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

THIRTY-FOURTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2002

This report was prepared by the staff of the PSPRS

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STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
THIRTY-FOURTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTY-FOURTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2002

Fund Managers' Report

Letter of Transmittal

Certificate of Achievement for
Excellence in Financial Reporting

The Retirement Board and
Administrative Organization

Organizational Chart

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

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

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

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

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

September 13, 2002

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

Dear Governor Hull:

The Fund Manager of the Public Safety Personnel Retirement System respectfully submits the Thirty-Fourth Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002, in accordance with the provisions of A.R.S. Section 38-848.

We are pleased to report that despite the volatile stock market, the System is still in outstanding financial and actuarial condition. In fact, the System's funding level is 113.0%, and still one of the best funded plans in the country. Set forth below are some of the highlights of the fiscal year ended June 30, 2002.

Benefits paid to retired members and their beneficiaries increased from $164,727,744 to $185,035,202. 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 3.75% for the 2002/03 fiscal year. This is a direct savings to the taxpayers of approximately $135 million annually.

For the current year, the fund had a total rate of return of –15.0%. However, the fund continues to perform well against the market indexes (S&P 500/NYSE stock and Shearson Lehman Government/Corporate bond) on a long-term basis. The 5-year and 10-year total rates of return, which includes realized as well as unrealized gains and losses, for the total fund were 2.67% and 7.72%, respectively. The 5-year rate of return for the stock portfolio and bond portfolios were 0.15% and 7.71%, respectively. The 10-year rate of return for the stock portfolio and bond portfolios were 8.24% and 7.67%. The net effective yield for the current year, which takes into account only realized gains and losses, was 2.40%.

Total administrative and investment expenses increased from $1,030,409 last year to $1,167,049 this year. Costs have increased only 81% during the past seventeen years. This increase is incredibly low since the assets managed have increased 413% and the System membership has increased 113%.

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

Respectfully submitted,

DON DE MENT/sig.

Don De Ment, Chairman

PAT CANTELME/sig.

Pat Cantelme, Member

RON SNODGRASS/sig.

Ron Snodgrass, Member

BETSEY BAYLESS/sig.

Betsey Bayless, Member

WENDY HANCOCK/sig.

Wendy Hancock, Member

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORRECTIONS OFFICER RETIREMENT PLAN
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September 13, 2002

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

Gentlemen:

There is presented herewith the Thirty-Fourth Comprehensive Annual Financial Report of the operations and financial conditions of the Public Safety Personnel Retirement System, State of Arizona, for the fiscal year ended June 30, 2002. Incorporated in this report are the audited financial statements and other financial data from the June 30, 2002, 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, 2002, Actuarial Valuation prepared by the System's actuary, Rodwan & Nichols, Consulting Actuaries.

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

FINANCIAL INFORMATION

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

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

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

REVENUES

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

ADMINISTRATIVE AND INVESTMENT EXPENSES

The 2001/2002 Administrative and Investment Expenses of the Administrative Office totaled $1,167,049 compared to $1,030,409 for the prior year. This is only 81% higher than the total for fiscal year 1984/1985. This is a compounded annual rate of increase of 3.55% over the last seventeen years. This rate of increase is well below the rate of growth of the System. A dedicated staff and constantly improving internal expertise has allowed management to keep costs nearly flat for the past seventeen years even though inflation, membership and assets managed have increased substantially during this same period (over 60%, over 100%, and over 400%, respectively).

INVESTMENTS

Since the System is well funded, management takes a moderately conservative approach to investing. The System invests primarily in bonds rated A or better and blue chip common stock. A detailed summary of the investment portfolio and all investment transactions is presented in the Investment Section. At year-end, the investment portfolio was made up of 12.52% U. S. Government Securities, 18.00% Corporate Bonds, 5.42% Other Investments, 3.70% Corporate Notes, 0.02% insured Money Market Funds and 60.35% 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 eleven years. The equity portfolio has also outperformed the applicable Index in six of the last eleven years. The System's performance resulted in a net effective yield of 2.40% and a 10-year total rate of return of 7.72%. 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 appears to be bottoming out. It is likely the economy will continue to improve this fall and into early 2003. 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, 2002, is 113.0% that is well ahead of schedule. One hundred and twenty of the 194 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 System. While each employer has a different contribution rate, the average for the entire System for the 2002/2003 fiscal year is 3.75% of gross payroll. Of the 194 groups that make up the System, twenty will be affected by the 2% floor enacted by recent legislation; and, 68 employers will pay less than the 7.65% that the employees pay. In addition, the firefighter groups and the Department of Public Safety receive a percentage of the 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 either two years after retirement, regardless of age, or when the retiree or survivor attains age 55 and has been retired for a year. These increases are dependent upon the production of excess earnings on a portion of the System's assets and are limited to four percent of the average benefit being paid.

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

July 1, 1986 - $36.17

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

Cumulative Total - $1,132.11

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the PSPRS for its comprehensive annual financial report for the fiscal year ended June 30, 2001. This was the eighth consecutive year that the System has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

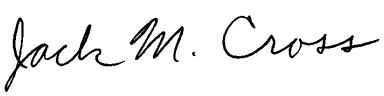
SUMMARY

The System's actuary, Rodwan & Nichols, summarized the results of the latest Actuarial Valuation as of June 30, 2002, as follows:

> The results of the valuations indicate that Retirement System benefit obligations are being funded as incurred. Current assets are 113.0% of actuarial accrued liability. 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, 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-four years. The System was created on July 1, 1968 to provide a uniform statewide retirement system for public safety personnel. The System successfully transitioned from a 25-year/age-55 program to a straight 20-year program. The System now provides for disability benefits, survivor benefits for spouses and children, post-retirement increases and health insurance subsidies. Employer contribution rates have dropped from an average of 22.13% to 3.75%. Funding has increased to 113.0%. I am proud to have been a part of the System's management team and I look forward to the System's continued success in the future.

Respectfully submitted,



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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Safety Personnel Retirement System, Arizona

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2001

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.

President

Executive Director

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

THE FUND MANAGER

		Term Expires
Don De Ment Retired City Clerk City of Tucson	Chairman	January 2003
Pat Cantelme Retired Firefighter City of Phoenix	Member	January 2005
Ron Snodgrass Police Officer City of Phoenix	Member	January 2004
Betsey Bayless Secretary of State State of Arizona	Member	January 2003
Wendy Hancock Public Member	Member	January 2005

PROFESSIONAL ADVISORS

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

ADMINISTRATIVE STAFF

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

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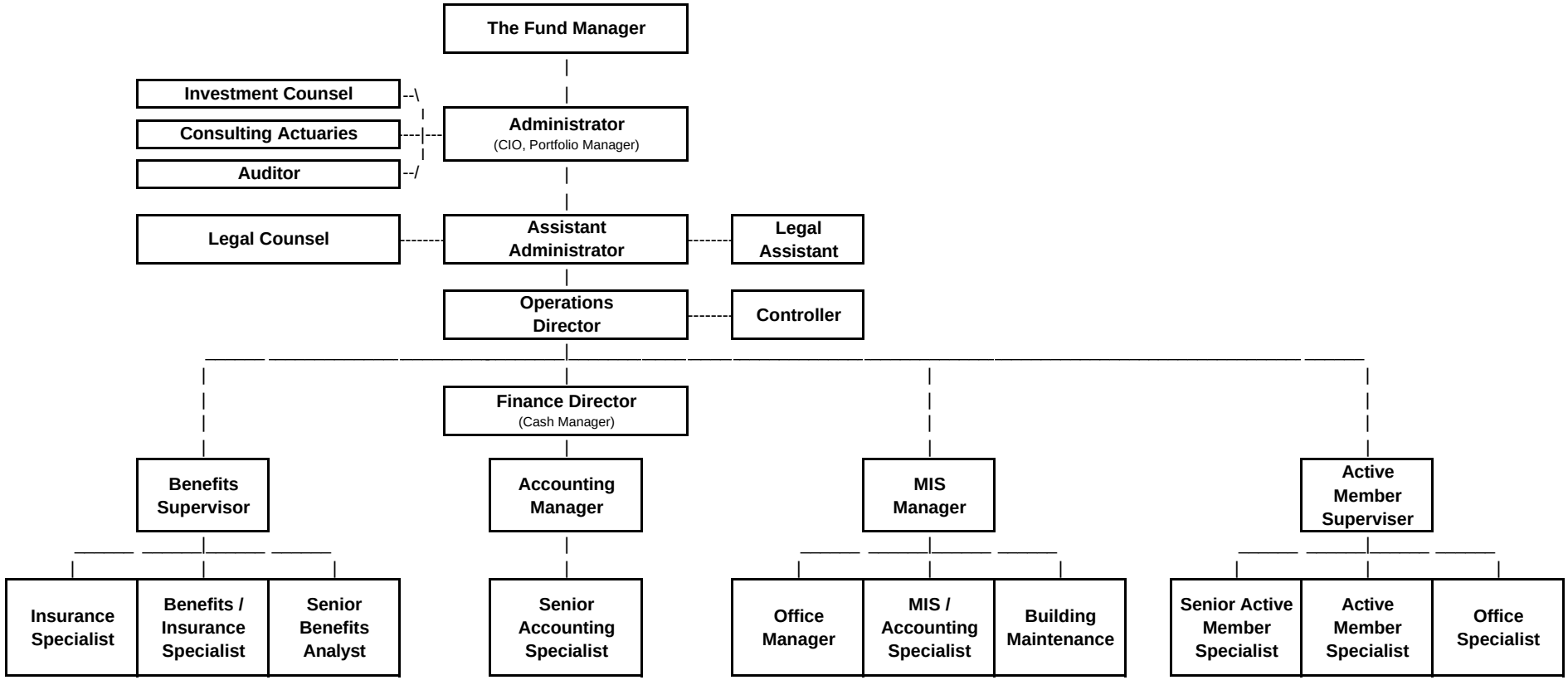
STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
ORGANIZATION CHART
JUNE 30, 2002



FINANCIAL SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTY-FOURTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2002

Independent Auditor's Report

Management's Discussion and Analysis

Statements of System Net Assets

Statements of Changes in System Net Assets

Notes to Financial Statements

Schedule of Funding Progress

Schedule of Employer Contributions

Supporting Schedule of
Changes in Fund Balance Reserves

Supporting Schedule of
Administrative and Investment Expenses

Supporting Schedule of Payments to Consultants

Supplemental Schedule of
Cash Receipts and Cash Disbursements

Schedule of Changes in Employer Reserves – Year Ended June 30, 2002,
and Unfunded Accrued Normal Costs at June 30, 2001

Schedule of Changes in Refundable Member Reserves
Fiscal Year Ended June 30, 2002

Earnings Distribution, Fiscal Year Ended June 30, 2002

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, 2002 and 2001, and the related statements of changes in system net assets for the years then ended, appearing on pages 18 and 19, 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, 2002 and 2001, and the results of its operations and the changes in system net assets for the years then ended in conformity with generally accepted accounting principles.

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

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information, Management's Discussion and Analysis, Schedule of Funding Progress and Schedule of Employer Contributions, are required by the Governmental Accounting Standards Board and are not a required part of the basic financial statements. Also, the accompanying additional information, contained on pages 29 to 41, are not required disclosures under Governmental Accounting Standards Board (GASB) statement No. 25 and are not a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary and additional information. However, we did not audit this information and express no opinion on it.

BARROWS & SCHATZA, P.L.C./sig

September 6, 2002

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2002 AND 2001

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

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

Financial Highlights

Key financial highlights for 2002 are as follows:

- As of the close of the fiscal year 2002, the Future Benefit Increase Reserve was $502,456,646. This will enable another increase for qualifying retirees or their survivors for the eighteenth consecutive year.

- Retirement benefits paid totaled $185,035,202 for the current fiscal year, compared to $164,727,744 for the previous year. This represents a 13% increase from the prior year. The majority of this increase is the result of increased health insurance benefits and cost of living adjustments (COLAs) paid to the retirees or their survivors of the System.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Assets and *The Statement of Changes in Net Assets*
These statements include all assets and liabilities of the System using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

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

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

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

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

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

Other Supplemental Information
The Other Supplemental Information Section includes the Supporting Schedule of Changes in Fund Balance Reserves, Supporting Schedule of Payments to Consultants, Supplemental Schedule of Cash Receipts and Cash Disbursements, Schedule of Changes in Employer Reserves, Schedule of Changes in Refundable Member

Reserves, and Schedule of Earnings Distribution. The total columns and information provided on these schedules carry forward to the applicable financial statement.

Financial Analysis

Net Assets
The System's Net Assets totaled $3,696,318,236 at the close of the fiscal year 2002, compared to $4,422,062,255 at the close of the previous fiscal year. This is a 17% decrease from the prior year. The majority of the decrease is the direct result of the recent declines in the stock market.

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
NET ASSETS

	2002		2001	
	Book Cost*	**Market Value**	***Book Cost****	**Market Value**
Current Assets	*$ 32,505,352*	$ 32,505,352	*$ 29,350,613*	$ 29,350,613
Capital Assets	*456,903*	456,903	*468,808*	468,808
Investments	*5,020,915,538*	4,687,452,697	*5,281,918,613*	5,688,999,141
Total Assets	*5,053,877,793*	4,720,414,952	*5,311,738,034*	5,718,818,562
Other Liabilities	*1,015,778,981*	1,024,096,716	*1,297,704,557*	1,296,756,307
Total Liabilities	*1,015,778,981*	1,024,096,716	*1,297,704,557*	1,296,756,307
Total Net Assets	*$ 4,038,098,812*	$ 3,696,318,236	*$ 4,014,033,477*	$ 4,422,062,255

**Cost information is provided for reference only.*

The largest portion of the System's Net Assets (60%) are invested in Equity Securities; 18% is invested in high quality Corporate Bonds; 13% is invested in Government Securities; 4% is invested in Cash or cash equivalents; and, the remaining 5% is invested in Other investments.

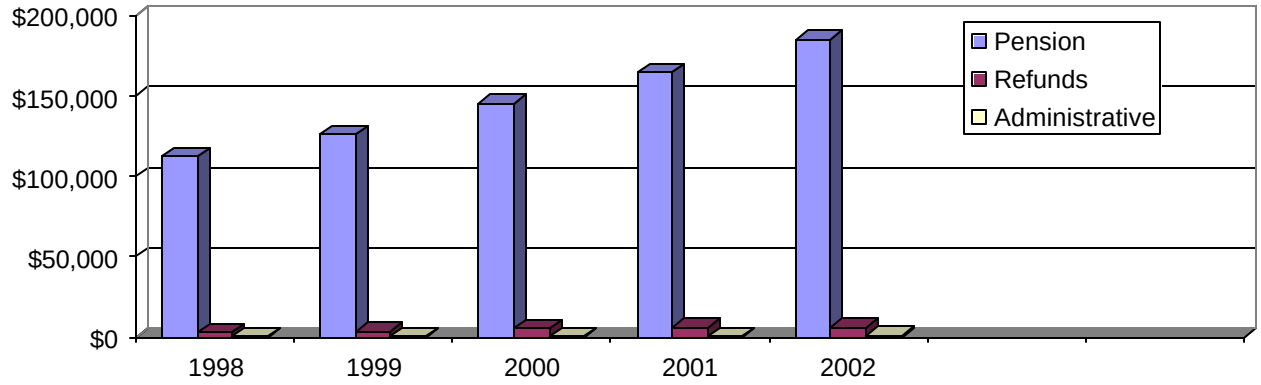
Changes in Net Assets
The recent volatility in the stock market has attributed to the majority of the decrease in net assets, as noted earlier. Additional key elements of this decrease are as follows:

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CHANGES IN NET ASSETS

	2002	2001
Additions:		
Contributions	$ 114,470,132	$ 110,593,075
Net Investment (Loss) Income	(654,569,820)	(895,995,528)
Total Additions	(540,099,688)	(785,402,453)
Deductions:		
Pension Benefits	185,035,202	164,727,744
Terminated Members Refunds	6,057,924	6,051,785
Administrative Expenses	735,241	679,372
Transfers	(6,184,036)	(372,822)
Total Deductions	185,644,331	171,086,079
Change in Net Assets	(725,744,019)	(956,488,532)
Net Assets, Beginning of Year	4,422,062,255	5,378,550,787
Net Assets, End of Year	$ 3,696,318,236	$ 4,422,062,255

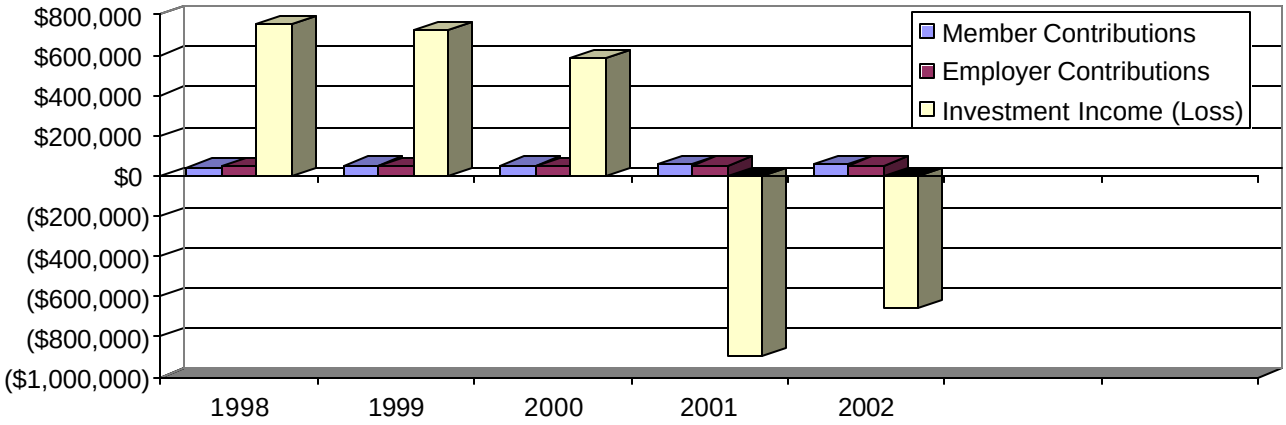
Pension benefits and administrative expenses increased from the previous fiscal year. Pension benefits, to include health insurance subsidies, deferred retirement option and cost of living adjustments, rose 13% and administrative expenses rose 9% during the year. Refunds paid to members who terminated employment during the year were relatively unchanged.

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



Member contribution rates are set by Statute and were unchanged from the previous fiscal year. Employer contribution rates, on average, went from 5.21% to 4.21%. As a result, employer contributions were relatively unchanged from the previous fiscal year.

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



Capital Assets

The System's investment in capital assets totaled $456,903 (net of depreciation) for the current fiscal year. This investment in capital assets includes land, building and improvements. There were no additions to capital assets during the fiscal year. The change in capital assets for the current year was depreciation expense. A schedule of the capital assets can be found in Note 2 – Property, on page 26 of this report.

Economic Factors and Employer Rates

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

Investment gains and losses are smoothed over a four-year period to stabilize the employer contribution rates from year to year. The investment loss suffered last year was the first substantial loss the System had suffered in 19 years. The investment loss from the current fiscal year, in conjunction with the investment loss from the previous

year, will have a negative impact on the current actuarial valuations. It is anticipated that employer contribution rates will increase to sustain the funding level.

In addition, the Fund Manager may address reducing the interest rate earned on the deferred option retirement plan (DROP) accounts. Currently, the System pays 9% annually on a DROP member's participation account. In the current environment, it may be difficult to sustain this level of funding.

Requests for Information

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

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
STATEMENTS OF SYSTEM NET ASSETS
AS OF JUNE 30, 2002 AND 2001

		2002		2001
ASSETS				
Receivables				
Members' Contributions		$ 2,402,712		$ 2,114,325
Employers' Contributions		5,324,928		4,803,733
Interest and Dividends		24,777,712		22,432,555
Total Receivables		32,505,352		29,350,613
Investments at Fair Value (Note 2)	*[Book Cost - For Reference Only]*		*[Book Cost - For Reference Only]*	
U.S. Government Securities	*$ 419,337,938*	458,710,424	*$ 520,596,733*	553,076,444
Corporate Bonds	*691,376,934*	659,355,860	*642,229,937*	617,260,124
Corporate Notes	*135,429,579*	135,429,579	*102,953,663*	102,953,663
Corporate Stocks	*2,559,849,166*	2,210,717,178	*2,577,008,005*	2,977,526,884
Other Investments	*198,470,604*	198,470,604	*140,087,977*	140,087,977
Money Market Account	*672,336*	672,336	*1,337,742*	1,337,742
Collateral Held in Trust for Securities on Loan	*1,015,778,981*	1,024,096,716	*1,297,704,557*	1,296,756,307
Total Investments	*$ 5,020,915,538*	4,687,452,697	*$ 5,281,918,613*	5,688,999,141
Property (Note 2)		456,903		468,808
Total System Assets		4,720,414,952		5,718,818,562
Liability - Collateral Subject to Return to Borrower		(1,024,096,716)		(1,296,756,307)
Net Assets Held in Trust for Pension Benefits		$ 3,696,318,236		$ 4,422,062,255
Net Asset Reserves				
Refundable Members' Reserve		$ 495,565,136		$ 449,791,950
Employers' Reserve		2,698,296,454		3,309,372,289
Future Benefit Increase Reserve		502,456,646		662,898,016
Total Net Asset Reserves		$ 3,696,318,236		$ 4,422,062,255

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, 2002 AND 2001

		2002		2001
Additions				
Contributions				
Members' Contributions (Notes 1 and 3)		$ 62,486,725		$ 58,052,765
Employers' Contributions (Notes 1 and 3)		51,983,407		52,540,310
Total Contributions		114,470,132		110,593,075
Net (Depreciation) Appreciation in Fair Value of Investments (Note 2)		(774,840,348)		(1,011,022,691)
Interest		102,871,389		96,845,388
Dividends		15,682,287		16,910,483
Securities Lending Activities				
Securities Lending Income	$ 32,301,581		$ 72,928,173	
Borrower Rebates	(28,995,989)		(70,432,311)	
Agents Share of Income	(1,156,932)		(873,533)	
Net Securities Lending Income (Note 2)		2,148,660		1,622,329
		(654,138,012)		(895,644,491)
Less Investment Expense		(431,808)		(351,037)
Net Investment Income		(654,569,820)		(895,995,528)
Amounts Transferred from Other State-Sponsored Pension Plans and Service Credits Purchased--Net		6,184,036		372,822
Total Additions		(533,915,652)		(785,029,631)
Deductions				
Pension and Insurance Benefits (Note 1)		185,035,202		164,727,744
Refunds to Terminated Members (Note 1)		6,057,924		6,051,785
Administrative Expenses		735,241		679,372
Total Deductions		191,828,367		171,458,901
Net (Decrease) Increase		(725,744,019)		(956,488,532)
Net Assets Held In Trust for Pension Benefits				
Beginning of Year - July 1		4,422,062,255		5,378,550,787
End of Year - June 30		$ 3,696,318,236		$ 4,422,062,255

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

NOTE 1 - PLAN DESCRIPTION

Organization

The Public Safety Personnel Retirement System (PSPRS), a pension trust fund of the State of Arizona, is an agent multiple-employer public employee retirement system established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes, to provide benefits for public safety employees of certain state and local governments. The System is jointly administered by the Fund Manager and 194 Local Boards.

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

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

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

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

At June 30, 2002 and 2001, the number of participating local government employer groups was:

	2002	2001
Municipalities	118	118
Counties or County Agencies	21	20
State Agencies	10	9
Special Districts	45	40
Total Employers	**194**	**187**

Any state or local government in the State of Arizona may elect to have its paid, full-time eligible employees (generally, fire fighters and police officers in hazardous duty positions) covered by the PSPRS. At June 30, 2002 and 2001, statewide PSPRS membership consisted of:

	2002	2001
Retirees and beneficiaries currently receiving benefits	5,989	5,782
Terminated vested employees	82	59
Deferred Retirement Option Plan (DROP)	645	
Current employees		
Vested	6,522	6,985
Non-vested	9,035	8,488
Total Members	**22,273**	**21,314**

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

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

SUMMARY OF BENEFITS

Purpose (A.R.S. §38-841)
To provide a uniform, consistent and equitable statewide program for public safety personnel who are regularly assigned hazardous duty in the employ of the State of Arizona, or a political subdivision of this State. Membership consists of those eligible employees who are employed by an employer who entered the system in 1968 or who has entered into an agreement to join the System on behalf of an eligible group.

Eligibility (A.R.S. §38-842, ¶13)
Full-time paid firefighters, whose customary employment is at least forty hours per week, of a participating employer who is or was regularly assigned to hazardous duty of the type normally expected of a firefighter and full-time paid certified peace officers, whose customary employment is at least forty hours per week, of a participating employer who is or was regularly assigned to hazardous duty of the type normally expected of a certified peace officer.

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

Credited Service (A.R.S. §38-842, ¶ 8)
The member's total period of service before the member's effective date of participation, plus those compensated periods of the member's service thereafter for which the member made contributions to the fund.

Average Monthly Compensation (A.R.S. §38-842, ¶ 4)
One thirty-sixth of total compensation paid a member during the highest three consecutive years out of the last twenty years of credited service.

Compensation (A.R.S. §38-842, ¶ 7)
For purposes of computing retirement benefits, base salary, overtime pay, shift differential pay and holiday pay paid to an employee on a regular monthly, semimonthly or bi-weekly payroll basis and longevity pay paid to an employee at least every six months for which contributions are made to the System. Compensation does not include payments for unused sick leave, payment in lieu of vacation payment for compensatory time or any other payment for fringe benefits.

Normal Retirement Date (A.R.S. §38-842, ¶ 20)
First day of month immediately following completion of twenty years of service, or following sixty-second birthday and completion of fifteen years of service.

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

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

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

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

Deferred Retirement Option Plan (DROP) (A.R.S. §§38-844.02 through 38-844.09)
Effective August 9, 2001, a member with 20 or more years of credited service under the System may enter into a DROP program with his employer. Under the DROP program, the member must voluntarily and irrevocably elect to enter into the program with his employer for a period of up to 60 months. During the DROP period, the member remains in the employ of the employer as a full-time paid firefighter or full-time paid certified peace officer but no member or employer contributions are made to the System, therefore no additional years of credited service are accrued on the member's behalf. The member's monthly pension is calculated based upon the years of credited service and average monthly compensation at the beginning of the DROP period. This monthly pension amount is credited to a DROP participation account with interest at the rate of 9% annually, but credited monthly to the account. At the end of the DROP period or prior to that time if the member terminates employment, the monies in the DROP participation account will be either paid to the member in a lump-sum amount or paid in a lump-sum distribution to an eligible retirement plan or individual retirement account. The member will then begin receiving the monthly pension amount directly from the System in the same amount as was being credited to the DROP participation account.

Deferred Retirement (A.R.S. §38-846.01)
A member with at least ten years of credited service, who terminates employment, may elect to leave their contributions in the System and receive a deferred retirement allowance, commencing at age sixty-two. Pension is a lifetime monthly annuity, based on twice the amount of the member's contributions. Under this option, there is no survivor benefit payable. The benefit is forfeited if the member elects a refund of their contributions.

Accidental Disability Retirement (Service Connected) (A.R.S. §38-842, ¶ 1, A.R.S. §38-845.B and A.R.S. §38-844.B)
Total and permanent disability incurred in performance of duty, preventing performance of a reasonable range of duties within the employee's job classification. No credited service requirement. The pension is 50% of average monthly compensation or normal pension amount, whichever is greater.

Ordinary Disability Retirement (Not Service Connected) (A.R.S. §38-842, ¶ 21 and §38-845.C and §38-844.B)
Physical condition: Total and permanent disability preventing performance of a reasonable range of duties within the employee's department, prior to normal retirement date. Mental condition: Total and permanent disability preventing any substantial gainful activity, prior to normal retirement date. Benefit is a percentage of normal retirement. The percentage is computed based on the employee's years of credited service divided by twenty.

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

Temporary Disability (Service Connected) (A.R.S. §38-844.H and §38-842, ¶ 28)
Total and presumably temporary disability, incurred in performance of duty, prior to normal retirement, preventing performance of a reasonable range of duties within the employee's department. No credited service requirement. Monthly pension is one-twelfth of 50% of annual compensation at time of disability. Payments terminate after twelve months or return to work. Member must terminate employment to receive this benefit.

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

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

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

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

Death Benefit (A.R.S. §38-846.F)
If a member has accumulated contributions remaining in the System at the date of death of the last pension recipient the remaining accumulated contributions are payable to the beneficiary named by the member.

Termination Refund (A.R.S. §38-846.02)
Upon termination of employment, for any reason other than death or retirement, a member shall, within twenty days after filing an application with the Fund Manager, receive a lump-sum payment, equal to his accumulated contributions, as of the date of termination, less any benefits paid or any amounts owed to the System. A member forfeits all membership rights and credited service in the System upon receipt of refund of contributions. If the member has 5 or more years of credited service upon termination they shall receive an additional amount according to the schedule below:

5 to 5.9—25% of member contributions deducted from the member's salary pursuant to ARS 38-843.C
6 to 6.9—40% of member contributions deducted from the member's salary pursuant to ARS 38-843.C
7 to 7.9—55% of member contributions deducted from the member's salary pursuant to ARS 38-843.C
8 to 8.9—70% of member contributions deducted from the member's salary pursuant to ARS 38-843.C

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

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

Reemployment And Repayment Of Contributions (A.R.S. §38-849.C)
Members who terminate and take a refund of their contributions may elect, only upon reemployment with the same employer, to recover their prior service. To recover this prior service, their re-employment must be within two years from date of termination and they sign a written election within ninety days after re-employment to reimburse the Fund within one year the amount of monies refunded plus interest at the rate of 9%.

Reemployment After Retirement (A.R.S. §38-849.D)
A retired member who is reemployed by an employer shall not make contributions nor accrue credited service during the period of reemployment. However, if the employer from which the member retired reemploys the retired member in the same position, the retired member's pension is suspended during the period of reemployment.

Transfer Into Or Out Of System (A.R.S. §38-855)
A member who changes employment or transfers or is assigned to a non-eligible position because of a change in duties or otherwise may elect one of the following options:

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

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

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

Purchase Of Prior Active Military Service (A.R.S. §38-858)
A member may purchase up to four years of prior active military time that is not on account with any other retirement system. The member must pay the actuarial present value of the increase of credited service resulting from this purchase.

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

Cola Benefit Increases (A.R.S. 38-856)
Effective July 1 of each year, each retired member or survivor of a retired member may be entitled to a permanent benefit increase in their base benefit. The maximum amount of the increase is four percent (4%) of the average normal PSPRS benefit being received on the preceding June 30 and is contingent upon sufficient excess investment earnings for the fund. To be eligible for the increase the member or survivor must be age 55 or older on July 1 of the current year and was receiving benefits on or before July 31 of the previous year. A member or survivor is also eligible if they were receiving benefits on or before July 31 of the two previous years regardless of age.

Health Insurance Premium Subsidy (A.R.S. §38-857)
For PSPRS retirees or survivors who have elected group health and accident insurance coverage provided and administered by this state or another PSPRS employer, the PSPRS will pay up to the following amounts:

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

Until June 30, 2003, a retiree or survivor who lives in a nonservice area receives up to the following amounts in addition to the subsidy listed above. A nonservice area is defined as an area in this state where the state retiree group insurance program or employer's retiree health insurance program does not provide or administer a health maintenance organization (HMO) for which the member or survivor is eligible. The subsidy consists of up to the following amounts:

Single		Family		
Not Medicare Eligible	**Medicare Eligible**	**All Not Medicare Eligible**	**All Medicare Eligible**	**One with Medicare**
$300.00	$170.00	$600.00	$350.00	$470.00

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

Purchase Of Handgun Or Shotgun (A.R.S. §38-845)
A PSPRS retiree has the ability to purchase the handgun or shotgun issued by the employer to the member at less than fair market value, subject to approval of the employer.

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

Basis of Accounting

PSPRS financial statements are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenues 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 No. 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 for reference only.

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

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

By state statute, this System is required to provide information in the financial statements used to calculate Net Effective Yield. Net Effective Yield includes only realized gains and losses. The Net Realized Gains (Losses) used in this calculation totaled $(25,030,995) for FYE 2002 and $114,453,120 for FYE 2001.

Investments

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

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

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

A.R.S. §38-848.D

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

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

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

Money Market Account

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

Securities Lending Income

The System is party to a securities lending agreement with a bank. The bank, on behalf of the System, enters into agreements with brokers to loan securities and have the same securities returned at a later date. The loans are fully collateralized primarily by cash. Collateral is marked-to-market on a daily basis. Non-cash collateral can be sold only upon borrower default. The System requires collateral of at least 102% of the fair value of the loaned U.S. Government or corporate security. Securities on loan are carried at fair value. As of June 30, 2002 and 2001the fair value of securities on loan was $995,801,848 (consisting of Stocks-$420,186,296, Corporate Bonds-$136,573,032 and Treasuries and Agencies-$439,042,520) and $1,245,816,113 (consisting of Stocks-$644,401,120, Corporate Bonds-$136,067,617 and Treasuries and Agencies-$465,347,376), 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. The total cash collateral investments received for unmatched loans (any loan for which the cash collateral has not been invested for a specific maturity) will have a maximum average maturity, using the reset date as the maturity date, of not more than 45 days. And, 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 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, 2002 are not matched in maturity and have a weighted average maturity of 17 days, 9 days as of June 30, 2001. The System has no credit risk because the amounts owed to the borrowers exceed the amounts the borrowers owe to the System. Under this program, the System has not experienced any defaults or losses on these loans.

Property

These assets are stated at cost, and depreciable assets are depreciated using the straight-line method over the estimated life of the asset. Repairs and maintenance are charged to expense as incurred. Depreciation expense for June 30, 2002 and 2001 was $11,905 and $11,904, respectively.

Property consists of the following:

	Estimated Useful Life	2002	2001
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		$ 236,883	$ 224,978
		$ 456,903	$ 468,808

NOTE 3 - CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

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

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

During the year ended June 30, 2001, contributions totaling $110,593,075 ($52,540,310 employer and $58,052,765 member) were made in accordance with contribution requirements determined by an actuarial valuation of the System as of June 30, 1999. The employer contributions consisted of approximately $109,820,341 for normal cost less ($57,280,031) for amortization of the assets in excess of the actuarial accrued liability in aggregate. Employer contributions represented 5.21% of covered payroll. [10.89% for normal costs and (5.68)% for amortization of assets in excess of the actuarial accrued liability in aggregate.] Member contributions represented 7.65% of covered payroll and are attributable to normal costs.

NOTE 4 – REQUIRED SCHEDULES

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

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

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

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

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

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

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

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

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

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPORTING SCHEDULE OF CHANGES IN FUND BALANCE RESERVES
FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

	Refundable Members' Reserve	Employers' Reserve	Future Benefit Increase Reserve
Balance - June 30, 2000	$ 418,847,014	$ 4,097,263,035	$ 862,440,738
Distribution of Revenues and Expenses			
Members' Contributions	58,052,765		
Employers' Contributions		52,540,310	
Earnings on Investments Net of Investment Expenses		(895,995,528)	
Pension Benefits		(164,727,744)	
Refunds to Terminated Members	(3,998,876)	(2,052,909)	
Administrative Expenses		(679,372)	
Distribution of Transfers			
Excess Investment Earnings to be used for Future Benefit Increases		-	-
Earnings on Excess Investment Earnings Account Assets		145,364,386	(145,364,386)
Amount Utilized by Benefit Increases Granted		54,178,336	(54,178,336)
Net Transfers from Other State-Sponsored Pension Plans	189,016	183,806	
Inter-System Transfers -- Member Account Balances Transferred to Employers' Reserve due to Retirement	(23,297,969)	23,297,969	
Balance - June 30, 2001	$ 449,791,950	$ 3,309,372,289	$ 662,898,016
Distribution of Revenues and Expenses			
Members' Contributions	62,486,725		
Employers' Contributions		51,983,407	
Earnings (Loss) on Investments Net of Investment Expenses		(654,569,821)	
Pension and Insurance Benefits		(185,035,202)	
Refunds to Terminated Members	(4,099,823)	(1,958,100)	
Administrative Expenses		(735,241)	
Distribution of Transfers			
Excess Investment Earnings to be used for Future Benefit Increases		-	-
Earnings (Loss) on Excess Investment Earnings Account Assets		98,838,094	(98,838,094)
Amount Utilized by Benefit Increases Granted		61,603,276	(61,603,276)
Net Transfers from Other State-Sponsored Pension Plans	2,308,847	3,875,189	
Inter-System Transfers -- Member Account Balances Transferred to Employers' Reserve due to Retirement	(14,922,563)	14,922,563	
Balance - June 30, 2002	$ 495,565,136	$ 2,698,296,454	$ 502,456,646

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPORTING SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES
SUPPORTING SCHEDULE OF PAYMENTS TO CONSULTANTS
FOR THE YEAR ENDED JUNE 30, 2002

	Administrative	Investment	Total
Accounting and Auditing Services	$ 7,300	$ -	$ 7,300
Actuarial Services	78,300	-	78,300
Computer Equipment	15,716	6,824	22,540
Contractual Services	28,525	12,386	40,911
Educational Expenses	15,000	33,974	48,974
Furniture and Equipment	5,277	2,291	7,568
Investment Services	4,885	-	4,885
Occupancy Expenses	25,850	3,741	29,591
Office Supplies	9,061	2,951	12,012
Payroll Taxes and Fringe Benefits	86,126	49,862	135,988
Postage Expense	16,561	2,397	18,958
Printing, Publications and Subscriptions	10,592	2,085	12,677
Professional Services	22,827	3,304	26,131
Salaries and Wages	397,241	306,112	703,353
Telephone Expense	9,973	2,292	12,265
Travel Expense	2,009	3,587	5,596
	$ 735,241	$ 431,808	$ 1,167,049

Consultants	**Fees Paid**
Standard & Poor's Securities, Inc. - Investment Counsel	$ (1)
Rodwan & Nichols	78,300
Barrows & Schatza, P.L.C. - Auditors	7,300
Lieberman, Dodge, Gerding, Kothe & Anderson, Ltd. - Legal Counsel	26,131
	$ 111,731

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

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPLEMENTAL SCHEDULE OF
CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
RECEIPTS		
Members' Contributions	$ 62,118,748	$ 57,544,944
Employers' Contributions	51,462,213	51,391,526
Interest	100,484,735	100,518,999
Dividends	15,657,145	17,016,524
Securities Lending Income	2,215,163	1,539,472
Amounts Transferred from Other State-Sponsored Pension Plans	6,412,646	874,673
Maturities and Sales of		
U.S. Government Securities	141,121,295	86,326,780
Corporate Bonds	105,305,404	60,708,644
Corporate Notes	10,437,640,193	10,140,641,467
Other Investments	47,519,269	26,186,128
Common Stock	434,912,001	892,252,472
Net Decrease in Money Market Fund	665,405	871,600
Total Receipts	11,405,514,217	11,435,873,228
DISBURSEMENTS		
Pension Benefits	185,035,202	164,727,744
Refunds to Terminated Members	6,057,924	6,051,785
Investment and Administrative Expenses	1,075,418	1,099,373
Amounts Transferred to Other State-Sponsored Pension Plans	228,610	501,851
Acquisitions of		
U.S. Government Securities	39,862,500	131,886,596
Corporate Bonds	150,935,624	124,945,567
Corporate Notes	10,470,116,109	10,194,663,755
Other Investments	93,301,281	42,733,931
Common Stock	458,901,549	769,262,627
Property		
Net Increase in Money Market Fund	-	-
Total Disbursements	11,405,514,217	11,435,873,228
DECREASE IN CASH	-	-
BEGINNING CASH BALANCE - July 1	-	-
ENDING CASH BALANCES - June 30	$ -	$ -

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2002
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2001

Sys No.	System	Balance June 30, 2001 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2002 (at cost)	Unfunded Accrued Normal Costs June 30, 2001
001	Bisbee Fire	3,225,103.15	(29,085.41)	76,750.34	7,173.19	(317,147.22)	-	-	82,378.08	3,045,172.13	39,799.00
002	Casa Grande Fire	5,973,350.18	-	65,123.25	33,191.73	(490,406.73)	-	-	150,788.47	5,732,046.90	(822,473.00)
003	Casa Grande Police	9,002,442.87	(80,902.51)	293,159.27	-	(605,409.58)	-	-	247,143.45	8,856,433.50	(1,171,189.00)
004	Chandler Fire	20,255,727.11	-	363,017.10	434,159.42	(502,474.72)	-	-	603,198.58	21,153,627.49	(5,976,324.00)
005	Chandler Police	26,698,140.63	315,985.30	1,677,674.77	-	(986,289.02)	-	(68,343.08)	826,329.42	28,463,498.02	(3,798,698.00)
006	Clifton Fire	421,800.41	-	23.20	1,517.56	(18,981.48)	-	-	10,823.47	415,183.16	(285,186.00)
007	Dept. of Public Safety	441,692,230.43	1,642,023.27	3,813,799.20	-	(25,457,565.96)	(88,410.88)	(61,255.53)	10,724,563.41	432,265,383.94	(146,356,152.00)
008	Douglas Fire	4,878,954.88	57,675.15	64,253.06	10,211.19	(399,319.93)	-	(52,546.88)	127,182.95	4,686,410.42	(341,036.00)
009	Douglas Police	5,157,461.48	151,570.49	69,876.14	-	(278,044.10)	-	(12,160.21)	139,731.18	5,228,434.98	(1,557,892.00)
010	Flagstaff Fire	25,139,776.78	125,257.39	-	126,023.54	(1,075,261.52)	(27,195.51)	-	673,554.47	24,962,155.15	(8,536,431.00)
011	Flagstaff Police	17,812,194.00	126,997.49	252,028.53	-	(1,040,333.16)	(18,967.52)	(6,517.05)	473,957.27	17,599,359.56	(4,223,243.00)
012	Glendale Fire	40,787,711.72	(366,623.55)	-	336,699.00	(1,391,103.86)	-	(11,395.83)	1,111,871.93	40,467,159.41	(16,112,218.00)
013	Glendale Police	49,451,382.99	424,234.51	1,763,803.41	-	(2,985,229.78)	-	(63,749.91)	1,393,408.50	49,983,849.72	(6,202,264.00)
014	Globe Fire	2,636,989.85	(74,975.13)	10,798.43	8,859.75	(201,253.41)	-	-	65,626.17	2,446,045.66	(732,169.00)
015	Kingman Fire	4,421,205.96	-	147,503.59	34,584.55	(193,291.11)	-	-	132,884.76	4,542,887.75	(536,204.00)
016	Maricopa Cnty Sheriff	137,165,623.27	689,563.38	1,028,902.18	-	(8,296,708.73)	(26,789.70)	(148,353.79)	3,574,627.53	133,986,864.14	(35,664,087.00)
017	Mesa Fire	95,335,455.52	310,805.07	82,771.61	752,397.94	(3,472,133.23)	-	-	2,616,191.14	95,625,488.05	(30,986,810.00)
018	Mesa Police	139,406,432.57	551,295.58	3,143,786.86	-	(6,990,418.95)	-	(67,255.69)	3,825,242.36	139,869,082.73	(35,293,037.00)
019	Miami Fire	353,443.70	-	0.00	-	(40,138.26)	-	-	7,886.98	321,192.42	(96,101.00)
020	Nogales Fire	4,131,480.26	(17,724.11)	116,034.87	28,365.51	(349,492.66)	-	(8,190.96)	114,323.33	4,014,796.24	(581,653.00)
021	Phoenix Fire	467,133,888.91	1,785,346.18	-	2,583,679.53	(20,635,501.27)	-	(63,595.95)	12,462,555.70	463,266,373.10	(124,880,485.00)
022	Phoenix Police	833,574,478.47	3,261,577.86	3,264,727.88	-	(42,554,153.43)	(204,745.73)	(127,149.86)	21,796,520.55	819,011,255.74	(239,404,863.00)
023	Prescott Fire	13,764,652.51	99,702.38	84,263.41	107,530.86	(771,980.31)	-	-	367,796.81	13,651,965.66	(3,459,130.00)
024	Prescott Police	9,914,849.40	157,222.88	389,983.95	-	(906,311.89)	-	(17,029.65)	271,226.02	9,809,940.71	45,552.00
025	Scottsdale Police	69,914,766.07	751,186.45	924,558.24	-	(3,321,993.26)	-	(64,183.53)	1,904,445.28	70,108,779.25	(20,467,461.00)
026	Sierra Vista Fire	6,816,435.22	128,352.67	1,415.84	46,313.34	(178,351.55)	-	-	194,931.25	7,009,096.77	(4,852,472.00)
027	Tempe Fire	52,981,132.27	146,655.19	63,396.08	406,039.06	(2,524,678.56)	-	-	1,379,386.83	52,451,930.87	(17,361,613.00)
028	Tempe Police	59,551,036.24	581,527.39	1,683,965.60	-	(3,638,261.62)	-	(36,886.58)	1,642,413.11	59,783,794.14	(10,624,933.00)
029	Tucson Fire	187,701,344.86	516,290.76	608,505.30	637,416.85	(10,912,944.54)	-	(10,491.32)	4,799,275.60	183,339,397.51	(47,422,432.00)
030	Tucson Police	259,450,923.05	1,415,120.19	2,416,910.99	-	(14,014,503.48)	(14,551.72)	-	6,691,814.23	255,945,713.26	(71,687,107.00)
031	Winslow Fire	3,105,139.94	-	4,957.34	6,500.42	(45,837.24)	-	-	77,766.53	3,148,526.99	(2,752,874.00)
032	Yuma Fire	24,607,375.30	37,370.04	81,958.71	86,514.39	(1,874,686.44)	-	-	629,242.95	23,567,774.95	(5,758,993.00)
033	Yuma Police	29,642,455.16	332,019.61	133,141.41	-	(1,517,392.37)	-	(44,428.67)	779,652.78	29,325,447.92	(12,330,880.00)
034	Yuma Cnty Sheriff	10,098,607.60	(6,761.51)	139,285.01	-	(772,990.80)	-	(27,880.25)	259,022.44	9,689,282.49	(2,488,119.00)
035	Game & Fish	35,985,391.47	483,691.03	405,475.82	-	(2,808,680.33)	-	(34,609.47)	942,383.21	34,973,651.73	(3,581,094.00)
036	Sierra Vista Police	9,603,537.12	13,258.96	183,975.36	-	(583,553.43)	-	-	257,472.92	9,474,690.93	(2,417,973.00)
037	Benson Police	1,353,711.37	(201,646.52)	38,204.70	-	(72,900.48)	-	-	33,982.24	1,151,351.31	(465,661.00)
038	Bisbee Police	2,010,398.39	(26,273.27)	81,689.88	-	(193,124.82)	-	-	54,768.74	1,927,458.92	158,061.00
039	Pima Cnty Sheriff	111,458,486.65	112,853.41	1,318,901.29	-	(6,630,176.19)	-	(8,182.57)	2,760,560.05	109,012,442.64	(31,456,388.00)
040	Kingman Police	6,225,061.90	(65,196.23)	139,598.94	-	(424,400.78)	-	-	165,988.12	6,041,051.95	(1,154,446.00)
041	A.S.U. Campus PD	10,269,346.24	1,129.81	44,687.75	-	(562,088.71)	-	(23,486.09)	263,186.45	9,992,775.45	(4,329,145.00)
042	Lake Havasu Fire	14,299,279.95	156,804.86	(906.00)	114,297.55	(505,269.66)	-	-	394,261.31	14,458,468.01	(5,865,998.00)
043	Mohave Cnty Sheriff	10,574,363.99	134,991.79	200,532.33	-	(451,751.20)	-	(122,857.67)	290,517.58	10,625,796.82	(4,198,420.00)
044	Bullhead City Fire	8,728,113.04	-	157,407.44	61,562.34	(185,864.10)	-	(2,229.14)	238,025.03	8,997,014.61	(3,758,792.00)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2002
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2001

Sys No.	System	Balance June 30, 2001 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2002 (at cost)	Unfunded Accrued Normal Costs June 30, 2001
045	U of A Campus PD	5,905,666.20	24,315.08	153,535.47	-	(440,386.69)	-	(41,245.46)	158,629.83	5,760,514.43	(1,168,950.00)
046	Cochise Cnty Sheriff	10,366,343.45	183,314.16	266,449.04	-	(899,200.92)	-	(49,479.83)	275,841.81	10,143,267.71	(1,202,164.00)
047	Safford Police	2,610,048.59	1,326.40	72,302.05	-	(185,830.27)	-	(24,326.85)	70,905.29	2,544,425.21	(149,874.00)
049	Drexel Heights Fire	3,301,208.00	(53,946.41)	107,327.60	26,975.28	(20,671.92)	-	(37,982.59)	103,817.09	3,426,727.05	(1,869,793.00)
050	Winslow Police	2,872,534.53	(3,484.34)	32,365.47	-	(148,193.75)	-	(19,316.44)	74,062.17	2,807,967.64	(1,308,774.00)
051	Payson Fire	1,869,792.33	-	34,687.87	40,177.70	(59,872.56)	-	-	55,027.98	1,939,813.32	(820,850.00)
052	Payson Police	2,904,988.24	161,270.10	149,650.84	-	(217,704.11)	-	-	86,956.56	3,085,161.63	(52,357.00)
053	Hualapai Valley Fire	714,329.63	17,735.04	65,643.32	15,313.85	-	-	-	25,431.16	838,453.00	(418,388.00)
054	Fry Fire	4,925,488.74	171,764.47	46,419.64	21,913.58	(316,141.39)	-	-	132,879.31	4,982,324.35	(1,255,645.00)
055	Fredonia Marshals	49,185.11	-	-	-	-	-	-	1,169.33	50,354.44	(57,124.00)
056	N.A.U. Police Dept	3,833,543.45	(2,524.98)	28,032.87	-	(281,348.68)	-	(7,998.70)	98,035.57	3,667,739.53	(1,697,471.00)
058	South Tucson Fire	1,472,376.58	-	28,430.48	4,912.34	(96,762.24)	-	-	38,861.01	1,447,818.17	(419,605.00)
059	Avondale Fire	1,718,496.81	(13,529.79)	181,108.97	50,248.80	(46,075.68)	-	(6,526.19)	58,048.97	1,941,771.89	(170,538.00)
060	Parker Police	945,121.61	(11,361.51)	28,967.15	-	(22,223.40)	-	-	27,426.76	967,930.61	(549,636.00)
061	Coconino Cnty Sheriff	10,219,790.33	(106,163.05)	275,460.19	-	(780,806.18)	-	-	273,781.54	9,882,062.83	(989,919.00)
062	Central Yavapai Fire	6,624,813.37	95,947.69	202,675.54	91,940.37	(236,031.53)	-	-	200,878.45	6,980,223.89	(1,959,112.00)
064	Buckskin Fire	1,468,356.49	76,861.90	15,357.71	10,362.87	(108,712.50)	-	-	40,272.37	1,502,498.84	(392,012.00)
065	Snowflake Police	765,272.73	(128,089.17)	46,544.36	-	(51,627.12)	-	-	21,261.85	653,362.65	(42,900.00)
066	Cottonwood Police	1,659,696.47	(6,874.52)	131,868.72	-	(128,933.22)	-	(17,672.93)	49,886.22	1,687,970.74	254,439.00
067	Lake Havasu Police	8,947,110.92	-	264,247.42	-	(427,525.12)	-	(10,518.19)	255,828.05	9,029,143.08	(2,679,895.00)
068	Verde Rural Fire	-	0.00	-	-	-	-	-	-	0.00	(685,973.00)
069	South Tucson Police	1,185,886.59	(63,163.12)	186,007.94	-	(230,023.86)	-	-	34,399.92	1,113,107.47	1,382,217.00
070	Apache Junction PD	5,773,067.75	217,071.42	230,199.48	-	(199,602.28)	-	-	178,548.42	6,199,284.79	(1,295,790.00)
071	Navajo Cnty Sheriffs	5,893,353.25	116,128.20	107,687.33	-	(424,765.15)	-	(66,020.23)	156,760.47	5,783,143.87	(1,661,114.00)
072	Mohave Valley Fire	1,121,665.28	83.30	11,992.05	9,339.29	-	-	-	34,230.10	1,177,310.02	(860,518.00)
073	Peoria Fire	9,919,398.12	39,568.80	240,276.15	232,831.84	(123,927.60)	-	-	317,655.07	10,625,802.38	(4,338,141.00)
074	Peoria Police	11,539,481.08	52,645.85	836,748.47	-	(490,108.87)	-	-	341,490.36	12,280,256.89	(1,660,346.00)
076	Paradise Valley PD	6,569,607.90	131,935.25	176,937.19	-	(348,893.00)	-	-	186,847.70	6,716,435.04	(1,146,219.00)
077	Wilcox Police	938,545.09	1,330.17	56,626.71	-	(57,542.76)	-	-	28,276.03	967,235.24	(124,394.00)
078	Show Low Police	1,749,080.06	42,999.06	67,864.29	-	(84,455.48)	-	(18,957.91)	51,290.33	1,807,820.35	(670,214.00)
079	Eloy Police	1,391,737.28	(11,697.72)	97,001.84	-	(23,531.76)	-	-	45,780.41	1,499,290.05	(718,696.00)
080	Nogales Police	5,245,486.83	(26,937.69)	199,203.46	-	(267,965.96)	-	(29,443.78)	152,455.06	5,272,797.92	(1,796,638.00)
081	Gilbert Police	8,349,873.74	(50,850.17)	782,836.01	-	(351,917.17)	-	(101,566.56)	273,632.46	8,902,008.31	(1,368,185.00)
083	Clifton Police	283,682.36	62,630.63	3,344.03	-	-	-	-	8,449.37	358,106.39	(252,682.00)
084	Taylor Police	1,420.99	-	-	-	-	-	-	33.74	1,454.73	(1,650.00)
085	Coolidge Police	1,855,895.48	-	135,262.66	-	(76,565.52)	-	-	56,985.51	1,971,578.13	(474,030.00)
086	Holbrook Police	2,074,516.09	54,098.28	50,722.31	-	(176,038.12)	-	-	54,528.92	2,057,827.48	(299,819.00)
087	Santa Cruz Police	2,731,854.70	91,230.38	177,404.71	-	(208,442.85)	-	-	82,460.96	2,874,507.90	185,802.00
088	Prescott Valley PD	1,804,939.92	19,188.90	166,131.70	-	(88,778.79)	-	(3,609.42)	57,256.18	1,955,128.49	(488,893.00)
089	Eagar Police	496,395.64	(18,725.51)	26,331.37	-	(19,443.72)	-	-	14,691.68	499,249.46	(115,295.00)
090	Tolleson Police	1,794,776.54	34,801.37	71,068.98	-	(94,639.52)	-	-	51,385.40	1,857,392.77	(658,955.00)
091	Florence Police	1,199,409.00	-	13,729.73	-	(24,509.88)	-	-	33,732.79	1,222,361.64	(973,590.00)
092	Springerville Police	383,478.86	(55,579.95)	16,267.37	-	-	-	-	11,695.00	355,861.28	(285,377.00)
093	El Mirage Police	786,304.04	4,978.15	148,797.40	-	-	-	(5,987.87)	29,021.41	963,113.13	(468,316.00)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2002
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2001

Sys No.	System	Balance June 30, 2001 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2002 (at cost)	Unfunded Accrued Normal Costs June 30, 2001
094	Superior Police	467,068.41	53,103.99	4,859.62	-	(18,081.60)	-	(5,448.05)	13,678.50	515,180.87	(246,721.00)
095	San Luis Police	1,001,199.23	(36,905.82)	132,339.07	-	(13,526.16)	-	(21,646.19)	34,006.66	1,095,466.79	(207,952.00)
096	Page Police	2,019,776.58	(43,434.74)	59,538.85	-	(25,294.56)	-	(3,512.49)	60,240.79	2,067,314.43	(1,072,742.00)
097	Page Fire	391,693.54	-	9,915.28	9,016.00	(46,818.29)	-	(34,079.94)	9,395.29	339,121.88	58,996.00
098	Yavapai Cnty Sheriff	8,653,529.38	79,494.02	547,661.04	-	(684,535.01)	-	(42,262.69)	251,222.31	8,805,109.05	100,747.00
099	Guadalupe Police	267,821.15	-	-	-	-	-	-	6,358.26	274,179.41	(311,051.00)
100	Pima Police	117,529.71	(4,808.82)	1,903.47	-	-	-	-	3,092.43	117,716.79	(129,310.00)
101	Apache Cty Sheriff	2,256,036.47	42,447.10	165,812.77	-	(233,983.12)	-	-	65,391.51	2,295,704.73	171,021.00
102	Cottonwood Fire	662,405.38	-	19,457.64	14,073.14	-	-	-	21,531.13	717,467.29	(398,804.00)
103	LaPaz Cty Sheriff	3,812,918.39	64,123.60	116,995.34	-	(274,009.01)	-	-	105,707.73	3,825,736.05	(557,561.00)
104	Pinal Cty Sheriff	16,457,520.64	319,404.37	228,318.72	-	(979,189.50)	-	(19,121.75)	446,201.92	16,453,134.40	(5,791,830.00)
105	Clarkdale Police	552,783.98	-	26,858.32	-	(14,528.16)	-	-	16,939.67	582,053.81	(184,245.00)
106	Buckeye Police	1,204,299.63	-	78,965.32	-	(59,730.56)	-	(3,009.11)	36,182.15	1,256,707.43	(84,412.00)
107	Marana Marshals	3,390,696.17	(67,666.46)	244,970.88	-	(68,167.80)	-	(22,144.23)	107,499.25	3,585,187.81	(1,960,884.00)
108	Tolleson Fire	1,182,852.70	(67,694.68)	74,133.14	15,704.69	-	-	-	39,618.09	1,244,613.94	(594,927.00)
109	Chino Valley Police	919,520.02	63,890.32	47,028.32	-	(17,172.24)	-	-	30,250.07	1,043,516.49	(423,648.00)
110	Surprise Police	2,980,371.66	128,444.29	273,390.90	-	(73,759.20)	-	-	98,138.65	3,406,586.30	(839,090.00)
111	Welton Police	154,274.82	(45.06)	8,576.21	-	-	-	-	5,000.69	167,806.66	(64,754.00)
112	Gila Cty Sheriff	4,114,670.28	93,590.94	103,449.19	-	(302,999.72)	-	-	114,125.08	4,122,835.77	(976,199.00)
113	Pinetop-Lakeside	1,478,917.85	-	48,031.75	-	(125,257.40)	-	(8,909.83)	38,909.81	1,431,692.18	(123,370.00)
114	Bullhead City Police	7,080,334.37	(36,015.99)	358,130.04	-	(205,093.68)	-	(110,242.58)	219,192.90	7,306,305.06	(1,998,985.00)
115	Williams Police	770,391.02	-	15,777.64	-	(24,416.88)	-	-	21,645.59	783,397.37	(377,490.00)
116	Miami Police	405,580.11	(28,981.50)	14,480.34	-	(20,263.26)	-	-	11,144.00	381,959.69	(112,844.00)
117	Thatcher Police	1,259,612.93	-	37,072.03	-	(29,926.86)	-	-	37,956.67	1,304,714.77	(595,996.00)
118	Youngtown Police	556,464.39	80,466.56	12,646.14	-	(38,600.40)	-	-	15,817.32	626,794.01	(199,699.00)
119	D.E.M.A.	3,093,442.33	19,710.58	83,339.18	-	(101,938.40)	-	-	92,961.07	3,187,514.76	(877,327.00)
120	Surprise Fire	1,266,339.77	454,360.64	162,535.97	91,691.67	-	-	-	54,727.11	2,029,655.16	(577,015.00)
121	Camp Verde Mrshls	899,057.27	-	47,901.44	-	(42,434.64)	-	-	26,019.63	930,543.70	(305,226.00)
122	Oro Valley Police	3,578,205.71	9,157.11	353,121.21	-	(34,198.94)	-	-	125,010.61	4,031,295.70	(598,104.00)
123	Greenlee Cty Sheriff	1,464,934.48	-	28,339.08	-	(57,593.56)	-	(26,683.00)	41,575.03	1,450,572.03	(716,779.00)
124	Tucson Air Auth Fire	3,812,767.42	55,884.11	117,229.30	-	(167,910.40)	-	-	110,993.86	3,928,964.29	(767,195.00)
125	Tucson Air Auth Pd	2,920,811.15	6,547.16	203,029.91	-	(286,341.54)	-	-	84,634.35	2,928,681.03	719,764.00
126	Wickenburg Police	747,766.33	(32,136.88)	72,833.94	-	(71,609.94)	-	-	22,769.51	739,622.96	332,007.00
127	El Mirage Fire	270,136.09	254,791.60	49,316.58	15,290.46	(23,873.58)	-	-	12,609.86	578,271.01	(110,767.00)
128	Patagonia Marshals	85,606.79	(8,748.81)	7,104.38	-	-	-	(9,423.95)	2,389.68	76,928.09	(92,681.00)
129	Sedona Police	1,066,065.91	(4,724.07)	76,773.76	-	-	-	-	36,320.49	1,174,436.09	(688,793.00)
130	Mammoth Police	90,781.01	(121,524.07)	22,872.06	-	(19,056.96)	-	-	2,316.45	(24,611.51)	262,992.00
131	Globe Police	1,986,720.37	(49,078.40)	114,638.04	-	(144,377.94)	-	-	57,666.87	1,965,568.94	90,319.00
132	Tombstone Police	77,412.09	139,307.75	19,678.35	-	-	-	-	5,553.28	241,951.47	(38,054.00)
133	Golder Ranch Fire	2,141,169.55	78,437.42	198,371.69	69,609.42	(38,232.84)	-	-	74,581.84	2,523,937.08	(610,102.00)
134	Fort Mohave Mesa FD	2,158,944.17	-	130,988.39	17,852.63	(75,263.40)	-	(20,159.28)	66,791.58	2,279,154.09	(784,508.00)
135	Laveen Fire	427,669.73	(431,170.57)	27,271.30	11,138.04	-	-	-	7,172.35	42,080.85	(257,874.00)
136	Goodyear Fire	1,033,171.46	92,837.83	164,107.03	54,686.42	-	-	-	41,336.01	1,386,138.75	(365,105.00)
137	Goodyear Police	2,238,568.56	169,698.73	278,861.34	-	(60,531.09)	-	(34,763.63)	78,785.38	2,670,619.29	(238,693.00)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2002
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2001

Sys No.	System	Balance June 30, 2001 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2002 (at cost)	Unfunded Accrued Normal Costs June 30, 2001
138	Chino Valley Fire	866,766.33	-	62,897.81	19,790.20	-	-	-	29,533.97	978,988.31	(286,951.00)
139	Avondale Police	2,672,046.32	(108,003.18)	391,133.20	-	(128,701.03)	-	-	89,856.31	2,916,331.62	(139,799.00)
140	Graham Cty Sheriff	875,536.53	316.82	68,797.01	-	(60,405.54)	-	-	27,562.14	911,806.96	(76,625.00)
141	Flowing Wells Fire	62,886.73	-	-	-	-	-	-	1,492.97	64,379.70	-
142	Golden Valley Fire	900,308.88	(8,351.83)	26,721.95	9,095.24	-	-	(26,596.92)	27,152.11	928,329.43	(537,764.00)
143	Daisy Mountain Fire	754,326.63	(44,566.61)	124,067.70	28,213.62	-	-	-	28,728.75	890,770.09	(366,333.00)
144	Quartsite Marshals	182,883.57	4,192.48	33,969.07	-	-	-	-	7,176.85	228,221.97	(58,491.00)
145	Picture Rock Fire	694,480.21	-	15,687.07	8,164.96	-	-	-	21,063.18	739,395.42	(493,328.00)
146	Pima College	2,234,211.78	15,642.37	122,118.15	-	(30,336.00)	-	-	71,129.79	2,412,766.09	(711,896.00)
147	Northwest Fire	6,411,862.81	(41,288.66)	370,097.70	155,018.15	(126,235.12)	-	(3,613.86)	205,513.65	6,971,354.67	(1,925,119.00)
148	Apache Junction Fire	3,477,580.43	(164,393.58)	398,150.82	74,326.01	(65,763.04)	-	(3,119.77)	116,045.53	3,832,826.40	(254,488.00)
149	Gilbert Fire	2,873,653.05	-	176,609.61	253,522.77	(19,914.36)	-	-	106,349.00	3,390,220.07	(1,455,085.00)
150	Pine-Strawberry Fire	648,266.17	-	68,903.83	16,256.07	-	-	-	23,129.68	756,555.75	(67,138.00)
151	Attorney Gen Inv	5,658,927.27	129,061.93	107,042.46	-	(226,951.83)	(10,506.35)	-	163,790.21	5,821,363.69	(1,555,543.00)
152	Tucson Estate Fire	-	0.00	(0.00)	-	-	-	-	-	(0.00)	-
153	St. Johns Police	105,919.96	(7,266.16)	27,618.27	-	-	-	-	4,570.46	130,842.53	(113,280.00)
154	Pima Cty Attn Inv	1,014,312.67	-	14,010.71	-	(27,131.76)	-	-	29,006.85	1,030,198.47	(299,170.00)
155	SunLakes Fire	1,917,670.60	-	138,199.71	47,509.01	(23,669.64)	-	-	61,563.56	2,141,273.24	(643,709.00)
156	Kearny Police	213,015.71	(34,418.63)	20,096.58	-	(23,386.02)	-	-	5,609.98	180,917.62	71,327.00
157	Greenlee Cty Attn Inv	24,554.51	-	(0.00)	-	-	-	-	580.75	25,135.26	(28,518.00)
158	Navajo Cty Attn Inv	131,035.65	-	3,135.00	-	-	-	-	4,063.76	138,234.41	(128,464.00)
159	Doney Park Rural FD	-	0.00	-	-	-	-	-	-	0.00	(131,690.00)
160	AZ State Capitol PD	994,889.56	21,859.15	80,111.08	-	(33,668.52)	-	-	32,882.97	1,096,074.24	(510,279.00)
161	Fountain Hills Mrshl	306,984.44	(66,676.43)	61,102.04	-	-	-	-	11,714.79	313,124.84	(152,992.00)
162	Avra Valley Fire	505,803.35	(3,559.99)	21,856.34	6,315.10	-	-	(12,343.40)	14,815.21	532,886.61	(378,738.00)
163	San Luis Fire	325,570.51	-	71,683.11	6,802.63	-	-	(2,665.67)	12,033.72	413,424.30	(42,180.00)
164	Az St. Dept. Liqur/Licn	1,464,246.22	12,551.49	82,784.48	-	-	-	(3,401.10)	48,955.70	1,605,136.79	(965,945.00)
165	Maricopa Cnty Atty Inv	3,865,806.61	280,405.07	28,371.32	-	(262,378.67)	(44,404.99)	-	104,567.61	3,972,366.95	(1,114,129.00)
166	Sedona Fire	2,170,117.62	13,127.62	289,182.54	89,304.91	(71,028.90)	-	-	74,606.78	2,565,310.57	(613,545.00)
167	Guadalupe Fire	145,464.11	(8,235.01)	44,370.63	-	-	-	-	6,183.69	187,783.42	(51,944.00)
168	Mayer Fire	137,027.07	(9,618.34)	34,611.19	3,345.68	(14,325.96)	-	-	4,512.38	155,552.02	28,599.00
169	Somerton Police	436,465.77	(55,912.56)	94,704.38	-	(8,471.35)	-	-	14,856.76	481,643.00	236,110.00
170	Sun City West Fire	2,459,980.23	(54,933.46)	236,449.61	91,392.41	(24,604.80)	-	(5,647.72)	82,972.30	2,785,608.57	(1,169,067.00)
171	Somerton Fire	294,994.36	(32,620.50)	83,411.06	4,648.83	(7,634.28)	-	-	10,326.18	353,125.65	42,695.00
172	Tubac Fire District	382,349.27	-	63,360.81	9,222.07	-	-	-	13,824.29	468,756.44	(253,136.00)
173	La Paz Cnty Atty Inv	67,334.13	-	3,568.75	-	-	-	-	2,348.11	73,250.99	(74,687.00)
174	Sahuarita Police	86,615.09	28,263.77	24,828.27	-	-	-	-	4,279.60	143,986.73	(36,414.00)
176	Florence Fire	135,725.62	-	31,962.54	4,668.68	-	-	-	5,436.59	177,793.43	(149,384.00)
177	Sun City Fire	3,328,143.24	2,459.71	541,916.44	104,896.78	(27,908.88)	-	-	174,569.94	4,124,077.23	1,116,893.00
178	Hayden Police	67,129.32	(36,070.54)	22,408.60	-	-	-	-	2,098.51	55,565.89	26,210.00
179	Gila River Fire	696,076.20	(94,143.50)	374,436.30	-	(15,773.04)	-	(13,869.02)	31,036.27	977,763.21	610,348.00
180	Gila River Police	609,542.69	(31,792.31)	318,549.89	-	-	-	(2,003.64)	29,490.37	923,787.00	177,931.00
181	SaltRiver Pima-MricpFD	861,707.88	99,859.11	486,531.91	-	-	-	-	38,132.56	1,486,231.46	1,406,461.00
182	SaltRiver Pima-MricpPD	675,928.14	(45,684.89)	350,892.11	-	(85,024.80)	-	-	28,074.13	924,184.69	1,574,624.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2002
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2001

Sys No.	System	Balance June 30, 2001 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2002 (at cost)	Unfunded Accrued Normal Costs June 30, 2001
183	Lakeside Fire District	85,129.75	-	41,693.13	15,580.47	-	-	-	4,037.91	146,441.26	(1,562.00)
184	Cornville-PageSpringsF	-	(0.00)	(0.00)	-	-	-	-	-	(0.00)	1,748.00
185	Pinetop Fire District	159,801.01	-	49,250.94	25,679.86	-	-	-	6,949.80	241,681.61	178,859.00
186	Show Low Fire District	86,520.21	-	42,117.64	16,403.57	-	-	-	4,107.13	149,148.55	(53,084.00)
187	Yavapai Cnty Attrny Invst	34,265.47	120,905.87	16,803.22	-	-	-	-	3,697.79	175,672.35	233,415.00
188	Three Points Fire	64,955.32	(583.05)	38,607.20	7,958.00	-	-	-	3,243.62	114,181.09	(73,859.00)
189	Timberline-Fernwood	-	0.00	-	-	-	-	-	-	0.00	84,650.00
190	Buckeye Fire	11,016.41	9,618.34	34,921.74	17,127.87	-	-	-	1,681.43	74,365.79	(14,677.00)
191	Montezuma-Rimrock	108,979.66	(8,710.62)	25,772.37	8,148.72	-	-	-	4,081.93	138,272.06	(127,164.00)
192	Heber-Overgaard	15,958.21	2,224.10	25,185.25	20,586.71	-	-	-	1,324.07	65,278.34	(2,749.00)
193	Diamond Star Fire	9,338.73	-	31,875.81	5,387.72	-	-	-	980.44	47,582.70	107,052.00
194	Green Valley Fire	-	(11,889.94)	1,516,336.84	82,951.11	-	-	-	21,402.27	1,608,800.28	-
195	Summitt Fire District	542,484.87	-	97,897.77	19,652.04	-	-	-	19,028.43	679,063.11	-
196	Camp Verde Fire	-	-	115,489.48	17,918.22	-	-	-	2,251.62	135,659.32	-
197	Fort McDowell Fire	-	237,963.85	55,634.95	-	-	-	-	4,634.10	298,232.90	-
198	Fort McDowell Police	-	-	123,501.94	-	-	-	-	2,238.29	125,740.23	-
199	Highlands Fire	-	(4,417.00)	126,074.30	30,032.12	-	-	-	2,539.84	154,229.26	-
200	Rio Rico Fire	-	26,224.56	28,163.68	16,460.51	-	-	-	1,307.31	72,156.06	-
201	Tri-City Fire	-	55,873.69	17,636.95	3,927.75	-	-	-	1,251.54	78,689.93	-
202	Maricopa Park Rangers	-	659,038.76	64,912.97	-	-	-	-	16,069.72	740,021.45	-
203	Verde Valley Fire	891,387.61	-	56,981.87	18,327.78	-	-	-	28,531.97	995,229.23	-
204	Arizona State Parks	-	1,988,920.56	35,363.76	-	-	-	-	40,315.09	2,064,599.41	-
	TOTALS	**3,564,241,526.54**	**18,797,752.23**	**44,118,655.80**	**7,864,751.68**	**(184,599,629.62)**	**(435,572.40)**	**(1,958,100.45)**	**94,504,291.48**	**3,542,533,675.26**	**(987,183,313.00)**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 2002

Sys No.	System	Balance June 30, 2001 (at cost)	Reserve Transfers	Contributions Received	Withdrawn Members	Balance June 30, 2002 (at cost)
001	BISBEE POLICE	360,896.32	(12,626.59)	56,862.73	(8,558.06)	396,574.40
002	CASA GRANDE FIRE	506,530.66	-	116,746.81	-	623,277.47
003	CASA GRANDE POLICE	1,505,825.71	(20,137.01)	223,747.85	-	1,709,436.55
004	CHANDLER FIRE	4,454,260.88	49.12	687,351.43	(2,894.13)	5,138,767.30
005	CHANDLER POLICE	7,123,061.68	(251,943.34)	1,296,727.20	(116,103.48)	8,051,742.06
006	CLIFTON FIRE	41,275.39	-	2,453.35	-	43,728.74
007	DEPT. OF PUBLIC SAFETY	20,044,656.46	(762,427.33)	1,961,925.26	(109,140.05)	21,135,014.34
008	DOUGLAS FIRE	670,539.90	(57,675.15)	72,212.16	(73,140.14)	611,936.77
009	DOUGLAS POLICE	793,853.59	(132,936.93)	106,484.11	(32,658.09)	734,742.68
010	FLAGSTAFF FIRE	3,462,953.46	(44,415.39)	315,482.63	-	3,734,020.70
011	FLAGSTAFF POLICE	2,444,758.81	(192,925.49)	343,063.80	(42,289.88)	2,552,607.24
012	GLENDALE FIRE	6,374,896.44	(205,906.87)	746,896.38	(45,583.32)	6,870,302.63
013	GLENDALE POLICE	9,194,885.22	(364,580.51)	1,434,382.41	(123,912.63)	10,140,774.49
014	GLOBE FIRE	243,068.86	(17,820.87)	46,670.27	-	271,918.26
015	KINGMAN FIRE	1,098,912.79	-	125,468.50	-	1,224,381.29
016	MARICOPA CNTY SHERIFFS	16,145,636.40	(644,479.31)	2,423,375.22	(277,610.44)	17,646,921.87
017	MESA FIRE	14,848,182.58	(265,212.28)	1,994,938.45	(6,222.14)	16,571,686.61
018	MESA POLICE	21,846,127.84	(423,077.71)	3,740,696.32	(211,178.87)	24,952,567.58
019	MIAMI FIRE	-	-	-	-	-
020	NOGALES FIRE	748,294.72	(7,777.89)	110,099.26	(20,529.33)	830,086.76
021	PHOENIX FIRE	62,114,057.94	(874,889.80)	6,854,083.41	(60,645.11)	68,032,606.44
022	PHOENIX POLICE	98,391,469.65	(2,877,498.86)	12,908,597.22	(255,532.45)	108,167,035.56
023	PRESCOTT FIRE	1,811,030.11	(87,783.82)	317,748.27	-	2,040,994.56
024	PRESCOTT POLICE	1,679,430.91	(146,907.63)	230,376.77	(32,684.62)	1,730,215.43
025	SCOTTSDALE POLICE	10,749,026.20	(607,611.84)	1,604,503.67	(148,070.42)	11,597,847.61
026	SIERRA VISTA FIRE	1,366,553.96	(128,352.67)	137,753.16	-	1,375,954.45
027	TEMPE FIRE	5,763,954.67	(138,704.19)	471,827.18	-	6,097,077.66
028	TEMPE POLICE	9,951,541.99	(602,080.52)	1,508,472.31	(115,465.22)	10,742,468.56
029	TUCSON FIRE	18,423,344.07	(353,898.76)	1,397,017.92	(19,075.12)	19,447,388.11
030	TUCSON POLICE	26,819,012.44	(971,598.19)	2,894,435.68	(69,758.79)	28,672,091.14
031	WINSLOW FIRE	175,562.11	-	18,952.87	-	194,514.98
032	YUMA FIRE	2,557,472.85	15,835.96	334,961.85	(13,232.57)	2,895,038.09
033	YUMA POLICE	3,667,876.84	(232,252.34)	513,700.33	(67,974.61)	3,881,350.22
034	YUMA COUNTY SHERIFFS	1,087,711.17	(603.49)	205,575.31	(60,226.73)	1,232,456.26
035	GAME & FISH	4,747,225.64	(470,322.93)	492,761.30	(52,981.88)	4,716,682.13
036	SIERRA VISTA POLICE	1,339,721.01	(10,259.91)	204,268.73	-	1,533,729.83
037	BENSON POLICE	214,368.86	(61,006.48)	32,912.75	-	186,275.13
038	BISBEE POLICE	351,853.22	(15,510.73)	46,394.01	-	382,736.50
039	PIMA COUNTY SHERIFFS	7,127,848.77	(154,539.41)	1,039,857.44	(42,129.43)	7,971,037.37
040	KINGMAN POLICE	899,399.34	(31,607.77)	145,551.99	(19,619.99)	993,723.57
041	A.S.U. CAMPUS POLICE	1,029,817.94	1,335.19	169,142.99	(32,635.26)	1,167,660.86
042	LAKE HAVASU FIRE	2,333,391.76	(156,804.86)	236,073.03	-	2,412,659.93
043	MOHAVE CNTY SHERIFFS	1,827,285.54	(145,403.65)	240,075.69	(170,928.45)	1,751,029.13
044	BULLHEAD CITY FIRE	1,130,830.55	-	241,426.75	(10,299.85)	1,361,957.45
045	U OF A CAMPUS POLICE	954,303.69	(115,720.08)	150,777.32	(72,594.74)	916,766.19
046	COCHISE CNTY SHERIFFS	1,532,297.72	(169,683.16)	209,765.43	(77,720.95)	1,494,659.04
047	SAFFORD POLICE	434,869.15	707.60	46,558.29	(24,065.75)	458,069.29
049	DREXEL HEIGHTS FIRE	994,375.11	(18,816.59)	155,992.94	(38,114.14)	1,093,437.32
050	WINSLOW POLICE	300,040.05	5,338.34	66,867.40	(34,912.13)	337,333.66
051	PAYSON FIRE	381,724.43	-	76,318.95	-	458,043.38
052	PAYSON POLICE	687,280.86	(50,724.64)	94,250.08	(3,101.90)	727,704.40
053	HUALAPAI VALLEY FIRE	260,590.11	7,941.35	70,846.64	(5,853.71)	333,524.39
054	FRY FIRE	744,060.43	(182,764.47)	102,401.35	(4,120.12)	659,577.19
055	FREDONIA MARSHALS	0.00	-	(0.00)	-	0.00
056	N.A.U. POLICE DEPARTMENT	413,748.32	(1,765.02)	64,200.55	(22,364.60)	453,819.25
058	SOUTH TUCSON FIRE	176,709.84	-	39,245.70	-	215,955.54
059	AVONDALE FIRE	554,934.81	(7,354.21)	145,113.49	(16,315.48)	676,378.61
060	PARKER POLICE	198,014.59	(1,392.49)	28,924.77	-	225,546.87

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 2002

Sys No.	System	Balance June 30, 2001 (at cost)	Reserve Transfers	Contributions Received	Withdrawn Members	Balance June 30, 2002 (at cost)
061	COCONINO CNTY SHERIFFS	1,583,595.90	(116,934.95)	203,600.97	-	1,670,261.92
062	CENTRAL YAVAPAI FIRE	1,635,499.63	(95,947.69)	242,506.14	-	1,782,058.08
064	BUCKSKIN FIRE	253,559.59	(76,861.90)	24,331.92	(980.07)	200,049.54
065	SNOWFLAKE POLICE	202,498.36	(37,118.83)	30,668.88	-	196,048.41
066	COTTONWOOD POLICE	410,028.06	(6,795.48)	108,197.71	(20,791.68)	490,638.61
067	LAKE HAVASU POLICE	1,798,672.87	-	263,278.50	(34,630.65)	2,027,320.72
068	VERDE RURAL FIRE DIST.	218,623.97	(218,623.97)	(0.00)	-	(0.00)
069	SOUTH TUCSON POLICE	298,397.61	(29,774.88)	69,446.56	(661.10)	337,408.19
070	APACHE JUNCTION POLICE	1,541,489.01	(70,640.42)	219,829.44	-	1,690,678.03
071	NAVAJO COUNTY SHERIFFS	818,882.19	31,575.80	118,194.02	(90,673.20)	877,978.81
072	MOHAVE VALLEY FIRE	280,649.75	77.70	44,711.13	-	325,438.58
073	PEORIA FIRE	2,998,462.27	(105,374.80)	419,814.37	(15,065.38)	3,297,836.46
074	PEORIA POLICE	2,433,877.51	28,761.15	355,415.48	(4,907.81)	2,813,146.33
076	PARADISE VALLEY POLICE	1,303,955.47	(131,935.25)	161,560.77	-	1,333,580.99
077	WILCOX POLICE	237,241.42	264.83	34,100.09	(10,991.50)	260,614.84
078	SHOWLOW POLICE	414,796.31	(56,240.06)	72,405.12	(33,401.06)	397,560.31
079	ELOY POLICE	460,436.03	(6,217.28)	93,015.02	(3,173.90)	544,059.87
080	NOGALES POLICE	1,174,199.83	(7,837.31)	162,951.10	(25,127.38)	1,304,186.24
081	GILBERT POLICE	2,961,472.52	(236,487.09)	548,416.36	(197,494.30)	3,075,907.49
083	CLIFTON POLICE	32,619.02	(767.51)	13,050.69	-	44,902.20
085	COOLIDGE POLICE	473,429.77	-	96,077.85	(22,750.68)	546,756.94
086	HOLBROOK POLICE	274,526.41	(73,578.28)	47,896.85	(1,906.29)	246,938.69
087	SANTA CRUZ COUNTY DEPUTIES	662,632.78	(13,979.38)	104,476.70	-	753,130.10
088	PRESCOTT VALLEY POLICE	498,961.90	9,151.10	120,237.13	(17,740.25)	610,609.88
089	EAGER POLICE	120,615.34	(9,156.49)	23,855.54	-	135,314.39
090	TOLLESON POLICE	368,094.81	(79,216.37)	66,860.19	-	355,738.63
091	FLORENCE POLICE	199,298.43	-	52,516.51	-	251,814.94
092	SPRINGERVILLE POLICE	129,592.58	(22,619.05)	18,629.52	-	125,603.05
093	EL MIRAGE POLICE	303,964.58	3,713.85	128,425.56	(29,425.48)	406,678.51
094	SUPERIOR POLICE	74,691.92	37,137.01	18,587.20	(21,727.55)	108,688.58
095	SAN LUIS POLICE	373,403.28	(22,239.18)	95,151.07	(25,466.11)	420,849.06
096	PAGE POLICE	514,502.73	(22,640.26)	68,802.31	(26,900.59)	533,764.19
097	PAGE FIRE	52,508.61	-	11,297.83	(51,706.81)	12,099.63
098	YAVAPAI COUNTY SHERIFFS	1,927,868.22	(225,518.02)	373,916.79	(53,393.01)	2,022,873.98
100	PIMA POLICE	13,197.94	(5,693.18)	7,280.89	-	14,785.65
101	APACHE COUNTY SHERIFFS	459,017.21	22,521.90	99,409.45	(16,836.77)	564,111.79
102	COTTONWOOD FIRE	202,639.17	-	30,916.73	-	233,555.90
103	LA PAZ COUNTY SHERIFFS	674,226.31	(70,984.60)	102,132.67	(4,914.09)	700,460.29
104	PINAL COUNTY SHERIFFS	2,439,252.51	(85,768.85)	391,606.31	(38,802.41)	2,706,287.56
105	CLARKDALE POLICE	143,601.27	-	20,717.00	-	164,318.27
106	BUCKEYE POLICE	280,459.56	-	73,939.30	(14,507.65)	339,891.21
107	MARANNA MARSHALS	1,035,401.68	(26,324.54)	189,568.11	(60,615.00)	1,138,030.25
108	TOLLESON FIRE	438,482.30	(31,058.32)	82,691.02	-	490,115.00
109	CHINO VALLEY POLICE	268,119.27	21,460.68	51,103.38	-	340,683.33
110	SURPRISE POLICE	829,394.85	70,133.71	223,207.14	(2,806.48)	1,119,929.22
111	WELTON POLICE	47,604.63	(45.06)	8,264.11	-	55,823.68
112	GILA COUNTY SHERIFFS	697,448.36	(2,995.94)	105,457.92	(6,702.06)	793,208.28
113	PINETOP-LAKESIDE POLICE	201,152.13	-	35,296.70	(28,131.89)	208,316.94
114	BULLHEAD CITY POLICE	2,086,650.98	(14,641.01)	297,259.80	(168,114.19)	2,201,155.58
115	WILLIAMS POLICE	118,129.21	-	54,007.60	-	172,136.81
116	MIAMI POLICE	84,823.42	(16,026.50)	10,754.97	-	79,551.89
117	THATCHER POLICE	318,357.39	-	32,374.52	-	350,731.91
118	YOUNGTOWN POLICE	67,980.56	6,768.20	21,740.19	-	96,488.95
119	D.E.M.A.	792,100.35	(59,017.58)	114,773.91	-	847,856.68
120	SURPRISE FIRE	475,500.63	128,986.36	180,796.64	(1,936.82)	783,346.81
121	CAMP VERDE MARSHALS	171,565.59	-	47,776.75	(3,176.73)	216,165.61
122	ORO VALLEY POLICE	1,387,008.32	3,944.89	250,206.67	(12,945.69)	1,628,214.19
123	GREENLEE COUNTY SHERIFFS	311,859.27	-	33,099.43	(26,683.00)	318,275.70

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 2002

Sys No.	System	Balance June 30, 2001 (at cost)	Reserve Transfers	Contributions Received	Withdrawn Members	Balance June 30, 2002 (at cost)
124	TUCSON AIR.AUTH.FIRE	847,483.27	(55,884.11)	78,186.85	-	869,786.01
125	TUCSON AIR.AUTH.POLICE	621,110.01	2,769.84	146,516.06	(25,699.81)	744,696.10
126	WICKENBURG POLICE	216,434.25	(12,439.12)	32,394.12	-	236,389.25
127	EL MIRAGE FIRE	114,976.37	(254,791.60)	253,087.23	(21,397.69)	91,874.31
128	PATAGONIA MARSHALS	29,744.42	(6,476.19)	6,392.00	(18,728.52)	10,931.71
129	SEDONA POLICE	395,201.57	(3,011.93)	69,835.75	(6,828.57)	455,196.82
130	MAMMOTH POLICE	81,264.78	(40,073.93)	12,434.68	-	53,625.53
131	GLOBE POLICE	467,002.87	(22,517.60)	68,194.84	(13,592.94)	499,087.17
132	TOMBSTONE POLICE	52,141.73	29,193.25	18,137.28	(3,857.24)	95,615.02
133	GOLDER RANCH FIRE DISTRICT	704,116.79	24,118.58	180,444.44	-	908,679.81
134	FORT MOHAVE MESA FIRE	582,301.57	-	100,285.85	(29,415.66)	653,171.76
135	LAVEEN FIRE DISTRICT	145,587.37	(180,457.43)	34,870.06	-	-
136	GOODYEAR FIRE DEPT.	427,450.14	37,282.17	147,143.33	-	611,875.64
137	GOODYEAR POLICE DEPT.	815,838.34	9,525.27	178,963.99	(33,970.67)	970,356.93
138	CHINO VALLEY FIRE	294,356.96	-	57,988.19	-	352,345.15
139	AVONDALE POLICE DEPT.	940,764.84	(61,424.82)	240,741.78	(7,700.49)	1,112,381.31
140	GRAHAM COUNTY SHERIFFS	257,460.34	190.18	45,804.54	(2,229.15)	301,225.91
141	FLOWING WELLS FIRE DISTRICT	-	-	-	-	-
142	GOLDEN VALLEY FIRE DISTRICT	231,923.97	(4,856.17)	42,766.76	(26,145.64)	243,688.92
143	DAISY MOUNTAIN FIRE DISTRICT	335,694.69	(11,247.39)	108,978.25	-	433,425.55
144	QUARTZSITE MARSHALS	84,403.54	2,668.52	27,411.80	(1,475.48)	113,008.38
145	PICTUREROCKS FIRE	162,169.55	-	35,393.85	(6,342.73)	191,220.67
146	PIMA COMMUNITY COLLEGE	648,774.52	9,248.63	98,545.16	-	756,568.31
147	NORTHWEST FIRE	1,817,100.08	(43,950.34)	387,060.98	(14,455.42)	2,145,755.30
148	APACHE JUNCTION FIRE	1,142,812.39	(57,179.42)	276,466.18	(12,716.47)	1,349,382.68
149	GILBERT FIRE	1,124,934.00	-	305,631.54	(11,876.75)	1,418,688.79
150	PINE-STRAWBERRY FIRE	247,408.02	-	48,527.31	-	295,935.33
151	ATTORNEY GENERAL	1,222,277.66	(79,245.07)	108,967.89	(4,390.26)	1,247,610.22
152	TUCSON ESTATES FIRE	0.00	0.00	(0.00)	-	0.00
153	ST. JOHNS POLICE	70,051.59	(9,755.84)	20,591.95	-	80,887.70
154	PIMA CO. ATTORNEY INVSTGTR	203,825.57	-	19,702.62	-	223,528.19
155	SUN LAKES FIRE DIST.	500,834.31	-	128,016.24	-	628,850.55
156	KEARNY POLICE	52,927.26	(20,084.37)	11,029.16	(10,443.02)	33,429.03
157	GREENLEE CO. ATTRNY INVSTGTR	-	-	(0.00)	-	(0.00)
158	NAVAJO CO.ATTORNEY INVSTGTR	36,818.13	-	3,151.56	-	39,969.69
159	DONEY PARK RURAL FIRE	150,244.63	(150,244.63)	(0.00)	-	(0.00)
160	AZ STATE CAPITOL POLICE	320,731.04	3,609.20	62,604.28	(19.61)	386,924.91
161	FOUNTAIN HILLS MARSHALS	177,687.86	(28,566.57)	48,040.41	-	197,161.70
162	AVRA VALLEY FIRE DISTRICT	110,077.51	(2,012.01)	28,607.66	(30,346.72)	106,326.44
163	SAN LUIS FIRE	119,921.76	-	49,544.01	(13,693.63)	155,772.14
164	AZ DEPT OF LIQUOR LICENSE	519,798.70	4,285.51	66,127.33	(13,604.38)	576,607.16
165	MARICOPA CNTY ATTY INVSTGTR	611,245.67	(227,109.07)	42,977.59	-	427,114.19
166	SEDONA FIRE DISTRICT	652,393.48	930.38	209,013.90	(4,917.74)	857,420.02
167	GUADALUPE FIRE	80,938.46	(2,588.99)	30,998.59	-	109,348.06
168	MAYER FIRE DISTRICT	37,724.18	(6,424.66)	23,965.66	(4,881.14)	50,384.04
169	SOMERTON POLICE	172,766.71	(30,471.44)	49,419.25	(21,008.41)	170,706.11
170	SUN CITY WEST FIRE DSTRCT	757,494.98	(48,319.04)	261,570.56	(14,119.29)	956,627.21
171	SOMERTON FIRE	97,203.54	(16,534.50)	44,612.99	-	125,282.03
172	TUBAC FIRE DISTRICT	134,843.37	-	46,123.25	(2,572.48)	178,394.14
173	LA PAZ CNTY ATTY INVSTGTR	27,964.94	-	3,253.90	-	31,218.84
174	SAHUARITA POLICE	51,856.86	13,073.23	18,973.75	(4,868.09)	79,035.75
176	FLORENCE FIRE	58,199.70	-	26,522.00	-	84,721.70
177	SUN CITY FIRE	3,493,695.65	3,692.29	294,620.93	-	3,792,008.87
178	HAYDEN POLICE	30,277.45	(14,496.46)	13,871.49	(3,801.28)	25,851.20
179	GILA RIVER FIRE	394,839.11	(20,420.50)	231,742.82	(54,674.80)	551,486.63
180	GILA RIVER POLICE	391,362.32	(18,958.69)	220,249.49	(34,383.08)	558,270.04
181	SALT RIVER PIMA-MARICOPA FIRE	309,638.48	20,792.89	221,211.64	(2,826.29)	548,816.72
182	SALT RIVER PIMA-MARICOPA POLICE	300,303.29	(6,229.11)	185,451.51	(12,845.75)	466,679.94

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 2002

Sys No.	System	Balance June 30, 2001 (at cost)	Reserve Transfers	Contributions Received	Withdrawn Members	Balance June 30, 2002 (at cost)
183	LAKESIDE FIRE DISTRICT	31,602.87	-	32,084.11	(732.10)	62,954.88
184	CORNVILLE-PAGE SPRINGS FIRE	17,531.08	(17,531.08)	0.00	-	0.00
185	PINETOP FIRE DISTRICT	52,349.18	-	54,026.36	-	106,375.54
186	SHOW LOW FIRE DISTRICT	31,333.43	-	32,824.95	-	64,158.38
187	YAVAPAI CNTY ATTRNY INVSTGTR	10,133.80	70,825.88	7,140.77	-	88,100.45
188	THREE POINTS FIRE DISTRICT	32,915.31	(338.95)	26,185.49	-	58,761.85
189	TIMBERLINE-FERNWOOD FIRE DISTRICT	8,453.18	(8,453.18)	(0.00)	-	(0.00)
190	BUCKEYE FIRE DEPARTMENT	7,928.91	6,424.66	26,529.47	-	40,883.04
191	MONTEZUMA/RIMROCK FIRE DISTRICT	39,357.47	(930.38)	15,013.82	-	53,440.91
192	HEBER-OVERGAARD FIRE DISTRICT	1,617.54	2,220.90	16,695.64	-	20,534.08
193	DIAMOND STAR FIRE DISTRICT	3,950.71	-	15,027.47	-	18,978.18
194	GREEN VALLEY FIRE	-	(1,337.06)	139,313.69	(1,025.97)	136,950.66
195	SUMMIT FIRE	-	158,697.81	61,537.97	-	220,235.78
196	CAMP VERDE FIRE	-	-	46,795.04	(1,856.53)	44,938.51
197	FORT MCDOWELL FIRE	-	49,682.15	36,068.60	-	85,750.75
198	FORT MCDOWELL POLICE	-	-	63,094.26	(3,368.96)	59,725.30
199	HIGHLANDS FIRE	-	-	46,212.09	-	46,212.09
200	RIO RICO FIRE	-	9,093.44	21,588.31	-	30,681.75
201	TRI-CITY FIRE	-	14,718.21	8,985.40	-	23,703.61
202	MARICOPA PARK RANGERS	-	495,939.29	95,581.86	-	591,521.15
203	VERDE VALLEY FIRE	-	236,155.05	61,669.13	(7,678.16)	290,146.02
204	ARIZONA STATE PARKS	-	1,248,664.35	27,261.21	-	1,275,925.56
	TOTALS	**449,791,950.02**	**(12,613,716.44)**	**62,486,725.10**	**(4,099,823.08)**	**495,565,135.60**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2002

Sys No.	System	Employer Reserve June 30, 2001	Employer Reserve June 30, 2002	Member Reserve June 30, 2001	Member Reserve June 30, 2002	Combined Reserves	Mean Balance	Factor	Investment Earnings
001	Bisbee Fire	3,019,744.28	2,966,289.68	360,896.32	396,574.40	6,743,504.68	3,371,752.34	0.0872%	82,378.08
002	Casa Grande Fire	5,616,862.41	5,596,937.33	506,530.66	623,277.47	12,343,607.87	6,171,803.94	0.1596%	150,788.47
003	Casa Grande Police	8,406,715.24	8,609,290.05	1,505,825.71	1,709,436.55	20,231,267.55	10,115,633.78	0.2615%	247,143.45
004	Chandler Fire	19,036,478.32	20,748,584.17	4,454,260.88	5,138,767.30	49,378,090.67	24,689,045.34	0.6383%	603,198.58
005	Chandler Police	24,831,702.61	27,637,168.60	7,123,061.68	8,051,742.06	67,643,674.95	33,821,837.48	0.8744%	826,329.42
006	Clifton Fire	395,909.39	405,100.15	41,275.39	43,728.74	886,013.67	443,006.84	0.0115%	10,823.47
007	Dept. of Public Safety	415,108,385.87	421,629,231.41	20,044,656.46	21,135,014.34	877,917,288.08	438,958,644.04	11.3482%	10,724,563.41
008	Douglas Fire	4,564,501.22	4,564,272.38	670,539.90	611,936.77	10,411,250.27	5,205,625.14	0.1346%	127,182.95
009	Douglas Police	4,821,153.27	5,088,703.80	793,853.59	734,742.68	11,438,453.34	5,719,226.67	0.1479%	139,731.18
010	Flagstaff Fire	23,563,729.29	24,376,750.11	3,462,953.46	3,734,020.70	55,137,453.56	27,568,726.78	0.7127%	673,554.47
011	Flagstaff Police	16,656,606.69	17,144,369.81	2,444,758.81	2,552,607.24	38,798,342.55	19,399,171.28	0.5015%	473,957.27
012	Glendale Fire	38,257,184.19	39,515,922.61	6,374,896.44	6,870,302.63	91,018,305.87	45,509,152.94	1.1765%	1,111,871.93
013	Glendale Police	46,138,907.29	48,590,441.22	9,194,885.22	10,140,774.49	114,065,008.22	57,032,504.11	1.4744%	1,393,408.50
014	Globe Fire	2,472,433.05	2,384,765.56	243,068.86	271,918.26	5,372,185.73	2,686,092.87	0.0694%	65,626.17
015	Kingman Fire	4,127,866.01	4,426,842.25	1,098,912.79	1,224,381.29	10,878,002.34	5,439,001.17	0.1406%	132,884.76
016	Maricopa Cnty Sheriff	128,388,934.05	130,439,026.31	16,145,636.40	17,646,921.87	292,620,518.63	146,310,259.32	3.7825%	3,574,627.53
017	Mesa Fire	89,382,423.71	93,360,218.29	14,848,182.58	16,571,686.61	214,162,511.19	107,081,255.60	2.7683%	2,616,191.14
018	Mesa Police	130,293,418.26	136,043,840.37	21,846,127.84	24,952,567.58	313,135,954.05	156,567,977.03	4.0477%	3,825,242.36
019	Miami Fire	332,326.28	313,305.44	-	-	645,631.72	322,815.86	0.0083%	7,886.98
020	Nogales Fire	3,866,154.43	3,914,020.46	748,294.72	830,086.76	9,358,556.37	4,679,278.19	0.1210%	114,323.33
021	Phoenix Fire	438,020,315.95	452,023,090.10	62,114,057.94	68,032,606.44	1,020,190,070.43	510,095,035.22	13.1873%	12,462,555.70
022	Phoenix Police	780,294,387.89	797,419,480.92	98,391,469.65	108,167,035.56	1,784,272,374.02	892,136,187.01	23.0641%	21,796,520.55
023	Prescott Fire	12,920,283.94	13,335,693.53	1,811,030.11	2,040,994.56	30,108,002.14	15,054,001.07	0.3892%	367,796.81
024	Prescott Police	9,254,315.20	9,538,714.69	1,679,430.91	1,730,215.43	22,202,676.23	11,101,338.12	0.2870%	271,226.02
025	Scottsdale Police	65,347,487.10	68,204,333.97	10,749,026.20	11,597,847.61	155,898,694.88	77,949,347.44	2.0152%	1,904,445.28
026	Sierra Vista Fire	6,377,697.96	6,836,947.98	1,366,553.96	1,375,954.45	15,957,154.35	7,978,577.18	0.2063%	194,931.25
027	Tempe Fire	49,789,927.24	51,266,228.61	5,763,954.67	6,097,077.66	112,917,188.18	56,458,594.09	1.4596%	1,379,386.83
028	Tempe Police	55,613,238.79	58,141,381.03	9,951,541.99	10,742,468.56	134,448,630.37	67,224,315.19	1.7379%	1,642,413.11
029	Tucson Fire	176,143,762.98	178,856,231.10	18,423,344.07	19,447,388.11	392,870,726.26	196,435,363.13	5.0784%	4,799,275.60
030	Tucson Police	243,035,183.60	249,268,450.75	26,819,012.44	28,672,091.14	547,794,737.93	273,897,368.97	7.0810%	6,691,814.23
031	Winslow Fire	2,921,996.71	3,073,926.90	175,562.11	194,514.98	6,366,000.70	3,183,000.35	0.0823%	77,766.53
032	Yuma Fire	23,077,163.17	22,980,419.67	2,557,472.85	2,895,038.09	51,510,093.78	25,755,046.89	0.6658%	629,242.95
033	Yuma Police	27,727,683.74	28,545,795.14	3,667,876.84	3,881,350.22	63,822,705.94	31,911,352.97	0.8250%	779,652.78
034	Yuma County Sheriff	9,453,258.75	9,430,260.05	1,087,711.17	1,232,456.26	21,203,686.23	10,601,843.12	0.2741%	259,022.44
035	Game & Fish	33,648,711.15	34,031,268.52	4,747,225.64	4,716,682.13	77,143,887.44	38,571,943.72	0.9972%	942,383.21
036	Sierra Vista Police	8,986,173.41	9,217,218.01	1,339,721.01	1,533,729.83	21,076,842.26	10,538,421.13	0.2724%	257,472.92
037	Benson Police	1,263,787.85	1,117,369.07	214,368.86	186,275.13	2,781,800.91	1,390,900.46	0.0360%	33,982.24
038	Bisbee Police	1,876,112.34	1,872,690.18	351,853.22	382,736.50	4,483,392.24	2,241,696.12	0.0580%	54,768.74
039	Pima County Sheriff	104,629,841.95	106,251,882.59	7,127,848.77	7,971,037.37	225,980,610.68	112,990,305.34	2.9211%	2,760,560.05
040	Kingman Police	5,819,671.19	5,875,063.83	899,399.34	993,723.57	13,587,857.93	6,793,928.97	0.1756%	165,988.12
041	A.S.U. Campus Police	9,617,486.09	9,729,589.00	1,029,817.94	1,167,660.86	21,544,553.89	10,772,276.95	0.2785%	263,186.45
042	Lake Havasu Fire	13,408,456.35	14,119,889.61	2,333,391.76	2,412,659.93	32,274,397.65	16,137,198.83	0.4172%	394,261.31

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2002

Sys No.	System	Employer Reserve June 30, 2001	Employer Reserve June 30, 2002	Member Reserve June 30, 2001	Member Reserve June 30, 2002	Combined Reserves	Mean Balance	Factor	Investment Earnings
043	Mohave Cnty Sherif	9,868,297.71	10,335,279.24	1,827,285.54	1,751,029.13	23,781,891.62	11,890,945.81	0.3074%	290,517.58
044	Bullhead City Fire	8,203,209.02	8,788,832.37	1,130,830.55	1,361,957.45	19,484,829.39	9,742,414.70	0.2519%	238,025.03
045	U of A Campus Police	5,512,550.31	5,601,884.60	954,303.69	916,766.19	12,985,504.79	6,492,752.40	0.1679%	158,629.83
046	Cochise Cnty Sheriff	9,686,144.73	9,867,425.90	1,532,297.72	1,494,659.04	22,580,527.39	11,290,263.70	0.2919%	275,841.81
047	Safford Police	2,437,878.27	2,473,519.92	434,869.15	458,069.29	5,804,336.63	2,902,168.32	0.0750%	70,905.29
049	Drexel Heights Fire	3,073,828.97	3,336,868.70	994,375.11	1,093,437.32	8,498,510.10	4,249,255.05	0.1099%	103,817.09
050	Winslow Police	2,691,481.52	2,733,905.47	300,040.05	337,333.66	6,062,760.70	3,031,380.35	0.0784%	74,062.17
051	Payson Fire	1,760,909.60	1,903,935.92	381,724.43	458,043.38	4,504,613.33	2,252,306.67	0.0582%	55,027.98
052	Payson Police	2,705,109.98	2,998,205.07	687,280.86	727,704.40	7,118,300.31	3,559,150.16	0.0920%	86,956.56
053	Hualapai Valley Fire	667,521.41	820,169.26	260,590.11	333,524.39	2,081,805.17	1,040,902.59	0.0269%	25,431.16
054	Fry Fire	4,613,856.02	4,860,062.67	744,060.43	659,577.19	10,877,556.31	5,438,778.16	0.1406%	132,879.31
055	Fredonia Marshalls	46,536.42	49,185.11	0.00	0.00	95,721.53	47,860.77	0.0012%	1,169.33
056	N.A.U. Police	3,587,961.84	3,569,703.96	413,748.32	453,819.25	8,025,233.37	4,012,616.69	0.1037%	98,035.57
058	South Tucson Fire	1,377,918.34	1,410,594.61	176,709.84	215,955.54	3,181,178.33	1,590,589.17	0.0411%	38,861.01
059	Avondale Fire	1,614,176.37	1,906,423.78	554,934.81	676,378.61	4,751,913.57	2,375,956.79	0.0614%	58,048.97
060	Parker Police	881,100.60	940,503.85	198,014.59	225,546.87	2,245,165.91	1,122,582.96	0.0290%	27,426.76
061	Coconino Cnty Sherifi	9,549,733.71	9,608,281.29	1,583,595.90	1,670,261.92	22,411,872.82	11,205,936.41	0.2897%	273,781.54
062	Central Yavapai Fire	6,203,149.26	6,823,287.63	1,635,499.63	1,782,058.08	16,443,994.60	8,221,997.30	0.2126%	200,878.45
064	Buckskin Fire	1,375,835.65	1,467,268.45	253,559.59	200,049.54	3,296,713.23	1,648,356.62	0.0426%	40,272.37
065	Snowflake Police	709,856.12	632,100.80	202,498.36	196,048.41	1,740,503.69	870,251.85	0.0225%	21,261.85
066	Cottonwood Police	1,544,956.09	1,638,084.52	410,028.06	490,638.61	4,083,707.28	2,041,853.64	0.0528%	49,886.22
067	Lake Havasu Police	8,342,883.51	8,773,315.03	1,798,672.87	2,027,320.72	20,942,192.13	10,471,096.07	0.2707%	255,828.05
069	South Tucson Police	1,101,478.70	1,078,707.55	298,397.61	337,408.19	2,815,992.05	1,407,996.03	0.0364%	34,399.92
070	Apache Junction Police	5,363,145.96	6,020,736.37	1,541,489.01	1,690,678.03	14,616,049.37	7,308,024.69	0.1889%	178,548.42
071	Navajo County Sherif	5,509,233.71	5,626,383.40	818,882.19	877,978.81	12,832,478.11	6,416,239.06	0.1659%	156,760.47
072	Mohave Valley Fire	1,048,319.11	1,147,682.80	280,649.75	325,438.58	2,802,090.24	1,401,045.12	0.0362%	34,230.10
073	Peoria Fire	9,292,389.14	10,414,689.98	2,998,462.27	3,297,836.46	26,003,377.85	13,001,688.93	0.3361%	317,655.07
074	Peoria Police	10,768,755.02	11,938,766.53	2,433,877.51	2,813,146.33	27,954,545.39	13,977,272.70	0.3613%	341,490.36
076	Paradise Valley Police	6,128,307.76	6,529,587.34	1,303,955.47	1,333,580.99	15,295,431.56	7,647,715.78	0.1977%	186,847.70
077	Willcox Police	877,872.05	938,959.21	237,241.42	260,614.84	2,314,687.52	1,157,343.76	0.0299%	28,276.03
078	Show Low Police	1,629,761.77	1,756,530.02	414,796.31	397,560.31	4,198,648.41	2,099,324.21	0.0543%	51,290.33
079	Eloy Police	1,289,598.02	1,453,509.64	460,436.03	544,059.87	3,747,603.56	1,873,801.78	0.0484%	45,780.41
080	Nogales Police	4,881,306.80	5,120,342.86	1,174,199.83	1,304,186.24	12,480,035.73	6,240,017.87	0.1613%	152,455.06
081	Gilbert Police	7,733,912.85	8,628,375.85	2,961,472.52	3,075,907.49	22,399,668.71	11,199,834.36	0.2895%	273,632.46
083	Clifton Police	264,490.95	349,657.02	32,619.02	44,902.20	691,669.19	345,834.60	0.0089%	8,449.37
084	Taylor Police	1,340.59	1,420.99	-	-	2,761.58	1,380.79	0.0000%	33.74
085	Coolidge Police	1,730,078.33	1,914,592.62	473,429.77	546,756.94	4,664,857.66	2,332,428.83	0.0603%	56,985.51
086	Holbrook Police	1,938,996.89	2,003,298.56	274,526.41	246,938.69	4,463,760.55	2,231,880.28	0.0577%	54,528.92
087	Santa Cruz Cnty Deputy	2,542,478.95	2,792,046.94	662,632.78	753,130.10	6,750,288.77	3,375,144.39	0.0873%	82,460.96
088	Prescott Valley Police	1,679,570.78	1,897,872.31	498,961.90	610,609.88	4,687,014.87	2,343,507.44	0.0606%	57,256.18
089	Eagar Police	462,179.33	484,557.78	120,615.34	135,314.39	1,202,666.84	601,333.42	0.0155%	14,691.68
090	Tolleson Police	1,676,589.78	1,806,007.37	368,094.81	355,738.63	4,206,430.59	2,103,215.30	0.0544%	51,385.40

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2002

Sys No.	System	Employer Reserve June 30, 2001	Employer Reserve June 30, 2002	Member Reserve June 30, 2001	Member Reserve June 30, 2002	Combined Reserves	Mean Balance	Factor	Investment Earnings
091	Florence Police	1,121,637.95	1,188,628.85	199,298.43	251,814.94	2,761,380.17	1,380,690.09	0.0357%	33,732.79
092	Springerville Police	357,996.07	344,166.28	129,592.58	125,603.05	957,357.98	478,678.99	0.0124%	11,695.00
093	El Mirage Police	730,970.02	934,091.72	303,964.58	406,678.51	2,375,704.83	1,187,852.42	0.0307%	29,021.41
094	Superior Police	434,844.69	501,502.37	74,691.92	108,688.58	1,119,727.56	559,863.78	0.0145%	13,678.50
095	San Luis Police	928,087.21	1,061,460.13	373,403.28	420,849.06	2,783,799.68	1,391,899.84	0.0360%	34,006.66
096	Page Police	1,875,995.60	2,007,073.64	514,502.73	533,764.19	4,931,336.16	2,465,668.08	0.0637%	60,240.79
097	Page Fire	370,364.22	334,129.98	52,508.61	12,099.63	769,102.44	384,551.22	0.0099%	9,395.29
098	Yavapai Cnty Sherif	8,060,535.81	8,553,886.74	1,927,868.22	2,022,873.98	20,565,164.75	10,282,582.38	0.2658%	251,222.31
099	Guadalupe Police	252,668.39	267,821.15	-	-	520,489.54	260,244.77	0.0067%	6,358.26
100	Pima Police	110,540.05	114,624.36	13,197.94	14,785.65	253,148.00	126,574.00	0.0033%	3,092.43
101	Apache Cnty Sheriff	2,099,534.16	2,230,313.22	459,017.21	564,111.79	5,352,976.38	2,676,488.19	0.0692%	65,391.51
102	Cottonwood Fire	623,694.79	702,657.90	202,639.17	233,555.90	1,762,547.76	881,273.88	0.0228%	21,531.13
103	La Paz Cnty Sheriff	3,558,564.37	3,720,028.32	674,226.31	700,460.29	8,653,279.29	4,326,639.65	0.1119%	105,707.73
104	Pinal Cnty Sheriff	15,373,805.30	16,006,932.48	2,439,252.51	2,706,287.56	36,526,277.85	18,263,138.93	0.4721%	446,201.92
105	Clarksdale Police	513,654.85	565,114.14	143,601.27	164,318.27	1,386,688.53	693,344.27	0.0179%	16,939.67
106	Buckeye Police	1,121,009.73	1,220,525.28	280,459.56	339,891.21	2,961,885.78	1,480,942.89	0.0383%	36,182.15
107	Marana Marshalls	3,148,813.13	3,477,688.56	1,035,401.68	1,138,030.25	8,799,933.62	4,399,966.81	0.1138%	107,499.25
108	Tolleson Fire	1,102,016.84	1,212,539.83	438,482.30	490,115.00	3,243,153.97	1,621,576.99	0.0419%	39,618.09
109	Chino Valley Police	854,214.50	1,013,266.42	268,119.27	340,683.33	2,476,283.52	1,238,141.76	0.0320%	30,250.07
110	Surprise Police	2,775,899.93	3,308,447.65	829,394.85	1,119,929.22	8,033,671.65	4,016,835.83	0.1038%	98,138.65
111	Welton Police	143,124.63	162,805.97	47,604.63	55,823.68	409,358.91	204,679.46	0.0053%	5,000.69
112	Gila Cnty Sheriff	3,842,959.54	4,008,710.69	697,448.36	793,208.28	9,342,326.87	4,671,163.44	0.1208%	114,125.08
113	Pinetop-Lakeside Police	1,382,922.34	1,392,782.37	201,152.13	208,316.94	3,185,173.78	1,592,586.89	0.0412%	38,909.81
114	Bullhead City Police	6,568,304.37	7,087,112.16	2,086,650.98	2,201,155.58	17,943,223.09	8,971,611.55	0.2319%	219,192.90
115	Williams Police	719,899.07	761,751.78	118,129.21	172,136.81	1,771,916.87	885,958.44	0.0229%	21,645.59
116	Miami Police	377,061.87	370,815.69	84,823.42	79,551.89	912,252.87	456,126.44	0.0118%	11,144.00
117	Thatcher Police	1,171,302.03	1,266,758.10	318,357.39	350,731.91	3,107,149.43	1,553,574.72	0.0402%	37,956.67
118	Youngtown Police	519,365.98	610,976.69	67,980.56	96,488.95	1,294,812.18	647,406.09	0.0167%	15,817.32
119	D.E.M.A.	2,875,321.76	3,094,553.69	792,100.35	847,856.68	7,609,832.48	3,804,916.24	0.0984%	92,961.07
120	Surprise Fire	1,205,747.95	2,015,389.17	475,500.63	783,346.81	4,479,984.56	2,239,992.28	0.0579%	54,727.11
121	Camp Verde Marshalls	837,722.37	904,524.07	171,565.59	216,165.61	2,129,977.64	1,064,988.82	0.0275%	26,019.63
122	Oro Valley Police	3,311,913.35	3,906,285.09	1,387,008.32	1,628,214.19	10,233,420.95	5,116,710.48	0.1323%	125,010.61
123	Greenlee Cnty Sherif	1,364,217.64	1,408,997.00	311,859.27	318,275.70	3,403,349.61	1,701,674.81	0.0440%	41,575.03
124	Tucson Airprt Auth. Fire	3,550,764.88	3,817,970.43	847,483.27	869,786.01	9,086,004.59	4,543,002.30	0.1174%	110,993.86
125	Tucson Airprt Auth. PD	2,718,350.43	2,844,046.68	621,110.01	744,696.10	6,928,203.22	3,464,101.61	0.0896%	84,634.35
126	Wickenburg Police	694,245.08	716,853.45	216,434.25	236,389.25	1,863,922.03	931,961.02	0.0241%	22,769.51
127	El Mirage fire	253,636.08	571,761.66	114,976.37	91,874.31	1,032,248.42	516,124.21	0.0133%	12,609.86
128	Patagonia Marshal	80,405.59	74,538.41	29,744.42	10,931.71	195,620.13	97,810.07	0.0025%	2,389.68
129	Sedona Police	984,696.68	1,138,115.60	395,201.57	455,196.82	2,973,210.67	1,486,605.34	0.0384%	36,320.49
130	Mammoth Police	81,663.56	(26,927.96)	81,264.78	53,625.53	189,625.91	94,812.96	0.0025%	2,316.45
131	Globe Police	1,846,641.93	1,907,902.07	467,002.87	499,087.17	4,720,634.04	2,360,317.02	0.0610%	57,666.87
132	Tombstone Police	70,438.97	236,398.19	52,141.73	95,615.02	454,593.91	227,296.96	0.0059%	5,553.28

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2002

Sys No.	System	Employer Reserve June 30, 2001	Employer Reserve June 30, 2002	Member Reserve June 30, 2001	Member Reserve June 30, 2002	Combined Reserves	Mean Balance	Factor	Investment Earnings
133	Golder Ranch Fire Dist	2,011,415.59	2,481,088.91	704,116.79	908,679.81	6,105,301.10	3,052,650.55	0.0789%	74,581.84
134	Fort Mohave Mesa Fire	2,011,009.89	2,221,103.62	582,301.57	653,171.76	5,467,586.84	2,733,793.42	0.0707%	66,791.58
135	Laveen Fire Dist	401,462.50	40,082.00	145,587.37	-	587,131.87	293,565.94	0.0076%	7,172.35
136	Goodyear Fire	975,630.69	1,368,827.08	427,450.14	611,875.64	3,383,783.55	1,691,891.78	0.0437%	41,336.01
137	Goodyear Police	2,071,374.97	2,591,833.91	815,838.34	970,356.93	6,449,404.15	3,224,702.08	0.0834%	78,785.38
138	Chino Valley Fire Dist	812,155.92	958,805.23	294,356.96	352,345.15	2,417,663.26	1,208,831.63	0.0313%	29,533.97
139	Avondale Police	2,476,054.14	2,826,475.31	940,764.84	1,112,381.31	7,355,675.60	3,677,837.80	0.0951%	89,856.31
140	Graham Cnty Sheriffl	813,316.99	884,244.82	257,460.34	301,225.91	2,256,248.06	1,128,124.03	0.0292%	27,562.14
141	Flowing Wells Fire	59,328.73	62,886.73	-	-	122,215.46	61,107.73	0.0016%	1,492.97
142	Golden Valley Fire	841,426.25	905,643.99	231,923.97	243,688.92	2,222,683.13	1,111,341.57	0.0287%	27,152.11
143	Daisy Mountain Fire	707,720.64	874,906.96	335,694.69	433,425.55	2,351,747.84	1,175,873.92	0.0304%	28,728.75
144	Quartzsite Marshal	169,042.98	221,045.12	84,403.54	113,008.38	587,500.02	293,750.01	0.0076%	7,176.85
145	Picturerock Fire	648,553.74	722,296.66	162,169.55	191,220.67	1,724,240.62	862,120.31	0.0223%	21,063.18
146	Pima Cmmty Coll. PD	2,075,735.13	2,341,636.30	648,774.52	756,568.31	5,822,714.26	2,911,357.13	0.0753%	71,129.79
147	Northwest Fire	6,020,815.45	6,839,763.72	1,817,100.08	2,145,755.30	16,823,434.55	8,411,717.28	0.2175%	205,513.65
148	Apache Junction Fire	3,256,894.58	3,750,446.76	1,142,812.39	1,349,382.68	9,499,536.41	4,749,768.21	0.1228%	116,045.53
149	Gilbert Fire	2,759,684.31	3,402,467.08	1,124,934.00	1,418,688.79	8,705,774.18	4,352,887.09	0.1125%	106,349.00
150	Pine-Strawberry Fire	608,861.90	741,200.09	247,408.02	295,935.33	1,893,405.34	946,702.67	0.0245%	23,129.68
151	Attrny Genrl Investgtr	5,269,967.97	5,668,079.83	1,222,277.66	1,247,610.22	13,407,935.68	6,703,967.84	0.1733%	163,790.21
153	St. Johns Police	96,928.40	126,272.07	70,051.59	80,887.70	374,139.76	187,069.88	0.0048%	4,570.46
154	Pima Cnty Attrny Invs	945,967.61	1,001,191.62	203,825.57	223,528.19	2,374,512.99	1,187,256.50	0.0307%	29,006.85
155	Sun Lakes Fire Dist.	1,807,545.20	2,102,388.75	500,834.31	628,850.55	5,039,618.81	2,519,809.41	0.0651%	61,563.56
156	Kearny Police	197,571.26	175,307.64	52,927.26	33,429.03	459,235.19	229,617.60	0.0059%	5,609.98
157	Greenlee Cnty Atny Invs	22,985.74	24,554.51	-	(0.00)	47,540.25	23,770.13	0.0006%	580.75
158	Navajo Cnty Attrny Inves	121,702.69	134,170.65	36,818.13	39,969.69	332,661.16	166,330.58	0.0043%	4,063.76
160	AZ State Capitol Police	920,966.80	1,063,191.27	320,731.04	386,924.91	2,691,814.02	1,345,907.01	0.0348%	32,882.97
161	Fountain Hills Marshal	282,717.70	301,410.05	177,687.86	197,161.70	958,977.31	479,488.66	0.0124%	11,714.79
162	Avra Valley Fire	475,298.27	521,077.30	110,077.51	106,326.44	1,212,779.52	606,389.76	0.0157%	14,815.21
163	San Luis Fire	304,763.09	404,628.22	119,921.76	155,772.14	985,085.21	492,542.61	0.0127%	12,033.72
164	AZ Dept. of Liquor/Licns	1,354,947.01	1,556,181.09	519,798.70	576,607.16	4,007,533.96	2,003,766.98	0.0518%	48,955.70
165	Maricopa Cnty Atrny Invs	3,609,384.91	3,912,204.33	611,245.67	427,114.19	8,559,949.10	4,279,974.55	0.1106%	104,567.61
166	Sedona Fire District	2,063,596.73	2,533,932.08	652,393.48	857,420.02	6,107,342.31	3,053,671.16	0.0789%	74,606.78
167	Guadalupe Fire	134,313.59	181,599.73	80,938.46	109,348.06	506,199.84	253,099.92	0.0065%	6,183.69
168	Mayer Fire District	128,657.63	152,619.43	37,724.18	50,384.04	369,385.28	184,692.64	0.0048%	4,512.38
169	Somerton Police	405,921.23	466,786.24	172,766.71	170,706.11	1,216,180.29	608,090.15	0.0157%	14,856.76
170	SunCity West Fire Dstrct	2,330,464.20	2,747,561.14	757,494.98	956,627.21	6,792,147.53	3,396,073.77	0.0878%	82,972.30
171	Somerton Fire	277,902.42	344,917.64	97,203.54	125,282.03	845,305.63	422,652.82	0.0109%	10,326.18
172	Tubac Fire District	359,047.25	459,377.43	134,843.37	178,394.14	1,131,662.19	565,831.10	0.0146%	13,824.29
173	LaPaz Cnty Attrny Invs	62,130.65	70,902.88	27,964.94	31,218.84	192,217.31	96,108.66	0.0025%	2,348.11
174	Sahuarita Police	79,729.78	139,707.13	51,856.86	79,035.75	350,329.52	175,164.76	0.0045%	4,279.60
176	Florence Fire Dep	127,659.55	174,460.83	58,199.70	84,721.70	445,041.78	222,520.89	0.0058%	5,436.59
177	Sun City Fire Dept	3,004,940.49	3,999,723.77	3,493,695.65	3,792,008.87	14,290,368.78	7,145,184.39	0.1847%	174,569.94

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2002

Sys No.	System	Employer Reserve June 30, 2001	Employer Reserve June 30, 2002	Member Reserve June 30, 2001	Member Reserve June 30, 2002	Combined Reserves	Mean Balance	Factor	Investment Earnings
178	Hayden Police	62,189.18	53,467.38	30,277.45	25,851.20	171,785.21	85,892.61	0.0022%	2,098.51
179	Gila River Fire Dep	647,589.42	946,726.94	394,839.11	551,486.63	2,540,642.10	1,270,321.05	0.0328%	31,036.27
180	Gila River Police Dep	570,165.08	894,296.63	391,362.32	558,270.04	2,414,094.07	1,207,047.04	0.0312%	29,490.37
181	SaltRiverPima-MaricopFire	814,993.28	1,448,098.90	309,638.48	548,816.72	3,121,547.38	1,560,773.69	0.0404%	38,132.56
182	SaltRiverPima-MaricopPD	635,066.51	896,110.56	300,303.29	466,679.94	2,298,160.30	1,149,080.15	0.0297%	28,074.13
183	Lakeside Fire District	86,309.18	149,678.31	31,602.87	62,954.88	330,545.24	165,272.62	0.0043%	4,037.91
185	Pinetop Fire District	163,033.79	247,155.29	52,349.18	106,375.54	568,913.80	284,456.90	0.0074%	6,949.80
186	Show Low Fire District	87,961.69	152,757.86	31,333.43	64,158.38	336,211.36	168,105.68	0.0043%	4,107.13
187	Yavapai Cnty Attrny Inv	32,494.14	171,974.56	10,133.80	88,100.45	302,702.95	151,351.48	0.0039%	3,697.79
188	Three Points Fire District	60,257.10	113,590.14	32,915.31	58,761.85	265,524.40	132,762.20	0.0034%	3,243.62
190	Buckeye Fire	10,437.06	78,393.65	7,928.91	40,883.04	137,642.66	68,821.33	0.0018%	1,681.43
191	Montezuma/Rimrock	104,443.52	136,906.37	39,357.47	53,440.91	334,148.27	167,074.14	0.0043%	4,081.93
192	Heber-Overgaard Fire	15,420.74	70,816.51	1,617.54	20,534.08	108,388.87	54,194.44	0.0014%	1,324.07
193	Diamond Star Fire	8,932.34	48,398.17	3,950.71	18,978.18	80,259.40	40,129.70	0.0010%	980.44
194	Green Valley Fire	-	1,615,048.38	-	136,950.66	1,751,999.04	875,999.52	0.0226%	21,402.27
195	Summit Fire	510,458.20	668,283.04	158,697.81	220,235.78	1,557,674.83	778,837.42	0.0201%	19,028.43
196	Camp Verde Fire	-	139,380.44	-	44,938.51	184,318.95	92,159.48	0.0024%	2,251.62
197	Fort McDowell Fire	-	293,598.80	-	85,750.75	379,349.55	189,674.78	0.0049%	4,634.10
198	Fort McDowell Police	-	123,501.94	-	59,725.30	183,227.24	91,613.62	0.0024%	2,238.29
199	Highlands Fire	-	161,700.13	-	46,212.09	207,912.22	103,956.11	0.0027%	2,539.84
200	Rio Rico Fire	-	76,335.59	-	30,681.75	107,017.34	53,508.67	0.0014%	1,307.31
201	Tri-City Fire	-	78,747.64	-	23,703.61	102,451.25	51,225.63	0.0013%	1,251.54
202	Maricopa Park Rangers	-	723,951.73	-	591,521.15	1,315,472.88	657,736.44	0.0170%	16,069.72
203	Verde Valley Fire	834,065.38	975,272.08	236,155.05	290,146.02	2,335,638.53	1,167,819.27	0.0302%	28,531.97
204	Arizona State Park Rangers	-	2,024,284.32	-	1,275,925.56	3,300,209.88	1,650,104.94	0.0427%	40,315.09
	TOTALS	**3,338,648,046.04**	**3,452,156,063.84**	**449,791,950.02**	**495,565,135.60**	**7,736,161,195.50**	**3,868,080,597.75**	**100.00%**	**94,504,291.48**

INVESTMENT SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTY-FOURTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2002

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

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Kenneth A. Shea
Managing Director
Director of Equity Research

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

August 19, 2002

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

Dear Sirs:

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

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

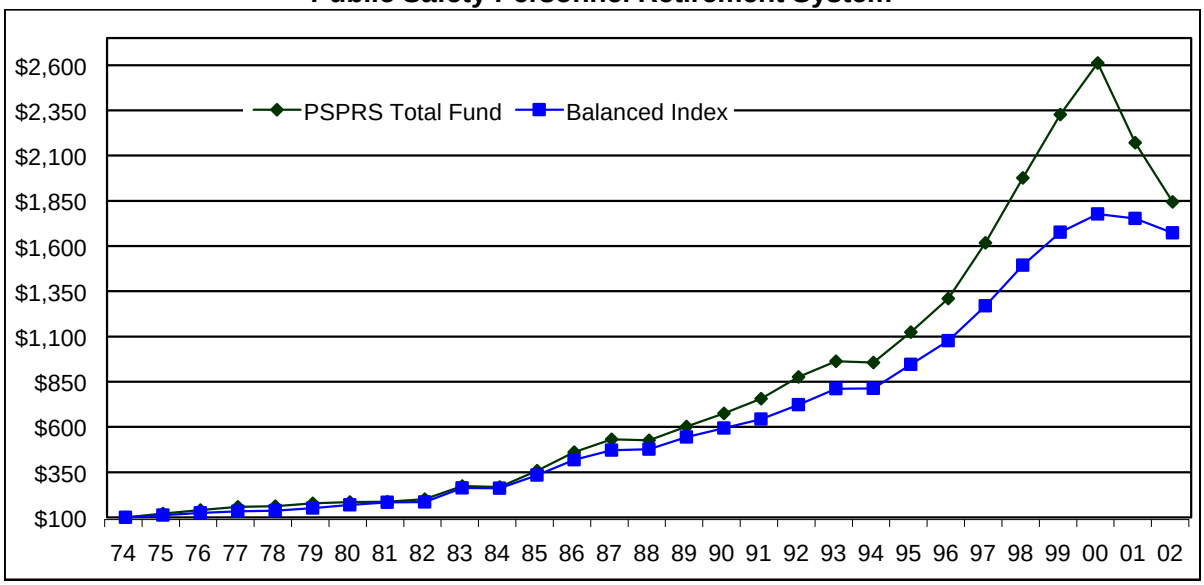
Based on the foregoing, during the past fiscal year, the stock portfolio underperformed the NYSE and S&P 500 indices, while the bond portfolio outperformed the Lehman Government/Credit Index. The overall fund underperformed a custom benchmark, using bond and stock indices weighted in a fixed proportion.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

Sincerely,

Kenneth Shea/sig

Kenneth Shea
Managing Director-Global Equity Research

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



FYE	Fair Value	Contribution	Total Return	Balanced Index*
06-30-02	$ 3,663,355,981	$ (74,748,840)	-15.07%	-4.50%
06-30-01	$ 4,392,242,834	$ (58,899,769)	-16.86%	-1.40%
06-30-00	$ 5,346,760,140	$ (40,728,025)	12.31%	6.02%
06-30-99	$ 4,799,032,031	$ (42,171,100)	17.69%	12.23%
06-30-98	$ 4,117,504,057	$ (27,295,036)	22.24%	17.66%
06-30-97	$ 3,393,713,299	$ (15,244,314)	23.43%	17.87%
06-30-96	$ 2,764,579,315	$ (13,627,135)	16.45%	13.98%
06-30-95	$ 2,387,258,324	$ (11,730,534)	17.69%	16.30%
06-30-94	$ 2,040,534,626	$ (3,736,636)	-0.71%	0.25%
06-30-93	$ 2,058,778,434	$ (5,497,735)	9.76%	12.26%
06-30-92	$ 1,880,846,956	$ 9,729,880	15.89%	12.12%
06-30-91	$ 1,614,307,083	$ 10,925,999	12.21%	8.32%
06-30-90	$ 1,428,631,192	$ 7,099,861	11.82%	9.21%
06-30-89	$ 1,270,848,790	$ 19,119,731	14.70%	13.98%
06-30-88	$ 1,089,934,034	$ 15,123,458	-1.10%	1.19%
06-30-87	$ 1,086,519,311	$ 21,366,628	15.50%	12.61%
06-30-86	$ 921,122,839	$ 17,116,567	28.34%	25.50%
06-30-85	$ 704,031,440	$ 18,162,936	34.17%	28.01%
06-30-84	$ 515,661,673	$ 21,383,722	-2.45%	-0.53%
06-30-83	$ 507,216,188	$ 20,393,414	36.84%	41.25%
06-30-82	$ 354,453,695	$ 23,006,994	7.19%	1.19%

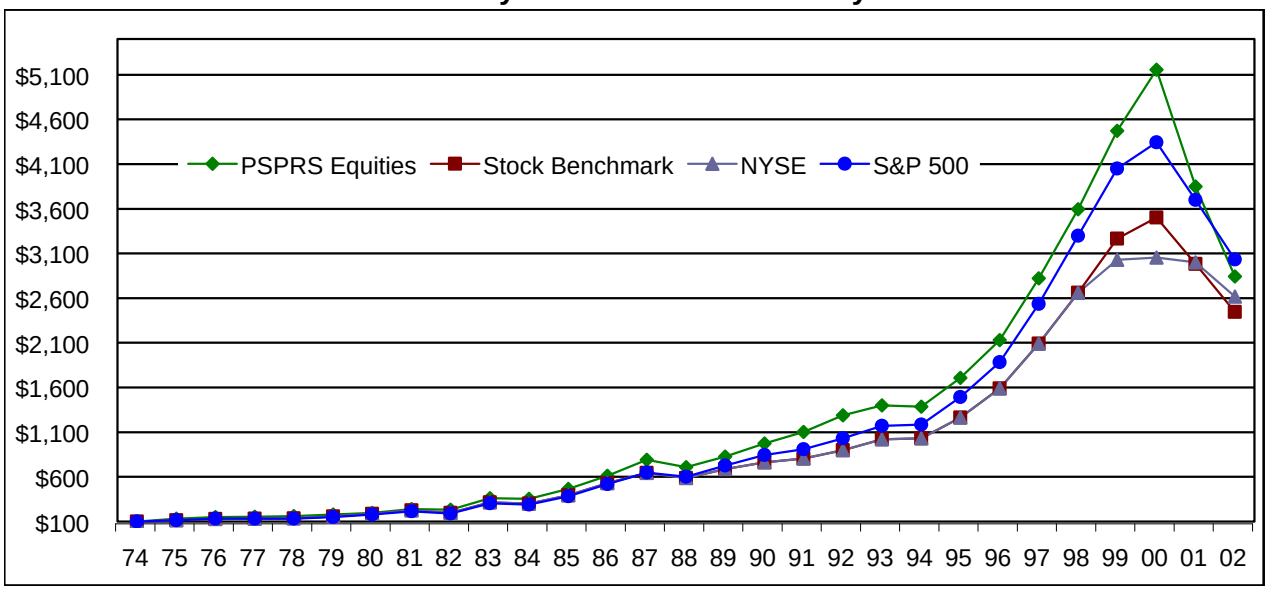
Annualized Returns	**5-year**	2.67%	5.68%
	10-year	7.72%	8.77%
	20-year	11.74%	11.62%

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

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

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

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



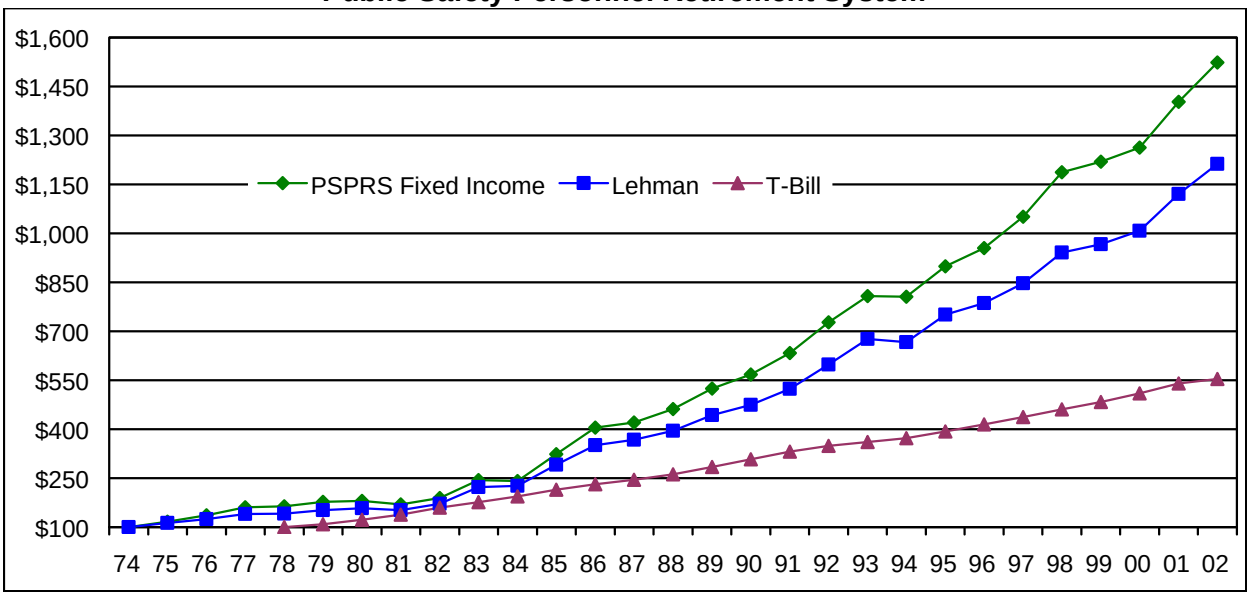
FYE	Fair Value	Contribution	Total Return	Stock* Benchmark	NYSE Index	S&P 500
06-30-02	$ 2,210,717,178	$ 8,307,260	-26.12%	-17.99%	-12.80%	-17.99%
06-30-01	$ 2,977,526,884	$ (139,900,329)	-25.35%	-14.83%	-1.77%	-14.83%
06-30-00	$ 4,149,828,967	$ 91,069,097	15.31%	7.25%	0.84%	7.25%
06-30-99	$ 3,510,963,034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

Annualized Returns	**5-year**	0.15%	3.20%	4.59%	3.66%
	10-year	8.24%	10.53%	11.28%	11.40%
	20-year	13.38%	13.48%	13.86%	14.88%

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

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

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



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

Annualized Returns	**5-year**	7.71%	7.43%	4.83%
	10-year	7.67%	7.33%	4.73%
	20-year	10.98%	10.26%	6.42%

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

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

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

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPORTING SCHEDULE OF COMMISSIONS PAID TO BROKERS
FISCAL YEAR ENDED JUNE 30, 2002

Broker	Number of Shares Traded	Average Commission	Commissions
Greenberg Financial Group	350,000	0.050	$ 17,500.00
Dain Rauscher	1,931,700	0.050	$ 96,585.00
ISI Group	1,730,000	0.050	$ 86,500.00
Investors Capital Corporation	250,000	0.050	$ 12,500.00
Merrill Lynch	2,826,000	0.020	$ 56,000.00
UBS | Paine Webber	2,845,750	0.030	$ 84,787.50
Morgan Stanley/Dean Witter	1,447,000	0.050	$ 72,350.00
Pin Oak Partners	650,000	0.050	$ 32,500.00
Smith Barney--Phoenix	2,694,300	0.017	$ 44,665.00
Smith Barney--Scottsdale	2,243,439	0.027	$ 59,671.95
Standard & Poor's Securities	3,925,000	0.050	$ 196,250.00
U. S. Securities and Futures	3,430,000	0.050	$ 171,500.00
Wells Fargo / Van Kasper	3,450,000	0.050	$ 172,500.00
Total Commissions	**27,773,189**	**0.040**	**$ 1,103,309.45**

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, 2002

Description	Percent at Fair Value	Balance June 30, 2001 Fair Value	Balance June 30, 2001 Book Value	Acquisitions	Maturities and Sales	(Premium) Discount	Balance June 30, 2002 Fair Value	Balance June 30, 2002 Book Value	Percent at Fair Value
U.S. Treasury Obligations	3.24%	142,370,150.00	123,158,932.05	-	35,014,764.60	(45,472.99)	108,396,090.00	88,098,694.46	2.96%
Federal Agency Obligations	9.35%	410,706,294.01	397,437,800.62	39,862,500.00	106,061,057.07	-	350,314,333.57	331,239,243.55	9.56%
Total U.S. Government Securities	**12.59%**	**553,076,444.01**	**520,596,732.67**	**39,862,500.00**	**141,075,821.67**	**(45,472.99)**	**458,710,423.57**	**419,337,938.01**	**12.52%**
Corporate Bonds	14.05%	617,260,124.09	642,229,936.82	150,935,624.33	101,794,625.34	5,998.14	659,355,859.75	691,376,933.95	18.00%
Total Bond Portfolio	**26.65%**	**1,170,336,568.10**	**1,162,826,669.49**	**190,798,124.33**	**242,870,447.01**	**(39,474.85)**	**1,118,066,283.32**	**1,110,714,871.96**	**30.52%**
Corporate Notes	2.34%	102,953,662.79	102,953,662.79	10,470,116,108.99	10,437,640,192.82	-	135,429,578.96	135,429,578.96	3.70%
Common Stock	67.79%	2,977,526,883.93	2,577,008,004.74	458,901,548.70	476,060,387.92	-	2,210,717,178.41	2,559,849,165.52	60.35%
Other Investments	3.19%	140,087,977.41	140,087,977.41	93,301,281.05	34,918,654.23	-	198,470,604.23	198,470,604.23	5.41%
Money Market Account	0.03%	1,337,741.52	1,337,741.52	-	665,405.11	-	672,336.41	672,336.41	0.02%
Total Portfolio	**100.00%**	**4,392,242,833.75**	**3,984,214,055.95**	**11,213,117,063.07**	**11,192,155,087.09**	**(39,474.85)**	**3,663,355,981.33**	**4,005,136,557.08**	**100.00%**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2001 THROUGH JUNE 30, 2002

BONDS ACQUIRED

Security	Coupon	Maturity	Purchase Price	Par Value	Principal	(Premium) Discount	Accrued Interest	Total Amount	Book Yield
FEDERAL AGENCY OBLIGATIONS									
GNMA Pool #781129	6.500	4/15/2032	99.65625	40,000,000.00	39,862,500.00	137,500.00	122,777.78	39,985,277.78	6.52%
TOTAL FEDERAL AGENCY OBLIGATIONS				**40,000,000.00**	**39,862,500.00**	**137,500.00**	**122,777.78**	**39,985,277.78**	**6.52%**
CORPORATE BONDS									
AT&T CORPORATES	6.5000	3/15/2029	88.0674	9,500,000.00	8,366,400.00	1,133,600.00	280,312.50	8,646,712.50	7.38%
CONTINENTAL AIRLINES	8.0480	11/1/2020	103.0069	4,985,949.71	5,135,872.23	(149,922.52)	37,897.65	5,173,769.88	7.81%
DELTA AIRLINES SERIES 01-1B	7.7110	9/18/2011	99.4790	10,000,000.00	9,947,900.00	52,100.00	23,561.39	9,971,461.39	7.75%
FORD HOLDINGS INC	9.3750	3/1/2020	112.4850	7,488,000.00	8,422,876.80	(934,876.80)	157,950.00	8,580,826.80	8.33%
FORD MOTOR COMPANY	7.4500	7/16/2031	91.8600	8,500,000.00	7,808,100.00	691,900.00	307,829.86	8,115,929.86	8.11%
FORD MOTOR CREDIT	7.2500	10/25/2011	101.7620	8,500,000.00	8,649,770.00	(149,770.00)	83,878.47	8,733,648.47	7.12%
GENERAL MOTORS ACCEPTANCE CORP.	8.0000	11/1/2031	99.9860	5,000,000.00	4,999,300.00	700.00	45,555.56	5,044,855.56	8.00%
JPM CAPITAL TRUST II	7.9500	2/1/2027	106.1000	3,666,000.00	3,889,626.00	(223,626.00)	28,335.13	3,917,961.13	7.49%
LIBERTY MUTUAL INSURANCE	7.8750	10/15/2026	94.0900	14,000,000.00	13,172,600.00	827,400.00	416,500.00	13,589,100.00	8.37%
NATIONAL RURAL UTILITIES	8.0000	3/1/2032	101.1500	11,000,000.00	11,126,500.00	(126,500.00)	-	11,126,500.00	7.91%
NORTHWEST AIRLINES	7.9350	4/1/2019	109.2500	3,710,026.68	4,053,204.15	(343,177.47)	63,784.63	4,116,988.78	7.26%
ROYAL & SUN ALLIANCE INSURANCE	8.9500	10/15/2029	109.5400	3,000,000.00	3,286,200.00	(286,200.00)	106,654.17	3,392,854.17	8.17%
STANDARD CHARTERED BANK	8.0000	5/30/2031	105.1348	16,000,000.00	16,821,560.00	(821,560.00)	227,333.33	17,048,893.33	7.61%
UNION CARBIDE CORP	7.5000	6/1/2025	93.9935	5,775,000.00	5,428,123.00	346,877.00	183,192.71	5,611,315.71	7.98%
UNION CARBIDE CORP	7.8750	4/1/2023	95.7870	3,000,000.00	2,899,950.00	100,050.00	30,187.50	2,930,137.50	8.15%
WORLDCOM INC.	8.2500	5/15/2031	102.1624	21,000,000.00	21,454,104.00	(454,104.00)	389,812.50	21,843,916.50	8.08%
ZURICH CAPITAL TRUST I	8.3760	6/1/2037	101.3000	11,000,000.00	11,143,000.00	(143,000.00)	258,492.67	11,401,492.67	8.27%
FHR 2301 KA	6.5000	4/15/2031	99.5000	4,352,299.65	4,330,538.15	21,761.50	22,789.12	4,353,327.27	6.53%
TOTAL CORPORATE BONDS				**150,477,276.04**	**150,935,624.33**	**(458,348.29)**	**2,664,067.19**	**153,599,691.52**	7.86%
TOTAL BONDS ACQUIRED				**190,477,276.04**	**190,798,124.33**	**(320,848.29)**	**2,786,844.97**	**193,584,969.30**	**7.58%**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2001 THROUGH JUNE 30, 2002

SHORT TERM INVESTMENTS MATURED

Description	Cost	Amount of Interest	Maturity Value
AEGON FUNDING CORP	32,479,920.55	20,079.45	32,500,000.00
AIR LIQUIDE US	25,986,169.45	13,830.55	26,000,000.00
ALLMERICA FINANCIAL CORP	12,992,214.45	7,785.55	13,000,000.00
ALLSTATE CORPORATION	31,232,022.15	17,977.85	31,250,000.00
AMGEN INC	22,485,943.75	14,056.25	22,500,000.00
AMSTEL FUNDING	12,997,010.00	2,990.00	13,000,000.00
AMSTERDAM FUNDING CORP	171,681,709.46	68,290.54	171,750,000.00
ASSET ONE SECURITIZATION	95,659,926.94	40,073.06	95,700,000.00
ASSET PORTFOLIO FUNDING	12,998,645.83	1,354.17	13,000,000.00
ASSET SECURT. COOPERATIVE	14,496,535.84	3,464.16	14,500,000.00
ATLANTIS ONE FUNDING	14,997,521.53	2,478.47	15,000,000.00
AUTOBAHN FUNDING CORP	899,730,435.62	244,564.38	899,975,000.00
BANK OF IRELAND	24,191,859.39	8,140.61	24,200,000.00
BANNER HEALTH SYSTEMS	12,995,522.22	4,477.78	13,000,000.00
BARTON CAPITAL CORP	72,675,970.51	41,029.49	72,717,000.00
BAVARIA FINANCE FUNDING	95,405,119.60	94,880.40	95,500,000.00
BBL NORTH AMERICA FUNDING	12,990,394.45	9,605.55	13,000,000.00
BEETHOVEN FUNDING CORPORATION	228,722,584.46	77,415.54	228,800,000.00
BELFORD FUNDING COMPANY LLC	12,995,309.17	4,690.83	13,000,000.00
BROADWAY CAPITAL	13,484,986.24	15,013.76	13,500,000.00
BRYANT PARK FUNDING LLC	10,995,050.00	4,950.00	11,000,000.00
CARGILL INC	70,481,905.97	16,844.03	70,498,750.00
CATERPILLAR FINANCIAL SERVICES	11,998,756.66	1,243.34	12,000,000.00
CATHOLIC HEALTHCARE PARTNERS	14,439,885.00	10,115.00	14,450,000.00
CDC COMMERCIAL PAPER PROGRAM	104,484,427.78	15,572.22	104,500,000.00
CHECK POINT CHARLIE INC	65,494,415.54	5,584.46	65,500,000.00
CINTAS CORPORATION NO. 2	12,988,357.78	11,642.22	13,000,000.00
CLIPPER RECEIVABLES	64,974,777.79	25,222.21	65,000,000.00
COCA COLA COMPANY	15,888,339.99	11,660.01	15,900,000.00
COMPUTER SCIENCE CORP	12,993,753.48	6,246.52	13,000,000.00
CONCORD MINUTEMAN CAPITAL	70,739,293.36	35,706.64	70,775,000.00
COOPERATIVE ASSN OF TRACTOR DEALERS	322,457,554.83	92,445.17	322,550,000.00
COUNTRYWIDE HOME LOANS	26,741,975.00	8,025.00	26,750,000.00
CROWN POINT CAPITAL	78,832,590.63	42,409.37	78,875,000.00
CVS CORPORATION	15,993,848.88	6,151.12	16,000,000.00
CXC INC	12,996,251.67	3,748.33	13,000,000.00
DAKOTA NOTES	34,994,436.11	5,563.89	35,000,000.00
DEALERS CAPITAL ACCEPTANCE	383,273,095.33	101,904.67	383,375,000.00
DELAWARE FUNDING CORP	18,989,418.33	10,581.67	19,000,000.00
DOW CHEMICAL COMPANY	62,990,688.90	9,311.10	63,000,000.00
DUKE ENERGY CORP	38,987,603.06	12,396.94	39,000,000.00
EAGLE FUNDING CAPITAL	237,557,798.23	142,201.77	237,700,000.00
EDISON ASSET SECURITIZATION	36,468,150.83	31,849.17	36,500,000.00
EMINENT FUNDING	140,243,005.55	56,994.45	140,300,000.00
ENTERPRISE FUNDING CORPORATION	12,997,248.33	2,751.67	13,000,000.00
ERASMUS CAPITAL CORP	38,976,433.89	23,566.11	39,000,000.00
ESTEE LAUDER COMPANIES	999,804.44	195.56	1,000,000.00
EXXON PROJECT	81,955,164.43	44,835.57	82,000,000.00
FALCON ASSET SECURITIZATION	38,740,653.48	9,346.52	38,750,000.00
FLORDIA POWER AND LIGHT	11,995,000.00	5,000.00	12,000,000.00
FORD MOTOR CREDIT CO	12,991,875.00	8,125.00	13,000,000.00
FORRESTAL FUNDING MASTER TRUST	12,998,039.16	1,960.84	13,000,000.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2001 THROUGH JUNE 30, 2002

SHORT TERM INVESTMENTS MATURED

Description	Cost	Amount of Interest	Maturity Value
FOUR WINDS FUNDING CORP	209,973,792.78	26,207.22	210,000,000.00
FPL FUELS, INC.	12,992,777.78	7,222.22	13,000,000.00
GALLEON CAPITAL	675,708,942.16	91,057.84	675,800,000.00
GE CAPITAL CORP	64,867,683.11	32,316.89	64,900,000.00
GENERAL ELECTRIC COMPANY	19,991,400.00	8,600.00	20,000,000.00
GENERAL MOTORS CORPORATION	12,989,253.33	10,746.67	13,000,000.00
GIRO FUNDING (US)	78,471,624.45	28,375.55	78,500,000.00
GOTHAM FUNDING	14,441,831.74	8,168.26	14,450,000.00
GRAND FUNDING CORP	25,992,593.61	7,406.39	26,000,000.00
HALOGEN CAPITAL COMPANY	71,971,020.55	28,979.45	72,000,000.00
HANNOVER FUNDING	152,925,313.01	24,686.99	152,950,000.00
HERTZ CORPORATION	25,985,302.78	14,697.22	26,000,000.00
HOLDENBY CAPITAL COMPANY LLC	35,495,873.06	4,126.94	35,500,000.00
HOLLAND LIMITED SECURITZATION	356,314,123.32	185,876.68	356,500,000.00
IBM CORPORATION	11,997,030.00	2,970.00	12,000,000.00
IBM CREDIT CORPORATION	17,993,587.50	6,412.50	18,000,000.00
INDIANA GAS COMPANY	12,997,248.33	2,751.67	13,000,000.00
INTERNATIONAL LEASE FINANCE	1,498,652.50	1,347.50	1,500,000.00
INTREPID FUNDING	12,993,655.28	6,344.72	13,000,000.00
JOHN HANCOCK FINANCIAL SERVICES INC	7,497,916.67	2,083.33	7,500,000.00
K2 (USA) LLC	12,999,386.11	613.89	13,000,000.00
KITTY HAWK FUNDING CORP	63,177,357.50	22,642.50	63,200,000.00
LEXINGTON PARKER CAPITAL CORP	85,948,929.45	51,070.55	86,000,000.00
LIBERTY STREET FUNDING	141,478,777.92	21,222.08	141,500,000.00
LONG LANE MASTER TRUST	25,980,713.06	19,286.94	26,000,000.00
LONG LANE MASTER TRUST IV	23,479,867.92	20,132.08	23,500,000.00
MANHATTAN ASSET	7,992,533.34	7,466.66	8,000,000.00
MARKET STREET FUNDING	134,448,461.94	51,538.06	134,500,000.00
MARSH & MCLENNAN	46,473,889.99	26,110.01	46,500,000.00
MEDTRONIC	18,995,947.36	4,052.64	19,000,000.00
MOAT FUNDING	56,871,346.50	28,653.50	56,900,000.00
MONTAUK FUNDING CORP	90,959,591.80	40,408.20	91,000,000.00
NEPTUNE FUNDING	131,825,611.98	74,388.02	131,900,000.00
NESS LLC	25,995,843.61	4,156.39	26,000,000.00
NESTLE CAPITAL CORP	31,994,754.16	5,245.84	32,000,000.00
OLD LINE FUNDING	42,877,694.17	22,305.83	42,900,000.00
ORANGE & ROCKLAND UTILITY	12,995,937.50	4,062.50	13,000,000.00
PARADIGM FUNDING	103,455,972.77	44,027.23	103,500,000.00
PEOPLES ENERGY CORPORATION	12,998,725.28	1,274.72	13,000,000.00
PREFERRED RECEIVABLES FUNDING CORP	44,876,194.33	23,805.67	44,900,000.00
QUESTAR CORP	21,482,647.91	17,352.09	21,500,000.00
QUINCY CAPITAL CORPORATION	12,995,522.22	4,477.78	13,000,000.00
REGENCY MARKETS NO. 1	64,954,258.05	45,741.95	65,000,000.00
REVOLVING COMMITMENT VEHICLE	15,484,936.24	15,063.76	15,500,000.00
SIGMA FINANCE	18,997,999.44	2,000.56	19,000,000.00
SOUTHERN COMPANY FUNDING CORP	35,488,268.61	11,731.39	35,500,000.00
SPECIAL PURPOSE ACCTS. REC.	41,902,342.50	47,657.50	41,950,000.00
STARBIRD FUNDING CORPORATION	319,346,754.54	103,245.46	319,450,000.00
STEAMBOAT FUNDING	153,424,117.52	75,882.48	153,500,000.00
SUNBELT FUNDING CORP	326,593,163.19	156,836.81	326,750,000.00
SUNFLOWERS FUNDING CO	94,489,484.03	10,515.97	94,500,000.00
SUPERIOR FUNDING CAPITAL CORP	25,990,661.66	9,338.34	26,000,000.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2001 THROUGH JUNE 30, 2002

SHORT TERM INVESTMENTS MATURED

Description	Cost	Amount of Interest	Maturity Value
SWEDBANK	12,993,240.00	6,760.00	13,000,000.00
SYDNEY CAPITAL CORP	40,965,518.60	34,481.40	41,000,000.00
TEXTRON INC	12,991,391.10	8,608.90	13,000,000.00
THAMES ASSET GLOBAL SECURITIZATION	14,491,096.67	8,903.33	14,500,000.00
THREE CROWNS FUNDING	1,067,197,994.83	252,005.17	1,067,450,000.00
THUNDER BAY FUNDING	154,445,240.57	54,759.43	154,500,000.00
TOTAL FINA ELF SA	19,992,355.56	7,644.44	20,000,000.00
TRANSAMERICA ASSET FUNDING	147,213,950.02	36,049.98	147,250,000.00
TRIDENT CAPITAL FINANCE	10,991,444.44	8,555.56	11,000,000.00
TRIPLE A-1 FUNDING	129,936,455.28	63,544.72	130,000,000.00
UBN DELAWARE INC	12,993,319.45	6,680.55	13,000,000.00
UBS AMERICAS INC	309,705,228.90	44,771.10	309,750,000.00
UBS FINANCE (DELAWARE)	103,988,159.01	11,840.99	104,000,000.00
UNITED AIR FUNDING	12,993,175.00	6,825.00	13,000,000.00
UNITED TECH CORP	28,887,598.20	12,401.80	28,900,000.00
US CENTRAL CREDIT UNION	12,990,943.33	9,056.67	13,000,000.00
USAA CAPITAL CORP	12,996,894.45	3,105.55	13,000,000.00
VECTREN UTILITY HOLDING CORP	51,995,558.34	4,441.66	52,000,000.00
VISTAONE METAFOLIO LLC	80,477,135.13	22,864.87	80,500,000.00
WELLS FARGO & COMPANY	82,347,593.05	52,406.95	82,400,000.00
WGL HOLDINGS	21,994,105.83	5,894.17	22,000,000.00
WINDMILL FUNDING CORPORATION	82,634,999.45	65,000.55	82,700,000.00
WISCONSIN PUBLIC SERVICE	12,989,484.45	10,515.55	13,000,000.00
WORLD OMNI VEHICLE LEASING	30,490,595.56	9,404.44	30,500,000.00
TOTALS	**10,437,640,192.82**	**3,675,557.18**	**10,441,315,750.00**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2001 THROUGH JUNE 30, 2002

COMMON STOCK ACQUIRED

Company	No. Shares	Dividend Rate	Annual Income	Book Yield	Average Cost	Book Cost
ALBERTO CULVER CO	200,000	0.36	72,000.00	0.66	$54.32	$10,863,626.30
AMERICAN STANDARD COMPANY INC	150,000		-	-	$76.56	$11,484,254.70
BELLSOUTH CORPORATION	400,000		-	-	$40.10	$16,041,040.00
BROADWING INC.	300,000		-	-	$21.42	$6,425,281.90
CANADIAN NATIONAL RAILWAY	350,000	1.92	672,000.00	4.07	$47.19	$16,516,647.90
CHEVRON CORPORATION	200,000		-	-	$83.70	$16,739,398.40
CHOICEPOINT INCORPORATED	400000		-	-	$52.13	$20,853,162.66
DAL-TILE INTERNATIONAL	200,000		-	-	$17.30	$3,459,706.20
ELECTRONICS BOUTIQUE HOLDINGS CORP.	550,000		-	-	$36.62	$20,142,861.64
FORTUNE BRANDS, INC.	151,700	1.00	151,700.00	1.92	$51.95	$7,880,931.35
GENZYME CORPORATION	400,000		-	-	$57.57	$23,026,473.30
HEALTHSOUTH CORP	200,000		-	-	$15.03	$3,005,480.00
JACOBS ENGINEERING GROUP INC.	150,000		-	-	$60.38	$9,057,238.24
JOHNSON & JOHNSON CO	200,000	0.82	164,000.00	1.52	$53.85	$10,770,080.00
LANDSTAR SYSTEMS, INC	94,300		-	-	$105.30	$9,929,867.20
LENNAR CORPORATION	200,000		-	-	$43.59	$8,717,907.20
MBNA CORP	200,000	1.60	320,000.00	4.22	$37.87	$7,574,040.00
MICROCHIP TECHNOLOGY INC.	200,000		-	-	$38.79	$7,757,259.00
MOHAWK INDUSTRIES	150,000		-	-	$69.04	$10,355,679.50
MOODY'S CORPORATION	200,000	0.18	36,000.00	0.46	$38.96	$7,792,450.39
OXFORD HEALTH PLANS, INC.	200,000		-	-	$26.29	$5,257,179.70
P.F. CHANG'S CHINA BISTRO	797,000		-	-	$39.82	$31,738,110.11
PACTIV CORPORATION	200,000		-	-	$16.00	$3,200,380.00
PEPSICO INC.	500,000	0.60	300,000.00	1.23	$48.65	$24,325,972.40
PFIZER INC.	200,000	0.52	104,000.00	1.27	$41.01	$8,202,720.00
QUALCOMM INCORPORATED	200,000		-	-	$45.70	$9,139,040.00
QUEST DIAGNOSTIC	150,000		-	-	$87.08	$13,062,135.00
SCP POOL CORPORATION	525,000		-	-	$35.67	$18,725,683.27
SEARS, ROEBUCK AND COMPANY	200,000	3.68	736,000.00	6.53	$56.36	$11,272,649.20
SEI INVESTMENTS COMPANY	200,000	0.12	24,000.00	0.31	$39.21	$7,842,450.50
SIEBEL SYSTEMS	600,000		-	-	$34.90	$20,938,200.00
SPRINT CORPORATION (PCS GROUP)	600,000		-	-	$26.69	$16,014,120.00
ST. JUDE MEDICAL	300,000		-	-	$81.56	$24,469,372.80
TENET HEALTHCARE CORPORATION	150,000		-	-	$61.06	$9,159,322.70
VISHAY INTERTECHNOLOGY INC	200,000		-	-	$23.12	$4,623,660.00
WALGREEN COMPANY	200,000	0.15	30,000.00	0.38	$39.62	$7,924,301.24
WATERS CORPORATION	200,000		-	-	$34.30	$6,859,700.00
WHIRLPOOL CORP	100,000	1.36	136,000.00	1.75	$77.53	$7,753,165.90
TOTAL COMMON STOCK BOUGHT			**2,745,700.00**	**0.60**	**$ 44.05**	**458,901,548.70**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2001 THROUGH JUNE 30, 2002

OTHER INVESTMENTS ACQUIRED

Name	Coupon	Maturity	Book Cost
BRIDGE FINANCIAL			
BRIDGE FINANCIAL-DYNAMITE MTN. RANCH	12.750	4/30/2002	497,439.78
BRIDGE FINANCIAL-GRAND INN	12.500	9/25/2000	160,000.00
TOTAL BRIDGE FINANCIAL ACQUIRED			**657,439.78**
MISCELLANEOUS			
CRYSTAL GARDENS	10.000	4/20/2000	302,841.27
DESERT TROON FINANCE, LLC	10.000	8/27/2005	47,500,000.00
DESERT TROON PROP-HASSAYAMPA	10.000	3/1/2003	3,000,000.00
PIVOTAL DEBT FUND	10.000	12/1/2011	19,855,000.00
PIVOTAL SIMON HOTEL	10.000	8/14/2026	2,600,000.00
TOTAL MISCELLANEOUS ACQUIRED			**73,257,841.27**
PIVOTAL EQUITY			
CENTURY PLAZA HOTEL			3,420,000.00
NEWS I, LLC			144,000.00
PROMONTORY			9,000,000.00
PROMONTORY-LOANS			5,760,000.00
SPA AT RED CANYON			1,062,000.00
TOTAL PIVOTAL EQUITY ACQUIRED			**19,386,000.00**
TOTAL OTHER INVESTMENTS ACQUIRED			**93,301,281.05**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTIONS OF INVESTMENTS
JULY 1, 2001 THROUGH JUNE 30, 2002

BONDS SOLD

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	7.500	11/15/2001	20,000,000.00	100.08601	-	20,017,201.16	20,017,201.16	-	20,017,201.16
U.S. TREASURY NOTE	7.875	8/15/2001	15,000,000.00	99.98376	-	14,997,563.44	14,997,563.44	-	14,997,563.44
TOTAL U.S. TREASURY OBLIGATIONS			**35,000,000.00**		**-**	**35,014,764.60**	**35,014,764.60**	**-**	**35,014,764.60**
FEDERAL AGENCY OBLIGATIONS									
Detailed information for the redemptions of Federal Agency Obligations are too lengthy to include in this report; therefore, only totals are given.									
TOTAL FEDERAL AGENCY OBLIGATIONS			**106,061,057.07**				**106,061,057.07**		**106,061,057.07**
CORPORATE BONDS									
ANTHEM INSURANCE COMPANY	9.13	4/1/2010	16,000,000.00	104.75000	462,333.33	16,760,000.00	14,772,376.68	1,987,623.32	17,222,333.33
ANTHEM INSURANCE COMPANY	9.00	4/1/2027	5,000,000.00	98.50000	88,750.00	4,925,000.00	5,235,498.00	(310,498.00)	5,013,750.00
AUTO BOND RECEIVABLE TRUST	6.40	4/15/2001	40,477.28	100.00000	-	40,477.28	40,477.28	-	40,477.28
AXA SA	8.60	12/15/2030	8,500,000.00	113.62400	52,794.44	9,658,040.00	9,212,652.75	445,387.25	9,710,834.44
DEUTSCHE TELEKOM FINANCIAL	8.25	6/15/2030	22,605,000.00	97.42600	844,390.94	22,023,147.30	23,336,315.47	(1,313,167.40)	22,867,539.01
FHR 2301 KA	6.50	4/15/2031	800,542.80	99.50317	-	796,565.44	796,565.44	-	796,565.44
FORD MOTOR COMPANY	7.45	7/16/2001	8,500,000.00	94.91000	221,637.50	8,067,350.00	7,815,234.87	252,115.10	8,288,987.47
NATIONAL RURAL UTILITIES	8.00	3/1/2032	9,000,000.00	110.98589	188,444.45	9,988,730.10	9,102,646.80	886,083.20	10,177,174.45
OHIO NATIONAL LIFE INSURANCE	8.50	5/15/2026	14,000,000.00	105.87900	119,000.00	14,823,060.00	14,235,555.88	587,504.40	14,942,060.28
OKLAHOMA GAS & ELECTRIC	6.500	4/15/2028	10,000,000.00	91.47800	7,222.22	9,147,800.00	8,367,224.80	780,575.20	9,155,022.22
SECURITY NATIONAL MORTGAGE	7.870	8/25/2030	5,741,250.77	100.00000	-	5,741,250.77	5,741,250.77	-	5,741,250.77
TYCO INTERNATIONAL GROUP	6.875	1/15/2029	3,500,000.00	95.42800	10,694.44	3,339,980.00	3,138,826.60	201,153.40	3,350,674.44
TOTAL CORPORATE BONDS			**103,687,270.85**		**1,995,267.32**	**105,311,400.89**	**101,794,625.34**	**3,516,776.47**	**107,306,669.13**
TOTAL BONDS SOLD			**244,748,327.92**		**1,995,267.32**	**140,326,165.49**	**242,870,447.01**	**3,516,776.47**	**248,382,490.80**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTIONS OF INVESTMENTS
JULY 1, 2001 THROUGH JUNE 30, 2002

COMMON STOCK SOLD

Company	Shares Sold	Sale Price	Amount	Commission + SEC Fee	Net Amount	Book Cost	Gain (Loss) on Sale	% Gain on Sale
AES CORPORATION	200,000	12.8189	2,563,780.00	10085.46	2,553,694.54	10,029,380.00	(7,475,685.46)	-75.00%
ALLTEL CORPORATION	150,000	60.5849	9,087,733.80	7802.93	9,079,930.87	9,719,092.43	(639,161.56)	-7.00%
AMERICAN EXPRESS	400,000	37.0885	14,835,400.00	20222.54	14,815,177.46	14,048,853.96	766,323.50	5.00%
AMERICAN INT'L GROUP	445,750	76.0801	33,912,708.70	23156.64	33,889,552.06	11,587,694.76	22,301,857.30	208.00%
AMGEN	250,000	58.594	14,648,500.00	488.29	14,648,011.71	9,636,742.22	5,011,269.49	52.00%
BELLSOUTH CORPORATION	400,000	32.3367	12,934,680.00	20389.34	12,914,290.66	16,041,040.00	(3,126,749.34)	-19.49%
BIOGEN INC	450,000	54.2995	24,434,766.00	10366.53	24,424,399.47	23,588,208.65	836,190.82	3.54%
BJ'S WHOLESALE CLUB, INC.	250,000	42.3439	10,585,970.00	12818.66	10,573,151.34	10,038,019.69	535,131.65	5.33%
BROADWING INC.	200,000	3.3403	668,060.00	10020.11	658,039.89	4,922,557.45	(4,264,517.56)	-86.63%
CHARTER COMMUNICATIONS, INC	200,000	11.7002	2,340,040.00	78.01	2,339,961.99	4,444,620.00	(2,104,658.01)	-47.35%
CHOICEPOINT	0	0	-	0.00	-	-	15.32	0.00%
CISCO SYSTEMS	450,000	19.7383	8,882,245.00	296.09	8,881,948.91	3,893,303.43	4,988,645.48	128.13%
CORNING INCORPORATED	600,000	9.7958	5,877,480.00	30195.92	5,847,284.08	41,774,664.75	(35,927,380.67)	-86.00%
DAL-TILE/MOHAWK MERGER CASH	0	0	-	0.00	-	-	2,200,000.00	0.00%
DEVON ENERGY CORPORATION	150,000	33.0124	4,951,860.00	7665.07	4,944,194.93	8,622,528.45	(3,678,333.52)	-42.66%
ECHOSTAR COMMUNICATIONS 'A'	400,000	23.054	9,221,600.00	307.39	9,221,292.61	19,017,339.59	(9,796,046.98)	-51.51%
EL PASO CORPORATION	400,000	21.9184	8,767,360.00	20263.90	8,747,096.10	23,063,717.50	(14,316,621.40)	-62.07%
EMC CORP	550,000	13.678	7,522,920.00	27694.25	7,495,225.75	6,229,039.22	1,266,186.53	20.33%
ENRON CORPORATION	1,000,000	17.8883	17,888,308.60	20596.12	17,867,712.48	18,244,900.92	(377,188.44)	-2.07%
EXPRESS SCRIPTS	150,000	44.3052	6,645,773.25	99.70	6,645,673.55	3,595,200.85	3,050,472.70	84.85%
GUIDANT CORPORATION	200,000	32.1	6,420,000.00	10214.00	6,409,786.00	13,057,504.00	(6,647,718.00)	-50.91%
HELLER FINANCIAL, INC.	150,000	53.0917	7,963,755.00	7765.46	7,955,989.54	3,942,579.75	4,013,409.79	101.80%
HOME DEPOT	200,000	50.4624	10,092,480.00	10151.39	10,082,328.61	2,045,427.21	8,036,901.40	392.92%
INTEL CORPORATION	700,000	22.9766	16,083,640.00	536.14	16,083,103.86	15,748,855.39	334,248.47	2.12%
INTERNATIONAL BUSINESS MACH.	530,000	110.8457	58,748,205.22	28168.07	58,720,037.15	12,937,349.58	45,782,687.57	353.88%
JABIL CIRCUIT	200,000	32.9132	6,582,640.00	10219.43	6,572,420.57	4,081,278.77	2,491,141.80	61.04%
LEXMARK INTERNATIONAL GROUP	280,000	57.239	16,026,920.00	14240.41	16,012,679.59	20,303,828.10	(4,291,148.51)	-21.13%
MCI Group	56,000	15.2738	855,332.80	28.52	855,304.28	1,849,007.93	(993,703.65)	-53.74%
NEWS CORPORATION	750,000	28.0854	21,064,027.00	37933.37	21,026,093.63	16,326,203.76	4,699,889.87	28.79%
NOKIA CORPORATION	1,170,000	18.1291	21,211,084.00	58974.79	21,152,109.21	21,229,311.39	(77,202.18)	-0.36%
NORTEL NETWORKS CORP	250,000	7.85	1,962,500.00	12565.42	1,949,934.58	3,943,480.82	(1,993,546.24)	-50.55%
OFFICEMAX INC.	2,550,000	3.0815	7,857,739.53	127762.03	7,729,977.50	34,902,561.71	(27,172,584.21)	-77.85%
PFIZER INC.	200,000	39.9271	7,985,420.00	10266.19	7,975,153.81	4,962,701.23	3,012,452.58	60.70%
PLANTRONICS, INC.	200,000	20.1643	4,032,856.00	10134.46	4,022,721.54	5,493,601.32	(1,470,879.78)	-26.77%
QUANTA SERVICES, INC.	200,000	13.9854	2,797,077.11	10041.98	2,787,035.13	6,783,327.74	(3,996,292.61)	-58.91%
RAINBOW MEDIA GROUP	200,000	19.9504	3,990,080.00	10133.01	3,979,946.99	3,179,188.83	800,758.16	25.19%
SCHERING-PLOUGH CORP	500,000	36.9686	18,484,320.00	25616.15	18,458,703.85	6,272,332.53	12,186,371.32	194.29%

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTIONS OF INVESTMENTS
JULY 1, 2001 THROUGH JUNE 30, 2002

COMMON STOCK SOLD

Company	Shares Sold	Sale Price	Amount	Commission + SEC Fee	Net Amount	Book Cost	Gain (Loss) on Sale	% Gain on Sale
SEITEL, INC	400,000	5.2295	2,091,812.36	20034.58	2,071,777.78	7,484,398.11	(5,412,620.33)	-72.32%
SUN MICROSYSTEMS, INC	400,000	17.0801	6,832,040.00	20227.74	6,811,812.26	16,530,392.00	(9,718,579.74)	-58.79%
3M CORP. CLASS ACTION LAWSUIT	0	0	-	0.00	-	-	607,405.41	0.00%
TARGET CORP	180,000	31.4561	5,662,098.00	9188.74	5,652,909.26	5,013,911.90	638,997.36	12.74%
WILLIAMS COMMUNICATIONS GROUP	493,439	6.4124	1,051,881.87	24707.03	1,027,174.84	2,108,387.26	(1,081,212.42)	-51.28%
WORLDCOM INC.	900,000	42.5889	9,233,690.00	12747.84	9,220,942.16	29,367,854.72	(20,146,912.56)	-68.60%
TOTAL STOCKS SOLD	**17,355,189**		**432,798,784.24**	**694,203.70**	**432,104,580.54**	**476,060,387.92**	**(41,148,386.65)**	-8.64%

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTIONS OF INVESTMENTS
JULY 1, 2001 THROUGH JUNE 30, 2002

OTHER INVESTMENTS SOLD

Name	Coupon	Maturity	Book Cost	Capital Gains (Loss)
SBA LOANS				
ALL UNLIMITED	9.750	5/1/2009	39,012.05	-
ASAYO HOLDINGS	9.500	5/1/2009	40,343.28	-
EUQITY PARTNERSHIP	9.250	5/1/2016	43,544.15	-
NIARKOS	10.000	5/1/2014	21,394.57	-
TOTAL SBA SOLD			**144,294.05**	**-**
BRIDGE FINANCIAL				
BRIDGE FINANCIAL-15 E. MONROE	12.500	1/5/2001	984,000.00	-
BRIDGE FINANCIAL-BEAVER CREEK	13.000	8/3/2001	736,000.00	-
BRIDGE FINANCIAL-DYNAMITE MTN. RANCH	12.750	6/30/2002	99,120.00	-
BRIDGE FINANCIAL-VILLAGE AT HASSAYAMPA	12.000	11/11/2001	318,992.16	-
TOTAL BRIDGE FINANCIAL SOLD			**2,138,112.16**	**-**
PIVOTAL				
PIVOTAL PROMONTORY			3,960,000.00	-
PIVOTAL PROMONTORY-LOANS	10.000		5,760,000.00	-
TOTAL PIVOTAL SOLD			**9,720,000.00**	**-**
DESERT TROON				
DESERT TROON PROP-HASSAYAMPA	10.000	3/1/2003	3,000,000.00	-
DESERT TROON PROP-SUMMMIT PRJC	10.000	6/24/2007	3,671,252.72	-
DESERT TROON EQUITY-TORREON			-	22,096.96
DESERT TROON EQUITY-LA JOLLA			12,160,000.00	1,540,678.40
TOTAL DESERT TROON SOLD			**18,831,252.72**	**1,562,775.36**
MISCELLANEOUS				
ARIZONA GROWTH PARTNERS		6/30/2023	1,000.00	17,557.31
CRYSTAL GARDENS PROPERTIES, LLC	10.000	4/20/2000	2,059,522.51	-
LAKE PLEASANT	14.000	9/15/2001	-	20,282.59
PEBBLECREEK PROPERTIES	10.000	4/1/2005	2,024,472.79	-
TALLEY PROPERTIES	12.000	12/1/2001	-	11,000,000.00
TOTAL MISCELLANEOUS SOLD			**4,084,995.30**	**11,037,839.90**
TOTAL OTHER INVESTMENTS SOLD			**34,918,654.23**	**12,600,615.26**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2002

BOND PORTFOLIO

Par Value	Security	Cpn	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM
	U.S. TREASURY OBLIGATIONS										
6,500,000	U.S. TREASURY BOND	9.375	2/15/2006	6,518,638.14	100.28674	119.15600	7,745,140.00	1,226,501.86	609,375.00	9.35	3.51
10,000,000	U.S. TREASURY BOND	9.125	5/15/2009	9,997,643.99	99.97644	111.37500	11,137,500.00	1,139,856.01	912,500.00	9.13	7.04
10,000,000	U.S. TREASURY BOND	10.375	11/15/2009	9,951,512.48	99.51512	116.12500	11,612,500.00	1,660,987.52	1,037,500.00	10.43	7.52
2,000,000	U.S. TREASURY BOND	11.750	2/15/2010	1,986,984.14	99.34921	120.75000	2,415,000.00	428,015.86	235,000.00	11.83	8.02
5,000,000	U.S. TREASURY BOND	12.750	11/15/2010	4,952,267.55	99.04535	128.37500	6,418,750.00	1,466,482.45	637,500.00	12.87	8.07
10,000,000	U.S. TREASURY BOND	7.500	11/15/2016	9,657,678.04	96.57678	120.34400	12,034,400.00	2,376,721.96	750,000.00	7.77	5.45
10,000,000	U.S. TREASURY BOND	9.125	5/15/2018	10,000,000.00	100.00000	138.21900	13,821,900.00	3,821,900.00	912,500.00	9.13	5.50
10,000,000	U.S. TREASURY BOND	8.125	8/15/2019	10,007,805.66	100.07806	128.09400	12,809,400.00	2,801,594.34	812,500.00	8.12	5.55
10,000,000	U.S. TREASURY BOND	8.000	11/15/2021	10,000,000.00	100.00000	127.90600	12,790,600.00	2,790,600.00	800,000.00	8.00	5.63
15,000,000	U.S. TREASURY BOND	10.000	5/15/2010	15,026,164.46	100.17443	117.40600	17,610,900.00	2,584,735.54	1,500,000.00	9.98	7.11
88,500,000	**TOTAL U.S. TREASURY OBLIGATIONS**			**88,098,694.46**	**99.54655**		**108,396,090.00**	**20,297,395.54**	**8,206,875.00**	**9.32**	
	FEDERAL AGENCY OBLIGATIONS										
229,959	GNMA Pool #153415	9.00	4/15/2016	219,466.99	95.43755	110.40700	253,890.56	34,423.57	20,696.29	9.43	3.84
143,001	GNMA Pool #154058	9.00	6/15/2016	138,530.01	96.87358	110.40700	157,882.92	19,352.91	12,870.07	9.29	3.84
55,861	GNMA Pool #155684	9.00	5/15/2016	51,658.79	92.47665	110.40700	61,674.94	10,016.15	5,027.53	9.73	3.84
11,213	GNMA Pool #155939	9.00	8/15/2016	10,585.46	94.40211	110.40700	12,380.11	1,794.65	1,009.18	9.53	3.84
204,978	GNMA Pool #156462	9.00	7/15/2016	198,577.41	96.87734	110.40700	226,310.26	27,732.85	18,448.04	9.29	3.84
322,523	GNMA Pool #159801	9.00	9/15/2019	313,673.76	97.25615	110.03100	354,875.65	41,201.89	29,027.10	9.25	3.84
67,718	GNMA Pool #160350	9.00	5/15/2016	66,194.08	97.75006	110.40700	74,765.07	8,570.99	6,094.59	9.21	3.84
187,559	GNMA Pool #161638	9.00	9/15/2016	174,017.41	92.78028	110.40700	207,077.85	33,060.44	16,880.28	9.70	3.84
321,033	GNMA Pool #161682	9.00	7/15/2016	319,327.06	99.46875	110.40700	354,442.40	35,115.34	28,892.93	9.05	3.84
99,617	GNMA Pool #161684	9.00	7/15/2016	97,313.28	97.68750	110.40700	109,984.05	12,670.77	8,965.52	9.21	3.84
24,791	GNMA Pool #162599	9.00	6/15/2016	23,365.07	94.25010	110.40700	27,370.45	4,005.38	2,231.15	9.55	3.84
217,741	GNMA Pool #164468	9.00	12/15/2016	201,370.73	92.48188	110.40700	240,401.03	39,030.30	19,596.67	9.73	3.84
501,871	GNMA Pool #164501	9.00	8/15/2016	490,764.21	97.78690	110.40700	554,100.84	63,336.63	45,168.40	9.20	3.84
1,302,682	GNMA Pool #164681	9.00	10/15/2016	1,272,152.33	97.65639	110.40700	1,438,252.18	166,099.85	117,241.39	9.22	3.84
283,741	GNMA Pool #164924	9.00	9/15/2016	262,516.73	92.51972	110.40700	313,270.36	50,753.63	25,536.73	9.73	3.84
287,371	GNMA Pool #165172	9.00	6/15/2016	265,750.85	92.47671	110.40700	317,277.23	51,526.38	25,863.35	9.73	3.84
216,818	GNMA Pool #168283	9.00	8/15/2016	205,573.21	94.81394	110.40700	239,381.70	33,808.49	19,513.58	9.49	3.84
149,305	GNMA Pool #172800	9.00	8/15/2016	143,566.25	96.15633	110.40700	164,843.23	21,276.98	13,437.45	9.36	3.84
635,284	GNMA Pool #173847	9.00	9/15/2016	626,747.30	98.65628	110.40700	701,397.73	74,650.43	57,175.54	9.12	3.84
212,667	GNMA Pool #174829	9.00	9/15/2016	209,809.23	98.65627	110.40700	234,799.13	24,989.90	19,140.02	9.12	3.84
39,193	GNMA Pool #175236	9.00	10/15/2016	38,800.81	99.00002	110.40700	43,271.52	4,470.71	3,527.35	9.09	3.84
8,178	GNMA Pool #175243	9.00	11/15/2016	7,718.04	94.37483	110.40700	9,029.16	1,311.12	736.03	9.54	3.84

STATE OF ARIZONA
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INVESTMENTS OWNED
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BOND PORTFOLIO

Par Value	Security	Cpn	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM
390,613	GNMA Pool #178234	9.00	11/15/2016	361,197.59	92.46932	110.40700	431,264.59	70,067.00	35,155.21	9.73	3.84
246,006	GNMA Pool #182491	9.00	12/15/2016	240,471.37	97.75003	110.40700	271,608.34	31,136.97	22,140.58	9.21	3.84
36,558	GNMA Pool #182914	9.00	10/15/2016	36,192.07	99.00002	110.40700	40,362.19	4,170.12	3,290.19	9.09	3.84
236,700	GNMA Pool #183553	9.00	8/15/2017	231,373.99	97.75001	110.40700	261,333.04	29,959.05	21,302.97	9.21	3.84
88,643	GNMA Pool #183715	9.00	11/15/2016	86,067.07	97.09382	110.40700	97,868.30	11,801.23	7,977.89	9.27	3.84
833,949	GNMA Pool #183733	9.00	1/15/2017	771,592.03	92.52272	110.40700	920,737.76	149,145.73	75,055.38	9.73	3.84
87,415	GNMA Pool #184707	9.00	12/15/2016	84,656.43	96.84380	110.40700	96,512.76	11,856.33	7,867.39	9.29	3.84
125,552	GNMA Pool #185639	9.00	11/15/2016	122,261.07	97.37847	110.40700	138,618.72	16,357.65	11,299.72	9.24	3.84
349,987	GNMA Pool #187705	9.00	1/15/2017	339,439.31	96.98621	110.40700	386,410.37	46,971.06	31,498.85	9.28	3.84
159,542	GNMA Pool #188192	9.00	5/15/2017	154,556.37	96.87508	110.40700	176,145.46	21,589.09	14,358.77	9.29	3.84
434,795	GNMA Pool #190921	9.00	12/15/2016	422,769.94	97.23440	110.40700	480,043.67	57,273.73	39,131.51	9.26	3.84
198,997	GNMA Pool #191648	9.00	5/15/2017	189,088.20	95.02041	110.40700	219,707.11	30,618.91	17,909.77	9.47	3.84
312,706	GNMA Pool #191943	9.00	7/15/2018	296,386.61	94.78136	110.40700	345,248.86	48,862.25	28,143.50	9.50	3.84
289,800	GNMA Pool #194468	9.00	12/15/2016	280,743.49	96.87501	110.40700	319,959.15	39,215.66	26,081.97	9.29	3.84
43,485	GNMA Pool #198466	9.00	2/15/2017	42,425.20	97.56255	110.40700	48,010.63	5,585.43	3,913.66	9.22	3.84
31,180	GNMA Pool #204136	9.00	5/15/2017	30,605.00	98.15622	110.40700	34,424.78	3,819.78	2,806.19	9.17	3.84
97,956	GNMA Pool #206683	9.00	4/15/2020	93,548.38	95.50002	109.40600	107,170.18	13,621.80	8,816.08	9.42	3.84
53,087	GNMA Pool #208638	9.00	5/15/2017	50,332.83	94.81263	110.40700	58,611.36	8,278.53	4,777.80	9.49	3.84
324,814	GNMA Pool #210798	9.00	7/15/2018	299,336.18	92.15628	110.40700	358,617.00	59,280.82	29,233.23	9.77	3.84
115,283	GNMA Pool #216520	9.00	5/15/2017	109,672.22	95.13319	110.40700	127,280.29	17,608.07	10,375.45	9.46	3.84
156,836	GNMA Pool #221494	9.00	7/15/2017	145,563.55	92.81256	110.40700	173,157.98	27,594.43	14,115.24	9.70	3.84
348,165	GNMA Pool #221509	9.00	12/15/2016	337,981.96	97.07509	110.40700	384,399.05	46,417.09	31,334.89	9.27	3.84
67,384	GNMA Pool #223273	9.00	4/15/2018	63,699.41	94.53128	110.40700	74,397.18	10,697.77	6,064.60	9.52	3.84
199,528	GNMA Pool #223282	9.00	5/15/2018	190,784.26	95.61793	110.40700	220,292.56	29,508.30	17,957.49	9.41	3.84
71,289	GNMA Pool #223307	9.00	4/15/2018	68,192.27	95.65632	110.40700	78,707.86	10,515.59	6,415.99	9.41	3.84
56,394	GNMA Pool #225586	9.00	5/15/2018	53,151.51	94.25003	110.40700	62,263.10	9,111.59	5,075.47	9.55	3.84
126,688	GNMA Pool #226614	10.00	11/15/2017	125,896.68	99.37502	112.87500	142,999.60	17,102.92	12,668.85	10.06	8.86
33,348	GNMA Pool #228184	9.00	5/15/2018	31,430.69	94.25009	110.40700	36,818.73	5,388.04	3,001.34	9.55	3.84
135,393	GNMA Pool #228233	9.00	5/15/2018	122,572.76	90.53137	110.40700	149,482.89	26,910.13	12,185.33	9.94	3.84
282,410	GNMA Pool #229731	9.00	7/15/2017	262,114.27	92.81339	110.40700	311,800.38	49,686.11	25,416.90	9.70	3.84
236,785	GNMA Pool #232531	9.00	10/15/2017	231,457.68	97.75001	110.40700	261,427.58	29,969.90	21,310.68	9.21	3.84
250,835	GNMA Pool #234450	9.00	4/15/2018	241,193.16	96.15629	110.40700	276,938.87	35,745.71	22,575.11	9.36	3.84
27,688	GNMA Pool #235308	10.00	10/15/2017	27,514.69	99.37499	112.87500	31,252.54	3,737.85	2,768.77	10.06	8.86
161,504	GNMA Pool #236041	10.00	11/15/2017	159,686.79	98.87502	113.95700	184,044.74	24,357.95	16,150.37	10.11	8.78
30,297	GNMA Pool #236835	10.00	11/15/2017	30,175.64	99.59914	112.87500	34,197.84	4,022.20	3,029.71	10.04	8.86
58,301	GNMA Pool #236936	9.00	4/15/2018	54,912.41	94.18752	110.40700	64,368.55	9,456.14	5,247.10	9.56	3.84
231,487	GNMA Pool #236937	9.00	4/15/2018	220,853.33	95.40631	110.40700	255,578.00	34,724.67	20,833.84	9.43	3.84
61,662	GNMA Pool #236939	9.00	4/15/2018	58,116.61	94.25004	110.40700	68,079.34	9,962.73	5,549.59	9.55	3.84

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BOND PORTFOLIO

Par Value	Security	Cpn	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM
242,617	GNMA Pool #237138	10.00	10/15/2017	241,210.09	99.41992	113.95700	276,479.59	35,269.50	24,261.75	10.06	8.78
23,308	GNMA Pool #237195	9.00	6/15/2018	19,249.80	82.59009	110.40700	25,733.27	6,483.47	2,097.69	10.90	3.84
16,742	GNMA Pool #238133	9.00	4/15/2018	16,067.92	95.97601	110.40700	18,483.90	2,415.98	1,506.74	9.38	3.84
188,956	GNMA Pool #247506	9.00	1/15/2020	184,055.38	97.40626	110.03100	207,910.63	23,855.25	17,006.08	9.24	3.84
352,929	GNMA Pool #249621	9.00	5/15/2018	327,452.58	92.78135	110.40700	389,658.69	62,206.11	31,763.64	9.70	3.84
229,665	GNMA Pool #252052	9.00	6/15/2018	217,104.90	94.53132	110.40700	253,565.70	36,460.80	20,669.81	9.52	3.84
267,212	GNMA Pool #252055	9.00	6/15/2018	246,252.83	92.15629	110.40700	295,020.95	48,768.12	24,049.10	9.77	3.84
266,842	GNMA Pool #256372	9.00	10/15/2019	261,172.04	97.87502	110.03100	293,609.35	32,437.31	24,015.82	9.20	3.84
110,984	GNMA Pool #257869	9.00	9/15/2019	107,468.82	96.83300	110.03100	122,116.44	14,647.62	9,988.53	9.29	3.84
245,306	GNMA Pool #266545	9.00	1/15/2019	227,598.18	92.78129	110.40700	270,835.14	43,236.96	22,077.55	9.70	3.84
294,369	GNMA Pool #271090	9.00	10/15/2019	288,113.90	97.87502	110.03100	323,897.36	35,783.46	26,493.23	9.20	3.84
30,278	GNMA Pool #271897	9.00	9/15/2019	32,737.79	108.12441	110.03100	33,315.07	577.28	2,725.01	8.32	3.84
248,969	GNMA Pool #273548	9.00	9/15/2019	240,955.27	96.78126	110.03100	273,942.99	32,987.72	22,407.20	9.30	3.84
462,134	GNMA Pool #274140	9.00	9/15/2019	447,403.26	96.81252	110.03100	508,490.33	61,087.07	41,592.03	9.30	3.84
170,781	GNMA Pool #277907	9.00	11/15/2019	169,500.43	99.25003	110.03100	187,912.31	18,411.88	15,370.31	9.07	3.84
141,304	GNMA Pool #282815	9.00	11/15/2019	140,089.88	99.14063	110.03100	155,478.42	15,388.54	12,717.38	9.08	3.84
67,204	GNMA Pool #284420	9.00	2/15/2020	64,516.24	96.00012	109.40600	73,525.57	9,009.33	6,048.39	9.38	3.84
288,023	GNMA Pool #285101	9.00	4/15/2020	272,902.12	94.75002	109.40600	315,114.75	42,212.63	25,922.10	9.50	3.84
154,812	GNMA Pool #285593	9.00	2/15/2020	149,814.66	96.77229	110.03100	170,340.66	20,526.00	13,933.04	9.30	3.84
354,135	GNMA Pool #286371	9.00	2/15/2020	338,737.55	95.65197	110.03100	389,658.79	50,921.24	31,872.19	9.41	3.84
294,507	GNMA Pool #286427	9.00	4/15/2020	281,254.01	95.50004	109.40600	322,207.99	40,953.98	26,505.60	9.42	3.84
122,070	GNMA Pool #287851	9.00	4/15/2020	118,082.09	96.73281	109.40600	133,552.30	15,470.21	10,986.33	9.30	3.84
205,017	GNMA Pool #290000	9.00	4/15/2020	205,016.67	100.00000	109.40600	224,300.54	19,283.87	18,451.50	9.00	3.84
100,177	GNMA Pool #290057	9.00	6/15/2020	100,177.16	100.00000	109.40600	109,599.82	9,422.66	9,015.94	9.00	3.84
201,565	GNMA Pool #291136	9.00	5/15/2020	189,344.88	93.93760	109.40600	220,523.68	31,178.80	18,140.81	9.58	3.84
136,467	GNMA Pool #295076	9.00	12/15/2020	136,423.96	99.96875	109.40600	149,302.65	12,878.69	12,281.99	9.00	3.84
157,671	GNMA Pool #297590	9.00	3/15/2021	157,621.32	99.96876	109.40600	172,501.06	14,879.74	14,190.35	9.00	3.84
75,920	GNMA Pool #298952	9.00	4/15/2021	75,919.93	100.00000	109.53100	83,155.86	7,235.93	6,832.79	9.00	3.84
551,017	GNMA Pool #319521	8.00	2/15/2022	547,400.54	99.34375	107.87500	594,409.12	47,008.58	44,081.33	8.05	3.62
6,508,907	GNMA Pool #337419	7.00	6/15/2023	6,109,314.71	93.86084	104.40600	6,795,689.20	686,374.49	455,623.47	7.46	5.28
2,220,808	GNMA Pool #345731	8.00	5/15/2024	2,206,234.07	99.34375	107.62400	2,390,122.50	183,888.43	177,664.65	8.05	3.62
683,604	GNMA Pool #348865	8.00	6/15/2023	679,117.59	99.34375	107.74900	736,576.18	57,458.59	54,688.30	8.05	3.62
588,571	GNMA Pool #352219	8.00	4/15/2023	584,723.61	99.34640	107.74900	634,178.83	49,455.22	47,085.64	8.05	3.62
3,502,569	GNMA Pool #352964	7.00	5/15/2024	3,277,286.80	93.56809	104.37500	3,655,806.13	378,519.33	245,179.81	7.48	5.28
5,488,268	GNMA Pool #366756	7.00	3/15/2024	5,135,061.50	93.56434	104.37500	5,728,379.22	593,317.72	384,178.73	7.48	5.28
2,963,579	GNMA Pool #371734	7.00	4/15/2024	2,772,798.85	93.56250	104.37500	3,093,235.86	320,437.01	207,450.55	7.48	5.28
5,950,615	GNMA Pool #377589	7.50	8/15/2025	5,933,879.07	99.71875	106.43700	6,333,656.22	399,777.15	446,296.13	7.52	4.10
2,104,806	GNMA Pool #386030	7.00	5/15/2024	1,969,763.05	93.58409	104.37500	2,196,890.75	227,127.70	147,336.39	7.48	5.28

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1,811,308	GNMA Pool #398831	8.00	8/15/2026	1,808,485.17	99.84416	107.00000	1,938,099.38	129,614.21	144,904.63	8.01	3.62
738,630	GNMA Pool #402544	7.50	4/15/2026	736,437.25	99.70313	106.28100	785,023.35	48,586.10	55,397.25	7.52	4.10
1,885,687	GNMA Pool #403979	8.50	10/15/2024	1,853,578.34	98.29726	107.93700	2,035,353.59	181,775.25	160,283.36	8.65	3.68
3,007,480	GNMA Pool #405618	7.50	4/15/2026	3,003,728.13	99.87526	106.28100	3,196,379.52	192,651.39	225,560.98	7.51	4.10
1,633,726	GNMA Pool #417666	7.50	8/15/2025	1,628,892.69	99.70415	106.43700	1,738,889.02	109,996.33	122,529.46	7.52	4.10
1,672,517	GNMA Pool #421711	7.50	4/15/2026	1,670,428.32	99.87509	106.28100	1,777,568.30	107,139.98	125,438.81	7.51	4.10
1,958,591	GNMA Pool #429356	7.50	3/15/2026	1,952,776.50	99.70313	106.28100	2,081,610.05	128,833.55	146,894.32	7.52	4.10
850,796	GNMA Pool #430384	8.00	8/15/2026	849,466.97	99.84381	107.00000	910,351.56	60,884.59	68,063.67	8.01	3.62
2,134,754	GNMA Pool #432701	8.00	6/15/2026	2,134,753.72	100.00000	107.00000	2,284,186.48	149,432.76	170,780.30	8.00	3.62
3,043,019	GNMA Pool #433892	7.00	7/15/2028	2,987,943.39	98.19009	103.93700	3,162,823.04	174,879.65	213,011.36	7.13	5.28
984,660	GNMA Pool #434101	7.00	12/15/2028	965,289.28	98.03275	103.93700	1,023,426.11	58,136.83	68,926.20	7.14	5.28
272,390	GNMA Pool #438772	8.00	8/15/2026	271,964.20	99.84375	107.00000	291,457.09	19,492.89	21,791.18	8.01	3.62
609,897	GNMA Pool #438778	8.00	8/15/2026	608,970.51	99.84813	107.00000	652,589.51	43,619.00	48,791.74	8.01	3.62
1,838,174	GNMA Pool #439645	8.00	9/15/2026	1,837,025.75	99.93752	107.00000	1,966,846.45	129,820.70	147,053.94	8.01	3.62
690,108	GNMA Pool #441619	7.50	11/15/2029	687,426.87	99.61148	105.46900	727,850.11	40,423.24	51,758.11	7.53	4.10
2,609,506	GNMA Pool #450368	7.00	8/15/2028	2,562,259.32	98.18944	103.93700	2,712,242.38	149,983.06	182,665.43	7.13	5.28
1,297,172	GNMA Pool #458918	7.00	8/15/2028	1,273,909.85	98.20668	103.93700	1,348,241.92	74,332.07	90,802.06	7.13	5.28
7,961,783	GNMA Pool #464692	7.00	7/15/2028	7,778,682.21	97.70025	103.93700	8,275,238.82	496,556.61	557,324.84	7.16	5.28
3,295,217	GNMA Pool #466888	7.00	7/15/2028	3,235,532.67	98.18876	103.93700	3,424,949.82	189,417.15	230,665.20	7.13	5.28
9,574,164	GNMA Pool #469797	7.00	12/15/2028	9,386,444.49	98.03932	103.93700	9,951,098.44	564,653.95	670,191.45	7.14	5.28
4,989,648	GNMA Pool #470493	7.00	6/15/2029	4,953,901.15	99.28359	103.81200	5,179,852.87	225,951.72	349,275.33	7.05	5.28
2,470,957	GNMA Pool #472997	7.00	6/15/2029	2,457,832.14	99.46882	103.81200	2,565,150.34	107,318.20	172,967.02	7.04	5.28
2,852,512	GNMA Pool #478875	7.50	11/15/2029	2,841,406.76	99.61068	105.63700	3,013,308.36	171,901.60	213,938.42	7.53	4.10
2,629,657	GNMA Pool #478881	7.50	11/15/2029	2,619,384.88	99.60937	105.46900	2,773,472.92	154,088.04	197,224.27	7.53	4.10
4,579,711	GNMA Pool #482784	7.00	10/15/2028	4,546,817.66	99.28177	103.93700	4,760,013.85	213,196.19	320,579.74	7.05	5.28
4,264,363	GNMA Pool #485451	6.50	5/15/2031	4,248,433.96	99.62647	102.00000	4,349,649.96	101,216.00	277,183.58	6.52	5.95
4,744,149	GNMA Pool #486539	7.00	9/15/2028	4,710,063.38	99.28152	103.93700	4,930,926.49	220,863.11	332,090.45	7.05	5.28
873,706	GNMA Pool #486761	7.00	12/15/2028	856,518.78	98.03286	104.11000	909,615.14	53,096.36	61,159.41	7.14	5.28
1,419,550	GNMA Pool #487221	7.00	5/15/2029	1,359,295.40	95.75539	103.81200	1,473,662.91	114,367.51	99,368.48	7.31	5.28
7,825,526	GNMA Pool #487222	7.00	5/15/2029	7,506,844.84	95.92767	103.81200	8,123,835.18	616,990.34	547,786.83	7.30	5.28
5,619,665	GNMA Pool #493996	7.00	7/15/2029	5,381,370.72	95.75963	103.81200	5,833,886.80	452,516.08	393,376.56	7.31	5.28
5,006,642	GNMA Pool #499876	7.00	6/15/2029	4,980,055.83	99.46899	103.81200	5,197,494.84	217,439.01	350,464.92	7.04	5.28
3,615,395	GNMA Pool #500931	7.00	6/15/2029	3,596,213.37	99.46944	103.81200	3,753,214.19	157,000.82	253,077.67	7.04	5.28
12,841,345	GNMA Pool #503019	6.00	3/15/2029	11,892,434.02	92.61050	100.28100	12,877,429.57	984,995.55	770,480.72	6.48	6.06
631,382	GNMA Pool #504418	7.00	6/15/2029	628,027.71	99.46875	103.81200	655,450.18	27,422.47	44,196.73	7.04	5.28
10,036,332	GNMA Pool #505728	7.00	6/15/2029	9,983,036.89	99.46898	103.81200	10,418,916.67	435,879.78	702,543.22	7.04	5.28
1,966,350	GNMA Pool #506075	7.00	11/15/2029	1,886,159.50	95.92188	103.81200	2,041,306.83	155,147.33	137,644.47	7.30	5.28
4,589,882	GNMA Pool #509328	7.00	6/15/2029	4,449,380.06	96.93887	103.81200	4,764,848.42	315,468.36	321,291.75	7.22	5.28

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1,245,062	GNMA Pool #510100	7.00	7/15/2029	1,222,514.46	98.18905	103.81200	1,292,523.73	70,009.27	87,154.34	7.13	5.28
1,653,323	GNMA Pool #510302	7.00	8/15/2029	1,585,930.36	95.92380	104.06800	1,720,580.33	134,649.97	115,732.62	7.30	5.28
4,118,065	GNMA Pool #510958	7.00	5/15/2029	4,088,470.61	99.28136	103.81200	4,275,045.42	186,574.81	288,264.54	7.05	5.28
1,324,457	GNMA Pool #510983	7.00	6/15/2029	1,270,473.96	95.92416	103.81200	1,374,944.98	104,471.02	92,711.97	7.30	5.28
2,481,033	GNMA Pool #512888	7.00	7/15/2029	2,405,102.08	96.93955	103.81200	2,575,609.87	170,507.79	173,672.30	7.22	5.28
4,643,698	GNMA Pool #512915	7.00	7/15/2029	4,501,590.65	96.93979	103.81200	4,820,715.43	319,124.78	325,058.84	7.22	5.28
1,633,592	GNMA Pool #513367	7.00	8/15/2029	1,564,219.71	95.75340	104.06800	1,700,046.25	135,826.54	114,351.42	7.31	5.28
1,156,434	GNMA Pool #520045	6.50	6/15/2031	1,151,285.10	99.55474	102.00000	1,179,562.91	28,277.81	75,168.23	6.53	5.95
10,759,325	GNMA Pool #530203	6.50	4/15/2031	10,732,428.45	99.75001	102.00000	10,974,511.66	242,083.21	699,356.14	6.52	5.95
18,770,646	GNMA Pool #530611	6.50	5/15/2031	18,754,515.05	99.91406	102.00000	19,146,058.98	391,543.93	1,220,091.99	6.51	5.95
8,123,123	GNMA Pool #530631	6.50	6/15/2031	8,086,951.15	99.55470	102.00000	8,285,585.87	198,634.72	528,003.02	6.53	5.95
5,583,070	GNMA Pool #541464	6.50	6/15/2031	5,558,210.43	99.55473	102.00000	5,694,731.32	136,520.89	362,899.54	6.53	5.95
4,935,862	GNMA Pool #549889	6.50	5/15/2031	4,917,352.08	99.62500	102.00000	5,034,578.77	117,226.69	320,831.00	6.52	5.95
4,586,888	GNMA Pool #549890	6.50	4/15/2031	4,569,695.08	99.62517	102.00000	4,678,625.82	108,930.74	298,147.72	6.52	5.95
2,388,654	GNMA Pool #549915	6.50	5/15/2031	2,379,705.92	99.62540	102.00000	2,436,426.86	56,720.94	155,262.50	6.52	5.95
39,815,155	GNMA Pool #552518	6.50	4/15/2032	39,678,292.10	99.65625	102.00000	40,611,457.90	933,165.80	2,587,985.06	6.52	5.95
6,645,869	GNMA Pool #557424	6.50	5/15/2031	6,616,286.47	99.55487	102.00000	6,778,786.56	162,500.09	431,981.50	6.53	5.95
7,139,223	GNMA Pool #557467	6.50	5/15/2031	7,107,467.00	99.55518	102.00000	7,282,007.81	174,540.81	464,049.52	6.53	5.95
6,747,152	GNMA Pool #560189	6.50	4/15/2031	6,730,284.14	99.75000	102.23600	6,898,018.33	167,734.19	438,564.88	6.52	5.95
10,392,624	GNMA Pool #780076	8.00	2/15/2025	10,213,417.81	98.27564	107.62400	11,184,957.26	971,539.45	831,409.89	8.14	3.62
12,481,718	GNMA Pool #780220	7.50	8/15/2025	12,477,698.27	99.96779	106.39000	13,279,300.09	801,601.82	936,128.87	7.50	4.10
3,070,630	GNMA Pool #781129	7.00	11/15/2028	3,018,864.51	98.31418	104.14800	3,197,999.42	179,134.91	214,944.08	7.12	5.28
337,050,822	**TOTAL FEDERAL AGENCY OBLIGATIONS**			**331,239,243.55**	**98.27576**		**350,314,333.57**	**19,075,090.02**	**23,641,678.30**	**7.14**	
	CORPORATE BONDS										
10,500,000	AGL CAPITAL TRUST	8.17	6/1/2037	10,685,894.37	101.77042	97.72500	10,261,125.00	(424,769.37)	857,850.00	8.03	8.37
16,000,000	AMERICAN UNITED LIFE INS CO	7.75	3/30/2026	15,312,240.62	95.70150	87.70200	14,032,320.00	(1,279,920.62)	1,240,000.00	8.10	9.01
29,000,000	ANTHEM INSURANCE COMPANY INC	9.00	4/1/2027	30,336,449.84	104.60845	111.00900	32,192,610.00	1,856,160.16	2,610,000.00	8.60	7.98
3,500,000	AT&T CORPORATES	8.35	1/15/2025	3,549,731.51	101.42090	76.17700	2,666,195.00	(883,536.51)	292,250.00	8.23	11.29
9,500,000	AT&T CORPORATES	6.50	3/15/2029	8,401,033.46	88.43193	65.13900	6,188,205.00	(2,212,828.46)	617,500.00	7.35	10.39
5,000,000	AXA SA	8.60	12/15/2030	5,413,037.81	108.26076	115.01800	5,750,900.00	337,862.19	430,000.00	7.94	7.34
76,038	AUTO BOND RECEIVABLE TRUST	6.40	4/15/2001	76,037.67	100.00000	99.87500	75,942.62	(95.05)	4,866.41	6.40	-
163,008	AUTO BOND RECEIVABLE TRUST	7.10	6/15/2021	163,007.57	100.00000	99.99800	163,004.31	(3.26)	11,573.54	7.10	7.10
10,000,000	BANKERS TRUST	7.75	12/1/2026	9,759,302.51	97.59303	100.30700	10,030,700.00	271,397.49	775,000.00	7.94	7.72
12,000,000	BANKERS TRUST CORP 144A	8.09	12/1/2026	12,000,000.00	100.00000	104.01700	12,482,040.00	482,040.00	970,800.00	8.09	7.72
4,985,950	CONTINENTAL AIRLINES	8.05	11/1/2020	5,135,199.93	102.99342	102.05600	5,088,460.84	(46,739.09)	401,269.23	7.81	7.84
10,500,000	COUNTRYWIDE CAPITAL I	8.00	12/15/2026	10,500,000.00	100.00000	98.88300	10,382,715.00	(117,285.00)	840,000.00	8.00	8.11

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10,000,000	DELTA AIRLINES SERIES 01-1B	7.71	9/18/2011	9,952,977.95	99.52978	103.85400	10,385,400.00	432,422.05	771,100.00	7.75	7.12
5,000,000	DELTA FUNDING	7.60	1/15/2030	4,930,561.22	98.61122	105.31000	5,265,500.00	334,938.78	380,000.00	7.71	7.16
5,000,000	DISCOVER CREDIT	9.10	4/13/2012	5,000,000.00	100.00000	118.76100	5,938,050.00	938,050.00	455,000.00	9.10	6.52
19,000,000	FARMERS INSURANCE EXCHANGE	8.63	5/1/2024	17,706,534.68	93.19229	93.52400	17,769,560.00	63,025.32	1,638,750.00	9.26	9.32
3,551,757	FHR 2301 KA	6.50	4/15/2031	3,534,414.73	99.51173	100.41700	3,566,567.68	32,152.95	230,864.20	6.53	6.47
8,000,000	FIRST EMPIRE CAPITAL TRUST I	8.23	2/1/2027	8,599,878.42	107.49848	103.75400	8,300,320.00	(299,558.42)	658,720.00	7.66	7.89
10,000,000	FIRST EMPIRE CAPITAL TRUST I	8.28	6/1/2027	10,496,834.02	104.96834	104.39400	10,439,400.00	(57,434.02)	827,700.00	7.89	7.87
14,000,000	FIRST HAWAIIAN CAPITAL TRUST	8.34	7/1/2027	14,740,541.34	105.28958	105.69400	14,797,160.00	56,618.66	1,168,020.00	7.92	7.82
4,000,000	FIRST UNION CAPITAL II	7.95	11/15/2029	3,625,355.07	90.63388	107.82600	4,313,040.00	687,684.93	318,000.00	8.77	7.29
5,568,750	FIRSTPLUS HOME IMPROVEMENT	8.30	2/20/2022	5,559,713.15	99.83772	101.47300	5,650,777.69	91,064.54	462,206.25	8.31	8.15
7,488,000	FORD HOLDINGS INC	9.38	3/1/2020	8,414,220.54	112.36940	114.09800	8,543,658.24	129,437.70	702,000.00	8.34	7.88
5,000,000	FORD MOTOR COMPANY	9.50	9/15/2011	4,998,112.62	99.96225	113.07200	5,653,600.00	655,487.38	475,000.00	9.50	7.48
8,500,000	FORD MOTOR CREDIT	7.25	10/25/2011	8,648,444.60	101.74641	99.93700	8,494,645.00	(153,799.60)	616,250.00	7.13	7.26
17,000,000	GENERAL AMERICAN LIFE INSUR. CO	7.63	1/15/2024	15,196,084.82	89.38873	103.25400	17,553,180.00	2,357,095.18	1,296,250.00	8.53	7.32
5,000,000	GM ACCEPTANCE CORP.	8.00	11/1/2031	4,999,312.86	99.98626	102.54200	5,127,100.00	127,787.14	400,000.00	8.00	7.78
10,000,000	GOLDMAN SACHS GROUP INC.	8.00	3/1/2013	9,972,457.78	99.72458	111.19000	11,119,000.00	1,146,542.22	800,000.00	8.02	6.51
14,000,000	GOODRICH CORPORATION	7.10	11/15/2027	12,741,431.35	91.01022	94.56000	13,238,400.00	496,968.65	994,000.00	7.80	7.59
9,780,000	GTE CORPORATION	7.90	2/1/2027	9,567,631.88	97.82855	94.97300	9,288,359.40	(279,272.48)	772,620.00	8.08	8.39
3,500,000	HUNTINGTON BANKS SUB NTS	6.60	6/15/2018	3,209,168.68	91.69053	97.26200	3,404,170.00	195,001.32	231,000.00	7.20	6.88
15,000,000	J. HANCOCK MUTUAL LIFE INS CO	7.38	2/15/2024	14,149,247.73	94.32832	104.45500	15,668,250.00	1,519,002.27	1,106,250.00	7.82	6.97
14,666,000	JPM CAPITAL TRUST II	7.95	2/1/2027	15,329,476.11	104.52391	103.46200	15,173,736.92	(155,739.19)	1,165,947.00	7.61	7.64
7,000,000	KEY CORP CAPITAL III	7.75	7/15/2029	6,689,099.93	95.55857	99.60300	6,972,210.00	283,110.07	542,500.00	8.11	7.79
14,000,000	LIBERTY MUTUAL INSURANCE	7.88	10/15/2026	13,183,668.88	94.16906	91.95800	12,874,120.00	(309,548.88)	1,102,500.00	8.36	8.67
18,000,000	LUMBERMANS MUTUAL CAS. CO	9.15	7/1/2026	20,215,412.48	112.30785	90.88100	16,358,580.00	(3,856,832.48)	1,647,000.00	8.15	10.17
12,000,000	LUMBERMANS MUTUAL CAS. CO	8.30	12/1/2037	12,912,537.29	107.60448	82.13000	9,855,600.00	(3,056,937.29)	996,000.00	7.71	10.17
10,000,000	MERRILL LYNCH & COMPANY	8.00	6/1/2007	10,000,000.00	100.00000	112.28000	11,228,000.00	1,228,000.00	800,000.00	8.00	5.18
2,000,000	NATIONAL RURAL UTILITIES	8.00	3/1/2032	2,022,747.25	101.13736	108.36700	2,167,340.00	144,592.75	160,000.00	7.91	7.31
25,315,000	NATIONWIDE MUTUAL INS CO	7.50	2/15/2024	24,446,188.47	96.56800	96.35200	24,391,508.80	(54,679.67)	1,898,625.00	7.77	7.85
15,000,000	NEW ENGLAND MUT. LIFE INS. CO.	7.88	2/15/2024	14,844,445.58	98.96297	105.94400	15,891,600.00	1,047,154.42	1,181,250.00	7.96	7.32
3,710,027	NORTHWEST AIRLINES	7.94	4/1/2019	4,051,521.91	109.20466	105.92500	3,929,845.76	(121,676.15)	294,390.62	7.27	7.32
17,000,000	PMI CAPITAL	8.31	2/1/2027	17,489,534.44	102.87961	93.08300	15,824,110.00	(1,665,424.44)	1,412,530.00	8.08	9.01
5,000,000	PORTLAND GE (ENRON)	7.75	4/15/2023	4,999,048.91	99.98098	82.90500	4,145,250.00	(853,798.91)	387,500.00	7.75	9.67
23,200,000	PRINCIPAL MUTUAL LIFE INSUR. CO	7.88	3/1/2024	22,754,174.24	98.07834	103.70100	24,058,632.00	1,304,457.76	1,827,000.00	8.03	7.53
10,000,000	PRUDENTIAL FUNDING	6.75	9/15/2023	8,586,577.23	85.86577	93.36600	9,336,600.00	750,022.77	675,000.00	7.86	7.38
9,000,000	PRUDENTIAL INSUR. CO	8.30	7/1/2025	8,836,042.67	98.17825	109.61400	9,865,260.00	1,029,217.33	747,000.00	8.45	7.42
16,000,000	ROCKWELL INTERNATIONAL	6.70	1/15/2028	14,638,018.18	91.48761	95.48100	15,276,960.00	638,941.82	1,072,000.00	7.32	7.09
3,000,000	ROYAL & SUN ALLIANCE INSUR.	8.95	10/15/2029	3,282,782.68	109.42609	107.70000	3,231,000.00	(51,782.68)	268,500.00	8.18	8.24
12,825,000	SAFECO CAPITAL TRUST	8.07	7/15/2037	12,903,492.36	100.61203	94.86000	12,165,795.00	(737,697.36)	1,035,234.00	8.02	8.54

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2002

BOND PORTFOLIO

Par Value	Security	Cpn	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM
5,000,000	SEARS ROEBUCK & CO.	9.38	11/1/2011	5,000,000.00	100.00000	119.05300	5,952,650.00	952,650.00	468,750.00	9.38	6.64
12,000,000	SECURITY MUTUAL LIFE NY	9.38	12/15/2016	13,186,446.60	109.88706	102.40000	12,288,000.00	(898,446.60)	1,125,000.00	8.53	9.07
7,487,575	SECURITY NATIONAL MTG. 99-1	8.35	9/25/2030	7,487,575.00	100.00000	102.68000	7,688,242.01	200,667.01	625,437.14	8.35	8.11
15,716,891	SECURITY NATIONAL MTG. LOAN	7.87	8/25/2030	15,716,891.21	100.00000	105.98400	16,657,389.98	940,498.77	1,236,919.34	7.87	7.37
15,000,000	SOUTHERN CO. CAPITAL TRUST	8.19	2/1/2037	16,107,519.78	107.38347	101.93000	15,289,500.00	(818,019.78)	1,228,500.00	7.63	8.02
16,000,000	STANDARD CHARTERED BANK	8.00	5/30/2031	16,796,574.73	104.97859	102.61100	16,417,760.00	(378,814.73)	1,280,000.00	7.62	7.77
7,875,000	TRANSAMERICA CAPITAL II	7.65	12/1/2026	7,994,064.67	101.51193	102.55600	8,076,285.00	82,220.33	602,437.50	7.54	7.42
6,000,000	TYCO INTERNATIONAL GROUP	6.88	1/15/2029	5,392,275.66	89.87126	71.00000	4,260,000.00	(1,132,275.66)	412,500.00	7.65	10.02
3,000,000	UNION CARBIDE CORP	7.88	4/1/2023	2,900,737.80	96.69126	98.08200	2,942,460.00	41,722.20	236,250.00	8.14	8.07
5,775,000	UNION CARBIDE CORP	7.50	6/1/2025	5,431,729.56	94.05592	94.39400	5,451,253.50	19,523.94	433,125.00	7.97	8.04
11,500,000	UNION CENTRAL LIFE	8.20	11/1/2026	12,174,290.23	105.86339	100.80300	11,592,345.00	(581,945.23)	943,000.00	7.75	8.12
13,500,000	US WEST COMMUNICATIONS	7.50	6/15/2023	12,891,597.40	95.49331	70.19000	9,475,650.00	(3,415,947.40)	1,012,500.00	7.85	11.22
17,000,000	USF&G CAPITAL II, SERIES B	8.47	1/10/2027	18,456,495.29	108.56762	100.50500	17,085,850.00	(1,370,645.29)	1,439,900.00	7.80	8.42
21,000,000	WORLDCOM INC.	8.25	5/15/2031	21,440,396.53	102.09713	15.75000	3,307,500.00	(18,132,896.53)	1,732,500.00	8.08	52.38
14,000,000	XEROX CAPITAL TRUST I CAP SEC.	8.00	7/1/2027	14,699,048.39	104.99320	42.00000	5,880,000.00	(8,819,048.39)	1,120,000.00	7.62	19.32
11,000,000	ZURICH CAPITAL TRUST I	8.38	6/1/2037	11,141,663.56	101.28785	94.67700	10,414,470.00	(727,193.56)	921,360.00	8.27	8.87
690,183,995	**TOTAL CORPORATE BONDS**			**691,376,933.75**	**100.17284**		**659,355,859.75**	**(32,021,074.00)**	**55,385,995.23**	**8.01**	
1,115,734,817	**BOND PORTFOLIO TOTALS**			**1,110,714,871.76**	**99.55008**		**1,118,066,283.32**	**7,351,411.56**	**87,234,548.53**	**7.85**	

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2002

CORPORATE NOTES

Date Acquired	Description	Interest Rate	Maturity Date	Cost	Amount of Interest	Maturity Value
6/24/2002	TRANSAMERICA ASSET FUNDING	1.81	7/1/2002	29,739,529.65	10,470.35	29,750,000.00
6/28/2002	EMINENT FUNDING	2.10	7/1/2002	4,499,212.50	787.50	4,500,000.00
6/26/2002	NEPTUNE FUNDING	1.86	7/2/2002	8,497,365.00	2,635.00	8,500,000.00
6/27/2002	STARBIRD FUNDING CORPORATION	1.93	7/2/2002	19,994,638.89	5,361.11	20,000,000.00
6/24/2002	BEETHOVEN FUNDING CORPORATIOI	1.83	7/8/2002	29,728,827.92	21,172.08	29,750,000.00
6/25/2002	WORLD OMNI VEHICLE LEASING	1.84	7/9/2002	14,989,266.67	10,733.33	15,000,000.00
6/25/2002	THUNDER BAY FUNDING	1.82	7/9/2002	13,990,091.11	9,908.89	14,000,000.00
6/27/2002	THREE CROWNS FUNDING	1.85	7/10/2002	13,990,647.22	9,352.78	14,000,000.00
	TOTALS			**135,429,578.96**	**70,421.04**	**135,500,000.00**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2002

COMMON STOCK PORTFOLIO

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
1,000,000	ABBOTT LABORATORIES	0.94	14.0629	14,062,899.69	37.6500	37,650,000.00	940,000.00	23,587,100.31
700,000	ADOBE SYSTEMS	0.05	39.8393	27,887,502.00	28.5000	19,950,000.00	35,000.00	(7,937,502.00)
200,000	ALBERTO CULVER CO	0.36	54.3181	10,863,626.30	47.8000	9,560,000.00	72,000.00	(1,303,626.30)
850,000	ALLSTATE CORPORATION	0.84	21.8064	18,535,466.80	36.9800	31,433,000.00	714,000.00	12,897,533.20
500,000	ALLTEL CORPORATION	1.36	64.7939	32,396,974.77	47.0000	23,500,000.00	680,000.00	(8,896,974.77)
800,000	AMERICAN EXPRESS	0.32	35.1221	28,097,707.91	36.3200	29,056,000.00	256,000.00	958,292.09
1,100,000	AMERICAN INT'L GROUP	0.19	25.9960	28,595,545.15	68.2300	75,053,000.00	209,000.00	46,457,454.85
150,000	AMERICAN STANDARD COMPANY INC	-	76.5617	11,484,254.70	75.1000	11,265,000.00	-	(219,254.70)
1,200,000	AMGEN	-	38.5470	46,256,362.66	41.8800	50,256,000.00	-	3,999,637.34
650,000	ANALOG DEVICES, INC.	-	77.8881	50,627,241.60	29.7000	19,305,000.00	-	(31,322,241.60)
1,155,000	APACHE CORPORATION	0.40	48.3795	55,878,319.25	57.4800	66,389,400.00	462,000.00	10,511,080.75
2,900,000	APPLIED MATERIALS	-	8.9256	25,884,210.57	19.0200	55,158,000.00	-	29,273,789.43
400,000	BIOGEN INC	-	52.4182	20,967,296.58	41.4300	16,572,000.00	-	(4,395,296.58)
1,500,000	BJ SERVICES COMPANY	-	38.1459	57,218,825.77	33.8800	50,820,000.00	-	(6,398,825.77)
750,000	BJ'S WHOLESALE CLUB, INC.	-	40.1521	30,114,059.07	38.5000	28,875,000.00	-	(1,239,059.07)
900,000	BROADWING INC.	-	24.6128	22,151,508.53	2.6000	2,340,000.00	-	(19,811,508.53)
1,100,000	CABLEVISION SYSTEMS CORP	-	44.7861	49,264,696.71	9.4600	10,406,000.00	-	(38,858,696.71)
350,000	CANADIAN NATIONAL RAILWAY	0.55	47.1904	16,516,647.90	51.8000	18,130,000.00	192,500.00	1,613,352.10
200,000	CHEVRONTEXACO CORP	2.80	83.6970	16,739,398.40	88.5000	17,700,000.00	560,000.00	960,601.60
533,333	CHOICEPOINT INCORPORATED	-	39.0997	20,853,162.66	45.4700	24,250,651.51	-	3,397,488.85
3,000,000	CISCO SYSTEMS	-	8.6518	25,955,356.26	13.9500	41,850,000.00	-	15,894,643.74
1,866,666	CITIGROUP, INC.	0.72	42.8147	79,920,800.75	38.7500	72,333,307.50	1,343,999.52	(7,587,493.25)
1,900,000	COMCAST CORP.	-	31.8365	60,489,323.64	23.8400	45,296,000.00	-	(15,193,323.64)
200,000	CONSTELLATION ENERGY GROUP INC	0.96	43.8045	8,760,900.00	29.3400	5,868,000.00	192,000.00	(2,892,900.00)
2,600,000	COVAD COMMUNICATIONS GROUP	-	40.1376	104,357,655.10	1.1800	3,068,000.00	-	(101,289,655.10)
1,500,000	CYTYC CORPORATION	-	18.3668	27,550,221.65	7.6200	11,430,000.00	-	(16,120,221.65)
550,000	ELECTRONICS BOUTIQUE HOLDINGS CORP.	-	36.6234	20,142,861.64	29.3000	16,115,000.00	-	(4,027,861.64)
1,600,000	EMC CORP	-	11.3255	18,120,841.34	7.5500	12,080,000.00	-	(6,040,841.34)
1,190,000	EXPRESS SCRIPTS	-	23.9680	28,521,926.76	50.1100	59,630,900.00	-	31,108,973.24
1,790,112	EXXON MOBIL CORP	0.92	35.0142	62,679,368.88	40.9200	73,251,383.04	1,646,903.04	10,572,014.16
400,000	FLEETBOSTON FINANCIAL CORPORATION	1.40	37.8537	15,141,486.40	32.3500	12,940,000.00	560,000.00	(2,201,486.40)
151,700	FORTUNE BRANDS, INC.	1.00	51.9508	7,880,931.35	56.0000	8,495,200.00	151,700.00	614,268.65
200,000	GENENTECH, INC.	-	45.0459	9,009,180.00	33.5000	6,700,000.00	-	(2,309,180.00)
400,000	GENZYME CORPORATION	-	57.5662	23,026,473.30	19.2400	7,696,000.00	-	(15,330,473.30)
650,000	GLOBALSANTAFE CORP	0.13	34.6204	22,503,266.27	27.3500	17,777,500.00	84,500.00	(4,725,766.27)
200,000	HEALTHSOUTH CORP	-	15.0274	3,005,480.00	12.7900	2,558,000.00	-	(447,480.00)
1,450,000	HOME DEPOT	0.20	10.2271	14,829,347.27	36.7300	53,258,500.00	290,000.00	38,429,152.73
1,600,000	INTEL CORPORATION	0.08	22.4984	35,997,383.74	18.2700	29,232,000.00	128,000.00	(6,765,383.74)
400,000	INTERNATIONAL BUSINESS MACH.	0.60	24.4101	9,764,037.42	72.0000	28,800,000.00	240,000.00	19,035,962.58
800,000	JABIL CIRCUIT	-	20.4064	16,325,115.07	21.1100	16,888,000.00	-	562,884.93

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2002

COMMON STOCK PORTFOLIO

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
300,000	JACOBS ENGINEERING GROUP INC.	-	30.1908	9,057,238.24	34.7800	10,434,000.00	-	1,376,761.76
1,100,000	JDS UNIPHASE CORPORATION	-	70.6241	77,686,495.95	2.6700	2,937,000.00	-	(74,749,495.95)
200,000	JOHNSON & JOHNSON CO	0.82	53.8504	10,770,080.00	52.2600	10,452,000.00	164,000.00	(318,080.00)
900,000	JP MORGAN CHASE & CO	1.36	30.2955	27,265,964.00	33.9200	30,528,000.00	1,224,000.00	3,262,036.00
600,000	KIMBERLY-CLARK CORPORATION	1.20	54.5612	32,736,715.73	62.0000	37,200,000.00	720,000.00	4,463,284.27
400,000	KINDER MORGAN, INC.	0.40	54.0842	21,633,690.00	38.0200	15,208,000.00	160,000.00	(6,425,690.00)
94,300	LANDSTAR SYSTEMS, INC	-	105.3008	9,929,867.20	106.8500	10,075,955.00	-	146,087.80
350,000	LENNAR CORPORATION	0.05	43.6222	15,267,777.20	61.2000	21,420,000.00	17,500.00	6,152,222.80
500,000	LEXMARK INTERNATIONAL GROUP	-	72.5137	36,256,835.90	54.4000	27,200,000.00	-	(9,056,835.90)
1,300,000	LSI LOGIC	-	38.0309	49,440,142.40	8.7500	11,375,000.00	-	(38,065,142.40)
1,650,000	MBNA CORP	0.28	15.1217	24,950,805.00	33.0700	54,565,500.00	462,000.00	29,614,695.00
375,000	MEDIMMUNE, INC.	-	58.6045	21,976,699.00	26.4000	9,900,000.00	-	(12,076,699.00)
300,000	MICROCHIP TECHNOLOGY INC.	-	25.8575	7,757,259.00	27.4300	8,229,000.00	-	471,741.00
1,000,000	MICROSOFT CORPORATION	-	80.2877	80,287,734.56	54.7000	54,700,000.00	-	(25,587,734.56)
194,260	MOHAWK INDUSTRIES	-	71.1180	13,815,385.70	61.5300	11,952,817.80	-	(1,862,567.90)
400,000	MOODY'S CORPORATION	0.18	35.9570	14,382,784.57	49.7500	19,900,000.00	72,000.00	5,517,215.43
600,000	NABORS INDUSTRIES, LTD	-	54.6005	32,760,295.30	35.3000	21,180,000.00	-	(11,580,295.30)
350,000	NATIONAL-OILWELL, INC.	-	39.0007	13,650,245.42	21.0500	7,367,500.00	-	(6,282,745.42)
250,000	NEWS CORPORATION	0.05	21.7683	5,442,067.92	22.9300	5,732,500.00	12,500.00	290,432.08
700,000	NOBLE CORPORATION	-	44.8706	31,409,407.55	38.6000	27,020,000.00	-	(4,389,407.55)
400,000	OXFORD HEALTH PLANS, INC.	-	26.9641	10,785,639.70	46.4600	18,584,000.00	-	7,798,360.30
1,200,000	P.F. CHANG'S CHINA BISTRO	-	26.4484	31,738,110.11	31.4200	37,704,000.00	-	5,965,889.89
200,000	PACTIV CORPORATION	-	16.0019	3,200,380.00	23.8000	4,760,000.00	-	1,559,620.00
500,000	PEPSICO INC.	0.60	48.6519	24,325,972.40	48.2000	24,100,000.00	300,000.00	(225,972.40)
962,500	PFIZER INC.	0.52	28.1798	27,123,018.43	35.0000	33,687,500.00	500,500.00	6,564,481.57
400,000	PHARMACEUTICAL PRODUCT DEVELOPMENT, INC	-	23.9812	9,592,486.30	26.3400	10,536,000.00	-	943,513.70
700,000	PLANTRONICS, INC.	-	27.4680	19,227,604.60	19.0100	13,307,000.00	-	(5,920,604.60)
200,000	QUALCOMM INCORPORATED	-	45.6952	9,139,040.00	27.4900	5,498,000.00	-	(3,641,040.00)
150,000	QUEST DIAGNOSTIC	-	87.0809	13,062,135.00	86.0500	12,907,500.00	-	(154,635.00)
1,500,000	SAFEWAY INC	-	31.9748	47,962,146.44	29.1900	43,785,000.00	-	(4,177,146.44)
2,200,000	SANMINA CORP.	-	26.1638	57,560,321.71	6.3100	13,882,000.00	-	(43,678,321.71)
1,120,000	SCHOLASTIC CORPORATION	-	25.6701	28,750,541.80	37.9000	42,448,000.00	-	13,697,458.20
700,000	SCP POOL CORPORATION	-	26.7510	18,725,683.27	27.7600	19,432,000.00	-	706,316.73
200,000	SEARS, ROEBUCK AND COMPANY	0.92	56.3632	11,272,649.20	54.3000	10,860,000.00	184,000.00	(412,649.20)
700,000	SEI INVESTMENTS COMPANY	0.12	39.3673	27,557,135.95	28.1700	19,719,000.00	84,000.00	(7,838,135.95)
500,000	SEITEL, INC	-	18.7110	9,355,497.64	1.0000	500,000.00	-	(8,855,497.64)
600,000	SIEBEL SYSTEMS	-	34.8970	20,938,200.00	14.2200	8,532,000.00	-	(12,406,200.00)
1,200,000	SOLECTRON	-	40.8455	49,014,544.35	6.1500	7,380,000.00	-	(41,634,544.35)
600,000	SPRINT CORPORATION (PCS GROUP)	-	26.6902	16,014,120.00	4.4700	2,682,000.00	-	(13,332,120.00)
300,000	ST. JUDE MEDICAL	-	81.5646	24,469,372.80	73.8500	22,155,000.00	-	(2,314,372.80)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2002

COMMON STOCK PORTFOLIO

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
2,000,000	SYMANTEC CORPORATION	-	24.8691	49,738,167.40	32.8500	65,700,000.00	-	15,961,832.60
550,000	T. ROWE PRICE GROUP INC	0.64	38.9340	21,413,692.20	32.8800	18,084,000.00	352,000.00	(3,329,692.20)
800,000	TARGET CORP	0.24	27.8551	22,284,052.87	38.1000	30,480,000.00	192,000.00	8,195,947.13
450,000	TENET HEALTHCARE CORPORATION	-	46.0957	20,743,072.70	71.5500	32,197,500.00	-	11,454,427.30
500,000	TXU CORP	2.40	41.0812	20,540,589.76	51.5500	25,775,000.00	1,200,000.00	5,234,410.24
1,935,756	TYCO INTERNATIONAL LTD.	0.05	33.1899	64,247,482.92	13.5100	26,152,063.56	96,787.80	(38,095,419.36)
150,000	UNITED RENTALS, INC	-	21.7481	3,262,215.00	21.8000	3,270,000.00	-	7,785.00
200,000	VALERO ENERGY CORPORATION	0.40	50.0294	10,005,880.00	37.4200	7,484,000.00	80,000.00	(2,521,880.00)
1,000,000	VISHAY INTERTECHNOLOGY INC	-	26.3549	26,354,927.80	22.0000	22,000,000.00	-	(4,354,927.80)
2,000,000	VODAFONE GROUP PLC	0.22	21.5148	43,029,599.09	13.6500	27,300,000.00	440,000.00	(15,729,599.09)
650,000	WALGREEN COMPANY	0.15	17.0344	11,072,336.95	38.6300	25,109,500.00	97,500.00	14,037,163.05
700,000	WAL-MART STORES	0.30	54.2220	37,955,382.80	55.0100	38,507,000.00	210,000.00	551,617.20
200,000	WATERS CORPORATION	-	34.2985	6,859,700.00	26.7000	5,340,000.00	-	(1,519,700.00)
100,000	WHIRLPOOL CORP	1.36	77.5317	7,753,165.90	65.3600	6,536,000.00	136,000.00	(1,217,165.90)
600,000	WILLIAMS COMPANIES, INC.	0.80	39.3395	23,603,671.08	5.9900	3,594,000.00	480,000.00	(20,009,671.08)
500,000	WORLDCOM INC.	-	32.6309	16,315,474.85	0.8300	415,000.00	-	(15,900,474.85)
	TOTALS			**2,559,849,165.52**		**2,210,717,178.41**	**15,942,390.36**	**(349,131,987.11)**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2002

OTHER INVESTMENTS PORTFOLIO

Security	Coupon	Maturity	Book Cost	Current Value	Gain or Loss	Annual Income	Book Yield
SBA LOANS							
ALL UNLIMITED	9.750	5/1/2009	405,811.52	405,811.52	-	39,566.62	9.8%
ASAYO HOLDING, LTD.	9.500	7/1/2010	428,393.73	428,393.73	-	40,697.40	9.5%
EQUITY PARTNERSHIP	9.250	5/1/2016	1,097,185.93	1,097,185.93	-	101,489.70	9.3%
NIARKOS	10.000	5/1/2014	518,668.30	518,668.30	-	51,866.83	10.0%
TOTAL SBA LOANS			**2,450,059.48**	**2,450,059.48**	**-**	**233,620.56**	**9.5%**
BRIDGE FINANCIAL LOANS							
BRIDGE FINANCIAL--Dynamite Mtn. Ranch	12.750	6/30/2002	2,140,879.99	2,140,879.99	-	272,962.20	12.8%
BRIDGE FINANCIAL--Grand Inn	12.500	9/25/2000	1,760,000.00	1,760,000.00	-	220,000.00	12.5%
TOTAL BRIDGE FINANCIAL LOANS			**3,900,879.99**	**3,900,879.99**	**-**	**492,962.20**	**12.6%**
MISCELLANEOUS							
PEBBLECREEK PROPERTIES	10.000	4/1/2005	80,000.00	80,000.00		8,000.00	10.0%
TOTAL MISCELLANEOUS			**80,000.00**	**80,000.00**	**-**	**8,000.00**	**10.0%**
TOTAL BEFORE LLC			**6,430,939.47**	**6,430,939.47**	**-**	**734,582.76**	**11.4%**
LLC							
Desert Troon, LLC			70,189,864.76	70,189,864.76			
Pivotal X, LLC			121,849,800.00	121,849,800.00			
TOTAL LLC			**192,039,664.76**	**192,039,664.76**			
TOTAL OTHER INVESTMENTS			**198,470,604.23**	**198,470,604.23**			

ACTUARIAL SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTY-FOURTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2002

Actuarial Certification Statement

Aggregate Actuarial Balance Sheet, June 30, 2002

Summary of Valuation Methods and Assumptions

Solvency Test

Summary of Active Member Data

Summary of Inactive Member Data

Schedule of Retirants and Beneficiaries

Schedule of Experience Gain / (Loss)

rodwan and nichols
Enrolled Actuaries and Consultants

August 28, 2002

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

Attention: Jack Cross, Administrator

The purpose of the annual actuarial valuations of the Arizona Public Safety Personnel Retirement System is to determine the liabilities and funding requirements for the participating groups. We certify that the June 30, 2002 annual actuarial valuations were made in accordance with recognized actuarial methods.

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

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

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

On the basis of the June 30, 2002 valuation, it is our opinion that the liabilities of the Retirement System are being funded as incurred in accordance with sound actuarial principles. The excellent funded condition reflects the very favorable investment returns experienced by the Retirement System earlier over the past decade.

Respectfully submitted,

Joseph A. Nichols/sig
Joseph A. Nichols

Sandra W. Rodwan/sig
Sandra W. Rodwan

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STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
AGGREGATE ACTUARIAL BALANCE SHEET
JUNE 30, 2002

Actuarial Assets

Accrued Assets		
Member Accumulated contributions	$ 495,565,136	
Employer and benefit payment reserves	4,044,990,321	
Funding value adjustment	646,287,659	
Total accrued assets*		$ 5,186,843,116
Prospective assets (computed value)		
Member contributions	$ 765,895,161	
Employer normal costs	1,030,593,617	
Employer unfunded actuarial accrued liability	(540,175,203)	
Total prospective assets		$ 1,256,313,575
Total Actuarial Assets		$ 6,443,156,691

**Includes $502,456,646 reserve for payment of ad-hoc pension increases. The net funding value of assets is $4,684,386,470.*

Actuarial Present Values (Liability)

Pensions in payment status		
Service pensions	$ 1,416,971,533	
Disability pensions	243,957,326	
Survivor pensions	137,550,809	
Health insurance	107,436,298	
Total Benefit values		$ 1,905,915,966
Prospective pension payments (future retirements)		3,896,772,408
Prospective health insurance payments (future retirements)		127,850,105
Prospective refunds of member contributions		10,161,566
Reserve for future pension increases		$ 502,456,646
Total Actuarial Present Values (Liability)		$ 6,443,156,691

SUMMARY OF PLAN PROVISIONS

See Note 1 in the Notes to the Financial Statements.

SUMMARY OF VALUATION METHODS

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

Normal cost contributions were computed as follows:

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

Actuarial accrued liability was computed and financed as follows:

(1) Retirants and beneficiaries. The discounted value of pensions likely to be paid retired members and their potential survivors were computed using the investment return and mortality assumptions. The computed amount was reduced by applicable valuation assets and the unfunded amount, if any, was amortized over an open period of 20 years from July 1, 2000.

(2) Active members and former members. The actuarial accrued liability associated with service rendered prior to the valuation date, including experience gains and losses, was computed using the investment return, mortality and other factors outlined on the following pages. The computed amount was reduced by applicable valuation assets and the unfunded amount, if any, was amortized over an open period of 20 years from July 1, 2000. If valuation assets exceed the actuarial accrued liability, the excess was amortized over an open period of 20 years and applied as a credit toward the computed normal cost.

SUMMARY OF VALUATION ASSUMPTIONS

Economic Assumptions

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

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

Sample Annual Rates of Salary Increase

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

Demographic Assumptions

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

- ***Disability Mortality Rates:*** 1971 Group Annuity Mortality Table Projected to 1984 (Male), female ages set back six years.

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

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

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

Rates first used for June 30, 1999 valuation.

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

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

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

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

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

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SOLVENCY TEST

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

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

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

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

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

See notes on page 27.

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

Listed below is a summary of Active Members by age group, years of service and annual compensation. The summary points out that 1,761 active members were eligible for retirement on June 30, 2002, compared to 2,280 for the prior year.

Attained	Years of Service to Valuation Date							Totals	
Age	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 Plus	No.	Valuation Payroll
< 20	4							4	$ 135,896
20 - 24	659	4						663	$ 25,624,506
25 - 29	1,943	558	1					2,502	$ 109,940,212
30 - 34	1,535	1,657	388	4				3,584	$ 179,141,970
35 - 39	613	945	1,066	497	15			3,136	$ 176,392,289
40 - 44	307	403	584	996	386	8		2,684	$ 166,422,558
45 - 49	111	156	261	500	538	215	1	1,782	$ 118,043,191
50 - 54	46	61	113	197	203	237	37	894	$ 59,682,859
55 - 59	12	19	46	75	38	42	28	260	$ 16,159,111
60 - 69	1	1	10	23	4	6	3	48	$ 2,726,319
70+								-	
Totals	**5,231**	**3,804**	**2,469**	**2,292**	**1,184**	**508**	**69**	**15,557**	**$ 854,268,911**

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

COMPARATIVE SCHEDULE

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

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

INACTIVE MEMBERS

Attained Age	Years of Service to Valuation Date					
	0 - 4	5 - 9	10 - 14	15 - 19	20+	Totals
20 - 29	207	9				216
30 - 39	204	46	13	3		266
40 - 44	48	13	13	6		80
45 - 49	25	6	12	5		48
50 - 54	17	2	10	3	1	33
55 - 59	0	2	9	1		12
60 - 69	1		4	1	1	7
70+						0
Totals	**502**	**78**	**61**	**19**	**2**	**662**

RETIRANTS AND BENEFICIARIES

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

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF EXPERIENCE GAIN/(LOSS)
YEAR ENDED JUNE 30, 2002

	Year Ended June 30 ($ Thousands)			
	2002	**2001**	**2000**	**1999**
(1) UAAL at start of year*	$ (987,183)	$ (845,011)	$ (627,049)	$ (448,629)
(2) Normal cost	155,923	139,061	126,477	118,768
(3) Funding method contributions	-114,470	-108,936	-99,342	-96,069
(4) Interest accrual	-86,981	-74,695	-55,213	-39,355
(5) Expected UAAL before changes	(1,032,711)	(889,581)	(655,127)	(465,285)
(6) Change from amendments***	63,700	66,000	978	88,894
(7) Change from assumption revision	none	none	none	(12,974)
(8) Expected UAAL after changes	(969,011)	(823,591)	(654,149)	(389,365)
(9) Actual UAAL	(540,175)	(987,183)	(845,011)	(627,049)
(10) Gain(+)/Loss(-) (8)-(9)	-428,836	163,592	190,862	237,684
(11) Percent of actuarial accrued liability**	11.7%	4.8%	6.2%	8.7%

* Unfunded Actuarial Accrued Liability
** Actuarial Accrued Liability
*** Estimated

STATISTICAL SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTY-FOURTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2002

Schedule of Revenues by Source and Expenses by Type

Schedule of Benefit Expenses by Type

Summary of Retired Member and Survivor Data

Summary of Benefit Increases

Participating Employers

Summary of Growth of the System

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

	REVENUES	Employer Contributions*				
FYE	Member ** Contributions	Direct Payments	Insurance Premium Tax	Percent of Annual Covered Payroll	Net Investment Income***	Total
1993	$30,982,571	$33,777,972	$7,554,072	8.73%	$173,241,734	$245,556,349
	13%	14%	3%		70%	100%
1994	$33,393,715	$34,120,463	$7,077,413	8.16%	$167,558,270	$242,149,861
	14%	14%	3%		69%	100%
1995	$35,341,047	$32,917,493	$7,538,453	7.66%	$199,847,112	$275,644,105
	13%	12%	3%		72%	100%
1996	$39,500,494	$37,734,258	$8,635,684	7.85%	$390,660,701	$476,531,137
	13%	12%	3%		72%	100%
1997	$39,788,668	$42,760,823	$9,709,146	8.11%	$644,116,823	$736,375,460
	6%	6%	1%		87%	100%
1998	$43,094,843	$38,287,697	$7,033,235	6.36%	$750,793,356	$839,209,131
	5%	5%	1%		89%	100%
1999	$51,684,448	$36,512,536	$7,871,808	5.82%	$723,369,908	$819,438,700
	6%	5%	1%		88%	100%
2000	$52,451,478	$38,645,798	$8,245,094	5.29%	$588,132,626	$687,474,996
	7%	6%	1%		86%	100%
2001	$58,052,765	$45,435,300	$7,105,010	5.21%	($895,995,528)	($785,402,453)
	-7%	-6%	-1%		114%	100%
2002	$62,486,725	$44,518,693	$7,464,714	4.21%	($654,569,820)	($540,099,688)
	-12%	-8%	-1%		121%	100%

	EXPENSES	Administrative		
FYE	Benefits	Expenses****	Refunds	Total
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	$508,498	$2,251,458	$95,611,711
	97%	1%	2%	100%
1997	$102,404,128	$540,899	$2,866,764	$105,811,791
	97%	1%	2%	100%
1998	$112,374,125	$607,518	$3,020,135	$116,001,778
	97%	1%	2%	100%
1999	$125,879,371	$624,710	$3,317,624	$129,821,705
	97%	0%	3%	100%
2000	$145,302,173	$616,109	$5,313,595	$151,231,877
	96%	0%	4%	100%
2001	$164,727,744	$679,372	$6,051,785	$171,458,901
	96%	0%	4%	100%
2002	$185,035,202	$735,241	$6,057,924	$191,828,367
	96%	0%	4%	100%

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

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

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

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

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

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

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

The following summary presents an analysis of the benefit changes that have taken place during the past 17 years. The number of retired members and the amount of annual pensions has increased at compounded annual rates of 6.2% and 12.0% over the last five years.

COMPARATIVE SCHEDULE

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

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

SUMMARY OF RETIRED MEMBERS AND SURVIVORS - JUNE 30, 2002

Pensions Being Paid		Number	Annual Pensions	Average Pensions
Retired Members	- Service Pensions	4,315	$ 144,372,240	$ 33,458
	- Disability Pensions	872	$ 23,351,556	$ 26,779
	Totals	**5,187**	**$ 167,723,796**	**$ 32,335**
Survivors of Members	- Spouses	766	$ 16,055,484	$ 20,960
	- Children with Guardians	36	$ 433,692	$ 12,047
	Totals	**802**	**$ 16,489,176**	**$ 20,560**
	Total Pensions Being Paid	**5,989**	**$ 184,212,972**	**$ 30,759**

	Average Age	Average Service (yrs)	Average Age at Retirement (yrs)
Normal retired members	60.6	24.2	50.2
Disability retired members	53.4	15.3	43.9
Spouse beneficiaries	64.8	18.8	44.7

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

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

BENEFIT INCREASE SCHEDULE

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

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
6/30/1994	0.35%	$ 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)			
6/30/1995	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)			
6/30/1996	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)			
6/30/1997	2.07%	$ 1,545,766,186	$ 31,997,360			
	Amount available: 7-1-98 increase		36,570,975	$80.00	$78.36	$78.36
	Investment earnings on balance		8,129,728			
	Amount utilized: 7-1-98 increase		(26,935,849)			
Prior Excess Earnings Transferred per HB 2496			256,823,185			
6/30/1998	13.23%	$ 1,876,344,607	$ 248,240,392			
	Amount available: 7-1-99 increase		522,828,431	$1,335.00	$81.95	$81.95
	Investment earnings on balance		92,540,632			
	Amount utilized: 7-1-99 increase		(42,154,215)			
6/30/1999	8.70%	$ 1,986,262,497	$ 172,804,837			
	Amount available: 7-1-00 increase		746,019,685	$1,375.00	$87.37	$87.37
	Investment earnings on balance		91,835,023			
	Amount utilized: 7-1-00 increase		(47,369,499)			
6/30/2000	3.31%	$ 2,182,040,163	$ 72,225,529			
	Amount available: 7-1-01 increase		862,440,738	$1,490.00	$93.24	$93.24
	Investment earnings on balance		(145,364,386)			
	Amount utilized: 7-1-01 increase		(54,178,336)			
6/30/2001	0.00%	$ 2,018,909,233	$ -			
	Amount available: 7-1-02 increase		662,898,016	$1,070.00	$98.17	$98.17
	Investment earnings on balance		(98,838,094)			
	Amount utilized: 7-1-02 increase		(61,603,276)			
6/30/2002	0.00%	$ 1,698,146,115	$ -			
	Amount available: 7-1-03 increase		502,456,646	$750.00	$102.53	$102.53

**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 Junction Fire District
Apache Junction Police
Arizona State Parks
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
Buckeye Fire
Buckeye Police
Buckskin Fire
Bullhead City Fire
Bullhead City Police
Camp Verde Fire
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 Mountain Fire District
Department of Emergency and Military Affairs
Department of Game & Fish
Department of Public Safety
Department of Liquor License and Control
Diamond Star Fire
Douglas Fire
Douglas Police
Drexel Heights Fire
Eager Police
El Mirage Fire
El Mirage Police
Eloy Police
Flagstaff Fire
Flagstaff Police
Florence Fire
Florence Police
Flowing Wells Fire
Fort McDowell Fire
Fort McDowell Police
Fort Mohave Mesa Fire
Fountain Hill Marshals
Fredonia Marshals
Fry Fire
Gila County Sheriffs
Gila River Fire
Gila River Police
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
Green Valley Fire
Guadalupe Fire
Guadalupe Police
Hayden Police
Heber-Overgaard Fire
Highland Fire
Holbrook Police
Hualapai Valley Fire
Kearny Police
Kingman Fire
Kingman Police
La Paz County Attorney Investigators
La Paz County Sheriffs
Lake Havasu Fire
Lake Havasu Police
Lakeside Fire
Mammoth Police
Marana Marshals
Maricopa County Attorney Investigators
Maricopa County Park Rangers
Maricopa County Sheriffs
Mayer Fire District
Mesa Fire
Mesa Police
Miami Fire
Miami Police
Mohave County Sheriffs
Mohave Valley Fire
Montezuma-Rimrock
Northern Arizona University Campus Police
Navajo County Attorney Investigators
Navajo County Sheriffs
Nogales Fire
Nogales Police
Northwest Fire District
Oro Valley Police
Page Fire
Page Police
Paradise Valley Police
Parker Police
Patagonia Marshals
Payson Fire
Payson Police

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
PARTICIPATING EMPLOYERS

Peoria Fire
Peoria Police
Phoenix Fire
Phoenix Police
Picture Rock Fire District
Pima County Attorney Investigators
Pima County Community College Police
Pima County Sheriffs
Pima Police
Pinal County Sheriffs
Pine-Strawberry Fire
Pinetop Fire
Pinetop-Lakeside Police
Prescott Fire
Prescott Police
Prescott Valley Police
Quartzsite Marshals
Rio Rico Fire
Safford Police
Sahuarita Police
Salt River Pima-Maricopa Fire
Salt River Pima-Maricopa Police
San Luis Fire
San Luis Police
Santa Cruz County Deputies
Scottsdale Police
Sedona Fire District
Sedona Police
Showlow Fire
Showlow Police
Sierra Vista Fire
Sierra Vista Police
Snowflake Police
Somerton Fire
Somerton Police
South Tucson Fire
South Tucson Police
Springerville Police
St. Johns Police
Summitt Fire District
Sun City Fire District
Sun City West Fire District
Sun Lakes Fire District
Superior Police
Surprise Fire
Surprise Police
Taylor Police
Tempe Fire
Tempe Police
Thatcher Police
Three Points Fire
Tolleson Fire
Tolleson Police
Tombstone Police
Tri-City Fire
Tubac Fire District
Tucson Airport Authority Fire
Tucson Airport Authority Police
Tucson Fire
Tucson Police
University of Arizona Campus Police
Verde Valley Fire District
Wellton Police
Wickenburg Police
Wilcox Police
Williams Police
Winslow Fire
Winslow Police
Yavapai County Attorney Investigators
Yavapai County Sheriffs
Youngtown Police
Yuma County Sheriffs
Yuma Fire
Yuma Police

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

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

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

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 sur-vivors over age fifty-five are dependent upon excess earnings created by the Fund.

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

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

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