ORANGE COUNTY SPECIAL EDUCATION ALLIANCE

(A Joint Powers Authority)

ORANGE COUNTY

AUDIT REPORT

For the Fiscal Year Ended
June 30, 2025

NIGRO & NIGRO PC

ORANGE COUNTY SPECIAL EDUCATION ALLIANCE
For the Fiscal Year Ended June 30, 2025
Table of Contents

FINANCIAL SECTION

OTHER INFORMATION

INDEPENDENT AUDITORS' REPORTS

Financial Section

NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Executive Committee and Review Committee
Orange County Special Education Alliance
Costa Mesa, California

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of the Orange County Special Education Alliance (the Alliance), which comprise the statement of net position as of June 30, 2025, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the 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 financial position of the Alliance, as of June 30, 2025, and the changes in its financial position and cash flows for the 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) and 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 Alliance 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 opinion.

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 Alliance'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.

Elizabeth Nigro, CPA | Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA
Jessica Miller, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
www.nncpas.com • *Licensed by the California Board of Accountancy*

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 Alliance'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 Alliance'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.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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
Management is responsible for the other information included in the financial statements. The other information is identified in the table of contents but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 10, 2025, on our consideration of the Alliance'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 Alliance'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 Alliance's internal control over financial reporting and compliance.

Nigro & Nigro, PC

Murrieta, California
December 10, 2025

This discussion and analysis of Orange County Special Education Alliance's financial performance provides an overview of the Alliance's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Alliance's financial statements, which immediately follow this section.

INTRODUCTION AND BACKGROUND

For several years, the encroachment of Special Education Funds on the General Fund has been growing tremendously. In addition, the Special Education Hearing Office associated with McGeorge School of Law, the predecessor to the Office of Administrative Hearings, was issuing decisions which were having a severe negative impact on districts. District legal fees were increasing and the expectations for providing residential placements and private therapy for children with autism were eating away at the budgets of school districts.

As a result, district superintendents were growing increasingly frustrated with these negative trends in special education. Many of the districts in Orange County participate in the California School Boards Associations Legal Alliance and are aware that the Education Legal Alliance of CSBA provides legal support and assistance to districts involved in litigation. Conversations among the superintendents led to the idea of forming a similar alliance in Orange County that would emphasize support of districts in special education matters.

A planning meeting was held in late 2004, and the idea of forming a Joint Powers Agency to fund district support in special education litigation was developed. The first Joint Powers Agreement emphasized district support and provided that each member would pay $.50 per ADA to join. In response to feedback from the community, a First Amended Joint Powers Agreement was developed and approved which also emphasized staff development and training to county office and district employees and advocacy. The Joint Powers Agency (JPA) is made up of all of the superintendents who formed the Executive Committee. The Executive Committee developed and published bylaws which govern the organization. Over time, the focus of the Alliance shifted to supporting districts with professional development related to special education as well as legislative advocacy.

MEMBERSHIP

The membership in the Alliance is composed of the school districts in Orange County and the Orange County Department of Education.

FINANCIAL MANAGEMENT AND CONTROL

The Alliance is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse and to ensure that accounting data are compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The Alliance's financial statements are prepared based on the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America and includes amounts based upon reliable estimates and judgments. The financial statements include a Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, and the Statement of Cash Flows along with accompanying Notes to the Financial Statements.

FINANCIAL STATEMENTS

The *Statement of Net Position* provides information on all the Alliance assets and liabilities, with the difference reported as Net Position. Net Position may be an indicator of the overall pool financial status. The *Statement of Revenues, Expenses, and Change in Net Position* presents information showing total revenues and expenses and the resulting effect on Net Position. All revenues and expenses are recognized as soon as the underlying event occurs, regardless of timing of related cash flows. The *Statement of Cash Flows* presents information about the cash receipts and cash payments during the year.

FINANCIAL STATEMENTS (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 notes describe the nature of the Alliance's operations and significant accounting policies as well as clarify unique financial information.

ANALYSIS OF OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Statement of Net Position

The Alliance's net position was $374,777 for the fiscal year ended June 30, 2025. The increase in net position was primarily the result of investment earnings during the year.

	June 30, 2025	June 30, 2024	Change
Assets			
Current assets			
Investments	$ 382,190	$ 360,712	$ 21,478
Receivables	8,108	-	8,108
Total Assets	390,298	360,712	29,586
Liabilities			
Current liabilities			
Accounts payable	15,521	6,558	8,963
Net Position	$ 374,777	$ 354,154	$ 20,623

Statement of Revenues, Expenses, and Change in Net Position

The results of this year's operations for the Alliance are reported in the *Statement of Revenues, Expenses, and Change in Net Position* on page 8.

	June 30, 2025	June 30, 2024	Change
Operating revenues	$ 38,560	$ 42,954	$ (4,394)
Operating expenses	35,918	59,795	(23,877)
Net Operating Income (Loss)	2,642	(16,841)	19,483
Non-operating revenues, net	17,981	(2,031)	20,012
Change in Net Position	20,623	(18,872)	39,495
Net Position:			
Beginning of Year	354,154	373,026	(18,872)
End of Year	$ 374,777	$ 354,154	$ 20,623

ANALYSIS OF OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS (continued)

Budgetary Highlights
Over the course of the year, the Alliance revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on January 17, 2025.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2024-2025 ARE NOTED BELOW:
For the 2024-2025 fiscal year, the Alliance continued to assess $0.10 per ADA. The various amounts allocated for professional development were combined into one account to provide greater flexibility in planning professional development training for the school districts and to continue supporting advocacy opportunities. There were no other significant changes to the budget.

The Alliance continued to plan for a two-part professional development series on Maintenance of Effort, in partnership with School Services of California to take place in the 2024-2025 fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2025-2026 fiscal year, the Alliance approved a budget maintaining an assessment of $0.10 per ADA.

CONTACTING THE ALLIANCE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Alliance's finances and to demonstrate the Alliance's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Orange County Department of Education, 200 Kalmus Drive, Costa Mesa, CA 92628.

ORANGE COUNTY SPECIAL EDUCATION ALLIANCE
Statement of Net Position
June 30, 2025

ASSETS		
Investments	$	382,190
Accounts receivable		8,108
Total assets		390,298
LIABILITIES		
Accounts payable		15,521
NET POSITION	$	374,777

ORANGE COUNTY SPECIAL EDUCATION ALLIANCE

Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended June 30, 2025

OPERATING REVENUES		
Member contributions	$	38,560
OPERATING EXPENSES		
Materials and supplies		819
Travel and conferences		1,738
Professional consulting services and other operating expenses		33,361
Total Operating Expenses		35,918
Net Operating Income		2,642
NON-OPERATING REVENUES		
Investment earnings		15,950
Change in fair market value of pooled investments		2,031
Total Non-operating Revenues		17,981
Change in Net Position		20,623
NET POSITION		
Net Position, July 1, 2024		354,154
Net Position, June 30, 2025	$	374,777

ORANGE COUNTY SPECIAL EDUCATION ALLIANCE

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for membership dues	$	31,735
Cash paid for operating expenses		(26,955)
Net cash provided (used) by operating activities		4,780
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings		16,698
Net increase (decrease) in cash and cash equivalents		21,478
Cash, July 1, 2024		360,712
Cash, June 30, 2025	$	382,190

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	$	2,642
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in assets:		
Accounts receivable		(6,825)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses		8,963
Net cash provided (used) by operating activities	$	4,780

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Orange County Special Education Alliance (the Alliance) was formed under a Joint Powers Agreement with Orange County public school districts and the Orange County Superintendent of Schools within the state of California on July 1, 2005, for the purpose of supporting systemic legal change in special education by providing professional staff development training and legislative advocacy, and jointly supporting selected special education cases of countywide significance through judicial and administrative processes.

The Alliance accounts for its financial transactions in accordance with the policies and procedures of the State Controller's Office Division of Local Government Fiscal Affairs Minimum Audit Requirements and Reporting Guidelines for California Special Districts. The accounting policies of the Alliance conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

A. Reporting Entity
The Alliance is governed by an Executive Committee, which is comprised of each of the superintendents of participating school districts. The Executive Committee controls the operations of the Alliance, including approval of operating budgets, independent of any influence by members beyond their representation on the committee. The Executive Committee may delegate any of its functions to the Review Committee, which is comprised of twelve members that include five superintendents, three special education administrators from Special Educational Local Plan Areas (SELPA) or school districts in Orange County, two attorneys in private practice representing school districts in special education matters, one attorney from the Orange County Department of Education (OCDE), and one business official from a school district in Orange County.

B. Basis of Accounting and Measurement Focus
The Alliance reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Alliance is that the costs of providing services be financed or recovered primarily through user (member) charges, capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

C. Fund Accounting
The Alliance's financial statements include only the proprietary fund type. This fund type includes one enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to its members on a continuing basis be financed or recovered primarily through user charges.

The accounts of the Alliance are maintained at the County Superintendent, also referred to as the Orange County Department of Education (OCDE). The operations of the Alliance are accounted for in a separate ledger, in which separate accounts are maintained for recording the Alliance's transactions for assets, liabilities, net position, revenues, and expenses.

D. Encumbrances
Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

F. Budgeting
The Alliance's Executive Committee approves and adopts a final budget no later than April 15 of each fiscal year. Formal budgetary integration was employed as a management control device during the year for the funds budgeted.

G. Cash and Cash Equivalents
For the purposes of the Statement of Cash Flows, the Alliance considers investments in the County Treasurer to be cash equivalents.

H. Receivables
Receivables generally include member contributions and interest. Management has analyzed these accounts and believes all amounts are fully collectible.

NOTE 2 – INVESTMENTS

Investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

Governmental Funds	
Governmental Activities	$ 382,190

Pooled Funds
The Orange County Department of Education, as part of its contractual services provided for the Alliance, maintains all investments for the Alliance in the County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the Alliance's deposits are maintained in a recognized pooled investment fund under the care of a third party and the Alliance's share of the pool does not consist of specific, identifiable investment securities owned by the Alliance, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2025, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

Deposits with the County Treasure is an external investment pool sponsored by the County of Orange. In accordance with its agreement, the Alliance maintains all of its cash in the Orange County Treasury Investment Pool. Therefore, the Alliance is considered to be a voluntary participant in an external investment pool. County deposits are not required to be categorized. The pool sponsor provided the fair value for these deposits.

NOTE 2 – INVESTMENTS (continued)

Pooled Funds (continued)
The Alliance's investment in the county treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

Investments - Interest Rate Risk
Interest rate risk is the risk that the change in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. The Alliance manages its exposure to interest rate risk by primarily investing in the Orange County Treasure Investment Pool. The County's investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Superintendent. Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment.

Maturities of investments held at June 30, 2025, consisted of the following:

	Reported Amount	Less Than One Year	One Year Through Five Years	Fair Value Measurement	Rating
Investments:					
Orange County Pool	$ 382,190	$ 382,190	$ -	Uncategorized	N/A

Investments - Credit Risk
Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the Orange County Treasury Investment Pool are not required to be rated nor have they been rated.

Fair Value Measurements
The Alliance 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 Alliance 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 Alliance's own data. The Alliance should adjust that date if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the Alliance are not available to other market participants.

NOTE 2 – INVESTMENTS (continued)

Fair Value Measurements

Uncategorized – Investments in the Orange County Treasury Investment Pool are not measured using the input levels above because the Alliance's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of $6,825 of member fees due from member school districts for the year ended June 30, 2025, and $1,283 of interest receivable for the month of June 2025.

NOTE 4 – ACCRUED LIABILITIES

Accrued liabilities consisted of $15,521 owed for operating expenses at June 30, 2025.

Other Information

The Orange County Special Education Alliance (the Alliance) was formed under a Joint Powers Agreement with Orange County public school districts and the Orange County Superintendent of Schools within the state of California on July 1, 2005, for the purpose of supporting systemic legal change in special education by providing professional staff development training and legislative advocacy, and jointly supporting selected special education cases of county wide significance through judicial and administrative processes.

Executive Committee

Representative	Member Agency
Jesus Chavaria	Anaheim Elementary School District
Michael Matsuda	Anaheim Union High School District
Brinda C. Leon	Brea Olinda Unified School District
Julienne Lee, Ed.D.	Buena Park School District
Christopher Brown, Ed.D.	Capistrano Unified School District
Norma E. Martinez	Centralia School District
Anne Silavs	Cypress School District
Katherine Stopp, Ed.D.	Fountain Valley School District
Steve McLaughlin, Ed.D.	Fullerton Joint Union High School District
Robert Pletka, Ed.D.	Fullerton School District
Gabriela Mafi, Ed.D.	Garden Grove Unified School District
Leisa Winston, Ed.D.	Huntington Beach City School District
Carolee Ogata, Ed.D.	Huntington Beach Union High School District
Cassie Parham	Irvine Unified School District
Mario A. Carlos, Ed.D.	La Habra City School District
Jeffrey Dixon	Laguna Beach Unified School District
Andrew Pulver, Ed.D.	Los Alamitos Unified School District
Jim Coombs	Lowell Joint School District
Frank Donavan, Ed.D.	Magnolia School District
Wesley Smith, Ed.D.	Newport-Mesa Unified School District
Julianne Hoefer, Ph.D.	Ocean View School District
Michael Christensen	Orange Unified School District
Renee Gray, Interim	Placentia-Yorba Linda Unified School District
Crystal Turner, Ed.D.	Saddleback Valley Unified School District
Jerry Almendarez	Santa Ana Unified School District
Sue Johnson, Ed.D.	Savanna School District
Mark Johnson, Ed.D.	Tustin Unified School District
Gunn Marie Hansen, Ed.D.	Westminster School District
Stefan Bean, Ph.D.	Orange County Department of Education

Review Committee

Representative	Member Agency
Frank Donavan, Ed.D., Chair	Superintendent, Magnolia School District
Carolee Ogata, Ed.D., Vice Chair	Superintendent, Huntington Beach City School District
Jim Coombs	Superintendent, Lowell Joint School District
Vacant	Superintendent, District Area 5
Gabriela Mafi, Ed.D.	Superintendent, Garden Grove Unified School District
Sue Singh, Ed.D.	Director, Orange Unified School District SELPA
Kristin Cinco	Director, Anaheim Elementary School District SELPA
Renee Gray	Assistant Superintendent, Student Support Services, Placentia-Yorba Linda Unified School District, SELPA
Harold Sullins	Assistant Superintendent, Business Services, Tustin Unified School District
Jennifer Fant, Esq.	Attorney, Harbottle Law Group
Justin Shinnefield, Esq.	Attorney, Atkinson, Andelson, Loya Ruud & Romo
Lysa Saltzman, Esq.	Counsel, Orange County Department of Education

Treasurer/Auditor

David Giordano,
Assistant Superintendent, Administrative Services,
Orange County Department of Education

Administration

Administrative Support Provided by OCDE Legal Services

Other Independent Auditors' Reports

NIGRO & NIGRO PC
A Professional Accountancy Corporation

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*

Executive Committee and Review Committee
Orange County Special Education Alliance
Costa Mesa, 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 Orange County Special Education Alliance, (the Alliance) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Alliance's basic financial statements, and have issued our report thereon dated December 10, 2025.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Alliance'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 Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of the Alliance'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.

Elizabeth Nigro, CPA | Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA
Jessica Miller, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
www.nncpas.com • *Licensed by the California Board of Accountancy*

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Alliance'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 Alliance'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 Alliance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nigro & Nigro, PC

Murrieta, California
December 10, 2025