



# HARFORD COUNTY, MARYLAND

## Office of the County Auditor

October 19, 2012

Honorable Members of the County Council  
County Executive David Craig  
Harford County, Maryland  
18 Office St.  
Bel Air, MD 21014

Dear Council Members and Mr. Craig:

In accordance with Section 213(b) of the Harford County Charter, an audit of the County's financial statements as of June 30, 2012 has been completed. The audit was performed by the independent public accounting firm, SB&Company, LLC.

SB&Company has issued an unqualified opinion on the Comprehensive Annual Financial Report (CAFR). This means that they believe the financial report, as prepared by the County's Treasurer, is free from material misstatement and presents the County's financial results fairly. SB&Company's audit opinion is on page B1 of the CAFR and attached to this letter.

I have reviewed the CAFR, the audit work performed by SB&Company and SB&Company's audit opinion. I feel comfortable that SB&Company's opinion is based on sound audit practices. Management's Discussion and Analysis in the CAFR, is very thorough and provides detailed analysis of the County's financial position. As a result, I do not have any additional explanatory comments, at this time.

I am available to respond to any questions you have regarding the attached report.

Sincerely,

Chrystal Moore, CPA, CGFM, CIA, CISA, CGAP  
County Auditor

cc: Kathryn Hewitt, Treasurer  
Pamela Meister, Council Administrator

*~ Preserving Harford's past; promoting Harford's future~*

410-638-3161 \* 15 South Main Street \* Suite 107 \* Bel Air, Maryland 21014 \* [www.harfordcountymd.gov](http://www.harfordcountymd.gov)





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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

The Honorable Members of the County Council  
Harford County, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harford County, Maryland (the County), as of June 30, 2012 and for the year then ended, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Harford County Community College, the Harford County Library and the Harford Center, Inc. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harford County, Maryland, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general, highways, and agriculture land preservation funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required supplemental schedules of funding progress for Pension Trust Funds and Other Post Employment Benefit (OPEB) Trust, and required schedule of employer contributions for OPEB Trust Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

*SBC & Company, LLC*

Hunt Valley, Maryland  
October 1, 2012