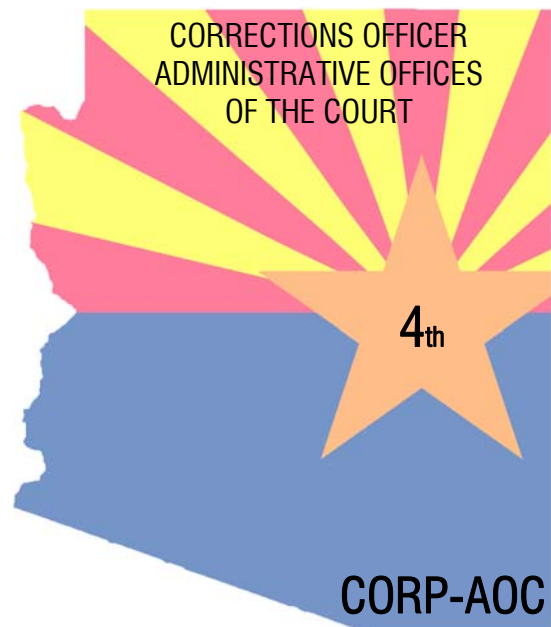
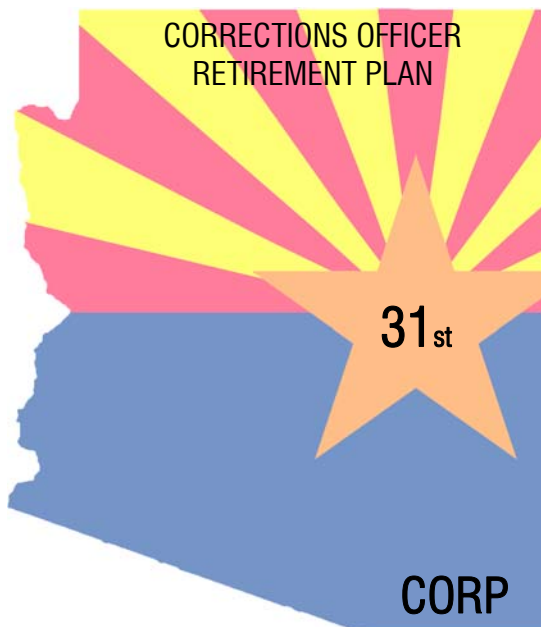
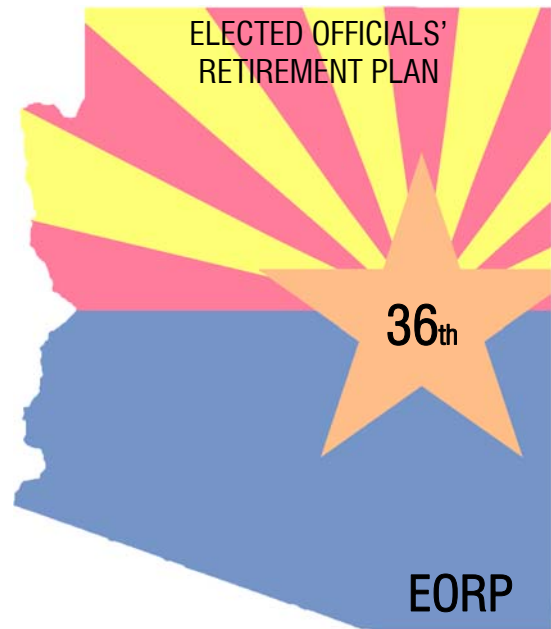
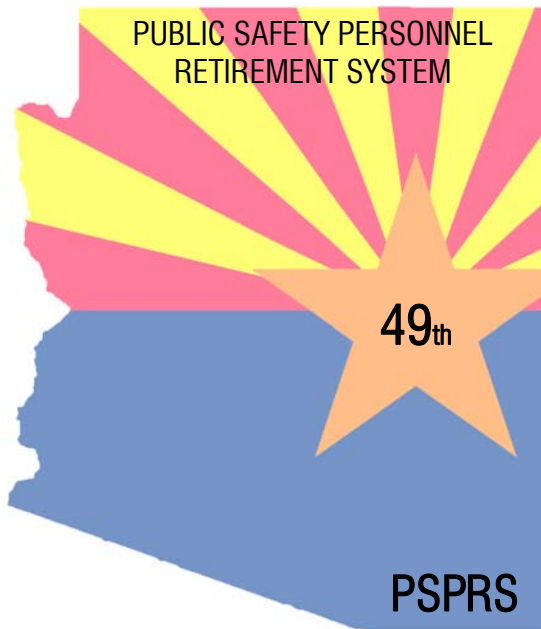


# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
A PENSION TRUST FUND OF THE STATE OF ARIZONA



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# 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, 2017

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](http://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*.

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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, 2016**

Executive Director/CEO





Public Pension Coordinating Council

***Public Pension Standards Award  
For Funding and Administration  
2017***

Presented to

***Arizona Public Safety Personnel Retirement System***

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

*Presented by the Public Pension Coordinating Council, a confederation of*

National Association of State Retirement Administrators (NASRA)  
National Conference on Public Employee Retirement Systems (NCPERS)  
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink that reads "Alan H. Winkle". The signature is written in a cursive style.

Alan H. Winkle  
Program Administrator

**Board of Trustees**

**Brian P. Tobin**, Chairman  
**William T. Buividas**, Vice Chairman  
**William C. Davis**, Trustee  
**Edward J. McNeill**, Trustee  
**Harry A. Papp**, Trustee  
**Bryan Raines**, Trustee  
**Mike Scheidt**, Trustee  
**Dean M. Scheinert**, Trustee  
**Donald A. Smith, Jr.**, Trustee

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM**  
**CORRECTIONS OFFICER RETIREMENT PLAN**  
**ELECTED OFFICIALS' RETIREMENT PLAN**  
3010 East Camelback Road, Suite 200  
Phoenix, Arizona 85016-4416  
Telephone: (602) 255-5575  
Fax: (602) 255-5572  
www.psprs.com

**Administration**  
**Jared A. Smout**  
Administrator  
**Dave DeJonge**  
Deputy Administrator  
**Ryan Parham**  
Chief Investment Officer

January 25, 2018

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

Dear Governor Ducey:

On behalf of the Board of the Public Safety Personnel Retirement System (PSPRS), I respectfully present this Comprehensive Annual Financial Report for the year ended June 30, 2017. While this report focuses on the financial and actuarial status of the plans administered by PSPRS, it also highlights other changes and accomplishments that occurred during the year. The Elected Officials' Retirement Plan (EORP) and Corrections Officer Retirement Plan (CORP) are included in this report.

We are proud to announce that our investment portfolio returned 11.85%, net of fees, in FY17, which was 100 basis points higher than our target fund benchmark and well above our assumed rate of return of 7.4%. Those gains, however, were offset when we adjusted the actuarial assumptions that are used to calculate pension liabilities. As a result of an actuarial experience study, the Board lowered the investment return assumption from 7.5% to 7.4%, decreased the wage inflation assumption from 4.0% to 3.5%, and updated mortality tables to reflect the fact that retirees are living longer and drawing benefits for a longer period of time than we anticipated when we set up their funding 20 years ago.

At every step, our Board of Trustees has sought to improve the long-term sustainability of our three pension plans. Our assets grew from a combined \$8.3 billion to \$9.3 billion in FY17, despite paying out benefits of \$1 billion during the year. As a board, we approved the implementation of a risk-adjusted investment strategy aimed at reducing year-to-year volatility and preventing economic disasters like the so-called "Dot.com" crash and housing industry collapse from again wreaking havoc on our trusts. Switching the trust from a risky stock-heavy plan to a much safer hybrid portfolio with many alternative investment classes took years and was no easy task.

We accomplished this by investing in people. We hired outstanding investment analysts and contracted with the best public portfolio consultants the industry has to offer. The results are noteworthy. The PSPRS portfolio outperformed two-thirds of peer portfolios over the past three-year period while taking less investment risk than 96 percent of our peers. Ryan Parham, chief investment officer for PSPRS, was named among the top 30 public pension chief investment officers in the nation for the second consecutive year by Trusted Insight, an investment industry publication.

Our investment allocation strategy will not make headlines. Our portfolio is not designed to produce elite level returns for the simple reason that our low funding level makes high-risk investment strategies irresponsible. The portfolio is structured to reduce the depth and duration of low or negative returns during poor investment markets. The asset 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 have been reevaluating their risk levels.

2017 was a busy year in terms of legislation that affects our plans. Legislation was passed that will replace the PBI with a Cost of Living Adjustment in CORP, but that provision must be approved via voter referendum before it becomes law. That referendum is scheduled to be on the ballot in November 2018. The existing PBI mechanism is unsustainable, as we saw in the actuarial results this year. That same legislation closes CORP to most new hires effective July 1, 2018. While we are proponents of the traditional defined benefit plan, we also understand the financial need for pension reform, and acknowledge that approximately half of all new CORP members will leave employment within 5 years, and most will never qualify for a pension. Most new CORP members will become members of the defined contribution plan. We are developing what we believe will be a premiere defined contribution plan for our members.

In an attempt to help employers saddled with high pension costs, legislation was passed in 2017 allowing individual employers to increase their amortization period from 20 years to 30 years. 18 employers took advantage of this opportunity, lowering their contribution rates by 13% on average. While this measure will increase total pension costs for those employers over the long run, the costs are spread over a longer period of time, providing some short-term relief.

We are very proud that our members, most notably police and fire department employees across the state, have played and will continue to play active roles aimed at increasing the financial health of our pension system and decreasing the related expenses borne by local governments and hardworking taxpayers.

### **FUNDING**

During FY17, the Board's retained actuary, Gabriel Roeder Smith & Co., completed an experience study covering the time period from July 1, 2011 through June 30, 2016 for all three of the defined benefit plans. As a result, the Board adopted several revisions to the actuarial assumptions used to determine the actuarial liabilities for each of our plans. In particular, the Board adopted a new set of mortality tables, recognizing that members are living longer than had been expected. The Board also lowered the payroll growth assumption from 4.0 percent to 3.5 percent, and lowered the assumed rate of return on investments from 7.5 percent in FY16 to 7.4 percent in FY17 and FY18. Several other assumptions were adjusted as well.

Senate Bill 1609, which was passed in 2011, increased member contribution rates in PSPRS to 11.65% from 7.65% and in EORP to 13% from 7% over a four-year period. It also added conditions to future benefit increases for benefit recipients. However, those provisions faced a legal challenge in *Hall vs. EORP*. A Superior Court ruling declared both provisions to be unconstitutional, and that decision was upheld by the Arizona Supreme Court in November. Based on that opinion, member contribution rates for certain active members had to be reduced back to their pre-SB 1609 levels, and refunds for contributions made at the higher rates were made in FY17 (or early FY18 in some cases). Likewise, some retirees will be receiving additional increases in their pensions in FY18. The long-term cost of the court's ruling to the System is substantial.

As a result of the changes listed above, the funding status of PSPRS fell just slightly from 46.0 percent to 45.3 percent on an aggregate level. The funding level of CORP fell from 57.3 percent to 49.5 percent. The funding level of EORP fell from 37.6 percent to 30 percent, a dangerous level that without further intervention threatens the life of the trust for elected officials and judges. The current employer contribution rate for EORP is not an actuarially determined rate. When EORP was closed in 2014, the employer contribution rate was statutorily set at 23.5% for all employers over a 30-year period. The plan is unsustainable at the current statutory rate and is projected to run out of assets in 9 years. Because the EORP is a closed plan with a declining membership and payroll base, future actuarially determined contribution rates will continue to climb without additional funding. The PSPRS Board has held meetings with various EORP stakeholders to discuss this issue. It is vital for the legislature to act during the 2018 session to prevent this plan from becoming a pay-as-you-go plan.

### **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 19 years for most employers, is designed to pay off the unfunded liabilities over that time until employers are only paying each year's incremental portion (the normal cost). Some individual employer plans are already doing that and others are expected to follow at varying rates.

I express my gratitude to all of my fellow Trustees for their continued dedication and perseverance as we guide PSPRS through the challenges set before us. On behalf of the Board, I also want to extend my appreciation to PSPRS' members, employers, local boards and other constituencies for their continued support. As Trustees, we are dedicated and committed to securing 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.

Respectfully,

A handwritten signature in black ink, appearing to read "Brian Tobin". The signature is fluid and cursive, with the first name "Brian" and last name "Tobin" clearly distinguishable.

Chairman Brian Tobin

**Board of Trustees**

**Brian P. Tobin**, Chairman  
**William T. Buividas**, Vice Chairman  
**William C. Davis**, Trustee  
**Edward J. McNeill**, Trustee  
**Harry A. Papp**, Trustee  
**Bryan Raines**, Trustee  
**Mike Scheidt**, Trustee  
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**Donald A. Smith, Jr.**, Trustee

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 www.psprs.com

**Administration**

**Jared A. Smout**  
 Administrator  
**Dave DeJonge**  
 Deputy Administrator  
**Ryan Parham**  
 Chief Investment Officer

January 25, 2018

Dear Members, Benefit Recipients, Employers, and Members of the Board of Trustees:

I am pleased to present the forty-ninth Comprehensive Annual Financial Report (CAFR) for the Public Safety Personnel Retirement System (PSPRS), the thirty-sixth for the Elected Officials' Retirement Plan (EORP), and the thirty-first for the Corrections Officer Retirement Plan (CORP), (collectively the System) for the fiscal year ended June 30, 2017 (FY17), in accordance with the provisions of A.R.S. § 38-848. The information contained in this report is accurate in all material respects and is intended to present fairly the financial status and results of operations of the System.

Responsibility for the contents of this report, including the financial statements, rests solely with the management of the System. The Board of Trustees provides an oversight role. This transmittal letter is designed to complement Management's Discussion and Analysis and should be read in conjunction with it.

**Plan Overview**

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 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, CORP was added by A.R.S. § 38-882 for corrections officers, county, city or town detention officers, dispatchers and probation officers. Each plan was created "to provide a uniform, consistent and equitable" statewide program for their respective eligible members.

PSPRS and CORP are agent multiple-employer defined benefit plans and are administered at the local level by 231 (PSPRS) and 28 (CORP) individual local boards in accordance with A.R.S. §§ 38-847 and 38-893. As agent multiple-employer plans, the assets and liabilities of each individual local board are accounted for separately, thereby allowing for individual funding levels and employer contribution rates. 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. EORP 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, a formal entity created for that express purpose.

Individual local boards for PSPRS and CORP 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 Board of Trustees fulfills these functions for EORP.

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 the separate Public Safety Cancer Insurance Policy Program for members of PSPRS and CORP.

**Financial Information Reporting**

Financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and reporting guidelines set forth by the Governmental Accounting Standards Board. We 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.

It is the System’s policy to have and maintain an effective system of accounting controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss or unauthorized disposition and the reliability of the financial records from which the financial reports are prepared. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgment by management. Management believes that as of June 30, 2017, an adequate system of internal controls is in place and that the accompanying statements, schedules and tables are fairly presented.

**Investments**

Investment portfolio income is a significant source of revenue for the PSPRS plans. In FY17 our investment portfolio provided net investment income of almost \$1 billion. The rate of return over the fiscal year was 11.85 percent net of fees. Over the past five years, the portfolio has an annualized, net of fees rate of return of 7.95 percent, well above our assumed rate of return of 7.4 percent.

Our portfolio is a well-diversified portfolio. The portfolio is strategically allocated to provide appropriate diversification that limits the impact when markets experience losses. Both traditional and nontraditional assets are incorporated into the asset allocation mix. Because the portfolio is less risky and less volatile than the vast majority of our peers, we won’t likely be hitting homeruns when the stock market advances (like it has over the past few years), but we will likely outperform our peers when the markets correct or grow stagnant. You can read more about the portfolio and our returns in the CIO’s letter at the front of the Investment Section of this CAFR.

**The System’s Funding Status**

During FY17 the Board reviewed the set of actuarial assumptions used to determine pension liabilities. The System’s actuary prepared an experience study for the period 7/1/11 through 6/30/16. As a result, several actuarial assumptions were changed, including mortality rates, wage inflation, investment returns, and withdrawal, disability and retirement assumptions.

Due to the events listed above, the financial health of each plan worsened during fiscal year 2017. There are many factors that contribute to changes in the funding levels, some having a greater effect than others. Below is a reconciliation from June 30, 2016 to June 30, 2017 showing those contributing factors and their relative effect on the funded status of each plan, including both the pension and Other Post-Employment Benefit (OPEB) assets and liabilities, at the aggregate level:

Funded % as of	PSPRS	EORP	CORP
June 30, 2016	47.3%	39.8%	59.1%
Asset Losses	(0.2)%	(0.3)%	(0.2)%
Payroll Growth	0.1%	0.8%	0.2%
PBI Gain/(Loss)	(0.2)%	(0.8)%	0.1%
Benefit Changes	(0.4)%	(2.0)%	(7.7)%
Assumption Changes	(1.6)%	(5.2)%	(1.4)%
Other	1.6%	0.3%	1.4%
June 30, 2017	46.6%	32.6%	51.5%



*Asset Losses*

One of the potentially largest contributing factors to contribution rates and funded status are 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, 2017, the assumed rate of return was lowered from 7.5% to 7.4%. While the actual rate of return was 11.85% (net of fees), investment returns are actuarially spread over a seven-year smoothing period to soften the effects of volatility on the contribution rates and funding levels. Over that seven-year period the portfolio earned 6.6% (net of fees), below our assumed rate of 7.4%.

*Payroll Growth*

Actuaries also make assumptions about how quickly payroll will grow, allowing them to determine future salaries upon which benefits will be determined as members retire. Payroll growth includes salary and merit increases, inflation, overtime (for PSPRS only) and growth in the number of employees. The payroll growth assumption was lowered from 4.0% to 3.5% in FY17. The gain in this category tells us that salaries did not grow this past year as quickly as expected, thereby decreasing future liabilities and increasing the funding level.

*Permanent Benefit Increase (PBI) Gain/(Loss)*

When calculating actuarial liabilities, actuaries make assumptions about the probability of retirees receiving permanent benefit increases in future years. As a result of the Superior Court ruling, retroactive PBIs will need to be paid to many retirees, resulting in an actuarial loss for PSPRS and EORP.

*Benefit Changes*

Legislation passed in 2017 allows Tier 2 PSPRS members to retire with 15 years of experience (instead of 25), although at a reduced benefit. Employee contribution rates for most Tier 1 PSPRS and EORP members were lowered in response to the Superior Court ruling. The assumption about future PBIs for Tier 1 members in EORP and CORP was increased from 0.5% to 2.25%.

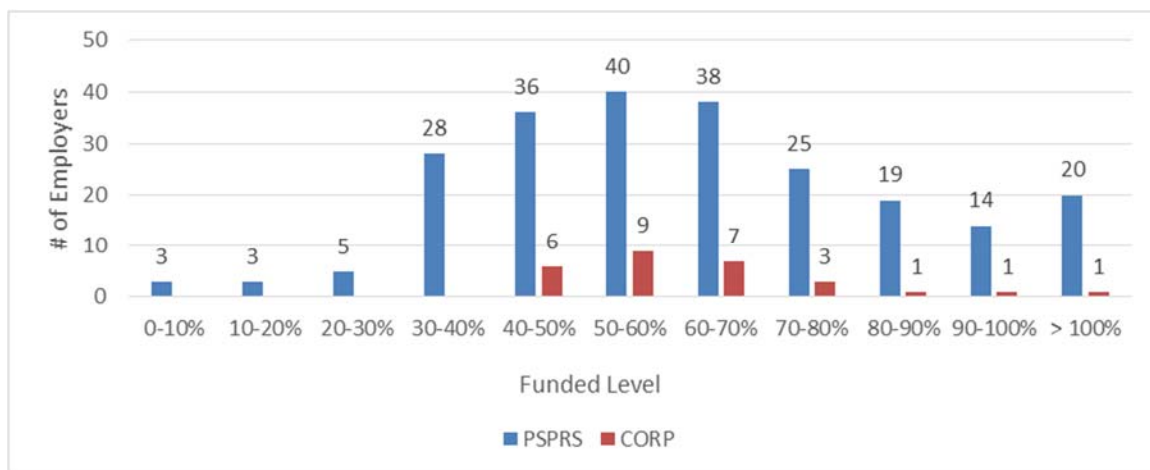
*Assumption Changes*

As noted earlier, several assumptions were changed in all three plans as a result of an experience study prepared by the System's actuary in 2016.

*Other*

This is the combination of all factors other than those listed above and primarily reflects demographic gains and losses due to experience that differs from actuarial assumptions.

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 and overall general monitoring purposes only and does not necessarily reflect the most accurate picture of the System as a whole. Because PSPRS and CORP are agent multiple-employer plans, each individual employer has its own funding level. Therefore, another useful and appropriate representation for PSPRS and CORP is a distribution of those employers by their individual funding status as shown in the following chart:



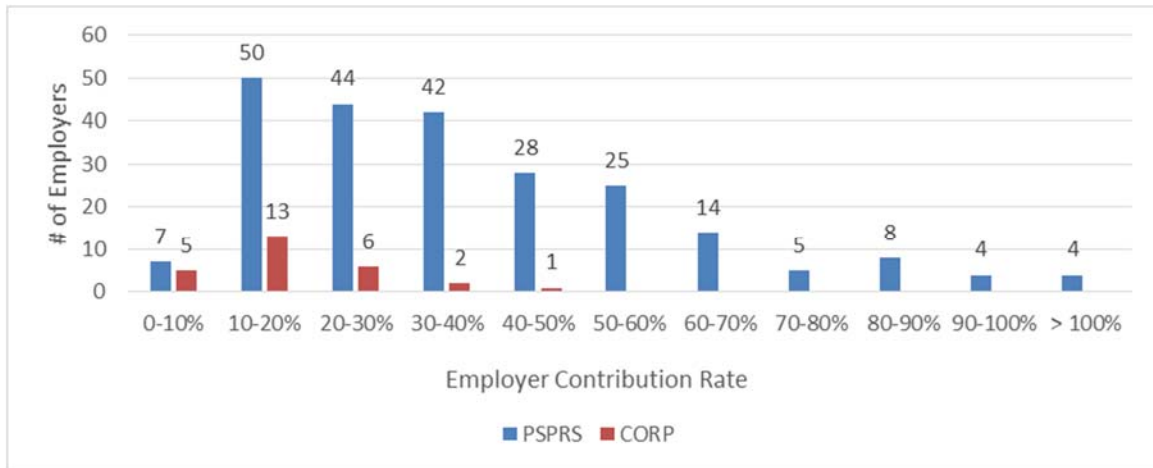
**Member and Employer Contribution Rates**

All three plans experienced an increase in actuarially determined employer contribution rates at the aggregate level, due to the following factors:

Contribution Rate Factors	PSPRS	EORP	CORP
Contribution Rate Last Valuation	52.09%	106.55%	20.98%
Asset Losses	0.25%	0.55%	0.16%
Payroll Growth	0.02%	14.76%	(0.03)%
PBI Gain/(Loss)	0.35%	1.50%	(0.08)%
Benefit Changes	(0.32)%	32.04%	7.41%
Assumption Changes	3.29%	8.08%	0.61%
Tier 2	(0.20)%	(0.19)%	(0.15)%
Amortization Method Changes	(3.93)%	NA	NA
Other	0.55%	(0.66)%	(0.12)%
Contribution Rate This Valuation	52.10%	162.63%	28.78%

In most cases, if a factor increased the funding level, it will decrease the actuarially determined contribution rate. The decrease in contribution rates the Tier 2 category is due to the fact that as current Tier 1 members retire, they are replaced by Tier 2 members (those hired on or after January 1, 2012) who have a less costly tier of benefits. The decrease related to Amortization Method Changes in PSPRS is a result of 18 employers extending their amortization period from 19 years to 29 years.

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



**New Developments and Management Initiatives**

Senate Bill 1428 restructured the Board of Trustees (effective January 1, 2017), increasing the size from 7 members to 9 members, and added a new Advisory Committee, made up of 10 members, to serve as a liaison between the Board and the members and employers of the System. A Defined Contribution (DC) Committee was also formed in FY17 to design and implement a new defined contribution plan for PSPRS members hired after June 30, 2017. That same defined contribution plan will be used for CORP members who are first hired after June 30, 2018.

The Committee also contracted with a third party administrator to be the record keeper for the new DC Plan, and contracted with a vendor to provide education to new PSPRS employees trying to decide which plan they will join, either the defined benefit plan or the defined contribution plan.

Senate Bill 1442, which passed in 2017, closes CORP to most new members effective July 1, 2018. New members, other than judiciary probation and surveillance officers, will become members of the defined contribution plan. The bill also replaces the PBI with a COLA for CORP retirees, although in order for that provision to become effective the Arizona Constitution must be amended. A referendum will be added to the ballot in November 2018.

Senate Bill 1063, which also passed in 2017, creates a Public Safety Employer Risk Pool for Tier 3 members (those hired after June 30, 2017) and includes employers that have 250 or fewer active members as of 7/1/17. The assets and liabilities of those in the risk pool will be combined when calculating contribution rates.

Pension reform measures passed by the Legislature in 2016 and 2017 brought about an incredible amount of change to the pension plans administered by PSPRS. As a result, PSPRS staff spent much of the fiscal year rewriting the pension system software used by staff, employers, local boards and members. We are excited about the efficiencies being built into the new software that will be beneficial for our members, employers and local boards. The web portals being built will offer more functionality, will be easier to use, and will be more secure. Employers will receive instant verification that the contribution files they send us are accurate, and they will receive invoices that can be paid electronically. They no longer need to send us paper forms to enroll or terminate members—that process will be handled electronically. That project will continue into FY18.

### **National Recognition**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PSPRS for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

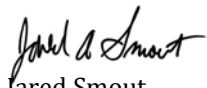
The Public Pension Coordinating Council (PPCC) presented PSPRS with its Recognition Award for Funding and Administration in recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards. The PPCC is a coalition of three national associations that represent public retirement systems and administrators—the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement. These three associations represent more than 500 of the largest public pension plans in the U.S.

*Institutional Investor Magazine* named PSPRS "Allocator of the Year" in 645<sup>1</sup> for its use of highly diverse investments to tamp down portfolio risk. *Trusted Insight*, an investment industry publication, named Ryan Parham, our Chief Investment Officer, one of the top 30 public pension CIOs in the country.

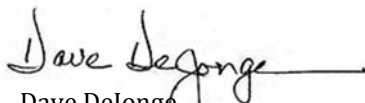
### **Acknowledgements**

The success of PSPRS requires the cooperation and support of our employers and local boards. We thank the staff and management of our employers along with those who serve on local boards for their encouragement and support. We also thank the staff and Board of Trustees for the commitment and efforts to ensure that PSPRS meets the needs of public servants who serve throughout the State of Arizona. We are honored and privileged to serve those who serve others.

Respectfully submitted,



Jared Smout  
Executive Director



Dave DeJonge  
Deputy Director

**BOARD OF TRUSTEES**  
(AS OF JUNE 30, 2017)



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Chairman



**William T. Buividas**  
Vice Chairman



**William C. Davis**  
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**Edward J. McNeill**  
Trustee



**Harry A. Papp**  
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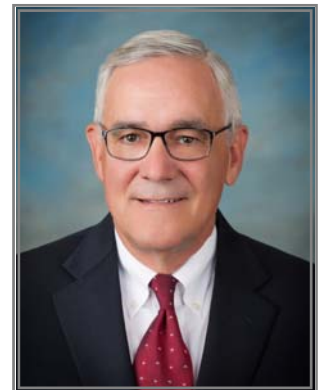
**Bryan Raines**  
Trustee



**Mike Scheidt**  
Trustee



**Dean M. Scheinert**  
Trustee



**Donald A. Smith, Jr.**  
Trustee

**EXECUTIVE STAFF AND ORGANIZATIONAL CHART**  
(AS OF JUNE 30, 2017)



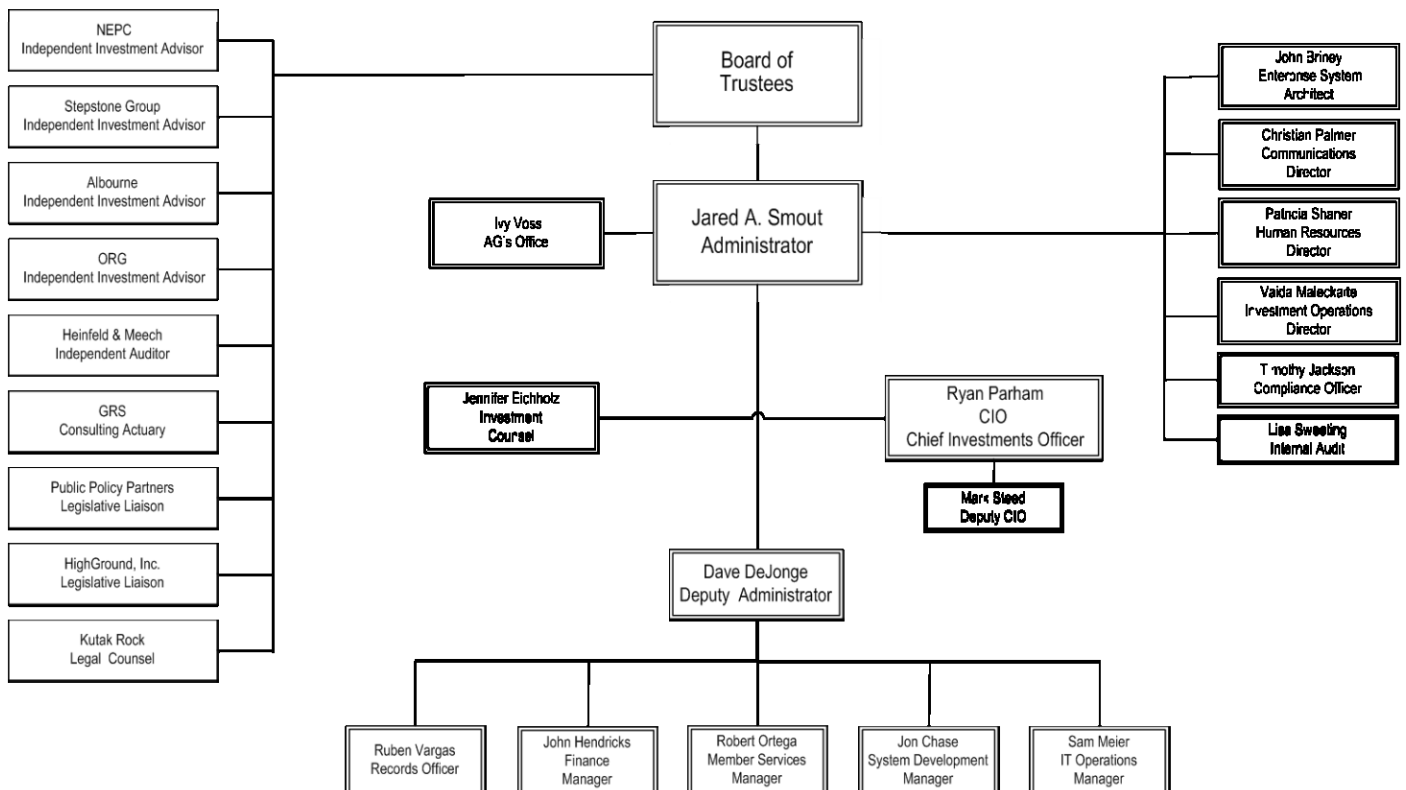
**Dave DeJonge**  
Deputy Administrator



**Jared A. Smout**  
Administrator



**Ryan Parham**  
Chief Investment Officer



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AKIN GUMP STRAUSS HAUER & FELD LLP	General Counsel
ALBOURNE AMERICA, LLC	International Alternative Investment Consultant
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FOLEY & LARDNER, LLC	Investment Counsel
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STRATEGAS SECURITIES, LLC	Investment Consultant
SUBROSA INVESTIGATIONS	Due Diligence

Additional information regarding investment professionals who provide services for the pension and OPEB plans can be found in the Financial and Investment sections of this CAFR. A Schedule of Consultant Expenses is available in the supporting schedules at the end of the Financial section. A Schedule of Commissions Paid to Brokers is available at the end of the Investment section.



FINANCIAL SECTION







## Independent Auditor's Report

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, 2017, 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, 2017, 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.

### ***Change in Accounting Principle***

As described in Note 2, the Public Safety Personnel Retirement System implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, for the year ended June 30, 2017, 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 January 25, 2018, 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.  
Tucson, Arizona  
January 25, 2018

**MANAGEMENT DISCUSSION & ANALYSIS**

As management of Arizona's Public Safety Personnel Retirement System ("System"), we present this discussion and analysis of the financial activities for the year ended June 30, 2017 (FY17). This narrative is intended to supplement the financial statements which follow this discussion, and should be read in conjunction with the Transmittal Letter.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements consist of the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position, and the Notes to the Basic Financial Statements. These financial statements report information about the System's financial condition in an attempt to answer the question: "Is PSPRS better off or worse off as a result of this year's activities?" These statements are prepared in accordance with generally accepted accounting principles laid out in statements issued by the Governmental Accounting Standards Board (GASB).

The required supplementary information that appears after the Notes is not a required part of the basic financial statements, but is supplementary information required by the GASB. The other supplementary information following the required supplementary information is not required, but management has chosen to include such information to increase transparency.

**BASIC FINANCIAL STATEMENTS**

The *Statement of Fiduciary Net Position* provides a snapshot of account balances at year-end. It reports the assets available for future payments to benefit recipients, along with any liabilities that are owed as of the statement date. The difference between assets and liabilities, called "Net Position Restricted for Pensions and OPEB," represents the value of assets held in trust for future benefit payments. Over time, increases and decreases in Net Position can be one measurement of whether the System's financial position is increasing or decreasing.

The *Statement of Changes in Fiduciary Net Position*, on the other hand, shows additions to and deductions from Net Position that took place throughout the year.

The *Notes to the Financial Statements* are an integral part of the basic financial statements and provide additional information about the plans, policies and performance of the System. The financial system notes include a plan description of the various plans that make up the System, a summary of significant accounting policies, and information about the System's OPEB plans, contribution requirements, cash and investments, capital assets, net pension liability of participating employers, subsequent events, and other information required by GASB.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2017 (FY17) are as follows:

The System's total rate of return (net of fees) was 11.85 percent in FY17, beating the target fund benchmark by over 100 basis points and well above the assumed earnings rate of 7.4 percent.

The System's Net Position increased 12.4 percent during the year from \$8.3 billion to \$9.3 billion.

Total additions for FY17 were \$2 billion, comprised of contributions of \$1 billion and investment gains of \$1 billion.

Total deductions for the year decreased from \$1.1 billion in FY16 to \$1.0 billion in FY17, largely due to a decrease in the number of members exiting the DROP program.

Despite the excellent investment returns, the actuarially funded status of each plan decreased, mainly as a result of assumption changes (particularly mortality) and Permanent Benefit Increase recognition changes implemented in FY17.

**FINANCIAL ANALYSIS OF THE PLAN**

The schedules that follow present comparative summary financial statements of the individual plans that make up the System for FY17 in comparison with results for FY16. Following each schedule is a brief summary of the significant changes noted in the schedules and reasons for the changes.

**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	
	2017	2016	2017	2016	2017	2016	CHANGE	% CHANGE
Cash and Short-Term Investments	197,850	228,924	8,842	11,167	206,692	240,091	(33,399)	-13.91%
Total Receivables	35,415	48,009	551	1,215	35,966	49,224	(13,258)	-26.93%
Total Investments	6,614,984	5,775,599	312,073	287,111	6,927,057	6,062,710	864,347	14.26%
Securities Lending Collateral	453,149	296,477	21,378	14,738	474,527	311,215	163,312	52.48%
Net Capital Assets	3,069	3,216	0	0	3,069	3,216	(147)	-4.57%
<b>Total Plan Assets</b>	<b>7,304,467</b>	<b>6,352,225</b>	<b>342,844</b>	<b>314,231</b>	<b>7,647,311</b>	<b>6,666,456</b>	<b>980,855</b>	<b>14.71%</b>
<b>Deferred Outflows</b>	<b>1,289</b>	<b>705</b>	<b>0</b>	<b>0</b>	<b>1,289</b>	<b>705</b>	<b>584</b>	<b>82.84%</b>
Accrued Accounts Payable	834	476	0	0	834	476	358	75.21%
Investment Purchases Payable	4,355	8,101	205	372	4,560	8,473	(3,913)	-46.18%
Securities Lending Collateral	453,149	296,448	21,378	14,767	474,527	311,215	163,312	52.48%
Employer Net Position Liabilities	5,421	5,009	0	0	5,421	5,009	412	8.23%
<b>Total Plan Liabilities</b>	<b>463,759</b>	<b>310,034</b>	<b>21,583</b>	<b>15,139</b>	<b>485,342</b>	<b>325,173</b>	<b>160,169</b>	<b>49.26%</b>
<b>Deferred Inflows</b>	<b>671</b>	<b>419</b>	<b>0</b>	<b>0</b>	<b>671</b>	<b>419</b>	<b>252</b>	<b>60.14%</b>
<b>Net Position</b>	<b>6,841,326</b>	<b>6,042,477</b>	<b>321,261</b>	<b>299,092</b>	<b>7,162,587</b>	<b>6,341,569</b>	<b>821,018</b>	<b>12.95%</b>

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

The total plan net assets held in trust for PSPRS benefits at June 30, 2017 were \$7.16 billion, a 12.95% increase from \$6.34 billion at June 30, 2016. The increase in net position is primarily due to favorable financial markets during the fiscal year. The changes 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	
	2017	2016	2017	2016	2017	2016	CHANGE	% CHANGE
Cash and Short-Term Investments	8,725	11,656	637	809	9,362	12,465	(3,103)	-24.89%
Total Receivables	2,876	3,489	34	85	2,910	3,574	(664)	-18.58%
Total Investments	288,987	276,016	22,493	20,802	311,480	296,818	14,662	4.94%
Securities Lending Collateral	19,797	14,169	1,541	1,068	21,338	15,237	6,101	40.04%
Net Capital Assets	215	222	0	0	215	222	(7)	-3.15%
<b>Total Plan Assets</b>	<b>320,600</b>	<b>305,552</b>	<b>24,705</b>	<b>22,764</b>	<b>345,305</b>	<b>328,316</b>	<b>16,989</b>	<b>5.17%</b>
<b>Deferred Outflows</b>	<b>58</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>58</b>	<b>35</b>	<b>23</b>	<b>65.71%</b>
Accrued Accounts Payable	2,278	1,771	0	0	2,278	1,771	507	28.63%
Investment Purchases Payable	190	388	15	27	205	415	(210)	-50.60%
Securities Lending Collateral	19,797	14,167	1,541	1,070	21,338	15,237	6,101	40.04%
Employer Net Position Liabilities	244	245	0	0	244	245	(1)	-0.41%
<b>Total Plan Liabilities</b>	<b>22,509</b>	<b>16,571</b>	<b>1,556</b>	<b>1,097</b>	<b>24,065</b>	<b>17,668</b>	<b>6,397</b>	<b>36.21%</b>
<b>Deferred Inflows</b>	<b>30</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>21</b>	<b>9</b>	<b>42.86%</b>
<b>Net Position</b>	<b>298,119</b>	<b>288,995</b>	<b>23,149</b>	<b>21,667</b>	<b>321,268</b>	<b>310,662</b>	<b>10,606</b>	<b>3.41%</b>

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

The total plan net assets held in trust for EORP benefits at June 30, 2017 were \$321.27 million, a 3.41% increase from \$310.66 million at June 30, 2016. The smaller increase in net position compared to other plans is primarily due to the contribution rate being set at 23.50% in statute, compared to the actuarial set rate of 95.56%. The changes 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	
	2017	2016	2017	2016	2017	2016	CHANGE	% CHANGE
Cash and Short-Term Investments	37,591	45,599	2,963	3,705	40,554	49,304	(8,750)	-17.75%
Total Receivables	7,156	6,127	178	391	7,334	6,518	816	12.52%
Total Investments	1,319,041	1,167,659	104,591	95,256	1,423,632	1,262,915	160,717	12.73%
Securities Lending Collateral	90,359	59,939	7,165	4,890	97,524	64,829	32,695	50.43%
Net Capital Assets	409	441	0	0	409	441	(32)	-7.26%
<b>Total Plan Assets</b>	<b>1,454,556</b>	<b>1,279,765</b>	<b>114,897</b>	<b>104,242</b>	<b>1,569,453</b>	<b>1,384,007</b>	<b>185,446</b>	<b>13.40%</b>
<b>Deferred Outflows</b>	<b>262</b>	<b>145</b>	<b>0</b>	<b>0</b>	<b>262</b>	<b>145</b>	<b>117</b>	<b>80.69%</b>
Accrued Accounts Payable	9,024	7,126	0	0	9,024	7,126	1,898	26.63%
Investment Purchases Payable	868	1,640	69	124	937	1,764	(827)	-46.88%
Securities Lending Collateral	90,359	59,931	7,165	4,899	97,524	64,830	32,694	50.43%
Employer Net Position Liabilities	1,101	1,031	0	0	1,101	1,031	70	6.79%
<b>Total Plan Liabilities</b>	<b>101,352</b>	<b>69,728</b>	<b>7,234</b>	<b>5,023</b>	<b>108,586</b>	<b>74,751</b>	<b>33,835</b>	<b>45.26%</b>
<b>Deferred Inflows</b>	<b>136</b>	<b>86</b>	<b>0</b>	<b>0</b>	<b>136</b>	<b>86</b>	<b>50</b>	<b>58.14%</b>
<b>Net Position</b>	<b>1,353,330</b>	<b>1,210,096</b>	<b>107,663</b>	<b>99,219</b>	<b>1,460,993</b>	<b>1,309,315</b>	<b>151,678</b>	<b>11.58%</b>

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

The total plan net assets held in trust for CORP benefits at June 30, 2017 were \$1.46 billion, a 11.58% increase from \$1.31 billion at June 30, 2016. The increase in net position is primarily due to favorable financial markets during the fiscal year. The changes 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	
	2017	2016	2017	2016	2017	2016	CHANGE	% CHANGE
Cash and Short-Term Investments	10,808	12,869	266	305	11,074	13,174	(2,100)	-15.94%
Total Receivables	1,627	2,379	43	63	1,670	2,442	(772)	-31.61%
Total Investments	379,238	329,550	9,384	7,844	388,622	337,394	51,228	15.18%
Securities Lending Collateral	25,979	16,917	643	403	26,622	17,320	9,302	53.71%
Net Capital Assets	118	124	0	0	118	124	(6)	-4.84%
<b>Total Plan Assets</b>	<b>417,770</b>	<b>361,839</b>	<b>10,336</b>	<b>8,615</b>	<b>428,106</b>	<b>370,454</b>	<b>57,652</b>	<b>15.56%</b>
<b>Deferred Outflows</b>	<b>75</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>75</b>	<b>41</b>	<b>34</b>	<b>82.93%</b>
Accrued Accounts Payable	2,594	2,011	0	0	2,594	2,011	583	28.99%
Investment Purchases Payable	250	463	6	10	256	473	(217)	-45.88%
Securities Lending Collateral	25,979	16,914	643	403	26,622	17,317	9,305	53.73%
Employer Net Position Liabilities	317	291	0	0	317	291	26	8.93%
<b>Total Plan Liabilities</b>	<b>29,140</b>	<b>19,679</b>	<b>649</b>	<b>413</b>	<b>29,789</b>	<b>20,092</b>	<b>9,697</b>	<b>48.26%</b>
<b>Deferred Inflows</b>	<b>39</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>39</b>	<b>24</b>	<b>15</b>	<b>62.50%</b>
<b>Net Position</b>	<b>388,666</b>	<b>342,177</b>	<b>9,687</b>	<b>8,202</b>	<b>398,353</b>	<b>350,379</b>	<b>47,974</b>	<b>13.69%</b>

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

The total plan net assets held in trust for CORP-AOC benefits at June 30, 2017 were \$398.35 million, a 13.69% increase from \$350.38 million at June 30, 2016. The increase in net position is primarily due to favorable financial markets during the fiscal year. The changes 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	
	2017	2016	2017	2016	2017	2016	CHANGE	% CHANGE
<b>ADDITIONS</b>								
Total Contributions and Service Purchase	834,857	764,188	4,249	4,195	839,106	768,383	70,723	9.20%
Net Investment Income (Loss)	727,865	35,636	34,586	1,763	762,451	37,399	725,052	1938.69%
Service Transfers	742	688	0	0	742	688	54	7.85%
<b>Total Additions (Reductions)</b>	<b>1,563,464</b>	<b>800,512</b>	<b>38,835</b>	<b>5,958</b>	<b>1,602,299</b>	<b>806,470</b>	<b>795,829</b>	<b>98.68%</b>
<b>DEDUCTIONS</b>								
Benefits	740,192	810,653	16,359	15,289	756,551	825,942	(69,391)	-8.40%
Service Transfers and Refunds	17,962	17,967	0	0	17,962	17,967	(5)	-0.03%
Administrative Expenses	6,460	5,184	306	254	6,766	5,438	1,328	24.42%
<b>Total Deductions</b>	<b>764,614</b>	<b>833,804</b>	<b>16,665</b>	<b>15,543</b>	<b>781,279</b>	<b>849,347</b>	<b>(68,068)</b>	<b>-8.01%</b>
<b>Net Increase (Decrease)</b>	<b>798,850</b>	<b>(33,292)</b>	<b>22,170</b>	<b>(9,585)</b>	<b>821,020</b>	<b>(42,877)</b>	<b>863,897</b>	<b>2014.83%</b>
<b>Balance Beginning of Year - July 1</b>	<b>6,042,477</b>	<b>6,075,769</b>	<b>299,092</b>	<b>308,677</b>	<b>6,341,569</b>	<b>6,384,446</b>	<b>(42,877)</b>	<b>-0.67%</b>
<b>Balance End of Year - June 30</b>	<b>6,841,327</b>	<b>6,042,477</b>	<b>321,262</b>	<b>299,092</b>	<b>7,162,589</b>	<b>6,341,569</b>	<b>821,020</b>	<b>12.95%</b>

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

Employer and employee contributions for FY2017 increased \$70.72 million due to increased employer contribution rates during fiscal year 2017. For FY2017, PSPRS recognized a net investment gain of \$762.45 million which compares to a \$37.40 million gain in the previous year. This 1938.69% increase was due to favorable 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 2017, the benefit deductions totaled \$756.55 million, a decrease of 8.40% from the \$825.94 million paid during FY 2016. Refunds and service transfers slightly decreased over the prior year which equates to an decrease of 0.03%. Refunds represent a return of contributions held on account when a member leaves employment. Administrative expenses increased 24.42%.

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

	PENSION		HEALTH INSURANCE		EORP TOTAL		EORP TOTAL	
	2017	2016	2017	2016	2017	2016	CHANGE	% CHANGE
<b>ADDITIONS</b>								
Total Contributions and Service Purchase	37,228	37,042	0	0	37,228	37,042	186	0.50%
Net Investment Income (Loss)	32,838	1,480	2,550	110	35,388	1,590	33,798	2125.66%
Service Transfers	69	180	0	0	69	180	(111)	-61.67%
<b>Total Additions (Reductions)</b>	<b>70,135</b>	<b>38,702</b>	<b>2,550</b>	<b>110</b>	<b>72,685</b>	<b>38,812</b>	<b>33,873</b>	<b>87.27%</b>
<b>DEDUCTIONS</b>								
Benefits	60,453	58,002	1,043	1,022	61,496	59,024	2,472	4.19%
Service Transfers and Refunds	285	125	0	0	285	125	160	128.00%
Administrative Expenses	274	249	24	19	298	268	30	11.19%
<b>Total Deductions</b>	<b>61,012</b>	<b>58,376</b>	<b>1,067</b>	<b>1,041</b>	<b>62,079</b>	<b>59,417</b>	<b>2,662</b>	<b>4.48%</b>
<b>Net Increase (Decrease)</b>	<b>9,123</b>	<b>(19,674)</b>	<b>1,483</b>	<b>(931)</b>	<b>10,606</b>	<b>(20,605)</b>	<b>31,211</b>	<b>151.47%</b>
<b>Balance Beginning of Year - July 1</b>	<b>288,995</b>	<b>308,669</b>	<b>21,667</b>	<b>22,598</b>	<b>310,662</b>	<b>331,267</b>	<b>(20,605)</b>	<b>-6.22%</b>
<b>Balance End of Year - June 30</b>	<b>298,118</b>	<b>288,995</b>	<b>23,150</b>	<b>21,667</b>	<b>321,268</b>	<b>310,662</b>	<b>10,606</b>	<b>3.41%</b>

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

Employer and employee contributions for FY2017 increased 0.50% from FY2016. For FY2017, EORP recognized a net investment gain of \$35.39 million which compares to a \$1.59 million gain in the previous year. This 2125.66% increase was due to favorable 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 2017, the benefit deductions totaled \$61.50 million, an increase of 4.19% from the \$59.02 million paid during FY 2016. Refunds and service transfers increased \$160 thousand over the prior year which equates to a increase of 128.00%. Refunds represent a return of contributions held on account when a member leaves employment. Administrative expenses increased 11.19%.

CORP SUMMARY COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION (IN THOUSANDS)*								
	PENSION		HEALTH INSURANCE		CORP TOTAL		CORP TOTAL	
	2017	2016	2017	2016	2017	2016	CHANGE	% CHANGE
<b>ADDITIONS</b>								
Total Contributions and Service Purchase	136,107	133,079	467	412	136,574	133,491	3,083	2.31%
Net Investment Income (Loss)	144,008	7,380	11,628	612	155,636	7,992	147,644	1847.40%
Service Transfers	790	320	0	0	790	320	470	146.88%
<b>Total Additions (Reductions)</b>	<b>280,905</b>	<b>140,779</b>	<b>12,095</b>	<b>1,024</b>	<b>293,000</b>	<b>141,803</b>	<b>151,197</b>	<b>106.62%</b>
<b>DEDUCTIONS</b>								
Benefits	109,514	104,815	3,548	3,339	113,062	108,154	4,908	4.54%
Service Transfers and Refunds	26,880	30,365	0	0	26,880	30,365	(3,485)	-11.48%
Administrative Expenses	1,277	1,061	102	87	1,379	1,148	231	20.12%
<b>Total Deductions</b>	<b>137,671</b>	<b>136,241</b>	<b>3,650</b>	<b>3,426</b>	<b>141,321</b>	<b>139,667</b>	<b>1,654</b>	<b>1.18%</b>
<b>Net Increase (Decrease)</b>	<b>143,234</b>	<b>4,538</b>	<b>8,445</b>	<b>(2,402)</b>	<b>151,679</b>	<b>2,136</b>	<b>149,543</b>	<b>7001.08%</b>
<b>Balance Beginning of Year - July 1</b>	<b>1,210,096</b>	<b>1,205,558</b>	<b>99,219</b>	<b>101,621</b>	<b>1,309,315</b>	<b>1,307,179</b>	<b>2,136</b>	<b>0.16%</b>
<b>Balance End of Year - June 30</b>	<b>1,353,330</b>	<b>1,210,096</b>	<b>107,664</b>	<b>99,219</b>	<b>1,460,994</b>	<b>1,309,315</b>	<b>151,679</b>	<b>11.58%</b>

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

Employer and employee contributions for FY2017 increased \$3.08 million due to increased employer contribution rates during fiscal year 2017. For FY 2017, CORP recognized a net investment gain of \$155.64 million which compares to a \$7.99 million gain in the previous year. This 1847.40% increase was due to favorable 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 2017, the benefit deductions totaled \$113.06 million, an increase of 4.54% from the \$108.15 million paid during FY 2016. Refunds and service transfers decreased \$3.48 million over the prior year which equates to a decrease of 11.48%. Refunds represent a return of contributions held on account when a member leaves employment. Administrative expenses increased 20.12%.

CORP-AOC SUMMARY COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION (IN THOUSANDS)*								
	PENSION		HEALTH INSURANCE		CORP-AOC TOTAL		CORP-AOC TOTAL	
	2017	2016	2017	2016	2017	2016	CHANGE	% CHANGE
<b>ADDITIONS</b>								
Total Contributions and Service Purchase	32,014	30,329	929	932	32,943	31,261	1,682	5.38%
Net Investment Income (Loss)	41,046	2,060	1,004	48	42,050	2,108	39,942	1894.78%
Service Transfers	96	563	0	0	96	563	(467)	-82.95%
<b>Total Additions (Reductions)</b>	<b>73,156</b>	<b>32,952</b>	<b>1,933</b>	<b>980</b>	<b>75,089</b>	<b>33,932</b>	<b>41,157</b>	<b>121.29%</b>
<b>DEDUCTIONS</b>								
Benefits	24,647	22,136	439	388	25,086	22,524	2,562	11.37%
Service Transfers and Refunds	1,654	2,648	0	0	1,654	2,648	(994)	-37.54%
Administrative Expenses	367	300	9	7	376	307	69	22.48%
<b>Total Deductions</b>	<b>26,668</b>	<b>25,084</b>	<b>448</b>	<b>395</b>	<b>27,116</b>	<b>25,479</b>	<b>1,637</b>	<b>6.42%</b>
<b>Net Increase (Decrease)</b>	<b>46,488</b>	<b>7,868</b>	<b>1,485</b>	<b>585</b>	<b>47,973</b>	<b>8,453</b>	<b>39,520</b>	<b>467.53%</b>
<b>Balance Beginning of Year - July 1</b>	<b>342,177</b>	<b>334,309</b>	<b>8,202</b>	<b>7,617</b>	<b>350,379</b>	<b>341,926</b>	<b>8,453</b>	<b>2.47%</b>
<b>Balance End of Year - June 30</b>	<b>388,665</b>	<b>342,177</b>	<b>9,687</b>	<b>8,202</b>	<b>398,352</b>	<b>350,379</b>	<b>47,973</b>	<b>13.69%</b>

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

Employer and employee contributions for FY2017 increased \$1.68 million due to increased employer contribution rates during fiscal year 2017. For FY 2017, CORP-AOC recognized a net investment gain of \$42.05 million which compares to a \$2.11 million gain in the previous year. This 1894.78% increase was due to favorable 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 2017, the benefit deductions totaled \$25.09 million, an increase of 11.37% from the \$22.52 million paid during FY 2016. Refunds and service transfers decreased \$994 thousand over the prior year which equates to 37.54%. Refunds represent a return of contributions held on account when a member leaves employment. Administrative expenses increased 22.48%.

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COMBINED STATEMENT OF FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017

	PSPRS PENSION	PSPRS HEALTH INS	EORP PENSION	EORP HEALTH INS	CORP PENSION
<b>ASSETS</b>					
Cash and Short-Term Investments	197,849,828	8,842,096	8,724,800	637,302	37,591,048
<b>RECEIVABLES</b>					
Member Contributions	2,002,462	0	136,392	0	1,491,929
Employer Contributions	11,479,977	0	480,614	0	3,571,495
Health Insurance Contributions	0	89,938	0	0	0
Court Fees	0	0	775,452	0	0
Interest and Dividends	6,620,826	312,349	289,242	22,513	1,320,206
Investment Sales	3,161,880	149,167	138,132	10,751	630,485
Other	12,149,659	0	1,056,226	1,072	142,136
<b>Total Receivables</b>	<b>35,414,804</b>	<b>551,454</b>	<b>2,876,058</b>	<b>34,336</b>	<b>7,156,251</b>
<b>INVESTMENTS AT FAIR VALUE (NOTE 5)</b>					
U.S. Equity	1,044,224,168	49,263,090	45,618,679	3,550,690	208,220,419
Non U.S. Equity	976,595,870	46,072,607	42,664,224	3,320,733	194,735,199
GTAA	568,329,808	26,811,946	24,828,438	1,932,500	113,326,117
Fixed Income	369,902,186	17,450,778	16,159,795	1,257,784	73,759,247
Private Credit	866,255,776	40,867,121	37,843,832	2,945,542	172,733,160
Private Equity	941,650,962	44,424,020	41,137,597	3,201,909	187,767,113
Real Assets	684,943,672	32,313,408	29,922,909	2,329,024	136,579,159
Real Estate	628,956,442	29,672,113	27,477,014	2,138,649	125,415,192
Absolute Return	207,662,293	9,796,829	9,072,075	706,117	41,408,283
Risk Parity	326,462,689	15,401,445	14,262,068	1,110,076	65,097,323
<b>Total Investments</b>	<b>6,614,983,866</b>	<b>312,073,357</b>	<b>288,986,631</b>	<b>22,493,024</b>	<b>1,319,041,212</b>
Securities Lending Collateral	453,148,587	21,378,072	19,796,553	1,540,848	90,358,748
<b>CAPITAL ASSETS (NOTE 6)</b>					
Land	495,436	0	33,145	0	67,252
Building	3,719,420	0	250,653	0	507,951
Furniture, Fixtures & Equipment	1,334,561	0	118,793	0	194,675
<b>Total Capital Assets</b>	<b>5,549,417</b>	<b>0</b>	<b>402,591</b>	<b>0</b>	<b>769,878</b>
Accumulated Depreciation	(2,480,486)	0	(187,389)	0	(360,410)
<b>Net Capital Assets</b>	<b>3,068,931</b>	<b>0</b>	<b>215,202</b>	<b>0</b>	<b>409,468</b>
<b>TOTAL PLAN ASSETS</b>	<b>7,304,466,016</b>	<b>342,844,979</b>	<b>320,599,244</b>	<b>24,705,510</b>	<b>1,454,556,727</b>
<b>Deferred Outflows of Resources - Pension Plan Items</b>	<b>1,289,042</b>	<b>0</b>	<b>57,963</b>	<b>0</b>	<b>261,931</b>
<b>LIABILITIES</b>					
Accrued Accounts Payable	833,755	0	2,278,359	0	9,023,851
Investment Purchases Payable	4,354,706	205,441	190,243	14,807	868,337
Securities Lending Collateral	453,148,587	21,378,072	19,796,553	1,540,848	90,358,748
Net Pension Liabilities (NOTE 9)	5,420,750	0	243,749	0	1,101,486
<b>Total Plan Liabilities</b>	<b>463,757,798</b>	<b>21,583,513</b>	<b>22,508,904</b>	<b>1,555,655</b>	<b>101,352,422</b>
<b>Deferred Inflows of Resources - Pension Plan Items</b>	<b>670,719</b>		<b>30,159</b>		<b>136,289</b>
<b>NET POSITION RESTRICTED FOR PENSIONS AND OPEB</b>	<b>6,841,326,541</b>	<b>321,261,466</b>	<b>298,118,144</b>	<b>23,149,855</b>	<b>1,353,329,947</b>
<b>NET POSITION RESERVES</b>					
Refundable Members' Reserve	1,527,357,292	0	58,177,121	0	336,402,827
Employers' Reserve	5,313,969,249	0	239,941,023	0	1,016,927,120
Health Insurance Reserve	0	321,261,466	0	23,149,855	0
Future Benefit Increase Reserve	0	0	0	0	0
<b>Total Net Position Reserves</b>	<b>6,841,326,541</b>	<b>321,261,466</b>	<b>298,118,144</b>	<b>23,149,855</b>	<b>1,353,329,947</b>

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



<b>COMBINED STATEMENT OF FIDUCIARY NET POSITION (cont)</b> FOR THE YEAR ENDED JUNE 30, 2017				
	<b>CORP HEALTH INS</b>	<b>CORP-AOC PENSION</b>	<b>CORP-AOC HEALTH INS</b>	<b>2017 COMBINED TOTAL</b>
<b>ASSETS</b>				
Cash and Short-Term Investments	2,963,424	10,807,818	265,880	267,682,196
<b>RECEIVABLES</b>				
Member Contributions	0	293,820	0	3,924,603
Employer Contributions	0	731,135	0	16,263,221
Health Insurance Contributions	18,559	0	29,018	137,515
Court Fees	0	0	0	775,452
Interest and Dividends	104,684	379,573	9,392	9,058,785
Investment Sales	49,994	181,271	4,485	4,326,165
Other	5,067	40,866	455	13,395,481
<b>Total Receivables</b>	<b>178,304</b>	<b>1,626,665</b>	<b>43,350</b>	<b>47,881,222</b>
<b>INVESTMENTS AT FAIR VALUE (NOTE 5)</b>				
U.S. Equity	16,510,500	59,865,554	1,481,332	1,428,734,432
Non U.S. Equity	15,441,211	55,988,412	1,385,395	1,336,203,651
GTAA	8,986,011	32,582,447	806,230	777,603,497
Fixed Income	5,848,619	21,206,557	524,742	506,109,708
Private Credit	13,696,595	49,662,595	1,228,867	1,185,233,488
Private Equity	14,888,689	53,985,014	1,335,822	1,288,391,126
Real Assets	10,829,823	39,267,940	971,658	937,157,593
Real Estate	9,944,594	36,058,182	892,235	860,554,421
Absolute Return	3,283,402	11,905,316	294,589	284,128,904
Risk Parity	5,161,786	18,716,163	463,119	446,674,669
<b>Total Investments</b>	<b>104,591,230</b>	<b>379,238,180</b>	<b>9,383,989</b>	<b>9,050,791,489</b>
Securities Lending Collateral	7,164,850	25,979,088	642,835	620,009,581
<b>CAPITAL ASSETS (NOTE 6)</b>				
Land	0	19,336	0	615,169
Building	0	146,041	0	4,624,065
Furniture, Fixtures & Equipment	0	55,971	0	1,704,000
<b>Total Capital Assets</b>	<b>0</b>	<b>221,348</b>	<b>0</b>	<b>6,943,234</b>
Accumulated Depreciation	0	(103,622)	0	(3,131,907)
<b>Net Capital Assets</b>	<b>0</b>	<b>117,726</b>	<b>0</b>	<b>3,811,327</b>
<b>TOTAL PLAN ASSETS</b>	<b>114,897,808</b>	<b>417,769,477</b>	<b>10,336,054</b>	<b>9,990,175,815</b>
<b>Deferred Outflows of Resources - Pension Plan Items</b>	<b>0</b>	<b>75,308</b>	<b>0</b>	<b>1,684,244</b>
<b>LIABILITIES</b>				
Accrued Accounts Payable	0	2,594,452	0	14,730,417
Investment Purchases Payable	68,853	249,656	6,178	5,958,221
Securities Lending Collateral	7,164,850	25,979,088	642,835	620,009,581
Net Pension Liabilities (NOTE 9)	0	316,689	0	7,082,674
<b>Total Plan Liabilities</b>	<b>7,233,703</b>	<b>29,139,885</b>	<b>649,013</b>	<b>647,780,893</b>
<b>Deferred Inflows of Resources - Pension Plan Items</b>		<b>39,184</b>		<b>876,351</b>
<b>NET POSITION RESTRICTED FOR PENSIONS AND OPEB</b>	<b>107,664,105</b>	<b>388,665,716</b>	<b>9,687,041</b>	<b>9,343,202,815</b>
<b>NET POSITION RESERVES</b>				
Refundable Members' Reserve	0	86,137,722	0	2,008,074,962
Employers' Reserve	0	302,527,994	0	6,873,365,386
Health Insurance Reserve	107,664,105	0	9,687,041	461,762,467
Future Benefit Increase Reserve	0	0	0	0
<b>Total Net Position Reserves</b>	<b>107,664,105</b>	<b>388,665,716</b>	<b>9,687,041</b>	<b>9,343,202,815</b>

\* 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, 2017

	PSPRS	PSPRS HEALTH INS	EORP PENSION	EORP HEALTH INS	CORP PENSION
<b>ADDITIONS</b>					
Contributions					
Members' Contributions (NOTE 4)	167,118,138	0	6,826,992	0	42,651,820
Employers' Contributions (NOTE 4)	599,653,196	0	13,125,566	0	92,275,979
Health Insurance Contributions (NOTE 4)	0	4,248,856	0	0	0
Non-Employer Entity Contributions	17,419,859	0	5,000,000	0	0
Court Fees	0	0	8,646,790	0	0
Members' Service Purchase	15,861,470	0	1,309,777	0	805,367
Legacy Contributions	0	0	2,207,319	0	0
Alternate Employer Contributions	4,183,441	0	111,441	0	363,239
Additional Employer Contributions	30,620,519	0	0	0	11,032
<b>Total Contributions</b>	<b>834,856,623</b>	<b>4,248,856</b>	<b>37,227,885</b>	<b>0</b>	<b>136,107,438</b>
Investment Income					
<i>From Investing Income</i>					
Net Appreciation (Depreciation) in Fair Value of Inv. (NOTE 5)	674,707,773	32,060,572	30,460,387	2,365,349	133,504,511
Interest	109,866	5,221	7,822	607	20,484
Dividends	46,549,069	2,211,905	2,077,301	161,309	9,217,815
Other Income	44,300,281	2,104,264	1,987,160	154,310	8,762,129
<i>From Securities Lending Activities</i>					
Security Lending Activities (NOTE 5)					
Securities Lending Income	3,691,107	175,393	163,944	12,731	730,691
Borrower Rebates	(507,268)	(24,104)	(22,530)	(1,750)	(100,419)
Agents Share of Income	(476,509)	(22,643)	(21,165)	(1,643)	(94,329)
<b>Net Securities Lending Income</b>	<b>2,707,330</b>	<b>128,646</b>	<b>120,249</b>	<b>9,338</b>	<b>535,943</b>
<b>Total Investment Income (Loss)</b>	<b>768,374,319</b>	<b>36,510,608</b>	<b>34,652,919</b>	<b>2,690,913</b>	<b>152,040,882</b>
Less Investment Expense	(40,508,675)	(1,924,880)	(1,814,951)	(140,937)	(8,033,255)
<b>Net Investment Income (Loss)</b>	<b>727,865,644</b>	<b>34,585,728</b>	<b>32,837,968</b>	<b>2,549,976</b>	<b>144,007,627</b>
Transfers Into System	741,841	0	69,068	0	790,134
<b>Total Additions</b>	<b>1,563,464,108</b>	<b>38,834,584</b>	<b>70,134,921</b>	<b>2,549,976</b>	<b>280,905,199</b>
<b>DEDUCTIONS</b>					
Pension Benefits (NOTE 1)	635,233,123	0	60,453,101	0	108,696,796
DROP Benefits (NOTE 1)	104,959,358	0	0	0	816,681
Health Insurance Subsidy	0	16,359,496	0	1,043,450	0
Refunds To Terminated Members (NOTE 1)	17,579,621	0	264,327	0	26,093,328
Administrative Expenses	6,460,102	306,026	274,256	23,727	1,277,956
Transfers To Other Plans	382,781	0	20,089	0	786,465
<b>Total Deductions</b>	<b>764,614,985</b>	<b>16,665,522</b>	<b>61,011,773</b>	<b>1,067,177</b>	<b>137,671,226</b>
<b>NET INCREASE (DECREASE)</b>	<b>798,849,123</b>	<b>22,169,062</b>	<b>9,123,148</b>	<b>1,482,799</b>	<b>143,233,973</b>
<b>NET POSITION HELD IN TRUST</b>					
Beginning of Year, July 1	6,042,477,418	299,092,404	288,994,996	21,667,056	1,210,095,975
<b>End of Year, June 30</b>	<b>6,841,326,541</b>	<b>321,261,466</b>	<b>298,118,144</b>	<b>23,149,855</b>	<b>1,353,329,947</b>

\* 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, 2017				
	CORP HEALTH INS	CORP-AOC PENSION	CORP-AOC HEALTH INS	2017 COMBINED TOTAL
<b>ADDITIONS</b>				
Contributions				
Members' Contributions (NOTE 4)	0	9,391,814	0	225,988,764
Employers' Contributions (NOTE 4)	0	22,394,823	0	727,449,564
Health Insurance Contributions (NOTE 4)	466,526	0	929,246	5,644,628
Non-Employer Entity Contributions	0	0	0	22,419,859
Court Fees	0	0	0	8,646,790
Members' Service Purchase	0	138,140	0	18,114,754
Legacy Contributions	0	0	0	2,207,319
Alternate Employer Contributions	0	89,611	0	4,747,732
Additional Employer Contributions	0	0	0	30,631,551
<b>Total Contributions</b>	<b>466,526</b>	<b>32,014,387</b>	<b>929,246</b>	<b>1,045,850,961</b>
Investment Income				
<i>From Investing Income</i>				
Net Appreciation (Depreciation) in Fair Value of Inv. (NOTE 5)	10,780,217	38,052,519	931,183	922,862,511
Interest	1,654	5,838	143	151,635
Dividends	744,319	2,627,335	64,294	63,653,347
Other Income	707,524	2,497,452	61,115	60,574,235
<i>From Securities Lending Activities</i>				
Security Lending Activities (NOTE 5)				
Securities Lending Income	59,002	208,267	5,096	5,046,231
Borrower Rebates	(8,109)	(28,622)	(700)	(693,502)
Agents Share of Income	(7,617)	(26,887)	(658)	(651,451)
<b>Net Securities Lending Income</b>	<b>43,276</b>	<b>152,758</b>	<b>3,738</b>	<b>3,701,278</b>
<b>Total Investment Income (Loss)</b>	<b>12,276,990</b>	<b>43,335,902</b>	<b>1,060,473</b>	<b>1,050,943,006</b>
Less Investment Expense	(648,669)	(2,289,702)	(56,031)	(55,417,100)
<b>Net Investment Income (Loss)</b>	<b>11,628,321</b>	<b>41,046,200</b>	<b>1,004,442</b>	<b>995,525,906</b>
Transfers Into System	0	96,106	0	1,697,149
<b>Total Additions</b>	<b>12,094,847</b>	<b>73,156,693</b>	<b>1,933,688</b>	<b>2,043,074,016</b>
<b>DEDUCTIONS</b>				
Pension Benefits (NOTE 1)	0	22,745,934	0	827,128,954
DROP Benefits (NOTE 1)	0	1,901,181	0	107,677,220
Health Insurance Subsidy	3,547,976	0	439,498	21,390,420
Refunds To Terminated Members (NOTE 1)	0	1,639,618	0	45,576,894
Administrative Expenses	101,715	367,239	8,786	8,819,807
Transfers To Other Plans	0	14,488	0	1,203,823
<b>Total Deductions</b>	<b>3,649,691</b>	<b>26,668,460</b>	<b>448,284</b>	<b>1,011,797,118</b>
<b>NET INCREASE (DECREASE)</b>	<b>8,445,156</b>	<b>46,488,233</b>	<b>1,485,404</b>	<b>1,031,276,898</b>
<b>NET POSITION HELD IN TRUST</b>				
Beginning of Year, July 1	99,218,949	342,177,483	8,201,637	8,311,925,918
<b>End of Year, June 30</b>	<b>107,664,105</b>	<b>388,665,716</b>	<b>9,687,041</b>	<b>9,343,202,815</b>

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

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## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1: PLAN DESCRIPTION

## ORGANIZATION

The Public Safety Personnel Retirement System ("System") is the administrator of three defined benefit plans, the Public Safety Personnel Retirement System (PSPRS), the Elected Officials' Retirement Plan (EORP), and the Corrections Officer Retirement Plan (CORP). The System is also the administrator of a defined contribution plan, the Elected Officials' Defined Contribution Retirement System (EODCRS). The EODCRS is not reported in the financial statements because its current size is immaterial. Effective July 1, 2017, the System will also administer a second defined contribution plan, the Public Safety Personnel Defined Contribution Retirement Plan. The plans, including benefit provisions and the obligation to make contributions, are established and administered in accordance with Title 38, Chapter 5 of the Arizona Revised Statutes. The plans are governmental plans tax qualified under Section 401(a) of the Internal Revenue Code.

Responsibility for the organization is vested in a Board of Trustees, which was restructured in fiscal year 2017 from a seven-member Board appointed by the Governor to a nine-member Board. Two Board members are appointed by the President of the Senate; two are appointed by the Speaker of the House of Representatives; and five are appointed by the Governor. The Board of Trustees is responsible for the investments of the Plan's assets, setting employer contribution rates in accordance with an annual actuarial valuation, adopting a budget, and the general protection and administration of the System.

## PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

The PSPRS 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 232 local boards jointly administer the System.

Each eligible group participating in the System has a five-member local board. The chief elected official of the governing body appoints three members to the local board, 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 board.

At June 30, 2017 and 2016, the number of participating local government employer groups was:

GROUP	2017	2016
Municipalities	143	143
County Agencies	22	22
State Agencies	13	13
Special Districts	54	55
<b>Total Employers</b>	<b>232</b>	<b>233</b>

Any state agency, county, city or other political subdivision 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. Certain retirees are eligible to receive an insurance subsidy (see Note 3 for details). At June 30, 2017 and 2016, statewide PSPRS membership consisted of:

MEMBERSHIP TYPE	RETIREMENT PLAN		INSURANCE SUBSIDY	
	2017	2016	2017	2016
Retirees	12,399	11,863	7,613	7,440
Terminated Vested	2,114	1,996	-	-
DROP	1,409	1,365	-	-
Current Vested	10,944	10,352	-	-
Current Non-Vested	8,066	8,354	-	-
<b>Total Members</b>	<b>34,932</b>	<b>33,930</b>	<b>7,613</b>	<b>7,440</b>

*Employees who became a member on or before December 31, 2011:* Pursuant to A.R.S. §§ 38-842 and 38-844 and 38-845, retirement benefits will commence the first day of the month following termination of employment and based upon the following age and service requirements:

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.

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.

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

The average monthly benefit compensation is equal to an average of the highest 36 consecutive months of pensionable compensation (salary) within the last 20 years of credited service.

Inactive members (not making contributions to the System) that have at least 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 annuity and annuitants are not entitled to survivor benefits, benefit increases, or the group health insurance subsidy. A.R.S. § 38-846.01(A).

*Employees who became a member on or after January 1, 2012 and on or before June 30, 2017:* Pursuant to A.R.S. §§ 38-842 and 38-844 and 38-845, retirement benefits will commence the first day of the month following termination of employment and based upon the following age and service requirements:

Age 52.5 with 15 years of credited service but less than 25 years: average monthly benefit compensation times a multiplier that varies by years of service, from 1.5% to 2.5% per year of service, times the number of years of service.

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; or

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.

The average monthly benefit compensation is equal to an average of the highest 60 consecutive months of compensation (salary) within the last 20 years of credited service.

*Employees who become a member on or after July 1, 2017:* Legislation was passed in 2016 that created a new tier of benefits for those members who will become members on or after July 1, 2017. This group of members will have the choice of enrolling in the defined benefit plan or in a new defined contribution plan. Benefit provisions are available on the PSPRS website.

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).

Employees who became a member on or before December 31, 2011 may voluntarily and irrevocably enter into a Deferred Retirement Option Plan (DROP) program with the employer for a period of up to 60 months. 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 is paid into the DROP account, where it earns interest. During the DROP period, 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.

At June 30, 2017, the DROP balance is \$1,598,171,348. The associated DROP liability is \$1,598,171,348.

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.

**ELECTED OFFICIALS' RETIREMENT PLAN**

The Elected Officials' Retirement Plan (EORP) 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Legislation passed in 2013 (HB 2608) effectively closed the EORP to new members and created the Elected Officials' Defined Contribution Retirement System (EODCRS). Elected officials and judges who were members of the EORP on December 31, 2013 remain in the Plan. Elected officials, justices of the Supreme Court, judges of the Court of Appeals and Superior Court, and commissioners that make a timely election of membership who were initially hired on or after January 1, 2014 will be required to participate in the EODCRS or in the Arizona State Retirement System.

At June 30, 2017 and 2016, the number of participating local government employer groups in EORP was:

GROUP	2017	2016
Municipalities	22	22
County Agencies	15	15
State Agencies	2	2
Special Districts	1	1
<b>Total Employers</b>	<b>40</b>	<b>40</b>

At June 30, 2017 and 2016, statewide EORP membership consisted of:

MEMBERSHIP TYPE	RETIREMENT PLAN		INSURANCE SUBSIDY	
	2017	2016	2017	2016
Retirees	1,196	1,123	720	668
Terminated Vested	162	163	-	-
Current Vested	494	541	-	-
Current Non-Vested	106	153	-	-
<b>Total Members</b>	<b>1,958</b>	<b>1,980</b>	<b>720</b>	<b>668</b>

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

*Employees who became a member on or before December 31, 2011:* 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 the 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
- 20 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.

Members who have at least five (5) years of credited service and who cease 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%.

The average monthly benefit compensation is equal to an average of the highest 36 consecutive months of compensation (salary) within the last 10 years of credited service. If an employee does not have three 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.

*Employees who became a member on or after January 1, 2012:* 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 the 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. Early retirement benefits are not available.

The average monthly benefit compensation is equal to an average of the highest 60 consecutive months of compensation (salary) within the last 10 years of credited service. If an employee does not have five 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.

Active members who have at least five 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. may elect to redeem up to 60 months of any part of the prior service if the prior service is not on account with any other retirement system.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**CORRECTIONS OFFICER RETIREMENT PLAN**

The Corrections Officer Retirement Plan (CORP) 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 and 27 local boards administer the plan.

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

Each eligible group participating in the Plan has a five-member local board. 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.

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, 2017 and 2016, the number of participating local government employer groups was:

GROUP	2017	2016
CORP AOC	15	15
Towns Dispatchers	3	3
Cities Dispatchers	1	1
Cities Detention	1	1
Counties Dispatchers	4	4
Counties Detention	14	13
State Agency Dispatchers	1	1
State Agency Detention	3	3
<b>Total Employers</b>	<b>42</b>	<b>41</b>

Designated positions for State and local government 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. Those positions are specified in A.R.S. §38-881 and include (but not limited to) state, county, city or town detention officers, certain dispatchers, and specifically designated positions for Arizona Department of Corrections and the Department of Juvenile Corrections employees.

At June 30, 2017 and 2016, statewide CORP membership consisted of the following:

MEMBERSHIP TYPE	RETIREMENT PLAN					
	CORP	CORP-AOC	2017	CORP	CORP-AOC	2016
Retirees	4,445	646	5,091	4,215	570	4,785
Terminated Vested	2,530	387	2,917	2,405	387	2,792
Current Vested	4,184	1,026	5,210	3,948	1,040	4,988
Current Non-Vested	7,599	1,149	8,748	7,789	1,069	8,858
<b>Total Members</b>	<b>18,758</b>	<b>3,208</b>	<b>21,966</b>	<b>18,357</b>	<b>3,066</b>	<b>21,423</b>

MEMBERSHIP TYPE	INSURANCE SUBSIDY					
	CORP	CORP-AOC	2017	CORP	CORP-AOC	2016
Retirees	2,613	262	2,875	2,447	228	2,675
Terminated Vested	-	-	-	-	-	-
Current Vested	-	-	-	-	-	-
Current Non-Vested	-	-	-	-	-	-
<b>Total Members</b>	<b>2,613</b>	<b>262</b>	<b>2,875</b>	<b>2,447</b>	<b>228</b>	<b>2,675</b>

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

*Employees who became a member on or before December 31, 2011:* Pursuant to A.R.S. §§ 38-881 and 38-885, retirement benefits will commence the first day of the month following termination of employment and based upon the following age and service requirements:

For retirement with 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 (including fractional years).

For retirement with 25 or more years of credited service, or 80 points 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 (including fractional years) with a maximum of 80%.

For retirement with 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 2.5% for each year of credited service (include fractional years).

For retirement with 80 points if membership date is PRIOR to 8/9/01: Member's average monthly salary multiplied by 2.5% for each year of credited service (include fractional years) with a maximum of 75% of average monthly salary.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For retirement at age 62 with 10 years of service: Member's average monthly salary multiplied by 2.5% for each year of credited service (include fractional years).

Inactive members that have at least 10 years of credited service may elect to receive a "deferred annuity" at age 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.

The average monthly salary is equal to an average of the highest 36 consecutive months of compensation (salary) within the last 10 years of credited service.

*Employees who became a member after December 31, 2011:* Pursuant to A.R.S. §§ 38-881 and 38-885, retirement benefits will commence the first day of the month following termination of employment and based upon the following:

For retirement at age 62 with 10 years of service: Member's average monthly salary multiplied by 2.5% for each year of credited service (include fractional years).

For retirement at 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 for each year of credited service over 25 (include fractional years) with a maximum of 80%.

For retirement at age 52.5 with 25 years of service but less than 25 years of credited service: average monthly salary multiplied by 2.5% for each year of credited service (include fractional years).

The average monthly salary is equal to an average of the highest 60 consecutive months of compensation (salary) within the last 10 years of credited service.

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 (which entitles them to survivor benefits, benefit increases, or the group health insurance subsidy).

Salary includes 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, semi-monthly or biweekly payroll basis. Salary includes amounts that are subject to deferred compensation or tax shelter agreements. "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.

Active members who have at least five (5) years of credited 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. may elect to redeem up to 60 months of any part of the prior service if the prior service is not on account with any other retirement system. Those members may also purchase up to 60 months of credited service for periods of active military service performed before employment with their current employer.

CORP members who are eligible for a normal pension (based on service and age) may be eligible to participate in the Reverse DROP. 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. 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).

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).

**ELECTED OFFICIALS' DEFINED CONTRIBUTION RETIREMENT SYSTEM**

As part of 2013 legislation, House Bill 2608 effectively closed the Elected Officials' Retirement Plan (EORP) to new hires 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 also 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 are available to them.

*Path 1: Elected Officials' Retirement Plan.*

ARS § 38-801 restricts membership in EORP to elected officials defined therein who were members of the plan on December 31, 2013.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

*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 EODCRS 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 EODCRS to return to ASRS, s/he is automatically enrolled in EODCRS, which is a defined contribution plan administered by Nationwide Retirement Solutions, a third party vendor. The elected official will contribute to and participate in the Elected Officials’ Defined Contribution Retirement System Disability Program administered by EODCRS.

The EODCRS is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal. There is no vesting period required to receive benefits in the EODCRS. At the time of retirement or termination, an amount equal to the fair value of a member’s account is distributed to the member or transferred to another qualified plan or individual retirement account on the member’s behalf. A disability pension is available to members who become disabled while in office.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS**

**REPORTING ENTITY**

The System functions as a separate statutory entity and maintains rights to sue or be sued in its own name and to hold property in its own name. For financial reporting purposes, the System is considered a pension trust fund of the State of Arizona and is included as a component unit in the State’s Comprehensive Annual Financial Report. The System does not have any component units.

**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. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

Furniture, fixtures and equipment purchases costing \$50,000 or more, when acquired, are capitalized at cost. Improvements, which increase the useful life of the property, are also capitalized.

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.

Investment-related costs are reported as investment expense if they are separable from investment income and administrative expense of the plan. In FY16 PSPRS reported carried interest, performance fees and other fees that were not readily separable from investment income as investment expenses. Investment expense in FY17 includes fees that were paid directly to external investment managers, but does not include fees that are not readily separable.

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 \$384,708,372 for FYE 2017 and \$301,320,246 for FYE 2016. This calculation is independent of the calculation of the change in the fair value of investments and may include unrealized amounts from prior periods.

In June 2015, GASB issued Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.” GASB 74 addresses reporting by other postemployment benefit (OPEB) plans that administer benefits on behalf of governments. The System implemented the new requirements this fiscal year. The System also implemented GASB Statement No. 82, “Pension Issues.” GASB 82 addresses certain issues that were raised during the implementation of prior GASB Statements, including the presentation of payroll-related measures in required supplementary information.

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, 2017. Actual results could differ from those estimates.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

**NOTE 3: HEALTH INSURANCE PREMIUM SUBSIDY**

The System provides health insurance premium subsidies in accordance with A.R.S. §38-857, §38-817 and §38-906 on behalf of eligible retired members who are receiving health benefits through the Arizona State Retirement System, Arizona Department of Administration, or the participating employer of the retired member. The System set up separate 401(h) healthcare plans (one for each pension plan) to receive contributions, invest assets, and pay subsidies in 2014. These plans qualify as OPEB plans and are administered by the PSPRS Board of Trustees. Contribution rates are determined annually by the actuary. The subsidy consists of a fixed dollar amount set by statute, capped at the following amounts:

SINGLE		FAMILY		
Not Medicare Eligible	Medicare Eligible	All Not Medicare Eligible	All Medicare Eligible	One With Medicare
\$150.00	\$100.00	\$260.00	\$170.00	\$215.00

The EORP and CORP-AOC healthcare plans are cost-sharing plans. The following disclosures are applicable to those cost-sharing plans. The summary of significant accounting policies and investment policies for the healthcare plans are the same as the corresponding retirement plans, as are the mortality tables. The healthcare plan assets are accounted for by employer, and are only available to pay health insurance benefits.

Since the only benefits paid are the subsidies paid to retirees defined in statute which seldom, if ever, change, the plan does not have assumptions about inflation, healthcare cost trend rates, salary changes, future COLAs, or the sharing of costs with inactive plan members. The discount rate is 7.4%, equal to the long-term expected rate of return on OPEB plan investments. Investments are pooled with retirement plan investments for investment purposes. The actuarial methods and assumptions used for the health insurance premium subsidy benefit are as follows:

INSURANCE SUBSIDY OPEB PLAN ACTUARIAL ASSUMPTIONS	
Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of Pay, Closed
Remaining Amortization Period:	19 years, Closed
Asset Valuation:	Plan Net Position
Investment ROR:	7.40%

The EORP health insurance subsidy plan has assets of \$23,149,855 as of June 30, 2017, and a total OPEB liability of \$14,043,713 for a funding ratio of 164.8%. The Net OPEB Liability is \$(9,106,142), equal to 17.90% of covered payroll, which is \$50,877,556. If the discount rate had been 6.4%, the Net OPEB Liability would have been \$(7,892,671) and if the discount rate had been 8.4%, the Net OPEB Liability would have been \$(10,153,036).

The CORP-AOC health insurance subsidy plan has assets of \$9,687,041 to cover the total OPEB liability of \$15,571,507 for a funding ratio of 62.2%. The Net OPEB Liability is \$5,884,466, equal to 5.18% of covered payroll, which is \$113,501,629. If the discount rate had been 6.4%, the Net OPEB Liability would have been \$7,778,551 and if the discount rate had been 8.4%, the Net OPEB Liability would have been \$4,301,751.

In accordance with GASB Statement No. 74, the value of assets used in this disclosure is the plan net position rather than a smoothed actuarial value of assets.

Actuarial valuations involve estimates of the value of reported 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.

**NOTE 4: CONTRIBUTION REQUIREMENTS**

Contribution rates for members and employers are defined in statute. The System's funding policy also provides for employer contributions set at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Rates for PSPRS and CORP are recalculated annually based on annual actuarial valuation results. During the year ended June 30, 2017, contributions to PSPRS and CORP were made in accordance with contribution requirements determined by an actuarial valuation of the System as of June 30, 2015. Contributions to EORP were made in accordance with rates set in statute.

In November 2016, the Arizona Supreme Court overturned two provisions of state law passed by the legislature in 2011. The Court determined that an increase in employee contribution rates from 7.65% to 11.65% of pay for PSPRS active members, and an increase in employee contribution rates from 7% to 13% of pay for EORP active members were unconstitutional.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Contribution rates for employees who became PSPRS members prior to July 20, 2011 were reduced back to 7.65% and 7% in PSPRS and EORP respectively in the last quarter of the fiscal year.

**PSPRS**

PSPRS member contributions were 11.65% of covered payroll for most of fiscal year 2017, then reduced to 7.65% for employees who became members prior to July 20, 2011.

While each employer in PSPRS pays a separate contribution rate, actuarially determined contributions for PSPRS in the aggregate represented 42.61% of covered payroll [12.58% for normal costs (12.24% pension and 0.34% health insurance) and 30.03% for amortization of unfunded actuarial accrued liability in aggregate (30.12% pension and (0.09)% health insurance subsidy)]. In fiscal year 2017 employers were allowed to phase-in large increases in rates due to higher liabilities related to permanent benefit increases over three years.

Employer contribution rates in PSPRS shall not be less than 8% of compensation. For any employer whose actual contribution rate was less than 8% of compensation in fiscal year 2007, that employer's contribution rate is not subject to the 8% minimum but shall be at least 5%.

**EORP**

The member contribution rate for EORP members was 13% of gross compensation for most of the year, then reduced to 7% for those who became members prior to July 20, 2011.

As of January, 1 2014, the Arizona State Legislature closed the Elected Official's Retirement Plan and set the employer contribution rate to 23.50% of covered payroll 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 contribution from a non-employer contributing entity and is listed separately on the Statement of Changes in Fiduciary Position. In addition, the EORP receives additional contributions from certain employers as specified in A.R.S. § 38-810.

**EODCRS**

Members of the Elected Officials Defined Contribution Retirement System contribute 8% of gross compensation to Nationwide Retirement Solutions, Inc. which is deposited into their own individual accounts. Employers contribute an additional 6% to Nationwide plus 17.5% to the EORP to help pay off EORP's unfunded liability.

**CORP**

The member contribution rate for CORP is 7.96% for dispatchers and 8.41% for non-dispatchers. While each employer in CORP pays a separate contribution rate, actuarially determined contributions for CORP (including CORP-AOC) in the aggregate for fiscal year 2017 represented 18.71% of covered payroll [6.71% for normal costs (6.40% pension and 0.31% health insurance) and 12.00% for amortization of unfunded actuarial accrued liability in aggregate (12.11% pension and (0.11)% health insurance)]. The actuarially determined contributions for CORP-AOC separately were 20.88% of covered payroll [6.67% for normal costs (6.40% pension and 0.27% health insurance) and 14.21% for amortization of unfunded actuarial accrued liability in aggregate (13.68% pension and 0.53% health insurance)]. In fiscal year 2017 employers were allowed to phase-in large increases in rates due to higher liabilities related to permanent benefit increases over three years. The minimum employer contribution rate is 6% (in accordance with A.R.S. § 38-891).

**NOTE 5: 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 institutions 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, 2017:

	REPORTED AMOUNT	BANK BALANCE
Pension Trust Fund	256,439,560	256,439,560
Operating Fund	11,242,636	23,158,757
<b>Total Deposits</b>	<b>267,682,196</b>	<b>279,598,317</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

**MONEY-WEIGHTED RATE OF RETURN**

The money-weighted rate of return on investments for FY 2017 was 12.248%, and 0.405% for FY 2016. The money-weighted rate of return expresses investment performance, net of investments expense, adjusted for the changing amounts actually invested.

**FAIR VALUE REPORTING**

Short-term investments are reported at cost plus accrued interest. The System categorizes its fair value measurements for investments within the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

Level 1 debt and equity securities are valued based on prices quoted in active markets for those securities. Level 2 securities are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. Level 3 securities, whose stated market prices are unobservable by the market place, are priced by the investment manager or General Partner using discounted cash flow techniques. The System has the following recurring fair value measurements as of June 30, 2017.

INVESTMENTS MEASURED AT FAIR VALUE (IN THOUSANDS)				
	Fair Value	Level 1	Level 2	Level 3
<b>Fixed Income</b>				
Domestic	497,094	-	7,868	489,226
International	9,016	-	9,016	-
<b>Total Fixed Income</b>	<b>506,110</b>	-	<b>16,884</b>	<b>489,226</b>
<b>Equity</b>				
US Equity	1,428,734	1,061,743	-	366,991
Non US Equity	1,336,204	1,189,775	-	146,429
<b>Total Equity</b>	<b>2,764,938</b>	<b>2,251,518</b>	-	<b>513,420</b>
<b>Total Fair Value</b>	<b>3,271,048</b>	<b>2,251,518</b>	<b>16,884</b>	<b>1,002,646</b>

The fair value of alternative investments is based on the investments' net asset value (NAV) per share.

These are investments for which exchange quotations are not readily available and are valued at estimated fair value, as determined in good faith by the General Partner of each fund or by the investment manager responsible for that sector.

Alternative investments are most often established as pooled private investment limited partnerships that are open to a limited group of accredited investors, require large minimum investments and are illiquid. Investors in such structures are Limited Partners.

**Absolute Return Funds** include investments in 7 funds that are designed to make a positive absolute return regardless of the underlying market condition in the asset class that they primarily are investing in.

**GTAA** (Global Tactical Asset Allocation) investments are held in 5 funds that are designed to offer risk reduction, uncorrelated returns and liquidity.

**Private Credit** investments are held in 32 funds that focus on debt instruments.

**Private Equity** investments are held in 73 funds. The types of partnership strategies included in this asset class include venture capital, growth equity, buyouts, and other special situations.

**Real Asset** investments are held in 34 funds that invest in assets like gas, oil, minerals and timber.

**Real Estate** investments are held in 44 funds that invest directly in real estate holdings.

**Risk Parity** investments are held in 3 funds which focus on allocation of risk or volatility to be more resistant to market downturns.

Redemptions (the ability to withdraw money from an investment) are allowed in most of the individual investments within the GTAA, Private Credit, Real Asset, Real Estate and Risk Parity asset classes. Redemptions are allowed monthly, quarterly or annually. Some individual investments allow for daily redemptions within the Private Credit, Real Asset and Real Estate asset classes. The redemption notice period is 5 days for Risk Parity investments.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Private Credit, Real Asset and Real Estate investments have redemption notice periods as short as 1 day and as long as annually. GTAA investments have redemption notice periods as short as 5 days and as long as annually.

The table below provides more information about the unfunded commitments for the System’s investments measured at the net asset value:

INVESTMENTS MEASURED AT NET ASSET VALUE (NAV) (IN THOUSANDS)		
Investment	Fair Value	Unfunded Commitments
Absolute Return	284,129	85,206
GTAA	777,603	-
Private Credit	1,185,233	561,306
Private Equity	1,288,391	628,467
Real Assets	937,158	412,022
Real Estate	860,554	680,745
Risk Parity	446,675	-
<b>TOTAL</b>	<b>5,779,743</b>	<b>2,367,746</b>

By statute, the Board of Trustees is to make investments in accordance with the "Prudent Man" rule. 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 80% 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 5% 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 5% 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 §78pp);
  - 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 §78pp).
  - 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 20% 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.

**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 counterparty to the investment or deposit transaction fails. As of June 30, 2017, the System has no fund or deposits that were not covered by depository insurance or collateralized with securities held by the System’s 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 counterparty or the counterparty’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. 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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

According 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 table summarizes the System's fixed income portfolio exposure levels and credit qualities as of June 30, 2017:

CREDIT QUALITY RATING	
CREDIT RATING	FAIR VALUE
AAA	-
AA	-
A	-
BBB	2,136,032
BB	-
B	-
CCC	64,090
CC	-
C	1,121,129
Not Rated	495,262,638
<b>Total</b>	<b>498,583,889</b>

**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.

**INTEREST RATE RISK**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair 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 table quantifies, to the fullest extent possible, the interest rate risk of the System's fixed income assets using the specific identification method as of June 30, 2017:

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	2,140	5,754	190	1,120	153	489,226
Agencies	-	-	-	-	547	6,979
Mortgages	-	-	-	-	-	-
CBO	-	-	-	-	-	-
<b>Total</b>	<b>2,140</b>	<b>5,754</b>	<b>190</b>	<b>1,120</b>	<b>699</b>	<b>496,206</b>

**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 \$364,752 at June 30, 2017 consisting of U.S. Equity (loss of \$342,682) and Non U.S. Equity (loss of \$22,070). Interest risk associated with these investments are included in the tables above.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**FOREIGN CURRENCY RISK**

Foreign currency risk is the risk that changes in the foreign exchange rate will adversely impact the fair 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) as of June 30, 2017:

FOREIGN CURRENCY RISK (IN THOUSANDS)				
CURRENCY	SHORT TERM	EQUITY	OTHER	TOTAL
AUSTRALIAN DOLLAR	58	55,299	0	55,357
BRAZIL REAL	92	18,535	0	18,627
CANADIAN DOLLAR	140	72,311	0	72,451
CHILEAN PESO	28	2,717	0	2,745
COLOMBIAN PESO	0	757	0	757
CZECH KORUNA	15	336	0	351
DANISH KRONE	63	13,648	0	13,711
EURO CURRENCY UNIT	410	249,699	126,949	377,058
HONG KONG DOLLAR	179	75,134	0	75,313
HUNGARIAN FORINT	27	703	0	730
INDIAN RUPEE	30	17,296	0	17,326
INDONESIAN RUPIAH	51	6,240	0	6,291
ISRAELI SHEKEL	30	3,314	0	3,344
JAPANESE YEN	1,133	185,834	0	186,967
MALAYSIAN RINGGIT	34	6,535	0	6,569
MEXICAN PESO	127	9,526	0	9,653
NEW TAIWAN DOLLAR	360	32,753	0	33,113
NEW ZEALAND DOLLAR	27	1,201	0	1,228
NORWEGIAN KRONE	118	4,880	0	4,998
PHILIPPINES PESO	6	2,440	0	2,446
POLISH ZLOTY	25	2,744	0	2,769
POUND STERLING	917	137,121	26,525	164,563
QATARI RIYAL	7	1,643	0	1,650
SINGAPORE DOLLAR	124	9,984	0	10,108
SOUTH AFRICAN RAND	42	16,744	0	16,786
SOUTH KOREAN WON	168	43,331	0	43,499
SWEDISH KRONA	(37)	25,543	0	25,506
SWISS FRANC	138	63,873	0	64,011
THAILAND BAHT	4	4,514	0	4,518
TURKISH LIRA	21	2,776	0	2,797
UAE DIRHAM	44	1,356	0	1,400
<b>TOTAL FAIR VALUE</b>	<b>4,381</b>	<b>1,068,787</b>	<b>153,474</b>	<b>1,226,642</b>

**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, 2017 the fair value of securities on loan was \$604,686,354 and the collateral was \$620,009,581 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.

Cash collateral received shall be held and maintained by the lending agent in a separately managed cash collateral account. The weighted average life of investments in the collateral account shall not exceed 120 days. At June 30, 2017, the weighted average days to final maturity was 68. To maintain liquidity, a minimum of 10% of the loan portfolio must be invested in overnight instruments. The System has no credit risk because the amounts owed to the borrowers exceed the amounts the borrowers owe to the System.

SECURITIES LENDING			
ASSET CLASS	OUT ON LOAN	TOTAL AVAILABLE TO LOAN	% OF AVAILABLE TO LOAN
US Equities	264,081,099	1,241,892,264	21.26%
US Corp	-	7,203,154	0.00%
US Govt	-	7,568,930	0.00%
Non-US Equities	20,995,185	972,577,756	2.16%
Non-US Corp	-	6,775,996	0.00%
Exchange Traded Funds	319,610,070	424,522,128	75.29%
<b>Totals</b>	<b>604,686,354</b>	<b>2,660,540,228</b>	<b>22.73%</b>

**NOTE 6: CAPITAL ASSETS**

Capital 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, 2017 was \$192,213.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The following table is a schedule of the capital asset account balances as of June 30, 2017, and June 30, 2016, and changes to those account balances during the year ended June 30, 2017.

SCHEDULE OF CAPITAL ASSET ACCOUNT BALANCES				
	LAND	BUILDING IMPROVEMENTS	FURNITURE FIXTURES EQUIPMENT	TOTAL CAPITAL ASSETS
<b>CAPITAL ASSETS</b>				
June 30, 2016	615,169	4,624,065	1,704,000	6,943,234
Additions	0	0	0	0
Deletions	0	0	0	0
<b>June 30, 2017</b>	<b>615,169</b>	<b>4,624,065</b>	<b>1,704,000</b>	<b>6,943,234</b>
<b>ACCUMULATED DEPRECIATION</b>				
June 30, 2016	0	(1,382,122)	(1,557,572)	(2,939,694)
Additions	0	(95,657)	(97,067)	(192,724)
Deletions	0	0	511	511
<b>June 30, 2017</b>	<b>0</b>	<b>(1,477,779)</b>	<b>(1,654,128)</b>	<b>(3,131,907)</b>
<b>Net Capital Assets</b>	<b>615,169</b>	<b>3,146,286</b>	<b>49,872</b>	<b>3,811,327</b>

## NOTE 7: NET PENSION LIABILITY—EORP &amp; CORP-AOC

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

The long-term expected rate of return on pension plan investments for both EORP and CORP-AOC 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. Based on the asset allocation, a real rate of return for the portfolio as a whole is determined. The expected nominal rate of return is determined by adding the expected inflation to the real rate of return. The System's independent investment advisor, NEPC, developed a 30-year return forecast which includes an inflation assumption of 2.75%. The following table shows the expected geometric nominal rate of return for pension plan investments.

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%	0.25%	0.01%
Absolute Return	2.00%	3.75%	0.08%
Risk Parity	4.00%	5.00%	0.20%
Fixed Income	5.00%	1.25%	0.06%
Real Assets	9.00%	4.52%	0.41%
GTAA	10.00%	3.96%	0.40%
Private Credit	12.00%	6.75%	0.81%
Real Estate	10.00%	3.75%	0.38%
Credit Opportunities	16.00%	5.83%	0.93%
Non-U.S. Equity	14.00%	8.70%	1.22%
U.S. Equity	16.00%	7.60%	1.22%
<b>Total</b>	<b>100.00%</b>		<b>5.72%</b>
Inflation			2.75%
<b>Expected Geometric Nominal Return</b>			<b>8.47%</b>

## DETERMINATION OF PENSION LIABILITY

**EORP:** The total pension liability used to determine the net pension liability displayed on the financial statements of employers was \$1,516,677,798 as of June 30, 2017. A single discount rate of 3.91% 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 7.4% and a municipal bond rate of 3.56%. The municipal bond rate is derived from the Fidelity 20-Year Municipal GO AA Index as of June 30, 2017. The projection of cash flows used to determine this single discount rate assumes that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates set by statute. The projection also assumes non-employer contributions will be made at historical rates. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2027. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2026, and the municipal bond rate was applied to all benefit payments after that date.

The actuarial assumptions shown in the following table are used for calculating the total and net pension liability and may be different than those used for the calculation of funding and contribution rates.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Closed
Remaining Amort. Period:	19 years
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:	7.4%
Wage Inflation:	3.5%
Price Inflation:	2.5%
Retirement Age:	Experience-based table of rates specific to the type of eligibility condition.
Mortality:	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience.
Assumed Future P.B.I.:	Members hired before 1/1/12: 3% of benefit. Members hired on or after 1/1/12: 0.5% of benefit.

Several actuarial assumptions were changed for all the defined benefit plans in fiscal year 2017 as a result of the experience study. The price inflation was lowered from 3% to 2.5%. Wage inflation was lowered from 4% to 3.5%. Mortality tables were strengthened as well.

The net pension liability is equal to the total pension liability minus the plan’s fiduciary net position. As of June 30, 2017, the net pension liability is \$1,218,559,654. If a single discount rate that is 1% lower was used, the net pension liability would have been \$1,439,440,797. Similarly, if a single discount rate that was 1% higher was used, the net pension liability would have been \$1,038,416,414. The total pension liability as of June 30, 2017 is \$1,516,677,798. The plan’s fiduciary net position is \$298,118,144 which is 19.7% of the total pension liability.

	1% DECREASE 2.91%	CURRENT SINGLE RATE ASSUMPTION 3.91%	1% INCREASE 4.91%
Total Pension Liability	1,737,559	1,516,678	1,336,535
Plan Fiduciary Net Position	298,118	298,118	298,118
<b>Net Pension Liability</b>	<b>1,439,441</b>	<b>1,218,560</b>	<b>1,038,416</b>

**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, 2017. A single discount rate of 7.4% 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 7.4%. 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 assumptions shown in the following table are used for calculating the total and net pension liability and may be different than those used for the calculation of funding and contribution rates. Actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of Payroll, Closed
Remaining Amort Period:	19 years
Asset Valuation Method:	Fair Value
Investment Rate of Return:	7.4%
Wage Inflation:	3.5%
Price Inflation:	2.5%
Retirement Age:	Experience-based table of rates specific to the type of eligibility condition.
Mortality Tables:	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience.
Assumed Future Permanent Benefit Increase:	Members hired before 1/1/12: 2.25% of benefit. Members hired on or after 1/1/12: 0.5% of benefit.

The net pension liability is equal to the total pension liability minus the plan's fiduciary net position. As of June 30, 2017, the net pension liability is \$401,219,216. If a single discount rate that is one percent lower was used, the net pension liability would have been \$518,623,714. Similarly, if a single discount rate that was one percent higher was used, the net pension liability would have been \$306,273,507. The plan's fiduciary net position is \$388,665,716 as of June 30, 2017, which is 49.2% of the total pension liability.

**CORP—AOC SENSITIVITY OF THE NET PENSION LIABILITY  
TO THE SINGLE DISCOUNT RATE ASSUMPTION  
(IN THOUSANDS)**

	1% DECREASE 6.40%	CURRENT SINGLE RATE ASSUMPTION 7.40%	1% INCREASE 8.40%
Total Pension Liability	907,289	789,885	694,939
Plan Fiduciary Net Position	388,666	388,666	388,666
<b>Net Pension Liability</b>	<b>518,624</b>	<b>401,219</b>	<b>306,274</b>

**NOTE 8: OTHER BENEFITS**

The System adopted a supplemental defined contribution plan available 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%

The supplemental defined contribution plan is administered by Nationwide Retirement Solutions, Inc. All contributions are sent directly to Nationwide Retirement Solutions, Inc. from the participating employer groups.

**NOTE 9: GASB 68 DISCLOSURES**

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.

The operations and administration of the ASRS is vested with the ASRS Board of Trustees, which is comprised of nine members, whom are appointed by the Governor and confirmed by the Arizona Senate pursuant to A.R.S. §38-211. The ASRS Board of Trustees is responsible for establishing and maintaining the funding policy.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**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.

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:

ASRS 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, 2016, 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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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 employer contributions, member contributions and investment earnings.

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work. ACR contributions totaling \$26.5 million were received in FY16 and are included in Employer Contributions on the Statement of Changes in Fiduciary Net Position in the June 30, 2016 CAFR.

Employers' contractually required contribution rates as a percentage of covered payroll and the employees' matching contributions were as follows for fiscal year 2017:

CONTRIBUTION RATES	EMPLOYEE	EMPLOYER
Retirement	11.34%	10.78%
Health Benefit Supplement	0.00%	0.56%
Long-Term Disability	0.14%	0.14%
<b>TOTAL REQUIRED</b>	<b>11.48%</b>	<b>11.48%</b>
Alternate Contribution Rate	9.47%	0.00%

The Arizona Revised 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. The Arizona Revised Statutes also allow purchase of military service regardless of whether a benefit may be paid.

**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. 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.

**CONDENSED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Employers participating in the ASRS cost-sharing multiple-employer defined benefit plans are required to report pension information in their financial statements, for fiscal periods beginning on or after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. The Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (pension allocation schedules) provide employers with the required information for financial reporting. The underlying financial information used to prepare the pension allocation schedules is based on the ASRS financial statements. The ASRS financial statements are prepared using the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) that apply to governmental accounting for fiduciary funds.

Contributions are recognized as revenues when due, pursuant to statutory and contractual requirements. 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 assets and liabilities and changes therein, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. For a complete description of significant accounting policies, please refer to the ASRS' June 30, 2016 CAFR.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**ACTUARIAL ASSUMPTIONS**

The total pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward using generally accepted actuarial procedures to June 30, 2016. The following actuarial assumptions pertain to assumptions utilized for financial reporting requirements and differ from the assumptions utilized for funding purposes. The principal differences between the actuarial assumptions for financial reporting purposes and those utilized for funding purposes are the actuarial cost methodology, amortization methodology, valuation of the Retirement Fund assets and the inclusion of the Permanent Benefit Increase.

Actuarial Valuation Date	June 30, 2015
Actuarial Roll Forward Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Discount Rate	8.00%
Projected Salary Increase	3.00 - 6.75%
Inflation	3.00%
Permanent Benefit Increase	Included
Mortality Rates	1994 GAM Scale BB

The actuarial assumptions related to funding appear in the Notes to Required Supplementary Information and the Actuarial Section of the June 30, 2016 CAFR. The actuarial assumptions related to funding were selected on the basis of an experience study which was performed for the five-year period ending June 30, 2012. The ASRS Board adopted the experience study which recommended changes, and those changes were effective as of the June 30, 2013 actuarial valuation.

The net pension liability for ASRS at the aggregate level as of June 30, 2016 was reduced by \$1,242,164, due to a change in actuarial assumptions related to decreased loads for future potential Permanent Benefit Increases.

The long term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 asset allocation policy as of June 30, 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	58.00%	6.73%	3.90%
Fixed Income	25.00%	3.70%	.93%
Commodities	2.00%	3.84%	.08%
Real Estate	10.00%	4.25%	.42%
Multi-Asset Class	5.00%	3.41%	.17%
<b>Total</b>	<b>100.00%</b>		<b>5.50%</b>
Inflation			3.25%
<b>Expected arithmetic nominal return</b>			<b>8.75%</b>

Actual returns may be different due to volatility of returns. The long term expected rate of return of 8.75% is higher than the 8% assumed rate of return used in the actuarial valuation. 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 funding policy of the ASRS Board, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the Retirement Fund’s fiduciary net position was projected to be available to make all the projected future benefit payments of current members. Therefore, the long term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability. The table below presents PSPRS’ share of 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, 2016:

SENSITIVITY ANALYSIS—NET PENSION LIABILITY PSPRS Proportionate Share		
1% DECREASE (7.00%)	CURRENT DISCOUNT RATE (8.00%)	1% INCREASE (9.00%)
9,030,946	7,082,674	5,520,584

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

**BASIS FOR ALLOCATION**

PSPRS' proportionate share of the ASRS net pension liability is calculated using accrued retirement contributions for employers that were members of the ASRS on June 30, 2016. Accrued contributions for employers who entered the ASRS mid-year have been annualized. Adjustments have been made for employer contributions received that do not reflect an employer's projected long-term contribution effort. PSPRS' proportionate share of the ASRS' net pension liability was based on the ratio of the System's actual contributions of \$445,791 paid to ASRS for the year ended June 30, 2016 relative to the actual contributions of \$1,015,920,247 from all participating employers. At June 30, 2017 the System's proportionate share was 0.04388%, which is an increase of 0.00206% from the previous year.

Based on its proportionate share, for the year ended June 30, 2017, the System recognized a pension expense of \$535,898. At June 30, 2017, the System recognized a net pension liability of \$7,082,674. It also reported deferred outflows of resources and deferred inflows of resources from the following sources related to ASRS pension benefits:

BALANCE OF DEFERRED OUTFLOWS AND INFLOWS DUE TO:	RESOURCE DEFERRED OUTFLOWS	RESOURCE DEFERRED INFLOWS
Differences Between Expected and Actual Experience	43,041	487,235
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	767,526	0
Changes of Assumptions	0	374,730
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	381,340	14,386
Employer contributions subsequent to the measurement date	492,337	0
<b>TOTAL</b>	<b>1,684,244</b>	<b>876,351</b>

\$492,337 reported as a deferred outflow from contributions paid subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2018. Other amounts reported as collective deferred (inflows)/outflows of resources to be recognized in future pension expense include the following:

FYE JUNE 30,	(INFLOW) OUTFLOW
2018	(118,054)
2019	(115,500)
2020	333,896
2021	215,212
Thereafter	-

Additional financial and actuarial information is available at [www.azasrs.gov](http://www.azasrs.gov).

**NOTE 10: SUBSEQUENT EVENT**

In November, 2016, the Arizona Supreme Court overturned two provisions of state law passed by the legislature in 2011. The Court determined that an increase in employee contribution rates from 7.65% of pay to 11.65% of pay for PSPRS active members and from 7.00% to 13.00% of pay for EORP active members, along with modest reductions to pension benefit increases for all retirees instituted in 2011 were unconstitutional. Pension benefit increases were granted to all affected benefit recipients in fiscal year 2018. Since IRS regulations do not allow pension plans to send refunds directly to members or employers, PSPRS employers will refund the excess contributions plus interest equal to roughly \$228 million. For those employers that need to be reimbursed for the refunds, PSPRS will issue credits equal to the refund amounts for each employer in fiscal year 2018. Employers may use those credits to pay future contributions in lieu of cash.

**NOTE 11: INVESTMENT FEES**

Public market investment managers and some private market investment managers are paid directly by the Trust for their fees. A number of private market investment managers are not paid for their fees directly and report their investor account valuations on a net of fee basis. Over the past three years PSPRS attempted to determine manager fees that were deducted from the fund on a net basis, even if those "fees" were profit sharing costs, carried interest or reimbursable fees, and included those fees in investment expense. Those fees were not readily separable and consistency could not be achieved among all of the funds PSPRS invests in, however, so investment expense in FY17 includes management and performance fees that were paid directly but no longer includes amounts that are not readily separable from investment gains and losses netted by managers.

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REQUIRED SUPPLEMENTARY INFORMATION

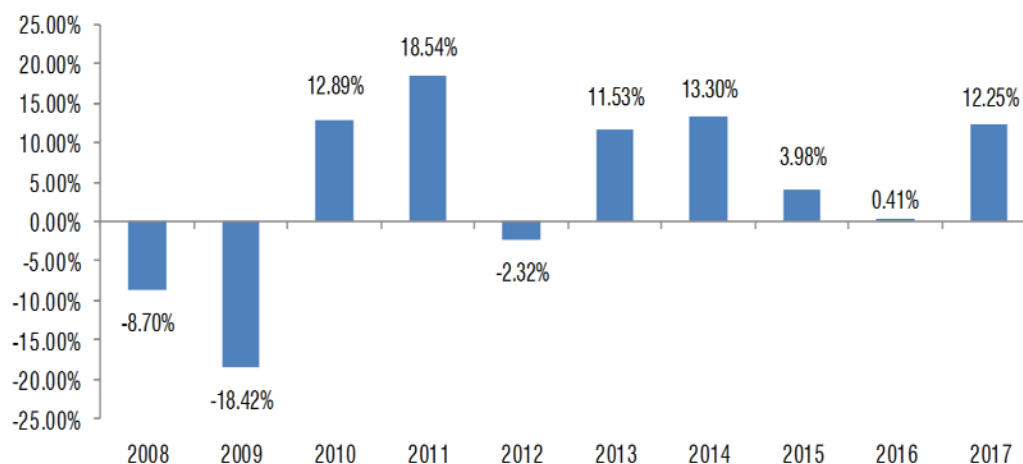
**EORP**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY FROM 2014)

FISCAL YEAR END JUNE 30,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION EXCESS (DEFICIENCY)	CONTRACTUALLY REQUIRED CONTRIBUTIONS	COVERED PAYROLL	CONTRIBUTION AS A % OF COVERED PAYROLL
2014	28,235,016	29,845,174	1,610,158	29,845,174	68,340,894	43.67%
2015	37,323,403	29,324,054	(7,999,349)	29,324,054	61,933,383	47.35%
2016	59,142,210	29,216,113	(29,926,097)	29,216,113	57,766,003	50.58%
2017	59,183,541	29,091,116	(30,092,425)	29,091,116	50,877,556	57.18%

**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 EXCESS (DEFICIENCY)	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%
2016	22,874,814	21,038,447	(1,836,367)	108,624,572	19.37%
2017	23,969,153	22,484,433	(1,484,720)	113,501,629	19.81%

**SCHEDULE OF INVESTMENT RETURNS - MONEY WEIGHTED RATE OF RETURN**  
**ALL PLANS COMBINED**  
LAST TEN FISCAL YEARS



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,	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	28,655,558	24,580,665	23,501,879	23,501,879
Interest on Total Pension Liability	44,811,980	52,165,633	54,960,104	47,537,398
Benefit Changes	282,345,397	150,362,643	95,710,915	342,442,071
Expected-Actual Experience of Total Pension Liability	(12,165,488)	(25,394,624)	(14,303,022)	4,643,397
Benefit Payments and Refunds	(60,717,428)	(58,086,261)	(54,626,427)	(54,138,971)
<b>Net Change in Total Pension Liability</b>	<b>282,930,019</b>	<b>143,628,056</b>	<b>105,243,449</b>	<b>363,985,774</b>
<b>Beginning Total Pension Liability</b>	<b>1,233,747,779</b>	<b>1,090,119,723</b>	<b>984,876,274</b>	<b>620,890,500</b>
<b>Ending Total Pension Liability (A)</b>	<b>1,516,677,798</b>	<b>1,233,747,779</b>	<b>1,090,119,723</b>	<b>984,876,274</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Employer Contributions	24,091,116	24,216,113	24,324,054	24,845,174
Employee Contributions	8,136,769	7,826,262	9,113,788	8,989,478
Non-Employer Contributions	5,000,000	5,000,000	5,000,000	5,000,000
Pension Plan Net Investment Income	32,837,968	1,480,289	6,358,800	34,068,988
Benefit Payments and Refunds	(60,717,428)	(58,086,261)	(54,626,427)	(54,138,971)
Pension Plan Administrative Expense	(274,256)	(248,601)	(297,535)	(315,896)
Other	48,979	138,770	4,491,434	3,327,220
<b>Net Changes in Plan Fiduciary Net Position</b>	<b>9,123,148</b>	<b>(19,673,428)</b>	<b>(5,635,886)</b>	<b>21,775,993</b>
<b>Beginning Plan Fiduciary Net Position</b>	<b>288,994,996</b>	<b>308,668,424</b>	<b>314,304,310</b>	<b>292,528,317</b>
<b>Ending Plan Fiduciary Net Position (B)</b>	<b>298,118,144</b>	<b>288,994,996</b>	<b>308,668,424</b>	<b>314,304,310</b>
<b>Net Pension Liability (A-B)</b>	<b>1,218,559,654</b>	<b>944,752,783</b>	<b>781,451,299</b>	<b>670,571,964</b>
<b>Plan Fiduciary Net Position as % of Total Pension Liability</b>	<b>19.66%</b>	<b>23.42%</b>	<b>28.32%</b>	<b>31.91%</b>
<b>Covered Employee Payroll</b>	<b>50,877,556</b>	<b>57,766,003</b>	<b>61,933,383</b>	<b>68,340,894</b>
<b>Net Position Liability as % of Covered Employee Payroll</b>	<b>2,395.08%</b>	<b>1,635.48%</b>	<b>1,261.76%</b>	<b>981.22%</b>

## REQUIRED SUPPLEMENTARY INFORMATION

<b>CORP-AOC</b>				
<b>SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS</b>				
LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY)				
FISCAL YEAR ENDING JUNE 30,	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	17,763,005	16,087,299	15,617,822	16,955,738
Interest on Total Pension Liability	46,505,174	44,993,203	42,338,170	35,423,999
Benefit Changes	131,371,177	26,734,733	0	45,420,437
Expected-Actual Experience of Total Pension Liability	(3,798,541)	(16,301,270)	(1,686,095)	9,870,077
Benefit Payments and Refunds	(26,286,733)	(24,602,581)	(20,762,526)	(17,082,841)
<b>Net Change in Total Pension Liability</b>	<b>165,554,082</b>	<b>46,911,384</b>	<b>35,507,371</b>	<b>90,587,410</b>
<b>Beginning Total Pension Liability</b>	<b>624,330,850</b>	<b>577,419,466</b>	<b>541,912,095</b>	<b>451,324,685</b>
<b>Ending Total Pension Liability (A)</b>	<b>789,884,932</b>	<b>624,330,850</b>	<b>577,419,466</b>	<b>541,912,095</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Employer Contributions	22,484,433	21,038,447	16,560,621	15,551,633
Employee Contributions	9,529,954	9,290,604	9,614,012	9,132,189
Pension Plan Net Investment Income	41,046,200	2,060,524	6,924,061	36,147,891
Benefit Payments and Refunds	(26,286,733)	(24,602,581)	(20,762,526)	(17,082,841)
Pension Plan Administrative Expense	(367,239)	(297,359)	(306,036)	(304,890)
Other	81,618	378,743	4,759,896	(4,624,871)
<b>Net Changes in Plan Fiduciary Net Position</b>	<b>46,488,233</b>	<b>7,868,378</b>	<b>16,790,028</b>	<b>38,819,111</b>
<b>Beginning Plan Fiduciary Net Position</b>	<b>342,177,483</b>	<b>334,309,105</b>	<b>317,519,077</b>	<b>278,699,966</b>
<b>Ending Plan Fiduciary Net Position (B)</b>	<b>388,665,716</b>	<b>342,177,483</b>	<b>334,309,105</b>	<b>317,519,077</b>
<b>Net Pension Liability (A-B)</b>	<b>401,219,216</b>	<b>282,153,367</b>	<b>243,126,717</b>	<b>224,393,018</b>
<b>Plan Fiduciary Net Position as % of Total Pension Liability</b>	<b>49.21%</b>	<b>54.81%</b>	<b>57.89 %</b>	<b>58.59 %</b>
<b>Covered Employee Payroll</b>	<b>113,501,629</b>	<b>108,624,572</b>	<b>110,362,697</b>	<b>110,728,017</b>
<b>Net Position Liability as % of Covered Employee Payroll</b>	<b>353.49%</b>	<b>259.75%</b>	<b>220.30 %</b>	<b>202.65 %</b>

## REQUIRED SUPPLEMENTARY INFORMATION

<b>EORP</b>	
<b>SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS</b>	
<b>LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY)</b>	
<b>FISCAL YEAR ENDING JUNE 30,</b>	<b>2017</b>
<b>TOTAL OPEB LIABILITY</b>	
Service Cost	319,977
Interest on Total OPEB Liability	936,894
Changes of Benefit Terms	0
Expected and Actual Experience Difference	761,415
Changes of Assumptions	215,222
Benefit Payments Net of Retiree Contributions	(1,043,450)
<b>Net Change in Total OPEB Liability</b>	<b>1,190,058</b>
<b>Beginning Total OPEB Liability</b>	<b>12,853,655</b>
<b>Ending Total OPEB Liability (A)</b>	<b>14,043,713</b>
<b>PLAN FIDUCIARY NET POSITION</b>	
Employer Contributions	0
Employee Contributions	0
Non-Employer Contributions	0
OPEB Plan Net Investment Income	2,549,976
Benefit Payments Net of Retiree Contributions	(1,043,450)
OPEB Plan Administrative Expense	(23,727)
<b>Net Changes in Plan Fiduciary Net Position</b>	<b>1,482,799</b>
<b>Beginning Plan Fiduciary Net Position</b>	<b>21,667,056</b>
<b>Ending Plan Fiduciary Net Position (B)</b>	<b>23,149,855</b>
<b>Net OPEB Liability/(Asset) (A-B)</b>	<b>(9,106,142)</b>
<b>Plan Fiduciary Net Position as % of Total OPEB Liability</b>	<b>164.84%</b>
<b>Covered Employee Payroll</b>	<b>50,877,556</b>
<b>Net OPEB Liability as % of Covered Employee Payroll</b>	<b>-17.90%</b>

## REQUIRED SUPPLEMENTARY INFORMATION

<b>CORP-AOC</b>	
<b>SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS</b>	
<b>LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY)</b>	
<b>FISCAL YEAR ENDING JUNE 30,</b>	<b>2017</b>
<b>TOTAL OPEB LIABILITY</b>	
Service Cost	329,155
Interest on Total OPEB Liability	1,336,555
Changes of Benefit Terms	0
Expected and Actual Experience Difference	(697,581)
Changes of Assumptions	(2,833,030)
Benefit Payments Net of Retiree Contributions	(439,498)
<b>Net Change in Total OPEB Liability</b>	<b>(2,304,399)</b>
<b>Beginning Total OPEB Liability</b>	<b>17,875,906</b>
<b>Ending Total OPEB Liability (A)</b>	<b>15,571,507</b>
<b>PLAN FIDUCIARY NET POSITION</b>	
Employer Contributions	929,246
Employee Contributions	0
Non-Employer Contributions	0
OPEB Plan Net Investment Income	1,004,442
Benefit Payments Net of Retiree Contributions	(439,498)
OPEB Plan Administrative Expense	(8,786)
<b>Net Changes in Plan Fiduciary Net Position</b>	<b>1,485,404</b>
<b>Beginning Plan Fiduciary Net Position</b>	<b>8,201,637</b>
<b>Ending Plan Fiduciary Net Position (B)</b>	<b>9,687,041</b>
<b>Net OPEB Liability (A-B)</b>	<b>5,884,466</b>
<b>Plan Fiduciary Net Position as % of Total OPEB Liability</b>	<b>62.21%</b>
<b>Covered Employee Payroll</b>	<b>113,501,629</b>
<b>Net OPEB Liability as % of Covered Employee Payroll</b>	<b>5.18%</b>

REQUIRED SUPPLEMENTARY INFORMATION

<b>EORP</b> <b>SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS</b> LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY)					
FISCAL YEAR END JUNE 30,	ACTUARIAL DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL
2017	0	0	0	50,877,556	0.00%

<b>CORP-AOC</b> <b>SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS</b> LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY)					
FISCAL YEAR END JUNE 30,	ACTUARIAL DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL
2017	954,946	929,246	25,700	113,501,629	0.82%

**REQUIRED SUPPLEMENTARY INFORMATION****NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION****NOTE 1: GENERAL ACTUARIAL METHODS AND ASSUMPTIONS**

The pension-related Required Supplementary Information schedules were prepared using the Entry Age Normal actuarial cost method.

The Net Pension/OPEB Liability schedules were prepared using the actuarial assumptions disclosed in financial statement footnotes 3 and 7. The “actuarially determined contribution” amounts found in the contribution schedules were prepared using actuarial assumptions as of the valuation date, which was June 30, 2015. Those assumptions vary by plan, and are as follows:

**EORP**

Amortization Method: Level dollar, closed  
 Remaining Amortization Period: 21 years  
 Investment Rate of Return: 7.85%  
 Projected Salary Increases: 4.25%  
 Payroll Growth: 4.00%  
 Cost of Living Adjustments: None

**CORP-AOC**

Amortization Method: Level percent of pay, closed  
 Remaining Amortization Period: 21 years for underfunded plans, 20 years for overfunded plans  
 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**

The investment return assumption for all plans was lowered from 7.85% in 2015 to 7.5% in 2016 and 7.4% in 2017. The reverse DROP sunset provision was cancelled in CORP in fiscal year 2016, resulting in an increase in liabilities.

As a result of an actuarial experience study conducted in FY17 covering the period July 1, 2011 through June 30, 2016, several actuarial assumptions were adjusted in both plans. Wage inflation was lowered from 4.00% to 3.50%. Mortality tables were updated to the RP-2014 tables. Withdrawal, disability and retirement assumptions were updated, and the assumption regarding future cost of living increases for Tier 1 members was increased.

REQUIRED SUPPLEMENTARY INFORMATION

ASRS SCHEDULE OF 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%	5,835,426	3,452,000	169.05%	69.49%
2016	0.041820%	6,514,618	3,852,000	169.13%	68.35%
2017	0.043880%	7,082,674	3,886,000	182.23%	67.06%

ASRS SCHEDULE OF EMPLOYER CONTRIBUTIONS PAID TO ASRS LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY FROM 2015)					
FISCAL YEAR END JUNE 30,	ACTUARIALLY DETERMINED CONTRIBUTIONS	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED PAYROLL	CONTRIBUTION AS A % OF COVERED PAYROLL
2015	419,503	419,503	0	3,452,000	12.15%
2016	475,910	475,910	0	3,852,000	12.35%
2017	492,337	492,337	0	3,886,000	12.67%

Notes to Required Supplementary Information

The schedules shown above are required by GASB Statement No. 68 since PSPRS employees belong to the Arizona State Retirement System, a cost-sharing multiple-employer plan. As such, PSPRS is an “employer” in that plan and is required to contribute to ASRS, and include a share of ASRS’ net pension liability on the face of the PSPRS financial statements.

During the measurement period, actuarial assumptions related to decreased loads for future potential Permanent Benefit Increases reduced the net pension liability for ASRS at the aggregate level by \$1,242,164. The employer contribution rate was lowered from 11.60% to 11.47%. There were no changes in actuarial assumptions during the period.



## SUPPORTING SCHEDULES INFORMATION

**SCHEDULE OF CHANGES IN RESERVE BALANCES**  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016  
(IN THOUSANDS)

	PSPRS				EORP			
	EE RESERVE	ER RESERVE	HI RESERVE	FUTURE BENEFIT INCREASE RESERVE	EE RESERVE	ER RESERVE	HI RESERVE	FUTURE BENEFIT INCREASE RESERVE
<b>BALANCE AS OF JUNE 30, 2015</b>	<b>1,345,966</b>	<b>4,729,803</b>	<b>308,678</b>	<b>0</b>	<b>55,948</b>	<b>252,720</b>	<b>22,598</b>	<b>0</b>
DISTRIBUTION OF REVENUES AND EXPENSES								
Members' Contributions	169,470				7,731			
Employers' Contributions		564,861	4,195			24,216	0	
Non-Employer Contributions		17,316				5,000		
Earnings (Loss) on Investments Net of Investment Expenses		35,636	1,763			1,480	109	
Pension and Insurance Benefits		(810,653)	(15,289)			(58,003)	(1,022)	
Refunds to Terminated Members	(10,414)	(7,013)			(83)	0		
Administrative Expenses		(5,184)	(254)			(249)	(18)	
DISTRIBUTION OF TRANSFERS								
Excess Investment Earnings to be used for Future Benefit Increases								
Earnings (Loss) on Excess Investment Earnings Account Assets								
Amount Utilized by Benefit Increases Granted								
Net Transfers In (Out) and Purchase of Service Credits	12,684	5			212	23		
Balances Transferred to Employers' Reserve due to Retirement	(95,804)	95,804			(5,634)	5,634		
<b>BALANCE AS OF JUNE 30, 2016</b>	<b>1,421,902</b>	<b>4,620,575</b>	<b>299,093</b>	<b>0</b>	<b>58,174</b>	<b>230,821</b>	<b>21,667</b>	<b>0</b>
DISTRIBUTION OF REVENUES AND EXPENSES								
Members' Contributions	182,979				8,137			
Employers' Contributions		634,456	4,249			24,091		
Non-Employer Contributions		17,420				5,000		
Earnings (Loss) on Investments Net of Investment Expenses		727,866	34,585			32,838	2,550	
Pension and Insurance Benefits		(740,192)	(16,360)			(60,453)	(1,043)	
Refunds to Terminated Members	(10,280)	(7,299)			(235)	(29)		
Administrative Expenses		(6,460)	(306)			(274)	(24)	
DISTRIBUTION OF TRANSFERS								
Excess Investment Earnings to be used for Future Benefit Increases								
Earnings (Loss) on Excess Investment Earnings Account Assets								
Amount Utilized by Benefit Increases Granted								
Net Transfers In (Out) and Purchase of Service Credits	(357)	716			27	21		
Balances Transferred to Employers' Reserve due to Retirement	(66,887)	66,887			(7,926)	7,926		
<b>BALANCE AS OF JUNE 30, 2017</b>	<b>1,527,357</b>	<b>5,313,969</b>	<b>321,261</b>	<b>0</b>	<b>58,177</b>	<b>239,941</b>	<b>23,150</b>	<b>0</b>

SUPPORTING SCHEDULES INFORMATION

SCHEDULE OF CHANGES IN RESERVE BALANCES FOR THE YEARS ENDED JUNE 30, 2017 AND 2016 (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
<b>BALANCE AS OF JUNE 30, 2015</b>	<b>326,134</b>	<b>879,425</b>	<b>101,621</b>	<b>0</b>	<b>82,383</b>	<b>251,925</b>	<b>7,617</b>	<b>0</b>
DISTRIBUTION OF REVENUES AND EXPENSES								
Members' Contributions	42,540				9,230			
Employers' Contributions		90,240	412			21,038	932	
Non-Employer Contributions								
Earnings (Loss) on Investments Net of Investment Expenses		7,380	612			2,061	48	
Pension and Insurance Benefits		(104,815)	(3,339)			(22,136)	(388)	
Refunds to Terminated Members	(18,420)	(10,571)			(1,654)	(812)		
Administrative Expenses		(1,061)	(87)			(299)	(7)	
DISTRIBUTION OF TRANSFERS								
Excess Investment Earnings to be used for Future Benefit Increases								
Earnings (Loss) on Excess Investment Earnings Account Assets								
Amount Utilized by Benefit Increases Granted								
Net Transfers In (Out) and Purchase of Service Credits	(313)	(443)			294	148		
Balances Transferred to Employers' Reserve due to Retirement	(22,850)	22,850			(7,300)	7,300		
<b>BALANCE AS OF JUNE 30, 2016</b>	<b>327,091</b>	<b>883,005</b>	<b>99,219</b>	<b>0</b>	<b>82,953</b>	<b>259,225</b>	<b>8,202</b>	<b>0</b>
DISTRIBUTION OF REVENUES AND EXPENSES								
Members' Contributions	43,457				9,530			
Employers' Contributions		92,639	467			22,484	929	
Non-Employer Contributions								
Earnings (Loss) on Investments Net of Investment Expenses		144,008	11,628			41,046	1,004	
Pension and Insurance Benefits		(109,513)	(3,548)			(24,647)	(439)	
Refunds to Terminated Members	(16,778)	(9,316)			(1,153)	(487)		
Administrative Expenses		(1,278)	(102)			(367)	(9)	
DISTRIBUTION OF TRANSFERS								
Excess Investment Earnings to be used for Future Benefit Increases								
Earnings (Loss) on Excess Investment Earnings Account Assets								
Amount Utilized by Benefit Increases Granted								
Net Transfers In (Out) and Purchase of Service Credits	217	(202)			66	16		
Balances Transferred to Employers' Reserve due to Retirement	(17,584)	17,584			(5,258)	5,258		
<b>BALANCE AS OF JUNE 30, 2017</b>	<b>336,403</b>	<b>1,016,927</b>	<b>107,664</b>	<b>0</b>	<b>86,138</b>	<b>302,528</b>	<b>9,687</b>	<b>0</b>

## SUPPORTING SCHEDULES INFORMATION

<b>SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES</b>									
FOR THE YEAR ENDED JUNE 30, 2017									
EXPENSE CATEGORY	PSPRS		EORP		CORP		ADMIN	INVEST	GRAND
	ADMIN	INVEST	ADMIN	INVEST	ADMIN	INVEST	TOTAL	TOTAL	TOTAL
Accounting and Auditing Services	105,196	-	4,730	-	27,521	-	137,447	-	137,447
Actuarial Services	422,282	-	30,537	-	100,977	-	553,796	-	553,796
Building Expense	139,523	-	6,274	-	36,502	-	182,299	-	182,299
Communications	31,614	-	1,422	-	8,271	-	41,307	-	41,307
Computer Related Expense	265,451	109,089	11,937	4,905	69,447	28,540	346,835	142,534	489,369
Contractual Services	570,272	-	25,643	-	149,195	-	745,110	-	745,110
Depreciation Expense	147,502	-	6,633	-	38,590	-	192,725	-	192,725
Fund Manager Initiatives	363,015	-	16,322	-	94,971	-	474,308	-	474,308
Furniture and Equipment	30,244	-	1,360	-	7,913	-	39,517	-	39,517
Legal Services	405,944	664,997	18,254	29,902	106,203	173,976	530,401	868,875	1,399,276
Payroll Taxes and Fringe Benefits	973,209	208,811	43,761	9,389	254,611	54,628	1,271,581	272,828	1,544,409
Postage Expenses	31,284	-	1,407	-	8,184	-	40,875	-	40,875
Printing and Publications	2,155	-	97	-	564	-	2,816	-	2,816
Professional Services	443,319	1,146,350	2,124	54,275	111,024	315,788	556,467	1,516,413	2,072,880
Salaries and Wages	2,721,484	727,954	122,373	32,733	711,993	190,448	3,555,850	951,135	4,506,985
Supplies and Services	47,077	-	2,117	-	12,317	-	61,511	-	61,511
Training Expenses	51,764	35,565	2,327	1,600	13,543	9,305	67,634	46,470	114,104
Travel Expense	14,793	16,763	665	754	3,870	4,385	19,328	21,902	41,230
<b>TOTAL</b>	<b>6,766,128</b>	<b>2,909,529</b>	<b>297,983</b>	<b>133,558</b>	<b>1,755,696</b>	<b>777,070</b>	<b>8,819,807</b>	<b>3,820,157</b>	<b>12,639,964</b>

\* Investment expenses do not include fees paid to external money managers.

## SUPPORTING SCHEDULES INFORMATION

<b>SCHEDULE OF CONSULTANT EXPENSES</b>		
<b>ALL PLANS</b>		
FOR THE YEAR ENDED JUNE 30, 2017		
<b>CONSULTANT</b>	<b>SERVICE PROVIDED</b>	<b>FEES PAID</b>
AKIN GUMP STRAUSS HAUER & FELD LLP	General Counsel (One-time Investment transaction expense)	10,772
ALBOURNE AMERICA, LLC	International Alternative Investment Consultant (private equity, real assets, etc.)	528,000
AVANT STRATEGIES	Contractual Website Services	20,641
BNY MELLON ASSET SERVICING	Custodial Bank	397,760
CAVANAUGH MACDONALD	Actuary Auditor	73,698
CHARLES W. WHETSTINE	Tax Counsel (Handling refund process, tax issues for Hall/Parker lawsuits)	67,745
CORTEX APPLIED RESEARCH INC.	Governance Consultant (local board consolidation, risk pooling per S1428 requirements)	159,733
ERNST & YOUNG LLP	Due Diligence and Valuation Services for Real Estate Investments	44,865
FENNEMORE CRAIG, P.C.	General Counsel (helping with Visas for employees)	6,730
FOLEY & LARDNER, LLC	Investment Counsel (investment contract negotiation)	49,609
GABRIEL ROEDER SMITH & COMPANY	Actuary	655,296
HEINFELD, MEECH & CO.	Independent Auditor	137,447
HIGHGROUND, INC	Legislative Liaison	85,800
JACKSON WALKER LLP	Investment Counsel	26,755
KUTAK ROCK LLP	General, Investment Counsel (investment contract negotiation)	859,951
LIGHT STONE SOLUTIONS, LLC	Due Diligence Review for Investment and Operations	211,812
NEPC, LLC	General Fiduciary Investment Consultant/Portfolio Advisor	440,000
OFFICE OF THE ATTORNEY GENERAL	General Counsel (Litigation, administration of PSPRS-managed plans)	162,300
ORG PORTFOLIO MANAGEMENT LLC	Real Estate Investment Consultant	320,000
PUBLIC POLICY PARTNERS	Legislative Liaison	120,000
STEPSTONE GROUP LLC	Public Equity Advisors	99,999
STEPTOE & JOHNSON, LLP	Litigation Counsel (Hall/Parker litigation)	156,314
STRATEGAS SECURITIES, LLC	Investment Information, Global Affairs and Conditions Tracking	40,000
SUBROSA INVESTIGATIONS	Due Diligence, Background Checks for Investments, Human Resources	24,170
<b>Total</b>		<b>4,699,397</b>



INVESTMENT SECTION



## INVESTMENT SECTION

### Board of Trustees

**Brian P. Tobin**, Chairman  
**William T. Buividas**, Vice Chairman  
**William C. Davis**, Trustee  
**Edward J. McNeill**, Trustee  
**Harry A. Papp**, Trustee  
**Bryan Raines**, Trustee  
**Mike Scheidt**, Trustee  
**Dean M. Scheinert**, Trustee  
**Donald A. Smith, Jr.**, Trustee

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM**  
**CORRECTIONS OFFICER RETIREMENT PLAN**  
**ELECTED OFFICIALS' RETIREMENT PLAN**  
3010 East Camelback Road, Suite 200  
Phoenix, Arizona 85016-4416  
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Administration  
**Jared A. Smout**  
Administrator  
**Dave DeJonge**  
Deputy Administrator  
**Ryan Parham**  
Chief Investment Officer

January 25, 2018

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, 2016 and ending June 30, 2017, 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 the investment activities of the PSPRS Trust for the fiscal year ending June 30, 2017. We have completed the seventh year since we moved to a diversified portfolio. The return for fiscal year ending 6/30/2017 was 11.9% net of fees. That is above our assumed earnings rate of 7.4% and will help the system move toward a better funded status. (Over five years the trust has annually returned approximately 7.95%, also above our assumed earning rate.) The market value of the trust increased in 2017 by almost a billion dollars. We are pleased with these results; but if we had achieved them at the "roulette table" there would be cause for all of us to be concerned. I am happy to report that the PSPRS Trust ranked among the top five percent of our peers in return per unit of risk. If we can achieve solid gains in up markets with 90% less risk than our peers it is likely that we will be more protected from large losses in down markets. That is the strategy of this diversified portfolio. (Investment returns reported in this investment section were prepared using a time-weighted rate of return methodology based upon fair market values, net of investment expenses.)

### **ASSET ALLOCATION**

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

<b>Description</b>	<b>Target Allocation</b>
Public Equity	30%
Private Equity	12%
Fixed Income	5%
Private Credit	16%
Absolute Return	2%
GTA	10%
Real Assets	9%
Real Estate	10%
Risk Parity	4%
Cash	2%
<b>Total</b>	<b>100%</b>

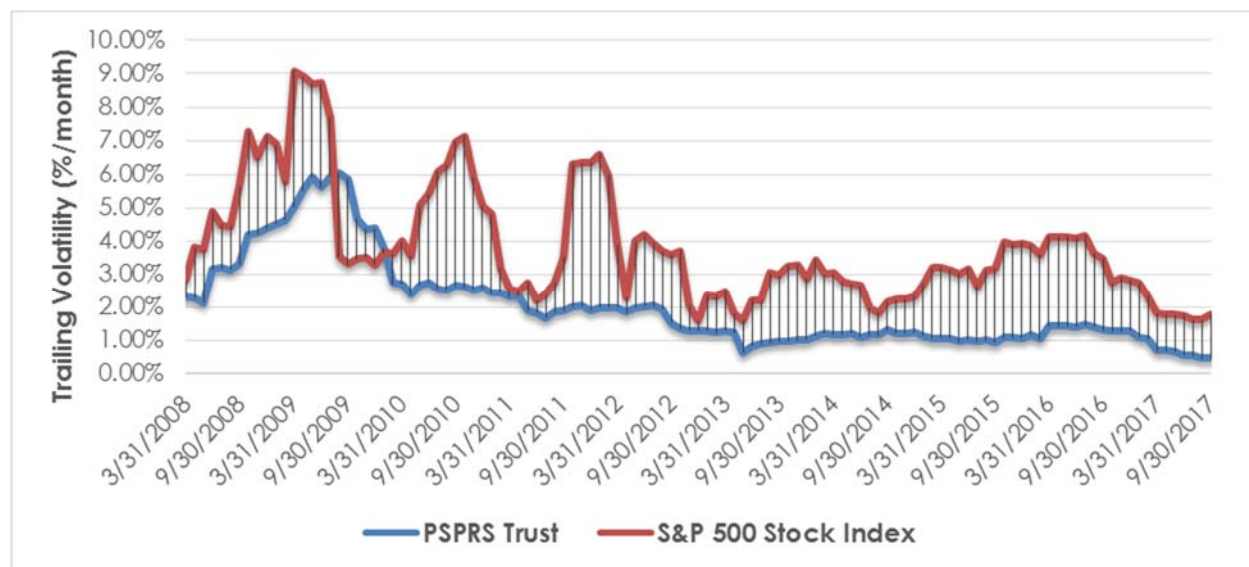


### ALTERNATIVE ASSET CLASSES - MANAGEMENT FEES

The use of alternative investments like those in Private Equity and Absolute Return are diversifying, but they have a base-line of fees higher than many public market instruments. We closely monitor all higher fee investments to ensure that our net of fee returns justify those exposures. The PSPRS Private Equity portfolio returned 13.57% and the PSPRS Absolute Return portfolio returned 14.51%, net of fees, for the FY 2017. We have also been successful in regularly using legal structures for investments where the fees collected in these investments are ultimately paid back to PSPRS with interest.

### RISK - PROTECTING THE DOWNSIDE

In a continuation from previous letters, the portfolio risk over time against a pure stock index, shows favorable results (the difference between the red line and the blue line):



### PORTFOLIO RESILIENCY DURING HISTORIC MARKET EVENTS

We are considerably less “risky” than a pure stock portfolio. We also expect that the total portfolio will be more resilient than it was in the past, during a major crisis. The table below shows actual investment returns during several historical market events compared to what the returns would have been had the portfolio been allocated as it is today.

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	-1.20%	-11.70%
Stock Market Crash 2002	-2.50%	-21.10%
August Crisis 2007	3.60%	1.60%
January Crisis 2008	-0.60%	-2.70%
Credit Crunch 2008 (Aug to Nov)	-14.30%	-23.10%
Crisis 2009 (Jan-Feb)	-3.50%	-12.90%
Flash Crash 2010	-2.10%	-3.70%
Brexit (2016)	0.90%	-0.30%

### CONCLUSION

The long history of the PSPRS Trust portfolio has included times when the Trust had large outsized gains. But it also experienced large downside losses. Those losses hurt our funded status. The Trust had large exposures to Arizona Real Estate just prior to a collapse of the Arizona market, this also hurt our funded status. The PBI mechanism has had a major impact on funded status as well. The investment team has worked tirelessly with talented local and international partners, managers and consultants to address these issues. I want to acknowledge and express appreciation for the work of so many and the support of our board in these successful efforts.

Respectfully Submitted,



Ryan P. Parham  
Chief Investment Officer



**FUND INVESTMENT OBJECTIVES AND POLICIES**

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.

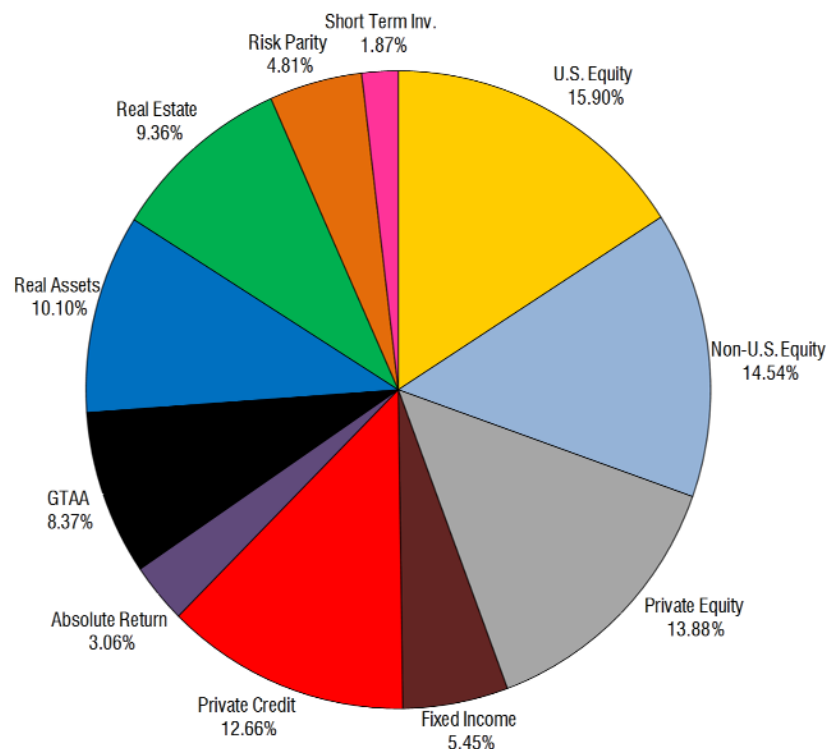
Consistent with the Fund objectives, the primary investment objective of the Fund is to maximize long-term real (after inflation) investment returns recognizing established risk (volatility) parameters and the need to preserve capital by:

- 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 fair 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.

**ASSET ALLOCATION**  
JUNE 30, 2017



ANNUALIZED RATES OF RETURN*				
JUNE 30, 2017				
Description	TRUST 1 Year	TRUST 3 Years	TRUST 5 Years	TRUST 10 Years
Arizona PSPRS Trust - Total Fund	11.85%	5.27%	7.95%	3.98%
<i>Target Fund Benchmark</i>	<i>10.84%</i>	<i>5.09%</i>	<i>7.78%</i>	<i>3.88%</i>
Total Equity	18.31%	4.69%	10.44%	4.61%
<i>Target Equity Benchmark</i>	<i>19.51%</i>	<i>5.23%</i>	<i>11.22%</i>	<i>4.69%</i>
U.S. Equity	17.51%	7.76%	13.04%	N/A
<i>Russell 3000</i>	<i>18.51%</i>	<i>9.10%</i>	<i>14.59%</i>	<i>7.26%</i>
Non-U.S. Equity	18.94%	1.02%	7.30%	N/A
<i>MSCI ACWI Ex-US Net</i>	<i>20.45%</i>	<i>0.80%</i>	<i>7.22%</i>	<i>1.13%</i>
Private Equity	13.57%	12.52%	14.99%	8.53%
<i>Russell 3000 + 100 bps</i>	<i>19.51%</i>	<i>10.11%</i>	<i>15.59%</i>	<i>8.85%</i>
Fixed Income	4.94%	3.44%	3.55%	4.35%
<i>BC Global Aggregate</i>	<i>-2.18%</i>	<i>-0.35%</i>	<i>0.78%</i>	<i>3.69%</i>
Private Credit	9.15%	5.88%	8.24%	N/A
<i>50% BofA ML US High Yield BB-B, 50% CSFB Fixed Income</i>	<i>9.90%</i>	<i>3.94%</i>	<i>5.66%</i>	<i>5.33%</i>
Absolute Return	14.51%	4.82%	8.03%	N/A
<i>BofA ML 3-Month T-Bill + 200 bps</i>	<i>2.49%</i>	<i>2.23%</i>	<i>2.17%</i>	<i>2.58%</i>
GTAA	6.54%	2.07%	3.41%	N/A
<i>3-Month LIBOR + 300 bps</i>	<i>3.97%</i>	<i>3.57%</i>	<i>3.46%</i>	<i>3.95%</i>
Real Assets	12.09%	2.91%	4.19%	N/A
<i>CPI + 200 bps</i>	<i>3.65%</i>	<i>2.94%</i>	<i>3.33%</i>	<i>N/A</i>
Real Estate	7.31%	4.17%	4.23%	0.75%
<i>NCREIF NPI *</i>	<i>6.97%</i>	<i>10.17%</i>	<i>10.49%</i>	<i>6.42%</i>
Risk Parity	2.23%	1.84%	2.72%	N/A
<i>60% BC Global, 30% MSCI, 10% Bloomberg Index TR</i>	<i>3.33%</i>	<i>-0.21%</i>	<i>2.70%</i>	<i>2.98%</i>
Short Term Investments	2.32%	1.83%	2.15%	1.73%
<i>BofA ML 3-Month T-Bill</i>	<i>0.49%</i>	<i>0.23%</i>	<i>0.17%</i>	<i>0.58%</i>

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

**Target Fund Benchmarks (Effective Dates)**

July 1, 2016 to June 30, 2017: 16% Russell 3000, 14% MSCI World Ex-US Net, 11% Russell 3000+100 bps, 5% BC Global Aggregate, 15% Credit Opp Benchmark, 5% BofA ML 3-Month T-Bill+200 bps, 10% 3-Month LIBOR+300 bps, 8% CPI+200 bps, 10% NCREIF NPI, 4% Risk Parity Benchmark and 2% BofA ML 3-Month T-Bill  
 July 1, 2015 - June 30, 2016: 16% Russell 3000, 14% MSCI World Ex-US Net, 11% Russell 3000+100 bps, 7% BC Global Aggregate, 13% Credit Opp Benchmark, 5% BofA ML 3-Month T-Bill+200 bps, 10% 3-Month LIBOR+300 bps, 8% CPI+200 bps, 10% NCREIF NPI, 4% Risk Parity Benchmark and 2% BofA ML 3-Month T-Bill  
 July 1, 2014 - June 30, 2015: 16% Russell 3000, 14% MSCI World Ex-US Net, 11% Russell 3000+100 bps, 7% BC Global Aggregate, 13% Credit Opp Benchmark, 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 Benchmark and 2% BofA ML 3-Month T-Bill  
 July 1, 2013 - June 30, 2014: 17% Russell 3000, 14% MSCI ACWI Ex-US Net, 10% Russell 3000+100 bps, 8% BC Global Aggregate, 12% Credit Opp Benchmark, 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 Benchmark 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.

TOP 20 HOLDINGS JUNE 30, 2017		FEES BY SUB-ASSET CLASS JUNE 30, 2017	
DESCRIPTION	FAIR VALUE	SUB-ASSET CLASS	TOTAL FEES PAID
STATE STREET GLOBAL ADVISORS - MSCI WORLD EX-U.S. INDEX STRATEGY	1,033,717,072	ABSOLUTE RETURN	4,225,019
STATE STREET GLOBAL ADVISORS - RUSSELL 3000 INDEX STRATEGY	807,393,302	FIXED INCOME	195,484
BRIGEWATER GTAA	333,196,913	PRIVATE CREDIT - DISTRESSED	1,256,270
CRESTLINE CS 3000 FUND, L.P.	224,546,150	PRIVATE CREDIT - HIGH YIELD	835,856
D.E. SHAW MULTI-ASSET FUND, L.P.	205,348,117	PRIVATE CREDIT - OPPORTUNISTIC	3,213,971
BRIGEWATER ALL WEATHER	202,823,006	PRIVATE CREDIT - RELATIVE VALUE	-
DESERT TROON	190,084,067	PRIVATE EQUITY - BUYOUT	13,097,525
ACADIAN ASSET MANAGEMENT LLC	189,026,863	PRIVATE EQUITY - GROWTH CAPITAL	1,915,085
BLACKROCK COREACTIVE BOND FUND	146,095,350	PRIVATE EQUITY - MEZZANINE	16,704
SELECT EQUITY - BAXTER STREET FUND	126,512,010	PRIVATE EQUITY - VENTURE CAPITAL	1,242,861
CORTEC FUND V	120,058,804	PUBLIC EQUITY - DOMESTIC	2,192,537
ISHARES IBOX HIGH YIELD CORPORATE BOND ETF (HYG)	118,919,729	PUBLIC EQUITY - INTERNATIONAL	1,751,925
GMO BENCHMARK-FREE ALLOCATION (BFA) FUND	114,548,997	REAL ASSETS - ENERGY	501,315
IGUAZU PARTNERS, L.P.	108,185,065	REAL ASSETS - INFRASTRUCTURE	78,379
MELODY TELECOM LAND ONSHORE FUND L.P.	98,301,382	REAL ASSETS - TIMBER	-39,201
DAVIDSON KEMPNER INSTITUTIONAL PARTNERS, L.P.	95,765,658	REAL ASSETS - CORE CAPITAL ASSETS	3,167,297
SOUTHPOINT QUALIFIED FUND LP	93,833,678	REAL ASSETS - ENERGY	10,489,286
GOTHAM ASSET MANAGEMENT - HYBRID-ACTIVE	89,301,085	REAL ASSETS - MINING	1,543,032
ORG AZ SECONDARY OPPORTUNITY FUND, L.P.	87,942,673	REAL ASSETS - SECONDARIES	52,402
FIELD STREET MASTER FUND, LTD.	83,783,401	REAL ESTATE - DOMESTIC	4,395,975
		REAL ESTATE - INTERNATIONAL	680,030
		REAL ESTATE - SECONDARIES	701,036
		RISK PARITY	33,765
		<b>TOTAL</b>	<b>51,546,553</b>

Information on investment activity, including a complete list of portfolio holdings and a schedule of fees and commissions can be obtained by sending a written request to PSPRS, 3010 E. Camelback Rd. #200, Phoenix, AZ 85016.

**INVESTMENT SECTION**

SCHEDULE OF COMMISSIONS PAID TO BROKERS YEAR ENDED JUNE 30, 2017			
BROKER	SHARES TRADED	AVG COMM	TOTAL COMM
ABEL NOSER CORP, NEW YORK	498,786	.0117	5,815
B.RILEY & CO.,LLC, LOS ANGELES	25,829	.0264	681
BAIRD, ROBERT W, MILWAUKEE	645,216	.0272	17,527
BANCO SANTANDER, NEW YORK	91,115	.0012	106
BARCLAYS CAPITAL, NEW JERSEY	148,744	.0190	2,820
BARCLAYS CAPITAL, LONDON	777,204	.0012	928
BARRINGTON RESEARCH, BKLN	6,800	.0350	238
BB&T SECURITIES, RICHMOND	11,963	.0368	441
BENCHMARK CO, NEW YORK	9,294	.0328	305
BERNSTEIN SANFORD, NEW YORK	179,178	.0153	2,748
BLOOMBERG TRADEBOOK, NY	272,951	.0200	5,459
BMO CAPITAL MARKETS, NY	18,160	.0300	545
BNY CONVERGEX, NEW YORK	17,005	.0200	340
BROCKHOUSE COOPER, MONT	97,791	.0123	1,202
BTIG LLC, SAN FRANCISCO	297,070	.0170	5,061
CANACCORD GENUITY INC.NY	52,894	.0323	1,710
CANTOR CLEARING, NEW YORK	120	.0200	2
CANTOR CLEARING SERVICE, NY	1,272	.0200	25
CANTOR FITZGERALD, NEW YORK	234,969	.0150	3,533
CITIGROUP GBL MKTS AUSTRALIA	31,096	.0026	82
CITIGROUP GBL MKTS INC, NY	281,166	.0149	4,202
CITIGROUP GBL SALOMON, NY	918,449	.0026	2,381
CITIGROUP GLOBAL MKT LONDON	68,897	.0023	160
CJS SECURITIES, JERSEY CITY	1,905	.0350	67
CLSA SECURITIES, KUALA LUM	76,900	.0007	57
COMPASS POINT, JERSEY CITY	133,172	.0348	4,629
COWEN AND COMPANY LLC, NY	22,753	.0323	736
CRAIG HALLUM, MINNEAPOLIS	175,324	.0204	3,580
CREDIT LYONNAIS SEC, SEOUL	496	.7236	359
CREDIT LYONNAIS SECS, HK	70,200	.0060	422
CREDIT LYONNAIS SECS, SING	6,900	.0333	230
CREDIT RESEARCH, JERSEY	22,640	.0350	792
CREDIT SUISSE, LONDON	245,541	.0033	799
CREDIT SUISSE, SEOUL	1,650	.0498	82
CREDIT SUISSE, MELBOURNE	163,699	.0022	365
CREDIT SUISSE, NEW YORK	981,474	.0072	7,052
CREDIT SUISSE, SAO PAULO	13,670	.0009	12
CREDIT SUISSE, TAIPEI	153,000	.0012	180
DEUTSCHE BK INTL EQ, LONDON	13,057	.0096	125
DEUTSCHE BK SEC INC, NY	2,280,000	.0001	184
DEUTSCHE BK SECS INC, NY	1,224,488	.0070	8,593
DEUTSCHE SEC ASIA LTD, TAIPEI	5,000	.0229	115

SCHEDULE OF COMMISSIONS PAID TO BROKERS (cont) YEAR ENDED JUNE 30, 2017			
BROKER	SHARES TRADED	AVG COMM	TOTAL COMM
DOUGHERTY LLC, MINNEAPOLIS	13,605	.0306	416
DOUGHERTY COMPANY, BKLN	39,785	.0324	1,290
EXANE, PARIS	8,069	.0074	60
FIG PARTNERS LLC, ATLANTA	155,899	.0337	5,255
FIRST ANALYSIS SECS, CHICAGO	4,200	.0465	195
GOLDMAN SACHS & CO, NY	1,710,389	.0232	39,658
GOLDMAN SACHS, TAIPEI	945,000	.0018	1,662
GOLDMAN SACHS, SEOUL	12,340	.0035	43
GOLDMAN SACHS EXECUTION, NY	91,602	.0214	1,965
GOLDMAN SACHS INTL, LONDON	55,293	.0040	220
GOODBODY BROKERS, DUBLIN	2,500	.0465	116
GUGGENHEIM CAPITAL, JERSEY	8,421	.0400	337
HK & SHANGHAI BKG, AUCKLAND	251	.0015	0
HSBC BANK LTD, SYDNEY	414,573	.0020	845
HSBC BANK PLC, LONDON	150,398	.0274	4,115
HSBC SECS INC, NEW YORK	456,942	.0141	6,450
ICBC FINCL SVCS, NEW YORK	6,760	.0350	237
INSTINET CORP, NEW YORK	309,421	.0127	3,928
INSTINET CORP, NY	111,342	.0150	1,670
INSTINET EUROPE LTD, LONDON	1,010,043	.0029	2,957
INSTINET PACIFIC LTD, HK	874,754	.0007	629
INSTINET, SINGAPORE	15,600	.0029	45
INVESTMENT TECH GRP, DUBLIN	1,451,884	.0029	4,261
INVESTMENT TECH GRP, NY	69,500	.0084	586
ISI GROUP INC, NY	2,525,548	.0102	25,772
ITG AUSTRALIA LTD, MELBOURNE	308,423	.0062	1,923
ITG CANADA CORP, TORONTO	22,800	.0057	130
ITG HONG KONG LIMITED, HK	973,134	.0005	503
J P MORGAN SECS LTD, LONDON	332,403	.0033	1,082
J P MORGAN SEC, BROOKLYN	144,970	.0090	1,302
J.P. MORGAN CLEARING, NY	592,062	.0175	10,383
JANNEY MONT SCOTT, PHILA	853	.0300	26
JEFFERIES & CO INC, NEW YORK	862,600	.0193	16,617
JEFFERIES & CO LTD, LONDON	20,282	.0029	59
JOHNSON RICE, NEW ORLEANS	11,300	.0271	307
JOHNSON RICE CO, NEW ORL	4,567	.0420	192
JONESTRADING INSTL SVCS LLC	241,253	.0151	3,647
JP MORGAN SECS LTD, SEOUL	31,437	.0247	775
JP MORGAN SECS ASIA, HK	887,900	.0002	194
JPMORGAN SECURITIES INC, NY	857,652	.0028	2,376
KEEFE BRUYETTE WOODS, JC	91,204	.0348	3,178
KEYBANC CAPITAL MARK, JC	203,933	.0334	6,819

**SCHEDULE OF COMMISSIONS PAID TO BROKERS (cont)**  
YEAR ENDED JUNE 30, 2017

<b>BROKER</b>	<b>SHARES TRADED</b>	<b>AVG COMM</b>	<b>TOTAL COMM</b>
KING (CL) & ASSOC, ALBANY	1,788	.0446	80
KNIGHT CAPITAL LTD, LONDON	39,587	.0038	152
KNIGHT CLEARING SVC, JERSEY	60,100	.0146	876
KNIGHT EQUITY MARK, JERSEY	403,879	.0251	10,131
LIQUIDNET INC, BROOKLYN	40,057	.0200	801
LIQUIDNET INC, NEW YORK	53,847	.0191	1,029
LOOP CAPITAL MKT, JERSEY CITY	3,600	.0135	49
MACQUARIE BANK LTD, SYDNEY	28,111	.0018	51
MACQUARIE BANK LTD, HK	1,929,300	.0003	641
MACQUARIE CAPITAL, NEW YORK	28	.0100	0
MAXIM GROUP, JERSEY CITY	1,980	.0250	50
MERIDIAN EQUITY PART, NY	50,118	.0150	752
MERRILL LYNCH GILTS, LONDON	60,800	.0025	153
MERRILL LYNCH INTL LONDON	2,065,002	.0015	3,101
MERRILL LYNCH PIERCE, NY	1,717,426	.0165	28,377
MERRILL LYNCH PIERCE, WILM	108,635	.0157	1,704
MIZUHO SECURITIES, NEW YORK	8,046	.0300	241
MKM PARTNERS, GREENWICH	153,199	.0152	2,332
MORGAN J P SECS INC, NY	1,802	6.2241	11,216
MORGAN STANLEY & CO, NY	36,415	.0020	73
MORGAN STANLEY & CO INC, NY	74,760,258	.0021	160,137
MORGAN STANLEY & CO, SEOUL	35,538	.0670	2,381
MS SECS SVCS INC INTL, BKLN	23,239	.0226	526
NATIONAL FINL SVCS CORP, NY	632,638	.0178	11,243
NEEDHAM & CO, NEW YORK	18,755	.0331	620
NEEDHAM AND CO, JERSEY CITY	20,595	.0352	724
NEWEDGE USA LLC, NEW YORK	163	15.6001	2,543
NORTHLAND SECS, JERSEY CITY	13,548	.0346	468
OLIVETREE USA LLC, NEW YORK	6,079	.0350	213
OPPENHEIMER & CO INC, NY	219,687	.0322	7,075
PERSHING LLC, JERSEY CITY	416,440	.0288	11,980
PIPER JAFFRAY & CO, MINN	51,912	.0288	1,494
RAYMOND JAMES, ST PETE	394,125	.0231	9,102
RBC CAPITAL MARKETS, NY	828,497	.0138	11,404
ROTH CAPITAL PARTNERS, IRV	42,420	.0314	1,334
S G WARBURG, SEOUL	2,334	.0644	150
SANDLER O'NEILL & PART, NY	89,943	.0341	3,065
SANDLER O'NEILL & PART, NY	135,284	.0348	4,705
SANFORD C BERNSTEIN, LONDON	1,644	.0517	85
SCOTIA CAPITAL INC, NEW YORK	10,098	.0400	404
SG AMERICAS SEC, NEW YORK	248,848	.0210	5,221
SG SEC (LONDON) LTD, LONDON	1,675,403	.0003	579

**SCHEDULE OF COMMISSIONS PAID TO BROKERS (cont)**  
YEAR ENDED JUNE 30, 2017

<b>BROKER</b>	<b>SHARES TRADED</b>	<b>AVG COMM</b>	<b>TOTAL COMM</b>
SIDOTI & CO LLC, NEW YORK	4,604	.0396	182
STATE STREET BROK, BOSTON	489,017	.0287	14,044
STATE STREET GLOBAL, BOSTON	32,672	.0123	402
STEPHENS INC, LITTLE ROCK	114,547	.0351	4,020
STIFEL NICOLAUS	54,821	.0213	1,168
SUNTRUST CAPITAL MARK, ATL	43,548	.0381	1,658
TORONTO DOMINION SEC	746	.0231	17
UBS SECURITIES, TORONTO	30,200	.0062	187
UBS SECURITIES, STAMFORD	531,283	.0084	4,480
UBS WARBURG ASIA LTD, HK	2,050,473	.0007	1,386
UBS WARBURG, LONDON	433,164	.0061	2,621
WEDBUSH MORGAN SECS, LA	33,684	.0324	1,093
WEEDEN & CO, GREENWICH	13,881	.0075	104
WEEDEN & CO, NEW YORK	828,665	.0241	19,987
WELLS FARGO SECURITIES, CHAR	300,753	.0155	4,675
WILLIAM BLAIR & CO, CHICAGO	35,437	.0372	1,320
WM SMITH & CO, JERSEY	2,847	.0325	92
WUNDERLICH SEC, MEMPHIS	31,731	.0371	1,178
WUNDERLICH SEC INC, MEMPHIS	4,038	.0400	162
YUANTA CORE PACIFIC, TAIPEI	178,000	.0009	165
<b>TOTAL BROKER COMMISSIONS</b>	<b>117,914,009</b>	<b>.0050</b>	<b>593,120</b>

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# ACTUARIAL SECTION







December 11, 2017

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 A. Smout, Administrator

The purpose of the annual actuarial valuation of the Arizona Public Safety Personnel Retirement System as of June 30, 2017 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, 2018.

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, 2017.

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 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, 2017 CAFR:

- Aggregate Actuarial Balance Sheet as of June 30, 2017
- 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, 2017



Board of Trustees  
December 11, 2017  
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GRS did not prepare any of the schedules included in the “Financial Section” of the June 30, 2017 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 \$233.0 million (\$221.3 million for pension and \$11.7 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. In addition, the assumptions and methods used for funding purposes are in accordance with the Actuarial Standards of Practice promulgated by the Actuarial 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, 2017 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2011-2016 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, 2017 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, 2017 actuarial valuation reflected the following changes:

**Assumption Changes:**

- Decrease the investment return assumption from 7.5% to 7.4%.
- Decrease the wage inflation assumption from 4.0% to 3.5%.
- Updated mortality to the RP-2014 tables, with 75% of MP-2016 fully generational projection scales.
- Updated withdrawal, disability and retirement assumptions.

**Benefit Changes:**

- Change in Tier 2 benefit eligibility and multiplier, and
- Tier 1 Employee contribution rates were decreased in accordance with the court ruling on the Hall lawsuit.

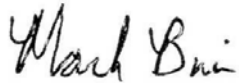


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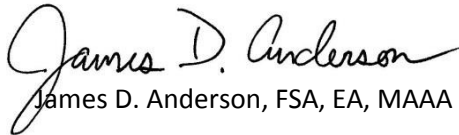
In order to gain a full understanding of the actuarial condition of the plan, it is important to read the full actuarial report that we have provided to the System.

Mark Buis, James D. Anderson and Francois Pieterse 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,



Mark Buis, FSA, EA, FCA, MAAA



James D. Anderson, FSA, EA, MAAA



Francois Pieterse, ASA, FCA, MAAA

MB/JDA/FP:sc



<b>PSPRS AGGREGATE ACTUARIAL BALANCE SHEET YEAR ENDED JUNE 30, 2017</b>			
<b>ACTUARIAL ASSETS</b>	<b>PENSION</b>	<b>HEALTH INSURANCE</b>	<b>TOTAL</b>
<b>ACCRUED ASSETS</b>			
Member Accumulated Contributions	1,290,498,621	0	1,290,498,621
Employer and Benefit Payment Reserves	5,550,827,920	321,261,466	5,872,089,386
Funding Value Adjustment	221,323,448	11,654,673	232,978,121
<b>Total Accrued Assets</b>	<b>7,062,649,989</b>	<b>332,916,139</b>	<b>7,395,566,128</b>
<b>PROSPECTIVE ASSETS</b>			
Member Contributions	1,074,235,540	0	1,074,235,540
Employer Normal Costs	1,597,806,678	38,335,454	1,636,142,132
Employer Unfunded Actuarial Accrued Liability	8,516,050,127	(31,920,423)	8,484,129,704
<b>Total Prospective Assets</b>	<b>11,188,092,345</b>	<b>6,415,031</b>	<b>11,194,507,376</b>
<b>Total Actuarial Assets</b>	<b>18,250,742,334</b>	<b>339,331,170</b>	<b>18,590,073,504</b>
<b>ACTUARIAL PRESENT VALUES (LIABILITY)</b>			
<b>PENSIONS IN PAYMENT STATUS</b>			
Pensions in payment status	8,333,944,933	140,891,668	8,474,836,601
<b>PROSPECTIVE PAYMENTS</b>			
Retirement Payments	9,846,977,126	0	9,846,977,126
Health Insurance Payments	0	198,439,502	198,439,502
Member Contribution Refunds	69,820,275	0	69,820,275
Pension Increase Reserve	0	0	0
<b>Total Prospective Payments</b>	<b>9,916,797,401</b>	<b>198,439,502</b>	<b>10,115,236,903</b>
<b>Total Actuarial Present Values (Liabilities)</b>	<b>18,250,742,334</b>	<b>339,331,170</b>	<b>18,590,073,504</b>

**PSPRS SUMMARY OF VALUATION ASSUMPTIONS**

**ECONOMIC ASSUMPTIONS**

Investment Rate of Return: 7.40% (net of expenses)

Wage Inflation: 3.50%

**MORTALITY TABLES**

The mortality tables being utilized are based upon the RP-2014 tables, as extended, and include a margin for future mortality improvement using a fully generational improvement scale. The tables used were as follows:

*Healthy Pre-Retirement:* The RP-2014 Employee Mortality Tables, extended via cubic spline, projected backwards 1year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.

*Healthy Post-Retirement:* The RP-2014 Healthy Annuitant Mortality Tables (110% for females), extended via cubic spline, projected backwards 1year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.

*Disability Retirement:* The RP-2014 Disabled Mortality Tables, extended via cubic spline, projected backwards 1year to 2013 with mortality improvement scale MP-2014. Future mortality improvements are assumed each year using 75% of scale MP-2016.

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.

These rates adopted by the Board of Trustees, as recommended by the Plan's actuary, were first used for the June 30, 2017 valuation.

MORTALITY RATES						
% DYING NEXT YEAR						
SAMPLE AGES	HEALTHY PRE-RETIREMENT		HEALTHY POST-RETIREMENT		DISABILITY RETIREMENT	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
40	N/A	N/A	0.1858%	0.1707%	1.2971%	0.6707%
45	N/A	N/A	0.2815%	0.2375%	1.7241%	0.9393%
50	0.1382%	0.0558%	0.4164%	0.3082%	2.0899%	1.2053%
55	0.2261%	0.0841%	0.5813%	0.4003%	2.3686%	1.4549%
60	0.3777%	0.1236%	0.7825%	0.5781%	2.6789%	1.7209%
65	0.6698%	0.1887%	1.1140%	0.9038%	3.2050%	2.1294%
70	N/A	N/A	1.7094%	1.4485%	4.1127%	2.8861%
75	N/A	N/A	2.7443%	2.3540%	5.5537%	4.1951%
80	N/A	N/A	4.5794%	3.9155%	7.8452%	6.2352%

FUTURE LIFE EXPECTANCY (YEARS)						
SAMPLE AGES	HEALTHY PRE-RETIREMENT		HEALTHY POST-RETIREMENT		DISABILITY RETIREMENT	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
55	32.91	41.11	29.39	31.04	21.11	25.01
60	28.02	36.03	24.95	26.39	18.20	21.47
65	23.34	31.02	20.68	21.95	15.34	18.03
70	19.96	26.10	16.66	17.76	12.59	14.71
75	14.89	21.32	12.96	13.90	10.01	11.66
80	11.19	16.73	9.65	10.44	7.67	9.01

**PSPRS MISCELLANEOUS AND TECHNICAL ASSUMPTIONS****MARRIAGE ASSUMPTION**

85% of males and 60% of 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 males and 60% of females are assumed to be married at time of retirement.

**BENEFIT SERVICE**

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

**HEALTH CARE UTILIZATION**

70% of future retirees are expected to utilize health care. 85% of males and 60% of females are assumed to be married at the time of retirement.

**FUTURE COST OF LIVING INCREASES**

The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. We have assumed that to be 1.75% for this valuation.

**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 19,010 active members in the System as of June 30, 2017, compared to 18,706 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
< 25	602							602	51,563
25-29	1,869	221						2,090	57,583
30-34	1,310	1,122	684	1				3,117	68,934
35-39	624	899	1,755	383				3,661	78,376
40-44	262	447	1,222	1,484	203			3,618	85,530
45-49	147	276	729	1,325	794	119		3,390	90,838
50-54	60	113	291	538	392	249	27	1,670	92,284
55-59	31	47	116	236	125	81	40	676	89,320
60-64	18	11	38	58	21	9	6	161	81,427
65+	3	4	4	11	1	1	1	25	85,998
<b>Total</b>	<b>4,926</b>	<b>3,140</b>	<b>4,839</b>	<b>4,036</b>	<b>1,536</b>	<b>459</b>	<b>74</b>	<b>19,010</b>	<b>78,923</b>

YEAR ENDED JUNE 30,	COMPARATIVE SCHEDULE					
	ACTIVE MEMBERS	PAYROLL +000	AGE (YEARS)	SERVICE (YEARS)	AVERAGE SALARY	INCREASE IN AVG. PAY
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%
2016	18,706	1,448,215	39.7	11.3	77,420	1.70%
2017	19,010	1,500,335	39.6	11.2	78,923	1.90%

**PSPRS SUMMARY OF INACTIVE MEMBER DATA**

As of June 30, 2017, there were 2,113 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, 2017						
ATTAINED AGE	YEARS OF SERVICE TO VALUATION DATE					TOTAL
	0-4	5-9	10-14	15-19	20+	
< 30	352	13				365
30-39	723	148	40	3		914
40-44	233	67	30	18		348
45-49	148	40	32	18		238
50-54	76	24	20	7	6	133
55-59	43	7	15	8		73
60-69	15	10	9	2	1	37
70+	3		2			5
<b>Total</b>	<b>1,593</b>	<b>309</b>	<b>148</b>	<b>56</b>	<b>7</b>	<b>2,113</b>

**PSPRS SUMMARY OF RETIRED MEMBER DATA**

YEAR ENDED JUNE 30,	PSPRS RETIRES AND BENEFICIARIES							
	NUMBER REMOVED FROM ROLES	NUMBER ADDED TO ROLES	TOTALS	ANNUAL ALLOWANCES REMOVED FROM ROLES	ANNUAL ALLOWANCES ADDED TO ROLES	ANNUAL PENSIONS	PERCENT INCREASE	AVERAGE PENSION
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
2016	219	1,048	11,863	9,945,560	58,950,969	620,935,917	8.6%	52,342
2017	185	721	12,399	8,838,496	44,008,867	656,106,288	5.7%	52,916



December 11, 2017

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, 2017 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, 2018.

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 dollar amount over a finite period. The valuations were completed based upon population data, asset data, and plan provisions as of June 30, 2017.

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 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, 2017 CAFR:

- Aggregate Actuarial Balance Sheet as of June 30, 2017
- 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, 2017



Board of Trustees  
December 11, 2017  
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GRS did not prepare any of the schedules included in the “Financial Section” of the June 30, 2017 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 \$13.4 million (\$12.6 million for pension and \$0.8 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. In addition, the assumptions and methods used for funding purposes are in accordance with the Actuarial Standards of Practice promulgated by the Actuarial 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, 2017 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2011-2016 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, 2017 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, 2017 is 30.7%, and the actuarially determined contribution has increased from 106.55% to 162.63% 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 and Hall cases 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 million for FY19, well short of the Actuarially Determined Contribution of \$82.7 million.

The June 30, 2017 actuarial valuation reflected the following changes:

**Assumption Changes:**

- Decrease the investment return assumption from 7.5% to 7.4%.
- Decrease the wage inflation assumption from 4.0% to 3.5%.
- Updated mortality to the RP-2014 tables, with MP-2016 fully generational projection scales.
- Updated withdrawal, disability and retirement assumptions.



Board of Trustees  
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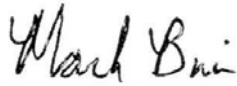
**Benefit Changes:**

- PBI increases paid in 2013, 2014 and 2015 have been as a result of the court ruling on the Hall lawsuit.
- The assumption regarding future PBI's for Tier 1 members was increased from 0.5% to 2.25%
- Tier 1 Employee contribution rates were decreased in accordance with the court ruling on the Hall lawsuit.


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.

Mark Buis, James D. Anderson and Francois Pieterse 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,



Mark Buis, FSA, EA, FCA, MAAA

  
James D. Anderson, FSA, EA, MAAA

Francois Pieterse, ASA, FCA, MAAA

MB/JDA/FP:sc



<b>EORP AGGREGATE ACTUARIAL BALANCE SHEET YEAR ENDED JUNE 30, 2017</b>			
<b>ACTUARIAL ASSETS</b>	<b>PENSION</b>	<b>HEALTH INSURANCE</b>	<b>TOTAL</b>
<b>ACCRUED ASSETS</b>			
Member Accumulated Contributions	56,413,540	0	56,413,540
Employer and Benefit Payment Reserves	241,704,604	23,149,855	264,854,459
Funding Value Adjustment	12,646,836	832,306	13,479,142
<b>Total Accrued Assets</b>	<b>310,764,980</b>	<b>23,982,161</b>	<b>334,747,141</b>
<b>PROSPECTIVE ASSETS</b>			
Member Contributions	23,913,355	0	23,913,355
Employer Normal Costs	63,768,864	1,299,559	65,068,423
Employer Unfunded Actuarial Accrued Liability	701,188,535	(9,938,448)	691,250,087
<b>Total Prospective Assets</b>	<b>788,870,754</b>	<b>(8,638,889)</b>	<b>780,231,865</b>
<b>Total Actuarial Assets</b>	<b>1,099,635,734</b>	<b>15,343,272</b>	<b>1,114,979,006</b>
<b>ACTUARIAL PRESENT VALUES (LIABILITY)</b>			
<b>PENSIONS IN PAYMENT STATUS</b>			
Pensions in payment status	765,456,170	10,494,117	775,950,287
<b>PROSPECTIVE PAYMENTS</b>			
Retirement Payments	333,434,217	0	333,434,217
Health Insurance Payments	0	4,849,155	4,849,155
Member Contribution Refunds	745,347	0	745,347
Pension Increase Reserve	0	0	0
<b>Total Prospective Payments</b>	<b>334,179,564</b>	<b>4,849,155</b>	<b>339,028,719</b>
<b>Total Actuarial Present Values (Liabilities)</b>	<b>1,099,635,734</b>	<b>15,343,272</b>	<b>1,114,979,006</b>

**EORP SUMMARY OF VALUATION ASSUMPTIONS**

**ECONOMIC ASSUMPTIONS**

Investment Rate of Return: 7.40% (net of expenses)

Wage Inflation: 3.50%

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%.

**MORTALITY TABLES**

The mortality rates utilized are based upon the RP-2014 tables, as extended, and include a margin for future mortality improvements projected using a fully generational improvement scale. The tables used were as follows:

These rates adopted by the Board of Trustees, as recommended by the Plan's actuary, were first used for the June 30, 2017 valuation.

*Healthy Pre-Retirement:* The RP-2014 Employee Mortality Tables, extended via cubic spline, with future mortality improvements assumed each year using scale MP-2016.

*Healthy Post-Retirement:* The RP-2014 Healthy Annuitant Mortality Tables, extended via cubic spline, with future mortality improvements assumed each year using scale MP-2016.

*Disability Retirement:* The RP-2014 Disabled Mortality Table, extended via cubic spline, with future mortality improvements assumed each year using scale MP-2016.

MORTALITY RATES						
% DYING NEXT YEAR						
SAMPLE AGES	HEALTHY PRE-RETIREMENT		HEALTHY POST-RETIREMENT		DISABILITY RETIREMENT	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
40	N/A	N/A	0.1802%	0.1524%	1.2579%	0.6586%
45	N/A	N/A	0.2629%	0.2057%	1.6102%	0.8949%
50	0.1205%	0.1071%	0.3873%	0.2689%	1.9438%	1.1567%
55	0.2038%	0.1669%	0.5589%	0.3613%	2.2776%	1.4444%
60	0.3506%	0.2453%	0.7749%	0.5215%	2.6529%	1.7079%
65	0.6175%	0.3626%	1.0955%	0.7895%	3.1517%	2.0464%
70	N/A	N/A	1.6350%	1.2404%	3.9338%	2.7186%
75	N/A	N/A	2.5869%	2.0189%	5.2351%	3.9577%
80	N/A	N/A	4.3118%	3.3833%	7.3868%	5.9265%

FUTURE LIFE EXPECTANCY (YEARS)						
SAMPLE AGES	HEALTHY PRE-RETIREMENT		HEALTHY POST-RETIREMENT		DISABILITY RETIREMENT	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
55	31.80	36.15	30.31	32.88	21.94	25.92
60	26.87	31.12	25.75	28.09	18.90	22.32
65	22.22	26.20	21.41	23.50	16.00	18.81
70	17.89	21.41	17.30	19.14	13.20	15.36
75	13.88	16.81	13.49	15.07	10.51	12.17
80	10.26	12.47	10.06	11.41	8.06	9.39

**EORP MISCELLANEOUS AND TECHNICAL ASSUMPTIONS****MARRIAGE ASSUMPTION**

80% of males and 70% of 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 75% Joint and Survivor form of payment with no reduction, for married members. 80% of males and 70% of females are assumed to be married at time of retirement.

**BENEFIT SERVICE**

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

**HEALTH CARE UTILIZATION**

70% of future retirees are expected to utilize health care. 80% of males and 70% of females are assumed to be married at the time of retirement.

**FUTURE COST OF LIVING INCREASES**

Members hired on or before January 1, 2012: 3.00% of benefit. Members hired on or after January 1, 2012: 0.50% of benefit.

**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 600 active members in the Plan as of June 30, 2017, compared to 694 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
< 25								0	0
25-29								0	0
30-34	4	4						8	42,923
35-39	5	11		1				17	35,097
40-44	12	17	5	1				35	57,371
45-49	17	38	12	2				69	89,839
50-54	16	32	27	10	2			87	102,389
55-59	18	41	38	21	5	1	1	125	94,326
60-64	19	31	36	35	10	1	1	133	93,129
65+	15	32	37	22	15	2	3	126	68,618
<b>Total</b>	<b>106</b>	<b>206</b>	<b>155</b>	<b>92</b>	<b>32</b>	<b>4</b>	<b>5</b>	<b>600</b>	<b>84,796</b>

YEAR ENDED JUNE 30,	COMPARATIVE SCHEDULE					
	ACTIVE MEMBERS	PAYROLL +000	AGE (YEARS)	SERVICE (YEARS)	AVERAGE SALARY	INCREASE IN AVG. PAY
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%
2016	694	57,766	57.0	10.0	83,236	-0.80%
2017	600	50,878	57.1	10.7	84,796	1.90%

*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, 2017, there were 162 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, 2017						
ATTAINED AGE	YEARS OF SERVICE TO VALUATION DATE					TOTAL
	0-4	5-9	10-14	15-19	20+	
< 30						0
30-39	5	4				9
40-44	10	4		1		15
45-49	11	9	2			22
50-54	12	9	2			23
55-59	16	18	3	2		39
60-69	18	21	4	1		44
70+	4	2		3	1	10
<b>Total</b>	<b>76</b>	<b>67</b>	<b>11</b>	<b>7</b>	<b>1</b>	<b>162</b>

**EORP SUMMARY OF RETIRED MEMBER DATA**

YEAR ENDED JUNE 30,	EORP RETIREES AND BENEFICIARIES							
	NUMBER REMOVED FROM ROLES	NUMBER ADDED TO ROLES	TOTALS	ANNUAL ALLOWANCES REMOVED FROM ROLES	ANNUAL ALLOWANCES ADDED TO ROLES	ANNUAL PENSIONS	PERCENT INCREASE	AVERAGE PENSION
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
2016	51	58	1,123	2,136,634	3,484,310	58,091,729	2.4%	51,729
2017	22	95	1,196	1,107,668	6,504,316	63,488,377	9.3%	53,084



December 11, 2017

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, 2017 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, 2018.

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, 2017.

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 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, 2017 CAFR:

- Aggregate Actuarial Balance Sheet as of June 30, 2017
- 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, 2017



Board of Trustees  
December 11, 2017  
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GRS did not prepare any of the schedules included in the “Financial Section” of the June 30, 2017 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 \$57.5 million (\$53.7 million for pension and \$3.8 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. In addition, the assumptions and methods used for funding purposes are in accordance with the Actuarial Standards of Practice promulgated by the Actuarial 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, 2017 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2011-2016 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.

It is most important that this plan receive contributions at least equal to the actuarial rates. The June 30, 2017 actuarial valuation reflected the following changes:

**Assumption Changes:**

- Decrease the investment return assumption from 7.5% to 7.4%.
- Decrease the wage inflation assumption from 4.0% to 3.5%.
- Updated mortality to the RP-2014 Tables, with 75% of MP-2016 fully generational projection scales.
- Updated withdrawal, disability and retirement assumptions.

**Benefit Changes:**

- PBI increases paid in 2013 and 2014 have been recalculated as a result of the court ruling on the Hall lawsuit.
- The assumption regarding future PBI’s for Tier 1 members was increased from 0.5% to 2.25%

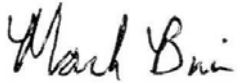
In order to gain a full understanding of the actuarial condition of the plan, it is important to read the full actuarial report that we have provided to the Plan.




Board of Trustees  
December 11, 2017  
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Mark Buis, James D. Anderson and Francois Pieterse 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,



Mark Buis, FSA, EA, FCA, MAAA

  
James D. Anderson, FSA, EA, MAAA

Francois Pieterse, ASA, FCA, MAAA

MB/JDA/FP:sc



<b>CORP AGGREGATE ACTUARIAL BALANCE SHEET YEAR ENDED JUNE 30, 2017</b>			
<b>ACTUARIAL ASSETS</b>	<b>PENSION</b>	<b>HEALTH INSURANCE</b>	<b>TOTAL</b>
<b>ACCRUED ASSETS</b>			
Member Accumulated Contributions	417,714,068	0	417,714,068
Employer and Benefit Payment Reserves	1,324,281,595	117,351,146	1,441,632,741
Funding Value Adjustment	53,715,469	3,782,880	57,498,349
<b>Total Accrued Assets</b>	<b>1,795,711,132</b>	<b>121,134,026</b>	<b>1,916,845,158</b>
<b>PROSPECTIVE ASSETS</b>			
Member Contributions	343,530,786	0	343,530,786
Employer Normal Costs	299,491,827	9,251,414	308,743,241
Employer Unfunded Actuarial Accrued Liability	1,828,668,750	(20,639,518)	1,808,029,232
<b>Total Prospective Assets</b>	<b>2,471,691,363</b>	<b>(11,388,104)</b>	<b>2,460,303,259</b>
<b>Total Actuarial Assets</b>	<b>4,267,402,495</b>	<b>109,745,922</b>	<b>4,377,148,417</b>
<b>ACTUARIAL PRESENT VALUES (LIABILITY)</b>			
<b>PENSIONS IN PAYMENT STATUS</b>			
Pensions in payment status	1,845,299,461	47,179,909	1,892,479,370
<b>PROSPECTIVE PAYMENTS</b>			
Retirement Payments	2,356,852,236	0	2,356,852,236
Health Insurance Payments	0	62,566,013	62,566,013
Member Contribution Refunds	65,250,798	0	65,250,798
Pension Increase Reserve	0	0	0
<b>Total Prospective Payments</b>	<b>2,422,103,034</b>	<b>62,566,013</b>	<b>2,484,669,047</b>
<b>Total Actuarial Present Values (Liabilities)</b>	<b>4,267,402,495</b>	<b>109,745,922</b>	<b>4,377,148,417</b>

**CORP SUMMARY OF VALUATION ASSUMPTIONS**

**ECONOMIC ASSUMPTIONS**

Investment Rate of Return: 7.40% (net of expenses)

Wage Inflation: 3.50%

**MORTALITY TABLES**

The mortality rates utilized are based upon the RP-2014 tables, as extended, and include a margin for future mortality improvements projected using a fully generational improvement scale. The tables used were as follows:

*Healthy Pre-Retirement:* The RP-2014 Employee Mortality Tables, extended via cubic spline, adjusted backward to 2006 using scale MP-2014, setting it as the 2017 base year, with future mortality improvements assumed each year using 75% of scale MP-2016.

*Healthy Post-Retirement:* The RP-2014 Healthy Annuitant Mortality Tables, extended via cubic spline, adjusted backward to 2006 using scale MP-2014, setting it as the 2017 base year,, with future mortality improvements assumed each year using 75% of scale MP-2016.

*Disability Retirement:* The RP-2014 Disabled Mortality Table, extended via cubic spline, extended via cubic spline, adjusted backward to 2006 using scale MP-2014, setting it as the 2017 base year, with future mortality improvements assumed each year using 75% of scale MP-2016.

Active members hired before January 1, 2012 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.

Active members hired on or after January 1, 2012 are eligible to retire at age 62 with 10 years of service or at age 52.5 with 25 years of service.

These rates adopted by the Board of Trustees, as recommended by the Plan’s actuary, were first used for the June 30, 2017 valuation.

MORTALITY RATES						
% DYING NEXT YEAR						
SAMPLE AGES	HEALTHY PRE-RETIREMENT		HEALTHY POST-RETIREMENT		DISABILITY RETIREMENT	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
40	N/A	N/A	0.2175%	0.1813%	1.5183%	0.7834%
45	N/A	N/A	0.3404%	0.2439%	2.0850%	1.0611%
50	0.1583%	0.1266%	0.4771%	0.2891%	2.3941%	1.2438%
55	0.2374%	0.1909%	0.6102%	0.3755%	2.4866%	1.5013%
60	0.3963%	0.3075%	0.8211%	0.5942%	2.8111%	1.9459%
65	0.7589%	0.4930%	1.2611%	0.9760%	3.6312%	2.5299%
70	N/A	N/A	2.0288%	1.5628%	4.8812%	3.4253%
75	N/A	N/A	3.3113%	2.5057%	6.7010%	4.9120%
80	N/A	N/A	5.5022%	4.1440%	9.4261%	7.2590%

FUTURE LIFE EXPECTANCY (YEARS)						
SAMPLE AGES	HEALTHY PRE-RETIREMENT		HEALTHY POST-RETIREMENT		DISABILITY RETIREMENT	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
55	31.58	33.39	28.02	30.54	19.75	23.41
60	26.68	28.48	23.57	25.86	16.76	19.87
65	22.02	23.73	19.32	21.45	13.89	16.58
70	17.72	19.15	15.41	17.32	11.27	13.45
75	13.79	14.80	11.86	13.52	8.90	10.59
80	10.27	10.72	8.76	10.12	6.80	8.10

**CORP MISCELLANEOUS AND TECHNICAL ASSUMPTIONS****MARRIAGE ASSUMPTION**

75% of males and 50% of 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. 75% of males and 50% of females are assumed to be married at time of retirement.

**BENEFIT SERVICE**

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

**HEALTH CARE UTILIZATION**

60% of future retirees are expected to utilize health care. 75% of males and 50% of females are assumed to be married at the time of retirement.

**FUTURE COST OF LIVING INCREASES**

Members hired on or before January 1, 2012: 2.25% of benefit. Members hired on or after January 1, 2012: 0.50% of benefit.

**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 13,958 active members in the Plan as of June 30, 2017, compared to 13,846 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
< 25	1,135	5						1,140	35,757
25-29	2,092	451	11					2,554	38,252
30-34	1,001	781	342	1				2,125	41,714
35-39	511	516	647	150	2			1,826	45,295
40-44	361	365	506	504	63			1,799	48,317
45-49	270	342	408	417	191	14		1,642	49,413
50-54	195	213	282	271	129	89	6	1,185	49,448
55-59	116	174	233	240	97	58	28	946	49,474
60-64	69	95	137	149	49	34	20	553	49,463
65+	15	42	57	35	22	10	7	188	49,822
<b>Total</b>	<b>5,765</b>	<b>2,984</b>	<b>2,623</b>	<b>1,767</b>	<b>553</b>	<b>205</b>	<b>61</b>	<b>13,958</b>	<b>44,418</b>

YEAR ENDED JUNE 30,	COMPARATIVE SCHEDULE					
	ACTIVE MEMBERS	PAYROLL +000	AGE (YEARS)	SERVICE (YEARS)	AVERAGE SALARY	INCREASE IN AVG. PAY
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%
2016	13,846	599,319	39.1	8.3	43,285	-0.40%
2017	13,958	619,985	39.0	8.3	44,418	2.60%

## CORP SUMMARY OF INACTIVE MEMBER DATA

As of June 30, 2017, there were 2,942 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, 2017						
ATTAINED AGE	YEARS OF SERVICE TO VALUATION DATE					TOTAL
	0-4	5-9	10-14	15-19	20+	
< 30	936	25				961
30-39	792	123	29	5		949
40-44	220	43	15	4		282
45-49	187	35	25	10		257
50-54	121	16	23	7	1	168
55-59	93	27	36	11	1	168
60-69	90	18	31	7		146
70+	9	1			1	11
<b>Total</b>	<b>2,448</b>	<b>288</b>	<b>159</b>	<b>44</b>	<b>3</b>	<b>2,942</b>

## CORP SUMMARY OF RETIRED MEMBER DATA

YEAR ENDED JUNE 30,	NUMBER REMOVED FROM ROLES	NUMBER ADDED TO ROLES	CORP RETIREES AND BENEFICIARIES					
			TOTALS	ANNUAL ALLOWANCES REMOVED FROM ROLES	ANNUAL ALLOWANCES ADDED TO ROLES	ANNUAL PENSIONS	PERCENT INCREASE	AVERAGE PENSION
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
2016	100	475	4,785	2,124,616	12,531,785	126,624,428	9.00%	26,463
2017	86	392	5,091	1,805,076	14,792,334	139,611,686	10.30%	27,423

**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.	RETIRES 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)
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%	
2016	1,213,983	8,873,605	4,161,122	6,553,903	100.00%	60.18%	0.00%	
2017	1,290,499	9,907,937	4,380,264	7,062,650	100.00%	58.26%	0.00%	

EORP	AGGREGATE ACCRUED LIABILITIES							
	YEAR ENDED JUNE 30,	ACTIVE MEMBER CONT.	RETIRES 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)
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%	
2016	57,473	622,642	157,363	314,525	100.00%	41.28%	0.00%	
2017	56,414	765,456	190,083	310,765	100.00%	33.23%	0.00%	



CORP	AGGREGATE ACCRUED LIABILITIES						
	YEAR ENDED JUNE 30,	ACTIVE MEMBER CONT. \$ (1)	RETIREES 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)
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%
2016	408,016	1,495,287	1,027,375	1,678,275	100.00%	84.95%	0.00%
2017	417,714	1,845,299	1,361,367	1,795,711	100.00%	74.68%	0.00%

See Schedule of Funding Progress in the Required Supplementary Information.

## EXPERIENCE GAIN (LOSS)

EXPERIENCE GAIN (LOSS)				
YEAR ENDED JUNE 30, 2017				
		PSPRS	EORP	CORP
(1)	UAAL* at start of year	7,694,807	522,953,725	1,252,403,249
(2)	Normal cost from last valuation	363,690	13,497,333	97,866,822
(3)	Actual Contributions	835,216	37,276,864	168,207,111
(4)	Interest Accrual	559,428	38,329,797	91,292,483
(5)	Expected UAAL before changes: (1) + (2) - (3) + (4)	7,782,709	537,503,991	1,273,355,443
(6)	Changes from benefit increases	555,176	159,145,675	557,836,731
(7)	Change in Reserve for future pension increases	0	0	0
(8)	Expected UAAL after changes: (5) + (6) + (7) + (8)	8,337,885	696,649,666	1,831,192,174
(9)	Actual UAAL at end of year	8,516,050	701,188,535	1,828,668,750
(10)	<b>Experience Gain/(Loss): (9) - (10)</b>	<b>(178,165)</b>	<b>(4,538,869)</b>	<b>2,523,424</b>

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### 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.

CORP-AOC was first split out from CORP in 2014. In some financial schedules in this statistical section, especially when multiple years worth of data are shown, CORP-AOC has been reported separately from CORP. In the other financial schedules, CORP-AOC has been combined with CORP.

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

<b>CHANGES IN NET PLAN POSITION LAST 10 FISCAL YEARS - PENSION</b>					
<b>ALL PLANS COMBINED</b>					
<b>(IN THOUSANDS)</b>					
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>ADDITIONS</b>					
Member Contributions	225,989	228,970	214,951	201,741	185,713
Employer Contributions	782,457	691,779	546,712	507,939	435,122
Non-Employer Contribution	5,000	22,316	5,000	5,000	0
Court Fees	8,647	8,580	8,286	8,541	8,412
Net Investment Gain (Loss)	945,757	46,556	282,446	945,182	677,204
Member Service Purchase	18,115	12,995	11,865	11,474	7,873
Transfers IN	1,697	1,751	570	1,171	947
<b>Total Additions (Reductions)</b>	<b>1,987,661</b>	<b>1,012,947</b>	<b>1,069,830</b>	<b>1,681,048</b>	<b>1,315,271</b>
<b>DEDUCTIONS</b>					
Pension & Insurance Benefits	934,806	995,607	835,974	773,174	693,007
Refunds To Terminated Members	45,577	48,968	42,460	45,037	44,123
Administrative Expenses	8,380	6,793	7,063	7,580	6,671
Transfers OUT	1,204	2,138	747	574	1,392
<b>Total Deductions</b>	<b>989,967</b>	<b>1,053,506</b>	<b>886,244</b>	<b>826,365</b>	<b>745,193</b>
<b>NET INCREASE (DECREASE)</b>	<b>997,694</b>	<b>(40,559)</b>	<b>183,587</b>	<b>854,683</b>	<b>570,078</b>
<b>NET POSITION HELD IN TRUST</b>					
Beginning of Fiscal Year, July 1	7,883,746	7,924,305	7,747,074	6,892,360	6,322,282
GASB 67 and Prior Year Adjustment	0	0	(6,355)	0	0
<b>End of Fiscal Year, June 30</b>	<b>8,881,440</b>	<b>7,883,746</b>	<b>7,924,305</b>	<b>7,747,043</b>	<b>6,892,360</b>
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>ADDITIONS</b>					
Member Contributions	171,472	154,870	161,234	158,719	212,611
Employer Contributions	354,881	311,079	338,429	365,800	364,473
Non-Employer Contribution	0	0	0	0	0
Court Fees	8,880	9,896	9,538	8,000	4,155
Net Investment Gain (Loss)	(76,947)	986,460	687,789	(1,106,644)	(481,657)
Member Service Purchase	15,247	23,165	12,229	8,432	11,399
Transfers IN	1,057	794	1,343	1,219	5,486
<b>Total Additions (Reductions)</b>	<b>474,590</b>	<b>1,486,264</b>	<b>1,210,562</b>	<b>(564,474)</b>	<b>116,467</b>
<b>DEDUCTIONS</b>					
Pension & Insurance Benefits	638,679	637,012	570,409	534,002	498,965
Refunds To Terminated Members	38,211	37,121	29,876	22,654	24,160
Administrative Expenses	6,361	6,285	6,092	5,938	8,708
Transfers OUT	1,045	1,266	829	561	1,012
<b>Total Deductions</b>	<b>684,296</b>	<b>681,684</b>	<b>607,206</b>	<b>563,155</b>	<b>532,845</b>
<b>NET INCREASE (DECREASE)</b>	<b>(209,706)</b>	<b>804,580</b>	<b>603,356</b>	<b>(1,127,629)</b>	<b>(416,378)</b>
<b>NET POSITION HELD IN TRUST</b>					
Beginning of Fiscal Year, July 1	6,531,988	5,727,408	5,124,052	6,251,681	6,668,059
<b>End of Fiscal Year, June 30</b>	<b>6,322,282</b>	<b>6,531,988</b>	<b>5,727,408</b>	<b>5,124,052</b>	<b>6,251,681</b>

FINANCIAL TRENDS

CHANGES IN NET PLAN POSITION LAST 10 FISCAL YEARS - HEALTH INSURANCE					
ALL PLANS COMBINED					
(IN THOUSANDS)					
	2017	2016	2015	2014	2013
<b>ADDITIONS</b>					
Health Insurance Contributions	5,645	5,539	29,068	27,296	28,946
Net Investment Gain (Loss)	49,768	2,532	15,428	48,084	33,783
<b>Total Additions (Reductions)</b>	<b>55,413</b>	<b>8,071</b>	<b>44,465</b>	<b>75,380</b>	<b>62,729</b>
<b>DEDUCTIONS</b>					
Pension & Insurance Benefits	21,390	20,039	18,591	17,567	17,114
Administrative Expenses	440	365	385	0	0
<b>Total Deductions</b>	<b>21,830</b>	<b>20,404</b>	<b>18,976</b>	<b>17,567</b>	<b>17,114</b>
<b>NET INCREASE (DECREASE)</b>	<b>33,583</b>	<b>(12,333)</b>	<b>25,520</b>	<b>57,813</b>	<b>45,615</b>
<b>NET POSITION HELD IN TRUST</b>					
Beginning of Fiscal Year, July 1	428,180	440,513	414,993	357,211	311,596
<b>End of Fiscal Year, June 30</b>	<b>461,763</b>	<b>428,180</b>	<b>440,513</b>	<b>415,024</b>	<b>357,211</b>
	2012	2011	2010	2009	2008
<b>ADDITIONS</b>					
Health Insurance Contributions	27,901	25,416	26,402	29,097	28,000
Net Investment Gain (Loss)	(2,439)	44,291	29,139	(43,995)	(18,452)
<b>Total Additions (Reductions)</b>	<b>25,462</b>	<b>69,707</b>	<b>55,541</b>	<b>(14,898)</b>	<b>9,548</b>
<b>DEDUCTIONS</b>					
Pension & Insurance Benefits	17,336	17,026	15,751	15,356	14,809
Administrative Expenses	0	0	0	0	0
<b>Total Deductions</b>	<b>17,336</b>	<b>17,026</b>	<b>15,751</b>	<b>15,356</b>	<b>14,809</b>
<b>NET INCREASE (DECREASE)</b>	<b>8,126</b>	<b>52,681</b>	<b>39,790</b>	<b>(30,254)</b>	<b>(5,261)</b>
<b>NET POSITION HELD IN TRUST</b>					
Beginning of Fiscal Year, July 1	303,470	250,789	210,999	241,253	246,514
<b>End of Fiscal Year, June 30</b>	<b>311,596</b>	<b>303,470</b>	<b>250,789</b>	<b>210,999</b>	<b>241,253</b>

FINANCIAL TRENDS

SCHEDULE OF REVENUE BY SOURCE										
LAST TEN FISCAL YEARS (Includes Health Insurance Subsidy)										
PLAN	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
PSPRS	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
	2016	169,469,738	565,862,395	16,316,362	0	4,195,339	41.37%	37,398,310	13,125,367	806,367,511
	2017	167,118,138	635,679,725	16,197,290	0	4,248,856	42.61%	762,451,372	16,603,311	1,602,298,692
EORP	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
	2016	7,730,530	20,636,469	0	8,579,644	0	23.50%	1,589,921	275,704	38,812,268
	2017	6,826,992	20,444,326	0	8,646,790	0	23.50%	35,387,944	1,378,845	72,684,897
CORP	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	42,697,294	62,246,291	0	0	5,477,173	13.32%	156,410,650	417,437	267,248,845
	2015	42,816,526	66,016,801	0	0	6,208,839	14.12%	46,844,490	503,585	162,390,241
	2016	42,539,910	90,240,701	0	0	411,556	17.84%	7,991,896	619,027	141,803,090
	2017	42,651,820	92,650,251	0	0	466,526	18.71%	155,635,948	1,595,501	293,000,046
AOC	2014	9,039,472	15,551,633	0	0	1,204,069	15.58%	38,106,222	345,423	64,246,819
	2015	9,302,982	16,560,621	0	0	1,378,298	16.15%	12,055,167	466,043	39,763,111
	2016	9,229,568	21,038,447	0	0	931,858	19.95%	2,108,602	623,698	33,932,173
	2017	9,391,814	22,484,433	0	0	929,246	20.88%	42,050,642	234,246	75,090,381

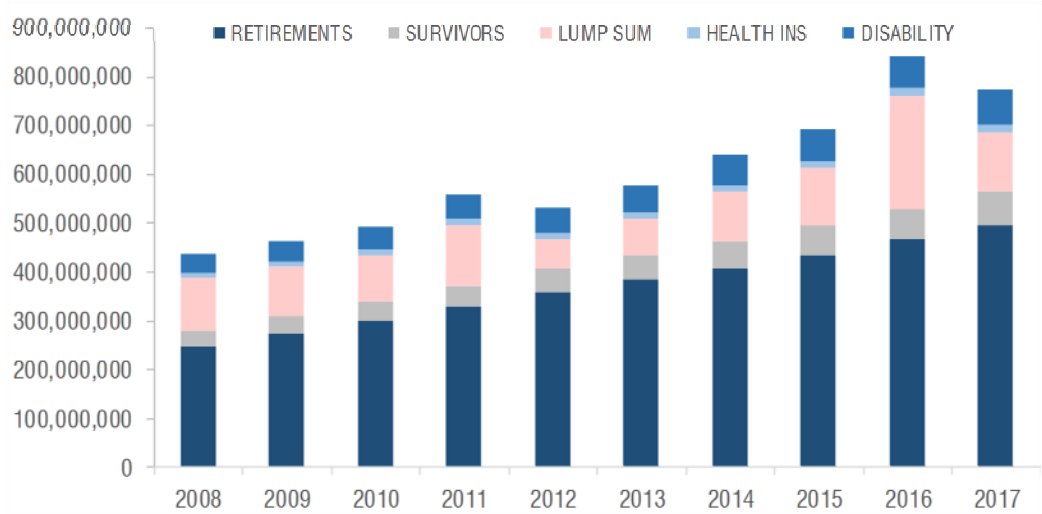
FINANCIAL TRENDS

SCHEDULE OF DEDUCTIONS BY TYPE LAST TEN FISCAL YEARS							
PLAN	YEAR ENDING JUNE 30,	BENEFITS	HEALTH INSURANCE SUBSIDY	ADMIN. EXPENSES	REFUNDS	TRANSFER TO OTHER PLANS	TOTAL
PSPRS	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
	2016	810,653,111	15,289,473	5,437,601	17,427,012	539,586	849,346,783
	2017	740,192,481	16,359,496	6,766,128	17,579,621	382,781	781,280,507
EORP	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
	2016	58,002,514	1,022,136	267,029	83,747	41,202	59,416,628
	2017	60,453,101	1,043,450	297,983	264,327	20,089	62,078,950
CORP	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	91,318,857	2,728,206	1,143,482	29,131,822	437,114	124,759,481
	2015	97,251,701	3,073,707	1,161,134	26,757,384	704,263	128,948,189
	2016	104,815,270	3,339,009	1,147,583	28,990,424	1,375,640	139,667,926
	2017	109,513,477	3,547,976	1,379,671	26,093,328	786,465	141,320,917
AOC	2014	15,767,955	309,357	294,209	1,314,886	61,575	17,747,982
	2015	19,130,984	318,262	312,146	1,631,542	19,731	21,412,665
	2016	22,136,170	388,388	306,167	2,466,411	181,909	25,479,045
	2017	24,647,115	439,498	376,025	1,639,618	14,488	27,116,744

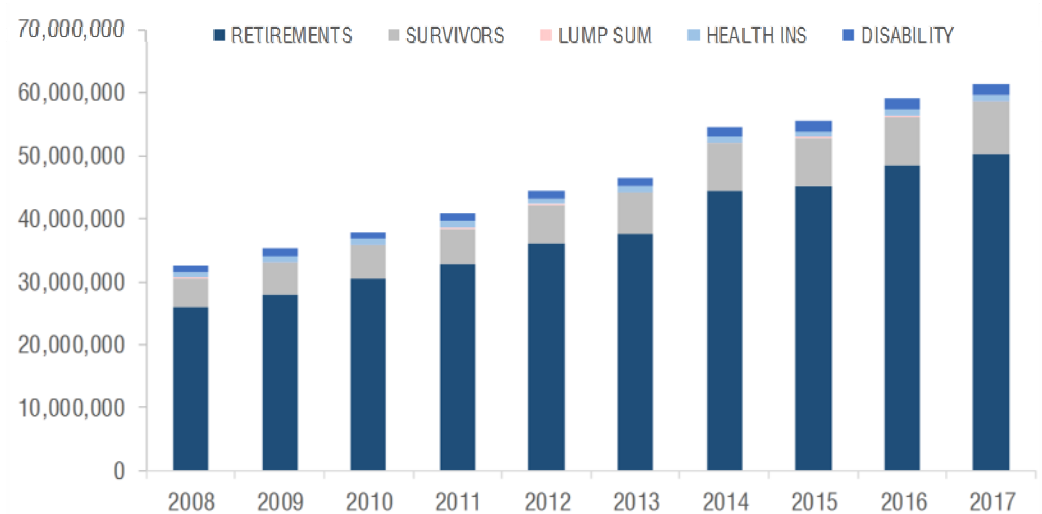


FINANCIAL TRENDS

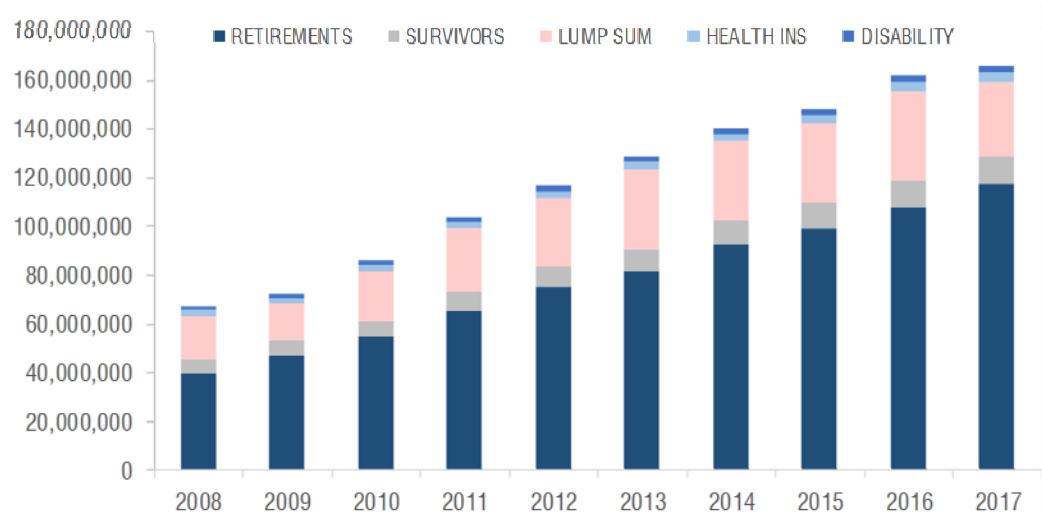
PSPRS



EORP



CORP



FINANCIAL TRENDS

DEDUCTIONS FROM NET POSITION FOR BENEFITS AND REFUNDS BY TYPE									
LAST TEN FISCAL YEARS									
PLAN	YEAR ENDING JUNE 30,	NORMAL BENEFITS	SURVIVOR BENEFITS	DISABILITY BENEFITS	DEFERRED BENEFITS	TOTAL BENEFITS	DROP PROGRAM	SEPARATION REFUNDS	HEALTH INSURANCE SUBSIDY
PSPRS	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
	2016	465,711,498	62,969,494	67,833,683	238,235	596,752,910	213,900,201	17,427,012	15,289,473
	2017	497,461,757	67,008,581	70,493,840	268,945	635,233,123	104,959,358	17,579,621	16,359,496
EORP	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
	2016	48,439,241	7,812,332	1,750,941	0	58,002,514	0	83,747	1,022,136
	2017	50,425,530	8,188,825	1,838,746	0	60,453,101	0	264,327	1,043,450
CORP	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	78,117,262	9,704,817	2,446,501	0	90,268,580	1,050,277	29,131,822	2,728,206
	2015	82,764,383	9,990,109	2,602,666	102,637	95,459,795	1,791,906	26,757,384	3,073,707
	2016	88,359,009	10,421,844	2,678,670	151,531	101,611,054	3,204,216	28,990,424	3,339,009
	2017	95,094,657	10,716,037	2,702,360	183,742	108,696,796	816,681	26,093,328	3,547,976
AOC	2014	14,620,291	344,977	86,082	0	15,051,350	716,605	1,314,886	309,357
	2015	16,449,475	416,971	89,850	0	16,956,296	2,174,688	1,631,542	318,262
	2016	19,131,207	574,800	92,533	10,331	19,808,871	2,327,299	2,466,411	388,388
	2017	22,121,885	482,714	130,311	11,024	22,745,934	1,901,181	1,639,618	439,498

FINANCIAL TRENDS

VALUATION ASSETS vs. PENSION LIABILITIES INCLUDES HEALTH INSURANCE SUBSIDY LAST TEN FISCAL YEARS (IN THOUSANDS)					
PLAN	YEAR ENDING JUNE 30,	VALUATION ASSETS	UNFUNDED LIABILITIES	ACCRUED LIABILITIES	FUNDED RATIO
PSPRS	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%
	2016	6,878,255	7,674,484	14,552,739	47.3%
	2017	7,395,566	8,484,130	15,879,696	46.6%
EORP	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%
	2016	338,033	512,299	850,332	39.8%
	2017	334,747	691,250	1,025,997	32.6%
CORP	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%
	2016	1,794,425	1,243,254	3,037,679	59.1%
	2017	1,916,845	1,808,029	3,724,874	51.5%

FINANCIAL TRENDS

PSPRS SCHEDULE OF BENEFITS BY TYPE AND RANGE FISCAL YEAR 2017				
MONTHLY BENEFIT AMOUNT	NORMAL BENEFITS	SURVIVOR BENEFITS	DISABILITY BENEFITS	TOTAL BENEFITS
Under 1,000	21	31	7	59
1,001-2,000	17	29	62	108
2,001-3,000	457	290	291	1,038
3,001-4,000	2,926	877	867	4,670
4,001-5,000	2,926	229	304	3,459
5,001-6,000	1,496	87	51	1,634
6,001-7,000	703	31	41	775
7,001-8,000	355	11	12	378
8,001-9,000	148	5	4	157
9,001-10,000	74	1	2	77
Over 10,001	43	0	1	44
<b>Totals</b>	<b>9,166</b>	<b>1,591</b>	<b>1,642</b>	<b>12,399</b>

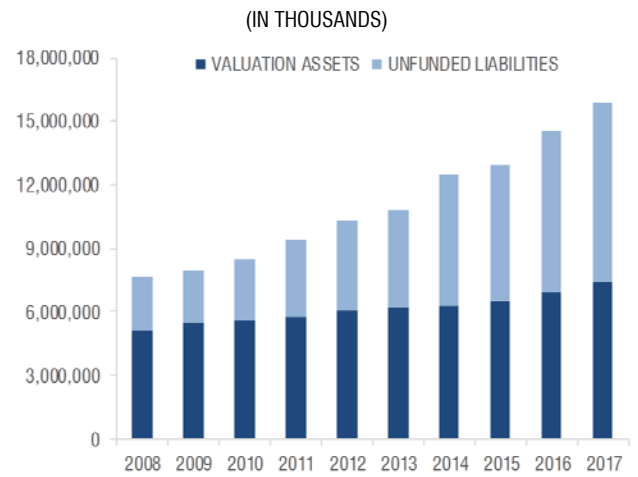
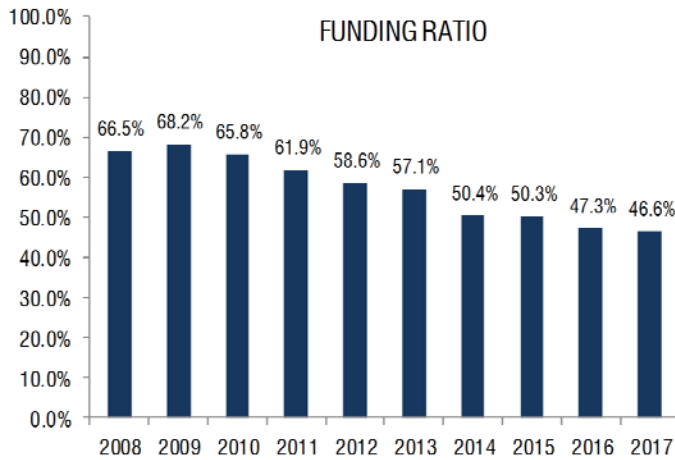
EORP SCHEDULE OF BENEFITS BY TYPE AND RANGE FISCAL YEAR 2017				
MONTHLY BENEFIT AMOUNT	NORMAL BENEFITS	SURVIVOR BENEFITS	DISABILITY BENEFITS	TOTAL BENEFITS
Under 1,000	205	69	0	274
1,001-2,000	140	40	1	181
2,001-3,000	115	21	1	137
3,001-4,000	84	19	1	104
4,001-5,000	91	13	2	106
5,001-6,000	50	8	0	58
6,001-7,000	40	4	0	44
7,001-8,000	43	5	1	49
8,001-9,000	32	14	2	48
9,001-10,000	41	15	2	58
Over 10,001	123	6	8	137
<b>Totals</b>	<b>964</b>	<b>214</b>	<b>18</b>	<b>1,196</b>

CORP SCHEDULE OF BENEFITS BY TYPE AND RANGE FISCAL YEAR 2017				
MONTHLY BENEFIT AMOUNT	NORMAL BENEFITS	SURVIVOR BENEFITS	DISABILITY BENEFITS	TOTAL BENEFITS
Under 1,000	303	116	13	432
1,001-2,000	1,237	412	83	1,732
2,001-3,000	1,618	63	30	1,711
3,001-4,000	385	11	2	398
4,001-5,000	111	2	0	113
5,001-6,000	37	0	0	37
6,001-7,000	15	0	0	15
7,001-8,000	2	0	0	2
8,001-9,000	4	0	0	4
9,001-10,000	0	0	0	0
Over 10,001	1	0	0	1
<b>Totals</b>	<b>3,713</b>	<b>604</b>	<b>128</b>	<b>4,445</b>

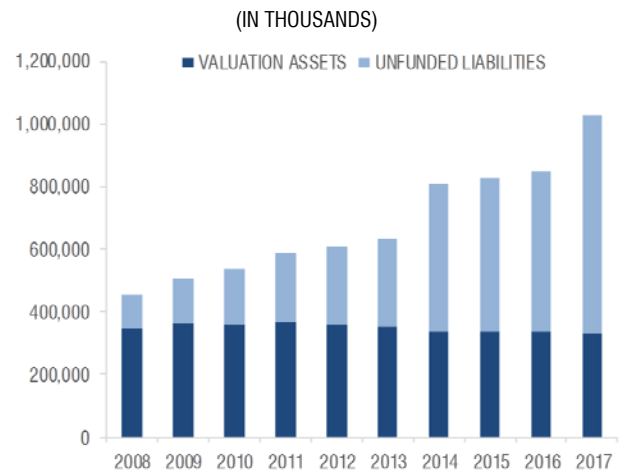
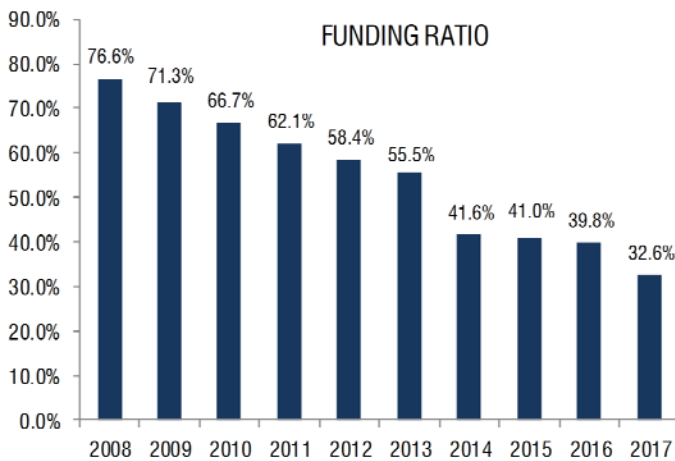
CORP-AOC SCHEDULE OF BENEFITS BY TYPE AND RANGE FISCAL YEAR 2017				
MONTHLY BENEFIT AMOUNT	NORMAL BENEFITS	SURVIVOR BENEFITS	DISABILITY BENEFITS	TOTAL BENEFITS
Under 1,000	6	2	6	14
1,001-2,000	71	8	4	83
2,001-3,000	235	9	0	244
3,001-4,000	182	1	0	183
4,001-5,000	86	0	0	86
5,001-6,000	18	0	0	18
6,001-7,000	11	0	0	11
7,001-8,000	7	0	0	7
8,001-9,000	0	0	0	0
9,001-10,000	0	0	0	0
Over 10,001	0	0	0	0
<b>Totals</b>	<b>616</b>	<b>20</b>	<b>10</b>	<b>646</b>

**FINANCIAL TRENDS**

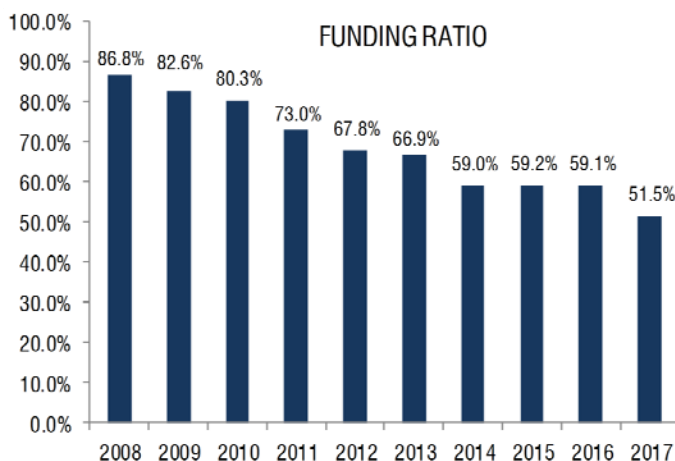
**PSPRS**



**EORP**



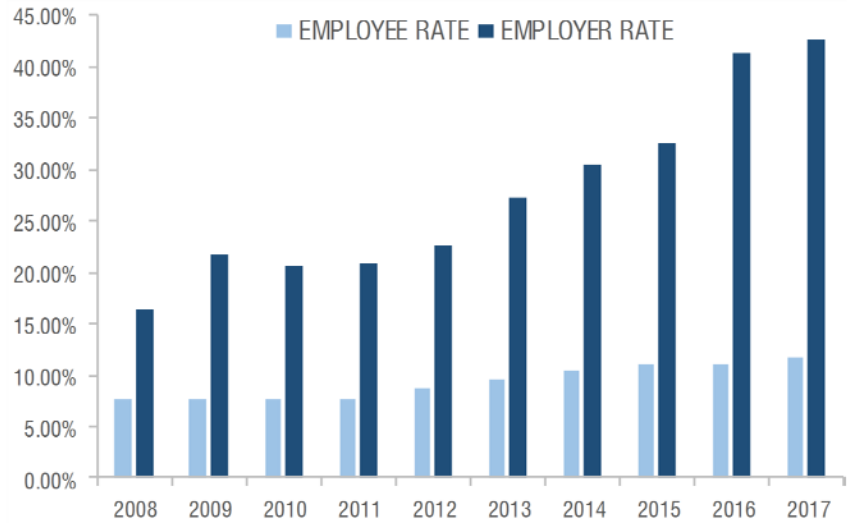
**CORP**



FINANCIAL TRENDS

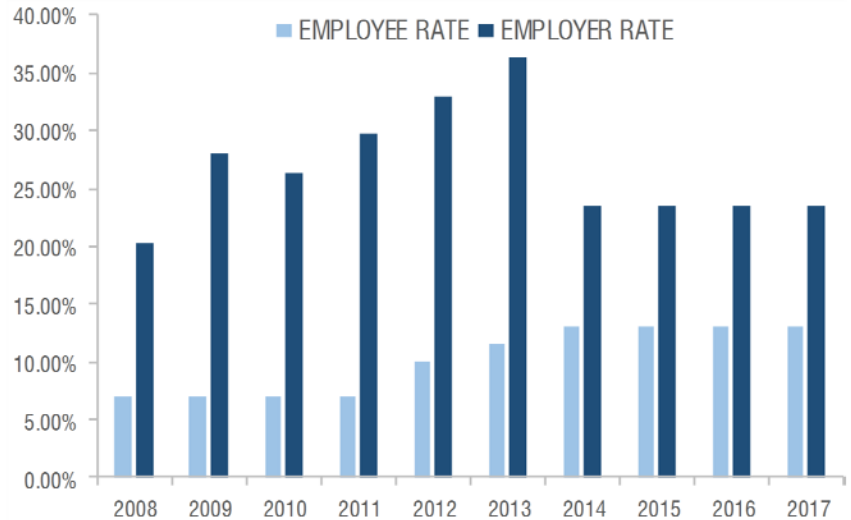
**PSPRS  
CONTRIBUTION RATES  
LAST TEN FISCAL YEARS**

YEAR ENDING JUNE 30,	AVERAGE EMPLOYER RATE	EMPLOYEE RATE
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%
2016	41.37%	11.65%
2017	42.61%	11.65%



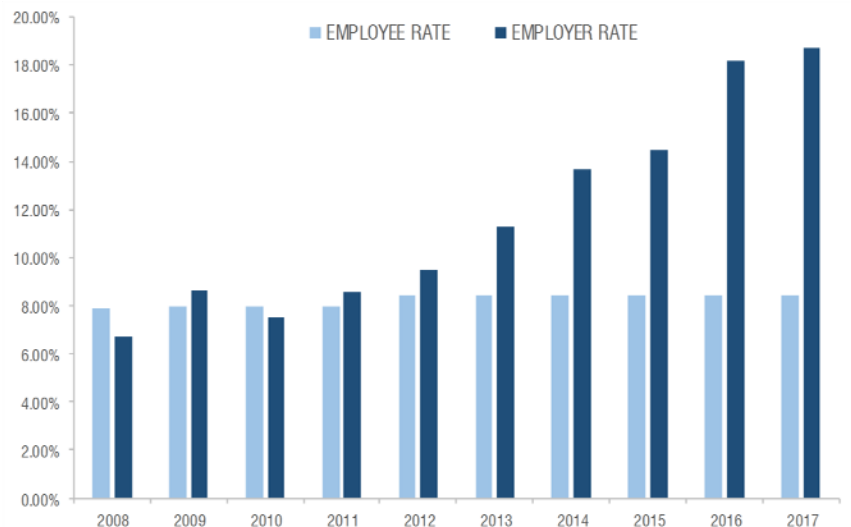
**EORP  
CONTRIBUTION RATES  
LAST TEN FISCAL YEARS**

YEAR ENDING JUNE 30,	AVERAGE EMPLOYER RATE	EMPLOYEE RATE
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%
2016	23.50%	13.00%
2017	23.50%	13.00%



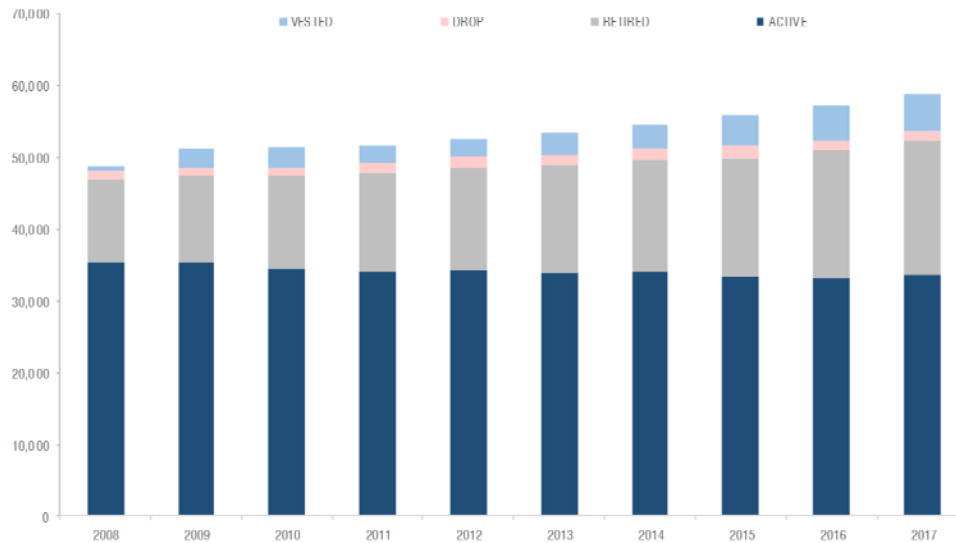
**CORP  
CONTRIBUTION RATES  
LAST TEN FISCAL YEARS**

YEAR ENDING JUNE 30,	AVERAGE EMPLOYER RATE	EMPLOYEE RATE
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%
2016	18.21%	8.41%
2017	18.71%	8.41%



OPERATING INFORMATION

MEMBERSHIP IN RETIREMENT SYSTEM ALL PLANS COMBINED LAST TEN FISCAL YEARS					
YEAR ENDING JUNE 30,	ACTIVE	BENEFICIARY RETIRED	DROP	TERMINATED VESTED	TOTAL
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
2016	33,246	17,771	1,365	4,951	57,333
2017	33,568	18,686	1,409	5,217	58,880



PRINCIPAL PARTICIPATING EMPLOYERS COMPARISON						
EMPLOYER	2017			2008		
	COVERED	RANK	% OF	COVERED	RANK	% OF
STATE	9,983	1	29.66%	10,991	1	33.09%
MARICOPA COUNTY	3,999	2	11.88%	2,805	3	8.44%
CITY OF PHOENIX	3,992	3	11.86%	4,704	2	14.16%
CITY OF TUCSON	1,434	4	4.26%	1,591	4	4.79%
CITY OF MESA	1,138	5	3.38%	1,117	5	3.36%
PIMA COUNTY	867	6	2.58%	522	9	1.57%
CITY OF SCOTTSDALE	621	7	1.84%	640	6	1.93%
CITY OF GLENDALE	617	8	1.83%	633	7	1.91%
CITY OF CHANDLER	496	9	1.47%	517	10	1.56%
PINAL COUNTY	483	10	1.43%	495	11	1.49%
ALL OTHER	10,032		29.81%	9,203		27.70%
<b>TOTAL</b>	<b>33,662</b>		<b>100.00%</b>	<b>33,218</b>		<b>100.00%</b>

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
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%	42,579,441	103,842,204	(157,470,456)	-	137.82
2014	4.28%	122,395,408	-	(122,395,408)	-	104.91
2015	0.00%	-	-	-	-	0.00
2016	0.00%	-	-	-	-	0.00
2017	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
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	4.28%	20,233,466	6,664,523	(17,517,227)	8,374,702	4.00%
2015	0.00%	-	308,189	(8,682,891)	-	1.90%
2016	0.00%	-	-	-	-	0.00%
2017	2.85%	17,037,500	-	(17,037,500)	-	3.15%

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
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	1.64%	11,006,015	-	(11,006,015)	-	1.26%
2014	4.28%	30,800,115	-	(30,800,115)	-	3.21%
2015	0.00%	-	-	-	-	0.00%
2016	0.00%	-	-	-	-	0.00%
2017	2.85%	22,863,989	-	(22,863,989)	-	1.76%



## 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
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%
2016	5,876,814,681	244,244,997	7.50%	4.22%	41.37%
2017	6,283,776,138	350,341,962	7.40%	5.78%	42.61%

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
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%
2016	287,908,552	12,033,354	7.50%	4.21%	23.50%
2017	281,751,649	16,230,212	7.40%	5.75%	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
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%
2016	1,537,017,590	63,339,430	7.50%	4.11%	18.21%
2017	1,629,432,314	90,799,593	7.40%	5.69%	18.71%

OPERATING INFORMATION

PSPRS BENEFITS PAYABLE JUNE 30, 2017 BY TYPE OF BENEFIT			
PENSIONS BEING PAID	NO.	ANNUAL PENSIONS	AVERAGE PENSIONS
<b>RETIRED MEMBERS</b>			
Service Pensions	9,166	515,421,846	56,232
Disability Pensions	1,642	72,135,365	43,931
<b>Total Retired Members</b>	<b>10,808</b>	<b>587,557,211</b>	<b>54,363</b>
<b>SURVIVORS OF MEMBERS</b>			
Spouses	1,515	66,805,648	44,096
Children w/Guardians	76	1,743,429	22,940
<b>Total Survivors of Members</b>	<b>1,591</b>	<b>68,549,077</b>	<b>43,086</b>
<b>TOTAL PENSIONS BEING PAID</b>	<b>12,399</b>	<b>656,106,288</b>	<b>52,916</b>

PSPRS			
	AVERAGE AGE	AVERAGE SERVICE	AVG RETIRE AGE
Normal retired members	64.1	23.6	51.9
Disability retired members	57.9	14.4	44.1
Spouse beneficiaries	70.1	19.6	44.3

EORP BENEFITS PAYABLE JUNE 30, 2017 BY TYPE OF BENEFIT			
PENSIONS BEING PAID	NO.	ANNUAL PENSIONS	AVERAGE PENSIONS
<b>RETIRED MEMBERS</b>			
Service Pensions	964	52,884,783	54,860
Disability Pensions	18	1,941,646	107,869
<b>Total Retired Members</b>	<b>982</b>	<b>54,826,429</b>	<b>55,831</b>
<b>SURVIVORS OF MEMBERS</b>			
Spouses	212	8,592,747	40,532
Children w/Guardians	2	69,201	34,601
<b>Total Survivors of Members</b>	<b>214</b>	<b>8,661,948</b>	<b>40,476</b>
<b>TOTAL PENSIONS BEING PAID</b>	<b>1,196</b>	<b>63,488,377</b>	<b>53,084</b>

EORP			
	AVERAGE AGE	AVERAGE SERVICE	AVG RETIRE AGE
Normal retired members	72.0	14.4	61.3
Disability retired members	69.8	12.3	58.5
Spouse beneficiaries	77.8	13.9	57.6

CORP BENEFITS PAYABLE JUNE 30, 2017 BY TYPE OF BENEFIT			
PENSIONS BEING PAID	NO.	ANNUAL PENSIONS	AVERAGE PENSIONS
<b>RETIRED MEMBERS</b>			
Service Pensions	4,329	125,440,507	28,977
Disability Pensions	138	2,873,932	20,826
<b>Total Retired Members</b>	<b>4,467</b>	<b>128,314,439</b>	<b>28,725</b>
<b>SURVIVORS OF MEMBERS</b>			
Spouses	593	10,877,553	18,343
Children w/Guardians	31	419,694	13,539
<b>Total Survivors of Members</b>	<b>624</b>	<b>11,297,247</b>	<b>18,105</b>
<b>TOTAL PENSIONS BEING PAID</b>	<b>5,091</b>	<b>139,611,686</b>	<b>27,423</b>

CORP			
	AVERAGE AGE	AVERAGE SERVICE	AVG RETIRE AGE
Normal retired members	64.0	20.1	56.3
Disability retired members	57.5	9.6	45.8
Spouse beneficiaries	67.9	13.1	52.5

## OPERATING INFORMATION

		PSPRS AVERAGE MONTHLY BENEFITS AND MEMBERSHIP IN RETIREMENT SYSTEM LAST TEN FISCAL YEARS							
		YEARS OF CREDITED SERVICE BY CATEGORY							
YEAR ENDING JUNE 30,		<5	5-10	10-15	15-20	20-25	25-30	30+	ALL MEMBERS
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
2016	Average monthly benefit	3,211	3,177	3,287	3,483	3,892	5,292	6,421	4,362
	Average final average salary								6,598
	Number of retirees	239	436	566	675	5,822	3,332	793	11,863
2017	Average monthly benefit	3,224	3,206	3,287	3,502	3,927	5,359	6,495	4,410
	Average final average salary	-	-	-	-	-	-	-	6,743
	Number of retirees	241	444	593	702	6,075	3,524	820	12,399

OPERATING INFORMATION

		EORP AVERAGE MONTHLY BENEFITS AND MEMBERSHIP IN RETIREMENT SYSTEM LAST TEN FISCAL YEARS							
		YEARS OF CREDITED SERVICE BY CATEGORY							
YEAR ENDING JUNE 30,		<5	5-10	10-15	15-20	20-25	25-30	30+	ALL MEMBERS
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
2016	Average monthly benefit	828	1,311	3,289	5,425	8,287	7,366	4,709	4,311
	Average final average salary								6,613
	Number of retirees	12	311	307	198	230	48	17	1,123
2017	Average monthly benefit	855	1,355	3,375	5,559	8,538	7,651	4,633	4,424
	Average final average salary	-	-	-	-	-	-	-	6,575
	Number of retirees	12	338	319	213	244	51	19	1,196

\* 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							
		YEARS OF CREDITED SERVICE BY CATEGORY							
YEAR ENDING JUNE 30,		<5	5-10	10-15	15-20	20-25	25-30	30+	ALL MEMBERS
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
2016	Average monthly benefit	1,279	1,283	1,199	1,799	2,384	3,425	4,320	2,205
	Average final average salary								4,074
	Number of retirees	148	175	958	618	2,072	646	168	4,785
2017	Average monthly benefit	1,325	1,316	1,240	1,852	2,457	3,535	4,466	2,285
	Average final average salary	-	-	-	-	-	-	-	3,944
	Number of retirees	148	176	1,004	636	2,262	686	179	5,091

\* Detailed information not available prior to fiscal year ending June 30, 2008.

OPERATING INFORMATION

PSPRS 10 YEAR ESTIMATED CONTRIBUTION RATES (IN PERCENTAGE)										
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
PSPRS Aggregate	52.17	51.79	51.74	51.86	51.85	51.57	51.48	51.37	51.26	51.15
Dept. of Liquor Licenses and Control	86.50	86.51	86.65	86.94	87.02	86.92	86.93	86.94	86.99	87.03
Dept. of Public Safety	90.54	90.37	90.39	90.60	90.66	90.42	90.36	90.31	90.29	90.27
Northern Arizona University	62.56	62.51	62.63	62.92	63.04	62.90	62.94	62.99	63.02	63.05
University of Arizona	47.39	47.21	47.27	47.50	47.59	47.31	47.30	47.33	47.32	47.33
Arizona State University	42.12	41.93	41.92	42.08	42.13	41.92	41.91	41.82	41.79	41.79
Arizona Game and Fish Dept.	105.77	105.74	105.87	106.16	106.32	106.20	106.24	106.28	106.33	106.37
Attorney General Investigators	74.68	74.57	74.64	74.80	74.84	74.78	74.79	74.82	74.82	74.88
Dept. of Emergency and Military Affairs	34.87	34.88	35.01	35.28	35.42	35.31	35.36	35.40	35.46	35.52
Arizona State Park Rangers	67.41	67.47	67.69	68.08	68.14	67.95	67.97	67.98	68.01	68.03

CORP 10 YEAR ESTIMATED CONTRIBUTION RATES (IN PERCENTAGE)										
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
CORP Aggregate	28.77	28.53	28.36	28.32	28.21	27.90	27.70	27.52	27.32	27.12
State Department of Corrections	28.38	28.17	28.01	27.97	27.85	27.56	27.38	27.19	27.02	26.83
Dept. of Public Safety - Dispatchers	39.61	39.76	39.98	40.42	40.63	40.42	40.43	40.43	40.41	40.38
Dept. of Public Safety - Detention	28.71	28.71	28.77	28.97	29.07	28.92	28.90	28.88	28.85	28.80
Administrative Offices of the Courts (AOC)	32.41	32.12	31.92	31.89	31.77	31.43	31.23	31.05	30.88	30.72
Dept. of Juvenile Corrections	47.37	47.20	47.13	47.20	47.12	46.79	46.60	46.44	46.28	46.09

*\*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, 2017

<b>PSPRS SYSTEM</b>	<b>2016 BALANCES</b>	<b>SYSTEM MERGERS</b>	<b>RESERVE TRANSFERS</b>	<b>CONTRIB RECEIVED</b>	<b>WITHDRAWN MEMBERS</b>	<b>2017 BALANCES</b>
AK CHIN INDIAN COMM. FIRE DEPT.	1,282,183	0	10,757	249,866	0	1,542,806
AK CHIN INDIAN COMM. POLICE DEPT.	805,475	0	0	188,149	(27,074)	966,550
APACHE COUNTY SHERIFF'S DEPT.	1,248,508	0	(74,868)	189,795	(38,121)	1,325,313
APACHE JUNCTION POLICE DEPARTMENT	2,951,548	0	(144,337)	436,158	0	3,243,368
ARIZONA STATE PARK RANGERS	1,545,235	0	(314,845)	133,861	(13,582)	1,350,669
ASU PD PSPRS LOCAL BOARD	3,855,006	0	(274,199)	603,470	(191,531)	3,992,746
ATTORNEY GENERAL INVESTIGATORS	999,949	0	(17,508)	301,950	(175,293)	1,109,098
AVONDALE FIRE DEPARTMENT	5,165,684	0	2,711	642,054	0	5,810,449
AVONDALE POLICE DEPARTMENT	5,874,592	0	(163,405)	976,415	(25,571)	6,662,030
AVRA VALLEY FIRE DISTRICT	887,445	0	(66,915)	225,134	(19,044)	1,026,620
AZ DPT. LIQ. LIC. & CONTROL INVST	806,637	0	(179,282)	90,712	0	718,067
BEAVER DAM/LITTLEFIELD FIRE DIST.	0	0	0	17,933	0	17,933
BENSON FIRE DEPARTMENT	101,775	0	0	7,678	0	109,452
BENSON POLICE DEPARTMENT	549,484	0	0	88,054	0	637,537
BISBEE FIRE DEPARTMENT	621,668	0	18,626	107,136	0	747,430
BISBEE POLICE DEPARTMENT	484,459	0	(68,453)	63,718	(16,120)	463,604
BLACK CANYON FIRE DISTRICT	248,350	0	(62,973)	29,298	0	214,675
BLUE RIDGE FIRE DISTRICT	0	0	0	23,468	0	23,468
BUCKEYE FIRE DEPARTMENT	5,692,700	0	0	873,999	0	6,566,699
BUCKEYE POLICE DEPARTMENT	4,980,371	0	(240)	800,409	(147,588)	5,632,952
BUCKEYE VALLEY FIRE DISTRICT	2,876,803	0	(55,607)	510,169	(25,944)	3,305,421
BUCKSKIN FIRE DISTRICT	624,830	0	(3,046)	166,819	(10,271)	778,332
BULLHEAD CITY FIRE DEPARTMENT	5,842,874	0	(164,187)	660,930	(43,461)	6,296,156
BULLHEAD CITY POLICE DEPARTMENT	4,572,498	0	(312,941)	537,250	(18,282)	4,778,526
CAMP VERDE FIRE DISTRICT	1,259,922	(1,259,922)	0	0	0	0
CAMP VERDE MARSHALL'S	779,423	0	(220,978)	98,238	(30,101)	626,583
CASA GRANDE FIRE DEPARTMENT	4,083,009	0	0	514,482	0	4,597,491
CASA GRANDE POLICE DEPARTMENT	4,825,075	0	(114,635)	751,939	(77,402)	5,384,977
CAVE CREEK MARSHALS	81,084	0	0	10,652	0	91,736
CENTRAL AZ. COLLEGE POLICE DEPT.	221,469	0	0	42,185	(43,619)	220,035
CENTRAL AZ. FIRE AND MEDICAL AUTH	0	7,907,469	(281,751)	1,018,790	(75,732)	8,568,776
CENTRAL YAVAPAI FIRE DISTRICT	6,017,376	(6,017,376)	0	0	0	0
CHANDLER FIRE DEPARTMENT	18,737,499	0	(771,947)	2,312,753	0	20,278,304
CHANDLER POLICE DEPARTMENT	27,545,783	0	(559,689)	3,244,412	(116,298)	30,114,209
CHINO VALLEY FIRE DISTRICT	1,890,093	(1,890,093)	0	0	0	0
CHINO VALLEY POLICE DEPARTMENT	1,031,807	0	(227,822)	136,758	(109,816)	830,928
CHRISTOPHER-KOHL'S FIRE DISTRICT	170,245	0	0	36,347	0	206,592
CITY OF MARICOPA FIRE	3,880,509	0	17,828	576,038	0	4,474,375
CITY OF MARICOPA POLICE	2,505,124	0	117,559	501,763	(121,709)	3,002,736
CLARKDALE FIRE DISTRICT	319,840	(319,840)	0	0	0	0

OPERATING INFORMATION

SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES  
FISCAL YEAR ENDED JUNE 30, 2017

PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2017 BALANCES
CLARKDALE POLICE DEPARTMENT	193,906	0	0	48,223	(6,543)	235,587
CLIFTON FIRE DEPARTMENT	0	0	0	0	0	0
CLIFTON POLICE DEPARTMENT	144,538	0	(11,227)	34,190	(23,741)	143,760
COCHISE COUNTY SHERIFF'S DEPT	4,298,799	0	(436,002)	572,902	(142,696)	4,293,003
COCONINO COUNTY SHERIFF'S DEPT	2,719,775	0	(503,901)	370,548	(44,664)	2,541,758
COOLIDGE FIRE DEPARTMENT	190,720	0	0	38,584	0	229,304
COOLIDGE POLICE DEPARTMENT	1,183,636	0	(87,481)	195,135	0	1,291,290
COPPER CANYON FIRE AND MEDICAL	0	1,606,432	0	269,042	0	1,875,474
CORONA DE TUCSON FIRE DISTRICT	580,956	0	0	116,727	0	697,683
COTTONWOOD FIRE DEPARTMENT	1,345,628	0	0	183,748	0	1,529,375
COTTONWOOD POLICE DEPARTMENT	1,529,279	0	0	217,925	0	1,747,204
DAISY MOUNTAIN FIRE DISTRICT	7,014,759	0	(260,347)	808,756	(124,200)	7,438,968
DEPARTMENT OF EMER & MILITARY AFF	2,103,231	0	(247,527)	350,892	(44,657)	2,161,939
DEPARTMENT OF PUBLIC SAFETY	35,885,379	0	(1,975,230)	5,688,685	(185,293)	39,413,541
DESERT HILLS FIRE DEPARTMENT	572,581	0	(5,402)	136,238	(11,992)	691,425
DOUGLAS FIRE DEPARTMENT	1,317,544	0	0	179,196	0	1,496,741
DOUGLAS POLICE DEPARTMENT	1,620,372	0	(20,786)	237,017	0	1,836,602
DREXEL HEIGHTS FIRE DISTRICT	4,271,418	0	(59,243)	486,633	(72,970)	4,625,839
EAGAR POLICE DEPARTMENT	274,075	0	0	40,489	(8,045)	306,520
EL MIRAGE FIRE DEPARTMENT	1,335,925	0	(90,641)	187,125	0	1,432,408
EL MIRAGE POLICE DEPARTMENT	2,442,076	0	(94,153)	454,373	(58,874)	2,743,422
ELOY FIRE DISTRICT	1,341,597	0	(291,497)	247,949	0	1,298,049
ELOY POLICE DEPARTMENT	1,764,459	0	(544,441)	202,074	(59,676)	1,362,416
FLAGSTAFF FIRE DEPARTMENT	6,184,265	0	(373,035)	703,312	(22,525)	6,492,017
FLAGSTAFF POLICE DEPARTMENT	6,519,147	0	(595,264)	912,701	(183,626)	6,652,958
FLORENCE FIRE DEPARTMENT	1,293,139	0	(143,718)	184,243	0	1,333,664
FLORENCE POLICE DEPARTMENT	1,224,560	0	(289)	195,543	(129,215)	1,290,599
FORT MCDOWELL TRIBAL FIRE DEPT.	605,542	0	(111,479)	107,665	0	601,727
FORT MCDOWELL TRIBAL POLICE DEPT.	1,385,390	0	(130,285)	154,057	0	1,409,162
FORT MOJAVE MESA FIRE DISTRICT	1,792,331	0	51,736	247,251	(72,792)	2,018,527
FORT MOJAVE TRIBAL POLICE DEPT.	859,351	0	0	142,366	0	1,001,717
FREDONIA MARSHALS	102,424	0	0	12,951	0	115,375
FRY FIRE DISTRICT	2,223,207	0	(141,097)	555,844	(13,813)	2,624,141
GAME AND FISH DEPARTMENT	7,390,255	0	(440,190)	842,619	(33,702)	7,758,982
GILA COUNTY SHERIFF'S DEPARTMENT	1,738,773	0	(153,204)	245,455	(89,014)	1,742,009
GILA RIVER FIRE DEPARTMENT	3,589,030	0	(29,098)	545,957	0	4,105,889
GILA RIVER POLICE DEPARTMENT	5,543,329	0	(339,936)	917,960	(33,924)	6,087,429
GILBERT FIRE DEPARTMENT	16,373,439	0	(722,168)	1,860,471	(41,053)	17,470,689
GILBERT POLICE DEPARTMENT	17,327,975	0	(1,132,988)	2,271,326	(77,783)	18,388,529
GLENDALE FIRE DEPARTMENT	22,364,133	0	(330,648)	2,604,737	(115,439)	24,522,783



OPERATING INFORMATION

SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES						
FISCAL YEAR ENDED JUNE 30, 2017						
PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2017 BALANCES
GLENDALE POLICE DEPARTMENT	33,030,564	0	(1,165,202)	4,549,631	(139,567)	36,275,426
GLOBE FIRE DEPARTMENT	743,727	0	(80,874)	103,643	0	766,496
GLOBE POLICE DEPARTMENT	824,346	0	(203,634)	110,209	(73,766)	657,155
GOLDEN SHORES FIRE DISTRICT	286,175	0	0	42,349	0	328,524
GOLDEN VALLEY FIRE DISTRICT	868,773	0	(51,138)	151,816	0	969,452
GOLDER RANCH FIRE DISTRICT	8,173,033	0	(88,692)	1,160,617	(117,640)	9,127,318
GOODYEAR FIRE DEPARTMENT	7,552,202	0	(241,193)	1,109,821	(38,236)	8,382,593
GOODYEAR POLICE DEPARTMENT	5,975,714	0	(213,709)	930,370	(156,064)	6,536,311
GRAHAM COUNTY SHERIFF'S DEPT.	984,102	0	24,810	114,060	(17,202)	1,105,770
GREEN VALLEY FIRE DISTRICT	3,123,942	0	(256,991)	527,610	(35,607)	3,358,954
GREENLEE CNTY ATTY INVESTIGATORS	18,020	0	0	5,380	0	23,400
GREENLEE COUNTY SHERIFF'S DEPT.	718,925	0	(235,298)	91,411	(58,353)	516,685
GROOM CREEK FIRE DISTRICT	308,723	0	(28,990)	39,081	(110,663)	208,150
GUADALUPE FIRE DEPARTMENT	343,482	0	0	37,461	0	380,943
HARQUAHALA FIRE DISTRICT	490,009	0	2,310	73,864	0	566,183
HAYDEN POLICE DEPARTMENT	191,386	0	0	34,147	0	225,533
HEBER-OVERGAARD FIRE DISTRICT	621,256	0	0	102,608	(34,627)	689,237
HELLSGATE FIRE DISTRICT	391,365	0	0	68,151	0	459,517
HIGHLANDS FIRE DISTRICT	1,275,186	0	(207,866)	197,023	0	1,264,344
HOLBROOK POLICE DEPARTMENT	599,576	0	0	79,281	0	678,857
HUACHUCA CITY POLICE DEPARTMENT	225,783	0	(58,066)	35,965	0	203,682
HUALAPAI INDIAN TRIBE POLICE DEPT	772,179	0	(12,776)	126,176	(86,680)	798,899
JEROME POLICE DEPARTMENT	110,375	0	0	17,348	0	127,723
KEARNY POLICE DEPARTMENT	44,718	0	0	15,182	(15,497)	44,403
KINGMAN FIRE DEPARTMENT	2,787,136	0	(437,930)	336,076	(63,263)	2,622,019
KINGMAN POLICE DEPARTMENT	2,812,514	0	0	371,649	(4,225)	3,179,938
LA PAZ COUNTY ATTY. INVESTIGATORS	0	0	0	0	0	0
LA PAZ COUNTY SHERIFF'S DEPT.	1,315,559	0	(251,027)	192,207	(11,053)	1,245,686
LAKE HAVASU CITY FIRE DEPARTMENT	4,956,002	0	(31,594)	657,879	0	5,582,287
LAKE HAVASU CITY POLICE DEPT.	4,556,289	0	(300,095)	625,344	(35,937)	4,845,601
LAKE MOHAVE RANCHOS FIRE DISTRICT	224,482	0	41,012	22,298	(23,143)	264,650
MAMMOTH POLICE DEPARTMENT	91,203	0	(25,800)	12,226	0	77,629
MARANA POLICE DEPARTMENT	4,382,978	0	(427,317)	621,583	(24,560)	4,552,683
MARICOPA CNTY ATTY INVESTIGATORS	1,061,047	0	0	145,186	(121,728)	1,084,505
MARICOPA COUNTY PARK RANGERS	24,132	0	0	0	0	24,132
MARICOPA COUNTY SHERIFF'S OFFICE	50,038,516	0	(2,902,020)	6,587,195	(318,981)	53,404,709
MAYER FIRE DISTRICT	880,868	0	(14,698)	95,282	(28,676)	932,777
MESA FIRE DEPARTMENT	36,927,442	0	(637,137)	3,922,753	(74,205)	40,138,854
MESA POLICE DEPARTMENT	63,023,530	0	(2,310,744)	7,693,098	(112,242)	68,293,642
MIAMI POLICE DEPARTMENT	357,942	0	(106,858)	22,637	(36,787)	236,935

OPERATING INFORMATION

SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES  
FISCAL YEAR ENDED JUNE 30, 2017

PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2017 BALANCES
MOHAVE COUNTY SHERIFF'S DEPT.	3,998,656	0	(363,952)	504,665	(255,327)	3,884,042
MOHAVE VALLEY FIRE DISTRICT	1,440,027	0	(15,646)	149,173	(132,322)	1,441,232
MONTEZUMA RIMROCK FIRE DISTRICT	346,510	(346,510)	0	0	0	0
MOUNT LEMMON FIRE DISTRICT	174,901	0	23,181	31,518	0	229,601
MOUNTAIN VISTA FIRE DISTRICT	0	0	118,661	267,513	0	386,174
NAU CAMPUS POLICE	917,511	0	0	123,334	(4,207)	1,036,637
NAVAJO COUNTY ATTY'S INVESTIGATOR	0	0	0	0	0	0
NAVAJO COUNTY SHERIFF'S DEPT.	1,669,568	0	(178,720)	262,773	(30,985)	1,722,637
NOGALES FIRE DEPARTMENT	2,714,230	0	(218,483)	294,838	0	2,790,585
NOGALES POLICE DEPARTMENT	3,260,179	0	(363,151)	349,723	0	3,246,751
NORTH COUNTY FIRE & MEDICAL DISTR	5,138,874	406,677	(554,116)	688,239	(121,933)	5,557,741
NORTHERN AZ. CONSOLIDATED FD #1	1,124,555	0	(119,045)	139,063	(37,647)	1,106,926
NORTHWEST FIRE DISTRICT	13,939,526	0	(277,234)	1,789,724	(39,882)	15,412,134
ORACLE FIRE DISTRICT	169,713	0	(46,158)	32,401	0	155,957
ORO VALLEY POLICE DEPT.	7,097,442	0	(726,746)	905,024	(117,821)	7,157,898
PAGE FIRE DEPARTMENT	534,824	0	(14,610)	101,145	(53,745)	567,613
PAGE POLICE DEPARTMENT	484,049	0	(13,124)	110,537	(59,299)	522,163
PALOMINAS FIRE DISTRICT	225,478	0	(18,626)	77,405	(16,353)	267,904
PARADISE VALLEY POLICE DEPARTMENT	2,241,910	0	(138,863)	320,063	(42,758)	2,380,352
PARKER POLICE DEPARTMENT	482,649	0	0	60,602	0	543,251
PASCUA YAQUI TRIBE FIRE DEPT.	1,331,119	0	(96,357)	166,097	(34,105)	1,366,755
PASCUA YAQUI TRIBE POLICE DEPT.	1,754,648	0	2,737	248,509	(74,799)	1,931,094
PATAGONIA MARSHALS	89,042	0	0	16,191	0	105,234
PAYSON FIRE DEPARTMENT	1,418,827	0	20,405	452,138	(75,078)	1,816,292
PAYSON POLICE DEPARTMENT	1,266,720	0	508	181,989	(2,118)	1,447,098
PEORIA FIRE DEPARTMENT	12,862,129	0	(574,525)	1,593,634	0	13,881,238
PEORIA POLICE DEPARTMENT	12,460,109	0	(1,102,713)	2,723,948	(144,836)	13,936,507
PHOENIX FIRE DEPARTMENT	154,020,621	0	(6,557,690)	16,693,905	(111,847)	164,044,989
PHOENIX POLICE DEPARTMENT	278,618,235	0	(17,191,520)	31,289,355	(666,933)	292,049,137
PICTURE ROCKS FIRE DISTRICT	478,529	0	(163,115)	101,064	0	416,479
PIMA COUNTY ATTORNEY INVESTIGATOR	252,530	0	0	15,340	0	267,870
PIMA COUNTY COMM. COLLEGE POLICE	1,323,187	0	(44,508)	183,214	(35,195)	1,426,699
PIMA COUNTY SHERIFF'S DEPARTMENT	20,559,385	0	(867,846)	2,859,407	(154,396)	22,396,550
PIMA POLICE DEPARTMENT	129,041	0	0	22,976	(27,017)	125,000
PINAL COUNTY SHERIFF'S DEPARTMENT	11,191,760	0	(1,123,189)	1,463,614	(111,294)	11,420,891
PINE-STRAWBERRY FIRE DISTRICT	1,082,530	0	0	125,233	0	1,207,762
PINETOP FIRE DISTRICT	1,609,165	0	(122,498)	237,231	(34,234)	1,689,664
PINETOP-LAKESIDE POLICE DEPT.	608,500	0	0	74,896	0	683,396
PINEWOOD FIRE DISTRICT	876,636	0	106,765	139,737	(24,324)	1,098,814
PONDEROSA FIRE DISTRICT	82,345	0	0	40,966	(3,034)	120,277

## OPERATING INFORMATION

**SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES**  
FISCAL YEAR ENDED JUNE 30, 2017

PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2017 BALANCES
PRESCOTT FIRE DEPARTMENT	4,012,876	0	(406,477)	479,574	(42,478)	4,043,495
PRESCOTT POLICE DEPARTMENT	3,472,298	0	(143,418)	467,056	(127,676)	3,668,260
PRESCOTT VALLEY POLICE DEPARTMENT	3,581,262	0	(542,562)	586,692	(56,449)	3,568,943
QUARTZSITE FIRE DISTRICT	366,204	0	(21,940)	70,591	0	414,855
QUARTZSITE POLICE DEPARTMENT	177,783	0	0	68,615	0	246,398
QUEEN CREEK FIRE DEPARTMENT	1,682,462	0	(28,141)	342,598	0	1,996,919
QUEEN VALLEY FIRE DISTRICT	98,884	0	0	14,047	0	112,930
RINCON VALLEY FIRE DISTRICT	1,510,274	0	(10,749)	244,022	0	1,743,547
RIO RICO FIRE DISTRICT	1,111,114	0	(14,541)	200,393	(5,585)	1,291,382
RIO VERDE FIRE DISTRICT	1,263,757	0	(101,401)	119,970	(137,143)	1,145,184
SAFFORD POLICE DEPARTMENT	1,399,094	0	(205,643)	156,538	0	1,349,990
SAHUARITA POLICE DEPARTMENT	2,425,108	0	61,921	418,290	(206,934)	2,698,385
SALT RIVER PIMA-MARICOPA FIRE	5,771,653	0	40,903	837,706	(85,496)	6,564,766
SALT RIVER PIMA-MARICOPA POLICE	6,302,539	0	110,126	1,100,836	(240,996)	7,272,504
SAN CARLOS TRIBAL POLICE DEPT.	915,565	0	50,679	231,923	(114,934)	1,083,232
SAN LUIS FIRE DEPARTMENT	1,198,526	0	(41,312)	195,123	(48,521)	1,303,816
SAN LUIS POLICE DEPARTMENT	1,340,280	0	(14,667)	231,348	(8,639)	1,548,322
SANTA CRUZ COUNTY SHERIFF'S DEPT.	1,670,438	0	(155,169)	235,335	(48,449)	1,702,155
SCOTTSDALE FIRE DEPARTMENT	22,719,512	0	(186,020)	2,551,221	0	25,084,713
SCOTTSDALE POLICE DEPARTMENT	34,726,437	0	(2,775,722)	3,983,211	(115,376)	35,818,550
SEDONA FIRE DISTRICT	5,305,493	0	(232,445)	770,043	0	5,843,090
SEDONA POLICE DEPARTMENT	1,130,468	0	(139,298)	178,624	(11,239)	1,158,556
SHOW LOW POLICE DEPARTMENT	1,681,452	0	(96,176)	223,805	(27,552)	1,781,528
SIERRA VISTA FIRE DEPARTMENT	2,693,035	0	(93,641)	506,327	0	3,105,721
SIERRA VISTA POLICE DEPARTMENT	3,888,108	0	(263,865)	524,228	(84,764)	4,063,707
SNOWFLAKE POLICE DEPARTMENT	496,909	0	(34,754)	71,283	0	533,438
SOMERTON FIRE DEPARTMENT	764,692	0	0	99,559	0	864,251
SOMERTON POLICE DEPARTMENT	881,968	0	(116,200)	113,355	(38,204)	840,918
SONOITA ELGIN FIRE DEPARTMENT	246,868	0	(6,185)	62,484	0	303,167
SOUTH TUCSON FIRE DEPARTMENT	227,864	0	(91,425)	10,114	0	146,553
SOUTH TUCSON POLICE DEPARTMENT	706,165	0	(84,763)	66,858	0	688,259
SPRINGVILLE POLICE DEPARTMENT	346,453	0	0	43,257	0	389,710
ST. JOHNS POLICE DEPARTMENT	229,485	0	29,755	34,077	(10,754)	282,563
SUMMIT FIRE DISTRICT	2,053,192	0	0	269,996	(78,610)	2,244,579
SUN CITY FIRE DISTRICT	5,384,886	0	(219,911)	767,374	0	5,932,349
SUN LAKES FIRE DISTRICT	2,743,444	0	(269,379)	383,355	0	2,857,420
SUN SITES PEARCE FIRE DISTRICT	228,495	0	(7,133)	36,754	0	258,117
SUPERIOR POLICE DEPARTMENT	205,525	0	(963)	41,925	0	246,486
SUPERSTITION FIRE AND MEDICAL DIS	7,189,294	0	(225,661)	778,888	(61,220)	7,681,301
SURPRISE FIRE DEPARTMENT	8,991,526	0	(169,980)	1,340,153	(128,481)	10,033,217

OPERATING INFORMATION

SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES						
FISCAL YEAR ENDED JUNE 30, 2017						
PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2017 BALANCES
SURPRISE POLICE DEPARTMENT	8,172,101	0	(638,232)	1,376,163	(71,935)	8,838,097
TEMPE FIRE DEPARTMENT	14,905,973	0	(348,822)	1,711,846	0	16,268,997
TEMPE POLICE DEPARTMENT	27,914,137	0	(797,262)	3,579,664	(163,449)	30,533,089
THATCHER POLICE DEPARTMENT	674,338	0	0	83,833	0	758,170
THREE POINTS FIRE DISTRICT	819,192	0	75,406	110,740	(28,284)	977,055
TIMBER MESA FIRE AND MEDICAL DIST	3,419,973	0	10,162	511,035	(52,361)	3,888,808
TOHONO O'ODHAM NATION FIRE DEPT.	1,950,926	0	(40,054)	279,949	0	2,190,821
TOHONO O'ODHAM NATION POLICE DEPT	3,184,027	0	(83,539)	541,786	(21,140)	3,621,134
TOLLESON FIRE DEPARTMENT	2,966,726	0	36,638	286,450	0	3,289,814
TOLLESON POLICE DEPARTMENT	1,550,912	0	0	230,920	(40,628)	1,741,204
TOMBSTONE MARSHAL'S DEPARTMENT	149,559	0	7,853	31,190	(17,859)	170,742
TONOPAH VALLEY FIRE DISTRICT	311,973	0	0	61,846	0	373,818
TOWN OF SUPERIOR (FIRE DEPT)	135,985	0	0	24,597	0	160,582
TRI-CITY FIRE DISTRICT	965,927	0	(70,393)	165,755	0	1,061,289
TUBAC FIRE DISTRICT	1,476,329	0	(326,891)	180,772	(12,810)	1,317,399
TUCSON AIRPORT AUTHORITY FIRE DPT	1,118,719	0	34,293	132,556	(52,312)	1,233,256
TUCSON AIRPORT AUTHORITY POLICE	1,461,410	0	0	164,792	0	1,626,202
TUCSON FIRE	35,689,888	0	(656,510)	5,103,020	(133,625)	40,002,773
TUCSON POLICE	53,896,434	0	(2,689,403)	7,711,279	(535,219)	58,383,092
U OF A CAMPUS POLICE DEPARTMENT	3,805,678	0	(82,421)	400,511	(66,719)	4,057,049
VERDE VALLEY FIRE DISTRICT	1,746,148	319,840	0	353,538	(22,508)	2,397,018
WELLTON POLICE	155,484	0	0	33,933	0	189,417
WHETSTONE FIRE DISTRICT	90,125	0	0	28,624	0	118,749
WICKENBURG FIRE DEPARTMENT	436,211	0	0	84,510	0	520,721
WICKENBURG POLICE DEPARTMENT	621,827	0	(21,737)	131,544	(25,701)	705,932
WILLCOX POLICE DEPARTMENT	337,565	0	0	55,762	0	393,327
WILLIAMS POLICE DEPARTMENT	345,196	0	45,023	62,468	0	452,687
WILLIAMSON VALLEY FIRE DISTRICT	501,836	0	14,610	148,204	(10,719)	653,932
WINSLOW FIRE DEPARTMENT	183,890	0	0	45,212	(5,864)	223,238
WINSLOW POLICE DEPARTMENT	1,038,195	0	(179,773)	126,227	0	984,650
WITTMANN FIRE & MEDICAL DISTRICT	406,677	(406,677)	0	0	0	0
YAVAPAI CNTY ATTRNY INVESTIGATORS	0	0	0	0	0	0
YAVAPAI COUNTY SHERIFF'S DEPT.	6,484,267	0	(512,941)	901,093	(35,845)	6,836,574
YAVAPAI PRESCOTT TRIBAL POLICE	275,174	0	0	54,528	0	329,702
YOUNGTOWN POLICE DEPARTMENT	6,882	0	0	0	0	6,882
YUMA COUNTY SHERIFFS DEPARTMENT	4,122,869	0	28,119	596,639	(98,781)	4,648,846
YUMA FIRE DEPARTMENT	7,468,429	0	(441,721)	949,203	0	7,975,911
YUMA POLICE DEPARTMENT	8,867,710	0	(227,121)	1,256,377	(132,022)	9,764,944
<b>TOTALS</b>	<b>1,421,902,209</b>	<b>(0)</b>	<b>(67,244,255)</b>	<b>182,979,608</b>	<b>(10,280,270)</b>	<b>1,527,357,292</b>

OPERATING INFORMATION

SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVE BALANCES					
FISCAL YEAR ENDED JUNE 30, 2017					
CORP PLAN	2016 BALANCES	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2017 BALANCES
DEPARTMENT OF CORRECTIONS - CORP	211,182,029	(12,585,988)	28,539,326	(11,261,738)	215,873,629
DEPT OF JUVENILE CORRECTIONS-CORP	12,420,032	(1,301,009)	1,413,211	(738,880)	11,793,354
PINAL COUNTY - CORP	6,236,041	(128,345)	616,723	(298,694)	6,425,725
GILA COUNTY - CORP	1,188,994	409	197,659	(71,640)	1,315,421
GRAHAM COUNTY - DETENTION	530,129	0	104,932	(74,710)	560,351
MARICOPA COUNTY - CORP	64,819,569	(2,677,834)	8,227,293	(2,662,050)	67,706,978
CITY OF AVONDALE - DETENTION	416,811	0	46,645	0	463,457
LA PAZ COUNTY - DETENTION	0	582,934	58,923	0	641,857
YUMA COUNTY - CORP	2,771,734	(37,158)	496,539	(184,911)	3,046,204
PIMA COUNTY - CORP	13,142,355	(414,568)	1,814,417	(618,513)	13,923,692
APACHE COUNTY - CORP	256,399	0	51,873	(2,936)	305,336
COCHISE COUNTY - CORP	1,281,494	(161,199)	184,017	(53,609)	1,250,704
COCONINO COUNTY - CORP	2,127,241	(191,837)	312,372	(189,402)	2,058,374
MOHAVE COUNTY - CORP	1,526,037	(72,392)	311,185	(271,587)	1,493,243
SANTA CRUZ COUNTY - CORP	408,707	0	77,867	(48,916)	437,658
NAVAJO COUNTY - CORP	701,981	(7,512)	139,124	(24,647)	808,947
YAVAPAI COUNTY - CORP	4,141,991	(127,381)	576,373	(235,887)	4,355,096
PINAL COUNTY - DISPATCHERS	410,649	0	33,527	0	444,176
ORO VALLEY - DISPATCHERS	256,059	0	18,502	0	274,561
TOWN OF MARANA - DISPATCHERS	361,523	0	32,199	(5,825)	387,897
GILA COUNTY - DISPATCHERS	239,686	0	17,241	0	256,927
TOWN OF WICKENBURG-DISPATCHEERS	99,604	0	10,662	0	110,267
GRAHAM COUNTY - DISPATCHERS	156,143	0	12,436	0	168,579
YAVAPAI COUNTY - DISPATCHERS	142,371	0	13,903	0	156,274
CITY OF SOMERTON - DISPATCHERS	152,609	0	12,246	0	164,855
DEPARTMENT OF PUBLIC SAFETY	2,067,784	(245,785)	133,206	(33,666)	1,921,539
DEPARTMENT OF PUBLIC SAFETY DETENTION	52,942	0	4,783	0	57,725
<b>TOTALS CORP</b>	<b>327,090,915</b>	<b>(17,367,664)</b>	<b>43,457,187</b>	<b>(16,777,611)</b>	<b>336,402,827</b>
CORP-AOC PLAN	2016 BALANCES	RESERVE TRANSFERS	CONTRIB RECEIVED	WITHDRAWN MEMBERS	2017 BALANCES
ADMIN. OFFICE OF THE COURT	82,952,449	(5,192,167)	9,529,953	(1,152,514)	86,137,722
<b>TOTALS CORP - AOC</b>	<b>82,952,449</b>	<b>(5,192,167)</b>	<b>9,529,953</b>	<b>(1,152,514)</b>	<b>86,137,722</b>

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES							
FISCAL YEAR ENDED JUNE 30, 2017							
PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	OTHER ADJ	RESERVE TRANSFERS	CONTRIB RECEIVED	FIRE TAX RECEIVED	ADDITIONAL ER CONT.
AK CHIN INDIAN COMM. FIRE DEPT.	4,216,219	0	72	(1,570)	368,629	0	0
AK CHIN INDIAN COMM. POLICE DEPT.	2,340,847	0	40	0	232,035	0	0
APACHE COUNTY SHERIFF'S DEPT.	2,509,877	0	43	74,868	876,979	0	0
APACHE JUNCTION POLICE DEPARTMENT	7,856,368	0	135	144,337	1,772,350	0	0
ARIZONA STATE PARK RANGERS	6,571,213	0	113	314,845	524,911	0	0
ASU PD PSPRS LOCAL BOARD	12,271,735	0	211	173,501	1,903,722	0	0
ATTORNEY GENERAL INVESTIGATORS	3,508,085	0	60	33,918	1,812,332	0	0
AVONDALE FIRE DEPARTMENT	13,204,027	0	227	0	811,422	143,801	0
AVONDALE POLICE DEPARTMENT	15,172,193	0	260	184,956	1,823,389	0	0
AVRA VALLEY FIRE DISTRICT	2,819,013	0	48	(88,399)	224,355	13,210	0
AZ DPT. LIQ. LIC. & CONTROL INVST	2,864,748	0	49	179,282	674,060	0	0
BEAVER DAM/LITTLEFIELD FIRE DIST.	0	0	0	0	36,550	0	0
BENSON FIRE DEPARTMENT	360,089	0	6	0	2,240	8,715	0
BENSON POLICE DEPARTMENT	1,528,497	0	26	0	279,967	0	46,487
BISBEE FIRE DEPARTMENT	(83,892)	0	(1)	3,183	780,374	10,522	0
BISBEE POLICE DEPARTMENT	627,079	0	11	68,453	519,068	0	0
BLACK CANYON FIRE DISTRICT	632,491	0	11	62,973	23,585	3,121	0
BLUE RIDGE FIRE DISTRICT	0	0	0	0	40,208	7,307	0
BUCKEYE FIRE DEPARTMENT	12,806,212	0	220	0	898,260	155,298	0
BUCKEYE POLICE DEPARTMENT	12,088,955	0	207	240	1,463,930	0	0
BUCKEYE VALLEY FIRE DISTRICT	6,703,026	0	115	55,607	493,821	33,591	0
BUCKSKIN FIRE DISTRICT	1,351,590	0	23	(523)	661,048	15,081	0
BULLHEAD CITY FIRE DEPARTMENT	22,704,398	0	390	168,695	1,486,448	73,528	0
BULLHEAD CITY POLICE DEPARTMENT	15,549,080	0	267	217,352	1,422,995	0	0
CAMP VERDE FIRE DISTRICT	3,996,237	(3,996,237)	0	0	0	0	0
CAMP VERDE MARSHALL'S	2,531,709	0	43	221,941	251,099	0	0
CASA GRANDE FIRE DEPARTMENT	11,093,058	0	190	0	1,265,274	91,118	116,166
CASA GRANDE POLICE DEPARTMENT	12,290,021	0	211	96,826	2,615,386	0	45,995
CAVE CREEK MARSHALS	181,489	0	3	0	15,979	0	0
CENTRAL AZ. COLLEGE POLICE DEPT.	527,057	0	9	0	80,992	0	0
CENTRAL AZ. FIRE AND MEDICAL AUTH	0	24,784,001	425	281,751	2,597,608	160,480	0
CENTRAL YAVAPAI FIRE DISTRICT	18,514,591	(18,514,591)	0	0	0	0	0
CHANDLER FIRE DEPARTMENT	56,428,022	0	968	821,481	3,828,546	834,752	851,528
CHANDLER POLICE DEPARTMENT	83,937,008	0	1,440	390,968	8,598,497	0	1,649,381
CHINO VALLEY FIRE DISTRICT	6,269,410	(6,269,410)	0	0	0	0	0
CHINO VALLEY POLICE DEPARTMENT	3,263,803	0	56	217,643	279,960	0	0
CHRISTOPHER-KOHL'S FIRE DISTRICT	323,542	0	6	0	35,959	5,186	0
CITY OF MARICOPA FIRE	8,591,732	0	147	8,703	600,635	86,803	0
CITY OF MARICOPA POLICE	6,210,828	0	107	(76,083)	554,425	0	0
CLARKDALE FIRE DISTRICT	736,875	(736,875)	0	0	0	0	0

## OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)							
FISCAL YEAR ENDED JUNE 30, 2017							
PSPRS SYSTEM	PENSION PAYMENTS	DROP PAYMENTS	ENHANCED REFUNDS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES	2016 UAAL
AK CHIN INDIAN COMM. FIRE DEPT.	(214,969)	0	0	670,018	(6,329)	5,032,070	1,393,429
AK CHIN INDIAN COMM. POLICE DEPT.	(102,440)	0	(812)	386,304	(3,818)	2,852,155	259,714
APACHE COUNTY SHERIFF'S DEPT.	(798,473)	0	(12,321)	459,901	(4,469)	3,106,404	9,704,311
APACHE JUNCTION POLICE DEPARTMENT	(1,727,089)	(287,208)	0	1,283,940	(11,761)	9,031,072	19,133,113
ARIZONA STATE PARK RANGERS	(828,011)	(628,155)	(407)	881,806	(8,203)	6,828,111	6,139,265
ASU PD PSPRS LOCAL BOARD	(1,670,395)	(343,553)	(150,751)	1,932,743	(17,502)	14,099,712	16,600,902
ATTORNEY GENERAL INVESTIGATORS	(1,377,037)	0	(142,093)	557,586	(5,334)	4,387,519	12,315,810
AVONDALE FIRE DEPARTMENT	(317,165)	0	0	2,229,110	(20,124)	16,051,298	3,830,770
AVONDALE POLICE DEPARTMENT	(1,103,261)	0	(619)	2,570,277	(23,143)	18,624,054	10,738,204
AVRA VALLEY FIRE DISTRICT	(143,122)	0	(297)	452,781	(4,406)	3,273,183	84,087
AZ DPT. LIQ. LIC. & CONTROL INVST	(633,033)	(351,869)	0	399,338	(3,933)	3,128,642	6,632,570
BEAVER DAM/LITTLEFIELD FIRE DIST.	0	0	0	2,450	(422)	38,578	0
BENSON FIRE DEPARTMENT	0	0	0	55,034	(887)	425,198	25,624
BENSON POLICE DEPARTMENT	(210,490)	0	0	253,339	(2,642)	1,895,184	1,946,894
BISBEE FIRE DEPARTMENT	(769,316)	0	0	72,290	(1,040)	12,120	10,125,657
BISBEE POLICE DEPARTMENT	(675,176)	0	(484)	127,457	(1,528)	664,881	8,090,362
BLACK CANYON FIRE DISTRICT	(31,608)	0	0	105,368	(1,332)	794,609	(163,654)
BLUE RIDGE FIRE DISTRICT	0	0	0	1,710	(415)	48,810	0
BUCKEYE FIRE DEPARTMENT	0	0	0	2,285,216	(20,620)	16,124,585	744,694
BUCKEYE POLICE DEPARTMENT	(730,636)	0	(140,118)	2,079,003	(18,796)	14,742,785	7,594,916
BUCKEYE VALLEY FIRE DISTRICT	(88,976)	0	0	1,177,737	(10,821)	8,364,100	(443,467)
BUCKSKIN FIRE DISTRICT	(373,197)	0	(308)	259,985	(2,700)	1,911,000	4,428,203
BULLHEAD CITY FIRE DEPARTMENT	(1,067,596)	(232,075)	(30,423)	3,416,996	(30,635)	26,489,726	12,991,546
BULLHEAD CITY POLICE DEPARTMENT	(1,902,400)	(144,935)	(548)	2,375,192	(21,416)	17,495,585	17,840,772
CAMP VERDE FIRE DISTRICT	0	0	0	0	0	0	0
CAMP VERDE MARSHALL'S	(292,027)	0	(408)	392,528	(3,873)	3,101,011	1,951,822
CASA GRANDE FIRE DEPARTMENT	(1,159,629)	0	0	1,915,054	(17,345)	13,303,886	10,566,583
CASA GRANDE POLICE DEPARTMENT	(2,115,004)	(65,766)	(16,339)	2,233,060	(20,159)	15,064,230	25,269,974
CAVE CREEK MARSHALS	0	0	0	32,501	(688)	229,284	51,318
CENTRAL AZ. COLLEGE POLICE DEPT.	(44,926)	0	(37,076)	90,761	(1,203)	615,614	338,771
CENTRAL AZ. FIRE AND MEDICAL AUTH	(2,521,071)	(476,900)	(31,106)	3,901,455	(34,921)	28,661,722	26,462,476
CENTRAL YAVAPAI FIRE DISTRICT	0	0	0	0	0	0	0
CHANDLER FIRE DEPARTMENT	(3,575,718)	(1,473,598)	0	9,228,731	(82,059)	66,862,652	36,858,622
CHANDLER POLICE DEPARTMENT	(7,218,763)	(826,123)	(93,763)	14,017,325	(124,430)	100,331,539	80,549,097
CHINO VALLEY FIRE DISTRICT	0	0	0	0	0	0	0
CHINO VALLEY POLICE DEPARTMENT	(366,484)	(206,669)	(116,487)	497,699	(4,804)	3,564,716	2,522,285
CHRISTOPHER-KOHL'S FIRE DISTRICT	(12,684)	0	0	61,498	(944)	412,562	48,927
CITY OF MARICOPA FIRE	(34,354)	0	0	1,534,321	(13,976)	10,774,011	181,873
CITY OF MARICOPA POLICE	(192,415)	(59,293)	(85,569)	1,063,934	(9,814)	7,406,119	(287,608)
CLARKDALE FIRE DISTRICT	0	0	0	0	0	0	0

**STATISTICAL SECTION**

**OPERATING INFORMATION**

<b>SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES</b>							
FISCAL YEAR ENDED JUNE 30, 2017							
<b>PSPRS SYSTEM</b>	<b>2016 BALANCES</b>	<b>SYSTEM MERGERS</b>	<b>OTHER ADJ</b>	<b>RESERVE TRANSFERS</b>	<b>CONTRIB RECEIVED</b>	<b>FIRE TAX RECEIVED</b>	<b>ADDITIONAL ER CONT.</b>
CLARKDALE POLICE DEPARTMENT	1,577,200	0	27	0	128,221	0	0
CLIFTON FIRE DEPARTMENT	89,952	0	2	0	20,000	0	0
CLIFTON POLICE DEPARTMENT	527,269	0	9	0	32,203	0	0
COCHISE COUNTY SHERIFF'S DEPT	11,376,213	0	195	390,172	2,413,279	0	34,665
COCONINO COUNTY SHERIFF'S DEPT	17,153,682	0	294	503,901	2,479,462	0	0
COOLIDGE FIRE DEPARTMENT	372,317	0	6	0	46,344	15,657	0
COOLIDGE POLICE DEPARTMENT	3,880,684	0	67	66,948	647,191	0	0
COPPER CANYON FIRE AND MEDICAL	0	5,067,368	87	0	410,421	6,680	0
CORONA DE TUCSON FIRE DISTRICT	1,582,553	0	27	0	196,468	16,614	0
COTTONWOOD FIRE DEPARTMENT	3,750,112	0	64	0	281,445	24,864	48,698
COTTONWOOD POLICE DEPARTMENT	3,654,559	0	63	0	795,600	0	115,676
DAISY MOUNTAIN FIRE DISTRICT	16,086,588	0	276	220,208	882,711	118,419	0
DEPARTMENT OF EMER & MILITARY AFF	6,421,697	0	110	212,761	727,014	0	0
DEPARTMENT OF PUBLIC SAFETY	291,672,024	0	5,005	1,867,130	64,211,179	0	0
DESERT HILLS FIRE DEPARTMENT	1,435,853	0	25	(1,129)	188,479	10,093	0
DOUGLAS FIRE DEPARTMENT	2,590,114	0	44	0	1,073,018	13,320	0
DOUGLAS POLICE DEPARTMENT	4,597,743	0	79	192,501	1,313,766	0	0
DREXEL HEIGHTS FIRE DISTRICT	13,948,891	0	239	(17,164)	921,146	58,537	0
EAGAR POLICE DEPARTMENT	1,340,489	0	23	0	174,844	0	0
EL MIRAGE FIRE DEPARTMENT	3,450,849	0	59	(56,060)	289,508	41,291	0
EL MIRAGE POLICE DEPARTMENT	6,033,004	0	104	1,073	798,249	0	0
ELOY FIRE DISTRICT	3,459,642	0	59	291,497	312,690	20,667	0
ELOY POLICE DEPARTMENT	4,873,705	0	84	549,306	390,066	0	0
FLAGSTAFF FIRE DEPARTMENT	20,287,099	0	348	385,221	4,052,571	212,984	(25,600)
FLAGSTAFF POLICE DEPARTMENT	17,472,585	0	300	536,242	3,276,753	0	381,009
FLORENCE FIRE DEPARTMENT	2,684,348	0	46	143,718	168,995	27,682	0
FLORENCE POLICE DEPARTMENT	3,944,847	0	68	289	253,029	0	0
FORT MCDOWELL TRIBAL FIRE DEPT.	1,691,439	0	29	106,085	95,761	0	0
FORT MCDOWELL TRIBAL POLICE DEPT.	3,643,447	0	63	130,855	166,308	0	0
FORT MOJAVE MESA FIRE DISTRICT	7,227,278	0	124	80,592	625,967	25,237	0
FORT MOJAVE TRIBAL POLICE DEPT.	2,216,217	0	38	0	162,133	0	0
FREDONIA MARSHALS	493,923	0	8	0	16,573	0	0
FRY FIRE DISTRICT	6,794,732	0	117	115,936	1,037,519	30,677	0
GAME AND FISH DEPARTMENT	17,316,172	0	297	208,463	6,098,672	0	0
GILA COUNTY SHERIFF'S DEPARTMENT	4,492,484	0	77	134,512	951,182	0	0
GILA RIVER FIRE DEPARTMENT	8,124,122	0	139	(16,736)	653,802	0	0
GILA RIVER POLICE DEPARTMENT	12,724,780	0	218	(168,447)	971,614	0	0
GILBERT FIRE DEPARTMENT	37,082,702	0	636	722,168	1,661,276	738,447	2,792,346
GILBERT POLICE DEPARTMENT	45,279,126	0	777	1,285,981	4,482,231	0	8,200,025
GLENDALE FIRE DEPARTMENT	70,136,375	0	1,203	330,648	6,071,918	505,931	(0)



## OPERATING INFORMATION

**SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)**  
 FISCAL YEAR ENDED JUNE 30, 2017

<b>PSPRS SYSTEM</b>	<b>PENSION</b>	<b>DROP</b>	<b>ENHANCED</b>	<b>DIST. OF</b>	<b>DIST. OF</b>	<b>2017</b>	<b>2016</b>
CLARKDALE POLICE DEPARTMENT	(189,852)	0	(196)	208,759	(2,247)	1,721,912	1,174,951
CLIFTON FIRE DEPARTMENT	(29,974)	0	0	10,685	(495)	90,170	210,519
CLIFTON POLICE DEPARTMENT	(29,362)	0	(712)	78,515	(1,095)	606,828	(167,643)
COCHISE COUNTY SHERIFF'S DEPT	(2,613,406)	0	(92,625)	1,994,903	(18,052)	13,485,346	28,448,479
COCONINO COUNTY SHERIFF'S DEPT	(2,553,309)	(59,988)	(18,630)	2,349,854	(21,192)	19,834,076	30,158,752
COOLIDGE FIRE DEPARTMENT	0	0	0	71,068	(1,029)	504,364	(149,317)
COOLIDGE POLICE DEPARTMENT	(594,741)	(249,330)	0	596,306	(5,676)	4,341,448	5,950,715
COPPER CANYON FIRE AND MEDICAL	(300,108)	0	0	807,700	(8,347)	5,983,801	1,421,368
CORONA DE TUCSON FIRE DISTRICT	(103,387)	0	0	266,448	(2,758)	1,955,965	931,911
COTTONWOOD FIRE DEPARTMENT	(174,457)	0	0	651,916	(6,168)	4,576,474	1,524,935
COTTONWOOD POLICE DEPARTMENT	(679,447)	0	0	666,184	(6,295)	4,546,340	8,058,018
DAISY MOUNTAIN FIRE DISTRICT	(265,867)	(78,127)	(131,734)	2,785,528	(25,047)	19,592,956	1,846,201
DEPARTMENT OF EMER & MILITARY AFF	(600,524)	(395,430)	(865)	1,011,187	(9,347)	7,366,603	6,389,447
DEPARTMENT OF PUBLIC SAFETY	(67,432,036)	(7,146,749)	(141,455)	38,482,915	(340,909)	321,177,103	672,435,257
DESERT HILLS FIRE DEPARTMENT	(71,234)	0	(360)	252,324	(2,633)	1,811,417	775,450
DOUGLAS FIRE DEPARTMENT	(806,531)	0	0	482,843	(4,672)	3,348,137	11,098,133
DOUGLAS POLICE DEPARTMENT	(1,209,196)	(119,034)	0	740,758	(6,954)	5,509,663	13,918,712
DREXEL HEIGHTS FIRE DISTRICT	(768,791)	0	(53,173)	2,177,249	(19,665)	16,247,269	7,111,856
EAGAR POLICE DEPARTMENT	(235,429)	0	(241)	188,332	(2,066)	1,465,951	2,078,207
EL MIRAGE FIRE DEPARTMENT	(146,164)	0	0	572,712	(5,468)	4,146,728	1,084,172
EL MIRAGE POLICE DEPARTMENT	(483,740)	0	(1,766)	1,044,757	(9,644)	7,382,036	6,084,659
ELOY FIRE DISTRICT	(132,756)	(661,699)	0	541,816	(5,194)	3,826,723	1,065,998
ELOY POLICE DEPARTMENT	(438,726)	(481,577)	(60,186)	767,305	(7,189)	5,592,788	3,402,190
FLAGSTAFF FIRE DEPARTMENT	(4,200,817)	(956,987)	0	3,290,746	(29,518)	23,016,047	43,289,426
FLAGSTAFF POLICE DEPARTMENT	(3,476,196)	(40,796)	(104,201)	3,105,491	(27,878)	21,123,308	38,982,201
FLORENCE FIRE DEPARTMENT	(31,219)	0	0	485,799	(4,699)	3,474,669	(359,501)
FLORENCE POLICE DEPARTMENT	(224,136)	0	(96,717)	610,314	(5,800)	4,481,894	526,137
FORT MCDOWELL TRIBAL FIRE DEPT.	(53,378)	0	0	278,473	(2,864)	2,115,546	(171,838)
FORT MCDOWELL TRIBAL POLICE DEPT.	(43,494)	0	0	607,587	(5,776)	4,498,989	18,412
FORT MOJAVE MESA FIRE DISTRICT	(601,330)	0	(52,194)	1,072,914	(9,893)	8,368,694	6,248,295
FORT MOJAVE TRIBAL POLICE DEPT.	0	0	0	378,328	(3,748)	2,752,968	(713,767)
FREDONIA MARSHALS	(37,040)	0	0	70,500	(1,024)	542,941	15,409
FRY FIRE DISTRICT	(1,063,094)	0	(414)	1,085,217	(10,002)	7,990,687	11,255,279
GAME AND FISH DEPARTMENT	(6,776,593)	(255,528)	(28,646)	2,917,168	(26,212)	19,453,792	78,668,029
GILA COUNTY SHERIFF'S DEPARTMENT	(1,012,559)	(215,503)	(69,772)	723,993	(6,806)	4,997,608	10,819,336
GILA RIVER FIRE DEPARTMENT	(231,146)	0	0	1,428,103	(13,036)	9,945,248	928,207
GILA RIVER POLICE DEPARTMENT	(288,320)	0	(8,037)	2,200,838	(19,874)	15,412,773	(1,579,459)
GILBERT FIRE DEPARTMENT	(462,444)	(568,662)	(22,579)	6,959,055	(61,976)	48,840,969	7,081,485
GILBERT POLICE DEPARTMENT	(3,092,914)	(400,294)	(77,783)	8,763,809	(77,945)	64,363,012	31,630,763
GLENDALE FIRE DEPARTMENT	(5,560,482)	(1,525,801)	(102,627)	11,233,813	(99,800)	80,991,178	59,801,330

**STATISTICAL SECTION**

**OPERATING INFORMATION**

**SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES**  
FISCAL YEAR ENDED JUNE 30, 2017

<b>PSPRS SYSTEM</b>	<b>2016 BALANCES</b>	<b>SYSTEM MERGERS</b>	<b>OTHER ADJ</b>	<b>RESERVE TRANSFERS</b>	<b>CONTRIB RECEIVED</b>	<b>FIRE TAX RECEIVED</b>	<b>ADDITIONAL ER CONT.</b>
GLENDALE POLICE DEPARTMENT	89,377,102	0	1,534	1,213,287	13,677,832	0	(0)
GLOBE FIRE DEPARTMENT	2,541,838	0	44	80,874	401,358	12,008	496,864
GLOBE POLICE DEPARTMENT	2,907,988	0	50	322,158	515,491	0	745,296
GOLDEN SHORES FIRE DISTRICT	837,193	0	14	0	30,623	3,175	0
GOLDEN VALLEY FIRE DISTRICT	3,008,605	0	52	(108,205)	225,199	11,826	0
GOLDER RANCH FIRE DISTRICT	21,284,091	0	365	425,894	1,566,714	228,171	0
GOODYEAR FIRE DEPARTMENT	17,561,193	0	301	241,193	943,591	262,281	(52,271)
GOODYEAR POLICE DEPARTMENT	16,569,604	0	284	546,760	1,790,081	0	(156,447)
GRAHAM COUNTY SHERIFFS DEPT.	2,882,634	0	49	20,136	334,054	0	53,233
GREEN VALLEY FIRE DISTRICT	12,121,550	0	208	267,905	790,259	96,754	0
GREENLEE CNTY ATTY INVESTIGATORS	51,865	0	1	0	2,261	0	(589)
GREENLEE COUNTY SHERIFF'S DEPT.	2,848,293	0	49	435,590	198,711	0	0
GROOM CREEK FIRE DISTRICT	631,563	0	11	0	36,961	4,302	0
GUADALUPE FIRE DEPARTMENT	587,062	0	10	0	89,922	4,493	0
HARQUAHALA FIRE DISTRICT	1,071,495	0	18	497	106,282	2,627	0
HAYDEN POLICE DEPARTMENT	1,301,189	0	22	0	40,028	0	0
HEBER-OVERGAARD FIRE DISTRICT	1,647,509	0	28	0	107,631	19,501	0
HELLSGATE FIRE DISTRICT	1,318,713	0	23	0	140,541	6,084	0
HIGHLANDS FIRE DISTRICT	3,980,857	0	68	190,528	451,302	24,154	0
HOLBROOK POLICE DEPARTMENT	1,372,807	0	24	0	456,574	0	0
HUACHUCA CITY POLICE DEPARTMENT	415,630	0	7	33,628	59,415	0	0
HUALAPAI INDIAN TRIBE POLICE DEPT	1,509,037	0	26	(2,779)	142,952	0	0
JEROME POLICE DEPARTMENT	314,248	0	5	0	20,572	0	0
KEARNY POLICE DEPARTMENT	1,272,481	0	22	0	41,024	0	0
KINGMAN FIRE DEPARTMENT	11,301,114	0	194	437,930	1,193,760	61,586	0
KINGMAN POLICE DEPARTMENT	9,112,624	0	156	0	1,249,425	0	0
LA PAZ COUNTY ATTY. INVESTIGATORS	169,612	0	3	0	8,827	0	0
LA PAZ COUNTY SHERIFF'S DEPT.	4,337,817	0	74	264,771	854,831	0	0
LAKE HAVASU CITY FIRE DEPARTMENT	15,247,047	0	262	0	2,117,476	220,842	0
LAKE HAVASU CITY POLICE DEPT.	14,908,247	0	256	286,207	2,210,217	0	0
LAKE MOHAVE RANCHOS FIRE DISTRICT	903,641	0	16	106,122	36,502	4,603	0
MAMMOTH POLICE DEPARTMENT	310,109	0	5	175,460	7,570	0	0
MARANA POLICE DEPARTMENT	12,152,225	0	209	429,526	1,384,924	0	0
MARICOPA CNTY ATTY INVESTIGATORS	4,515,519	0	77	0	1,461,247	0	0
MARICOPA COUNTY PARK RANGERS	1,419,961	0	24	0	66,660	0	0
MARICOPA COUNTY SHERIFF'S OFFICE	150,112,550	0	2,576	3,008,968	25,052,855	0	0
MAYER FIRE DISTRICT	2,257,848	0	39	(4,393)	124,782	5,571	0
MESA FIRE DEPARTMENT	125,209,681	0	2,148	677,941	12,317,480	1,121,426	118,849
MESA POLICE DEPARTMENT	221,408,056	0	3,799	2,727,705	26,746,329	0	72,530
MIAMI POLICE DEPARTMENT	885,215	0	15	102,310	78,303	0	0

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)  
FISCAL YEAR ENDED JUNE 30, 2017

PSPRS SYSTEM	PENSION PAYMENTS	DROP PAYMENTS	ENHANCED REFUNDS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES	2016 UAAL
GLENDALE POLICE DEPARTMENT	(10,030,995)	(3,084,354)	(135,194)	15,467,879	(137,265)	106,349,825	125,976,500
GLOBE FIRE DEPARTMENT	(503,789)	0	0	430,025	(4,205)	3,455,016	4,800,625
GLOBE POLICE DEPARTMENT	(635,393)	(154,924)	(64,205)	509,719	(4,910)	4,141,269	6,631,384
GOLDEN SHORES FIRE DISTRICT	0	0	0	136,699	(1,610)	1,006,095	(366,503)
GOLDEN VALLEY FIRE DISTRICT	(197,754)	0	0	467,009	(4,532)	3,402,201	1,232,781
GOLDER RANCH FIRE DISTRICT	(719,703)	(616,900)	(112,090)	3,564,695	(31,942)	25,589,296	9,145,359
GOODYEAR FIRE DEPARTMENT	(429,173)	(76,491)	(26,765)	3,112,669	(27,942)	21,508,586	2,964,458
GOODYEAR POLICE DEPARTMENT	(1,115,360)	(42,788)	(140,474)	2,810,340	(25,267)	20,236,734	9,868,742
GRAHAM COUNTY SHERIFF'S DEPT.	(190,833)	(97,411)	(516)	471,427	(4,571)	3,468,202	2,603,701
GREEN VALLEY FIRE DISTRICT	(906,911)	(408,711)	(14,243)	1,795,077	(16,283)	13,725,605	6,528,007
GREENLEE CNTY ATTY INVESTIGATORS	0	0	0	8,595	(476)	61,656	(52,093)
GREENLEE COUNTY SHERIFF'S DEPT.	(261,921)	0	(1,751)	420,406	(4,120)	3,635,257	1,728,702
GROOM CREEK FIRE DISTRICT	0	0	(105,191)	96,381	(1,253)	662,775	(93,456)
GUADALUPE FIRE DEPARTMENT	(48,359)	0	0	114,391	(1,412)	746,107	639,682
HARQUAHALA FIRE DISTRICT	0	0	0	194,519	(2,121)	1,373,316	(351,524)
HAYDEN POLICE DEPARTMENT	0	0	0	179,824	(1,991)	1,519,073	(1,060,735)
HEBER-OVERGAARD FIRE DISTRICT	(26,335)	0	(1,039)	275,877	(2,841)	2,020,331	(263,322)
HELLSGATE FIRE DISTRICT	(93,008)	0	0	206,714	(2,229)	1,576,838	729,630
HIGHLANDS FIRE DISTRICT	(387,549)	(90,693)	0	627,952	(5,956)	4,790,663	3,120,162
HOLBROOK POLICE DEPARTMENT	(481,711)	0	0	236,484	(2,492)	1,581,685	6,398,471
HUACHUCA CITY POLICE DEPARTMENT	(18,497)	0	0	80,385	(1,111)	569,457	278,415
HUALAPAI INDIAN TRIBE POLICE DEPT	(25,719)	0	(40,310)	271,067	(2,798)	1,851,475	(405,083)
JEROME POLICE DEPARTMENT	0	0	0	51,823	(859)	385,790	(128,383)
KEARNY POLICE DEPARTMENT	(199,887)	0	0	147,314	(1,703)	1,259,249	858,642
KINGMAN FIRE DEPARTMENT	(1,329,999)	(776,203)	(64,137)	1,614,633	(14,687)	12,424,192	10,850,664
KINGMAN POLICE DEPARTMENT	(1,143,562)	0	(127)	1,431,871	(13,070)	10,637,318	11,204,614
LA PAZ COUNTY ATTY. INVESTIGATORS	(33,557)	0	0	19,327	(571)	163,641	129,646
LA PAZ COUNTY SHERIFF'S DEPT.	(983,514)	(181,249)	(332)	662,076	(6,258)	4,948,217	9,484,398
LAKE HAVASU CITY FIRE DEPARTMENT	(2,255,936)	0	0	2,415,000	(21,769)	17,722,922	25,116,741
LAKE HAVASU CITY POLICE DEPT.	(2,370,519)	(375,713)	(19,766)	2,293,048	(20,690)	16,911,288	25,184,430
LAKE MOHAVE RANCHOS FIRE DISTRICT	(92,409)	0	(5,786)	128,489	(1,537)	1,079,640	432,656
MAMMOTH POLICE DEPARTMENT	(47,625)	0	0	45,904	(806)	490,617	183,773
MARANA POLICE DEPARTMENT	(1,086,540)	(270,080)	(6,012)	2,081,790	(18,820)	14,667,222	9,865,743
MARICOPA CNTY ATTY INVESTIGATORS	(799,550)	0	(72,232)	686,868	(6,478)	5,785,452	6,211,580
MARICOPA COUNTY PARK RANGERS	(149,446)	0	0	169,903	(1,903)	1,505,199	979,082
MARICOPA COUNTY SHERIFF'S OFFICE	(22,555,893)	(4,442,123)	(366,843)	23,760,529	(210,641)	174,361,978	256,878,559
MAYER FIRE DISTRICT	(134,310)	0	(15,772)	369,736	(3,672)	2,599,829	933,367
MESA FIRE DEPARTMENT	(14,316,230)	(2,641,541)	(63,074)	19,308,003	(173,743)	141,560,940	140,122,142
MESA POLICE DEPARTMENT	(27,994,462)	(4,344,484)	(70,939)	34,220,925	(305,698)	252,463,763	276,016,941
MIAMI POLICE DEPARTMENT	(115,158)	0	(37,204)	139,969	(1,638)	1,051,812	823,752

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES							
FISCAL YEAR ENDED JUNE 30, 2017							
PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	OTHER ADJ	RESERVE TRANSFERS	CONTRIB RECEIVED	FIRE TAX RECEIVED	ADDITIONAL ER CONT.
MOHAVE COUNTY SHERIFF'S DEPT.	14,575,847	0	250	207,917	1,836,800	0	0
MOHAVE VALLEY FIRE DISTRICT	5,131,232	0	88	(80,592)	207,670	14,241	0
MONTEZUMA RIMROCK FIRE DISTRICT	1,071,131	(1,071,131)	0	0	0	0	0
MOUNT LEMMON FIRE DISTRICT	544,358	0	9	26,792	27,743	4,313	0
MOUNTAIN VISTA FIRE DISTRICT	0	0	0	220,144	199,353	74,043	378,654
NAU CAMPUS POLICE	2,643,410	0	45	0	667,507	0	0
NAVAJO COUNTY ATTY'S INVESTIGATOR	51,201	0	1	0	38,721	0	0
NAVAJO COUNTY SHERIFF'S DEPT.	3,819,864	0	66	(146,315)	1,047,332	0	0
NOGALES FIRE DEPARTMENT	6,816,065	0	117	218,483	1,065,839	27,028	(94,976)
NOGALES POLICE DEPARTMENT	10,114,972	0	174	363,151	1,114,546	0	(123,295)
NORTH COUNTY FIRE & MEDICAL DISTR	13,316,450	701,019	241	554,116	1,283,483	123,850	0
NORTHERN AZ. CONSOLIDATED FD #1	3,014,629	0	52	131,253	324,310	21,776	0
NORTHWEST FIRE DISTRICT	38,577,542	0	662	311,711	2,827,509	272,853	0
ORACLE FIRE DISTRICT	442,026	0	8	46,158	30,908	6,041	0
ORO VALLEY POLICE DEPT.	19,912,662	0	342	745,469	1,786,578	0	25,157
PAGE FIRE DEPARTMENT	1,243,534	0	21	(6,192)	112,197	17,746	0
PAGE POLICE DEPARTMENT	2,753,711	0	47	(4,088)	353,353	0	0
PALOMINAS FIRE DISTRICT	519,406	0	9	(3,183)	72,796	7,792	0
PARADISE VALLEY POLICE DEPARTMENT	7,107,970	0	122	321,615	2,011,567	0	6,018,105
PARKER POLICE DEPARTMENT	1,753,545	0	30	0	149,797	0	0
PASCUA YAQUI TRIBE FIRE DEPT.	3,440,053	0	59	96,357	295,453	0	0
PASCUA YAQUI TRIBE POLICE DEPT.	4,301,365	0	74	0	451,334	0	0
PATAGONIA MARSHALS	513,926	0	9	0	74,886	0	0
PAYSON FIRE DEPARTMENT	4,471,510	0	77	29,280	459,993	52,301	0
PAYSON POLICE DEPARTMENT	3,874,822	0	66	328	987,639	0	0
PEORIA FIRE DEPARTMENT	39,081,376	0	671	574,525	2,726,016	468,395	401,983
PEORIA POLICE DEPARTMENT	40,403,266	0	693	1,080,174	5,239,715	0	(117,304)
PHOENIX FIRE DEPARTMENT	495,275,452	0	8,498	6,560,402	54,352,816	4,218,827	(1,900,571)
PHOENIX POLICE DEPARTMENT	892,998,851	0	15,331	17,828,402	111,057,109	0	2,587,975
PICTURE ROCKS FIRE DISTRICT	2,775,081	0	48	(89,095)	182,563	10,403	0
PIMA COUNTY ATTORNEY INVESTIGATOR	1,120,028	0	19	0	314,344	0	0
PIMA COUNTY COMM. COLLEGE POLICE	4,105,820	0	70	(49,205)	514,578	0	0
PIMA COUNTY SHERIFF'S DEPARTMENT	116,419,134	0	1,998	628,309	17,911,325	0	0
PIMA POLICE DEPARTMENT	403,212	0	7	0	27,427	0	0
PINAL COUNTY SHERIFF'S DEPARTMENT	33,472,745	0	574	877,775	3,702,175	0	0
PINE-STRAWBERRY FIRE DISTRICT	2,971,611	0	51	0	338,111	15,208	0
PINETOP FIRE DISTRICT	4,030,226	0	69	122,498	552,515	33,568	0
PINETOP-LAKESIDE POLICE DEPT.	1,528,263	0	26	0	372,025	0	0
PINEWOOD FIRE DISTRICT	1,851,903	0	32	192,937	274,099	15,257	0
PONDEROSA FIRE DISTRICT	92,161	0	2	0	38,679	5,435	0

## OPERATING INFORMATION

**SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)**  
FISCAL YEAR ENDED JUNE 30, 2017

PSPRS SYSTEM	PENSION PAYMENTS	DROP PAYMENTS	ENHANCED REFUNDS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES	2016 UAAL
MOHAVE COUNTY SHERIFF'S DEPT.	(2,015,743)	(631,244)	(202,144)	2,131,234	(19,258)	15,883,660	18,476,524
MOHAVE VALLEY FIRE DISTRICT	(184,680)	0	(132,706)	762,554	(7,147)	5,710,660	(28,029)
MONTEZUMA RIMROCK FIRE DISTRICT	0	0	0	0	0	0	0
MOUNT LEMMON FIRE DISTRICT	0	0	0	87,935	(1,178)	689,972	(134,399)
MOUNTAIN VISTA FIRE DISTRICT	0	0	0	75,996	(1,072)	947,118	0
NAU CAMPUS POLICE	(611,101)	0	(126)	430,645	(4,210)	3,126,169	6,599,746
NAVAJO COUNTY ATTY'S INVESTIGATOR	(35,451)	0	0	8,673	(477)	62,668	568,715
NAVAJO COUNTY SHERIFF'S DEPT.	(1,117,735)	0	(21,690)	633,913	(6,009)	4,209,425	11,789,316
NOGALES FIRE DEPARTMENT	(864,649)	(152,758)	0	1,184,169	(10,878)	8,188,441	9,700,088
NOGALES POLICE DEPARTMENT	(1,063,974)	0	0	1,636,160	(14,877)	12,026,857	10,444,306
NORTH COUNTY FIRE & MEDICAL DISTR	(766,944)	(190,337)	(119,903)	2,368,026	(21,353)	17,248,648	10,795,469
NORTHERN AZ. CONSOLIDATED FD #1	(297,567)	(29,132)	(32,000)	494,019	(4,771)	3,622,569	2,696,539
NORTHWEST FIRE DISTRICT	(1,607,200)	(864,480)	(15,953)	6,285,132	(56,013)	45,731,762	18,079,867
ORACLE FIRE DISTRICT	(11,667)	0	0	75,578	(1,069)	587,983	(133,966)
ORO VALLEY POLICE DEPT.	(1,286,665)	(538,339)	(118,843)	3,228,386	(28,966)	23,725,782	14,252,522
PAGE FIRE DEPARTMENT	(77,017)	0	(45,684)	215,948	(2,311)	1,458,244	504,499
PAGE POLICE DEPARTMENT	(389,735)	0	(30,181)	380,194	(3,764)	3,059,537	2,937,998
PALOMINAS FIRE DISTRICT	0	0	(123)	92,868	(1,222)	688,343	(269,519)
PARADISE VALLEY POLICE DEPARTMENT	(1,972,750)	(233,998)	(1,283)	1,380,854	(12,618)	14,619,585	21,133,464
PARKER POLICE DEPARTMENT	(142,410)	0	0	267,825	(2,770)	2,026,017	1,317,252
PASCUA YAQUI TRIBE FIRE DEPT.	(73,226)	0	(28,989)	586,260	(5,587)	4,310,379	2,073,383
PASCUA YAQUI TRIBE POLICE DEPT.	(189,204)	0	(75,512)	742,760	(6,972)	5,223,845	2,978,498
PATAGONIA MARSHALS	(70,533)	0	0	72,386	(1,040)	589,634	691,135
PAYSON FIRE DEPARTMENT	(493,034)	0	(75,658)	707,125	(6,657)	5,144,937	4,201,642
PAYSON POLICE DEPARTMENT	(919,878)	0	(64)	621,085	(5,896)	4,558,103	11,286,043
PEORIA FIRE DEPARTMENT	(1,622,322)	(1,041,151)	0	6,425,067	(57,251)	46,957,309	18,967,656
PEORIA POLICE DEPARTMENT	(4,167,359)	(788,519)	(113,118)	6,734,348	(59,988)	48,211,907	43,417,252
PHOENIX FIRE DEPARTMENT	(68,982,918)	(18,941,701)	(96,908)	76,650,878	(678,631)	546,466,145	705,965,510
PHOENIX POLICE DEPARTMENT	(134,135,123)	(28,668,213)	(561,041)	139,676,112	(1,236,298)	999,563,105	1,357,324,832
PICTURE ROCKS FIRE DISTRICT	(276,659)	0	0	373,787	(3,707)	2,972,421	1,619,331
PIMA COUNTY ATTORNEY INVESTIGATOR	(239,560)	0	0	166,876	(1,877)	1,359,832	2,185,344
PIMA COUNTY COMM. COLLEGE POLICE	(541,461)	0	(14,078)	645,214	(6,109)	4,654,829	4,972,546
PIMA COUNTY SHERIFF'S DEPARTMENT	(18,249,685)	(2,154,516)	(75,484)	16,188,567	(143,642)	130,526,006	188,759,788
PIMA POLICE DEPARTMENT	0	0	(10,807)	63,554	(962)	482,431	(302,561)
PINAL COUNTY SHERIFF'S DEPARTMENT	(4,167,018)	(809,567)	(65,732)	5,304,831	(47,339)	38,268,444	35,739,595
PINE-STRAWBERRY FIRE DISTRICT	(297,481)	0	0	487,705	(4,715)	3,510,489	2,769,792
PINETOP FIRE DISTRICT	(345,144)	(96,051)	(23,964)	674,644	(6,369)	4,941,992	3,699,608
PINETOP-LAKESIDE POLICE DEPT.	(413,682)	0	0	253,122	(2,640)	1,737,114	4,578,801
PINEWOOD FIRE DISTRICT	(194,186)	0	0	348,905	(3,487)	2,485,459	1,919,724
PONDEROSA FIRE DISTRICT	0	0	(91)	24,662	(618)	160,230	(8,938)

OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
FISCAL YEAR ENDED JUNE 30, 2017

PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	OTHER ADJ	RESERVE TRANSFERS	CONTRIB RECEIVED	FIRE TAX RECEIVED	ADDITIONAL ER CONT.
PRESCOTT FIRE DEPARTMENT	13,470,681	0	231	406,477	3,881,406	191,132	0
PRESCOTT POLICE DEPARTMENT	7,345,161	0	126	101,783	3,003,310	0	0
PRESCOTT VALLEY POLICE DEPARTMENT	11,470,995	0	197	542,562	1,289,224	0	(74,163)
QUARTZSITE FIRE DISTRICT	892,447	0	15	(8,286)	73,450	7,733	0
QUARTZSITE POLICE DEPARTMENT	2,503,962	0	43	144	94,416	0	0
QUEEN CREEK FIRE DEPARTMENT	4,049,882	0	69	(22,159)	237,888	118,767	428,544
QUEEN VALLEY FIRE DISTRICT	203,981	0	4	0	17,252	1,384	0
RINCON VALLEY FIRE DISTRICT	3,450,421	0	59	(58,601)	237,608	31,969	0
RIO RICO FIRE DISTRICT	2,916,637	0	50	(17,182)	198,948	13,520	12,500
RIO VERDE FIRE DISTRICT	3,844,647	0	66	502,348	189,412	17,567	37,500
SAFFORD POLICE DEPARTMENT	2,834,967	0	49	216,869	754,239	0	0
SAHUARITA POLICE DEPARTMENT	6,577,981	0	113	59,869	390,243	0	0
SALT RIVER PIMA-MARICOPA FIRE	17,547,076	0	301	50,382	1,333,682	0	0
SALT RIVER PIMA-MARICOPA POLICE	15,692,124	0	269	261,526	1,697,292	0	0
SAN CARLOS TRIBAL POLICE DEPT.	2,682,497	0	46	71,812	251,771	0	0
SAN LUIS FIRE DEPARTMENT	3,069,086	0	53	(51,160)	219,708	22,168	0
SAN LUIS POLICE DEPARTMENT	3,935,642	0	68	14,667	393,486	0	0
SANTA CRUZ COUNTY SHERIFFS DEPT.	4,548,663	0	78	155,169	917,590	0	(0)
SCOTTSDALE FIRE DEPARTMENT	42,352,278	0	727	186,020	848,784	1,887,734	0
SCOTTSDALE POLICE DEPARTMENT	111,250,327	0	1,909	2,640,196	11,887,564	0	0
SEDONA FIRE DISTRICT	14,007,734	0	240	(67,257)	1,495,206	139,723	0
SEDONA POLICE DEPARTMENT	4,671,210	0	80	121,962	428,853	0	15,385
SHOW LOW POLICE DEPARTMENT	5,340,547	0	92	72,003	632,325	0	688,286
SIERRA VISTA FIRE DEPARTMENT	10,213,780	0	175	94,737	1,056,936	81,534	0
SIERRA VISTA POLICE DEPARTMENT	10,700,257	0	184	240,514	2,139,214	0	0
SNOWFLAKE POLICE DEPARTMENT	1,539,735	0	26	(35,780)	258,290	0	0
SOMERTON FIRE DEPARTMENT	2,141,048	0	37	0	182,533	12,378	0
SOMERTON POLICE DEPARTMENT	2,628,980	0	45	116,200	211,628	0	0
SONOITA ELGIN FIRE DEPARTMENT	548,337	0	9	(2,905)	43,960	9,894	0
SOUTH TUCSON FIRE DEPARTMENT	1,031,226	0	18	91,425	74,718	0	0
SOUTH TUCSON POLICE DEPARTMENT	(216,732)	0	(4)	67,144	479,505	0	0
SPRINGERVILLE POLICE DEPARTMENT	1,369,381	0	24	0	71,123	0	0
ST. JOHNS POLICE DEPARTMENT	850,516	0	15	130,491	78,110	0	0
SUMMIT FIRE DISTRICT	6,217,736	0	107	0	441,176	27,922	0
SUN CITY FIRE DISTRICT	13,882,984	0	238	219,911	1,908,301	89,194	0
SUN LAKES FIRE DISTRICT	11,233,378	0	193	(131,568)	621,299	62,335	0
SUN SITES PEARCE FIRE DISTRICT	423,782	0	7	0	35,924	2,918	0
SUPERIOR POLICE DEPARTMENT	799,130	0	14	0	78,974	0	0
SUPERSTITION FIRE AND MEDICAL DIS	19,593,540	0	336	225,661	1,327,614	119,772	0
SURPRISE FIRE DEPARTMENT	21,847,821	0	375	310,737	1,496,695	332,257	0

## OPERATING INFORMATION

SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)							
FISCAL YEAR ENDED JUNE 30, 2017							
PSPRS SYSTEM	PENSION PAYMENTS	DROP PAYMENTS	ENHANCED REFUNDS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES	2016 UAAL
PRESCOTT FIRE DEPARTMENT	(3,511,879)	(604,891)	(26,921)	2,141,106	(19,345)	15,927,997	34,821,884
PRESCOTT POLICE DEPARTMENT	(2,876,353)	(101,093)	(106,472)	1,293,200	(11,843)	8,647,818	35,881,302
PRESCOTT VALLEY POLICE DEPARTMENT	(1,020,359)	(167,928)	(24,245)	1,800,958	(16,335)	13,800,906	7,784,862
QUARTZSITE FIRE DISTRICT	0	0	0	156,105	(1,781)	1,119,682	119,128
QUARTZSITE POLICE DEPARTMENT	(217,558)	0	0	313,493	(3,174)	2,691,327	232,417
QUEEN CREEK FIRE DEPARTMENT	(129,228)	0	0	727,913	(6,841)	5,404,836	72,432
QUEEN VALLEY FIRE DISTRICT	0	0	0	37,549	(732)	259,437	11,161
RINCON VALLEY FIRE DISTRICT	(69,353)	0	0	612,546	(5,820)	4,198,828	(80,725)
RIO RICO FIRE DISTRICT	(54,699)	0	(168)	494,617	(4,777)	3,559,447	(541,547)
RIO VERDE FIRE DISTRICT	(135,819)	(392,909)	(137,143)	605,724	(5,760)	4,525,634	1,311,302
SAFFORD POLICE DEPARTMENT	(670,348)	(165,574)	0	506,361	(4,880)	3,471,683	8,211,085
SAHUARITA POLICE DEPARTMENT	(70,888)	0	(206,339)	1,107,368	(10,198)	7,848,148	(153,243)
SALT RIVER PIMA-MARICOPA FIRE	(637,337)	0	(75,234)	2,830,918	(25,449)	21,024,339	5,725,308
SALT RIVER PIMA-MARICOPA POLICE	(810,759)	0	(188,059)	2,708,760	(24,368)	19,336,785	8,478,206
SAN CARLOS TRIBAL POLICE DEPT.	(54,830)	0	(64,033)	444,978	(4,337)	3,327,904	228,486
SAN LUIS FIRE DEPARTMENT	(82,826)	0	0	517,876	(4,982)	3,689,923	216,242
SAN LUIS POLICE DEPARTMENT	(266,131)	0	0	640,556	(6,068)	4,712,220	1,908,524
SANTA CRUZ COUNTY SHERIFF'S DEPT.	(763,165)	(226,123)	(48,425)	780,239	(7,304)	5,356,722	9,074,863
SCOTTSDALE FIRE DEPARTMENT	(932,340)	0	0	7,822,554	(69,616)	52,096,140	(4,022,114)
SCOTTSDALE POLICE DEPARTMENT	(12,685,407)	(3,411,954)	(26,478)	17,103,925	(151,741)	126,608,342	119,008,680
SEDONA FIRE DISTRICT	(1,154,701)	(36,819)	0	2,322,647	(20,952)	16,685,822	10,996,248
SEDONA POLICE DEPARTMENT	(471,102)	0	(337)	722,712	(6,795)	5,481,967	3,447,082
SHOW LOW POLICE DEPARTMENT	(579,848)	0	(827)	855,692	(7,971)	7,000,299	5,938,823
SIERRA VISTA FIRE DEPARTMENT	(1,129,496)	(56,601)	0	1,542,492	(14,048)	11,789,508	10,809,553
SIERRA VISTA POLICE DEPARTMENT	(1,903,309)	0	(37,323)	1,753,496	(15,915)	12,877,118	19,830,015
SNOWFLAKE POLICE DEPARTMENT	(260,445)	0	0	244,971	(2,568)	1,744,230	2,383,899
SOMERTON FIRE DEPARTMENT	(94,304)	0	0	353,428	(3,527)	2,591,593	1,064,722
SOMERTON POLICE DEPARTMENT	(141,471)	0	(11,576)	420,910	(4,124)	3,220,593	1,336,447
SONOITA ELGIN FIRE DEPARTMENT	0	0	0	99,122	(1,277)	697,140	(173,023)
SOUTH TUCSON FIRE DEPARTMENT	(250,354)	0	0	139,853	(1,637)	1,085,248	2,131,921
SOUTH TUCSON POLICE DEPARTMENT	(548,916)	0	0	60,059	(931)	(159,874)	7,525,971
SPRINGERVILLE POLICE DEPARTMENT	(96,580)	0	0	203,406	(2,200)	1,545,153	831,148
ST. JOHNS POLICE DEPARTMENT	(82,410)	0	(323)	129,150	(1,543)	1,104,007	569,022
SUMMIT FIRE DISTRICT	(378,506)	0	(80,018)	976,342	(9,039)	7,195,720	2,701,321
SUN CITY FIRE DISTRICT	(1,723,333)	0	0	2,337,104	(21,079)	16,693,318	20,308,588
SUN LAKES FIRE DISTRICT	(814,113)	(102,306)	0	1,637,747	(14,891)	12,492,073	3,858,459
SUN SITES PEARCE FIRE DISTRICT	0	0	0	80,457	(1,112)	541,976	19,533
SUPERIOR POLICE DEPARTMENT	(85,900)	0	0	119,790	(1,460)	910,548	418,615
SUPERSTITION FIRE AND MEDICAL DIS	(719,013)	(624,033)	(15,305)	3,185,780	(28,589)	23,065,762	9,274,135
SURPRISE FIRE DEPARTMENT	(545,862)	(279,397)	(120,595)	3,742,608	(33,516)	26,751,122	6,843,615

**STATISTICAL SECTION**

**OPERATING INFORMATION**

<b>SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES</b>							
FISCAL YEAR ENDED JUNE 30, 2017							
<b>PSPRS SYSTEM</b>	<b>2016 BALANCES</b>	<b>SYSTEM MERGERS</b>	<b>OTHER ADJ</b>	<b>RESERVE TRANSFERS</b>	<b>CONTRIB RECEIVED</b>	<b>FIRE TAX RECEIVED</b>	<b>ADDITIONAL ER CONT.</b>
SURPRISE POLICE DEPARTMENT	21,946,197	0	377	674,610	2,601,364	0	0
TEMPE FIRE DEPARTMENT	54,245,700	0	931	348,822	6,762,082	663,345	204,448
TEMPE POLICE DEPARTMENT	78,734,956	0	1,351	850,373	13,009,252	0	(522,380)
THATCHER POLICE DEPARTMENT	2,223,432	0	38	0	286,829	0	305,000
THREE POINTS FIRE DISTRICT	1,785,082	0	31	6,327	173,298	11,192	0
TIMBER MESA FIRE AND MEDICAL DIST	8,356,643	0	143	0	530,189	60,388	0
TOHONO O'ODHAM NATION FIRE DEPT.	5,645,316	0	97	(16,008)	314,012	0	0
TOHONO O'ODHAM NATION POLICE DEPT	14,786,463	0	254	90,742	859,781	0	0
TOLLESON FIRE DEPARTMENT	6,558,798	0	113	12,679	474,337	45,122	314,232
TOLLESON POLICE DEPARTMENT	4,537,366	0	78	0	706,871	0	806,618
TOMBSTONE MARSHAL'S DEPARTMENT	688,703	0	12	149	13,386	0	0
TONOPAH VALLEY FIRE DISTRICT	662,794	0	11	0	68,201	4,295	0
TOWN OF SUPERIOR (FIRE DEPT)	434,751	0	7	0	24,966	0	0
TRI-CITY FIRE DISTRICT	2,162,265	0	37	43,862	209,315	3,999	0
TUBAC FIRE DISTRICT	3,825,977	0	66	307,991	177,852	20,144	0
TUCSON AIRPORT AUTHORITY FIRE DPT	3,314,674	0	57	22,677	850,516	0	0
TUCSON AIRPORT AUTHORITY POLICE	2,678,358	0	46	0	871,881	0	0
TUCSON FIRE	117,264,006	0	2,012	444,366	24,002,413	984,023	2,397,079
TUCSON POLICE	213,492,287	0	3,663	2,419,974	34,143,152	0	3,221,836
U OF A CAMPUS POLICE DEPARTMENT	9,625,025	0	165	82,421	1,244,270	0	0
VERDE VALLEY FIRE DISTRICT	5,138,687	736,875	101		413,056	32,085	0
WELLTON POLICE	511,182	0	9	0	105,728	0	0
WHETSTONE FIRE DISTRICT	274,363	0	5	0	22,327	3,850	0
WICKENBURG FIRE DEPARTMENT	939,565	0	16	0	82,397	0	0
WICKENBURG POLICE DEPARTMENT	1,985,255	0	34	(7,961)	337,472	0	0
WILLCOX POLICE DEPARTMENT	1,617,952	0	28	0	243,206	0	0
WILLIAMS POLICE DEPARTMENT	1,231,938	0	21	27,856	159,192	0	0
WILLIAMSON VALLEY FIRE DISTRICT	606,545	0	10	6,192	123,085	3,654	0
WINSLOW FIRE DEPARTMENT	5,759,065	0	99	0	19,703	6,699	0
WINSLOW POLICE DEPARTMENT	4,445,085	0	76	179,773	352,672	0	0
WITTMANN FIRE & MEDICAL DISTRICT	701,019	(701,019)	0	0	0	0	0
YAVAPAI CNTY ATTRNY INVESTIGATORS	(132,434)	0	(2)	0	209,201	0	0
YAVAPAI COUNTY SHERIFF'S DEPT.	15,843,868	0	272	530,153	2,885,038	0	0
YAVAPAI PRESCOTT TRIBAL POLICE	609,931	0	10	0	69,316	0	0
YOUNGTOWN POLICE DEPARTMENT	496,847	0	9	0	0	0	76,064
YUMA COUNTY SHERIFF'S DEPARTMENT	11,827,799	0	203	17,858	1,754,674	0	0
YUMA FIRE DEPARTMENT	21,116,072	0	362	441,721	3,717,151	153,619	0
YUMA POLICE DEPARTMENT	32,979,623	0	566	202,264	4,860,230	0	0
<b>TOTALS</b>	<b>4,620,575,209</b>	<b>(0)</b>	<b>79,291</b>	<b>67,603,307</b>	<b>605,106,093</b>	<b>16,150,403</b>	<b>30,620,519</b>



## OPERATING INFORMATION

**SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)**  
FISCAL YEAR ENDED JUNE 30, 2017

<b>PSPRS SYSTEM</b>	<b>PENSION PAYMENTS</b>	<b>DROP PAYMENTS</b>	<b>ENHANCED REFUNDS</b>	<b>DIST. OF EARNINGS</b>	<b>DIST. OF ADMIN EXP</b>	<b>2017 BALANCES</b>	<b>2016 UAAL</b>
SURPRISE POLICE DEPARTMENT	(1,629,287)	(1,149,608)	(36,508)	3,589,391	(32,160)	25,964,374	16,333,797
TEMPE FIRE DEPARTMENT	(7,597,419)	(1,345,114)	0	8,517,929	(75,769)	61,724,955	77,129,311
TEMPE POLICE DEPARTMENT	(13,227,334)	(294,475)	(90,646)	13,507,120	(119,915)	91,848,302	149,637,083
THATCHER POLICE DEPARTMENT	(263,800)	0	0	379,550	(3,758)	2,927,291	3,601,519
THREE POINTS FIRE DISTRICT	(117,064)	0	(15,556)	310,967	(3,152)	2,151,125	828,619
TIMBER MESA FIRE AND MEDICAL DIST	(220,353)	0	(44,507)	1,437,614	(13,120)	10,106,995	190,595
TOHONO O'ODHAM NATION FIRE DEPT.	(86,927)	0	0	919,936	(8,540)	6,767,886	269,305
TOHONO O'ODHAM NATION POLICE DEPT	(731,350)	0	(7,207)	2,156,991	(19,486)	17,136,188	3,866,375
TOLLESON FIRE DEPARTMENT	(241,485)	0	0	1,157,802	(10,645)	8,310,953	2,779,960
TOLLESON POLICE DEPARTMENT	(412,068)	0	(13,878)	753,490	(7,067)	6,371,410	4,522,528
TOMBSTONE MARSHAL'S DEPARTMENT	0	0	(536)	100,201	(1,287)	800,629	(589,295)
TONOPAH VALLEY FIRE DISTRICT	0	0	0	122,149	(1,481)	855,969	(245,054)
TOWN OF SUPERIOR (FIRE DEPT)	(17,597)	0	0	68,639	(1,007)	509,759	(46,844)
TRI-CITY FIRE DISTRICT	(110,322)	0	0	384,692	(3,804)	2,690,044	477,537
TUBAC FIRE DISTRICT	(136,765)	(39,808)	(384)	637,304	(6,039)	4,786,337	596,838
TUCSON AIRPORT AUTHORITY FIRE DPT	(869,578)	0	(44,465)	529,903	(5,089)	3,798,696	10,054,628
TUCSON AIRPORT AUTHORITY POLICE	(935,761)	0	0	497,677	(4,804)	3,107,397	11,576,470
TUCSON FIRE	(30,298,470)	(990,283)	(114,394)	18,533,184	(164,387)	132,059,548	303,409,780
TUCSON POLICE	(46,936,707)	(1,582,904)	(424,191)	32,061,276	(284,088)	236,114,297	477,628,144
U OF A CAMPUS POLICE DEPARTMENT	(1,096,069)	0	(27,675)	1,617,625	(14,713)	11,431,048	12,698,596
VERDE VALLEY FIRE DISTRICT	(241,406)	0	(5,627)	959,103	(9,286)	7,023,587	2,074,399
WELLTON POLICE	(122,350)	0	0	79,996	(1,108)	573,457	986,098
WHETSTONE FIRE DISTRICT	0	0	0	45,704	(804)	345,445	(151,544)
WICKENBURG FIRE DEPARTMENT	0	0	0	171,646	(1,919)	1,191,706	(187,051)
WICKENBURG POLICE DEPARTMENT	(347,190)	0	(771)	311,765	(3,159)	2,275,446	2,856,545
WILLCOX POLICE DEPARTMENT	(320,704)	0	0	230,739	(2,442)	1,768,779	3,104,194
WILLIAMS POLICE DEPARTMENT	(127,869)	0	0	191,834	(2,097)	1,480,874	1,093,335
WILLIAMSON VALLEY FIRE DISTRICT	0	0	(322)	143,444	(1,669)	880,938	(37,871)
WINSLOW FIRE DEPARTMENT	(178,156)	0	(176)	693,742	(6,538)	6,294,438	(3,648,247)
WINSLOW POLICE DEPARTMENT	(441,924)	(662,185)	0	602,701	(5,733)	4,470,465	3,311,709
WITTMANN FIRE & MEDICAL DISTRICT	0	0	0	0	0	0	0
YAVAPAI CNTY ATTRNY INVESTIGATORS	(76,767)	0	0	4,362	(439)	3,921	1,267,158
YAVAPAI COUNTY SHERIFF'S DEPT.	(2,779,477)	(1,033,256)	(10,483)	2,613,926	(23,529)	18,026,513	29,978,521
YAVAPAI PRESCOTT TRIBAL POLICE	0	0	0	111,231	(1,384)	789,105	(208,004)
YOUNGTOWN POLICE DEPARTMENT	(102,912)	0	0	61,804	(947)	530,865	920,887
YUMA COUNTY SHERIFF'S DEPARTMENT	(1,544,602)	0	(91,209)	1,916,783	(17,360)	13,864,146	15,191,817
YUMA FIRE DEPARTMENT	(3,936,680)	(696,780)	0	3,407,616	(30,552)	24,172,529	43,300,866
YUMA POLICE DEPARTMENT	(5,298,762)	0	(50,075)	4,981,294	(44,476)	37,630,665	48,860,510
<b>TOTALS</b>	<b>(635,233,123)</b>	<b>(104,959,358)</b>	<b>(7,299,351)</b>	<b>727,865,644</b>	<b>(6,539,385)</b>	<b>5,313,969,249</b>	<b>6,464,429,760</b>

**STATISTICAL SECTION**

**OPERATING INFORMATION**

**SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES**  
FISCAL YEAR ENDED JUNE 30, 2017

<b>CORP PLAN</b>	<b>2016 BALANCES</b>	<b>OTHER ADJ</b>	<b>RESERVE TRANSFERS</b>	<b>CONTRIB RECEIVED</b>	<b>ADDITIONAL ER CONT.</b>	<b>PENSION PAYMENTS</b>
DEPARTMENT OF CORRECTIONS - CORP	579,901,953	(4,920)	12,202,779	62,909,018	0	(74,849,438)
DEPT OF JUVENILE CORRECTIONS-CORP	43,483,450	(369)	1,299,328	3,694,481	0	(7,281,379)
PINAL COUNTY - CORP	17,390,931	(148)	20,713	765,694	0	(1,041,511)
GILA COUNTY - CORP	2,997,352	(25)	0	204,740	0	(176,470)
GRAHAM COUNTY - DETENTION	1,379,527	(12)	0	103,251	0	(112,897)
MARICOPA COUNTY - CORP	152,967,139	(1,298)	2,420,115	16,136,049	0	(15,582,905)
CITY OF AVONDALE - DETENTION	837,538	(7)	0	58,239	0	(11,584)
LA PAZ COUNTY - DETENTION	0	0	152,760	102,641	0	0
YUMA COUNTY - CORP	8,420,067	(71)	37,158	784,402	0	(774,689)
PIMA COUNTY - CORP	36,631,895	(311)	376,861	4,871,371	0	(5,473,020)
APACHE COUNTY - CORP	989,367	(8)	0	66,800	0	(86,566)
COCHISE COUNTY - CORP	3,926,172	(33)	161,199	437,767	11,032	(537,064)
COCONINO COUNTY - CORP	5,387,587	(46)	191,837	372,721	0	(358,860)
MOHAVE COUNTY - CORP	5,502,870	(47)	72,392	222,521	0	(332,030)
SANTA CRUZ COUNTY - CORP	1,752,758	(15)	0	66,664	0	(105,711)
NAVAJO COUNTY - CORP	2,584,449	(22)	70,449	139,477	0	(293,079)
YAVAPAI COUNTY - CORP	7,298,157	(62)	119,957	1,021,847	0	(822,039)
PINAL COUNTY - DISPATCHERS	991,971	(8)	0	62,295	0	(66,818)
ORO VALLEY - DISPATCHERS	907,199	(8)	0	77,332	0	(132,788)
TOWN OF MARANA - DISPATCHERS	654,297	(6)	0	51,162	0	0
GILA COUNTY - DISPATCHERS	964,191	(8)	0	37,583	0	(83,034)
TOWN OF WICKENBURG-DISPATCHEERS	293,735	(2)	0	37,908	0	(30,782)
GRAHAM COUNTY - DISPATCHERS	363,764	(3)	0	9,753	0	0
YAVAPAI COUNTY - DISPATCHERS	495,077	(4)	0	31,597	0	(39,324)
CITY OF SOMERTON - DISPATCHERS	332,275	(3)	0	49,621	0	(32,389)
DEPARTMENT OF PUBLIC SAFETY	6,503,171	(55)	245,785	320,592	0	(472,420)
DEPARTMENT OF PUBLIC SAFETY DETENTION	48,166	(0)	0	3,693	0	0
<b>TOTALS CORP</b>	<b>883,005,060</b>	<b>(7,492)</b>	<b>17,371,333</b>	<b>92,639,219</b>	<b>11,032</b>	<b>(108,696,796)</b>
<b>CORP-AOC PLAN</b>	<b>2016 BALANCES</b>	<b>GASB 68 PRIOR ADJ</b>	<b>RESERVE TRANSFERS</b>	<b>CONTRIB RECEIVED</b>	<b>ADDITIONAL ER CONT.</b>	<b>PENSION PAYMENTS</b>
ADMIN. OFFICE OF THE COURT	259,225,034	(2,199)	5,273,785	22,484,433	0	(22,745,934)
<b>TOTALS CORP - AOC</b>	<b>259,225,034</b>	<b>(2,199)</b>	<b>5,273,785</b>	<b>22,484,433</b>	<b>0</b>	<b>(22,745,934)</b>

## OPERATING INFORMATION

**SCHEDULE OF CHANGES IN EMPLOYER RESERVE BALANCES AND UNFUNDED ACTUARIAL ACCRUED LIABILITIES (cont)**  
 FISCAL YEAR ENDED JUNE 30, 2017

CORP PLAN	DROP PAYMENTS	ENHANCED REFUNDS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES	2016 UAAL
DEPARTMENT OF CORRECTIONS - CORP	(70,083)	(5,999,993)	94,032,644	(822,923)	667,299,037	631,487,465
DEPT OF JUVENILE CORRECTIONS-CORP	0	(368,322)	6,492,365	(57,190)	47,262,364	52,950,396
PINAL COUNTY - CORP	0	(158,959)	2,789,361	(24,799)	19,741,283	5,253,772
GILA COUNTY - CORP	0	(37,238)	501,516	(4,787)	3,485,088	531,669
GRAHAM COUNTY - DETENTION	0	(17,732)	226,659	(2,383)	1,576,414	456,209
MARICOPA COUNTY - CORP	(746,599)	(1,858,999)	26,109,497	(228,785)	179,214,215	159,867,565
CITY OF AVONDALE - DETENTION	0	0	154,274	(1,749)	1,036,711	311,775
LA PAZ COUNTY - DETENTION	0	0	10,434	(491)	265,344	311,775
YUMA COUNTY - CORP	0	(72,482)	1,345,748	(12,172)	9,727,961	5,495,339
PIMA COUNTY - CORP	0	(397,758)	5,952,614	(52,469)	41,909,183	52,126,101
APACHE COUNTY - CORP	0	(88)	149,555	(1,708)	1,117,351	532,017
COCHISE COUNTY - CORP	0	(48,039)	648,996	(6,077)	4,593,953	4,381,070
COCONINO COUNTY - CORP	0	(94,034)	890,691	(8,191)	6,381,705	2,302,942
MOHAVE COUNTY - CORP	0	(93,834)	828,794	(7,650)	6,193,016	(701,345)
SANTA CRUZ COUNTY - CORP	0	(8,162)	255,586	(2,636)	1,958,484	149,623
NAVAJO COUNTY - CORP	0	(432)	392,801	(3,836)	2,889,807	574,562
YAVAPAI COUNTY - CORP	0	(139,298)	1,380,871	(12,479)	8,846,953	8,609,607
PINAL COUNTY - DISPATCHERS	0	0	168,363	(1,873)	1,153,930	788,756
ORO VALLEY - DISPATCHERS	0	0	136,094	(1,590)	986,238	1,132,837
TOWN OF MARANA - DISPATCHERS	0	0	124,809	(1,492)	828,771	437,863
GILA COUNTY - DISPATCHERS	0	0	141,868	(1,641)	1,058,958	541,823
TOWN OF WICKENBURG-DISPATCHEERS	0	0	47,781	(818)	347,822	418,226
GRAHAM COUNTY - DISPATCHERS	0	0	63,027	(951)	435,590	(83,374)
YAVAPAI COUNTY - DISPATCHERS	0	0	76,290	(1,067)	562,570	332,365
CITY OF SOMERTON - DISPATCHERS	0	0	59,286	(919)	407,872	564,349
DEPARTMENT OF PUBLIC SAFETY	0	(20,345)	1,015,223	(9,280)	7,582,671	4,082,421
DEPARTMENT OF PUBLIC SAFETY DETENTION	0	0	12,481	(509)	63,830	3,736
<b>TOTALS CORP</b>	<b>(816,681)</b>	<b>(9,315,717)</b>	<b>144,007,626</b>	<b>(1,270,464)</b>	<b>1,016,927,120</b>	<b>932,547,769</b>
<b>CORP-AOC PLAN</b>						
ADMIN. OFFICE OF THE COURT	(1,901,181)	(487,104)	41,046,201	(365,040)	302,527,994	236,258,086
<b>TOTALS CORP-AOC</b>	<b>(1,901,181)</b>	<b>(487,104)</b>	<b>41,046,201</b>	<b>(365,040)</b>	<b>302,527,994</b>	<b>236,258,086</b>

OPERATING INFORMATION

SCHEDULE OF CHANGES IN HEALTH INSURANCE RESERVE BALANCES  
FISCAL YEAR ENDED JUNE 30, 2017

PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES
AK CHIN INDIAN COMM. FIRE DEPT.	150,130	0	10,053	(2,625)	18,073	(160)	175,471
AK CHIN INDIAN COMM. POLICE DEPT.	90,960	0	4,854	0	10,984	(97)	106,701
APACHE COUNTY SHERIFF'S DEPT.	271,891	0	9,056	(9,455)	32,037	(283)	303,246
APACHE JUNCTION POLICE DEPARTMENT	670,386	0	7,955	(25,927)	78,057	(691)	729,780
ARIZONA STATE PARK RANGERS	589,640	0	2,582	(31,166)	67,928	(601)	628,383
ASU PD PSPRS LOCAL BOARD	887,798	0	4,748	(35,514)	103,025	(912)	959,146
ATTORNEY GENERAL INVESTIGATORS	313,484	0	8,285	(29,185)	35,780	(317)	328,047
AVONDALE FIRE DEPARTMENT	457,738	0	24,899	(8,714)	54,622	(483)	528,062
AVONDALE POLICE DEPARTMENT	696,704	0	37,467	(22,738)	82,987	(734)	793,686
AVRA VALLEY FIRE DISTRICT	151,498	0	2,378	(1,972)	17,899	(158)	169,644
AZ DPT. LIQ. LIC. & CONTROL INVST	101,640	0	18,532	(24,464)	11,665	(103)	107,271
BEAVER DAM/LITTLEFIELD FIRE DIST.	0	0	0	0	0	0	0
BENSON FIRE DEPARTMENT	9,499	0	916	0	1,134	(10)	11,538
BENSON POLICE DEPARTMENT	149,949	0	0	(1,838)	17,565	(155)	165,520
BISBEE FIRE DEPARTMENT	217,980	0	0	(11,728)	25,050	(222)	231,081
BISBEE POLICE DEPARTMENT	151,413	0	3,598	(13,128)	17,341	(153)	159,070
BLACK CANYON FIRE DISTRICT	38,933	0	649	(3,120)	4,454	(39)	40,877
BLUE RIDGE FIRE DISTRICT	0	0	0	0	0	0	0
BUCKEYE FIRE DEPARTMENT	408,959	0	26,996	0	49,572	(439)	485,089
BUCKEYE POLICE DEPARTMENT	507,764	0	23,923	(14,317)	60,264	(533)	577,102
BUCKEYE VALLEY FIRE DISTRICT	293,374	0	18,128	(3,120)	35,404	(313)	343,473
BUCKSKIN FIRE DISTRICT	67,635	0	5,773	(3,967)	8,077	(71)	77,446
BULLHEAD CITY FIRE DEPARTMENT	1,168,901	0	0	(12,149)	137,085	(1,213)	1,292,624
BULLHEAD CITY POLICE DEPARTMENT	984,026	0	5,623	(34,400)	114,431	(1,013)	1,068,667
CAMP VERDE FIRE DISTRICT	174,460	(174,460)	0	0	0	0	0
CAMP VERDE MARSHALL'S	167,635	0	3,796	(8,205)	19,613	(174)	182,664
CASA GRANDE FIRE DEPARTMENT	397,524	0	21,439	(16,478)	47,060	(416)	449,128
CASA GRANDE POLICE DEPARTMENT	772,652	0	17,252	(43,565)	89,666	(793)	835,212
CAVE CREEK MARSHALS	7,877	0	407	0	951	(8)	9,228
CENTRAL AZ. COLLEGE POLICE DEPT.	24,238	0	2,162	(280)	2,963	(26)	29,057
CENTRAL AZ. FIRE AND MEDICAL AUTH	0	1,215,334	849	(64,820)	139,666	(1,236)	1,289,793
CENTRAL YAVAPAI FIRE DISTRICT	932,981	(932,981)	0	0	0	0	0
CHANDLER FIRE DEPARTMENT	2,301,839	0	67,542	(97,379)	269,241	(2,382)	2,538,860
CHANDLER POLICE DEPARTMENT	3,730,796	0	146,115	(203,158)	437,176	(3,868)	4,107,060
CHINO VALLEY FIRE DISTRICT	282,353	(282,353)	0	0	0	0	0
CHINO VALLEY POLICE DEPARTMENT	230,196	0	2,826	(8,382)	26,881	(238)	251,283
CHRISTOPHER-KOHL'S FIRE DISTRICT	15,658	0	2,056	(1,800)	1,845	(16)	17,742
CITY OF MARICOPA FIRE	288,301	0	19,706	(1,350)	34,838	(308)	341,186
CITY OF MARICOPA POLICE	230,060	0	15,183	0	27,946	(247)	272,942
CLARKDALE FIRE DISTRICT	32,872	(32,872)	0	0	0	0	0

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PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES
CLARKDALE POLICE DEPARTMENT	126,922	0	0	(2,367)	14,824	(131)	139,248
CLIFTON FIRE DEPARTMENT	11,518	0	0	(1,200)	1,292	(11)	11,599
CLIFTON POLICE DEPARTMENT	50,511	0	0	0	5,950	(53)	56,409
COCHISE COUNTY SHERIFF'S DEPT	1,102,040	0	5,999	(34,692)	128,016	(1,133)	1,200,230
COCONINO COUNTY SHERIFF'S DEPT	597,409	0	24,373	(65,960)	68,879	(609)	624,092
COOLIDGE FIRE DEPARTMENT	13,923	0	2,308	0	1,737	(15)	17,953
COOLIDGE POLICE DEPARTMENT	320,628	0	0	(12,159)	37,178	(329)	345,318
COPPER CANYON FIRE AND MEDICAL	0	227,447	462	(2,178)	26,683	(236)	252,178
CORONA DE TUCSON FIRE DISTRICT	98,256	0	3,304	0	11,738	(104)	113,194
COTTONWOOD FIRE DEPARTMENT	137,500	0	9,935	(9,522)	16,231	(144)	154,001
COTTONWOOD POLICE DEPARTMENT	285,378	0	5,612	(6,868)	33,569	(297)	317,394
DAISY MOUNTAIN FIRE DISTRICT	560,729	0	27,166	0	67,357	(596)	654,656
DEPARTMENT OF EMER & MILITARY AFF	594,015	0	0	(1,439)	69,899	(618)	661,857
DEPARTMENT OF PUBLIC SAFETY	29,088,723	0	0	(1,776,726)	3,332,608	(29,488)	30,615,116
DESERT HILLS FIRE DEPARTMENT	69,961	0	5,850	0	8,591	(76)	84,326
DOUGLAS FIRE DEPARTMENT	404,866	0	0	(12,963)	46,965	(416)	438,453
DOUGLAS POLICE DEPARTMENT	532,823	0	0	(28,426)	61,283	(542)	565,137
DREXEL HEIGHTS FIRE DISTRICT	771,006	0	11,809	(15,381)	90,533	(801)	857,166
EAGAR POLICE DEPARTMENT	117,345	0	0	(825)	13,779	(122)	130,177
EL MIRAGE FIRE DEPARTMENT	121,706	0	5,693	0	14,588	(129)	141,857
EL MIRAGE POLICE DEPARTMENT	283,945	0	11,219	(6,280)	33,784	(299)	322,370
ELOY FIRE DISTRICT	137,561	0	7,983	0	16,605	(147)	162,002
ELOY POLICE DEPARTMENT	313,180	0	0	(3,000)	36,731	(325)	346,586
FLAGSTAFF FIRE DEPARTMENT	2,478,681	0	0	(91,188)	287,005	(2,540)	2,671,958
FLAGSTAFF POLICE DEPARTMENT	1,383,368	0	12,473	(67,442)	160,230	(1,418)	1,487,211
FLORENCE FIRE DEPARTMENT	113,023	0	7,430	0	13,647	(121)	133,979
FLORENCE POLICE DEPARTMENT	214,235	0	3,719	(4,320)	25,201	(223)	238,612
FORT MCDOWELL TRIBAL FIRE DEPT.	92,640	0	1,032	0	10,970	(97)	104,546
FORT MCDOWELL TRIBAL POLICE DEPT.	189,886	0	4,081	(1,167)	22,531	(199)	215,131
FORT MOJAVE MESA FIRE DISTRICT	279,519	0	7,165	(9,150)	32,825	(290)	310,069
FORT MOJAVE TRIBAL POLICE DEPT.	96,409	0	2,922	0	11,508	(102)	110,738
FREDONIA MARSHALS	48,581	0	0	0	5,723	(51)	54,253
FRY FIRE DISTRICT	323,506	0	21,000	(29,318)	37,794	(334)	352,647
GAME AND FISH DEPARTMENT	2,674,907	0	30,856	(180,662)	307,229	(2,718)	2,829,612
GILA COUNTY SHERIFF'S DEPARTMENT	587,913	0	0	(22,038)	68,203	(603)	633,474
GILA RIVER FIRE DEPARTMENT	416,017	0	11,933	0	49,635	(439)	477,145
GILA RIVER POLICE DEPARTMENT	646,574	0	24,868	(825)	77,467	(685)	747,400
GILBERT FIRE DEPARTMENT	1,244,065	0	60,996	(6,657)	148,657	(1,315)	1,445,745
GILBERT POLICE DEPARTMENT	1,982,838	0	71,028	(57,343)	234,596	(2,076)	2,229,044
GLENDALE FIRE DEPARTMENT	4,025,735	0	0	(153,241)	465,651	(4,120)	4,334,024

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PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES
GLENDALE POLICE DEPARTMENT	4,649,232	0	202,338	(358,961)	540,560	(4,783)	5,028,385
GLOBE FIRE DEPARTMENT	169,554	0	9,839	(13,380)	19,799	(175)	185,636
GLOBE POLICE DEPARTMENT	258,746	0	5,662	(18,950)	29,866	(264)	275,060
GOLDEN SHORES FIRE DISTRICT	32,202	0	1,253	0	3,860	(34)	37,281
GOLDEN VALLEY FIRE DISTRICT	163,621	0	1,381	(2,420)	19,198	(170)	181,610
GOLDER RANCH FIRE DISTRICT	921,720	0	39,810	(20,376)	109,600	(970)	1,049,784
GOODYEAR FIRE DEPARTMENT	558,694	0	31,049	(7,230)	66,973	(593)	648,893
GOODYEAR POLICE DEPARTMENT	737,009	0	30,113	(17,372)	87,559	(775)	836,535
GRAHAM COUNTY SHERIFF'S DEPT.	214,565	0	2,355	(2,964)	25,234	(223)	238,966
GREEN VALLEY FIRE DISTRICT	506,913	0	23,034	(36,415)	58,825	(521)	551,837
GREENLEE CNTY ATTY INVESTIGATORS	0	0	0	0	0	0	0
GREENLEE COUNTY SHERIFF'S DEPT.	240,655	0	0	(1,581)	28,277	(250)	267,101
GROOM CREEK FIRE DISTRICT	25,415	0	899	0	3,044	(27)	29,331
GUADALUPE FIRE DEPARTMENT	33,702	0	3,059	(1,200)	4,071	(36)	39,596
HARQUAHALA FIRE DISTRICT	49,271	0	2,579	0	5,928	(52)	57,726
HAYDEN POLICE DEPARTMENT	47,114	0	0	0	5,550	(49)	52,615
HEBER-OVERGAARD FIRE DISTRICT	84,129	0	1,564	0	9,981	(88)	95,586
HELLSGATE FIRE DISTRICT	58,246	0	1,197	(900)	6,895	(61)	65,376
HIGHLANDS FIRE DISTRICT	165,717	0	4,121	(4,920)	19,476	(172)	184,222
HOLBROOK POLICE DEPARTMENT	203,981	0	0	(7,487)	23,626	(209)	219,911
HUACHUCA CITY POLICE DEPARTMENT	21,243	0	2,862	0	2,674	(24)	26,755
HUALAPAI INDIAN TRIBE POLICE DEPT	59,918	0	5,231	0	7,337	(65)	72,421
JEROME POLICE DEPARTMENT	20,955	0	651	0	2,500	(22)	24,083
KEARNY POLICE DEPARTMENT	41,554	0	0	(7,359)	4,862	(43)	39,013
KINGMAN FIRE DEPARTMENT	653,475	0	307	(19,831)	75,986	(672)	709,264
KINGMAN POLICE DEPARTMENT	561,076	0	7,773	(30,088)	64,655	(572)	602,844
LA PAZ COUNTY ATTY. INVESTIGATORS	11,054	0	0	(413)	1,280	(11)	11,909
LA PAZ COUNTY SHERIFF'S DEPT.	422,529	0	0	(7,982)	49,374	(437)	463,484
LAKE HAVASU CITY FIRE DEPARTMENT	1,374,181	0	0	(69,239)	158,083	(1,399)	1,461,627
LAKE HAVASU CITY POLICE DEPT.	1,012,319	0	18,900	(52,499)	117,526	(1,040)	1,095,206
LAKE MOHAVE RANCHOS FIRE DISTRICT	54,318	0	0	0	6,399	(57)	60,660
MAMMOTH POLICE DEPARTMENT	34,065	0	0	0	4,013	(36)	38,043
MARANA POLICE DEPARTMENT	709,005	0	13,091	(19,724)	83,290	(737)	784,926
MARICOPA CNTY ATTY INVESTIGATORS	244,368	0	1,735	(11,263)	28,292	(250)	262,881
MARICOPA COUNTY PARK RANGERS	38,729	0	0	(1,520)	4,460	(39)	41,630
MARICOPA COUNTY SHERIFF'S OFFICE	12,308,661	0	0	(394,962)	1,429,164	(12,646)	13,330,218
MAYER FIRE DISTRICT	99,976	0	2,722	0	11,937	(106)	114,530
MESA FIRE DEPARTMENT	7,165,110	0	88,470	(543,396)	818,834	(7,245)	7,521,772
MESA POLICE DEPARTMENT	9,946,237	0	639,419	(1,239,010)	1,140,537	(10,092)	10,477,092
MIAMI POLICE DEPARTMENT	60,700	0	774	(1,050)	7,165	(63)	67,525

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PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES
MOHAVE COUNTY SHERIFF'S DEPT.	1,262,462	0	0	(21,852)	147,573	(1,306)	1,386,877
MOHAVE VALLEY FIRE DISTRICT	346,620	0	0	0	40,832	(361)	387,091
MONTEZUMA RIMROCK FIRE DISTRICT	52,986	(52,986)	0	0	0	0	0
MOUNT LEMMON FIRE DISTRICT	28,277	0	1,604	0	3,403	(30)	33,254
MOUNTAIN VISTA FIRE DISTRICT	0	0	0	0	0	0	0
NAU CAMPUS POLICE	276,105	0	1,389	(17,654)	31,647	(280)	291,208
NAVAJO COUNTY ATTY'S INVESTIGATOR	5,587	0	0	(2,652)	515	(5)	3,446
NAVAJO COUNTY SHERIFF'S DEPT.	579,946	0	0	(10,036)	67,776	(600)	637,087
NOGALES FIRE DEPARTMENT	492,482	0	31,919	(38,654)	57,674	(510)	542,911
NOGALES POLICE DEPARTMENT	863,375	0	18,245	(45,868)	100,357	(888)	935,220
NORTH COUNTY FIRE & MEDICAL DISTR	440,436	34,997	42,499	(31,027)	56,496	(500)	542,902
NORTHERN AZ. CONSOLIDATED FD #1	164,669	0	9,579	(5,833)	19,628	(174)	187,870
NORTHWEST FIRE DISTRICT	1,631,784	0	57,048	(44,355)	192,595	(1,704)	1,835,367
ORACLE FIRE DISTRICT	22,964	0	1,482	0	2,778	(25)	27,200
ORO VALLEY POLICE DEPT.	1,057,826	0	25,271	(21,892)	124,864	(1,105)	1,184,964
PAGE FIRE DEPARTMENT	57,716	0	2,735	(1,200)	6,863	(61)	66,053
PAGE POLICE DEPARTMENT	376,343	0	0	0	44,333	(392)	420,284
PALOMINAS FIRE DISTRICT	28,052	0	909	0	3,343	(30)	32,275
PARADISE VALLEY POLICE DEPARTMENT	427,630	0	16,343	(40,222)	49,282	(436)	452,596
PARKER POLICE DEPARTMENT	137,503	0	0	(413)	16,176	(143)	153,122
PASCUA YAQUI TRIBE FIRE DEPT.	174,268	0	7,662	0	20,985	(186)	202,729
PASCUA YAQUI TRIBE POLICE DEPT.	192,280	0	11,517	(3,780)	23,144	(205)	222,956
PATAGONIA MARSHALS	29,488	0	0	0	3,474	(31)	32,931
PAYSON FIRE DEPARTMENT	185,213	0	16,112	(23,722)	21,336	(189)	198,750
PAYSON POLICE DEPARTMENT	255,146	0	14,702	(31,810)	29,159	(258)	266,939
PEORIA FIRE DEPARTMENT	1,520,643	0	31,072	(66,108)	176,536	(1,562)	1,660,580
PEORIA POLICE DEPARTMENT	1,789,146	0	66,083	(111,290)	208,162	(1,842)	1,950,259
PHOENIX FIRE DEPARTMENT	34,769,524	0	0	(1,735,049)	4,001,865	(35,410)	37,000,931
PHOENIX POLICE DEPARTMENT	61,637,542	0	0	(3,013,653)	7,098,278	(62,808)	65,659,359
PICTURE ROCKS FIRE DISTRICT	182,194	0	0	(5,400)	21,172	(187)	197,778
PIMA COUNTY ATTORNEY INVESTIGATOR	103,665	0	0	(4,090)	12,021	(106)	111,490
PIMA COUNTY COMM. COLLEGE POLICE	366,655	0	0	(5,300)	42,907	(380)	403,882
PIMA COUNTY SHERIFF'S DEPARTMENT	7,658,913	0	101,973	(395,697)	887,550	(7,853)	8,244,885
PIMA POLICE DEPARTMENT	24,103	0	143	0	2,847	(25)	27,067
PINAL COUNTY SHERIFF'S DEPARTMENT	2,264,678	0	25,527	(70,168)	264,700	(2,342)	2,482,395
PINE-STRAWBERRY FIRE DISTRICT	183,865	0	0	(1,866)	21,569	(191)	203,378
PINETOP FIRE DISTRICT	158,202	0	9,094	(4,065)	18,869	(167)	181,933
PINETOP-LAKESIDE POLICE DEPT.	86,847	0	8,978	(10,517)	10,095	(89)	95,313
PINEWOOD FIRE DISTRICT	47,388	0	8,389	(3,735)	5,863	(52)	57,852
PONDEROSA FIRE DISTRICT	7,228	0	1,502	0	921	(8)	9,643

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PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES
PRESCOTT FIRE DEPARTMENT	1,109,251	0	0	(55,015)	127,852	(1,131)	1,180,956
PRESCOTT POLICE DEPARTMENT	730,809	0	31,909	(67,273)	84,355	(746)	779,053
PRESCOTT VALLEY POLICE DEPARTMENT	570,603	0	20,223	(15,027)	67,547	(598)	642,748
QUARTZSITE FIRE DISTRICT	41,343	0	2,179	0	4,974	(44)	48,452
QUARTZSITE POLICE DEPARTMENT	109,768	0	0	(3,591)	12,737	(113)	118,802
QUEEN CREEK FIRE DEPARTMENT	133,017	0	5,126	(3,120)	15,685	(139)	150,569
QUEEN VALLEY FIRE DISTRICT	12,812	0	1,428	0	1,587	(14)	15,813
RINCON VALLEY FIRE DISTRICT	165,974	0	9,212	(900)	19,972	(177)	194,081
RIO RICO FIRE DISTRICT	146,264	0	6,153	0	17,557	(155)	169,819
RIO VERDE FIRE DISTRICT	119,083	0	7,450	(3,705)	14,256	(126)	136,957
SAFFORD POLICE DEPARTMENT	275,746	0	8,539	(15,995)	32,147	(284)	300,153
SAHUARITA POLICE DEPARTMENT	282,278	0	15,648	(1,812)	34,001	(301)	329,814
SALT RIVER PIMA-MARICOPA FIRE	627,496	0	14,252	0	74,720	(661)	715,807
SALT RIVER PIMA-MARICOPA POLICE	642,458	0	28,917	(17,728)	76,298	(675)	729,270
SAN CARLOS TRIBAL POLICE DEPT.	130,174	0	4,822	0	15,590	(138)	150,447
SAN LUIS FIRE DEPARTMENT	183,182	0	6,625	0	21,919	(194)	211,531
SAN LUIS POLICE DEPARTMENT	263,512	0	3,683	(4,615)	31,023	(275)	293,328
SANTA CRUZ COUNTY SHERIFFS DEPT.	416,919	0	7,265	(16,751)	48,654	(431)	455,656
SCOTTSDALE FIRE DEPARTMENT	1,297,497	0	87,768	(18,087)	153,678	(1,360)	1,519,496
SCOTTSDALE POLICE DEPARTMENT	5,947,075	0	65,823	(280,861)	689,418	(6,100)	6,415,354
SEDONA FIRE DISTRICT	460,756	0	37,790	(26,505)	54,768	(485)	526,326
SEDONA POLICE DEPARTMENT	264,847	0	0	(4,140)	30,977	(274)	291,410
SHOW LOW POLICE DEPARTMENT	350,864	0	2,790	(7,369)	41,128	(364)	387,050
SIERRA VISTA FIRE DEPARTMENT	529,456	0	26,447	(50,190)	61,041	(540)	566,215
SIERRA VISTA POLICE DEPARTMENT	642,729	0	50,296	(65,215)	75,038	(664)	702,184
SNOWFLAKE POLICE DEPARTMENT	126,351	0	0	(1,338)	14,807	(131)	139,689
SOMERTON FIRE DEPARTMENT	129,362	0	3,984	(1,200)	15,386	(136)	147,395
SOMERTON POLICE DEPARTMENT	195,973	0	3,018	(2,460)	23,144	(205)	219,470
SONOITA ELGIN FIRE DEPARTMENT	35,037	0	709	0	4,158	(37)	39,867
SOUTH TUCSON FIRE DEPARTMENT	80,462	0	0	(3,120)	9,262	(82)	86,522
SOUTH TUCSON POLICE DEPARTMENT	96,128	0	8,711	(9,563)	11,346	(100)	106,521
SPRINGERVILLE POLICE DEPARTMENT	100,490	0	0	0	11,838	(105)	112,223
ST. JOHNS POLICE DEPARTMENT	59,471	0	0	0	7,006	(62)	66,415
SUMMIT FIRE DISTRICT	286,744	0	8,398	(2,025)	34,094	(302)	326,909
SUN CITY FIRE DISTRICT	804,862	0	24,561	(42,748)	93,844	(830)	879,688
SUN LAKES FIRE DISTRICT	340,166	0	10,139	(18,309)	39,588	(350)	371,233
SUN SITES PEARCE FIRE DISTRICT	16,576	0	2,339	0	2,069	(18)	20,965
SUPERIOR POLICE DEPARTMENT	86,203	0	0	0	10,155	(90)	96,267
SUPERSTITION FIRE AND MEDICAL DIS	791,200	0	20,209	(13,205)	93,605	(828)	890,981
SURPRISE FIRE DEPARTMENT	726,279	0	40,649	(12,382)	86,787	(768)	840,564



## OPERATING INFORMATION

**SCHEDULE OF CHANGES IN HEALTH INSURANCE RESERVE BALANCES**  
FISCAL YEAR ENDED JUNE 30, 2017

PSPRS SYSTEM	2016 BALANCES	SYSTEM MERGERS	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES
SURPRISE POLICE DEPARTMENT	922,600	0	55,927	(29,932)	110,362	(977)	1,057,981
TEMPE FIRE DEPARTMENT	3,483,248	0	0	(219,393)	398,603	(3,527)	3,658,932
TEMPE POLICE DEPARTMENT	3,853,965	0	216,193	(436,179)	443,606	(3,925)	4,073,660
THATCHER POLICE DEPARTMENT	195,543	0	0	(2,025)	22,926	(203)	216,242
THREE POINTS FIRE DISTRICT	95,075	0	5,310	(3,600)	11,272	(100)	107,957
TIMBER MESA FIRE AND MEDICAL DIST	326,883	0	18,721	(2,840)	39,311	(348)	381,727
TOHONO O'ODHAM NATION FIRE DEPT.	204,945	0	13,330	0	24,896	(220)	242,950
TOHONO O'ODHAM NATION POLICE DEPT	523,811	0	20,213	(3,621)	62,656	(554)	602,505
TOLLESON FIRE DEPARTMENT	261,232	0	8,291	(4,920)	30,946	(274)	295,275
TOLLESON POLICE DEPARTMENT	244,072	0	8,290	(8,344)	28,813	(255)	272,576
TOMBSTONE MARSHAL'S DEPARTMENT	52,446	0	0	0	6,178	(55)	58,570
TONOPAH VALLEY FIRE DISTRICT	47,474	0	2,009	0	5,697	(50)	55,130
TOWN OF SUPERIOR (FIRE DEPT)	29,048	0	843	(1,200)	3,397	(30)	32,058
TRI-CITY FIRE DISTRICT	105,160	0	5,435	0	12,664	(112)	123,147
TUBAC FIRE DISTRICT	201,611	0	3,973	0	23,959	(212)	229,332
TUCSON AIRPORT AUTHORITY FIRE DPT	312,723	0	0	(16,675)	35,872	(317)	331,602
TUCSON AIRPORT AUTHORITY POLICE	265,587	0	5,655	(12,972)	30,966	(274)	288,961
TUCSON FIRE	10,511,911	0	146,333	(1,009,698)	1,191,166	(10,540)	10,829,173
TUCSON POLICE	15,335,129	0	512,380	(1,563,012)	1,750,756	(15,491)	16,019,761
U OF A CAMPUS POLICE DEPARTMENT	528,513	0	29,151	(34,395)	62,164	(550)	584,884
VERDE VALLEY FIRE DISTRICT	266,614	32,872	2,707	(4,660)	35,205	(312)	332,427
WELLTON POLICE	49,708	0	0	0	5,856	(52)	55,511
WHETSTONE FIRE DISTRICT	17,963	0	0	0	2,116	(19)	20,061
WICKENBURG FIRE DEPARTMENT	47,755	0	4,915	0	5,901	(52)	58,519
WICKENBURG POLICE DEPARTMENT	153,316	0	3,015	(5,910)	17,919	(159)	168,182
WILLCOX POLICE DEPARTMENT	121,610	0	853	(4,920)	14,111	(125)	131,529
WILLIAMS POLICE DEPARTMENT	97,377	0	225	0	11,484	(102)	108,985
WILLIAMSON VALLEY FIRE DISTRICT	35,239	0	3,485	0	4,313	(38)	42,998
WINSLOW FIRE DEPARTMENT	270,746	0	0	(1,200)	31,829	(282)	301,094
WINSLOW POLICE DEPARTMENT	307,034	0	1,706	(9,471)	35,772	(317)	334,724
WITTMANN FIRE & MEDICAL DISTRICT	34,997	(34,997)	0	0	0	0	0
YAVAPAI CNTY ATTRNY INVESTIGATORS	15,347	0	0	(1,200)	1,743	(15)	15,875
YAVAPAI COUNTY SHERIFF'S DEPT.	1,122,000	0	45,987	(47,316)	132,229	(1,170)	1,251,730
YAVAPAI PRESCOTT TRIBAL POLICE	29,593	0	1,336	0	3,560	(32)	34,457
YOUNGTOWN POLICE DEPARTMENT	46,734	0	0	(2,230)	5,396	(48)	49,852
YUMA COUNTY SHERIFF'S DEPARTMENT	975,846	0	0	(6,187)	114,610	(1,014)	1,083,255
YUMA FIRE DEPARTMENT	1,659,846	0	14,586	(73,546)	192,515	(1,703)	1,791,698
YUMA POLICE DEPARTMENT	2,653,185	0	0	(91,118)	307,707	(2,723)	2,867,052
<b>TOTALS</b>	<b>299,092,404</b>	<b>(0)</b>	<b>4,248,856</b>	<b>(16,359,496)</b>	<b>34,585,728</b>	<b>(306,025)</b>	<b>321,261,466</b>

OPERATING INFORMATION

SCHEDULE OF CHANGES IN HEALTH INSURANCE RESERVE BALANCES						
FISCAL YEAR ENDED JUNE 30, 2017						
CORP PLAN	2016 BALANCES	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES
DEPARTMENT OF CORRECTIONS - CORP	68,667,136	369,532	(2,791,483)	8,031,685	(70,255)	74,206,615
DEPT OF JUVENILE CORRECTIONS-CORP	5,769,241	0	(258,949)	673,409	(5,890)	6,177,811
PINAL COUNTY - CORP	1,276,799	4,182	(6,430)	151,596	(1,326)	1,424,821
GILA COUNTY - CORP	307,933	4,224	(4,459)	36,573	(320)	343,951
GRAHAM COUNTY - DETENTION	68,253	3,749	(2,365)	8,205	(72)	77,769
MARICOPA COUNTY - CORP	14,819,922	19,464	(280,216)	1,746,674	(15,279)	16,290,567
CITY OF AVONDALE - DETENTION	31,001	3,271	0	3,866	(34)	38,104
LA PAZ COUNTY - DETENTION	0	0	0	0	0	0
YUMA COUNTY - CORP	967,649	0	(2,603)	114,834	(1,004)	1,078,876
PIMA COUNTY - CORP	3,396,025	26,027	(116,977)	398,593	(3,487)	3,700,182
APACHE COUNTY - CORP	161,493	0	(2,630)	19,046	(167)	177,743
COCHISE COUNTY - CORP	603,999	0	(8,925)	71,266	(623)	665,716
COCONINO COUNTY - CORP	433,103	8,739	(15,531)	51,125	(447)	476,989
MOHAVE COUNTY - CORP	582,596	0	(7,301)	68,817	(602)	643,510
SANTA CRUZ COUNTY - CORP	196,602	0	(17,964)	22,579	(198)	201,019
NAVAJO COUNTY - CORP	322,276	0	(2,445)	38,156	(334)	357,654
YAVAPAI COUNTY - CORP	1,048,738	0	(6,630)	124,308	(1,087)	1,165,328
PINAL COUNTY - DISPATCHERS	138,429	0	0	16,449	(144)	154,734
ORO VALLEY - DISPATCHERS	63,294	0	(3,567)	7,324	(64)	66,987
TOWN OF MARANA - DISPATCHERS	36,172	1,626	0	4,389	(38)	42,148
GILA COUNTY - DISPATCHERS	80,281	0	0	9,539	(83)	89,737
TOWN OF WICKENBURG-DISPATCHEERS	35,581	0	(97)	4,223	(37)	39,669
GRAHAM COUNTY - DISPATCHERS	17,283	356	0	2,074	(18)	19,695
YAVAPAI COUNTY - DISPATCHERS	22,790	732	0	2,751	(24)	26,250
CITY OF SOMERTON - DISPATCHERS	17,553	1,148	0	2,149	(19)	20,832
DEPARTMENT OF PUBLIC SAFETY	153,170	23,401	(19,404)	18,493	(162)	175,498
DEPARTMENT OF PUBLIC SAFETY DETENTION	1,628	75	0	197	(2)	1,899
<b>TOTALS CORP</b>	<b>99,218,948</b>	<b>466,527</b>	<b>(3,547,976)</b>	<b>11,628,322</b>	<b>(101,715)</b>	<b>107,664,105</b>
CORP-AOC PLAN	2016 BALANCES	CONTRIB RECEIVED	SUBSIDY BENEFITS	DIST. OF EARNINGS	DIST. OF ADMIN EXP	2017 BALANCES
ADMIN. OFFICE OF THE COURT	8,201,637	929,246	(439,498)	1,004,442	(8,786)	9,687,041
<b>TOTALS CORP-AOC</b>	<b>8,201,637</b>	<b>929,246</b>	<b>(439,498)</b>	<b>1,004,442</b>	<b>(8,786)</b>	<b>9,687,041</b>

**OPERATING INFORMATION**

**PSPRS PARTICIPATING EMPLOYERS**

AK CHIN INDIAN COMM FIRE DEPT.	COCONINO COUNTY SHERIFF'S DEPT.	GOLDEN VALLEY FIRE DISTRICT
AK CHIN INDIAN COMM POLICE DEPT.	COOLIDGE FIRE DEPARTMENT	GOLDER RANCH FIRE DISTRICT
APACHE COUNTY SHERIFF'S DEPT.	COOLIDGE POLICE DEPARTMENT	GOODYEAR FIRE DEPARTMENT
APACHE JUNCTION POLICE DEPARTMENT	COPPER CANYON FIRE AND MEDICAL	GOODYEAR POLICE DEPARTMENT
ARIZONA FIRE & MEDICAL AUTHORITY	CORONA DE TUCSON FIRE DISTRICT	GRAHAM COUNTY SHERIFFS DEPT.
ARIZONA STATE CAPITOL POLICE	COTTONWOOD FIRE DEPARTMENT	GREEN VALLEY FIRE DISTRICT
ARIZONA STATE PARK RANGERS	COTTONWOOD POLICE DEPARTMENT	GREENLEE CNTY ATTY INVESTIGATORS
ASU POLICE DEPARTMENT	DAISY MOUNTAIN FIRE DISTRICT	GREENLEE COUNTY SHERIFF'S DEPT.
ATTORNEY GENERAL INVESTIGATORS	DEPARTMENT OF EMER & MILITARY AFF.	GROOM CREEK FIRE DISTRICT
AVONDALE FIRE DEPARTMENT	DEPARTMENT OF PUBLIC SAFETY	GUADALUPE FIRE DEPARTMENT
AVONDALE POLICE DEPARTMENT	DESERT HILLS FIRE DEPARTMENT	HARQUAHALA FIRE DISTRICT
AVRA VALLEY FIRE DISTRICT	DOUGLAS FIRE DEPARTMENT	HAYDEN POLICE DEPARTMENT
AZ DPT LIQ LIC & CONTROL INVST.	DOUGLAS POLICE DEPARTMENT	HEBER-OVERGAARD FIRE DISTRICT
BEAVER DAM/LITTLEFIELD FIRE DIST.	DREXEL HEIGHTS FIRE DISTRICT	HELLSGATE FIRE DISTRICT
BENSON FIRE DEPARTMENT	EAGAR POLICE DEPARTMENT	HIGHLANDS FIRE DISTRICT
BENSON POLICE DEPARTMENT	EL MIRAGE FIRE DEPARTMENT	HOLBROOK POLICE DEPARTMENT
BISBEE FIRE DEPARTMENT	EL MIRAGE POLICE DEPARTMENT	HUACHUCA CITY POLICE DEPARTMENT
BISBEE POLICE DEPARTMENT	ELOY FIRE DISTRICT	HUALAPAI INDIAN TRIBE POLICE DEPT.
BLUE RIDGE FIRE DISTRICT	ELOY POLICE DEPARTMENT	JEROME POLICE DEPARTMENT
BUCKEYE FIRE DEPARTMENT	FLAGSTAFF FIRE DEPARTMENT	KEARNY POLICE DEPARTMENT
BUCKEYE POLICE DEPARTMENT	FLAGSTAFF POLICE DEPARTMENT	KINGMAN FIRE DEPARTMENT
BUCKEYE VALLEY FIRE DISTRICT	FLORENCE FIRE DEPARTMENT	KINGMAN POLICE DEPARTMENT
BUCKSKIN FIRE DISTRICT	FLORENCE POLICE DEPARTMENT	LA PAZ COUNTY ATTY. INVESTIGATORS
BULLHEAD CITY FIRE DEPARTMENT	FORT MCDOWELL TRIBAL FIRE DEPT.	LA PAZ COUNTY SHERIFF'S DEPT.
BULLHEAD CITY POLICE DEPARTMENT	FORT MCDOWELL TRIBAL POLICE DEPT.	LAKE HAVASU CITY FIRE DEPARTMENT
CAMP VERDE MARSHALS	FORT MOJAVE MESA FIRE DISTRICT	LAKE HAVASU CITY POLICE DEPT.
CASA GRANDE FIRE DEPARTMENT	FORT MOJAVE TRIBAL POLICE DEPT.	LAKE MOHAVE RANCHOS FIRE DISTRICT
CASA GRANDE POLICE DEPARTMENT	FREDONIA MARSHALS	MAMMOTH POLICE DEPARTMENT
CAVE CREEK MARSHALS	FRY FIRE DISTRICT	MARANA POLICE DEPARTMENT
CENTRAL AZ. COLLEGE POLICE DEPT.	GAME AND FISH DEPARTMENT	MARICOPA CNTY ATTY INVESTIGATORS
CENTRAL AZ. FIRE AND MEDICAL AUTH.	GILA COUNTY SHERIFF'S DEPARTMENT	MARICOPA COUNTY PARK RANGERS
CHANDLER FIRE DEPARTMENT	GILA RIVER FIRE DEPARTMENT	MARICOPA COUNTY SHERIFF'S OFFICE
CHANDLER POLICE DEPARTMENT	GILA RIVER POLICE DEPARTMENT	MAYER FIRE DISTRICT
CHINO VALLEY POLICE DEPARTMENT	GILBERT FIRE DEPARTMENT	MESA FIRE DEPARTMENT
CHRISTOPHER-KOHL'S FIRE DISTRICT	GILBERT POLICE DEPARTMENT	MESA POLICE DEPARTMENT
CITY OF MARICOPA FIRE DEPARTMENT	GLENDALE FIRE DEPARTMENT	MIAMI POLICE DEPARTMENT
CITY OF MARICOPA POLICE DEPT.	GLENDALE POLICE DEPARTMENT	MOHAVE COUNTY SHERIFF'S DEPT.
CLARKDALE POLICE DEPARTMENT	GLOBE FIRE DEPARTMENT	MOHAVE VALLEY FIRE DISTRICT
CLIFTON POLICE DEPARTMENT	GLOBE POLICE DEPARTMENT	MOUNT LEMMON FIRE DISTRICT
COCHISE COUNTY SHERIFF'S DEPT.	GOLDEN SHORES FIRE DISTRICT	NAU CAMPUS POLICE

OPERATING INFORMATION

PSPRS PARTICIPATING EMPLOYERS

NAVAJO COUNTY ATTY'S INVESTIGATOR	RINCON VALLEY FIRE DISTRICT	TOHONO O'ODHAM NATION POLICE DEPT
NAVAJO COUNTY SHERIFF'S DEPT.	RIO RICO FIRE DISTRICT	TOLLESON FIRE DEPARTMENT
NOGALES FIRE DEPARTMENT	RIO VERDE FIRE DISTRICT	TOLLESON POLICE DEPARTMENT
NOGALES POLICE DEPARTMENT	SAFFORD POLICE DEPARTMENT	TOMBSTONE MARSHAL'S DEPARTMENT
NORTHERN AZ. CONSOLIDATED FD #1	SAHUARITA POLICE DEPARTMENT	TONOPAH VALLEY FIRE DISTRICT
NORTHWEST FIRE DISTRICT	SALT RIVER PIMA-MARICOPA FIRE	TRI-CITY FIRE DISTRICT
ORACLE FIRE DISTRICT	SALT RIVER PIMA-MARICOPA POLICE	TUBAC FIRE DISTRICT
ORO VALLEY POLICE DEPT.	SAN CARLOS TRIBAL POLICE DEPT.	TUCSON AIRPORT AUTHORITY FIRE DEPT.
PAGE FIRE DEPARTMENT	SAN LUIS FIRE DEPARTMENT	TUCSON AIRPORT AUTHORITY POLICE
PAGE POLICE DEPARTMENT	SAN LUIS POLICE DEPARTMENT	TUCSON FIRE DEPARTMENT
PALOMINAS FIRE DISTRICT	SANTA CRUZ COUNTY SHERIFF'S DEPT.	TUCSON POLICE DEPARTMENT
PARADISE VALLEY POLICE DEPARTMENT	SCOTTSDALE FIRE DEPARTMENT	U OF A CAMPUS POLICE DEPARTMENT
PARKER POLICE DEPARTMENT	SCOTTSDALE POLICE DEPARTMENT	VERDE VALLEY FIRE DISTRICT
PASCUA YAQUI TRIBE FIRE DEPT.	SEDONA FIRE DISTRICT	WELLTON POLICE DEPARTMENT
PASCUA YAQUI TRIBE POLICE DEPT.	SEDONA POLICE DEPARTMENT	WHETSTONE FIRE DISTRICT
PATAGONIA MARSHAL'S DEPT.	SHOW LOW POLICE DEPARTMENT	WICKENBURG FIRE DEPARTMENT
PAYSON FIRE DEPARTMENT	SIERRA VISTA FIRE DEPARTMENT	WICKENBURG POLICE DEPARTMENT
PAYSON POLICE DEPARTMENT	SIERRA VISTA POLICE DEPARTMENT	WILLCOX POLICE DEPARTMENT
PEORIA FIRE DEPARTMENT	SNOWFLAKE POLICE DEPARTMENT	WILLIAMS POLICE DEPARTMENT
PEORIA POLICE DEPARTMENT	SOMERTON FIRE DEPARTMENT	WILLIAMSON VALLEY FIRE DISTRICT
PHOENIX FIRE DEPARTMENT	SOMERTON POLICE DEPARTMENT	WINSLOW FIRE DEPARTMENT
PHOENIX POLICE DEPARTMENT	SONOITA ELGIN FIRE DEPARTMENT	WINSLOW POLICE DEPARTMENT
PICTURE ROCKS FIRE DISTRICT	SOUTH TUCSON FIRE DEPARTMENT	WITTMANN FIRE & MEDICAL DISTRICT
PIMA COUNTY ATTORNEY INVESTIGATOR	SOUTH TUCSON POLICE DEPARTMENT	YAVAPAI CNTY ATTRNY INVESTIGATORS
PIMA COUNTY COMM. COLLEGE POLICE	SPRINGVILLE POLICE DEPARTMENT	YAVAPAI COUNTY SHERIFF'S DEPT.
PIMA COUNTY SHERIFF'S DEPARTMENT	ST. JOHNS POLICE DEPARTMENT	YAVAPAI PRESCOTT TRIBAL POLICE
PIMA POLICE DEPARTMENT	SUMMIT FIRE DISTRICT	YOUNGTOWN POLICE DEPARTMENT
PINAL COUNTY SHERIFF'S DEPARTMENT	SUN CITY FIRE DISTRICT	YUMA COUNTY SHERIFF'S DEPARTMENT
PINE-STRAWBERRY FIRE DISTRICT	SUN SITES PEARCE FIRE DISTRICT	YUMA FIRE DEPARTMENT
PINETOP FIRE DISTRICT	SUPERIOR FIRE DEPARTMENT	YUMA POLICE DEPARTMENT
PINETOP-LAKESIDE POLICE DEPT.	SUPERIOR POLICE DEPARTMENT	
PINEWOOD FIRE DISTRICT	SUPERSTITION FIRE AND MEDICAL DIST.	
PONDEROSA FIRE DISTRICT	SURPRISE FIRE DEPARTMENT	
PRESCOTT FIRE DEPARTMENT	SURPRISE POLICE DEPARTMENT	
PRESCOTT POLICE DEPARTMENT	TEMPE FIRE DEPARTMENT	
PRESCOTT VALLEY POLICE DEPARTMENT	TEMPE POLICE DEPARTMENT	
QUARTZSITE FIRE DISTRICT	THATCHER POLICE DEPARTMENT	
QUARTZSITE POLICE DEPARTMENT	THREE POINTS FIRE DISTRICT	
QUEEN CREEK FIRE DEPARTMENT	TIMBER MESA FIRE AND MEDICAL DIST.	
QUEEN VALLEY FIRE DISTRICT	TOHONO O'ODHAM NATION FIRE DEPT.	

**OPERATING INFORMATION**

**EORP PARTICIPATING EMPLOYERS**

STATE OF ARIZONA	CITY OF APACHE JUNCTION	TOWN OF GILBERT
P.S.P.R.S.	CITY OF AVONDALE	TOWN OF MARANA
APACHE COUNTY	CITY OF CHANDLER	TOWN OF SAHUARITA
COCHISE COUNTY	CITY OF FLAGSTAFF	TOWN OF THATCHER
COCONINO COUNTY	CITY OF GLENDALE	
GILA COUNTY	CITY OF GLOBE	
GRAHAM COUNTY	CITY OF MESA	
GREENLEE COUNTY	CITY OF PEORIA	
LA PAZ COUNTY	CITY OF PHOENIX	
MARICOPA COUNTY	CITY OF SAFFORD	
MOHAVE COUNTY	CITY OF SAN LUIS	
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	DEPT. OF PUBLIC SAFETY - DETENTION OFFICERS	DEPT. OF PUBLIC SAFETY - DISPATCHERS
DEPT. OF JUVENILE CORRECTIONS	APACHE COUNTY - DETENTION OFFICERS	GILA COUNTY - DISPATCHERS
APACHE COUNTY - AOC	COCHISE COUNTY - DETENTION OFFICERS	GRAHAM COUNTY - DISPATCHERS
COCHISE COUNTY - AOC	COCONINO COUNTY - DETENTION OFFICERS	PINAL COUNTY - DISPATCHERS
COCONINO COUNTY - AOC	GILA COUNTY - DETENTION OFFICERS	YAVAPAI COUNTY - DISPATCHERS
GILA COUNTY - AOC	GRAHAM COUNTY - DETENTION OFFICERS	CITY OF SOMERTON - DISPATCHERS
GRAHAM COUNTY - AOC	LA PAZ COUNTY - DETENTION OFFICERS	TOWN OF MARANA - DISPATCHERS
GREENLEE COUNTY - AOC	MARICOPA COUNTY - DETENTION OFFICERS	TOWN OF ORO VALLEY - DISPATCHERS
LA PAZ COUNTY - AOC	MOHAVE COUNTY - DETENTION OFFICERS	TOWN OF WICKENBURG - DISPATCHERS
MARICOPA COUNTY - AOC	NAVAJO COUNTY - DETENTION OFFICERS	
MOHAVE COUNTY - AOC	PIMA COUNTY - DETENTION OFFICERS	
NAVAJO COUNTY - AOC	PINAL COUNTY - DETENTION OFFICERS	
PIMA COUNTY - AOC	SANTA CRUZ COUNTY - DETENTION OFFICERS	
PINAL COUNTY - AOC	YAVAPAI COUNTY - DETENTION OFFICERS	
SANTA CRUZ COUNTY - AOC	YUMA COUNTY - DETENTION OFFICERS	
YAVAPAI COUNTY - AOC	CITY OF AVONDALE - DETENTION OFFICERS	
YUMA COUNTY - AOC		

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