



CHELSA WAGNER  
CONTROLLER

# COUNTY OF ALLEGHENY

## OFFICE OF THE CONTROLLER

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August 27, 2015

To the Allegheny County Chief Executive and  
Allegheny County Council

We have audited the financial statements of the Allegheny County Health Department (“ACHD”) Title V Air Quality Fund (“the Fund”) for the year ended December 31, 2014, and have issued our report thereon dated August 27, 2015. 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 dated July 8, 2015. 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 ACHD are described in Note 1 to the Fund financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no Title V Air Quality Fund transactions entered into by ACHD during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the Fund financial statements in the proper period.

Accounting estimates are an integral part of the Fund 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 Fund financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Fund financial statements was the allowance for uncollectible emissions fees.

Management’s estimate of uncollectible emissions fees is based largely on prior experience and an expectation that major emissions sources will comply with the law. We evaluated the key factors and assumptions used to develop the allowance for uncollectible amounts in determining that they are reasonable in relation to the Fund financial statements taken as a whole.

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

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the Fund financial statements taken as a whole.

*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 that are included in the management representation letter dated August 27, 2015.

*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 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 Allegheny County Health Department Title V Air Quality Fund auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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Restriction on Use

This information is intended solely for the use of the County Chief Executive, the Allegheny County Council, and the Allegheny County Health Department and is not intended to be, and should not be, used by anyone other than these specified parties.

Kind regards,



Chelsa Wagner  
Controller



Lori Churilla  
Assistant Deputy Controller, Auditing

CW/lc

cc: Mr. William McKain, County Manager, Allegheny County  
Ms. Jennifer Liptak, Chief of Staff, County Executive  
Ms. Mary Soroka, Budget Director, Allegheny County  
Mr. Joseph Catanese, Director of Constituent Services, County Council  
Mr. Walter Szymanski, Budget Director, County Council  
Mr. Ronald Sugar, Deputy Director, ACHD  
Mr. James Thompson, Deputy Director – Environmental Health, ACHD