CITY OF TUCSON, ARIZONA

TUCSON SUPPLEMENTAL RETIREMENT SYSTEM

A Component Unit of the City of Tucson, Arizona
Comprehensive Annual Financial Report

FISCAL YEAR JULY 1, 2008 - JUNE 30, 2009

TUCSON SUPPLEMENTAL RETIREMENT SYSTEM
(A Component Unit of the City of Tucson, Arizona)

Comprehensive Annual Financial Report
For Fiscal Year Ended
JUNE 30, 2009

Issued by the City of Tucson, Human Resources Department, Retirement Division

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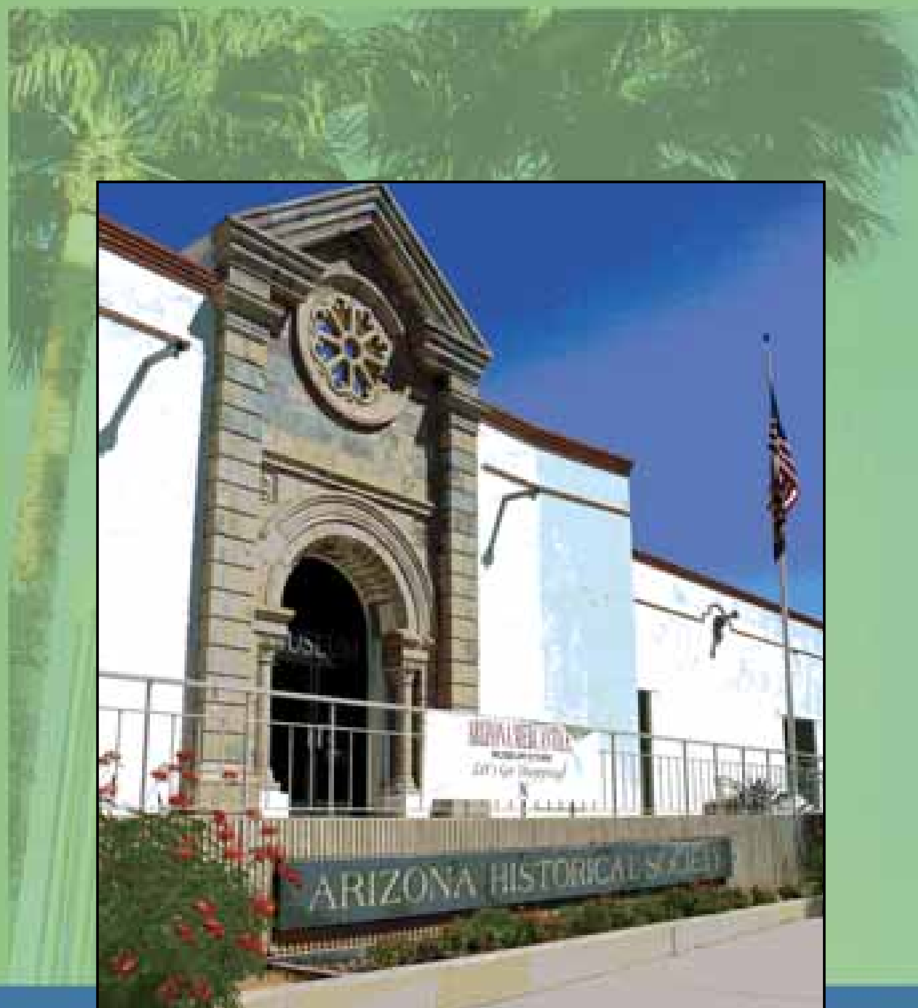


Introduction Section

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tucson Supplemental Retirement System

Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

CITY OF TUCSON

December 1, 2009

Chairman and Members of the Retirement Board
Tucson Supplemental Retirement System

The Comprehensive Annual Financial Report (CAFR) of the Tucson Supplemental Retirement System ("TSRS" or the "System") for the year ended June 30, 2009, is herewith submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation rests with the management of TSRS. A narrative introduction, overview and analysis can be found in Management's Discussion and Analysis beginning on page 3.

This report consists of five sections:

- the **Introductory Section**, which contains this letter of transmittal and the organizational structure;
- the **Financial Section**, which contains the Independent Auditor's Report, Management's Discussion and Analysis, the audited financial statements, notes to the financial statements, and relevant supplemental information and supporting schedules for the fiscal year ended June 30, 2009;
- the **Investment Section**, which contains a letter from the Investment Consultant, an outline of investment policies, investment results, asset allocation and other investment schedules;
- the **Actuarial Section**, which contains the independent actuary's certification letter and results of the annual actuarial valuation; and
- the **Statistical Section,** which provides financial and demographic data pertaining to TSRS.

The Tucson Supplemental Retirement System was established in 1953 to provide retirement, survivor, and disability benefits to eligible City of Tucson (City) employees. Substantially all full-time and certain part-time employees, with the exception of those covered by the Arizona Public Safety Personnel Retirement System or the Elected Officials Retirement Plan of Arizona, are covered by TSRS.

A member of the System is eligible for normal retirement upon the earlier of (1) reaching the age of 62, or (2) when a combination of the employee's age and years of creditable service including accrued and unused sick leave and vacation leave equal the sum of 80. Early service retirement benefits are also available for members who attain the age of 55 with 20 or more years of creditable service.

Record keeping is the responsibility of the Human Resource Department, Employee Benefits and Retirement Section. Financial statements and investment control responsibilities of TSRS have been performed by the Accounting and Treasury Divisions of the City's Finance Department. TSRS uses the accrual basis of accounting. This CAFR was prepared to conform with the principles of governmental accounting and reporting set forth by the Governmental Accounting Standards Board (GASB). Internal accounting controls provide reliable financial records for preparation of financial statements, and provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition.

Budgetary Controls

Annually, the budget for the System must be approved by the Board of Trustees. The budget is also included in the City of Tucson annual budget which is recommended by the City Manager for adoption by the Mayor and Council.

Provisions of the Tucson City Code require unanimous approval of all System expenses by the Board of Trustees. Quarterly, the Board of Trustees reviews the financial report and expenses listing and ratifies all 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 fixed period of fifteen years.

Major Initiatives

The fiscal year ending June 30, 2009 began with 188 employees exiting the workforce and entering retirement by October following completion of their End of Service program participation from special retirement incentives offered in the prior year. The End of Service program for the current fiscal year had 38 new enrollments by June 30, 2009.

During the fiscal year 2009, the TSRS Board of Trustees recommended comprehensive revisions to Chapter 22, Article III of the Tucson City Code in an effort to update the plan document with current IRS requirements. On April 22, 2009 the Mayor and Council approved the revised plan document with an effective date of July 1, 2009. Among significant changes made to the plan provisions; default provisions were added for death benefits available to members eligible to retire, minimum accrued service requirements for members with a hire date after July 1, 2009 and higher accrued service requirements for disability retirement applications received after July 1, 2009.

Funding Status

Analysis of the funding progress for TSRS measures the net assets available for benefits against the actuarial accrued liability to arrive at the plan's percent funded ratio. As of June 30, 2009, the system's funded ratio decreased from the prior year 79.1% level to 77.4%. The actuarial accrued liability increased from $822,204,788 to $859,485,158 an increase of 4.5% and the actuarial value of assets available for benefits increased by 2.3% from $650,227,215 to $665,298,494. The System's unfunded actuarial accrued liability increased by $22,209,091 during this plan year. Elements associated with this change include experience gains attributable to pay increases of $15,400,000 and net gains from retiree mortality, retirement incidence and new entrants totaling $1,080,000; offsetting those gains were losses related to employee turnover, pre-retirement mortality and other factors of $10,289,000. In addition, there were losses from investment experience of $80,420,000 reduced by a change in the actuarial asset valuation of $74,830,000, and actuarial assumption changes of $23,581,000. From time to time, one or more actuarial assumptions are modified to reflect experience trends following an actuarial investigation of experience. Changes in the actuarial assumptions referenced above were adopted by the TSRS board based upon recommendations from the system actuary after completing a five year experience study in March of 2009.

Investment Activities

The Board of Trustees (the "Board") reviews manager reports and schedules investment manager meetings throughout the year to review performance, economic outlook, and investment strategy. The Treasury Division staff monitors the investment portfolios and provides monthly reports to the Board regarding target and actual allocation levels and any unusual investment activities.

Net investment loss amounted to ($141,112,496). The net investment gain or loss is comprised of bond interest, dividend income, real estate income, security lending income, investment expenses and realized and unrealized gains and losses on securities. The rate of return for the total fund for the year was (20.96%). For the last five years, the System has had an annualized return of 1.32%.

TSRS asset allocation targets are 46% U.S. equities, 15% foreign equities, 8% real estate, 26% fixed income and 5% infrastructure. These percentages reflect the current diversification posture as of June 30, 2009 and represent the board's prudent judgment in the pursuit of maximum returns at acceptable levels of risk.

In a continuing effort to increase diversification of the System's investment portfolio, the Board decided to add an infrastructure component to the investment policy and allocation strategy. As a result, the Board voted to invest in two infrastructure limited partnership arrangements at the conclusion of its manager search and interview process in May, 2008. The Board chose Macquarie European Infrastructure Fund 3, L.P. (MEIF3) and SteelRiver Infrastructure Fund North America, L.P. (formally Babcock & Brown Infrastructure Fund North America, L.P.) to manage $40 million, or 5% of total System assets, split evenly between each infrastructure fund. In the summer of 2009, the Board formally adopted the 5% target allocation to infrastructure as a separate asset class and correspondingly reduced the asset allocation target for U.S. equities from 49% to 46% and for fixed income from 28% to 26%. The asset allocation target for real estate remained unchanged. As of June 30, 2009, approximately 85% or $17 million and 45% or $9 million of funding had been completed for Macquarie and SteelRiver, respectively. In regard to real estate, there were no new capital calls during the fiscal year. As of June 30, 2009, 3% of the $8.1 million commitment to the LaSalle Income and Growth Fund IV (LaSalle) still remained outstanding.

In accordance with investment policy, the System's asset classes were rebalanced throughout the fiscal year. In August, a total of $2 million was moved from fixed income and split equally between U.S. and international equities. Thereafter, due to the sharp decline in the equity markets beginning in September of 2008 together with the increasing liquidity requirements needed to pay retiree pensions, $26.5 million was moved out of fixed income, in monthly increments, to the City's investment pool account. This amount was utilized throughout the fiscal year to make up the continuing shortfall between pension contributions and distributions. This movement of funds had a "self-balancing" effect between equities and fixed income which helped to keep those asset classes within their target allocation percentage ranges.

Hewitt Investment Group continues as investment consultant to the System and BNY Mellon continues to serve as master custodian.

Professional Services

The Retirement Board retains money managers and other professionals to prudently discharge its fiduciary responsibility for the proper administration of the System. Opinions of the independent auditors and the actuary are included in this report. The professionals retained by the Board are listed on page vii of this report.

Acknowledgments

This report is intended to provide information as a means for making management decisions, complying with statutory provisions, and demonstrating responsible stewardship for assets of the System. The preparation of this report reflects the combined efforts of TSRS staff, the City of Tucson Finance Department, and others that have worked diligently to assure the successful operation of TSRS. A special word of appreciation is due to Vivian Newsheller, Principal Accountant, Allan Bentkowski, CPA, Investment Manager, and to Claire Beaubien CPS, Administrative Assistant, who have all contributed many hours to produce this report. The direction and support extended by the Board of Trustees is also greatly appreciated.

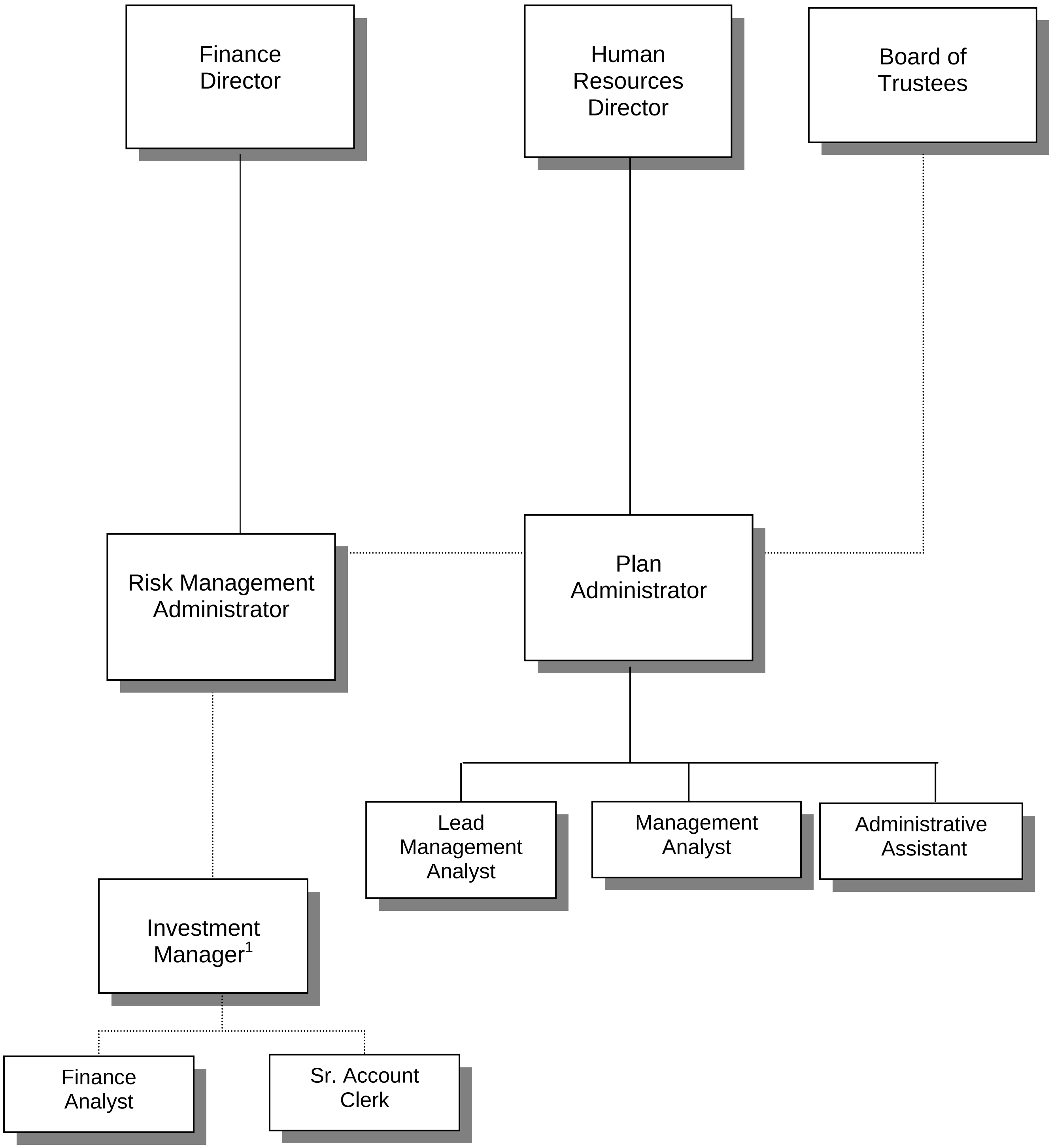
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Tucson Supplemental Retirement System for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the 13th consecutive year that the Tucson Supplemental Retirement System has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government 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 that 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.

Respectfully submitted,

Michael A. Hermanson, CPA
Plan Administrator

Organization Chart



Note[1]: A listing of the external investment managers for the System can be found on page vii.

Administrative Organization

BOARD OF TRUSTEES

Brian Bjorndahl
Chairman

Kevin Larson
City Manager's Appointee

Sylvia Amparano
Interim Finance Director

Cindy Bezaury
Human Resources Director

Walter "Brandy" Kadous
Employee Representative

Gage Andrews
Employee Representative

Jean Wilkins
Retiree Representative

FINANCE

RISK MANAGEMENT STAFF

Joel Peterson
Risk Management Administrator

TREASURY STAFF

Allan Bentkowski, CPA
Investment Manager

John Behrens
Finance Analyst

Deborah Gagnier-Campbell
Sr. Account Clerk

HUMAN RESOUCES

RETIREMENT STAFF

Michael A. Hermanson, CPA
Plan Administrator

Doris Rentschler, CFP
Finance Analyst

Claire Beaubien, CPS
Administrative Assistant

ACCOUNTING

Vivian Newsheller
Principal Accountant

LEGAL

David Deibel
Principal Assistant City Attorney

ACTUARY

Gabriel, Roeder, Smith & Company
Denver, CO

AUDITOR

Heinfeld, Meech & Company, P.C.
Tucson, AZ

INVESTMENT MANAGERS

Alliance Capital Management Corporation
New York, NY

Barclays Global Investors
San Francisco, CA

Causeway Capital Management
Los Angeles, CA

Friess Associates, LLC
Greenville, DE

Pyramis Global Advisors (Fidelity)
Smithfield, RI

JP Morgan Asset Management
San Francisco, CA

Artio Investment Management LLC (Julius Baer)
New York, NY

LaSalle Investment Management
Chicago, IL

Pacific Investment Management Company
Newport Beach, CA

Trust Company of the West
Los Angeles, CA

Macquarie Capital (USA) Inc.
New York, NY

SteelRiver Infrastructure
New York, NY

INVESTMENT CONSULTANT

Hewitt Investment Group
Lincolnshire, IL

CUSTODIAN BANK

BNY Mellon
New York, NY

CITY OF
FOUNDED
1775
TUCSON

Financial Section

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

The Board of Trustees
Tucson Supplemental Retirement System:

We have audited the accompanying financial statements of the Tucson Supplemental Retirement System (the System), a component unit of the City of Tucson, Arizona, as of and for the year ended June 30, 2009, which collectively comprise the System's basic financial statements as listed in the table of contents. 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 audit.

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 the 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 respective financial position of the Tucson Supplemental Retirement System, as of June 30, 2009, and the respective changes in financial position thereof 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 November 24, 2009, on our consideration of the Tucson Supplemental Retirement System'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.

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The management's discussion and analysis on pages 3 through 7 and the schedule of funding progress and schedule of employer contributions on pages 23 and 24 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 System's basic financial statements. The introductory section, supporting schedules of the financial section, investment section, actuarial section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supporting schedules in the financial section have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, investment section, actuarial section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Heinfeld, Meech & Co., P.C.

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

November 24, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

We are pleased to provide this overview and analysis of the financial activities of the Tucson Supplemental Retirement System (TSRS) for the plan year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which begins on page ii of this report.

Financial Highlights

- The net assets of TSRS as of the close of the plan year ending June 30, 2009 are $484,639,328 (net assets held in Trust for Pension Benefits). All of the net assets are available to meet TSRS's ongoing obligations to plan participants and their beneficiaries.

- TSRS's decrease for this plan year in total net assets held in trust for pension benefits were $165,587,887, or 25.5%, primarily as a result of decreases in the market value of the System's assets.

- TSRS's funding objective is to establish and receive contributions, which will remain approximately level from year to year and thereby minimize inter-generational cost transfers. As of June 30, 2009, the date of our last actuarial valuation, the funded ratio for TSRS was approximately 77.4%.

- Revenues (Additions to Plan Net Assets) for the year were negative $108,381,980, which includes member and employer contributions plus transfers from other systems and contributions from other sources totaling $32,730,516, Investment earnings income of $18,786,942 and a net loss in fair value of investments of $155,121,981 reduced further by Investment Expenses of $4,777,457.

- Expenses (Deductions from Plan Net Assets) increased from $52,366,661 to $57,205,907 over the prior year, or approximately 9.3%. The increase in deductions were caused by increases in pension benefits of $5,784,948, increased refunds of $424,721 and increased administrative expenses of $345,036, slightly offset by a decrease in transfers to the Arizona State Retirement System of $1,685,459; bringing the total increase in expenses to $4,869,246.

Overview of the Financial Statements

The following discussion and analysis are intended to serve as an introduction to TSRS's financial statements, which are comprised of these components:

1. Statement of Plan Assets
2. Statement of Changes in Plan Net Assets
3. Notes to the Financial Statements

Please note, however, that this report also contains other supplementary information in addition to the basic financial statements themselves, including details of the system's investments, actuarial analysis, and various statistical information found in sections under those names.

The Statement of Plan Net Assets is a snapshot of account balances at year-end. It indicates the assets available for future payments to retirees and any current liabilities that are owed at this time.

The Statement of Changes in Plan Net Assets, on the other hand, provides a view of current year additions to and deductions from the plan.

Both statements comply with applicable Governmental Accounting Standards Board (GASB) Statements. These pronouncements require certain disclosures and require state and local governments to report using the full accrual method of accounting. TSRS complies with all material requirements of these pronouncements.

The Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets report information about TSRS's activities. These statements include all assets and liabilities, using the full accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses were taken into account regardless of when cash is received or paid. All investment gains and losses are shown at trade date, not settlement date. In addition, both realized and unrealized gains and losses are shown on investments, and all capital assets (fixed assets) are depreciated over their useful lives.

These two statements report TSRS's net assets held in trust for pension benefits (net assets) – the difference between assets and liabilities – is one way to measure the system's financial position. Over time, increases and decreases in TSRS's net assets are one indicator of whether its financial condition is improving or deteriorating. (See TSRS's financial statements on pages 8 and 9 of this report).

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. (See Notes to Financial Statements on pages 10-22 of this report).

Other information. In addition to the financial statements and accompanying notes, this report presents certain required supplementary information concerning TSRS's progress in funding its obligations to provide pension benefits to members (See Required Supplementary Information on page 23 and 24 of this report).

The schedules of administrative expenses, investment manager fees and other investment expenses, and payments to consultants are presented immediately following the required supplementary information on pensions. (See Supporting Schedules on page 25 of this report.)

Financial Analysis

As previously noted, net assets may serve over time as a useful indication of TSRS's financial position (see table on page 5). The total assets of TSRS exceeded its liabilities at the close of the plan year ended June 30, 2009. Currently $484,639,328 in net assets are held in trust for ongoing obligations to plan participants and their beneficiaries.

Changes in Total Plan Net Assets

Assets		**6/30/09**		**6/30/08**	**% change**
Cash, Cash Equivalents and Receivables	$	43,496,843	$	87,311,068	-50.2%
Investments		460,450,833		654,935,256	-29.7%
Securities Lending Cash Collateral		13,097,459		30,555,540	-57.1%
Capital Assets, Net		116,077		142,589	-18.6%
Total Assets	**$**	**517,161,212**	**$**	**772,944,453**	**-33.1%**
Liabilities					
Accounts Payable and Other Payables	$	803,380	$	4,513,665	-82.2%
Due to Securities Lending Borrowers		13,097,459		30,555,540	-57.1%
Due to Brokers		18,621,045		87,648,033	-78.8%
Total Liabilities	**$**	**32,521,884**	**$**	**122,717,238**	**-73.5%**
Total Net Assets	**$**	**484,639,328**	**$**	**650,227,215**	**-25.5%**

As of June 30, 2009, $484,639,328 in Plan Net Assets are held in Trust for the payment of pension benefits, as identified in the Statement of Plan Assets on page 8. This amount represents a decrease of 25.5% from June 30, 2008. The decrease is attributable primarily to losses experienced in the financial markets, which impacted TSRS' investment performance.

Additions to Plan Net Assets

Additions to Net Assets - TSRS		**6/30/09**		**6/30/08**	**% change**
Employer Contributions	$	21,279,535	$	23,902,286	-11.0%
Employee Contributions		8,156,115		8,591,124	-5.1%
Purchase of Service Credit		1,565,164		5,186,289	-69.8%
Transfers and contributions from other systems		1,729,702		2,143,701	-19.3%
Investment loss and securities lending income		(141,112,496)		(33,234,599)	324.6%
Total Additions	**$**	**(108,381,980)**	**$**	**6,588,801**	**-1744.9%**

Employer contributions decreased by $2,622,751 or 11.0% and employee contributions decreased by $435,009 or 5.1%. A decrease in covered payroll and a reduction in the annual required contribution rate are principal reasons for the decrease in contributions. A total of $1,565,164 was received from employees purchasing service credits, which was $3,621,125, or 69.8% less than the prior fiscal year. Transfers from other systems also dropped from the prior year by 19.3% or $413,999. Net investment income loss for the current year increased by $107,877,897, or 324.6% from the prior year, caused by declining portfolio values in the domestic and international financial markets.

Deductions from Plan Net Assets

The principal purpose for which the System was created was to provide supplemental retirement annuities, survivor benefits, and total and permanent disability benefits to qualified members and their beneficiaries. The costs of such programs include recurring benefit payments as designated by the System, refunds of contributions to terminated employees, the cost of administering the System and expenses incurred in the investment of the System's assets.

Expenses for fiscal year 2009 totaled $57,205,907, a increase of 9.3% from fiscal year 2008 expenses. The largest contributor for the increase in total deductions relates to an increase in retirees and the resulting pension benefits paid of $5,784,948. Offsetting this increase were reductions in transfers to other systems of $1,685,459 or a 38.8%

reduction from the prior year. Refunds of contributions increased by $424,721, an increase of 33.6%. Administrative expenses increased during fiscal year 2009 by $345,036, a 66.4% increase. Additional administrative expenses incurred this year relate to legal expenses, insurance expense, software maintenance fees and fee repayments that were not experienced in prior years.

Deductions from Net Assets		**06/30/09**		**06/30/08**	**% change**
Retirement Benefits	$	51,996,508	$	46,211,560	12.5%
Refund of Contributions		1,689,956		1,265,235	33.6%
Transfers to Other Systems		2,655,061		4,340,520	-38.8%
Administrative Expenses		864,382		519,346	66.4%
Total Deductions	$	57,205,907	$	52,336,661	9.3%
Net Increase/(Decrease) in Plan Assets	**$**	**(165,587,887)**	**$**	**(45,747,860)**	**262.0%**

Reserves

The system places an amount into a separate Reserve for Employee Contributions for all amounts contributed by members. Deductions are made from this account when the member retires, transfers balances to other retirement systems, or when a member terminates employment and requests a refund. As of the plan year ended June 30, 2009, the balance in this reserve account increased by $8,302,515 to $133,633,947.

Upon retirement, the system places an amount in Reserves for Retirement Benefits equivalent to the present value of the actuarial benefit selected by the member. When the present value is determined, amounts are added to this reserve from amounts in the Reserve for Employee Contributions and from the Unreserved Net Assets balance to fully fund the expected liability. During the plan year ended June 30, 2009, this reserve account balance increased by $21,682,045 to $494,923,021.

The impact of losses recognized during the plan year ended June 30, 2009 affects the amount remaining in the Unreserved Net Assets. Employer funding is added to the Unreserved Net Assets balance. At retirement, amounts needed to fully fund retirement benefits are transferred from the Unreserved Net Assets to the Reserves for Retirement Benefits. Due to a marked decline in market values of the system's portfolio assets, Unreserved Net Assets decreased during the plan year by $195,572,447 to a negative balance of $143,917,640.

TSRS's Fiduciary Responsibilities

TSRS's Board of Trustees and management staff are fiduciaries of the pension trust fund. Under the City of Tucson Code the assets can only be used for the exclusive benefit of plan participants and their beneficiaries.

Requests for Information

This financial report is designed to provide the Retirement Board of Trustees, our membership, taxpayers, investment managers and other interested parties with a general overview of TSRS's finances and to account for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Tucson Supplemental Retirement System
Attention: TSRS Plan Administrator
City Hall, 1st floor - Retirement Office
255 West Alameda Street
Tucson, Arizona 85701

Tucson Supplemental Retirement System
Statement of Plan Net Assets
Year Ended June 30, 2009

Assets		
Cash Deposits/Pooled Investments	$	1,139,653
Receivables:		
Employer Contributions Receivable (Note 3)		802,823
Employee Contributions (Note 3)		318,882
Due From Brokers		7,030,446
Interest and Dividends		1,494,348
Total Receivables		9,646,499
Investments, at Fair Value (Notes 4, 5, and 6):		
Short Term Investments		29,068,015
Securities Lending Cash Collateral		13,097,459
U.S. Treasuries, Agencies & Other Government Bonds		85,063,178
Corporate Bonds & Other Fixed Income Investments		32,969,692
U.S. Corporate Stocks		212,182,300
International Investments		68,010,556
Bond Mutual Funds		4,048,222
Real Estate		38,606,147
Infrastructure Investments		23,213,414
Total Investments, at Fair Value		506,258,983
Capital Assets, At Cost, Net of Accumulated Depreciation of $43,219		116,077
Total Assets		517,161,212
Liabilities		
Accounts Payable		796,690
Accrued Wages Payable		6,403
Due to Securities Lending Borrowers (Note 5)		13,097,459
Due to Brokers		18,621,045
Refundable Deposits		287
Total Liabilities		32,521,884
Net Assets Held in Trust for Pension Benefits	$	484,639,328

See Accompanying Notes to Financial Statements

Tucson Supplemental Retirement System
Statement of Changes in Plan Net Assets
Year Ended June 30, 2009

Additions		
Contributions (Note 3:)		
City	$	21,279,535
Employee		8,156,115
Purchase of Service		1,565,164
Contributions from Other Sources		140,512
Transfers from Other Systems		1,589,190
Total Contributions		32,730,516
Investment Income:		
Net Gain(Loss) in Fair		
Value of Investments		(155,121,981)
Interest		11,087,144
Dividends		7,219,584
Securities Lending Income (Note 5)		359,394
Miscellaneous Income		120,820
		(136,335,039)
Less Investment Expenses:		
Investment Management		4,580,028
Securities Lending Fees		197,429
Total Investment Expense		4,777,457
Net Investment Gain(Loss)		(141,112,496)
Total		(108,381,980)
Deductions		
Benefits		51,996,508
Refunds		1,689,956
Transfers to Other Systems		2,655,061
Administrative Expenses		864,382
Total Deductions		57,205,907
Net Decrease in Plan Net Assets		(165,587,887)
Net Assets Held in Trust for Pension Benefits		
July 1, 2008		650,227,215
June 30, 2009	$	484,639,328

See Accompanying Notes to Financial Statements.

Tucson Supplemental Retirement System
Notes to Financial Statements
Year Ended June 30, 2009

1. DESCRIPTION OF THE PLAN

A. *Authorization, Purpose, and Administration of the System* - The Tucson Supplemental Retirement System (the "System" or "TSRS") is a single-employer defined benefit plan for City of Tucson ("City") employees. It was established in the City Charter to provide its members with a supplement to the retirement and disability benefits of the social security system. The System is governed by a seven member Board of Trustees: a chairman who is appointed by the Mayor and Council, the City's directors of human resources and of finance, two members elected by the membership of the System, a retired member elected by the System's retirees, and one member appointed by the City Manager. Benefit provisions and changes in benefits or funding are recommended by the Board of Trustees and must be approved by Mayor and Council.

B. *Plan Membership* - The System covers substantially all City of Tucson, Arizona, employees, except for appointed officials and staff who may elect not to join, and commissioned police and fire personnel and elected officials, who are covered under other plans. Employees participate in the System immediately upon beginning employment with the City. Employee membership data as of June 30, 2009 is as follows:

Active plan participants:	
Vested	2,215
Nonvested	960
Total active plan participants	3,175
Current retirees and beneficiaries	2,365
Terminated vested participants	205

C. Plan Benefits

1. *Retirement Benefits* - Any employee who has attained the earlier of age 62, or a combination of the employee's age and years of creditable service equaling the sum of 80, is entitled to receive monthly retirement benefits calculated at 2.25% of average final monthly compensation multiplied by the number of years of creditable service. Average final monthly compensation is defined as the highest compensation of 36 successive months during the 120 months immediately preceding retirement. Accrued unused sick leave and vacation leave at the final salary is substituted for an equal number of hours at the beginning of the 36 month period.

1. DESCRIPTION OF THE PLAN (Continued)

An employee who retires after attaining age 55 with 20 or more years of creditable service is entitled to early retirement benefits reduced to the actuarial equivalent of the amount to which the employee would have been entitled upon attaining normal retirement. A temporary provision during this plan year was added, allowing any employee who had attained a combined age and years of creditable service equaling the sum of 75 to retire early. This temporary provision ended on October 1, 2009.

An employee is always fully vested in his/her individual contributions. Upon termination of employment for reasons other than retirement, employees having five or more years of creditable service (terminated vested participants) may leave their contributions in the System and begin drawing a retirement allowance when they reach either their normal retirement date or early retirement date.

2. *Disability Benefits* - Employees with five or more years of creditable service, who are not yet eligible to retire may apply for disability retirement if they are unable to perform the duties of their job classification by reason of physical or mental impairment. Effective on July 1, 2009, applicants must have a minimum 10 year period of accrued service and be suffering from a total and permanent disability to qualify for disability benefit payments.

3. *Death Benefits* - The beneficiary of an employee who pre-selected a retirement option and died while eligible to retire, shall receive a benefit based upon the selected option if the member has made such an election by June 30, 2009.

   The spousal beneficiary of an employee who died while eligible to receive benefits but who had not pre-selected a benefit option by June 30, 2009, may choose to receive a benefit equal to a 100% joint and survivor annuity based on the member’s years of credited service and average final monthly compensation at the time of the member’s death, or may elect to receive a lump sum payment of twice the members account balance plus interest, measured on the date of death.

   The named beneficiary of an employee who is other than the spouse of the employee who died while eligible to receive benefits but who had not pre-selected a benefit option by June 30, 2009, may choose to receive a benefit equal to a 15 year term certain benefit to the named beneficiary, or the beneficiary may elect to receive a lump sum payment of twice the members account balance plus interest, measured on the date of death.

   Multiple designated beneficiaries of an employee who died while eligible to receive benefits but who had not pre-selected a benefit option by June 30, 2009, receive a lump sum payment of twice the members account balance plus interest, measured on the date of death.

   The beneficiary of an employee who was not eligible for any retirement benefits, but had more than five years of creditable service, may receive a lump sum payment of twice the member account balance plus interest, measured on the date of death.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCUSSION OF PLAN ASSETS

A. ***Reporting Entity*** - Due to the extent of the System's financial and operational relationship with the City of Tucson, the System is considered a component unit of the City's financial reporting entity and is included in its Comprehensive Annual Financial Report as a pension trust fund.

B. ***Basis of Accounting*** - The System's financial statements are prepared using the accrual basis of accounting using the economic resources measurement focus. Employee and employer contributions are recognized when due, pursuant to formal commitments. Benefits and refunds are recognized when due and payable in accordance with the plan provisions.

C. ***Investments*** -Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

The cost of common stock sold is determined on the average cost method. Realized and unrealized gains or losses are reflected in revenues.

At June 30, 2009, there were no individual investments, other than those issued or guaranteed by the United States government, that represented 5 percent or more of plan net assets.

D. ***Deposits*** - In accordance with the City Charter and state statutes, the System is authorized to deposit money in certificates of deposit and interest-bearing accounts provided that deposits in excess of the insured amount are collateralized. State statutes require collateral pledged for deposits to be held in the System's name by a bank other than the pledging bank or by the pledging bank's trust department.

E. ***Capital Assets –*** Capital assets of the System currently include moveable equipment items and the capitalized cost of pension administration software, stated at historical cost net of accumulated depreciation. The straight-line method of depreciation for capitalized equipment and software is used over an estimated useful life of 6 years. The capitalization threshold is $5,000.

F. ***Benefit Changes –*** The TSRS Board of Trustees shall determine, pursuant to its formal policy and in its discretion whether the System shall fund an annual supplemental post retirement benefit payment to retired members and beneficiaries.

G. ***Administrative Costs*** - All costs of administering the plan are financed by the employer and member contributions made, based upon recommended contribution rates in effect for the year, applied on active member covered payroll.

3. CONTRIBUTIONS AND RESERVES

A. Funding Requirements

1. *Employee Contributions* - Currently, employee contributions are 5% of regular salary and are made through payroll deductions for employees hired prior to July 1, 2006. Employees hired after June 30, 2006 are paying an amount equal to 40% of the annual required contribution rate. For this fiscal year, the rate for new employees was 8.852%. A reserve is established for contributions and earnings allocations, less amounts transferred to the reserve for retirement benefits which includes retirement and disability and amounts reserved for terminated employees. If an employee leaves covered employment before attaining five years service credit, the accumulated contributions plus interest are refunded to the employee or his designated beneficiary. There are no long-term contracts for employee contributions to the System.

2. *Employer Contributions* - The City contributes the remaining amounts necessary to finance employee participation in the System and to fund the costs of administering the System. Employer contributions are determined by the system actuary, based on a level percentage of payroll method. There are no long-term contracts for employer contributions to the plan System.

B. Net Assets

Two general types of net asset reserves are maintained within the System. The Reserve for Employee Contributions contains the employee contributions for all contributing members of the System, plus allocated interest earnings. At the time an employee retires or defers retirement, the actuarial value of the individual's retirement benefits is transferred to the Reserve for Retirement Benefits, which is decreased by payments to retirees and increased by interest earnings. The reserves are fully funded.

Earnings of the System are allocated semi-annually (at June 30 and December 31) to the reserves which comprise net assets. At the year ended June 30, 2009, allocations were based on rates of return of 7.75% per annum. Any unallocated earnings remain in unreserved net assets.

The net assets at June 30, 2009, consisted of the following components:

Reserved for employee contributions	$	133,633,947
Reserved for retirement benefits		494,923,021
Unreserved net assets		-143,917,640
Net Assets	$	484,639,328

4. INVESTMENTS

The pension fund is governed by a Board of Trustees. The Board of Trustees is required by City Code in making investment decisions, to exercise the judgment and care under the circumstances then prevailing which persons of ordinary prudence, discretion and intelligence exercise in management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom, as well as the probable safety of the capital. Investments of the System are held separately from those of other City funds by investment custodians. Quoted market prices have been used to value investments as of June 30, 2009. Investments that do not have an established market exchange are reported at estimated fair value. Estimated fair value for real estate investments are established by third party appraisers.

The System's investments at June 30, 2009 are listed below. These investments are either held by the System or its agent in the System's name and are either insured, registered or collateralized. A portion of these investments is subject to credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk and/or foreign currency risk. The Government Accounting Standards Board (GASB) Statement 40 requires the System to disclose such risks which are all discussed in the sections that follow.

All System investments are reflected in the following schedule with the exception of amounts held in the City's investment pool account. The City maintains an investment pool account for City funds. Bi-weekly contributions for the Tucson Supplemental Retirement System are held in the City's investment pool account and are used to pay recurring expenditures. The $1,139,653 of cash and deposits in the City's investment pool account are invested in money market fund consisting of U.S. Treasuries and separately held issues of federal agency and U.S. corporate bonds with ratings no lower than A2 as reported by Moody's.

Investments	**Fair Value**
United States Issues not on Securities Loan:	
U.S. Treasuries, Agencies & Other Government Bonds	$ 85,063,178
Corporate Bonds & Other Fixed Income Instruments	32,117,315
Corporate Stocks	203,626,374
Non-United States Issues not on Securites Loan:	
International Bonds	6,181,640
International Equity	58,610,526
Subtotal	385,599,033
Investments Held by Broker-Dealers under Securities Loans with Cash Collateral:	
U.S. Treasuries, Agencies & Other Government Bonds	-
U.S. Corporate Bonds	852,377
U.S. Corporate Stocks	8,555,926
International Bonds	-
International Equity	3,218,389
Subtotal	12,626,692
Securities Lending Short-Term Collateral Investment Pool	13,097,459
Bond Mutual Funds	4,048,222
Short Term Investments	28,916,164
Real Estate	38,606,147
Infrastructure Funds	23,213,414
Subtotal	107,881,406
Total Investments, at Fair Value	$ 506,107,131

A. Credit Risk – As defined by GASB Statement 40, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Associated with credit risk is concentration of credit risk and custodial credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The System presently maintains one internally managed and one externally managed fixed income (bond) account, which are exposed to some form of credit risk. The investment policy guidelines for securities purchased for the internally managed fixed income account are as follows:

- With the exception of securities issued by or guaranteed by the U.S. Treasury or U.S. Government agencies and instrumentalities, the maximum position in a single issuer's securities should not exceed 5% of the portfolio's assets at current market value
- Exposure to corporate bonds should be limited to 50% of the portfolio
- The investment manager is expected to maintain a weighted average bond portfolio quality rating of at least "AA"
- Securities, at the time of purchase, shall be rated no lower than "A3" by Moody's and "A-" by Standard & Poors

The TSRS Board has given the external fixed income manager discretion to invest in a broad array of public and private asset classes, instruments and investment vehicles in order to meet or exceed the agreed upon investment return benchmark. However, the following specific investment policy guidelines pertain to the external fixed income manager:

- The maximum position in a single issuer (excluding obligations of U.S. Government and its Agencies) should not exceed 5% of the portfolio's assets at current market value
- The portfolio should maintain an average quality of at least "A"
- Money market instruments must be rated in one of the two highest categories by a nationally recognized rating agency
- The minimum rating of individual issues should be CCC as rated by Moody's, Standard & Poors or Fitch
- Should an issue be downgraded below the minimum, the manager will determine the appropriate action to be taken

The System currently does not have a policy regarding custodial credit risk for deposits or investments as defined in the Credit Risk section above. As of June 30, 2009 the System was exposed to custodial credit risk for deposits in the amount of $151,884. There was no exposure to custodial credit risk for investments as of June 30, 2009.

The System had the following credit risk structure as of June 30, 2009:

Investment Type	Holdings	Average Credit Rating	Fair Value	Percent of Grand Total
Cash and Cash Equivalents:				
Cash & Short Term Investment Fund	2	AAA	$ 16,866,435	
U.S. Treasury Bills - Less than 1 Year	1	UST	448,925	
Sub Total	3		17,315,360	11.89%
U.S. Treasury Notes & Bonds:	2	UST	2,280,469	1.57%
U.S. Agency & Other Government Obligations:				
U.S. Agency Bonds	22	AGY	22,542,423	
Mortgage Backed Securities (MBS)	56	AGY	52,564,416	
Municipal Bonds	9	AA3	7,675,869	
Sub Total	87		82,782,708	56.86%
Corporate & Other Fixed Income Instruments:				
Collateralized Mortgage Obligations (CMO)	3	AA3	463,485	
Asset Backed Securities	2	AAA	679,599	
Fixed Income Swaps & Options	64	AA3	(2,052,301) **(1)**	
Banks & Finance	17	BAA1	13,010,122	
Industrials	8	BAA2	6,863,295	
Utilities	7	BAA1	7,404,709	
Other Corporate Issues	9	A1	5,658,651	
Convertible Securities	3	CAA1	783,139	
Futures Contracts	13	AAA	158,993	
Sub Total	126		32,969,692	22.65%
International Bonds:	24	A1	6,181,641	4.25%
Bond Mutual Funds:	2	AA - BAA3	4,048,222	2.78%
Grand Total	244		$ 145,578,092	100%

Footnotes:

(1) A negative value in U. S. Treasury Notes & Bonds or other issues indicates a short position taken on in these instruments, to hedge interest rate risk obtained from holding long positions in mortgages and corporate bonds. The investment strategy employed in this case, after netting the long and short positions against each other, enables the TSRS portfolio to benefit if mortgages and corporate bonds outperform Treasuries, regardless of changes in interest rates.

B. Interest Rate Risk – As defined by the Government Accounting standards Board (GASB) in Statement 40, interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. For fixed income securities, there is an inverse relationship between the change in interest rates and their fair value. For example, in a rising interest rate environment the value of fixed income securities will tend to fall by varying degrees depending on the length of their maturities. In general, the value of fixed income securities with a longer duration will tend to decrease more than shorter duration securities in a rising interest rate environment.

The System's investment policy regarding interest rate risk for the internally managed fixed income account is to limit duration to within two years (plus or minus) of the investment performance benchmark: the Lehman Brothers (LB) Government/Credit Bond Index. For the externally managed fixed income account, the investment policy is to limit duration to within 30% of the custom benchmark which is defined as 70% LB Mortgage Index, 15% LB Credit Index, 15% LB High Yield Index.

The System had the following maturity structure as of June 30, 2009:

Maturity Structure

	Investment Maturities (in Years)				
Investment Type	**Less Than 1**	**1 - 5**	**6 - 10**	**More Than 10**	**Total Fair Value**
Cash & Short Term Investment Fund	$ 16,866,435	$ -	$ -	$ -	$ 16,866,435
U.S. Treasury Issues	448,925	463,639	-	1,816,830	2,729,394
U.S. Agency & Other Government Obligations	-	8,536,453	6,989,850	67,256,405	82,782,708
Corporate & Other Fixed Income Instruments	1,274,554	14,338,558	5,723,007	11,633,574	32,969,693
International Bonds	819,625	4,535,897	299,618	526,500	6,181,640
Bond Mutual Funds Average Effective Maturity: 3.19 Years	-	-	-	-	4,048,222
Total	$ 19,409,539	$ 27,874,547	$ 13,012,475	$ 81,233,309	$ 145,578,092

Average Modified Duration:

Internal Account	**6.71**	yrs
External Account	**4.07**	yrs

C. Foreign Currency Risk – As defined by the Governmental Accounting Standards Board (GASB) in Statement 40, foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

The TSRS Board has given the System's international equity managers discretion to invest in a broad array of common and preferred stocks, convertibles and warrants of companies headquartered outside of the United States in order to meet or exceed their agreed upon investment return benchmarks. However, the following specific investment policy guidelines pertain to these managers:

- Investments in any single country market should not exceed more than 4 times the weight of the country in the benchmark index or 50% of portfolio assets, whichever is lower
- If a country has a greater than 50% weight in the index, the maximum exposure to that country in the portfolio may be as high as its weight in the index
- No more than 30% of each manager's portfolio should be invested in "emerging markets" (i.e., markets that are not included in the Morgan Stanley Capital International Europe, Australia and Far East Index)
- Managers are permitted to enter into hedging strategies, including cross-currency hedges, using forward currency exchange contracts and currency options
- Derivatives should not be used for the purpose of speculation or for leveraging the portfolio

The TSRS fund had the following foreign currency risk exposure as of June 30, 2009:

Foreign Currency Risk Exposure

Currency		Fair Value (1)	Percent of Total
Australian Dollar	$	5,636	0.001%
Brazil Real		148,382	0.031%
British Pound Sterling		3,534,107	0.734%
Canadian Dollar		1,414,136	0.294%
Chinese Yuan Renminbi		1,902,087	0.395%
Euro Currency Unit		31,409,236	6.524%
Hong Kong Dollar		996,956	0.207%
Japanese Yen		5,517,137	1.146%
Mexican New Peso		14,851	0.003%
Norwegian Krone		673,347	0.140%
Singapore Dollar		523,785	0.109%
South Korean Won		671,262	0.139%
Swedish Krona		831,837	0.173%
Swiss Franc		2,713,657	0.564%
U.S. Dollar		431,052,455	89.540%
TOTAL	$	481,408,871	100%

Footnotes:

(1) Over 50% of the total fair value is held in equity securities.

5. SECURITIES LENDING

The Board of Trustees for the Tucson Supplemental Retirement System permits the custodian bank, BNY Mellon, to lend securities to broker-dealers and other entities. Each loan is executed with a simultaneous agreement to return the collateral for the same securities in the future. The custodian bank lends U.S. securities for collateral initially valued at 102% of the fair value of the securities plus any accrued interest. Non-U.S. securities are loaned for collateral initially valued at 105% of the fair value of the securities plus any accrued interest. Collateral is marked-to-market daily. As of June 30, 2009, the carrying amount and fair value of securities on loan was $12,626,692. If the fair value of the pledged collateral falls below the specified levels, additional collateral is required to be pledged by the close of the next business day.

In the event of a borrower's default, the custodian bank is obligated to indemnify the lender if, and to the extent that, the fair value of the collateral is insufficient to replace the loaned securities. BNY Mellon's responsibilities include performing appropriate borrower and collateral investment credit analysis, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations covering securities lending.

Although the average term of the security loans is one week, each loan can be terminated at will by either the lender or the borrower. Cash collateral is invested in a short-term investment pool, which on average had a weighted maturity of 30 days. The relationship between the maturities of the investment pool and the security loans are affected by the maturities of the loans made by other entities that use the agent's pool.

The lender cannot pledge or sell collateral securities received until, and unless, a borrower defaults. There were no significant violations of legal or contractual provisions and no borrower or lending agent default losses known to the securities lending agent. As of June 30, 2009, the lenders had no credit risk exposure to borrowers because the fair value of collateral held exceeded the fair value of securities loaned.

6. DERIVATIVES

The Tucson Supplemental Retirement System permits the use of foreign exchange contracts by its international equity and external fixed income managers. Derivatives are also permitted in the portfolio, including financial futures, forwards, options and swaps on fixed income securities.

Forward foreign exchange contracts for the purchase or sale of foreign currency were entered into to settle specific transactions, for investment and hedging purposes and to modify the foreign currency exposure of international securities held. The duration of these contracts typically was three months or less and, for those used to settle specific transactions, typically was three business days. During the terms of such forward contracts, the System was exposed to counterparty risk, which is the risk of loss of the amount expected to be delivered under a forward agreement in the event of the default or bankruptcy of a forward agreement counterparty. This risk is controlled through dealing with a number of different counterparties reasonably deemed to be creditworthy by the manager.

The System also permits the use of financial futures and options by its external fixed income manager to reduce or eliminate undesirable/unintended risks, to maintain desirable risks so as to improve the portfolio's return patterns, and to enhance portfolio liquidity, flexibility and/or efficiency. The external fixed income manager used long and short positions in exchange-traded government futures during the year to modify exposure to various parts of the yield curve and to modify the risk characteristics of the portfolio. The government futures positions were fully supported by cash and cash equivalents. The net market exposure as of June 30, 2009 was $1,951,129. Money market futures were also used to gain exposure to future short-term interest rates. The net market exposure as of June 30, 2009 was $21,237,336. Additionally, forward and mortgage "to be announced" securities (TBAs) were used in the portfolio during the period; the net market value of these positions was $0 and $10,636,411, respectively. As of the same date, the portfolio contained net market exposure to put and call options (including options on swaps or "swaptions") of ($98,127).

Interest rate swaps are used to provide high-grade agency/corporate exposure. Swaps also provide an effective and inexpensive means by which to quickly adjust portfolio duration, maturity mix and sector exposure. Swaps are over-the-counter transactions as opposed to being traded on an organized exchange. Counterparty risk is limited by execution under standardized International Swap and Derivatives Association Agreements. These contracts allow for the mutual exchange of collateral should an overall unsecured market value exceed a certain threshold (e.g., $250,000). They also reduce legal risk and increase speed of execution that, in turn, improves liquidity. Credit default swaps provide attractive means of hedging credit risk and increasing/decreasing credit exposure. When deemed necessary, interest rate and credit default swaps are backed by high-grade liquid cash equivalent securities. They are also subject to the System's minimum quality and issue limits. The portfolio's net market exposure in swaps and credit default swaps was ($18,869) and ($1,973,028), respectively.

7. FUNDED STATUS AND FUNDING PROGRESS

As of June 30, 2009, the most recent actuarial valuation date, the plan was 77.4% funded. The actuarial accrued liability for benefits was $859.5 million and the actuarial value of assets was $665.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of $194 million. The covered payroll (annual payroll of active employees covered by the plan) was $150 million, and the ratio of UAAL to the covered payroll was 129.5 percent. This information was calculated in accordance with the parameters set forth in paragraphs 35 and 36 of Statement No. 25 of the Governmental Accounting Standards Board.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

8. ACTUARIAL METHODS AND ASSUMPTIONS

In the June 30, 2009 actuarial valuation, the level-percent contribution requirements and actuarial present values are calculated using the entry age actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 9.25% per year. Both (a) and (b) included an inflation component of 4.25%. The assumptions did not include postretirement benefit increases, because there is no guarantee or requirement that future increases will be granted. The projection of benefits for financial accounting purposes also does not explicitly incorporate the potential effects of legal or contractual funding limitations, since they do not apply. The actuarial value of assets was determined using techniques that spread the effects of short term volatility in the market value of assets over a four-year smoothing period. The Unfunded Actuarial Accrued Liability is being amortized as a level percentage of payroll on an open period of 15 years. This period of amortization has been used since the plan year ended June 30, 2007. The assumptions are selected based upon the recommendation of the plan's actuary.

Required Supplementary Information
Schedule of Funding Progress
($ Amounts in Thousands)

Actuarial Valuation Date June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b)-(a)	Funded Ratio (a)/(b)	Active Member Covered Payroll (c)	Unfunded AAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
1991	$164,268	$203,288	$39,020	80.8%	$ 86,830	44.9%
1992	179,570	216,483	36,913	82.9	86,205	42.8
1993	197,282	239,472	42,190	82.4	92,867	45.4
1994	213,541	261,712	48,171	81.6	94,180	51.1
1995	237,713	282,040	44,327	84.3	99,847	44.4
1996	266,740	300,607	33,867	88.7	105,230	32.2
1997	304,684	327,378	22,694	93.1	110,189	20.6
1998	353,056	348,966	(4,090)	101.2	113,729	-
1999	402,875	400,224	(2,651)	100.7	126,817	-
2000	453,954	437,750	(16,204)	103.7	134,088	-
2001	470,672	495,359	24,687	95.0	145,059	17.0
2002	463,102	553,947	90,845	83.6	153,580	59.2
2003	458,857	601,173	142,316	76.3	143,164	99.4
2004	494,987	645,351	150,364	76.7	149,782	100.4
2005	538,789	693,871	155,082	77.6	162,149	95.6
2006	588,228	735,793	147,565	79.9	155,855	94.7
2007	634,763	763,539	128,776	83.1	159,250	80.9
2008	650,227	822,205	171,978	79.1	153,982	111.7
2009	665,298	859,485	194,187	77.4	149,925	129.5

Note: Schedule provided by actuary, Gabriel, Roeder, Smith & Company.

Required Supplementary Information
Schedule of Employer Contributions

Fiscal Year Beginning July 1,	Actuarial Valuation Date June 30	Annual Required Contribution	Percent Contributed
1997	1996	$ 9,800,579	100.0
1998	1997	9,475,558	100.0
1999	1998	9,707,235	100.0
2000	1999	10,123,248	100.0
2001	2000	9,088,970	100.0
2002	2001	12,765,619	100.0
2003	2002	18,457,476	100.0
2004	2003	21,657,270	100.0
2005	2004	23,643,630	100.0
2006	2005	25,958,330	100.0
2007	2006	25,232,745	100.0
2008	2007	24,358,460	100.0
2009	2008	27,601,156	100.0
2010	2009	28,756,890[1]	

[1]*Projected amount: Actual required contribution dollar amount will be based on the computed contribution rate and the actual pensionable payroll for the period.*

Notes to Required Supplementary Information
Summary of Actuarial Methods and Assumptions

Valuation Date	June 30, 2009
Actuarial Cost Method	Individual Entry Age
Amortization Method	Level percent-of-payroll, open
Amortization Period	15 years
Asset Valuation Method	Smoothed market
Actuarial Assumptions:	
Investment Rate of Return*	7.75%
Projected Salary Increases*	3.50-7.50%
*Includes Inflation	3.50%

Note: Schedule provided by actuary, Gabriel, Roeder, Smith & Company.

Supporting Schedules
June 30, 2009
Schedule of Administrative Expenses

Personal Services		
Staff Salaries	$	189,491
Fringe Benefits		61,671
Total Personal Services	$	251,162
Professional Services		
Accounting		204,693
Actuary		57,701
Legal		75,766
Total Professional Services		338,160
Miscellaneous		
Fees returned		100,175
Filing fees and Insurance		40,751
Professional Development		6,722
Printing and Supplies		21,371
Depreciation		26,513
Postage		19,968
Software & Support		39,500
Office Remodel		19,369
Other		691
Total Miscellaneous		275,060
Total Administrative Expenses	***$***	***864,382***

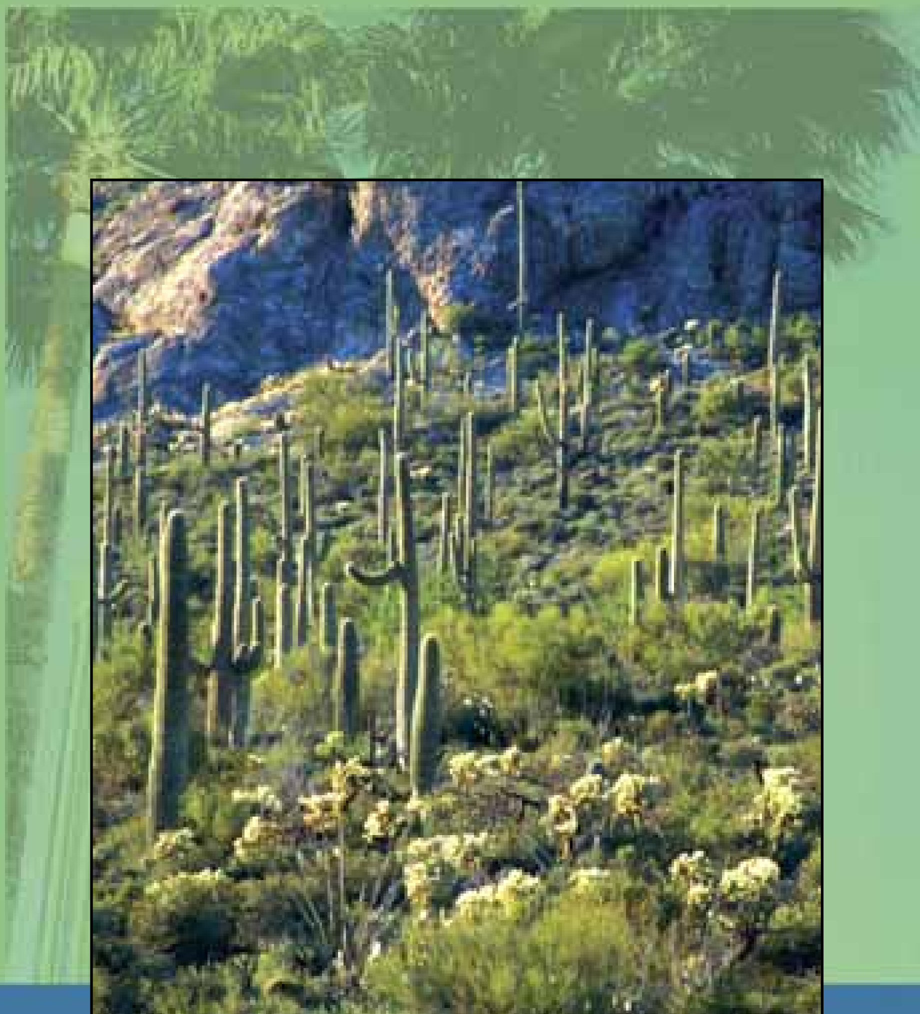
Schedule of Investment Expenses

Custody	$	280,491
Interest Expense		398,705
Investment Consultant		150,000
Investment Management		3,321,935
Partnership Fees		428,897
Securities Lending Fees		197,429
Total Investment Expenses	***$***	***4,777,457***

CITY OF

FOUNDED 1775

TUCSON



Investment Section

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Member FINRA, SIPC

Hewitt

November 13, 2009

The Board of Trustees
Tucson Supplemental Retirement System
City Hall
255 West Alameda Street
Tucson, AZ 85726-7210

Dear Board Members:

The investment section which follows summarizes the Tucson Supplemental Retirement System (TSRS) Retirement Plan's investment activity through fiscal year-end June 30, 2009. The exhibits provide:

- An outline of investment policies;
- An outline of investment objectives;
- Investment results for the total portfolio and by investment manager over several measurement periods;
- The allocation and diversification of plan assets by investment manager and asset class;
- The shift in asset allocation across major asset classes over the past five years;
- A market value summary of the ten largest bond and equity holdings as of June 30, 2009; and
- A summary of investment manager, custodial, brokerage, and portfolio monitoring fees for the past fiscal year.

BNY Mellon (Mellon) served as custodian for a majority of plan assets. In addition, several of the investments are held in commingled vehicles with various custodians: the real estate and infrastructure portfolios, an index fund and an enhanced index fund managed by Barclays, an international equity fund managed by Artio, and the fixed income funds and enhanced index equity fund managed by PIMCO. The investment activity summarized in this section is based primarily on the financial reporting provided by Mellon. Hewitt has confirmed the investment performance as calculated from the Mellon statements with the financial data as submitted to us by the respective investment managers. We endorse the Global Investment Performance Standards (GIPS®).

Hewitt Investment Group is a subsidiary of Hewitt Associates LLC

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The Board of Trustees
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November 13, 2009

General Observations
Over the past year, Hewitt Investment Group (HIG) provided quarterly investment performance analysis of all investment portfolios relative to appropriate market benchmarks and peer groups. Each investment manager has been evaluated for adherence to investment policy guidelines, objectives, and consistency of style.

During the fiscal year the investment program was evaluated on a periodic basis. In addition, an asset-liability study was performed to examine the appropriateness of various asset allocations. As a result of the study, it was determined that the current policies remained appropriate, and no changes were made from an asset allocation or investment structure standpoint. While the large cap growth manager (Friess Associates) has produced particularly disappointing results during the fiscal year, TSRS intends to maintain its investment with the firm in the near term while continuing to monitor the situation closely.

As indicated in the following exhibits, the TSRS Retirement Plan assets declined in the face of a severe downturn in the economy and capital markets, particularly affecting global equities and real estate. The total portfolio return for the fiscal year was -21.0% compared to -18.0% for the Custom Index. All of the Plan's equity and real estate managers produced negative results. While several managers produced results that were similar to the respective benchmarks, two portfolios in particular contributed to the shortfall relative to the benchmark, Friess and JPMorgan Income & Growth (real estate). This is in contrast to previous years, when these managers produced incremental returns relative to benchmarks. During the last six months, including the first three months of the 2010 fiscal year, the portfolio has rebounded significantly as the capital market environment has improved.

Sincerely,

Hewitt Investment Group LLC

Rob

Robert P. Van Den Brink, CFA

RVD:cr
cc: Mr. Mark A. Klimek, Hewitt Investment Group LLC
Mr. Justin Patton, Hewitt Investment Group LLC

Outline of Investment Policies

The asset allocation policy includes a 61% allocation to equity securities: 36% to large U.S. stocks, split among S&P 500 index, enhanced index, large capitalization growth and value accounts; 10% to mid and small-cap U.S. stock accounts; and 15% to foreign stock growth and value accounts. There is also an allocation of 26% to fixed income, 8% to equity real estate and 5% to infrastructure.

The Board has set an asset allocation target range on each asset class, sub-class, and manager. The Board of Trustees has adopted a policy of rebalancing the portfolio when the actual allocation falls above or below the target range.

Over the long term, asset allocation policy will be the primary determinant of the returns generated by the TSRS pension fund and the associated volatility of returns. In particular, the level of equity exposure is the key element within the TSRS pension investment policies.

In developing asset allocation policies for its pension plan, the Board examined asset and liability projections to evaluate possible results over the next ten years. These projections examined the risk/return tradeoffs of alternative asset classes, as well as alternative levels of equity exposure. Through incorporating the results of these projections with its risk posture, as well as considering typical practices and practical investment issues, the Board has developed the following asset mix guidelines:

	Percent of Total Pension Fund (1)		
	Minimum	**Target**	**Maximum**
Equities:			
Large Capitalization	31%	36%	41%
Small/Mid Capitalization	6%	10%	14%
International	13%	15%	17%
Total Equities	**56%**	**61%**	**66%**
Fixed Income	**21%**	**26%**	**31%**
Real Estate	**6%**	**8%**	**10%**
Infrastructure	**3%**	**5%**	**7%**

(1) During the current fiscal year, the Board of Trustees formally adopted infrastructure as a separate asset class. As such, the Board approved a 5% asset allocation target for infrastructure and correspondingly reduced the asset allocation target for equities from 64% to 61% and for fixed income from 28% to 26%. The target asset allocation for real estate remained unchanged.

Separate target ranges are also set for each investment manager within an asset class and are monitored in conjunction with the overall asset allocation. TSRS monitors its asset mix and rebalances its portfolio mix at any time that a primary asset class (i.e., equities, fixed-income, and real estate), secondary asset class (i.e., domestic equities, international equities), portfolio style, or manager reaches the minimum or maximum allocation specified. Staff is authorized to direct rebalancing and report to the Board.

Investment Objectives

Total Pension Fund Performance Objectives[1]

The TSRS Pension Fund's return will be, in part, a function of the capital market environment in which the plan's investment managers operate. Therefore, regardless of whether or not the market environment permits the achievement of substantial real returns, the TSRS expects any active investment managers that it retains to produce results that are above average relative to other actively-managed funds and relative to passive alternatives. Investment managers should cover the fees paid and provide a return increment that justifies the risk assumed in active management.

On a rolling three-year basis, the annualized total return of the portfolio should exceed the annualized total return of the following custom index:

- Standard & Poor's 500 Stock Index (36% weight)
- Russell 2000 Stock Index (10% weight)
- MSCI All Country World, ex-U.S. Stock Index (15% weight)
- Barclays Capital Aggregate Bond Index (23% weight)
- Barclays Capital High Yield Bond Index (3% weight)
- NCREIF ODCE Real Estate Index (8% weight)
- CPI + 4% (5% weight)

[1] The investment objectives defined herein assume that performance comparisons will be based on a before-fee analysis, unless otherwise indicated.

Individual Managers Performance Objectives

On a rolling three year basis, the annualized total return earned by an actively managed portfolio should place the account in a competitive ranking (i.e., top 40%) relative to a peer group of managers. In addition, the managers should outperform the following market index benchmarks:

Friess Associates (Large Cap Growth Equity)
- Exceed the annualized total return of the Russell 1000 Growth Index.

Barclays Global Investors (Russell 1000 Value Index)
- Match the annualized total return of the Russell 1000 Value Index.

Alliance Capital (S&P 500 Index)
- Match the annualized total return of the S&P 500 Index.

Barclays Global Investors (Large Cap Value Enhanced Index)
- Exceed the annualized total return of the Russell 1000 Value Index.

PIMCO (Enhanced Index)
- Exceed the annualized return of the S&P 500 Index.

TCW (Small/Mid Cap Equity)
- Exceed the annualized total return of the Russell 2500 Index.

Pyramis (Fidelity) (Small Cap Equity)
- Exceed the annualized total return of the Russell 2000 Stock Index.

Artio (Julius Baer) (International Equity)
- Exceed the annualized total return of the MSCI AC World ex-U.S. Index.

Causeway Capital Management (International Value Equity)
- Exceed the annualized total return of the MSCI EAFE Index.

PIMCO (Custom Fixed Income)
- Exceed the annualized total return of a customized fixed income benchmark composed of 70% BC Mortgage, 15% BC Credit, and 15% BC High Yield Index.

Internally Managed (U.S. Fixed Income)
- Exceed the annualized total return of the BC Government/Credit Bond Index.

JPMorgan Strategic Property Fund (Core Real Estate)
- Exceed the annualized total return of the NCREIF ODCE Real Estate Index.

LaSalle Income & Growth Fund IV (Value Added Real Estate)
- Exceed the annualized total return of the NCREIF ODCE Real Estate Index.

JPMorgan Income & Growth Fund (Value Added Real Estate)
- Exceed the annualized total return of the NCREIF ODCE Real Estate Index.

Individual Managers Performance Objectives (Continued)

Macquarie European Infrastructure Fund 3 (European Infrastructure)
- Exceed the annualized total return of the CPI + 4%.

SteelRiver Infrastructure Fund North America (North American Infrastructure)
- Exceed the annualized total return of the CPI + 4%.

Investment Results by Year
Last Ten Fiscal Years Ended June 30, 2009

Year Ended	Annual Return	3-Year Annualized Return	5-Year Annualized Return	10-Year Annualized Return
6/30/09	(21.0%)	(4.1%)	1.3%	2.0%
6/30/08	(4.6%)	7.3%	9.8%	5.5%
6/30/07	17.2%	12.3%	11.5%	7.8%
6/30/06	10.7%	12.5%	6.2%	7.8%
6/30/05	9.3%	10.0%	2.4%	8.4%
6/30/04	17.8%	3.8%	2.6%	9.3%
6/30/03	3.3%	(4.4%)	1.5%	7.9%
6/30/02	(8.1%)	(2.2%)	4.1%	8.6%
6/30/01	(8.1%)	4.2%	9.5%	10.7%
6/30/00	10.5%	13.2%	14.8%	12.4%

Schedule of Investment Results
For Periods Ended June 30, 2009

		Annualized Returns (1)	
	One Year	**Three Years**	**Five Years**
TOTAL PORTFOLIO			
TSRS	-20.96%	-4.05%	1.32%
Custom Benchmark (2)	-17.95%	-3.18%	1.75%
EQUITY FUNDS			
Alliance S&P 500 Index	-25.90%	-8.04%	-2.11%
S & P 500 Index	-26.22%	-8.22%	-2.24%
PIMCO StocksPLUS	-26.15%	-8.06%	(account established April, 2006)
S & P 500 Index	-26.22%	-8.22%	-2.24%
Barclays Russell 1000 Value Index	-28.76%	-10.91%	-1.98%
Russell 1000 Value Index	-29.03%	-11.11%	-2.13%
Barclays Russell 1000 Value Alpha Tilts	-30.53%	-12.83%	(account established January, 2006)
Russell 1000 Value Index	-29.03%	-11.11%	-2.13%
Friess Associates	-42.85%	(account established December, 2007)	
Russell 1000 Growth Index	-24.50%	-5.45%	-1.82%
TCW Value Opportunities	-28.93%	-8.89%	-2.50%
Russell 2500 Index	-26.72%	-9.31%	-0.93%
Pyramis (Fidelity) Small Cap	-24.19%	-8.16%	1.19%
Russell 2000 Index	-25.01%	-9.89%	-1.71%
Causeway International Value Equity	-29.81%	-7.75%	(account established January, 2005)
MSCI EAFE Index	-31.36%	-7.97%	2.31%
Artio International Equity (Julius Baer)	-34.91%	-6.53%	(account established October, 2004)
MSCI All Country World ex-U.S. Index	-30.91%	-5.80%	4.49%
FIXED INCOME FUNDS			
Internally Managed Bonds	6.37%	6.22%	4.93%
Barclays Government/Credit Bond Index	5.27%	6.17%	4.80%
PIMCO Custom Fixed Income	4.43%	6.23%	5.82%
Custom Index (3)	7.28%	6.73%	5.57%
REAL ESTATE FUNDS			
JPM Strategic Property Fund	-26.46%	-1.87%	6.37%
NCREIF ODCE Real Estate Index	-30.50%	-4.05%	4.36%
LaSalle Income & Growth Fund IV	-31.44%	-3.17%	(account established June, 2005)
NCREIF ODCE Real Estate Index	-30.50%	-4.05%	4.36%
JPM Income and Growth Fund	-49.84%	-16.14%	(account established June, 2005)
NCREIF ODCE Real Estate Index	-30.50%	-4.05%	4.36%

Notes: All data provided by independent investment consultant, Hewitt Investment Group
(1) Geometrically compounded, time-weighted rates of return
(2) Custom Benchmark = 36% S&P 500 Index + 10% Russell 2000 + 23% Barclays Aggregate + 3% Barclays High Yield + 15% MSCI AC WF ex-US + 8% Real Estate-NCREIF ODCE + 5% CPI+4%
(3) Custom Index = 70% Barclays Mortgage + 15% Barclays Credit +15% Barclays High Yield

Schedule of Investment Results
For Periods Ended June 30, 2009 (Continued)

	One Year	Annualized Returns (1) Three Years	Five Years
INFRASTRUCTURE FUNDS			
Macquarie European Infrastructure Fund 3	-	(account established June, 2008)	
CPI+4%	2.59%	6.18%	6.74%
SteelRiver Infrastructure Fund North America	-	(account established September, 2008)	
CPI+4%	2.59%	6.18%	6.74%

Notes: All data provided by independent investment consultant, Hewitt Investment Group

(1) Geometrically compounded, time-weighted rates of return

(2) Custom Benchmark = 36% S&P 500 Index + 10% Russell 2000 + 23% Barclays Aggregate + 3% Barclays High Yield + 15% MSCI AC WF ex-US + 8% Real Estate-NCREIF ODCE + 5% CPI+4%

(3) Custom Index = 70% Barclays Mortgage + 15% Barclays Credit +15% Barclays High Yield

Asset Summary
By Manager and Type of Investment (in thousands)
June 30, 2009

Manager	Style	Large U.S. Stocks	Small/Mid U.S. Stocks	Foreign Stocks	Fixed Income	Real Estate	Infra-structure	Short Term	Totals
Alliance Capital	S & P 500 Index	$ 60,716	$ -	$ -	$ -	$ -	$ -	$ 345	$ 61,061
Friess Associates	Large Cap Growth	39,038	-	-	-	-	-	1,250	40,288
Barclays Russell Value	Large Cap Value Index	22,486	-	-	-	-	-	-	22,486
Barclays Alpha Tilts	Enhanced Index	21,327	-	-	-	-	-	-	21,327
PIMCO StocksPlus	Enhanced Index	22,790	-	-	-	-	-	-	22,790
TCW Value Opportunities	Mid-Cap Core	-	20,380	-	-	-	-	996	21,376
Pyramis Global Advisors	Small-Cap Core	-	25,415	-	-	-	-	407	25,822
Causeway Capital	Foreign Stocks-Value	-	-	30,791	-	-	-	873	31,664
Artio Int'l Equity Fund	Foreign Stocks-Core	-	-	31,038	-	-	-	-	31,038
In-house Fixed Income	U.S. Govt/Credit Bonds	-	-	-	40,995	-	-	1,443	42,438
PIMCO Custom Fixed Income	U.S. & Foreign Bonds	-	-	-	83,655	-	-	13,300	96,955
JPM Strategic Property Fund	Core Real Estate	-	-	-	-	26,710	-	72	26,782
LaSalle Income & Growth Fund	Value Added Real Estate	-	-	-	-	6,856	-	697	7,553
JPM Income & Growth Fund	Value Added Real Estate	-	-	-	-	5,040	-	-	5,040
Macquarie (MEIF3)	European Infrastructure	-	-	-	-	-	15,127	2,246	17,373
SteelRiver IFNA	North American Infrastructure	-	-	-	-	-	8,087	300	8,387
Liquidity Fund	Cash & Cash Equivalents	-	-	-	-	-	-	524	524
	TOTALS	$ 166,357	$ 45,795	$ 61,829	$ 124,650	$ 38,606	$ 23,214	$ 22,453	$ 482,904

Notes:

(1) The Asset Summary does not include the City pooled investment account. (2) Assets are reflected on a trade date basis. (3) Short-term investments have been adjusted for the net impact of unsettled transactions in order to report on a trade date basis. (4) Each asset class includes receivables and payables.

Manager and Asset Diversification (in thousands)
June 30, 2009

	Actual		Target	
Manager	**Amount**	**Percentage**	**Amount**	**Percentage**
Alliance Capital	$ 61,061	12.6%	$ 53,119	11.0%
Friess Associates	40,288	8.3%	48,290	10.0%
Barclays Russell Value	22,486	4.7%	24,145	5.0%
Barclays Alpha Tilts	21,327	4.4%	24,145	5.0%
PIMCO StocksPlus	22,790	4.7%	24,145	5.0%
Large U.S. Stocks	**167,952**	**34.8%**	**173,844**	**36.0%**
TCW Value Opportunities	21,376	4.4%	24,145	5.0%
Pyramis Global Advisors	25,822	5.3%	24,145	5.0%
Small/Mid-Cap U.S. Stocks	**47,198**	**9.8%**	**48,290**	**10.0%**
Causeway Capital	31,664	6.6%	36,218	7.5%
Artio Int'l Equity Fund	31,038	6.4%	36,218	7.5%
Foreign (International) Stocks	**62,702**	**13.0%**	**72,436**	**15.0%**
Total Equities	**277,852**	**57.5%**	**294,570**	**61.0%**
In-house Fixed Income	42,438	8.8%	38,632	8.0%
PIMCO Custom Fixed Income	96,955	20.1%	86,923	18.0%
Fixed Income (Bonds)	**139,393**	**28.9%**	**125,555**	**26.0%**
JPM Strategic Property Fund	26,782	5.5%	24,145	5.0%
LaSalle Income & Growth Fund	7,553	1.6%	7,244	1.5%
JPM Income & Growth Fund	5,040	1.0%	7,244	1.5%
Real Estate	**39,375**	**8.2%**	**38,633**	**8.0%**
Macquarie (MEIF3)	17,373	3.6%	12,073	2.5%
SteelRiver IFNA	8,387	1.7%	12,073	2.5%
Infrastructure	**25,760**	**5.3%**	**24,146**	**5.0%**
Liquidity Fund	524	0.1%	-	0.0%
Total	**$ 482,904**	**100%**	**$ 482,904**	**100%**

Asset Allocation by Asset Class
Last Five Fiscal Years

Asset Class	2005	2006	2007	2008	2009
U.S. Stocks	51%	48%	48%	47%	44%
Foreign (International) Stocks	15%	14%	15%	14%	13%
Total Equities	66%	62%	63%	61%	57%
Fixed Income (Bonds)	28%	26%	28%	27%	29%
Real Estate	5%	8%	8%	9%	8%
Infrastructure	0%	0%	0%	0%	5%
Cash	1%	4%	1%	3%	1%
	100%	100%	100%	100%	100%

Ten Largest Bond Holdings
(By Market Value)
June 30, 2009
(dollars in thousands)

Par Value	Bond	Coupon Rate	Due	Rating (1)	Market Value
$ 5,927	FNMA POOL #0713972	5.500%	07/01/33	AGY	$ 6,150
5,000	FNMA POOL #0975103	5.500%	06/01/38	AGY	5,168
4,629	FNMA POOL #0889584	5.500%	01/01/37	AGY	4,796
4,000	FNMA POOL #0889982	5.500%	11/01/38	AGY	4,135
3,500	FHLMC GOLD SFM	5.500%	07/01/38	AGY	3,613
2,927	FNMA POOL #0889996	5.500%	06/01/38	AGY	3,023
2,629	FNMA POOL #0256843	5.500%	08/01/37	AGY	2,715
2,478	FNMA POOL #0844445	5.500%	12/01/35	AGY	2,567
2,298	FNMA POOL #0888354	5.500%	12/01/34	AGY	2,383
2,000	FEDERAL HOME LN BK CONS BD	5.200%	01/18/23	AGY	2,075

(1) Rated by Moodys

Ten Largest Stock Holdings
(By Market Value)
June 30, 2009
(dollars in thousands)

Shares	Stock	Market Value
36,937	EXXON MOBIL CORP	$ 2,582
106,335	MICROSOFT CORP COM	2,528
50,040	WAL MART STORES INC COM	2,424
43,900	TEVA PHARMACEUTICAL INDS ADR	2,166
37,550	MCDONALDS CORP COM	2,159
136,004	COMCAST CORP NEW CL A	1,967
49,054	HEWLETT PACKARD CO COM	1,896
4,458	GOOGLE INC CL A	1,879
34,050	BAXTER INTL INC COM	1,803
53,850	TJX COS INC NEW COM	1,694

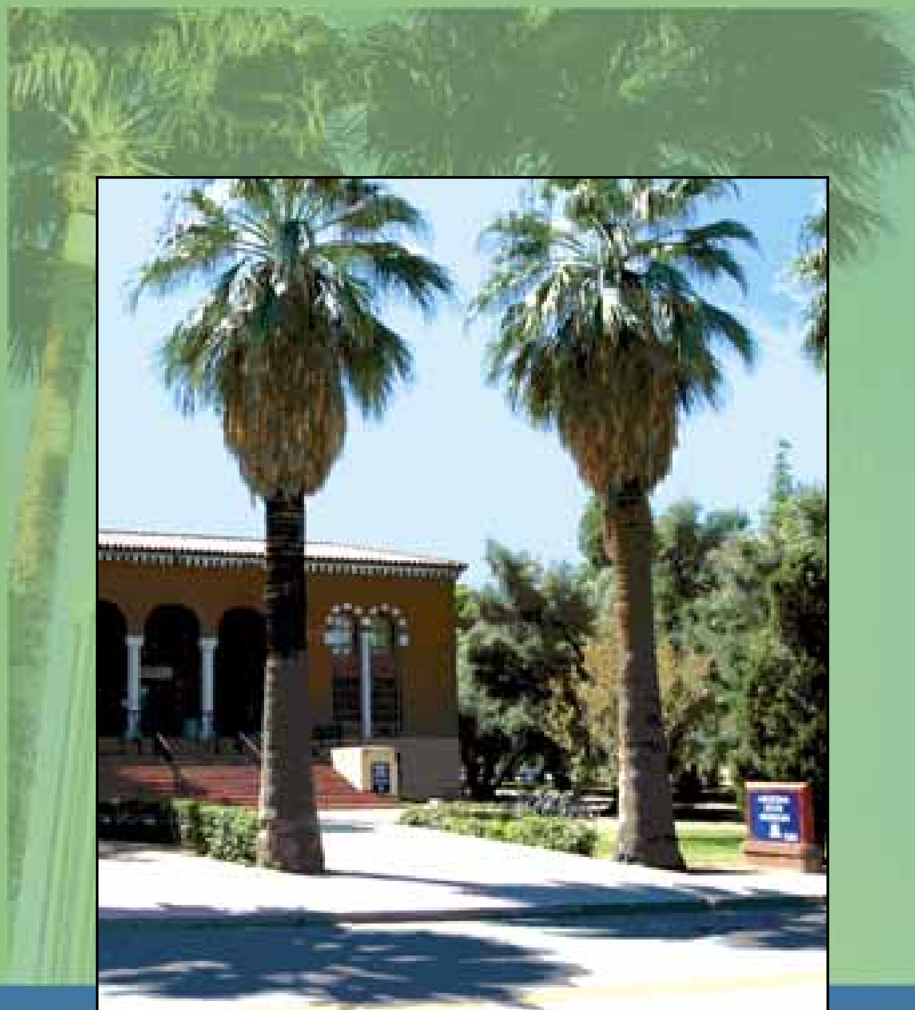
A complete list of portfolio holdings is available by contacting the City of Tucson, Treasury Division, 255 W. Alameda, 5-west, Tucson, AZ 85701-1303

Schedule of Fees
June 30, 2009

		Assets Under Management		Fees
Investment Manager Fees				
Fixed Income Managers				
City of Tucson, Treasury Division	$	42,438,989	$	35,000
PIMCO (Custom Fixed Income)		96,954,509		335,538
Total Fixed Income	$	139,393,498	$	370,538
Equity Managers				
Alliance Capital Management	$	61,061,338	$	26,986
Barclays Russell Value Index		22,485,617		9,579
Barclays Alpha Tilts		21,327,494		106,817
Friess Associates		40,288,200		503,082
Causeway Capital Management		31,664,314		214,213
Pyramis Global Advisors (Fidelity)		25,821,447		207,777
Artio (Julius Baer)		31,037,608		308,760
PIMCO StocksPlus		22,789,864		935
TCW Value Opportunities		21,376,393		178,867
Total Equity	$	277,852,275	$	1,557,016
Liquidity Account		523,875		-
Real Estate Managers				
JPM Strategic Property Fund	$	26,782,242	$	313,050
JPM Income & Growth Fund		5,039,924		126,491
LaSalle Income & Growth Fund IV		7,553,491		100,430
Total Real Estate	$	39,375,657	$	539,971
Infrastructure Managers				
Macqurie (MEIF3)	$	17,372,898	$	339,614
SteelRiver IFNA		8,386,274		514,796
Total Infrastructure	$	25,759,172	$	854,410
Total Assets (Trade date basis)	**$**	**482,904,477**		
Total Investment Management Fees			**$**	**3,321,935**
Other Investment Service Fees				
Custodian Fees				
BNY Mellon			$	280,491
Security Lending - Rebate, Bank & Administration Fees				
BNY Mellon				197,429
Consulting and Performance Management				
Hewitt Investment Group				150,000
Total Other Investment Service Fees			**$**	**627,920**

Schedule of Commissions
June 30, 2009

Broker Description	Shares	Commissions	Commissions Per Share
BNY CONVERGEX / LJR, HOUSTON	1,558,300	$ 53,823	$ 0.0345
INSTINET CORP, NY	985,061	34,038	0.0346
CREDIT SUISSE, NEW YORK (CSFBUS33XXX)	1,322,255	27,408	0.0207
MERRILL LYNCH PIERCE FENNER SMITH INC NY	964,581	21,373	0.0222
CITIGROUP GBL MKTS INC, NEW YORK	850,698	19,334	0.0227
INVESTMENT TECHNOLOGY GROUP, NEW YORK	645,452	19,291	0.0299
MORGAN STANLEY & CO INC, NY	750,560	18,161	0.0242
MORGAN J P SECS INC, NEW YORK	502,666	14,570	0.0290
UBS SECURITIES LLC, STAMFORD	594,065	14,411	0.0243
LIQUIDNET INC, BROOKLYN	440,333	12,059	0.0274
GOLDMAN SACHS & CO, NY	495,024	10,664	0.0215
BAIRD, ROBERT W & CO INC, MILWAUKEE	225,760	8,144	0.0361
RBC CAPITAL MARKETS CORP, MINNEAPOLIS	203,319	6,882	0.0339
COWEN AND COMPANY LLC, NEW YORK	153,380	5,914	0.0386
GOLDMAN SACHS EXECUTION & CLEARING, NY	260,541	5,860	0.0225
FRIEDMAN BILLINGS, WASHINGTON DC	148,990	5,718	0.0384
DEUTSCHE BK SECS INC, NY (NWSCUS33)	233,760	5,647	0.0242
JEFFERIES & CO INC, NEW YORK	172,428	5,491	0.0318
LEHMAN BROS INC, NEW YORK	200,659	5,315	0.0265
BARCLAYS CAPITAL LE, JERSEY CITY	147,520	4,914	0.0333
DEMATTED MONNESS LLC, NEW YORK	123,500	4,830	0.0391
ITG INC, NEW YORK	363,321	4,780	0.0132
KEEFE BRUYETTE AND WOODS, JERSEY CITY	116,175	4,647	0.0400
BARCLAYS CAPITAL INC./LE, NEW JERSEY	214,307	4,383	0.0205
NATIONAL FINL SVCS CORP, NEW YORK	305,441	3,888	0.0127
MERRILL LYNCH PROFESSIONAL CLRG, PURCHAS	96,400	3,856	0.0400
BNY CONVERGEX, NEW YORK	214,588	3,691	0.0172
CANTOR FITZGERALD & CO INC, NEW YORK	118,760	3,459	0.0291
KEVIN DANN PARTNERS LLC, NEW YORK	86,200	3,448	0.0400
PIPER JAFFRAY & CO, MINNEAPOLIS	104,495	3,386	0.0324
UBS EQUITIES, LONDON	135,785	3,304	0.0243
PERSHING LLC, JERSEY CITY	91,241	3,071	0.0337
CITIGROUP GLOBAL MARKETS LTD, LONDON	113,908	3,022	0.0265
BAYPOINT TRADING LLC, NEW YORK	99,300	2,979	0.0300
RAYMOND JAMES & ASSOC INC, ST PETERSBURG	75,410	2,957	0.0392
ALBERT FRIED & COMPANY LLC, NEW YORK	93,700	2,798	0.0299
BLOOMBERG TRADEBOOK LLC, NEW YORK	93,100	2,793	0.0300
NEEDHAM & CO, NEW YORK	80,530	2,725	0.0338
STIFEL NICOLAUS	70,535	2,626	0.0372
MORGAN KEEGAN & CO INC, MEMPHIS	64,910	2,612	0.0402
MIDWEST RESEARCH SECURITIES, JERSEY CITY	64,750	2,590	0.0400
BMO CAPITAL MARKETS CORP, NEW YORK	63,300	2,532	0.0400
THOMAS WEISEL PARTNERS, SAN FRANCISCO	60,655	2,426	0.0400
J.P. MORGAN CLEARING CORP, NEW YORK	118,250	2,339	0.0198
PACIFIC CREST SEC, PORTLAND	58,115	2,334	0.0402
MACQUARIE SECURITIES(USA)INC JERSEY CITY	57,400	2,181	0.0380
VARIOUS BROKERS - $2,000 OR LESS	3,222,683	82,590	0.0256
TOTALS	**17,162,111**	**465,264**	
AVERAGE COMMISSION RATE			**$ 0.0271**



Actuarial Section

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November 6, 2009

The Board of Trustees
Tucson Supplemental Retirement System
City Hall – 255 W. Alameda Street
Tucson, Arizona 85726–7210

The funding objective of the Retirement System is to establish and receive contributions which, expressed as percents of active member payroll, will remain approximately level from generation to generation of Tucson citizens.

Contributions which satisfy the funding objective are determined by the annual actuarial valuation and are sufficient to provide for normal cost plus level percent of payroll financing of unfunded actuarial accrued liability (UAAL). The actuarial assumptions and methods meet the parameters set forth in Statement No. 25 of the Governmental Accounting Standards Board. In our opinion, the assumptions are reasonably related to past experience and represent our best estimate of future conditions affecting the System.

Actuarial valuations are performed annually. The most recent actuarial valuation was completed as of June 30, 2009. We believe the assumptions and methods produce results which are reasonable. Actuarial accrued liabilities were 77.4% funded by valuation assets. The unfunded liability was amortized as a level percent of payroll over 15 years to develop the annual amortization payment amount. The annual required contribution is the sum of the amortization payment and the normal cost for the year. The amortization period is a 15-year open period and is reflected in the June 30, 2009 actuarial valuation.

Data for the annual valuation was furnished by the Retirement System Administrator and was checked by GRS for internal completeness and year-to-year consistency. We prepared all of the schedules in the actuarial section with the exception of retirants and beneficiaries added to and removed from rolls. In the Financial Section, GRS prepared the Schedule of Funding Progress, the Schedule of Employer Contributions, and the Summary of Actuarial Methods and Assumptions. The methodology for calculating valuation assets was changed this year to a method based on a smoothed market value which recognizes investment gains and losses over 5 year periods.

The undersigned is a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries, an Enrolled Actuary, and a Member of the American Academy of Actuaries with over 30 years of experience in performing valuations.

Respectfully submitted,

Leslie L. Thompson

Leslie L. Thompson, FSA, FCA, EA, MAAA
Senior Consultant

Actuarial 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 was computed as the discounted value of each member's projected pension and potential survivor's pension, using the assumptions summarized on the following pages. Each contribution in the series is a constant percentage of the member's year by year projected compensation (entry-age normal actuarial cost method).

Actuarial accrued liability was computed and financed as follows:

1. Retirants and beneficiaries. The discounted value of pensions likely to be paid to retired members and their potential survivors were computed using the investment return and mortality assumptions.

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 assumptions outlined on the following pages. The computed amount was reduced by applicable valuation assets and the unfunded amount was amortized over 15 years as of June 30, 2009.

Actuarial Assumptions

Level-percent contribution requirements and actuarial present values are calculated by using the entry-age actuarial cost method and assumptions concerning future experiences in the financial risk areas of a retirement plan. Actuarial gains and losses are amortized as a level percent of payroll over an open period of 15 years from June 30, 2009. The assumptions are selected based upon the recommendation of the actuary.

The principal areas of risk which require assumptions about future experiences are:

(i) long-term rates of investment return to be generated by the assets of the system
(ii) patterns of pay increases to members
(iii) rates of mortality among members, retirants and beneficiaries
(iv) rates of withdrawal of active members
(v) rates of disability among active members, and
(vi) the age patterns of actual retirements

Through the valuation process, the monetary effect of each expected assumption against actual experience is projected for the lifetime of each covered member and potential beneficiary.

Actual experience of the system will not coincide exactly with assumed experience. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments (usually small) to the computed contribution rate.

From time to time, one or more of the assumptions are modified to reflect experience trends (but not random or temporary year to year fluctuations). The Board of Trustees adopts the assumptions based upon recommendations of the actuary. The demographic assumptions were last revised for the June 30, 2009 actuarial valuation following an actuarial investigation of experience of the Retirement System covering the period July 1, 2003 through June 30, 2008.

Investment Return. 7.75% a year, compounded annually. This consists of a real rate of return of 4.25% a year plus a long-term rate of inflation of 3.5% a year.

This assumption is used to equate the value of payments due at different points in time. The approximate internal rate of investment return, for the purpose of comparison with the assumed rate is as follows:

Year Ended June 30

	2009	**2008**	**2007**	**2006**	**2005**	**3 Year Avg.**	**5 Year Avg.**
Investment Return Rate[1]	6.2%	4.5%	11.3%	9.4%	9.1%	7.3%	8.1%
Real Rate of Investment Return	7.5%	-0.5%	8.2%	5.0%	6.8%	5.1%	5.4%

[1]Based on actuarial value of assets, not market value

These rates of return should not be used for measurement of an investment advisor's performance or for comparisons with other plans -- to do so will mislead.

Pay Projections. These assumptions are used to project current pays to those which will determine average final compensation. The assumptions should consist of the same inflation component used for the investment return assumption plus an age graded component to reflect promotion and seniority increments.

Less than Five Years of Service

Service	Inflation Component	Merit & Seniority	Total
0	3.50%	4.00%	7.50%
1	3.50	3.50	7.00
2	3.50	3.00	6.50
3	3.50	2.50	6.00
4	3.50	2.00	5.50

Five or More Years of Service

Sample Ages	Inflation Component	Merit & Seniority	Total
20	3.50%	2.00%	5.50%
25	3.50	2.00	5.50
30	3.50	2.00	5.50
35	3.50	2.00	5.50
40	3.50	1.50	5.00
45	3.50	1.00	4.50
50	3.50	0.75	4.25
55	3.50	0.75	4.25
60	3.50	0.75	4.25
65	3.50	0.00	3.50

The pay increase assumptions will produce 3.50% annual increases in active member payroll (the base rate) given a constant active member group size. This is the same payroll growth assumption used to amortize unfunded actuarial accrued liability. In addition, an assumption is made that final average compensation will be increased by 2.2% to reflect unused sick leave for service retirements.

Pre-Retirement Mortality Table. The 1994 Group Annuity Mortality Table set back one year for men. This assumption is used to measure the probabilities of members dying before retirement.

Sample Ages	Future Life Expetancy (years)		Deaths per 1,000 Lives	
	Men	Women	Men	Woman
50	31.7	35.8	2.3	1.3
55	27.1	31.1	4.0	2.1
60	22.7	26.5	7.2	4.0
65	18.6	22.1	13.1	7.8
70	15.1	18.1	21.4	12.4
75	11.8	14.3	33.5	20.4
80	9.0	11.0	55.8	35.5
85	6.7	8.1	87.5	61.0

Post-Retirement Mortality Table. The 1994 Group Annuity Mortality Table set forward one year for men and women with a multiplier of 90%. This assumption is used to measure the probabilities of each benefit payment being made after retirement. Disability mortality is set forward nine years.

Sample Ages	Present Value of $1 Monthly for Life		Future Life Expectancy (years)		Healthy Deaths per 1,000 Lives		Disabled Deaths per 1,000 Lives	
	Men	Women	Men	Women	Men	Women	Men	Women
50	$137.74	$143.69	30.8	34.9	2.6	1.4	7.1	3.9
55	129.88	137.39	26.2	30.2	4.5	2.3	12.9	7.6
60	120.16	129.22	21.9	25.6	8.1	4.6	21.7	12.7
65	108.91	119.42	17.9	21.3	14.6	8.7	34.1	20.4
70	96.50	107.91	14.4	17.3	23.4	13.5	55.9	35.4
75	82.73	94.11	11.2	13.6	36.8	22.8	89.6	61.0
80	68.40	78.96	8.5	10.3	61.8	39.6	139.5	104.6
85	55.00	63.51	6.3	7.6	95.2	67.8	215.7	170.7

Rates of Retirement. Rates of retirement are used to measure the probablities of an eligible member retiring during the next year. For those ages 62 and older, the Rule of 80 retirement rates only applies if the Rule of 80 is attained by age 62.

	Percentage of Those Eligible Retiring During Year		
Retirement Ages	Rule of 80	Age Based	Early
50	25%		
51	25		
52	25		
53	25		
54	25		
55	25		8%
56	25		8
57	25		8
58	25		8
59	25		8
60	25		
61	25		
62	25	33%	
63	25	19	
64	25	28	
65	25	30	
66	25	38	
67	25	47	
68	25	75	
69	25	90	
70	100	100	

Deferred vested members are assumed to retire at age 62.

Rates of Separation from Active Membership. This assumption measures the probabilities of a member terminating employment. The rates do not apply to members who are eligible to retire.

Sample Ages	Years of Creditable Service	Probability of Termination During Year
Any	0	15.00%
	1	10.00
	2	9.00
	3	7.50
	4	7.00
25	5 & Over	6.30
30		5.90
35		3.90
40		2.90
45		2.20
50		1.80
55		1.70
60		1.70

Rates of Disability. This assumption measures the probabilities of a member becoming disabled. The rates do not apply to members who are eligible to retire.

Sample Ages	% of Active Members Becoming Disabled During Next Year
25	0.01%
30	0.02
35	0.03
40	0.05
45	0.07
50	0.11
55	0.19
60	0.28
65	0.25

Disabled life mortality is measured by the 1994 Group Annuity Mortality Table, as previously noted, with ages set forward 9 years. It is assumed that no valued disability retirement benefits will be offset by Worker's Compensation benefits.

Forfeiture of Vested Benefits. The assumption is that 55% of the actuarial present value of vested termination benefits will be forfeited by a withdrawal of accumulated contributions.

Active Member Group Size. The number of active members was assumed to remain constant.

End of Service (EOS) Program. The assumption is that 100% of active participants eligible to enter the EOS program do so. It is assumed that a participant electing the program will stay for the maximum 12 month period. Interest is applied to the EOS program accumulated balances for each month the participant remains in the program. There were no modifications made to the incidence of retirement for those entering the EOS program.

Active Members as of June 30, 2009
By Attained Age and Years of Service

Attained Age	Years of Service to Valuation Date								
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	Total No.	Total Valuation Payroll
< 20	-	-	-	-	-	-	-	-	-
20-24	43	-	-	-	-	-	-	43	1,233,606
25-29	144	22	-	-	-	-	-	166	5,467,509
30-34	149	92	21	-	-	-	-	262	9,745,861
35-39	150	100	95	14	-	-	-	359	14,780,047
40-44	128	114	119	67	13	1	-	442	19,979,606
45-49	137	94	112	101	75	13	3	535	25,975,727
50-54	97	111	128	96	125	86	7	650	33,428,997
55-59	69	55	74	85	119	36	24	462	24,817,402
60	9	9	12	16	9	5	4	64	3,528,859
61	10	8	14	12	12	3	5	64	3,718,905
62	8	2	4	14	6	2	1	37	2,172,165
63	8	5	6	5	6	-	2	32	1,840,209
64	1	2	5	6	1	-	2	17	1,113,905
65	4	5	-	3	1	-	1	14	638,770
66	-	2	4	-	1	-	4	11	570,563
67	2	1	-	-	-	-	1	4	295,963
68	-	-	1	-	1	-	-	2	106,787
69	-	-	-	-	-	1	-	1	56,389
70	1	1	-	-	1	-	-	3	115,752
71	-	-	-	-	-	-	-	-	-
72	-	1	-	1	1	-	-	3	190,507
73	-	-	1	-	-	-	-	1	32,344
74	-	2	-	-	-	-	-	2	67,288
75	-	-	-	1	-	-	-	1	47,486
76	-	-	-	-	-	-	-	-	-
77	-	-	-	-	-	-	-	-	-
78	-	-	-	-	-	-	-	-	-
79	-	-	-	-	-	-	-	-	-
Totals	960	626	596	421	371	147	54	3,175	149,924,647

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age:	46.3 years
Service:	11.2 years
Annual Pay:	$47,220

Active Members Included in Valuation
Comparative Schedule

Valuation Date	Active Members	Annual Payroll	Average Age	Average Service	Average Pay	Vested Inactive Members
6-30-81	2,510	$45,222,228	41.2	7.9	$18,017	N/A
6-30-82	2,425	44,344,257	41.0	8.1	18,286	34
6-30-83	2,461	48,699,681	41.1	8.5	19,789	36
6-30-84	2,524	55,259,857	41.3	8.7	21,894	32
6-30-85	2,572	59,317,696	41.5	8.9	23,063	25
6-30-86	2,748	65,046,166	41.4	8.7	23,670	33
6-30-87	2,832	69,759,507	41.8	9.0	24,633	34
6-30-88	2,943	72,449,162	41.9	9.0	24,617	40
6-30-89[1]	3,250	81,386,395	41.8	8.6	25,042	40
6-30-90	3,246	86,478,158	42.1	8.7	26,641	42
6-30-91	3,195	86,829,527	42.4	9.0	27,177	38
6-30-92	3,149	86,205,432	42.9	9.4	27,375	48
6-30-93	3,224	92,867,286	43.3	9.8	28,805	45
6-30-94	3,287	94,180,104	43.6	10.1	28,652	40
6-30-95	3,284	99,847,171	43.9	10.2	30,404	45
6-30-96	3,378	105,229,504	43.9	10.2	31,151	43
6-30-97	3,430	110,188,751	44.3	10.9	32,125	52
6-30-98	3,484	113,729,143	44.5	11.0	32,643	104
6-30-99	3,550	126,816,830	44.8	10.7	35,723	119
6-30-00	3,600	134,088,074	45.2	11.0	37,247	81
6-30-01	3,669	145,058,897	45.4	11.1	39,536	107
6-30-02	3,626	153,580,185	45.7	11.6	42,355	111
6-30-03	3,364	143,164,205	45.5	11.2	42,558	125
6-30-04	3,476	149,781,753	45.9	11.4	43,090	130
6-30-05	3,609	162,149,200	46.2	11.4	44,929	148
6-30-06	3,247	155,855,162	46.6	12.1	48,000	394[2]
6-30-07	3,326	159,249,822	46.2	11.4	47,880	223
6-30-08	3,251	153,982,399	45.7	10.6	47,365	202
6-30-09	3,175	149,924,649	46.3	11.2	47,220	205

[1] *An amendment eliminated the one-year service requirement for participation in the Retirement System.*
[2] *Includes 136 former Library employees requesting a transfer of service to ASRS.*

Solvency Test

Valuation Date	Aggregate Accrued Liabilities For (1) Active Member Contributions	(2) Retirants and Beneficiaries	(3) Active Member (Employer Financed Portion)	Valuation Assets	Portion of Accrued Liabilities Covered by Reported Assets (1)	(2)	(3)
6/30/91	$44,496,039	$ 72,419,436	$ 86,372,322	$164,268,134	100.0%	100.0%	54.8%
6/30/92	49,238,019	80,342,604	86,902,648	179,569,858	100.0	100.0	57.5
6/30/93	55,146,786	85,832,484	98,492,344	197,281,861	100.0	100.0	57.2
6/30/94	60,424,161	95,449,308	105,838,311	213,540,661	100.0	100.0	54.5
6/30/95	66,316,408	102,511,728	113,211,848	237,712,863	100.0	100.0	60.8
6/30/96	72,294,235	109,572,672	118,739,900	266,740,007	100.0	100.0	71.5
6/30/97	78,991,358	119,508,312	128,878,531	304,684,444	100.0	100.0	82.4
6/30/98	85,106,175	129,345,816	134,514,294	353,056,577	100.0	100.0	103.0
6/30/99	92,367,491	139,805,832	168,050,794	402,875,158	100.0	100.0	101.6
6/30/00	100,413,022	150,527,136	186,809,583	453,953,722	100.0	100.0	108.7
6/30/01	108,696,394	161,740,968	224,921,223	470,671,667	100.0	100.0	89.0
6/30/02	118,913,979	187,508,568	247,524,186	463,101,526	100.0	100.0	63.3
6/30/03	110,195,709	275,193,384	215,784,329	458,856,831	100.0	100.0	34.0
6/30/04	123,643,527	286,698,084	235,009,321	494,986,798	100.00	100.0	36.0
6/30/05	135,346,297	298,395,396	260,129,138	538,788,828	100.0	100.0	40.4
6/30/06	140,387,532	326,828,088	268,577,863	588,227,845	100.0	100.0	45.1
6/30/07	136,028,896	371,497,680	256,012,354	634,763,193	100.0	100.0	49.7
6/30/08	125,331,432	473,240,976	223,632,380	650,227,215	100.0	100.0	23.1
6/30/09	133,633,947	494,923,021	230,928,190	665,298,494	100.0	100.0	15.9

Comparative Schedule of Annual Pension Benefits Paid

Year Ending June 30	No.	Annual Pensions	% Increase	No. of Active Per Retired	Pensions as % of Active Payroll	Average Pensions	Actuarial Present Value of Pensions	Expected Removals No.	Expected Removals Pensions
1982	514	$1,891,620	%	4.7	4.3%	$3,680	$16,170,360	16.2	$50,616
1983	558	2,182,851	15.4	4.4	4.5	3,912	18,686,808	18.2	59,064
1984	602	2,566,459	17.6	4.2	4.6	4,263	22,307,232	20.2	70,140
1985	639	2,961,564	15.4	4.0	5.0	4,635	25,885,272	21.8	80,640
1986*	667	3,523,332	19.0	4.1	5.4	5,282	30,111,048	20.6	61,404
1987	706	3,911,729	11.0	4.0	5.6	5,541	33,313,200	23.0	97,632
1988	737	4,543,907	16.2	4.0	6.3	6,165	39,117,420	25.5	111,516
1989*	780	5,344,719	17.6	4.2#	6.6	6,852	46,556,352	26.6	133,860
1990	832	6,488,714	21.4	3.9	7.5	7,799	57,430,128	28.5	150,864
1991*	918	8,111,103	25.0	3.5	9.3	8,836	72,419,436	29.8	172,608
1992	965	9,010,345	11.1	3.3	10.5	9,337	80,342,604	32.3	208,068
1993*	989	9,704,929	7.7	3.3	10.5	9,813	85,832,484	34.3	235,068
1994	1,035	10,612,612	9.4	3.2	11.3	10,254	95,449,308	35.8	263,340
1995*	1,065	11,429,402	7.7	3.1	11.4	10,732	102,511,728	35.8	270,600
1996	1,105	12,236,298	7.1	3.1	11.6	11,074	109,572,672	37.7	302,952
1997*	1,156	13,391,185	9.4	3.0	12.2	11,594	119,508,312	39.4	325,440
1998	1,208	14,479,476	8.1	2.9	12.7	11,986	129,345,816	42.4	370,344
1999*	1,260	15,721,865	8.6	2.8	12.4	12,478	139,805,832	44.2	402,504
2000*	1,301	16,966,042	7.9	2.8	12.7	13,041	150,527,136	46.2	445,464
2001*	1,355	18,505,247	9.1	2.7	12.8	13,657	161,740,968	47.1	484,776
2002*	1,442@	21,273,162	15.0	2.5	13.9	14,753	187,508,568	53.3	622,236
2003*	1,742~	29,767,500	39.9	1.9	20.8	17,088	275,193,384	58.2	742,908
2004*	1,753	30,491,864	2.4	2.0	20.4	17,394	286,698,084	55.7	717,888
2005*	1,793	32,027,305	5.0	2.0	19.8	17,862	298,395,396	58.3	781,152
2006*	1,878	35,091,468	9.6	1.7	22.5	18,686	326,828,088	61.1	857,760
2007*	2,018§	39,883,032	13.7	1.6	25.0	19,764	371,497,680	66.3	977,328
2008	2,307	49,489,643	24.1	1.4	32.1	21,452	473,240,976	74.4	1,134,019
2009	2,365	50,810,927	2.7	1.3	33.9	21,485	494,923,021	63.8	994,553

*Includes ad hoc cost-of-living increases.
#Reflects increase in the number of active members as a result of an amendment which eliminated the one year service requirement for participation in the Retirement System.
@Reflects increase in the number of retirees resulting from a temporary amendment that reduced requirements for retirement eligibility.
~Reflects increase in the number of retirees resulting from temporary amendments that reduced requirements for retirement eligibility and provided added retirement incentives during a limited period.
§Reflects increase in the number of retirees resulting from temporary amendments that provided added retirement incentives during a limited period.

Experience Gains (Losses)
Comparative Schedule

		Year Ended 6-30-09	Year Ended 6-30-08
(1)	UAAL[1] at start of year	$171,977,573	$128,775,737
(2)	+ Normal Cost	19,310,270	19,808,134
(3)	- Actual contributions	32,730,516	39,823,401
(4)	+ Interest accrual on (1), (2) and (3)	12,808,228	9,204,528
(5)	Expected UAAL before changes	171,365,555	117,964,998
(6)	+ Change from DROP	0	3,832,654
(7)	+ Change from New Entrant Contributions	0	(115,314)
(8)	Change due to experience study	24,427,892	0
(9)	- Change due to asset method	(74,824,794)	0
(10)	+ Change due to death & disability benefits	1,163,010	0
(11)	Expected UAAL after changes	122,131,663	121,682,338
(12)	Actual UAAL	194,186,664	171,977,573
(13)	Experience gain (loss) (11) - (12)	(72,055,001)	(50,295,235)
(14)	As % of beginning of year AAL[2]	(8.8%)	(6.6%)

1 Unfunded actuarial accrued liability.

2 Actuarial accrued liability.

Summary of Benefit Provisions Evaluated or Considered (June 30, 2009)

Normal Retirement (no reduction factor)

Eligibility - Age 62, or a combination of age and creditable service equal to 80. For those hired on or after July 1, 2009, Age 62 requires a minimum of 5 years of accrued service.

Amount - Creditable service times 2.25% of average final compensation.

Average Final Compensation – The average monthly creditable compensation for the period of 36 consecutive months during which the member's creditable compensation was the highest during the 120 months immediately preceding the date of retirement. Effective July 1, 2000, accrued unused sick leave at the final salary may be substituted for an equal number of hours at the beginning of the 36 month period.

Early Retirement (reduction factor)

Eligibility - Age 55 with 20 or more years of creditable service.

Amount - An amount computed as for normal retirement but reduced by 1/2 of 1% per month for each month (6% per year) retirement precedes normal retirement.

Deferred Retirement (vested termination)

Eligibility - 5 or more years of accrued service. Deferred retirement benefits for terminated vested employee becomes automatic at age 62 or when a combination of age and creditable service equals 80, unless the member elects to withdraw the employee contribution account in lieu of a deferred retirement benefit.

Amount - An amount computed as for normal retirement.

Disability Retirement

Eligibility – Requires 5 or more years of creditable service and the inability of an individual to perform the function of their job classification due to a disability expected to be long-term or to result in death. As of July 1, 2009, eligibility requires 10 or more years of credited service and a disability that is total and permanent.

Amount - An amount computed as for normal retirement. Disability Retirement Benefits are offset, if earned income and employer-related disability compensation (from other than the system) equal or exceed 80% of average final compensation. As of July 1, 2009, benefits are offset only for earned income in excess of 22.5% of adjusted base income.

Pre-Retirement Survivor Benefits

Through June 30, 2009
Eligibility - 5 or more years of accrued service.

Amount - Lump sum payment equal to twice the member's contributions, with interest. In lieu of the lump sum a surviving spouse may elect 50% of the deceased member's normal retirement amount accrued at the time of death.

As of July 1, 2009
Eligibility - 5 or more years of accrued service and not eligible to retire.

Amount - Lump sum payment equal to twice the member's contributions, with interest.

Eligibility - While eligible to retire.

Amount - Lump sum payment equal to twice the member's contributions, with interest; or for a spouse may select a the benefit the spouse would have received if the member had retired on the day before death and had elected to receive a joint and 100% survivor annuity; or for a single non-spouse beneficiary may select the benefit the beneficiary would have received if the member had retired on the day before death and had elected to receive an annuity certain and for life with a period certain of one hundred eighty (180) months; for multiple beneficiaries, a lump sum death benefit of twice the member's accumulated contributions account will be paid.

Other Termination Benefits

Eligibility - termination of employment without eligibility for any other benefit.

Amount - accumulated contributions at time of termination.

Employee Contributions

Interest is credited to member accumulated contributions accounts as simple interest two times per year at an annual interest rate of 6%. For those hired prior to July 1, 2006, employee contributions are 5.00% of salary. For those hired on or after July 1, 2006, employee contributions are 40% of the total required contribution. For those hired after July 1, 2009, employee contribution will be a minimum of 40% and a maximum of 50% of the total required contribution.

City Contributions

Actuarially determined amounts which together with employee contributions and investment earnings will fund the obligations of the System in accordance with accepted actuarial principles.

Post-Retirement Adjustments

The TSRS Board has established formal policies to determine whether the system shall fund an annual supplemental post retirement benefit payment to retired members and beneficiaries.

End of Service (EOS) Program

Eligibility – Eligibility for this program occurs when a member reaches normal service retirement eligibility either by attaining age 62 or when the member's age and years of creditable service, plus unused sick and vacation leave totals at least 80 points.

Benefit – Accumulation of up to one year's worth of pension benefit payments that will be payable at the end of the final year of service with interest accruals based on the US 90-day Treasury Bill rate. During participation in the End of Service Program, the member will not accrue creditable service that is a determining factor in calculating a member's permanent monthly pension benefit. Additionally, no pension benefit will be paid to the participant while they are in the program.

***Election Period* –** The period available for members to elect participation is scheduled to run from July 1, 2006 to December 31, 2010.

Program Period – The maximum period an eligible participant can stay in the program is 12 months after which the participant must retire. No Employee Contributions will be due for compensable earnings during the member's participation in the program.

Statistical Section

Statement of Changes in Plan Net Assets - Last Ten Fiscal Years

Fiscal Year Ending June 30,

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Additions										
City Contributions	21,279,535	$ 23,902,286	$ 22,670,418	$ 24,319,911	$ 21,423,488	$ 15,966,754	$ 12,771,777	$ 10,544,412	$ 10,058,627	$ 9,637,727
Employee Contributions	8,156,115	8,591,124	8,120,057	8,197,437	7,638,608	6,563,651	7,583,019	7,198,340	6,842,538	6,561,513
Purchase of Service	1,565,164	5,186,289	1,008,980	1,157,572	1,972,509	2,307,962	4,610,513	5,720,521	-	-
Contributions from Other Sources	140,512	130,784	41,595	-	857,399	-	-	-	-	-
Transfers from Other Systems	1,589,190	2,012,917	3,794,093	620,601	-	294,722	525,986	207,164	507,140	285,346
Total Contributions	32,730,516	$ 39,823,400	$ 35,635,143	$ 34,295,521	$ 31,892,004	$ 25,133,089	$ 25,491,295	$ 23,670,437	$ 17,408,305	$ 16,484,586
Investment Income										
Net Gain (Loss) in Fair Value of Investments	(155,121,981)	$ (50,256,771)	$ 85,493,111	$ 48,195,450	$ 33,977,326	$ 67,110,061	$ 3,704,778	$ (49,179,615)	$ (55,456,160)	$ 36,155,275
Interest	11,087,144	10,815,803	7,649,621	4,144,414	3,692,702	4,051,824	2,261,333	5,601,284	8,916,345	7,269,025
Dividends	7,219,584	10,009,694	9,537,064	8,187,034	9,779,723	7,691,638	8,105,077	3,618,645	3,775,296	3,935,240
Real Estate Income	-	-	-	-	-	16,209	405,794	2,103,123	1,637,669	2,851,266
Securities Lending Income	359,394	1,881,706	2,594,083	1,683,061	879,477	417,044	340,493	520,029	1,758,074	1,555,169
Miscellaneous Income	120,820	152,848	6,038	53,855	43,387	24,744	24,675	-	-	-
	(136,335,039)	$ (27,396,720)	$ 105,279,917	$ 62,263,814	$ 48,372,615	$ 79,311,520	$ 14,842,150	$ (37,336,534)	$ (39,368,776)	$ 51,765,975
Less Investment Expenses:										
Interest Expense - Securities Lending	197,429	$ 1,708,227	$ 2,517,081	$ 1,618,232	$ 819,201	$ 324,034	$ 252,297	$ 427,017	$ 1,563,976	$ 1,339,814
Other Investment Expense	4,580,028	4,129,652	3,433,243	3,096,323	2,581,056	2,308,746	1,852,781	2,227,180	2,285,138	2,470,778
Total Investment Expense	4,777,457	$ 5,837,879	$ 5,950,324	$ 4,714,555	$ 3,400,257	$ 2,632,780	$ 2,105,078	$ 2,654,197	$ 3,849,114	$ 3,810,592
Net Investment Gain	(141,112,496)	$ (33,234,599)	$ 99,329,593	$ 57,549,259	$ 44,972,358	$ 76,678,740	$ 12,737,072	$ (39,990,731)	$ (43,217,890)	$ 47,955,383
Total Additions	(108,381,980)	$ 6,588,801	$ 134,964,736	$ 91,844,780	$ 76,864,362	$ 101,811,829	$ 38,228,367	$ (16,320,294)	$ (25,809,585)	$ 64,439,969
Deductions										
Benefits	51,996,508	$ 46,211,560	$ 40,419,922	$ 33,475,950	$ 31,357,794	$ 30,259,921	$ 23,855,130	$ 20,009,180	$ 18,042,307	$ 16,557,265
Refunds	1,689,956	1,265,235	1,573,276	1,219,263	1,229,267	1,249,453	1,186,455	806,074	1,124,689	1,173,181
Transfers to Other Systems	2,655,061	4,340,520	11,886,941	482,469	209,410	362,716	3,169	100,167	237,192	287,515
Administrative Expenses	864,382	519,346	485,469	433,350	389,303	380,407	373,718	341,569	347,974	304,457
Loss on Increase of Threshold on Fixed Assets	-	-	-	-	-	-	-	-	-	9,975
Total Deductions	57,205,907	$ 52,336,661	$ 54,365,608	$ 35,611,032	$ 33,185,774	$ 32,252,497	$ 25,418,472	$ 21,256,990	$ 19,752,162	$ 18,332,393
Net Change in Plan Net Assets	(165,587,887)	$ (45,747,860)	$ 80,599,128	$ 56,233,748	$ 43,678,588	$ 69,559,332	$ 12,809,895	$ (37,577,284)	$ (45,561,747)	$ 46,107,576

Retired Members by Type of Benefit
As of June 30, 2009

Amount of Monthly Benefit	Number of Retirees	Type of Retirement[a] 1	2	3	4	Option Selected[b] 1	2	3	4	5	6	7	8
$ 1 - $ 250	43	32	9	2	-	30	1	1	1	3	3	4	-
$ 251 - $ 500	182	98	43	22	19	108	3	2	5	24	9	31	-
$ 501 - $ 750	222	131	47	31	13	125	5	2	2	40	20	28	-
$ 751 - $ 1,000	232	147	47	32	6	125	-	2	1	50	19	35	-
$ 1,001 - $ 1,250	246	184	34	25	3	126	-	-	2	45	28	45	-
$ 1,251 - $ 1,500	234	186	29	17	2	96	3	4	2	46	37	46	-
$ 1,501 - $ 1,750	226	206	8	12	-	99	1	-	2	44	38	42	-
$ 1,751 - $ 2,000	198	183	5	10	-	79	-	1	1	46	36	35	-
$ 2,001 - $ 2,250	155	146	4	5	-	68	1	3	-	43	17	23	-
$ 2,251 - $ 2,500	124	121	-	3	-	54	-	-	1	38	11	20	-
$ 2,501 - $ 2,750	108	106	1	1	-	60	-	1	1	19	10	17	-
$ 2,751 - $ 3,000	80	79	-	1	-	49	-	-	-	8	12	11	-
$ 3,001 - $ 3,250	63	63	-	-	-	32	-	-	2	10	4	15	-
$ 3,251 - $ 3,500	31	30	1	-	-	16	-	-	-	6	7	2	-
$ 3,501 - $ 3,750	40	40	-	-	-	27	-	-	-	7	2	4	-
$ 3,751 - $ 4,000	27	26	1	-	-	16	-	-	1	2	1	7	-
$ 4,001 - $ 4,250	29	28	1	-	-	17	-	-	-	4	1	7	-
$ 4,251 - $ 4,500	22	22	-	-	-	12	-	-	-	4	5	1	-
$ 4,501 - and over	103	103	-	-	-	48	-	1	2	19	13	20	-
	2,365	1,931	230	161	43	1,187	14	17	23	458	273	393	-

Notes:

[a]Type of retirement

1 - Normal retirement for age and service
2 - Beneficiary payment, normal retirement
3 - Disabiltiy retirement
4 - Beneficiary payment, disability retirement

[b]Option selected:

1 - Single life; beneficiary receives lump sum of member's unused contributions
2 - Beneficiary receives remainder of 5 yr term, if applicable
3 - Beneficiary receives remainder of 10 yr term, if applicable
4 - Beneficiary receives remainder of 15 yr term, if applicable
5 - Beneficary receives 75% of member's reduced benefit
6 - Beneficary receives 50% of member's reduced benefit
7 - Beneficary receives 100% of member's reduced benefit
8 - Beneficiary receives death benefit of 50% of member's unreduced single life benefit
*effective 7/1/09 pre-retirement death benefits changed. 50% of single life no longer av

Average Monthly Benefit Payments to New Retirees

Retirement Effective Dates For Fiscal Years Ending June 30	Years of Credited Service 1-9	10-14	15-19	20-24	25-29	30+
2009 *						
Avg Monthly Benefit	$ 620	$ 1,117	$ 1,452	$ 2,165	$ 3,475	$ 2,811
Avg Monthly Final Avg Compensation	$ 3,474	$ 3,823	$ 3,671	$ 4,281	$ 5,775	$ 3,942
Number of Active/EOSP retirees	14	13	12	23	15	9
2008 *						
Avg Monthly Benefit	$ 645	$ 1,076	$ 1,502	$ 2,258	$ 3,133	$ 3,944
Avg Monthly Final Avg Compensation	$ 4,302	$ 4,542	$ 3,869	$ 5,094	$ 5,310	$ 6,222
Number of Active/EOSP retirees	18	16	27	74	84	63
2007						
Avg Monthly Benefit	$ 648	$ 725	$ 1,360	$ 2,010	$ 2,999	$ 3,730
Avg Monthly Final Avg Compensation	$ 3,947	$ 2,922	$ 3,687	$ 4,258	$ 5,086	$ 5,589
Number of Active Retirees	12	11	33	42	55	48
2006						
Avg Monthly Benefit	$ 610	$ 802	$ 1,304	$ 1,974	$ 3,141	$ 4,001
Avg Monthly Final Avg Compensation	$ 4,046	$ 2,803	$ 3,245	$ 4,006	$ 4,970	$ 5,561
Number of Active Retirees	20	14	25	27	33	20
2005						
Avg Monthly Benefit	$ 563	$ 912	$ 1,095	$ 1,803	$ 3,291	$ 3,615
Avg Monthly Final Avg Compensation	$ 3,518	$ 3,722	$ 3,017	$ 3,884	$ 5,623	$ 4,883
Number of Active Retirees	8	3	10	20	17	10
2004						
Avg Monthly Benefit	$339	$895	$1,245	$1,547	$2,508	$2,876
Avg Monthly Final Avg Compensation	$2,519	$3,398	$3,500	$3,483	$4,292	$4,323
Number of Active Retirees	4	10	6	7	8	2
2003						
Avg Monthly Benefit	$595	$734	$1,213	$1,772	$2,380	$3,421
Avg Monthly Final Avg Compensation	$3,350	$2,851	$3,358	$3,705	$4,209	$5,047
Number of Active Retirees	10	18	31	41	145	62
2002						
Avg Monthly Benefit	$465	$615	$1,106	$1,236	$2,372	$3,071
Avg Monthly Final Avg Compensation	$2,620	$2,213	$2,882	$2,455	$3,921	$4,147
Number of Active Retirees	9	10	24	20	61	9
2001						
Avg Monthly Benefit	$395	$642	$907	$1,665	$1,900	$2,543
Avg Monthly Final Avg Compensation	$2,098	$2,238	$2,340	$3,124	$3,199	$3,461
Number of Active Retirees	8	20	16	20	24	12
2000						
Avg Monthly Benefit	$433	$720	$927	$1,749	$2,269	$1,884
Avg Monthly Final Avg Compensation	$2,640	$2,499	$2,316	$3,420	$3,749	$2,736
Number of Active Retirees	10	14	12	17	21	3

*2008 is the first year retiree benefits include End of Service Program (EOSP) retirees in the monthly benefit amounts.

Demographics of Retired and Active Members
June 30, 2009

Retired Members

	Retirees			Survivors/Beneficiaries		
Ages	Male	Female	Total	Male	Female	Total
Under 55	50	73	123	3	20	23
55 to 59	205	151	356	2	11	13
60 to 64	324	147	471	1	37	38
65 to 69	253	145	398	-	37	37
70 to 74	212	85	297	2	34	36
75 to 79	143	58	201	2	46	48
80 to 84	92	46	138	6	38	44
85 to 89	42	31	73	4	21	25
90 to 94	19	10	29	-	9	9
95 to 100	3	3	6	-	-	-
101 and over	0	0	-	-	-	-
Total	1,343	749	2,092	20	253	273

Active Members

	Active Members			Percentage Distribution		
Ages	Male	Female	Total	Male	Female	Total
Under 20	0	1	1	0.00%	0.03%	0.03%
20 to 29	117	119	236	3.68%	3.74%	7.42%
30 to 39	335	316	651	10.53%	9.93%	20.47%
40 to 49	550	430	980	17.29%	13.52%	30.81%
50 to 59	680	413	1093	21.38%	12.98%	34.36%
60 to 69	152	60	212	4.78%	1.89%	6.66%
70 and over	4	4	8	0.13%	0.13%	0.25%
Total	1838	1343	3181	57.78%	42.22%	100.00%

Employee and Employer Contribution Rates
Last Ten Fiscal Years

Fiscal Year	Employee Rate (percentage)		Employer Rate (percentage)		Total Contribution
	Fixed	Variable	Fixed	Variable	
00/01	5.0	n/a	7.35	n/a	12.35
01/02	5.0	n/a	7.35	n/a	12.35
02/03	5.0	n/a	8.41	n/a	13.41
03/04	5.0	n/a	11.17	n/a	16.17
04/05	5.0	n/a	14.06	n/a	19.06
05/06	5.0	n/a	14.83	n/a	19.83
06/07*	5.0	7.5	15.04	12.54	20.04
07/08*	5.0	8.084	15.21	12.126	20.21
08/09*	5.0	7.788	14.47	11.682	19.47
09/10*	5.0	8.852	17.13	13.278	22.13

*Employees hired on or after July 1, 2006 pay a variable rate, which changes annually to 40% of the actuarially recommended contribution rate for the system.

Benefit and Refund Deductions from Net Assets by Type

Last Ten Fiscal Years

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Type of Benefit										
Service Benefits:										
Retirees	40,123,580	39,940,472	31,993,340	28,946,679	27,440,364	26,533,141	20,209,887	16,973,784	15,304,313	14,148,928
EOSP lump sum[1]	6,805,342	1,495,136	4,069,547	-	-	-	-	-	-	-
Survivors[2]	2,700,791	2,499,152	2,236,330	2,229,540	1,860,300	1,646,238	1,681,008	1,311,864	1,182,857	1,072,099
Disabilty Benefits:										
Retirees	1,969,239	1,999,565	1,847,725	1,763,061	1,717,457	1,646,927	1,541,162	1,466,490	1,265,302	1,026,252
Survivors	397,556	277,235	272,980	536,670	339,672	433,615	423,073	257,041	289,834	309,986
Total Benefits	51,996,508	46,211,560	40,419,922	33,475,950	31,357,794	30,259,921	23,855,130	20,009,180	18,042,307	16,557,265
Type of Refund										
Death	299,779	96,935	70,309	147,588	86,361	223,073	296,371	3,074	106,071	211,988
Separation	1,390,177	1,168,300	1,502,967	1,219,264	1,225,670	1,242,340	890,084	803,000	1,018,618	961,193
Transfer	2,655,061	4,340,520	11,886,941	482,469	209,410	362,716	3,169	100,167	237,192	287,515
Total Refunds	4,345,017	5,605,755	13,460,218	1,849,320	1,521,441	1,828,129	1,189,625	906,242	1,361,881	1,460,697

(1) EOSP - An End of Service Program benefit option became available for the first time in FY2007, allowing retiring employees to accumulate up to one year's worth of benefit payments during their final year of employment

(2) Includes Death in service pension benefits

Tucson Supplemental Retirement System
Retiree Benefit and Service Summary

# yrs retired	Average Benefit	Total Monthly Benefit pmts	# of retirees	Age at 6/30/09 <55	55-59	60-64	65-69	70-74	75-79	80-84	=>85	Years of Credited Service <10	10-19	20>
<1	1,951	167,859	86	15	24	40	7	0	0	0	0	14	25	47
1	2,617	732,773	280	62	101	84	25	7	1	0	0	19	42	219
2	2,446	545,472	223	19	65	85	42	9	2	1	0	16	44	163
3	2,037	197,609	97	8	20	26	35	7	1	0	0	20	30	47
4	2,006	150,468	75	8	19	19	21	7	0	1	0	10	16	49
5	1,433	55,875	39	3	6	7	15	8	0	0	0	5	17	17
6	2,249	690,567	307	9	88	115	81	10	2	2	0	10	48	249
7	1,981	267,396	135	7	16	55	43	13	1	0	0	7	34	94
8	1,544	126,628	82	2	4	24	18	32	2	0	0	6	30	46
9	1,354	101,586	75	3	5	15	22	29	1	0	0	11	29	35
10	1,421	115,074	81	4	7	9	28	25	4	2	2	8	20	53
11	1,356	107,121	79	3	2	7	35	23	7	2	0	10	16	53
12	1,436	90,494	63	0	4	5	18	26	9	0	1	6	10	47
13	1,295	101,028	78	0	1	5	18	23	27	3	1	6	29	43
14	1,295	71,210	55	0	3	3	10	12	23	4	0	9	12	34
15	1,398	83,894	60	0	1	3	5	19	23	9	0	10	16	34
16	1,279	57,553	45	0	1	1	2	14	18	7	2	6	16	23
17	1,373	81,018	59	1	1	3	1	13	26	10	4	7	15	37
18	1,404	119,353	85	1	1	1	4	28	24	25	1	6	26	53
19	1,553	88,548	57	0	0	0	1	8	27	20	1	3	10	44
20	1,408	63,374	45	0	0	0	1	3	18	20	3	4	10	31
21	1,117	40,219	36	1	0	0	2	3	5	21	4	3	13	20
22	902	28,878	32	0	0	1	0	3	5	15	8	4	14	14
23	927	37,096	40	0	0	1	0	2	9	13	15	5	15	20
24	969	26,157	27	0	0	0	0	2	3	8	14	1	12	14
25	783	22,711	29	0	0	0	0	3	3	5	18	4	11	14
26	778	17,889	23	0	0	0	1	1	2	5	14	4	10	9
27	749	20,965	28	0	0	0	0	0	0	7	21	6	11	11
28	569	10,242	18	0	0	0	0	2	2	1	13	6	7	5
29	554	3,879	7	0	0	0	0	0	1	0	6	1	5	1
30>	623	11,843	19	0	0	0	0	1	3	1	14	6	5	8
	1,791	4,234,780	2,365	146	369	509	435	333	249	182	142	233	598	1534

*includes alternate payees and survivors

CITY OF
FOUNDED 1775
TUCSON