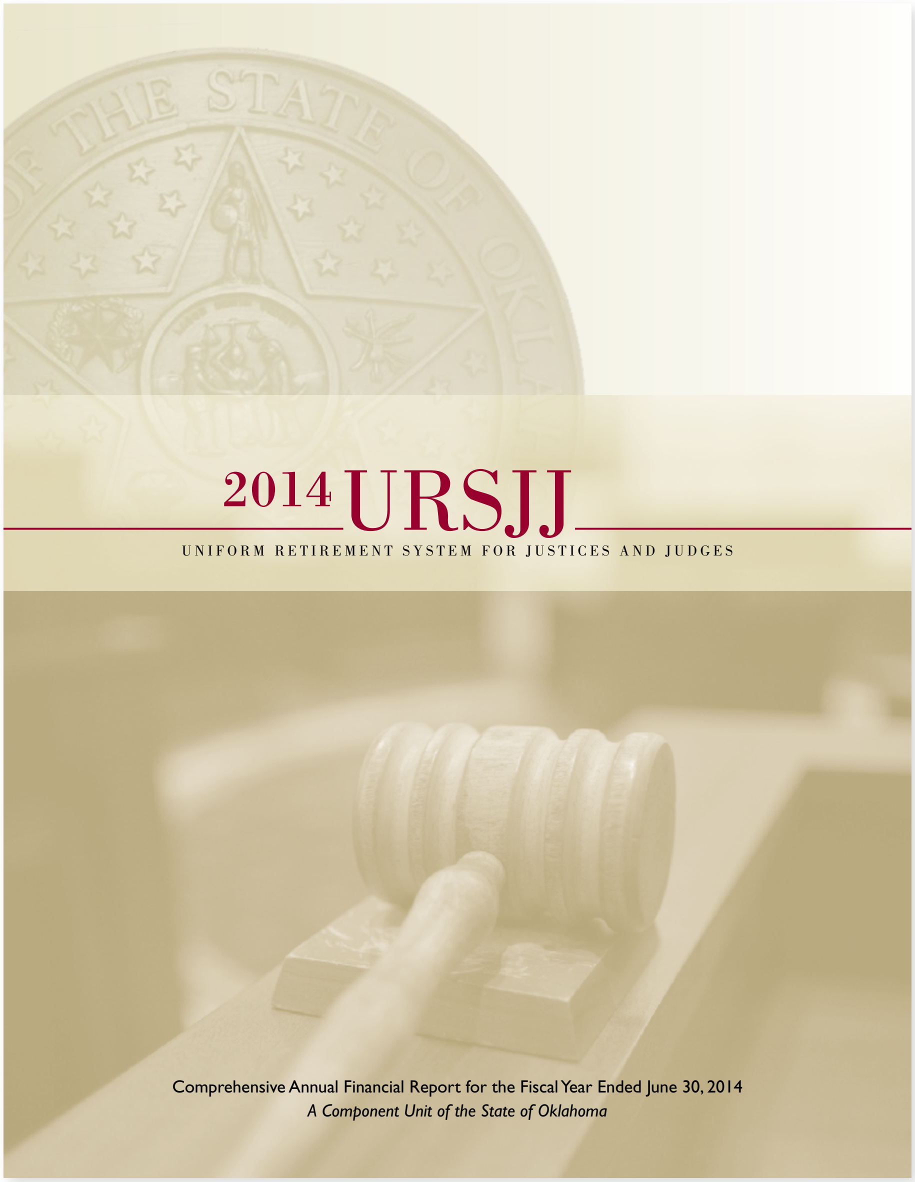
2014 URSJJ

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2014

A Component Unit of the State of Oklahoma



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

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

2014 Comprehensive Annual Financial Report

Table of Contents

Introductory Section

Financial Section

Investment Section

Actuarial Section

Statistical Section

Introductory

Letter of Transmittal

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

800.733.9008 toll-free
405.848.5946 fax

November 30, 2014

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, 2014.

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 fiduciary net position as of June 30, 2014 and 2013, and the related statements of changes in fiduciary net position for the years then ended. The independent auditor's report is located at the front of the Financial Section of this report.

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

Profile of the Plan

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

Members qualify for full retirement benefits at their normal retirement age, defined as: (1) when the sum of the member's age and years of credited service equals 80 or (2) at age 65 with 8 years of judicial service, (age 67 with 8 years of judicial service if becoming a member on or after January 1, 2012), or (3) at age 60 with 10 years of judicial service (age 62 with 10 years of judicial service if becoming a member on or after January 1, 2012). Benefits are determined at 4% of the member's

Letter of Transmittal (continued)

average salary, as defined, multiplied by the number of years of service, not to exceed 100% of the member's average monthly salary received as a justice or judge for the highest 36 months of compensation. Justices and judges retiring after September 1, 2005, may elect a maximum benefit with no survivor option or one of two actuarially reduced retirement benefits that provide for a lifetime benefit to be paid to the member's joint annuitant after the member's death. The original surviving spouse benefit for married judges who were members prior to September 1, 2005, continues to be available. Effective September 1, 2005, all justices and judges pay a uniform contribution rate of 8%.

The Board consists of 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 Management and Enterprise Services. Administrative overhead expenses of URSJJ, including personnel and other supporting services costs, are paid for by OPERS and allocated to URSJJ based on an estimate of the cost of services provided. The allocated costs are charged to URSJJ and paid with funds provided through operations of URSJJ. The OPERS budget work program, which includes the costs related to URSJJ, is approved by the Board and includes a description of all funds available for expenditure and shows spending by major program category. URSJJ receives no state appropriations and is funded through employee and employer contributions and investment earnings.

Additionally in each even-numbered year, OPERS, along with other state agencies, must file a strategic plan covering five fiscal years beginning with the next odd-numbered fiscal year. The strategic plan includes a mission statement, the core values and behaviors inherent to operations, and a summary of goals and objectives to be achieved through specific projects outlined for the five-year period. The mission of the OPERS Board and staff is to provide and promote comprehensive, accountable and financially sound retirement services to Oklahoma's public servants in a professional, efficient and courteous manner, and the core values and behaviors inherent to agency operations are honesty, integrity and accountability; excellence in service; and commitment to teamwork and team members. The summary of goals and objectives outlined in the strategic plan are:

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

Investments

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

Letter of Transmittal (continued)

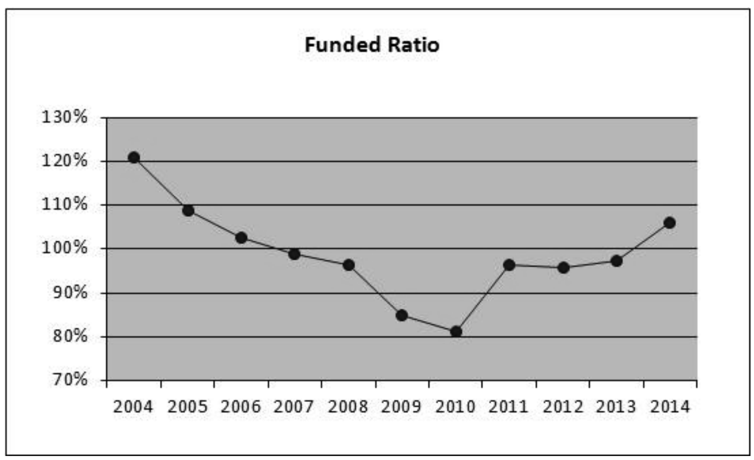
The Board engages outside investment managers to manage the various asset classes where URSJJ has exposure. At fiscal year end, the investment portfolio of URSJJ was actively managed by three fixed income managers and passively managed by another investment manager with holdings in one fixed income index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

Included in the Investment Section of this report are a summary of the Investment Portfolio by Type and Manager and a comparison of the above amounts to the target allocations, as shown in the Asset Comparison chart. For fiscal year 2014, investments provided a 17.7 percent rate of return. The annualized rate of return for URSJJ was 10.2 percent over the last three years and 13.2 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, 2014 amounted to $258.8 million and $274.1 million, respectively.

The URSJJ funded ratio had been steadily declining from 2002 to 2010, falling below 100 percent for the first time at July 1, 2007 and declining further to 81.3 percent at July 1, 2010 before rebounding significantly to 96.3 percent at July 1, 2011 due to the removal of the cost-of-living-adjustment (COLA) assumption, and increased further to 105.9 as of July 1, 2014. The funded ratio was 148.2 percent at June 30, 2002. In part this overall decline was due to an employer contribution rate decrease in January 2001 and the lifting of the salary cap for benefit calculation for the past seven years. Effective July 1, 2005, in an effort to address the decline, the employer rate was increased 1.0 percent annually for two years, and at July 1, 2007 it was increased 1.5 percent annually up to 22.0 percent for fiscal years ending 2019 and thereafter. However, based on a projection model prepared by the URSJJ actuary, the scheduled increases in the statutory contribution rate are not expected to be sufficient to reach the actuarial contribution rate before the end of the amortization period of the unfunded actuarial accrued liability, even if all the actuarial assumptions are met in future years. In 2006 the Legislature provided a statutory requirement that retirement bills be analyzed for actuarial fiscal impact and contains adequate funding sources sufficient to pay the cost of the change. In the session ended May 2009 the Legislature designated $6.0 million in the Supreme Court's Management Information System Fund to pay employer contributions to the Plan in fiscal year 2010. A detailed discussion of funding is provided in the Actuarial Section of this report.



Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Uniform Retirement System for Justices and Judges for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the sixteenth year URSJJ

Letter of Transmittal (continued)

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 comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

Tom Spencer
Executive Director

Susan Reed
Chief Financial Officer and Director of Finance

Chairman's Letter

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

800.733.7008 toll-free
405.848.5946 fax

November 30, 2014

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, 2014.

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

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

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

Sincerely,

DeWayne McAnally
Chairman

Board of Trustees

Organizational Structure

Board Of Trustees

Advisors & Consultants

Tom Spencer
Executive Director

Susan Reed
Director of Finance and CFO

Garry McCoy
Director of Information Technology

Linda Webb
Director of Member Services

Brad Tillberg
Chief Investment Officer

Joseph A. Fox
General Counsel

Brian Wolf
Assistant CFO
Financial Services

Rebecca Catlett
Administrator
Member Services

Ray Pool
Administrator
Defined Contribution Plans

Patrick Lane
Director
Communications

Kristi Ice
Director
Legislative and Policy

Back Row (from left to right): **Brad Tillberg, Rebecca Catlett, Ray Pool, Brian Wolf, Joseph Fox, Garry McCoy, and Patrick Lane**
Front Row (from left to right): **Kristi Ice, Susan Reed, Tom Spencer, and Linda Webb.**

Advisors and Consultants*

Master Custodian
The Northern Trust Company
Chicago, Illinois

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

Actuarial Consultant
Cavanaugh Macdonald Consulting, LLC
Kennesaw, Georgia

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.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Uniform Retirement System for Justices and Judges, Oklahoma

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Financial

Independent Auditors' Report

COLE + REED P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Uniform Retirement System for Justices and Judges

Report on the Financial Statements

We have audited the accompanying financial statements of the Uniform Retirement System for Justices and Judges (the Plan), a component unit of the state of Oklahoma, which comprise the statements of fiduciary net position as of June 30, 2014 and 2013, and the related statements of changes in fiduciary net position for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Uniform Retirement System for Justices and Judges as of June 30, 2014 and 2013, and the respective changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditors' Report (continued)

Emphasis of Matter

As discussed in Note 7 of the financial statements, in 2014 the Plan adopted Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. Comparative information has not been presented for fiscal year 2013. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the information included in schedules 1 through 3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in the Introductory Section, the Investment Section, the Actuarial Section, the Statistical Section, and schedules 4 through 6 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in schedules 4 through 6 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information in the Introductory Section, the Investment Section, the Actuarial Section, and the Statistical Section has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we express no opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report (under separate cover) dated October 22, 2014, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Cole & Reed P.C.

Oklahoma City, Oklahoma
October 22, 2014

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, 2014 and 2013.

Financial Highlights

- The net position restricted for pensions totaled approximately $301.5 million at June 30, 2014, compared to $263.2 million at June 30, 2013 and $243.8 million at June 30, 2012. The net position restricted for pensions is available for payment of monthly retirement benefits and other qualified distributions to the Plan's participants. The increases of $38.2 million and $19.4 million of the respective years have resulted primarily from the changes in the fair value of the Plan's investments due to volatile equity markets.
- At June 30, 2014, the total number of members participating in the Plan was 527, compared to 522 at June 30, 2013 and 512 at June 30, 2012. The total number of retirees was 235 and 230 at June 30, 2014 and 2013, showing a 2.2% increase and 1.3% decrease for each respective year. At June 30, 2012, the total number of retirees was 233.

Overview of the Financial Statements

The Plan is a single-employer, public employee retirement plan, which is a defined benefit pension plan. The Plan covers all Justices and Judges of the Oklahoma Supreme Court, Court of Criminal Appeals, Workers' Compensation Court, Court of Appeals, and District Courts. Benefits are determined at 4% of the average monthly compensation received as a justice or judge based on the highest thirty-six months of compensation multiplied by the number of years of credited service, not to exceed 100% of the retiree's average monthly salary received as a justice and judge for the highest thirty-six months of compensation. Normal retirement ages under the Plan are 62 with 10 years of judicial service, 67 with 8 years of judicial service, or when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80). Members become eligible to vest fully upon termination of employment after attaining eight years of service as a justice or judge, or the members' contributions may be withdrawn upon termination of employment.

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

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

The *statement of fiduciary net position* presents information on the Plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the resulting *net position restricted for pensions.* 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 fiduciary net position* presents information showing how the Plan's net position restricted for pensions changed during the years ended June 30, 2014 and 2013. It reflects contributions by members and participating employers along with deductions for retirement benefits, refunds and withdrawals, and administrative expenses. Investment income during the period is also presented showing income from investing and securities lending activities.

Management's Discussion and Analysis (continued)

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

The *required supplementary information* presents a schedule of changes in the net pension liability, schedule of net pension liability, schedule of employer contributions, and schedule of investment returns. Schedules of certain expenses and fees paid are presented as *supplementary information*.

Financial Analysis

The following are the condensed Schedules of Fiduciary Net Position and Changes in Fiduciary Net Position for the Uniform Retirement System for Justices and Judges for the fiscal years ended June 30, 2014, 2013, and 2012.

Condensed Schedule of Fiducairy Net Position

($ millions)	June 30		
	2014	**2013**	**2012**
Assets:			
Cash and cash equivalents	$ 1.6	$ 6.1	$ 3.9
Receivables	9.7	26.3	10.7
Investments	303.9	265.0	246.6
Securities lending collateral	13.9	14.8	6.0
Total assets	329.1	312.2	267.2
Liabilities:			
Other liabilities	13.7	34.2	17.4
Securities lending collateral	13.9	14.8	6.0
Total liabilities	27.6	49.0	23.4
Ending net position restricted for pensions	$ 301.5	$ 263.2	$ 243.8

Condensed Schedules of Changes in Fiduciary Net Position

($ millions)	June 30		
	2014	**2013**	**2012**
Member contributions	$ 2.5	$ 2.5	$ 2.6
State and local agency contributions	4.6	4.1	3.6
Net investment income	46.2	27.5	4.4
Total additions	53.3	34.1	10.6
Retirement, death and survivor benefits	14.9	14.6	14.5
Refunds and withdrawals	0.1	-	0.3
Administrative expenses	0.1	0.1	0.2
Total deductions	15.1	14.7	15.0
Net (decrease) increase in net position	$ 38.2	$ 19.4	$ (4.4)

For the year ended June 30, 2014, fiduciary net position increased $38.2 million, or 14.5%. Total assets increased by $16.9 million, or 5.4%, due to an increase of 14.7% in investments, partially offset by decreases of 65.5% in pending sales of securities, and 6.2% in securities lending collateral. Total liabilities decreased 43.7% primarily due to a 59.9% decrease in pending purchases of securities.

Fiscal year 2014 showed a $19.2 million increase in total additions and a $0.4 million increase in total deductions. Compared to the prior year, additions increased 56.2% due to an increase in the fair value of investments of $18.6 million. The 2.5% increase in total deductions was primarily due to a 2.3% increase in retirement benefits. Administrative costs were 3.3% more when compared to the prior year due to a 0.4% increase in the allocation percentage.

Management's Discussion and Analysis (continued)

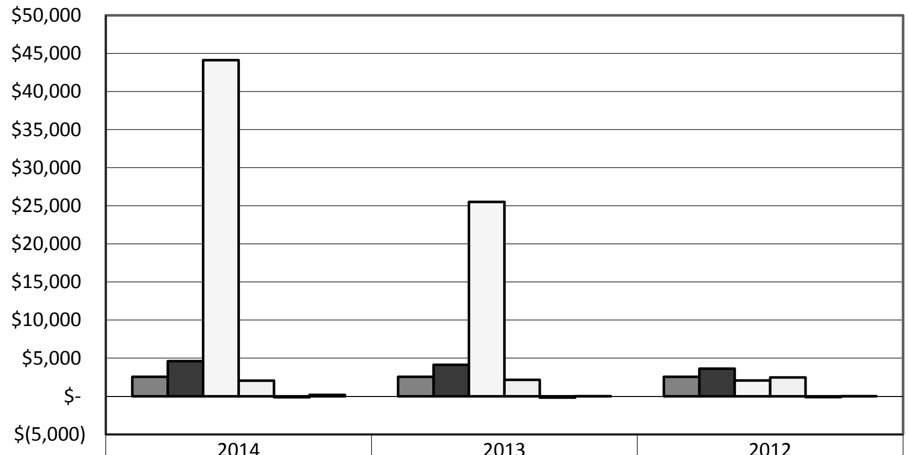
For the year ended June 30, 2013, fiduciary net position increased $19.4 million, or 8.0%. Total assets increased by $45.0 million, or 16.8%, due to increases of 7.5% in investments, 160.8% in pending sales of securities, and 146.1% in securities lending collateral. Total liabilities increased 109.3%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

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

Additions to Fiduciary Net Position

For the year ended June 30, 2014, additions to fiduciary net position increased $19.2 million, or 56.2%, from the prior year. The appreciation in the fair value of investments of $18.6 million is reflective of the improving market, particularly in domestic and international equities. Interest income decreased $0.1 million, or 4.6%, as a result of falling interest rates, and securities lending income increased 1,461.3% compared to the prior year due to a recoupment of securities lending income from BlackRock for the years 2002 through 2013 due to a review of the Plan's Most Favored Nations clause. Contributions increased $0.5 million, or 7.2%, because of the statutory increase in the contribution percentage for participating court employers.

Additions to Fiduciary Net Position
Comparative Data for Fiscal Years Ended June 30, 2014, 2013, and 2012
($ thousands)



	2014	2013	2012
Member contributions	$2,544	$2,544	$2,562
Court employer contributions	4,611	4,129	3,620
Net appreciation (depreciation)	44,118	25,514	2,068
Interest, dividends, and other investment income	2,044	2,143	2,458
Investment expenses	(137)	(171)	(124)
Securities lending income	188	12	10

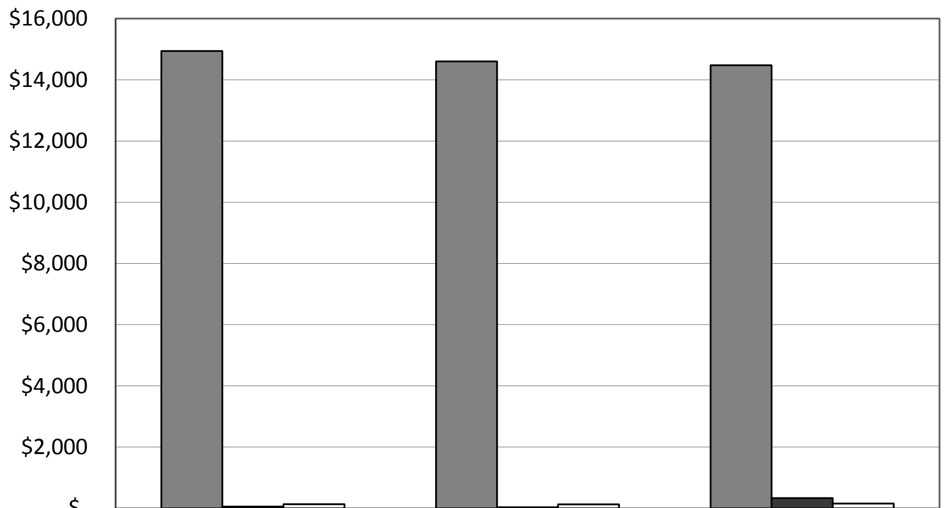
For the year ended June 30, 2013, additions to fiduciary net position increased $23.6 million, or 222.6%, from the prior year. The appreciation in the fair value of investments of $23.4 million is reflective of the improving market, particularly in domestic and international equities. Interest income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

Management's Discussion and Analysis (continued)

Deductions to Fiduciary Net Position

For the year ended June 30, 2014, total deductions increased $0.4 million, or 2.5%, from the prior year. Retirement, death, and survivor benefits increased $0.3 million, or 2.3%, and the average benefit increased 1.2% due to a 2.2% increase in the number of retirees. Refunds and withdrawals increased 78.7% from the prior year because the total amount withdrawn is dependent on contribution amounts of the specific members electing to withdraw contributions each year. Administrative costs increased 3.3% when compared to the prior year due to an increased allocation rate of 0.4% and increases in personnel costs.

Deductions to Fiduciary Net Position
Comparative Data for Fiscal Years Ended June 30, 2014, 2013, and 2012
(in $000's)



	2014	2013	2012
Retirement, death, and survivor benefits	$14,939	$14,600	$14,478
Refunds and withdrawals	57	32	331
Administrative expenses	132	128	155

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

Management's Discussion and Analysis (continued)

Investments

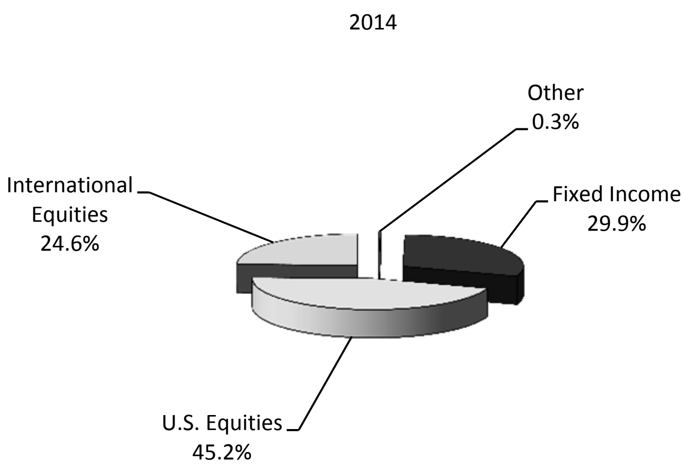
The investment portfolio is reported in the chart below by the asset class of the investment managers' portfolios which includes the cash equivalents in those portfolios. A summary of the Plan's cash equivalents and investments for fiscal years ended June 30, 2014, 2013, and 2012 is as follows:

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

	June 30		
	2014	**2013**	**2012**
Fixed income	$ 94.5	$ 94.0	$ 95.1
U.S. equities	135.8	112.9	98.4
International equities	74.2	63.3	56.5
Other	0.9	0.8	0.4
Total managed investments	305.4	271.0	250.4
Cash equivalents on deposit with State	0.1	0.1	0.1
Securities lending collateral	13.9	14.8	6.0
Total cash, cash equivalents, and investments	$ 319.4	$ 285.9	$ 256.5

The increase in the Plan's managed investments is reflective of the increase in domestic and international equity markets for the year. The Plan's overall return for the year ended June 30, 2014 was 17.7%. A 5.1% return for the fixed income component exceeded the market trend for the asset class. Equity index funds correlated closely with market trends with U.S. and international equities showing returns of 25.1% and 22.0%, respectively. Amounts of $4.95 million of U.S. equity index funds and $2.95 million of international equities were used to supplement the cash requirements of monthly retiree benefit payments. The change in securities lending collateral is dependent on the securities loaned by the Plan's master custodian at year end.

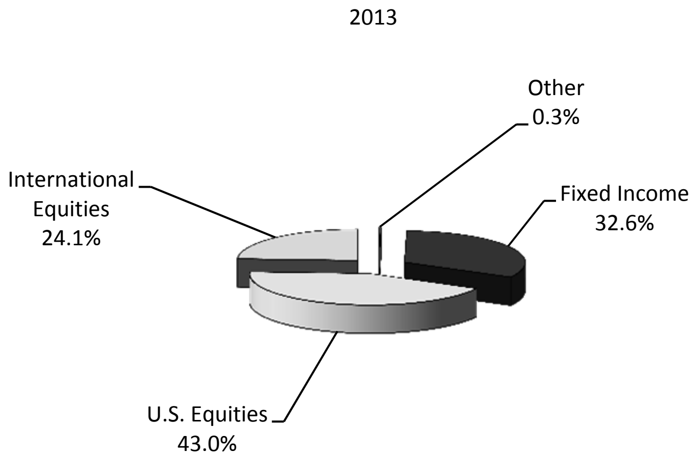
At June 30, 2014, the distribution of the Plan's investments including accrued income and pending trades was as follows:



The increase in the Plan's managed investments is reflective of the increase in domestic and international equity markets for the year. The Plan's overall return for the year ended June 30, 2013 was 11.5%. A negative 1.2% return for the fixed income component exceeded the market trend for the asset class. Equity index funds correlated closely with market trends with U.S. and international equities showing returns of 21.7% and 13.9%, respectively. Amounts of $6.3 million of U.S. equity index funds, $1.0 million of international equities, and $1.2 million of fixed income were used to supplement the cash requirements of monthly retiree benefit payments. The change in securities lending collateral is dependent on the securities loaned by the Plan's master custodian at year end.

Management's Discussion and Analysis (continued)

At June 30, 2013, the distribution of the Plan's investments including accrued income and pending trades was as follows:



Economic Factors

Ratio of Fiduciary Net Position to Total Pension Liability

The manner of calculating the funded ratio changed during fiscal year 2014 due to the adoption of GASB Statement No. 67, *Financial Reporting for Pension Plans.* For this reason, there is no comparative presentation for fiscal year 2013.

	June 30
	2014
Total pension liability	$ 258,787,677
Plan fiduciary net position	$ 301,469,209
Ratio of fiduciary net position to total pension liability	116.49%

Plan Amendment

No Plan provision changes were enacted by the State Legislature during the session ended in May 2014.

Other

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

Requests for Information

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

Statements of Fiduciary Net Position

June 30, 2014 and 2013

	2014	2013
Assets		
Cash equivalents	$ 1,642,161	$ 6,104,594
Receivables:		
Member contributions	199,920	204,004
State and local agency contributions	362,356	331,506
Due from brokers for securities sold	8,762,824	25,420,859
Accrued interest and dividends	327,358	330,054
Total receivables	9,652,458	26,286,423
Investments, at fair value:		
Short-term investments	2,814,805	584,905
Government obligations	61,840,456	60,298,984
Corporate bonds	29,217,685	27,813,286
Domestic equities	135,856,006	112,970,932
International equities	74,161,298	63,344,848
Securities lending collateral	13,871,786	14,788,916
Total investments	317,762,036	279,801,871
Total assets	329,056,655	312,192,888
Liabilities		
Due to brokers and investment managers	13,715,660	34,173,011
Securities lending collateral	13,871,786	14,788,916
Total liabilities	27,587,446	48,961,927
Net position restricted for pensions	$ 301,469,209	$ 263,230,961

See accompanying notes to financial statements.

Statements of Changes in Fiduciary Net Position

Years Ended June 30, 2014 and 2013

	2014	2013
Additions		
Contributions:		
Members	$ 2,543,885	$ 2,543,584
Participating court employers	4,610,812	4,129,300
Total contributions	7,154,697	6,672,884
Investment income:		
From investing activities:		
Net appreciation in fair value of investments	44,117,711	25,514,457
Interest	2,043,885	2,143,265
Total investment income	46,161,596	27,657,722
Less – Investment expenses	(137,441)	(171,391)
Income from investing activities	46,024,155	27,486,331
From securities lending activities:		
Securities lending income	188,377	22,498
Securities lending expenses:		
Borrower rebates	3,272	(8,346)
Management fees	(3,672)	(2,112)
Income from securities lending activities	187,977	12,040
Net investment income	46,212,132	27,498,371
Total additions	53,366,829	34,171,255
Deductions		
Retirement, death, and survivor benefits	14,939,499	14,599,877
Refunds and withdrawals	56,892	31,831
Administrative expenses	132,190	128,007
Total deductions	15,128,581	14,759,715
Net (decrease) increase in net position	38,238,248	19,411,540
Net position restricted for pensions		
Beginning of year	263,230,961	243,819,421
End of year	$ 301,469,209	$ 263,230,961

See accompanying notes to financial statements.

Notes to Financial Statements

June 30, 2014 and 2013

(1) Summary of Significant Accounting Policies

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

(a) Basis of Accounting

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

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

(b) Investments

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

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

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

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

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

Notes to Financial Statements (continued)

(c) Use of Estimates

The preparation of the Plan's financial statements, in conformity with U.S. generally accepted accounting principles, requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net position restricted for pensions at the date of the financial statements and the actuarial information included in Note (5) Net Pension Liability and Actuarial Information and the required supplementary information (RSI) as of the benefit information date, the changes in plan net position during the reporting period, and, when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

(d) Risk and Uncertainties

Contributions to the Plan and the actuarial information included in Note (5) Net Pension Liability and Actuarial Information and the RSI are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

(e) Composition of Board of Trustees

The Board of Trustees 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.

(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:

	2014
Inactive members or their beneficiaries currently receiving benefits	235
Inactive members entitled to but not yet receiving benefits	18
Active members	274
Total	527

*The Plan includes 23 nonvested terminated members entitled to a refund of their member contribtuions.

(b) Benefits

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

Normal retirement ages under the Plan are as follows:

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

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

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

- Age 67 with 8 years of judicial service
- Age 62 with 10 years of judicial service

Members are eligible to vest fully upon termination of judicial service after accumulating eight years of judicial service, or the member's contributions may be withdrawn at the time such member ceases to be a justice or judge of a court within the Plan. Disability retirement benefits are available for members who have attained age 55 and have 15 years of continuous judicial service and are determined to be disabled by the Court of the Judiciary. The benefits are calculated in the same manner as the normal retirement benefit. The Court of the Judiciary may override these requirements if it is determined that any judge or justice is no longer capable of performing regular duties.

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

Upon the death of a retired member, the Plan will pay a $5,000 death benefit to the member's beneficiary or estate of the member if there is no living beneficiary. The death benefit will be paid in addition to any excess employee contributions or survivor benefits due to the estate or beneficiary. Death benefits paid for the years ended June 30, 2014 and 2013 totaled approximately $33,000 and $55,000, 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

Notes to Financial Statements (continued)

Workers' Compensation Court to be employment related, the benefit is payable immediately to the spouse. Members must have eight years of credited service before their spouses are eligible for normal survivor benefits. The benefit payment is equal to 50% up to 65% of the normal retirement benefit if certain contributions and other criteria are met. Effective September 1, 2005, survivor benefits are also available to the retiree's designated joint annuitant according to the option elected by the member. The first option gives the member a reduced lifetime annuity with 50% of the amount paid to the member's survivor at the member's death. The second option pays the member an even further reduced annuity with the same amount paid to the survivor after the member's death.

(c) Contributions

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

The contribution rate of all justices and judges is 8% of a member's monthly salary. The member may elect a maximum benefit with no survivor option or one of two types of actuarially reduced retirement benefits that provide for a lifetime benefit to be paid to the member's joint annuitant after the member's death. This election is available for any judge or justice without regard to marital status. Prior to September 2005, the basic member contributions were 5% of a member's monthly salary. Each member of the Plan who was married provided for spousal survivor benefits and contributed at the rate of 8% unless the member's spouse agreed to waive spousal benefits. Participating court employers are required to contribute monthly a percentage of the gross salaries of the active members of the Plan. The percentages established by the Oklahoma Legislature for the years ended June 30, 2014 and 2013 were 14.5% and 13.0%, respectively, of member payroll.

Effective for the fiscal year ended June 30, 2015, the employer contribution rate will increase to 16.0% of payroll and will increase 1.5% annually up to 22% for fiscal years ending June 30, 2019 and thereafter.

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

(3) Cash Equivalents

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

At June 30, cash equivalents were:

	2014	2013
Cash equivalents		
State Treasurer	$ 117,055	$ 108,184
Custodial agent	1,525,106	5,996,410
Total cash and cash equivalents	$ 1,642,161	$ 6,104,594

Cash is deposited to *OK INVEST*, an internal investment pool of the State Treasurer with holdings limited to obligations of the U.S. Government, its agencies and instrumentalities, agency senior debt and mortgage-backed pass-through securities, tri-party repurchase agreements, money market mutual funds, collateralized certificates of deposit, commercial paper, obligations of state and local governments, and State of Israel Bonds. Participants are limited to qualifying agencies and funds within the State's reporting entity, and each participant maintains an interest in the underlying investments of *OK INVEST* and shares the risk of loss on the funds in proportion to the respective investment in the funds. The custodial agent cash equivalents consist of temporary investments in commingled trust funds of the Plan's custodial agent. The funds are composed of high-grade money market instruments with short maturities. Each participant in the funds shares the risk of loss on the funds in proportion to the respective investment in the funds.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agency but not in the depositor-government's name. At June 30, 2014 and 2013, 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, 2014, as a result of outstanding checks, the Plan's carrying amount in *OK INVEST* totaled $117,055, and the bank balances totaled $239,987. At June 30, 2013, as a result of outstanding checks, the Plan's carrying amount in *OK INVEST* totaled $108,184, and the bank balances totaled $230,135. At June 30, 2014 and 2013, the carrying amounts of the Plan's custodial agent cash equivalents were the same as the bank balances, $1,525,106 and $5,996,410, 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.

The investment policy, guidelines, and objectives which govern the investment of Plan assets shall be developed and adopted by the Board of Trustees at a regularly scheduled public Board meeting, at least annually, prior to August 1 of each year. Changes to the investment policy may be made, as necessary, at any public meeting of the Board of Trustees, in compliance with the Open Meeting Act.

At June 30, 2014, the asset allocation guidelines established by policy were U.S. equities – 44%, international equities – 24%, and domestic fixed income – 32%. At June 30, 2013, the asset allocation guidelines established by policy were U.S. equities – 40%, international equities – 24%, and domestic fixed income – 36%. The guidelines also establish minimum and maximum percentages for each asset class allocation, and when allocations move outside these limits, portfolios are rebalanced.

Notes to Financial Statements (continued)

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

	2014	2013
U.S. Treasury notes/bonds	$ 25,164,408	$ 22,903,283
U.S. Treasury strips	4,456,946	4,185,381
U.S. TIPS index fund	8,737,317	8,350,143
Government agencies	3,877,811	2,845,985
Government mortgage-backed securities	21,084,215	21,861,907
Municipal bonds	956,014	444,417
Corporate bonds	16,064,767	15,598,694
Asset-backed securities	8,724,160	7,412,855
Commercial mortgage-backed securities	4,021,131	3,661,668
Non government backed collateralized mortgage obligations	786,177	1,432,842
U.S. equity index fund	135,856,006	112,970,932
International equity index funds	74,161,298	63,344,848
Securities lending collateral	13,871,786	14,788,916
Total investments	$ 317,762,036	$ 279,801,871

The Plan participates in a fixed income and international and domestic equity index funds managed by BlackRock Institutional Trust Company, N.A. (BTC). BTC, a subsidiary of BlackRock, Inc., is a national banking association and operates as a limited purpose trust company. Its primary regulator is the Office of the Comptroller of the Currency (OCC), the agency of the U.S. Treasury Department that regulates United States national banks. Each fund is a collective fund which is a group trust and an entity separate from BTC, other funds, and the investing participants. BTC is trustee of each of the collective fund trusts and holds legal title to each trust's assets for the exclusive benefit of the Plan. The fair value of the Plan's position in the pool is the same as the value of the pool shares. In 2014 and 2013, the Plan invested in a fixed income index fund, two domestic equity index funds, and an international equity index fund. The Plan shares the risk of loss in these funds with other participants in proportion to its respective investment. Because the Plan does not own any specific identifiable investment securities of these funds, the risk associated with any derivative investments held in these funds is not apparent. The degree of risk depends on the underlying portfolios of the funds, which were selected by the Plan in accordance with its investment policy guidelines including risk assessment.

(b) Securities Lending

The Plan's investment policy provides for its participation in a securities lending program. The program is administered by the Plan's master custodian, and there are no restrictions on the amount of loans that can be made. During 2014 and 2013, 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, 2014 and 2013, 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, 2014 and 2013 collateralized by cash collateral were $13,595,449 and $14,491,466, respectively, and the cash collateral received for those securities on loan was $13,871,786 and $14,788,916, respectively. In addition, the securities on loan at June 30, 2014 and 2013 collateralized by non-cash collateral were $4,253,771 and $3,532,032, respectively, and the market value of the non-cash collateral for those securities on loan was $4,338,168 and $3,605,903, 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, 2014 and 2013, the cash collateral investments had an average weighted maturity of 19 and 17 days, respectively, and the relationship between the maturities of the custodial agent's investment pool and the Plan's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Plan cannot determine. The Plan's non-cash collateral is represented by its allocated share of a pool administered by the agent for the Plan and other pool participants.

(c) Credit Risk

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

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

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

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

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

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

At June 30, 2014, the domestic fixed income portfolio consisted of a constrained core fixed income portfolio, a core plus fixed income portfolio, a rate anticipator portfolio, and a passive U.S. TIPS index fund. All components met the stated policy restrictions, except the core fixed income portfolio, which held $98,595 of the portfolio in issues rated below BBB-, and the core plus fixed income portfolio, which held $114,456 of the portfolio in issues rated below B. At June 30, 2013, the domestic fixed income portfolio consisted of a constrained core fixed income portfolio, a core plus fixed income portfolio, a rate anticipator portfolio, and a passive U.S. TIPS index fund. All components met the stated policy restrictions, except the core fixed income portfolio, which held $285,480 of the portfolio in issues rated below BBB-, and the core plus fixed income portfolio, which held $684,968 of the portfolio in issues rated below B. The Plan's investment managers have advised retention of the securities after having assessed their risk/reward profiles.

Notes to Financial Statements (continued)

Investments issued by or explicitly guaranteed by the U.S. Government are not considered to have credit risk. At June 30, 2014, the Plan held 32.7% of fixed income investments that were not considered to have credit risk, 9.3% in a U.S. TIPS index fund made up of explicitly guaranteed U.S. Treasury Inflation-Protected Securities and 22.1% of fixed income investments that were implicitly guaranteed. Implicitly guaranteed investments primarily refer to bonds issued by a government sponsored entity (GSE) which is a government chartered corporation. This government charter implies that the government is unlikely to allow a GSE to default on its bond payments. At June 30, 2013, the Plan held 32.5% of fixed income investments that were not considered to have credit risk, 9.4% in a U.S. TIPS index fund made up of explicitly guaranteed U.S. Treasury Inflation-Protected Securities and 2.5% of fixed income investments that were implicitly guaranteed.

The Plan's exposure to credit risk at June 30, 2014 is presented below, in thousands, by investment category as rated by S&P or Moody's Investor Service.

	AAA/Aaa	AA/Aa	A/A	BBB/Baa	BB/Ba	B/B	CCC/Caa	Not Rated or Rating Not Available	Total
Government agencies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,470	$ 2,470
Government mortgage-backed securities	-	-	-	-	-	-	-	701	701
Municipal bonds	189	400	367	-	-	-	-	-	956
Corporate bonds	1,012	1,764	7,208	5,272	178	-	-	631	16,065
Asset-backed securities	4,599	2,376	688	414	220	342	-	85	8,724
Commercial mortgage-backed securities	3,061	345	-	405	98	-	-	112	4,021
Non government backed collateralized mortgage obligations	201	240	182	162	-	-	-	1	786
Total fixed income securities exposed to credit risk	$ 9,062	$ 5,125	$ 8,445	$ 6,253	$ 496	$ 342	$ -	$ 4,000	$ 33,723
Percent of total fixed income portfolio	9.7%	5.5%	9.0%	6.7%	0.5%	0.4%	0.0%	4.3%	35.9%

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

	AAA/Aaa	AA/Aa	A/A	BBB/Baa	BB/Ba	B/B	CCC/Caa	Not Rated or Rating Not Available	Total
Government agencies	$ 194	$ -	$ -	$ -	$ -	$ -	$ -	$ 380	$ 574
Government mortgage-backed securities	285	391	-	-	-	-	-	19,452	20,128
Municipal bonds	-	116	328	-	-	-	-		444
Corporate bonds	1,061	1,998	6,561	4,602	641	358	-	377	15,598
Asset-backed securities	4,135	1,596	817	382	71	328	-	84	7,413
Commercial mortgage-backed securities	2,574	330	268	22	121	79	-	268	3,662
Non government backed collateralized mortgage obligations	684	268	178	170	-	-	-	133	1,433
Total fixed income securities exposed to credit risk	$ 8,933	$ 4,699	$ 8,152	$ 5,176	$ 833	$ 765	$ -	$ 20,694	$ 49,252
Percent of total fixed income portfolio	10.1%	5.3%	9.2%	5.8%	0.9%	0.9%	0.0%	23.3%	55.5%

Notes to Financial Statements (continued)

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

	2014		2013	
Credit Rating	***OK INVEST***	**Custodial Agent**	***OK INVEST***	**Custodial Agent**
AAA	5.0 %	22.1 %	9.6 %	11.5 %
AA	89.3	67.5	84.6	85.8
A1	2.4	9.4	0.3	1.9
BBB	—	—	—	—
BB	—	—	—	—
NR	3.3	1.0	5.5	0.8
	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. Effective duration estimates the sensitivity of a bond's price to interest rate changes and makes assumptions regarding the most likely timing and amounts of variable cash flows arising from investments such as callable bonds, collateralized mortgage obligations, and other mortgage-backed securities.

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

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

	2014		2013	
	Fair Value	**Effective duration in years**	**Fair Value**	**Effective duration in years**
U.S. Treasury notes/bonds	$ 25,164,408	7.8	$ 22,903,283	7.1
U.S. Treasury strips	4,456,946	23.7	4,185,381	24.4
U.S. TIPS index fund	8,737,317	7.7	8,350,143	7.7
Government agencies	3,877,811	1.2	2,845,985	2.0
Government mortgage-backed securities	21,084,215	4.4	21,861,907	4.9
Municipal bonds	956,014	9.8	444,417	8.3
Corporate bonds	16,064,767	5.7	15,598,694	4.6
Asset-backed securities	8,724,160	1.0	7,412,855	1.2
Commercial mortgage-backed securities	4,021,131	2.7	3,661,668	3.4
Non government backed collateralized mortgage obligations	786,177	0.7	1,432,842	1.2
Total fixed income	$ 93,872,946		$ 88,697,175	
Portfolio duration		6.3		6.1

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, 2014 and 2013, the Plan held $8,724,160 and $7,412,855, respectively, in asset-backed securities.

Mortgage-backed securities are securities backed by mortgages issued by public and private institutions. At June 30, 2014 and 2013, the Plan held $21,084,215 and $21,861,907, 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 $4,021,131 and $3,661,668, 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, 2014 and 2013, the Plan held $786,177 and $1,432,842, 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:

	2014		2013	
Maturities (in days)	***OK INVEST***	**Custodial Agent**	***OK INVEST***	**Custodial Agent**
0 - 14	7.0 %	28.2 %	11.8 %	35.9 %
15 - 30	0.7	6.3	1.2	6.5
31 - 60	1.1	14.7	0.0	16.0
61 - 90	0.9	18.5	0.6	10.1
91 - 180	4.0	11.4	2.9	14.3
181 - 364	7.7	14.8	6.2	16.6
365 - 730	17.7	6.1	14.6	0.6
Over 730	60.9	0.0	62.7	0.0
	100.0 %	100.0 %	100.0 %	100.0 %

(e) Rate of Return

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 17.83%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(5) Net Pension Liability and Actuarial Information

(a) Net Pension Liability (Asset) and Funding Progress

The Components of the net pension liability or asset of the employer at June 30, 2014, were as follows:

	2014
Total pension liability	$ 258,787,677
Plan fiduciary net position	$ (301,469,209)
Employer's net pension liability (asset)	$ (42,681,532)
Plan fiduciary net position as a percentage of the total pension liability	116.49%

(b) Actuarial Methods and Assumptions

The total pension liability as of June 30, 2014, was determined based on an actuarial valuation prepared as of July 1, 2014 using the following actuarial assumptions:

- Salary increases – 5.00% per year, including inflation
- Post-retirement benefit increases – No increases assumed
- Investment return – 7.5% compounded annually net of investment expense, and including inflation
- Assumed inflation rate – 3.0%
- Payroll growth – 4.0% per year
- Actuarial cost method—Entry age
- Mortality Rates – RP-2000 Combined Active/Retired Healthy Mortality Table projected to 2010 using scale AA, set back one year

The actuarial assumptions used in the July 1, 2014 valuation are based on the results of the most recent actuarial experience study, which cover the three-year period ending June 30, 2013. The experience study report is dated May 9, 2014

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2014, are summarized in the following table:

Asset Class	Target Allocation	Long-Tern Expected Real Rate of Return
U.S. Large Cap Equity	38.0%	5.3%
U.S. Small Cap Equity	6.0%	5.6%
U.S. Fixed Income	25.0%	0.7%
International Stock	18.0%	5.6%
Emerging Market Stock	6.0%	6.4%
TIPS	3.5%	0.7%
Rate Anticipation	3.5%	1.5%
Total	100.0%	

Notes to Financial Statements (continued)

(c) Discount rate.

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employer will be made at the current contribution rate as set out in state statute. Based on those assumptions, the pension plan's fiduciary net position was projected through 2113 to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determined does not use a municipal bond rate.

Sensitivity of the net pension liability or (asset) to changes in the discount rate.

The following presents the net pension liability or asset of the employer calculated using the discount rate of 7.50%, as well as what the plan's net pension liability or asset would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	$ (18,445,699)	$ (42,681,532)	$ (63,753,047)

(6) Federal Income Tax Status

Pursuant to a determination by the Internal Revenue Service, the Plan is qualified under the Internal Revenue Code of 1986, as amended, and therefore, is exempt from federal income taxes. The latest determination letter is dated October 9, 2012 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.

(7) New Pronouncements

(a) New Accounting Pronouncements Adopted in Fiscal Year 2014

In April 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65). GASB 65 provides further guidance on determining which balances currently reported as assets and liabilities should instead be reported as deferred outflows or deferred inflows of resources. The adoption of GASB 65 did not have a significant impact on the Plan's financial statements.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans* (GASB 67). GASB 67 replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans,* and Statement 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. GASB 67 enhances note disclosures and required supplementary information (RSI) for both defined benefit and defined contribution pension plans. GASB 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. Adoption of GASB 67 had no impact on the Plan's net position but did result in changes to the presentation of the financial statements, notes to the financial statements, and RSI. Comparative information has not been presented for disclosures required by GASB 67 as presentation of the information for prior years was not practical.

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

(b) New Accounting Pronouncements Issued, Not Yet Adopted

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

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

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* (GASB 71). GASB 71 addresses an issue regarding application of the transition provisions of GASB 68. Contributions to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the reporting period are required to be recognized as deferred outflows of resources. The requirements of GASB 71 are effective simultaneously with GASB 68.

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

Required Supplementary Information

(Unaudited)
June 30, 2014
Schedule 1

Schedule of Changes in the Net Pension Liability (Asset) ($ in Thousands)

Year Ended June 30,		2014
Total Pension Liability		
Service cost	$	9,489
Interest		18,529
Benefit changes		-
Difference between expected and actual experience		(7,597)
Changes of assumptions		(1,046)
Benefit payments		(14,939)
Refunds of contributions		(57)
Net change in total pension liability		4,379
Total pension liability - beginning		254,409
Total pension liability - ending (a)	$	258,788
Plan Fiduciary Net Position		
Contributions - employer	$	4,611
Contributions - non-employer		-
Contributions - member		2,544
Net investment income		46,211
Benefit payments		(14,939)
Administrative expense		(132)
Refunds of contributions		(57)
Other		-
Net change in plan fiduciary net position		38,238
Plan fiduciary net position - beginning		263,231
Plan fiduciary net position - ending (b)		301,469
Net pension liability (asset) - ending (a) - (b)	$	(42,681)

Schedule of the Net Pension Liability (Asset) ($ in Thousands)

Year Ended June 30,		2014
Total pension liability	$	258,788
Plan fiduciary net position		301,469
Net pension liability (asset)	$	(42,681)
Ration of plan fiduciary net position to total pension liability		116.49%
Covered employee payroll	$	34,325
Net pension liability (asset) as a percentage of covered-employee payroll		-124.34%

Required Supplementary Information

Schedule of Employer Contributions ($ in Thousands)
(Unaudited)
June 30, 2014
Schedule 2

Year Ended June 30,		2014
Actuarially determined employer contribution	$	7,215
Actual employer contributions		4,611
Annul contribution deficiency (excess)	$	2,604
Covered employee payroll	$	34,325
Actual contributions as a percentage of covered-employee payroll		13.43%

Notes to Schedule

Valuation date:
Actuarially determined contributions are calculated as of the beginning of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	13 years
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increase	5.00 percent, including inflation
Investment rate of return	7.50%, compounded annually, net of investment expense and including inflation
Retirement age	Age 67 with eight years of judicial service or age 62 with 10 years of judicial service for judges taking office on or after January 1, 2012. Age 65 with eight years of judicial service or age 60 with 10 years of judicial service for judges taking office prior to January 1, 2012.
Mortality	RP-2000 Combined Active/Retired Healthy Mortality Table projected to 2010, set back one year

Required Supplementary Information

Schedule of Investment Returns

(Unaudited)

June 30, 2014

Schedule 3

Year Ended June 30,	2014
Annual money-weighted rate of return, net of investment expense	17.83%

Supplementary Information

Schedule of Investment Expenses

Years Ended June 30, 2014 and 2013

Schedule 4

	2014	2013
Investment management fees		
Fixed Income Managers:		
BlackRock Financial Management, Inc.	$ 41,077	$ 43,954
Hoisington Investment Management	11,988	13,244
Metropolitan West Asset Management, LLC	27,482	63,196
U.S. Equity Managers:		
BlackRock Institutional Trust Company, N.A.	14,217	11,983
International Equity Managers:		
BlackRock Institutional Trust Company, N.A.	34,760	31,077
Total investment management fees	129,524	163,454
Investment consultant fees		
Strategic Investment Solutions, Inc.	6,893	6,904
Investment custodial fees		
Northern Trust Company	1,024	1,033
Total investment expenses	$ 137,441	$ 171,391

See accompanying independent auditors' report.

Supplementary Information

Schedule of Administrative Expenses

Years Ended June 30, 2014 and 2013

Schedule 5

	2014	2013
Professional / consultant services	$ 5,757	$ 6,701
Allocated administrative expenses (see note below)	126,433	121,306
	$ 132,190	$ 128,007

Note to Schedule of Administrative Expenses

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

See accompanying independent auditors' report.

Supplementary Information

Schedule of Professional/Consultant Fees

Years Ended June 30, 2014 and 2013

Schedule 6

		2014	2013
Professional/Consultant	**Service**		
Cavanaugh Macdonald Consulting, Inc.	Actuarial	$ 2,357	$ 2,136
Cole & Reed PC	External Auditor	1,896	1,839
Finley & Cook, PLLC	Internal Auditor	1,504	2,726
		$ 5,757	$ 6,701

See accompanying independent auditors' report.

Investment

Investment Consultant's Report

STRATEGIC INVESTMENT SOLUTIONS, INC.

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

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

Investment Objectives

The primary financial objective is to earn a long-term return sufficient to avoid deterioration in funded status. The System's actuary estimates this return requirement to be 7.5% while its investment consultant estimates the real return requirement to be 5.3%.

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	6/30/14 ALLOCATION	LOW	TARGET	HIGH	% PASSIVE OR SEMI-PASSIVE
US EQUITY	45.2%	38.2%	44.0%	49.8%	100.0%
FIXED INCOME	29.9%	27.5%	32.0%	36.5%	61.5%
INT'L EQUITY	24.6%	21.0%	24.0%	27.0%	100.0%
CASH	0.3%	0.0%	0.0%	0.0%	100.0%

Investment Consultant's Report (continued)

Review of Fiscal 2014 Investment Environment

Fiscal year ended June 30, 2014 saw a continuation of the rally in equities off of their lows from March 2009; with strong gains in US stock markets in excess of 20%, and positive returns in foreign stock markets. The Fixed Income markets ended the fiscal year with positive returns as yields fell over the last six months (January to June) of the fiscal year. As a diversified investor, Uniform Retirement System For Justices & Judges (URSJJ) experienced a +17.7% return for the fiscal year. The +17.7% result was above URSJJ policy benchmark of +17.3% for the fiscal year by +40 basis points.

Fiscal year 2014 was once again positive for the US equity markets and foreign equity markets also experienced strong results but lagged the US returns. For the fiscal year, the Russell 3000 US Stock Index gained +25.2% and the MSCI ACW (All Country World) ex-US Index of foreign stocks gained +22.3%.

Within the US equity markets, stocks of large companies outperformed small companies (+25.4% versus +23.6%) for the fiscal year. Growth stocks outperformed value on a relative basis in large caps (+26.9% versus +23.8%) and within small caps growth stocks also outperformed value stocks on a relative basis (+24.7% versus +22.5%).

International equities trailed the domestic equity markets for fiscal year 2014. Developed Non-US stocks as measured by the MSCI EAFE Index gained +24.1% and Emerging Markets stocks as measured by the MSCI Emerging Markets Index gained +14.7%.

The US fixed income market produced a positive return (+4.4% Barclays Capital US Aggregate Index) for the fiscal year ended June 30, 2014.

Performance Review

At quarterly intervals, the System reviews performance at the total fund, asset class and individual manager levels. At each level, returns are evaluated versus appropriate indexes and peers. Index comparisons have as return objectives various after-fee return premiums with risk (standard deviation) not exceeding 125%-150% of the underlying index. Comparisons with peers seek top forty percentile results.

Investment returns achieved through June 30, 2014 have been calculated using a time-weighted rate of return methodology based upon market values. As shown in the following table, for the 1, 3 and 5-year annualized time periods ended June 30, 2014 the US Equity asset class performed right about its respective benchmark. The Non-US Equity asset class performed slightly below its respective benchmark for the 1, 3 and 5-year annualized time periods ended June 30, 2014. The Fixed Income asset class performed above its respective benchmark for the 1, 3 and 5-year annualized time periods ended June 30, 2014.

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

Investment Consultant's Report (continued)

The total URSJJ Plan has performed above its Policy Benchmark for the annualized time period of 1, 3 and 5-years to June 30, 2014. The ranking for the total URSJJ Plan for the annualized time period of five years is at the 28th percentile for the peer universe of Public Funds.

PERIODS ENDED 6/30/14	ONE YEAR	THREE YEARS	FIVE YEARS
Domestic Equity	+25.1%	+16.3%	+19.5%
86.4% Russell 1000 / 13.6% Russell 2000	+25.1%	+16.4%	+19.4%
Rank	46*	34	43
Non-US Equity	+22.0%	+6.0%	+11.4%
MSCI ACWI ex-US	+22.3%	+6.2%	+11.5%
Rank	51	75	66
Fixed Income	+5.1%	+5.2%	+6.6%
80% BC Agg. / 10% Citi 20+ Year Tsy. / 10% BC US TIPS	+4.7%	+4.3%	+5.1%
Rank	64	51	55
Total Fund	+17.7%	+10.2%	+13.2%
*Policy Benchmark****	+17.3%	+10.0%	+12.6%
Public Fund Median	+16.0%	+9.5%	+12.3%
Median Rank**	18	31	28

* Ranking 1 is best, 100 is worst.

** Rankings source - InvestorForce Universes

*** Policy Benchmark is: 44% (86.5% Russell 1000/ 13.5% Russell 2000) Custom Domestic Equity Benchmark/ 32% (80% BC US Aggregate / 10% Citi 20-Year+ Treasury / 10% BC US TIPS) Custom Fixed Income Benchmark / 24% MS ACWI ex-US.

Yours truly,

Paul S. Harte
Senior Vice President

Chief Investment Officer's Report

Uniform Retirement System for Justices and Judges
P.O. Box 53007
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Dear Members:

After the impressive gains in the global equity markets posted last year, fiscal year 2014 was an encore we did not anticipate. Equity markets around the world continued their bullish runs, and were once again led by gains in the U.S. The Fund returned 17.75% for the fiscal year, driven by the strength of developed equity markets around the world. This year's letter, which covers the 2014 fiscal year, will follow the same format as in years past. First, I will discuss the general economic environment and the performance of various markets throughout the fiscal year. Next, I will focus on the Fund by reviewing the investment performance and the asset allocation. Then, I will also offer an investment outlook and discuss recent events at the Fund. Finally, I will review the Fund's investment philosophy and guiding principles, because both are critically important to the investment decision-making process.

Economic Environment

Momentum that the U.S. economy had coming into the year continued, mostly, throughout fiscal 2014. Economic activity in the U.S. accelerated at the end of calendar year 2013, and stayed above a 3.5% annual rate for most of the fiscal year. The weather during the winter months was especially harsh, and caused economic activity to contract during that period. However, the economy bounced back in the spring of 2014 on the strength of the consumer, especially for durable goods and a pickup in business spending. The labor market seems to have turned a corner. Unemployment figures have improved, ending the fiscal year at 6.1%. Previous improvements in the unemployment rate came partially from working-age adults dropping out of the labor market. The latest figures reflect a much healthier situation where the number of jobs increased and more people joined the labor force. Payrolls in the U.S. continued to grow, and in nine of the twelve months of the fiscal year over 200,000 jobs were added to the U.S. economy. Inflation remains low and is expected to stay below the Federal Reserve's target in the short term. The strength of the U.S. economy allowed the Federal Reserve to curtail some of the Fed's highly supportive policies, like quantitative easing. Federal Reserve Chair Janet Yellen, who replaced Ben Bernanke, continued the policy of slowly withdrawing the unprecedented stimulus of the last five years.

The European Union continued to struggle with very sluggish economic activity during the fiscal year. GDP growth for the Eurozone was an annual 0.2% for the second quarter of 2014. While this is low, it was an improvement over recessionary growth rates experienced during last fiscal year. Countries in the Eurozone experienced paltry economic growth, relatively high unemployment, and high government debt levels. As a result, the European Central Bank (ECB) continued to cut rates and announced a plan to purchase securities. Outside of Europe, the economic picture really did not improve. In Asia, Japanese GDP for the second quarter was down 7.1% on a quarter-over-quarter basis as an increase in sales taxes severely counteracted Prime Minister Abe's pro-growth policies. In China, GDP for second quarter 2014 was up 7.4% on a quarter-over-quarter basis, as domestic stimulus and infrastructure spending spurred economic growth.

Chief Investment Officer's Report (continued)

U.S. and Global Stock Markets

The performance of the U.S. stock market, as measured by the Russell 3000 Index, continued to grow at a break-neck pace for the fiscal year. The Russell 3000 Index is one of the broadest equity indices available and a good proxy for the U.S. equity market. The markets have roared back since the Great Recession. Once again, many major stock indices, including the S&P 500, reached all-time highs during the period.

Change in the Russell 3000 Index during the fiscal year ended June 30, 2014

Value at 6/30/14 5650.9
Value at 6/30/13 4512.8

Source: Frank Russell Company

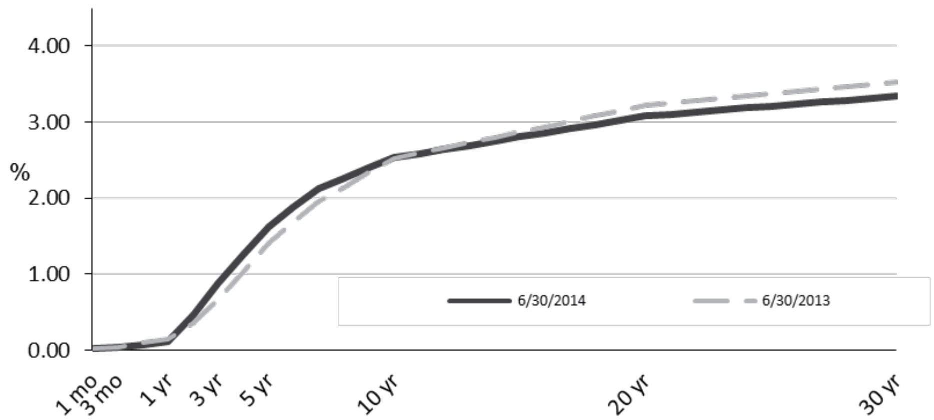
The Russell 3000 Index ended the fiscal year up 25%. The market rallied for most of the year, with only a couple of brief pauses on its way to record territory. The market was driven by improved economic activity and the continuation of stimulating policies of the Federal Reserve. The market sold-off when it appeared the economy was strong enough to have the Fed rein in its policies sooner than expected. Leading the equity markets were the stocks of the largest companies, as large capitalization stocks out-performed small capitalization stocks by almost 2% over the period. Global developed markets also responded to the monetary therapy being dispensed by the Federal Reserve and the European Central Bank over the period. The MSCI All Country World Index ex-U.S. (ACWI ex-U.S. Index), which includes developed and emerging markets, gained 21.75% in U.S. dollar terms for the fiscal year, as investors found value in markets starting to show signs of emerging from recession. The U.S. dollar weakened relative to many other foreign currencies, which enhanced U.S. dollar investor returns in European markets. Emerging market returns in U.S. dollar terms were much weaker compared to developed markets, as investors fled the sector on political and economic challenges, especially in Argentina and Russia.

Interest Rates

The chart on the next page depicts the U.S. Treasury term structure of interest rates. The yield curve is a graphical representation of yield levels across the spectrum of bond maturities. As shown, the interest rate curve slightly flattened during the period as rates at the long end of the curve declined modestly and increased in the short end of the curve. The bond market reacted to geopolitical risks and demanded the safety of U.S. Treasury bonds, driving down the yield for those securities. The Federal Reserve continued its accommodative posture by keeping the short term Federal Funds Rate near zero (0-0.25%) and assured investors short-term rates will remain at this level to stimulate economic activity.

Chief Investment Officer's Report (continued)

U.S. Treasury Yield Curve



Source: U.S. Treasury

Investment Returns Through June 30, 2014

U.S. Equity	Style	1 Year	3 Years	5 Years
Russell 3000	Broad U.S. Equity	25.22%	16.46%	19.33%
S&P 500	Large Cap Equity	24.61%	16.58%	18.83%
Russell 1000	Large Cap Equity	25.35%	16.63%	19.25%
Russell 1000 Growth	Large Cap Growth	26.92%	16.26%	19.24%
Russell 1000 Value	Large Cap Value	23.81%	16.92%	19.23%
Russell 2000	Small Cap Equity	23.64%	14.57%	20.21%
Russell 2000 Growth	Small Cap Growth	24.73%	14.49%	20.50%
Russell 2000 Value	Small Cap Value	22.54%	14.65%	19.88%
Uniform Retirement System for Justices & Judges	**Broad U.S. Equity**	**25.13%**	**16.33%**	**19.47%**

U.S. Fixed Income	Style	1 Year	3 Years	5 Years
ML 3-Month T-Bill	Cash	0.04%	0.06%	0.09%
Barclays U.S. Aggregate	Core Bonds	4.37%	3.66%	4.85%
Citigroup 20-year Treasury Average	Long Term Bonds	6.51%	9.86%	7.47%
ML High Yield Master II	High Yield Bonds	11.80%	9.27%	13.94%
Uniform Retirement System for Justices & Judges	**Domestic Fixed Income**	**5.14%**	**5.18%**	**6.61%**

International Equity	Style	1 Year	3 Years	5 Years
MSCI ACWI Ex-US	Broad Non-US Equity	21.75%	5.73%	11.11%
MSCI EAFE	Developed Non-US Equity	23.57%	8.10%	11.77%
MSCI Emerging Market	Emerging Non-US Equity	14.31%	-0.39%	9.24%
Uniform Retirement System for Justices & Judges	**Non-U.S. Equity**	**22.04%**	**6.01%**	**11.47%**

Uniform Retirement System for Justices & Judges	**Total Fund**	**17.75%**	**10.19%**	**13.16%**

Chief Investment Officer's Report (continued)

Investment Performance

Risk Assets Continue to Run

The total Fund produced stellar results, returning 17.75% for the period. The Fund outperformed the policy benchmark portfolio by 48 basis points for the period. The advisors that OPERS hires to manage the investment mandates added value relative to each manager's respective benchmark. We were again very pleased with the strong benchmark-relative results of our active advisors in the fixed income markets.

The Fund benefited from positive absolute returns from several asset classes in which it is invested, but especially within the U.S. and non-U.S. equity segments. The biggest positive driver of returns for the fiscal year was again the Fund's U.S. equity allocation. Overall, that segment of the portfolio returned 25.1%. Next, the non-U.S. equity portfolio contributed to total returns considerably, with a return of 22% for the period. Finally, the fixed income segment of the portfolio contributed positively, returning 5.1% for the fiscal year.

U.S. Equity

The Fund uses passive index investment management for the entire U.S. equity portfolio. Passive investment management is an efficient and cost effective way to manage the assets, while maintaining broad exposure to the desired asset class. The Fund's allocation dedicated to large capitalization stocks was the best performing asset class for the period, returning over 25%. The small capitalization portion of the fund returned almost 24% for the year. The overall U.S. equity portfolio returned over 25% for the period. That is an impressive result we do not expect going forward.

Non-U.S. Equity

This portion of the Fund is also managed entirely in a passive style. The index consists of stocks from developed and emerging countries outside of the United States. International developed and emerging markets continued to rally during the year. However, the performance of emerging markets once again lagged the performance of developed markets considerably. The U.S. dollar weakened relative to the basket of non-U.S. currencies, which added to performance results for dollar-based investors. The international portfolio gained over 22% for the period on a U.S. dollar basis.

Fixed Income

The Fund's bond portfolio contributed positively to overall results for the fiscal year. Yields declined modestly on longer maturity bonds, which helped to boost overall nominal bond total returns. The interest-rate sensitive portion of the fixed income segment produced the highest returns (nominal and benchmark-relative) within this segment, as we would expect given the decline in long-term U.S. Treasury yields over the period. In addition, the active manager's bias towards long term bonds also boosted returns relative to its benchmark. The fixed income managers benchmarked to the broad fixed income market both outperformed the index. As with last fiscal year, the more risk one assumed, the more return was earned. The Fund's core plus mandate, which uses higher yielding bonds in the asset mix, performed better relative to the benchmark than the more constrained core bond mandate.

Chief Investment Officer's Report (continued)

Asset Allocation

Diversification Reduces Volatility

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

Asset Allocation				
Asset Class	**Min**	**6/30/2014**	**Target**	**Max**
Cash	0.0%	0.3%	0.0%	0.0%
Domestic Fixed Income	27.5%	29.9%	32.0%	36.5%
U.S. Equity	38.2%	45.2%	44.0%	49.8%
Non-U.S. Equity	21.0%	24.6%	24.0%	27.0%
Total Fund		**100%**	**100%**	

Outlook and Recent Events

Outlook

If you've read this report in previous years, you know that I usually start this section on a cautionary note regarding the accuracy of forecasted market returns. Correctly and consistently forecasting the market's behavior is impossible, and taking any forecast as fact is sheer folly. We build the Fund according to the tenets set forth in the Investment Policy while making diversification, with respect to different asset classes and within each asset class, a priority. We endeavor to structure the Fund so it may benefit from strong returns in relatively riskier asset classes, but are ever mindful to maintain a level of diversification to dampen the return volatility that can result.

The current global economic environment continues to be driven by economic activity in North America, and specifically the U.S. European economies appear to be on firmer footing, as the economic zone emerged from a double-dip recession. Economic activity remains below potential in several larger economies in Europe. Central banks across the globe continue to support global capital markets with programs designed to inject liquidity into markets. Brief periods of volatility followed apprehension that the central banks, especially the Federal Reserve, would unwind these programs sooner than anticipated. So far, the Fed has done a good job in managing the expectations in the market and signaling its policy intentions. However, there were some fits and starts during the period as the Fed began to curtail its quantitative easing program. Geopolitical concerns, especially in Eastern Europe, also caused market participants to pause.

For 2014, our largest concern continues to be the prospect of generating and maintaining investment results that match or exceed the actuarial assumed rate of return of 7.5%. This will continue to be a challenging task going forward. Interest rates still remain near historically low levels which continue to pressure the long-term return generating capacity of a diversified portfolio. Additionally, after such a strong run, equity market valuation levels are higher than last year, which reduces prospective future returns.

Fixed Income

Over a long period of time, the total return of the bond market ***tends*** to resemble the yield of years' past. Over short periods, interest rate movements may have a profound impact on the capital gains (or losses) experienced by bond investors. The more quickly interest rates rise, the more pressure is exerted on the total return of the fixed income portfolio. Rates declined on the long end of the yield curve last year, which helped bolster fixed income total returns over the period. Our medium-term expectation for the total return of the U.S. fixed income markets going forward would more closely reflect current yields, which are around 2.5%-2.75%. But we could see a much lower total return (even another negative year) if rates rise too quickly and the decline in bond value more than offsets the yield.

Chief Investment Officer's Report (continued)

Equity
The equity markets are particularly difficult to predict with any type of precision. Over short periods of time, market sentiment and technical factors (buying and selling) have an overwhelming impact on returns experienced by investors. ***Over a long period of time***, the real return from the equity markets can be attributable to three main sources: dividends on stocks, the growth rate of corporate earnings, and changes in the valuation ratios. Generally, the growth rate of earnings depends on the economic environment. My forward-looking expectation on the economy has not changed from last year. The U.S. economy has shown signs of resilience, and growth has been increasing on a quarter-over-quarter basis. Consumer spending, the biggest driver of the U.S. economy, has picked up some steam, as the outlook for employment has improved. Consumers spent more money on durable goods, which is a good sign that the outlook has improved. As I mentioned above, the ability of the policy makers to manage expectations around monetary policy will be key to the performance of the equity market (and most other "risk assets") for the next several quarters, in addition to the reaction of market participant to elevated valuation levels.

Recent Events
The Board of Trustees modestly changed the strategic asset allocation of the Fund effective November 1, 2013. The U.S. Equity segment of the portfolio was increased to 44% of the Fund, from 40% previously. A corresponding decrease in the Fixed Income allocation occurred, as it decreased to 32% from 36% of the Fund. The reduction in the fixed income allocation is in appreciation of the extraordinarily low level of yields available in the fixed income markets. The reduction will modestly reduce the effect of prospective fixed income returns on the overall total return of the portfolio. However, we do not expect the change to have a dramatic effect on the overall risk/reward characteristics of the fund.

Investment Philosophy and Guiding Principles

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

- Asset allocation is the key factor determining long-term results.
- Disciplined rebalancing toward the desired asset allocation maintains diversification and controls risk.
- Diversification within and across asset classes is the most effective tool for controlling risk.
- Passive investment management is commonly the most effective approach in efficient markets; active investment management can succeed in less efficient markets.

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

Regards,

Brad Tillberg, CFA
Chief Investment Officer

Largest Holdings

The Plan's ten largest fixed income at June 30, 2014, are described in the following schedules. The Plan invests in four index funds which are separately presented.

Ten Largest Fixed Income Holdings (By Fair Value):

Security	Par	Fair Value
U.S. Treasury Notes .5% due 6-15-2016	$3,670,000	$3,673,153
U.S. Treasury Bonds Principal Strips due 5-15-2039	6,645,000	2,860,261
U.S. Treasury Notes 2.5% due 5-15-2024	2,637,500	2,633,792
U.S. Treasury Notes 1.5% due 5-31-2019	2,435,000	2,422,825
U.S. Treasury Bonds 2.75% due 11-15-2042	2,668,000	2,381,606
U.S. Treasury Notes .875% due 6-26-2017	2,310,000	2,310,903
U.S. Treasury Bonds 1.625% due 6-30-2019	1,635,000	1,635,000
U.S. Treasury Bonds 5.25% due 2-15-2029	1,259,000	1,613,881
GNMA Pool 4% due 6-20-2044	1,400,000	1,500,772
U.S. Treasury Bonds 3.375% due 5-15-2044	1,345,000	1,354,037

Investments in Funds (By Fair Value):

Fund	Units	Fair Value
BlackRock Russell 1000 Index Fund	846,883	$117,075,104
BlackRock ACWI ex-U.S. Index Fund	2,979,331	74,161,213
BlackRock Russell 2000 Index Fund	495,049	18,780,902
BlackRock U.S. TIPS Index Fund	414,548	8,737,317

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

Schedule of Stock Brokerage Commissions Paid

Year Ended June 30, 2014

None

Investment Portfolio by Type and Manager

At June 30, 2014, the investment portfolio of URSJJ was allocated by type and style as follows:

Investment Type and Manager	Style	Fair Value*	Percent of Total Fair Value
		(000's)	
Fixed Income:			
Blackrock Financial Management, Inc.	Constrained Core	$ 47,807	15.7%
Hoisington Investment Management	Interest Rate Anticipation	8,617	2.8%
BlackRock Institutional Trust Company	Index Fund – U.S. TIPS	8,737	2.9%
Metropolitan West Asset Management	Core Plus	29,309	9.6%
Total Fixed Income		94,470	31.0%
U.S. Equities:			
BlackRock Institutional Trust Company	Index Fund – Russell 2000	18,780	6.1%
BlackRock Institutional Trust Company	Index Fund – Russell 1000	117,075	38.3%
Total U.S. Equities		135,855	44.4%
International Equities:			
BlackRock Institutional Trust Company	Index Fund – ACWI ex-U.S.	74,160	24.3%
Short-term Investment Funds	Operating Cash	931	0.3%
Total Managed Investments		305,416	100.0%
Securities Lending Collateral		13,871	
Cash Equivalents on Deposit with State		117	
Total Investments and Cash Equivalents		$ 319,404	
Statement of Plan Net Assets			
Cash Equivalents		1,642	
Investments		317,762	
Total Investments and Cash Equivalents		$ 319,404	

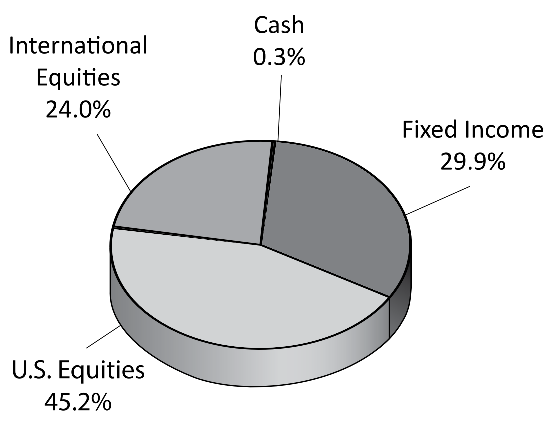
** Manager fair values include their respective cash and cash equivalents.*

Asset Comparison

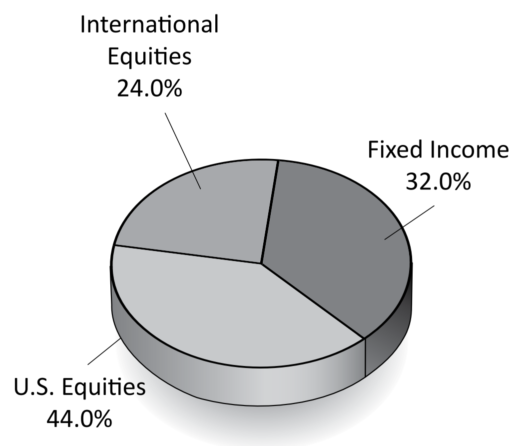
A comparison of the actual investment distribution at June 30, 2014 and 2013, based on the net investment manager holdings, including accrued income, payables and receivables, compared to the target allocations for each year is as follows:

2014

Asset Mix

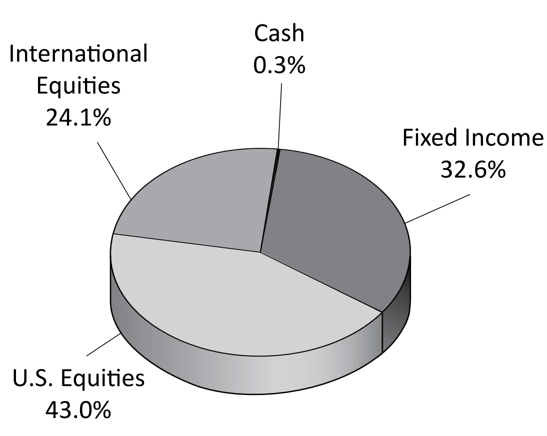


Target Policy Mix

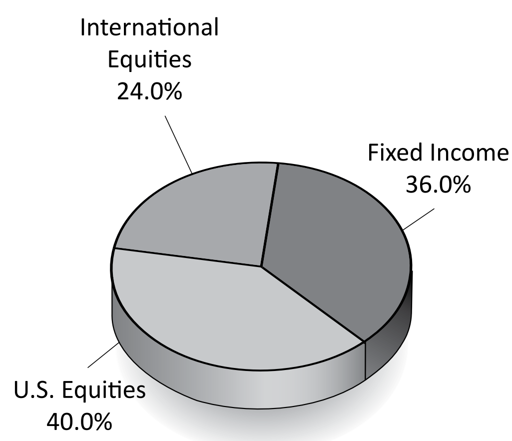


2013

Asset Mix



Target Policy Mix



Actuarial

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

Cavanaugh Macdonald
3550 Busbee Pkwy, Suite 250
Kennesaw, GA 30144

Phone (678) 388-1700
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www.CavMacConsulting.com

November 5, 2014

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

Members of the Board:

We have completed an actuarial valuation of the Oklahoma Uniform Retirement System for Justices and Judges as of July 1, 2014 for the purpose of determining the actuarial contribution rate and calculating and analyzing key financial measurements. Actuarial valuations are performed annually. This valuation reflects the benefit provisions and contribution rates in effect as of July 1, 2014.

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

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

The assumptions recommended by the actuary and adopted by the Board are, in the aggregate, reasonably related to the experience under the System and to reasonable expectations of anticipated experience under the System and meet the parameters for the disclosures under statements issued by the Governmental Accounting Standards Board.

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

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

Respectfully submitted,

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

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

Summary of Results

		7/1/2014 Valuation	7/1/2013 Valuation	% Change
1.	**PARTICIPANT DATA**			
	Number of:			
	Active Members	274	273	0.4
	Retired and Disabled Members and Beneficiaries	235	230	2.2
	Inactive Members	18	19	(5.3)
	Total members	527	522	1.0
	Projected Annual Salaries of Active Members	$ 34,281,695	$ 34,325,368	(0.1)
	Annual Retirement Payments for Retired Members and Beneficiaries	$ 14,861,872	$ 14,370,410	3.4
2.	**ASSETS AND LIABILITIES**			
	Total Actuarial Accrued Liability	$ 258,787,677	$ 254,408,963	1.7
	Market Value of Assets	$ 301,469,209	$ 263,230,961	14.5
	Actuarial Value of Assets	$ 274,070,696	$ 247,531,035	10.7
	Unfunded Actuarial Accrued Liability	$ (15,283,019)	$ 6,877,928	(322.2)
	Funded Ratio	105.9%	97.3%	8.8
3.	**EMPLOYER CONTRIBUTION RATES AS A PERCENT OF PAYROLL**			
	Normal Cost Rate	26.06%	26.66%	
	Amortization of Unfunded Actuarial Accrued Liability	(4.30%)	1.82%	
	Budgeted Expenses	0.53%	0.53%	
	Total Actuarial Required Contribution Rate	22.29%	29.01%	
	Less Member Contribution Rate	8.00%	8.00%	
	Employer Actuarial Required Contribution Rate	14.29%	21.01%	
	Less Statutory State Employer contribution Rate	16.00%	14.50%	
	Contribution Shortfall/(Surplus)	(1.71%)	6.51%	

Analysis of Financial Experience

Gains & Losses in Actuarial Accrued Liability During the Year Ended June 30, 2014 Resulting from Differences Between Assumed Experience & Actual Experience

	Type of Activity	(Gain) or Loss for Year End 2013
1.	**Age & Service Retirements.** If members retire at older ages or with smaller benefits than assumed, there is a gain. If they retire at younger ages or have higher average pays, a loss occurs.	$ (1,398,000)
2.	**Disability Retirements.** If disability claims are less than assumed, then there is a gain. If more claims, a loss.	$ 0
3.	**Death Benefits.** If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(85,000)
4.	**Withdrawal from Employment.** If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	290,000
5.	**Pay Increases.** If there are smaller pay increase than assumed, there is a gain. If greater increases, a loss.	(5,899,000)
6.	**New Entrants.** All new entrants to the System create a loss.	54,000
7.	**Other.** Miscellaneous gains and losses resulting from data adjustments, employee transfers, valuation methods, etc.	(559,000)
8.	**(Gain) or Loss During Year From Financial Experience.**	(16,242,000)
9.	**Composite (Gain) or Loss During Year.**	$ (23,839,000)

Solvency Test

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

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

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

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

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

	Actuarial Accrued Liabilities[1] and Valuation Assets					Portion of Actuarial Accrued Liabilities Covered by Reported Assets			
Date	**Active Member Contributions (Liability 1)**	**Retirees, Beneficiaries and Terminated Vested Members (Liability 2)**	**Employer Financed Portion of Active Members (Liability 3)**	**Total Liability (1 + 2 + 3)**	**Reported Assets[1]**	**(1)**	**(2)**	**(3)**	**Funded Ratio of Total Accrued Actuarial Liabilities**
July 1, 2005	$15,883,671	$82,158,147	$89,515,027	$187,556,845	$203,951,085	100%	100%	100.0%	108.7%
July 1, 2006	16,672,133	90,877,534	97,755,381	205,305,048	210,376,209	100	100	100.0	102.5
July 1, 2007	17,218,458	104,441,388	105,402,347	227,062,193	224,577,704	100	100	97.6	98.9
July 1, 2008	19,206,749	108,823,528	116,032,044	244,062,321	235,297,077	100	100	96.2	96.4
July 1, 2009	20,120,183	119,470,132	121,805,707	261,396,022	221,576,179	100	100	67.3	84.8
July 1, 2010	20,768,871	138,619,902	123,376,632	282,765,405	230,010,299	100	100	57.2	81.3
July 1, 2011	20,060,127	134,336,252	92,395,853	246,792,232	237,626,663	100	100	90.1	96.3
July 1, 2012	21,278,738	137,448,040	90,652,122	249,378,900	238,553,638	100	100	88.1	95.7
July 1, 2013	23,130,164	136,834,202	94,444,597	254,408,963	247,531,035	100	100	92.7	97.3
July 1, 2014	24,434,587	140,084,348	94,268,742	258,787,677	274,070,696	100	100	100.0	105.9

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

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
July 1, 2014	274	$34,281,695	$125,116	(0.49)%
July 1, 2013	273	34,325,368	125,734	0.33
July 1, 2012	266	33,336,632	125,326	(2.13)
July 1, 2011	271	34,700,819	128,047	(0.92)
July 1, 2010	271	35,023,262	129,237	5.45
July 1, 2009	274	33,579,668	122,554	4.81
July 1, 2008	277	32,389,296	116,929	0.98
July 1, 2007	278	32,191,938	115,798	14.58
July 1, 2006	272	27,488,381	101,060	8.33
July 1, 2005	266	24,814,338	93,287	(2.05)

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, 2014	19	$ 1,330,374	14	$838,912	235	$14,861,872	3.42%	$63,242
June 30, 2013	7	439,982	10	576,225	230	14,370,410	(0.94)	62,480
June 30, 2012	7	550,850	9	188,030	233	14,506,653	2.57	62,260
June 30, 2011	28	2,415,131	3	73,279	235	14,143,833	19.84	60,187
June 30, 2010	17	1,533,568	7	277,053	210	11,801,981	11.92	56,200
June 30, 2009	11	877,758	6	267,360	200	10,545,466	6.09	52,727
June 30, 2008	7	459,236	6	205,594	195	9,940,068	5.62	50,975
June 30, 2007	19	1,278,139	5	193,466	194	9,410,934	12.50	48,510
June 30, 2006	8	561,682	3	72,874	180	8,365,205	9.35	46,473
June 30, 2005	16	1,258,767	9	182,188	175	7,649,990	16.03	43,703

Summary of System Provisions

Employees Included:	All Justices and Judges of the Supreme Court, Court of Criminal Appeals, Workers Compensation Court, Courts of Appeals or District Court who serve in the State of Oklahoma participate in the Uniform Retirement System for Justices and Judges.
System Contributions:	The contributions are received from the employer agencies based on a percentage of salary of covered members. Effective for the fiscal year ending June 30, 2006, employer contributions increased to 3.0% of the member's salary and will increase annually up to 22.0% of member payroll for fiscal years ending June 30, 2019, and thereafter.
Member Contributions:	Before September 1, 2005, basic member contributions equal 5% of salary, while married members could have elected an 8% contribution rate in order to provide survivor coverage. After September 1, 2005, the member contribution rate for all members is 8% of salary.
Final Average Salary:	The average monthly salary received during the highest three (3) years of active service as a Justice or Judge in a court of record.
Retirement Date:	A member who completes eight (8) years of service and attains age sixty-five (65), or completes ten (10) years of service and attains age sixty (60), or completes eight (8) years of service and whose sum of years of service and age equals or exceeds eighty (80), may begin receiving retirement benefits at his request. For judges taking office after January 1, 2012, retirement age is sixty-seven (67) with eight (8) years of service or age sixty-two (62) with ten (10) years of service.
Normal Retirement Benefit:	General formula is 4% of average monthly salary multiplied by service, up to a maximum benefit of 100% of final average salary.
Disability Benefit:	After fifteen (15) years of service and age fifty-five (55), provided the member is ordered to retire by reason of disability and is eligible for disability retirement benefits. This benefit, payable for life, is calculated in the same manner as a normal retirement benefit but cannot exceed 100% of final average salary.

Summary of System Provisions (continued)

Survivor Benefit:	The spouse of a deceased active member who had met normal or vested retirement provisions may elect a spouse's benefit. The spouse's benefit is the benefit that would have been paid if the member had retired and elected the joint and 100% survivor option (Option B), or a 50% unreduced benefit for certain married participants making 8% of pay contributions prior to September 1, 2005. If the member has ten (10) years of service and the death is determined to be employment related, this benefit is payable immediately to the spouse. In order to be eligible for this survivor coverage, members must be married to their spouse for three (3) years preceding death and they must be married ninety (90) days prior to the member's termination of employment as a Justice or Judge. Effective October 1, 2004, the benefit for surviving spouses may be higher than 50% of the member's benefit, up to 65% for certain members who made additional voluntary survivor benefit contributions of 3% of salary prior to July 1, 1999, and who die or retire after July 1, 1999.
Optional Forms of Retirement Benefits:	The normal form of benefit for a single member is a single life monthly annuity with a guaranteed refund of the contribution accumulation. The normal form for a married member is a 50% joint and survivor annuity benefit. Optional forms of payment with actuarial reduction (if applicable) are available to all members retiring under the normal retirement or vested retirement provisions. After September 1, 2005, the options providing post-retirement death benefits are: Option A -- Joint and 50% survivor annuity with a return to the unreduced amount if the joint annuitant dies. Option B -- Joint and 100% survivor annuity with a return to the unreduced amount if the joint annuitant dies. For married members, spousal consent is required for any option other than Option A.
Participant Death Benefit:	$5,000 lump sum.
Supplemental Medical Insurance Premium:	The System contributes the lesser of $105 per month or the Medicare Supplement Premium to the Oklahoma State and Education Employee's Group Health Insurance Program for members receiving retirement benefits.

Summary of Actuarial Assumptions and Methods

1. The investment return rate used in the valuation was 7.5 percent per year, net of investment expenses, compounded annually. This rate of return is not the assumed real rate of return. The real rate of return is the rate of return in excess of the inflation rate. Considering other financial assumptions, the 7.5 percent investment return rate translates to an assumed real rate of return of 4.5 percent.

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

3. The probability of withdrawal from service is 2% for all years of service. The individual pay increase assumption is 5.00% per year.

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

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

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

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

8. The actuarial assumptions and methods used in the valuation were adopted by the Board on based on System experience from July 1, 2010 through June 30, 2013.

Summary of Actuarial Assumptions and Methods (continued)

Schedule 1

Percent of Eligible Active Members Retiring Within Next Year

Active members hired before 1/1/2012

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

Active members hired after 1/1/2012

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

Statistical

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 Fiduciary Net Position, Schedule of Revenue by Source, Schedule of Expenses by Type, Schedule of Benefit Payments and Refunds by Type*, and *Funded Ratio Chart*.

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

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

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

Schedule of Changes in Fiduciary Net Position

Year Ended June 30,	Additions			Deductions			Total Changes in Fiduciary Net Position
	Member Contributions	Employer Contributions	Investment Income (Loss)	Benefit Payments	Administrative Expenses	Refunds	
2014	$ 2,543,885	$ 4,610,812	$ 46,212,132	$ 14,939,499	$ 132,190	$ 56,892	$ 38,238,248
2013	$ 2,543,584	$ 4,129,300	$ 27,498,371	$ 14,599,877	$ 128,007	$ 31,831	$ 19,411,540
2012	$ 2,562,347	$ 3,619,677	$ 4,411,958	$ 14,478,117	$ 154,623	$ 330,831	$ (4,369,589)
2011	2,667,908	3,193,277	44,556,035	13,117,911	118,765	172,089	37,008,455
2010	2,599,341	8,704,232	27,116,482	11,705,265	114,663	66,388	26,533,739
2009	2,774,837	2,243,701	(35,739,688)	10,430,301	117,081	9,321	(41,277,853)
2008	2,486,481	1,688,673	(8,735,864)	9,650,446	112,484	2,333	(14,325,973)
2007	2,599,296	1,223,765	31,881,175	8,962,416	111,057	97,642	26,533,121
2006	2,058,456	791,343	13,325,490	8,009,684	98,218	55,220	8,012,167
2005	1,716,996	475,019	19,379,000	7,393,588	87,744	164,018	13,925,665

Schedule of Revenue by Source

Year Ended June 30,	Member Contributions	Employer Contributions: Dollars	Employer Contributions: % of Annual Covered Payroll	Investment Income (Loss)	Total
2014	$ 2,543,885	$ 4,610,812	13.45 %	$ 46,212,132	$ 53,366,829
2013	2,543,584	4,129,300	12.03	27,498,371	34,171,255
2012	2,562,347	3,619,677	10.86	4,411,958	10,593,982
2011	2,667,908	3,193,277	9.20	44,556,035	50,417,220
2010	2,599,341	8,704,232	24.85	27,116,482	38,420,055
2009	2,774,837	2,243,701	6.68	(35,739,688)	(30,721,150)
2008	2,486,481	1,688,673	5.21	(8,735,864)	(4,560,710)
2007	2,599,296	1,223,765	3.80	31,881,175	35,704,236
2006	2,058,456	791,343	2.88	13,325,490	16,175,289
2005	1,716,996	475,019	1.91	19,379,000	21,571,015

The employer contribution rate was raised to 3.0% effective July 1, 2005, 4.0% effective July 1, 2006, 5.5% effective July 1, 2007, 7.0% effective July 1, 2008, 8.5% effective July 1, 2009, 10.0% effective July 1, 2010, 11.5% effective July 1, 2011, 13.0% effective July 1, 2012 and 14.5% effective July 1, 2013. In May 2009 the State Legislature designated an additional $6.0 million as employer contributions effective July 1, 2009.

Schedule of Expenses by Type

Year Ended June 30,	Benefit Payments	Administrative Expenses	Withdrawals	Total
2014	$ 14,939,499	$ 132,190	$ 56,892	$ 15,128,581
2013	14,599,877	128,007	31,831	14,759,715
2012	14,478,117	154,623	330,831	14,963,571
2011	13,117,911	118,765	172,089	13,408,765
2010	11,705,265	114,663	66,388	11,886,316
2009	10,430,301	117,081	9,321	10,556,703
2008	9,650,446	112,484	2,333	9,765,263
2007	8,962,416	111,057	97,642	9,171,115
2006	8,009,684	98,218	55,220	8,163,122
2005	7,393,588	87,744	164,018	7,645,350

Schedule of Benefit Payments and Refunds by Type

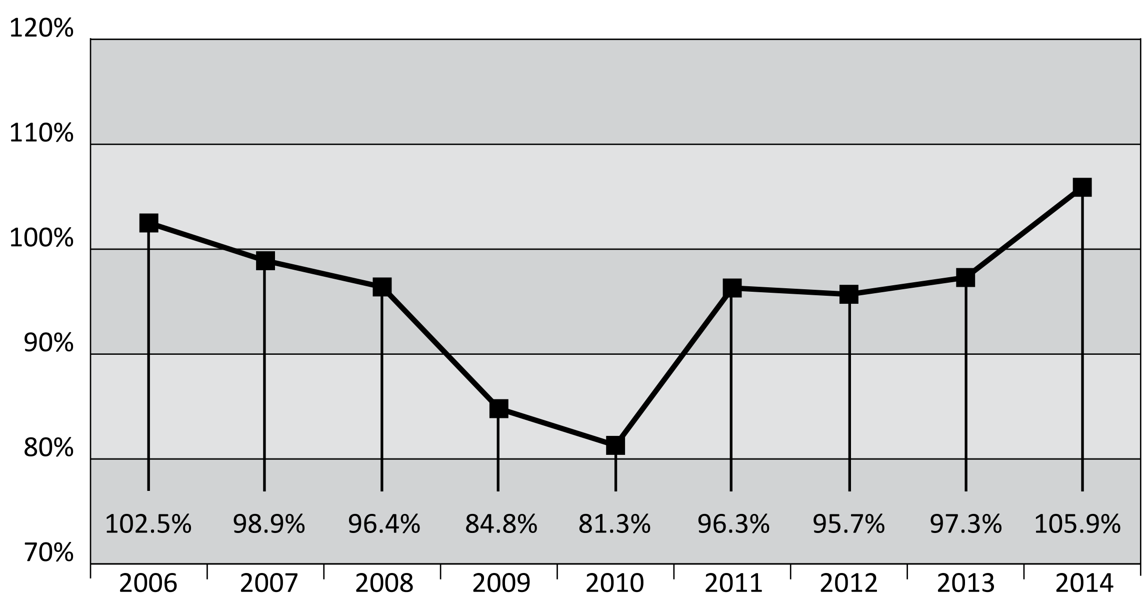
The following schedule provides information as to the type of benefit expenses incurred by the Plan as reflected in the "Benefit Payment" and "Refunds" columns of the **Schedule of Expenses by Type** included elsewhere in this Statistical Section.

Year	Benefits			Refunds				Total Benefit
Ended	Age and		Beneficiary		Transfers to	Member		Payments
June 30,	Service	Disability	Death	Withdrawals	Other Systems	Death	Other	and Refunds
2014	$ 14,748,689	$ 157,476	$ 33,334	$ 56,892	$ -	$ -	$ -	$ 14,996,391
2013	14,387,401	157,476	55,000	(46,560)	-	78,391	-	14,631,708
2012	14,290,643	157,476	30,000	234,514	-	96,317	-	14,808,950
2011	12,925,436	157,475	35,000	3,744	-	168,345	-	13,290,000
2010	11,507,789	157,476	40,000	66,389	-	-	-	11,771,654
2009	10,248,035	157,266	25,000	9,321	-	-	-	10,439,622
2008	9,478,930	151,516	20,000	2,333	-	-	-	9,652,779
2007	8,795,900	151,516	15,000	60,051	17,971	19,620	-	9,060,058
2006	7,815,666	149,018	45,000	-	-	49,671	5,549	8,064,904
2005	7,221,805	144,283	27,500	45,889	-	117,754	375	7,557,606

Negative withdrawal amounts represent the cancellation of a withdrawal issued in a prior fiscal year. This occurs very infrequently.

Funded Ratio Chart

As of July 1



Rate of Return by Type of Investment

Year Ended June 30,	Fixed Income	U.S. Equity	International Equity	Total
2014	5.1 %	25.1 %	22.0 %	17.7 %
2013	(1.2) %	21.7 %	13.9 %	11.5
2012	12.1	3.4	(14.3)	1.9
2011	4.3	32.8	30.1	21.4
2010	13.5	16.4	10.5	14.3
2009	3.8	(26.4)	(31.0)	(15.7)
2008	8.7	(12.6)	(10.2)	(3.7)
2007	6.4	20.1	27.4	15.1
2006	(2.0)	9.6	26.9	6.6
2005	10.8	8.1	14.0	10.3

Schedule of Retired Members by Type of Benefit

June 30, 2014

Amount of Monthly Benefit	Number of Retirees	Type of Retirement*				Option Selected #			
		1	2	3	4	1	2	3	4
$1 – 1,000	6	1	5	-	-	-	5	1	-
1,001 – 2,000	23	8	15	-	-	-	20	1	2
2,001 – 3,000	25	12	13	-	-	1	21	1	2
3,001 – 4,000	28	17	10	-	1	2	22	1	3
4,001 – 5,000	39	31	6	2	-	3	29	1	6
Over 5,000	114	112	2	-	-	9	91	4	10
Totals	**235**	**181**	**51**	**2**	**1**	**15**	**188**	**9**	**23**

***Type of Retirement**

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

Type 2 – *Survivor payment:* Normal.

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

Type 4 – *Survivor payment:* Disability retirement.

 # Option Selected

Option 1 – *Single-life annuity:* The maximum benefit is paid for the member's lifetime.

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

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

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

Deferred Members

At June 30, 2014, there are 18 former members with deferred future benefits.

Schedule of Average Benefit Payments

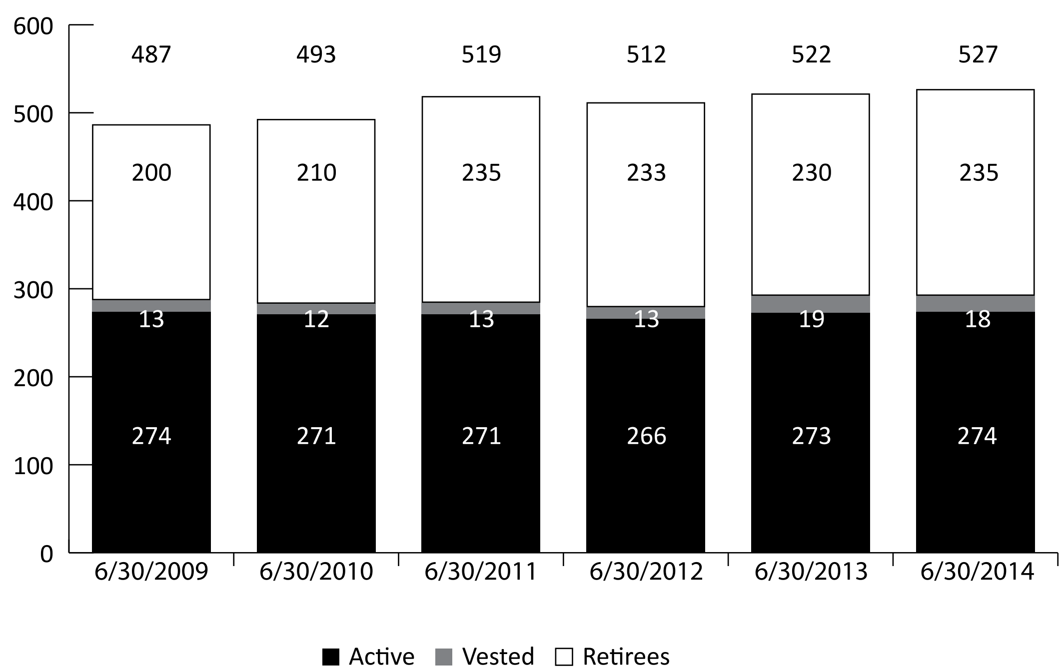
Retirement Effective Dates	Years of Credited Service						
July 1, 2004 to June 30, 2014	**0 to 5**	**6 to 10**	**11 to 15**	**16 to 20**	**21 to 25**	**26 to 30**	**31+**
Period 7/1/04 to 6/30/05							
Average Monthly Benefit	$ -	$ 3,469	$ 3,026	$ 5,233	$ 7,459	$ 8,054	$ 9,376
Average Final Average Salary	$ -	$ 8,017	$ 7,534	$ 8,078	$ 7,559	$ 7,446	$ 8,668
Number of Active Retirees	-	1	2	2	3	2	3
Period 7/1/05 to 6/30/06							
Average Monthly Benefit	$ -	$ 2,529	$ 3,869	$ 4,597	$ 7,344	$ -	$ 8,686
Average Final Average Salary	$ -	$ 6,755	$ 8,372	$ 6,423	$ 7,995	$ -	$ 8,352
Number of Active Retirees	-	1	1	2	4	-	1
Period 7/1/06 to 6/30/07							
Average Monthly Benefit	$ -	$ 1,509	$ 3,591	$ 5,374	$ 7,601	$ 7,608	$ 8,151
Average Final Average Salary	$ -	$ 4,369	$ 7,936	$ 7,872	$ 7,580	$ 8,213	$ 7,838
Number of Active Retirees	-	2	5	3	4	4	1
Period 7/1/07 to 6/30/08							
Average Monthly Benefit	$ -	$ 2,918	$ 4,695	$ 4,968	$ 7,610	$ -	$ 9,827
Average Final Average Salary	$ -	$ 7,296	$ 7,825	$ 8,015	$ 7,610	$ -	$ 9,827
Number of Active Retirees	-	1	1	2	1	-	1
Period 7/1/08 to 6/30/09							
Average Monthly Benefit	$ -	$ -	$ 4,248	$ 4,003	$ 7,993	$ -	$ -
Average Final Average Salary	$ -	$ -	$ 8,579	$ 8,920	$ 9,016	$ -	$ -
Number of Active Retirees	-	-	4	2	5	-	-
Period 7/1/09 to 6/30/10							
Average Monthly Benefit	$ -	$ -	$ 3,522	$ 6,916	$ 9,197	$ 10,077	$ -
Average Final Average Salary	$ -	$ -	$ 6,845	$ 9,504	$ 9,459	$ 10,076	$ -
Number of Active Retirees	-	-	4	3	8	2	-
Period 7/1/10 to 6/30/11							
Average Monthly Benefit	$ -	$ 2,346	$ 4,059	$ 6,367	$ 8,054	$ 9,602	$ 8,666
Average Final Average Salary	$ -	$ 8,662	$ 8,259	$ 9,881	$ 9,384	$ 10,106	$ 10,182
Number of Active Retirees	-	1	5	6	5	6	5
Period 7/1/11 to 6/30/12							
Average Monthly Benefit	$ -	$ 3,731	$ -	$ -	$ 9,456	$ 10,868	$ -
Average Final Average Salary	$ -	$ 10,364	$ -	$ -	$ 9,828	$ 10,868	$ -
Number of Active Retirees	-	1	-	-	3	1	-
Period 7/1/12 to 6/30/13							
Average Monthly Benefit	$ -	$ 3,064	$ 4,495	$ 5,036	$ 8,486	$ -	$ -
Average Final Average Salary	$ -	$ 9,157	$ 9,601	$ 7,405	$ 9,962	$ -	$ -
Number of Active Retirees	-	2	2	2	2	-	-
Period 7/1/13 to 6/30/14							
Average Monthly Benefit	$ -	$ 3,441	$ -	$ 5,911	$ 8,031	$ 10,364	$ 10,364
Average Final Average Salary	$ -	$ 9,559	$ -	$ 8,663	$ 9,828	$ 10,364	$ 10,364
Number of Active Retirees	-	1	-	5	3	1	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 Ended June 30,	Covered Employees of the State
2014	274
2013	273
2012	266
2011	271
2010	271
2009	274
2008	277
2007	278
2006	272
2005	266

Demographics Chart



Member Statistics

Inactive members as of July 1, 2014	Number	Amount of Annual Benefit
Members receiving benefits		
Retired	176	$ 12,767,158
Surviving spouses	57	1,978,762
Disabled	2	115,952
Total	**235**	**$ 14,861,872**
Members with deferred benefits		
Vested terminated	14	$ 579,892
Assumed deferred vested members (estimated benefits)	4	72,891
Total	**18**	**$ 652,783**

		Average		
Statistics for	Number	Age	Service	Earnings
Active members as of July 1, 2013				
Continuing	257	57.5	12.2	$ 125,837
New	16	52.0	0.8	124,255
Total	**273**	**57.2**	**11.5**	**$ 125,744**
Active members as of July 1, 2014				
Continuing	263	58.0	12.3	$ 125,527
New	11	49.6	0.6	115,294
Total	**274**	**57.7**	**11.8**	**$ 125,116**

Distribution of Retirees and Beneficiaries

	Number			Annual Benefits		
Age	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Under 50	-	-	-	$ -	$ -	$ -
50-55	-	2	2	-	119,475	119,475
55-60	1	1	2	103,702	109,528	213,230
60-65	24	6	30	2,239,027	443,832	2,682,859
65-70	37	13	50	2,975,639	739,103	3,714,742
70-75	36	13	49	2,309,126	770,366	3,079,492
75-80	28	7	35	1,797,395	236,535	2,033,930
80-85	15	13	28	861,696	399,428	1,261,124
85-90	12	16	28	729,453	616,038	1,345,491
90-95	6	2	8	332,707	32,139	364,846
95-100	1	2	3	28,260	18,426	46,686
Over 100	-	-	-	-	-	-
Total	**160**	**75**	**235**	**$ 11,377,005**	**$ 3,484,870**	**$ 14,861,875**

Summary of Active Members

Age and years of credited service
Earnings tabulated are average rates of pay as of July 1, 2014

Age	Years of Service									Total
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up	
Under 35	1									**1**
Average Pay	$107,784									**$107,784**
35 to 39	5	1								**6**
Average Pay	$119,678	$107,784								**$117,696**
40 to 44	9	4	3							**16**
Average Pay	$102,566	$115,218	$111,088							**$107,327**
45 to 49	11	9	4	2	1					**27**
Average Pay	$97,710	$117,283	$125,129	$112,740	$107,784					**$109,783**
50 to 54	18	14	9	7						**48**
Average Pay	$112,620	$116,988	$118,797	$119,111						**$115,999**
55 to 59	19	9	5	9	8	2				**52**
Average Pay	$108,122	$112,293	$113,731	$116,594	$121,257	$117,696				**$113,239**
60 to 64	9	17	8	17	8	5	5	1		**70**
Average Pay	$113,600	$120,465	$120,133	$123,526	$121,412	$129,093	$128,350	$117,696		**$121,536**
65 to 69	4	7	4	9	2	3	3	1		**33**
Average Pay	$112,742	$119,465	$110,262	$123,615	$117,696	$127,606	$141,234	$133,801		**$121,713**
70 & up	1	6	5	5	1		1		2	**21**
Average Pay	$107,784	$126,574	$117,696	$127,607	$141,234		$133,801		$134,420	**$125,601**
Total	**77**	**67**	**38**	**49**	**20**	**10**	**9**	**2**	**2**	**274**
Average Pay	**$108,659**	**$118,153**	**$117,426**	**$121,614**	**$121,288**	**$126,368**	**$133,250**	**$125,748**	**$134,421**	**$117,202**

Uniform Retirement System for Justices and Judges

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