

ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2024



**27th—Public Safety Cancer Insurance Policy Program
(PSCIPP)**

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Annual Financial Report

for the

Public Safety Cancer Insurance Policy Program

For the Fiscal Year Ended
June 30, 2024

Prepared by the Staff of PSPRS

Public Safety Personnel Retirement System
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Phoenix, AZ 85016
Phone (602) 255-5575 Fax (602) 255-5572
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The **Purpose** of the Public Safety Personnel Retirement System is to provide *uniform, consistent, and equitable* statewide retirement programs for those who have been entrusted to our care.

This is accomplished through our **Guiding Principles** where

A spirit of **Gratitude** inspires all of our actions, thereby *fostering* a culture of unparalleled *service* to others through which *growth* is nurtured, *progress* is developed, and *results* are achieved.

Trust is engendered by *transparency* of our decisions and *accountability* for our actions as measured against sound *expectations*.

We recognize that **Respect** for the *individual* strengthens the *whole* and is only earned by genuinely *understanding* and *fulfilling* the needs of others through *appropriate, timely* and *clear communication* and *education*.

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INTRODUCTORY SECTION





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

Board of Trustees

Chairman

Scott McCarty

Vice Chairman

Harry Papp

Trustees

Christopher Hemmen

Alan Maguire

Brian Moore

Dean Scheinert

Randis Stein

Nathan Weber

Daren Wunderle

Michael Townsend
Administrator

Michael Smarik
Deputy Administrator

Bret Parke
Assistant Administrator,
General Counsel

Erin Higbee
Assistant
Administrator

Mark Steed
Chief Investment
Officer

April 21, 2025

PSPRS and CORP Employers
PSPRS and CORP Local Board Members

Dear Local Board Members and Employers:

The Administrator of the Public Safety Personnel Retirement System (PSPRS) respectfully submits the Twenty-seventh Annual Financial Report of the Public Safety Cancer Insurance Policy Program (PSCIPP) for the fiscal year ended June 30, 2024.

We are committed to providing the best possible cancer insurance program based upon the contributions received from the employers, employees and retired members. In this regard, the cancer insurance program, which began July 1, 2000 operates as a self-insured program. The contributions received are invested separately from the PSPRS Trust, but with the same prudence and care.

The PSCIPP has undergone various changes and enhancements over its life per Board of Trustee (Board) direction or legislative action. PSPRS continues to research the long term effects of contribution rates and and/or increasing benefits to ensure sufficient assets are available to fund the approved benefits for our members.

Contributions received from the participating employer groups were \$1.545 million in fiscal year 2024. Benefits paid were \$2.077 million, a decrease of 14.96% from the \$2.443 million paid in the previous fiscal year. Fiduciary net position increased 8.78% from the fiscal year 2023 balance of \$28.095 million to \$30.563 million in fiscal year 2024.

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

Respectfully submitted,

Michael F. Townsend, Administrator

BOARD OF TRUSTEES
(AS OF ISSUANCE DATE)



Scott McCarty
Chairman



Harry A. Papp
Vice Chairman



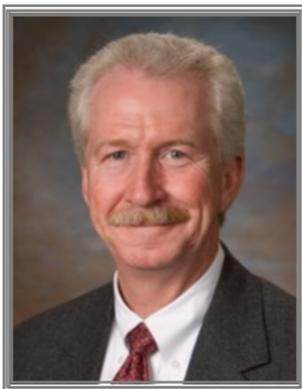
Daren Wunderle
Trustee



Dean M. Scheinert
Trustee



Nate Weber
Trustee



Alan Maguire
Trustee



Randi Stein
Trustee



Brian V. Moore
Trustee



Christopher Hemmen
Trustee

EXECUTIVE STAFF AND ORGANIZATIONAL CHART

(AS OF ISSUANCE DATE)



Erin Higbee

Assistant Administrator



Bret Parke

Assistant Administrator
General Counsel



Michael Townsend

Administrator



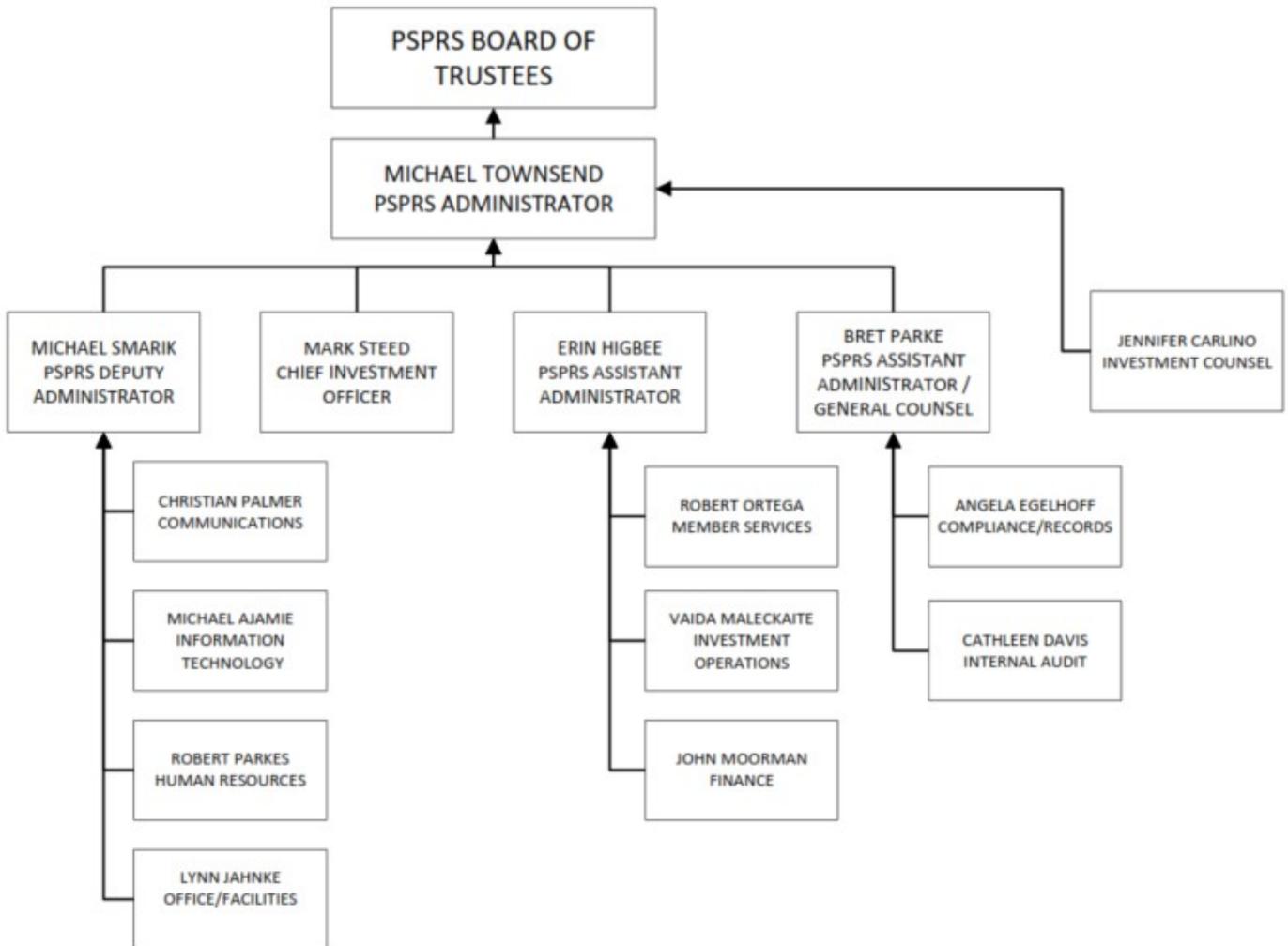
Michael Smarik

Deputy Administrator



Mark Steed

Chief Investment
Officer





FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Public Safety Cancer Insurance Policy Program
Phoenix, Arizona

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Public Safety Cancer Insurance Policy Program (PSCIPP), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the PSCIPP's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the PSCIPP, as of June 30, 2024, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the PSCIPP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the PSCIPP's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Board of Trustees
Public Safety Cancer Insurance Policy Program

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PSCIPP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PSCIPP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide

Board of Trustees
Public Safety Cancer Insurance Policy Program

any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the PSCIPP's basic financial statements. The schedules of administrative expenses, investment expenses, and payments to consultants (supporting schedules information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supporting schedules information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2025, on our consideration of the PSCIPP'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 solely 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 effectiveness of the PSCIPP's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PSCIPP's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Boston, Massachusetts
April 21, 2025

MANAGEMENT'S DISCUSSION & ANALYSIS

The Public Safety Cancer Insurance Policy Program's (PSCIPP) management's discussion and analysis (MD&A) is designed to assist the reader in focusing on significant financial issues, provide an overview of the PSCIPP's financial activity, identify changes in the PSCIPP's financial position and identify any issues or concerns. Since the Management's Discussion and Analysis 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 FY2024 are as follows:

- The PSCIPP had a total rate of return (net of fees) of 11.60% this fiscal year.
- Cancer insurance benefits paid totaled \$2.077 million for the current fiscal year, compared to \$2.443 million for the previous fiscal year. This represents a 14.96% decrease from the prior fiscal year.
- The Public Safety Personnel Retirement System administers the PSCIPP and an allocation of expenses incurred by the System is charged to the PSCIPP. The allocated expenses for the current fiscal year totaled \$263,102. The PSCIPP is authorized to use up to 10% of total receipts to pay the costs of administering the PSCIPP.

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 PSCIPP as an operating entity. The statements and notes also provide a more detailed look at specific financial activities.

Statement of Fiduciary Net Position

This statement reports assets, deferred outflows of resources, liabilities, deferred inflows of resources and the resulting fiduciary net position available at the end of the fiscal year. It is a snapshot of the financial position of the program at that specific point in time.

Statement of Changes in Fiduciary Net Position

This statement summarizes the PSCIPP's financial transactions that have occurred during the fiscal year. It details the change that has occurred from the prior year's fiduciary net position on the *Statement of Fiduciary Net Position*. Both of these statements include all assets and liabilities of the PSCIPP using the accrual basis of accounting. Over time, increases or decreases in the fiduciary net position are one indicator of the financial health of the PSCIPP.

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 include a description of the plan, a summary of significant accounting policies, and information about the contribution requirements, cash and investments, capital assets, employee retirement plan through the Arizona State Retirement System (ASRS), and subsequent events, if applicable. The notes can be found immediately following the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE PSCIPP

The schedules that follow on pages 14 and 15 present comparative summary financial statements for fiscal year 2024 in comparison with results for fiscal year 2023. Following each schedule is a brief summary of the significant changes noted in the schedules.

REQUEST FOR INFORMATION

This report is designed to provide a general overview of the Public Safety 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.

SUMMARY COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION						
	2024		2023		\$ CHANGE	% CHANGE
Cash and Short-Term Investments	\$	11,327,852	\$	1,987,660	\$ 9,340,192	469.91%
Net OPEB Assets		502		-	502	0.00%
Total Receivables		27,805		164,924	(137,119)	(83.14)%
Total Investments		19,870,075		27,133,609	(7,263,534)	(26.77)%
Net Capital Assets		26,684		16,544	10,140	61.29%
Total Assets		31,252,918		29,302,737	1,950,181	6.66%
Deferred Outflows of Resources		3,283		3,234	49	1.52%
Accrued Accounts Payable		676,907		1,196,319	(519,412)	(43.42)%
Net Pension Liabilities		15,425		13,682	1,743	12.74%
Total Liabilities		692,332		1,210,001	(517,669)	(42.78)%
Deferred Inflows of Resources		823		685	138	20.15%
Fiduciary Net Position	\$	30,563,046	\$	28,095,285	\$ 2,467,761	8.78%

Summary Comparative Statements of Fiduciary Net Position Analysis

The total fiduciary net position held in trust for benefits at June 30, 2024 was \$30.563 million, a 8.78% increase from the \$28.095 million at June 30, 2023. This is evidenced by the Public Safety Cancer Insurance Policy Program's increased cash and short-term investments. Cash and short-term investments at June 30, 2024 were \$11.328 million, a 469.91% increase from \$1.988 million at June 30, 2023. Of the \$11.328 million in cash and short-term investments at June 30, 2024, \$271.976 thousand was held in the operating bank account while the remaining amount was held in

short-term investments at the custodian bank. This increase also results from the fiscal year total fund performance for PSCIPP being 11.60% net of fees.

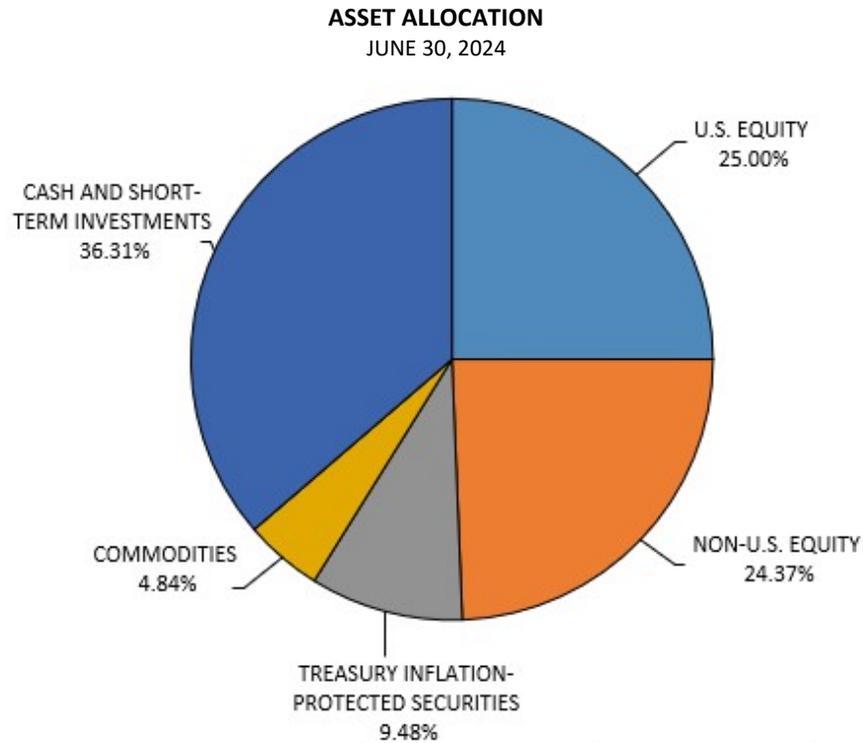
SUMMARY COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION				
	2024	2023	\$ CHANGE	% CHANGE
ADDITIONS				
Total Contributions	\$ 1,545,057	\$ 1,507,927	\$ 37,130	2.46%
Net Investment Income	3,263,054	2,454,285	808,769	32.95%
Total Additions	4,808,111	3,962,212	845,899	21.35%
DEDUCTIONS				
Insurance Benefits Paid	2,077,248	2,442,617	(365,369)	(14.96)%
Administrative Expenses	263,102	201,456	61,646	30.60%
Total Deductions	2,340,350	2,644,073	(303,723)	(11.49)%
Net Increase In Fiduciary Net Position	2,467,761	1,318,139	1,149,622	87.22%
Balance Beginning of Year - July 1	28,095,285	26,777,146	1,318,139	4.92%
Balance End of Year - June 30	\$ 30,563,046	\$ 28,095,285	\$ 2,467,761	8.78%

Summary Comparative Statements of Changes in Fiduciary Net Position Analysis

Administrative expenses were \$263,102 for fiscal year 2024 compared to \$201,456 for fiscal year 2023 while total contributions were \$1.545 million for fiscal year 2024 compared to \$1.508 million for fiscal year 2023. For fiscal year 2024, the PSCIPP recognized net investment income of \$3.263 million which compares to \$2.454 million in the previous fiscal year. The investment earnings were a result from steady gains in the financial markets during fiscal year 2024.

Deductions from the PSCIPP's fiduciary net position held in trust for insurance benefits consist primarily of insurance benefit payments and administrative expenses. For fiscal year 2024, these deductions totaled \$2.340 million, a decrease of 11.49% from the \$2.644 million paid during fiscal year 2023.

INVESTMENT ACTIVITIES



ASSET CLASS	FAIR VALUE PER FINANCIAL STATEMENTS	ACTUAL ASSET ALLOCATION (% OF FAIR VALUE)
U.S. Equity	\$ 7,798,184	25.00%
Non-U.S. Equity	7,602,262	24.37%
Treasury Inflation-Protected Securities	2,960,689	9.48%
Commodities	1,508,940	4.84%
Cash and Short-Term Investments ¹	11,327,852	36.31%
Total	\$ 31,197,927	100.00%

¹ Includes \$271,976 of Operating Cash

The assets of the PSCIPP are managed by the Board of Trustees and staff of the PSPRS. At June 30, 2024, the PSCIPP held \$31.198 million in its portfolio. The fiscal year 2024 total fund performance for PSCIPP was 11.60%, net of fees, versus a benchmark rate of return of 10.74%.

STATEMENT OF FIDUCIARY NET POSITION	
AS OF JUNE 30, 2024	
ASSETS	
Cash and Short-Term Investments	\$ 11,327,852
Net OPEB Assets	502
RECEIVABLES	
Employer Contributions	56
Interest and Dividends	<u>27,749</u>
Total Receivables	27,805
INVESTMENTS MEASURED AT FAIR VALUE	
U. S. Equity	7,798,184
Non - U. S. Equity	7,602,262
Treasury Inflation-Protected Securities	2,960,689
Commodities	<u>1,508,940</u>
Total Investments	19,870,075
CAPITAL ASSETS, AT COST, NET OF ACCUMULATED DEPRECIATION	
Work In Progress	26,684
TOTAL ASSETS	<u>31,252,918</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,283</u>
LIABILITIES	
Accrued Accounts Payable (including incurred but not reported claims)	676,907
Net Pension Liabilities	<u>15,425</u>
Total Liabilities	<u>692,332</u>
DEFERRED INFLOWS OF RESOURCES	<u>823</u>
FIDUCIARY NET POSITION HELD IN TRUST FOR INSURANCE BENEFITS	\$ 30,563,046

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	
FOR THE YEAR ENDED JUNE 30, 2024	
ADDITIONS	
Contributions	\$ 1,545,057
Investment Income	
<i>From Investing Income:</i>	
Net Appreciation in Fair Value of Investments	2,314,295
Interest	451,388
Dividends	508,559
Less Investment Expense	<u>(11,188)</u>
Net Investment Income	3,263,054
Total Additions	4,808,111
DEDUCTIONS	
Insurance Benefits Paid	2,077,248
Administrative Expenses	263,102
Total Deductions	2,340,350
NET INCREASE IN FIDUCIARY NET POSITION	2,467,761
FIDUCIARY NET POSITION HELD IN TRUST FOR INSURANCE BENEFITS	
Beginning of Year, July 1	28,095,285
End of Year, June 30	\$ 30,563,046

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1: PLAN DESCRIPTION

ORGANIZATION

The State of Arizona Public Safety Cancer Insurance Policy Program (PSCIPP) is a multiple-employer cancer insurance program established by Title 38, Chapter 4, Article 3 of the Arizona Revised Statutes (A.R.S), to provide cancer insurance benefits for active and retired firefighters, peace officers and correction officers of certain state and local governments. The Board of Trustees of the State of Arizona Public Safety Personnel Retirement System (PSPRS) administers the Program.

Responsibility for the Program is vested in a Board of Trustees, which is comprised of nine-members. Two members are appointed by the President of the Senate; two are appointed by the Speaker of the House of Representatives; and five are appointed by the Governor. The Board of Trustees delegates investment decisions to the Administrator, who delegates to the Chief Investment Officer (CIO). The CIO makes investments in accordance with the "Prudent Man" rule. Additionally, the Board responsible for setting contribution rates and the general protection and administration of PSCIPP.

The PSCIPP provides cancer insurance covering active fire fighters and peace officers of participating employers. Beginning July 1, 2014, members of Correction Officers Retirement Plan (CORP) became eligible to join the plan when the employer chooses to participate. Benefits begin upon the date of membership in the PSPRS or CORP (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 benefits were received before retirement or diagnosed with cancer subsequent to retirement coupled with an election and annual predetermined premium payment. CORP members must make an irrevocable election to participate in the program and pay a predetermined annual amount to continue eligibility under this plan.

The PSCIPP was created by statute effective July 1, 1997 and the program became self-insured effective July 1, 2000. The insurance policy is designed by the program administrators and underwritten by the assets of the Public Safety Cancer Insurance Policy Program account established by A.R.S. § 38-643. All claims are submitted to PSPRS administration for adjudication. A complete Schedule of Revised Benefits is available on the PSPRS website: www.psprs.com/forms--resources/members

The PSCIPP relies on funding from various employers who are members of the PSPRS, CORP employees who elect to be covered and retirees who elect to receive continued coverage by notifying PSPRS prior to exhausting their earned coverage period and paying the determined annual fee.

BENEFITS

The insurance policy provides benefits to all active and limited retired fire fighters, peace officers and correction officers. The program is a supplemental insurance plan for hospitalization, surgery, radiology and chemotherapy, a daily care benefit for hospice and skilled nursing facility, and other cancer related illness benefits. During the start of fiscal year 2024 from July 1, 2023 through December 31, 2023, there was a \$15,000 first diagnosis occurrence benefit, a \$500 skin cancer first occurrence benefit with a lifetime maximum of \$2,500 and a death benefit of \$10,000. The overall lifetime maximum for all covered benefits is \$100,000. Effective January 1, 2024, the program changed to an advanced reimbursement indemnity schedule based repayment program. The program is self-insured, benefits are ultimately limited to the available assets in the PSCIPP account, and those benefits may be reduced or eliminated at any time upon Board of Trustee approval.

CONTRIBUTIONS

The current fiscal year annual contribution rate remains at \$50 which was initially set beginning July 1, 2012. Previous annual contribution rates ranged from \$75 to a high of \$180 before the current rate was set.

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 and are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units. 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.

Furniture, fixtures and equipment purchases costing \$1,000,000 or more, when acquired, are capitalized at cost. Improvements, which increase the useful life of the property, are also capitalized.

ESTIMATES

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

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

INCURRED BUT NOT REPORTED

In the accompanying financial statements, insurance benefit expenses include paid claims, received but unpaid claims, and an estimate made by management for incurred but not reported (IBNR) claims. These IBNR claims include charges by health care providers for eligible member services rendered for which claims have not yet been submitted. The estimates for IBNR claims are developed using historical data for payment patterns and other relevant factors that are continually reviewed by management.

METHOD USED TO VALUE INVESTMENTS

PSCIPP investments are reported at fair value. Fair values are determined as follows: Short-term investments are reported at cost which approximates fair value. Equity securities are valued at the last reported sales price. Fixed-income securities, including Treasury Inflation-Protected Securities, are valued using the last reported sales price or the estimated fair market value as determined by fixed-income broker/dealers. Commodities are valued at their respective market price, which is updated daily.

Statutes enacted by the Arizona Legislature authorize the Board of Trustees to make investments in accordance with the "Prudent Man" rule. Pursuant to A.R.S. §38-848.I, the Board of Trustees is not limited to so-called "Legal Investments for Trustees".

In making every investment, the board shall exercise the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income from their funds as well as the probable safety of their capital.

NOTE 3: CASH AND INVESTMENTS

Custodial credit risk for deposits is the risk that in the event of a bank failure, the PSCIPP's deposits may not be returned. The deposits are held in two financial institutions with a balance of up to \$250,000 (permanently guaranteed as of July 21, 2010) insured by the Federal Deposit Insurance Corporation (FDIC).

All monies shall be secured by the depository in which they are deposited and held to the same extent and in the same manner as required by the general depository law of the state. Cash balances represent both operating and cash accounts held by the bank and investment cash on deposit with the investment custodian. All deposits are carried at cost plus accrued interest.

The following table is a schedule of the aggregate book and bank balances of all cash accounts as of June 30, 2024:

	BOOK BALANCE	BANK BALANCE
Deposits with banks	\$ 271,976	\$ 271,976
Short-term investment funds held at custodial bank	11,055,876	11,055,876
Total Deposits	\$ 11,327,852	\$ 11,327,852

The PSCIPP's investments are reported at fair value. The PSCIPP does not value any non-publicly traded assets, which there were not any in the portfolio as of June 30, 2024. All exchange-traded funds (ETF) represent publicly traded securities and as such are recorded at their net asset value (NAV). Short-term investments are reported at cost plus accrued interest. The PSCIPP categorizes its fair value measurements for investments within the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value.

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

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

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

Level 1 debt and equity securities are valued based on prices quoted in active markets for those securities. Level 2 securities are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. Level 3 securities, whose stated market prices are unobservable by the market place, are priced by the investment manager or General Partner using discounted cash flow techniques.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

The PSCIPP had the following investments measured at fair value at June 30, 2024 (comprised of all Level 1 investments):

INVESTMENTS MEASURED AT FAIR VALUE				
	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
Commodities				
Non US Commodities	\$ 1,508,940	\$ 1,508,940	\$ -	\$ -
Total Commodities	1,508,940	1,508,940	-	-
Equity				
US Equity	7,798,184	7,798,184	-	-
Non US Equity	7,602,262	7,602,262	-	-
Total Equity	15,400,446	15,400,446	-	-
Treasury Inflation-Protected Securities	2,960,689	2,960,689	-	-
Total Fair Value	\$ 19,870,075	\$ 19,870,075	\$ -	\$ -

CUSTODIAL CREDIT RISK

Custodial Credit Risk is the risk that PSCIPP 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, 2024, PSCIPP 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 PSCIPP have any investments that are not registered in the name of PSCIPP or the PSPRS Trust, and are either held by the counterpart or the counterpart's trust department or agent. PSCIPP cash is not collateralized by Wells Fargo, but is covered by the State Treasurer's Statewide Pooled Collateral Program.

CREDIT RISK

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the PSCIPP. As of June 30, 2024, the PSCIPP's fixed income assets were invested exclusively in inflation linked US government bonds (TIPS). These fixed income assets have the below credit quality rating as of June 30, 2024:

CREDIT QUALITY RATING		
S&P RATING		FAIR VALUE
Not Rated	\$	2,960,689
Total	\$	2,960,689

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of investment in a single issue. Fixed income investments included in the portfolio as of June 30, 2024 consisted solely of the exposure to TIPS (in

the form of TIP ETF), representing bonds used as direct obligations and fully guaranteed by the U.S. Government, and as such considered to be largely free of any 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 the PSCIPP fixed income portfolio assets in Treasury Inflation-Protected Securities, which are government issued bonds that are designed to protect investors against inflation by adjusting their principal and interest payments based on the Consumer Price Index.

The following table quantifies, to the fullest extent possible, the interest rate risk for the PSCIPP's fixed income holdings as of June 30, 2024:

FIXED INCOME INTEREST RATE RISK - EFFECTIVE DURATION		
FIXED INCOME SECURITY	FAIR VALUE	MODIFIED DURATION
Treasury Inflation-Protected Securities	\$ 2,960,689	0.00
Total	\$ 2,960,689	0.00

Modified duration is a measure that indicates the change in the value of a bond in response to a 1% change in interest rates. It is only applicable to securities with fixed interest rates.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. PSCIPP's foreign currency risk resides with the international exchange-traded funds (ETF) comprising about 29.20% of the portfolio. This consists of 4.84% in foreign commodities and 24.36% in foreign equity. This allows external managers to decide what action to take regarding their respective fund's exposures.

DERIVATIVES

There were no investments in derivatives during the Fiscal Year ending June 30, 2024.

SECURITY LENDING PROGRAM

The PSCIPP has been party to a securities lending agreement with a bank. The bank, on behalf of the PSCIPP, enters into agreements with brokers to loan securities and have the same securities returned at a later date. During fiscal year 2023, the PSCIPP terminated participation in the securities lending program and therefore does not have any securities on loan as of June 30, 2024.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

NOTE 4: CAPITAL ASSETS

Capital assets are stated at cost, and depreciable assets are depreciated using the straight-line method over the estimated life of the asset. Repairs and maintenance are charged to expense as incurred. Since the capital assets are not yet in service for the PSCIPP, depreciation expense for the year ended June 30, 2024 was \$0.

The following table is a schedule of the capital asset account balances as of June 30, 2024, and changes to those account balances during the year ended June 30, 2024.

SCHEDULE OF CAPITAL ASSETS				
	Beginning Balance 7/1/2023	Additions		Ending Balance 6/30/2024
Work In Progress	\$ 16,544	\$ 10,140		\$ 26,684
Accumulated Depreciation	-	-		-
Net Capital Assets	\$ 16,544	\$ 10,140		\$ 26,684

NOTE 5: PSPRS EMPLOYEE RETIREMENT PLAN

The employees of the PSPRS are covered under the Arizona State Retirement System (ASRS) for pension benefits after retirement.

PLAN DESCRIPTION

The Arizona State Retirement System (ASRS) is a cost-sharing, multiple-employer, pension plan established by the State of Arizona to provide pension benefits for employees of the State, participating political subdivisions and school districts. The ASRS is administered in accordance with Title 38, Chapter 5, Article 2 of the Arizona Revised Statutes (A.R.S.).

In addition to retirement benefits, the ASRS provides retired members access to health insurance and a health insurance premium supplement benefit. The ASRS also provides a long term disability program for actively contributing members. The Health Benefit Supplement (HBS) program is administered in accordance with Title 38, Chapter 5, Article 2. The Long Term Disability (LTD) program is administered in accordance with Title 38, Chapter 5, Article 2.1.

ASRS issues a publicly available annual comprehensive financial report that can be obtained at www.azasrs.gov/content/annual-reports. ASRS' report includes information regarding the investment strategies, allocations and returns, actuarial assumptions and historical information regarding employer contributions and changes in benefit provisions.

CONTRIBUTIONS

Per the Arizona Revised Statutes, contribution requirements for active plan members and their participating employers are established and may be amended by the ASRS Board.

Contribution rates are actuarially determined and are expected to finance the costs of benefits accrued by plan members during the year and any unfunded accrued liability. The cost of administering the pension and other post-employment benefits is financed through employer contributions, member contributions and investment earnings.

BENEFITS

Retirement:

The ASRS provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure under which the member retires, the benefit option selected at retirement, and age at retirement.

Retirement benefits are calculated on the basis of age, total credited service and average monthly compensation, which is established on a fiscal year basis (July 1 to June 30).

Average monthly compensation calculation is determined by a 60-month or 36-month calculation depending on when a member began contributing to the ASRS. The graded multiplier is a percentage set by Arizona State Statute. It is the percentage of the average monthly compensation members will receive for each year of credited service they have accrued at retirement. This percentage is based on their total years of service at retirement based on a graded multiplier.

Health Benefit Supplement (HBS):

A member is eligible for HBS if the member retires or is disabled after five years of credited service and is covered by an employer-sponsored group insurance program for which the retired or disabled member must pay part of the cost. Members who elect the enhanced refund option are not eligible for this benefit.

The benefit is payable only with respect to allowable health insurance premiums for which the member is responsible. The maximum benefits for members with 10 or more years of credited service are:

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

PREMIUM BENEFITS, MEMBERS WITH 10 YEARS OF SERVICE

Monthly Premium Benefit Payable	Coverage
\$150	Member Under 65
\$100	Member 65 or Over
\$260	Member and Dependents Under 65
\$170	Member and Dependents 65 or Over
\$215	Member Over 65, Dependents Under 65
\$215	Member Under 65, Dependents Over 65

For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction equal to 10% for each completed year of service (i.e., 50% to 90%). Members may also choose to receive an optional premium benefit, where their premium benefit is reduced, but may be continued to the retiree's beneficiary. This optional premium benefit is only available to retirees who elect a joint and contingent or period certain form of payment.

Long Term Disability Program (LTD):

Pursuant to A.R.S. § 38-797, members of the ASRS are eligible for LTD benefits in the event they become unable to perform their work. The monthly benefit is up to two-thirds of their monthly compensation. Participants continue to earn service credit up to their normal retirement dates. Members with LTD commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date, if their service is greater than 30 years.

TERMINATION OF EMPLOYMENT

Upon termination of employment, members may elect to receive their contributions made to the Plan, plus accrued interest. Members with an initial membership date before July 1, 2011, may receive a percentage of employer contributions. Members with an initial membership date on or after July 1, 2011 will not receive any portion of the employer contributions if they withdraw their account balance prior to retirement. This does not apply to terminations due to an employer reduction in force or position elimination, in which case the above ASRS vesting schedule will apply.

Withdrawal of accumulated contributions results in forfeiture of the member's accrued benefits in the Plan; however, state law allows for reinstatement of a member's forfeited service upon repayment of the accumulated contributions, plus interest, if a former member returns to covered service.

CONDENSED SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Employers participating in the ASRS cost-sharing multiple-employer defined benefit plans are required to report pension information in their financial statements, for fiscal periods beginning on or after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. The Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (pension allocation schedules) provide employers with the required information for financial reporting.

BASIS OF ACCOUNTING

The underlying financial information used to prepare the pension allocation schedules is based on the ASRS financial statements. The ASRS financial statements are prepared using the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) that apply to governmental accounting for fiduciary funds.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. For a complete description of significant accounting policies, please refer to the ASRS' June 30, 2023 Annual Comprehensive Financial Report (ACFR).

ACTUARIAL ASSUMPTIONS

The total pension liability/(asset) and Other Post Employment Benefits (OPEB) liability/(asset) was determined by an actuarial valuation as of June 30, 2022, and rolled forward using generally accepted actuarial procedures to June 30, 2023 by incorporating the expected value of benefit accruals, the actual plan benefit payments and interest accruals during the year. The following actuarial assumptions pertain to assumptions utilized for financial reporting requirements and differ from the assumptions utilized for funding purposes. The principal differences between the actuarial assumptions for financial reporting purposes and those utilized for funding purposes are the actuarial cost methodology, amortization methodology, valuation of the Retirement Fund assets and the inclusion of the Permanent Benefit Increase.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

	Pension / Retirement	Health Benefit Supplement (HBS)	Long Term Disability (LTD)
Actuarial Valuation Date	June 30, 2022	June 30, 2022	June 30, 2022
Actuarial Roll Forward (Measurement) Date	June 30, 2023	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset Valuation	Fair Value	Fair Value	Fair Value
Discount Rate	7.0%	N/A	N/A
Projected Salary Increase	2.9 - 8.4%	N/A	N/A
Inflation	2.3%	2.3%	2.3%
Investment Rate of Return	N/A	7.0%	7.0%
Permanent Benefit Increase	Included	N/A	N/A
Mortality Rates	2017 SRA Scale U-MP	2017 SRA Scale U-MP	N/A
Recovery Rates	N/A	N/A	2012 GLDT

The actuarial assumptions related to funding appear in the Notes to Required Supplementary Information and the Actuarial Section of the June 30, 2023 ACFR for the ASRS. The actuarial assumptions related to funding were selected on the basis of an experience study which was performed for the five-year period ending June 30, 2020. The ASRS Board adopted the experience study which recommended changes, and those changes were effective as of the June 30, 2021 actuarial valuation.

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the funding policy of the ASRS Board, which establishes the contractually required rate under Arizona Revised Statutes. Based on those assumptions, the Retirement Fund’s fiduciary net position was projected to be available to make all the projected future benefit payments of current members. Therefore, the long term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

The table below presents PSPRS’ and the PSCIPP’s share of the net pension and OPEB liability/(asset) of the participating employers calculated using the discount rate of 7.00%, as well as what PSPRS’ and the PSCIPP’s share of the net pension and OPEB liability/(asset) would be if it were calculated using the discount rate that is 1.00% lower (6.00%) or 1.0% higher (8.00%) than the current rate at June 30, 2023:

SENSITIVITY ANALYSIS—NET PENSION & OPEB LIABILITY/(ASSET) PSPRS (including PSCIPP) Proportionate Share (IN \$ THOUSANDS)			
	1% DECREASE (6.00%)	CURRENT DISCOUNT RATE (7.00%)	1% INCREASE (8.00%)
Net Pension liability/(asset)	16,312	10,890	6,369
Health Benefit Supplement (HBS) OPEB liability/(asset)	(254)	(363)	(456)
Long Term Disability (LTD) OPEB liability/(asset)	13	9	5
TOTAL	16,071	10,536	5,918

In the table above, \$10,536 thousand is the total net pension and OPEB liability. \$14,923 is reported on the Statement of Fiduciary Net Position which consists of \$15,425 in net pension liabilities and (\$502) in net OPEB assets. The remaining \$10,521 thousand is allocated to the PSPRS, which a separate annual audited financial report is issued for and can be obtained at www.psprs.com.

BASIS FOR ALLOCATION

PSPRS’ and the PSCIPP’s proportionate share of the ASRS net pension liability/(asset) and OPEB liability/(asset) is calculated using accrued retirement contributions for employers that were members of the ASRS on June 30, 2023. PSPRS’ and the PSCIPP’s proportionate share of the ASRS’ net pension liability/(asset) and OPEB liability/(asset) were based on the ratio of the PSPRS’s actual contributions paid to ASRS for the year ended June 30, 2023 relative to the actual contributions from all participating employers. The PSCIPP is then allocated a share of the PSPRS amount as determined by the PSPRS management. The below table represents the PSPRS and the PSCIPP’s allocation percentages at June 30, 2023:

ALLOCATION % FOR PENSION & OPEB LIABILITY/(ASSET) PSPRS (including PSCIPP) Proportionate Allocation Percentage			
	PENSION/ RETIREMENT	HBS	LTD
PSPRS Contributions	1,047,192	9,425	12,155
Total Contributions From Participating Employers	1,556,007,811	14,017,586	18,092,242
PSPRS Allocation Percentage	0.06730%	0.06724%	0.06719%

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Based on its proportionate share, for the year ended June 30, 2023, the PSCIPP recognized a pension and OPEB revenue of \$1,330. At June 30, 2024, the PSPRS recognized a net pension and OPEB liability of \$10,536 thousand. The PSCIPP allocated portion is \$14,923 which consists of \$15,425 in net pension liabilities and (\$502) in net OPEB assets.

PSCIPP also reported allocated deferred outflows of resources and deferred inflows of resources from the following sources related to ASRS pension and OPEB benefits:

PSCIPP ALLOCATED DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES			
BALANCE OF DEFERRED OUTFLOWS AND INFLOWS DUE TO:	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES	
Difference Between Expected and Actual Experience	\$ 381	\$ 199	
Difference Between Projected and Actual Investment Earnings	-	569	
Changes in Assumptions	3	28	
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	1,193	27	
Employer contributions subsequent to the measurement date	1,706	-	
TOTAL	\$ 3,283	\$ 823	

\$1,706 reported as a deferred outflow from contributions paid subsequent to the measurement date will be recognized as an addition to the net pension and OPEB liability in the subsequent fiscal year ended June 30, 2025.

Other amounts reported as collective deferred (inflows)/outflows of resources to be recognized in future pension and OPEB expense/(revenue) include the following:

PSCIPP ALLOCATED AMORTIZATION OF DEFERRED (INFLOWS)/OUTFLOWS		
FYE JUNE 30,		DEFERRED (INFLOW) OUTFLOW
2025	\$	529
2026		(259)
2027		572
2028		(87)
2029		(2)
Thereafter		1
TOTAL	\$	754

On September 30, 2022, the ASRS Board approved updated strategic asset allocation targets that were implemented beginning October 2022. The ASRS's estimates of geometric real rates of return for each major asset class are summarized in the following table:

EXPECTED RETURN - GEOMETRIC BASIS			
ASSET CLASS	TARGET ASSET ALLOCATION	REAL RETURN GEOMETRIC BASIS	LONG-TERM CONTRIBUTION TO EXPECTED REAL RETURN
Equity	44%	3.50%	1.54%
Credit	23%	5.90%	1.36%
Real estate	17%	5.90%	1.00%
Private Equity	10%	6.70%	0.67%
Interest Rate Sensitive	6%	1.50%	0.09%
Total	100%		4.66%

Additional financial and actuarial information is available at www.azasrs.gov.

REQUIRED SUPPLEMENTARY INFORMATION

ASRS SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS LAST 10 YEARS						
MEASUREMENT DATE JUNE 30,	PERCENTAGE OF THE NET PENSION LIABILITY (ASSET)	SHARE OF THE NET PENSION LIABILITY (ASSET)	COVERED PAYROLL	NET PENSION LIABILITY (ASSET) AS A % OF COVERED PAYROLL	FIDUCIARY NET POSITION AS A % OF TOTAL PEN- SION LIABILITY/ (ASSET)	
2014	0.039438%	5,835,426	3,452,000	169.04%	69.49%	
2015	0.041820%	6,514,618	3,852,000	169.12%	68.35%	
2016	0.043880%	7,082,674	3,886,000	182.26%	67.06%	
2017	0.045190%	7,039,721	4,313,305	163.21%	69.92%	
2018	0.050020%	6,976,030	4,800,853	145.31%	73.00%	
2019	0.053180%	7,725,026	5,506,225	140.30%	73.24%	
2020	0.049410%	8,561,034	5,301,467	161.48%	69.33%	
2021	0.058300%	7,660,361	6,342,055	120.79%	78.58%	
2022	0.059750%	9,752,527	7,460,628	130.72%	74.26%	
2023	0.067300%	10,890,112	8,586,100	126.83%	75.47%	

ASRS SCHEDULE OF PROPORTIONATE SHARE OF THE HBS OPEB LIABILITY/(ASSET) AND RELATED RATIOS LAST 10 YEARS (BUILT PROSPECTIVELY FROM 2021)						
MEASUREMENT DATE JUNE 30,	PERCENTAGE OF THE NET HBS OPEB LIA- BILITY (ASSET)	SHARE OF THE NET HBS OPEB LIABILITY (ASSET)	COVERED PAYROLL	NET HBS OPEB LIABILITY (ASSET) AS A % OF COVERED PAYROLL	FIDUCIARY NET POSITION AS A % OF TOTAL HBS OPEB LIABILITY/ (ASSET)	
2021	0.058060%	(282,873)	6,342,055	4.46%	130.24%	
2022	0.059800%	(333,743)	7,460,628	4.47%	137.79%	
2023	0.067240%	(363,047)	8,586,100	4.23%	134.37%	

Note: Additional years will be added as they become available.

ASRS SCHEDULE OF PROPORTIONATE SHARE OF THE LTD OPEB LIABILITY/(ASSET) AND RELATED RATIOS LAST 10 YEARS (BUILT PROSPECTIVELY FROM 2021)						
MEASUREMENT DATE JUNE 30,	PERCENTAGE OF THE NET LTD OPEB LIA- BILITY (ASSET)	SHARE OF THE NET LTD OPEB LIABILITY (ASSET)	COVERED PAYROLL	NET LTD OPEB LIABILITY (ASSET) AS A % OF COV- ERED PAYROLL	FIDUCIARY NET POSITION AS A % OF TOTAL LTD OPEB LIABILITY/ (ASSET)	
2021	0.058120%	11,997	6,342,055	0.19%	90.38%	
2022	0.059670%	5,511	7,460,628	0.07%	95.40%	
2023	0.067190%	8,804	8,586,100	0.10%	93.70%	

Note: Additional years will be added as they become available.

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

At June 30, 2024, the System recognized a net pension and OPEB liability of \$10,536 thousand, of which the PSCIPP

allocated portion is \$14,923. This consists of \$15,425 in net pension liabilities and (\$502) in net OPEB assets. The remaining \$10,521 thousand is allocated to the PSPRS, which a separate annual audited financial report is issued for and can be obtained at www.psprs.com.

See Note 9 to the Notes to the Basic Financial Statements for ASRS contribution rate information, actuarial assumptions and net pension liability related to the ASRS retirement plan.

REQUIRED SUPPLEMENTARY INFORMATION

ASRS SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS PAID TO ASRS LAST 10 FISCAL YEARS				
FISCAL YEAR END JUNE 30,	ACTUARIALLY DETERMINED CONTRIBUTIONS	ACTUAL CONTRIBUTION	COVERED PAYROLL	CONTRIBUTION AS A % OF COVERED PAYROLL
2015	475,910	475,910	3,852,000	12.35%
2016	492,337	492,337	3,886,000	12.67%
2017	569,439	569,439	4,313,305	13.20%
2018	541,968	541,968	4,800,853	11.28%
2019	626,988	626,988	5,506,225	11.39%
2020	618,410	618,410	5,301,467	11.66%
2021	763,553	763,553	6,342,055	12.04%
2022	854,186	854,186	7,460,628	11.45%
2023 †	1,047,192	1,047,192	8,586,100	12.20%
2024	1,179,661	1,179,661	9,574,107	12.32%

ASRS SCHEDULE OF EMPLOYER HBS OPEB CONTRIBUTIONS PAID TO ASRS LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY FROM 2022)				
FISCAL YEAR END JUNE 30,	ACTUARIALLY DETERMINED CONTRIBUTIONS	ACTUAL CONTRIBUTION	COVERED PAYROLL	CONTRIBUTION AS A % OF COVERED PAYROLL
2022	14,587	14,587	7,460,628	0.20%
2023 †	9,425	9,425	8,586,100	0.11%
2024	10,532	10,532	9,574,107	0.11%

Note: Additional years will be added as they become available.

ASRS SCHEDULE OF EMPLOYER LTD OPEB CONTRIBUTIONS PAID TO ASRS LAST 10 FISCAL YEARS (BUILT PROSPECTIVELY FROM 2022)				
FISCAL YEAR END JUNE 30,	ACTUARIALLY DETERMINED CONTRIBUTIONS	ACTUAL CONTRIBUTION	COVERED PAYROLL	CONTRIBUTION AS A % OF COVERED PAYROLL
2022	13,370	13,370	7,460,628	0.18%
2023 †	12,155	12,155	8,586,100	0.14%
2024	13,992	13,992	9,574,107	0.15%

Note: Additional years will be added as they become available.

† Each year there is an immaterial difference between employer contributions ASRS recognized and what was recorded by PSPRS and PSCIPP due to timing differences. PSPRS and PSCIPP prior year contributions have been restated using the employer contributions recognized by ASRS.

Note: The schedules shown above are required by GASB Statement No. 68 since PSCIPP employees belong to the Arizona State Retirement System, a cost-sharing multiple-employer plan. As such, PSCIPP is an “employer” in that plan and is required to contribute to ASRS.

See Note 5 to the Notes to the Basic Financial Statements for ASRS contribution rate information, actuarial assumptions and net pension liability related to the ASRS retirement plan.

SUPPORTING SCHEDULES INFORMATION

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED JUNE 30, 2024	
ADMINISTRATIVE EXPENSE	AMOUNT
Personnel Services	
Salaries and Wages	\$ 117,261
Payroll Taxes and Fringe Benefits	57,573
Staffing Services	9,912
Total Personnel Services	184,746
Professional Services	
Accounting and Auditing Services	34,225
Actuarial Services	16,475
Legal Services	5,311
Other Professional Services	3,287
Total Professional Services	59,298
General	
Building Expense	2,816
Communications	1,083
Computer Related Expense	7,896
Education, Meetings & Travel	2,863
Other Expenses	3,500
Postage Expenses	296
Supplies and Services	604
Total General Expenses	19,058
TOTAL ADMINISTRATIVE EXPENSE	\$ 263,102

SCHEDULE OF INVESTMENT EXPENSES FOR THE YEAR ENDED JUNE 30, 2024	
SOURCE OF EXPENSE	AMOUNT
Internal Investment Expense	\$ 11,188
TOTAL INVESTMENT EXPENSE	\$ 11,188

SCHEDULE OF PAYMENTS TO CONSULTANTS FOR THE YEAR ENDED JUNE 30, 2024	
PROFESSIONAL SERVICES	AMOUNT
Accounting and Auditing Services	
CliftonLarsonAllen LLP	\$ 34,225
Actuarial Services	
Foster & Foster, Inc.	16,475
Legal Services	
Charles W. Whetstine	2,639
Foley & Lardner, LLP	7
Gallagher & Kennedy	2,665
Total Legal Services	5,311
Other Professional Services	
Examworks, LLC	177
Gensler	127
Highground, Inc.	1,018
Knaster Technology Group	134
LSS Consulting, LLC	62
Manual Writing, NA	389
McLagan Partners	89
MHA Consulting	33
Public Policy Partners, LLC	1,258
Total Professional Services	3,287
TOTAL PAYMENTS TO CONSULTANTS	\$ 59,298