



HARFORD COUNTY, MARYLAND

Office of the County Auditor

December 11, 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 and an unqualified opinion was reported to you on October 19, 2012. Additionally, audits of the County's affiliated agencies were performed by various independent public accounting firms and are now complete.

The agencies included in this summary received an appropriation in the County's fiscal year 2012 budget, but are not component units of the County for financial reporting purposes. They include:

- Humane Society of Harford County
- ARC Northern Chesapeake Region
- Maryland School for the Blind
- 12 Volunteer Fire Companies (VFC)
- Volunteer Fire and EMS Association
- Volunteer Fire and EMS Foundation

Appropriations to these agencies were approximately 1.7% of the FY2012 budget. They are all not-for-profit organizations that supplement their Harford County appropriations with funding from other sources. I have reviewed the financial statements and audit reports for each organization and did not identify any information that indicated a misuse of County funds.

Abingdon Volunteer Fire Company received a qualified audit opinion related to its exclusion of a significant donated asset for financial reporting purposes. The result is that Abingdon's assets are understated. Each other organization received an unqualified audit opinion.

While the Volunteer Fire and EMS Foundation received an unqualified audit opinion, the notes to the Foundation's financial statements indicated that the organization is uncertain about its ability to continue as a going concern because its expenses have exceed its revenue and the trend is expected to continue through FY2013. The Foundation received most (78.5%) of its funding from Harford County. Much of the Foundation's remaining income (21.4%) came from EMS service billings to the VFCs.

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



I do not have any additional explanatory comments, at this time, related to the other entities noted above. I am available to respond to any questions you have regarding this summary.

Sincerely,

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

cc: Kathryn Hewitt, Treasurer
Pamela Meister, Council Administrator