URSJJ

Uniform Retirement System For Justices & Judges

A Component Unit of the State of Oklahoma

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2005

Lake Tenkiller

Scenic beauty abounds in the state of Okahoma as is evident in this stunning view. Tenkiller is nestled in the foothills of the Ozark Mountains, with dramatic rock bluffs, dogwood forests, hilly terrain, and beautiful foliage from spring until fall, when the changing autumn leaves draw many travelers around the lake and up scenic Highway 10.

Photo courtesy of the Oklahoma Department of Wildlife, www.wildlifedepartment.com

URSJJ

Uniform Retirement System for Justices and Judges

A Component Unit of the State of Oklahoma

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2005

Prepared by the staff of the Uniform Retirement System for Justices and Judges

This publication, printed by the Department of Central Services, Central Printing Division, is issued by the Oklahoma Public Employees Retirement System as authorized by its Executive Director. Eight hundred copies have been prepared and distributed at a cost of $3,450. Twenty-five copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

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TOM SPENCER
EXECUTIVE DIRECTOR

BRAD HENRY
GOVERNOR

STATE OF OKLAHOMA

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

November 30, 2005

Letter of Transmittal

To the Board of Trustees of the Oklahoma Public Employees Retirement System
and Members of the Uniform Retirement System for Justices and Judges

State law requires that, after July 1 and before December 1 of each year, the Uniform Retirement System for Justices and Judges (URSJJ) publish an annual report that covers the operation of URSJJ during the past fiscal year, including income, disbursements and the financial condition at the end of the fiscal year. This report is published, in part, to fulfill that requirement for the fiscal year ended June 30, 2005. State law also requires that URSJJ provide certain information regarding the financial and actuarial condition of URSJJ using certain prescribed assumptions as an addendum to the annual report. The Addendum section of this report is provided to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

KPMG, LLP, Certified Public Accountants, have issued an unqualified opinion on the Uniform Retirement System for Justices and Judges' statements of plan net assets as of June 30, 2005 and 2004, and the related statements of changes in plan net assets for the years then ended. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Plan

URSJJ is a single employer public employee retirement plan, which is a defined benefit pension plan, covering all Justices and Judges of the Oklahoma Supreme Court, Court of Criminal Appeals, Workers' Compensation Court, Court of Appeals, and District Courts. URSJJ is administered by the Oklahoma Public Employees Retirement System (OPERS) and its Board of Trustees (the Board). The employee and employer contribution rates are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation which is performed to determine the adequacy of such contribution rates.

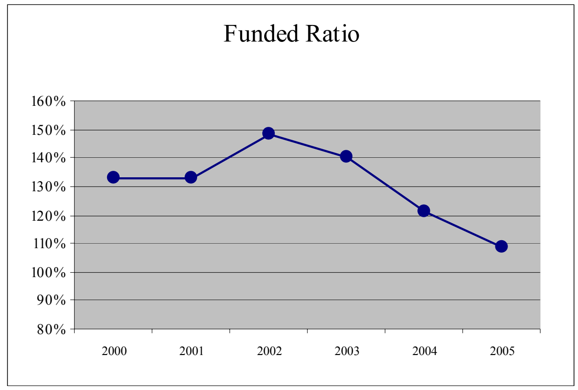
Members qualify for full retirement benefits at their normal retirement age, defined as: (1) when the sum of the member's age and years of credited service equals 80 or (2) at age 65 with 8 years of judicial service or (3) at age 60 with 10 years of judicial service. Benefits are determined at 4% of the members average salary, as defined, multiplied by the number of years of service, not to exceed 100% of the member's average monthly salary received as a justice or judge for the highest 36 months of compensation. Survivor benefits are paid to a member's spouse provided the member made the required additional contributions and the spouse qualified under the plan provisions. As a result of recently enacted legislation, justices and judges retiring after September 1, 2005, may also elect a maximum benefit with no survivor option or one of two actuarially reduced retirement benefits that provide for a lifetime benefit to be paid to the member's joint annuitant after the member's death. The original surviving spouse benefit for married judges who were members prior to September 1, 2005, continues to be available. As a part of this legislation, effective September 1, 2005, all justices and judges pay a uniform contribution rate of 8%.

The Board consists of thirteen appointed members, some by position and some by association. Those serving through position are a member of the Corporation Commission as selected by the Commission, the Administrator of the Office of Personnel Management, the State Insurance Commissioner, the Director of State Finance, and a member of the Tax Commission selected by the Tax Commission. Of the remaining members, three are appointed by the Governor, one is appointed by the Supreme Court, two are appointed by the Speaker of the House of Representatives and two are appointed by the President Pro Tempore of the Senate. Qualifications for certain of these appointees include a balance of individuals having experience in investment management, pension management, public fund management, the banking profession or a license to practice law or to be an accountant.

Each year, OPERS, along with other State agencies, is required to file a budget work program with the Office of State Finance. Administrative overhead expenses of URSJJ, including personnel and other supporting services costs, are paid for by OPERS and allocated to URSJJ based on an estimate of the cost of services provided. The allocated costs are charged to URSJJ and paid with funds provided through operations of URSJJ. The OPERS budget work program, which includes the costs related to URSJJ, is approved by the Board and includes a description of all funds available for expenditure and shows spending by major program category. Additionally, in each even-numbered year, OPERS, along with other State agencies must file a strategic plan covering five fiscal years beginning with the next odd-numbered fiscal year. URSJJ receives no State appropriations and is funded through employee and employer contributions and investment earnings.

Funding

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. The funding objective for URSJJ is to meet long-term benefit promises through contributions that remain approximately level as a percent of member payroll. The greater the level of funding, the larger the ratio of assets accumulated to the actuarial accrued liability and the greater the level of investment potential. The advantage of a well-funded plan is that the participants can look at assets that are committed to the payment of benefits. The actuarial accrued liability and actuarial value of assets as of July 1, 2005 amounted to $187.6 million and $204.0 million, respectively.



Although still over 100%, the URSJJ funded ratio has been declining for the past three years. This in part is due to the decrease of the employer contribution rate as well as the lifting of the salary cap for benefit calculation for the past two years. Effective July 1, 2005 the employer contribution rate, which was 2 percent for the year ended June 30, 2005, increased to 3.0 percent of payroll and will increase 1.0 percent annually up to 22.0 percent for fiscal years ending 2019 and thereafter. A detailed discussion of funding is provided in the Actuarial Section of this report.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Uniform Retirement System for Justices and Judges for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2004. This was the seventh year URSJJ has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of OPERS. We wish to express our appreciation to all staff members who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the Uniform Retirement System for Justices and Judges finances.

Respectfully submitted,

Tom Spencer
Executive Director

Virginia Lawrenz
Chief Financial Officer

DON KILPATRICK
CHAIRMAN

BRAD HENRY
GOVERNOR

STATE OF OKLAHOMA

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

November 30, 2005

Chairman's Letter

Dear Members:

On behalf of the Board of Trustees, I am pleased to present the Comprehensive Annual Financial Report for the Uniform Retirement System for Justices and Judges (URSJJ) for the fiscal year ending June 30, 2005.

This report is designed to provide a detailed look at the financial, investment and actuarial aspects of the System, which continues to be a strong retirement system.

You are encouraged to carefully review this report, as it contains a wealth of information about your retirement system. If you have questions or comments, please feel free to contact us. We can be reached at PO Box 53007, Oklahoma City, Oklahoma 73152-3007. Our telephone number is 405-858-6737 (or toll-free 1-800-733-9008).

I also want to thank the staff for their diligent work in preparing this report and their commitment to continually improve the administrative operations necessary to operate your retirement system.

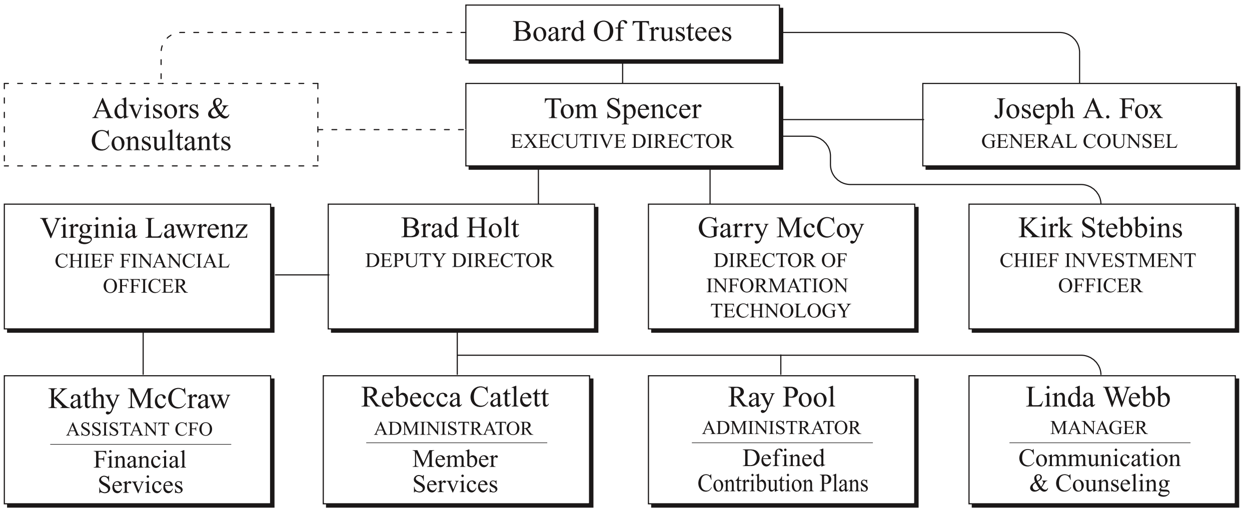
Sincerely,

Don Kilpatrick
Chairman

Board of Trustees

Back row, left to right: DeWayne McAnally, Steve Paris, Jon Forman, Kim Holland, Don Kilpatrick, Oscar B. Jackson, Jr., Tony Hutchison, Faye Waits
Front row, left to right: Howard Conyers, Vic Thompson, Jerry Johnson
Not pictured: Bob Anthony, Richard Haugland, Claudia San Pedro

Organizational Structure



Back row, left to right: Kirk Stebbins, Garry McCoy, Linda Webb, Joe Fox,
Tom Spencer, Ray Pool, Rebecca Catlett
Front row, left to right: Virginia Lawrenz, Brad Holt, Kathy McCraw

Advisors and Consultants*

Master Custodian
The Northern Trust Company
Chicago, Illinois

Investment Consultant
Strategic Investment Solutions, Inc.
San Francisco, California

Actuarial Consultant
Mercer Human Resource Consulting
Dallas, Texas

Independent Auditors
KPMG LLP
Oklahoma City, Oklahoma

Internal Auditors
Finley & Cook PLLC
Shawnee, Oklahoma

*The Schedules of Investment Expenses and Professional/Consultant Fees in the Financial Section provide more information regarding advisors and consultants.

2005 Legislation

House Bill 1858

Uniform Contribution Rate

Effective September 1, 2005 all justices and judges will pay a uniform contribution rate of 8 % of monthly salary.

Survivor Benefit Option

Justices and judges retiring on or after September 1, 2005 may elect a maximum benefit with no survivor option or reduced retirement benefits that provide for a lifetime benefit to be paid to the member's joint annuitant after the member's death. Two new actuarially reduced retirement benefits allow for a reduced retirement benefit to be paid to the retiree during his or her lifetime. The first option gives the member a reduced lifetime annuity with one-half of the amount paid to the member's survivor at the member's death. The second option pays the member an even further reduced annuity with the same amount paid to the survivor after the member's death. The surviving spouse benefit for married judges who were members prior to September 1, 2005 continues to be available.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Uniform Retirement System for Justices and Judges, Oklahoma

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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.

Nancy L. Zielke

President

Jeffrey R. Esser

Executive Director

Financial Section

KPMG LLP
700 Oklahoma Tower
210 Park Avenue
Oklahoma City, OK 73102-5671

Independent Auditors' Report

Board of Trustees
Uniform Retirement System for Justices and Judges:

We have audited the accompanying statements of plan net assets of the Uniform Retirement System for Justices and Judges (the Plan), a component unit of the state of Oklahoma, as of June 30, 2005 and 2004, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets as of June 30, 2005 and 2004, and the changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In 2005, the Plan adopted Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*, as discussed in note 1.

The Management's Discussion and Analysis and the schedules of funding progress and employer contributions in schedule 1 are not required parts 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 inquires 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 audits were conducted for the purpose of forming an opinion on the basic financial statements. The Introductory Section, the Investment Section, the Actuarial Section, the Statistical Section, the Addendum and schedules 2 through 4 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information in schedules 2 through 4 has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section, the Investment Section, the Actuarial Section, the Statistical Section, and the Addendum have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on it.

KPMG LLP

September 16, 2005

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Administered by the Oklahoma Public Employees Retirement System

Management's Discussion and Analysis

As management of the Uniform Retirement System for Justices and Judges (the Plan) we offer readers of the Plan's financial statements this narrative overview and analysis of the financial activities of the Plan for the fiscal years ended June 30, 2005 and 2004.

Financial Highlights

- The net assets held in trust for pension benefits totaled approximately $205.7 million at June 30, 2005 compared to $191.7 million at June 30, 2004 and $175.6 million at June 30, 2003. The net assets are available for payment of monthly retirement benefits and other qualified distributions to the Plan's participants. The increases of $14.0 million and $16.1 million of the respective years resulted primarily from the appreciation in the fair value of the Plan's investments due to equity market increases affecting both years.

- At June 30, 2005, the total number of members participating in the Plan was 450, a 0.9% increase from the prior year. The total number of members participating in the Plan at June 30, 2004 was 446, a 0.2% decrease from the prior year.

- At June 30, 2005, the actuarial value of assets was $204.0 million and the actuarial accrued liability was $187.6 million producing a funded ratio of 108.7% compared to 121.0% at June 30, 2004. The key items responsible for the change in the funded status were changes in actuarial assumptions and changes in plan provisions which increased the accrued liability by $9.7 million and $1.1 million, respectively, and the return on the actuarial value of assets less than expected return, resulting in a $6.6 million loss. Liability gains occurred, decreasing the actuarial accrued liability to a value $1.5 million less than expected. The funded ratio at June 30, 2003 was 139.9%.

Overview of the Financial Statements

The Plan is a single-employer, public employee retirement plan, which is a defined benefit pension plan. The Plan covers all Justices and Judges of the Oklahoma Supreme Court, Court of Criminal Appeals, Workers' Compensation Court, Court of Appeals, and District Courts. Benefits are determined at 4% of the average monthly compensation received as a justice or judge based on the highest thirty-six months of compensation (the last three years of service in 2004) multiplied by the number of years of credited service, not to exceed 100% (72.5% in 2004) of the retiree's average monthly salary received as a justice or judge for the highest thirty-six months of compensation (the last three years of service in 2004). Normal retirement ages under the Plan are 60 with 10 years of judicial service, 65 with 8 years of judicial service or when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80). Members become eligible to vest fully upon termination of employment after attaining eight years of service as a justice or judge or the members' contributions may be withdrawn upon termination of employment.

The Plan's financial statements are comprised of a Statement of Plan Net Assets, a Statement of Changes in Plan Net Assets, and Notes to Financial Statements. Also included is certain required supplementary and supplementary information.

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Administered by the Oklahoma Public Employees Retirement System

Management's Discussion and Analysis

The Plan is a component unit of the state of Oklahoma (the State) and is administered by the Oklahoma Public Employees Retirement System, a component unit of the State, which together with the Plan and other similar funds comprise the fiduciary-pension trust funds of the State.

The *statement of plan net assets* presents information on the Plan's assets and liabilities and the resulting *net assets held in trust for pension benefits.* This statement reflects the Plan's investments, at fair value, along with cash and cash equivalents, receivables and other assets and liabilities.

The *statement of changes in plan net assets* presents information showing how the Plan's net assets held in trust for pension benefits changed during the years ended June 30, 2005 and 2004. It reflects contributions by members and participating employers along with deductions for retirement benefits, refunds and withdrawals, and administrative expenses. Investment income during the period is also presented showing income from investing and securities lending activities.

The *notes to financial statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.

The *required supplementary information* and the related note present a schedule of funding progress and a schedule of employer contributions, along with a discussion of actuarial assumptions and methods. Schedules of certain expenses and fees paid are presented as *supplementary information.*

Financial Analysis

The following are the condensed Schedules of Plan Net Assets and Changes in Plan Net Assets for the Uniform Retirement System for Justices and Judges for the fiscal years ended June 30, 2005, 2004, and 2003.

CONDENSED SCHEDULES OF PLAN NET ASSETS	**($ millions) June 30,**		
	2005	**2004**	**2003**
Cash and cash equivalents	$ 0.6	$ 1.0	$ 2.6
Receivables	18.1	9.9	18.6
Investments	207.0	197.1	179.9
Securities lending collateral	31.5	25.7	16.0
Total Assets	257.2	233.7	217.1
Other liabilities	20.0	16.3	25.5
Securities lending collateral	31.5	25.7	16.0
Total Liabilities	51.5	42.0	41.5
Net Assets Held in Trust for Benefits	**$ 205.7**	**$ 191.7**	**$ 175.6**

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES
Administered by the Oklahoma Public Employees Retirement System

Management's Discussion and Analysis

CONDENSED SCHEDULES OF CHANGES IN PLAN NET ASSETS	**($ millions) June 30,**		
	2005	**2004**	**2003**
Member contributions	$ 1.7	$ 1.8	$ 1.8
Court employer contributions	0.5	0.5	0.5
Net investment income	19.4	20.5	10.8
Total Additions	21.6	22.8	13.1
Retirement, death and survivor benefits	7.4	6.5	6.0
Refunds and withdrawals	0.1	0.1	0.1
Administrative expenses	0.1	0.1	0.1
Total Deductions	7.6	6.7	6.2
Total Changes in Plan Net Assets	**$ 14.0**	**$ 16.1**	**$ 6.9**

Financial Analysis

For the year ended June 30, 2005 plan assets increased $14.0 million or 7.3%. Total assets increased $23.5 million or 10.0% due to the 82.3% increase in receivables, primarily the pending sales of securities, the 5.0% increase in investments, and the 22.6% increase in securities lending cash collateral. Total liabilities increased $9.5 million or 22.7% due to the 22.8% increase in payables for pending purchases of securities and the 22.6% increase in the liability for cash collateral related to securities lending.

Fiscal year 2005 showed a $1.2 million decrease in total additions and a $0.9 million increase in total deductions. Compared to the prior year, additions decreased 5.3% as a result of an 8.3% decrease in the appreciation of the fair value of investments, a 3.1% decrease in member contributions, and a 2.2% decrease in employer contributions, which were offset by increases in interest and securities lending income of a 6.6% and 56.3%, respectively. The increase in total deductions of $0.9 million was due to a 14.2% increase in retirement and death and survivor benefits, a 97.4% increase in refunds and withdrawals, and a 5.9% increase in administrative costs.

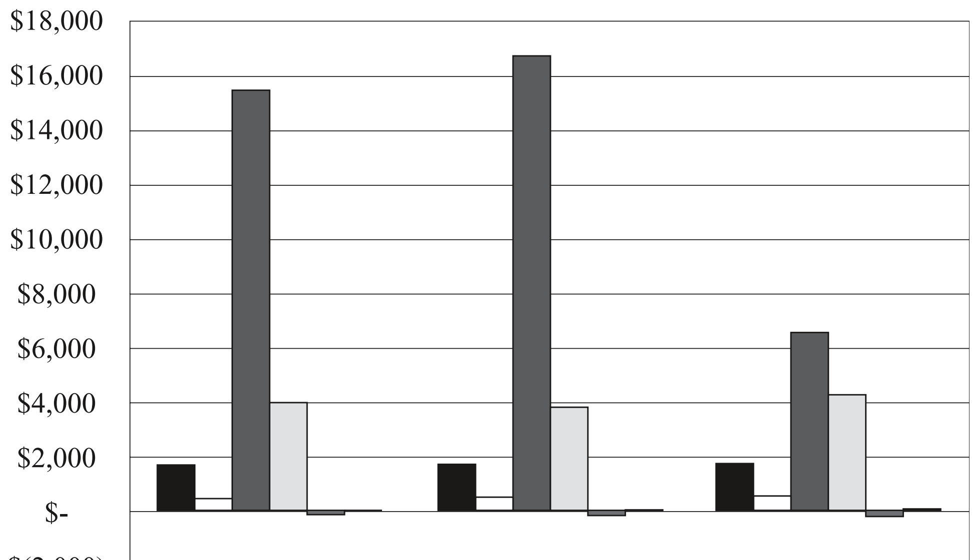
For the year ended June 30, 2004 plan net assets increased $16.1 million or 9.2% from the prior year. Total assets increased 7.7% due to a 9.7% increase in investments of $17.2 million. The $8.7 million decrease in receivables, primarily the pending sales of securities, was offset by the $9.7 million increase in securities lending collateral. Total liabilities increased 1.2% for fiscal 2004 as the $9.7 million increase in the liability for cash collateral related to securities lending was offset by the $9.2 million decrease in payables for pending purchases of securities.

Fiscal year 2004 showed a $9.7 million increase in additions and a $0.5 million increase in deductions. Compared to the prior year, additions increased 73.9% as a result of a 157.0% increase in the appreciation of the fair value of investments which was reduced by decreases in the other sources of investment income and also contributions. The increase in deductions of $0.5 million was due to a 8.7% increase in retirement, death and survivor benefits and a 2.3% increase in administrative costs compared to fiscal 2003.

Additions to Plan Net Assets

For the year ended June 30, 2005 additions to plan assets decreased $1.2 million or 5.3% from the prior year. A net appreciation in fair value of investments of $15.4 million, an 8.3% decrease from the prior year, was the result of fixed income and equity market increases during the year. The 6.6% increase in interest income reflects the rise of interest rates, and the 56.3% increase in income from securities lending activities was the result of the increased fair value of the portfolio. Contributions of members and participating court employers were somewhat reduced due to a lower total annual salary base for calculation and a decrease in the number of members electing the higher contribution rate of 8%.

ADDITIONS TO PLAN NET ASSETS
Comparative Data for Fiscal Years Ended June 30, 2005, 2004, and 2003
(in $000's)



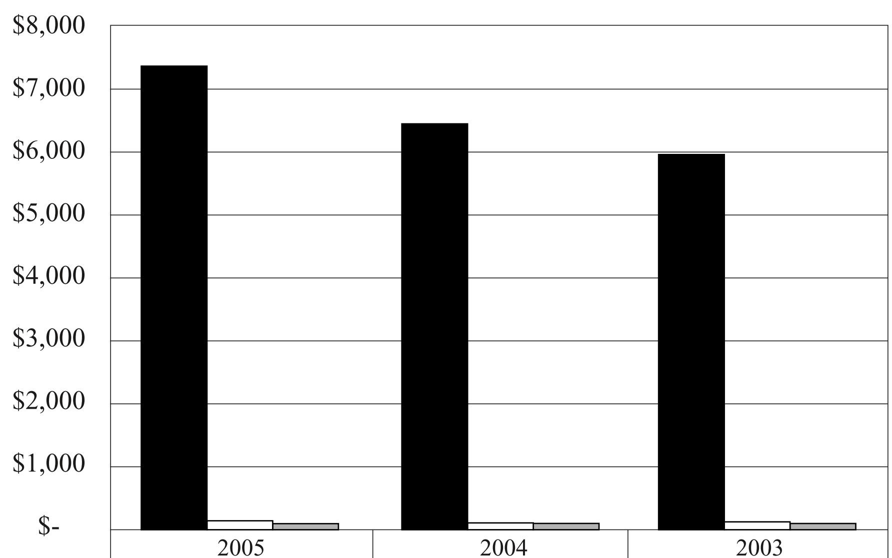
	2005	2004	2003
Member contributions	$1,717	$1,773	$1,792
Court employer contributions	$475	$486	$488
Net appreciation	$15,385	$16,783	$6,531
Interest, dividends, and other investment income	$4,055	$3,803	$4,366
Investment expenses	$(107)	$(99)	$(114)
Securities lending income	$46	$29	$35

For the year ended June 30, 2004 additions to plan assets were $22.8 million, an increase of $9.7 million or 73.9% compared to the prior year. A net appreciation in fair value of investments of $16.8 million was the result of equity market increases during the year. Investment income and income from securities lending activities decreased as did investment expenses since equity holdings were in index funds the entire year. Contributions of members and participating court employers were somewhat reduced due to a lower total annual salary base for calculation and a decrease in the number of members electing the higher contribution rate of 8%.

Deductions to Plan Net Assets

For the year ended June 30, 2005 total deductions increased $0.9 million or 15.1% from the prior year. Retirement, death and survivor benefits increased $0.9 million or 14.2% due to the 4.0% cost of living adjustment increasing retiree benefits, the increase of the salary cap, and the increase in the number of retirees. Refunds and withdrawals increased 97.4% as more participants withdrew contributions during the year compared to the prior year. Administrative expenses increased 5.9% when compared to the prior year as a result of a higher percentage attributable to the Plan's allocated share of administrative costs and an increase in the allocation of expenses for staffing and related personnel expenses.

DEDUCTIONS TO PLAN NET ASSETS
Comparative Data for Fiscal Years Ended June 30, 2005, 2004, and 2003
(in $000's)



	2005	2004	2003
Retirement, death and survivor benefits	$7,393	$6,476	$5,959
Refunds and withdrawals	$164	$83	$94
Administrative expenses	$88	$83	$81

For the year ended June 30, 2004 total deductions increased $0.5 million or 8.3% compared to the prior year. Retirement, death and survivor benefits increased $0.5 million or 8.7% as the number of retirees fluctuated during the year from 172 and 168 at year end, and the average monthly benefit steadily increased from $3,068 to $3,174. Fiscal year 2004 refunds and withdrawals decreased as fewer participants withdrew contributions during the year. Administrative expenses increased 2.3% over fiscal 2003 due to increases in professional services and the allocation of expenses for miscellaneous expenses.

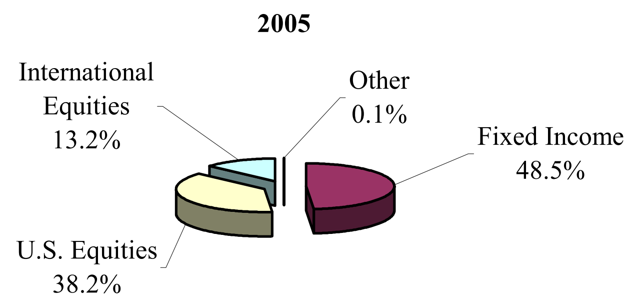
Investments

The investment portfolio is reported by asset class which is comprised of the investment managers' portfolios including cash equivalents. A summary of the Plan's cash and investments for fiscal years ended June 30, 2005, 2004, and 2003 is as follows:

CASH, CASH EQUIVALENTS, AND INVESTMENT PORTFOLIO	**($ millions) June 30,**		
	2005	**2004**	**2003**
Fixed Income	$ 101.7	$ 98.0	$ 94.6
U.S. Equities	78.5	74.8	67.3
International Equities	27.2	25.2	19.7
Other	0.2	0.1	0.8
Total managed investments	**207.6**	**198.1**	**182.4**
Cash on deposit with State	0.1	0.1	0.1
Securities Lending Collateral	31.5	25.7	16.0
Total Cash and Investments	**$ 239.2**	**$ 223.9**	**$ 198.5**

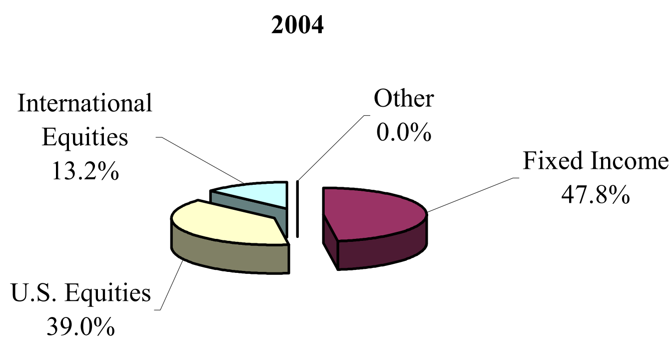
For the year ended June 30, 2005 the Plan's overall return was 10.3% with fixed income returns exceeding the market trends for the year, and equity index funds correlating closely with the market trends for the year. U.S. and international equities showed returns of 8.1% and 14.0%, respectively, and the return of the fixed income component was 10.8%. During the year $3.8 million was reallocated from equities to the fixed income component: $2.3 million from the U.S. equity index fund and $1.5 million from the international equity index fund. In addition approximately $5.5 million was transferred from the fixed income component during the year to supplement the cash requirements of monthly benefit payments. The change in securities lending collateral is dependent on the securities loaned by the Plan's master custodian at year-end.

At June 30, 2005 the distribution of the Plan's investments including accruals was as follows:



For the year ended June 30, 2004 the Plan's overall return for the year was 11.8% with equity index funds and total fixed income returns correlating closely with the market performance for the year. U.S. and international equity index funds showed returns of 20.3% and 32.8%, respectively, and the return of the fixed income component was 0.8%. During the year \$7.0 million was reallocated from equity index funds to fixed income: \$6.0 million from the U.S. equity index fund and \$1.0 million from the international equity index fund. In addition approximately \$4.0 million was transferred from the core plus fixed income component during the year to meet the monthly cash requirements of benefit payments. The change in securities lending collateral is dependent on the securities loaned by the Plan's master custodian at year-end.

At June 30, 2004 the distribution of the Plan's investments including accruals was as follows:



Economic Factors

Funding

A measure of the adequacy of a pension's funding status is when it has enough money in reserve to meet all expected future obligations to participants. The funded ratios of the Plan at June 30 for the current and preceding two years were as follows:

2005	2004	2003
108.7%	121.0%	139.9%

Plan Amendments

Plan provision changes were enacted by the State Legislature during the session ended in May 2005. These changes include the establishment of a uniform contribution rate for members and the addition of the survivor benefit option without regard to marital status.

Other

Other than changes in the fair value of Plan assets as may be impacted by the equity and bond markets and changes in the Plan provisions that may have an effect on the actuarial liability, no other matters are known by management to have a significant impact on the operations or financial position of the Plan.

Requests for Information

This financial report is designed to provide a general overview of the Plan's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Reporting Division, OPERS, P. O. Box 53007, Oklahoma City, Oklahoma 73152-3007.

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Administered by the Oklahoma Public Employees Retirement System

Statements of Plan Net Assets

June 30, 2005 and 2004

Assets		**2005**		**2004**
Cash and cash equivalents	$	639,402	$	1,046,817
Receivables:				
Member contributions		139,987		135,961
Participating court employer contributions		36,511		37,705
Due from brokers for securities sold		17,073,223		8,834,184
Accrued interest		801,802		833,650
Other		1,228		60,931
Total receivables		18,052,751		9,902,431
Investments, at fair value:				
Short-term investments		3,764,093		7,620,794
Government obligations		61,919,334		64,077,469
Corporate bonds		35,666,844		25,335,022
Domestic equities		78,469,633		74,888,246
International equity index fund		27,190,773		25,195,838
Securities lending collateral		31,544,434		25,728,528
Total investments		238,555,111		222,845,897
Total assets		257,247,264		233,795,145
Liabilities				
Due to brokers and investment managers		19,997,476		16,286,928
Securities lending collateral		31,544,434		25,728,528
Total liabilities		51,541,910		42,015,456
Net assets held in trust for pension benefits	$	205,705,354	$	191,779,689
(Schedule of Funding Progress is presented in Schedule 1)				

See accompanying notes to financial statements.

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES
Administered by the Oklahoma Public Employees Retirement System

Statements of Changes in Plan Net Assets

Years Ended June 30, 2005 and 2004

	2005	2004
Additions:		
Contributions:		
Members	$ 1,716,996	$ 1,772,673
Participating court employers	475,019	485,793
Total contributions	2,192,015	2,258,466
Investment income:		
From investing activities:		
Net appreciation in fair value of investments	15,385,282	16,782,541
Interest	4,055,172	3,803,566
Other	—	35
Total investment income	19,440,454	20,586,142
Less – Investment expenses	(107,136)	(98,926)
Income from investing activities	19,333,318	20,487,216
From securities lending activities:		
Securities lending income	686,051	230,239
Securities lending expenses:		
Borrower rebates	(628,963)	(188,498)
Management fees	(11,406)	(12,513)
Income from securities lending activities	45,682	29,228
Net investment income	19,379,000	20,516,444
Total additions	21,571,015	22,774,910
Deductions:		
Retirement, death and survivor benefits	7,393,588	6,476,146
Refunds and withdrawals	164,018	83,112
Administrative expenses	87,744	82,832
Total deductions	7,645,350	6,642,090
Net increase	13,925,665	16,132,820
Net assets held in trust for pension benefits:		
Beginning of year	191,779,689	175,646,869
End of year	$ 205,705,354	$ 191,779,689

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Uniform Retirement System for Justices and Judges (the Plan).

(a) Basis of Accounting

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are established by statute as a percentage of salaries and are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The Plan, together with other similar fiduciary – pension trust funds of the state of Oklahoma (the State), is a component unit of the State. The Plan is administered by the Oklahoma Public Employees Retirement System (OPERS). As set forth in Title 20 of the Oklahoma Statutes, at Section 1108, a portion of the administrative overhead expenses, including personnel and other supporting services costs, which are paid for by a separate retirement fund also administered by OPERS, are allocated to the Plan. The allocation is based on OPERS' estimate of the cost of services provided to the Plan by the separate fund. Allocated costs are charged to the Plan and paid with funds provided through operations of the Plan.

(b) Investments

The Plan is authorized to invest in eligible investments as approved by the Board of Trustees of OPERS (the Board) as set forth in its investment policy.

Plan investments are reported at fair value. Short-term investments include bills and notes and commercial paper, valued at fair value, and an investment fund composed of an investment in units of a commingled trust fund of the Plan's custodial agent, which is valued at cost, which approximates fair value.

Domestic debt and equity securities are reported at fair value, as determined by the Plan's custodial agent, generally based on pricing services or prices quoted by independent brokers. The fair value of the pro rata share of units owned by the Plan in index and commingled trust funds is determined by the respective fund trustees based on quoted sales prices of the underlying securities.

Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, securities lending income and expenses, dividend income, and investment expenses, which includes investment management and custodial fees and all other significant investment related costs.

The Plan invests in various traditional financial instruments that fall under the broad definition of derivatives. The Plan's derivatives include U.S. Treasury Strips, collateralized mortgage obligations, convertible stocks and bonds, and variable rate instruments. These investments do not increase investment risk beyond allowable limits specified in the Plan's investment policy.

The Plan's investment policy provides for investments in combinations of stocks, bonds, fixed income securities and other investment securities, along with investments in commingled trust and index funds. Investment securities and investment securities underlying the trust and index fund investments are exposed to various risks, such as interest rate and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect the amounts reported in the statements of plan net assets.

(c) Use of Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America, requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets held in trust for pension benefits at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in plan net assets during the reporting period and, when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

(d) Risk and Uncertainties

Contributions to the Plan and the actuarial information included in the required supplementary information are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

(e) Changes in Accounting Principles

The Plan adopted the provisions of Governmental Accounting Standards Board (GASB) Statements No. 40, *Deposit and Investment Risk Disclosures,* (Statement No. 40) in 2005 effective July 1, 2003. Statement No. 40 modifies and adds certain investment reporting requirements previously established by GASB Statement No. 3, *Deposits with Financial Institutions, Investment (including Repurchase Agreements), and Reverse Repurchase Agreements.* Statement No. 40 had an impact on the presentation of the notes to the financial statements, but no impact on net assets.

(2) Plan Descriptions and Contribution Information

The following brief description of the Plan is provided for general information purposes only. Participants should refer to Title 20 of the Oklahoma Statutes, Sections 1101 through 1111, for more complete information.

(a) General

The Plan is a single employer public employee retirement plan, which is a defined benefit pension plan covering all Justices and Judges of the Oklahoma Supreme Court, Court of Criminal Appeals, Workers' Compensation Court, Court of Appeals, and District Courts. The supervisory authority for the management and operation of the Plan is the Board, which acts as a fiduciary for investment of the funds and the application of Plan interpretation.

At June 30 the Plan's membership consisted of

	2005	2004
Retirees and beneficiaries currently receiving benefits	175	168
Terminated vested participants	9	8
Active participants	266	270
Total	450	446

(b) Benefits

Effective July 1, 2004, benefits are determined at 4% of the members average monthly compensation for covered active service over the highest thirty-six months of compensation as a justice or judge times the total years of service in the Plan not to exceed 100% of the retiree's average monthly salary received as a justice or judge for the highest thirty-six months of compensation.

For fiscal year 2004, benefits were determined at 4% of the member's average monthly compensation for covered active service over the last three years of active service as a justice or judge times the total years of service in the Plan, not to exceed 72.5%, of the retiree's average monthly salary received as a justice or judge for the last three years of active service.

Normal retirement ages under the Plan are as follows:

- When the sum of credited years and age equals or exceeds 80 (Rule of 80)
- Age 65 with 8 years of judicial service
- Age 60 with 10 years of judicial service

Members are eligible to vest fully upon termination of judicial service after accumulating eight years of judicial service or the members' contributions may be withdrawn at the time such member ceases to be a justice or judge of a court within the Plan.

Disability retirement benefits are available for members who have attained age 55 and have 15 years of continuous judicial service and are determined to be disabled by the Court of the Judiciary. The benefits are calculated in the same manner as the normal retirement benefit, except in 2004 for a maximum benefit limit of 70% of the retiree's average monthly salary received as a justice or judge. The Court of the Judiciary may override these requirements if it is determined that any judge or justice is no longer capable of performing regular duties.

Upon the death of an active member, the Plan will pay to the designated beneficiary the active member's accumulated employee contributions. However, if the deceased member contributed to survivor benefits, an eligible spouse of the member may choose to vest the member's service (8 years required) until the spouse is eligible to receive monthly survivor benefits as defined by the Plan.

Upon the death of a retired member, the Plan will pay a $5,000 death benefit to the member's beneficiary or estate of the member if there is no living beneficiary. The death benefit will be paid in addition to any excess employee contributions or survivor benefits due to the estate or beneficiary. Death benefits paid for the years ended June 30, 2005 and 2004, totaled approximately $27,500 and $15,000, respectively.

Survivor benefits are paid to a member's spouse provided the member makes the required contributions and the spouse qualifies under the Plan provisions. These payments are made monthly over the remaining life of the spouse. If the member has ten years of service and the death is determined by the workers' compensation court to be employment related, the benefit is payable immediately to the spouse. Members must have eight years of credited service before their spouses are eligible for normal survivor benefits. Effective October 1, 2004 the benefit payment is equal to 50% up to 65% of the normal retirement benefit if certain contributions and other criteria are met. Prior to October 1, 2004 the benefit was equal to 50% of the normal retirement benefit.

For the years ended June 30, 2005 and 2004, the Plan remitted up to $105 per month for each eligible member receiving retirement benefits, excluding surviving spouses, for health insurance premiums to the Oklahoma State and Education Employees Group Insurance Board, which administers various group health benefit plans for the State. The Plan is required by statute to remit this payment for eligible members, but has no administrative functions related to the payment and no portion of the contribution amounts of either active members or participating courts is specifically identified by statute as relating to such payment. Accordingly, the provisions of GASB Statement No. 26, *Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans*, are deemed not to apply. The amounts remitted for the years ended June 30, 2005 and 2004, for such premiums were approximately $125,000 and $120,000, respectively, and are included in retirement, death, and survivor benefits.

(c) Contributions

The contribution requirements of the Plan are an established rate determined by the Oklahoma Legislature and are based on a comparison to an actuarial calculation. The basic member contributions for 2005 and 2004 are 5% of a member's monthly salary. Each member of the Plan who is married must provide for spousal survivor benefits, contributing at the rate of 8%. The member's spouse however can waive spousal benefits. Participating court employers are required to contribute monthly a percentage of the gross salaries of the active members of the Plan. The percentage established by the Oklahoma Legislature for the years ended June 30, 2005 and 2004 was 2% of member payroll. The Board is authorized to adjust the contribution rates to prevent a funded ratio of the Plan of less than 100%.

Effective for the fiscal year ended June 30, 2006, the employer contribution rate will increase to 3.0% of payroll and will increase 1% annually up to 22% for fiscal years ending June 30, 2019, and thereafter.

(3) Cash and Cash Equivalents

Cash and cash equivalents represent cash on deposit with the State and short-term investment funds held by the Office of the State Treasurer (State Treasurer) and the Plan's custodial agent.

At June 30 cash and cash equivalents were

	2005	2004
Cash deposits	$ —	$ 50,002
Cash equivalents		
State Treasurer	54,924	—
Custodial agent	584,478	996,815
Total cash and cash equivalents	$ 639,402	$ 1,046,817

In May 2005, the Plan transferred all cash deposits to *OK INVEST*, an internal investment pool of the State Treasurer with holdings limited to high-rated money market mutual funds, obligations of the U.S. Government, U.S. Government agencies and instrumentalities, and collateralized tri-party repurchase agreements. Participants are limited to qualifying agencies and funds within the State's reporting entity, and each participant maintains an interest in the underlying investments of *OK INVEST* and shares the risk of loss on the funds in proportion to the respective investment in the funds. At June 30, 2004, cash was on deposit with the State Treasurer. The State Treasurer requires that financial institutions insure or collateralize the deposits of the State Treasurer. The custodial agent cash equivalents consist of temporary investments in commingled trust funds of the Plan's custodial agent. The funds are composed of high-grade money market instruments with short maturities. Each participant in the funds shares the risk of loss on the funds in proportion to the respective investment in the funds.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. At June 30, 2005 the cash equivalents in *OK INVEST* and the Plan's custodial agent cash equivalents were not exposed to custodial credit risk because their existence cannot be evidenced by securities that exist in physical or book entry form. At June 30, 2004, cash on deposit with the State was insured or collateralized with securities held by the agent in the name of the State Treasurer, and the Plan was exposed to custodial credit risk only to the extent that the Plan's full equity was not insured by federal depository insurance. The uninsured amount cannot be determined. At June 30, 2004 the Plan's custodial agent cash equivalents were not exposed to custodial credit risk because their existence cannot be evidenced by securities that exist in physical or book entry form. The Plan does not have a formal deposit policy for custodial credit risk.

At June 30, 2005, as a result of outstanding checks, the Plan's carrying amount in *OK INVEST* totaled $54,924 and the bank balances totaled $178,234. At June 30, 2004, as a result of outstanding checks, the carrying amount of the Plan's cash deposits totaled $50,002 and the bank balances totaled $166,456. At June 30, 2005 and 2004 the carrying amounts of the Plan's custodial agent cash equivalents were the same as the bank balances, $584,478 and $996,815, respectively.

(4) Investments

(a) General

The OPERS Statement of Investment Policy states that the Board believes that Plan assets should be managed in a fashion that reflects the Plan's unique liabilities and funding resources, incorporating accepted investment theory and reliable empirical evidence. Specifically, the Board has adopted the following principles:

- Asset allocation is the key determinant of return and, therefore, commitments to asset allocation targets will be maintained through a disciplined rebalancing program.
- Diversification, both by and within asset classes, is the primary risk control element.
- Passive fund portfolios are suitable investment strategies, especially in highly efficient markets. These index funds which are externally managed by professional investment management firms selected through due diligence of the Board are deemed to be actively managed accounts within the meaning of Section 909.1(D) of Title 74 of the Oklahoma Statutes.

At June 30 the asset allocation guidelines established by policy were

	2005	2004
U.S. equities	38%	38%
International equities	16%	12%
Domestic fixed income	46%	50%

The guidelines also establish minimum and maximum percentages for each asset class allocation, and when allocations move outside these limits, portfolios are rebalanced.

The fair value of investments held by the Plan at June 30 was as follows:

	2005	2004
U.S. Treasury notes/bonds	$ 27,658,526	$ 25,834,327
U.S. Treasury strips	10,268,936	7,815,243
U.S. agencies	8,462,829	13,500,011
Government mortgage backed securities	18,007,657	22,126,786
Municipal bonds	595,984	1,439,116
Corporate bonds	18,100,180	15,352,470
Commercial mortgage backed securities	5,501,011	2,769,718
Asset backed securities	9,649,654	6,030,147
Non government backed collateralized mortgage obligations	2,750,816	1,303,199
Commercial paper	354,678	862,268
Domestic stocks	—	146,225
U.S. equity index fund	78,469,633	74,742,021
International equity index fund	27,190,773	25,195,838
Securities lending collateral	31,544,434	25,728,528
Total investments	$ 238,555,111	$ 222,845,897

The Plan participates in international and domestic equity index funds managed by Barclays Global Investors, N.A. (BGI), a wholly owned subsidiary of Barclays Bank PLC. BGI operates as a limited purpose trust company, and its primary regulator is the Office of the Comptroller of the Currency, the agency of the U.S. Treasury Department that regulates United States national banks. Each fund is a collective fund which is a group trust and an entity separate from BGI, other funds, and the investing participants. BGI is trustee of each of the collective fund trusts, and holds legal title to each trust's assets for the exclusive benefit of the Plan. The fair value of the Plan's position in the pool is the same as the value of the pool shares.

In 2005 and 2004 the Plan invested in a domestic equity index fund and an international equity fund. The Plan shares the risk of loss in these funds with other participants in proportion to its respective investment. Because the Plan does not own any specific identifiable investment securities of these funds, the risk associated with any derivative investments held in these funds is not apparent. The degree of risk depends on the underlying portfolios of the funds, which were selected by the Plan in accordance with its investment policy guidelines including risk assessment.

(b) Securities Lending

The Plan's investment policy provides for its participation in a securities lending program. The program is administered by the Plan's master custodian and there are no restrictions on the amount of loans that can be made. During 2005 and 2004, the types of securities loaned were primarily U.S. Government and corporate bonds. Certain securities of the Plan are loaned to participating brokers, who must provide collateral in the form of cash, U.S. Treasury or Government Agency securities, or letters of credit issued by approved banks.

Under the terms of the securities lending agreement, collateral is required to be provided in the amount of 102% of the fair value of U.S. securities loaned, and 105% of the fair value of non-U.S. securities loaned. At June 30, 2005 and 2004, the Plan has no credit risk exposure to borrowers because the amounts the Plan owes the borrowers exceed the amounts the borrowers owe the Plan. The securities on loan at June 30, 2005 and 2004 were $40,602,565 and $34,409,529, respectively, and the collateral received for those securities on loan was $41,750,250 and $35,741,429, respectively. The master custodian provides for full indemnification to the Plan for any losses that might occur in the program due to the failure of a broker to return a security that was borrowed (and if the collateral is inadequate to replace the securities lent) or failure to pay the Plan for income of the securities while on loan. The Plan cannot pledge or sell collateral securities unless the borrower defaults. The loan premium paid by the borrower of the securities is apportioned between the Plan and its custodial agent in accordance with the securities lending agreement. All securities loans can be terminated on demand by either the lender or the borrower.

The securities lending agreement provides that cash collateral be invested in the custodial agent's short-term investment pool and sets forth credit quality standards, acceptable investments, diversification standards, and maturity and liquidity constraints for the investment fund. The Plan's investment guidelines do not require a matching of investment maturities with loan maturities, but do establish minimum levels of liquidity and other investment restrictions designed to minimize the interest rate risk associated with not matching the maturities of the investments with the loans. At June 30, 2005 and 2004 the cash collateral investments had an average weighted maturity of 28 and 24 days, respectively, and the relationship between the maturities of the custodial agent's investment pool and the Plan's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Plan cannot determine. The Plan's non-cash collateral is represented by its allocated share of a pool administered by the agent for the Plan and other pool participants.

(c) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Plan's investment guidelines provide for the domestic fixed income managers to follow one of three investment styles and specify quality guidelines for each.

The *Core* manager will invest in a broadly diversified portfolio with characteristics similar to a broad fixed income market index such as the Lehman Aggregate Index. The total portfolio minimum quality should be A as rated by Standard and Poor's (S&P). The portfolio should be made up of investment grade securities only with a minimum quality rating for any issue of BBB- (S&P or its equivalent rating by at least one nationally recognized credit rating agency). In the event that a credit is downgraded below this minimum, the investment manager shall immediately notify OPERS staff and provide an evaluation and recommended course of action.

The *Core plus* manager will invest in a broadly diversified portfolio with characteristics similar to the Core manager and will add a "plus" of limited exposure to high yield. The total portfolio minimum quality should be A as rated by S&P. No more than 20% of the portfolio shall be in non-investment grade issues. The minimum quality rating for any issue is B (S&P or its equivalent rating by at least one nationally recognized credit rating agency) and no more than 5% of a portfolio shall be invested in issues rated below BB (S&P or its equivalent rating by at least one nationally recognized credit rating agency). In the event that a credit is downgraded below this minimum, the investment manager shall immediately notify OPERS staff and provide an evaluation and recommended course of action.

The *Interest Rate Anticipator* manager follows a style that seeks to correctly forecast the long term trend in interest rates and adjust the portfolio duration accordingly. The total portfolio minimum quality should be A as rated by S&P, and the portfolio should be made up of investment grade securities only.

At June 30, 2005 the domestic fixed income portfolio consisted of a core fixed income portfolio, a core plus fixed income portfolio and a rate anticipator portfolio. All components met the stated policy restrictions except the core fixed income portfolio which held $330,368 of the portfolio in issues rated below BBB- and the core plus fixed income portfolio which held $24,933 of the portfolio in issues rated below B. The Plan's investment managers have advised retention of these securities after having assessed the risk/reward profile of each security.

At June 30, 2004 the domestic fixed income portfolio consisted of a core fixed income portfolio, a core plus fixed income portfolio and a rate anticipator portfolio. All components met the stated policy restrictions except the core fixed income portfolio which held $564,337 in issues rated below BBB- and the core plus fixed income portfolio which held $42,595 in issues rated below B and $1,466,109 or 7.9% of the portfolio in issues rated below BB. The Plan's investment managers have advised retention of these securities after having assessed the risk/reward profile of each security.

Investments issued by or explicitly guaranteed by the U.S. Government are not considered to have credit risk. At June 30, 2005 and 2004, the Plan held 27.4% and 26.9%, respectively, of fixed income portfolios in investments that were not considered to have credit risk.

The Plan's exposure to credit risk at June 30, 2005 is presented below, in thousands, by investment category as rated by S&P.

	AAA	AA	A	BBB	BB	B	CCC	Not Rated	Total
U.S. Treasury strips	$ 10,269	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 10,269
U.S. agencies	6,986	—	—	—	—	—	—	1,173	8,159
Government mortgage backed securities	3,633	—	—	—	—	—	—	14,579	18,212
Municipal bonds	—	—	—	545	—	—	—	51	596
Corporate bonds	2,009	3,644	4,459	4,572	1,751	368	25	1,272	18,100
Commercial mortgage backed securities	3,409	—	—	—	—	—	—	2,092	5,501
Asset backed securities	8,297	412	240	166	227	—	—	307	9,649
Non government backed collateralized mortgage obligations	2,405	—	—	—	—	—	—	346	2,751
Commercial paper	—	—	180	—	—	—	—	175	355
Total fixed income securities exposed to credit risk	$ 37,008	$ 4,056	$ 4,879	$ 5,283	$ 1,978	$ 368	$ 25	$ 19,995	$ 73,592
Percent of total fixed income portfolio	36.5%	4.0%	4.8%	5.2%	2.0%	0.4%	0.0%	19.7%	72.6%

The Plan's exposure to credit risk at June 30, 2004 is presented below, in thousands, by investment category as rated by S&P.

	AAA	AA	A	BBB	BB	B	CCC	Not Rated	Total
U.S. Treasury strips	$ 7,815	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 7,815
U.S. agencies	12,986	—	—	—	—	—	—	198	13,184
Government mortgage backed securities	6,158	—	—	—	—	—	—	15,969	22,127
Municipal bonds	—	—	141	699	—	—	—	599	1,439
Corporate bonds	924	1,720	3,771	4,994	2,341	657	43	903	15,353
Commercial mortgage backed securities	1,999	—	—	—	—	—	—	771	2,770
Asset backed securities	4,577	476	237	—	218	—	—	522	6,030
Non government backed collateralized mortgage obligations	1,303	—	—	—	—	—	—	—	1,303
Commercial paper	—	—	329	—	—	—	—	533	862
Total fixed income securities exposed to credit risk	$ 35,762	$ 2,196	$ 4,478	$ 5,693	$ 2,559	$ 657	$ 43	$ 19,495	$ 70,883
Percent of total fixed income portfolio	36.9%	2.3%	4.6%	5.9%	2.6%	0.7%	0.0%	20.1%	73.1%

At June 30, 2005 97.8% and 2.2% of the underlying investments of the cash equivalents were rated by S&P short term issuer rating as A-1 and A-2, respectively. At June 30, 2004 96.8% and 3.2% of the underlying investments of the cash equivalents were rated by S&P short term issuer rating as A-1 and A-2, respectively.

(d) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates based upon the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. Modified duration estimates the sensitivity of a bond's price to interest rate changes.

The Plan does not have a formal investment policy on interest rate risk. Interest rate risk is controlled through diversification of portfolio management styles.

At June 30 the Plan's exposure to interest rate risk as measured by modified duration is listed below by investment category.

	2005		2004	
	Fair value	**Modified duration in years**	**Fair value**	**Modified duration in years**
U.S. Treasury notes/bonds	$ 27,658,526	8.53	$ 25,834,327	8.74
U.S. Treasury strips	10,268,936	21.45	7,815,243	19.69
U.S. agencies	8,462,829	1.99	13,500,011	2.21
Government mortgage backed securities	18,007,657	10.63	22,126,786	7.41
Municipal bonds	595,984	5.45	1,439,116	6.78
Corporate bonds	18,100,180	5.92	15,352,470	6.61
Commercial mortgage-backed securities	5,501,011	13.96	2,769,718	13.92
Asset backed securities	9,649,654	7.87	6,030,147	10.28
Non-government backed collateralized mortgage obligations	2,750,816	13.79	1,303,199	13.83
Commercial paper	354,678	0.05	862,268	0.23
Total fixed income	$ 101,350,271		$ 97,033,285	
Portfolio duration		9.53		8.28

Some investments' sensitivity to changing interest rates may derive from prepayment options embedded in an investment. Asset backed securities, mortgage back securities, and collateralized mortgage obligations are pass through securities that represent pooled debt obligations repackaged as securities that pass income and principal from debtors through the intermediary to investors.

Asset-backed securities are bonds or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit and often enhanced by a bank letter of credit or by insurance coverage provided by an institution other than the issuer. At June 30, 2005 and 2004 the Plan held $9,649,654 and $6,030,147, respectively, in asset-backed securities.

Mortgage backed securities are securities backed by mortgages issued by public and private institutions. At June 30, 2005 and 2004 the Plan held $18,007,657 and $22,126,786, respectively, in government mortgage backed securities issued by the Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA), and Federal National Mortgage Association (FNMA) as well as $5,501,011 and $2,769,718, respectively, in commercial mortgage backed securities.

Collateralized mortgage obligations (CMOs) are mortgage-backed bonds that allocate mortgage cash flows (interest and principal) into different maturity classes, called tranches. This is accomplished by dedicating mortgage cash flows to specific tranches and paying each tranch off, in turn by prespecified rules. In return for a lower yield, CMOs provide investors with increased security about the life of their investment compared to purchasing a pass-through mortgage-backed security. If mortgage rates drop (rise) sharply, prepayment rates will increase (decrease), and CMO tranches may be repaid before (after) the expected maturity. At June 30, 2005 and 2004 the Plan held $2,750,816 and $1,303,199, respectively, in non government backed CMOs.

At June 30, 2005 and 2004 the underlying investments of the cash equivalents had an average weighted maturity of 40 days and 51 days, respectively.

(5) Federal Income Tax Status

Pursuant to a determination by the Internal Revenue Service, the Plan is qualified under the Internal Revenue Code of 1986, as amended, and therefore, is exempt from federal income taxes. The latest determination letter is dated May 22, 2000 and was a favorable determination for the Uniform Retirement System for Justices and Judges. The Plan has been amended since receiving the determination letter; however, the Plan administrator believes that the Plan is designed and is currently being operated in substantial compliance with the applicable requirements of the Internal Revenue Code and retains its status as a qualified plan.

(6) Plan Amendments

The following is a summary of significant plan provision changes that were enacted by the State Legislature during the session ended in May 2005.

(a) Uniform Contribution Rate

Effective September 1, 2005 the contribution rate for all justices and judges will be 8%. Formerly members could elect a 5% contribution rate with no survivor benefits.

(b) Survivor Benefits Option

Justices or judges retiring on or after September 1, 2005 may elect a maximum benefit with no survivor option or one of two new types of actuarially reduced retirement benefits that provide for a lifetime benefit to be paid to the member's joint annuitant after the member's death. This election is available for any judge or justice without regard to marital status. Formerly survivor benefits were payable only to qualifying surviving spouses under the original surviving spouse plan, which option will remain available to qualifying members.

Schedule 1

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Administered by the Oklahoma Public Employees Retirement System

Required Supplementary Information

June 30, 2005

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a/c))
7/1/00	$ 169,693,888	$ 128,020,480	$ (41,673,408)	132.6%	$ 22,295,354	(186.9%)
7/1/01	184,909,669	139,157,241	(45,752,428)	132.9%	23,808,429	(192.2%)
7/1/02	193,010,895	130,227,043	(62,783,852)	148.2%	25,744,427	(243.9%)
7/1/03	196,989,778	140,856,203	(56,133,575)	139.9%	25,652,805	(218.8%)
7/1/04	201,141,649	166,275,941	(34,865,708)	121.0%	25,715,005	(135.6%)
7/1/05	203,951,085	187,556,845	(16,394,240)	108.7%	24,814,338	(66.1%)

Unaudited – See accompanying independent auditors' report.

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2000	$ 435,693	734.7%
2001	1,109,744	170.0%
2002	977,570	50.3%
2003	—	N/A
2004	—	N/A
2005	2,234,175	21.3%

The contribution requirement of the Plan is an established rate determined by the Oklahoma Legislature and is based on a comparison to an actuarial calculation which is performed to determine the adequacy of such contribution rate.

Unaudited – See accompanying independent auditors' report.

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES
Administered by the Oklahoma Public Employees Retirement System

Note to Schedule 1 Required Supplementary Information

June 30, 2005

Actuarial Assumptions and Methods

The information presented in the required supplemental schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, July 1, 2005, is as follows:

Funding Method

Effective July 1, 2000, the funding method, as adopted by the Board in August 2000, was entry age normal (based on a level percentage of covered payrolls). Under this method, the accrued liability and the present value of future normal costs are determined by summing the individual entry age results for each participant. The normal cost is then determined in aggregate by spreading the present value of future normal costs as a level percentage of expected future covered payrolls. Entry age is defined as the first day service is credited under the Plan.

For the period July 1, 1994 through July 1, 1999, the aggregate actuarial cost method was used in preparing the valuations. Under the aggregate actuarial cost method, the normal cost is computed as the level percentage of pay which, if paid from the valuation date until each member's retirement or termination date, will, together with the assets of the plan, accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the Plan.

Experience gains and losses, i.e., decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions, are spread into the future, increasing or decreasing the normal cost for future years.

Asset Valuation Method

An expected actuarial value is determined equal to the prior year's actuarial value of assets plus cash flow (excluding realized and unrealized gains and losses) for the year ended on the valuation date and assuming the valuation investment return. Prior year's unrecognized gains and losses are added to this amount to develop expected actuarial value. The expected actuarial value is then compared to the market value of the assets at the valuation date, and 20% of any gain (loss) for the last five years is added to the expected actuarial value. The gain (loss) is amortized over five years with the actuarial value of the assets being constrained to a range of 80% to 120% of the market value at the valuation date.

Amortization

The funding policy, which was changed effective July 1, 2000, to the entry age normal funding method, amortizes the unfunded actuarial accrued liability in both an underfunded and overfunded position on a level dollar method over a 27-year closed period from July 1, 2000 (based on an original 40-year period from July 1, 1987). The aggregate actuarial cost method which was previously used does not identify or separately amortize unfunded actuarial accrued liabilities.

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES
Administered by the Oklahoma Public Employees Retirement System

Note to Schedule 1 Required Supplementary Information

June 30, 2005

Significant actuarial assumptions employed by the actuary for funding purposes as of July 1, 2005, are as follows:

- Investment Return – 7.25% per annum, compounded annually
- Salary Increases – 5.5% per year
- Mortality Rates – Active participants and nondisabled pensioners – RP-2000 Mortality Table projected to 2010 by Scale AA (disabled pensioners set forward 15 years)
- Post Retirement Benefit Increases – 2% per year
- Post Retirement Health Insurance Premium – The Plan is required by statute to contribute up to $105 per month or the Medicare Supplement Premium, if less, for eligible Plan members receiving retirement benefits who elect health insurance coverage through the Oklahoma State and Education Employee's Group Health Program, which administers various group health benefit plans.

The key items responsible for the change in the funded status at July 1, 2005, compared to July 1, 2004, are as follows:

- Changes in actuarial assumptions resulted in an increase to the accrued liability of $9.7 million. The mortality assumption was changed from the 1983 Group Annuity Mortality Table for active and non disabled pensioners to the RP-2000 Mortality Table projected to 2010 by Scale AA. The mortality assumption for disabled pensioners was changed from the 1983 Group Annuity Mortality Table set forward 5 years to the RP-2000 Mortality Table projected to 2010 by Scale AA set forward 15 years.
- Plan provision changes added a 100% actuarially reduced joint and survivor benefit for eligible members who die prior to retirement, provided for a transfer of contributions in certain circumstances, and changed the contribution rate to 8% for all members. These changes are effective September 1, 2005, and increase the accrued liability by $1.1 million.
- Liability gains occurred, decreasing the actuarial liability to a value $1.5 million less than expected.
- The actuarial value of assets is determined using a method to smooth gains and losses to result in more stable costs. As a result, the return on the actuarial value was approximately 4.2% compared to the expected return of 7.5%, resulting in a $6.6 million loss.

Schedule 2

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Administered by the Oklahoma Public Employees Retirement System

Supplementary Information

Schedule of Investment Expenses

Years Ended June 30, 2005 and 2004

	2005	2004
Investment management fees:		
Fixed Income Managers:		
Blackrock Financial Management, Inc.	$ 55,002	$ 50,302
Hoisington Investment Management	22,629	22,264
Metropolitan West Asset Management, LLC	4,150	—
U. S. Equity Manager:		
Barclays Global Investors	9,063	8,599
International Equity Manager:		
Barclays Global Investors	8,740	8,519
Total investment management fees	99,584	89,684
Investment consultant fees:		
Strategic Investment Solutions, Inc.	4,310	3,791
Investment custodial fees:		
Northern Trust Company	3,242	5,451
Total investment expenses	$ 107,136	$ 98,926

See accompanying independent auditors’ report.

Schedule 3

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Administered by the Oklahoma Public Employees Retirement System

Supplementary Information

Schedule of Administrative Expenses

Years Ended June 30, 2005 and 2004

	2005	2004
Professional / Consultant services	$ 7,489	$ 8,013
Allocated administrative expenses (see note below)	80,255	74,819
	$ 87,744	$ 82,832

Note to Schedule of Administrative Expenses:

A portion of the administrative overhead expenses, including personnel and other supporting services costs, which are paid for by a separate retirement fund also administered by OPERS, are allocated to the Plan. The allocation is based on OPERS' estimate of the cost of services provided to the Plan by the separate fund. Allocated costs are charged to the Plan and paid with funds provided through operations of the Plan.

See accompanying independent auditors' report.

Schedule 4

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Administered by the Oklahoma Public Employees Retirement System

Supplementary Information

Schedule of Professional/Consultant Fees

Years Ended June 30, 2005 and 2004

Professional/Consultant	Service	2005	2004
Mellon Consultants, Inc.	Actuarial	$ —	$ 1,452
Mercer Human Resource Consulting	Actuarial	4,879	3,109
KPMG LLP	External Auditor	2,009	1,866
Finley & Cook, PLLC	Internal Auditor	601	1,586
		$ 7,489	$ 8,013

See accompanying independent auditors' report.

Investment Section

STRATEGIC INVESTMENT SOLUTIONS, INC.

601 CALIFORNIA STREET, STE. 200
SAN FRANCISCO, CALIFORNIA 94108

BARRY W. DENNIS
MANAGING DIRECTOR

TEL 415/362-3484
FAX 415/362-2752

Investment Consultant's Report

Investment Objectives

The primary financial objective is to earn a long-term return sufficient to avoid deterioration in funded status. The System's actuary estimates this return requirement to be 7.5% while its investment consultant estimates the real return requirement to be 5.0%.

Secondary goals are to outperform the asset allocation-weighted benchmark and to rank in the top forty percent of a universe of public pension funds.

Asset Allocation

The System's Investment Philosophy stresses the following key points:

1. Asset allocation is the key determinant of return. Therefore, commitments to asset allocation targets are maintained through a disciplined rebalancing program.

2. Diversification, both by and within asset classes, is the primary tool for risk control.

3. Passive instruments (index funds) are suitable strategies in highly efficient markets.

ASSET CLASS	6/30/05 ALLOCATION	LOW	TARGET	HIGH	% PASSIVE OR SEMI-PASSIVE
US EQUITY	38.2%	34.5%	38.0%	41.5%	100.0%
FIXED INCOME	48.5%	43.8%	46.0%	48.2%	62.5%
NON-US EQUITY	13.2%	12.5%	16.0%	19.5%	100.0%
CASH	0.1%	0.0%	0.0%	5.0%	100.0%

Review of Fiscal 2005 Investment Environment

Fiscal year ended June 30, 2005 saw an investment climate that clearly favored the US Value-style (+14.1%) equity markets on a relative basis over the US Growth-style equities (+1.9%), a continuation of a trend that has developed over the past five years. The total US equity market was up (+8.1% - Russell 3000 Index) for the 12-month period ending June 30, 2005. Fiscal year 2005 was the third consecutive fiscal year that equity markets were positive. Non-US equity markets fared even better (+16.9% - MSCI ACWI Free ex-US). The US fixed income market also produced a positive return (+6.8% Lehman Aggregate Index) for the fiscal year ending June 30, 2005 as rising short-term interest rates were more than offset by a lowering of long-term yields.

Within the US equity market, stocks of small companies once again outperformed large (+9.5% versus +7.9%). Value stocks outperformed growth by wide margins in large caps (+14.1% versus +1.7%) and by similar margins in small caps (+14.4% versus +4.3%).

Performance Review

At quarterly intervals, the System reviews performance at the total fund, asset class and individual manager levels. At each level, returns are evaluated versus appropriate indexes and peers. Index comparisons have as return objectives various after-fee return premiums with risk (standard deviation) not exceeding 125% of the underlying index. Comparisons with peers seek top forty percentile results for active strategies. It should be noted that the US Equity and Non-US Equity classes are now completely passive.

Investment returns achieved through June 30, 2005 have been calculated using the return methodology endorsed by the Association for Investment Management and Research (AIMR). As shown in the following table, for the one-year time period ending June 30, 2005 the Domestic Equity asset class and the Non-US Equity asset class performed in-line with their respective benchmarks (each are 100% passive); and the Fixed Income asset class performed above its respective (80% Lehman Aggregate/ 20% Citigroup 20 -Year Index) custom benchmark. The Domestic Equity asset class and Non-US Equity ranked slightly below median, while the US Fixed Income asset class ranked in the top decile.

Results in the US Equity and Non-US Equity asset classes slightly detracted from the Fund's overall results for annualized periods of three and five years. Conversely, Fixed Income helped the overall portfolio's results for the annualized time periods of three and five years.

Strategic Investment Solutions prepares a Quarterly Report of Investment Performance for the Fund based on performance calculations made by the Fund's custodian The Northern Trust Company. The one-year, three-year, and five-year time-weighted rates of return for the years ended June 30, 2005 are

PERIODS ENDED 6/30/05	ONE YEAR	THREE YEARS	FIVE YEARS
Domestic Equity	+8.1%	+8.8%	-1.5%
Russell 3000	+8.1%	+9.5%	-1.0%
Rank	53*	66	66
Non-US Equity	+14.0%	+12.4%	-2.0%
MSCI EAFE	+14.1%	+12.5%	-0.2%
Rank	57	59	88
Fixed Income	+10.8%	+8.1%	+8.4%
80% Lehman Agg/ 20% Citi 20-Year Index	+9.5%	+6.8%	+8.1%
Rank	5	15	24
Total Fund	+10.3%	+9.6%	+4.1%
*Policy Benchmark****	+9.7%	+8.8%	+4.0%
Public Fund > $100 Million	+9.2%	+9.4%	+3.7%
Rank**	28	44	39

* Ranking 1 is best, 100 is worst.
** Rankings source - ICC Public Funds Universe
***Policy Benchmark is 38% Russell 3000/ 50% (80% Lehman Agg and 20% Citi 20-Yr.) Custom Fixed Income Benchmark / 12% MSCI EAFE.
Effective 7/1/2005 Policy Benchmark will change to 38% Russell 3000/ 46% (80% Lehman Agg and 20% Citi 20- Yr.) Custom Fixed Income Benchmark / 16% MSCI EAFE.

Yours truly,

Barry Dennis
Managing Director

TOM SPENCER
EXECUTIVE DIRECTOR

BRAD HENRY
GOVERNOR

STATE OF OKLAHOMA

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Chief Investment Officer's Report

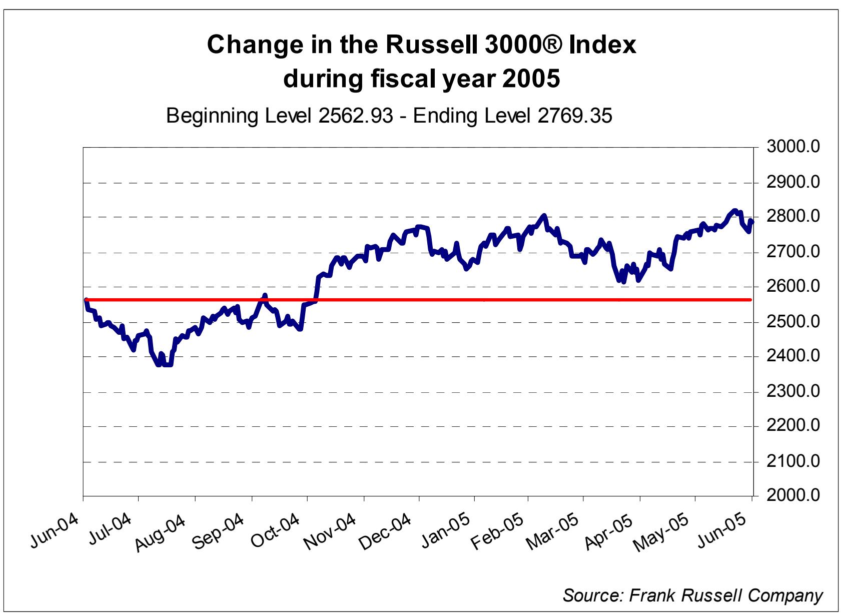
Dear Members:

In this letter we will look back at the environment and events that helped to shape investment returns for the fiscal year ending June 30, 2005. I will present investment performance of major markets and the Fund for last year and for longer periods. Since asset allocation plays a dominant role in determining investment performance, we will review the Fund's asset allocation. I will also provide a brief summary of the outlook that shapes our current thinking. Finally, I will summarize the investment philosophies and principles that have long guided and that continue to guide the management of the Fund.

Economic Environment

Steady As She Goes - During the12-months ending June 30, 2005 the economy expanded at a measured pace. Real Gross Domestic Product grew by 3.6% which was near the average year over year growth rate since 1946 of 3.5%. Labor markets stabilized as the unemployment rate went from 5.6% to 5.0%. Corporate profitability was respectable. Corporate profits after tax during the period rose 11.5% on a year over year basis. The pace of business investment strengthened as nonresidential fixed investment grew 9.1% for the period. Higher short term interest rates and higher energy prices had little evident impact on the American consumer and the brisk U.S. real estate market.

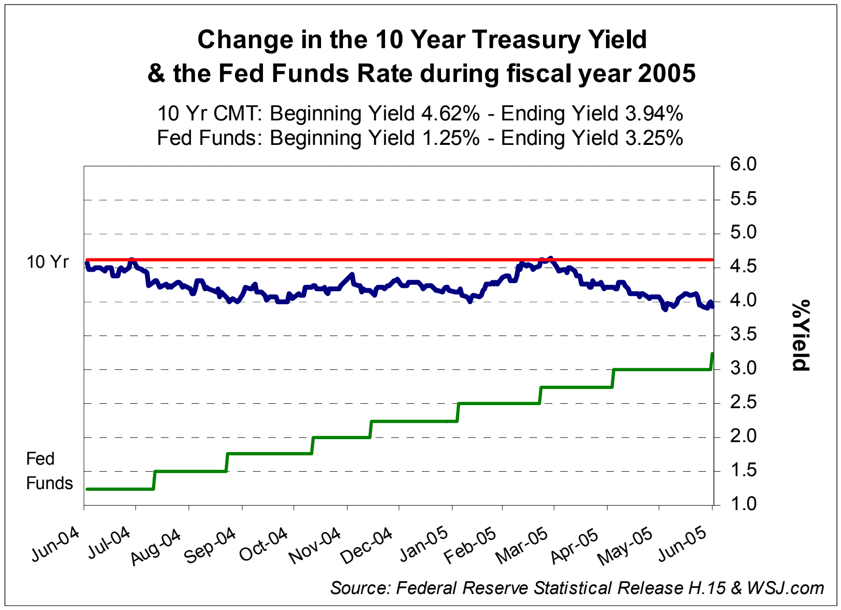
Capital Markets



Change in the Russell 3000® Index during fiscal year 2005

U.S. Stock Market – The chart to the right shows the level of the Russell 3000 stock index. This broad measure of the U.S. stock market finished the fiscal year nicely above where it began. After a poor start to the period, which many attributed to uncertainty concerning the presidential election, the market resumed the upward trend that began in March of 2003. The stock market focused on generally improving economic fundamentals and strong corporate earnings during the latter half of the fiscal year resulting in positive returns for U.S. equities.

Interest Rates – In what Federal Reserve Chairman Greenspan described as a "conundrum," interest rates moved in two different directions over the past fiscal year. While the Fed hiked the Fed Funds rate eight times from 1.25% to 3.25%, rates on the 10 year Treasury bond fell from 4.62% to 3.94%. The Fed anticipated that higher short term rates would translate into higher long term rates which would in turn reduce certain speculative excesses and stem potential inflation. Longer term interest rates, however, did not cooperate and were instead lower by year end. Lower yields translated into higher bond prices and made fiscal year 2005 a good year for fixed income returns.



Investment Returns Through June 2005

US Equity	Asset Class	1 Year	3 Years	5 Years
Russell 3000	Broad US Equity	8.05%	9.46%	(1.35%)
S&P 500	Large Cap Equity	6.32%	8.28%	(2.37%)
Russell 1000 Growth	Large Cap Growth	1.68%	7.26%	(10.36%)
Russell 1000 Value	Large Cap Value	14.06%	11.00%	6.56%
Russell 2000	Small Cap Equity	9.45%	12.81%	5.71%
Russell 2000 Growth	Small Cap Growth	4.29%	11.37%	(4.51%)
Russell 2000 Value	Small Cap Value	14.39%	14.15%	16.12%
Uniform Retirement System for Justices & Judges	**Broad US Equity**	**8.12%**	**8.85%**	**(1.50%)**

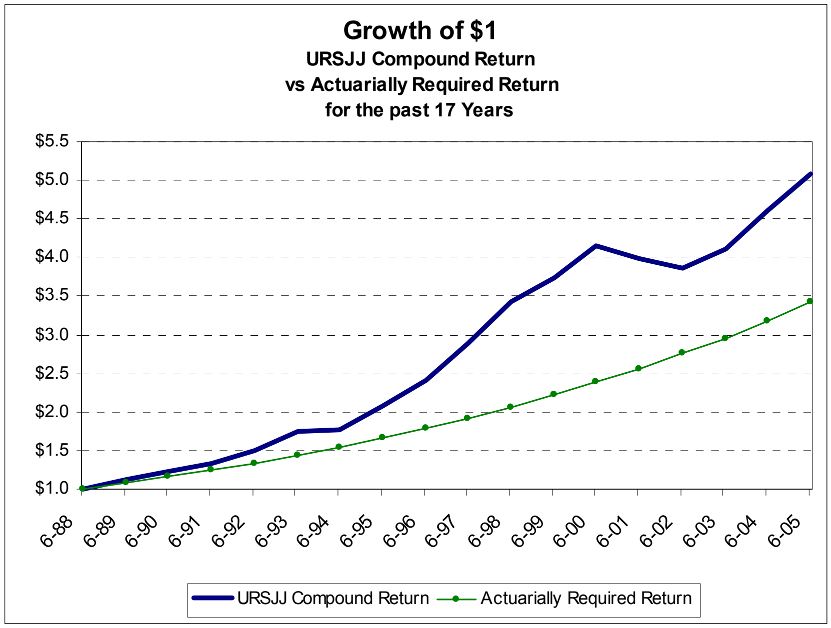
US Fixed Income	Asset Class	1 Year	3 Years	5 Years
3 month Treasury Bills	Cash	2.15%	1.55%	2.63%
Lehman Aggregate	Core Bonds	6.81%	5.76%	7.41%
Salomon Corporate	Corporate Bonds	8.32%	8.23%	8.80%
Merrill Lynch High Yield Master II	High Yield Bonds	10.62%	14.21%	7.14%
Uniform Retirement System for Justices & Judges	**Domestic Fixed Income**	**10.84%**	**8.09%**	**8.38%**

International	Asset Class	1 Year	3 Years	5 Years
MSCI ACWI Free Ex-US	Broad Non-US Equity	16.95%	14.08%	0.76%
MSCI EAFE	Developed Non-US Equity	14.13%	12.51%	(0.17%)
MSCI Emerging Mkts. Free	Emerging Non-US Equity	34.89%	24.42%	7.68%
Lehman Global Ex-US Bond	Global Bonds	7.87%	10.86%	7.78%
Uniform Retirement System for Justices & Judges	**International Equity**	**13.92%**	**12.39%**	**(2.06%)**
Uniform Retirement System for Justices & Judges	**Total Fund**	**10.29%**	**9.58%**	**4.11%**

Source: Strategic Investment Solutions; Northern Trust

Investment Performance

A Good Year for the Capital Markets – Major markets were positive across the board for the one year ending June 30, 2005. Among the strongest markets were international equities, value-oriented U.S. equities and long-maturity U.S. bonds. While registering positive returns, both growth-oriented U.S. equities and cash equivalents lagged other major market sectors. It is rather remarkable that over a period during which the Federal Reserve raised the fed funds rate by 200 basis points each of the major financial markets provided decent positive returns.



A Long-term Perspective – The chart to the right shows the growth that compound returns of the Fund produced relative to the growth that compound returns of the assumed actuarial rate of 7.5% would have produced. Over this long-term horizon of the past 17 years the investment portfolio returns have produced growth well in excess of what would have been experienced had the Fund earned the actuarially assumed rate of 7.5%. While pleased with this long-term performance, we are cognizant of the fact that this period was characterized by a strong bull market in stocks and falling yields in the bond market. Relative to recent decades, bond yields are low and mathematically, a similar drop in bond yields from current levels is implausible. Stock dividend yields are relatively low and stocks seem fully priced by historical standards. We, therefore, anticipate that beating the 7.5% actuarial rate in the years to come will be a much more formidable challenge.

Asset Allocation

Diversification reduces volatility – Diversification is the investor's best defense against the risks associated with any individual asset class. Diversification controls risk by allocating assets across various asset classes. The asset allocation statistics of the Fund are shown below. Toward the end of this past fiscal year the Board increased the allocation to International Equity by lowering the allocation to Domestic Fixed income.

Asset Allocation				
Asset Class	**Min**	**06/30/05**	**Target**	**Max**
Domestic Fixed Income	43.8%	48.6%	46.0%	48.2%
US Equity	33.0%	38.2%	38.0%	41.5%
International Equity	10.0%	13.2%	16.0%	19.5%
Total Fund		**100%**	**100%**	

Recent Events and Outlook

Looking Ahead – As we look forward, the investment environment is marked by some rather difficult hurdles for the capital markets. The Fed is fighting potential future inflation by raising short-term interest rates and higher energy prices are reducing consumer disposable income. Official savings rates are at multi-decade lows as households take comfort in net worth figures supported by high home values. Many local real estate markets around the country have been described as speculative bubbles awaiting imminent price declines. The high current account deficit and U.S. Government deficit introduce the possibility for greater variability in both U.S. interest rates and the value of the U.S. dollar. While such an environment may present short-term challenges, we anticipate that over the long term our diversification and rebalancing discipline will provide appropriate risk controls.

Investment Philosophies and Guiding Principles

Listed below are the beliefs that guide our stewardship of the Fund.

- A pension fund has the longest of investment horizons and therefore rightly focuses on factors that impact long-term results.
- Asset allocation is the key factor determining long-term returns.
- Disciplined rebalancing towards the desired asset allocation maintains diversification and controls risk.
- Diversification within and across asset classes is the most effective tool for controlling risk.
- Passive investment management is commonly the most effective approach in efficient markets: active investment management can be successful in inefficient markets.

By adhering to these long standing principles we expect continued success in the prudent management of the assets of the Fund. Thank you for allowing me the opportunity to present my perspective. I look forward to visiting with you again next year.

Sincerely,

Kirk D. Stebbins, CFA
Chief Investment Officer

Largest Holdings

The Plan's ten largest fixed income holdings at June 30, 2005, are described in the following schedule. The Plan invests in various index funds which are separately presented.

Ten Largest Fixed Income Holdings (By Fair Value):

Security	Par	Fair Value
U. S. Treasury Bonds Principal Strips due 11-15- 2027	$ 18,999,000	$ 7,222,831
U. S. Treasury Notes 3.375% due 2-28-2007	3,720,000	3,703,725
FNMA TBA Pool 30 year 6.0%	3,300,000	3,379,405
U. S. Treasury Bonds 6.0% due 2-15-2026	2,508,000	3,090,129
U. S. Treasury Bonds 6.375% due 8-15-2027	2,093,000	2,713,623
FHLB Discount Note due 7-1-2005	2,600,000	2,600,000
U. S. Treasury Notes 3.125% due 1-31-2007	2,430,000	2,410,825
U. S. Treasury Bonds Principal Strips due 8-15- 2025	5,639,000	2,348,869
FNMA Pool 5.5% due 4-1-2034	2,097,061	2,127,671
U.S. Treasury Notes 3.0% due 11-15-2007	2,124,000	2,093,136

Investments in Funds and Stock Holdings (By Fair Value):

Fund	Units	Fair Value
BGI Russell 3000 Index Fund	7,657,414	$ 78,469,633
BGI EAFE Equity Index Fund	207,545	27,190,773

A complete list of portfolio holdings is available upon request from the URSJJ Investment Accounting & Financial Reporting Department.

Schedule of Stock Brokerage Commissions Paid

Year ended June 30, 2005

None

Investment Portfolio by Type and Manager

At June 30, 2005, the investment portfolio of URSJJ was allocated by type and style as follows:

Investment Type and Manager	Style	Fair Value* (000's)	Percent of Total Fair Value
Fixed Income:			
Hoisington Investment Management	Interest Rate Anticipation	$ 19,551	9.4%
Blackrock Financial Management, Inc.	Enhanced Index	63,744	30.7%
Metropolitan West Asset Management	Full Range Core +	18,428	8.9%
Total Fixed Income		101,723	49.0%
US Equities:			
Barclays Global Investors	Index Fund – Russell 3000	78,469	37.8%
International Equities:			
Barclays Global Investors	Index Fund – EAFE	27,191	13.1%
Short-term Investment Funds	Operating Cash	212	0.1%
Total Managed Investments		207,595	100.0%
Securities Lending Collateral		31,544	
Cash on Deposit with State		55	
Total Investments and Cash and Cash Equivalents		$ 239,194	
Statement of Plan Net Assets			
Cash and cash equivalents		$ 639	
Investments		238,555	
Total Investments and Cash and Cash Equivalents		$ 239,194	

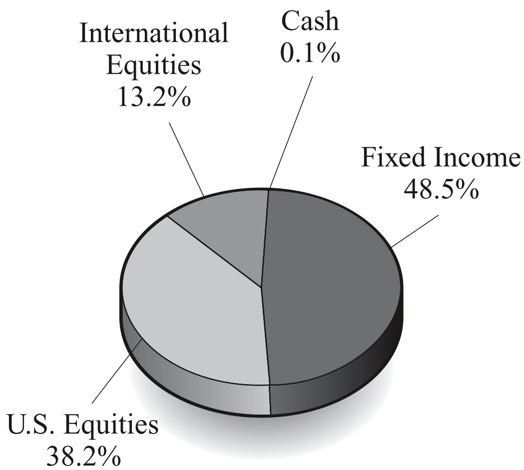
* *Manager fair values include their respective cash and cash equivalents.*

Asset Comparison

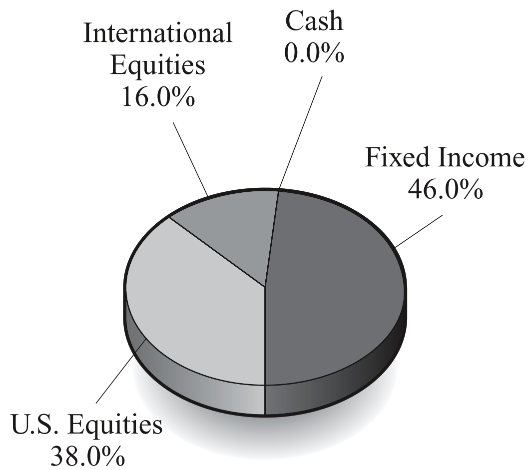
A comparison of the actual investment distribution at June 30, 2005 and 2004, based on the net investment manager holdings, including accrued income, payables and receivables, compared to the target allocation and previous year's allocation is as follows:

2005

2005 Asset Mix

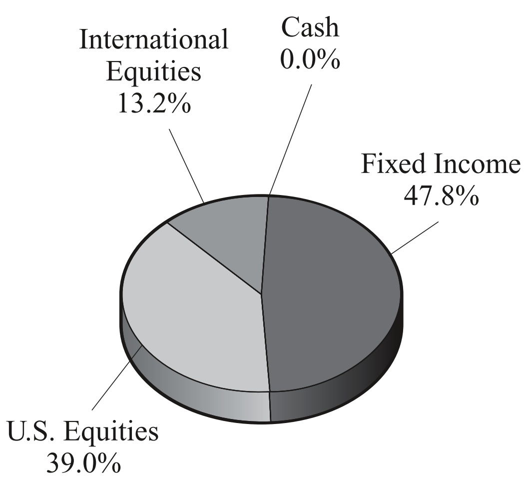


Target Policy Mix

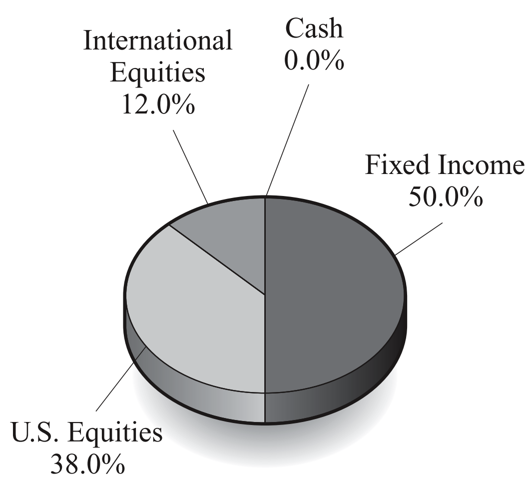


2004

2004 Asset Mix



Target Policy Mix



Actuarial Section

MERCER
Human Resource Consulting

4400 Bank One Center
1717 Main Street
Dallas, TX 75201-7357
214 220 3500 Fax 214 220 6200
www.mercerHR.com

October 21, 2005

Board of Trustees
Oklahoma Public Employees Retirement System
P.O. Box 53007
Oklahoma City, Oklahoma 73152

Confidential

Subject:
2005 Certification of Actuarial Valuation

Dear Members of the Board:

We certify that the information presented herein and in the July 1, 2005, Actuarial Valuation Report is accurate and shows fairly the actuarial position of the Oklahoma Uniform Retirement System for Justices and Judges as of July 1, 2005.

The actuarial valuation was based on participant data submitted by the OPERS staff, which we examined for reasonableness. The financial information used in the valuation was provided to us by the System's independent public accountants.

Actuarial valuations to determine the funding requirements of the System are performed annually. The most recent actuarial valuation was done as of July 1, 2005.

The System's required contribution rates are established which, over time, will increase as a percent of payroll if assumptions are met and the required rate is contributed. The required contribution rate has been determined to provide for (1) the normal cost developed as a level percentage of payroll, plus (2) a level dollar amortization of the unfunded actuarial accrued liability (or surplus, as is currently the case) over 40 years from July 1, 1987, plus (3) budgeted administrative expenses. As of July 1, 2005, the required contribution rate is 17.9%. The employer's current contribution rate is 3.0% of covered payroll with scheduled increases each year until fiscal year 2019. However, the Board is authorized to adjust the contribution rate annually to prevent a funded ratio of less than 100%.

The actuarial assumptions and methods used in the valuation were adopted by the Board, based upon our recommendations. The assumptions and methods used for funding purposes meet the parameters set for the disclosures presented in the financial section by Government Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit and Note Disclosures for Defined Contribution Plans*.

We prepared all of the schedules shown in the Actuarial Section of the System's Annual Report. We also provided the Schedule of Funding Progress and Schedule of Employer Contributions which appear in the Financial Section of the System's Annual Report.

MMC Marsh & McLennan Companies

MERCER
Human Resource Consulting

In addition to these results, 11 O.S. 2001, Section 50-105.4, Section H requires disclosure of valuation results under specified assumptions. This information is provided elsewhere.

Sincerely,

Brent A. Hradek, FSA, EA
Stephen T. McElhaney, FSA, EA

The above credentialed actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this communication.

The information contained in this document (including any attachments) is not intended by Mercer to be used, and it cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code that may be imposed on the taxpayer.

Summary of Actuarial Assumptions and Methods

1. The investment return rate used in the valuation was 7.25 percent per year, net of investment expenses, compounded annually. This rate of return is not the assumed real rate of return. The real rate of return is the rate of return in excess of the inflation rate. Considering other financial assumptions, the 7.25 percent investment return rate translates to an assumed real rate of return of 4.75 percent.

2. The mortality table used in evaluating allowances to be paid was the RP-2000 Mortality Table projected to 2010 by Scale AA for males and females.

3. The probability of withdrawal from service is 2% for all years of service. The individual pay increase assumption is 5.5% per year.

4. Benefits are assumed to increase by two percent due to future ad-hoc cost-of-living increases.

5. The probabilities of retirement with an age allowance are shown in Schedule 1.

6. An individual entry-age actuarial cost method of valuation was used in determining age and service allowance actuarial liabilities and normal cost. Actuarial gains and losses reduce or increase the unfunded liability and are amortized over the remaining amortization period.

7. The actuarial value of assets is based on a five-year moving average of expected actuarial values and market values. A preliminary expected actuarial value is determined equal to the prior year's actuarial value of assets plus net cash flow for the year ending on the valuation date, assuming the valuation investment return. The expected actuarial asset value is equal to the preliminary expected actuarial value plus the unrecognized investment gains and losses as of the beginning of the previous fiscal year. Twenty percent (20%) of any gain/loss as measured by the difference between the expected actuarial value and the market value at the valuation date is added to the preliminary expected actuarial value plus twenty percent (20%) of the unrecognized gains or losses for the four preceding fiscal years. The final result is constrained to a value no less than 80% and no more than 120% of the market value at the valuation date.

8. The data about persons now covered was furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the actuary.

9. The actuarial valuation computations were made by or under the supervision of a member of the American Academy of Actuaries (M.A.A.A.).

10. The actuarial assumptions and methods used in the valuation were adopted by the Board, based upon recommendations by the actuary. The assumptions and methods used for the July 1, 2005, valuation were adopted by the Board based on System experience through June 30, 2004.

11. Each year, System experience is compared with the actuarial assumptions used for valuation purposes. The following are actuarial assumption changes since the prior valuation:

    The investment return assumption was changed from 7.50% to 7.25%. The mortality assumption was changed from the 1983 Group Annuity Mortality Table for active and nondisabled pensioners to the RP-2000 Mortality Table projected to 2010 by Scale AA. The mortality assumption for disabled pensioners was changed from the 1983 Group Annuity Mortality Table set forward five years to the RP-2000 Mortality Table projected to 2010 by Scale AA set forward 15 years. The assumed rate of inflation was also changed to 2.5%.

Summary of Actuarial Assumptions and Methods (continued)

12. The following are System provision changes since the prior valuation:

    House Bill 1858 provides that members who are single as of September 1, 2005, and made the additional 3% spousal contributions could apply for a transfer of their additional contributions.

    House Bill 1858 also added a 100% actuarially reduced joint and survivor benefit for members who are eligible for a benefit and die prior to retirement.

    House Bill 1858 also changes the contribution rate for all members, married and single, to 8% of pay.

Schedule 1

Percent of Eligible Active Members Retiring Within Next Year

Retirement Ages	Percent	Retirement Ages	Percent
Below 62	5.0%	69	10.0%
62	30.0	70	50.0
63	10.0	71	30.0
64	10.0	72	30.0
65	40.0	73	30.0
66	10.0	74	30.0
67	10.0	75 and above	100.0
68	30.0		

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll[1]	Annual Average Pay	% Increase In Average Pay
July 1, 2005	266	$ 24,814,338	$ 93,287	(2.05%)
July 1, 2004	270	25,715,005	95,241	(0.50)
July 1, 2003	268	25,652,805	95,719	(1.10)
July 1, 2002	266	25,744,427	96,784	6.10
July 1, 2001	261	23,808,429	91,220	5.97
July 1, 2000	259	22,295,354	86,082	(1.02)
July 1, 1999	259	22,525,441	86,971	5.45
July 1, 1998	256	21,113,393	82,474	7.92
July 1, 1997	257	19,640,015	76,420	10.97
July 1, 1996	254	17,492,325	68,867	0.32

[1]The annual payroll shown above differs from the covered payroll shown in the Financial Section. The annual payroll reflects total compensation paid during the fiscal year. The covered payroll reflects compensation up to the maximum compensation levels on which employee and employer contributions are based.

Schedule of Retirants and Beneficiaries Added to and Removed from Rolls

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Year Ended	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
June 30, 2005	16	$ 1,258,767	9	$ 182,188	175	$ 7,647,990	16.03%	$ 43,703
June 30, 2004	6	334,685	7	143,267	168	6,591,422	6.17	39,235
June 30, 2003	22	1,195,498	6	113,045	169	6,208,320	18.97	36,736
June 30, 2002	4	201,284	7	115,880	153	5,218,274	4.92	34,106
June 30, 2001	6	201,563	4	90,075	156	4,973,461	1.89	31,881
June 30, 2000	4	233,672	3	36,766	154	4,881,381	5.89	31,697
June 30, 1999	17	842,751	6	74,816	153	4,609,794	19.16	30,129
June 30, 1998	4	266,484	4	59,249	142	3,868,549	5.66	27,243
June 30, 1997	7	262,747	9	181,763	142	3,661,314	2.26	25,784
June 30, 1996	4	170,646	9	125,826	144	3,580,330	1.27	24,863

Analysis of Financial Experience

Gains & Losses in Accrued Liabilities During the Year Ended June 30, 2005
Resulting from Differences Between Assumed Experience & Actual Experience

	Type of Activity		Gain (or Loss) for Year 2005
1.	**Age & service retirements.** If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pays, a loss.	$	(3,294,000)
2.	**Disability retirements.** If disability claims are less than assumed, there is a gain. If more claims, there is a loss.		0
3.	**Death benefits.** If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.		(1,046,000)
4.	**Withdrawal from employment.** If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.		556,000
5.	**Pay increases.** If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.		5,746,000
6.	**New entrants.** All new entrants to the System create a loss.		(335,000)
7.	**Other.** Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, valuation methods, etc.		(149,000)
8.	**Gain (or loss) during year from financial experience.**		(6,618,000)
9.	**Composite gain (or loss) during year.**	$	(5,140,000)
10.	**Non-recurring items.** Adjustments for System amendments, etc.	$	(1,119,000)
11.	**Assumption changes.**	$	(9,665,000)

Summary of System Provisions

Employees included:	All Justices and Judges of the Supreme Court, Court of Criminal Appeals, Workers Compensation Court, Courts of Appeals or District Court who serve in the State of Oklahoma participate in the Uniform Retirement System for Justices and Judges.
System contributions:	The contributions are received from the employer agencies based on a percentage of salary of covered members. This current percentage is 3.0%. Employer contributions will increase annually to 22.0% of member payroll for fiscal years ending June 30, 2019, and thereafter. The Board is authorized to adjust the contribution rates to prevent a funded ratio of the System of less than 100%.
Member contributions:	Before September 1, 2005, basic member contributions equal 5% of salary, while married members could have elected an 8% contribution rate in order to provide survivor coverage. After September 1, 2005, the member contribution rate for all members is 8% of salary.
Final average salary:	The average monthly salary received during the highest three years of active service as a Justice or Judge in a court of record.
Retirement date:	A member who completes eight years of service and attains age 65, or completes ten years of service and attains age 60, or whose sum of years of service and age equals or exceeds 80, may begin receiving retirement benefits at his request.
Normal retirement benefit:	General formula is 4% of average monthly salary multiplied by service, up to a maximum benefit of 100% of final average salary.
Disability benefit:	After fifteen years of service and age 55, provided the member is ordered to retire by reason of disability is eligible for disability retirement benefits. This benefit, payable for life, is calculated in the same manner as a normal retirement benefit but cannot exceed 100% of final average salary.
Survivor benefit:	The spouse of a deceased active member who had met normal or vested retirement provisions may elect a spouse's benefit. The spouse's benefit is the benefit that would have been paid if the member had retired and elected the joint and 100% survivor option (Option B), or a 50% unreduced benefit for certain married participants making 8% of pay contributions prior to September, 1, 2005. If the member has ten years of service and the death is determined to be employment related, this benefit is payable immediately to the spouse. In order to be eligible for this survivor coverage, members must be married to their spouse for three years preceding death and they must be married 90 days prior to the member's termination of employment as a Justice or Judge. Effective October 1, 2004, the benefit for surviving spouses may be higher than 50% of the member's benefit, up to 65% for certain members who made additional voluntary survivor benefit contributions of 3% of salary prior to July 1, 1999, and who die or retire after July 1, 1999.

Summary of System Provisions (continued)

Optional forms of retirement benefits:	The normal form of benefit for a single member is a single life monthly annuity with a guaranteed refund of the contribution accumulation. The normal form for a married member is a 50% joint and survivor annuity benefit. Optional forms of payment with actuarial reduction (if applicable) are available to all members retiring under the normal retirement or vested retirement provisions. After September 1, 2005, the options providing post-retirement death benefits are: Option A--Joint and 50% survivor annuity with a return to the unreduced amount if the joint annuitant dies. Option B--Joint and 100% survivor annuity with a return to the unreduced amount if the joint annuitant dies. For married members, spousal consent is required for any option other than Option A.
Participant death benefit:	$5,000 lump sum.
Supplemental medical insurance premium:	The System contributes the lesser of $105 per month or the Medicare Supplement Premium to the Oklahoma State and Education Employee's Group Health Insurance Program for members receiving retirement benefits.

Solvency Test

The Judges funding objective is to be able to pay long-term benefit promises through contributions that remain approximately level from year to year as a percent of salaries earned by members. In this way, members and employers in each year pay their fair share for retirement service accrued in that year by System members.

If the retirement system follows level contribution rate financing principles, the system will pay all promised benefits when due – the ultimate test of financial soundness.

A short-term solvency test is one means of checking the funding progress. In a short-term solvency test, the retirement System's present valuation assets are compared with: 1) active member contributions on deposit, 2) the liabilities for future benefits to persons who have retired and the liabilities for terminated employees with vested benefits, and 3) the liabilities for service already rendered by active members. In a system that has been following the discipline of level contribution rate financing, the liabilities for member contributions on deposit (liability 1), the liabilities for future benefits to present retirees and the liabilities for future benefits for terminated employees (liability 2) will be fully covered by present assets, except in rare circumstances.

In addition, the liabilities for service already rendered by members (liability 3) will be partially covered by the remainder of present assets. Generally, if the system has been using level contribution rate financing, the funded portion of liability 3 will increase over time; however, a decrease generally occurs in those years when substantial benefit improvements are granted by the Legislature. The funded ratio of the System based on total actuarial accrued liabilities (1+2+3) provides an indication of how well the System is funded.

The schedule below illustrates the progress of funding the accrued actuarial liabilities.

	Actuarial Accrued Liabilities[1] and Valuation Assets					Portion of Actuarial Accrued Liabilities Covered by Reported Assets			
Date	Active Member Contributions (Liability 1)	Retirees, Beneficiaries and Terminated Vested Members (Liability 2)	Employer Financed Portion of Active Members (Liability 3)	Total Liability[1] (1+2+3)	Reported Assets[2]	(1)	(2)	(3)	Funded Ratio of Total Accrued Actuarial Liabilities
7/1/96[1]	$ 8,701,896	$ 33,122,541	$ 68,826,510	$110,650,947	$ 96,770,243	100%	100%	79.8%	87.5%
7/1/97[1]	9,474,539	33,729,719	74,277,397	117,481,655	112,404,622	100	100	93.2	95.7
7/1/98[1]	10,554,489	34,903,094	80,922,001	126,379,584	129,231,167	100	100	100.0	102.3
7/1/99[1]	10,526,150	45,162,645	113,295,085	163,412,135	148,769,710	100	100	86.4	91.0
7/1/00	11,758,092	47,407,633	68,854,755	128,020,480	169,693,888	100	100	100.0	132.6
7/1/01	13,243,150	47,984,952	77,929,139	139,157,241	184,909,669	100	100	100.0	132.9
7/1/02	14,478,606	50,647,373	65,101,064	130,227,043	193,010,895	100	100	100.0	148.2
7/1/03	14,614,834	63,042,410	63,198,959	140,856,203	196,989,778	100	100	100.0	139.9
7/1/04	15,947,990	64,357,324	85,970,627	166,275,941	201,141,649	100	100	100.0	121.0
7/1/05	15,883,671	82,158,147	89,515,027	187,556,845	203,951,085	100	100	100.0	108.7

[1] The System has been funded, in certain years indicated above, under the aggregate funding method. This method does not produce an actuarial accrued liability. For these years, the present value of future benefits has been used. The present value of future benefits is a more conservative (higher) liability measure than the actuarial accrued liability.
[2] Actuarial value of assets based on the smoothing technique adopted by the Board. The June 30, 2005, market value of net assets available for benefits was approximately $205,705,354.

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Statistical Section

Schedule of Revenue by Source

Year Ending June 30	Member Contributions	Employer Contributions Dollars	Employer Contributions % of Annual Covered Payroll	Investment Income (Loss)	Total
2005	$ 1,716,996	$ 475,019	1.91	$19,379,000	$ 21,571,015
2004	1,772,673	485,793	1.89	20,516,444	22,774,910
2003	1,791,825	488,459	1.90	10,817,945	13,098,229
2002	1,810,491	491,596	1.91	(6,161,553)	(3,859,466)
2001	1,683,917	1,886,294	8.46	(7,401,129)	(3,830,918)
2000	1,621,422	3,201,123	14.21	18,373,162	23,195,707
1999	1,373,976	3,104,774	14.71	13,474,143	17,952,893
1998	1,307,193	2,877,610	14.65	24,706,229	28,891,032
1997	1,201,426	4,774,895	27.30	20,671,927	26,648,248
1996	1,126,675	4,503,030	26.66	14,664,590	20,294,295

Schedule of Expenses by Type

Year Ending June 30	Benefit Payments	Administrative Expenses	Refunds and Withdrawals	Total
2005	$ 7,393,588	$ 87,744	$ 164,018	$ 7,645,350
2004	6,476,146	82,832	83,112	6,642,090
2003	5,958,531	80,957	94,062	6,133,550
2002	5,097,638	89,461	223,380	5,410,479
2001	5,024,026	74,025	32,762	5,130,813
2000	4,688,241	65,663	133,976	4,887,880
1999	4,338,277	105,806	53,198	4,497,281
1998	3,943,685	85,243	59,664	4,088,592
1997	3,755,078	75,925	68,994	3,899,997
1996	3,597,749	91,091	157,627	3,846,467

Schedule of Retired Members by Type of Benefit

June 30, 2005

Amount of Monthly Benefit	Number of Retirees	Type of Retirement**				Option Selected #	
		1	2	3	4	Opt. 1	Opt. 2
$ 1 - 1,000	14	-	14	-	-	-	14
1,001 - 2,000	30	7	23	-	-	1	29
2,001 - 3,000	23	17	6	-	1	4	19
3,001 - 4,000	34	30	3	-	-	13	21
4,001 - 5,000	31	29	-	2	-	8	23
Over - 5,000	43	43	-	-	-	4	39
Totals	175	126	46	2	1	30	145

****Type of Retirement**

Type 1 - Normal retirement for age and service: Eligible when the sum of years served and age equals or exceeds 80 and has judicial service of at least 8 years, or
Age 65 with 8 years of judicial service
Age 60 with 10 years of judicial service

Type 2 - Survivor payment - normal

Type 3 - Disability: Available for members who have attained age 55 and have 15 years of credited service and are determined to be disabled by the Court of the Judiciary

Type 4 - Survivor payment - disability retirement.

#Option Selected

Option 1 - The benefit is paid only for the member's lifetime if no contributions for spousal survivor benefits were made while actively participating.

Option 2 - 50% to 65% Survivor Annuity is paid to surviving spouse for his or her lifetime if certain contributions were paid by the justice or judge while actively participating and if other criteria are met.

Participating Employers

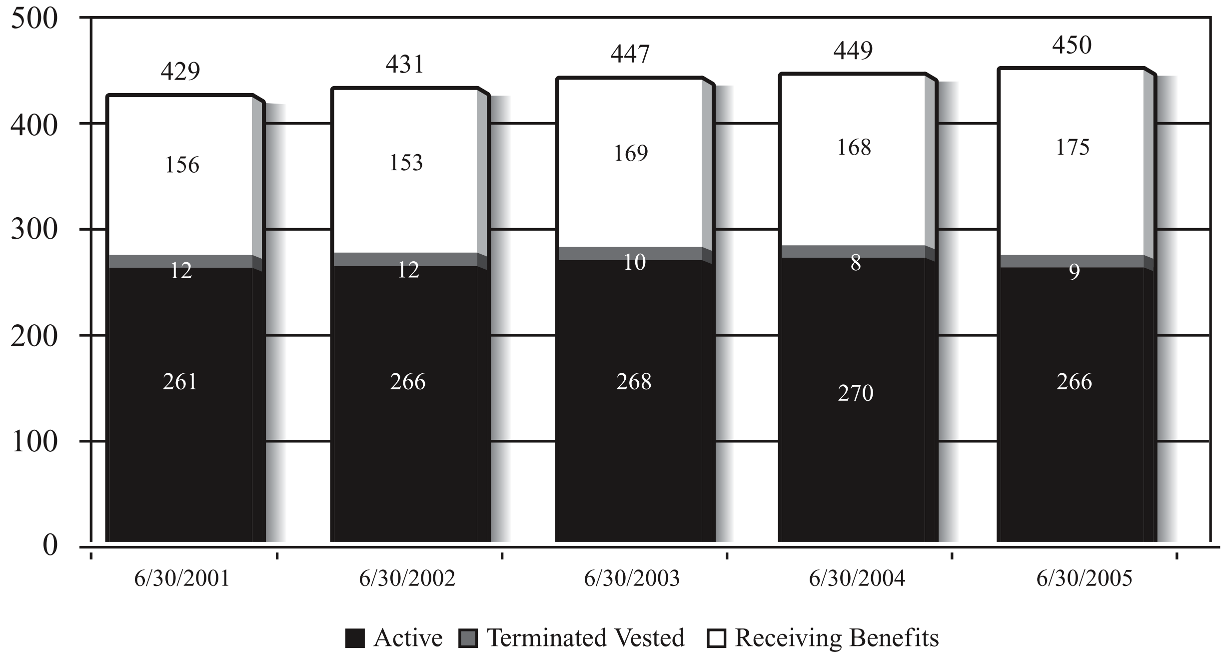
The Plan covers Justices and Judges who sit on the Supreme Court of Oklahoma, the Oklahoma Court of Criminal Appeals, the Oklahoma Courts of Civil Appeals, the Oklahoma District Courts, and the Oklahoma Workers' Compensation Court. The Plan also covers the Administrative Director of the Courts.

Schedule of Average Benefit Payments

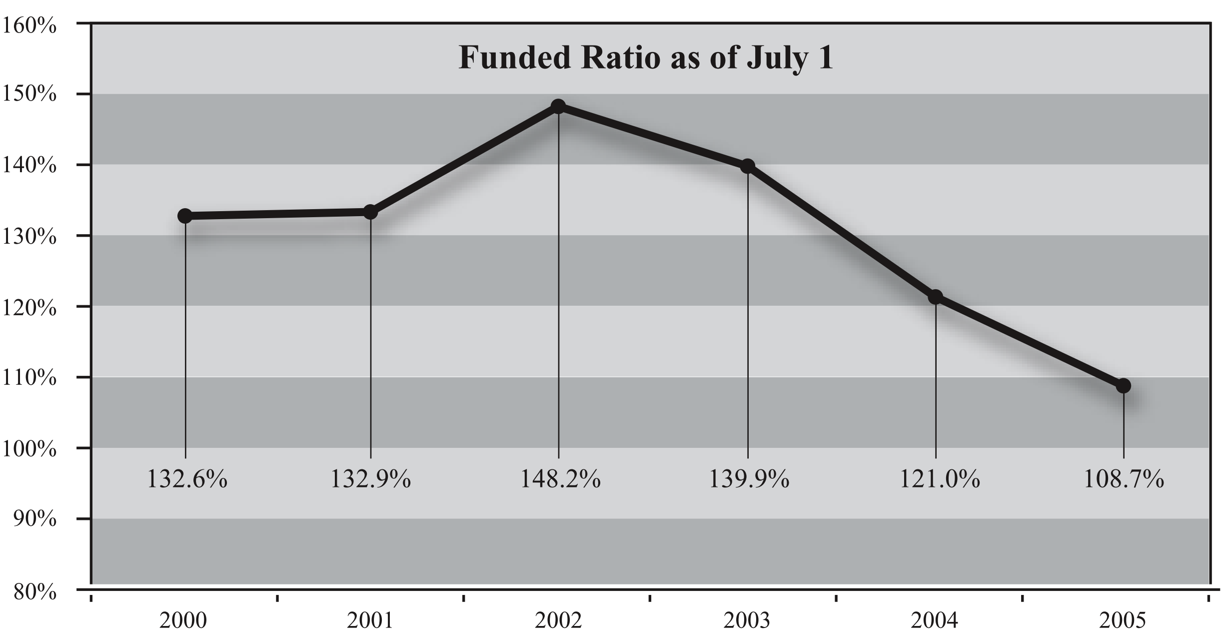
Retirement Effective Dates July 1, 1995 to June 30, 2005	Years of Credited Service 0 to 5	6 to 10	11 to 15	16 to 20	21 to 25	26 to 30	31+
Period 7/1/95 to 6/30/96							
Average Monthly Benefit	$ -	$ -	$ 1,497	$ -	$ 3,015	$ 5,016	$ -
Average Final Average Salary	$ -	$ -	$ 4,755	$ -	$ 5,891	$ 6,371	$ -
Number of Active Retirees	-	-	1	-	1	2	-
Period 7/1/96 to 6/30/97							
Average Monthly Benefit	$ -	$ -	$ 2,664	$ 4,803	$ -	$ 4,634	$ -
Average Final Average Salary	$ -	$ -	$ 4,479	$ 6,189	$ -	$ 5,886	$ -
Number of Active Retirees	-	-	3	2	-	1	-
Period 7/1/97 to 6/30/98							
Average Monthly Benefit	$ -	$ 1,610	$ -	$ 3,512	$ -	$ 4,205	$ -
Average Final Average Salary	$ -	$ 3,984	$ -	$ 4,461	$ -	$ 5,340	$ -
Number of Active Retirees	-	2	-	1	-	1	-
Period 7/1/98 to 6/30/99							
Average Monthly Benefit	$ -	$ 2,094	$ 4,016	$ 4,694	$ 4,710	$ 5,407	$ 5,778
Average Final Average Salary	$ -	$ 5,267	$ 6,377	$ 6,473	$ 6,620	$ 6,868	$ 7,338
Number of Active Retirees	-	3	1	5	4	2	2
Period 7/1/99 to 6/30/00							
Average Monthly Benefit	$ -	$ -	$ -	$ -	$ 4,345	$ 5,181	$ 6,157
Average Final Average Salary	$ -	$ -	$ -	$ -	$ 5,734	$ 6,778	$ 8,054
Number of Active Retirees	-	-	-	-	1	1	1
Period 7/1/00 to 6/30/01							
Average Monthly Benefit	$ -	$ 1,893	$ 2,948	$ 3,796	$ -	$ -	$ -
Average Final Average Salary	$ -	$ 4,816	$ 4,887	$ 6,255	$ -	$ -	$ -
Number of Active Retirees	-	1	2	3	-	-	-
Period 7/1/01 to 6/30/02							
Average Monthly Benefit	$ -	$ -	$ 1,582	$ 4,412	$ 5,608	$ -	$ -
Average Final Average Salary	$ -	$ -	$ 5,356	$ 7,384	$ 7,704	$ -	$ -
Number of Active Retirees	-	-	2	2	1	-	-
Period 7/1/02 to 6/30/03							
Average Monthly Benefit	$ -	$ -	$ 3,199	$ 4,636	$ 5,329	$ 5,783	$ 5,960
Average Final Average Salary	$ -	$ -	$ 5,209	$ 6,166	$ 6,524	$ 7,080	$ 7,297
Number of Active Retirees	-	-	3	10	5	2	1
Period 7/1/03 to 6/30/04							
Average Monthly Benefit	$ -	$ 1,653	$ 1,328	$ 4,916	$ -	$ 6,572	$ -
Average Final Average Salary	$ -	$ 3,541	$ 4,066	$ 6,268	$ -	$ 7,770	$ -
Number of Active Retirees	-	1	1	4	-	1	-
Period 7/1/04 to 6/30/05							
Average Monthly Benefit	$ -	$ 3,207	$ 3,479	$ 5,984	$ 7,045	$ 7,446	$ 8,728
Average Final Average Salary	$ -	$ 6,414	$ 6,027	$ 6,462	$ 6,163	$ 5,957	$ 6,982
Number of Active Retirees	-	1	2	2	4	2	4

Demographics and Funded Ratio Charts

Demographics Chart



Actuarial Accrued Liability Status Chart



Schedule of Benefit Payments and Refunds by Type

Fiscal Year ended June 30,

The following schedule provides information as to the type of benefit expenses incurred by the Plan as reflected in the "Benefit Payment" and "Refunds" columns of the **Schedule of Expenses by Type** included elsewhere in this Statistical Section.

Fiscal Year	Service and Disability Benefits	Beneficiary Death Benefits	Refunds And Withdrawals	Total Benefit Payments And Refunds
2005	$ 7,366,088	$ 27,500	$ 164,018	$ 7,557,606
2004	6,461,146	15,000	83,112	6,559,258
2003	5,928,531	30,000	94,062	6,052,593
2002	5,057,638	40,000	223,380	5,321,018
2001	5,014,027	10,000	32,761	5,056,788
2000	4,669,241	19,000	133,976	4,822,217
1999	4,318,277	20,000	53,198	4,391,475
1998	3,923,685	20,000	59,664	4,003,349
1997	3,735,078	20,000	68,994	3,824,072
1996	3,593,749	4,000	157,627	3,755,376

Member Statistics

Inactive members as of July 1, 2005	No.		Amount of Annual Benefit
Members receiving benefits			
▪ Retired	126	$	6,662,880
▪ Surviving spouses	47		877,906
▪ Disabled	2		107,204
Total	**175**	**$**	**7,647,990**
Members with deferred benefits			
▪ Vested terminated	9	$	263,063
▪ Surviving spouses	0		0
▪ Disabled	0		0
Total	**9**	**$**	**263,063**

Statistics for	No.	Average Age	Average Service		Average Earnings
Active members as of July 1, 2004					
▪ Continuing	261	55.2	12.4	$	95,536
▪ New	9	50.9	0.7		86,691
Total	**270**	**55.1**	**12.0**	**$**	**95,241**
Active members as of July 1, 2005					
▪ Continuing	248	55.7	12.5	$	94,138
▪ New	18	48.0	0.7		81,566
Total	**266**	**55.2**	**11.7**	**$**	**93,287**

Summary of Retirees, Beneficiaries and Disabled Members

(Annual Benefits)[1]

Age	Retired Members No.	Retired Members Benefit	Surviving Spouses No.	Surviving Spouses Benefit	Disabled Members No.	Disabled Members Benefit	Total No.	Total Benefit
Under 51	0	$ 0	0	$ 0	0	$ 0	0	$ 0
51	0	0	0	0	0	0	0	0
52	0	0	0	0	0	0	0	0
53	0	0	0	0	0	0	0	0
54	0	0	0	0	0	0	0	0
55	0	0	1	17,970	0	0	1	17,970
56	0	0	0	0	0	0	0	0
57	2	155,419	2	58,401	0	0	4	213,820
58	2	195,498	0	0	1	55,062	3	250,560
59	2	170,297	0	0	0	0	2	170,297
60	3	203,212	1	34,691	1	52,142	5	290,045
61	3	225,835	1	15,939	0	0	4	241,774
62	7	379,965	1	15,632	0	0	8	395,597
63	5	304,493	0	0	0	0	5	304,493
64	3	158,920	0	0	0	0	3	158,920
65	5	326,337	1	36,176	0	0	6	362,513
66	5	251,528	0	0	0	0	5	251,528
67	4	239,921	1	33,489	0	0	5	273,410
68	3	188,860	1	9,301	0	0	4	198,161
69	5	242,983	0	0	0	0	5	242,983
70	1	62,171	2	43,481	0	0	3	105,652
71	1	78,863	0	0	0	0	1	78,863
72	5	231,703	2	61,595	0	0	7	293,298
73	6	324,557	1	25,676	0	0	7	350,233
74	7	405,017	1	9,942	0	0	8	414,959
75	5	258,525	0	0	0	0	5	258,525
76	5	219,862	1	27,440	0	0	6	247,302
77	6	273,794	1	23,262	0	0	7	297,056
78	2	96,507	4	76,281	0	0	6	172,788
79	11	493,409	4	79,661	0	0	15	573,070
80	3	145,941	4	69,994	0	0	7	215,935
81	4	151,715	0	0	0	0	4	151,715
82	5	236,208	1	15,430	0	0	6	251,638
83	4	177,919	1	26,987	0	0	5	204,906
84	1	42,241	1	7,609	0	0	2	49,850
85	2	64,774	3	44,256	0	0	5	109,030
86	2	86,682	2	23,980	0	0	4	110,662
87	1	46,271	2	18,858	0	0	3	65,129
88	1	38,135	1	7,240	0	0	2	45,375
89	1	34,982	0	0	0	0	1	34,982
90	0	0	2	17,893	0	0	2	17,893
Over 90	4	150,336	5	76,722	0	0	9	227,058
Total	**126**	**$ 6,662,880**	**47**	**$ 877,906**	**2**	**$ 107,204**	**175**	**$ 7,647,990**

[1] Benefit amounts do not include the supplemental medical insurance premium.

Summary of Terminated Vested Members

(Deferred Annual Benefits)[1]

Age	Members With Deferred Benefits No.	Benefit
Under 40	0	$ 0
40	0	0
41	0	0
42	0	0
43	0	0
44	0	0
45	0	0
46	0	0
47	0	0
48	1	29,232
49	0	0
50	1	24,985
51	0	0
52	1	14,062
53	0	0
54	1	25,358
55	1	46,542
56	1	38,615
57	1	48,690
58	0	0
59	0	0
60	0	0
61	0	0
62	0	0
63	1	21,708
64	1	13,871
65 + over	0	0
Total	**9**	**$ 263,063**

[1] Benefit amounts do not include the supplemental medical insurance premium.

Summary of Active Members

Age and years of credited service.
Earnings tabulated are average rates of pay as of July 1, 2005

Count of Active Members

	Years of Service									
Age	**0 - 4**	**5 - 9**	**10 -14**	**15 -19**	**20 - 24**	**25 - 29**	**30 - 34**	**35 - 39**	**40+**	**Total**
Under 20	0	0	0	0	0	0	0	0	0	**0**
20 - 24	0	0	0	0	0	0	0	0	0	**0**
25 - 29	0	0	0	0	0	0	0	0	0	**0**
30 - 34	3	0	0	0	0	0	0	0	0	**3**
35 - 39	5	3	1	0	0	0	0	0	0	**9**
40 - 44	11	5	4	0	0	0	0	0	0	**20**
45 - 49	9	10	8	3	0	0	0	0	0	**30**
50 - 54	10	18	16	16	9	1	0	0	0	**70**
55 - 59	9	14	12	9	16	4	1	0	0	**65**
60 - 64	9	6	12	3	3	0	1	0	0	**34**
65 - 69	2	3	8	3	2	0	0	1	0	**19**
70 - 74	0	0	1	2	2	0	0	1	1	**7**
75+	0	1	0	2	0	0	0	0	3	**6**
Total	**58**	**60**	**62**	**38**	**32**	**5**	**2**	**2**	**4**	**263**
										3[1]
										266

Average Compensation[2]

	Years of Service									
Age	**0 - 4**	**5 - 9**	**10 -14**	**15 -19**	**20 - 24**	**25 - 29**	**30 - 34**	**35 - 39**	**40+**	**Total**
Under 20	0	0	0	0	0	0	0	0	0	**0**
20 - 24	0	0	0	0	0	0	0	0	0	**0**
25 - 29	0	0	0	0	0	0	0	0	0	**0**
30 - 34	85,662	0	0	0	0	0	0	0	0	**85,662**
35 - 39	88,049	90,488	85,174	0	0	0	0	0	0	**88,542**
40 - 44	90,188	88,371	94,802	0	0	0	0	0	0	**90,656**
45 - 49	78,822	93,913	93,218	93,024	0	0	0	0	0	**89,111**
50 - 54	90,242	93,120	93,668	93,852	97,098	92,708	0	0	0	**93,507**
55 - 59	88,617	95,043	93,430	98,370	94,945	104,371	101,172	0	0	**94,960**
60 - 64	90,539	98,496	92,441	97,499	104,948	0	92,708	0	0	**94,564**
65 - 69	87,679	85,184	92,755	95,834	106,861	0	0	90,203	0	**92,862**
70 - 74	0	0	101,172	102,336	96,220	0	0	101,154	101,170	**100,087**
75+	0	85,191	0	104,218	0	0	0	0	112,540	**105,208**
Total	**87,739**	**93,182**	**93,266**	**96,293**	**97,313**	**102,039**	**96,940**	**95,678**	**109,698**	**93,421**[2]

[1] Members without applications.
[2] Average compensation for members without application is $81,566. The average for all members including members without applications is $93,287.

Addendum

MERCER
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October 21, 2005

Board of Trustees
Oklahoma Public Employees Retirement System
P.O. Box 53007
Oklahoma City, Oklahoma 73152

Subject:
2005 Certification of Pro-forma Financial Information

Dear Members of the Board:

We have calculated pro-forma financial information for the Oklahoma Uniform Retirement System for Justices and Judges as of July 1, 2005, using assumptions and methods specified in 11 O.S. 2001, Section 50-105.4, Section H.

The results of this pro-forma information have been prepared for the sole purpose of meeting this statutory requirement based on the following prescribed assumptions:

Interest rate: 7.5%
COLA assumption: 2.0%
Mortality: RP 2000 Mortality Table for Employees, Healthy Retirees and Disabled Retirees with Mortality Projected Forward from 2000 using Scale AA.
Amortization period: 30 years, open period
Sources of all contributions and revenues, including dedicated tax fee revenue and federal monies

All other assumptions, methodologies, and System provisions used are consistent with those used in the July 1, 2005, valuation. These assumptions, methodologies, and System provisions are described elsewhere.

All calculations were based on participant data submitted by the OPERS staff, which we examined for reasonableness. The financial information used for these calculations was provided to us by the System's independent auditors.

We certify that the pro-forma financial information presented herein is accurate and shows the actuarial position of the Oklahoma Uniform Retirement System for Justices and Judges as of July 1, 2005, under the specified assumptions.

Actuarial valuations to determine the funding requirements of the System are performed annually. The most recent actuarial valuation was done as of July 1, 2005.

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October 21, 2005
Board of Trustees
Oklahoma Public Employees Retirement System

The pro-forma financial information is not consistent with the July 1, 2005, valuation. The July 1, 2005, valuation results were determined in accordance with generally accepted actuarial principles and procedures, and are in compliance with the Actuarial Standards Board Actuarial Standard of Practice No. 27-Selection of Economic Assumptions for Measuring Pension Obligations, except as noted below. The results shown in this section are not based on the assumptions and methodologies adopted by the Board of Trustees. For those results, see the July 1, 2005, actuarial valuation.

The System's required contribution rates are established which, over time, will increase as a percent of payroll if assumptions are met and the required rate is contributed. The required contribution rate has been determined to provide for (1) the normal cost developed as a level percentage of payroll, plus (2) an amortization of the unfunded actuarial accrued liability (or surplus, as is currently the case) over 30 years, plus (3) budgeted administrative expenses. The employer's contribution required to satisfy Governmental Accounting Standards Number 25 using the specified assumptions for the fiscal year ending June 30, 2005, would be 17.3%. The employer's current contribution rate is 3.0% of payroll with scheduled increases each year until fiscal year 2019. However, the Board is authorized to adjust the contribution rate annually to prevent a funded ratio of less than 100%.

Other than the assumptions described above, the actuarial assumptions and methods used in the valuation were adopted by the Board, based upon our recommendations. The assumptions and methods used for funding purposes meet the parameters set for the disclosures presented in the financial section by Government Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit and Note Disclosures for Defined Contribution Plans*.

We prepared the Summary of Valuation Results Under Prescribed Assumptions.

Sincerely,

Brent A. Hradek, FSA, EA

Stephen T. McElhaney, FSA, EA

The above credentialed actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this communication.

The information contained in this document (including any attachments) is not intended by Mercer to be used, and it cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code that may be imposed on the taxpayer.

Summary of Valuation Results Under Prescribed Assumptions

Actuarial Valuation as of July 1, 2005

	Amount	% of Active Covered Comp.
Summary of Contribution Requirements		
1. Annual compensation for members included in valuation	$ 24,814,338	N/A
2. Total normal cost mid-year	7,506,576	30.3%
3. Unfunded actuarial accrued liability	(18,045,417)	(72.7)
4. Amortization of unfunded actuarial accrued liability over 30 years	(1,474,628)	(5.9)
5. Budgeted expenses provided by the system	247,787	1.0
6. Total required contribution *(2. + 4. + 5.)*	$ 6,279,735	25.3
7. Estimated member contributions	1,985,147	8.0
8. Required employer contributions (not less than $0) *(6. - 7.)*	$ 4,294,588	17.3
9. Actual member contributions during previous year	1,716,996	6.7
10. Actual employer contributions during previous year	475,019	1.8

Summary of Costs	**Actuarial Valuation as of July 1, 2005**
Required State contribution for current year (not less than $0)	$ 4,294,588
Actual employer contributions received in prior year	475,019
Funded Status	
Actuarial accrued liability	$ 185,905,668
Actuarial value of assets	203,951,085
Unfunded actuarial accrued liability	$ (18,045,417)
Market Value of Assets and Additional Liabilities	
Market value of assets	$ 205,705,354
Present value of projected System benefits	251,091,089

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