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

PUBLIC SAFETY

PERSONNEL RETIREMENT SYSTEM

Thirty-Sixth

Comprehensive

Annual Financial

Report

a pension trust fund

of the state of arizona

36

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

A PENSION TRUST FUND OF THE STATE OF ARIZONA

THIRTY-SIXTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2004

This report was prepared by the staff of PSPRS

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

CONTENTS

INTRODUCTORY SECTION

Fund Managers' Report 3

Letter of Transmittal 5

Certificate of Achievement for Excellence in Financial Reporting 8

The Retirement Board and Administrative Organization 9

Organizational Chart 10

FINANCIAL SECTION

Independent Auditor's Report 13

Management's Discussion and Analysis 14

Basic Financial Statements

Statements of System Net Assets 18

Statements of Changes in System Net Assets 19

Notes to Financial Statements (which include Summary of Plan Provisions) 20
(These Notes are an Integral Part of the Financial Statements)

Required Supplementary Information

Schedule of Funding Progress 28

Schedule of Employer Contributions 29

Supporting Schedule of Changes in Fund Balance Reserves 30

Supporting Schedule of Administrative and Investment Expenses 31

Supporting Schedule of Payments to Consultants 31

Supplemental Schedule of Cash Receipts and Cash Disbursements 32

INVESTMENT SECTION

Fund Objectives 35

Investment Performance Data 36

Supporting Schedule of Commissions Paid to Brokers 40

Summary of Changes in Investment Portfolio 41

Detailed List of Investments Acquired 42

Detailed List of Sales and Redemption of Investments 49

Detailed List of Investments Owned 55

ACTUARIAL SECTION

Actuarial Certification Statement 71

Aggregate Actuarial Balance Sheet June 30, 2004..... 72

Summary of Valuation Methods and Assumptions 73

Solvency Test 76

Summary of Active Member Data 77

Summary of Inactive Member Data 78

Schedule of Retirants and Beneficiaries..... 78

Schedule of Experience Gain / (Loss)..... 79

STATISTICAL SECTION

Schedule of Revenues by Source and Expenses by Type..... 83

Schedule of Benefit Expenses by Type 84

Summary of Retired Member and Survivor Data 85

Summary of Benefit Increases 86

Participating Employers 88

Schedule of Changes in Employer Reserves – Year Ended June 30, 2004
and Unfunded Accrued Normal Costs at June 30, 2003 90

Schedule of Changes in Refundable Member Reserves Fiscal Year Ended June 30, 2004..... 95

Earnings Distribution, Fiscal Year Ended June 30, 2004..... 99

Summary of Growth of the System..... 104

INTRODUCTORY SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTY-SIXTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2004

Fund Managers' Report

Letter of Transmittal

Certificate of Achievement for
Excellence in Financial Reporting

The Retirement Board and
Administrative Organization

Organizational Chart

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CORRECTIONS OFFICER RETIREMENT PLAN
ELECTED OFFICIALS' RETIREMENT PLAN
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Tracey D. Peterson, C.P.A., CFE
Interim Assistant Administrator

September 22, 2004

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

Dear Governor Napolitano:

The Fund Manager of the Public Safety Personnel Retirement System respectfully submits the Thirty-Sixth Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004, in accordance with the provisions of A.R.S. Section 38-848.

We are pleased to report that the System is still in very good financial and actuarial condition despite the difficult investing environment of the past few years. The System's current funding level is 92.4%. We believe this plan to be among the top funded plans in the country. Stakeholders continue to benefit greatly from our excellent performance. In fact, funding levels have increased from a low of 27.0% in 1972 to a high of 126.9% three years ago. The average employer contribution rate, as a percentage of gross payroll, decreased from a high of 22.13% for the 1972/73 fiscal year to 12.80% for the 2005/06 fiscal year. The average contribution rates have been increasing these past years and will probably continue to do so.

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

We are pleased to report that for the fiscal year ended June 30, 2004, the System had a total rate of return of 14.97%. Additionally, the System continues to perform well against the market indexes (S&P 500/NYSE stock and Shearson Lehman Government/Corporate bond) on a long-term basis. The 5, 10, 15 and 20-year total rates of return, including realized as well as unrealized gains and losses, for the total fund were -0.56%, 9.00%, 9.21% and 11.27%, respectively. Benefits paid to retired members and their beneficiaries increased from $209,715,238 to $229,885,444. Total administrative and investment expenses increased from $1,250,386 to $1,650,779 for this year. Our administrative and investment expenses are approximately 4 basis points of the total assets managed. This is very low compared with other retirement systems. A dedicated staff and constantly improving internal expertise has allowed management to keep costs low even though our membership and assets managed have increased substantially.

Customer service continues to be a top priority for the System. As such, we have undertaken a number of tasks during the past year. Because of the increasing number of members and participating employers in the System, we have added a number of highly qualified staff in targeted positions to better serve our members and stakeholders. The increase in staff resulted in the System moving our administrative office to a larger and more secure facility. We have also initiated a document-imaging project in order to maintain a secure copy of our records. Additionally, the System is undergoing a governance and investment policy review.

The System is currently in a transition period. The Administrator stepped down on June 30, 2004. An interim management team has been in place for the past two years to facilitate a smooth transition during our national search for a replacement. As you can see, we are involved in a number of projects and initiatives in order to further enhance our effectiveness and efficiency in completing the mission of the System.

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

Respectfully submitted,

PAT CANTELME

Pat Cantelme, Chairman

W M HANCOCK

Wendy Hancock, Member

CARTER OLSON

Carter Olson, Member

KEVIN KEOGH

Kevin Keogh, Member

BILLY SHIELDS

Billy Shields, Member

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
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ELECTED OFFICIALS' RETIREMENT PLAN
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Interim Administrator

Tracey D. Peterson, C.P.A., CFE
Interim Assistant Administrator

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September 22, 2004

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

Gentlemen:

There is presented, herewith, the Thirty-Sixth 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, 2004. Incorporated in this report are the audited financial statements, Management's Discussion and Analysis and other financial data from the June 30, 2004 report of Barrows & Schatza, P.L.C., Certified Public Accountants and auditors for the System. Also included are the Actuarial Certification Statement and the Actuarial Balance Sheet from the June 30, 2004 Actuarial Valuation prepared by the System's actuary, Rodwan Consulting Company.

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 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 benefited from an investment gain this fiscal year that was further enhanced 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 2003/2004 Administrative and Investment Expenses of the Administrative Office totaled $1,650,779 compared to $1,250,386 for the prior year. Our administrative and investment expenses are approximately 4 basis points of the total assets managed. This is very low compared with other retirement systems. A dedicated staff and constantly improving

internal expertise has allowed management to keep costs low even though membership and assets managed have increased substantially.

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, on a cost basis, was made up of 4.37% U. S. Government Securities, 15.33% Corporate Bonds, 6.78% Other Investments, 4.57% Corporate Notes, 0.24% insured Money Market Funds and 68.71% 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 eleven of the last fifteen years. The equity portfolio has also outperformed the applicable Index in ten of the last fifteen years. The System's performance resulted in a net effective yield of 4.08% and a 15-year total rate of return of 9.25%. 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

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

ACTUARIAL AND FUNDING INFORMATION

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

There is no single all-encompassing test to measure a retirement system's funding progress and current status. A traditional measure is the ratio of assets to unfunded accumulated normal costs, often referred to as the "percent funded." The percent funded for the System at June 30, 2004, is 92.4%.

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 2004/2005 fiscal year is 10.05% of gross payroll. The firefighter groups and the Department of Public Safety receive a percentage of the Insurance Premium Tax, which underwrites a large portion of their employer contributions.

POST RETIREMENT BENEFIT INCREASES

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

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

July 1, 1986 - $36.17
July 1, 1987 - $38.59
July 1, 1988 - $42.84
July 1, 1989 - $44.95
July 1, 1990 - $47.83
July 1, 1991 - $52.35
July 1, 1992 - $55.13
July 1, 1993 - $58.69

July 1, 1994 - $63.94
July 1, 1995 - $45.00
July 1, 1996 - $50.00
July 1, 1997 - $55.00
July 1, 1998 - $78.36
July 1, 1999 - $81.95
July 1, 2000 - $87.37
July 1, 2001 - $93.24
July 1, 2002 - $98.17
July 1, 2003 - $102.53
July 1, 2004 - $111.90
July 1, 2005 - $116.82
Cumulative Total - $1,360.83

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, 2003. This was the twelfth 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 Consulting Company, summarized the results of the latest Actuarial Valuation as of June 30, 2004, as follows:

> The results of the valuations indicate that Retirement System benefit obligations are being funded as incurred. Current assets are 92.4% of actuarial accrued liability. Superior investment returns, over an extended period, have made possible the excellent actuarial condition of the Retirement System, improved benefits, cost-of-living increases to retired members and their beneficiaries, and substantial reductions in contribution requirements.

The System has experienced great change during the past thirty-six 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 the current rate of 10.05%. I am proud to have been a part of the System's interim management team and I look forward to the System's continued success in the future.

Respectfully submitted,

JAMES A. NIELSEN

James A. Nielsen, C.P.A., J.D.
Interim 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, 2003

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
Pat Cantelme Retired Firefighter City of Phoenix	Chairman	January 2005
Wendy Hancock Public Member	Member	January 2005
Carter Olson Pinal County Attorney	Member	January 2006
Kevin Keogh Finance Director City of Phoenix	Member	January 2006
Billy Shields Firefighter City of Phoenix	Member	January 2007

PROFESSIONAL ADVISORS

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

ADMINISTRATIVE STAFF

James A. Nielsen, CPA, JD	Interim Administrator
Tracey D. Peterson, CPA, CFE	Interim Assistant Administrator
Karen L. Lewis, CPA	Controller
Jared A. Smout, CPA	Finance Director
Martin Anderson	Investment Analyst
Tom Willard	Manager of IT-Database & Records
Eileen Kelleher	Manager of Communications & Network
D. Steven Williams	Legal Assistant
Gail Nova	Executive Assistant
Bonnie Bohman	Manager of Benefit Services
Donald B. Mineer	DROP Coordinator/Special Projects Assistant
LaDawn M. Snodgrass	Senior Active Member Services Specialist
Sheryl D. Saltsman	Senior Active Member Services Specialist
Deborah S. Irwin	Senior Active Member Services Specialist
Lilian L. Leung	Senior Accounting Specialist
Kathleen A. Mattoon	Office Specialist
Annette L. Jorgensen	Senior Benefits Specialist
Lori A. Boyle	Receptionist
Alliene Jonas	Insurance Specialist
Tom Vermande	Insurance Specialist
Tony Jenkins	Benefits Specialist
Janette Trujillo	Active Member Services Specialist
Devin Delap	Benefits Specialist

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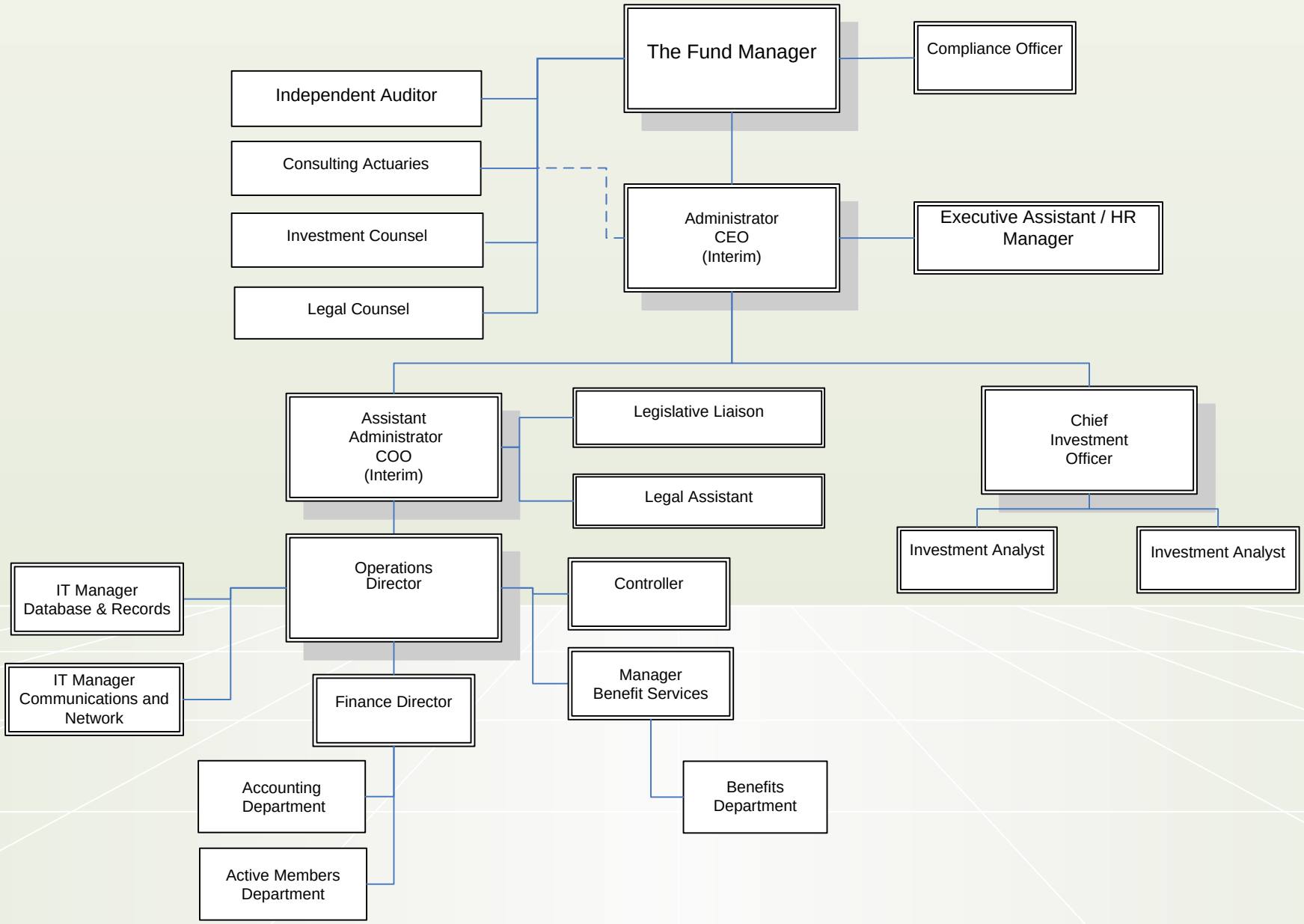
State of Arizona

Public Safety Personnel Retirement System Organizational Chart

June 30, 2004



FINANCIAL SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTY-SIXTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2004

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
(includes Summary of Plan Provisions)

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

Barrows
& Schatza, P.L.C.
Phoenix, Arizona

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, 2004 and 2003, 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, 2004 and 2003, and the results of its operations and the changes in system net assets for the years then ended in conformity with generally accepted accounting principles.

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

BARROWS & SCHATZA, P.L.C.

September 8, 2004

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 2004 are as follows:

- The System had a total rate of return of 14.97% this year. Our equity portfolio had a return of 20.70%, which outperformed the stock index by over 150 basis points. Our fixed income portfolio had a return of 4.19%, which outperformed the index by over 400 basis points.

- As of the close of the fiscal year 2004, the Future Benefit Increase Reserve was $568.6 million. This will enable another increase for qualifying retirees or their survivors for the twentieth consecutive year.

- Retirement benefits paid totaled $229.9 million for the current fiscal year, compared to $209.7 million for the previous year. This represents a 9.6% 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 $4.3 billion (fair value) at the close of the fiscal year 2004, compared to $3.8 billion at the close of the previous fiscal year. This is a 13% increase from the prior year. The increase is the result of market conditions and investment earnings.

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
NET ASSETS

	2004	2003	2002
Current Assets	$ 35,438,464	$ 34,218,349	$ 32,505,352
Capital Assets	4,629,082	444,998	456,903
Investments	5,096,698,459	4,823,441,054	4,687,452,697
Total Assets	5,136,766,005	4,858,104,401	4,720,414,952
Other Liabilities	827,030,932	1,025,566,303	1,024,096,716
Total Liabilities	827,030,932	1,025,566,303	1,024,096,716
Total Net Assets	$ 4,309,735,073	$ 3,832,538,098	$ 3,696,318,236

The largest portion of the System's Net Assets, at market, (72%) are invested in Equity Securities; 14% is invested in high quality Corporate Bonds; 4% is invested in Government Securities; 4% is invested in Cash or cash equivalents; and, the remaining 6% is invested in Other investments.

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

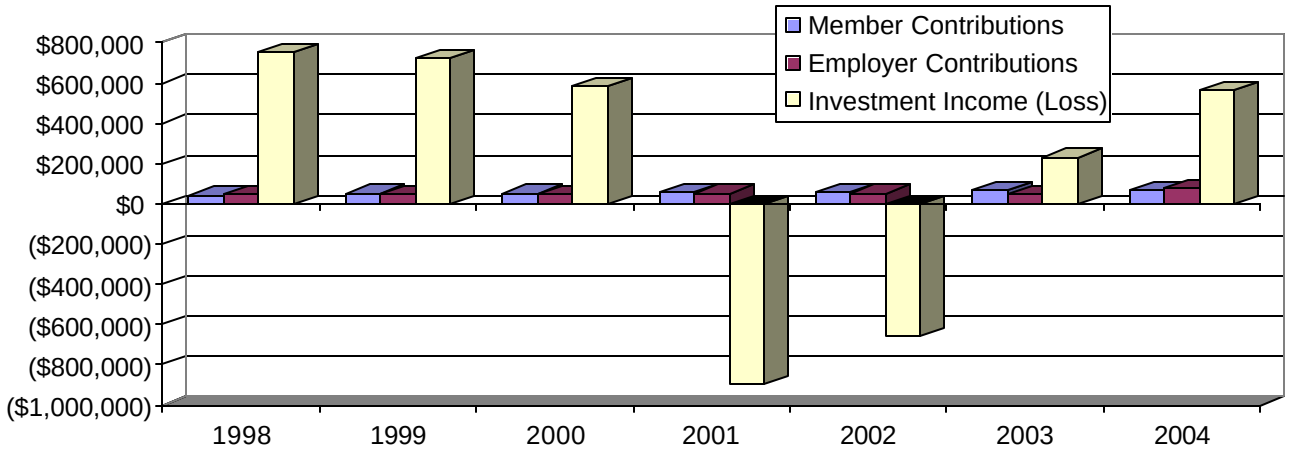
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
CHANGES IN NET ASSETS

	2004	2003	2002
Additions:			
Contributions	$ 150,874,318	$ 118,737,957	$ 114,470,132
Net Investment Income (Loss)	562,613,259	233,424,570	(654,569,820)
Transfers	1,281,703	1,393,775	6,412,646
Total Additions	714,769,280	353,556,302	(533,687,042)
Deductions:			
Pension Benefits	229,885,444	209,715,238	185,035,202
Terminated Members Refunds	6,390,643	6,422,965	6,057,924
Administrative Expenses	1,099,932	812,332	735,241
Transfers	196,287	385,906	228,610
Total Deductions	237,572,305	217,336,440	192,056,977
Change in Net Assets	477,196,975	136,219,862	(725,744,019)
Net Assets, Beginning of Year	3,832,538,098	3,696,318,236	4,422,062,255
Net Assets, End of Year	$ 4,309,735,073	$ 3,832,538,098	$ 3,696,318,236

Total additions increased by $361.2 million from that of the prior year, due primarily to employer contributions, market conditions and investment earnings. Total contributions increased from the previous year by $32.1 million or 27%.

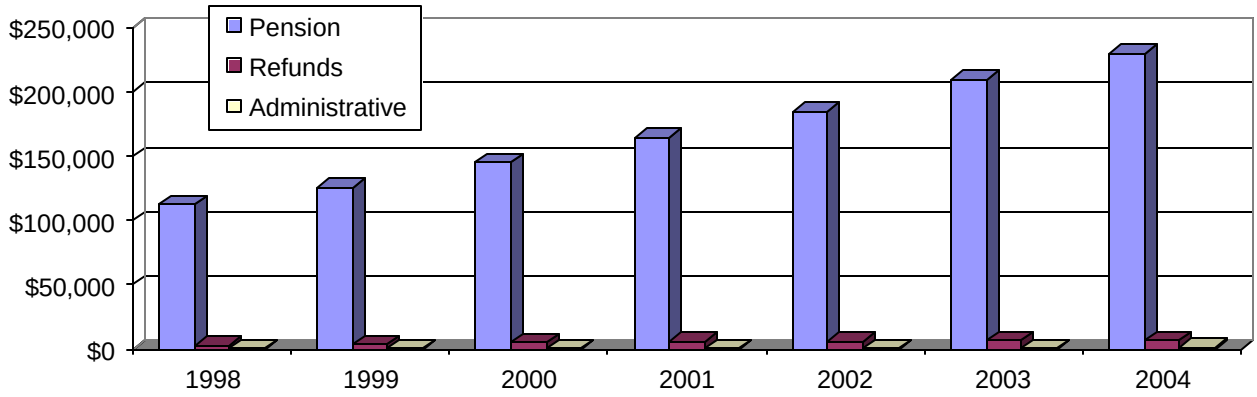
This increase is due to an increase in employer and member contributions. Employer contributions increased and will continue to increase due to previous lower than expected investment returns. Employer contribution rates are determined annually by actuarial valuations. The rates were historically low in comparison to the normal cost of the System. It is anticipated that employer contribution rates will continue to increase into the future until they become more in line with the normal costs. Our membership increased from the previous year. Member contribution rates are set by Statute and were unchanged from the previous fiscal year.

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



The primary expenses of the System include the payment of pension benefits to members and beneficiaries, refunds of contributions to former members who terminated employment during the year and the cost of administering the System. Total deductions for fiscal year 2004 were $238 million, an increase of 9% over the prior fiscal year. Pension benefits, to include health insurance subsidies, the deferred retirement option and cost of living adjustments, increased $20.2 million or 10% from the previous year. Refunds of contributions to former members decreased .5% from the previous year. Administrative expenses increased $287,600 or 35% from the previous year.

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



Capital Assets

The System's investment in capital assets totaled $4,629,082 (net of depreciation) for the current fiscal year. This investment in capital assets includes land, buildings and improvements. The change in capital assets for the fiscal year includes the purchase of an office building for the administrative office. 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 seven-year period to stabilize the employer contribution rates from year to year. The Fund Manager, the five member governing board, changed the smoothing rate from a four-year period to seven as of July 1, 2004. Effective the same date, the Fund Manager also reduced the assumed earnings rate from 9.0% to 8.75%, with subsequent annual reductions of one-quarter of one percent each year thereafter until the rate is reduced to 8.0%. We believe this is a more realistic rate for our System to achieve. The Fund Manager did reserve the right to address these issues annually or on an as needed basis.

Additionally, we have met our fund objectives by annually adjusting employer contribution rates based on the recommendations made by the actuarial valuations. The System's funding goal is for the actuarial value of the assets to be equal to the actuarial accrued liabilities within any twenty-year period. For the current fiscal year end, our funding ratio is 92.4%. The average employer rate, as a percentage of gross payroll, is 10.05% for the 2004/05 fiscal year. While the employer rate has increased this past year, and may continue to do so for some time, the average contribution rate for our employers is still below the normal cost of the System of 10.32%. Employers continue to benefit greatly from our outstanding past and current investment performance.

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

Requests for Information

This report is designed to provide a general overview of the Public Safety Personnel Retirement System's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Public Safety Personnel Retirement System, Operations Director, 3010 E. Camelback Road, Phoenix, AZ 85016.

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
STATEMENTS OF SYSTEM NET ASSETS
AS OF JUNE 30, 2004 AND 2003

		2004		2003
ASSETS				
Receivables				
Members' Contributions		$ 2,104,211		$ 2,161,875
Employers' Contributions		7,411,379		6,112,620
Interest and Dividends		25,922,874		25,943,854
Total Receivables		35,438,464		34,218,349
Investments at Fair Value (Note 2)	*[Book Cost - For Reference Only]*		*[Book Cost - For Reference Only]*	
U.S. Government Securities	*$ 157,722,580*	180,582,230	*$ 257,811,287*	297,345,079
Corporate Bonds	*553,051,804*	587,530,848	*649,343,052*	718,008,225
Corporate Notes	*164,926,920*	164,926,920	*244,600,991*	244,600,991
Corporate Stocks	*2,478,685,590*	3,091,719,229	*2,179,718,427*	2,323,385,091
Other Investments	*236,289,602*	236,289,602	*213,449,024*	213,449,024
Money Market Account	*8,618,698*	8,618,698	*1,086,342*	1,086,342
Collateral Held in Trust for Securities on Loan	*830,273,948*	827,030,932	*1,025,087,932*	1,025,566,303
Total Investments	*$ 4,429,569,142*	5,096,698,459	*$ 4,571,097,054*	4,823,441,054
Property (Note 2)		4,629,082		444,998
Total System Assets		5,136,766,005		4,858,104,401
Liability - Collateral Subject to Return to Borrower		(827,030,932)		(1,025,566,303)
Net Assets Held in Trust for Pension Benefits		$ 4,309,735,073		$ 3,832,538,098
Net Asset Reserves				
Refundable Members' Reserve		$ 594,479,065		$ 543,817,016
Employers' Reserve		3,146,636,979		2,820,595,730
Future Benefit Increase Reserve		568,619,029		468,125,352
Total Net Asset Reserves		$ 4,309,735,073		$ 3,832,538,098

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, 2004 AND 2003

		2004		2003
Additions				
Contributions				
Members' Contributions (Notes 1 and 3)		$ 71,874,188		$ 67,937,288
Employers' Contributions (Notes 1 and 3)		79,000,130		50,800,669
Total Contributions		150,874,318		118,737,957
Net (Depreciation) Appreciation in Fair Value of Investments (Note 2)		457,065,391		120,305,052
Interest		75,718,530		93,189,134
Dividends		28,884,132		18,760,623
Real Estate Income (Net)		37,860		-
Securities Lending Activities				
Securities Lending Income	$ 11,937,723		$ 16,702,054	
Borrower Rebates	(9,694,395)		(14,228,530)	
Agents Share of Income	(785,135)		(865,710)	
Net Securities Lending Income (Note 2)		1,458,193		1,607,814
		563,164,106		233,862,623
Less Investment Expense		(550,847)		(438,054)
Net Investment Income		562,613,259		233,424,569
Amounts Transferred from Other State-Sponsored Pension Plans and Service Credits Purchased		1,281,703		1,393,775
Total Additions		714,769,280		353,556,301
Deductions				
Pension and Insurance Benefits (Note 1)		229,885,444		209,715,238
Refunds to Terminated Members (Note 1)		6,390,643		6,422,965
Administrative Expenses		1,099,932		812,332
Amounts Transferred to Other State-Sponsored Pension Plans		196,287		385,905
Total Deductions		237,572,305		217,336,440
Net (Decrease) Increase		477,196,975		136,219,861
Net Assets Held In Trust for Pension Benefits				
Beginning of Year - July 1		3,832,538,098		3,696,318,236
End of Year - June 30		$ 4,309,735,073		$ 3,832,538,098

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 Fund Manager and 199 Local Boards jointly administer the System.

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. The chief elected official of the organization appoints three members and two members are elected by the active members of the eligible group. In general, each member serves a fixed four-year term. Each Local Board is responsible for determining eligibility for membership, service credits, eligibility for benefits, timing of benefit payments, and the amount of benefits for its eligible group of employees. The various governing bodies pay all costs associated with the administration of the Local Boards.

The addition or deletion of eligible groups does not require the approval of the other participating employers. The Fund Manager approves new eligible groups for participation. 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, 2004 and 2003, the number of participating local government employer groups was:

	2004	2003
Municipalities	127	118
Counties or County Agencies	20	21
State Agencies	10	10
Special Districts	42	46
Total Employers	**199**	**195**

Any state or local government in the State of Arizona may elect to have its paid, full-time eligible employees (generally, fire fighters and police officers in full-time hazardous duty positions) covered by the PSPRS. At June 30, 2004 and 2003, statewide PSPRS membership consisted of:

	2004	2003
Retirees and beneficiaries currently receiving benefits	6,396	6,184
Terminated vested employees	69	84
Deferred Retirement Option Plan (DROP)	1,267	1,011
Current employees		
Vested	6,295	6,485
Non-vested	9,557	9,045
Total Members	**23,584**	**22,809**

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. §38-842.14)
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 (A.R.S. §38-843)
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. §38-842.9)
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. §38-842.8)
For purposes of computing retirement benefits, base salary, overtime pay, shift differential pay and holiday pay paid to an employee by the employer 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. §38-842.21)
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)
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 8.75% 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.

Catastrophic Disability Retirement (Service Connected) (A.R.S. §38-842.5, A.R.S. §38-845.E, A.R.S. §38-844.C and A.R.S. §38-844.F)
Physical condition incurred in performance of duty, which totally and permanently prevents engaging in any gainful employment. No credited service requirement. The pension is 90% of average monthly compensation for first 60 months, and then reduced to either 62.5% of average monthly compensation or normal pension amount, whichever is greater.

Ordinary Disability Retirement (Not Service Connected) (A.R.S. §38-842.22 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 Ordinary Disability Pension (A.R.S. §38-844.H)
Before the member's normal retirement date, an 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.J and §38-842.29)
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. §38-842.13 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. (Use Form P1A)

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%. (Use form P1B)

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. (Use Form P2)

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

A member may purchase up to four years of prior active military time even if the member will receive a military pension.1[1] The member must pay the actuarial present value of the increase of credited service resulting from this purchase. (Use Form 18)

Transfer Between State Retirement Systems (A.R.S. §38-921 and §38-922)
Members of any of the four Arizona state retirement systems or plans who have credited service under another Arizona state retirement system or plan may transfer or redeem the credited service to their current Arizona state retirement system or plan by paying or transferring the full actuarial present value of the credited service into their current Arizona retirement system or plan with approval of the Fund Manager or retirement boards involved. A reduced credited service amount may be transferred based on the transfer of the actuarial present value of the credited service under the prior Arizona state system or plan. (Use Form U2)

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

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

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

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

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

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 when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits are

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

recognized when due and payable in accordance with the terms of the System. Refunds are due and payable by state law within 20 days of receipt of a written application for a refund. Refunds are recorded when paid. Furniture and equipment purchases, which are not material in amount, are expensed in the year of purchase. Investment income net of administrative and investment expenses is allocated to each employer group based on the average relative fund size for each employer group for that year.

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

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

Other GASB Statements were required to be implemented in conjunction with GASB Statement No. 34. Therefore, the System has also implemented the following GASB Statements: 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 $46,953,807 for FYE 2004 and $(473,341,153) for FYE 2003.

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 the System or its agent in the name of the System holds securities. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterpart, 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.

Some of our real estate partners in the investments categorized as “other investments” have obtained third party financing, which is secured by real property. The System has entered into Capital Call Agreements with regards to these third party financing arrangements. The Capital Call Agreements, in the unlikely event of default, limit the System to the amount of the defaulted payment or the original terms of the investment approved by the Fund Manager, whichever is less.

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, 2004 and 2003 the fair value of securities on loan was $806,532,047 (consisting of Stocks-$598,418,277, Corporate Bonds-$54,643,928 and Treasuries and Agencies-$153,469,842) and $1,009,389,578 (consisting of Stocks-$530,226,766, Corporate Bonds-$205,929,378 and Treasuries and Agencies-$273,233,434), respectively. The System receives a negotiated fee for its loan activities and is indemnified for broker default by the securities lending agent. The System participates in a collateral investment pool. All security loans may be terminated on demand by either the lender or the borrower. The total cash collateral investments received for unmatched loans (any loan for which the cash collateral has not been invested for a specific maturity) will have a maximum effective duration of 233 days. And, at least 20% of total collateral investments shall be invested on an overnight basis. All matched loans shall have matched collateral investments. At June 30, 2004, the weighted average maturity was 11 days for all investments purchased with cash collateral from unmatched loans. The System has no credit risk because the amounts owed to the borrowers exceed the amounts the borrowers owe to the System. Under this program, the System has not experienced any defaults or losses on these loans.

Property

These assets are stated at cost, and depreciable assets are depreciated using the straight-line method over the estimated life of the asset. Repairs and maintenance are charged to expense as incurred. Depreciation expense for June 30, 2004 and 2003 was $11,905 and $11,905, respectively.

Property consists of the following:

1020 East Missouri Avenue, Phoenix, AZ

	Estimated Useful Life	2004	2003
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		260,693	248,788
		433,093	444,998
3010 East Camelback Road, Phoenix, AZ		4,195,989	----
		4,629,082	444,998

A new office facility located at 3010 East Camelback Road was purchased in June of 2004. The property consists of a two-story building, the bottom floor of which is fully leased. The administrative staff of the Fund will occupy the second floor after renovation is complete during July 2004. The 1020 East Missouri Avenue property will be sold in September 2004.

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, 2004, contributions totaling $150,874,318 ($79,000,130 employer and $71,874,188 member) were made in accordance with contribution requirements determined by an actuarial valuation of the System as of June 30, 2002. The employer contributions consisted of approximately $109,079,650 for normal cost less ($30,079,520) for amortization of the assets in excess of the actuarial accrued liability in aggregate. Employer contributions represented 7.66% of covered payroll. [11.61% for normal costs and (3.95)% 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, 2003, contributions totaling $118,737,957 ($50,800,669 employer and $67,937,288 member) were made in accordance with contribution requirements determined by an actuarial valuation of the System as of June 30, 2001. The employer contributions consisted of approximately $99,552,548 for normal cost less ($48,751,879) for amortization of the assets in excess of the actuarial accrued liability in aggregate. Employer contributions represented 3.75% of covered payroll. [11.21% for normal costs and (7.46)% for amortization of assets in excess of the actuarial accrued liability in aggregate.] Member contributions represented 7.65% of covered payroll and are attributable to normal costs.

NOTE 4 – REQUIRED SCHEDULES

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

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

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

Actuarial Valuation Date	Actuarial Value of Assets (a)[2]	Actuarial Accrued Liability (AAL) at Entry Age (b)	Unfunded (Excess) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c))
6-30-77	$ 198,449	$ 252,662	$ 54,213	78.5%	$ 97,177	55.8%
6-30-78	$ 234,751	$ 281,716	$ 46,965	83.3%	$ 109,359	42.9%
6-30-79	$ 276,500	$ 322,354	$ 45,854	85.8%	$ 125,667	36.5%
6-30-80	$ 323,768	$ 371,873	$ 48,105	87.1%	$ 144,371	33.3%
6-30-81 *	$ 381,720	$ 407,302	$ 25,582	93.7%	$ 165,055	15.5%
6-30-82	$ 446,529	$ 475,147	$ 28,618	94.0%	$ 185,650	15.4%
6-30-83 [1]	$ 519,155	$ 557,232	$ 38,077	93.2%	$ 199,736	19.1%
6-30-84 *	$ 599,945	$ 617,369	$ 17,424	97.2%	$ 217,163	8.0%
6-30-85 *	$ 693,159	$ 706,779	$ 13,620	98.1%	$ 244,094	5.6%
6-30-86 *	$ 816,882	$ 802,038	$ (14,844)	101.9%	$ 268,511	-5.5%
6-30-87 *[1]	$ 919,931	$ 915,089	$ (4,842)	100.5%	$ 299,559	-1.6%
6-30-88 *	$ 1,037,988	$ 1,026,251	$ (11,737)	101.1%	$ 321,750	-3.6%
6-30-89 *[1]	$ 1,164,003	$ 1,156,502	$ (7,501)	100.6%	$ 345,743	-2.2%
6-30-90 *	$ 1,297,562	$ 1,322,781	$ 25,219	98.1%	$ 371,950	6.8%
6-30-91 *	$ 1,432,023	$ 1,470,778	$ 38,755	97.4%	$ 402,687	9.6%
6-30-92 *	$ 1,595,739	$ 1,605,890	$ 10,151	99.4%	$ 415,471	2.4%
6-30-93 *	$ 1,769,345	$ 1,758,746	$ (10,599)	100.6%	$ 425,811	-2.5%
6-30-94 *	$ 1,945,166	$ 1,932,046	$ (13,120)	100.7%	$ 451,022	-2.9%
6-30-95 *	$ 2,181,351	$ 2,117,733	$ (63,618)	103.0%	$ 496,063	-12.8%
6-30-96 *	$ 2,487,953	$ 2,328,276	$ (159,677)	106.9%	$ 541,231	-29.5%
6-30-97 *	$ 2,915,173	$ 2,533,435	$ (381,738)	115.1%	$ 579,341	-65.9%
6-30-98 *	$ 3,192,627	$ 2,743,998	$ (448,629)	116.3%	$ 625,222	-71.8%
6-30-99 *	$ 3,709,251	$ 3,082,202	$ (627,049)	120.3%	$ 682,184	-91.9%
6-30-00 *	$ 4,260,168	$ 3,415,157	$ (845,011)	124.7%	$ 751,280	-112.5%
6-30-01 *	$ 4,661,941	$ 3,674,758	$ (987,183)	126.9%	$ 826,740	-119.4%
6-30-02 *	$ 4,684,386	$ 4,144,211	$ (540,175)	113.0%	$ 854,249	-63.2%
6-30-03 *	$ 4,781,377	$ 4,739,613	$ (41,764)	100.9%	$ 881,285	-4.7%
6-30-04 *	$ 4,774,313	$ 5,167,333	$ 393,020	92.4%	$ 911,718	43.1%

* 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 8.75% per year compounded annually; (b) projected salary increases of 6.25% per year compounded annually, attributable to an assumed inflation rate of 5.25% 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%
2003	$50,800,669	100.00%
2004	$79,000,130	100.00%

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPORTING SCHEDULE OF CHANGES IN FUND BALANCE RESERVES
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

	Refundable Members' Reserve	Employers' Reserve	Future Benefit Increase Reserve
Balance - June 30, 2002	$ 495,565,136	$ 2,698,296,454	$ 502,456,646
Distribution of Revenues and Expenses			
Members' Contributions	67,937,288		
Employers' Contributions		50,800,669	
Earnings (Loss) on Investments Net of Investment Expenses		233,424,569	
Pension and Insurance Benefits		(209,715,238)	
Refunds to Terminated Members	(4,183,429)	(2,239,536)	
Administrative Expenses		(812,332)	
Distribution of Transfers			
Excess Investment Earnings to be used for Future Benefit Increases		-	-
Earnings (Loss) on Excess Investment Earnings Account Assets		(33,664,595)	33,664,595
Amount Utilized by Benefit Increases Granted		67,995,889	(67,995,889)
Net Transfers from Other State-Sponsored Pension Plans	311,218	696,652	
Inter-System Transfers -- Member Account Balances Transferred to Employers' Reserve due to Retirement	(15,813,198)	15,813,198	
Balance - June 30, 2003	$ 543,817,016	$ 2,820,595,730	$ 468,125,352
Distribution of Revenues and Expenses			
Members' Contributions	71,874,188		
Employers' Contributions		79,000,130	
Earnings (Loss) on Investments Net of Investment Expenses		562,613,259	
Pension and Insurance Benefits		(229,885,444)	
Refunds to Terminated Members	(4,292,284)	(2,098,359)	
Administrative Expenses		(1,099,932)	
Distribution of Transfers			
Excess Investment Earnings to be used for Future Benefit Increases		(107,495,840)	107,495,840
Earnings (Loss) on Excess Investment Earnings Account Assets		(70,064,321)	70,064,321
Amount Utilized by Benefit Increases Granted		77,066,484	(77,066,484)
Net Transfers from Other State-Sponsored Pension Plans	280,321	805,096	
Inter-System Transfers -- Member Account Balances Transferred to Employers' Reserve due to Retirement	(17,200,175)	17,200,175	
Balance - June 30, 2004	$ 594,479,065	$ 3,146,636,979	$ 568,619,029

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, 2004

	Administrative	Investment	Total
Accounting and Auditing Services	$ 7,300	$ -	$ 7,300
Actuarial Services	94,690	-	94,690
Computer Equipment	47,118	21,063	68,181
Contractual Services	22,195	9,921	32,116
Educational Expenses	22,961	49,778	72,739
Fund Manager Initiatives	124,420	9,714	134,135
Furniture and Equipment	6,517	2,913	9,431
Investment Services	-	2,983	2,983
Occupancy Expenses	26,736	4,118	30,854
Office Supplies	10,736	3,599	14,335
Payroll Taxes and Fringe Benefits	139,149	93,477	232,625
Postage Expenses	29,786	4,438	34,224
Printing, Publications and Subscriptions	13,807	2,854	16,660
Professional Services	40,121	5,978	46,100
Salaries and Wages	501,960	336,577	838,537
Telephone Expenses	11,260	2,665	13,925
Travel Expenses	1,176	768	1,944
	$ 1,099,932	$ 550,847	$ 1,650,779

Consultants	Fees Paid
Standard & Poor's Securities, Inc. - Investment Counsel	$ (1)
Rodwan & Nichols - Consulting Actuaries	94,690
Barrows & Schatza, P.L.C. - Auditors	7,300
Lieberman, Dodge, Gerding, Kothe & Anderson, Ltd. - Legal Counsel	45,842
	$ 147,832

(1) This Service was provided to the System without charge by Standard & Poor's Securities, Inc. The value of these services is approximately $210,000.

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPLEMENTAL SCHEDULE OF
CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

	2004	2003
RECEIPTS		
Members' Contributions	$ 71,931,852	$ 68,178,126
Employers' Contributions	77,701,371	50,012,976
Interest	76,350,830	92,551,834
Dividends	28,242,469	18,199,109
Real Estate Income (Net)	37,860	-
Securities Lending Income	1,488,535	1,640,486
Amounts Transferred from Other State-Sponsored Pension Plans	1,281,703	1,393,776
Maturities and Sales of		
U.S. Government Securities	100,088,707	161,526,651
Corporate Bonds	342,800,828	124,747,149
Corporate Notes	6,884,928,193	9,203,176,586
Other Investments	45,981,917	108,629,495
Common Stock	424,046,477	559,512,947
Net Decrease in Money Market Fund		
Total Receipts	**8,054,880,742**	**10,389,569,135**
DISBURSEMENTS		
Pension Benefits	229,885,444	209,715,238
Refunds to Terminated Members	6,390,643	6,422,965
Investment and Administrative Expenses	1,638,873	1,238,481
Amounts Transferred to Other State-Sponsored Pension Plans	196,287	385,905
Acquisitions of		
U.S. Government Securities	-	-
Corporate Bonds	218,605,861	127,789,376
Corporate Notes	6,805,254,122	9,312,347,998
Other Investments	74,200,489	107,261,483
Common Stock	706,980,678	623,993,684
Real Estate Property	4,195,989	-
Net Increase in Money Market Fund	7,532,356	414,006
Total Disbursements	**8,054,880,742**	**10,389,569,135**
DECREASE IN CASH	-	-
BEGINNING CASH BALANCE - July 1	-	-
ENDING CASH BALANCE - June 30	$ -	$ -

INVESTMENT SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTY-SIXTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2004

Fund Objectives

Investment Performance Data

Supporting Schedule of Commissions Paid to Brokers

Summary of Changes in Investment Portfolio

Detailed List of Investments Acquired

Detailed List of Sales and Redemption of Investments

Detailed List of Investments Owned

FUND OBJECTIVES

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

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

John A. Cochran, Ph.D., Chairman

F. Michael Geddes, Member

Donald L. De Ment, Member

Carmen Torrie, Member

Tony West, Member

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

STANDARD
&POOR'S

Standard & Poor's Investment
Advisory Services LLC

55 Water Street, 42nd Floor
New York, NY 10041-0003
212 438 3737 Tel
212 438 3929 Fax

September 9, 2004

The Fund Manager
Public Safety Personnel Retirement System
of the State of Arizona
3010 E. Camelback Rd, Ste 200
Phoenix, Arizona 85016

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.

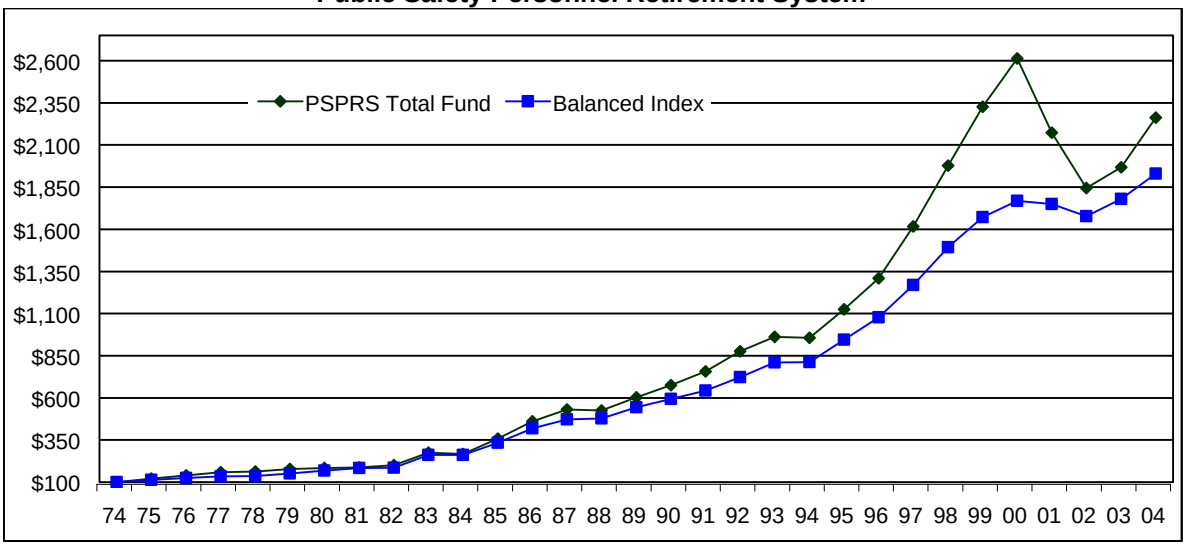
Based on the foregoing, during the past fiscal year, the stock portfolio underperformed the NYSE Index and outperformed the S&P 500 Index, while the bond portfolio outperformed the Lehman Government/Credit Index. The overall fund outperformed a custom benchmark, using bond and stock indices weighted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

Sincerely,

DAVID J. BRAVERMAN

David J. Braverman
Vice President

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



FYE	Fair Value	Contribution	Total Return	Balanced Index*
06-30-04	$ 4,269,667,526	$ (91,371,331)	14.97%	8.38%
06-30-03	$ 3,797,874,751	$ (99,343,854)	6.67%	6.18%
06-30-02	$ 3,663,355,981	$ (74,748,840)	-15.07%	-4.13%
06-30-01	$ 4,392,242,834	$ (58,899,769)	-16.86%	-1.07%
06-30-00	$ 5,346,760,140	$ (40,728,025)	12.31%	5.75%
06-30-99	$ 4,799,032,031	$ (42,171,100)	17.69%	11.94%
06-30-98	$ 4,117,504,057	$ (27,295,036)	22.24%	17.66%
06-30-97	$ 3,393,713,299	$ (15,244,314)	23.43%	17.87%
06-30-96	$ 2,764,579,315	$ (13,627,135)	16.45%	13.98%
06-30-95	$ 2,387,258,324	$ (11,730,534)	17.69%	16.30%
06-30-94	$ 2,040,534,626	$ (3,736,636)	-0.71%	0.25%
06-30-93	$ 2,058,778,434	$ (5,497,735)	9.76%	12.26%
06-30-92	$ 1,880,846,956	$ 9,729,880	15.89%	12.12%
06-30-91	$ 1,614,307,083	$ 10,925,999	12.21%	8.32%
06-30-90	$ 1,428,631,192	$ 7,099,861	11.82%	9.21%
06-30-89	$ 1,270,848,790	$ 19,119,731	14.70%	13.98%
06-30-88	$ 1,089,934,034	$ 15,123,458	-1.10%	1.19%
06-30-87	$ 1,086,519,311	$ 21,366,628	15.50%	12.61%
06-30-86	$ 921,122,839	$ 17,116,567	28.34%	25.50%
06-30-85	$ 704,031,440	$ 18,162,936	34.17%	28.01%
06-30-84	$ 515,661,673	$ 21,383,722	-2.45%	-0.53%
06-30-83	$ 507,216,188	$ 20,393,414	36.84%	41.25%
06-30-82	$ 354,453,695	$ 23,006,994	7.19%	1.19%

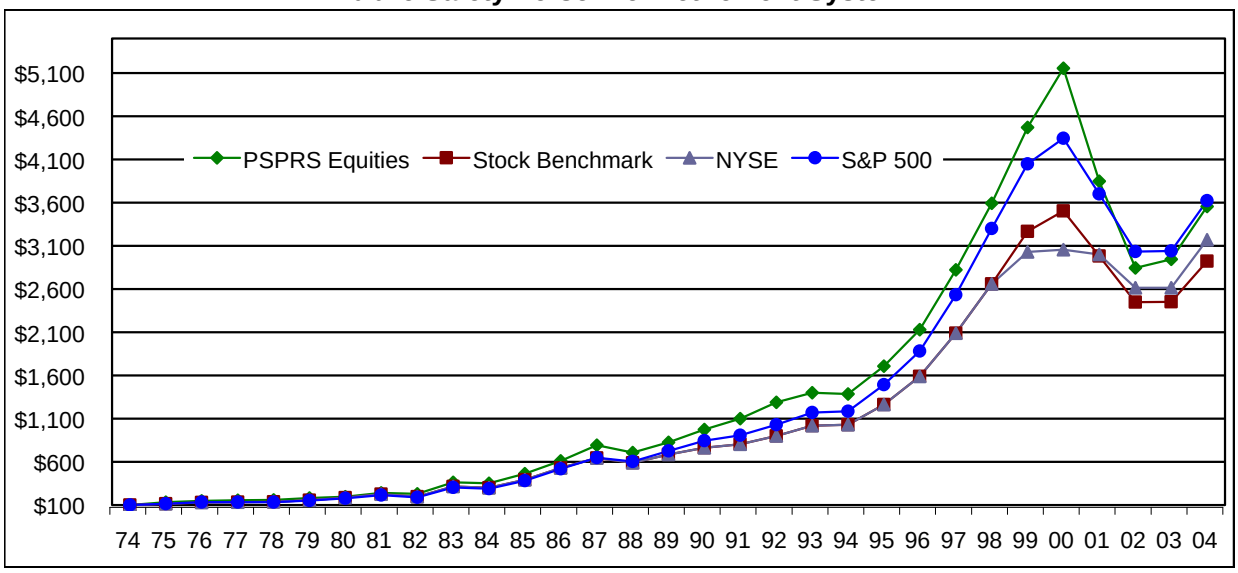
Annualized Returns	**3-year**	1.37%	3.33%
	5-year	-0.56%	2.91%
	10-year	9.00%	9.04%
	15-year	9.21%	8.80%
	20-year	11.27%	10.52%

*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



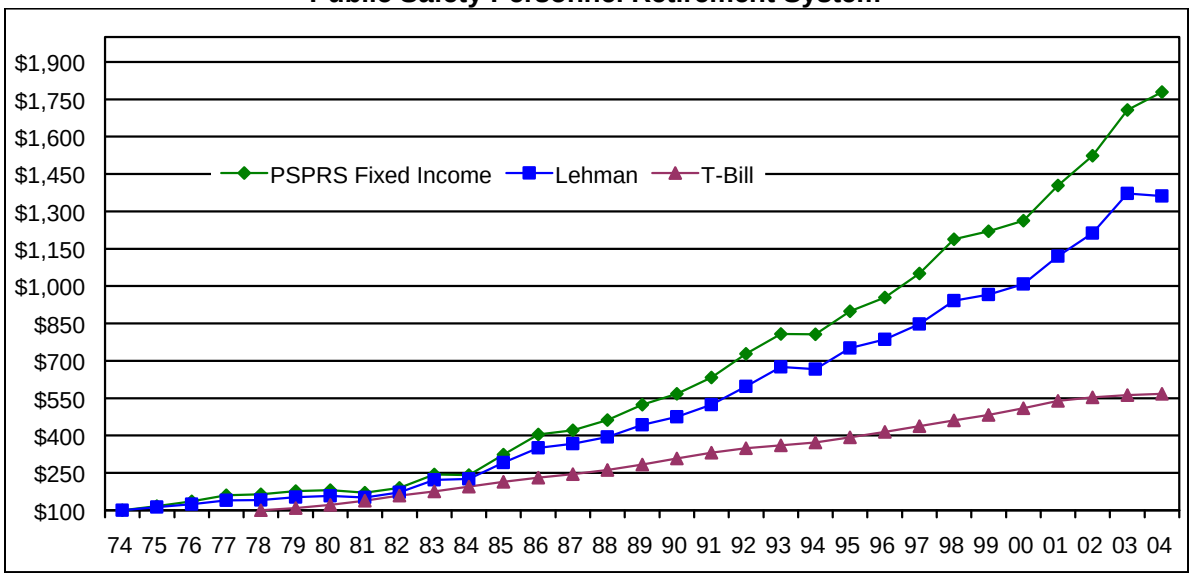
FYE	Fair Value	Contribution	Total Return	Stock* Benchmark	NYSE Index	S&P 500
06-30-04	$ 3,091,719,228	$ 254,050,069	20.70%	19.11%	21.28%	19.11%
06-30-03	$ 2,323,385,091	$ 45,720,114	3.62%	0.25%	-0.05%	0.25%
06-30-02	$ 2,210,717,178	$ 8,307,260	-26.12%	-17.99%	-12.80%	-17.99%
06-30-01	$ 2,977,526,884	$ (139,900,329)	-25.35%	-14.83%	-1.77%	-14.83%
06-30-00	$ 4,149,828,967	$ 91,069,097	15.31%	7.25%	0.84%	7.25%
06-30-99	$ 3,510,963,034	$ (24,956,479)	24.42%	22.76%	13.86%	22.76%
06-30-98	$ 2,847,416,226	$ 62,789,349	27.36%	27.29%	27.29%	30.16%
06-30-97	$ 2,189,785,301	$ 12,414,490	32.48%	31.51%	31.51%	34.71%
06-30-96	$ 1,646,181,750	$ 72,955,246	24.62%	25.91%	25.91%	26.00%
06-30-95	$ 1,249,064,319	$ (73,778,340)	23.49%	22.40%	22.40%	26.06%
06-30-94	$ 1,079,624,319	$ 17,567,044	-1.18%	1.24%	1.24%	1.23%
06-30-93	$ 1,076,135,294	$ 20,148,748	8.72%	13.32%	13.32%	13.52%
06-30-92	$ 924,885,669	$ 27,758,211	17.00%	11.59%	11.59%	13.45%
06-30-91	$ 765,961,738	$ 100,051,684	12.96%	5.50%	5.50%	7.39%
06-30-90	$ 586,485,375	$ 38,836,422	17.97%	11.25%	11.25%	16.44%
06-30-89	$ 463,610,700	$ (27,032,573)	16.78%	16.81%	16.81%	20.53%
06-30-88	$ 423,707,612	$ (94,474,445)	-10.56%	-8.57%	-8.57%	-6.92%
06-30-87	$ 583,885,788	$ 65,257,942	29.10%	21.46%	21.46%	25.08%
06-30-86	$ 395,006,488	$ (57,644,263)	32.17%	34.36%	34.36%	35.83%
06-30-85	$ 347,907,038	$ (4,655,381)	31.07%	31.21%	31.21%	31.19%
06-30-84	$ 269,543,480	$ 81,697,323	-2.40%	-5.04%	-5.04%	-4.60%
06-30-83	$ 195,489,212	$ 45,082,539	57.04%	61.94%	61.94%	61.01%
06-30-82	$ 92,342,163	$ 10,698,094	-3.72%	-12.93%	-12.93%	-11.43%

Annualized Returns	**3-year**	-2.60%	-0.70%	1.87%	-0.70%
	5-year	-4.48%	-2.21%	0.92%	-2.21%
	10-year	9.90%	10.97%	11.89%	11.83%
	15-year	10.22%	10.14%	10.74%	11.30%
	20-year	12.23%	12.05%	12.51%	13.45%

*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
06-30-04	$ 1,177,948,298	$ (345,421,401)	4.19%	-0.71%	0.98%
06-30-03	$ 1,474,489,661	$ (145,063,968)	12.06%	13.14%	1.53%
06-30-02	$ 1,452,638,803	$ (83,056,100)	8.59%	8.24%	2.57%
06-30-01	$ 1,414,715,950	$ 81,000,560	11.14%	11.14%	5.89%
06-30-00	$ 1,196,931,173	$ (131,797,122)	3.50%	4.29%	5.53%
06-30-99	$ 1,288,068,997	$ (17,214,621)	2.73%	2.69%	4.90%
06-30-98	$ 1,270,087,831	$ (90,084,385)	12.97%	11.08%	5.28%
06-30-97	$ 1,203,927,998	$ (27,658,804)	10.14%	7.76%	5.43%
06-30-96	$ 1,118,397,565	$ (86,582,381)	6.13%	4.65%	5.52%
06-30-95	$ 1,138,194,005	$ 62,047,807	11.53%	12.75%	5.52%
06-30-94	$ 960,910,163	$ (21,303,679)	-0.16%	-1.45%	3.37%
06-30-93	$ 982,643,140	$ (15,007,410)	11.00%	13.15%	3.37%
06-30-92	$ 955,961,286	$ (18,028,331)	14.90%	14.17%	5.19%
06-30-91	$ 848,345,345	$ (89,127,685)	11.47%	10.21%	7.55%
06-30-90	$ 842,145,817	$ (31,736,561)	8.33%	7.11%	8.50%
06-30-89	$ 807,238,090	$ 46,152,304	13.55%	12.33%	8.47%
06-30-88	$ 666,226,422	$ 109,597,902	9.69%	7.47%	6.75%
06-30-87	$ 502,633,523	$ (43,891,314)	3.99%	4.68%	6.17%
06-30-86	$ 526,116,351	$ 74,760,830	25.23%	20.63%	7.61%
06-30-85	$ 356,124,402	$ 22,818,317	33.86%	28.69%	10.44%
06-30-84	$ 246,118,193	$ (60,313,601)	-1.17%	1.77%	10.23%
06-30-83	$ 311,489,212	$ (24,689,125)	28.83%	29.12%	10.57%
06-30-82	$ 262,218,170	$ 12,308,308	11.52%	13.38%	15.30%

Annualized Returns	**3-year**	8.23%	6.73%	1.69%
	5-year	7.84%	7.10%	3.28%
	10-year	8.23%	7.41%	4.30%
	15-year	8.48%	7.77%	4.72%
	20-year	10.50%	9.40%	5.50%

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

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

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

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SUPPORTING SCHEDULE OF COMMISSIONS PAID TO BROKERS
FISCAL YEAR ENDED JUNE 30, 2004

Broker	Number of Shares Traded	Average Commission	Commissions
Greenberg Financial Group	3,522,900	0.048	$ 168,549.00
Investors Capital Corporation	1,681,400	0.050	$ 84,070.00
ISI Group, Inc.	3,249,400	0.049	$ 159,147.00
Merrill Lynch	3,381,850	0.049	$ 167,092.50
Morgan Stanley/Dean Witter	2,364,960	0.048	$ 114,175.00
Salomon Smith Barney--Phoenix	2,070,300	0.049	$ 101,515.00
Salomon Smith Barney--Scottsdale	2,599,500	0.049	$ 127,975.00
Samco Financial Services, Inc.	1,984,100	0.050	$ 99,205.00
Standard & Poor's Securities	6,770,400	0.050	$ 336,270.00
U. S. Financial Investments, Inc.	2,609,200	0.050	$ 130,460.00
UBS/Paine Webber	2,872,200	0.047	$ 136,258.00
Wells Fargo Securities	1,516,000	0.050	$ 75,800.00
Total Commissions	**34,622,210**	**0.049**	**$ 1,700,516.50**

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, 2004

Description	Percent at Fair Value	Balance June 30, 2003 Fair Value	Balance June 30, 2003 Book Value	Acquisitions	Maturities and Sales	(Premium) Discount	Balance June 30, 2004 Fair Value	Balance June 30, 2004 Book Value	Percent at Fair Value
U.S. Treasury Obligations	3.00%	113,768,790.00	88,127,591.25	-	9,998,270.19	29,123.68	93,923,360.00	78,158,444.74	2.20%
Federal Agency Obligations	4.83%	183,576,289.35	169,683,695.87	-	90,119,560.77	-	86,658,870.19	79,564,135.10	2.03%
Total U.S. Government Securities	**7.83%**	**297,345,079.35**	**257,811,287.12**	**-**	**100,117,830.96**	**29,123.68**	**180,582,230.19**	**157,722,579.84**	**4.23%**
Corporate Bonds	18.91%	718,008,224.68	649,343,051.84	218,605,860.91	314,562,068.01	(335,040.78)	587,530,848.06	553,051,803.96	13.76%
Total Bond Portfolio	**26.73%**	**1,015,353,304.03**	**907,154,338.96**	**218,605,860.91**	**414,679,898.97**	**(305,917.10)**	**768,113,078.25**	**710,774,383.80**	**17.99%**
Corporate Notes	6.44%	244,600,990.94	244,600,990.94	6,805,254,122.11	6,884,928,193.06	-	164,926,919.99	164,926,919.99	3.86%
Common Stock	61.18%	2,323,385,090.76	2,179,718,426.78	706,980,678.29	408,013,514.94	-	3,091,719,228.28	2,478,685,590.13	72.41%
Other Investments	5.62%	213,449,023.80	213,449,023.80	74,200,489.15	51,359,911.29	-	236,289,601.66	236,289,601.66	5.54%
Money Market Account	0.03%	1,086,341.93	1,086,341.93	7,532,356.05	-	-	8,618,697.98	8,618,697.98	0.20%
Total Portfolio	**100.00%**	**3,797,874,751.46**	**3,546,009,122.41**	**7,812,573,506.51**	**7,758,981,518.26**	**(305,917.10)**	**4,269,667,526.16**	**3,599,295,193.56**	**100.00%**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2003 THROUGH JUNE 30, 2004

BONDS ACQUIRED

Security	Coupon	Maturity	Purchase Price	Par Value	Principal	(Premium) Discount	Accrued Interest	Total Amount	Book Yield
CORPORATE BONDS									
AMERICAN AIRLINES	7.8580	10/01/11	99.70000	6,600,000.00	6,580,200.00	19,800.00	67,709.77	6,647,909.77	7.88%
BOEING CORPORATION	8.7500	08/15/21	123.69000	1,000,000.00	1,236,900.00	(236,900.00)	40,347.22	1,277,247.22	7.07%
CBO HOLDINGS III LTD.	7.0000	02/10/38	105.75000	8,950,000.00	9,464,625.00	(514,625.00)	88,754.17	9,553,379.17	6.62%
CONSECO FINANCE	8.0600	05/01/31	88.50000	6,205,000.00	5,491,425.00	713,575.00	29,173.84	5,520,598.84	9.11%
CONSECO FINANCE	8.0600	05/01/31	88.00000	4,500,000.00	3,960,000.00	540,000.00	27,202.50	3,987,202.50	9.16%
CONTINENTAL AIRLINES INC	7.2560	03/15/20	105.00000	3,208,826.44	3,369,267.76	(160,441.32)	82,784.87	3,452,052.63	6.91%
CONTINENTAL AIRLINES INC	7.9180	05/01/10	102.50000	8,200,000.00	8,405,000.00	(205,000.00)	18,035.44	8,423,035.44	7.72%
CONTINENTAL AIRLINES INC	6.5030	06/15/11	99.90000	5,700,000.00	5,694,300.00	5,700.00	1,029.64	5,695,329.64	6.51%
CONTINENTAL AIRLINES INC	6.3200	11/01/08	101.25000	4,290,000.00	4,343,625.00	(53,625.00)	100,919.87	4,444,544.87	6.24%
CONTINENTAL AIRLINES INC	6.3200	11/01/08	101.00000	3,750,000.00	3,787,500.00	(37,500.00)	80,975.00	3,868,475.00	6.26%
CONTINENTAL AIRLINES INC	7.9180	05/01/10	104.20000	4,556,000.00	4,747,352.00	(191,352.00)	71,146.75	4,818,498.75	7.60%
EASTMAN HILL FUNDING LTD	1.9050	09/29/31	54.00000	4,000,000.00	2,160,000.00	1,840,000.00	6,138.33	2,166,138.33	3.53%
FEDERAL HOME LOAN BANK	6.5000	08/28/18	100.00000	16,000,000.00	16,000,000.00	0.00	0.00	16,000,000.00	6.50%
FIRST DOMINION FUNDING II	7.4980	04/25/14	102.50000	5,000,000.00	5,125,000.00	(125,000.00)	18,745.00	5,143,745.00	7.32%
FNMA	5.0000	12/30/10	100.00000	6,500,000.00	6,500,000.00	0.00	0.00	6,500,000.00	5.00%
FREDDIE MAC	5.0000	07/02/18	90.26100	3,462,000.00	3,124,835.82	337,164.18	29,811.67	3,154,647.49	5.54%
GALILEO SECURITIES INC.	1.4500	02/03/11	86.00000	2,693,978.47	2,316,821.48	377,156.99	3,689.25	2,320,510.73	1.69%
GREEN TREE FINANCIAL	7.5400	06/15/28	64.00000	2,500,000.00	1,600,000.00	900,000.00	10,995.83	1,610,995.83	11.78%
GREEN TREE FINANCIAL	7.0200	10/15/27	63.75000	1,900,000.00	1,211,250.00	688,750.00	7,039.50	1,218,289.50	11.01%
HUTCHISON WHAMPOA FINANCIAL	7.4500	08/01/17	109.60000	5,000,000.00	5,480,000.00	(480,000.00)	177,972.22	5,657,972.22	6.80%
HUTCHISON WHAMPOA FINANCIAL	7.4500	08/01/17	103.75000	3,500,000.00	3,631,250.00	(131,250.00)	107,921.53	3,739,171.53	7.18%
HUTCHISON WHAMPOA INTL LTD	7.4500	11/24/33	99.46000	5,000,000.00	4,973,000.00	27,000.00	157,277.78	5,130,277.78	7.49%
HUTCHISON WHAMPOA INTL LTD	7.4500	11/24/33	93.82500	4,050,000.00	3,799,912.50	250,087.50	139,966.87	3,939,879.37	7.94%
JACKSON NATIONAL LIFE	8.1500	03/15/27	112.10400	5,550,000.00	6,221,772.00	(671,772.00)	188,468.75	6,410,240.75	7.27%
MID OCEAN 2000-1A A2	7.7254	01/15/36	84.62500	5,000,000.00	4,231,250.00	768,750.00	35,408.08	4,266,658.08	9.13%
MID OCEAN 2001-1A A1	6.5563	11/05/36	100.25000	9,839,515.50	9,864,114.29	(24,598.79)	21,503.61	9,885,617.90	6.54%
NORTHWEST AIRLINES 1999-2A	7.5750	03/01/19	104.32000	4,413,348.50	4,604,005.16	(190,656.66)	99,364.70	4,703,369.86	7.26%
NORTHWEST AIRLINES 1999-2A	7.5750	03/01/19	104.12500	10,592,036.40	11,028,957.90	(436,921.50)	236,246.55	11,265,204.45	7.27%
NORTHWEST AIRLINES INC	6.8410	04/01/11	100.00000	7,500,000.00	7,500,000.00	0.00	233,734.17	7,733,734.17	6.84%
NORTHWEST AIRLINES INC	6.8410	04/01/11	98.00000	4,400,000.00	4,312,000.00	88,000.00	34,281.01	4,346,281.01	6.98%
OAKWOOD MORTGAGE 1999-B AC	6.1900	12/15/13	91.25000	3,970,936.44	3,623,479.50	347,456.94	11,607.27	3,635,086.77	6.78%
OAKWOOD MORTGAGE INVESTORS INC	7.4050	12/15/30	79.00000	2,080,000.00	1,643,200.00	436,800.00	6,417.67	1,649,617.67	9.37%
OAKWOOD MORTGAGE INVESTORS INC	5.1900	09/15/19	97.00000	12,069,000.00	11,706,930.00	362,070.00	22,619.32	11,729,549.32	5.35%
PREFERRED CPO	8.9460	07/26/30	104.50000	13,200,000.00	13,794,000.00	(594,000.00)	101,686.20	13,895,686.20	8.56%
SAXON ASSET SECURITIES TRUST	7.3710	03/25/32	101.93750	10,900,000.00	11,111,187.50	(211,187.50)	26,781.30	11,137,968.80	7.23%

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2003 THROUGH JUNE 30, 2004

BONDS ACQUIRED

Security	Coupon	Maturity	Purchase Price	Par Value	Principal	(Premium) Discount	Accrued Interest	Total Amount	Book Yield
SIGNATURE 6 LIMITED	7.2760	09/27/16	90.10000	3,200,000.00	2,883,200.00	316,800.00	47,859.91	2,931,059.91	8.08%
WYETH	6.4500	02/01/24	95.35000	7,000,000.00	6,674,500.00	325,500.00	240,800.00	6,915,300.00	6.76%
ZAIS INVESTMENT GRADE LTD	2.4806	12/10/15	61.00000	10,500,000.00	6,405,000.00	4,095,000.00	99,845.36	6,504,845.36	4.07%
TOTAL BONDS ACQUIRED				226,780,641.75	218,605,860.91	8,174,780.84	2,674,260.95	221,280,121.86	

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2003 THROUGH JUNE 30, 2004

SHORT TERM INVESTMENTS MATURED

Description	Cost	Amount of Interest	Maturity Value
ABSC CAPITAL	35,994,750.00	5,250.00	36,000,000.00
AIR LIQUIDE US	33,977,517.50	22,482.50	34,000,000.00
ALTAMIRA FUNDING	34,994,108.34	5,804.99	34,999,913.33
APRECO INC	34,978,397.22	21,602.78	35,000,000.00
ASSET ONE SECURITIZATION	213,408,072.02	91,927.98	213,500,000.00
AUTOBAHN FUNDING CORP	238,232,210.98	66,789.02	238,299,000.00
BARTON CAPITAL CORP	134,440,398.60	59,601.40	134,500,000.00
BEETHOVEN FUNDING CORPORATION	110,928,686.10	71,313.90	111,000,000.00
BRYANT PARK FUNDING LLC	68,188,660.29	61,339.71	68,250,000.00
CARGILL ASIA PACIFIC LTD	38,995,710.00	4,290.00	39,000,000.00
CBA (DELAWARE) FINANCE INC	19,499,425.83	574.17	19,500,000.00
CDC COMMERCIAL PAPER PROGRAM	91,724,701.87	25,298.13	91,750,000.00
CHARTA CORP	20,495,398.89	4,601.11	20,500,000.00
CHECK POINT CHARLIE INC	84,668,198.75	81,801.25	84,750,000.00
CLIPPER RECEIVABLES	156,605,252.39	44,747.61	156,650,000.00
CONCORD MINUTEMAN CAPITAL	29,999,016.67	983.33	30,000,000.00
CONSOLIDATED EDISON COMPANY	26,496,967.22	3,032.78	26,500,000.00
COUNTRYWIDE HOME LOANS	19,996,600.00	3,400.00	20,000,000.00
CROWN POINT CAPITAL	112,473,595.29	26,404.71	112,500,000.00
DEXIA DELAWARE LLC	32,982,235.00	17,765.00	33,000,000.00
EAGLE FUNDING CAPITAL	184,460,797.73	39,202.27	184,500,000.00
EMINENT FUNDING	24,499,319.45	680.55	24,500,000.00
EUROHYPO AG	28,493,088.75	6,911.25	28,500,000.00
EXXON PROJECT	24,995,284.72	4,715.28	25,000,000.00
FALCON ASSET SECURITIZATION	30,995,694.45	4,305.55	31,000,000.00
GALLEON CAPITAL	247,593,048.08	6,951.92	247,600,000.00
GENERAL DYNAMICS CORP	26,749,271.81	728.19	26,750,000.00
GENERAL ELECTRIC COMPANY	65,727,087.50	22,912.50	65,750,000.00
GIRO MULTI-FUNDING US CORP	92,489,659.04	10,340.96	92,500,000.00
GREYHAWK FUNDING LLC	64,963,302.79	36,697.21	65,000,000.00
HOLLAND LIMITED SECURITZATION	14,493,740.83	6,259.17	14,500,000.00
HUDSON AMERICAN REALTY	71,463,293.06	36,706.94	71,500,000.00
INTERNATIONAL LEASE FINANCE	117,194,889.86	55,110.14	117,250,000.00
LEXINGTON PARKER CAPITAL CORP	73,992,775.57	7,224.43	74,000,000.00
LIBERTY STREET FUNDING	145,992,874.44	7,125.56	146,000,000.00
LONG LANE MASTER TRUST	19,483,923.34	16,076.66	19,500,000.00
MACQUARIE BANK LTD	33,688,205.00	11,795.00	33,700,000.00
MARKET STREET FUNDING	135,665,119.01	104,880.99	135,770,000.00
MARSH & MCLENNAN	34,997,141.67	2,858.33	35,000,000.00
MAXIMILIAN CAPITAL CORP	32,969,475.00	30,525.00	33,000,000.00
MERRILL LYNCH & CO, INC.	163,247,799.48	27,200.52	163,275,000.00
MONTAUK FUNDING CORP	58,990,930.83	9,069.17	59,000,000.00
NATIONAL AUSTRALIA FUNDING	102,943,383.54	56,616.46	103,000,000.00
NATIONWIDE BUILDING SOCIETY	27,982,717.77	17,282.23	28,000,000.00
NEPTUNE FUNDING	85,606,983.40	43,016.60	85,650,000.00
NESTLE CAPITAL CORP	34,999,115.28	884.72	35,000,000.00
NORDDEUTSCHE LANDESBANK	199,427,932.50	72,067.50	199,500,000.00
ORANGE & ROCKLAND UTILITY	29,997,399.99	2,600.01	30,000,000.00
PARADIGM FUNDING	212,601,599.00	48,401.00	212,650,000.00
PREFERRED RECEIVABLES FUNDING CORP	41,465,900.83	34,099.17	41,500,000.00
PUBLIC SQUARE FUNDING II	68,497,948.62	2,051.38	68,500,000.00
REGENCY MARKETS NO. 1	117,661,801.86	68,198.14	117,730,000.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2003 THROUGH JUNE 30, 2004

SHORT TERM INVESTMENTS MATURED

Description	Cost	Amount of Interest	Maturity Value
SILVER TOWER U.S.	30,973,529.45	26,470.55	31,000,000.00
SPARC LLC	26,488,516.66	11,483.34	26,500,000.00
STARBIRD FUNDING CORPORATION	621,404,102.75	70,897.25	621,475,000.00
STEAMBOAT FUNDING	415,721,843.95	78,156.05	415,800,000.00
SUNBELT FUNDING CORP	50,482,707.22	17,292.78	50,500,000.00
SYDNEY CAPITAL CORP	55,458,772.91	41,227.09	55,500,000.00
THREE CROWNS FUNDING	95,492,522.78	7,477.22	95,500,000.00
THUNDER BAY FUNDING	41,493,083.33	6,916.67	41,500,000.00
TOTAL CAPITAL SA	147,487,305.42	12,694.58	147,500,000.00
TRANSAMERICA ASSET FUNDING	19,987,288.89	12,711.11	20,000,000.00
UBS AMERICAS INC	227,482,999.74	17,000.26	227,500,000.00
UBS FINANCE (DELAWARE)	640,549,824.30	100,175.70	640,650,000.00
USAA CAPITAL CORP	30,496,577.22	3,422.78	30,500,000.00
VICTORIA REC	29,496,804.16	3,195.84	29,500,000.00
WELLS FARGO & COMPANY	28,983,252.50	16,747.50	29,000,000.00
WORLD OMNI VEHICLE LEASING	174,292,371.95	82,628.05	174,375,000.00
YORKTOWN CAPITAL LLC	95,225,281.67	24,718.33	95,250,000.00
TOTAL SHORT TERM INVESTMENTS MATURED	**6,884,928,193.06**	**1,945,720.27**	**6,886,873,913.33**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2003 THROUGH JUNE 30, 2004

COMMON STOCK ACQUIRED

Company	No. Shares	Dividend Rate	Annual Income	Book Yield	Average Cost	Book Cost
ABERCROMBIE & FITCH	200,000	0.50	100,000	1.74	28.77	5,754,143.43
ABM INDUSTRIES INC	83,900	0.40	33,560	2.16	18.50	1,552,401.14
ADVANCED ENERGY INDUSTRIES	58,600	-	-	-	22.25	1,303,850.00
AETNA INC	100,000	0.04	4,000	0.05	80.74	8,073,950.00
AFFILIATED COMPUTER SERVICES	100,000	-	-	-	48.73	4,872,630.00
ALBERTO CULVER CO	11,200	0.40	4,480	0.69	58.17	651,540.82
ALLSTATE CORPORATION	150,000	1.12	168,000	3.15	35.57	5,334,870.00
ALLTEL CORPORATION	200,000	1.48	296,000	3.21	46.08	9,216,240.00
AMERICA WEST AIRLINES	900,000	-	-	-	14.12	12,705,212.50
AMERICAN ITALIAN PASTA	33,900	-	-	-	40.04	1,357,511.94
AMSOUTH BANCORPORATION	181,400	0.96	174,144	4.45	21.59	3,916,762.60
ANALOG DEVICES, INC.	99,700	0.24	23,928	0.59	40.83	4,070,480.84
ANHEUSER BUSCH COMPANY	400,000	0.88	352,000	1.69	51.97	20,787,371.10
ANSYS INC.	37,800	-	-	-	35.11	1,327,122.56
APOLLO GROUP, INC.	250,000	-	-	-	66.15	16,537,752.32
ARGOSY GAMING CO	49,300	-	-	-	27.55	1,358,064.15
AT&T CORP	229,000	0.95	217,550	4.83	19.68	4,506,376.50
AUTOMATIC DATA PROCESSING	350,100	0.56	196,056	1.46	38.30	13,408,404.64
AXCELIS TECHNOLOGIES	119,700	-	-	-	11.33	1,356,114.13
BANK OF AMERICA CORPORATION	175,000	3.60	630,000	4.46	80.65	14,113,695.00
BEA SYSTEMS	50,000	-	-	-	13.69	684,500.00
BENCHMARK ELECTRONICS	35,200	-	-	-	38.39	1,351,187.20
BLACK BOX CORPORATION	30,500	0.20	6,100	0.45	44.28	1,350,469.95
BOEING CO.	300,000	0.80	240,000	2.19	36.51	10,952,439.00
CAPITAL AUTOMOTIVE REIT	45,200	1.68	75,936	5.81	28.92	1,307,128.90
CARDINAL HEALTH INC.	250,000	0.12	30,000	0.20	58.77	14,693,010.88
CAREER EDUCATION CORP.	300,000	-	-	-	46.17	13,851,470.76
CARPENTER TECHNOLOGY	38,700	0.33	12,771	0.98	33.84	1,309,528.28
CATERPILLAR INC	94,500	1.64	154,980	1.96	83.77	7,916,368.54
C-COR.net	120,200	-	-	-	11.10	1,333,917.10
CLARCOR INC	31,300	0.50	15,650	1.16	43.04	1,347,124.04
COHERENT, INC.	99,700	-	-	-	27.69	2,761,007.80
COLONIAL PROPERTY TRUST	35,600	2.68	95,408	7.42	36.14	1,286,655.52
COMMONWEALTH TELEPHONE ENTERPRISES	34,200	-	-	-	39.50	1,350,900.00
CONSTELLATION BRANDS	550,000	-	-	-	30.90	16,994,473.04
COOPER COMPANIES	24,500	0.06	1,470	0.11	53.53	1,311,572.75
CORINTHIAN COLLEGES, INC	282,600	-	-	-	57.91	16,366,401.46
CYMER INC	34,000	-	-	-	39.79	1,352,792.00
D. R. HORTON	600,000	0.32	192,000	0.85	37.61	22,563,574.70
DIAMOND OFFSHORE DRILLING	450,000	0.25	112,500	1.08	23.22	10,449,955.63
DSP GROUP	49,500	-	-	-	27.15	1,344,016.15
E.I. du PONT de NEMOURS AND CO	94,700	1.40	132,580	3.21	43.55	4,124,185.00
EASTMAN KODAK COMPANY	139,200	0.50	69,600	1.67	29.89	4,160,604.48
EGL INC	55,600	-	-	-	23.50	1,306,600.00
EXXON MOBIL CORP	150,000	1.08	162,000	2.54	42.46	6,368,666.94
FAIR ISAAC & CO	50,000	0.08	4,000	0.14	57.39	2,869,665.24
FEI COMPANY	49,300	-	-	-	27.39	1,350,266.53
FILENET CORPORATION	49,800	-	-	-	27.29	1,359,121.68
FLEXTRONICS INTERNATIONAL	1,750,000	-	-	-	14.61	25,563,213.48
FORTUNE BRANDS, INC.	148,300	1.20	177,960	1.89	63.57	9,427,448.42
FORWARD AIR CORPORATION	42,900	-	-	-	30.45	1,306,224.92
FRANKLIN RESOURCES INC	300,000	0.34	102,000	0.66	51.43	15,427,905.65
GENERAL MOTORS CORPORATION	79,100	2.00	158,200	3.73	53.60	4,239,752.09
GROUP 1 AUTOMOTIVE	38,600	-	-	-	35.21	1,359,277.46
GUITAR CENTER INC	34,000	-	-	-	38.13	1,296,545.80
HAEMONETICS CORP.	33,000	-	-	-	20.40	673,035.00
HARMAN INTERNATIONAL INDUSTRIES	17,100	0.05	855	0.06	79.45	1,358,543.70
HARTFORD FINANCIAL SERVICES GROUP	210,500	1.12	235,760	2.07	54.15	11,397,830.75
HIBBETT SPORTING GOODS	19,300	-	-	-	26.03	502,398.10
HILB, ROGAL & HAMILTON	10,100	-	-	-	35.55	359,022.32
HOLOGIC INC	87,400	-	-	-	15.40	1,346,105.40
HONEYWELL INTERNATIONAL INC	118,000	0.75	88,500	2.09	35.82	4,227,196.60
HOT TOPIC	58,700	-	-	-	23.08	1,354,796.00
HYDRIL	46,900	-	-	-	27.96	1,311,492.31

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2003 THROUGH JUNE 30, 2004

COMMON STOCK ACQUIRED

Company	No. Shares	Dividend Rate	Annual Income	Book Yield	Average Cost	Book Cost
INAMED CORPORATION	17,900	-	-	-	75.96	1,359,730.54
INTEGRA LIFESCIENCES HOLDINGS	50,500	-	-	-	28.96	1,462,228.34
INTEL CORPORATION	1,700,000	0.16	272,000	0.54	29.62	50,352,951.16
INTERNATIONAL BUSINESS MACH.	100,000	0.72	72,000	0.88	82.24	8,224,442.19
INTERNATIONAL PAPER COMPANY	96,700	1.00	96,700	2.34	42.74	4,133,349.41
INTRADO INC	61,100	-	-	-	22.02	1,345,252.44
JACOBS ENGINEERING GROUP INC.	50,000	-	-	-	48.03	2,401,748.92
JP MORGAN CHASE & CO	104,500	1.36	142,120	3.39	40.10	4,190,146.95
KEITHLEY INSTRUMENTS	43,400	-	-	-	15.58	676,104.06
KULICKE & SOFFA INDUSTRIES	85,200	-	-	-	15.58	1,327,416.00
LENNAR CORP Class A	100,000	0.50	50,000	0.60	83.37	8,336,663.00
MERCK & CO.	169,000	1.48	250,120	3.12	47.46	8,021,061.10
MESA AIR GROUP	132,300	-	-	-	9.67	1,279,976.04
METLIFE INC.	150,000	0.23	34,500	0.80	28.64	4,296,240.00
MID ATLANTIC MEDICAL SERVICES	20,600	-	-	-	66.58	1,371,457.62
MYLAN LABORATORIES	150,000	0.12	18,000	0.36	33.55	5,032,461.20
NBTY INC	150,000	-	-	-	26.72	4,007,389.40
NEXTEL COMMUNICATIONS	300,000	-	-	-	24.75	7,423,562.35
NOKIA CORPORATION	200,000	0.30	60,000	1.96	15.29	3,058,680.00
OM GROUP	38,700	-	-	-	31.72	1,227,696.30
OMNICOM GROUP	350,000	0.90	315,000	1.09	82.34	28,819,718.09
OXFORD HEALTH PLANS, INC.	150,000	0.40	60,000	0.95	42.20	6,329,750.40
PANERA BREAD 'A'	31,900	-	-	-	42.71	1,362,607.80
PATINA OIL & GAS	36,400	-	-	-	37.27	1,356,617.08
PAXAR CORP	93,600	-	-	-	13.90	1,301,040.00
PEPSICO INC.	100,000	0.92	92,000	1.93	47.60	4,760,000.00
PFIZER INC.	500,000	0.68	340,000	1.91	35.61	17,804,151.44
PHOTON DYNAMICS	32,000	-	-	-	42.81	1,369,946.94
PRAXAIR INC	250,000	0.60	150,000	1.21	49.40	12,348,858.91
PRE-PAID LEGAL SERVICES	55,100	-	-	-	24.69	1,360,377.20
PROCTER & GAMBLE COMPANY	50,000	1.00	50,000	1.01	99.05	4,952,500.00
QUIKSILVER, INC	365,000	-	-	-	17.24	6,292,767.60
RARE HOSPITALITY INTERNATIONAL	105,300	-	-	-	25.60	2,695,304.60
REGIS CORPORATION	146,000	0.16	23,360	0.46	34.43	5,027,029.95
RENAL CARE GROUP	27,800	-	-	-	46.91	1,304,236.70
RESPIRONICS INC	3,200	-	-	-	51.40	164,480.00
RUDOLPH TECHNOLOGIES	49,000	-	-	-	27.39	1,341,874.80
RYAN'S RESTAURANT GROUP INC	88,000	-	-	-	15.68	1,379,725.87
SALTON INC	91,200	-	-	-	14.82	1,351,440.66
SBC COMMUNICATIONS INC.	157,000	1.25	196,250	4.82	25.94	4,072,815.50
SCOTTS CO'A'	25,600	-	-	-	53.05	1,358,080.00
SEALED AIR	200,000	-	-	-	51.16	10,231,348.61
SEMPRA ENERGY	325,000	1.00	325,000	3.09	32.38	10,522,938.30
SHAW GROUP	109,600	-	-	-	12.04	1,319,183.28
SMITH, A O CORP	27,900	0.60	16,740	2.05	29.31	817,756.00
STAPLES, INC.	300,000	0.20	60,000	0.80	24.86	7,458,030.00
STEAK N SHAKE	83,800	-	-	-	16.37	1,372,093.55
STEWART & STEVENSON SERVICES	57,200	0.34	19,448	2.01	16.88	965,788.44
SURMODICS INC	48,000	-	-	-	28.28	1,357,663.20
SYSCO CORPORATION	150,000	0.52	78,000	1.69	30.69	4,603,830.00
TETRA TECH, INC	73,200	-	-	-	17.84	1,305,741.60
TEXAS INSTRUMENTS	1,200,000	0.09	108,000	0.37	24.57	29,488,895.57
THE CHILDREN'S PLACE	55,000	-	-	-	23.85	1,311,601.16
TRACTOR SUPPLY CO.	31,400	-	-	-	41.55	1,304,574.48
URS CORP	44,000	-	-	-	29.73	1,308,157.20
VIACOM INC.	350,000	0.24	84,000	0.56	42.91	15,018,840.00
VORNADO REALTY TRUST	200,000	2.84	568,000	5.94	47.80	9,560,595.31
WACHOVIA CORP	200,000	1.60	320,000	3.46	46.26	9,252,679.39
WASTE CONNECTIONS	36,300	-	-	-	37.15	1,348,722.79
WEBEX COMMUNICATIONS	98,800	-	-	-	26.48	2,615,794.37
WINTRUST FINANCIAL	30,400	0.20	6,080	0.42	47.82	1,453,814.24
ZALE CORP	24,700	-	-	-	52.95	1,307,865.00
TOTAL COMMON STOCK ACQUIRED	20,840,100		8,075,306.00		33.92	706,980,678.29

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS ACQUIRED
JULY 1, 2003 THROUGH JUNE 30, 2004

OTHER INVESTMENTS ACQUIRED

Name	Coupon	Maturity	Book Cost
APEX CAPITAL FUND 1			
ARROYO VERDE	11.000		651,211.15
BELL WEST	11.000		206,230.22
CAMPO VERDE	11.000		701,182.74
ESTRELLA MOUNTAIN RANCH	11.000		1,852.06
MERITAGE-VERRADO	11.000		332,632.93
SANTAN VISTA	11.000		599,102.20
VISTA DORADO	11.000		310,888.73
TOTAL APEX CAPITAL FUND 1 ACQUIRED			**2,803,100.03**
BRIDGE FINANCIAL			
BRIDGE FINANCIAL-GRAND INN	12.500	09/25/00	240,988.93
TOTAL BRIDGE FINANCIAL ACQUIRED			**240,988.93**
DESERT TROON EQUITY			
DESERT TROON-DTR, LLC			252,498.66
DTR1,LLC - Perimeter Center			1,829,171.67
DTR1,LLC - Sea Port			167,280.36
TOREEON GC			28,406.11
TOTAL DESERT TROON EQUITY ACQUIRED			**2,277,356.80**
DIVERSIFIED FUNDING GROUP			
TIERRA DEL RIO (TDR), LLC	13.000	10/22/04	6,587,480.25
TOTAL DIVERSIFIED FUNDING GROUP ACQUIRED			**6,587,480.25**
PIVOTAL EQUITY			
CENTURY PLAZA HOTEL			1,175,939.24
HARBOR BAY CAMPUS			49,710.67
NXTV, LLC			2,207,684.81
PIVOTAL 650, LLC			1,531,609.67
PIVOTAL CIMARRON, LLC			2,137,804.00
PIVOTAL PROMONTORY			6,029,857.94
PIVOTAL SCOTTSDALE 123, LLC			2,254,147.07
PIVOTAL SPA I, LLC			533,658.33
TOTAL PIVOTAL EQUITY ACQUIRED			**15,920,411.73**
MISCELLANEOUS			
DESERT TROON FINANCE, LLC	10.000	08/27/05	24,637,105.29
PEBBLECREEK PROPERTIES	10.000	04/01/05	526.04
PIVOTAL DEBT FUND	10.000	12/01/11	15,611,692.36
PROSPECTOR EQUITY CAPITAL	0.000	06/01/09	524,715.04
VALLEY VENTURES III	8.000	09/17/06	5,597,112.68
TOTAL MISCELLANEOUS ACQUIRED			**46,371,151.41**
TOTAL OTHER INVESTMENTS ACQUIRED			**74,200,489.15**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTION OF INVESTMENTS
JULY 1, 2003 THROUGH JUNE 30, 2004

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 BOND	9.125	05/15/09	10,000,000.00	100.00000	-	10,000,000.00	9,998,270.19	1,729.81	10,000,000.00
TOTAL U.S. TREASURY OBLIGATIONS			**10,000,000.00**			**10,000,000.00**	**9,998,270.19**	**1,729.81**	**10,000,000.00**
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							**90,119,560.77**		
CORPORATE BONDS									
AGL CAPITAL TRUST	8.170	06/01/37	10,500,000.00	110.00000	204,930.83	11,550,000.00	10,680,194.78	869,805.22	11,754,930.83
AMERICAN UNITED LIFE INS CO	7.750	03/30/26	16,000,000.00	103.89306	29,391.88	16,622,890.00	15,348,437.67	1,274,452.33	16,652,281.88
BANKERS TRUST CORP 144A	8.090	12/01/26	12,000,000.00	106.05800	210,340.00	12,726,960.00	12,000,000.00	726,960.00	12,937,300.00
CBO HOLDINGS III LTD.	7.000	02/10/38	23,493.75	94.26396	-	22,146.14	22,146.14	0.00	22,146.14
CONSECO FINANCE	8.060	05/01/31	10,705,000.00	84.50000	4,793.46	9,045,725.00	9,472,815.30	(427,090.30)	9,050,518.46
CONTINENTAL AIRLINES INC	6.703	06/15/21	317,026.15	93.64768	-	296,887.65	296,887.65	0.00	296,887.65
CONTINENTAL AIRLINES INC	8.048	11/01/20	290,690.61	97.27609	-	282,772.46	282,772.46	0.00	282,772.46
CONTINENTAL AIRLINES INC	7.256	03/15/20	49,694.32	95.03138	-	47,225.20	47,225.20	0.00	47,225.20
DELTA AIR LINES	7.379	05/18/10	1,529,779.20	94.68522	51,879.30	1,448,474.82	1,529,779.20	(81,304.38)	1,500,354.12
DELTA AIRLINES SERIES 01-1B	7.711	09/18/11	10,000,000.00	90.75000	277,167.61	9,075,000.00	9,964,149.17	(889,149.17)	9,352,167.61
DISCOVER CREDIT	9.100	04/13/12	5,000,000.00	128.10800	41,700.00	6,405,400.00	5,000,000.00	1,405,400.00	6,447,100.00
FARMERS INSURANCE EXCHANGE	8.625	05/01/24	5,500,000.00	111.32955	75,947.92	6,123,125.00	5,158,466.08	964,658.92	6,199,072.92
FEDERAL HOME LOAN BANK	6.500	08/28/18	16,000,000.00	100.00000	260,000.00	16,000,000.00	16,000,000.00	0.00	16,260,000.00
FIRST UNION CAPITAL II	7.950	11/15/29	4,000,000.00	113.73600	83,033.33	4,549,440.00	3,640,024.92	909,415.08	4,632,473.33
FIRSTPLUS HOME IMPROVEMENT	8.300	02/20/22	1,950,183.05	99.84619	-	1,947,183.46	1,947,183.46	0.00	1,947,183.46
GENERAL AMERICAN LIFE INSURANCE C	7.625	01/15/24	17,000,000.00	110.25294	250,142.36	18,743,000.00	15,293,829.28	3,449,170.72	18,993,142.36
GOODRICH CORPORATION	7.100	11/15/27	14,000,000.00	99.91071	465,838.89	13,987,500.00	12,807,641.94	1,179,858.06	14,453,338.89
GTE CORPORATION	7.900	02/01/27	9,780,000.00	110.25000	193,155.00	10,782,450.00	9,578,422.78	1,204,027.22	10,975,605.00
JOHN HANCOCK MUTUAL LIFE INS CO	7.375	02/15/24	15,000,000.00	109.33333	262,222.22	16,400,000.00	14,193,928.78	2,206,071.22	16,662,222.22
KEY CORP CAPITAL III	7.750	07/15/29	7,000,000.00	115.12000	125,076.39	8,058,400.00	6,703,470.04	1,354,929.96	8,183,476.39
NATIONWIDE MUTUAL INS CO	7.500	02/15/24	25,315,000.00	103.26700	421,916.65	26,142,041.05	24,516,505.12	1,625,535.93	26,563,957.70
NEW ENGLAND MUTUAL LIFE INSURANC	7.875	02/15/24	15,000,000.00	117.06667	332,500.00	17,560,000.00	14,855,641.16	2,704,358.84	17,892,500.00
NORTHWEST AIR LINES INC	7.935	04/01/19	357,357.49	91.48613	-	326,932.53	326,932.53	0.00	326,932.53
NORTHWEST AIR LINES INC	7.041	04/01/22	580,631.51	98.61272	-	572,576.51	572,576.51	0.00	572,576.51
NORTHWEST AIRLINES 1999-2A	7.575	03/01/19	283,448.82	95.85154	-	271,690.06	271,690.06	0.00	271,690.06
OAKWOOD MORTGAGE INVESTORS INC	7.405	12/15/30	2,080,000.00	73.75000	7,273.36	1,533,999.99	1,646,597.83	(112,597.84)	1,541,273.35
OAKWOOD MORTGAGE INVESTORS INC	5.190	09/15/19	148,642.67	97.06738	-	144,283.54	144,283.54	0.00	144,283.54
PMI CAPITAL	8.309	02/01/27	17,000,000.00	106.35294	51,700.45	18,080,000.00	17,468,178.95	611,821.05	18,131,700.45
PORTLAND GENERAL ELECTRIC (ENRON	7.750	04/15/23	5,000,000.00	103.75100	116,665.34	5,187,550.00	4,999,103.32	188,446.68	5,304,215.34
PRINCIPAL MUTUAL LIFE INSURANCE CC	7.875	03/01/24	23,200,000.00	102.24962	871,500.00	23,721,912.00	22,781,334.35	940,577.65	24,593,412.00
PRUDENTIAL FUNDING	6.750	09/15/23	10,000,000.00	106.80000	240,000.00	10,680,000.00	8,652,573.63	2,027,426.37	10,920,000.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTION OF INVESTMENTS
JULY 1, 2003 THROUGH JUNE 30, 2004

BONDS SOLD

Security	Coupon	Maturity	Par Value	Sale Price	Accrued Interest	Principal	Amortized Cost	Gain or (Loss)	Amount Due
PRUDENTIAL INSURANCE CO OF AMERIC	8.300	07/01/25	9,000,000.00	124.00000	26,975.00	11,160,000.00	8,846,746.84	2,313,253.16	11,186,975.00
ROCKWELL INTERNATIONAL	6.700	01/15/28	6,000,000.00	103.35000	59,183.33	6,201,000.00	5,512,610.05	688,389.95	6,260,183.33
SAFECO CAPITAL TRUST	8.072	07/15/37	1,000,000.00	107.77000	3,587.56	1,077,700.00	1,005,933.29	71,766.71	1,081,287.56
SEARS ROEBUCK ACCEPTANCE	7.000	06/01/32	5,000,000.00	108.09600	148,750.00	5,404,800.00	4,080,165.64	1,324,634.36	5,553,550.00
SECURITY NATIONAL MORTGAGE 99-1	8.353	09/25/30	4,862,219.18	100.00000	-	4,862,219.18	4,862,219.18	0.00	4,862,219.18
SECURITY NATIONAL MORTGAGE LOAN	7.870	08/25/30	5,125,835.27	100.00000	-	5,125,835.27	5,125,835.27	0.00	5,125,835.27
SOUTHERN COMPANY CAPITAL TRUST	8.190	02/01/37	15,000,000.00	112.20000	177,450.00	16,830,000.00	16,070,122.06	759,877.94	17,007,450.00
TRANSAMERICA CAPITAL II	7.650	12/01/26	7,875,000.00	109.47222	214,943.75	8,620,937.50	7,985,919.79	635,017.71	8,835,881.25
UNION CARBIDE CORP	7.875	04/01/23	2,000,000.00	92.00000	42,656.25	1,840,000.00	1,938,496.57	(98,496.57)	1,882,656.25
US WEST COMMUNICATIONS	7.500	06/15/23	13,500,000.00	96.34074	239,895.84	13,006,000.00	12,931,227.47	74,772.53	13,245,895.84
TOTAL CORPORATE BONDS			**324,974,002.02**		**5,490,616.72**	**342,464,057.36**	**314,562,068.01**	**27,901,989.35**	**347,954,674.08**
TOTAL BONDS SOLD			**324,974,002.02**		**5,490,616.72**	**342,464,057.36**	**414,679,898.97**	**27,903,719.16**	**357,954,674.08**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTION OF INVESTMENTS
JULY 1, 2003 THROUGH JUNE 30, 2004

COMMON STOCK SOLD

Company	Shares Sold	Sale Price	Amount	Commission + SEC Fee	Net Amount	Book Cost	Gain (Loss) on Sale	% Gain on Sale
ADOBE SYSTEMS	250,000	38.2713	9,567,813.20	12,947.79	9,554,865.41	9,959,822.15	(404,956.74)	-4.07%
ADVANCED ENERGY INDUSTRIES	67,900	17.3935	1,181,017.63	3,450.29	1,177,567.34	707,151.30	470,416.04	66.52%
AMERICA WEST AIRLINES	225,000	8.6793	1,952,851.50	9,076.17	1,943,775.33	3,176,303.13	(1,232,527.80)	-38.80%
AMERICAN EXPRESS	200,000	50.8139	10,162,770.00	10,360.96	10,152,409.04	7,024,426.98	3,127,982.06	44.53%
AMERICAN ITALIAN PASTA	33,900	37.0008	1,254,327.12	1,753.71	1,252,573.41	1,357,511.94	(104,938.53)	-7.73%
AMSURG CORPORATION	52,400	39.2624	2,057,348.04	2,716.29	2,054,631.75	1,363,079.64	691,552.11	50.73%
ANIXTER INTERNATIONAL	55,400	22.0613	1,222,197.70	2,827.21	1,219,370.49	1,356,604.62	(137,234.13)	-10.12%
ANSYS INC.	37,800	36.0000	1,360,800.00	1,953.69	1,358,846.31	1,327,122.56	31,723.75	2.39%
APACHE CORPORATION	100,000	67.3087	6,730,867.00	5,315.02	6,725,551.98	4,607,571.16	2,117,980.82	45.97%
AXCELIS TECHNOLOGIES	119,700	11.4924	1,375,637.40	6,038.66	1,369,598.74	1,356,114.13	13,484.61	0.99%
BANK OF AMERICA CORPORATION	175,000	82.1579	14,377,627.50	9,422.88	14,368,204.62	12,634,461.00	1,733,743.62	13.72%
BEA SYSTEMS	50,000	13.6000	680,000.00	31.83	679,968.17	684,500.00	(4,531.83)	-0.66%
BJ SERVICES COMPANY	150,000	35.4500	5,317,500.00	7,748.86	5,309,751.14	5,721,882.58	(412,131.44)	-7.20%
BLACK BOX CORPORATION	45,000	56.9947	2,564,761.50	2,370.04	2,562,391.46	1,352,250.00	1,210,141.46	89.49%
BOEING CO.	100,000	41.7623	4,176,233.72	5,104.64	4,171,129.08	3,650,813.00	520,316.08	14.25%
BOSTON COMMUNICATIONS GROUP	91,600	13.5000	1,236,600.00	4,637.88	1,231,962.12	1,377,888.05	(145,925.93)	-10.59%
CABLEVISION SYSTEMS CORP	600,000	19.5092	11,705,503.36	30,547.85	11,674,955.51	26,871,652.75	(15,196,697.24)	-56.55%
CACI INTERNATIONAL	41,400	41.6675	1,725,035.80	2,110.40	1,722,925.40	1,355,046.84	367,878.56	27.15%
CAL DIVE INTL	66,900	25.7500	1,722,675.00	3,412.20	1,719,262.80	1,467,541.94	251,720.86	17.15%
CAREER EDUCATION CORP.	300,000	38.6468	11,594,031.81	15,488.43	11,578,543.38	13,851,470.76	(2,272,927.38)	-16.41%
CATERPILLAR INC	84,700	83.5500	7,076,685.00	4,566.19	7,072,118.81	3,817,090.20	3,255,028.61	85.28%
COHERENT, INC.	52,500	25.6720	1,347,780.00	2,688.08	1,345,091.92	1,346,016.24	(924.32)	-0.07%
COINSTAR INC	90,200	13.4806	1,215,951.38	4,566.92	1,211,384.46	1,411,201.40	(199,816.94)	-14.16%
COMCAST CORP-SPECIAL CL A	176,800	34.2073	6,047,857.96	9,123.05	6,038,734.91	5,628,690.74	410,044.17	7.28%
COMMUNITY FIRST BANKSHARES	51,600	27.4054	1,414,118.64	2,646.19	1,411,472.45	1,355,378.99	56,093.46	4.14%
CYMER INC	34,000	43.5600	1,481,040.00	1,769.32	1,479,270.68	1,352,792.00	126,478.68	9.35%
COVAD COMMUNICATIONS CLASS ACTION							29,045.96	0.00%
CYTYC CORPORATION	400,000	14.0105	5,604,200.88	20,262.31	5,583,938.57	7,346,725.78	(1,762,787.21)	-23.99%
D. R. HORTON	100,000	28.3000	2,830,000.00	5,066.23	2,824,933.77	2,507,063.86	317,869.91	12.68%
DOWNEY FINANCIAL	34,800	46.6177	1,622,296.40	1,815.94	1,620,480.46	1,366,378.80	254,101.66	18.60%
EMC CORP	750,000	14.3988	10,799,076.47	34,505.43	10,764,571.04	8,494,144.39	2,270,426.65	26.73%
EVERGREEN RESOURCES	60,000	38.5062	2,310,372.00	3,054.07	2,307,317.93	1,353,785.00	953,532.93	70.43%
FILENET CORPORATION	49,800	28.9859	1,443,496.24	2,552.22	1,440,944.02	1,359,121.68	81,822.34	6.02%
GENENTECH, INC.	125,000	124.6602	15,582,531.20	6,614.64	15,575,916.56	5,630,737.50	9,945,179.06	176.62%
GROUP 1 AUTOMOTIVE	38,600	37.4000	1,443,640.00	1,986.32	1,441,653.68	1,359,277.46	82,376.22	6.06%
HAEMONETICS CORP.	33,000	30.8713	1,018,752.00	1,689.75	1,017,062.25	673,035.00	344,027.25	51.12%
HAIN CELESTIAL GROUP	89,000	20.9501	1,864,560.84	4,537.28	1,860,023.56	1,361,059.32	498,964.24	36.66%

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTION OF INVESTMENTS
JULY 1, 2003 THROUGH JUNE 30, 2004

COMMON STOCK SOLD

Company	Shares Sold	Sale Price	Amount	Commission + SEC Fee	Net Amount	Book Cost	Gain (Loss) on Sale	% Gain on Sale
HILB, ROGAL & HAMILTON	53,100	31.1971	1,656,564.07	2,729.57	1,653,834.50	1,713,269.67	(59,435.17)	-3.47%
HOME DEPOT	100,000	36.3150	3,631,500.00	5,169.96	3,626,330.04	1,022,713.61	2,603,616.43	254.58%
HOSPIRA INC	100,000	26.7506	2,675,064.17	5,062.61	2,670,001.56	874,852.99	1,795,148.57	205.19%
HOT TOPIC	58,700	28.8040	1,690,793.10	3,014.14	1,687,778.96	1,354,796.00	332,982.96	24.58%
INAMED CORPORATION	26,850	44.6718	1,199,437.83	1,398.64	1,198,039.19	1,359,730.54	(161,691.35)	-11.89%
KEITHLEY INSTRUMENTS	43,400	23.5950	1,024,022.84	2,217.93	1,021,804.91	676,104.06	345,700.85	51.13%
KINDER MORGAN, INC.	200,000	62.6901	12,538,025.36	10,391.24	12,527,634.12	10,816,845.00	1,710,789.12	15.82%
LANDRY'S RESTAURANTS	79,800	24.8394	1,982,182.65	4,082.79	1,978,099.86	1,356,808.18	621,291.68	45.79%
LENNAR CORP Class A	350,000	44.0977	15,434,183.76	17,861.18	15,416,322.58	9,505,730.27	5,910,592.31	62.18%
MEDIMMUNE, INC.	375,000	24.5212	9,195,432.50	19,039.34	9,176,393.16	21,976,699.00	(12,800,305.84)	-58.24%
MENTOR CORPORATION	81,700	21.1257	1,725,969.12	4,165.79	1,721,803.33	1,402,298.69	319,504.64	22.78%
MESA AIR GROUP	132,300	7.6939	1,017,903.73	5,315.83	1,012,587.90	1,279,976.04	(267,388.14)	-20.89%
MID ATLANTIC MERGER							370,800.00	0.00%
MOHAWK INDUSTRIES	135,360	75.5021	10,219,968.80	7,185.74	10,212,783.06	9,626,534.59	586,248.47	6.09%
NOBLE CORPORATION	475,000	35.7762	16,993,708.58	24,272.01	16,969,436.57	21,313,526.55	(4,344,089.98)	-20.38%
NOKIA CORPORATION	275,000	14.0900	3,874,750.00	11,090.67	3,863,659.33	4,372,028.75	(508,369.42)	-11.63%
OM GROUP	38,700	25.1000	971,370.00	1,957.74	969,412.26	1,227,696.30	(258,284.04)	-21.04%
O'REILLY AUTOMOTIVE	49,300	40.0286	1,973,408.50	2,511.19	1,970,897.31	1,335,630.67	635,266.64	47.56%
OXFORD HEALTH PLANS, INC.	150,000	54.3012	8,145,181.80	7,690.61	8,137,491.19	4,667,833.67	3,469,657.52	74.33%
P.F. CHANG'S CHINA BISTRO	600,000	46.9666	28,179,945.71	31,318.93	28,148,626.78	15,869,055.05	12,279,571.73	77.38%
PATINA OIL & GAS	36,400	48.5010	1,765,437.62	1,888.86	1,763,548.76	1,356,617.08	406,931.68	30.00%
PERFORMANCE FOOD GROUP	45,200	35.0598	1,584,702.96	2,297.09	1,582,405.87	1,490,508.84	91,897.03	6.17%
PHOTRONICS, INC	102,000	17.8953	1,825,320.34	5,171.21	1,820,149.13	1,341,641.40	478,507.73	35.67%
PLANTRONICS, INC.	50,000	42.5909	2,129,545.00	2,599.67	2,126,945.33	1,373,400.33	753,545.00	54.87%
POLARIS INDUSTRIES	27,000	66.3111	1,790,400.00	1,433.81	1,788,966.19	1,339,571.30	449,394.89	33.55%
PRE-PAID LEGAL SERVICES	55,100	24.9858	1,376,715.00	2,787.25	1,373,927.75	1,360,377.20	13,550.55	1.00%
QUALCOMM INCORPORATED	200,000	37.5235	7,504,705.08	10,351.23	7,494,353.85	9,139,040.00	(1,644,686.15)	-18.00%
QUEST DIAGNOSTIC	300,000	63.4498	19,034,926.40	15,890.85	19,019,035.55	21,039,900.00	(2,020,864.45)	-9.60%
RARE HOSPITALITY INTERNATIONAL	52,100	25.0639	1,305,829.98	2,666.13	1,303,163.85	1,344,484.61	(41,320.76)	-3.07%
REGIS CORPORATION	50,000	42.3512	2,117,558.48	2,549.56	2,115,008.92	1,596,193.16	518,815.76	32.50%
REHAB CARE GROUP	36,600	23.8102	871,453.32	1,870.79	869,582.53	676,805.37	192,777.16	28.48%
RESPIRONICS INC	36,600	44.7363	1,637,348.58	1,906.63	1,635,441.95	1,286,267.99	349,173.96	27.15%
RUDOLPH TECHNOLOGIES	49,000	20.9510	1,026,599.00	2,490.04	1,024,108.96	1,341,874.80	(317,765.84)	-23.68%
SAFEWAY INC	850,000	22.8658	19,435,940.98	43,409.65	19,392,531.33	27,178,549.65	(7,786,018.32)	-28.65%
SALTON INC	91,200	10.9939	1,002,646.26	4,601.79	998,044.47	1,351,440.66	(353,396.19)	-26.15%
SANMINA CORP.	450,000	11.3845	5,123,025.00	15,681.24	5,107,343.76	11,773,702.17	(6,666,358.41)	-56.62%
SCHOLASTIC CORPORATION	370,000	31.4151	11,623,604.58	18,907.49	11,604,697.09	9,497,946.84	2,106,750.25	22.18%

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTION OF INVESTMENTS
JULY 1, 2003 THROUGH JUNE 30, 2004

COMMON STOCK SOLD

Company	Shares Sold	Sale Price	Amount	Commission + SEC Fee	Net Amount	Book Cost	Gain (Loss) on Sale	% Gain on Sale
SHAW GROUP	109,600	11.9463	1,309,318.20	4,414.65	1,304,903.55	1,319,183.28	(14,279.73)	-1.08%
SIEBEL SYSTEMS	300,000	14.6131	4,383,915.00	13,705.18	4,370,209.82	10,469,100.00	(6,098,890.18)	-58.26%
STEAK N SHAKE	45,100	17.8617	805,561.52	2,292.72	803,268.80	692,908.55	110,360.25	15.93%
SURMODICS INC	91,500	26.0601	2,384,498.28	4,686.62	2,379,811.66	2,719,041.39	(339,229.73)	-12.48%
SYMANTEC CORPORATION	529,500	45.1551	23,909,628.78	27,246.09	23,882,382.69	6,584,089.91	17,298,292.78	262.73%
SYSTEMS & COMPUTER TECH	88,100	16.3250	1,438,232.50	4,472.31	1,433,760.19	655,183.45	778,576.74	118.83%
TRACTOR SUPPLY CO.	76,800	36.5018	2,803,338.24	3,971.20	2,799,367.04	1,353,600.00	1,445,767.04	106.81%
TRIUMPH GROUP	23,800	32.9503	784,216.51	1,226.72	782,989.79	667,590.00	115,399.79	17.29%
TYSON FOODS, INC.	550,000	14.7693	8,123,139.00	27,880.18	8,095,258.82	6,444,743.32	1,650,515.50	25.61%
UNITED NATURAL FOODS	52,200	38.7806	2,024,346.60	2,704.75	2,021,641.85	1,333,254.92	688,386.93	51.63%
VODAFONE GROUP	250,000	20.0371	5,009,264.40	12,734.44	4,996,529.96	5,378,699.89	(382,169.93)	-7.11%
WAL-MART STORES	50,000	57.1500	2,857,500.00	2,633.74	2,854,866.26	2,684,384.18	170,482.08	6.35%
WATSON WYATT 'A'	67,800	24.0681	1,631,815.50	3,466.38	1,628,349.12	1,355,615.17	272,733.95	20.12%
WEBEX COMMUNICATIONS	45,100	27.5161	1,240,974.02	2,303.41	1,238,670.61	1,306,690.40	(68,019.79)	-5.21%
WILLIAMS COMPANIES, INC.	400,000	9.7613	3,904,500.00	16,152.29	3,888,347.71	9,968,852.56	(6,080,504.85)	-61.00%
WINTRUST FINANCIAL	45,200	30.1594	1,363,206.22	2,323.81	1,360,882.41	1,274,414.00	86,468.41	6.78%
TOTAL COMMON STOCK SOLD	13,782,110		424,326,583.16	679,952.43	423,646,630.73	408,013,514.94	16,032,961.75	3.83%

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SALES AND REDEMPTION OF INVESTMENTS
JULY 1, 2003 THROUGH JUNE 30, 2004

OTHER INVESTMENTS SOLD

Name	Coupon	Maturity	Book Cost	Capital Gains (Loss)
APEX CAPITAL FUND 1				
ARROYO VERDE	11.000		339,441.85	-
ESTRELLA MOUNTAIN RANCH	11.000		251,344.86	
SANTAN VISTA	11.000		32,343.01	
VISTA DORADA	11.000		46,055.56	
TOTAL APEX CAPITAL FUND 1 SOLD			**669,185.28**	**-**
DESERT TROON				
DESERT TROON FINANCE, LLC	10.000	08/27/05	34,584,750.00	**-**
TOTAL DESERT TROON SOLD			**34,584,750.00**	**-**
PIVOTAL				
PIVOTAL DEBT FUND	10.000	12/01/11	3,419,440.75	-
PIVOTAL NEWS I, LLC			8,305,640.80	(8,395,120.00)
PIVOTAL PROMONTORY-LOANS	10.000		3,600,000.00	-
PIVOTAL SIMON HOTEL XXIV, LLC	10.000	05/14/03	-	890,162.00
TOTAL PIVOTAL SOLD			**15,325,081.55**	**(7,504,958.00)**
SBA LOANS				
ALL UNLIMITED	9.750	05/01/09	362,767.84	-
ASAYO HOLDINGS	9.500	07/01/10	63,186.01	
EQUITY PARTNERSHIP	9.250	05/01/16	238,698.76	
NIARKOS	10.000	05/01/14	116,241.85	-
TOTAL SBA SOLD			**780,894.46**	**-**
MISCELLANEOUS				
CRYSTAL GARDENS PROPERTIES, LLC	10.000	04/20/00	-	2,126,964.00
TOTAL MISCELLANEOUS SOLD			**-**	**2,126,964.00**
TOTAL OTHER INVESTMENTS SOLD			**51,359,911.29**	**(5,377,994.00)**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

BOND PORTFOLIO

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM	Duration
	U.S. TREASURY OBLIGATIONS											
6,500,000	U.S. TREASURY BOND	9.375	02/15/06	6,508,319.35	100.1280	110.9060	7,208,890.00	700,570.65	609,375.00	9.36	1.96	1.43
10,000,000	U.S. TREASURY BOND	10.375	11/15/09	9,964,616.56	99.6462	103.2190	10,321,900.00	357,283.44	1,037,500.00	10.41	9.61	4.34
2,000,000	U.S. TREASURY BOND	11.750	02/15/10	1,990,386.33	99.5193	106.0310	2,120,620.00	130,233.67	235,000.00	11.81	10.29	4.22
5,000,000	U.S. TREASURY BOND	12.750	11/15/10	4,963,631.13	99.2726	113.8130	5,690,650.00	727,018.87	637,500.00	12.84	9.82	4.64
10,000,000	U.S. TREASURY BOND	7.500	11/15/16	9,705,053.88	97.0505	123.2810	12,328,100.00	2,623,046.12	750,000.00	7.73	4.98	8.58
10,000,000	U.S. TREASURY BOND	9.125	05/15/18	10,000,000.00	100.0000	140.3750	14,037,500.00	4,037,500.00	912,500.00	9.13	5.06	8.17
10,000,000	U.S. TREASURY BOND	8.125	08/15/19	10,006,898.12	100.0690	130.9690	13,096,900.00	3,090,001.88	812,500.00	8.12	5.14	8.92
10,000,000	U.S. TREASURY BOND	8.000	11/15/21	10,000,000.00	100.0000	131.0630	13,106,300.00	3,106,300.00	800,000.00	8.00	5.26	9.71
15,000,000	U.S. TREASURY BOND	10.000	05/15/10	15,019,539.37	100.1303	106.7500	16,012,500.00	992,960.63	1,500,000.00	9.99	8.54	4.65
78,500,000	**TOTAL U.S. TREASURY OBLIGATIONS**			**78,158,444.74**			**93,923,360.00**	**15,764,915.26**	**7,294,375.00**	**9.33**	**6.35**	**6.47**
	FEDERAL AGENCY OBLIGATIONS											
208,078	GNMA Pool #153415	9.000	04/15/16	198,584.39	95.4376	112.2740	233,617.31	35,032.92	18,727.01	9.43	3.18	5.17
5,812	GNMA Pool #155939	9.000	08/15/16	5,486.59	94.4024	112.2740	6,525.28	1,038.69	523.07	9.53	3.18	5.34
72,880	GNMA Pool #156462	9.000	07/15/16	70,603.89	96.8773	112.2740	81,824.93	11,221.04	6,559.17	9.29	3.18	5.17
82,173	GNMA Pool #159801	9.000	09/15/19	79,917.97	97.2561	112.7450	92,645.58	12,727.61	7,395.54	9.25	3.18	6.15
59,918	GNMA Pool #160350	9.000	05/15/16	58,570.17	97.7501	112.2740	67,272.67	8,702.50	5,392.65	9.21	3.18	5.07
92,503	GNMA Pool #161638	9.000	09/15/16	85,824.16	92.7803	112.2740	103,856.36	18,032.20	8,325.23	9.70	3.18	5.46
45,514	GNMA Pool #161682	9.000	07/15/16	45,272.25	99.4688	112.2740	51,100.43	5,828.18	4,096.26	9.05	3.18	5.04
92,145	GNMA Pool #161684	9.000	07/15/16	90,014.61	97.6875	112.2740	103,455.39	13,440.78	8,293.09	9.21	3.18	5.13
22,920	GNMA Pool #162599	9.000	06/15/16	21,601.95	94.2500	112.2740	25,733.01	4,131.06	2,062.78	9.55	3.18	5.29
68,695	GNMA Pool #164468	9.000	12/15/16	63,530.38	92.4819	112.2740	77,126.57	13,596.19	6,182.55	9.73	3.18	5.57
219,011	GNMA Pool #164501	9.000	08/15/16	214,163.89	97.7869	112.2740	245,892.20	31,728.31	19,710.97	9.20	3.18	5.15
544,636	GNMA Pool #164681	9.000	10/15/16	531,872.05	97.6564	112.2740	611,484.84	79,612.79	49,017.26	9.22	3.18	5.22
104,476	GNMA Pool #164924	9.000	09/15/16	96,661.12	92.5197	112.2740	117,299.65	20,638.53	9,402.86	9.73	3.18	5.48
197,971	GNMA Pool #165172	9.000	06/15/16	183,077.00	92.4767	112.2740	222,269.86	39,192.86	17,817.38	9.73	3.18	5.39
128,039	GNMA Pool #168283	9.000	08/15/16	121,398.38	94.8139	112.2740	143,754.00	22,355.62	11,523.47	9.49	3.18	5.32
62,026	GNMA Pool #172800	9.000	08/15/16	59,641.90	96.1563	112.2740	69,639.05	9,997.15	5,582.34	9.36	3.18	5.24
237,912	GNMA Pool #173847	9.000	09/15/16	234,714.93	98.6563	112.2740	267,113.11	32,398.18	21,412.06	9.12	3.18	5.14
108,053	GNMA Pool #174829	9.000	09/15/16	106,601.34	98.6563	112.2740	121,315.72	14,714.38	9,724.79	9.12	3.18	5.14
7,548	GNMA Pool #175243	9.000	11/15/16	7,123.37	94.3749	112.2740	8,474.39	1,351.02	679.32	9.54	3.18	5.43
77,170	GNMA Pool #178234	9.000	11/15/16	71,358.26	92.4693	112.2740	86,641.45	15,283.19	6,945.27	9.73	3.18	5.54
69,145	GNMA Pool #182491	9.000	12/15/16	67,589.02	97.7500	112.2740	77,631.58	10,042.56	6,223.03	9.21	3.18	5.27
21,032	GNMA Pool #182914	9.000	10/15/16	20,822.13	99.0001	112.2740	23,613.96	2,791.83	1,892.92	9.09	3.18	5.15
87,000	GNMA Pool #183553	9.000	08/15/17	85,042.66	97.7500	112.4560	97,836.89	12,794.23	7,830.01	9.21	3.18	5.48
74,962	GNMA Pool #183715	9.000	11/15/16	72,783.15	97.0938	112.2740	84,162.47	11,379.32	6,746.55	9.27	3.18	5.27
461,284	GNMA Pool #183733	9.000	01/15/17	426,792.37	92.5227	112.4560	518,741.36	91,948.99	41,515.55	9.73	3.18	5.59
46,621	GNMA Pool #185639	9.000	11/15/16	45,398.76	97.3785	112.2740	52,343.21	6,944.45	4,195.89	9.24	3.18	5.26
233,672	GNMA Pool #187705	9.000	01/15/17	226,629.69	96.9862	112.4560	262,778.27	36,148.58	21,030.49	9.28	3.18	5.34
101,062	GNMA Pool #188192	9.000	05/15/17	97,904.18	96.8751	112.4560	113,650.62	15,746.44	9,095.61	9.29	3.18	5.45
220,247	GNMA Pool #190921	9.000	12/15/16	214,155.49	97.2344	112.2740	247,279.69	33,124.20	19,822.20	9.26	3.18	5.29
49,373	GNMA Pool #191648	9.000	05/15/17	46,914.48	95.0204	112.4560	55,522.96	8,608.48	4,443.57	9.47	3.18	5.56

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

BOND PORTFOLIO

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM	Duration
132,545	GNMA Pool #191943	9.000	07/15/18	125,627.55	94.7814	112.6160	149,266.38	23,638.83	11,929.01	9.50	3.18	5.95
170,010	GNMA Pool #194468	9.000	12/15/16	164,697.35	96.8750	112.2740	190,877.20	26,179.85	15,300.91	9.29	3.18	5.31
15,965	GNMA Pool #198466	9.000	02/15/17	15,575.95	97.5623	112.4560	17,953.76	2,377.81	1,436.86	9.22	3.18	5.33
13,322	GNMA Pool #204136	9.000	05/15/17	13,075.93	98.1562	112.4560	14,980.88	1,904.95	1,198.94	9.17	3.18	5.38
52,012	GNMA Pool #206683	9.000	04/15/20	49,671.11	95.5000	112.8450	58,692.50	9,021.39	4,681.04	9.42	3.18	6.43
49,153	GNMA Pool #208638	9.000	05/15/17	46,603.58	94.8126	112.4560	55,275.90	8,672.32	4,423.80	9.49	3.18	5.57
134,210	GNMA Pool #210798	9.000	07/15/18	123,683.32	92.1563	112.6160	151,142.38	27,459.06	12,078.94	9.77	3.18	6.12
82,945	GNMA Pool #216520	9.000	05/15/17	78,907.91	95.1332	112.4560	93,276.25	14,368.34	7,465.02	9.46	3.18	5.55
54,612	GNMA Pool #221494	9.000	07/15/17	50,686.61	92.8126	112.4560	61,414.25	10,727.64	4,915.06	9.70	3.18	5.75
90,060	GNMA Pool #221509	9.000	12/15/16	87,425.70	97.0751	112.2740	101,113.83	13,688.13	8,105.39	9.27	3.18	5.30
69,087	GNMA Pool #223282	9.000	05/15/18	66,059.90	95.6180	112.6160	77,803.40	11,743.50	6,217.86	9.41	3.18	5.85
66,637	GNMA Pool #223307	9.000	04/15/18	63,742.72	95.6563	112.6160	75,044.18	11,301.46	5,997.35	9.41	3.18	5.82
40,211	GNMA Pool #225586	9.000	05/15/18	37,898.77	94.2500	112.6160	45,283.90	7,385.13	3,618.98	9.55	3.18	5.93
63,475	GNMA Pool #226614	10.000	11/15/17	63,077.83	99.3750	111.5990	70,836.94	7,759.11	6,347.45	10.06	8.96	5.33
19,732	GNMA Pool #228184	9.000	05/15/18	18,597.84	94.2502	112.6160	22,221.86	3,624.02	1,775.92	9.55	3.18	5.93
74,397	GNMA Pool #228233	9.000	05/15/18	67,352.65	90.5314	112.6160	83,782.96	16,430.31	6,695.73	9.94	3.18	6.17
97,096	GNMA Pool #229731	9.000	07/15/17	90,118.48	92.8134	112.4560	109,190.76	19,072.28	8,738.68	9.70	3.18	5.75
24,960	GNMA Pool #232531	9.000	10/15/17	24,398.20	97.7501	112.4560	28,068.77	3,670.57	2,246.38	9.21	3.18	5.54
110,766	GNMA Pool #234450	9.000	04/15/18	106,508.20	96.1563	112.6160	124,739.92	18,231.72	9,968.91	9.36	3.18	5.79
113,111	GNMA Pool #236041	10.000	11/15/17	111,838.39	98.8750	111.5990	126,230.60	14,392.21	11,311.09	10.11	8.96	5.36
28,526	GNMA Pool #236835	10.000	11/15/17	28,411.64	99.5991	111.5990	31,834.72	3,423.08	2,852.60	10.04	8.96	5.32
46,045	GNMA Pool #236937	9.000	04/15/18	43,929.91	95.4063	112.6160	51,854.12	7,924.21	4,144.06	9.43	3.18	5.83
15,664	GNMA Pool #236939	9.000	04/15/18	14,763.74	94.2500	112.6160	17,640.67	2,876.93	1,409.80	9.55	3.18	5.90
130,515	GNMA Pool #237138	10.000	10/15/17	129,757.95	99.4199	111.5990	145,653.48	15,895.53	13,051.50	10.06	8.96	5.31
21,435	GNMA Pool #237195	9.000	06/15/18	17,703.18	82.5902	112.6160	24,139.21	6,436.03	1,929.15	10.90	3.18	6.80
9,115	GNMA Pool #238133	9.000	04/15/18	8,748.40	95.9761	112.6160	10,265.16	1,516.76	820.37	9.38	3.18	5.80
19,656	GNMA Pool #247506	9.000	01/15/20	19,146.35	97.4062	112.8450	22,181.04	3,034.69	1,769.06	9.24	3.18	6.24
197,013	GNMA Pool #249621	9.000	05/15/18	182,791.27	92.7813	112.6160	221,868.13	39,076.86	17,731.17	9.70	3.18	6.02
150,855	GNMA Pool #252052	9.000	06/15/18	142,604.77	94.5313	112.6160	169,886.32	27,281.55	13,576.91	9.52	3.18	5.94
149,611	GNMA Pool #252055	9.000	06/15/18	137,875.78	92.1563	112.6160	168,485.74	30,609.96	13,464.98	9.77	3.18	6.09
59,543	GNMA Pool #256372	9.000	10/15/19	58,277.77	97.8750	112.7450	67,131.81	8,854.04	5,358.87	9.20	3.18	6.13
28,786	GNMA Pool #257869	9.000	09/15/19	27,874.77	96.8330	112.7450	32,455.26	4,580.49	2,590.78	9.29	3.18	6.18
87,639	GNMA Pool #266545	9.000	01/15/19	81,312.64	92.7813	112.7450	98,808.66	17,496.02	7,887.52	9.70	3.18	6.24
179,701	GNMA Pool #271090	9.000	10/15/19	175,882.69	97.8750	112.7450	202,604.25	26,721.56	16,173.12	9.20	3.18	6.13
27,701	GNMA Pool #271897	9.000	09/15/19	30,389.03	109.7030	112.7450	31,231.71	842.68	2,493.11	8.20	3.18	5.45
69,389	GNMA Pool #273548	9.000	09/15/19	67,155.11	96.7813	112.7450	78,232.12	11,077.01	6,244.97	9.30	3.18	6.18
124,617	GNMA Pool #274140	9.000	09/15/19	120,645.22	96.8125	112.7450	140,499.88	19,854.66	11,215.57	9.30	3.18	6.18
65,604	GNMA Pool #277907	9.000	11/15/19	65,111.91	99.2500	112.7450	73,965.14	8,853.23	5,904.35	9.07	3.18	6.07
63,679	GNMA Pool #282815	9.000	11/15/19	63,131.74	99.1407	112.7450	71,794.83	8,663.09	5,731.11	9.08	3.18	6.08
23,104	GNMA Pool #284420	9.000	02/15/20	22,180.11	96.0001	112.8450	26,071.99	3,891.88	2,079.38	9.38	3.18	6.35
42,184	GNMA Pool #285101	9.000	04/15/20	39,969.29	94.7500	112.8450	47,602.46	7,633.17	3,796.55	9.50	3.18	6.49
43,241	GNMA Pool #285593	9.000	02/15/20	41,845.05	96.7723	112.8450	48,795.01	6,949.96	3,891.67	9.30	3.18	6.30
152,516	GNMA Pool #286371	9.000	02/15/20	145,884.15	95.6520	112.8450	172,106.21	26,222.06	13,726.40	9.41	3.18	6.38
177,286	GNMA Pool #286427	9.000	04/15/20	169,308.21	95.5000	112.8450	200,058.40	30,750.19	15,955.74	9.42	3.18	6.43
31,043	GNMA Pool #287851	9.000	04/15/20	30,029.20	96.7328	112.8450	35,030.98	5,001.78	2,793.91	9.30	3.18	6.35

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

BOND PORTFOLIO

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM	Duration
124,106	GNMA Pool #290000	9.000	04/15/20	124,105.65	100.0000	112.8450	140,047.02	15,941.37	11,169.51	9.00	3.18	6.15
25,838	GNMA Pool #290057	9.000	06/15/20	25,838.47	100.0000	112.8450	29,157.42	3,318.95	2,325.46	9.00	3.18	6.19
39,021	GNMA Pool #291136	9.000	05/15/20	36,655.42	93.9376	112.8450	44,033.27	7,377.85	3,511.89	9.58	3.18	6.57
72,460	GNMA Pool #298952	9.000	04/15/21	72,459.70	100.0000	112.9280	81,827.29	9,367.59	6,521.37	9.00	3.18	6.42
173,781	GNMA Pool #319521	8.000	02/15/22	172,641.03	99.3438	110.5710	192,151.90	19,510.87	13,902.52	8.05	3.90	6.91
1,308,154	GNMA Pool #337419	7.000	06/15/23	1,227,844.01	93.8608	106.7920	1,397,003.41	169,159.40	91,570.75	7.46	4.56	7.99
633,288	GNMA Pool #345731	8.000	05/15/24	629,132.43	99.3438	110.3380	698,757.74	69,625.31	50,663.07	8.05	3.90	7.52
194,343	GNMA Pool #348865	8.000	06/15/23	193,067.54	99.3438	110.5150	214,778.07	21,710.53	15,547.43	8.05	3.90	7.28
151,307	GNMA Pool #352219	8.000	04/15/23	150,318.02	99.3464	110.5150	167,216.89	16,898.87	12,104.56	8.05	3.90	7.23
1,031,837	GNMA Pool #352964	7.000	05/15/24	965,469.97	93.5681	106.7940	1,101,939.74	136,469.77	72,228.57	7.48	4.56	8.30
1,755,518	GNMA Pool #366756	7.000	03/15/24	1,642,538.97	93.5643	106.7940	1,874,787.96	232,248.99	122,886.26	7.48	4.56	8.25
995,193	GNMA Pool #371734	7.000	04/15/24	931,127.07	93.5625	106.7940	1,062,805.97	131,678.90	69,663.48	7.48	4.56	8.27
1,865,905	GNMA Pool #377589	7.500	08/15/25	1,860,649.69	99.7183	108.1520	2,018,013.94	157,364.25	139,942.90	7.52	4.08	7.97
696,618	GNMA Pool #386030	7.000	05/15/24	651,923.26	93.5841	106.7940	743,945.83	92,022.57	48,763.23	7.48	4.56	8.30
562,915	GNMA Pool #398831	8.000	08/15/26	562,033.98	99.8434	109.9900	619,150.65	57,116.67	45,033.23	8.01	3.90	8.03
312,584	GNMA Pool #402544	7.500	04/15/26	311,655.86	99.7031	108.0290	337,681.17	26,025.31	23,443.79	7.52	4.08	8.14
585,884	GNMA Pool #403979	8.500	10/15/24	575,899.88	98.2959	111.0010	650,337.19	74,437.31	49,800.15	8.65	4.50	7.55
855,082	GNMA Pool #405618	7.500	04/15/26	854,015.12	99.8753	108.0290	923,736.31	69,721.19	64,131.13	7.51	4.08	8.12
575,645	GNMA Pool #417666	7.500	08/15/25	573,941.76	99.7042	108.1520	622,571.36	48,629.60	43,173.36	7.52	4.08	7.97
601,903	GNMA Pool #421711	7.500	04/15/26	601,151.15	99.8751	108.0290	650,229.78	49,078.63	45,142.72	7.51	4.08	8.12
235,293	GNMA Pool #429356	7.500	03/15/26	234,594.33	99.7031	108.0290	254,184.51	19,590.18	17,646.96	7.52	4.08	8.12
270,051	GNMA Pool #430384	8.000	08/15/26	269,628.90	99.8438	109.9900	297,028.75	27,399.85	21,604.06	8.01	3.90	8.03
676,231	GNMA Pool #432701	8.000	06/15/26	676,231.10	100.0000	109.9900	743,786.59	67,555.49	54,098.49	8.00	3.90	7.98
615,675	GNMA Pool #433892	7.000	07/15/28	604,531.51	98.1901	106.4270	655,244.09	50,712.58	43,097.23	7.13	4.56	9.02
259,536	GNMA Pool #434101	7.000	12/15/28	254,429.87	98.0327	106.4270	276,215.95	21,786.08	18,167.49	7.14	4.56	9.14
101,698	GNMA Pool #438772	8.000	08/15/26	101,539.27	99.8438	109.9900	111,857.82	10,318.55	8,135.85	8.01	3.90	8.03
99,211	GNMA Pool #438778	8.000	08/15/26	99,060.28	99.8481	109.9900	109,122.12	10,061.84	7,936.88	8.01	3.90	8.03
257,447	GNMA Pool #439645	8.000	09/15/26	257,282.75	99.9362	109.9900	283,165.89	25,883.14	20,595.76	8.01	3.90	8.04
67,008	GNMA Pool #441619	7.500	11/15/29	66,747.07	99.6102	107.9420	72,330.03	5,582.96	5,025.62	7.53	4.08	8.98
586,660	GNMA Pool #450368	7.000	08/15/28	576,038.09	98.1894	106.4270	624,364.60	48,326.51	41,066.20	7.13	4.56	9.04
140,771	GNMA Pool #458918	7.000	08/15/28	138,244.70	98.2056	106.4270	149,818.08	11,573.38	9,853.95	7.13	4.56	9.04
1,619,872	GNMA Pool #464692	7.000	07/15/28	1,582,619.20	97.7003	106.4270	1,723,981.42	141,362.22	113,391.06	7.16	4.56	9.07
718,518	GNMA Pool #466888	7.000	07/15/28	705,504.32	98.1888	106.4270	764,697.65	59,193.33	50,296.29	7.13	4.56	9.02
1,748,324	GNMA Pool #469797	7.000	12/15/28	1,714,045.12	98.0393	106.4270	1,860,689.05	146,643.93	122,382.70	7.14	4.56	9.14
664,605	GNMA Pool #470493	7.000	06/15/29	659,844.05	99.2836	106.3500	706,807.79	46,963.74	46,522.37	7.05	4.56	9.14
664,286	GNMA Pool #472997	7.000	06/15/29	660,757.84	99.4688	106.3500	706,468.61	45,710.77	46,500.05	7.04	4.56	9.13
436,990	GNMA Pool #478875	7.500	11/15/29	435,289.06	99.6107	107.9420	471,696.15	36,407.09	32,774.28	7.53	4.08	8.98
772,878	GNMA Pool #478881	7.500	11/15/29	769,859.24	99.6094	107.9420	834,260.28	64,401.04	57,965.87	7.53	4.08	8.98
743,675	GNMA Pool #482784	7.000	10/15/28	738,333.58	99.2818	106.4270	791,470.89	53,137.31	52,057.24	7.05	4.56	8.98
564,389	GNMA Pool #485451	6.500	05/15/31	562,281.04	99.6265	104.6330	590,537.36	28,256.32	36,685.30	6.52	5.09	9.81
1,012,680	GNMA Pool #486539	7.000	09/15/28	1,005,400.11	99.2811	106.4270	1,077,764.81	72,364.70	70,887.59	7.05	4.56	8.96
211,124	GNMA Pool #486761	7.000	12/15/28	206,744.51	97.9255	106.4270	224,693.18	17,948.67	14,778.70	7.15	4.56	9.15
267,758	GNMA Pool #487221	7.000	05/15/29	256,392.80	95.7554	106.3500	284,760.72	28,367.92	18,743.07	7.31	4.56	9.46
1,287,559	GNMA Pool #487222	7.000	05/15/29	1,235,125.35	95.9277	106.3500	1,369,318.99	134,193.64	90,129.13	7.30	4.56	9.44
1,176,388	GNMA Pool #493996	7.000	07/15/29	1,126,504.70	95.7596	106.3500	1,251,088.51	124,583.81	82,347.15	7.31	4.56	9.50

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

BOND PORTFOLIO

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM	Duration
1,076,215	GNMA Pool #499876	7.000	06/15/29	1,070,500.07	99.4690	106.3500	1,144,554.54	74,054.47	75,335.04	7.04	4.56	9.13
820,377	GNMA Pool #500931	7.000	06/15/29	816,024.43	99.4694	106.3500	872,470.99	56,446.56	57,426.39	7.04	4.56	9.13
4,966,388	GNMA Pool #503019	6.000	03/15/29	4,599,396.33	92.6105	102.7730	5,104,105.52	504,709.19	297,983.26	6.48	5.42	10.22
121,104	GNMA Pool #504418	7.000	06/15/29	120,460.55	99.4687	106.3500	128,794.03	8,333.48	8,477.28	7.04	4.56	9.13
3,075,947	GNMA Pool #505728	7.000	06/15/29	3,059,613.22	99.4690	106.3500	3,271,269.73	211,656.51	215,316.30	7.04	4.56	9.13
381,411	GNMA Pool #506075	7.000	11/15/29	365,856.35	95.9219	106.3500	405,630.30	39,773.95	26,698.75	7.30	4.56	9.57
761,676	GNMA Pool #509328	7.000	06/15/29	738,359.89	96.9389	106.3500	810,042.15	71,682.26	53,317.30	7.22	4.56	9.37
240,604	GNMA Pool #510100	7.000	07/15/29	236,246.38	98.1890	106.3500	255,881.94	19,635.56	16,842.25	7.13	4.56	9.27
257,145	GNMA Pool #510302	7.000	08/15/29	246,663.54	95.9238	106.3500	273,474.04	26,810.50	18,000.17	7.30	4.56	9.51
918,004	GNMA Pool #510958	7.000	05/15/29	911,401.53	99.2807	106.3500	976,297.70	64,896.17	64,260.31	7.05	4.56	9.12
277,486	GNMA Pool #510983	7.000	06/15/29	266,175.81	95.9242	106.3500	295,106.02	28,930.21	19,424.00	7.30	4.56	9.46
305,746	GNMA Pool #512888	7.000	07/15/29	296,388.57	96.9396	106.3500	325,160.64	28,772.07	21,402.20	7.22	4.56	9.39
727,388	GNMA Pool #512915	7.000	07/15/29	705,128.29	96.9398	106.3500	773,577.04	68,448.75	50,917.15	7.22	4.56	9.39
206,027	GNMA Pool #513367	7.000	08/15/29	197,274.38	95.7515	106.3500	219,110.10	21,835.72	14,421.92	7.31	4.56	9.52
196,958	GNMA Pool #520045	6.500	06/15/31	196,080.93	99.5547	104.6330	206,082.96	10,002.03	12,802.26	6.53	5.09	9.83
2,194,353	GNMA Pool #530203	6.500	04/15/31	2,188,867.79	99.7500	104.6330	2,296,017.73	107,149.94	142,632.97	6.52	5.09	9.78
2,812,699	GNMA Pool #530611	6.500	05/15/31	2,810,281.48	99.9141	104.6330	2,943,010.97	132,729.49	182,825.41	6.51	5.09	9.78
1,279,610	GNMA Pool #530631	6.500	06/15/31	1,273,911.71	99.5547	104.6330	1,338,894.12	64,982.41	83,174.64	6.53	5.09	9.83
1,347,915	GNMA Pool #541464	6.500	06/15/31	1,341,913.27	99.5547	104.6330	1,410,363.99	68,450.72	87,614.48	6.53	5.09	9.83
1,308,158	GNMA Pool #549889	6.500	05/15/31	1,303,252.81	99.6250	104.6330	1,368,765.37	65,512.56	85,030.30	6.52	5.09	9.81
1,018,707	GNMA Pool #549890	6.500	04/15/31	1,014,888.29	99.6252	104.6330	1,065,903.37	51,015.08	66,215.93	6.52	5.09	9.79
282,517	GNMA Pool #549915	6.500	05/15/31	281,457.15	99.6250	104.6330	295,605.58	14,148.43	18,363.58	6.52	5.09	9.81
8,910,971	GNMA Pool #552518	6.500	04/15/32	8,880,340.04	99.6563	104.6110	9,321,855.95	441,515.91	579,213.12	6.52	5.09	10.02
2,125,401	GNMA Pool #557424	6.500	05/15/31	2,115,940.31	99.5549	104.6330	2,223,870.91	107,930.60	138,151.07	6.53	5.09	9.82
1,237,152	GNMA Pool #557467	6.500	05/15/31	1,231,648.98	99.5552	104.6330	1,294,469.26	62,820.28	80,414.88	6.53	5.09	9.82
1,830,799	GNMA Pool #560189	6.500	04/15/31	1,826,222.00	99.7500	104.6330	1,915,619.90	89,397.90	119,001.93	6.52	5.09	9.78
3,243,860	GNMA Pool #780076	8.000	02/15/25	3,187,899.20	98.2749	110.4840	3,583,945.80	396,046.60	259,508.76	8.14	3.90	7.79
3,561,690	GNMA Pool #780220	7.500	08/15/25	3,560,543.03	99.9678	108.2560	3,855,743.29	295,200.26	267,126.76	7.50	4.08	7.95
713,603	GNMA Pool #781129	7.000	11/15/28	701,572.60	98.3142	106.4630	759,722.77	58,150.17	49,952.18	7.12	4.56	9.09
81,180,570	**TOTAL FEDERAL AGENCY OBLIGATIONS**			**79,564,135.10**			**86,658,870.19**	**7,094,735.09**	**5,779,280.12**	**7.26**	**4.55**	**8.83**
	CORPORATE BONDS											
6,600,000	AMERICAN AIRLINES	7.858	10/01/11	6,580,666.83	99.7071	99.4800	6,565,680.00	(14,986.83)	518,628.00	7.88	7.95	5.82
29,000,000	ANTHEM INSURANCE COMPANY INC	9.000	04/01/27	30,228,469.71	104.2361	131.8760	38,244,040.00	8,015,570.29	2,610,000.00	8.63	6.35	9.67
3,480,000	AT&T BROADBAND CORP	9.455	11/15/22	3,543,419.77	101.8224	128.5380	4,473,122.40	929,702.63	329,034.00	9.29	6.73	8.91
5,000,000	AXA SA	8.600	12/15/30	5,383,999.74	107.6800	122.4620	6,123,100.00	739,100.26	430,000.00	7.99	6.77	10.05
10,000,000	BANKERS TRUST	7.750	12/01/26	9,779,014.13	97.7901	105.6710	10,567,100.00	788,085.87	775,000.00	7.93	7.24	11.23
12,000,000	BAYER HYPO-VEREINSBANK	8.741	06/30/31	10,088,124.75	84.0677	115.3860	13,846,320.00	3,758,195.25	1,048,920.00	10.40	7.41	12.79
1,000,000	BOEING CORPORATION	8.750	08/15/21	1,224,855.44	122.4855	126.5240	1,265,240.00	40,384.56	87,500.00	7.14	6.20	7.47
8,926,506	CBO HOLDINGS III LTD.	7.000	02/10/38	9,434,363.68	105.6893	100.0000	8,926,506.25	(507,857.43)	624,855.44	6.62	7.00	12.59
8,040,000	CONTINENTAL AIRLINES INC	6.320	11/01/08	8,124,233.52	101.0477	96.6700	7,772,268.00	(351,965.52)	508,128.00	6.25	7.20	3.94
12,756,000	CONTINENTAL AIRLINES INC	7.918	05/01/10	13,128,898.31	102.9233	98.4320	12,555,985.92	(572,912.39)	1,010,020.08	7.69	8.25	4.75
5,700,000	CONTINENTAL AIRLINES INC	6.503	06/15/11	5,694,855.66	99.9098	93.2720	5,316,504.00	(378,351.66)	370,671.00	6.51	7.77	5.74

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

BOND PORTFOLIO

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM	Duration
3,159,132	CONTINENTAL AIRLINES INC	7.256	03/15/20	3,311,584.81	104.8258	97.4220	3,077,689.69	(233,895.12)	229,226.63	6.92	7.54	9.11
4,477,612	CONTINENTAL AIRLINES INC	8.048	11/01/20	4,591,112.65	102.5349	97.7800	4,378,209.00	(212,903.65)	360,358.21	7.85	8.30	9.18
4,338,757	CONTINENTAL AIRLINES INC	6.703	06/15/21	4,077,234.62	93.9724	93.2560	4,046,151.51	(31,083.11)	290,826.90	7.13	7.41	11.06
10,500,000	COUNTRYWIDE CAPITAL I	8.000	12/15/26	10,500,000.00	100.0000	106.1260	11,143,230.00	643,230.00	840,000.00	8.00	7.44	10.77
5,000,000	DAIMLER CHRYSLER	8.500	01/18/31	6,165,967.10	123.3193	114.8930	5,744,650.00	(421,317.10)	425,000.00	6.89	7.23	8.85
5,000,000	DELTA FUNDING HOME EQUITY LOAN	7.600	01/15/30	4,952,249.15	99.0450	102.8910	5,144,550.00	192,300.85	380,000.00	7.67	7.35	11.43
4,000,000	EASTMAN HILL FUNDING LTD	1.905	09/29/31	2,205,222.09	55.1306	58.0000	2,320,000.00	114,777.91	76,200.00	3.46	4.62	39.06
10,000,000	ELECTRONIC DATA SYSTEMS	7.125	10/15/09	10,661,689.31	106.6169	104.6470	10,464,700.00	(196,989.31)	712,500.00	6.68	6.12	4.36
13,500,000	FARMERS INSURANCE EXCHANGE	8.625	05/01/24	12,665,151.04	93.8159	112.0080	15,121,080.00	2,455,928.96	1,164,375.00	9.19	7.46	10.51
5,000,000	FIRST DOMINION FUNDING II	7.498	04/25/14	5,119,041.22	102.3808	100.0000	5,000,000.00	(119,041.22)	374,900.00	7.32	7.50	7.04
8,000,000	FIRST EMPIRE CAPITAL TRUST I	8.234	02/01/27	8,551,093.41	106.8887	109.4950	8,759,600.00	208,506.59	658,720.00	7.70	7.36	9.90
10,000,000	FIRST EMPIRE CAPITAL TRUST I	8.277	06/01/27	10,456,961.38	104.5696	110.0200	11,002,000.00	545,038.62	827,700.00	7.92	7.37	10.17
14,000,000	FIRST HAWAIIAN CAPITAL TRUST	8.343	07/01/27	14,681,305.57	104.8665	110.5330	15,474,620.00	793,314.43	1,168,020.00	7.96	7.38	10.09
6,500,000	FNMA	5.000	12/30/10	6,500,000.00	100.0000	99.4380	6,463,470.00	(36,530.00)	325,000.00	5.00	5.10	5.63
7,488,000	FORD HOLDINGS INC	9.375	03/01/20	8,311,866.47	111.0025	111.6810	8,362,673.28	50,806.81	702,000.00	8.45	8.04	7.63
5,000,000	FORD MOTOR COMPANY	9.500	09/15/11	4,998,522.37	99.9705	114.2860	5,714,300.00	715,777.63	475,000.00	9.50	6.89	5.27
18,500,000	FORD MOTOR CREDIT	7.250	10/25/11	18,899,695.67	102.1605	104.4290	19,319,365.00	419,669.33	1,341,250.00	7.10	6.49	5.79
3,462,000	FREDDIE MAC	5.000	07/02/18	3,143,577.52	90.8024	92.5190	3,203,007.78	59,430.26	173,100.00	5.51	5.79	11.27
2,693,978	GALILEO SECURITIES INC.	1.450	02/03/11	2,341,586.47	86.9193	100.0000	2,693,978.47	352,392.00	39,062.69	1.67	1.45	7.16
2,000,000	GENERAL MOTORS NOVA SCOTIA FIN.	6.850	10/15/08	2,068,818.26	103.4409	104.8410	2,096,820.00	28,001.74	137,000.00	6.62	5.62	3.82
10,000,000	GMAC	7.250	03/02/11	10,368,676.43	103.6868	104.9530	10,495,300.00	126,623.57	725,000.00	6.99	6.31	5.11
5,000,000	GMAC	6.875	08/28/12	5,151,690.57	103.0338	101.7260	5,086,300.00	(65,390.57)	343,750.00	6.67	6.59	6.10
12,000,000	GMAC	8.000	11/01/31	11,999,359.88	99.9947	102.4590	12,295,080.00	295,720.12	960,000.00	8.00	7.78	11.50
10,000,000	GOLDMAN SACHS GROUP INC.	8.000	03/01/13	9,977,619.84	99.7762	115.8460	11,584,600.00	1,606,980.16	800,000.00	8.02	5.63	6.34
1,900,000	GREEN TREE FINANCIAL	7.020	10/15/27	1,272,381.33	66.9674	67.3750	1,280,125.00	7,743.67	133,380.00	10.48	10.88	17.19
2,500,000	GREEN TREE FINANCIAL	7.540	06/15/28	1,669,475.93	66.7790	68.1250	1,703,125.00	33,649.07	188,500.00	11.29	11.44	16.67
3,500,000	HUNTINGTON BANKS SUB NTS	6.600	06/15/18	3,245,605.47	92.7316	106.9220	3,742,270.00	496,664.53	231,000.00	7.12	5.87	10.08
8,500,000	HUTCHISON WHAMPOA FINANCIAL	7.450	08/01/17	9,078,991.42	106.8117	103.1390	8,766,815.00	(312,176.42)	633,250.00	6.97	7.08	8.00
9,050,000	HUTCHISON WHAMPOA INTL LTD	7.450	11/24/33	8,774,259.62	96.9531	95.7080	8,661,574.00	(112,685.62)	674,225.00	7.68	7.83	12.70
5,550,000	JACKSON NATIONAL LIFE	8.150	03/15/27	6,196,735.57	111.6529	117.9030	6,543,616.50	346,880.93	452,325.00	7.30	6.61	9.54
14,666,000	JPM CAPITAL TRUST II	7.950	02/01/27	15,275,518.98	104.1560	107.5480	15,772,989.68	497,470.70	1,165,947.00	7.63	7.26	10.38
14,000,000	LIBERTY MUTUAL INSURANCE	7.875	10/15/26	13,251,071.38	94.6505	106.7380	14,943,320.00	1,692,248.62	1,102,500.00	8.32	7.26	11.49
5,000,000	MID OCEAN 2000-1A A2	7.725	01/15/36	4,243,600.50	84.8720	100.0000	5,000,000.00	756,399.50	386,270.00	9.10	7.73	14.39
9,839,516	MID OCEAN 2001-1A A1	6.556	11/05/36	9,863,739.07	100.2462	100.0000	9,839,515.50	(24,223.57)	645,108.15	6.54	6.56	13.78
2,000,000	NATIONAL RURAL UTILITIES	8.000	03/01/32	2,021,221.20	101.0611	123.4370	2,468,740.00	447,518.80	160,000.00	7.92	6.21	11.38
3,232,669	NORTHWEST AIR LINES INC	7.935	04/01/19	3,485,284.83	107.8145	106.9620	3,457,727.11	(27,557.72)	256,512.26	7.36	7.17	8.37
7,932,348	NORTHWEST AIR LINES INC	7.041	04/01/22	7,830,634.12	98.7177	96.1440	7,626,476.43	(204,157.69)	558,516.61	7.13	7.43	10.61
14,721,936	NORTHWEST AIRLINES 1999-2A	7.575	03/01/19	15,309,918.89	103.9939	98.3090	14,472,988.14	(836,930.75)	1,115,186.66	7.28	7.77	8.69
11,900,000	NORTHWEST AIRLINES INC	6.841	04/01/11	11,814,312.53	99.2799	96.9070	11,531,933.00	(282,379.53)	814,079.00	6.89	7.42	5.72
3,970,936	OAKWOOD MORTGAGE 1999-B AC	6.190	12/15/13	3,626,150.67	91.3173	91.6070	3,637,655.74	11,505.07	245,800.97	6.78	7.43	7.84
11,920,357	OAKWOOD MORTGAGE INVESTORS IN	5.190	09/15/19	11,588,704.76	97.2178	93.9340	11,197,268.45	(391,436.31)	618,666.55	5.34	5.79	10.83
13,200,000	PREFERRED CPO	8.946	07/26/30	13,775,327.94	104.3585	115.8670	15,294,444.00	1,519,116.06	1,180,872.00	8.57	7.54	10.04
11,825,000	SAFECO CAPITAL TRUST	8.072	07/15/37	11,893,239.53	100.5771	109.3940	12,935,840.50	1,042,600.97	954,514.00	8.03	7.31	11.87
10,900,000	SAXON ASSET SECURITIES TRUST	7.371	03/25/32	11,040,277.92	101.2870	101.3800	11,050,420.00	10,142.08	803,439.00	7.28	7.26	11.71
8,500,000	SECURITY BENEFIT	8.750	05/15/16	9,211,669.88	108.3726	111.6380	9,489,230.00	277,560.12	743,750.00	8.07	7.28	7.07

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

BOND PORTFOLIO

Par Value	Security	Coupon	Maturity	Book Cost	Book Price	Current Price	Current Value	Gain or (Loss)	Annual Income	Book Yield	YTM	Duration
12,000,000	SECURITY MUTUAL LIFE NEW YORK	9.375	12/15/16	13,022,384.35	108.5199	131.3939	15,767,268.00	2,744,883.65	1,125,000.00	8.64	5.81	7.02
3,920,312	SECURITY NATIONAL MORTGAGE LOA	7.870	08/25/30	3,920,311.71	100.0000	108.0840	4,237,229.71	316,918.00	308,528.53	7.87	7.18	11.14
3,200,000	SIGNATURE 6 LIMITED	7.276	09/27/16	2,902,568.20	90.7053	94.0000	3,008,000.00	105,431.80	232,832.00	8.02	8.05	9.28
6,000,000	TYCO INTERNATIONAL GROUP	6.875	01/15/29	5,438,066.95	90.6345	104.6910	6,281,460.00	843,393.05	412,500.00	7.59	6.49	13.43
1,000,000	UNION CARBIDE CORP	7.875	04/01/23	970,044.41	97.0044	95.5000	955,000.00	(15,044.41)	78,750.00	8.12	8.35	10.47
5,775,000	UNION CARBIDE CORP	7.500	06/01/25	5,460,656.12	94.5568	93.5000	5,399,625.00	(61,031.12)	433,125.00	7.93	8.15	11.51
18,500,000	UNION CENTRAL LIFE	8.200	11/01/26	19,314,644.85	104.4035	107.3520	19,860,120.00	545,475.15	1,517,000.00	7.85	7.52	10.17
17,000,000	USF&G CAPITAL II, SERIES B	8.470	01/10/27	18,337,701.03	107.8688	109.7240	18,653,080.00	315,378.97	1,439,900.00	7.85	7.56	9.64
7,000,000	WYETH	6.450	02/01/24	6,674,636.44	95.3520	95.0940	6,656,580.00	(18,056.44)	451,500.00	6.76	6.91	11.92
10,500,000	ZAIS INVESTMENT GRADE LTD	2.481	12/10/15	6,498,100.18	61.8867	100.0000	10,500,000.00	4,001,899.82	260,463.00	4.01	2.48	16.28
11,000,000	ZURICH CAPITAL TRUST I	8.376	06/01/37	11,133,640.81	101.2149	110.4470	12,149,170.00	1,015,529.19	921,360.00	8.28	7.52	11.47
552,626,060	**TOTAL CORPORATE BONDS**			**553,051,803.96**			**587,530,848.06**	**34,479,044.10**	**42,086,546.68**	**7.61**	**6.99**	**9.74**
712,306,629	**BOND PORTFOLIO TOTALS**			**710,774,383.80**			**768,113,078.25**	**57,338,694.45**	**55,160,201.80**	**7.76**	**6.64**	**9.28**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

CORPORATE NOTES

Date Acquired	Description	Interest Rate	Maturity Date	Cost	Amount of Interest	Maturity Value
06/30/2004	UBS AMERICAS INC	1.42	07/01/2004	47,998,106.67	1,893.33	48,000,000.00
06/30/2004	STARBIRD FUNDING CORPORATION	1.47	07/01/2004	41,998,284.99	1,715.01	42,000,000.00
06/08/2004	MARKET STREET FUNDING	1.09	07/07/2004	25,477,609.59	22,390.41	25,500,000.00
06/08/2004	GREYHAWK FUNDING LLC	1.09	07/09/2004	25,476,065.41	23,934.59	25,500,000.00
06/14/2004	ALTAMIRA FUNDING	1.24	07/12/2004	23,976,853.33	23,146.67	24,000,000.00
	TOTAL CORPORATE NOTES			**164,926,919.99**	**73,080.01**	**165,000,000.00**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

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	1.04	13.1880	13,188,046.70	40.7600	40,760,000.00	1,040,000.00	27,571,953.30
200,000	ABERCROMBIE & FITCH	0.50	28.7707	5,754,143.43	38.7500	7,750,000.00	100,000.00	1,995,856.57
83,900	ABM INDUSTRIES INC	0.40	18.5030	1,552,401.14	19.4700	1,633,533.00	33,560.00	81,131.86
71,300	ACCREDO HEALTH	-	18.5299	1,321,184.14	38.9500	2,777,135.00	-	1,455,950.86
450,000	ADOBE SYSTEMS	0.05	39.8393	17,927,679.85	46.5000	20,925,000.00	22,500.00	2,997,320.15
58,600	ADVANCED ENERGY INDUSTRIES	-	22.2500	1,303,850.00	15.7200	921,192.00	-	(382,658.00)
100,000	AETNA INC	0.04	80.7395	8,073,950.00	85.0000	8,500,000.00	4,000.00	426,050.00
100,000	AFFILIATED COMPUTER SERVICES	-	48.7263	4,872,630.00	52.9400	5,294,000.00	-	421,370.00
316,800	ALBERTO CULVER CO	0.40	36.3484	11,515,167.12	50.1400	15,884,352.00	126,720.00	4,369,184.88
201,600	ALCOA INC	0.60	18.9268	3,815,647.44	33.0300	6,658,848.00	120,960.00	2,843,200.56
1,000,000	ALLSTATE CORPORATION	1.12	23.8703	23,870,336.80	46.5500	46,550,000.00	1,120,000.00	22,679,663.20
800,000	ALLTEL CORPORATION	1.48	58.7062	46,964,944.77	50.6200	40,496,000.00	1,184,000.00	(6,468,944.77)
200,000	AMBAC FINANCIAL GROUP INC	0.44	56.9377	11,387,548.80	73.4400	14,688,000.00	88,000.00	3,300,451.20
675,000	AMERICA WEST AIRLINES	-	14.1169	9,528,909.37	9.0800	6,129,000.00	-	(3,399,909.37)
600,000	AMERICAN EXPRESS	0.40	35.1221	21,073,280.93	51.3800	30,828,000.00	240,000.00	9,754,719.07
500,000	AMERICAN INT'L GROUP	0.30	25.9960	12,997,975.07	71.2800	35,640,000.00	150,000.00	22,642,024.93
450,000	AMERICAN STANDARD COMPANY INC	-	25.5206	11,484,254.70	40.3100	18,139,500.00	-	6,655,245.30
1,200,000	AMGEN	-	38.5470	46,256,362.66	54.5700	65,484,000.00	-	19,227,637.34
181,400	AMSOUTH BANCORPORATION	0.96	21.5919	3,916,762.60	25.4700	4,620,258.00	174,144.00	703,495.40
749,700	ANALOG DEVICES, INC.	0.24	72.9595	54,697,722.44	47.0800	35,295,876.00	179,928.00	(19,401,846.44)
400,000	ANHEUSER BUSCH COMPANY	0.88	51.9684	20,787,371.10	54.0000	21,600,000.00	352,000.00	812,628.90
1,270,000	APACHE CORPORATION	0.24	23.0379	29,258,076.87	43.5500	55,308,500.00	304,800.00	26,050,423.13
250,000	APOLLO GROUP, INC.	-	66.1510	16,537,752.32	88.2900	22,072,500.00	-	5,534,747.68
49,300	ARGOSY GAMING CO	-	27.5469	1,358,064.15	37.6000	1,853,680.00	-	495,615.85
434,000	AT&T CORP	0.95	18.3392	7,959,212.00	14.6300	6,349,420.00	412,300.00	(1,609,792.00)
63,400	ATMI INC	-	21.3285	1,352,226.90	27.3100	1,731,454.00	-	379,227.10
350,100	AUTOMATIC DATA PROCESSING	0.56	38.2988	13,408,404.64	41.8800	14,662,188.00	196,056.00	1,253,783.36
100,000	AUTOZONE INC	-	87.4502	8,745,020.00	80.1000	8,010,000.00	-	(735,020.00)
450,000	BANK OF AMERICA CORPORATION	3.60	72.1969	32,488,614.00	84.6200	38,079,000.00	1,620,000.00	5,590,386.00
35,200	BENCHMARK ELECTRONICS	-	38.3860	1,351,187.20	29.1000	1,024,320.00	-	(326,867.20)
300,000	BJ SERVICES COMPANY	-	38.1459	11,443,765.15	45.8400	13,752,000.00	-	2,308,234.85
30,500	BLACK BOX CORPORATION	0.20	44.2777	1,350,469.95	47.2600	1,441,430.00	6,100.00	90,960.05
200,000	BOEING CO.	0.80	36.5081	7,301,626.00	51.0900	10,218,000.00	160,000.00	2,916,374.00
600,000	BOSTON SCIENTIFIC CORPORATION	-	21.3698	12,821,876.47	42.8000	25,680,000.00	-	12,858,123.53
525,000	CANADIAN NATIONAL RAILWAY	0.58	31.4603	16,516,647.90	43.5900	22,884,750.00	304,500.00	6,368,102.10
45,200	CAPITAL AUTOMOTIVE REIT	1.68	28.9188	1,307,128.90	29.3300	1,325,716.00	75,936.00	18,587.10
350,000	CARDINAL HEALTH INC.	0.12	58.7672	20,568,530.88	70.0500	24,517,500.00	42,000.00	3,948,969.12
38,700	CARPENTER TECHNOLOGY	0.33	33.8379	1,309,528.28	34.0500	1,317,735.00	12,771.00	8,206.72
94,500	CATERPILLAR INC	1.64	83.7711	7,916,368.54	79.4400	7,507,080.00	154,980.00	(409,288.54)
120,200	C-COR.net	-	11.0975	1,333,917.10	10.2900	1,236,858.00	-	(97,059.10)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

COMMON STOCK PORTFOLIO

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
29,200	CEPHALON INC	-	46.2600	1,350,792.00	54.0000	1,576,800.00	-	226,008.00
200,000	CHELSEA PROPERTY GROUP	2.40	33.3713	6,674,250.14	65.2200	13,044,000.00	480,000.00	6,369,749.86
533,333	CHOICEPOINT INCORPORATED	-	39.0997	20,853,162.66	45.6600	24,351,984.78	-	3,498,822.12
2,400,000	CISCO SYSTEMS	-	8.6518	20,764,285.00	23.7000	56,880,000.00	-	36,115,715.00
1,866,666	CITIGROUP, INC.	1.60	40.0874	74,829,853.48	46.5000	86,799,969.00	2,986,665.60	11,970,115.52
31,300	CLARCOR INC	0.50	43.0391	1,347,124.04	45.8000	1,433,540.00	15,650.00	86,415.96
400,000	COCA-COLA CO	1.00	49.9399	19,975,950.00	50.4800	20,192,000.00	400,000.00	216,050.00
47,200	COHERENT, INC.	-	29.9786	1,414,991.56	29.8500	1,408,920.00	-	(6,071.56)
35,600	COLONIAL PROPERTY TRUST	2.68	36.1420	1,286,655.52	38.5300	1,371,668.00	95,408.00	85,012.48
1,723,200	COMCAST CORP-SPECIAL CL A	-	31.8365	54,860,632.90	27.6100	47,577,552.00	-	(7,283,080.90)
200,000	COMMERCE BANCORP, INC.	0.76	42.8133	8,562,665.90	55.0100	11,002,000.00	152,000.00	2,439,334.10
34,200	COMMONWEALTH TELEPHONE ENTERPRISES	-	39.5000	1,350,900.00	44.7700	1,531,134.00	-	180,234.00
550,000	CONSTELLATION BRANDS	-	30.8990	16,994,473.04	37.1300	20,421,500.00	-	3,427,026.96
200,000	CONSTELLATION ENERGY GROUP INC	1.14	43.8045	8,760,900.00	37.9000	7,580,000.00	228,000.00	(1,180,900.00)
24,500	COOPER COMPANIES	0.06	53.5336	1,311,572.75	63.1700	1,547,665.00	1,470.00	236,092.25
1,365,200	CORINTHIAN COLLEGES, INC	-	23.7009	32,356,481.10	24.7400	33,775,048.00	-	1,418,566.90
44,000	CULLEN/FROST BANKERS	1.06	30.7263	1,351,956.12	44.7500	1,969,000.00	46,640.00	617,043.88
24,800	CUNO INC	-	32.9371	816,840.00	53.3500	1,323,080.00	-	506,240.00
800,000	D. R. HORTON	0.32	25.0706	20,056,510.84	28.4000	22,720,000.00	256,000.00	2,663,489.16
525,000	DEAN FOODS	-	29.4164	15,443,593.66	37.3100	19,587,750.00	-	4,144,156.34
450,000	DIAMOND OFFSHORE DRILLING	0.25	23.2221	10,449,955.63	23.8300	10,723,500.00	112,500.00	273,544.37
49,500	DSP GROUP	-	27.1518	1,344,016.15	27.2400	1,348,380.00	-	4,363.85
201,600	E.I. du PONT de NEMOURS AND CO	1.40	39.4068	7,944,406.16	44.4200	8,955,072.00	282,240.00	1,010,665.84
271,000	EASTMAN KODAK COMPANY	0.50	29.4459	7,979,852.16	26.9800	7,311,580.00	135,500.00	(668,272.16)
55,600	EGL INC	-	23.5000	1,306,600.00	26.6000	1,478,960.00	-	172,360.00
396,300	ELECTRONICS BOUTIQUE HOLDINGS CORP.	-	36.6234	14,513,847.40	26.3400	10,438,542.00	-	(4,075,305.40)
850,000	EMC CORP	-	11.3255	9,626,696.95	11.4000	9,690,000.00	-	63,303.05
900,000	EXPRESS SCRIPTS	-	23.9680	21,571,205.11	79.2300	71,307,000.00	-	49,735,794.89
1,800,000	EXXON MOBIL CORP	1.08	35.6345	64,142,123.94	44.4100	79,938,000.00	1,944,000.00	15,795,876.06
300,000	FAIR ISAAC & CO	0.08	35.7252	10,717,574.89	33.3800	10,014,000.00	24,000.00	(703,574.89)
200,000	FEDEX CORPORATION	0.28	48.2567	9,651,347.09	81.6900	16,338,000.00	56,000.00	6,686,652.91
49,300	FEI COMPANY	-	27.3888	1,350,266.53	23.9100	1,178,763.00	-	(171,503.53)
2,200,000	FLEXTRONICS INTERNATIONAL	-	13.8468	30,462,993.48	15.9500	35,090,000.00	-	4,627,006.52
300,000	FORTUNE BRANDS, INC.	1.20	57.6946	17,308,379.77	75.4300	22,629,000.00	360,000.00	5,320,620.23
42,900	FORWARD AIR CORPORATION	-	30.4481	1,306,224.92	37.4000	1,604,460.00	-	298,235.08
300,000	FRANKLIN RESOURCES INC	0.34	51.4264	15,427,905.65	50.0800	15,024,000.00	102,000.00	(403,905.65)
200,000	GANNETT COMPANY	1.00	73.1436	14,628,717.26	84.8500	16,970,000.00	200,000.00	2,341,282.74
150,000	GENENTECH, INC.	-	22.5230	3,378,442.50	56.2000	8,430,000.00	-	5,051,557.50
202,700	GENERAL MOTORS CORPORATION	2.00	39.5985	8,026,608.89	46.5900	9,443,793.00	405,400.00	1,417,184.11
400,000	GENZYME CORPORATION	-	57.5662	23,026,473.30	47.3300	18,932,000.00	-	(4,094,473.30)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

COMMON STOCK PORTFOLIO

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
375,000	GILEAD SCIENCES, INC	-	34.8452	13,066,950.00	67.0000	25,125,000.00	-	12,058,050.00
550,000	GLOBALSANTAFE CORP	0.20	34.6204	19,041,225.30	26.5000	14,575,000.00	110,000.00	(4,466,225.30)
34,000	GUITAR CENTER INC	-	38.1337	1,296,545.80	44.4700	1,511,980.00	-	215,434.20
17,100	HARMAN INTERNATIONAL INDUSTRIES	0.05	79.4470	1,358,543.70	91.0000	1,556,100.00	855.00	197,556.30
560,500	HARTFORD FINANCIAL SERVICES GROUP	1.12	51.3391	28,775,539.95	68.7400	38,528,770.00	627,760.00	9,753,230.05
55,700	HELIX TECHNOLOGY	0.16	12.1545	677,004.73	21.3300	1,188,081.00	8,912.00	511,076.27
19,300	HIBBETT SPORTING GOODS	-	26.0310	502,398.10	27.3500	527,855.00	-	25,456.90
87,400	HOLOGIC INC	-	15.4017	1,346,105.40	23.2500	2,032,050.00	-	685,944.60
850,000	HOME DEPOT	0.34	10.2271	8,693,065.64	35.2000	29,920,000.00	289,000.00	21,226,934.36
297,400	HONEYWELL INTERNATIONAL INC	0.75	27.0671	8,049,744.16	36.6300	10,893,762.00	223,050.00	2,844,017.84
43,600	HUDSON UNITED BANCORP	1.32	31.0953	1,355,757.20	37.2800	1,625,408.00	57,552.00	269,650.80
46,900	HYDRIL	-	27.9636	1,311,492.31	31.5000	1,477,350.00	-	165,857.69
50,500	INTEGRA LIFESCIENCES HOLDINGS	-	28.9550	1,462,228.34	35.2700	1,781,135.00	-	318,906.66
1,700,000	INTEL CORPORATION	0.16	29.6194	50,352,951.16	27.6000	46,920,000.00	272,000.00	(3,432,951.16)
595,000	INTERACTIVECORP	-	35.4162	21,072,661.10	30.1400	17,933,300.00	-	(3,139,361.10)
600,000	INTERNATIONAL BUSINESS MACH.	0.72	44.2126	26,527,569.61	88.1500	52,890,000.00	432,000.00	26,362,430.39
208,800	INTERNATIONAL PAPER COMPANY	1.00	38.2374	7,983,973.20	44.7000	9,333,360.00	208,800.00	1,349,386.80
61,100	INTRADO INC	-	22.0172	1,345,252.44	16.0900	983,099.00	-	(362,153.44)
800,000	JABIL CIRCUIT	-	20.4064	16,325,115.07	25.1800	20,144,000.00	-	3,818,884.93
350,000	JACOBS ENGINEERING GROUP INC.	-	32.7400	11,458,987.16	39.3800	13,783,000.00	-	2,324,012.84
700,000	JOHNSON & JOHNSON CO	1.14	55.8271	39,079,000.00	55.7000	38,990,000.00	798,000.00	(89,000.00)
281,700	JP MORGAN CHASE & CO	1.36	28.3611	7,989,314.95	38.7700	10,921,509.00	383,112.00	2,932,194.05
72,000	KAYDON CORP	0.48	18.8494	1,357,156.08	30.9300	2,226,960.00	34,560.00	869,803.92
200,000	KINDER MORGAN, INC.	2.25	54.0842	10,816,845.00	59.2900	11,858,000.00	450,000.00	1,041,155.00
85,200	KULICKE & SOFFA INDUSTRIES	-	15.5800	1,327,416.00	10.9600	933,792.00	-	(393,624.00)
600,000	LANDSTAR SYSTEMS, INC	-	25.6142	15,368,506.37	52.8700	31,722,000.00	-	16,353,493.63
750,000	LENNAR CORP Class A	0.50	27.1592	20,369,422.02	44.7200	33,540,000.00	375,000.00	13,170,577.98
300,000	LEXMARK INTERNATIONAL GROUP	-	72.5137	21,754,101.54	96.5300	28,959,000.00	-	7,204,898.46
35,300	MANITOWOC COMPANY INC.	0.28	19.4979	688,275.87	33.8500	1,194,905.00	9,884.00	506,629.13
2,475,000	MBNA CORP	0.48	10.0811	24,950,805.00	25.7900	63,830,250.00	1,188,000.00	38,879,445.00
150,000	MEDTRONIC, INC.	0.34	48.0376	7,205,640.00	48.7200	7,308,000.00	51,000.00	102,360.00
169,000	MERCK & CO.	1.48	47.4619	8,021,061.10	47.5000	8,027,500.00	250,120.00	6,438.90
150,000	METLIFE INC.	0.23	28.6416	4,296,240.00	35.8500	5,377,500.00	34,500.00	1,081,260.00
400,000	MICROCHIP TECHNOLOGY INC.	0.16	26.3234	10,529,365.24	31.5400	12,616,000.00	64,000.00	2,086,634.76
2,900,000	MICROSOFT CORPORATION	0.16	36.1838	104,933,045.54	28.5600	82,824,000.00	464,000.00	(22,109,045.54)
58,900	MOHAWK INDUSTRIES	-	71.1180	4,188,851.11	73.3300	4,319,137.00	-	130,285.89
400,000	MOODY'S CORPORATION	0.30	35.9570	14,382,784.57	64.6600	25,864,000.00	120,000.00	11,481,215.43
225,000	MYLAN LABORATORIES	0.12	22.3665	5,032,461.20	20.2500	4,556,250.00	27,000.00	(476,211.20)
500,000	NABORS INDUSTRIES, LTD	-	54.6005	27,300,246.08	45.2200	22,610,000.00	-	(4,690,246.08)
300,000	NATIONAL CITY CORP	1.40	32.1346	9,640,384.18	35.0100	10,503,000.00	420,000.00	862,615.82

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

COMMON STOCK PORTFOLIO

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
150,000	NBTY INC	-	26.7159	4,007,389.40	29.3900	4,408,500.00	-	401,110.60
300,000	NEXTEL COMMUNICATIONS	-	24.7452	7,423,562.35	26.6600	7,998,000.00	-	574,437.65
125,000	NOBLE CORPORATION	-	44.8706	5,608,822.78	37.8900	4,736,250.00	-	(872,572.78)
825,000	NOKIA CORPORATION	0.30	15.8983	13,116,086.25	14.5400	11,995,500.00	247,500.00	(1,120,586.25)
350,000	OMNICOM GROUP	0.90	82.3421	28,819,718.09	75.8900	26,561,500.00	315,000.00	(2,258,218.09)
400,000	OXFORD HEALTH PLANS, INC.	0.40	31.1189	12,447,556.43	55.0400	22,016,000.00	160,000.00	9,568,443.57
500,000	P.F. CHANG'S CHINA BISTRO	-	26.4484	13,224,212.54	41.1500	20,575,000.00	-	7,350,787.46
99,750	PACIFIC SUNWEAR OF CALIFORNIA	-	13.5737	1,353,973.25	19.5900	1,954,102.50	-	600,129.25
200,000	PACTIV CORPORATION	-	16.0019	3,200,380.00	24.9400	4,988,000.00	-	1,787,620.00
31,900	PANERA BREAD 'A'	-	42.7150	1,362,607.80	35.8800	1,144,572.00	-	(218,035.80)
93,600	PAXAR CORP	-	13.9000	1,301,040.00	19.5200	1,827,072.00	-	526,032.00
900,000	PEPSICO INC.	0.92	46.9121	42,220,922.20	53.8800	48,492,000.00	828,000.00	6,271,077.80
1,650,000	PFIZER INC.	0.68	30.8479	50,899,044.87	34.2800	56,562,000.00	1,122,000.00	5,662,955.13
32,000	PHOTON DYNAMICS	-	42.8108	1,369,946.94	35.0700	1,122,240.00	-	(247,706.94)
650,000	PLANTRONICS, INC.	-	27.4680	17,854,204.27	42.1000	27,365,000.00	-	9,510,795.73
350,000	PRAXAIR INC	0.60	35.2825	12,348,858.91	39.9100	13,968,500.00	210,000.00	1,619,641.09
900,000	PROCTER & GAMBLE COMPANY	1.00	45.4717	40,924,539.36	54.4400	48,996,000.00	900,000.00	8,071,460.64
450,000	QUIKSILVER, INC	-	17.0102	7,654,599.35	23.8100	10,714,500.00	-	3,059,900.65
53,200	RARE HOSPITALITY INTERNATIONAL	-	25.3914	1,350,819.99	24.9000	1,324,680.00	-	(26,139.99)
150,000	REGIS CORPORATION	0.16	31.9239	4,788,579.49	44.5900	6,688,500.00	24,000.00	1,899,920.51
86,700	RELIANCE STEEL & ALUMINUM	0.24	15.5338	1,346,780.91	40.3200	3,495,744.00	20,808.00	2,148,963.09
41,700	RENAL CARE GROUP	-	31.2767	1,304,236.70	33.1300	1,381,521.00	-	77,284.30
45,000	RESMED INC	-	30.0845	1,353,804.36	50.9600	2,293,200.00	-	939,395.64
3,200	RESPIRONICS INC	-	51.4000	164,480.00	58.7500	188,000.00	-	23,520.00
88,000	RYAN'S RESTAURANT GROUP INC	-	15.6787	1,379,725.87	15.8000	1,390,400.00	-	10,674.13
1,100,000	SANMINA CORP.	-	26.1638	28,780,160.85	9.1000	10,010,000.00	-	(18,770,160.85)
352,900	SBC COMMUNICATIONS INC.	1.25	22.4199	7,911,965.75	24.2500	8,557,825.00	441,125.00	645,859.25
500,000	SCHOLASTIC CORPORATION	-	25.6701	12,835,063.31	29.9500	14,975,000.00	-	2,139,936.69
25,600	SCOTTS CO'A'	-	53.0500	1,358,080.00	63.8800	1,635,328.00	-	277,248.00
1,050,000	SCP POOL CORPORATION	0.10	17.8340	18,725,683.27	45.0000	47,250,000.00	105,000.00	28,524,316.73
200,000	SEALED AIR	-	51.1567	10,231,348.61	53.2700	10,654,000.00	-	422,651.39
700,000	SEI INVESTMENTS COMPANY	0.20	39.3673	27,557,135.95	29.0400	20,328,000.00	140,000.00	(7,229,135.95)
325,000	SEMPRA ENERGY	1.00	32.3783	10,522,938.30	34.4300	11,189,750.00	325,000.00	666,811.70
27,900	SMITH, A O CORP	0.60	29.3103	817,756.00	31.7900	886,941.00	16,740.00	69,185.00
250,000	SMURFIT-STONE CONTAINER CORP	-	14.9684	3,742,090.24	19.9500	4,987,500.00	-	1,245,409.76
800,000	ST. JUDE MEDICAL	-	40.2596	32,207,686.87	75.6500	60,520,000.00	-	28,312,313.13
300,000	STAPLES, INC.	0.20	24.8601	7,458,030.00	29.4100	8,823,000.00	60,000.00	1,364,970.00
38,700	STEAK N SHAKE	-	17.5500	679,185.00	18.2200	705,114.00	-	25,929.00
112,400	STEEL DYNAMICS	-	12.1483	1,365,470.56	28.6300	3,218,012.00	-	1,852,541.44
57,200	STEWART & STEVENSON SERVICES	0.34	16.8844	965,788.44	17.9200	1,025,024.00	19,448.00	59,235.56

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

COMMON STOCK PORTFOLIO

Shares	Description	Div Rate	Book Cost per Share	Book Cost	Market Price	Market Value	Annual Income	Gain or (Loss) Amount
1,670,500	SYMANTEC CORPORATION	-	12.4345	20,771,902.17	43.7800	73,134,490.00	-	52,362,587.83
575,000	SYSCO CORPORATION	0.52	28.9899	16,669,184.81	35.8700	20,625,250.00	299,000.00	3,956,065.19
550,000	T. ROWE PRICE GROUP INC	0.76	38.9340	21,413,692.20	50.4000	27,720,000.00	418,000.00	6,306,307.80
73,200	TETRA TECH, INC	-	17.8380	1,305,741.60	16.3200	1,194,624.00	-	(111,117.60)
1,200,000	TEXAS INSTRUMENTS	0.09	24.5741	29,488,895.57	24.1800	29,016,000.00	108,000.00	(472,895.57)
55,000	THE CHILDREN'S PLACE	-	23.8473	1,311,601.16	23.5200	1,293,600.00	-	(18,001.16)
31,400	TRACTOR SUPPLY CO.	-	41.5470	1,304,574.48	41.8200	1,313,148.00	-	8,573.52
1,450,000	TYCO INTERNATIONAL LTD.	0.05	33.1899	48,125,306.20	33.1400	48,053,000.00	72,500.00	(72,306.20)
250,000	TYSON FOODS, INC.	0.16	11.7177	2,929,428.79	20.9500	5,237,500.00	40,000.00	2,308,071.21
16,892	UNITEDHEALTH GROUP INC	0.03	81.1898	1,371,457.62	62.2500	1,051,527.00	506.76	(319,930.62)
44,000	URS CORP	-	29.7308	1,308,157.20	27.4000	1,205,600.00	-	(102,557.20)
500,000	VIACOM INC.	0.24	44.4162	22,208,115.00	35.7200	17,860,000.00	120,000.00	(4,348,115.00)
900,000	VISHAY INTERTECHNOLOGY INC	-	26.3549	23,719,435.02	18.5800	16,722,000.00	-	(6,997,435.02)
1,250,000	VODAFONE GROUP PLC	0.39	21.5148	26,893,499.43	22.1000	27,625,000.00	487,500.00	731,500.57
700,000	VORNADO REALTY TRUST	2.84	42.5851	29,809,557.08	57.1100	39,977,000.00	1,988,000.00	10,167,442.92
200,000	WACHOVIA CORP	1.60	46.2634	9,252,679.39	44.5000	8,900,000.00	320,000.00	(352,679.39)
650,000	WALGREEN COMPANY	0.17	17.0344	11,072,336.95	36.2100	23,536,500.00	110,500.00	12,464,163.05
1,300,000	WAL-MART STORES	0.52	53.6877	69,793,988.62	52.7600	68,588,000.00	676,000.00	(1,205,988.62)
54,450	WASTE CONNECTIONS	-	24.7699	1,348,722.79	29.6600	1,614,987.00	-	266,264.21
83,000	WATTS WATER TECHNOLOGIES 'A'	0.28	16.3755	1,359,166.50	26.9500	2,236,850.00	23,240.00	877,683.50
53,700	WEBEX COMMUNICATIONS	-	24.3781	1,309,103.97	21.7600	1,168,512.00	-	(140,591.97)
700,000	WILLIAMS COMPANIES, INC.	0.04	24.9221	17,445,491.98	11.9000	8,330,000.00	28,000.00	(9,115,491.98)
30,400	WINTRUST FINANCIAL	0.20	47.8228	1,453,814.24	50.5100	1,535,504.00	6,080.00	81,689.76
52,300	YELLOW ROADWAY CORPORATION	-	25.7696	1,347,750.08	39.8600	2,084,678.00	-	736,927.92
49,400	ZALE CORP	-	26.4750	1,307,865.00	27.2600	1,346,644.00	-	38,779.00
	TOTAL COMMON STOCK PORTFOLIO			**2,478,685,590.13**		**3,091,719,228.28**	**33,039,781.36**	**613,033,638.15**

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
INVESTMENTS OWNED
JUNE 30, 2004

OTHER INVESTMENTS PORTFOLIO

Security	Coupon	Maturity	Book Cost	Current Value	Gain or Loss	Annual Income	Book Yield
APEX CAPITAL FUND 1							
ARROYO VERDE	11.000		311,769.30	311,769.30	-	34,294.62	11.0%
BELL WEST	11.000		206,230.22	206,230.22	-	22,685.32	11.0%
CAMPO VERDE	11.000		701,182.74	701,182.74	-	77,130.10	11.0%
MERITAGE-VERRADO	11.000		332,632.93	332,632.93	-	36,589.62	11.0%
SANTAN VISTA	11.000		566,759.19	566,759.19	-	62,343.51	11.0%
VISTA DORADA	11.000		264,833.17	264,833.17	-	29,131.65	11.0%
TOTAL APEX CAPITAL FUND 1			**2,383,407.55**	**2,383,407.55**	**-**	**262,174.83**	**11.0%**
BRIDGE FINANCIAL LOANS							
BRIDGE FINANCIAL--Grand Inn	12.500	09/25/00	2,262,128.35	2,262,128.35	-	-	0.0%
TOTAL BRIDGE FINANCIAL LOANS			**2,262,128.35**	**2,262,128.35**	**-**	**-**	**0.0%**
DIVERSIFIED FUNDING GROUP							
TIERRA DEL RIO (TDR), LLC	13.000	10/22/04	19,195,480.25	19,195,480.25		2,495,412.43	13.0%
TOTAL DIVERSIFIED FUNDING GROUP			**19,195,480.25**	**19,195,480.25**	**-**	**2,495,412.43**	**13.0%**
PIVOTAL EQUITY							
PIVOTAL CIMARRON, LLC	10.000		2,137,804.00	2,137,804.00		213,780.40	10.0%
PIVOTAL SCOTTSDALE 123, LLC	10.000		2,254,147.07	2,254,147.07		225,414.71	10.0%
TOTAL PIVOTAL EQUITY			**4,391,951.07**	**4,391,951.07**	**-**	**439,195.11**	**10.0%**
SBA LOANS							
ASAYO HOLDING, LTD.	9.500	07/01/10	325,774.44	325,774.44	-	30,948.57	9.5%
EQUITY PARTNERSHIP	9.250	05/01/16	818,309.76	818,309.76	-	75,693.65	9.3%
NIARKOS	10.000	05/01/14	378,762.28	378,762.28	-	37,876.23	10.0%
TOTAL SBA LOANS			**1,522,846.48**	**1,522,846.48**	**-**	**144,518.45**	**9.5%**
MISCELLANEOUS							
DESERT TROON FINANCE, LLC	10.000	08/27/05	18,932,355.29	18,932,355.29	-	1,893,235.53	10.0%
PEBBLECREEK PROPERTIES	10.000	04/01/05	80,526.04	80,526.04	-	8,052.60	10.0%
PIVOTAL DEBT FUND	10.000	12/01/11	26,168,251.61	26,168,251.61	-	2,616,825.16	10.0%
VALLEY VENTURES III	8.000	09/17/06	8,069,811.08	8,069,811.08		645,584.89	8.0%
TOTAL MISCELLANEOUS			**53,250,944.02**	**53,250,944.02**	**-**	**5,163,698.18**	**9.7%**
TOTAL BEFORE LLC			**83,006,757.72**	**83,006,757.72**	**-**	**8,504,999.00**	**10.2%**
LLC							
DESERT TROON-DTR1,LLC			25,852,498.66	25,852,498.66			
DTR1,LLC - PERIMETER CENTER			1,829,171.67	1,829,171.67			
DTR1,LLC - SEA PORT			17,127,280.36	17,127,280.36			
TOREEON GC			2,908,406.11	2,908,406.11			
PROSPECTOR EQUITY CAPITAL			739,867.28	739,867.28			
CENTURY PLAZA HOTEL (CPH I,LLC)			46,679,939.24	46,679,939.24			
HARBOR BAY CAMPUS			5,089,710.67	5,089,710.67			
NXTV, L.L.C.			4,871,684.81	4,871,684.81			
PIVOTAL 650, L.L.C.			9,379,609.67	9,379,609.67			
PIVOTAL NEWS I, L.L.C.			766,359.20	766,359.20			
PIVOTAL PROMONTORY			27,629,857.94	27,629,857.94			
PIVOTAL SPA I, L.L.C.			10,408,458.33	10,408,458.33			
TOTAL LLC			**153,282,843.94**	**153,282,843.94**			
TOTAL OTHER INVESTMENTS PORTFOLIO			**236,289,601.66**	**236,289,601.66**			

ACTUARIAL SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTY-SIXTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2004

Actuarial Certification Statement

Aggregate Actuarial Balance Sheet, June 30, 2004

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
consulting
company

October 1, 2004

The Fund Manager
Arizona Public Safety Personnel Retirement System
3010 East Camelback Road, Suite 200
Phoenix, Arizona 85016-4416

Attention: James A. Nielsen, Interim 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, 2004 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, 2003. 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 seven year period.

On the basis of the June 30, 2004 valuation, it is our opinion that the liabilities of the Retirement System are being funded as incurred in accordance with sound actuarial principles.

Respectfully submitted,

SANDRA W RODWAN

Sandra W. Rodwan
Member, American Academy of Actuaries

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
AGGREGATE ACTUARIAL BALANCE SHEET
JUNE 30, 2004

Actuarial Assets

Accrued Assets		
Member Accumulated contributions	$ 594,479,065	
Employer and benefit payment reserves	3,613,502,704	
Funding value adjustment	1,134,950,238	
Total accrued assets*		$ 5,342,932,007
Prospective assets (computed value)		
Member contributions	817,787,984	
Employer normal costs	1,076,467,486	
Employer unfunded actuarial accrued liability	393,019,652	
Total prospective assets		2,287,275,122
Total Actuarial Assets		$ 7,630,207,129

**Includes $568,619,029 reserve for payment of ad-hoc pension increases. The net funding value of assets is $4,774,312,978.*

Actuarial Present Values (Liability)

Pensions in payment status		
Service pensions	$ 1,706,954,901	
Disability pensions	289,410,461	
Survivor pensions	212,507,073	
Health insurance	114,597,817	
Total Benefit values		$ 2,323,470,252
Prospective pension payments (future retirements)		4,574,536,236
Prospective health insurance payments (future retirements)		151,983,780
Prospective refunds of member contributions		11,597,832
Reserve for future pension increases		568,619,029
Total Actuarial Present Values (Liability)		$ 7,630,207,129

SUMMARY OF PLAN PROVISIONS

See Note 1 in the Notes to the Financial Statements.

SUMMARY OF VALUATION METHODS

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

Normal cost contributions were computed as follows:

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

Actuarial accrued liability was computed and financed as follows:

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

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

SUMMARY OF VALUATION ASSUMPTIONS

Economic Assumptions

The rate of investment return used was 8.75 percent a year, compounded annually. This assumption was first used for the June 30, 2004 valuations. The assumption consists of 3.5% for assuming maturity and principal risks and 5.25% in recognition of inflation. These components, adopted by the Fund Manager, as recommended by the system's actuary, were revised for the June 30, 2004 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, 2004 valuations. The assumption consists of 5.25% 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	5.25%	3.0%	1.0%	9.25%
25	5.25%	3.0	1.0	9.25
30	5.25%	2.6	1.0	8.85
35	5.25%	1.1	1.0	7.35
40	5.25%	0.2	1.0	6.45
45	5.25%	0.2	1.0	6.45
50	5.25%	0.2	1.0	6.45
55	5.25%	0.1	1.0	6.35
60	5.25%	-	1.0	6.25
65	5.25%	-	1.0	6.25

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	Single Life Retirement Values							
	Non-Disability Table		Disability Table		Non-Disability Table		Disability Table	
	Present Value of $100 Monthly For Life		Present Value of $100 Monthly For Life		Future Life Expectancy (Years)		Future Life Expectancy (Years)	
	Men	Women	Men	Women	Men	Women	Men	Women
20					56.90	62.76	56.03	61.88
25					52.02	57.88	51.16	57.00
30					47.16	53.00	46.32	52.13
35					42.33	48.13	41.50	47.28
40	$13,277	$13,642	$13,204	$13,591	37.55	43.30	36.73	42.46
45	12,845	13,349	12,748	13,280	32.84	38.50	32.06	37.68
50	12,293	12,941	12,170	12,850	28.32	33.77	27.57	32.98
55	11,607	12,413	11,458	12,296	24.02	29.21	23.33	28.45
60	10,744	11,756	10,571	11,612	19.94	24.86	19.32	24.16
65	9,686	10,932	9,498	10,764	16.13	20.74	15.59	20.10
70	8,487	9,912	8,302	9,727	12.73	16.86	12.30	16.31
75	7,255	8,732	7,092	8,545	9.86	13.37	9.54	12.92
80	5,986	7,508	5,854	7,339	7.44	10.40	7.22	10.06
85	4,879	6,231	4,789	6,092	5.61	7.87	5.48	7.64
90	3,939	5,085	3,891	4,986	4.24	5.93	4.18	5.79

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%
6-30-03	$ 543,817	$ 2,117,512	$ 2,078,284	$ 4,435,373	100.0%	100.0%	82.9%
6-30-04	$ 594,479	$ 2,323,470	$ 2,249,383	$ 4,774,313	100.0%	100.0%	82.5%

See notes on page 28.

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 1,324 active members were eligible for retirement on June 30, 2004, compared to 1,579 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	3							3	$ 106,106
20 - 24	606	4						610	$ 24,446,491
25 - 29	1,899	482						2,381	$ 110,183,381
30 - 34	1,548	1,731	322					3,601	$ 190,004,613
35 - 39	745	1,202	1,058	378	1			3,384	$ 197,647,667
40 - 44	310	531	738	1,034	270	7		2,890	$ 186,701,938
45 - 49	135	187	297	564	486	150	2	1,821	$ 125,271,481
50 - 54	53	63	127	264	157	137	31	832	$ 56,950,433
55 - 59	27	24	47	103	25	31	14	271	$ 17,078,624
60 - 69	2	5	16	23	10		3	59	$ 3,327,388
70+								-	
Totals	**5,328**	**4,229**	**2,605**	**2,366**	**949**	**325**	**50**	**15,852**	**$ 911,718,122**

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

COMPARATIVE SCHEDULE

Fiscal Year Ended	Employer Units	Active Members	Total Payroll (+000)	Averages			
				Age (years)	Service (years)	Pay	Increase in Average Pay
6-30-78	57	6,554	$ 109,359	34.1	7.9	$16,686	10.0%
6-30-79	64	6,842	$ 125,667	34.2	8.0	$18,367	10.1%
6-30-80	71	7,264	$ 144,371	34.1	7.9	$19,875	8.2%
6-30-81	83	7,559	$ 165,055	34.3	8.1	$21,836	9.9%
6-30-82	91	7,750	$ 185,650	34.7	8.3	$23,955	9.7%
6-30-83	101	7,835	$ 199,736	35.0	8.6	$25,493	6.4%
6-30-84	107	8,039	$ 217,163	35.1	8.8	$27,014	6.0%
6-30-85	106	8,536	$ 244,094	35.2	8.7	$28,596	5.9%
6-30-86	110	8,774	$ 268,511	35.5	8.9	$30,603	7.0%
6-30-87	113	9,331	$ 299,559	35.7	9.0	$32,104	4.9%
6-30-88	115	9,600	$ 321,750	36.1	9.4	$33,516	4.4%
6-30-89	123	9,858	$ 345,743	36.4	9.7	$35,072	4.6%
6-30-90	130	10,125	$ 371,950	36.6	9.8	$36,736	4.7%
6-30-91	135	10,612	$ 402,687	36.8	10.0	$37,946	3.3%
6-30-92	137	10,686	$ 415,471	37.2	11.3	$38,880	2.5%
6-30-93	145	10,872	$ 425,811	37.3	10.3	$39,166	0.7%
6-30-94	150	11,303	$ 451,022	37.4	10.4	$39,903	1.9%
6-30-95	155	11,971	$ 496,063	37.4	10.3	$41,439	3.8%
6-30-96	162	12,477	$ 541,231	37.6	10.3	$43,378	4.7%
6-30-97	162	13,109	$ 579,341	37.6	10.3	$44,194	1.9%
6-30-98	169	13,635	$ 625,222	37.8	10.3	$45,854	3.8%
6-30-99	171	14,128	$ 682,184	37.8	10.3	$48,286	5.3%
6-30-00	181	14,886	$ 751,280	37.7	10.0	$50,469	4.5%
6-30-01	187	15,473	$ 826,740	37.2	10.0	$53,431	5.9%
6-30-02	194	15,557	$ 854,249	36.9	9.4	$54,911	2.8%
6-30-03	195	15,530	$ 881,285	37.0	9.5	$56,747	3.3%
6-30-04	199	15,852	$ 911,718	37.1	9.5	$57,514	1.4%

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	172	8				180
30 - 39	152	48	10	1		211
40 - 44	29	14	11	10		64
45 - 49	13	1	9	4		27
50 - 54	1		6	2	1	10
55 - 59	1	3	10			14
60 - 69	1		4	1		6
70+						0
Totals	**369**	**74**	**50**	**18**	**1**	**512**

RETIRANTS AND BENEFICIARIES

Valuation Date	Number Removed From Roles	Number Added to Roles	Totals	Annual Allowances Removed From Roles*	Annual Allowances Added to Roles*	Annual Pensions	Percent Increase	Average Pension
06/30/92			3,184			$ 56,057,423	14.2%	$17,606
06/30/93			3,674			$ 69,708,702	24.4%	$19,182
06/30/94	30	141	3,785			$ 77,548,220	11.2%	$20,707
06/30/95	61	275	3,999			$ 85,544,670	10.3%	$21,608
06/30/96	67	318	4,250			$ 94,897,897	10.9%	$22,541
06/30/97	81	311	4,480			$ 104,374,026	10.0%	$23,508
06/30/98	75	335	4,740			$ 115,542,977	10.7%	$24,584
06/30/99	73	423	5,090			$ 132,364,761	14.6%	$26,211
06/30/00	84	436	5,442			$ 152,227,372	15.0%	$27,973
06/30/01	89	429	5,782			$ 170,281,580	11.9%	$29,450
06/30/02	91	298	5,989			$ 184,212,972	8.2%	$30,759
06/30/03	104	299	6,184			$ 207,616,176	12.7%	$33,573
06/30/04**	119	331	6,396	$ 5,951,348	$ 22,497,533	$ 224,162,361	8.0%	$35,047

*Effective June 30, 2004, started reporting the annual allowances removed from roles and annual allowances added to roles. This information was not available prior to the effective date.

** Includes COLA

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF EXPERIENCE GAIN/(LOSS)
YEAR ENDED JUNE 30, 2004

	Year Ended June 30 ($ Thousands)			
	2004	**2003**	**2002**	**2001**
(1) UAAL at start of year*	(41,764)	(540,175)	(987,183)	(845,011)
(2) Normal cost	170,796	164,570	155,923	139,061
(3) Funding method contributions	(150,874)	(118,738)	(114,470)	(108,936)
(4) Interest accrual	(2,862)	(39,148)	(86,981)	(74,695)
(5) Expected UAAL before changes	(24,704)	(533,491)	(1,032,711)	(889,581)
(6) Change from amendments***	none	none	63,700	66,000
(7) Change from assumption revision	100,000	(346,003)	none	none
(8) Expected UAAL after changes	75,296	(879,494)	(969,011)	(823,591)
(9) Actual UAAL	393,020	(41,764)	(540,175)	(987,183)
(10) Gain(+)/Loss(-) (8)-(9)	(317,724)	(837,730)	(428,836)	163,592
(11) Percent of actuarial accrued liability**	6.7%	20.2%	11.7%	4.8%

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

STATISTICAL SECTION

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

THIRTY- SIXTH COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2004

Schedule of Revenues by Source and Expenses by Type

Schedule of Benefit Expenses by Type

Summary of Retired Member and Survivor Data

Summary of Benefit Increases

Participating Employers

Schedule of Changes in Employer Reserves – Year Ended June 30, 2004, and Unfunded Accrued Normal Costs at June 30, 2003

Schedule of Changes in Refundable Member Reserves Fiscal Year Ended June 30, 2004

Earnings Distribution, Fiscal Year Ended June 30, 2004

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***	Amounts Transferred From Other Plans	Total
1995	$35,341,047	$32,917,493	$7,538,453	7.66%	$199,847,112	$891,455	$276,535,560
	13%	12%	3%		72%	0%	100%
1996	$39,500,494	$37,734,258	$8,635,684	7.85%	$390,660,701	$2,543,910	$479,075,047
	13%	12%	3%		72%	1%	100%
1997	$39,788,668	$42,760,823	$9,709,146	8.11%	$644,116,823	$1,120,794	$737,496,254
	6%	6%	1%		87%	0%	100%
1998	$43,094,843	$38,287,697	$7,033,235	6.36%	$750,793,356	$1,185,939	$840,395,070
	5%	5%	1%		89%	0%	100%
1999	$51,684,448	$36,512,536	$7,871,808	5.82%	$723,369,908	$760,190	$820,198,890
	6%	5%	1%		88%	0%	100%
2000	$52,451,478	$38,645,798	$8,245,094	5.29%	$588,132,626	$952,294	$688,427,290
	7%	6%	1%		86%	0%	100%
2001	$58,052,765	$45,435,300	$7,105,010	5.21%	($895,995,528)	$874,673	($784,527,780)
	-7%	-6%	-1%		114%	0%	100%
2002	$62,486,725	$44,518,693	$7,464,714	4.21%	($654,569,820)	$6,412,646	($533,687,042)
	-12%	-8%	-1%		123%	-1%	100%
2003	$67,937,288	$40,047,132	$10,753,537	3.75%	$233,424,569	$1,393,775	$353,556,301
	19%	11%	3%		66%	0%	100%
2004	$ 71,874,188	$68,058,390	$10,941,740	7.66%	$562,613,259	$1,281,703	$714,769,280
	10%	10%	2%		79%	0%	100%

	EXPENSES				
FYE	Benefits	Administrative Expenses****	Refunds	Amounts Transferred To Other Plans	Total
1995	$83,992,275	$801,898	$2,172,524	$16,112	$86,982,809
	97%	1%	2%	0%	100%
1996	$92,851,755	$508,498	$2,251,458	$1,081	$95,612,792
	97%	1%	2%	0%	100%
1997	$102,404,128	$540,899	$2,866,764	$237,792	$106,049,583
	97%	1%	3%	0%	100%
1998	$112,374,125	$607,518	$3,020,135	$185,247	$116,187,025
	97%	1%	3%	0%	100%
1999	$125,879,371	$624,710	$3,317,624	$92,023	$129,913,728
	97%	0%	3%	0%	100%
2000	$145,302,173	$616,109	$5,313,595	$293,862	$151,525,739
	96%	0%	4%	0%	100%
2001	$164,727,744	$679,372	$6,051,785	$501,851	$171,960,752
	96%	0%	4%	0%	100%
2002	$185,035,202	$735,241	$6,057,924	$228,610	$192,056,977
	96%	0%	3%	0%	100%
2003	$209,715,238	$812,332	$6,422,965	$385,905	$217,336,440
	96%	0%	3%	0%	100%
2004	$229,885,444	$1,099,932	$6,390,643	$196,287	$237,572,305
	97%	0%	3%	0%	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 fiscal year 1996, Investment Expenses were not broken out from Administrative and Investment Expenses. However, for the fiscal years 1996-present, Investment Expenses 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	Deferred 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	$80,218,238	$10,871,547	$8,079,674	$3,194,484	$40,185	-	$102,404,128
	78%	11%	8%	3%	0%		100%
1998	$87,427,946	$12,460,407	$8,853,712	$3,600,786	$31,274	-	$112,374,125
	78%	11%	8%	3%	0%		100%
1999	$97,398,707	$14,628,479	$9,883,152	$3,934,962	$34,071	-	$125,879,371
	77%	12%	8%	3%	0%		100%
2000	$111,641,295	$17,061,548	$12,187,246	$4,365,887	$46,197	-	$145,302,173
	77%	12%	8%	3%	0%		100%
2001	$126,279,381	$19,543,264	$14,049,906	$4,801,247	$53,946	-	$164,727,744
	77%	12%	8%	3%	0%		100%
2002	$137,556,909	$21,914,529	$15,342,508	$9,715,347	$70,335	$435,573	$185,035,202
	74%	12%	7%	5%	0%	1%	100%
2003	$151,170,457	$24,102,353	$20,135,779	$11,196,923	$81,550	$3,028,175	$209,715,238
	72%	11%	9%	5%	0%	2%	100%
2004	$163,080,132	$23,431,361	$26,321,345	$10,774,433	$102,458	$6,175,715	$229,885,444
	71%	10%	10%	5%	0%	4%	100%

***Note: Prior to 1997 information related to deferred benefits was not available.**

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 19 years. The number of retired members and the amount of annual pensions has increased at compounded annual rates of 4.8% and 11.1% over the last five years.

COMPARATIVE SCHEDULE

Year Ended June 30	Retired				Annual Pensions	Average Pension	Ratio of Active to Retired
	Normal	Disability	Survivors	Totals			
1986	1,513	248	335	2,096	$25,526,417	$12,179	4.2 to 1
1987	1,612	258	350	2,220	$28,531,465	$12,852	4.2 to 1
1988	1,709	264	371	2,344	$31,608,067	$13,485	4.1 to 1
1989	1,839	280	410	2,529	$36,286,530	$14,348	3.9 to 1
1990	2,003	322	446	2,771	$43,514,479	$15,704	3.7 to 1
1991	2,134	349	486	2,969	$49,103,054	$16,539	3.6 to 1
1992	2,314	363	507	3,184	$56,057,423	$17,606	3.4 to 1
1993	2,697	417	520	3,634	$69,708,702	$19,182	3.0 to 1
1994	2,756	436	553	3,745	$77,548,220	$20,707	3.0 to 1
1995	2,914	471	574	3,959	$85,544,676	$21,608	3.0 to 1
1996	3,082	527	601	4,210	$94,897,897	$22,541	3.0 to 1
1997	3,240	573	627	4,440	$104,374,026	$23,508	3.0 to 1
1998	3,415	626	659	4,700	$115,542,977	$24,584	2.9 to 1
1999	3,655	694	701	5,050	$132,364,761	$26,211	2.8 to 1
2000	3,938	763	741	5,442	$152,227,372	$27,973	2.7 to 1
2001	4,182	826	774	5,782	$170,281,580	$29,450	2.7 to 1
2002	4,315	872	802	5,989	$184,212,972	$30,759	2.6 to 1
2003	4,419	912	853	6,184	$207,616,176	$33,573	2.5 to 1
2004	4,563	942	891	6,396	$224,162,361	$35,047	2.5 to 1

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

SUMMARY OF RETIRED MEMBERS AND SURVIVORS - JUNE 30, 2004

Pensions Being Paid*		Number	Annual Pensions	Average Pensions
Retired Members	- Service Pensions	4,563	$ 171,971,648	$ 37,688
	- Disability Pensions	942	$ 27,693,204	$ 29,398
	Totals	**5,505**	**$ 199,664,852**	**$ 36,270**
Survivors of Members	- Spouses	854	$ 23,970,469	$ 28,068
	- Children with Guardians**	37	$ 527,040	$ 14,244
	Totals	**891**	**$ 24,497,509**	**$ 27,494**
	Total Pensions Being Paid	**6,396**	**$ 224,162,361**	**$ 35,047**

* Does not include DROP participants totaling 1,267 with annual pensions of $99,124,814
** Does not include pensions payable to children whose parent is being paid a survivor pension.

	Average Age	Average Service (yrs)	Average Age at Retirement (yrs)
Normal retired members	60.5	21.2	47.5
Disability retired members	53.3	14.2	42.8
Spouse beneficiaries	64.7	18.3	43.8
DROP Participants	52.5	25.7	55.9

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
06/30/85	2.85%	$ 214,202,673	$ 6,104,776			
	Investment earnings on balance		902,896 **			
	Amount utilized: 7-1-86 increase		(4,482,398)	$50.00	$36.17	$36.17
06/30/86	5.79%	$ 248,133,744	$ 14,366,944			
	Amount available: 7-1-87 increase		16,892,218	$120.00 **	$38.59	$38.59
	Investment earnings on balance		1,859,833			
	Amount utilized: 7-1-87 increase		(5,185,664)			
06/30/87	2.01%	$ 276,817,044	$ 5,564,023			
	Amount available: 7-1-88 increase		19,130,410	$110.00 **	$42.84	$42.84
	Investment earnings on balance		2,027,823			
	Amount utilized: 7-1-88 increase		(6,319,400)			
06/30/88	1.60%	$ 306,597,600	$ 4,905,562			
	Amount available: 7-1-89 increase		19,744,395	$95.00 **	$44.95	$44.95
	Investment earnings on balance		1,986,286			
	Amount utilized: 7-1-89 increase		(7,236,088)			
06/30/89	1.06%	$ 360,069,033	$ 3,816,732			
	Amount available: 7-1-90 increase		18,311,325	$55.00 **	$47.83	$47.83
	Investment earnings on balance		1,919,027			
	Amount utilized: 7-1-90 increase		(7,635,888)			
06/30/90	1.48%	$ 430,743,103	$ 6,374,998			
	Amount available: 7-1-91 increase		18,969,462	$75.00 **	$52.35	$52.35
	Investment earnings on balance		1,940,576			
	Amount utilized: 7-1-91 increase		(10,212,948)			
06/30/91	1.23%	$ 484,159,254	$ 5,955,159			
	Amount available: 7-1-92 increase		16,652,249	$70.00	$55.13	$55.13
	Investment earnings on balance		1,815,095			
	Amount utilized: 7-1-92 increase		(11,984,957)			
06/30/92	1.90%	$ 757,998,498	$ 14,401,971			
	Amount available: 7-1-93 increase		20,884,358	$80.00	$58.69	$58.69
	Investment earnings on balance		2,234,626			
	Amount utilized: 7-1-93 increase		(13,063,068)			
06/30/93	1.70%	$ 842,142,928	$ 14,316,430			
	Amount available: 7-1-94 increase		24,372,346	$90.00	$63.94	$63.94
	Investment earnings on balance		2,278,814			
	Amount utilized: 7-1-94 increase		(15,878,424)			
06/30/94	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)			
06/30/95	1.23%	$ 1,019,971,216	$ 12,545,646			
	Amount available: 7-1-96 increase		15,900,854	$50.00	$72.03	$50.00
	Investment earnings on balance		1,677,540			

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
	Amount utilized:	7-1-96 increase	(15,055,224)			
06/30/96	1.55%	$ 1,121,106,488	$ 17,377,151			
	Amount available:	7-1-97 increase	19,900,321	$55.00	$75.14	$55.00
	Investment earnings on balance		2,202,966			
	Amount utilized:	7-1-97 increase	(17,529,672)			
06/30/97	2.07%	$ 1,545,766,186	$ 31,997,360			
	Amount available:	7-1-98 increase	36,570,975	$80.00	$78.36	$78.36
	Investment earnings on balance		8,129,728			
	Amount utilized:	7-1-98 increase	(26,935,849)			
Prior Excess Earnings Transferred per HB 2496			256,823,185			
06/30/98	13.23%	$ 1,876,344,607	$ 248,240,392			
	Amount available:	7-1-99 increase	522,828,431	$1,335.00	$81.95	$81.95
	Investment earnings on balance		92,540,632			
	Amount utilized:	7-1-99 increase	(42,154,215)			
06/30/99	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)			
06/30/00	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)			
06/30/01	0.00%	$ 2,018,932,892	$ -			
	Amount available:	7-1-02 increase	662,898,016	$1,070.00	$98.17	$98.17
	Investment earnings on balance		(98,838,094)			
	Amount utilized:	7-1-02 increase	(61,603,276)			
06/30/02	0.00%	$ 1,698,146,115	$ -			
	Amount available:	7-1-03 increase	502,456,646	$750.00	$102.53	$102.53
	Investment earnings on balance		33,664,595			
	Amount utilized:	7-1-03 increase	(67,995,889)			
06/30/03	0.00%	$ 1,630,985,760	$ -			
	Amount available:	7-1-04 increase	468,125,352	$665.00	$111.90	$111.90
	Investment earnings on balance		70,064,321			
	Amount utilized:	7-1-04 increase	(77,066,484)			
06/30/04	5.97%	$ 1,801,505,617	$ 107,495,840			
	Amount available:	7-1-05 increase	568,619,029	$765.00	$116.82	$116.82

**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
Buckeye Valley Fire District
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 Fire District
Eloy Police
Flagstaff Fire
Flagstaff Police
Florence Fire
Florence Police
Fort McDowell Fire
Fort McDowell Police
Fort Mohave Mesa Fire
Fort Mohave Tribal Police
Fredonia Marshals
Fry Fire
Gila County Sherriffs
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 Sheriffs
Green Valley Fire
Guadalupe Fire
Hayden Police
Heber-Overgaard Fire
Highland Fire
Holbrook Police
Hualapai Indian Tribe Police
Hualapai Valley Fire
Jerome Police
Kearny Police
Kingman Fire
Kingman Police
La Paz County Attorney Investigators
La Paz County Sheriffs
Lake Havasu Fire
Lake Havasu Police
Lakeside Fire
Linden Fire
Mammoth Police
Marana Police
Maricopa County Attorney Investigators
Maricopa County Park Rangers
Maricopa County Sheriffs
Mayer Fire District
Mesa Fire
Mesa Police
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
Pascua Yaqui Tribe Fire
Pascua Yaqui Tribe Police

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
PARTICIPATING EMPLOYERS

Patagonia Marshals
Payson Fire
Payson Police
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
Pinewood Fire
Prescott Fire
Prescott Police
Prescott Valley Police
Quartzsite Marshals
Rincon Valley Fire
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 Sheriff's
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
Tempe Fire
Tempe Police
Thatcher Police
Three Points Fire
Tolleson Fire
Tolleson Police
Tombstone Marshal's
Tonopah Fire
Town of Superior Fire
Town of Wickenburg Fire
Tri-City Fire
Tubac Fire District
Tucson Airport Authority Fire
Tucson Airport Authority Police
Tucson Fire
Tucson Police
University of Arizona Campus Police
Verde Valley Fire District
Wellton Police
Wickenburg Police
Wilcox Police
Williams Police
Winslow Fire
Winslow Police
Yavapai County Attorney Investigators
Yavapai County Sheriffs
Youngtown Police
Yuma County Sheriffs
Yuma Fire
Yuma Police

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2004
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2003

Sys No.	System	Balance June 30, 2003 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2004 (at cost)	Unfunded Accrued Normal Costs June 30, 2003
001	Bisbee Fire	2,448,910.76	-	117,330.05	-	(381,896.33)	-	(3,298.04)	112,421.41	2,293,467.85	1,494,565.00
002	Casa Grande Fire	4,758,297.13	476.78	152,387.59	53,903.09	(536,955.77)	-	-	220,072.27	4,648,181.09	657,700.00
003	Casa Grande Police	7,534,528.92	47,935.40	343,161.83	-	(696,586.88)	-	-	376,603.49	7,605,642.76	1,115,811.00
004	Chandler Fire	18,902,843.57	179,376.06	170,291.81	714,382.12	(615,732.86)	(11,969.30)	(10,336.08)	1,033,364.07	20,362,219.39	(2,801,450.00)
005	Chandler Police	25,637,058.27	819,837.24	1,617,613.25	-	(1,487,861.53)	(66,905.52)	(57,511.49)	1,446,515.17	27,908,745.39	804,173.00
006	Clifton Fire	355,269.92	-	-	1,809.24	(22,733.88)	-	-	15,777.51	350,122.79	(204,155.00)
007	Dept. of Public Safety	366,560,847.67	1,072,404.42	4,511,013.80	-	(30,954,208.49)	(492,670.32)	(38,424.74)	15,195,828.32	355,854,790.66	(23,308,778.00)
008	Douglas Fire	3,920,441.00	44,907.01	106,912.45	13,334.58	(463,357.32)	-	(39,619.26)	175,833.11	3,758,451.57	627,508.00
009	Douglas Police	4,405,182.19	97,894.18	96,913.50	-	(408,653.16)	-	-	205,395.48	4,396,732.19	(375,446.00)
010	Flagstaff Fire	21,268,483.31	260,726.49	36,194.38	164,522.93	(1,465,813.26)	-	-	996,042.29	21,260,156.14	(1,854,556.00)
011	Flagstaff Police	14,948,931.17	460,618.30	453,215.78	-	(1,455,839.40)	(131,227.82)	(13,703.86)	702,618.26	14,964,612.43	2,061,008.00
012	Glendale Fire	34,948,414.11	40.80	148,362.73	473,788.70	(1,801,965.72)	-	(67,356.14)	1,695,207.09	35,396,491.57	(5,715,593.00)
013	Glendale Police	42,991,557.60	356,243.50	1,905,806.33	-	(3,804,031.21)	(22,596.66)	(42,895.74)	2,161,451.79	43,545,535.61	7,714,442.00
014	Globe Fire	2,022,413.66	(15,600.68)	32,681.43	10,407.07	(223,336.07)	-	-	91,699.48	1,918,264.89	(60,340.00)
015	Kingman Fire	4,062,819.54	16,498.92	150,033.86	(21,647.83)	(212,967.36)	-	-	222,683.65	4,217,420.78	(57,489.00)
016	Maricopa Cnty Sheriff	112,374,907.06	666,877.59	2,360,676.61	-	(9,884,207.04)	(264,693.55)	(110,619.47)	5,206,593.00	110,349,534.20	(1,147,493.00)
017	Mesa Fire	83,103,196.38	187,906.34	665,490.75	1,051,291.97	(4,147,750.11)	(111,309.73)	-	4,092,583.37	84,841,408.97	(7,962,475.00)
018	Mesa Police	121,001,960.98	791,737.25	4,469,549.21	-	(8,084,876.52)	(150,923.12)	(80,304.91)	6,024,348.66	123,971,491.55	(9,048,879.00)
019	Miami Fire	271,931.69	-	-	-	(22,076.52)	-	-	10,557.79	260,412.96	(168,985.00)
020	Nogales Fire	3,396,275.83	112,505.79	215,712.64	35,223.52	(379,752.36)	-	(31,546.70)	173,356.89	3,521,775.61	720,989.00
021	Phoenix Fire	398,262,656.09	1,686,377.96	2,573,512.62	3,924,622.55	(23,817,188.65)	(1,597,101.91)	(45,438.44)	18,905,398.50	399,892,838.72	(7,978,284.00)
022	Phoenix Police	695,291,896.08	3,142,707.67	11,059,482.75	-	(50,182,753.17)	(1,982,153.93)	(335,886.59)	32,340,383.47	689,333,676.28	315,780.00
023	Prescott Fire	11,605,413.86	80,871.03	111,689.63	162,011.72	(917,759.65)	-	-	554,414.34	11,596,640.93	1,467,886.00
024	Prescott Police	8,146,134.28	85,920.66	511,882.82	-	(1,095,812.98)	-	(46,991.93)	397,693.55	7,998,826.40	4,085,570.00
025	Scottsdale Police	60,749,735.61	796,732.66	1,803,605.02	-	(4,343,362.22)	(124,492.58)	-	2,952,512.11	61,834,730.60	(6,446,554.00)
026	Sierra Vista Fire	5,900,754.70	21,464.16	70.00	70,538.20	(228,937.56)	(119,412.79)	-	293,667.97	5,938,144.68	(3,481,723.00)
027	Tempe Fire	45,105,931.36	88,119.42	117,679.62	588,385.33	(2,805,738.19)	-	-	2,061,970.65	45,156,348.19	(4,297,622.00)
028	Tempe Police	51,110,706.33	202,362.26	1,882,440.37	-	(4,583,021.37)	(66,248.86)	(17,862.21)	2,501,407.32	51,029,783.84	8,019,079.00
029	Tucson Fire	155,552,071.25	674,329.16	1,743,321.05	909,704.01	(12,762,059.32)	(463,271.32)	-	6,962,950.31	152,617,045.14	3,540,103.00
030	Tucson Police	218,686,180.03	1,172,802.43	5,139,889.25	-	(17,326,496.12)	(76,445.80)	(9,818.82)	9,897,047.55	217,483,158.52	594,951.00
031	Winslow Fire	2,811,211.47	-	5,534.91	9,338.49	(50,029.32)	-	(26,562.40)	120,896.82	2,870,389.97	(2,814,205.00)
032	Yuma Fire	19,656,613.25	409,359.07	386,800.50	(54,765.06)	(2,209,694.34)	(40,125.21)	-	896,709.08	19,044,897.29	1,406,201.00
033	Yuma Police	24,691,660.92	72,541.53	366,321.84	-	(1,779,438.21)	-	(27,304.86)	1,156,450.48	24,480,231.70	(4,523,637.00)
034	Yuma Cnty Sheriff	8,001,616.06	122,642.25	318,916.10	-	(893,083.09)	-	(61,515.17)	366,960.90	7,855,537.05	321,917.00
035	Game & Fish	28,976,182.57	535,067.91	897,838.31	-	(3,528,255.40)	-	(9,322.05)	1,324,672.58	28,196,183.92	8,162,597.00
036	Sierra Vista Police	8,059,760.99	100,379.82	248,667.93	-	(739,102.87)	-	-	383,148.37	8,052,854.24	554,262.00
037	Benson Police	984,905.10	(76,092.82)	31,190.86	-	(85,431.60)	-	-	45,985.21	900,556.75	(125,767.00)
038	Bisbee Police	1,572,210.37	-	116,391.38	-	(295,665.78)	-	-	73,996.66	1,466,932.63	1,299,755.00
039	Pima Cnty Sheriff	92,889,010.85	461,922.78	2,694,437.92	-	(7,877,010.40)	(85,730.20)	(31,182.30)	4,014,328.94	92,065,777.59	(2,014,339.00)
040	Kingman Police	5,150,561.21	63,938.65	235,022.21	-	(483,486.84)	-	(3,888.29)	251,393.55	5,213,540.49	567,312.00
041	A.S.U. Campus PD	8,429,693.21	(22,685.16)	83,057.91	-	(667,101.32)	-	(12,835.11)	381,812.93	8,191,942.46	(2,233,976.00)
042	Lake Havasu Fire	12,580,715.66	51,949.92	3.33	168,684.51	(550,685.05)	-	-	615,816.77	12,866,485.14	(2,128,496.00)
043	Mohave Cnty Sheriff	9,004,184.35	24,632.72	193,838.07	-	(641,756.26)	-	(39,024.92)	432,389.13	8,974,263.09	(1,429,024.00)
044	Bullhead City Fire	7,702,803.17	69,001.90	98,350.82	78,214.14	(243,092.73)	-	(14,395.26)	376,353.64	8,067,235.68	(2,223,547.00)
045	U of A Campus PD	4,879,592.52	114,948.67	196,866.43	-	(554,560.89)	-	-	233,848.74	4,870,695.47	399,790.00
046	Cochise Cnty Sheriff	8,175,139.72	19,332.31	405,246.47	-	(1,068,504.12)	-	-	386,005.69	7,917,220.07	2,351,625.00
047	Safford Police	2,127,218.03	71,429.49	100,051.46	-	(262,855.02)	(97,767.34)	(26,875.54)	100,752.40	2,011,953.48	818,032.00
049	Drexel Heights Fire	3,017,328.57	20,861.95	139,146.22	51,468.45	(23,080.32)	-	-	180,375.36	3,386,100.23	(1,183,645.00)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2004
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2003

Sys No.	System	Balance June 30, 2003 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2004 (at cost)	Unfunded Accrued Normal Costs June 30, 2003
050	Winslow Police	2,369,764.36	-	45,400.34	-	(211,922.16)	-	-	108,575.57	2,311,818.11	(466,838.00)
051	Payson Fire	1,732,881.96	(315,105.95)	25,866.48	55,815.45	(63,868.56)	-	(3,724.65)	87,129.17	1,518,993.90	(499,548.00)
052	Payson Police	2,619,216.53	(16,214.20)	186,504.65	-	(292,856.46)	-	-	136,732.40	2,633,382.92	1,619,078.00
053	Hualapai Valley Fire	774,318.89	15,796.04	37,894.91	10,044.70	(90,627.24)	-	-	41,760.57	789,187.87	525,852.00
054	Fry Fire	4,435,410.83	177,681.97	72,059.30	30,390.35	(401,347.55)	-	-	208,035.06	4,522,229.96	(445,205.00)
055	Fredonia Marshals	146,807.00	-	15,325.12	-	-	-	-	7,914.99	170,047.11	(152,478.00)
056	N.A.U. Police Dept	3,002,695.29	(17,890.94)	28,229.74	-	(299,904.33)	-	-	132,871.25	2,846,001.01	(620,408.00)
058	South Tucson Fire	1,185,265.68	(14,568.49)	37,786.57	-	(115,019.88)	-	-	56,088.72	1,149,552.60	(49,539.00)
059	Avondale Fire	1,847,761.84	42,237.81	103,684.28	(34,184.02)	(81,285.00)	-	-	111,480.81	1,989,695.72	230,538.00
060	Parker Police	843,697.86	168,988.80	14,977.03	-	(40,589.96)	-	(31,502.43)	46,068.99	1,001,640.29	(503,523.00)
061	Coconino Cnty Sheriff	8,214,915.78	31,973.26	329,548.51	-	(959,973.10)	-	-	388,131.00	8,004,595.45	2,621,477.00
062	Central Yavapai Fire	6,131,485.83	-	230,995.23	128,996.96	(275,238.49)	-	-	342,579.66	6,558,819.19	636,846.00
064	Buckskin Fire	1,274,276.32	50,592.61	16,552.43	15,256.25	(180,475.98)	-	-	56,294.50	1,232,496.13	296,361.00
065	Snowflake Police	559,338.17	29,371.53	60,858.08	-	(67,367.42)	-	-	31,704.45	613,904.81	296,054.00
066	Cottonwood Police	1,394,511.59	(33,755.72)	141,213.60	-	(149,367.42)	(74,238.52)	-	74,527.37	1,352,890.90	892,099.00
067	Lake Havasu Police	7,831,806.04	82,024.75	339,436.69	-	(563,846.70)	-	-	404,203.75	8,093,624.53	231,241.00
069	South Tucson Police	869,568.33	(37,688.41)	208,807.97	-	(271,473.96)	-	(23,509.14)	48,246.39	793,951.18	2,135,280.00
070	Apache Junction PD	5,407,455.45	63,105.48	237,286.44	-	(288,089.91)	(55,105.24)	(8,015.53)	294,397.50	5,651,034.19	364,912.00
071	Navajo Cnty Sheriffs	4,832,953.37	77,990.30	102,839.23	-	(556,568.66)	(25,044.52)	(29,717.31)	222,758.08	4,625,210.49	333,561.00
072	Mohave Valley Fire	1,105,685.40	-	12,106.31	12,445.61	-	-	-	61,544.59	1,191,781.91	(799,160.00)
073	Peoria Fire	9,631,978.85	(19,104.59)	100,861.47	335,193.45	(252,587.07)	(45,281.94)	-	550,298.34	10,301,358.51	(2,714,831.00)
074	Peoria Police	11,763,498.82	(105,475.66)	993,926.55	-	(600,617.35)	-	(37,485.49)	619,318.37	12,633,165.24	217,881.00
076	Paradise Valley PD	5,781,996.81	-	195,187.92	-	(530,004.78)	-	(35,509.26)	287,865.16	5,699,535.85	1,903,249.00
077	Wilcox Police	909,342.56	9,217.77	54,811.95	-	(123,542.04)	-	-	43,198.94	893,029.18	387,383.00
078	Show Low Police	1,666,809.95	65,230.56	83,002.48	-	(168,788.28)	-	(3,544.97)	83,436.97	1,726,146.71	11,003.00
079	Eloy Police	1,333,838.33	46,146.09	121,053.53	-	(38,739.36)	-	-	83,814.05	1,546,112.64	(347,181.00)
080	Nogales Police	4,409,774.75	45,553.04	197,248.20	-	(383,196.49)	-	(101,035.60)	224,100.23	4,392,444.13	(37,013.00)
081	Gilbert Police	8,056,816.54	75,292.03	817,575.62	-	(493,145.60)	-	(116,682.79)	481,805.81	8,821,661.61	214,800.00
083	Clifton Police	325,807.99	(31,072.60)	2,936.41	-	-	-	-	14,918.13	312,589.93	(307,345.00)
084	Taylor Police	-	-	-	-	-	-	-	-	-	-
085	Coolidge Police	1,742,226.50	49,529.79	106,103.26	-	(107,026.31)	-	(25,098.51)	94,109.07	1,859,843.80	(66,673.00)
086	Holbrook Police	1,708,725.20	44,730.19	71,651.02	-	(246,597.63)	-	-	79,163.86	1,657,672.64	563,968.00
087	Santa Cruz Police	2,421,091.91	(86,625.00)	201,335.15	-	(236,895.34)	-	-	128,251.05	2,427,157.77	1,337,116.00
088	Prescott Valley PD	1,798,270.66	40,433.67	203,881.87	-	(94,804.20)	-	-	108,711.16	2,056,493.16	(197,166.00)
089	Eagar Police	436,166.46	10,036.23	34,696.47	-	(21,852.12)	-	-	24,760.36	483,807.40	17,289.00
090	Tolleson Police	1,696,610.83	(15,942.28)	92,843.28	-	(186,829.36)	-	-	80,043.57	1,666,726.04	(57,949.00)
091	Florence Police	1,058,495.90	36,004.01	14,089.40	-	(37,585.12)	-	-	54,112.13	1,125,116.32	(865,355.00)
092	Springerville Police	319,010.09	-	17,944.27	-	-	-	-	19,426.27	356,380.63	(158,709.00)
093	El Mirage Police	1,014,085.70	52,096.41	206,121.41	-	(35,233.77)	-	(13,276.19)	67,710.02	1,291,503.58	(211,536.00)
094	Superior Police	447,825.94	-	17,976.95	-	(20,490.00)	-	-	23,225.75	468,538.64	(278,383.00)
095	San Luis Police	932,233.07	66,030.68	118,215.75	-	(67,438.22)	-	(7,344.42)	56,570.95	1,098,267.81	(35,410.00)
096	Page Police	1,970,796.08	127,949.79	32,023.79	-	(170,462.84)	-	-	91,865.94	2,052,172.76	(539,683.00)
097	Page Fire	278,177.23	-	22,525.13	10,960.33	(45,321.00)	-	-	12,099.96	278,441.65	90,396.00
098	Yavapai Cnty Sheriff	7,566,013.27	107,171.66	649,830.02	-	(868,182.80)	-	(18,599.57)	399,243.81	7,835,476.39	2,773,938.00
099	Guadalupe Police	249,384.72	-	-	-	-	-	-	10,052.60	259,437.32	(333,011.00)
100	Pima Police	114,972.27	(15,131.35)	5,541.06	-	-	-	(3,264.95)	5,180.70	107,297.73	(127,395.00)
101	Apache Cty Sheriff	1,928,258.54	13,286.90	206,755.46	-	(275,147.26)	-	-	104,404.50	1,977,558.14	786,337.00
102	Cottonwood Fire	653,217.99	(15,256.07)	10,210.00	(8,821.99)	-	-	-	38,119.52	677,469.45	(341,419.00)
103	LaPaz Cty Sheriff	3,120,016.97	(66,455.93)	164,041.68	-	(306,180.64)	-	(9,317.53)	154,050.00	3,056,154.55	620,122.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2004
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2003

Sys No.	System	Balance June 30, 2003 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2004 (at cost)	Unfunded Accrued Normal Costs June 30, 2003
104	Pinal Cty Sheriff	14,063,504.90	231,067.35	549,547.77	-	(1,308,656.70)	-	(68,921.57)	685,892.66	14,152,434.41	(944,567.00)
105	Clarkdale Police	512,349.27	1,772.88	25,561.79	-	(17,983.68)	-	-	28,829.53	550,529.79	(87,464.00)
106	Buckeye Police	1,171,185.23	162,672.31	188,442.68	-	(65,186.76)	-	(6,795.60)	73,233.32	1,523,551.18	(45,124.00)
107	Marana Marshals	3,079,556.35	218.56	231,076.46	-	(166,006.56)	-	-	172,644.73	3,317,489.54	(977,401.00)
108	Tolleson Fire	1,050,209.52	(23,307.10)	108,134.36	-	-	-	-	67,635.27	1,202,672.05	(473,218.00)
109	Chino Valley Police	932,743.80	-	75,178.51	-	(19,580.64)	-	-	58,132.69	1,046,474.36	(480,815.00)
110	Surprise Police	3,166,582.91	206,534.45	348,031.87	-	(131,134.53)	-	(9,013.11)	192,533.69	3,773,535.28	(553,854.00)
111	Welton Police	147,819.56	30,780.75	10,852.15	-	-	-	-	9,573.77	199,026.23	(45,822.00)
112	Gila Cty Sheriff	3,654,147.98	(44,599.91)	163,838.21	-	(360,667.91)	-	(5,044.29)	178,286.59	3,585,960.67	(218,911.00)
113	Pinetop-Lakeside	1,175,153.52	60,654.37	56,625.78	-	(144,250.44)	-	-	55,679.01	1,203,862.24	306,956.00
114	Bullhead City Police	6,422,975.52	9,401.73	340,148.70	-	(230,355.84)	-	(11,989.76)	371,521.23	6,901,701.58	(400,482.00)
115	Williams Police	650,065.64	12,766.51	16,403.76	-	(25,647.24)	-	-	32,205.24	685,793.91	(353,982.00)
116	Miami Police	326,363.61	(704.68)	16,946.98	-	(21,296.88)	-	-	17,029.50	338,338.53	(135,101.00)
117	Thatcher Police	1,139,602.44	(3,003.49)	28,509.09	-	(34,289.40)	-	-	61,810.03	1,192,628.67	(408,540.00)
118	Youngtown Police	527,228.80	-	31,730.87	-	(46,139.52)	-	-	26,304.75	539,124.90	(213,026.00)
119	D.E.M.A.	2,763,132.17	33,288.70	99,875.44	-	(157,447.44)	(25,716.31)	(45,645.31)	147,043.87	2,814,531.12	(253,690.00)
120	Surprise Fire	2,566,208.10	-	152,736.87	(59,299.59)	(9,655.44)	-	-	156,005.07	2,805,995.01	(2,016,031.00)
121	Camp Verde Mrshls	811,698.86	10,667.78	55,798.37	-	(57,919.22)	-	-	43,609.45	863,855.24	(128,084.00)
122	Oro Valley Police	3,983,918.29	169,330.29	378,010.10	-	(120,853.16)	-	-	252,649.05	4,663,054.57	(713,210.00)
123	Greenlee Cty Sheriff	1,242,246.31	-	23,985.02	-	(59,269.80)	-	-	64,131.45	1,271,092.98	(449,117.00)
124	Tucson Air Auth Fire	3,385,250.08	104,636.06	108,107.93	-	(210,190.80)	-	-	174,442.09	3,562,245.36	(119,069.00)
125	Tucson Air Auth Pd	2,462,311.24	155,613.28	211,543.78	-	(336,829.58)	-	-	131,696.31	2,624,335.03	1,376,316.00
126	Wickenburg Police	641,816.28	(8,049.81)	76,938.84	-	(75,293.26)	-	-	37,031.09	672,443.14	590,603.00
127	El Mirage Fire	575,475.04	-	75,730.93	41,448.66	(31,831.44)	-	-	32,468.05	693,291.24	(197,658.00)
128	Patagonia Marshals	214,403.07	32,569.69	6,379.22	-	-	-	-	11,818.55	265,170.53	(324,672.00)
129	Sedona Police	1,099,687.74	60,222.64	81,564.56	-	(13,101.75)	-	-	68,664.06	1,297,037.25	(502,521.00)
130	Mammoth Police	(22,438.63)	-	33,403.02	-	(23,662.40)	-	-	2,036.31	(10,661.70)	174,642.00
131	Globe Police	1,635,359.31	2,874.23	123,842.69	-	(152,595.72)	-	-	87,029.28	1,696,509.79	455,550.00
132	Tombstone Police	245,470.84	(10,602.10)	27,609.92	-	-	-	-	15,379.94	277,858.60	(322,759.00)
133	Golder Ranch Fire	2,418,248.21	4,779.16	220,967.34	108,137.15	(19,949.28)	-	-	155,072.12	2,887,254.70	(428,033.00)
134	Fort Mohave Mesa FD	1,821,712.09	5,801.47	110,266.97	24,632.73	(78,879.20)	-	-	104,307.20	1,987,841.26	(385,159.00)
136	Goodyear Fire	1,462,309.86	24,928.96	147,366.71	120,856.87	-	-	-	104,041.60	1,859,504.00	(544,665.00)
137	Goodyear Police	2,488,194.11	172,735.68	274,670.41	-	(147,295.20)	-	-	155,183.05	2,943,488.05	(12,346.00)
138	Chino Valley Fire	975,264.65	-	67,099.63	28,162.21	-	-	-	60,953.80	1,131,480.29	(76,326.00)
139	Avondale Police	2,900,265.35	(42,066.06)	475,740.90	-	(280,302.60)	-	(61,290.15)	172,197.80	3,164,545.24	1,209,287.00
140	Graham Cty Sheriff	806,771.56	56,861.29	74,079.62	-	(74,103.38)	(18,692.12)	(25,808.14)	45,996.72	865,105.55	151,010.00
141	Flowing Wells Fire	-	-	-	-	-	-	-	-	-	-
142	Golden Valley Fire	839,643.24	(14,268.56)	22,041.08	12,138.27	(4,135.99)	-	-	46,356.84	901,774.88	(417,248.00)
143	Daisy Mountain Fire	914,585.55	435.42	191,978.51	48,293.48	-	-	-	68,601.41	1,223,894.37	(103,034.00)
144	Quartsite Marshals	352,431.54	-	40,644.36	-	-	-	-	22,492.11	415,568.01	(274,893.00)
145	Picture Rock Fire	673,684.75	-	16,495.28	10,757.51	-	-	-	38,184.73	739,122.27	(428,201.00)
146	Pima College	2,301,131.45	10,606.08	93,886.59	-	(131,801.84)	-	(25,799.37)	123,335.53	2,371,358.44	(548,873.00)
147	Northwest Fire	6,592,745.22	70,360.79	405,721.03	229,934.98	(134,007.36)	-	-	391,645.34	7,556,400.00	(1,052,406.00)
148	Apache Junction Fire	3,658,724.75	(285,747.04)	379,690.61	125,566.60	(84,683.16)	-	(30,150.05)	222,509.35	3,985,911.06	545,915.00
149	Gilbert Fire	3,370,115.34	15,600.68	124,983.51	426,657.17	(22,322.76)	-	-	232,831.73	4,147,865.67	(1,764,453.00)
150	Pine-Strawberry Fire	735,337.09	53,657.81	83,720.08	21,815.39	(8,809.26)	-	-	45,865.64	931,586.75	152,383.00
151	Attorney Gen Inv	5,163,594.76	146,881.11	85,181.88	-	(487,092.58)	-	-	250,070.35	5,158,635.52	(97,651.00)
153	St. Johns Police	136,903.35	-	24,051.12	-	-	-	-	10,148.22	171,102.69	(114,334.00)
154	Pima Cty Attn Inv	966,031.26	-	16,548.34	-	(57,291.48)	-	-	46,459.88	971,748.00	(115,774.00)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2004
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2003

Sys No.	System	Balance June 30, 2003 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2004 (at cost)	Unfunded Accrued Normal Costs June 30, 2003
155	SunLakes Fire	2,038,198.36	38,799.13	148,720.62	66,422.61	(45,779.48)	-	-	120,662.90	2,367,024.14	(522,212.00)
156	Kearny Police	148,616.77	393.15	13,306.59	-	(25,784.88)	-	-	7,022.24	143,553.87	144,103.00
157	Greenlee Cty Attn Inv	22,862.22	-	-	-	-	-	-	921.57	23,783.79	(30,528.00)
158	Navajo Cty Attn Inv	122,811.44	-	871.44	-	-	-	-	6,774.86	130,457.74	(124,191.00)
160	AZ State Capitol PD	971,809.34	(7,113.26)	110,397.57	-	(37,307.28)	-	(12,891.58)	57,840.83	1,082,735.62	(200,004.00)
161	Fountain Hills Mrshl	24,634.58	(100,379.61)	1,136.35	-	-	-	(19,834.03)	1,031.27	(93,411.44)	67,838.00
162	Avra Valley Fire	499,048.85	791.51	15,433.69	9,509.55	-	-	-	26,873.61	551,657.21	(430,882.00)
163	San Luis Fire	393,923.42	-	62,853.75	9,911.03	-	-	-	26,147.78	492,835.98	(98,807.00)
164	Az St. Dept. Liqur/Licn	1,535,086.93	89,685.47	59,906.71	-	(65,422.48)	(26,590.59)	-	86,157.17	1,678,823.21	(663,510.00)
165	Maricopa Cnty Atty Inv	3,255,381.62	58,743.47	57,649.03	-	(339,945.24)	-	-	149,882.61	3,181,711.49	29,864.00
166	Sedona Fire	2,458,017.57	116,015.66	231,994.75	130,016.36	(108,459.96)	-	-	156,276.03	2,983,860.41	(253,335.00)
167	Guadalupe Fire	193,281.30	-	38,780.25	-	-	-	-	14,801.44	246,862.99	(29,417.00)
168	Mayer Fire	192,416.11	240,546.95	53,041.15	5,040.58	(15,551.04)	-	(7,787.33)	19,399.69	487,106.11	(57,800.00)
169	Somerton Police	443,223.36	(7,225.52)	76,975.28	-	(21,968.28)	-	-	26,982.57	517,987.41	213,384.00
170	Sun City West Fire	2,521,016.63	260,287.97	140,648.43	122,183.12	(28,641.60)	-	-	164,819.11	3,180,313.66	2,005,041.00
171	Somerton Fire	287,393.81	(155,509.03)	64,568.67	(2,719.74)	(16,498.92)	-	(17,535.86)	14,745.44	174,444.37	128,827.00
172	Tubac Fire District	464,169.75	(13,574.33)	50,371.41	11,907.23	-	-	-	29,371.85	542,245.91	(231,588.00)
173	La Paz Cnty Atty Inv	64,693.41	-	2,926.23	-	-	-	-	4,119.55	71,739.19	(71,243.00)
174	Sahuarita Police	238,735.84	50,471.71	60,135.25	-	-	-	-	18,336.80	367,679.60	(281,810.00)
176	Florence Fire	171,986.74	(28,554.03)	25,673.09	5,810.85	-	-	-	11,398.23	186,314.88	(136,209.00)
177	Sun City Fire	3,680,128.91	(278,635.19)	360,532.66	129,451.29	(52,144.38)	-	-	318,158.12	4,157,491.41	3,746,190.00
178	Hayden Police	65,560.71	-	20,329.45	-	-	-	-	4,686.41	90,576.57	39,958.00
179	Gila River Fire	1,037,208.26	(14,940.66)	331,820.19	-	(17,003.40)	-	(7,746.36)	80,733.46	1,410,071.49	214,008.00
180	Gila River Police	1,087,636.30	1,541.10	314,108.77	-	(43,311.60)	-	(24,234.97)	79,957.43	1,415,697.03	(267,409.00)
181	SaltRiver Pima-MricpFD	1,639,574.51	82,802.42	398,770.28	-	(10,134.06)	-	-	109,800.94	2,220,814.09	1,004,832.00
182	SaltRiver Pima-MricpPD	1,118,439.49	(13,083.46)	457,275.65	-	(89,175.00)	-	(4,658.72)	84,978.25	1,553,776.21	1,627,576.00
183	Lakeside Fire District	162,473.89	-	40,166.64	19,548.26	-	-	(12,006.96)	12,259.74	222,441.57	(12,950.00)
185	Pinetop Fire District	323,651.13	(7,644.29)	101,356.28	33,199.65	-	-	-	24,402.37	474,965.14	298,921.00
186	Show Low Fire District	179,755.08	312,607.70	46,047.91	21,844.68	-	-	-	20,182.51	580,437.88	(97,475.00)
187	Yavapai Cnty Attrny Invst	160,090.30	-	11,212.68	-	-	-	(15,874.74)	9,678.99	165,107.23	33,113.00
188	Three Points Fire	120,538.36	(10,544.28)	36,749.60	10,694.67	-	-	-	8,979.65	166,418.00	(106,831.00)
190	Buckeye Fire	295,595.99	19,941.56	113,911.12	20,099.01	-	-	-	22,450.07	471,997.75	(411,635.00)
191	Montezuma-Rimrock	132,846.16	(13,075.56)	13,393.61	7,786.38	-	-	-	8,591.17	149,541.76	(132,809.00)
192	Heber-Overgaard	85,134.77	-	20,119.38	18,334.11	-	-	-	6,717.06	130,305.32	(44,784.00)
193	Diamond Star Fire	69,960.94	-	37,593.98	5,222.94	-	-	-	5,580.30	118,358.16	109,756.00
194	Green Valley Fire	1,723,329.16	(56,829.71)	184,936.97	80,832.16	-	-	-	92,237.08	2,024,505.66	305,591.00
195	Summitt Fire District	709,261.25	-	86,892.86	24,073.84	-	-	-	43,675.72	863,903.67	(93,072.00)
196	Camp Verde Fire	246,089.09	9,323.71	145,431.47	16,287.75	-	-	-	18,471.48	435,603.50	314,021.00
197	Fort McDowell Fire	338,174.16	288,401.64	46,298.57	-	-	-	-	26,603.83	699,478.20	(395,255.00)
198	Fort McDowell Police	377,739.38	-	112,839.24	-	-	-	-	25,117.28	515,695.90	(17,414.00)
199	Highlands Fire	383,555.14	7,263.44	144,405.63	34,937.93	(7,302.60)	-	-	26,929.38	589,788.92	402,368.00
200	Rio Rico Fire	76,577.77	-	54,231.72	15,306.07	-	-	(7,654.29)	7,337.44	145,798.71	86,560.00
201	Tri-City Fire	65,962.28	-	33,774.76	3,470.69	-	-	-	5,292.48	108,500.21	2,648.00
202	Maricopa County Park Rangers	973,061.81	(299,181.40)	27,507.39	-	(64,546.92)	-	(3,226.12)	45,210.61	678,825.37	(116,865.00)
203	Verde Valley Fire	1,325,217.28	-	29,955.97	34,943.35	(27,632.40)	-	-	70,764.31	1,433,248.51	(1,069,170.00)
204	Arizona State Parks	2,250,112.88	124,570.89	226,884.13	-	(55,543.86)	-	(2,302.39)	158,359.26	2,702,080.91	691,249.00
205	Linden Fire	27,330.03	31,222.76	3,831.48	7,209.65	-	-	-	2,835.06	72,428.98	(32,305.00)
206	Hualapai Tribal Police	-	(7,572.18)	34,445.29	-	-	-	-	978.40	27,851.51	-
207	Pinewood Fire	-	1,300.72	368,292.53	-	-	-	-	7,759.27	377,352.52	-

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN EMPLOYER RESERVES - YEAR ENDED JUNE 30, 2004
AND UNFUNDED ACCRUED NORMAL COSTS AT JUNE 30, 2003

Sys No.	System	Balance June 30, 2003 (at cost)	Reserve Transfers	Contributions Received	Insurance Prem. Tax Received	Pension Payment	DROP Payment	Enhanced Refunds	Distribution of Earnings (at cost)	Balance June 30, 2004 (at cost)	Unfunded Accrued Normal Costs June 30, 2003
208	Rincon Valley Fire	-	-	102,281.89	-	-	-	-	2,722.50	105,004.39	-
209	Tonopah Fire	-	30,606.15	11,203.22	-	-	-	-	1,212.15	43,021.52	-
210	Jerome Police	-	-	7,970.94	-	-	-	-	234.92	8,205.86	-
211	Fort Mojave Tribal Police	-	8,957.62	41,331.38	-	-	-	-	1,505.51	51,794.51	-
212	Buckey Valley Fire	-	-	338,490.10	-	-	-	-	6,963.57	345,453.67	-
213	Eloy Fire	-	-	19,952.55	-	-	-	-	553.78	20,506.33	-
214	Pascua Yaqui Tribal Fire	-	-	6,144.39	-	-	-	-	175.82	6,320.21	-
215	Pascua Yaqui Tribal Police	-	-	6,452.32	-	-	-	-	192.94	6,645.26	-
	TOTALS	3,036,855,453.78	18,005,271.47	68,058,389.71	10,941,740.27	(223,709,728.52)	(6,175,715.20)	(2,098,359.36)	143,006,622.97	3,044,883,675.12	(41,763,893.00)

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 2004

Sys No.	System	Balance June 30, 2003 (at cost)	Reserve Transfers	Contributions Received	Withdrawn Members	Balance June 30, 2004 (at cost)
001	BISBEE FIRE	441,879.93	-	54,763.51	(13,192.16)	483,451.28
002	CASA GRANDE FIRE	758,649.53	(2,900.78)	148,363.01	-	904,111.76
003	CASA GRANDE POLICE	1,851,257.85	(52,607.05)	256,091.54	-	2,054,742.34
004	CHANDLER FIRE	5,958,132.68	(179,376.06)	843,138.30	(18,792.87)	6,603,102.05
005	CHANDLER POLICE	9,411,743.97	(438,373.64)	1,558,491.92	(93,947.82)	10,437,914.43
006	CLIFTON FIRE	44,766.70	-	-	-	44,766.70
007	DEPT. OF PUBLIC SAFETY	21,814,589.15	(1,037,577.83)	1,845,200.70	(85,175.35)	22,537,036.67
008	DOUGLAS FIRE	598,924.22	(44,907.01)	64,286.07	(40,659.72)	577,643.56
009	DOUGLAS POLICE	776,263.84	(97,894.18)	128,253.46	(9,689.13)	796,933.99
010	FLAGSTAFF FIRE	3,767,185.09	(239,224.49)	347,011.95	(5,668.56)	3,869,303.99
011	FLAGSTAFF POLICE	2,788,243.70	(307,172.32)	372,140.17	(52,641.39)	2,800,570.16
012	GLENDALE FIRE	7,125,564.25	(40.80)	793,571.30	(73,895.05)	7,845,199.70
013	GLENDALE POLICE	10,893,954.75	(293,293.51)	1,386,305.81	(82,112.66)	11,904,854.39
014	GLOBE FIRE	315,905.43	(8,758.85)	53,569.32	-	360,715.90
015	KINGMAN FIRE	1,417,500.20	4,907.07	145,113.30	-	1,567,520.57
016	MARICOPA CNTY SHERIFFS	19,166,035.96	(499,474.69)	2,574,094.33	(162,913.10)	21,077,742.50
017	MESA FIRE	18,200,632.10	(221,157.34)	2,030,821.74	-	20,010,296.50
018	MESA POLICE	28,279,158.31	(652,092.76)	4,254,708.03	(222,372.81)	31,659,400.77
020	NOGALES FIRE	905,434.54	(79,254.79)	130,270.51	(46,397.01)	910,053.25
021	PHOENIX FIRE	74,295,612.87	(1,604,878.79)	7,458,097.18	(73,317.40)	80,075,513.86
022	PHOENIX POLICE	118,807,902.81	(2,694,690.04)	15,325,616.48	(628,377.18)	130,810,452.07
023	PRESCOTT FIRE	2,248,857.22	(80,871.03)	263,692.27	-	2,431,678.46
024	PRESCOTT POLICE	1,904,972.98	(79,640.66)	267,654.54	(54,884.24)	2,038,102.62
025	SCOTTSDALE POLICE	12,855,401.16	(684,651.29)	1,812,773.74	(52,017.25)	13,931,506.36
026	SIERRA VISTA FIRE	1,436,135.50	(102,752.16)	171,050.06	-	1,504,433.40
027	TEMPE FIRE	6,501,733.08	(88,119.42)	526,811.53	-	6,940,425.19
028	TEMPE POLICE	11,666,697.83	(346,466.01)	1,480,406.90	(139,948.10)	12,660,690.62
029	TUCSON FIRE	20,796,059.27	(663,964.16)	1,681,909.18	-	21,814,004.29
030	TUCSON POLICE	30,849,825.27	(1,258,231.43)	3,505,682.75	(53,184.78)	33,044,091.81
031	WINSLOW FIRE	214,264.61	-	21,170.63	(25,070.53)	210,364.71
032	YUMA FIRE	3,127,489.28	(223,942.07)	489,178.35	(11,787.60)	3,380,937.96
033	YUMA POLICE	4,419,229.39	(153,084.53)	641,673.84	(62,936.15)	4,844,882.55
034	YUMA COUNTY SHERIFFS	1,287,752.63	(42,721.25)	241,310.63	(109,215.04)	1,377,126.97
035	GAME & FISH	4,855,729.70	(536,522.87)	504,670.85	(16,949.19)	4,806,928.49
036	SIERRA VISTA POLICE	1,569,717.99	(91,138.82)	211,958.17	(11,779.18)	1,678,758.16
037	BENSON POLICE	215,013.87	(22,334.14)	29,457.93	(1,778.21)	220,359.45
038	BISBEE POLICE	326,023.07	-	45,991.38	(8,557.58)	363,456.87
039	PIMA COUNTY SHERIFFS	8,625,465.07	(539,559.78)	1,128,268.50	(51,564.21)	9,162,609.58
040	KINGMAN POLICE	1,096,055.81	24,359.35	173,713.50	(38,676.42)	1,255,452.24
041	A.S.U. CAMPUS POLICE	1,261,792.01	(14,370.07)	189,103.55	(39,885.44)	1,396,640.05
042	LAKE HAVASU FIRE	2,672,429.73	(51,949.92)	270,753.51	-	2,891,233.32
043	MOHAVE CNTY SHERIFFS	1,871,218.94	(80,839.72)	276,285.93	(65,228.63)	2,001,436.52
044	BULLHEAD CITY FIRE	1,493,755.93	(31,754.90)	267,036.45	(16,935.60)	1,712,101.88
045	U OF A CAMPUS POLICE	986,663.08	(80,368.67)	182,429.17	(6,443.32)	1,082,280.26
046	COCHISE CNTY SHERIFFS	1,600,414.81	(32,384.31)	220,870.57	(5,640.39)	1,783,260.68
047	SAFFORD POLICE	494,194.40	(71,429.49)	49,895.37	(24,176.99)	448,483.29
049	DREXEL HEIGHTS FIRE	1,239,764.90	7,048.50	235,520.56	(12,326.01)	1,470,007.95
050	WINSLOW POLICE	362,794.94	-	84,248.87	(6,325.76)	440,718.05
051	PAYSON FIRE	526,892.92	(27,993.05)	87,634.91	(14,898.61)	571,636.17
052	PAYSON POLICE	783,665.03	(223.32)	96,663.85	-	880,105.56
053	HUALAPAI VALLEY FIRE	223,344.50	8,147.96	70,948.17	-	302,440.63
054	FRY FIRE	765,391.70	(177,681.97)	189,461.17	-	777,170.90
055	FREDONIA MARSHALS	45,160.28	-	12,646.91	(11,150.36)	46,656.83
056	N.A.U. POLICE DEPARTMENT	486,986.91	(188,258.06)	58,269.03	-	356,997.88
058	SOUTH TUCSON FIRE	232,780.51	(9,149.96)	40,149.58	-	263,780.13
059	AVONDALE FIRE	841,203.91	(42,237.81)	169,177.00	(16,265.69)	951,877.41
060	PARKER POLICE	255,796.28	(74,563.80)	84,661.63	(30,163.66)	235,730.45
061	COCONINO CNTY SHERIFFS	1,664,777.80	(145,782.26)	190,124.30	(5,434.74)	1,703,685.10

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 2004

Sys No.	System	Balance June 30, 2003 (at cost)	Reserve Transfers	Contributions Received	Withdrawn Members	Balance June 30, 2004 (at cost)
062	CENTRAL YAVAPAI FIRE	2,097,331.83	-	371,181.12	-	2,468,512.95
064	BUCKSKIN FIRE	184,261.91	(74,536.61)	30,496.10	(6,730.98)	133,490.42
065	SNOWFLAKE POLICE	225,379.59	(49,987.53)	31,478.09	-	206,870.15
066	COTTONWOOD POLICE	514,222.96	(81,260.28)	67,940.07	-	500,902.75
067	LAKE HAVASU POLICE	2,141,888.77	(56,353.75)	307,835.20	(503.28)	2,392,866.94
069	SOUTH TUCSON POLICE	380,365.01	(20,980.59)	73,022.80	(43,142.29)	389,264.93
070	APACHE JUNCTION POLICE	1,874,835.77	(63,105.48)	194,906.24	(31,143.78)	1,975,492.75
071	NAVAJO COUNTY SHERIFFS	883,601.73	(45,013.30)	107,622.76	(49,610.10)	896,601.09
072	MOHAVE VALLEY FIRE	379,524.29	-	56,623.22	-	436,147.51
073	PEORIA FIRE	3,798,041.34	(370,018.41)	452,000.86	-	3,880,023.79
074	PEORIA POLICE	3,325,199.96	11,135.57	428,415.73	(41,033.18)	3,723,718.08
076	PARADISE VALLEY POLICE	1,403,903.75	-	305,219.84	(35,509.26)	1,673,614.33
077	WILCOX POLICE	179,264.58	(9,217.77)	31,720.59	-	201,767.40
078	SHOWLOW POLICE	374,062.32	27,596.44	73,491.58	(14,223.21)	460,927.13
079	ELOY POLICE	626,499.81	17,947.16	111,978.49	(3,426.54)	752,998.92
080	NOGALES POLICE	1,250,433.99	(27,630.04)	165,707.33	(124,899.98)	1,263,611.30
081	GILBERT POLICE	3,531,665.51	(2,368.20)	670,513.91	(150,572.03)	4,049,239.19
083	CLIFTON POLICE	55,563.01	(3,856.40)	11,231.77	(2,154.79)	60,783.59
085	COOLIDGE POLICE	579,491.37	(58,047.79)	88,419.44	(25,098.51)	584,764.51
086	HOLBROOK POLICE	278,759.31	(44,730.19)	119,754.40	-	353,783.52
087	SANTA CRUZ COUNTY DEPUTIES	784,934.67	(26,656.00)	108,553.74	(15,763.37)	851,069.04
088	PRESCOTT VALLEY POLICE	743,400.19	27,438.33	164,872.61	(5,095.64)	930,615.49
089	EAGER POLICE	155,518.66	2,923.77	25,796.54	(3,463.31)	180,775.66
090	TOLLESON POLICE	311,821.26	(1,260.72)	79,794.23	(16,527.75)	373,827.02
091	FLORENCE POLICE	280,891.28	(53,945.01)	53,817.85	(6,107.19)	274,656.93
092	SPRINGERVILLE POLICE	145,088.31	-	22,540.63	(1,693.81)	165,935.13
093	EL MIRAGE POLICE	534,228.74	(49,671.68)	174,497.18	(42,853.44)	616,200.80
094	SUPERIOR POLICE	119,841.46	-	20,403.99	-	140,245.45
095	SAN LUIS POLICE	406,699.00	(47,661.68)	91,812.09	(20,342.39)	430,507.02
096	PAGE POLICE	343,480.77	(127,949.79)	61,709.05	-	277,240.03
097	PAGE FIRE	20,910.62	-	12,560.19	(10,693.61)	22,777.20
098	YAVAPAI COUNTY SHERIFFS	2,213,686.83	29,813.34	396,765.05	(38,534.04)	2,601,731.18
100	PIMA POLICE	27,398.83	(7,027.65)	8,393.74	(16,446.79)	12,318.13
101	APACHE COUNTY SHERIFFS	644,693.19	(13,286.90)	102,847.19	-	734,253.48
102	COTTONWOOD FIRE	265,464.36	(9,586.93)	73,663.61	-	329,541.04
103	LA PAZ COUNTY SHERIFFS	733,301.69	(9,473.88)	164,753.43	(17,537.14)	871,044.10
104	PINAL COUNTY SHERIFFS	3,120,278.74	(192,890.35)	505,192.48	(81,065.24)	3,351,515.63
105	CLARKDALE POLICE	186,646.05	1,369.12	24,352.38	-	212,367.55
106	BUCKEYE POLICE	400,783.71	136,365.69	134,314.66	(29,636.30)	641,827.76
107	MARANNA MARSHALS	1,080,587.98	(1,353.56)	221,856.50	(35,014.99)	1,266,075.93
108	TOLLESON FIRE	544,506.64	(11,073.90)	101,750.29	-	635,183.03
109	CHINO VALLEY POLICE	457,458.15	-	66,487.39	(6,185.74)	517,759.80
110	SURPRISE POLICE	1,369,860.68	(183,352.45)	330,524.61	(36,052.45)	1,480,980.39
111	WELTON POLICE	62,727.55	4,148.25	11,188.36	-	78,064.16
112	GILA COUNTY SHERIFFS	821,723.30	(3,382.09)	151,547.29	(12,610.73)	957,277.77
113	PINETOP-LAKESIDE POLICE	231,180.79	(56,377.37)	33,922.30	(7,611.67)	201,114.05
114	BULLHEAD CITY POLICE	2,602,422.54	2,326.27	335,153.28	(23,417.73)	2,916,484.36
115	WILLIAMS POLICE	136,821.76	(10,619.04)	33,374.11	(5,242.09)	154,334.74
116	MIAMI POLICE	92,199.11	704.68	13,188.86	(704.68)	105,387.97
117	THATCHER POLICE	382,459.36	3,003.49	33,398.63	(3,003.49)	415,857.99
118	YOUNGTOWN POLICE	114,831.35	-	35,644.74	-	150,476.09
119	D.E.M.A.	929,841.59	(65,596.70)	112,381.63	(44,679.15)	931,947.37
120	SURPRISE FIRE	1,130,151.81	-	278,248.27	-	1,408,400.08
121	CAMP VERDE MARSHALS	253,826.65	(10,667.78)	49,074.41	(11,483.77)	280,749.51
122	ORO VALLEY POLICE	1,961,915.81	(10,758.07)	302,783.77	(1,201.91)	2,252,739.60
123	GREENLEE COUNTY SHERIFFS	348,665.94	-	35,017.65	(544.84)	383,138.75
124	TUCSON AIR.AUTH.FIRE	950,984.67	(104,636.06)	82,373.31	-	928,721.92
125	TUCSON AIR.AUTH.POLICE	825,375.99	(180,615.45)	105,088.05	(767.73)	749,080.86

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 2004

Sys No.	System	Balance June 30, 2003 (at cost)	Reserve Transfers	Contributions Received	Withdrawn Members	Balance June 30, 2004 (at cost)
126	WICKENBURG POLICE	269,064.91	(6,844.19)	30,796.93	-	293,017.65
127	EL MIRAGE FIRE	143,185.28	-	72,521.16	-	215,706.44
128	PATAGONIA MARSHALS	60,050.09	16,896.31	7,586.22	(13,957.15)	70,575.47
129	SEDONA POLICE	546,766.22	(83,193.64)	82,644.74	-	546,217.32
130	MAMMOTH POLICE	65,122.28	-	13,463.42	(5,910.74)	72,674.96
131	GLOBE POLICE	502,301.27	52.77	65,248.00	-	567,602.04
132	TOMBSTONE POLICE	122,136.76	(8,087.90)	23,494.55	-	137,543.41
133	GOLDER RANCH FIRE DISTRICT	1,121,165.85	6,334.84	253,117.96	(5,214.59)	1,375,404.06
134	FORT MOHAVE MESA FIRE	657,603.15	(565.26)	137,765.68	(5,571.96)	789,231.61
136	GOODYEAR FIRE DEPT.	833,375.84	12,246.04	227,057.60	-	1,072,679.48
137	GOODYEAR POLICE DEPT.	1,209,621.61	(172,735.68)	225,418.03	(13,659.66)	1,248,644.30
138	CHINO VALLEY FIRE	446,421.54	-	79,133.85	-	525,555.39
139	AVONDALE POLICE DEPT.	1,247,978.69	(19,945.94)	315,146.35	(102,529.25)	1,440,649.85
140	GRAHAM COUNTY SHERIFFS	337,514.79	(33,265.29)	47,502.26	(31,162.46)	320,589.30
142	GOLDEN VALLEY FIRE DISTRICT	285,928.54	(22,978.44)	49,762.43	-	312,712.53
143	DAISY MOUNTAIN FIRE DISTRICT	568,464.63	(435.42)	192,583.14	-	760,612.35
144	QUARTZSITE MARSHALS	176,566.19	-	31,592.44	-	208,158.63
145	PICTUREROCKS FIRE	236,570.98	-	43,122.08	-	279,693.06
146	PIMA COMMUNITY COLLEGE	725,127.60	(28,649.08)	202,026.58	(42,579.29)	855,925.81
147	NORTHWEST FIRE	2,516,405.86	1,591.24	525,263.89	(1,092.22)	3,042,168.77
148	APACHE JUNCTION FIRE	1,657,277.58	(49,240.96)	331,746.60	(35,718.80)	1,904,064.42
149	GILBERT FIRE	1,787,091.49	8,758.85	430,472.63	(8,467.39)	2,217,855.58
150	PINE-STRAWBERRY FIRE	320,094.07	(53,657.81)	59,928.16	-	326,364.42
151	ATTORNEY GENERAL	1,094,815.22	(106,746.44)	238,078.77	-	1,226,147.55
153	ST. JOHNS POLICE	94,062.96	-	21,595.15	-	115,658.11
154	PIMA CO. ATTORNEY INVSTGTR	196,618.82	-	20,753.43	-	217,372.25
155	SUN LAKES FIRE DIST.	776,113.13	(38,799.13)	159,550.56	-	896,864.56
156	KEARNY POLICE	32,825.12	(393.15)	6,953.17	(10,366.93)	29,018.21
158	NAVAJO CO.ATTORNEY INVSTGTR	43,357.59	-	3,333.24	-	46,690.83
160	AZ STATE CAPITOL POLICE	416,574.65	(17,746.62)	92,861.24	(28,457.74)	463,231.53
161	FOUNTAIN HILLS MARSHALS	93,747.16	(53,565.39)	842.36	(41,024.13)	-
162	AVRA VALLEY FIRE DISTRICT	135,662.94	428.49	46,084.46	(11,206.46)	170,969.43
163	SAN LUIS FIRE	190,262.08	-	56,451.20	-	246,713.28
164	AZ DEPT OF LIQUOR LICENSE	596,356.08	(99,706.47)	62,255.21	-	558,904.82
165	MARICOPA CNTY ATTY INVSTGTR	527,682.55	27,351.53	53,444.06	(4,623.94)	603,854.20
166	SEDONA FIRE DISTRICT	1,048,843.64	34,924.28	271,645.48	-	1,355,413.40
167	GUADALUPE FIRE	141,938.20	-	31,729.25	-	173,667.45
168	MAYER FIRE DISTRICT	96,990.54	67,969.05	81,872.77	(21,536.16)	225,296.20
169	SOMERTON POLICE	185,482.51	(4,356.48)	43,813.98	-	224,940.01
170	SUN CITY WEST FIRE DSTRCT	1,126,981.53	90,104.03	237,443.67	-	1,454,529.23
171	SOMERTON FIRE	142,480.46	(29,907.97)	39,642.97	(19,672.39)	132,543.07
172	TUBAC FIRE DISTRICT	219,764.03	(7,533.67)	51,823.62	(5,819.66)	258,234.32
173	LA PAZ CNTY ATTY INVSTGTR	34,569.97	-	3,454.68	-	38,024.65
174	SAHUARITA POLICE	127,106.66	36,165.29	48,681.09	-	211,953.04
176	FLORENCE FIRE	105,328.50	(10,371.97)	25,981.60	(10,561.95)	110,376.18
177	SUN CITY FIRE	3,987,682.07	(104,335.91)	315,270.98	-	4,198,617.14
178	HAYDEN POLICE	35,232.35	-	13,535.30	-	48,767.65
179	GILA RIVER FIRE	739,088.65	(11,855.34)	242,883.86	(27,498.74)	942,618.43
180	GILA RIVER POLICE	754,490.17	(106,998.10)	236,887.09	(55,291.88)	829,087.28
181	SALT RIVER PIMA-MARICOPA FIRE	744,946.60	37,722.58	256,150.05	(24,952.31)	1,013,866.92
182	SALT RIVER PIMA-MARICOPA POLICE	731,413.12	(7,863.54)	264,012.11	(33,809.74)	953,751.95
183	LAKESIDE FIRE DISTRICT	96,737.79	-	44,077.01	(14,125.83)	126,688.97
185	PINETOP FIRE DISTRICT	174,224.91	(5,442.34)	79,272.86	-	248,055.43
186	SHOW LOW FIRE DISTRICT	87,853.90	46,143.69	48,008.51	(4,111.67)	177,894.43
187	YAVAPAI CNTY ATTRNY INVSTGTR	95,425.21	-	28,473.44	(55,329.34)	68,569.31
188	THREE POINTS FIRE DISTRICT	72,148.76	(4,012.72)	35,108.58	(13,229.06)	90,015.56
190	BUCKEYE FIRE DEPARTMENT	140,982.94	4,406.12	94,085.72	-	239,474.78
191	MONTEZUMA/RIMROCK FIRE DISTRICT	67,634.01	(4,559.44)	16,873.08	-	79,947.65

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN REFUNDABLE MEMBER RESERVES
FISCAL YEAR ENDED JUNE 30, 2004

Sys No.	System	Balance June 30, 2003 (at cost)	Reserve Transfers	Contributions Received	Withdrawn Members	Balance June 30, 2004 (at cost)
192	HEBER-OVERGAARD FIRE DISTRICT	40,688.10	-	30,733.49	-	71,421.59
193	DIAMOND STAR FIRE DISTRICT	35,165.66	-	24,340.62	-	59,506.28
194	GREEN VALLEY FIRE	333,784.06	(5,091.29)	231,140.30	(3,223.73)	556,609.34
195	SUMMIT FIRE	277,175.50	-	79,029.65	-	356,205.15
196	CAMP VERDE FIRE	93,699.34	7,597.35	71,367.84	(8,191.88)	164,472.65
197	FORT MCDOWELL FIRE	129,553.53	46,617.36	50,239.38	(21,755.08)	204,655.19
198	FORT MCDOWELL POLICE	170,614.09	-	73,278.85	(9,407.80)	234,485.14
199	HIGHLANDS FIRE	164,930.93	(7,263.44)	67,319.10	-	224,986.59
200	RIO RICO FIRE	56,485.46	-	41,941.79	(13,916.89)	84,510.36
201	TRI-CITY FIRE	33,244.90	-	26,795.51	-	60,040.41
202	MARICOPA COUNTY PARK RANGERS	393,441.86	(154,388.60)	17,038.77	(29,304.04)	226,787.99
203	VERDE VALLEY FIRE	364,707.25	-	93,528.01	-	458,235.26
204	ARIZONA STATE PARKS	1,474,832.60	39,184.54	155,210.24	(24,760.79)	1,644,466.59
205	LINDEN FIRE	11,735.27	13,814.24	6,644.38	(3,422.66)	28,771.23
206	HUALAPAI TRIBAL POLICE	-	(2,357.82)	30,770.29	(4,327.89)	24,084.58
207	PINEWOOD FIRE	-	1,081.28	35,233.70	(1,786.76)	34,528.22
208	RINCON VALLEY FIRE	-	-	39,512.53	-	39,512.53
209	TONOPAH FIRE	-	12,880.85	8,441.77	-	21,322.62
210	JEROME POLICE	-	-	4,264.22	-	4,264.22
211	FORT MOJAVE TRIBAL POLICE	-	3,146.38	24,975.17	-	28,121.55
212	BUCKEY VALLEY FIRE	-	-	24,189.85	-	24,189.85
213	ELOY FIRE	-	-	8,889.77	-	8,889.77
214	PASCUA YAQUI TRIBAL FIRE	-	-	3,012.71	-	3,012.71
215	PASCUA YAQUI TRIBAL POLICE	-	-	3,597.02	-	3,597.02
	TOTALS	543,817,015.62	(16,919,854.60)	71,874,187.75	(4,292,283.77)	594,479,065.00

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2004

Sys No.	System	Employer Reserve June 30, 2003	Employer Reserve June 30, 2004	Member Reserve June 30, 2003	Member Reserve June 30, 2004	Combined Reserves	Mean Balance	Factor	Investment Earnings
001	Bisbee Fire	2,748,803.88	2,181,046.44	441,879.93	483,451.28	5,855,181.53	2,927,590.77	0.0786%	112,421.41
002	Casa Grande Fire	5,346,267.32	4,452,872.44	758,649.53	904,111.76	11,461,901.05	5,730,950.53	0.1539%	220,072.27
003	Casa Grande Police	8,479,389.47	7,229,039.27	1,851,257.85	2,054,742.34	19,614,428.93	9,807,214.47	0.2633%	376,603.49
004	Chandler Fire	21,603,407.46	19,655,481.04	5,958,132.68	6,603,102.05	53,820,123.23	26,910,061.62	0.7226%	1,033,364.07
005	Chandler Police	29,026,152.27	26,462,230.22	9,411,743.97	10,437,914.43	75,338,040.89	37,669,020.45	1.0115%	1,446,515.17
006	Clifton Fire	396,935.25	335,262.70	44,766.70	44,766.70	821,731.35	410,865.68	0.0110%	15,777.51
007	Dept. of Public Safety	406,425,245.18	340,658,962.34	21,814,589.15	22,537,036.67	791,435,833.34	395,717,916.67	10.6260%	15,195,828.32
008	Douglas Fire	4,392,061.24	3,589,188.65	598,924.22	577,643.56	9,157,817.67	4,578,908.84	0.1230%	175,833.11
009	Douglas Police	4,932,963.68	4,191,336.71	776,263.84	796,933.99	10,697,498.22	5,348,749.11	0.1436%	205,395.48
010	Flagstaff Fire	23,894,849.00	20,344,975.86	3,767,185.09	3,869,303.99	51,876,313.94	25,938,156.97	0.6965%	996,042.29
011	Flagstaff Police	16,743,266.12	14,261,994.17	2,788,243.70	2,800,570.16	36,594,074.15	18,297,037.08	0.4913%	702,618.26
012	Glendale Fire	39,393,470.65	33,926,289.02	7,125,564.25	7,845,199.70	88,290,523.62	44,145,261.81	1.1854%	1,695,207.09
013	Glendale Police	48,390,792.43	41,384,083.82	10,893,954.75	11,904,854.39	112,573,685.39	56,286,842.70	1.5114%	2,161,451.79
014	Globe Fire	2,267,488.03	1,831,823.53	315,905.43	360,715.90	4,775,932.89	2,387,966.45	0.0641%	91,699.48
015	Kingman Fire	4,618,150.22	3,994,737.13	1,417,500.20	1,567,520.57	11,597,908.12	5,798,954.06	0.1557%	222,683.65
016	Maricopa Cnty Sheriff	125,785,353.75	105,142,941.20	19,166,035.96	21,077,742.50	271,172,073.41	135,586,036.71	3.6408%	5,206,593.00
017	Mesa Fire	93,690,058.46	81,250,745.04	18,200,632.10	20,010,296.50	213,151,732.10	106,575,866.05	2.8618%	4,092,583.37
018	Mesa Police	135,877,082.29	117,947,142.89	28,279,158.31	31,659,400.77	313,762,784.26	156,881,392.13	4.2126%	6,024,348.66
019	Miami Fire	300,020.56	249,855.17	-	-	549,875.73	274,937.87	0.0074%	10,557.79
020	Nogales Fire	3,847,464.50	3,365,897.79	905,434.54	910,053.25	9,028,850.08	4,514,425.04	0.1212%	173,356.89
021	Phoenix Fire	447,449,189.31	382,818,987.87	74,295,612.87	80,075,513.86	984,639,303.91	492,319,651.96	13.2199%	18,905,398.50
022	Phoenix Police	777,754,469.92	656,993,292.81	118,807,902.81	130,810,452.07	1,684,366,117.61	842,183,058.81	22.6146%	32,340,383.47
023	Prescott Fire	13,075,842.79	11,118,873.51	2,248,857.22	2,431,678.46	28,875,251.98	14,437,625.99	0.3877%	554,414.34
024	Prescott Police	9,168,642.50	7,601,132.85	1,904,972.98	2,038,102.62	20,712,850.95	10,356,425.48	0.2781%	397,693.55
025	Scottsdale Police	68,104,912.16	58,882,218.49	12,855,401.16	13,931,506.36	153,774,038.17	76,887,019.09	2.0646%	2,952,512.11
026	Sierra Vista Fire	6,676,468.70	5,677,907.16	1,436,135.50	1,504,433.40	15,294,944.76	7,647,472.38	0.2054%	293,667.97
027	Tempe Fire	50,578,410.28	43,371,896.37	6,501,733.08	6,940,425.19	107,392,464.92	53,696,232.46	1.4419%	2,061,970.65
028	Tempe Police	57,423,634.48	48,528,376.52	11,666,697.83	12,660,690.62	130,279,399.45	65,139,699.73	1.7492%	2,501,407.32
029	Tucson Fire	173,941,694.75	146,095,691.18	20,796,059.27	21,814,004.29	362,647,449.49	181,323,724.75	4.8690%	6,962,950.31
030	Tucson Police	243,982,368.06	207,586,110.97	30,849,825.27	33,044,091.81	515,462,396.11	257,731,198.06	6.9207%	9,897,047.55
031	Winslow Fire	3,117,782.89	2,754,189.12	214,264.61	210,364.71	6,296,601.33	3,148,300.67	0.0845%	120,896.82
032	Yuma Fire	22,046,182.56	18,148,188.21	3,127,489.28	3,380,937.96	46,702,798.01	23,351,399.01	0.6270%	896,709.08
033	Yuma Police	27,642,870.73	23,323,781.22	4,419,229.39	4,844,882.55	60,230,763.89	30,115,381.95	0.8087%	1,156,450.48
034	Yuma County Sheriff	8,958,763.54	7,488,576.15	1,287,752.63	1,377,126.97	19,112,219.29	9,556,109.65	0.2566%	366,960.90
035	Game & Fish	32,458,012.20	26,871,511.34	4,855,729.70	4,806,928.49	68,992,181.73	34,496,090.87	0.9263%	1,324,672.58
036	Sierra Vista Police	9,037,120.29	7,669,705.87	1,569,717.99	1,678,758.16	19,955,302.31	9,977,651.16	0.2679%	383,148.37
037	Benson Police	1,105,076.90	854,571.54	215,013.87	220,359.45	2,395,021.76	1,197,510.88	0.0322%	45,985.21
038	Bisbee Police	1,771,511.03	1,392,935.97	326,023.07	363,456.87	3,853,926.94	1,926,963.47	0.0517%	73,996.66
039	Pima County Sheriff	103,236,527.38	88,051,448.65	8,625,465.07	9,162,609.58	209,076,050.68	104,538,025.34	2.8071%	4,014,328.94
040	Kingman Police	5,779,534.73	4,962,146.94	1,096,055.81	1,255,452.24	13,093,189.72	6,546,594.86	0.1758%	251,393.55
041	A.S.U. Campus Police	9,417,188.04	7,810,129.53	1,261,792.01	1,396,640.05	19,885,749.63	9,942,874.82	0.2670%	381,812.93
042	Lake Havasu Fire	14,178,384.15	12,331,193.65	2,672,429.73	2,891,233.32	32,073,240.85	16,036,620.43	0.4306%	615,816.77
043	Mohave Cnty Sheriff	10,105,351.75	8,541,873.96	1,871,218.94	2,001,436.52	22,519,881.17	11,259,940.59	0.3024%	432,389.13
044	Bullhead City Fire	8,666,606.14	7,728,952.49	1,493,755.93	1,712,101.88	19,601,416.44	9,800,708.22	0.2632%	376,353.64
045	U of A Campus Police	5,473,623.01	4,636,846.73	986,663.08	1,082,280.26	12,179,413.08	6,089,706.54	0.1635%	233,848.74

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2004

Sys No.	System	Employer Reserve June 30, 2003	Employer Reserve June 30, 2004	Member Reserve June 30, 2003	Member Reserve June 30, 2004	Combined Reserves	Mean Balance	Factor	Investment Earnings
046	Cochise Cnty Sheriff	9,189,228.62	7,531,214.38	1,600,414.81	1,783,260.68	20,104,118.49	10,052,059.25	0.2699%	386,005.69
047	Safford Police	2,393,552.19	1,911,201.08	494,194.40	448,483.29	5,247,430.96	2,623,715.48	0.0705%	100,752.40
049	Drexel Heights Fire	3,454,797.14	3,229,818.99	1,239,764.90	1,470,007.95	9,394,388.98	4,697,194.49	0.1261%	180,375.36
050	Winslow Police	2,648,125.13	2,203,242.54	362,794.94	440,718.05	5,654,880.66	2,827,440.33	0.0759%	108,575.57
051	Payson Fire	1,980,343.52	1,459,027.22	526,892.92	571,636.17	4,537,899.83	2,268,949.92	0.0609%	87,129.17
052	Payson Police	2,960,936.28	2,496,650.52	783,665.03	880,105.56	7,121,357.39	3,560,678.70	0.0956%	136,732.40
053	Hualapai Valley Fire	893,273.84	755,933.34	223,344.50	302,440.63	2,174,992.31	1,087,496.16	0.0292%	41,760.57
054	Fry Fire	4,963,452.65	4,328,958.42	765,391.70	777,170.90	10,834,973.67	5,417,486.84	0.1455%	208,035.06
055	Fredonia Marshalls	158,282.75	162,132.12	45,160.28	46,656.83	412,231.98	206,115.99	0.0055%	7,914.99
056	N.A.U. Police	3,363,144.62	2,713,129.76	486,986.91	356,997.88	6,920,259.17	3,460,129.59	0.0929%	132,871.25
058	South Tucson Fire	1,331,212.96	1,093,463.88	232,780.51	263,780.13	2,921,237.48	1,460,618.74	0.0392%	56,088.72
059	Avondale Fire	2,134,896.48	1,878,214.91	841,203.91	951,877.41	5,806,192.71	2,903,096.36	0.0780%	111,480.81
060	Parker Police	952,287.26	955,571.30	255,796.28	235,730.45	2,399,385.29	1,199,692.65	0.0322%	46,068.99
061	Coconino Cnty Sheriff	9,229,882.55	7,616,464.45	1,664,777.80	1,703,685.10	20,214,809.90	10,107,404.95	0.2714%	388,131.00
062	Central Yavapai Fire	6,997,707.83	6,278,832.60	2,097,331.83	2,468,512.95	17,842,385.21	8,921,192.61	0.2396%	342,579.66
064	Buckskin Fire	1,430,757.69	1,183,444.93	184,261.91	133,490.42	2,931,954.95	1,465,977.48	0.0394%	56,294.50
065	Snowflake Police	636,795.31	582,200.36	225,379.59	206,870.15	1,651,245.41	825,622.71	0.0222%	31,704.45
066	Cottonwood Police	1,588,077.97	1,278,363.53	514,222.96	500,902.75	3,881,567.21	1,940,783.61	0.0521%	74,527.37
067	Lake Havasu Police	8,827,741.74	7,689,420.78	2,141,888.77	2,392,866.94	21,051,918.23	10,525,959.12	0.2826%	404,203.75
069	South Tucson Police	997,454.84	745,704.79	380,365.01	389,264.93	2,512,789.57	1,256,394.79	0.0337%	48,246.39
070	Apache Junction Police	6,125,975.44	5,356,636.69	1,874,835.77	1,975,492.75	15,332,940.65	7,666,470.33	0.2059%	294,397.50
071	Navajo County Sheriff	5,419,129.22	4,402,452.41	883,601.73	896,601.09	11,601,784.45	5,800,892.23	0.1558%	222,758.08
072	Mohave Valley Fire	1,253,367.75	1,136,352.75	379,524.29	436,147.51	3,205,392.30	1,602,696.15	0.0430%	61,544.59
073	Peoria Fire	11,073,514.98	9,909,300.52	3,798,041.34	3,880,023.79	28,660,880.63	14,330,440.32	0.3848%	550,298.34
074	Peoria Police	13,192,847.66	12,013,846.87	3,325,199.96	3,723,718.08	32,255,612.57	16,127,806.29	0.4331%	619,318.37
076	Paradise Valley Police	6,503,531.70	5,411,670.69	1,403,903.75	1,673,614.33	14,992,720.47	7,496,360.24	0.2013%	287,865.16
077	Willcox Police	1,019,044.18	849,830.24	179,264.58	201,767.40	2,249,906.40	1,124,953.20	0.0302%	43,198.94
078	Show Low Police	1,867,901.86	1,642,709.74	374,062.32	460,927.13	4,345,601.05	2,172,800.53	0.0583%	83,436.97
079	Eloy Police	1,523,442.98	1,462,298.59	626,499.81	752,998.92	4,365,240.30	2,182,620.15	0.0586%	83,814.05
080	Nogales Police	4,989,297.59	4,168,343.90	1,250,433.99	1,263,611.30	11,671,686.78	5,835,843.39	0.1567%	224,100.23
081	Gilbert Police	9,172,862.18	8,339,855.80	3,531,665.51	4,049,239.19	25,093,622.68	12,546,811.34	0.3369%	481,805.81
083	Clifton Police	362,954.25	297,671.80	55,563.01	60,783.59	776,972.65	388,486.33	0.0104%	14,918.13
084	Taylor Police	-	-	-	-	-	-	0.0000%	-
085	Coolidge Police	1,971,439.30	1,765,734.73	579,491.37	584,764.51	4,901,429.91	2,450,714.96	0.0658%	94,109.07
086	Holbrook Police	1,911,995.45	1,578,508.78	278,759.31	353,783.52	4,123,047.06	2,061,523.53	0.0554%	79,163.86
087	Santa Cruz Cnty Deputy	2,744,717.17	2,298,906.72	784,934.67	851,069.04	6,679,627.60	3,339,813.80	0.0897%	128,251.05
088	Prescott Valley Police	2,040,144.78	1,947,782.00	743,400.19	930,615.49	5,661,942.46	2,830,971.23	0.0760%	108,711.16
089	Eagar Police	494,238.54	459,047.04	155,518.66	180,775.66	1,289,579.90	644,789.95	0.0173%	24,760.36
090	Tolleson Police	1,896,533.52	1,586,682.47	311,821.26	373,827.02	4,168,864.27	2,084,432.14	0.0560%	80,043.57
091	Florence Police	1,191,739.24	1,071,004.19	280,891.28	274,656.93	2,818,291.64	1,409,145.82	0.0378%	54,112.13
092	Springerville Police	363,789.58	336,954.36	145,088.31	165,935.13	1,011,767.38	505,883.69	0.0136%	19,426.27
093	El Mirage Police	1,152,279.90	1,223,793.56	534,228.74	616,200.80	3,526,503.00	1,763,251.50	0.0473%	67,710.02
094	Superior Police	504,254.14	445,312.89	119,841.46	140,245.45	1,209,653.94	604,826.97	0.0162%	23,225.75
095	San Luis Police	1,067,450.47	1,041,696.86	406,699.00	430,507.02	2,946,353.35	1,473,176.68	0.0396%	56,570.95
096	Page Police	2,203,575.02	1,960,306.82	343,480.77	277,240.03	4,784,602.64	2,392,301.32	0.0642%	91,865.94

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2004

Sys No.	System	Employer Reserve June 30, 2003	Employer Reserve June 30, 2004	Member Reserve June 30, 2003	Member Reserve June 30, 2004	Combined Reserves	Mean Balance	Factor	Investment Earnings
097	Page Fire	314,692.62	271,815.07	20,910.62	22,777.20	630,195.51	315,097.76	0.0085%	12,099.96
098	Yavapai Cnty Sheriff	8,541,941.58	7,436,232.58	2,213,686.83	2,601,731.18	20,793,592.17	10,396,796.09	0.2792%	399,243.81
099	Guadalupe Police	274,179.41	249,384.72	-	-	523,564.13	261,782.07	0.0070%	10,052.60
100	Pima Police	127,989.59	102,117.03	27,398.83	12,318.13	269,823.58	134,911.79	0.0036%	5,180.70
101	Apache Cnty Sheriff	2,185,540.85	1,873,153.64	644,693.19	734,253.48	5,437,641.16	2,718,820.58	0.0730%	104,404.50
102	Cottonwood Fire	751,002.34	639,349.93	265,464.36	329,541.04	1,985,357.67	992,678.84	0.0267%	38,119.52
103	La Paz Cnty Sheriff	3,516,849.84	2,902,104.55	733,301.69	871,044.10	8,023,300.18	4,011,650.09	0.1077%	154,050.00
104	Pinal Cnty Sheriff	15,784,628.19	13,466,541.75	3,120,278.74	3,351,515.63	35,722,964.31	17,861,482.16	0.4796%	685,892.66
105	Clarksdale Police	580,798.25	521,700.26	186,646.05	212,367.55	1,501,512.11	750,756.06	0.0202%	28,829.53
106	Buckeye Police	1,321,240.66	1,450,317.86	400,783.71	641,827.76	3,814,169.99	1,907,085.00	0.0512%	73,233.32
107	Marana Marshalls	3,500,250.17	3,144,844.81	1,080,587.98	1,266,075.93	8,991,758.89	4,495,879.45	0.1207%	172,644.73
108	Tolleson Fire	1,207,883.71	1,135,036.78	544,506.64	635,183.03	3,522,610.16	1,761,305.08	0.0473%	67,635.27
109	Chino Valley Police	1,064,132.53	988,341.67	457,458.15	517,759.80	3,027,692.15	1,513,846.08	0.0407%	58,132.69
110	Surprise Police	3,595,781.98	3,581,001.59	1,369,860.68	1,480,980.39	10,027,624.64	5,013,812.32	0.1346%	192,533.69
111	Welton Police	168,381.12	189,452.46	62,727.55	78,064.16	498,625.29	249,312.65	0.0067%	9,573.77
112	Gila Cnty Sheriff	4,098,925.59	3,407,674.08	821,723.30	957,277.77	9,285,600.74	4,642,800.37	0.1247%	178,286.59
113	Pinetop-Lakeside Police	1,319,420.72	1,148,183.23	231,180.79	201,114.05	2,899,898.79	1,449,949.40	0.0389%	55,679.01
114	Bullhead City Police	7,300,645.34	6,530,180.35	2,602,422.54	2,916,484.36	19,349,732.59	9,674,866.30	0.2598%	371,521.23
115	Williams Police	732,582.37	653,588.67	136,821.76	154,334.74	1,677,327.54	838,663.77	0.0225%	32,205.24
116	Miami Police	368,041.73	321,309.03	92,199.11	105,387.97	886,937.84	443,468.92	0.0119%	17,029.50
117	Thatcher Police	1,290,081.29	1,130,818.64	382,459.36	415,857.99	3,219,217.28	1,609,608.64	0.0432%	61,810.03
118	Youngtown Police	591,888.03	512,820.15	114,831.35	150,476.09	1,370,015.62	685,007.81	0.0184%	26,304.75
119	D.E.M.A.	3,129,127.26	2,667,487.25	929,841.59	931,947.37	7,658,403.47	3,829,201.74	0.1028%	147,043.87
120	Surprise Fire	2,936,583.06	2,649,989.94	1,130,151.81	1,408,400.08	8,125,124.89	4,062,562.45	0.1091%	156,005.07
121	Camp Verde Marshalls	916,464.77	820,245.79	253,826.65	280,749.51	2,271,286.72	1,135,643.36	0.0305%	43,609.45
122	Oro Valley Police	4,533,518.35	4,410,405.52	1,961,915.81	2,252,739.60	13,158,579.28	6,579,289.64	0.1767%	252,649.05
123	Greenlee Cnty Sheriff	1,401,356.14	1,206,961.53	348,665.94	383,138.75	3,340,122.36	1,670,061.18	0.0448%	64,131.45
124	Tucson Airprt Auth. Fire	3,817,860.12	3,387,803.27	950,984.67	928,721.92	9,085,369.98	4,542,684.99	0.1220%	174,442.09
125	Tucson Airprt Auth. PD	2,791,969.83	2,492,638.72	825,375.99	749,080.86	6,859,065.40	3,429,532.70	0.0921%	131,696.31
126	Wickenburg Police	731,174.83	635,412.05	269,064.91	293,017.65	1,928,669.44	964,334.72	0.0259%	37,031.09
127	El Mirage fire	653,563.57	678,559.81	143,185.28	215,706.44	1,691,015.10	845,507.55	0.0227%	32,468.05
128	Patagonia Marshall	231,561.31	253,351.98	60,050.09	70,575.47	615,538.85	307,769.43	0.0083%	11,818.55
129	Sedona Police	1,254,835.02	1,228,373.19	546,766.22	546,217.32	3,576,191.75	1,788,095.88	0.0480%	68,664.06
130	Mammoth Police	(19,043.21)	(12,698.01)	65,122.28	72,674.96	106,056.02	53,028.01	0.0014%	2,036.31
131	Globe Police	1,853,313.51	1,609,480.51	502,301.27	567,602.04	4,532,697.33	2,266,348.67	0.0609%	87,029.28
132	Tombstone Police	278,866.12	262,478.66	122,136.76	137,543.41	801,024.95	400,512.48	0.0108%	15,379.94
133	Golder Ranch Fire Dist.	2,796,451.52	2,783,512.91	1,121,165.85	1,375,404.06	8,076,534.34	4,038,267.17	0.1084%	155,072.12
134	Fort Mohave Mesa Fire	2,090,130.97	1,895,607.74	657,603.15	789,231.61	5,432,573.47	2,716,286.74	0.0729%	104,307.20
136	Goodyear Fire	1,704,554.97	1,808,130.37	833,375.84	1,072,679.48	5,418,740.66	2,709,370.33	0.0728%	104,041.60
137	Goodyear Police	2,835,740.94	2,788,305.00	1,209,621.61	1,248,644.30	8,082,311.85	4,041,155.93	0.1085%	155,183.05
138	Chino Valley Fire Dist.	1,118,605.67	1,084,040.12	446,421.54	525,555.39	3,174,622.72	1,587,311.36	0.0426%	60,953.80
139	Avondale Police	3,287,505.57	2,992,347.44	1,247,978.69	1,440,649.85	8,968,481.55	4,484,240.78	0.1204%	172,197.80
140	Graham Cnty Sheriff	918,408.30	819,108.83	337,514.79	320,589.30	2,395,621.22	1,197,810.61	0.0322%	45,996.72
141	Flowing Wells Fire	-	-	-	-	-	-	0.0000%	-
142	Golden Valley Fire	954,384.12	861,352.30	285,928.54	312,712.53	2,414,377.49	1,207,188.75	0.0324%	46,356.84

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2004

Sys No.	System	Employer Reserve June 30, 2003	Employer Reserve June 30, 2004	Member Reserve June 30, 2003	Member Reserve June 30, 2004	Combined Reserves	Mean Balance	Factor	Investment Earnings
143	Daisy Mountain Fire	1,066,441.95	1,177,409.83	568,464.63	760,612.35	3,572,928.76	1,786,464.38	0.0480%	68,601.41
144	Quartzsite Marshall	393,643.36	393,075.90	176,566.19	208,158.63	1,171,444.08	585,722.04	0.0157%	22,492.11
145	Picturerock Fire	766,251.73	706,238.14	236,570.98	279,693.06	1,988,753.91	994,376.96	0.0267%	38,184.73
146	Pima Cmmty Coll. PD	2,594,539.25	2,248,022.91	725,127.60	855,925.81	6,423,615.57	3,211,807.79	0.0862%	123,335.53
147	Northwest Fire	7,564,330.74	7,274,940.11	2,516,405.86	3,042,168.77	20,397,845.48	10,198,922.74	0.2739%	391,645.34
148	Apache Junction Fire	4,206,215.50	3,821,272.70	1,657,277.58	1,904,064.42	11,588,830.20	5,794,415.10	0.1556%	222,509.35
149	Gilbert Fire	4,010,610.11	4,110,887.81	1,787,091.49	2,217,855.58	12,126,444.99	6,063,222.50	0.1628%	232,831.73
150	Pine-Strawberry Fire	845,919.56	896,416.30	320,094.07	326,364.42	2,388,794.35	1,194,397.18	0.0321%	45,865.64
151	Attrny Genrl Investgtr	5,794,746.32	4,908,565.17	1,094,815.22	1,226,147.55	13,024,274.26	6,512,137.13	0.1749%	250,070.35
153	St. Johns Police	157,868.35	160,954.47	94,062.96	115,658.11	528,543.89	264,271.95	0.0071%	10,148.22
154	Pima Cnty Attrny Invst	1,080,464.82	925,288.12	196,618.82	217,372.25	2,419,744.01	1,209,872.01	0.0325%	46,459.88
155	Sun Lakes Fire Dist.	2,333,215.28	2,278,225.64	776,113.13	896,864.56	6,284,418.61	3,142,209.31	0.0844%	120,662.90
156	Kearny Police	167,360.32	136,531.63	32,825.12	29,018.21	365,735.28	182,867.64	0.0049%	7,022.24
157	Greenlee Cnty Atny Invst	25,135.26	22,862.22	-	-	47,997.48	23,998.74	0.0006%	921.57
158	Navajo Cnty Attrny Invest	139,120.09	123,682.88	43,357.59	46,690.83	352,851.39	176,425.70	0.0047%	6,774.86
160	AZ State Capitol Police	1,107,790.86	1,024,894.79	416,574.65	463,231.53	3,012,491.83	1,506,245.92	0.0404%	57,840.83
161	Fountain Hills Marshall	54,406.74	(94,442.71)	93,747.16	-	53,711.19	26,855.60	0.0007%	1,031.27
162	Avra Valley Fire	563,686.49	529,324.44	135,662.94	170,969.43	1,399,643.30	699,821.65	0.0188%	26,873.61
163	San Luis Fire	453,345.32	471,519.73	190,262.08	246,713.28	1,361,840.41	680,920.21	0.0183%	26,147.78
164	AZ Dept. of Liquor/Licns	1,739,348.67	1,592,666.04	596,356.08	558,904.82	4,487,275.61	2,243,637.81	0.0602%	86,157.17
165	Maricopa Cnty Atrny Invst	3,642,886.49	3,031,828.88	527,682.55	603,854.20	7,806,252.12	3,903,126.06	0.1048%	149,882.61
166	Sedona Fire District	2,845,256.83	2,889,723.22	1,048,843.64	1,355,413.40	8,139,237.09	4,069,618.55	0.1093%	156,276.03
167	Guadalupe Fire	223,227.86	232,061.55	141,938.20	173,667.45	770,895.06	385,447.53	0.0104%	14,801.44
168	Mayer Fire District	218,025.28	470,071.19	96,990.54	225,296.20	1,010,383.21	505,191.61	0.0136%	19,399.69
169	Somerton Police	503,890.92	491,004.84	185,482.51	224,940.01	1,405,318.28	702,659.14	0.0189%	26,982.57
170	SunCity West Fire Dstrct	2,928,233.32	3,074,437.53	1,126,981.53	1,454,529.23	8,584,181.61	4,292,090.81	0.1153%	164,819.11
171	Somerton Fire	333,256.31	159,698.93	142,480.46	132,543.07	767,978.77	383,989.39	0.0103%	14,745.44
172	Tubac Fire District	533,054.89	518,704.43	219,764.03	258,234.32	1,529,757.67	764,878.84	0.0205%	29,371.85
173	LaPaz Cnty Attrny Invst	74,341.70	67,619.64	34,569.97	38,024.65	214,555.96	107,277.98	0.0029%	4,119.55
174	Sahuarita Police	266,623.01	349,342.80	127,106.66	211,953.04	955,025.51	477,512.76	0.0128%	18,336.80
176	Florence Fire Dept	200,235.36	177,707.69	105,328.50	110,376.18	593,647.73	296,823.87	0.0080%	11,398.23
177	Sun City Fire Dept	4,481,503.33	3,902,648.77	3,987,682.07	4,198,617.14	16,570,451.31	8,285,225.66	0.2225%	318,158.12
178	Hayden Police	74,189.73	85,890.16	35,232.35	48,767.65	244,079.89	122,039.95	0.0033%	4,686.41
179	Gila River Fire Dept	1,193,750.68	1,329,338.03	739,088.65	942,618.43	4,204,795.79	2,102,397.90	0.0565%	80,733.46
180	Gila River Police Dept	1,245,061.31	1,335,739.60	754,490.17	829,087.28	4,164,378.36	2,082,189.18	0.0559%	79,957.43
181	SaltRiverPima-MaricpFire	1,848,874.25	2,111,013.15	744,946.60	1,013,866.92	5,718,700.92	2,859,350.46	0.0768%	109,800.94
182	SaltRiverPima-MaricpPD	1,271,911.75	1,468,797.96	731,413.12	953,751.95	4,425,874.78	2,212,937.39	0.0594%	84,978.25
183	Lakeside Fire District	195,078.75	220,011.90	96,737.79	126,688.97	638,517.41	319,258.71	0.0086%	12,259.74
185	Pinetop Fire District	381,396.87	467,257.60	174,224.91	248,055.43	1,270,934.81	635,467.41	0.0171%	24,402.37
186	Show Low Fire District	214,166.06	571,240.22	87,853.90	177,894.43	1,051,154.61	525,577.31	0.0141%	20,182.51
187	Yavapai Cnty Attrny Inv.	184,682.50	155,428.24	95,425.21	68,569.31	504,105.26	252,052.63	0.0068%	9,678.99
188	Three Points Fire District	142,906.51	162,611.36	72,148.76	90,015.56	467,682.19	233,841.10	0.0063%	8,979.65
190	Buckeye Fire	329,937.15	458,859.63	140,982.94	239,474.78	1,169,254.50	584,627.25	0.0157%	22,450.07
191	Montezuma/Rimrock	155,137.84	144,729.47	67,634.01	79,947.65	447,448.97	223,724.49	0.0060%	8,591.17
192	Heber-Overgaard Fire	104,923.31	132,807.78	40,688.10	71,421.59	349,840.78	174,920.39	0.0047%	6,717.06

STATE OF ARIZONA
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
EARNINGS DISTRIBUTION - FISCAL YEAR ENDED JUNE 30, 2004

Sys No.	System	Employer Reserve June 30, 2003	Employer Reserve June 30, 2004	Member Reserve June 30, 2003	Member Reserve June 30, 2004	Combined Reserves	Mean Balance	Factor	Investment Earnings
193	Diamond Star Fire	80,635.38	115,328.42	35,165.66	59,506.28	290,635.74	145,317.87	0.0039%	5,580.30
194	Green Valley Fire	1,942,036.84	1,971,501.83	333,784.06	556,609.34	4,803,932.07	2,401,966.04	0.0645%	92,237.08
195	Summit Fire	809,594.77	831,762.92	277,175.50	356,205.15	2,274,738.34	1,137,369.17	0.0305%	43,675.72
196	Camp Verde Fire	278,753.76	425,113.88	93,699.34	164,472.65	962,039.63	481,019.82	0.0129%	18,471.48
197	Fort McDowell Fire	378,509.08	672,874.37	129,553.53	204,655.19	1,385,592.17	692,796.09	0.0186%	26,603.83
198	Fort McDowell Police	412,491.21	490,578.62	170,614.09	234,485.14	1,308,169.06	654,084.53	0.0176%	25,117.28
199	Highlands Fire	433,512.98	579,117.29	164,930.93	224,986.59	1,402,547.79	701,273.90	0.0188%	26,929.38
200	Rio Rico Fire	95,216.26	145,939.69	56,485.46	84,510.36	382,151.77	191,075.89	0.0051%	7,337.44
201	Tri-City Fire	77,395.03	104,964.69	33,244.90	60,040.41	275,645.03	137,822.52	0.0037%	5,292.48
202	Maricopa County Park Rangers	1,100,834.53	633,614.76	393,441.86	226,787.99	2,354,679.14	1,177,339.57	0.0316%	45,210.61
203	Verde Valley Fire	1,483,099.71	1,379,535.96	364,707.25	458,235.26	3,685,578.18	1,842,789.09	0.0495%	70,764.31
204	Arizona State Park Rangers	2,584,715.88	2,543,721.65	1,474,832.60	1,644,466.59	8,247,736.72	4,123,868.36	0.1107%	158,359.26
205	Linden Fire	33,711.14	73,439.20	11,735.27	28,771.23	147,656.84	73,828.42	0.0020%	2,835.06
206	Hualapai Tribal Police	-	26,873.11	-	24,084.58	50,957.69	25,478.85	0.0007%	978.40
207	Pinewood Fire	-	369,593.25	-	34,528.22	404,121.47	202,060.74	0.0054%	7,759.27
208	Rincon Valley Fire	-	102,281.89	-	39,512.53	141,794.42	70,897.21	0.0019%	2,722.50
209	Tonopah Fire	-	41,809.37	-	21,322.62	63,131.99	31,566.00	0.0008%	1,212.15
210	Jerome Police	-	7,970.94	-	4,264.22	12,235.16	6,117.58	0.0002%	234.92
211	Fort Mojave Tribal Police	-	50,289.00	-	28,121.55	78,410.55	39,205.28	0.0011%	1,505.51
212	Buckey Valley Fire	-	338,490.10	-	24,189.85	362,679.95	181,339.98	0.0049%	6,963.57
213	Eloy Fire	-	19,952.55	-	8,889.77	28,842.32	14,421.16	0.0004%	553.78
214	Pascua Yaqui Tribal Fire	-	6,144.39	-	3,012.71	9,157.10	4,578.55	0.0001%	175.82
215	Pascua Yaqui Tribal Police	-	6,452.32	-	3,597.02	10,049.34	5,024.67	0.0001%	192.94
	TOTALS	**3,402,708,678.27**	**2,907,129,259.51**	**543,817,015.62**	**594,479,065.00**	**7,448,134,018.40**	**3,724,067,009.20**	**100.00%**	**143,006,622.97**

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

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

Fiscal Year	Total Assets at Book	Realized Earnings from Investments	Assumed Actuarial Yield	Net Effective Yield	Average Employer Cost
1968-69	$ 38,892,316	$ 2,034,246	5.50%	5.93%	—
1969-70	$ 45,368,608	$ 2,199,532	5.50%	5.33%	14.49%
1970-71	$ 53,436,024	$ 2,762,000	5.50%	5.66%	15.28%
1971-72	$ 65,047,747	$ 4,242,551	5.50%	7.33%	15.58%
1972-73 [1]	$ 84,362,537	$ 5,297,962	5.50%	7.30%	22.13%
1973-74	$ 107,645,740	$ 7,505,558	5.50%	8.07%	21.62%
1974-75	$ 135,240,197	$ 9,206,170	5.50%	7.85%	20.79%
1975-76 [2]	$ 166,054,317	$ 11,453,347	6.50%	7.87%	20.24%
1976-77 [2]	$ 198,469,142	$ 13,563,347	6.50%	7.70%	16.37%
1977-78 [2]	$ 234,790,742	$ 16,463,161	6.50%	8.07%	15.34%
1978-79 [2]	$ 276,477,938	$ 20,545,314	7.00%	8.36%	15.62%
1979-80	$ 323,768,207	$ 26,648,270	7.50%	9.23%	13.46%
1980-81 [2]	$ 380,187,981	$ 33,507,824	7.50%	10.02%	12.28%
1981-82	$ 446,521,727	$ 42,444,841	8.50%	10.85%	11.86%
1982-83 [3]	$ 519,164,091	$ 50,436,554	8.50%	11.05%	10.61%
1983-84 [2]	$ 599,947,817	$ 57,911,781	9.00%	10.94%	10.10%
1984-85 [2]	$ 693,159,911	$ 72,204,630	9.00%	11.85%	9.16%
1985-86 [2]	$ 816,881,983	$ 103,855,044	9.00%	14.79%	7.87%
1986-87 [2]	$ 930,734,209	$ 91,102,340	9.00%	11.01%	7.67%
1987-88	$ 1,048,036,360	$ 99,543,634	9.00%	10.60%	6.67%
1988-89 [3]	$ 1,172,200,963	$ 106,249,997	9.00%	10.06%	7.18%
1989-90	$ 1,305,872,179	$ 123,320,968	9.00%	10.48%	6.72%
1990-91 [3]	$ 1,448,675,091	$ 134,468,900	9.00%	10.23%	7.01%
1991-92 [4]	$ 1,616,623,400	$ 158,382,801	9.00%	10.90%	8.10%
1992-93	$ 1,793,717,029	$ 173,241,734	9.00%	10.70%	8.73%
1993-94	$ 1,959,179,925	$ 167,558,270	9.00%	9.35%	8.16%
1994-95	$ 2,148,732,676	$ 199,847,113	9.00%	10.23%	7.66%
1995-96	$ 2,367,494,985	$ 226,292,201	9.00%	10.55%	7.85%
1996-97	$ 2,615,893,843	$ 261,392,961	9.00%	11.07%	8.11%
1997-98	$ 2,894,319,707	$ 305,281,778	9.00%	11.73%	6.36%
1998-99	$ 3,512,950,451	$ 652,015,871	9.00%	22.66%	5.82%
1999-00	$ 3,845,046,198	$ 383,638,465	9.00%	10.99%	5.29%
2000-01	$ 4,014,033,477	$ 229,978,521	9.00%	6.02%	5.21%
2001-02	$ 4,038,098,811	$ 95,669,176	9.00%	2.40%	4.21%
2002-03	$ 3,580,672,469	$ (359,783,581)	9.00%	-9.01%	3.75%
2003-04	$ 3,648,282,320	$ 153,576,982	9.00%	4.08%	7.66%
2004-05					10.05%
2005-06					12.80%

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

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

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

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

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