

**BRIDGETON MUNICIPAL  
PORT AUTHORITY**

**COUNTY OF CUMBERLAND**

**COMPILATION REPORT**

**FOR THE YEARS ENDED JUNE 30  
2012, 2011, 2010, 2009, 2008, 2007 AND 2006**

BRIDGETON MUNICIPAL PORT AUTHORITY COMPILATIONSTABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
	Independent Auditors' Report	1
A	Comparative Statements of Net Assets	2
B	Comparative Statements of Revenues, Expenses and Changes in Net Assets	3
C	Comparative Statements of Cash Flows	4
	Selected Information About the Authority	5

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Chairman and Members of  
The Bridgeton Municipal Port Authority  
Bridgeton, New Jersey 08302

We have compiled the accompanying statement of assets, liabilities and net assets of The Bridgeton Municipal Port Authority as of June 30, 2012, 2011, 2010, 2009, 2008, 2007 and 2006, and the related statements of revenues, expenses and changes in net assets and cash flows for the fiscal years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilations in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's assets, liabilities, net assets, revenues, expenses and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

  
BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
February 25, 2014

**BRIDGETON MUNICIPAL PORT AUTHORITY**  
Comparative Statements of Net Assets  
As of June 30, 2006 through 2012

	2012	2011	2010	2009	2008	2007	2006
<b>ASSETS</b>							
Current Assets:							
Cash	\$ 1,920.26	\$ 2,136.26	\$ 2,348.48	\$ 2,559.45	\$ 2,648.45	\$ 1,459.61	\$ 9,147.17
Deferred Expense	1,920.26	2,136.26	19,248.48	19,459.45	15,548.45	3,900.00	
Property, Plant and Equipment:							
Land	125,545.23	125,545.23	125,545.23	125,545.23	125,545.23	125,545.23	125,545.23
Building and Improvements	730,411.15	730,411.15	730,411.15	730,411.15	730,411.15	730,411.15	730,411.15
Less: Accumulated Depreciation	(458,984.23)	(440,723.95)	(422,463.67)	(404,203.39)	(385,943.11)	(367,682.83)	(349,422.55)
Total Property Plant and Equipment	396,972.15	415,232.43	433,492.71	451,752.99	470,013.27	488,273.55	506,533.83
Total Assets	<u>\$ 398,892.41</u>	<u>\$ 417,368.69</u>	<u>\$ 452,741.19</u>	<u>\$ 471,212.44</u>	<u>\$ 485,561.72</u>	<u>\$ 493,633.16</u>	<u>\$ 515,681.00</u>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00
Deferred Revenue	128,755.00	128,755.00	128,755.00	128,755.00	124,555.00	107,755.00	97,955.00
Intergovernmental Payable	157,353.84	157,353.84	157,353.84	157,353.84	157,353.84	157,353.84	157,353.84
Urban Enterprise Zone Authority Loan Interest Payable	44,442.22	44,442.22	44,442.22	44,442.22	44,442.22	44,442.22	44,442.22
Urban Enterprise Zone Authority Loan - Current Portion	96,091.42	96,091.42	96,091.42	96,091.42	96,091.42	96,091.42	96,091.42
Mortgage Interest Payable	1,289.91	1,289.91	1,289.91	1,289.91	1,289.91	1,289.91	1,289.91
Mortgages Payable	23,069.08	23,069.08	23,069.08	23,069.08	23,069.08	23,069.08	23,069.07
Judgment Payable	652,056.47	610,826.07	575,050.78	519,843.24	478,733.29	434,352.13	114,897.98
Total Current Liabilities	1,108,457.94	1,067,227.54	1,031,452.25	976,244.71	930,934.76	869,753.60	526,209.53
Long-Term Liabilities:							
Mortgages Payable							273,341.44
Total Long-Term Liabilities							273,341.44
Total Liabilities	1,108,457.94	1,067,227.54	1,031,452.25	976,244.71	930,934.76	869,753.60	799,550.97
<b>NET ASSETS</b>							
Invested in Capital Assets, net of Related Debt (Deficit)	(278,153.40)	(218,662.72)	(164,627.15)	(91,159.33)	(31,789.10)	30,852.34	118,294.41
Unrestricted (Deficit)	(431,412.15)	(431,196.13)	(414,083.91)	(413,872.94)	(413,583.94)	(406,972.78)	(402,164.38)
Total Net Assets	<u>\$ (709,565.55)</u>	<u>\$ (649,858.85)</u>	<u>\$ (578,711.06)</u>	<u>\$ (505,032.27)</u>	<u>\$ (445,373.04)</u>	<u>\$ (376,120.44)</u>	<u>\$ (283,869.97)</u>

See accompanying accountants' compilation report and Selected Information- Substantially All Disclosures as Required by Generally Accepted Accounting Principles Omitted.

**BRIDGETON MUNICIPAL PORT AUTHORITY**  
 Comparative Statements of Revenues, Expenses and Changes in Net Assets  
 For the Fiscal Years Ended June 30, 2006 through 2012

	2012	2011	2010	2009	2008	2007	2006
<b>OPERATING REVENUES:</b>							
Total Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>OPERATING EXPENSE:</b>							
Administration				95.26	6,408.46	13,400.78	26,084.42
Other Expenses	18,260.28	18,260.28	18,260.28	18,260.28	18,260.28	18,260.28	18,260.28
Depreciation	18,260.28	18,260.28	18,260.28	18,355.54	24,668.74	31,661.06	44,344.70
Total Operating Expenses	(18,260.28)	(18,260.28)	(18,260.28)	(18,355.54)	(24,668.74)	(31,661.06)	(44,344.70)
Operating Income (Loss)							
<b>NON-OPERATING INCOME (EXPENSE):</b>							
Investment Income	(216.00)	3.78	5.03	27.16	38.20	38.82	24.07
Bank Service Charge		(216.00)	(216.00)	(220.90)	(240.90)	(225.60)	(206.35)
Interest Expense	(41,230.40)	(52,675.29)	(55,207.54)	(41,109.95)	(44,381.16)	(205.37)	(39,441.76)
Judgment Expenses						(60,197.26)	
Late fees							(3,967.11)
Net Non-Operating Revenues (Expenses)	(41,446.40)	(52,887.51)	(55,418.51)	(41,303.69)	(44,583.86)	(60,589.41)	(43,591.15)
Increase (Decrease) in Net Assets	(59,706.68)	(71,147.79)	(73,678.79)	(59,659.23)	(69,252.60)	(92,250.47)	(87,935.85)
Net Assets (Deficit) July 1	(649,858.85)	(578,711.06)	(505,032.27)	(445,373.04)	(376,120.44)	(283,869.97)	(195,934.12)
Net Assets (Deficit) June 30	<u>\$ (709,565.53)</u>	<u>\$ (649,858.85)</u>	<u>\$ (578,711.06)</u>	<u>\$ (505,032.27)</u>	<u>\$ (445,373.04)</u>	<u>\$ (376,120.44)</u>	<u>\$ (283,869.97)</u>

See accompanying accountants' compilation report and Selected Information- Substantially All Disclosures as Required by Generally Accepted Accounting Principles Omitted.

**BRIDGETON MUNICIPAL PORT AUTHORITY**  
Comparative Statements of Cash Flows  
For the Fiscal Years Ended June 30, 2006 through 2012

	2012	2011	2010	2009	2008	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Payments to Vendors and Suppliers	\$ -	\$ -	\$ -	\$ (95.26)	\$ (6,408.46)	\$ (13,400.78)	\$ (28,184.42)
Net Cash Used by Operating Activities				(95.26)	(6,408.46)	(13,400.78)	(28,184.42)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Deposits on Sale of Property				4,200.00	16,800.00	9,800.00	97,955.00
Mortgage Interest Payments				(4,000.00)	(9,000.00)	(3,900.00)	(32,990.83)
Mortgage Interest Payments Not Credited							(3,967.11)
Mortgage Fees							(55,167.07)
Mortgage Principle Payments							5,829.99
Net Cash Used by Capital and Related Financing Activities				200.00	7,800.00	5,900.00	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Bank Service Charge	(216.00)	(216.00)	(216.00)	(220.90)	(240.90)	(225.60)	(206.35)
Interest Received		3.78	5.03	27.16	38.20	38.82	24.07
Net Cash Used by Investing Activities	(216.00)	(212.22)	(210.97)	(193.74)	(202.70)	(186.78)	(182.28)
<b>NET INCREASE (DECREASE) IN CASH:</b>							
Cash and Cash Equivalents - July 1	2,136.26	2,348.48	2,559.45	2,648.45	1,459.61	9,147.17	31,683.88
Cash and Cash Equivalents - June 30	\$ 1,920.26	\$ 2,136.26	\$ 2,348.48	\$ 2,559.45	\$ 2,648.45	\$ 1,459.61	\$ 9,147.17
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:							
Operating Income	\$ (18,260.28)	\$ (18,260.28)	\$ (18,260.28)	\$ (18,355.54)	\$ (24,668.74)	\$ (31,661.06)	\$ (44,344.70)
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:							
Depreciation Expense	18,260.28	18,260.28	18,260.28	18,260.28	18,260.28	18,260.28	18,260.28
Changes in Operating Assets and Liabilities:							
Accounts Payable							(2,100.00)
Net Cash Used by Operating Activities	\$ -	\$ -	\$ -	\$ (95.26)	\$ (6,408.46)	\$ (13,400.78)	\$ (28,184.42)

See accompanying accountants' compilation report and Selected Information-Substantially All Disclosures as Required by Generally Accepted Accounting Principles Omitted.

## BRIDGETON MUNICIPAL PORT AUTHORITY

### Selected Information

– Substantially All Disclosures as Required by Generally Accepted Accounting Principles Omitted  
For the Fiscal Years Ended June 30, 2006 through June 30, 2012

---

#### SELECTED INFORMATION ABOUT THE AUTHORITY

##### Reporting Entity

The Bridgeton Municipal Port Authority (the "Authority") is a public body corporate and politic of the State of New Jersey and was originally created to establish, develop and improve facilities in its Port District to be accomplished by or through the acquisition, construction, improvement, maintenance or operation of projects in and along the Cohansey River.

The Authority has undertaken the following activities to develop the Port District of Bridgeton:

- a. Feasibility Studies
- b. Environmental Assessments, Statements and Reviews
- c. Permit Preparation, Fee Payment and Submissions
- d. Engineering Studies
- e. Marketing of the Port
- f. Port Development
- g. Port Operation

The Authority was established by ordinance of the City of Bridgeton on January 4, 1983. The Authority is governed by five Commissioners, appointed to 5-year terms with vacancies filled by the City of Bridgeton. The Commissioners are responsible for the management of the Port. Financial accounting and record keeping are the responsibility of the solicitor.

##### Component Unit

The Authority is a component unit of the City of Bridgeton as described in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. These financial statements would be either blended or discreetly presented as part of the City's financial statements if the City reported using generally accepted accounting principles applicable to governmental entities.

GASB Statement No. 14 also provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. As of June 30, 2012, it has been determined by the Authority that no component units exist.

##### Basis of Presentation

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to enterprise funds of State and Local Governments on a going concern basis. The focus of enterprise funds is the measurement of economic resources, that is, the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

#### Net Assets

In accordance with the provisions of GASB Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", the Authority has classified its net assets into the following two components:

**Invested in Capital Assets, net of Related Debt** - This component of net assets consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net asset component as the unspent amount.

**Unrestricted** - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt." This component includes net assets that may be allocated for specific purposes by the Board.

#### Compliance with Finance Related Legal and Contractual Provisions

The Authority has not adopted and operating budget for the fiscal years ended June 30, 2006 through June 30, 2012. N.J.A.C. 5:31-2 requires the governing body to introduce the annual Authority budget at least 60 days prior to year end of the current fiscal year and to adopt not later than the beginning of the Authority's fiscal year.

The Authority has not made payments on several of its loan and mortgage obligations since the fiscal year ended June 30, 2009.

#### Property, Plant and Equipment

Capital assets primarily consist of expenditures to acquire, construct, place in operation and improve the facilities of the Authority. Assets purchased are stated at actual cost. Depreciation is provided using the straight-line method over the following estimated useful life of the assets

The Authority's capital assets consist of Land and Building Improvements. The Authority did not purchase any capital assets during the fiscal years ended June 30, 2006 through June 30, 2012. However, some of the building improvements may be impaired as a result of destruction. This impairment is not reflected in the financial statements because the exact timing of the impairment has not been determined. If the timing of the impairment was determined, capital assets would have been removed as of the date of impairment.

#### Deferred Revenue

During the fiscal year ended June 30, 2006 through June 30, 2009, the Authority received deposits on the sale of the Authority assets. The Authority had entered into an agreement of sale to sell all remaining fixed assets. However, subsequent to the fiscal year ended June 30, 2009 the sale did not occur and based on agreements these deposits were to be forfeited to the Authority. The date of forfeiture was not able to be determined and as a result, the liability continues to be maintained. When the date of forfeiture is determined, the deposits will be realized as non-operating revenue during that fiscal year end.



**Mortgages and Judgments Payable**

The Authority's debt as of June 30, 2005 included two mortgages on property owned by the Authority. During the fiscal year ended June 30, 2006, several payments were made on one of the mortgages. Subsequently, the Authority made additional payments in unallocated amounts but ceased making payments in November 2008.

One of the mortgages was purchased by another entity and as a result of a court judgment, accrued additional interest and attorney costs from October 30, 2006. The additional interest and costs have been added to the mortgage payable which is reflected as a Judgment Payable during the fiscal year ended June 30, 2007 and for the subsequent years presented. The unallocated payments made to the mortgage referred to above were reflected as a deferred expense until recognized by the court and credited to the judgment liability during the fiscal year ended June 30, 2011.

**Environmental Issues – Potential Liability**

During the process of selling the Authority's capital assets in 2004, the Authority ascertained that the property included in the sale of capital assets may have environmental issues. The City of Bridgeton authorized a Remediation Cost Estimate – Soil of the property for which the Authority was selling. Although, an amount was conveyed at that time, the Authority did not undertake any remediation nor was a liability incurred. The Authority is unable to determine if the liability calculation has been updated and therefore has made no adjustment to the financial statements relating to a remediation liability. If an environmental study had been completed to date and the amount of remediation liability was determined this amount would impact the financial statements of the Authority.

**Deficit in Net Assets**

The Port Authority has a deficit in Net Assets as a result of its liabilities exceeding its current and capital assets. The Port Authority is in the process of selling capital assets which could reduce or eliminate the deficits.

