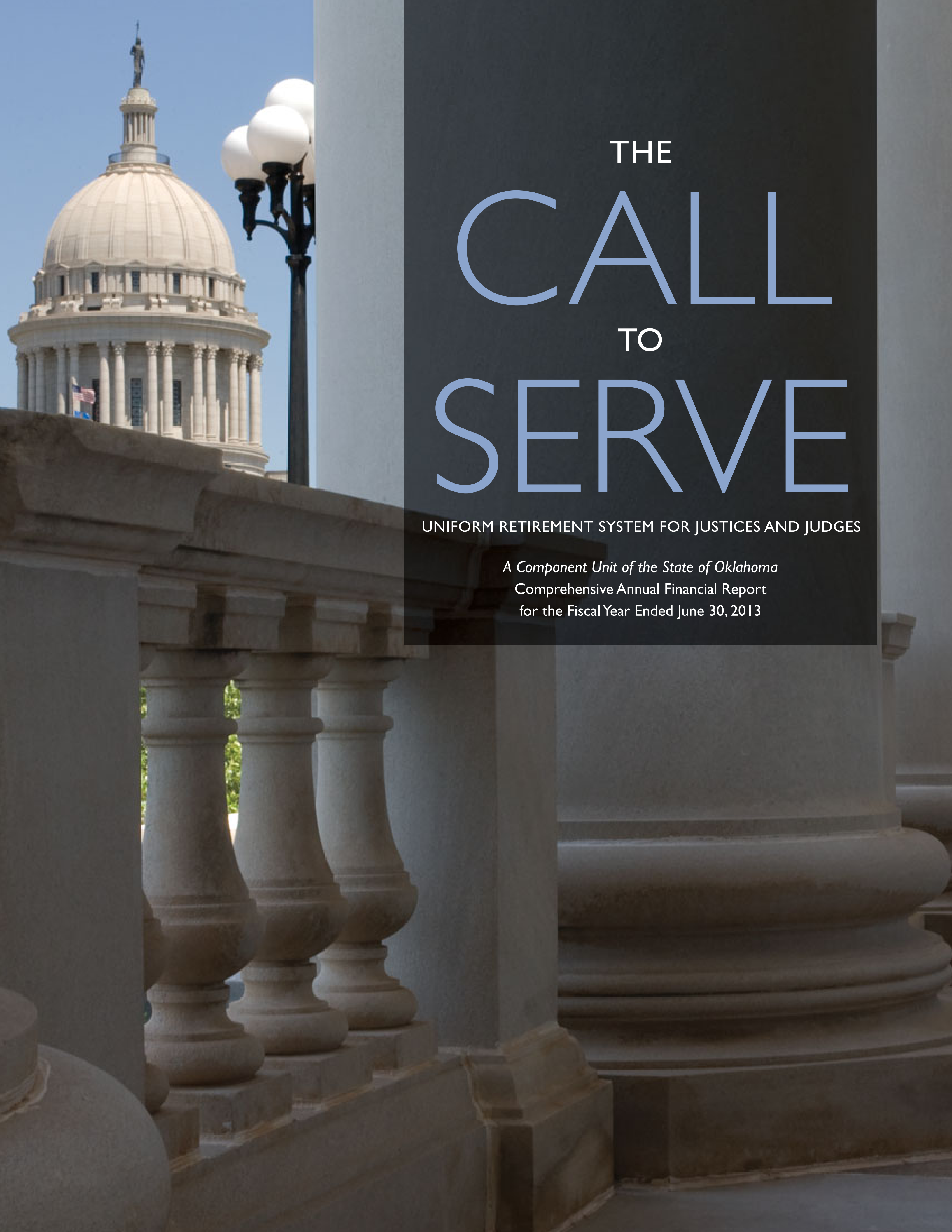


THE CALL TO SERVE

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, 2013

THE CALL TO SERVE

"Let us develop the resources of our land, call forth its power, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered."

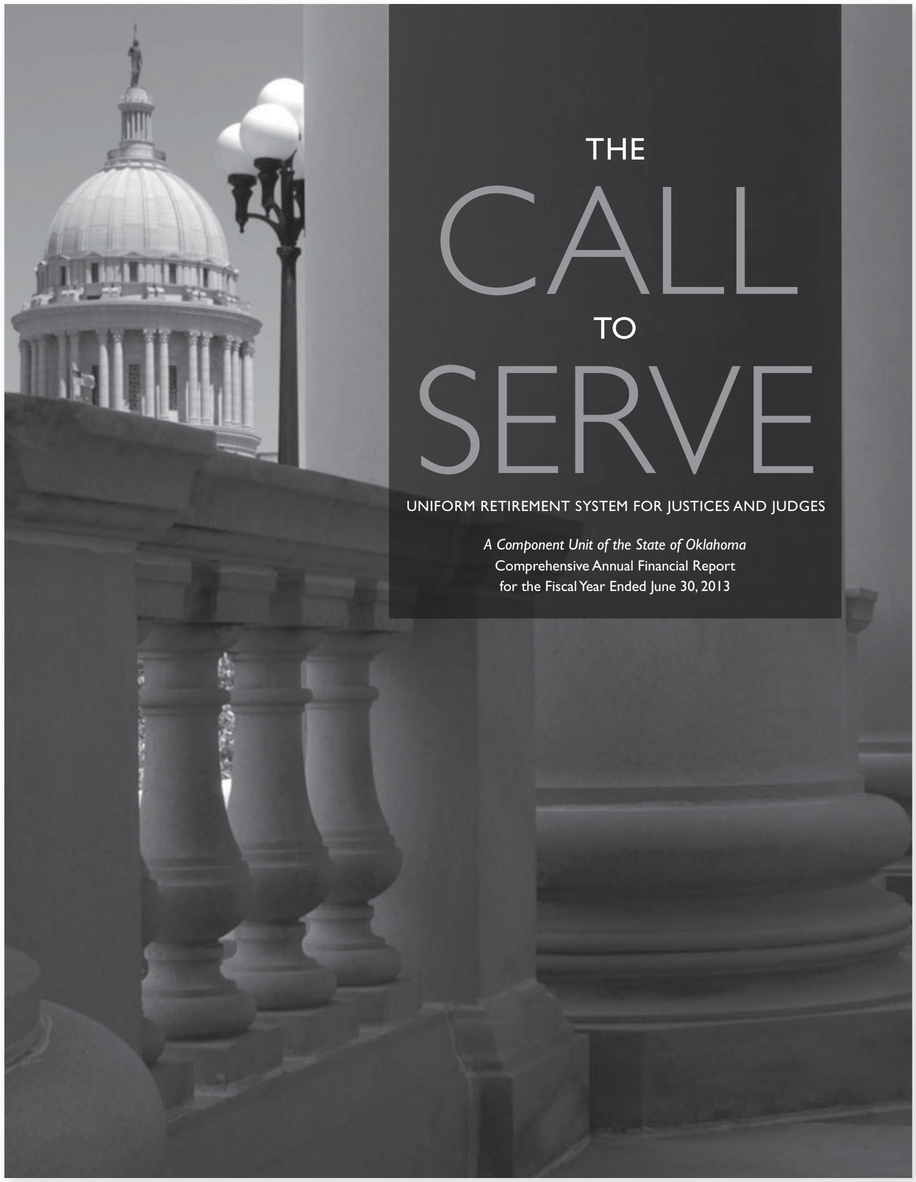
American Statesman Daniel Webster said these words in 1825 at the laying of the cornerstone of the Bunker Hill Monument in Charlestown, Massachusetts. In 1957, President John F. Kennedy invoked Webster's words in a commencement address inspiring young people to consider a life of public service.

Public service is alive and well in Oklahoma and Webster's idea still rings true today. We take great pride at the URSJJ in serving those who serve the people of Oklahoma.

The Oklahoma Court System is composed of the Supreme Court, the Court of Criminal Appeals, the Court of Civil Appeals, and 77 District Courts. In addition, the Workers' Compensation Court provides procedures for the resolution of disputes and issues involving work-related injuries.

This edition of the Comprehensive Annual Financial Report honors our Justices and Judges who have answered the call to serve with their time and talents.

ON THE COVER
Photo by Neil Chapman



This report was prepared by the staff of the Uniform Retirement System for Justices and Judges.

This publication is issued by the Oklahoma Public Employees Retirement System as authorized by its Executive Director. Copies have not been printed but are available through the agency website. An electronic version of this publication has been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

2013 Comprehensive Annual Financial Report

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Investment Section

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INTRODUCTORY SECTION

Clockwise from lower left: Justice Douglas L. Combs, Justice James E. Edmondson, Justice Joseph M. Watt, Vice-Chief Justice John F. Reif, Chief Justice Tom Colbert, Justice Yvonne Kauger, Justice James R. Winchester, Justice Steven W. Taylor and Justice Noma Gurich.

The Supreme Court

Originally composed of five Justices, the Supreme Court initially presided over all civil and criminal cases, but as the population began to grow and the court docket lengthened, it became clear that a five-judge court would not be able to handle all the cases. Consequently, four other Justices were appointed in 1917. Unlike most states, Oklahoma has two courts of last resort. The Supreme Court determines all issues of a civil nature. The Courtroom, housed in the State Capitol, belongs to the people of Oklahoma, as do all courtrooms in this State. All sessions conducted in the Courtroom are open to the public. Citizens are welcome and urged to attend these sessions.

For more information, visit **www.oscn.net**.

CONTENTS

Letter of Transmittal

Uniform Retirement System for Justices and Judges
P.O. Box 53007
Oklahoma City, Oklahoma 73152-3077

800.733.9008 toll-free
405.848.5946 fax

November 30, 2013

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, 2013.

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.

Cole & Reed, P.C., Certified Public Accountants, has issued an unqualified opinion on the Uniform Retirement System for Justices and Judges' statements of plan net position as of June 30, 2013 and 2012, and the related statements of changes in plan net position 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 complements 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, (age 67 with 8 years of judicial service if becoming a member on or after January 1, 2012), or (3) at age 60 with 10 years of judicial service (age 62 with 10 years of judicial service if becoming a member on or after January 1, 2012). Benefits are determined at 4% of the member's

Letter of Transmittal (continued)

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. Justices and judges retiring after September 1, 2005, may 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. Effective September 1, 2005, all justices and judges pay a uniform contribution rate of 8%.

The Board consists of twelve 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, a member of the Tax Commission as selected by the Tax Commission, the State Insurance Commissioner or designee, and the Director of State Finance or designee. 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 licensed attorney or a licensed accountant.

Each year, OPERS, along with other state agencies, is required to file a budget work program with the Office of Management and Enterprise Services. 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. URSJJ receives no state appropriations and is funded through employee and employer contributions and investment earnings.

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. The strategic plan includes a mission statement, the core values and behaviors inherent to operations, and a summary of goals and objectives to be achieved through specific projects outlined for the five-year period. The mission of the OPERS Board and staff is to provide and promote comprehensive, accountable and financially sound retirement services to Oklahoma's public servants in a professional, efficient and courteous manner, and the core values and behaviors inherent to agency operations are honesty, integrity and accountability; excellence in service; and commitment to teamwork and team members. The summary of goals and objectives outlined in the strategic plan are:

- Provide prompt and comprehensive customer service
- Manage the assets of the Plans in a fiscally responsible manner
- Inform and educate all members to help them identify and meet their retirement goals
- Maintain a competent and well-trained workforce
- Achieve and maintain well-funded status to assist the State in paying retirement benefit obligations, and secure changes in plan design that make the plan easier to understand or more equitable without an undue increase in the retirement system's liabilities.

Investments

The standard for URSJJ in making investments is to exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and unless under the circumstances it is clearly prudent not to do so. URSJJ's funds are invested solely in the best interest of the members and their beneficiaries with a goal of keeping administrative expenses as low as possible. The Board has established an investment policy and guidelines that identify asset allocation as the key determinant of return and diversification, both by and within asset classes, as the primary risk control element. Passive fund portfolios are considered to be suitable investment strategies, especially in highly efficient markets.

Letter of Transmittal (continued)

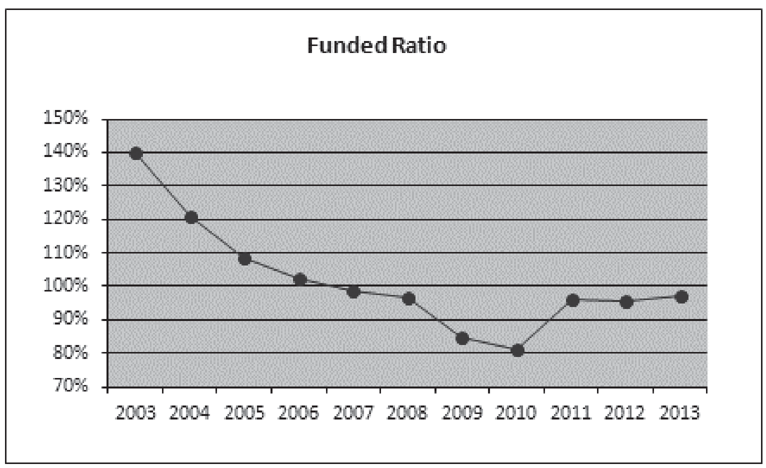
The Board engages outside investment managers to manage the various asset classes where URSJJ has exposure. At fiscal year end, the investment portfolio of URSJJ was actively managed by three fixed income managers and passively managed by another investment manager with holdings in one fixed income index fund, two domestic equity index funds and one international equity index fund.

Included in the Investment Section of this report are a summary of the Investment Portfolio by Type and Manager and a comparison of the above amounts to the target allocations, as shown in the Asset Comparison chart. For fiscal year 2013, investments provided an 11.5 percent rate of return. The annualized rate of return for URSJJ was 11.3 percent over the last three years and 5.8 percent over the last five years.

Funding

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. It must also have a revenue source sufficient to keep up with future obligations. 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, 2013 amounted to $254.4 million and $247.5 million, respectively.

The URSJJ funded ratio had been steadily declining from 2002 to 2010, falling below 100 percent for the first time at July 1, 2007 and declining further to 81.3 percent at July 1, 2010 before rebounding significantly to 96.3 percent at July 1, 2011 due to the removal of the cost-of-living-adjustment (COLA) assumption, and increased slightly to 97.3 as of July 1, 2013. The funded ratio was 148.2 percent at June 30, 2002. In part this overall decline was due to an employer contribution rate decrease in January 2001 and the lifting of the salary cap for benefit calculation for the past seven years. Effective July 1, 2005, in an effort to address the decline, the employer rate was increased 1.0 percent annually for two years, and at July 1, 2007 it was increased 1.5 percent annually up to 22.0 percent for fiscal years ending 2019 and thereafter. However, based on a projection model prepared by the URSJJ actuary, the scheduled increases in the statutory contribution rate are not expected to be sufficient to reach the actuarial contribution rate before the end of the amortization period of the unfunded actuarial accrued liability, even if all the actuarial assumptions are met in future years. In 2006 the Legislature provided a statutory requirement that retirement bills be analyzed for actuarial fiscal impact and contains adequate funding sources sufficient to pay the cost of the change. In the session ended May 2009 the Legislature designated $6.0 million in the Supreme Court's Management Information System Fund to pay employer contributions to the Plan in fiscal year 2010. A detailed discussion of funding is provided in the Actuarial Section of this report.



Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (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, 2012. This was the fifteenth year URSJJ has

Letter of Transmittal (continued)

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 comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the 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 financial management of the Uniform Retirement System for Justices and Judges.

Respectfully submitted,

Tom Spencer
Executive Director

Susan Reed
Chief Financial Officer and Director of Finance

Chairman's Letter

Uniform Retirement System for Justices and Judges
P.O. Box 53007
Oklahoma City, Oklahoma 73152-3007

800.733.7008 toll-free
405.848.5946 fax

November 30, 2013

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, 2013.

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 P.O. Box 53007, Oklahoma City, Oklahoma 73152-3007. Our telephone number is 405-858-6737 (or toll-free 1-800-733-9008).

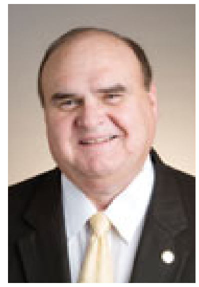
I also want to thank the staff for their diligent work in preparing this report and their commitment to continually improve the administrative operations necessary to operate your retirement system.

Sincerely,

DeWayne McAnally
Chairman

Board of Trustees

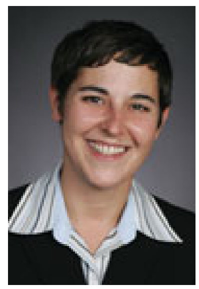
DeWayne McAnally
Chairman
Appointee of the Governor



Steve Paris
Vice Chairman
Appointee of the Governor

Alexandra Edwards
Appointee of the Speaker
of the House of Representatives

Michael D. Evans
Appointee of the
Supreme Court



Jill Geiger
Designee of the Office of
Management and Enterprise
Services Director

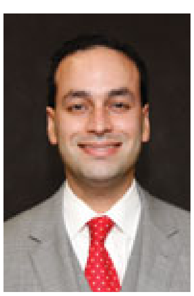
James R. "Rusty" Hale
Appointee of the Speaker
of the House of Representatives

Thomas E. Kemp, Jr.
Member of Oklahoma
Tax Commission
Selected by Commission

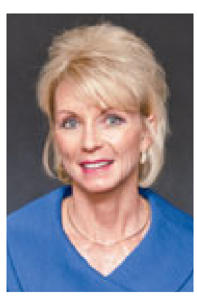
Don Kilpatrick
Appointee of the President
Pro Tempore of the Senate

Brian Maddy
Appointee of the President
Pro Tempore of the Senate

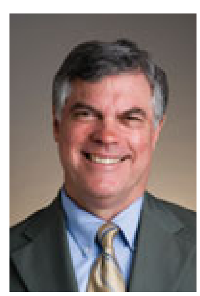
Lucinda Meltabarger
HCM Administrator of the
Office of Management and
Enterprise Services



Michael Moradi
Appointee of the Governor



Dana Murphy
Member of Corporation
Commission
Selected by Commission



Frank Stone
Designee of the State
Insurance Commissioner

Organizational Structure

Board Of Trustees

Advisors & Consultants

Tom Spencer
Executive Director

Susan Reed Director of Finance and CFO	**Garry McCoy** Director of Information Technology	**Linda Webb** Director of Member Services	**Brad Tillberg** Chief Investment Officer	**Joseph A. Fox** General Counsel
Brian Wolf Assistant CFO Financial Services	**Rebecca Catlett** Administrator Member Services	**Ray Pool** Administrator Defined Contribution Plans	**Patrick Lane** Director Communications	**Kristi Ice** Director Legislative and Policy

Back row: **Brian Wolf, Brad Tillberg, Kristi Ice, Ray Pool, Rebecca Catlett, Garry McCoy and Patrick Lane**
Front row: **Linda Webb, Susan Reed, Tom Spencer and Joseph Fox.**

Advisors and Consultants*

Master Custodian
The Northern Trust Company
Chicago, Illinois

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

Independent Auditors
Cole & Reed, P.C.
Oklahoma City, Oklahoma

Actuarial Consultant
Cavanaugh Macdonald Consulting, LLC
Kennesaw, Georgia

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.

2013 Legislation

House Bill 1325
Final Average Salary Expanded from Three to Five Years and Administrative Changes

This bill also requires participating employers to provide salary and other information for retiring members to OPERS no later than the fifteenth day of the month of retirement. This will help URSJJ speed up the retirement process. The bill also increases the amount that URSJJ can pay a deceased member's heirs without requiring that the estate be probated. It also allows URSJJ to pay the final benefit of a deceased member to the named beneficiary before paying the estate of the member.

House Bill 1477
OPERS Board of Trustees Composition

Legislation last year inadvertently removed the Director of Human Capital Management (HCM) of the Office of Management and Enterprise Services from the URSJJ Board of Trustees. This bill puts the Director of HCM back on the Board and also allows the Corporation Commission member of the Board to send a designee in his or her place.

Senate Bill 847
Pension Stabilization Revolving Fund

Under this bill, surplus funds over and above those going to the State's "Rainy Day Fund" will go into a revolving fund. The Legislature may appropriate any such funds to pension systems with a funded ratio below 90%. Priority will be given to the lowest funded pension systems.

Government Finance Officers Association

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, 2012

Executive Director/CEO

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FINANCIAL SECTION

From left: Judge Charles Johnson, Vice-Presiding Judge Clancy Smith, Judge Gary Lumpkin, Judge Arlene Johnson, and Presiding Judge David Lewis.

The Court of Criminal Appeals

In 1918, the Court of Criminal Appeals was created as the court docket of the Supreme Court grew, and three judges were appointed to preside over all criminal matters. The Court of Criminal Appeals now consists of five judges and serves as the highest court in the State of Oklahoma with appellate jurisdiction in criminal cases. It is the state court of last resort in criminal matters. The Court derives its origin and jurisdiction from the state constitution, which was formulated by the constitutional convention and submitted to and adopted by the people of Oklahoma at the first election, held on September 17, 1907.

For more information, visit **www.okcca.net**.

CONTENTS

Independent Auditors' Report

COLE + REED P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Uniform Retirement System for Justices and Judges

Report on the Financial Statements

We have audited the accompanying statements of plan net position of the Uniform Retirement System for Justices and Judges (the Plan), a component unit of the state of Oklahoma, as of June 30, 2013 and 2012, and the related statements of changes in plan net position for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Uniform Retirement System for Justices and Judges as of June 30, 2013 and 2012, and the respective changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditors' Report (continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and employer contributions in schedule 1 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in the Introductory Section, the Investment Section, the Actuarial Section, the Statistical Section and schedules 2 through 4 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in schedules 2 through 4 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information in the Introductory Section, the Investment Section, the Actuarial Section and the Statistical Section has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report (under separate cover) dated October 17, 2013, on our consideration of the Plan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Cole & Reed P.C.

Oklahoma City, Oklahoma
October 17, 2013

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, 2013 and 2012.

Financial Highlights

- The net position restricted for pension benefits totaled approximately $263.2 million at June 30, 2013 compared to $243.8 million at June 30, 2012 and $248.2 million at June 30, 2011. The net position restricted for pension benefits is available for payment of monthly retirement benefits and other qualified distributions to the Plan's participants. The increase of $19.4 million and decrease of $4.4 million of the respective years have resulted primarily from the changes in the fair value of the Plan's investments due to volatile equity markets.
- At June 30, 2013 the total number of members participating in the Plan was 522 compared to 512 at June 30, 2012 and 519 at June 30, 2011. The total number of retirees was 230 and 233 at June 30, 2013 and 2012 showing a 1.3% decrease and 0.9% decrease for each respective year. At June 30, 2011 the total number of retirees was 235.
- At June 30, 2013 the actuarial value of assets was $247.5 million, and the actuarial accrued liability was $254.4 million producing a funded ratio of 97.3% compared to 95.7% at June 30, 2012. The key items responsible for the change in the funded status were the effect ($3.4 million) of contributions less than the actuarial rate and a negative return on actuarial value of assets of $0.5 million. These items were partially offset by a liability gain of $7.7 million. The funded ratio at June 30, 2011 was 96.3%.

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 multiplied by the number of years of credited service, not to exceed 100% of the retiree's average monthly salary received as a justice and judge for the highest thirty-six months of compensation. Normal retirement ages under the Plan are 62 with 10 years of judicial service, 67 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 Position, a Statement of Changes in Plan Net Position, and Notes to Financial Statements. Also included is certain required supplementary and supplementary information.

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 position* presents information on the Plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources and the resulting *net position restricted 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 position* presents information showing how the Plan's net position restricted for pension benefits changed during the years ended June 30, 2013 and 2012. 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.

Management's Discussion and Analysis (continued)

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* presents a schedule of funding progress and a schedule of employer contributions. Schedules of certain expenses and fees paid are presented as *supplementary information*.

Financial Analysis

The following are the condensed Schedules of Plan Net Position and Changes in Plan Net Position for the Uniform Retirement System for Justices and Judges for the fiscal years ended June 30, 2013, 2012, and 2011.

Condensed Schedule of Plan Net Position
($ millions)

	June 30		
	2013	**2012**	**2011**
Assets:			
Cash and cash equivalents	$ 6.1	$ 3.9	$ 5.0
Receivables	26.3	10.7	13.0
Investments	265.0	246.6	250.8
Securities lending collateral	14.8	6.0	18.4
Total assets	312.2	267.2	287.2
Liabilities:			
Other liabilities	34.2	17.4	20.6
Securities lending collateral	14.8	6.0	18.4
Total liabilities	49.0	23.4	39.0
Ending net position restricted for pension benefits	$ 263.2	$ 243.8	$ 248.2

Condensed Schedules of Changes in Plan Net Position
($ millions)

	June 30		
	2013	**2012**	**2011**
Member contributions	$ 2.5	$ 2.6	$ 2.7
State and local agency contributions	4.1	3.6	3.2
Net investment income	27.5	4.4	44.5
Total additions	34.1	10.6	50.4
Retirement, death and survivor benefits	14.6	14.5	13.1
Refunds and withdrawals	-	0.3	0.2
Administrative expenses	0.1	0.2	0.1
Total deductions	14.7	15.0	13.4
Total changes in plan net position	$ 19.4	$ (4.4)	$ 37.0

For the year ended June 30, 2013 plan net position increased $19.4 million or 8.0%. Total assets increased by $45.0 million or 16.8% due to increases of 7.5% in investments, 160.8% in pending sales of securities and 146.1% in securities lending collateral. Total liabilities increased 109.3% primarily due to a 96.6% increase in pending purchases of securities.

Fiscal year 2013 showed a $23.6 million increase in total additions and a $0.2 million decrease in total deductions. Compared to the prior year, additions increased 222.6% due to an increase in the fair value of investments of $23.4 million. The 1.4% decrease in total deductions was primarily due to a 90.4% decrease refunds and withdrawals. Administrative costs were 17.2% less when compared to the prior year due to a 14.9% decrease in the allocation percentage.

Management's Discussion and Analysis (continued)

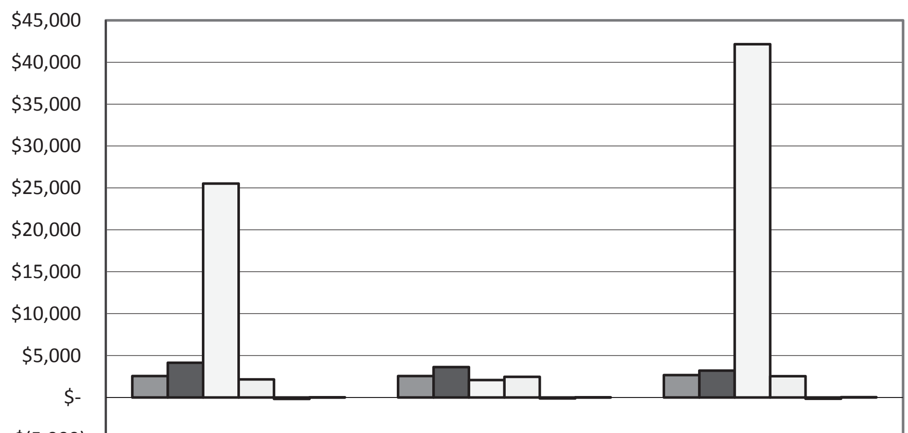
For the year ended June 30, 2012 plan net position decreased $4.4 million or 1.8%. Total assets decreased by 7.0% primarily due to a decrease of 67.3% in securities lending collateral. Total liabilities decreased 40.0% primarily due to a decrease in the securities lending cash collateral liability of 67.3%.

Fiscal year 2012 showed a $39.8 million decrease in total additions and a $1.6 million increase in total deductions. Compared to the prior year, additions decreased 79.0% due to a decrease in the fair value of investments of $40.1 million. The 11.6% increase in total deductions was primarily due to a 10.4% increase in retirement, death and survivor benefits. Administrative costs were 30.2% more when compared to the prior year due to a 27.2% increase in the allocation percentage.

Additions to Plan Net Position

For the year ended June 30, 2013, additions to plan net position increased $23.6 million or 222.6% from the prior year. The appreciation in the fair value of investments of $23.4 million is reflective of the improving market, particularly in domestic and international equities. Interest income decreased $0.3 million or 12.8% as a result of falling interest rates, and securities lending income increased 18.7% compared to the prior year due to an increase in the amount of securities lent during the year. Contributions increased $0.5 million or 7.9% because of the statutory increase in the contribution percentage for participating court employers.

Additions to Plan Net Position
Comparative Data for Fiscal Years Ended June 30, 2013, 2012, and 2011
($ thousands)



	2013	2012	2011
Member contributions	$2,544	$2,562	$2,668
Court employer contributions	4,129	3,620	3,193
Net appreciation (depreciation)	25,514	2,068	42,149
Interest, dividends, and other investment income	2,143	2,458	2,535
Investment expenses	(171)	(124)	(157)
Securities lending income	12	10	29

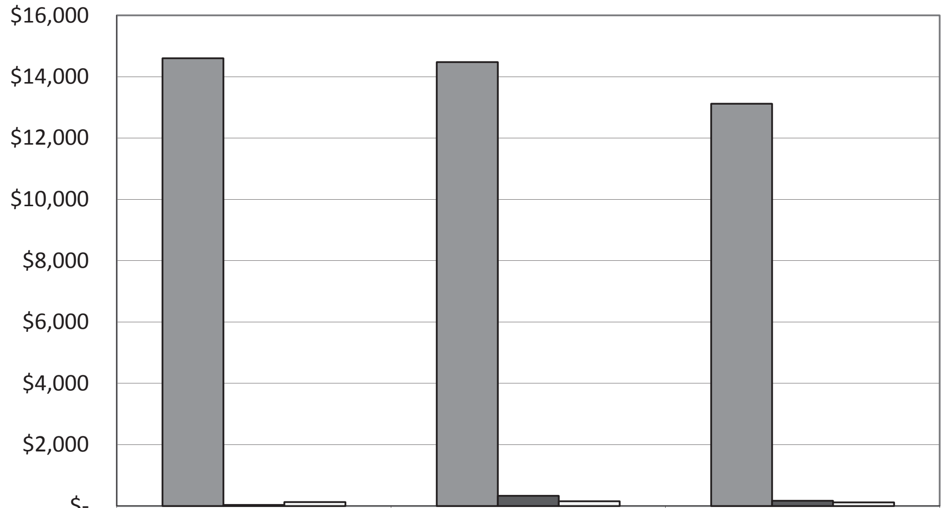
For the year ended June 30, 2012, additions to plan net position decreased $4.4 million or 1.8% from the prior year. The depreciation in the fair value of investments of $40.1 million is reflective of the struggling market, particularly in domestic and international equities. Interest income decreased $0.1 million or 3.0% as a result of falling interest rates, and securities lending income decreased 65.6% compared to the prior year due to a decrease in the amount of securities lent during the year. Contributions increased $0.3 million or 5.5% because of the statutory increase in the contribution percentage for participating court employers.

Management's Discussion and Analysis (continued)

Deductions to Plan Net Position

For the year ended June 30, 2013 total deductions decreased $0.2 million or 1.4% from the prior year. Retirement, death and survivor benefits increased $0.1 million or 0.8% and the average benefit increased 0.4% despite a 1.3% decrease in the number of retirees. This was attributable to the number of retirees not decreasing until the second half of fiscal year 2013. Refunds and withdrawals decreased 90.4% from the prior year because the total amount withdrawn is dependent on contribution amounts of the specific members electing to withdraw contributions each year. Administrative costs decreased 17.2% when compared to the prior year due to a decreased allocation rate of 14.9% and decreases in personnel costs.

Deductions to Plan Net Position
Comparative Data for Fiscal Years Ended June 30, 2013, 2012, and 2011
(in $000's)



	2013	2012	2011
Retirement, death and survivor benefits	$14,600	$14,478	$13,118
Refunds and withdrawals	32	331	172
Administrative expenses	128	155	119

For the year ended June 30, 2012 total deductions increased $1.6 million or 11.6% from the prior year. Retirement, death and survivor benefits increased $1.4 million or 10.4% and the average benefit increased 3.4% despite a 0.9% decrease in the number of retirees. This was attributable to a large increase in the number of retirees during fiscal year 2011 who were receiving a benefit for the entire year during fiscal year 2012 compared to a partial year during fiscal year 2011. Refunds and withdrawals increased 92.2% from the prior year because the total amount withdrawn is dependent on contribution amounts of the specific members electing to withdraw contributions each year. Administrative costs increased 30.2% when compared to the prior year due to an increased allocation rate of 27.2% and increases in personnel costs and depreciation of capital assets.

Management's Discussion and Analysis (continued)

Investments

The investment portfolio is reported in the chart below by the asset class of the investment managers' portfolios which includes the cash equivalents in those portfolios. A summary of the Plan's cash equivalents and investments for fiscal years ended June 30, 2013, 2012, and 2011 is as follows:

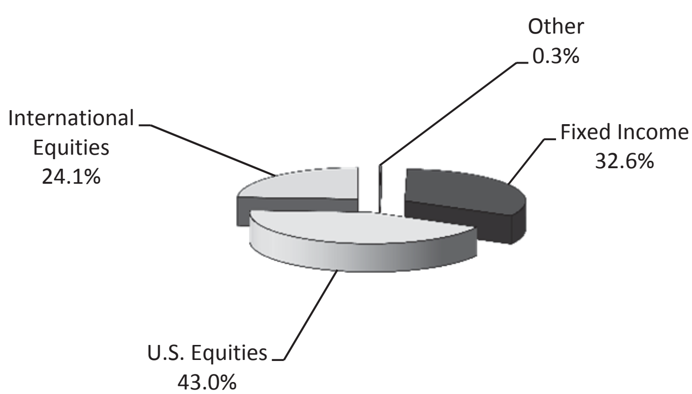
Cash, Cash Equivalents, and Investment Portfolio
($ millions)

	June 30		
	2013	**2012**	**2011**
Fixed income	$ 94.0	$ 95.1	$ 89.8
U.S. equities	112.9	98.4	104.7
International equities	63.3	56.5	60.9
Other	0.8	0.4	0.3
Total managed investments	271.0	250.4	255.7
Cash equivalents on deposit with State	0.1	0.1	0.1
Securities lending collateral	14.8	6.0	18.4
Total cash, cash equivalents, and investments	$ 285.9	$ 256.5	$ 274.2

The increase in the Plan's managed investments is reflective of the increase in domestic and international equity markets for the year. The Plan's overall return for the year ended June 30, 2013 was 11.5%. A negative 1.2% return for the fixed income component exceeded the market trend for the asset class. Equity index funds correlated closely with market trends with U.S. and international equities showing returns of 21.7% and 13.9% respectively. Amounts of $6.3 million of U.S. equity index funds, $1.0 million of international equities and $1.2 million of fixed income were used to supplement the cash requirements of monthly retiree 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, 2013 the distribution of the Plan's investments including accrued income and pending trades was as follows:

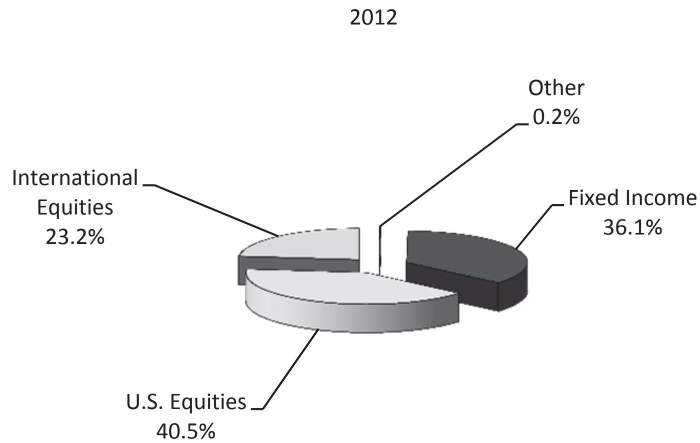
2013



The decrease in the Plan's managed investments is reflective of the decrease in domestic and international equity markets for the year. The Plan's overall return for the year ended June 30, 2012 was 1.9%. A 12.1% return for the fixed income component exceeded the market trend for the asset class. Equity index funds correlated closely with market trends with U.S. and international equities showing returns of 3.1% and negative 14.3% respectively. International equities were increased $4.3 million during the year due to a reallocation of $3.5 million from large cap equities and $0.8 million from fixed income. Amounts of $6.2 million of U.S. equity index funds and $2.8 million of fixed income were used to supplement the cash requirements of monthly retiree benefit payments. The change in securities lending collateral is dependent on the securities loaned by the Plan's master custodian at year end.

Management's Discussion and Analysis (continued)

At June 30, 2012 the distribution of the Plan's investments including accrued income and pending trades 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:

2013	2012	2011
97.3%	95.7%	96.3%

Plan Amendment

Plan provision changes were enacted by the State Legislature during the session ended in May 2013. The changes include administrative changes for data reporting, probate waivers and death benefit payments; a change in the composition of the Board of Trustees and the establishment of a pension stabilization revolving fund.

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.

Statements of Plan Net Position

June 30, 2013 and 2012

	2013	2012
Assets		
Cash equivalents	$ 6,104,594	$ 3,934,372
Receivables:		
Member contributions	204,004	201,312
State and local agency contributions	331,506	289,387
Due from brokers for securities sold	25,420,859	9,746,832
Accrued interest and dividends	330,054	424,989
Total receivables	26,286,423	10,662,520
Investments, at fair value:		
Short-term investments	584,905	-
Government obligations	60,298,984	61,917,046
Corporate bonds	27,813,286	29,723,652
Domestic equities	112,970,932	98,446,697
International equities	63,344,848	56,515,664
Securities lending collateral	14,788,916	6,008,464
Total investments	279,801,871	252,611,523
Total assets	312,192,888	267,208,415
Liabilities		
Due to brokers and investment managers	34,173,011	17,380,530
Securities lending collateral	14,788,916	6,008,464
Total liabilities	48,961,927	23,388,994
Net position restricted for pension benefits	$ 263,230,961	$ 243,819,421

See accompanying notes to financial statements.

Statements of Changes in Plan Net Position

Years Ended June 30, 2013 and 2012

	2013	2012
Additions		
Contributions:		
Members	$ 2,543,584	$ 2,562,347
Participating court employers	4,129,300	3,619,677
Total contributions	6,672,884	6,182,024
Investment income:		
From investing activities:		
Net appreciation in fair value of investments	25,514,457	2,068,115
Interest	2,143,265	2,457,654
Total investment income	27,657,722	4,525,769
Less – Investment expenses	(171,391)	(123,950)
Income from investing activities	27,486,331	4,401,819
From securities lending activities:		
Securities lending income	22,498	16,075
Securities lending expenses:		
Borrower rebates	(8,346)	(4,158)
Management fees	(2,112)	(1,778)
Income from securities lending activities	12,040	10,139
Net investment income	27,498,371	4,411,958
Total additions	34,171,255	10,593,982
Deductions		
Retirement, death and survivor benefits	14,599,877	14,478,117
Refunds and withdrawals	31,831	330,831
Administrative expenses	128,007	154,623
Total deductions	14,759,715	14,963,571
Net (decrease) increase	19,411,540	(4,369,589)
Net position restricted for pension benefits		
Beginning of year	243,819,421	248,189,010
End of year	$ 263,230,961	$ 243,819,421

See accompanying notes to financial statements.

Notes to Financial Statements

June 30, 2013 and 2012

(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.

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 (loss) 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'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 those changes could materially affect the amounts reported in the statements of plan net position.

Notes to Financial Statements (continued)

(c) Use of Estimates

The preparation of the Plan's financial statements, in conformity with U.S. generally accepted accounting principles, requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net position restricted for pension benefits at the date of the financial statements and the actuarial information included in Note (5) Funded Status and Actuarial Information and the required supplementary information (RSI) as of the benefit information date, the changes in plan net position 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 RSI 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.

(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:

	2013	**2012**
Retirees and beneficiaries currently receiving benefits	230	233
Terminated vested participants	19	13
Active participants	273	266
Total	522	512

(b) Benefits

Benefits are determined at 4% of the member's 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.

Notes to Financial Statements (continued)

Normal retirement ages under the Plan are as follows:

For participants who became members prior to January 1, 2012:

- When the sum of at least 8 years 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

For participants who became members on or after January 1, 2012:

- Age 67 with 8 years of judicial service
- Age 62 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 member's 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. 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, 2013 and 2012 totaled approximately $55,000 and $30,000, respectively.

Surviving spouse 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. The benefit payment is equal to 50% up to 65% of the normal retirement benefit if certain contributions and other criteria are met. Effective September 1, 2005 survivor benefits are also available to the retiree's designated joint annuitant according to the option elected by the member. The first option gives the member a reduced lifetime annuity with 50% 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.

(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 which is performed to determine the adequacy of the contribution rate.

Notes to Financial Statements (continued)

The contribution rate of all justices and judges is 8% of a member's monthly salary. The member may elect a maximum benefit with no survivor option or one of two 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. Prior to September 2005 the basic member contributions were 5% of a member's monthly salary. Each member of the Plan who was married provided for spousal survivor benefits and contributed at the rate of 8% unless the member's spouse agreed to 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 percentages established by the Oklahoma Legislature for the years ended June 30, 2013 and 2012 were 13.0% and 11.5%, respectively, of member payroll.

Effective for the fiscal year ended June 30, 2014 the employer contribution rate will increase to 14.5% of payroll and will increase 1.5% annually up to 22% for fiscal years ending June 30, 2019 and thereafter.

Prior to July 2009 the Board was authorized to adjust the contribution rate to prevent a funded ratio of the Plan of less than 100%. Effective July 1, 2009 the statutory responsibility of the Board was modified to adjust the employer contribution rate to prevent a funded ratio below the target of "at or near" ninety percent. In May 2010 legislation was enacted to remove the authority of the Board to adjust the employer contribution rate.

(3) Cash Equivalents

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

At June 30 cash equivalents were:

	2013	2012
Cash equivalents		
State Treasurer	$ 108,184	$ 74,623
Custodial agent	5,996,410	3,859,749
Total cash and cash equivalents	$ 6,104,594	$ 3,934,372

Cash is deposited to *OK INVEST*, an internal investment pool of the State Treasurer with holdings limited to obligations of the U.S. Government, its agencies and instrumentalities, agency senior debt and mortgage-backed pass-through securities, tri-party repurchase agreements, money market mutual funds, collateralized certificates of deposit, commercial paper, obligations of state and local governments and State of Israel Bonds. 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. 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 agency but not in the depositor-government's name. At June 30, 2013 and 2012 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, 2013, as a result of outstanding checks, the Plan's carrying amount in *OK INVEST* totaled $108,184, and the bank balances totaled $230,135. At June 30, 2012, as a result of outstanding checks, the Plan's carrying amount in *OK INVEST* totaled $74,623, and the bank balances totaled $236,386. At June 30, 2013 and 2012 the carrying amounts of the Plan's custodial agent cash equivalents were the same as the bank balances, $5,996,410 and $3,859,749, 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, 2013 and 2012 the asset allocation guidelines established by policy were U.S. equities – 40%, international equities – 24%, and domestic fixed income – 36%. 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:

	2013	2012
U.S. Treasury notes/bonds	$ 22,903,283	$ 20,354,936
U.S. Treasury strips	4,185,381	4,826,178
U.S. TIPS index fund	8,350,143	9,206,814
Government agencies	2,845,985	3,076,648
Government mortgage-backed securities	21,861,907	23,135,003
Municipal bonds	444,417	1,007,993
Corporate bonds	15,598,694	17,284,384
Asset-backed securities	7,412,855	6,807,293
Commercial mortgage-backed securities	3,661,668	3,565,046
Non government backed collateralized mortgage obligations	1,432,842	2,376,403
U.S. equity index fund	112,970,932	98,446,697
International equity index funds	63,344,848	56,515,664
Securities lending collateral	14,788,916	6,008,464
Total investments	$ 279,801,871	$ 252,611,523

Notes to Financial Statements (continued)

The Plan participates in a fixed income and international and domestic equity index funds managed by BlackRock Institutional Trust Company, N.A. (BTC). BTC, a subsidiary of BlackRock, Inc., is a national banking association and operates as a limited purpose trust company. Its primary regulator is the Office of the Comptroller of the Currency (OCC), 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 BTC, other funds, and the investing participants. BTC 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 2013 and 2012 the Plan invested in a fixed income index fund, two domestic equity index funds and an international equity index 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 2013 and 2012 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, 2013 and 2012 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, 2013 and 2012 collateralized by cash collateral were $14,491,466 and $5,892,444, respectively, and the cash collateral received for those securities on loan was $14,788,916 and $6,008,464, respectively. In addition, the securities on loan at June 30, 2013 collateralized by non-cash collateral were $3,532,032, and the market value of the non-cash collateral for those securities on loan was $3,605,903. There were no securities on loan at June 30, 2012 collateralized by non-cash collateral. 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, 2013 and 2012 the cash collateral investments had an average weighted maturity of 17 and 30 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 default or will otherwise not fulfill its obligations.

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

The *Constrained Core* manager will invest in a broadly diversified portfolio with characteristics similar to a broad fixed income market index such as the Barclays Capital Aggregate Bond Index. The total portfolio minimum quality should be A as rated by Standard and Poor's (S&P). The portfolio should primarily consist of investment grade securities, with a minimum quality rating for any issue of BBB- (S&P) or its equivalent rating by at least one Nationally Recognized Statistical Rating Organization (NASRO). In the event that a credit rating 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 Constrained Core manager and will add a "plus" of limited exposure to high yield bonds. The total portfolio minimum quality should be A as rated by S&P. No more than 20% of the portfolio shall consist of non-investment grade issues. The minimum quality rating for any issue is B (S&P) or its equivalent rating by at least one NASRO 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 NASRO. In the event that a credit rating 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 consist of investment grade securities only.

The *Passive* fixed income style consists of a TIPS index fund. TIPS are securities issued by the U.S. Government that are designed to protect the purchasing power of the investor.

At June 30, 2013 the domestic fixed income portfolio consisted of a constrained core fixed income portfolio, a core plus fixed income portfolio, a rate anticipator portfolio and a passive U.S. TIPS index fund. All components met the stated policy restrictions except the core fixed income portfolio which held $285,480 of the portfolio in issues rated below BBB- and the core plus fixed income portfolio which held $684,968 of the portfolio in issues rated below B. At June 30, 2012 the domestic fixed income portfolio consisted of a constrained core fixed income portfolio, a core plus fixed income portfolio, a rate anticipator portfolio and a passive U.S. TIPS index fund. All components met the stated policy restrictions except the core fixed income portfolio which held $1,294,387 of the portfolio in issues rated below BBB- and the core plus fixed income portfolio which held $363,066 of the portfolio in issues rated below B. The Plan's investment managers have advised retention of the securities after having assessed their risk/reward profiles.

Investments issued by or explicitly guaranteed by the U.S. Government are not considered to have credit risk. At June 30, 2013 the Plan held 32.5% of fixed income investments that were not considered to have credit risk and 9.4% in a U.S. TIPS index fund made up of explicitly guaranteed U.S. Treasury Inflation-Protected Securities. At June 30, 2012 the Plan held 30.2% of fixed income investments that were not considered to have credit risk and 10.0% in a U.S. TIPS index fund made up of explicitly guaranteed U.S. Treasury Inflation-Protected Securities.

Notes to Financial Statements (continued)

The Plan's exposure to credit risk at June 30, 2013 is presented below, in thousands, by investment category as rated by S&P or Moody's Investor Service.

	AAA/Aaa	AA/Aa	A/A	BBB/Baa	BB/Ba	B/B	CCC/Caa	Not Rated or Rating Not Available	Total
Government agencies	$ 194	$ 2,272	$ -	$ -	$ -	$ -	$ -	$ 380	$ 2,846
Government mortgage-backed securities	285	391	-	-	-	-	-	19,452	20,128
Municipal bonds	-	116	328	-	-	-	-		444
Corporate bonds	1,061	1,998	6,561	4,602	641	358	-	377	15,598
Asset-backed securities	4,135	1,596	817	382	71	328	-	84	7,413
Commercial mortgage-backed securities	2,574	330	268	22	121	79	-	268	3,662
Non government backed collateralized mortgage obligations	684	268	178	170	-	-	-	133	1,433
Total fixed income securities exposed to credit risk	$ 8,933	$ 6,971	$ 8,152	$ 5,176	$ 833	$ 765	$ -	$ 20,694	$ 51,524
Percent of total fixed income portfolio	10.1%	7.9%	9.2%	5.8%	0.9%	0.9%	0.0%	23.3%	58.1%

The Plan's exposure to credit risk at June 30, 2012 is presented below, in thousands, by investment category as rated by S&P or Moody's Investor Service.

	AAA/Aaa	AA/Aa	A/A	BBB/Baa	BB/Ba	B/B	CCC/Caa	Not Rated or Rating Not Available	Total
Government agencies	$ 106	$ 2,354	$ 604	$ -	$ -	$ -	$ -	$ -	$ 3,064
Government mortgage-backed securities	321	464	-	-	-	-	-	19,896	20,681
Municipal bonds	219	333	456	-	-	-	-	-	1,008
Corporate bonds	557	2,195	6,850	5,712	1,784	151	-	36	17,285
Asset-backed securities	4,285	1,011	1,019	307	-	153	6	26	6,807
Commercial mortgage-backed securities	2,127	217	763	292	-	-	-	166	3,565
Non government backed collateralized mortgage obligations	1,342	-	28	134	127	-	745	-	2,376
Total fixed income securities exposed to credit risk	$ 8,957	$ 6,574	$ 9,720	$ 6,445	$ 1,911	$ 304	$ 751	$ 20,124	$ 54,786
Percent of total fixed income portfolio	9.8%	7.2%	10.6%	7.0%	2.1%	0.3%	0.8%	22.0%	59.8%

The exposure to credit risk of the underlying investments of the Plan's cash equivalents at June 30 is as follows:

	2013		2012	
Credit Rating	*OK INVEST*	Custodial Agent	*OK INVEST*	Custodial Agent
AAA	9.6 %	11.5 %	49.4 %	13.1 %
AA	84.6	85.8	46.9	86.1
A1	0.3	1.9	—	0.8
BBB	—	—	—	—
BB	—	—	—	—
NR	5.5	0.8	3.7	—
	100.0 %	100.0 %	100.0 %	100.0 %

Notes to Financial Statements (continued)

(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. Effective duration estimates the sensitivity of a bond's price to interest rate changes and makes assumptions regarding the most likely timing and amounts of variable cash flows arising from investments such as callable bonds, collateralized mortgage obligations, and other mortgage-backed securities.

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 effective duration is listed below by investment category.

	2013		2012	
	Fair Value	Effective duration in years	Fair Value	Effective duration in years
U.S. Treasury notes/bonds	$ 22,903,283	7.1	$ 20,354,936	9.0
U.S. Treasury strips	4,185,381	24.4	4,826,178	22.1
U.S. TIPS index fund	8,350,143	32.7	9,206,814	8.2
Government agencies	2,845,985	2.0	3,076,648	2.9
Government mortgage-backed securities	21,861,907	4.9	23,135,003	2.2
Municipal bonds	444,417	8.3	1,007,993	9.0
Corporate bonds	15,598,694	4.6	17,284,384	4.5
Asset-backed securities	7,412,855	1.2	6,807,293	1.8
Commercial mortgage-backed securities	3,661,668	3.4	3,565,046	3.8
Non government backed collateralized mortgage obligations	1,432,842	1.2	2,376,403	1.9
Total fixed income	$ 88,697,175		$ 91,640,698	
Portfolio duration		6.1		5.9

Some investments' sensitivity to changing interest rates may derive from prepayment options embedded in an investment. Asset-backed securities, mortgage-backed 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, 2013 and 2012 the Plan held $7,412,855 and $6,807,293, respectively, in asset-backed securities.

Mortgage-backed securities are securities backed by mortgages issued by public and private institutions. At June 30, 2013 and 2012 the Plan held $21,861,907 and $23,135,003, 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 $3,661,668 and $3,565,046, respectively, in commercial mortgage-backed securities.

Notes to Financial Statements (continued)

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, 2013 and 2012 the Plan held $1,432,842 and $2,376,403, respectively, in non-government backed CMOs.

The exposure to interest rate risk of the underlying investments of the Plan's cash equivalents at June 30 is as follows:

	2013		2012	
Maturities (in days)	***OK INVEST***	**Custodial Agent**	***OK INVEST***	**Custodial Agent**
0 - 14	11.8 %	35.9 %	14.1 %	45.4 %
15 - 30	1.2	6.5	0.8	8.2
31 - 60	0.0	16.0	0.8	10.6
61 - 90	0.6	10.1	0.7	10.5
91 - 180	2.9	14.3	2.6	4.3
181 - 364	6.2	16.6	3.4	16.3
365 - 730	14.6	0.6	12.1	4.7
Over 730	62.7	0.0	65.5	—
	100.0 %	100.0 %	100.0 %	100.0 %

(5) Funded Status and Actuarial Information

(a) Funded Status and Funding Progress

The funded status of the Plan as of June 30 is as follows:

	2013		2012	
Actuarial value of the assets (a)	$ 247,531,035		$ 238,553,638	
Actuarial accrued liability (AAL) (b)	$ 254,408,963		$ 249,378,900	
Total unfunded actuarial accrued liability (UAAL) (b-a)	$ 6,877,928		$ 10,825,262	
Funded ratio (a/b)		97.3%		95.7%
Covered payroll	$ 34,325,368		$ 33,336,632	
UAAL as a percentage of covered payroll		20.0%		32.5%

The schedules of funding progress, presented as RSI following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

(b) Actuarial Methods and Assumptions

The information presented in the RSI was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation, June 30, 2013 is as follows:

Notes to Financial Statements (continued)

Funding Method

The funding method is 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.

Experience gains and losses, i.e., decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions adjust the UAAL.

Asset Valuation Method

An expected actuarial value is determined equal to the prior year's actuarial value of assets plus cash flows (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 amortizes the UAAL on a level percent of payroll method over a 20-year closed period. At June 30, 2013 there are 14 years remaining to the amortization period. Prior to July 1, 2007 the funding policy amortized the UAAL on the level dollar method, and the amortization period was 40 years from July 1, 1987.

Assumptions

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2013 and 2012 are as follows:

- Salary increases – 5.25% per year
- Post-retirement benefit increases – No increases assumed
- Investment return – 7.5% per annum
- Assumed inflation rate – 3.0%
- Payroll growth – 4.0% per year
- Mortality Rates – RP-2000 Combined Active/Retired Healthy Mortality Table projected to 2010, set back one year.

(6) 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.

Notes to Financial Statements (continued)

(7) Plan Amendments

The State Legislature enacted the following significant plan provisions during the session ended in May 2013:

(a) Administrative Changes for Data Reporting, Probate Waivers and Death Benefit Payments

HB 1325 requires participating employers to provide salary and other information for retiring members to OPERS no later than the fifteenth day of the month of retirement. This will help URSJJ speed up the retirement process. The bill also increases the amount that URSJJ can pay a deceased member's heirs without requiring that the estate be probated. It also allows URSJJ to pay the final benefit of a deceased member to the named beneficiary before paying the estate of the member.

(b) OPERS Board Composition

Legislation last year inadvertently removed the Director of Human Capital Management (HCM) of the Office of Management and Enterprise Services from the URSJJ Board of Trustees. HB 1477 puts the Director of HCM back on the Board and also allows the Corporation Commission member of the Board to send a designee in his or her place.

(c) Pension Stabilization Revolving Fund

Under SB 847, surplus funds over and above those going to the State's "Rainy Day Fund" will go into a revolving fund. The Legislature may appropriate any such funds to pension systems with a funded ratio below 90%. Priority will be given to the lowest funded pension systems.

(8) New Pronouncements

(a) New Accounting Pronouncements Adopted in Fiscal Year 2013

The Plan adopted Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB 62), during 2013. GASB 62 is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. The adoption of GASB 62 did not have a significant impact on the Plan's financial statements.

The Plan adopted Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB 63), during 2013. GASB 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Adoption of GASB 63 resulted in changes to the Plan's financial statement presentation, but such changes were not significant.

(b) New Accounting Pronouncements Issued, Not Yet Adopted

In April 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65). GASB 65 provides further guidance on determining which balances currently reported as assets and liabilities should instead be reported as deferred outflows or deferred inflows of resources. GASB 65 is effective for periods beginning after December 15, 2012, and will be applied on a retroactive basis.

Notes to Financial Statements (continued)

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans* (GASB 67). GASB 67 replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. GASB 67 enhances note disclosures and required supplementary information (RSI) for both defined benefit and defined contribution pension plans. GASB 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The requirements of GASB 67 are effective for fiscal years beginning after June 15, 2013.

In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68). GASB 68 replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and Statement No. 50 as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and RSI. The requirements of GASB 68 are effective for fiscal years beginning after June 15, 2014.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* (GASB 69). GASB 69 establishes guidance for 1) determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations; 2) using carrying values to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations; 3) measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based upon their acquisition values in a government acquisition; and 4) reporting the disposal of government operations that have been transferred or sold. The requirements of GASB 69 are effective for fiscal years beginning after December 15, 2013.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* (GASB 70). GASB 70 requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. GASB 70 also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units and specifies information required to be disclosed by governments that extend and/or receive nonexchange financial guarantees. The requirements of GASB 70 are effective for fiscal years beginning after June 15, 2013.

OPERS is currently evaluating the effects the above GASB Pronouncements will have on its financial statements.

Required Supplementary Information

(Unaudited)
June 30, 2013
Schedule 1

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 Ration (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2008	$ 235,297,077	$ 244,062,321	$ 8,765,244	96.4 %	$ 32,389,296	27.1 %
6/30/2009	221,576,179	261,396,022	39,819,843	84.8	33,579,668	118.6
6/30/2010	230,010,299	282,765,405	52,755,106	81.3	35,023,262	150.6
6/30/2011	237,626,663	246,792,232	9,165,569	96.3	34,700,819	26.4
6/30/2012	238,553,638	249,378,900	10,825,262	95.7	33,336,632	32.5
6/30/2013	247,531,035	254,408,963	6,877,928	97.3	34,325,368	20.0

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2008	$ 7,615,245	22.2 %
2009	8,169,214	27.5
2010	10,778,833	80.8
2011	12,518,554	25.5
2012	7,412,732	48.8
2013	7,385,495	55.9

Supplementary Information

Schedule of Investment Expenses

Years Ended June 30, 2013 and 2012

Schedule 2

	2013	2012
Investment management fees		
Fixed Income Managers:		
BlackRock Financial Management, Inc.	$ 43,954	$ 42,048
Hoisington Investment Management	13,244	13,830
Metropolitan West Asset Management, LLC	63,196	21,192
U.S. Equity Managers:		
BlackRock Institutional Trust Company, N.A.	11,983	11,264
International Equity Managers:		
BlackRock Institutional Trust Company, N.A.	31,077	26,642
Total investment management fees	163,454	114,976
Investment consultant fees		
Strategic Investment Solutions, Inc.	6,904	7,927
Investment custodial fees		
Northern Trust Company	1,033	1,047
Total investment expenses	$ 171,391	$ 123,950

See accompanying independent auditors' report.

Supplementary Information

Schedule of Administrative Expenses

Years Ended June 30, 2013 and 2012

Schedule 3

		2013		2012
Professional / Consultant services	$	6,701	$	10,524
Allocated administrative expenses (see note below)		121,306		144,099
	$	128,007	$	154,623

Note to Schedule of Administrative Expenses

Administrative overhead expenses, including personnel and other supporting services costs, which are paid for by the Plan, are allocated to three other retirement funds also administered by OPERS. The allocation is based on OPERS' estimate of the cost of service provided by the Plan to the other funds.

See accompanying independent auditors' report.

Supplementary Information

Schedule of Professional/Consultant Fees

Years Ended June 30, 2013 and 2012

Schedule 4

		2013	2012
Professional/Consultant	**Service**		
Cavanaugh Macdonald Consulting, Inc.	Actuarial	$ 2,136	$ 4,264
Cole & Reed PC	External Auditor	1,839	2,286
Finley & Cook, PLLC	Internal Auditor	2,726	2,965
CEM Benchmarking, Inc.	Performance Measurement Consulting	-	1,009
		$ 6,701	$ 10,524

See accompanying independent auditors' report.

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INVESTMENT SECTION

Back row: Judge P. Thomas Thornbrugh, Judge John Fischer, Judge Jane Wiseman, Judge E. Bay Mitchell, Judge Robert Bell, Judge William Hetherington, Jr., Judge Brian Goree. *Front row:* Judge Jerry Goodman, Vice-Chief Judge Deborah Barnes, Chief Judge Larry Joplin, Judge W. Keith Rapp, Judge Kenneth Buettner

The Court of Civil Appeals

The Court of Civil Appeals is responsible for the majority of appellate decisions. These opinions may be released for publication either by the Court of Civil Appeals or by the Supreme Court. When the opinions are released for publication by the Supreme Court, they have precedential value. The Court of Civil Appeals is composed of four divisions, each composed of three Judges. Divisions I and III of the Court of Civil Appeals are located in Oklahoma City, and Divisions II and IV are located in Tulsa.

For more information, visit **www.oscn.net/oscn/schome/civilappeals.htm**.

CONTENTS

Investment Consultant's Report

STRATEGIC INVESTMENT SOLUTIONS, INC.

Strategic Investment Solutions, Inc.
333 Bush St., Ste. 2000
San Francisco, CA 94104

Tel 415/362-3484
Fax 415/362-2752

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 5.1%.

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	6/30/13 ALLOCATION	LOW	TARGET	HIGH	% PASSIVE OR SEMI-PASSIVE
US EQUITY	43.0%	34.7%	40.0%	45.3%	100.0%
FIXED INCOME	32.6%	31.9%	36.0%	40.1%	61.7%
INT'L EQUITY	24.1%	21.0%	24.0%	27.0%	100.0%
CASH	0.3%	0.0%	0.0%	0.0%	100.0%

Investment Consultant's Report (continued)

Review of Fiscal 2013 Investment Environment

Fiscal year ended June 30, 2013 saw a continuation of the rally in equities off of their lows from March 2009; with strong gains in US stock markets in excess of 20%, and positive returns in foreign stock markets. The Fixed Income markets ended the fiscal year with relatively flat performance as discussion of tapering quantitative easing in the May-June 2013 period led to a fairly dramatic rise in US interest rates. As a diversified investor, Uniform Retirement System for Justices & Judges (URSJJ) experienced a +11.5% return for the fiscal year. The +11.5% result was above URSJJ policy benchmark of +11.0% for the fiscal year by 50 basis points.

Fiscal year 2013 was once again positive for the US equity markets and foreign equity markets also experienced positive results but trailed US markets by a significant amount as a rising US dollar had a negative effect on foreign markets returns. For the fiscal year, the Russell 3000 US Stock Index gained +21.5% and the MSCI ACW (All Country World) ex-US Index of foreign stocks gained +14.1%.

Within the US equity markets, stocks of small companies outperformed large companies (+24.2% versus +21.2%) for the fiscal year. Value stocks outperformed growth on a relative basis in large caps (+25.3% versus +17.1%) and within small caps value stocks also outperformed growth stocks on a relative basis (+24.8% versus +23.7%).

International equities trailed the domestic equity markets for fiscal year 2013. Developed Non-US stocks as measured by the MSCI EAFE Index gained +19.1% and Emerging Markets stocks as measured by the MSCI Emerging Markets Index gained +3.2%.

The US fixed income market produced a negative return (-0.7% Barclays Capital US Aggregate Index) for the fiscal year ended June 30, 2013.

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%-150% of the underlying index. Comparisons with peers seek top forty percentile results.

Investment returns achieved through June 30, 2013 have been calculated using a time-weighted rate of return methodology based upon market values. As shown in the following table, for the 1, 3 and 5-year annualized time periods ended June 30, 2013 the US Equity asset class performed right about its respective benchmark. The Non-US Equity asset class performed slightly below its respective benchmark for the 1, 3 and 5-year annualized time periods ended June 30, 2013. The Fixed Income asset class performed above its respective benchmark for the 1, 3 and 5-year annualized time periods ended June 30, 2013.

The Domestic Equity asset class was ranked at about median for the annualized time period of 1-year and above median for the annualized time periods of 3 and 5-years. The Non-US Equity asset class was ranked below median for the annualized time periods of 1, 3 and 5-years. The Fixed Income asset class was ranked below median for the annualized time period of 1-year and at about median for the annualized time periods of 3 and 5-years.

Investment Consultant's Report (continued)

The total URSJJ Plan has performed above its Policy Benchmark for the annualized time period of 1, 3 and 5-years to June 30, 2013. The ranking for the total URSJJ Plan for the annualized time period of five years is at the 32nd percentile for the peer universe of Public Funds.

PERIODS ENDED 6/30/13	ONE YEAR	THREE YEARS	FIVE YEARS
Domestic Equity	+21.7%	+18.6%	+7.4%
87.5% Russell 1000 / 12.5% Russell 2000	+21.6%	+18.7%	+7.3%
Rank	55*	44	44
Non-US Equity	+13.9%	+8.3%	-0.6%
MSCI ACWI ex-US	+14.1%	+8.5%	-0.5%
Rank	76	78	66
Fixed Income	-1.2%	+4.9%	+6.3%
80% BC Agg./ 10% Citi 20-Year Index/ 10%BC US TIPS	-2.0%	+4.0%	+5.5%
Rank	80	54	51
Total Fund	+11.5%	+11.3%	+5.8%
*Policy Benchmark****	+11.0%	+11.2%	+5.3%
Public Fund > $100 Million	+11.7%	+10.8%	+5.4%
Median Rank**	55	38	32

* Ranking 1 is best, 100 is worst.

** Rankings source - InvestorForce Universes

*** Policy Benchmark is: 40% (87.5% Russell 1000/ 12.5% Russell 2000) Custom Domestic Equity Benchmark /36% (80% BC Agg / 10% Citi 20-Year / 10% BC US TIPS) Custom Fixed Income Benchmark / 24% MS ACWI ex-US.

Yours truly,

Paul S. Harte
Senior Vice President

Chief Investment Officer's Report

Uniform Retirement System for Justices and Judges
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405.848.5946 fax

Dear Members:

Global equity markets posted nothing short of impressive gains for the fiscal year 2013. Equity markets in the U.S. were especially bullish, returning over 20% for the period on the continued support of the Federal Reserve. The Fund returned 11.47% for the fiscal year, driven by the strength of developed equity markets around the world. This year's letter, which covers the 2013 fiscal year, will follow the same format as last year. First, I will discuss the general economic environment and the performance of various markets throughout the fiscal year. Next, I will focus on the Fund by reviewing the investment performance and the asset allocation. After that, I will offer an investment outlook and discuss recent events at the Fund. Finally, I will review the Fund's investment philosophy and guiding principles, because both are critically important to the investment decision-making process.

Economic Environment

The global economic environment was generally lackluster for the fiscal year, and the individual regional recoveries continue to unfold in a long and sometimes arduous process. The U.S. is much further along in the recovery process compared to its Eurozone counterparts. Last year I wrote that the U.S. recovery continued, albeit at a very slow pace. Unfortunately, that has not changed; U.S. economic activity continues to grow at a modest (but still positive) rate. Real GDP in the U.S. withstood federal budget cuts and a payroll tax increase, to grow at an annual rate of 1.7% for the three months ending June 30, 2013. Unemployment figures have improved, but still remain at elevated levels, ending the fiscal year at 7.6%. Inflation remains low and is expected to stay below the Federal Reserve's target in the short term. There were a couple of bright spots in the U.S. during the fiscal year. The housing market has turned from being a drag on overall economic activity to supporting growth. Manufacturing and the auto sector also appear to be experiencing accelerated growth. The Federal Reserve continued its accommodative monetary policies to support the recovery. Chairman Bernanke announced targets related to economic conditions, focusing on the labor market, regarding the longevity of current monetary policy. He stated that interest rates would remain low to support growth until unemployment levels dropped to 6.5% or lower, and that the unconventional "quantitative easing" program (bond purchases by the Fed) will remain in place until unemployment reached 7%.

The European Union continued to struggle with recession, most recently brought about as a result of the debt crisis and austerity measures in the peripheral countries. The Eurozone has been in recession since late 2011, after a brief recovery from the recession of 2008-9. The unemployment rate in the Eurozone was 12.1% for June 2013, and upwards of 26% in the hardest-hit countries of Spain and Greece. MSCI, the leading provider of non-U.S. equity indices, reclassified Greece to emerging market status in June. The credit rating firm Moody's downgraded the triple-A ratings of France and the U.K. during the period. Mario Draghi, President of the European Central Bank, stated that the Eurozone's economic data was showing improvement, but from very low levels. Economies in Asia also swooned. Japan's Prime Minister Shinzo Abe made increasing economic activity and defeating deflation a priority for the government. China suffered a credit crunch during the summer months and a slowing economy.

Chief Investment Officer's Report (continued)

U.S. and Global Stock Markets

The performance of the U.S. stock market, as measured by the Russell 3000 Index, was robust for the fiscal year. The Russell 3000 Index is one of the broadest equity indices available and a good proxy for the U.S. equity market as a whole. The U.S. equity market rose throughout most of the year, despite sluggish economic activity. This fiscal year was a good reminder that underlying economic fundamentals and market behavior can become disconnected over short periods of time. Many major stock indices, including the S&P 500, reached all-time highs during the period.

Change in the Russell 3000 Index during the fiscal year ended June 30, 2013

Value at 6/30/12 3715.4
Value at 6/30/13 4512.8

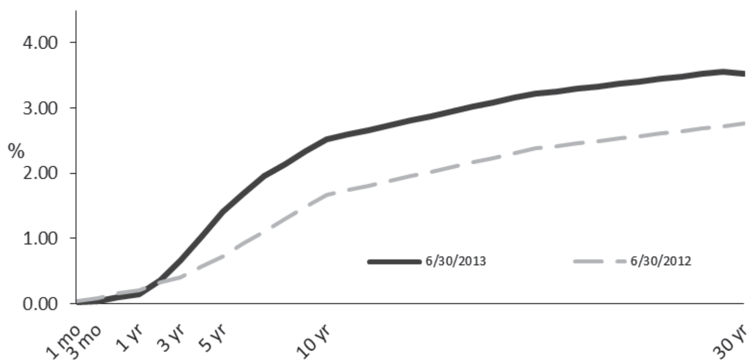
Source: Frank Russell Company

The Russell 3000 Index ended the fiscal year up almost 21.5%. The market rallied early in the fiscal year, but really gained steam in the third and fourth fiscal quarters. While earnings growth at companies in the U.S. remained strong and the general economic outlook improved, the primary driver of equity market performance for the period was the unprecedented actions of the Federal Reserve. The riskiest parts of the equity market responded the most to the monetary stimulus. Small capitalization stocks out-performed large capitalization stocks by almost 3% over the period. Investors fled the “risk markets” at the end of the fiscal year, as the Federal Reserve indicated that some monetary support may come to a close as the economy gains momentum. Global developed markets also responded to the monetary therapy being dispensed by the Federal Reserve and other central banks over the period. The MSCI All Country World Index ex-U.S. (ACWI ex-U.S. Index), which includes developed and emerging markets, gained 13.6% in U.S. dollar terms for the fiscal year as investors found value in markets that were negatively impacted by the European debt crisis. The U.S. dollar strengthened relative to many other foreign currencies, which detracted from U.S. dollar investor returns in European markets. Emerging market returns in U.S. dollar terms were much weaker compared to developed markets, as investors fled the sector on political and economic challenges.

Interest Rates

The chart on the next page depicts the U.S. Treasury term structure of interest rates. The yield curve is a graphical representation of yield levels across the spectrum of bond maturities. As shown, rates remained extraordinarily low at the short end of the curve and rose during the period at the long end of the curve. The Federal Reserve continued its accommodative posture by keeping the short term Federal Funds Rate near zero (0-0.25%) and assured investors short-term rates will remain at this level until the unemployment rate hits 6.5%, in order to stimulate economic activity.

Chief Investment Officer's Report (continued)



U.S. Treasury Yield Curve
Source: U.S. Treasury

Yields on U.S. Treasury bonds generally ended the 2013 fiscal year higher compared to fiscal year-end 2012. Yields on the Bellwether U.S. Treasury 10-year Bond were relatively range-bound during most of the fiscal year. However, yields rose dramatically during the fourth fiscal quarter (April-June). The sell-off in bonds began as investors feared that the Federal Reserve would end its quantitative easing program earlier than anticipated, due to a strengthening U.S. economy. The 10-year Treasury bond ended the fiscal year yielding 2.52%, up from 1.67% at the start of the fiscal year.

Investment Returns Through June 30, 2013

U.S. Equity	Style	1 Year	3 Years	5 Years
Russell 3000	Broad U.S. Equity	21.46%	18.63%	7.25%
S&P 500	Large Cap Equity	20.60%	18.45%	7.01%
Russell 1000	Large Cap Equity	21.24%	18.63%	7.12%
Russell 1000 Growth	Large Cap Growth	17.07%	18.68%	7.47%
Russell 1000 Value	Large Cap Value	25.32%	18.51%	6.67%
Russell 2000	Small Cap Equity	24.21%	18.67%	8.77%
Russell 2000 Growth	Small Cap Growth	23.67%	19.97%	8.89%
Russell 2000 Value	Small Cap Value	24.76%	17.33%	8.59%
Uniform Retirement System for Justices & Judges	**Broad U.S. Equity**	**21.65%**	**18.65%**	**7.45%**

U.S. Fixed Income	Style	1 Year	3 Years	5 Years
ML 3-Month T-Bill	Cash	0.08%	0.09%	0.23%
Barclays U.S. Aggregate	Core Bonds	-0.69%	3.51%	5.19%
Citigroup 20-year Treasury Average	Long Term Bonds	-9.27%	6.42%	7.56%
ML High Yield Master II	High Yield Bonds	9.57%	10.43%	10.62%
Uniform Retirement System for Justices & Judges	**Domestic Fixed Income**	**-1.23%**	**4.90%**	**6.34%**

International Equity	Style	1 Year	3 Years	5 Years
MSCI ACWI Ex-US	Broad Non-US Equity	13.63%	7.99%	-0.80%
MSCI EAFE	Developed Non-US Equity	18.62%	10.04%	-0.63%
MSCI Emerging Market	Emerging Non-US Equity	2.87%	3.38%	-0.43%
Uniform Retirement System for Justices & Judges	**Non-U.S. Equity**	**13.92%**	**8.29%**	**-0.54%**

Uniform Retirement System for Justices & Judges	**Total Fund**	**11.47%**	**11.31%**	**5.84%**

Chief Investment Officer's Report (continued)

Investment Performance

Risk Assets Capitulate to Global Concerns

The total Fund produced outstanding results, returning 11.47% for the period. The Fund outperformed the policy benchmark portfolio by almost one-half of a percentage point for the period. URSJJ uses active management in the fixed income segment of the portfolio. Results in this segment of the portfolio were strong relative to the benchmark Barclay Aggregate Index; especially for the core plus manager.

The Fund benefited from positive absolute returns from several asset classes in which it is invested, but especially within the U.S. and non-U.S. equity segments. The biggest positive driver of returns for the fiscal year was the Fund's U.S. equity allocation. Overall, that segment of the portfolio returned 21.65%. Next, the non-U.S. equity portfolio contributed to total returns considerably, with a return of 13.92% for the period. Lastly, the fixed income segment of the portfolio was a drag on performance, as the rapid rise in yields at the end of the fiscal year resulted in losses of 1.23% in that segment of the portfolio.

U.S. Equity

The Fund uses passive index investment management for the entire U.S. equity portfolio. Passive investment management is an efficient and cost effective way to manage the assets, while maintaining broad exposure to the desired asset class. The Fund's allocation dedicated to small capitalization stocks, while a small percentage of the Fund, reversed trends from last fiscal year and was the best performing asset class for the period, returning almost 24.5%. The large capitalization portion of the fund returned 21.30% for the year. The overall U.S. equity portfolio returned 21.65% for the period.

Non-U.S. Equity

This portion of the Fund is also managed entirely in a passive style. The index consists of stocks from developed and emerging countries outside of the United States. International developed and emerging markets reversed trends from the previous year and rallied during the year. However, the performance of emerging markets lagged the performance of developed markets considerably. The U.S. dollar also strengthened relative to the basket of non-U.S. currencies, which detracted from performance results for dollar-based investors. The international portfolio gained almost 14% for the period.

Fixed Income

The Fund's bond portfolio contributed negatively to overall results for the fiscal year. Given the pressure on bond prices from rising yield levels, nominal returns were disappointing. The fixed income managers benchmarked to the broad fixed income market both outperformed the index. For the fiscal year, the more risk one assumed, the more return was earned. The Fund's core plus mandate, which uses higher yielding bonds in the asset mix, was the best performer for the period. The interest-rate sensitive portion of the fixed income segment produced nominal losses, as we would expect given the increase in yields over the fiscal year. It is worth noting that this area produced the best returns for the Fund last year, but fell back to Earth for this fiscal year.

Chief Investment Officer's Report (continued)

Asset Allocation

Diversification Reduces Volatility

Diversification continues to be the most effective defense against the risks associated with any one individual security or asset class. Risks are controlled by allocating the Fund's assets across various asset classes and sectors within asset classes.

Asset Allocation				
Asset Class	**Min**	**6/30/2013**	**Target**	**Max**
Cash	0.0%	0.3%	0.0%	0.0%
Domestic Fixed Income	31.9%	32.6%	36.0%	40.1%
U.S. Equity	37.3%	43.0%	40.0%	42.7%
Non-U.S. Equity	21.0%	24.1%	24.0%	27.0%
Total Fund		**100%**	**100%**	

Outlook and Recent Events

Outlook

Again this year, I will issue my standard caution regarding the accuracy of forecasted market returns. Correctly and consistently forecasting the market's behavior is impossible, and taking any forecast as fact is sheer folly. We build the Fund according to the tenets set forth in the Investment Policy making diversification, with respect to different asset classes and within each asset class, a priority. We endeavor to structure the Fund so that it may benefit from strong returns in relatively riskier asset classes, but are ever mindful to maintain a level of diversification to dampen the return volatility that can result.

The current global economic environment is very much driven by economic activity in the U.S. It would appear that Europe is beginning to emerge from its double-dip recession. Emerging market economies are no longer the darling growth engines of just a short time ago, as they wrestle with structural and political challenges. Central banks across the globe continue to support global capital markets in the form of programs designed to inject liquidity into markets. Investor fear came into the spotlight late in the fiscal year, on the mere suggestion that these accommodative programs would end sooner than anticipated. We will likely see more market volatility around changing investor expectations of the support programs. Just how much depends on the policy makers' (including the Federal Reserve) ability to manage expectations as programs are unwound.

Again for 2013 our largest concern continues to be the prospect of generating and maintaining investment results that match or exceed the actuarial assumed rate of return of 7.5%. We continue to believe this will be a challenging task going forward. Interest rates in fixed income markets are higher than last year, but still remain near historically low levels which continue to pressure the long-term return generating capacity of a diversified portfolio.

Fixed Income

Yields rose over the course of the year in the fixed income markets, where URSJJ maintains a sizable investment. ***Over a long period of time***, the total return of the bond market ***tends*** to resemble the yield of years' past. Over short periods, interest rate movements may have a profound impact on the capital gains (or losses) experienced by bond investors. The more quickly interest rates rise, the more pressure is exerted on the total return of the fixed income portfolio. We saw that at the end of fiscal 2013, when longer-term rates increased by almost one percentage point and the total return of the bond segment was negative. Our medium-term expectation for the total return of the U.S. fixed income markets going forward would more closely reflect current yields, which are around 2.75%. But we could see a much lower total return (even another negative year) if rates rise too quickly for the yield to offset the decline in value.

Chief Investment Officer's Report (continued)

Equity

The equity markets are particularly difficult to predict with any type of precision. Over short periods of time, market sentiment and technical factors (buying and selling) have an overwhelming impact on returns experienced by investors. ***Over a long period of time***, the real return from the equity markets can be attributable to three main sources: dividends on stocks, the growth rate of corporate earnings, and changes in the valuation ratios. Generally, the growth rate of earnings depends on the economic environment. My forward-looking expectation on the economy has changed directionally from last year. The U.S. economy has shown signs of resilience, and while modest, growth has been positive. The consumer has weathered the increase in payroll taxes relatively well. Housing has gone from being a significant drag on the economy to actually contributing positively to growth. The employment situation is improving, but gains are hard fought in this area. Corporate earnings remain strong, and even top line revenues are showing signs of growth. In addition, corporations continue to hold a lot of cash and enjoy a greatly improved credit profile. The problem is that the economy is not growing fast enough to motivate those companies to deploy the cash in the form of new projects or to hire more workers. Until this situation changes, economic growth will be constrained. As I mentioned above, the policy makers ability to manage expectations around monetary policy will be key to the equity market's (and most other "risk assets") performance for the next several quarters.

Recent Events

URSJJ did not make any modifications to the overall asset allocation mix or the mandates that comprise the Fund during the fiscal year. The Fund continued to benefit from cost effective exposure to broad asset classes in the equity (and TIPS) portfolios and good investment results from the active fixed income managers.

Investment Philosophy and Guiding Principles

The investment philosophy and the principles that guide the stewardship of the Fund have remained consistent and are listed below. A pension fund has the longest of investment horizons and, therefore, rightly focuses on factors impacting long-term results:

- Asset allocation is the key factor determining long-term results.
- Disciplined rebalancing toward 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 less efficient markets.

For a complete discussion of the investment portfolio and policies thereof, please see the Statement of Investment Policy. A copy of the policy is posted on the OPERS website, www.OPERS.OK.gov/Investments. If you have any questions about this report or the management of the Fund's investments, please contact me. Thank you.

Regards,

Brad Tillberg, CFA
Chief Investment Officer

Largest Holdings

The Plan's ten largest fixed income at June 30, 2013, are described in the following schedules. The Plan invests in four index funds which are separately presented.

Ten Largest Fixed Income Holdings (By Fair Value):

Security	Par	Fair Value
U.S. Treasury Notes .5% due 6-15-2016	$6,145,000	$6,129,271
U.S. Treasury Notes 1.375% due 6-30-2018	3,903,700	3,890,539
U.S. Treasury Bonds 2.75% due 11-15-2042	2,668,000	2,461,449
FNMA 30-Year Single Family Mortgage 3.5%	1,910,000	1,944,821
U.S. Treasury Bonds Principal Strips due 5-15-2039	6,645,000	1,712,477
U.S. Treasury Bonds 5.25% due 2-15-2029	1,259,000	1,699,109
FNMA 15-Year Single Family Mortgage 2.5%	1,215,000	1,214,635
U.S. Treasury Notes due 4-15-2017	870,000	950,940
U.S. Treasury Bonds Principal Strips due 11-15-2041	2,220,000	916,013
U.S. Treasury Notes .25% due 2-28-2015	900,000	899,955

Investments in Funds (By Fair Value):

Fund	Units	Fair Value
BlackRock Russell 1000 Index Fund	886,785	$54,542,615
BlackRock ACWI ex-U.S. Index Fund	3,106,017	53,962,767
BlackRock Russell 2000 Index Fund	494,949	8,063,382
BlackRock U.S. TIPS Index Fund	414,487	7,046,482

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

Schedule of Stock Brokerage Commissions Paid

Year Ended June 30, 2013

None

Investment Portfolio by Type and Manager

At June 30, 2013, the investment portfolio of URSJJ was allocated by type and style as follows:

Investment Type and Manager	Style	Fair Value*	Percent of Total Fair Value
		(000's)	
Fixed Income:			
Blackrock Financial Management, Inc.	Constrained Core	$ 49,239	18.2%
Hoisington Investment Management	Interest Rate Anticipation	8,007	3.0%
BlackRock Institutional Trust Company	Index Fund – U.S. TIPS	8,350	3.1%
Metropolitan West Asset Management	Core Plus	28,336	10.5%
Total Fixed Income		93,931	34.8%
U.S. Equities:			
BlackRock Institutional Trust Company	Index Fund – Russell 2000	15,179	5.6%
BlackRock Institutional Trust Company	Index Fund – Russell 1000	97,792	36.1%
Total U.S. Equities		112,971	41.7%
International Equities:			
BlackRock Institutional Trust Company	Index Fund – ACWI ex-U.S.	63,345	23.4%
Short-term Investment Funds	Operating Cash	762	0.3%
Total Managed Investments		271,009	100.2%
Securities Lending Collateral		14,789	
Cash Equivalents on Deposit with State		108	
Total Investments and Cash Equivalents		$ 285,906	
Statement of Plan Net Assets			
Cash Equivalents		6,104	
Investments		279,802	
Total Investments and Cash Equivalents		$ 285,906	

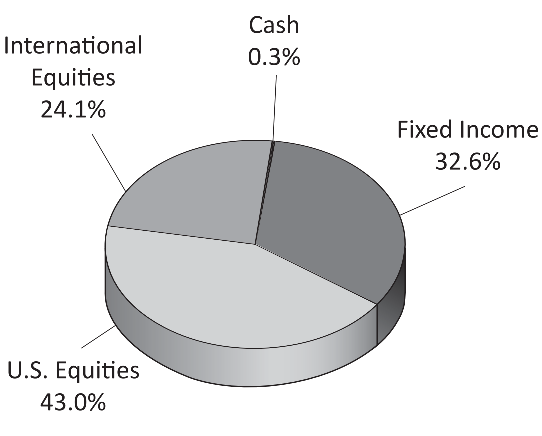
* *Manager fair values include their respective cash and cash equivalents.*

Asset Comparison

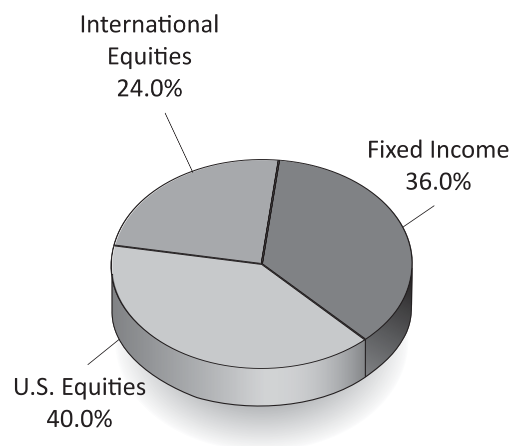
A comparison of the actual investment distribution at June 30, 2013 and 2012, based on the net investment manager holdings, including accrued income, payables and receivables, compared to the target allocations for each year is as follows:

2013

Asset Mix

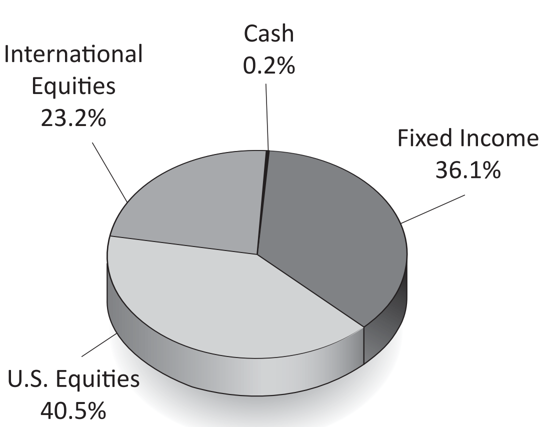


Target Policy Mix

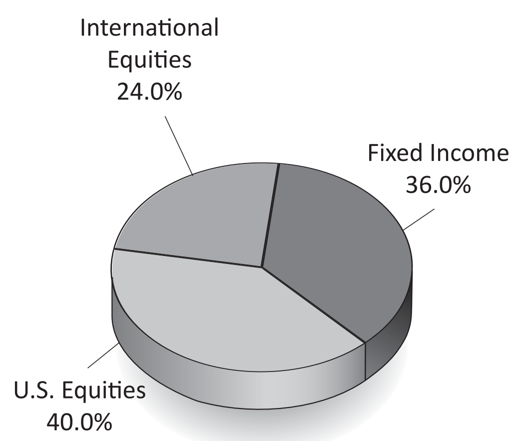


2012

Asset Mix



Target Policy Mix



ACTUARIAL SECTION

Back row: Judge Margaret A. Bomhoff, Judge Owen T. Evans, Judge Michael W. McGivern, Judge David P. Reid, and Judge Carla Snipes. *Front row:* Judge Bob Lake Grove, Judge Eric W. Quandt, Presiding Judge L. Brad Taylor, Vice-Presiding Judge Michael J. Harkey, and Judge William R. Foster, Jr.

The Oklahoma Workers' Compensation Court

The Oklahoma Legislature enacted the state's first law governing workers' compensation more than nine decades ago in 1915. In 1978, the five-judge State Industrial Court was replaced by a seven-judge Workers' Compensation Court. The composition of the Court has expanded over time to its current composition of ten in 1993. The Oklahoma Workers' Compensation Court applies the law as set out in the Oklahoma Workers' Compensation Code. Its responsibility is to provide fair and timely procedures for the resolution of disputes and identification of issues involving on-the-job injuries.

For more information, visit **www.owcc.state.ok.us**.

CONTENTS

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November 5, 2013

Board of Trustees
Oklahoma Public Employees Retirement System
5801 N. Broadway Extension, Suite 400
P.O. Box 53007
Oklahoma City, OK 73152-3007

Members of the Board:

We have completed an actuarial valuation of the Oklahoma Uniform Retirement System for Justices and Judges as of July 1, 2013 for the purpose of determining the actuarial contribution rate and calculating and analyzing key financial measurements. Actuarial valuations are performed annually. This valuation reflects the benefit provisions and contribution rates in effect as of July 1, 2013.

In preparing the valuation, we, as the actuary, relied on the data provided by the System. As part of our work, we performed a limited review of the data for consistency and reasonableness and did not find material defects in the data.

All of the information and supporting schedules in the Actuarial Section have been provided by Cavanaugh Macdonald Consulting, LLC. We also prepared the *Schedule of Funding Progress* and *Schedule of Employer Contributions* shown in the financial section of the Comprehensive Annual Financial Report. All historical information that references a valuation date prior to July 1, 2010 was prepared by the prior actuarial firm.

The assumptions recommended by the actuary and adopted by the Board are, in the aggregate, reasonably related to the experience under the System and to reasonable expectations of anticipated experience under the System and meet the parameters for the disclosures under GASB 25 and 27.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

This is to certify that the independent consulting actuaries, Alisa Bennett and Brent Banister, are Members of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained herein. They have experience in performing valuations for public retirement systems. The valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board. The actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Respectfully submitted,

Alisa Bennett, FSA, EA, FCA, MAAA
Principal and Consulting Actuary

Brent Banister, PhD, FSA, EA, FCA, MAAA
Chief Pension Actuary

Summary of Results

			7/1/2013 Valuation		7/1/2012 Valuation	% Change
1.	**PARTICIPANT DATA**					
	Number of:					
	Active Members		273		266	2.6
	Retired and Disabled Members and Beneficiaries		230		233	(1.3)
	Inactive Members		19		13	46.2
	Total members		522		512	2.0
	Projected Annual Salaries of Active Members	$	34,325,368	$	33,336,632	3.0
	Annual Retirement Payments for Retired Members and Beneficiaries	$	14,370,410	$	14,506,653	(0.9)
2.	**ASSETS AND LIABILITIES**					
	Total Actuarial Accrued Liability	$	254,408,963	$	249,378,900	2.0
	Market Value of Assets	$	263,230,961	$	243,819,421	8.0
	Actuarial Value of Assets	$	247,531,035	$	238,553,638	3.8
	Unfunded Actuarial Accrued Liability	$	6,877,928	$	10,825,262	(36.5)
	Funded Ratio		97.3%		95.7%	1.7
3.	**EMPLOYER CONTRIBUTION RATES AS A PERCENT OF PAYROLL**					
	Normal Cost Rate		26.66%		26.69%	
	Amortization of Unfunded Actuarial Accrued Liability		1.82%		2.80%	
	Budgeted Expenses		0.53%		0.67%	
	Total Actuarial Required Contribution Rate		29.01%		30.15%	
	Less Member Contribution Rate		8.00%		8.00%	
	Employer Actuarial Required Contribution Rate		21.01%		22.15%	
	Less Statutory State Employer contribution Rate		14.50%		13.00%	
	Contribution Shortfall		6.51%		9.15%	

Analysis of Financial Experience

Gains & Losses in Actuarial Accrued Liability During the Year Ended June 30, 2012 Resulting from Differences Between Assumed Experience & Actual Experience

Type of Activity	(Gain) or Loss for Year End 2013
1. **Age & Service Retirements.** If members retire at older ages or with smaller benefits than assumed, there is a gain. If they retire at younger ages or have higher average pays, a loss occurs.	$ (1,930,000)
2. **Disability Retirements.** If disability claims are less than assumed, then there is a gain. If more claims, a loss.	$ 0
3. **Death Benefits.** If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(1,050,000)
4. **Withdrawal from Employment.** If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	(270,000)
5. **Pay Increases.** If there are smaller pay increase than assumed, there is a gain. If greater increases, a loss.	(5,620,000)
6. **New Entrants.** All new entrants to the System create a loss.	280,000
7. **Other.** Miscellaneous gains and losses resulting from data adjustments, employee transfers, valuation methods, etc.	860,000
8. **(Gain) or Loss During Year From Financial Experience.**	530,000
9. **Composite (Gain) or Loss During Year.**	$ (7,200,000)

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. It is unusual for liability 3 to be fully funded. 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 actuarial accrued 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 + 2 + 3)	Reported Assets[1]	(1)	(2)	(3)	Funded Ratio of Total Accrued Actuarial Liabilities
July 1, 2004	$15,947,990	$64,357,324	$85,970,627	$166,275,941	$201,141,649	100%	100%	100.0%	121.0%
July 1, 2005	15,883,671	82,158,147	89,515,027	187,556,845	203,951,085	100	100	100.0	108.7
July 1, 2006	16,672,133	90,877,534	97,755,381	205,305,048	210,376,209	100	100	100.0	102.5
July 1, 2007	17,218,458	104,441,388	105,402,347	227,062,193	224,577,704	100	100	97.6	98.9
July 1, 2008	19,206,749	108,823,528	116,032,044	244,062,321	235,297,077	100	100	96.2	96.4
July 1, 2009	20,120,183	119,470,132	121,805,707	261,396,022	221,576,179	100	100	67.3	84.8
July 1, 2010	20,768,871	138,619,902	123,376,632	282,765,405	230,010,299	100	100	57.2	81.3
July 1, 2011	20,060,127	134,336,252	92,395,853	246,792,232	237,626,663	100	100	90.1	96.3
July 1, 2012	21,278,738	137,448,040	90,652,122	249,378,900	238,553,638	100	100	88.1	95.7
July 1, 2013	23,130,164	136,834,202	94,444,597	254,408,963	247,531,035	100	100	92.7	97.3

[1] Actuarial value of assets based on the smoothing technique adopted by the Board.

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
July 1, 2013	273	$34,325,368	$125,734	0.33
July 1, 2012	266	33,336,632	125,326	(2.13)
July 1, 2011	271	34,700,819	128,047	(0.92)
July 1, 2010	271	35,023,262	129,237	5.45
July 1, 2009	274	33,579,668	122,554	4.81
July 1, 2008	277	32,389,296	116,929	0.98
July 1, 2007	278	32,191,938	115,798	14.58
July 1, 2006	272	27,488,381	101,060	8.33
July 1, 2005	266	24,814,338	93,287	(2.05)
July 1, 2004	270	25,715,005	95,241	(0.50)

Schedule of Retirants, Disabled 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, 2013	7	$ 439,982	10	$576,225	230	$14,370,410	(0.94)	$62,480
June 30, 2012	7	550,850	9	188,030	233	14,506,653	2.57	62,260
June 30, 2011	28	2,415,131	3	73,279	235	14,143,833	19.84	60,187
June 30, 2010	17	1,533,568	7	277,053	210	11,801,981	11.92	56,200
June 30, 2009	11	877,758	6	267,360	200	10,545,466	6.09	52,727
June 30, 2008	7	459,236	6	205,594	195	9,940,068	5.62	50,975
June 30, 2007	19	1,278,139	5	193,466	194	9,410,934	12.50	48,510
June 30, 2006	8	561,682	3	72,874	180	8,365,205	9.35	46,473
June 30, 2005	16	1,258,767	9	182,188	175	7,649,990	16.03	43,703
June 30, 2004	6	334,685	7	143,267	168	6,591,422	6.17	39,235

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. Effective for the fiscal year ending June 30, 2006, employer contributions increased to 3.0% of the member's salary and will increase annually up to 22.0% of member payroll for fiscal years ending June 30, 2019, and thereafter.
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 (3) years of active service as a Justice or Judge in a court of record.
Retirement Date:	A member who completes eight (8) years of service and attains age sixty-five (65), or completes ten (10) years of service and attains age sixty (60), or completes eight (8) years of service and whose sum of years of service and age equals or exceeds eighty (80), may begin receiving retirement benefits at his request. For judges taking office after January 1, 2012, retirement age is sixty-seven (67) with eight (8) years of service or age sixty-two (62) with ten (10) years of service.
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 (15) years of service and age fifty-five (55), provided the member is ordered to retire by reason of disability and 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.

Summary of System Provisions (continued)

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 (10) 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 (3) years preceding death and they must be married ninety (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.

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.

Summary of Actuarial Assumptions and Methods

1. The investment return rate used in the valuation was 7.5 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 7.5 percent investment return rate translates to an assumed real rate of return of 4.5 percent.

2. The RP-2000 Mortality Table projected to 2010 using Scale AA for males and females with a one-year age setback is used for preretirement and postretirement mortality.

3. The probability of withdrawal from service is 2% for all years of service. The individual pay increase assumption is 5.25% per year.

4. The probabilities of retirement are shown in Schedule 1.

5. Because of the passage of House Bill 2132, benefits are not assumed to increase due to future ad hoc cost-of-living increases.

6. The individual entry-age normal actuarial cost method of valuation was used in determining actuarial accrued liability and normal cost. Actuarial gains and losses reduce or increase the unfunded actuarial accrued liability and are amortized over the remaining amortization period (15 years as of July 1, 2012).

7. The actuarial value of assets is based on a five-year moving average of expected actuarial values and market values. A preliminary expected 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 the 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. Except for the investment return assumption, the actuarial assumptions and methods used in the valuation were adopted by the Board on July 21, 2011 based upon the recommendations of the actuary. The investment return assumption was not changed from 7.5% which was adopted by the Board on May 15, 2008. The remaining assumptions and methods used for the July 1, 2011 valuation were adopted by the Board based on System experience from July 1, 2007 through June 30, 2010.

Summary of Actuarial Assumptions and Methods (continued)

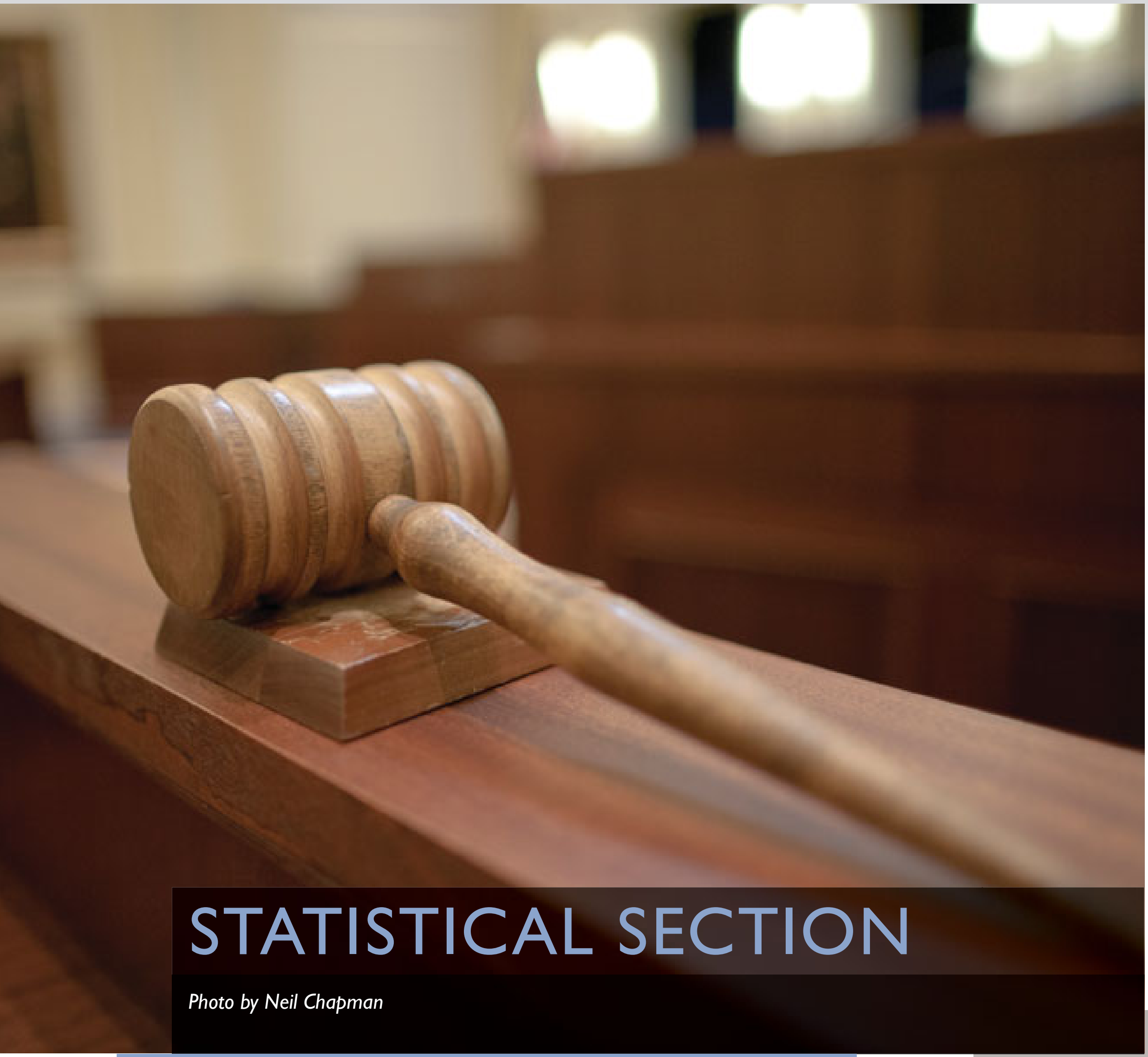
Schedule 1
Percent of Eligible Active Members Retiring Within Next Year

Active members hired before 1/1/2012

Retirement Ages	Percent	Retirement Ages	Percent
Below 62	10%	69	30%
62	25%	70	20%
63	25%	71	10%
64	25%	72	10%
65	25%	73	10%
66	10%	74	10%
67	10%	75	100%
68	30%		

Active members hired after 1/1/2012

Retirement Ages	Percent	Retirement Ages	Percent
Below 62	10%	69	30%
62	25%	70	20%
63	25%	71	10%
64	25%	72	10%
65	25%	73	10%
66	10%	74	10%
67	30%	75	100%
68	30%		



STATISTICAL SECTION

Photo by Neil Chapman

The District Courts

The majority of the judiciary in Oklahoma is composed of Judges of the District Court. Often these Judges serve as the first contact a party may have with the judicial system. District Court Judges hear both civil and criminal matters. Appeals from the District Courts in civil matters are considered by the Oklahoma Supreme Court. Appeals in criminal matters from the District Courts are considered by the Oklahoma Court of Criminal Appeals.

Nine Presiding Judges are elected by their peers to assist in the administration of Oklahoma's trial courts. These judges, representing separate geographic areas, meet monthly with members of the Supreme Court and Court of Criminal Appeals to discuss the administration of justice and any developments affecting Oklahoma's judiciary. These meetings provide an effective forum for exchanging information by and between the trial judges and appellate judges.

For more information, visit **www.oscn.net**.

CONTENTS

The Statistical Section provides additional historical perspective, context, and detail to assist the reader in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess the economic condition of the Uniform Retirement System for Justices and Judges (URSJJ).

Financial trend information is intended to assist users in understanding and assessing the changes in the financial position over time. Schedules presenting financial trend information are *Schedule of Changes in Net Position, Schedule of Revenue by Source, Schedule of Expenses by Type, Schedule of Benefit Payments and Refunds by Type*, and *Funded Ratio Chart*.

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the ability of URSJJ to generate own-source revenue, specifically investment income. The schedule presenting revenue capacity information is the *Rate of Return by Type of Investment.*

Operating information is intended to provide contextual information about the operations and resources of URSJJ to assist readers in using financial statement information to understand and assess the economic condition. Schedules and charts presenting operating information are *Schedule of Retired Members by Type of Benefit, Schedule of Average Benefit Payments, Principal Employer, Demographics Chart, Member Statistics*, Distribution of Retirees and Beneficiaries*, Summary of Active Members*.*

Schedules and information are derived from URSJJ internal sources unless otherwise noted.
*Schedules and data are provided by actuarial consultant Cavanaugh MacDonald Consulting, LLC.

Schedule of Changes in Net Position

Year Ended June 30,	Additions: Member Contributions	Additions: Employer Contributions	Additions: Investment Income (Loss)	Deductions: Benefit Payments	Deductions: Administrative Expenses	Deductions: Refunds	Total Changes in Net Assets
2013	$ 2,543,584	$ 4,129,300	$ 27,498,371	$ 14,599,877	$ 128,007	$ 31,831	$ 19,411,540
2012	$ 2,562,347	$ 3,619,677	$ 4,411,958	$ 14,478,117	$ 154,623	$ 330,831	$ (4,369,589)
2011	2,667,908	3,193,277	44,556,035	13,117,911	118,765	172,089	37,008,455
2010	2,599,341	8,704,232	27,116,482	11,705,265	114,663	66,388	26,533,739
2009	2,774,837	2,243,701	(35,739,688)	10,430,301	117,081	9,321	(41,277,853)
2008	2,486,481	1,688,673	(8,735,864)	9,650,446	112,484	2,333	(14,325,973)
2007	2,599,296	1,223,765	31,881,175	8,962,416	111,057	97,642	26,533,121
2006	2,058,456	791,343	13,325,490	8,009,684	98,218	55,220	8,012,167
2005	1,716,996	475,019	19,379,000	7,393,588	87,744	164,018	13,925,665
2004	1,772,673	485,793	20,516,444	6,476,146	82,832	83,112	16,132,820

Schedule of Revenue by Source

Year Ended June 30,	Member Contributions	Employer Contributions: Dollars	Employer Contributions: % of Annual Covered Payroll	Investment Income (Loss)	Total
2013	$ 2,543,584	$ 4,129,300	12.03 %	$ 27,498,371	$ 34,171,255
2012	2,562,347	3,619,677	10.86	4,411,958	10,593,982
2011	2,667,908	3,193,277	9.20	44,556,035	50,417,220
2010	2,599,341	8,704,232	24.85	27,116,482	38,420,055
2009	2,774,837	2,243,701	6.68	(35,739,688)	(30,721,150)
2008	2,486,481	1,688,673	5.21	(8,735,864)	(4,560,710)
2007	2,599,296	1,223,765	3.80	31,881,175	35,704,236
2006	2,058,456	791,343	2.88	13,325,490	16,175,289
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

The employer contribution rate was raised to 3.0% effective July 1, 2005, 4.0% effective July 1, 2006, 5.5% effective July 1, 2007, 7.0% effective July 1, 2008, 8.5% effective July 1, 2009, 10.0% effective July 1, 2010, 11.5% effective July 1, 2011 and 13.0% effective July 1, 2012. In May 2009 the State Legislature designated an additional $6.0 million as employer contributions effective July 1, 2009.

Schedule of Expenses by Type

Year Ended June 30,	Benefit Payments	Administrative Expenses	Withdrawals	Total
2013	$ 14,599,877	$ 128,007	$ 31,831	$ 14,759,715
2012	14,478,117	154,623	330,831	14,963,571
2011	13,117,911	118,765	172,089	13,408,765
2010	11,705,265	114,663	66,388	11,886,316
2009	10,430,301	117,081	9,321	10,556,703
2008	9,650,446	112,484	2,333	9,765,263
2007	8,962,416	111,057	97,642	9,171,115
2006	8,009,684	98,218	55,220	8,163,122
2005	7,393,588	87,744	164,018	7,645,350
2004	6,476,146	82,832	83,112	6,642,090

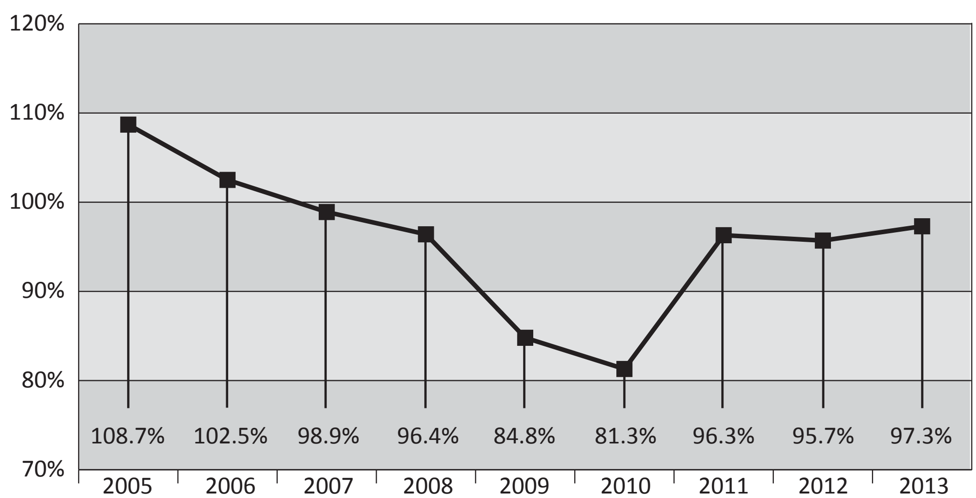
Schedule of Benefit Payments and Refunds by Type

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.

Year	Benefits			Refunds				Total Benefit
Ended June 30,	Age and Service	Disability	Beneficiary Death	Withdrawals	Transfers to Other Systems	Member Death	Other	Payments and Refunds
2013	$ 14,387,401	$ 157,476	$ 55,000	$ (46,560)	$ -	$ 78,391	$ -	$ 14,631,708
2012	14,290,643	157,476	30,000	234,514	-	96,317	-	14,808,950
2011	12,925,436	157,475	35,000	3,744	-	168,345	-	13,290,000
2010	11,507,789	157,476	40,000	66,389	-	-	-	11,771,654
2009	10,248,035	157,266	25,000	9,321	-	-	-	10,439,622
2008	9,478,930	151,516	20,000	2,333	-	-	-	9,652,779
2007	8,795,900	151,516	15,000	60,051	17,971	19,620	-	9,060,058
2006	7,815,666	149,018	45,000	-	-	49,671	5,549	8,064,904
2005	7,221,805	144,283	27,500	45,889	-	117,754	375	7,557,606
2004	6,326,266	134,880	15,000	-	-	80,468	2,644	6,559,258

Funded Ratio Chart

As of July 1



Rate of Return by Type of Investment

Year Ended June 30,	Fixed Income	U.S. Equity	International Equity	Total
2013	(1.2) %	21.7 %	13.9 %	11.5 %
2012	12.1	3.4	(14.3)	1.9
2011	4.3	32.8	30.1	21.4
2010	13.5	16.4	10.5	14.3
2009	3.8	(26.4)	(31.0)	(15.7)
2008	8.7	(12.6)	(10.2)	(3.7)
2007	6.4	20.1	27.4	15.1
2006	(2.0)	9.6	26.9	6.6
2005	10.8	8.1	14.0	10.3
2004	0.8	20.3	32.8	11.8

Schedule of Retired Members by Type of Benefit

June 30, 2013

Amount of Monthly Benefit	Number of Retirees	Type of Retirement* 1	2	3	4	Option Selected # 1	2	3	4
$1 – 1,000	6	1	5	-	-	-	5	1	-
1,001 – 2,000	23	8	15	-	-	(3)	23	1	2
2,001 – 3,000	25	12	13	-	-	3	19	1	2
3,001 – 4,000	27	16	10	-	1	2	21	1	3
4,001 – 5,000	38	30	6	2	-	2	30	1	5
Over 5,000	111	109	2	-	-	7	90	4	10
Totals	**230**	**176**	**51**	**2**	**1**	**11**	**188**	**9**	**22**

***Type of Retirement**

Type 1 – *Normal retirement for age and service:* For participants who became members prior to January 1, 2012, they are eligible at (1) when the sum of the member's age plus years of service equals 80 points and has judicial service of at least 8 years, or (2) age 65 with 8 years of judicial service, or (3) age 60 with 10 years of judicial service. For participants who became members on or after January 1, 2012, they are eligible at (1) age 67 with 8 years of judicial service, or (2) age 62 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 – *Single-life annuity:* The maximum benefit is paid for the member's lifetime.

Option 2 – *50% to 65% Survivor Annuity:* 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.

Option 3 – *Option A – ½ Joint and Survivor Annuity:* The member will receive a reduced retirement benefit for life and ½ of the reduced retirement benefit will be paid to the surviving joint annuitant for their lifetime. This option became available September 1, 2005.

Option 4 – *Option B – 100% Joint and Survivor Annuity:* A reduced benefit is paid to the member for life and the same benefit is paid to a surviving joint annuitant for their lifetime. This option became available September 1, 2005.

Deferred Members

At June 30, 2013, there are 19 former members with deferred future benefits.

Schedule of Average Benefit Payments

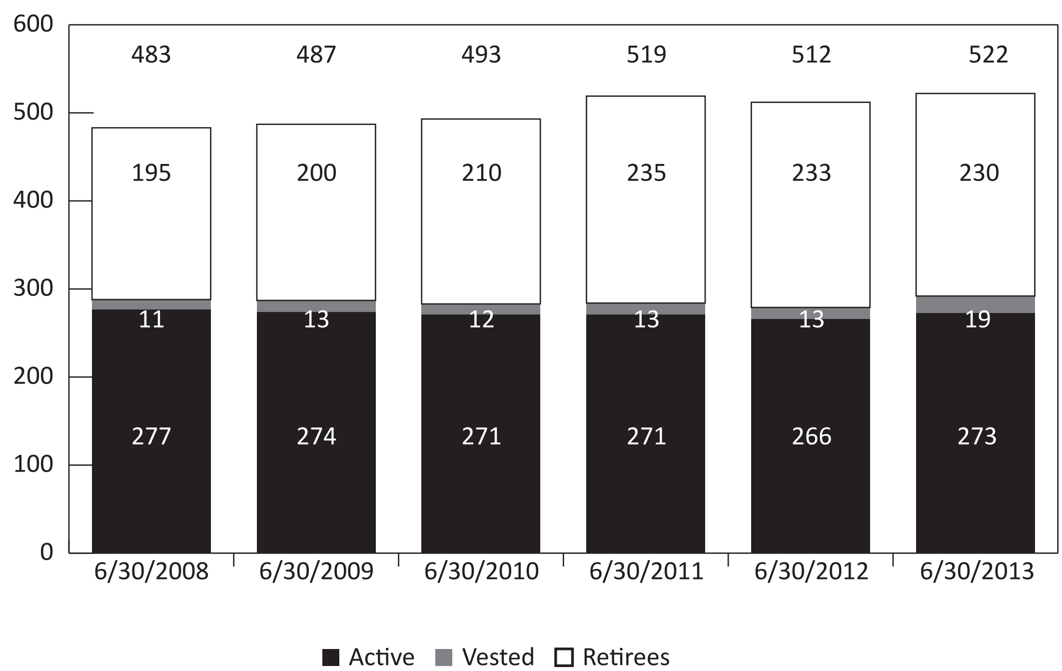
Retirement Effective Dates July 1, 2003 to June 30, 2013	Years of Credited Service 0 to 5	6 to 10	11 to 15	16 to 20	21 to 25	26 to 30	31+
Period 7/1/03 to 6/30/04							
Average Monthly Benefit	$ -	$ 1,787	$ 1,437	$ 5,436	$ -	$ 4,620	$ -
Average Final Average Salary	$ -	$ 4,132	$ 4,744	$ 7,360	$ -	$ 9,065	$ -
Number of Active Retirees	-	1	1	3	-	1	-
Period 7/1/04 to 6/30/05							
Average Monthly Benefit	$ -	$ 3,469	$ 3,026	$ 6,473	$ 7,459	$ 8,054	$ 9,376
Average Final Average Salary	$ -	$ 8,017	$ 7,534	$ 8,078	$ 7,559	$ 7,446	$ 8,668
Number of Active Retirees	-	1	2	2	3	2	3
Period 7/1/05 to 6/30/06							
Average Monthly Benefit	$ -	$ 2,529	$ 3,869	$ 4,597	$ 7,344	$ -	$ 8,686
Average Final Average Salary	$ -	$ 6,755	$ 8,372	$ 6,423	$ 7,995	$ -	$ 8,352
Number of Active Retirees	-	1	1	2	4	-	1
Period 7/1/06 to 6/30/07							
Average Monthly Benefit	$ -	$ 1,509	$ 3,591	$ 5,374	$ 7,601	$ 7,608	$ 8,151
Average Final Average Salary	$ -	$ 4,369	$ 7,936	$ 7,872	$ 7,580	$ 8,213	$ 7,838
Number of Active Retirees	-	2	5	3	4	4	1
Period 7/1/07 to 6/30/08							
Average Monthly Benefit	$ -	$ 2,918	$ 4,695	$ 4,968	$ 7,610	$ -	$ 9,827
Average Final Average Salary	$ -	$ 7,296	$ 7,825	$ 8,015	$ 7,610	$ -	$ 9,827
Number of Active Retirees	-	1	1	2	1	-	1
Period 7/1/08 to 6/30/09							
Average Monthly Benefit	$ -	$ -	$ 4,248	$ 4,003	$ 8,822	$ -	$ -
Average Final Average Salary	$ -	$ -	$ 8,579	$ 8,920	$ 9,016	$ -	$ -
Number of Active Retirees	-	-	4	2	5	-	-
Period 7/1/09 to 6/30/10							
Average Monthly Benefit	$ -	$ -	$ 3,522	$ 6,916	$ 9,197	$ 10,077	$ -
Average Final Average Salary	$ -	$ -	$ 6,845	$ 9,504	$ 9,459	$ 10,076	$ -
Number of Active Retirees	-	-	4	3	8	2	-
Period 7/1/10 to 6/30/11							
Average Monthly Benefit	$ -	$ 2,346	$ 4,059	$ 6,367	$ 8,054	$ 9,602	$ 10,182
Average Final Average Salary	$ -	$ 8,662	$ 8,259	$ 9,881	$ 9,384	$ 10,106	$ 10,182
Number of Active Retirees	-	1	5	6	5	6	5
Period 7/1/11 to 6/30/12							
Average Monthly Benefit	$ -	$ 3,731	$ -	$ -	$ 9,456	$ 10,868	$ -
Average Final Average Salary	$ -	$ 10,364	$ -	$ -	$ 9,828	$ 10,868	$ -
Number of Active Retirees	-	1	-	-	3	1	-
Period 7/1/12 to 6/30/13							
Average Monthly Benefit	$ -	$ 3,064	$ 4,495	$ 5,036	$ 8,486	$ -	$ -
Average Final Average Salary	$ -	$ 9,157	$ 9,601	$ 7,405	$ 9,962	$ -	$ -
Number of Active Retirees	-	2	2	2	2	-	-

Principal Employer

The Uniform Retirement System of Justices and Judges is a single-employer public employee retirement plan. 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.

Year Ended June 30,	Covered Employees of the State
2013	273
2012	266
2011	271
2010	271
2009	274
2008	277
2007	278
2006	272
2005	266
2004	270

Demographics Chart



Member Statistics

Inactive members as of July 1, 2013	Number	Amount of Annual Benefit
Members receiving benefits		
Retired	176	$ 12,655,916
Surviving spouses	52	1,598,542
Disabled	2	115,952
Total	**230**	**$ 14,370,410**
Members with deferred benefits		
Vested terminated	13	$ 581,665
Assumed deferred vested members (estimated benefits)	6	111,427
Total	**19**	**$ 693,092**

		Average		
Statistics for	**Number**	**Age**	**Service**	**Earnings**
Active members as of July 1, 2012				
Continuing	257	56.7	11.6	$ 129,621
New	9	56.3	0.5	116,422
Total	**266**	**56.7**	**11.2**	**$ 129,174**
Active members as of July 1, 2013				
Continuing	257	57.5	12.2	$ 125,837
New	16	52.0	0.8	124,255
Total	**273**	**57.2**	**11.5**	**$ 125,744**

Distribution of Retirees and Beneficiaries

	Number			Annual Benefits		
Age	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Under 50	-	-	-	$ -	$ -	$ -
50-55	-	1	1	-	58,689	58,689
55-60	-	2	2	-	93,982	93,982
60-65	23	8	31	2,104,924	635,336	2,740,260
65-70	36	13	49	2,882,586	736,437	3,619,023
70-75	36	10	46	2,324,371	558,429	2,882,800
75-80	24	7	31	1,561,460	181,676	1,743,136
80-85	19	13	32	1,094,102	510,620	1,604,722
85-90	14	14	28	882,075	367,128	1,249,203
90-95	5	1	6	285,716	9,573	295,289
95-100	1	3	4	51,381	31,924	83,305
Over 100	-	-	-	-	-	-
Total	**158**	**72**	**230**	**$ 11,186,615**	**$ 3,183,794**	**$ 14,370,409**

Summary of Active Members

Age and years of credited service
Earnings tabulated are average rates of pay as of July 1, 2013

Age	Years of Service									Total
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up	
Under 35	2									**2**
Average Pay	$124,943									**$124,943**
35 to 39	6									**6**
Average Pay	$122,136									**$122,136**
40 to 44	9	6	2							**17**
Average Pay	$120,417	$118,659	$123,875							**$120,203**
45 to 49	13	8	5	1						**27**
Average Pay	$122,752	$123,386	$123,875	$113,443						**$122,803**
50 to 54	16	14	10	5						**45**
Average Pay	$124,695	$121,639	$128,047	$125,961						**$124,630**
55 to 59	17	11	6	12	9	3	1			**59**
Average Pay	$122,365	$121,622	$118,659	$125,613	$126,917	$127,352	$134,306			**$123,661**
60 to 64	10	11	14	15	3	7	5	1		**66**
Average Pay	$121,749	$126,720	$126,470	$128,144	$130,829	$135,213	$135,088	$123,875		**$127,916**
65 to 69	4	10	7	8	2	2	1	1		**35**
Average Pay	$116,050	$126,352	$124,992	$128,275	$127,134	$148,649	$148,649	$140,825		**$127,712**
70 & up		5	2	5	1		1		2	**16**
Average Pay		$133,524	$129,090	$134,306	$148,649		$140,825		$141,477	**$135,610**
Total	**77**	**65**	**46**	**46**	**15**	**12**	**8**	**2**	**2**	**273**
Average Pay	**$122,328**	**$124,075**	**$125,288**	**$127,619**	**$129,177**	**$135,487**	**$137,403**	**$132,350**	**$141,477**	**$125,744**

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Uniform Retirement System for Justices and Judges

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