
Uniform Retirement System for Justices and Judges
POPULAR ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

Dear Esteemed Member:

I am pleased to bring you the Popular Annual Financial Report for the Uniform Retirement System for Justices and Judges (URSJJ) for the fiscal year ended June 30, 2023. This report is a reader-friendly summary of financial information provided in the 2023 Annual Comprehensive Financial Report.

URSJJ continued to meet our responsibilities during fiscal year 2023 with an absolute commitment to the highest quality service to our members and employers, which shows our dedication to accountability and transparency.

This report represents what is best about the URSJJ and its members. My gratitude goes to those who have worked purposefully and intentionally to prepare this report for our members and employers.

Sincerely,

Joseph A. Fox
Executive Director

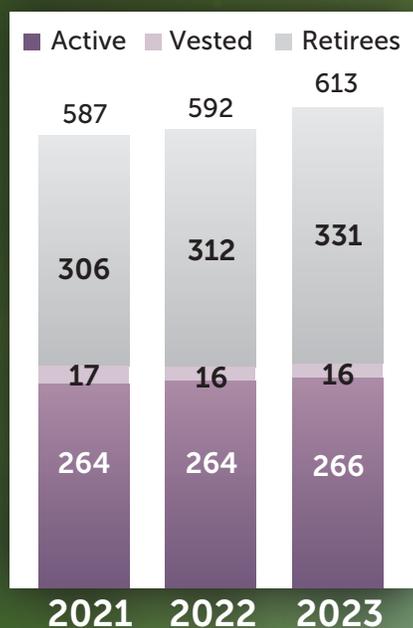


Annual Comprehensive Financial Report Online

The 2023 Popular Annual Financial Report for the Uniform Retirement System for Justices and Judges (URSJJ) contains summary financial information from the 2023 Annual Comprehensive Financial Report. The full report may be viewed, in its entirety online, at www.opers.ok.gov/publications.

DEMOGRAPHICS

as of June 30



About URSJJ

The URSJJ is a single-employer public employee retirement plan established in 1968 by the Oklahoma Legislature. 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, as well as the Administrative Director of the Courts. As of June 30, 2023, the Plan's membership includes 266 active members, 16 inactive members, and 331 retirees and beneficiaries.

Net Position

The net position restricted for pension and health insurance subsidy plan (HISP) totaled \$380.8 million at June 30, 2023, compared to \$357.6 million at June 30, 2022 and \$433.5 million at June 30, 2021. The net position restricted for pension/HISP benefits is available for payment of monthly retirement benefits and other qualified distributions to the System's participants. The increase of \$23.2 million and decrease of 75.9 million of the respective years have resulted primarily from the changes in the fair value of the System's investments.

CONDENSED SCHEDULES OF FIDUCIARY NET POSITION

(\$ millions)

	2023			2022			2021		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Assets:									
Cash and cash equivalents	\$ 1.9	\$ 0.1	\$ 2.0	\$ 5.0	\$ 0.1	\$ 5.1	\$ 17.7	\$ 0.1	\$ 17.8
Receivables	12.0	0.1	12.1	10.4	0.1	10.5	18.8	0.2	19.0
Investments	382.3	4.1	386.4	359.2	3.8	363.0	430.6	4.4	435.0
Securities lending collateral	10.1	0.1	10.2	14.9	0.2	15.1	15.7	0.2	15.9
Total assets	406.3	4.4	410.7	389.5	4.2	393.7	482.8	4.9	487.7
Liabilities:									
Other liabilities	19.5	0.2	19.7	20.8	0.2	21.0	37.9	0.4	38.3
Securities lending collateral	10.1	0.1	10.2	14.9	0.2	15.1	15.7	0.2	15.9
Total liabilities	29.6	0.3	29.9	35.7	0.4	36.1	53.6	0.6	54.2
Ending fiduciary net position	\$376.7	\$4.1	\$380.8	\$353.8	\$3.8	\$357.6	\$492.2	\$4.3	\$433.5

CONDENSED SCHEDULES OF CHANGES IN FIDUCIARY NET POSITION

(\$ millions)

	2023			2022			2021		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Member contributions	\$ 3.1	\$ -	\$ 3.1	\$ 2.9	\$ -	\$ 2.9	\$ 2.9	\$ -	\$ 2.9
State and local agency contributions	8.2	0.2	8.4	7.7	0.2	7.9	7.6	0.3	7.9
Net investment income (loss)	36.4	0.3	36.7	(62.2)	(0.5)	(62.7)	94.5	0.8	95.3
Total additions	47.7	0.5	48.2	(51.6)	(0.3)	(51.9)	105.0	1.1	106.1
Retirement, death and survivor benefits	24.6	0.2	24.8	23.5	0.2	23.7	23.0	0.2	23.2
Refunds and withdrawals	-	-	-	0.1	-	0.1	0.1	-	0.1
Administrative expenses	0.2	-	0.2	0.2	-	0.2	0.2	-	0.2
Total deductions	24.8	0.2	25.0	23.8	0.2	24.0	23.3	0.2	23.5
Net increase in fiduciary net position	22.9	0.3	23.2	(75.4)	(0.5)	(75.9)	81.7	0.9	82.6
Beginning of year	353.8	3.8	357.6	429.2	4.3	433.5	347.5	3.4	350.9
End of year	\$376.7	\$4.1	\$380.8	\$353.8	\$3.8	\$357.6	\$429.2	\$4.3	\$433.5

Changes in Fiduciary Net Position

For the year ended June 30, 2023, fiduciary net position increased \$23.2 million, or 6.5%. Total assets increased by \$17.0 million, or 4.3%, due to an increase of 6.4% in investments and an increase of 15.2% in receivables. The System achieved a rate of return of 10.6% compared to the prior year of -14.8% resulting in an increase in fiduciary net position. Total liabilities decreased 17.2% primarily due to a 32.5% decrease in securities lending collateral. For fiscal year 2023, we saw a slight decrease in other liabilities by 6.2%.

Deductions to fiduciary net position are incurred primarily for the purpose for which the URSJJ was created, namely the payment of benefits to retirees. For the year ended June 30, 2023, total deductions increased \$1.0 million. Compared to the prior year, additions increased 192.9% due to investment income increasing \$100.1 million, mostly due to stronger market. The 4.2% increase in total deductions was primarily due to a 4.6% increase in retirement, death and survivor benefits. Administrative costs were consistent with prior year.

Benefits Paid to Members

Participants who became members prior to January 1, 2012, qualify for full retirement benefits at the earliest of the following: age 65 with eight years of judicial service; age 60 with 10 years of judicial service; or, when the sum of at least eight years of credited service and age equals or exceeds 80. Participants who became members on or after January 1, 2012, qualify at age 67 with eight years of judicial service, or at age 62 with 10 years of judicial service.

The **Schedule of Benefit Payments** provides information on the total benefit expenses incurred by the Plan consisting of age and service, disability, and beneficiary death benefits.

Investments

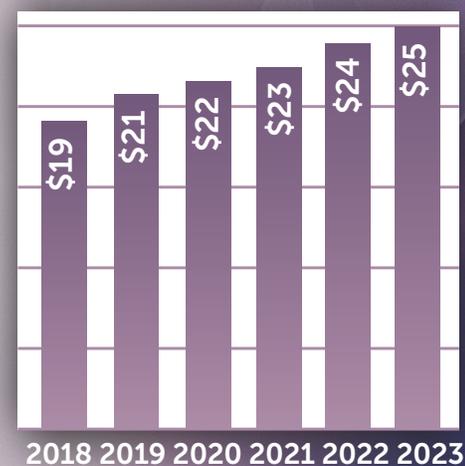
The Board of Trustees adheres to the highest standard in making investment decisions for the Plan – the Prudent Investor Rule. URSJJ’s funds are invested solely in the best interest of the members and their beneficiaries with a goal of keeping administrative expenses as low as possible. The 2023 increase in the System’s managed investments is due mainly in the increase in U.S. equities and international market. The System’s overall return for the year ended June 30, 2023 was 10.6% percent. The **Rate of Return** table reflects overall investment returns over the past six fiscal years.

The Board has established an investment policy and guidelines that identify asset allocation as the key determinant of return and risk. Diversification, both by and within asset classes, is the primary risk control element. Passive funds are considered to be suitable investment strategies, especially in highly efficient markets.

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.

For fiscal year 2023, investments provided a return of 10.6 percent. The annualized rate of return for URSJJ as of June 30, 2023, was 6.3 percent over the last three years and 6.0 percent over the last five years.

SCHEDULE OF BENEFIT PAYMENTS (\$ millions)



RATE OF RETURN

Year Ended June 30,	Total
2023	10.6 %
2022	(14.8)
2021	27.7
2020	4.6
2019	6.2
2018	8.3

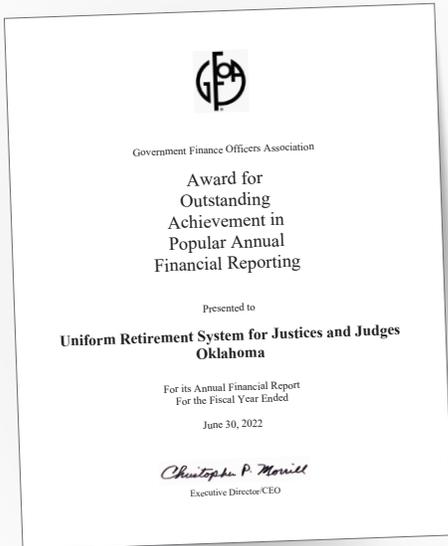
As of June 30, 2023, the allocation of the investment portfolio is shown in the **Asset Mix** chart.

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, 2023 amounted to \$380.7 million and \$396.4 million, respectively.

The URSJJ funded status decreased slightly to 104.1 percent at July 1, 2023. This is still a significant rebound from the 81.3 percent at July 1, 2010. Historically, the URSJJ has been well-funded with the funded status reaching as high as 148.2 percent at June 30, 2002. The **Funded Ratio** chart shows the change in funded status over the past six fiscal years.

URSJJ Awarded for Excellence in Financial Reporting



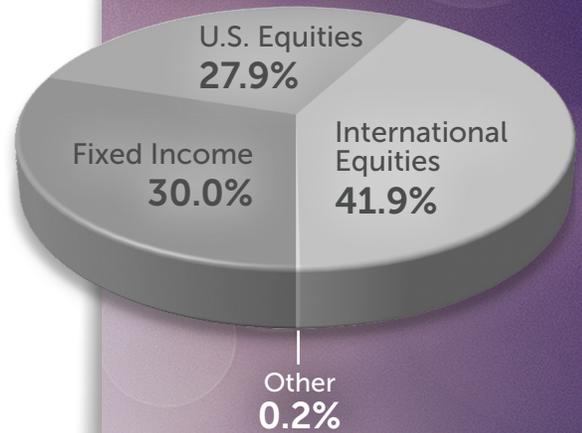
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Uniform Retirement System for Justices and Judges for its Popular Annual Financial Report for the fiscal year ended June 30, 2022. The Award for Outstanding Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual

Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the award requirements, and we are submitting it to GFOA. This is the tenth year the URSJJ has received this award.

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 21,000 members and the communities they serve.

2023 ASSET MIX



FUNDED RATIO

as of July 1

