



# HARFORD COUNTY, MARYLAND

## Office of the County Auditor

December 22, 2017

### Report Highlights

#### **Why We Did This Audit**

An audit of all agencies that receive or disburse County funds is required by §213(b) of the Harford County Charter.

#### **What We Found**

Financial statement audits have been completed for most of the county's affiliated agencies.

Generally, agencies fully used their county appropriations.

Fire companies do not consistently complete their financial reporting timely.

## **REPORT ON FINANCIAL AUDITS OF AFFILIATED AGENCIES**

Council Members and County Executive Glassman:

In accordance with Section 213(b) of the Harford County Charter, an audit of the County's financial statements as of June 30, 2017 has been completed and an unmodified opinion was reported to the County Council and County Executive on October 25, 2017. Financial Statement audits of the County's affiliated agencies (not included in the Comprehensive Annual Financial Report) have been performed by various independent public accounting firms. I submit this report to you, in accordance with the reporting extension approved by the County Council on October 10, 2017.

Each year a number of audits and agreed upon procedures are performed by the County's external auditor, CliftonLarsonAllen, LLP. The projects below have been completed with unmodified audit opinions.

- Local Management Board Revenues and Expenditures
- 9-1-1 Trust Fund Receipts and Expenditures
- Compliance with Federal Register Financial Assurance Criteria for Municipal Solid Waste Landfills (Agreed Upon Procedures)

Several agencies received an appropriation from the County in fiscal year 2017, but are not component units of the County for financial reporting purposes. They include:

- Harford County Health Department
- Humane Society of Harford County
- ARC Northern Chesapeake Region
- 12 Volunteer Fire Companies (VFC)
- Volunteer Fire and EMS Association
- Volunteer Fire and EMS Foundation

Appropriations to these agencies were approximately 1.9% of the FY2017 budget. They are all not-for-profit or government organizations that supplement their Harford County appropriations with funding from other sources. While it does not receive a County appropriation, the Liquor Control Board provides an annual commission to the County.

For each of these organizations, I have reviewed the financial and independent auditor reports for fiscal year 2017. I did not identify any information that indicated a misuse of County funds. Additionally, each entity's costs exceeded their County appropriation.

In accordance with County Charter Section 213(b), I present the following explanatory comment related to the audits of the County's affiliated agencies:

Comment 1

In prior years, we have noted that the financial statements for the County's Volunteer Fire Companies are not always completed by the 120-day deadline specified in their agreements with the County. In the current year, two auditor's opinions were dated after the deadline and four reports were received by the County Auditor more than two weeks after their due date. Three companies have not provided reports in time to be included in this summary – Joppa-Magnolia, Havre de Grace Ambulance and the Fire and EMS Association.

Management has been provided an opportunity to respond to this report, but opted not to respond. I am available to respond to any questions you have regarding this summary.

Sincerely,



Chrystal Brooks  
CPA, CGFM, CIA, CISA, CGAP, CRMA  
County Auditor

cc: Mr. Robert Sandlass, Treasurer  
Ms. Mylia Dixon, Council Administrator