Oklahoma

A Century of Exploration

1907 2007

Uniform Retirement System Justices & Judges

A COMPONENT UNIT OF THE STATE OF OKLAHOMA

Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2007

Oklahoma
A Century of Exploration

This report contains six sections, each with a cover image depicting Oklahoma's rich history of exploration and discovery. The historical aspects of this report were conceived to celebrate our state's Centennial and pay tribute to a few of the people and events that have helped shape Oklahoma's past, present and future. Oklahoma has survived several tragic events that will never be forgotten. The displacement of our American Indian tribes, the Dust Bowl drought, the untimely passing of Will Rogers and Wiley Post, and the Oklahoma City bombing were all events that tested the resolve of our people; yet, Oklahomans have always found the courage and strength of character to emerge from adversity to overcome these trials through faith, hard work, and good humor.

On the cover - The Oklahoma State Capitol was designed by celebrated architect Solomon Layton and construction began in 1914. Layton's original plans called for a domed Capitol, but the outbreak of WWI and state financial woes delayed construction. Official completion of the Capitol's construction occurred in 2002, according to Layton's designs, with the addition of the dome and placement of *The Guardian* statue. The Oklahoma Public Employees Retirement System is proud to present this report in celebration of our state's first 100 years of statehood and recognizing a century of hard work and perseverance by all Oklahomans. May our achievements carry over to the next century of exploration.

Cover photo provided by Fred Marvel for the Oklahoma Centennial Commission

Oklahoma
A Century of Exploration
1907 2007

Uniform Retirement System
Justices & Judges

A COMPONENT UNIT OF THE STATE OF OKLAHOMA

Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2007

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

This publication, printed by University Printing Services, is issued by the Oklahoma Public Employees Retirement System as authorized by its Executive Director. Eight hundred copies have been prepared and distributed at a cost of $4,915.00. Twenty-five copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

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Oklahoma
A Century of Exploration

Sequoyah's Genius and Strength of Spirit

Sequoyah spent twelve, laborious years creating the Cherokee syllabary, which was unveiled to tribal leaders in 1821. In order to overcome skepticism of its usefulness, Sequoyah taught his daughter how to read and write in the new language to prove its effectiveness in communicating between people and generations. The new writing system contained 86 characters representing syllables of the Cherokee language. The genius of the language is that it could be learned quickly, as evidenced by the fact that it was in full use by thousands of Cherokees by 1823.

There are varying accounts on how and why Sequoyah became so passionate in his endeavor to create the Cherokee alphabet. Many have speculated an accident that left him permanently impaired physically made Sequoyah a man of great thought and reflection, and that this new language would not only help his people communicate, but preserve the history of the Cherokee people. He felt that having a commonly used written language was an advantage that the white man had over the Cherokees that would remain until his tribe had the ability to pass on their stories to their descendants.

Every state in the U.S. is represented in the National Statuary Hall Collection within the U.S. Capitol Complex in Washington, D.C. by two important figures in their state's history. In 1917, the statue of Sequoyah was donated by the state of Oklahoma to Statuary Hall. Sequoyah was the first Native American to be represented in the collection and commemorates the impact that Native Americans have had, and continue to have, on Oklahoma.

Photo of Sequoyah courtesy of the Oklahoma Historical Society

TOM SPENCER
EXECUTIVE DIRECTOR

BRAD HENRY
GOVERNOR

STATE OF OKLAHOMA

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

November 30, 2007

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, 2007. State law also requires that URSJJ provide certain information regarding the financial and actuarial condition of URSJJ using certain prescribed assumptions as an addendum to the annual report. The Addendum section of this report is provided to fulfill that requirement.

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

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 assets as of June 30, 2007, and the related statements of changes in plan net assets for the year then ended. The independent auditor's report is located at the front of the financial section of this report. The financial statements as of and for the year ended June 30, 2006 were audited by KPMG LLP, Certified Public Accountants, whose report dated October 5, 2006 expressed an unqualified opinion.

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 or (3) at age 60 with 10 years of judicial service. Benefits are determined at 4% of the member's 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 thirteen appointed members, some by position and some by association. Those serving through position are a member of the Corporation Commission as selected by the Commission, a member of the Tax Commission as selected by the Tax Commission, the Administrator of the Office of Personnel Management or designee, 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 State Finance. Administrative overhead expenses of URSJJ, including personnel and other supporting services costs, are paid for by OPERS and allocated to URSJJ based on an estimate of the cost of services provided. The allocated costs are charged to URSJJ and paid with funds provided through operations of URSJJ. The OPERS budget work program, which includes the costs related to URSJJ, is approved by the Board and includes a description of all funds available for expenditure and shows spending by major program category. Additionally, in each even-numbered year, OPERS, along with other state agencies must file a strategic plan covering five fiscal years beginning with the next odd-numbered fiscal year. URSJJ receives no state appropriations and is funded through employee and employer contributions and investment earnings.

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. Funds of URSJJ are invested solely in the interest of the membership and their beneficiaries, and defraying reasonable expenses of administering URSJJ. 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.

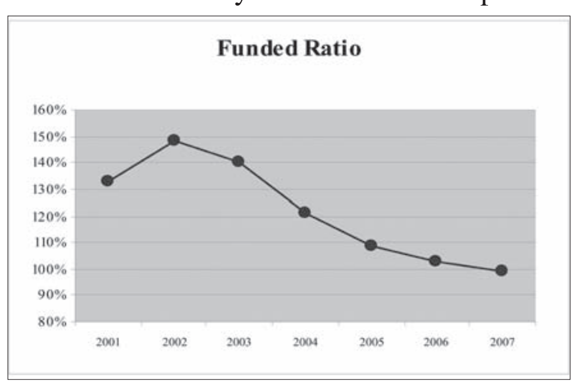
The Board engages outside investment managers to manage the various investment allocations of URSJJ. At fiscal year end, the investment portfolio of URSJJ was actively managed by three fixed income managers and passively managed by another investment manger with holdings in domestic equity index and international equity index funds.

Included in the Investment Section of this report is 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 2007, investments provided a 15.1 percent rate of return. The annualized rate of return for URSJJ was 10.6 percent over the last three years and 10.1 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, 2007 amounted to $227.1 million and $224.6 million, respectively.

The URSJJ funded ratio has been steadily declining for the past several years, and at July 1, 2007 reached 98.9 percent, falling below 100 percent for the first time in recent years. It was 142.8 percent at July 1, 2002. In part this decline is due to an employer contribution rate decrease in January 2001, the lifting of the salary cap for benefit calculation for the past four years, and increases in the salaries for justices and judges for fiscal 2007. The employer rate has increased 1.0 percent annually for the past two years, and effective July 1, 2007 it increases 1.5 percent annually up to 22.0 percent for fiscal years ending 2019 and thereafter. In 2006 the Legislature provided a statutory requirement that retirement bills be analyzed for actuarial fiscal impact and contain adequate funding sources sufficient to pay the cost of the change. A detailed discussion of funding is provided in the Actuarial Section of this report.



Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Uniform Retirement System for Justices and Judges for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. This was the ninth year URSJJ has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Tom Spencer

Virginia Lawrenz

Tom Spencer
Executive Director

Virginia Lawrenz
Director of Finance and Chief Financial Officer

DON KILPATRICK
CHAIRMAN

BRAD HENRY
GOVERNOR

STATE OF OKLAHOMA

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

November 30, 2007

Chairman's Letter

Dear Members:

On behalf of the Board of Trustees, I am pleased to present the Comprehensive Annual Financial Report for the Uniform Retirement System for Justices and Judges (URSJJ) for the fiscal year ending June 30, 2007.

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

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

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

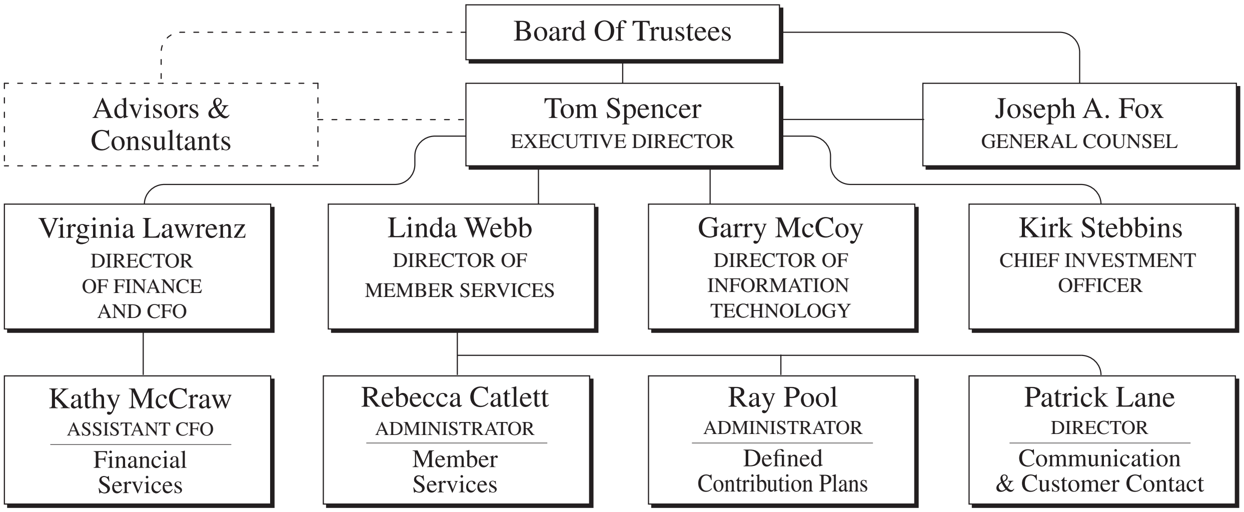
Sincerely,

Don Kilpatrick
Chairman

Board of Trustees

Back row, left to right: Steve Paris, Jerry Johnson, Oscar B. Jackson, Jr., Frank Stone, Michael D. Evans, Jim McGoodwin, DeWayne McAnally
Front row, left to right: Jeff Cloud, Don Kilpatrick, Dawn Cash
Not pictured:
Jonathan Barry Forman, Marilyn Capps, Richard Haugland, Kim Holland, Tony Hutchison, Brian Maddy

Organizational Structure



Back row, left to right: Garry McCoy, Linda Webb, Kathy McCraw, Joe Fox, Ray Pool
Front row, left to right: Virginia Lawrenz, Tom Spencer, Kirk Stebbins
Not pictured: Rebecca Catlett, Patrick Lane

Advisors and Consultants*

Master Custodian
The Northern Trust Company
Chicago, Illinois

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

Actuarial Consultant
Milliman, Inc.
Omaha, Nebraska

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

Internal Auditors
Finley & Cook PLLC
Shawnee, Oklahoma

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

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, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

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

President

Executive Director

Financial Section

Oklahoma
A Century of Exploration

Journey to Statehood

The boundaries of our current state were effectively born when three million acres of the Unassigned Lands of Indian Territory were opened to settlement by the federal government in April of 1889. Tracts of land were laid out in 160-acre homesteads and opened for white settlement in four subsequent land runs occurring between 1891 and 1895.

Leaders of the Indian Territory were the first to initiate a concerted effort toward statehood. The Sequoyah Constitutional Convention met in Muskogee on August 21, 1905, in order to petition the federal government for Indian Territory statehood. The convention drafted a constitution, but the delegation received an unwelcome reception in Washington. President Roosevelt finally ruled that the Indian and Oklahoma Territories would be granted statehood, but only as a single, combined state. The hard work of the Sequoyah State Constitutional Convention was not all lost and served in large part as the basis for the state constitution adopted by the Oklahoma State Constitutional Convention in Guthrie the following year.

On November 16, 1907, Oklahoma became the 46th state in the union. Charles Haskell was elected as the first govenor of Oklahoma thanks largely to the opposing party's presidential candidate, William Howard Taft. Taft spoke openly of his disapproval of the state's drafted constitution and urged voters to vote against it. The journey to statehood was filled with dynamic leaders like Kate Barnard, who became the first woman in the nation ever elected to a state office. "Miss Kate" was elected to the office of Commissioner of Charities and Correction – a position that was created specifically with her in mind. Her two terms in office led to the advancement of public policy with issues such as, complusory education, child labor, improved conditions in the workplace, and prison reform.

COLE + REED P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Board of Trustees
Uniform Retirement System for Justices and Judges:

We have audited the accompanying statement of plan net assets of the Uniform Retirement System for Justices and Judges (the Plan), a component unit of the state of Oklahoma, as of June 30, 2007, and the related statement of changes in plan net assets for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements as of and for the year ended June 30, 2006, were audited by other auditors whose report, dated October 5, 2006, expressed an unqualified opinion.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Plan at June 30, 2007, and the changes in plan net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the schedules of funding progress and employers' contributions in schedule 1 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Introductory Section, the Investment Section, the Actuarial Section, the Statistical Section, the Addendum and schedules 2 through 4 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information in schedules 2 through 4 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section, the Investment Section, the Actuarial Section, the Statistical Section, and the Addendum have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cole & Reed P.C.

Oklahoma City, Oklahoma
October 15, 2007

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Administered by the Oklahoma Public Employees Retirement System

Management's Discussion and Analysis

As management of the Uniform Retirement System for Justices and Judges (the Plan) we offer readers of the Plan's financial statements this narrative overview and analysis of the financial activities of the Plan for the fiscal years ended June 30, 2007 and 2006.

Financial Highlights

- The net assets held in trust for pension benefits totaled approximately $240.2 million at June 30, 2007 compared to $213.7 million at June 30, 2006 and $205.7 million at June 30, 2005. The net assets are available for payment of monthly retirement benefits and other qualified distributions to the Plan's participants. The increases of $26.5 million and $8.0 million of the respective years have resulted primarily from the appreciation in the fair value of the Plan's investments due to fixed income and equity market increases affecting both years.

- At June 30, 2007 the total number of members participating in the Plan was 483, a 4.6% increase from the prior year. The total number of members participating in the Plan at June 30, 2006 was 462, a 2.7% increase from the prior year.

- At June 30, 2007 the actuarial value of assets was $224.6 million and the actuarial accrued liability was $227.1 million producing a funded ratio of 98.9% compared to 102.5% at June 30, 2006. The key items responsible for the change in the funded status were liability losses which increased the actuarial accrued liability by $7.2 million more than expected due primarily to salary increases that were higher than assumed and a return on the actuarial value of assets of $4.5 million more than expected. The funded ratio at June 30, 2005 was 108.7%.

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 60 with 10 years of judicial service, 65 with 8 years of judicial service or when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80). Members become eligible to vest fully upon termination of employment after attaining eight years of service as a justice or judge or the members' contributions may be withdrawn upon termination of employment.

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

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.

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

Management's Discussion and Analysis

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

The *statement of changes in plan net assets* presents information showing how the Plan's net assets held in trust for pension benefits changed during the years ended June 30, 2007 and 2006. It reflects contributions by members and participating employers along with deductions for retirement benefits, refunds and withdrawals, and administrative expenses. Investment income during the period is also presented showing income from investing and securities lending activities.

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

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

Financial Analysis

The following are the condensed Schedules of Plan Net Assets and Changes in Plan Net Assets for the Uniform Retirement System for Justices and Judges for the fiscal years ended June 30, 2007, 2006, and 2005.

Condensed Schedules of Plan Net Assets	($ millions) June 30, 2007	2006	2005
Cash and cash equivalents	$ 1.2	$ 0.5	$ 0.6
Receivables	18.7	8.7	18.1
Investments	252.9	225.5	207.0
Securities lending collateral	28.3	18.7	31.5
Total assets	301.1	253.4	257.2
Other liabilities	32.6	21.0	20.0
Securities lending collateral	28.3	18.7	31.5
Total liabilities	60.9	39.7	51.5
Ending net assets held in trust for benefits	$ 240.2	$ 213.7	$ 205.7

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

Management's Discussion and Analysis

Condensed Schedules of Changes in Plan Net Assets	($ millions) June 30, 2007	2006	2005
Member contributions	$ 2.6	$ 2.1	$ 1.7
Court employer contributions	1.2	0.8	0.5
Net investment income	31.9	13.3	19.4
Total additions	35.7	16.2	21.6
Retirement, death and survivor benefits	9.0	8.0	7.4
Refunds and withdrawals	0.1	0.1	0.1
Administrative expenses	0.1	0.1	0.1
Total deductions	9.2	8.2	7.6
Total changes in plan net assets	$ 26.5	$ 8.0	$ 14.0

For the year ended June 30, 2007 plan net assets increased $26.5 million or 12.4%. Total assets increased by 18.8% due to increases of 15.2% in investments and 129.4% in pending sales of securities. Total liabilities increased 53.2% due to a 51.4% increase in the liability for cash collateral related to securities lending and a 55.0% increase in pending trades.

Fiscal year 2007 showed a $19.5 million increase in total additions and a $1.0 million increase in total deductions. Compared to the prior year, additions increased 120.7% as a result of a 197.5% increase in the appreciation of the fair value of investments which was complemented by a 14.2% increase in interest income and increases in member and employer contributions of 26.3% and 54.6%, respectively. The 12.4% increase in total deductions was due primarily to an 11.9% increase in retirement and death and survivor benefits as well as increases in administrative costs and refunds and withdrawals of 13.1% and 76.8%, respectively.

For the year ended June 30, 2006 plan net assets increased $8.0 million or 3.9%. Total assets decreased slightly by 1.5% due to decreases of 55.2% in the pending sales of securities and 40.7% in securities lending cash collateral which were offset by an 8.9% increase in investments. Total liabilities decreased 22.9% due primarily to a 40.7% decrease in the liability for cash collateral related to securities lending. Other liabilities increased 5.1% primarily due to the $1.0 million increase in pending purchases of securities.

Fiscal year 2006 showed a $5.4 million decrease in total additions and a $0.6 million increase in total deductions. Compared to the prior year, additions decreased 25.0% as a result of a 40.9% decrease in the appreciation of the fair value of investments which was offset by a 6.6% increase in interest income, a 5.8% increase in net securities lending income, and increases in member and employer contributions of 19.9% and 66.6%, respectively. The 6.8% increase in total deductions was due to a 8.3% increase in retirement and death and survivor benefits and an 11.9% increase in administrative costs. Refunds and withdrawals were 66.3% less when compared to the prior year.

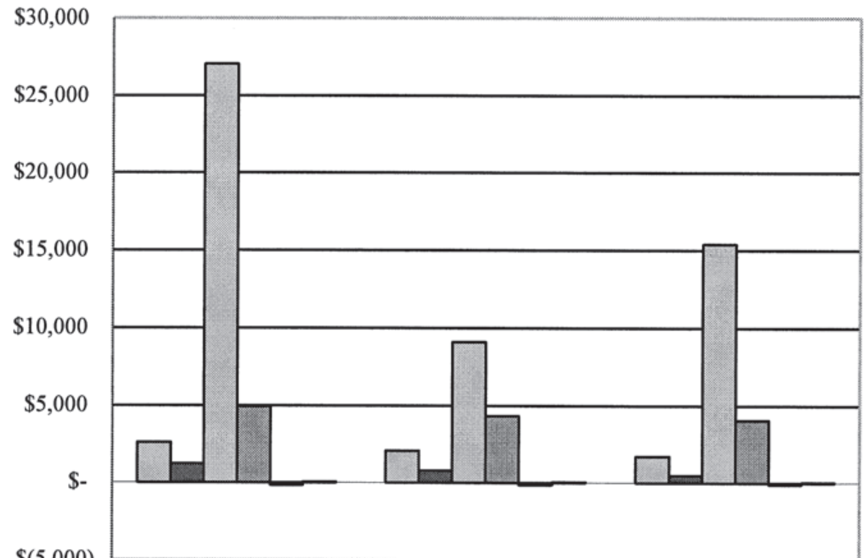
UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES
Administered by the Oklahoma Public Employees Retirement System

Management's Discussion and Analysis

Additions to Plan Net Assets

For the year ended June 30, 2007, additions to plan assets increased $19.5 million or 120.7% from the prior year. The $18.0 million net appreciation in the fair value of investments was a result of fixed income and equity market increases during the year, and the 14.2% increase in interest income reflects the increase in earnings of asset-backed securities and commercial mortgage-backed securities. Contributions increased because of an increased salary base for calculation, a full year of the uniform contribution rate of 8% for all justices and judges, and an increase in the employer contribution rate from 3% to 4%.

Additions to Plan Net Assets
Comparative Data for Fiscal Years Ended June 30, 2007, 2006, and 2005
(in $000's)



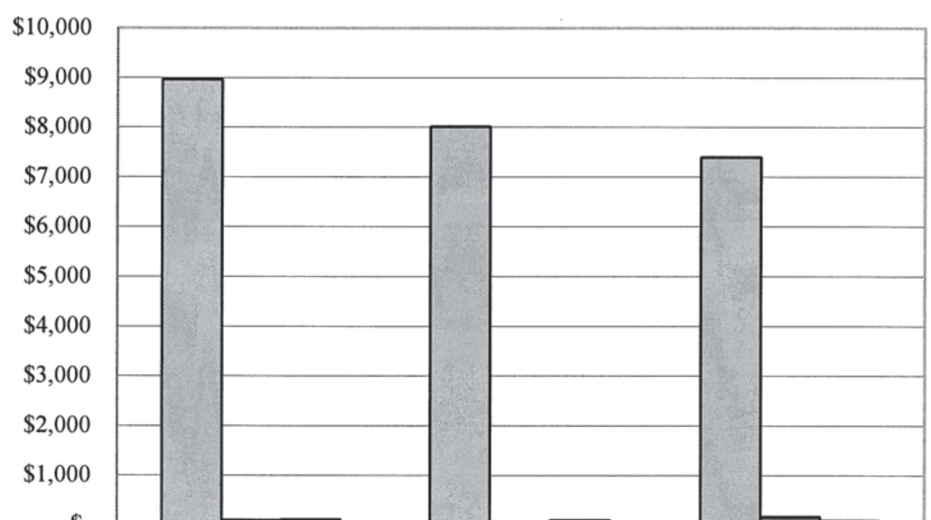
	2007	2006	2005
Member contributions	$2,599	$2,058	$1,717
Court employer contributions	1,224	791	475
Net appreciation	27,052	9,094	15,385
Interest	4,941	4,325	4,055
Investment expenses	(149)	(141)	(107)
Securities lending income	37	48	46

For the year ended June 30, 2006, additions to plan assets decreased $5.4 million or 25.0% from the prior year. The $9.1 million net appreciation in the fair value of investments was a result of equity market increases during the year but was a 40.9% decrease from the net appreciation in the fair value of investments in fiscal year 2005. The 6.6% increase in interest income reflects the continuing rise of interest rates, and the 5.8% increase in net securities lending income was the result of the increased fair value of the portfolio. Contributions increased because of an increased salary base for calculation, the move to a uniform contribution rate of 8% for all justices and judges, rather than the previous tiered contribution rates of 8% or 5%, and an increase in the employer contribution rate from 2% to 3%.

Deductions to Plan Net Assets

For the year ended June 30, 2007 total deductions increased 12.4% from the prior year. Retirement, death and survivor benefits increased $1.0 million or 11.9% due to a 7.8% increase in the number of retirees and a 4% cost of living adjustment to monthly benefits. Refunds and withdrawals increased 76.8% from the prior year because more participants withdrew contributions during the year. Administrative costs increased 13.1% when compared to the prior year as a result of an increase in the allocation of expenses for technical services and staffing and related personnel expenses.

Deductions to Plan Net Assets
Comparative Data for Fiscal Years Ended June 30, 2007, 2006, and 2005
(in $000's)



	2007	2006	2005
Retirement, death and survivor benefits	$8,962	$8,010	$7,393
Refunds and withdrawals	98	55	164
Administrative expenses	111	98	88

For the year ended June 30, 2006 total deductions increased 6.8% from the prior year. Retirement, death and survivor benefits increased $0.6 million or 8.3% due to a 2.9% increase in the number of retirees. Refunds and withdrawals decreased 66.3% from the prior year because fewer participants withdrew contributions during the year. Administrative costs increased 11.9% when compared to the prior year as a result of an increase in the allocation of expenses for staffing and related personnel expenses.

Investments

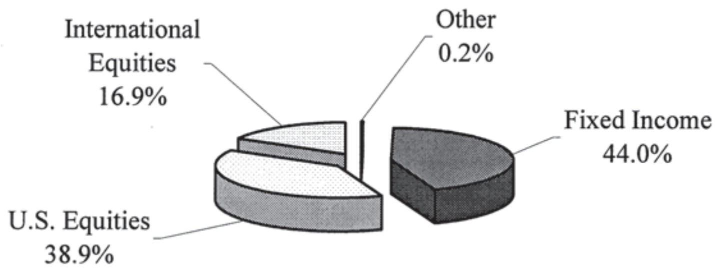
The investment portfolio is reported in the chart below by the asset class of the investment managers' portfolios including cash equivalents. A summary of the Plan's cash, cash equivalents and investments for fiscal years ended June 30, 2007, 2006, and 2005 is as follows:

Cash, Cash Equivalents, and Investment Portfolio			**($ millions) June 30,**		
		2007		**2006**		**2005**
Fixed income	$	119.8	$	107.7	$	101.7
U.S. equities		93.3		81.1		78.5
International equities		40.6		36.9		27.2
Other		0.4		0.3		0.2
Total managed investments		254.1		226.0		207.6
Cash and cash equivalents on deposit with State		-		-		0.1
Securities lending collateral		28.3		18.7		31.5
Total cash, cash equivalents and investments	$	282.4	$	244.7	$	239.2

For the year ended June 30, 2007 the Plan's overall return was 15.1% with fixed income exceeding and equity index funds correlating closely with the market trends for the year. U.S. and international equities showed returns of 20.1% and 27.4%, respectively, and the fixed income component was 6.4%. During the year $4.0 million was reallocated from the U.S. equity index fund to the fixed income component and $6.0 million from the international equity index fund to the fixed income component. In addition approximately $5.4 million was transferred from the fixed income component during the year to supplement the cash requirements of monthly benefit payments. The change in securities lending collateral is dependent on the securities loaned by the Plan's master custodian at year-end.

At June 30, 2007 the distribution of the Plan's investments including accrued income and pending trades was as follows:

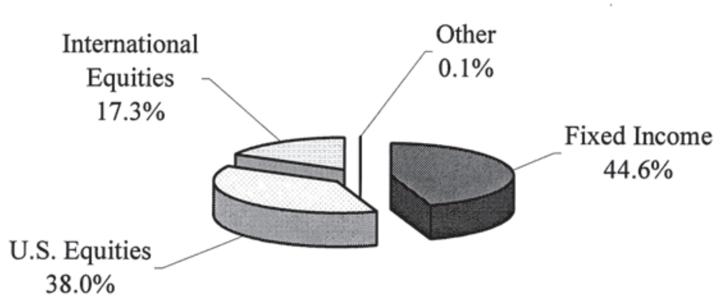
2007



For the year ended June 30, 2006 the Plan's overall return was 6.6% with fixed income and equity index funds correlating closely with the market trends for the year. U.S. and international equities showed returns of 9.6% and 26.9%, respectively, and the negative return of the fixed income component was 2.0%. During the year $5.0 million was reallocated from the U.S. equity index fund to the fixed income component and $2.0 million from the fixed income component to the international equity index fund. In addition approximately $5.3 million was transferred from the fixed income component during the year to supplement the cash requirements of monthly benefit payments. The change in securities lending collateral is dependent on the securities loaned by the Plan's master custodian at year-end.

At June 30, 2006 the distribution of the Plan's investments including accrued income and pending trades was as follows:

2006



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:

2007	2006	2005
98.9%	102.5%	108.7%

Other

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

Requests for Information

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

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

Statements of Plan Net Assets

June 30, 2007 and 2006

Assets		**2007**		**2006**
Cash equivalents	$	1,208,146	$	543,296
Receivables:				
Member contributions		191,803		164,182
Participating court employer contributions		98,056		63,544
Due from brokers for securities sold		17,551,076		7,651,285
Accrued interest		841,094		868,981
Other		15,545		1,485
Total receivables		18,697,574		8,749,477
Investments, at fair value:				
Short-term investments		6,600,000		948,072
Government obligations		69,842,455		60,962,956
Corporate bonds		42,604,983		45,601,963
Domestic equity index fund		93,295,860		81,086,365
International equity index fund		40,555,558		36,851,571
Securities lending collateral		28,324,487		18,705,562
Total investments		281,223,343		244,156,489
Total assets		301,129,063		253,449,262
Liabilities				
Due to brokers and investment managers		32,553,934		21,026,179
Securities lending collateral		28,324,487		18,705,562
Total liabilities		60,878,421		39,731,741
Net assets held in trust for pension benefits	$	240,250,642	$	213,717,521
(Schedule of Funding Progress is presented in Schedule 1)				

See accompanying notes to financial statements.

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

Statements of Changes in Plan Net Assets

Years Ended June 30, 2007 and 2006

	2007	2006
Additions:		
Contributions:		
Members	$ 2,599,296	$ 2,058,456
Participating court employers	1,223,765	791,343
Total contributions	3,823,061	2,849,799
Investment income:		
From investing activities:		
Net appreciation in fair value of investments	27,052,338	9,093,971
Interest	4,940,973	4,324,819
Total investment income	31,993,311	13,418,790
Less – Investment expenses	(148,778)	(141,612)
Income from investing activities	31,844,533	13,277,178
From securities lending activities:		
Securities lending income	1,261,832	1,174,423
Securities lending expenses:		
Borrower rebates	(1,216,042)	(1,114,046)
Management fees	(9,148)	(12,065)
Income from securities lending activities	36,642	48,312
Net investment income	31,881,175	13,325,490
Total additions	35,704,236	16,175,289
Deductions:		
Retirement, death and survivor benefits	8,962,416	8,009,684
Refunds and withdrawals	97,642	55,220
Administrative expenses	111,057	98,218
Total deductions	9,171,115	8,163,122
Net increase	26,533,121	8,012,167
Net assets held in trust for pension benefits:		
Beginning of year	213,717,521	205,705,354
End of year	$ 240,250,642	$ 213,717,521

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

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

(a) Basis of Accounting

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

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

(b) Investments

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

Plan investments are reported at fair value. Short-term investments include bills and notes and commercial paper, valued at fair value.

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

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

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

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

(c) Use of Estimates

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

(d) Risk and Uncertainties

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

(e) Changes in Accounting Principles

The Plan adopted Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (Statement No. 43) in 2007. Statement No. 43 establishes uniform financial reporting standards for other postemployment benefit (OPEB) plans and supersedes the interim guidance included in Statement No. 26, *Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans.* The adoption of Statement No. 43 did not have a material impact on the Plan's 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

	2007	**2006**
Retirees and beneficiaries currently receiving benefits	194	180
Terminated vested participants	11	10
Active participants	278	272
Total	483	462

(b) Benefits

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

Normal retirement ages under the Plan are as follows:

- 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

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

Disability retirement benefits are available for members who have attained age 55 and have 15 years of continuous judicial service and are determined to be disabled by the Court of the Judiciary. The benefits are calculated in the same manner as the normal retirement benefit. 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, 2007 and 2006 totaled approximately $15,000 and $45,000, 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.

For the years ended June 30, 2007 and 2006 the Plan remitted up to $105 per month for each eligible member receiving retirement benefits, excluding surviving spouses and joint annuitants, for health insurance premiums to the Oklahoma State and Education Employees Group Insurance Board, which administers various group health benefit plans for the State. The Plan is required by statute to remit this payment for eligible members, but has no administrative functions related to the payment and no portion of the contribution amounts of either active members or participating courts is specifically identified by statute as relating to such payment. The amounts remitted for the years ended June 30, 2007 and 2006, for such premiums were approximately $129,000 and $127,000, respectively, and are included in retirement, death and survivor benefits.

(c) Contributions

The contribution requirements of the Plan are an established rate determined by the Oklahoma Legislature and are based on a comparison to an actuarial calculation. Effective September 1, 2005 the contribution rate of all justices and judges is 8% of a member's monthly salary. With the uniform 8% contribution rate, 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 members' 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, 2007 and 2006 were 4% and 3%, respectively, of member payroll. The Board is authorized to adjust the contribution rates to prevent a funded ratio of the Plan of less than 100%.

Effective for the fiscal year ended June 30, 2008, the employer contribution rate will increase to 5.5% of payroll and will increase 1.5% annually up to 22% for fiscal years ending June 30, 2019 and thereafter.

(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

	2007	2006
Cash equivalents		
State Treasurer	$ 29,877	$ 22,749
Custodial agent	1,178,269	520,547
Total cash equivalents	$ 1,208,146	$ 543,296

Cash is deposited to *OK INVEST*, an internal investment pool of the State Treasurer with holdings limited to high-rated money market mutual funds, obligations of the U.S. Government, U.S. Government agencies and instrumentalities, and collateralized tri-party repurchase agreements. Participants are limited to qualifying agencies and funds within the State's reporting entity, and each participant maintains an interest in the underlying investments of *OK INVEST* and shares the risk of loss on the funds in proportion to the respective investment in the funds. 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. At June 30, 2007 and 2006 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, 2007, as a result of outstanding checks, the Plan's carrying amount in *OK INVEST* totaled $29,877, and the bank balances totaled $161,255. At June 30, 2006, as a result of outstanding checks, the Plan's carrying amount in *OK INVEST* totaled $22,749 and the bank balances totaled $138,783. At June 30, 2007 and 2006 the carrying amounts of the Plan's custodial agent cash equivalents were the same as the bank balances, $1,178,269 and $520,547, 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, 2007 and 2006 the asset allocation guidelines established by policy were U.S. equities – 38%, international equities – 16%, and domestic fixed income – 46%. 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:

	2007	2006
U.S. Treasury notes/bonds	$ 23,232,470	$ 26,739,659
U.S. Treasury strips	10,587,607	10,349,376
U.S. agencies	7,612,367	3,394,041
Government mortgage-backed securities	34,060,735	20,023,796
Municipal bonds	417,373	492,225
Corporate bonds	12,800,999	14,920,339
Asset-backed securities	14,535,674	17,547,846
Commercial mortgage-backed securities	11,689,574	9,527,015
Non government backed collateralized mortgage obligations	4,110,639	4,170,622
Commercial paper	—	348,072
U.S. equity index fund	93,295,860	81,086,365
International equity index fund	40,555,558	36,851,571
Securities lending collateral	28,324,487	18,705,562
Total investments	$ 281,223,343	$ 244,156,489

The Plan participates in international and domestic equity index funds managed by Barclays Global Investors, N.A. (BGI), a wholly owned subsidiary of Barclays Bank PLC. BGI operates as a limited purpose trust company, and its primary regulator is the Office of the Comptroller of the Currency, the agency of the U.S. Treasury Department that regulates United States national banks. Each fund is a collective fund which is a group trust and an entity separate from BGI, other funds, and the investing participants. BGI is trustee of each of the collective fund trusts, and holds legal title to each trust's assets for the exclusive benefit of the Plan. The fair value of the Plan's position in the pool is the same as the value of the pool shares. In 2007 and 2006 the Plan invested in a domestic equity index fund 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 2007 and 2006 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, 2007 and 2006 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, 2007 and 2006 were \$36,895,028 and \$28,319,793, respectively, and the collateral received for those securities on loan was \$38,028,223 and \$29,070,633, respectively. The master custodian provides for full indemnification to the Plan for any losses that might occur in the program due to the failure of a broker to return a security that was borrowed (and if the collateral is inadequate to replace the securities lent) or failure to pay the Plan for income of the securities while on loan. The Plan cannot pledge or sell collateral securities unless the borrower defaults. The loan premium paid by the borrower of the securities is apportioned between the Plan and its custodial agent in accordance with the securities lending agreement. All securities loans can be terminated on demand by either the lender or the borrower.

The securities lending agreement provides that cash collateral be invested in the custodial agent's short-term investment pool and sets forth credit quality standards, acceptable investments, diversification standards, and maturity and liquidity constraints for the investment fund. The Plan's investment guidelines do not require a matching of investment maturities with loan maturities, but do establish minimum levels of liquidity and other investment restrictions designed to minimize the interest rate risk associated with not matching the maturities of the investments with the loans. At June 30, 2007 and 2006 the cash collateral investments had an average weighted maturity of 39 and 41 days, respectively, and the relationship between the maturities of the custodial agent's investment pool and the Plan's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Plan cannot determine. The Plan's non-cash collateral is represented by its allocated share of a pool administered by the agent for the Plan and other pool participants.

(c) Credit Risk

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

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

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

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

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

At June 30, 2007 the domestic fixed income portfolio consisted of a core fixed income portfolio, a core plus fixed income portfolio and a rate anticipator portfolio. All components met the stated policy restrictions.

At June 30, 2006 the domestic fixed income portfolio consisted of a core fixed income portfolio, a core plus fixed income portfolio and a rate anticipator portfolio. All components met the stated policy restrictions except the core fixed income portfolio which held $114,057 of the portfolio in issues rated below BBB- and the core plus fixed income portfolio which held $66,925 of the portfolio in issues rated below B. The Plan's investment managers have advised retention of these securities after having assessed the risk/reward profile of each security.

Investments issued by or explicitly guaranteed by the U.S. Government are not considered to have credit risk. At June 30, 2007 and 2006 the Plan held 19.9% and 25.4%, respectively, of fixed income portfolios in investments that were not considered to have credit risk.

The Plan's exposure to credit risk at June 30, 2007 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	Rating Not Available or Not Rated	Total
U.S. Treasury strips	$ 10,588	$ —	$ —	$ —	$ —	$ —	$ —	$ 10,588
U.S. agencies	167	552	—	—	—	—	6,733	7,452
Government mortgage-backed securities	—	—	—	—	—	—	33,753	33,753
Municipal bonds	—	44	—	373	—	—	—	417
Corporate bonds	2,227	2,743	3,088	3,356	694	185	508	12,801
Asset-backed securities	13,245	99	237	160	270	—	525	14,536
Commercial mortgage-backed securities	11,689	—	—	—	—	—	—	11,689
Non government backed collateralized mortgage obligations	3,944	—	—	—	—	—	167	4,111
Total fixed income securities exposed to credit risk	$ 41,860	$ 3,438	$ 3,325	$ 3,889	$ 964	$ 185	$ 41,686	$ 95,347
Percent of total fixed income portfolio	35.1%	2.9%	2.8%	3.3%	0.8%	0.2%	36.0%	80.1%

The Plan's exposure to credit risk at June 30, 2006 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	Rating Not Available or Not Rated	Total
U.S. Treasury strips	$ 10,349	$ —	$ —	$ —	$ —	$ —	$ —	$ 10,349
U.S. agencies	2,486	—	—	—	—	—	677	3,163
Government mortgage-backed securities	—	—	—	—	—	—	19,680	19,680
Municipal bonds	—	43	—	449	—	—	—	492
Corporate bonds	2,174	3,447	4,211	3,780	836	378	94	14,920
Asset-backed securities	16,342	121	280	160	147	—	498	17,548
Commercial mortgage-backed securities	9,446	81	—	—	—	—	—	9,527
Non government backed collateralized mortgage obligations	4,171	—	—	—	—	—	—	4,171
Commercial paper	—	—	—	—	—	—	348	348
Total fixed income securities exposed to credit risk	$ 44,968	$ 3,692	$ 4,491	$ 4,389	$ 983	$ 378	$ 21,297	$ 80,198
Percent of total fixed income portfolio	41.8%	3.4%	4.2%	4.1%	0.9%	0.4%	19.8%	74.6%

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

	2007		2006	
Credit Rating	OK INVEST	Custodial Agent	OK INVEST	Custodial Agent
AAA	77.1 %	— %	81.8 %	— %
A1	16.0	95.1	18.2	92.3
A2	—	4.9	—	7.7
NR	6.9	—	—	—
	100.0 %	100.0 %	100.0 %	100.0 %

(d) *Interest Rate Risk*

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

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

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

	2007		2006	
	Fair value	**Modified duration in years**	**Fair value**	**Modified duration in years**
U.S. Treasury notes/bonds	$ 23,232,470	10.2	$ 26,739,659	8.9
U.S. Treasury strips	10,587,607	19.6	10,349,376	17.6
U.S. agencies	7,612,367	0.8	3,394,041	1.9
Government mortgage-backed securities	34,060,735	6.6	20,023,796	11.6
Municipal bonds	417,373	4.1	492,225	4.5
Corporate bonds	12,800,999	6.2	14,920,339	5.7
Asset-backed securities	14,535,674	8.4	17,547,846	9.3
Commercial mortgage-backed securities	11,689,574	13.7	9,527,015	13.4
Non government backed collateralized mortgage obligations	4,110,639	13.7	4,170,622	14.1
Commercial paper	—		348,072	0.0
Total fixed income	$ 119,047,438		$ 107,512,991	
Portfolio duration		9.2		10.2

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, 2007 and 2006 the Plan held $14,535,674 and $17,547,846, respectively, in asset-backed securities.

Mortgage-backed securities are securities backed by mortgages issued by public and private institutions. At June 30, 2007 and 2006 the Plan held $34,060,735 and $20,023,796, 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 $11,689,574 and $9,527,015, respectively, in commercial mortgage-backed securities.

Collateralized mortgage obligations (CMOs) are mortgage-backed bonds that allocate mortgage cash flows (interest and principal) into different maturity classes, called tranches. This is accomplished by dedicating mortgage cash flows to specific tranches and paying each tranch off, in turn by prespecified rules. In return for a lower yield, CMOs provide investors with increased security about the life of their investment compared to purchasing a pass-through mortgage-backed security. If mortgage rates drop (rise) sharply, prepayment rates will increase (decrease), and CMO tranches may be repaid before (after) the expected maturity. At June 30, 2007 and 2006 the Plan held $4,110,639 and $4,170,622, 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:

	2007		2006	
Maturities (in days)	**OK INVEST**	**Custodial Agent**	**OK INVEST**	**Custodial Agent**
0 - 14	22.7 %	41.3 %	30.8 %	32.0 %
15 - 30	2.7	31.3	1.4	32.5
31 - 60	4.4	9.1	3.3	11.8
61 - 90	4.3	6.1	3.0	5.4
91 - 180	6.7	3.3	8.7	9.0
181 - 364	12.1	8.8	11.8	9.2
365 - 730	23.4	0.1	23.3	0.1
Over 730	23.7	—	17.7	—
	100.0 %	100.0 %	100.0 %	100.0 %

(5) Federal Income Tax Status

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

(6) New Pronouncement

On May 31, 2007 GASB issued Statement No. 50, *Pension Disclosures* (GASB 50) which amends GASB Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 27, *Accounting for Pensions by State and Local Governmental Employers* by requiring disclosure in the notes to the financial statements of pension plans and certain employer governments of the current funded status of the plan and other actuarial information which had previously been provided as required supplementary information. GASB 50 applies to all state and local governments and is effective for financial statements for periods beginning after June 15, 2007.

Schedule 1

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Administered by the Oklahoma Public Employees Retirement System

Required Supplementary Information
(Unaudited)

June 30, 2007

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/02	$ 193,010,895	$ 130,227,043	$ (62,783,852)	148.2 %	$ 25,744,427	(243.9) %
7/1/03	196,989,778	140,856,203	(56,133,575)	139.9	25,652,805	(218.8)
7/1/04	201,141,649	166,275,941	(34,865,708)	121.0	25,715,005	(135.6)
7/1/05	203,951,085	187,556,845	(16,394,240)	108.7	24,814,338	(66.1)
7/1/06	210,376,209	205,305,048	(5,071,161)	102.5	27,488,381	(18.4)
7/1/07	224,577,704	227,062,193	2,484,489	98.9	32,191,938	7.7

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2002	$ 977,570	50.3 %
2003	—	N/A
2004	—	N/A
2005	2,234,175	21.3
2006	4,441,184	17.8
2007	5,936,316	20.6

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

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

Note to Schedule 1 Required Supplementary Information
(Unaudited)

June 30, 2007

Actuarial Assumptions and Methods

The information presented in the required supplemental schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, July 1, 2007, is as follows:

Funding Method

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

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

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

Asset Valuation Method

An expected actuarial value is determined equal to the prior year's actuarial value of assets plus cash 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, which was changed effective July 1, 2000, to the entry age normal funding method, amortizes the unfunded actuarial accrued liability in both an underfunded and overfunded position on a

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

Note to Schedule 1 Required Supplementary Information
(Unaudited)

June 30, 2007

level dollar method over a 27-year closed period from July 1, 2000 (based on an original 40-year period from July 1, 1987). The aggregate actuarial cost method which was previously used does not identify or separately amortize unfunded actuarial accrued liabilities.

Significant actuarial assumptions employed by the actuary for funding purposes as of July 1, 2007, are as follows:

- Investment Return – 7.25% per annum, compounded annually
- Salary Increases – 5.5% per year
- Mortality Rates – Active participants and nondisabled pensioners – RP-2000 Mortality Table projected to 2010 by Scale AA (disabled pensioners set forward 15 years)
- Post Retirement Benefit Increases – 2% per year
- Post Retirement Health Insurance Premium – The Plan is required by statute to contribute up to $105 per month or the Medicare Supplement Premium, if less, for eligible Plan members receiving retirement benefits who elect health insurance coverage through the Oklahoma State and Education Employee's Group Health Program, which administers various group health benefit plans.
- Assumed inflation rate – 2.5%

The key items responsible for the change in the funded status at July 1, 2007, compared to July 1, 2006, is as follows:

- Liability losses occurred, increasing the actuarial accrued liability to a value $7.2 million more than expected due primarily to salary increases that were higher than assumed.
- The actuarial value of assets is determined using a method to smooth gains and losses to result in more stable costs. As a result, the return on the actuarial value was approximately 9.4% compared to the expected return of 7.25% resulting in an actuarial gain of $4.5 million.

Schedule 2

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

Supplementary Information

Schedule of Investment Expenses

Years Ended June 30, 2007 and 2006

	2007	2006
Investment management fees:		
Fixed Income Managers:		
Blackrock Financial Management, Inc.	$ 59,229	$ 56,026
Hoisington Investment Management	22,685	22,802
Metropolitan West Asset Management, LLC	36,920	35,414
U.S. Equity Manager:		
Barclays Global Investors	10,847	9,833
International Equity Manager:		
Barclays Global Investors	11,634	10,014
Total investment management fees	141,315	134,089
Investment consultant fees:		
Strategic Investment Solutions, Inc.	4,281	4,273
Investment custodial fees:		
Northern Trust Company	3,182	3,250
Total investment expenses	$ 148,778	$ 141,612

See accompanying independent auditors' report.

Schedule 3

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Administered by the Oklahoma Public Employees Retirement System

Supplementary Information

Schedule of Administrative Expenses

Years Ended June 30, 2007 and 2006

	2007	2006
Professional / Consultant services	$ 7,213	$ 6,074
Allocated administrative expenses (see note below)	103,844	92,144
	$ 111,057	$ 98,218

Note to Schedule of Administrative Expenses:

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

See accompanying independent auditors' report.

Schedule 4

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

Supplementary Information

Schedule of Professional/Consultant Fees

Years Ended June 30, 2007 and 2006

Professional/Consultant	Service	2007	2006
Milliman, Inc.	Actuarial	$ 2,159	$ —
Mercer Human Resource Consulting	Actuarial	803	1,860
KPMG LLP	External Auditor	2,214	2,106
Finley & Cook, PLLC	Internal Auditor	729	2,108
Business Imaging Systems	Technical Consulting	1,162	—
JS Consulting	Management Consulting	146	—
		$ 7,213	$ 6,074

See accompanying independent auditors' report.

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Investment Section

Oklahoma
A Century of Exploration

From Wiley Post to the Moon and Beyond

Flight has been an important aspect of Oklahoma's culture and identity since nearly the beginning of statehood. The first airplane ever flown in Oklahoma was only seven short years after the famed Wright Brothers flight in Kitty Hawk, North Carolina. In 1910, Charles Willard was the first to fly over Oklahoma City, reaching an altitude of 75 feet.

One of Oklahoma's favorite sons is the legendary trailblazer of aviation, Wiley Post. On June 23, 1931, he and navigator Harold Gatty took off from Roosevelt Field in Long Island, New York. Eight days, 15 hours and 51 minutes later, they touched down in New York after circling the globe. In July 1933, Post became the first to fly solo around the globe in 7 days, 18 hours and 49 minutes. His contributions to aviation technology are immense, including: the design and testing of a pressurized flight suit that permitted high-altitude flight and was a precursor to the flight suits used by modern astronauts; discovery of the jet stream; and, being one of the first to successfully use auto-pilot technology.

Oklahoma has produced leaders in the space exploration field with more astronauts calling Oklahoma their home than any other state. Gordon Cooper, Thomas Stafford, Shannon Lucid, Owen Garriott, William Pogue, John Herrington and Stuart Allen Roosa are Oklahomans who have traveled beyond Earth's atmosphere, expanding human boundaries and awakening our imaginations. Geraldyn "Jerrie" Cobb is a true pioneer for women in aviation. While her dream of space travel has not been realized, an unsuccessful campaign to fulfill Cobb's dream of space travel emerged in the late 90s. A 1998 article in *the Oklahoman* covering the story stated: "Cobb had flown crop dusters, gliders, blimps and B-17s. She'd earned world records for speed, altitude and distance. And by 1960, she had 10,000 flying hours, compared to John Glenn's, 5,000."

Aviation continues to push its limits in our state today with a spaceport located in Burns Flat. An Oklahoma-based company plans to provide commercial space flights to civilians in the future.

Photo of Wiley Post and Will Rogers provided courtesy of the Oklahoma Historical Society

Photo of Gordon Cooper provided courtesy of NASA, Johnson Space Center, Image S63-07853

STRATEGIC INVESTMENT SOLUTIONS, INC.

333 BUSH STREET, STE. 2000
SAN FRANCISCO, CALIFORNIA 94104

BARRY W. DENNIS
MANAGING DIRECTOR

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

Investment Consultant's Report

Investment Objectives

The primary financial objective is to earn a long-term return sufficient to avoid deterioration in funded status. The System's actuary estimates this return requirement to be 7.25% while its investment consultant estimates the real return requirement to be 5.2%.

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	6/30/07 ALLOCATION	LOW	TARGET	HIGH	% PASSIVE OR SEMI-PASSIVE
US EQUITY	38.9%	34.5%	38.0%	41.5%	100.0%
FIXED INCOME	44.0%	43.8%	46.0%	48.2%	63.1%
NON-US EQUITY	16.9%	12.5%	16.0%	19.5%	100.0%
CASH	0.2%	0.0%	0.0%	5.0%	100.0%

Review of Fiscal 2007 Investment Environment

Fiscal year ended June 30, 2007 saw an investment climate that favored the US Value-style (+21.3%) equity markets on a relative basis over the US Growth-style equities (+18.3%), a continuation of a trend that has developed over the past seven years. The total US equity market was up (+20.1% - Russell 3000 Index) for the 12-month period ending June 30, 2007. Fiscal year 2007 was the fourth consecutive fiscal year that equity markets were positive. Non-US equity markets once again fared even better (+30.1% - MSCI ACWI Free ex-US). The US fixed income market produced a positive return (+6.1% Lehman Aggregate Index) for the fiscal year ending June 30, 2007 as rising short-term interest rates were offset by a shift in the overall yield curve downwards.

Within the US equity market, stocks of large companies outperformed small (+20.4% versus +16.4%) for the first time in many years. Value stocks outperformed growth in large caps (+21.9% versus +19.1%) and performed in-line within small caps (+16.1% versus +16.8%).

Performance Review

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

Investment returns achieved through June 30, 2007 have been calculated using a time-weighted rate of return methodology based upon market values. As shown in the following table, for the one-year time period ending June 30, 2007 the Domestic Equity asset class and the Non-US Equity asset class performed in-line with their respective benchmarks (each are 100% passive); and the Fixed Income asset class also performed above its respective (80% Lehman Aggregate/ 20% Citigroup 20 -Year Index) custom benchmark. The Domestic Equity asset class and Non-US Equity ranked slightly below median, while the US Fixed Income asset class ranked above median.

Results in the US Equity and Non-US Equity asset classes performed right at their respective benchmarks and had little impact on the Fund's overall results for annualized periods of three and five years. Conversely, Fixed Income has helped the overall portfolio's results for the annualized time periods of three and five years. The total URSJJ Plan has added significant value over its Policy Benchmark for the annualized time periods of one, three and five years to June 30, 2007.

Strategic Investment Solutions prepares a Quarterly Report of Investment Performance for the Fund based on Performance calculations made by the Fund's custodian The Northern Trust Company. The one-year, three-year, and five-year time-weighted rates of return for the years ended June 30, 2007 are

PERIODS ENDED 6/30/07	ONE YEAR	THREE YEARS	FIVE YEARS
Domestic Equity	+20.1%	+12.5%	+11.2%
Russell 3000	+20.1%	+12.4%	+11.5%
Rank	51*	62	69
Non-US Equity	+27.4%	+22.6%	+18.1%
MSCI EAFE	+27.5%	+22.7%	+18.2%
Rank	61	58	69
Fixed Income	+6.4%	+4.9%	+5.7%
80% Lehman Agg/ 20% Citi 20-Year Index	+6.1%	+4.3%	+4.8%
Rank	36	22	23
Total Fund	+15.1%	+10.6%	+10.1%
*Policy Benchmark****	+13.8%	+9.6%	+9.1%
Public Fund > $100 Million	+17.1%	+12.3%	+11.2%
Rank**	89	85	80

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

Yours truly,

Barry Dennis
Managing Director

TOM SPENCER
EXECUTIVE DIRECTOR

BRAD HENRY
GOVERNOR

STATE OF OKLAHOMA

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Chief Investment Officer's Report

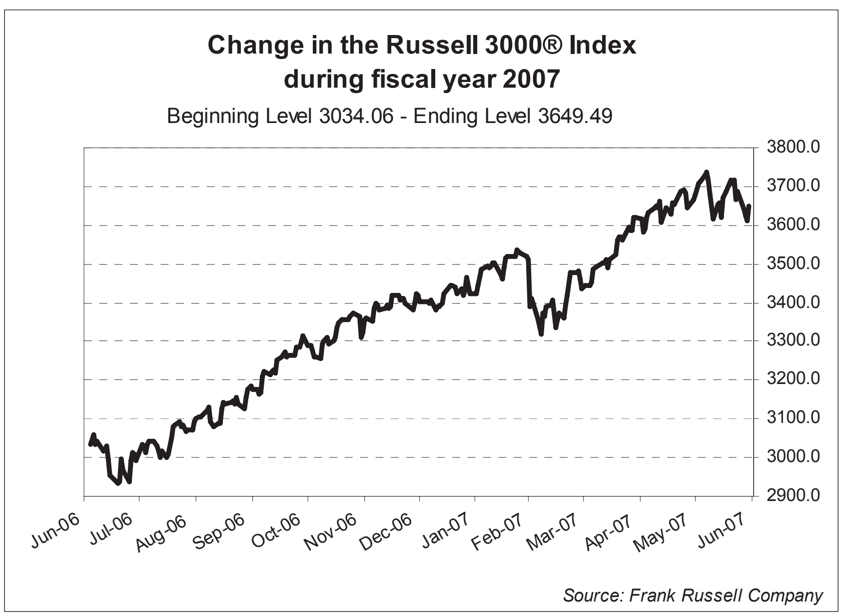
Dear Members:

In this letter we will look back at the environment and events that helped to shape investment returns for the fiscal year ending June 30, 2007. I will present investment performance of major markets and the Fund for last year and for longer periods. Since asset allocation plays a dominant role in determining investment performance, we will review the Fund's asset allocation. I will also provide a brief summary of the current economic outlook. Finally, I will summarize the investment philosophies and principles that have long guided and that continue to guide the management of the Fund.

Economic Environment

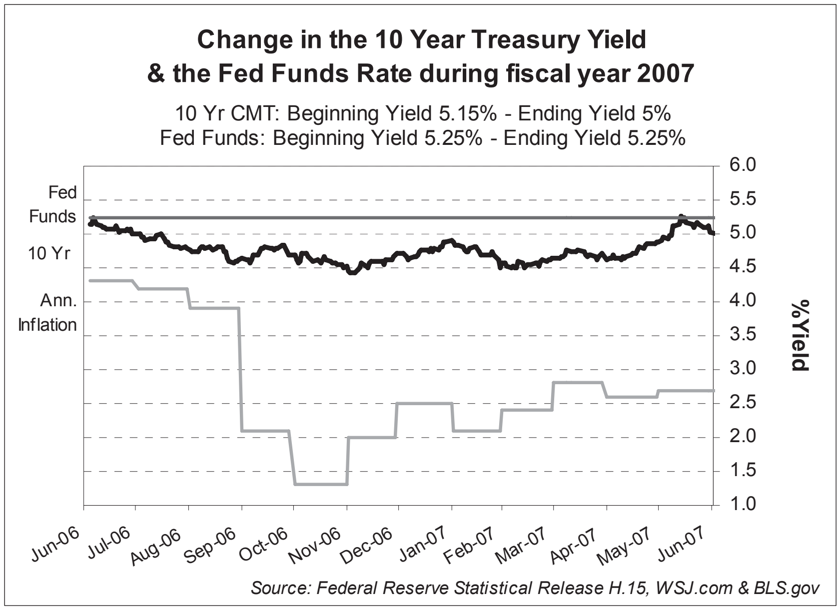
Shifting Gears - During the 12-months ending June 30, 2007 the economy grew at a slower rate than the past two fiscal years. Real gross domestic product grew by 1.9% versus a long term average of 3.4%. Business investment slowed and residential investment declined sharply. The raising of interest rates by the Federal Reserve prior to the beginning of this fiscal year began to produce the intended effect of slowing the economy.

Capital Markets



U.S. Stock Market – The chart to the right shows the level of the Russell 3000 stock index. This broad measure of the U.S. stock market finished the fiscal year well above where it began. The steady upward trend that began in March of 2003 remained intact with only one minor correction in March of this past year. The stock market was driven higher by the belief that the Fed had engineered a soft landing for the economy, the existence of ample liquidity for corporate merger and acquisition activity, and a generally positive outlook for global economic growth.

Interest Rates – The Federal Reserve left the Fed Funds rate unchanged during the 2007 fiscal year. Prior to the beginning of the past year the Fed had steadily raised rates in order to stem inflation. By September it was clear that the higher rates were producing the desired effect of lowering inflation. Yields on the ten-year Treasury bond were fairly stable during the year but remained lower than yields on shorter term fixed income instruments resulting in an inverted yield curve. Inverted yield curves are normally associated with slower future economic activity. The fairly stable interest rate environment meant that fixed income investment returns came predominantly from yield.



Investment Returns Through June 2007

US Equity	Asset Class	1 Year	3 Years	5 Years
Russell 3000	Broad US Equity	20.07%	12.44%	11.53%
S&P 500	Large Cap Equity	20.59%	11.68%	10.71%
Russell 1000 Growth	Large Cap Growth	19.04%	8.70%	9.28%
Russell 1000 Value	Large Cap Value	21.87%	15.93%	13.31%
Russell 2000	Small Cap Equity	16.43%	13.45%	13.88%
Russell 2000 Growth	Small Cap Growth	16.83%	11.76%	13.08%
Russell 2000 Value	Small Cap Value	16.05%	15.01%	14.62%
Uniform Retirement System for Justices & Judges	**Broad US Equity**	**20.11%**	**12.50%**	**11.17%**

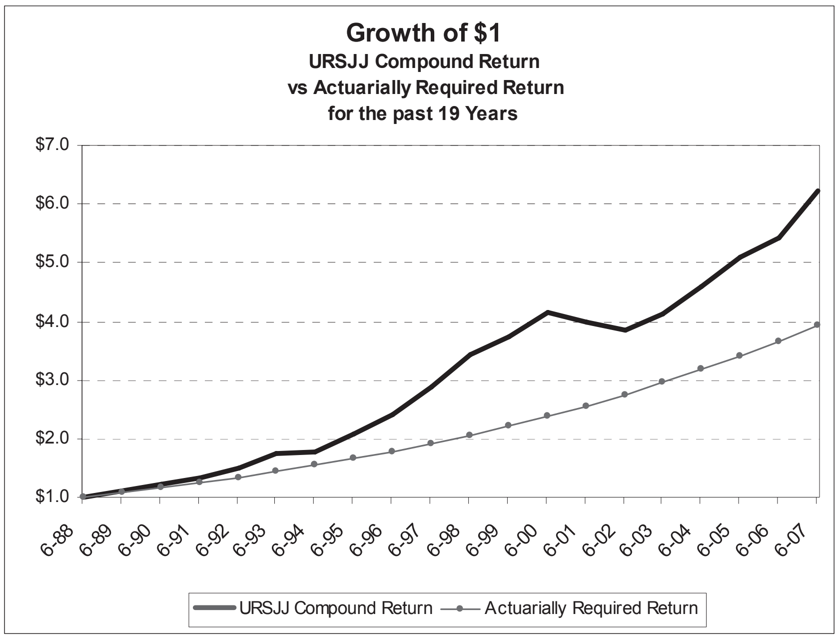
US Fixed Income	Asset Class	1 Year	3 Years	5 Years
3 month Treasury Bills	Cash	5.21%	3.77%	2.76%
Lehman Aggregate	Core Bonds	6.11%	3.98%	4.48%
Salomon Corporate	Corporate Bonds	5.97%	5.06%	5.86%
Merrill Lynch High Yield Master II	High Yield Bonds	11.75%	8.98%	11.75%
Uniform Retirement System for Justices & Judges	**Domestic Fixed Income**	**6.37%**	**4.94%**	**5.66%**

International	Asset Class	1 Year	3 Years	5 Years
MSCI ACWI Free Ex-US	Broad Non-US Equity	30.15%	25.03%	19.93%
MSCI EAFE	Developed Non-US Equity	27.53%	22.75%	18.21%
MSCI Emerging Mkts. Free	Emerging Non-US Equity	45.45%	38.67%	30.66%
Lehman Global Ex-US Bond	Global Bonds	2.67%	3.52%	6.98%
Uniform Retirement System for Justices & Judges	**International Equity**	**27.38%**	**22.60%**	**18.09%**
Uniform Retirement System for Justices & Judges	**Total Fund**	**15.09%**	**10.61%**	**10.05%**

Source: Strategic Investment Solutions; Northern Trust

Investment Performance

Stocks excel and Bonds are steady – Both U.S. and international equities had very strong double digit gains for the fiscal year ending June 30, 2007. Bonds earned their coupon income with little price change due to the stable interest rate environment. Among U.S. equities there was a change from recent trends as stocks of large companies outperformed smaller companies. International equities were the standout asset class last year, benefiting from strong economic growth abroad and a declining U.S. dollar.



A Long-term Perspective – The chart to the right shows the growth that compound returns of the Fund produced relative to the growth that compound returns of the assumed actuarial rate would have produced. Over this long-term horizon of the past 19 years the investment portfolio returns have produced growth well in excess of what would have been experienced had the Fund earned the actuarially assumed rate. The actuarial rate was 7.5% for all years prior to fiscal year 2005 when it was lowered to 7.25%. While pleased with this long-term performance, we are cognizant of the fact that this period was characterized by a strong bull market in stocks and falling yields in the bond market. Relative to recent decades, bond yields are low and mathematically, a similar drop in bond yields from current levels is implausible. Stock dividend yields are relatively low and stocks seem fairly priced by historical standards. We, therefore, anticipate that beating the 7.25% actuarial rate in the years to come will be a challenge.

Asset Allocation

Diversification reduces volatility – Diversification is the investor's best defense against the risks associated with any individual asset class. Diversification controls risk by allocating assets across various asset classes. The asset allocation statistics of the Fund are shown below.

Asset Allocation				
Asset Class	**Min**	**06/30/07**	**Target**	**Max**
Domestic Fixed Income	43.8%	44.2%	46.0%	48.2%
US Equity	34.5%	38.9%	38.0%	41.5%
International Equity	12.5%	16.9%	16.0%	19.5%
Total Fund		**100.0%**	**100%**	

Recent Events and Outlook

Looking Ahead – As we look forward, it appears that the investment environment may be more interesting to say the least. On the negative side, the decline in the U.S. housing market has, by many standards, become severe and it looks as if any improvement is a long way off. Defaults in sub-prime mortgages were far above estimates sending shockwaves through the financial markets as investors scrambled to assess the damage. Markets began to behave erratically in response to the credit panic. The assumed high level of liquidity that was a primary underpinning to the rise in stock prices abruptly came into question as credit became scarce in certain sectors. On the positive side, the recent credit panic has been mitigated to some extent by Federal Reserve actions and markets appear to be returning to business as usual. The outlook for the economy calls for slower growth but few economists are predicting an outright recession. Corporate balance sheets are healthy and global growth remains strong. The full impact of the housing slump remains to be seen but the markets have already factored in a measure of disappointment.

Recent developments have been constructive, however, several concerns remain. Federal Reserve action lowering interest rates has sent the U.S. dollar to new lows relative to other major currencies. A falling dollar generally means rising prices for imported goods. Prices of many important commodities have risen sharply with some trading at, or near, record prices. If these higher prices get transmitted into higher domestic inflation it may cause the Fed to reverse course and resume raising interest rates. If the Fed has to resume raising rates it would likely lead to sharp corrections in the capital markets. While such an environment may present challenges, we anticipate that over the long term our diversification and rebalancing discipline will provide appropriate risk controls.

Investment Philosophies and Guiding Principles

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

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

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

Sincerely,

Kirk D. Stebbins, CFA
Chief Investment Officer

Largest Holdings

The Plan's ten largest fixed income holdings at June 30, 2007, are described in the following schedule. The Plan invests in various index funds which are separately presented.

Ten Largest Fixed Income Holdings (By Fair Value):

Security	Par	Fair Value
U.S. Treasury Bonds Principal Strips due 11-15- 2027	$ 18,999,000	$ 6,624,476
FHLB Discount Note 7-02-2007	6,600,000	6,600,000
FNMA 30 Year Pass-throughs 5.5% 30 years	4,900,000	4,725,438
U.S. Treasury Bonds 6.25% due 8-15-2023	3,415,000	3,791,985
FNMA Single Family Mortgage 5% 30 years	3,400,000	3,184,311
FNMA Single Family Mortgage 6% 30 years	3,000,000	2,967,186
FNMA Pool #836071 5% 10-01-2035 BEO	3,027,052	2,844,067
U.S. Treasury Bonds 5.25% due 2-15-2029	2,700,000	2,718,563
U.S. Treasury Bonds 4.5% due 2-15-2036	2,755,000	2,494,567
U.S. Treasury Bonds 6.375% due 8-15-2027	2,093,000	2,392,561

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

Fund	Units	Fair Value
BGI Russell 3000 Index Fund	6,914,177	$ 93,295,860
BGI EAFE Equity Index Fund	191,499	40,555,558

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

Schedule of Stock Brokerage Commissions Paid

Year ended June 30, 2007

None

Investment Portfolio by Type and Manager

At June 30, 2007, the investment portfolio of URSJJ was allocated by type and style as follows:

Investment Type and Manager	Style	Fair Value* (000's)	Percent of Total Fair Value
Fixed Income:			
Hoisington Investment Management	Interest Rate Anticipation	$ 20,531	8.1%
Blackrock Financial Management, Inc.	Enhanced Index	80,638	31.7%
Metropolitan West Asset Management	Full Range Core +	18,657	7.3%
Total Fixed Income		119,826	47.1%
US Equities:			
Barclays Global Investors	Index Fund – Russell 3000	93,296	36.7%
International Equities:			
Barclays Global Investors	Index Fund – EAFE	40,556	16.0%
Short-term Investment Funds	Operating Cash	399	0.2%
Total Managed Investments		254,077	100.0%
Securities Lending Collateral		28,324	
Cash on Deposit with State		30	
Total Investments and Cash and Cash Equivalents		$ 282,431	
Statement of Plan Net Assets			
Cash and cash equivalents		$ 1,208	
Investments		281,223	
Total Investments and Cash and Cash Equivalents		$ 282,431	

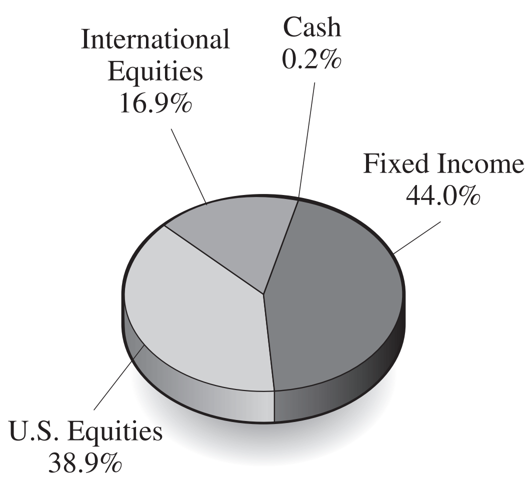
* *Manager fair values include their respective cash and cash equivalents.*

Asset Comparison

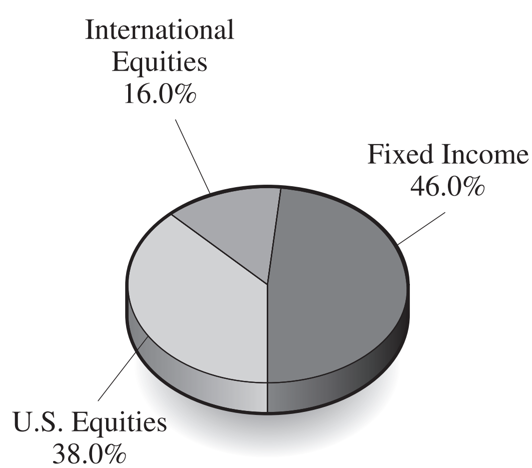
A comparison of the actual investment distribution at June 30, 2007 and 2006, based on the net investment manager holdings, including accrued income, payables and receivables, compared to the target allocation and previous year's allocation is as follows:

2007

Asset Mix

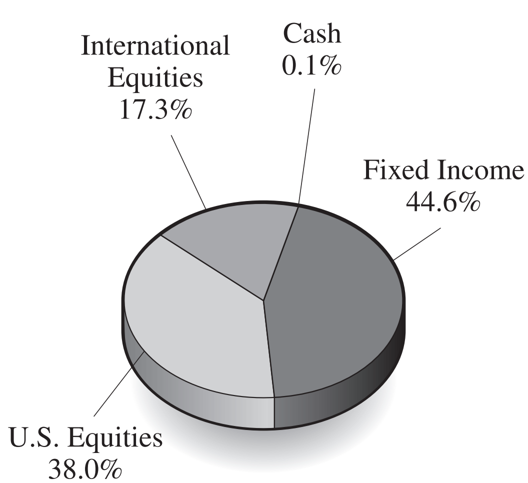


Target Policy Mix

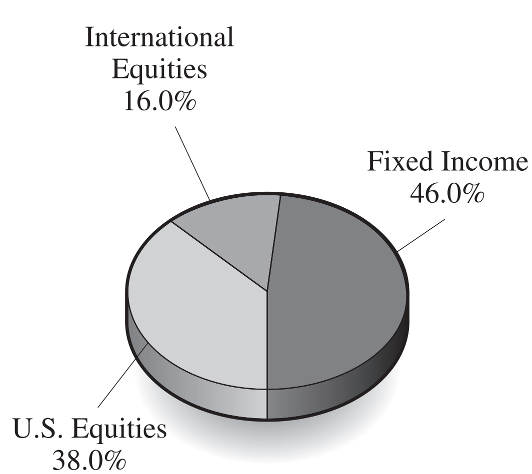


2006

Asset Mix



Target Policy Mix



ACTUARIAL SECTION

OKLAHOMA
A Century of Exploration
1907 – 2007

OKLAHOMA
A Century of Exploration

Get Your Kicks on Route 66

The Second World War, and the industries that it helped create, brought economic recovery to the nation. The post-war period saw Oklahoma become a major hub in the national transportation system. Three U.S. highways and Interstates 35, 40, and 44 all intersect in Oklahoma; but even before these highways, people were exploring the west on the "Mother Road" – Route 66.

U.S. 66 traversed the country from Chicago to Los Angles and spanned 2,448 miles. It was officially commissioned in 1926 and fully paved in 1937. Tulsa's Cyrus Avery is often referred to as "the father of Route 66". Avery was instrumental in plotting its course, and it was his suggestion to take the road south through Tulsa and Oklahoma City, rather than north and over the Rocky Mountains.

The 1950s and 1960s were exciting times for travel. The automobile was becoming affordable and gaining popularity and Route 66 offered travelers a wide array of roadside entertainment. Oklahoma had its share of interesting sites, including the Round Barn (Arcadia), the Blue Whale (Catoosa), the Coleman Theatre Beautiful (Miami), the Meramec Caverns Barn (Lincoln County), the Milk Bottle Building (Oklahoma City), Totem Pole Park (Foyil), and the Rock Café (Stroud).

The beginning of the end for Route 66 came in 1956, with the signing of the Interstate Highway Act. With Germany's Autobahn as an example, states began bypassing cities in order to create high-speed roadways with the goal of driving across the county without stopping. In 1953, Oklahoma was the first to build a major bypass with the Turner Turnpike. The Turner Turnpike runs parallel to Route 66 and connects Tulsa and Oklahoma City. Although Route 66 has been decommissioned, the spirit of exploration and independence still lives in the hearts of all Oklahomans.

A MILLIMAN GLOBAL FIRM
Milliman
Consultants and Actuaries

1120 South 101st Street, Suite 400
Omaha, NE 68124-1088
Phone: (402) 393-9400
Fax: (402) 393-1037
www.milliman.com

October 29, 2007

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

Re: Certification of July 1, 2007 Actuarial Valuation of the Oklahoma Uniform Retirement System for Justices and Judges (URSJJ)

Dear Members of Board:

At your request, we have completed an actuarial valuation of the Oklahoma Uniform Retirement System for Justices and Judges (URSJJ) as of July 1, 2007 for the purpose of determining the actuarial contribution rate for the fiscal year ending June 30, 2008 and calculating and analyzing key financial measurements. Actuarial valuations are performed annually. There was no change in the benefit provisions, actuarial assumptions or methods from the prior valuation.

All of the information and supporting schedules in the Actuarial Section have been provided by Milliman, Inc. We also provided the *Schedule of Funding Progress* and *Schedule of Employer Contributions*, which appear in the Financial Section of the System's Annual Report.

In preparing our report, we relied, without audit, on information (some oral and some written) supplied by the System's staff. This information includes, but is not limited to, statutory provisions, member data and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board (ASB) and the applicable Guides to Professional Conduct, amplifying Opinions, and supporting recommendations of the American Academy of Actuaries.

We hereby further certify that, in our opinion, each actuarial assumption used is reasonably related to the experience of the System and to reasonable expectations which, in combination, represent our best estimate of anticipated experience under the System. Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions. The Board of Trustees has the final decision regarding the appropriateness of the assumptions and has adopted the assumptions shown later in this section. The assumptions comply with the requirements of Statement 25 of the Governmental Accounting Standards Board.

Actuarial computations presented in this report are for purposes of determining the actuarial contribution rates for funding the System. Actuarial computations under GASB Statements No. 25 and 27 are for purposes of fulfilling financial accounting requirements. The computations prepared for these two purposes may differ. The calculations in this report have been made on a basis consistent with our understanding of the System's funding requirements and goals, and of GASB Statements No. 25 and 27. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

In addition to these results, 20 Okla. Stat, Section 1108(D) requires disclosure of valuation results under prescribed assumptions. This information is provided elsewhere in the System's Annual Report.

We would like to express our appreciation to the OPERS staff, who gave substantial assistance in supplying the data on which this report is based.

I, Patrice A. Beckham F.S.A., am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

I, Brent A. Banister F.S.A., am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

MILLIMAN, Inc.

Sincerely,

Patrice Beckham

Patrice A. Beckham, F.S.A.
Consulting Actuary

Brent A. Banister

Brent A. Banister, F.S.A.
Actuary

Summary of Principal Valuation Results

The key results for the July 1, 2007 valuation are presented below, along with a comparison to the prior valuation results.

		7/1/2007 Valuation	7/1/2006 Valuation	% Change
1.	**PARTICIPANT DATA**			
	Number of:			
	Active Members*	278	272	2.2
	Retired and Disabled Members and Beneficiaries	194	180	7.8
	Inactive Members	11	10	10.0
	Total Members	483	462	4.5
	Projected Annual Salaries* of Active Members	$ 32,191,938	$ 27,488,381	17.1
	Annual Retirement Payments for Retired Members and Beneficiaries	$ 9,410,934	$ 8,365,205	12.5
	* Includes "No Application" members			
2.	**ASSETS AND LIABILITIES**			
	Total Actuarial Accrued Liability	$ 227,062,193	$ 205,305,048	10.6
	Market Value of Assets	240,250,642	213,717,521	12.4
	Actuarial Value of Assets	224,577,704	210,376,209	6.8
	Unfunded Actuarial Accrued Liability	2,484,489	(5,071,161)	(149.0)
	Funded Ratio	98.9%	102.5%	(3.5)
3.	**EMPLOYER CONTRIBUTION RATES AS A PERCENT OF PAYROLL**			
	Normal Cost Rate	30.28%	31.88%	(5.0)
	Amortization of Unfunded Actuarial Accrued Liability	0.72%	(1.68%)	(142.9)
	Budgeted Expenses	0.66%	0.76%	(13.2)
	Actuarial Contribution Rate	31.66%	30.96%	2.3
	Less Estimated Member Contribution Rate	8.00%	8.00%	0.0
	Employer Actuarial Required Contribution Rate	23.66%	22.96%	3.0
	Less Statutory Employer Contribution Rate	5.50%	4.00%	37.5
	Contribution Shortfall	18.16%	18.96%	(4.2)

Summary of Actuarial Assumptions and Methods

1. The investment return rate used in the valuation was 7.25 percent per year, net of investment expenses, compounded annually. This rate of return is not the assumed real rate of return. The real rate of return is the rate of return in excess of the inflation rate. Considering other financial assumptions, the 7.25 percent investment return rate translates to an assumed real rate of return of 4.75 percent.
2. The RP-2000 Mortality Table projected to 2010 using Scale AA for males and females is used for preretirement and postretirement mortality.
3. The probabilities of withdrawal from service is 2% for all years of service. The individual pay increase assumption is 5.5% per year.
4. The probabilities of retirement are shown in Schedule 1.
5. Benefits are assumed to increase two percent each year 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 (20 years as of July 1, 2007).
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. The actuarial assumptions and methods used in the valuation were adopted by the Board based upon recommendations by the actuary. The assumptions and methods used for the July 1, 2007 valuation were adopted by the Board based on System experience through June 30, 2004.
9. There was no change in the actuarial assumptions since the prior valuation.
10. There was no change in the plan provisions since the prior valuation.

Summary of Actuarial Assumptions and Methods (continued)

Schedule 1

Percent of Eligible Active Members Retiring Within Next Year

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

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll[1]	Annual Average Pay	% Increase in Average Pay
July 1, 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)
July 1, 2003	268	25,652,805	95,719	(1.10)
July 1, 2002	266	25,744,427	96,784	6.10
July 1, 2001	261	23,808,429	91,220	5.97
July 1, 2000	259	22,295,354	86,082	(1.02)
July 1, 1999	259	22,525,441	86,971	5.45
July 1, 1998	256	21,113,393	82,474	7.92

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

Schedule of Retirants, 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, 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
June 30, 2003	22	1,195,498	6	113,045	169	6,208,320	18.97	36,736
June 30, 2002	4	201,284	7	115,880	153	5,218,274	4.92	34,106
June 30, 2001	6	201,563	4	90,075	156	4,973,461	1.89	31,881
June 30, 2000	4	233,672	3	36,766	154	4,881,381	5.89	31,697
June 30, 1999	17	842,751	6	74,816	153	4,609,794	19.16	30,129
June 30, 1998	4	266,484	4	59,249	142	3,868,549	5.66	27,243

Analysis of Financial Experience

Gains & Losses in Actuarial Accrued Liability During the Year Ended June 30, 2007 Resulting from Differences Between Assumed Experience & Actual Experience

Type of Activity	Gain (or Loss) for Year 2007
1. **Age & Service Retirements.** If members retire at older ages or with greater benefits than assumed, there is a gain. If they retire at younger ages or have higher average pays, a loss occurs.	$ (1,100,000)
2. **Death Benefits.** If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(700,000)
3. **Withdrawal from Employment.** If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	200,000
4. **Pay Increases.** If there are smaller pay increase than assumed, there is a gain. If greater increases, a loss.	(5,100,000)
5. **New Entrants.** All new entrants to the System create a loss.	(100,000)
6. **Other.** Miscellaneous gains and losses resulting from data adjustments, employee transfers, valuation methods, etc.	(400,000)
7. **Gain (or Loss) During Year From Financial Experience.**	4,490,000
8. **Composite Gain (or Loss) During Year.**	$ (2,710,000)

Summary of System Provisions

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

Summary of System Provisions (continued)

Survivor Benefit (continued):	survivor coverage, members must be married to their spouse for three years preceding death and they must be married 90 days prior to the member's termination of employment as a Justice or Judge. Effective October 1, 2004, the benefit for surviving spouses may be higher than 50% of the member's benefit, up to 65% for certain members who made additional voluntary survivor benefit contributions of 3% of salary prior to July 1, 1999, and who die or retire after July 1, 1999.
Optional Forms of Retirement Benefits:	The normal form of benefit for a single member is a single life monthly annuity with a guaranteed refund of the contribution accumulation. The normal form for a married member is a 50% joint and survivor annuity benefit. Optional forms of payment with actuarial reduction (if applicable) are available to all members retiring under the normal retirement or vested retirement provisions. After September 1, 2005, the options providing post-retirement death benefits are: Option A -- Joint and 50% survivor annuity with a return to the unreduced amount if the joint annuitant dies. Option B -- Joint and 100% survivor annuity with a return to the unreduced amount if the joint annuitant dies. For married members, spousal consent is required for any option other than Option A.
Participant Death Benefit:	$5,000 lump sum.
Supplemental Medical Insurance Premium:	The System contributes the lesser of $105 per month or the Medicare Supplement Premium to the Oklahoma State and Education Employee's Group Health Insurance Program for members receiving retirement benefits.

Solvency Test

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

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

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

In addition, the liabilities for service already rendered by members (liability 3) will be partially covered by the remainder of present assets. Generally, if the system has been using level contribution rate financing, the funded portion of liability 3 will increase over time; however, a decrease generally occurs in those years when substantial benefit improvements are granted by the Legislature. 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] (1 + 2 + 3)	Reported Assets[2]	(1)	(2)	(3)	Funded Ratio of Total Accrued Actuarial Liabilities
7/1/98[1]	$ 10,554,489	$34,903,094	$80,922,001	$126,379,584	$129,231,167	100%	100%	100.0%	102.3%
7/1/99[1]	10,526,150	45,162,645	113,295,085	168,983,880	148,769,710	100	100	86.4	91.0
7/1/00	11,758,092	47,407,633	68,854,755	128,020,480	169,693,888	100	100	100.0	132.6
7/1/01	13,243,150	47,984,952	77,929,139	139,157,241	184,909,669	100	100	100.0	132.9
7/1/02	14,478,606	50,647,373	65,101,064	130,227,043	193,010,895	100	100	100.0	148.2
7/1/03	14,614,834	63,042,410	63,198,959	140,856,203	196,989,778	100	100	100.0	139.9
7/1/04	15,947,990	64,357,324	85,970,627	166,275,941	201,141,649	100	100	100.0	121.0
7/1/05	15,883,671	82,158,147	89,515,027	187,556,845	203,951,085	100	100	100.0	108.7
7/1/06	16,672,133	90,877,534	97,755,381	205,305,048	210,376,209	100	100	100.0	102.5
7/1/07	17,218,458	104,441,388	105,402,347	227,062,193	224,577,704	100	100	97.6	98.9

[1] The System has been funded, in certain years indicated above, under the aggregate funding method. This method does not produce an actuarial accrued liability. For these years, the present value of future benefits has been used. The present value of future benefits is a more conservative (higher) liability measure than the actuarial accrued liability.
[2] Actuarial value of assets based on the smoothing technique adopted by the Board. The June 30, 2007, market value of net assets available for benefits was $240,250,642.

STATISTICAL SECTION

OKLAHOMA
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1907 2007

OKLAHOMA
A Century of Exploration

Fueling a Nation

Oklahoma is recognized as a leader in the energy field. Our state has long been known for exploration and innovations in the field of petroleum and natural gas. We are currently the nation's second-largest producer of natural gas and fifth-largest producer of crude oil with the second greatest number of active drilling rigs. Ten percent of the nation's natural gas supply is held in Oklahoma. Three of the largest private oil companies in the nation are located in the state, and the Oklahoma Energy Resources Board has restored more than 8,000 abandoned oil-well sites to their natural state.

The state is also taking bold steps in developing renewable energy sources that will help decrease the nation's dependency on foreign oil. Oklahoma, with its strong energy and agricultural foundation, is playing a defining role in the development of biofuels. Our universities and research institutions are working to increase feedstock yields and production efficiencies. Private investors and communities are actively engaged in ethanol and biodiesel projects across the state; and the Legislature is working to enhance incentives for biofuels production and distribution.

With approximately 700 megawatts of wind generation currently in operation, Oklahoma's developed wind farm capacity ranks sixth nationally. Most of the state's major electric utilities offer wind energy to their customers, and Oklahoma boasts enough potential wind resources to supply 10% of the country's electricity needs.

Photo of oil field courtesy of American Environmental Photographs Collection, Department of Special Collections, University of Chicago

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 Assets, 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*, Summary of Retirees*, Beneficiaries and Disabled Members*, Summary of Terminated Vested Members*, Summary of Active Members*.*

Schedules and information are derived from URSJJ internal sources unless otherwise noted.
*Schedules and data are provided by actuarial consultant Milliman, Inc.

Schedule of Changes in Net Assets

Year Ending June 30	Additions			Deductions			Total Changes in Net Assets
	Contributions		Investment	Benefit	Administrative		
	Member	Employer	Income	Payments	Expenses	Refunds	
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
2003	1,791,825	488,459	10,817,945	5,958,531	80,957	94,062	6,964,679
2002	1,810,491	491,596	(6,161,553)	5,097,638	89,461	223,380	(9,269,945)
2001	1,683,917	1,886,294	(7,401,129)	5,024,026	74,025	32,762	(8,961,731)
2000	1,621,422	3,201,123	18,373,162	4,688,241	65,663	133,976	18,307,827
1999	1,373,976	3,104,774	13,474,143	4,338,277	105,806	53,198	13,455,612
1998	1,307,193	2,877,610	24,706,229	3,943,685	85,243	59,664	24,802,440

Schedule of Revenue by Source

Year Ending June 30	Member Contributions	Employer Contributions Dollars	Employer Contributions % of Annual Covered Payroll	Investment Income (Loss)	Total
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
2003	1,791,825	488,459	1.90	10,817,945	13,098,229
2002	1,810,491	491,596	1.91	(6,161,553)	(3,859,466)
2001	1,683,917	1,886,294	8.46	(7,401,129)	(3,830,918)
2000	1,621,422	3,201,123	14.21	18,373,162	23,195,707
1999	1,373,976	3,104,774	14.71	13,474,143	17,952,893
1998	1,307,193	2,877,610	14.65	24,706,229	28,891,032

Schedule of Expenses by Type

Year Ending June 30	Benefit Payments	Administrative Expenses	Refunds and Withdrawals	Total
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
2003	5,958,531	80,957	94,062	6,133,550
2002	5,097,638	89,461	223,380	5,410,479
2001	5,024,026	74,025	32,762	5,130,813
2000	4,688,241	65,663	133,976	4,887,880
1999	4,338,277	105,806	53,198	4,497,281
1998	3,943,685	85,243	59,664	4,088,592

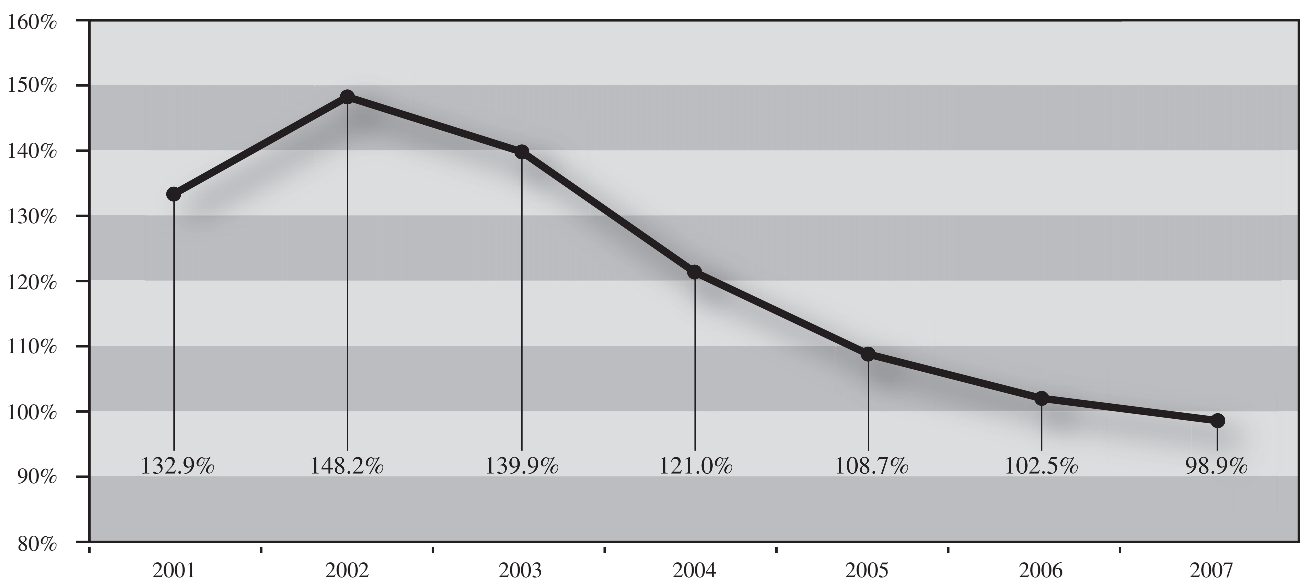
Schedule of Benefit Payments and Refunds by Type

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 Changes in Net Assets** and **the Schedule of Expenses by Type** included elsewhere in this Statistical Section.

Year Ending June 30	Service and Disability Benefits	Beneficiary Death Benefits	Refunds and Withdrawals	Total Benefit Payments and Refunds
2007	$ 8,947,416	$ 15,000	$ 97,642	$ 9,060,058
2006	7,964,684	45,000	55,220	8,064,904
2005	7,366,088	27,500	164,018	7,557,606
2004	6,461,146	15,000	83,112	6,559,258
2003	5,928,531	30,000	94,062	6,052,593
2002	5,057,638	40,000	223,380	5,321,018
2001	5,014,027	10,000	32,761	5,056,788
2000	4,669,241	19,000	133,976	4,822,217
1999	4,318,277	20,000	53,198	4,391,475
1998	3,923,685	20,000	59,664	4,003,349

Funded Ratio Chart

As of July 1



Rate of Return by Type of Investment

Year Ending June 30	Fixed Income	U.S. Equity	International Equity	Total
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
2003	13.1	(0.9)	(6.1)	6.7
2002	7.3	(16.8)	(11.6)	(3.4)
2001	10.3	(13.6)	(28.2)	(3.8)
2000	5.8	12.5	24.4	11.1
1999	2.2	15.5	8.3	8.8
1998	14.1	26.4	7.4	19.2

Schedule of Retired Members by Type of Benefit

June 30, 2007

Amount of Monthly Benefit	Number of Retirees	Type of Retirement** 1	2	3	4	Option Selected # Opt. 1	Opt. 2	Opt. 3	Opt. 4
$ 1 - 1,000	12	-	12	-	-	-	12	-	-
1,001 - 2,000	30	8	22	-	-	-	28	1	1
2,001 - 3,000	23	15	8	-	-	1	21	1	1
3,001 - 4,000	29	22	6	-	1	-	28	-	-
4,001 - 5,000	41	38	1	2	-	-	38	-	3
Over - 5,000	59	59	-	-	-	3	53	1	2
Totals	194	142	49	2	1	4	180	3	7

****Type of Retirement**

Type 1 - *Normal retirement for age and service:* Eligible at (1) when the sum of the member's age plus years of service equals or exceeds 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

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, 2007, there are 11 former members with deferred future benefits.

Schedule of Average Benefit Payments

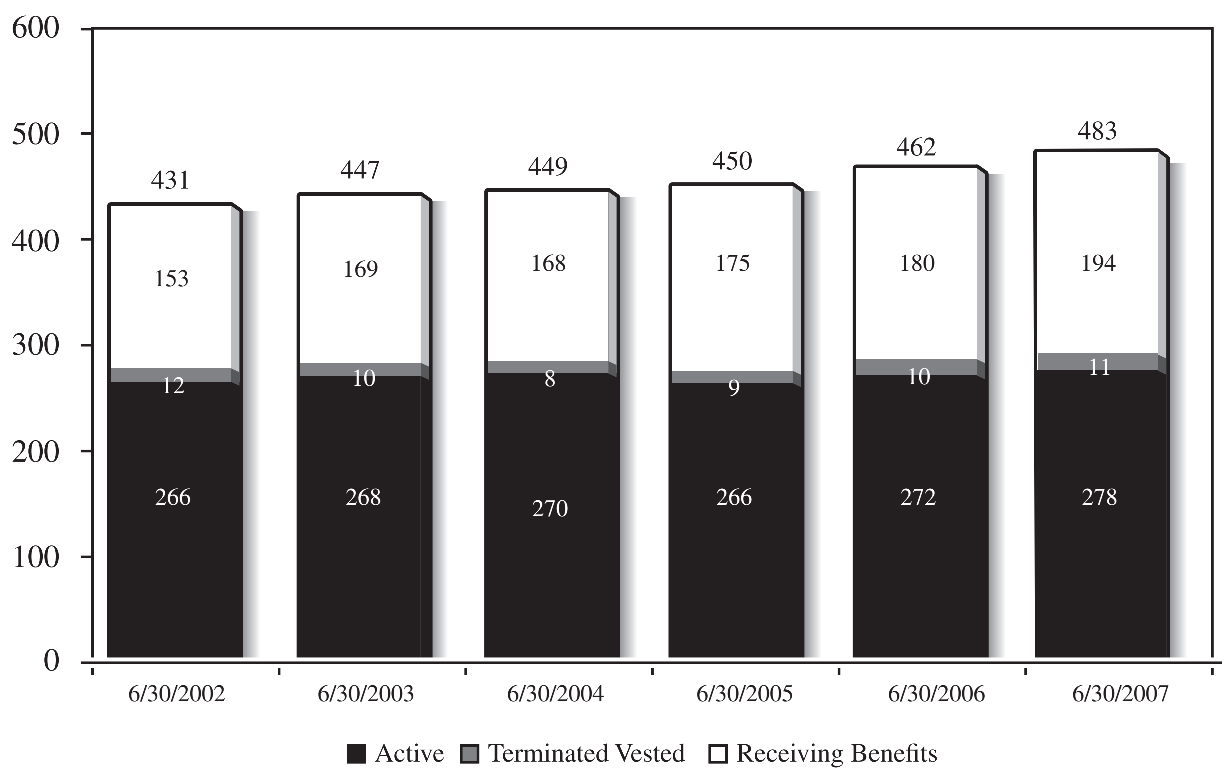
Retirement Effective Dates July 1, 1997 to June 30, 2007	Years of Credited Service 0 to 5	6 to 10	11 to 15	16 to 20	21 to 25	26 to 30	31+
Period 7/1/97 to 6/30/98							
Average Monthly Benefit	$ -	$ 1,675	$ -	$ 3,652	$ -	$ 4,373	$ -
Average Final Average Salary	$ -	$ 3,984	$ -	$ 4,461	$ -	$ 5,340	$ -
Number of Active Retirees	-	2	-	1	-	1	-
Period 7/1/98 to 6/30/99							
Average Monthly Benefit	$ -	$ 2,134	$ -	$ 4,882	$ 4,407	$ 5,624	$ 6,009
Average Final Average Salary	$ -	$ 6,059	$ -	$ 6,473	$ 6,620	$ 6,868	$ 7,338
Number of Active Retirees	-	2	-	5	4	2	2
Period 7/1/99 to 6/30/00							
Average Monthly Benefit	$ -	$ -	$ -	$ -	$ 4,519	$ 5,388	$ 6,403
Average Final Average Salary	$ -	$ -	$ -	$ -	$ 5,734	$ 6,778	$ 8,054
Number of Active Retirees	-	-	-	-	1	1	1
Period 7/1/00 to 6/30/01							
Average Monthly Benefit	$ -	$ 1,969	$ 3,066	$ 3,948	$ -	$ -	$ -
Average Final Average Salary	$ -	$ 4,816	$ 4,887	$ 6,255	$ -	$ -	$ -
Number of Active Retirees	-	1	2	3	-	-	-
Period 7/1/01 to 6/30/02							
Average Monthly Benefit	$ -	$ -	$ 1,645	$ 4,588	$ 5,833	$ -	$ -
Average Final Average Salary	$ -	$ -	$ 5,356	$ 7,384	$ 7,704	$ -	$ -
Number of Active Retirees	-	-	2	2	1	-	-
Period 7/1/02 to 6/30/03							
Average Monthly Benefit	$ -	$ -	$ 3,327	$ 4,822	$ 5,542	$ 6,015	$ 6,198
Average Final Average Salary	$ -	$ -	$ 5,209	$ 6,166	$ 6,524	$ 7,080	$ 7,297
Number of Active Retirees	-	-	3	10	5	2	1
Period 7/1/03 to 6/30/04							
Average Monthly Benefit	$ -	$ 1,719	$ 1,381	$ 5,113	$ -	$ 6,835	$ -
Average Final Average Salary	$ -	$ 3,541	$ 4,066	$ 6,268	$ -	$ 7,770	$ -
Number of Active Retirees	-	1	1	4	-	1	-
Period 7/1/04 to 6/30/05							
Average Monthly Benefit	$ -	$ 3,335	$ 3,618	$ 6,224	$ 7,326	$ 7,744	$ 9,077
Average Final Average Salary	$ -	$ 6,414	$ 6,027	$ 6,462	$ 6,163	$ 5,957	$ 6,982
Number of Active Retirees	-	1	2	2	4	2	4
Period 7/1/05 to 6/30/06							
Average Monthly Benefit	$ -	$ 2,432	$ 3,720	$ 4,420	$ 7,061	$ -	$ 8,352
Average Final Average Salary	$ -	$ 5,067	$ 6,279	$ 4,817	$ 5,996	$ -	$ 6,264
Number of Active Retirees	-	1	1	2	4	-	1
Period 7/1/06 to 6/30/07							
Average Monthly Benefit	$ -	$ 1,451	$ 3,829	$ 5,442	$ 7,183	$ 8,099	$ 7,838
Average Final Average Salary	$ -	$ 3,084	$ 5,602	$ 5,574	$ 5,350	$ 5,798	$ 5,533
Number of Active Retirees	-	2	5	1	4	4	1

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 Ending June 30	Covered Employees of the State
2007	278
2006	272
2005	266
2004	270
2003	268
2002	266
2001	261
2000	259
1999	259
1998	256

Demographics Chart



Member Statistics

Inactive members as of July 1, 2007	No.	Amount of Annual Benefit
Members receivng benefits		
Retired	142	$ 8,266,850
Surviving spouses	50	1,032,592
Disabled	2	111,492
Total	**194**	**$ 9,410,934**
Members with deferred benefits		
Vested terminated	11	$ 405,490
Surviving spouses	0	-
Disabled	0	-
Total	**11**	**$ 405,490**

Statistics for	No.	Average Age	Average Service	Average Earnings
Active members as of July 1, 2006				
Continuing	256	56.1	12.6	$ 101,604
New	16	45.5	0.6	92,363
Total	**272**	**55.5**	**11.9**	**$ 101,060**
Active members as of July 1, 2007				
Continuing	241	56.4	12.9	$ 117,225
New	37	52.0	0.8	106,506
Total	**278**	**55.8**	**11.3**	**$ 115,798**

Summary of Retirees, Beneficiaries and Disabled Members
(Annual Benefits)[1]

	Retired Members		Surviving Spouses		Disabled Members		Total	
Age	No.	Benefit	No.	Benefit	No.	Benefit	No.	Benefit
Under 51	0	$ 0	0	0	0	$ 0	0	$ 0
51	0	0	0	0	0	0	0	0
52	0	0	0	0	0	0	0	0
53	0	0	1	33,196	0	0	1	33,196
54	0	0	0	0	0	0	0	0
55	1	94,396	0	0	0	0	1	94,396
56	0	0	0	0	0	0	0	0
57	1	53,027	0	0	0	0	1	53,027
58	2	183,742	1	18,689	0	0	3	202,431
59	2	161,636	0	0	0	0	2	161,636
60	3	294,983	3	109,019	0	0	6	404,002
61	6	496,773	0	0	1	57,264	7	554,037
62	5	318,965	1	36,078	1	54,228	7	409,272
63	3	249,605	1	16,577	0	0	4	266,182
64	9	605,397	1	16,258	0	0	10	621,655
65	5	326,628	0	0	0	0	5	326,628
66	6	287,727	0	0	0	0	6	287,727
67	7	391,335	1	37,623	0	0	8	428,958
68	4	220,464	0	0	0	0	4	220,464
69	6	379,661	0	0	0	0	6	379,661
70	5	313,713	3	72,993	0	0	8	386,706
71	6	363,866	0	0	0	0	6	363,866
72	3	179,127	2	45,221	0	0	5	224,347
73	1	64,658	1	20,556	0	0	2	85,215
74	2	139,719	0	0	0	0	2	139,719
75	6	286,651	2	64,059	0	0	8	350,710
76	5	289,773	1	26,703	0	0	6	316,476
77	9	499,500	0	0	0	0	9	499,500
78	3	178,704	1	28,538	0	0	4	207,242
79	3	104,460	1	16,498	0	0	4	120,959
80	5	260,396	2	31,905	0	0	7	292,300
81	8	388,086	2	47,153	0	0	10	435,239
82	4	164,372	5	86,494	0	0	9	250,866
83	5	196,448	2	34,445	0	0	7	230,893
84	3	143,476	0	0	0	0	3	143,476
85	5	257,219	1	36,632	0	0	6	293,851
86	1	43,931	2	35,980	0	0	3	79,910
87	1	28,331	0	0	0	0	1	28,331
88	0	0	3	46,026	0	0	3	46,026
89	3	138,272	4	56,595	0	0	7	194,867
90	1	39,660	2	16,955	0	0	3	56,615
Over 90	3	122,147	7	98,400	0	0	10	220,547
Total	**142**	**$ 8,266,850**	**50**	**$ 1,032,592**	**2**	**$ 111,492**	**194**	**$ 9,410,933**

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

Summary of Terminated Vested Members

(Deferred Annual Benefits)[1]

Age	Members with Deferred Benefits	
	No.	Benefit
Under 40	0	$ 0
41	0	0
42	0	0
43	0	0
44	0	0
45	0	0
46	1	48,216
47	0	0
48	0	0
49	0	0
50	1	29,232
51	1	36,603
52	1	24,985
53	1	32,710
54	1	14,062
55	0	0
56	0	0
57	1	25,358
58	2	110,615
59	1	35,019
60	1	48,690
61	0	0
62	0	0
63	0	0
64	0	0
Over 64	0	0
Total	**11**	**$ 405,490**

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

Summary of Active Members

Age and years of credited service
Earnings tabulated are average rates of pay as of July 1, 2007

Count of Active Members

	Years of Service									
Age	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	Total
Under 20	0	0	0	0	0	0	0	0	0	0
20 to 24	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0
30 to 34	2	0	0	0	0	0	0	0	0	2
35 to 39	5	2	0	0	0	0	0	0	0	7
40 to 44	11	6	2	0	0	0	0	0	0	19
45 to 49	18	6	7	1	1	0	0	0	0	33
50 to 54	10	10	14	9	4	1	0	0	0	48
55 to 59	15	11	18	9	18	4	0	0	1	76
60 to 64	16	8	12	7	7	3	1	0	0	54
65 to 69	3	2	9	2	1	0	1	0	0	18
70 to 74	1	0	3	2	2	0	0	0	1	9
75 & Up	0	1	0	1	2	1	0	0	4	9
Total	81	46	65	31	35	9	2	0	6	275
									Members without applications	3
										278

Average Compensation[1]

	Years of Service									
Age	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	Total
Under 20	0	0	0	0	0	0	0	0	0	0
20 to 24	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0
30 to 34	105,422	0	0	0	0	0	0	0	0	105,422
35 to 39	105,448	115,259	0	0	0	0	0	0	0	108,251
40 to 44	113,386	113,582	100,580	0	0	0	0	0	0	112,100
45 to 49	106,097	113,582	119,418	138,311	124,965	0	0	0	0	111,832
50 to 54	107,408	115,865	117,673	115,259	112,832	124,965	0	0	0	114,454
55 to 59	112,592	115,590	116,202	115,259	119,833	124,055	0	0	149,040	116,995
60 to 64	115,243	116,472	117,382	119,418	123,902	126,987	131,031	0	0	118,509
65 to 69	103,960	107,891	116,607	124,965	124,965	0	115,259	0	0	114,849
70 to 74	114,158	0	118,494	110,406	135,277	0	0	0	124,965	120,664
75 & Up	0	105,553	0	138,311	127,998	105,553	0	0	134,974	127,256
Total	110,222	114,712	116,764	117,998	121,489	123,077	123,145	0	135,650	115,900

[1] Excludes members without applications. The average for members without application is $106,506, and the average for all members including those without application is $115,798.

Addendum

Oklahoma

A Century of Exploration

1907 2007

OKLAHOMA
A Century of Exploration

Education with an Eye to the Future

More than 236,000 students are enrolled in Oklahoma's twenty-five universities and colleges. These students will become the next generation of leaders for Oklahoma and the nation.

Oklahoma is quickly becoming the Research Capital of the Plains with our two research universities leading the way. Our state's research facilities are exploring the newest thresholds of knowledge in aerospace and aviation, biosciences, energy, information technology, nanotechnology, telecommunications and weather. Research breakthroughs in Oklahoma will continue to save and improve the lives of all Americans.

As the state strives to aggressively compete in the global economy, higher education in Oklahoma continues to develop programs and secure funding, bringing cutting-edge technology and research to our state. Our state's universities have lead the country in enrolling freshman National Merit Scholars, with OU at #1 per capita among public universities nationwide.

As Oklahoma moves into its second century of statehood, today's leaders will plot a course for tomorrow, fueled by the excellence of Oklahoma's educational system. The forward thinking and innovation our education brings will allow Oklahoma to become a positive example to the rest of the nation by bringing growth and prosperity to the Sooner state.

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Consultants and Actuaries

1120 South 101st Street, Suite 400
Omaha, NE 68124-1088
Phone: (402) 393-9400
Fax: (402) 393-1037
www.milliman.com

October 29, 2007

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

Re: Certification of 2007 Actuarial Results Under Prescribed Assumptions

Dear Members of the Board:

We have prepared an actuarial valuation of the Oklahoma Uniform Retirement System for Justices and Judges as of July 1, 2007 for the fiscal year ending June 30, 2008 using the prescribed assumptions and methods specified in 20 Okla. Stat, Section 1108(D). The results of the valuation reflect the benefit provisions in effect on July 1, 2007. Determinations for purposes other than meeting this requirement may be significantly different than the results shown here.

The results in this Section have been prepared for the sole purpose of meeting the statutory requirement, based on the following prescribed assumptions:

Interest rate: 7.50%
COLA assumption: 2.00%
Mortality: RP-2000 Mortality Table for Employees, Healthy Retirees and Disabled Retirees with Mortality Projected Forward from 2000 using Scale AA.
Amortization period: 30 years, open period
Sources of all contributions and revenues, including dedicated tax free revenue and federal monies.

All other assumptions, methodologies, and System provisions used are consistent with those used in the July 1, 2007 valuation. These assumptions, methodologies and provisions are described elsewhere in this document.

In preparing this valuation, we relied, without audit, on information (some oral and some in writing) supplied by the System's staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete, or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

The results shown here are not consistent with those in the July 1, 2007, valuation of the System. The July 1, 2007 valuation results were determined in accordance with generally accepted actuarial principles and practices that are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Guides to Professional Conduct, amplifying opinion and supporting recommendations of the American Academy of Actuaries. The results shown in this section are not based on the assumptions and methodologies adopted by the Board of Trustees. For those results, see the July 1, 2007 actuarial valuation report.

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

Patrice Beckham

Patrice A. Beckham, F.S.A.	October 29, 2007 Date
Brent A. Banister, F.S.A.	October 29, 2007 Date

Summary of Valuation Results Under Prescribed Assumptions

Actuarial Valuation as of July 1, 2007

Summary of Contribution Requirements	Amount
1. Annual covered compensation for members members included in valuation	$ 32,191,938
2. Total normal cost mid-year	9,671,244
3. Unfunded actuarial accrued liability	(599,731)
4. Amortization of unfunded actuarial accrued liability over 30 years	(48,977)
5. Budgeted expenses (provided by the System)	211,732
6. Total required contribution (2) + (4) + (5)	$ 9,833,999
7. Estimated member contribution	2,575,355
8. Required employer contributions (6 – 7) not less than $0	$ 7,258,644
9. Previous year's actual contribution	
a. Member	2,599,296
b. Employer	1,223,765
c. Total	$ 3,823,061

Summary of Costs	Actuarial Valuation as of July 1, 2007
Required employer contribution for current year	$7,258,644
Actual employer contributions received in prior year	1,223,765
Funded Status	
Actuarial accrued liability	$223,977,973
Actuarial value of assets	224,577,704
Unfunded actuarial accrued liability/(surplus)	(599,731)
Funded Ratio	100.3%
Market Value of Assets and Additional Liabilities	
Market value of assets	$240,250,642
Present value of projected System benefits	297,660,304

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Uniform Retirement System
Justices & Judges
P.O.Box 53007
Oklahoma City, Oklahoma 73152–3007
800/733-9008
opers.ok.gov