



COREY O'CONNOR

Allegheny County Controller

**INDEPENDENT AUDITOR'S REPORT
ALLEGHENY COUNTY POLICE DEPARTMENT
CONFIDENTIAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

November 26, 2025

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County of Allegheny Office of the Controller

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November 26, 2025

Mr. Christopher Kearns
Superintendent
Allegheny County Police Department
Ten Parkway Center, Suite 100
875 Greentree Road
Pittsburgh, PA 15220

Independent Auditor's Report
Allegheny County Police Department
Confidential Fund
For the Year Ended December 31, 2023

Dear Superintendent Kearns:

Opinion

We have audited the accompanying modified cash basis financial statements of the Allegheny County Police Department's Confidential Fund as of and for the year ended December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the Allegheny County Police Department's Confidential Fund as of December 31, 2023, and the changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Allegheny County Police Department (Allegheny County) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - 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 this matter.

Responsibilities of Management 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, and for 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 fraud or error.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Allegheny County Police Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Superintendent Kearns
November 26, 2025

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Allegheny County Police Department's (Allegheny County's) ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2025 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 solely 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 the effectiveness of the Allegheny County Police Department's 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,



Corey O'Connor
Controller



Lori A. Churilla
Assistant Deputy Controller, Auditing

cc: Honorable Patrick Catena, President, County Council
Honorable John F. Palmiere, Vice-President, County Council
Honorable Sara Innamorato, County Executive, Allegheny County
Mr. John Fournier, County Manager, Allegheny County
Mr. Grant Gittlen, Chief of Staff, Allegheny County
Mr. Tim Cox, Director, Budget and Finance, Allegheny County
Mr. Kenneth J. Varhola, Chief of Staff, County Council
Ms. Sarah Roka, Budget Manager, County Council
Lt. Edward H. Altmeyer, Confidential Fund Administrator, Allegheny County Police Department

COUNTY OF ALLEGHENY

OFFICE OF THE CONTROLLER

COREY O'CONNOR
CONTROLLER, COUNTY OF ALLEGHENY
104 COURTHOUSE
PITTSBURGH, PENNSYLVANIA 15219

ALLEGHENY COUNTY POLICE DEPARTMENT
CONFIDENTIAL FUND
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE - MODIFIED CASH BASIS
DECEMBER 31, 2023

ASSETS

Cash on Deposit	\$	19,914
Cash on Hand		1,835
Operating Advances to Officers		<u>5,000</u>
Total Assets	\$	<u>26,749</u>

LIABILITIES AND FUND BALANCE

Accounts Payable / Accrued Liabilities	\$	<u>-</u>
Total Liabilities		<u>-</u>
Assigned Fund Balance		<u>26,749</u>
Total Fund Balance		<u>26,749</u>
Total Liabilities and Fund Balance	\$	<u>26,749</u>

See accompanying notes to financial statements.

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ALLEGHENY COUNTY POLICE DEPARTMENT
CONFIDENTIAL FUND
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH RECEIPTS

Transfers in from the General Fund	\$	50,000
Interest Received		532
Recovered Funds		400
Restitution		105
Total Cash Receipts		51,037

CASH DISBURSEMENTS

Confidential Informant Payments	26,340
Drug Buys	9,190
Service Charges	85
Total Cash Disbursements	35,615
Change in Fund Balance	15,422
Fund Balance - Beginning of Year	11,327
Fund Balance - End of Year	\$ 26,749

See accompanying notes to financial statements.

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ALLEGHENY COUNTY POLICE DEPARTMENT
CONFIDENTIAL FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity:

The Allegheny County Police Department's Confidential Fund (the Fund) is a special revenue fund that was established to facilitate the investigation of narcotics, vice, and related offenses in Allegheny County. The Detective Division of the Narcotics Unit of 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. In addition, when offenders are convicted as a result of arrest-related expenditures incurred by the Fund, the restitution payments the offenders issue to the Court of Common Pleas are routed to Allegheny County Police Department for deposit into the Fund.

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CONFIDENTIAL FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 2 NATURE OF ACTIVITIES (CONTINUED)

Cash on hand is maintained and operating cash advances to detectives are made to facilitate cash transactions including payments to confidential informants, purchases of narcotics, and other investigative expenses. Cash on hand that has not been advanced to detectives is maintained by the Fund's custodian in a locked safe. Detectives are advanced \$1,000 or lesser amounts as needed.

Although not officially restricted or committed, it is the Police Department's intent that the fund balance be used to facilitate the investigation of narcotics, vice, and related offenses in Allegheny County.

NOTE 3 DEPOSITS

Cash on deposit with a financial institution (the bank balance) as of December 31, 2023 was \$19,914. The cash on deposit did not exceed the Federal Deposit Insurance Corporation (FDIC) coverage limit on that date or at any time during 2023, and consequently, the cash on deposit was not subject to custodial credit risk.