



County of Allegheny

Office of the Controller

INDEPENDENT AUDITOR'S REPORT
ALLEGHENY COUNTY POLICE DEPARTMENT
HOMICIDE FUND
FOR THE YEAR ENDED
DECEMBER 31, 2012

JUNE 17, 2013

Chelsa Wagner
Controller

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CHELSEA WAGNER
CONTROLLER

COUNTY OF ALLEGHENY

OFFICE OF THE CONTROLLER

104 COURTHOUSE • 436 GRANT STREET
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PHONE (412) 350-4660 • FAX (412) 350-3006

June 5, 2013

Mr. Charles W. Moffatt
Superintendent
Allegheny County Police
400 North Lexington Street
Pittsburgh, PA 15208

SUBJECT:

INDEPENDENT AUDITOR'S REPORT
ALLEGHENY COUNTY POLICE DEPARTMENT
HOMICIDE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

Dear Superintendent Moffatt:

We have audited the accompanying Homicide Fund financial statements of the Allegheny County Police Department as of and for the year ended December 31, 2012.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Superintendent Moffatt
June 5, 2013

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position—modified cash basis of the Homicide Fund financial statements of the Allegheny County Police Department as of December 31, 2012, and the changes in financial position—modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Superintendent Moffatt
June 5, 2013

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2013 on our consideration of the Allegheny County Police Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Allegheny County Police Department's internal control over financial reporting and compliance.

Kind regards,



Chelsa Wagner
Controller



Lori Churilla
Assistant Deputy Controller, Auditing

CW/lc

- cc: Honorable Charles Martoni, President, County Council
Honorable Nicholas Futules, Vice President, County Council
Honorable Rich Fitzgerald, County Executive
Ms. Jennifer Liptak, Chief of Staff, County Executive
Mr. William McKain, County Manager, Allegheny County
Mr. Warren Finkel, Budget Director, Allegheny County
Mr. Joseph Catanese, Director of Constituent Services, County Council
Mr. Walter Szymanski, Budget Director, County Council
Mr. Ed Przybyla, Fiscal Manager, Allegheny County Police Department

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ALLEGHENY COUNTY POLICE DEPARTMENT
HOMICIDE FUND
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE - MODIFIED CASH BASIS
DECEMBER 31, 2012

ASSETS

Cash on Deposit	\$ 2,236
Cash on Hand	<u>232</u>
Total Assets	<u><u>\$ 2,468</u></u>

LIABILITIES AND FUND BALANCE

Accounts Payable / Accrued Liabilities	<u>\$ -</u>
Total Liabilities	-
Assigned Fund Balance	<u>2,468</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,468</u></u>

See accompanying notes to financial statements.

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ALLEGHENY COUNTY POLICE DEPARTMENT
HOMICIDE FUND
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN
FUND BALANCE - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

CASH RECEIPTS

Interest	\$ -
Total Cash Receipts	-

CASH DISBURSEMENTS

Confidential Informant Payments	400
Investigative Expense	265
Total Cash Disbursements	665
Change in Fund Balance	(665)
Fund Balance - Beginning of Year	3,133
Fund Balance - End of Year	\$ 2,468

See accompanying notes to financial statements.

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ALLEGHENY COUNTY POLICE DEPARTMENT
HOMICIDE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The Allegheny County Police Department's Homicide Fund (the "Fund") is a special revenue fund that was established for the purposes of expediting homicide investigations. The Allegheny County Police Department maintains the accounting records for the Fund due to the confidential nature of some of the expenditures.

The accompanying Fund financial statements are intended to present only the assets, liabilities, fund balance, cash receipts, cash disbursements, and changes in fund balance of the Fund, and not those of Allegheny County taken as a whole.

Basis of Accounting

Accounting principles generally accepted in the United States of America require governmental fund financial statements to be prepared on the modified accrual basis of accounting. The Fund's accounting records are maintained and the Fund's financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modified cash basis of accounting differs from the modified accrual basis in that revenues are not recognized when measurable and available and expenditures are not recognized when a liability is incurred. Under the modified cash basis, cash receipts and disbursements are recorded when they occur.

NOTE 2 **NATURE OF ACTIVITIES**

When cash for operations is needed, it is typically transferred into the Fund from the Allegheny County general fund. Interest received on cash on deposit with a financial institution is transferred out to the general fund on an annual basis.

Cash on hand is maintained to facilitate the issuance of payments to confidential informants for information pertinent to investigations, to provide travel advances to officers, and to pay other investigative expenses.

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FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 3 DEPOSITS

Cash on deposit with a financial institution (the bank balance) as of December 31, 2012 was \$2,236. The cash on deposit did not exceed the Federal Deposit Insurance Corporation (FDIC) coverage limit as of those dates or at any time during 2012, and consequently, the cash on deposit was not subject to custodial credit risk.