



To the Audit Committee
Solano Community College District

We have audited the financial statements of the business-type activities of Solano Community College District for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and 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 April 28, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Solano Community College District are described in Note 2 to the financial statements. The District adopted GASB 74 and GASB 75 during the current year and the application of other existing policies was not changed during the fiscal year ended June 30, 2017. 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 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 District's financial statements were the actuarial calculations related to the pension and other post-employment benefit obligation (OPEB). Management's estimate of the OPEB obligation, net pension liability and related deferred outflows and inflows of resources related to pensions, were based on actuarial studies. We evaluated the key factors and assumptions used to develop the various amounts in determining that they are reasonable in relation to the financial statements taken as a whole. Another sensitive estimate is the depreciation for which we have evaluated the useful life of various classes of depreciable assets in accordance with the District's policy and industry practice.

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

As described in Notes 12 and 14 to the financial statements, the District's disclosure of the OPEB, the defined benefit pension plan, net pension liability and related deferred inflows of resources and deferred outflows of resources required by the District's reporting of pension related information, are particularly sensitive. As disclosed in Notes 12 and 14, a 1% increase or decrease in the discount rate has a material effect on the District's net liabilities.

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, 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 8, 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 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 the Audit Committee and management of Solano Community College District and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
February 8, 2018