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CITY OF CAMDEN RECEIVES HIGHEST POSSIBLE AUDIT OPINION FOR FY2011

CAMDEN – Mayor Dana L. Redd today announced that the City of Camden received the best possible audit opinion – an unqualified opinion – for Fiscal Year 2011. The annual audit, which is mandated by State law, was conducted by certified public accountants and consultants Bowman & Company, LLP.

“Receiving such a favorable audit opinion truly is great news for Camden,” Mayor Redd said. “I am extremely proud of the hard work my Administration has done to not only improve our financial and fiscal footing, but also earn the respect of many as we strive to move Camden forward. Our Finance Department, under the management of Director Jones, has once again proven that Camden is truly working towards becoming more fiscally responsible.”

Of the four types of audit opinions that can be given, the City of Camden received an unqualified opinion – the best opinion that can be issued. An unqualified opinion is an audit report in which the auditor expresses an opinion that the financial statements do present fairly, in all material respects, the financial position and results of operations in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

“Over the past few years, there has been noticeable effort made by the finance department, and related personnel, which has resulted in the improvement of the financial records of the City,” said Bowman & Company, LLP auditor L. Jarred Corn, CPA, RMA, PSA. “Based on these efforts, we were able to issue an unqualified audit opinion for the fiscal year ended June 30, 2011, which we were unable to issue over the past several fiscal years.”

An audit opinion is expressed on audited statements. It is required that an auditor state in the opinion that generally accepted accounting principles have been followed that they have been applied on a basis consistent with that used the preceding year. Bowman & Company, LLP, conducted their audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the New Jersey Department of Community Affairs – Division of Local Government Services.

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During prior fiscal years, the City has either received a no opinion or a qualified opinion from an independent auditor. Not receiving an opinion means that the auditors could not render any opinion because they could not validate most of our financial records. A qualified opinion means that the auditor has taken exception to certain current-period accounting applications or is unable to establish the potential outcome of a material uncertainty.

During Mayor Redd's first year in office, much of her Administration's time and efforts were spent on public safety and establishing sound fiscal policies to ensure the City's finances are properly managed and we maintain a balanced City budget. Due to the Mayor's leadership, the City has experienced gradual improvements to its audit reports. In 2009, the year before Mayor Redd was in office, the City received a qualified opinion with two exceptions. In 2010, Mayor Redd's first year in office, the City received a qualified opinion with one exception. This year's favorable unqualified opinion demonstrates that the Administration is continually working towards improving the City's finances.

"Earning an unqualified audit opinion, coupled with the positive news from Moody's just two months ago, sends a strong message to investors and businesses that this Administration is extremely committed to improving the City's finances," Finance Director Glynn Jones said. "The Finance Department, under the leadership of Mayor Redd, will continue to strive to meet all our financial benchmarks to keep this momentum moving forward."

The positive audit opinion comes on the heels of Moody's Investor Services officially removing Camden's rating from possible downgrade and confirming that the City maintained its Ba2 rating in December 2011. Moody's also acknowledged the City's main strengths in maintaining its rating were due to "strong management of strained finances" and "sufficient liquidity to satisfy expenditures without cash flow borrowing." It stated that the City's liquidity remained sufficient, despite delayed State aid disbursement and fundamental general obligation.

"While I am truly pleased of what we have been able to accomplish, which many thought would be impossible, I know that we still have more work ahead of us," Mayor Redd said. "We will continue to look for solutions to save Camden resident tax dollars while still being fiscally responsible and reducing our need for State aid."

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