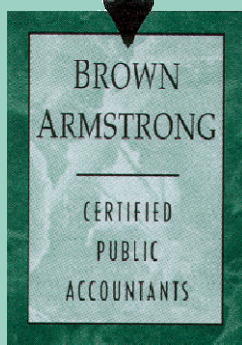


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To the Board of Directors
California Electronic Recording Transaction Network Authority

We have audited the financial statements of California Electronic Recording Transaction Network Authority (the CeRTN) for the year ended June 30, 2009 and have issued our report thereon dated February 17, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated November 30, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the CeRTN are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2009. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive accounting estimates.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 17, 2010.

Management Consultations with Other Independent Accountants


In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board of Directors and management of the CeRTN and is not intended to be and should not be used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



By: Eric H. Xin

Bakersfield, California
February 17, 2010

California e-Recording Transaction Network JPA
 Passed Adjusting Journal Entry and Reclassifying Journal Entries
 Fiscal Year End 6/30/09

Passed Adjusting Journal Entry:

1	Acct No.	Description	Debit	Credit
	1012	Accounts Payable	1,573	
	75XX	Expenditure - Current Year		1,573
		To record the June 2009 legal expense for FY 08-09 that was not accrued at year end.		
		Total PAJEs	1,573	1,573

Reclassifying Journal Entries:

1	Acct No.	Description	Debit	Credit
	XXXX	Capital Assets - Equipment	32,857	
	86XX	Fixed Assets Expenditure		32,857

To reclassify Expenditure to Capital Assets in order
to record the purchase of Equipment for FY 08-09.

2	Acct No.	Description	Debit	Credit
	75XX	Expense - Depreciation	531	
	86XX	Fixed Assets Expenditure		531

To reclassify Fixed Assets Expenditure in order to
record the Depreciation Expenses.

3	Acct No.	Description	Debit	Credit
	75XX	Expense - Non-Capital Assets	34,425	
	86XX	Fixed Assets Expenditure		34,425

To reclass Fixed Assets Expenditure to Non-Capital
Assets Expenses.

		Total RJEs	67,813	67,813
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