



Washington State Auditor Troy Kelley

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

To the Board of Directors and Management of Puget Sound Clean Air Agency:

We have performed the procedures described below, which were agreed to by the management of Puget Sound Clean Air Agency and the Washington State Department of Ecology, solely to assist you in evaluating the authority's Air Operating Permit (AOP) program for the period fiscal years 2014 and 2013. The Agency's management is responsible for managing the AOP program and for the accuracy of its financial records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or any other purpose.

Agreed Upon Procedures

In relation to the authority's Air Operating Permit (AOP) program:

1. Determine how much AOP fee revenue was collected each fiscal year
2. Determine whether AOP fees were computed correctly
3. Determine whether invoices were sent out in a timely manner

Results of Procedures

1. The AOP program collected \$1,538,180 in fiscal year 2014 \$1,556,500 in fiscal year 2013 in AOP fees.
2. We determined the audit work completed for operating permit fees and a selection of invoices tested that fees were computed correctly
3. The Agency does not bill fees and send invoices by October 31. Rather than sending invoices by the date in WAC 173-401-925(3) the Agency sent the invoices in mid-November which is

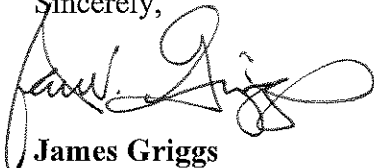
within 30 days upon receiving DOE's fee schedule for the fiscal year

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| 4. Determine whether billed fees were actually collected | 4. We determined that all fees billed were actually collected within the same corresponding fiscal year based on the audit work performed. |
| 5. Determine how the local air authority accounted for AOP fee revenues | 5. AOP Revenue codes are unique and not commingled with other revenues. The Agency uses a unique fund code (OPRMFD) to identify AOP revenues in its accounting system. |
| 6. Determine how the local air authority accounted for AOP fee expenses | 6. The same general ledger expense accounts are used to account for AOP and non-AOP expenses and are not unique to the AOP program. However, the Agency uses a unique fund code (OPRMFD) to account for AOP expenses in its financial accounting system. |
| 7. Determine whether AOP fee revenues were used only for authorized activities | 7. We found the Agency uses AOP fee revenues for authorized activities. |

We were not engaged to and did not conduct an examination, the objective of which is the expression of an opinion on the financial information of the Agency's AOP program. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors and Management of the Agency and the Department of Ecology and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,



James Griggs
Audit Manager

3/26/2015