



HARFORD COUNTY, MARYLAND

Office of the County Auditor

December 28, 2023

Report Highlights

Audited financial statements have not been completed for one of the county's affiliated agencies.

Fire companies do not consistently complete their financial reporting timely.

REPORT ON FINANCIAL AUDITS OF AFFILIATED AGENCIES

Council Members and County Executive Cassilly:

In accordance with Section 213(b) of the Harford County Charter, an audit of the County's financial statements as of June 30, 2023 has been completed and an unmodified opinion was reported to the County Council and County Executive on October 11, 2023. 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 10, 2023.

A number of agencies received an appropriation from the County in fiscal year 2023 but are not component units of the County for financial reporting purposes. They include:

- Humane Society of Harford County
- ARC Northern Chesapeake Region
- 12 Volunteer Fire Companies
- Volunteer Fire and EMS Association
- Volunteer Fire and EMS Foundation

Appropriations to these agencies were approximately 2.2% of the FY2023 General Fund operating budget. They are all not-for-profit 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, the Association and the Foundation are not always completed by the 120-day deadline specified in their County support agreements. In the current year, 10 were completed before the deadline, while 2 were completed later. Two companies, Fallston and Susquehanna Hose Company, have notified the County that their audits (and financial statements) have been delayed. Further, the audited financial statements for the Humane Society of Harford County have not yet been completed.

For the reports provided, I have reviewed the financial statements and independent auditor reports. Each organization received an unmodified audit opinion, and I did not identify any information that indicated a misuse of County funds.

Management has been provided an opportunity to respond to this report; however, no response was required. Accordingly, no response was provided. I am available to respond to any questions you have regarding this summary.

Sincerely,

Chrystal Brooks, CPA

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

cc: Mr. Robert McCord, Director of Administration
Mr. Richard Ayers, Director of Emergency Services
Ms. Mylia Dixon, Council Administrator