



## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Timothy Lizura  
President and Chief Operating Officer

**DATE:** April 14, 2015

**RE:** 2014 Comprehensive Annual Report

### **Request**

The Members of the Board are requested to approve the Authority's comprehensive annual report for 2014, as required under Executive Order No. 37 (2006).

### **Background**

Each year since inception, as directed under our enabling legislation, the Authority designs and distributes our Annual Report of accomplishments and activities to support economic development in New Jersey. Beginning in 2006, in order to meet the requirements of Executive Order No. 37 (2006), our Annual Report is combined with our audited financial statements and serves as our "comprehensive annual report" for 2014.

The audited financial statements for the year ending December 31, 2014 were prepared pursuant to Generally Accepted Accounting Principles for a government entity. I am also pleased to inform the Board that the independent accounting firm of Ernst & Young has issued an unmodified opinion with regard to the 2014 financial statements.

Certification accompanying the financial statements has been executed by the President and Chief Operating Officer and the Controller that the EDA has followed its standards, procedures and internal controls.

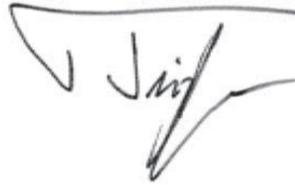
On March 19, 2015 per its Charter, as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the draft comprehensive annual report, including the 2014 audited financial statements prior to release and considered the relevancy, accuracy and completeness of the information presented. Also pursuant to Executive Order 122 (2004), the independent auditor met with the Audit Committee, where it was reported that the financial audit resulted in no negative findings or internal control deficiencies.

Subsequent to the meeting and its review of the report, the Committee recommended that the report be presented to the Board for approval.

Under Executive Order No. 37 (2006), the Authority is required to obtain approval of a comprehensive annual report from its Board of Directors. Upon approval, this report will be submitted to the Governor's Authorities Unit, posted to the EDA website, and transmitted electronically to members of the Legislature.

**Recommendation:**

Authority staff has prepared the comprehensive annual report for 2014 as required under Executive Order No. 37 (2006) and recommends Members' approval in order to submit the report to the Governor's Authorities Unit, post to the Authority's website, and transmit to the Legislature.

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

## New Jersey Economic Development Authority *2014 Annual Report*



**New Jersey Economic Development Authority**  
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## Message from EDA Board Chairman Al Koeppel

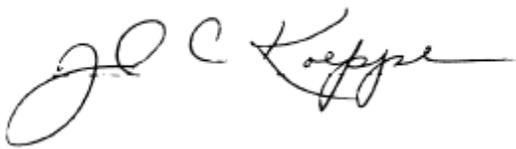
As Chair of the Board of the New Jersey Economic Development Authority (EDA), I am happy to report that 2014 was another exciting year as the Authority continued its mission to fuel job creation and encourage private investment in the state. With a well-earned reputation for professionalism and competency, the EDA has remained committed to advancing its mission while upholding the highest level of due diligence and fiduciary oversight.

As you will see in the pages that follow, the EDA has successfully administered its myriad programs to support entrepreneurs, small businesses, large companies, developers and municipalities. In particular, 2014 was marked by significant corporate interest in Camden. The City's expanding commercial base is a testament to the power of the New Jersey Economic Opportunity Act, as well as comprehensive community revitalization efforts at the state and local level.

In addition to Camden, we have seen increased interest and activity in cities throughout the state. This includes Newark, which continued its renaissance last year with a host of new developments and historic renovation projects that are bringing new corporate, residential, academic and retail space to the City.

I am proud of the projects the EDA has helped to advance and its work over the last year to grow New Jersey's economy. Whether supporting a transformational redevelopment project, attracting a Fortune 500 company, or helping to rebuild a small retailer, the EDA continues to be propelled by the high performance of its Board of Directors and staff.

Congratulations to the Authority on another impressive year of work, and thank you to the Board for your first class service.

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Al Koeppel  
EDA Board Chair

## **Message from CEO Melissa Orsen and President & COO Tim Lizura**

With a powerful new economic toolkit to boost job creation and private investment and our continued support of the state's recovery and rebuilding efforts, 2014 was an eventful year at the Authority.

In total, the EDA finalized more than \$673.8 million in financing assistance, business incentives and tax credits in 2014, leveraging over \$1.5 billion of investment in New Jersey's economy, generating more than 4,500 new, permanent jobs and 4,435 construction jobs, and retaining 3,110 jobs that were at risk of leaving the state.

Among the highlights of 2014 not captured by these figures is the \$34 million disbursed to over 680 storm-impacted small businesses through the Stronger NJ Business Grant program. This includes "mom and pop" restaurants along the Jersey Shore, as well as a range of manufacturers and retailers throughout the state.

The EDA also remained committed to growing New Jersey's technology industry in 2014, advancing several new initiatives that allow us to support companies at every stage of growth. This includes the launch of New Jersey Founders & Funders, matchmaking events which provide emerging companies with direct access to angel and venture capital investors; and, \$1 million in funding to support the expansion of three co-working spaces in Asbury Park, Hoboken and Jersey City.

Additionally, activity under the New Jersey Economic Opportunity Act has been robust, with more than \$2.1 billion in tax incentives approved through the Grow New Jersey and Economic Redevelopment and Growth programs to date. We expect these projects alone to account for private investment in excess of \$3.2 billion, the creation of more than 15,500 new jobs and 11,750 construction jobs, and the retention of nearly 13,000 at-risk jobs. As performance-based incentives, approved projects must demonstrate compliance with program requirements, including generation of new tax revenue, completion of capital investments, and/or the hiring or retaining of employees prior to the receipt of any approved benefits.

Our efforts to spur business growth are strengthened as a result of the Partnership for Action. Created by Governor Chris Christie and led by Lieutenant Governor Kim Guadagno, the Partnership is a four-pronged public-private approach to economic development and the starting point for all initiatives, policies and efforts to attract and retain businesses while creating quality, sustainable jobs across communities. We are proud to be part of this team, which also includes the New Jersey Business Action Center (BAC), Choose New Jersey, and the Office of the Secretary of Higher Education.

Early in 2015, former CEO Michele Brown left the EDA to join Choose New Jersey as its President and CEO. We thank Michele for her outstanding leadership and look forward to our continued efforts to advance the Christie Administration's pro-growth agenda of spurring job

creation and private investment and ensuring the recovery, rebuilding and resiliency of our businesses and communities.

To learn more about opportunities for business growth throughout New Jersey, we invite you to visit [www.njeda.com](http://www.njeda.com) or [www.NewJerseyBusiness.gov](http://www.NewJerseyBusiness.gov).

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Melissa J. Orsen  
EDA CEO

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Timothy J. Lizura  
EDA President & COO

## 2014 Results

| EDA Results 2014*                 |                 |
|-----------------------------------|-----------------|
| Projects Assisted                 | 478             |
| Total Assistance                  | \$673.8 million |
| Public/Private Investment         | \$1.5 billion   |
| Estimated New Permanent Jobs      | 4,505           |
| Estimated Construction Jobs       | 4,436           |
| Estimated Retained "At Risk" Jobs | 3,112           |

| EDA Results 1974 – 2014           |  |
|-----------------------------------|--|
| Projects Assisted                 | 12,007                                 |
| Total Assistance                  | \$24.2 billion                         |
| Public/Private Investment         | \$53.4 billion                         |
| Estimated New Permanent Jobs      | 337,641                                |
| Estimated Construction Jobs       | 349,813                                |
| Estimated Retained "At Risk" Jobs | 19,286<br><i>calculated since 2012</i> |

***\*For the purpose of annual reporting, EDA Results only reflect closed projects. These figures do not include projects only approved in 2014, including those advancing under the Economic Opportunity Act.***

### EDA Mission

The New Jersey Economic Development Authority (EDA) is an independent State agency that finances small and mid-sized businesses, administers tax incentives to retain and grow jobs, revitalizes communities through redevelopment initiatives, and supports entrepreneurial development by providing access to training and mentoring programs.

## Supporting New Jersey's Recovery, Rebuilding and Resilience



***“For us, the effects of the storm really snowballed, creating a gap in cash flow. The Stronger NJ Business grant has helped us close that gap, fill in where insurance fell short, and get back to where we were prior to the storm.”***

**- Adam Padla, Vice President, Booth Movers**

The EDA's focus on recovery and rebuilding continued during 2014, as evidenced by the \$61.6 million in assistance provided to 720 impacted small businesses through the Stronger NJ Business Grant and Loan programs. Additionally, the EDA made significant progress in administering the Stronger NJ Neighborhood and Community Revitalization (NCR) program, approving \$64 million to help advance a range of community improvement projects. Since the EDA began administering such federally-funded recovery programs in 2013, a total of over \$180 million has been approved to support 1,100 impacted businesses and 36 municipal projects. Programs are funded through the Community Development Block Grant-Disaster Recovery (CDBG-DR) allocation awarded to New Jersey.

Moonachie-based **Booth Movers** received a \$50,000 grant to support its recovery following a loss of inventory and damage to its solar electrical system, which resulted in increased utility costs. The company, which offers moving, storage, product and furniture distribution, and cabinet delivery services, had to relocate to temporary space while their warehouse and offices were remodeled.

In Point Pleasant, the seawall outside **Driftwood Motel** was destroyed by the storm, resulting in shattered windows, damaged walls, floors and furniture, and the flooding of 18 rooms. The family-owned and operated motel received a \$50,000 grant to support its recovery.



***“Our summer season in 2013 was off 50-75 percent. Since our grant from the EDA, we were up and running 100 percent this summer.”***

**- Sam Ippolito, Owner, Driftwood Motel**



***“We’re in good shape now, despite how bleak things looked just after Sandy. Business has been terrific – perhaps even better than before. We feel very fortunate, and grateful to our customers, who have been so supportive over the last two years.”***

**- Kristin Catlett, Owner, Casa Comida**

**Casa Comida** in Long Branch experienced three feet of flooding following the storm, resulting in considerable damage. After taking on credit card debt and enlisting the help of friends and family, the restaurant reopened six weeks after Sandy. Casa Comida received a \$24,669 grant and a \$224,000 working capital loan to support its recovery.



***“North Jersey was hit harder by Superstorm Sandy than many people realize, and in the tourism sector, we always need to be at our best to ensure our customers have an unforgettable experience. The Stronger NJ Business Grant we received from the EDA really helped us get back on our feet.”***

**- Guy Gsell, President and Executive Producer, Field Station: Dinosaurs**

**Field Station: Dinosaurs** encompasses 20 wooded acres in Secaucus. Upon admission to the outdoor prehistoric theme park, every visitor begins an expedition exploring more than 30 full-size animatronic dinosaurs. Nine of the dinosaurs were severely damaged by the storm. A grant of \$50,000 helped to support their repair and ensure Field Station was ready to welcome visitors for the season.

Located in Lavallette since 2003, **The Music Man Singing Ice Cream Shoppe** was surrounded by over four feet of water following the storm. In addition to losing all of its inventory and equipment, the interior of the building had to be renovated. The Music Man received a \$50,000 grant and a working capital loan of more than \$509,000 to support both its recovery and its expansion to a second location on the Seaside Heights boardwalk. The Music Man’s “Medley’s” officially opened its doors in Seaside in June 2014.



***“After enduring the storm and the challenges that came along with it, we are excited to be able to open a second location on the boardwalk in Seaside Heights. Being a part of rehabilitating Lavallette and Seaside, we are thrilled that both towns bounced back so well.”***

**- Josephine Sessa-Agliata and Robert Agliata, Owners, The Music Man and Medley’s**

Through the “Streetscape” component of the NCR program, 15 municipalities were approved for grants to support various improvements such as streetscapes, lighting, sidewalks, façade enhancements, and other physical upgrades to support the recovery of economic activity in commercial corridors.



***With a Streetscape grant, Hoboken’s Citywide Wayfinding and First Street Streetscape Revitalization Project is advancing***

**Hoboken** was approved for a Streetscape grant of nearly \$880,000 to help the City complete its Citywide Wayfinding and First Street Streetscape Revitalization Project. The project includes improvements to the First Street commercial corridor and the implementation of a wayfinding system that will direct consumers to commercial destinations. The corridor was flooded with more than six feet of water during the storm, resulting in significant financial losses to local businesses, as well as damage to the existing streetscape. The revitalization of First Street will span 12 blocks and include rain gardens, curb extensions, new benches, bike parking, trash and recycling receptacles, ADA accessible curb ramps, shade trees, and banners.



***Sea Isle City's Beach-to-Bay development along JFK Boulevard***

Other projects are advancing in **Highlands**, where the Borough will replace old and cracked sidewalks and curbs and install pedestrian-scale street lights, bike racks, benches and trash receptacles; **Asbury Park**, which involves the City replacing old conventional highway style poles and light fixtures with new energy efficient LED lights along its entire boardwalk; **Keansburg**, where the Borough is revamping Main Street and Carr Avenue to reconstruct roadways, build sidewalks and make the downtown safer for pedestrians; and **Sea Isle**, which is advancing the City's beach-to-bay corridor development, including enhancements to the downtown business district.

These projects are in various stages of the development process, which includes environmental review, design and permitting. All projects are expected to break ground in 2015.

Under the Development and Public Improvement (D&I) component of the NCR program, 21 community projects were approved for funding in 2014. Criteria for these projects included planned physical improvements with commercial or mixed uses and recreational or cultural projects within commercial, residential or existing/planned park areas.



***A rendering of the revitalized Berry Lane Park in Jersey City***

One project advancing with the support of D&I funding is the transformation of Berry Lane Park in **Jersey City**. The project, which will feature green infrastructure design to mitigate future flooding, involves turning 17 acres of brownfields into one of the largest municipally owned parks. Other projects approved last year include the Mansion Avenue drainage improvements in **Atlantic City**, which will allow for a system of storm water runoff improvements, including new piping, pumps and drainage structures; various improvements to Lakeview Field in **Little Ferry**, including turfing, lighting and fence replacement; and, improvements to the waterfront areas in **Perth Amboy**, including fishing piers and a recreational trail.

As the state's recovery and rebuilding progresses, the EDA's focus has expanded to include resilience. Two programs were launched in 2014 to help create a more resilient infrastructure in the state and ensure New Jersey is able to withstand future disasters.

In partnership with the Board of Public Utilities (BPU), the EDA launched the New Jersey Energy Resilience Bank (ERB) in October 2014, the first public infrastructure bank in the nation to focus on energy resilience. The ERB's mission is to minimize the impact of future major power outages and increase energy resiliency. Utilizing \$200 million through New Jersey's second CDBG-DR allocation, the ERB will support the development of distributed energy resources at critical facilities to enable them to remain operational during future outages.

Superstorm Sandy caused extensive damage to New Jersey's energy infrastructure, disrupting delivery of electricity, petroleum, and natural gas to consumers across the state, and leaving an estimated five million residents without electricity. Distributed energy resources, including combined heat and power, fuel cells and off-grid solar inverters with battery storage, allowed some critical facilities, such as wastewater treatment plants, hospitals and universities, to remain operational while the electric grid was down.



***Princeton University's cogeneration plant allowed the school to switch off the grid and continue to power its campus***

Financing options available through the ERB will consist of grants and loans to address unmet funding needs. Eligible technologies must be constructed to operate isolated from the electric utility grid (islanding), be able to start up without a direct connection to the electric grid (blackstart) when the grid is down due to extreme weather events, and have the capability to operate at critical load.

The application period for the first group of facilities targeted for the program, water and wastewater treatment plants, opened in December 2014; \$65 million of the initial \$200 million in ERB funding is allocated for this sector. During 2015, the program will open the program to other critical sectors, including healthcare, education and transit. As the need for resilient energy solutions far exceeds the \$200 million currently available through the ERB, additional sources of funding are being explored.

The EDA also launched the Retail Fuel Station program last year to enhance the operational resiliency of retail fuel stations from future electric power outages by incentivizing the permanent installation of back-up electric generator "quick-connects" or back-up electric generators. The voluntary grant program is funded with approximately \$7 million in Federal Emergency Management Agency Hazard Mitigation Grant Program money.

The program was initially limited to stations in close proximity to evacuation routes with minimum gasoline storage capacity of 30,000 gallons. In January 2015, the EDA announced the reopening of the application and the expansion of the program to include additional stations. Under the revised guidelines, all retail stations in New Jersey which sell diesel fuel, and meet minimum gasoline storage criteria, are eligible to apply. Stations with gasoline storage capacity between 18,000 and 35,000 gallons can apply for quick connect grants up to \$15,000, and

stations with gasoline storage capacity of greater than 35,000 gallons are eligible for permanent generator grants up to \$65,000.

In 2014, 62 stations were approved for assistance totaling over \$3 million. Of these approvals, 42 will install “quick connects” and 20 will install back-up generators. The first installation under the program was completed in February 2015, and several more are expected this spring.



***“The ‘quick connect’ we have installed through the RFS program gives us the peace of mind of knowing we can provide uninterrupted service to our clients during a major power outage”***

**- Kesar Gill, owner, Valero in Belle Meade, first grant recipient to complete installation**

###

## Access to Capital Paves Way for Business Growth



***“Fueled by a commitment to service, quality and solutions, EVS Metal is proud to be recognized for its world class manufacturing processes. Our business was launched in New Jersey 20 years ago, and we’re thankful for the support of the EDA as we continue to expand and grow in the State.”***

**- Scott Berkowitz, President, EVS Metal**

The EDA often partners with financial institutions, local organizations and other state agencies to help borrowers bridge financing gaps and increase their access to capital. This includes offering low-interest loans, bond financing and support for micro-lenders to increase their lending capacity and the technical assistance and training services they offer.

To help lower the cost of borrowing for businesses, the EDA works with over 40 banks, providing loan participations or guarantees. Banks that have been approved by the EDA for Premier Lender status benefit from faster turnaround and reduced risk. The streamlined process involves the EDA approving finance applications in as early as three to five business days, the result of which speeds the flow of capital to businesses. The EDA can participate in up to 50 percent of a bank loan for fixed assets (up to \$2 million) or working capital (up to \$750,000); the maximum guarantee for fixed assets and working capital is \$1.5 million.

Riverdale-based **EVS Metal, Inc.** celebrated its 20<sup>th</sup> anniversary in 2014. A precision sheet metal fabricator, EVS is considered one of the fastest growing manufacturing companies in the United States. EVS also provides machining, finishing, engineering, logistic, and integration services. To support its operations, the company received a loan from JP Morgan Chase that included a 20 percent EDA participation.

Other businesses that benefitted from EDA's Premier Lender partnerships include **Tipico Products Co.**, a wholesaler that is utilizing a TD Bank loan that includes a 43.8 percent EDA participation to expand to a larger facility in Lakewood; and, **Custom Labels, Inc.**, a printing company that received a loan from Two River Community Bank that includes a 30 percent EDA participation to help acquire a new property in Fairfield.

One of the EDA's longest-standing programs for small businesses is the New Jersey Business Growth Fund, an exclusive program of the EDA and PNC Bank. Through this program, creditworthy companies may be eligible for up to a \$3 million PNC Bank loan with a 25 percent or 50 percent EDA guarantee. Funding can be used for machinery and equipment or real estate.

Last year, **Filan and Conner Plumbing** utilized a PNC Bank loan backed by a 25 percent EDA guarantee to purchase a property in Berlin for its plumbing and bathroom remodeling business. Additionally, **Tony's Freehold Grill**, a family-owned railcar diner, used a PNC Bank loan backed by a 25 percent EDA guarantee to purchase its location in downtown Freehold. A PNC Bank loan, backed by a 25 percent EDA guarantee, also helped metal hose assembly manufacturer **Flexline** acquire a building for its operations in Kenilworth.

In addition to partnerships with commercial lenders, the EDA provides below-market rate direct loans that can be used for fixed assets or working capital. Businesses can apply for up to \$2 million for fixed assets, or up to \$750,000 for working capital. Direct loans offer businesses lower interest rates, longer terms, and the flexibility of choosing a variable or fixed rate.



***“The direct loans from the EDA allowed us to continue to offer our customers the stellar products and service they have been accustomed to for the last 90 years. We’re proud to be a third-generation, family-run business that calls New Jersey home.”***

***-Jason Shaw, Owner, Breslow Home Design Center***

Last year, **Breslow Home Design Center** received two direct loans to support its continued growth and operations in New Jersey; this included the purchase of a building in Livingston that the company had been leasing. Family run since 1924, Breslow offers its customers paint, window treatments and retractable awnings out of its two New Jersey showroom locations in Livingston and Chester. The company also services window treatments and awnings throughout the tri-state area and sells paint globally.

Beyond the support of its lending programs, the EDA offers affordable bond financing solutions to credit-worthy manufacturing companies seeking financing for capital improvements and expansions. It provides a link from Main Street to Wall Street for small and mid-sized manufacturers in New Jersey, as well as not-for-profit organizations, giving them access to capital they may not be able to obtain on their own and enabling them to borrow money at a lower cost.

Tax-exempt bonds for manufacturing companies can be used for real estate acquisitions, new equipment, machinery, building construction, and renovations. Tax-exempt bonds for not-for-profit organizations seeking capital to expand community services can be used to finance land and building acquisitions, new construction and renovations, equipment purchases, debt refinancing and working capital.

In 2014, **AP&G Co.** was approved for up to \$10 million in tax-exempt bonds to support the purchase and renovation of its new headquarters in Bayonne, as well as the acquisition of machinery and equipment. AP&G Co. was also approved for tax credits of up to \$11.25 million through the Grow NJ program to encourage the company to relocate from Brooklyn. The pest management solution manufacturer expects to create 150 new jobs and invest \$17 million to support its move to New Jersey.

Tax-exempt bonds also helped the **Ocean County chapter of the Arc**, a not-for-profit that provides a wide range of services to individuals with developmental disabilities and their families. The organization runs a number of group homes, apartments, adult training centers, vocational workshops, after school recreation programs and a primary care center. It purchased and renovated two commercial properties in Toms River and Tuckerton to serve as employment training programs for individuals with disabilities. Tax-exempt bonds totaling \$1.18 million will help the organization refinance the two recently purchased properties.

Through its partnership with not-for-profit economic development corporation UCEDC, the EDA has been able to expand the array of training, technical and financial assistance services available to entrepreneurs and small companies throughout New Jersey. In 2014, the EDA also provided a \$250,000 loan to UCEDC to help boost the lending capacity of the organization.

UCEDC offers a wide variety of free and low-cost training workshops, including a series of courses that help develop financial and business literacy for business owners at all stages of maturation and a comprehensive program that walks entrepreneurs through all aspects of

starting a business, culminating in the development of a business plan. UCEDC also offers a range of financing vehicles.

In 2014, UCEDC trained or mentored more than 1,700 entrepreneurs, conducted 55 business training workshops, and provided \$4.1 million in loans to 45 small businesses, 40 percent of which were minority or woman-owned enterprises.



***“The class was an eye-opener. You have no idea what you don’t know until you know it!”***

**- Dianne Grossman, owner, Carpet Girl**

Dianne Grossman, owner of **Carpet Girl**, is a recent graduate of UCEDC’s Entrepreneurship 101 program. Her Springfield-based business offers in-home service, factory direct carpet and flooring and can provide a full service – from measuring to installation. With over 20 years in the flooring and carpet industry, Grossman always dreamed of opening her own business.

**Pastore Music**, an instrument and audio equipment retailer and music lessons studio in Union City, took advantage of UCEDC’s storm recovery program. Sandy left the business cash-poor due to lost customers, threatening its viability. A \$50,000 microloan provided the working capital needed to sustain its operations.

**###**

## Spurring Job Creation and Community Investment



***“We are grateful to the Business Action Center and the EDA for their help and support of our plans to expand here in Paterson. With this (Grow NJ) program, we will be able to update, modernize and expand our buildings which will enable us to continue to grow and add jobs in Paterson.”***

***- Lisa Hirsh, President of Accurate Box***

Founded in 1944, **Accurate Box** is one of the largest independent box manufacturers of high quality litho-laminated packaging. The company reached full capacity at its facility in Paterson, and executives began exploring expansion options that included relocating to New York. The Partnership for Action (PFA) worked in collaboration to encourage Accurate Box to remain and grow in New Jersey. The company’s decision to expand was supported by a Grow NJ award of up to \$39.8 million. The project involves the retention of 220 at risk jobs and the creation of 51 new jobs. Accurate Box also expects to invest \$19.8 million to renovate and expand its current facility from 287,000 to 365,000 square feet.

The PFA is the centerpiece of the Christie Administration’s economic development agenda. Led by Lt. Governor Kim Guadagno, the PFA aims to assist businesses of all sizes and across industries by zeroing in on relationship building and person-to-person outreach, promoting New Jersey’s diverse portfolio of financial incentives and resources, maximizing the effectiveness of these pro-growth policies and assisting businesses in navigating state government and programs.

The four elements of the PFA include the New Jersey Business Action Center, which applies a proactive, customer-oriented approach to businesses’ interactions with State government; the EDA, serving as the state’s financing arm; Choose New Jersey, a privately funded nonprofit organization that markets the state as an ideal location for business investment; and the Office of the Secretary of Higher Education, which coordinates, plans, and develops policies and advocates for the state’s higher education system.

The efforts of the PFA, coupled with the New Jersey Economic Opportunity Act, have effectively worked to increase interest in the state as a business destination.

Grow NJ, enhanced under the Act, is the state's key job creation and retention incentive. Since the EDA began accepting applications under the new program in December 2013, 90 businesses have been awarded tax credits totaling up to \$1.7 billion, representing the expected creation of nearly 10,470 new, permanent jobs and 3,950 construction jobs, the retention of nearly 13,000 at risk jobs, and the injection of an estimated \$1.4 billion of private investment in New Jersey's economy.

As New Jersey's key developer incentive program, the Economic Redevelopment and Growth Program (ERG) prioritizes development and job creation in smart growth locations with infrastructure in place, particularly in urban areas and those near train stations. The Act also authorized a total of \$600 million to support qualified residential projects under ERG. To date, 19 projects have been approved for a total of \$422.5 million. These projects, which include 13 residential developments, involve over \$1.8 billion of private investment and the expected creation of 5,070 new jobs and 7,800 construction jobs.

Grow NJ and ERG are performance-based programs, which means that approved projects must first generate new tax revenue, complete capital investments, and/or hire or retain employees to receive the approved benefits. No funding is provided to a project upfront. Projects are also subject to a comprehensive net benefit analysis to verify that the revenues the state receives will be greater than the incentive being provided. The EDA Board has maintained a standard test that the project must return to the state a minimum of 110 percent of the approved benefit (except in Camden, where the statute dictates 100 percent).



***"Partnering with RBH, Goldman Sachs, Prudential, the City of Newark and NJEDA allows us to bring our global headquarters and the world's largest indoor vertical farm close to where the consumer is, offering a fresher, more nutritious and delicious product while also creating jobs in the community."***

**- David Rosenberg, CEO, AeroFarms**

A commercial ERG of up to \$2.2 million was approved in December to support **RBH Group's** \$30 million redevelopment of a vacant warehouse in Newark's Ironbound community. **Aerofarms** is establishing its headquarters and manufacturing operations in the facility, where it seeks to create the largest aeroponic farm in the world. Aerofarms was approved for up to \$6.5 million in tax credits through Grow NJ to encourage the company to choose Newark over a competing location in Philadelphia. The project is expected to create nearly 80 new, permanent jobs in the City.

In November, **Festo Didactic, Inc.** celebrated its new Center for Workforce Technology Education in Eatontown. Part of the Festo AG company, Festo Didactic empowers its customers to train their employees into becoming qualified for highly sophisticated manufacturing work. Festo was approved for a Grow NJ award of up to \$2.1 million to encourage the company to establish its high-tech learning laboratory in New Jersey instead of New York. Festo invested an estimated \$6.4 million and expects to add nearly 40 new employees to its existing staff of 50.



***“The new era of manufacturing focuses in a high-speed, high-tech world, fueled by technology, in which highly-skilled workers are needed to operate automated manufacturing and processing equipment.”***

**- Nader Imani, CEO, Festo Didactic**

The **Campus Town** development on the College of New Jersey campus will be ready to welcome new students this fall. Supported by the EDA through the Higher Education Institution Public-Private Partnerships Program (P3) and with a \$15.7 million ERG, the \$120 million mixed-used development will include housing, a bookstore, a fitness and wellness facility for students, as well as retail stores, health facilities, and restaurants for the broader community. The retail establishments, including a 14,000-square-foot Barnes & Noble and a 4,300-square-foot Panera

Bread, will be open in September and October. The project is a partnership between the College and private developer PRC.



***“The college can now take the money they would have allocated to improve their dorms and facilities and put it into education.”***  
***- Greg Lentine, Director of University Campus Development, PRC***

In Jersey City, **JPMorgan Chase** plans to create 1,000 new jobs as it expands its regional technology and operations hub. The project, which was approved for a Grow NJ award of up to \$224.8 million, also involves the retention of more than 2,600 jobs and private investment totaling nearly \$77 million.



***“Thanks to the Christie Administration, Grow NJ made it possible for our firm to purchase our Newport Operations Center in Jersey City, which will create new jobs in New Jersey.”***  
***- Matt Zames, Chief Operating Officer, JPMorgan Chase***

## ***Spotlight: Camden***



***“We are acutely aware of our social responsibility: we will work with the State of New Jersey and the City of Camden to leverage our plant to serve as a training academy to help young men and women, especially unemployed Camden residents and veterans, to acquire skills that yield well-paying jobs.”***

**- Dr. Krishna Singh, CEO, Holtec International**

In July, Governor Christie joined with Camden Mayor Dana Redd and other state and local officials to announce the largest single investment of private capital in the history of Camden. Supported through the Grow NJ program, **Holtec International** is investing \$260 million to build a world class, state-of-the-art Technology Center in Camden which will include a massive manufacturing complex, a reactor test loop facility, and a corporate engineering building. The Center will occupy approximately 47 acres along the Delaware waterfront. Per its Grow NJ award, Holtec must create 235 new jobs; however, the company expects to ultimately have 2,000 workers in the manufacturing facility, as well as 1,000 engineers. The project is also expected to create thousands of construction jobs.

Holtec is one of eight businesses supported by the Grow NJ program that have committed to grow in the City of Camden over the last year. This significant corporate interest in the City illustrates how key policy objectives of the Grow NJ program are effectively being achieved. With a focus on invigorating and restoring communities that have long suffered from disinvestment, the Economic Opportunity Act placed extra emphasis on spurring development and private sector job growth in “Garden State Growth Zones” - Camden, Trenton, Passaic City, Paterson, and Atlantic City. Under the Act, projects in these cities have significantly lower eligibility thresholds and higher incentive levels, with Camden receiving the largest boost.

In addition to Holtec, the **Philadelphia 76ers** also announced in July their decision to build a new, \$82 million state-of-the-art practice facility and headquarters in the City. Located on a four-acre tract of land that now stands as a parking lot, the 76ers have indicated that they expect the facility to be the “best training, practice and headquarters complex in the world.” The campus is expected to open the summer of 2016. While the 76ers agreed to create 250 new jobs in Camden as a condition of its Grow NJ award, they anticipate growing by a larger number. The team also recently announced a community-focused partnership with Virtua, a leading healthcare provider in South Jersey. The partnership will include programming designed to improve basketball skills and overall wellness for children throughout the City of Camden and also create the team’s first-ever Camden Youth Basketball Clinic, which will be an annual, three-day summer clinic for Camden youth at its new practice facility.



***“Today, Camden gave WebiMax a beautiful new place for our business to grow, and in return Camden received an industry leader in Digital Marketing and one-hundred of the most dedicated, talented and intelligent digital marketers in this country, with one-hundred more coming over the next decade.”***

**- Ken Wisnefski, CEO, WebiMax**

Another business that is committed to supporting its new community is **WebiMax**. The digital marketing company completed its move to the City’s Ferry Terminal Building in December with the support of a Grow NJ award. The company has already taken part in a program aimed at teaching children about career paths in website design and online marketing and is assisting the City in developing a website to showcase Camden’s progress and increasing corporate presence.

Well-known companies - **Subaru of America** and **Lockheed Martin** – have also committed to relocating to the City with the help of the Grow NJ program. Subaru will be creating a state-of-the-art campus to house its new headquarters and a service/training center; Lockheed Martin will create two fully integrated laboratory facilities to support its global security and aerospace operations.

Through ERG, exciting residential projects are advancing in the City, including a \$19 million, two-phase development that will support future demand for student and faculty housing, help reduce vacant properties, and expand the stability of the Cooper Plaza Historic District. Developed by **Broadway Housing Partners** and **Ironstone Strategic Capital Partners**, Phase I will include the renovation of four buildings, which will house 21 residential units and one commercial unit; Phase II will include the construction of two new buildings, which will feature 38 residential units and one commercial unit.



***"It is the proverbial win-win. The (Broadway Housing) development brings students close to the school, retail to the city and revitalization to the neighborhood."***

***- Dr. Paul Katz, Dean, Cooper Medical School of Rowan University***

To take advantage of the momentum in the City, the Christie Administration recently announced the commitment of approximately \$500,000 for workforce development training programs that will help prepare local residents for job opportunities that are expected to result in the years to come. Funds will help with incumbent worker training, pre-employment training and pre-apprenticeship programs.

Camden's recent surge of activity follows the EDA's decades-long recovery effort to help revitalize neighborhoods, expand educational and recreational opportunities for residents, and attract new companies to the City. Camden's significant progress also builds on the Governor's commitment to expand opportunity, economic growth, and revival in New Jersey's cities.

**###**

## Expanding Support of Tech Industry Fuels Growth



***“With the help of the Angel Tax Credit program, our investors were able to receive an immediate return on their investments. Throughout 2013 and 2014, we were able to exceed 100% growth year over year while growing our customer base and geographic reach. It appears likely that such growth will continue in 2015.”***

***- Ken McCauley, CEO, Princeton Power Systems***

To stimulate the growth of New Jersey’s innovation economy and drive the commercialization of pioneering technology within the state, the EDA offers a continuum of assistance to help companies at every stage of growth. In 2014, the EDA took steps to expand its portfolio of assistance and also launched @NJEDATech on Twitter and LinkedIn to highlight available resources and provide increased exposure for EDA-assisted technology companies growing in the state.

Last year, hundreds of entrepreneurs, emerging businesses and established companies were supported through the EDA’s myriad initiatives.

Under the Angel Investor Tax Credit program, EDA approved 181 investments in 2014, representing a total of more than \$60.2 million of private investment in New Jersey-based companies. The program provides credits against New Jersey corporation business or gross income tax for 10 percent of a qualified investment in an emerging technology business with a physical presence in New Jersey that conducts research, manufacturing, or technology commercialization in the state.

One company that benefited from this program is **Princeton Power Systems**. The EDA approved more than \$5 million last year and \$2.5 million in 2013 for the company’s investors through the program. Created in a Princeton University dorm room in 2001 and now headquartered in Lawrenceville, Princeton Power is a technology business that designs and manufactures state-of-the-art solutions for energy management, micro-grid operations and

electric vehicle charging. According to Princeton Power, the funding allowed the company to create 20 new manufacturing jobs, double its floor space and upgrade its property.

Another popular program for early stage companies is the Technology Business Tax Certificate Transfer (NOL) Program. This competitive program allocates funds for technology and biotechnology companies to sell New Jersey tax losses and/or research and development tax credits to raise cash to finance their growth and operations. In Fiscal Year 2015, 44 companies were approved to share a total of \$54 million. Since the program was established in 1999, more than 500 businesses have been approved for awards totaling \$820 million.

Princeton-based **Agile Therapeutics, Inc.**, a specialty pharmaceutical company focused on the development of innovative women’s healthcare products, opened its doors in 1997 with two employees. Today, the company boasts a full-time staff of 11, with plans for further expansion in the coming years. Agile completed its initial public offering in May 2014, raising gross proceeds of \$55 million from various investors, including Princeton-based ProQuest Investments. Agile also turned twice to the NOL Program to support its growth.



***“The NOL Program was vital to the Company’s 2014 funding strategy. The proceeds from the NOL Program in combination with a bridge loan from our existing investors allowed Agile to fund operations during its IPO process.”***

***- Alfred Altomari, President & CEO, Agile Therapeutics, Inc.***

*Altomari was honored in 2014 with the Public Company CEO Award by the NJ Tech Council*

One of the most notable additions to the array of support available to New Jersey’s technology sector in 2014 was the creation of Founders & Funders. During events at the EDA’s Commercialization Center for Innovative Technologies (CCIT) in June and September, more than 60 entrepreneurs and start ups participated in a “speed dating” match up with investors, paving the way for these emerging companies to attain the funding they need to grow in the state. A third event was held in March 2015.

Located at CCIT, **PDS Biotechnology** is a clinical-stage company that develops simpler, safer, and more effective immunotherapies for cancer and infectious diseases based on the company's proprietary Versamune® immunotherapeutic platform. In addition to leasing laboratory and office space at CCIT, PDS also participated in the September 2014 Founders & Funders event. It was recently announced that publicly-traded institutional investor NetScientific plc (NSCI:London) made an investment in the company.



***“CCIT has been ideal for PDS. The facility provides all the amenities that an early-stage biotech company requires at reasonable cost. I believe the Founders & Funders experience helped me well position PDS to attract suitable investors such as NetScientific and close our first institutional round with them.”***

**- Dr. Frank Bedu-Addo, President & CEO, PDS Biotechnology**

The 46,000-square-foot CCIT is New Jersey's leading life sciences incubator. Located in North Brunswick, it is home to more than two dozen seed-stage life sciences companies, offering tenants affordable lab and office space and a wealth of resources, including a free guest speaker series which brings in experts on a wide variety of topics. In 2014, CCIT welcomed eight new tenants, including **Aucta Pharmaceuticals**, **Urigen Pharmaceuticals**, and **Crystal Pharmatech**. In addition, existing tenant **Ascendia Pharmaceuticals** more than doubled its presence at the facility.

In early 2015, the EDA introduced its Executive-in-Residence program at CCIT, which seeks to tap into New Jersey's vast life sciences ecosystem. The program will connect the state's broad pool of life sciences talent with the promising companies located at CCIT. In partnership with BioNJ, the program will involve appointed Executives mentoring and coaching CCIT tenants through a series of weekly office hours. Consistent with the needs of emerging life sciences businesses, the EDA is currently seeking applicants that have expertise in a variety of specialties, including business development, commercialization, partnering and licensing, health economics, regulatory, and reimbursement. The EDA is utilizing the Life Sciences Talent Network at BioNJ to attract Executive-in-Residence candidates.

Early 2015 also brought two additional actions to support the industry. EDA made a limited partnership investment in **Edison Partners VIII, LP**, which will invest in approximately 20 growth stage technology businesses in four key industry sectors: financial technology, healthcare IT, interactive marketing and digital media, and enterprise 2.0. The EDA invested in four previous Edison Partners funds - Edison III, IV, VI, and VII. In these funds, Edison invested \$195.8M in 45 New Jersey-based technology companies.

The EDA routinely helps increase available capital for emerging technology companies by investing as a limited partner in venture capital funds. Gains resulting from these investments are utilized to offer new funding opportunities to support New Jersey businesses. To date, EDA has approved investments in 12 venture funds in excess of \$40 million; to date, these funds have leveraged the EDA's investment in New Jersey businesses by more than 62 times.

Strengthened through the Economic Opportunity Act, Grow NJ offers enhanced benefits to companies in targeted industries, including technology, life sciences, energy and health. The Act also extended the reach of Grow NJ by reducing the threshold to qualify to as low as 10 full-time jobs for technology startups and also lowering the minimum capital investment threshold for these emerging companies. To date, nearly 30 percent of tax credits approved under the Grow NJ program have gone to support companies in the technology sector.



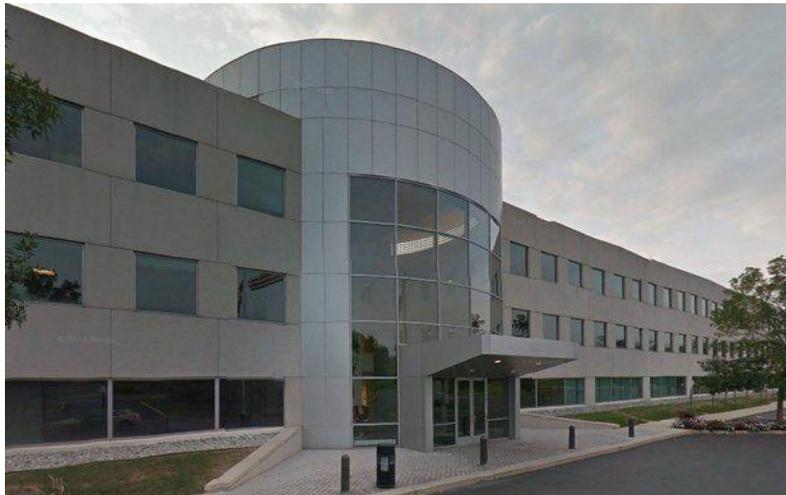
***“Our new facility ensures we can deliver services and solutions that make a positive impact for our clients’ businesses, while consistently creating skilled job opportunities for talented individuals in our region.”***

**- Chris Sullens, President and CEO of Marathon Data Systems**

**Marathon Data Operating Co.** was approved for a Grow NJ award of up to \$3.2 million to encourage the company to relocate to new headquarters in Neptune over a competing location in Boston. Marathon Data provides a cloud-based business management platform for companies with a mobile workforce. The company has been named one of America’s fastest growing companies by Inc. Magazine and one of the best places to work in New Jersey for the

last four years. In addition to investing over \$1.5 million, the company expects to create 35 new jobs and retain its existing staff of 74.

**Sandoz** also celebrated the grand opening of its new headquarters in 2014. A division of Novartis, the company is a global leader in the generic pharmaceutical sector. Prior to making the decision to grow in Plainsboro, Sandoz considered a location in Pennsylvania. A Grow NJ award of up to \$9.1 million encouraged the company to lease the more than 154,000-square-foot property that was vacated in 2013 when its previous tenant expanded to a nearby location. The company's relocation and expansion will retain 292 existing jobs as well as create 70 new positions. The company also expects to invest \$15.2 million.



***“In addition to its contributions to New Jersey’s position as the Medicine Chest of the World, Sandoz has breathed new life into a facility that has been vacant for more than a year. That brings an added boost to the tax base and strengthens the local economy through job creation.”***

**- Lt. Governor Guadagno**

**Valeant Pharmaceuticals** celebrated its new headquarters in Bridgewater last year. Located in New Jersey since 2003, Valeant has continued to increase its footprint in the state. The company, which acquired Bausch & Lomb in 2013, was approved for a Grow NJ of up to \$39.5 million to locate its combined U.S. headquarters in Bridgewater. The site will ultimately house a combined work force of over 800 employees, with 274 retained positions and 550 new jobs.



***“New Jersey has been our U.S. home for over a decade now and we have found it to be an ideal business environment. There is a wealth of talented and experienced individuals here that have helped us grow over the years. We are committed to New Jersey and look forward to expanding our presence here.”***

**- J. Michael Pearson, Chairman and CEO, Valeant**

**###**

## EDA Executive Team



**Melissa Orsen**  
*Chief Executive Officer*



**Timothy J. Lizura**  
*President & Chief Operating Officer*



**Maureen Hassett**  
*Senior Vice President,  
Finance & Development*



**Frederick J. Cole**  
*Senior Vice President,  
Operations*



**Lori Matheus**  
*Senior Vice President,  
Strategic Partnerships*



## EDA Board Members

### Chairman

Alfred C. Koeppe  
Former CEO, Newark Alliance  
Former President & COO, PSEG  
Former CEO, Bell Atlantic-New Jersey

### Vice Chairman

Joseph A. McNamara (Vice Chairman)  
Director, Laborers-Employers Cooperation  
and Education Trust & Health & Safety

### Ex Officio Members

Kenneth E. Kobylowski  
Commissioner, New Jersey Department of  
Banking & Insurance

Bob Martin  
Commissioner, New Jersey Department of  
Environmental Protection

Andrew P. Sidamon-Eristoff  
State Treasurer, New Jersey Department of  
the Treasury

Harold J. Wirths  
Commissioner, New Jersey Department of  
Labor & Workforce Development

### Public Members

Laurence M. Downes  
Chairman and CEO, New Jersey Resources

Charles H. Sarlo, Esq.  
Law Office/VP and General Counsel, DMR  
Architects

Fred. B. Dumont  
Business Manager, Heat & Frost Insulators  
and Asbestos Workers Local 89  
Vice President, New Jersey State Building and  
Construction Trades Council

Massiel Medina Ferrara  
Planning Director, County of Hudson

Philip B. Alagia  
Essex County Chief of Staff

### Alternate Public Members

William J. Albanese, Sr.  
General Manager, A&A Industrial Piping Inc.

Patrick R. Delle Cava  
Business Manager, International Brotherhood  
of Electrical Workers, Local 102

Harold Imperatore  
Proprietor, The Bernards Inn

### Nonvoting Member

Rodney Sadler  
Camden Economic Recovery Board



## Certifications Pursuant to E.O. 37

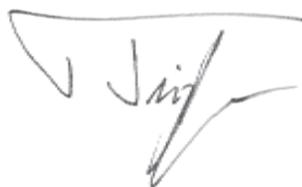
March 24, 2015

In accordance with Executive Order No. 37, the New Jersey Economic Development Authority's 2014 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant action of the Authority for the year, including the degree of success the EDA had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, Ernst & Young, dated March 24, 2015, is attached and completes the EDA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

I, Tim Lizura, certify that during 2014, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

I further certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the year in question.



Timothy J. Lizura  
EDA President & COO

I, Richard LoCascio, certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the year in question.



Richard LoCascio, CPA  
Controller



FINANCIAL STATEMENTS

New Jersey Economic Development Authority  
Years Ended December 31, 2014 and 2013  
With Report of Independent Auditors

Ernst & Young LLP



Building a better  
working world

New Jersey Economic Development Authority

Financial Statements

Years Ended December 31, 2014 and 2013

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## Report of Independent Auditors

Management and Members of the Authority  
New Jersey Economic Development Authority

We have audited the accompanying basic financial statements of the New Jersey Economic Development Authority (the “Authority”), a component unit of the State of New Jersey, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2014 and 2013, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

## **Required Supplementary Information**

U.S. generally accepted accounting principles require that supplementary information, such as management's discussion and analysis and the schedule of funding progress of the postemployment healthcare plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Ernst & Young LLP*

March 24, 2015

New Jersey Economic Development Authority  
(a component unit of the State of New Jersey)

Management's Discussion and Analysis

Years Ended December 31, 2014 and 2013

This section of the New Jersey Economic Development Authority's ("Authority" or "NJEDA") annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal years ended on December 31, 2014 and 2013. Please read it in conjunction with the Authority's financial statements and accompanying notes.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual financial report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short- and long-term financial information about the activities and operations of the Authority. These statements are presented in a manner similar to a private business engaged in such activities as real estate development, investment banking, commercial lending, construction management and consultation. While detailed sub-fund information is not presented, separate accounts are maintained for each program or project to control and manage money for particular purposes or to demonstrate that the Authority is properly using specific appropriations, grants and bond proceeds.

**2014 FINANCIAL HIGHLIGHTS**

- The Authority's total net position decreased \$5.9 million (or 1.1%).
- Bonds payable-gross decreased \$32.8 million (or 100.0%) due to defeasance of debt related to the sale of the Camden Center Urban Renewal Limited Partnership ("CCURLP") property.
- Salaries and Benefits expenses increased \$4.9 million (or 28.5%) due to additional personnel needed to administer the Stronger NJ Business grant and loan programs.
- Capital assets-net increased \$6.9 million (or 8.2%) primarily due to the purchase of the remaining interest in the Authority's investment in the Technology Centre of NJ, which included land, building and improvements.
- Federal appropriations increased \$55.8 million (or 600.0%) due to additional CDBG-Disaster Recovery funding received for the Stronger NJ Business programs.

## FINANCIAL ANALYSIS OF THE AUTHORITY

**Net Position.** The following table summarizes the changes in Net Position at December 31, 2014, 2013 and 2012:

|   | 2014                  | 2013           | 2012           | Current Year<br>% Increase/<br>(Decrease) | Prior Year<br>% Increase/<br>(Decrease) |
|---|-----------------------|----------------|----------------|---|---|
| <b>Assets:</b>  |                       |                |                |   |   |
| Other assets  | \$ 474,260,875        | \$ 524,015,191 | \$ 565,461,190 | (9.5)%                                    | (7.3)%                                  |
| Capital assets, net                                       | <b>91,371,783</b>     | 84,474,935     | 91,228,190     | 8.2%                                      | (7.4)%                                  |
| Total assets  | <b>565,632,658</b>    | 608,490,126    | 656,689,380    | (7.0)%                                    | (7.3)%                                  |
| <b>Deferred outflows of resources:</b>                    |                       |                |                |   |   |
| Accumulated decrease in fair value of hedging derivatives | -                     | 1,115,345      | 1,880,110      | (100.0)%                                  | (40.7)%                                 |
| <b>Liabilities:</b>                                       |                       |                |                |   |   |
| Long-term debt  | <b>9,688,695</b>      | 41,636,457     | 43,720,955     | (76.7)%                                   | (4.8)%                                  |
| Other liabilities   | <b>26,839,046</b>     | 31,846,016     | 49,170,449     | (15.7)%                                   | (35.2)%                                 |
| Total liabilities   | <b>36,527,741</b>     | 73,482,473     | 92,891,404     | (50.3)%                                   | (20.9)%                                 |
| <b>Deferred inflows of resources:</b>                     |                       |                |                |   |   |
| Accumulated decrease in fair value of hedging derivatives | -                     | 1,115,345      | 1,880,110      | (100.0)%                                  | (40.7)%                                 |
| <b>Net position:</b>                                      |                       |                |                |   |   |
| Net investment in capital assets                          | <b>87,235,047</b>     | 46,874,681     | 51,382,500     | 86.1%                                     | (8.8)%                                  |
| Restricted  | <b>22,420,545</b>     | 22,388,440     | 18,731,547     | 0.1%                                      | 19.5%                                   |
| Unrestricted  | <b>419,449,325</b>    | 465,744,532    | 493,683,929    | (9.9)%                                    | (5.7)%                                  |
| Total net position  | <b>\$ 529,104,917</b> | \$ 535,007,653 | \$ 563,797,976 | (1.1)%                                    | (5.1)%                                  |

\*Includes blended component unit, the Technology Centre of New Jersey, LLC (refer to Note 1)

During 2014, the Authority's combined net position decreased \$5.9 million (or 1.1%) due to:

- \$10.5 Million Petroleum Underground Storage Tank ("PUST") grant award payments and loan disbursements
- \$8.3 Million Hazardous Discharge Site Remediation Fund ("HDSRF") disbursements
- \$11.3 Million Municipal Economic Recovery Initiative grant award payments
- \$(24.2) Million Net receipts from the State relating to Other Programs

During 2013, the Authority's combined net position decreased \$28.8 million (or 5.1%) due to:

- \$11.9 Million Petroleum Underground Storage Tank ("PUST") grant award payments and loan disbursements
- \$8.0 Million Hazardous Discharge Site Remediation Fund ("HDSRF") disbursements
- \$6.9 Million Municipal Economic Recovery Initiative grant award payments
- \$5.9 Million School Loan Program repayments returned to the State
- \$(3.9) Million Net receipts from the State relating to Other Programs

**Operating Activities.** The Authority charges financing fees that may include an application fee, commitment fee, closing fee and a document execution fee. The Authority also charges an agency fee for the administration of financial programs for various government agencies; a program service fee for the administration of Authority programs that are service-provider based, rather than based on the exchange of assets such as the commercial lending program; and a real estate development fee for real estate activities undertaken on behalf of governmental entities and commercial enterprises. Interest income on investments, notes and intergovernmental obligations is recognized as earned. Grant revenue is earned when the Authority has complied with the terms and conditions of the grant agreements. The Authority also earns income from operating leases and interest income on lease revenue from capital lease financings. Late fees are charged to borrowers delinquent in their monthly loan payments. All forms of revenue accrue to the benefit of the program for which the underlying source of funds are utilized. The Authority considers all activity to be operating activities, except as described in the following section.

**Non-Operating Activities.** The Authority earns interest on idle cash and investments, and may derive income from the sale of capital assets, as well as the receipt of state and federal appropriations which are used to administer specific programs on behalf of the State of New Jersey, and which directly benefit New Jersey based businesses. The Authority considers this activity to be non-operating in nature.

The following table summarizes the changes in operating and non-operating activities between fiscal year 2014 and 2013:

|  | 2014*          | 2013           | 2012           | Current Year %<br>Increase/<br>(Decrease) | Prior<br>Year %<br>Increase/<br>(Decrease) |
|--|----------------|----------------|----------------|---|--|
| Operating revenues:                      |                |                |                |   |  |
| Financing fees                           | \$ 9,086,134   | \$ 6,760,175   | \$ 7,035,546   | 34.4%                                     | (3.9)%                                     |
| Lease revenue                            | 13,986,329     | 10,960,188     | 11,465,256     | 27.6%                                     | (4.4)%                                     |
| Interest income                          |                |                |                |   |  |
| Intergovernmental                        | –              | –              | 22,067         | –   | (100.0)%                                   |
| Notes                                    | 5,463,086      | 5,626,492      | 6,444,249      | (2.9)%                                    | (12.7)%                                    |
| Other                                    | 7,426,396      | 20,670,318     | 6,900,560      | (64.1)%                                   | 199.5%                                     |
| Total operating revenues                 | 35,961,945     | 44,017,173     | 31,867,678     | (18.3)%                                   | 38.1%                                      |
| Operating expenses:                      |                |                |                |   |  |
| Administrative expenses                  | 28,201,877     | 21,134,052     | 21,765,333     | 33.4%                                     | (2.9)%                                     |
| Interest expense                         | 1,804,038      | 1,508,847      | 1,804,370      | 19.6%                                     | (16.4)%                                    |
| Depreciation                             | 8,376,241      | 6,618,900      | 7,657,530      | 26.6%                                     | (13.6)%                                    |
| Loss provisions – net                    | 5,620,945      | 5,611,132      | 2,779,503      | 0.2%                                      | 101.9%                                     |
| Program costs                            | 6,626,109      | 7,390,962      | 7,318,040      | (10.3)%                                   | 1.0%                                       |
| Total operating expenses                 | 50,629,210     | 42,263,893     | 41,324,776     | 19.8%                                     | 2.3%                                       |
| Operating (loss) income                  | (14,667,265)   | 1,753,280      | (9,457,098)    | (936.6)%                                  | (118.5)%                                   |
| Nonoperating revenues and<br>(expenses): |                |                |                |   |  |
| Interest income –<br>investments         | 1,919,165      | 2,413,709      | 3,287,599      | (20.5)%                                   | (26.6)%                                    |
| State appropriations – net               | 12,906,993     | 11,591,125     | 186,440        | 11.4%                                     | 6117.1%                                    |
| Program payments                         | (73,704,320)   | (53,117,614)   | (66,532,002)   | 38.8%                                     | (20.2)%                                    |
| Federal appropriations                   | 65,133,093     | 9,304,316      | 6,922,918      | 600.0%                                    | 34.4%                                      |
| Gain on sale of assets                   | 22,353,371     | –              | –              | 100.0%                                    | 0.0%                                       |
| Other (expense) revenue                  | (274,074)      | (735,139)      | (719,822)      | (62.7)%                                   | 2.1%                                       |
| Total nonoperating, net                  | 28,334,228     | (30,543,603)   | (56,854,867)   | (192.8)%                                  | (46.3)%                                    |
| Income (loss) before special<br>item     | 13,666,963     | (28,790,323)   | (66,311,965)   | (147.5)%                                  | (56.6)%                                    |
| Technology Centre Cost-<br>adjustment    | (19,569,699)   | –              | –              | 100.0%                                    | –  |
| Change in net position                   | (5,902,736)    | (28,790,323)   | (66,311,965)   | (79.5)%                                   | (56.6)%                                    |
| Beginning net position                   | 535,007,653    | 563,797,976    | 630,109,941    |   |  |
| Ending net position                      | \$ 529,104,917 | \$ 535,007,653 | \$ 563,797,976 |   |  |

\*Includes blended component unit, the Technology Centre of New Jersey, LLC (Refer to Note 1)

## Operating Revenues

In 2014, the Authority's operating revenues were positively impacted by a \$2.3 million increase in Financing fees. Overall operating revenues were down due to the fact that in 2013, the Authority received the second of three installments of grant income related to the State Small Business Credit Initiative ("SSBCI"). The third installment was not received during 2014 as the requirements per the allocation agreement have not yet been met.

## **Operating Expenses**

In 2014, total operating expenses increased by \$8.4 million due largely to an increase of \$4.9 million in salary and benefits as a result of increases to staff size, as well as increases of \$2.2 million in administrative expenses and \$1.8 million in depreciation expense, related to the Authority's purchase of the remaining interest in the Technology Centre. The \$0.9 million increase in 2013, was mainly attributable to an increase in the loss provision by \$2.8 million.

## **Non-Operating Revenues and Expenses – net**

In 2014, non-operating revenues and expenses – net, increased by \$58.9 million and increased by \$26.3 million in 2013. This was partly due to the fluctuation in Federal and State appropriations offset by the program payments. In 2014, the Authority received \$65.1 million in Federal appropriations due to additional CDBG-Disaster Recovery funding received for the Stronger NJ Business programs. In addition, on January 30, 2014 the Authority and Camden Urban Renewal Limited Partnership (“CCURLP”) entered into a sale agreement with Cooper’s Ferry Partnership (“Cooper’s”) to sell the CCURLP building and the Authority’s land. The gain on the sale of the land and building amounted to \$22.4 million.

## **Allowance for Credit Losses**

The Authority has aligned its allowance policy to that practiced in the financial services industry. Allowances for doubtful notes and guarantee payments are determined in accordance with guidelines established by the Office of the Comptroller of the Currency. The Authority accounts for its potential loss exposure through the use of risk ratings. These specifically assigned risk ratings are updated to account for changes in financial condition of the borrower or guarantor, delinquent payment history, loan covenant violations, and changing economic conditions.

The assigned risk rating classifications are consistent with the ratings used by the Office of the Comptroller of the Currency. Each risk rating is assigned a specific loss factor in accordance with the severity of the classification. Each month an analysis is prepared using the current loan balances, existing exposure on guarantees, and the assigned risk rating to determine the adequacy of the reserve. Any adjustments needed to adequately provide for potential credit losses (recoveries) are reported as a Loss Provision (Recovery).

The following table summarizes the Loan Allowance activity for the end of the period from December 31, 2012 through December 31, 2014:

|                                      |                    |                             |
|--------------------------------------|--------------------|-----------------------------|
| <b>December 31, 2012</b>             |                    |                             |
| Allowance for loan losses            | \$ 23,808,255      |                             |
| Accrued guarantee losses             | <u>2,262,961</u>   |                             |
| <b>Total allowance</b>               |                    | 26,071,216                  |
| 2013 Provision for credit losses-net | 2,563,745          |                             |
| 2013 Write-offs                      | <u>(2,986,342)</u> | <u>(422,597)</u>            |
| <b>December 31, 2013</b>             |                    |                             |
| Allowance for loan losses            | 23,372,283         |                             |
| Accrued guarantee losses             | <u>2,276,336</u>   |                             |
| <b>Total allowance</b>               |                    | 25,648,619                  |
| 2014 Provision for credit losses-net | 4,444,521          |                             |
| 2014 Write-offs                      | <u>(8,823,647)</u> | <u>(4,379,126)</u>          |
| <b>December 31, 2014</b>             |                    |                             |
| Allowance for loan losses            | 18,716,964         |                             |
| Accrued guarantee losses             | <u>2,552,529</u>   |                             |
| <b>Total allowance</b>               |                    | <u><u>\$ 21,269,493</u></u> |

The Authority's write-down and Loan Loss Reserve policies closely align with the reporting requirements of the banking industry. When management determines that the probability of collection is less than 50% of the remaining balance, it is the policy to assign a Loss rating to the account. For an account rated as Loss, a loss provision is recognized for the entire loan balance.

Loans are written-off against the Loss Allowance when it is determined that the probability of collection within the near term is remote. The recognition of a loss does not automatically release the borrower from the obligation to pay the debt. Should the borrower, guarantors, or collateral position improve in the future, any and all steps necessary to preserve the right to collect these obligations will be taken.

Aggregate gross loan and guarantee exposure at December 31, 2014, was \$176,569,291, of which \$155,745,493 or 88% is for loans and \$20,823,798 for issued loan guarantees.

Aggregate gross loan and guarantee exposure at December 31, 2013, was \$187,422,037, of which \$168,166,702 or 90% is for loans and \$19,255,335 for issued loan guarantees.

At December 31, 2014 the Authority maintained a Credit Loss Allowance of \$21,269,493 or 12.05% of total exposure to cover potential losses in the loan and guaranty portfolio. Total write-offs for the year ended December 31, 2014, were \$8,823,647 or 5% of the loan and guaranty exposure.

At December 31, 2013 the Authority maintained a Credit Loss Allowance of \$25,648,619 or 13.68% of total exposure to cover potential losses in the loan and guaranty portfolio. Total write-offs for the year ended December 31, 2013, were \$2,986,342 or 1.59% of the loan and guaranty exposure.

The 2014 Loss Provisions – Net, of \$5.5 million, are related to the following detailed information:

- \$5,022,757 Loan and Guarantee Program activity
- \$500,688 Authority's share in Venture Capital Funds and Capital Investments

The 2013 Loss Provisions – Net, of \$5.6 million, are related to the following detailed information:

- \$2,500,000 Loan and Guarantee Program activity
- \$3,100,000 Authority's share in Venture Capital Funds and Capital Investments

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The Authority independently, or in cooperation with a private or governmental entity, acquires, invests in and/or develops vacant industrial sites, existing facilities, unimproved land, equipment and other real estate for private or governmental use. Sites developed and equipment purchased for private use are marketed or leased to businesses that will create new job opportunities and tax ratables for the municipalities. Sites are developed for governmental use for a fee and also may be leased to the State or State entities. For the majority of these leases, future minimum lease rental payments are equal to the debt service payments related to the bonds or notes issued for the applicable property.

The following table summarizes the change in Capital Assets-Net between fiscal year 2014 and 2013:

|                                     | 2014                 | 2013                 | 2012                 | Current Year %<br>Increase/<br>(Decrease) | Prior Year %<br>Increase/<br>(Decrease) |
|-------------------------------------|----------------------|----------------------|----------------------|---|---|
| Land                                | \$ 27,582,065        | \$ 23,382,313        | \$ 23,382,313        | 18.0%                                     | 0.0%                                    |
| Construction in progress            | 3,345                | 1,310                | –                    | 155.3%                                    | 100.0%                                  |
| Total nondepreciable capital assets | <u>27,585,410</u>    | <u>23,383,623</u>    | <u>23,382,313</u>    | 18.0%                                     | 0.0%                                    |
| Building                            | 98,343,729           | 97,364,839           | 97,364,839           | 1.0%                                      | 0.0%                                    |
| Leasehold improvements              | 47,195,145           | 36,859,763           | 36,859,763           | 28.0%                                     | 0.0%                                    |
| Equipment                           | –                    | –                    | 2,230,807            | 0.0%                                      | (100.0)%                                |
| Total depreciable capital assets    | <u>145,538,874</u>   | <u>134,224,602</u>   | <u>136,455,409</u>   | 8.4%                                      | (1.6)%                                  |
| Less accumulated depreciation       | <u>(81,752,501)</u>  | <u>(73,133,290)</u>  | <u>(68,609,532)</u>  | 11.8%                                     | 6.6%                                    |
| Capital assets – net                | <u>\$ 91,371,783</u> | <u>\$ 84,474,935</u> | <u>\$ 91,228,190</u> | 8.2%                                      | (7.4)%                                  |

More detailed information about the Authority’s capital assets is presented in the Notes to the financial statements.

**Capital Debt.** At year end, the Authority had \$10,136,737 of gross bond and note principal outstanding; a net decrease of 76.8%, due largely to the payoff of defeased bonds. More detailed information about the Authority’s capital debt is presented in the Notes to the financial statements.

The following table summarizes the changes in capital debt between fiscal year 2014 and 2013:

|                               | 2014                 | 2013                 | 2012                 | Current Year %<br>Increase/<br>(Decrease) | Prior Year %<br>Increase/<br>(Decrease) |
|-------------------------------|----------------------|----------------------|----------------------|---|---|
| Bonds payable – gross         | \$ –                 | \$ 32,765,000        | \$ 39,290,000        | (100.0)%                                  | (16.6)%                                 |
| Notes payable                 | <u>10,136,737</u>    | <u>10,835,254</u>    | <u>11,250,690</u>    | (6.4)%                                    | (3.7)%                                  |
| Total bonds and notes payable | <u>\$ 10,136,737</u> | <u>\$ 43,600,254</u> | <u>\$ 50,540,690</u> | (76.8)%                                   | (13.7)%                                 |

## CONTACTING THE AUTHORITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide New Jersey citizens, and our customers, clients, investors and creditors, with a general overview of the Authority’s finances and to demonstrate the Authority’s accountability for the appropriations and grants that it receives. If you have questions about this report or need additional information, contact Customer Care at (609) 858-6700, CustomerCare@njeda.com, NJEDA, P.O. Box 990, Trenton, NJ 08625-0990, or visit our web site at: www.njeda.com.

New Jersey Economic Development Authority  
(a component unit of the State of New Jersey)

Statements of Net Position

|   | December 31   |               |
|---|---------------|---------------|
|   | 2014          | 2013          |
| <b>Assets</b>   |               |               |
| <b>Current assets:</b>  |               |               |
| Cash and cash equivalents – restricted                        | \$ 66,394,747 | \$ 54,415,854 |
| Cash and cash equivalents – unrestricted                      | 33,288,119    | 18,942,874    |
| Investments   | 57,764,007    | 68,724,841    |
| Receivables:  |               |               |
| Notes   | 14,591,440    | 19,944,552    |
| Accrued interest on notes                                     | 437,757       | 303,980       |
| Accrued interest on investments                               | 499,617       | 756,752       |
| Intergovernmental   | 48,612        | 48,611        |
| Leases  | 100,000       | 100,000       |
| Other receivables   | 5,664,807     | 11,981,730    |
| Total receivables   | 21,342,233    | 33,135,625    |
| Prepays and deferred costs                                    | 772,988       | 590,537       |
| Total current assets  | 179,562,094   | 175,809,731   |
| <b>Noncurrent assets</b>                                      |               |               |
| Investments – restricted                                      | 4,173,586     | 6,326,670     |
| Investments – unrestricted                                    | 144,758,640   | 179,715,292   |
| Capital investments – unrestricted                            | 11,737,271    | 26,005,601    |
| Receivables:  |               |               |
| Notes   | 141,154,053   | 148,222,150   |
| Accrued interest on notes                                     | 4,574,830     | 4,416,223     |
| Unamortized discount  | (494,224)     | (21,163)      |
| Total notes receivables                                       | 145,234,659   | 152,617,210   |
| Allowance for doubtful notes and guarantees                   | (18,716,964)  | (23,372,283)  |
| Net notes receivable  | 126,517,695   | 129,244,927   |
| Intergovernmental restricted – receivables                    | –             | 120,835       |
| Leases receivable, net  | 6,734,019     | 6,715,005     |
| Total receivables   | 133,251,714   | 136,080,767   |
| Prepays and other noncurrent assets                           | 777,570       | 77,130        |
| Nondepreciable capital assets                                 | 27,585,410    | 23,383,623    |
| Depreciable capital assets, net                               | 63,786,373    | 61,091,312    |
| Total capital assets, net                                     | 91,371,783    | 84,474,935    |
| Total noncurrent assets                                       | 386,070,564   | 432,680,395   |
| Total assets  | 565,632,658   | 608,490,126   |
| <b>Deferred outflows of resources</b>                         |               |               |
| Accumulated decrease in the fair value of hedging derivatives | –             | 1,115,345     |

New Jersey Economic Development Authority  
(a component unit of the State of New Jersey)

Statements of Net Position (continued)

|   | December 31    |                |
|---|----------------|----------------|
|   | 2014           | 2013           |
| <b>Liabilities</b>  |                |                |
| <b>Current liabilities:</b>                                   |                |                |
| Accrued liabilities   | \$ 3,571,463   | \$ 6,563,681   |
| Unearned lease revenues                                       | 1,367,914      | 1,486,825      |
| Deposits  | 7,701,094      | 7,116,951      |
| Bonds payable   | —              | 1,490,000      |
| Notes payable   | 448,042        | 473,797        |
| Accrued interest payable                                      | 132,601        | 319,176        |
| Total current liabilities                                     | 13,221,114     | 17,450,430     |
| <b>Noncurrent liabilities</b>                                 |                |                |
| Bonds payable – net   | —              | 31,275,000     |
| Notes payable   | 9,688,695      | 10,361,457     |
| Unearned lease revenues                                       | 11,065,403     | 12,119,250     |
| Accrued guarantee losses                                      | 2,552,529      | 2,276,336      |
| Total noncurrent liabilities                                  | 23,306,627     | 56,032,043     |
| Total liabilities   | 36,527,741     | 73,482,473     |
| <b>Deferred inflows of resources</b>                          |                |                |
| Accumulated increase in the fair value of hedging derivatives | —              | 1,115,345      |
| <b>Net position</b>   |                |                |
| Net investment in capital assets                              | 87,235,047     | 46,874,681     |
| Restricted by Federal agreement                               | 22,420,545     | 22,388,440     |
| Unrestricted  | 419,449,325    | 465,744,532    |
| Total net position  | \$ 529,104,917 | \$ 535,007,653 |

*See accompanying notes.*

New Jersey Economic Development Authority  
(a component unit of the State of New Jersey)

Statements of Revenues, Expenses and Changes in Net Position

|   | <b>Year Ended December 31</b> |                |
|---|-------------------------------|----------------|
|   | <b>2014</b>                   | <b>2013</b>    |
| <b>Operating revenues</b>                     |                               |                |
| Financing fees                                | \$ 9,086,134                  | \$ 6,760,175   |
| Interest income – notes                       | 5,463,086                     | 5,626,492      |
| Financing lease revenue                       | 119,014                       | 119,014        |
| Operating lease revenue                       | 13,867,315                    | 10,841,174     |
| Agency fees                                   | 2,496,515                     | 2,838,253      |
| Program services                              | 632,220                       | 1,072,821      |
| Real estate development                       | 1,049,087                     | 1,116,493      |
| Grant revenue                                 | –                             | 11,141,030     |
| Other   | 3,248,574                     | 4,501,721      |
| Total operating revenue                       | 35,961,945                    | 44,017,173     |
| <br><b>Operating expenses</b>                 |                               |                |
| Salaries and benefits                         | 22,109,855                    | 17,209,218     |
| General and administrative                    | 6,092,022                     | 3,924,834      |
| Interest                                      | 1,804,038                     | 1,508,847      |
| Program costs                                 | 6,626,109                     | 7,390,962      |
| Depreciation                                  | 8,376,241                     | 6,618,900      |
| Loss provisions – net                         | 5,620,945                     | 5,611,132      |
| Total operating expenses                      | 50,629,210                    | 42,263,893     |
| Operating (loss) income                       | (14,667,265)                  | 1,753,280      |
| <br><b>Nonoperating revenues and expenses</b> |                               |                |
| Interest income – investments                 | 1,919,165                     | 2,413,709      |
| Unrealized loss in investment securities      | (274,074)                     | (1,835,139)    |
| Gain on sale of assets – net                  | 22,353,371                    | 1,100,000      |
| State appropriations – net                    | 12,906,993                    | 11,591,125     |
| Federal appropriations                        | 65,133,093                    | 9,304,316      |
| Program payments                              | (73,704,320)                  | (53,117,614)   |
| Nonoperating revenues and expenses – net      | 28,334,228                    | (30,543,603)   |
| <br>Income (loss) before special item         | 13,666,963                    | (28,790,323)   |
| Technology Centre cost-adjustment             | (19,569,699)                  | –              |
| Change in net position                        | (5,902,736)                   | (28,790,323)   |
| Net position – beginning of year              | 535,007,653                   | 563,797,976    |
| Net position – end of year                    | \$ 529,104,917                | \$ 535,007,653 |

*See accompanying notes.*

New Jersey Economic Development Authority  
(a component unit of the State of New Jersey)

Statements of Cash Flows

|   | Year Ended December 31 |                      |
|---|------------------------|----------------------|
|   | 2014                   | 2013                 |
| <b>Cash flows from operating activities</b>                     |                        |                      |
| Cash receipts from financing fees                               | \$ 9,034,574           | \$ 7,135,258         |
| Interest from notes   | 6,501,682              | 6,826,554            |
| Lease rents   | 12,866,698             | 9,975,038            |
| Agency fees   | 2,496,515              | 3,270,839            |
| Program services  | 1,048,075              | 3,762,565            |
| Grants  | –                      | 11,141,030           |
| Distributions   | 174,148                | 21,358               |
| Real estate development   | 843,431                | 1,344,024            |
| General and administrative expenses paid                        | (27,404,164)           | (21,620,322)         |
| Program costs paid  | (9,384,093)            | (6,363,604)          |
| Collection of notes receivable                                  | 32,976,597             | 37,571,825           |
| Loans disbursed   | (40,865,986)           | (21,353,547)         |
| Deposits received   | 2,909,992              | 6,682,244            |
| Deposits released   | (1,926,120)            | (1,580,935)          |
| Net cash (used in) provided by operating activities             | <u>(10,728,651)</u>    | <u>36,812,327</u>    |
| <b>Cash flows from noncapital financing activities</b>          |                        |                      |
| Deposits  | (42,222)               | (6,232)              |
| Program funding received  | 120,834                | 765,279              |
| Redemption and refunding of bonds                               | –                      | (5,195,000)          |
| Interest paid on revenue bonds                                  | (1,721,273)            | (1,293,506)          |
| Obligations paid  | –                      | (346,911)            |
| Issuance and servicing costs paid                               | (457,144)              | (525,596)            |
| Appropriations received   | 88,168,670             | 169,636,542          |
| Payments to State of New Jersey                                 | –                      | (5,965,320)          |
| Program payments  | (79,506,441)           | (200,172,797)        |
| Loan Pool 2 Financing   | 19,836,722             | –                    |
| Net cash provided by (used in) noncapital financing activities  | <u>26,399,146</u>      | <u>(43,103,541)</u>  |
| <b>Cash flows from capital and related financing activities</b> |                        |                      |
| Payment of bonds and notes                                      | (38,396,013)           | (3,075,436)          |
| Interest paid on bonds and notes                                | (1,759,678)            | (1,607,785)          |
| Purchase of capital assets                                      | (31,962,853)           | (8,378)              |
| Sale of capital assets  | 32,269,500             | 1,235,665            |
| Net cash used in capital and related financing activities       | <u>(39,849,044)</u>    | <u>(3,455,934)</u>   |
| <b>Cash flows from investing activities</b>                     |                        |                      |
| Interest from investments                                       | 2,176,299              | 2,430,830            |
| Return on capital investments                                   | 751,928                | 382,908              |
| Purchase of investments   | (2,490,236)            | (33,297,608)         |
| Proceeds from sales and maturities of investments               | 50,064,696             | 19,375,000           |
| Net cash provided by (used in) investing activities             | <u>50,502,687</u>      | <u>(11,108,870)</u>  |
| Net increase (decrease) in cash and cash equivalents            | 26,324,138             | (20,856,018)         |
| Cash and cash equivalents – beginning of year                   | 73,358,728             | 94,214,746           |
| Cash and cash equivalents – end of year                         | <u>\$ 99,682,866</u>   | <u>\$ 73,358,728</u> |

New Jersey Economic Development Authority  
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Statements of Cash Flows (continued)

|   | <b>Year Ended December 31</b> |                |
|---|-------------------------------|----------------|
|   | <b>2014</b>                   | <b>2013</b>    |
| Reconciliation of operating (loss) income               |                               |                |
| to net cash (used in) provided by operating activities  |                               |                |
| Operating (loss) income                                 | \$ (14,667,265)               | \$ 1,753,280   |
| Adjustments to reconcile operating (loss) income        |                               |                |
| to net cash (used in) provided by operating activities: |                               |                |
| Loss provisions-net                                     | 4,907,959                     | 5,611,132      |
| Depreciation  | 8,376,241                     | 6,618,900      |
| Amortization of discounts                               | 362,685                       | (160,300)      |
| Cash provided by nonoperating activities                | 4,005,685                     | 7,314,112      |
| Change in assets and liabilities:                       |                               |                |
| Notes receivables                                       | (8,027,898)                   | 6,970,950      |
| Accrued interest receivables-notes                      | (83,978)                      | (182,730)      |
| Lease payment receivables                               | 127,803                       | 100,000        |
| Other receivables                                       | (1,793,213)                   | 24,971,885     |
| Prepays and other noncurrent assets                     | (1,104,979)                   | (213,095)      |
| Capital investments                                     | (2,818,233)                   | -              |
| Notes payables  | -                             | (415,436)      |
| Accrued liabilities                                     | 576,961                       | (16,460,345)   |
| Unearned lease revenues                                 | (867,153)                     | (1,055,111)    |
| Accrued interest payables                               | (349,631)                     | 52,425         |
| Deposits  | 626,365                       | 5,018,256      |
| Accrued guarantee losses                                | -                             | 13,375         |
| Other liabilities                                       | -                             | (3,124,971)    |
| Net cash (used in) provided by operating activities     | \$ (10,728,651)               | \$ 36,812,327  |
| <b>Noncash investing activities</b>                     |                               |                |
| Unrealized loss in investment securities                | \$ (274,074)                  | \$ (1,835,139) |

*See accompanying notes.*

New Jersey Economic Development Authority  
(a component unit of the State of New Jersey)

Notes to Financial Statements

December 31, 2014 and 2013

**Note 1: Nature of the Authority**

The New Jersey Economic Development Authority (“Authority”) is a public body corporate and politic, constituting an instrumentality and component unit of the State of New Jersey (“State”). The Authority was established by Chapter 80, P.L. 1974 (“Act”) on August 7, 1974, as amended and supplemented, primarily to provide financial assistance to companies for the purpose of maintaining and expanding employment opportunities in the State and increasing tax rates in underserved communities. The Act prohibits the Authority from obligating the credit of the State in any manner.

As the State’s financing arm, the Authority assists with access to capital and primarily offers the following products and services:

**(a) Bond Financing**

The Authority issues tax-exempt private activity bonds and taxable bonds. The proceeds from these single issue or composite series bonds are used to provide long-term, below-market interest loans to eligible entities, which include certain 501(c)(3) nonprofit organizations, manufacturers, exempt public facilities, solid waste facilities, and local, county, and State governmental agencies for capital improvements including real estate acquisition, equipment, machinery, building construction and renovations. All such bonds are special conduit debt obligations of the Authority, are payable solely from the revenues pledged with respect to the issue, and do not constitute an obligation against the general credit of the Authority.

**(b) Loans/Guarantees/Investments and Tax Incentives**

The Authority directly provides loans, loan participations, loan guarantees and line of credit guarantees to for-profit and not-for-profit enterprises for various purposes to include: the acquisition of fixed assets; building construction and renovation; financing for working capital; technological development; and infrastructure improvements. The Authority also may provide financial assistance in the form of convertible debt, and take an equity position in technology and life sciences companies through warrant options. In addition to lending and investing its own financial resources, the Authority administers several business growth programs supported through State appropriation/allocation, including the technology business tax certificate transfer program, the angel investor tax credit program, tax credits for film industry and digital media projects, job creation and retention incentive grants and tax credits, tax credits for capital investment in urban areas, and reimbursement grants based on incremental revenues generated

New Jersey Economic Development Authority  
(a component unit of the State of New Jersey)

Notes to Financial Statements (continued)

**Note 1: Nature of the Authority (continued)**

by redevelopment projects. Other state mandated programs include loans/grants to support hazardous discharge site remediation and petroleum underground storage tank remediation.

**(c) Real Estate Development**

The Authority independently, or in cooperation with a private or another governmental entity, acquires, invests in and/or develops vacant industrial sites, existing facilities, unimproved land, equipment and other real estate for private or governmental use. Sites developed and equipment purchased for private use are marketed or leased to businesses that will create new job opportunities and tax ratables for municipalities. Sites are developed for governmental use for a fee and also may be leased to the State or State entities.

**(d) Stronger NJ Business Programs**

In 2013, the Authority was awarded a sub-grant from the New Jersey Department of Community Affairs for the purpose of administering a portion of the State's Community Development Block Grant Disaster Recovery allocation to support the recovery of businesses impacted by Superstorm Sandy. To achieve this, the Authority may provide grants and loans to eligible businesses, as well as financial assistance to governmental entities to support community development, neighborhood revitalization and other public improvement projects.

**Component Units**

The financial statements include the accounts of the Authority and its blended component units, the Camden County Urban Renewal Limited Partnership ("CCURLP") and the Technology Centre of New Jersey, LLC (the "Centre"). All intercompany transactions and balances are eliminated.

CCURLP is a real estate joint venture which provides services for the exclusive benefit of the Authority. CCURLP is a Limited Partnership made up of two corporate entities, Bergen of New Jersey, Inc. and Aegis Camden Partners, Inc. Bergen has a 33.33% interest in CCURLP and Aegis has 66.67% interest in CCURLP. The Boards of all three entities are made up of Authority officers and CCURLP actions were subject to Authority Board approval. On January 30, 2014 the Authority and CCURLP entered into a sale agreement with Cooper's Ferry Partnership ("Cooper's") to sell the CCURLP building and the Authority's land. The purchase closed as of

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 1: Nature of the Authority (continued)**

December 30, 2014. The proceeds from the sale were then used to defease the 2002 Series A and B Bonds. The Authority continued to have rights in the CCURLP entity as of December 31, 2014 as the related debt was not redeemed until February 2015. As of December 31, 2014, the entity continued to exist as a legally-separate entity. As the Board of the Authority is the same as the Board of CCURLP and the Authority has operational responsibility for CCURLP, it is considered a blended component unit. It is anticipated that CCURLP will be dissolved in 2015.

The Centre is a real estate joint venture formed March 31, 1999, between the Authority, the managing member, and the Mercantile Safe Deposit and Trust Company (“Mercantile”), a Maryland corporation, as trustee of the AFL-CIO Building Investment Trust (“BIT”), and not in its corporate capacity. In September 2007, PNC Bank, N.A. succeeded Mercantile as trustee of the BIT. The Centre was established to spur the growth of high technology industries in New Jersey. The Centre, located in North Brunswick on a 50-acre site, consists of seven buildings including Tech I, II, III and IV and three other buildings. On December 31, 2014 the BIT sold its interest in the Partnership to the Authority for \$28,634,987 plus a proration of assets and liabilities of the partnership and a final fourth quarter distribution. The total funds paid by the Authority to the BIT were \$28,769,090. The Authority decided to purchase Tech Centre in order to further its goal of increasing business in New Jersey and operating without restrictions from another partner. As of December 31, 2014, the Authority owned all of Tech Centre, which remains a legally-separate entity, although the Authority anticipates terminating the L.L.C status in 2015. As the Board of the Authority is the same as the Board of Tech Centre and the Authority has operational responsibility for the Centre the Centre is considered a blended component unit. Complete financial statements of the Centre may be obtained by contacting Customer Care at (609) 858-6700, CustomerCare@njeda.com, NJEDA, P.O. Box 990, Trenton, NJ 08625-0990.

The Authority’s financial statements do not include the accounts of the New Jersey Community Development Entity (“NJCDE”), a component unit. NJCDE is a separate legal entity whose primary mission is to provide investment capital for low-income communities, on behalf of the Authority, through the allocation of federal New Markets Tax Credits. The Authority does not deem the operations of the NJCDE to be significant to the operations of the Authority. As of December 31, 2014 and 2013, total NJCDE assets were \$2,604,732 and \$3,166,602, respectively.

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 1: Nature of the Authority (continued)**

**Related Party Transactions**

The Authority has contracted with several other State entities to administer certain loan programs on their behalf for a fee. In order for the Authority to effectively administer the programs, the Authority has custody of the cash accounts for each program. The cash in these accounts, however, is not an asset of the Authority and, accordingly, the balances in these accounts have not been included in the Authority’s statements of net position. The cash balances total \$69,600,123 and \$95,599,426 at December 31, 2014 and 2013, respectively. The following is a summary of the programs that the Authority manages on behalf of other State entities:

| Department/Board          | Program                          | 2014          | 2013          |
|---------------------------|----------------------------------|---------------|---------------|
| Treasury                  | Local Development Financing Fund | \$ 38,237,288 | \$ 35,873,116 |
| Board of Public Utilities | BPU Clean Energy Program         | 31,362,835    | 59,726,310    |

**Note 2: Summary of Significant Accounting Policies**

**(a) Basis of Accounting and Presentation**

The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. While detailed sub-fund information is not presented, separate accounts are maintained for each program and include certain funds that are legally designated as to use. Administrative expenses are allocated to the various programs.

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board (“GASB”).

**(b) Revenue Recognition**

The Authority charges various program financing fees that may include an application fee, commitment fee, closing fee, annual servicing fee and a document execution fee. The Authority also charges a fee for the administration of financial programs for various government agencies and for certain real estate development and management activities. Fees are recognized when

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 2: Summary of Significant Accounting Policies (continued)**

earned. Grant revenue is recognized when the Authority has complied with the terms and conditions of the grant agreements. The Authority recognizes interest income on lease revenue by amortizing the discount over the life of the related agreement. Operating lease revenue is recognized pursuant to the terms of the lease.

When available, it is the Authority's policy to first use restricted resources for completion of specific projects.

**(c) Cash Equivalents**

Cash equivalents are highly liquid debt instruments with original maturities of three months or less and units of participation in the State of New Jersey Cash Management Fund ("NJCMF").

**(d) Investments**

All investments, except for investment agreements, are stated at fair value. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. The Authority also invests in various types of joint ventures and uses the cost method to record such investments, as the Authority lacks the ability to exercise significant control in the ventures. Under the cost method, the Authority records the investment at its historical cost and recognizes as income dividends received from net earnings of the Fund. Dividends received in excess of earnings are considered a return of investment and reduce the cost basis. These investments typically have a long time horizon from when the Authority makes its initial investment to when it may receive any return on the investment. The Authority maintains a valuation allowance on specific investments when there is either a series of taxable losses or other factors may indicate that a decrease in value has occurred that is other than temporary. Capital investments are reported net of this valuation allowance.

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 2: Summary of Significant Accounting Policies (continued)**

**(e) Guarantees Receivable**

Payments made by the Authority under its various guarantee programs are reported as Guarantees Receivable. These receivables are expected to be recovered either from the lender, as the lender continues to service the loan, or from the liquidation of the underlying collateral. Recoveries increase Worth (see Note 10).

**(f) Allowance for Doubtful Notes and Accrued Guarantee Losses**

Allowances for doubtful notes and accrued guarantee losses are determined in accordance with guidelines established by the Office of Comptroller of Currency. These guidelines include classifications based on routine portfolio reviews of various factors that impact collectability.

**(g) Operating and Non-Operating Revenues and Expenses**

The Authority defines operating revenues and expenses as relating to activities resulting from providing bond financing, direct lending, incentives, and real estate development to commercial businesses, certain not-for-profit entities, and to local, county and State governmental entities. Non-operating revenues and expenses include income earned on the investment of funds, proceeds from the sale of certain assets, State and Federal appropriations and program payments.

**(h) Taxes**

The Authority is exempt from all Federal and State income taxes and real estate taxes.

**(i) Use of Estimates**

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

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 2: Summary of Significant Accounting Policies (continued)**

**(j) Capitalization Policy**

Unless material, it is the Authority's policy to expense all expenditures of an administrative nature. Administrative expenditures typically include expenses directly incurred to support staff operations, such as automobiles, information technology hardware and software, office furniture, and equipment.

With the exception of immaterial tenant fit-out costs of retail space that is sublet from the State of New Jersey, the Authority capitalizes all expenditures related to the acquisition of land, construction and renovation of buildings, and procurement of certain production equipment intended for sale or lease to its clients.

**(k) Depreciation Policy**

Capital assets are stated at cost. Depreciation is computed using the straight-line method over the following estimated economic useful lives of the assets:

|                         |                   |
|-------------------------|-------------------|
| Building                | 20 years          |
| Building improvements   | 20 years          |
| Leasehold improvements  | Term of the lease |
| Tenant fit-out          | Term of the lease |
| Production equipment    | 4 to 15 years     |
| Vehicles                | Expensed          |
| Furniture and equipment | Expensed          |

**(l) Recent and Upcoming Accounting Standards**

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. GASB 68 also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The Authority has not completed the process of evaluating the impact of GASB 68 on its financial statements.

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 2: Summary of Significant Accounting Policies (continued)**

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* (“GASB 69”). The objective of this Statement is to improve the accounting for mergers and acquisitions among state and local governments by providing guidance specific to the situations and circumstances encountered within the governmental environment. The provisions of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. The implementation of this standard does not have an impact on the financial statements at this time.

In February 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* (“GASB 70”). The objective of this Statement is to improve the comparability of financial statements among governments by requiring consistent reporting by those governments that extend and/or receive nonexchange financial guarantees. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. The implementation of this standard did not have an impact on the Authority.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB 68* (“GASB 71”). The objective of this Statement is to address an issue regarding application of the transition provisions of GASB 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The Authority has not completed the process of evaluating the impact of GASB 71 on its financial statements.

**Note 3: Deposits and Investments**

**(a) Cash and Cash Equivalents**

Operating cash is held in the form of Negotiable Order of Withdrawal (“NOW”) accounts, money market accounts, and certificates of deposit. At December 31, 2014, the Authority’s bank balance was \$44,523,795. Of the bank balance, \$750,000 was insured with Federal Deposit Insurance.

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Notes to Financial Statements (continued)

**Note 3: Deposits and Investments (continued)**

Cash equivalents consist mainly of money held in the New Jersey Cash Management Fund (the “NJCMF”). The NJCMF is managed by the State’s Division of Investment under the Department of the Treasury. All investments must fall within the guidelines set forth by the Regulations of the State Investment Council. The Division of Investment is permitted to invest in a variety of securities to include obligations of the U.S. Government and certain of its agencies, certificates of deposit, commercial paper, repurchase agreements, bankers’ acceptances and loan participation notes. Investment guidelines provide that all investments in the NJCMF should mature or are to be redeemed within one year, except that up to 25% of the NJCMF may be invested in eligible securities which mature within 25 months; provided, however, that the average maturity of all investments in the NJCMF shall not exceed one year. Cash equivalents are stated at fair value.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* (“GASB 40”), the Authority’s NOW accounts, as well as money market accounts and certificates of deposit, are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Authority would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uninsured, uncollateralized (securities are not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the government’s (NJEDA) name. At December 31, 2014 and 2013, all of the Authority’s deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk.

Cash deposits at December 31, 2014 and 2013 were as follows:

| <b>Deposit Type</b>     | <b>2014</b>          | <b>2013</b>          |
|-------------------------|----------------------|----------------------|
| NOW Accounts            | \$ 27,666,466        | \$ 13,714,086        |
| Money Market Accounts   | 9,169,450            | 9,164,042            |
| Certificates of Deposit | <u>6,392,946</u>     | <u>6,326,670</u>     |
| Total deposits          | <u>\$ 43,228,862</u> | <u>\$ 29,204,798</u> |

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 3: Deposits and Investments (continued)**

**(b) Investments**

Pursuant to the Act, the funds of the Authority may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the Authority may approve. Accordingly, the Authority directly purchases permitted securities and enters into interest-earning investment contracts.

As of December 31, 2014 the Authority's total investments, excluding capital investments, amounted to \$206,696,233. The Authority's investment portfolio ("Portfolio") is comprised of short to medium term bonds and is managed by a financial institution for the Authority. These investments include obligations guaranteed by the U.S. Government, Government Sponsored Enterprises, Money Market Funds, Corporate Debt rated at least AA-/Aa3 by Standard & Poors or Moody's, and Repurchase Agreements. The Portfolio is managed with the investment objectives of: preserving capital, maintaining liquidity, achieving superior yields, and providing consistent returns over time. In order to limit interest rate risk, investments are laddered, with maturities ranging from several months to a maximum of five years.

Investment of bond proceeds is made in accordance with the Authority's various bond resolutions. The bond resolutions generally permit the investment of funds held by the trustee in the following: (a) obligations of, or guaranteed by, the State or the U.S. Government; (b) repurchase agreements secured by obligations noted in (a) above; (c) interest-bearing deposits, in any bank or trust company, insured or secured by a pledge of obligations noted in (a) above; (d) NJCMF; (e) shares of an open-end diversified investment company which invests in obligations with maturities of less than one year of, or guaranteed by, the U.S. Government or Government Agencies; and (f) non-participating guaranteed investment contracts.

In order to maintain adequate liquidity, significant Authority funds are invested in the NJCMF, which typically earns returns that mirror short term interest rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At December 31, 2014 and 2013 the Authority's balance in the NJCMF is \$62,782,253 and \$50,372,051, respectively.

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 3: Deposits and Investments (continued)**

**(c) Special Purpose Investments**

Pursuant to the Authority's mission, from time to time, in order to expand employment opportunities in the State and to spur economic development opportunities, the Authority, with the authorization of the Board, will make special purpose investments. These special purpose investments include the following:

As discussed in Note 1, the Authority was the managing member of the Technology Centre of New Jersey, L.L.C., a real estate joint venture formed in 1999 to spur the growth of high tech industries in the State. As the managing member, the Authority earned an administrative fee based on 5% of gross rents received from the operation of the Centre.

At December 31, 2013, the value of the Authority's investment in the Centre was \$15,712,340. On December 31, 2014, the Authority purchased the interest it did not own from its partner and is now the sole owner of the Centre. As such, the Centre is now a blended component unit at December 31, 2014 instead of a special purpose investment.

The Authority is also a limited partner in various venture funds formed with the primary purpose of providing venture capital to exceptionally talented entrepreneurs dedicated to the application of proprietary technologies or unique services in emerging markets and whose companies are in the expansion stage. At December 31, 2014 and 2013, the aggregate value of the Authority's investment in these funds is \$11,487,271 and \$10,043,261, respectively. As a limited partner, the Authority receives financial reports from the managing partner of the funds, copies of which may be obtained by contacting the Authority.

At December 31, 2014 and 2013, the Authority held other equity investments of \$250,000. The investments are held in the form of stock. Value is based on analysis of companies' prospects in conjunction with valuations of comparable companies.

**Custodial Credit Risk**

Pursuant to GASB 40, the Authority's investments are profiled to determine if they are exposed to Custodial Credit Risk. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government (NJEDA), and are held by either: the counterparty (institution that pledges collateral to government or that buys/sells

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 3: Deposits and Investments (continued)**

investments for government) or the counterparty's trust department or agent but not in the name of the government. Investment pools such as the NJCMF and open ended mutual funds including Mutual Bond Funds are deemed not to have custodial credit risk. As of December 31, 2014, no investments are subject to custodial credit risk as securities in the Portfolio are held in the name of the Authority.

**Concentration of Credit Risk**

The Authority does not have an investment policy regarding concentration of credit risk, however, the Authority's practice is to limit investments in certain issuers. No more than 10% of the Authority funds may be invested in individual corporate and municipal issuers; and no more than 10% in individual U.S. Government Agencies. At December 31, 2014 more than 5 percent of the Authority's investments are in: Federal Home Loan Bank ("FHLB"), Federal Farm Credit Bank ("FFCB"), and Federal Home Loan Mortgage Corp ("FHLMC"). These investments are 6.71% (\$14,646,662), 7.58% (\$16,547,726), and 8.89% (\$19,418,666), respectively, of the Authority's total investments. These four investments are included in the U.S. Government Agency category of investments. Investments issued by or guaranteed by the U.S. Government, mutual fund investments, and pooled investments are exempt from this requirement.

**Credit Risk**

The Authority does not have an investment policy regarding the management of Credit Risk, as outlined above. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. All investments in U.S. Agencies are rated Aaa by Moody's and AA+ by Standard & Poors ("S&P"). The mutual bond fund was rated AAA by S&P. Corporate bonds were rated AA/AA+/AA-, by S&P. Municipal bonds are rated AA by S&P. The NJCMF is not rated.

**Interest Rate Risk**

The Authority does not have a policy to limit interest rate risk, however, its practice is to hold investments to maturity.

New Jersey Economic Development Authority  
(a component unit of the State of New Jersey)

Notes to Financial Statements (continued)

**Note 3: Deposits and Investments (continued)**

As of December 31, 2014 and 2013, the Authority had the following investments and maturities:

| Investment Type                                  | December 31, 2014 |                                 |                         | Fair Value as of<br>December 31,<br>2013 |
|--|-------------------|---------------------------------|-------------------------|--|
|  | Fair Value        | Investments<br>Less than 1 Year | Maturities<br>1-5 Years |  |
| Debt Securities:                                 |                   |                                 |                         |  |
| U.S. Treasuries                                  | \$ 78,681,783     | \$ 11,287,845                   | \$ 67,393,938           | \$ 45,895,133                            |
| U.S. Agencies                                    | 59,572,745        | 9,703,172                       | 49,869,573              | 141,526,754                              |
| Corporate Bonds                                  | 59,493,359        | 31,998,230                      | 27,495,129              | 54,504,475                               |
| Commercial Paper                                 | —                 | —                               | —                       | 2,991,606                                |
| Municipal Bonds                                  | 2,555,400         | 2,555,400                       | —                       | 3,522,165                                |
| Mutual Bond Funds                                | 64,696            | 64,696                          | —                       | 108,549                                  |
| Certificates of Deposit                          | 6,392,946         | 2,219,360                       | 4,173,586               | 6,326,670                                |
| NJ Cash Management Fund                          | 62,782,253        | 62,782,253                      | —                       | 50,372,051                               |
| Total debt securities                            | 269,543,182       | 120,610,956                     | 148,932,226             | 305,247,403                              |
| Special purpose investments:                     |                   |                                 |                         |  |
| Investment in Technology<br>Centre Joint Venture | —                 | —                               | —                       | 15,712,340                               |
| Venture Fund Investments                         | 11,487,271        | —                               | 11,487,271              | 10,043,261                               |
| Other Equity Investments                         | 250,000           | —                               | 250,000                 | 250,000                                  |
| Total special purpose investments                | 11,737,271        | —                               | 11,737,271              | 26,005,601                               |
| Subtotal   | 281,280,453       | 120,610,956                     | 160,669,497             | 331,253,004                              |
| Less amounts reported as<br>cash equivalents     | (62,846,949)      | (62,846,949)                    | —                       | (50,480,600)                             |
| Total investments                                | \$ 218,433,504    | \$ 57,764,007                   | \$ 160,669,497          | \$ 280,772,404                           |

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 4: Notes Receivable**

Notes receivable consist of the following:

|   | <b>December 31</b>    |                |
|---|-----------------------|----------------|
|   | <b>2014</b>           | <b>2013</b>    |
| Economic Development Fund (“EDF”) loan program; interest ranging up to 6.1%; maximum term 15 years                  | <b>\$ 53,292,153</b>  | \$ 45,098,045  |
| Economic Recovery Fund (“ERF”) loan and guarantee programs; interest ranging up to 9.8%; maximum term of 11 years   | <b>81,394,481</b>     | 117,433,516    |
| Hazardous Discharge Site Remediation (“HDSR”) loan program; interest ranging up to 5.5%; maximum term of 4 years    | <b>2,379,492</b>      | 2,709,088      |
| Municipal Economic Recovery Initiative (“MERI”) loan program; interest ranging up to 3.0%; maximum term of 13 years | <b>769,802</b>        | 2,926,053      |
| Stronger NJ Business (SNJ) loan program; interest ranging up to 1.9%; maximum term of 30 years                      | <b>17,909,565</b>     | –              |
|   | <b>\$ 155,745,493</b> | \$ 168,166,702 |

Aggregate Notes Receivable activity for the year ended December 31, 2014 was as follows:

|         | <b>Beginning Balance</b> | <b>Loan Disbursements</b> | <b>Loan Receipts</b> | <b>Write-offs, Adjustments, Restructures-Net</b> | <b>Ending Balance</b> | <b>Amounts Due Within One Year</b> |
|---------|--------------------------|---------------------------|----------------------|--|-----------------------|------------------------------------|
| EDF/ERF | \$ 162,531,561           | \$ 20,966,577             | \$ (46,536,439)      | \$ (2,275,065)                                   | \$134,686,634         | \$ 14,213,266                      |
| HDSR    | 2,709,088                | 68,478                    | (381,857)            | (16,217)   | 2,379,492             | 281,552                            |
| MERI    | 2,926,053                | –                         | (629,187)            | (1,527,064)                                      | 769,802               | 62,211                             |
| SNJ     | –                        | 17,909,565                | –                    | –  | 17,909,565            | 34,411                             |
|         | \$ 168,166,702           | \$ 38,944,620             | \$ (47,547,483)      | \$ (3,818,346)                                   | \$155,745,493         | \$ 14,591,440                      |

**Note 5: Intergovernmental Receivable**

The Authority has an agreement with the Port Authority of New York New Jersey (“Port Authority”) relating to the issuance of Bonds. Pursuant to the terms of the agreement, the debt service on these bonds is payable solely from scheduled amounts receivable.

New Jersey Economic Development Authority  
(a component unit of the State of New Jersey)

Notes to Financial Statements (continued)

**Note 5: Intergovernmental Receivable (continued)**

At December 31, 2014 and 2013, the Intergovernmental Receivable totaled \$48,612 and \$169,446, respectively.

Intergovernmental Receivable activity for the year ended December 31, 2014 was as follows:

|            | <b>Beginning<br/>Balance</b> | <b>Reductions</b> | <b>Ending<br/>Balance</b> | <b>Amount<br/>Receivable<br/>Within One<br/>Year</b> |
|------------|------------------------------|-------------------|---------------------------|--|
| Receivable | \$ 169,446                   | \$ (120,834)      | \$ 48,612                 | \$ 48,612  |

**Note 6: Leases**

**(a) Leases Receivable**

The Authority has a financing lease relating to the issuance of Bonds and Notes Payable. Bond and Note proceeds finance specific projects. The financing lease provides for basic rental payments, by the tenant to the Authority, in an amount at least equal to the amount of debt service on the Bonds and Notes. In the event of default by the tenant to make rental payments, the Authority generally has recourse, including, but not limited to, taking possession and selling or subletting the leased premises and property.

The outstanding lease is as follows:

| <b>Lease Description</b>                  | <b>2014</b>  | <b>2013</b>  |
|---|--------------|--------------|
| NY Daily News, through 1/23/21            | \$ 7,548,102 | \$ 7,648,102 |
| Unamortized discount                      | (714,083)    | (833,097)    |
| Aggregate lease payments receivable – net | \$ 6,834,019 | \$ 6,815,005 |

New Jersey Economic Development Authority  
(a component unit of the State of New Jersey)

Notes to Financial Statements (continued)

**Note 6: Leases (continued)**

Aggregate lease receipts due through 2019 and thereafter are as follows:

|           |              |
|-----------|--------------|
| 2015      | \$ 100,000   |
| 2016      | 100,000      |
| 2017      | 100,000      |
| 2018      | 100,000      |
| 2019      | 100,000      |
| 2020-2021 | 7,048,102    |
|           | \$ 7,548,102 |

Lease payments receivable activity for the year ended December 31, 2014 was as follows:

|                  | <b>Beginning<br/>Balance</b> | <b>Reductions</b> | <b>Ending<br/>Balance</b> | <b>Amount<br/>Receivable<br/>Within One<br/>Year</b> |
|------------------|------------------------------|-------------------|---------------------------|--|
| Gross receivable | \$ 7,648,102                 | \$ (100,000)      | \$ 7,548,102              | \$ 100,000   |
| Discount         | (833,097)                    | 119,014           | (714,083)                 |  |
| Net receivable   | \$ 6,815,005                 | \$ 19,014         | \$ 6,834,019              |  |

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 6: Leases (continued)**

**(b) Operating Leases**

**(i) Authority as Lessor**

At December 31, 2014, capital assets with a carrying value of \$173,124,284 and accumulated depreciation of \$81,752,501 are leased to commercial enterprises. These leases generally provide the tenant with renewal and purchase options. Aggregate minimum lease receipts are expected as follows:

|           |                      |
|-----------|----------------------|
| 2015      | \$ 6,580,448         |
| 2016      | 5,092,663            |
| 2017      | 4,780,483            |
| 2018      | 4,007,503            |
| 2019      | 2,915,209            |
| 2020-2024 | 12,310,826           |
| 2025-2027 | 1,756,109            |
|           | <u>\$ 37,443,241</u> |

**(ii) Authority as Lessee**

The Authority leases commercial property, buildings, and office space. The leased premises are either sublet to commercial enterprises or utilized by Authority staff. Aggregate rental expense for the current year on commercial property amounted to \$1,001,761; and for property used by the Authority, rental expense amounted to \$63,108. Aggregate future lease obligations are as follows:

|      |                   |
|------|-------------------|
| 2015 | \$ 75,414         |
| 2016 | 77,513            |
| 2017 | 79,626            |
| 2018 | 81,751            |
| 2019 | 43,962            |
|      | <u>\$ 358,266</u> |

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Notes to Financial Statements (continued)

**Note 7: Capital Assets**

Capital asset activity for the years ended December 31, 2014 and 2013 was as follows:

|                                       | December 31,<br>2013 | Additions     | Reductions     | December 31,<br>2014 |
|---------------------------------------|----------------------|---------------|----------------|----------------------|
| Capital assets not being depreciated: |                      |               |                |                      |
| Land                                  | \$ 23,382,313        | \$ 8,199,752  | \$ (4,000,000) | \$ 27,582,065        |
| Construction in progress              | 1,310                | 3,345         | (1,310)        | 3,345                |
| Capital assets being depreciated:     |                      |               |                |                      |
| Buildings                             | 97,364,839           | 28,978,890    | (28,000,000)   | 98,343,729           |
| Leasehold improvements                | 36,859,763           | 10,335,382    | -              | 47,195,145           |
| Capital assets – gross                | 157,608,225          | 47,517,369    | (32,001,310)   | 173,124,284          |
| Less: accumulated depreciation        | 73,133,290           | 30,703,082    | (22,083,871)   | 81,752,501           |
| Capital assets – net                  | \$ 84,474,935        | \$ 16,814,287 | \$ (9,917,439) | \$ 91,371,783        |

|                                       | December 31,<br>2012 | Additions      | Reductions   | December 31,<br>2013 |
|---------------------------------------|----------------------|----------------|--------------|----------------------|
| Capital assets not being depreciated: |                      |                |              |                      |
| Land                                  | \$ 23,382,313        | \$ -           | \$ -         | \$ 23,382,313        |
| Construction in progress              | -                    | 1,310          | -            | 1,310                |
| Capital assets being depreciated:     |                      |                |              |                      |
| Buildings                             | 97,364,839           | -              | -            | 97,364,839           |
| Leasehold improvements                | 36,859,763           | -              | -            | 36,859,763           |
| Production equipment                  | 2,230,807            | -              | (2,230,807)  | -                    |
| Capital assets – gross                | 159,837,722          | 1,310          | (2,230,807)  | 157,608,225          |
| Less: accumulated depreciation        | 68,609,532           | 6,618,900      | (2,095,142)  | 73,133,290           |
| Capital assets – net                  | \$ 91,228,190        | \$ (6,617,590) | \$ (135,665) | \$ 84,474,935        |

In 2014, the Authority sold a building and related land in Camden. The property had been leased to a defense contractor. The transaction resulted in a gain on the sale of the land and building amounting to \$22.4 million.

As discussed in Note 1, the Technology Centre of New Jersey, LLC became a blended component unit of the Authority in 2014. As a result, the capital assets of the Centre are now reflected as part of the Authority's capital assets. This included the addition of land, buildings, and leasehold improvements. Accumulated depreciation was carried over, as the valuation of the Centre's assets was based on carrying value.

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Notes to Financial Statements (continued)

**Note 7: Capital Assets (continued)**

Capital assets of the Centre at December 31, 2014 are composed of the following:

|                                |                             |
|--------------------------------|-----------------------------|
| Land                           | \$ 8,199,752                |
| Buildings                      | 28,978,890                  |
| Leasehold improvements         | <u>10,173,079</u>           |
| Capital assets – gross         | 47,351,721                  |
| Less: accumulated depreciation | <u>24,184,496</u>           |
| Capital assets – net           | <u><u>\$ 23,167,225</u></u> |

In 2013, the Authority sold the remainder of certain production equipment to a television network. The equipment had been leased to the network as part of an existing structured financing arrangement.

**Note 8: Bonds Payable**

The bonds reported in the following table were issued in order to fund commercial real estate development and capital construction. The bonds were secured by lease rental payments and the underlying assets pledged pursuant to the bond resolutions. In the event of default by the tenant to make rental payments, the Authority generally had recourse, including, but not limited to, taking possession and selling or subletting the leased premises and property.

The outstanding issue was as follows:

|   | <b>December 31</b> |                 |
|---|--------------------|-----------------|
|   | <b>2014</b>        | <b>2013</b>     |
| <b>\$43,000,000 Variable Rate Lease Revenue Bonds,</b><br>2002 Series A and B, (Camden Center Urban<br>Renewal Limited Partnership Project); adjustable<br>rate with maximum of 12% per annum, due annually<br>through 3/15/18; Paid in full at 12/31/14. | <b>\$</b>          | – \$ 32,765,000 |
|   | <b>\$</b>          | – \$ 32,765,000 |
|   | <b>\$</b>          | – \$ 32,765,000 |

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Notes to Financial Statements (continued)

**Note 8: Bonds Payable (continued)**

Bonds payable activity for the years ended December 31, 2014 and 2013 was as follows:

|                           | <b>December 31,<br/>2013</b> | <b>Additions</b> | <b>Reductions</b>     | <b>December 31,<br/>2014</b> | <b>Amounts Due<br/>Within One<br/>Year</b> |
|---------------------------|------------------------------|------------------|-----------------------|------------------------------|--|
| Bonds payable – gross     | \$ 32,765,000                | \$ –             | \$(32,765,000)        | \$ –                         | <u>\$ –</u>                                |
| Unamortized premium       | –                            | –                | –                     | –                            |  |
| Total bonds payable – net | <u>\$ 32,765,000</u>         | <u>\$ –</u>      | <u>\$(32,765,000)</u> | <u>\$ –</u>                  |  |

|                           | <b>December 31,<br/>2012</b> | <b>Additions</b> | <b>Reductions</b>     | <b>December 31,<br/>2013</b> | <b>Amounts Due<br/>Within One<br/>Year</b> |
|---------------------------|------------------------------|------------------|-----------------------|------------------------------|--|
| Bonds payable – gross     | \$ 39,290,000                | \$ –             | \$ (6,525,000)        | \$ 32,765,000                | <u>\$ 1,490,000</u>                        |
| Unamortized premium       | 37,095                       | –                | (37,095)              | –                            |  |
| Total bonds payable – net | <u>\$ 39,327,095</u>         | <u>\$ –</u>      | <u>\$ (6,562,095)</u> | <u>\$ 32,765,000</u>         |  |

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 9: Notes Payable**

Generally, Notes Payable are special obligations of the Authority payable solely from loan payments, lease rental payments and other revenues, funds and other assets pledged under the notes and do not constitute obligations against the general credit of the Authority. Note proceeds are used to fund specific programs and projects and are not co-mingled with other Authority funds.

The outstanding notes are as follows:

|   | <b>December 31,</b>  |                      |
|---|----------------------|----------------------|
|   | <b>2014</b>          | <b>2013</b>          |
| Community Development Investments, LLC; interest at 5%; principal and interest due monthly with payments based solely on receipt of surcharge revenue. The note was scheduled to mature on 5/12/14; however, full repayment is subject to receipt of surcharge revenue. | <b>\$ 2,000,000</b>  | <b>\$ 2,000,000</b>  |
| City of Camden, NJ; interest at 6%; principal and interest due monthly with payments based solely on receipt of surcharge revenue. The note is scheduled to mature on 2/5/16; however, full repayment is subject to receipt of surcharge revenue.                       | <b>2,136,737</b>     | 2,835,254            |
| FirstEnergy Corp./JCP&L; interest at 3%; interest only due monthly through 11/12/20; principal due at maturity on 11/12/20  | <b>1,000,000</b>     | 1,000,000            |
| Public Service New Millennium Economic Development Fund, LLC; interest at 2%; interest only due monthly through 11/7/20; principal due at maturity on 11/7/20   | <b>5,000,000</b>     | 5,000,000            |
|   | <b>\$ 10,136,737</b> | <b>\$ 10,835,254</b> |

At December 31, 2014, aggregate debt service requirements of notes payable through 2019 and thereafter are as follows:

|           | <b>Principal</b>     | <b>Interest</b>     | <b>Total</b>         |
|-----------|----------------------|---------------------|----------------------|
| 2015      | \$ 448,042           | \$ 413,972          | \$ 862,014           |
| 2016      | 489,910              | 318,578             | 808,488              |
| 2017      | 513,765              | 294,358             | 808,123              |
| 2018      | 545,377              | 261,833             | 807,210              |
| 2019      | 578,822              | 229,425             | 808,247              |
| 2020-2022 | 7,560,821            | 227,561             | 7,788,382            |
| Total     | <b>\$ 10,136,737</b> | <b>\$ 1,745,727</b> | <b>\$ 11,882,464</b> |

New Jersey Economic Development Authority  
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Notes to Financial Statements (continued)

**Note 9: Notes Payable (continued)**

Notes payable activity for the years ended December 31, 2014 and 2013 was as follows:

| December 31,<br>2013 | Additions | Reductions   | December 31,<br>2014 | Amounts Due<br>Within One<br>Year |
|----------------------|-----------|--------------|----------------------|-----------------------------------|
| \$ 10,835,254        | \$ –      | \$ (698,517) | <b>\$ 10,136,737</b> | \$ 448,042                        |

| December 31,<br>2012 | Additions | Reductions   | December 31,<br>2013 | Amounts Due<br>Within One<br>Year |
|----------------------|-----------|--------------|----------------------|-----------------------------------|
| \$ 11,250,690        | \$ –      | \$ (415,436) | \$ 10,835,254        | \$ 473,797                        |

**Note 10: Commitments and Contingencies**

**(a) Loan and Bond Guarantee Programs**

The Authority has a special binding obligation regarding all guarantees to the extent that funds are available in the guarantee accounts as specified in the guarantee agreements. Guarantees are not, in any way, a debt or liability of the State.

**(1) Economic Recovery Fund**

The guarantee agreements restrict the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt (exposure and commitments) to Worth (the amount on deposit and available for payment) ratio is greater than 5 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the guarantee program account. Principal payments on guaranteed loans and bonds reduce the Authority's exposure. At December 31, 2014, Debt was \$11,939,778 and Worth was \$121,834,920, with a ratio of 0.10 to 1.

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Notes to Financial Statements (continued)

**Note 10: Commitments and Contingencies (continued)**

**(2) New Jersey Business Growth Fund**

The Authority guarantees between 25% and 50% of specific, low-interest loans to New Jersey companies, made by one of its preferred lenders, with a maximum aggregate exposure to the Authority not to exceed \$10 million and, at no time will the Authority pay more than \$10 million, net, of guarantee demands. At December 31, 2014, aggregate exposure and related worth within the Business Growth Fund account are both \$9,254,725.

**(3) New Jersey Global Growth Fund**

The Authority guarantees up to 50% of any approved term loan or line of credit to New Jersey companies, made by one of its premier lenders, with a maximum aggregate exposure to the Authority not to exceed \$10 million and, at no time will the Authority pay more than \$10 million, net, of guarantee demands. At December 31, 2014, aggregate exposure and related worth within the NJ Global Growth Fund account are both \$10,000,000.

**(4) State Small Business Credit Initiative Fund**

The Federal grant agreement restricts the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt (exposure and commitments) to Worth (the amount on deposit and available for payment) ratio is greater than 1 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the State Small Business Credit Initiative Fund. At December 31, 2014, Debt was \$7,593,143 and Worth was \$6,134,130, with a ratio of 1.24 to 1.

**(b) Loan Program Commitments and Project Financings**

At December 31, 2014 the Authority has \$24,694,197 of loan commitments not yet closed or disbursed and \$77,867,565 of project financing commitments.

**(c) New Markets Tax Credit Program**

On December 28, 2005, the Authority loaned \$31,000,000 to a limited liability company ("company"), to facilitate their investment in a certified community development entity ("entity") whose primary mission is to provide loan capital for commercial projects in low-

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Notes to Financial Statements (continued)

**Note 10: Commitments and Contingencies (continued)**

income areas throughout New Jersey. The company also received an equity investment from a private corporation (“corporation”). The company then invested the combined proceeds in the entity, which was awarded an allocation in Federal tax credits under the New Markets Tax Credit Program.

During 2007, the Authority made two additional New Markets commitments. On September 24, 2007 the Authority facilitated a transaction in which \$3,500,000 in credits were allocated (no Authority funds were utilized). On September 26, 2007, the Authority loaned \$20,296,000 to another company with terms similar to the first transaction.

During 2008, the Authority closed three additional New Markets commitments. A total of \$37,000,000 in credits were allocated (no Authority funds were utilized).

In 2009, one New Markets commitment was closed. A total of \$12,419,151 in credits were allocated (no Authority funds were utilized).

On February 28, 2013, the first New Markets loan pool, created in 2005, ceased operations, as the investor exercised its option to sell its membership interest.

On September 29, 2014, the second New Markets loan pool, created in 2007, ceased operations, as that investor also exercised its option to sell its membership interest.

As part of the remaining agreements, the corporation will claim the Federal tax credits in exchange for their investment. Claiming these credits carries the risk of recapture, whereby an event occurs that would negate the credit taken, causing it to be returned with interest. Based on the agreements between the Authority and the respective companies, the Authority will provide a guaranty to the corporation against adverse consequences caused by a recapture event. As of December 31, 2014, the aggregate exposure to the Authority for the remaining transactions described above is \$15,020,000. The Authority has determined the likelihood of paying on the guaranty, at this time, is remote.

**Note 11: State and Federal Appropriations and Program Payments**

The Authority receives appropriations from the State of New Jersey, as part of the State’s annual budget, for purposes of administering certain grant programs enacted by State statute, and has

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Notes to Financial Statements (continued)

**Note 11: State and Federal Appropriations and Program Payments (continued)**

also received appropriations from the United States Department of Housing and Urban Development, via the State of New Jersey, for purposes of administering certain loan and grant programs in connection with the aftermath of Superstorm Sandy in October 2012. The Authority recognizes the disbursement of these funds to grantees as program payments. For the year ended December 31, 2014 state and federal appropriations and program payments were \$12,906,993, \$65,133,093 and \$73,704,320, respectively.

**Note 12: Derivative Instrument**

In connection with its issuance of \$43,000,000 Variable Rate Revenue Refunding Bonds, 2002 Series A and B issues, on April 27, 2010, the Authority entered into a fixed interest rate swap agreement (swap) with TD Bank, N.A. (“TD”), for which the fair value as of December 31, 2013 was (\$1,115,345). For accounting and financial reporting purposes, the swap was considered a hedging derivative instrument and reported as a deferred inflow and as a deferred outflow on the statement of net position. The instrument was terminated as of December 30, 2014 for a breakage fee of \$347,780. The associated debt was defeased on December 30, 2014.

**Note 13: Litigation**

The Authority is involved in several lawsuits that, in the opinion of the management of the Authority, will not have a material effect on the accompanying financial statements.

**Note 14: Employee Benefits**

**(a) Public Employees Retirement System of New Jersey (“PERS”)**

The Authority’s employees participate in the PERS, a cost sharing multiple-employer defined benefit plan administered by the State. The Authority’s contribution is based upon an actuarial computation performed by the PERS. Pursuant to the Pension Security Legislation Act of 1997, the issuance of bonds permitted the pension benefit obligation to be fully funded from 1998 to 2004. Beginning in 2005, the Authority was assessed a portion of its normal contribution, which increased each year until 2009, when 100% of the normal contribution was assessed, and for each year thereafter. For the years ended December 31, 2014, 2013 and 2012, the Authority’s assessed contribution to the PERS was \$1,137,100, \$1,188,900, and \$1,262,300, respectively, and was equal to 100% of the required contributions for the year. Employees of the Authority are

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Notes to Financial Statements (continued)

**Note 14: Employee Benefits (continued)**

required to participate in the PERS and contribute 6.92% of their annual compensation. The payroll for employees covered by PERS for the years ending December 31, 2014, 2013 and 2012 was \$14,535,358, \$10,970,510, and \$10,472,305, respectively.

The general formula for annual retirement benefits is the final average salary divided by 55, times the employee's years of service. For employees hired after May 21, 2010, the final average salary is divided by 60. Pension benefits fully vest upon reaching 10 years of credited service. Members are eligible for retirement between the ages of 60 and 65, depending on date of hire, with no minimum years of service required. Members who have 25 years or more of credited service may select early retirement without penalty at or after age 55 and receive full retirement benefits. The PERS also provides death and disability benefits. All benefits and contribution requirements are established, or amended, by State statute.

The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for the PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

**(b) Postemployment Health Care and Insurance Benefits**

The Authority sponsors a single employer postemployment benefits plan that provides benefits in accordance with State statute, through the State Health Benefits Bureau, to its retirees having 25 years or more of service in the PERS, and 30 years or more of service if hired after June 28, 2011, or to employees approved for disability retirement. Health benefits and prescription benefits provided by the plan are at no cost to eligible retirees who had accumulated 20 years of service credit as of June 30, 2010. All other future retirees will contribute to a portion of their health and prescription premiums. Upon turning 65 years of age, a retiree must utilize Medicare as their primary coverage, with State Health Benefits providing supplemental coverage. In addition, life insurance is provided at no cost to the Authority and the retiree in an amount equal to 3/16 of their average salary during the final 12 months of active employment.

Since the Authority is a participating employer in the State Health Benefits Bureau, the Authority does not issue a separate stand-alone financial report regarding other postemployment benefits. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits,

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Notes to Financial Statements (continued)

**Note 14: Employee Benefits (continued)**

issues publicly available financial reports that include the financial statements for the State Health Benefits Program Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

The State has the authority to establish and amend the benefit provisions offered and contribution requirements.

Pursuant to GASB Statement No. 45 (“GASB 45”), *Accounting & Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Authority obtained an actuarially determined calculation for this obligation, and has established and funded an irrevocable trust for the payments required by this obligation.

The Authority’s annual other postemployment benefits (“OPEB”) cost for the plan is calculated based on the annual required contribution of the employer (“ARC”), an amount actuarially determined in accordance with the parameters of GASB 45. This represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year, and to amortize any unfunded actuarial accrued liability (“UAAL”) or excess over a period not to exceed 30 years. The Authority elected to amortize the UAAL over one year in 2006. The Authority’s annual OPEB cost for the years ended December 31, 2014 and 2013, and the related information for the Plan are as follows (dollar amounts in thousands):

|  | <b>2014</b>   | <b>2013</b> |
|--|---------------|-------------|
| Annual required contribution (ARC)         | \$ <b>891</b> | \$ 850      |
| Contributions made                         | <b>1,205</b>  | 536         |
| (Decrease)/increase in net OPEB obligation | <b>(314)</b>  | 314         |
| Net OPEB obligation – beginning of year    | <b>314</b>    | –           |
| Net OPEB obligation – end of year          | \$ –          | \$ 314      |

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Notes to Financial Statements (continued)

**Note 14: Employee Benefits (continued)**

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for fiscal years 2014, 2013 and 2012 are as follows (dollar amounts in thousands):

| Fiscal Year<br>Ended | Annual<br>OPEB Cost | Percentage of<br>Annual<br>OPEB Cost<br>Contributed | Net OPEB<br>Obligation |
|----------------------|---------------------|---|------------------------|
| December 31, 2014    | \$ 891              | 135.2%  | \$ –                   |
| December 31, 2013    | 850                 | 63.1%   | 314                    |
| December 31, 2012    | 3,327               | 100.0%  | –                      |

As of December 31, 2012, the actuarial accrued liability for benefits was \$20,793,759, none of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$10,472,305, and the ratio of unfunded actuarial accrued liability to the covered payroll was 23.1%.

To fund its OPEB obligation, the Authority has established an irrevocable trust and set aside monies (plan assets) in a bank account administered by a Trustee for the payment of future OPEB obligations. As of December 31, 2014, the balance was \$22,497,676 and investment earnings on the account were \$378,872 in 2014. The plan assets are reported at fair value.

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrence of future events, such as employment, mortality, and healthcare costs. Amounts determined regarding the funded status of the plan and the annual required contributions of the Authority are subject to continual revision as actual results are compared with past expectations and new estimates are made regarding the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of

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Notes to Financial Statements (continued)

**Note 14: Employee Benefits (continued)**

benefit cost sharing between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the January 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. In this method benefits are attributed from date of hire to the date of decrement. In the actuarial assumptions the investment return on plan assets was projected at an annual rate of 4%. The healthcare cost trend assumed in the actuarial valuation includes an initial annual healthcare cost trend rate of 9% annually, decreasing by 0.5% per year to an ultimate rate of 5% effective 2020 and thereafter. Both rates include a 4% inflation assumption. The unfunded actuarial accrued liability is being amortized over a 30-year closed period on a level-dollar basis.

**Note 15: Compensated Absences**

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Authority recorded current liabilities in the amount of \$913,649 and \$868,197 as of December 31, 2014 and 2013, respectively. The liability as of those dates is the value of employee accrued vacation time and vested estimated sick leave benefits that are probable of payment to employees upon retirement. The vested sick leave benefit to eligible retirees for unused accumulated sick leave is calculated at the lesser of ½ the value of earned time or \$15,000. The payment of sick leave benefits, prior to retirement, is dependent on the occurrence of sickness as defined by Authority policy; therefore, such non-vested benefits are not accrued.

**Note 16: Net Position**

The Authority's Net Position is categorized as follows:

- Net investment in capital assets
- Restricted
- Unrestricted

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Notes to Financial Statements (continued)

**Note 16: Net Position (continued)**

Net investment in capital assets includes capital assets net of accumulated depreciation used in the Authority's operations as well as capital assets that result from the Authority's real estate development and operating lease activities. Restricted net position include net assets that have been restricted in use in accordance with State law, as well as Federal grant proceeds intended for specific projects, such as the State Small Business Credit Initiative ("SSBCI"). Unrestricted net assets include all net assets not included above.

**Note 17: Condensed Combining Information**

The following are Condensed Statements of Net Position as of December 31, 2014, Condensed Statements of Revenues, Expenses and Changes in Net Position for the Year Ended December 31, 2014 and Condensed Statements of Cash Flows for the year ended December 31, 2014.

**New Jersey Economic Development Authority  
Condensed Statements of Net Position  
December 31, 2014**

|                                  | NJEDA                 | CCURLP               | Technology<br>Centre | Eliminations          | Total                 |
|----------------------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| <b>Assets</b>                    |                       |                      |                      |                       |                       |
| Current assets                   | \$ 171,305,033        | \$ 7,618,627         | \$ 638,434           | \$ –                  | \$ 179,562,094        |
| Capital assets                   | 68,204,559            | –                    | 23,167,224           | –                     | 91,371,783            |
| Other assets                     | 294,985,166           | 4,176,308            | 904,041              | (5,366,734)           | 294,698,781           |
| Total assets                     | <u>\$ 534,494,758</u> | <u>\$ 11,794,935</u> | <u>\$ 24,709,699</u> | <u>\$ (5,366,734)</u> | <u>\$ 565,632,658</u> |
| <b>Liabilities</b>               |                       |                      |                      |                       |                       |
| Current liabilities              | \$ 12,654,661         | \$ 5,416,222         | \$ 516,965           | \$ (5,366,734)        | \$ 13,221,114         |
| Long-term liabilities            | 23,306,627            | –                    | –                    | –                     | 23,306,627            |
| Total liabilities                | <u>\$ 35,961,288</u>  | <u>\$ 5,416,222</u>  | <u>\$ 516,965</u>    | <u>\$ (5,366,734)</u> | <u>\$ 36,527,741</u>  |
| <b>Net Position</b>              |                       |                      |                      |                       |                       |
| Net investment in capital assets | \$ 87,235,047         | \$ –                 | \$ –                 | \$ –                  | \$ 87,235,047         |
| Restricted                       | 22,420,545            | –                    | –                    | –                     | 22,420,545            |
| Unrestricted                     | 388,877,878           | 6,378,713            | 24,192,734           | –                     | 419,449,325           |
| Total net position               | <u>\$ 498,533,470</u> | <u>\$ 6,378,713</u>  | <u>\$ 24,192,734</u> | <u>\$ –</u>           | <u>\$ 529,104,917</u> |

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Notes to Financial Statements (continued)

**Note 17: Condensed Combining Information (continued)**

**New Jersey Economic Development Authority  
Condensed Statements of Revenues, Expenses and Changes in Net Position  
Year Ended December 31, 2014**

|                                       | NJEDA          | CCURLP       | Technology<br>Centre | Eliminations   | Total          |
|---------------------------------------|----------------|--------------|----------------------|----------------|----------------|
| Operating revenue                     | \$ 30,466,025  | \$ 3,678,834 | \$ 4,707,335         | \$ (2,890,249) | \$ 35,961,945  |
| Operating expenses                    | 40,921,074     | 1,980,439    | 2,241,705            | (2,890,249)    | 42,252,969     |
| Depreciation                          | 4,656,937      | 1,861,649    | 1,857,655            | –              | 8,376,241      |
| Operating income (loss)               | (15,111,986)   | (163,254)    | 607,975              | –              | (14,667,265)   |
| Non-operating income                  | 85,060,274     | 12,031,141   | 1,470                | 5,219,737      | 102,312,622    |
| Non-operating expense                 | (72,311,311)   | –            | –                    | –              | (72,311,311)   |
| Capital contributions                 | –              | –            | (1,667,083)          | –              | (1,667,083)    |
| Income (loss) before<br>special items | (2,363,023)    | 11,867,887   | (1,057,638)          | 5,219,737      | 13,666,963     |
| Special item                          | (29,107,731)   | –            | 9,538,032            | –              | (19,569,699)   |
| Change in net position                | (31,470,754)   | 11,867,887   | 8,480,394            | 5,219,737      | (5,902,736)    |
| Net position,<br>beginning of year    | 530,004,224    | (5,489,174)  | 15,712,340           | (5,219,737)    | 535,007,653    |
| Net position, end of year             | \$ 498,533,470 | \$ 6,378,713 | \$ 24,192,734        | \$ –           | \$ 529,104,917 |

\*\*\* Special item relates to purchase of ownership interest in Technology Centre of New Jersey, LLC

**New Jersey Economic Development Authority  
Condensed Statements of Cash Flows  
Year Ended December 31, 2014**

|  | NJEDA           | CCURLP       | Technology<br>Centre | Eliminations   | Total           |
|--|-----------------|--------------|----------------------|----------------|-----------------|
| Net cash provided by (used<br>in) operating activities | \$ (14,255,875) | \$ 2,880,527 | \$ 2,136,697         | \$ (1,490,000) | \$ (10,728,651) |
| Noncapital financing<br>activities                     | 24,474,033      | –            | (1,666,382)          | 3,591,495      | 26,399,146      |
| Capital and relating<br>financing activities           | (34,739,579)    | (2,536,185)  | (4,063,280)          | 1,490,000      | (39,849,044)    |
| Investing activities                                   | 50,503,013      | (165)        | 1,470                | (1,631)        | 50,502,687      |
| Net increase (decrease)                                | 25,981,592      | 344,177      | (3,591,495)          | 3,589,864      | 26,324,138      |
| Beginning cash and cash<br>equivalents balance         | 64,109,007      | 5,055,091    | 4,194,630            | –              | 73,358,728      |
| Ending cash and cash<br>equivalents balance            | \$ 90,090,599   | \$ 5,399,268 | \$ 603,135           | \$ 3,589,864   | \$ 99,682,866   |

## Required Supplementary Information

New Jersey Economic Development Authority  
(a component unit of the State of New Jersey)

Schedule of Funding Progress of the Postemployment Healthcare Plan

The funding status of the postemployment health care plan as of December 31, 2012 (based on January 1, 2012 valuation date), and the preceding two actuarial valuation dates of January 1, 2009 and 2006, are as follows (dollars in thousands):

| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>Actuarial<br/>Value of<br/>Assets<br/>(a)</b> | <b>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)<br/>(b)</b> | <b>Unfunded<br/>Actuarial<br/>Accrued<br/>Liability<br/>(UAAL)<br/>(b-a)</b> | <b>Funded<br/>Ratio<br/>(a/b)</b> | <b>Covered<br/>Payroll<br/>(c)</b> | <b>UAAL as a<br/>Percent of<br/>Covered<br/>Payroll<br/>(b-a)/(c)</b> |
|---|--|--|--|-----------------------------------|------------------------------------|---|
| 1/1/2012                                | \$ 18,374  | \$ 20,794  | \$ 2,420   | 88.4%                             | \$10,472                           | 23.1%   |
| 1/1/2009                                | 13,363   | 16,299   | 2,936  | 82.0                              | 11,507                             | 25.5  |
| 1/1/2006                                | –  | 12,242   | 12,242   | –                                 | 8,596                              | 142.4   |

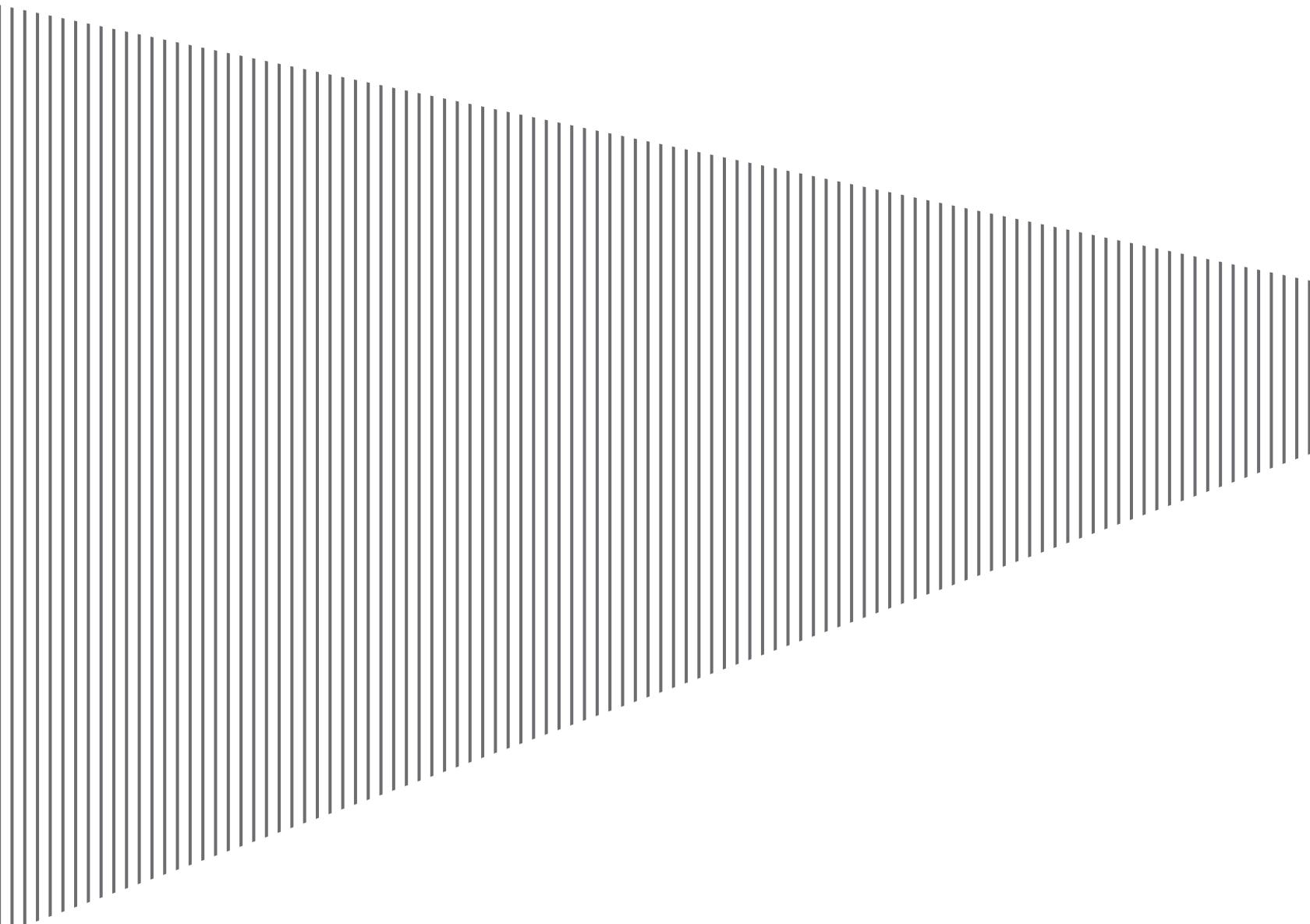
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## 2014 Project List

| ATLANTIC COUNTY   |                     |            |                         |                    |                       |                             |   |
|---|---------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project   | Municipality        | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| 1602 New Road, LLC  | Northfield City     | SV         | 18                      | 3                  |                       |                             | New Jersey Business Growth Fund         |
| Compassionate Care Foundation, Inc.   | Egg Harbor City     | SV         | 4                       | 11                 |                       |                             | Direct Loan                             |
| Harrah's Atlantic City Holding, Inc., Caesar's Entertainment Corporation and AC Conference Newco, LLC | Atlantic City       | CM         |                         | 140                |                       | 340                         | Economic Redevelopment Growth           |
| Alex Nedoszytko   | Weymouth Township   | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Commercial |
| Atlantic City Sewerage Company  | Atlantic City       | EX         | 36                      | 1                  |                       | 6                           | Stand-Alone Bond                        |
| Formica Brothers LLC  | Atlantic City       | MF         | 36                      | 6                  |                       |                             | Stronger NJ Business Loan Program       |
| Mel's Furniture LLC   | Atlantic City       | RT         | 2                       |                    |                       |                             | Stronger NJ Business Loan Program       |
| Mel's Furniture LLC   | Atlantic City       | RT         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Galloway Realty, LLC  | Egg Harbor Township | SV         | 17                      | 2                  |                       |                             | Statewide Loan Pool                     |
| <b>9 projects</b>   |                     |            | <b>113</b>              | <b>163</b>         |                       | <b>346</b>                  |   |

| BERGEN COUNTY   |                            |            |                         |                    |                       |                             |   |
|---|----------------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project   | Municipality               | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| Ascena Retail Group, Inc.                                 | Mahwah Township            | RT         | 1200                    | 170                |                       | 119                         | Business Employment Incentive Program   |
| EarthCam Incorporated                                     | Upper Saddle River Borough | MF         | 80                      | 80                 |                       | 9                           | Business Employment Incentive Program   |
| 506 Route 17 Realty LLC                                   | Ramsey Borough             | SV         | 23                      | 10                 |                       |                             | Direct Loan                             |
| Kserbas Inc   | East Rutherford Borough    | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Lodi)                              | Lodi Borough               | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Ramsey)                            | Ramsey Borough             | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| 209 S. Maple Ave., Inc.                                   | Ridgewood Village          | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Commercial |
| City of Hackensack (State Street)                         | Hackensack City            | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Municipal  |
| City Theatrical, Inc.                                     | Carlstadt Borough          | MF         | 32                      |                    |                       |                             | Stronger NJ Business Loan Program       |
| City Theatrical, Inc.                                     | Carlstadt Borough          | MF         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Opirhory Real Estate Inc.                                 | Garfield City              | SV         | 3                       | 1                  |                       |                             | Stronger NJ Business Loan Program       |
| Opirhory Real Estate Inc.                                 | Garfield City              | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Royal Baking Corp., Inc. d/b/a Leonard Novelty Bak Baking | Moonachie Borough          | MF         | 50                      | 70                 |                       |                             | Stronger NJ Business Loan Program       |
| Adagio Teas, Inc  | Edgewater Borough          | MF         | 42                      | 8                  |                       |                             | Statewide Loan Pool                     |
| Top Notch Tree & Landscape, LLC                           | Saddle River Borough       | SV         | 30                      | 10                 |                       |                             | Statewide Loan Pool                     |
| Ivy Sports Medicine, LLC                                  | Montvale Borough           | TC         | 8                       | 10                 |                       |                             | Edison Innovation VC Growth Fund        |
| <b>16 projects</b>  |                            |            | <b>1468</b>             | <b>359</b>         |                       | <b>128</b>                  |   |

| BURLINGTON COUNTY                                    |                     |            |                         |                    |                       |                             |   |
|--|---------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project  | Municipality        | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| APCO Petroleum Corporation (2000 Rte 206 Bordentown) | Bordentown City     | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| APCO Petroleum Corporation (Westampton)              | Westampton Township | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Destination Maternity Corporation                    | Florence Township   |            | 53                      | 620                |                       | 197                         | Grow New Jersey Tax Credit              |
| Express Scripts Pharmacy, Inc.                       | Burlington City     |            |                         | 128                | 585                   |                             | Grow New Jersey Tax Credit              |
| Riverside Marina & Yacht Sales LLC                   | Riverside Township  | SV         | 7                       | 2                  |                       |                             | Stronger NJ Business Loan Program       |
| Riverside Marina & Yacht Sales LLC                   | Riverside Township  | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| <b>6 projects</b>                                    |                     |            | <b>60</b>               | <b>750</b>         | <b>585</b>            | <b>197</b>                  |   |

| CAMDEN COUNTY  |                   |            |                         |                    |                       |                             |  |
|--|-------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|--|
| Project  | Municipality      | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                |
| CNJ Real Estate LLC  | Berlin Township   | CM         | 15                      | 5                  |                       |                             | New Jersey Business Growth Fund        |
| Kashius Anthony Limited Liability Company                                  | Brooklawn Borough | CT         |                         |                    |                       |                             | New Jersey Business Growth Fund        |
| Parkside Business & Community In Partnership, Inc.                         | Camden City       | NP         | 5                       | 2                  |                       | 2                           | Direct Loan                            |
| RECA Property, L.L.C. and Acer Associates, LLC                             | Berlin Township   | SV         | 13                      | 5                  |                       |                             | Direct Loan                            |
| ATS Group, LLC   | Camden City       | WS         | 7                       |                    |                       |                             | Economic Recovery Board - Camden       |
| Camden Shipyard & Maritime Museum  | Camden City       | NP         | 2                       | 13                 |                       | 11                          | Economic Recovery Board - Camden       |
| Jerry and Corinne Powers (fka Corinne Bradley)                             | Camden City       | RT         | 8                       |                    |                       |                             | Economic Recovery Board - Camden       |
| Mt. Ephraim Ave. Supermarket, LLC  | Camden City       | RT         |                         | 18                 |                       |                             | Economic Recovery Board - Camden       |
| Parkside Business & Community In Partnership, Inc.                         | Camden City       | CM         |                         |                    |                       |                             | Economic Recovery Board - Camden       |
| WebiMax LLC  | Camden City       | OF         |                         | 25                 |                       |                             | Economic Recovery Board - Camden       |
| 151 Foods LLC  | Bellmaw Borough   | MF         |                         | 140                | 205                   | 23                          | Grow New Jersey Tax Credit             |
| Cooperative Business Assistance Corporation                                | Camden City       | NP         | 10                      |                    |                       |                             | Stronger NJ NCR - CDFI Grant           |
| Camden Redevelopment Agency (BDA-Harrison Ave Landfill)                    | Camden City       | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Municipal |
| Camden Redevelopment Agency (BDA-Harrison Avenue Landfill)                 | Camden City       | SR         |                         | 0                  |                       |                             | Hazardous Site Remediation - Municipal |
| Camden Redevelopment Agency (Meadows at Pyne Point BDA)                    | Camden City       | SR         |                         | 0                  |                       |                             | Hazardous Site Remediation - Municipal |
| Camden Redevelopment Agency (Former RCA Bldg 8)                            | Camden City       | SR         |                         | 0                  |                       |                             | Hazardous Site Remediation - Municipal |
| 2820 Mt Ephraim Avenue, LLC  | Camden City       | SV         |                         | 250                |                       | 15                          | Local Development Financing Fund       |
| Centro Comunal Borincano d/b/a El Centro Comunal Borincano Day Care Center | Camden City       | NP         | 45                      | 2                  |                       |                             | Stand-Alone Bond                       |
| Cooper Lanning Square Renaissance School, Inc.                             | Camden City       | NP         |                         | 120                |                       | 311                         | Stand-Alone Bond                       |
| LEAP Cramer Hill, LLC  | Camden City       | NP         |                         | 45                 |                       | 65                          | Stand-Alone Bond                       |
| SJF CCRC, Inc.   | Voorhees Township | CC         | 175                     | 1                  |                       | 31                          | Stand-Alone Bond                       |
| Providence Pediatric Medical DayCare, Inc.                                 | Berlin Township   | DC         | 60                      |                    |                       |                             | Stronger NJ Business Loan Program      |
| <b>22 projects</b>   |                   |            | <b>340</b>              | <b>626</b>         | <b>205</b>            | <b>458</b>                  |  |

| CAPE MAY COUNTY                             |                        |            |                         |                    |                       |                             |                                   |
|---|------------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|-----------------------------------|
| Project                                     | Municipality           | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                           |
| CMQV, LLC and Cape May Victorian Inns, Inc. | Cape May City          | SV         |                         |                    |                       |                             | New Jersey Business Growth Fund   |
| SPE Labrusciano, LLC                        | West Cape May Borough  | SV         | 5                       |                    |                       |                             | New Jersey Business Growth Fund   |
| Wolfe-Den, L.L.C.                           | Upper Township         | SV         | 7                       | 2                  |                       |                             | New Jersey Business Growth Fund   |
| C-Lyn, LLC                                  | West Wildwood Borough  | CM         | 2                       |                    |                       |                             | Stronger NJ Business Loan Program |
| C-Lyn, LLC                                  | West Wildwood Borough  | CM         |                         |                    |                       |                             | Stronger NJ Business Loan Program |
| Malusa and Sons, Inc.                       | Wildwood Crest Borough | SV         |                         | 12                 |                       | 10                          | Stronger NJ Business Loan Program |
| Malusa and Sons, Inc.                       | Wildwood Crest Borough | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program |
| <b>7 projects</b>                           |                        |            | <b>14</b>               | <b>14</b>          |                       | <b>10</b>                   |                                   |

| CUMBERLAND COUNTY                            |                        |            |                         |                    |                       |                             |   |
|--|------------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project                                      | Municipality           | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| R. Paul Riggins                              | Milville City          | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Township of Maurice River (Chell Gravel Pit) | Maurice River Township | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Municipal  |
| Triad Advisory Services, Inc.                | Vineland City          | SV         | 14                      |                    |                       |                             | Main Street Assistance Line             |
| Lorenzo's SaR, LLC                           | Vineland City          | SV         | 6                       |                    |                       |                             | Statewide Loan Pool                     |
| <b>4 projects</b>                            |                        |            | <b>20</b>               |                    |                       |                             |   |

| ESSEX COUNTY   |                     |            |                         |                    |                       |                             |   |
|--|---------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project  | Municipality        | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| Biotrial, Inc.   | Newark City         | RD         |                         | 60                 |                       | 776                         | Business Employment Incentive Program   |
| Housing and Neighborhood Development Services, Inc.                    | Orange City         | NP         | 7                       |                    |                       |                             | Community Economic Development          |
| 2nd Home Newark Operations LLC and 717-727 Newark                      | Newark City         | SV         | 25                      | 10                 |                       |                             | Direct Loan                             |
| BRESLOW PAINT AND WALLPAPER OF LIVINGSTON, INC.                        | Livingston Township | MF         | 10                      | 4                  |                       |                             | Direct Loan                             |
| Patel Family 2011 TR Agreement   | Newark City         | MF         | 10                      | 10                 |                       |                             | Direct Loan                             |
| Shaw Brother Holdings, LLC   | Livingston Township | MF         |                         |                    |                       |                             | Direct Loan                             |
| TDAF I Springfield Avenue Holding Urban Renewal Company, LLC (tdaf)    | Newark City         | SV         |                         | 85                 |                       | 145                         | Economic Redevelopment Growth-Grant EOA |
| MSST Fidelco Properties LLC  | Newark City         | SV         |                         | 70                 |                       | 81                          | Economic Redevelopment Growth           |
| ADPP Enterprises Inc. (Fairfield)                                      | Fairfield Borough   | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Greater Newark Enterprises Corporation                                 | Newark City         | NP         | 9                       |                    |                       |                             | Stronger NJ NCR - CDFI Grant            |
| Route 21 Associates of Belleville, LLC                                 | Belleville Township | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Commercial |
| The Newark Museum (Local 617 Service Employees)                        | Newark City         | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Commercial |
| City of Newark (Synfax Site)   | Newark City         | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Municipal  |
| Barnabas Health Care (Barnabus Health Care)                            | Newark City         | RH         |                         |                    |                       |                             | Large Scale CHP - Fuel Cells Program    |
| Eastern Nursing Services I, Inc. and Eastern Nursing Services II, Inc. | Newark City         | SV         | 2                       |                    |                       |                             | Main Street Assistance Line             |
| Vac-U-Max  | Belleville Township | MF         | 75                      | 25                 |                       |                             | Main Street Assistance Line             |
| CA Newark 66-78 MA Urban Renewal LLC                                   | Newark City         | NP         |                         | 38                 |                       | 58                          | Stand-Alone Bond                        |
| Kingston Educational Holdings 1, Inc. (or an affiliate)                | Newark City         | NP         |                         | 73                 |                       | 229                         | Stand-Alone Bond                        |
| MPT Facility, Inc.   | Newark City         | NP         | 150                     | 30                 |                       | 147                         | Stand-Alone Bond                        |
| Shining Schools, Inc.  | East Orange City    | NP         | 40                      | 25                 |                       | 15                          | Stand-Alone Bond                        |
| Uncommon Properties V, LLC   | Newark City         | NP         | 67                      | 21                 |                       | 42                          | Stand-Alone Bond                        |
| Washington Street University Housing Assoc., LLC                       | Newark City         | NP         |                         | 20                 |                       | 200                         | Stand-Alone Bond                        |
| ANZ Properties, LLC  | Fairfield Borough   | MF         | 10                      | 8                  |                       |                             | Statewide Loan Pool                     |
| William Street, LLC  | Belleville Township | MF         |                         |                    |                       |                             | Statewide Loan Pool                     |
| <b>24 projects</b>   |                     |            | <b>405</b>              | <b>479</b>         |                       | <b>1693</b>                 |   |

| GLOUCESTER COUNTY                                  |                   |            |                         |                    |                       |                             |  |
|--|-------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|--|
| Project  | Municipality      | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                |
| ECR Delsea LLC                                     | Deptford Township | MF         | 10                      | 5                  |                       |                             | New Jersey Business Growth Fund        |
| Township of Monroe (Former American Training Site) | Monroe Township   | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Municipal |
| R & R Investments L.L.C.                           | Westville Borough | WS         | 9                       | 1                  |                       |                             | Statewide Loan Pool                    |
| <b>3 projects</b>                                  |                   |            | <b>19</b>               | <b>6</b>           |                       |                             |  |

| HUDSON COUNTY  |                       |            |                         |                    |                       |                             |   |
|--|-----------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project  | Municipality          | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| QuickChek Corporation (Bayonne)                              | Bayonne City          | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| AP&G Co. Inc.  | Bayonne City          | MF         |                         | 45                 |                       | 5                           | Guarantee                               |
| Jersey City Redevelopment Agency (City Chemical Corporation) | Jersey City           | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Municipal  |
| 5903 Westside Ave. LLC                                       | North Bergen Township | DS         | 245                     | 60                 |                       |                             | Local Development Financing Fund        |
| SCF Realty III, LLC  | Bayonne City          | MF         |                         | 150                |                       | 16                          | Stand-Alone Bond                        |
| <b>5 projects</b>  |                       |            | <b>245</b>              | <b>255</b>         |                       | <b>21</b>                   |   |

| HUNTERDON COUNTY                 |                  |            |                         |                    |                       |                             |   |
|----------------------------------|------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project                          | Municipality     | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| A.P.M. Management Inc. (Clinton) | Clinton Township | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| A.P.M. Management Inc. (Hampton) | Hampton Borough  | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Robert Weingart                  | Lebanon Borough  | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Commercial |
| <b>3 projects</b>                |                  |            |                         |                    |                       |                             |   |

| MERCER COUNTY  |                       |            |                         |                    |                       |                             |   |
|--|-----------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project  | Municipality          | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| McGraw-Hill Global Education Holdings, LLC and Affiliates            | East Windsor Township | OF         |                         | 40                 | see BRRAG             | 11                          | Business Employment Incentive Program   |
| McGraw-Hill Global Education Holdings, LLC and Affiliates            | East Windsor Township | OF         |                         | see BEIP           | 105                   |                             | Business Retention & Relocation Grant   |
| APCO Petroleum Corporation (Washington)                              | Washington Township   | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Lawrenceville)                                | Lawrence Township     | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Tri-State Petro, Inc.  | Hamilton Township     | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| NRG Energy, Inc.   | West Windsor Township |            |                         | 150                | 386                   | 187                         | Grow New Jersey Tax Credit              |
| Dataline, Inc.   | West Windsor Township | SV         | 16                      | 5                  |                       |                             | Main Street Assistance Line             |
| Michael Graves & Associates, Inc. & Micheal Graves Design Group Inc. | Princeton Borough     | SV         | 52                      | 10                 |                       |                             | Main Street Assistance Line             |
| Hamada, John Richard   | Hopewell Township     | SV         | 4                       | 1                  |                       |                             | Statewide Loan Pool                     |
| <b>9 projects</b>  |                       |            | <b>72</b>               | <b>206</b>         | <b>491</b>            | <b>198</b>                  |   |

| MIDDLESEX COUNTY  |                          |            |                         |                    |                       |                             |   |
|---|--------------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project   | Municipality             | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| HomeBridge Financial Services   | Woodbridge Township      | SV         |                         | 82                 | see BRRAG             | 10                          | Business Employment Incentive Program   |
| HomeBridge Financial Services   | Woodbridge Township      | SV         |                         | see BEIP           | 204                   |                             | Business Retention & Relocation Grant   |
| Vish LLC  | North Brunswick Township | MF         | 18                      | 20                 |                       |                             | Direct Loan                             |
| APCO Petroleum Corporation (2633 Rte 130 S. Brunswick)                  | South Brunswick Township | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| APCO Petroleum Corporation (4000 Rte 1 S. Brunswick)                    | South Brunswick Township | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Perth Amboy)                                     | Perth Amboy City         | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (South Brunswick)                                 | South Brunswick Township | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Community Loan Fund of New Jersey, Inc.                                 | New Brunswick City       | NP         | 29                      |                    |                       |                             | Stronger NJ NCR - CDFI Grant            |
| American Repertory Ballet   | Cranbury Township        | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Commercial |
| Peter Mocco   | South Amboy City         | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Commercial |
| Woodbridge Township (DPW)   | Woodbridge Township      | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Municipal  |
| Broadway Packaging Solutions, Inc. and Broadway Kleer-Guard Corporation | Monroe Township          | MF         | 23                      | 10                 |                       |                             | Main Street Assistance Line             |
| CM&E Con, Inc.  | Woodbridge Township      | CT         | 12                      | 5                  |                       |                             | Main Street Assistance Line             |
| Broadway Packaging Solutions, Inc. and Broadway Kleer-Guard Corporation | Monroe Township          | MF         | 31                      | 10                 |                       |                             | Main Street Assistance Term             |
| Greater Brunswick Charter School, Inc.                                  | New Brunswick City       | NP         | 89                      | 2                  |                       | 3                           | Stand-Alone Bond                        |
| American Maritime Services of N. J., Inc.                               | Woodbridge Township      | TP         | 43                      | 8                  |                       |                             | Stronger NJ Business Loan Program       |
| Thunderball Marketing, Inc.   | Woodbridge Township      | WS         | 28                      | 18                 |                       |                             | Stronger NJ Business Loan Program       |
| Thunderball Marketing, Inc.   | Woodbridge Township      | WS         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Twin City Pharmacy, Inc.  | South Plainfield Borough | RT         | 14                      | 1                  |                       |                             | Stronger NJ Business Loan Program       |
| Green Lane Realty, LLC  | South Brunswick Township | MF         | 140                     | 10                 |                       |                             | Statewide Loan Pool                     |
| Luma Enterprises, LLC   | East Brunswick Township  | DC         | 8                       | 2                  |                       |                             | Statewide Loan Pool                     |
| <b>21 projects</b>  |                          |            | <b>435</b>              | <b>168</b>         | <b>204</b>            | <b>13</b>                   |   |

| MONMOUTH COUNTY                                    |                            |            |                         |                    |                       |                             |   |
|--|----------------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project  | Municipality               | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| AASKI Technology Inc.                              | Eatontown Borough          | TC         | 61                      | 30                 |                       | 12                          | Business Employment Incentive Program   |
| Garden State Consumer Credit Counseling, Inc.      | Manalapan Township         | NP         |                         | 30                 | see BRRAG             | 96                          | Business Employment Incentive Program   |
| Atlantic Cardiac Realty LLC                        | Neptune Township           | SV         |                         |                    |                       |                             | New Jersey Business Growth Fund         |
| JSN Corlies Real Estate, LLC                       | Neptune Township           | SV         |                         |                    |                       |                             | New Jersey Business Growth Fund         |
| Thomas A. Iliadis and Freehold Grill Inc.          | Freehold Borough           | SV         |                         |                    |                       |                             | New Jersey Business Growth Fund         |
| Garden State Consumer Credit Counseling, Inc.      | Manalapan Township         | NP         |                         | see BEIP           | 183                   |                             | Business Retention & Relocation Grant   |
| Garden State Consumer Credit Counseling, Inc.      | Manalapan Township         | NP         |                         |                    |                       |                             | Direct Loan                             |
| Margaritaville, Inc.                               | Union Beach Borough        | SV         |                         |                    |                       |                             | Direct Loan                             |
| Eatontown Monmouth Mall LLC                        | Eatontown Borough          | RT         |                         | 57                 |                       | 76                          | Economic Redevelopment Growth           |
| JMD Gas Corp                                       | Freehold Township          | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Petro Realty LLC (Aberdeen)                        | Aberdeen Township          | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Petro Realty LLC (Middletown)                      | Middletown Township        | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Hazlet)                     | Hazlet Township            | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Highlands)                  | Highlands Borough          | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| MSKCC Properties, LLC                              | Middletown Township        |            |                         | 5                  | 108                   | 384                         | Grow New Jersey Tax Credit              |
| Stephanie Ladiana                                  | Atlantic Highlands Borough | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Commercial |
| Borough of Keyport (BDA Current Boat Ramp Site)    | Keyport Borough            | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Municipal  |
| Borough of Red Bank (Former Incinerator)           | Red Bank Borough           | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Municipal  |
| Township of Marlboro (Municipal Park Complex)      | Marlboro Township          | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Municipal  |
| Township of Neptune (Shark River Municipal Marina) | Neptune Township           | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Municipal  |
| Garden State Consumer Credit Counseling, Inc.      | Manalapan Township         | NP         |                         | 20                 |                       | 6                           | Stand-Alone Bond                        |
| 29 Beach Road LLC                                  | Monmouth Beach Borough     | CM         | 1                       |                    |                       |                             | Stronger NJ Business Loan Program       |
| 29 Beach Road LLC                                  | Monmouth Beach Borough     | CM         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Casa Comieda, Inc. t/a Casa Comida                 | Long Branch City           | SV         | 14                      | 14                 |                       |                             | Stronger NJ Business Loan Program       |
| Casa Comieda, Inc. t/a Casa Comida                 | Long Branch City           | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Donovan's Reef, Inc.                               | Sea Bright Borough         | SV         |                         | 4                  |                       | 12                          | Stronger NJ Business Loan Program       |
| Donovan's Reef, Inc.                               | Sea Bright Borough         | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| F. J. S. Foods, Inc.                               | Manasquan Borough          | SV         | 24                      |                    |                       |                             | Stronger NJ Business Loan Program       |
| Jakeabob's Bay Inc.                                | Union Beach Borough        | SV         | 2                       | 35                 |                       | 13                          | Stronger NJ Business Loan Program       |
| Jakeabob's Bay Inc.                                | Union Beach Borough        | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Northshore Sportech, Inc.                          | Sea Bright Borough         | RT         | 1                       | 2                  |                       | 1                           | Stronger NJ Business Loan Program       |
| Northshore Sportech, Inc.                          | Sea Bright Borough         | RT         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Reilly Bonner Funeral Home LLC                     | Belmar Borough             | SV         | 1                       | 2                  |                       |                             | Stronger NJ Business Loan Program       |
| Reilly Bonner Funeral Home LLC                     | Belmar Borough             | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| <b>34 projects</b>                                 |                            |            | <b>104</b>              | <b>199</b>         | <b>291</b>            | <b>600</b>                  |   |

| MORRIS COUNTY  |                                |            |                         |                    |                       |                             |   |
|--|--------------------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project  | Municipality                   | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| Theorem, Inc.  | Chatham Township               | SV         | 26                      | 100                |                       | 6                           | Business Employment Incentive Program   |
| Whitney, Danforth & Stark Associates, Inc.             | Chester Borough                | CM         | 17                      | 12                 |                       |                             | Business Employment Incentive Program   |
| QuickChek Corporation (Hanover)                        | Hanover Township               | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Jefferson)                      | Jefferson Township             | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Rock Oil Corp.   | Parsippany-Troy Hills Township | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| United Parcel Service, Inc. and/or Subsidiaries        | Parsippany-Troy Hills Township |            |                         |                    | 716                   | 219                         | Grow New Jersey Tax Credit              |
| The Order of St. Benedict of New Jersey                | Morristown Town                | NP         | 150                     | 2                  |                       | 79                          | Stand-Alone Bond                        |
| F & M Realty, LLC                                      | Denville Township              | TC         | 2                       | 8                  |                       |                             | Statewide Loan Pool                     |
| Kenner Court Associates, LLC & 100 Riverdale Road, LLC | Riverdale Borough              | MF         | 250                     | 25                 |                       |                             | Statewide Loan Pool                     |
| Upper Mountain Properties LLC                          | Rockaway Township              | SV         | 10                      | 4                  |                       |                             | Statewide Loan Pool                     |
| <b>10 projects</b>                                     |                                |            | <b>455</b>              | <b>151</b>         | <b>716</b>            | <b>304</b>                  |   |

| OCEAN COUNTY  |                              |            |                         |                    |                       |                             |   |
|---|------------------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project   | Municipality                 | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| Pollack Health and Wellness Inc and Steven J. Pollack | Beachwood Borough            | SV         |                         |                    |                       |                             | New Jersey Business Growth Fund         |
| Big Top Arcade, Inc.                                  | Seaside Heights Borough      | SV         | 3                       | 1                  |                       |                             | Direct Loan                             |
| Tuckers Management LLC                                | Beach Haven Borough          | SV         |                         | 100                |                       | 17                          | Direct Loan                             |
| Gill Petroleum Inc. (Lakewood)                        | Lakewood Township            | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Berkeley)                      | Berkeley Township            | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Manchester)                    | Manchester Township          | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Rt 35 North LLC                                       | Point Pleasant Beach Borough | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Berry Fresh Farms, Inc.                               | Brick Township               | RT         | 7                       | 3                  |                       |                             | Main Street Assistance Line             |
| 2MAFS, LLC  | Brick Township               | RT         |                         |                    |                       |                             | Main Street Assistance Term             |
| Seaside Heights Demo Project (Sandy NCR)              | Seaside Park Borough         | NP         |                         |                    |                       |                             | NCR Recreation                          |
| Seaside Park Demo Project (Seaside Park)              | Seaside Park Borough         | NP         |                         |                    |                       | 50                          | NCR Recreation                          |
| The Arc, Ocean County Chapter, Inc.                   | Single County - Multi City   | NP         | 30                      | 14                 |                       |                             | Stand-Alone Bond                        |
| Yeshiva Orchos Chaim, Inc.                            | Lakewood Township            | NP         | 78                      | 10                 |                       |                             | Stand-Alone Bond                        |
| Yeshivas Ohr Hatorah, Inc.                            | Lakewood Township            | NP         | 29                      | 10                 |                       |                             | Stand-Alone Bond                        |
| Berkeley Island Marine, Inc.                          | Berkeley Township            | SV         | 6                       |                    |                       |                             | Stronger NJ Business Loan Program       |
| Berkeley Island Marine, Inc.                          | Berkeley Township            | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Big Top Arcade, Inc.                                  | Seaside Heights Borough      | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Big Top Arcade, Inc.                                  | Seaside Heights Borough      | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| BLLS 7th & Broadway Corp.                             | Barnegat Light Borough       | RT         | 1                       | 3                  |                       |                             | Stronger NJ Business Loan Program       |
| BLLS 7th & Broadway Corp.                             | Barnegat Light Borough       | RT         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| By-The-Sea Too, Inc.                                  | Dover Township               | SV         | 10                      | 15                 |                       |                             | Stronger NJ Business Loan Program       |
| By-The-Sea Too, Inc.                                  | Dover Township               | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Kohr's Frozen Custard The Original, Inc.              | Seaside Heights Borough      | RT         | 7                       | 10                 |                       |                             | Stronger NJ Business Loan Program       |
| Kohr's Frozen Custard The Original, Inc.              | Seaside Heights Borough      | RT         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| LASV, Inc. t/a Bamboo Bar                             | Seaside Heights Borough      | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| LASV, Inc. t/a Bamboo Bar                             | Seaside Heights Borough      | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Long Key Marina                                       | Ocean Township               | SV         | 3                       |                    |                       |                             | Stronger NJ Business Loan Program       |
| Long Key Marina                                       | Ocean Township               | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Munro's Marina, Inc.                                  | Little Egg Harbor Township   | RT         | 4                       | 7                  |                       |                             | Stronger NJ Business Loan Program       |
| Ohana Enterprises, LLC                                | Dover Township               | RT         |                         |                    |                       | 8                           | Stronger NJ Business Loan Program       |
| Optjob, Inc.  | Bay Head Borough             | TC         | 7                       | 20                 |                       |                             | Stronger NJ Business Loan Program       |
| Optjob, Inc.  | Bay Head Borough             | TC         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Purpuri Shoes, Inc.                                   | Dover Township               | RT         | 1                       |                    |                       |                             | Stronger NJ Business Loan Program       |
| Purpuri Shoes, Inc.                                   | Dover Township               | RT         |                         |                    |                       | 2                           | Stronger NJ Business Loan Program       |
| Saddy Family, LLC                                     | Seaside Heights Borough      | RT         | 3                       |                    |                       |                             | Stronger NJ Business Loan Program       |
| Saddy Family, LLC                                     | Seaside Heights Borough      | RT         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Seaside Lumber Company, Inc.                          | Seaside Heights Borough      | RT         | 3                       | 1                  |                       |                             | Stronger NJ Business Loan Program       |
| SJV, Inc. t/a Karma Nightclub                         | Seaside Heights Borough      | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| SJV, Inc. t/a Karma Nightclub                         | Seaside Heights Borough      | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| Susan Wagner Designs Limited Liability Company        | Point Pleasant Beach Borough | RT         | 1                       | 1                  |                       |                             | Stronger NJ Business Loan Program       |
| Susan Wagner Designs Limited Liability Company        | Point Pleasant Beach Borough | RT         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| The Music Man LLC                                     | Lavallette Borough           | CM         | 18                      | 8                  |                       |                             | Stronger NJ Business Loan Program       |
| Wehrlein Bros. Marina L.L.C.                          | Brick Township               | SV         | 7                       | 3                  |                       |                             | Stronger NJ Business Loan Program       |
| Wehrlein Bros. Marina L.L.C.                          | Brick Township               | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program       |
| 480 Oberlin Avenue, LLC                               | Lakewood Township            | DS         | 98                      | 30                 |                       |                             | Statewide Loan Pool                     |
| GMB Holding, LLC                                      | Seaside Heights Borough      | RT         | 47                      | 47                 |                       |                             | Statewide Loan Pool                     |
| <b>46 projects</b>                                    |                              |            | <b>363</b>              | <b>283</b>         |                       | <b>77</b>                   |   |

| PASSAIC COUNTY                             |                       |            |                         |                    |                       |                             |   |
|--|-----------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project                                    | Municipality          | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| AMB Enterprises LLC                        | Paterson City         | MF         | 25                      | 3                  |                       |                             | Direct Loan                             |
| VNO Wayne Town Center, LLC                 | Wayne Township        | RT         |                         | 482                |                       | 357                         | Economic Redevelopment Growth           |
| ADPP Enterprises Inc. (Little Falls)       | Little Falls Township | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Cliflake Associates, LLC                   | Clifton City          | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Commercial |
| Jimmy's Cookies, LLC d/b/a Jimmy's Cookies | Clifton City          | MF         | 43                      | 79                 |                       | 1                           | Local Development Financing Fund        |
| 75 Spruce Street Development, Inc.         | Paterson City         | NP         | 95                      | 16                 |                       |                             | Stand-Alone Bond                        |
| Jimmy's Cookies, LLC d/b/a Jimmy's Cookies | Clifton City          | MF         |                         |                    |                       |                             | Statewide Loan Pool                     |
| <b>7 projects</b>                          |                       |            | <b>163</b>              | <b>580</b>         |                       | <b>358</b>                  |   |

| SOMERSET COUNTY                          |                       |            |                         |                    |                       |                             |   |
|--|-----------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project                                  | Municipality          | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| Belle Mead Mobil Inc.                    | Hillsborough Township | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Hillsborough)     | Hillsborough Township | RT         |                         | 0                  |                       |                             | Retail Fuel Station-Generator Incentive |
| 1941 Holland Brook Properties, LLC       | Branchburg Township   | SR         |                         | 0                  |                       |                             | Hazardous Site Remediation - Commercial |
| Borough of Somerville (Color Technology) | Somerville Borough    | SR         |                         | 0                  |                       |                             | Hazardous Site Remediation - Municipal  |
| Somerset County                          | Raritan Borough       | SR         |                         | 0                  |                       |                             | Hazardous Site Remediation - Municipal  |

| SOMERSET COUNTY (CONTINUED)                        |                      |            |                         |                    |                       |                             |                                   |
|--|----------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|-----------------------------------|
| Project  | Municipality         | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                           |
| Stesor Enterprises, Inc. d/b/a Soriano's Family Ca | Bridgewater Township | SV         | 6                       |                    |                       |                             | Stronger NJ Business Loan Program |
| Stesor Enterprises, Inc. d/b/a Soriano's Family Ca | Bridgewater Township | SV         |                         |                    |                       |                             | Stronger NJ Business Loan Program |
| <b>7 projects</b>                                  |                      |            | <b>6</b>                |                    |                       |                             |                                   |

| SUSSEX COUNTY                     |                    |            |                         |                    |                       |                             |   |
|-----------------------------------|--------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project                           | Municipality       | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| ADPP Enterprises Inc. (Montague)  | Montague Township  | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| Petrozino LLC                     | Montague Township  | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Lafayette) | Lafayette Township | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Sparta)    | Sparta Township    | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Wantage)   | Wantage Township   | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| George Kelly, Jr.                 | Hopatcong Borough  | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Commercial |
| <b>6 projects</b>                 |                    |            |                         |                    |                       |                             |   |

| UNION COUNTY                                  |                    |            |                         |                    |                       |                             |   |
|---|--------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project                                       | Municipality       | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| Scheininger Real Estate LLC                   | Kenilworth Borough | MF         | 13                      |                    |                       |                             | New Jersey Business Growth Fund         |
| Union County Economic Development Corporation | Cranford Township  | NP         | 14                      | 7                  |                       |                             | Community Economic Development          |
| Danic V LLC                                   | Elizabeth City     | WS         | 225                     | 50                 |                       |                             | Direct Loan                             |
| QuickChek Corporation (Rahway)                | Rahway City        | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| MasterTaste Inc. and Kerry Group plc          | Clark Township     |            |                         | 200                |                       | 32                          | Grow New Jersey Tax Credit              |
| Union County Economic Development Corporation | Cranford Township  | NP         | 15                      | 1                  |                       |                             | Stronger NJ NCR - CDFI Grant            |
| MMH II, LLC                                   | Elizabeth City     | SR         |                         |                    |                       |                             | Hazardous Site Remediation - Commercial |
| Earth Stone & Tile Inc.                       | Elizabeth City     | DS         | 13                      | 2                  |                       |                             | Main Street Assistance Line             |
| Faris Corp d/b/a Auto Spa of Westfield        | Westfield Town     | SV         | 10                      | 2                  |                       |                             | Statewide Loan Pool                     |
| IK Realty Group, LLC and HS and Sons, Inc.    | Elizabeth City     | RT         | 8                       | 4                  |                       |                             | Statewide Loan Pool                     |
| <b>10 projects</b>                            |                    |            | <b>298</b>              | <b>266</b>         |                       | <b>32</b>                   |   |

| WARREN COUNTY                        |                       |            |                         |                    |                       |                             |   |
|--------------------------------------|-----------------------|------------|-------------------------|--------------------|-----------------------|-----------------------------|---|
| Project                              | Municipality          | Proj. Type | Existing Jobs Supported | Estimated New Jobs | At-Risk Retained Jobs | Estimated Construction Jobs | Program                                 |
| Gill Petroleum Inc. (Washington)     | Washington Township   | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Independence) | Independence Township | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (Washington)   | Washington Township   | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| QuickChek Corporation (White)        | White Township        | RT         |                         |                    |                       |                             | Retail Fuel Station-Generator Incentive |
| <b>4 projects</b>                    |                       |            |                         |                    |                       |                             |   |

# Technology Business Tax Certificate Transfer Program

| 2014 List of Approved Sellers                 |            |                                      |           |
|---|------------|--------------------------------------|-----------|
| Company                                       | County     | Company                              | County    |
| ADMA Biologics, Inc.                          | Bergen     | Hemispherx Biopharma, Inc.           | Middlesex |
| Advaxis, Inc.                                 | Middlesex  | Insmed Incorporated                  | Somerset  |
| Aerie Pharmaceuticals, Inc.                   | Somerset   | Ivy Sports Medicine, LLC             | Bergen    |
| Agilence, Inc.                                | Burlington | Liquid Light, Inc.                   | Middlesex |
| Alphion Corporation                           | Mercer     | Matinas Biopharma Holdings, Inc.     | Somerset  |
| Amicus Therapeutics, Inc.                     | Middlesex  | MDx Medical, Inc., d/b/a Vitals, Inc | Bergen    |
| Angel Medical Systems, Inc.                   | Monmouth   | Millenium Biotechnologies            | Essex     |
| BioNeutral Group, Inc.                        | Essex      | MuseAmi, Inc.                        | Mercer    |
| BlackLight Power, Inc.                        | Middlesex  | Myos Corporation                     | Morris    |
| Cancer Genetics, Inc.                         | Bergen     | Ocean Power Technologies, Inc.       | Mercer    |
| Catheter Robotics, Inc.                       | Morris     | Oncobiologics, Inc.                  | Middlesex |
| Celator Pharmaceuticals                       | Mercer     | Palatin Technologies, Inc.           | Middlesex |
| Celldex Research Corporation                  | Warren     | PTC Therapeutics, Inc.               | Middlesex |
| Cornerstone Pharmaceuticals, Inc.             | Middlesex  | Rive Technology, Inc.                | Middlesex |
| CytoSorbents, Inc.                            | Middlesex  | Roka Bioscience, Inc.                | Somerset  |
| DataMotion, Inc.                              | Morris     | SightLogix, Inc.                     | Mercer    |
| DvTel, Inc.                                   | Bergen     | Solidia Technologies, Inc.           | Somerset  |
| Eagle Pharmaceuticals, Inc.                   | Bergen     | Soligenix, Inc.                      | Mercer    |
| Edge Therapeutics, Inc.                       | Union      | Svelte Medical Systems, Inc.         | Union     |
| Electromagnetic Technologies Industries, Inc. | Morris     | SymbolicIO Corporation               | Middlesex |
| Emisphere Technologies, Inc.                  | Essex      | VaxInnate Corporation                | Middlesex |
| Flowonix Medical Inc.                         | Morris     | Voxware, Inc.                        | Mercer    |
| <b>44 companies</b>                           |            | <b>\$54 million</b>                  |           |

**2014 Angel Investor Tax Credit Program Approvals**

| <b>Investor</b>                                 | <b>Technology Company</b> | <b>Investment amount</b> | <b>Tax credit amount</b> |
|---|---------------------------|--------------------------|--------------------------|
| Care Capital Investments III LP                 | Agile Therapeutics        | \$ 4,250,046             | \$ 425,005               |
| Care Capital Investments III LP                 | Agile Therapeutics        | \$ 771,820               | \$ 77,182                |
| Hong Kong Oriental Longshine Investment Limited | Ascendia Pharmaceuticals  | \$ 999,300               | \$ 99,930                |
| Shanghai Aucta Pharmaceuticals Co.,Ltd          | Aucta Pharmaceuticals     | \$ 140,000               | \$ 14,000                |
| M & K Bhatt Trust                               | Avlino                    | \$ 750,000               | \$ 75,000                |
| M & K Bhatt Trust                               | Avlino                    | \$ 750,000               | \$ 75,000                |
| Gary Soultanian                                 | Bat Blue                  | \$ 450,000               | \$ 45,000                |
| Lawrence E. Blakeman                            | Bat Blue                  | \$ 200,000               | \$ 20,000                |
| ABH LLC   | Bergen Medical            | \$ 50,000                | \$ 5,000                 |
| Andrew Bittman                                  | Bergen Medical            | \$ 35,000                | \$ 3,500                 |
| Anthony Bruno                                   | Bergen Medical            | \$ 27,000                | \$ 2,700                 |
| David Rainis                                    | Bergen Medical            | \$ 50,000                | \$ 5,000                 |
| Debra Burdick                                   | Bergen Medical            | \$ 100,000               | \$ 10,000                |
| Eugene Rainis                                   | Bergen Medical            | \$ 88,500                | \$ 8,850                 |
| James & Kammi Gunton                            | Bergen Medical            | \$ 50,000                | \$ 5,000                 |
| JKR Consulting LLC                              | Bergen Medical            | \$ 27,000                | \$ 2,700                 |
| Albert N Marchio II                             | Edge Therapeutics         | \$ 35,015                | \$ 3,502                 |
| Avi Ofrane                                      | Edge Therapeutics         | \$ 12,090                | \$ 1,209                 |
| Betsy Brach                                     | Edge Therapeutics         | \$ 25,000                | \$ 2,500                 |
| David R. Victor                                 | Edge Therapeutics         | \$ 100,000               | \$ 10,000                |
| David Schwartz                                  | Edge Therapeutics         | \$ 130,200               | \$ 13,020                |
| Delaware Crossing                               | Edge Therapeutics         | \$ 105,000               | \$ 10,500                |
| DJ&J, LLC                                       | Edge Therapeutics         | \$ 250,000               | \$ 25,000                |
| Donald Fishbein                                 | Edge Therapeutics         | \$ 116,250               | \$ 11,625                |
| Dyke Rogers                                     | Edge Therapeutics         | \$ 101,137               | \$ 10,114                |
| J&M Davis Holdings LLC                          | Edge Therapeutics         | \$ 125,000               | \$ 12,500                |
| James Kluge                                     | Edge Therapeutics         | \$ 25,000                | \$ 2,500                 |
| Jonathan Perelman                               | Edge Therapeutics         | \$ 82,500                | \$ 8,250                 |
| Marketplace Lofts Limited Partnership           | Edge Therapeutics         | \$ 390,000               | \$ 39,000                |
| Norma Darshan Brach                             | Edge Therapeutics         | \$ 20,000                | \$ 2,000                 |
| Oakwood Capital, LLC                            | Edge Therapeutics         | \$ 1,000,000             | \$ 100,000               |
| Richard Jackson                                 | Edge Therapeutics         | \$ 100,000               | \$ 10,000                |
| Richard Martin Reiter                           | Edge Therapeutics         | \$ 25,003                | \$ 2,500                 |
| Robert & Marjie Kargman                         | Edge Therapeutics         | \$ 465,000               | \$ 46,500                |
| Robert & Elizabeth Pozen                        | Edge Therapeutics         | \$ 500,000               | \$ 50,000                |
| Scott Fergang                                   | Edge Therapeutics         | \$ 50,010                | \$ 5,001                 |
| Sol Barer                                       | Edge Therapeutics         | \$ 100,000               | \$ 10,000                |
| Sol Barer                                       | Edge Therapeutics         | \$ 150,000               | \$ 15,000                |
| Tara Brach                                      | Edge Therapeutics         | \$ 125,000               | \$ 12,500                |
| The Jonathan G. Davis Trust                     | Edge Therapeutics         | \$ 125,000               | \$ 12,500                |
| Vivari, LTD                                     | Edge Therapeutics         | \$ 400,000               | \$ 40,000                |
| Walter R Mitchell                               | Edge Therapeutics         | \$ 30,225                | \$ 3,023                 |
| Widelitz Family Trust                           | Edge Therapeutics         | \$ 50,000                | \$ 5,000                 |
| Conure ElectroCore, LLC                         | electroCore               | \$ 1,330,000             | \$ 133,000               |
| Conure ElectroCore, LLC                         | electroCore               | \$ 4,000,000             | \$ 400,000               |
| Core Ventures II LLC                            | electroCore               | \$ 500,000               | \$ 50,000                |
| Core Ventures II LLC                            | electroCore               | \$ 5,000,000             | \$ 500,000               |
| Plutus Investments                              | electroCore               | \$ 250,000               | \$ 25,000                |
| Barry Krosser                                   | Endomedix                 | \$ 100,000               | \$ 10,000                |
| Paul Heltzer                                    | Endomedix                 | \$ 100,000               | \$ 10,000                |
| Weiliam Chen                                    | Endomedix                 | \$ 50,000                | \$ 5,000                 |
| Bruce Langone                                   | Eos Energy Storage        | \$ 50,000                | \$ 5,000                 |
| Bruce Langone                                   | Eos Energy Storage        | \$ 150,000               | \$ 15,000                |
| David M. Cohen                                  | Eos Energy Storage        | \$ 150,000               | \$ 15,000                |
| David M. Cohen                                  | Eos Energy Storage        | \$ 300,000               | \$ 30,000                |

|                                     |                    |              |            |
|-------------------------------------|--------------------|--------------|------------|
| David M. Schiff                     | Eos Energy Storage | \$ 225,000   | \$ 22,500  |
| Fisher EOS LLC                      | Eos Energy Storage | \$ 250,000   | \$ 25,000  |
| Fisher EOS LLC                      | Eos Energy Storage | \$ 275,000   | \$ 27,500  |
| Fisher EOS LLC                      | Eos Energy Storage | \$ 1,000,000 | \$ 100,000 |
| Glenn Oztemel                       | Eos Energy Storage | \$ 350,000   | \$ 35,000  |
| Hisham Al Razziqi                   | Eos Energy Storage | \$ 350,000   | \$ 35,000  |
| Ironwood LLC                        | Eos Energy Storage | \$ 1,500,000 | \$ 150,000 |
| Joshua Fink                         | Eos Energy Storage | \$ 50,000    | \$ 5,000   |
| Kenneth Langone                     | Eos Energy Storage | \$ 450,000   | \$ 45,000  |
| Kenneth Langone                     | Eos Energy Storage | \$ 150,000   | \$ 15,000  |
| Projector Holding LLC               | Eos Energy Storage | \$ 150,000   | \$ 15,000  |
| Projector Holding LLC               | Eos Energy Storage | \$ 300,000   | \$ 30,000  |
| Sarathi Roy                         | Eos Energy Storage | \$ 125,000   | \$ 12,500  |
| Sarathi Roy                         | Eos Energy Storage | \$ 150,000   | \$ 15,000  |
| Sigmund Heller                      | Eos Energy Storage | \$ 250,000   | \$ 25,000  |
| Timothy G. LaLonde                  | Eos Energy Storage | \$ 150,000   | \$ 15,000  |
| Timothy G. LaLonde                  | Eos Energy Storage | \$ 175,000   | \$ 17,500  |
| Timothy G. LaLonde                  | Eos Energy Storage | \$ 125,000   | \$ 12,500  |
| Zissis Family Trust                 | Eos Energy Storage | \$ 250,000   | \$ 25,000  |
| David Quackenbush                   | Innovaci           | \$ 150,000   | \$ 15,000  |
| Eric Gordon                         | Innovaci           | \$ 50,000    | \$ 5,000   |
| J Henry Scott                       | Innovaci           | \$ 350,000   | \$ 35,000  |
| KEC Holdings LLC                    | Innovaci           | \$ 250,000   | \$ 25,000  |
| Margate Partners I                  | Innovaci           | \$ 50,000    | \$ 5,000   |
| Michael Gordon                      | Innovaci           | \$ 325,000   | \$ 32,500  |
| Michael Gordon                      | Innovaci           | \$ 100,000   | \$ 10,000  |
| Michael Gordon                      | Innovaci           | \$ 100,000   | \$ 10,000  |
| Neil Desena                         | Innovaci           | \$ 150,000   | \$ 15,000  |
| River Capital Associates LLC        | Innovaci           | \$ 250,000   | \$ 25,000  |
| Alvin B. Krongaard                  | Kiswe Mobile       | \$ 300,000   | \$ 30,000  |
| Arthur J Marks                      | Kiswe Mobile       | \$ 75,000    | \$ 7,500   |
| Arthur J Marks                      | Kiswe Mobile       | \$ 30,000    | \$ 3,000   |
| Barton & Terry Shigemura Trust      | Kiswe Mobile       | \$ 25,000    | \$ 2,500   |
| Brauchli Media Enterprises          | Kiswe Mobile       | \$ 150,000   | \$ 15,000  |
| Chitra Netravali                    | Kiswe Mobile       | \$ 100,000   | \$ 10,000  |
| Chitra Netravali                    | Kiswe Mobile       | \$ 100,002   | \$ 10,000  |
| ChritineNicole LLC                  | Kiswe Mobile       | \$ 480,000   | \$ 48,000  |
| Daniel C Stanzione IRREV Trust      | Kiswe Mobile       | \$ 75,000    | \$ 7,500   |
| David C Harris                      | Kiswe Mobile       | \$ 30,000    | \$ 3,000   |
| Harry J. D'Andrea Irrevocable Trust | Kiswe Mobile       | \$ 75,000    | \$ 7,500   |
| Harry J. D'Andrea Irrevocable Trust | Kiswe Mobile       | \$ 30,000    | \$ 3,000   |
| James Lynn                          | Kiswe Mobile       | \$ 100,000   | \$ 10,000  |
| James Lynn                          | Kiswe Mobile       | \$ 25,000    | \$ 2,500   |
| Jeong H. Kim                        | Kiswe Mobile       | \$ 720,000   | \$ 72,000  |
| Jeong H. Kim                        | Kiswe Mobile       | \$ 300,000   | \$ 30,000  |
| Jeong H. Kim                        | Kiswe Mobile       | \$ 400,002   | \$ 40,000  |
| Raul Fernandez                      | Kiswe Mobile       | \$ 200,000   | \$ 20,000  |
| Raul Fernandez                      | Kiswe Mobile       | \$ 100,000   | \$ 10,000  |
| Roger Mody                          | Kiswe Mobile       | \$ 300,000   | \$ 30,000  |
| Salamander Farms LLC                | Kiswe Mobile       | \$ 300,000   | \$ 30,000  |
| Samuel A. Nunn                      | Kiswe Mobile       | \$ 49,998    | \$ 5,000   |
| Sara E. Harris                      | Kiswe Mobile       | \$ 25,000    | \$ 2,500   |
| Sara E. Harris                      | Kiswe Mobile       | \$ 30,000    | \$ 3,000   |
| Terence Seese                       | Kiswe Mobile       | \$ 120,000   | \$ 12,000  |
| Theodore J. Leonsis                 | Kiswe Mobile       | \$ 100,002   | \$ 10,000  |
| Theodore J. Leonsis                 | Kiswe Mobile       | \$ 200,000   | \$ 20,000  |
| Two Trey, LLC                       | Kiswe Mobile       | \$ 300,000   | \$ 30,000  |
| Two Trey, LLC                       | Kiswe Mobile       | \$ 300,000   | \$ 30,000  |

|                                     |                                 |              |            |
|-------------------------------------|---------------------------------|--------------|------------|
| Wentworth Capital Investments, LLC. | Kiswe Mobile                    | \$ 200,001   | \$ 20,000  |
| Wim Sweldens                        | Kiswe Mobile                    | \$ 150,000   | \$ 15,000  |
| Wim Sweldens                        | Kiswe Mobile                    | \$ 50,000    | \$ 5,000   |
| Yung-Lung Ho                        | Kiswe Mobile                    | \$ 100,000   | \$ 10,000  |
| Gitaben Patel                       | Midawi Holdings                 | \$ 60,266    | \$ 6,026   |
| John Benis                          | Midawi Holdings                 | \$ 475,000   | \$ 47,500  |
| John DeWees                         | Midawi Holdings                 | \$ 100,000   | \$ 10,000  |
| John DeWees                         | Midawi Holdings                 | \$ 150,000   | \$ 15,000  |
| Kenneth Damato                      | Midawi Holdings                 | \$ 21,390    | \$ 2,139   |
| Morton Collins                      | Midawi Holdings                 | \$ 250,000   | \$ 25,000  |
| Morton Collins                      | Midawi Holdings                 | \$ 250,000   | \$ 25,000  |
| Sarah Whitney                       | Midawi Holdings                 | \$ 10,000    | \$ 1,000   |
| Theodore Marcus                     | Midawi Holdings                 | \$ 150,000   | \$ 15,000  |
| Nelson Ferreira                     | Noveda Technologies             | \$ 400,000   | \$ 40,000  |
| Nelson Ferreira                     | Noveda Technologies             | \$ 1,594,296 | \$ 159,430 |
| OmniCapital Fund, L.P.              | One On One Ads                  | \$ 500,000   | \$ 50,000  |
| OmniCapital Fund, L.P.              | One On One Ads                  | \$ 500,000   | \$ 50,000  |
| OmniCapital Fund, L.P.              | One On One Ads                  | \$ 250,000   | \$ 25,000  |
| Jon Brandt                          | PrazAs Learning                 | \$ 25,000    | \$ 2,500   |
| P Salms Holding LLC                 | PrazAs Learning                 | \$ 25,000    | \$ 2,500   |
| Richard Magid                       | PrazAs Learning                 | \$ 25,000    | \$ 2,500   |
| Robert Scott                        | PrazAs Learning                 | \$ 25,000    | \$ 2,500   |
| Soundboard Angel Fund               | PrazAs Learning                 | \$ 100,000   | \$ 10,000  |
| Thompson Family Revocable Trust     | PrazAs Learning                 | \$ 100,000   | \$ 10,000  |
| Martin H. Ettenberg                 | Princeton Infrared Technologies | \$ 100,000   | \$ 10,000  |
| GHO Ventures LLC                    | Princeton Power Systems         | \$ 3,500,000 | \$ 350,000 |
| GHO Ventures LLC                    | Princeton Power Systems         | \$ 1,500,000 | \$ 150,000 |
| Kenneth McCauley                    | Princeton Power Systems         | \$ 35,500    | \$ 3,550   |
| David Fischell                      | Svelte Medical Systems          | \$ 1,000,000 | \$ 100,000 |
| David Fischell                      | Svelte Medical Systems          | \$ 1,780,000 | \$ 178,000 |
| Robert W. Croce                     | Svelte Medical Systems          | \$ 800,000   | \$ 80,000  |
| Angela Norris                       | Svelte Medical Systems          | \$ 150,000   | \$ 15,000  |
| Robert Fischell                     | Svelte Medical Systems          | \$ 1,107,576 | \$ 110,758 |
| J Chris Dries                       | United Silicon Carbide          | \$ 1,000,001 | \$ 100,000 |
| Benjamin & Diana Rosenberg          | VectraCor                       | \$ 100,000   | \$ 10,000  |
| Benjamin & Diana Rosenberg          | VectraCor                       | \$ 50,000    | \$ 5,000   |
| Carmine Cacciavillani               | VectraCor                       | \$ 55,500    | \$ 5,550   |
| Carmine Cacciavillani               | VectraCor                       | \$ 100,000   | \$ 10,000  |
| David Leishman                      | VectraCor                       | \$ 500,000   | \$ 50,000  |
| David Leishman                      | VectraCor                       | \$ 73,980    | \$ 7,398   |
| James Pinkin                        | VectraCor                       | \$ 500,000   | \$ 50,000  |
| James Pinkin                        | VectraCor                       | \$ 75,000    | \$ 7,500   |
| Sacajo Investments, LLC             | VectraCor                       | \$ 500,000   | \$ 50,000  |
| Sacajo Investments, LLC             | VectraCor                       | \$ 90,000    | \$ 9,000   |
| TS Leisher Investments, LLC         | VectraCor                       | \$ 100,000   | \$ 10,000  |
| J Henry Scott & Lisa Pasch          | Zipz                            | \$ 105,000   | \$ 10,500  |
| James Formisano                     | Zipz                            | \$ 150,000   | \$ 15,000  |
| James Formisano                     | Zipz                            | \$ 91,295    | \$ 9,129   |
| James Formisano                     | Zipz                            | \$ 81,519    | \$ 8,151   |
| Joseph Monte                        | Zipz                            | \$ 90,000    | \$ 9,000   |
| Joseph Monte                        | Zipz                            | \$ 23,684    | \$ 2,368   |
| Joseph Monte                        | Zipz                            | \$ 44,024    | \$ 4,402   |
| Lisa Pasch                          | Zipz                            | \$ 149,998   | \$ 14,999  |
| Margate Partners I                  | Zipz                            | \$ 90,000    | \$ 9,000   |
| Margate Partners I                  | Zipz                            | \$ 54,775    | \$ 5,477   |
| Margate Partners I                  | Zipz                            | \$ 38,535    | \$ 3,853   |
| Neil Desena                         | Zipz                            | \$ 150,051   | \$ 15,005  |

|                                  |                                  |                      |                     |
|----------------------------------|----------------------------------|----------------------|---------------------|
| Neil Desena                      | Zipz                             | \$ 270,000           | \$ 27,000           |
| Neil Desena                      | Zipz                             | \$ 131,260           | \$ 13,126           |
| Patrick Scire                    | Zipz                             | \$ 182,591           | \$ 18,259           |
| Patrick Scire                    | Zipz                             | \$ 131,790           | \$ 13,179           |
| River Capital Associates, LLC    | Zipz                             | \$ 450,000           | \$ 45,000           |
| River Capital Associates, LLC    | Zipz                             | \$ 273,884           | \$ 27,388           |
| River Capital Associates, LLC    | Zipz                             | \$ 197,685           | \$ 19,768           |
| Salvatore Scire                  | Zipz                             | \$ 90,000            | \$ 9,000            |
| The Patrick Scire 2001 GST Trust | Zipz                             | \$ 109,554           | \$ 10,955           |
| The Patrick Scire 2001 GST Trust | Zipz                             | \$ 180,000           | \$ 18,000           |
| The Patrick Scire 2001 GST Trust | Zipz                             | \$ 79,073            | \$ 7,907            |
| <b>2014 Totals</b>               | <b>181 Approved applications</b> | <b>\$ 60,239,328</b> | <b>\$ 6,023,928</b> |

12/29/2014