



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

VALUE THE *difference*

To the Board of Supervisors
County of Ventura, California

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Ventura, California (County) for the year ended June 30, 2018.

We did not audit the financial statements of the Ventura County Public Financing Authority and the Children and Families First Commission of Ventura County. Those financial statements were audited by other auditors as stated in our report on the County's basic financial statements. This communication does not include the results of those audits.

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 July 30, 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 1 to the financial statements. As described in Notes 1 and 15 to the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017.

We noted no transactions entered into by the 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 financial statements were:

Management's estimates were used in determining: the fair values of investments; depreciation expense and valuation of capital assets; patient accounts receivable, related contractual allowances and third party settlements of the Medical Center; claims liabilities for self-insurance activities; pension liabilities and related deferred inflows/outflows of resources and pension expense, and other postemployment benefit (OPEB) liabilities, related deferred inflows/outflows, and OPEB expense. We evaluated the key factors and assumptions used to develop these estimates in determining that they were 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 affecting the financial statements were:

The disclosure of the County's defined benefit pension plans, pension liabilities and related deferred outflows/inflows of resources in Note 14 to the financial statements. The valuation of the pension liabilities and related deferred outflows/inflows of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the discount rate, and the proportionate share of the Ventura County Employees' Retirement Association (VCERA) collective net pension liability. As disclosed in Note 14, a 1% increase or decrease in the discount rate has a significant effect on the County's pension liabilities.

The disclosure of the County's defined benefit OPEB plans, OPEB liabilities and related deferred outflows/inflows of resources in Note 15 to the financial statements. The valuation of the OPEB liabilities and related deferred outflows/inflows of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the discount rate. As disclosed in Note 15, a 1% increase or decrease in the discount rate has a significant effect on the County's net OPEB 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, 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 auditors' 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 January 30, 2019.

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 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

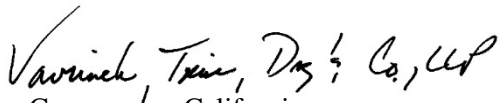
We applied certain limited procedures to the management's discussion and analysis, pension schedules, other post-employment benefit schedules, budgetary comparison schedules, and related notes, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures 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 the combining and individual 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 the 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.


Rancho Cucamonga, California
March 26, 2019