strategy has proven to be more secure than and only half as risky as traditional conservative portfolios. This type of strategy continues to attract national interest and serious consideration by our peers who are reevaluating their risk levels.

New Developments and Management Initiatives

Our efforts over the past few years to increase communication and education with our Local Boards have been met with great success in helping them to better understand their duties and roles as administrators of their individual plans. Because of the increasing employer contribution rates and the heavier burden it has created, we have expanded these outreach efforts to focus more intently on the financial professionals and other decision makers at the local level, to assist with understanding the various components of their employer liabilities. Furthermore, we have begun assessing how we can provide broader, more robust communication channels and clear, concise messaging to those employers, our membership, and other interested stakeholders. This includes, but is not limited to, more outreach, website redesign, educational sessions and stakeholder meetings, to name a few.

Finally, the Office of the Arizona Auditor General has completed their sunset review and performance audit, which was published on September 18th of this year. Many recommendations for improving the funding status, as well as increasing the level of service being provided to the employers, were given. We are currently in the process of implementing those recommendations. The collaborative relationship we have experienced with the Auditor General and her staff over the past almost two years has been very enlightening and is providing additional insight for more efficiencies and improvement.

Due to the results of the *Fields* lawsuit and the possibility of an unfavorable ruling at the Supreme Court in the *Hall* case, stakeholders have been involved in major discussions this past year to introduce further pension reform measures that, hopefully, garner some significant consensus and withstand legal challenges. The System has been appropriately involved in those discussions by being a resource and providing guidance and plans to lead further discussions in the future. With everyone working together as they have this past year, we are confident that the best solution will be presented.

Conclusion

Our goal as the Board of Trustees is to bring every individual plan to at least 100% funded within a reasonable period of time. The closed amortization period, currently 21 years, is designed to pay off the unfunded liabilities over that time so, eventually, the employer is only paying each year's incremental portion (the normal cost). Some individual plans are already only paying the normal cost and others are expected to follow at varying rates.

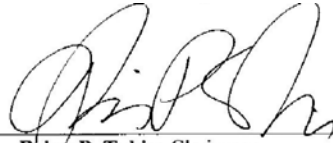
While the funding horizon has always been the timeframe for reaching a fully funded status, the reversal of certain pension reform provisions (and the threat of reversal of others) adds additional stress to employer contribution rates as the System progresses toward its funding goal. However, over the past couple years we have noticed a more concerted effort amongst management, employers and stakeholders to better understand the issues at hand and work together toward a solution. This includes internal and external efforts for increased efficiency, communication and education amongst these groups.

INTRODUCTORY SECTION

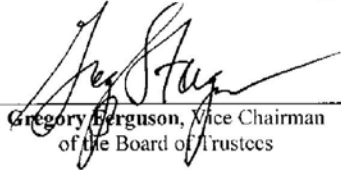
As members of the Board of Trustees, we intend to continue our efforts to secure the long-term financial integrity of the System and to faithfully serve the interests of the System's participants and beneficiaries.

We appreciate the opportunity to serve the State of Arizona, its political subdivisions and System members and we look forward to continuing to serve as Trustees.

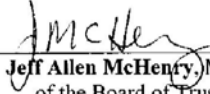
Respectfully submitted,



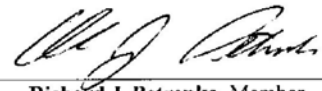
Brian P. Tobin, Chairman
of the Board of Trustees



Gregory Ferguson, Vice Chairman
of the Board of Trustees



Jeff Allen McHenry, Member
of the Board of Trustees



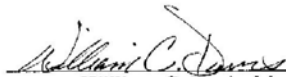
Richard J. Petrenka, Member
of the Board of Trustees



Randie A. Stein, Member
of the Board of Trustees



Lauren Kingry, Member
of the Board of Trustees



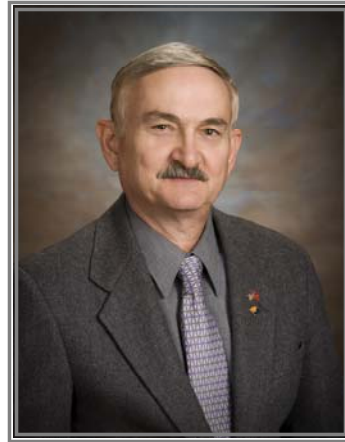
William C. Davis, Member
of the Board of Trustees

THIS PAGE INTENTIONALLY BLANK

BOARD OF TRUSTEES
(AS OF JUNE 30, 2015)



Brian P. Tobin
Chairman



Gregory Ferguson
Vice Chairman



Jeff Allen McHenry
Trustee



Richard J. Petrenka
Trustee



Randie A. Stein
Trustee



Lauren W. Kingry
Trustee



William C. Davis
Trustee

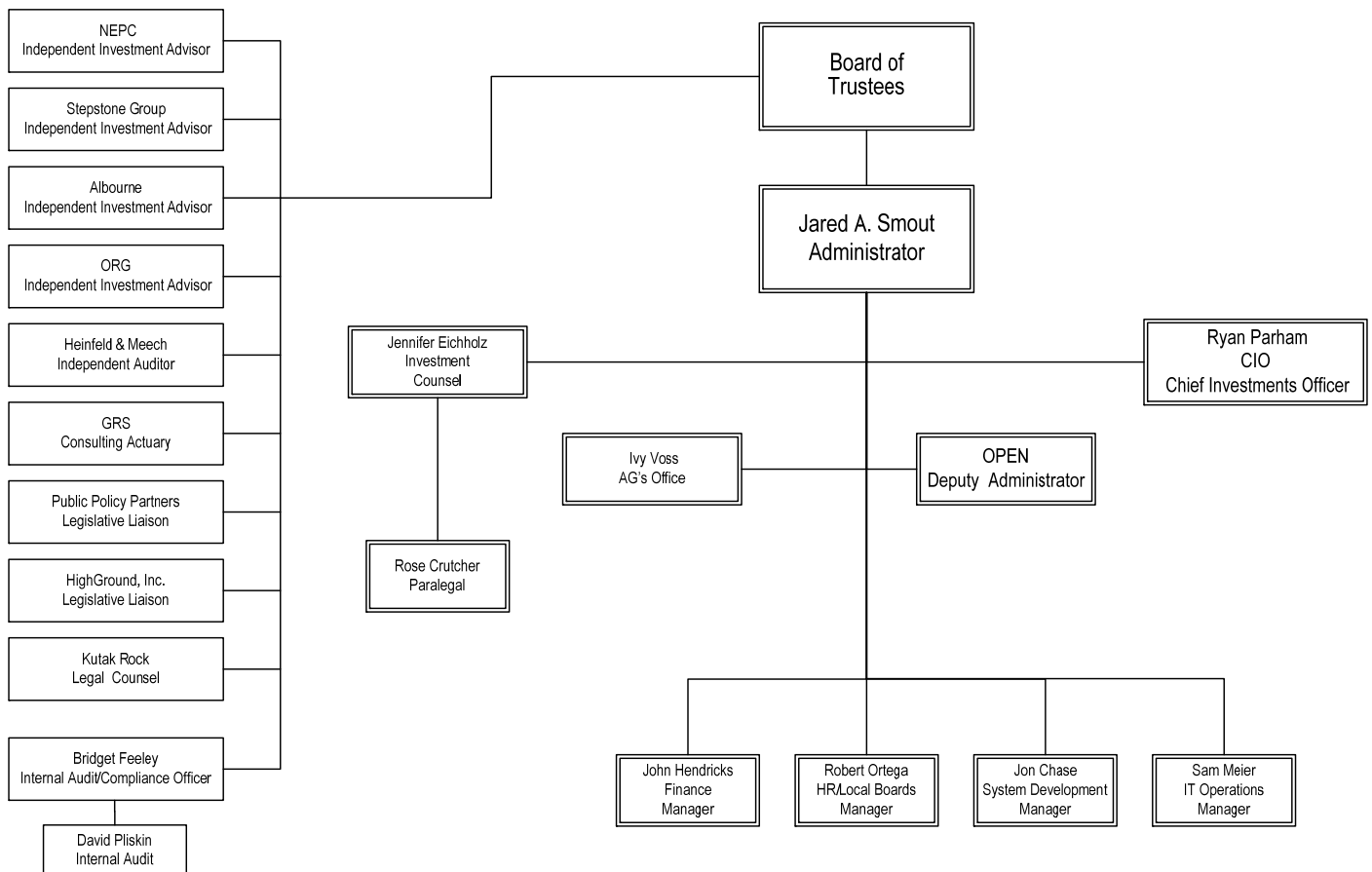
EXECUTIVE STAFF AND ORGANIZATIONAL CHART
(AS OF JUNE 30, 2015)



Jared A. Smout
Administrator



Ryan Parham
Chief Investment Officer



PROFESSIONAL ADVISORS

ALBOURNE AMERICA, LLC	International Alternative Investment Consultant
AVANT STRATEGIES	Public Relations Consultant
BNY MELLON ASSET SERVICING	Independent Investment Advisor
CHARLES W. WHETSTINE	General Tax Counsel
ERNST & YOUNG LLP	Investment Consultant
FOLEY & LARDNER, LLC	Investment Counsel
FOSTER PEPPER	Investment Counsel
GABRIEL ROEDER SMITH & COMPANY	Actuary
HEINFELD, MEECH & CO.	Independent Auditor
HIGHGROUND, INC	Legislative Liaison
INNOVATIVE CREDIT SOLUTIONS	Due Dilligence
JACKSON WALKER LLP	Investment Counsel
KUTAK ROCK LLP	General Counsel
LIGHT STONE SOLUTIONS, LLC	Due Diligence
NEPC, LLC	Independent Investment Advisor
OFFICE OF THE ATTORNEY GENERAL	General Counsel
ORG PORTFOLIO MANAGEMENT LLC	Real Estate Consultant
OSAM INC.	IT Consultant
PUBLIC POLICY PARTNERS	Legislative Liaison
STEPSTONE GROUP LLC	Equity Advisors
STEPTOE & JOHNSON, LLP	Litigation Counsel
SUBROSA INVESTIGATIONS	Due Dilligence

A schedule of Administrative Consultant fees may be found in the Financial Section. A schedule of Investment Consultant fees, Brokerage Commissions and Research Expense may be found in the Investment Section.

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Public Safety Personnel Retirement System

Report on the Financial Statements

We have audited the financial statements of Public Safety Personnel Retirement System (System), a component unit of the State of Arizona, which comprise the Combined Statement of Fiduciary Net Position as of June 30, 2015, and the related Combined Statement of Changes in Fiduciary Net Position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Public Safety Personnel Retirement System, as of June 30, 2015, and the respective changes in its net position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Comparative Combined Information

We have previously audited the Public Safety Personnel Retirement System's 2014 individual plan financial statements, and we expressed unmodified opinions on those plans' financial statements. In our opinion, the combined comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited individual plan financial statements from which it was derived.

Emphasis of Matter

The financial statements include investments that are not listed on national exchanges or for which quoted market prices are available. These investments include private equity, real estate, credit opportunities, real assets, and other investments. The System is provided alternative sources of information from investment managers and other third parties including audited financial statements, unaudited interim reports, independent appraisals, and other similar information as evidence for the fair value of these investments. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As described in Note 1, the System implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents under the Financial Section, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the System's financial statements. The Introductory Section, Supporting Schedules Information, Investment Section, Actuarial Section and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The Supporting Schedules Information, as listed in the table of contents under the Financial Section, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supporting Schedules Information is fairly stated in all material respects in relation to the financial statements as a whole.

The Introductory Section, Investment Section, Actuarial Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2015, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

December 23, 2015

MANAGEMENT DISCUSSION & ANALYSIS

The 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 2015 are as follows:

- The System had a total rate of return (net of fees) of 3.68% this year. Our total portfolio outperformed the target fund benchmark by 98 basis points. This is a decline from the prior year's return of 13.28%.
- In compliance with the Supreme Court decision regarding permanent benefit increase (PBI) payments, the Future Benefit Increase Reserve was restored effective FY2012 for those members who retired effectively on or before July 1, 2011. The retroactive funding of the reserves and the increase for FY 2014, were depleted with the distribution of a retroactive PBI increase and PBI for FY2014 effective July 1, 2014 for PSPRS and CORP. The reserve for EORP was depleted in FY2015.
- PSPRS retirement benefits paid for the current year totaled \$679.38 million, compared to \$625.68 for the previous year, a 8.58% increase from the prior year. EORP Retirement benefits paid totaled \$55.41 million for the current year, compared to \$54.94 million for the previous year, a .87% increase from the prior year. CORP retirement benefits paid for the current year totaled \$119.77 million, compared to \$110.12 million for the previous year, a 8.76% increase from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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 Fiduciary Net Position and The Statement of Changes in Fiduciary Net Position

These two statements report the System's net position and changes in them using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Net position is the difference between assets and liabilities, one way to measure the financial health, or financial position. Over time, increases or decreases in the net position 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 Plan Net Position and The Statement of Changes in Plan Net Position.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes the Schedule of Funding Progress, Schedule of Contributions, Schedule of Pension Contributions, Schedule of Employer's Net Pension Liability, Schedule of Investment Returns, Schedule of Changes in Employer's Net Pension Liability and Related Ratios and Schedule of the Net Pension Liability and Related Ratios for ASRS.

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 Trust and the individual Plans within the Trust. Improvement is indicated when the funding ratio is increasing and the ratio of the unfunded actuarial accrued 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 Plan's funding status over time.

Supporting Schedules

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

FINANCIAL ANALYSIS OF THE PLAN

The following schedules present comparative summary financial statements of the System and the individual Plans within the Trust for FY2015 and FY2014. Following each schedule is a brief summary of the significant changes noted in these schedules.

REQUEST FOR INFORMATION

This report is designed to provide a general overview of the finances of the System and the individual Plans within the System. 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, 3010 E. Camelback Road, Suite 200, Phoenix, AZ 85016.

PSPRS
SUMMARY COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
(IN THOUSANDS)*

	PENSION		HEALTH INSURANCE		PSPRS TOTAL		PSPRS TOTAL	
	2015	2014	2015	2014	2015	2014	CHANGE	% CHANGE
Cash and Short-Term Investments	286,022	268,644	14,417	10,702	300,439	279,346	21,093	7.55%
Total Receivables	46,476	63,197	1,671	2,588	48,147	65,785	(17,638)	-26.81%
Total Investments	5,762,830	5,668,551	293,448	278,639	6,056,278	5,947,190	109,088	1.83%
Securities Lending Collateral	248,113	425,445	12,634	20,913	260,747	446,358	(185,611)	-41.58%
Net Capital Assets	3,387	3,488	0	0	3,387	3,488	(101)	-2.90%
Total Plan Assets	6,346,828	6,429,325	322,170	312,842	6,668,998	6,742,167	(73,169)	-1.09%
Deferred Outflows	549	0	0	0	549	0	549	N/A
Accrued Accounts Payable	1,316	47,364	0	0	1,316	47,364	46,048	97.22%
Investment Purchases Payable	16,869	20,992	859	1,032	17,728	22,024	(4,296)	-19.51%
Securities Lending Collateral	248,113	425,445	12,634	20,913	260,747	446,358	(185,611)	-41.58%
Employer Net Position Liabilities	4,448	0	0	0	4,448	0	4,448	N/A
Total Plan Liabilities	270,746	493,801	13,493	21,945	284,239	515,746	(231,507)	-44.89%
Deferred Inflows	(862)	0	0	0	(862)	0	(862)	N/A
Net Position	6,075,769	5,935,524	308,677	290,897	6,384,446	6,226,421	158,338	2.54%

***Summary Comparative Statements of
Fiduciary Net Position Analysis***

The total plan net assets held in trust for PSPRS benefits at June 30, 2015 were \$6.38 billion, a 2.54% increase from \$6.23 billion at June 30, 2014. The increase in net position is primarily due to favorable financial markets during the fiscal year. The increase in cash and receivables is attributable to normal fluctuations in investment income receivables during the year.

EORP
SUMMARY COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
(IN THOUSANDS)*

	PENSION		HEALTH INSURANCE		EORP TOTAL		EORP TOTAL	
	2015	2014	2015	2014	2015	2014	CHANGE	% CHANGE
Cash and Short-Term Investments	14,883	12,669	1,058	839	15,941	13,508	2,433	18.01%
Total Receivables	3,305	4,382	69	175	3,374	4,557	(1,183)	-25.96%
Total Investments	292,715	299,599	21,534	21,839	314,249	321,438	(7,189)	-2.24%
Securities Lending Collateral	12,603	22,486	927	1,639	13,530	24,125	(10,595)	-43.92%
Net Capital Assets	230	244	0	0	230	244	(14)	-5.74%
Total Plan Assets	323,736	339,380	23,588	24,492	347,324	363,872	(16,548)	-4.55%
Deferred Outflows	29	0	0	0	29	0	29	N/A
Accrued Accounts Payable	1,360	1,480	0	0	1,360	1,480	(120)	-8.11%
Investment Purchases Payable	857	1,109	63	81	920	1,190	(270)	-22.69%
Securities Lending Collateral	12,602	22,486	927	1,639	13,529	24,125	(10,596)	-43.92%
Employer Net Position Liabilities	231	0	0	0	231	0	231	N/A
Total Plan Liabilities	15,050	25,075	990	1,720	16,040	26,795	(10,755)	-40.14%
Deferred Inflows	(45)	0	0	0	(45)	0	(45)	N/A
Net Position	308,669	314,305	22,598	22,772	331,267	337,077	(5,810)	-1.72%

***Summary Comparative Statements of
Fiduciary Net Position Analysis***

The total plan net assets held in trust for EORP benefits at June 30, 2015 were \$331.27 million, a 1.72% decrease from \$337.08 million at June 30, 2014. The decrease in net position is primarily due to the contribution rate being set at a rate of 23.50% in statute, compared to the actuarial set rate of 57.49%. The increase in cash and receivables is attributable to normal fluctuations in investment income receivables during the year.

CORP
SUMMARY COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
(IN THOUSANDS)*

	PENSION		HEALTH INSURANCE		CORP TOTAL		CORP TOTAL	
	2015	2014	2015	2014	2015	2014	CHANGE	% CHANGE
Cash and Short-Term Investments	58,055	44,047	4,755	3,503	62,810	47,550	15,260	32.09%
Total Receivables	4,947	8,711	367	659	5,314	9,370	(4,056)	-43.29%
Total Investments	1,151,536	1,133,843	96,782	91,187	1,248,318	1,225,030	23,288	1.90%
Securities Lending Collateral	49,478	85,099	4,167	6,844	53,645	91,943	(38,298)	-41.65%
Net Capital Assets	478	490	0	0	478	490	(12)	-2.45%
Total Plan Assets	1,264,494	1,272,190	106,071	102,193	1,370,565	1,374,383	(3,818)	-0.28%
Deferred Outflows	111	0	0	0	111	0	111	N/A
Accrued Accounts Payable	5,025	3,167	0	0	5,025	3,167	1,858	58.67%
Investment Purchases Payable	3,371	4,199	283	338	3,654	4,537	(883)	-19.46%
Securities Lending Collateral	49,578	85,099	4,167	6,844	53,745	91,943	(38,198)	-41.55%
Employer Net Position Liabilities	899	0	0	0	899	0	899	N/A
Total Plan Liabilities	58,873	92,465	4,450	7,182	63,323	99,647	(36,324)	-36.45%
Deferred Inflows	(174)	0	0	0	(174)	0	(174)	N/A
Net Position	1,205,558	1,179,725	101,621	95,011	1,307,179	1,274,736	32,443	2.55%

***Summary Comparative Statements of
Fiduciary Net Position Analysis***

The total plan net assets held in trust for CORP benefits at June 30, 2015 were \$1.31 billion, a 2.55% increase from \$1.27 billion at June 30, 2014. The increase in net position is primarily due to favorable financial markets during the fiscal year. The increase in cash and receivables is attributable to normal fluctuations in investment income receivables during the year.

CORP-AOC
SUMMARY COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
(IN THOUSANDS)*

	PENSION		HEALTH INSURANCE		CORP-AOC TOTAL		CORP-AOC TOTAL	
	2015	2014	2015	2014	2015	2014	CHANGE	% CHANGE
Cash and Short-Term Investments	16,097	11,834	354	231	16,451	12,065	4,386	36.35%
Total Receivables	1,915	2,897	70	82	1,985	2,979	(994)	-33.37%
Total Investments	318,694	304,635	7,214	6,020	325,908	310,655	15,253	4.91%
Securities Lending Collateral	13,821	22,864	311	452	14,132	23,316	(9,184)	-39.39%
Net Capital Assets	132	132	0	0	132	132	0	0.00%
Total Plan Assets	350,659	342,362	7,949	6,785	358,608	349,147	9,461	2.71%
Deferred Outflows	32	0	0	0	32	0	32	N/A
Accrued Accounts Payable	1,420	851	0	0	1,420	851	569	66.86%
Investment Purchases Payable	933	1,128	21	22	954	1,150	(196)	-17.04%
Securities Lending Collateral	13,721	22,864	311	452	14,032	23,316	(9,284)	-39.82%
Employer Net Position Liabilities	257	0	0	0	257	0	257	N/A
Total Plan Liabilities	16,331	24,843	332	474	16,663	25,317	(8,654)	-34.18%
Deferred Inflows	(50)	0	0	0	(50)	0	(50)	N/A
Net Position	334,309	317,519	7,617	6,311	341,926	323,830	18,096	5.59%

***Summary Comparative Statements of
Fiduciary Net Position Analysis***

The total plan net assets held in trust for CORP-AOC benefits at June 30, 2015 were \$341.91 million, a 5.59% increase from \$323.83 million at June 30, 2014. The increase in net position is primarily due to favorable financial markets during the fiscal year. The increase in cash and receivables is attributable to normal fluctuations in investment income receivables during the year.

PSPRS SUMMARY COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION (IN THOUSANDS)*								
	PENSION		HEALTH INSURANCE		PSPRS TOTAL		PSPRS TOTAL	
	2015	2014	2015	2014	2015	2014	CHANGE	% CHANGE
ADDITIONS								
Total Contributions and Service Purchase	612,890	565,868	21,481	19,534	634,371	585,403	48,968	8.36%
Net Investment Income (Loss)	216,286	723,428	10,810	33,753	227,096	757,181	(530,085)	-70.01%
Service Transfers	364	775	0	0	364	775	(411)	-53.05%
Total Additions (Reductions)	829,540	1,290,071	32,291	53,287	861,831	1,343,359	(481,528)	-35.85%
DEDUCTIONS								
Benefits	665,138	612,105	14,242	13,578	679,380	625,683	53,697	8.58%
Service Transfers and Refunds	13,921	14,485	0	0	13,921	14,485	(564)	-3.89%
Administrative Expenses	5,387	5,826	269	0	5,656	5,826	(170)	-2.92%
Total Deductions	684,446	632,416	14,511	13,578	698,957	645,994	52,963	8.20%
Prior-Period Adjustment	(4,849)	0	0	0	(4,849)	0	(4,849)	N/A
Net Increase (Decrease)	140,245	657,655	17,780	39,709	158,025	697,364	(539,339)	-77.34%
Balance Beginning of Year - July 1	5,935,524	5,277,869	290,897	251,188	6,226,421	5,529,057	697,364	12.61%
Balance End of Year - June 30	6,075,769	5,935,524	308,677	290,897	6,384,446	6,226,421	158,025	2.54%

Summary Comparative Statements of Changes in Plan Fiduciary Net Position Analysis

Employer and employee contributions for FY2015 increased \$48.97 million due to increased employee and employer contribution rates during fiscal year 2015. For FY2015, PSPRS recognized a net investment gain of \$227.10 million which compares to a \$757.18 million gain in the previous year. This 70.01% decrease was due to lower returns in the financial markets during the fiscal year.

Deductions from the PSPRS net assets held in trust for benefits consist primarily of pension, disability, survivor benefits, member refunds and administrative expenses. For FY 2015, the benefit deductions totaled \$679.38 million, an increase of 8.58% from the \$625.68 million paid during FY 2014. Refunds and service transfers decreased \$564 thousand over the prior year which equates to a decrease of 3.89%. Refunds represent a return of contributions held on account when a member leaves employment. Administrative expenses decreased 2.92%.

PSPRS had a prior period adjustment of \$4.85 million due to GASB employer pension requirements.

EORP
SUMMARY COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
(IN THOUSANDS)*

	PENSION		HEALTH INSURANCE		EORP TOTAL		EORP TOTAL	
	2015	2014	2015	2014	2015	2014	CHANGE	% CHANGE
ADDITIONS								
Total Contributions and Service Purchase	38,438	38,835	0	1,072	38,438	39,907	(1,469)	-3.68%
Net Investment Income (Loss)	11,075	38,905	804	2,663	11,879	41,568	(29,689)	-71.42%
Service Transfers	26	99	0	0	26	99	(73)	-73.74%
Total Additions (Reductions)	49,539	77,839	804	3,735	50,343	81,574	(31,231)	-38.29%
DEDUCTIONS								
Benefits	54,453	53,984	957	951	55,410	54,935	475	0.86%
Service Transfers and Refunds	173	178	0	0	173	178	(5)	-2.81%
Administrative Expenses	298	316	22	0	320	316	4	1.27%
Total Deductions	54,924	54,478	979	951	55,903	55,429	474	0.86%
Prior-Period Adjustment	(251)	0	0	0	(251)	0	(251)	N/A
Net Increase (Decrease)	(5,636)	23,361	(175)	2,784	(5,811)	26,145	(31,956)	-122.23%
Balance Beginning of Year - July 1	314,305	290,944	22,773	19,989	337,078	310,933	26,145	8.41%
Balance End of Year - June 30	308,669	314,305	22,598	22,773	331,267	337,078	(5,811)	-1.72%

***Summary Comparative Statements of Changes in Plan
Fiduciary Net Position Analysis***

Employer and employee contributions for FY2015 decreased \$1.47 million during fiscal year 2015 due to the closing of the EORP plan to new members. For FY2015, EORP recognized a net investment gain of \$11.88 million which compares to a \$41.57 million gain in the previous year. This 71.42% decrease was due to lower returns in the financial markets during the fiscal year.

Deductions from the EORP net assets held in trust for benefits consist primarily of pension, disability, survivor benefits, member refunds and administrative expenses. For FY 2015, the benefit deductions totaled \$55.41 million, an increase of 0.86% from the \$54.94 million paid during FY 2014. Refunds and service transfers decreased \$5 thousand over the prior year which equates to a decrease of 2.81%. Refunds represent a return of contributions held on account when a member leaves employment. Administrative expenses increased 1.27%.

EORP had a prior period adjustment of \$251 thousand due to GASB employer pension requirements.

CORP
SUMMARY COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
(IN THOUSANDS)*

	PENSION		HEALTH INSURANCE		CORP TOTAL		CORP TOTAL	
	2015	2014	2015	2014	2015	2014	CHANGE	% CHANGE
ADDITIONS								
Total Contributions and Service Purchase	109,313	105,317	6,209	5,477	115,522	110,794	4,728	4.27%
Net Investment Income (Loss)	43,281	145,434	3,563	10,977	46,844	156,411	(109,567)	-70.05%
Service Transfers	24	44	0	0	24	44	(20)	-45.45%
Total Additions (Reductions)	152,618	250,795	9,772	16,454	162,390	267,249	(104,859)	-39.24%
DEDUCTIONS								
Benefits	97,252	91,320	3,074	2,728	100,326	94,048	6,278	6.68%
Service Transfers and Refunds	27,462	29,569	0	0	27,462	29,569	(2,107)	-7.13%
Administrative Expenses	1,086	1,143	89	0	1,175	1,143	32	2.80%
Total Deductions	125,800	122,032	3,163	2,728	128,963	124,760	4,203	3.37%
Prior-Period Adjustment	(986)	0	0	0	(986)	0	(986)	N/A
Net Increase (Decrease)	25,832	128,763	6,609	13,726	32,441	142,489	(110,048)	-77.23%
Balance Beginning of Year - July 1	1,179,726	1,050,963	95,012	81,285	1,274,738	1,132,248	142,490	12.58%
Balance End of Year - June 30	1,205,558	1,179,726	101,621	95,011	1,307,179	1,274,737	32,442	2.54%

***Summary Comparative Statements of Changes in Plan
Fiduciary Net Position Analysis***

Employer and employee contributions for FY2015 increased \$4.73 million due to increased employee and employer contribution rates during fiscal year 2015. For FY 2015, CORP recognized a net investment gain of \$46.84 million which compares to a \$156.41 million gain in the previous year. This 70.05% decrease was due to lower returns in the financial markets during the fiscal year.

Deductions from the PSPRS net assets held in trust for benefits consist primarily of pension, disability, survivor benefits, member refunds and administrative expenses. For FY 2015, the benefit deductions totaled \$100.33 million, an increase of 6.68% from the \$94.05 million paid during FY 2013. Refunds and service transfers decreased \$2.11 million over the prior year which equates to a decrease of 7.13%. Refunds represent a return of contributions held on account when a member leaves employment. This increase is due to current economic conditions that have led to layoffs and reduction of many governmental services. Administrative expenses increased 2.80%.

CORP had a prior period adjustment of \$986 thousand due to GASB employer pension requirements.

CORP-AOC SUMMARY COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION (IN THOUSANDS)*								
	PENSION		HEALTH INSURANCE		CORP-AOC TOTAL		CORP-AOC TOTAL	
	2015	2014	2015	2014	2015	2014	CHANGE	% CHANGE
ADDITIONS								
Total Contributions and Service Purchase	26,175	24,684	1,378	1,204	27,553	25,888	1,665	6.43%
Net Investment Income (Loss)	11,804	37,419	251	687	12,055	38,106	(26,051)	-68.36%
Service Transfers	155	253	0	0	155	253	(98)	-38.74%
Total Additions (Reductions)	38,134	62,356	1,629	1,891	39,763	64,247	(24,484)	-38.11%
DEDUCTIONS								
Benefits	19,131	15,768	318	309	19,449	16,077	3,372	20.97%
Service Transfers and Refunds	1,651	1,377	0	0	1,651	1,377	274	19.90%
Administrative Expenses	293	294	6	0	299	294	5	1.70%
Total Deductions	21,075	17,439	324	309	21,399	17,748	3,651	20.57%
Prior-Period Adjustment	(269)	0	0	0	(269)	0	(269)	N/A
Net Increase (Decrease)	16,790	44,917	1,305	1,582	18,095	46,499	(28,404)	-61.09%
Balance Beginning of Year - July 1	317,519	272,602	6,312	4,729	323,831	277,331	46,500	16.77%
Balance End of Year - June 30	334,309	317,519	7,617	6,311	341,926	323,830	18,096	5.59%

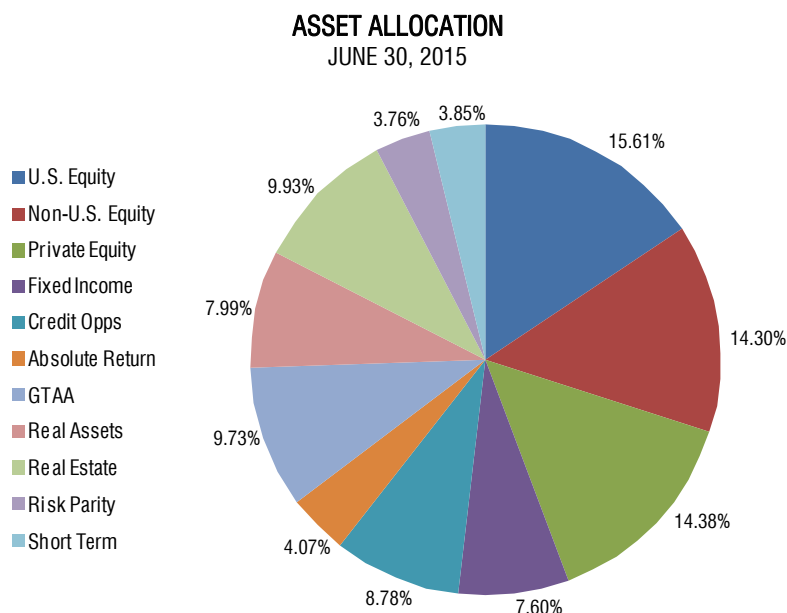
**Summary Comparative Statements of Changes in Plan
Fiduciary Net Position Analysis**

Employer and employee contributions for FY2015 increased \$1.67 million due to increased employee and employer contribution rates during fiscal year 2015. For FY 2015, CORP-AOC recognized a net investment gain of \$12.06 million which compares to a \$38.11 million gain in the previous year. This 68.36% decrease was due to lower returns in the financial markets during the fiscal year.

Deductions from the CORP-AOC net assets held in trust for benefits consist primarily of pension, disability, survivor benefits, member refunds and administrative expenses. For FY 2015, the benefit deductions totaled \$19.45 million, an increase of 20.97% from the \$16.08 million paid during FY 2014. Refunds and service transfers increased \$274 thousand over the prior year which equates to 19.90%. Refunds represent a return of contributions held on account when a member leaves employment. Administrative expenses increased 1.70%.

CORP-AOC had a prior period adjustment of \$269 thousand due to GASB employer pension requirements.

INVESTMENT ACTIVITIES



During FY2007 the Board of Trustees adopted a more diversified asset allocation policy and began an asset management restructuring that has been deployed over the past six years. As illustration, at the end of FY2007, 72.8% of the entire investment portfolio was invested in equities versus 29.91% at the end of FY2015. Fixed income had remained about 19% of the entire portfolio prior to being reduced to 7.60% in FY2015. However, alternative investments have increased from 3.5% in FY2007 to 58.64% in FY2015.

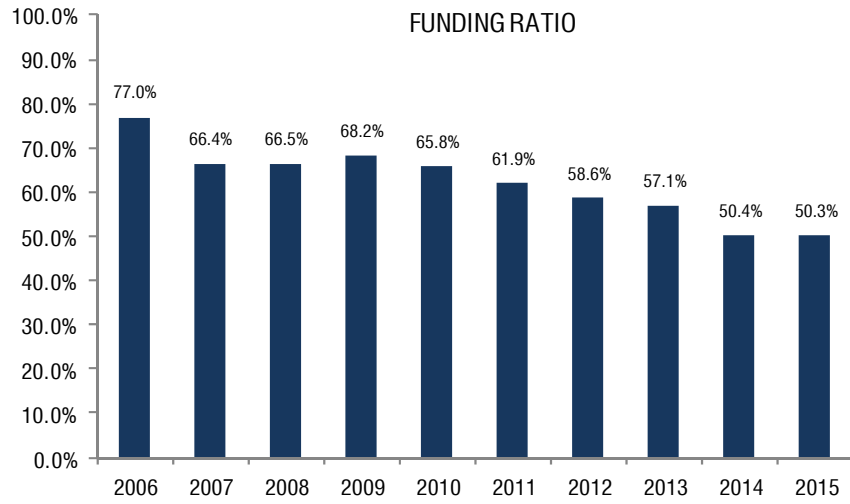
At June 30, 2015, the System held \$3.69 billion in equities. The FY2015 rate of return for the System's equities was 1.17% versus a benchmark rate of return of 1.36%. At June 30, 2015, the System held \$633.71 million in fixed income securities.

The FY2015 rate of return for the System's fixed income securities was 2.19% versus a benchmark rate of return of -7.09%. The benchmarks for both equities and fixed income securities are representative of the returns that could be expected in a similar investing environment. More detailed information regarding the Trust's investment portfolio can be found in the investment section of this report.

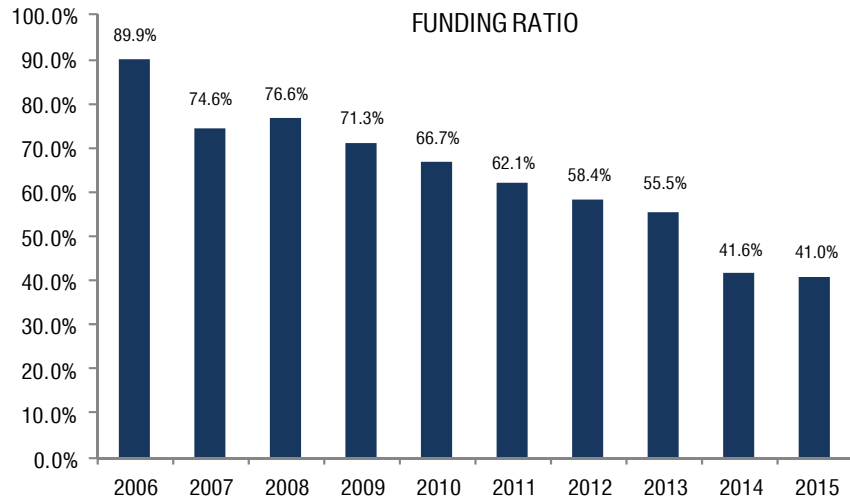
The System earns additional income by lending investment securities to brokers. This was done on a pooled basis by our custodial bank (BNY Mellon Bank). The brokers provide collateral and generally use the borrowed securities to cover short trades and failed trades.

HISTORICAL TRENDS

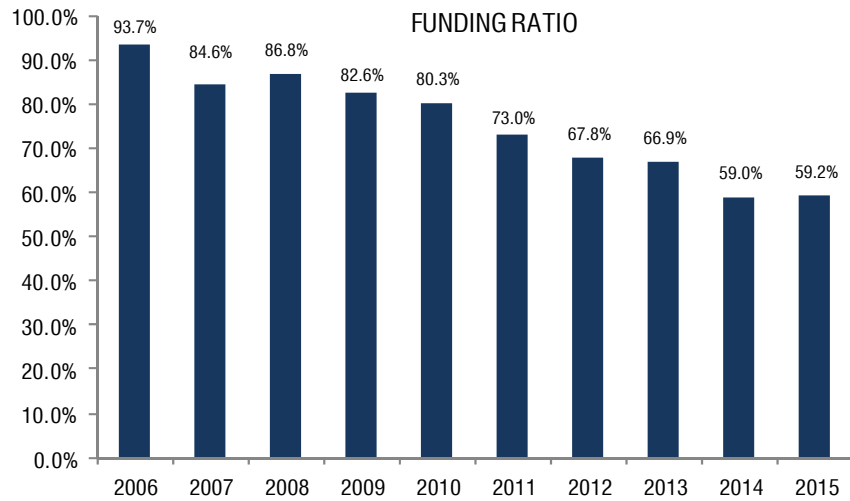
PSPRS



EORP



CORP



THIS PAGE INTENTIONALLY BLANK

COMBINED STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015 WITH COMPARATIVE TOTALS FOR 2014

	PSPRS PENSION	PSPRS HEALTH INS	EORP PENSION	EORP HEALTH INS	CORP PENSION
ASSETS					
Cash and Short-Term Investments	286,022,048	14,417,362	14,882,783	1,057,974	58,055,491
RECEIVABLES					
Member Contributions	5,429,076	0	216,041	0	453,478
Employer Contributions	14,763,066	0	430,052	0	704,352
Health Insurance Contributions	0	727,059	0	0	0
Court Fees	0	0	684,590	0	0
Interest and Dividends	5,613,638	278,846	285,160	20,462	1,122,216
Investment Sales	12,936,687	658,746	657,100	48,340	2,585,026
Other	7,733,833	6,665	1,031,846	480	81,444
Total Receivables	46,476,300	1,671,316	3,304,789	69,282	4,946,516
INVESTMENTS AT FAIR VALUE (NOTES 8,9)					
U.S. Equity	904,004,857	46,032,653	45,917,627	3,377,963	180,639,467
Non U.S. Equity	856,590,072	43,618,254	43,509,260	3,200,790	171,164,980
GTAA	588,714,003	29,977,790	29,902,881	2,199,827	117,637,624
Fixed Income	458,751,019	23,359,970	23,301,598	1,714,199	91,668,246
Credit Opportunities	530,831,860	27,030,385	26,962,841	1,983,541	106,071,537
Private Equity	868,628,142	44,231,242	44,120,717	3,245,772	173,570,443
Real Assets	482,783,756	24,583,736	24,522,307	1,804,001	96,470,499
Real Estate	600,256,250	30,565,530	30,489,152	2,242,957	119,944,011
Absolute Return	246,075,225	12,530,348	12,499,037	919,501	49,171,082
Risk Parity	226,194,684	11,518,015	11,489,233	845,214	45,198,526
Total Investments	5,762,829,868	293,447,923	292,714,653	21,533,765	1,151,536,415
Securities Lending Collateral	248,112,731	12,634,099	12,602,529	927,114	49,478,434
CAPITAL ASSETS (NOTE 10)					
Land	495,436	0	33,145	0	67,819
Building	3,719,420	0	250,653	0	512,230
Furniture, Fixtures & Equipment	1,318,387	0	118,001	0	192,970
Total Capital Assets	5,533,243	0	401,799	0	773,019
Accumulated Depreciation	(2,146,693)	0	(171,611)	0	(294,601)
Net Capital Assets	3,386,550	0	230,188	0	478,418
Deferred Outflows	549,128	0	28,493	0	110,953
TOTAL PLAN ASSETS	6,347,376,625	322,170,700	323,763,435	23,588,135	1,264,606,227
LIABILITIES					
Accrued Accounts Payable	1,315,722	0	1,360,096	0	5,025,221
Investment Purchases Payable	16,869,157	858,991	856,845	63,034	3,370,818
Securities Lending Collateral	248,112,731	12,634,099	12,602,529	927,114	49,578,219
Employer Net Pension Liabilities (NOTE 15)	4,448,340	0	230,816	0	898,795
Total Plan Liabilities	270,745,950	13,493,090	15,050,286	990,148	58,873,053
Deferred Inflows	861,955	0	44,725	0	174,159
NET POSITION HELD IN TRUST FOR PENSION AND HEALTH INS BENEFITS	6,075,768,720	308,677,610	308,668,424	22,597,987	1,205,559,015
NET POSITION RESERVES					
Refundable Members' Reserve	1,345,966,186	0	55,947,367	0	326,134,012
Employers' Reserve	4,729,802,534	0	252,721,057	0	879,425,003
Health Insurance Reserve	0	308,677,610	0	22,597,987	0
Future Benefit Increase Reserve	0	0	0	0	0
Total Net Position Reserves	6,075,768,720	308,677,610	308,668,424	22,597,987	1,205,559,015

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

COMBINED STATEMENT OF FIDUCIARY NET POSITION (cont)
JUNE 30, 2015 WITH COMPARATIVE TOTALS FOR 2014

	CORP HEALTH INS	CORP-AOC PENSION	CORP-AOC HEALTH INS	2015 SYSTEM COMBINED TOTAL	2014 SYSTEM COMBINED TOTAL
ASSETS					
Cash and Short-Term Investments	4,754,977	16,096,889	354,415	395,641,939	352,470,088
RECEIVABLES					
Member Contributions	0	305,734	0	6,404,329	6,150,101
Employer Contributions	0	560,729	0	16,458,199	16,453,446
Health Insurance Contributions	55,859	0	46,663	829,581	835,943
Court Fees	0	0	0	684,590	682,629
Interest and Dividends	91,966	310,579	6,855	7,729,722	7,416,575
Investment Sales	217,260	715,420	16,194	17,834,773	44,954,542
Other	2,196	22,540	164	8,879,168	6,198,620
Total Receivables	367,281	1,915,002	69,876	58,820,362	82,691,856
INVESTMENTS AT FAIR VALUE (NOTES 8,9)					
U.S. Equity	15,181,987	49,992,956	1,131,602	1,246,279,112	1,338,792,127
Non U.S. Equity	14,385,696	47,370,841	1,072,250	1,180,912,143	1,131,099,809
GTAA	9,886,947	32,556,853	736,932	811,612,857	741,514,435
Fixed Income	7,704,330	25,369,686	574,249	632,443,297	766,789,526
Credit Opportunities	8,914,866	29,355,875	664,477	731,815,382	714,557,053
Private Equity	14,587,865	48,036,566	1,087,319	1,197,508,066	1,081,812,939
Real Assets	8,107,940	26,698,736	604,332	665,575,307	555,866,439
Real Estate	10,080,790	33,195,158	751,380	827,525,228	873,820,740
Absolute Return	4,132,623	13,608,365	308,028	339,244,209	318,148,555
Risk Parity	3,798,746	12,508,938	283,143	311,836,499	281,912,376
Total Investments	96,781,790	318,693,974	7,213,712	7,944,752,100	7,804,313,999
Securities Lending Collateral	4,166,841	13,820,827	310,579	342,053,154	585,741,320
CAPITAL ASSETS (NOTE 10)					
Land	0	18,769	0	615,169	615,169
Building	0	141,762	0	4,624,065	4,624,065
Furniture, Fixtures & Equipment	0	53,406	0	1,682,764	1,559,373
Total Capital Assets	0	213,937	0	6,921,998	6,798,607
Accumulated Depreciation	0	(81,532)	0	(2,694,437)	(2,444,216)
Net Capital Assets	0	132,405	0	4,227,561	4,354,391
Deferred Outflows	0	31,784	0	720,358	0
TOTAL PLAN ASSETS	106,070,889	350,690,881	7,948,582	8,746,215,474	8,829,571,654
LIABILITIES					
Accrued Accounts Payable	0	1,420,476	0	9,121,515	52,863,040
Investment Purchases Payable	283,303	932,892	21,116	23,256,156	28,900,558
Securities Lending Collateral	4,166,841	13,721,042	310,579	342,053,154	585,741,320
Employer Net Pension Liabilities (NOTE 15)	0	257,475	0	5,835,426	0
Total Plan Liabilities	4,450,144	16,331,885	331,695	380,266,251	667,504,918
Deferred Inflows	0	49,891	0	1,130,730	0
NET POSITION HELD IN TRUST FOR PENSION AND HEALTH INS BENEFITS	101,620,745	334,309,105	7,616,887	8,364,818,493	8,162,066,736
NET POSITION RESERVES					
Refundable Members' Reserve	0	82,383,224	0	1,810,430,789	1,699,305,150
Employers' Reserve	0	251,925,881	0	6,113,874,475	6,041,040,548
Health Insurance Reserve	101,620,745	0	7,616,887	440,513,229	414,993,297
Future Benefit Increase Reserve	0	0	0	0	6,727,741
Total Net Position Reserves	101,620,745	334,309,105	7,616,887	8,364,818,493	8,162,066,736

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

COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE TOTALS FOR 2014

	PSPRS PENSION	PSPRS HEALTH INS	EORP PENSION	EORP HEALTH INS	CORP PENSION
ADDITIONS					
Contributions					
Members' Contributions (NOTES 2,11)	154,359,120	0	8,471,736	0	42,816,526
Employers' Contributions (NOTES 2,11)	445,332,135	0	15,314,839	0	65,768,453
Health Insurance Contributions (NOTES 2,11)	0	21,480,853	0	0	0
Non-Employer Entity Contributions (NOTE 11)	0	0	5,000,000	0	0
Court Fees	0	0	8,285,993	0	0
Members' Service Purchase	10,432,945	0	642,052	0	479,413
Legacy Contributions	0	0	607,432	0	0
Alternate Employer Contributions	2,765,422	0	115,790	0	248,348
Total Contributions	612,889,622	21,480,853	38,437,842	0	109,312,740
Investment Income					
<i>From Investing Income</i>					
Net Appreciation (Depreciation) in Market Value of Inv. (NOTE 8)	178,078,342	8,900,651	9,064,255	657,692	35,737,172
Interest	3,944,859	197,171	203,415	14,760	788,491
Dividends	39,658,369	1,982,191	2,034,552	147,625	7,930,788
Other Income	89,758,860	4,486,297	4,625,289	335,606	17,893,282
<i>From Securities Lending Activities</i>					
Security Lending Activities (NOTE 9)					
Securities Lending Income	648,182	32,397	33,193	2,408	129,626
Borrower Rebates	1,437,206	71,834	73,598	5,340	287,418
Agents Share of Income	(312,243)	(15,606)	(15,990)	(1,160)	(62,444)
Net Securities Lending Income	1,773,145	88,625	90,801	6,588	354,600
Total Investment Income (Loss)	313,213,575	15,654,935	16,018,312	1,162,271	62,704,333
Less Investment Expense	(96,927,843)	(4,844,615)	(4,943,422)	(358,689)	(19,423,043)
Net Investment Income (Loss)	216,285,732	10,810,320	11,074,890	803,582	43,281,290
Transfers Into System	364,593	0	25,862	0	24,172
Total Additions	829,539,947	32,291,173	49,538,594	803,582	152,618,202
DEDUCTIONS					
Pension Benefits (NOTE 1)	560,333,924	0	54,453,000	0	95,459,795
DROP Benefits (NOTE 1)	104,804,268	0	0	0	1,791,906
Health Insurance Subsidy	0	14,242,152	0	956,773	0
Refunds To Terminated Members (NOTE 1)	13,897,612	0	173,427	0	26,757,384
Administrative Expenses	5,386,939	268,720	297,535	21,589	1,085,719
Transfers To Other Plans	23,119	0	0	0	704,263
Total Deductions	684,445,862	14,510,872	54,923,962	978,362	125,799,067
Prior-Period Adjustment	4,849,493	0	250,518	0	986,044
NET INCREASE (DECREASE)	140,244,592	17,780,301	(5,635,886)	(174,780)	25,833,091
NET POSITION HELD IN TRUST					
Beginning of Year, July 1	5,935,524,128	290,897,309	314,304,310	22,772,767	1,179,725,924
End of Year, June 30	6,075,768,720	308,677,610	308,668,424	22,597,987	1,205,559,015

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

COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (cont)
FOR THE YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE TOTALS FOR 2014

	CORP HEALTH INS	CORP-AOC PENSION	CORP-AOC HEALTH INS	2015 SYSTEM COMBINED TOTAL	2014 SYSTEM COMBINED TOTAL
ADDITIONS					
Contributions					
Members' Contributions (NOTES 2,11)	0	9,302,982	0	214,950,364	201,741,248
Employers' Contributions (NOTES 2,11)	0	16,539,579	0	542,955,006	505,461,234
Health Insurance Contributions (NOTES 2,11)	6,208,839	0	1,378,298	29,067,990	27,287,645
Non-Employer Entity Contributions (NOTE 11)	0	0	0	5,000,000	5,000,000
Court Fees	0	0	0	8,285,993	8,540,583
Members' Service Purchase	0	311,030	0	11,865,440	11,473,763
Legacy Contributions	0	0	0	607,432	17,519
Alternate Employer Contributions	0	21,042	0	3,150,602	2,469,376
Total Contributions	6,208,839	26,174,633	1,378,298	815,882,827	761,991,368
Investment Income					
<i>From Investing Income</i>					
Net Appreciation (Depreciation) in Market Value of Inv. (NOTE 8)	2,942,119	9,746,583	207,314	245,334,128	1,011,544,898
Interest	64,914	215,045	4,574	5,433,229	9,712,644
Dividends	652,915	2,162,961	46,007	54,615,408	57,406,703
Other Income	1,473,091	4,880,028	103,801	123,556,254	75,773,237
<i>From Securities Lending Activities</i>					
Security Lending Activities (NOTE 9)					
Securities Lending Income	10,672	35,353	752	892,583	908,674
Borrower Rebates	23,662	78,388	1,667	1,979,113	1,750,778
Agents Share of Income	(5,141)	(17,030)	(362)	(429,976)	(398,419)
Net Securities Lending Income	29,193	96,711	2,057	2,441,720	2,261,033
Total Investment Income (Loss)	5,162,232	17,101,328	363,753	431,380,739	1,156,698,515
Less Investment Expense	(1,599,032)	(5,297,239)	(112,675)	(133,506,558)	(163,432,705)
Net Investment Income (Loss)	3,563,200	11,804,089	251,078	297,874,181	993,265,810
Transfers Into System	0	155,013	0	569,640	1,170,695
Total Additions	9,772,039	38,133,735	1,629,376	1,114,326,648	1,756,427,873
DEDUCTIONS					
Pension Benefits (NOTE 1)	0	16,956,296	0	727,203,015	686,438,726
DROP Benefits (NOTE 1)	0	2,174,688	0	108,770,862	86,736,929
Health Insurance Subsidy	3,073,707	0	318,262	18,590,895	17,566,289
Refunds To Terminated Members (NOTE 1)	0	1,631,542	0	42,459,965	45,036,355
Administrative Expenses	89,252	292,526	5,783	7,448,062	7,579,835
Transfers To Other Plans	0	19,731	0	747,113	572,748
Total Deductions	3,162,959	21,074,783	324,045	905,219,912	843,930,882
Prior-Period Adjustment	0	268,924	0	6,354,979	0
NET INCREASE (DECREASE)	6,609,080	16,790,028	1,305,331	202,751,757	912,496,991
NET POSITION HELD IN TRUST					
Beginning of Year, July 1	95,011,665	317,519,077	6,311,556	8,162,066,736	7,249,569,745
End of Year, June 30	101,620,745	334,309,105	7,616,887	8,364,818,493	8,162,066,736

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

THIS PAGE INTENTIONALLY BLANK

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (PSPRS)

NOTE 1: PLAN DESCRIPTION PSPRS

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 plan 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 Board of Trustees and 237 local boards jointly administer the System.

The Board of Trustees consists of seven members. Members are appointed by the Governor to five year terms. The Board of Trustees is responsible for the investment of the Plan'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, paying benefits and the general protection and administration of the System. Substantial investment experience is required for the member of the Board that represents the state as an employer and the two public members of the Board.

Each eligible group participating in the System has a five-member local board. The chief elected official of the organization appoints three members 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, the timing of benefit payments, and the amount of benefits for its eligible group of employees. The various governing bodies pay all costs associated with the administration of the local boards.

The addition or deletion of eligible groups does not require the approval of the other participating employers. The Board of Trustees approves new eligible groups for participation. The PSPRS is reported as a component unit of the State of Arizona.

At June 30, 2015 and 2014, the number of participating local government employer groups was:

GROUP	2015	2014
Municipalities	143	143
County Agencies	21	21
State Agencies	10	10
Special Districts	63	63
Total Employers	237	237

Any state, county or city in the State of Arizona may elect to have its paid, full-time eligible employees (generally, firefighters and police officers in hazardous duty positions) covered by PSPRS. At June 30, 2015 and 2014, statewide PSPRS membership consisted of:

MEMBERSHIP TYPE	RETIREMENT PLAN		INSURANCE SUBSIDY	
	2015	2014	2015	2014
Retirees	11,034	10,524	7,343	6,965
Terminated Vested	1,675	1,563	-	-
DROP	1,923	1,559	-	-
Current Vested	9,781	9,492	-	-
Current Non-Vested	8,628	9,034	-	-
Total Members	33,041	32,172	7,343	6,965

PSPRS provides retirement benefits as well as death and disability benefits. Generally, all benefits vest after five years of credited service.

A summary of benefit and plan provisions follows:

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (PSPRS)

SUMMARY OF BENEFITS PSPRS

PURPOSE

To provide a uniform, consistent and equitable statewide program for public safety personnel who are regularly assigned to 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. A.R.S. §38-841

AVERAGE MONTHLY BENEFIT

Employees who became a member of the System on or before December 31, 2011: An average of your highest **36** consecutive months of compensation (salary) within the last 20 years of credited service A.R.S. § 38-842 (7).

Employees who became a member of the System on or after January 1, 2012: An average of your highest **60** consecutive months of compensation (salary) within the last 20 years of credited service. A.R.S. § 38-842 (7).

Compensation includes base wages, shift and military differential wage pay, compensatory time used by an employee in lieu of overtime not otherwise paid by an employer, holiday and overtime pay that is paid to an employee by the employer for the employee’s performance of services in an eligible group on a regular monthly, semi-monthly, or biweekly payroll basis as well as any longevity pay paid to an employee at least every six months for which contributions are made to the system. For the purposes of computing retirement benefits, compensation does not include unused sick leave, unused compensatory time, payment in lieu of vacation, “fringe” benefit pay (such as uniform allowance, cell phone or mileage reimbursement) and any payments made directly or indirectly by the employer to the employee for work performed for a third party on a contracted basis except for third party contracts in certain situations. A.R.S. § 38-842(12).

BENEFIT INCREASE (PBI)

Statutes determine the Permanent Benefit Increase (PBI) eligibility for the retiree’s/survivor’s and how it is calculated pursuant to A.R.S. §§ 38-856 and 38-856.02 However, the Fields Lawsuit determines who is eligible for the increase using OLD OR NEW LAW based on the effective retirement date as stated below:

OLD LAW: based on retired effective date on/before July 1, 2011: The old law requires that the System/Plans have a 9% rate of return and that one-half of the excess earnings over 9% go into a reserve account. However, since we did not meet the 9% rate of return and the PSPRS reserve account had been depleted in fiscal year 2014/15, we are unable to grant an increase for this fiscal year, 2015/16.

NEW LAW: based on retired effective date on/after August 1, 2011: The new law requires that the plans have a 10.5% rate of return and the funding level of the System/Plans to be at a minimum of 60% in order to award a 2% increase. However, since we did not meet the 10.5% rate of return and the funding levels for PSPRS is not currently greater than 60%, we are unable to grant an increase for this fiscal year, 2015/16.

The chart below details the eligibility criteria based on your membership (hire) date. :

Members of the plan BEFORE January 1, 2012:
A. Retired member/survivor was receiving benefits on/before July 31 of two (2) previous years.
B. Retired member/survivor was age 55 on July 1 and receiving Benefits on/before July 31 of previous year.
Members of the plan AFTER January 1, 2012:
A. Age 55 on July 1 and is receiving benefits.
B. Under age 55 on July 1 and was receiving an accidental disability and was receiving benefits on/before July 31 of two (2) previous years.
C. Survivor under 55 on July 1, is survivor of KIA and receiving benefits on/before July 31 of two (2) previous years.

From and after December 31, 2015, legislature may enact permanent one-time benefit increases after an analysis of the effect of the increase on the System by the Joint Legislative Budget Committee (JLBC). A.R.S. § 38-856.03.

The reserve balance as of June 30, 2015 is \$0.00.

CANCER INSURANCE

A cancer insurance program is administered by the PSPRS for eligible fire fighters and peace officers. A.R.S. §§ 38-641 through 38-645.

CONTRIBUTIONS

From July 1, 2014 through June 30, 2015, each member shall contribute 11.65% of compensation to the System on a pre-tax basis by payroll deduction. The contribution rate for members will change each fiscal year. A.R.S. §38-843 (E).

A member may not, under any circumstance, borrow from, take a loan against or remove contributions from the member’s account before the termination of membership in the plan or the receipt of a pension. A.R.S. § 38-843(C).

A County employer that elected to pay a higher level percentage contribution rate may eliminate that higher level percentage contribution rate amount for members who are hired on or after January 1, 2015. A.R.S. § 38-843 (B).

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (PSPRS)

CREDITED SERVICE

Credited service is defined as service for which contributions are paid into the system on behalf of the employee. Any leaves without pay, either voluntary or involuntary, are not credited service. Therefore, if a member was on a leave and not receiving salary during this period of time, the member would accrue service, but not credited service. A.R.S. § 38-842(13).

DEATH BENEFITS - ACTIVE MEMBER

Pursuant to statutes, an AUTOMATIC survivor benefit will pay your eligible spouse* and eligible child(ren)**. If there is no eligible spouse or eligible child(ren), the balance of the applicable contributions, if any, will be paid to the named beneficiary(ies) on file. If there is no beneficiary, your Local Board will determine the next-of-kin, or estate. A.R.S. 38-846(I).

* Proof of recorded/filed marriage license/certificate with the Clerk of the Court or County Clerk will be required. Failure to provide it may affect the continuation of health insurance and surviving spouse benefits. If you are receiving a monthly benefit, statute requires two (2) consecutive years of marriage.

** Definition of an "eligible child" is unmarried, under the age of 18, and/or attending full-time school between the ages of 18 to 23, plus disabled child(ren) if disability occurred before the age of 23 and who is(are) a dependent of the member.

Note: Divorce automatically terminates the ex-spouse as the member's beneficiary. To maintain an ex spouse as a beneficiary, you **must** complete a *Beneficiary Designation Form* and/or a *DROP Beneficiary Designation Form*, as applicable, after the date of the divorce.

Depending if you are working, inactive, retired, or DROP, read below for additional beneficiary details.

Spouse's Pension. The surviving spouse of an active member will receive a Spouse's Pension each month for lifetime. The Spouse's Pension is 80% of the pension based on the calculation for an accidental disability retirement. If the member was killed in the line of duty, the spouse will receive a lifetime monthly benefit of 100% of the member's average monthly benefit compensation less the "Child's Pension" stated below (if applicable). A.R.S. § 38-846, AND

Child's Pension. The surviving eligible child(ren) will receive a Child's Pension up to 20% (in equal shares, but no more than 10% per eligible child) each month based on the calculation for an accidental disability retirement until each (unmarried) child turns 18, or under 23 years of age only during any period that the (unmarried) child is a full-

time student. An eligible Child's Pension shall become payable directly to the eligible child when the eligible child reaches the age of 18, if the child remains eligible to receive the pension and is not subject to a guardianship or conservatorship due to disability or incapacity. A.R.S. §§ 38-842(23) and 38-846, OR

Guardian Benefit. If there is no surviving spouse, or the pension of the surviving spouse is terminated, and there is at least one (1) eligible child, a Guardian Benefit of 80% (based on the calculation for a Spouse's Pension) and the applicable Child's Pension (based on the calculation for a Child's Pension) will be paid to the guardian of the (unmarried) eligible child(ren) until the child turns 18, or under 23 years of age only during any period that the (unmarried) child is a full-time student. If a Guardian Benefit is paid to a disabled child (the child's disability occurred prior to the age of 23) and remains a dependent of the guardian, the benefit is payable to the guardian or conservator for the lifetime of the child. A.R.S. § 38-842(23) and 38-846. If the member was killed in the line of duty, the Guardian Benefit is 100% of the member's average monthly benefit compensation (less the Child's Pension if applicable), OR

Balance of Contributions. If there is no surviving spouse or eligible child(ren), the member's named beneficiary on file will receive the member's accumulated contributions. If the surviving beneficiary does not apply for the benefit within twelve months from the date of the member's death, the Local Board has the authority to pay the member's nearest of kin, or estate. A.R.S. § 38-846(I).

DEATH BENEFITS - INACTIVE MEMBER

Balance of Contributions. If the member was inactive, the member's named beneficiary on file will receive the member's accumulated contributions. If the surviving beneficiary does not apply for the benefit within twelve months from the date of the member's death, the Local Board has the authority to pay the member's nearest of kin, or estate. A.R.S. §§ 38-842(30) and 38-846(I).

DEATH BENEFITS - RETIRED/DROP MEMBER

Spouse's Pension. If married for at least two (2) consecutive years at the time of the member's death, the surviving spouse will receive a Spouse's Pension each month for lifetime based on 80% of the member's pension benefit. A.R.S. § 38-846, AND

Child's Pension. The surviving eligible child(ren) will receive a Child's Pension up to 20% (in equal shares, but no more than 10% per eligible child) each month based on the member's pension until each (unmarried) child turns 18, or under 23 years of age only during any period that the (unmarried) child is a full-time student.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (PSPRS)

An eligible Child's Pension shall become payable directly to the eligible child when the eligible child reaches the age of 18, if the person remains eligible to receive the pension and is not subject to a guardianship or conservatorship due to disability or incapacity. A.R.S. §§ 38-842(23) and 38-846, OR

Guardian Benefit. If there is no surviving spouse, or the pension of the surviving spouse is terminated, and there is at least one eligible child, a Guardian Benefit of 80% (based on the member's pension) and the applicable Child's Pension (based on the member's pension) will be paid to the guardian of the (unmarried) eligible child(ren) until the child turns 18, or under 23 years of age only during any period that the (unmarried) child is a full-time student. If a Guardian Benefit is paid to a disabled child (the child's disability occurred prior to the age of 23) and remains a dependent of the guardian, the benefit is payable for the lifetime of the child. A.R.S. § 38-842(23) and 38-846, OR

Balance of Contributions. If there is no surviving spouse or eligible child(ren), the member's named beneficiary on file will receive the balance of the member's accumulated contributions less the pension payments made to the member. If the surviving beneficiary does not apply for the benefit within twelve months from the date of the member's death, the Local Board has the authority to pay the member's nearest of kin, or estate. A.R.S. § 38-846(I).

DROP LUMP SUM PAYMENT

DROP Beneficiary. As per the *DROP Beneficiary Designation* form on file, the member's named beneficiary will be paid the accrued DROP monies. A.R.S. § 38-844.07.

ACCIDENTAL DISABILITY

A physical or mental condition which totally and permanently prevents an employee from performing a reasonable range of duties within the employee's job classification that was incurred in the performance of the employee's duties and was not the result of a physical or mental condition or injury that existed or occurred before the employee's date of membership in the System. A member shall file an application for a disability pension after the disabling incident or within one year after the date the member ceases to be an employee. A.R.S. §§ 38-842(1) and 38-844.

Eligibility for an accidental disability will be determined by the Local Board upon an independent medical examination. For members with a membership date on or before December 31, 2011, the monthly benefit is 50% of the member's average monthly compensation, or the normal pension amount, whichever is greater. For members with a membership date on or after January 1, 2012, the monthly benefit is 62.5% of the member's average monthly compensation less a 4% reduction for each year

of credited service under 25 years, or the normal pension amount, whichever is greater (but not less than 50% of the average monthly compensation). (There is no age or credited service requirement.) The Local Board may require periodic medical re-evaluations and the accidental disability may terminate if the Local Board finds the member no longer meets the requirements for the disability benefit and refuses an offer of employment by an employer in the system. A.R.S. §§ 38-844 and 38-845.

CATASTROPHIC DISABILITY

A physical (not mental) condition or injury that totally and permanently prevents an employee from engaging in any gainful employment that was incurred in the performance of the employee's duties and that did not exist or occur before the employee's date of membership in the System. A member shall file an application for a disability pension after the disabling incident or within one year after the date the member ceases to be an employee by reason of disability. A.R.S. §§ 38-842(9) and 38-844.

Eligibility for a catastrophic disability will be determined by the Local Board upon an independent medical examination. The monthly benefit is 90% of average monthly benefit compensation for first 60 months then reduced to either 62.5% of the average monthly benefit compensation, or normal pension amount, whichever is greater. (There is no credited service requirement.) The Local Board may require periodic medical re-evaluations and the catastrophic disability may terminate if the Local Board finds the member no longer meets the requirements for the disability benefit. A.R.S. §§ 38-844 and 38-845 and Section 11.

ORDINARY DISABILITY

A physical condition that totally and permanently prevents an employee from performing a reasonable range of duties within the employee's department, or a mental condition that totally and permanently prevents the employee from engaging in any substantial gainful activity. The physical or mental condition or injury did not occur before the employee's date of membership in the System. A member shall file an application for a disability pension after the disabling incident or within one year after the date the member ceases to be an employee by reason of disability. A.R.S. §§ 38-842(34) and 38-844.

Eligibility for an ordinary disability will be determined by the Local Board upon an independent medical examination. For all members, the monthly benefit is a percentage of normal retirement based on the employee's years of credited service (maximum of 20 years) divided by twenty (20). The Local Board may require periodic medical re-evaluations and the ordinary disability may terminate if the Local Board finds that the member no longer meets the requirements for the disability benefit and refuses an offer of employment by an employer in the system. A.R.S. §§ 38-844 and 38-845.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (PSPRS)

TEMPORARY DISABILITY

A physical or mental condition that totally and temporarily prevents an employee from performing a reasonable range of duties within the employee's department and that was incurred in the performance of the employee's duties. The monthly benefit is one-twelfth of 50% of annual compensation at time of disability. (There is no credited service requirement.) The disability pension will be paid for no more than twelve (12) months, or if the member returns to work, or if the Local Board deems the member is no longer under temporary disability, whichever occurs first. The member must terminate employment by reason of disability in order to receive this benefit. A.R.S. §§ 38-842(47), 38-844 and 38-845.

DIVORCE / DOMESTIC RELATIONS ORDER (DRO)

If the member has been involved in a divorce(s), please provide the PSPRS with a complete copy of the Divorce Decree(s) and any attachments or exhibits if referenced in the Decree(s). Upon receipt, additional correspondence will be provided to the parties. If the retirement account is required to be split, a Domestic Relations Order (DRO) will need to be prepared. To ensure that the language in the DRO is acceptable, it is recommended to provide the PSPRS with a draft copy of the DRO for review and approval prior to submitting it to the court. A.R.S. § 38-860.

DEFERRED RETIREMENT OPTION PLAN (DROP)

**Employees who became a member on or before December 31, 2011 that have AT LEAST 20 years of credited service on January 1, 2012 and enter into DROP either prior to or after January 1, 2012 may voluntarily and irrevocably enter into the DROP program with the employer for a period of up to sixty (60) months (i.e., 5 years). The member's monthly benefit is calculated based upon the years of credited service and average monthly compensation at the beginning of the DROP period and that same amount is credited to the DROP account with interest (subject to change each fiscal year). Currently, the interest rate is 7.5% from July 1, 2014 through June 30, 2015.*

Additionally, during the DROP period, the member remains as a full-time employee and contributions will not be paid by the employee or the employer and the employee will not earn any additional credited service. At the end of the sixty (60) months (or prior to that time), the member terminates employment and the monies accrued in DROP will be paid as a lump-sum either directly to the member (less mandated taxes), or as a rollover. The member will then begin receiving the monthly retirement benefit - which is the same amount that was calculated at the beginning of DROP. A.R.S. §§ 38-842, 38-844.02 through 38-844.09.

**Employees who became a member on or before December 31, 2011 that have LESS THAN 20 years of credited service on January 1, 2012 and enter into the DROP program after January 1, 2012, may voluntarily and irrevocably enter into*

the DROP program with the employer for a period of up to 60 months (5 years). The member's monthly benefit is calculated based upon the years of credited service and average monthly compensation at the beginning of the DROP period and that same amount is credited to the DROP account with interest (subject to change each fiscal year equal to the average annual return of the system - minimum 2%; maximum assumed earnings rate). The interest rate for the DROP account is 3.40% from July 1, 2014 through June 30, 2015. A.R.S. §§ 38-842, 38-844.02 through 38-844.09, and 38-844.06(B).

Additionally, during the DROP period, the member remains as a full-time employee and contributions will be paid by the employee ONLY (no contributions will be paid by the employer) at the same contribution rate previously being paid, but employee will not earn any additional credited service. At the end of the sixty (60) months (or prior to that time), the member terminates employment and the monies accrued in DROP will be paid as a lump-sum either directly to the member (less mandated taxes), or as a rollover. The member will then begin receiving the monthly retirement benefit - which is the same amount that was calculated at the beginning of DROP and will also receive the contributions made to the retirement system during period of time in DROP, plus interest (subject to change each fiscal year). The interest rate for the contributions made during the member's participation in DROP is 2.0%. A.R.S. §§ 38-842, 38-844.02 through 38-844.09, and 38-844.06(B).

**Employees who became a member on or after January 1, 2012 are not eligible to participate in DROP.*

As of June 30, 2015 the DROP balance is \$1,650,763,466. The liability for DROP for FY2015 is \$1,650,763,466.

ELIGIBILITY

Police officers who are certified peace officers and fire fighters are eligible to participate in the PSPRS if the employee's customary employment is for at least forty (40) hours per week for more than six (6) months in a calendar year and are regularly assigned to hazardous duties. Retroactive to January 1, 2009, police and fire chiefs are eligible to participate in the PSPRS. A.R.S. § 38-842 (24 and 31).

GARNISHMENTS

As permitted by statute and upon receipt of acceptable legal documentation directing our office, if the member is retired, we may withhold from a members retirement (or disability) benefit for child support payments, Domestic Relation Orders and/or Levy from the Internal Revenue Service (IRS). However, if we receive any other garnishment or judgment, or receive any garnishment or judgment for a member that is currently working, we will take it under advisement with the Arizona Attorney General's Office. A.R.S. § 38-850.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (PSPRS)

If you are retired (or receiving a disability retirement) and your child support payments are expected to stop, the clearinghouse or court will be required to provide our office with a stop order (i.e., Order Stopping Order of Assignment or Termination of Income Withholding Order, etc). Additionally, if your Levy is expected to stop, it is required that we receive a Release of Levy from the IRS.

Please note that child support and levy payments are taxable income to you. Therefore, if you would like to make any changes to your Federal and/or State withholding, you may access the withholding forms from the PSPRS website at <http://www.psprs.com/>. Benefit payments issued to an ex-spouse become taxable income to the ex-spouse; however, for additional information pursuant to the Domestic Relations Order, please refer to the “Divorce and Domestic Relations Order (DRO) FAQ.”

Our cut-off to process any changes to your account is the 10th of the month. If the orders are received by the clearinghouse, court or IRS by the 10th of the month, the change will occur with the payment paid at the end of that month. If received after the 10th of the month, the change will occur with the payment at the end of the following month.

HEALTH INSURANCE

Pursuant to A.R.S. §§ 38-857, 38-651.01 and 38-782, retirees and eligible survivors under the System that elect group health insurance and/or accident insurance coverage through the Arizona State Retirement System group plan (ASRS), the Arizona Department of Administration (ADOA) group plan, or a group plan through an employer of the PSPRS or CORP plans, the System may pay up to the following amount Premium Benefit amount:

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

Retirees with a membership (hire) date on/before September 11, 2013 that meet the “Returning to Work after Retirement” qualifications and that are re-employed by a participating PSPRS employer, may be eligible to have their active medical/dental insurance subsidized (*retroactive to September 2013*) up to the amount of the premium, but no more than the amount as allowed by statute. A.R.S. § 38-857.

New employees with a membership (hire) date on/after September 12, 2013 (or their eligible survivors), will not be eligible for the Premium Benefit when they retire and if they become re-employed with a PSPRS employer and participate in active health care coverage provided by the

members or survivors PSPRS employer. However, as stated in the beginning of this section, retirees and eligible survivors that elect **retiree** group health insurance may be eligible for the Premium Benefit. A.R.S. § 38-857

If a law enforcement officer, as defined in A.R.S. §38-1114, is killed in the line of duty, the eligible surviving spouse or dependent(s) are entitled to insurance benefits either by the former employer, or from the state retirement system from which the spouse or dependent is receiving benefits. The health insurance premium amount payable by the employer of the deceased law enforcement officer is the amount the employer of the deceased law enforcement officer would pay for an active law enforcement officer for a family coverage premium or single coverage premium, whichever is applicable. For additional eligibility requirements, refer to A.R.S. § 38-1114.

As of July 2013, pursuant to §§ 38-857 the board established a separate account for the health insurance and these funds cannot be used for any other benefits.

JOINDERS

Specific positions and employers may participate in the PSPRS if the governing body of the employer enters into a joinder agreement to bring such employees into the PSPRS. The joinder agreement shall be in accordance with the provisions of this System. Assets under any existing public employee defined benefit retirement program shall be transferred to the PSPRS within sixty (60) days after the employer’s effective date. A.R.S. § 38-851.

LOCAL BOARD

Each employer that participates in the PSPRS is required to be vested in a 5-person board that determines PSPRS eligibility and benefits pursuant to statutes. (If a member needs contact information for the Local Board Secretary or representative, the PSPRS can assist with providing the contact information.) A.R.S. § 38-847.

PURCHASE OF HANDGUN OR SHOTGUN

Upon retirement and subject to approval by the employer, the PSPRS retiree may purchase the handgun or shotgun issued by the employer to the employee at less than fair market value. A.R.S. § 38-845(H).

REFUNDS

Employees who became a member on or before December 31, 2011, pursuant to A.R.S. § 38-846.02 (A and B), upon termination of employment (for any reason other than death or retirement) within twenty (20) days after filing an application with the PSPRS, the member will receive a lump-sum payment of accumulated contributions (less any benefits paid or any amounts owed to the System) - thus, forfeiting all membership rights and credited service in the System upon receipt of refund of contributions.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (PSPRS)

If the member has five (5) or more years of credited service, an additional percentage of contributions will be refunded to the member according to the member's years of service as stated below:

5 to 5.9 years of service = 25% of additional member contributions.

6 to 6.9 years of service = 40% of additional member contributions.

7 to 7.9 years of service = 55% of additional member contributions.

8 to 8.9 years of service = 70% of additional member contributions.

9 to 9.9 years of service = 85% of additional member contributions.

10 or more years of service = 100% of member contributions plus 3% interest if left on deposit after 30 days.

Employees who became a member on or after January 1, 2012, pursuant to A.R.S. § 38-846.02 (C), upon termination of employment (for any reason other than death or retirement) within twenty (20) days after filing an application with PSPRS, shall receive a lump-sum payment, plus interest at a rate determined by the board (currently 3%) as of the date of termination, of ONLY their accumulated contributions (less any benefits paid or any amounts owed to the System) - thus, forfeiting all membership rights and credited service in the System upon receipt of refund of contributions. The member will NOT receive the additional percentage of contributions as stated above.

A member may not, under any circumstance, borrow from, take a loan against or remove contributions from the member's account before the termination of membership in the plan or the receipt of a pension. A.R.S. § 38-843(C).

RETIREMENT AND DEFERRED ANNUITY

Employees who became a member on or before December 31, 2011. **RETIREMENT:** Pursuant to A.R.S. §§ 38-842(7, 12, 13, 32 and 44) and 38-844 and 38-845, retirement benefits will commence the first day of month following termination of employment and based upon the following:

Age 62 with 15 years of service: 50% of the average monthly benefit compensation for the first 20 years of credited service. The pension is reduced by 4% per year for each year of credited service under 20 years. A.R.S. §§ 38-842(7 and 32) and 38-845(A)(1).

20 years of credited service: 50% of the average monthly benefit compensation for the first 20 years of credited service. A.R.S. §§ 38-842(7) and 38-845(A).

20 years of service with less than 20 years of credited service: 50% of the average monthly benefit compensation for the first 20 years of credited service. The pension is reduced by 4% per year for each year of credited service under 20 years. A.R.S. §§ 38-842(7 and 32) and 38-845(A)(1).

20 to 24.99 years of credited service: 50% of the average monthly benefit compensation for the first 20 years of credited service plus 2% of the average monthly benefit compensation for each year of credited service between 20 and 24.99. A.R.S. §§ 38-842(7) and 38-845(A)(2).

25 or more years of credited service: 50% of the average monthly benefit compensation for the first 20 years of credited service plus 2.5% of the average monthly benefit compensation for each year of credited service above 20 years - up to a maximum of 80% of the average monthly benefit compensation. A.R.S. §§ 38-842(7) and 38-845(A)(2).

DEFERRED ANNUITY: Inactive members (not making contributions to the System) that have at least (ten) 10 years of credited service may elect to receive a Deferred Annuity at the age of sixty-two (62). This annuity is a lifetime monthly payment that is actuarially equivalent to the member's accumulated contributions in the System plus an equal amount paid by the employer. This annuity is not a retirement benefit and annuitants are not entitled to survivor benefits, benefit increases, or the group health insurance subsidy. A.R.S. § 38-846.01(A).

Note for "inactive" members: For important death-benefit information, please refer to the Death Benefit section under "Inactive Member."

Employees who became a member on or after January 1, 2012. **RETIREMENT:** Pursuant to A.R.S. §§ 38-842(7, 12, 32 and 44) and 38-844 and 38-845, retirement benefits will commence the first day of month following termination of employment and based upon the following:

Age 52.5 with 25 years of service: 62.5% of the average monthly benefit compensation. Benefits will be reduced by 4% for each year of credited service under 25 years. A.R.S. §§ 38-842(7 and 32) and 38-845(G).

25 or more years of service: 62.5% of the average monthly benefit compensation for the first 25 years of credited service plus 2.5% of the average monthly benefit compensation for each year over 25 years of credited service - up to a maximum of 80% of the average monthly benefit compensation. The pension is reduced by 4% per year for each year of credited service under 25 years with a pro-rata reduction for any fractional years. A.R.S. §§ 38-842(7) and 38-845(G).

A member who attains the service requirement for a normal retirement, but does not meet the age requirement, may elect to leave contributions on account until reaching the age requirement and then elect to receive a retirement benefit - which would allow them to qualify for survivor benefits, benefit increases, and/or the group health insurance subsidy. A.R.S. § 38-846.01(B).

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (PSPRS)

DEFERRED ANNUITY: Employees who became a member on or after January 1, 2012 are not eligible for a Deferred "Annuity." However, see preceding paragraph. A.R.S. § 38-846.01 (B).

RETURN TO WORK AFTER RETIREMENT

You may return to work with the employer from which you retired and continue to receive your retirement benefits as long as you are **retired for one (1) year** from the effective date of your retirement. However, at ANY time following retirement, if you are re-employed in the same, or substantially similar position by the employer from which you retired, your retirement benefits will be suspended.

If you are hired in **any capacity** by the employer from which you retired before the year break, your retirement benefits will be suspended.

You can return to work with the employer from which you retired and continue to receive your retirement benefits as long as you are retired for a minimum of sixty (60) consecutive days from the effective date of your retirement and you were hired as a result of participating in an open, competitive, new-hire process for an entry-level, nonsupervisory position, or hired as a fire inspector, or arson investigator.

You may continue to receive your retirement benefits if you are assigned to voluntary duties (i.e., acting as a limited authority peace officer for an employer pursuant to the Arizona peace officer standards and training board rules).

If you are receiving an accidental or ordinary disability retirement (*and have not reached normal retirement*) and have become employed by any employer in a PSPRS covered position, your local board shall determine if you will continue to receive your retirement benefits. Upon eligibility for (re)retirement, the service from the disability retirement will be considered "service" and not "credited" service and your average monthly compensation will be based on the compensation from the new employment.

You cannot have an implicit or explicit pre-existing agreement with the employer from which you retired, whether written or verbal, to return to work, in any capacity.

If you return to work with the employer from which you retired, within ten (10) days of reemployment, the Local Board is required to notify our office of your reemployment. Additionally, the Local Board must make the determination of my return to work eligibility and will also need to detail their decision in the Local Board meeting minutes as well as the Local Board will be required to provide the PSPRS with the necessary documentation to review my return to work eligibility; otherwise, my retirement benefits may be suspended pending PSPRS review.

If you return to work with any employer, the Local Board must review and make the determination of my return to work eligibility and will also need to detail their decision in the Local Board meeting minutes as well as the Local Board will be required to provide the PSPRS with the necessary documentation to review my return to work eligibility; otherwise, my retirement benefits may be suspended pending PSPRS review.

If a retired member returns to work in any capacity in a position ordinarily filled by an employee, the employer is required to pay an **alternate contribution rate** to the PSPRS. From July 1, 2014 through June 30, 2015, the alternate contribution rate is 28.62%. Effective August 2, 2012, this section does not apply if the retired member is required to participate in another state retirement system and the retired member returned to work before July 20, 2011. A.R.S. § 38-843.05.

SERVICE PURCHASE

Purchase of Prior Active Military Service. Members who have at least ten (10) years of service with the System may purchase up to sixty (60) months of credited service for periods of active military service performed before employment with their current employer. A.R.S. § 38-858(A). Active members may also receive credited service limited to sixty (60) months if ordered/volunteered to active military service while working for the current employer if the criteria is met pursuant to A.R.S. § 38-858. The member shall pay the members contributions, upon which the employer shall make employer contributions. If member performs military service due to presidential call-up, the employer shall make the employer and employee contributions not to exceed forty-eight (48) months pursuant to A.R.S. § 38-858 (G). For more information, contact your employer.

Purchase of Prior Service from an Out-of-State Agency. Active members who have at least five (5) years of service with the System that have previous service 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. as a full-time paid fire fighter or full-time paid certified peace officer may elect to redeem up to sixty (60) months of any part of the prior service if the prior service is not on account with any other retirement system. A.R.S. § 38-853.01.

Purchase of Prior Forfeited Service within the SAME Retirement Plan. If a former member who becomes REEMPLOYED with the SAME EMPLOYER within two years after the former member's termination date, and applies with the System within ninety days of reemployment, may elect to purchase all of the previously forfeited credited service.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (PSPRS)

The amount required to reinstate the credited service is the amount previously withdrawn plus interest at the rate of 9% compounded annually from the date of withdrawal to the date of repayment and the reimbursement is required to be paid within one (1) year from the date of re-employment. A.R.S. § 38-849(C). (*Form P1B*) OR

If the statutory requirements above are not met, the member may still purchase some or all of the previously forfeited credited service calculated based on an amount computed by the System's actuary to equal the actuarial present value. A.R.S. § 38-849(C)(D), as applicable. (*Form P2*)

Purchase of Service between the Arizona Retirement Plans/Systems. Members of any of the four Arizona state retirement System/Plans that have credited service under another Arizona state retirement System/Plan may redeem the credited service to their current Arizona state retirement System/Plan by paying the full actuarial present value of the credited service into the current Arizona retirement System/Plan with the approval of the PSPRS or governing board. A.R.S. § 38-922.

Purchase of Service from Rural Metro/Contract Service. Active members that have previous service with a corporation that contracted with an employer now covered by the System to provide firefighting services on behalf of that employer as a full-time paid firefighter may purchase service subject to limitations pursuant to federal laws. A.R.S. §§ 38-842 and 38-853.01.

Purchase of Service with a PSPRS Employer Prior to Joinder Date. Active members of the System that had previous service in this state as an employee with an employer now covered by the System as a full-time paid fire fighter or full-time paid certified peace officer may elect to redeem any part of the prior service if the prior service is not on account with any other retirement system. A.R.S. § 38-853.01.

TAXATION OF RETIREMENT BENEFITS

All PSPRS retirement benefits in excess of \$2,500 annually will be subject to Arizona state tax. A.R.S. §§ 38-852 and 43-1022.

TRANSFERS

Transfer of Contributions between PSPRS Employers. (*Form P1A*). A member who terminates employment with an employer and accepts a position with the same or another employer participating in the system, after completing an application that is acceptable to the board shall have their credited service transferred to their record with the new employer if they leave their accumulated contributions on deposit with the System. The period not employed shall not be considered as service. A.R.S. § 38-853.

Transfer of Service between the Arizona Retirement Plans/Systems. (*Form U2*). Members of any of the four Arizona

state retirement System/Plans that have credited service under another Arizona state retirement System/Plan may transfer the credited service to their current Arizona state retirement System/Plan by transferring the full actuarial present value of the credited service into the current Arizona retirement System/Plan with the approval of the PSPRS or governing board. 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/Plan. A.R.S. §§ 38-921 and 38-922.

Transfer of Service between Municipal Retirement Systems and Special Retirement Plans. (*Form U2A*). An active or inactive member of a retirement System or Plan of a municipality of this state (*i.e., City of Phoenix and City of Tucson*) or of the PSPRS may transfer the service to their current retirement System or Plan based on the member's accumulated contributions plus interest, or the member may elect a reduced service amount to be transferred based on the actuarial present value. A.R.S. §§ 38-923 and 38-924.

This is not an official version of the Arizona Revised Statutes. If there are any differences or discrepancies, the official version will prevail.

NOTE 2: CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE PSPRS

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 the Entry Age Normal cost method. Unfunded actuarial accrued liabilities and assets in excess of actuarial accrued liabilities are being amortized as a level percent of payroll over a closed 21 year period. Beginning July 1, 2006, the minimum employer contribution rate increased from 5% to 8%. A.R.S. §38-843.

During the year ended June 30, 2015, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the System as of June 30, 2013. Employer contributions represented 31.03% of covered payroll [12.89% for normal costs (12.55% pension and 0.34% health insurance) and 19.65% for amortization of unfunded actuarial accrued liability in aggregate (18.48% pension and 1.17% health insurance subsidy)]. Member contributions represented 11.05% of covered payroll and are attributable to normal costs.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (EORP)

NOTE 1: PLAN DESCRIPTION EORP

ORGANIZATION

The Elected Officials' Retirement Plan (EORP), a pension trust fund of the State of Arizona, is a cost sharing multiple -employer public employee retirement plan established by Title 38, Chapter 5, Article 3 of the Arizona Revised Statutes, to provide benefits for elected officials and judges of certain state, county and local governments. The Board of Trustees of the Public Safety Personnel Retirement System (PSPRS) administers the EORP Plan.

The Board of Trustees consists of seven members. Members are appointed by the Governor to five year terms. Board of Trustees is responsible for the investment of the Plan's assets, setting employer contribution rates in accordance with an actuarial study, adopting a budget, hiring personnel to administer the Plan, setting up records, setting up accounts for each member, paying benefits and the general protection and administration of the System. Substantial investment experience is required for the member of the Board that represents the state as an employer and the two public members of the Board.

The addition or deletion of eligible groups does not require the approval of the other participating employers. The Board of Trustees approves new eligible groups for participation. The EORP is reported as a component unit of the State of Arizona. The State of Arizona is considered a non-employer contributing member.

In 2013 the legislature passed HB 2608 effectively closing the Elected Official's Retirement Plan (EORP). See Note 4 for additional information on the closure.

At June 30, 2015 and 2014, the number of participating local government employer groups was:

GROUP	2015	2014
Cities and Towns	22	21
Counties	15	15
State Agencies	2	2
Non-Employer Entity	1	1
Total Employers	40	39

All state and county elected officials and judges are members of the Plan. Any city or town in the state of Arizona may elect to have its' elected officials covered by EORP. At June 30, 2015 and 2014, statewide EORP membership consisted of:

MEMBERSHIP TYPE	RETIREMENT PLAN		INSURANCE SUBSIDY	
	2015	2014	2015	2014
Retirees	1,116	1,053	649	597
Terminated Vested	171	149	-	-
Current Vested	500	549	-	-
Current Non-Vested	238	294	-	-
Total Members	2,025	2,045	649	597

EORP provides retirement benefits as well as death and disability benefits. Generally, all benefits vest after five years of credited service.

A summary of benefit and plan provisions follows:

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (EORP)

SUMMARY OF BENEFITS

PURPOSE

To provide a uniform, consistent, and equitable statewide program for those eligible elected officials as defined by the Plan. A.R.S. §38-810.02.B

AVERAGE MONTHLY BENEFIT

Employees who became a member of the Plan on or before December 31, 2011: An average of your highest thirty-six (36) consecutive months within the last ten (10) years of completed years of credited service as an elected official that yield the highest average. If an employee does not have three (3) consecutive years of credited service as an elected official, the considered period is the employee's last consecutive period of employment with a Plan employer immediately before retirement. A.R.S. § 38-801(5).

Employees that became a member of the Plan on or after January 1, 2012: An average of your highest sixty (60) consecutive months within the last ten (10) years of completed years of credited service as an elected official that yield the highest average. If an employee does not have five (5) consecutive years of credited service as an elected official, the considered period is the employee's last consecutive period of employment with a Plan employer immediately before retirement. A.R.S. § 38-801(5).

PERMANENT BENEFIT INCREASE (PBI)

Statutes determine the Permanent Benefit Increase (PBI) eligibility for the retiree's/survivor's and how it is calculated pursuant to A.R.S. §§ 38-818 and 38-818.01 However, the Fields Lawsuit determines who is eligible for the increase using OLD OR NEW LAW based on the effective retirement date as stated below:

OLD LAW: based on retired effective date on/before July 1, 2011: The old law requires that the System/Plans have a 9% rate of return and that any excess earnings over 9% go into a reserve account. However, even though we did not meet the 9% rate of return, there were funds remaining in the reserve account from fiscal year 2014/15 so we will deplete the reserve account this fiscal year and issue an increase of 1.77% to the eligible EORP retirees/survivors. The payment for July and August 1, 2015 will be issued mid-September to the eligible EORP retirees/survivors (with a retire date on/before July 1, 2011) and then the September benefit, which is scheduled to be distributed on September 30, will include the increase.

NEW LAW: based on retired effective date on/after August 1, 2011: The new law requires that the Plan have a 10.5% rate of return **and** the funding level of the System/Plans to be at a minimum of 60% in order to award a 2% increase. However, since we did not meet the 10.5% rate of return and the funding levels for PSPRS is not currently greater

than 60%, we are unable to grant an increase for this fiscal year, 2015/16.

The chart below details the eligibility criteria based on your membership (hire) date. :

Members of the plan BEFORE January 1, 2012:
A. Retired member/survivor was receiving benefits on/before July 31 of two (2) previous years.
B. Retired member/survivor was age 55 on July 1 and receiving Benefits on/before July 31 of previous year.
Members of the plan AFTER January 1, 2012:
A. Age 55 on July 1 and is receiving benefits.
B. Under age 55 on July 1 and was receiving an accidental disability and was receiving benefits on/before July 31 of two (2) previous years.
C. Survivor under 55 on July 1, is survivor of KIA and receiving benefits on/before July 31 of two (2) previous years.

The increase will be calculated based on (if there are insufficient earnings to cover the maximum increases, the percentage increase is limited to the earnings available):

- If the ratio of the actuarial value of assets to liabilities is 60-64% and the total return is more than 10.5% for the prior fiscal year, 2% maximum increase to all eligible retirees and survivors.
- If the ratio of the actuarial value of assets to liabilities is 65-69% and the total return is more than 10.5% for the prior fiscal year, 2.5% maximum increase to all eligible retirees and survivors.
- If the ratio of the actuarial value of assets to liabilities is 70-74% and the total return is more than 10.5% for the prior fiscal year, 3% maximum increase to all eligible retirees and survivors.
- If the ratio of the actuarial value of assets to liabilities is 75-79% and the total return is more than 10.5% for the prior fiscal year, 3.5% maximum increase to all eligible retirees and survivor.
- If the ratio of the actuarial value of assets to liabilities is 80% or more and the total return is more than 10.5% for the prior fiscal year, 4% maximum increase to all eligible retirees and survivors.

From and after December 31, 2015, legislature may enact permanent one-time benefit increases after an analysis of the effect of the increase on the Plan by the Joint Legislative Budget Committee (JLBC). A.R.S. § 38-818.02.

As of June 30, 2015, the reserve balance for future benefit increases was \$0.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (EORP)
CONTRIBUTIONS

From July 1, 2013 and each fiscal year thereafter, each member shall contribute 13% of compensation to the Plan on a pre-tax basis by payroll deduction. The amount of the member's contribution that exceeds 7% of the member's compensation shall not be used to reduce the employer's contributions. A.R.S. § 38-810 (G).

From January 1, 2014 through June 30, 2044, the EORP employers shall contribute a level percent of salary of 23.5% to meet the normal cost plus an amount to amortize the unfunded accrued liability. A.R.S. § 38-810 (C). In addition, the EORP will receive contributions from certain employers pursuant to A.R.S. §§ 12-119.01(B)(2), 12-120.31(D)(2), 12-284.03(A)(6), 22-281(C)(3), 38-797.05 and 41-178 as stated in A.R.S. § 38-810.

A member may not, under any circumstance, borrow from, take a loan against or remove contributions from the member's account before the termination of membership in the plan or the receipt of a pension. A.R.S. § 38-810(A).

CREDITED SERVICE

Service for which contributions have been made, or transferred to the Plan from another retirement system for public employees of this state. Any leaves without pay, either voluntary or involuntary, are not credited service. Therefore, if a member was on a leave and not receiving salary during this period of time, the member would accrue service, but not credited service. A.R.S. § 38-801(7).

DEATH BENEFITS

Pursuant to statutes, an AUTOMATIC survivor benefit will pay your eligible spouse* and eligible child(ren)**. If there is no eligible spouse or eligible child(ren), the balance of the applicable contributions, if any, will be paid to the named beneficiary(ies) on file.

*Proof of recorded/filed marriage license/certificate with the Clerk of the Court or County Clerk will be required. Failure to provide it may affect the continuation of health insurance and surviving spouse benefits. If you are receiving a monthly benefit, statute requires two (2) consecutive years of marriage.

**Definition of an "eligible child" is unmarried, under the age of 18, and/or attending full-time school between the ages of 18 to 23, plus disabled child(ren) if disability occurred before the age of 23 and who is(are) a dependent of the member.

Note: Divorce automatically terminates the ex-spouse as the member's beneficiary. To maintain an ex spouse as a beneficiary, you **must** complete a *Beneficiary Designation Form* after the date of filed the divorce.

Depending if you are working, inactive, or retired, read below for additional beneficiary details.

DEATH BENEFITS - ACTIVE OR INACTIVE MEMBER

Spouse's Pension. Employees who became a member on or before December 31, 2011, the surviving spouse of an active or inactive member will receive a Spouse's Pension each month for lifetime. The Spouse's Pension is 75% of the member's pension benefit based on the calculation for a disability benefit. A.R.S. § 38-806. Employees who became a member on or after January 1, 2012, the surviving spouse of an active or inactive member will receive a Spouse's Pension each month for lifetime. The Spouse's Pension is 50% of the member's pension benefit based on the calculation for a disability benefit. A.R.S. § 38-806. OR

Guardian Benefit. If there is no surviving spouse, or the pension of the surviving spouse is terminated, a Guardian Benefit (based on the calculation for the applicable Spouse's Pension) may be paid to the guardian of the surviving, eligible (unmarried) child(ren) until the child(ren) is adopted, turns 18 or until the age of 23 if the attending full-time school between the ages of 18 and 23. An eligible child's pension shall become payable directly to the eligible child when the eligible child reaches the age of eighteen (18), if the person remains eligible to receive the pension and is not subject to a guardianship or conservatorship due to disability or incapacity. A.R.S. § 38-807. If the Guardian Benefit is paid to a disabled child (the child's disability occurred prior to the age of 23) and remains a dependent of the guardian, the Guardian Benefit is payable to the disabled child for lifetime. OR

Balance of Contributions. If there is no eligible surviving spouse or eligible child(ren), the member's named beneficiary on file will receive the balance of the member's accumulated contributions. A.R.S. § 38-808.

DEATH BENEFIT - RETIRED MEMBER

Spouse's Pension. Employees who became a member on or before December 31, 2011, If married for at least two (2) consecutive years at the time of the member's death, the surviving spouse will receive a Spouse's Pension each month for lifetime based on 75% of the member's pension benefit. A.R.S. § 38-807. Employees who became a member on or after January 1, 2012, If married for at least two (2) consecutive years at the time of the member's death, the surviving spouse will receive a Spouse's Pension each month for lifetime based on 50% of the member's pension benefit – except that at the time of retirement, a member may elect an optional form of retirement benefit, as determined by the board, that provides for an actuarially reduced pension and an increased surviving spouse's benefit. A.R.S. § 38-807. OR

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (EORP)

Guardian Benefit. If there is no surviving spouse, or the pension of the surviving spouse is terminated, a Guardian Benefit (based on the calculation for the applicable Spouse's Pension) may be paid to the guardian of the surviving, eligible (unmarried) child(ren) until the child(ren) is adopted, turns 18 or until the age of 23 if the attending full-time school between the ages of 18 and 23. An eligible child's pension shall become payable directly to the eligible child when the eligible child reaches the age of eighteen (18), if the person remains eligible to receive the pension and is not subject to a guardianship or conservatorship due to disability or incapacity. If the Guardian Benefit is paid to a disabled child (the child's disability occurred prior to the age of 23) and remains a dependent of the guardian, the surviving spouse's pension is payable to the disabled child for lifetime. A.R.S. § 38-807 . OR

Balance of Contributions. If there is no eligible surviving spouse or eligible child(ren), the member's named beneficiary on file will receive the balance of the member's accumulated contributions. A.R.S. § 38-807.

DISABILITY

A member who becomes permanently mentally or physically incapacitated for the purpose of performing the duties of the member's office if the majority of the board of physicians certifies that the member is mentally or physically incapacitated and is expected to be for an indefinite duration. A.R.S. § 38-806.

Employees who became a member on or before December 31, 2011, the disability benefit is 20% of the member's average yearly salary with 4.99 or less years of credited service, or 40% of the member's average yearly salary with 5 but less than 9.99 years of credited service, or 80% of member's average yearly salary with ten (10) or more years of credited service. A.R.S. § 38-808(B)(2).

Pursuant to A.R.S. § 38-808(C), employees who became a member on or after January 1, 2012, the disability benefit is:

- 3% of the average yearly salary multiplied by 25 years of credited service if the member had 10 or more years of credited service.
- 3% of the average yearly salary multiplied by 12.5 years of credited service if the member had 5.0 to 9.99 years of credited service.
- 3% of the average yearly salary multiplied by 6.25 years of credited service if the member had 4.99 or less years of credited service.

DIVORCE / DOMESTIC RELATIONS ORDER (DRO)

If the member has been involved in a divorce(s), please provide the EORP with a complete copy of the Divorce Decree(s) and any attachments or exhibits if referenced in the Decree(s). Upon receipt, additional correspondence will be provided to the parties. If the retirement account is re-

quired to be split, a Domestic Relations Order (DRO) will need to be prepared. To ensure that the language in the DRO is acceptable, it is recommended to provide the EORP with a draft copy of the DRO for review and approval prior to submitting it to the court. A.R.S. § 38-822.

ELIGIBILITY

Every elected official is a member of the Plan who was a member of the Plan on December 31, 2013, and every full-time superior court commissioner; except full-time superior court commissioners who failed to make a timely election of membership under the judges' retirement plan, repealed on August 7, 1985, who was a member of the plan on December 31, 2013. A state elected official who is subject to term limits may elect not to participate in the Plan. A.R.S. §§ 38-801(15) and 38-804(A).

Every elected official, justice of the supreme court, judge of the court of appeals and superior court, and the commissioners that make a timely election of membership, who was hired on or after January 1, 2014 and who was not a member of the plan on December 31, 2013, will be required to participate in a Defined Contribution System or ASRS, see Note 4.

HEALTH INSURANCE

Pursuant to A.R.S. §§ 38-817, 38-651.01 and 38-782, retirees* and survivors *with 8 or more years of credited service that elect group health insurance and/or accident insurance coverage through the Arizona State Retirement System group plan (ASRS), the Arizona Department of Administration (ADOA) plan, or a group plan through an employer of the EORP plans, the Plan will pay up to the following amount (i.e., Premium Benefit):

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

Employees who become a member on/after September 12, 2013, or their survivors, will not be eligible for the Premium Benefit if they are (re)employed and participates in health care coverage provided by the member's or survivor's new employer. A.R.S. § 38-817.

* Members with 5 to 7.99 years of credited service will receive a proportionate share of the subsidy stated above.

JOINDERS

Elected officials of an incorporated city or town may participate in the EORP if the governing body enters into a joinder agreement in accordance with the provisions of the Plan.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (EORP)

Assets under any existing public employee defined benefit retirement program shall be transferred to the EORP within sixty (60) days after the employer's effective date. A.R.S. § 38-815.

REFUNDS

Employees who became a member on or before December 31, 2011, pursuant to A.R.S. § 38-804(B), upon termination of employment (for any reason other than death or retirement) within twenty (20) days after filing an application with the EORP, the member will receive a lump-sum payment (less mandated tax withholding) of accumulated contributions (less any benefits paid or any amounts owed to the Plan) - thus, forfeiting all membership rights and credited service in the Plan upon receipt of refund of contributions. If the member has five (5) or more years of credited service, an additional percentage of contributions will be refunded to the member according to the member's years of service as stated below:

- 5 to 5.9 years of service = 25% of member contributions.
- 6 to 6.9 years of service = 40% of member contributions.
- 7 to 7.9 years of service = 55% of member contributions.
- 8 to 8.9 years of service = 70% of member contributions.
- 9 to 9.9 years of service = 85% of member contributions.
- 10 or more years of service = 100% of member contributions plus 3% interest if left on deposit after 30 days.

For an elected official who becomes a member on or after January 1, 2012, pursuant to A.R.S. § 38-804(D), upon termination of employment (for any reason other than death or retirement) within twenty (20) days after filing an application with EORP, shall receive a lump-sum payment plus interest at a rate determined by the board (currently 3%) as of the date of termination of ONLY their accumulated contributions (less any benefits paid or any amounts owed to the Plan) - thus, forfeiting all membership rights and credited service in the Plan upon receipt of refund of contributions. The member will NOT receive the additional percentage of contributions as stated above.

Note: A member may not, under any circumstance, borrow from, take a loan against or remove contributions from the member's account before the termination of membership in the plan or the receipt of a pension. A.R.S. § 38-810(A).

RETIREMENT ELIGIBILITY AND CALCULATION

Employees who became a member on or before December 31, 2011:

Early Retirement (Reduction for Age). Pursuant to A.R.S. §§ 38-801(5, 7 and 15), 38-805(C) and 38-808, early retire-

ment benefits will commence the first day of month following termination of employment to an elected official who has at least five (5) years of credited service and who ceases to serve as an elected official may retire before meeting the age or service requirement for normal retirement. The amount of an early retirement pension is 4% of the member's average yearly salary multiplied by the years of the member's credited service, not to exceed 80% of the member's average yearly salary then reducing that amount by three-twelfths of one percent for each month early retirement precedes the member's normal retirement age. The maximum reduction is 30%.

Normal Retirement. Pursuant to A.R.S. §§ 38-801(5, 7 and 15), 38-805(A) and 38-808, normal retirement will commence the first day of month following termination of employment to an elected official who ceases to hold office based the following age and service requirements:

- Age 65 years, with 5 or more years of credited service, or
- Age 62 years, with 10 or more years of credited service, or
- Twenty or more years of credited service (regardless of age)

The amount of a normal retirement pension is 4% of the member's average yearly salary multiplied by the years of the member's credited service, not to exceed 80% of the member's average yearly salary.

Employees who became a member on or after January 1, 2012:

Early Retirement. Early Retirement is not available.

Normal Retirement. Pursuant to A.R.S. §§ 38-801(5, 7 and 15), 38-805(B) and 38-808, normal retirement benefits will commence the first day of month following termination of employment and based upon the following:

- Age 65 years, with 5 or more years of credited service, or
- Age 62 years, with 10 or more years of credited service.

The amount of a normal retirement pension is 3% of the member's average yearly salary multiplied by the member's credited service, not to exceed 75% of the member's average yearly salary.

RETURN TO WORK AFTER RETIREMENT

If a retired member subsequently becomes an elected official, contributions shall not be made by the retired member and credited service shall not accrue while the retired member is holding office. § 38-804(I). If a retired member subsequently becomes, by reason of election or reelection, an elected official of the same office from which the member retired, within a time period following the member's retirement that is less than one full term for that office, the member shall not receive a pension. If/when the elected official ceases to hold the same office, the elected official is entitled to receive the same pension the elected official was receiving when the elected official's pension was discontinued.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (EORP)

Nothing in this section prohibits a retired judge called by the supreme court to active duties of a judge pursuant to § 38-813 from receiving retirement benefits. § 38-804(J).

Every judge retired under this plan may, if physically and mentally able, be subject to call by the supreme court or the chief justice of the supreme court to assist the supreme court, court of appeals or superior court under such directions as the supreme court may give, including the examination of the facts in cases before the court, the examination of authorities cited and the preparation of opinions for and on behalf of the court. The court may order these opinions, to the extent approved by the court, to constitute the opinion of the court. The retired judge may, subject to any rule which the supreme court adopts, perform any duties preliminary to the final disposition of cases insofar as they are not inconsistent with the constitution of this state. § 38-813.

Notwithstanding any provision of law to the contrary, a retired judge who is temporarily called back to the active duties of a judge is entitled to receive the same compensation and expenses as other like active judges less any amount received for that period in retirement benefits. § 38-813.

Effective July 20, 2011, the employer is required to pay an alternate contribution rate on behalf of a retired member who returns to work in any capacity in a position ordinarily filled by an elected official. A.R.S. § 38-810.04.

Effective July 20, 2011, the premium benefit (subsidy) will not apply if the retired member or survivor is reemployed and participates in health care coverage provided by the member's or survivor's new employer. A.R.S. § 38-817(E).

SERVICE PURCHASE

Purchase of Prior Active Military Service. (Form 18). Members who have at least ten (10) years of credited service may purchase up to sixty (60) months of credited service for periods of active military service performed before employment with their current employer. A.R.S. § 38-820. Active members may also receive credited service limited to sixty (60) months if ordered/volunteered to active military service while working for the current employer if the criteria is met pursuant to A.R.S. § 38-820. The member shall pay the members contributions, upon which the employer shall make employer contributions.

If member performs military service due to presidential call-up, the employer shall make the employer and employee contributions not to exceed forty-eight (48) months pursuant to A.R.S.38-820(G). For more information, contact your employer.

Purchase of Prior Service from an Out-of-State Agency. (Form EOSS). Active members who have at least five (5)

years of credited service with the Plan that have previous service 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. as may elect to redeem up to sixty (60) months of any part of the prior service if the prior service is not on account with any other retirement system. A.R.S. § 38-816.

Purchase of Prior Forfeited Service as an Elected Official. If a former elected official terminates membership in the Plan and takes a refund of contributions and is later re-employed as an elected official may elect to purchase all of the previously forfeited credited service if the elected official signs a written election within ninety (90) days after re-employment to reimburse the Plan within one (1) year after the date of re-employment. The amount required to reinstate the credited service is the amount previously withdrawn plus interest at the rate of 9% compounded annually from the date of withdrawal to the date of repayment. A.R.S. § 38-804(H). (Form E1B) OR

If the statutory requirements above are not met, the elected official may still purchase some or all of the previously forfeited credited service or of elected official service not covered by the Plan. The calculation is based on an amount computed by the Plan's actuary to equal the actuarial present value. A.R.S. § 38-816(B). (Form E2).

Purchase of Service Between the Arizona Retirement Plans/Systems. (Form U2). Members of any of the four Arizona state retirement System/Plans that have credited service under another Arizona state retirement System/Plan may redeem the credited service to their current Arizona state retirement System/Plan by paying the full actuarial present value of the credited service into the current Arizona retirement System/Plan with the approval of the EORP or governing board. A.R.S. § 38-922.

TAXATION OF RETIREMENT BENEFITS

Effective tax year January 1, 1989, all EORP retirement benefits in excess of \$2500 annually will be subject to Arizona state tax. A.R.S. §§ 38-811 and 43-1022.

TRANSFERS

Transfer of Service Between the Arizona Retirement Plans/Systems. (Form U2). Members of any of the four Arizona state retirement System/Plans that have credited service under another Arizona state retirement System/Plan may transfer the credited service to their current Arizona state retirement System/Plan by transferring the full actuarial present value of the credited service into the current Arizona retirement System/Plan with the approval of the EORP or governing board.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (EORP)

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/ Plan. A.R.S. §§ 38-921 and 38-922.

Transfer of Service Between City Retirement Plans. (Form U2E). A member of a charter city retirement system who is an elected official may apply for a transfer of service credits from the charter city retirement system to the EORP based on the actuarial present value of the service (with the member paying the difference), or the member may elect a reduced service amount to be transferred based on the actuarial present value. A.R.S. § 38-821.

This is not an official version of the Arizona Revised Statutes. If there are any differences or discrepancies, the official version will prevail.

NOTE 2: CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE EORP

Prior to January 1, 2014, the Retirement System's funding policy provided for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using the Entry Age Normal method. Unfunded actuarial accrued liabilities and assets in excess of actuarial accrued liabilities are being amortized as a level percent of payroll over a closed period 30 year period. Employer contributions including court fees represented 43.31% of covered payroll [17.49% for normal costs (16.90% pension and 0.59% health insurance) and 25.82% for amortization of the unfunded actuarial accrued liability in aggregate (24.78% pension and 1.04% health insurance subsidy)].

As of January, 1 2014, the Arizona State Legislature closed the Elected Official's Retirement Plan and set the employer contribution rate to 25.06% of covered payroll (23.50% for pension and 1.56% for health insurance) with an additional five million dollars appropriated from the Arizona State Budget (Section 133 of Fiscal Year General Appropriation Act).

The five million dollars from the State of Arizona is considered a non-employer contributing entity and is listed separately on the Statement of Changes in Fiduciary Position.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (CORP)

NOTE 1: PLAN DESCRIPTION CORP

ORGANIZATION

The Corrections Officer Retirement Plan (CORP), a pension trust fund of the State of Arizona, is a multiple-employer public employee retirement plan established by Title 38, Chapter 5, Article 6 of the Arizona Revised Statutes, to provide benefits for prison and jail employees of certain state, county and local governments. CORP includes a cost-sharing multiple-employer plan for Administrative Office of the Courts (CORP-AOC) probation officers and an agent multiple-employer plan for all other members. The Board of Trustees of the Public Safety Personnel Retirement System (PSPRS) and 26 local boards administer the CORP Plan.

CORP-AOC provides the same benefits as CORP. The significant accounting and investment policies used for CORP are also used for CORP-AOC.

The Board of Trustees consists of seven members. Members are appointed by the Governor to five year terms. The Board of Trustees is responsible for the investment of the Plan's assets, setting employer contribution rates in accordance with an actuarial study, adopting a budget, hiring personnel to administer the Plan, setting up records, setting up accounts for each member, paying benefits and the general protection and administration of the System. Substantial investment experience is required for the member of the Board that represents the state as an employer and the two public members of the Board.

Each eligible group participating in the Plan has a five-member local board. 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, the timing of benefit payments, and the amount of benefits for its eligible group of employees. The various governing bodies pay all costs associated with the administration of the local boards.

The addition or deletion of eligible groups does not require the approval of the other participating employers. The Board of Trustees approves new eligible groups for participation. The CORP is reported as a component unit of the State of Arizona.

At June 30, 2015 and 2014, the number of participating local government employer groups was:

GROUP	2015	2014
County AOC	15	15
Cities	1	1
Detention	14	14
Dispatchers	8	8
State Agencies	3	3
Total Employers	41	41

Any county or city in the State of Arizona may elect to have its eligible employees (generally, prison or jail personnel who have direct inmate contact) covered by CORP. At June 30, 2015 and 2014, statewide CORP membership consisted of:

MEMBERSHIP TYPE	RETIREMENT PLAN					
	CORP	CORP-AOC	2015	CORP	CORP-AOC	2014
Retirees	3,919	491	4,410	3,669	421	4,090
Terminated Vested	1,981	337	2,318	1,482	205	1,687
Current Vested	3,907	1,072	4,979	3,776	1,096	4,872
Current Non-Vested	8,147	1,058	9,205	8,631	1,092	9,723
Total Members	17,954	2,958	20,912	17,558	2,814	20,372

MEMBERSHIP TYPE	INSURANCE SUBSIDY					
	CORP	CORP-AOC	2015	CORP	CORP-AOC	2014
Retirees	2,306	112	2,418	2,020	176	2,196
Terminated Vested	-	-	-	-	-	-
Current Vested	-	-	-	-	-	-
Current Non-Vested	-	-	-	-	-	-
Total Members	2,306	112	2,418	2,020	176	2,196

CORP provides retirement benefits as well as death and disability benefits. Generally, all benefits vest after five years of credited service.

A summary of benefit and plan provisions follows:

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (CORP)

SUMMARY OF BENEFITS

PURPOSE (A.R.S. § 38-900.01b)

To provide a uniform, consistent and equitable statewide program for those eligible corrections officers as defined by the Plan.

AVERAGE MONTHLY BENEFIT

Employees who became a member of the Plan on or before December 31, 2011, an average of your highest thirty-six (36) consecutive months of salary within the last ten (10) years (i.e., 120 months) of service. A.R.S. § 38-881(7).

Employees who become a member of the Plan on or after January 1, 2012, an average of your highest sixty (60) consecutive months of salary within the last ten (10) years (i.e., 120 months) of service.

Salary means the base salary, shift differential, military and holiday pay paid a member for personal services rendered in a designated position to a participating employer on a regular monthly, semi-monthly or biweekly payroll basis. Salary includes amounts that are subject to deferred compensation for tax shelter agreements. For the purposes of computing retirement benefits, "base salary" does not include any extra monies, including overtime pay, shift differential pay, holiday pay, fringe benefit pay (such as uniform allowance, cell phone or mileage reimbursement) and similar extra payments. A.R.S. § 38-881(41).

BENEFIT INCREASE (PBI)

Statutes determine the Permanent Benefit Increase (PBI) eligibility for the retiree's/survivor's and how it is calculated pursuant to A.R.S. §§ 38-905 and 38-905.02. However, the Fields Lawsuit determines who is eligible for the increase using OLD OR NEW LAW based on the effective retirement date as stated below:

OLD LAW based on retired effective date on/before July 1, 2011: The old law requires that the System/Plans have a 9% rate of return and that one-half of the excess earnings over 9% go into a reserve account. However, since we did not meet the 9% rate of return and the PSPRS reserve account had been depleted in fiscal year 2014/15, we are unable to grant an increase for this fiscal year, 2015/16.

NEW LAW based on retired effective date on/after August 1, 2011: The new law requires that the plans have a 10.5% rate of return **and** the funding level of the System/Plans to be at a minimum of 60% in order to award a 2% increase. However, since we did not meet the 10.5% rate of return and the funding levels for PSPRS is not currently greater than 60%, we are unable to grant an increase for this fiscal year, 2015/16.

The chart below details the eligibility criteria based on your membership (hire) date.

Members of the plan BEFORE January 1, 2012:
A. Retired member/survivor was receiving benefits on/before July 31 of two (2) previous years.
B. Retired member/survivor was age 55 on July 1 and receiving Benefits on/before July 31 of previous year.
Members of the plan AFTER January 1, 2012:
A. Age 55 on July 1 and is receiving benefits.
B. Under age 55 on July 1 and was receiving an accidental disability and was receiving benefits on/before July 31 of two (2) previous years.
C. Survivor under 55 on July 1, is survivor of KIA and receiving benefits on/before July 31 of two (2) previous years.

From and after December 31, 2015, legislature may enact permanent one-time benefit increases after an analysis of the effect of the increase on the System by the Joint Legislative Budget Committee (JLBC). A.R.S. § 38-905.03.

The reserve balance as of June 30, 2015 is \$0.00.

CANCER INSURANCE

A cancer insurance program is administered by the PSPRS/CORP for eligible fire fighters, certified peace officers, corrections officers or detention officers. A.R.S. §§ 38-641 through 38-645.

CONTRIBUTIONS

From July 1, 2014 through June 30, 2015, all non-dispatchers shall contribute 8.41% of compensation and all full-time dispatchers shall contribute 7.96% to the Plan on a pre-tax basis by payroll deduction. The contribution rate for members will change each fiscal year. A.R.S. § 38-891(H).

A member may not, under any circumstance, borrow from, take a loan against or remove contributions from the member's account before the termination of membership in the plan or the receipt of a pension. A.R.S. § 38-891(B).

CREDITED SERVICE

Service in a designated position for which member contributions have been made to the Plan, or transferred to the Plan from another retirement system for public employees of this state. Any leaves without pay, either voluntary or involuntary, are not credited service. Therefore, if a member was on a leave and not receiving salary during this period of time, the member would accrue service, but not credited service. A.R.S. § 38-881(11).

DEATH BENEFITS

Pursuant to statutes, an AUTOMATIC survivor benefit will pay your eligible spouse* and eligible child(ren)**. If there is no eligible spouse or eligible child(ren), the balance of the applicable contributions, if any, will be paid to the named beneficiary(ies) on file.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (CORP)

If there is no beneficiary, your Local Board will determine the next-of-kin. A.R.S. § 38-904(A).

* Proof of recorded/filed marriage license/certificate with the Clerk of the Court or County Clerk will be required. Failure to provide it may affect the continuation of health insurance and surviving spouse benefits. If you are receiving a monthly benefit, statute requires two (2) consecutive years of marriage.

** Definition of an “eligible child” is unmarried, under the age of 18, and/or attending full-time school between the ages of 18 to 23, plus disabled child(ren) if disability occurred before the age of 23 and who is (are) a dependent of the member.

Note: Divorce automatically terminates the ex-spouse as the member’s beneficiary. To maintain an ex spouse as a beneficiary, you **must** complete a *Beneficiary Designation Form* after the date of the divorce.

Depending if you are working, inactive, or retired, read below for additional beneficiary details.

DEATH BENEFITS - ACTIVE MEMBER

Spouse’s Pension. The surviving spouse of an active member will receive a Spouse’s Pension each month for lifetime. The Spouse’s Pension is 40% of the member’s average monthly salary. If the member was killed in the line of duty, the spouse will receive 100% of the member’s average monthly benefit compensation. A.R.S. § 38-888, OR

Guardian Benefit. If there is no surviving spouse, or the pension of the surviving spouse is terminated, and there is at least one (1) eligible child, a Guardian Benefit of 40% (based on the member’s average monthly salary) may be paid to the guardian of the (unmarried) child(ren) each month until each child turns 18, or under 23 years of age only during any period that the (unmarried) child is a full-time student. An eligible Child’s Pension shall become payable directly to the eligible child when the eligible child reaches the age of 18, if the person remains eligible to receive the pension and is not subject to a guardianship or conservatorship due to disability or incapacity. A.R.S. § 38-904(B).

If a Guardian Benefit is paid to a disabled child (the child’s disability occurred prior to the age of 23) and remains a dependent of the guardian, the benefit is payable for the lifetime of the child. A.R.S. § 38-904(B), OR

Balance of Contributions. If there is no surviving spouse or eligible child(ren), the member’s named beneficiary on file will receive two (2) times the member’s contributions. If the surviving beneficiary does not claim the benefit, the Local Board has the authority to pay the member’s nearest of kin, or estate. A.R.S. § 38-904(A and B).

DEATH BENEFITS - INACTIVE MEMBER

Balance of Contributions. If the member was inactive, the member’s named beneficiary on file will receive two (2) times the member’s contributions. If the surviving beneficiary does not claim the benefit, the Local Board has the authority to pay the member’s nearest of kin, or estate. A.R.S. §§ 38-881(27) and 38-904(A).

DEATH BENEFITS - RETIRED MEMBER

Spouse’s Pension. If married for at least two (2) consecutive years at the time of the member’s death, the surviving spouse will receive a Spouse’s Pension each month for lifetime based on 80% of the member’s pension benefit*. A.R.S. § 38-887 , OR

Guardian Benefit. If there is no surviving spouse, or the pension of the surviving spouse is terminated, and there is at least one (1) eligible child, a Guardian Benefit of 80% (based on the member’s pension) may be paid to the guardian of the (unmarried) child(ren) each month until each child turns 18, or under 23 years of age only during any period that the (unmarried) child is a full-time student. An eligible Child’s Pension shall become payable directly to the eligible child when the eligible child reaches the age of 18, if the person remains eligible to receive the pension and is not subject to a guardianship or conservatorship due to disability or incapacity. A.R.S. § 38-904(B).

If a Guardian Benefit is paid to a disabled child (the child’s disability occurred prior to the age of 23) and remains a dependent of the guardian, the benefit is payable for the lifetime of the child. A.R.S. §§ 38-881(19) and 38-904(B), OR

Balance of Contributions. If there is no surviving spouse or eligible child(ren), the member’s named beneficiary on file will receive the balance of the member’s accumulated contributions less the pension payments made to the member. If the surviving beneficiary does not claim the benefit, the Local Board has the authority to pay the member’s nearest of kin, or estate. A.R.S. §§ 38-889 and 38-904(A).

*If the retiree was receiving benefits under a “prior law,” the surviving spouse benefits are contingent based on the option the member selected upon retirement. To find out the option the member selected, please reference the prior law section of the *Notification of Benefits and Election* (Form C12).

ACCIDENTAL DISABILITY

A physical or mental condition which totally and permanently prevents an employee from performing a reasonable range of duties within the employee’s department, that was incurred in the performance of the employee’s duties and was the result of either physical contact with inmates, or responding to a confrontational situation with inmates, or a job-related motor vehicle accident,

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (CORP)

and was not the result of a physical or mental condition that existed or occurred before the employee's date of membership in the Plan. A member shall file an application for a disability pension after the disabling incident or within one year after the date the member ceases to be an employee by reason of disability. A.R.S. § 38-881(1).

Eligibility for an accidental disability will be determined by the Local Board upon an independent medical examination. **For members with a membership date on or before December 31, 2011**, the monthly benefit is 50% of the member's average monthly compensation. (There is no credited service requirement.) **For members with a membership date on or after January 1, 2012** with less than 25 years of credited service, the monthly benefit is 50% of the member's average monthly compensation. For members with 25 or more years of credited service, the monthly benefit is 62.5% of the member's average monthly compensation. The Local Board may require periodic medical re-evaluations of the continuation of the accidental disability. Accidental disability terminates if the Local Board finds the retired member no longer meets the requirements for the disability benefit. A.R.S. § 38-886.

TOTAL AND PERMANENT (CATASTROPHIC) DISABILITY

A physical or mental condition which totally and permanently prevents a member from engaging in any gainful employment, that is in the direct and proximate result of the member's performance of the employee's duties and is not the result of a physical or mental condition or injury that existed or occurred before the member's date of membership in the Plan. A member shall file an application for a disability pension after the disabling incident or within one year after the date the member ceases to be an employee by reason of disability. A.R.S. § 38-881(45).

Eligibility for a total and permanent disability will be determined by the Local Board upon an independent medical examination. **For members with a membership date on or before December 31, 2011**, the monthly benefit is 50% of the member's average monthly compensation. (There is no credited service requirement.) **For members with a membership date on or after January 1, 2012** with less than 25 years of credited service, the monthly benefit is 50% of the member's average monthly compensation. For members with 25 or more years of credited service, the monthly benefit is 62.5% of the member's average monthly compensation. The Local Board may require periodic medical re-evaluations until the member reaches age 62. The total and permanent disability terminates if the Local Board finds the retired member no longer meets the requirements for the disability benefit. A.R.S. § 38-886.

ORDINARY DISABILITY

A physical condition which totally and permanently pre-

vents an employee from performing a reasonable range of duties within the employee's department, or a mental condition that totally and permanently prevents the employee from engaging in any substantial gainful activity, and was not the result of a condition that existed or occurred before the employee's date of membership in the Plan. Dispatchers disabled on/after September 21, 2006 and non dispatchers disabled on/after September 26, 2008 may qualify for an ordinary disability. A member shall file an application for a disability pension after the disabling incident or within one year after the date the member ceases to be an employee by reason of disability. A.R.S. §§ 38-881(30) and 38-886.01.

Eligibility for an ordinary disability will be determined by the Local Board upon an independent medical examination. The monthly benefit is a percentage of normal retirement based on the employee's years of credited service divided by twenty (20) **for membership on or before December 31, 2011** (except a full-time dispatcher, the service requirement is 25 years), or twenty-five (25) **for membership on or after January 1, 2012**. The Local Board may require periodic medical re-evaluations until the member reaches age 62. Ordinary disability terminates if the Local Board finds the retired member no longer meets the requirements for the disability benefit. A.R.S. § 38-886.01.

DIVORCE / DOMESTIC RELATIONS ORDER

If the member has been involved in a divorce(s), please provide the CORP with a complete copy of the Divorce Decree(s) and any attachments or exhibits if referenced in the Decree(s). Upon receipt, additional correspondence will be provided to the parties. If the retirement account is required to be split, a Domestic Relations Order (DRO) will need to be prepared. To ensure that the language in the DRO is acceptable, it is recommended to provide the CORP with a draft copy of the DRO for review and approval prior to submitting it to the court. A.R.S. § 38-910.

ELIGIBILITY

Designated positions for the following employers that elect to join the Plan are eligible to participate in the CORP if the employee's customary employment is for at least forty (40) hours per week, or as defined by statute. A.R.S. § 38-881(13):

- For a County: A county detention officer and non-uniformed employee's of a sheriff's department whose primary duties require direct inmate contact.
- For the State Department of Corrections and the Department of Juvenile Correction: Specific positions are eligible to participate. Refer to the statute for specific positions.
- For a City or Town, a City or Town Detention Officer.
- For an employer of an eligible group as defined in A.R.S. § 38-881, full-time dispatchers.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (CORP)

- For the judiciary, probation, surveillance, and juvenile detention officers and those positions designated by the Local Board.
- For the Department of Public Safety, state detention officers.

Dispatchers hired after November 24, 2009 must participate in the Arizona State Retirement System. A.R.S. § 38-902(C).

GARNISHMENTS

As permitted by statute and upon receipt of acceptable legal documentation directing our office, if the member is retired, we may withhold from a members retirement (or disability) benefit for child support payments, Domestic Relation Orders and/or Levy from the Internal Revenue Service (IRS). However, if we receive any other garnishment or judgment, or receive any garnishment or judgment for a member that is currently working, we will take it under advisement with the Arizona Attorney General's Office. A.R.S. § 38-897.

If you are retired (or receiving a disability retirement) and your child support payments are expected to stop, the clearinghouse or court will be required to provide our office with a stop order (i.e., Order Stopping Order of Assignment or Termination of Income Withholding Order, etc). Additionally, if your Levy is expected to stop, it is required that we receive a Release of Levy from the IRS.

Please note that child support and levy payments are taxable income to you. Therefore, if you would like to make any changes to your Federal and/or State withholding, you may access the withholding forms from the PSPRS website at <http://www.psprs.com/>. Benefit payments issued to an ex-spouse become taxable income to the ex-spouse; however, for additional information pursuant to the Domestic Relations Order, please refer to the "Divorce and Domestic Relations Order (DRO) FAQ."

Our cut-off to process any changes to your account is the 10th of the month. If the orders are received by the clearinghouse, court or IRS by the 10th of the month, the change will occur with the payment paid at the end of that month. If received after the 10th of the month, the change will occur with the payment at the end of the following month.

HEALTH INSURANCE

Pursuant to A.R.S. §§ 38-906, 38-651.01 and 38-782, retirees and eligible survivors under the System that elect group health insurance and/or accident insurance coverage through the Arizona State Retirement System group plan (ASRS), the Arizona Department of Administration (ADOA) plan, or a group plan through an employer of the CORP plans, the System may pay up to the following amount Premium Benefit amount:

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

Retirees with a membership (hire) date on/before September 11, 2013 that meet the "Returning to Work after Retirement" qualifications and that are re-employed by a participating CORP employer, may be eligible to have their active medical/dental insurance subsidized (*retroactive to September 2013*) up to the amount of the premium, but no more than the amount as allowed by statute. A.R.S. § 38-906.

New employees with a membership (hire) date on/after September 12, 2013 (or their eligible survivors), will not be eligible for the Premium Benefit when they retire and if they become re-employed with a CORP employer and participate in active health care coverage provided by the members or survivors CORP employer. However, as stated in the beginning of this section, retirees and eligible survivors that elect **retiree** group health insurance may be eligible for the Premium Benefit. A.R.S. § 38-906.

If a law enforcement officer, as defined in A.R.S. § 38-1114, is killed in the line of duty, the eligible surviving spouse or dependent(s) are entitled to insurance benefits either by the former employer, or from the state retirement system from which the spouse or dependent is receiving benefits. The health insurance premium amount payable by the employer of the deceased law enforcement officer is the amount the employer of the deceased law enforcement officer would pay for an active law enforcement officer for a family coverage premium or single coverage premium, whichever is applicable. For additional eligibility requirements, refer to A.R.S. § 38-1114.

JOINDERS

Specific positions and employers may participate in the CORP if the governing body of the employer enters into a joinder agreement to bring such employees into the CORP. The joinder agreement shall be in accordance with the provisions of this Plan. The transfer of the Arizona defined benefit state retirement System or Plan shall be transferred within ninety days after the employer's effective date. A.R.S. § 38-902.

LOCAL BOARD

Each employer that participates in the PSPRS is required to be vested in a 5-person board that determines PSPRS eligibility and benefits pursuant to statutes. (If a member needs contact information for the Local Board Secretary or representative, the CORP can assist with providing the contact information.) A.R.S. § 38-893.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (CORP)

REFUNDS

Employees who became a member on or before December 31, 2011, pursuant to A.R.S. § 38-884, upon termination of employment (for any reason other than death or retirement) within twenty (20) days after filing an application with the CORP, the member will receive a lump-sum payment (less mandated tax withholding) of accumulated contributions (less any benefits paid or any amounts owed to the Plan) - thus, forfeiting all membership rights and credited service in the Plan upon receipt of refund of contributions. If the member has five (5) or more years of credited service, an additional percentage of contributions will be refunded to the member according to the member's years of service as stated below :

5 to 5.9 years of service = 25% of additional member contributions.

6 to 6.9 years of service = 40% of additional member contributions.

7 to 7.9 years of service = 55% of additional member contributions.

8 to 8.9 years of service = 70% of additional member contributions.

9 to 9.9 years of service = 85% of additional member contributions.

10 or more years of service = 100% of member contributions plus 3% interest if left on deposit after 30 days.

Employees who became a member on or after January 1, 2012, pursuant to A.R.S. § 38-884(E), upon termination of employment (for any reason other than death or retirement) within twenty (20) days after filing an application with CORP, shall receive a lump-sum payment of ONLY their accumulated contributions plus interest at a rate determined by the board (currently 3%) as of the date of termination (less any benefits paid or any amounts owed to the Plan) - thus, forfeiting all membership rights and credited service in the Plan upon receipt of refund of contributions. The member will NOT receive the additional percentage of contributions as stated above.

A member may not, under any circumstance, borrow from, take a loan against or remove contributions from the member's account before the termination of membership in the plan or the receipt of a pension. A.R.S. § 38-891(B).

REQUEST TO REMAIN IN CORP

The local board of the state department of corrections, or the department of juvenile corrections may specify a position within the department as a designated position if the position is filled by an employee who has at least five (5) years of credited service under the Plan, is transferred to temporarily fill the position, provides a written request to the local board (within 90 days of being transferred) to specify the position as a designated position. When the employee leaves the position, the position is no longer a designated position. A.R.S. § 38-891(E). (*Form C20*)

The local board of the state department of corrections, the department of juvenile corrections or the local board of a county, city or town that operates detention facilities may specify a designated position within the department as a non-designated position if the position is filled by an employee who has at least five years of credited service under the Arizona State Retirement System and who provides a written request to the local board (within 90 days of being transferred) to specify the position as a non-designated position. When the employee leaves the position, the position reverts to a designated position. A.R.S. § 38-891(F).

The local board of the judiciary may specify positions within the Administrative Office of the Courts (CORP-AOC) that require direct contact with and primarily provide training or technical expertise to county probation, surveillance or juvenile detention officers as a designated position if the position is filled by an employee who is a member of the Plan currently employed in a designated position as a probation, surveillance or juvenile detention officer that has at least five years of credited service under the Plan. An employee who fills such a position shall make a written request to the local board to specify the position as a designated position within ninety days of accepting the position. When the employee leaves the position, the position reverts to a non-designated position. A.R.S. § 38-891(G).

RETIREMENT ELIGIBILITY AND CALCULATION

Employees who became a member on or before December 31, 2011:

Normal Retirement. Pursuant to A.R.S. §§ 38-881 (7, 11, 27, 28, 41 and 43) and 38-885, retirement benefits will commence the first day of month following termination of employment and based upon the following:

- 20 years of credited service but less than 25 years of credited service, or 80 points (age plus credited service) if membership date is on/after 8/9/01: 50% of the member's average monthly salary plus 2% of member's average monthly salary multiplied by each year of credited service over 20 (include fractional years).
- 25 years of credited service for dispatchers, or 80 points (age plus credited service) if membership date is on/after 8/9/01: 50% of the member's average monthly salary plus 2.5% of member's average monthly salary multiplied by each year of credited service over 20 (include fractional years). (12-years maximum so that the benefit does not exceed the 80% of the average monthly salary)
- 20 years of service but less than 20 years of credited service, or 80 points if membership date is on/after 8/9/01: Member's average monthly salary multiplied by each year of credited service (include fractional years) multiplied by 2.5%.

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (CORP)

- 80 points (age plus credited service) if membership date is PRIOR to 8/9/01: Member's average monthly salary multiplied by each year of credited service (include fractional years) multiplied by 2.5% (maximum 75% of average monthly salary).
- Age 62 with 10 years of service but less than 20 years of credited service: Member's average monthly salary multiplied by each year of credited service (include fractional years) multiplied by 2.5%.

Note: The maximum pension is capped at 80% of the average monthly salary (which a person would receive at 32 years of credited service).

Deferred Annuity. Inactive members (not making contributions to the Plan) that have at least ten (10) years of credited service may elect to receive a Deferred Annuity at the age of sixty-two (62). This annuity is a lifetime monthly payment that is actuarially equivalent to the member's accumulated contributions in the Plan plus an equal amount paid by the employer. This annuity is not a retirement benefit and annuitants are not entitled to survivor benefits, benefit increases, or the group health insurance subsidy. A.R.S. § 38-911(A).

Employees who became a member on or after January 1, 2012:

Normal Retirement. Pursuant to A.R.S. §§ 38-881 (7, 11, 27, 28, 41 and 43) and 38-885, retirement benefits will commence the first day of month following termination of employment and based upon the following:

- Age 62 with 10 years of service: 62.5% of the member's average monthly salary plus 2.5% of the average monthly salary multiplied by each year of credited service over 25 (include fractional years).
- Age 52.5 with 25 or more years of credited service: 62.5% of the member's average monthly salary plus 2.5% of the average monthly salary multiplied by each year of credited service over 25 (include fractional years).
- Age 52.5 with 25 years of service but less than 25 years of credited service: Average monthly salary multiplied by the member's total credited service multiplied by 2.5%.

Employees who became a member on or after January 1, 2012 are **not** eligible for a "Deferred Annuity." However, a member who attains the service requirement for a normal retirement, but does not meet the age requirement, may elect to leave contributions on account until reaching the age requirement and then elect to receive a retirement benefit (survivor benefits, benefit increases, or the group health insurance subsidy). A.R.S. § 38-911(B).

RETURN TO WORK AFTER RETIREMENT

A retired member may become re-employed and continue to receive a pension if the employment occurs twelve (12) months or more after retirement. The retired member shall not contribute to the fund and shall not accrue credited service. A.R.S. § 38-884(K).

If a retired member becomes employed by an employer in a designated position before twelve (12) months after retirement, the retired member's pension shall be suspended during reemployment in a designated position and the retired member shall not make contributions to the Plan nor accrue credited service during such reemployment. A.R.S. § 38-884(K).

If you are receiving an accidental or total and permanent disability retirement (*and have not reached normal retirement*) and have become employed by an employer under the Plan, your disability retirement will cease. However, your local board will need to review and determine your return to work eligibility. If benefits are suspended and upon eligibility for (re)retirement, the service from the disability retirement will be considered "service" and not "credited" service and your average monthly compensation will be based on the compensation from the new employment. A.R.S. § 38-886 (D and G).

If a retired member returns to work in any capacity in a designated position ordinarily filled by an employee, the employer is required to pay an alternate contribution rate to the CORP. From July 1, 2015 through June 30, 2016, the alternate contribution rate is 11.33%. A.R.S. § 38-891.01.

REVERSE DEFERRED RETIREMENT OPTION PLAN

Beginning July 1, 2006 and through June 30, 2016, the CORP shall offer the Reverse Deferred Retirement Option Plan (Reverse DROP) to members that are eligible for a normal pension (based on service and age) applicable to a membership date that is either prior to, or after January 1, 2012 (who is not awarded an accidental, ordinary or total and permanent disability pension). Under the Reverse DROP, the member must voluntarily and irrevocably elect to terminate employment and receive a normal retirement upon participation in the Reverse DROP. The Reverse DROP date is the first day of the month immediately following completion of required credited service, or a date not more than sixty (60) consecutive months before the date the member elects to participate in the Reverse DROP, whichever is later.

In basic terms, if a member elects to participate in the Reverse DROP, the years of service credit cannot go below 24 (non-dispatcher), or 25 (dispatcher) years of service credit after the Reverse DROP months are applied. The maximum number of months that a member could elect to reverse is 60 months (5 years).

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (CORP)

The member's pension will be calculated using the factors of credited service and average monthly benefit compensation in effect on the Reverse DROP Date. The lump sum distribution is credited as though it accrued monthly from the Reverse DROP date to the date the member elected to participate in the Reverse DROP (plus interest equal to the yield on a five (5) year Treasury note as of the first day of the month as published by the Federal Reserve Board).

Neither the member nor the employer is entitled to a refund of contributions made between the Reverse DROP date and the date the member elects to participate in the Reverse DROP. A.R.S. § 38-885.01.

Pursuant to statute, the Reverse DROP option will no longer be available after June 30, 2016. A.R.S. § 38-885.01.

SALARY

Salary means the base salary, shift differential pay, military differential wage pay and holiday pay paid a member for personal services rendered in a designated position to a participating employer on a regular monthly, semimonthly or biweekly payroll basis. Salary includes amounts that are subject to deferred compensation or tax shelter agreements. Salary does not include payment for any remuneration or reimbursement other than as prescribed by this paragraph.

For the purposes of this paragraph, "base salary" means the amount of compensation each member is regularly paid for personal services rendered to an employer before the addition of any extra monies, including overtime pay, shift differential pay, holiday pay, fringe benefit pay and similar extra payments. A.R.S. § 38-881(42).

SERVICE PURCHASE

Purchase of Prior Active Military Service. (Form 18). Members with at least ten (10) years of credited service with the Plan may purchase up to sixty (60) months of credited service for periods of active military service performed before employment with their current employer (even if the member receives a military pension). A.R.S. § 38-907 (A). Active members may also receive credited service limited to sixty (60) months if ordered/volunteered to active military service while working for the current employer if the criteria is met pursuant to A.R.S. § 38-907. The member shall pay the members contributions, upon which the employer shall make employer contributions. If member performs military service due to presidential call-up, the employer shall make the employer and employee contributions not to exceed forty-eight (48) months pursuant to A.R.S.38-907 (G). For more information, contact your employer.

Purchase of Prior Service from an Out-of-State Agency. (Form COSS). Active members with at least five (5) years of credited service with the Plan that have previous service

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. as a full-time paid corrections officer, or full-time paid certified peace officer may elect to redeem up to sixty (60) months of any part of the prior service if the prior service is not on account with any other retirement system. A.R.S. § 38-909.

Purchase of Prior Forfeited Service within the SAME Retirement Plan. If a former member becomes RE-EMPLOYED with the SAME EMPLOYER and, within two (2) years after the former member's termination date and applies with the Plan (within ninety days of reemployment), may elect to purchase all of the previously forfeited credited service. The amount required to reinstate the credited service is the amount previously withdrawn plus interest at the rate of 9% compounded annually from the date of withdrawal to the date of repayment and the reimbursement is required to be paid within one (1) year from the date of re-employment. A.R.S. § 38-884(I). (Form C1B), OR

If the statutory requirements above are not met, the member may still purchase some or all of the previously forfeited credited service calculated based on an amount computed by the Plan's actuary to equal the actuarial present value of the account. A.R.S. § 38-884(J). (Form C2).

Purchase of Service Between the Arizona Retirement Plans/Systems. (Form U2). Members of any of the four Arizona state retirement System/Plans that have credited service under another Arizona state retirement System/Plan may redeem the credited service to their current Arizona state retirement System/Plan by paying the full actuarial present value of the credited service into the current Arizona retirement System/Plan with the approval of the CORP or governing board. A.R.S. § 38-922.

TAXATION OF RETIREMENT BENEFITS

All CORP retirement benefits in excess of \$2,500 annually will be subject to Arizona state tax. A.R.S. §§ 38-896, and 43-1022.

TRANSFERS

Transfer of Contributions Between CORP Employers. (Form C1A). A member who terminates employment with an employer and accepts a position with the same or another employer participating in the Plan shall have their credited service transferred to their record with the new employer if they leave their accumulated contributions on deposit with the Plan. The period not employed shall not be considered as credited service. A.R.S. § 38-908.

Transfer of Service Between the Arizona Retirement Plans/Systems. (Form U2). Members of any of the four Arizona state retirement System/Plans that have credited service under another Arizona state retirement System/Plan may transfer the credited service to their current Arizona state retirement System/Plan by transferring the full actuarial

PLAN SPECIFIC NOTES TO THE FINANCIAL STATEMENTS (CORP)

present value of the credited service into the current Arizona retirement System/Plan with the approval of the CORP or governing board. 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/Plan. A.R.S. §§ 38-921 and 38-922.

Transfer of Service Between Municipal Retirement Systems & Special Retirement Plans. (Form U2A). An active or inactive member of a retirement System or Plan of a municipality of this state (i.e., City of Phoenix and City of Tucson) or of the CORP may transfer the service to their current retirement System or Plan based on the member's accumulated contributions plus interest, or the member may elect a reduced service amount to be transferred based on the actuarial present value. A.R.S. §§ 38-923 and 38-924.

This is not an official version of the Arizona Revised Statutes. If there are any differences or discrepancies, the official version will prevail.

NOTE 2: CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE CORP

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 the Entry Age Normal cost method. Unfunded actuarial accrued liabilities and assets in excess of actuarial accrued liabilities are being amortized as a level percent of payroll over a 21 year period. Beginning July 1, 2007, the minimum employer contribution rate was established at 6%. A.R.S. 38-891.

During the year ended June 30, 2015 contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of June 30, 2013. Employer contributions, including CORP-AOC, represented 14.46% of covered payroll [7.12% for normal costs (6.78% pension and .34% health insurance) and 7.34% for amortization of unfunded actuarial accrued liability in aggregate (6.45% pension and .89% health insurance subsidy)]. CORP-AOC cost-sharing employer contributions represented 16.12% of covered payroll [6.97% for normal costs (6.67% pension and .30% health insurance) and 9.15% for amortization of unfunded actuarial accrued liability in aggregate (8.21% pension and .94% health insurance subsidy)]. Member contributions, for both CORP and CORP-AOC, represented 8.41% (7.96% for dispatchers).

COMBINED NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: NET PENSION LIABILITY

Not applicable to PSPRS and CORP, but is applicable to EORP and CORP-AOC. Only cost-sharing plans are required to report the net pension liability, EORP and CORP-AOC. PSPRS and CORP are agent-multiple plans so this note is not applicable to PSPRS and CORP.

DETERMINATION OF TOTAL PENSION LIABILITY

EORP: The total pension liability shown in this subsection is also shown as of the last date of the pension plan’s fiscal year, June 30, 2015. A single discount rate of 4.86% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.85% and a municipal bond rate of 3.80% (20-year Bond Buyer Index as published by the Federal Reserve, as of June 25, 2015). The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates set by statute and non-employer contributions. Based on these assumptions, the pension plan’s fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2028. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2028, and the municipal bond rate was applied to all benefit payments after that date.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected real rates of return (expected returns, net of pension plan investment expense) are developed for each major class. The geometric method is the best method used to calculate the average rate per period on an investment that is compounded over multiple periods.

The actuarial assumptions used for the total pension liability are as follows:

Valuation Date:	June 30, 2015
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Closed
Remaining Amort. Period:	21yr
Asset Valuation Method:	Fair Value
Actual Contrib. Amounts:	Amounts are according to Section 38-810, Arizona Revised Statutes: 23.50% of aggregate payroll for 30 years. Includes \$5 million appropriation from a non-employer contributing member, the State of Arizona
Investment Rate of Return:	7.85%
Projected Salary Increases:	4.25%
Payroll Growth:	4.00%
Retirement Age:	Experience based table of rates specific to the type of eligibility condition.
Mortality:	RP-2000 mortality table projected to 2025 using scale AA (unadjusted Male and Female)
Assumed Future P.B.I.:	Members Retired on or before July 1, 2011: 3.00% of benefit. Members Retired on or after August 1, 2011: 0.50% of benefit.

The assumptions above are used for calculating the total pension liability and are different than those used for the calculation of funding and contribution rates. Actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

MEASUREMENT OF NET PENSION LIABILITY

The net pension liability is to be measured as the total pension liability, less the amount of the pension plan’s fiduciary net position. As of the plan year ending June 30, 2015, the net pension liability is \$781,451,299. If a single discount rate that is 1% lower was used, the net pension liability would have been \$909,707,897. Similarly, if a single discount rate that was 1% higher was used, the net pension liability would have been \$673,594,229. Total Pension Liability for FY 2015 is \$1,090,119,723. The Plan’s Fiduciary Net Position is \$308,668,424 which is 28.32% of Total Pension Liability.

EXPECTED RETURN - GEOMETRIC BASIS TARGET ASSET ALLOCATION			
ASSET CLASS	TARGET ALLOCATION	REAL RETURN GEOMETRIC BASIS	LONG-TERM EXPECTED PORTFOLIO REAL RATE OF RETURN
Short Term Investments	2.00%	0.75%	0.02%
Absolute Return	5.00%	4.11%	0.21%
Risk Parity	4.00%	5.13%	0.21%
Fixed Income	7.00%	2.92%	0.20%
Real Assets	8.00%	4.77%	0.38%
GTAA	10.00%	4.38%	0.44%
Private Equity	11.00%	9.50%	1.05%
Real Estate	10.00%	4.48%	0.45%
Credit Opportunities	13.00%	7.08%	0.92%
Non-U.S. Equity	14.00%	8.25%	1.16%
U.S. Equity	16.00%	6.23%	1.00%
Total	100.00%		6.01%
Inflation			3.00%
Expected Arithmetic Nominal Return			9.01%

COMBINED NOTES TO THE FINANCIAL STATEMENTS

SENSITIVITY OF THE NET PENSION LIABILITY TO THE SINGLE DISCOUNT RATE ASSUMPTION (IN THOUSANDS)			
	1% DECREASE 3.86%	CURRENT SINGLE RATE ASSUMPTION 4.86%	1% INCREASE 5.86%
Total Pension Liability	1,218,376	1,090,120	982,263
Plan Fiduciary Net Position	308,668	308,668	308,668
Net Pension Liability	909,708	781,452	673,594

CORP-AOC: The total pension liability shown in this subsection is also shown as of the last date of the pension plan's fiscal year, June 30, 2015. A single discount rate of 7.85% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.85%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The actuarial methods for CORP-AOC were the same as CORP aggregate.

The actuarial methods and assumptions used for the pension liability are as follows:

Valuation Date:	June 30, 2015
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of Payroll, Closed
Remaining Amort. Period:	21yr
Asset Valuation Method:	Fair Value
Inflation:	4.00%, no explicit price inflation assumption
Investment Rate of Return:	7.85%
Projected Salary Increases:	4.00%-7.25%
Payroll Growth:	4.00%
Retirement Age:	Experience based table of rates specific to the type of eligibility condition.
Mortality:	RP-2000 mortality table (adjusted by 105% for Males and Females)
Assumed Future P.B.I.:	Members Retired on or before July 1, 2011: 2.25% of benefit. Members Retired on or after August 1, 2011: 0.50% of benefit.

The assumptions above are used for calculating the total pension liability and are different than those used for the calculation of funding and contribution rates. Actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

EXPECTED RETURN - GEOMETRIC BASIS TARGET ASSET ALLOCATION			
ASSET CLASS	TARGET ALLOCATION	REAL RETURN GEOMETRIC BASIS	LONG-TERM EXPECTED PORTFOLIO REAL RATE OF RETURN
Short Term Investments	2.00%	0.75%	0.02%
Absolute Return	5.00%	4.11%	0.21%
Risk Parity	4.00%	5.13%	0.21%
Fixed Income	7.00%	2.92%	0.20%
Real Assets	8.00%	4.77%	0.38%
GTAA	10.00%	4.38%	0.44%
Private Equity	11.00%	9.50%	1.05%
Real Estate	10.00%	4.48%	0.45%
Credit Opportunities	13.00%	7.08%	0.92%
Non-U.S. Equity	14.00%	8.25%	1.16%
U.S. Equity	16.00%	6.23%	1.00%
Total	100.00%		6.01%
Inflation			3.00%
Expected Arithmetic Nominal Return			9.01%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The geometric method is the best method used to calculate the average rate per period on an investment that is compounded over multiple periods.

MEASUREMENT OF NET PENSION LIABILITY

The net pension liability is to be measured as the total pension liability, less the amount of the pension plan's fiduciary net position. As of the plan year ending June 30, 2015, the net pension liability is \$243,126,717. If a single discount rate that is one percent lower was used, the net pension liability would have been \$317,884,439. Similarly, if a single discount rate that was one percent higher was used, the net pension liability would have been \$180,909,155. Total Pension Liability for FY2015 is \$577,419,466. The Plan's Fiduciary Net Position is \$334,292,749 which is 57.93% of Total Pension Liability.

SENSITIVITY OF THE NET PENSION LIABILITY TO THE SINGLE DISCOUNT RATE ASSUMPTION (IN THOUSANDS)			
	1% DECREASE 6.85%	CURRENT SINGLE RATE ASSUMPTION 7.85%	1% INCREASE 8.85%
Total Pension Liability	652,177	577,419	515,202
Plan Fiduciary Net Position	334,293	334,293	334,293
Net Pension Liability	317,884	243,126	180,909

NOTE 4: ELECTED OFFICIALS’ DEFINED CONTRIBUTION SYSTEM

Only applicable to EORP.

As part of 2013 legislation, House Bill 2608 effectively closed the Elected Officials’ Retirement Plan (EORP) and created the Elected Officials’ Defined Contribution Retirement System (EODCRS), with an effective date of January 1, 2014. All employers who are in EORP are required to be in the EODCRS. This is to ensure that the legacy costs of EORP are continued to be funded by those employers whose members contribute to that liability. Elected Officials who are elected, appointed, or hired on or after January 1, 2014 have one of three different paths that may be available to them.

Path 1: Elected Officials’ Retirement Plan. ARS § 38-801 restricts membership in EORP to elected officials defined therein who are members of the plan on December 31, 2013. Member is not defined, but has always included active and inactive members. Inactive is not defined, either, but they are only considered inactive if they are not actively contributing, but have left their money on account. Therefore, if a person has EORP time on account or is appointed, elected, or hired on or before December 31, 2013 they are required to be in EORP.

Path 2: Arizona State Retirement System. As prescribed in ARS § 38-727, if a person is appointed, elected, or hired on or after January 1, 2014 and does not have prior EORP time, but has ASRS time, that person has the option to return to ASRS. If that person chooses ASRS, that choice must be made in writing and filed with ASRS within 30 days after that person’s term begins. That decision is irrevocable during the term in which that election was made. Additionally, the member has the option to participate in either the EODC or ASRS Plan with each term. The elected official will contribute to and participate in the Long-Term Disability Program administered by ASRS.

Path 3: Elected Officials’ Defined Contribution Retirement System. If a person is elected, appointed, or hired on or after January 1, 2014, does not have time on account with

EORP, and does not timely opt out of EODC to return to ASRS, s/he is automatically enrolled in EODCRS, the investment options of which will be administered by third-party administrator. The elected official will contribute to and participate in the Elected Officials’ Defined Contribution Retirement System Disability Program administered by EODCRS.

Through HB 2608, beginning January 1, 2014 and continuing for 30 years, employer contributions equal 23.5% of aggregate payroll. Aggregate payroll is on behalf of active members in the Arizona Elected Official’s Retirement Plan (EORP), active members in the Elected Officials’ Defined Contribution Retirement System (EODCRS), and active members in the Arizona State Retirement System (ASRS) who opt out of EODCRS because they had money on account with ASRS.

The employer contributions are used to pay for:

- 1) EORP Defined Benefits = Employer Normal Cost plus an amount to amortize the unfunded accrued liability;
- 2) EODCRS Defined Contribution = 6% of pay for those electing EODCRS, first effective January 1, 2014; and
- 3) ASRS Defined Benefits = Employer’s contribution amount.

Additionally, in fiscal years 2013-14 through 2042-43, the sum of \$5,000,000 is appropriated in each fiscal year from the state general fund to EORP to supplement the Normal Cost plus an amount to amortize the unfunded accrued liability.

NOTE 5: OTHER BENEFITS

The System adopted a supplemental defined contribution plan for all contributing members of an eligible group. An eligible group is defined as the employees of the Board of Trustees, PSPRS, the EORP and the CORP. The employees of any of these eligible groups must make an election to participate within two years after the employee first meets the eligibility requirements to participate in the plan. The election to participate is irrevocable and continues for the remainder of the employee’s employment with the employer. If an employee elects to participate, the employee must contribute at least 1% of the employee’s gross compensation. The IRS maintains that the employers designate the amounts contributed by each employee. All amounts contributed are subject to the discretion and control of the employer. Employee contributions and earnings to the plan are immediately vested. Employer contributions, if any, are vested based on the following schedule:

- Less than one year of service 0%
- One year but less than two 20%
- Two years but less than three 40%
- Three years but less than four 60%
- Four years but less than five 80%
- Five years or more 100%

COMBINED NOTES TO THE FINANCIAL STATEMENTS

The System administers the supplemental defined contribution plan through Nationwide Retirement Solutions, Inc. All contributions are sent directly to Nationwide Retirement Solutions, Inc. from the participating employer groups.

NOTE 6: FUNDING STATUS AND PROGRESS**HEALTH INSURANCE**

The required schedule of funding progress for health insurance premium subsidy immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The actuarial methods and assumptions used for the health insurance premium subsidy benefits are as follows:

Valuation Date:	June 30, 2015
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of Payroll, Closed
Remaining Amort. Period:	21yr Closed for U.A.A.L.
Asset Valuation Method:	7yr Smoothed Market Value, 80%/120% Market
Investment Rate of Return:	7.85%
Proj. Salary Increases (EO)	4.25% including inflation of 4.00%

As of June 30, 2015 health insurance premium subsidy for PSPRS has assets in excess of \$20,943,243 for a funding ratio of 107.1%. The assets for the health insurance premium subsidy were \$315,353,511 with liabilities of \$294,410,268. The excess is (1.49)% of covered payroll, \$1,401,178,245.

The EORP health insurance premium subsidy has assets in excess of \$10,682,621 for a funding ratio of 186.42%. The assets for the health insurance premium subsidy were \$23,043,536 with liabilities of \$12,360,915. The excess is (17.25)% of covered payroll, \$61,933,383.

Health insurance premium subsidy for CORP has assets of \$10,474,737 for a funding ratio of 110.38%. The assets for health insurance premium subsidy were \$103,581,998 with liabilities of \$83,822,858. The excess is (3.91)% of covered payroll, \$505,904,780.

As of June 30, 2015 the CORP-AOC cost-sharing plan health insurance premium subsidy had liabilities of \$9,284,403 for a funding ratio of 45.54%. The assets for the CORP-AOC health insurance premium subsidy were \$7,763,891 with liabilities of \$17,048,294. The liability is 8.41% of covered payroll, \$110,362,697.

Actuarial valuations involve estimates of the value of re-

ported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Consistent with this perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial calculations are based on the benefits provided under the terms of the Plan in effect at the time of each valuation. These benefits are described in Note 1 under "Summary of Benefits".

NOTE 7: BASIS FOR ALLOCATION

The basis for allocation relates to the net assets and is based on the balances of the bank of record, BNY Mellon. The allocation between pension and health insurance is based on the reserve balances as of June 30, 2015.

Description	Pension	Health Ins	Total Plan	Total System
PSPRS	72.54%	3.69%		
Total PSPRS			76.23%	
EORP	3.68%	0.27%		
Total EORP			3.96%	
CORP	14.49%	1.22%		
CORP-AOC	4.01%	0.09%		
Total CORP			19.81%	
TOTAL SYSTEM				100.00%

NOTE 8: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS**BASIS OF ACCOUNTING**

The System's financial statements are prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Pension and Health Insurance subsidy benefits are recognized when due and payable in accordance with the terms of the Plan. 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, fixtures and equipment purchases costing \$10,000 or more, when acquired, are capitalized at cost. Improvements, which increase the useful life of the property, are also capitalized.

COMBINED NOTES TO THE FINANCIAL STATEMENTS

Investment income net of administrative and investment expenses are allocated to each employer group based on the average relative fund size for each employer group for that year. Administrative fees are paid from Investment returns and in cases where there is a loss, the fees are paid from contributions.

By state statute, the Plan 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 \$429,452,358 for FYE 2015 and \$539,810,246 for FYE 2014. This calculation is independent of the calculation of the change in the market value of investments and may include unrealized amounts from prior periods.

GASB Statement 66, *Technical Corrections – 2012 an amendment of GASB Statements No. 10 and No. 62*, was issued and is effective for periods beginning after December 15, 2012. There is no effect on the EORP financial statements. The GASB has issued Statement No. 67, *Financial Reporting for Pension Plans; an amendment of GASB Statement No. 25* This Statement replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trust or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2013. The requirements of this statement have been implemented in the EORP Financial Statements. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions and amendment of GASB Statement No. 27*. GASB 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, was issued and is effective for periods beginning after June 15, 2013. There is no effect on the EORP financial statements.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets held in trust for pension benefits at June 30, 2015. Actual results could differ from those estimates.

NOTE 9: CASH AND INVESTMENTS

CASH

Custodial credit risk for deposits is the risk that in the event of a bank failure, the System’s deposits may not be returned. The deposits are held in two financial institu-

tions with a balance of up to \$250,000 (permanently guaranteed as of July 21, 2010) insured by the Federal Deposit Insurance Corporation (FDIC). The System mitigates custodial credit risk for deposits by requiring the financial institutions to pledge securities from an acceptable list in an amount at least equal to 102% of the aggregate amount of the deposits on a daily basis.

All monies shall be secured by the depository in which they are deposited and held to the same extent and in the same manner as required by the general depository law of the state. Cash balances represent both operating and cash accounts held by the bank and investment cash on deposit with the investment custodian. All deposits are carried at cost plus accrued interest. The following table is a schedule of the aggregate book and bank balances of all cash accounts as of June 30, 2015:

	REPORTED AMOUNT	BANK BALANCE
Pension Trust Fund	390,332,091	390,332,091
Operating Fund	5,309,141	21,753,324
Total Deposits	395,641,232	412,085,415

MONEY-WEIGHTED RATE OF RETURN

The money-weighted rate of return on investments for FY2015 was 3.984%, \$322,896,201 and 13.302%, \$959,355,910 for FY 2014. The calculation is less investment expenses of \$6,318,972. The money-weighted rate of return expresses investment performance, net of investments expense, adjusted for the changing amounts actually invested.

INVESTMENTS

The System’s investments are reported at Market Value. Market Values are determined as follows: Short-term investments are reported at cost plus accrued interest. Equity securities are valued at the last reported sales price. Fixed-income securities are valued using the last reported sales price or the estimated market value as determined by fixed-income broker/dealers plus accrued interest. Investments in hedge funds are valued monthly at the last reported valuations.

Limited partnership investments in credit opportunities, private equity, real assets and real estate are valued on a quarterly or monthly basis at last reported valuations adjusted by any subsequent cash flows.

Statutes enacted by the Arizona Legislature authorize the Board of Trustees to make investments in accordance with the "Prudent Man" rule. The Board of Trustees is not limited to so-called "Legal Investments for Trustees."

COMBINED NOTES TO THE FINANCIAL STATEMENTS

In making every investment, the board 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 eighty percent of the combined assets of the system or other plans that the board manages 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 combined assets of the system or other plans that the board manages shall be invested in corporate stock issued by any one corporation, other than corporate stock issued by corporations chartered by the United States government or corporate stock issued by a bank or insurance company.
- 3) That not more than five percent of the voting stock of any one corporation shall be owned by the system and other plans that the board administers, except that this limitation does not apply to membership interests in limited liability companies.
- 4) That corporate stocks and exchange traded funds eligible for purchase shall be restricted to stocks and exchange traded funds that, except for bank stocks, insurance stocks and membership interests in limited liability companies, 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 §78ll);
 - 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 §78ll).
 - c) Listed or approved on issuance for listing on an exchange registered under the laws of this [Arizona] state or any other state.
 - d) Listed or approved on issuance for listing on an exchange of a foreign country with which the United States is maintaining diplomatic relations at the time of purchase, except that no more than twenty per cent of the combined assets of the system and other plans that the board manages shall be invested in foreign securities, based on the cost value of the stocks irrespective of capital appreciation.
 - e) An exchange traded fund that is recommended by the chief investment officer of the system, that is registered under the investment company act of 1940 (15 United States Code Section 80a-1 through 80a-64) and that is both traded on a public exchange and based on a publicly recognized index.

A.R.S. § 38-848.B as amended in 2008 authorized the Board of Trustees to commingle the assets of all the plans entrusted to its management, subject to the crediting of receipts and earnings and charging of payments to the appropriate employer, system or plan. As a result, the various assets of the Public Safety Retirement System, Elected Officials' Retirement Plan, and the Corrections Officer Retirement Plan were unitized beginning September 1, 2008 into the PSPRS Trust. Investments for each fund are allocated daily via a constant dollar unitization methodology. Realized and unrealized gains are allocated monthly using the same methodology.

At June 30, 2015, the fair value of the PSPRS Trust and the allocation for each system and plan was as follows:

PLAN	UNITIZED	PERCENT
PSPRS Pension	6,075,461,002	72.54%
PSPRS Health Ins.	308,662,276	3.69%
EORP Pension	308,652,796	3.68%
EORP Health Ins.	22,596,853	0.27%
CORP Pension	1,205,496,844	14.49%
CORP Health Ins.	101,615,627	1.22%
CORP-AOC Pension	334,292,749	4.01%
CORP-AOC Health Ins.	7,616,560	0.09%
TOTAL	8,364,394,707	100.00%

CUSTODIAL CREDIT RISK

Custodial Credit Risk is the risk that the System will not be able (a) to recover deposits if the depository financial institution fails or (b) to recover the value of the investment or collateral securities that are in the possession of an outside party if the counterpart to the investment or deposit transaction fails. As of June 30, 2015, the System has no fund or deposits that were not covered by depository insurance or collateralized with securities held by our banks' trust department or agent. Nor does the System have any investments that are not registered in the name of the System, and are either held by the counterpart or the counterpart's trust department or agent. The system's cash is not collateralized by Wells Fargo, but is pooled with the State of Arizona Treasurer.

CREDIT RISK

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the System. As of June 30, 2015, the System's fixed income assets that were not government guaranteed represented 98.7% of the fixed income portfolio.

COMBINED NOTES TO THE FINANCIAL STATEMENTS

Each portfolio is managed in accordance with investment guidelines that are specific as to permissible credit quality ranges, exposure levels within individual quality tiers, and the average credit quality of the overall portfolios. To those guidelines, the fixed income portfolio must have a minimum weighted average quality rating of A3/A-. Fixed income securities must have a minimum quality rating of Baa3/BBB- at the time of purchase.

The portion of the bond portfolio in securities rated Baa3/BBB- through Baa1/BBB+ must be 20% or less of the fair value of the fixed income portfolio.

Included in the fixed income portfolio are cash equivalents or commercial paper. Commercial Paper must have a minimum quality rating of A-1/P-1 at the time of purchase. Investments in derivatives are limited to collateralized mortgage obligations (CMO), collateralized bond obligations (CBO), collateralized debt obligations (CDO), and asset-backed securities (ABS).

In preparing this report, collateral for securities lending has been excluded because it is invested in a securities lending collateral investment pool. The following tables summarize the System's fixed income portfolio exposure levels and credit qualities.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue. Other than bonds used as direct obligations of and fully guaranteed by the U.S. Government, not more than 5% of the Fund or its fixed income portfolio at fair value shall be invested in bonds issued by any one institution, agency or corporation.

AVERAGE CREDIT QUALITY AND EXPOSURE LEVELS OF NON-GOVERNMENT GUARANTEED SECURITIES			
FIXED SECURITY TYPE	FAIR VALUE JUNE 30, 2015	% OF FIXED INCOME ASSETS	WEIGHTED AVG. CREDIT
Corporate Bonds	624,722,495	100.0%	A
Mortgages	-	0.0%	-
CBO	-	0.0%	-
Total	624,722,495	100.0%	

RATINGS DISPERSION DETAIL	
CREDIT RATING LEVEL	CORPORATE BONDS
AAA	-
AA	12,957,520
A	23,393,418
BBB	16,306,960
BB	1,208,955
B	-
CCC	101,499
CC	-
C	1,106,897
Not Rated	569,647,246
Total	624,722,495

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. This risk is managed within the portfolio using segmented time distributions. It is widely used in the management of fixed income portfolios in that it quantifies the risk of interest rate changes. The System does invest in fixed income securities with floating rates that contain coupon adjustment mechanisms in a rising interest rate environment.

The following tables quantify, to the fullest extent possible, the interest rate risk of the System's fixed income assets.

SEGMENTED TIME DISTRIBUTION BY SECURITY TYPE (INCLUDING GOVERNMENT GUARANTEED SECURITIES) (IN THOUSANDS)						
FIXED INCOME SECURITY	<1	1-5	6-10	11-15	16-20	>20
Corporate	-	39,821	6,567	10,792	2,974	564,568
Agencies	-	-	-	-	-	7,721
Mortgages	-	-	-	-	-	-
CBO	-	-	-	-	-	-
Total	-	39,821	6,567	10,792	2,974	572,289

CALLABLE BONDS BY SECURITY TYPE (INCLUDING GOVERNMENT GUARANTEED SECURITIES)		
FIXED INCOME SECURITY TYPE	MARKET VALUE JUNE 30, 2015	% OF ALL FIXED INCOME ASSETS
Corporate	-	0.00%
Agencies	-	0.00%
Totals	-	0.00%

COMBINED NOTES TO THE FINANCIAL STATEMENTS

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in the foreign exchange rate will adversely impact the market value of an investment. The System is allowed to invest part of its assets in foreign investments. The following table shows the System's exposure to foreign currency risk (U. S. dollars):

CURRENCY	FOREIGN CURRENCY RISK (IN THOUSANDS)			TOTAL
	SHORT TERM	EQUITY	OTHER	
AUSTRALIAN DOLLAR	88	46,157	0	46,245
BRAZIL REAL	62	14,766	0	14,828
CANADIAN DOLLAR	109	58,971	0	59,080
CHILEAN PESO	0	1,933	0	1,933
COLOMBIAN PESO	28	913	0	941
CZECH KORUNA	11	304	0	314
DANISH KRONE	3	9,598	0	9,601
EURO CURRENCY UNIT	2,384	194,673	114,245	311,302
HONG KONG DOLLAR	209	65,872	0	66,081
HUNGARIAN FORINT	12	367	0	380
INDONESIAN RUPIAH	17	3,644	0	3,662
ISRAELI SHEKEL	14	3,436	0	3,450
JAPANESE YEN	1,393	150,614	0	152,007
MALAYSIAN RINGGIT	19	5,436	0	5,455
MEXICAN NEW PESO	24	8,577	0	8,601
NEW TAIWAN DOLLAR	483	23,331	0	23,814
NEW TURKISH LIRA	40	2,522	0	2,561
NEW ZEALAND DOLLAR	26	1,193	0	1,219
NORWEGIAN KRONE	144	5,595	0	5,739
PHILIPPINES PESO	28	2,373	0	2,401
POLISH ZLOTY	24	2,563	0	2,588
POUND STERLING	930	131,479	50,674	183,083
S AFRICAN COMM RAND	29	14,283	0	14,312
SINGAPORE DOLLAR	61	8,491	0	8,552
SOUTH KOREAN WON	48	28,208	0	28,256
SWEDISH KRONA	63	19,585	0	19,648
SWISS FRANC	428	57,779	0	58,207
THAILAND BAHT	-	2,312	0	2,312
TOTAL MARKET VALUE	6,676	864,975	164,919	1,036,570

DERIVATIVES

Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates, or financial indexes. They include futures contracts, options contracts, and forward foreign currency exchange. The Board of Trustees has adopted a derivative

policy that specifically authorizes external investment managers to enter into certain derivative contracts based on an analysis that the use of such derivatives will have a positive impact on the Trust's ability to manage its underlying assets and liabilities. The System Trust investment program, indirectly through its external managers, holds investments in futures contracts. The external money managers enter into these certain derivative instruments primarily to enhance the performance and reduce the volatility of the System portfolio, to gain or hedge exposure to certain markets, and to manage interest rate risk. The external managers are required to follow certain controls, documentation and risk management procedures when employing these financial instruments.

The fair value exposure associated with these derivative instruments was recorded on the financial statements as a portion of the unrealized gains and losses related to U.S. Equity and Fixed Income. The total of unrealized loss for the System was \$1,551,901 at June 30, 2015 consisting of U.S. Equity (loss of \$1,560,073) and Risk Parity (gain of \$8,172). Interest risk associated with these investments are included in the tables on page 76.

SECURITY LENDING PROGRAM

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 Plan 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, 2015 the fair value of securities on loan was \$332,039,096 and the collateral was \$342,053,154 for the System. 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. All matched loans shall have matched collateral investments.

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. At June 30, 2015, the weighted average maturity was 84 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.

COMBINED NOTES TO THE FINANCIAL STATEMENTS

Prior to the current fiscal year, under this program, the Plan has not experienced any defaults or losses on these loans. However, in November 2008 the System was informed that due to recent market events one or more securities lending collateral vehicles that held assets have been impaired. This potential liability will be realized upon settlement of the recovery process or if there becomes a liquidity issue with the collateral pool.

ASSET CLASS	OUT ON LOAN	TOTAL AVAILABLE TO LOAN	% OF AVAILABLE TO LOAN
Equities	237,640,686	314,755,875	75.5%
Agencies	-	-	-
Treasuries	-	-	-
Exchange Traded	94,398,410	943,984,100	10.0%
Totals	332,039,096	1,258,739,975	26.4%

VALUATION PROCESS FOR NON-EXCHANGE TRADED INVESTMENTS

The System does not value any non-publicly traded assets. All of the System’s non-publicly-traded assets are managed by external managers, who value the investments under their management in accordance with their established valuation policies, which may include discounted cash flow methodologies (such as purchase offers) or market comparable pricing is otherwise unavailable or appears imprudent to employ. Upon receipt of an external manager’s valuation of assets under its management, that valuation is provided to the System’s custodian bank which then reflects the valuation on the System’s books of account.

NOTE 10: CAPITAL ASSETS

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, 2015 was \$250,221.

The following table is a schedule of the capital asset account balances as of June 30, 2015, and June 30, 2014, and changes to those account balances during the year ended June 30, 2015.

SCHEDULE OF CAPITAL ASSET ACCOUNT BALANCES				
	LAND	BUILDING IMPROVEMENTS	FURNITURE FIXTURES EQUIPMENT	TOTAL CAPITAL ASSETS
CAPITAL ASSETS				
June 30, 2014	615,169	4,624,065	1,559,373	6,798,607
Additions	0	0	123,391	123,391
Deletions	0	0	0	0
June 30, 2015	615,169	4,624,065	1,682,764	6,921,998
ACCUMULATED DEPRECIATION				
June 30, 2014	0	(1,154,665)	(1,289,551)	(2,444,216)
Additions	0	(131,800)	(118,421)	(250,221)
Deletions	0	0	0	0
June 30, 2015	0	(1,286,465)	(1,407,972)	(2,694,437)
Net Capital Assets	615,169	3,337,600	274,792	4,227,561

NOTE 11: HEALTH INSURANCE PREMIUM SUBSIDY

The plan description, summary of significant accounting policies, investment policies and contributions required for the health insurance subsidy are the same as the retirement plan and can be found under Notes 1, 5 and 8. The health insurance premium subsidy provided by A.R.S. §38-857 consists of a fixed dollar amount set by statute and paid by the System on behalf of eligible retired members. The subsidized health benefits are provided and administered by the Arizona State Retirement System, Arizona Department of Administration or the participating employer of the retired member. According to Governmental Accounting Standards Board (GASB) Statement No. 43, the health insurance subsidy paid by the Plan represents other post employment benefits. As of July 1, 2013 the Plan administers a separate healthcare plan as defined under IRC §401(h). In addition, the Plan is statutorily authorized, by A.R.S. §38-857, to maintain a separate account for the health insurance subsidy assets and benefit payments. The Health Insurance assets are accounted for by employer, and are available to pay only Health Insurance benefit.

NOTE 12: PLAN TERMINATION

The System is administered in accordance with Arizona statutes. These statutes do provide for termination of the plans under A.R.S. 41-3016.18. The plans are scheduled to terminate on July 1, 2016. However, based on the Auditor General’s sunset review and performance audit, the Legislative Committee of Reference held a hearing on November 18, 2015 and recommended to the full Legislature that the System continue for eight more years beginning July 1, 2016. This recommendation will be considered during the 2016 legislative session beginning in January of that year.

COMBINED NOTES TO THE FINANCIAL STATEMENTS**NOTE 13: CONTINGENCIES**

Some of our real estate partners in the investments categorized as “other investments” have obtained third party financing, which is secured by real property. The System has entered into Capital Call Agreements with regards to these third party financing arrangements. The Capital Call Agreements, in the unlikely event of default, limit the System to the amount of the defaulted payment or the original terms of the investment approved by the Board of Trustees, whichever is less. In management’s opinion, any loss realized due to current economic conditions will not have a material effect on the financial statements.

As stated in Note 9 – Cash and Investments (under the Security Lending Program heading), the System was notified in November 2008 of a situation involving one or more security lending collateral vehicles that held assets which have been impaired as a result of recent market events. An estimate of the unrealized loss is approximately \$3.3 million dollars for the System and has been recorded as a liability. It is anticipated that a final resolution will be reached in next few fiscal years.

NOTE 14: PENDING LAWSUITS

In compliance with the Supreme Court decision regarding permanent benefit increase (PBI) payments, the Public Safety Personnel Retirement System issued a retroactive permanent benefit increase payment for its eligible members (those members who retired effectively on or before July 1, 2011). We are still awaiting the outcomes of the others lawsuits filed in the Superior Court of Arizona in Maricopa County that challenged Senate Bill 1609 in 2011.

NOTE 15: DEFINED BENEFIT PENSION PLANS

The employees of the System are covered under the Arizona State Retirement System (ASRS) for pension benefits after retirement.

PLAN DESCRIPTION**ORGANIZATION**

The Arizona State Retirement System (ASRS) is a component unit of the State of Arizona. The ASRS is a cost-sharing, multiple-employer, pension plan established by the State of Arizona to provide pension benefits for employees of the State and employees of participating political subdivisions and school districts. The ASRS is administered in accordance with Title 38, Chapter 5, Article 2 of the Arizona Revised Statutes (A.R.S.). The Long Term Disability Program is administered in accordance with Title 38, Chapter 5, Article 2.1.

BENEFITS

The ASRS provides benefits under formulas and provisions described in Arizona State law. Benefits and administrative expenses are paid from funds contributed by members and employers and from earnings on investments. The ASRS provides for retirement, disability, health insurance premium supplemental benefits and survivor benefits.

Retirement benefits are calculated on the basis of age, total credited service and average monthly compensation, which is established on a fiscal year basis (July 1 to June 30).

Members with an initial membership date before July 1, 2011, are eligible for full retirement benefits upon the earliest of attaining:

Age 65;
Age 62 with 10 years of credited service; OR
Age plus credited service equaling 80 or more

Members with initial membership dates on or after July 1, 2011, are eligible for full retirement benefits upon the earliest of attaining:

Age 65;
Age 62 with 10 years of credited service;
Age 60 with 25 years of credited service; OR
Age 55 with 30 years of credited service

Average monthly compensation is determined by a 60-month or 36-month calculation depending on when a member began contributing to the ASRS.

The 60-month calculation is an option for members who began contributing to the ASRS before January 1, 1984. To determine a member’s benefit using this formula, the ASRS averages the highest 60 consecutive months of salary within the last 120 months of service. This calculation includes base salary, additional contracts, overtime and any other form of compensation. Termination payments may include sick pay (except for state and county employees), vacation pay, compensation time pay, retirement incentive pay (excludes payments made after retirement begins, such as VIP or ESP), or any other payments paid at the time of retirement. The average monthly compensation for members who began contributing before January 1, 1984 is automatically based on whichever calculation provides the greater benefit.

The 36-month calculation is required for members who began contributing to the ASRS on or after January 1, 1984. To determine a member’s benefit using this formula, the ASRS averages the highest 36 consecutive months of salary within the last 120 months of service. This calculation excludes any termination payments the member received upon retirement.

COMBINED NOTES TO THE FINANCIAL STATEMENTS

For members who began contributing to the ASRS on or after July 1, 2011, the average monthly compensation used in a retiring member’s retirement benefit calculation is the average of the highest consecutive 60 months in the last 120 months. Unlike the pre-1984 60 month calculation, the 60 month calculation enacted in 2011 does not include termination pay such as sick leave, annual leave etc.

The graded multiplier is a percentage set by Arizona State statute. It is the percentage of the average monthly compensation members will receive for each year of credited service they have accrued at retirement. This percentage is based on their total years of service at retirement based on the following graded multiplier schedule:

YEARS OF SERVICE	MULTIPLIER
00.00 - 19.99 years	2.10%
20.00 - 24.99 years	2.15%
25.00 - 29.99 years	2.20%
30.00 or more years	2.30%

PERMANENT BENEFIT INCREASE (PBI)

Retired members who have been retired one year and members receiving LTD benefits are eligible for a benefit increase adjustment up to a maximum of 4%.

Retired members with at least 10 years of service who have been retired five or more years are eligible for an enhanced permanent benefit increase (EPBI). For each complete five-year period the member has been retired, an incremental benefit is paid if monies to pay the benefit are available. This benefit is funded by an interest credit of 8% of the reserve for future PBIs.

The PBI is paid from a reserve of excess investment earnings. Funds are reserved when total actuarial investment returns for each fiscal year are 8% or greater. If there are no excess investment earnings in the reserve, then no additional benefit increase is paid. As of June 30, 2015, there is a zero balance in the reserve for future PBIs.

Due to legislation enacted in the 2013 legislative session, PBIs and EPBIs will not be awarded to members hired after September 13, 2013.

CONTRIBUTIONS

Per Arizona Revised Statutes, contribution requirements for active plan members and their participating employers are established and may be amended by the ASRS Board. Contribution rates are actuarially determined and are expected to finance the costs of benefits earned by plan members during the year and any unfunded accrued liability. Cost of administering the plan is financed through em-

ployer contributions, member contributions and investment earnings.

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work.

Employers’ contractually required contribution rates as a percentage of covered payroll and the employees’ matching contributions were as follows for fiscal year 2015:

CONTRIBUTION RATES	EMPLOYEE	EMPLOYER
Retirement	11.48%	10.89%
Health Benefit Supplement	0.00%	0.59%
Long-Term Disability	0.12%	0.12%
TOTAL REQUIRED	11.60%	11.60%
Alternate Contribution Rate	9.57%	0.00%

State statutes allow the purchase of eligible service credit for which no benefit can be paid by another qualified plan. Purchasable services include leave of absence, military service, other public service employment and previously forfeited service under the ASRS. Statutes also allow purchase of military service regardless of whether a benefit may be paid. The Systems contributions to ASRS were \$423,785 for the year ended June 30, 2015.

TERMINATION OF EMPLOYMENT

Upon termination of employment, members may elect to receive their contributions made to the Plan, plus accrued interest. Members with an initial membership date before July 1, 2011, may receive a percentage of employer contributions to the plan based on years of service as follows:

YEARS OF SERVICE	VESTING
5.00 - 5.99 years	25.00%
6.00 - 6.99 years	40.00%
7.00 - 7.99 years	55.00%
8.00 - 8.99 years	70.00%
9.00 - 9.99 years	85.00%
10.00 or more years	100.00%

Members with an initial membership date on or after July 1, 2011 will not receive any portion of the employer contributions if they withdraw their account balance prior to retirement. This does not apply to terminations due to an employer reduction in force or position elimination, in which case the above ASRS vesting schedule will apply.

COMBINED NOTES TO THE FINANCIAL STATEMENTS

Withdrawal of accumulated contributions results in forfeiture of the member's accrued benefits in the Plan; however, state law provides for reinstatement of a member's forfeited service upon repayment of the accumulated contributions, plus interest if a former member returns to covered service.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the ASRS and additions to/deductions from ASRS' fiduciary net position have been determined on the same basis as they are reported by ASRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

EMPLOYER CONTRIBUTIONS

Contributions are recognized as revenues when due, pursuant to statutory and contractual requirements.

ACTUARIAL ASSUMPTIONS

The total pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward using generally accepted actuarial procedures to June 30, 2014: The actuarial assumptions related to funding were selected

Actuarial Valuation Date	June 30, 2013
Actuarial Roll Forward Date	June 30, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method:	
Plan Amendments	Immediate
Investment Gain/Loss	5 years
Assumption Gain/Loss	Avg. Future Serv. Lives
Experience Gain/Loss	Avg. Future Serv. Lives
Asset Valuation	Market Value
Discount Rate	8.00%
Projected Salary Increase	3.00 - 6.75%
Inflation	3.00%
Permanent Benefit Increase	Included
Mortality Rates	1994 GAM Scale BB

on the basis of an experience study which was performed for the five-year period ending June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major

asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

ASSET CLASS	EXPECTED RETURN ARITHMETIC BASIS		LONG-TERM EXPECTED REAL RATE OF RETURN
	TARGET ASSET ALLOCATION	REAL RETURN ARITHMETIC BASIS	
Equity	63.00%	7.03%	4.43%
Fixed Income	25.00%	3.20%	0.80%
Commodities	4.00%	4.50%	0.18%
Real estate	8.00%	4.75%	0.38%
Total	100.00%		5.79%
Inflation			3.00%
Expected arithmetic nominal return			8.79%

Actual returns may be lower due to volatility of returns. The long-term expected rate of return of 8.79% differs from the 8% utilized to discount the net pension liability. Details regarding the discount rate for actuarial purposes follows.

DISCOUNT RATE

The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Boards' funding policy, which establishes the contractually required rate under Arizona statute.

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The table below presents the net pension liability of the participating employers calculated using the discount rate of 8%, as well as what the employers' net pension liability would be if it were calculated using the discount rate that is 1.00% lower (7.00%) or 1.00% higher (9.00%) than the current rate at June 30, 2014 (in thousands):

COMBINED NOTES TO THE FINANCIAL STATEMENTS

1% DECREASE (7.00%)	CURRENT DISCOUNT RATE (8.00%)	1% INCREASE (9.00%)
\$ 7,376	\$ 5,835	\$ 5,000

ADDITIONAL FINANCIAL AND ACTUARIAL INFORMATION
The additional financial and actuarial information is available at www.azasrs.gov.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSION

At June 30, 2015, the System recorded a liability of \$5,835,425 for the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2013 and determined by an actuarial valuation as of that date with a roll-forward to June 30, 2014. The System's proportionate share of the total net pension liability was based on the ratio of the System's actual contributions of \$423,785 paid to ASRS for the year ended June 30, 2014 relative the actual contributions of \$964,529,947 from all participating employers. At June 30, 2015 the System's proportionate share was 0.039438% which is a decrease of .000948% from the previous year.

For the year ended June 30, 2015, the System recognized a pension expense of \$336,048, our proportionate share of the total pension expense.

At June 30, 2015, the System reported deferred outflows of resources and deferred inflows of resources from the following sources related to ASRS pension benefits:

RECONCILIATION OF EMPLOYER CONTRIBUTIONS (IN THOUSANDS)		
BALANCE OF DEFERRED OUTFLOWS AND INFLOWS DUE TO:	RESOURCE DEFERRED OUTFLOWS	RESOURCE DEFERRED INFLOWS
Differences between expected and Actual Experience	296,573	
Changes of assumptions		
Changes in proportion and differences between employer contributions and proportionate share of contributions		
Differences Between Expected and Actual Experience		
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		1,020,436
Changes of Assumptions		
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions		110,294
Employer contributions subsequent to the measurement date	423,785	
TOTAL	720,358	1,130,730

\$423,785 reported as deferred outflows of resources to pensions resulting from contribution subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as collective deferred (inflows)/outflows of resources to be recognized in pension expense:

DEFERRED INFLOWS AND OUTFLOWS	
FYE JUNE 30,	(INFLOW) OUTFLOW
2016	(174,118)
2017	(174,118)
2018	(230,812)
2019	(255,109)
2020	-
Thereafter	-
TOTAL	(834,157)

NOTE 16: RESTATEMENT

The implementation of GASB No. 68, *Accounting and Financial Reporting for Pension, an amendment of GASB Statement No. 27* requires the System to account for the liability related to pension benefits provided to employees of the System as a governmental employer. The result of this created a liability balance at the beginning of fiscal year 2015 of \$6,333,534.

REQUIRED SUPPLEMENTARY INFORMATION

PSPRS
SCHEDULE OF FUNDING PROGRESS - HEALTH INSURANCE
3-YEAR SCHEDULE
(IN THOUSANDS)

ACTUARIAL VALUATION DATE JUNE 30,	ACTUARIAL VALUE OF ASSETS \$ (A)*	ACTUARIAL ACCRUED LIABILITY (AAL) AT ENTRY AGE \$ (B)*	UNFUNDED AAL (EXCESS) (UAAL) \$ (B-A)*	FUNDED RATIO (A/B)	COVERED PAYROLL \$ (C)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((B-A)/C)
2013	0	279,187	279,187	0.00%	1,370,609	20.37%
2014	294,431	286,514	(7,917)	102.80%	1,390,346	-0.57%
2015	315,354	294,410	(20,943)	107.10%	1,401,178	-1.49%

PSPRS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE
3-YEAR SCHEDULE

FISCAL YEAR END JUNE 30,	ANNUAL REQUIRED CONT.	PERCENTAGE CONTRIBUTED
2013	21,625,733	100.00%
2014	20,676,943	100.00%
2015	22,600,769	100.00%

EORP
SCHEDULE OF FUNDING PROGRESS - HEALTH INSURANCE
3-YEAR SCHEDULE
(IN THOUSANDS)

ACTUARIAL VALUATION DATE JUNE 30,	ACTUARIAL VALUE OF ASSETS \$ (A)*	ACTUARIAL ACCRUED LIABILITY (AAL) AT ENTRY AGE \$ (B)*	UNFUNDED AAL (EXCESS) (UAAL) \$ (B-A)*	FUNDED RATIO (A/B)	COVERED PAYROLL \$ (C)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((B-A)/C)
2013	0	11,646	11,646	0.00%	67,505	17.25%
2014	23,113	12,112	(11,001)	190.83%	68,341	-16.10%
2015	23,044	12,361	(10,683)	186.42%	61,933	-17.25%

EORP
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE
3-YEAR SCHEDULE

FISCAL YEAR END JUNE 30,	ANNUAL REQUIRED CONT.	PERCENTAGE CONTRIBUTED
2013	1,485,105	100.00%
2014	0	0.00%
2015	0	0.00%

CORP
SCHEDULE OF FUNDING PROGRESS - HEALTH INSURANCE
3-YEAR SCHEDULE
(IN THOUSANDS)

ACTUARIAL VALUATION DATE JUNE 30,	ACTUARIAL VALUE OF ASSETS \$ (A)*	ACTUARIAL ACCRUED LIABILITY (AAL) AT ENTRY AGE \$ (B)*	UNFUNDED AAL (EXCESS) (UAAL) \$ (B-A)*	FUNDED RATIO (A/B)	COVERED PAYROLL \$ (C)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((B-A)/C)
2013	0	77,093	77,093	0.00%	503,359	15.50%
2014	95,740	80,168	(15,573)	119.42%	514,536	-3.03%
2015	103,582	83,823	(19,759)	123.57%	505,905	-3.91%

CORP
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE
3-YEAR SCHEDULE

FISCAL YEAR END JUNE 30,	ANNUAL REQUIRED CONT.	PERCENTAGE CONTRIBUTED
2013	6,830,919	100.00%
2014	6,576,531	100.00%
2015	7,158,835	100.00%

CORP-AOC
SCHEDULE OF FUNDING PROGRESS - HEALTH INSURANCE
3-YEAR SCHEDULE
(IN THOUSANDS)

ACTUARIAL VALUATION DATE JUNE 30,	ACTUARIAL VALUE OF ASSETS \$ (A)*	ACTUARIAL ACCRUED LIABILITY (AAL) AT ENTRY AGE \$ (B)*	UNFUNDED AAL (EXCESS) (UAAL) \$ (B-A)*	FUNDED RATIO (A/B)	COVERED PAYROLL \$ (C)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((B-A)/C)
2013	0	16,451	16,451	0.00%	100,709	16.34%
2014	6,359	16,847	10,488	37.75%	110,728	9.47%
2015	7,764	17,048	9,284	45.54%	110,363	9.25%

CORP-AOC
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE
3-YEAR SCHEDULE

FISCAL YEAR END JUNE 30,	ANNUAL REQUIRED CONT.	PERCENTAGE CONTRIBUTED
2013	1,363,709	100.00%
2014	1,017,989	100.00%
2015	954,946	100.00%

REQUIRED SUPPLEMENTARY INFORMATION

EORP
SCHEDULE OF PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY FROM 2014)

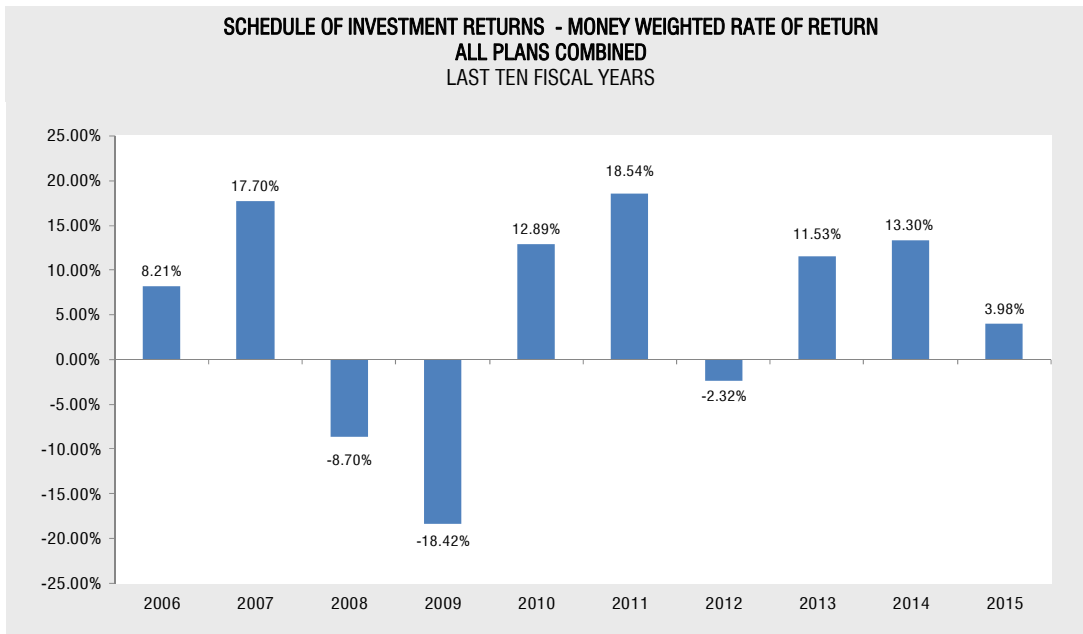
FISCAL YEAR END JUNE 30,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	CONTRACTUALLY REQUIRED CONTRIBUTIONS	COVERED PAYROLL	CONTRIBUTION AS A % OF COVERED PAYROLL
2014	\$28,235,016	\$29,845,174	(\$1,610,158)	16,060,110	\$68,340,894	43.67%
2015	\$37,323,403	\$29,324,054	\$7,999,349	14,554,345	\$61,933,383	47.35%

CORP-AOC
SCHEDULE OF PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY FROM 2014)

FISCAL YEAR END JUNE 30,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED PAYROLL	CONTRIBUTION AS A % OF COVERED PAYROLL
2014	15,930,155	15,551,633	378,522	110,728,017	14.04%
2015	16,364,512	16,560,621	(196,109)	110,362,697	15.01%

ASRS
SCHEDULE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY FROM 2015)

FISCAL YEAR END JUNE 30,	PERCENTAGE OF THE NET PENSION LIABILITY (ASSET)	SHARE OF THE NET PENSION LIABILITY (ASSET)	COVERED PAYROLL	NET PENSION LIABILITY (ASSET) AS A % OF COVERED PAYROLL	FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY
2015	0.039438%	5,835	3,452	169.05%	69.49%



REQUIRED SUPPLEMENTARY INFORMATION

EORP SCHEDULE OF EMPLOYER'S NET PENSION LIABILITY LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY FROM 2014)						
FISCAL YEAR END JUNE 30,	TOTAL PENSION LIABILITY	PLAN NET POSITION	NET PENSION LIABILITY	PLAN NET POSITION AS A % OF TOTAL PENSION LIABILITY	COVERED PAYROLL	NET PENSION LIABILITY AS A % OF COVERED PAYROLL
2014	984,876,274	314,304,310	670,571,964	31.91%	68,340,894	981.22%
2015	1,090,119,723	308,668,424	781,451,299	28.32%	61,933,383	1261.76%

CORP-AOC SCHEDULE OF EMPLOYER'S NET PENSION LIABILITY LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY FROM 2014)						
FISCAL YEAR END JUNE 30,	TOTAL PENSION LIABILITY	PLAN NET POSITION	NET PENSION LIABILITY	PLAN NET POSITION AS A % OF TOTAL PENSION LIABILITY	COVERED PAYROLL	NET PENSION LIABILITY AS A % OF COVERED PAYROLL
2014	541,912,095	317,519,007	224,393,088	58.59%	110,728,017	202.65%
2015	577,419,466	334,292,749	243,126,717	57.89%	110,362,697	220.30%

REQUIRED SUPPLEMENTARY INFORMATION

EORP SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY)		
FISCAL YEAR ENDING JUNE 30,	2015	2014
TOTAL PENSION LIABILITY		
Service Cost	23,501,879	23,501,879
Interest on Total Pension Liability	54,960,104	47,537,398
Benefit Changes	95,710,915	342,442,071
Expected-Actual Experience of Total Pension Liability	(14,303,022)	4,643,397
Benefit Payments and Refunds	(54,626,427)	(54,138,971)
Net Change in Total Pension Liability	105,243,449	363,985,774
Beginning Total Pension Liability	984,876,274	620,890,500
Ending Total Pension Liability (A)	1,090,119,723	984,876,274
PLAN FIDUCIARY NET POSITION		
Employer Contributions	24,324,054	24,845,174
Employee Contributions	9,113,788	8,989,478
Non-Employer Contributions	5,000,000	5,000,000
Pension Plan Net Investment Income	6,358,800	34,068,988
Benefit Payments and Refunds	(54,626,427)	(54,138,971)
Pension Plan Administrative Expense	(297,535)	(315,896)
Other	4,491,434	3,327,220
Net Changes in Plan Fiduciary Net Position	(5,635,886)	21,775,993
Beginning Plan Fiduciary Net Position	314,304,310	292,528,317
Ending Plan Fiduciary Net Position (B)	308,668,424	314,304,310
Net Pension Liability (A-B)	781,451,299	670,571,964
Plan Fiduciary Net Position as % of Total Pension Liability	28.32%	31.91%
Covered Employee Payroll	61,933,383	68,340,894
Net Position Liability as % of Covered Employee Payroll	1261.76%	981.22%

REQUIRED SUPPLEMENTARY INFORMATION

CORP-AOC SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY)		
FISCAL YEAR ENDING JUNE 30,	2015	2014
TOTAL PENSION LIABILITY		
Service Cost	15,617,822	16,955,738
Interest on Total Pension Liability	42,338,170	35,423,999
Benefit Changes	0	45,420,437
Expected-Actual Experience of Total Pension Liability	(1,686,095)	9,870,077
Benefit Payments and Refunds	(20,762,526)	(17,082,841)
Net Change in Total Pension Liability	35,507,371	90,587,410
Beginning Total Pension Liability	541,912,095	451,324,685
Ending Total Pension Liability (A)	577,419,466	541,912,095
PLAN FIDUCIARY NET POSITION		
Employer Contributions	16,560,621	15,551,633
Employee Contributions	9,614,012	9,132,189
Pension Plan Net Investment Income	6,924,061	36,147,891
Benefit Payments and Refunds	(20,762,526)	(17,082,841)
Pension Plan Administrative Expense	(306,036)	(304,890)
Other	4,743,540	(4,624,871)
Net Changes in Plan Fiduciary Net Position	16,773,672	38,819,111
Beginning Plan Fiduciary Net Position	317,519,077	278,699,966
Ending Plan Fiduciary Net Position (B)	334,292,749	317,519,077
Net Pension Liability (A-B)	243,126,717	224,393,018
Plan Fiduciary Net Position as % of Total Pension Liability	57.89 %	58.59 %
Covered Employee Payroll	110,362,697	110,728,017
Net Position Liability as % of Covered Employee Payroll	220.30 %	202.65 %

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1: SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED TO DETERMINE RECOMMENDED CONTRIBUTION AMOUNTS

EORP

ACTUARIAL METHODS AND ASSUMPTIONS USED TO DETERMINE RECOMMENDED CONTRIBUTION AMOUNTS
The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

PENSION

Valuation date June 30, 2015
Actuarial cost method: Entry Age Normal.
Amortization method: Level dollar, closed.
Remaining amortization period: 21 years
Asset valuation method: 7-year smoothed market
80%/120% market.

Actuarial assumptions:

Investment Rate of Return: 7.85%
Projected Salary Increases: 4.25%
Payroll Growth: 4.00%
Cost of Living Adjustments: None.

CORP-AOC

ACTUARIAL METHODS AND ASSUMPTIONS USED TO DETERMINE RECOMMENDED CONTRIBUTION AMOUNTS
The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

PENSION

Valuation date: June 30, 2015
Actuarial cost method: Entry Age Normal
Amortization method: Level percent of pay, closed
Remaining amortization period: 21 years for underfunded,
20 years for overfunded
Asset valuation method: 7-year smoothed market
80%/120% market corridor
Inflation: 4%; No explicit price inflation assumption is used in this evaluation.

Actuarial assumptions:

Investment Rate of Return: 7.85%
Projected Salary Increases: 4.00% - 7.25%
Payroll Growth: 4.00%
Cost of Living Adjustments: None

NOTE 2: FACTORS THAT AFFECT TRENDS

For any plan presented in the schedules disclose information about the factors that significantly affect trends in the amounts reported including, for example, changes in benefit provisions, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions.

SUPPORTING SCHEDULES INFORMATION

SCHEDULE OF CHANGES IN RESERVE BALANCES
 FOR THE YEARS ENDED JUNE 30, 2015 AND 2014
 (IN THOUSANDS)

	PSPRS				EORP			
	EE RESERVE	ER RESERVE	HI RESERVE	FUTURE BENEFIT INCREASE RESERVE	EE RESERVE	ER RESERVE	HI RESERVE	FUTURE BENEFIT INCREASE RESERVE
BALANCE AS OF JUNE 30, 2013	1,154,573	4,123,296	251,188	0	48,357	238,217	19,989	4,371
DISTRIBUTION OF REVENUES AND EXPENSES								
Members' Contributions	141,066	0	0	0	8,938	0	0	0
Employers' Contributions	0	413,846	19,534	0	0	24,845	1,072	0
Non-Employer Contributions	0	0	0	0	0	5,000	0	0
Earnings (Loss) on Investments Net of Investment Expenses	0	723,428	33,753	0	0	38,905	2,663	0
Pension and Insurance Benefits	0	(612,105)	(13,578)	0	0	(53,984)	(951)	0
Refunds to Terminated Members	(8,873)	(5,562)	0	0	(141)	(14)	0	0
Administrative Expenses	0	(5,826)	0	0	0	(316)	0	0
DISTRIBUTION OF TRANSFERS								
Excess Investment Earnings to be used for Future Benefit Increases	0	0	0	0	0	(18,109)	0	18,109
Earnings (Loss) on Excess Investment Earnings Account Assets	0	0	0	0	0	15,752	0	(15,752)
Amount Utilized by Benefit Increases Granted	0	0	0	0	0	0	0	0
Net Transfers In (Out) and Purchase of Service Credits	11,418	264	0	0	124	2	0	0
Balances Transferred to Employers' Reserve due to Retirement	(49,245)	49,245	0	0	(3,267)	3,267	0	0
BALANCE AS OF JUNE 30, 2014	1,248,939	4,686,585	290,897	0	54,011	253,566	22,773	6,728
DISTRIBUTION OF REVENUES AND EXPENSES								
GASB 68 Prior Year Adjustment	0	(4,828)	0	0	0	(251)	0	0
Prior Year Reserve Adjustments	0	(22)	0	0	0	0	0	0
Members' Contributions	154,359	0	0	0	8,472	0	0	0
Employers' Contributions	0	448,098	21,481	0	0	24,324	0	0
Non-Employer Contributions	0	0	0	0	0	5,000	0	0
Earnings (Loss) on Investments Net of Investment Expenses	0	216,286	10,811	0	0	11,075	804	0
Pension and Insurance Benefits	0	(665,138)	(14,242)	0	0	(54,453)	(957)	0
Refunds to Terminated Members	(8,355)	(5,543)	0	0	(172)	(1)	0	0
Administrative Expenses	0	(5,387)	(269)	0	0	(298)	(22)	0
DISTRIBUTION OF TRANSFERS								
Excess Investment Earnings to be used for Future Benefit Increases	0	0	0	0	0	0	0	0
Earnings (Loss) on Excess Investment Earnings Account Assets	0	0	0	0	0	(248)	0	248
Amount Utilized by Benefit Increases Granted	0	0	0	0	0	6,975	0	(6,975)
Net Transfers In (Out) and Purchase of Service Credits	10,667	108	0	0	667	1	0	0
Balances Transferred to Employers' Reserve due to Retirement	(59,644)	59,644	0	0	(7,030)	7,030	0	0
BALANCE AS OF JUNE 30, 2015	1,345,966	4,729,803	308,678	0	55,947	252,721	22,598	0

SUPPORTING SCHEDULES INFORMATION

SCHEDULE OF CHANGES IN RESERVE BALANCES
 FOR THE YEARS ENDED JUNE 30, 2015 AND 2014
 (IN THOUSANDS)

	CORP				CORP-AOC			
	EE RESERVE	ER RESERVE	HI RESERVE	FUTURE BENEFIT INCREASE RESERVE	EE RESERVE	ER RESERVE	HI RESERVE	FUTURE BENEFIT INCREASE RESERVE
BALANCE AS OF JUNE 30, 2013	309,148	741,815	81,285	0	74,746	197,857	4,729	0
DISTRIBUTION OF REVENUES AND EXPENSES								
Members' Contributions	42,697	0	0	0	9,039	0	0	0
Employers' Contributions	0	62,246	5,477	0	0	15,552	1,204	0
Non-Employer Contributions	0	0	0	0	0	0	0	0
Earnings (Loss) on Investments Net of Investment Expenses	0	145,433	10,977	0	0	37,419	687	0
Pension and Insurance Benefits	0	(91,319)	(2,728)	0	0	(15,768)	(309)	0
Refunds to Terminated Members	(18,649)	(10,483)	0	0	(993)	(321)	0	0
Administrative Expenses	0	(1,143)	0	0	0	(294)	0	0
DISTRIBUTION OF TRANSFERS								
Excess Investment Earnings to be used for Future Benefit Increases	0	0	0	0	0	0	0	0
Earnings (Loss) on Excess Investment Earnings Account Assets	0	0	0	0	0	0	0	0
Amount Utilized by Benefit Increases Granted	0	0	0	0	0	0	0	0
Net Transfers In (Out) and Purchase of Service Credits	167	(186)	0	0	227	57	0	0
Balances Transferred to Employers' Reserve due to Retirement	(16,123)	16,123	0	0	(3,903)	3,903	0	0
BALANCE AS OF JUNE 30, 2014	317,239	862,487	95,012	0	79,116	238,403	6,312	0
DISTRIBUTION OF REVENUES AND EXPENSES								
GASB 68 Prior Year Adjustment	0	(986)	0	0	0	(269)	0	0
Prior Year Reserve Adjustments	0	0	0	0	0	0	0	0
Members' Contributions	42,817	0	0	0	9,303	0	0	0
Employers' Contributions	0	66,017	6,209	0	0	16,561	1,378	0
Non-Employer Contributions	0	0	0	0	0	0	0	0
Earnings (Loss) on Investments Net of Investment Expenses	0	43,281	3,563	0	0	11,804	251	0
Pension and Insurance Benefits	0	(97,252)	(3,074)	0	0	(19,131)	(318)	0
Refunds to Terminated Members	(17,165)	(9,592)	0	0	(1,072)	(560)	0	0
Administrative Expenses	0	(1,086)	(89)	0	0	(293)	(6)	0
DISTRIBUTION OF TRANSFERS								
Excess Investment Earnings to be used for Future Benefit Increases	0	0	0	0	0	0	0	0
Earnings (Loss) on Excess Investment Earnings Account Assets	0	0	0	0	0	0	0	0
Amount Utilized by Benefit Increases Granted	0	0	0	0	0	0	0	0
Net Transfers In (Out) and Purchase of Service Credits	96	(297)	0	0	411	35	0	0
Balances Transferred to Employers' Reserve due to Retirement	(16,853)	16,853	0	0	(5,375)	5,375	0	0
BALANCE AS OF JUNE 30, 2015	326,134	879,425	101,621	0	82,383	251,925	7,617	0

SUPPORTING SCHEDULES INFORMATION

SCHEDULE OF RECEIPTS AND DISBURSEMENTS COMBINED PLANS FOR THE YEARS ENDED JUNE 30, 2015 AND 2014		
	2015	2014
RECEIPTS		
Members' Contributions	214,696,136	203,207,945
Employers' Contributions	542,801,425	508,637,935
Health Insurance Contributions	29,074,352	27,426,690
Non-Employers' Contributions	5,000,000	5,000,000
Court Fees	8,284,032	8,544,991
Alternative Contributions	3,299,430	2,469,376
Legacy Contributions	607,432	17,519
Interest	5,887,520	9,646,831
Dividends	53,847,970	57,325,140
Other Income	62,443,144	72,994,203
Securities Lending Income	5,140,695	2,095,281
Transfer In	569,640	1,170,695
Service Purchase	11,865,440	11,473,763
Maturities and Sales of:		
U S Equity	1,364,794,935	952,785,899
NON-U S Equity	225,800,038	463,562,148
GTAA	87,273,056	145,000,000
Fixed Income	232,594,682	182,584,456
Absolute Return	50,339,610	12,791,820
Credit Opportunities	191,504,600	244,067,384
Private Equity	226,664,657	206,529,943
Real Assets	96,959,373	186,466,487
Real Estate	229,729,707	245,422,244
Risk Parity	103,865,329	183,363,313
Total Receipts	3,811,367,156	3,732,584,063
DISBURSEMENTS		
Pension Benefits	727,203,015	686,438,726
Refunds to Terminated Members	42,459,965	45,036,355
Drop Benefits	108,770,862	86,736,929
Health Insurance Subsidy	18,590,895	17,566,289
Investment and Administrative Expenses	108,483,430	120,846,618
Transfer Out	747,113	572,748
Acquisitions of:		
U S Equity	1,162,187,767	988,872,802
NON-U S Equity	357,685,372	451,484,522
GTAA	110,000,000	77,273,738
Fixed Income	87,400,451	225,425,628
Absolute Return	52,860,131	20,648,368
Credit Opportunities	239,424,852	153,646,390
Private Equity	209,338,409	97,680,104
Real Assets	243,205,489	124,816,930
Real Estate	154,422,054	352,114,039
Risk Parity	145,415,500	74,241,636
Total Disbursements	3,768,195,305	3,523,401,823
INCREASE (DECREASE) IN CASH	43,171,851	209,182,240
BEGINNING CASH BALANCE - July 1	352,470,088	143,287,848
ENDING CASH BALANCE - June 30	395,641,939	352,470,088

SUPPORTING SCHEDULES INFORMATION

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED JUNE 30, 2015							
EXPENSE CATEGORY	PSPRS		EORP		CORP		TOTAL
	ADMIN	INVEST	ADMIN	INVEST	ADMIN	INVEST	
Accounting and Auditing Services	84,845	0	4,418	0	22,134	0	111,397
Actuarial Services	273,434	0	32,240	0	114,733	0	420,407
Building Expense	122,910	0	6,401	0	32,065	0	161,376
Communications	30,487	0	1,588	0	7,953	0	40,028
Computer Related Expense	108,472	123,520	5,706	6,433	28,379	32,224	304,733
Contractual Services	54,843	0	2,856	0	14,307	0	72,006
Depreciation Expense	195,360	0	19,595	0	35,266	0	250,221
Fund Manager Initiatives	344,482	0	17,939	0	89,868	0	452,289
Furniture and Equipment	784	0	25	0	204	0	1,013
Investment Services	0	98,235,297	0	5,117,908	0	25,509,223	128,862,428
Legal Services	596,160	725,172	40,118	37,765	155,525	189,181	1,743,921
Local Board Training	0	0	0	0	0	0	0
Payroll Taxes and Fringe Benefits	827,127	313,852	43,087	13,378	215,842	67,016	1,480,302
Postage Expenses	23,489	0	1,223	0	6,128	0	30,840
Printing and Publications	11,267	0	587	0	2,939	0	14,793
Professional Services	507,834	1,536,939	14,520	80,039	102,482	400,953	2,642,767
Salaries and Wages	2,406,671	800,467	125,331	44,652	627,847	223,685	4,228,653
Supplies and Services	26,490	0	1,380	0	6,911	0	34,781
Training Expenses	29,343	13,400	1,528	698	9,135	3,496	57,600
Travel Expense	11,661	23,811	607	1,240	1,562	6,212	45,093
TOTAL	5,655,659	101,772,458	319,149	5,302,111	1,473,280	26,431,989	140,954,647

SUPPORTING SCHEDULES INFORMATION

SCHEDULE OF CONSULTANT EXPENSES ALL PLANS FOR THE YEAR ENDED JUNE 30, 2015		
CONSULTANT	SERVICE PROVIDED	FEES PAID
ALBOURNE AMERICA, LLC	International Alternative Investment Consultant	573,914
AVANT STRATEGIES	Public Relations Consultant	91,262
BNY MELLON ASSET SERVICING	Independent Investment Advisor	374,918
COPPERSMITH BROCKELMAN	Litigation Counsel	35,548
ERNST & YOUNG LLP	Investment Consultant	188,273
FENNEMORE CRAIG, P.C.	General Counsel	6,790
FOLEY & LARDNER, LLC	Investment Counsel	123,524
FOSTER PEPPER	Investment Counsel	33,396
GABRIEL ROEDER SMITH & COMPANY	Actuary	487,628
GOODWIN PROCTER	Legislative Liaison	18,635
HEINFELD, MEECH & CO.	Independent Auditor	111,401
HIGHGROUND, INC	Legislative Liaison	93,261
INNOVATIVE CREDIT SOLUTIONS	Due Diligence	344
JACKSON WALKER LLP	Investment Counsel	77,449
KUTAK ROCK LLP	General Counsel	1,216,892
LEWIS AND ROCA, LLP	HR Consultant	478
LIGHT STONE SOLUTIONS, LLC	Due Diligence	251,403
MORRISON FOERSTER	Investment Counsel	32,295
NEPC, LLC	Independent Investment Advisor	321,332
OFFICE OF THE ATTORNEY GENERAL	General Counsel	151,814
ORG PORTFOLIO MANAGEMENT LLC	Real Estate Consultant	239,131
PILLSBURY	Investment Counsel	14,260
PUBLIC POLICY PARTNERS	Legislative Liaison	119,565
STEPSTONE GROUP LLC	Equity Advisors	99,637
STEPTOE & JOHNSON, LLP	Litigation Counsel	169,455
SUBROSA INVESTIGATIONS	Due Diligence	87,160
WHETSTINE, CHARLES	IRS Consultant	66,210
TOTAL		4,985,975

THIS PAGE INTENTIONALLY BLANK

INVESTMENT SECTION



Brian P. Tobin, Chairman
 Gregory Ferguson, Vice Chair
 Jeff McHenry, Trustee
 Richard J. Petrenka, Trustee
 Randie A. Stein, Trustee
 Lauren W. Kingry, Trustee
 William C. Davis, Trustee

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

3010 East Camelback Road, Suite 200
 Phoenix, Arizona 85016-4416

www.psprs.com

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

Administration

Jared A. Smout
 Administrator

Ryan Parham
 Chief Investment Officer

December 23, 2015

The Board of Trustees and
 The Administrator of the
 Arizona Public Safety Personnel Retirement System

Members:

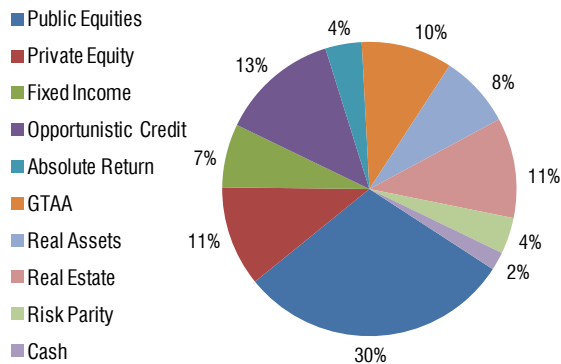
As the Chief Investment Officer of the Public Safety Personnel Retirement System (PSPRS) during the fiscal year beginning July 1, 2014 and ending June 30, 2015, I submit the following comments and observations for your consideration and for the consideration of the respective parties in interest of the System:

INTRODUCTION

On behalf of the PSPRS investment team, it is a pleasure to provide this annual update of investment activities of the PSPRS Trust for the fiscal year ending June 30, 2015. The end of fiscal year represents roughly five years since the portfolio was reconfigured to be much less risky and with much less dependence on just stock markets. I am happy to report that our gross return for the year was 4.21%. That was a better return than 80% of our peers (average return of 3.2%) and was achieved with less risk than 90 percent of our peer funds. This fiscal year return did not achieve our assumed earnings rate of 7.85% but the five year annualized returns for this newer portfolio are about 8.69% (net of fees) which nicely exceeds the assumed earnings rate. The portfolio is accomplishing its primary objectives and doing so with perhaps one fourth of the risk it was historically exposed to. The efficiency of the portfolio, that is how much return is generated for the risk it takes, places us among the top 10% of funds like us in the nation. The Trust also exceeded its benchmark returns by almost 98 basis points (which is about 26% more return than the benchmark in the year.)

ASSET ALLOCATION

The assets of the Trust continue to be invested across ten global asset classes with the following asset allocation targets:



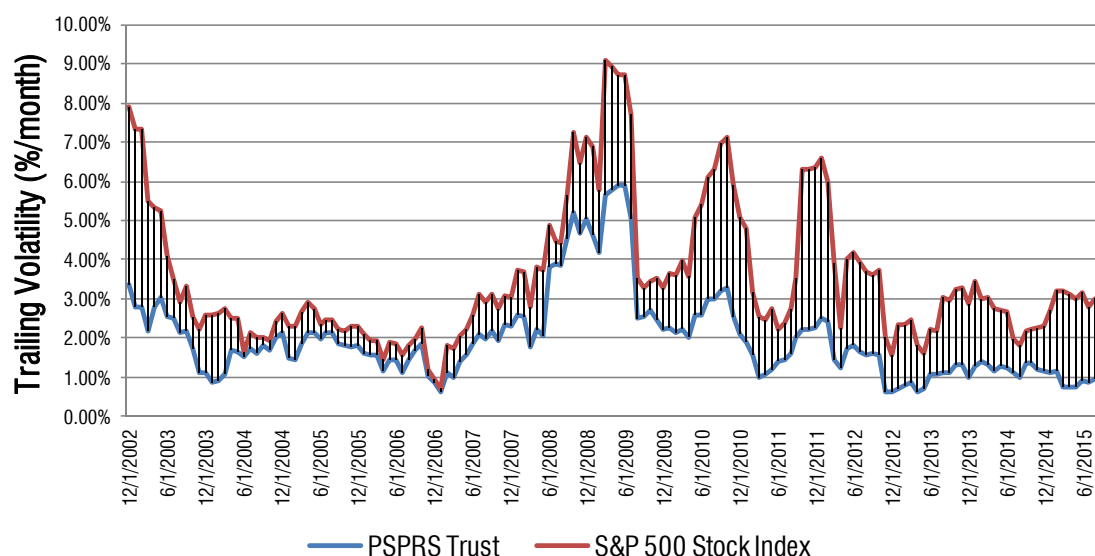
The benefits of this diversified approach can be seen by observing our Opportunistic Credit Portfolio vs. straight global bonds in this fiscal year. The Barclays global bond aggregate was down -7.09% (NOF). This is what a global bond investor would have lost. Our Opportunistic credit portfolio was up 4.82% (NOF) for the year. By diversifying away from straight core bonds, but still staying in credit investments, we were able to capture a spread of 11.91% to the benefit of the Trust.

MANAGEMENT FEES

There has been an ongoing national discussion about fees paid to managers in the alternative asset classes like private equity. In this year our Private Equity portfolio returned (net of fees) 12.72%. This far outpaced lower fee exposures to U.S equities where the benchmark returned a little over 7% for the year. We tightly control fees in our legal negotiations arguing to have them reduced and/ or recouped in the respective investment vehicles. The decisions of staff in selecting managers and strategies and in tactical allocations added almost 1% to the return above the benchmark. That represents more than \$80,000,000.00 (NOF). The system is achieving handsome results which exceed many times the fraction of a percent it pays in total fees for investment activities.

RISK - PROTECTING ON THE DOWNSIDE

In a continuation from previous years the portfolio risk over time against a pure stock index continues to show favorable results:



We continue to construct the portfolio to protect against the losses that have hurt us and other systems so deeply in the past. The current portfolio is significantly more resilient than it was historically as seen by its expected results against the actual results in extreme events:

Events	Today's Portfolio	PSPRS Trust Actual
Asian Crisis of 1997	3.20%	5.70%
Russian/LTCM Crisis 1998	-3.70%	-5.50%
WTC Attacks - Sept. 11	-3.20%	-11.70%
Stock Market Crash 2002	-4.80%	-21.10%
August Crisis 2007	1.30%	1.60%
January Crisis 2008	-2.30%	-2.70%
Credit Crunch 2008 (Aug to Nov)	-15.50%	-23.10%
Crisis 2009 (Jan-Feb)	-7.70%	-12.90%
Flash Crash 2010	-3.60%	-3.70%


INVESTMENT SECTION

Protecting against losses in any given year protects our funding ratios and ensures that gains in future years are allocated to improvements in funding ratios instead of dedicated to undoing the previous year's damage. Recall that a 20% loss in one year requires a 25% gain in the next year to simply break even. For us that would imply two years of zero gain while assets continued to diminish because of pension payrolls and two years of funding erosion against the return assumption of 7.85. Clearly protecting against losses should be and is a big part of our prudent management of the Trust.

CONCLUSION

In an uncertain and volatile investment world and shaky global economies, the PSPRS team of staff, consultants and managers continues to produce consistent and improving results, ensuring that the Trust can and will achieve its long term objectives.

Respectfully Submitted,



Ryan P. Parham
Chief Investment Officer

FUND INVESTMENT OBJECTIVES

The objective of the Fund is to ensure the integrity of the Elected Officials’ Retirement Plan, Public Safety Personnel Retirement Plan and the Corrections Officer Retirement Plan in order to adequately fund benefit levels for members 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 Legislature. To achieve the objective, the Fund will do the following:

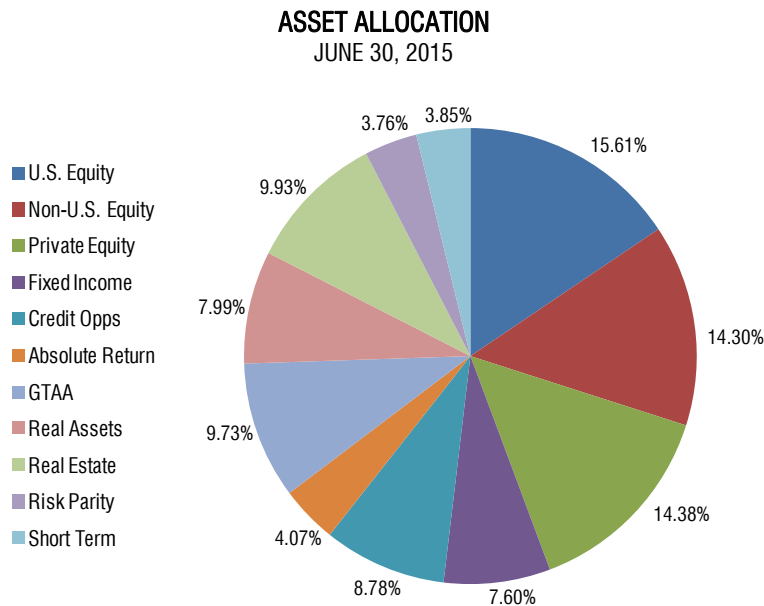
- Maintain a goal for the Fund’s assets to be equal to the Fund’s liabilities within a twenty year period.
- Annually adjust the employer contribution rates based on the recommendations made by the annual actuarial evaluations.
- Determine a reasonable contribution rate necessary to fund benefits approved by the legislature and then reduce the variation in the employer contribution rate over time to the Fund.
- Preserve and enhance the capital of the Fund through effective management of the portfolio in order to take advantage of attractive opportunities various markets and market sectors have to offer.
- Provide the opportunity for increased benefits for retirees as the legislature may from time to time enact through systematic growth of the investment fund.

Consistent with the Fund objectives, the primary investment objective of the Fund is to maximize long-term real (after inflation) investment returns recognizing established risk (volatility) parameters and the need to preserve capital by:

- Deriving a reasonable asset allocation model that attempts to fully achieve the primary investment objective, over the long term.
- Consistent with these objectives and the direction of the Board of Trustees, strategically allocating within asset classes and investment styles in order to enhance investment returns.
- Regularly reviewing the status of investments.
- Regularly assessing the need to adjust the mix, type and composition of the investment classes within the allocation ranges.

The possibility of short-term declines in the market value of the Fund or the Fund’s assets is a recognized consequence of achieving potentially higher long-term investment returns.

The time horizon for evaluating total Fund investment performance shall be long-term.



ANNUALIZED RATES OF RETURN*				
JUNE 30, 2015				
Description	TRUST 1 Year	TRUST 3 Years	TRUST 5 Years	TRUST 10 Years
Arizona PSPRS Trust - Total Fund	3.68%	9.22%	8.69%	5.22%
<i>Target Fund Benchmark</i>	<i>2.70%</i>	<i>8.77%</i>	<i>9.22%</i>	<i>4.44%</i>
Total Equity	1.17%	13.16%	12.06%	5.94%
<i>Target Equity Benchmark</i>	<i>1.36%</i>	<i>13.96%</i>	<i>13.20%</i>	<i>6.96%</i>
U.S. Equity	6.32%	16.17%	15.34%	N/A
<i>Russell 3000</i>	<i>7.29%</i>	<i>17.73%</i>	<i>17.54%</i>	<i>8.15%</i>
Non-U.S. Equity	-4.79%	9.52%	7.75%	N/A
<i>MSCI ACWI Ex-US Net</i>	<i>-5.26%</i>	<i>9.44%</i>	<i>7.76%</i>	<i>5.54%</i>
Private Equity	12.72%	16.73%	16.28%	N/A
<i>Russell 3000 + 100 bps</i>	<i>8.29%</i>	<i>18.74%</i>	<i>18.54%</i>	<i>10.29%</i>
Fixed Income	2.19%	3.21%	4.03%	4.22%
<i>BC Global Aggregate</i>	<i>-7.09%</i>	<i>-0.81%</i>	<i>2.07%</i>	<i>3.54%</i>
Credit Opportunities	4.82%	9.48%	9.26%	N/A
<i>50% BofA ML US High Yield BB-B, 50% CSFB Fixed Income</i>	<i>1.23%</i>	<i>5.89%</i>	<i>7.30%</i>	<i>5.66%</i>
Absolute Return	4.86%	10.24%	N/A	N/A
<i>BofA ML 3-Month T-Bill + 200 bps</i>	<i>2.02%</i>	<i>2.06%</i>	<i>2.08%</i>	<i>3.42%</i>
GTAA	6.28%	5.73%	8.18%	N/A
<i>3-Month LIBOR + 300 bps</i>	<i>3.25%</i>	<i>3.27%</i>	<i>3.31%</i>	<i>4.78%</i>
Real Assets	-4.24%	2.56%	2.99%	N/A
<i>CPI + 200 bps</i>	<i>2.18%</i>	<i>3.34%</i>	<i>3.85%</i>	<i>N/A</i>
Real Estate	4.32%	4.32%	0.74%	N/A
<i>NCREIF NPI *</i>	<i>12.98%</i>	<i>11.63%</i>	<i>12.72%</i>	<i>8.16%</i>
Risk Parity	0.87%	2.98%	N/A	N/A
<i>60% BC Global, 30% MSCI, 10% Bloomberg Index TR</i>	<i>-6.55%</i>	<i>2.41%</i>	<i>4.52%</i>	<i>4.09%</i>
Short Term Investments	0.02%	0.14%	0.00%	1.53%
<i>BofA ML 3-Month T-Bill</i>	<i>0.02%</i>	<i>0.06%</i>	<i>0.08%</i>	<i>1.42%</i>

*Time weighted rate of return based on the market rate of return (net of fees).

Target Fund Benchmarks (Effective Dates)

July 1, 2014 to Present: 16% Russell 3000, 14% MSCI World Ex-US Net, 11% Russell 3000 + 100 bps, 7% BC Global Aggregate, 13% Credit Opps, 4% BofA ML 3-Month T-Bill + 200 bps, 10% 3-Month LIBOR + 300 bps, 8% CPI + 200 bps, 11% NCREIF NPI, 4% Risk Parity and 2% BofA ML 3-Month T-Bill
 July 1, 2013 to June 30, 2014: 17% Russell 3000, 14% MSCI ACWI Ex-US Net, 10% Russell 3000 + 100 bps, 8% BC Global Aggregate, 12% Credit Opps, 4% BofA ML 3-Month T-Bill + 200 bps, 10% 3-Month LIBOR + 300 bps, 8% CPI + 200 bps, 11% NCREIF NPI, 4% Risk Parity and 2% BofA ML 3-Month T-Bill.
 July 1, 2012 to June 30, 2013: 18% Russell 3000, 14% MSCI World Ex-US Net, 9% Russell 3000 + 100 bps, 12% BC Global Aggregate, 12% Credit Opps, 4% BofA ML 3-Month T-Bill + 200 bps, 8% 3-Month LIBOR + 300 bps, 7% CPI + 200 bps, 10% NCREIF NPI, 4% Risk Parity and 2% BofA ML 3-Month T-Bill.
 July 1, 2010 to June 30, 2012: 20% Russell 3000, 15% MSCI World Ex-US Net, 8% 3-Month LIBOR + 300 bps, 20% BC US Aggregate, 4% BofA ML 3-Month T-Bill + 200 bps, 9% BofA ML US High Yield BB-B Constrained, 8% Russell 3000 + 100 bps, 6% CPI + 200 bps, 8% NCREIF NPI and 2% BofA ML 3-Month T-Bill.

Target Equity Benchmarks (Effective Dates)

July 1, 2014 to Present: 53.33% Russell 3000 and 46.67% MSCI World Ex-US Net
 July 1, 2013 to June 30, 2014: 54.84% Russell 3000 and 45.16% MSCI ACWI Ex-US Net.
 July 1, 2012 to June 30, 2013: 56.25% Russell 3000 and 43.75% MSCI ACWI Ex-US Net.
 July 1, 2010 to June 30, 2012: 57.14% Russell 3000 and 42.86% MSCI ACWI Ex-US Net.

TRUST EQUITY PORTFOLIO TOP 10 HOLDINGS JUNE 30, 2015		
Description	Shares	Market Value
STATE STREET INTL EQ	141,946,648	818,406,374
STATE STREET US EQTY	10,340,937	519,195,778
CRESTLINE ALPHA	176,548,881	176,548,880
ACADIAN US MANAGED	3,260,405	153,622,803
SEG BAXTER STREET	111,447,826	111,447,826
SOUTHPOINT	83,563,894	83,563,894
ESG CBE	72,879,981	72,879,981
GOTHAM VALUE 1000	1,746,450	62,910,756
GOTHAM INSTL SELECT	1,825,796	62,428,441
BLKRK FRONTIER FUND	7,369,599	55,347,776

TRUST FIXED INCOME PORTFOLIO TOP 10 HOLDINGS JUNE 30, 2015		
Description	Shares	Market Value
BGI CORE ACTIVE BOND FUND	7,888,777	196,569,902
IGUAZU PARTNERS LP	85,081,108	85,081,109
FIELD STREET FUND	76,572,220	76,572,220
BLACKROCK FIXED INCOME GLOBAL	74,072,183	74,072,184
GOLDENTREE HIGH YIELD VALUE	64,272,400	64,272,400
CAPITAL GUARDIAN EMERGING	2,472,071	34,930,357
FRANKLIN TEMPLETON EMD	11,835,827	11,835,827
SKYWAY CONCESSION CO LLC 144A	13,000,000	10,790,000
FHLMC MULTICLASS MTG 4012 MW	6,485,776	6,850,406
HSBC FINANCE CORP	6,500,000	6,489,405

TRUST SUMMARY OF CHANGES IN INVESTMENT PORTFOLIO JUNE 30, 2015 (IN THOUSANDS)								
DESCRIPTION	JUNE 30, 2014 BALANCE				JUNE 30, 2015 BALANCE			
	PERCENT AT MARKET VALUE	MARKET VALUE	BOOK VALUE	ACQUIRED	MATURED AND SOLD	MARKET VALUE	BOOK VALUE	PERCENT AT MARKET VALUE
U. S. Equity	17.46%	1,374,140	1,066,165	1,172,272	1,243,126	1,246,279	995,311	15.69%
Non U. S. Equity	14.54%	1,144,349	952,848	355,332	240,303	1,180,912	1,067,877	14.85%
GTAA	9.42%	741,514	579,086	110,000	86,667	811,613	602,419	10.22%
Fixed Income	9.75%	767,483	676,228	87,400	194,320	632,443	569,308	7.96%
Absolute Return	4.04%	318,149	228,528	52,860	47,851	339,244	233,537	9.21%
Credit Opportunities	9.27%	729,584	705,912	239,425	141,578	731,816	803,759	15.07%
Private Equity	13.75%	1,081,813	826,097	209,338	107,854	1,197,508	927,581	8.38%
Real Assets	7.07%	556,137	487,068	243,205	87,936	665,575	642,337	10.42%
Real Estate	11.10%	873,821	924,805	154,422	155,173	827,525	924,054	4.27%
Risk Parity	3.60%	282,927	260,401	135,114	100,819	311,837	294,696	3.93%
TOTAL PORTFOLIO	100.00%	7,869,917	6,707,138	2,759,368	2,405,627	7,944,752	7,060,879	100.00%

INVESTMENT SECTION

SCHEDULE OF COMMISSIONS PAID TO BROKERS YEAR ENDED JUNE 30, 2015			
BROKER	SHARES TRADED	AVG COMM	TOTAL COMM
ABEL NOSER CORP, NEW YORK	949,987	0.0102	9,648
ABG SECS, OSLO	15,202	0.0325	495
AQUA SECURITIES LP, NEW YORK	79	0.0200	2
AVONDALE PARTNERS LLC, NASH	6,223	0.0500	311
B.RILEY & CO.,LLC, LOS ANGELES	57,190	0.0133	759
BAIRD, ROBERT W & CO, MILW	346,150	0.0328	11,366
BANCO BTG PACTUAL SA, RIO	77,400	0.0136	1,053
BANCO SANTANDER, NEW YORK	157,316	0.0019	303
BANQUE PARIBAS, PARIS	1,955	0.0554	108
BARCLAYS BK PLC, NEW YORK	198,400	0.0175	3,471
BARCLAYS CAPITAL INC./LE, NJ	10,100	0.0090	91
BARCLAYS CAPITAL LE, JERSEY	5,471	0.0233	127
BB&T SECURITIES, LLC, RICH	31,015	0.0307	954
BENCHMARK COMPANY, NY	832	0.0100	8
BERNSTEIN SANFORD C & CO, NY	231,541	0.0200	4,631
BLOOMBERG TRADEBOOK, NY	604,441	0.0200	12,089
BLOOMBERG TRADEBOOK, NY	334	0.0200	7
BMO CAPITAL MARKETS, NY	38,968	0.0249	971
BNP PARIBAS PRIME, NY	101,325	0.0098	996
BNY CONVERGEX EX SOL, NY	45,400	0.0037	169
BNY CONVERGEX, NEW YORK	2,560	0.0250	64
BREAN CAPITAL LLC, JERSEY	59,445	0.0255	1,517
BTIG LLC, SAN FRANCISCO	673,417	0.0164	11,074
CANACCORD GENUITY NY	570,193	0.0125	7,126
CANTOR CLEARING SERV, NY	500	0.0135	7
CANTOR CLEARING SERVICE, NY	762	0.0200	15
CANTOR FITZGERALD & CO, NY	781,384	0.0150	11,742
CAPITAL ONE SOUTHCOAST, NO	2,933	0.0496	145
CITIGROUP GBL MKTS AUSTRALIA	124,077	0.0007	92
CITIGROUP GBL MKTS INC, NY	104,379	0.0200	2,088
CITIGROUP GBL MKTS/SAL, NY	47,294	0.0066	312
CITIGROUP GLOBAL MARKETS UK	45,161	0.0105	476
CJS SECURITIES INC, JERSEY	11,250	0.0300	338
COMPASS POINT, JERSEY CITY	219,906	0.0329	7,242
COWEN AND COMPANY, NY	222,659	0.0295	6,558
CRAIG HALLUM, MINNEAPOLIS	411,350	0.0267	10,985
CREDIT LYONNAIS SEC, SEOUL	1,200	0.0169	20
CREDIT LYONNAIS SECS, SING	20,370	0.1169	2,382
CREDIT RESEARCH & TRADING	92,448	0.0311	2,874
CREDIT SUISSE (EUROPE), UK	237,649	0.0018	419
CREDIT SUISSE, NEW YORK	865,071	0.0071	6,150
CREDIT SUISSE, SAO PAULO	12,300	0.0120	147

SCHEDULE OF COMMISSIONS PAID TO BROKERS (cont) YEAR ENDED JUNE 30, 2015			
BROKER	SHARES TRADED	AVG COMM	TOTAL COMM
CREDIT SUISSE, TAIPEI	256,000	0.0013	326
DAVIDSON(D A) & CO INC, NY	2,090	0.0350	73
DEUTSCHE BK INTL EQ, UK	375,583	0.0037	1,396
DEUTSCHE BK SEC INC, NY	7,600,000	0.0001	529
DEUTSCHE BK SECS INC, NY	3,796,412	0.0014	5,167
DEUTSCHE SEC ASIA LTD, TAIPEI	35,000	0.0035	122
DOMINICK & DOMINICK, NJ	171	0.0350	6
DOUGHERTY COMPANY, BKLN	291,378	0.0302	8,805
ERSTE BK BEFEKTETESI RT	6,240	0.0152	95
FIDELITY CLEARING CANADA ULC	30	0.0090	0
FIG PARTNERS LLC, ATLANTA	180,291	0.0339	6,111
FIRST ANALYSIS SECS CORP	11,011	0.0500	551
GLOBAL HUNTER SEC. LLC, NO	1,420	0.0350	50
GOLDEN DIVIDEND 531	70,598	0.0042	295
GOLDMAN SACHS & CO, NY	2,631,295	0.0173	45,524
GOLDMAN SACHS EXECUTION	91,868	0.0214	1,969
GOLDMAN SACHS INTL, UK	953,558	0.0058	5,518
GUGGENHEIM CAPITAL MKT, NJ	13,626	0.0467	637
HONG KONG & SHANGHAI BKG	82,136	0.0016	133
HONG KONG & SHANGHAI BKG HK	220,000	0.0002	49
HSBC BANK AUSTRALIA LTD	785,941	0.0020	1,535
HSBC BANK PLC, UK	220,265	0.0032	697
HSBC SECS INC, NEW YORK	420,601	0.0119	5,001
INSTINET CORP, NY	204,279	0.0153	3,117
INSTINET EUROPE LIMITED, UK	5,796,421	0.0018	10,480
INVESTEC SECURITIES, UK	345,582	0.0087	3,003
INVESTMENT TECH, DUBLIN	271,033	0.0038	1,024
INVESTMENT TECH, NEW YORK	181,973	0.0101	1,842
ISI GROUP INC, NY	2,935,802	0.0102	29,825
ITG AUSTRALIA LTD, MELBOURNE	820	0.1325	109
ITG CANADA CORP, TORONTO	70,000	0.0101	706
ITG HONG KONG LIMITED, HK	1,501,299	0.0010	1,525
ITG INC, NY	696,018	0.0111	7,691
J P MORGAN SEC, SYDNEY	4,632	0.0115	53
J P MORGAN SECS LTD, LONDON	323,792	0.0291	9,410
J P MORGAN SECURITIES, BKLN	1,260,540	0.0028	3,543
J.P. MORGAN CLEARING, NY	111,814	0.0216	2,420
JANNEY MONTGOMERY SCOTT	283,786	0.0101	2,868
JEFFERIES & CO INC, NEW YORK	400,573	0.0237	9,505
JMP SECURITIES, SAN FRAN	9,370	0.0323	302
JOHNSON RICE & CO, NO	21,945	0.0362	794
JONESTRADING INSTL SVCS LLC	648,252	0.0154	9,972

SCHEDULE OF COMMISSIONS PAID TO BROKERS (cont)
 YEAR ENDED JUNE 30, 2015

BROKER	SHARES TRADED	AVG COMM	TOTAL COMM
JP MORGAN SECS LTD	1,395	0.0235	33
JP MORGAN SECS ASIA PACIFIC	1,025,000	0.0016	1,595
JPMORGAN SECURITIES INC, NY	127,000	0.0018	224
KEEFE BRUYETTE AND WOODS	109,633	0.0352	3,860
KEYBANC CAPITAL MARKETS, NJ	365,038	0.0331	12,070
KEYBANC CAPITAL MARKETS INC	80,453	0.0319	2,570
KING (CL) & ASSOCIATES	12,382	0.0337	417
KNIGHT CLEARING SERVICES LLC	16,790	0.0088	147
KNIGHT EQUITY MARKETS LP	1,489,866	0.0166	24,779
LADENBURG THALMAN & CO	4,880	0.0350	171
LEERINK SWANN & CO	5,750	0.0270	155
LIQUIDNET INC, BROOKLYN	347,509	0.0165	5,724
MACQUARIE BANK LIMITED	398,710	0.0025	993
MACQUARIE BANK LTD, HK	2,127,101	0.0006	1,257
MACQUARIE CAPITAL LTD, UK	966,599	0.0039	3,797
MACQUARIE SECURITIES, HK	58,730	0.0066	385
MACQUARIE SECURITIES LTD	1,152	0.1094	126
MACQUARIE SECURITIES(USA)	8,205	0.0100	82
MAINFIRST BANK AG,FRANKFURT	30,700	0.0731	2,245
MERIDIAN EQUITY PARTNERS, NY	242,873	0.0150	3,644
MERRILL LYNCH GILTS LTD, UK	58,450	0.0085	499
MERRILL LYNCH INTL (KSI), UK	151,291	0.0256	3,873
MERRILL LYNCH INTL UK	2,495,835	0.0059	14,793
MERRILL LYNCH INTL LTD (IPB)	176,254	0.0047	826
MERRILL LYNCH PFS, NY	1,018,614	0.0137	13,963
MERRILL LYNCH PFS, WILM	90,526	0.0132	1,197
MIZUHO SECURITIES USA, NY	6,839	0.0227	155
MKM PARTNERS LLC	238,632	0.0155	3,709
MORGAN STANLEY & CO INC	189,980	0.0020	380
MORGAN STANLEY & CO INC, NY	56,712,560	0.0024	137,399
MORGAN STANLEY & CO INTL LTD	40,811	0.0553	2,255
MORGAN STANLEY & CO TAPEI	214,000	0.0000	8
MORGAN STANLEY SEC, UK	47,163	0.0008	38
MS SECS SVCS INC INTL, BKLN	79,430	0.0128	1,015
NATIONAL FINL SVCS CORP, NY	33,063	0.0215	709
NEEDHAM & CO, NEW YORK	378,954	0.0258	9,760
NEWEDGE USA LLC, NEW YORK	226	9.7896	2,212
NOBLE INTL INVESTMENTS, NJ	7,420	0.0300	223
NORTHLAND SECS INC, NJ	240,683	0.0241	5,803
NUMIS SECURITIES INC., NY	195,070	0.0153	2,988
ODDO ET CIE, PARIS	6,906	0.1421	982
OPPENHEIMER & CO INC, NY	209,248	0.0333	6,965

SCHEDULE OF COMMISSIONS PAID TO BROKERS (cont)
 YEAR ENDED JUNE 30, 2015

BROKER	SHARES TRADED	AVG COMM	TOTAL COMM
PACIFIC CREST SECURITIES, POR	14,100	0.0350	494
PERSHING LLC, JERSEY CITY	57,560	0.0278	1,598
PERSHING SECURITIES LTD, UK	494,325	0.0106	5,226
PIPER JAFFRAY & CO, MN	70,958	0.0309	2,192
RAFFERTY CAPITAL MARKETS, NJ	48,109	0.0302	1,454
RAYMOND JAMES & ASSOC INC	143,745	0.0271	3,897
RBC CAPITAL MARKETS LLC, NY	1,135,207	0.0057	6,470
ROTH CAPITAL PARTNERS LLC	22,282	0.0294	656
SANDLER O'NEILL & PARTNERS	407,471	0.0272	11,093
SANFORD C BERNSTEIN & CO INC	30,128	0.0002	6
SANFORD C. BERNSTEIN & CO	129,216	0.0178	2,305
SCOTIA CAPITAL (USA) INC	9,419	0.0325	306
SEAPORT GROUP SECS LLC	4,080	0.0350	143
SG SEC (LONDON) LTD, LONDON	4,834	0.0070	34
SIDOTI & CO LLC, NEW YORK	74,186	0.0331	2,454
SIS SEGAIINTERSETTLE AG	26,363	0.1526	4,024
STATE STREET BROKERAGE SVCS, BOSTON	3,164,769	0.0291	92,180
STATE STREET GLOBAL MARKETS	7,931	0.0261	207
STEPHENS INC, LITTLE ROCK	306,685	0.0340	10,419
STERNE AGEE & LEACH INC	34,442	0.0306	1,053
STIFEL NICOLAUS	874,220	0.0093	8,112
SUNTRUST CAPITAL MARKETS	82,371	0.0275	2,269
UBS SECURITIES CANADA	104,300	0.0114	1,186
UBS SECURITIES LLC, STAMFORD	970,706	0.0140	13,594
UBS WARBURG ASIA LTD	788,300	0.0008	669
UBS WARBURG AUSTRALIA EQ	48,780	0.0024	117
UBS WARBURG SEC,TAIWAN	95,000	0.0041	388
UBS WARBURG, LONDON	187,998	0.0028	533
WEDBUSH MORGAN SECS INC	34,309	0.0361	1,238
WEEDEN & CO, NEW YORK	990,840	0.0237	23,509
WELLS FARGO SECURITIES LLC	104,117	0.0110	1,145
WILLIAM BLAIR & CO, CHICAGO	58,129	0.0341	1,981
WILLIAMS CAPITAL GROUP LP	2,260	0.0198	45
WM SMITH & CO, JERSEY	22,560	0.0300	677
WUNDERLICH SECURITIES INC	42,574	0.0285	1,212
TOTAL COMMISSIONS	121,103,077	0.0064	779,018

U.S. EQUITY PORTFOLIO YEAR ENDED JUNE 30, 2015				
DESCRIPTION	SHARES	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)
ACADIAN US MANAGED	3,260,405	131,272,046	153,622,803	22,350,757
AZ GDH 115-65	103,088	8,207,346	7,790,003	(417,343)
AZ GDH 140-40	480,816	18,826,230	17,889,022	(937,208)
AZ GHVS 115-65	162,621	8,533,783	8,185,089	(348,694)
AZ GHVS 140-40	452,553	19,878,776	19,341,598	(537,178)
CRESTLINE ALPHA	176,548,881	150,000,000	176,548,880	26,548,880
EAGLE SMALL CAP ST	1,106,510	32,739,953	44,251,934	11,511,981
FRONTPOINT ALPHA	694,933	797,804	694,933	(102,871)
GOTHAM INSTL SELECT	1,825,796	65,109,593	62,428,441	(2,681,152)
GOTHAM VALUE 1000	1,746,450	63,586,345	62,910,756	(675,589)
GOTHAM VALUE 2000	743,900	13,928,268	13,793,679	(134,589)
RANGER SMALL CAP	621,271	19,588,523	25,121,513	5,532,990
RUSSELL 1000 MINI FUTURE (NYF)	1,489	0	(1,474,110)	(1,474,110)
RUSSELL 2000 MINI IND FUT NYF	118	0	(85,963)	(85,963)
SOUTHPOINT	83,563,894	60,000,000	83,563,894	23,563,894
STATE STREET US EQTY	10,340,937	351,432,368	519,195,778	167,763,410
THB MICRO CAP	2,195,560	30,932,670	31,549,001	616,331
THB SMALL CAP VAL	478,374	17,406,726	17,840,295	433,569
US EQUITY FUNDS	344,057	3,070,506	3,111,565	41,059
TOTAL U.S. EQUITY PORT	284,671,653	995,310,937	1,246,279,111	250,968,174

NON U.S. EQUITY PORTFOLIO YEAR ENDED JUNE 30, 2015				
DESCRIPTION	SHARES	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)
BLKRK FRONTIER FUND	7,369,599	35,001,972	55,347,776	20,345,804
ESG CBE	72,879,981	75,000,000	72,879,981	(2,120,019)
GOTHAM 400 INTL	7,457,592	40,221,106	39,019,366	(1,201,740)
GOTHAM INSTL INTL	4,823,233	38,397,787	39,355,591	957,804
INTL EQUITY FUNDS	823,550	45,536,358	44,455,229	(1,081,129)
SEG BAXTER STREET	111,447,826	100,181,559	111,447,826	11,266,267
STATE STREET INTL EQ	141,946,648	733,537,846	818,406,374	84,868,528
TOTAL NON U.S. EQUITY PORT	346,748,429	1,067,876,629	1,180,912,143	113,035,514

FIXED INCOME PORTFOLIO YEAR ENDED JUNE 30, 2015					
U.S. GOVT SECURITIES	PAR VALUE	COUPON RATE	MATURITY	COST	FAIR VALUE
FHLMC POOL #H1-0069	134,915	6.000%	11-1-2036	135,032	152,137
FHLMC POOL #H1-5010	637,413	6.000%	11-1-2036	637,948	718,256
FHLMC MULTICLASS MTG 4012 MW	6,485,776	3.500%	3-15-2042	6,514,774	6,850,406
GNMA POOL #0427558	2	7.500%	4-15-2026	2	2
TOTAL U.S. GOVT SECURITIES	7,258,106			7,287,756	7,720,801
CORPORATE BONDS	PAR VALUE	COUPON RATE	MATURITY	COST	FAIR VALUE
ACA ABS 2006-1 LTD 1A A3L 144A	2,431,757	Variable	6-10-2041	954,837	24
ASSOCIATES CORP OF NORTH AMERI	1,928,000	6.950%	11-1-2018	1,876,279	2,218,125
ATLANTICA TENDER DRILLING 144A	3,000,000	8.000%	9-23-2019	3,035,731	3,035,731
BGI CORE ACTIVE BOND FUND	7,888,777			158,777,255	196,569,902
BLACKROCK FIXED INCOME GLOBAL	74,072,183			75,000,000	74,072,184
CAPITAL GUARDIAN EMERGING	2,472,071			31,914,431	34,930,357
CHLOE MARINE CORP LTD	4,500,000	12.000%	12-28-2016	4,691,787	1,890,000
CONAGRA FOODS INC	856,000	9.750%	3-1-2021	929,191	1,081,693
CON-WAY INC	1,500,000	6.700%	5-1-2034	1,311,960	1,638,120
FIELD STREET FUND	76,572,220			75,000,000	76,572,220
FRANKLIN TEMPLETON EMD	11,835,827			9,875,868	11,835,827
GENERAL ELECTRIC CAPITAL CORP	3,000,000	Variable	8-7-2018	2,854,038	2,995,920
GILEAD SCIENCES INC	5,000,000	4.500%	4-1-2021	5,054,517	5,485,800
GLOBAL INVESTMENTS GROUP 144A	4,600,000	11.000%	9-24-2017	4,362,597	4,807,000
GOLDENTREE HIGH YIELD VALUE	64,272,400			50,000,000	64,272,400
GOLDMAN SACHS GROUP INC/THE	3,500,000	6.750%	10-1-2037	3,650,142	4,105,325
GRACIE INTERNATIONAL CREDIT	1,203			2,500,001	2,301,376
HSBC FINANCE CORP	6,500,000	Variable	6-1-2016	6,413,251	6,489,405
IGUAZU PARTNERS LP	85,081,108			70,000,000	85,081,109
ISLAND DRILLING CO ASA REGS	4,000,000	9.500%	4-3-2018	4,131,022	2,360,000
JP MORGAN MBS SERI R2 3A1 144A	2,054	Variable	4-28-2026	2,071	2,054
LATINA OFFSHORE LTD 144A	3,900,000	8.875%	7-3-2018	4,034,996	3,510,000
MORGAN STANLEY ABS CAPI NC1 M2	128,860	Variable	12-27-2033	115,260	127,262
MORGAN STANLEY ABS CAPI NC2 M2	111,947	Variable	12-25-2033	96,983	101,499
NORTH STREET REFE 3A CTFS 144A	1,206,457	Variable	4-30-2031	1,106,772	1,106,772
OCEANTEAM SHIPPING ASA	2,610,000	Variable	10-24-2017	2,678,341	2,349,000
ONEOK PARTNERS LP	3,400,000	6.650%	10-1-2036	3,695,188	3,556,876
PROTECTIVE LIFE CORP	3,500,000	8.450%	10-15-2039	3,963,342	4,891,285
REGIONAL DIVERSIFIED FUND 144A	1	9.250%	3-15-2030	1	1
SECURITY MUTUAL LIFE CO O 144A	6,000,000	9.375%	12-15-2016	6,059,882	6,059,882

INVESTMENT SECTION

FIXED INCOME PORTFOLIO (cont) YEAR ENDED JUNE 30, 2015					
CORPORATE BONDS	PAR VALUE	COUPON RATE	MATURITY	COST	FAIR VALUE
SHORT-TERM INVESTMENT FUND B	260			260	260
SKYWAY CONCESSION CO LLC 144A	13,000,000	Variable	6-30-2026	10,161,285	10,790,000
TRAINER WORTHAM FI 2A A3L 144A	10,000,000	Variable	4-10-2037	7,496,211	100
TRI-COMMAND MILITARY HOUS 144A	4,685,873	5.383%	2-15-2048	4,228,607	4,211,147
UNITED UTILITIES PLC	2,000,000	4.550%	6-19-2018	1,932,725	2,113,300
WACHOVIA CORP	2,000,000	Variable	6-15-2017	1,954,431	1,993,020
WESTERN GROUP HOUSING LP 144A	1,900,000	6.750%	3-15-2057	2,161,216	2,167,520
TOTAL CORPORATE BONDS	417,456,998			562,020,478	624,722,496
<hr/>					
TOTAL FIXED INCOME PORT	424,715,104			569,308,234	632,443,297

CREDIT OPPORTUNITIES PORTFOLIO YEAR ENDED JUNE 30, 2015			
DESCRIPTION	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)
BLACKROCK MORTGAGE INV	0	421	421
BRIGHTWOOD CAPITAL FUND III	44,000,000	42,287,955	(1,712,045)
CASTLE CREEK AZ TARP	19,089,574	20,694,949	1,605,375
CENTERBRIDGE	0	9,832,922	9,832,922
CENTERBRIDGE SC II	34,486,877	39,426,257	4,939,380
COMVEST CAPITAL III L	11,690,949	10,325,143	(1,365,806)
CRESTLINE OPPORTUNITY FUND	25,151,627	23,368,943	(1,782,684)
CRESTLINE SPECIALTY LENDING	8,171,016	7,729,372	(441,644)
DAVIDSON KEMPNER SPEC OPP	41,325,000	42,535,492	1,210,492
EJF DEBT OPPORTUNITIES FUND	40,000,000	60,779,395	20,779,395
ESG CREDIT MACRO EVENT FUND	75,000,000	41,868,259	(33,131,741)
GS CREDIT OPPS FUND 2008	0	15,214	15,214
ISHARES IBOX HIGH YIELD COR	7,332,016	7,435,934	103,918
MELODY CAP PTNRS ONSHORE	25,431,383	26,802,064	1,370,681
OHA STRATEGIC CREDIT	2,862,577	10,766,677	7,904,100

CREDIT OPPORTUNITIES PORTFOLIO (cont) YEAR ENDED JUNE 30, 2015			
DESCRIPTION	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)
PAC ALLI ASIA SPEC FEEDER LP	12,311,653	14,871,671	2,560,018
PACIFIC ALLIANCE ASIA	40,000,000	53,639,539	13,639,539
PSPRS PNMAC MORTGOPP	130,000,000	43,168,393	(86,831,607)
PSPRS-APOLLO EUR NPL	47,182,350	16,420,003	(30,762,347)
SJC ONSHORE DIRECT LENDING	11,931,667	9,972,530	(1,959,137)
SJC ONSHORE DIRECT LENDING	44,365,614	48,072,889	3,707,275
SPDR BARCLAYS HIGH YIELD BD	30,267,942	28,917,192	(1,350,750)
SPDR BARCLAYS SHORT HIG	29,998,441	28,018,705	(1,979,736)
STARK ABS OPPORTUNITIES	623,370	882,805	259,435
STELLUS CREDIT MASTER FUND	13,405,109	13,405,109	0
TGP OPPORTUNITIES PTNRS III A	11,419,652	12,452,663	1,033,011
TPG OPPORTUNITIES FUND II LP	57,712,099	77,838,032	20,125,933
WEST FACE LONG TERM OPP	40,000,000	40,286,853	286,853
TOTAL CREDIT OPPS PORT	803,758,916	731,815,381	(71,943,535)

PRIVATE EQUITY PORTFOLIO YEAR ENDED JUNE 30, 2015			
DESCRIPTION	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)
ABRY PARTNERS	10,065,400	2,002,124	(8,063,276)
APOLLO INVESTMENT FUND VII	22,086,518	27,054,870	4,968,352
AVALON VENTURES IX	16,889,619	20,715,786	3,826,167
AVALON VENTURES X L.P.	11,706,127	14,745,974	3,039,847
BARING ASIA PRIVATE EQUITY V	35,464,755	43,478,218	8,013,463
BERKSHIRE FUND VIII-A LP	10,287,568	11,765,376	1,477,808
BLACKSTONE CAPITAL	12,459,356	19,250,286	6,790,930
CASTLE CREEK CAPITAL	20,222,284	24,088,341	3,866,057
CASTLE CREEK IV	42,804,310	86,620,099	43,815,789
CENTERBRIDGE CAPITAL	55,541,705	56,375,738	834,033
CENTERBRIDGE CAPITAL PTNRS	1,241,026	1,241,026	0
CHARLESBANK EQUITY FUND VII	23,859,533	43,566,620	19,707,087
CHARLESBANK EQUITY FUND VIII	2,908,539	3,224,413	315,874
CORTEC GROUP FUND V LP	23,152,017	32,239,564	9,087,547
CYMPHONIX NOTE PAYABLE	1,212	1,212	0
CYMPHONIX SERIES C	16,813	16,813	0
DAG VENTURES II CO-INVEST	15,888,506	6,090,882	(9,797,624)
DAG VENTURES II DIRECT	5,060,945	2,801,821	(2,259,124)
DAG VENTURES III CO-INVEST	0	3,781,581	3,781,581
DAG VENTURES III DIRECT	10,055,951	5,392,624	(4,663,327)
DAG VENTURES IV CO-INVEST LP	21,102,249	36,736,564	15,634,315
DAG VENTURES IV LP	23,540,405	26,293,435	2,753,030
DAG VENTURES V CO-INVEST	4,000,001	3,993,482	(6,519)
DAG VENTURES V LP	8,436,781	23,631,327	15,194,546
DFJ MERCURY II	17,840,902	21,254,646	3,413,744
DRUG ROYALTY TRUST	8,872,724	9,051,990	179,266
EQT VI LP	26,376,101	29,047,563	2,671,462
INSIGHT EQUITY II	38,151,352	58,027,026	19,875,674
INSIGHT EQUITY MEZZANINE I	1,697,962	1,968,221	270,259
JMI EQUITY FUND VII LP	18,591,211	18,966,618	375,407
KKR ASIAN FUND II LP	7,875,360	10,221,682	2,346,322
LADDER	22,695,564	30,623,707	7,928,143
LITTLEJOHN FUND IV	30,933,469	48,340,931	17,407,462
LITTLEJOHN FUND V LP	5,446,018	6,081,576	635,558
LITTLEJOHN IV CO-INVEST LP	3,260,200	9,934,409	6,674,209
LONGWORTH VP III	12,660,000	17,582,213	4,922,213
MADRONA VENTURE FUND V LP	2,513,046	2,922,757	409,711
MERCURY FUND VENTURES III LP	4,070,000	3,346,191	(723,809)
MESIROW CAPITAL PARTNERS IX	13,741,475	7,795,402	(5,946,073)
MIDOCEAN PARTNER III CO-INV	332,196	2,845,223	2,513,027
MIDOCEAN PARTNER III DIRECT	29,227,701	33,109,168	3,881,467
MILLENNIUM TECHNOLOGY	14,028,331	14,115,715	87,384

PRIVATE EQUITY PORTFOLIO (cont) YEAR ENDED JUNE 30, 2015			
DESCRIPTION	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)
NXT CAPITAL HOLDINGS LP	4,442,637	6,402,467	1,959,830
OAKTREE EURO PRINCIPAL III	38,145,179	43,348,265	5,203,086
ONDAX CORPORATION SERIES C	174,815	174,815	0
ONDAX CORPORATION SERIES D	19,471	19,471	0
ONDAX CORPORATION SERIES E	31,547	63,094	31,547
PATRIA - BRAZILIAN PRIVATE	5,405,073	6,259,542	854,469
PENINSULA EQUITY PARTNERS	4,513,737	3,566,632	(947,105)
STEPSTONE AZ SECONDARY	48,160,469	65,682,063	17,521,594
STERLING GROUP PARTNERS III	19,517,963	29,899,411	10,381,448
TOWERBROOK INVESTORS III	20,957,725	27,072,215	6,114,490
TOWERBROOK INVESTORS IV	3,291,356	4,206,222	914,866
TRIDENT CAPITAL FUND VI LP	2,994,625	3,051,095	56,470
TRIDENT V LP	33,959,526	41,985,108	8,025,582
TRUSTBRIDGE PARTNERS IV LP	24,873,334	43,208,197	18,334,863
TRUSTRIDGE PARTNERS V LP	20,948,664	20,859,653	(89,011)
VALLEY VENTURES III	4,454,193	2,327,242	(2,126,951)
VALLEY VENTURES III ANNEX	1,451,189	491,942	(959,247)
VISTA EQUITY PARTNERS FD V LP	4,341,751	4,424,062	82,311
VISTA EQUITY PARTNERS FUND IV	35,085,355	49,038,116	13,952,761
VIVO CAPITAL FUND VIII LP	2,106,418	2,106,418	0
VIVO VENTURES VII LP	17,472,970	22,924,996	5,452,026
ZANE BENEFITS INC	127,274	53,827	(73,447)
TOTAL PRIVATE EQUITY PORT	927,580,503	1,197,508,067	269,927,564

ABSOLUTE RETRN PORTFOLIO YEAR ENDED JUNE 30, 2015			
DESCRIPTION	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)
DAVIDSON KEMPNER INSTIT	70,000,000	86,081,182	16,081,182
GSAM HF SEED 2011	24,372,768	37,231,350	12,858,582
LSV SPECIAL OPPORTUNITIES	13,525	18,412,100	18,398,575
LSV SPECIAL OPPORTUNITIES	29,151,058	49,500,405	20,349,347
LUXOR CAPITAL PARTNERS	40,000,000	43,816,138	3,816,138
OZ DOMESTIC PARTNERS II LP	70,000,000	104,203,034	34,203,034
TOTAL ABSOLUTE RETURN PORT	233,537,351	339,244,209	105,706,858

INVESTMENT SECTION

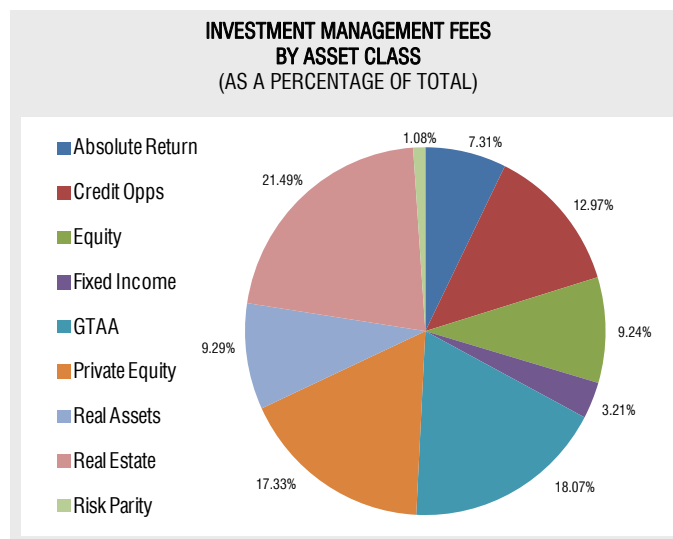
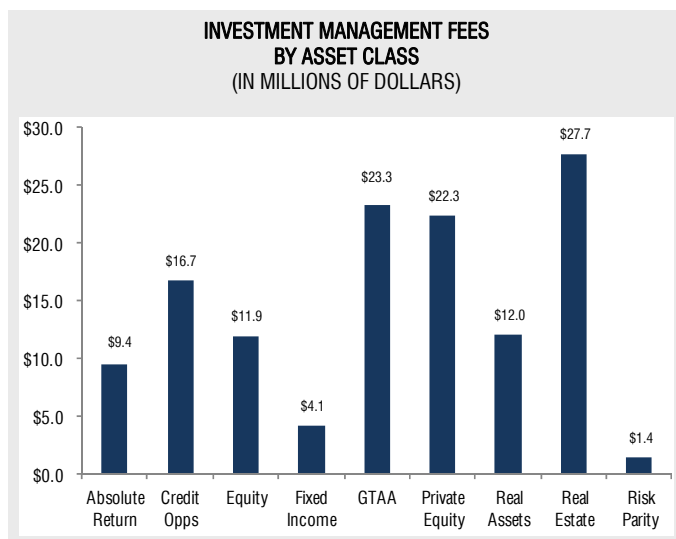
REAL ASSETS PORTFOLIO YEAR ENDED JUNE 30, 2015			
DESCRIPTION	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)
ACTIS ENERGY 3 A LP	9,959,166	5,869,028	(4,090,138)
ACTIS GP LLP BEVI III LP	7,238,259	5,206,727	(2,031,532)
ALTERNA CORE ASSETS II	14,158,808	13,016,084	(1,142,724)
ALTERNA I	21,096,713	27,064,976	5,968,263
CONSERVATION FORESTRY I	15,287,771	15,274,777	(12,994)
CONSERVATN FOREST II	22,594,092	29,894,077	7,299,985
DENHAM COMMODITY PART VI	15,836,973	19,880,539	4,043,566
EIF US POWER FUND IV	21,031,818	21,699,252	667,434
ENCAP ENERGY CAPITAL FUND IX	14,435,171	13,851,516	(583,655)
ENCAP ENERGY CAPITAL FUND X	1,670,618	1,670,618	0
ENERGY SELECT SECTOR SPDR	28,374,499	26,802,056	(1,572,443)
FIRST TRUST ISE-REV NAT GAS	12,842,047	7,518,420	(5,323,627)
FUNDAMENTAL PARTNERS II	59,630,847	65,879,666	6,248,819
FUNDAMENTAL PARTNERS III LP	4,995,791	4,995,791	0
JP MORGAN AIRRO FUND	22,907,989	26,979,146	4,071,157
JP MORGAN AIRRO SIDECAR LP	22,869,167	26,603,877	3,734,710
LD COMMODITIES ALPHA FD LTD	25,000,000	26,931,388	1,931,388
MACQUARIE EUR INFRASTRUCT III	18,066,753	26,482,107	8,415,354
MACQUARIE INFRA II US	15,007,015	17,752,663	2,745,648
MAGNETAR FINANCIAL LLC CMLP	4,172,991	4,924,816	751,825
MAGNETAR MTP	80,000,000	76,054,456	(3,945,544)
ORG SECONDARY - REAL ASSETS	11,116,050	22,284,486	11,168,436
ORION MINE FINANCE FD I-A LP	7,450,276	6,283,071	(1,167,205)
SPDR GOLD SHARES	91,484,191	79,409,632	(12,074,559)
SPDR S&P METALS & MINING ETF	12,994,196	7,510,671	(5,483,525)
TAYLOR WOODS PARTNERS LP	55,000,000	58,109,382	3,109,382
TRUST IN ENERGY RECAP FUND	11,407,014	9,570,603	(1,836,411)
TVEST CROSSOVER III	15,709,247	18,055,482	2,346,235
TOTAL REAL ASSETS PORT	642,337,462	665,575,307	23,237,845

REAL ESTATE PORTFOLIO YEAR ENDED JUNE 30, 2015			
DESCRIPTION	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)
12TH ST & BELL	5,001,890	2,000,000	(3,001,890)
29TH AVE & CAMELBACK	1,212,374	1,200,000	(12,374)
32ND ST & VAN BUREN	3,482,103	5,400,000	1,917,897
44TH AVE & NORTHERN	1,746,055	700,000	(1,046,055)
67TH AVE & GREENWAY	2,309,956	500,000	(1,809,956)
ALCION RE PARTNERS FUND II	14,572,340	14,848,167	275,827
ARES US REAL ESTATE FUND VII	29,297,687	36,143,373	6,845,686
BLACKSTONE REAL ESTATE VI	23,748,270	52,703,142	28,954,872
BPE ASIA REAL ESTATE FUND LP	4,966,373	4,852,797	(113,576)
CATALYST EPF II SCOTS LP	8,186,228	7,663,755	(522,473)
CATALYST EUROPEAN	28,758,247	27,872,032	(886,215)
CLEARBELL II FEEDER LP	16,412,641	10,106,450	(6,306,191)
DTR1 C POOL	157,188,280	138,000,000	(19,188,280)
DTR1 POOL	233,102,746	123,200,000	(109,902,746)
FROGMORE REAL ESTATE PART	12,356,817	11,150,648	(1,206,169)
FUDO CAPITAL II LP	14,697,088	12,082,141	(2,614,947)
GREENFIELD ACQUISITION	15,845,341	16,217,654	372,313
GREENFIELD ACQUISITION VI	22,774,607	28,501,596	5,726,989
H/2 CREDIT PARTNERS L.P.	40,000,000	55,825,229	15,825,229
HARRISON ST RE COINV	0	74,338	74,338
HARRISON STREET REAL ESTATE	15,754,463	10,588,852	(5,165,611)
IRON POINT RE PARTNERS III LP	934,472	934,472	0
IRON POINT REAL ESTATE	5,967,280	6,570,253	602,973
IRONPOINT RE	34,666,311	47,383,205	12,716,894
LUBERT-ADLER RE FDS PROJECT	12,000,000	12,005,279	5,279
LUBERT-ADLER RE FUND VII LP	10,000,000	9,256,762	(743,238)
LUBERT-ALDER RE VI-B	8,828,918	17,641,813	8,812,895
ORG SECONDARY FUND	49,556,370	53,897,336	4,340,966
OWC WHISPERING CANYON	29,677,109	4,100,000	(25,577,109)
PATRON CAPITAL IV LP	5,450,462	6,759,678	1,309,216
PEBBLE CREEK	38,050,000	12,000,000	(26,050,000)
PIVOTAL REALTY HOLD/TALLEY	2,500,000	8,400,000	5,900,000
PSPRS-MOUNT GRANGE	10,998,463	29,416,546	18,418,083
ROCKBRIDGE HOSPITALITY FD VI	7,318,403	7,729,473	411,070
WALTON ST MEXICO FUND I-Q LP	34,971,212	26,955,265	(8,015,947)
WALTON STREET REAL ESTATE	21,721,355	24,844,972	3,123,617
TOTAL REAL ESTATE PORT	924,053,861	827,525,228	(96,528,633)

RISK PARITY PORTFOLIO YEAR ENDED JUNE 30, 2015			
DESCRIPTION	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)
BRIDGEWATER RA FUND	80,000,000	78,735,747	(1,264,253)
BRIDGEWTR ALL WEATHR	119,932,042	138,654,646	18,722,604
RISK PARITY FUNDS	50,411,336	50,640,563	229,227
FFTW TIPS/CURRENCY	44,352,146	43,805,544	(546,602)
TOTAL RISK PARITY PORT	294,695,524	311,836,500	17,140,976

GTAA SECURITIES PORTFOLIO YEAR ENDED JUNE 30, 2015			
DESCRIPTION	COST	FAIR VALUE	UNREALIZED GAIN (LOSS)
ALPHADYNE INVESTMENT	50,000,000	53,028,563	3,028,563
BLUE TREND FUND	61,249,488	67,892,176	6,642,688
BREVAN HOWARD FUND	50,000,000	50,409,745	409,745
BRIDGEWATER PURE ALPHA	156,169,682	304,396,308	148,226,626
BRIDGEWATER PURE ALPHA MAJ	30,000,000	38,976,481	8,976,481
D. E. SHAW MULTI-ASSET FUND	145,000,000	188,231,108	43,231,108
GMO BFA FUND	110,000,000	108,678,476	(1,321,524)
TOTAL GTAA SECURITIES PORT	602,419,170	811,612,857	209,193,687

INVESTMENT MANAGEMENT FEES



All investment manager fees, whether directly invoiced or deducted from the fund on a net basis, are classified and reported as investment expense. While some investment managers submit invoices for their investment management fees, a significant number of investment managers provide account valuations on a net of fee basis. Those management fees are often netted against investment income and are not readily separable. For greater transparency, the System makes a good faith attempt to disaggregate netted fee amounts that are not necessarily readily separable. The System collects and aggregates the netted investment fees and checks for reasonableness in order to disclose fees that would not otherwise be disclosed. The collection process is not standard practice for many plan sponsors. The netted investment expenses include amounts for investment management fees, performance

fees (including carried interest allocations), and other expenses such as organizational expenses in limited partnership structures. The total netted fee amounts reported also reflect the impact of any offsets which have the effect of reducing this total. Therefore, in order to compare investment expense as reported by the System with investment management costs reported by other public pension plans, an understanding of the actual fees and expenses included in any comparative reports is necessary. Additionally, investment plan composition directly influences the fee structure of a plan and adjustments for differences in plan asset allocation is necessary before conclusions can be reached from such comparisons.

THIS PAGE INTENTIONALLY BLANK

ACTUARIAL SECTION





October 29, 2015

The Board of Trustees
Arizona Public Safety Personnel Retirement System
3010 East Camelback Road, Suite 200
Phoenix, Arizona 85016-4416

Re: Arizona Public Safety Personnel Retirement System

Attention: Jared Smout, Administrator

The purpose of the annual actuarial valuation of the Arizona Public Safety Personnel Retirement System as of June 30, 2015 is to:

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired and non-retired members.
- Compare assets with accrued liabilities to assess the funded condition.
- Compute the recommended employers' contribution for the Fiscal Year beginning July 1, 2016.

The funding objective is stated in Article 4, Chapter 5, Title 38, Section 843B of the Arizona Revised Statutes. The valuation should not be relied upon for any other purpose.

The valuation process develops contribution rates that are sufficient to fund the plan's normal cost (i.e., the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund unfunded actuarial accrued liabilities as a level percent of active member payroll over a finite period. The valuations were completed based upon population data, asset data, and plan provisions as of June 30, 2015.

The valuation was based upon information furnished by the plan's administrative staff concerning Retirement System benefits, financial transactions, and active members, terminated members, retirees and beneficiaries. We checked the data for internal and year-to-year consistency, but did not otherwise audit the data. As a result, we do not assume responsibility for the accuracy or completeness of the data provided. The actuary summarizes and tabulates population data in order to analyze longer-term trends. The following schedules were prepared by the actuary and provided to the administrative staff to be included in the "Actuarial Section" of the June 30, 2015 CAFR:

- Aggregate Actuarial Balance Sheet as of June 30, 2015
- Summary of Valuation Assumptions
- Solvency Test
- Summary of Active Member Data
- Summary of Retirees and Inactive Members
- Schedule of Experience Gain/(Loss) for year ended June 30, 2015



The Board of Trustees
October 29, 2015
Page 2

GRS did not prepare any of the schedules included in the “Financial Section” of the June 30, 2015 CAFR. However, we did provide certain pieces of information that were used in that section, such as the Actuarial Accrued Liability and the Actuarial Value of Assets.

Assets are valued on a market related basis. This method recognizes the assumed return fully each year and spreads each year’s gain or loss above or below assumed return over a closed 7-year period. The continuing effect of prior asset losses was dampened by the 7-year smoothing period, and further offset by the effect of lower than assumed pay increases. There remains \$148.7 million (\$142.0 million for pension and \$6.7 million for health) of unrecognized investment losses that will in the absence of other gains, drive the contribution rate up over the next several years.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. The Board of Trustees adopts these assumptions after considering the advice of the actuary and other professionals. The assumptions and the methods comply with the requirements of Statement No. 67 of the Governmental Accounting Standards Board. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The June 30, 2015 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2006-2011 period. Future actuarial measurements may differ significantly from those presented in the valuations due to such factors as experience differing from that anticipated by the actuarial assumptions, changes in plan provisions, changes in actuarial assumptions or methods, or changes in applicable law.

Based upon the results of the June 30, 2015 valuations, the retired lives are less than fully funded on a funding value of assets basis and market value of asset basis. It is most important that this plan receive contributions at least equal to the actuarial rates.

The June 30, 2015 actuarial valuation reflected the following changes:

- Benefit changes
 - Interest on DROP for employees who became members before December 31, 2011 that have AT LEAST 20 years of credited service on January 1, 2012 will be 7.50% for the fiscal year beginning July 1, 2015.
 - Interest on DROP for employees who became members before December 31, 2011 that have LESS THAN 20 years of credited service on January 1, 2012 will be 3.10% for the fiscal year beginning July 1, 2015.

In order to gain a full understanding of the actuarial condition of the plan, it is important to read the full actuarial report that we have provided to the System.



Gabriel Roeder Smith & Company
Consultants & Actuaries

One Towne Square
Suite 800
Southfield, MI 48076-3723

248.799.9000 phone
248.799.9020 fax
www.gabrielroeder.com

The Board of Trustees
October 29, 2015
Page 3

Mark Buis and James D. Anderson are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Mark Buis'.

Mark Buis, FSA, EA, FCA, MAAA

A handwritten signature in cursive script that reads 'James D. Anderson'.

James D. Anderson, FSA, MAAA

MB/JDA:sc

PSPRS AGGREGATE ACTUARIAL BALANCE SHEET YEAR ENDED JUNE 30, 2015			
ACTUARIAL ASSETS	PENSION	HEALTH INSURANCE	TOTAL
ACCRUED ASSETS			
Member Accumulated Contributions	1,295,884,708	0	1,295,884,708
Employer and Benefit Payment Reserves	4,779,884,012	308,677,610	5,088,561,622
Funding Value Adjustment	142,017,851	6,675,901	148,693,752
Total Accrued Assets	6,217,786,571	315,353,511	6,533,140,082
PROSPECTIVE ASSETS			
Member Contributions	1,331,372,002	0	1,331,372,002
Employer Normal Costs	904,835,842	38,133,342	942,969,184
Employer Unfunded Actuarial Accrued Liability	6,468,013,848	(20,943,243)	6,447,070,605
Total Prospective Assets	8,704,221,692	17,190,099	8,721,411,791
Total Actuarial Assets	14,922,008,263	332,543,610	15,254,551,873
ACTUARIAL PRESENT VALUES (LIABILITY)			
PENSIONS IN PAYMENT STATUS			
Pensions in payment status	6,675,835,327	127,614,462	6,803,449,789
PROSPECTIVE PAYMENTS			
Retirement Payments	8,173,750,352	0	8,173,750,352
Health Insurance Payments	0	204,929,148	204,929,148
Member Contribution Refunds	72,422,584	0	72,422,584
Pension Increase Reserve	0	0	0
Total Prospective Payments	8,246,172,936	204,929,148	8,451,102,084
Total Actuarial Present Values (Liabilities)	14,922,008,263	332,543,610	15,254,551,873

PSPRS SUMMARY OF VALUATION ASSUMPTIONS

ECONOMIC ASSUMPTIONS

Interest Rate: 7.85% (net of expenses)
 Salary Increases: 4.00% for inflation

HEALTHY MORTALITY

RP2000 Health Annuitant Mortality Table projected to 2015 using projection scale AA adjusted by 105% for both males and females. This assumption was first used for the FY2012 valuation of the System and include margin for future improvements in mortality.

DISABLED MORTALITY

RP2000 Health Annuitant Mortality Table projected to 2015 using projection scale AA set forward 10 years for both males and females. This assumption was first used for the FY2012 valuation of the System.

ACTIVE MEMBERS MORTALITY TABLE

Sample rates of mortality for death-in-service set forward 0 years for both males and females. This assumption was first used for the FY2012 valuation of the System.

Retirement benefits will commence the first day of the month following termination of employment and based upon completion of 20 years of service, or following 62nd birthday and completion of 15 years of service.

MORTALITY RATES AND LIFE EXPECTANCY HEALTHY MORTALITY					MORTALITY RATES AND LIFE EXPECTANCY HEALTHY MORTALITY					MORTALITY RATES ACTIVE MEMBERS		
SAMPLE AGES	PROBABILITY OF DYING NEXT YEAR		FUTURE LIFE EXPECTANCY (YEARS)		SAMPLE AGES	PROBABILITY OF DYING NEXT YEAR		FUTURE LIFE EXPECTANCY (YEARS)		AGES	PROBABILITY OF DYING NEXT YEAR	
	MEN	WOMEN	MEN	WOMEN		MEN	WOMEN	MEN	WOMEN		MEN	WOMEN
50	0.16%	0.13%	31.88	33.93	50	0.16%	0.13%	31.88	33.93	50	0.16%	0.13%
55	0.27%	0.24%	27.19	29.20	55	0.27%	0.24%	27.19	29.20	55	0.27%	0.24%
60	0.53%	0.47%	22.67	24.66	60	0.53%	0.47%	22.67	24.66	60	0.53%	0.47%
65	1.03%	0.90%	18.43	20.39	65	1.03%	0.90%	18.43	20.39	65	1.03%	0.90%
70	1.77%	1.55%	14.56	16.49	70	1.77%	1.55%	14.56	16.49			
75	3.06%	2.49%	11.04	12.95	75	3.06%	2.49%	11.04	12.95			
80	5.54%	4.13%	8.00	9.80	80	5.54%	4.13%	8.00	9.80			

PSPRS MISCELLANEOUS AND TECHNICAL ASSUMPTIONS**MARRIAGE ASSUMPTION**

85% of males and females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.

PAY INCREASE TIMING

Six months after the valuation date.

DECREMENT TIMING

Decrements of all types are assumed to occur mid-year.

ELIGIBILITY TESTING

Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

DECREMENT RELATIVITY

Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.

DECREMENT OPERATION

Disability and turnover decrements do not operate during retirement eligibility.

SERVICE CREDIT ACCRUALS

It is assumed that members accrue one year of service credit per year.

INCIDENCE OF CONTRIBUTIONS

Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.

NORMAL FORM OF BENEFIT

A straight life payment is the assumed normal form of benefit for members who are not married, and the 80% Joint and Survivor form of payment with no reduction, for married members. 85% of members are assumed to be married at time of retirement.

BENEFIT SERVICE

Exact fractional service is used to determine the amount of benefit payable.

NORMAL COST PERCENTAGE

For the purposes of calculating the Normal Cost as a percent of payroll under the Entry Age Normal Cost Method, the Normal Cost was projected with interest to the applicable Fiscal Year and divided by the Payroll projected with wage base to the applicable Fiscal Year.

HEALTH CARE UTILIZATION

75% of future retirees are expected to utilize health care. 85% of those are assumed to be married.

FUTURE COST OF LIVING INCREASES

Future cost of living increases are not reflected in the liabilities. The 2012 Experience Study recommended reducing the expected rate of return by approximately 0.5% to account for this contingency.

PSPRS SUMMARY OF ACTIVE MEMBER DATA

AGE AND SERVICE DISTRIBUTION

Listed below is a summary of Active Members by age group, years of service and annual compensation. The summary points out that there were 18,409 active members in the System as of June 30, 2015, compared to 18,526 for the prior year.

AGE	YEARS OF SERVICE TO VALUATION DATE							TOTALS	
	0-4	5-9	10-14	15-19	20-24	25-29	30+	NO.	AVG. SALARY
< 24	391							391	50,598
25-29	1,390	363	1					1,754	55,903
30-34	948	1,911	431					3,290	67,534
35-39	490	1,321	1,491	346	1			3,649	74,976
40-44	228	759	1,198	1,435	211	4		3,835	81,751
45-49	143	347	702	1,133	699	132	2	3,158	86,450
50-54	46	169	293	457	355	241	31	1,592	87,436
55-59	20	64	104	195	104	76	24	587	84,217
60-64	15	18	26	46	16	11	4	136	81,523
65+		5	4	5		2	1	17	77,709
Total	3,671	4,957	4,250	3,617	1,386	466	62	18,409	76,114

YEAR ENDED JUNE 30,	COMPARATIVE SCHEDULE					
	ACTIVE MEMBERS	PAYROLL +000	AGE (YEARS)	SERVICE (YEARS)	AVERAGE SALARY	INCREASE IN AVG. PAY
2006	17,324	1,073,685	37.4	9.0	61,977	3.70%
2007	18,624	1,228,037	37.3	8.9	65,938	6.30%
2008	19,912	1,383,332	37.3	8.9	69,472	5.40%
2009	19,867	1,415,643	37.8	9.4	71,256	2.60%
2010	19,468	1,400,547	38.4	10.0	71,941	1.00%
2011	18,638	1,325,350	38.6	10.2	71,110	-1.20%
2012	18,542	1,349,252	39.1	10.6	72,767	2.30%
2013	18,436	1,370,609	39.5	11.1	74,344	2.20%
2014	18,526	1,390,346	39.7	11.2	75,048	0.90%
2015	18,409	1,401,178	39.7	11.3	76,114	1.40%

PSPRS SUMMARY OF INACTIVE MEMBER DATA

As of June 30, 2015, there were 1,923 inactive members in the System who had not withdrawn their accumulated member contributions. It is assumed that these inactive members are waiting to meet the age requirements for a deferred annuity (A.R.S.§38-846.01). They are broken down by attained age and years of service as follows:

SUMMARY OF INACTIVE MEMBERS FOR THE YEAR ENDED JUNE 30, 2015						
ATTAINED AGE	YEARS OF SERVICE TO VALUATION DATE					TOTAL
	0-4	5-9	10-14	15-19	20+	
< 30	323	32				355
30-39	629	189	31	1		850
40-44	202	57	35	14	1	309
45-49	121	36	35	15	5	212
50-54	62	17	22	8	4	113
55-59	26	12	8	4	1	51
60-69	10	5	8	6	1	30
70+	2		1			3
Total	1,375	348	140	48	12	1,923

PSPRS SUMMARY OF RETIRED MEMBER DATA

YEAR ENDED JUNE 30,	NUMBER REMOVED FROM ROLES	NUMBER ADDED TO ROLES	PSPRS RETIRANTS AND BENEFICIARIES					PERCENT INCREASE	AVERAGE PENSION
			TOTALS	ANNUAL ALLOWANCES REMOVED FROM ROLES	ANNUAL ALLOWANCES ADDED TO ROLES	ANNUAL PENSIONS			
2006	164	350	6,874	4,721,490	13,926,144	265,826,712	8.8%	38,671	
2007	159	918	7,633	3,578,561	45,409,478	307,657,629	15.7%	40,306	
2008	164	772	8,241	3,642,137	38,830,259	342,845,751	11.4%	41,602	
2009	222	590	8,609	11,175,896	47,338,063	379,007,918	10.5%	44,025	
2010	139	484	8,954	5,756,060	37,338,661	410,590,518	8.3%	45,856	
2011	130	698	9,522	5,139,598	49,120,961	454,571,881	10.7%	47,739	
2012	138	418	9,802	5,859,981	36,291,206	485,003,106	6.7%	49,480	
2013	186	543	10,159	8,308,593	26,893,778	503,588,291	3.8%	49,571	
2014	195	560	10,524	8,599,683	48,220,721	543,209,329	7.9%	51,616	
2015	184	694	11,034	7,890,225	36,611,404	571,930,508	5.3%	51,833	



October 29, 2015

The Board of Trustees
Arizona Elected Officials' Retirement System
3010 East Camelback Road, Suite 200
Phoenix, Arizona 85016-4416

Re: Arizona Elected Officials' Retirement Plan

Attention: Jared A. Smout, Administrator

The purpose of the annual actuarial valuation of the Arizona Elected Officials' Retirement Plan as of June 30, 2015 is to:

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired and non-retired members.
- Compare assets with accrued liabilities to assess the funded condition.
- Compute the recommended employers' contribution for the Fiscal Year beginning July 1, 2016.

The funding objective is stated in Article 4, Chapter 5, Title 38, Sections 810C-D of the Arizona Revised Statutes. The valuation should not be relied upon for any other purpose.

The valuation process develops contribution rates that are sufficient to fund the Plan's normal cost (i.e., the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund unfunded actuarial accrued liabilities as a level percent of active member payroll over a finite period. The valuations were completed based upon population data, asset data, and plan provisions as of June 30, 2015.

The valuation was based upon information furnished by the plan's administrative staff concerning Retirement Plan benefits, financial transactions, and active members, terminated members, retirees and beneficiaries. We checked the data for internal and year-to-year consistency, but did not otherwise audit the data. As a result, we do not assume responsibility for the accuracy or completeness of the data provided. The actuary summarizes and tabulates population data in order to analyze longer-term trends. The following schedules were prepared by the actuary and provided to the administrative staff to be included in the "Actuarial Section" of the June 30, 2015 CAFR:

- Aggregate Actuarial Balance Sheet as of June 30, 2015
- Summary of Valuation Assumptions
- Solvency Test
- Summary of Active Member Data
- Summary of Retirees and Inactive Members
- Schedule of Experience Gain/(Loss) for year ended June 30, 2015



The Board of Trustees

October 29, 2015

Page 2

GRS did not prepare any of the schedules included in the “Financial Section” of the June 30, 2015 CAFR. However, we did provide certain pieces of information that were used in that section, such as the Actuarial Accrued Liability and the Actuarial Value of Assets.

Assets are valued on a market related basis. This method recognizes the assumed return fully each year and spreads each year’s gain or loss above or below assumed return over a closed 7-year period. The continuing effect of prior asset losses was dampened by the 7-year smoothing period, and further offset by the effect of lower than assumed pay increases. There remains \$7.2 million (\$6.7 million for pension and \$0.5 million for health) of unrecognized investment losses that will in the absence of other gains, drive the contribution rate up over the next several years.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. The Board of Trustees adopts these assumptions after considering the advice of the actuary and other professionals. The assumptions and the methods comply with the requirements of Statement No. 67 of the Governmental Accounting Standards Board. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The June 30, 2015 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2006-2011 period. Future actuarial measurements may differ significantly from those presented in the valuations due to such factors as experience differing from that anticipated by the actuarial assumptions, changes in plan provisions, changes in actuarial assumptions or methods, or changes in applicable law.

Based upon the results of the June 30, 2015 valuations, the retired lives are less than fully funded on a funding value of assets basis and market value of assets basis. It is most important that this plan receive contributions at least equal to the actuarial rates. The Plan’s funded status as of June 30, 2015 is 38.8%, and the actuarially determined contribution has increased from 86.54% to 95.56% of payroll. The changes reflect continued investment loss phase-in, and are expected to be exacerbated going forward as statutorily required contributions that were set prior to the Fields case will increasingly fall behind the Actuarially Determined Contribution. The statutorily required contribution of 23.5% of payroll plus court fees and a \$5 million appropriation is calculated to equal \$29.7 million for FY17, well short of the Actuarially Determined Contribution of \$59.2 million.

In order to gain a full understanding of the actuarial condition of the plan, it is important to read the full actuarial report that we have provided to the Plan.



Gabriel Roeder Smith & Company
Consultants & Actuaries

One Towne Square
Suite 800
Southfield, MI 48076-3723

248.799.9000 phone
248.799.9020 fax
www.gabrielroeder.com

The Board of Trustees
October 29, 2015
Page 3

Mark Buis and James D. Anderson are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Mark Buis'.

Mark Buis, FSA, EA, FCA, MAAA

A handwritten signature in cursive script that reads 'James D. Anderson'.

James D. Anderson, FSA, MAAA

MB/JDA:sc

EORP AGGREGATE ACTUARIAL BALANCE SHEET YEAR ENDED JUNE 30, 2015			
ACTUARIAL ASSETS	PENSION	HEALTH INSURANCE	TOTAL
ACCRUED ASSETS			
Member Accumulated Contributions	56,386,875	0	56,386,875
Employer and Benefit Payment Reserves	252,281,549	22,597,987	274,879,536
Funding Value Adjustment	6,718,934	445,549	7,164,483
Total Accrued Assets	315,387,358	23,043,536	338,430,894
PROSPECTIVE ASSETS			
Member Contributions	43,195,186	0	43,195,186
Employer Normal Costs	35,616,295	1,644,572	37,260,867
Employer Unfunded Actuarial Accrued Liability	498,063,002	(10,682,621)	487,380,381
Total Prospective Assets	576,874,483	(9,038,049)	567,836,434
Total Actuarial Assets	892,261,841	14,005,487	906,267,328
ACTUARIAL PRESENT VALUES (LIABILITY)			
PENSIONS IN PAYMENT STATUS			
Pensions in payment status	601,710,784	8,237,142	609,947,926
PROSPECTIVE PAYMENTS			
Retirement Payments	289,430,276	0	289,430,276
Health Insurance Payments	0	5,768,345	5,768,345
Member Contribution Refunds	1,120,781	0	1,120,781
Pension Increase Reserve	0	0	0
Total Prospective Payments	290,551,057	5,768,345	296,319,402
Total Actuarial Present Values (Liabilities)	892,261,841	14,005,487	906,267,328

EORP SUMMARY OF VALUATION ASSUMPTIONS

ECONOMIC ASSUMPTIONS

Interest Rate: 7.85% (net of expenses)
 Salary Increases: 4.25% for inflation

HEALTHY MORTALITY TABLE

RP2000 Health Annuitant Mortality Table projected to 2025 using projection scale AA with no adjustments for males and females. This assumption was first used for the FY2012 valuation of the System and include margin for future improvements in mortality.

DISABLED MORTALITY TABLES

RP2000 Health Annuitant Mortality Table projected to 2025 using projection scale AA set forward 10 years for both males and females. This assumption was first used for the FY2012 valuation of the System.

ACTIVE MEMBER MORTALITY TABLE

Sample rates of mortality for death-in-service set forward 0 years for both males and females. This assumption was first used for the FY2013 valuation of the System.

Active members are eligible to retire early at any age within 5 years of service, or normally at any age with 20 years of service, at age 62 with 10 years of service, or at age 65 with 5 years of service. Pensions were assumed to be decreased 3/12 of 1% for each month the age at early retirement precedes normal retirement age, with a maximum reduction of 30%.

These rates adopted by the Board of Trustees, as recommended by the Plan’s actuary, were first used for the June 30, 2007 valuation.

MORTALITY RATES AND LIFE EXPECTANCY HEALTHY MORTALITY				
SAMPLE AGES	PROBABILITY OF DYING NEXT YEAR		FUTURE LIFE EXPECTANCY (YEARS)	
	MEN	WOMEN	MEN	WOMEN
50	0.16%	0.13%	31.88	33.93
55	0.27%	0.24%	27.19	29.20
60	0.53%	0.47%	22.67	24.66
65	1.03%	0.90%	18.43	20.39
70	1.77%	1.55%	14.56	16.49
75	3.06%	2.49%	11.04	12.95
80	5.54%	4.13%	8.00	9.80

MORTALITY RATES AND LIFE EXPECTANCY HEALTHY MORTALITY				
SAMPLE AGES	PROBABILITY OF DYING NEXT YEAR		FUTURE LIFE EXPECTANCY (YEARS)	
	MEN	WOMEN	MEN	WOMEN
50	0.16%	0.13%	31.88	33.93
55	0.27%	0.24%	27.19	29.20
60	0.53%	0.47%	22.67	24.66
65	1.03%	0.90%	18.43	20.39
70	1.77%	1.55%	14.56	16.49
75	3.06%	2.49%	11.04	12.95
80	5.54%	4.13%	8.00	9.80

MORTALITY RATES ACTIVE MEMBERS		
AGES	PROBABILITY OF DYING NEXT YEAR	
	MEN	WOMEN
50	0.16%	0.13%
55	0.27%	0.24%
60	0.53%	0.47%
65	1.03%	0.90%

EORP MISCELLANEOUS AND TECHNICAL ASSUMPTIONS**MARRIAGE ASSUMPTION**

85% of males and females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.

PAY INCREASE TIMING

Six months after the evaluation date.

DECREMENT TIMING

Decrements of all types are assumed to occur mid-year.

ELIGIBILITY TESTING

Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

DECREMENT RELATIVITY

Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.

DECREMENT OPERATION

Disability and turnover decrements do not operate during retirement eligibility.

SERVICE CREDIT ACCRUALS

It is assumed that members accrue one year of service credit per year.

INCIDENCE OF CONTRIBUTIONS

Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.

NORMAL FORM OF BENEFIT

A straight life payment is the assumed normal form of benefit for members who are not married, and the 75% Joint and Survivor form of payment with no reduction, for married members. 85% of members are assumed to be married at time of retirement.

BENEFIT SERVICE

Exact fractional service is used to determine the amount of benefit payable.

NORMAL COST PERCENTAGE

For the purposes of calculating the Normal Cost as a percent of payroll under the Projected Unit Credit Cost Method, the Normal Cost was projected with interest to the applicable Fiscal Year and divided by the Payroll projected with wage base to the applicable Fiscal Year.

HEALTH CARE UTILIZATION

70% of future retirees are expected to utilize health care. 85% of those are assumed to be married.

FUTURE COST OF LIVING INCREASES

Future cost of living increases are not reflected in the liabilities. The 2012 Experience Study recommended reducing the expected rate of return by approximately 0.5% to account for this contingency.

EORP SUMMARY OF ACTIVE MEMBER DATA

AGE AND SERVICE DISTRIBUTION

Listed below is a summary of Active Members by age group, years of service and annual compensation. The summary points out that there were 738 active members in the Plan as of June 30, 2015, decreased from 843 for the prior year.

AGE	YEARS OF SERVICE TO VALUATION DATE							TOTALS	
	0-4	5-9	10-14	15-19	20-24	25-29	30+	NO.	AVG. SALARY
< 24								0	0
25-29	2							2	30,416
30-34	10	4						14	40,961
35-39	18	8	1	1				28	42,400
40-44	27	15	8					50	79,190
45-49	36	25	10	1				72	91,466
50-54	46	45	26	16	4			137	97,357
55-59	42	35	41	26	4		2	150	92,840
60-64	26	37	38	24	15	2		142	89,903
65+	31	39	28	30	8	4	3	143	66,691
Total	238	208	152	98	31	6	5	738	83,921

YEAR ENDED JUNE 30,	COMPARATIVE SCHEDULE					
	ACTIVE MEMBERS	PAYROLL +000	AGE (YEARS)	SERVICE (YEARS)	AVERAGE SALARY	INCREASE IN AVG. PAY
2006	800	54,696	54.3	8.3	68,370	-0.10%
2007	813	61,308	54.4	8.3	75,409	10.30%
2008	824	62,184	54.6	8.4	75,474	0.10%
2009	857	67,777	54.6	8.1	79,086	4.80%
2010	827	66,442	55.1	8.5	80,341	1.60%
2011	845	66,637	54.6	8.0	78,860	-1.80%
2012	845	67,934	55.3	8.5	80,395	1.90%
2013	839	67,505	54.9	8.0	80,459	0.10%
2014	843	68,341	55.6	8.6	81,069	0.80%
2015	738	61,933	56.2	9.3	83,921	3.50%

Group averages are not used in the actuarial computations but are computed and shown because of their general interest. Reflects the 1985 amendment consolidating the Judges' Retirement System and the Elected Officials' Retirement Plan. Includes participating municipalities pursuant to a 1987 amendment beginning with the June 30, 1988, valuation.

EORP SUMMARY OF INACTIVE MEMBER DATA

As of June 30, 2015, there were 171 inactive members in the Plan who had not withdrawn their accumulated member contributions. It is assumed that these inactive members are waiting to meet the age requirements for service retirement. They are broken down by attained age and years of service as follows:

SUMMARY OF INACTIVE MEMBERS FOR THE YEAR ENDED JUNE 30, 2015						
ATTAINED AGE	YEARS OF SERVICE TO VALUATION DATE					TOTAL
	0-4	5-9	10-14	15-19	20+	
< 30						0
30-39	8	3		1		12
40-44	14	4	3			21
45-49	8	9	1			18
50-54	13	7	3	1		24
55-59	14	22	4	1	1	42
60-69	19	16	6	5	1	47
70+	3	2		1	1	7
Total	79	63	17	9	3	171

EORP SUMMARY OF RETIRED MEMBER DATA

YEAR ENDED JUNE 30,	NUMBER REMOVED FROM ROLES	NUMBER ADDED TO ROLES	EORP RETIRED MEMBERS AND BENEFICIARIES					
			TOTALS	ANNUAL ALLOWANCES REMOVED FROM ROLES	ANNUAL ALLOWANCES ADDED TO ROLES	ANNUAL PENSIONS	PERCENT INCREASE	AVERAGE PENSION
2006	20	48	797	1,188,444	2,482,196	28,044,340	7.4%	35,187
2007	29	58	826	842,516	3,178,426	30,380,250	8.3%	36,780
2008	29	75	872	668,820	3,138,910	32,850,340	8.1%	37,672
2009	47	80	905	987,408	4,399,639	36,262,571	10.4%	40,069
2010	25	41	921	666,409	3,740,863	39,337,025	8.5%	42,711
2011	32	101	990	1,182,916	5,307,555	43,461,664	10.5%	43,901
2012	33	35	992	1,277,532	1,726,008	43,910,140	1.0%	44,264
2013	26	91	1,057	915,428	4,208,986	47,203,698	7.5%	44,658
2014	42	38	1,053	1,363,194	7,164,962	53,005,466	12.3%	50,338
2015	23	86	1,116	831,841	4,570,428	56,744,053	7.1%	50,846



October 29, 2015

The Board of Trustees
Arizona Corrections Officer Retirement Plan
3010 East Camelback Road, Suite 200
Phoenix, Arizona 85016-4416

Re: Arizona Corrections Officer Retirement Plan

Attention: Jared A. Smout, Administrator

The purpose of the annual actuarial valuation of the Arizona Corrections Officer Retirement Plan as of June 30, 2015 is to:

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired and non-retired members.
- Compare assets with accrued liabilities to assess the funded condition.
- Compute the recommended employers' contribution for the Fiscal Year beginning July 1, 2016.

The funding objective is stated in Article 4, Chapter 5, Title 38, Section 891A of the Arizona Revised Statutes. The valuation should not be relied upon for any other purpose.

The valuation process develops contribution rates that are sufficient to fund the plan's normal cost (i.e., the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund unfunded actuarial accrued liabilities as a level percent of active member payroll over a finite period. The valuations were completed based upon population data, asset data, and plan provisions as of June 30, 2015.

The valuation was based upon information furnished by the plan's administrative staff concerning Retirement Plan benefits, financial transactions, and active members, terminated members, retirees and beneficiaries. We checked the data for internal and year-to-year consistency, but did not otherwise audit the data. As a result, we do not assume responsibility for the accuracy or completeness of the data provided. The actuary summarizes and tabulates population data in order to analyze longer-term trends. The following schedules were prepared by the actuary and provided to the administrative staff to be included in the "Actuarial Section" of the June 30, 2015 CAFR:

- Aggregate Actuarial Balance Sheet as of June 30, 2015
- Summary of Valuation Assumptions
- Solvency Test
- Summary of Active Member Data
- Summary of Retirees and Inactive Members
- Schedule of Experience Gain/(Loss) for year ended June 30, 2015



The Board of Trustees
October 29, 2015
Page 2

GRS did not prepare any of the schedules included in the “Financial Section” of the June 30, 2015 CAFR. However, we did provide certain pieces of information that were used in that section, such as the Actuarial Accrued Liability and the Actuarial Value of Assets.

Assets are valued on a market related basis. This method recognizes the assumed return fully each year and spreads each year’s gain or loss above or below assumed return over a closed 7-year period. The continuing effect of prior asset losses was dampened by the 7-year smoothing period, and further offset by the effect of lower than assumed pay increases. There remains \$33.7 million (\$31.6 million for pension and \$2.1 million for health) of unrecognized investment losses that will in the absence of other gains, drive the contribution rate up over the next several years.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. The Board of Trustees adopts these assumptions after considering the advice of the actuary and other professionals. The assumptions and the methods comply with the requirements of Statement No. 67 of the Governmental Accounting Standards Board. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The June 30, 2015 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2006-2011 period. Future actuarial measurements may differ significantly from those presented in the valuations due to such factors as experience differing from that anticipated by the actuarial assumptions, changes in plan provisions, changes in actuarial assumptions or methods, or changes in applicable law.

Based upon the results of the June 30, 2015 valuations, the retired lives are less than fully funded on a funding value of assets basis and market value of assets basis. They are much less than fully funded based upon the market value of assets. It is most important that this plan receive contributions at least equal to the actuarial rates.

In order to gain a full understanding of the actuarial condition of the plan, it is important to read the full actuarial report that we have provided to the Plan.



Gabriel Roeder Smith & Company
Consultants & Actuaries

One Towne Square
Suite 800
Southfield, MI 48076-3723

248.799.9000 phone
248.799.9020 fax
www.gabrielroeder.com

The Board of Trustees
October 29, 2015
Page 3

Mark Buis and James D. Anderson are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Mark Buis'.

Mark Buis, FSA, EA, FCA, MAAA

A handwritten signature in cursive script that reads 'James D. Anderson'.

James D. Anderson, FSA, MAAA

MB/JDA:sc

CORP AGGREGATE ACTUARIAL BALANCE SHEET YEAR ENDED JUNE 30, 2015			
ACTUARIAL ASSETS	PENSION	HEALTH INSURANCE	TOTAL
ACCRUED ASSETS			
Member Accumulated Contributions	406,641,355	0	406,641,355
Employer and Benefit Payment Reserves	1,133,226,765	109,237,632	1,242,464,397
Funding Value Adjustment	31,562,408	2,108,257	33,670,665
Total Accrued Assets	1,571,430,528	111,345,889	1,682,776,417
PROSPECTIVE ASSETS			
Member Contributions	343,095,442	0	343,095,442
Employer Normal Costs	251,017,292	11,893,806	262,911,098
Employer Unfunded Actuarial Accrued Liability	1,168,805,855	(10,474,737)	1,158,331,118
Total Prospective Assets	1,762,918,589	1,419,069	1,764,337,658
Total Actuarial Assets	3,334,349,117	112,764,958	3,447,114,075
ACTUARIAL PRESENT VALUES (LIABILITY)			
PENSIONS IN PAYMENT STATUS			
Pensions in payment status	1,351,258,733	36,787,041	1,388,045,774
PROSPECTIVE PAYMENTS			
Retirement Payments	1,900,781,144	0	1,900,781,144
Health Insurance Payments	0	75,977,917	75,977,917
Member Contribution Refunds	82,309,240	0	82,309,240
Pension Increase Reserve	0	0	0
Total Prospective Payments	1,983,090,384	75,977,917	2,059,068,301
Total Actuarial Present Values (Liabilities)	3,334,349,117	112,764,958	3,447,114,075

CORP SUMMARY OF VALUATION ASSUMPTIONS

ECONOMIC ASSUMPTIONS

Interest Rate: 7.85% (net of expenses)
 Salary Increases: 4.00% for inflation

HEALTHY MORTALITY TABLE

RP2000 Health Annuitant Mortality Table adjusted by 105% for both males and females. This assumption was first used for the FY2012 valuation of the System.

DISABLED MORTALITY TABLES

RP2000 Health Annuitant Mortality Table set forward 10 years for both males and females. This assumption was first used for the FY2012 valuation of the System.

ACTIVE MEMBERS MORTALITY TABLE

Sample rates of mortality for death-in-service set forward 0 years for both males and females.

This assumption was first used for the FY2012 valuation of the System.

Active members are eligible to retire normally at any age with 20 years of service (25 years for dispatchers), at age 62 with 10 years of service, or when a combination of age and credited service is equal to or greater than 80 years.

These rates adopted by the Board of Trustees, as recommended by the Plan’s actuary, were first used for the June 30, 2007 valuation.

MORTALITY RATES AND LIFE EXPECTANCY HEALTHY MORTALITY				
SAMPLE AGES	PROBABILITY OF DYING NEXT YEAR		FUTURE LIFE EXPECTANCY (YEARS)	
	MEN	WOMEN	MEN	WOMEN
50	0.16%	0.13%	31.88	33.93
55	0.27%	0.24%	27.19	29.20
60	0.53%	0.47%	22.67	24.66
65	1.03%	0.90%	18.43	20.39
70	1.77%	1.55%	14.56	16.49
75	3.06%	2.49%	11.04	12.95
80	5.54%	4.13%	8.00	9.80

MORTALITY RATES AND LIFE EXPECTANCY HEALTHY MORTALITY				
SAMPLE AGES	PROBABILITY OF DYING NEXT YEAR		FUTURE LIFE EXPECTANCY (YEARS)	
	MEN	WOMEN	MEN	WOMEN
50	0.16%	0.13%	31.88	33.93
55	0.27%	0.24%	27.19	29.20
60	0.53%	0.47%	22.67	24.66
65	1.03%	0.90%	18.43	20.39
70	1.77%	1.55%	14.56	16.49
75	3.06%	2.49%	11.04	12.95
80	5.54%	4.13%	8.00	9.80

MORTALITY RATES ACTIVE MEMBERS		
AGES	PROBABILITY OF DYING NEXT YEAR	
	MEN	WOMEN
50	0.16%	0.13%
55	0.27%	0.24%
60	0.53%	0.47%
65	1.03%	0.90%

CORP MISCELLANEOUS AND TECHNICAL ASSUMPTIONS**MARRIAGE ASSUMPTION**

80% of males and females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.

PAY INCREASE TIMING

Six months after the valuation date.

DECREMENT TIMING

Decrements of all types are assumed to occur mid-year.

ELIGIBILITY TESTING

Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

DECREMENT RELATIVITY

Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.

DECREMENT OPERATION

Disability and turnover decrements do not operate during retirement eligibility.

SERVICE CREDIT ACCRUALS

It is assumed that members accrue one year of service credit per year.

INCIDENCE OF CONTRIBUTIONS

Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.

NORMAL FORM OF BENEFIT

A straight life payment is the assumed normal form of benefit for members who are not married, and the 80% Joint and Survivor form of payment with no reduction, for married members. 80% of members are assumed to be married at time of retirement.

BENEFIT SERVICE

Exact fractional service is used to determine the amount of benefit payable.

NORMAL COST PERCENTAGE

For the purposes of calculating the Normal Cost as a percent of payroll under the Projected Unit Credit Cost Method, the Normal Cost was projected with interest to the applicable Fiscal Year and divided by the Payroll projected with wage base to the applicable Fiscal Year.

HEALTH CARE UTILIZATION

70% of future retirees are expected to utilize health care. 80% of those are assumed to be married.

FUTURE COST OF LIVING INCREASES

Future cost of living increases are not reflected in the liabilities. The 2012 Experience Study recommended reducing the expected rate of return by approximately 0.5% to account for this contingency.

CORP SUMMARY OF ACTIVE MEMBER DATA

AGE AND SERVICE DISTRIBUTION

Listed below is a summary of Active Members by age group, years of service and annual compensation. The summary points out that there were 14,184 active members in the Plan as of June 30, 2015, decreased from 14,595 for the prior year.

AGE	YEARS OF SERVICE TO VALUATION DATE							TOTALS	
	0-4	5-9	10-14	15-19	20-24	25-29	30+	NO.	AVG. SALARY
< 24	1,056	9						1,065	35,375
25-29	2,019	360	8					2,387	37,092
30-34	1,025	839	271	2				2,137	40,645
35-39	580	565	548	168				1,861	44,280
40-44	465	496	473	535	41			2,010	46,427
45-49	318	381	378	375	193	27		1,672	48,137
50-54	229	262	277	277	131	98	2	1,276	47,943
55-59	151	173	235	233	99	63	22	976	48,529
60-64	79	123	152	132	52	39	13	590	47,970
65+	18	57	56	36	20	15	8	210	48,320
Total	5,940	3,265	2,398	1,758	536	242	45	14,184	43,448

YEAR ENDED JUNE 30,	COMPARATIVE SCHEDULE					
	ACTIVE MEMBERS	PAYROLL +000	AGE (YEARS)	SERVICE (YEARS)	AVERAGE SALARY	INCREASE IN AVG. PAY
2006	11,914	437,744	39.3	6.2	36,742	6.80%
2007	12,780	515,428	39.0	6.0	40,331	9.80%
2008	14,716	642,621	39.6	7.0	43,668	8.30%
2009	14,580	630,825	40.2	7.4	43,266	-0.90%
2010	14,319	616,481	40.3	7.8	43,053	-0.50%
2011	14,565	609,243	40.1	7.7	41,829	-2.80%
2012	14,991	626,223	39.8	7.7	41,773	-0.10%
2013	14,580	604,068	39.7	8.0	41,431	-0.80%
2014	14,595	625,264	39.6	8.1	42,841	3.40%
2015	14,184	616,267	39.5	8.3	43,448	1.40%

CORP SUMMARY OF INACTIVE MEMBER DATA

As of June 30, 2015, there were 2,318 inactive members in the Plan who had not withdrawn their accumulated member contributions. They are broken down by attained age and years of service as follows:

SUMMARY OF INACTIVE MEMBERS FOR THE YEAR ENDED JUNE 30, 2015						
ATTAINED AGE	YEARS OF SERVICE TO VALUATION DATE					TOTAL
	0-4	5-9	10-14	15-19	20+	
< 30	687	32				719
30-39	559	115	28	3		705
40-44	195	36	26	4		261
45-49	149	26	20	3		198
50-54	108	18	22	9	1	158
55-59	75	25	34	10	1	145
60-69	68	11	35	12		126
70+	3	1		1	1	6
Total	1,844	264	165	42	3	2,318

CORP SUMMARY OF RETIRED MEMBER DATA

YEAR ENDED JUNE 30,	CORP RETIRANTS AND BENEFICIARIES							AVERAGE PENSION
	NUMBER REMOVED FROM ROLES	NUMBER ADDED TO ROLES	TOTALS	ANNUAL ALLOWANCES REMOVED FROM ROLES	ANNUAL ALLOWANCES ADDED TO ROLES	ANNUAL PENSIONS	PERCENT INCREASE	
2006	46	232	1,919	2,405,616	4,807,848	37,272,180	19.0%	19,065
2007	68	272	2,123	971,820	6,365,640	42,666,000	14.0%	20,097
2008	100	405	2,428	2,197,553	10,594,200	51,062,647	19.7%	21,031
2009	118	281	2,591	1,532,671	9,559,615	59,089,591	15.7%	22,806
2010	52	369	2,908	850,373	11,529,838	69,769,056	18.1%	23,992
2011	48	396	3,256	880,983	12,749,577	81,637,650	17.0%	25,073
2012	64	284	3,476	1,078,072	7,358,770	87,918,348	7.7%	25,293
2013	69	403	3,810	1,418,636	9,965,863	96,465,575	9.7%	25,319
2014	56	336	4,090	1,070,772	12,167,340	107,562,143	11.5%	26,299
2015	69	389	4,410	1,498,665	10,153,781	116,217,259	8.0%	26,353

SOLVENCY TEST

Testing the financial solvency of a retirement plan 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 plan are level in concept and soundly executed, and if the plan continues its present operations pattern for the indefinite future, the plan will pay all promised benefits when due - the ultimate test of financial soundness.

In a plan 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 plan 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.

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

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

PSPRS	AGGREGATE ACCRUED LIABILITIES							
	YEAR ENDED JUNE 30,	ACTIVE MEMBER CONT.	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS (ER PORTION)	VALUATION ASSETS AVAILABLE FOR BENEFITS	PORTION OF ACCRUED LIABILITIES COVERED BY NET ASSETS AVAILABLE FOR BENEFITS		
		\$ (1)	\$ (2)	\$ (3)	\$ (2)	(1)	(2)	(3)
2006	698,025	2,743,387	3,053,601	4,999,911	100.00%	100.00%	51.00%	
2007	730,929	3,183,931	3,353,431	4,829,521	100.00%	100.00%	27.30%	
2008	789,566	3,418,835	3,454,378	5,095,645	100.00%	100.00%	25.70%	
2009	737,839	4,622,427	2,629,185	5,445,497	100.00%	100.00%	3.20%	
2010	808,207	4,993,382	2,690,233	5,591,304	100.00%	96.00%	0.00%	
2011	819,996	5,790,724	2,754,541	5,795,945	100.00%	86.00%	0.00%	
2012	897,597	6,364,273	3,063,659	6,051,595	100.00%	81.00%	0.00%	
2013	978,017	6,652,270	3,193,253	6,185,074	100.00%	78.00%	0.00%	
2014	1,058,474	7,949,695	3,224,848	6,018,984	100.00%	62.40%	0.00%	
2015	1,295,884	8,326,599	3,063,317	6,217,787	100.00%	59.10%	0.00%	

EORP	AGGREGATE ACCRUED LIABILITIES							
	YEAR ENDED JUNE 30,	ACTIVE MEMBER CONT.	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS (ER PORTION)	VALUATION ASSETS AVAILABLE FOR BENEFITS	PORTION OF ACCRUED LIABILITIES COVERED BY NET ASSETS AVAILABLE FOR BENEFITS		
		\$ (1)	\$ (2)	\$ (3)	\$ (2)	(1)	(2)	(3)
2006	36,639	248,357	106,407	351,701	100.00%	100.00%	62.30%	
2007	39,760	277,278	134,261	336,717	100.00%	100.00%	14.70%	
2008	41,964	285,634	126,743	348,013	100.00%	100.00%	16.10%	
2009	40,924	324,200	141,067	360,950	100.00%	99.00%	0.00%	
2010	43,283	349,417	143,071	357,342	100.00%	90.00%	0.00%	
2011	42,171	393,830	154,321	366,429	100.00%	82.00%	0.00%	
2012	47,274	400,005	162,949	356,346	100.00%	77.00%	0.00%	
2013	47,351	431,511	153,675	350,885	100.00%	70.00%	0.00%	
2014	54,318	576,015	165,913	313,382	100.00%	45.00%	0.00%	
2015	56,387	601,711	155,353	315,387	100.00%	43.00%	0.00%	

CORP	AGGREGATE ACCRUED LIABILITIES						
	YEAR ENDED JUNE 30,	ACTIVE MEMBER CONT. \$ (1)	RETIRANTS AND BENEFICIARIES \$ (2)	ACTIVE MEMBERS (ER PORTION) \$ (3)	VALUATION ASSETS AVAILABLE FOR BENEFITS \$ (2)	PORTION OF ACCRUED LIABILITIES COVERED BY NET ASSETS AVAILABLE FOR BENEFITS	
					(1)	(2)	(3)
2006	193,819	384,513	402,876	919,868	100.00%	100.00%	84.80%
2007	213,688	430,172	466,941	940,126	100.00%	100.00%	63.40%
2008	296,317	504,462	589,584	1,027,026	100.00%	100.00%	68.90%
2009	314,100	586,596	683,597	1,309,124	100.00%	100.00%	59.70%
2010	345,122	689,910	686,973	1,382,144	100.00%	100.00%	50.50%
2011	353,892	823,664	831,013	1,466,750	100.00%	100.00%	34.80%
2012	373,726	918,771	939,047	1,512,989	100.00%	100.00%	23.50%
2013	382,417	1,011,478	936,343	1,559,583	100.00%	100.00%	17.70%
2014	396,381	1,269,515	971,649	1,511,212	100.00%	87.82%	0.00%
2015	406,641	1,351,259	982,336	1,571,431	100.00%	86.20%	0.00%

See Schedule of Funding Progress in the Required Supplementary Information.

EXPERIENCE GAIN (LOSS)

EXPERIENCE GAIN (LOSS)				
YEAR ENDED JUNE 30, 2015				
(IN THOUSANDS)				
		PSPRS	EORP	CORP
(1)	UAAL* at start of year	6,214,033	482,864	1,126,334
(2)	Normal cost for year	286,323	15,595	93,510
(3)	Funding Method Contribution	612,890	38,464	135,487
(4)	Interest accrued on (1), (2) and (3)	474,984	37,007	86,770
(5)	Expected UAAL before changes [(1) + (2) - (3) + (4)]	6,362,450	497,002	1,171,126
(6)	Changes from benefit increases	(2,345)	6,975	0
(7)	Change in Reserve for future pension increases	0	(7,256)	0
(8)	Expected UAAL after changes: (5) + (6) + (7)	6,360,105	496,722	1,171,126
(9)	Actual UAAL at end of year	6,468,014	498,063	1,168,806
(10)	Experience Gain (Loss): (8)-(9)	(107,909)	(1,341)	2,320

THIS PAGE INTENTIONALLY BLANK



SUMMARY

The Statistical Section provides additional historical perspective, context, and detail to assist the reader in using the information in the financial statements, notes to the financial statements and required supplemental information to understand and assess the economic condition of PSPRS.

Financial trend information is intended to assist users in understanding and assessing the changes in the financial position over time. Schedules and charts presenting financial trend information are Schedule of Changes in Net Position, Schedule of Revenue by Source, Schedule of Expenses by Type, Deductions from Net Position for Benefits and Refunds by Type, Valuation Assets vs. Pension Liabilities, and Contribution Rates.

Operating information is intended to provide contextual information about the operations and resources of PSPRS to assist readers in using financial statement information to understand and assess the economic condition. Schedules and charts presenting operating information are Membership in the Retirement System*, Principal Participating Employers, Benefit Recipients by Location, Summary of the Growth of the System, Benefits Payable*, Average Monthly Benefit Amounts*, Summary of Benefit Increases*, Schedule of Changes in Employers' Reserve Balances, Schedule of Changes in Refundable Member Reserve Balances, Schedule of Employers' Earnings Distribution, and Participating Employers.

Schedules and information are derived from PSPRS internal sources unless otherwise indicated.

* Schedules and data are provided by actuarial consultant Gabriel, Roeder & Smith.

FINANCIAL TRENDS

CHANGES IN NET PLAN POSITION LAST 10 FISCAL YEARS - PENSION					
ALL PLANS COMBINED					
(IN THOUSANDS)					
	2015	2014	2013	2012	2011
ADDITIONS					
Member Contributions	214,951	201,741	185,713	171,472	154,870
Employer Contributions	546,712	507,939	435,122	354,881	311,079
Non-Employer Contribution	5,000	5,000	0	0	0
Court Fees	8,286	8,541	8,412	8,880	9,896
Net Investment Gain (Loss)	282,446	945,182	677,204	(76,947)	986,460
Member Service Purchase	11,865	11,474	7,873	15,247	23,165
Transfers IN	570	1,171	947	1,057	794
Total Additions (Reductions)	1,069,830	1,681,048	1,315,271	474,590	1,486,264
DEDUCTIONS					
Pension & Insurance Benefits	835,974	773,174	693,007	638,679	637,012
Refunds To Terminated Members	42,460	45,037	44,123	38,211	37,121
Administrative Expenses	7,063	7,580	6,671	6,361	6,285
Transfers OUT	747	574	1,392	1,045	1,266
Total Deductions	886,244	826,365	745,193	684,296	681,684
NET INCREASE (DECREASE)	183,587	854,683	570,078	(209,706)	804,580
NET POSITION HELD IN TRUST					
Beginning of Fiscal Year, July 1	7,747,043	6,892,360	6,322,282	6,531,988	5,727,408
GASB 67 and Prior Year Adjustment	(6,355)	0	0	0	0
End of Fiscal Year, June 30	7,924,274	7,747,043	6,892,360	6,322,282	6,531,988
	2010	2009	2008	2007	2006
ADDITIONS					
Member Contributions	161,234	158,719	212,611	130,075	116,561
Employer Contributions	338,429	365,800	364,473	198,993	149,193
Non-Employer Contribution	0	0	0	0	0
Court Fees	9,538	8,000	4,155	3,978	3,855
Net Investment Gain (Loss)	687,789	(1,106,644)	(481,657)	978,805	451,636
Member Service Purchase	12,229	8,432	11,399	12,047	12,833
Transfers IN	1,343	1,219	5,486	3,286	4,062
Total Additions (Reductions)	1,210,562	(564,474)	116,467	1,327,184	738,140
DEDUCTIONS					
Pension & Insurance Benefits	570,409	534,002	498,965	507,770	335,680
Refunds To Terminated Members	29,876	22,654	24,160	25,471	22,974
Administrative Expenses	6,092	5,938	8,708	5,043	3,902
Transfers OUT	829	561	1,012	2,204	1,856
Total Deductions	607,206	563,155	532,845	540,488	364,412
NET INCREASE (DECREASE)	603,356	(1,127,629)	(416,378)	786,696	373,728
NET POSITION HELD IN TRUST					
Beginning of Fiscal Year, July 1	5,124,052	6,251,681	6,668,059	5,881,363	5,507,635
End of Fiscal Year, June 30	5,727,408	5,124,052	6,251,681	6,668,059	5,881,363

FINANCIAL TRENDS

CHANGES IN NET PLAN POSITION LAST 10 FISCAL YEARS - HEALTH INSURANCE ALL PLANS COMBINED (IN THOUSANDS)					
	2015	2014	2013	2012	2011
ADDITIONS					
Health Insurance Contributions	29,068	27,296	28,946	27,901	25,416
Net Investment Gain (Loss)	15,428	48,084	33,783	(2,439)	44,291
Total Additions (Reductions)	44,465	75,380	62,729	25,462	69,707
DEDUCTIONS					
Pension & Insurance Benefits	18,591	17,567	17,114	17,336	17,026
Administrative Expenses	385	0	0	0	0
Total Deductions	18,976	17,567	17,114	17,336	17,026
NET INCREASE (DECREASE)	25,520	57,813	45,615	8,126	52,681
NET POSITION HELD IN TRUST					
Beginning of Fiscal Year, July 1	415,024	357,211	311,596	303,470	250,789
End of Fiscal Year, June 30	440,544	415,024	357,211	311,596	303,470
	2010	2009	2008	2007	2006
ADDITIONS					
Health Insurance Contributions	26,402	29,097	28,000	10,148	9,679
Net Investment Gain (Loss)	29,139	(43,995)	(18,452)	36,168	16,483
Total Additions (Reductions)	55,541	(14,898)	9,548	46,316	26,162
DEDUCTIONS					
Pension & Insurance Benefits	15,751	15,356	14,809	13,773	12,966
Administrative Expenses	0	0	0	0	0
Total Deductions	15,751	15,356	14,809	13,773	12,966
NET INCREASE (DECREASE)	39,790	(30,254)	(5,261)	32,543	13,196
NET POSITION HELD IN TRUST					
Beginning of Fiscal Year, July 1	210,999	241,253	246,514	213,971	200,775
End of Fiscal Year, June 30	250,789	210,999	241,253	246,514	213,971

FINANCIAL TRENDS

SCHEDULE OF REVENUE BY SOURCE - PSPRS
LAST TEN FISCAL YEARS (Includes Health Insurance Subsidy)

YEAR ENDING JUNE 30,	MEMBER CONTRIB	EMPLOYER CONTRIB	FIRE INSURANCE PREMIUM TAX	COURT FEES	HEALTH INSURANCE CONTRIB	% OF COVERED PAYROLL	INVESTMENT INCOME (LOSS)	TRANSFER FROM OTHER PLANS	TOTAL
2006	75,616,322	115,491,713	5,656,848	0	6,070,125	12.80%	379,512,079	10,533,585	592,880,672
2007	84,629,709	159,962,241	11,305,571	0	6,319,694	13.83%	815,524,366	10,799,442	1,088,541,023
2008	97,156,897	188,953,757	12,306,704	0	20,472,131	16.52%	(411,505,523)	11,179,532	(81,436,502)
2009	101,183,586	281,528,862	24,720,792	0	22,186,655	21.71%	(872,798,642)	8,209,996	(434,968,751)
2010	102,141,540	268,910,398	11,920,934	0	19,875,793	20.77%	553,076,513	11,366,583	967,291,761
2011	99,262,271	256,525,004	12,022,353	0	17,299,140	20.89%	789,263,727	21,240,375	1,195,612,870
2012	112,645,371	279,547,069	12,187,512	0	19,094,922	22.68%	(41,661,350)	14,275,143	396,088,667
2013	127,362,618	347,630,728	12,828,065	0	20,394,283	27.18%	541,980,088	7,575,490	1,057,771,272
2014	141,066,081	399,705,875	14,139,739	0	19,534,206	30.44%	757,180,984	11,731,942	1,343,358,827
2015	154,359,120	434,962,028	13,135,529	0	21,480,853	32.54%	227,096,052	10,797,538	861,831,120

SCHEDULE OF REVENUE BY SOURCE - EORP
LAST TEN FISCAL YEARS (Includes Health Insurance Subsidy)

YEAR ENDING JUNE 30,	MEMBER CONTRIB	EMPLOYER NON-EMPLOYER CONTRIB	FIRE INSURANCE PREMIUM TAX	COURT FEES	HEALTH INSURANCE CONTRIB	% OF COVERED PAYROLL	INVESTMENT INCOME (LOSS)	TRANSFER FROM OTHER PLANS	TOTAL
2006	3,811,179	6,700,757	0	3,855,007	924,203	20.54%	24,408,222	4,133,169	43,832,537
2007	4,089,699	5,975,979	0	3,977,740	955,111	18.55%	54,598,524	3,147,915	72,744,968
2008	4,355,999	6,808,557	0	4,155,348	1,379,146	20.21%	(23,150,918)	1,618,535	(4,833,333)
2009	4,436,652	9,172,918	0	8,000,231	1,273,229	28.00%	(61,526,963)	660,650	(37,983,283)
2010	4,611,179	8,444,229	0	9,538,094	1,243,514	26.25%	34,583,592	930,727	59,351,335
2011	4,716,681	10,865,962	0	9,895,857	1,180,768	29.79%	48,274,987	1,699,788	76,634,043
2012	6,858,675	11,627,462	0	8,880,308	1,232,862	32.99%	(2,641,096)	809,474	26,767,685
2013	7,700,666	13,567,248	0	8,411,739	1,208,405	36.44%	30,737,247	245,084	61,870,389
2014	8,938,401	21,304,591	0	8,540,583	1,072,197	23.50%	41,567,954	149,656	81,573,382
2015	8,471,736	21,038,061	0	8,285,993	0	23.50%	11,878,472	667,914	50,342,176

SCHEDULE OF REVENUE BY SOURCE - CORP
LAST TEN FISCAL YEARS (Includes Health Insurance Subsidy)

YEAR ENDING JUNE 30,	MEMBER CONTRIB	EMPLOYER CONTRIB	FIRE INSURANCE PREMIUM TAX	COURT FEES	HEALTH INSURANCE CONTRIB	% OF COVERED PAYROLL	INVESTMENT INCOME (LOSS)	TRANSFER FROM OTHER PLANS	TOTAL
2006	37,134,076	21,343,413	0	0	2,684,637	5.47%	64,197,983	2,228,116	127,588,225
2007	41,354,907	21,749,008	0	0	2,873,685	4.46%	144,850,095	1,386,706	212,214,401
2008	111,097,660	144,581,325	0	0	6,147,893	6.72%	(68,039,675)	4,087,988	197,875,191
2009	53,098,136	50,378,712	0	0	5,636,426	8.65%	(216,313,556)	781,196	(106,419,086)
2010	54,480,961	49,154,582	0	0	5,282,496	7.49%	129,267,190	1,276,087	239,461,316
2011	50,891,168	45,067,749	0	0	6,934,982	8.57%	193,212,289	1,018,286	297,124,474
2012	51,967,894	51,524,317	0	0	7,568,087	9.50%	(10,340,020)	1,219,350	101,939,628
2013	50,648,775	61,106,590	0	0	7,334,225	11.31%	138,267,533	999,077	258,356,200
2014	51,736,766	77,797,924	0	0	6,681,242	13.68%	194,516,872	762,860	331,495,664
2015	52,119,508	82,577,422	0	0	7,587,137	14.46%	58,899,657	969,628	202,153,352

FINANCIAL TRENDS

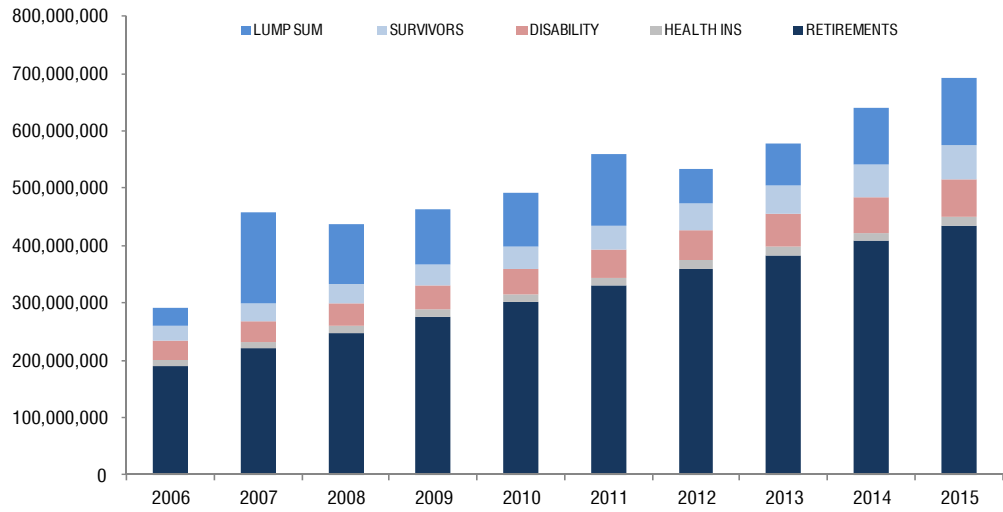
SCHEDULE OF BENEFITS BY TYPE - PSPRS LAST TEN FISCAL YEARS						
YEAR ENDING JUNE 30,	BENEFITS	HEALTH INSURANCE SUBSIDY	ADMIN. EXPENSES	REFUNDS	TRANSFER TO OTHER PLANS	TOTAL
2006	273,823,722	10,203,920	2,979,511	7,225,720	291,161	294,524,034
2007	439,336,159	11,009,305	3,971,338	8,708,528	120,511	463,145,841
2008	418,384,355	11,824,417	4,661,877	7,884,695	144,622	442,899,966
2009	444,352,210	12,214,037	4,352,207	7,643,202	49,169	468,610,825
2010	469,481,695	12,496,923	4,932,349	9,975,440	243,073	497,129,480
2011	534,386,731	13,400,890	4,776,388	11,976,416	292,996	564,833,421
2012	507,182,015	13,513,216	4,890,364	12,376,688	81,362	538,043,645
2013	552,720,457	13,383,444	5,104,446	12,819,713	514,209	584,542,269
2014	612,104,805	13,578,195	5,826,248	14,434,714	50,478	645,994,440
2015	665,138,192	14,242,153	5,655,658	13,897,612	23,119	698,956,734

SCHEDULE OF BENEFITS BY TYPE - EORP LAST TEN FISCAL YEARS						
YEAR ENDING JUNE 30,	BENEFITS	HEALTH INSURANCE SUBSIDY	ADMIN. EXPENSES	REFUNDS	TRANSFER TO OTHER PLANS	TOTAL
2006	27,005,830	903,104	247,594	7,246	11,093	28,174,867
2007	28,717,546	850,915	339,875	127,738	20,169	30,056,243
2008	31,607,055	911,923	355,290	63,958	3,834	32,942,060
2009	34,178,410	917,286	521,507	131,663	0	35,748,866
2010	36,884,844	884,225	245,127	126,426	0	38,140,622
2011	39,665,718	926,378	324,343	216,689	28,071	41,161,199
2012	43,536,995	914,968	287,772	89,631	0	44,829,366
2013	45,472,356	901,360	299,692	123,773	36,682	46,833,863
2014	53,984,038	950,531	315,896	154,933	23,581	55,428,979
2015	54,453,000	956,773	319,124	173,427	0	55,902,324

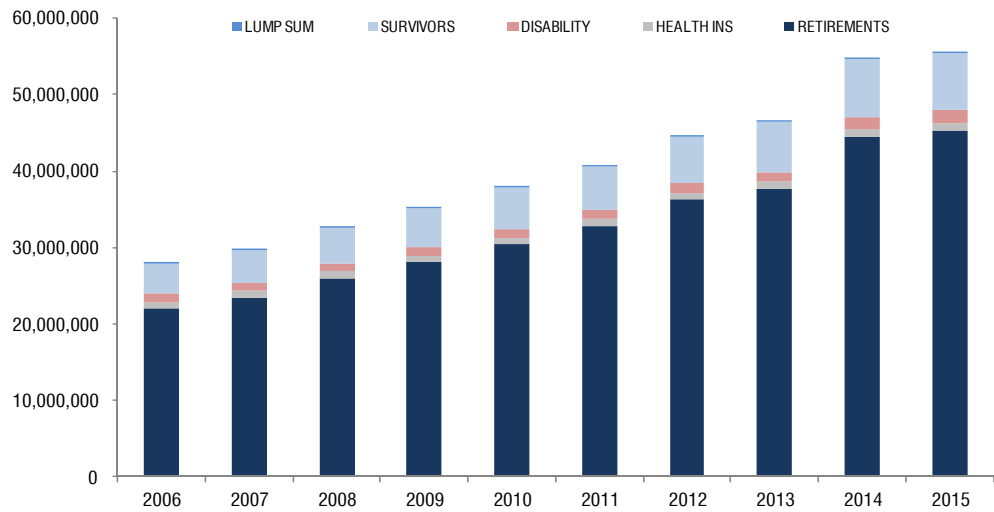
SCHEDULE OF BENEFITS BY TYPE - CORP LAST TEN FISCAL YEARS						
YEAR ENDING JUNE 30,	BENEFITS	HEALTH INSURANCE SUBSIDY	ADMIN. EXPENSES	REFUNDS	TRANSFER TO OTHER PLANS	TOTAL
2006	34,849,946	1,858,582	674,058	15,741,460	1,555,240	54,679,286
2007	39,716,871	1,913,186	732,236	16,634,320	2,062,977	61,059,590
2008	48,972,663	2,073,245	1,102,992	16,211,929	864,053	69,224,882
2009	55,488,889	2,207,889	1,064,825	14,879,342	511,697	74,152,642
2010	64,039,674	2,372,104	915,378	19,774,873	586,100	87,688,129
2011	76,359,270	2,699,129	1,184,756	24,927,660	945,170	106,115,985
2012	87,977,793	2,890,441	1,182,692	25,743,514	964,033	118,758,473
2013	94,813,343	2,829,735	1,266,690	31,179,499	840,629	130,929,896
2014	107,086,812	3,037,563	1,437,691	30,446,708	498,689	142,507,463
2015	116,382,685	3,391,969	1,473,280	28,388,926	723,994	150,360,854

FINANCIAL TRENDS

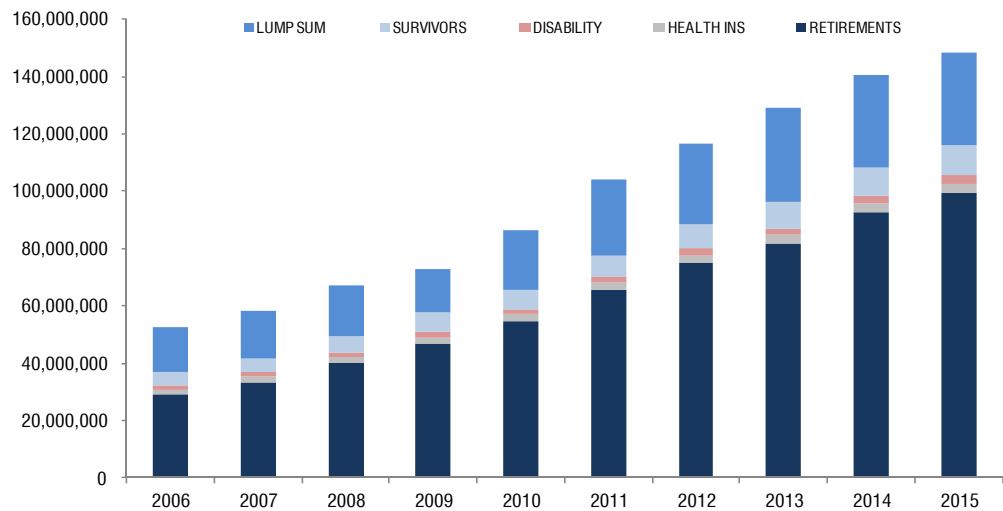
PSPRS



EORP



CORP



FINANCIAL TRENDS

DEDUCTIONS FROM NET POSITION FOR BENEFITS AND REFUNDS BY TYPE - PSPRS
LAST TEN FISCAL YEARS

YEAR ENDING JUNE 30,	NORMAL BENEFITS	SURVIVOR BENEFITS	DISABILITY BENEFITS	DEFERRED BENEFITS	TOTAL BENEFITS	DROP PROGRAM	SEPARATION REFUNDS	HEALTH INSURANCE SUBSIDY
2006	190,350,994	27,991,410	32,501,612	140,587	250,984,603	22,839,120	7,225,720	10,203,920
2007	220,950,477	30,742,748	35,536,324	146,890	287,376,439	151,959,720	8,708,528	11,009,305
2008	247,831,306	33,357,309	39,137,350	151,698	320,477,663	97,907,651	7,884,695	11,824,417
2009	274,965,209	36,380,334	41,979,907	158,494	353,483,944	90,868,266	7,643,202	12,214,037
2010	300,889,208	39,673,066	45,439,760	179,265	386,181,299	83,300,396	9,975,440	12,496,923
2011	328,892,084	43,889,613	49,132,258	199,716	422,113,671	112,273,060	11,976,416	13,400,890
2012	359,668,287	47,630,792	53,214,209	187,449	460,700,737	46,481,278	12,376,688	13,513,216
2013	383,377,255	51,443,297	57,486,396	199,579	492,506,527	60,213,930	12,819,713	13,383,444
2014	408,013,131	56,828,856	62,099,110	193,661	527,134,758	84,970,047	14,434,714	13,578,195
2015	434,918,201	60,353,312	64,842,830	219,581	560,333,924	104,804,268	13,897,612	14,242,153

DEDUCTIONS FROM NET POSITION FOR BENEFITS AND REFUNDS BY TYPE - EORP
LAST TEN FISCAL YEARS

YEAR ENDING JUNE 30,	NORMAL BENEFITS	SURVIVOR BENEFITS	DISABILITY BENEFITS	DEFERRED BENEFITS	TOTAL BENEFITS	DROP PROGRAM	SEPARATION REFUNDS	HEALTH INSURANCE SUBSIDY
2006	21,986,931	3,935,206	1,083,693	0	27,005,830	0	7,246	903,104
2007	23,435,322	4,231,772	1,050,452	0	28,717,546	0	127,738	850,915
2008	25,967,062	4,637,432	1,002,561	0	31,607,055	0	63,958	911,923
2009	28,020,876	5,007,588	1,149,946	0	34,178,410	0	131,663	917,286
2010	30,411,785	5,379,358	1,093,701	0	36,884,844	0	126,426	884,225
2011	32,855,786	5,582,012	1,227,920	0	39,665,718	0	216,689	926,378
2012	36,215,843	6,030,424	1,290,728	0	43,536,995	0	89,631	914,968
2013	37,637,320	6,477,448	1,357,588	0	45,472,356	0	123,773	901,360
2014	44,479,754	7,488,200	1,650,094	0	53,618,049	0	154,933	950,531
2015	45,334,729	7,486,807	1,631,464	0	54,453,000	0	173,427	956,773

DEDUCTIONS FROM NET POSITION FOR BENEFITS AND REFUNDS BY TYPE - CORP
LAST TEN FISCAL YEARS

YEAR ENDING JUNE 30,	NORMAL BENEFITS	SURVIVOR BENEFITS	DISABILITY BENEFITS	DEFERRED BENEFITS	TOTAL BENEFITS	DROP PROGRAM	SEPARATION REFUNDS	HEALTH INSURANCE SUBSIDY
2006	28,928,172	4,472,559	1,449,215	0	34,849,946	0	15,741,460	1,858,582
2007	33,341,839	4,860,093	1,514,939	0	39,716,871	0	16,634,320	1,913,186
2008	39,831,873	5,934,454	1,625,680	0	47,392,007	1,580,656	16,211,929	2,073,245
2009	46,752,709	6,685,021	1,805,702	0	55,243,432	245,457	14,879,342	2,207,889
2010	54,722,001	6,740,427	1,914,842	0	63,377,270	662,404	19,774,873	2,372,104
2011	65,448,261	7,467,220	2,105,741	0	75,021,222	1,338,048	24,927,660	2,699,129
2012	74,822,948	8,602,328	2,259,626	0	85,684,902	2,292,891	25,743,514	2,890,441
2013	81,829,319	9,043,592	2,306,541	0	93,179,451	1,633,892	31,179,499	2,829,735
2014	92,737,553	10,049,794	2,532,583	0	105,319,930	1,766,882	30,446,708	3,037,563
2015	99,213,858	10,407,080	2,692,516	102,637	112,416,091	3,966,594	28,388,926	3,391,969

FINANCIAL TRENDS

PSPRS VALUATION ASSETS vs. PENSION LIABILITIES INCLUDES HEALTH INSURANCE SUBSIDY LAST TEN FISCAL YEARS (IN THOUSANDS)				
YEAR ENDING JUNE 30,	VALUATION ASSETS	UNFUNDED LIABILITIES	ACCRUED LIABILITIES	FUNDED RATIO
2006	4,999,911	1,495,101	6,495,012	77.0%
2007	4,829,521	2,438,770	7,268,291	66.4%
2008	5,095,645	2,567,134	7,662,779	66.5%
2009	5,445,497	2,543,954	7,989,451	68.2%
2010	5,591,304	2,900,518	8,491,822	65.8%
2011	5,795,945	3,569,316	9,365,261	61.9%
2012	6,051,595	4,273,935	10,325,530	58.6%
2013	6,185,074	4,638,466	10,823,540	57.1%
2014	6,313,415	6,206,116	12,519,531	50.4%
2015	6,533,140	6,447,071	12,980,211	50.3%

PSPRS SCHEDULE OF BENEFITS BY TYPE AND RANGE FISCAL YEAR 2015				
MONTHLY BENEFIT AMOUNT	NORMAL BENEFITS	SURVIVOR BENEFITS	DISABILITY BENEFITS	TOTAL BENEFITS
Under 1,000	20	29	5	54
1,001-2,000	13	19	54	86
2,001-3,000	363	249	242	854
3,001-4,000	2,662	806	832	4,300
4,001-5,000	2,698	195	292	3,185
5,001-6,000	1,323	81	45	1,449
6,001-7,000	569	27	31	627
7,001-8,000	259	11	10	280
8,001-9,000	112	6	3	121
9,001-10,000	52	1	1	54
Over 10,001	22	1	1	24
Totals	8,093	1,425	1,516	11,034

EORP VALUATION ASSETS vs. PENSION LIABILITIES INCLUDES HEALTH INSURANCE SUBSIDY LAST TEN FISCAL YEARS (IN THOUSANDS)				
YEAR ENDING JUNE 30,	VALUATION ASSETS	UNFUNDED LIABILITIES	ACCRUED LIABILITIES	FUNDED RATIO
2006	351,701	39,702	391,403	89.9%
2007	336,717	114,582	451,299	74.6%
2008	348,013	106,327	454,341	76.6%
2009	360,950	145,240	506,190	71.3%
2010	357,342	178,429	535,771	66.7%
2011	366,429	223,892	590,321	62.1%
2012	356,346	253,883	610,229	58.4%
2013	350,885	281,652	632,537	55.5%
2014	336,495	471,862	808,357	41.6%
2015	338,431	487,380	825,811	41.0%

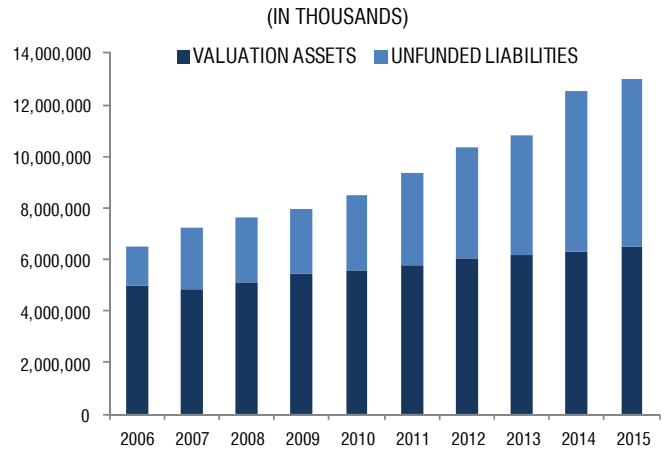
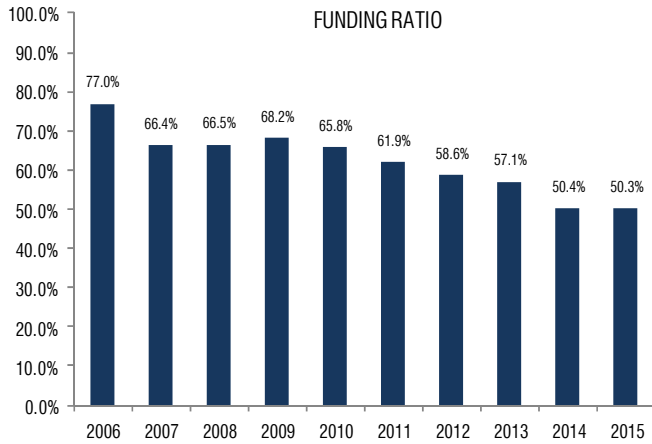
EORP SCHEDULE OF BENEFITS BY TYPE AND RANGE FISCAL YEAR 2015				
MONTHLY BENEFIT AMOUNT	NORMAL BENEFITS	SURVIVOR BENEFITS	DISABILITY BENEFITS	TOTAL BENEFITS
Under 1,000	192	69	0	261
1,001-2,000	138	39	1	178
2,001-3,000	111	24	1	136
3,001-4,000	74	15	2	91
4,001-5,000	86	14	0	100
5,001-6,000	48	7	0	55
6,001-7,000	34	6	0	40
7,001-8,000	37	4	1	42
8,001-9,000	22	15	4	41
9,001-10,000	34	9	1	44
Over 10,001	117	4	7	128
Totals	893	206	17	1,116

CORP VALUATION ASSETS vs. PENSION LIABILITIES INCLUDES HEALTH INSURANCE SUBSIDY LAST TEN FISCAL YEARS (IN THOUSANDS)				
YEAR ENDING JUNE 30,	VALUATION ASSETS	UNFUNDED LIABILITIES	ACCRUED LIABILITIES	FUNDED RATIO
2006	919,867	61,340	981,207	93.7%
2007	940,126	170,675	1,110,801	84.6%
2008	1,207,026	183,337	1,390,363	86.8%
2009	1,309,124	275,169	1,584,293	82.6%
2010	1,382,144	339,862	1,722,006	80.3%
2011	1,466,750	541,820	2,008,569	73.0%
2012	1,512,989	718,555	2,231,544	67.8%
2013	1,559,583	770,655	2,330,238	66.9%
2014	1,613,312	1,121,248	2,734,560	59.0%
2015	1,682,776	1,158,331	2,841,108	59.2%

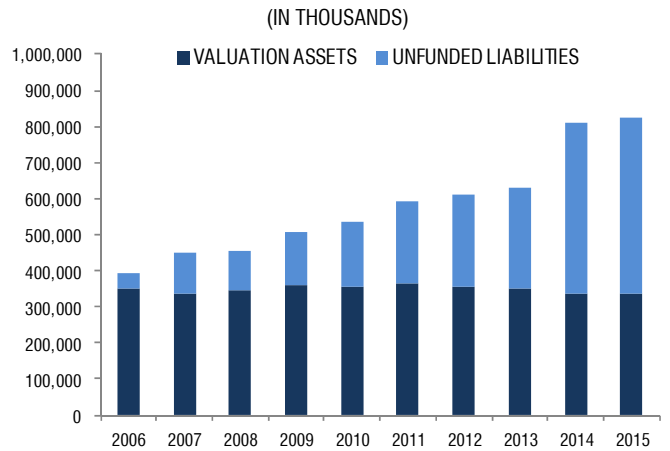
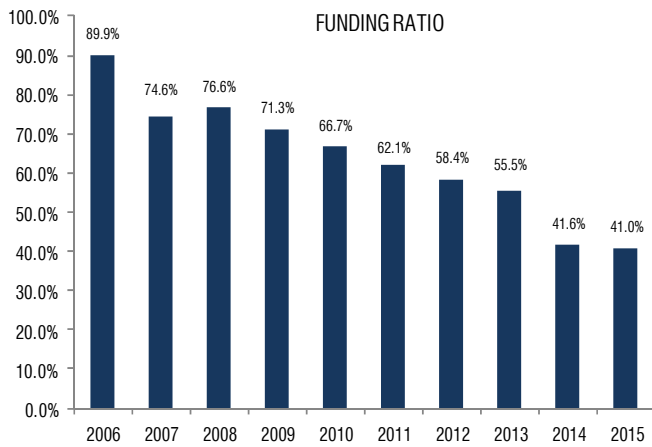
CORP SCHEDULE OF BENEFITS BY TYPE AND RANGE FISCAL YEAR 2015				
MONTHLY BENEFIT AMOUNT	NORMAL BENEFITS	SURVIVOR BENEFITS	DISABILITY BENEFITS	TOTAL BENEFITS
Under 1,000	286	109	14	409
1,001-2,000	1,146	392	83	1,621
2,001-3,000	1,550	60	30	1,640
3,001-4,000	469	10	2	481
4,001-5,000	163	4	0	167
5,001-6,000	50	3	0	53
6,001-7,000	24	0	0	24
7,001-8,000	8	0	0	8
8,001-9,000	3	0	0	3
9,001-10,000	1	0	0	1
Over 10,001	2	0	1	3
Totals	3,702	578	130	4,410

FINANCIAL TRENDS

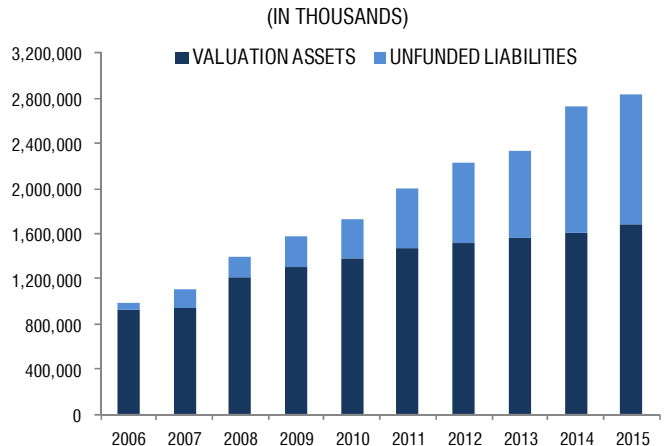
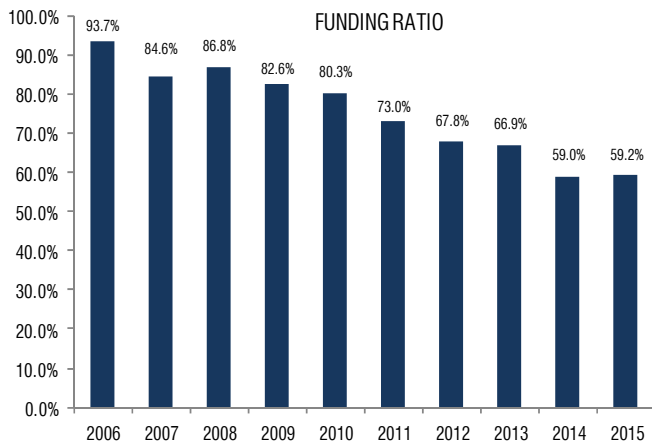
PSPRS



EORP



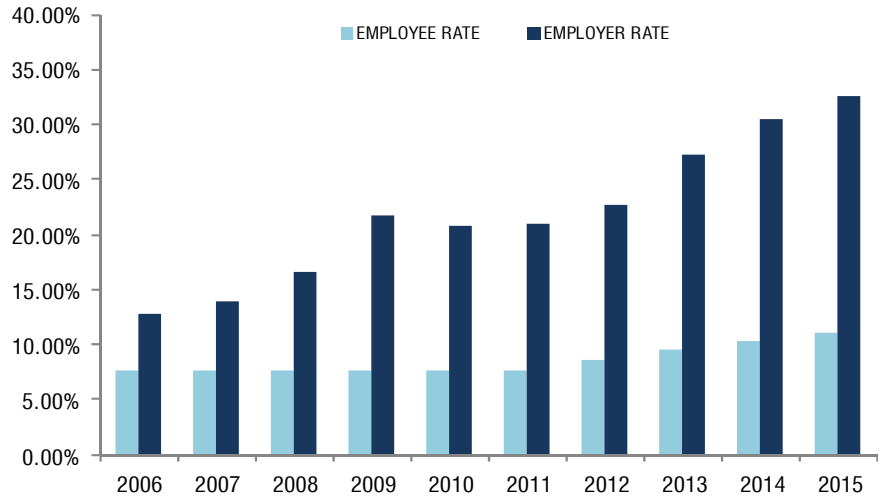
CORP



FINANCIAL TRENDS

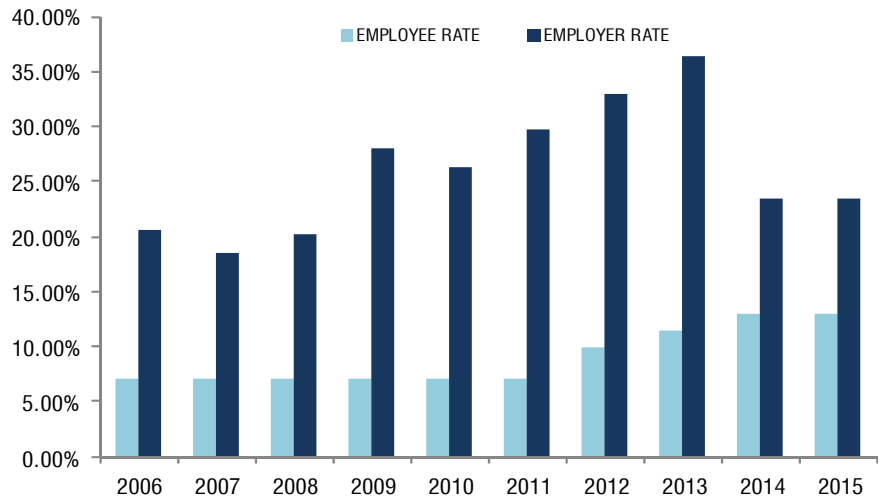
**PSPRS
CONTRIBUTION RATES
LAST TEN FISCAL YEARS**

YEAR ENDING JUNE 30,	AVERAGE EMPLOYER RATE	EMPLOYEE RATE
2006	12.80%	7.65%
2007	13.83%	7.65%
2008	16.52%	7.65%
2009	21.71%	7.65%
2010	20.77%	7.65%
2011	20.89%	7.65%
2012	22.68%	8.65%
2013	27.18%	9.55%
2014	30.44%	10.35%
2015	32.54%	11.05%



**EORP
CONTRIBUTION RATES
LAST TEN FISCAL YEARS**

YEAR ENDING JUNE 30,	AVERAGE EMPLOYER RATE	EMPLOYEE RATE
2006	20.54%	7.00%
2007	18.55%	7.00%
2008	20.21%	7.00%
2009	28.00%	7.00%
2010	26.25%	7.00%
2011	29.79%	7.00%
2012	32.99%	10.00%
2013	36.44%	11.50%
2014	23.50%	13.00%
2015	23.50%	13.00%

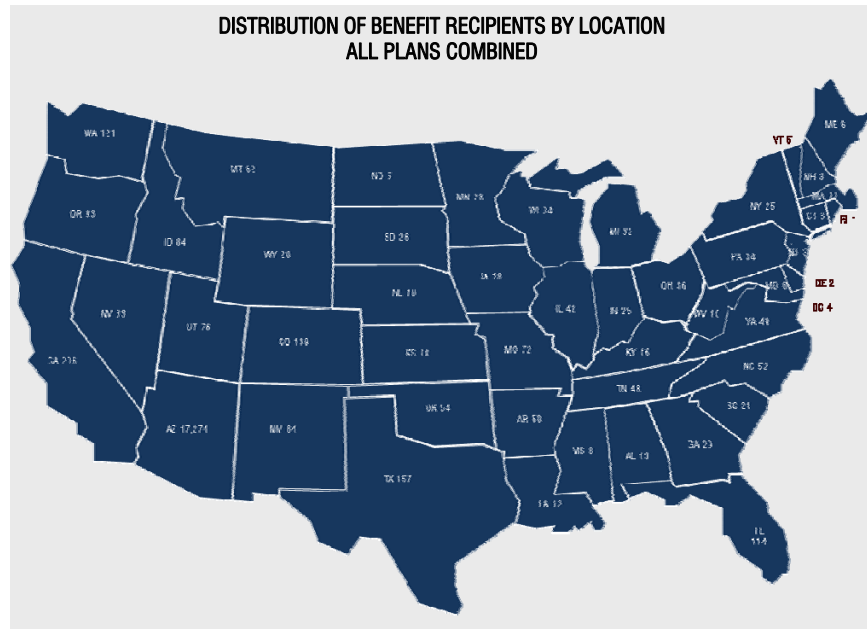


**CORP
CONTRIBUTION RATES
LAST TEN FISCAL YEARS**

YEAR ENDING JUNE 30,	AVERAGE EMPLOYER RATE	EMPLOYEE RATE
2006	5.47%	8.50%
2007	4.46%	7.96%
2008	6.72%	7.93%
2009	8.65%	7.96%
2010	7.49%	7.96%
2011	8.57%	7.96%
2012	9.50%	8.41%
2013	11.31%	8.41%
2014	13.68%	8.41%
2015	14.46%	8.41%

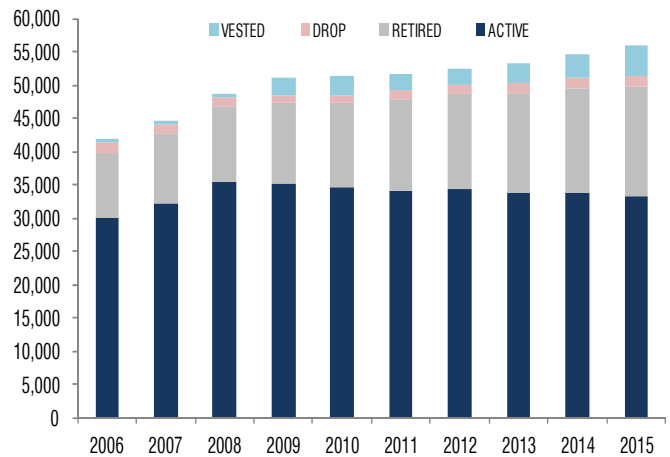


OPERATING INFORMATION



**MEMBERSHIP IN RETIREMENT SYSTEM
ALL PLANS COMBINED
LAST TEN FISCAL YEARS**

YEAR ENDING JUNE 30,	ACTIVE	BENE-FICIARY RETIRED	DROP	TERMI-NATED VESTED	TOTAL
2006	30,038	9,726	1,746	540	42,050
2007	32,217	10,582	1,325	531	44,655
2008	35,452	11,541	1,181	574	48,748
2009	35,304	12,105	1,044	2,740	51,193
2010	34,614	12,783	1,093	2,853	51,343
2011	34,048	13,768	1,419	2,503	51,738
2012	34,378	14,270	1,496	2,497	52,641
2013	33,855	15,026	1,482	3,065	53,428
2014	33,964	15,667	1,559	3,410	54,600
2015	33,331	16,560	1,675	4,412	55,978



**PRINCIPAL PARTICIPATING EMPLOYERS COMPARISON
ALL PLANS COMBINED**

EMPLOYER	2015			2006		
	COVERED EMPLOYEES	RANK	% OF MEMBERSHIP	COVERED EMPLOYEES	RANK	% OF MEMBERSHIP
STATE	9,993	1	29.98%	10,030	1	33.23%
MARICOPA COUNTY	4,044	2	12.13%	2,956	3	9.79%
CITY OF PHOENIX	3,737	3	11.21%	4,078	2	13.51%
CITY OF TUCSON	1,370	4	4.11%	1,379	5	4.57%
PIMA COUNTY	1,349	5	4.05%	1,042	7	3.45%
CITY OF MESA	1,136	6	3.41%	1,103	6	3.65%
CITY OF SCOTTSDALE	634	7	1.90%	584	8	1.94%
CITY OF GLENDALE	611	8	1.83%	546	9	1.81%
PINAL COUNTY	506	9	1.52%	382	12	1.27%
CITY OF CHANDLER	496	10	1.49%	485	10	1.61%
ALL OTHERS	9,455		28.37%	7,595		25.17%
TOTAL	33,331		100.00%	30,180		100.00%

OPERATING INFORMATION

PSPRS SUMMARY OF BENEFIT INCREASES LAST TEN FISCAL YEARS						
YEAR ENDING JUNE 30,	EXCESS YIELD PER STATUTE	EXCESS EARNINGS	EARNED ON EXCESS AVAILABLE	UTILIZED TO FUND PBI	EXCESS EARNINGS AVAILABLE	BENEFIT INCREASE 4% CAP
2006	0.00%	-	44,613,606	(91,412,190)	490,714,741	121.76
2007	8.05%	190,317,350	83,666,863	(101,767,604)	662,931,350	127.06
2008	0.00%	-	(48,208,368)	(114,771,709)	499,951,273	134.34
2009	0.00%	-	(88,616,363)	(125,721,193)	285,613,717	138.66
2010	4.47%	90,856,517	38,472,168	(139,653,075)	275,289,327	146.74
2011	8.37%	111,327,479	47,817,756	(154,776,639)	279,657,923	152.84
2012	0.00%	-	(2,209,298)	(173,606,421)	103,842,204	159.13
2013	1.64%	23,833,551	11,048,811	(138,724,566)	-	121.19
2014	4.28%	71,624,927	-	(71,624,927)	-	65.20
2015	0.00%	-	-	-	-	0.00

EORP SUMMARY OF BENEFIT INCREASES LAST TEN FISCAL YEARS						
YEAR ENDING JUNE 30,	EXCESS YIELD PER STATUTE	EXCESS EARNINGS	EARNED ON EXCESS AVAILABLE	UTILIZED TO FUND PBI	EXCESS EARNINGS AVAILABLE	BENEFIT INCREASE 4% CAP
2006	0.00%	-	1,858,226	(8,946,622)	16,523,120	4.00%
2007	8.01%	20,886,734	2,810,583	(9,392,556)	30,827,881	4.00%
2008	0.00%	-	(2,340,761)	(10,302,702)	18,184,418	4.00%
2009	0.00%	-	(3,227,552)	(11,319,196)	3,637,670	4.00%
2010	4.47%	15,303,603	489,994	(12,367,914)	7,063,353	4.00%
2011	0.00%	32,774,743	1,226,904	(13,406,035)	27,658,965	4.00%
2012	0.00%	-	(218,506)	(15,084,924)	12,355,535	4.00%
2013	0.00%	6,913,090	1,314,629	(16,212,682)	4,370,572	4.00%
2014	0.00%	17,528,322	580,412	(15,751,565)	6,727,741	4.00%
2015	0.00%	-	247,581	(6,975,322)	-	1.77%

CORP SUMMARY OF BENEFIT INCREASES LAST TEN FISCAL YEARS						
YEAR ENDING JUNE 30,	EXCESS YIELD PER STATUTE	EXCESS EARNINGS	EARNED ON EXCESS AVAILABLE	UTILIZED TO FUND PBI	EXCESS EARNINGS AVAILABLE	BENEFIT INCREASE 4% CAP
2006	0.00%	-	3,383,613	(11,506,060)	33,292,645	4.00%
2007	7.77%	35,123,022	5,583,177	(13,572,783)	60,426,061	4.00%
2008	0.00%	-	(4,258,829)	(15,533,554)	40,633,678	4.00%
2009	0.00%	-	(7,311,624)	(18,197,108)	15,124,946	4.00%
2010	4.47%	22,836,733	2,037,330	(21,264,230)	18,734,779	4.00%
2011	0.00%	18,471,995	3,254,231	(25,641,306)	14,819,699	4.00%
2012	0.00%	-	(117,076)	(14,702,623)	-	1.94%
2013	0.00%	4,244,357	-	(4,244,357)	-	0.55%
2014	0.00%	12,916,571	-	(12,916,571)	-	1.59%
2015	0.00%	-	-	-	-	0.00%

OPERATING INFORMATION

PSPRS SUMMARY OF GROWTH OF THE SYSTEM LAST TEN FISCAL YEARS					
YEAR ENDING JUNE 30,	TOTAL ASSETS AT BOOK	INVESTMENT REALIZED EARNINGS	ASSUMED ACTUARIAL YIELD	NET EFFECTIVE YIELD	AVERAGE EMPLOYER RATE
2006	4,183,883,048	445,686,514	8.50%	11.78%	12.80%
2007	4,517,667,333	529,659,234	8.50%	12.93%	13.83%
2008	5,137,831,607	726,656,511	8.50%	16.26%	16.52%
2009	4,528,657,401	(693,024,100)	8.50%	-11.82%	21.71%
2010	4,515,144,264	(853,785)	8.50%	-1.52%	20.77%
2011	4,654,515,193	228,517,315	8.25%	6.44%	20.89%
2012	4,754,315,706	153,740,609	8.00%	4.25%	22.68%
2013	5,035,133,736	268,824,221	7.85%	7.16%	27.18%
2014	5,345,000,339	359,609,007	7.85%	7.69%	30.44%
2015	5,713,026,312	437,627,571	7.85%	7.94%	32.54%

EORP SUMMARY OF GROWTH OF THE SYSTEM LAST TEN FISCAL YEARS					
YEAR ENDING JUNE 30,	TOTAL ASSETS AT BOOK	INVESTMENT REALIZED EARNINGS	ASSUMED ACTUARIAL YIELD	NET EFFECTIVE YIELD	AVERAGE EMPLOYER RATE
2006	275,729,455	31,226,907	8.50%	12.53%	20.54%
2007	299,238,103	37,306,895	8.50%	13.85%	18.55%
2008	324,245,532	51,421,361	8.50%	17.56%	20.21%
2009	284,301,733	(43,712,004)	8.50%	-12.05%	28.00%
2010	275,228,597	(83,746)	8.50%	-1.48%	26.25%
2011	281,066,482	13,833,726	8.25%	6.56%	29.79%
2012	278,266,609	9,054,084	8.00%	4.22%	32.99%
2013	283,202,703	15,232,109	7.85%	7.07%	36.44%
2014	289,437,455	22,551,048	7.85%	7.64%	23.50%
2015	296,427,743	23,012,960	7.85%	7.87%	23.50%

CORP SUMMARY OF GROWTH OF THE SYSTEM LAST TEN FISCAL YEARS					
YEAR ENDING JUNE 30,	TOTAL ASSETS AT BOOK	INVESTMENT REALIZED EARNINGS	ASSUMED ACTUARIAL YIELD	NET EFFECTIVE YIELD	AVERAGE EMPLOYER RATE
2006	744,246,872	73,445,862	8.50%	11.18%	5.47%
2007	840,116,484	90,731,938	8.50%	12.14%	4.46%
2008	1,108,093,837	125,821,779	8.50%	13.50%	6.72%
2009	1,057,808,935	(175,258,029)	8.50%	-13.04%	8.65%
2010	1,095,569,678	(322,346)	8.50%	-1.50%	7.49%
2011	1,162,499,803	56,158,378	8.25%	6.43%	8.57%
2012	1,205,454,963	38,880,876	8.00%	4.27%	9.50%
2013	1,283,208,335	68,918,508	7.85%	7.20%	11.31%
2014	1,370,985,156	105,803,854	7.85%	7.72%	13.68%
2015	1,474,581,597	113,314,143	7.85%	7.99%	14.46%

OPERATING INFORMATION

PSPRS BENEFITS PAYABLE JUNE 30, 2015 BY TYPE OF BENEFIT			
PENSIONS BEING PAID	NO.	ANNUAL PENSIONS	AVERAGE PENSIONS
RETIRED MEMBERS			
Service Pensions	8,093	444,901,482	54,974
Disability Pensions	1,516	65,871,811	43,451
Total Retired Members	9,609	510,773,293	53,156
SURVIVORS OF MEMBERS			
Spouses	1,358	59,564,402	43,862
Children w/Guardians	67	1,592,813	23,773
Total Survivors of Members	1,425	61,157,215	42,917
TOTAL PENSIONS BEING PAID	11,034	571,930,508	51,833

PSPRS			
	AVERAGE AGE	AVERAGE SERVICE	AVG RETIRE AGE
Normal retired members	64.0	23.5	51.5
Disability retired members	57.5	14.3	44.0
Spouse beneficiaries	69.1	19.2	44.1

EORP BENEFITS PAYABLE JUNE 30, 2015 BY TYPE OF BENEFIT			
PENSIONS BEING PAID	NO.	ANNUAL PENSIONS	AVERAGE PENSIONS
RETIRED MEMBERS			
Service Pensions	893	47,228,332	52,887
Disability Pensions	17	1,809,596	106,447
Total Retired Members	910	49,037,928	53,888
SURVIVORS OF MEMBERS			
Spouses	205	7,658,311	37,358
Children w/Guardians	1	47,814	47,814
Total Survivors of Members	206	7,706,125	37,408
TOTAL PENSIONS BEING PAID	1,116	56,744,053	50,846

EORP			
	AVERAGE AGE	AVERAGE SERVICE	AVG RETIRE AGE
Normal retired members	71.6	14.4	61.1
Disability retired members	68.6	12.3	58.7
Spouse beneficiaries	77.3	13.4	57.5

CORP BENEFITS PAYABLE JUNE 30, 2015 BY TYPE OF BENEFIT			
PENSIONS BEING PAID	NO.	ANNUAL PENSIONS	AVERAGE PENSIONS
RETIRED MEMBERS			
Service Pensions	3,702	103,357,645	27,919
Disability Pensions	130	2,658,204	20,448
Total Retired Members	3,832	106,015,849	27,666
SURVIVORS OF MEMBERS			
Spouses	544	9,730,765	17,887
Children w/Guardians	34	470,645	13,843
Total Survivors of Members	578	10,201,410	17,649
TOTAL PENSIONS BEING PAID	4,410	116,217,259	26,353

CORP			
	AVERAGE AGE	AVERAGE SERVICE	AVG RETIRE AGE
Normal retired members	63.9	19.9	56.6
Disability retired members	56.5	9.7	45.9
Spouse beneficiaries	66.5	12.6	52.2

OPERATING INFORMATION

		PSPRS AVERAGE MONTHLY BENEFITS AND MEMBERSHIP IN RETIREMENT SYSTEM LAST TEN FISCAL YEARS							
YEAR ENDING JUNE 30,		YEARS OF CREDITED SERVICE BY CATEGORY							ALL MEMBERS
		<5	5-10	10-15	15-20	20-25	25-30	30+	
2006	Average monthly benefit	2,323	2,410	2,522	2,629	2,931	4,210	5,114	3,176
	Average final average salary								4,979
	Number of retirees	221	288	368	465	3,727	1,461	652	7,182
2007	Average monthly benefit	2,449	2,522	2,620	2,751	3,045	4,321	4,950	3,359
	Average final average salary								5,213
	Number of retirees	208	302	382	481	3,948	1,787	525	7,633
2008	Average monthly benefit	2,373	2,654	2,703	2,858	3,115	4,281	5,183	3,467
	Average final average salary								5,483
	Number of retirees	233	317	403	501	4,209	2,013	565	8,241
2009	Average monthly benefit	2,638	2,741	2,894	3,007	3,293	4,492	5,401	3,669
	Average final average salary								5,741
	Number of retirees	202	336	425	511	4,351	2,201	583	8,609
2010	Average monthly benefit	2,768	2,879	2,952	3,137	3,434	4,652	5,592	3,821
	Average final average salary								5,938
	Number of retirees	210	343	439	533	4,482	2,333	614	8,954
2011	Average monthly benefit	2,868	3,008	3,061	3,282	3,577	4,820	5,791	3,978
	Average final average salary								6,007
	Number of retirees	221	355	469	551	4,741	2,540	645	9,522
2012	Average monthly benefit	2,988	3,116	3,184	3,405	3,718	4,973	5,988	4,123
	Average final average salary								6,077
	Number of retirees	228	367	478	567	4,872	2,636	654	9,802
2013	Average monthly benefit	3,039	3,122	3,160	3,393	3,718	4,999	6,031	4,131
	Average final average salary								6,197
	Number of retirees	236	386	501	588	5,041	2,740	667	10,159
2014	Average monthly benefit	3,224	3,244	3,304	3,483	3,892	5,182	6,259	4,301
	Average final average salary								6,281
	Number of retirees	231	398	527	627	5,215	2,842	684	10,524
2015	Average monthly benefit	3,241	3,214	3,264	3,500	3,890	5,227	6,309	4,319
	Average final average salary								6,413
	Number of retirees	229	418	545	646	5,465	3,016	715	11,034

* Detailed information not available prior to fiscal year ending June 30, 2006.

OPERATING INFORMATION

		EORP AVERAGE MONTHLY BENEFITS AND MEMBERSHIP IN RETIREMENT SYSTEM LAST TEN FISCAL YEARS							
YEAR ENDING JUNE 30,		YEARS OF CREDITED SERVICE BY CATEGORY							ALL MEMBERS
		<5	5-10	10-15	15-20	20-25	25-30	30+	
2006	Average monthly benefit								2,932
	Average final average salary								5,634
	Number of retirees								797
2007	Average monthly benefit								3,065
	Average final average salary								5,895
	Number of retirees								826
2008	Average monthly benefit	1,181	1,060	2,320	4,030	6,293	5,843	3,706	3,139
	Average final average salary								6,090
	Number of retirees	16	245	253	143	154	47	14	872
2009	Average monthly benefit	1,161	1,113	2,437	4,196	6,724	5,911	3,802	3,339
	Average final average salary								6,388
	Number of retirees	12	257	255	149	167	50	15	905
2010	Average monthly benefit	1,208	1,156	2,565	4,428	7,116	6,083	3,956	3,559
	Average final average salary								6,525
	Number of retirees	12	255	257	156	177	50	14	921
2011	Average monthly benefit	1,142	1,171	2,700	4,547	7,246	6,309	3,589	3,658
	Average final average salary								6,517
	Number of retirees	11	277	273	169	195	49	16	990
2012	Average monthly benefit	1,133	1,153	2,722	4,609	7,297	6,382	3,589	3,689
	Average final average salary								6,580
	Number of retirees	10	276	277	168	197	48	16	992
2013	Average monthly benefit	1,133	1,144	2,829	4,650	7,297	6,327	3,565	3,722
	Average final average salary								6,576
	Number of retirees	10	291	299	181	209	50	17	1,057
2014	Average monthly benefit	1,252	1,279	3,186	5,258	8,228	7,304	3,964	4,195
	Average final average salary								6,489
	Number of retirees	12	293	295	179	211	48	15	1,053
2015	Average monthly benefit	1,075	1,323	3,260	5,244	8,247	7,342	4,612	4,237
	Average final average salary								6,520
	Number of retirees	14	312	309	190	226	49	16	1,116

* Detailed information not available prior to fiscal year ending June 30, 2008.

OPERATING INFORMATION

		CORP AVERAGE MONTHLY BENEFITS AND MEMBERSHIP IN RETIREMENT SYSTEM LAST TEN FISCAL YEARS							
YEAR ENDING JUNE 30,		YEARS OF CREDITED SERVICE BY CATEGORY							ALL MEMBERS
		<5	5-10	10-15	15-20	20-25	25-30	30+	
2006	Average monthly benefit								1,589
	Average final average salary								2,892
	Number of retirees								1,955
2007	Average monthly benefit								1,675
	Average final average salary								3,096
	Number of retirees								2,123
2008	Average monthly benefit	1,093	998	1,028	1,467	2,055	2,934	3,506	1,753
	Average final average salary								3,354
	Number of retirees	122	158	554	391	849	288	66	2,428
2009	Average monthly benefit	1,155	1,080	1,079	1,596	2,227	3,311	4,019	1,900
	Average final average salary								3,535
	Number of retirees	126	164	614	400	930	290	67	2,591
2010	Average monthly benefit	1,208	1,133	1,131	1,669	2,308	3,397	4,189	1,999
	Average final average salary								3,606
	Number of retirees	132	172	671	438	1,078	335	82	2,908
2011	Average monthly benefit	1,235	1,172	1,169	1,733	2,364	3,424	4,322	2,089
	Average final average salary								3,682
	Number of retirees	138	176	715	458	1,272	399	98	3,256
2012	Average monthly benefit	1,233	1,185	1,168	1,733	2,363	3,392	4,435	2,108
	Average final average salary								3,743
	Number of retirees	142	170	740	477	1,406	434	107	3,476
2013	Average monthly benefit	1,243	1,189	1,176	1,721	2,357	3,373	4,333	2,110
	Average final average salary								3,808
	Number of retirees	148	169	811	524	1,566	477	115	3,810
2014	Average monthly benefit	1,340	1,292	1,216	1,791	2,428	3,482	4,423	2,192
	Average final average salary								3,719
	Number of retirees	150	174	864	554	1,706	517	125	4,090
2015	Average monthly benefit	1,287	1,261	1,214	1,803	2,398	3,475	4,418	2,196
	Average final average salary								3,881
	Number of retirees	150	171	916	585	1,877	566	145	4,410

* Detailed information not available prior to fiscal year ending June 30, 2008.

OPERATING INFORMATION

PSPRS 10 YEAR ESTIMATED CONTRIBUTION RATES (IN PERCENTAGE)										
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
PSPRS Aggregate	41.86	41.77	41.77	41.80	41.54	41.33	41.25	41.13	40.98	40.81
Dept. of Liquor Licenses and Control	61.21	69.09	70.41	71.05	70.91	70.78	70.68	70.87	70.78	70.44
Dept. of Public Safety	69.96	78.42	78.99	79.24	79.14	79.09	79.16	79.12	79.15	79.17
Northern Arizona University	45.35	49.85	50.14	50.30	50.58	50.42	50.15	50.06	49.78	49.45
University of Arizona	31.01	33.43	33.29	33.26	32.95	32.56	32.33	32.01	31.72	31.43
Arizona State University	33.20	35.71	35.64	35.60	35.30	35.15	35.00	34.85	34.69	34.54
Arizona Game and Fish Dept.	81.48	92.45	94.04	94.82	95.30	95.37	95.45	95.49	95.43	95.36
Dept. of Law	70.12	69.72	69.41	69.22	68.92	68.70	68.59	68.48	68.41	68.34
Dept. of Emergency and Military Affairs	28.55	32.03	31.99	31.85	31.50	31.15	30.93	30.67	30.37	30.13
Arizona State Parks Board	39.32	44.57	44.69	44.76	44.41	44.24	44.06	44.31	44.44	44.18

EORP 10 YEAR ESTIMATED CONTRIBUTION RATES (IN PERCENTAGE)										
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
EORP Aggregate	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50
Counties and State	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50
Cities and Towns	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50

CORP 10 YEAR ESTIMATED CONTRIBUTION RATES (IN PERCENTAGE)										
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
CORP Aggregate	18.16	17.92	17.73	17.65	17.41	17.20	17.08	16.97	16.87	16.77
State Department of Corrections	16.77	18.57	18.49	18.40	18.15	17.94	17.82	17.71	17.61	17.52
Dept. of Public Safety - Dispatchers	15.61	17.11	17.11	17.17	16.95	16.75	16.68	16.63	16.60	16.57
Dept. of Public Safety - Detention	6.84	6.88	6.85	6.84	6.77	6.71	6.67	6.62	6.58	6.54
Administrative Offices of the Courts (AOC)	17.97	19.59	19.59	19.60	19.38	19.20	19.11	19.01	18.90	18.79
Dept. of Juvenile Corrections	20.54	23.19	23.19	23.13	22.88	22.65	22.51	22.39	22.33	22.27

**Estimated contribution rates for the next 10 years per Amended Statute 38-848.*

OPERATING INFORMATION

SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES					
FISCAL YEAR ENDED JUNE 30, 2015					
PSPRS SYSTEM	2014 BALANCES	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2015 BALANCES
AK CHIN INDIAN COMM. FIRE DEPT.	969,810	(25,259)	240,108	0	1,184,659
AK CHIN INDIAN COMM. POLICE DEPT.	442,445	7,582	172,327	(13,709)	608,644
APACHE COUNTY SHERIFF'S DEPT.	1,020,749	(56,313)	168,806	(6,865)	1,126,377
APACHE JUNCTION FIRE DISTRICT	5,629,677	(101,270)	790,270	0	6,318,678
APACHE JUNCTION POLICE DEPARTMENT	2,576,075	(39,698)	369,455	(187)	2,905,645
ARIZONA STATE PARK RANGERS	1,881,306	(160,220)	137,941	(9,633)	1,849,394
ASU PD PSPRS LOCAL BOARD	2,861,633	(133,190)	554,187	(89,875)	3,192,755
ATTORNEY GENERAL INVESTIGATORS	573,988	67,155	178,775	(12,637)	807,280
AVONDALE FIRE DEPARTMENT	3,939,397	2,189	597,484	0	4,539,071
AVONDALE POLICE DEPARTMENT	4,652,717	15,138	861,574	(58,079)	5,471,350
AVRA VALLEY FIRE DISTRICT	565,264	0	176,956	0	742,220
AZ DPT. LIQ. LIC. & CONTROL INVST	757,031	(94,275)	74,302	0	737,057
BENSON FIRE DEPARTMENT	86,800	0	6,990	0	93,791
BENSON POLICE DEPARTMENT	561,358	(121,689)	84,093	0	523,761
BISBEE FIRE DEPARTMENT	552,022	(65,390)	95,678	(16,094)	566,217
BISBEE POLICE DEPARTMENT	492,664	(74,205)	70,709	(45,513)	443,654
BLACK CANYON FIRE DISTRICT	220,716	(31,079)	35,520	0	225,157
BUCKEYE FIRE DEPARTMENT	4,121,213	(7,450)	737,903	0	4,851,665
BUCKEYE POLICE DEPARTMENT	3,696,084	93,068	711,650	(43,336)	4,457,465
BUCKEYE VALLEY FIRE DISTRICT	2,364,371	(74,188)	428,877	(78,067)	2,640,993
BUCKSKIN FIRE DISTRICT	465,883	(20,350)	91,958	0	537,491
BULLHEAD CITY FIRE DEPARTMENT	5,180,376	(381,685)	608,194	(8,131)	5,398,754
BULLHEAD CITY POLICE DEPARTMENT	4,483,232	(401,758)	527,323	(308,413)	4,300,384
CAMP VERDE FIRE DISTRICT	1,072,939	0	170,207	0	1,243,146
CAMP VERDE MARSHALL'S	486,956	0	96,283	0	583,239
CASA GRANDE FIRE DEPARTMENT	3,404,141	(174,570)	618,303	(18,885)	3,828,988
CASA GRANDE POLICE DEPARTMENT	3,942,472	(51,822)	559,645	(21,235)	4,429,060
CAVE CREEK MARSHALS	58,900	0	10,511	0	69,411
CENTRAL AZ. COLLEGE POLICE DEPT.	148,442	0	34,852	0	183,294
CENTRAL YAVAPAI FIRE DISTRICT	5,304,843	(346,604)	658,449	0	5,616,688
CHANDLER FIRE DEPARTMENT	16,162,820	(433,631)	1,837,291	0	17,566,480
CHANDLER POLICE DEPARTMENT	24,036,106	(691,969)	3,308,265	(85,655)	26,566,747
CHINO VALLEY FIRE DISTRICT	1,725,061	(140,505)	240,325	(117)	1,824,764
CHINO VALLEY POLICE DEPARTMENT	859,680	(53,697)	143,622	(25,493)	924,112
CHRISTOPHER-KOHL'S FIRE DISTRICT	101,185	0	24,275	(11,145)	114,314
CITY OF MARICOPA - FIRE	3,044,158	(78,647)	540,412	(56,665)	3,449,259
CITY OF MARICOPA (POLICE DEPT.)	1,940,184	(56,054)	428,486	(80,627)	2,231,989
CLARKDALE FIRE DISTRICT	322,144	(43,840)	56,621	(3,016)	331,910
CLARKDALE POLICE DEPARTMENT	279,707	0	39,903	(56,212)	263,398
CLIFTON FIRE DEPARTMENT	0	0	0	0	0

OPERATING INFORMATION

SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES					
FISCAL YEAR ENDED JUNE 30, 2015					
PSPRS SYSTEM	2014 BALANCES	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2015 BALANCES
CLIFTON POLICE DEPARTMENT	64,910	0	37,273	0	102,182
COCHISE COUNTY SHERIFF'S DEPT	3,284,651	(504)	533,148	(50,516)	3,766,779
COCONINO COUNTY SHERIFF'S DEPT	2,212,186	(105,393)	451,605	0	2,558,397
COOLIDGE FIRE DEPARTMENT	76,600	0	27,932	0	104,532
COOLIDGE POLICE DEPARTMENT	1,043,936	(7,504)	190,449	0	1,226,881
CORONA DE TUCSON FIRE DISTRICT	567,037	(60,036)	110,882	0	617,883
COTTONWOOD FIRE DEPARTMENT	1,156,067	(45,966)	187,916	0	1,298,016
COTTONWOOD POLICE DEPARTMENT	1,250,873	(7,076)	227,682	0	1,471,479
DAISY MOUNTAIN FIRE DISTRICT	5,523,475	(117,240)	763,225	0	6,169,460
DEPARTMENT OF EMER & MILITARY AFF	1,773,936	(84,068)	243,396	(34,934)	1,898,330
DEPARTMENT OF PUBLIC SAFETY	32,195,030	(2,457,964)	4,418,096	(88,572)	34,066,590
DESERT HILLS FIRE DEPARTMENT	494,994	(7,280)	112,663	(40,578)	559,798
DOUGLAS FIRE DEPARTMENT	1,013,470	0	151,481	0	1,164,951
DOUGLAS POLICE DEPARTMENT	1,519,306	(105,703)	211,626	(65,350)	1,559,878
DREXEL HEIGHTS FIRE DISTRICT	3,925,190	(164,497)	487,051	0	4,247,744
EAGAR POLICE DEPARTMENT	385,400	0	39,866	0	425,266
EL MIRAGE FIRE DEPARTMENT	1,055,428	78,647	199,018	(37,995)	1,295,098
EL MIRAGE POLICE DEPARTMENT	2,104,368	(277,168)	321,510	0	2,148,710
ELOY FIRE DISTRICT	1,034,330	(31,952)	208,616	(32,869)	1,178,126
ELOY POLICE DEPARTMENT	1,404,320	(9,206)	290,218	0	1,685,331
FLAGSTAFF FIRE DEPARTMENT	5,443,941	(418,597)	732,850	0	5,758,195
FLAGSTAFF POLICE DEPARTMENT	5,349,939	(281,059)	841,533	(125,598)	5,784,815
FLORENCE FIRE DEPARTMENT	923,893	90,406	213,250	(18,714)	1,208,836
FLORENCE POLICE DEPARTMENT	956,511	(76,119)	208,870	0	1,089,262
FORT MCDOWELL TRIBAL FIRE DEPT.	605,188	0	91,109	(56,593)	639,705
FORT MCDOWELL TRIBAL POLICE DEPT.	1,118,877	0	158,418	0	1,277,296
FORT MOJAVE MESA FIRE DISTRICT	1,556,112	(156,057)	229,847	(20,356)	1,609,547
FORT MOJAVE TRIBAL POLICE DEPT.	745,734	0	170,911	0	916,645
FREDONIA MARSHALS	80,915	0	13,789	0	94,705
FRY FIRE DISTRICT	1,731,845	8,482	309,556	0	2,049,883
GAME AND FISH DEPARTMENT	6,972,121	(496,549)	754,441	0	7,230,013
GILA COUNTY SHERIFF'S DEPARTMENT	1,490,352	(83,263)	211,706	(17,755)	1,601,040
GILA RIVER FIRE DEPARTMENT	2,808,384	(29,736)	503,211	(54,369)	3,227,489
GILA RIVER POLICE DEPARTMENT	4,644,224	(39,162)	870,238	(70,350)	5,404,949
GILBERT FIRE DEPARTMENT	12,859,758	(58,628)	1,903,578	0	14,704,708
GILBERT POLICE DEPARTMENT	14,575,730	(354,107)	2,107,439	(108,520)	16,220,541
GLENDALE FIRE DEPARTMENT	19,036,220	(402,774)	2,379,724	(57,117)	20,956,053
GLENDALE POLICE DEPARTMENT	27,343,133	(1,570,503)	4,009,071	(99,120)	29,682,582
GLOBE FIRE DEPARTMENT	811,480	(120,228)	94,304	0	785,555
GLOBE POLICE DEPARTMENT	768,135	56,026	120,405	(8,914)	935,653

OPERATING INFORMATION

SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES					
FISCAL YEAR ENDED JUNE 30, 2015					
PSPRS SYSTEM	2014 BALANCES	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2015 BALANCES
GOLDEN SHORES FIRE DISTRICT	290,037	0	47,095	(41,728)	295,404
GOLDEN VALLEY FIRE DISTRICT	872,689	0	170,339	0	1,043,028
GOLDER RANCH FIRE DISTRICT	6,105,996	(97,609)	1,043,183	(20,719)	7,030,852
GOODYEAR FIRE DEPARTMENT	5,901,635	(110,328)	848,048	(51,697)	6,587,657
GOODYEAR POLICE DEPARTMENT	4,889,631	(28,250)	768,858	(159,450)	5,470,790
GRAHAM COUNTY ATTORNEY INVEST.	0	0	0	0	0
GRAHAM COUNTY SHERIFF'S DEPT.	824,153	(2,038)	101,878	(63,329)	860,664
GREEN VALLEY FIRE DISTRICT	2,673,059	(143,299)	447,010	(66,445)	2,910,326
GREENLEE CNTY ATTY INVESTIGATORS	0	0	0	0	0
GREENLEE COUNTY SHERIFF'S DEPT.	636,306	(104,269)	103,877	0	635,914
GROOM CREEK FIRE DISTRICT	194,871	0	44,871	0	239,742
GUADALUPE FIRE DEPARTMENT	277,041	0	30,153	0	307,194
HARQUAHALA FIRE DISTRICT	354,439	0	72,378	0	426,817
HAYDEN POLICE DEPARTMENT	136,368	4,010	42,001	(14,398)	167,982
HEBER-OVERGAARD FIRE DISTRICT	426,588	0	88,519	0	515,107
HELLSGATE FIRE DISTRICT	417,659	(160,947)	60,305	0	317,018
HIGHLANDS FIRE DISTRICT	1,110,005	(217,439)	181,869	0	1,074,435
HOLBROOK POLICE DEPARTMENT	427,138	(21,412)	74,656	(18,876)	461,506
HUACHUCA CITY POLICE DEPARTMENT	70,266	55,663	37,135	0	163,065
HUALAPAI INDIAN TRIBE POLICE DEPT	539,703	0	113,655	(43,074)	610,284
JEROME POLICE DEPARTMENT	85,929	0	18,421	0	104,350
KEARNY POLICE DEPARTMENT	186,635	(126,004)	20,234	0	80,865
KINGMAN FIRE DEPARTMENT	3,075,868	(297,632)	363,567	0	3,141,803
KINGMAN POLICE DEPARTMENT	2,475,818	(28,907)	335,245	(148,132)	2,634,023
LA PAZ COUNTY ATTY. INVESTIGATORS	0	0	0	0	0
LA PAZ COUNTY SHERIFF'S DEPT.	1,050,241	(167,948)	166,848	(66,123)	983,018
LAKE HAVASU CITY FIRE DEPARTMENT	4,109,716	(166,574)	575,092	(88,629)	4,429,606
LAKE HAVASU CITY POLICE DEPT.	4,431,495	(596,177)	554,019	(43,657)	4,345,681
LAKE MOHAVE RANCHOS FIRE DISTRICT	142,453	0	24,531	(24,912)	142,072
MAMMOTH POLICE DEPARTMENT	91,394	0	12,452	(11,612)	92,233
MARANA POLICE DEPARTMENT	3,347,351	(129,750)	579,390	(37,032)	3,759,960
MARICOPA CNTY ATTY INVESTIGATORS	741,704	0	147,013	(44,678)	844,039
MARICOPA COUNTY PARK RANGERS	24,132	0	0	0	24,132
MARICOPA COUNTY SHERIFF'S OFFICE	42,727,114	(1,734,695)	5,718,569	(204,363)	46,506,625
MAYER FIRE DISTRICT	826,226	(102,177)	101,622	(12,921)	812,750
MESA FIRE DEPARTMENT	32,690,891	(1,772,192)	3,846,723	(84,533)	34,680,890
MESA POLICE DEPARTMENT	56,009,045	(3,524,981)	7,613,397	(273,401)	59,824,061
MIAMI FIRE DEPARTMENT - GONE	0	0	0	0	0
MIAMI POLICE DEPARTMENT	246,380	0	23,970	(3,332)	267,018
MOHAVE COUNTY SHERIFF'S DEPT.	4,268,011	(501,388)	476,318	(89,905)	4,153,036

OPERATING INFORMATION

SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES					
FISCAL YEAR ENDED JUNE 30, 2015					
PSPRS SYSTEM	2014 BALANCES	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2015 BALANCES
MOHAVE VALLEY FIRE DISTRICT	1,300,151	(141,209)	182,346	(79,911)	1,261,377
MONTEZUMA RIMROCK FIRE DISTRICT	302,741	(22,524)	52,422	(8,636)	324,003
MOUNT LEMMON FIRE DISTRICT	147,195	0	29,656	0	176,851
NAU CAMPUS POLICE	821,908	(182,055)	122,017	(20,488)	741,382
NAVAJO COUNTY ATTY'S INVESTIGATOR	0	0	0	0	0
NAVAJO COUNTY SHERIFF'S DEPT.	1,441,634	(98,154)	261,993	0	1,605,473
NOGALES FIRE DEPARTMENT	2,408,266	(65,719)	261,083	0	2,603,631
NOGALES POLICE DEPARTMENT	2,752,786	(181,726)	356,974	0	2,928,034
NORTHERN AZ. CONSOLIDATED FD #1	1,071,953	(59,171)	139,267	0	1,152,049
NORTHWEST FIRE DISTRICT	11,205,639	(475,945)	1,637,449	(260)	12,366,883
ORACLE FIRE DISTRICT	152,599	0	34,574	(15,135)	172,038
ORO VALLEY POLICE DEPT.	5,854,950	(142,209)	794,478	(31,928)	6,475,290
PAGE FIRE DEPARTMENT	423,544	0	99,301	(18,716)	504,130
PAGE POLICE DEPARTMENT	765,511	(218,353)	125,347	(105,387)	567,118
PALOMINAS FIRE DISTRICT	79,529	(8,482)	37,978	(9,264)	99,762
PARADISE VALLEY POLICE DEPARTMENT	2,055,406	(366,567)	411,948	(19,300)	2,081,487
PARKER POLICE DEPARTMENT	451,940	(73,509)	62,615	0	441,047
PASCUA YAQUI TRIBE FIRE DEPT.	978,515	0	168,087	0	1,146,602
PASCUA YAQUI TRIBE POLICE DEPT.	1,307,233	(55,663)	240,643	0	1,492,212
PATAGONIA MARSHALS	59,876	0	13,518	0	73,394
PAYSON FIRE DEPARTMENT	1,245,030	(23,357)	214,441	(15,242)	1,420,872
PAYSON POLICE DEPARTMENT	1,299,141	(21,072)	195,231	0	1,473,300
PEORIA FIRE DEPARTMENT	10,654,056	(359,414)	1,238,541	0	11,533,184
PEORIA POLICE DEPARTMENT	10,434,755	(466,646)	1,689,030	(76,708)	11,580,431
PHOENIX FIRE DEPARTMENT	142,166,698	(4,542,290)	14,249,866	(182,515)	151,691,759
PHOENIX POLICE DEPARTMENT	256,609,626	(13,725,262)	28,941,182	(1,138,806)	270,686,741
PICTURE ROCKS FIRE DISTRICT	546,439	19,961	70,364	(72,753)	564,010
PIMA COUNTY ATTORNEY INVESTIGATOR	217,269	0	18,913	0	236,182
PIMA COUNTY COMM. COLLEGE POLICE	1,069,488	0	196,951	(1,131)	1,265,308
PIMA COUNTY SHERIFF'S DEPARTMENT	17,708,212	(883,450)	2,382,994	(71,677)	19,136,079
PIMA POLICE DEPARTMENT	56,963	0	18,593	0	75,556
PINAL COUNTY SHERIFF'S DEPARTMENT	10,048,987	(523,360)	1,389,238	(362,651)	10,552,214
PINE-STRAWBERRY FIRE DISTRICT	1,063,942	(237,460)	114,765	0	941,246
PINETOP FIRE DISTRICT	1,159,401	7,851	200,826	(7,851)	1,360,227
PINETOP-LAKESIDE POLICE DEPT.	496,042	(4,434)	72,855	0	564,463
PINEWOOD FIRE DISTRICT	645,632	(44,348)	128,098	0	729,381
PONDEROSA FIRE DISTRICT	17,192	0	19,516	0	36,708
PRESCOTT FIRE DEPARTMENT	3,683,276	(324,416)	463,343	0	3,822,203
PRESCOTT POLICE DEPARTMENT	3,296,691	(273,474)	488,411	(13,552)	3,498,075
PRESCOTT VALLEY POLICE DEPARTMENT	3,064,236	(404,391)	496,178	(3,903)	3,152,120

OPERATING INFORMATION

SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES					
FISCAL YEAR ENDED JUNE 30, 2015					
PSPRS SYSTEM	2014 BALANCES	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2015 BALANCES
QUARTZSITE FIRE DISTRICT	268,576	(18,168)	54,645	0	305,054
QUARTZSITE POLICE DEPARTMENT	300,639	(27,950)	47,021	(36,712)	282,998
QUEEN CREEK FIRE DEPARTMENT	1,114,443	(35,121)	264,558	0	1,343,880
QUEEN VALLEY FIRE DISTRICT	70,801	0	13,642	0	84,443
RINCON VALLEY FIRE DISTRICT	1,165,347	5,692	211,323	0	1,382,362
RIO RICO FIRE DISTRICT	963,013	6,559	176,557	(43,386)	1,102,743
RIO VERDE FIRE DISTRICT	1,008,888	(117,679)	210,153	0	1,101,362
SAFFORD POLICE DEPARTMENT	1,139,042	0	143,178	0	1,282,220
SAHUARITA POLICE DEPARTMENT	1,827,625	0	285,067	(22,532)	2,090,161
SALT RIVER PIMA-MARICOPA FIRE	4,524,323	(15,275)	725,602	(52,206)	5,182,445
SALT RIVER PIMA-MARICOPA POLICE	5,033,652	(120,441)	874,970	(371,088)	5,417,093
SAN CARLOS TRIBAL POLICE DEPT.	686,417	(25,501)	231,871	(123,964)	768,824
SAN LUIS FIRE DEPARTMENT	962,497	(53,789)	173,223	(9,831)	1,072,100
SAN LUIS POLICE DEPARTMENT	1,220,015	0	182,813	(90,764)	1,312,064
SANTA CRUZ COUNTY SHERIFF'S DEPT.	1,599,355	(74,535)	198,938	(44,485)	1,679,273
SCOTTSDALE FIRE DEPARTMENT	18,703,633	(546,922)	2,336,755	(764)	20,492,702
SCOTTSDALE POLICE DEPARTMENT	30,882,764	(2,663,998)	3,943,986	(340,786)	31,821,966
SEDONA FIRE DISTRICT	4,223,827	(60,316)	642,980	(59,923)	4,746,568
SEDONA POLICE DEPARTMENT	922,328	7,076	185,850	0	1,115,254
SHOW LOW POLICE DEPARTMENT	1,348,164	(75,444)	219,236	0	1,491,956
SIERRA VISTA FIRE DEPARTMENT	2,576,381	(254,716)	303,093	(78,069)	2,546,689
SIERRA VISTA POLICE DEPARTMENT	3,148,508	33,590	458,242	(49,251)	3,591,089
SNOWFLAKE POLICE DEPARTMENT	481,815	(93,195)	85,034	(29,431)	444,222
SOMERTON FIRE DEPARTMENT	607,680	0	97,766	0	705,446
SOMERTON POLICE DEPARTMENT	776,795	(46,428)	102,364	0	832,732
SONOITA ELGIN FIRE DEPARTMENT	220,462	(17,001)	53,305	(97,305)	159,461
SOUTH TUCSON FIRE DEPARTMENT	193,051	0	17,436	0	210,487
SOUTH TUCSON POLICE DEPARTMENT	511,674	0	65,326	0	577,000
SPRINGERVILLE POLICE DEPARTMENT	257,491	0	42,555	0	300,046
ST. JOHNS POLICE DEPARTMENT	163,634	(4,541)	28,751	0	187,843
SUMMIT FIRE DISTRICT	1,895,283	(173,046)	304,232	0	2,026,469
SUN CITY FIRE DISTRICT	5,174,519	(334,478)	459,518	0	5,299,559
SUN CITY WEST FIRE DISTRICT	3,945,594	(67,644)	527,193	0	4,405,143
SUN LAKES FIRE DISTRICT	2,701,271	(212,662)	381,549	(5,542)	2,864,615
SUN SITES PEARCE FIRE DISTRICT	157,769	0	34,220	0	191,989
SUPERIOR POLICE DEPARTMENT	182,712	(20,220)	40,615	0	203,107
SURPRISE FIRE DEPARTMENT	6,769,463	(76,214)	1,085,819	0	7,779,069
SURPRISE POLICE DEPARTMENT	6,658,699	(356,901)	1,196,870	(15,790)	7,482,879
TEMPE FIRE DEPARTMENT	12,991,719	(394,558)	1,627,959	0	14,225,120
TEMPE POLICE DEPARTMENT	24,969,771	(1,562,559)	3,641,788	(105,671)	26,943,328

OPERATING INFORMATION

SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES					
FISCAL YEAR ENDED JUNE 30, 2015					
PSPRS SYSTEM	2014 BALANCES	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2015 BALANCES
THATCHER POLICE DEPARTMENT	534,715	34,115	84,677	(53,128)	600,379
THREE POINTS FIRE DISTRICT	557,811	0	98,126	(16,298)	639,639
TIMBER MESA FIRE AND MEDICAL DIST	2,731,369	(79,369)	451,335	(67,772)	3,035,563
TOHONO O'ODHAM NATION FIRE DEPT.	1,459,894	(9,756)	315,688	(24,449)	1,741,376
TOHONO O'ODHAM NATION POLICE DEPT	2,508,193	(111,760)	534,454	(34,339)	2,896,548
TOLLESON FIRE DEPARTMENT	2,291,291	6,901	269,101	0	2,567,293
TOLLESON POLICE DEPARTMENT	1,372,966	(169,374)	217,506	(84,526)	1,336,572
TOMBSTONE MARSHAL'S DEPARTMENT	150,640	0	13,419	0	164,059
TONOPAH VALLEY FIRE DISTRICT	199,790	0	59,985	0	259,775
TOWN OF SUPERIOR (FIRE DEPT)	90,386	0	24,522	0	114,908
TRI-CITY FIRE DISTRICT	645,095	(6,899)	145,276	0	783,473
TUBAC FIRE DISTRICT	1,195,589	0	163,261	(36,396)	1,322,454
TUCSON AIRPORT AUTHORITY FIRE DPT	977,186	(61,799)	120,005	0	1,035,392
TUCSON AIRPORT AUTHORITY POLICE	1,254,101	(70,964)	280,628	0	1,463,765
TUCSON FIRE	33,334,958	(1,113,210)	4,092,378	0	36,314,127
TUCSON POLICE	49,779,009	(3,977,614)	7,096,010	(154,282)	52,743,123
U OF A CAMPUS POLICE DEPARTMENT	3,429,660	(132,362)	423,075	(7,005)	3,713,367
VERDE VALLEY FIRE DISTRICT	1,384,887	0	250,363	0	1,635,250
WELLTON POLICE	68,245	50,573	27,719	0	146,537
WHETSTONE FIRE DISTRICT	100,042	0	24,732	0	124,774
WICKENBURG FIRE DEPARTMENT	289,613	0	59,935	0	349,549
WICKENBURG POLICE DEPARTMENT	545,120	(94,390)	118,122	0	568,852
WILLCOX POLICE DEPARTMENT	378,236	(12,008)	58,589	0	424,818
WILLIAMS POLICE DEPARTMENT	236,292	5,904	59,320	(8,319)	293,197
WILLIAMSON VALLEY FIRE DISTRICT	185,786	68,969	192,118	(37,747)	409,126
WINSLOW FIRE DEPARTMENT	230,222	0	35,148	(20,618)	244,751
WINSLOW POLICE DEPARTMENT	1,068,966	(72,599)	123,792	0	1,120,159
WITTMANN FIRE DISTRICT	268,119	0	62,524	0	330,642
YAVAPAI CNTY ATTRNY INVESTIGATORS	0	0	0	0	0
YAVAPAI COUNTY SHERIFF'S DEPT.	5,658,480	(164,148)	762,569	(72,870)	6,184,032
YAVAPAI PRESCOTT TRIBAL POLICE	146,520	41,387	31,095	(45,332)	173,670
YOUNGTOWN POLICE DEPARTMENT	80,391	(45,051)	6,259	0	41,599
YUMA COUNTY SHERIFF'S DEPARTMENT	3,755,120	(88,831)	600,695	(58,414)	4,208,569
YUMA FIRE DEPARTMENT	6,790,344	(815,308)	899,220	(6,627)	6,867,628
YUMA POLICE DEPARTMENT	8,255,795	(315,879)	1,313,708	(143,097)	9,110,527
TOTALS	1,248,939,461	(59,410,054)	164,792,065	(8,355,286)	1,345,966,186

OPERATING INFORMATION

SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES FISCAL YEAR ENDED JUNE 30, 2015					
CORP PLAN	2014 BALANCES	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2015 BALANCES
ADMIN. OFFICE OF THE COURT (CORP-AOC)	79,115,789	(5,275,004)	9,614,012	(1,071,573)	82,383,224
APACHE COUNTY - CORP	299,822	0	54,001	(32,546)	321,277
CITY OF AVONDALE - DETENTION	343,003	12,022	44,647	0	399,672
CITY OF SOMERTON - DISPATCHERS	127,536	0	13,596	0	141,131
COCHISE COUNTY - CORP	1,316,316	(84,582)	171,671	(47,948)	1,355,456
COCONINO COUNTY - CORP	1,829,560	(46,040)	312,482	(60,213)	2,035,790
DEPARTMENT OF CORRECTIONS - CORP	205,305,723	(11,973,387)	27,734,411	(10,630,405)	210,436,342
DEPARTMENT OF PUBLIC SAFETY	2,426,453	(187,012)	176,654	(191,825)	2,224,270
DEPARTMENT OF PUBLIC SAFETY DETENTION	32,335	8	6,735	(5,554)	33,524
DEPT OF JUVENILE CORRECTIONS-CORP	12,786,702	(717,427)	1,686,662	(729,926)	13,026,009
GILA COUNTY - CORP	1,202,364	0	188,093	(173,852)	1,216,606
GILA COUNTY - DISPATCHERS	225,464	(100)	20,252	0	245,615
GRAHAM COUNTY - DETENTION	488,431	(38,528)	122,500	(63,613)	508,790
GRAHAM COUNTY - DISPATCHERS	146,164	0	14,585	0	160,749
MARICOPA COUNTY - CORP	59,660,474	(2,569,686)	8,470,324	(1,779,575)	63,781,538
MOHAVE COUNTY - CORP	1,589,808	(245,880)	330,465	(126,532)	1,547,861
NAVAJO COUNTY - CORP	832,471	(93,943)	137,233	(166,726)	709,036
ORO VALLEY - DISPATCHERS	404,133	(94,726)	30,272	(38,721)	300,958
PIMA COUNTY - CORP	12,372,473	(685,534)	1,737,539	(649,162)	12,775,315
PINAL COUNTY - CORP	7,504,976	(212,938)	850,620	(1,376,958)	6,765,699
PINAL COUNTY - DISPATCHERS	533,119	0	43,234	(73,274)	503,079
SANTA CRUZ COUNTY - CORP	487,316	(69,075)	83,854	(55,800)	446,295
TOWN OF MARANA - DISPATCHERS	348,097	0	35,981	(27,136)	356,943
TOWN OF WICKENBURG-DISPATCHERS	79,143	(163)	10,178	0	89,157
YAVAPAI COUNTY - CORP	3,673,682	(63,676)	558,422	(403,055)	3,765,373
YAVAPAI COUNTY - DISPATCHERS	156,583	(21,375)	18,633	(18,704)	135,137
YUMA COUNTY - CORP	3,067,182	(144,069)	442,896	(513,621)	2,852,389
TOTALS	396,355,115	(22,511,113)	52,909,952	(18,236,718)	408,517,236

THIS PAGE INTENTIONALLY BLANK

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	2014 BALANCES	GASB 68 PRIOR ADJ	RESERVE TRANSFERS	CONTRIB RECEIVED	FIRE TAX RECEIVED	PENSION PAYMENTS
AK CHIN INDIAN COMM. FIRE DEPT.	3,825,197	(3,941)	(3,225)	310,829	0	(166,012)
AK CHIN INDIAN COMM. POLICE DEPT.	1,962,979	(2,022)	2,651	199,743	0	(102,440)
APACHE COUNTY SHERIFF'S DEPT.	2,457,891	(2,532)	56,313	630,617	0	(798,464)
APACHE JUNCTION FIRE DISTRICT	17,297,142	(17,819)	101,270	1,015,424	0	(638,368)
APACHE JUNCTION POLICE DEPARTMENT	8,475,947	(8,732)	(18,415)	1,279,586	0	(1,494,512)
ARIZONA STATE PARK RANGERS	7,276,669	(7,496)	160,220	370,133	0	(475,017)
ASU PD PSPRS LOCAL BOARD	11,364,339	(11,707)	82,004	1,493,138	0	(1,599,944)
ATTORNEY GENERAL INVESTIGATORS	2,952,428	(3,042)	61,743	1,635,478	0	(1,260,307)
AVONDALE FIRE DEPARTMENT	11,571,294	(11,921)	863	741,156	110,129	(355,057)
AVONDALE POLICE DEPARTMENT	13,589,391	(14,000)	26	1,318,663	0	(1,017,784)
AVRA VALLEY FIRE DISTRICT	2,515,879	(2,592)	0	174,206	0	(115,408)
AZ DPT. LIQ. LIC. & CONTROL INVST	2,972,634	(3,062)	64,956	343,798	0	(543,983)
BENSON FIRE DEPARTMENT	329,041	(339)	0	(5,155)	9,775	0
BENSON POLICE DEPARTMENT	1,421,496	(1,464)	83,215	161,488	0	(175,329)
BISBEE FIRE DEPARTMENT	316,224	(326)	62,838	553,564	12,708	(810,930)
BISBEE POLICE DEPARTMENT	1,207,219	(1,244)	74,205	401,838	0	(655,111)
BLACK CANYON FIRE DISTRICT	545,854	(562)	(10,479)	27,427	3,127	0
BUCKEYE FIRE DEPARTMENT	10,026,304	(10,329)	(1,713)	861,253	114,200	0
BUCKEYE POLICE DEPARTMENT	10,244,731	(10,554)	25,915	1,096,508	0	(630,143)
BUCKEYE VALLEY FIRE DISTRICT	5,605,448	(5,775)	74,188	434,500	32,389	(65,577)
BUCKSKIN FIRE DISTRICT	1,254,622	(1,293)	38,518	263,453	17,477	(352,649)
BULLHEAD CITY FIRE DEPARTMENT	21,234,086	(21,875)	367,756	897,648	75,353	(864,210)
BULLHEAD CITY POLICE DEPARTMENT	15,691,648	(16,165)	401,758	1,240,272	0	(1,561,511)
CAMP VERDE FIRE DISTRICT	3,627,881	(3,737)	0	231,395	0	(144,210)
CAMP VERDE MARSHALL'S	2,494,302	(2,570)	0	225,914	0	(264,036)
CASA GRANDE FIRE DEPARTMENT	9,800,008	(10,096)	201,646	891,946	76,766	(939,854)
CASA GRANDE POLICE DEPARTMENT	12,270,920	(12,641)	(36,599)	1,632,224	0	(1,971,806)
CAVE CREEK MARSHALS	145,035	(149)	0	13,184	0	0
CENTRAL AZ. COLLEGE POLICE DEPT.	470,174	(484)	0	55,795	0	(44,926)
CENTRAL YAVAPAI FIRE DISTRICT	18,577,089	(19,138)	386,600	1,453,595	146,882	(1,693,380)
CHANDLER FIRE DEPARTMENT	53,526,394	(55,142)	433,631	2,573,860	648,431	(2,907,377)
CHANDLER POLICE DEPARTMENT	79,793,221	(82,202)	703,394	6,155,142	0	(5,554,472)
CHINO VALLEY FIRE DISTRICT	6,176,742	(6,363)	140,505	308,503	28,244	(345,991)
CHINO VALLEY POLICE DEPARTMENT	3,288,901	(3,388)	60,498	243,794	0	(313,564)
CHRISTOPHER-KOHL'S FIRE DISTRICT	277,756	(286)	0	18,500	5,689	(12,684)
CITY OF MARICOPA - FIRE	7,253,006	(7,472)	(168,752)	564,051	0	(34,354)
CITY OF MARICOPA (POLICE DEPT.)	5,120,243	(5,275)	(2,311)	508,701	0	(105,051)
CLARKDALE FIRE DISTRICT	628,540	(648)	43,840	51,569	8,165	(8,558)
CLARKDALE POLICE DEPARTMENT	1,481,693	(1,526)	0	92,061	0	(142,606)
CLIFTON FIRE DEPARTMENT	106,774	(110)	0	20,000	0	(29,974)

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	DROP PAYMENT	ENHANCED REFUNDS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES	2014 UAAL
AK CHIN INDIAN COMM. FIRE DEPT.	0	0	181,743	(4,824)	4,139,767	1,470,928
AK CHIN INDIAN COMM. POLICE DEPT.	0	(123)	92,777	(2,652)	2,150,913	255,877
APACHE COUNTY SHERIFF'S DEPT.	0	(206)	127,091	(3,473)	2,467,239	9,543,922
APACHE JUNCTION FIRE DISTRICT	(76,684)	0	857,371	(21,306)	18,517,030	7,542,219
APACHE JUNCTION POLICE DEPARTMENT	0	(75)	405,989	(10,283)	8,629,506	18,424,773
ARIZONA STATE PARK RANGERS	(242,335)	0	335,469	(10,913)	7,406,729	5,773,956
ASU PD PSPRS LOCAL BOARD	0	(82,712)	524,243	(15,523)	11,753,837	14,793,470
ATTORNEY GENERAL INVESTIGATORS	0	0	141,520	(6,135)	3,521,685	12,661,602
AVONDALE FIRE DEPARTMENT	0	0	585,392	(14,673)	12,627,183	3,631,423
AVONDALE POLICE DEPARTMENT	0	(49,367)	689,299	(17,204)	14,499,024	9,786,844
AVRA VALLEY FIRE DISTRICT	0	0	116,873	(3,235)	2,685,724	21,172
AZ DPT. LIQ. LIC. & CONTROL INVST	0	0	134,368	(6,101)	2,962,610	6,435,893
BENSON FIRE DEPARTMENT	0	0	15,227	(764)	347,785	78,696
BENSON POLICE DEPARTMENT	0	0	73,063	(2,156)	1,560,313	1,884,534
BISBEE FIRE DEPARTMENT	(208,694)	(3,777)	26,028	(941)	(53,304)	9,846,985
BISBEE POLICE DEPARTMENT	(294,414)	(46,890)	56,297	(1,737)	740,163	7,824,276
BLACK CANYON FIRE DISTRICT	0	0	27,909	(1,063)	592,213	(129,470)
BUCKEYE FIRE DEPARTMENT	0	0	546,165	(13,716)	11,522,164	1,074,009
BUCKEYE POLICE DEPARTMENT	0	(17,256)	534,404	(13,427)	11,230,178	7,408,213
BUCKEYE VALLEY FIRE DISTRICT	0	(55,648)	302,803	(7,776)	6,314,551	(593,216)
BUCKSKIN FIRE DISTRICT	0	0	64,214	(1,953)	1,282,389	3,906,836
BULLHEAD CITY FIRE DEPARTMENT	(604,225)	(244)	974,048	(24,149)	22,034,188	11,022,562
BULLHEAD CITY POLICE DEPARTMENT	(241,441)	(282,227)	734,235	(18,296)	15,948,274	17,363,786
CAMP VERDE FIRE DISTRICT	0	0	176,683	(4,698)	3,883,313	1,223,851
CAMP VERDE MARSHALL'S	0	0	110,474	(3,075)	2,561,010	1,829,814
CASA GRANDE FIRE DEPARTMENT	0	0	494,059	(12,443)	10,502,032	10,854,513
CASA GRANDE POLICE DEPARTMENT	0	0	598,261	(14,978)	12,465,379	24,815,043
CAVE CREEK MARSHALS	0	0	7,887	(580)	165,376	40,772
CENTRAL AZ. COLLEGE POLICE DEPT.	0	0	23,496	(961)	503,093	344,025
CENTRAL YAVAPAI FIRE DISTRICT	(1,034,848)	0	866,725	(21,531)	18,661,994	21,060,330
CHANDLER FIRE DEPARTMENT	(706,942)	0	2,568,880	(63,063)	56,018,672	34,965,775
CHANDLER POLICE DEPARTMENT	(12,963)	(28,745)	3,873,466	(94,891)	84,751,949	71,559,235
CHINO VALLEY FIRE DISTRICT	(63,947)	(34)	291,423	(7,497)	6,521,584	3,309,379
CHINO VALLEY POLICE DEPARTMENT	(112,598)	(10,197)	149,207	(4,019)	3,298,634	2,394,965
CHRISTOPHER-KOHL'S FIRE DISTRICT	0	(334)	14,029	(727)	301,943	139,187
CITY OF MARICOPA - FIRE	0	(48,165)	387,128	(9,836)	7,935,605	(244,359)
CITY OF MARICOPA (POLICE DEPT.)	0	(80,627)	270,249	(6,983)	5,698,946	63,075
CLARKDALE FIRE DISTRICT	0	0	36,689	(1,284)	758,313	27,881
CLARKDALE POLICE DEPARTMENT	0	(36,837)	63,547	(1,924)	1,454,407	1,288,737
CLIFTON FIRE DEPARTMENT	0	0	3,631	(443)	99,878	209,810

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES
FISCAL YEAR ENDED JUNE 30, 2015

PSPRS SYSTEM	2014 BALANCES	GASB 68 PRIOR ADJ	RESERVE TRANSFERS	CONTRIB RECEIVED	FIRE TAX RECEIVED	PENSION PAYMENTS
CLIFTON POLICE DEPARTMENT	489,384	(504)	0	36,632	0	(29,362)
COCHISE COUNTY SHERIFF'S DEPT	9,803,591	(10,100)	22,520	2,816,097	0	(2,549,916)
COCONINO COUNTY SHERIFF'S DEPT	7,721,185	(7,954)	150,992	1,798,480	0	(2,399,477)
COOLIDGE FIRE DEPARTMENT	236,656	(252)	0	22,601	13,334	0
COOLIDGE POLICE DEPARTMENT	3,877,870	(3,995)	(2,729)	426,541	0	(484,369)
CORONA DE TUCSON FIRE DISTRICT	1,467,474	(1,512)	60,036	137,302	16,721	(103,387)
COTTONWOOD FIRE DEPARTMENT	3,277,722	(3,377)	(29,587)	227,608	19,640	(127,375)
COTTONWOOD POLICE DEPARTMENT	3,209,465	(3,306)	(2,101)	601,731	0	(552,428)
DAISY MOUNTAIN FIRE DISTRICT	13,677,717	(14,091)	124,896	765,386	111,763	(147,467)
DEPARTMENT OF EMER & MILITARY AFF	6,100,250	(6,284)	(26,559)	485,345	0	(580,891)
DEPARTMENT OF PUBLIC SAFETY	329,059,441	(338,993)	2,946,833	40,328,223	0	(62,166,255)
DESERT HILLS FIRE DEPARTMENT	1,183,313	(1,219)	0	136,884	10,203	(63,875)
DOUGLAS FIRE DEPARTMENT	2,729,346	(2,812)	0	555,381	14,654	(923,685)
DOUGLAS POLICE DEPARTMENT	4,897,638	(5,045)	57,400	730,718	0	(1,095,894)
DREXEL HEIGHTS FIRE DISTRICT	13,260,913	(13,661)	164,497	642,946	59,777	(575,522)
EAGAR POLICE DEPARTMENT	1,509,000	(1,555)	0	102,389	0	(181,203)
EL MIRAGE FIRE DEPARTMENT	2,965,421	(3,055)	168,752	193,727	32,182	(141,470)
EL MIRAGE POLICE DEPARTMENT	5,069,342	(5,222)	305,538	593,877	0	(422,942)
ELOY FIRE DISTRICT	2,780,837	(2,865)	(5,879)	240,763	18,899	0
ELOY POLICE DEPARTMENT	4,620,015	(4,759)	(637)	284,427	0	(326,877)
FLAGSTAFF FIRE DEPARTMENT	21,845,971	(22,505)	489,965	2,232,945	185,797	(3,888,411)
FLAGSTAFF POLICE DEPARTMENT	17,257,665	(17,779)	(58,664)	2,578,489	0	(3,298,299)
FLORENCE FIRE DEPARTMENT	2,080,713	(2,144)	142,233	157,501	25,144	0
FLORENCE POLICE DEPARTMENT	3,500,709	(3,606)	76,119	225,441	0	(171,147)
FORT MCDOWELL TRIBAL FIRE DEPT.	1,497,720	(1,543)	0	98,059	0	0
FORT MCDOWELL TRIBAL POLICE DEPT.	3,099,214	(3,193)	0	199,749	0	0
FORT MOJAVE MESA FIRE DISTRICT	6,936,970	(7,146)	156,057	445,589	25,062	(553,129)
FORT MOJAVE TRIBAL POLICE DEPT.	1,882,888	(1,940)	0	176,095	0	0
FREDONIA MARSHALS	497,462	(512)	0	15,187	0	(28,875)
FRY FIRE DISTRICT	6,403,712	(6,597)	22,271	800,517	35,378	(978,195)
GAME AND FISH DEPARTMENT	21,372,661	(22,018)	481,314	4,200,219	0	(6,496,634)
GILA COUNTY SHERIFF'S DEPARTMENT	4,881,433	(5,029)	40,559	641,694	0	(917,109)
GILA RIVER FIRE DEPARTMENT	7,073,274	(7,287)	(1,011)	559,281	0	(214,555)
GILA RIVER POLICE DEPARTMENT	10,803,524	(11,130)	(1,884)	895,009	0	(144,381)
GILBERT FIRE DEPARTMENT	30,942,252	(31,876)	(139,008)	1,273,957	571,425	(277,805)
GILBERT POLICE DEPARTMENT	39,401,077	(40,591)	470,146	3,280,061	0	(2,106,154)
GLENDALE FIRE DEPARTMENT	67,392,675	(69,427)	83,370	4,548,121	393,506	(4,735,943)
GLENDALE POLICE DEPARTMENT	81,388,638	(83,846)	1,646,899	9,691,094	0	(8,890,707)
GLOBE FIRE DEPARTMENT	2,729,344	(2,812)	(71,769)	297,378	10,902	(408,889)
GLOBE POLICE DEPARTMENT	2,818,500	(2,904)	2,339	349,032	0	(515,232)

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)
FISCAL YEAR ENDED JUNE 30, 2015

PSPRS SYSTEM	DROP PAYMENT	ENHANCED REFUNDS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES	2014 UAAL
CLIFTON POLICE DEPARTMENT	0	0	20,981	(881)	516,250	(150,080)
COCHISE COUNTY SHERIFF'S DEPT	0	(51,396)	479,555	(12,070)	10,498,281	28,529,596
COCONINO COUNTY SHERIFF'S DEPT	(341,137)	0	360,105	(9,163)	7,273,030	29,819,445
COOLIDGE FIRE DEPARTMENT	0	0	12,165	(687)	283,817	(142,790)
COOLIDGE POLICE DEPARTMENT	0	0	180,905	(4,789)	3,989,433	5,585,299
CORONA DE TUCSON FIRE DISTRICT	0	0	77,150	(2,267)	1,651,517	659,059
COTTONWOOD FIRE DEPARTMENT	0	0	167,246	(4,470)	3,527,408	1,496,695
COTTONWOOD POLICE DEPARTMENT	0	0	167,936	(4,475)	3,416,822	7,596,131
DAISY MOUNTAIN FIRE DISTRICT	0	0	726,689	(18,120)	15,226,774	695,920
DEPARTMENT OF EMER & MILITARY AFF	0	(15,696)	289,526	(9,772)	6,235,919	6,587,244
DEPARTMENT OF PUBLIC SAFETY	(8,246,787)	(84,797)	12,866,614	(316,593)	314,047,685	648,587,994
DESERT HILLS FIRE DEPARTMENT	0	(25,472)	64,434	(1,960)	1,302,308	776,972
DOUGLAS FIRE DEPARTMENT	0	0	133,862	(3,626)	2,503,120	10,697,049
DOUGLAS POLICE DEPARTMENT	0	(66,478)	233,285	(6,060)	4,745,565	13,502,813
DREXEL HEIGHTS FIRE DISTRICT	(8,703)	0	639,209	(15,979)	14,153,476	6,599,792
EAGAR POLICE DEPARTMENT	0	0	68,886	(2,058)	1,495,458	1,930,894
EL MIRAGE FIRE DEPARTMENT	0	(20,897)	159,295	(4,277)	3,349,678	952,712
EL MIRAGE POLICE DEPARTMENT	(87,381)	0	273,401	(7,057)	5,719,557	5,543,162
ELOY FIRE DISTRICT	0	(13,148)	145,142	(3,930)	3,159,820	1,108,073
ELOY POLICE DEPARTMENT	0	0	225,871	(5,892)	4,792,148	3,105,262
FLAGSTAFF FIRE DEPARTMENT	(1,705,625)	0	963,491	(23,873)	20,077,755	41,384,054
FLAGSTAFF POLICE DEPARTMENT	0	(81,422)	821,133	(20,411)	17,180,713	37,386,223
FLORENCE FIRE DEPARTMENT	0	(561)	122,465	(3,377)	2,521,975	(434,069)
FLORENCE POLICE DEPARTMENT	0	0	167,656	(4,474)	3,790,698	493,981
FORT MCDOWELL TRIBAL FIRE DEPT.	0	(26,386)	79,731	(2,330)	1,645,250	26,405
FORT MCDOWELL TRIBAL POLICE DEPT.	0	0	160,647	(4,304)	3,452,113	109,286
FORT MOJAVE MESA FIRE DISTRICT	(132,485)	(5,039)	310,528	(7,964)	7,168,442	5,993,210
FORT MOJAVE TRIBAL POLICE DEPT.	0	0	102,258	(2,883)	2,156,418	(671,419)
FREDONIA MARSHALS	0	0	21,229	(889)	503,602	(10,470)
FRY FIRE DISTRICT	0	0	301,225	(7,735)	6,570,576	11,054,729
GAME AND FISH DEPARTMENT	(1,295,632)	0	993,066	(26,864)	19,206,111	76,779,814
GILA COUNTY SHERIFF'S DEPARTMENT	(105,472)	0	230,228	(5,984)	4,760,320	10,347,818
GILA RIVER FIRE DEPARTMENT	0	(22,752)	374,812	(9,531)	7,752,233	1,138,721
GILA RIVER POLICE DEPARTMENT	0	(17,316)	588,796	(14,752)	12,097,867	(977,239)
GILBERT FIRE DEPARTMENT	0	0	1,653,304	(40,728)	33,951,520	7,046,901
GILBERT POLICE DEPARTMENT	(134,050)	(51,907)	2,037,534	(50,099)	42,806,017	28,813,997
GLENDALE FIRE DEPARTMENT	(1,145,807)	(57,117)	3,188,786	(78,182)	69,519,981	56,479,221
GLENDALE POLICE DEPARTMENT	(2,112,708)	(40,627)	4,022,993	(98,537)	85,523,200	119,750,742
GLOBE FIRE DEPARTMENT	0	0	125,014	(3,433)	2,675,737	4,364,852
GLOBE POLICE DEPARTMENT	(19,688)	(267)	132,063	(3,595)	2,760,248	6,017,960

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	2014 BALANCES	GASB 68 PRIOR ADJ	RESERVE TRANSFERS	CONTRIB RECEIVED	FIRE TAX RECEIVED	PENSION PAYMENTS
GOLDEN SHORES FIRE DISTRICT	792,856	(817)	0	41,505	3,277	0
GOLDEN VALLEY FIRE DISTRICT	2,767,588	(2,851)	0	227,363	12,727	(156,120)
GOLDER RANCH FIRE DISTRICT	18,169,944	(18,718)	97,609	1,227,101	235,024	(549,577)
GOODYEAR FIRE DEPARTMENT	14,819,085	(15,266)	429,732	773,563	195,163	(223,685)
GOODYEAR POLICE DEPARTMENT	14,793,913	(15,241)	(14,291)	1,173,950	0	(811,403)
GRAHAM COUNTY SHERIFF'S DEPT.	2,598,352	(2,677)	(11,032)	193,270	0	(185,960)
GREEN VALLEY FIRE DISTRICT	11,709,646	(12,063)	135,927	533,424	104,448	(681,151)
GREENLEE CNTY ATTY INVESTIGATORS	49,581	(51)	0	0	0	0
GREENLEE COUNTY SHERIFF'S DEPT.	2,599,962	(2,678)	104,269	165,012	0	(172,679)
GROOM CREEK FIRE DISTRICT	503,219	(518)	0	40,218	3,864	0
GUADALUPE FIRE DEPARTMENT	510,551	(526)	0	55,055	3,357	(48,359)
HARQUAHALA FIRE DISTRICT	860,528	(887)	0	71,247	0	0
HAYDEN POLICE DEPARTMENT	1,112,012	(1,146)	1,828	95,963	0	0
HEBER-OVERGAARD FIRE DISTRICT	1,367,715	(1,409)	0	86,671	22,125	(23,988)
HELLSGATE FIRE DISTRICT	1,275,323	(1,314)	195,504	65,733	6,221	(57,904)
HIGHLANDS FIRE DISTRICT	3,445,528	(3,550)	217,439	294,605	26,614	(277,260)
HOLBROOK POLICE DEPARTMENT	1,409,596	(1,452)	(13,365)	307,328	0	(492,986)
HUACHUCA CITY POLICE DEPARTMENT	231,800	(251)	23,911	66,642	0	0
HUALAPAI INDIAN TRIBE POLICE DEPT	1,171,132	(1,206)	0	129,494	0	0
JEROME POLICE DEPARTMENT	261,293	(269)	0	18,279	0	0
KEARNY POLICE DEPARTMENT	1,472,944	(1,517)	39,983	35,137	0	(196,424)
KINGMAN FIRE DEPARTMENT	11,258,566	(11,598)	297,632	590,591	49,579	(808,051)
KINGMAN POLICE DEPARTMENT	9,164,676	(9,441)	0	796,097	0	(1,067,332)
LA PAZ COUNTY ATTY. INVESTIGATORS	214,449	(221)	0	0	0	(31,210)
LA PAZ COUNTY SHERIFF'S DEPT.	4,514,857	(4,651)	162,771	537,234	0	(885,837)
LAKE HAVASU CITY FIRE DEPARTMENT	15,842,235	(16,321)	186,712	1,370,083	176,356	(2,103,054)
LAKE HAVASU CITY POLICE DEPT.	16,069,590	(16,555)	610,340	1,567,440	0	(2,051,491)
LAKE MOHAVE RANCHOS FIRE DISTRICT	840,225	(866)	0	42,468	4,927	(87,715)
MAMMOTH POLICE DEPARTMENT	244,738	(252)	0	15,235	0	(17,267)
MARANA POLICE DEPARTMENT	10,883,759	(11,212)	186,992	1,006,859	0	(914,123)
MARICOPA CNTY ATTY INVESTIGATORS	3,534,891	(3,642)	0	1,077,456	0	(815,133)
MARICOPA COUNTY PARK RANGERS	1,649,638	(1,699)	0	0	0	(186,819)
MARICOPA COUNTY SHERIFF'S OFFICE	143,295,562	(147,622)	1,943,242	19,300,393	0	(20,629,752)
MAYER FIRE DISTRICT	2,183,321	(2,249)	73,956	113,366	5,464	(127,989)
MESA FIRE DEPARTMENT	129,273,174	(133,176)	1,950,872	8,949,974	877,978	(12,743,317)
MESA POLICE DEPARTMENT	218,935,862	(225,545)	3,778,255	19,680,325	0	(24,708,928)
MIAMI POLICE DEPARTMENT	703,148	(724)	0	73,750	0	(68,983)
MOHAVE COUNTY SHERIFF'S DEPT.	14,939,797	(15,391)	527,529	1,232,825	0	(1,513,731)
MOHAVE VALLEY FIRE DISTRICT	4,757,318	(4,901)	141,209	185,211	14,297	(164,438)
MONTEZUMA RIMROCK FIRE DISTRICT	968,454	(998)	(5,673)	80,139	6,303	(61,449)

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	DROP PAYMENT	ENHANCED REFUNDS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES	2014 UAAL
GOLDEN SHORES FIRE DISTRICT	0	(33,792)	40,896	(1,388)	842,537	(168,879)
GOLDEN VALLEY FIRE DISTRICT	0	0	137,650	(3,743)	2,982,613	1,741,933
GOLDER RANCH FIRE DISTRICT	(116,921)	0	916,962	(22,759)	19,938,665	8,807,665
GOODYEAR FIRE DEPARTMENT	(361,043)	(43,942)	791,715	(19,707)	16,345,614	1,839,335
GOODYEAR POLICE DEPARTMENT	0	(136,215)	739,152	(18,421)	15,711,444	9,272,602
GRAHAM COUNTY SHERIFF'S DEPT.	0	(34,831)	125,056	(3,429)	2,678,750	2,448,117
GREEN VALLEY FIRE DISTRICT	(357,040)	(46,082)	518,497	(13,037)	11,892,569	5,838,596
GREENLEE CNTY ATTY INVESTIGATORS	0	0	1,817	(444)	50,903	(50,278)
GREENLEE COUNTY SHERIFF'S DEPT.	0	0	120,579	(3,316)	2,811,147	1,700,285
GROOM CREEK FIRE DISTRICT	0	0	27,087	(1,049)	572,820	(138,821)
GUADALUPE FIRE DEPARTMENT	0	0	29,544	(1,107)	548,514	608,579
HARQUAHALA FIRE DISTRICT	0	0	47,077	(1,536)	976,429	(313,740)
HAYDEN POLICE DEPARTMENT	0	(432)	48,444	(1,569)	1,255,100	(930,130)
HEBER-OVERGAARD FIRE DISTRICT	0	0	68,371	(2,052)	1,517,431	(203,802)
HELLSGATE FIRE DISTRICT	(254,826)	0	61,074	(1,879)	1,287,931	425,685
HIGHLANDS FIRE DISTRICT	0	0	171,340	(4,568)	3,870,148	2,795,053
HOLBROOK POLICE DEPARTMENT	0	(4,719)	64,270	(1,927)	1,266,745	5,870,052
HUACHUCA CITY POLICE DEPARTMENT	0	0	13,985	(727)	335,360	226,314
HUALAPAI INDIAN TRIBE POLICE DEPT	0	(43,782)	65,378	(1,985)	1,319,031	(274,959)
JEROME POLICE DEPARTMENT	0	0	13,372	(707)	291,968	(117,622)
KEARNY POLICE DEPARTMENT	0	0	55,938	(1,755)	1,404,306	565,773
KINGMAN FIRE DEPARTMENT	(724,170)	0	517,476	(13,008)	11,157,017	9,190,021
KINGMAN POLICE DEPARTMENT	0	(117,379)	420,465	(10,641)	9,176,445	10,871,421
LA PAZ COUNTY ATTY. INVESTIGATORS	0	0	7,335	(558)	189,796	103,326
LA PAZ COUNTY SHERIFF'S DEPT.	(14,009)	(50,146)	197,454	(5,190)	4,452,483	8,805,365
LAKE HAVASU CITY FIRE DEPARTMENT	(736,173)	(40,120)	721,120	(17,967)	15,382,870	23,869,280
LAKE HAVASU CITY POLICE DEPT.	(1,750,887)	(30,560)	732,631	(18,256)	15,112,253	24,029,260
LAKE MOHAVE RANCHOS FIRE DISTRICT	0	(11,569)	34,449	(1,220)	820,700	370,363
MAMMOTH POLICE DEPARTMENT	0	(142)	12,307	(665)	253,953	266,109
MARANA POLICE DEPARTMENT	0	(23,795)	533,938	(13,410)	11,649,009	9,109,376
MARICOPA CNTY ATTY INVESTIGATORS	0	(44,678)	162,028	(4,332)	3,906,591	6,858,325
MARICOPA COUNTY PARK RANGERS	0	0	58,207	(1,809)	1,517,518	775,504
MARICOPA COUNTY SHERIFF'S OFFICE	(3,191,304)	(166,873)	6,829,419	(166,999)	147,066,067	235,074,082
MAYER FIRE DISTRICT	0	0	111,393	(3,107)	2,354,155	579,608
MESA FIRE DEPARTMENT	(4,410,783)	(84,615)	5,878,017	(143,794)	129,414,330	135,439,919
MESA POLICE DEPARTMENT	(4,824,921)	(190,886)	10,064,870	(245,947)	222,263,085	263,933,801
MIAMI POLICE DEPARTMENT	0	(100)	34,927	(1,230)	740,787	904,827
MOHAVE COUNTY SHERIFF'S DEPT.	(292,000)	(37,347)	708,906	(17,672)	15,532,917	18,110,829
MOHAVE VALLEY FIRE DISTRICT	0	(48,684)	220,773	(5,766)	5,095,018	(107,068)
MONTEZUMA RIMROCK FIRE DISTRICT	0	(259)	46,827	(1,528)	1,031,816	630,305

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES
FISCAL YEAR ENDED JUNE 30, 2015

PSPRS SYSTEM	2014 BALANCES	GASB 68 PRIOR ADJ	RESERVE TRANSFERRS	CONTRIB RECEIVED	FIRE TAX RECEIVED	PENSION PAYMENTS
MOUNT LEMMON FIRE DISTRICT	491,510	(506)	0	23,691	4,747	0
NAU CAMPUS POLICE	2,587,215	(2,665)	190,989	443,105	0	(557,282)
NAVAJO COUNTY ATTY'S INVESTIGATOR	36,134	(37)	0	20,181	0	(35,451)
NAVAJO COUNTY SHERIFF'S DEPT.	3,883,289	(4,001)	(12,070)	790,385	0	(1,109,711)
NOGALES FIRE DEPARTMENT	6,553,134	(6,751)	65,719	585,262	0	(689,053)
NOGALES POLICE DEPARTMENT	9,505,178	(9,792)	298,113	754,068	0	(888,380)
NORTHERN AZ. CONSOLIDATED FD #1	3,191,631	(3,288)	59,171	240,869	22,028	(178,163)
NORTHWEST FIRE DISTRICT	34,082,903	(35,112)	447,418	2,116,450	282,404	(1,135,999)
ORACLE FIRE DISTRICT	358,685	(370)	0	28,458	5,448	0
ORO VALLEY POLICE DEPT.	17,386,107	(17,911)	253,924	1,669,125	0	(1,008,840)
PAGE FIRE DEPARTMENT	1,125,725	(1,160)	0	89,023	18,691	(77,017)
PAGE POLICE DEPARTMENT	2,812,136	(2,897)	25,049	201,140	0	(331,953)
PALOMINAS FIRE DISTRICT	347,446	(358)	(22,271)	37,612	0	0
PARADISE VALLEY POLICE DEPARTMENT	5,017,336	(5,169)	366,567	1,708,529	0	(1,762,670)
PARKER POLICE DEPARTMENT	1,614,753	(1,664)	73,509	105,408	0	(130,387)
PASCUA YAQUI TRIBE FIRE DEPT.	2,789,540	(2,874)	0	277,934	0	(49,470)
PASCUA YAQUI TRIBE POLICE DEPT.	3,523,182	(3,630)	(23,911)	389,820	0	(146,136)
PATAGONIA MARSHALS	507,367	(523)	0	53,850	0	(70,533)
PAYSON FIRE DEPARTMENT	4,137,439	(4,262)	170,132	307,321	46,055	(426,725)
PAYSON POLICE DEPARTMENT	3,877,545	(3,995)	(12,983)	633,668	0	(866,131)
PEORIA FIRE DEPARTMENT	35,360,635	(36,428)	360,485	1,517,110	349,255	(1,215,002)
PEORIA POLICE DEPARTMENT	39,499,408	(40,692)	450,575	3,254,563	0	(3,501,246)
PHOENIX FIRE DEPARTMENT	537,642,081	(553,873)	4,560,326	39,800,464	3,275,258	(59,372,999)
PHOENIX POLICE DEPARTMENT	947,643,379	(976,252)	13,859,302	80,310,547	0	(117,582,614)
PICTURE ROCKS FIRE DISTRICT	3,035,058	(3,127)	61,119	89,286	0	(276,795)
PIMA COUNTY ATTORNEY INVESTIGATOR	1,435,493	(1,479)	0	137,244	0	(227,680)
PIMA COUNTY COMM. COLLEGE POLICE	3,871,940	(3,989)	(43)	428,624	0	(491,286)
PIMA COUNTY SHERIFF'S DEPARTMENT	122,138,197	(125,825)	861,155	12,611,941	0	(16,945,909)
PIMA POLICE DEPARTMENT	332,363	(342)	0	19,766	0	0
PINAL COUNTY SHERIFF'S DEPARTMENT	33,052,041	(34,050)	305,908	2,916,562	0	(3,632,897)
PINE-STRAWBERRY FIRE DISTRICT	3,027,736	(3,119)	90,685	197,021	16,836	(254,073)
PINETOP FIRE DISTRICT	3,507,619	(3,614)	(7,851)	336,991	36,293	(296,271)
PINETOP-LAKESIDE POLICE DEPT.	1,410,551	(1,453)	(754)	274,652	0	(369,607)
PINEWOOD FIRE DISTRICT	1,590,678	(1,639)	44,348	206,034	15,749	(175,072)
PONDEROSA FIRE DISTRICT	19,152	(22)	0	17,732	0	0
PRESCOTT FIRE DEPARTMENT	12,809,504	(13,196)	529,103	2,933,136	149,937	(3,226,950)
PRESCOTT POLICE DEPARTMENT	8,509,596	(8,766)	146,953	2,003,868	0	(2,796,845)
PRESCOTT VALLEY POLICE DEPARTMENT	10,215,941	(10,524)	560,708	653,581	0	(752,513)
QUARTZSITE FIRE DISTRICT	732,906	(755)	0	46,638	8,535	0
QUARTZSITE POLICE DEPARTMENT	2,534,110	(2,611)	90,729	53,532	0	(162,302)

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)
 FISCAL YEAR ENDED JUNE 30, 2015

PSPRS SYSTEM	DROP PAYMENT	ENHANCED REFUNDS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES	2014 UAAL
MOUNT LEMMON FIRE DISTRICT	0	0	24,240	(977)	542,704	(82,474)
NAU CAMPUS POLICE	(137,876)	(5,122)	125,761	(3,438)	2,640,687	6,205,896
NAVAJO COUNTY ATTY'S INVESTIGATOR	0	0	744	(308)	21,263	543,379
NAVAJO COUNTY SHERIFF'S DEPT.	0	0	191,904	(5,044)	3,734,753	11,634,824
NOGALES FIRE DEPARTMENT	0	0	331,913	(8,477)	6,831,746	8,905,008
NOGALES POLICE DEPARTMENT	0	0	457,113	(11,527)	10,104,773	10,571,666
NORTHERN AZ. CONSOLIDATED FD #1	(179,887)	0	158,727	(4,260)	3,306,827	2,634,511
NORTHWEST FIRE DISTRICT	(925,677)	0	1,691,663	(41,661)	36,482,389	16,920,576
ORACLE FIRE DISTRICT	0	0	19,642	(866)	410,998	(78,501)
ORO VALLEY POLICE DEPT.	0	(8,578)	874,562	(21,722)	19,126,667	12,554,791
PAGE FIRE DEPARTMENT	0	0	58,052	(1,804)	1,211,511	484,893
PAGE POLICE DEPARTMENT	0	(79,267)	123,864	(3,384)	2,744,688	2,944,450
PALOMINAS FIRE DISTRICT	0	0	15,798	(764)	377,462	(223,424)
PARADISE VALLEY POLICE DEPARTMENT	0	(579)	307,573	(7,885)	5,623,702	21,030,884
PARKER POLICE DEPARTMENT	(9,615)	0	76,660	(2,247)	1,726,417	1,326,494
PASCUA YAQUI TRIBE FIRE DEPT.	0	0	144,800	(3,918)	3,156,012	2,129,248
PASCUA YAQUI TRIBE POLICE DEPT.	0	0	184,564	(4,890)	3,918,999	2,951,408
PATAGONIA MARSHALS	0	0	20,805	(889)	510,077	586,832
PAYSON FIRE DEPARTMENT	0	0	201,717	(5,309)	4,426,368	3,668,553
PAYSON POLICE DEPARTMENT	0	0	189,110	(4,995)	3,812,219	10,862,978
PEORIA FIRE DEPARTMENT	(734,878)	0	1,710,692	(42,126)	37,269,742	16,380,492
PEORIA POLICE DEPARTMENT	(1,185,566)	(27,508)	1,821,818	(44,835)	40,226,518	40,615,487
PHOENIX FIRE DEPARTMENT	(12,934,159)	(122,145)	24,512,553	(598,434)	536,209,073	685,964,945
PHOENIX POLICE DEPARTMENT	(22,858,488)	(863,812)	43,559,530	(1,063,140)	942,028,452	1,318,574,890
PICTURE ROCKS FIRE DISTRICT	0	(60,271)	128,941	(3,527)	2,970,685	1,571,131
PIMA COUNTY ATTORNEY INVESTIGATOR	(204,317)	0	54,696	(1,709)	1,192,248	2,088,953
PIMA COUNTY COMM. COLLEGE POLICE	0	0	183,591	(4,853)	3,983,984	5,178,228
PIMA COUNTY SHERIFF'S DEPARTMENT	(2,149,482)	(41,638)	5,052,583	(123,651)	121,277,371	183,012,537
PIMA POLICE DEPARTMENT	0	0	14,929	(743)	365,972	(280,327)
PINAL COUNTY SHERIFF'S DEPARTMENT	(66,741)	(246,140)	1,577,624	(38,872)	33,833,436	34,244,196
PINE-STRAWBERRY FIRE DISTRICT	(282,041)	0	146,241	(3,951)	2,935,334	2,474,406
PINETOP FIRE DISTRICT	0	0	174,868	(4,655)	3,743,381	3,379,905
PINETOP-LAKESIDE POLICE DEPT.	0	0	69,641	(2,081)	1,380,951	4,372,409
PINEWOOD FIRE DISTRICT	0	0	85,385	(2,477)	1,763,007	1,791,215
PONDEROSA FIRE DISTRICT	0	0	1,916	(421)	38,357	(12,998)
PRESCOTT FIRE DEPARTMENT	(429,070)	0	619,579	(16,431)	13,355,613	35,773,094
PRESCOTT POLICE DEPARTMENT	(171,613)	0	425,319	(10,753)	8,097,758	34,668,164
PRESCOTT VALLEY POLICE DEPARTMENT	(74,968)	(117)	496,084	(12,489)	11,075,702	6,592,682
QUARTZSITE FIRE DISTRICT	0	0	38,059	(1,315)	824,067	65,847
QUARTZSITE POLICE DEPARTMENT	0	(26,275)	101,814	(2,869)	2,586,127	(88,573)

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	2014 BALANCES	GASB 68 PRIOR ADJ	RESERVE TRANSFERS	CONTRIB RECEIVED	FIRE TAX RECEIVED	PENSION PAYMENTS
QUEEN CREEK FIRE DEPARTMENT	1,609,391	(1,658)	(23,337)	1,729,329	77,771	(129,228)
QUEEN VALLEY FIRE DISTRICT	159,058	(164)	0	15,997	1,304	0
RINCON VALLEY FIRE DISTRICT	2,905,696	(2,993)	1,524	214,508	32,995	(67,006)
RIO RICO FIRE DISTRICT	2,444,947	(2,519)	1,381	162,892	15,783	(16,589)
RIO VERDE FIRE DISTRICT	3,170,418	(3,266)	117,679	248,463	0	(51,036)
SAFFORD POLICE DEPARTMENT	2,851,860	(2,938)	0	524,986	0	(623,061)
SAHUARITA POLICE DEPARTMENT	5,398,119	(5,561)	0	468,919	0	(37,716)
SALT RIVER PIMA-MARICOPA FIRE	15,435,270	(15,901)	(20,976)	990,576	0	(529,037)
SALT RIVER PIMA-MARICOPA POLICE	13,883,371	(14,303)	135,593	1,236,266	0	(763,001)
SAN CARLOS TRIBAL POLICE DEPT.	2,091,182	(2,154)	(7,678)	183,572	0	0
SAN LUIS FIRE DEPARTMENT	2,669,890	(2,750)	53,789	189,618	18,624	(41,612)
SAN LUIS POLICE DEPARTMENT	3,711,443	(3,823)	0	248,515	0	(226,878)
SANTA CRUZ COUNTY SHERIFF'S DEPT.	4,373,934	(4,506)	(41,852)	512,953	0	(684,781)
SCOTTSDALE FIRE DEPARTMENT	35,977,190	(37,063)	596,110	711,088	1,535,902	(572,738)
SCOTTSDALE POLICE DEPARTMENT	109,705,074	(113,017)	2,533,753	8,970,204	0	(11,158,371)
SEDONA FIRE DISTRICT	12,917,743	(13,308)	60,316	1,000,419	135,346	(937,611)
SEDONA POLICE DEPARTMENT	4,252,460	(4,381)	2,101	396,718	0	(387,285)
SHOW LOW POLICE DEPARTMENT	4,694,646	(4,836)	75,444	495,177	0	(514,643)
SIERRA VISTA FIRE DEPARTMENT	10,818,743	(11,145)	193,766	622,501	91,761	(1,021,898)
SIERRA VISTA POLICE DEPARTMENT	10,956,980	(11,288)	38,098	1,231,440	0	(1,718,654)
SNOWFLAKE POLICE DEPARTMENT	1,472,867	(1,517)	82,949	189,537	0	(223,809)
SOMERTON FIRE DEPARTMENT	1,938,322	(1,997)	0	145,826	10,011	(124,729)
SOMERTON POLICE DEPARTMENT	2,464,844	(2,539)	46,428	166,006	0	(100,359)
SONOITA ELGIN FIRE DEPARTMENT	493,867	(509)	(16,788)	46,674	10,833	0
SOUTH TUCSON FIRE DEPARTMENT	1,219,432	(1,256)	0	84,561	0	(214,223)
SOUTH TUCSON POLICE DEPARTMENT	(331,512)	342	0	412,532	0	(551,060)
SPRINGERVILLE POLICE DEPARTMENT	1,341,395	(1,382)	0	59,564	0	(94,232)
ST. JOHNS POLICE DEPARTMENT	806,767	(831)	13,858	34,397	0	(59,204)
SUMMIT FIRE DISTRICT	5,889,466	(6,067)	173,046	312,391	28,986	(223,585)
SUN CITY FIRE DISTRICT	13,894,140	(14,314)	307,357	1,148,183	85,272	(1,369,107)
SUN CITY WEST FIRE DISTRICT	11,900,106	(12,259)	67,644	949,754	111,438	(663,822)
SUN LAKES FIRE DISTRICT	9,947,915	(10,248)	212,662	591,908	60,880	(504,905)
SUN SITES PEARCE FIRE DISTRICT	331,087	(352)	0	30,828	3,532	0
SUPERIOR POLICE DEPARTMENT	738,451	(761)	111,677	67,338	0	(85,900)
SURPRISE FIRE DEPARTMENT	18,462,514	(19,020)	118,755	1,113,685	281,065	(481,494)
SURPRISE POLICE DEPARTMENT	18,107,277	(18,654)	586,002	1,729,946	0	(949,940)
TEMPE FIRE DEPARTMENT	58,151,773	(59,907)	418,183	4,040,738	512,555	(6,792,189)
TEMPE POLICE DEPARTMENT	78,480,493	(80,850)	1,607,326	9,804,542	0	(11,964,884)
THATCHER POLICE DEPARTMENT	1,844,502	(1,900)	11,032	235,104	0	(263,800)
THREE POINTS FIRE DISTRICT	1,603,280	(1,652)	0	147,133	12,688	(108,900)

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)
FISCAL YEAR ENDED JUNE 30, 2015

PSPRS SYSTEM	DROP PAYMENT	ENHANCED REFUNDS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES	2014 UAAL
QUEEN CREEK FIRE DEPARTMENT	0	0	110,386	(3,085)	3,369,569	1,461,622
QUEEN VALLEY FIRE DISTRICT	0	0	8,956	(602)	184,548	20,356
RINCON VALLEY FIRE DISTRICT	0	0	155,490	(4,181)	3,236,032	29,465
RIO RICO FIRE DISTRICT	0	(12,394)	129,350	(3,542)	2,719,310	(452,753)
RIO VERDE FIRE DISTRICT	0	0	161,455	(4,330)	3,639,383	866,976
SAFFORD POLICE DEPARTMENT	0	0	146,777	(3,957)	2,893,666	7,912,295
SAHUARITA POLICE DEPARTMENT	0	(5,633)	273,195	(7,054)	6,084,269	102,371
SALT RIVER PIMA-MARICOPA FIRE	0	(7,144)	750,980	(18,712)	16,585,056	5,218,043
SALT RIVER PIMA-MARICOPA POLICE	(86,736)	(230,390)	702,508	(17,528)	14,845,780	7,423,934
SAN CARLOS TRIBAL POLICE DEPT.	0	(86,209)	104,048	(2,923)	2,279,837	663,607
SAN LUIS FIRE DEPARTMENT	0	(295)	138,174	(3,755)	3,021,684	118,378
SAN LUIS POLICE DEPARTMENT	0	(93,038)	179,881	(4,770)	3,811,330	2,122,912
SANTA CRUZ COUNTY SHERIFF'S DEPT.	0	(41,478)	213,595	(5,585)	4,322,280	8,650,313
SCOTTSDALE FIRE DEPARTMENT	(117,180)	(23)	2,046,600	(50,325)	40,089,562	(5,534,083)
SCOTTSDALE POLICE DEPARTMENT	(3,027,635)	(308,596)	5,113,560	(125,144)	111,589,827	111,779,006
SEDONA FIRE DISTRICT	0	(60,997)	638,219	(15,962)	13,724,165	10,577,512
SEDONA POLICE DEPARTMENT	0	0	193,322	(5,098)	4,447,837	3,598,698
SHOW LOW POLICE DEPARTMENT	0	0	225,276	(5,876)	4,965,188	5,719,028
SIERRA VISTA FIRE DEPARTMENT	(582,998)	(62,663)	469,999	(11,851)	10,506,216	10,511,118
SIERRA VISTA POLICE DEPARTMENT	0	(16,931)	516,861	(12,992)	10,983,515	19,120,648
SNOWFLAKE POLICE DEPARTMENT	0	(16,187)	72,784	(2,154)	1,574,470	2,236,128
SOMERTON FIRE DEPARTMENT	0	0	95,426	(2,711)	2,060,147	1,095,900
SOMERTON POLICE DEPARTMENT	(131,031)	0	121,631	(3,347)	2,561,631	1,414,419
SONOITA ELGIN FIRE DEPARTMENT	0	(94,661)	22,753	(936)	461,232	82,140
SOUTH TUCSON FIRE DEPARTMENT	0	0	49,864	(1,594)	1,136,784	2,038,860
SOUTH TUCSON POLICE DEPARTMENT	0	0	4,804	(354)	(465,249)	7,960,978
SPRINGERVILLE POLICE DEPARTMENT	0	0	58,728	(1,811)	1,362,262	761,494
ST. JOHNS POLICE DEPARTMENT	0	0	35,968	(1,256)	829,699	300,954
SUMMIT FIRE DISTRICT	0	0	291,993	(7,512)	6,458,719	1,836,901
SUN CITY FIRE DISTRICT	(135,817)	0	700,311	(17,470)	14,598,555	18,811,515
SUN CITY WEST FIRE DISTRICT	(260,240)	0	593,212	(14,864)	12,670,969	10,543,362
SUN LAKES FIRE DISTRICT	(315,403)	(166)	464,930	(11,734)	10,435,839	4,299,871
SUN SITES PEARCE FIRE DISTRICT	0	0	19,050	(856)	383,289	27,219
SUPERIOR POLICE DEPARTMENT	0	0	36,594	(1,263)	866,137	223,687
SURPRISE FIRE DEPARTMENT	0	0	956,696	(23,732)	20,408,468	5,403,530
SURPRISE POLICE DEPARTMENT	0	(121)	951,951	(23,613)	20,382,847	10,631,735
TEMPE FIRE DEPARTMENT	(1,762,373)	0	2,537,356	(62,287)	56,983,848	74,261,102
TEMPE POLICE DEPARTMENT	(2,501,505)	(32,288)	3,769,779	(92,360)	78,990,255	145,715,708
THATCHER POLICE DEPARTMENT	0	(57,320)	89,394	(2,553)	1,854,460	3,326,893
THREE POINTS FIRE DISTRICT	0	0	81,630	(2,376)	1,731,803	838,137

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	2014 BALANCES	GASB 68 PRIOR ADJ	RESERVE TRANSFERS	CONTRIB RECEIVED	FIRE TAX RECEIVED	PENSION PAYMENTS
TIMBER MESA FIRE AND MEDICAL DIST	7,155,373	(7,371)	79,369	396,791	79,979	(193,468)
TOHONO O'ODHAM NATION FIRE DEPT.	4,783,190	(4,928)	(998)	335,959	0	(17,248)
TOHONO O'ODHAM NATION POLICE DEPT	13,844,555	(14,263)	111,760	720,262	0	(592,886)
TOLLESON FIRE DEPARTMENT	5,407,705	(5,571)	0	372,971	28,682	(230,974)
TOLLESON POLICE DEPARTMENT	3,496,262	(3,602)	94,469	454,309	0	(384,029)
TOMBSTONE MARSHAL'S DEPARTMENT	641,574	(661)	0	10,686	0	0
TONOPAH VALLEY FIRE DISTRICT	508,399	(524)	0	61,215	0	0
TOWN OF SUPERIOR (FIRE DEPT)	403,599	(416)	0	23,591	0	(17,597)
TRI-CITY FIRE DISTRICT	1,677,111	(1,728)	155,982	143,220	4,190	(57,756)
TUBAC FIRE DISTRICT	3,300,989	(3,401)	0	193,611	22,708	(55,517)
TUCSON AIRPORT AUTHORITY FIRE DPT	3,636,004	(3,746)	(49,916)	527,805	0	(824,231)
TUCSON AIRPORT AUTHORITY POLICE	2,946,755	(3,036)	70,964	614,539	0	(825,779)
TUCSON FIRE	144,214,247	(148,568)	1,129,303	16,220,586	966,016	(27,106,026)
TUCSON POLICE	247,541,202	(255,014)	3,814,571	26,978,551	0	(42,332,883)
U OF A CAMPUS POLICE DEPARTMENT	9,087,876	(9,362)	91,125	953,734	0	(945,722)
VERDE VALLEY FIRE DISTRICT	4,836,781	(4,983)	0	232,228	30,796	(204,825)
WELLTON POLICE	512,040	(528)	47,255	47,562	0	(96,264)
WHETSTONE FIRE DISTRICT	233,317	(240)	0	24,374	0	0
WICKENBURG FIRE DEPARTMENT	741,488	(764)	0	55,527	18,652	0
WICKENBURG POLICE DEPARTMENT	1,987,196	(2,047)	94,390	231,967	0	(344,348)
WILLCOX POLICE DEPARTMENT	1,501,250	(1,547)	(2,546)	193,052	0	(258,577)
WILLIAMS POLICE DEPARTMENT	1,176,032	(1,212)	(4,094)	88,900	0	(117,552)
WILLIAMSON VALLEY FIRE DISTRICT	327,951	(338)	17,522	114,081	3,436	0
WINSLOW FIRE DEPARTMENT	5,608,167	(5,777)	0	30,084	6,778	(132,871)
WINSLOW POLICE DEPARTMENT	4,194,658	(4,321)	72,599	243,243	0	(321,716)
WITTMANN FIRE DISTRICT	539,241	(556)	0	55,066	8,301	0
YAVAPAI CNTY ATTRNY INVESTIGATORS	(75,268)	78	0	8,301	0	(76,767)
YAVAPAI COUNTY SHERIFF'S DEPT.	15,267,274	(15,728)	148,560	2,010,938	0	(2,449,007)
YAVAPAI PRESCOTT TRIBAL POLICE	478,428	(493)	4,923	34,134	0	0
YOUNGTOWN POLICE DEPARTMENT	615,867	(634)	(12,024)	35,339	0	(108,731)
YUMA COUNTY SHERIFF'S DEPARTMENT	11,597,305	(11,947)	88,831	1,354,473	0	(1,483,347)
YUMA FIRE DEPARTMENT	21,907,724	(22,569)	586,530	2,609,151	141,366	(3,771,737)
YUMA POLICE DEPARTMENT	33,339,771	(34,346)	243,690	3,321,709	0	(4,825,244)
TOTALS	4,686,532,056	(4,828,048)	59,751,527	434,947,227	13,150,331	(560,333,924)

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	DROP PAYMENT	ENHANCED REFUNDS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES	2014 UAAL
TIMBER MESA FIRE AND MEDICAL DIST	0	(68,530)	372,057	(10,226)	7,803,974	649,737
TOHONO O'ODHAM NATION FIRE DEPT.	0	(6,112)	239,080	(6,223)	5,322,722	(151,261)
TOHONO O'ODHAM NATION POLICE DEPT	0	(7,449)	611,542	(15,310)	14,658,212	4,281,828
TOLLESON FIRE DEPARTMENT	0	0	289,531	(7,452)	5,854,892	2,396,354
TOLLESON POLICE DEPARTMENT	0	(59,653)	179,481	(4,761)	3,772,476	4,155,646
TOMBSTONE MARSHAL'S DEPARTMENT	0	0	29,457	(1,095)	679,960	(490,479)
TONOPAH VALLEY FIRE DISTRICT	0	0	28,028	(1,063)	596,055	(252,907)
TOWN OF SUPERIOR (FIRE DEPT)	0	0	18,586	(833)	426,930	(78,688)
TRI-CITY FIRE DISTRICT	0	0	94,058	(2,681)	2,012,396	138,811
TUBAC FIRE DISTRICT	0	(30,797)	169,662	(4,524)	3,592,730	731,782
TUCSON AIRPORT AUTHORITY FIRE DPT	0	0	164,399	(4,385)	3,445,929	9,806,664
TUCSON AIRPORT AUTHORITY POLICE	(183,027)	0	154,668	(4,150)	2,770,934	11,034,317
TUCSON FIRE	(4,256,108)	0	6,307,289	(154,261)	137,172,479	297,073,214
TUCSON POLICE	(11,537,409)	(28,842)	10,553,615	(257,865)	234,475,926	465,901,131
U OF A CAMPUS POLICE DEPARTMENT	(49,358)	(210)	466,167	(14,165)	9,580,085	12,233,304
VERDE VALLEY FIRE DISTRICT	0	0	232,682	(6,062)	5,116,616	1,586,230
WELLTON POLICE	0	0	22,586	(923)	531,729	792,971
WHETSTONE FIRE DISTRICT	0	0	13,047	(701)	269,796	(108,852)
WICKENBURG FIRE DEPARTMENT	0	0	39,780	(1,357)	853,325	(114,968)
WICKENBURG POLICE DEPARTMENT	(34,286)	0	91,892	(2,620)	2,022,144	2,800,955
WILLCOX POLICE DEPARTMENT	0	0	68,949	(2,059)	1,498,523	2,952,311
WILLIAMS POLICE DEPARTMENT	0	0	52,134	(1,647)	1,192,561	1,000,424
WILLIAMSON VALLEY FIRE DISTRICT	0	(11,480)	25,896	(1,018)	476,051	(94,938)
WINSLOW FIRE DEPARTMENT	0	(619)	212,441	(5,566)	5,712,638	(2,845,849)
WINSLOW POLICE DEPARTMENT	(33,880)	0	193,154	(5,091)	4,338,646	3,379,515
WITTMANN FIRE DISTRICT	0	0	31,533	(1,157)	632,429	(47,231)
YAVAPAI CNTY ATTRNY INVESTIGATORS	0	0	(3,918)	(377)	(147,951)	1,198,800
YAVAPAI COUNTY SHERIFF'S DEPT.	0	(50,430)	773,273	(19,247)	15,665,631	28,217,311
YAVAPAI PRESCOTT TRIBAL POLICE	0	(37,490)	23,080	(947)	501,635	(302,489)
YOUNGTOWN POLICE DEPARTMENT	0	0	22,563	(919)	551,461	888,564
YUMA COUNTY SHERIFF'S DEPARTMENT	0	(17,420)	571,187	(14,313)	12,084,767	15,269,099
YUMA FIRE DEPARTMENT	(617,254)	(199)	1,040,382	(25,761)	21,847,632	40,310,568
YUMA POLICE DEPARTMENT	(859,004)	(99,415)	1,497,736	(36,917)	32,547,980	46,838,276
TOTALS	(104,804,268)	(5,542,326)	216,316,897	(5,386,939)	4,729,802,534	6,214,052,497

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES						
FISCAL YEAR ENDED JUNE 30, 2015						
CORP PLAN	2014 BALANCES	GASB 68 PRIOR ADJ	RESERVE TRANSFERS	CONTRIB RECEIVED	PENSION PAYMENTS	DROP PAYMENTS
ADMIN. OFFICE OF THE COURT (CORP-AOC)	238,403,288	(271,770)	5,410,286	16,560,621	(16,956,296)	(2,174,688)
APACHE COUNTY - CORP	970,664	(1,107)	0	59,845	(90,730)	0
CITY OF AVONDALE - DETENTION	695,955	(793)	7,517	49,425	(11,584)	0
CITY OF SOMERTON - DISPATCHERS	302,861	(345)	0	37,216	(32,389)	0
COCHISE COUNTY - CORP	3,650,771	(4,162)	62,745	268,393	(386,901)	0
COCONINO COUNTY - CORP	4,727,872	(5,390)	46,040	296,134	(211,791)	0
DEPARTMENT OF CORRECTIONS - CORP	570,699,122	(650,573)	11,583,885	43,105,415	(66,991,699)	(1,149,918)
DEPARTMENT OF PUBLIC SAFETY	6,293,935	(7,175)	69,087	283,620	(329,223)	0
DEPARTMENT OF PUBLIC SAFETY DETENTION	(2,159)	2	0	5,382	0	0
DEPT OF JUVENILE CORRECTIONS-CORP	46,654,940	(53,185)	648,784	2,831,177	(6,423,929)	0
GILA COUNTY - CORP	2,698,234	(3,076)	0	181,989	(116,206)	0
GILA COUNTY - DISPATCHERS	1,027,116	(1,171)	100	30,530	(80,128)	0
GRAHAM COUNTY - DETENTION	1,376,255	(1,569)	7,039	74,587	(110,789)	0
GRAHAM COUNTY - DISPATCHERS	333,299	(380)	0	10,664	0	0
MARICOPA COUNTY - CORP	142,141,859	(162,036)	2,630,466	12,465,970	(12,787,421)	(641,988)
MOHAVE COUNTY - CORP	4,943,070	(5,635)	169,442	265,631	(212,087)	0
NAVAJO COUNTY - CORP	2,529,484	(2,884)	106,186	123,062	(169,272)	0
ORO VALLEY - DISPATCHERS	812,823	(927)	94,726	64,005	(71,409)	0
PIMA COUNTY - CORP	35,987,639	(41,024)	657,287	3,440,999	(4,959,841)	0
PINAL COUNTY - CORP	16,930,000	(19,299)	218,384	937,505	(701,364)	0
PINAL COUNTY - DISPATCHERS	937,872	(1,069)	0	61,894	(54,943)	0
SANTA CRUZ COUNTY - CORP	1,721,246	(1,962)	51,611	68,898	(102,577)	0
TOWN OF MARANA - DISPATCHERS	558,092	(636)	0	49,045	0	0
TOWN OF WICKENBURG-DISPATCHEERS	316,508	(361)	163	19,780	(48,252)	0
YAVAPAI COUNTY - CORP	6,846,876	(7,805)	67,309	775,798	(776,867)	0
YAVAPAI COUNTY - DISPATCHERS	514,370	(586)	(6,779)	24,321	(39,324)	0
YUMA COUNTY - CORP	8,817,896	(10,052)	142,029	485,516	(751,068)	0
TOTALS	1,100,889,886	(1,254,968)	21,966,304	82,577,422	(112,416,091)	(3,966,594)

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)					
FISCAL YEAR ENDED JUNE 30, 2015					
CORP PLAN	ENHANCED REFUNDS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES	2014 UAAL
ADMIN. OFFICE OF THE COURT	(559,969)	11,804,089	(289,680)	251,925,881	221,431,155
APACHE COUNTY - CORP	(15)	46,477	(1,505)	983,629	659,356
CITY OF AVONDALE - DETENTION	0	40,330	(1,388)	779,461	346,538
CITY OF SOMERTON - DISPATCHERS	0	16,191	(787)	322,748	558,536
COCHISE COUNTY - CORP	(15,747)	182,577	(4,869)	3,752,808	3,559,958
COCONINO COUNTY - CORP	(14,219)	246,544	(6,468)	5,078,722	2,129,808
DEPARTMENT OF CORRECTIONS - CORP	(5,813,940)	28,414,320	(704,717)	578,491,895	612,852,923
DEPARTMENT OF PUBLIC SAFETY	(80,872)	315,284	(10,643)	6,534,013	4,026,609
DEPARTMENT OF PUBLIC SAFETY DETENTION	(167)	1,260	(2,810)	1,508	19,828
DEPT OF JUVENILE CORRECTIONS-CORP	(369,377)	2,139,140	(55,494)	45,372,057	51,105,220
GILA COUNTY - CORP	(82,408)	144,624	(3,947)	2,819,210	594,089
GILA COUNTY - DISPATCHERS	0	45,656	(1,505)	1,020,598	428,671
GRAHAM COUNTY - DETENTION	(14,054)	67,673	(2,059)	1,397,084	433,171
GRAHAM COUNTY - DISPATCHERS	0	18,096	(835)	360,844	(76,216)
MARICOPA COUNTY - CORP	(1,161,886)	7,511,442	(185,964)	149,810,441	151,999,578
MOHAVE COUNTY - CORP	(2,394)	243,014	(6,374)	5,394,668	(617,830)
NAVAJO COUNTY - CORP	(109,791)	120,952	(3,354)	2,594,382	560,297
ORO VALLEY - DISPATCHERS	(38,721)	45,101	(1,490)	904,109	1,041,436
PIMA COUNTY - CORP	(379,348)	1,765,695	(44,001)	36,427,405	51,522,268
PINAL COUNTY - CORP	(894,770)	891,339	(22,404)	17,339,392	6,925,306
PINAL COUNTY - DISPATCHERS	(44,518)	52,764	(1,670)	950,330	845,177
SANTA CRUZ COUNTY - CORP	(4,661)	80,723	(2,361)	1,810,917	202,143
TOWN OF MARANA - DISPATCHERS	(18,995)	34,230	(1,233)	620,503	415,685
TOWN OF WICKENBURG-DISPATCHEERS	0	14,276	(721)	301,392	390,374
YAVAPAI COUNTY - CORP	(245,086)	389,607	(9,992)	7,039,839	8,764,450
YAVAPAI COUNTY - DISPATCHERS	(10,287)	24,701	(999)	505,418	343,947
YUMA COUNTY - CORP	(290,984)	429,272	(10,977)	8,811,631	5,871,173
TOTALS	(10,152,208)	55,085,378	(1,378,245)	1,131,350,884	1,126,333,650

OPERATING INFORMATION

SCHEDULE OF CHANGES IN HEALTH INSURANCE RESERVE BALANCES						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	2014 BALANCES	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES
AK CHIN INDIAN COMM. FIRE DEPT.	126,905	14,740	(3,120)	4,854	(129)	143,250
AK CHIN INDIAN COMM. POLICE DEPT.	71,636	11,740	0	2,822	(81)	86,118
APACHE COUNTY SHERIFF'S DEPT.	253,796	25,206	(14,280)	9,549	(261)	274,010
APACHE JUNCTION FIRE DISTRICT	699,834	54,685	(8,830)	26,419	(657)	771,451
APACHE JUNCTION POLICE DEPARTMENT	650,465	49,149	(21,160)	24,318	(616)	702,156
ARIZONA STATE PARK RANGERS	560,952	40,571	(14,752)	21,065	(685)	607,151
ASU PD PSPRS LOCAL BOARD	858,156	70,998	(33,441)	32,201	(953)	926,961
ATTORNEY GENERAL INVESTIGATORS	300,292	55,492	(32,082)	11,472	(497)	334,677
AVONDALE FIRE DEPARTMENT	380,884	52,921	(7,820)	14,636	(367)	440,254
AVONDALE POLICE DEPARTMENT	617,692	68,626	(23,840)	23,504	(587)	685,395
AVRA VALLEY FIRE DISTRICT	133,768	12,085	0	5,105	(141)	150,817
AZ DPT. LIQ. LIC. & CONTROL INVST	98,463	21,363	(18,287)	3,682	(167)	105,054
BENSON FIRE DEPARTMENT	8,089	460	0	283	(14)	8,819
BENSON POLICE DEPARTMENT	138,484	9,665	(2,678)	5,196	(153)	150,514
BISBEE FIRE DEPARTMENT	217,080	11,663	(8,479)	8,037	(290)	228,011
BISBEE POLICE DEPARTMENT	151,208	15,038	(11,144)	5,625	(174)	160,553
BLACK CANYON FIRE DISTRICT	33,723	2,895	0	1,282	(49)	37,851
BUCKEYE FIRE DEPARTMENT	312,253	54,892	0	12,277	(308)	379,113
BUCKEYE POLICE DEPARTMENT	418,089	50,867	(1,550)	16,179	(406)	483,178
BUCKEYE VALLEY FIRE DISTRICT	237,796	27,351	0	9,143	(235)	274,054
BUCKSKIN FIRE DISTRICT	58,568	6,886	(1,927)	2,230	(68)	65,688
BULLHEAD CITY FIRE DEPARTMENT	1,096,161	61,311	(18,151)	40,879	(1,013)	1,179,188
BULLHEAD CITY POLICE DEPARTMENT	927,868	72,322	(33,697)	34,713	(865)	1,000,341
CAMP VERDE FIRE DISTRICT	150,137	12,734	0	5,721	(152)	168,441
CAMP VERDE MARSHALL'S	161,274	9,498	(6,330)	5,971	(166)	170,246
CASA GRANDE FIRE DEPARTMENT	366,815	41,681	(13,411)	13,854	(349)	408,591
CASA GRANDE POLICE DEPARTMENT	745,511	58,353	(24,070)	27,983	(701)	807,076
CAVE CREEK MARSHALS	6,456	752	0	250	(18)	7,439
CENTRAL AZ. COLLEGE POLICE DEPT.	18,877	2,902	0	742	(30)	22,490
CENTRAL YAVAPAI FIRE DISTRICT	902,318	72,053	(40,874)	33,623	(835)	966,285
CHANDLER FIRE DEPARTMENT	2,129,401	188,404	(81,393)	79,329	(1,947)	2,313,794
CHANDLER POLICE DEPARTMENT	3,424,650	350,708	(145,688)	129,265	(3,167)	3,755,769
CHINO VALLEY FIRE DISTRICT	265,256	23,554	(12,850)	9,885	(254)	285,591
CHINO VALLEY POLICE DEPARTMENT	219,610	16,950	(8,352)	8,205	(221)	236,192
CHRISTOPHER-KOHL'S FIRE DISTRICT	14,608	2,266	(900)	557	(29)	16,503
CITY OF MARICOPA - FIRE	227,472	31,426	(1,800)	8,838	(225)	265,712
CITY OF MARICOPA (POLICE DEPT.)	180,279	26,756	0	7,055	(182)	213,907
CLARKDALE FIRE DISTRICT	25,683	4,057	0	1,004	(35)	30,709
CLARKDALE POLICE DEPARTMENT	120,207	7,475	(3,003)	4,480	(136)	129,023
CLIFTON FIRE DEPARTMENT	13,443	0	(1,200)	473	(58)	12,658

OPERATING INFORMATION

SCHEDULE OF CHANGES IN HEALTH INSURANCE RESERVE BALANCES						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	2014 BALANCES	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES
CLIFTON POLICE DEPARTMENT	46,572	2,024	0	1,739	(73)	50,261
COCHISE COUNTY SHERIFF'S DEPT	1,047,726	110,900	(41,203)	39,020	(982)	1,155,461
COCONINO COUNTY SHERIFF'S DEPT	580,646	66,368	(48,034)	21,637	(551)	620,065
COOLIDGE FIRE DEPARTMENT	7,834	2,565	0	307	(17)	10,688
COOLIDGE POLICE DEPARTMENT	313,053	24,101	(8,103)	11,686	(309)	340,427
CORONA DE TUCSON FIRE DISTRICT	81,222	8,474	0	3,108	(91)	92,713
COTTONWOOD FIRE DEPARTMENT	119,424	16,613	(6,240)	4,534	(121)	134,210
COTTONWOOD POLICE DEPARTMENT	256,619	22,459	(4,587)	9,703	(259)	283,935
DAISY MOUNTAIN FIRE DISTRICT	456,729	52,561	0	17,535	(437)	526,387
DEPARTMENT OF EMER & MILITARY AFF	544,909	29,728	(1,889)	20,461	(691)	592,519
DEPARTMENT OF PUBLIC SAFETY	29,365,437	1,677,462	(1,481,307)	1,082,402	(26,633)	30,617,361
DESERT HILLS FIRE DEPARTMENT	52,259	8,172	0	2,045	(62)	62,413
DOUGLAS FIRE DEPARTMENT	398,989	15,838	(12,535)	14,684	(398)	416,577
DOUGLAS POLICE DEPARTMENT	550,616	27,202	(20,312)	20,377	(529)	577,355
DREXEL HEIGHTS FIRE DISTRICT	707,023	52,118	(11,597)	26,517	(663)	773,399
EAGAR POLICE DEPARTMENT	108,503	4,943	0	4,063	(121)	117,388
EL MIRAGE FIRE DEPARTMENT	101,756	10,870	0	3,901	(105)	116,422
EL MIRAGE POLICE DEPARTMENT	246,091	25,326	(3,559)	9,432	(243)	277,047
ELOY FIRE DISTRICT	112,129	13,270	0	4,314	(117)	129,596
ELOY POLICE DEPARTMENT	289,338	17,712	(3,000)	10,857	(283)	314,623
FLAGSTAFF FIRE DEPARTMENT	2,460,038	113,930	(96,788)	90,478	(2,242)	2,565,417
FLAGSTAFF POLICE DEPARTMENT	1,367,242	98,997	(67,477)	50,878	(1,265)	1,448,376
FLORENCE FIRE DEPARTMENT	90,567	12,107	0	3,497	(96)	106,075
FLORENCE POLICE DEPARTMENT	190,234	19,199	(4,320)	7,213	(192)	212,133
FORT MCDOWELL TRIBAL FIRE DEPT.	80,785	6,196	0	3,063	(90)	89,954
FORT MCDOWELL TRIBAL POLICE DEPT.	164,789	13,575	0	6,268	(168)	184,464
FORT MOJAVE MESA FIRE DISTRICT	256,318	23,987	(10,563)	9,622	(247)	279,117
FORT MOJAVE TRIBAL POLICE DEPT.	81,993	8,223	0	3,145	(89)	93,272
FREDONIA MARSHALS	45,254	1,473	0	1,685	(71)	48,340
FRY FIRE DISTRICT	303,929	38,652	(26,297)	11,320	(291)	327,314
GAME AND FISH DEPARTMENT	2,693,679	197,866	(166,721)	99,538	(2,693)	2,821,669
GILA COUNTY SHERIFF'S DEPARTMENT	563,812	32,379	(13,827)	20,980	(545)	602,798
GILA RIVER FIRE DEPARTMENT	359,957	30,945	0	13,704	(348)	404,257
GILA RIVER POLICE DEPARTMENT	535,671	59,854	0	20,583	(516)	615,592
GILBERT FIRE DEPARTMENT	1,026,937	121,800	(3,003)	39,074	(963)	1,183,845
GILBERT POLICE DEPARTMENT	1,743,276	173,999	(29,097)	66,468	(1,634)	1,953,012
GLENDALE FIRE DEPARTMENT	3,869,512	240,503	(120,415)	143,597	(3,521)	4,129,677
GLENDALE POLICE DEPARTMENT	4,316,458	484,310	(261,914)	162,196	(3,973)	4,697,076
GLOBE FIRE DEPARTMENT	154,066	20,460	(15,480)	5,738	(158)	164,627
GLOBE POLICE DEPARTMENT	253,983	21,567	(13,453)	9,464	(258)	271,302

OPERATING INFORMATION

SCHEDULE OF CHANGES IN HEALTH INSURANCE RESERVE BALANCES						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	2014 BALANCES	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES
GOLDEN SHORES FIRE DISTRICT	25,276	3,578	0	989	(34)	29,810
GOLDEN VALLEY FIRE DISTRICT	145,533	13,567	(3,600)	5,495	(149)	160,846
GOLDER RANCH FIRE DISTRICT	799,211	84,617	(20,590)	30,196	(749)	892,684
GOODYEAR FIRE DEPARTMENT	461,292	53,733	(560)	17,673	(440)	531,698
GOODYEAR POLICE DEPARTMENT	630,500	65,983	(10,558)	24,109	(601)	709,434
GRAHAM COUNTY ATTORNEY INVEST.	0	0	0	0	0	0
GRAHAM COUNTY SHERIFF'S DEPT.	197,080	12,655	(2,253)	7,407	(203)	214,687
GREEN VALLEY FIRE DISTRICT	485,412	43,939	(32,795)	17,871	(449)	513,978
GREENLEE COUNTY SHERIFF'S DEPT.	221,373	12,411	(1,200)	8,306	(228)	240,661
GROOM CREEK FIRE DISTRICT	20,474	2,744	0	795	(31)	23,982
GUADALUPE FIRE DEPARTMENT	28,357	3,802	(1,200)	1,082	(41)	32,001
HARQUAHALA FIRE DISTRICT	41,505	3,664	0	1,586	(52)	46,704
HAYDEN POLICE DEPARTMENT	39,040	6,029	0	1,576	(51)	46,594
HEBER-OVERGAARD FIRE DISTRICT	74,588	5,222	0	2,803	(84)	82,529
HELLSGATE FIRE DISTRICT	47,156	4,703	0	1,802	(55)	53,604
HIGHLANDS FIRE DISTRICT	144,292	14,537	(1,800)	5,506	(147)	162,388
HOLBROOK POLICE DEPARTMENT	200,112	11,045	(7,366)	7,386	(221)	210,956
HUACHUCA CITY POLICE DEPARTMENT	12,202	4,402	0	526	(27)	17,103
HUALAPAI INDIAN TRIBE POLICE DEPT	45,068	7,303	0	1,770	(54)	54,087
JEROME POLICE DEPARTMENT	17,795	1,630	0	681	(36)	20,069
KEARNY POLICE DEPARTMENT	37,295	3,223	(209)	1,416	(44)	41,680
KINGMAN FIRE DEPARTMENT	608,008	39,063	(7,650)	22,791	(573)	661,639
KINGMAN POLICE DEPARTMENT	513,140	45,812	(16,235)	19,301	(488)	561,530
LA PAZ COUNTY ATTY. INVESTIGATORS	11,462	0	(426)	413	(31)	11,418
LA PAZ COUNTY SHERIFF'S DEPT.	400,405	19,384	(9,873)	14,756	(388)	424,283
LAKE HAVASU CITY FIRE DEPARTMENT	1,383,186	81,763	(74,330)	50,761	(1,265)	1,440,116
LAKE HAVASU CITY POLICE DEPT.	966,285	80,248	(43,272)	36,158	(901)	1,038,518
LAKE MOHAVE RANCHOS FIRE DISTRICT	49,930	2,325	0	1,861	(66)	54,050
MAMMOTH POLICE DEPARTMENT	31,586	1,193	0	1,182	(64)	33,897
MARANA POLICE DEPARTMENT	637,639	64,555	(16,180)	24,164	(607)	709,571
MARICOPA CNTY ATTY INVESTIGATORS	240,523	20,836	(15,734)	8,990	(240)	254,375
MARICOPA COUNTY PARK RANGERS	45,939	0	(5,400)	1,593	(50)	42,083
MARICOPA COUNTY SHERIFF'S OFFICE	11,602,001	955,222	(353,079)	435,867	(10,658)	12,629,354
MAYER FIRE DISTRICT	83,158	8,755	0	3,197	(89)	95,021
MESA FIRE DEPARTMENT	7,275,464	505,725	(477,751)	266,218	(6,512)	7,563,144
MESA POLICE DEPARTMENT	10,070,551	1,136,380	(1,071,209)	369,885	(9,039)	10,496,568
MIAMI POLICE DEPARTMENT	54,536	3,346	0	2,045	(72)	59,856
MOHAVE COUNTY SHERIFF'S DEPT.	1,180,724	69,831	(20,443)	44,149	(1,101)	1,273,161
MOHAVE VALLEY FIRE DISTRICT	316,262	17,124	0	11,828	(309)	344,906
MONTEZUMA RIMROCK FIRE DISTRICT	47,412	5,122	(2,580)	1,773	(58)	51,670

OPERATING INFORMATION

SCHEDULE OF CHANGES IN HEALTH INSURANCE RESERVE BALANCES						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	2014 BALANCES	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES
MOUNT LEMMON FIRE DISTRICT	23,110	2,737	0	882	(36)	26,694
NAU CAMPUS POLICE	283,269	19,269	(18,306)	10,418	(285)	294,366
NAVAJO COUNTY ATTY'S INVESTIGATOR	7,835	0	(880)	282	(117)	7,120
NAVAJO COUNTY SHERIFF'S DEPT.	547,274	31,534	(9,350)	20,456	(538)	589,376
NOGALES FIRE DEPARTMENT	484,149	48,041	(41,080)	17,920	(458)	508,572
NOGALES POLICE DEPARTMENT	858,250	69,169	(52,840)	31,792	(802)	905,569
NORTHERN AZ. CONSOLIDATED FD #1	133,683	21,175	(4,790)	5,141	(138)	155,071
NORTHWEST FIRE DISTRICT	1,440,711	128,688	(21,290)	54,393	(1,340)	1,601,163
ORACLE FIRE DISTRICT	17,829	2,592	0	695	(31)	21,085
ORO VALLEY POLICE DEPT.	909,094	108,743	(11,704)	34,756	(863)	1,040,026
PAGE FIRE DEPARTMENT	49,397	6,172	(1,200)	1,877	(58)	56,188
PAGE POLICE DEPARTMENT	353,015	8,739	0	13,085	(357)	374,482
PALOMINAS FIRE DISTRICT	22,881	2,571	0	876	(42)	26,286
PARADISE VALLEY POLICE DEPARTMENT	410,692	55,952	(37,052)	15,249	(391)	444,451
PARKER POLICE DEPARTMENT	126,742	6,740	(750)	4,763	(140)	137,356
PASCUA YAQUI TRIBE FIRE DEPT.	144,374	15,330	0	5,551	(150)	165,105
PASCUA YAQUI TRIBE POLICE DEPT.	161,410	20,035	(3,780)	6,203	(164)	183,705
PATAGONIA MARSHALS	27,097	1,272	0	1,016	(43)	29,342
PAYSON FIRE DEPARTMENT	181,133	25,773	(19,800)	6,724	(177)	193,652
PAYSON POLICE DEPARTMENT	255,306	30,085	(23,738)	9,495	(251)	270,897
PEORIA FIRE DEPARTMENT	1,358,498	109,185	(13,597)	51,171	(1,260)	1,503,997
PEORIA POLICE DEPARTMENT	1,667,318	141,969	(59,248)	62,848	(1,547)	1,811,341
PHOENIX FIRE DEPARTMENT	34,642,713	1,792,299	(1,572,718)	1,270,963	(31,028)	36,102,228
PHOENIX POLICE DEPARTMENT	60,971,639	3,474,333	(2,710,983)	2,248,054	(54,867)	63,928,176
PICTURE ROCKS FIRE DISTRICT	178,503	7,192	(5,400)	6,562	(179)	186,678
PIMA COUNTY ATTORNEY INVESTIGATOR	99,730	6,299	(3,240)	3,711	(116)	106,384
PIMA COUNTY COMM. COLLEGE POLICE	342,399	21,032	(5,717)	12,814	(339)	370,189
PIMA COUNTY SHERIFF'S DEPARTMENT	7,458,489	568,616	(376,541)	276,690	(6,771)	7,920,483
PIMA POLICE DEPARTMENT	21,559	1,647	0	818	(41)	23,984
PINAL COUNTY SHERIFF'S DEPARTMENT	2,113,824	156,570	(57,034)	79,226	(1,952)	2,290,633
PINE-STRAWBERRY FIRE DISTRICT	169,362	8,785	(1,993)	6,296	(170)	182,280
PINETOP FIRE DISTRICT	136,513	14,835	(3,240)	5,169	(138)	153,139
PINETOP-LAKESIDE POLICE DEPT.	88,629	11,670	(7,563)	3,318	(99)	95,955
PINEWOOD FIRE DISTRICT	36,269	9,064	(3,780)	1,423	(41)	42,934
PONDEROSA FIRE DISTRICT	2,462	2,667	0	132	(29)	5,232
PRESCOTT FIRE DEPARTMENT	1,070,841	93,168	(49,117)	40,206	(1,066)	1,154,032
PRESCOTT POLICE DEPARTMENT	733,379	75,339	(63,937)	27,215	(688)	771,308
PRESCOTT VALLEY POLICE DEPARTMENT	505,727	45,845	(9,257)	19,114	(481)	560,948
QUARTZSITE FIRE DISTRICT	34,242	3,831	0	1,314	(45)	39,343
QUARTZSITE POLICE DEPARTMENT	105,979	5,830	(2,835)	3,944	(111)	112,806

OPERATING INFORMATION

SCHEDULE OF CHANGES IN HEALTH INSURANCE RESERVE BALANCES						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	2014 BALANCES	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES
QUEEN CREEK FIRE DEPARTMENT	58,485	68,365	(3,120)	2,403	(67)	126,066
QUEEN VALLEY FIRE DISTRICT	9,479	1,639	0	375	(25)	11,468
RINCON VALLEY FIRE DISTRICT	134,279	16,382	(150)	5,165	(139)	155,538
RIO RICO FIRE DISTRICT	120,144	14,153	0	4,629	(127)	138,800
RIO VERDE FIRE DISTRICT	94,548	16,576	(1,871)	3,683	(99)	112,837
SAFFORD POLICE DEPARTMENT	251,529	26,910	(12,420)	9,439	(254)	275,204
SAHUARITA POLICE DEPARTMENT	215,561	41,343	(168)	8,339	(215)	264,860
SALT RIVER PIMA-MARICOPA FIRE	537,174	51,169	0	20,563	(512)	608,393
SALT RIVER PIMA-MARICOPA POLICE	564,677	61,962	(14,387)	21,554	(538)	633,268
SAN CARLOS TRIBAL POLICE DEPT.	107,842	9,738	0	4,144	(116)	121,607
SAN LUIS FIRE DEPARTMENT	153,643	15,238	0	5,856	(159)	174,579
SAN LUIS POLICE DEPARTMENT	235,539	20,193	(4,063)	8,952	(237)	260,384
SANTA CRUZ COUNTY SHERIFF'S DEPT.	406,846	29,168	(7,295)	15,307	(400)	443,625
SCOTTSDALE FIRE DEPARTMENT	1,029,601	151,927	(10,606)	38,404	(944)	1,208,382
SCOTTSDALE POLICE DEPARTMENT	5,738,894	444,529	(251,437)	214,117	(5,240)	6,140,863
SEDONA FIRE DISTRICT	398,546	54,604	(18,556)	15,142	(379)	449,357
SEDONA POLICE DEPARTMENT	244,383	19,510	(1,800)	9,259	(244)	271,108
SHOW LOW POLICE DEPARTMENT	319,260	25,197	(4,887)	12,062	(315)	351,317
SIERRA VISTA FIRE DEPARTMENT	529,961	49,583	(46,675)	19,374	(489)	551,753
SIERRA VISTA POLICE DEPARTMENT	667,118	68,323	(85,823)	24,237	(609)	673,246
SNOWFLAKE POLICE DEPARTMENT	112,468	9,927	(1,626)	4,270	(126)	124,913
SOMERTON FIRE DEPARTMENT	114,225	9,981	(1,800)	4,316	(123)	126,600
SOMERTON POLICE DEPARTMENT	172,162	14,637	(1,800)	6,521	(179)	191,340
SONOITA ELGIN FIRE DEPARTMENT	29,052	3,606	0	1,117	(46)	33,730
SOUTH TUCSON FIRE DEPARTMENT	79,994	4,939	(5,200)	2,913	(93)	82,553
SOUTH TUCSON POLICE DEPARTMENT	87,891	13,001	(7,176)	3,305	(244)	96,777
SPRINGERVILLE POLICE DEPARTMENT	91,836	4,817	0	3,446	(106)	99,993
ST. JOHNS POLICE DEPARTMENT	53,992	3,224	0	2,032	(71)	59,177
SUMMIT FIRE DISTRICT	248,253	22,002	(2,100)	9,410	(242)	277,323
SUN CITY FIRE DISTRICT	780,748	57,695	(45,841)	28,830	(719)	820,713
SUN CITY WEST FIRE DISTRICT	382,570	57,058	(27,044)	14,433	(362)	426,655
SUN LAKES FIRE DISTRICT	302,720	29,067	(7,496)	11,412	(288)	335,415
SUN SITES PEARCE FIRE DISTRICT	10,616	2,461	0	428	(19)	13,485
SUPERIOR POLICE DEPARTMENT	77,002	5,955	0	2,920	(101)	85,776
SURPRISE FIRE DEPARTMENT	608,226	75,348	(11,010)	23,161	(575)	695,151
SURPRISE POLICE DEPARTMENT	788,023	103,805	(26,468)	30,390	(754)	894,997
TEMPE FIRE DEPARTMENT	3,557,523	205,916	(205,200)	130,093	(3,194)	3,685,139
TEMPE POLICE DEPARTMENT	3,861,192	420,241	(362,706)	142,785	(3,498)	4,058,015
THATCHER POLICE DEPARTMENT	181,611	8,966	(1,200)	6,796	(194)	195,979
THREE POINTS FIRE DISTRICT	84,348	9,958	(3,030)	3,213	(94)	94,396

OPERATING INFORMATION

SCHEDULE OF CHANGES IN HEALTH INSURANCE RESERVE BALANCES						
FISCAL YEAR ENDED JUNE 30, 2015						
PSPRS SYSTEM	2014 BALANCES	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES
TIMBER MESA FIRE AND MEDICAL DIST	276,140	50,816	(2,099)	10,826	(315)	335,369
TOHONO O'ODHAM NATION FIRE DEPT.	162,767	21,499	0	6,346	(165)	190,447
TOHONO O'ODHAM NATION POLICE DEPT	441,640	47,079	(3,243)	16,966	(425)	502,017
TOLLESON FIRE DEPARTMENT	231,616	22,080	(4,920)	8,739	(225)	257,289
TOLLESON POLICE DEPARTMENT	222,424	20,165	(7,425)	8,438	(224)	243,378
TOMBSTONE MARSHAL'S DEPARTMENT	48,786	1,652	0	1,817	(68)	52,187
TONOPAH VALLEY FIRE DISTRICT	38,617	5,119	0	1,503	(57)	45,183
TOWN OF SUPERIOR (FIRE DEPT)	26,417	3,107	(1,200)	998	(45)	29,278
TRI-CITY FIRE DISTRICT	85,456	10,735	0	3,309	(94)	99,405
TUBAC FIRE DISTRICT	173,248	14,727	0	6,590	(176)	194,389
TUCSON AIRPORT AUTHORITY FIRE DPT	301,918	16,507	(8,940)	11,204	(299)	320,391
TUCSON AIRPORT AUTHORITY POLICE	254,819	19,980	(11,143)	9,531	(256)	272,930
TUCSON FIRE	10,859,037	860,918	(897,108)	395,702	(9,678)	11,208,870
TUCSON POLICE	15,782,492	1,432,541	(1,438,343)	577,020	(14,099)	16,339,612
U OF A CAMPUS POLICE DEPARTMENT	474,458	59,039	(26,158)	18,037	(548)	524,829
VERDE VALLEY FIRE DISTRICT	243,451	16,471	(2,940)	9,121	(238)	265,865
WELLTON POLICE	45,884	1,932	0	1,716	(70)	49,462
WHETSTONE FIRE DISTRICT	14,943	1,701	0	576	(31)	17,190
WICKENBURG FIRE DEPARTMENT	34,091	7,453	0	1,347	(46)	42,845
WICKENBURG POLICE DEPARTMENT	143,835	13,255	(6,690)	5,385	(154)	155,631
WILCOX POLICE DEPARTMENT	112,162	8,908	(1,800)	4,239	(127)	123,383
WILLIAMS POLICE DEPARTMENT	91,663	5,368	(1,800)	3,419	(108)	98,542
WILLIAMSON VALLEY FIRE DISTRICT	22,860	7,358	0	948	(37)	31,128
WINSLOW FIRE DEPARTMENT	257,096	5,932	(1,650)	9,474	(248)	270,604
WINSLOW POLICE DEPARTMENT	291,810	18,435	(5,100)	10,909	(288)	315,766
WITTMANN FIRE DISTRICT	25,806	4,526	0	1,011	(37)	31,306
YAVAPAI CNTY ATTRNY INVESTIGATORS	17,007	0	(1,200)	603	58	16,468
YAVAPAI COUNTY SHERIFF'S DEPT.	1,009,193	108,194	(47,659)	38,171	(950)	1,106,947
YAVAPAI PRESCOTT TRIBAL POLICE	25,944	2,110	0	984	(40)	28,998
YOUNGTOWN POLICE DEPARTMENT	53,041	1,807	(837)	1,957	(80)	55,888
YUMA COUNTY SHERIFF'S DEPARTMENT	899,518	58,466	(11,660)	33,818	(847)	979,295
YUMA FIRE DEPARTMENT	1,598,565	119,425	(70,275)	59,406	(1,471)	1,705,650
YUMA POLICE DEPARTMENT	2,583,165	144,947	(61,119)	96,241	(2,372)	2,760,862
TOTALS	290,928,475	21,480,853	(14,242,153)	10,779,154	(268,720)	308,677,610

OPERATING INFORMATION

SCHEDULE OF CHANGES IN HEALTH INSURANCE RESERVE BALANCES						
FISCAL YEAR ENDED JUNE 30, 2015						
CORP PLAN	2014 BALANCES	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2015 BALANCES
ADMIN. OFFICE OF THE COURT (CORP-AOC)	6,311,556	1,378,298	(318,262)	251,079	(5,784)	7,616,887
APACHE COUNTY - CORP	151,820	6,742	(796)	5,698	(184)	163,280
CITY OF AVONDALE - DETENTION	23,059	3,769	0	914	(31)	27,711
CITY OF SOMERTON - DISPATCHERS	14,159	1,742	0	552	(27)	16,426
COCHISE COUNTY - CORP	570,744	25,720	(1,896)	21,434	(572)	615,430
COCONINO COUNTY - CORP	397,932	31,583	(8,163)	15,066	(395)	436,023
DEPARTMENT OF CORRECTIONS - CORP	66,387,146	4,306,279	(2,484,158)	2,485,051	(61,633)	70,632,685
DEPARTMENT OF PUBLIC SAFETY	136,406	25,299	(16,534)	5,232	(177)	150,226
DEPARTMENT OF PUBLIC SAFETY DETENTION	1,419	168	0	55	(122)	1,520
DEPT OF JUVENILE CORRECTIONS-CORP	5,635,764	301,957	(196,963)	209,756	(5,442)	5,945,072
GILA COUNTY - CORP	270,740	23,280	(2,890)	10,328	(282)	301,176
GILA COUNTY - DISPATCHERS	74,468	2,697	0	2,789	(92)	79,862
GRAHAM COUNTY - DETENTION	60,917	6,357	(2,580)	2,334	(71)	66,957
GRAHAM COUNTY - DISPATCHERS	15,029	1,154	0	573	(26)	16,730
MARICOPA COUNTY - CORP	13,729,224	968,307	(204,096)	519,361	(12,858)	14,999,938
MOHAVE COUNTY - CORP	535,525	33,400	(3,139)	20,268	(532)	585,523
NAVAJO COUNTY - CORP	299,777	14,526	(1,560)	11,278	(313)	323,707
ORO VALLEY - DISPATCHERS	77,903	4,373	(1,662)	2,921	(96)	83,440
PIMA COUNTY - CORP	3,223,468	255,996	(131,840)	120,736	(3,009)	3,465,351
PINAL COUNTY - CORP	1,143,713	80,916	(9,010)	43,542	(1,094)	1,258,067
PINAL COUNTY - DISPATCHERS	128,577	4,464	0	4,820	(153)	137,708
SANTA CRUZ COUNTY - CORP	195,753	6,481	(248)	7,330	(214)	209,101
TOWN OF MARANA - DISPATCHERS	30,221	3,164	0	1,169	(42)	34,512
TOWN OF WICKENBURG-DISPATCHERS	32,899	1,470	(50)	1,237	(62)	35,494
YAVAPAI COUNTY - CORP	964,504	52,473	(4,567)	36,418	(934)	1,047,893
YAVAPAI COUNTY - DISPATCHERS	19,488	1,756	0	750	(30)	21,964
YUMA COUNTY - CORP	891,009	44,764	(3,553)	33,586	(859)	964,946
TOTALS	101,323,221	7,587,137	(3,391,969)	3,814,278	(95,035)	109,237,632

OPERATING INFORMATION

PSPRS PARTICIPATING EMPLOYERS

AK CHIN INDIAN COMM. FIRE DEPT.	CLIFTON POLICE DEPARTMENT	GOLDEN SHORES FIRE DISTRICT
AK CHIN INDIAN COMM. POLICE DEPT.	COCHISE COUNTY SHERIFF'S DEPT	GOLDEN VALLEY FIRE DISTRICT
APACHE COUNTY SHERIFF'S DEPT.	COCONINO COUNTY SHERIFF'S DEPT	GOLDER RANCH FIRE DISTRICT
APACHE JUNCTION FIRE DISTRICT	COOLIDGE FIRE DEPARTMENT	GOODYEAR FIRE DEPARTMENT
APACHE JUNCTION POLICE DEPARTMENT	COOLIDGE POLICE DEPARTMENT	GOODYEAR POLICE DEPARTMENT
ARIZONA STATE PARK RANGERS	CORONA DE TUCSON FIRE DISTRICT	GRAHAM COUNTY ATTORNEY INVEST.
ASU PD PSPRS LOCAL BOARD	COTTONWOOD FIRE DEPARTMENT	GRAHAM COUNTY SHERIFF'S DEPT.
ATTORNEY GENERAL INVESTIGATORS	COTTONWOOD POLICE DEPARTMENT	GREEN VALLEY FIRE DISTRICT
AVONDALE FIRE DEPARTMENT	DAISY MOUNTAIN FIRE DISTRICT	GREENLEE CNTY ATTY INVESTIGATORS
AVONDALE POLICE DEPARTMENT	DEPARTMENT OF EMER & MILITARY AFF	GREENLEE COUNTY SHERIFF'S DEPT.
AVRA VALLEY FIRE DISTRICT	DEPARTMENT OF PUBLIC SAFETY	GROOM CREEK FIRE DISTRICT
AZ DPT. LIQ. LIC. & CONTROL INVST	DESERT HILLS FIRE DEPARTMENT	GUADALUPE FIRE DEPARTMENT
BENSON FIRE DEPARTMENT	DOUGLAS FIRE DEPARTMENT	HARQUAHALA FIRE DISTRICT
BENSON POLICE DEPARTMENT	DOUGLAS POLICE DEPARTMENT	HAYDEN POLICE DEPARTMENT
BISBEE FIRE DEPARTMENT	DREXEL HEIGHTS FIRE DISTRICT	HEBER-OVERGAARD FIRE DISTRICT
BISBEE POLICE DEPARTMENT	EAGAR POLICE DEPARTMENT	HELLSGATE FIRE DISTRICT
BLACK CANYON FIRE DISTRICT	EL MIRAGE FIRE DEPARTMENT	HIGHLANDS FIRE DISTRICT
BUCKEYE FIRE DEPARTMENT	EL MIRAGE POLICE DEPARTMENT	HOLBROOK POLICE DEPARTMENT
BUCKEYE POLICE DEPARTMENT	ELOY FIRE DISTRICT	HUACHUCA CITY POLICE DEPARTMENT
BUCKEYE VALLEY FIRE DISTRICT	ELOY POLICE DEPARTMENT	HUALAPAI INDIAN TRIBE POLICE DEPT
BUCKSKIN FIRE DISTRICT	FLAGSTAFF FIRE DEPARTMENT	JEROME POLICE DEPARTMENT
BULLHEAD CITY FIRE DEPARTMENT	FLAGSTAFF POLICE DEPARTMENT	KEARNY POLICE DEPARTMENT
BULLHEAD CITY POLICE DEPARTMENT	FLORENCE FIRE DEPARTMENT	KINGMAN FIRE DEPARTMENT
CAMP VERDE FIRE DISTRICT	FLORENCE POLICE DEPARTMENT	KINGMAN POLICE DEPARTMENT
CAMP VERDE MARSHALL'S	FORT MCDOWELL TRIBAL FIRE DEPT.	LA PAZ COUNTY ATTY. INVESTIGATORS
CASA GRANDE FIRE DEPARTMENT	FORT MCDOWELL TRIBAL POLICE DEPT.	LA PAZ COUNTY SHERIFF'S DEPT.
CASA GRANDE POLICE DEPARTMENT	FORT MOJAVE MESA FIRE DISTRICT	LAKE HAVASU CITY FIRE DEPARTMENT
CAVE CREEK MARSHALS	FORT MOJAVE TRIBAL POLICE DEPT.	LAKE HAVASU CITY POLICE DEPT.
CENTRAL AZ. COLLEGE POLICE DEPT.	FREDONIA MARSHALS	LAKE MOHAVE RANCHOS FIRE DISTRICT
CENTRAL YAVAPAI FIRE DISTRICT	FRY FIRE DISTRICT	MAMMOTH POLICE DEPARTMENT
CHANDLER FIRE DEPARTMENT	GAME AND FISH DEPARTMENT	MARANA POLICE DEPARTMENT
CHANDLER POLICE DEPARTMENT	GILA COUNTY SHERIFF'S DEPARTMENT	MARICOPA CNTY ATTY INVESTIGATORS
CHINO VALLEY FIRE DISTRICT	GILA RIVER FIRE DEPARTMENT	MARICOPA COUNTY PARK RANGERS
CHINO VALLEY POLICE DEPARTMENT	GILA RIVER POLICE DEPARTMENT	MARICOPA COUNTY SHERIFF'S OFFICE
CHRISTOPHER-KOHL'S FIRE DISTRICT	GILBERT FIRE DEPARTMENT	MAYER FIRE DISTRICT
CITY OF MARICOPA - FIRE	GILBERT POLICE DEPARTMENT	MESA FIRE DEPARTMENT
CITY OF MARICOPA (POLICE DEPT.)	GLENDALE FIRE DEPARTMENT	MESA POLICE DEPARTMENT
CLARKDALE FIRE DISTRICT	GLENDALE POLICE DEPARTMENT	MIAMI FIRE DEPARTMENT - GONE
CLARKDALE POLICE DEPARTMENT	GLOBE FIRE DEPARTMENT	MIAMI POLICE DEPARTMENT
CLIFTON FIRE DEPARTMENT	GLOBE POLICE DEPARTMENT	MOHAVE COUNTY SHERIFF'S DEPT.

OPERATING INFORMATION

PSPRS PARTICIPATING EMPLOYERS

MOHAVE VALLEY FIRE DISTRICT
 MONTEZUMA RIMROCK FIRE DISTRICT
 MOUNT LEMMON FIRE DISTRICT
 NAU CAMPUS POLICE
 NAVAJO COUNTY ATTY'S INVESTIGATOR
 NAVAJO COUNTY SHERIFF'S DEPT.
 NOGALES FIRE DEPARTMENT
 NOGALES POLICE DEPARTMENT
 NORTHERN AZ. CONSOLIDATED FD #1
 NORTHWEST FIRE DISTRICT
 ORACLE FIRE DISTRICT
 ORO VALLEY POLICE DEPT.
 PAGE FIRE DEPARTMENT
 PAGE POLICE DEPARTMENT
 PALOMINAS FIRE DISTRICT
 PARADISE VALLEY POLICE DEPARTMENT
 PARKER POLICE DEPARTMENT
 PASCUA YAQUI TRIBE FIRE DEPT.
 PASCUA YAQUI TRIBE POLICE DEPT.
 PATAGONIA MARSHALS
 PAYSON FIRE DEPARTMENT
 PAYSON POLICE DEPARTMENT
 PEORIA FIRE DEPARTMENT
 PEORIA POLICE DEPARTMENT
 PHOENIX FIRE DEPARTMENT
 PHOENIX POLICE DEPARTMENT
 PICTURE ROCKS FIRE DISTRICT
 PIMA COUNTY ATTORNEY INVESTIGATOR
 PIMA COUNTY COMM. COLLEGE POLICE
 PIMA COUNTY SHERIFF'S DEPARTMENT
 PIMA POLICE DEPARTMENT
 PINAL COUNTY SHERIFF'S DEPARTMENT
 PINE-STRAWBERRY FIRE DISTRICT
 PINETOP FIRE DISTRICT
 PINETOP-LAKESIDE POLICE DEPT.
 PINWOOD FIRE DISTRICT
 PONDEROSA FIRE DISTRICT
 PRESCOTT FIRE DEPARTMENT
 PRESCOTT POLICE DEPARTMENT
 PRESCOTT VALLEY POLICE DEPARTMENT

QUARTZSITE FIRE DISTRICT
 QUARTZSITE POLICE DEPARTMENT
 QUEEN CREEK FIRE DEPARTMENT
 QUEEN VALLEY FIRE DISTRICT
 RINCON VALLEY FIRE DISTRICT
 RIO RICO FIRE DISTRICT
 RIO VERDE FIRE DISTRICT
 SAFFORD POLICE DEPARTMENT
 SAHUARITA POLICE DEPARTMENT
 SALT RIVER PIMA-MARICOPA FIRE
 SALT RIVER PIMA-MARICOPA POLICE
 SAN CARLOS TRIBAL POLICE DEPT.
 SAN LUIS FIRE DEPARTMENT
 SAN LUIS POLICE DEPARTMENT
 SANTA CRUZ COUNTY SHERIFF'S DEPT.
 SCOTTSDALE FIRE DEPARTMENT
 SCOTTSDALE POLICE DEPARTMENT
 SEDONA FIRE DISTRICT
 SEDONA POLICE DEPARTMENT
 SHOW LOW POLICE DEPARTMENT
 SIERRA VISTA FIRE DEPARTMENT
 SIERRA VISTA POLICE DEPARTMENT
 SNOWFLAKE POLICE DEPARTMENT
 SOMERTON FIRE DEPARTMENT
 SOMERTON POLICE DEPARTMENT
 SONOITA ELGIN FIRE DEPARTMENT
 SOUTH TUCSON FIRE DEPARTMENT
 SOUTH TUCSON POLICE DEPARTMENT
 SPRINGVILLE POLICE DEPARTMENT
 ST. JOHNS POLICE DEPARTMENT
 SUMMIT FIRE DISTRICT
 SUN CITY FIRE DISTRICT
 SUN CITY WEST FIRE DISTRICT
 SUN LAKES FIRE DISTRICT
 SUN SITES PEARCE FIRE DISTRICT
 SUPERIOR POLICE DEPARTMENT
 SURPRISE FIRE DEPARTMENT
 SURPRISE POLICE DEPARTMENT
 TEMPE FIRE DEPARTMENT
 TEMPE POLICE DEPARTMENT

THATCHER POLICE DEPARTMENT
 THREE POINTS FIRE DISTRICT
 TIMBER MESA FIRE AND MEDICAL DIST
 TOHONO O'ODHAM NATION FIRE DEPT.
 TOHONO O'ODHAM NATION POLICE DEPT
 TOLLESON FIRE DEPARTMENT
 TOLLESON POLICE DEPARTMENT
 TOMBSTONE MARSHAL'S DEPARTMENT
 TONOPAH VALLEY FIRE DISTRICT
 TOWN OF SUPERIOR (FIRE DEPT)
 TRI-CITY FIRE DISTRICT
 TUBAC FIRE DISTRICT
 TUCSON AIRPORT AUTHORITY FIRE DPT
 TUCSON AIRPORT AUTHORITY POLICE
 TUCSON FIRE
 TUCSON POLICE
 U OF A CAMPUS POLICE DEPARTMENT
 VERDE VALLEY FIRE DISTRICT
 WELLTON POLICE
 WHETSTONE FIRE DISTRICT
 WICKENBURG FIRE DEPARTMENT
 WICKENBURG POLICE DEPARTMENT
 WILLCOX POLICE DEPARTMENT
 WILLIAMS POLICE DEPARTMENT
 WILLIAMSON VALLEY FIRE DISTRICT
 WINSLOW FIRE DEPARTMENT
 WINSLOW POLICE DEPARTMENT
 WITTMANN FIRE DISTRICT
 YAVAPAI CNTY ATTRNY INVESTIGATORS
 YAVAPAI COUNTY SHERIFF'S DEPT.
 YAVAPAI PRESCOTT TRIBAL POLICE
 YOUNGTOWN POLICE DEPARTMENT
 YUMA COUNTY SHERIFF'S DEPARTMENT
 YUMA FIRE DEPARTMENT
 YUMA POLICE DEPARTMENT

OPERATING INFORMATION

EORP PARTICIPATING EMPLOYERS

STATE OF ARIZONA	CITY OF APACHE JUNCTION	TOWN OF GILBERT
APACHE COUNTY	CITY OF AVONDALE	TOWN OF MARANA
COCHISE COUNTY	CITY OF CHANDLER	TOWN OF SAHUARITA
COCONINO COUNTY	CITY OF FLAGSTAFF	TOWN OF THATCHER
GILA COUNTY	CITY OF GLENDALE	
GRAHAM COUNTY	CITY OF GLOBE	
GREENLEE COUNTY	CITY OF MESA	
LA PAZ COUNTY	CITY OF PEORIA	
MARICOPA COUNTY	CITY OF PHOENIX	
MOHAVE COUNTY	CITY OF SAFFORD	
NAVAJO COUNTY	CITY OF SCOTTSDALE	
PIMA COUNTY	CITY OF SOUTH TUCSON	
PINAL COUNTY	CITY OF SURPRISE	
SANTA CRUZ COUNTY	CITY OF TEMPE	
YAVAPAI COUNTY	CITY OF TOLLESON	
YUMA COUNTY	CITY OF TUCSON	
	CITY OF YUMA	

CORP PARTICIPATING EMPLOYERS

DEPARTMENT OF CORRECTIONS	APACHE COUNTY - DETENTION OFFICERS	GILA COUNTY - DISPATCHERS
DEPARTMENT OF JUVENILE CORRECTIONS	COCHISE COUNTY - DETENTION OFFICERS	GRAHAM COUNTY - DISPATCHERS
APACHE COUNTY - AOC	COCONINO COUNTY - DETENTION OFFICERS	PINAL COUNTY - DISPATCHERS
COCHISE COUNTY - AOC	GILA COUNTY - DETENTION OFFICERS	YAVAPAI COUNTY - DISPATCHERS
COCONINO COUNTY - AOC	GRAHAM COUNTY - DETENTION OFFICERS	CITY OF SOMERTON - DISPATCHERS
GILA COUNTY - AOC	MARICOPA COUNTY - DETENTION OFFICERS	TOWN OF MARANA - DISPATCHERS
GRAHAM COUNTY - AOC	MOHAVE COUNTY - DETENTION OFFICERS	TOWN OF ORO VALLEY - DISPATCHERS
GREENLEE COUNTY - AOC	NAVAJO COUNTY - DETENTION OFFICERS	TOWN OF WICKENBURG - DISPATCHERS
LA PAZ COUNTY - AOC	PIMA COUNTY - DETENTION OFFICERS	DEPARTMENT OF PUBLIC SAFETY - DISPATCHERS
MARICOPA COUNTY - AOC	PINAL COUNTY - DETENTION OFFICERS	
MOHAVE COUNTY - AOC	SANTA CRUZ COUNTY - DETENTION OFFICERS	
NAVAJO COUNTY - AOC	YAVAPAI COUNTY - DETENTION OFFICERS	
PIMA COUNTY - AOC	YUMA COUNTY - DETENTION OFFICERS	
PINAL COUNTY - AOC	CITY OF AVONDALE - DETENTION OFFICERS	
SANTA CRUZ COUNTY - AOC	DEPARTMENT OF PUBLIC SAFETY - DETENTION	
YAVAPAI COUNTY - AOC		
YUMA COUNTY - AOC		

THIS PAGE INTENTIONALLY BLANK