

Annual Report
2005



Boosting Business
Advancing Technology
Investing in Communities

*Championing
Economic and
Job Growth
and Community
Revitalization*



EDA 2005 Highlights

EDA Results 2005	
Projects Assisted	210
Financing Assistance	\$623.5 Million
Public/Private Investments	\$1.1 Billion
Estimated New Permanent Jobs	3,300
Estimated Construction Jobs	13,800

EDA Results 1974-2005	
Projects Assisted	8,400
Financing Assistance	\$16.8 Billion
Public/Private Investments	\$26.0 Billion
Estimated New Permanent Jobs	205,100
Estimated Construction Jobs	254,600

EDA Assistance 2005 (in Millions)		
Category	EDA Assistance	Total Project Investments
Financing for Small and Mid-Size Businesses and Nonprofits	\$ 436.0	\$ 789.9
Technology Incentives and Funding	61.3	61.8
Community Development Funding	13.7	37.3
Business Incentives	172.9	515.0
Structured Financing	172.5	254.3

- Closed \$623.5 million in bonds, loans, loan guarantees and environmental assistance grants, more than double the \$310.4 million provided in 2004.
- Introduced Technium, an innovative continuum of resources to encourage the location and growth of technology and life sciences companies and jobs in New Jersey.
- Continued development of state-of-the-art technology space with the expansion of the Commercialization Center for Innovative Technologies at the Technology Centre of New Jersey in North Brunswick and the substantial completion of the Waterfront Technology Center at Camden, which will welcome its first tenants in 2006.
- Approved a \$2-million investment in the \$200 million Edison VI Venture Fund and a \$400,000 investment in the NextStage Capital, LP Venture Fund to support the growth of early-stage technology companies in the State.
- Embarked on the Portfields Initiative to advance the redevelopment of brownfield properties and other underutilized sites in the Port District, which encompasses an approximate radius of 25 miles around the Statue of Liberty and includes locations in municipalities like Bayonne, Carteret, Elizabeth, Kearny, Newark and Perth Amboy.
- Implemented the first phase of a program to use a \$125-million allocation of federal tax credits to encourage private investment for commercial, industrial and mixed-use projects in federally designated low-income areas of the State. Initial project closings are anticipated in 2006.
- Promoted the investigation and cleanup of brownfield properties by providing nearly \$3.6 million in grants and low-interest loans to 39 municipal projects and 10 businesses or other private entities.
- Maintained a full range of real estate development services to stimulate economic development and advanced major renovation and expansion projects on behalf of the State, including Greystone Park Psychiatric Hospital and Liberty Science Center.
- Introduced two business incentive programs that will support for-profit and nonprofit businesses in Camden by reducing the amount of their lease payments or funding physical improvements to their business facilities.
- Established the \$1-million Camden Technology Fund with monies from New Jersey Community Capital, the Camden Empowerment Zone and the Department of Labor and Workforce Development to assist pre-venture capital and pre-banking stage technology businesses in the city that are working toward product commercialization.



Dear Friends:

The New Jersey Economic Development Authority (EDA) has long been an important State asset for stimulating economic expansion and creating new jobs. Its array of financial, technical and real estate development resources has supported business growth and promoted investments and smart growth development in New Jersey's communities for more than three decades. The partnerships it has successfully forged to leverage these resources have helped open the doors to economic opportunity for thousands of businesses, nonprofit

organizations, municipal governments and other entities throughout our great State.

This report details many of the creative and innovative ways the EDA helped to bolster New Jersey's economy in 2005. I encourage you to review it and to take advantage of the valuable programs and services that the EDA offers.

Economic development will be a central priority of my Administration. As we move forward with our vision to develop and implement a strategic plan to grow the State's economy through our new Office of Economic Growth, the EDA will continue to play a vital role. Its expertise and leadership will be key

ingredients in our recipe to build business and economic strength in New Jersey for the benefit of its residents.

I look forward to working closely with the EDA to encourage economic growth and job creation in the days and months ahead. New Jersey is a great State of opportunity for businesses, communities and families.

Sincerely,



Jon S. Corzine
Governor

EDA Mission

The New Jersey Economic Development Authority (EDA) is an independent, self-supporting State entity dedicated to broadening New Jersey's economic base by building vibrant, diverse communities, creating and maintaining jobs, and providing businesses and nonprofits with the necessary financial and technical support to grow and succeed.

EDA Vision

The EDA creates public/private partnerships to bridge financing gaps and to increase access to capital by the State's business community with an emphasis on small and mid-size businesses and nonprofit organizations. It supports entrepreneurial development through training and mentoring programs. It undertakes real estate development projects important to the State's economic growth that will create new jobs and business opportunities and support community development and revitalization.

Generating economic growth and creating new jobs further EDA vision

The New Jersey Economic Development Authority (EDA) continued to drive the State's economic and job growth in 2005 by providing \$623.5 million in bonds, loans, loan guarantees and environmental assistance grants to small and mid-size businesses, nonprofit organizations and local governments - more than twice as much as last year. By working to boost business, advance technological achievement and encourage investment in New Jersey's communities, we were able to further our vision of being the leading economic development organization in the nation.

EDA financing and business incentives supported total public/private investments of \$1.6 billion in New Jersey's economy in 2005. Once again, our funding, real estate development expertise and technical resources were important contributors that

helped promote the growth and success of small and mid-size businesses and nonprofit organizations, the development of technology companies, the investigation and cleanup of brownfield sites, and the revitalization of urban centers.

One of our major achievements during the year was the introduction of Technium, an initiative to consolidate and augment the EDA's technology resources. Technium offers a continuum of customized, streamlined, long-term support as technology and life sciences businesses advance through their life cycle of growth. It is enabling us to build on our successes and solidify New Jersey's support for developing technologies and industries that bring new economic opportunities and jobs to the State.

Although studies completed in 2005 for the New Jersey Technology Council and the New Jersey Commission on Science

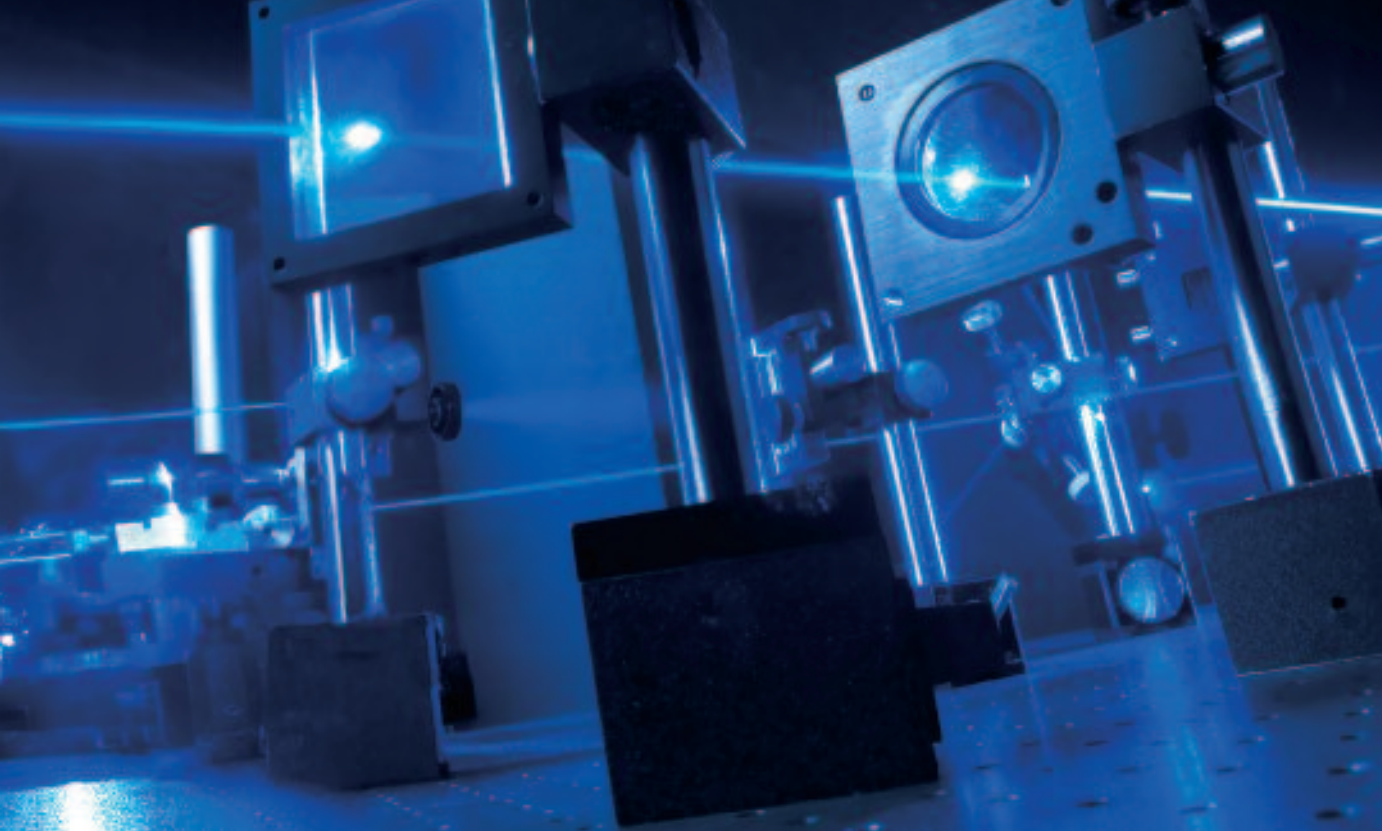
and Technology pointed to a host of assets that support the likelihood of continued growth of technology and the life sciences in New Jersey, both reports cautioned that there must be a multi-dimensional approach taken to nurture an economic and entrepreneurial environment to sustain growth. Technium is our response to meeting this need.

Technium support encompasses a variety of financing options, including angel guarantees, venture funding, seed capital, low-interest loans, tax incentives and grants for job creation, technical assistance and mentoring, and EDA real estate facilities like the Technology Centre of New Jersey and the Waterfront Technology Center at Camden, located within the State's new Innovation Zones. We are working to enhance this Innovation Zone concept in 2006.

We also launched a Portfields Initiative in collaboration with the Port Authority of New York and New Jersey, the New Jersey Department of Environmental Protection, and the New Jersey Commerce, Economic Growth and Tourism Commission to create opportunities for developers and advance the redevelopment of brownfield properties



and other underutilized sites in the Port District for commerce operations. The region's port and airfreight facilities must have a modern warehousing/distribution network if the port is to continue operating efficiently and competitively in a rapidly expanding international cargo marketplace. The initiative will promote growth opportunities in the region by helping to encourage foreign trade that will lead to new jobs, revenues and ratables in the municipalities where the facilities are located.



American Bank Note Holographics, Inc. (ABNH) consolidated its former New York headquarters and Pennsylvania production plant in Mercer County in 2005 using a business incentive program provided through the EDA. The move is bringing 110 new jobs into the State. **Leonardo Vincitore**, left, operating laser equipment, is Director of Holography for ABNH, a pioneer in the development of security holograms to protect a wide range of products and documents, including credit cards, bank notes and consumer goods.

The EDA's record of accomplishment has been enabled by a business philosophy that allows us to quickly adapt to marketplace changes, productive partnerships with public, private and community organizations, and a skilled and committed staff with a strong focus on customer service. Internally, we improved our customer service capabilities in 2005 by organizing our Business and Community Development staff geographically into northern, central and southern regions.

As we move forward in 2006 with continued energy and commitment to our mission, we thank former EDA Board Chairman Al Koeppel and public members Steven Denholtz, Cecil House, Stephen Morgan and Ciro Scalera for being instrumental in our recent success. Under Al's leadership we strengthened our governance and organizational framework to ensure fiscal integrity and effectively address the needs of our customers. We led

State authorities in achieving compliance with Executive Orders regarding ethics and adopted an Audit Committee Charter that has been used as a model for other State agencies.

We look forward to working with Governor Corzine, who has made economic development a central focus of his Administration. With the leadership and commitment of the Governor and the Legislature and the energies of a talented

EDA staff, we are confident that we can continue our impressive record of generating economic growth and job creation in New Jersey.

Carl E. Van Horn, Ph.D., *Chairman*

Caren S. Franzini, *Chief Executive Officer*



Providing the financial and technical resources to boost business

The New Jersey Economic Development Authority (EDA) serves companies of all sizes, although its core focus is on small and mid-size businesses. By providing a variety of resources encompassing low-cost financing, real estate development expertise and training and technical assistance, the EDA boosts business and fosters economic growth and job creation throughout the State.

Of the projects assisted by the EDA in 2005, more than 110 businesses took

advantage of the financing and business incentive instruments the EDA makes available in its economic development toolbox. They used EDA funding for acquiring, constructing and renovating buildings, for upgrading equipment to improve production capabilities and competitiveness, and for working capital needs to support operational costs—projects that are anticipated to lead to the creation of almost 2,700 new jobs. Incentives provided under the Business Employment

Incentive Program supported business expansions and relocations that are expected to result in more than 8,700 additional jobs being created in the State.

The EDA focuses much of its energies on initiatives for specific sectors, such as technology, manufacturing, logistics, financial services, and tourism and the arts. Nearly half of the businesses benefiting from EDA financing and incentives in 2005 were manufacturers, 16 of which utilized the New Jersey Business Growth Fund.



When Premier Graphics, Inc. wanted to expand its production capabilities by acquiring a new eight-color Heidelberg press for its commercial printing business in Atlantic Highlands, the EDA provided a 25-percent participation in Sun National Bank's nearly \$1.7-million loan to make the purchase possible. "Our bank recommended that we connect with the EDA," says owner and President Salvatore Madalone, "and it worked out great. The lower interest rate the EDA provided (5.08 percent for the first five years of the 10-year loan) saved us a considerable amount of money."



This lending partnership between the EDA and PNC Bank makes below-market interest-rate bank loans backed by an EDA guarantee to help small businesses committed to creating or maintaining jobs in New Jersey.

Dean Technology, Inc. of Farmingdale, a manufacturer of high-voltage diodes, capacitor assemblies, selenium disks and carbide components, was one of those companies. It borrowed more than \$1.3 million from PNC Bank through

two Business Growth Fund loans that were backed by EDA guarantees totaling \$668,500. The loans, each made for five years at a fixed interest rate of 4.24 percent, were used to purchase another technology business and refinance existing debt. Dean Technology expects to create 20 new jobs as a result of the expansion.

The EDA often acts like a bank, lending money or guaranteeing loans so small and mid-size companies can acquire,



build or renovate buildings, purchase new equipment or machinery, or obtain working capital for operational expenses. Partial guarantees of bond issues are also provided to assist credit-worthy businesses needing additional credit enhancement to obtain private financing. EDA monies are generally lent at below conventional interest rates. Several loan and guarantee assistance resources are available.

Royal Candy Company, Inc., a wholesaler of prepackaged candy owned by Sharon

Chappan and her son, Charles, relocated from Brooklyn, N.Y., to Hillside in 2005 using a \$300,000 EDA loan made for 10 years at an initial interest rate of 3 percent. The loan, part of a financing package that also includes funding from North Fork Bank and owner equity, enabled Royal Candy's real estate holding affiliate, 1413 Chappan, LLC, to purchase a 45,000-square-foot office/warehouse building and bring 12 new jobs into the State.

Sometimes the EDA works in partnership

with banks to facilitate transactions and fill financing gaps. When junior sportswear importer Tracy Evans, Inc. was considering relocating from New York City, its real estate holding company, SASID Properties, LLC, borrowed \$12 million from Valley National Bank with a \$500,000 EDA participation made at an initial interest rate of 5.07 percent to acquire a 220,000-square-foot building in Bayonne. An additional \$1.5-million EDA loan made at a fixed interest rate of 3 percent for



With more than three dozen cold frames protecting thousands of pots of liriopse, perennials and ornamental grasses, business is growing for the Van Sciver family, which has operated **Quinton Nursery** as a contract grower and wholesale-only business in Salem for more than eight years. To help ensure the nursery's continuing success, **Suzanne A. Van Sciver** enrolled in the Entrepreneurial Training Institute (ETI) in 2005. "I wanted to polish our business plan," says Van Sciver, who attended classes in Woodstown. "ETI was a big help." Nearly 1,300 new and aspiring small-business owners have graduated from the EDA-sponsored program that is offered twice each year at locations throughout the State.

10 years contributed to the financing and made the relocation possible.

With lower interest rates and longer terms than are generally available from other sources, EDA tax-exempt bond financing can be an affordable and effective tool to support the growth needs of qualifying New Jersey manufacturers as well as other businesses and nonprofit organizations. Sister companies Sahara Sand, Inc. of Monroe Township (Gloucester County), Sil-Kemp Concrete, Inc. of

Millstone Township and Silvi Concrete of Brick, Inc. utilized \$10 million in tax-exempt bonds directly purchased by GE Capital Public Finance, Inc. The financing closed at a fixed interest rate of 4.48 percent for seven years and was used to purchase new mixer trucks, loaders and large-capacity electric dredge and sand screws. The financing is also making it possible for the trio of companies to add 18 new jobs in the next two years.

*Boosting
Business*





Advancing the growth and location of technology companies

The EDA provided more than \$230 million in financing assistance, business and tax incentives, and venture fund and real estate investments in 2005 to encourage the location and growth of technology and life sciences companies and related jobs in New Jersey.

In addition to offering a broad continuum of assistance to fuel the growth of these industries through its Technium Initiative, the EDA has forged strong and valuable alliances with a number of key

partners. The New Jersey Technology Council, the Biotechnology Council of New Jersey, the HealthCare Institute of New Jersey, the Research & Development Council of New Jersey, and the New Jersey Commission on Science and Technology, along with other state agencies, public research universities and organizations, often collaborate with the EDA to meet the specialized needs of technology and life sciences businesses.

In 2005, the EDA continued to develop

its Innovation Zone concept in Camden, Newark and the Greater New Brunswick area. It approved and/or executed more than \$100 million in Business Employment Incentive Program grants with 18 companies in technology and life sciences fields planning to expand or relocate in the State. The agency also provided \$60 million to 210 businesses approved to sell tax losses or research and development credits to raise cash to finance their growth and operations, and made available



Novo Nordisk Inc., a world leader in hemostasis therapy, opened a first-of-its-kind hemostasis research center at the EDA's Technology Centre of New Jersey in North Brunswick in 2005. The 30,000-square-foot facility features modern laboratories and office space surrounding a central research square that is designed to facilitate employee interaction and communication. When fully staffed, the new center will employ about 60 people, including **Marcus E. Carr Jr., M.D., Ph.D.**, Vice President U.S. Research NNRUS. Their primary focus will be discovering new pharmacological targets for hemostasis and related complications.

\$38 million in funding support and other incentives to six businesses in the fields of biotechnology, communications, high technology and pharmaceuticals that are planning to create nearly 650 new jobs.

Companies receiving EDA financing included ECI Technology, Inc., a manufacturer that used \$3 million in tax-exempt bonds directly purchased by Wachovia Bank, North America, to buy, renovate and equip a new building in Totowa to grow its semiconductor electroplating business.

The 10-year bond financing closed at a fixed interest rate of 4.30 percent. Another company, Simulation Systems Technologies of Mount Laurel, a custom software development firm, borrowed \$500,000 from The Bank, backed by a 25-percent EDA participation made at an initial fixed interest rate of 4.66 percent and a 30-percent EDA guarantee, to purchase equipment and for working capital.

The EDA also invested \$2 million in the Edison Venture Fund to benefit New Jersey



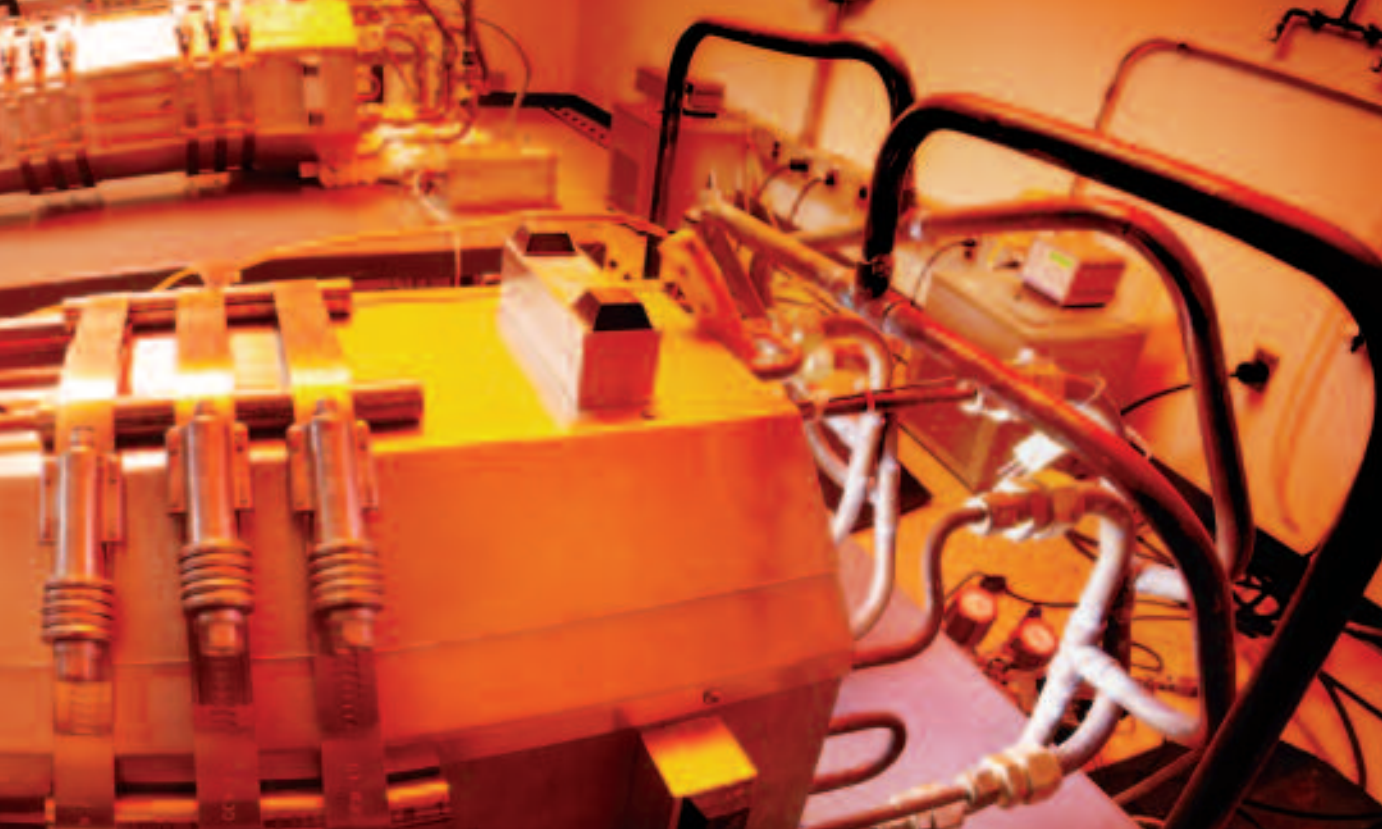


companies, and approved a \$400,000 investment in the NextStage Capital Venture Fund. The latter investment is leveraging an additional \$800,000 in equity dollars available to New Jersey businesses through the fund. NextStage Capital is building a \$30-million equity fund that will target seed and early-stage investing in the Mid-Atlantic region. It intends to dedicate as much as one-third of that investment capital to companies in New Jersey.

Additionally, \$4.1 million of the EDA's

\$10-million commitment to the Garden State Life Sciences Venture Fund was invested in Amicus Therapeutics, a former tenant at the EDA's Commercialization Center for Innovative Technologies in North Brunswick, and Celator Pharmaceuticals of Princeton. These investments from the Quaker BioVentures-managed fund leveraged an additional \$91 million in the two biopharmaceutical businesses that was invested from Quaker's main fund and other top venture capital firms.

The Commercialization Center, one of the more significant life sciences and technology facilities of its kind in the nation, was expanded in 2005 from the initial 20,000 square feet that opened in 2002 to 50,000 square feet with the addition of 10 lab units, business accelerator office space and flexible conferencing facilities. Rutgers University has leased about 25,000 square feet of adjacent space in the same building for the Rutgers Technology Center II, which is housing



Blacklight Power, Inc. of Cranbury was one of 210 innovative technology businesses approved to sell tax losses or research and development credits through the EDA in 2005.

Chairman, President and Chief Executive Officer **Dr. Randell L. Mills** says the program was a valuable tool that helped Blacklight Power raise cash to finance its growth and operations. The company has developed a new hydrogen chemical process that generates power, light and new chemicals.

It will license companies to use its technology for developing commercial products in power, heating, lighting, chemical and laser applications.

advanced development laboratories focused on wireless computer and cell phone networks, energy sources for products ranging from body implants to hybrid cars, and drug therapies to relieve chronic diseases.

The EDA also unveiled the Waterfront Technology Center at Camden, enhancing the city's standing as a hub for research and development activities. The five-story, 100,000-square-foot Tech One building, the first of several technology structures

planned for the site, is located along a waterfront area that serves as a gateway to the long technology corridor that runs through New Jersey. Designed for businesses in the biosciences, microelectronics, advanced materials, information technology and other technology and life sciences fields, the facility will receive its first tenants in 2006.

*Advancing
Technology*





Encouraging investments in urban and other older communities

Working with municipalities, developers and community organizations, the EDA encourages investments in New Jersey's urban and other older communities by providing the financing and real estate development expertise to stimulate the growth of businesses and nonprofit organizations, foster the investigation and cleanup of brownfield properties, and promote smart growth redevelopment. More than 60 percent of EDA-financed projects in 2005 were located in

State-designated Urban Aid and EDA-targeted municipalities.

The \$108-million redevelopment of a 37-story former office building in downtown Newark, which is expected to be the impetus for continued revitalization and repopulation of the city's central business district, was made possible with a financing package that included \$7.9 million in EDA-issued bonds and the first-time implementation of the Redevelopment Area Bond Financing Law (RAB). The 30-year

taxable bonds, purchased directly by MMA Financial LLC, closed at a fixed interest rate of 6.50 percent. The property is being redeveloped into luxury high-rise rental residences that will be the city's first market-rate apartments in 40 years.

The RAB law provides municipalities with a mechanism for financing the upfront costs associated with local redevelopment projects in designated redevelopment areas, like infrastructure improvements and land acquisition and



William Thomas, YWCA of Central New Jersey, Inc. Facilities Director, watches as workers construct a new early childhood learning center that will open in 2006 in Plainfield and was made possible with EDA tax-exempt bond financing. The 20-year, \$2.25-million bond was directly purchased by Bayonne Community Bank at a fixed interest rate of 5.60 percent. The EDA also provided a \$500,000 guarantee. **Patricia E. Fleming**, below left, is Vice President of the organization's Board of Directors and **Jacquelyn M. Glock** is Executive Director. The YWCA was one of 32 nonprofits to borrow nearly \$275 million through the EDA in 2005.



demolition expenses. It allows payments in lieu of taxes (PILOTs) to be structured to match debt service on the bonds. "This was an extremely complex business transaction and the EDA was able to understand this complexity," said Arthur Stern, Chief Executive Officer of Cogswell Realty Group, the project redeveloper.

EDA financing had a positive impact on other cities as well. Bond financing totaling more than \$4.3 million assisted expansion of the DuBell Lumber Company

in Millville's Urban Enterprise Zone. The bonds, which closed at interest rates ranging from 4.55 percent to 4.70 percent, were used to acquire land, construct two buildings, purchase equipment and make infrastructure improvements for DuBell's eighth location in southern New Jersey. The move into the South Millville Industrial Park will result in the creation of 48 new full-time jobs and give the company improved access to the construction industry in Cumberland County.



In Elizabeth, a 10-year \$500,000 EDA loan, made at a fixed interest rate of 4.33 percent for the first five years, supplemented funding from First BankAmericano and other sources that enabled the Elizabeth Development Company to rehabilitate a vacant and historic building in the heart of the city's downtown area. The structure, which is being occupied by Synergy Bank, is increasing economic activity in a low- and moderate-income area and creating approximately 15 jobs.

An EDA subsidiary, the Economic Recovery Board for Camden, provided nearly \$8 million in financing in 2005 for seven new projects designed to contribute to Camden's revitalization. Another 10 projects representing almost \$25 million in funding were approved but not yet finalized at year's end. Nearly \$110 million in grants, recoverable grants and loans has been awarded to more than 40 projects, which has leveraged almost \$500 million in public and private financing supporting

the creation of more than 500 full-time jobs and 10,000 construction jobs. Assisted projects have included affordable housing, neighborhood and waterfront improvements, and medical and higher education facilities.

The EDA also offers a number of resources for developers, businesses, municipalities and community groups to restore brownfield sites and return them to productive use. The Hazardous Discharge Site Remediation Loan and Grant Program



Superior Powder Coating, Inc., a contract powder coating processor for metal fabricators and equipment manufacturers, finalized EDA financing in 2005 to acquire and renovate the 112,500-square-foot manufacturing facility it had leased in Elizabeth since 1993. A tax-exempt bond of nearly \$3.5 million, directly purchased by North Fork Bank, closed at a fixed interest rate of 4.27 percent for the first 10 years of a 20-year term. A 10-year \$750,000 loan also was made at a fixed interest rate of 3 percent. President **Peter G. Markey**, below left with Vice President and business partner **Charles Briggs**, says the company's success would not have been possible without the EDA.

(HDSR), for example, enables municipalities and businesses to investigate and clean up contaminated and underutilized sites and is administered by the EDA in conjunction with the New Jersey Department of Environmental Protection. It provided a portion of the funding that allowed the Buena Commerce Center to open in 2005. The project began to take shape in the mid and late 1990s and is indicative of how various levels of government can work together over several years to promote economic development.

HDSR monies funded an environmental analysis that found the 7.5-acre property to be clear of contaminants and prime for redevelopment. A \$300,000 grant from the federal Rural Development Administration covered the removal of 7,000 tons of rags that had been dumped at the site. A \$1-million federal grant was obtained by the South Jersey Economic Development District to build the 20,000-square foot commerce center, which is expected to add more tenants in 2006.

Investing in Communities



EDA Members



Carl E. Van Horn, Ph.D.
EDA Chairman
Director, Heldrich
Center for Workforce
Development and
Professor of Public
Policy, Rutgers
University
Public Member



Joseph A. McNamara
EDA Vice Chairman
Director
Laborers Employers
Cooperation and
Education Trust
Public Member



Bradley I. Abelow
Treasurer
Department of
the Treasury
Ex Officio Member



Virginia S. Bauer
Chief Executive
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Commerce, Economic
Growth and Tourism
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Ex Officio Member



Lucille E. Davy
Commissioner
Department of
Education
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Steven M. Goldman
Commissioner
Department of
Banking &
Insurance
Ex Officio Member



David J. Socolow
Commissioner
Department of
Labor and Workforce
Development
Ex Officio Member



Timothy L. Carden
Partner
Public Private
Strategy Group
Public Member



Philip Kirschner
President
New Jersey Business
& Industry
Association
Public Member



Jack Kocsis Jr.
Executive Director
Building Contractors
Association of
New Jersey
Public Member



**Carlos A. Medina,
Esq.**
Vice President,
In-House Counsel
Medina
Consultants, P.C.
Public Member



**Steven D. Plofker,
Esq.**
Attorney
Public Member



**Charles H. Sarlo,
Esq.**
Law Office/
Vice President and
General Counsel
DMR Architects
Public Member



Raymond Burke
President
Burke Motor Group
*Alternate Public
Member*



Rodney Sadler
Public Member,
Economic Recovery
Board for Camden
Nonvoting Member

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Director
Portfolio Review

Lawrence G. Cier
Director
Program Services

Lisa R. Coane
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Director
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Strategic
Partnerships

Timothy J. Lizura
Director
Real Estate

Richard T. LoCascio, CPA
Director
Accounting and
Financial Reporting

Susan M. Mania
Director
Credit Underwriting

Michelle Miller
Director
Information and
Technology Services

Rose M. Smith
Director
Marketing and
Policy

Diane M. Wong
Director
Human Resources

Executive Staff

Clockwise (from bottom)

Caren S. Franzini
Chief Executive Officer

Stanley M. Kosierowski
Chief Operating Officer

Gregory Ritz, CPA
Chief Financial Officer

Preston D. Pinkett III
Senior Vice President



For a complete list of projects financed by the EDA in 2005, please visit us on the Internet at www.njeda.com.

To explore how the EDA can assist your organization or development project, please contact us via telephone or e-mail.

To learn more about:

- Low-interest financing for businesses, nonprofits and municipalities through loans, loan guarantees and bonds;
- Grants for business attraction and expansion; or
- Urban, smart growth redevelopment and brownfields investigation and cleanup funding:
Call (609) 777-4898 or **e-mail** bcd@njeda.com.
- Entrepreneurial training and business mentoring assistance:
Call (609) 292-9279 or **e-mail** eti@njeda.com.
- Real estate development services to advance major projects and technology facilities:
Call (609) 292-0369 or **e-mail** red@njeda.com.

*Championing
Economic and
Job Growth
and Community
Revitalization*





We See Opportunity

Jon S. Corzine

Governor

Mailing Address:

PO Box 990

Trenton, New Jersey 08625-0990

Delivery Address:

36 West State Street

Trenton, New Jersey 08625-0990

Telephone: (609) 292-1800

Website: www.njeda.com

E-mail: njeda@njeda.com

Financial Statements

December 31, 2005 and 2004



Report of Independent Auditors

Members of the Authority
New Jersey Economic Development Authority

We have audited the accompanying balance sheets of the New Jersey Economic Development Authority (the "Authority"), a component unit of the State of New Jersey, as of December 31, 2005 and 2004, and the related statements of revenues, expenses and changes in fund net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. 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. We were not engaged to perform an audit of the Authority's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Jersey Economic Development Authority as of December 31, 2005 and 2004, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note 8 to the financial statements, during the year the Authority changed its method of accounting for conduit debt.

Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of this required supplementary information. However, we did not audit the information and express no opinion on it.

Ernst & Young LLP

February 3, 2006

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
Management's Discussion and Analysis
Year Ended December 31, 2005

This section of the New Jersey Economic Development Authority's ("Authority") annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended on December 31, 2005. Please read it in conjunction with the Authority's financial statements and accompanying notes.

2005 FINANCIAL HIGHLIGHTS

- The Authority's total net assets increased \$74.6 million (or 8.8%) primarily due to State appropriations received as support for the Business Employment Incentive Program ("BEIP"), the Hazardous Discharge Site Remediation Program ("Hazard"), and the Petroleum Underground Storage Tank Program ("PUST").
- Capital assets-net, increased \$8.0 million (or 5.2%) primarily due to the completion of a building at the Waterfront Technology Center at Camden ("WTCC"), and the completion of tenant improvements for the expansion of the Commercialization Center for Innovative Technologies at the New Brunswick Technology Centre ("CCIT").
- Effective January 1, 2005, the Authority changed its method of accounting and reporting for conduit debt. This resulted in significant changes to the following accounts:
 - Current liabilities decreased \$158.3 million (or 83.0%).
 - Bonds payable-net, decreased \$1,100.7 million (or 86.1%).
 - Operating expenses decreased \$60.7 million (or 57.2%).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts: *Management's Discussion and Analysis* (this section) and the *basic financial statements*. 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.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Assets. The following table summarizes the changes in Net Assets for the years ending December 31, 2005 and 2004:

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>Current Year % increase/(decrease)</u>
Current Assets	\$532,850,457	\$656,848,888	\$866,051,745	(18.9)%
Capital Assets	161,622,851	153,583,568	141,493,585	5.2%
Noncurrent Assets	<u>459,493,585</u>	<u>1,453,240,094</u>	<u>1,339,426,762</u>	(68.4)%
Total Assets	<u>1,153,966,893</u>	<u>2,263,672,550</u>	<u>2,346,972,092</u>	(49.0)%
Long Term Debt	174,611,029	1,199,700,137	1,288,168,792	(85.4)%
Other Liabilities	<u>60,664,438</u>	<u>219,897,476</u>	<u>287,508,544</u>	(72.4)%
Total Liabilities	<u>235,275,467</u>	<u>1,419,597,613</u>	<u>1,575,677,336</u>	(83.4)%
Net Assets:				
Invested in Capital Assets, Net of Related Debt	30,042,851	8,593,567	(21,921,415)	249.6%
Restricted	53,529,787	60,191,384	72,148,853	(11.1)%
Unrestricted	<u>835,118,788</u>	<u>775,289,986</u>	<u>721,067,318</u>	7.7%
Total Net Assets	<u>\$918,691,426</u>	<u>\$844,074,937</u>	<u>\$771,294,756</u>	8.8%

During 2005, the Authority's combined net assets increased \$74.6 million, or 8.8%, primarily due to the recognition of \$192.4 million State appropriations received as support for BEIP, Hazard, and PUST. In addition, other appropriations, Program Transfers and Payments to/from the State amounted to (\$117.8 million) for the following purposes:

- \$3.0 million PUST grant award payments and loan disbursements
- \$4.9 million Hazard grant award payments and loan disbursements
- \$87.3 million BEIP grant award payments
- \$10.3 million Municipal Economic Recovery Initiative grant award payments
- \$8.5 million School Loan Program repayments returned to the State
- \$3.8 million Other Program Transfers and Payments to the State

During 2004, the Authority's combined net assets increased \$72.8 million, or 9.4%, primarily due to the recognition of \$89.2 million State appropriations received as support for BEIP, and an additional \$50.7 million for the Designated Industries Program, aggregating to \$139.9 million. In addition, other appropriations, Program Transfers and Payments to/from the State amounted to (\$67.1 million) for the following purposes:

- \$14.2 million School Loan Program repayments returned to the State
- \$2.9 million Springboard Fund grant award payments
- \$22.0 million Transfer to State of New Jersey for specifically identified State projects
- \$72.5 million BEIP grant award payments
- \$7.6 million Municipal Economic Recovery Initiative grant award templates
- \$16.1 million Appropriation from the State for Underground Storage Tank Program, net of project disbursements
- \$37.3 million Appropriation from the State for Hazardous Discharge Remediation Program, net of project disbursements
- \$1.3 million Other Program Transfers and Payments to the State

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, except for the sale of capital assets and interest earned from investments, to be operating activities.

The following table summarizes the changes in operating and nonoperating activities between fiscal year 2005 and 2004:

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>Current Year % increase/(decrease)</u>
Operating Revenues				
Financing Fees	\$4,333,791	\$4,019,978	\$4,053,350	7.8%
Interest Income-Notes	5,864,950	7,041,980	7,332,106	(16.7)%
Interest Income-Intergovernmental	789,085	48,304,792	49,924,073	(98.4)%
Lease Revenue	20,793,892	33,039,775	33,725,333	(37.1)%
Other	<u>6,576,760</u>	<u>6,820,734</u>	<u>7,912,447</u>	(3.6)%
Total Operating Revenues	<u>38,358,478</u>	<u>99,227,259</u>	<u>102,947,309</u>	(61.3)%
Operating Expenses				
Administrative Expenses	13,531,795	14,542,755	13,644,893	(7.0)%
Interest Expense	7,294,733	67,233,504	70,152,315	(89.2)%
Depreciation	15,762,903	14,746,382	14,904,474	(6.9)%
Loss Provisions-Net	2,144,213	2,966,651	3,690,826	(27.7)%
Other	<u>6,714,134</u>	<u>6,627,262</u>	<u>6,179,499</u>	1.3%
Total Operating Expenses	<u>45,447,778</u>	<u>106,116,554</u>	<u>108,572,007</u>	(57.2)%
Operating Loss	<u>(7,089,300)</u>	<u>(6,889,295)</u>	<u>(5,624,698)</u>	2.9%
Nonoperating Revenues and Expenses				
Interest Income-investments	19,638,113	12,303,838	9,156,908	59.6%
State Appropriations and Transfers-Net	76,637,512	67,574,001	219,617,880	13.4%
Other Expenses	<u>(2,352,209)</u>	<u>(208,363)</u>	<u>(2,228,267)</u>	1028.9%
Total Nonoperating	<u>93,923,416</u>	<u>79,669,476</u>	<u>226,546,521</u>	
Change in Net Assets	<u>86,834,116</u>	<u>72,780,181</u>	<u>220,921,823</u>	
Beginning Net Assets	844,074,937	771,294,756	550,372,933	
Cumulative effect of accounting change	(12,217,627)			
Beginning Net Assets as adjusted for accounting change	<u>831,857,310</u>			
Ending Net Assets	<u>\$918,691,426</u>	<u>\$844,074,937</u>	<u>\$771,294,756</u>	

Operating Revenues

During 2005, the Authority's operating revenues were materially impacted by the following:

- Agency fees decreased by \$0.9 million, primarily due to the termination of an agreement to provide administrative support services to the New Jersey Schools Construction Corporation in 2004
- Financing fees increased by \$0.3 million, primarily due to an increase in Bond closing and refunding fees
- Interest income from notes decreased by \$1.2 million, primarily due to scheduled paydowns in the loan portfolio
- Lease revenue for capital leases decreased by \$13.4 million
- Sale of Assets decreased by \$4.8 million
- Interest income from intergovernmental obligations decreased by \$47.5 million, primarily due to the removal of certain conduit debt obligations from the Authority's Financial Statements

During 2004, the Authority's operating revenues were materially impacted by the following:

- Agency fees decreased \$1.8 million primarily due to the termination of an agreement to provide administrative support services to the New Jersey Schools Construction Corporation mid-year
- Finance lease revenue decreased \$0.8 million, primarily due to scheduled payments of existing projects
- Interest income from notes decreased \$0.3 million, primarily due to scheduled paydowns in the loan portfolio and a decline in weighted average interest rates from the prior year

Operating Expenses

In 2005, administrative expenses decreased \$1.0 million, primarily due to unfilled salaried positions and the administrative costs associated with those positions.

In 2004, administrative expenses increased \$0.9 million, primarily due to the increased cost of liability/property and health insurance, office fit-out, and implementation of disaster recovery planning initiatives.

Nonoperating Revenues

Interest income from investments in the current year increased \$7.3 million, primarily due to the Authority maintaining funds in a higher-yielding investment portfolio, a higher average cash balance than the prior year, and an increase in average interest rates for both investment and cash management accounts. The increase in investment income in the prior year reflects the initial transfer of funds from its cash management fund into a higher-yielding investment portfolio, a higher average cash balance than the prior year, and a slight increase in average interest rates.

Allowance for Credit Losses

The Authority, although not required to do so, 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 continuously 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 are reported as a Loss Provision.

The following table summarizes the Loan Allowance activity for 2005:

December 31, 2004

Allowance for loan losses	\$10,932,480	
Accrued guarantee losses	<u>4,684,296</u>	
Total allowance		\$15,616,776
Provision for credit losses-net	(915,976)	
Write-offs	<u>(2,436,000)</u>	(3,351,976)

December 31, 2005

Allowance for loan losses	9,277,849	
Accrued guarantee losses	<u>2,986,951</u>	<u> </u>
Total allowance		<u>\$12,264,800</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.

Under our policy a loan will be written-off against the Loss Allowance when it is determined that the probability of collection 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. Debts are forgiven after legal counsel determines there is no further legal recourse available to collect the debt.

Aggregate gross loan and guarantee exposure at December 31, 2005 was \$225,302,973, of which \$194,135,008 (86%) is rated Pass, and \$31,067,765 (14%) is adversely classified.

Total write-offs for the year ended December 31, 2005 were \$2,034,201, or 1.14% of the total loan portfolio. At December 31, 2005, the total allowance against Notes Receivable was \$9,277,849 or 5.21% of the loan portfolio.

Total write-offs for the year on guarantees honored were \$401,799 or 0.85% of total guarantee exposure. At December 31, 2005 the total allowance for guarantee exposure is \$2,986,951 or 6.33% of the total guarantee exposure of \$47,188,144.

Current year Loss Provisions - Net of \$2.1 million, are detailed as follows:

- \$300,000 related to Loan and Guarantee Program activity
- \$197,000 related to the Authority's share of the current year operating loss for the New Jersey Tech Council Venture Capital Fund
- \$76,000 related to the Authority's writedown of it's interest in the Edison Venture Capital Fund
- \$181,000 related to the Authority's share of the current year operating loss for the Garden State Life Sciences Venture Fund
- \$1,380,000 related to the sale of equipment to MSNBC

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 changes in Leases Receivable and other Capital Assets-Net between fiscal year 2005 and 2004:

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>Current Year % increase/(decrease)</u>
Leases Receivable	<u>\$11,283,955</u>	<u>\$367,219,088</u>	<u>\$396,573,834</u>	(96.9)%
Land	\$23,873,206	\$23,873,206	\$20,114,481	
Building	121,007,001	109,143,242	102,726,277	10.9%
Leasehold Improvements	42,966,440	37,966,440	37,966,440	13.2%
Equipment	53,106,693	43,845,845	52,153,998	21.2%
Construction in Progress	159,748	5,368,222	22,672	(97.0)%
Other	<u>989,584</u>	<u>989,584</u>	<u>1,068,137</u>	
Total	242,102,672	221,186,539	214,052,005	
Less Accumulated Depreciation	<u>(80,479,821)</u>	<u>(67,602,971)</u>	<u>(72,558,420)</u>	19.0%
Capital Assets-Net	<u>\$161,622,851</u>	<u>\$153,583,568</u>	<u>\$141,493,585</u>	5.2%

The change in Land in the prior year is due to the purchase of approximately 25 acres of land in the Township of North Brunswick for the future expansion of the Technology Centre.

The change in Building in the current year is due to the completion of the Waterfront Technology Center at Camden (WTCC). In the prior year, the change is due to the due to the construction of a building by the Authority, at the Technology Centre, which will be used to accommodate additional tenants.

The change in Leasehold Improvements in the current year represents completed tenant improvements for the expansion of the Commercialization Center for Innovative Technologies at the New Brunswick Technology Centre.

The change in Equipment is due to the purchase and sale of production equipment to MSNBC. In the current year there were more purchases, whereas in the prior year there were more sales.

Capital Debt. At year end, the Authority had \$190,207,086 of gross bond and note principal outstanding; a net decrease of 86.0%, due to a change in accounting principle, resulting in the removal of conduit debt, which is presented in Note 8 and paydown of scheduled debt. More detailed information about the Authority's capital debt is presented in Notes 9 and 10 to the financial statements.

The following table summarizes the changes in capital debt between fiscal year 2004 and 2003:

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>Current Year % increase/(decrease)</u>
Bonds Payable	\$175,230,000	\$1,341,445,000	\$1,437,265,000	(86.9)%
Notes Payable	<u>14,977,086</u>	<u>16,548,462</u>	<u>18,263,248</u>	(9.5)%
Total Bonds and Notes Payable	<u>\$190,207,086</u>	<u>\$1,357,993,462</u>	<u>\$1,455,528,248</u>	(86.0)%

SIGNIFICANT BUSINESS DEVELOPMENTS

On October 25, 2005, the Authority received a State appropriation of \$155,983,000 for the Business Employment Incentive Program. The purpose of the appropriation is to fund current fiscal year grant payments to previously approved BEIP grant recipients. Under the BEIP Act, created pursuant to P.L. 1996, c. 26, the Authority makes direct payments in the form of grants to expanding or relocating businesses that will create jobs in New Jersey. The incentive grant, which may be for a period of up to 10 years, equals a percentage of state income taxes withheld by the businesses during the calendar year for the newly hired employees. To qualify, applicants must demonstrate that the award is a material factor in their decision to expand or relate their business in New Jersey, that it is financially viable, and that it will create a minimum number of required jobs.

On December 28, 2005, the Authority loaned \$31,000,000 to a limited liability company to facilitate its investment in a certified community development entity, whose primary mission is to provide loan capital to encourage private investments, new development projects and job creation in low-income areas throughout New Jersey. Simultaneously, the company received an equity investment from a private corporation. The company then invested the combined proceeds in the community development entity, which had been awarded an allocation of \$125 million in Federal tax credits under the New Markets Tax Credit Program. As part of the loan agreement between the Authority and the company, the Authority will guarantee the private corporation's equity investment against adverse consequences caused by a recapture event. As of December 31, 2005, the Authority's exposure under this agreement is \$11,717,571. The Authority believes this project will offer the financial resources needed to advance economic development in the State's distressed areas.

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 the Office of Marketing and Policy, NJEDA, P.O. Box 990, Trenton, NJ 08625-0990, or visit our web site at: www.njeda.com.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED BALANCE SHEETS
December 31, 2005 and 2004

	2005	2004
Assets		
Current Assets		
Cash and cash equivalents	\$414,852,794	\$382,121,521
Investments	95,978,273	122,230,061
Receivables:		
Notes	13,360,838	14,278,308
Accrued interest on notes	832,359	392,837
Accrued interest on investments	1,824,108	1,541,522
Intergovernmental	2,559,722	102,656,161
Leases	1,731,771	30,103,353
Other receivables	1,033,032	821,193
	21,341,830	149,793,374
Prepays and deferred costs	677,560	2,703,932
	532,850,457	656,848,888
Noncurrent Assets		
Investments	255,442,639	274,836,992
Receivables:		
Notes	107,243,470	87,805,515
Notes-restricted	88,382,768	101,277,592
Accrued interest on notes	12,414	595,955
Accrued interest on notes-restricted	275,517	313,257
Guarantees	127,754	127,754
	196,041,923	190,120,073
Allowance for doubtful notes and guarantees	(9,277,849)	(10,932,480)
Net notes receivable	186,764,074	179,187,593
Intergovernmental restricted	11,370,831	1,127,719,247
Unamortized discount	(2,792,445)	(363,713,016)
Net intergovernmental receivables	8,578,386	764,006,231
Leases-restricted	9,552,184	337,115,735
Unamortized discount	(1,552,188)	(110,827,559)
Net leases receivable	7,999,996	226,288,176
Total receivables	203,342,456	1,169,482,000
Prepays and deferred costs	708,490	8,921,102
Capital assets-net	161,622,851	153,583,568
	621,116,436	1,606,823,662
Total Assets	\$1,153,966,893	\$2,263,672,550
Liabilities and Net Assets		
Current Liabilities:		
Accrued liabilities	\$3,991,243	\$2,276,350
Deferred lease revenues	1,657,766	1,357,444
Deposits	7,548,292	74,318,614
Bonds payable	16,140,000	93,670,000
Notes payable	1,881,419	1,571,376
Accrued interest payable	1,301,241	17,625,225
	32,519,961	190,819,009
Noncurrent Liabilities:		
Bonds payable-net	161,515,362	1,184,723,051
Notes payable	13,095,667	14,977,086
Deferred lease revenues	20,560,034	21,618,882
Accrued guarantee losses	3,606,952	4,684,296
Other	3,977,491	2,775,289
	202,755,506	1,228,778,604
Total Liabilities	235,275,467	1,419,597,613
Net Assets		
Invested in capital assets, net of related debt	30,042,851	8,593,567
Restricted	53,529,787	60,191,384
Unrestricted	835,118,788	775,289,986
Total Net Assets	918,691,426	844,074,937
	\$1,153,966,893	\$2,263,672,550

See accompanying notes.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Operating Revenues		
Financing fees	\$4,333,791	\$4,019,978
Interest income-intergovernmental obligations	789,085	48,304,792
Interest income-notes	5,864,950	7,041,980
	<u>6,654,035</u>	<u>55,346,772</u>
Financing lease revenue	516,397	13,978,412
Operating lease revenue	20,277,495	19,061,363
Agency fees	998,532	1,891,659
Program services	1,991,987	2,337,746
Real estate development	3,411,011	2,446,656
Other	175,230	144,673
	<u>38,358,478</u>	<u>99,227,259</u>
Operating Expenses		
Salaries and benefits	10,555,406	11,336,133
General and administrative	2,976,389	3,206,622
Interest	7,294,733	67,233,504
Issuance and servicing	1,085,868	2,631,992
Program costs	5,628,266	3,995,270
Depreciation	15,762,903	14,746,382
Loss provisions-net	2,144,213	2,966,651
	<u>45,447,778</u>	<u>106,116,554</u>
Operating Loss	<u>(7,089,300)</u>	<u>(6,889,295)</u>
Nonoperating Revenues and Expenses		
Interest income-investments	19,638,113	12,303,838
Unrealized loss in investment securities	(2,809,300)	(2,423,884)
Gain/(loss) on sale of assets-net	457,091	2,215,521
State Appropriations-Net	196,111,796	162,458,974
Program Transfers	(119,474,284)	(94,884,973)
Nonoperating Income	<u>93,923,416</u>	<u>79,669,476</u>
Change in Net Assets	<u>86,834,116</u>	<u>72,780,181</u>
Net Assets - Beginning of year as previously reported	844,074,937	771,294,756
Cumulative effect of accounting change	(12,217,627)	
Net Assets - Beginning of year as adjusted for accounting change	831,857,310	
Net Assets- End of Year	<u><u>\$918,691,426</u></u>	<u><u>\$844,074,937</u></u>

See accompanying notes.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Financing fees	\$4,265,721	\$3,999,297
Interest from notes	7,764,264	10,188,905
Lease rents	20,076,002	47,706,600
Agency fees	1,070,066	1,854,178
Program services	2,086,828	2,368,332
Real estate development	3,124,977	2,450,780
General and administrative expenses paid	(13,274,149)	(14,212,477)
Program costs paid	(4,882,080)	(4,407,380)
Collection of notes receivable	34,022,125	29,818,816
Loan disbursements	(41,155,024)	(19,748,936)
Deposits received	142,708,487	3,650,620
Deposits released	(67,782,913)	(15,163,839)
Net cash provided by operating activities	<u>88,024,304</u>	<u>48,504,896</u>
Cash flows from capital and related financing activities:		
Payment of bonds and notes payable	(11,950,952)	(32,009,786)
Interest paid on bonds and notes payable	(5,789,042)	(21,570,542)
Purchase of capital assets	(24,397,947)	(20,478,643)
Sale of assets	964,654	2,215,521
Net cash used in capital and related financing activities	<u>(41,173,287)</u>	<u>(71,843,450)</u>
Cash flows from noncapital financing activities:		
Program funding received	2,070,833	102,209,786
Deposits released-net	(45,995)	(53,426,434)
Redemption and refunding of bonds payable	(8,792,159)	(62,930,755)
Interest paid on revenue bonds	(4,642,693)	(44,900,735)
Obligations paid	(743,361)	(346,911)
Issuance and servicing costs paid	(756,482)	(2,424,624)
Appropriations received	40,128,853	199,530,280
Payments to State of New Jersey	(8,497,730)	(34,985,152)
Program transfers	(23,709,469)	(94,884,973)
Net cash provided by (used in) noncapital financing activities	<u>(4,988,203)</u>	<u>7,840,482</u>
Cash flows from investing activities:		
Interest from investments	17,369,523	12,188,950
Capital investments	(4,605,539)	(1,236,282)
Investments - Purchases	(65,426,851)	(458,027,599)
- Redemptions	43,531,326	239,045,762
Net cash provided by investing activities	<u>(9,131,541)</u>	<u>(208,029,169)</u>
Net Increase (decrease) in Cash and Cash Equivalents	32,731,273	(223,527,241)
Cash and Cash Equivalents - Beginning of Year	382,121,521	605,648,762
Cash and Cash Equivalents - End of Year	<u>\$414,852,794</u>	<u>\$382,121,521</u>
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities		
Operating loss	(\$7,089,300)	(\$6,889,295)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Loss provisions	2,144,213	2,966,651
Depreciation	15,762,903	14,746,382
Amortization of discounts, premiums, deferred loss	(789,085)	7,384,866
Cash provided by nonoperating activities	11,818,956	1,722,153
Change in assets and liabilities:		
Notes receivable	(7,136,200)	10,069,881
Accrued interest receivable-notes	(378,741)	831,162
Accrued interest receivable-investments	(739)	408,029
Lease payments receivable		29,354,746
Other receivables	66,177	(500,887)
Prepays and deferred costs	968,186	208,498
Capital investments	(72,089)	
Notes payable	(630,000)	(565,000)
Accrued liabilities	26,756	753,702
Deferred lease revenues	(736,232)	(1,351,189)
Accrued interest payable	(858,947)	1,278,580
Deposits	74,928,446	(11,913,383)
Net cash provided by operating activities	<u>\$88,024,304</u>	<u>\$48,504,896</u>
Noncash investing activities:		
Unrealized (loss)/gain in investment securities	<u>(\$2,809,300)</u>	<u>(\$2,423,884)</u>

See accompanying notes.

New Jersey Economic Development Authority
Notes to Financial Statements
December 31, 2005 and 2004

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 ratables. The Act prohibits the Authority from obligating the credit of the State in any manner.

The Authority 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 commercial businesses, certain 501(c)(3) not-for-profit entities and to local, county and State governmental entities for 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. Since its inception, the Authority has issued conduit bonds which, in the aggregate total \$28,516,218,737, and \$25,807,064,955, as of December 31, 2005 and 2004, respectively.

(b) Direct Lending

The Authority directly provides loan financing to commercial enterprises and governmental entities for various purposes to include: the acquisition of fixed assets; building construction and renovation; financing of working capital; technological development; hazardous discharge site remediation; petroleum underground storage tank remediation; infrastructure improvements and working capital. The loans are generally collateralized by the assets of the companies and/or personal assets and personal guarantees. In addition, the Authority may provide additional security to credit-worthy businesses in the form of a guarantee of loans and of bonds issued under its various programs or through non-Authority financing.

(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 which 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.

Component Unit

Pursuant to Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, the financial statements include the accounts of the Authority and the Camden County Urban Renewal Limited Partnership (“CCURLP”), a blended component unit. All intercompany transactions and balances are eliminated.

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”). In addition, the Authority follows only the pronouncements of all applicable Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements, in which case, GASB standards will be used as the Authority’s governing pronouncement.

(b) Revenue Recognition

The Authority charges various program financing fees that may include an application fee, commitment fee, closing 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 earned. Grant revenue is recognized when the Authority has complied with the terms and conditions of the grant agreements. The Authority recognizes interest income by amortizing the discount on intergovernmental obligations and lease revenue by amortizing the discount on capital lease financings. Operating lease revenue is recognized pursuant to the terms of the lease. The Authority considers all activity, except for the sale of capital assets and interest earned from investments, to be operating activities.

Although atypical, when both restricted and unrestricted resources are available for use for a specific project, it is the Authority’s policy to first use restricted resources.

(c) Cash Equivalents

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

(d) Investments

All investments, except for investment agreements, are stated at fair value. The Authority also invests in various types of joint ventures and uses the equity method to account for its investment when it exercises significant control or influence in the venture. Under the equity method, the investment is shown as a single amount on the balance sheet and the Authority's proportionate share of income or loss is recognized currently, rather than through dividends or disposal.

(e) Amortization of Discounts and Premiums

Interest on capital appreciation bonds is accreted using the interest method over the term of the bonds; for other discounts, the bonds outstanding method is used.

(f) 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 12].

(g) 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 collectibility.

(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.

(j) Capital Assets

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

Building	20 years
Leasehold Improvements	term of the lease
Production Equipment	4 to 15 years

(k) Recently Issued GASB Standard

In June 2004 GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The statement establishes standards for the measurement, recognition, and display of Other Postemployment Benefits (“OPEB”) expense and related liability, and note disclosures. NJEDA will be required to implement Statement No. 45 in fiscal year ending December 31, 2007. While early implementation is encouraged, NJEDA has not yet completed the task of estimating the impact of Statement No. 45 on its financial statements.

(l) Reclassification of 2004 Balances

Certain 2004 balances have been reclassified to conform with current year presentation.

Note 3: Cash, Cash Equivalents 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, 2005, the carrying amount of the Authority’s deposits was \$48,010,923 and the bank balance was \$52,752,779. Of the bank balance, \$600,000 was insured with Federal Deposit Insurance.

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 NJEDA 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: 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 (NJEDA) name. At December 31, 2005 all of the Authority’s deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The Authority does not have a policy for the management of custodial credit risk.

Cash deposits at December 31, 2005 are as follows:

Deposit Type	Deposits
NOW Accounts	\$27,490,707
Money Market Accounts	14,520,218
Certificates of Deposit	<u>6,000,000</u>
Total Deposits	<u>\$48,010,925</u>

(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, 2005 the total investment is \$277,782,175. The Portfolio is comprised of short to medium term bonds and is managed by a financial institution, for the Authority, per a schedule of permitted investments. These investments include obligations guaranteed by the U.S. Government, Government Sponsored Enterprises, Money Market Funds, Mortgage Backed Pass Throughs rated AAA 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 four years.

Investment of bond proceeds are 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; (f) non-participating guaranteed investment contracts.

The Authority is 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. The Centre is situated on a 50 acre site and comprised of infrastructure improvements and buildings. As the managing member, the Authority earns an administrative fee based on 5% of gross rents received from the operation of the Centre. At December 31, 2005 and 2004, the value of the Authority's investment in the Centre is \$15,385,115 and \$14,620,047, respectively. On behalf of the venture, the Authority prepares an annual report, a copy of which may be obtained by contacting the Authority.

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, 2005 and 2004, the aggregate value of the Authority's investment in these funds is \$9,884,314 and \$6,425,550, 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.

In order to maintain adequate liquidity, significant NJEDA 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, 2005 and 2004 the NJEDA balance is \$365,649,982 and \$396,408,947 respectively.

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 investments for government) or 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, 2005, \$287,827,436 in NJEDA investments, comprised of \$12,482,419 in U.S. Treasuries, and \$275,345,017 in U.S. Agencies, were not registered in the name of the NJEDA and were held by the counterparty. An additional \$987,500 in U.S. Agencies was registered in the name of the NJEDA, and is not subject to custodial credit risk. The Authority does not have a policy for custodial credit risk.

Concentration of Credit Risk

The NJEDA places no limit on the amount the Authority may invest in any one issuer. At December 31, 2005 more than 5 percent of NJEDA investments are in Federal Farm Credit Bank, Federal Home Loan Bank and Federal National Mortgage Association (FNMA). These investments are 5.79%, 20.71% and 9.73%, respectively, of the Authority's total investments. These three 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 Mutual Bond Funds and U.S. Agencies are rated Aaa by Moody's and AAA by Standard & Poors. 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.

As of December 31, 2005 and 2004, the NJEDA had the following investments and maturities:

Investment Type	Fair Value as of 12/31/05	Investments Less than 1 Year	Maturities 1-5 Years	Fair Value as of 12/31/04
Debt Securities:				
U.S. Treasuries	\$12,482,419	\$3,977,215	\$8,505,204	\$33,491,457
U.S. Agencies	276,332,517	54,664,511	221,668,006	248,620,874
Mutual Bond Funds	38,528,434	38,528,434		43,116,861
NJ Cash Management Fund	<u>365,649,982</u>	<u>365,649,982</u>	_____	<u>396,408,947</u>
Sub total, Total Debt Securities	<u>\$692,993,352</u>	<u>\$462,820,142</u>	<u>\$230,173,210</u>	<u>\$721,638,139</u>
Non Debt Securities				
Investment in Technology Center Joint Venture	15,385,115			14,620,047
Venture Fund Investments	<u>9,884,314</u>			<u>6,425,550</u>
Sub total	718,262,781			742,683,736
Less amounts reported as Cash Equivalents	<u>(366,841,869)</u>			<u>(345,616,683)</u>
Total Investments	<u>\$351,420,912</u>			<u>\$397,067,053</u>

Note 4: Notes Receivable

Notes Receivable consist of the following:	<u>2005</u>	<u>2004</u>
Economic Development Fund (“EDF”) loan and guarantee programs; interest ranging up to 9%; maximum term 14 years	\$56,412,089	\$65,779,193
Economic Recovery Fund (“ERF”) loan and guarantee programs; interest ranging up to 8%; maximum term of 14 years	50,104,674	24,173,080
Hazardous Discharge Site Remediation (“HDSR”) loan program; interest ranging from 3% to 6%; maximum term of 10 years	7,036,758	7,011,826
Public School Facilities (“PSF”) loan program; interest ranging from 1.5% to 5.288%; maximum term of 8 years	93,733,470	106,397,316
Municipal Economic Recovery Initiative (“MERI”) loan program; interest ranging up to 3%; maximum term of 25 years	<u>1,700,085</u>	<u>-0-</u>
	<u>\$208,987,076</u>	<u>\$203,361,415</u>

On December 28, 2005, the Authority closed a \$31,000,000 loan from the Economic Recovery Fund to a certified community development entity, whose primary mission is to provide investment capital to qualified, low-income community businesses.

Aggregate Notes Receivable activity for the year ended December 31, 2005 was as follows:

	Beginning Balance	Loan Disbursements	Loan Receipts	Write-offs, Adjustments, Restructures- Net	Ending Balance	Amounts Due Within One Year
EDF	\$65,779,193	\$6,987,763	(\$14,247,679)	(\$2,107,188)	\$56,412,089	\$6,222,596
ERF	24,173,080	31,000,000	(5,035,054)	(33,352)	50,104,674	1,081,133
HDSR	7,011,826	1,467,177	(1,445,545)	3,300	7,036,758	691,919
PSF	106,397,316	-0-	(12,663,846)	-0-	93,733,470	12,898,563
MERI	<u>-0-</u>	<u>1,700,085</u>	<u>-0-</u>	<u>-0-</u>	<u>1,700,085</u>	<u>14,488</u>
	<u>\$203,361,415</u>	<u>\$41,155,025</u>	<u>(\$33,392,124)</u>	<u>(\$2,137,240)</u>	<u>\$208,987,076</u>	<u>\$20,908,699</u>

Of the amount’s due within one year, as noted above, \$7,547,861 due to the Public School Facilities Program (“PSF”) is categorized as restricted since it cannot be used to pay other current liabilities.

Note 5: Intergovernmental Receivables

The Authority has various Agreements with the State and State entities relating to the issuance of Bonds. Pursuant to the underlying legislation and resolution, the bond proceeds finance various Authority programs and projects. Pursuant to the terms of the Agreements, the debt service on these bonds is payable solely from scheduled amounts receivable. The State's obligation to make contractual payments to the Authority is subject to, and dependent upon, yearly appropriations being made by the State Legislature for such purposes. The New Jersey State Legislature has no legal obligation to make such appropriations.

Due to a change in accounting principle in 2005 affecting the manner in which conduit debt obligations are reported, certain offsetting intergovernmental receivables were removed from the Authority's financial statements (see Note 8 for further detail).

The Series 1996 Port bonds are secured solely by loan payments originally scheduled to be made to the Port Authority by various utilities authorities. The Port Authority has assigned the right to receive such loan payments to the Authority. The receivable is from the State of New Jersey.

At December 31, 2005, Intergovernmental Receivables are comprised of the following:

	<u>2005</u>	<u>2004</u>
Municipal Economic Recovery Initiative State Contract		\$324,409,633
Economic Recovery Fund Bonds State Contract		404,500,138
Market Transition Facility Senior Lien Revenue Bonds State Contract		485,464,250
NJ Port District Utilities Authorities Contract	<u>\$13,930,553</u>	<u>16,001,387</u>
Total Gross Intergovernmental Receivable	13,930,553	1,230,375,408
Unamortized Discount	<u>(2,792,445)</u>	<u>(363,713,016)</u>
Total Net Intergovernmental Receivable	<u>\$11,138,108</u>	<u>\$866,662,392</u>

Aggregate gross receipts from intergovernmental receivables due through 2010 and thereafter are as follows:

2006	\$2,559,722
2007	2,209,722
2008	2,209,722
2009	2,209,722
2010	2,209,714
2011-2015	<u>2,531,951</u>
	<u>\$13,930,553</u>

Intergovernmental Receivable activity for the year ended December 31, 2005 was as follows:

	Beginning Balance	Reductions	Ending Balance	Amount Receivable Within One Year
Gross Receivable	\$1,230,375,408	(\$1,216,444,855)	\$13,930,553	<u>\$2,559,722</u>
Discount	<u>(363,713,016)</u>	<u>360,920,571</u>	<u>(2,792,445)</u>	
Net Receivable	<u>\$866,662,392</u>	<u>(\$855,524,284)</u>	<u>\$11,138,108</u>	

Note 6: Leases

(a) Leases Receivable

The Authority has various financing leases relating to the issuance of Bonds and Notes Payable. Bond and Note proceeds finance specific projects. The financing leases provide 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.

Due to a change in accounting principle in 2005 affecting the manner in which conduit debt obligations are reported, certain offsetting lease payments receivable were removed from the Authority's financial statements (see Note 8 for further detail).

The outstanding leases are as follows:

<u>Lease Description</u>	<u>2005</u>	<u>2004</u>
Trenton Office Complex, through 6/15/12		\$79,894,281
NJ Performing Arts Center, through 6/15/16		57,760,165
100 Riverview/Green Lights, through 1/15/11		3,132,250
State Office Buildings, through 6/15/20		82,270,657
Rutgers University Civic Square, through 7/1/24		25,784,495
Bergen County Administration Complex, through 11/15/26		105,421,909
Automated Distribution Systems, Inc, through 9/1/07	\$2,977,086	4,548,462
NY Daily News, through 7/30/21	<u>8,306,869</u>	<u>8,406,869</u>
Aggregate Lease Payments Receivable-Gross	11,283,955	367,219,088
Unamortized Discount	<u>(1,552,188)</u>	<u>(110,827,559)</u>
Aggregate Lease Payments Receivable-Net	<u>\$9,731,767</u>	<u>\$256,391,529</u>

Aggregate lease receipts due through 2010 and thereafter are as follows:

2006	\$1,731,771
2007	1,445,315
2008	100,000
2009	100,000
2010	100,000
2011-2015	500,000
2016-2020	500,000
2021	<u>6,806,869</u>
	<u>\$11,283,955</u>

Lease payments receivable activity for the year ended December 31, 2005 was as follows:

	Beginning Balance	Reductions	Ending Balance	Amount Receivable Within One Year
Gross Receivable	\$367,219,088	(\$355,935,133)	\$11,283,955	<u>\$1,731,771</u>
Discount	<u>(110,827,559)</u>	<u>109,275,371</u>	<u>(1,552,188)</u>	
Net Receivable	<u>\$256,391,529</u>	<u>(\$246,659,762)</u>	<u>\$9,731,767</u>	

(ii) Authority as Lessee

The Authority leases commercial property, buildings, office space and parking. 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 \$559,731; and for property used by the Authority, rental expense amounted to \$263,592. Aggregate future lease obligations are as follows:

2006	\$853,666
2007	828,127
2008	759,385
2009	667,327
2010	665,078
2011-2015	3,157,697
2016-2020	2,341,228
2021-2025	1,127,000
2026-2030	1,250,200
2031-2035	1,337,060
2036-2040	801,300
2041-2045	665,690
2046-2050	743,250
2051-2054	<u>594,600</u>
	<u>\$15,791,608</u>

Note 7: Capital Assets

Capital asset activity for the years ended December 31, 2005 and 2004 was as follows:

	December 31, 2003	Additions	Reductions	Write-down to NRV	December 31, 2004
Land	\$20,114,481	\$3,758,725	-0-	-0-	\$23,873,206
Building	102,726,277	6,416,965	-0-	-0-	109,143,242
Leasehold improvements	37,966,440	-0-	-0-	-0-	37,966,440
Production equipment	52,153,998	14,971,675	(\$23,279,828)	-0-	43,845,845
Other	1,068,137	-0-	(78,553)	-0-	989,584
Construction in progress	<u>22,672</u>	<u>5,368,222</u>	<u>(22,672)</u>	<u>-0-</u>	<u>5,368,222</u>
Capital assets-gross	<u>214,052,005</u>	<u>30,515,587</u>	<u>(23,381,053)</u>	<u>-0-</u>	<u>221,186,539</u>
Less: accumulated depreciation	<u>72,558,420</u>	<u>14,746,383</u>	<u>(19,701,832)</u>	<u>-0-</u>	<u>67,602,971</u>
Capital assets-net	<u>\$141,493,585</u>	<u>\$15,769,204</u>	<u>(\$3,679,221)</u>	<u>-0-</u>	<u>\$153,583,568</u>
	December 31, 2004	Additions	Reductions	Write-down to NRV	December 31, 2005
Land	\$23,873,206	-0-	-0-	-0-	\$23,873,206
Building	109,143,242	\$11,863,759	-0-	-0-	121,007,001
Leasehold improvements	37,966,440	5,000,000	-0-	-0-	42,966,440
Production equipment	43,845,845	14,034,410	(\$3,850,708)	(\$922,854)	53,106,693
Other	989,584	-0-	-0-	-0-	989,584
Construction in progress	<u>5,368,222</u>	<u>11,655,285</u>	<u>(16,863,759)</u>	<u>-0-</u>	<u>159,748</u>
Capital assets-gross	<u>221,186,539</u>	<u>42,553,454</u>	<u>(20,714,467)</u>	<u>(922,854)</u>	<u>242,102,672</u>
Less: accumulated depreciation	<u>67,602,971</u>	<u>16,059,779</u>	<u>(3,182,929)</u>	<u>-0-</u>	<u>80,479,821</u>
Capital assets-net	<u>\$153,583,568</u>	<u>\$26,493,675</u>	<u>(\$17,531,538)</u>	<u>(\$922,854)</u>	<u>\$161,622,851</u>

During 2005, the Authority completed construction of the Waterfront Technology Center at Camden (WTCC). The building, having a book value of \$11,863,759, was developed to provide flexible office space for technology based companies within Camden and pursuant to the Economic Recovery Plan for Camden.

The authority also completed tenant improvements valued at \$5,000,000 for the expansion of the Commercialization Center for Innovative Technologies at the New Brunswick Technology Center. This will enable the EDA to assist more tenants at the New Brunswick site.

Note 8: Change in Principle as to Conduit Debt Obligations

During 2005, the Authority changed its policy with respect to the manner in which Conduit Debt Obligations are reported for financial reporting purposes. Prior to 2005, the Authority's policy was to record such obligations as Bonds Outstanding in its financial statements. Although issued by the Authority, repayment of these special limited obligations is the responsibility of the State or an Agency. Funds for repayment of these obligations come entirely from Appropriations from the State or the operations of an Agency.

Pursuant to GASB issued statement, "**Disclosure of Conduit Debt Obligations**" (GASBI-2), there is no requirement to record conduit debt that is simultaneously recorded by the entity that is responsible for its payment. The State of New Jersey records this debt on its financial statements. The Agencies record debt and the reciprocal assets pursuant to applicable generally accepted accounting principles.

During 2005, at the direction of the State, the Authority removed such conduit debt, and its corresponding assets, from its financial statements. In addition, it is the Authority's opinion that by removing the State backed conduit debt and Agency type transactions from its financial statements a more accurate assessment of its financial position and operations will exist.

The impact of the change in principle, which became effective January 1, 2005 is as follows:

Had this principle been adopted at December 31, 2003, net assets for 2004 would have increased by \$1,287,378 if results had been restated.

The following bond issues have been removed:

\$17,640,000 NJEDA Revenue Bonds , 1994 Series (Rutgers, The State University-"Civic Square" Project) interest ranging from 6% to 6.125%; due 7/1/05 through 7/1/24	\$14,645,000
\$67,500,000 NJEDA Lease Revenue Bonds , 1998 Series (Bergen County Administration Complex) interest ranging from 4.25% to 5.75%; due 11/15/05 through 11/15/26	62,955,000
\$181,005,000 NJEDA Municipal Rehabilitation Bonds ("MRERI") , 2004 Series A (\$48,975,000) and Series B (\$132,030,000 - Taxable), interest ranging from 3.2% to 5.84%; due 4/1/07 through 4/1/25	181,005,000
\$97,890,000 Trenton Office Complex ("TOC") Revenue Bonds , 1996 & 1998 Series interest ranging from 4.4% to 5.25%; due 6/15/04 through 6/15/12	65,335,000

\$62,910,000 New Jersey Performing Arts Center Project ("PAC"), 1996 Series interest ranging from 5% to 7%; due 6/15/04 through 6/15/16	43,480,000
\$235,233,000 Economic Recovery Fund Bonds-State Contract ("ERF"), 1992 Series A and B partially defeased 9/15/03, 1992 Series A and B, and 2004 Series A and B, interest ranging from 5.9% to 6.8%; due 3/15/07 through 3/15/21	316,240,000
\$538,335,000 NJEDA Market Transition Facility Senior Lien Revenue Bonds ("MTFRF") , 1994A and 2001A series interest ranging from 3% to 7%; due 7/1/04 through 7/1/11	404,115,000
\$14,435,000 NJEDA State Lease Revenue Bonds 1995 Series A (\$7,425,000, 100 Riverview Office Building Project) and Series B (\$7,010,000, Green Lights Energy Conservation Project), ("Riverview/Lights"), interest ranging from 4.8% to 5%; due 1/15/04 through 1/15/11. Series A bonds were defeased January 2002.	2,750,000
\$60,700,000 NJEDA State Lease Revenue Bonds 2000 Series (State Office Buildings Project), ("State Buildings"), interest ranging from 4.7% to 6.25%; due 6/15/04 through 6/15/20	<u>55,830,000</u>
Total Bonds removed as of 1/1/05	<u>\$1,146,355,000</u>

Deposits in the amount of \$7,741,872 and Cash in Trust in the amount of \$7,741,872 were removed as of 1/1/05 (held for the Liberty Science Center project).

In addition to the removal of the above; \$1,214,374,021 in Intergovernmental Receivables (see Note 5 for further detail), and \$354,263,757 in Lease Receivables (see Note 6), were removed as of January 1, 2005.

Note 9: Bonds Payable

The bonds reported in the following table have been issued in order to fund commercial loans, loans to school districts, commercial real estate development and capital construction. The Bonds are secured by lease rental payments, loan repayments 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 has recourse, including, but not limited to, taking possession and selling or subletting the leased premises and property.

The Series 1996 Port bonds are secured solely by loan payments originally scheduled to be made to the Port Authority by various utilities authorities. The Port Authority has assigned the right to receive such loan payments to the Authority.

The outstanding issues are as follows:

	<u>2005</u>	<u>2004</u>
\$46,815,000 NJEDA Revenue Bonds (Public Schools Small Project Loan Program), 2004 Series, interest ranging from 3% to 5%; due 8/15/06 through 8/15/13. Series 1993 was refunded on 3/15/04.	\$38,775,000	\$44,125,000
\$43,000,000 Variable Rate Lease Revenue Bonds , 2003 Series A and B, (Camden Center Urban Renewal Limited Partnership Project); interest ranging from 3.89% to 5.909% due annually through 3/15/18	40,850,000	41,480,000
\$167,500,000 NJEDA Taxable Economic Development Bonds MSNBC/CNBC Project , 1997 Series A and B, adjustable rate, due through 10/1/21	62,900,000	74,200,000
\$31,700,000 NJEDA Adjustable Rate Lease Revenue (taxable) Bonds , 1995 Series A and B (Barnes & Noble, Inc. Distribution and Freight Consolidation Center Project) due 7/3/06 through 6/30/11	21,830,000	23,310,000
\$18,355,000 NJEDA Taxable Revenue Bonds, North Jersey Port District Utilities Authorities Loan Securitization Program ("Port") , Series 1996, interest ranging from 7.05% to 7.25%; due 2/15/06 through 2/15/12	10,875,000	11,975,000
\$181,005,000 NJEDA Municipal Rehabilitation Bonds ("MRERI") , 2003 Series A (\$48,975,000) and Series B (\$132,030,000 - Taxable), interest ranging from 3.2% to 5.8%; due 4/1/07 through 4/1/25		181,005,000
\$97,890,000 Trenton Office Complex ("TOC") Revenue Bonds , 1996 & 1998 Series interest ranging from 4.45% to 5.25%; due 6/15/05 through 6/15/12		65,335,000
\$62,910,000 New Jersey Performing Arts Center Project ("PAC") , 1996 Series interest ranging from 5% to 6%; due 6/15/05 through 6/15/16		43,480,000
\$235,233,000 Economic Recovery Fund Bonds-State Contract ("ERF") , and \$90,696,361 2003 ERF Refunding Bonds 1992 Series A and B partially defeased 9/15/03, 1992 Series A and B, and 2003 Series A and B, interest ranging from 2% to 5%; due 3/15/05 through 3/15/21		316,240,000
\$538,335,000 NJEDA Market Transition Facility Senior Lien Revenue Bonds ("MTRF") , 1994A and 2001A series interest ranging from 5% to 6%; due 7/1/05 through 7/1/11		404,115,000
\$60,700,000 NJEDA State Lease Revenue Bonds 2000 Series (State Office Buildings Project), ("State Buildings"), interest ranging from 2.5% to 5.25%; due 6/15/05 through 6/15/20		55,830,000
\$14,435,000 NJEDA State Lease Revenue Bonds 1995 Series A (\$7,425,000, 100 Riverview Office Building Project) and Series B (\$7,010,000, Green Lights Energy Conservation Project), ("Riverview/Lights"), interest at 5%; due 1/15/05 through 1/15/11. Series A bonds were defeased January 2002.		2,750,000

\$17,640,000 NJEDA Revenue Bonds, 1994 Series (Rutgers, The State University-"Civic Square" Project) interest ranging from 6% to 6.125%; due 7/1/05 through 7/1/24		14,645,000
\$67,500,000 NJEDA Lease Revenue Bonds, 1998 Series (Bergen County Administration Complex) interest ranging from 4.25% to 5.75%; due 11/15/05 through 11/15/26		<u>62,955,000</u>
	Subtotal	1,341,445,000
Unamortized interest accretion on capital appreciation bonds		(59,636,485)
Unamortized net (discount)/premium	(2,425,362)	24,884,530
Unamortized deferral on refunding		<u>(28,299,994)</u>
	<u>\$177,655,362</u>	<u>\$1,278,393,051</u>

On February 12, 2004, the Authority issued \$46,815,000 of Public Schools Small Project Loan Program bonds to refund all of the outstanding 1993 Series Public Schools Small Project Loan Program bonds. On March 15, 2004, the proceeds of these bonds were used to currently refund \$48,855,000 of the 1993 Series bonds. The Authority incurred no economic gain or loss as a result of this issue.

At December 31, 2005, the carrying value of all aggregate bonds payable approximates fair market value. Aggregate debt service requirements of bonds payable through 2010 and thereafter are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$16,140,000	\$7,525,613	\$23,665,613
2007	13,845,000	6,888,114	20,733,114
2008	14,165,000	6,289,380	20,454,380
2009	11,845,000	5,771,163	17,616,163
2010	10,055,000	5,741,152	15,796,152
2011-2015	36,275,000	21,316,992	57,591,992
2016-2020	29,705,000	13,109,458	42,814,458
2021	<u>43,200,000</u>	<u>1,384,776</u>	<u>44,584,776</u>
	<u>\$175,230,000</u>	<u>\$68,026,648</u>	<u>\$243,256,648</u>

Bonds payable activity for the year ended December 31, 2005 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable- gross	\$1,341,445,000	-0-	(\$1,166,215,000)	\$175,230,000	<u>\$16,140,000</u>
Unamortized interest on capital appreciation bonds	(59,636,485)	\$59,636,485	-0-	-0-	
Unamortized premium	27,279,781	-0-	(24,854,419)	2,425,362	
Unamortized discount	(2,395,251)	2,395,251	-0-	-0-	
Deferred loss on refundings	<u>(28,299,994)</u>	<u>28,299,994</u>	<u>-0-</u>	<u>-0-</u>	
Total Bonds Payable-net	<u>\$1,278,393,051</u>	<u>\$90,331,730</u>	<u>(\$1,191,069,419)</u>	<u>\$177,655,362</u>	

Included in the reductions above is \$1,146,355,000, relating to the removal of bonds payable from the Authority's financial statements as a result of the change in accounting noted at Note 8.

Note 10: 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:	<u>2005</u>	<u>2004</u>
Automated Distribution Systems, LP; interest at 10.89%; principle & interest due monthly through maturity on 7/30/07	\$2,977,086	\$4,548,462
Community Development Investments, LLC; effective interest at 3.02%; principle & interest due monthly through 4/12/14 with final payment of \$1,541,145 at maturity on 5/12/14	2,000,000	2,000,000
City of Camden, NJ; interest at 6% commencing 3/5/06; principle & interest due monthly commencing 3/5/06 through maturity on 2/5/16	4,000,000	4,000,000
Jersey Central Power & Light; interest at 4%; interest only due monthly through 11/12/10; principle due at maturity on 11/12/10	1,000,000	1,000,000
Public Service New Millenium Economic Development Fund, LLC; interest at 4%; interest only due monthly through 11/7/10; principle due at maturity on 11/7/10	5,000,000	5,000,000
	<u>\$14,977,086</u>	<u>\$16,548,462</u>

At December 31, 2005, the carrying value of all notes payable approximates fair market value. Aggregate debt service requirements of notes payable through 2010 and thereafter are as follows:

	Principal	Interest	Total
2006	\$1,881,419	\$805,842	\$2,687,261
2007	1,667,175	639,871	2,307,046
2008	402,723	497,289	900,012
2009	425,690	474,262	899,952
2010	6,449,835	412,006	6,861,841
2011-2015	4,062,089	560,483	4,622,572
2016-2018	<u>88,155</u>	<u>662</u>	<u>88,817</u>
Total	<u>\$14,977,086</u>	<u>\$3,390,415</u>	<u>\$18,367,501</u>

Notes payable activity for the year ended December 31, 2005 was as follows:

Beginning Balance	Reductions	Ending Balance	Amounts Due Within One Year
<u>\$16,548,462</u>	<u>(\$1,571,376)</u>	<u>\$14,977,086</u>	<u>\$1,881,419</u>

Note 11: Net Assets

The Authority's Net Assets are categorized as follows:

- Invested in capital assets, net of related debt
- Restricted
- Unrestricted

Invested in Capital Assets, Net of Related Debt 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 assets include net assets that have been restricted in use in accordance with the terms of an award agreement or by State law, such as the Public School Facilities loan program, noted in Note 4. Unrestricted assets include all net assets not included above. The changes in Net Assets during 2005 and 2004 are as follows:

	<u>Invested in Capital Assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Totals</u>
Net Assets December 31, 2003	\$(21,921,415)	\$72,148,853	\$721,067,318	\$771,294,756
Change in net assets	30,514,982	(11,957,469)	54,222,668	72,780,181
Net Assets December 31, 2004	8,593,567	60,191,384	775,289,986	844,074,937
Change in net assets	(21,449,284)	(6,661,597)	72,046,429	86,834,116
Cumulative effect of accounting change	<u>-0-</u>	<u>-0-</u>	<u>(12,217,627)</u>	<u>(12,217,627)</u>
Net Assets December 31, 2005	<u>\$30,042,851</u>	<u>\$53,529,787</u>	<u>\$835,118,788</u>	<u>\$918,691,426</u>

For the years ended December 31, 2005 and 2004, Income Before Transfers includes State Appropriations-Net of \$196,111,796 and \$162,458,974, respectively, as well as other Program Transfers of (\$119,474,284) and (\$94,884,973), respectively.

Note 12: 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 Development 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 3 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the specific guarantee program account.

Principal payments on guaranteed loans and bonds reduce the Authority's exposure. At December 31, 2005, the Authority's Debt and Worth was composed of the following:

	NJEDA Fixed Asset Guarantee Program	TITLE IX Working Capital Guarantee Program	Port District Program	Community Economic Development Program
Total Debt	\$19,000,745	\$2,331,924	\$3,557,164	\$35,578
Total Worth	\$10,459,731	\$3,380,628	\$18,809,495	\$10,781,083

(2) Economic Recovery Fund

The guarantee agreements restrict the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt to Worth 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, 2005, Debt was \$23,457,162 and Worth was \$41,704,761, with a ratio of 0.56 to 1.

(3) Economic Growth Composite Bond Program

The Guarantee Agreement relating to Economic Growth Composite Bonds require the Authority to establish, in trust, a Cash Collateral Account. This obligation to deliver funds to the trustee is a general obligation of the Authority.

To the extent guarantee payments of principal on the bonds cannot be recovered through collateral liquidation, loan restructure, etc., the Authority's aggregate composite exposure is permanently reduced. At December 31, 2005, aggregate exposure and the cash collateral balance are both \$4,754,785.

(4) 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, 2005, aggregate exposure and related worth within the Business Growth Fund account are both \$10,000,000.

(b) Loan Program Commitments and Project Financings

At December 31, 2005 the Authority has \$13,484,662 of loan commitments not yet closed or disbursed and \$5,634,479 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-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.

As part of the agreement, 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 loan agreement between the Authority and the company, the Authority will provide a guaranty to the corporation against adverse consequences caused by a recapture event. As of December 31, 2005, the exposure to the Authority is \$11,717,571. The Authority has determined the likelihood of paying on the guaranty, at this time, is remote.

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 will increase each year until 2009, when 100% of the normal contribution will be assessed, and for each year thereafter. For the year ending December 31, 2005, the Authority’s contribution was \$59,585. Employees of the Authority are required to participate in the PERS and contribute 5% of their annual compensation. The payroll for employees covered by PERS for the years ending December 31, 2005 and 2004 was \$8,448,682 and \$8,345,740, respectively.

The general formula for annual retirement benefits is the final average salary divided by 55, times the employee’s years of service. Pension benefits fully vest upon reaching 10 years of credited service. Members are eligible for retirement at age 60 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 are established 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

In addition to the pension benefits described in Note 14 (a), in accordance with State statute the Authority provides health benefit and prescription coverage, through the State Health Benefits Bureau, to its retirees having 25 years or more of service in the PERS and are at least 47 years of age or to employees approved for disability retirement. Benefits are provided at no cost to the retiree. Upon turning 65 years of age, a retiree must utilize Medicare as their primary coverage, with State Health Benefits providing supplemental coverage. 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. Postemployment benefits are paid from current resources, only upon the event of retirement and are not accrued. At December 31, 2005, 12 employees were eligible to receive postemployment benefits upon retirement. During the year 2005, benefits paid to 14 retirees amounted to \$156,432.

Note 15: Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences", the Authority recorded current liabilities in the amount of \$571,222 and \$558,227 as of December 31, 2005 and 2004, respectively. The liability as of the balance sheet date, 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 retirees for unused accumulated sick leave is calculated at the lesser of $\frac{1}{2}$ 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.



We See Opportunity

Mailing Address:
PO Box 990
Trenton, NJ 08625-0990

Delivery Address:
36 West State Street
Trenton, NJ 08625-0990

Telephone:
(609) 292-1800

Website:
www.njeda.com

E-mail:
njeda@njeda.com

2005 EDA Financed Projects

<u>Applicant</u>	<u>Municipality</u>	<u>Project Type</u>	<u>Est. New Jobs</u>	<u>Const. Jobs</u>	<u>Program Type</u>	<u>EDA Assistance</u>	<u>Total Project Costs</u>
<u>Atlantic County</u>							
Carmen Defeo	Egg Harbor City	UT	0	0	UST	\$ 13,745	\$ 15,620
City of Pleasantville (Duell Fuel)	Pleasantville City	SR	0	0	HSM	4,856	4,856
City of Pleasantville (Hospitality Linen Service)	Pleasantville City	SR	0	0	HSM	30,926	30,926
City of Pleasantville (JP Rail, Inc.)	Pleasantville City	SR	0	0	HSM	11,698	11,698
<u>Bergen County</u>							
Borough of Northvale (Delux Cleaners)	Northvale Boro	SR	0	0	HSM	\$ 25,977	\$ 25,977
Borough of Northvale (Tect/Danzig Site)	Northvale Boro	SR	0	0	HSM	242,218	242,218
Elite Pharmaceuticals, Inc.	Northvale Boro	MF	26	0	SAB	1,655,000	1,890,000
FIMS Manufacturing Corp. (Formerly IMS Tool Co., Inc.)	Rochelle Park Twp.	MF	15	0	BGF	75,000	300,000
FIMS Manufacturing Corp. (Formerly IMS Tool Co., Inc.)	Rochelle Park Twp.	MF	0	0	BGF	80,000	366,085
Fairleigh Dickinson University	Teaneck Twp.	UT	0	0	UST	500,000	551,000
Jimmy's Real Estate Holding Co., LLC & Jimmy's Chocolate Chip Cookies, Inc.	Fair Lawn Boro	MF	5	9	SAB	2,700,000	3,464,000
Richard C. Martindale	Park Ridge Boro	UT	0	0	UST	45,943	51,037
Robert Hikade	Bergenfield Boro	SR	0	0	HAZ	15,190	55,253
Robert Hikade	Bergenfield Boro	SR	0	0	HAZ	15,190	55,253
Robert Hort, Hort Assoc., LP & Hort Englewood Assoc., LLC	Englewood City	MF	44	14	SAB	2,300,000	3,075,000
Robert & Kathleen Kramer	Saddle Brook Twp.	MF	2	0	BGF	90,000	360,000
Township of Mahwah (Industrial Ave.)	Mahwah Twp.	SR	0	0	HSM	21,482	21,482
Triangle Manufacturing Co., Inc.	Upper Saddle River Boro	MF	7	0	SAB	2,262,500	2,715,000
Wyckoff Cleaners, Inc.	Wyckoff Twp.	SR	0	0	HAZ	175,078	175,078
<u>Burlington County</u>							
Edward Tieman	Delanco Twp.	UT	0	0	UST	\$ 125,496	\$ 138,546
Herman's Trucking, Inc.	North Hanover Twp.	TP	8	0	SLP	323,250	1,307,000
JNB Enterprises, Inc.	Evesham Twp.	SV	12	0	BGF	160,000	742,500
Simulation Systems Technologies, Inc.	Mount Laurel Twp.	SV	18	0	JTF	237,500	505,000
Township of Hainesport (Former Hardware/Industrial Tool)	Hainesport Twp.	SR	0	0	HSM	48,942	48,942
Township of Riverside (Mortland Auto Body)	Riverside Twp.	SR	0	0	HSM	2,058	2,058
Township of Riverside (Riverside Metal Site/Golden Triangle)	Riverside Twp.	SR	0	0	HSM	1,912	1,912
Township of Riverside (Watchcase Tower Complex)	Riverside Twp.	SR	0	0	HSM	1,856	1,856
<u>Camden County</u>							
Borough of Merchantville (Merchantville Senior Housing)	Merchantville Boro	SR	0	0	HSM	\$ 105,609	\$ 105,609
Camden Redevelopment Agency (Antrim Hardware)	Camden City	SR	0	0	HSM	11,792	11,792
Cerionx, Inc.	Camden City	RD	0	0	SBP	250,000	250,000
Charlie & Sons, LLC	Camden City	UT	0	0	UST	26,951	30,146
Cheney Associates, LLC	Gloucester Twp.	DS	6	0	BGF	94,000	235,000
City of Camden Redevelopment Authority (Former RCA Bldg.)	Camden City	SR	0	0	HSM	334,126	334,126
City of Camden (Former Consolidated Foam)	Camden City	SR	0	0	HSM	25,658	25,658
City of Gloucester City (Sewage Treatment Plant)	Gloucester City	SR	0	0	HSM	17,616	17,616
EDM Holdings, LLC	Camden City	CM	30	0	LDF	800,000	2,650,000
Grove I Partnership	Haddonfield Boro	SR	0	0	HAZ	35,629	856,668
High Speed Development, LLC	Stratford Boro	OF	3	0	BGF	40,000	160,000
Hooper Monk	Camden City	UT	0	0	UST	86,287	95,416
Masonry Preservation Group, Inc.	Merchantville Boro	CT	6	0	BGF	46,000	207,710

2005 EDA Financed Projects

<u>Applicant</u>	<u>Municipality</u>	<u>Project Type</u>	<u>Est. New Jobs</u>	<u>Const. Jobs</u>	<u>Program Type</u>	<u>EDA Assistance</u>	<u>Total Project Costs</u>
Permalith Plastics, LLC	Pennsauken Twp.	MF	0	0	BGF	\$ 102,250	\$ 533,000
R. Fanelle & Sons, Inc.	Camden City	RC	1	0	BGF	30,250	137,106
SJF CCRC, Inc.	Voorhees Twp.	NP	168	1,672	SAB	82,930,000	85,000,000
Steven J. Picot, Sr.	Bellmawr Boro	SR	0	0	HAZ	11,126	11,626
Township of Gloucester (Former Nike Missile Base)	Gloucester Twp.	SR	0	0	HSM	47,154	47,154
WDDS Enterprises, Inc.	Camden City	CM	3	0	BGF	37,500	170,000
<u>Cape May County</u>							
James Murphy	Lower Twp.	UT	0	0	UST	\$ 18,411	\$ 20,752
Nelson Rutledge	Ocean City	SR	0	0	HAZ	33,167	62,865
Nelson Rutledge	Ocean City	SR	0	0	HAZ	15,085	54,860
<u>Cumberland County</u>							
City of Bridgeton (Former Freight Depot)	Bridgeton City	SR	0	0	HSM	\$ 80,030	\$ 80,030
City of Bridgeton (Former Seibel & Stern, Inc.)	Bridgeton City	SR	0	0	HSM	73,100	73,100
City of Millville (Millville Airport Ind. Park)	Millville City	SR	0	0	HSM	17,213	17,213
City of Millville (Spinelli Brothers Trucking Co.)	Millville City	SR	0	0	HSM	6,565	6,565
Genesis Land Holdings, LLC & DuBell Lumber Co.	Millville City	MF	48	93	SAB	4,325,800	4,415,800
J & N Associates	Vineland City	SR	0	0	HAZ	19,184	36,169
Samuel Coraluzzo Co., Inc.	Vineland City	TP	10	0	BGF	125,000	617,282
Tad Coleman	Bridgeton City	UT	0	0	UST	34,250	38,175
Tad Coleman	Bridgeton City	UT	0	0	UST	44,898	49,888
Tri-County Community Action Agency, Inc.	Bridgeton City	NP	0	0	LDF	162,500	650,000
<u>Essex County</u>							
CRL Properties, LLC	Cedar Grove Twp.	DS	7	0	SLP	\$ 500,000	\$ 261,1000
Cerebral Palsy of North Jersey	Livingston Twp.	NP	39	0	SAB	5,900,000	6,969,000
City of Newark	Newark City	CM	9	2,081	SAB	7,900,000	108,247,326
David Clattenburg	Newark City	UT	0	0	UST	48,549	53,904
Housing & Neighborhood Development Services, Inc	Orange City	NP	65	0	CED	50,000	530,000
J&D Auto Service, Inc.	East Orange City	UT	0	0	UST	154,489	170,438
James E. Godwin	Newark City	UT	0	0	UST	67,334	74,567
Louis Alfano	Montclair Town	UT	0	0	UST	55,797	61,877
Luis Properties, LLC	Newark City	SR	0	0	HAZ	38,937	143,765
Marine Container Services, Inc.	Newark City	TP	8	0	BGF	85,500	380,000
Michael de Groot	East Orange City	UT	0	0	UST	224,172	247,089
NICLISH, LLC	West Orange Town	MF	8	0	BGF	108,750	440,000
New Jersey Headwear Corp.	Newark City	MF	25	0	BGF	36,000	185,835
Newark City (Former AntiHydro & United Railroad)	Newark City	SR	0	0	HSM	97,056	97,056
ORFAC Property Mgt., LLC	Newark City	CM	3	0	SLP	350,000	1,430,000
Opportunity Project, Inc.	Millburn Twp.	NP	2	0	SAB	2,000,000	2,045,000
Rockland Corp.	West Caldwell Boro	SR	0	0	HAZ	445,690	445,690
Roseville Tool & Manufacturing Corp.	Livingston Twp.	MF	0	0	BGF	102,500	457,218
Segear's Gulf	Irvington Twp.	UT	0	0	UST	180,941	199,535
Silicon Wafer Technologies, Inc.	Newark City	RD	0	0	SBP	250,000	250,000
St. Philips Academy, Newark Inc.	Newark City	NP	6	376	SAB	11,285,000	16,967,774
Supertron Technologies, Inc.	Newark City	RD	0	0	SBP	250,000	250,000
The First Occupational Center of NJ	Bloomfield Town	NP	27	0	SAB	1,131,000	1,170,000
Uncommon Schools, Inc.	Newark City	NP	1	0	SAB	675,000	1,127,500
<u>Gloucester County</u>							
Bestway Gas and Auto Repair Borough of Glassboro	Deptford Twp.	UT	0	0	UST	\$ 175,565	\$ 193,621
(Bill's Auto Radiator Service)	Glassboro Boro	SR	0	0	HSM	39,858	39,858
Borough of Glassboro (Glassboro Sewing Factory)	Glassboro Boro	SR	0	0	HSM	4,350	4,350

2005 EDA Financed Projects

<u>Applicant</u>	<u>Municipality</u>	<u>Project Type</u>	<u>Est. New Jobs</u>	<u>Const. Jobs</u>	<u>Program Type</u>	<u>EDA Assistance</u>	<u>Total Project Costs</u>
Borough of Glassboro (Terwin Auto Center)	Glassboro Boro	SR	0	0	HSM	\$ 39,858	\$ 39,858
Daniel Abbate	Newfield Boro	UT	0	0	UST	587,200	646,420
JEC Real Estate Associates, LLC	Washington Twp.	CT	20	0	BGF	450,000	1,213,500
Sahara Sand, Inc.	Monroe Twp.	MF	4	0	SAB	2,000,000	2,000,000
South Jersey Water Test, LLC	Monroe Twp.	RD	5	0	BGF	116,000	246,750
<u>Hudson County</u>							
Amity Street Holdings Co., LLC	Jersey City	WS	0	16	SLP	\$ 500,000	\$ 3,773,000
Bayonne Family YMCA	Bayonne City	NP	4	203	SAB	1,300,000	7,671,180
Boys & Girls Clubs of Hudson County, Inc.	Jersey City	NP	7	0	SAB	550,000	565,000
Fleet Parts and Service, Inc.	Kearny Town	DS	8	0	SLP	187,500	756,250
Gaetano Pagnozzi	North Bergen Twp.	UT	0	0	UST	55,822	61,904
George C. Knoblock, Inc.	Jersey City	UT	0	0	UST	10,330	11,863
John Wiley & Sons, Inc.	Hoboken City	MF	800	726	SFF	90,000,000	90,000,000
Laura Mody Holdings, Inc.	Jersey City	MF	35	8	SAB	2,200,000	3,725,000
Meadowlands Imports, Inc.	Kearny Town	UT	0	0	UST	42,490	47,739
NJEDA/Liberty Science Center	Jersey City	GF	25	1,846	SAB	43,825,000	108,301,000
NJEDA/Liberty Science Center	Jersey City	GF	25	1,846	SAB	39,425,000	108,301,000
Peter Quilla	Jersey City	UT	0	0	UST	174,410	192,351
SASID Properties, LLC	Bayonne City	WS	63	0	LDF	1,500,000	15,237,500
SASID Properties, LLC	Bayonne City	WS	0	0	SLP	500,000	15,237,500
Schomburg Charter School, Inc.	Jersey City	NP	5	0	SAB	5,000,000	7,507,000
Skinner Brothers	Kearny Town	UT	0	0	UST	56,042	62,146
St. Joseph's School for the Blind	Jersey City	NP	17	447	SAB	15,000,000	19,391,001
Stevens Institute of Technology	Hoboken City	UT	0	0	UST	500,000	551,000
West New York Township (Various Properties)	West New York Town	SR	0	0	HSM	78,111	78,111
<u>Mercer County</u>							
Creative Business Decisions Inc	Princeton Boro	SV	35	0	SCP	\$ 341,400	\$ 512,000
Historic Building Architects Properties, LLC	Trenton City	RD	4	0	BGF	40,000	160,000
L & F Properties, a NJ Partnership	Trenton City	NP	5	31	SLP	260,000	1,300,000
Princely, LLC	Trenton City	MF	20	0	LDF	350,000	1,759,000
Princeton Day School, Inc.	Princeton Twp.	NP	3	553	SAB	12,400,000	22,676,250
Princeton University	Princeton Boro	UT	0	0	UST	259,541	286,495
The Pennington School	Pennington Boro	NP	1	0	SAB	7,500,000	10,786,363
TheraGen, Inc.	East Windsor Twp.	MF	65	60	SAB	3,500,000	9,900,000
<u>Middlesex County</u>							
A&B Service	Woodbridge Twp.	UT	0	0	UST	\$ 34,917	\$ 38,909
Artmacher, LLC	New Brunswick City	MF	10	10	SAB	2,085,000	5,085,300
Bareweb, Inc.	Woodbridge Twp.	RT	40	0	BGF	62,500	277,778
Broadway Kleer-Guard Corp.	Edison Twp.	MF	20	0	BGF	75,000	306,000
Capitol Ornamental Concrete Specialties, Inc.	South Amboy City	MF	16	27	SAB	3,950,000	8,193,200
City of Perth Amboy Redevelopment (1027 State Street)	Perth Amboy City	SR	0	0	HSM	35,483	35,483
City of South Amboy (Lower Broadway Redevelopment)	South Amboy City	SR	0	0	HSM	117,942	117,942
Diocese of Metuchen (#7)	Edison Twp.	NP	2	310	SAB	6,493,412	12,589,469
Diogenes Mata & Silfredo Mora	Perth Amboy City	UT	0	0	UST	94,155	104,071
Donald & Eleanor Ubry	Highland Park Boro	UT	0	0	UST	9,320	10,752
Dunellen Borough (The Strip Joint, Inc.)	Dunellen Boro	SR	0	0	HSM	56,160	56,160
Glenn Axelrod	Piscataway Twp.	UT	0	0	UST	191,880	211,568
Jewish Renaissance Medical Center, Inc.	Perth Amboy City	NP	100	0	CED	50,000	509,644
Mamatha Realty, LLC	New Brunswick City	CM	12	0	BGF	150,000	600,000
Pro Tapes & Specialties, Inc.	Edison Twp.	MF	5	0	SLP	98,542	1,390,000
Township of East Brunswick (Former Middlesex Bus Co.)	East Brunswick Twp.	SR	0	0	HSM	134,057	134,057

2005 EDA Financed Projects

<u>Applicant</u>	<u>Municipality</u>	<u>Project Type</u>	<u>Est. New Jobs</u>	<u>Const. Jobs</u>	<u>Program Type</u>	<u>EDA Assistance</u>	<u>Total Project Costs</u>
William T. McElarney	New Brunswick City	UT	0	0	UST	\$ 85,478	\$ 94,526
Zendaki's Foreign & American Auto Repairs, LLC	New Brunswick City	UT	0	0	UST	81,905	90,596
<u>Monmouth County</u>							
1703 Valley Road, LLC	Ocean Twp.	WS	11	0	SLP	\$ 400,000	\$ 2,014,000
Applicad, Inc.	Farmingdale Boro	MF	5	0	BGF	40,750	252,768
Borough of Neptune City (Former East Coast Ice Co.)	Neptune City Boro	SR	0	0	HSM	6,000	6,000
CCPD, LLC	Farmingdale Boro	MF	20	0	BGF	568,500	1,152,462
Center For Aging, Inc.	Freehold Twp.	NP	20	908	SAB	38,740,000	41,000,000
City of Asbury Park (28 various sites)	Asbury Park City	SR	0	0	HSM	43,044	48,213
Dean Technology, Inc.	Farmingdale Boro	MF	0	0	BGF	100,000	203,750
Epiphany House, Inc.	Neptune Twp.	NP	29	0	SAB	2,985,000	4,184,905
James Gambacorto	Red Bank Boro	UT	0	0	UST	530,000	583,500
Monmouth University	West Long Branch Boro	UT	0	0	UST	372,790	411,069
Premier Graphics, Inc.	Atlantic Highlands Boro	MF	5	0	SLP	421,250	1,686,750
SEARCH Day Program	Ocean Twp.	NP	8	106	SAB	4,500,000	4,500,000
Sil-Kemp Concrete, Inc.	Millstone Twp.	MF	10	0	SAB	4,925,000	8,000,000
<u>Morris County</u>							
Alan Price	Boonton Twp.	UT	0	0	UST	\$ 29,570	\$ 33,027
Borough of Florham Park (Onorato Construction Yard)	Florham Park Boro	SR	0	0	HSM	83,061	83,061
Jay Ellis	Morristown Town	UT	0	0	UST	132,772	146,549
Longo Investments, LLC & Longo Linden Investments, LLC	Wharton Boro	SV	7	0	SLP	1,538,300	4,426,063
New Jersey Natural Gas Co.	Various	EX	0	40	SAB	15,000,000	15,000,000
Nutra-Med Packaging, Inc.	Rockaway Boro	MF	10	0	BGF	36,500	163,063
Randolph Township (E.A. Porter)	Randolph Twp.	SR	0	0	HSM	15,229	227,451
The Darcy School	Chatham Twp.	NP	7	23	SAB	5,000,000	8,039,500
The Order of St. Benedict of NJ	Morris Twp.	NP	2	456	SAB	17,870,000	18,055,000
The Peck School	Morristown Town	NP	2	469	SAB	13,000,000	18,061,839
Unette Corp.	Wharton Boro	MF	10	0	BGF	375,000	1,525,000
<u>Ocean County</u>							
Bais Rivka Rochel, Inc.	Lakewood Twp.	NP	4	60	SAB	\$ 13,200,000	\$ 13,861,250
Borough of Point Pleasant (Sea Coast Oil Property)	Point Pleasant Beach Boro	SR	0	0	HSM	24,546	24,546
Silvi Concrete of Brick, Inc.	Brick Twp.	MF	4	0	SAB	3,075,000	3,075,000
<u>Passaic County</u>							
Coral Dyeing & Finishing Corp.	Paterson City	MF	7	0	BGF	\$ 75,000	\$ 450,000
Descon Investments, LLC	Paterson City	MF	0	0	BGF	360,000	1,800,000
EMI Edge, LLC	Totowa Boro	MF	15	12	SAB	3,000,000	5,983,000
Festival Ice Cream Corp./Malex Associates, LLC	Paterson City	WS	5	6	SLP	400,000	2,002,500
Festival Ice Cream Corp./Malex Associates, LLC	Paterson City	WS	0	0	SLP	50,000	2,002,500
Fouad Nouri	Paterson City	UT	0	0	UST	54,928	60,921
Jet Precision Metal, Inc.	Hawthorne Boro	MF	0	0	BGF	78,500	555,556
Jet Precision Metal, Inc.	Hawthorne Boro	MF	0	0	BGF	80,000	320,000
Joseph Barone	Paterson City	UT	0	0	UST	60,866	67,453
Katherine Stratos	Paterson City	UT	0	0	UST	88,939	98,333
Lois Eng	Clifton City	UT	0	0	UST	32,681	36,449
Mental Health Clinic of Passaic, a NJ Corp.	Passaic City	OF	0	0	SLP	143,750	583,500
Paterson City (Leader Dye & Finishing Co.)	Paterson City	SR	0	0	HSM	3,630	3,630
Paterson Community Health Center, Inc.	Paterson City	NP	12	225	SAB	6,500,000	9,737,218
Romnics Realty, Inc.	Paterson City	MF	19	69	SAB	2,100,000	2,810,000
Tyten I, LLC	Paterson City	CM	3	0	SLP	117,000	595,000
William Pohlman, Jr.	Paterson City	UT	0	0	UST	30,447	33,992

2005 EDA Financed Projects

<u>Applicant</u>	<u>Municipality</u>	<u>Project Type</u>	<u>Est. New Jobs</u>	<u>Const. Jobs</u>	<u>Program Type</u>	<u>EDA Assistance</u>	<u>Total Project Costs</u>
<u>Salem County</u>							
City of Salem (Tri-County Oil Co.)	Salem City	SR	0	0	HSM	\$ 71,213	\$ 71,213
<u>Somerset County</u>							
Bridgewater Resources, Inc.	Bridgewater Twp.	EX	4	49	SAB	\$ 1,848,636	\$ 1,848,636
Cellco Partnership d/b/a Verizon Wireless	Bedminster Twp.	SV	523	0	SFF	32,679,392	102,280,000
David Lebelt	Somerville Boro	UT	0	0	UST	90,177	99,695
Somerset Hills YMCA	Bernards Twp.	NP	4	142	SAB	3,000,000	4,798,079
Somerset Valley YMCA	Various	NP	3	0	SAB	2,950,000	3,200,000
<u>Sussex County</u>							
Hopatcong Auto Service	Hopatcong Boro	UT	0	0	UST	\$ 114,938	\$ 126,932
Metropolitan YMCA of the Oranges	Hardyston Twp.	NP	8	0	SAB	5,500,000	7,540,000
Pro-Med, Inc.	Sandyston Twp.	MF	0	0	BGF	46,250	252,188
Wallkill Valley First Aid Squad	Franklin Boro	UT	0	0	UST	8,905	10,296
<u>Union County</u>							
1413 Chappan, LLC	Hillside Twp.	DS	12	0	LDF	\$ 300,000	\$ 2,187,500
Bush Properties, LLC	Roselle Boro	TP	16	0	BGF	404,500	809,000
Cameo Hillside, LLC	Hillside Twp.	MF	12	3	SLP	198,000	1,010,000
City of Linden (United Lacquer)	Linden City	SR	0	0	HSM	17,152	17,152
Egenolf Early Childhood Center Assn. of Elizabeth NJ	Elizabeth City	NP	9	81	SAB	2,475,000	3,310,000
Elizabeth Development Co. of NJ	Elizabeth City	NP	15	46	CED	500,000	2,134,372
Hillside Township (6-8 Hoffman Place)	Hillside Twp.	SR	0	0	HSM	39,875	39,875
Michael Mango	Plainfield City	UT	0	0	UST	21,235	23,859
Peter A. Drobach Co.	Union Twp.	SR	0	0	HAZ	250,000	285,700
Quality Tune & Lube Plus, Inc.	Elizabeth City	UT	0	0	UST	21,820	24,502
SPCI Realty, LLC	Elizabeth City	MF	37	6	SAB	3,482,500	4,880,000
SPCI Realty, LLC	Elizabeth City	MF	37	6	LDF	750,000	4,880,000
Stan Melillo	Union Twp.	UT	0	0	UST	35,260	39,286
Township of Hillside (1332 Liberty Ave.)	Hillside Twp.	SR	0	0	HSM	41,660	41,660
Vogel Bus Company, Inc.	Roselle Boro	TP	5	0	BGF	63,750	284,893
YWCA of Central NJ, Inc.	Plainfield City	NP	15	70	SAB	1,375,000	3,053,067
YMCA of Westfield, NJ	Westfield Town	NP	2	47	SAB	4,000,000	4,000,000
<u>Warren County</u>							
Bruce Frey	Phillipsburg Town	SV	3	0	BGF	\$ 72,500	\$ 428,163
Flexco Microwave, Inc.	Mansfield Twp.	SR	0	0	HAZ	491,417	937,705
<u>Various</u>							
Lehman Brothers, Inc. & Aurora Loan Services, Inc.	Various	SV	420	639	SFF	\$ 49,800,000	\$ 62,050,000

Project Type Key:

CM - Commercial	RC - Recycling
CT - Construction Trade	RD - Research & Development
DS - Distribution	RT - Retail
EX - Exempt Public Facility	SR - Site Remediation
GF - Government Facility	SV - Services
MF - Manufacturing	TP - Transportation
NP - Not-for-Profit	UT - Underground Storage Tank
OF - Office Facility	WS - Wholesale

Program Type Key:

BGF - NJ Business Growth Fund
 CED - Fund for Community Economic Development
 HAZ - Hazardous Discharge Site Remediation - Private
 HSM - Hazardous Discharge Site Remediation - Municipal
 JTF - New Jersey Technology Fund
 LDF - Local Development Financing Fund
 SAB - Stand Alone Bond
 SBP - Springboard Fund
 SCP - Seed Capital Program
 SFF - Structured Financing Program
 SLP - Statewide Loan Pool for Business
 UST - Underground Storage Tank - Private

2005 Executed Business Employment Incentive Program Grants

<u>Company Name</u>	<u>Award Pct.</u>	<u>Grant Term</u>	<u>Est. New Jobs</u>	<u>Est. Grant Total</u>	<u>Project Costs</u>	<u>Project Location</u>
ACS State Healthcare, LLC & ACS Enterprise Solutions, Inc.	80%	7	278	\$1,089,760	\$8,515,000	Hamilton Twp.
Amdocs, Inc.	80%	10	60	933,900	1,500,000	Jersey City
American Bank Note Holographics, Inc.	55%	10	110	863,940	10,000,000	Washington Twp.
Antenna Software, Inc.	80%	10	20	437,120	850,000	Jersey City
Aurora Loan Services, Inc. & Lehman Brothers Holdings, Inc.	65%	10	210	1,273,390	7,910,000	Florham Park Boro
Bamboo Abbott Inc. d/b/a Prestige Window	50%	10	250	257,813	692,000	Perth Amboy City
Bank of Tokyo-Mitsubishi, Ltd.	80%	10	124	4,353,888	580,000	Jersey City
BRIDOR USA	75%	10	82	190,650	17,500,000	Vineland City
Celgene Corporation	80%	10	600	6,086,250	35,000,000	Summit City
Citigroup Global Markets, Inc.	80%	10	2,150	57,224,400	80,000,000	Warren Twp.
Collins Stewart Tullett Holdings, Inc.	80%	10	105	7,959	25,908,450	Jersey City
Comag Marketing Group, LLC	60%	10	90	1,796,580	524,000	Princeton Boro
Cuisine Innovations, LLC & Bon Appetizers	80%	10	106	320,385	2,150,000	Lakewood Twp.
Dava Pharmaceuticals, Inc.	70%	10	40	931,560	170,000	Fort Lee Boro
Direct Group, LLC and MCR Direct Mail, LLC	75%	10	630	1,904	3,125,000	Swedesboro Boro
Eastern Research, Inc.	60%	10	68	743,104	14,312,500	Moorestown Twp.
Equity One, Inc. and Popular Inc. Equity	80%	10	120	470,400	12,457,768	Cherry Hill Twp.
Galaxy, Inc.	70%	7	150	503,164	500,000	Hackensack City
Government Employees Insurance Co.	50%	3	150	706,050	1,500,000	Evesham Twp.
Harte-Hanks Teleservices	75%	10	75	164,531	1,050,000	Pennsauken Twp.
Home Decor Products, Inc.	40%	10	48	150,624	1,600,000	Sparta Twp.
Infragistics, Inc.	50%	10	12	69,150	609,456	East Windsor Twp.
Juvent, Inc.	45%	7	20	108,290	350,000	Franklin Twp.
LEHMAN BROTHERS INC.	60%	10	50	665,550	52,925,000	Cranford Twp.
Lundbeck, Inc.	50%	10	42	726,713	60,000	Paramus Boro
Medico Graphic Services, Inc.	70%	10	34	75,361	100,000	Jersey City
Merlin Industries, Inc.	45%	10	76	58,500	3,500,000	Hamilton Twp.
Metrologic Instruments, Inc.	45%	10	42	75,600	62,500	Gloucester Twp.
MRS Associates, Inc.	55%	10	200	443,300	400,000	Cherry Hill Twp.
NPS Pharmaceuticals, Inc.	20%	10	100	4,371,200	2,000,000	Parsippany-Troy Hills Twp.
SG Americas Operational Services Inc./ SG Americas Securities, LLC	80%	10	350	10,088,400	14,101,200	Jersey City
Sony BMG Music Entertainment	70%	10	304	2,867,480	5,000,000	Lyndhurst Twp.
Sun Chemical Corporation	55%	10	30	286,860	8,797,470	Parsippany-Troy Hills Twp.
Tribeca Oven, Inc.	45%	10	100	122,500	800,000	Carlstadt Boro
Verizon Communications, Inc., et al	50%	10	1,755	63,882,000	180,000,000	Bernards Twp.
Victory Worldwide Transportation, Inc.	50%	10	43	257,140	2,673,800	South Brunswick Twp.
Zimmer Trabecular Metal Technology, Inc.	55%	10	100	408,675	17,787,000	Parsippany-Troy Hills Twp.

2005 Technology Business Tax Certificate Transfer Approvals

County: Atlantic

Airtrax, Inc.	Blackwood
GeneLink, Inc.	Margate
Immunogenetics, Inc.	Buena

County: Bergen

AT Information Products, Inc.	Mahwah
Automated Media Services, Inc.	Allendale
DOBI Medical Systems	Mahwah
DOV Pharmaceutical, Inc.	Hackensack
DVTel, Inc.	Ridgefield Park
EI3 Corporation	Montvale
Elcom Technologies, Inc.	Rockleigh
Elite Laboratories, Inc.	Northvale
EpiCept Corporation	Englewood Cliffs
Everest Broadband Networks, Inc.	Ft. Lee
Fifth Generation Computer Corp.	River Edge
Flash Networks, Inc.	Lyndhurst
GoAmerica Communications Corp.	Hackensack
Infocrossing, Inc.	Leonia
Intercure, Inc.	Fort Lee
Izar Associates, Inc.	Saddle Brook
Memory Pharmaceuticals Corp.	Montvale
Mikronite Technologies Inc.	Carlstadt
NoFire Technologies, Inc.	Upper Saddle River
NuVim, Inc.	Paramus
Ong Corporation	Hackensack
Passport Corporation	Montvale
Tetragenex Pharmaceuticals (f/k/a Innapharma, Inc)	Park Ridge
Vyteris, Inc.	Fair Lawn
Whale Communications, Inc.	Fort Lee

County: Burlington

Formation, Inc.	Moorestown
Front Porch Digital, Inc.	Mount Laurel
ImpactRX, Inc.	Mount Laurel
Inventa Technologies, Inc.	Mount Laurel
Iridian Technologies, Inc.	Moorestown
Lamina Ceramics, Inc.	Westhampton
PMI Imaging Systems, Inc.	Mount Laurel
Sensar, Inc.	Moorestown
WorldScape Inc.	Marlton

County: Camden

Advanced Logic Systems, Inc.	Camden
Cerionx, Inc.	Pennsauken
EP Medsystems, Inc.	West Berlin
ProCath Corporation	West Berlin
Science Dynamics Corporation	Pennsauken
Smarter Agent, Inc.	Camden

2005 Technology Business Tax Certificate Transfer Approvals

County: Cumberland

Camanco Communications, Inc.	Millville
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County: Essex

Alfacell Corporation	Bloomfield
Astralis, Ltd.	Fairfield
BioDelivery Sciences International, Inc.	Newark
Columbia Laboratories, Inc.	Livingston
Evident Software, Inc. (f/k/a Apogee Networks, Inc.)	Bloomfield
Great American Technologies, Inc.	Newark
Supertron Technologies, Inc.	Newark
SynData Technologies, Inc.	Verona
Timecruiser Computing Corp.	Fairfield
Trey Resources, Inc.	Livingston
Unigene Laboratories, Inc.	Fairfield

County: Gloucester

Akers Biosciences, Inc. (Akers Laboratories, Inc.)	Thorofare
MGM Computer Systems, Inc.	Woodbury

County: Hudson

AlgoRx Pharmaceuticals, Inc.	Secaucus
Antenna Software Inc.	Jersey City
Lemur Networks, Inc.	Jersey City
Paperlink.com	Jersey City
Plasmion Corporation	Hoboken
StructuredWeb, Inc.	Secaucus
Visible Tech-Knowledge, Inc.	Hoboken

County: Hunterdon

Magnolia Broadband, Inc.	Clinton
NovaDel Pharma, Inc. (f/k/a Flemington Pharmaceutical)	Flemington

County: Mercer

Albridge Solutions, Inc. (StatementOne, Inc.)	Lawrenceville
Alphion Corporation	Princeton Junction
Automated Threat Detection, Inc.	Princeton Boro
Barrier Therapeutics, Inc.	Princeton
Bullrun Financial, Inc.	Hamilton
CareGain, Inc.	East Windsor
Compliance & Ethics Learning Solutions (d/b/a Midi)	Princeton
Cytogen Corporation	Princeton Boro
Digital 5, Inc.	Lawrence
Eduneering Holdings, Inc.	Princeton
Energy Photovoltaics, Inc.	Lawrenceville
ExpertPlan, Inc.	East Windsor
ExSar Corporation	Princeton

2005 Technology Business Tax Certificate Transfer Approvals

County: Mercer

Global Photonic Energy Corporation	Ewing
Gynetics Inc.	Lawrenceville
Invidi Technologies Corp.	Princeton
Laser Energetics, Inc.	Mercerville
Lavipharm Laboratories, Inc.	East Windsor
Lexicon Pharmaceuticals(New Jersey), Inc.	Princeton
Maloy Risk Services, Inc. (f/k/a InsureHiTech, Inc.)	Princeton Boro
Medeikon Corporation	Ewing
MGI OM, Inc. (f/k/a Aesgen, Inc.)	Princeton
NexMed (USA), Inc.	Robbinsville
Ocean Power Technologies, Inc.	Pennington
Orchid BioSciences, Inc.	Princeton
PD-LD	Pennington
Princeton eCom Corporation	Princeton
Princeton Optronics, Inc.	Princeton
Restricted Stock Systems, Inc.	Princeton
Shining Surface Systems, Inc.	Ewing
UDC, Inc.	Ewing
Valaran Corporation	Princeton
VectraMed, Inc.	Princeton
Vela Pharmaceuticals, Inc.	Ewing
Voxware, Inc.	Lawrenceville
WorldWater Corp.	Pennington

County: Middlesex

Access Bio, Inc.	Monmouth Junction
Amicus Therapeutics, Inc.	North Brunswick
Antyra, Inc. (f/k/a DGI Biotechnologies, Inc.)	Edison
Biomira USA, Inc.	Cranbury
Blacklight Power, Inc.	Cranbury
Cape Systems Group (f/k/a Vertex Industries, Inc.)	South Plainfield
China Quantum Communications, Inc.	Iselin
Chiral Quest, Inc. (f/k/a CQ Acquisition, Inc.)	South Brunswick
Corente, Inc.	East Brunswick
CyberPath, Inc.	Piscataway
Innovative Photonic Solutions	South Brunswick
Inplane Photonics, Inc.	South Plainfield
Ion Networks, Inc.	South Plainfield
KIRUSA, Inc.	Edison
Knite, Inc.	South Brunswick
Kodeos Communications, Inc.	South Plainfield
Linguagen Corp.	Cranbury
Mark Lighting Fixture Co., Inc	Edison
mFormation Technologies, Inc.	Edison
Microdose Technologies, Inc.	Monmouth Junction
Morphochem, Inc.	South Brunswick
Navisys, Inc.	Edison
NetForensics, Inc.	Edison
Niksun, Inc.	South Brunswick

2005 Technology Business Tax Certificate Transfer Approvals

County: Middlesex

Outercurve Technologies, Inc.	Iselin
PacificHealth Laboratories, Inc.	Matawan
Palatin Technologies, Inc.	Cranbury
PChem Associates, Inc.	South Brunswick
Pharmacoepia Drug Discovery, Inc.	Cranbury
PharmaSeq, Inc.	South Brunswick
Pharmos Corporation	Iselin
Phytomedics, Inc.	South Brunswick
Polymerix Corporation	Piscataway
Premier Specialties Inc.	Middlesex
Princeton Lightwave, Inc.	Cranbury
Provid Pharmaceuticals, Inc.	North Brunswick
PTC Therapeutics, Inc.	South Plainfield
Red Sky Systems, Inc.	South Plainfield
Semorex, Inc.	North Brunswick
Signum Biosciences, Inc.	South Brunswick
Songbird Hearing, Inc.	Cranbury
Synergy Pharmaceuticals, Inc.	Monmouth Junction
Tacit Networks, Inc.	South Plainfield
Time and Cross, Inc.	North Brunswick
Transave, Inc.	South Brunswick
Vonage Holdings Corporation	Edison
WPT, Inc.	Edison
Xechem International, Inc.	New Brunswick
Xechem, Inc.	New Brunswick
Xenogen Biosciences Corporation	Cranbury

County: Monmouth

Coates International, Ltd.	Wall
Coates Motorcycle Company, Ltd.	Wall
Excom, Inc.	Holmdel
Golden Bridge Technology, Inc.	Long Branch
iVoice, Inc.	Matawan
Jedai Broadband Networks, Inc.	Oakhurst
Millennium Cell, Inc.	Eatontown
Mobicom Corporation	Holmdel
Prominence Networks, Inc.	Holmdel
QMed, Inc.	Eatontown
Ranch Networks, Inc.	Marlboro
Software Synergy, Inc.	Manalapan
Storage Engine, Inc. (f/k/a ECCS)	Tinton Falls
SyntheMed, Inc. (f/k/a Life Medical Sciences, Inc.)	Oceanport
UReach Technologies, Inc.	Holmdel
VPISystems Corporation	Holmdel

County: Morris

Advanced Biomaterial Systems, Inc.(Immeica,Inc.)	Chatham
Alteon, Inc.	Parsippany
Cirqit.com, Inc.	Whippany

2005 Technology Business Tax Certificate Transfer Approvals

County: Morris

CyberShift, Inc.	Parsippany
Deltronic Crystal Industries, Inc.	Dover
Diopsys, Inc.	Pine Brook
dynamicsoft, Inc.	Parsippany
EluSys Therapeutics, Inc.	Pine Brook
Immunomedics, Inc.	Morris Plains
Inntra, Inc.	Parsippany
Logical Design Solutions, Inc.	Morristown
Magnitude, Inc.	Chester
Multispectral Imaging, Inc.	Parsippany
Omnipoint Communications, Inc.	Parsippany
PanHealth, Inc.	East Hanover
Scantek Medical, Inc.	Cedar Knolls
Sela2, Inc.	Morris Plains

County: Passaic

American Beryllia, Inc.	Haskell
Audible, Inc.	Wayne
Cardinal Components, Inc.	Wayne
Cieos, Inc.	Totowa
Global Safety Surveillance, Inc. (d/b/a Sentrax, Inc.)	Little Falls
PPI/Time Zero, Inc.	Paterson
Utz Technologies, Inc.	Clifton

County: Somerset

Amplidyne, Inc.	Raritan
Conolog Corporation	Somerville
Dynamic Mobile Data Systems, Inc.	Somerset
Enzon, Inc.	Bridgewater
InMat, Inc.	Hillsborough
Juvent, Inc.	Somerset
Leapstone Systems, Inc.	Somerset
Lumeta Corporation	Somerset
Millennium Biotechnologies, Inc.	Basking Ridge
NanoOpto Corporation	Somerset
Parelelec, Inc.	Rocky Hill
Quantum AI Corporation	Somerset

County: Sussex

Tymac Controls Corporation	Franklin
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County: Union

AuthX, Inc.	Westfield
Avotus, Inc. (Formity Systems, Inc.)	Murray Hill
Genta, Inc.	Berkley Heights
Interferon Sciences, Inc.	Scotch Plains
Quick Tel, Inc.	Elizabeth