



HARFORD COUNTY, MARYLAND

Office of the County Auditor

December 30, 2021

Report Highlights

Why We Did This Audit

Financial statement audits have not been completed for most of the county's affiliated agencies.

What We Found

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, 2021 has been completed and an unmodified opinion was reported to the County Council and County Executive on October 22, 2021. Financial Statement audits of the County's affiliated agencies (not included in the Annual Comprehensive 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 12, 2021.

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.

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

A number of agencies received an appropriation from the County in fiscal year 2021 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 2.4% of the FY2021 General Fund operating budget. They are all not-for-profit or government organizations that supplement their Harford County appropriations with funding from other sources.

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

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 County support agreements. In the current year, only 2 were completed before the deadline. Another 2 were completed and received by the County Auditor after the deadline. Additionally, 8 companies (Aberdeen, Darlington, Fallston, Joppa, Jarrettsville, Level, Norrisville and Susquehanna) and the HCVFEMS Foundation and Association did not provide financial statements to Harford County in time to be included in this report.

For the reports provided, I have reviewed the financial and independent auditor reports. Most organizations received an unmodified audit opinion, and I did not identify any information that indicated a misuse of County funds. Additionally, each entity's costs exceeded their County appropriation.

Management has been provided an opportunity to respond to this report; however, none was required or provided. 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
Mr. Edward Hopkins, Director of Emergency Services
Ms. Mylia Dixon, Council Administrator