



VAVRINEK, TRINE, DAY & CO., LLP
 Certified Public Accountants

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To the Board of Supervisors
 County of Solano, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Solano, California (County) for the year ended June 30, 2018, and have issued our reports thereon dated as indicated below:

Reporting Entity

Comprehensive Annual Financial Report
 Solano First 5 Children and Families Commission

Audit Report Date

December 28, 2018
 September 28, 2018

We are currently performing the compliance audit of the County's federal awards programs and plan to issue our reports prior to January 31, 2019.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 21, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. As described in Note IV-G to the financial statements, the County adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and Statement GASB No. 85, *Omnibus 2017*, effective July 1, 2017. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note IV-F of the financial statements. We noted no transactions entered into by County 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 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. The most sensitive estimates affecting the County's financial statements were:

Management's estimates were used in estimating date of collection to comply with period of availability for certain revenues, fair value of investments, establishing self-insurance liabilities and reserves, depreciation expense, pollution remediation obligations, amounts related to the net pension liability, net other postemployment benefits (OPEB) liability, and related deferred inflows of resources and deferred outflows of resources. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were:

As disclosed in IV-A of the financial statements, the valuation of the County's net pension liability and related deferred outflows/inflows of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return and discount rate. As disclosed in IV-A, a one percent increase or decrease in the discount rate has a material effect on the County's net pension liability.

As disclosed in IV-B of the financial statements, the valuation of the County's net OPEB liability and related deferred outflows/inflows of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the discount rate and healthcare cost trend rate. As disclosed in IV-B, a one percent increase or decrease in the discount rate and healthcare cost trend rate has a material effect on the County's net OPEB liability.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 of the County that are included in the management representation letter dated December 28, 2018. We obtained certain representations from management of the Solano First 5 Children and Families Commission in the management representation letter dated October 5, 2018.

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 County'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 County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, schedule of changes in the net pension liability and related ratios, schedule of County's retirement plan contributions, schedule of changes in the net OPEB liability and related ratios, schedule of the County's OPEB plan contributions, and the budgetary comparison schedules for the General Fund and the major special revenue funds, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining and individual nonmajor fund statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
December 28, 2018