Effective December 2021, CAFR (Comprehensive Annual Financial Report) is called
ACFR (Annual Comprehensive Financial Report)

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

A PENSION TRUST FUND OF THE STATE OF ARIZONA

THIRTIETH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 1998

This report was prepared by the staff of the PSPRS

1020 East Missouri Avenue

Phoenix, Arizona 85014

(602) 255-5575

Fax (602) 255-5572

www.psprs.com

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
THIRTIETH COMPREHENSIVE ANNUAL FINANCIAL REPORT

CONTENTS

INTRODUCTORY SECTION

Fund Managers' Report 3

Letter of Transmittal 4

Certificate of Achievement for Excellence in Financial Reporting 7

The Retirement Board and Administrative Organization 8

Organizational Chart 9

Summary of Plan Provisions (See Note 1 in Notes to Financial Statements) 17

FINANCIAL SECTION

Independent Auditor's Report 13

Statements of System Net Assets 15

Statements of Changes in System Net Assets 16

Notes to Financial Statements 17

Schedule of Funding Progress 23

Required Supplementary Information 24

Supporting Schedule of Changes in Fund Balance Reserves 25

Supporting Schedule of Administrative and Investment Expenses 26

Supporting Schedule of Payments to Consultants 26

Supplemental Schedule of Cash Receipts and Cash Disbursements 27

Schedule of Changes in Employers' Reserve – Year Ended June 30, 1998 and Unfunded Accrued Normal Costs at June 30, 1997 28

Statement of Changes in Refundable Member Reserves Fiscal Year Ended June 30, 1998 34

INVESTMENT SECTION

Fund Objectives 39

Investment Performance Data 41

Supporting Schedule of Commissions Paid to Brokers 46

Summary of Changes in Investment Portfolio 47

Detailed List of Investments Acquired 48

Detailed List of Sales and Redemption of Investments 57

Detailed List of Investments Owned 60

ACTUARIAL SECTION

Actuarial Certification Statement 73

Actuarial Balance Sheet – All Employers 75

Summary of Valuation Methods and Assumptions 76

Solvency Test 80

Summary of Active Member Data 81

STATISTICAL SECTION

Summary of Growth of the System 85

Schedule of Benefit Expenses by Type 86

Summary of Retired Member and Survivor Data 87

Summary of Benefit Increases 88

Participating Employers 90

INTRODUCTORY SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTIETH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 1998

Fund Managers' Report

Letter of Transmittal

Certificate of Achievement for
Excellence in Financial Reporting

The Retirement Board and
Administrative Organization

Organizational Chart

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

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORRECTIONS OFFICER RETIREMENT PLAN
ELECTED OFFICIALS' RETIREMENT PLAN
1020 East Missouri Avenue
Phoenix, Arizona 85014-2613

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

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

Michael H. Ong, J.D.
Assistant Administrator

The Honorable Jane Dee Hull
Governor of the State of Arizona
State Capitol
Phoenix, Arizona 85007

September 16, 1998

Dear Governor Hull:

The Fund Manager of the Public Safety Personnel Retirement System respectfully submits the Thirtieth Annual Report for the fiscal year ending June 30, 1998, in accordance with the provisions of A.R.S. Section 38-848.

We are pleased to report that the System is in outstanding financial and actuarial condition. For the fifteenth year in a row the System remains more than 97% funded even in the face of improved retirement benefits. In fact, the System is now more than 116% funded. Set forth below are some of the record-breaking highlights of the fiscal year ending June 30, 1998.

Total System assets increased from $3,427,156,029 to $4,151,364,074, an increase of 21%. The fair value of the total System assets was more than 43% above cost. Benefits paid to retired members and their beneficiaries increased from $102,404,128 to $112,374,125. The average employer contribution rate as a percentage of gross payroll decreased from a high of 22.13% for the 1972/73 fiscal year to 5.82% for the 1998/99 fiscal year. This is a direct savings to the taxpayers of approximately $102 million annually. The investment earnings provided 89% of the total cost of the System. Net investment income for the year totaled $750,793,356 breaking the old record of $644,116,823 set last year.

The total rate of return which includes realized as well as unrealized gains and losses for the total fund was 22.23%. The total rates of return for the stock portfolio and bond portfolios were 27.27% and 12.97% respectively. The fund continues to outperform the market indexes on a short-term and a long-term basis. The net effective yield, which takes into account only realized gains and losses, was 11.73%—the third best on record.

Total administrative and investment expenses increased about 1.5% from $864,850 last year to $878,120 this year. Costs have increased only 36% during the past thirteen years. This increase is well below the rate of inflation (52% during this period) even though assets managed have increased 476% and the System membership has increased 76%.

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

Respectfully submitted,

John A. Cochran, Ph.D., Chairman

F. Michael Geddes, Member

Donald L. De Ment, Member

Carmen Torrie, Member

Tony West, Member

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORRECTIONS OFFICER RETIREMENT PLAN
ELECTED OFFICIALS' RETIREMENT PLAN
1020 East Missouri Avenue
Phoenix, Arizona 85014-2613

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

Michael H. Ong, J.D.
Assistant Administrator

TELEPHONE: (602) 255-5575
FAX: (602) 255-5572
www.psprs.com

October 7, 1998

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

Gentlemen:

There is presented herewith the Thirtieth Annual Report of the operations and financial conditions of the Public Safety Personnel Retirement System for the fiscal year ended June 30, 1998. Incorporated in this report are the audited financial statements and other financial data from the June 30, 1998, report of Barrows & Schatza, P.L.C., Certified Public Accountants and auditors for the System. Also included is the Actuarial Certification Statement and the Actuarial Balance Sheet from the June 30, 1998, Actuarial Valuation made by the System's Actuary, Gabriel, Roeder, Smith & Company, Consulting Actuaries.

This report has been organized into five sections: the Introductory Section contains general information regarding the operations of the PSPRS; the Financial Section contains the financial reports and schedules of the funds administered by the PSPRS; the Investment Section contains detailed lists of the investment transactions and portfolios of the system along with investment performance; the Actuarial Section contains actuarial information regarding the funding of the pension trusts; and the Statistical section contains statistical data pertaining to the benefits paid by the PSPRS and growth of the system.

FINANCIAL INFORMATION

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

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

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

REVENUES

Revenues to the System are derived from three sources; member contributions, employer contributions and investment income. As shown by the Schedule of Revenues by Source included with the financial statements later in this report, the investment earnings during the 1997/1998 fiscal year provided 89% of the total funding of the System. Member contributions made up 5% of total revenue, direct employer contributions made up 5% of the total revenues and insurance premium taxes provided 1% of the total revenues. Please refer to the Financial Section for a ten-year history of revenues and expenses.

ADMINISTRATIVE AND INVESTMENT EXPENSES

The 1997/1998 Administrative and Investment Expenses of the Administrative Office totaled $878,120 compared to $864,850 for the prior year. This is only 34% higher than the total for fiscal year 1984/1985. This is a compounded annual rate of increase of 2.4% over the last thirteen years. This rate of increase is well below both the rate of inflation and the rate of growth of the System. A dedicated staff and constantly improving internal expertise has allowed management to keep costs nearly flat for the past thirteen years even though inflation, membership and assets managed have increased substantially during this same period (over 49%, over 79% and over 376%, respectively).

INVESTMENTS

Since the System is well-funded, the management takes a moderately conservative approach to investing. The System invests primarily in bonds rated A or better and blue-chip common stock. A detailed summary of the investment portfolio and all investment transactions is presented in the Investment Section. At year-end, the investment portfolio was made up of 14.1% U. S. Government Securities, 14.4% Corporate Bonds, 1.9% Other Investments, .5% Corporate Notes, .1% insured Money Market Funds and 69.0% Common Stocks. All investments are held in trust by the Arizona subsidiary of one of the largest banks in the world.

Even with this relatively conservative investment philosophy, the fixed income portfolio has outperformed the Lehman Government Corporate Bond Index in eight of the last ten years. The equity portfolio has also outperformed the NYSE Index in eight of the last ten years. This extraordinary performance resulted in a total rate of return of 22.23% for the 1997/1998 fiscal year. Graphs depicting the fund's extraordinary performance since 1974, the year internal staff took over the portfolio management, can be found in the Investment Section.

ECONOMIC OUTLOOK

The economy seems to be leveling off. It is likely the economy will continue its moderate growth. With interest rates so low, it may be difficult to continue to outperform the System's 9% assumed rate of investment return over the next couple of years.

ACTUARIAL AND FUNDING INFORMATION

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

There is no single all-encompassing test to measure a retirement system's funding progress and current status. A traditional measure is the ratio of assets to unfunded accumulated normal costs, often referred to as the "percent funded." The percent funded for the System at June 30, 1998, is 116.3% which is well ahead of schedule. One Hundred and one of the 167 participating units have fully-funded actuarial accrued liabilities.

The System is funded through a member contribution of 7.65% of gross payroll, an employer contribution set by an actuarial valuation expressed as a percent of gross payroll and a distribution of the net earnings of the Fund. While each employer has a different contribution rate, the average for the entire System for the 1999/2000 fiscal year is 5.29% of gross payroll. Of the 167 groups that make up the System, nine will have no employer contribution required and 96 employers will pay less than the 7.65% which the employees pay. In addition, the firefighter groups and the Department of Public Safety receive a percentage of Insurance Premium Tax which underwrites a large portion, if not all, of their employer contributions.

POST RETIREMENT BENEFIT INCREASES

State law provides for an annual benefit increase for retirees or their survivors who are over age fifty-five on the effective day of the increase and for disability retirees regardless of age. These increases are dependent upon the production of excess earnings on a portion of the system's assets and are limited to four percent of the average benefit being paid.

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

July 1, 1986 - $36.17
July 1, 1987 - $38.59
July 1, 1988 - $42.84
July 1, 1989 - $44.95

July 1, 1990 - $47.83
July 1, 1991 - $52.35
July 1, 1992 - $55.13
July 1, 1993 - $58.69
July 1, 1994 - $63.94
July 1, 1995 - $45.00
July 1, 1996 - $50.00
July 1, 1997 - $55.00
July 1, 1998 - $78.36
July 1, 1999 - $81.95

Cumulative Total - $750.80

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the PSPRS for its comprehensive annual financial report for the fiscal year ended June 30, 1997. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the Government Finance Officers Association.

SUMMARY

The System's Actuary, Gabriel, Roeder, Smith & Company, summarized the results of the latest Actuarial Valuation as of June 30, 1998, as follows:

> The results of the valuations indicate that Retirement System benefit obligations are being funded as incurred. Current assets are 116.3% of actuarial accrued liabilities. This is an excellent level of accrued funding and well ahead of schedule. Superior investment returns, over an extended period, have made possible the excellent actuarial condition of the Retirement System, improved benefits for members retiring in the future, cost-of-living increases to retired members and their beneficiaries and substantial reductions in contribution requirements.

The System has experienced great change during the past thirty years. The System was created on July 1, 1968 to provide a uniform state-wide retirement system for public safety personnel. The System successfully transitioned from a 25-year/age-55 program to a straight 20-year program. The System now provides for disability benefits, survivor benefits for spouses and children, post-retirement increases and health insurance subsidies. Employer contribution rates have dropped from an average of 22.13% to 5.29%. Funding has increased to 116.3%. Over just the past ten years, investment income and total assets of the fund have more than tripled. I am proud to have been a part of the Fund's management team and I look forward to the Fund's continued success in the future.

Respectfully submitted,

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Safety Personnel Retirement System, Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1997

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to Government units and public employee retirement Systems whose comprehensive annual financial Reports (CAFRs) achieve the highest standards in government accounting and financial reporting

Douglas R Ellsworth
President

Jeffrey L. Esser
Executive Director

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

THE FUND MANAGER

		Term Expires
John A. Cochran, Ph.D., Tempe Retired Professor of Economics Arizona State University	Chairman	January 1999
F. Michael Geddes, Phoenix President Geddes & Company	Member	January 1999
Donald L. De Ment, Tucson Retired City Clerk City of Tucson	Member	January 2000
Carmen Torrie, Prescott Sergeant Department of Public Safety	Member	January 2001
Tony West, Phoenix Treasurer State of Arizona	Member	January 2000

PROFESSIONAL ADVISORS

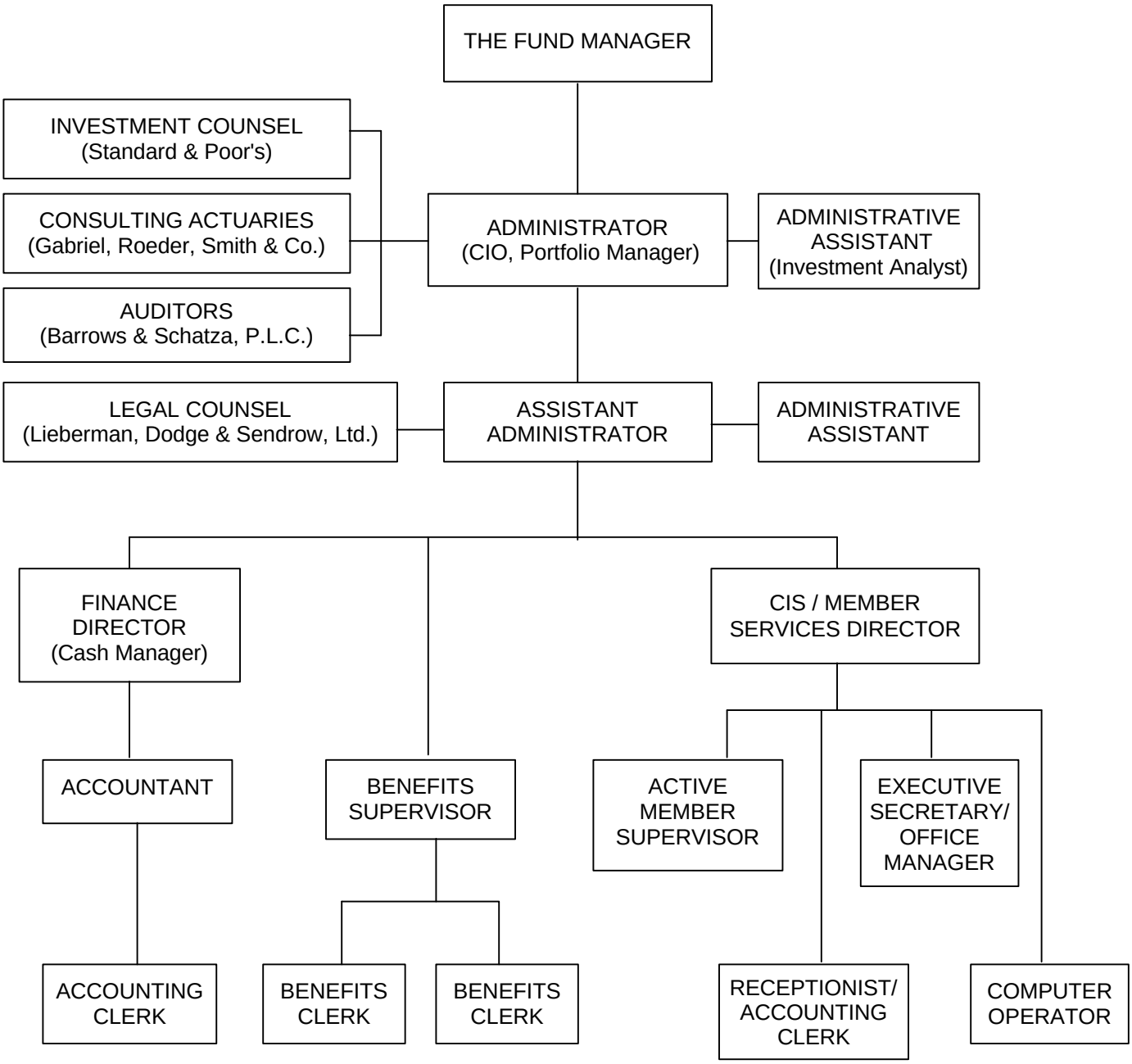
Standard & Poor's	Investment Counsel
Gabriel, Roeder, Smith & Company	Consulting Actuaries
Barrows & Schatza, P.L.C.	Auditors
Lieberman, Dodge & Sendrow, Ltd.	Legal Counsel

ADMINISTRATIVE STAFF

Jack M. Cross, C.P.A., C.F.A.	Administrator
Michael H. Ong, J.D.	Assistant Administrator
William F. Mulholland, C.P.A.	Finance Director
Donald B. Mineer	CIS / Member Services Director
Jared A. Smout	Administrative Assistant
Kathleen A. Mattoon	Executive Secretary / Office Manager
Nancee J. McCorkle	Active Member Supervisor
Sheryl D. Saltsman	Benefits Supervisor
Annette L. Jorgensen	Administrative Assistant
LaDawn M. Snodgrass	Computer Operator
Joann L. Lowey	Accountant
Lori A. Boyle	Receptionist / Accounting Clerk
Deborah S. Irwin	Accounting Clerk
Lilian L. Leung	Benefits Clerk
Lisa Guerrero	Benefits Clerk

1020 East Missouri
Phoenix, Arizona 85014
Telephone (602) 255-5575
Facsimile (602) 255-5572
www.psprs.com

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
ORGANIZATIONAL CHART
JUNE 30, 1998



FINANCIAL SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTIETH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 1998

Independent Auditor's Report

Statements of System Net Assets

Statements of Changes in System Net Assets

Notes to Financial Statements

Schedule of Funding Progress

Required Supplementary Information

Supporting Schedule of Changes
In Fund Balance Reserves

Supporting Schedule of
Administrative and Investment Expenses

Supporting Schedule of Payments to Consultants

Supplemental Schedule of
Cash Receipts and Cash Disbursements

Schedule of Changes in Employers' Reserve – Year Ended June 30, 1998,
and Unfunded Accrued Normal Costs at June 30, 1997

Statement of Changes in Refundable Member Reserves
Fiscal Year Ended June 30, 1998

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of system net assets of the **STATE OF ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM** as of June 30,1998 and 1997, and the related statements of changes in system net assets for the years then ended, appearing on pages 15 and 16, respectively. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of **STATE OF ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM** as of June 30, 1998 and 1997, and the results of its operations and the changes in system net assets for the years then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information, contained on pages 23 and 24, schedule of funding progress and schedule of employer contributions, are required disclosures under Governmental Accounting Standards Board (GASB) statement No. 25 and are not a required part of the basic financial statements. Also, the accompanying additional information, contained on pages 25 to 27, are not required disclosures under Governmental Accounting Standards Board (GASB) statement No. 25 and are not a required part of the basic financial statements. The accompanying additional information described above has been subjected to the auditing procedures applied in our audit of the 1998 financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Barrows & Schatza, P.L.C.

September 25, 1998

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
STATEMENTS OF SYSTEM NET ASSETS
AS OF JUNE 30, 1998 AND 1997

	1998		1997	
	Book Cost	See Note 2	Book Cost	See Note 2
ASSETS				
Cash				$ 10,949
Receivables:				
Members' Contributions		$ 1,659,013		1,633,206
Employers' Contributions		3,542,635		4,386,384
Interest and Dividends		28,137,005		26,868,991
Total Receivables		33,338,653		32,888,581
Investments at Fair value (Note 2):				
U.S. Government Securities	$ 534,741,606	579,256,724	$ 641,282,590	676,167,804
Corporate Bonds	540,375,606	591,569,004	408,871,293	419,662,541
Corporate Notes	20,975,637	20,975,637	38,839,775	38,839,775
Corporate Stocks	1,686,080,374	2,847,416,225	1,423,859,869	2,189,785,301
Other Investments	77,042,472	77,042,472	67,736,916	67,397,208
Money Market Account	1,243,996	1,243,996	1,849,721	1,849,721
Total Investments	$ 2,860,459,691	4,117,504,058	$ 2,582,440,164	3,393,702,350
Property (Note 2)		521,363		554,149
Total System Assets		4,151,364,074		3,427,156,029
Collateral Held in Trust for Securities on Loan		782,334,055		864,687,111
Liability- Collateral Subject to Return to Borrower		(782,334,055)		(864,687,111)
Net Assets Held in Trust for Pension Benefits:		$ 4,151,364,074		$ 3,427,156,029
Net Asset Reserves				
Refundable Members' Reserve		$ 368,729,039		$ 344,166,545
Employers' Reserve		3,259,806,604		3,046,418,509
Future Benefit Increase Reserve		522,828,431		36,570,975
Total Net Asset Reserves		$ 4,151,364,074		$ 3,427,156,029

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

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN SYSTEM NET ASSETS
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

		1998		1997
Additions:				
Contributions				
Members' Contributions (Notes 1 and 3)		$ 43,094,843		$ 39,788,668
Employers' Contributions (Notes 1 and 3)		45,320,932		52,469,969
Total Contributions		88,415,775		92,258,637
Investment Income:				
Net Appreciation in Fair Value of Investments (Note 2)		610,322,798		503,463,322
Interest		103,719,207		98,469,101
Dividends		36,100,900		41,565,715
Securities Lending Activities				
Securities Lending Income	$ 51,079,630		$ 49,103,507	
Borrower rebates	(49,662,673)		(47,655,517)	
Agents Share of Income	(495,904)		(505,354)	
Net Securities Lending Income (Note 2)		921,053		942,636
		751,063,958		644,440,774
Less Investment Expense		(270,602)		(323,951)
Net Investment Income		750,793,356		644,116,823
Total Additions		839,209,131		736,375,460
Deductions:				
Pension and Insurance Benefits (Note 1)		112,374,125		102,404,128
Refunds to Terminated Members (Note 1)		3,020,135		2,866,764
Administrative Expenses		607,518		540,899
Total Deductions		116,001,778		105,811,791
Net Increase Before Transfers		723,207,353		630,563,669
Amounts Transferred from Other State-Sponsored Pension Plans and Service Credits Purchased--Net		1,000,692		883,002
Net Increase		724,208,045		631,446,671
Net Assets Held In Trust for Pension Benefits				
Beginning of Year, July 1		3,427,156,029		2,795,709,358
Ending of Year, June 30		$ 4,151,364,074		$ 3,427,156,029

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

NOTE 1 - PLAN DESCRIPTION

Organization

Public Safety Personnel Retirement System (PSPRS) is an agent multiple-employer public employee retirement system established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes, to provide benefits for public safety employees of certain state and local governments. The system is jointly administered by the Fund Manager and 167 Local Boards.

The Fund Manager is a five-member board. Three members are appointed by the Governor and two members are appointed by the state legislature. All members serve a fixed three-year term. The Fund Manager is responsible for the investment of the system's assets, setting employer contribution rates in accordance with an actuarial study, adopting a budget, hiring personnel to administer the plan, setting up records, setting up accounts for each member and each Local Board, and the general protection and administration of the system.

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

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

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

At June 30, 1998 and 1997, the number of participating local government employer groups was:

	1998	1997
Municipalities	114	109
Counties or County Agencies	19	19
State Agencies	9	9
Special Districts	25	25
Total Employers	167	162

Any state or local government in the State of Arizona may elect to have its paid, full-time eligible employees (generally, fire fighters and police officers) covered by the PSPRS. At June 30, 1998 and 1997, statewide PSPRS membership consisted of:

	1998	1997
Retirees and beneficiaries currently receiving benefits	4,700	4,440
Terminated vested employees	46	30
Current employees		
Vested	6,301	6,166
Non-vested	7,334	6,943
Total Members	18,381	17,579

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

An eligible claimant's rights to benefits vest on the date of his application for those benefits or his last day of employment under the system, whichever occurs first. Below is a summary of benefits and plan provisions.

SUMMARY OF BENEFITS

Purpose
To provide a uniform, consistent and equitable state-wide program for public safety personnel who are regularly assigned hazardous duty in the employ of the State of Arizona, or a political subdivision thereof. (A.R.S. Section 38-841)

Eligible Groups
(a) Municipal police officers who are certified peace officers.
(b) Municipal fire fighters.
(c) Paid full-time fire fighters employed directly by a fire district organized pursuant to section 48-803 with five or more full-time fire fighters, but not including fire fighters employed by a fire district pursuant to a contract with a corporation.
(d) State highway patrol officers who are certified peace officers.
(e) State fire fighters.
(f) County sheriffs and deputies who are certified peace officers.
(g) Fish and game wardens who are certified peace officers.
(h) Police officers who are certified peace officers and fire fighters of a nonprofit corporation operating a public airport pursuant to sections 28-8423 and 28-8424. A police officer shall be designated pursuant to section 28-8426 to aid and supplement state and local law enforcement agencies and a fire fighter's sole duty shall be to perform fire fighting services, including services required by federal regulations.
(i) Police officers who are certified peace officers and who are appointed by the Arizona board of regents.
(j) Police officers who are certified peace officers and who are appointed by a community college district governing board.
(k) State attorney general investigators who are certified peace officers.
(l) County attorney investigators who are certified peace officers.
(m) Police officers who are certified peace officers and who are employed by an Indian reservation police agency.
(n) Fire fighters who are employed by an Indian reservation fire fighting agency.
(o) Police officers who are certified peach officers and who are appointed by the department of administration.
(p) Department of Liquor Licenses and Control Investigators who are certified peace officers.

Average Monthly Compensation
One thirty-sixth of total compensation paid a member during the highest three consecutive years, out of the last twenty years of credited service. (A.R.S. Section 38-842.4)

Compensation
For purposes of computing retirement benefits, base salary, overtime pay, shift differential pay and holiday pay paid to an employee on a regular monthly, semimonthly or bi-weekly payroll basis and longevity pay paid to an employee at least every six months for which contributions are made to the System. (A.R.S. Section 38-842)

Normal Retirement
First day of month after completion of twenty years of service, or following sixty-second birthday and completion of fifteen years of service. (A.R.S. Section 38-842.20)

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

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

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

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

Deferred Retirement
A member with at least ten years of credited service, who terminates employment, may elect to leave his/her contributions in the System and receive a deferred retirement allowance, commencing at age sixty-two. Pension is a lifetime monthly annuity, based on twice the amount of the member's contributions. The benefit is forfeited if the member elects a refund

of their contributions. (A.R.S. Section 38-846.01)

Ordinary Disability Retirement (Not Service Connected)
Physical condition: Total and permanent disability preventing performance of a reasonable range of duties within the employee's department, prior to normal retirement date. Mental condition: Total and permanent disability preventing any substantial gainful activity, prior to normal retirement date. Benefit is percentage of normal retirement, based on years of credited service: 25%, less than seven years, 50%, seven to fourteen years, 75%, fourteen to twenty years. (A.R.S. Section 38-842.21 and Section 38-845.C and Section 38-844.B)

Accidental Disability Retirement (Service Connected)
Total and permanent disability, incurred in performance of duty, preventing performance of a reasonable range of duties within the employee's job classification. No credited service requirement. The pension is 50% of average monthly compensation or normal pension amount, whichever is greater. (A.R.S. Section 38-842.1, A.R.S. Section 38-845.B and A.R.S. Section 38-844.B)

Offset of Accidental or Ordinary Disability Pension
Before the member's normal retirement date, an accidental or ordinary disability pension will be reduced if the retiree engages in any employment and the income from this employment is greater than the retiree's pension. The reduction is equal to the difference between the retiree's income from employment and the retiree's pension. (A.R.S. Section 38-844.F)

Temporary Disability (Service Connected)
Total and presumably temporary disability, incurred in performance of duty, prior to normal retirement, preventing performance of a reasonable range of duties within the employee's department. No credited service requirement. Monthly pension is one-twelfth of 50% of annual compensation at time of disability. Payments terminate after twelve months or return to work. (A.R.S. Section 38-844.H and Section 38-842.28 and Section 38-845.D)

Survivor Pension
The survivors of members who die in service, or after retirement, are eligible for benefits as follows: No credited service requirement. (A.R.S. Section 38-846)

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

Child's Pension - One-ninth of pension deceased active member would have been paid for accidental disability retirement (equal shares of three-ninths if more than three children), or, in the case of a retired member, one-ninth of the retired member's pension (equal shares of three-ninths if more than three children). (A.R.S. Section 38-846.E)

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

Termination Refund
Upon termination of employment, for any reason other than death or retirement, a member shall, within twenty days after filing an application with the Fund Manager, receive a lump-sum payment, equal to his accumulated contributions, as of the date of termination, less any benefits paid or any amounts owed to the System. (A.R.S. Section 38-846.02)

Transfer of Contributions
A member who terminates employment with an employer and accepts, within two years, a position with the same, or another employer participating in the System, shall have his credited service transferred to his record with the new employer, provided he leaves his accumulated contributions on deposit with the Fund. The termination of employment shall not constitute a break in service; however, the period not employed shall not be considered as service. (A.R.S. Section 38-853)

Re-employment and Repayment of Contributions
Members who terminate and take a refund of their contributions may elect, upon re-employment with the same employer, to recover their prior service, provided that their re-employment is within two years from date of termination, and they sign a written election within ninety days after re-employment to reimburse the Fund within one year. (A.R.S. Section 38-849.C)

Redemption of Prior Service
Active members who had previous service in this state in a covered position with an employer now covered by the system

and who received a refund of accumulated contributions from the applicable retirement system upon termination or who had previous service in this system and received a refund of accumulated contributions from this system may elect to redeem any part of the prior service by paying into the system the amounts required in A.R.S. Section 38-853.01.B. (A.R.S. Section 38-853.01.A)

Contributions
Covered members are require by statute to contribute 7.65 percent of their salary to PSPRS. If a member leaves covered employment or dies and no benefit is payable, accumulated member contributions are refunded to the member or designated beneficiary. Each participating employer is required by statute to contribute the remaining amounts necessary to finance the coverage of its own employees. Benefit and contribution provisions are established by state law and may be amended only by the State of Arizona legislature. (A.R.S. Section 38-843)

Transfer Between State Retirement Systems
Members of any of the four Arizona state retirement systems or plans who have credited service under another Arizona state retirement system or plan may transfer or redeem the credited service to their current Arizona state retirement system or plan by paying or transferring the full actuarial present value of the credited service into their current Arizona retirement system or plan with approval of the Fund Manager or retirement boards involved. A reduced credited service amount may be transferred based on the transfer of the actuarial present value of the credited service under the prior Arizona state system or plan. (A.R.S. Section 38-921 and Section 38-922)

COLA Benefit Increases
Effective July 1 of each year, all PSPRS retirees who are 55 years of age or older or their survivors and all disability retirees regardless of age, who were receiving benefits on or before June 30 of the previous year, may be entitled to a permanent benefit increase in their base benefit in the maximum amount of four percent (4%) of the average normal PSPRS benefit being received on the preceding June 30 contingent upon sufficient excess investment earnings for the fund. (A.R.S. 38-856)

Health Insurance Premium Subsidy
For PSPRS retirees who have group health and accident insurance coverage provided and administered by the state or another PSPRS employer, the PSPRS will pay up to $82.50 per month for part of the premium for the retirees' individual coverage and up to $130.00 per month for part of the premium for family health and accident insurance coverage. (A.R.S. Section 38-857)

State Taxation of PSPRS Benefits
Effective tax year commencing January 1, 1989, all PSPRS retirement benefits in excess of $2500 annually will be subject to Arizona state tax. (A.R.S. Section 38-852 and Section 43-1022)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

Basis of Accounting

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

The System implemented Statement Number 25 of the Governmental Accounting Standards Board for Fiscal Year End 1997. As such, the System reports assets on a Fair Value Basis. Certain cost information is provided to comply with state law.

By state statute, this system is required to provide information in the financial statements used to calculate Net Effective Yield. Net Effective Yield includes only realized gains and losses. The Realized Gain and Losses used in this calculation totaled $164,540,618 for FYE 1998 and $120,415,509 for FYE 1997.

Investments

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

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

1) That not more than seventy per cent of the pension fund shall be invested at any given time in corporate stocks, based on cost value of such stocks irrespective of capital appreciation.
2) That not more than five per cent of the pension fund shall be invested in securities issued by any one institution, agency or corporation, other than securities issued as direct obligations of and fully guaranteed by the United States Government.
3) That not more than five per cent of the voting stock of any one corporation shall be owned.
4) That corporate stocks eligible for purchase shall be restricted to stocks which, except for bank stocks and insurance stocks, are either:
    a) Listed or approved on issuance for listing on an exchange registered under the securities exchange act of 1934, as amended (15 United States Code §§ 78a through 7811)
    b) Designated or approved on notice of issuance for designation on the national market system of a national securities association registered under the securities exchange act of 1934, as amended (15 United States Code §§ 78a through 7811)
    c) Listed or approved on issuance for listing on an exchange registered under the laws of this [Arizona] state or any other state.
    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 ten per cent of the pension fund shall be invested in foreign equity securities on these exchanges, based on the cost value of the stocks irrespective of capital appreciation.

A.R.S. § 38-848.D

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

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

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

Money Market Account

The money market account is a deposit with an Arizona bank. Deposits are insured by federal depository insurance.

The money market account is subject to the general depository laws of the State of Arizona which require deposits to be either insured by the Federal Deposit Insurance Corporation or collateralized by certain securities including U.S. Government obligations and first mortgages.

Securities Lending Income

The System is party to a securities lending agreement with a bank. The bank, on behalf of the System, enters into agreements with brokers to loan securities and have the same securities returned at a later date. The loans are fully collateralized primarily by cash. Collateral is marked-to-market on a daily basis. Non-cash collateral can be sold only upon borrower default. The System requires collateral of at least 102% of the market value of the loaned U.S. Government or corporate security. Securities on loan are carried at market value. As of June 30, 1998 and 1997 the market value of securities on loan was $745,981,493 and $842,088,715, respectively. The System receives a negotiated fee for its loan activities and is indemnified for broker default by the securities lending agent. The System participates in a collateral investment pool. All security loans can be terminated on demand by either the pool participants or the borrower. All term loans have a matched collateral investment. Cash collateral received for open loans is invested for longer term, however, at least 20% of total collateral investments must be invested on an overnight basis and at least 30% of total collateral investments must be invested with a maturity of 7 days or less. Additionally, no more than 20% of the total collateral investments will be invested in instruments maturing in over 91 days. In lending securities, investments of cash collateral

for open loans as of June 30, 1998 are not matched in maturity and have a weighted average maturity of 16 days, 23 days as of June 30, 1997. The System has no credit risk under this program and has experienced no default or losses on these loans.

Property

These assets are stated at cost and depreciable assets are depreciated using the straight-line method over the estimated life of the asset. Repairs and maintenance are charged to expense as incurred. Depreciation expense for June 30, 1998 and 1997 was $32,786 and $25,519, respectively.

Property consists of the following:

	Estimated Useful Life	1998	1997
Land		$ 158,731	$ 158,731
Building	40 years	479,596	479,596
Fixtures	3 years	55,459	55,459
		693,786	693,786
Less Accumulated Depreciation		172,423	139,637
		$ 521,363	$ 554,149

NOTE 3 - CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

The Retirement System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities and assets in excess of actuarial accrued liabilities are being amortized as a level percent of payroll over a rolling twenty (20) year period.

During the year ended June 30, 1998, contributions totaling $88,415,775 ($45,320,932 employer and $43,094,843 member) were made in accordance with contribution requirements determined by an actuarial valuation of the System as of June 30, 1996. The employer contributions consisted of $70,831,771 for normal cost less ($25,510,839) for amortization of the assets in excess of the actuarial accrued liability in aggregate. Employer contributions represented 6.36% of covered payroll. [9.94% for normal costs and (3.58)% for amortization of assets in excess of the actuarial accrued liability in aggregate.] Member contributions represented 7.65% of covered payroll and is all attributable to normal costs.

During the year ended June 30, 1997, contributions totaling $92,258,637 ($52,469,969 employer and $39,788,668 member) were made in accordance with contribution requirements determined by an actuarial valuation of the System as of June 30, 1995. The employer contributions consisted of $64,439,074 for normal cost less ($11,969,105) for amortization of the assets in excess of the actuarial accrued liability in aggregate. Employer contributions represented 8.11% of covered payroll. [9.96% for normal costs and (1.85)% for amortization of assets in excess of the actuarial accrued liability in aggregate.] Member contributions represented 7.65% of covered payroll and is all attributable to normal costs.

NOTE 4 – REQUIRED SCHEDULES

The Schedule of Funding Progress and the Schedule of Employer Contributions and Revenues and Expenses by Type is presented immediately following the notes to the financial statements.

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS

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

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

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

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

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

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
REVENUES BY SOURCE AND EXPENSES BY TYPE

REVENUES

Fiscal Year	Member ** Contributions	Employer Contributions * Direct Payments	Employer Contributions * Insurance Premium Tax	Employer Contributions * Percent of Covered Payroll	Investment Income***	Total
1989	$26,988,082	$18,873,533	$7,599,506	$0	$106,249,997	$159,711,118
	17%	11%	5%		67%	100%
1990	$28,049,530	$19,854,866	$6,885,751	$0	$123,321,968	$178,111,115
	16%	11%	4%		69%	100%
1991	$30,392,870	$23,984,837	$3,860,423	$0	$134,468,900	$192,707,030
	16%	12%	2%		70%	100%
1992	$30,487,894	$28,723,991	$7,089,585	$0	$158,382,801	$224,684,271
	14%	13%	3%		70%	100%
1993	$30,982,571	$33,777,972	$7,554,072	$0	$173,241,734	$245,556,349
	13%	14%	3%		70%	100%
1994	$33,393,715	$34,120,463	$7,077,413	$0	$167,558,270	$242,149,861
	14%	14%	3%		69%	100%
1995	$35,341,047	$32,917,493	$7,538,453	$0	$199,847,112	$275,644,105
	13%	12%	3%		72%	100%
1996	$39,500,494	$37,734,258	$8,635,684	$0	$390,992,147	$312,162,637
	13%	12%	3%		72%	100%
1997	$39,788,668	$42,760,823	$9,709,146	$0	$644,440,774	$736,699,411
	6%	6%	1%		87%	100%
1998	$43,094,843	$38,287,697	$7,033,235	$0	$751,063,958	$839,479,733
	5%	5%	1%		89%	100%

EXPENSES

Fiscal Year	Benefits	Admin & Invest Expenses	Refunds	Total
1989	$34,102,587	$664,522	$2,278,910	$37,046,019
	92%	2%	6%	100%
1990	$42,024,981	$681,396	$2,378,899	$45,085,276
	93%	2%	5%	100%
1991	$47,753,834	$732,495	$1,975,573	$50,461,902
	95%	1%	4%	100%
1992	$54,068,104	$682,652	$1,956,319	$56,707,075
	95%	1%	4%	100%
1993	$65,787,637	$747,779	$2,006,416	$68,541,832
	96%	1%	3%	100%
1994	$74,512,008	$764,719	$2,107,933	$77,384,660
	96%	1%	3%	100%
1995	$83,992,275	$801,898	$2,172,524	$86,966,697
	97%	1%	2%	100%
1996	$92,851,755	$839,944	$2,251,458	$95,943,157
	97%	1%	2%	100%
1997	$102,404,128	$864,850	$2,866,764	$106,135,742
	96%	1%	3%	100%
1998	$112,374,125	$878,120	$3,020,135	$116,272,380
	97%	1%	2%	100%

NOTE: * Contributions were made in accordance with actuarially determined contribution requirements. The Employer contributions reported above are equal to the annual required contributions.
100% of annual required employer contributions were made by the employer.

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

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

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPORTING SCHEDULE OF CHANGES IN FUND BALANCE RESERVES
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	Refundable Members' Reserve	Employers' Reserve	Future Benefit Increase Reserve
Balance -- June 30, 1996	$ 321,660,440	$2,454,148,597	$ 19,900,321
Distribution of Revenues and Expenses:			
Members' Contributions	39,788,668		
Employers' Contributions		52,469,969	
Earnings on Investments		644,440,774	
Pension Benefits		(102,404,128)	
Refunds to Terminated Members	(2,866,764)		
Investment and Administrative Expenses		(864,850)	
Distribution of Transfers:			
Excess Investment Earnings to be used for Future Benefit Increases		(31,997,360)	31,997,360
Earnings on Excess Investment Earnings Acct Assets		(2,202,966)	2,202,966
Amount Utilized by Benefit Increases Granted		17,529,672	(17,529,672)
Net Transfers from Other State-Sponsored Pension Plans	431,208	451,794	
Inter-System Transfers -- Member Account Balances Transferred to Employers' Reserve due to Retirement	(14,847,007)	14,847,007	
Balance -- June 30, 1997	$ 344,166,545	$3,046,418,509	$ 36,570,975
Distribution of Revenues and Expenses:			
Members' Contributions	43,094,843		
Employers' Contributions		45,320,932	
Earnings on Investments Net of Investment Expenses		750,793,356	
Pension Benefits		(112,374,125)	
Refunds to Terminated Members	(3,020,135)		
Administrative Expenses		(607,518)	
Distribution of Transfers:			
Excess Investment Earnings to be used for Future Benefit Increases		(248,240,392)	248,240,392
Earnings on Excess Investment Earnings Acct Assets		(8,129,728)	8,129,728
Amount Utilized by Benefit Increases Granted		26,935,849	(26,935,849)
Amount Transferred by HB 2496 Second Session 1998		(256,823,185)	256,823,185
Net Transfers from Other State-Sponsored Pension Plans	442,651	558,041	
Inter-System Transfers -- Member Account Balances Transferred to Employers' Reserve due to Retirement	(15,954,865)	15,954,865	
Balance -- June 30, 1998	$ 368,729,039	$3,259,806,604	$522,828,431

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPORTING SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES
SUPPORTING SCHEDULE OF PAYMENTS TO CONSULTANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

	Administrative	Investment	Total
Accounting and Auditing Services	$ 5,700	$ -	$ 5,700
Actuarial Services	70,115	-	70,115
Contractual Services	36,866	-	36,866
Education Expenses	5,204	-	5,204
Furniture and Equipment	63,276	-	63,276
Investment Equipment	-	3,628	3,628
Investment Services	-	21,920	21,920
Occupancy Expenses	20,762	13,920	34,682
Office Supplies	6,959	1,647	8,606
Payroll Taxes and Fringe Benefits	45,737	30,665	76,402
Postage Expense	19,460	2,899	22,359
Printing, Publications and Subscriptions	6,344	1,237	7,581
Professional Services	39,680	5,911	45,591
Salaries and Wages	269,915	180,963	450,878
Telephone Expense	6,675	1,580	8,255
Travel Expense	10,825	6,232	17,057
	$ 607,518	$ 270,602	$ 878,120

	Fees Paid
Standard & Poor's - Investment Counsel	$ (1)
Gabriel, Roeder, Smith & Company - Consulting Actuaries	70,115
Barrows & Schatza, P.L.C. - Auditors	5,700
Leiberman, Dodge, Sendrow & Gerding, Ltd. - Legal Counsel	39,680
	$ 115,495

(1) This Service was provided to the System without charge by Standard & Poor's Securities, Inc. The value of these services is approximately $85,000

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPLEMENTAL SCHEDULE OF
CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998	1997
RECEIPTS:		
Members' Contributions	$ 43,069,035	$ 40,081,718
Employers' Contributions	46,164,681	52,318,548
Interest	101,167,609	96,736,630
Dividends	37,338,120	40,957,895
Securities Lending Income	967,420	890,939
Amounts Transferred from Other State-Sponsored Pension Plans	1,185,939	1,120,794
Maturities and Sales of:		
U.S. Government Securities	106,541,523	47,824,850
Corporate Bonds	22,352,651	8,699,849
Corporate Notes	2,881,408,996	2,227,195,559
Other Investments	40,787,587	13,728,257
Common Stock	460,014,338	335,547,871
Net Decrease in Money Market Fund	605,725	
Total Receipts:	3,741,603,624	2,865,102,910
DISBURSEMENTS:		
Pension Benefits	112,374,125	102,404,128
Refunds to Terminated Members	3,020,135	2,866,764
Investment and Administrative Expenses	845,336	839,331
Amounts Transferred to Other State-Sponsored Pension Plans	185,247	237,792
Acquisitions of:		
U.S. Government Securities	-	34,609,781
Corporate Bonds	153,132,292	94,735,051
Corporate Notes	2,863,544,858	2,203,140,139
Other Investments	42,873,052	36,018,980
Common Stock	565,639,528	389,614,464
Property	-	31,457
Net Increase in Money Market Fund	-	661,561
Total Disbursements:	3,741,614,573	2,865,159,448
DECREASE IN CASH	(10,949)	(56,538)
BEGINNING CASH BALANCES, July 1	10,949	67,487
ENDING CASH BALANCES, June 30	$ -	$ 10,949

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYERS' RESERVE - YEAR ENDED JUNE 30, 1998
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 1997

Sys No	System	Balances June 30, 1997	Reserve Transfers	Contributions Received	Insurance Premium Tax Received	Pension Payment	Distribution of Earnings	Balances June 30, 1998	Unfunded Accrued Normal Costs at June 30, 1997
001	Bisbee Fire	2,507,423.05	(28,257.28)	73,870.32	4,641.53	(241,380.30)	321,053.14	2,637,350.46	144,800.00
002	Casa Grande Fire	4,121,480.23	(20,845.68)	55,442.22	14,250.38	(302,160.68)	521,096.83	4,389,263.30	(196,589.00)
003	Casa Grande Police	5,518,277.07	48,844.78	195,394.88	0.00	(334,806.62)	786,533.24	6,214,243.35	201,423.00
004	Chandler Fire	10,602,125.20	119,600.58	176,949.74	183,806.77	(334,627.90)	1,573,951.66	12,321,806.05	(1,071,790.00)
005	Chandler Police	12,825,185.86	154,412.74	752,699.31	0.00	(483,698.06)	2,070,617.18	15,319,217.03	611,177.00
006	Clifton Fire	291,602.79	0.00	0.00	619.02	(13,114.44)	37,187.64	316,295.01	(154,119.00)
007	Dept. of Public Safety	311,063,138.39	668,374.16	0.00	3,060,760.00	(16,518,279.85)	37,984,268.17	336,258,260.87	(66,285,994.00)
008	Douglas Fire	3,438,046.11	86,134.81	117,425.04	7,180.31	(310,599.66)	451,849.79	3,790,036.40	250,904.00
009	Douglas Police	3,212,927.42	37,149.12	86,749.94	0.00	(154,996.02)	453,639.51	3,635,469.97	(284,695.00)
010	Flagstaff Fire	16,436,087.84	165,047.26	0.06	77,416.83	(682,052.46)	2,202,787.75	18,199,287.28	(4,610,351.00)
011	Flagstaff Police	11,098,790.49	129,909.04	300,643.38	0.00	(545,275.74)	1,562,677.37	12,546,744.54	(591,262.00)
012	Glendale Fire	24,478,424.53	346,922.46	121,861.13	191,999.39	(786,206.72)	3,401,293.36	27,754,294.15	(6,512,959.00)
013	Glendale Police	28,101,552.74	431,409.52	1,344,584.10	0.00	(1,606,036.48)	4,163,520.49	32,435,030.37	4,387,516.00
014	Globe Fire	2,052,781.93	0.00	15,944.69	5,239.40	(156,380.70)	256,139.24	2,173,724.56	(269,328.00)
015	Kingman Fire	2,393,791.47	9,906.73	141,677.11	20,168.52	(153,754.92)	365,182.95	2,776,971.86	583,539.00
016	Maricopa Cnty Sheriff	92,178,399.82	876,810.01	1,518,410.82	0.00	(5,283,305.78)	12,150,052.09	101,440,366.96	(19,219,130.00)
017	Mesa Fire	57,617,769.93	494,219.89	6,440.61	376,298.30	(1,922,232.23)	7,977,111.79	64,549,608.29	(16,218,166.00)
018	Mesa Police	80,972,564.27	888,957.87	3,224,800.60	0.00	(3,736,487.55)	11,388,639.65	92,738,474.84	(10,403,583.00)
019	Miami Fire	356,011.00	0.00	236.13	536.92	(50,599.56)	38,441.63	344,626.12	(4,690.00)
020	Nogales Fire	2,624,696.37	29,780.06	122,511.13	15,353.02	(186,065.18)	371,324.39	2,977,599.79	87,659.00
021	Phoenix Fire	299,660,768.12	2,021,623.36	4,404,804.59	1,344,924.66	(14,153,374.54)	40,212,276.23	333,491,022.42	(55,840,867.00)
022	Phoenix Police	543,929,100.74	3,619,709.73	6,331,976.22	0.00	(25,709,366.11)	71,997,154.68	600,168,575.26	(100,288,228.00)
023	Prescott Fire	9,143,181.12	0.00	128,129.67	61,090.16	(522,699.01)	1,212,558.49	10,022,260.43	(730,100.00)
024	Prescott Police	6,152,155.48	148,888.39	306,977.55	0.00	(489,316.89)	881,435.65	7,000,140.18	1,388,327.00
025	Scottsdale Police	41,104,239.08	201,372.97	1,169,392.24	0.00	(1,684,989.79)	5,773,807.20	46,563,821.70	(8,295,540.00)
026	Sierra Vista Fire	3,458,923.90	108,629.91	0.00	29,980.33	(102,170.74)	496,357.35	3,991,720.75	(1,191,470.00)
027	Tempe Fire	34,051,061.34	190,414.74	0.00	213,369.90	(1,331,841.43)	4,537,085.90	37,660,090.45	(9,378,813.00)
028	Tempe Police	34,399,020.64	733,137.65	1,168,129.86	0.00	(1,717,089.19)	5,043,137.66	39,626,336.62	(969,957.00)
029	Tucson Fire	130,815,388.27	961,498.57	223,404.88	460,693.22	(7,654,367.42)	16,881,530.26	141,688,147.78	(26,520,521.00)
030	Tucson Police	171,381,582.35	1,088,464.73	1,494,299.56	0.00	(8,342,083.58)	22,690,793.81	188,313,056.87	(37,415,448.00)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYERS' RESERVE - YEAR ENDED JUNE 30, 1998
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 1997

Sys No	System	Balances June 30, 1997	Reserve Transfers	Contributions Received	Insurance Premium Tax Received	Pension Payment	Distribution of Earnings	Balances June 30, 1998	Unfunded Accrued Normal Costs at June 30, 1997
031	Winslow Fire	2,001,904.30	0.00	0.00	4,130.53	(50,307.64)	245,845.42	2,201,572.61	(1,458,292.00)
032	Yuma Fire	17,721,954.73	197,847.07	220,296.50	50,266.73	(1,337,574.39)	2,262,473.49	19,115,264.13	(1,934,919.00)
033	Yuma Police	19,198,147.27	202,780.43	360,639.39	0.00	(916,398.30)	2,593,272.94	21,438,441.73	(4,446,695.00)
034	Yuma Cnty Sheriff	7,394,729.76	64,334.28	155,807.91	0.00	(589,639.32)	937,484.80	7,962,717.43	(982,186.00)
035	Game & Fish	22,210,664.61	75,212.12	1,989,790.84	0.00	(1,613,792.30)	3,140,383.92	25,802,259.19	2,010,006.00
036	Sierra Vista Police	5,247,101.38	(2,981.06)	193,580.18	0.00	(184,216.98)	771,038.84	6,024,522.36	(52,699.00)
037	Benson Police	761,030.93	2,274.62	25,935.68	0.00	(26,356.80)	113,790.49	876,674.92	(65,094.00)
038	Bisbee Police	1,478,548.43	0.00	47,718.61	0.00	(144,327.71)	192,659.47	1,574,598.80	169,558.00
039	Pima Cnty Sheriff	75,959,132.72	745,736.26	1,547,799.54	0.00	(4,142,534.94)	9,653,353.42	83,763,487.00	(14,754,901.00)
040	Kingman Police	3,951,170.11	70,574.23	137,199.28	0.00	(252,218.32)	551,311.64	4,458,036.94	19,340.00
041	A.S.U. Campus PD	7,138,777.70	(37,340.99)	86,584.88	0.00	(376,953.74)	921,606.02	7,732,673.87	(1,656,890.00)
042	Lake Havasu Fire	8,536,038.78	51,292.29	60,853.93	73,614.71	(292,654.62)	1,205,998.11	9,635,143.20	(1,707,168.00)
043	Mohave Cnty Sheriff	6,716,469.53	55,524.29	51,130.50	0.00	(271,942.80)	940,286.01	7,491,467.53	(1,787,097.00)
044	Bullhead City Fire	4,667,860.90	39,441.10	226,570.80	48,718.79	(134,326.02)	644,532.64	5,492,798.21	(644,332.00)
045	U of A Campus PD	4,132,855.97	73,950.81	47,253.00	0.00	(285,722.96)	554,188.72	4,522,525.54	(722,536.00)
046	Cochise Cnty Sheriff	6,921,121.45	17,029.77	224,819.35	0.00	(591,236.90)	925,825.01	7,497,558.68	582,302.00
047	Safford Police	1,658,177.49	1,411.52	69,855.33	0.00	(118,905.84)	235,121.91	1,845,660.41	309,511.00
049	Drexel Heights Fire	1,574,654.86	(12,356.39)	58,789.62	17,946.21	0.00	271,696.90	1,910,731.20	(527,516.00)
050	Winslow Police	2,015,792.67	0.00	0.00	0.00	(108,549.72)	254,378.45	2,161,621.40	(691,720.00)
051	Payson Fire	771,591.92	61,849.36	18,280.40	14,590.24	(12,310.60)	125,107.91	979,109.23	(129,699.00)
052	Payson Police	1,495,261.24	35,420.31	91,678.35	0.00	(75,820.32)	239,734.22	1,786,273.80	311,794.00
053	Hualapai Valley Fire	232,668.84	(9,894.80)	55,633.06	3,772.88	0.00	49,522.12	331,702.10	(13,026.00)
054	Fry Fire	2,958,258.57	(96,174.48)	158,976.68	13,473.56	(27,117.78)	470,478.61	3,477,895.16	(318,757.00)
055	Fredonia Marshals	58,324.62	0.00	1,446.08	0.00	0.00	10,229.91	70,000.61	(32,101.00)
056	N.A.U. Police Dept	2,429,286.31	318,859.20	23,251.42	0.00	(177,663.59)	330,013.26	2,923,746.60	(312,456.00)
058	South Tucson Fire	1,018,548.43	0.00	0.10	1,526.71	(57,806.04)	129,790.41	1,092,059.61	(311,760.00)
059	Avondale Fire	643,981.58	0.00	47,147.13	15,917.07	(16,361.88)	106,173.01	796,856.91	(31,507.00)
060	Parker Police	567,768.45	(18,841.29)	0.00	0.00	(18,698.76)	83,241.20	613,469.60	(124,579.00)
061	Coconino Cnty Sheriff	6,548,724.41	60,906.13	213,689.74	0.00	(428,257.43)	911,195.88	7,306,258.73	293,396.00
062	Central Yavapai Fire	3,084,663.23	99,615.70	176,709.45	50,508.64	(58,803.96)	508,292.49	3,860,985.55	(60,102.00)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYERS' RESERVE - YEAR ENDED JUNE 30, 1998
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 1997

Sys No	System	Balances June 30, 1997	Reserve Transfers	Contributions Received	Insurance Premium Tax Received	Pension Payment	Distribution of Earnings	Balances June 30, 1998	Unfunded Accrued Normal Costs at June 30, 1997
064	Buckskin Fire	865,860.20	(11,609.09)	15,956.60	5,476.33	(52,125.24)	119,890.43	943,449.23	(32,549.00)
065	Snowflake Police	453,235.66	0.00	38,147.79	0.00	(40,287.54)	70,048.84	521,144.75	146,972.00
066	Cottonwood Police	859,094.56	20,741.59	97,077.31	0.00	(77,689.90)	139,132.10	1,038,355.66	565,633.00
067	Lake Havasu Police	4,449,541.54	32,441.20	234,253.45	0.00	(99,514.98)	720,529.30	5,337,250.51	(53,149.00)
068	Verde Rural Fire	348,023.80	84,108.18	313.09	8,354.36	(46.16)	58,875.88	499,629.15	(207,982.00)
069	South Tucson Police	915,986.00	(30,274.24)	140,749.63	0.00	(181,899.92)	126,809.76	971,371.23	1,156,047.00
070	Apache Junction PD	2,949,186.40	0.00	172,076.09	0.00	(124,293.36)	479,290.14	3,476,259.27	381,084.00
071	Navajo Cnty Sheriffs	4,027,612.75	56,301.84	71,552.60	0.00	(284,279.09)	537,165.17	4,408,353.27	(15,937.00)
072	Mohave Valley Fire	550,747.40	0.00	26,953.20	7,214.36	0.00	87,839.33	672,754.29	(255,050.00)
073	Peoria Fire	4,285,251.95	(38,751.12)	222,812.35	101,709.71	(41,774.52)	736,753.64	5,266,002.01	(304,884.00)
074	Peoria Police	5,212,426.98	23,624.95	445,367.27	0.00	(183,848.61)	856,280.46	6,353,851.05	441,911.00
076	Paradise Valley PD	3,632,700.47	1,221.50	140,569.65	0.00	(154,420.20)	549,764.46	4,169,835.88	22,403.00
077	Wilcox Police	484,487.21	0.00	30,517.99	0.00	(51,333.00)	68,789.27	532,461.47	149,793.00
078	Show Low Police	856,398.64	59,426.61	33,719.92	0.00	(33,885.32)	133,835.02	1,049,494.87	(165,455.00)
079	Eloy Police	693,172.50	(40,609.54)	57,151.80	0.00	(18,630.72)	115,419.68	806,503.72	(97,017.00)
080	Nogales Police	2,664,638.83	65,344.98	191,670.88	0.00	(116,101.38)	427,173.37	3,232,726.68	88,367.00
081	Gilbert Police	3,310,482.63	172,548.82	411,332.14	0.00	(152,275.99)	595,313.64	4,337,401.24	803,076.00
083	Clifton Police	186,444.61	(4,490.39)	0.00	0.00	0.00	27,787.46	209,741.68	(129,743.00)
084	Taylor Police	879.68	0.00	0.00	0.00	0.00	105.44	985.12	0.00
085	Coolidge Police	1,072,603.75	(112,261.19)	39,708.90	0.00	(52,392.90)	156,508.23	1,104,166.79	24,886.00
086	Holbrook Police	1,241,387.81	25,602.95	46,360.50	0.00	(60,219.66)	177,982.92	1,431,114.52	(79,701.00)
087	Santa Cruz Police	1,610,372.20	20,609.75	148,970.66	0.00	(132,003.26)	245,141.52	1,893,090.87	631,838.00
088	Prescott Valley PD	747,624.66	17,096.80	64,158.99	0.00	(1,525.60)	135,467.65	962,822.50	(205,385.00)
089	Eagar Police	212,467.88	0.00	15,530.36	0.00	0.00	38,439.03	266,437.27	(14,867.00)
090	Tolleson Police	974,913.45	74,792.13	46,008.66	0.00	(65,994.00)	143,948.61	1,173,668.85	85,489.00
091	Florence Police	544,452.64	7,051.54	0.00	0.00	0.00	82,145.35	633,649.53	(363,190.00)
092	Springerville Police	154,770.93	(3,869.15)	5,702.19	0.00	0.00	25,768.90	182,372.87	(112,271.00)
093	El Mirage Police	272,106.95	13,689.70	20,879.61	0.00	0.00	46,617.81	353,294.07	(92,270.00)
094	Superior Police	273,888.94	103.54	5,149.12	0.00	0.00	43,747.81	322,889.41	(123,914.00)
095	San Luis Police	399,046.37	(42,326.33)	41,989.71	0.00	(8,599.44)	66,984.97	457,095.28	(22,444.00)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYERS' RESERVE - YEAR ENDED JUNE 30, 1998
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 1997

Sys No	System	Balances June 30, 1997	Reserve Transfers	Contributions Received	Insurance Premium Tax Received	Pension Payment	Distribution of Earnings	Balances June 30, 1998	Unfunded Accrued Normal Costs at June 30, 1997
096	Page Police	1,089,451.59	39,552.56	0.00	0.00	(15,115.84)	170,734.63	1,284,622.94	(506,813.00)
097	Page Fire	275,173.42	0.00	0.00	4,478.76	(16,539.84)	34,286.67	297,399.01	(23,481.00)
098	Yavapai Cnty Sheriff	4,599,134.21	(34,069.73)	331,544.68	0.00	(296,365.27)	712,129.11	5,312,373.00	1,114,096.00
099	Guadalupe Police	166,207.42	0.00	0.00	0.00	0.00	19,464.30	185,671.72	(187,138.00)
100	Pima Police	71,259.31	(1,222.86)	0.00	0.00	0.00	8,764.71	78,801.16	(78,708.00)
101	Apache Cty Sheriff	1,451,786.52	79,592.91	37,187.32	0.00	(204,268.03)	208,735.58	1,573,034.30	(404,066.00)
102	Cottonwood Fire	277,344.84	0.00	16,199.34	6,085.51	0.00	47,877.95	347,507.64	(39,470.00)
103	LaPaz Cty Sheriff	2,068,158.57	(13,397.52)	118,678.95	0.00	(100,304.86)	319,019.16	2,392,154.30	389,192.00
104	Pinal Cty Sheriff	9,984,453.71	11,606.35	421,677.45	0.00	(521,019.74)	1,413,870.44	11,310,588.21	(1,444,355.00)
105	Clarkdale Police	240,945.24	0.00	14,605.82	0.00	0.00	44,021.62	299,572.68	(24,848.00)
106	Buckeye Police	559,796.02	(19,709.83)	42,445.29	0.00	(13,530.16)	93,643.84	662,645.16	23,093.00
107	Marana Marshals	1,266,330.79	150,183.63	66,970.21	0.00	(20,425.92)	224,624.18	1,687,682.89	(93,950.00)
108	Tolleson Fire	481,193.51	(19,805.24)	30,079.79	4,638.36	0.00	83,612.65	579,719.07	(133,074.00)
109	Chino Valley Police	423,299.13	53,325.63	13,930.02	0.00	(4,903.56)	73,404.99	559,056.21	(155,482.00)
110	Surprise Police	1,168,365.96	18,570.57	108,020.30	0.00	0.00	204,216.72	1,499,173.55	(92,120.00)
111	Welton Police	66,175.29	1,618.90	4,357.36	0.00	0.00	11,724.01	83,875.56	(10,799.00)
112	Gila Cty Sheriff	2,313,798.10	18,330.27	108,159.47	0.00	(106,651.16)	359,587.15	2,693,223.83	(4,943.00)
113	Pinetop-Lakeside	982,346.45	0.00	35,362.08	0.00	(78,682.56)	131,436.72	1,070,462.69	105,919.00
114	Bullhead City Police	3,446,099.00	74,272.90	260,997.43	0.00	(167,302.51)	588,756.73	4,202,823.55	152,754.00
115	Williams Police	396,962.17	6,210.14	33.07	0.00	0.00	62,368.48	465,573.86	(205,134.00)
116	Miami Police	152,093.10	(6,215.19)	16,472.84	0.00	0.00	30,961.01	193,311.76	23,574.00
117	Thatcher Police	559,048.29	0.00	30,972.92	0.00	0.00	97,210.55	687,231.76	(73,688.00)
118	Youngtown Police	431,051.78	8,003.42	8,615.82	0.00	(30,522.96)	57,189.59	474,337.65	(37,881.00)
119	D.E.M.A.	1,598,122.92	0.00	58,076.72	0.00	(44,640.38)	259,872.92	1,871,432.18	(219,523.00)
120	Surprise Fire	353,399.45	0.00	33,780.36	13,088.14	0.00	65,446.72	465,714.67	(78,782.00)
121	Camp Verde Mrshls	481,113.52	44,976.71	21,476.10	0.00	(19,167.93)	78,864.25	607,262.65	(126,089.00)
122	Oro Valley Police	1,307,580.67	0.00	163,685.04	0.00	(25,070.44)	250,965.14	1,697,160.41	374,902.00
123	Greenlee Cty Sheriff	653,023.31	5,713.25	31,873.34	0.00	0.00	116,384.06	806,993.96	(92,148.00)
124	Tucson Air Auth Fire	2,018,194.44	0.00	134,900.83	0.00	(103,099.68)	317,088.89	2,367,084.48	614,536.00
125	Tucson Air Auth Pd	1,860,192.61	66,488.46	152,880.75	0.00	(222,014.79)	269,332.15	2,126,879.18	1,107,753.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYERS' RESERVE - YEAR ENDED JUNE 30, 1998
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 1997

Sys No	System	Balances June 30, 1997	Reserve Transfers	Contributions Received	Insurance Premium Tax Received	Pension Payment	Distribution of Earnings	Balances June 30, 1998	Unfunded Accrued Normal Costs at June 30, 1997
126	Wickenburg Police	479,465.86	(44,047.99)	54,972.09	0.00	(62,051.16)	67,925.59	496,264.39	338,101.00
127	El Mirage Fire	59,831.55	15,096.85	6,129.30	1,510.83	0.00	12,717.07	95,285.60	(27,715.00)
128	Patagonia Marshals	8,482.85	(11,596.32)	6,086.21	0.00	0.00	1,608.26	4,581.00	2,748.00
129	Sedona Police	456,326.71	16,532.41	37,470.02	0.00	0.00	86,968.47	597,297.61	(74,071.00)
130	Mammoth Police	31,468.17	0.00	14,051.32	0.00	(15,894.48)	9,392.39	39,017.40	142,038.00
131	Globe Police	1,035,744.43	45,624.56	84,982.40	0.00	(84,794.52)	170,322.38	1,251,879.25	460,353.00
132	Tombstone Police	104,971.76	0.00	11,868.79	0.00	0.00	23,110.01	139,950.56	31,744.00
133	Golder Ranch Fire	861,224.37	(30,123.80)	83,553.97	28,891.04	(33,547.44)	143,685.09	1,053,683.23	59,471.00
134	Fort Mohave Mesa FD	914,494.73	261.00	115,056.63	11,674.57	(32,643.12)	163,986.05	1,172,829.86	234,008.00
135	Laveen Fire	190,990.35	(14,666.48)	21,097.70	5,439.19	0.00	30,579.28	233,440.04	(115,544.00)
136	Goodyear Fire	225,375.88	0.00	52,994.14	9,384.59	0.00	46,443.98	334,198.59	(634.00)
137	Goodyear Police	868,240.40	(24,227.36)	99,203.00	0.00	(13,982.70)	158,161.48	1,087,394.82	19,305.00
138	Chino Valley Fire	298,624.56	0.00	34,919.56	6,786.73	0.00	54,496.75	394,827.60	87,885.00
139	Avondale Police	1,026,500.24	671.85	156,217.44	0.00	(54,438.24)	190,221.47	1,319,172.76	468,157.00
140	Graham Cty Sheriff	382,678.85	(1,411.52)	46,313.27	0.00	(30,402.96)	64,871.43	462,049.07	139,986.00
141	Flowing Wells Fire	41,066.83	0.00	0.00	0.00	0.00	2,530.50	43,597.33	0.00
142	Golden Valley Fire	384,248.50	0.00	37,208.37	5,851.18	0.00	67,954.38	495,262.43	(31,336.00)
143	Daisy Mountain Fire	216,830.80	(13,296.03)	32,820.86	8,887.36	0.00	42,072.52	287,315.51	(94,905.00)
144	Quartsite Marshals	46,575.60	425.07	12,581.60	0.00	0.00	10,519.18	70,101.45	(23,270.00)
145	Picture Rock Fire	231,285.00	0.00	25,646.34	2,864.87	0.00	40,608.01	300,404.22	(33,636.00)
146	Pima College	900,603.83	(39,280.83)	105,581.84	0.00	0.00	164,451.37	1,131,356.21	247,276.00
147	Northwest Fire	2,716,130.88	23,122.99	261,685.12	84,700.24	(42,062.64)	449,250.03	3,492,826.62	842,639.00
148	Apache Junction Fire	1,027,487.28	0.00	354,028.83	21,167.87	(46,525.56)	201,620.94	1,557,779.36	1,022,614.00
149	Gilbert Fire	760,467.07	34,605.75	4,411.95	109,486.18	(4,190.91)	141,524.60	1,046,304.64	(352,249.00)
150	Pine-Strawberry Fire	174,441.05	0.00	22,744.67	4,262.84	0.00	33,987.70	235,436.26	(37,893.00)
151	Attorney Gen Inv	2,836,872.27	0.00	138,092.66	0.00	(81,104.59)	463,268.75	3,357,129.09	(104,274.00)
152	Tucson Estate Fire	3,734.56	(9,126.37)	17,552.51	2,193.94	0.00	3,428.86	17,783.50	32,799.00
153	St. Johns Police	(20,465.71)	(12,773.61)	10,695.19	0.00	0.00	(603.23)	(23,147.36)	30,612.00
154	Pima Cty Attn Inv	446,849.68	0.00	31,352.85	0.00	0.00	80,296.36	558,498.89	9,419.00
155	SunLakes Fire	862,043.45	(107,976.71)	191,634.29	26,186.57	(18,768.60)	137,602.73	1,090,721.73	(90,190.00)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYERS' RESERVE - YEAR ENDED JUNE 30, 1998
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 1997

Sys No	System	Balances June 30, 1997	Reserve Transfers	Contributions Received	Insurance Premium Tax Received	Pension Payment	Distribution of Earnings	Balances June 30, 1998	Unfunded Accrued Normal Costs at June 30, 1997
156	Kearny Police	106,039.04	(4,183.22)	13,766.19	0.00	0.00	19,412.46	135,034.47	(7,547.00)
157	Greenlee Cty Attn Inv	9,199.65	0.00	1,989.30	0.00	0.00	1,418.56	12,607.51	(7,853.00)
158	Navajo Cty Attn Inv	64,615.56	0.00	967.50	0.00	0.00	10,737.82	76,320.88	(541,981.00)
159	Doney Park Rural FD	182,518.48	(15,096.85)	29,557.98	6,598.45	0.00	31,553.53	235,131.59	102,285.00
160	AZ State Capitol PD	412,547.55	(24,895.40)	45,660.57	0.00	(15,369.84)	66,280.73	484,223.61	(7,447.00)
161	Fountain Hills Mrshl	27,149.69	35,082.21	22,868.56	0.00	0.00	12,310.84	97,411.30	(6,297.00)
162	Avra Valley Fire	223,963.83	0.00	12,009.32	3,071.19	0.00	32,487.30	271,531.64	(66,568.00)
163	San Luis Fire	57,689.90	0.00	31,821.06	2,772.37	0.00	12,533.04	104,816.37	98,506.00
164	Az St. Dept. Liqur/Licn	525,341.66	74,163.71	52,997.10	0.00	0.00	96,934.12	749,436.59	(107,277.00)
165	Maricopa Cnty Atty Inv	1,779,077.18	136,437.64	95,997.84	0.00	(61,436.10)	301,828.01	2,251,904.57	280,233.00
166	Sedona Fire	556,829.89	23,386.06	100,102.78	46,976.89	(34,286.93)	92,491.15	785,499.84	755,063.00
167	Guadalupe Fire	20,943.54	(5,992.59)	10,532.70	0.00	0.00	4,249.69	29,733.34	9,687.00
168	Mayer Fire	38,788.04	0.00	14,167.63	2,835.76	0.00	7,686.14	63,477.57	754.00
169	Somerton Police	76,384.23	(1,559.50)	51,715.55	0.00	0.00	16,124.68	142,664.96	350,775.00
170	Sun City West Fire	0.00	24,905.12	849,326.91	109,827.92	0.00	68,919.41	1,052,979.36	0.00
171	Somerton Fire	0.00	27,924.36	31,431.27	3,506.93	0.00	5,384.39	68,246.95	0.00
172	Tubac Fire District	0.00	8,083.46	39,383.55	14,516.70	0.00	5,026.03	67,009.74	0.00
173	La Paz Cnty Atty Inv	0.00	23,711.10	5,041.20	0.00	0.00	2,930.07	31,682.37	0.00
174	Sahuarita Police	0.00	0.00	4,508.62	0.00	0.00	566.19	5,074.81	0.00
175	Bowie Fire District	0.00	0.00	1,041.58	0.00	0.00	97.65	1,139.23	0.00
199	EXCESS EARNINGS	(30,156,684.00)	0.00	0.00	0.00	0.00	0.00	(522,828,431.00)	0.00
		2,241,570,613.51	**16,512,906.52**	**38,287,697.42**	**7,033,234.47**	**(112,374,125.42)**	**304,403,657.64**	**2,002,762,237.14**	**(381,737,591.00)**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
STATEMENT OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 1998

Sys No.	System	Balances June 30, 1997	Reserve Transfers	Contributions Received	Withdrawn Members	June 30, 1998
001	Bisbee Fire	347,167.88	(27,432.72)	46,984.21	(33,973.46)	332,745.91
002	Casa Grande Fire	448,734.69	(16,159.32)	66,161.11	0.00	498,736.48
003	Casa Grande Police	1,187,090.36	(50,353.78)	164,259.85	(3,846.52)	1,297,149.91
004	Chandler Fire	2,670,404.05	(84,187.58)	438,157.77	0.00	3,024,374.24
005	Chandler Police	4,274,764.75	(34,734.74)	738,223.92	(67,920.81)	4,910,333.12
006	Clifton Fire	31,956.62	0.00	2,307.52	0.00	34,264.14
007	Department of Public Safety	19,813,114.35	(453,619.16)	1,351,792.33	(52,242.12)	20,659,045.40
008	Douglas Fire	432,161.66	41,439.19	66,803.83	(16,314.84)	524,089.84
009	Douglas Police	659,929.09	(37,149.12)	99,050.05	(30,556.33)	691,273.69
010	Flagstaff Fire	2,609,322.52	(165,047.26)	260,918.14	0.00	2,705,193.40
011	Flagstaff Police	2,344,079.56	(260,597.04)	272,179.87	(86,904.60)	2,268,757.79
012	Glendale Fire	4,609,289.93	(330,352.46)	576,996.69	0.00	4,855,934.16
013	Glendale Police	7,002,857.97	(214,997.52)	980,557.31	(124,535.86)	7,643,881.90
014	Globe Fire	190,818.82	0.00	38,940.28	0.00	229,759.10
015	Kingman Police	675,307.19	4,833.27	93,470.06	0.00	773,610.52
016	Maricopa County Sheriffs	12,836,043.97	(934,292.01)	1,582,018.71	(69,869.15)	13,413,901.52
017	Mesa Fire	10,863,163.47	(500,366.89)	1,329,154.09	(58,934.97)	11,633,015.70
018	Mesa Police	15,222,755.18	(778,445.87)	2,507,034.37	(207,949.33)	16,743,394.35
019	Miami Fire	0.00	0.00	0.00	0.00	0.00
020	Nogales Fire	539,181.08	(42,586.06)	103,623.43	(10,509.74)	589,708.71
021	Phoenix Fire	47,018,721.19	(1,752,343.36)	3,596,397.40	(35,247.49)	48,827,527.74
022	Phoenix Police	76,175,701.51	(3,597,914.73)	9,926,863.30	(396,569.96)	82,108,080.12
023	Prescott Fire	1,352,116.18	0.00	159,251.16	(18,403.29)	1,492,964.05
024	Prescott Police	1,319,793.58	(87,793.39)	249,631.47	(27,370.07)	1,454,261.59
025	Scottsdale Police	7,810,895.40	(73,567.97)	1,115,442.39	(29,999.48)	8,822,770.34
026	Sierra Vista Fire	744,026.15	(17,611.91)	76,646.56	0.00	803,060.80
027	Tempe Fire	5,137,819.72	(231,233.74)	590,385.19	0.00	5,496,971.17
028	Tempe Police	8,445,889.16	(793,193.65)	1,099,653.35	(87,352.51)	8,664,996.35
029	Tucson Fire	16,458,578.96	(861,247.59)	1,692,055.46	(48,919.75)	17,240,467.08
030	Tucson Police	24,602,459.97	(994,995.73)	2,745,748.34	(96,638.95)	26,256,573.63
031	Winslow Fire	129,950.80	0.00	16,983.45	(26,361.40)	120,572.85
032	Yuma Fire	2,056,001.49	(163,887.07)	261,456.00	(6,330.05)	2,147,240.37
033	Yuma Police	3,010,724.43	(146,954.43)	407,503.95	(28,040.38)	3,243,233.57
034	Yuma County Sheriffs	765,958.11	(42,339.28)	149,365.12	(20,500.51)	852,483.44
035	Department of Game & Fish	4,159,088.34	(34,906.12)	446,142.56	(5,261.38)	4,565,063.40
036	Sierra Vista Police	1,246,364.75	1,608.06	162,939.64	(6,193.01)	1,404,719.44
037	Benson Police	191,922.38	1,601.38	29,983.71	0.00	223,507.47
038	Bisbee Police	203,882.33	0.00	36,323.16	(7,740.28)	232,465.21
039	Pima County Sheriffs	7,564,018.89	(728,207.26)	664,202.27	(102,101.64)	7,397,912.26
040	Kingman Police	751,774.44	(70,396.23)	122,110.04	(2,647.98)	800,840.27
041	ASU Campus Police	887,941.57	(16,264.01)	137,137.26	(81,229.92)	927,584.90
042	Lake Havasu Fire	1,819,350.22	(51,292.29)	169,019.09	(26,234.94)	1,910,842.08
043	Mohave County Sheriffs	1,344,379.34	(93,907.29)	227,411.84	(30,600.46)	1,447,283.43
044	Bullhead City Fire	738,326.89	(35,189.10)	96,117.76	0.00	799,255.55
045	U of A Campus Police	670,992.50	(87,953.81)	133,980.80	(13,978.43)	703,041.06
046	Cochise County Sheriffs	1,154,176.70	(100,381.77)	166,677.78	(29,464.28)	1,191,008.43
047	Safford Police	348,290.92	2,211.48	48,100.01	0.00	398,602.41
049	Drexel Heights Fire	669,931.88	(7,036.61)	98,953.49	0.00	761,848.76
050	Winslow Police	212,017.41	0.00	53,459.51	(44,799.64)	220,677.28
051	Payson Fire	269,043.08	(61,849.36)	44,251.41	0.00	251,445.13
052	Payson Police	501,238.22	(35,420.31)	74,849.51	0.00	540,667.42
053	Hualapai Valley Fire	146,822.08	(4,845.20)	49,968.93	(12,292.18)	179,653.63
054	Fry Fire	988,994.80	(46,901.52)	169,262.72	(28,969.91)	1,082,386.09
055	Fredonia Marshals	25,979.70	0.00	4,097.31	0.00	30,077.01
056	NAU Campus Police	269,050.41	69,698.80	54,810.61	(54,325.29)	339,234.53
058	South Tucson Fire	107,850.19	0.00	24,950.46	0.00	132,800.65
059	Avondale Fire	216,666.39	0.00	54,720.79	0.00	271,387.18

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
STATEMENT OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 1998

Sys No.	System	Balances June 30, 1997	Reserve Transfers	Contributions Received	Withdrawn Members	June 30, 1998
060	Parker Police	156,327.05	(13,786.71)	29,792.38	0.00	172,332.72
061	Coconino County Sheriffs	1,409,799.48	(282,857.13)	163,310.16	(64,531.06)	1,225,721.45
062	Central Yavapai Fire	1,103,216.88	(99,615.70)	167,201.08	(5,347.52)	1,165,454.74
064	Buckskin Fire	176,553.44	(6,334.91)	20,778.63	0.00	190,997.16
065	Snowflake Police	132,101.34	0.00	25,940.50	0.00	158,041.84
066	Cottonwood Police	277,449.98	5,144.41	56,175.41	(6,269.39)	332,500.41
067	Lake Havasu Police	1,565,709.16	(70,389.20)	202,489.85	(51,591.43)	1,646,218.38
068	Verde Rural Fire District	78,523.69	33,453.82	26,539.57	0.00	138,517.08
069	South Tucson Police	198,449.14	(20,195.76)	54,757.87	(22,315.01)	210,696.24
070	Apache County Sheriffs	1,081,105.87	0.00	136,696.19	(73,678.00)	1,144,124.06
071	Navajo County Sheriffs	629,624.49	(36,918.84)	111,001.33	(47,432.35)	656,274.63
072	Mohave Valley Fire	174,679.96	0.00	38,491.77	(17,510.55)	195,661.18
073	Peoria Fire	1,778,214.81	(21,296.88)	287,531.53	0.00	2,044,449.46
074	Peoria Police	1,878,142.97	(99,230.95)	213,924.62	(1,398.64)	1,991,438.00
076	Paradise Valley Police	998,199.21	1,481.50	127,411.58	0.00	1,127,092.29
077	Wilcox Police	102,952.32	0.00	21,859.80	0.00	124,812.12
078	Showlow Police	220,142.06	26,028.39	48,565.96	(8,489.00)	286,247.41
079	Eloy Police	270,869.79	(23,652.46)	62,727.96	0.00	309,945.29
080	Nogales Police	852,593.33	(28,745.98)	159,552.24	(29,710.88)	953,688.71
081	Gilbert Police	1,449,190.52	(178,321.82)	373,330.15	(34,505.28)	1,609,693.57
083	Clifton Police	51,373.18	(986.61)	12,014.36	(8,102.08)	54,298.85
085	Coolidge Police	351,258.60	(84,501.81)	54,245.96	(6,590.88)	314,411.87
086	Holbrook Police	273,248.88	(25,602.95)	40,347.85	(17,062.84)	270,930.94
087	Santa Cruz County Deputies	447,966.95	(51,532.75)	92,501.80	(13,827.37)	475,108.63
088	Prescott Valley Police	336,383.86	(31,677.80)	77,416.28	(3,124.78)	378,997.56
089	Eager Police	103,928.21	0.00	16,617.46	(11,053.41)	109,492.26
090	Tolleson Police	189,463.79	32,159.87	43,613.98	(6,840.85)	258,396.79
091	Florence Police	136,537.50	7,105.46	32,397.68	(6,599.42)	169,441.22
092	Springerville Police	59,403.72	(2,630.85)	11,976.68	0.00	68,749.55
093	El Mirage Police	104,365.78	3,646.30	28,602.87	(20,816.25)	115,798.70
094	Superior Police	90,357.24	57.46	17,050.65	(4,858.86)	102,606.49
095	San Luis Police	172,964.18	(23,525.67)	45,217.18	(15,317.97)	179,337.72
096	Page Police	359,873.28	(52,765.56)	57,917.88	(15,619.85)	349,405.75
097	Page Fire	21,295.52	0.00	9,136.84	0.00	30,432.36
098	Yavapai County Sheriffs	1,366,480.39	(24,084.27)	251,119.82	(20,147.07)	1,573,368.87
100	Pima Police	3,538.59	(1,964.14)	3,164.98	0.00	4,739.43
101	Apache County Sheriffs	363,743.43	(38,819.91)	64,071.66	(2,664.87)	386,330.31
102	Cottonwood Fire	110,187.97	0.00	23,763.67	0.00	133,951.64
103	La Paz County Sheriffs	609,206.12	(9,922.48)	87,970.16	(6,583.18)	680,670.62
104	Pinal County Sheriffs	2,010,000.88	(54,103.35)	328,159.00	(58,677.55)	2,225,378.98
105	Clarkdale Police	115,353.03	0.00	21,612.42	0.00	136,965.45
106	Buckeye Police	230,421.69	(10,523.17)	40,290.21	(22,844.95)	237,343.78
107	Maranna Marshals	476,646.50	49,875.37	109,470.35	(32,350.03)	603,642.19
108	Tolleson Fire	207,831.98	(13,765.76)	50,593.77	0.00	244,659.99
109	Chino Valley Police	179,551.16	(53,325.63)	35,197.39	0.00	161,422.92
110	Surprise Police	457,022.46	9,942.43	82,718.08	0.00	549,682.97
111	Welton Police	27,509.56	721.10	5,393.96	0.00	33,624.62
112	Gila County Sheriffs	734,428.02	(64,437.15)	109,388.62	(27,163.31)	752,216.18
113	Pinetop-Lakeside Police	152,985.43	0.00	32,531.43	(12,923.85)	172,593.01
114	Bullhead City Police	1,435,539.03	(66,914.90)	226,071.95	(66,473.51)	1,528,222.57
115	Williams Police	121,801.77	1,119.86	25,320.26	(7,487.75)	140,754.14
116	Miami Police	101,091.11	(4,890.81)	14,670.33	0.00	110,870.63
117	Thatcher Police	237,209.81	0.00	24,655.92	0.00	261,865.73
118	Youngtown Police	60,490.91	8,510.58	14,292.77	(14,886.85)	68,407.41
119	D.E.M.A.	577,508.88	0.00	80,320.20	(8,559.77)	649,269.31
120	Surprise Fire	162,023.50	0.00	45,924.85	0.00	207,948.35
121	Camp Verde Marshals	193,063.14	(63,969.71)	31,115.16	(18,245.58)	141,963.01

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
STATEMENT OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 1998

Sys No.	System	Balances June 30, 1997	Reserve Transfers	Contributions Received	Withdrawn Members	June 30, 1998
122	Oro Valley Police	687,456.21	0.00	134,788.99	(5,878.76)	816,366.44
123	Greenlee County Sheriffs	297,524.32	2,950.75	38,641.48	0.00	339,116.55
124	Tucson Airport Authority Fire	633,722.67	0.00	62,205.66	0.00	695,928.33
125	Tucson Airport Authority Police	426,125.51	(41,876.46)	72,732.71	0.00	456,981.76
126	Wickenburg Police	128,202.48	(19,671.01)	23,506.81	0.00	132,038.28
127	El Mirage Fire	26,791.36	7,994.15	12,210.06	0.00	46,995.57
128	Patagonia Marshals	9,767.70	(6,109.68)	4,932.18	(2,374.63)	6,215.57
129	Sedona Police	227,313.05	9,498.59	45,790.09	0.00	282,601.73
130	Mammoth Police	43,268.82	0.00	11,958.87	0.00	55,227.69
131	Globe Police	349,273.02	21,205.44	61,638.05	(1,903.98)	430,212.53
132	Tombstone Police	79,652.63	0.00	9,350.50	0.00	89,003.13
133	Golder Ranch Fire District	316,786.99	(16,726.20)	85,971.71	0.00	386,032.50
134	Fort Mohave Mesa Fire	408,461.99	0.00	91,615.74	(35,055.54)	465,022.19
135	Laveen Fire District	59,590.48	(8,179.52)	26,714.69	0.00	78,125.65
136	Goodyear Fire	114,800.85	0.00	50,374.58	0.00	165,175.43
137	Goodyear Police	401,454.01	(14,108.64)	99,593.52	0.00	486,938.89
138	Chino Valley Fire	131,188.63	0.00	30,587.30	0.00	161,775.93
139	Avondale Police	470,498.74	14,087.15	124,474.25	(6,406.41)	602,653.73
140	Graham County Sheriffs	147,904.85	(2,211.48)	35,394.34	0.00	181,087.71
141	Flowing Wells Fire District	0.00	0.00	0.00	0.00	0.00
142	Golden Valley Fire District	155,326.73	0.00	39,667.94	(1,258.40)	193,736.27
143	Daisy Mount Fire District	110,169.83	(8,852.97)	50,663.96	0.00	151,980.82
144	Quartzsite Marshals	26,834.48	481.93	17,660.39	(1,065.39)	43,911.41
145	Picture Rocks Fire District	92,501.30	0.00	22,844.19	(6,252.43)	109,093.06
146	Pima County Comm. Coll. Police	430,953.86	(15,170.17)	84,051.14	(4,092.76)	495,742.07
147	Norhwest Fire District	828,918.12	13,768.03	250,099.97	(4,267.00)	1,088,519.12
148	Apache Junction Fire District	450,473.11	0.00	142,331.54	0.00	592,804.65
149	Gilbert Fire	348,986.54	11,867.25	129,157.35	0.00	490,011.14
150	Pine-Strawberry Fire	87,862.92	0.00	28,156.23	0.00	116,019.15
151	AZ State Attorney General	1,020,667.35	2,738.16	120,183.01	0.00	1,143,588.52
152	Tucson Estates Fire	20,202.98	(6,082.63)	10,784.75	(3,702.82)	21,202.28
153	St. Johns Police	19,785.33	(8,004.39)	9,061.39	(8,410.46)	12,431.87
154	Pima County Attrny Investigators	214,290.09	0.00	24,307.85	(11,358.54)	227,239.40
155	Sun Lakes Fire District	256,612.98	(48,981.29)	84,975.43	(2,926.62)	289,680.50
156	Kearny Police	47,648.27	(3,263.78)	15,744.50	0.00	60,128.99
157	Greenlee County Attrny. Invest.	794.50	0.00	2,251.18	0.00	3,045.68
158	Navajo County Attrny. Invest.	25,017.30	0.00	2,782.48	0.00	27,799.78
159	Doney Park Rural Fire	69,424.72	(7,994.15)	24,275.23	(531.33)	85,174.47
160	AZ State Capitol Police	142,363.23	(14,258.60)	47,927.65	(19,786.92)	156,245.36
161	Fountain Hill Marshals	21,529.08	21,239.79	26,749.71	0.00	69,518.58
162	Avra Valley Fire District	40,003.02	0.00	25,479.77	(11,633.93)	53,848.86
163	San Luis Fire	26,796.13	0.00	21,198.44	0.00	47,994.57
164	Deptartment. of Liquor License	222,797.85	38,225.29	44,455.13	(4,262.58)	301,215.69
165	Maricopa County Attorn. Invest.	841,760.57	(136,437.64)	57,643.41	(52,738.50)	710,227.84
166	Sedona Fire District	190,899.71	(12,998.06)	83,250.82	0.00	261,152.47
167	Guadalupe Fire	13,949.74	(2,981.41)	8,701.22	0.00	19,669.55
168	Mayer Fire District	21,582.52	0.00	14,719.49	(6,803.42)	29,498.59
169	Somerton Police	37,824.01	(1,097.50)	32,217.14	(3,924.79)	65,018.86
170	Sun City West Fire District	0.00	15,187.88	158,603.07	(2,766.73)	171,024.22
171	Somerton Fire	0.00	11,175.64	14,512.65	0.00	25,688.29
172	Tubac Fire District	0.00	4,722.54	19,698.73	0.00	24,421.27
173	La Paz County Attorney Invest.	0.00	16,256.90	2,542.08	0.00	18,798.98
174	Sahuarita Police	0.00	0.00	4,679.85	0.00	4,679.85
175	Bowie Fire District	0.00	0.00	543.16	0.00	543.16
	TOTALS	**344,166,545.34**	**(15,512,214.24)**	**43,094,842.73**	**(3,020,134.79)**	**368,729,039.04**

INVESTMENT SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTIETH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 1998

Fund Objectives

Investment Performance Data

Supporting Schedule of Commissions Paid to Brokers

Summary of Changes in Investment Portfolio

Detailed List of Investments Acquired

Detailed List of Sales and Redemption of Investments

Detailed List of Investments Owned

FUND OBJECTIVES

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

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

John A. Cochran, Ph.D., Chairman

F. Michael Geddes, Member

Donald L. De Ment, Member

Carmen Torrie, Member

Tony West, Member

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

Standard & Poor's Investment Advisory Services, Inc.
25 Broadway, 18th Floor
New York, NY 10004-1064
Tel 212 208 8314
Fax 212 412 0157

Standard & Poor's
*A Division of The **McGraw-Hill** Companies*

September 8, 1998

The Fund Manager
Public Safety Retirement System

Dear Sirs:

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

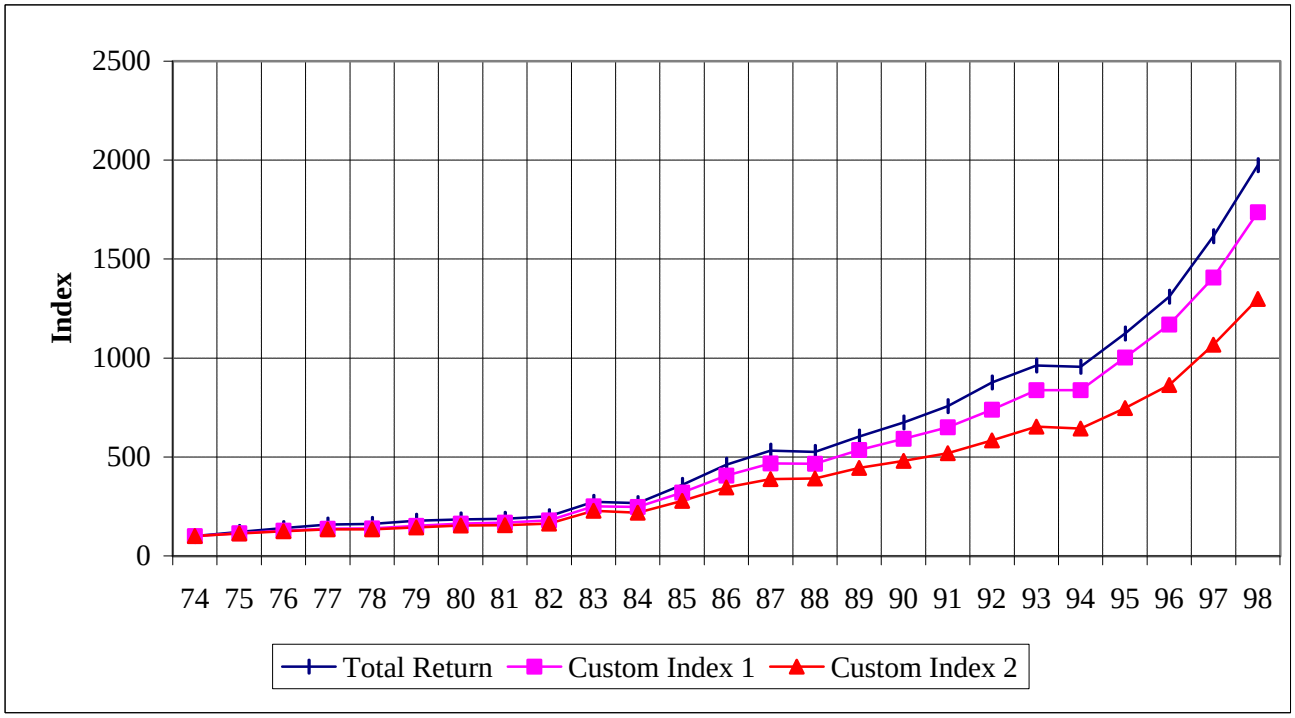
The performance data include realized and unrealized capital gains and losses, as well as interest and dividend income earned by the fund. Computations were performed in accordance with accepted AIMR procedures.

Based on the foregoing, during the past fiscal year, the stock portfolio underperformed the NYSE and S&P 500 indices, while the bond portfolio outperformed the Lehman Government/Corporate Index. The overall fund underperformed two custom benchmarks, each using a bond and stock index invested in the same proportion as the overall fund. The overall fund has attained a rate of return over the past decade that compares favorably with these custom indices.

Sincerely,

Kenneth Shea
VP - Director of Equity Research

Cumulative Return - Total Fund
Public Safety



	Market Value	Contribution	Total Return	Custom Index 1*	Custom Index 2**
06-30-98	$4,117,504,057	($27,274,561)	22.23%	23.47%	21.63%
06-30-97	3,393,713,299	(23,461,309)	23.42%	20.22%	23.66%
06-30-96	2,764,579,315	(13,651,156)	16.43%	16.65%	15.54%
06-30-95	2,387,258,324	(11,730,534)	17.66%	19.64%	16.06%
06-30-94	2,040,534,626	(3,736,636)	-0.71%	-0.01%	-1.52%
06-30-93	2,058,778,434	(5,497,735)	9.76%	13.33%	12.07%
06-30-92	1,880,846,956	9,729,880	15.88%	13.80%	12.24%
06-30-91	1,614,307,083	10,925,999	12.20%	9.69%	8.29%
06-30-90	1,428,631,192	7,099,861	11.82%	10.56%	8.09%
06-30-89	1,270,848,790	19,119,731	14.70%	15.25%	13.37%
06-30-88	1,089,934,034	15,123,458	-1.10%	-0.42%	0.80%
06-30-87	1,086,519,311	21,366,628	15.50%	15.11%	12.28%
06-30-86	921,122,839	17,116,567	28.34%	26.41%	24.47%
06-30-85	704,031,440	18,162,936	34.17%	29.79%	27.23%
06-30-84	515,661,673	21,383,722	-2.45%	-1.14%	-3.99%
06-30-83	507,216,188	20,393,414	36.84%	39.76%	38.93%
06-30-82	354,453,695	23,006,994	7.19%	6.72%	5.38%

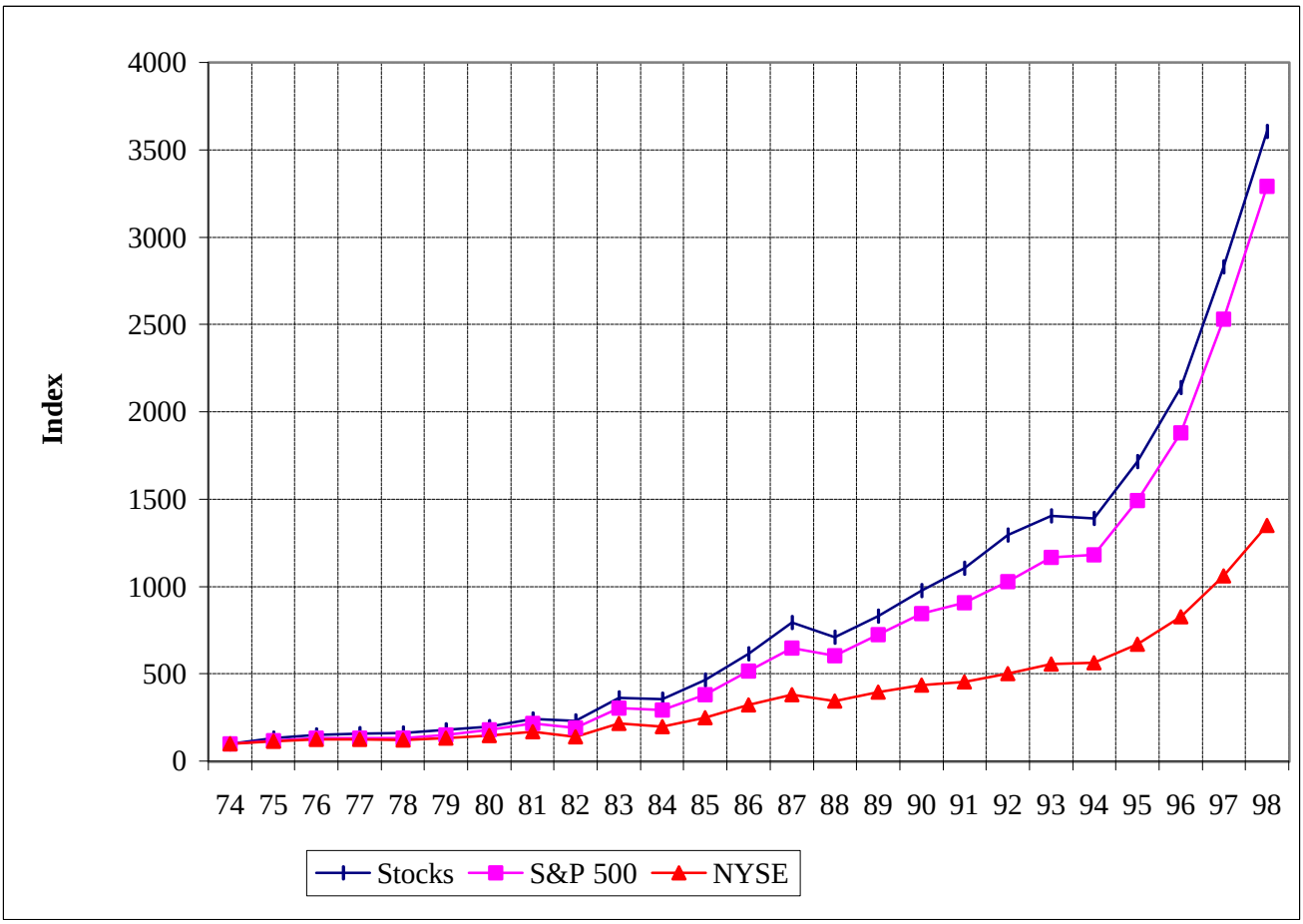
*Custom Index 1 is the average percentage in bonds times Lehman Govt/Corp Bond Index plus average percentage in stocks times S&P 500 Index

**Custom Index 2 substitutes the NYSE Index for the S&P 500. Our investment universe was the New York Stock Exchange (NYSE) prior to July 21, 1997.

Prior to 1990 the weightings in each asset class were calculated using the fiscal year-end market values.

Since 1990, the asset class weightings have been calculated using the average weightings of the quarter's beginning & ending market values.

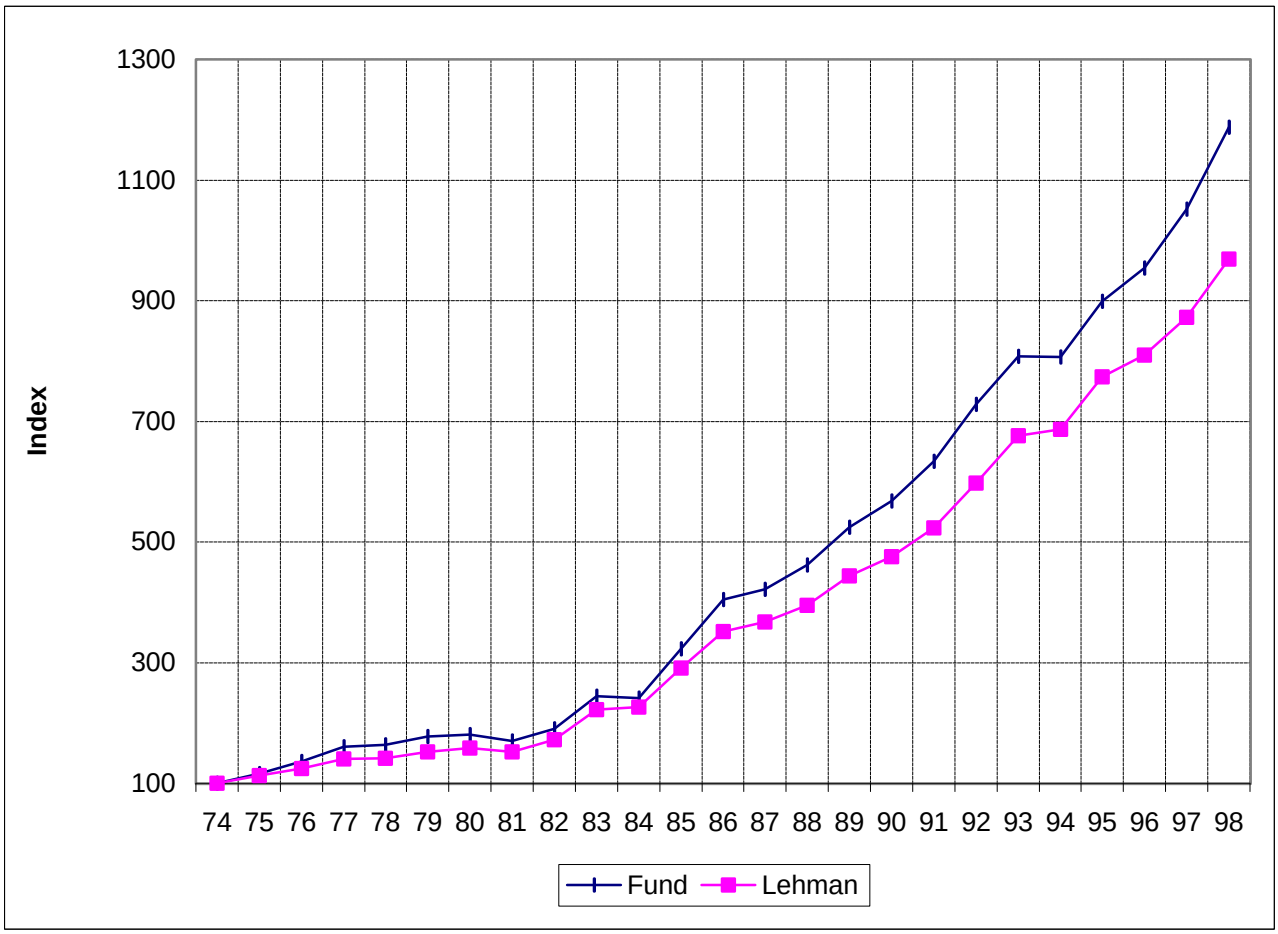
Cumulative Return - Stocks
Public Safety



	Market Value	Contribution	Total Return	NYSE Index*	S&P 500
06-30-98	$2,847,416,226	$62,789,349	27.27%	27.35%	30.16%
06-30-97	2,189,785,301	12,444,471	32.48%	28.48%	34.69%
06-30-96	1,646,181,750	72,975,245	24.62%	23.08%	26.00%
06-30-95	1,249,064,319	(73,778,340)	23.49%	19.04%	26.06%
06-30-94	1,079,624,319	17,567,044	-1.17%	1.58%	1.23%
06-30-93	1,076,135,294	20,148,748	8.72%	11.04%	13.52%
06-30-92	924,885,669	27,758,211	17.01%	10.25%	13.45%
06-30-91	765,961,738	100,051,684	12.98%	4.09%	7.39%
06-30-90	586,485,375	38,836,422	17.97%	9.88%	16.44%
06-30-89	463,610,700	(27,032,573)	16.78%	15.17%	20.54%
06-30-88	423,707,612	(94,474,445)	-10.56%	-9.70%	-6.97%
06-30-87	583,885,788	65,257,942	29.10%	18.83%	25.19%
06-30-86	395,006,488	(57,644,263)	32.17%	29.50%	35.83%
06-30-85	347,907,038	(4,655,381)	31.07%	25.72%	30.80%
06-30-84	269,543,480	81,697,323	-2.04%	-9.27%	-4.65%
06-30-83	195,489,212	45,082,539	57.04%	54.57%	60.92%
06-30-82	92,342,163	10,698,054	-3.77%	-17.24%	-11.42%

*Our investment universe was the New York Stock Exchange (NYSE) prior to July 21, 1997.

Cumulative Return - Bonds
Public Safety



	Market Value	Contribution	Total Return	Lehman*
06-30-98	$1,270,087,831	($90,063,916)	12.97%	11.08%
06-30-97	1,203,927,998	(35,905,780)	10.14%	7.75%
06-30-96	1,118,397,565	(86,626,401)	6.18%	4.65%
06-30-95	1,138,194,005	62,047,807	11.50%	12.75%
06-30-94	960,910,163	(21,303,679)	-0.16%	1.45%
06-30-93	982,643,140	(15,007,410)	10.99%	13.15%
06-30-92	955,961,286	(18,028,331)	14.90%	14.17%
06-30-91	848,345,345	(89,127,685)	11.47%	10.21%
06-30-90	842,145,817	(31,736,561)	8.33%	7.11%
06-30-89	807,238,090	46,152,304	13.55%	12.34%
06-30-88	666,226,422	109,597,902	9.69%	7.48%
06-30-87	502,633,523	(43,891,314)	3.99%	4.68%
06-30-86	526,116,351	74,760,830	25.23%	20.65%
06-30-85	356,124,402	22,818,317	33.86%	28.71%
06-30-84	246,118,193	(60,313,601)	-1.17%	1.79%
06-30-83	311,489,212	(24,689,125)	28.83%	29.14%
06-30-82	362,218,170	12,308,308	11.52%	13.34%

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

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPORTING SCHEDULE OF COMMISSIONS PAID TO BROKERS
FISCAL YEAR ENDED JUNE 30, 1998

Broker	Number of Shares Traded	Average Commission	Commissions
Covato Lipsitz	1,200,000	0.050	$ 60,388
ISI Group	1,075,000	0.050	54,285
J.W.Garrett	2,249,700	0.051	114,071
Merrill Lynch	2,494,400	0.027	66,755
Paine Webber	2,167,360	0.038	82,799
Prudential Securities	2,394,200	0.031	74,567
Smith Barney--Phoenix	2,371,604	0.044	103,318
Smith Barney--Scottsdale	2,353,084	0.036	85,124
Simon Securities	2,878,000	0.048	137,387
Standard & Poor's Securities	2,995,000	0.051	151,783
Total Commissions	**22,178,348**	**0.042**	**$ 930,477**

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

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUMMARY OF CHANGES IN INVESTMENT PORTFOLIO
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

	Balance June 30, 1997						Balance June 30, 1998		
Description	Percent at Market	Market Value	Book Value	Acquisitions	Maturities and Sales	(Premium) Discount	Book Value	Market Value	Percent at Market
U.S. Treasury Obligations	9.3%	314,882,695.00	298,718,439.00	0.00	39,999,461.00	(1,268,141.00)	257,450,837.00	284,184,020.00	6.9%
Federal Agency Obligations	10.6%	361,285,109.04	342,564,150.86	0.00	65,273,381.67	0.00	277,290,769.19	295,072,704.24	7.2%
Total U.S. Government Securities	**19.9%**	**676,167,804.04**	**641,282,589.86**	**0.00**	**105,272,842.67**	**(1,268,141.00)**	**534,741,606.19**	**579,256,724.24**	**14.1%**
Corporate Bonds	**12.4%**	**419,662,540.70**	**408,871,293.44**	**153,132,291.50**	**21,455,602.88**	**(172,376.00)**	**540,375,606.06**	**591,569,003.80**	**14.4%**
Total Bond Portfolio	32.3%	1,095,830,344.74	1,050,153,883.30	153,132,291.50	126,728,445.55	(1,440,517.00)	1,075,117,212.25	1,170,825,728.04	28.5%
Corporate Notes	**1.1%**	**38,839,775.00**	**38,839,775.00**	**2,863,544,857.67**	**2,881,408,996.00**	**0.00**	**20,975,636.67**	**20,975,636.67**	**0.5%**
Common Stock	**64.5%**	**2,189,785,301.13**	**1,423,859,868.65**	**565,639,527.73**	**303,419,022.09**	**0.00**	**1,686,080,374.29**	**2,847,416,225.63**	**69.0%**
Other Investments	**2.0%**	**67,397,208.46**	**67,736,915.96**	**42,873,052.01**	**33,567,495.82**	**0.00**	**77,042,472.15**	**77,042,472.15**	**1.9%**
Money Market Account	**0.1%**	**1,849,721.00**	**1,849,721.00**	**0.00**	**(605,725.00)**	**0.00**	**1,243,996.00**	**1,243,996.00**	**0.1%**
Total Portfolio	**100.0%**	**3,393,702,350.33**	**2,582,440,163.91**	**3,625,189,728.91**	**3,344,518,234.46**	**(1,440,517.00)**	**2,860,459,691.36**	**4,117,504,058.49**	**100.0%**

STATE OF ARIZONA

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

BONDS PURCHASED 1997 - 1998

Security	Coupon	Maturity	Purchase Price	Par Value	Principal	(Premium) Discount	Accrued Interest	Total Amount	Yield
CORPORATE BONDS									
AGL CAPITAL TRUST	8.170	06/01/37	102.01530	10,500,000.00	10,711,606.50	(211,606.50)	200,165.00	10,911,771.50	8.01%
ANTHEM INSURANCE	9.000	04/01/27	116.44900	6,000,000.00	6,986,940.00	(986,940.00)	151,500.00	7,138,440.00	7.73%
ANTHEM INSURANCE COMPANY INC	9.000	04/01/27	108.05590	8,000,000.00	8,644,472.00	(644,472.00)	284,000.00	8,928,472.00	8.33%
BANKERS TRUST	7.750	12/01/26	97.11700	10,000,000.00	9,711,700.00	288,300.00	198,055.56	9,909,755.56	7.98%
BANKERS TRUST CORP 144A	8.090	12/01/26	100.00000	12,000,000.00	12,000,000.00	0.00	231,913.33	12,231,913.33	8.09%
COUNTRYWIDE CAPITAL I	8.000	12/15/26	100.00000	10,500,000.00	10,500,000.00	0.00	210,000.00	10,710,000.00	8.00%
FIRST EMPIRE CAPITAL TRUST I	8.277	06/01/27	102.40800	5,000,000.00	5,120,400.00	(120,400.00)	93,116.25	5,213,516.25	8.08%
FIRST HAWAIIAN CAPITAL TRUST	8.343	07/01/27	106.20500	14,000,000.00	14,868,700.00	(868,700.00)	197,914.50	15,066,614.50	7.86%
LUMBERMAN'S	9.150	07/01/26	119.21300	9,000,000.00	10,729,170.00	(1,729,170.00)	285,937.50	11,015,107.50	7.68%
SAFECO CAPITAL TRUST	8.072	07/15/37	100.70000	21,000,000.00	21,147,000.00	(147,000.00)	249,559.33	21,396,559.33	8.02%
SAFECO CAPITAL TRUST	8.072	07/15/37	100.60400	825,000.00	829,983.00	(4,983.00)	11,099.00	841,082.00	8.02%
SOUTHERN COMPANY CAPITAL TRUST	8.190	02/01/37	108.24600	25,000,000.00	27,061,500.00	(2,061,500.00)	784,875.00	27,846,375.00	7.57%
XEROX CAPITAL TRUST I CAP SEC.	8.000	07/01/27	105.86300	14,000,000.00	14,820,820.00	(820,820.00)	96,444.44	14,917,264.44	7.56%
TOTAL CORPORATE BONDS				**145,825,000.00**	**153,132,291.50**	**(7,307,291.50)**	**2,994,579.91**	**156,126,871.41**	**7.86%**
TOTAL CORPORATE BONDS				**145,825,000.00**	**153,132,291.50**	**(7,307,291.50)**	**2,994,579.91**	**156,126,871.41**	**7.86%**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORPORATE NOTES
June 30, 1998

SHORT TERM INVESTMENTS MATURED

Date Acquired	Description	Interest Rate	Maturity Date	Cost	Amount of Interest	Maturity Value
06/17/97	ATLAS FUNDING CORP	5.640	07/17/97	10,948,300.00	51,700.00	11,000,000.00
06/23/97	BANC ONE FUNDING	5.580	07/31/97	9,941,100.00	58,900.00	10,000,000.00
06/23/97	BROADWAY CAPITAL CORP	5.650	07/11/97	8,974,575.00	25,425.00	9,000,000.00
06/25/97	SPECIAL PURPOSE ACCTS.	5.620	07/17/97	4,982,827.78	17,172.22	5,000,000.00
06/30/97	EAGLE FUNDING	5.750	07/11/97	3,992,972.22	7,027.78	4,000,000.00
07/02/97	THREE RIVERS FUND. CORP	5.670	07/10/97	4,993,700.00	6,300.00	5,000,000.00
07/03/97	BRIDGESTONE/FIRESTONE	5.600	07/17/97	997,822.22	2,177.78	1,000,000.00
07/07/97	OLGETHORPE POWER CORP	5.580	07/17/97	998,450.00	1,550.00	1,000,000.00
07/09/97	SAFECO CREDIT CO.	5.610	07/17/97	998,753.33	1,246.67	1,000,000.00
07/10/97	DYNAMIC FUND CORP,SER A	5.550	07/16/97	4,995,375.00	4,625.00	5,000,000.00
07/11/97	DYNAMIC FUND CORP,SER A	5.550	07/16/97	6,994,604.17	5,395.83	7,000,000.00
07/11/97	GTE CORP	5.510	07/29/97	6,980,715.00	19,285.00	7,000,000.00
07/15/97	PROGRESS FUND COR,SER A	5.600	08/20/97	9,944,000.00	56,000.00	10,000,000.00
07/16/97	SHINHAN BANK, NY BRANCH	5.870	08/15/97	12,936,408.23	63,591.77	13,000,000.00
07/17/97	EAGLE FUNDING	5.560	08/14/97	5,869,507.40	25,492.60	5,895,000.00
07/17/97	PROGRESS FUND COR,SER A	5.600	08/14/97	6,969,511.11	30,488.89	7,000,000.00
07/17/97	UNITED AIRLINES FIRST	5.520	07/28/97	5,989,880.00	10,120.00	6,000,000.00
07/18/97	SHINHAN BANK, NY BRANCH	5.870	08/18/97	994,945.28	5,054.72	1,000,000.00
07/28/97	MERRILL LYNCH & CO,INC.	5.550	07/31/97	11,994,450.00	5,550.00	12,000,000.00
07/28/97	MOBIL AUSTRALIA FINANCE	5.550	07/31/97	12,993,987.50	6,012.50	13,000,000.00
07/29/97	ATLAS COPCO AB	5.700	08/11/97	8,981,475.00	18,525.00	9,000,000.00
07/29/97	SOUTHWESTERN ELECTRIC	5.570	08/21/97	7,971,531.11	28,468.89	8,000,000.00
07/30/97	FOUR WINDS FUNDING	5.600	08/11/97	5,988,800.00	11,200.00	6,000,000.00
07/31/97	AMCOR FINANCIAL USA	5.530	08/20/97	11,963,133.33	36,866.67	12,000,000.00
07/31/97	ANCHOR FUNDING CORP	5.580	09/05/97	3,977,680.00	22,320.00	4,000,000.00
07/31/97	MITSUBISHI INTERNAT'L	5.550	08/15/97	4,988,437.50	11,562.50	5,000,000.00
07/31/97	SANWA BUSINESS CREDIT	5.600	08/29/97	9,954,888.89	45,111.11	10,000,000.00
08/01/97	ANCHOR FUNDING CORP	5.580	08/29/97	11,947,920.00	52,080.00	12,000,000.00
08/01/97	MERRILL LYNCH & CO,INC.	5.580	08/07/97	11,988,840.00	11,160.00	12,000,000.00
08/11/97	ATLAS COPCO	5.610	08/18/97	7,991,273.33	8,726.67	8,000,000.00
08/11/97	BRIDGESTONE/FIRESTONE	5.630	08/18/97	10,288,724.36	11,275.64	10,300,000.00
08/11/97	MERRILL LYNCH & CO,INC.	5.500	08/14/97	9,995,416.67	4,583.33	10,000,000.00
08/11/97	SAFECO CREDIT CO.	5.550	08/26/97	6,983,812.50	16,187.50	7,000,000.00
08/11/97	SONY EUROPE:FINANCE PLC	5.500	08/13/97	12,996,027.78	3,972.22	13,000,000.00
08/12/97	GOTHAM FUNDING CORP	5.590	09/11/97	9,953,416.67	46,583.33	10,000,000.00
08/13/97	DYNAMIC FUND CORP,SER A	5.630	08/27/97	1,995,621.11	4,378.89	2,000,000.00
08/14/97	DYNAMIC FUND CORP,SER A	5.650	08/27/97	12,973,476.39	26,523.61	13,000,000.00
08/14/97	HUDSON FINANCE INC.	5.620	08/20/97	2,997,190.00	2,810.00	3,000,000.00
08/14/97	KZH-ING-1 CORP	5.630	08/18/97	7,612,235.14	4,764.86	7,617,000.00
08/15/97	MERRILL LYNCH & C0,INC.	5.700	08/18/97	14,992,875.00	7,125.00	15,000,000.00
08/15/97	TRIPLE A-1 FUNDING	5.620	08/22/97	15,982,515.56	17,484.44	16,000,000.00
08/18/97	ANCHOR FUNDING CORP	5.580	09/18/97	4,975,975.00	24,025.00	5,000,000.00
08/18/97	BANNER RECEIVABLES CORP	5.570	09/15/97	12,943,681.11	56,318.89	13,000,000.00
08/18/97	BRIDGESTONE/FIRESTONE	5.550	08/19/97	7,998,766.67	1,233.33	8,000,000.00
08/18/97	EAGLE FUNDING	5.560	09/17/97	11,944,400.00	55,600.00	12,000,000.00
08/18/97	SONY EUROPE FINANCE PLC	5.520	08/29/97	8,984,820.00	15,180.00	9,000,000.00
08/19/97	AMCOR LTD.	5.510	09/05/97	10,971,378.61	28,621.39	11,000,000.00
08/19/97	MERRILL LYNCH & CO,INC.	5.490	08/26/97	6,992,527.50	7,472.50	7,000,000.00
08/20/97	SUN BELT-DIX,INC.	5.520	09/18/97	9,955,533.33	44,466.67	10,000,000.00
08/20/97	WORKING CAPITAL MGMT.	5.580	10/03/97	14,897,700.00	102,300.00	15,000,000.00
08/21/97	EXXON ASSET MGMT. CO.	5.420	08/25/97	9,993,977.78	6,022.22	10,000,000.00
08/22/97	MERRILL LYNCH & CO,INC.	5.510	09/08/97	15,958,368.89	41,631.11	16,000,000.00
08/25/97	MDU RESOURCES GROUP,INC	5.520	09/30/97	994,480.00	5,520.00	1,000,000.00
08/26/97	COUNTRYWIDE HOME LOANS	5.550	08/28/97	2,999,075.00	925.00	3,000,000.00
08/26/97	KZH HOLDING CORP III	5.580	09/02/97	5,993,490.00	6,510.00	6,000,000.00
08/26/97	NEWELL CO.	5.550	08/27/97	5,999,075.00	925.00	6,000,000.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORPORATE NOTES
June 30, 1998

SHORT TERM INVESTMENTS MATURED

Date Acquired	Description	Interest Rate	Maturity Date	Cost	Amount of Interest	Maturity Value
08/27/97	ASTRO CAPITAL CORP	5.600	09/29/97	4,974,333.33	25,666.67	5,000,000.00
08/28/97	TRIPLE A-1 FUNDING	5.600	09/04/97	998,911.11	1,088.89	1,000,000.00
08/29/97	MERRILL LYNCH & CO,INC.	5.600	09/03/97	13,989,111.11	10,888.89	14,000,000.00
08/29/97	TRIPLE A-1 FUNDING	5.580	09/03/97	4,996,125.00	3,875.00	5,000,000.00
09/02/97	DUKE CAPITAL CORP	5.720	09/03/97	3,999,364.44	635.56	4,000,000.00
09/02/97	MERRILL LYNCH & C0,INC.	5.650	09/04/97	5,998,116.67	1,883.33	6,000,000.00
09/04/97	MERRILL LYNCH & CO,INC.	5.510	09/08/97	999,387.78	612.22	1,000,000.00
09/05/97	DUKE CAPITAL CORP	5.450	09/08/97	3,998,183.33	1,816.67	4,000,000.00
09/09/97	DYNAMIC FUND CORP,SER A	5.580	09/17/97	1,997,520.00	2,480.00	2,000,000.00
09/10/97	SANWA BUSINESS CREDIT	5.560	09/18/97	1,997,528.89	2,471.11	2,000,000.00
09/11/97	MERRILL LYNCH & CO,INC.	5.500	09/16/97	4,996,180.56	3,819.44	5,000,000.00
09/11/97	SONY EUROPE:FINANCIAL	5.520	09/30/97	4,985,433.33	14,566.67	5,000,000.00
09/12/97	SONY EUROPE:FINANCIAL	5.520	09/30/97	997,240.00	2,760.00	1,000,000.00
09/15/97	BRIDGESTONE/FIRESTONE	5.580	09/19/97	10,993,180.00	6,820.00	11,000,000.00
09/16/97	LIBERTY MUTUAL CAPITAL	5.500	09/30/97	5,987,166.67	12,833.33	6,000,000.00
09/17/97	AGA CAPITAL INC.	5.490	09/22/97	3,996,950.00	3,050.00	4,000,000.00
09/17/97	PROGRESS FUND COR,SER A	5.700	10/01/97	9,977,833.33	22,166.67	10,000,000.00
09/18/97	PHH CORPORATION	5.470	09/22/97	6,995,745.56	4,254.44	7,000,000.00
09/18/97	RECEIVABLES CAPITAL COR	5.480	09/23/97	7,993,911.11	6,088.89	8,000,000.00
09/19/97	OAK FUNDING CORP	5.500	09/24/97	10,991,597.22	8,402.78	11,000,000.00
09/23/97	HALIFAX PLC	5.480	09/26/97	1,999,086.67	913.33	2,000,000.00
09/24/97	MERRILL LYNCH & CO,INC.	5.570	09/26/97	5,998,143.34	1,856.66	6,000,000.00
09/26/97	SANWA BUSINESS CREDIT	5.620	10/31/97	9,945,361.11	54,638.89	10,000,000.00
09/29/97	HALIFAX PLC	5.780	10/02/97	3,998,073.34	1,926.66	4,000,000.00
09/30/97	PARKER-HANNIFIN CORP	5.900	10/03/97	5,997,050.00	2,950.00	6,000,000.00
10/01/97	TRIDENT CAPITAL FINANCE	5.550	10/06/97	14,988,437.50	11,562.50	15,000,000.00
10/02/97	MERRILL LYNCH & CO,INC.	5.520	10/07/97	3,996,933.33	3,066.67	4,000,000.00
10/03/97	TRIDENT CAPITAL FINANCE	5.500	10/14/97	10,981,513.89	18,486.11	11,000,000.00
10/03/97	TRIPLE A-1 FUNDING	5.450	10/09/97	9,990,916.67	9,083.33	10,000,000.00
10/06/97	GTE CORP	5.500	10/10/97	12,992,055.55	7,944.45	13,000,000.00
10/06/97	MERRILL LYNCH & CO,INC.	5.500	10/14/97	12,984,111.11	15,888.89	13,000,000.00
10/07/97	DAIMLER-BENZ N AMERICA	5.460	10/16/97	11,983,620.00	16,380.00	12,000,000.00
10/07/97	DUKE CAPITAL CORP	5.520	10/20/97	11,976,080.00	23,920.00	12,000,000.00
10/07/97	TRIDENT CAPITAL FINANCE	5.500	10/15/97	12,984,111.11	15,888.89	13,000,000.00
10/08/97	BROADWAY CAPITAL CORP	5.540	10/21/97	6,985,996.11	14,003.89	7,000,000.00
10/09/97	BTM CAPITAL CORP	5.520	10/23/97	7,982,826.66	17,173.34	8,000,000.00
10/10/97	ANCHOR FUNDING CORP	5.570	10/24/97	8,980,505.00	19,495.00	9,000,000.00
10/10/97	KZH HOLDING CORP III	5.530	10/23/97	3,091,813.47	6,186.53	3,098,000.00
10/14/97	KZH HOLDING CORP III	5.550	10/21/97	11,987,050.00	12,950.00	12,000,000.00
10/14/97	SPEC. PURPOSE ACCTS REC	5.550	11/26/97	9,933,708.34	66,291.66	10,000,000.00
10/14/97	TRIPLE A-1 FUNDING	5.520	10/20/97	3,495,780.92	3,219.08	3,499,000.00
10/15/97	AGA CAPITAL INC.	5.550	10/21/97	8,991,675.00	8,325.00	9,000,000.00
10/15/97	DUKE CAPITAL CORP	5.600	10/23/97	9,987,555.56	12,444.44	10,000,000.00
10/16/97	DYNAMIC FUND CORP,SER A	5.600	11/10/97	5,976,666.67	23,333.33	6,000,000.00
10/16/97	HOLLAND LIMITED SECUR.	5.550	10/23/97	5,993,525.00	6,475.00	6,000,000.00
10/17/97	KZH HOLDING CO-CRESCENT	5.560	11/10/97	996,293.33	3,706.67	1,000,000.00
10/20/97	GTE FUNDING INC.	5.520	10/22/97	6,997,853.34	2,146.66	7,000,000.00
10/20/97	TRIPLE A-1 FUNDING	5.530	10/30/97	7,987,711.11	12,288.89	8,000,000.00
10/21/97	HALIFAX PLC	5.530	10/24/97	12,994,009.17	5,990.83	13,000,000.00
10/21/97	OMNIBUS FUND CORP,SER G	5.550	11/04/97	11,974,100.00	25,900.00	12,000,000.00
10/22/97	GTE CORP	5.650	10/24/97	999,686.11	313.89	1,000,000.00
10/23/97	BTM CAPITAL CORP	5.560	11/06/97	14,967,566.67	32,433.33	15,000,000.00
10/23/97	GTE CORP	5.590	11/24/97	11,940,373.33	59,626.67	12,000,000.00
10/24/97	MERRILL LYNCH & CO,INC.	5.470	10/28/97	1,998,784.44	1,215.56	2,000,000.00
10/24/97	MITSUI & CO.(USA),INC.	5.530	10/30/97	13,987,096.67	12,903.33	14,000,000.00
10/24/97	SONY EUROPE FINANCE PLC	5.540	10/29/97	9,992,305.55	7,694.45	10,000,000.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORPORATE NOTES
June 30, 1998

SHORT TERM INVESTMENTS MATURED

Date Acquired	Description	Interest Rate	Maturity Date	Cost	Amount of Interest	Maturity Value
10/30/97	MERRILL LYNCH & CO,INC.	5.600	11/04/97	14,988,333.34	11,666.66	15,000,000.00
10/30/97	THUNDER BAY FUNDING,INC	5.630	11/04/97	14,988,270.83	11,729.17	15,000,000.00
10/31/97	TRIDENT CAPITAL FINANCE	5.650	11/06/97	9,990,583.33	9,416.67	10,000,000.00
11/03/97	COUNTRYWIDE HOME LOANS	5.710	11/05/97	1,999,365.55	634.45	2,000,000.00
11/04/97	MERRILL LYNCH & CO,INC.	5.650	11/07/97	6,996,704.17	3,295.83	7,000,000.00
11/04/97	ORIX NORINCHUKIN	5.620	11/17/97	14,969,558.34	30,441.66	15,000,000.00
11/04/97	SHISEIDO	5.650	11/24/97	10,965,472.22	34,527.78	11,000,000.00
11/04/97	THUNDER BAY FUNDING,INC	5.610	11/13/97	9,985,975.00	14,025.00	10,000,000.00
11/05/97	DUKE CAPITAL CORP	5.730	11/06/97	1,999,681.67	318.33	2,000,000.00
11/06/97	AMCOR LTD	6.050	12/16/97	11,887,400.00	72,266.67	11,959,666.67
11/06/97	WORLD OMNI VEH. LEASING	5.570	11/13/97	14,983,754.17	16,245.83	15,000,000.00
11/07/97	HINGERHUT OWNER TRUST	5.550	11/13/97	7,992,600.00	7,400.00	8,000,000.00
11/10/97	EKSPORTFINANS, A/S	5.600	11/12/97	2,999,066.67	933.33	3,000,000.00
11/10/97	KZH-ING-1 CORP	5.600	12/31/97	3,968,266.67	31,733.33	4,000,000.00
11/12/97	TRIPLE A-1 FUNDING	5.570	12/31/97	2,977,255.83	22,744.17	3,000,000.00
11/13/97	AMERICAN HONDA FINANCE	5.620	11/26/97	2,993,911.67	6,088.33	3,000,000.00
11/13/97	FINGERHUT OWNER TRUST	5.560	11/18/97	14,988,416.67	11,583.33	15,000,000.00
11/13/97	SANWA BUSINESS CREDIT	5.650	11/25/97	14,971,750.00	28,250.00	15,000,000.00
11/17/97	ATLAS FUNDING CORP	5.850	12/15/97	14,931,750.00	68,250.00	15,000,000.00
11/17/97	EMBARCADERO CENTER VEN.	5.800	11/25/97	9,987,111.11	12,888.89	10,000,000.00
11/17/97	SUNAMERICA LIFE INSUR.	5.600	12/31/97	2,979,466.67	20,533.33	3,000,000.00
11/18/97	DUKE CAPITAL CORP	5.570	11/21/97	16,992,109.17	7,890.83	17,000,000.00
11/20/97	GTE CORP	6.000	01/05/98	4,961,666.67	38,333.33	5,000,000.00
11/21/97	LEXINGTON PARKER CAP.	5.470	11/26/97	17,986,325.00	13,675.00	18,000,000.00
11/24/97	BAYERISCHE VEREINSBANK	5.550	12/01/97	17,980,575.00	19,425.00	18,000,000.00
11/24/97	THE HERTZ CORPORATION	5.570	12/02/97	4,993,811.11	6,188.89	5,000,000.00
11/25/97	HOLLAND LIMITED SECUR.	5.650	12/04/97	5,910,639.41	8,360.59	5,919,000.00
11/25/97	LUCENT TECHNOLOGIES	5.570	12/04/97	4,993,037.50	6,962.50	5,000,000.00
11/25/97	MERRILL LYNCH & CO,INC.	5.580	12/03/97	14,981,400.00	18,600.00	15,000,000.00
11/26/97	EATON CORPORATION	5.670	12/02/97	14,985,825.00	14,175.00	15,000,000.00
11/26/97	FORD MOTOR CREDIT CO	5.620	12/02/97	5,994,380.00	5,620.00	6,000,000.00
12/01/97	THE HERTZ CORPORATION	5.690	12/04/97	18,990,990.83	9,009.17	19,000,000.00
12/02/97	COUNTRYWIDE HOME LOANS	5.630	12/09/97	5,993,431.67	6,568.33	6,000,000.00
12/02/97	HALIFAX PLC	5.570	12/05/97	15,992,573.33	7,426.67	16,000,000.00
12/02/97	TRIDENT CAPITAL FINANCE	5.600	12/10/97	3,995,022.22	4,977.78	4,000,000.00
12/03/97	MERRILL LYNCH & CO,INC.	5.580	12/09/97	15,985,120.00	14,880.00	16,000,000.00
12/04/97	HOLLAND LIMITED SECUR.	5.600	12/11/97	13,984,755.56	15,244.44	14,000,000.00
12/04/97	INTERNATIONAL LEASE FIN	5.540	12/12/97	8,988,920.00	11,080.00	9,000,000.00
12/04/97	MERRILL LYNCH & CO,INC.	5.530	12/08/97	4,996,927.78	3,072.22	5,000,000.00
12/05/97	NEW ZEALAND(GOV'T OF)	5.470	12/08/97	3,998,176.67	1,823.33	4,000,000.00
12/05/97	TRANSAMERICA FINANCIAL	5.520	12/10/97	12,990,033.33	9,966.67	13,000,000.00
12/08/97	EDISON INTERNATIONAL	5.500	12/12/97	5,996,333.33	3,666.67	6,000,000.00
12/09/97	THE HERTZ CORPORATION	5.510	12/16/97	4,994,643.06	5,356.94	5,000,000.00
12/09/97	TRIPLE A-1 FUNDING	6.070	12/16/97	7,964,480.00	8,542.22	7,973,022.22
12/10/97	MERRILL LYNCH & CO,INC.	5.500	12/16/97	9,990,833.33	9,166.67	10,000,000.00
12/10/97	THUNDER BAY FUNDING,INC	5.430	12/12/97	3,998,793.33	1,206.67	4,000,000.00
12/10/97	THUNDER BAY FUNDING,INC	5.970	01/05/98	5,974,130.00	25,870.00	6,000,000.00
12/11/97	BROOKLYN UNION GAS CO	5.530	12/16/97	10,991,551.39	8,448.61	11,000,000.00
12/11/97	MERRILL LYNCH & CO,INC.	5.450	12/15/97	2,998,183.33	1,816.67	3,000,000.00
12/15/97	DUKE CAPITAL CORP	5.900	12/16/97	1,999,672.22	327.78	2,000,000.00
12/16/97	ATLAS COPCO AB	5.750	12/17/97	12,997,923.61	2,076.39	13,000,000.00
12/16/97	WORLD OMNI VEH. LEASING	5.670	12/18/97	3,998,740.00	1,260.00	4,000,000.00
12/17/97	NEW ZEALAND(GOV'T OF)	5.700	12/19/97	999,683.33	316.67	1,000,000.00
12/18/97	TRIPLE A-1 PLUS FUNDING	5.610	12/23/97	3,996,883.34	3,116.66	4,000,000.00
12/19/97	OYSTER CREEK FUEL CORP	5.580	12/23/97	999,380.00	620.00	1,000,000.00
12/22/97	COUNTRYWIDE HOME LOANS	5.680	12/24/97	999,684.44	315.56	1,000,000.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORPORATE NOTES
June 30, 1998

SHORT TERM INVESTMENTS MATURED

Date Acquired	Description	Interest Rate	Maturity Date	Cost	Amount of Interest	Maturity Value
12/23/97	AC ACQUISITIONS HOLDING	5.600	12/24/97	1,999,688.89	311.11	2,000,000.00
12/23/97	THE HERTZ CORPORATION	5.570	12/26/97	3,998,143.33	1,856.67	4,000,000.00
12/24/97	ALLSTATE CORP	5.580	12/30/97	9,990,700.00	9,300.00	10,000,000.00
12/24/97	DUKE CAPITAL CORP	5.600	12/26/97	999,688.89	311.11	1,000,000.00
12/31/97	ELF AQUITAINE FINANCE	6.150	01/07/98	12,984,454.17	15,545.83	13,000,000.00
12/31/97	FLUOR CORP	5.680	01/30/98	11,520,211.67	54,788.33	11,575,000.00
01/02/98	THE HERTZ CORPORATION	5.820	01/08/98	13,986,420.00	13,580.00	14,000,000.00
01/05/98	GTE FUNDING INC.	5.640	01/12/98	3,995,613.33	4,386.67	4,000,000.00
01/05/98	TRIDENT CAPITAL FINANCE	5.600	01/13/98	13,982,577.78	17,422.22	14,000,000.00
01/06/98	TRIDENT CAPITAL FINANCE	5.500	01/12/98	1,998,166.67	1,833.33	2,000,000.00
01/07/98	LEXINGTON PARKER CAP.	5.450	01/09/98	999,697.22	302.78	1,000,000.00
01/07/98	MERRILL LYNCH & CO,INC.	5.400	01/15/98	7,990,400.00	9,600.00	8,000,000.00
01/07/98	SHERWIN WILLIAMS CO.	5.430	01/12/98	3,996,983.34	3,016.66	4,000,000.00
01/08/98	TMI-1 FUEL CORP	5.450	01/16/98	13,983,044.44	16,955.56	14,000,000.00
01/12/98	BARTON CAPITAL CORP	5.510	01/15/98	8,995,867.50	4,132.50	9,000,000.00
01/12/98	OGE ENERGY	5.500	01/14/98	4,998,472.22	1,527.78	5,000,000.00
01/13/98	LEXINGTON PARKER CAP.	5.510	01/21/98	9,987,755.55	12,244.45	10,000,000.00
01/13/98	LG&E CAPITAL CORP	5.480	01/16/98	6,996,803.33	3,196.67	7,000,000.00
01/13/98	OLGETHORPE POWER CORP	5.550	01/16/98	2,998,612.50	1,387.50	3,000,000.00
01/15/98	ALLSTATE CORP	5.470	01/22/98	10,988,300.28	11,699.72	11,000,000.00
01/15/98	MERRILL LYNCH & CO,INC.	5.480	01/26/98	10,981,581.11	18,418.89	11,000,000.00
01/16/98	KZH-SOLEIL CORP	5.460	01/23/98	13,985,136.67	14,863.33	14,000,000.00
01/16/98	THE HERTZ CORPORATION	5.440	01/26/98	10,983,377.78	16,622.22	11,000,000.00
01/21/98	KZH HOLDING CORP III	5.530	01/28/98	9,989,247.22	10,752.78	10,000,000.00
01/22/98	ALLOMON FUNDING CORP	5.490	02/06/98	8,979,412.50	20,587.50	9,000,000.00
01/22/98	TRIDENT CAPITAL FINANCE	5.430	01/27/98	3,996,983.34	3,016.66	4,000,000.00
01/23/98	FOUR WINDS FUNDING CORP	5.480	02/06/98	13,970,164.44	29,835.56	14,000,000.00
01/26/98	COUNTRYWIDE HOME LOANS	5.520	02/02/98	14,983,900.00	16,100.00	15,000,000.00
01/26/98	DUKE CAPITAL CORP	5.550	01/27/98	6,998,920.83	1,079.17	7,000,000.00
01/27/98	DUKE CAPITAL CORP	5.530	02/05/98	11,983,410.00	16,590.00	12,000,000.00
01/28/98	KZH HOLDING CORP III	5.600	02/04/98	10,988,022.22	11,977.78	11,000,000.00
01/30/98	TRANSAMERICA FINANCIAL	5.580	02/04/98	4,996,125.00	3,875.00	5,000,000.00
02/02/98	COUNTRYWIDE HOME LOANS	5.600	02/11/98	16,976,200.00	23,800.00	17,000,000.00
02/02/98	KZH-ING-1 CORP	5.650	02/13/98	6,388,951.11	11,048.89	6,400,000.00
02/04/98	KZH HOLDING CORP III	5.530	02/11/98	4,994,623.61	5,376.39	5,000,000.00
02/04/98	TRIPLE A-1 FUNDING	5.480	02/27/98	9,964,988.88	35,011.12	10,000,000.00
02/05/98	BAT CAPITAL CORP	5.600	03/02/98	10,957,222.22	42,777.78	11,000,000.00
02/05/98	DUKE CAPITAL CORP	5.450	02/06/98	999,848.61	151.39	1,000,000.00
02/06/98	BARTON CAPITAL CORP	5.490	02/24/98	13,961,570.00	38,430.00	14,000,000.00
02/06/98	WALT DISNEY CO.	5.400	02/10/98	9,994,000.00	6,000.00	10,000,000.00
02/10/98	MERRILL LYNCH & CO,INC.	5.500	02/25/98	10,974,791.67	25,208.33	11,000,000.00
02/11/98	BLOCK FINANCIAL CORP	5.580	02/13/98	4,998,450.00	1,550.00	5,000,000.00
02/11/98	FALCON ASSET SECUR.	5.530	02/18/98	17,980,645.00	19,355.00	18,000,000.00
02/13/98	COUNTRYWIDE HOME LOANS	5.520	02/24/98	14,974,700.00	25,300.00	15,000,000.00
02/17/98	KZH-SOLEIL CORP	5.830	02/20/98	12,495,926.11	6,073.89	12,502,000.00
02/18/98	GTE CORP	5.570	03/12/98	7,972,768.89	27,231.11	8,000,000.00
02/18/98	US PRIME PROPERTY INC.	5.500	03/31/98	9,937,361.11	62,638.89	10,000,000.00
02/19/98	WOODSTREET FUNDING CORP	5.510	03/12/98	996,785.83	3,214.17	1,000,000.00
02/20/98	KZH-CRESCENT-2 CORP	5.480	02/26/98	11,989,040.00	10,960.00	12,000,000.00
02/24/98	COUNTRYWIDE HOME LOANS	5.570	02/26/98	18,994,120.56	5,879.44	19,000,000.00
02/24/98	REPSOL INTERNATIONAL BV	5.500	03/02/98	10,989,916.67	10,083.33	11,000,000.00
02/25/98	DUKE CAPITAL CORP	5.670	02/26/98	8,998,582.50	1,417.50	9,000,000.00
02/26/98	COUNTRYWIDE HOME LOANS	5.660	02/27/98	16,997,327.22	2,672.78	17,000,000.00
02/26/98	LEXINGTON PARKER CAP.	5.650	03/02/98	2,998,116.67	1,883.33	3,000,000.00
03/02/98	ENTERPRISE FUNDING CORP	5.760	03/04/98	5,998,080.00	1,920.00	6,000,000.00
03/02/98	HOLLAND LIMITED SECUR.	5.780	03/05/98	2,998,555.00	1,445.00	3,000,000.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORPORATE NOTES
June 30, 1998

SHORT TERM INVESTMENTS MATURED

Date Acquired	Description	Interest Rate	Maturity Date	Cost	Amount of Interest	Maturity Value
03/04/98	DUKE CAPITAL CORP	5.530	03/06/98	999,692.78	307.22	1,000,000.00
03/05/98	TRIDENT CAPITAL FINANCE	5.470	03/09/98	7,995,137.78	4,862.22	8,000,000.00
03/06/98	HOLLAND LIMITED SECUR.	5.480	03/12/98	7,992,693.33	7,306.67	8,000,000.00
03/09/98	MERRILL LYNCH & CO,INC.	5.500	03/12/98	999,541.67	458.33	1,000,000.00
03/10/98	GENERAL MOTORS CORP	5.510	03/17/98	8,990,357.50	9,642.50	9,000,000.00
03/10/98	KZH PAMCO	5.580	04/30/98	10,322,748.47	82,251.53	10,405,000.00
03/11/98	TRIPLE A-1 FUNDING	5.550	03/13/98	5,998,150.00	1,850.00	6,000,000.00
03/12/98	DUKE CAPITAL CORP	5.540	03/20/98	12,983,995.56	16,004.44	13,000,000.00
03/12/98	HONEYWELL INC.	5.500	03/26/98	7,982,888.89	17,111.11	8,000,000.00
03/13/98	COUNTRYWIDE HOME LOANS	5.450	03/16/98	9,995,458.34	4,541.66	10,000,000.00
03/16/98	AETNA SERVICES INC.	5.550	03/19/98	3,998,150.00	1,850.00	4,000,000.00
03/16/98	WALT DISNEY CO.	5.550	03/19/98	18,991,212.50	8,787.50	19,000,000.00
03/17/98	KZH HOLDING CORP III	5.540	03/23/98	9,990,766.67	9,233.33	10,000,000.00
03/19/98	ATLANTIS ONE FUNDING	5.570	04/01/98	9,979,886.11	20,113.89	10,000,000.00
03/19/98	MERRILL LYNCH & CO,INC.	5.580	04/02/98	12,971,790.00	28,210.00	13,000,000.00
03/20/98	FORD MOTOR CREDIT CO.	5.380	03/24/98	4,997,011.11	2,988.89	5,000,000.00
03/20/98	FORD MOTOR CREDIT CO.	5.390	03/25/98	13,989,519.44	10,480.56	14,000,000.00
03/23/98	BARTON CAPITAL CORP	5.510	03/25/98	7,997,551.11	2,448.89	8,000,000.00
03/23/98	DUKE CAPITAL CORP	5.510	03/24/98	7,998,775.56	1,224.44	8,000,000.00
03/25/98	MERRILL LYNCH & CO,INC.	5.550	03/27/98	3,998,766.67	1,233.33	4,000,000.00
03/25/98	OGLETHORPE POWER CORP	5.600	03/30/98	11,559,002.67	8,997.33	11,568,000.00
03/26/98	DUKE CAPITAL CORP	5.570	03/27/98	2,999,535.83	464.17	3,000,000.00
03/27/98	PHH CORPORATION	5.490	03/30/98	5,997,255.00	2,745.00	6,000,000.00
03/30/98	DUKE CAPITAL CORP	5.730	03/31/98	12,997,930.84	2,069.16	13,000,000.00
03/31/98	DUKE CAPITAL CORP	6.080	04/01/98	1,999,662.22	337.78	2,000,000.00
04/01/98	SOUTHERN CAL EDISON	5.620	04/03/98	15,995,004.44	4,995.56	16,000,000.00
04/02/98	MERRILL LYNCH & CO,INC.	5.550	04/07/98	11,990,750.00	9,250.00	12,000,000.00
04/03/98	DUKE CAPITAL CORP	5.530	04/06/98	3,069,584.78	1,415.22	3,071,000.00
04/03/98	KZH HOLDING CORP III	5.530	04/09/98	13,165,854.28	12,145.72	13,178,000.00
04/06/98	ATLAS COPCO AB	5.550	04/07/98	4,999,229.17	770.83	5,000,000.00
04/07/98	PHH CORPORATION	5.520	04/13/98	17,983,440.00	16,560.00	18,000,000.00
04/08/98	TRIPLE A-1 FUNDING	5.550	04/09/98	999,845.84	154.16	1,000,000.00
04/09/98	HOLLAND LIMITED SECUR.	5.550	04/16/98	13,984,891.67	15,108.33	14,000,000.00
04/13/98	GREENWICH ASSET FUNDING	5.550	04/20/98	20,977,337.50	22,662.50	21,000,000.00
04/15/98	BANC ONE CORPORATION	5.650	04/17/98	12,995,919.44	4,080.56	13,000,000.00
04/16/98	BAT CAPITAL CORP	5.580	04/21/98	6,994,575.00	5,425.00	7,000,000.00
04/16/98	GTE CORP	5.540	04/24/98	6,991,382.22	8,617.78	7,000,000.00
04/17/98	KZH-SOLEIL CORP	5.520	04/24/98	5,993,560.00	6,440.00	6,000,000.00
04/20/98	COUNTRYWIDE HOME LOANS	5.530	04/24/98	10,993,241.11	6,758.89	11,000,000.00
04/20/98	YORKSHIRE BUILDING SOC.	5.510	04/22/98	10,621,747.57	3,252.43	10,625,000.00
04/21/98	EKSPORTFINANS,A/S	5.500	04/23/98	6,997,861.11	2,138.89	7,000,000.00
04/22/98	TRIDENT CAPITAL FINANCE	5.510	05/04/98	10,979,796.67	20,203.33	11,000,000.00
04/23/98	PHH CORPORATION	5.530	05/05/98	5,988,940.00	11,060.00	6,000,000.00
04/24/98	BAT CAPITAL CORP	5.580	05/08/98	8,980,470.00	19,530.00	9,000,000.00
04/24/98	QUINCY CAPITAL CORP	5.530	05/11/98	15,958,217.78	41,782.22	16,000,000.00
04/30/98	CENTERIOR FUEL	5.550	05/06/98	12,987,975.00	12,025.00	13,000,000.00
05/01/98	ALLSTATE CORP	5.500	05/08/98	2,996,791.66	3,208.34	3,000,000.00
05/04/98	MERRILL LYNCH & CO,INC.	5.500	05/06/98	11,996,333.33	3,666.67	12,000,000.00
05/05/98	MARKETSTREET	5.520	05/29/98	6,974,240.00	25,760.00	7,000,000.00
05/06/98	KZH HOLDING CORP III	5.510	05/13/98	10,988,214.72	11,785.28	11,000,000.00
05/06/98	PHH CORPORATION	5.580	05/29/98	2,989,305.00	10,695.00	3,000,000.00
05/08/98	COUNTRYWIDE HOME LOANS	5.440	05/14/98	7,992,746.67	7,253.33	8,000,000.00
05/08/98	FORD MOTOR CREDIT CORP	5.370	05/12/98	4,997,016.67	2,983.33	5,000,000.00
05/11/98	MERRILL LYNCH & CO,INC.	5.500	05/19/98	15,980,444.44	19,555.56	16,000,000.00
05/12/98	AMERICAN PETRIFINO	5.500	05/14/98	1,204,631.81	368.19	1,205,000.00
05/13/98	KZH HOLDING CORP III	5.550	05/20/98	16,981,654.17	18,345.83	17,000,000.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORPORATE NOTES
June 30, 1998

SHORT TERM INVESTMENTS MATURED

Date Acquired	Description	Interest Rate	Maturity Date	Cost	Amount of Interest	Maturity Value
05/13/98	TRIDENT CAPITAL FINANCE	5.500	05/18/98	13,989,305.56	10,694.44	14,000,000.00
05/14/98	COUNTRYWIDE HOME LOANS	5.560	05/21/98	7,991,351.11	8,648.89	8,000,000.00
05/18/98	COUNTRYWIDE HOME LOANS	5.570	05/26/98	14,981,433.33	18,566.67	15,000,000.00
05/18/98	TRIDENT CAPITAL FINANCE	5.550	05/27/98	21,969,475.00	30,525.00	22,000,000.00
05/19/98	MERRILL LYNCH & CO,INC.	5.530	05/26/98	18,979,569.72	20,430.28	19,000,000.00
05/20/98	PROGRESS CAPITAL HOLD.	5.510	05/26/98	13,987,143.33	12,856.67	14,000,000.00
05/21/98	KZH-CNC CORPORATION	5.570	06/10/98	4,984,527.78	15,472.22	5,000,000.00
05/26/98	KITTY HAWK FUNDING	5.540	05/28/98	16,994,767.78	5,232.22	17,000,000.00
05/26/98	MERRILL LYNCH & CO,INC.	5.540	06/01/98	15,985,226.67	14,773.33	16,000,000.00
05/26/98	THAMES ASSET GLOBAL SEC	5.600	06/04/98	16,976,200.00	23,800.00	17,000,000.00
05/27/98	COUNTRYWIDE HOME LOANS	5.580	05/29/98	5,998,140.00	1,860.00	6,000,000.00
05/27/98	COUNTRYWIDE HOME LOANS	5.560	06/01/98	14,988,416.66	11,583.34	15,000,000.00
05/27/98	KZH-PAMCO	8.630	06/03/98	15,958,510.72	17,489.28	15,976,000.00
05/28/98	TRIDENT CAPITAL FINANCE	5.570	06/02/98	13,989,169.44	10,830.56	14,000,000.00
05/29/98	FINGERHUT OWNER TRUST	5.650	06/02/98	4,996,861.11	3,138.89	5,000,000.00
06/01/98	COUNTRYWIDE HOME LOANS	5.720	06/03/98	3,998,728.89	1,271.11	4,000,000.00
06/01/98	COUNTRYWIDE HOME LOANS	5.690	06/04/98	13,993,361.67	6,638.33	14,000,000.00
06/03/98	LEXINGTON PARKER CAP.	5.570	06/08/98	1,998,452.78	1,547.22	2,000,000.00
06/04/98	GEN. MTRS. ACCEPT. CORP	5.470	06/09/98	16,987,084.72	12,915.28	17,000,000.00
06/04/98	KZH IV CORP	5.550	06/10/98	13,389,603.15	12,396.85	13,402,000.00
06/05/98	ENGELHARD CORP	5.500	06/08/98	5,997,250.00	2,750.00	6,000,000.00
06/08/98	MERRILL LYNCH & CO,INC.	5.460	06/11/98	7,996,360.00	3,640.00	8,000,000.00
06/08/98	PROGRESS CAPITAL HOLD.	5.500	06/30/98	9,966,388.89	33,611.11	10,000,000.00
06/09/98	LEXINGTON PARKER CAP.	5.440	06/10/98	15,997,582.22	2,417.78	16,000,000.00
06/09/98	MERRILL LYNCH & CO,INC.	5.500	06/16/98	9,989,305.56	10,694.44	10,000,000.00
06/10/98	KZH HOLDING CORP III	5.540	06/16/98	17,983,380.00	16,620.00	18,000,000.00
06/10/98	MERRILL LYNCH & CO,INC.	5.520	06/17/98	6,992,486.67	7,513.33	7,000,000.00
06/10/98	US PRIME PROPERTY INC.	5.500	06/12/98	14,995,416.67	4,583.33	15,000,000.00
06/11/98	MERRILL LYNCH & CO,INC.	5.530	06/16/98	4,996,159.72	3,840.28	5,000,000.00
06/11/98	MOBIL CREDIT FINANCE	5.490	06/17/98	12,488,562.50	11,437.50	12,500,000.00
06/12/98	TRIPLE A-1 FUNDING	5.570	06/17/98	17,986,075.00	13,925.00	18,000,000.00
06/15/98	BARTON CAPITAL CORP	5.690	06/18/98	10,994,784.17	5,215.83	11,000,000.00
06/16/98	LEXINGTON PARKER CAP.	5.600	06/18/98	15,996,021.91	4,978.09	16,001,000.00
06/16/98	MERRILL LYNCH & CO,INC.	5.580	06/19/98	20,990,235.00	9,765.00	21,000,000.00
06/17/98	CENTERIOR FUEL	5.620	06/19/98	12,995,941.11	4,058.89	13,000,000.00
06/17/98	DISTRIBUTION FUND. CORP	5.680	06/18/98	23,996,213.33	3,786.67	24,000,000.00
06/18/98	ENGELHARD CORP	5.600	06/19/98	23,996,266.67	3,733.33	24,000,000.00
06/19/98	DISTRIBUTION FUND. CORP	5.500	06/23/98	14,990,833.33	9,166.67	15,000,000.00
06/26/98	HOLLAND LIMITED SECUR.	5.760	06/29/98	999,520.00	480.00	1,000,000.00
	TOTALS			**2,881,408,996.00**	**4,259,692.89**	**2,885,668,688.89**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 1997 THROUGH JUNE 30, 1998

COMMON STOCK ACQUIRED

Company	No. Shares	Dividend Rate	Annual Income	Book Yield	Average Cost	Book Cost
3COM CORPORATION	390,400	0.00	0.00	0.00%	42.30	16,514,874.00
ADAPTEC, INC	300,000	0.00	0.00	0.00%	45.09	13,528,086.00
AIRBORNE FREIGHT CORP	150,000	0.16	24,000.00	0.44%	35.97	5,395,601.20
AIRTOUCH COMMUNICATIONS	600,000	0.00	0.00	0.00%	50.35	30,210,796.66
AMERICAN EXPRESS	150,000	0.90	135,000.00	0.88%	102.68	15,401,250.00
APPLIED MATERIALS	150,000	0.00	0.00	0.00%	32.66	4,898,878.50
BOEING CO.	150,000	0.56	84,000.00	1.15%	48.85	7,327,920.00
BRISTOL-MYERS SQUIBB CO.	150,000	1.56	234,000.00	1.42%	109.76	16,463,514.15
CANANDAIGUA BRANDS INC.	30,000	0.00	0.00	0.00%	47.16	1,414,690.00
CISCO SYSTEMS	400,000	0.00	0.00	0.00%	77.87	31,146,427.50
COCA-COLA CO	150,000	0.60	90,000.00	0.77%	78.32	11,747,343.75
DIAMOND OFFSHORE DRILLING	300,000	0.50	150,000.00	1.14%	43.71	13,112,207.60
ELECTRONIC DATA SYSTEMS	150,000	0.60	90,000.00	1.49%	40.39	6,057,780.00
EMC CORP	450,000	0.00	0.00	0.00%	32.17	14,475,177.00
ERICSSON	450,000	0.20	90,000.00	0.50%	39.82	17,920,605.00
ETHYL CORPORATION	400	0.25	100.00	3.00%	8.34	3,337.20
EXPRESS SCRIPTS	120,000	0.00	0.00	0.00%	57.77	6,932,813.40
EXXON CORPORATION	12,360	1.64	20,270.40	2.38%	69.03	853,252.94
FEDERATED DEPT STORES	300,000	0.00	0.00	0.00%	51.28	15,384,315.40
FIRST DATA CORP	150,000	0.08	12,000.00	0.24%	33.03	4,955,171.55
FIRST UNION CORP	150,000	1.28	192,000.00	2.57%	49.79	7,469,220.00
GENERAL NUTRITION COS	450,000	0.00	0.00	0.00%	32.96	14,831,295.80
GLOBAL MARINE	600,000	0.00	0.00	0.00%	25.06	15,037,191.00
INTEL CORPORATION	650,000	0.12	78,000.00	0.14%	85.70	55,703,184.00
INTERSTATE BAKERIES	450,000	0.28	126,000.00	0.82%	33.95	15,277,410.00
LOEWEN GROUP	390,000	0.20	78,000.00	0.74%	27.07	10,556,555.91
MCDONALDS CORPORATION	150,000	0.33	49,500.00	0.70%	47.23	7,084,491.48
NEWS CORPORATION	1,000,000	0.09	90,000.00	0.43%	21.04	21,040,330.64
NORTHERN TELECOM	450,000	0.60	270,000.00	0.95%	63.10	28,393,061.94
NORTHROP GRUMMAN	85,000	1.60	136,000.00	1.41%	113.72	9,665,851.50
OFFICEMAX INC.	1,050,000	0.00	0.00	0.00%	16.56	17,386,900.09
ORTHOLOGIC CORP	141,724	0.00	0.00	0.00%	6.49	920,385.65
PARAMETRIC TECHNOLOGY	450,000	0.00	0.00	0.00%	31.27	14,070,507.00
PFIZER INC.	40,000	0.68	27,200.00	0.64%	106.38	4,255,000.00
PILGRIM AMERICA CAPITAL CORP	47,572	0.00	0.00	0.00%	6.26	297,803.85
PROFFITT'S, INC.	450,000	0.00	0.00	0.00%	38.00	17,099,620.47
QUANTUM CORPORATION	500,000	0.00	0.00	0.00%	29.89	14,944,508.00
QUORUM HEALTH GROUP	408,000	0.00	0.00	0.00%	24.96	10,184,518.80
SAFEWAY INC	150,000	0.00	0.00	0.00%	39.01	5,852,119.86
SCHOLASTIC CORPORATION	280,000	0.00	0.00	0.00%	36.52	10,226,208.75
STARBUCKS CORP.	100,000	0.00	0.00	0.00%	34.30	3,429,808.41
STERLING SOFTWARE	330,000	0.00	0.00	0.00%	35.95	11,863,938.73
WALGREEN COMPANY	140,000	0.24	33,600.00	0.81%	29.75	4,165,000.00
WARNER-LAMBERT	300,000	1.92	576,000.00	3.04%	63.19	18,957,570.00
WORLDCOM INC.	300,000	0.00	0.00	0.00%	43.94	13,183,004.00
TOTAL COMMON STOCK BOUGHT			**2,585,670.40**	**0.46%**		**565,639,527.73**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 1997 TO JUNE 30, 1998

OTHER INVESTMENTS ACQUIRED

Name	Coupon	Maturity	Purchase Price	Book Cost
BRIDGE FINANCIAL				
BRIDGE FINANCIAL - BEAVER CREEK G.C.	13.000	07/04/99	100.00	840,000.00
BRIDGE FINANCIAL - BELL LOAN	13.000	01/22/99	100.00	1,644,800.00
BRIDGE FINANCIAL - CRYSTAL SPRINGS	12.750	06/17/99	100.00	1,336,000.00
BRIDGE FINANCIAL - GREENFIELD LAKES GOLF	12.750	10/31/99	100.00	1,400,000.00
BRIDGE FINANCIAL - HILTON HOTEL LAND	13.000	05/20/99	100.00	876,800.00
BRIDGE FINANCIAL - HOLIDAY INN III	12.625	07/07/98	100.00	960,000.00
BRIDGE FINANCIAL - LAKE PLEASANT	14.000	02/25/99	100.00	10,000,000.00
BRIDGE FINANCIAL - PECOS & COOPER	12.875	04/01/99	100.00	1,024,000.00
BRIDGE FINANCIAL - PIONEER INDUST. PARK	15.000	03/22/99	100.00	2,112,000.00
BRIDGE FINANCIAL - SHEA MEDICAL PLAZA	12.000	05/28/99	100.00	960,000.00
BRIDGE FINANCIAL - STETSON HILLS	14.000	04/16/99	100.00	1,708,800.00
BRIDGE FINANCIAL - SUN VALLEY II (SPURLOCK)	13.125	09/18/98	100.00	2,284,000.00
BRIDGE FINANCIAL - TARGET STORE SITE	12.625	04/01/99	100.00	1,440,000.00
BRIDGE FINANCIAL - UNITED HOMES	12.500	03/26/99	100.00	1,651,200.00
BRIDGE FINANCIAL - WARNER & VAL VISTA	12.625	12/07/98	100.00	880,000.00
BRIDGE FINANCIAL - WHITE PEAK LAND	14.000	03/18/99	100.00	3,040,000.00
TOTAL BRIDGE FINANCIAL ACQUIRED				**32,157,600.00**
MISCELLANEOUS				
CRYSTAL GARDENS PROPERTIES, LLC	10.000	04/20/00	100.00	2,966,069.68
DESERT TROON PROPERTIES,LLC-SUMMIT PRJCT	10.000	06/24/07	100.00	2,000,000.00
PILGRIM AMERICA CAPITAL CORPORATION		L.L.C.	100.00	149,382.33
PIVOTAL X,LLC-HARBOR BAY CAMPUS		L.L.C.	100.00	5,600,000.00
TOTAL MISCELLANEOUS ACQUIRED				**10,715,452.01**
TOTAL OTHER INVESTMENTS ACQUIRED				**42,873,052.01**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BONDS SOLD 1997 - 1998

Security	Coupon	Maturity	Par Value	Sale Price	Accrued Interest	Principal	Amortized Cost	Gain or (Loss)	Amount Due
U.S. TREASURY OBLIGATIONS									
U.S. TREASURY NOTE	5.750	10/31/97	10,000,000.00	100.00000	287,500.00	10,000,000.00	9,995,000.00	5,000.00	10,287,500.00
U.S. TREASURY NOTE	6.000	11/30/97	10,000,000.00	100.00000	300,000.00	10,000,000.00	10,002,938.00	(2,938.00)	10,300,000.00
U.S. TREASURY NOTE	5.125	02/28/98	10,000,000.00	100.00000	256,250.00	10,000,000.00	10,004,412.00	(4,412.00)	10,256,250.00
U.S. TREASURY NOTE	5.125	04/30/98	10,000,000.00	100.00000	256,250.00	10,000,000.00	9,997,111.00	2,889.00	10,256,250.00
TOTAL U.S. TREASURY OBLIGATIONS			**40,000,000.00**		**1,100,000.00**	**40,000,000.00**	**39,999,461.00**	**539.00**	**41,100,000.00**
CORPORATE BONDS									
AUTO BOND RECEIVABLES TRUST	7.100	06/15/98	399,622.71	100.00000	27,063.05	399,622.71	399,622.71	0.00	426,685.76
AUTO BOND RECEIVABLES TRUST	6.400	04/15/99	260,762.28	100.00000	20,851.30	260,762.28	260,762.28	0.00	281,613.58
BIG RIVER COOPERATIVE TRUST	9.500	02/15/17	1,000,000.00	104.75000	38,520.00	1,047,500.00	1,000,000.00	47,500.00	1,086,020.00
CITICORP	9.375	03/01/16	329,000.00	100.00000	15,421.88	329,000.00	333,389.02	(4,389.02)	344,421.88
CITICORP	8.500	02/01/17	5,799,000.00	101.76318	246,457.50	5,901,247.01	5,576,826.58	324,420.43	6,147,704.51
GENERAL MOTORS CORP.	8.125	04/15/16	1,000,000.00	103.28000	33,854.17	1,032,800.00	917,678.00	115,122.00	1,066,654.17
GENERAL TEL OF MIDWEST	8.125	07/01/07	500,000.00	102.44000	10,156.00	512,200.00	497,285.00	14,915.00	522,356.00
GENERAL TEL OF NORTHWEST	8.250	02/01/07	1,000,000.00	102.28000	13,750.00	1,022,800.00	997,131.00	25,669.00	1,036,550.00
GMAC	7.700	01/12/98	5,000,000.00	100.00000	109,083.33	5,000,000.00	5,000,000.00	0.00	5,109,083.33
NEW YORK TELEPHONE COMPANY	7.750	12/15/06	2,000,000.00	101.24000	24,972.22	2,024,800.00	1,987,767.00	37,033.00	2,049,772.22
OKLAHOMA GAS & ELECTRIC CO.	8.375	01/01/07	1,000,000.00	103.10000	11,631.94	1,031,000.00	999,204.00	31,796.00	1,042,631.94
OXFORD ACCEPTANCE CORP CMO	8.450	05/20/17	60,133.06	100.00000	639.64	60,133.06	57,986.29	2,146.77	60,772.70
REVLON,INC.	10.875	07/15/10	2,000,000.00	101.22786	0.00	2,024,557.20	1,970,656.00	53,901.20	2,024,557.20
SOUTHERN BELL TELEPHONE	7.625	03/15/13	1,500,000.00	102.40000	32,724.00	1,536,000.00	1,457,295.00	78,705.00	1,568,724.00
TOTAL CORPORATE BONDS			**21,848,518.05**		**585,125.03**	**22,182,422.26**	**21,455,602.88**	**726,819.38**	**22,767,547.29**
TOTAL BONDS SOLD			**61,848,518.05**		**1,685,125.03**	**62,182,422.26**	**61,455,063.88**	**727,358.38**	**63,867,547.29**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS SOLD 07/01/97 TO 06/30/98

COMMON STOCK SOLD

Company	Shares Sold	Sale Price	Amount	Commission + SEC Fee	Net Amount	Book Cost	Gain (Loss) on Sale	% Gain on Sale
ABBOTT LABS	100,000	64.30	6,429,720.00	5,214.33	6,424,505.67	2,812,579.94	3,611,925.73	128.42%
AMER HOME PROD	80,000	71.25	5,700,312.50	4,190.02	5,696,122.48	2,397,543.21	3,298,579.27	137.58%
AMER INT'L GROUP	47,500	125.19	5,946,406.25	0.00	5,946,406.25	2,214,508.81	3,731,897.44	168.52%
AMOCO CORP	150,000	85.69	12,854,060.88	7,928.47	12,846,132.41	10,757,926.00	2,088,206.41	19.41%
AT&T CORP	500,000	36.69	18,343,750.00	25,611.47	18,318,138.53	18,635,155.95	(317,017.42)	-1.70%
AUTOLIV, INC	119,700	31.10	3,723,055.01	6,109.11	3,716,945.90	3,393,352.56	323,593.34	9.54%
CANANDAIGUA	30,000	48.63	1,458,875.05	1,548.64	1,457,326.41	1,414,690.00	42,636.41	3.01%
CENT & SW CORP	785,000	20.17	15,833,867.00	39,777.83	15,794,089.17	14,534,890.01	1,259,199.16	8.66%
COOPER INDUS	150,000	62.88	9,431,987.88	7,814.42	9,424,173.46	6,499,108.25	2,925,065.21	45.01%
DEERE & CO	100,000	60.92	6,092,329.70	5,203.08	6,087,126.62	4,080,800.00	2,006,326.62	49.17%
DUKE ENER CORP	300,000	50.13	15,037,674.53	15,501.28	15,022,173.25	10,822,575.00	4,199,598.25	38.80%
ETHYL CORP	525,000	8.96	4,703,040.60	26,406.82	4,676,633.78	6,384,714.63	(1,708,080.85)	-26.75%
EXXON CORP	1,050,000	62.23	65,346,310.00	54,678.24	65,291,631.76	27,435,055.47	37,856,576.29	137.99%
GANNETT CO	350,000	66.75	23,363,038.50	18,278.79	23,344,759.71	9,059,869.81	14,284,889.90	157.67%
GEORG PAC CORP	300,000	94.31	28,291,643.88	15,943.08	28,275,700.80	21,376,072.32	6,899,628.48	32.28%
H.J. HEINZ CO	600,000	49.67	29,799,767.50	30,993.35	29,768,774.15	21,930,090.00	7,838,684.15	35.74%
INTL FLAV & FRAG	775,000	51.87	40,200,440.30	40,090.06	40,160,350.24	36,666,129.39	3,494,220.85	9.53%
JOHNSON & JOHNS	100,000	57.88	5,787,740.00	5,192.93	5,782,547.07	6,182,756.13	(400,209.06)	-6.47%
LILLY ELI	60,000	122.12	7,327,020.00	3,244.24	7,323,775.76	5,498,067.40	1,825,708.36	33.21%
LUCENT TECH INC	216,084	70.84	15,308,379.77	11,314.49	15,297,065.28	5,071,475.77	10,225,589.51	201.63%
MERCK & CO	65,000	100.32	6,520,858.50	3,467.37	6,517,391.13	3,634,000.14	2,883,390.99	79.34%
MINN MINING & MFG	200,000	97.31	19,462,600.00	10,648.76	19,451,951.24	8,232,402.27	11,219,548.97	136.29%
MOTOROLA, INC	450,000	57.15	25,719,611.24	23,357.34	25,696,253.90	20,450,149.21	5,246,104.69	25.65%
PEPSICO INC	450,000	39.29	17,682,538.29	23,089.44	17,659,448.85	9,306,782.64	8,352,666.21	89.75%
PITNEY BOWES, INC	250,000	48.25	12,062,862.00	12,902.12	12,049,959.88	5,111,120.76	6,938,839.12	135.76%
PROCT & GAMBLE	100,000	70.57	7,057,210.00	5,235.25	7,051,974.75	5,828,373.78	1,223,600.97	20.99%
ROYAL DUTCH PET	150,000	56.28	8,441,352.69	7,781.39	8,433,571.30	4,291,605.48	4,141,965.82	96.51%
SCHERING-PLOUGH	125,000	52.36	6,545,187.50	6,468.18	6,538,719.32	3,136,166.26	3,402,553.06	108.49%
SCHLUMB LTD	140,000	76.27	10,678,021.40	7,355.95	10,670,665.45	4,275,000.63	6,395,664.82	149.61%
TELE DE MEXICO	300,000	51.30	15,390,912.62	15,513.05	15,375,399.57	13,022,856.45	2,352,543.12	18.06%
TRICON GLOBAL	135,000	29.27	3,950,775.00	6,881.70	3,943,893.30	2,294,255.24	1,649,638.06	71.90%
UNION PAC RES GRP	276,804	21.62	5,984,739.69	14,039.70	5,970,699.99	6,668,948.58	(698,248.59)	-10.47%
TOTAL STOCK SOLD	**8,980,088**		**460,476,088.28**	**461,780.90**	**460,014,307.38**	**303,419,022.09**	**156,595,285.29**	**51.61%**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS SOLD JULY 1, 1997 TO JUNE 30, 1998

OTHER INVESTMENTS SOLD

Name	Coupon	Maturity	Sale Price	Book Cost
SBA LOANS				
ALL UNLIMITED	9.750	05/01/09	100.00	26,324.12
ASAYO HOLDINGS, LTD.	9.500	07/01/10	100.00	27,457.01
DECO TURTLE L.P.	9.625	03/15/15	100.00	12,100.25
EQUITY PARTNERSHIP	9.250	03/31/08	100.00	86,068.73
JYH NEVADA, INC.	10.000	03/30/10	100.00	20,179.67
NIARKOS	10.000	05/01/14	100.00	14,293.94
TOTAL SBA SOLD				**186,423.72**
BRIDGE FINANCIAL				
BRIDGE FINANCIAL - AMBASSADOR INN OF PHX	13.000	08/19/97	100.00	416,000.00
BRIDGE FINANCIAL - BEAVER CREEK G.C.	13.000	07/04/99	100.00	168,000.00
BRIDGE FINANCIAL - CRYSTAL SPRINGS	12.750	06/17/99	100.00	267,200.00
BRIDGE FINANCIAL - DEER VALLEY TOWNE CENTER	13.000	12/23/97	100.00	2,400,000.00
BRIDGE FINANCIAL - DESERT SPRINGS	13.250	12/23/97	100.00	1,765,000.00
BRIDGE FINANCIAL - DOBSON & WARNER ROAD	13.500	07/11/97	100.00	460,000.00
BRIDGE FINANCIAL - GOLD CANYON MHP LAND	13.000	03/15/98	100.00	1,280,000.00
BRIDGE FINANCIAL - GREENFIELD LAKES	13.500	09/30/97	100.00	639,999.97
BRIDGE FINANCIAL - GREENFIELD LAKES GO	12.750	10/31/99	100.00	280,000.00
BRIDGE FINANCIAL - HOLIDAY INN III	12.625	07/07/98	100.00	1,256,000.00
BRIDGE FINANCIAL - LAKE PLEASANT	14.000	02/25/99	100.00	2,000,000.00
BRIDGE FINANCIAL - LAS PALMAS MEDICAL PLAZA	12.750	01/04/97	100.00	2,440,000.00
BRIDGE FINANCIAL - SUN VALLEY	13.500	09/19/97	100.00	800,000.00
BRIDGE FINANCIAL - SUN VALLEY II (SPURLOCK)	13.125	09/18/98	100.00	456,800.00
BRIDGE FINANCIAL - WARNER & VAL VISTA	12.625	12/07/98	100.00	880,000.00
BRIDGE FINANCIAL - WHITE PEAK LAND	14.000	03/18/99	100.00	608,000.00
TOTAL BRIDGE FINANCIAL SOLD				**16,116,999.97**
MISCELLANEOUS				
ARIZONA GROWTH PARTNERS, L.P.	0.000	06/30/23	100.00	99,000.00
CRYSTAL GARDENS PROPERTIES, L.L.C.	10.000	04/20/00	100.00	1,046,891.12
ORTHOLOGIC CORPORATION	0.000	06/30/23	100.00	970,767.98
PEBBLECREEK PROPERTIES L.P.	10.000	02/19/02	100.00	2,489,601.02
PILGRIM AMERICA CAPITAL CORPORATION		L.L.C.	100.00	297,803.85
PIVOTAL SIMON HOTEL XXIV	10.000	05/15/01	100.00	9,000,000.00
TALLEY PROPERTIES	12.000	12/01/01	100.00	3,315,000.00
WALKER COTTON SEED, INC.	14.000	10/16/95	100.00	45,008.16
TOTAL MISCELLANEOUS SOLD				**17,264,072.13**
TOTAL OTHER INVESTMENTS SOLD				**33,567,495.82**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOND PORTFOLIO

June 30, 1998

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM
	U.S. TREASURY OBLIGATIONS										
13,000,000.00	U.S. TREASURY BOND	11.750	02/15/01	13,365,774.00	102.81365	115.01600	14,952,080.00	1,586,306.00	1,527,500.00	11.43	10.200
3,000,000.00	U.S. TREASURY BOND	13.125	05/15/01	2,990,893.00	99.69643	119.85900	3,595,770.00	604,877.00	393,750.00	13.16	11.000
6,500,000.00	U.S. TREASURY BOND	9.375	02/15/06	6,539,433.00	100.60666	123.50000	8,027,500.00	1,488,067.00	609,375.00	9.32	7.600
10,000,000.00	U.S. TREASURY BOND	9.125	05/15/09	9,996,264.00	99.96264	117.12500	11,712,500.00	1,716,236.00	912,500.00	9.13	7.800
10,000,000.00	U.S. TREASURY BOND	10.375	11/15/09	9,925,113.00	99.25113	124.95300	12,495,300.00	2,570,187.00	1,037,500.00	10.45	8.300
2,000,000.00	U.S. TREASURY BOND	11.750	02/15/10	1,980,139.00	99.00695	133.40600	2,668,120.00	687,981.00	235,000.00	11.87	8.800
15,000,000.00	U.S. TREASURY BOND	10.000	05/15/10	15,039,533.00	100.26355	124.57800	18,686,700.00	3,647,167.00	1,500,000.00	9.97	8.000
5,000,000.00	U.S. TREASURY BOND	12.750	11/15/10	4,929,382.00	98.58764	142.42200	7,121,100.00	2,191,718.00	637,500.00	12.93	9.000
10,000,000.00	U.S. TREASURY BOND	7.500	11/15/16	9,562,353.00	95.62353	120.04700	12,004,700.00	2,442,347.00	750,000.00	7.84	6.200
10,000,000.00	U.S. TREASURY BOND	9.125	05/15/18	10,000,000.00	100.00000	139.98400	13,998,400.00	3,998,400.00	912,500.00	9.13	6.500
10,000,000.00	U.S. TREASURY BOND	8.125	08/15/19	10,009,631.00	100.09631	129.06200	12,906,200.00	2,896,569.00	812,500.00	8.12	6.300
10,000,000.00	U.S. TREASURY BOND	8.000	11/15/21	10,000,000.00	100.00000	128.90600	12,890,600.00	2,890,600.00	800,000.00	8.00	6.200
25,000,000.00	U.S. TREASURY NOTE	5.125	12/31/98	25,012,900.00	100.05160	99.89100	24,972,750.00	(40,150.00)	1,281,250.00	5.12	5.100
10,000,000.00	U.S. TREASURY NOTE	6.375	01/15/99	10,038,712.00	100.38712	100.51600	10,051,600.00	12,888.00	637,500.00	6.35	6.300
10,000,000.00	U.S. TREASURY NOTE	6.375	07/15/99	10,002,254.00	100.02254	100.85900	10,085,900.00	83,646.00	637,500.00	6.37	6.300
10,000,000.00	U.S. TREASURY NOTE	6.000	10/15/99	10,057,327.00	100.57327	100.56200	10,056,200.00	(1,127.00)	600,000.00	5.97	6.000
45,000,000.00	U.S. TREASURY NOTE	5.500	04/15/00	45,137,875.00	100.30639	99.96900	44,986,050.00	(151,825.00)	2,475,000.00	5.48	5.500
15,000,000.00	U.S. TREASURY NOTE	7.750	02/15/01	15,814,171.00	105.42781	105.35900	15,803,850.00	(10,321.00)	1,162,500.00	7.35	7.400
15,000,000.00	U.S. TREASURY NOTE	7.875	08/15/01	15,974,620.00	106.49747	106.56200	15,984,300.00	9,680.00	1,181,250.00	7.39	7.400
20,000,000.00	U.S. TREASURY NOTE	7.500	11/15/01	21,074,463.00	105.37232	105.92200	21,184,400.00	109,937.00	1,500,000.00	7.12	7.100
254,500,000.00	**TOTAL U.S. TREASURY OBLIGATIONS**			**257,450,837.00**	**101.15946**		**284,184,020.00**	**26,733,183.00**	**19,603,125.00**	**7.6%**	**6.9%**
	FEDERAL AGENCY OBLIGATIONS										
811,385.32	GNMA POOL #153415	9.000	04/15/16	774,365.82	0.95000	107.56800	872,790.96	98,425.14	73,024.68	9.43	8.400
517,944.87	GNMA POOL #154058	9.000	06/15/16	501,751.32	0.97000	107.56800	557,142.94	55,391.62	46,615.04	9.29	8.400
598,474.56	GNMA POOL #155684	9.000	05/15/16	553,448.66	0.92000	107.56800	643,767.11	90,318.45	53,862.71	9.73	8.400
50,344.17	GNMA POOL #155939	9.000	08/15/16	46,556.54	0.92000	107.56800	54,154.22	7,597.68	4,530.98	9.73	8.400
518,374.46	GNMA POOL #156462	9.000	07/15/16	502,187.12	0.97000	107.56800	557,605.04	55,417.92	46,653.70	9.29	8.400
918,889.80	GNMA POOL #159801	9.000	09/15/19	893,620.29	0.97000	107.56800	988,431.38	94,811.09	82,700.08	9.25	8.400
451,903.95	GNMA POOL #160350	9.000	05/15/16	441,736.09	0.98000	107.56800	486,104.04	44,367.95	40,671.36	9.21	8.400
566,514.48	GNMA POOL #161638	9.000	09/15/16	525,612.73	0.93000	107.56800	609,388.30	83,775.57	50,986.30	9.70	8.400
866,562.23	GNMA POOL #161682	9.000	07/15/16	861,958.57	0.99000	107.56800	932,143.66	70,185.09	77,990.60	9.05	8.400
403,251.99	GNMA POOL #161684	9.000	07/15/16	393,926.78	0.98000	107.56800	433,770.10	39,843.32	36,292.68	9.21	8.400
61,781.89	GNMA POOL #162599	9.000	06/15/16	58,229.45	0.94000	107.56800	66,457.54	8,228.09	5,560.37	9.55	8.400

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOND PORTFOLIO

June 30, 1998

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM
734,982.75	GNMA POOL #164468	9.000	12/15/16	679,686.76	0.92000	107.56800	790,606.24	110,919.48	66,148.45	9.73	8.400
1,371,180.81	GNMA POOL #164501	9.000	08/15/16	1,340,828.30	0.98000	107.56800	1,474,951.77	134,123.47	123,406.27	9.20	8.400
3,913,632.64	GNMA POOL #164681	9.000	10/15/16	3,821,906.97	0.98000	107.56800	4,209,816.36	387,909.39	352,226.94	9.22	8.400
530,058.34	GNMA POOL #164924	9.000	09/15/16	490,179.73	0.92000	107.56800	570,173.16	79,993.43	47,705.25	9.73	8.400
1,104,614.01	GNMA POOL #165172	9.000	06/15/16	1,021,509.09	0.92000	107.56800	1,188,211.20	166,702.11	99,415.26	9.73	8.400
463,035.70	GNMA POOL #168283	9.000	08/15/16	439,021.95	0.95000	107.56800	498,078.24	59,056.29	41,673.21	9.49	8.400
557,640.40	GNMA POOL #172800	9.000	08/15/16	536,206.09	0.96000	107.56800	599,842.63	63,636.54	50,187.64	9.36	8.400
2,380,876.34	GNMA POOL #173847	9.000	09/15/16	2,348,883.36	0.99000	107.56800	2,561,061.06	212,177.70	214,278.87	9.12	8.400
940,120.90	GNMA POOL #174829	9.000	09/15/16	927,488.11	0.99000	107.56800	1,011,269.25	83,781.14	84,610.88	9.12	8.400
288,980.74	GNMA POOL #175236	9.000	10/15/16	286,090.92	0.99000	107.56800	310,850.80	24,759.88	26,008.27	9.09	8.400
17,385.30	GNMA POOL #175243	9.000	11/15/16	16,407.38	0.94000	107.56800	18,701.02	2,293.64	1,564.68	9.54	8.400
1,496,362.10	GNMA POOL #178234	9.000	11/15/16	1,383,669.94	0.92000	107.56800	1,609,606.78	225,936.84	134,672.59	9.73	8.400
930,085.65	GNMA POOL #182491	9.000	12/15/16	909,158.73	0.98000	107.56800	1,000,474.53	91,315.80	83,707.71	9.21	8.400
453,856.64	GNMA POOL #182914	9.000	10/15/16	449,318.05	0.99000	107.56800	488,204.51	38,886.46	40,847.10	9.09	8.400
524,711.40	GNMA POOL #183553	9.000	08/15/17	512,905.37	0.98000	107.56800	564,421.56	51,516.19	47,224.03	9.21	8.400
638,462.51	GNMA POOL #183715	9.000	11/15/16	619,907.23	0.97000	107.56800	686,781.35	66,874.12	57,461.63	9.27	8.400
2,110,359.15	GNMA POOL #183733	9.000	01/15/17	1,951,422.83	0.92000	107.56800	2,270,071.13	318,648.30	189,932.32	9.73	8.400
358,655.06	GNMA POOL #184707	9.000	12/15/16	347,335.02	0.97000	107.56800	385,798.07	38,463.05	32,278.96	9.29	8.400
391,239.90	GNMA POOL #185639	9.000	11/15/16	380,969.88	0.97000	107.56800	420,848.94	39,879.06	35,211.59	9.24	8.400
1,013,072.02	GNMA POOL #187705	9.000	01/15/17	981,096.95	0.97000	107.56800	1,089,741.31	108,644.36	91,176.48	9.29	8.400
880,932.37	GNMA POOL #188192	9.000	05/15/17	853,403.26	0.97000	107.56800	947,601.33	94,198.07	79,283.91	9.29	8.400
1,596,029.21	GNMA POOL #190921	9.000	12/15/16	1,551,889.02	0.97000	107.56800	1,716,816.70	164,927.68	143,642.63	9.26	8.400
183,959.35	GNMA POOL #191487	9.000	01/15/17	179,475.38	0.98000	107.56800	197,881.39	18,406.01	16,556.34	9.22	8.400
639,967.40	GNMA POOL #191648	9.000	05/15/17	606,769.06	0.95000	107.56800	688,400.13	81,631.07	57,597.07	9.49	8.400
710,298.74	GNMA POOL #191943	9.000	07/15/18	673,230.03	0.95000	107.56800	764,054.15	90,824.12	63,926.89	9.50	8.400
868,982.15	GNMA POOL #194468	9.000	12/15/16	841,826.31	0.97000	107.56800	934,746.72	92,920.41	78,208.39	9.29	8.400
142,745.14	GNMA POOL #198466	9.000	02/15/17	139,265.72	0.98000	107.56800	153,548.09	14,282.37	12,847.06	9.22	8.400
67,333.34	GNMA POOL #204136	9.000	05/15/17	66,091.84	0.98000	107.56800	72,429.13	6,337.29	6,060.00	9.17	8.400
770,905.68	GNMA POOL #206683	9.000	04/15/20	736,214.93	0.96000	107.56800	829,247.82	93,032.89	69,381.51	9.42	8.400
534,906.91	GNMA POOL #208638	9.000	05/15/17	507,159.07	0.95000	107.56800	575,388.66	68,229.59	48,141.62	9.49	8.400
541,855.55	GNMA POOL #210798	9.000	07/15/18	499,353.74	0.92000	107.56800	582,863.18	83,509.44	48,767.00	9.77	8.400
470,211.87	GNMA POOL #216520	9.000	05/15/17	445,819.63	0.95000	107.56800	505,797.50	59,977.87	42,319.07	9.49	8.400
548,088.65	GNMA POOL #221494	9.000	07/15/17	508,694.79	0.93000	107.56800	589,568.00	80,873.21	49,327.98	9.70	8.400
3,431,245.02	GNMA POOL #221509	9.000	12/15/16	3,328,307.70	0.97000	107.56800	3,690,921.64	362,613.94	308,812.05	9.28	8.400
427,840.07	GNMA POOL #223273	9.000	04/15/18	404,442.57	0.95000	107.56800	460,219.01	55,776.44	38,505.61	9.52	8.400
583,164.75	GNMA POOL #223282	9.000	05/15/18	557,609.53	0.96000	107.56800	627,298.66	69,689.13	52,484.83	9.41	8.400
550,536.28	GNMA POOL #223307	9.000	04/15/18	526,622.51	0.96000	107.56800	592,200.87	65,578.36	49,548.27	9.41	8.400

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOND PORTFOLIO

June 30, 1998

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM
114,542.03	GNMA POOL #225586	9.000	05/15/18	107,955.87	0.94000	107.56800	123,210.57	15,254.70	10,308.78	9.55	8.400
237,403.17	GNMA POOL #226614	10.000	11/15/17	235,919.41	0.99000	109.65900	260,333.94	24,414.53	23,740.32	10.06	9.100
95,899.86	GNMA POOL #228184	9.000	05/15/18	90,385.64	0.94000	107.56800	103,157.56	12,771.92	8,630.99	9.55	8.400
724,142.49	GNMA POOL #228233	9.000	05/15/18	655,575.25	0.91000	107.56800	778,945.59	123,370.34	65,172.82	9.94	8.400
1,511,454.40	GNMA POOL #229731	9.000	07/15/17	1,402,818.60	0.93000	107.56800	1,625,841.27	223,022.67	136,030.90	9.70	8.400
854,878.30	GNMA POOL #232531	9.000	10/15/17	835,643.54	0.98000	107.56800	919,575.49	83,931.95	76,939.05	9.21	8.400
638,670.72	GNMA POOL #234450	9.000	04/15/18	614,121.87	0.96000	107.56800	687,005.32	72,883.45	57,480.36	9.36	8.400
331,457.08	GNMA POOL #235308	10.000	10/15/17	329,385.47	0.99000	109.65900	363,472.52	34,087.05	33,145.71	10.06	9.100
510,958.37	GNMA POOL #236041	10.000	11/15/17	505,210.11	0.99000	109.65900	560,311.84	55,101.73	51,095.84	10.11	9.100
178,624.01	GNMA POOL #236835	10.000	11/15/17	177,908.01	1.00000	109.65900	195,877.30	17,969.29	17,862.40	10.04	9.100
286,416.43	GNMA POOL #236936	9.000	04/15/18	269,768.48	0.94000	107.56800	308,092.43	38,323.95	25,777.48	9.56	8.400
521,804.75	GNMA POOL #236937	9.000	04/15/18	497,834.35	0.95000	107.56800	561,294.93	63,460.58	46,962.43	9.43	8.400
190,883.64	GNMA POOL #236939	9.000	04/15/18	179,907.87	0.94000	107.56800	205,329.71	25,421.84	17,179.53	9.55	8.400
722,906.77	GNMA POOL #237138	10.000	10/15/17	718,388.59	0.99000	109.65900	792,732.33	74,343.74	72,290.68	10.06	9.100
97,157.55	GNMA POOL #237195	9.000	06/15/18	89,840.39	0.92000	107.56800	104,510.43	14,670.04	8,744.18	9.73	8.400
54,767.69	GNMA POOL #238133	9.000	04/15/18	52,440.08	0.96000	107.56800	58,912.51	6,472.43	4,929.09	9.40	8.400
1,278,132.46	GNMA POOL #247506	9.000	01/15/20	1,244,980.90	0.97000	107.56800	1,374,861.52	129,880.62	115,031.92	9.24	8.400
1,395,422.10	GNMA POOL #249621	9.000	05/15/18	1,294,690.02	0.93000	107.56800	1,501,027.64	206,337.62	125,587.99	9.70	8.400
787,212.11	GNMA POOL #252052	9.000	06/15/18	744,161.46	0.95000	107.56800	846,788.32	102,626.86	70,849.09	9.52	8.400
711,694.63	GNMA POOL #252055	9.000	06/15/18	655,871.07	0.92000	107.56800	765,555.68	109,684.61	64,052.52	9.77	8.400
463,253.63	GNMA POOL #256372	9.000	10/15/19	453,409.49	0.98000	107.56800	498,312.66	44,903.17	41,692.83	9.20	8.400
532,715.43	GNMA POOL #257869	9.000	09/15/19	515,402.17	0.97000	107.56800	573,031.33	57,629.16	47,944.39	9.30	8.400
223,371.51	GNMA POOL #260334	9.000	09/15/18	205,501.81	0.92000	107.56800	240,276.27	34,774.46	20,103.44	9.78	8.400
829,292.92	GNMA POOL #266545	9.000	01/15/19	769,428.25	0.93000	107.56800	892,053.81	122,625.56	74,636.36	9.70	8.400
660,192.04	GNMA POOL #271090	9.000	10/15/19	646,162.96	0.98000	107.56800	710,155.37	63,992.41	59,417.28	9.20	8.400
782,639.45	GNMA POOL #271897	9.000	09/15/19	759,160.24	0.97000	107.56800	841,869.60	82,709.36	70,437.55	9.28	8.400
683,611.38	GNMA POOL #273548	9.000	09/15/19	661,607.64	0.97000	107.56800	735,347.09	73,739.45	61,525.02	9.30	8.400
1,555,140.39	GNMA POOL #274140	9.000	09/15/19	1,505,570.28	0.97000	107.56800	1,672,833.41	167,263.13	139,962.64	9.30	8.400
771,831.20	GNMA POOL #277907	9.000	11/15/19	766,042.52	0.99000	107.56800	830,243.39	64,200.87	69,464.81	9.07	8.400
571,851.70	GNMA POOL #282815	9.000	11/15/19	566,937.40	0.99000	107.56800	615,129.44	48,192.04	51,466.65	9.08	8.400
549,016.81	GNMA POOL #284420	9.000	02/15/20	527,056.12	0.96000	107.56800	590,566.40	63,510.28	49,411.51	9.37	8.400
681,492.22	GNMA POOL #285101	9.000	04/15/20	645,713.91	0.95000	107.56800	733,067.55	87,353.64	61,334.30	9.50	8.400
665,455.97	GNMA POOL #285593	9.000	02/15/20	643,828.63	0.97000	107.56800	715,817.68	71,989.05	59,891.04	9.30	8.400
345,904.14	GNMA POOL #285654	9.000	05/15/20	327,744.18	0.95000	107.56800	372,082.17	44,337.99	31,131.37	9.50	8.400
1,253,313.74	GNMA POOL #286371	9.000	02/15/20	1,197,697.87	0.96000	107.56800	1,348,164.52	150,466.65	112,798.24	9.42	8.400
995,023.24	GNMA POOL #286427	9.000	04/15/20	950,247.17	0.95000	107.56800	1,070,326.60	120,079.43	89,552.09	9.42	8.400
517,901.92	GNMA POOL #287851	9.000	04/14/20	497,188.58	0.96000	107.56800	557,096.74	59,908.16	46,611.17	9.37	8.400

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOND PORTFOLIO

June 30, 1998

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM
564,992.51	GNMA POOL #290000	9.000	04/15/20	564,992.51	1.00000	107.56800	607,751.14	42,758.63	50,849.33	9.00	8.400
482,140.62	GNMA POOL #290057	9.000	06/15/20	482,140.62	1.00000	107.56800	518,629.02	36,488.40	43,392.66	9.00	8.400
604,484.90	GNMA POOL #291136	9.000	05/15/20	567,838.01	0.94000	107.56800	650,232.32	82,394.31	54,403.64	9.58	8.400
551,395.54	GNMA POOL #295076	9.000	12/15/20	551,223.21	1.00000	107.56800	593,125.15	41,901.94	49,625.60	9.00	8.400
693,879.54	GNMA POOL #297590	9.000	03/15/21	693,662.71	1.00000	107.56800	746,392.34	52,729.63	62,449.16	9.00	8.400
185,053.11	GNMA POOL #298952	9.000	04/15/21	185,053.11	1.00000	107.56800	199,057.93	14,004.82	16,654.78	9.00	8.400
1,763,735.87	GNMA POOL #319521	8.000	02/15/22	1,752,161.36	0.99000	103.72800	1,829,487.94	77,326.58	141,098.87	8.05	7.700
14,626,273.93	GNMA POOL #337419	7.000	06/15/23	13,728,129.32	0.94000	101.70000	14,874,920.59	1,146,791.27	1,023,839.18	7.46	6.900
5,784,677.66	GNMA POOL #345731	8.000	05/15/24	5,746,715.71	0.99000	103.72800	6,000,330.44	253,614.73	462,774.21	8.05	7.700
2,357,489.09	GNMA POOL #348865	8.000	06/15/23	2,342,018.06	0.99000	103.72800	2,445,376.28	103,358.22	188,599.13	8.05	7.700
2,507,434.66	GNMA POOL #352219	8.000	04/15/23	2,490,979.61	0.99000	103.72800	2,600,911.82	109,932.21	200,594.77	8.05	7.700
8,225,796.29	GNMA POOL #352964	7.000	05/15/24	7,696,260.66	0.94000	101.70000	8,365,634.83	669,374.17	575,805.74	7.48	6.900
11,308,152.75	GNMA POOL #366756	7.000	03/15/24	10,580,190.44	0.94000	101.70000	11,500,391.35	920,200.91	791,570.69	7.48	6.900
7,043,805.80	GNMA POOL #371734	7.000	04/15/24	6,590,360.79	0.94000	101.70000	7,163,550.50	573,189.71	493,066.41	7.48	6.900
19,897,320.95	GNMA POOL #377589	7.500	08/15/25	19,841,359.74	1.00000	102.79400	20,453,252.10	611,892.36	1,492,299.07	7.52	7.300
3,786,321.45	GNMA POOL #386030	7.000	05/15/24	3,542,577.02	0.94000	101.70000	3,850,688.91	308,111.89	265,042.50	7.48	6.900
5,675,069.96	GNMA POOL #398831	8.000	08/15/26	5,666,202.66	1.00000	103.72800	5,886,636.57	220,433.91	454,005.60	8.01	7.700
4,301,085.19	GNMA POOL #402544	7.500	04/15/26	4,288,316.36	1.00000	102.79400	4,421,257.51	132,941.15	322,581.39	7.52	7.300
8,558,949.90	GNMA POOL #403979	8.500	10/15/24	8,413,180.23	0.98000	103.43700	8,853,121.01	439,940.78	727,510.74	8.65	8.100
8,999,309.85	GNMA POOL #405618	7.500	04/15/26	8,988,060.69	1.00000	102.79400	9,250,750.57	262,689.88	674,948.24	7.51	7.300
3,966,934.69	GNMA POOL #417666	7.500	08/15/25	3,955,157.82	1.00000	102.79400	4,077,770.85	122,613.03	297,520.10	7.52	7.300
4,381,455.82	GNMA POOL #421711	7.500	04/15/26	4,375,979.00	1.00000	102.79400	4,503,873.70	127,894.70	328,609.19	7.51	7.300
4,311,880.52	GNMA POOL #429356	7.500	03/15/26	4,299,079.63	1.00000	102.79400	4,432,354.46	133,274.83	323,391.04	7.52	7.300
2,964,554.80	GNMA POOL #430384	8.000	08/15/26	2,959,922.69	1.00000	103.72800	3,075,073.40	115,150.71	237,164.38	8.01	7.700
6,973,953.52	GNMA POOL #432701	8.000	06/15/26	6,973,953.52	1.00000	103.72800	7,233,942.51	259,988.99	557,916.28	8.00	7.700
2,695,039.33	GNMA POOL #438772	8.000	08/15/26	2,690,828.34	1.00000	103.72800	2,795,510.40	104,682.06	215,603.15	8.01	7.700
2,920,028.10	GNMA POOL #438778	8.000	08/15/26	2,915,465.55	1.00000	103.72800	3,028,886.75	113,421.20	233,602.25	8.01	7.700
10,980,097.15	GNMA POOL #439645	8.000	09/15/26	10,973,234.57	1.00000	103.72800	11,389,435.17	416,200.60	878,407.77	8.01	7.700
35,791,179.82	GNMA POOL #780076	8.000	02/15/25	35,173,222.16	0.98000	103.72800	37,125,475.00	1,952,252.84	2,863,294.39	8.14	7.700
38,509,469.98	GNMA POOL #780220	7.500	08/15/25	38,497,435.77	1.00000	102.79400	39,585,424.57	1,087,988.80	2,888,210.25	7.50	7.300
283,672,142.11	**TOTAL FEDERAL AGENCY OBLIGATIONS**			**277,290,769.19**	**97.75044**		**295,072,704.24**	**17,781,935.05**	**22,538,060.14**	**8.1%**	**7.6%**
	CORPORATE BONDS										
10,500,000.00	AGL CAPITAL TRUST	8.170	06/01/37	10,707,188.50	101.97322	108.14000	11,354,700.00	647,511.50	857,850.00	8.01	7.600
16,000,000.00	AMERICAN UNITED LIFE INS CO	7.750	03/30/26	15,196,386.00	94.97741	107.04300	17,126,880.00	1,930,494.00	1,240,000.00	8.16	7.200
26,000,000.00	ANTHEM INSURANCE	9.000	04/01/27	27,192,083.00	104.58493	113.90100	29,614,260.00	2,422,177.00	2,340,000.00	8.61	7.800

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOND PORTFOLIO

June 30, 1998

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM
8,000,000.00	ANTHEM INSURANCE CO INC	9.000	04/01/27	8,625,517.00	107.81896	113.90100	9,112,080.00	486,563.00	720,000.00	8.35	7.800
179,306.87	AUTO BOND RECEIVABLES	7.100	06/15/21	179,306.87	100.00000	99.99800	179,303.28	(3.59)	12,730.79	7.10	7.100
200,985.11	AUTO BOND RECEIVABLES	6.400	04/15/99	200,985.11	100.00000	100.03300	201,051.44	66.33	12,863.05	6.40	6.400
10,000,000.00	BANKERS TRUST	7.750	12/01/26	9,719,867.00	97.19867	105.35400	10,535,400.00	815,533.00	775,000.00	7.97	7.300
12,000,000.00	BANKERS TRUST CORP 144A	8.090	12/01/26	12,000,000.00	100.00000	108.42000	13,010,400.00	1,010,400.00	970,800.00	8.09	7.500
10,000,000.00	BEAR STEARNS COS INC	8.750	03/15/04	10,454,204.00	104.54204	112.01800	11,201,800.00	747,596.00	875,000.00	8.37	7.800
1,000,000.00	BELL TELEPHONE OF PENN	7.500	05/01/13	952,481.00	95.24810	100.82300	1,008,230.00	55,749.00	75,000.00	7.87	7.400
11,500,000.00	CAJUN ELEC CO-OP TRUST	9.520	03/15/19	11,412,600.00	99.24000	104.94900	12,069,135.00	656,535.00	1,094,800.00	9.59	9.100
5,500,000.00	CAROLINA POWER AND LIGHT	7.500	03/01/23	5,477,325.00	99.58773	106.48200	5,856,510.00	379,185.00	412,500.00	7.53	7.000
10,500,000.00	COUNTRYWIDE CAPITAL I	8.000	12/15/26	10,500,000.00	100.00000	105.56000	11,083,800.00	583,800.00	840,000.00	8.00	7.600
5,000,000.00	DISCOVER CREDIT	9.100	04/13/12	5,000,000.00	100.00000	126.04500	6,302,250.00	1,302,250.00	455,000.00	9.10	7.200
19,000,000.00	FARMERS INS EXCHANGE	8.625	05/01/24	17,469,569.00	91.94510	119.14600	22,637,740.00	5,168,171.00	1,638,750.00	9.38	7.000
5,000,000.00	FIRST EMPIRE CAP TRUST I	8.277	06/01/27	5,116,879.00	102.33758	110.08300	5,504,150.00	387,271.00	413,850.00	8.09	7.500
14,000,000.00	FIRST HAWAIIAN CAP TRUST	8.343	07/01/27	14,859,048.00	106.13606	105.37500	14,752,500.00	(106,548.00)	1,168,020.00	7.86	7.900
5,568,750.00	FIRSTPLUS HOME IMPROVE	8.300	02/20/22	5,557,669.58	99.80103	108.23300	6,027,225.19	469,555.61	462,206.25	8.32	7.700
5,000,000.00	FORD CAPITAL BV	10.125	11/15/00	5,032,315.00	100.64630	108.87000	5,443,500.00	411,185.00	506,250.00	10.06	9.300
5,000,000.00	FORD MOTOR COMPANY	9.500	09/15/11	4,997,292.00	99.94584	126.34600	6,317,300.00	1,320,008.00	475,000.00	9.51	7.500
10,000,000.00	FUND AMERICA ENTERPRISES	7.750	02/01/03	10,069,499.00	100.69499	106.61300	10,661,300.00	591,801.00	775,000.00	7.70	7.300
17,000,000.00	GENERAL AMERICAN LIFE INS	7.625	01/15/24	14,861,049.00	87.41794	106.82000	18,159,400.00	3,298,351.00	1,296,250.00	8.72	7.000
10,000,000.00	GOLDMAN SACHS GROUP INC	8.000	03/01/13	9,962,125.00	99.62125	113.11700	11,311,700.00	1,349,575.00	800,000.00	8.03	7.100
5,000,000.00	ICI WILMINGTON INC	8.750	05/01/01	5,129,643.00	102.59286	106.38100	5,319,050.00	189,407.00	437,500.00	8.53	8.200
15,000,000.00	J HANCOCK MUT LIFE INS CO	7.375	02/15/24	13,991,854.00	93.27903	108.37000	16,255,500.00	2,263,646.00	1,106,250.00	7.91	6.800
10,000,000.00	LEHMAN BROS HOLDINGS, INC	8.750	05/15/02	10,250,391.00	102.50391	108.52900	10,852,900.00	602,509.00	875,000.00	8.54	8.100
5,000,000.00	LEHMAN BROS HOLDINGS, INC	8.500	05/01/07	5,258,879.00	105.17758	113.29200	5,664,600.00	405,721.00	425,000.00	8.08	7.500
19,000,000.00	LUMBERMANS MUT CAS CO	9.150	07/01/26	21,301,398.00	112.11262	120.48500	22,892,150.00	1,590,752.00	1,738,500.00	8.16	7.600
9,000,000.00	LUMBERMANS MUT CAS CO	9.150	07/01/26	10,719,232.00	119.10258	120.48500	10,843,650.00	124,418.00	823,500.00	7.68	7.600
10,000,000.00	MERRILL LYNCH & COMPANY	8.000	06/01/07	10,000,000.00	100.00000	112.26500	11,226,500.00	1,226,500.00	800,000.00	8.00	7.100
2,000,000.00	MICHIGAN BELL TELEPHONE CO	7.750	06/01/11	1,952,266.00	97.61330	101.68900	2,033,780.00	81,514.00	155,000.00	7.94	7.600
25,315,000.00	NATIONWIDE MUTUAL INS CO	7.500	02/15/24	24,285,454.00	95.93306	103.67600	26,245,579.40	1,960,125.40	1,898,625.00	7.82	7.200
15,000,000.00	NEW ENGLAND MUT LIFE INS	7.875	02/15/24	14,815,666.00	98.77111	112.89500	16,934,250.00	2,118,584.00	1,181,250.00	7.97	6.800
1,000,000.00	OHIO BELL TELEPHONE CO	7.875	10/01/13	987,045.00	98.70450	102.23900	1,022,390.00	35,345.00	78,750.00	7.98	7.700
14,000,000.00	OHIO NATIONAL LIFE INS	8.500	05/15/26	14,274,074.00	101.95767	115.86000	16,220,400.00	1,946,326.00	1,190,000.00	8.34	7.200
5,000,000.00	PACIFIC GAS & ELECTRIC CO	7.250	03/01/26	4,822,653.00	96.45306	104.08700	5,204,350.00	381,697.00	362,500.00	7.52	7.000
10,000,000.00	PACIFIC MUTUAL LIFE INS	7.900	12/30/23	9,889,678.00	98.89678	114.91900	11,491,900.00	1,602,222.00	790,000.00	7.99	6.700
10,000,000.00	PAINE WEBBER GROUP INC	7.000	03/01/00	9,993,453.00	99.93453	101.26200	10,126,200.00	132,747.00	700,000.00	7.00	6.900
17,000,000.00	PMI CAPITAL	8.309	02/01/27	17,569,191.00	103.34818	113.02200	19,213,740.00	1,644,549.00	1,412,530.00	8.04	7.400
10,000,000.00	POTOMAC CAPITAL INV CORP	7.100	03/09/00	10,000,000.00	100.00000	101.78100	10,178,100.00	178,100.00	710,000.00	7.10	7.000

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOND PORTFOLIO

June 30, 1998

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM
23,200,000.00	PRINCIPAL MUT LIFE INS CO	7.875	03/01/24	22,671,870.00	97.72358	107.02800	24,830,496.00	2,158,626.00	1,827,000.00	8.06	7.300
10,000,000.00	PRUDENTIAL FUNDING	6.750	09/15/23	8,319,942.00	83.19942	98.69300	9,869,300.00	1,549,358.00	675,000.00	8.11	6.800
16,000,000.00	PRUDENTIAL INS CO OF AMER	8.300	07/01/25	15,657,825.00	97.86141	115.30600	18,448,960.00	2,791,135.00	1,328,000.00	8.48	7.000
21,825,000.00	SAFECO CAPITAL TRUST	8.072	07/15/37	21,973,820.00	100.68188	106.86100	23,322,413.25	1,348,593.25	1,761,714.00	8.02	7.600
6,000,000.00	SALOMON INC.	7.125	08/01/99	6,049,091.00	100.81818	101.18800	6,071,280.00	22,189.00	427,500.00	7.07	7.000
5,000,000.00	SEARS ROEBUCK & CO.	9.375	11/01/11	5,000,000.00	100.00000	124.89200	6,244,600.00	1,244,600.00	468,750.00	9.38	7.500
12,000,000.00	SECURITY MUT LIFE NY	9.375	12/15/16	13,514,803.00	112.62336	121.55000	14,586,000.00	1,071,197.00	1,125,000.00	8.32	7.200
1,000,000.00	SECURITY PACIFIC CORP	9.750	05/15/99	999,672.00	99.96720	103.15900	1,031,590.00	31,918.00	97,500.00	9.75	9.500
25,000,000.00	SOUTHERN CO CAP TRUST	8.190	02/01/37	27,059,330.00	108.23732	108.16600	27,041,500.00	(17,830.00)	2,047,500.00	7.57	7.600
1,108,000.00	TENNESSEE VALLEY AUTH	8.625	11/15/29	1,007,746.00	90.95181	110.52800	1,224,650.24	216,904.24	95,565.00	9.48	7.800
500,000.00	TUCSON ELECTRIC POWER CO	7.650	05/01/03	500,000.00	100.00000	101.07200	505,360.00	5,360.00	38,250.00	7.65	7.600
2,000,000.00	UNION CENTRAL LIFE	8.200	11/01/26	2,025,541.00	101.27705	112.44900	2,248,980.00	223,439.00	164,000.00	8.10	7.200
14,000,000.00	XEROX CAP TRUST I CAP SEC	8.000	07/01/27	14,811,700.00	105.79786	106.77300	14,948,220.00	136,520.00	1,120,000.00	7.56	7.500
536,897,041.98	**TOTAL CORPORATE BONDS**			**540,375,606.06**	**100.64790**		**591,569,003.80**	**51,193,397.74**	**44,077,054.09**	**8.2%**	**7.5%**
1,075,069,184.09	**BOND PORTFOLIO TOTALS**			**1,075,117,212.25**	**100.00447**		**1,170,825,728.04**	**95,708,515.79**	**86,218,239.23**	**8.0%**	**7.4%**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORPORATE NOTES

June 30, 1998

Date Acquired	Description	Interest Rate	Maturity Date	Cost	Amount of Interest	Maturity Value
06/23/98	MERRILL LYNCH & CO,INC.	5.590	07/02/98	15,977,640.00	22,360.00	16,000,000.00
06/29/98	KZH-CNC CORP	6.020	07/02/98	1,998,996.67	1,003.33	2,000,000.00
06/30/98	COOP. ASSN OF TRACTOR DEALERS	6.000	07/02/98	2,999,000.00	1,000.00	3,000,000.00
	TOTALS			**20,975,636.67**	**24,363.33**	**21,000,000.00**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED AS OF JUNE 30, 1998

COMMON STOCK

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
390,000	3COM CORPORATION	0.00	42.346	16,514,874.00	30.6875	11,968,125.00	0.00	(4,546,749.00)
1,520,000	ABBOTT LABORATORIES	0.54	14.063	21,375,607.52	41.0000	62,320,000.00	820,800.00	40,944,392.00
300,000	ADAPTEC, INC	0.00	45.094	13,528,086.00	14.3125	4,293,750.00	0.00	(9,234,336.00)
150,000	AIRBORNE FREIGHT CORP	0.30	35.971	5,395,601.20	34.9375	5,240,625.00	45,000.00	(154,976.00)
600,000	AIRTOUCH COMMUNICATIONS	0.00	50.351	30,210,796.66	58.4375	35,062,500.00	0.00	4,851,703.00
625,000	ALLSTATE CORPORATION	0.96	37.187	23,241,905.00	91.5625	57,226,562.50	600,000.00	33,984,658.00
150,000	AMERICAN EXPRESS	0.90	102.675	15,401,250.00	113.7500	17,062,500.00	135,000.00	1,661,250.00
1,440,000	AMERICAN HOME PRODUCTS	0.82	14.985	21,577,888.89	51.7500	74,520,000.00	1,180,800.00	52,942,111.00
740,000	AMERICAN INT'L GROUP	0.30	46.621	34,499,716.19	146.0000	108,040,000.00	222,000.00	73,540,284.00
600,000	AMP INC.	1.04	39.683	23,809,507.50	34.3750	20,625,000.00	624,000.00	(3,184,508.00)
150,000	APPLIED MATERIALS	0.00	32.659	4,898,878.50	29.5000	4,425,000.00	0.00	(473,879.00)
119,000	AUTOLIV, INC.	0.22	28.349	3,373,508.39	31.6250	3,763,375.00	26,180.00	389,867.00
800,000	AUTOMATIC DATA PROCESSING	0.46	29.008	23,206,276.50	72.8750	58,300,000.00	368,000.00	35,093,724.00
726,000	BANC ONE CORPORATION	1.52	27.331	19,842,316.60	55.8125	40,519,875.00	1,103,520.00	20,677,558.00
500,000	BELL ATLANTIC CORP.	1.48	27.676	13,837,912.10	45.6250	22,812,500.00	740,000.00	8,974,588.00
1,200,000	BESTFOODS	0.82	24.088	28,905,604.49	58.0625	69,675,000.00	984,000.00	40,769,396.00
790,000	BOEING CO.	0.56	47.584	37,590,996.00	44.5625	35,204,375.00	442,400.00	(2,386,621.00)
150,000	BRISTOL-MYERS SQUIBB CO.	1.52	109.757	16,463,514.15	114.9375	17,240,625.00	228,000.00	777,111.00
500,000	CHASE MANHATTAN CORP	1.24	38.926	19,462,875.00	75.5000	37,750,000.00	620,000.00	18,287,125.00
600,000	CISCO SYSTEMS	0.00	51.911	31,146,427.50	92.0625	55,237,500.00	0.00	24,091,073.00
150,000	COCA-COLA CO	0.60	78.316	11,747,343.75	85.5000	12,825,000.00	90,000.00	1,077,656.00
150,000	CORN PRODUCTS INT'L INC.	0.00	14.244	2,136,604.18	33.8750	5,081,250.00	0.00	2,944,646.00
1,600,000	CVS CORP	0.22	19.220	30,752,620.57	38.9375	62,300,000.00	352,000.00	31,547,379.00
300,000	DIAMOND OFFSHORE DRILLING	0.50	43.707	13,112,207.60	40.3125	12,093,750.00	150,000.00	(1,018,458.00)
350,000	DISNEY CO. (WALT)	0.53	59.900	20,964,825.00	105.0625	36,771,875.00	185,500.00	15,807,050.00
1,000,000	ELECTRONIC DATA SYSTEMS	0.60	33.332	33,332,493.05	39.9375	39,937,500.00	600,000.00	6,605,007.00
450,000	EMC CORP	0.00	32.167	14,475,177.00	44.8125	20,165,625.00	0.00	5,690,448.00
1,000,000	EMERSON ELECTRIC	1.08	41.931	41,931,284.08	60.3750	60,375,000.00	1,080,000.00	18,443,716.00
500,000	ENRON CORPORATION	0.90	36.490	18,244,900.92	54.0625	27,031,250.00	450,000.00	8,786,349.00
900,000	ERICSSON	0.20	19.912	17,920,605.00	28.6250	25,762,500.00	180,000.00	7,841,895.00
120,000	EXPRESS SCRIPTS	0.00	57.773	6,932,813.40	80.6250	9,675,000.00	0.00	2,742,187.00
300,000	FEDERATED DEPARTMENT STORES	0.00	51.281	15,384,315.40	53.8125	16,143,750.00	0.00	759,435.00
525,000	FIRST CHICAGO NBD CORP	1.60	37.299	19,581,868.00	88.6250	46,528,125.00	840,000.00	26,946,257.00
150,000	FIRST DATA CORP	0.08	33.034	4,955,171.55	33.3125	4,996,875.00	12,000.00	41,703.00
150,000	FIRST UNION CORP	1.28	49.795	7,469,220.00	58.2500	8,737,500.00	192,000.00	1,268,280.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED AS OF JUNE 30, 1998

COMMON STOCK

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
500,000	FPL GROUP, INC.	1.92	33.605	16,802,594.85	63.0000	31,500,000.00	960,000.00	14,697,405.00
150,000	GANNETT CO.	0.76	25.885	3,882,801.34	71.0625	10,659,375.00	114,000.00	6,776,574.00
325,000	GENERAL MOTORS COMPANY,INC	2.00	61.186	19,885,314.30	66.8125	21,714,062.50	650,000.00	1,828,748.00
450,000	GENERAL NUTRITION COMPANIES	0.00	32.958	14,831,295.80	31.1250	14,006,250.00	0.00	(825,046.00)
650,000	GENERAL TEL & ELECTRONICS	1.88	29.275	19,028,654.27	55.6250	36,156,250.00	1,222,000.00	17,127,596.00
600,000	GLOBAL MARINE	0.00	25.062	15,037,191.00	18.8125	11,287,500.00	0.00	(3,749,691.00)
500,000	HEWLETT PACKARD	0.56	48.833	24,416,295.00	59.8750	29,937,500.00	280,000.00	5,521,205.00
735,000	HOME DEPOT	0.20	30.681	22,550,835.00	83.0625	61,050,937.50	147,000.00	38,500,103.00
900,000	ILLINOIS TOOL WORKS	0.48	26.304	23,673,272.15	66.6875	60,018,750.00	432,000.00	36,345,478.00
650,000	INTEL CORPORATION	0.12	85.697	55,703,184.00	74.1250	48,181,250.00	78,000.00	(7,521,934.00)
500,000	INTERNATIONAL BUSINESS MACH.	0.80	48.820	24,410,093.55	114.8125	57,406,250.00	400,000.00	32,996,156.00
450,000	INTERSTATE BAKERIES	0.28	33.950	15,277,410.00	33.1875	14,934,375.00	126,000.00	(343,035.00)
700,000	JOHNSON & JOHNSON CO	0.88	61.828	43,279,292.87	74.0000	51,800,000.00	616,000.00	8,520,707.00
900,000	KIMBERLY-CLARK CORPORATION	0.96	28.537	25,683,014.58	45.8750	41,287,500.00	864,000.00	15,604,485.00
780,000	LILLY ELI	0.72	45.817	35,737,438.10	66.2500	51,675,000.00	561,600.00	15,937,562.00
390,000	LOEWEN GROUP	0.20	27.068	10,556,555.91	27.0000	10,530,000.00	78,000.00	(26,556.00)
108,000	LUCENT TECHNOLOGIES INC.	0.15	23.470	2,534,752.15	83.1875	8,984,250.00	16,200.00	6,449,498.00
1,350,000	MARSH & MCLENNAN COMPANIES	1.33	28.118	37,958,638.70	60.4375	81,590,625.00	1,795,500.00	43,631,986.00
675,000	MBNA CORP	0.32	11.330	7,647,500.00	33.0625	22,317,187.50	216,000.00	14,669,688.00
775,000	MCDONALDS CORPORATION	0.33	36.795	28,516,361.55	69.0000	53,475,000.00	255,750.00	24,958,638.00
660,000	MERCK & CO.	1.80	55.908	36,899,078.29	133.7500	88,275,000.00	1,188,000.00	51,375,922.00
730,000	MOBIL OIL COMPANY	2.12	51.643	37,699,532.99	76.6250	55,936,250.00	1,547,600.00	18,236,717.00
700,000	MORTON INTERNATIONAL CORP	0.48	24.564	17,195,111.25	25.0000	17,500,000.00	336,000.00	304,889.00
225,000	MOTOROLA, INC.	0.48	45.445	10,225,074.61	52.5625	11,826,562.50	108,000.00	1,601,488.00
600,000	NATIONAL CITY CORP	1.70	30.119	18,071,503.02	71.0000	42,600,000.00	1,020,000.00	24,528,497.00
1,000,000	NEWS CORPORATION	0.09	21.040	21,040,330.64	32.1250	32,125,000.00	90,000.00	11,084,669.00
450,000	NORTHERN TELECOM	0.60	63.096	28,393,061.94	56.7500	25,537,500.00	270,000.00	(2,855,562.00)
85,000	NORTHROP GRUMMAN	1.60	113.716	9,665,851.50	103.1250	8,765,625.00	136,000.00	(900,227.00)
1,050,000	OFFICEMAX INC.	0.00	16.559	17,386,900.09	16.5000	17,325,000.00	0.00	(61,900.00)
141,724	ORTHOLOGIC CORP	0.00	6.494	920,385.65	5.1250	726,335.50	0.00	(194,050.00)
1,125,000	PACIFIC CENTURY FINANCIAL CORP	0.65	15.295	17,206,443.74	24.0000	27,000,000.00	731,250.00	9,793,556.00
450,000	PARAMETRIC TECHNOLOGY	0.00	31.268	14,070,507.00	27.1250	12,206,250.00	0.00	(1,864,257.00)
900,000	PEPSICO INC.	0.50	20.682	18,613,565.25	41.1875	37,068,750.00	450,000.00	18,455,185.00
240,000	PFIZER INC.	0.68	64.156	15,397,500.00	108.6875	26,085,000.00	163,200.00	10,687,500.00
47,572	PILGRIM AMERICA CAPITAL CORP	0.00	6.260	297,803.85	24.1250	1,147,674.50	0.00	849,871.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED AS OF JUNE 30, 1998

COMMON STOCK

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
350,000	PITNEY BOWES, INC.	0.80	20.444	7,155,569.06	48.1250	16,843,750.00	280,000.00	9,688,181.00
600,000	PNC BANK CORPORATION	1.48	23.772	14,263,293.75	53.8750	32,325,000.00	888,000.00	18,061,706.00
450,000	PPG INDUSTRIES	1.32	25.948	11,676,638.12	69.5625	31,303,125.00	594,000.00	19,626,487.00
450,000	PROCTER & GAMBLE COMPANY	1.01	58.284	26,227,682.02	91.0625	40,978,125.00	454,500.00	14,750,443.00
450,000	PROFFITT'S, INC.	0.00	37.999	17,099,620.47	40.3750	18,168,750.00	0.00	1,069,130.00
500,000	QUANTUM CORPORATION	0.00	29.889	14,944,508.00	20.7500	10,375,000.00	0.00	(4,569,508.00)
408,000	QUORUM HEALTH GROUP	0.00	24.962	10,184,518.80	26.5000	10,812,000.00	0.00	627,481.00
20,725	RAYTHEON CORPORATION	0.80	3.413	70,724.20	57.6250	1,194,278.13	16,580.00	1,123,554.00
710,000	ROYAL DUTCH PETROLEUM	1.45	28.611	20,313,599.24	54.8125	38,916,875.00	1,029,500.00	18,603,276.00
950,000	SAFEWAY INC	0.00	25.552	24,274,303.14	40.6875	38,653,125.00	0.00	14,378,822.00
900,000	SARA LEE CORP.	0.84	25.918	23,326,178.43	55.9375	50,343,750.00	756,000.00	27,017,572.00
1,275,000	SCHERING-PLOUGH CORP	0.76	25.089	31,988,895.90	91.6250	116,821,875.00	969,000.00	84,832,979.00
660,000	SCHLUMBERGER LTD.	0.75	30.536	20,153,574.37	68.3125	45,086,250.00	495,000.00	24,932,676.00
280,000	SCHOLASTIC CORPORATION	0.00	36.522	10,226,208.75	39.8750	11,165,000.00	0.00	938,791.00
100,000	STARBUCKS CORP.	0.00	34.298	3,429,808.41	53.4375	5,343,750.00	0.00	1,913,942.00
660,000	STERLING SOFTWARE	0.00	17.976	11,863,938.73	29.5625	19,511,250.00	0.00	7,647,311.00
375,000	UNION PACIFIC CORP	1.72	41.882	15,705,609.06	44.0000	16,500,000.00	645,000.00	794,391.00
40,800	UNION PACIFIC RESOURCES GROUP	0.20	24.093	982,981.11	17.5625	716,550.00	8,160.00	(266,431.00)
1,323,200	WALGREEN COMPANY	0.24	12.343	16,332,012.10	41.3125	54,664,700.00	317,568.00	38,332,688.00
300,000	WARNER-LAMBERT	1.92	63.192	18,957,570.00	69.3750	20,812,500.00	576,000.00	1,854,930.00
300,000	WORLDCOM INC.	0.00	43.943	13,183,004.00	48.4375	14,531,250.00	0.00	1,348,246.00
	TOTALS			**1,686,080,374.29**		**2,847,416,225.63**	**34,152,608.00**	**1,161,335,853.00**

STATE OF ARIZONA

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

OTHER INVESTMENTS PORTFOLIO

June 30, 1998

Security	Coupon	Maturity	Book Cost	Current Value	Gain or Loss	Annual Income	Book Yield
SBA LOANS							
ALL UNLIMITED	9.750	05/01/09	541,272.33	541,272.33	0.00	52,774.05	9.8%
ASAYO HOLDINGS, LTD.	9.500	07/01/10	568,768.71	568,768.71	0.00	54,033.03	9.5%
DECO TURTLE L.P.	9.625	03/15/15	539,701.23	539,701.23	0.00	51,946.24	9.6%
EQUITY PARTNERSHIP	9.250	03/31/08	1,452,864.77	1,452,864.77	0.00	134,389.99	9.3%
JYH NEVADA, INC.	10.000	03/30/10	667,748.94	667,748.94	0.00	66,774.89	10.0%
NIARKOS	10.000	05/01/14	592,703.31	592,703.31	0.00	59,270.33	10.0%
TOTAL SBA LOANS			**4,363,059.29**	**4,363,059.29**	**0.00**	**419,188.54**	**9.6%**
BRIDGE FINANCIAL LOANS							
BRIDGE FINANCIAL - AMBASSADOR INN OF PHX	13.000	08/19/97	1,664,000.00	1,664,000.00	0.00	216,320.00	13.0%
BRIDGE FINANCIAL - BEAVER CREEK G.C.	13.000	07/04/99	672,000.00	672,000.00	0.00	87,360.00	13.0%
BRIDGE FINANCIAL - BELL LOAN	13.000	01/22/99	1,644,800.00	1,644,800.00	0.00	213,824.00	13.0%
BRIDGE FINANCIAL - CRYSTAL SPRINGS	12.750	06/17/99	1,068,800.00	1,068,800.00	0.00	136,272.00	12.8%
BRIDGE FINANCIAL - GREENFIELD LAKES GO	12.750	10/31/99	1,120,000.00	1,120,000.00	0.00	142,800.00	12.8%
BRIDGE FINANCIAL - HILTON HOTEL LAND	13.000	05/20/99	876,800.00	876,800.00	0.00	113,984.00	13.0%
BRIDGE FINANCIAL - HOLIDAY INN III	12.625	07/07/98	5,024,000.00	5,024,000.00	0.00	634,280.00	12.6%
BRIDGE FINANCIAL - LAKE PLEASANT	14.000	02/25/99	8,000,000.00	8,000,000.00	0.00	1,120,000.00	14.0%
BRIDGE FINANCIAL - PECOS & COOPER	12.875	04/01/99	1,024,000.00	1,024,000.00	0.00	131,840.00	12.9%
BRIDGE FINANCIAL - PIONEER INDUSTRIAL PARK	15.000	03/22/99	2,112,000.00	2,112,000.00	0.00	316,800.00	15.0%
BRIDGE FINANCIAL - SHEA MEDICAL PLAZA	12.000	05/28/99	960,000.00	960,000.00	0.00	115,200.00	12.0%
BRIDGE FINANCIAL - STETSON HILLS	14.000	04/16/99	1,708,800.00	1,708,800.00	0.00	239,232.00	14.0%
BRIDGE FINANCIAL - SUN VALLEY II (SPURLOCK)	13.125	09/18/98	1,827,200.00	1,827,200.00	0.00	239,820.00	13.1%
BRIDGE FINANCIAL - TARGET STORE SITE	12.625	04/01/99	1,440,000.00	1,440,000.00	0.00	181,800.00	12.6%
BRIDGE FINANCIAL - UNITED HOMES	12.500	03/26/99	1,651,200.00	1,651,200.00	0.00	206,400.00	12.5%
BRIDGE FINANCIAL - WHITE PEAK LAND	14.000	03/18/99	2,432,000.00	2,432,000.00	0.00	340,480.00	14.0%
TOTAL BRIDGE FINANCIAL LOANS			**33,225,600.00**	**33,225,600.00**	**0.00**	**4,436,412.00**	**13.4%**
MISCELLANEOUS							
ARIZONA GROWTH PARTNERS, L.P.	0.000	06/30/23	1,000.00	1,000.00	0.00	0.00	0.0%
CRYSTAL GARDENS PROPERTIES, L.L.C.	10.000	04/20/00	6,353,778.48	6,353,778.48	0.00	635,377.85	10.0%
DESERT TROON PROPERTIES	10.000	03/01/03	11,000,000.00	11,000,000.00	0.00	1,100,000.00	10.0%
DESERT TROON PROPERTIES, L.L.C. - SUMMIT	10.000	06/24/07	4,000,000.00	4,000,000.00	0.00	400,000.00	10.0%
PEBBLECREEK PROPERTIES L.P.	10.000	02/19/02	5,510,398.98	5,510,398.98	0.00	551,039.90	10.0%
TALLEY PROPERTIES	12.000	12/01/01	6,885,000.00	6,885,000.00	0.00	826,200.00	12.0%
WALKER COTTON SEED, INC.	14.000	10/16/95	103,635.40	103,635.40	0.00	14,508.96	14.0%
TOTAL MISCELLANEOUS			**33,853,812.86**	**33,853,812.86**	**0.00**	**3,527,126.70**	**10.4%**
TOTAL BEFORE L.L.C.			**71,442,472.15**	**71,442,472.15**	**0.00**	**8,382,727.24**	**11.7%**
L.L.C.							
PIVOTAL X, L.L.C. - HARBOR BAY CAMPUS			5,600,000.00	5,600,000.00	0.00	0.00	0.0%
TOTAL L.L.C.			**5,600,000.00**	**5,600,000.00**	**0.00**	**0.00**	**0.0%**
TOTAL OTHER INVESTMENTS			**77,042,472.15**	**77,042,472.15**	**0.00**	**8,382,727.24**	**10.9%**

ACTUARIAL SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTIETH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 1998

Actuarial Certification Statement

Actuarial Balance Sheet – All Employees

Summary of Valuation Methods and Assumptions

Solvency Test

Summary of Active Member Data

GABRIEL, ROEDER, SMITH & COMPANY
Consultants & Actuaries

1000 Town Center • Suite 1000 • Southfield, Michigan 48075 • 248-799-9000 • 800-521-0498 • fax 248-799-9020

September 24,1998

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

Attention: Jack Cross, Administrator

We certify that the June 30, 1998 annual actuarial valuations of the Arizona Public Safety Personnel Retirement System, determining the June 30, 1998 actuarial assets and liabilities for participating groups, were made in accordance with recognized actuarial methods.

The data, submitted by the Administrator, was checked for completeness and year to year consistency but was not otherwise audited.

Actuarial assets are computed on a smoothed market basis which spreads differences between actual and assumed investment return over a four year period.

We believe the actuarial assumptions, which are related to the experience of the System, provide a reasonable measure of liabilities and contribution requirements of the System. The actuarial assumptions were adopted by the Fund Manager based on the recommendations of the System's actuary. A complete experience analysis is performed every 5 years. The assumptions and methods conform to the parameters established in Governmental Accounting Standards Board Statement 25. Actuarial gains (losses) are amortized as level percents of payroll over 20 years.

The results of the valuations indicate that the obligations of the System are being funded as incurred. Actuarial accrued liabilities are II 6.3% funded, which is a superior achievement realized well ahead of schedule. The excellent current actuarial condition is primarily attributable to superior investment returns over an extended period.

Respectfully submitted,

Sandra W. Rodwan

Sandra W. Rodwan
Member, American Academy of Actuaries

SWR:md
Enclosure

Arizona Public Safety Personnel Retirement System
Actuarial Balance Sheet as of June 30, 1998

Actuarial Assets

Accrued assets		
Member accumulated contributions	$ 368,729,039	
Employer and benefit payment reserves	2,525,590,668	
Funding value adjustment	821,135,658	
Total accrued assets*		$3,715,455,365
Prospective assets (computed value)		
Member contributions	414,952,277	
Employer normal costs	525,997,126	
Employer unfunded actuarial accrued liability	(448,628,694)	
Total prospective assets		492,320,709
Total Actuarial Assets		$4,207,776,074

* *Includes $522,828,431 reserve for payment of ad hoc pension increases The net funding value of assets is $3,192,626,934.*

Actuarial Present Values (Liability)

Pensions in payment status		
Service pensions	$ 888,280,401	
Disability pensions	136,951,400	
Survivor pensions	78,666,029	
Health insurance	36,296,107	
Total benefit values		$1,140,193,937
Prospective pension payments for future retirements		2,468,433,062
Prospective health insurance payments for future retirements		62,322,237
Prospective refunds of members contributions		13,998,407
Reserve for ad hoc pension increases		522,828,431
Total Actuarial Present Value of Benefits (Liability)		$4,207,776,074

SUMMARY OF VALUATION METHODS

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

Normal cost contributions were computed as follows:

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

Actuarial accrued liability was computed and financed as follows:

(1) Retirants and beneficiaries. The discounted value of pensions likely to be paid retired members and their potential survivors was computed using the investment return and mortality assumptions. The computed amount was fully funded by applicable accrued assets.

(2) Active members and former members. The actuarial accrued liability associated with service rendered prior to the valuation date was computed using the investment return, mortality and other factors outlined on the following pages. Applicable accrued assets exceeded the computed actuarial accrued liability. The difference, including actuarial gains (losses), was amortized as a level percent of payroll over an open period of 20 years and applied as a credit to the computed employer normal cost.

SUMMARY OF VALUATION ASSUMPTIONS

The rate of investment return used was 9.0 percent a year, compounded annually. The assumption consists of 3.5% for assuming maturity and principal risks and 5.5% in recognition of inflation. These components, adopted by the Fund Manager were first used for the June 30, 1989 annual valuation.

This assumption is used to discount the value of future payments.

The rates of salary increase used are in accordance with the following table. The assumption is used to project current salaries to those upon which pension amounts will be based. These components, adopted by the Fund Manager, were first used for the June 30, 1989 annual valuation.

	Percent Increase in Salary During Following Year		
Sample		Promotion and	
Ages	Inflation	Longevity	Other
20	5.50%	3.00%	1.00%
25	5.50	3.00	1.00
30	5.50	2.60	1.00
35	5.50	1.10	1.00
40	5.50	0.20	1.00
45	5.50	0.20	1.00
50	5.50	0.20	1.00
55	5.50	0.10	1.00
60	5.50	-	1.00
65	5.50	-	1.00

Return on Investment: 9.0% per year, compounded yearly (no change).

Non-Disability Mortality rates: 1971 Group Annuity Mortality Table Projected to 1984 (Male), female ages set back 6 years. (First used for June 30, 1995 valuation.)

Disability Mortality rates: 1960 Group Annuity Mortality Table (Male), female ages set back 6 years (no change).

Sample Ages	Deaths per 1,000		Single Life Retirement Values							
			Non-Disability Table		Disability Table		Non-Disability Table		Disability Table	
			Present Value of $100 Monthly for Life		Present Value of $100 Monthly for Life		Future Life Expectancy (years)		Future Life Expectancy (years)	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
20	0.5	0.5					55.98	61.84	54.66	60.49
25	0.7	0.5					51.12	56.96	49.82	55.63
30	0.9	0.7					46.27	52.09	45.00	50.79
35	1.2	0.8					41.46	47.24	40.21	45.96
40	1.8	1.1	$12,861	$13,224	$12,751	$13,146	36.69	42.42	35.48	41.16
45	3.2	1.7	12,430	12,933	12,286	12,828	32.01	37.64	30.85	36.42
50	5.8	2.8	11,879	12,526	11,704	12,389	27.53	32.93	26.44	31.76
55	9.3	5.2	11,199	11,999	11,002	11,830	23.28	28.41	22.30	27.30
60	13.9	8.5	10,346	11,347	10,146	11,153	19.27	24.11	18.43	23.11
65	21.8	12.8	9,308	10,532	9,097	10,332	15.55	20.05	14.80	19.18
70	35.1	19.7	8,145	9,530	7,916	9,321	12.25	16.27	11.58	15.50
75	57.0	32.1	6,963	8,382	6,642	8,163	9.50	12.87	8.79	12.19
80	93.9	51.9	5,748	7,206	5,391	6,900	7.17	10.02	6.54	9.31
85	143.5	85.1	4,696	5,983	4,342	5,629	5.43	7.59	4.89	6.94
90	200.6	132.2	3,796	4,893	3,491	4,538	4.10	5.74	3.70	5.18

SUMMARY OF VALUATION ASSUMPTIONS (continued)

The ***rates of retirement*** used to measure the probability of eligible members retiring were as follows:

	Percent of Active Members Retiring During Year Following Attainment of Indicated Service	
Service	Police Officers	Fire Fighters
20	40%	23%
21	18	11
22	17	7
23	17	7
24	8	3
25	30	17
26	30	17
27	30	17
28	30	17
29	30	17
30	75	30
31	75	30
32	75	30
33	75	30
34	75	30
35	75	30
36	75	30
37	75	30
38	75	30
39	75	30

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

These rates were first used for the June 30, 1995 valuations.

The ***rates of separation*** for active membership were as follows:

These rates were first used for the June 30, 1995 valuations. Rates do not apply to members eligible to retire and do not include separation on account of death. This assumption measures the probabilities of members remaining in employment.

		Percent of Active Members Separating Within Next Year					
		Police Officers		Firefighters		Disability	
Sample Ages	Years of Service	Low	High	Low	High	Police	Fire
ALL	0	20.00%	25.00%	15.00%	15.00%		
	1	7.50	15.00	3.50	10.00		
	2	5.00	12.00	1.50	8.50	(all years of service)	
	3	3.50	10.00	1.00	8.00		
	4	3.00	10.00	0.50	7.50		
25	5 & Over	3.00	5.00	1.00	2.50	0.16%	0.15%
30		2.40	5.00	1.00	2.50	0.20	0.16
35		1.70	4.70	0.95	1.70	0.26	0.23
40		1.20	4.20	0.85	1.50	0.37	0.34
45		0.95	3.70	0.75	1.50	0.66	0.52
50		0.85	3.50	0.65	1.50	1.23	0.83
55		0.80	3.50	0.55	1.50	1.81	1.45
60		0.80	3.50	0.50	1.50	2.00	2.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SOLVENCY TEST

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

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

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

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

	Aggregate Accrued Liabilities For						
Valuation Date	(1) Active Member Contributions	(2) Retirants And Beneficiaries	(3) Active Members (Employer Financed Portion)	Valuation Assets Available for Benefits (2)	Portion Of Accrued Liabilities Covered by Net Assets Available for Benefits (1)	(2)	(3)
6-30-83 [1]	$ 90,348	$ 150,042	$ 316,842	$ 519,155	100%	100%	88.0%
6-30-84*	101,786	180,804	334,779	599,945	100	100	94.8
6-30-85*	115,671	214,203	376,905	693,159	100	100	96.4
6-30-86*	130,489	248,134	423,415	816,882	100	100	100.0
6-30-87* [1]	149,457	276,817	488,815	919,931	100	100	100.0
6-30-88*	169,445	306,598	550,208	1,037,988	100	100	100.0
6-30-89* [1]	188,660	360,069	607,773	1,164,003	100	100	100.0
6-30-90*	206,052	419,548	697,181	1,297,562	100	100	96.4
6-30-91*	227,287	471,289	772,202	1,432,023	100	100	95.0
6-30-92*	246,692	553,619	805,579	1,595,739	100	100	98.7
6-30-93*	256,431	688,360	813,955	1,769,345	100	100	100.0
6-30-94	276,375	763,017	892,654	1,945,166	100	100	100.0
6-30-95	297,619	858,965	961,149	2,181,351	100	100	100.0
6-30-96	321,660	948,959	1,057,657	2,487,953	100	100	100.0
6-30-97	344,167	1,045,721	1,143,547	2,915,173	100	100	100.0
6-30-98	$368,729	$1,140,194	$1,235,075	$3,192,627	100%	100%	100.0%

See notes on page 23.

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

Listed below is a summary of Active Members by age group, years of service and annual compensation. The summary points out that 1,811 active members were eligible for retirement on June 30, 1998, compared to 1,733 for the prior year.

SUMMARY OF ACTIVE MEMBERS

Attained Age	YEARS OF SERVICE TO VALUATION DATE							TOTALS	
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 Plus	No.	Valuation Payroll
Under 20	1							1	$25,000
20 - 24	421							421	13,254,680
25 - 29	1,919	239						2,158	77,295,054
30 - 34	1,380	1,087	313	2				2,782	114,422,379
35 - 39	600	733	1,087	341				2,761	128,638,563
40 - 44	234	321	634	897	252			2,338	118,899,550
45 - 49	96	157	310	479	610	164		1,816	98,528,345
50 - 54	47	67	123	183	283	272	30	1,005	55,254,005
55 - 59	7	24	43	51	48	73	45	291	15,619,523
60 - 69	1		10	17	15	6	13	62	3,284,467
Totals	4,706	2,628	2,520	1,970	1,208	515	88	13,635	$625,221,566

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

COMPARATIVE SCHEDULE

Fiscal Year Ended	Participating Units	Active Members	Total Payroll (+000)	AVERAGE			Percentage Increase in Average Pay
				Age	Service	Pay	
6-30-78	57	6,554	$ 109,359	34.1 yrs	7.9 yrs	$16,686	10.0%
6-30-79	64	6,842	125,667	34.2	8.0	18,367	10.1
6-30-80	71	7,264	144,371	34.1	7.9	19,875	8.2
6-30-81	83	7,559	165,055	34.3	8.1	21,836	9.9
6-30-82	91	7,750	185,650	34.7	8.3	23,955	9.7
6-30-83	101	7,835	199,736	35.0	8.6	25,493	6.4
6-30-84	107	8,039	217,163	35.1	8.8	27,014	6.0
6-30-85	106	8,536	244,094	35.2	8.7	28,596	5.9
6-30-86	110	8,774	268,511	35.5	8.9	30,603	7.0
6-30-87	113	9,331	299,559	35.7	9.0	32,104	4.9
6-30-88	115	9,600	321,750	36.1	9.4	33,516	4.6
6-30-89	123	9,858	345,743	36.4	9.7	35,072	4.6
6-30-90	130	10,125	371,950	36.6	9.8	36,736	4.7
6-30-91	135	10,612	402,687	36.8	10.0	37,946	3.3
6-30-92	137	10,686	415,471	37.2	11.3	38,880	2.5
6-30-93	145	10,872	425,811	37.3	10.3	39,166	0.7
6-30-94	150	11,303	451,022	37.4	10.4	39,903	1.9
6-30-95	155	11,971	496,063	37.4	10.3	41,439	3.8
6-30-96	162	12,477	541,231	37.6	10.3	43,378	4.7
6-30-97	162	13,109	579,341	37.6	10.3	44,194	(0.2)
6-30-98	166	13,635	$625,222	37.8 yrs	10.3 yrs	$45,854	3.8%

STATISTICAL SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTIETH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 1998

Summary of Growth of the System

Schedule of Benefit Expenses by Type

Summary of Retired Member and Survivor Data

Summary of Benefit Increases

Participating Employers

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

FUND ASSETS, EARNINGS AND INVESTMENT YIELD

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

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

1. Plan was changed from 25 years and age 55 to 20 years at any age.
2. One-time cost-of-living adjustments for retired members and survivors, effective July 1 were included in this valuation. Future increases for retirees and their survivors over age fifty-five are dependent upon excess earnings created by the Fund.
3. Significant benefit changes were enacted by the 1983 Legislature, the 1987 Legislature and the 1989 Legislature, respectively.
4. Employer contribution rate reflects the greatly-increased utilization of health insurance subsidies enacted by the 1988 and 1989 Legislature.
5. A detailed Schedule of Revenues by Source and Expenses by Type can be found in the Financial Section immediately following the Notes to the Financial Statements.

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

Fiscal Year	Normal Benefits	Disability Benefits	Survivor Benefits	Insurance Benefits	Totals
1987	$22,180,419 82%	$2,588,194 10%	$2,259,776 8%	-	$27,028,389 100%
1988	$24,445,979 82%	$2,731,143 9%	$2,563,086 9%	-	$29,740,208 100%
1989	$27,706,016 81%	$3,018,943 9%	$3,085,000 9%	$ 292,628 1%	$34,102,587 100%
1990	$33,823,643 80%	$3,644,963 9%	$3,679,641 9%	$ 876,734 2%	$42,024,981 100%
1991	$38,029,200 80%	$4,329,314 9%	$4,250,266 9%	$1,145,054 2%	$47,753,834 100%
1992	$43,171,260 80%	$4,860,391 9%	$4,736,125 9%	$1,300,328 2%	$54,068,104 100%
1993	$52,846,300 80%	$6,009,143 9%	$5,352,177 8%	$1,580,017 3%	$65,787,637 100%
1994	$59,780,201 80%	$7,068,362 10%	$5,872,280 8%	$1,791,165 2%	$74,512,008 100%
1995	$66,599,816 79%	$8,246,615 10%	$6,540,242 8%	$2,605,602 3%	$83,992,275 100%
1996	$73,343,074 79%	$9,359,298 10%	$7,205,537 8%	$2,943,846 3%	$92,851,755 100%
1997	$80,258,423 78%	$10,871,547 11%	$8,079,674 8%	$3,194,484 3%	$102,404,128 100%
1998	$87,459,220 78%	$12,460,407 11%	$8,853,712 8%	$3,600,786 3%	$112,374,125 100%

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

The following statement presents an analysis of the benefit changes that have taken place during the past ten years. The number of retired members and the amount of annual pensions has increased at compounded annual rates of 6.9% and 13.4% over the last five years.

COMPARATIVE SCHEDULE

	Retired						
Year Ended	Normal	Disability	Survivors	Totals	Annual Pensions	Average Pension	Ratio of Active to Retired
6-30-86	1,513	248	335	2,096	$25,526,417	$12,179	4.2 to 1
6-30-87	1,612	258	350	2,220	28,531,465	12,852	4.2 to 1
6-30-88	1,709	264	371	2,344	31,608,067	13,485	4.1 to 1
6-30-89	1,839	280	410	2,529	36,286,530	14,348	3.9 to 1
6-30-90	2,003	322	446	2,771	43,514,479	15,704	3.7 to 1
6-30-91	2,134	349	486	2,969	49,103,054	16,539	3.6 to 1
6-30-92	2,314	363	507	3,184	56,057,423	17,606	3.4 to 1
6-30-93	2,697	417	520	3,634	69,708,702	19,182	3.0 to 1
6-30-94	2,756	436	553	3,745	77,548,220	20,707	3.0 to 1
6-30-95	2,914	471	574	3,959	85,544,676	21,608	3.0 to 1
6-30-96	3,082	527	601	4,210	94,897,897	22,541	3.0 to 1
6-30-97	3,240	573	627	4,440	104,374,026	23,508	3.0 to 1
6-30-98	3,415	626	659	4,700	115,542,977	24,584	2.9 to 1

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

SUMMARIES OF RETIRED MEMBERS AND SURVIVORS - JUNE 30, 1998

Pensions Being Paid		Number	Annual Pensions	Average Pensions
Retired Members	- Service Pensions	3,415	$92,598,785	$27,115
	- Disability Pensions	626	13,547,882	21,642
	TOTALS	4,041	$106,146,667	$26,267
Survivors of Members	- Spouses	634	$9,191,114	$14,497
	- Children with Guardians	25	205,830	8,233
	TOTALS	659	$9,396,310	$14,258
	TOTAL PENSIONS BEING PAID	4,700	$115,542,977	$24,584

	Average Age (yrs)	Average Service (yrs)	Average Age at Retirement (yrs)
Normal retired members:	59.3	22.7	99.5
Disability retired members:	52.1	13.1	42.7
Spouse beneficiaries:	63.2	16.9	44.4

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

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

BENEFIT INCREASE SCHEDULE

Fiscal Year Ended	Excess Yield per Statute*	Excess Earnings Assets***	Excess Earnings	Monthly Benefit Increase Fundable	Maximum per Statutory 4% Cap	Lesser of Two - Increase Awarded
6-30-85	2.85%	$214,202,673	$ 6,104,776			
	Investment earnings on balance		902,896**			
	Amount utilized: 7-1-86 increase		(4,482,398)	$ 50.00	$ 36.17	$ 36.17
6-30-86	5.79%	$248,133,744	$ 14,366,944			
	Amount available: 7-1-87 increase		$ 16,892,218	$ 120.00**	$ 38.59	$ 38.59
	Investment earnings on balance		1,859,833			
	Amount utilized: 7-1-87 increase		(5,185,664)			
6-30-87	2.01%	$276,817,044	$ 5,564,023			
	Amount available: 7-1-88 increase		$19,130,410	$ 110.00**	$ 42.84	$ 42.84
	Investment earnings on balance		2,027,823			
	Amount utilized: 7-1-88 increase		(6,319,400)			
6-30-88	1.60%	$306,597,600	$ 4,905,562			
	Amount available: 7-1-89 increase		$ 19,744,395	$ 95.00**	$ 44.95	$ 44.95
	Investment earnings on balance		1,986,286			
	Amount utilized: 7-1-89 increase		(7,236,088)			
6-30-89	1.06%	$360,069,033	$ 3,816,732			
	Amount available: 7-1-90 increase		$18,311,325	$ 55.00**	$ 47.83	$ 47.83
	Investment earnings on balance		1,919,027			
	Amount utilized: 7-1-90 increase		(7,635,888)			
6-30-90	1.48%	$430,743,103	$ 6,374,998			
	Amount available: 7-1-91 increase		$ 18,969,462	$ 75.00**	$ 52.35	$ 52.35
	Investment earnings on balance		1,940,576			
	Amount utilized: 7-1-91 increase		(10,212,948)			
6-30-91	1.23%	$484,159,254	$ 5,955,159			
	Amount available: 7-1-92 increase		$ 16,652,249	$ 70.00	$ 55.13	$ 55.13
	Investment earnings on balance		1,815,095			
	Amount utilized: 7-1-92 increase		(11,984,957)			

SUMMARY OF BENEFIT INCREASES (Continued)

Fiscal Year Ended	Excess Yield per Statute*	Excess Earnings Assets***	Excess Earnings	Monthly Benefit Increase Fundable	Maximum per Statutory 4% Cap	Lesser of Two - Increase Awarded
6-30-92	1.90%	$757,998,498	$ 14,401,971			
	Amount available:	7-1-93 increase	$ 20,884,358	$ 80.00	$ 58.69	$ 58.69
	Investment earnings on balance		2,234,626			
	Amount utilized:	7-1-93 increase	(13,063,068)			
6-30-93	1.70%	$842,142,928	$ 14,316,430			
	Amount available:	7-1-94 increase	$ 24,372,346	$ 90.00	$ 63.94	$ 63.94
	Investment earnings on balance		2,278,814			
	Amount utilized:	7-1-94 increase	(15,878,424)			
6-30-94	.35%	$926,038,066	$ 3,241,133			
	Amount available:	7-1-95 increase	$ 14,013,869	$ 45.00	$69.02	$ 45.00
	Investment earnings on balance		1,433,619			
	Amount utilized:	7-1-95 increase	(12,092,280)			
6-30-95	1.23%	$1,019,971,216	$ 12,545,646			
	Amount available:	7-1-96 increase	$15,900,854	$ 50.00	$72.03	$ 50.00
	Investment earnings on balance		1,677,540			
	Amount utilized:	7-1-96 increase	(15,055,224)			
6-30-96	1.55%	$1,121,106,488	$ 17,377,151			
	Amount available:	7-1-97 increase	$ 19,900,321	$ 55.00	$ 75.14	$ 55.00
	Investment earnings on balance		2,202,966			
	Amount utilized:	7-1-97 increase	(17,529,672)			
6-30-97	2.07%	$1,545,766,186	31,997,360			
	Amount available:	7-1-98 increase	36,570,975	$80.00	$78.36	$78.36
	Investment earnings on balance		8,129,728			
	Amount utilized:	7-1-98 increase	(26,935,849)			
Prior Excess Earnings Transferred per HB 2496			256,823,185			
6-30-98	13.23%	$1,876,344,607	$248,240,392			
	Amount available:	7-1-99 increase	$522,828,431	$1,335.00	$81.95	$81.95

*Net effective yield less actuarial yield per statute of 9%. Beginning 6/30/98, total return less actuarial yield per statute of 9%.

**In 1989 Senate Bill 1129 was signed into law and became effective September15, 1989. This bill required future earnings on the excess account to be added back to the excess earnings account. In 1990 House Bill 2495 was signed into law and was effective August15, 1990. This bill required earnings on the excess earnings account between June 30, 1986, and September 15, 1989, be added to the excess earnings account. The Monthly Benefit Increase Fundable Amount prior to 7-1-91 has not been recalculated to reflect the effects of this retroactive legislation.

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

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
PARTICIPATING EMPLOYERS

Apache County Sheriffs
Apache County Sheriffs
Apache Junction Fire District
Arizona State University Campus Police
Avondale Fire
Avondale Police
Avra Valley Fire District
AZ State Attorney General
AZ State Capitol Police
Benson Police
Bisbee Fire
Bisbee Police
Bowie Fire District
Buckeye Police
Buckskin Fire
Bullhead City Fire
Bullhead City Police
Camp Verde Marshals
Casa Grande Fire
Casa Grande Police
Central Yavapai Fire
Chandler Fire
Chandler Police
Chino Valley Fire
Chino Valley Police
Clarkdale Police
Clifton Fire
Clifton Police
Cochise County Sheriffs
Coconino County Sheriffs
Coolidge Police
Cottonwood Fire
Cottonwood Police
Daisy Mount Fire District
Department of Emergency and Military Affairs (D..E.M.A.)
Department of Game & Fish
Department of Public Safety
Department of Liquor License
Doney Park Rural Fire
Douglas Fire
Douglas Police
Drexel Heights Fire
Eager Police
El Mirage Fire
El Mirage Police
Eloy Police
Flagstaff Fire
Flagstaff Police
Florence Police
Fort Mohave Mesa Fire
Fountain Hill Marshals
Fredonia Marshalls
Fry Fire
Gila County Sheriffs
Gilbert Fire
Gilbert Police
Glendale Fire
Glendale Police
Globe Fire
Globe Police
Golden Valley Fire District
Golder Ranch Fire District
Goodyear Fire
Goodyear Police
Graham County Sheriffs
Greenlee County Attorney Investigators
Greenlee County Sheriffs
Guadalupe Fire
Holbrook Police
Hualapai Valley Fire
Kearny Police
Kingman Police
Kingman Police
La Paz County Attorney Investigators
La Paz County Sheriffs
Lake Havasu Fire
Lake Havasu Police
Laveen Fire District
Mammoth Police
Maranna Marshals
Maricopa County Attorney Investigators
Maricopa County Sheriffs
Mayer Fire District
Mesa Fire
Mesa Police
Miami Fire
Miami Police
Mohave County Sheriffs
Mohave Valley Fire
Northern Arizona University Campus Police
Navajo County Attorney Investigators
Navajo County Sheriffs
Nogales Fire
Nogales Police
Norhwest Fire District
Oro Valley Police
Page Fire
Page Police
Paradise Valley Police
Parker Police
Patagonia Marshals
Payson Fire
Payson Police
Peoria Fire
Peoria Police
Phoenix Fire
Phoenix Police
Picture Rocks Fire District
Pima County Attorney Investigators
Pima County Community College Police
Pima County Sheriffs
Pima Police

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
PARTICIPATING EMPLOYERS

Pinal County Sheriffs
Pine-Strawberry Fire
Pinetop-Lakeside Police
Prescott Fire
Prescott Police
Prescott Valley Police
Quartzsite Marshals
Safford Police
Sahuarita Police
San Luis Fire
San Luis Police
Santa Cruz County Deputies
Scottsdale Police
Sedona Fire District
Sedona Police
Showlow Police
Sierra Vista Fire
Sierra Vista Police
Snowflake Police
Somerton Fire
Somerton Police
South Tucson Fire
South Tucson Police
Springerville Police
St. Johns Police
Sun City West Fire District
Sun Lakes Fire District
Superior Police
Surprise Fire
Surprise Police
Tempe Fire
Tempe Police
Thatcher Police
Tolleson Fire
Tolleson Police
Tombstone Police
Tubac Fire District
Tucson Airport Authority Fire
Tucson Airport Authority Police
Tucson Estates Fire
Tucson Fire
Tucson Police
University of Arizona Campus Police
Verde Rural Fire District
Welton Police
Wickenburg Police
Wilcox Police
Williams Police
Winslow Fire
Winslow Police
Yavapai County Sheriffs
Youngtown Police
Yuma County Sheriffs
Yuma Fire
Yuma Police