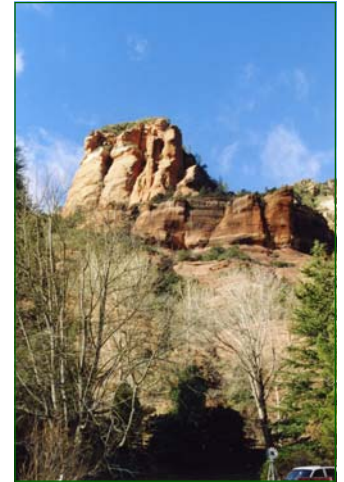
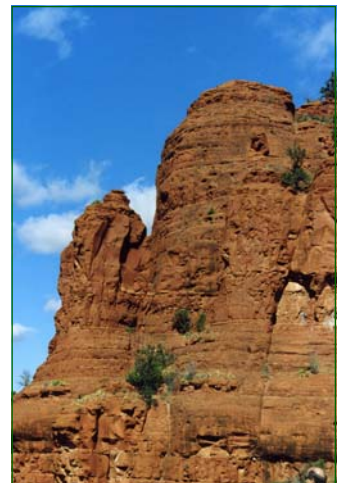


FIRE FIGHTER & PEACE OFFICER CANCER INSURANCE POLICY PROGRAM



12th ANNUAL FINANCIAL REPORT
FOR THE STATE OF ARIZONA



FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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Fire Fighter and Peace Officer Cancer Insurance Policy Program

State of Arizona

Twelfth Annual Financial Report

For the Fiscal Year Ended
June 30, 2009

Prepared by the Staff of PSPRS

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

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

3010 East Camelback Road, Suite 200
Phoenix, Arizona 85016-4416
www.psprs.com

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

Mike Galloway

Fund Manager, Chairman

Brian Tobin

Fund Manager, Vice Chairman

Timothy J. Dunne

Fund Manager, Member

Lori Roediger

Fund Manager, Member

Gregory Ferguson

Fund Manager, Member

James M. Hacking

Administrator

Ryan Parham

Chief Investment Officer

Tracey D. Peterson

Assistant Administrator-COO

December 1, 2009

Firefighter and Peace Officer Employers
Fire and Peace Officer Local Board Members

Dear Local Board Members and Employers:

The Fund Manager of the Public Safety Personnel Retirement System respectfully submits the Twelfth Annual Financial Report of the Fire Fighter and Peace Officer Cancer Insurance Policy Program for the fiscal year ended June 30, 2009.

We are committed to providing the best possible cancer program based upon the contributions received from the employers. In this regard, the cancer program is self-insured, which began July 1, 2000, and the contributions received this fiscal year were invested in equities and bonds. Effective July 1, 2006, we reduced the required employer contribution to \$100 per active member. Effective July 1, 2007, the cancer program was opened to all peace officers of the Public Safety Personnel Retirement System. As a result of the increase in membership, we directed staff to research the long term effects of continued reductions to the required employer contributions and/or increasing benefits. This initiative will be undertaken by staff during the fiscal year 2009-2010.

For the fiscal year ended June 30, 2009, contributions received from the participating local boards increased 3.70% as a result of an increase in the eligible employees. Net assets managed increased 7.38% from \$9.9 million to \$10.7 million. Benefits paid this fiscal year totaled \$171,836.

We sincerely appreciate the opportunity of serving the State of Arizona and its political subdivisions.

Respectfully submitted,


Mike Galloway
Fund Manager, Chairman


Brian Tobin
Fund Manager, Vice Chairman


Timothy J. Dunne
Fund Manager, Member


Lori Roediger
Fund Manager, Member


Gregory Ferguson
Fund Manager, Member

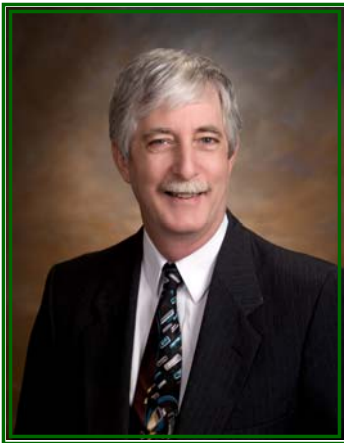
FUND MANAGER
(AS OF JUNE 30, 2009)



Carter Olson
Chairman



Mike Galloway
Vice Chairman



Tim Dunne
Member



Lori Roediger
Member



Brian Tobin
Member

EXECUTIVE STAFF AND ORGANIZATIONAL CHART



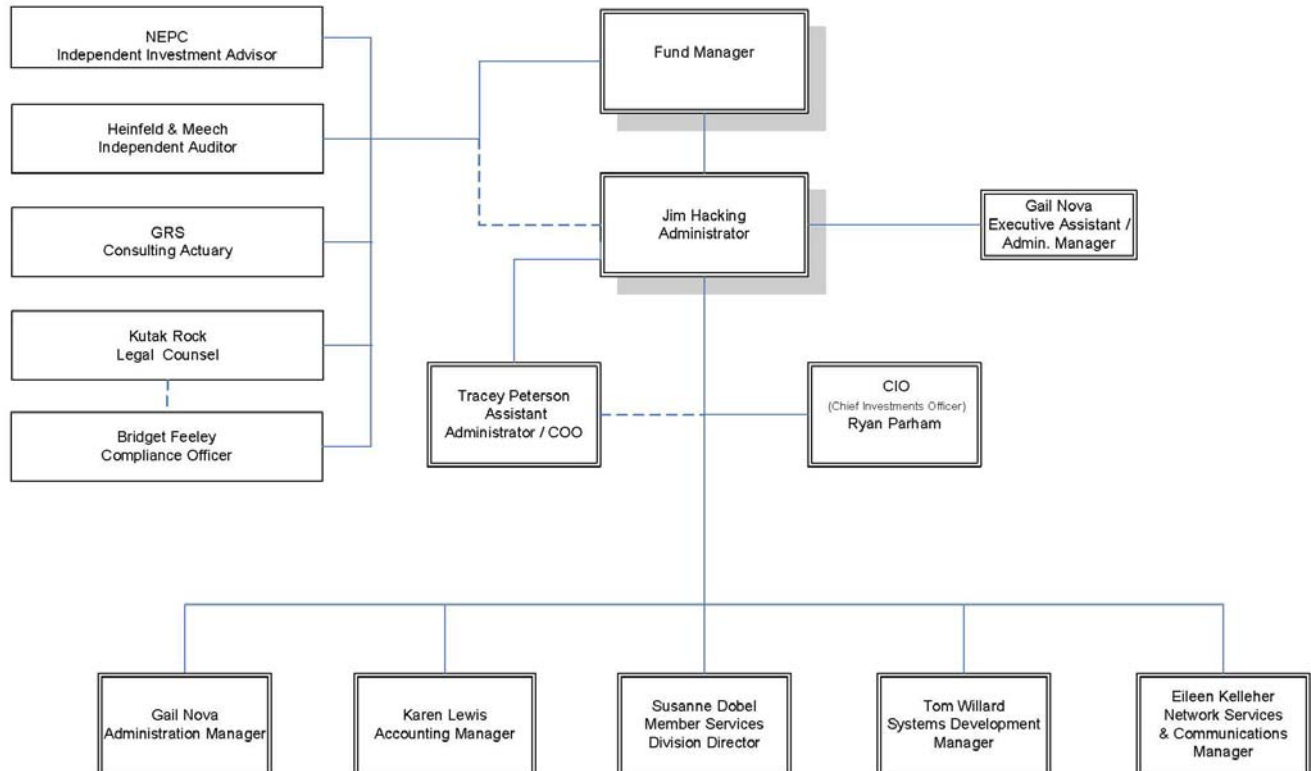
Ryan Parham
Chief Investment Officer

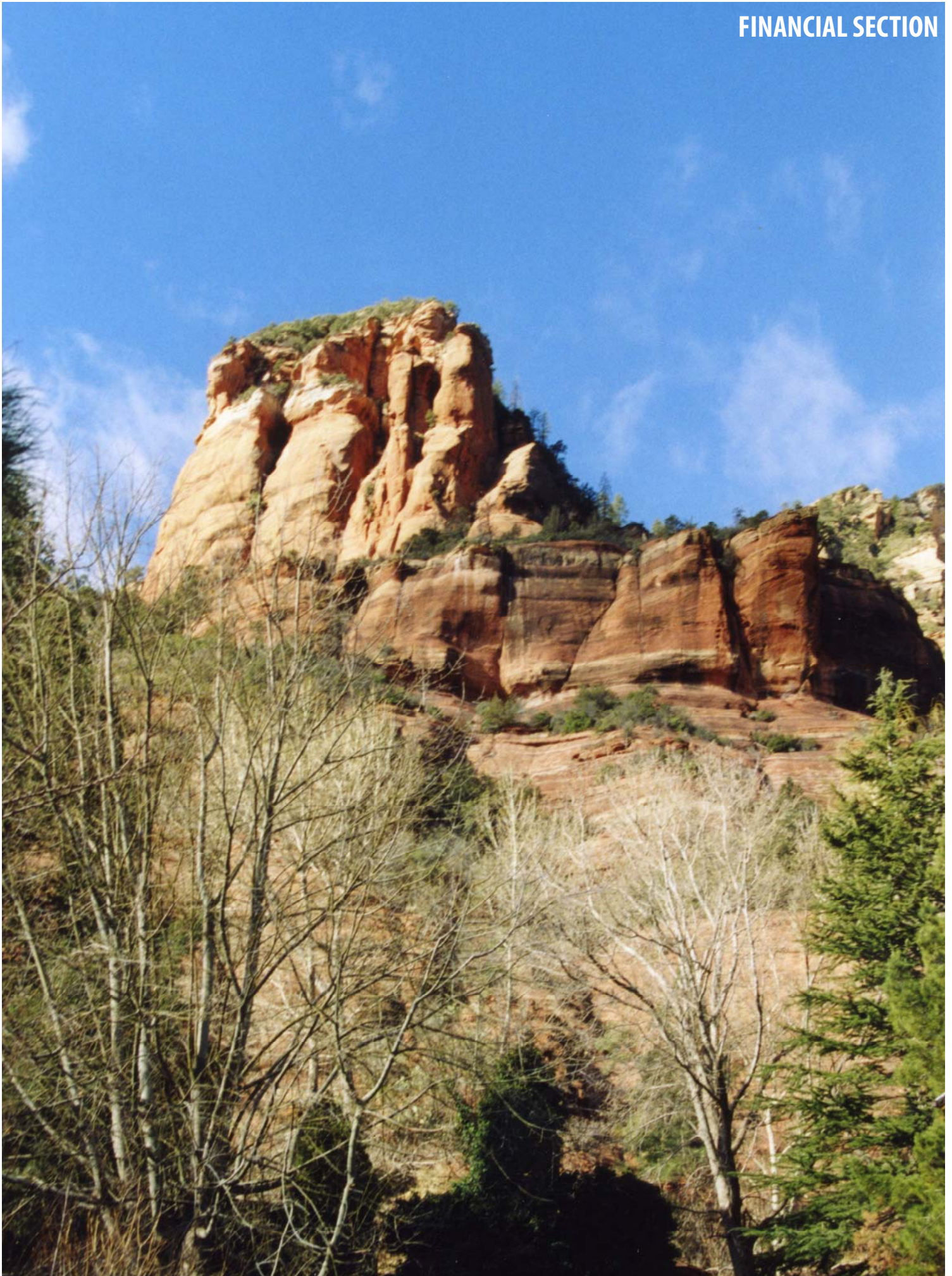


James M. Hacking
Administrator



Tracey D. Peterson
Assistant Administrator
Chief Operations Officer







HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

10120 N. Oracle Road
Tucson, Arizona 85704
Tel (520) 742-2611
Fax (520) 742-2718

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying Statement of Plan Net Assets of the Fire Fighter and Peace Officer Cancer Insurance Program (FFPOCI) as of and for the year ended June 30, 2009, and the related Statement of Changes in Plan Net Assets for the year then ended. These basic financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit. The comparative totals as of and for the year ended June 30, 2008, presented in the basic financial statements are included for additional analysis only. Our reported dated December 10, 2008, expressed an unqualified opinion on those statements, however, we have not performed any auditing procedures on this information since the date of our report.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Fire Fighter and Peace Officer Cancer Insurance Program, as of June 30, 2009, and the changes in net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2009, on our consideration of the Fire Fighter and Peace Officer Cancer Insurance Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Introductory Section and Supporting Schedules Information of the Financial Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supporting Schedules Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on that information.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

December 14, 2009

FIRE FIGHTER AND PEACE OFFICER CANCER INSURANCE POLICY PROGRAM

MANAGEMENT DISCUSSION & ANALYSIS

The Fire Fighter and Peace Officer Cancer Insurance Policy Program's discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Program's financial activity, identify changes in the Program'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 Financial Statements and Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2009 are as follows:

- The Fire Fighter and Peace Officer Cancer Insurance Policy Program (FFPOCI) had a total rate of return of -10.115% this year. The portfolio outperformed the benchmark by 536 basis points.
- Cancer insurance benefits paid totaled \$171.8 Thousand for the current year, compared to \$122.6 Thousand for the previous year. This represents a 40.13% increase from the prior year. Most of this increase is due to more members being eligible as the Program was expanded to include peace officers beginning July 1, 2007.

OVERVIEW OF THE FINANCIAL STATEMENTS

Using this Annual Financial Report

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 Program as an operating entity. The statements and notes then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Plan Net Assets and The Statement of Changes in Plan Net Assets

These statements include all assets and liabilities of the Program using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

These two statements report the Program'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 Plan.

Notes to the Financial Statements

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

FINANCIAL ANALYSIS OF THE SYSTEM

Comparative Statements are included to provide additional analysis of the changes noted on those schedules.

SUMMARY COMPARATIVE STATEMENTS OF PLAN NET ASSETS

	As of 06/30/2009	As of 06/30/2008	Change	% Change
Cash and Short-Term Investments	\$ 622,813	\$ 3,186,891	\$ (2,564,078)	(80.46%)
Total Receivables	242	974,682	(974,440)	(99.98%)
Total Investments	10,102,005	9,200,586	901,419	9.80%
Securities Lending Collateral	2,556,680	-	2,556,680	100.00%
Total Plan Assets	13,281,740	13,362,159	(80,419)	(0.60%)
Accrued Accounts Payable	21,013	13,979	7,034	50.32%
Investment Purchases Payable	30,378	3,407,806	(3,377,428)	(99.11%)
Securities Lending Collateral	2,556,680	-	2,556,680	100.00%
Total Plan Liabilities	2,608,071	3,421,785	(813,714)	(23.78%)
Net Assets	\$10,673,670	\$ 9,940,374	\$ 733,296	7.38%

The total plan net assets held in trust for benefits at June 30, 2009 were \$10.7 million, a 7.38% increase from \$9.9 million at June 30, 2008. The increase in net assets is primarily due to the addition of peace officers to the program which more than doubled the eligible employees. This is in spite of a downturn in the financial markets during the fiscal year as evidenced by the Fire Fighter and Peace Officer Insurance Program's negative investment return of (10.12%). The decrease in cash and receivables is attributable to normal fluctuations in investment income receivables during the year as well as a redirection of cash to the securities lending program.

SUMMARY COMPARATIVE STATEMENTS OF CHANGES IN PLAN NET ASSETS

	2009	2008	Change	% Change
ADDITIONS				
Total Contributions	\$ 2,097,360	\$ 2,022,580	\$ 74,780	3.70%
Net Investment Income (Loss)	(1,181,583)	(232,724)	(948,859)	(407.72%)
Total Additions (Reductions)	915,777	1,789,856	(874,079)	(48.84%)
DEDUCTIONS				
Benefits	171,836	122,626	49,210	40.13%
Administrative Expenses	10,646	8,866	1,780	20.08%
Total Deductions	182,482	131,492	50,990	38.78%
Net Increase (Decrease)	733,296	1,658,364	(925,068)	(55.78%)
Balance Beginning of Year - July 1	9,940,374	8,282,010	1,658,364	20.02%
Balance End of Year - June 30	\$ 10,673,670	\$ 9,940,374	\$ 733,296	7.38%

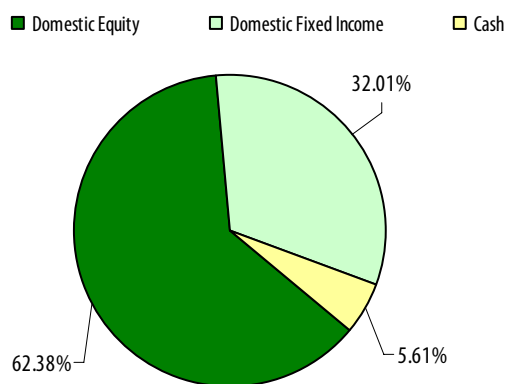
Employer contributions increased \$74.8 thousand due to an increase in the number of employees. For FY 2009, FFPOCI recognized a net investment loss of \$1.2 million which compares to a \$232.7 thousand loss in the previous year. This 407.72% increase in loss was due to the negative returns in the financial markets during the fiscal year. Deductions from the FFPOCI net assets held in trust for benefits consist primarily of benefit payments and administrative expenses. For FY 2009, these deductions totaled \$182.5 thousand, an increase of 38.78% from the \$131.5 thousand paid during FY 2008.

During the year ended June 30, 2009, the Program paid 27 members for their first occurrence benefit of \$6,000 each. Additionally, the Program paid 4 members surgical and hospital benefits per the schedule of benefits as found on www.psprs.com. One death benefit was paid to survivors at \$5,000.

The Public Safety Personnel Retirement System administers the Program and an allocation of expenses incurred by the System is charged to the Program. The Program is administered in the same building as the System utilizing staff employed by the System. The allocated expenses for the year ending June 30, 2009 totaled \$10,646. The Program is authorized to use up to 10% of total receipts to pay the costs of administering the Program.

INVESTMENT ACTIVITIES

The assets of the FFPOCI program are managed by the Fund Manager and staff of Public Safety Personnel Retirement System. Beginning in FY 2007 and continuing into FY 2009, the fund manager adopted a more diversified asset allocation policy and began an asset management restructuring. However, due to the market downturn, the investment total rate of return was -10.115% for the past fiscal year. At June 30, 2009, FFPOCI held \$10.7 million in its portfolio. The FY 2009 total fund performance for FFPOCI was -10.115% versus a benchmark rate of return of -15.475%. The benchmark is representative of the returns that could be expected in a similar investing environment.



REQUEST FOR INFORMATION

This report is designed to provide a general overview of the Fire Fighter and Peace Officer Cancer Insurance Policy Program 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, 3010 E. Camelback Road, Suite 200, Phoenix, AZ 85016.

STATEMENT OF PLAN NET ASSETS
JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

	2009	2008
ASSETS		
Cash and Short-Term Investments (NOTE 3)	\$ 622,813	\$ 3,186,891
RECEIVABLES		
Interest and Dividends	242	7,847
Investment Sales	-	966,835
Total Receivables	242	974,682
INVESTMENTS AT FAIR VALUE (NOTES 2 AND 3)		
Corporate Bonds	3,426,129	3,050,001
Corporate Stocks	6,675,876	6,150,585
Total Investments	10,102,005	9,200,586
Securities Lending Collateral	2,556,680	-
TOTAL PLAN ASSETS	13,281,740	13,362,159
LIABILITIES		
Accrued Accounts Payable	21,013	13,979
Investment Purchases Payable	30,378	3,407,806
Securities Lending Collateral	2,556,680	-
Total Plan Liabilities	2,608,071	3,421,785
NET ASSETS HELD IN TRUST FOR BENEFITS	\$ 10,673,670	\$ 9,940,374

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

STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

	2009	2008
ADDITIONS (REDUCTIONS)		
Contributions		
Employers' Contributions (NOTE 1)	\$ 2,097,360	\$ 2,022,580
INVESTMENT INCOME		
Net Appreciation (Depreciation) in Fair Value of Investments (NOTE 2)	(1,538,902)	(610,154)
Interest	34,968	283,962
Dividends	312,452	95,815
Security Lending Activities (NOTE 3)		
Securities Lending Income	29,621	40,839
Borrower Rebates	(5,780)	(37,117)
Agents Share of Income	(3,576)	(918)
Net Securities Lending Income	20,265	2,804
Total Investment Income (Loss)	(1,171,216)	(227,573)
Less Investment Expense	(10,367)	(5,151)
Net Investment Income (Loss)	(1,181,583)	(232,724)
Total Additions	915,777	1,789,856
DEDUCTIONS		
Insurance Benefits (NOTE 1)	171,836	122,626
Administrative Expenses	10,646	8,866
Total Deductions	182,482	131,492
NET INCREASE	733,296	1,658,364
NET ASSETS HELD IN TRUST FOR BENEFITS		
Beginning of Year, July 1	9,940,374	8,282,010
End of Year, June 30	\$ 10,673,670	\$ 9,940,374

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

**FIRE FIGHTER AND PEACE OFFICER CANCER INSURANCE POLICY PROGRAM
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1: PLAN DESCRIPTION

ORGANIZATION

The State of Arizona Fire Fighter and Peace Officer Cancer Insurance Policy Program is a multiple-employer cancer insurance program established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes, to provide cancer insurance benefits for active and retired firefighters and peace officers of certain state and local governments. The Fund Manager of the State of Arizona Public Safety Personnel Retirement System administers the Program.

The Fund Manager is a five-member board. Beginning August 6, 1999, the Governor began appointing all members, who serve a fixed three-year term. The Fund Manager is responsible for the investment of the Plan's assets, hiring personnel to administer the Program, and the general protection and administration of the Plan.

The Program provides cancer insurance covering active fire fighters and peace officers of participating employers. Benefits begin upon the fire fighter's or peace officer's date of membership in the system (excluding pre-existing conditions). Retired members remain eligible for coverage for five months for every year of credited service accumulated toward retirement under the PSPRS. A retired member whose eligibility is expiring may continue to remain eligible for coverage if an election is made with the Fund Manager and a predetermined premium is paid.

Effective July 1, 2000, the policy became self-insured. The insurance policy is designed by the program administrators and underwritten by the assets of the firefighter and peace officer insurance policy program account established by ARS §38-643. All claims are submitted to PSPRS for adjudication.

The Fire Fighter and Peace Officer Cancer Insurance Policy Program rely on funding from various employers who are members of the Public Safety Personnel Retirement Plan.

BENEFITS

The insurance policy provides benefits to all active and limited retired fire fighters and peace officers. The program is a supplemental insurance plan for hospitalization, surgery, radiation and chemotherapy and other cancer related illness benefits. There is a first occurrence benefit of \$6,000 and a death benefit of \$5,000. The program is self-insured, benefits are limited to the assets in the fire fighter cancer and peace officer insurance policy program account, and those benefits may be reduced or eliminated at any time.

CONTRIBUTIONS

Participating local boards contribute not more than \$180 each fiscal year for each fire fighter or peace officer employed at June 30 of the prior fiscal year. Effective July 1, 2007, the Fund Manager set the contribution rate at \$100 for each fire fighter or peace officer.

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

BASIS OF ACCOUNTING

These financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due, pursuant to statutory requirements. Benefits are paid when claims have been properly submitted and approved. Expenses are recorded when liabilities are incurred.

ESTIMATES

The preparation of financial statements in conformity with accounting principles requires management to make estimates and assumptions that affect the reported amounts of net assets held in trust for benefits. Actual results could differ from those estimates.

METHOD USED TO VALUE INVESTMENTS

FFPOCI investments are reported at fair value. Fair values are determined by the investment custodian using the last trade price information supplied by various pricing data vendors.

Statutes enacted by the Arizona Legislature authorize the Fund Manager to make investments in accordance with the "Prudent Man" rule. 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.

NOTE 3: CASH AND INVESTMENTS

Custodial credit risk for deposits is the risk that in the event of a bank failure, the System's deposits may not be returned. The deposits are held in one financial institution with a balance of up to \$100,000 (temporarily increased to \$250,000 per depositor October 3, 2008, through December 31, 2009) insured by the Federal Deposit Insurance Corporation (FDIC). The System mitigates custodial credit risk for deposits by requiring the financial institution to pledge securities from an acceptable list in an amount at least equal to 102% of the aggregate amount of the deposits on a daily basis.

In addition to the FDIC insurance coverage on the operating and money market accounts of PSPRS, Wells Fargo pledged the following securities to PSPRS on June 30, 2009, as collateral:

\$14,565,609	FNIONP	878442	6.50%	Maturity Date	05/01/36
8,775,290	FNCL	896548	6.00%	Maturity Date	07/01/36
<u>4,395,962</u>	FNCL	896548	6.00%	Maturity Date	07/01/36
\$27,736,861					

All monies shall be secured by the depository in which they are deposited and held to the same extent and in the same manner as required by the general depository law of the state. Cash balances represent both operating and cash accounts held by the bank and investment cash on deposit with the investment custodian. Formerly all accounts were held at Wells Fargo Bank. A new custodian bank for investments only (BNY Mellon) was retained in August 2007 (effective October 1, 2007.) All deposits are carried at cost plus accrued interest. The following table is a schedule of the aggregate book and bank balances of all cash accounts as of June 30, 2009:

	REPORTED AMOUNT	BANK BALANCE
Pension Trust Fund	600,602	600,602
Operating Fund	22,211	22,211
Total Deposits	622,813	622,813

CUSTODIAL CREDIT RISK

Custodial Credit Risk is the risk that FFPOCIP will not be able (a) to recover deposits if the depository financial institution fails or (b) to recover the value of the investment or collateral securities that are in the possession of an outside party if the counterpart to the investment or deposit transaction fails. As of June 30, 2009, FFPOCIP has no fund or deposits that were not covered by depository insurance or collateralized with securities held by our banks' trust department or agent. Nor does FFPOCIP have any investments that are not registered in the name of FFPOCIP and are either held by the counterpart or the counterpart's trust department or agent.

CREDIT RISK

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the System. As of June 30, 2009, the System's fixed income assets were invested in a well diversified bond index fund.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue. All of the assets of FFPOCIP are held in cash management funds, index funds or ETF'S. No single entity holds more than 5% of the portfolio. Therefore, there is no concentration of credit risk.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio by investing in a bond index fund.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. FFPOCIP's foreign currency risk resides with the international ETF funds comprising about 24 percent of the portfolio. This allows external managers to decide what action to take regarding their respective fund's exposures.

SECURITY LENDING PROGRAM

The Plan is party to a securities lending agreement with a bank. The bank, on behalf of the Plan, enters into agreements with brokers to loan securities and have the same securities returned at a later date. The loans are fully collateralized primarily by cash. Collateral is marked-to-market on a daily basis. Non-cash collateral can be sold only upon borrower default. The Plan requires collateral of at least 102% of the fair value of the loaned U.S. Government or corporate security. Securities on loan are carried at fair value.

As of June 30, 2009 the fair value of securities on loan was \$2,505,804 and the collateral was \$2,556,680. The Plan receives a negotiated fee for its loan activities and is indemnified for broker default by the securities lending agent.

The Plan participates in a collateral investment pool. All security loans may be terminated on demand by either the lender or the borrower.

All matched loans shall have matched collateral investments.

The total cash collateral investments received for unmatched loans (any loan for which the cash collateral has not been invested for a specific maturity) will have a maximum effective duration of 233 days. Additionally, at least 20% of total collateral investments shall be invested on an overnight basis. At June 30, 2009, the weighted average maturity was 33 days for all investments purchased with cash collateral from unmatched loans. The Plan has no credit risk because the amounts owed to the borrowers exceed the amounts the borrowers owe to the Plan.

ASSET CLASS	OUT ON LOAN	TOTAL AVAILABLE TO LOAN	% OF AVAILABLE TO LOAN
Corporate Bonds	\$ 2,505,804	\$ 3,426,129	73%
TOTALS	\$ 2,505,804	\$ 3,426,129	73%

SUPPORTING SCHEDULES INFORMATION

SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	ADMINISTRATIVE	INVESTMENT	TOTAL
Accounting and Auditing Services	\$ 228	\$ -	\$ 228
Actuarial Services	-	-	-
Building Expense	74	-	74
Communications	180	-	180
Computer Related Expense	416	35	451
Contractual Services	270	-	270
Depreciation Expense	-	-	-
Fund Manager Initiatives	183	-	183
Furniture and Equipment	2	3	5
Investment Services	-	3,027	3,027
Legal Services	1,999	3,199	5,198
Local Board Training	2	-	2
Payroll Taxes and Fringe Benefits	1,684	1,658	3,342
Postage Expenses	108	-	108
Printing & Publications	-	-	-
Professional Services	396	593	989
Salaries and Wages	4,895	1,702	6,597
Supplies & Services	117	-	117
Training Expenses	57	41	97
Travel Expense	35	109	144
Total Expenses	\$ 10,646	\$ 10,367	\$ 21,013

SCHEDULE OF CONSULTANT EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

CONSULTANT	FEES PAID
Albourne America, LLC	\$ 442
Bridget E. Feeley, Inc.	190
Cortex Applied Research, Inc.	48
Cushman & Wakefield of Arizona, Inc.	96
Ernst & Young LLP	480
Heinfeld Meech & Co., PC	239
Highground, Inc.	169
Interactive Data	120
Kutak Rock, LLP	5,198
Light Stone Solutions, LLC	464
McLagan Partners, Inc.	60
Mellon Global Securities	158
ORG Portfolio Management	726
Peak Performance Consulting	24
Public Policy Partners	193
Rodwan Consulting Group	295
Wells Fargo Bank	133
Total	\$ 9,035

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VISION

- Invest, secure and manage responsibly the retirement funds of its members in accordance with all legal, investment and financial requirements and in a manner consistent with the quality to which its members have become accustomed.

MISSION

- To be a low cost, highly personalized quality service provider of funds management and benefit services.
- To manage long-term investments with the goal of consistently outperforming over time the composite weighted market return benchmark net of all investment related costs so as to assure the financial integrity of the funds and the security of the benefits these funds provide.

VALUES

- Do what is best for our members and financial health and integrity of the System.
- Be proactive.
- Committed to high quality, uniform, sustainable service.
- Innovative and cost effective in Plan administration and services.
- Use best practices in HR management.

PUBLIC SAFETY PERSONNEL

RETIREMENT SYSTEM

3010 EAST CAMELBACK ROAD, SUITE 200

PHOENIX, AZ 85016-4416