

**CITY OF BRIDGETON**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The City of Bridgeton was incorporated in 1855 and is located in southwest New Jersey approximately fifty miles southeast of the City of Philadelphia. The population according to the 2009 census is 24,857.

The City of Bridgeton operates under a Mayor-Council form of government. The Mayor is the chief executive officer of the City and is elected by general election for a four year term. The Council is the legislative body of the City and consists of five members elected by popular vote of the general election for four year terms. Executive and administrative responsibility rests with the Mayor, who is assisted by the City Business Administrator.

**Component Units** - The financial statements of the component units of the City of Bridgeton are not presented in accordance with Governmental Accounting Standards Board Statement No. 14. If the provisions of GASBS No. 14 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the City, the primary government:

Bridgeton Housing Authority  
 110 E. Commerce Street  
 Bridgeton, NJ 08302

Bridgeton Free Public Library  
 150 E. Commerce Street  
 Bridgeton, NJ 08302

Bridgeton Port Authority  
 City of Bridgeton  
 C/O Administrator Office  
 181 E. Commerce Street  
 Bridgeton, NJ 08302

Bridgeton Port Development Corp.  
 City of Bridgeton  
 C/O Administrator Office  
 181 E. Commerce Street  
 Bridgeton, NJ 08302

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the City of Bridgeton contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the City of Bridgeton accounts for its financial transactions through the use of separate funds which are described as follows:

**Current Fund** - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.