

**ORANGE UNIFIED SCHOOL DISTRICT  
RETIREMENT FUTURIS PUBLIC  
ENTITY INVESTMENT TRUST  
AUDIT REPORT  
For the Fiscal Year Ended  
June 30, 2025**

**ORANGE UNIFIED SCHOOL DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY  
INVESTMENT TRUST**

*For the Fiscal Year Ended June 30, 2025*

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*Financial Section*

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## INDEPENDENT AUDITORS' REPORT

Orange Unified School District Retirement Board of Authority  
Retirement Futuris Public Entity Investment Trust  
Orange, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Orange Unified School District Retirement Futuris Public Entity Investment Trust (the "Trust"), a fiduciary fund of the Orange Unified School District ("the District"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Orange Unified School District Retirement Futuris Public Entity Investment Trust, as of June 30, 2025, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the District's Trust and do not purport to, and do not present fairly the financial position of Orange Unified School District as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the schedule of changes in the District's total OPEB liability (asset) and investment returns, and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2026, on our consideration of the District'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 solely 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 effectiveness of the District's 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 District's internal control over financial reporting and compliance for the Trust.

Handwritten signature in cursive script that reads "Nigro + Nigro, PC".

Murrieta, California  
January 6, 2026

**ORANGE UNIFIED SCHOOL DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY  
INVESTMENT TRUST**

*Statement of Fiduciary Net Position*

*June 30, 2025*

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<b>ASSETS</b>	
Investments	<u>\$ 129,715,203</u>
<b>Total Assets</b>	<u>129,715,203</u>
<b>NET POSITION</b>	
Restricted for postemployment benefits other than pensions	<u>\$ 129,715,203</u>

**ORANGE UNIFIED SCHOOL DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY  
INVESTMENT TRUST**

*Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2025*

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<b>ADDITIONS</b>	
Investment income	\$ 5,228,440
Increase (decrease) in fair value of investments	<u>6,030,813</u>
Total additions	<u>11,259,253</u>
<b>DEDUCTIONS</b>	
Administrative expenses	<u>301,545</u>
Total deductions	<u>301,545</u>
Change in net position	10,957,708
Net position - July 1, 2024	<u>118,757,495</u>
Net position - June 30, 2025	<u><u>\$ 129,715,203</u></u>

**ORANGE UNIFIED SCHOOL DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY  
INVESTMENT TRUST**

*Notes to Financial Statements*

*June 30, 2025*

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following information of the Orange Unified School District Retirement Futuris Public Entity Investment Trust (the "Trust"), a fiduciary fund of the Orange Unified School District (the "District"), provides only general information of the Trust's provisions. Readers should refer to the Trust agreement for a more complete description. These financial statements include only the resources of the Trust and are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

**A. Basis of Accounting**

The accompanying financial statements are presented on the accrual basis of accounting. Contributions are recognized as revenue in the period in which contributions are due, pursuant to formal commitments as well as statutory or contractual commitments. Benefits and refunds of contributions are recognized when due and payable under the provisions of the Trust. The financial statements of the Trust have been prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America. In the U.S. the Governmental Accounting Standards Board (GASB) is the established and recognized standard-setting body for governmental accounting and financial reporting. The financial statements have been prepared consistent with GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

**B. Funded Status and Funding Progress**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the Trust and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**C. Plan Description**

The Orange Unified School District's defined benefit OPEB plan, Orange Unified School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District through the Futuris Public Entity Investment Trust program. Employees and retirees may choose from a number of Anthem Blue Cross medical/Rx PPO combinations, as well as several Kaiser North HMO options, Delta Dental, and VSP Vision. The District has created a Retirement Board of Authority to oversee and run the Futuris Trust. Benefit Trust Company ("BTC") is the qualified Discretionary Trustee for asset and fiduciary management and investment policy development. Keenan & Associates is the Program Coordinator for the Futuris Trust providing oversight of the Futuris Program and guidance to the District.

**D. Employees Covered by Benefit Terms**

As of the valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	658
Active employees	1,454
Total	<u>2,112</u>

**ORANGE UNIFIED SCHOOL DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY  
INVESTMENT TRUST**

*Notes to Financial Statements*

*June 30, 2025*

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Benefits Provided**

The eligibility requirements and benefits provided by the Plan are described below. (Some grandfathered certificated retirees receive additional benefits under a recent retirement incentive.)

	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Applies to	Hired after 6/30/92	Hired after 6/30/92	Hired after 6/30/92
Benefit Types Provided	Medical, dental, and vision	None	Medical, dental, and vision
Duration of Benefits	To age 65		To age 65
Required Service	15 years		5 years
Minimum Age	55		55
Dependent Coverage	No		No
District Contribution %	100%***		100%***
District Cap	Active Single Cap		Active Single Cap

	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Applies to	Hired before 7/1/92	Hired before 7/1/92	Hired before 7/1/92
Benefit Types Provided	Medical, dental, and vision	Medical, dental, and vision	Medical, dental, and vision
Duration of Benefits	Lifetime*	Lifetime*	Lifetime*
Required Service	15 years**	10 years	15 years
Minimum Age	55	50	50/55
Dependent Coverage	Yes (family)	Spouse****	Spouse****
District Contribution %	100%	100%***	100%***
District Cap	Same as active	Same as active	Same as active

\* Employees have been offered various cash and benefit options in exchange for lifetime benefits. Some employees have accepted these offers and the valuation reflects the elected option.

\*\* Employees hired prior to 7/1/91 had a 10-year service requirement and post-65 benefits limited to Medicare Supplement

\*\*\* Retiree contributions required for dependent coverage, where applicable

\*\*\*\* Plus disabled dependent, where applicable

**F. Benefit Payments**

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. The Plan is included in the District's financial report and separately presented as a fiduciary fund.

**G. Contributions**

Eligible employees are not permitted to make contributions to the Trust. The Plan administrator shall, on behalf of the employer, make all contributions to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the net OPEB obligation over a period not to exceed 30 years.

**H. Investment Options**

Benefit Trust Company, the asset custodian, maintains the Trust's investments in various mutual funds, and is the record keeper. Funds allocated to the asset custodian are invested according to the investment policy statement (IPS) developed and approved by the Retirement Board of Authority in a combination of equity and fixed income investments.

**ORANGE UNIFIED SCHOOL DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY  
INVESTMENT TRUST**

*Notes to Financial Statements*

*June 30, 2025*

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Investment Valuation**

Investments are reported at fair value based upon market prices, when available, or estimates of fair value, and unrealized and realized gains and losses are included in the Statement of Change in Fiduciary Net Position.

**J. Net OPEB Liability (Asset) of the District**

The components of the net OPEB liability (asset) of the District at June 30, 2025, were as follows:

Total OPEB liability	\$ 77,831,740
Fiduciary Net Position	<u>129,715,203</u>
Net OPEB liability (asset)	<u>\$ (51,883,463)</u>
Fiduciary Net Position as a percentage of the total OPEB liability	<u>167%</u>

**K. Actuarial Assumptions and Other Inputs**

The total OPEB liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2025
Inflation	2.50 percent
Salary increases	2.75 percent
Healthcare cost trend rates	7.50% for 2025 and 4.00% for 2075 and later years; Medicare ages: 5.50% for 2025 and 4.00% for 2075 and later years.

Actuarial assumptions used in the June 30, 2025, valuation were based on a review of plan experience during the period June 30, 2023, to June 30, 2025.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

	Percentage of Portfolio	Assumed Gross Return
Broad U.S. Equity	20%	4.4%
U.S. Fixed	70%	1.8%
Global ex-U.S. Equity	5%	4.8%
Real Estate	5%	3.7%

**ORANGE UNIFIED SCHOOL DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY  
INVESTMENT TRUST**

*Notes to Financial Statements*

*June 30, 2025*

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K. Actuarial Assumptions and Other Inputs (continued)**

***Mortality Rates***

Pre-retirement mortality rates were based on the CalSTRS Experience Analysis (2015-2018) for certificated participants and on the CalPERS Experience Study (2000-2019) for classified participants. Post-retirement mortality rates were based on the CalSTRS Experience Analysis (2015-2018) for certificated retired members and beneficiaries and on the CalPERS Experience Study (2000-2019) for classified healthy recipients.

***Discount Rate***

GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan’s projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District’s Total OPEB liability is based on these requirements and the following information:

<u>Reporting Date</u>	<u>Measurement Date</u>	<u>Long-Term Expected Return on Investments</u>	<u>Fidelity G.O. AA 20 Year Muni Index</u>	<u>Discount Rate</u>
June 30, 2024	June 30, 2024	5.00%	3.97%	5.00%
June 30, 2025	June 30, 2025	5.00%	5.20%	5.00%

Rolling periods of time were used for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don’t necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average.

Money-weighted rate of return on OPEB plan investments for the year ending June 30, 2025, was 9.49%.

**L. Sensitivity of the Net OPEB Asset to Changes in the Discount Rate**

The following presents the net OPEB asset of the District, as well as what the District’s net OPEB asset would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

<u>Discount Rate</u>	<u>Net OPEB Asset</u>
1% decrease	\$ (45,961,510)
Current discount rate	\$ (51,883,463)
1% increase	\$ (57,250,045)

**ORANGE UNIFIED SCHOOL DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY  
INVESTMENT TRUST**

*Notes to Financial Statements*

*June 30, 2025*

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB asset of the District, as well as what the District’s net OPEB asset would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

Healthcare Cost Trend Rate	Net OPEB Asset
1% decrease	\$ (58,208,228)
Current trend rate	\$ (51,883,463)
1% increase	\$ (44,671,580)

**NOTE 2 – INVESTMENTS**

**Investments - Interest Rate Risk**

The District’s investment does not limit investment maturities. The Retirement Board of Authority or his/her designee has the responsibility for all decisions and activities performed under the Trust’s investment policy. Maturities of investments held at June 30, 2025, consist of the following:

	Reported Amount	Maturity		Fair Value Measurement
		Less Than One Year	One Year Through Five Years	
Investments:				
Benefit Trust Company:				
Mutual Fund - Fixed Income	\$ 86,724,508	\$ 86,724,508	\$ -	Level 2
Mutual Fund - Domestic Equity	31,895,866	31,895,866	-	Level 2
Mutual Fund - International Equity	6,890,585	6,890,585	-	Level 2
Mutual Fund - Real Estate	4,204,244	4,204,244	-	Level 2
Total Investments	<u>\$ 129,715,203</u>	<u>\$ 129,715,203</u>	<u>\$ -</u>	

**Investments - Credit Risk**

The Trust’s investment policy requires all fixed income investments to be of investment grade quality or higher at purchase; that is, at the time of purchases, rated no lower than "BBB" by Standard and Poor's. The Retirement Board of Authority, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate. At June 30, 2025, the Trust investments consisted of open-end mutual funds, therefore there are no credit ratings to disclose.

The OPEB Trust investments consisted of open and closed-end mutual funds, therefore, there are no significant interest rate risk related to the investments held, as there are no maturities related to the mutual funds held.

**ORANGE UNIFIED SCHOOL DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY  
INVESTMENT TRUST**

*Notes to Financial Statements*

*June 30, 2025*

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**NOTE 2 – INVESTMENTS (continued)**

**Investments - Concentration of Credit Risk**

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2025, the District had the following investments that represent more than five percent of the District's net investments:

Mutual Fund - Fixed Income	67%
Mutual Fund - Domestic Equity	25%
Mutual Fund - International Equity	5%

**Fair Value Measurements**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that date if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

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*Required Supplementary Information*

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# ORANGE UNIFIED SCHOOL DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST

## Schedule of Changes in Net OPEB Liability (Asset)

June 30, 2025

Employer's Fiscal Year Measurement Period	Last Ten Fiscal Years*							
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
<b>Total OPEB liability</b>								
Service cost	\$ 1,684,246	\$ 1,381,297	\$ 1,566,680	\$ 1,650,720	\$ 1,722,863	\$ 2,025,591	\$ 1,921,862	\$ 1,870,425
Interest	3,610,577	3,678,145	4,685,700	4,720,628	4,597,487	4,517,658	4,492,477	4,435,360
Changes in plan provisions	-	-	-	-	2,893,059	-	-	-
Difference between expected and actual experience	2,584,203	-	(10,222,313)	-	8,104,945	(84,813)	(3,248,750)	-
Changes in assumptions	2,575,938	-	(8,482,310)	-	(8,944,339)	-	(2,241,336)	-
Benefit payments	(6,225,099)	(7,190,633)	(7,828,524)	(6,163,550)	(5,522,369)	(5,773,647)	(6,556,697)	(3,675,794)
<b>Net change in total OPEB liability</b>	4,229,865	(2,131,191)	(20,280,767)	207,798	2,851,646	684,789	(5,632,444)	2,629,991
<b>Total OPEB liability - beginning</b>	73,601,875	75,733,066	96,013,833	95,806,035	92,954,389	92,269,600	97,902,044	95,272,053
<b>Total OPEB liability - ending</b>	<u>\$ 77,831,740</u>	<u>\$ 73,601,875</u>	<u>\$ 75,733,066</u>	<u>\$ 96,013,833</u>	<u>\$ 95,806,035</u>	<u>\$ 92,954,389</u>	<u>\$ 92,269,600</u>	<u>\$ 97,902,044</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 6,225,099	\$ 7,190,633	\$ 7,828,524	\$ 6,163,550	\$ -	\$ -	\$ 2,275,056	\$ -
Net investment income	11,259,253	9,493,800	5,479,532	(22,342,123)	11,955,732	7,312,904	7,451,519	4,854,486
Benefit payments	(6,225,099)	(7,190,633)	(7,828,524)	(6,163,550)	(5,522,369)	(5,773,647)	(6,556,697)	(3,675,794)
Administrative expense	(301,545)	(275,230)	(253,283)	(409,940)	(471,257)	(446,028)	(436,759)	(449,007)
Other disbursements	-	(1,750)	(5,250)	(2,869,876)	-	-	-	-
<b>Net change in plan fiduciary net position</b>	10,957,708	9,216,820	5,220,999	(25,621,939)	5,962,106	1,093,229	2,733,119	729,685
<b>Plan fiduciary net position - beginning</b>	118,757,495	109,540,675	104,319,676	129,941,615	123,979,509	122,886,280	120,153,161	119,423,476
<b>Plan fiduciary net position - ending</b>	<u>\$ 129,715,203</u>	<u>\$ 118,757,495</u>	<u>\$ 109,540,675</u>	<u>\$ 104,319,676</u>	<u>\$ 129,941,615</u>	<u>\$ 123,979,509</u>	<u>\$ 122,886,280</u>	<u>\$ 120,153,161</u>
<b>District's net OPEB liability (asset) - ending</b>	<u>\$ (51,883,463)</u>	<u>\$ (45,155,620)</u>	<u>\$ (33,807,609)</u>	<u>\$ (8,305,843)</u>	<u>\$ (34,135,580)</u>	<u>\$ (31,025,120)</u>	<u>\$ (30,616,680)</u>	<u>\$ (22,251,117)</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability (asset)</b>	166.66%	161.35%	144.64%	108.65%	135.63%	133.38%	133.18%	122.73%
<b>Covered-employee payroll</b>	\$ 217,952,357	\$ 137,701,801	\$ 153,440,710	\$ 175,708,811	\$ 182,926,362	\$ 190,483,880	\$ 185,385,771	\$ 192,607,861
<b>Net OPEB liability (asset) as a percentage of covered-employee payroll</b>	(23.80%)	(32.79%)	(22.03%)	(4.73%)	(18.66%)	(16.29%)	(16.52%)	(11.55%)

**Notes to Schedule:**

\* This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

**ORANGE UNIFIED SCHOOL DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY  
INVESTMENT TRUST**

*Schedule of Investment Returns*

*June 30, 2025*

	Last Ten Fiscal Years*			
	<b>2024-25</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
Annual money-weighted rate of return, net of investment expense	9.49%	8.65%	5.25%	(17.42)%
	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>
Annual money-weighted rate of return, net of investment expense	9.87%	5.00%	5.70%	6.11%

\* This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

**ORANGE UNIFIED SCHOOL DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY  
INVESTMENT TRUST**

*Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2025*

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**NOTE 1 – PURPOSE OF SCHEDULES**

**Schedule of Changes in the Net OPEB Liability (Asset)**

This 10-year schedule is required by GASB Statement No. 74 for all single-employer and cost-sharing other postemployment benefits (OPEB) plans. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB No. 74 was applicable. The schedule presents the sources of changes in the net OPEB liability (asset), information about the components of the net OPEB liability (asset) and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability (asset) as a percentage of the covered payroll.

**Schedule of Investment Returns**

This 10-year schedule is required by GASB Statement No. 74 for all defined benefit OPEB plans. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 74 was applicable. The schedule presents the annual money-weighted rate of return on OPEB plan investments for each year.

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*Other Independent Auditors' Reports*

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Orange Unified School District Retirement Board of Authority  
Retirement Futuris Public Entity Investment Trust  
Orange, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Orange Unified School District Retirement Futuris Public Entity Investment Trusts of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 6, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

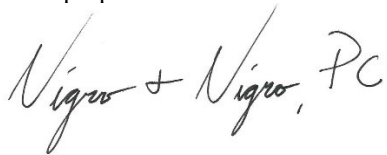
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Nigro + Nigro, PC". The signature is written in dark ink and is positioned above the printed name and date.

Murrieta, California  
January 6, 2026