

BOARD OF EDUCATION OF THE
CITY OF CAMDEN
SUMMARY OF AUDIT REPORT

The following is a summary of the audit for the fiscal year July 1, 2004 to June 30, 2005, as required by N.J.S.A. 18A:23-4 and 5.

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Bill Audley
Brown
Law

CITY OF CAMDEN SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Balance Sheet
As of June 30, 2005

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 31,531,013.20				\$ 31,531,013.20
Tuition Receivable	2,001.00				2,001.00
Other Accounts Receivable		\$ 251,293.24			251,293.24
Interfund Accounts Receivable	4,786,794.78	15,719,791.17		\$ 110,137.05	20,616,723.00
Receivables from Other Governments	632,852.63	2,206,391.17	\$ 78,847,439.73		81,686,683.53
Restricted Cash and Cash Equivalents	1.00				1.00
Total Assets	<u><u>\$ 36,952,662.61</u></u>	<u><u>\$ 18,177,475.58</u></u>	<u><u>\$ 78,847,439.73</u></u>	<u><u>\$ 110,137.05</u></u>	<u><u>\$ 134,087,714.97</u></u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 6,211,582.34	\$ 1,134,289.23			\$ 7,345,871.57
Other Current Liabilities	242,712.52				242,712.52
Interfund Accounts Payable	17,073,462.90		\$ 1,622,905.29		18,696,368.19
Payable to Federal Government		619,216.89			619,216.89
Payable to State Government		277,870.29			277,870.29
Deferred Revenue	28,294.13	17,183,837.17			17,212,131.30
Total Liabilities	<u><u>23,556,051.89</u></u>	<u><u>19,215,213.58</u></u>	<u><u>1,622,905.29</u></u>	<u><u>-</u></u>	<u><u>44,394,170.76</u></u>
Fund Balances:					
Reserved for:					
Encumbrances	8,686,418.33		40,765.00		8,727,183.33
Capital Reserve Account	1.00				1.00
Unreserved, Reported in:					
General Fund	4,710,191.39				4,710,191.39
Special Revenue Fund		(1,037,738.00)			(1,037,738.00)
Capital Projects Fund			77,183,769.44		77,183,769.44
Debt Service Fund				\$ 110,137.05	110,137.05
Total Fund Balances	<u><u>13,396,610.72</u></u>	<u><u>(1,037,738.00)</u></u>	<u><u>77,224,534.44</u></u>	<u><u>110,137.05</u></u>	<u><u>89,693,544.21</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 36,952,662.61</u></u>	<u><u>\$ 18,177,475.58</u></u>	<u><u>\$ 78,847,439.73</u></u>	<u><u>\$ 110,137.05</u></u>	

(Continued)

CITY OF CAMDEN SCHOOL DISTRICT
 GOVERNMENTAL FUNDS
 Balance Sheet
 As of June 30, 2005

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$153,650,084.25, and the accumulated depreciation is \$94,788,040.76.					\$ 76,622,034.43
Interest on long-term debt in the statement of activities is accrued, regardless of when due.					(65,282.02)
Long-term liabilities, including bonds, capital leases and compensated absences payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					<u>(25,522,349.48)</u>
Net assets of governmental activities					<u>\$ 140,727,947.14</u>

CITY OF CAMDEN SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2005

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 7,449,009.00			\$ 228,915.00	\$ 7,677,924.00
Tuition	27,727.86				27,727.86
Miscellaneous	629,513.84	\$ 58,217.91			687,731.75
State Sources	237,624,310.69	27,217,922.79		1,585,347.00	266,427,580.48
Federal Sources	87,681.05	27,923,801.07			28,011,482.12
Total Revenues	245,818,242.44	55,199,941.77	-	1,814,262.00	302,832,446.21
EXPENDITURES:					
Current:					
Regular Instruction	72,287,865.60	12,522,073.88			84,809,939.48
Special Education Instruction	22,107,350.86				22,107,350.86
Other Special Instruction	5,054,399.71				5,054,399.71
Vocational Education	899.72				899.72
Other Instruction	1,410,572.34				1,410,572.34
Community Services Programs/Operations	116,259.35				116,259.35
Support Services and Undistributed Costs:					
Tuition	15,916,033.17				15,916,033.17
Student and Instruction Related Services	27,300,295.56	18,366,561.42			45,666,856.98
School Administrative Services	10,235,720.19	413,981.48			10,649,701.67
Other Administrative Services	12,309,525.62	2,165,609.01			14,475,134.63
Plant Operations and Maintenance	24,573,163.79				24,573,163.79
Pupil Transportation	10,154,672.89	15,382.00			10,170,054.89
Unallocated Benefits	47,868,232.25	1,118,690.91			48,986,923.16
Special Schools	1,282,784.44				1,282,784.44
Transfer to Charter Schools	12,807,103.50				12,807,103.50
Debt Service:					
Principal				1,463,712.99	1,463,712.99
Interest and Other Charges				240,413.48	240,413.48
Capital Outlay	2,109,952.28	244,973.86	\$ 20,416,926.00		22,771,852.14
Total Expenditures	265,534,831.27	34,847,272.56	20,416,926.00	1,704,126.47	322,503,156.30
Excess (Deficiency) of Revenues over Expenditures	(19,716,588.83)	20,352,669.21	(20,416,926.00)	110,135.53	(19,670,710.09)

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CITY OF CAMDEN SCHOOL DISTRICT
GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2005

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers Out:					
Transfer to Food Service Fund--Board Contribution	\$ (2,107,784.93)				\$ (2,107,784.93)
Operating Transfers In:					
Contribution to Whole School Reform - Special Revenue	20,352,669.21	\$(20,352,669.21)			
Interfund Adjustment	1,981.55				1,981.55
Cancellation of Special Revenue Grants-Receiveable	(176,728.53)				(176,728.53)
Cancellation of NJSCC Grants Receiveable			\$ (221,015,384.11)		(221,015,384.11)
Cancellation of Prior Year Accounts Payable	273,767.27				273,767.27
Total Other Financing Sources and Uses	<u>18,343,904.57</u>	<u>(20,352,669.21)</u>	<u>(221,015,384.11)</u>	<u>-</u>	<u>(223,024,148.75)</u>
Net Change in Fund Balances	(1,372,684.26)		(241,432,310.11)	\$ 110,135.53	(242,694,858.84)
Fund Balance -- July 1	<u>14,769,294.98</u>	<u>(1,037,738.00)</u>	<u>318,656,844.55</u>	<u>1.52</u>	<u>332,388,403.05</u>
Fund Balance -- June 30	<u>\$ 13,396,610.72</u>	<u>\$ (1,037,738.00)</u>	<u>\$ 77,224,534.44</u>	<u>\$ 110,137.05</u>	<u>\$ 89,693,544.21</u>

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RECOMMENDATIONS

That all District bank reconciliations be prepared timely and reconcile with other District accounting records.

That the District carefully monitor its budget appropriation line accounts to prevent overcommitments and overexpenditures and prepare monthly certifications that budget line accounts are not overexpended.

That all District expenditures be charged to the proper budget line accounts and budget year pursuant to N.J.A.C. 6A:23-2.2(g) and that the District maintain detailed accounting records, by school facility, for required maintenance as required by N.J.A.C. 6A:26A-2.2(c).

That the District properly approve requisitions prior to the placement of an order.

That the District utilizes the revised Commissioner approved chart of accounts for its food service and student activity funds.

That the District obtain evidence of approved New Jersey School Construction Corporation (NJSCC) grants, record the activity by project and verify if capital project fund expenses paid by the District are going to be reimbursed by the NJSCC.

That budget transfers be reported, approved and recorded in the minutes in a timely manner as required by N.J.A.C. 6A:10A-8.2.

That the District complies with all requirements included in N.J.S.A. 18A:18A-1, Local Public Contracts Law prior to the award of bids or contracts.

That the District solicit quotations for purchases, contracts or agreements when the estimated costs may be 15% or more of the bid threshold as required by N.J.S.A. 18A:18A-37.

That the District obtains proof that contractors/vendors, doing business with the District, have registered with the State of New Jersey as required by Pl. 2004, c57.

That all required employees be enrolled into a pension plan (either PERS or TPAF) as required by the State Department of Pensions.

That the District's request for FICA reimbursement from the State includes only employees enrolled in the TPAF pension plan.

That the District have completed W-4 forms on file for all employees.

That the District keep employee direct deposit authorization forms on file.

That the District comply with filing requirements established by State Department of Pensions.

That the District maintains an analysis of payroll deductions payable that reconciles to the Payroll Agency bank reconciliation.

That the District adjusts income, subject to federal taxes and reported on employee W-2 Forms, for payments received through the District's workers compensation plan.

That supporting documentation for all District food service revenue agree with the number of meals served and the amount of receipts deposited.

That all food service receipts be deposited promptly.

That all Child Nutrition Program subsidy reimbursement requests accurately account for the number of meals served and the proper meal category.

That food service expenditures be reviewed prior to payment to ensure compliance with N.J.S.A. 18A:19-2.

That student lunch applications be completed as required, be available for audit and meal price determination be in compliance with State guidelines.

That the District approve, by resolution, all food service purchases made through its cooperative purchasing agreement that exceed the bid threshold.

That the District comply with requirements established by N.J.A.C. 6A:23-2.6 when purchasing food.

That all student activity receipts be deposited promptly.

That supporting documentation, claimant certifications and approval signatures be provided for all student activity disbursements.

That the District provide supporting documentation for all students claimed through the Special Education Medicaid Initiative Program.

That the District's A.S.S.A. report be reconciled with the District's workpapers and supporting documentation.

That the District's DRTRS report be reconciled with the State's DRTRS report and that the Report of Transported Resident Students have documentation supporting the reported figures.

That the District pay expenses in a timely manner in an effort to avoid paying interest and penalties.

That the District file an annual report detailing the financial activity of the District by August 1st after the fiscal year end.

That the District complete and present the Board Secretary's and Treasurer's reports to the Board within 45 day of month end as required by Discretionary Education Opportunities Aid compliance requirements.

That the District prepare a "Roster of Position Control", which details the certified employees working in the District and the corresponding budget accounts charged, as required by Discretionary Education Opportunities Aid compliance requirements.

That the District correct all of the findings that are reasons for the adverse opinion in its audit report, as required by Discretionary Education Opportunities Aid compliance requirements.

That the District submit its claims for reimbursement under the Federal E-Rate Program on a current basis as required by Discretionary Education Opportunities Aid compliance requirements.

That the District charge salaries to the Early Childhood program budget for employees who participate in the program.

A Corrective Action Plan, which outlines actions the Board of Education, City of Camden School District will take to correct the findings listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file and made available for public inspection in the office of the Board of Education, City of Camden School District within 45 days of this notice.

The above summary was prepared from the Comprehensive Annual Financial Report of the Board of Education of the City of Camden School District for the fiscal year July 1, 2004 to June 30, 2005. This Report of Audit, submitted by Kirk N. Applegate, Public School Accountant of Bowman & Company LLP, is on file at the School Business Administrator/Board Secretary's office and may be inspected by any interested person. This information included herein is not intended to represent complete financial information as presented in the Comprehensive Annual Financial Report.


School Business Administrator/
Board Secretary