



**CHELSA WAGNER**  
CONTROLLER

# COUNTY OF ALLEGHENY

## OFFICE OF THE CONTROLLER

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August 28, 2020

To the Allegheny County Council, the Allegheny County Chief Executive, and the Allegheny County Health Department Director

We have audited the financial statements of the Allegheny County Health Department (“ACHD”) Title V Air Quality Fund (“Fund”) for the year ended December 31, 2019. 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 letter to you dated June 23, 2020. 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 ACHD are described in Note 1 to the financial statements. The accounting policies utilized in the maintenance of accounting records for the Title V Air Quality Fund are the accounting policies that have been adopted by Allegheny County. Any accounting policies adopted by Allegheny County or changes in the application of existing accounting policies during 2019 are described in Allegheny County’s 2019 Comprehensive Annual Financial Report. We noted no Title V Air Quality Fund transactions entered into by the 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 financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Title V Air Quality Fund financial statements was for 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 it is reasonable in relation to the financial statements taken as a whole.

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 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 28, 2020.

#### *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 Title V Air Quality Fund 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.

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*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 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.

Restriction on Use

This information is intended solely for the information and use of the Allegheny County Chief Executive, Allegheny County Council, and the Director of 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 A. Churilla  
Assistant Deputy Controller, Auditing