



OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

**ANDREW N. HAMILTON, CPA**  
AUDITOR-CONTROLLER

February 27, 2025

Shari Freidenrich, CPA  
Treasurer-Tax Collector

In accordance with California Government code Section 26920(a), we will perform reviews of the Treasurer's Schedule of Assets and related notes (Schedule), as of September 30, 2023, December 31, 2023, and March 31, 2024.

We use the term schedule instead of statement because the Schedule only presents the assets in the County Treasury; it does not present the financial position of the County Treasury. A statement fairly presents financial position in conformity with GAAP (e.g., a statement of net position), and a schedule presents data on legally prescribed basis different from GAAP (e.g., GOV Section 26920). The audit required by GOV Section 26920(b) is excluded from this engagement. We are pleased to confirm our understanding of this engagement by means of this letter.

In our engagement letter dated October 16, 2023, the letter stated that the quarterly engagements reviews of the Treasurer's Schedule of Assets and related notes would be performed using modified cash-basis of accounting.

Our Office has now requested that the Schedule of Assets and related notes prepared by management on a modified-accrual basis of accounting in compliance with the Government Code.

Although our Office previously issued the September 30, 2023 quarterly report on January 30, 2024, the report was issued using the modified cash-basis of accounting, and therefore, the report will need to be re-opened and revised to reflect modified-accrual basis of accounting. This re-opening will require some additional fieldwork to properly capture the required changes in accounting method. We will reissue this report once completed.

### **Our Responsibilities**

The objective of our engagement is to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the Schedule in order for the Schedule to be in accordance with the modified-accrual basis of accounting.

We will conduct our review engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including ethical principles of integrity, objectivity, professional competence, and due care.

A review engagement includes primarily applying analytical procedures to financial data and making inquiries of management. A review engagement is substantially less in scope than an audit engagement, the objective of which is the expression of an opinion regarding the Schedule as a whole. A review engagement does not contemplate obtaining an understanding of the

entity's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents; or other procedures ordinarily performed in an audit engagement. Accordingly, we will not express an opinion regarding the Schedule.

Our engagement cannot be relied upon to identify or disclose any Schedule misstatements, including those caused by error or fraud, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our review procedures that indicates fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our review procedures regarding noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential.

### **Your Responsibilities**

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the Schedule in order for the Schedule to be in accordance with the modified-accrual basis of accounting. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARSs:

- a. The selection of the modified-accrual basis of accounting as the financial reporting framework to be applied in the preparation of the Schedule
- b. The preparation and fair presentation of the Schedule in accordance with the modified-accrual of accounting and the inclusion of all informative disclosures that are appropriate for the modified-accrual basis of accounting. This includes
  - i. a description of the modified-accrual basis of accounting, including a summary of significant accounting policies, and how the modified-accrual basis of accounting differs from accounting principles generally accepted in the United States of America, the effects of which need not be qualified
  - ii. informative disclosures similar to those required by accounting principles generally accepted in the United States of America
- c. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule
- d. The prevention and detection of fraud
- e. To ensure that the entity complies with the laws and regulations applicable to its activities
- f. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement
- g. To provide us with
  - i. access to all information of which you are aware is relevant to the preparation and fair presentation of the Schedule, such as records, documentation, and other matters
  - ii. additional information that we may request from you for the purpose of the review engagement
  - iii. unrestricted access to persons within the entity of whom we determine it necessary to make inquiries
- h. To provide us, at the conclusion of the engagement, with a letter that confirms certain representations made during the review

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You are also responsible for all management decisions and responsibilities during the preparation of your Schedule.

**Our Report**

We will issue a written report upon completion of our review of the Schedule. Our report will be addressed to the Board of Supervisors. We cannot provide assurance that an unmodified accountant's review report will be issued. Circumstances may arise in which it is necessary for us to report known departures from the modified-accrual basis of accounting, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If, for any reason, we are unable to complete the review of the Schedule, we will not issue a report on that Schedule as result of this engagement.

You agree to include our accountant's review report in any document containing a Schedule that indicates that such Schedule has been reviewed by us.

Please sign and return this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to perform a review of the Schedule described herein and our respective responsibilities.



Rodrigo Martinez  
Audit Manager

Acknowledged and agreed:

Signed by:  
*Shari Freidenrich*  
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\_\_\_\_\_  
Shari Freidenrich, Treasurer-Tax Collector

2/27/2025  
\_\_\_\_\_  
Date

Cc: Dana Schultz, Assistant Treasurer-Tax Collector  
Andrew Hamilton, Auditor-Controller  
Salvador Lopez, Chief Deputy Auditor-Controller