

Audit Report

**Fire Department
Baltimore County, Maryland**

Independent Auditor's Report
Schedule A – Fire Protection Expenditures
For the Year Ended June 30, 2005

Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters



Office of the County Auditor
Baltimore County, Maryland

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BALTIMORE COUNTY, MARYLAND
OFFICE OF THE COUNTY AUDITOR

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COUNTY AUDITOR

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MARY P. ALLEN, CPA
DEPUTY COUNTY AUDITOR

Independent Auditor's Report

Honorable Members of the County Council
Honorable James T. Smith, Jr., County Executive
Baltimore County, Maryland

We have audited the accompanying Schedule A - Fire Protection Expenditures of Baltimore County, Maryland for the year ended June 30, 2005. This schedule is the responsibility of the County's management. Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the expenditures and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this schedule was prepared pursuant to the accounting practices prescribed by the Maryland Emergency Management Agency's procedures for administration of the Senator William H. Amoss Fire, Rescue, and Ambulance Fund, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the schedule referred to above presents fairly, in all material respects, the fire protection expenditures of Baltimore County, Maryland for the year ended June 30, 2005, on the basis of accounting described in Note 1.



In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2005 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and procedures and other matters (page 5). That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management of Baltimore County for filing with the Maryland Emergency Management Agency, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brian J. Rowe".

Brian J. Rowe, CPA
County Auditor

December 29, 2005

Baltimore County, Maryland
Schedule A
Fire Protection Expenditures
For the Year Ended June 30, 2005

Fire Protection Expenditures	<u>\$12,256,696</u>
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The accompanying note is an integral part of this schedule.

Baltimore County, Maryland
Note to Schedule A - Fire Protection Expenditures
For the Year Ended June 30, 2005

1. Basis of Accounting

The schedule of fire protection expenditures is reported in accordance with the instructions prescribed by the Maryland Emergency Management Agency's (MEMA) procedures for administration of the Senator William H. Amoss Fire, Rescue, and Ambulance Fund, and as referenced in the Annotated Code of Maryland, Public Safety Article, §§ 8-101 through 8-106. This basis of reporting fire protection expenditures differs from generally accepted accounting principles in that only specific expenditures as defined in State law and MEMA's procedures are included in the schedule. Specifically, fire protection expenditures are defined as expenditures from sources other than 508 funds (i.e., State funds) for fire protection, rescue, and ambulance services, including training costs, loans to volunteer stations, and expenditures of bond proceeds used to finance facilities that house fire protection equipment, and excluding salaries, fringe benefits, and other personnel and administrative costs.



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**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Schedule A – Fire Protection
Expenditures Performed in Accordance with *Government Auditing Standards***

Honorable Members of the County Council
Honorable James T. Smith, Jr., County Executive
Baltimore County, Maryland

We have audited Schedule A – Fire Protection Expenditures of Baltimore County, Maryland for the year ended June 30, 2005, and have issued our report thereon dated December 29, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the schedule and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the schedule being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the schedule is free of material misstatement, we performed tests of its compliance with certain provisions of laws and procedures, noncompliance with which could have a direct and material effect on the determination of amounts contained in the schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management of Baltimore County for filing with the Maryland Emergency Management Agency, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Brian J. Rowe, CPA
County Auditor

December 29, 2005