



SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Basic Financial Statements and
Management's Discussion and Analysis

June 30, 2015 and 2014

(With Independent Auditors' Report Thereon)

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Table of Contents

	Page
Independent Auditors' Report	1
Management's Discussion and Analysis (Unaudited)	3
Basic Financial Statements:	
Statements of Net Position as of June 30, 2015 and 2014	9
Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2015 and 2014	10
Statements of Cash Flows for the years ended June 30, 2015 and 2014	11
Notes to Financial Statements	12



KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

Independent Auditors' Report

The Board of Directors
South Jersey Technology Park at Rowan University, Inc.:

We have audited the accompanying financial statements of South Jersey Technology Park at Rowan University, Inc. (SJTP), a component unit of Rowan University, as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise SJTP's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Jersey Technology Park at Rowan University, Inc. as of June 30, 2015 and 2014, and the changes in its financial position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

November 10, 2015

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Management's Discussion and Analysis (Unaudited)

June 30, 2015 and 2014

Introduction

This section of South Jersey Technology Park at Rowan University, Inc.'s (SJTP) financial statements presents our discussion and analysis of SJTP's financial performance during the fiscal years that ended on June 30, 2015 and 2014, and comparative amounts for the year ended June 30, 2013. Since this discussion and analysis is designed to focus on current activities, it should be read in conjunction with SJTP's basic financial statements, which follow this section.

Basic Financial Statements

SJTP's basic financial statements include three financial statements: Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; and Statements of Cash Flows, which have been prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). These statements present SJTP's operations and focus on its assets, liabilities, revenues, expenses and cash flows on an entity-wide basis. The basic financial statements also include notes to the financial statements.

Statements of Net Position

The Statements of Net Position present the assets, liabilities, and net position of SJTP as of the end of the fiscal year. The Statements of Net Position are point of time financial statements. The purpose of the Statements of Net Position is to present to the readers of the financial statements a fiscal snapshot of SJTP. The Statements of Net Position present end-of-the-year data concerning assets (current and noncurrent), liabilities (current and noncurrent), and net position (assets minus liabilities).

Net position is one indicator of the current financial condition of SJTP while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

From the data presented, readers of the Statements of Net Position are able to determine the assets available to continue the operations of SJTP. They are also able to determine how much SJTP owes vendors, investors and lending institutions. Finally, the Statements of Net Position provide a picture of the net position (assets minus liabilities) and their availability for expenditure by SJTP.

Net position of SJTP is divided into two major categories. The first category, net investment in capital assets provides SJTP's equity in the property, plant and equipment owned by SJTP. The second category is unrestricted net position. Unrestricted net position is available to SJTP for any lawful purpose of SJTP.

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Management's Discussion and Analysis (Unaudited)

June 30, 2015 and 2014

A summary of SJTP's assets, liabilities, and net position as of June 30, 2015, 2014, and 2013 is as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
		(In thousands)	
Current assets	\$ 1,376	1,286	1,313
Capital assets	10,867	11,234	11,601
Total assets	<u>12,243</u>	<u>12,520</u>	<u>12,914</u>
Current liabilities	232	217	220
Noncurrent liabilities	5,145	5,329	5,509
Total liabilities	<u>5,377</u>	<u>5,546</u>	<u>5,729</u>
Net position:			
Net investment in capital assets	5,537	5,727	5,921
Unrestricted	1,329	1,246	1,264
Total net position	<u>\$ 6,866</u>	<u>6,973</u>	<u>7,185</u>

Current assets consist of cash and cash equivalents and receivables and other assets. Noncurrent assets consist of capital assets. Current liabilities consist of accounts payable and accrued expenses, accrued interest payable, and the current portion of long term debt; noncurrent liabilities consist of long term debt payable.

Fiscal Year 2015 Compared to Fiscal Year 2014

The increase in current assets is attributed to an increase of \$104,893 in receivables and other assets, offset by a decrease of \$13,840 in cash and cash equivalents. Capital assets decreased \$367,436 due to depreciation. There were no current year capital additions.

The increase in current liabilities is due to an increase of \$8,921 in accounts payable and accrued expenses along with an increase of \$6,322 in long-term debt – current portion, offset by a decrease of \$517 in accrued interest payable.

Noncurrent liabilities decreased \$184,174 due to principal payments on long-term debt.

Total net position decreased \$106,935. Within total net position, net investment in capital assets decreased \$189,584 and unrestricted net position increased \$82,649.

Fiscal Year 2014 Compared to Fiscal Year 2013

The decrease in current assets is attributed to a decrease of \$71,934 in cash and cash equivalents, offset by an increase of \$44,946 in receivables and other assets. Capital assets decreased \$367,436 due to depreciation. There were no current year capital additions. The decrease in cash and cash equivalents was due primarily to the increased cash outflow from operating activities.

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Management's Discussion and Analysis (Unaudited)

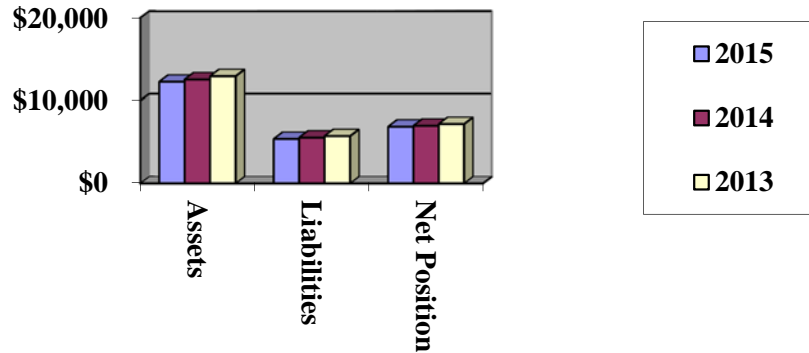
June 30, 2015 and 2014

The decrease in current liabilities is due to a decrease of \$8,700 in accounts payable and accrued expenses along with a decrease of \$493 in accrued interest payable, offset by an increase of \$6,165 in long-term debt – current portion.

Noncurrent liabilities decreased \$179,605 due to principal payments on long-term debt.

Total net position decreased \$211,791. Within total net position, net investment in capital assets decreased \$193,996 and unrestricted net position decreased \$17,795.

Summary of Statements of Net Position
For the Years Ended June 30
(In thousands)

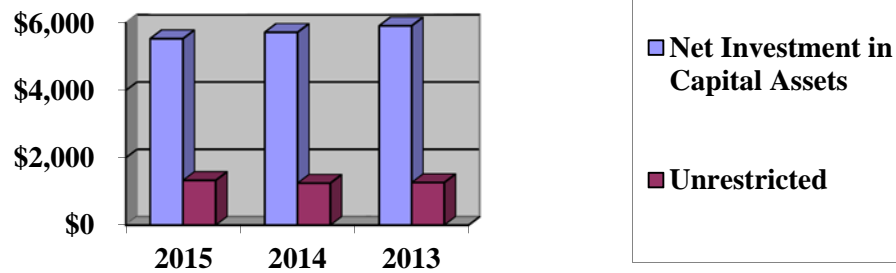


SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Management's Discussion and Analysis (Unaudited)

June 30, 2015 and 2014

**Comparative Net Position
For the Years Ended June 30
(In thousands)**



Statements of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented on the Statements of Net Position are based on the activity presented in the Statements of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues received by SJTP, both operating and nonoperating, and the expenses paid by SJTP, operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by SJTP.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of SJTP. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of SJTP. Nonoperating revenues and expenses are revenues and expenses received for which goods and services are not provided, for example, interest and dividend income, and interest expense. The Statements of Revenues, Expenses, and Changes in Net Position present SJTP's results of operations. A summary of SJTP's revenues, expenses, and Changes in Net Position for the years ended June 30, 2015, 2014, and 2013 is as follows:

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Management's Discussion and Analysis (Unaudited)

June 30, 2015 and 2014

	2015	2014	2013
	(In thousands)		
Operating revenues:			
Rental income	\$ 1,031	980	930
Other income	—	5	—
Total operating revenues	1,031	985	930
Operating expenses:			
Materials and supplies	9	6	9
Professional and other services	575	630	481
Depreciation expense	368	368	368
Total operating expenses	952	1,004	858
Operating income (loss)	79	(19)	72
Nonoperating revenues (expenses):			
Interest and dividends	3	3	3
Interest on long-term debt	(189)	(196)	(201)
Net nonoperating expenses	(186)	(193)	(198)
Decrease in net position	(107)	(212)	(126)
Net position as of beginning of year	6,973	7,185	7,311
Net position as of end of year	\$ 6,866	6,973	7,185

Fiscal Year 2015 Compared to Fiscal Year 2014

Operating revenues increased \$46,269 primarily due to an increase in rental rates. Operating expenses decreased \$52,010. Within operating expenses, materials and supplies increased \$2,773 and professional and other services decreased \$54,783.

The decrease in professional and other services expense is primarily due to a decrease in consulting expenses in the amount of \$61,051 and decreases totaling \$36,155 in marketing and legal expenses, offset by an increase of \$42,423 in repairs and other expenses.

Interest and dividends revenue increased \$304. Interest paid on the long term debt decreased \$6,273 due to the pay-down of debt.

Fiscal Year 2014 Compared to Fiscal Year 2013

Operating revenues increased \$54,657 primarily due to an increase in rental rates. Operating expenses increased \$146,378. Within operating expenses, materials and supplies decreased \$2,411 and professional and other services increased \$148,789.

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.

(A Component Unit of Rowan University)

Management's Discussion and Analysis (Unaudited)

June 30, 2015 and 2014

The increase in professional and other services expense is primarily due to an increase in consulting expenses in the amount of \$116,000 and increases totaling \$30,856 in marketing, legal, travel, and advertising expenses.

Interest and dividends revenue decreased \$185. Interest paid on the long term debt decreased \$5,953 due to the pay-down of debt.

Capital Assets and Debt Activity

SJTP owns a two story building which is leased to two tenants. The only activity for fiscal year 2015 is depreciation of \$367,436.

In fiscal year 2011, SJTP secured permanent financing of a 25 year tax-exempt bond. This was used to repay a loan from Rowan University. As of the end of fiscal year 2015, the principal amount of the bond is \$5,329,183.

Economic Outlook

The SJTP completed construction of its first building in fiscal year 2009. This building, the Samuel H. Jones Innovation Center, has been fully leased since January 1, 2010. SJTP revenues are based on rental income from the tenants of this first building. In accordance with the leases, this revenue is expected to increase modestly each year over the near future. SJTP is engaged in pre-development activities for a 100,000 square foot second building. Lease agreements are actively being negotiated with interested parties.

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Statements of Net Position

June 30, 2015 and 2014

Assets	2015	2014
Current assets:		
Cash and cash equivalents (note 2)	\$ 1,200,103	1,213,943
Receivables and other assets	<u>176,639</u>	<u>71,746</u>
Total current assets	<u>1,376,742</u>	<u>1,285,689</u>
Noncurrent assets:		
Capital assets (note 4)	<u>10,866,719</u>	<u>11,234,155</u>
Total noncurrent assets	<u>10,866,719</u>	<u>11,234,155</u>
Total assets	<u><u>\$ 12,243,461</u></u>	<u><u>12,519,844</u></u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses (note 5)	\$ 32,452	23,531
Accrued interest payable	15,321	15,838
Long-term debt – current portion (note 6)	<u>184,184</u>	<u>177,862</u>
Total current liabilities	<u>231,957</u>	<u>217,231</u>
Noncurrent liabilities:		
Long-term debt (note 6)	<u>5,144,999</u>	<u>5,329,173</u>
Total noncurrent liabilities	<u>5,144,999</u>	<u>5,329,173</u>
Total liabilities	<u><u>\$ 5,376,956</u></u>	<u><u>5,546,404</u></u>
Net Position		
Net investment in capital assets	\$ 5,537,536	5,727,120
Unrestricted	<u>1,328,969</u>	<u>1,246,320</u>
Total net position	<u><u>\$ 6,866,505</u></u>	<u><u>6,973,440</u></u>

See accompanying notes to financial statements.

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2015 and 2014

	2015	2014
Operating revenues:		
Rental income (notes 3 and 8)	\$ 1,031,414	980,432
Other income	—	4,713
Total operating revenues	1,031,414	985,145
Operating expenses:		
Materials and supplies	9,051	6,278
Professional and other services	575,537	630,320
Depreciation	367,436	367,436
Total operating expenses	952,024	1,004,034
Operating income (loss)	79,390	(18,889)
Nonoperating revenues (expenses):		
Interest and dividends	2,977	2,673
Interest on long-term debt	(189,302)	(195,575)
Net nonoperating expenses	(186,325)	(192,902)
Decrease in net position	(106,935)	(211,791)
Net position as of beginning of year, as restated	6,973,440	7,185,231
Net position as of end of year	\$ 6,866,505	6,973,440

See accompanying notes to financial statements.

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Statements of Cash Flows

Years ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Rental and other income	\$ 936,446	943,342
Payments to suppliers	(585,592)	(648,441)
Net cash provided by operating activities	350,854	294,901
Cash flows from capital and related financing activities:		
Principal payment of long-term debt	(177,852)	(173,440)
Interest paid on capital debt	(189,819)	(196,068)
Net cash used by capital and related financing activities	(367,671)	(369,508)
Cash flows from investing activities:		
Interest and dividends	2,977	2,673
Net decrease in cash and cash equivalents	(13,840)	(71,934)
Cash and cash equivalents as of beginning of the year	1,213,943	1,285,877
Cash and cash equivalents as of end of the year	\$ 1,200,103	1,213,943
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 79,390	(18,889)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	367,436	367,436
Changes in assets and liabilities:		
Receivables and other assets	(104,893)	(44,946)
Accounts payable and accrued expenses	8,921	(8,700)
Net cash provided by operating activities	\$ 350,854	294,901

See accompanying notes to financial statements.

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Notes to Financial Statements

June 30, 2015 and 2014

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

South Jersey Technology Park at Rowan University, Inc. (SJTP) was established and is being maintained as part of the educational mission of Rowan University (the University), its initial sole member. SJTP hopes to create jobs and job training and provide new and varied “hands-on” educational experiences for University students as well as combat community deterioration. The goal of SJTP is to create job opportunities and job training for the under-employed and unemployed of the South Jersey region. The members of the Board of Directors of SJTP are appointed by the Board of Trustees of the University. SJTP is considered a component unit of the University and is discretely presented in the University’s financial statements. SJTP is an organization described under Section 501(c)(3) of the Internal Revenue Code and therefore exempt from Federal income taxes under Section 501(a) of the Code.

(b) Summary of Significant Accounting Policies

Basis of Presentation

The accounting policies of SJTP conform to U.S. generally accepted accounting principles. SJTP reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements.

SJTP reports its net position in the following categories.

- *Net investment in capital assets:* Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- *Unrestricted:* Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors.

Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting utilizing the economic resources measurement focus. SJTP reports as a business-type activity, as defined by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Cash and Cash Equivalents

SJTP classifies as cash equivalents, funds that are in short-term, highly liquid investments and are readily convertible to known amounts of cash.

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Notes to Financial Statements

June 30, 2015 and 2014

Capital Assets

Capital assets consist of buildings, net of accumulated depreciation. This asset is recorded at historical cost. The costs of normal maintenance and repairs that do not add value to the asset are not capitalized. Major outlays for capital assets are capitalized as projects are constructed. Capital assets are depreciated over their estimated useful lives using the straight-line method. SJTP has estimated the useful life of its building to be forty years and renovations to the building to be twenty years.

Classification of Revenue and Expenses

SJTP's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that serve SJTP's principal purpose and generally result from exchange transactions. Examples would include rental income and expenses related to acquiring or producing goods and services provided in return for the operating revenue. Nonoperating activities have the characteristics of nonexchange transactions, such as transfers from the University and the University's component units, and interest and dividend income and interest expense.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Cash Equivalents

Custodial credit risk associated with the SJTP's cash and cash equivalents includes uninsured and uncollateralized deposits that exceed FDIC insurance coverage limits. SJTP's bank deposits as of June 30, 2015 and 2014 were partially insured by Federal Depository Insurance in the amount of \$250,000 in 2015 and 2014. SJTP's bank deposits as of June 30, 2015 and 2014 were \$1,198,729 and \$1,209,156 respectively, leaving uninsured and uncollateralized balances of \$948,729 and \$959,156.

(3) Related Party Transactions

(a) Lease Agreements

In fiscal year 2008, the University Board of Trustees approved a long-term lease agreement for the SJTP to use a parcel of land owned by the University. The lease commenced on January 1, 2008 and is for 50 years with a renewal term of 20 years. Under the lease agreement, SJTP is to pay \$1,000 each year. The rental payment of \$1,000 is included in professional and other services expenses in the accompanying statements of revenues, expenses, and changes in net position for fiscal years 2015 and 2014.

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Notes to Financial Statements

June 30, 2015 and 2014

The University Board of Trustees approved a lease agreement by and between the University and the SJTP to lease the first floor of the Samuel H. Jones Innovation Center to support its educational mission. For the years ended June 30, 2015 and 2014, SJTP recognized \$510,839 and \$504,026, respectively, in rental income related to this lease agreement. The University also reimbursed SJTP \$76,643 and \$86,088 for utility charges associated with this lease for fiscal years 2015 and 2014, respectively.

(b) Business Operating Agreement

SJTP and the University entered into a business operating agreement for the University to provide certain services and functions to SJTP. SJTP pays the University for these services and functions which include salaries and benefits of employees who perform functions for SJTP, accounting services, custodial services, repairs and maintenance, and other indirect charges. The charges amounted to \$351,256 and \$346,881 for fiscal years 2015 and 2014, respectively and are reflected in professional and other services expenses in the accompanying statements of revenues, expenses, and changes in net position.

(4) Capital Assets

The detail of capital assets activity for the years ended June 30, 2015 and 2014 follows:

<u>2015</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions/ transfers</u>	<u>Ending balance</u>
Depreciable assets:				
Buildings	\$ 13,171,269	—	—	13,171,269
Less accumulated depreciation:				
Buildings	<u>1,937,114</u>	<u>367,436</u>	<u>—</u>	<u>2,304,550</u>
Total capital assets, net	<u>\$ 11,234,155</u>	<u>(367,436)</u>	<u>—</u>	<u>10,866,719</u>
<u>2014</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions/ transfers</u>	<u>Ending balance</u>
Depreciable assets:				
Buildings	\$ 13,171,269	—	—	13,171,269
Less accumulated depreciation:				
Buildings	<u>1,569,678</u>	<u>367,436</u>	<u>—</u>	<u>1,937,114</u>
Total capital assets, net	<u>\$ 11,601,591</u>	<u>(367,436)</u>	<u>—</u>	<u>11,234,155</u>

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Notes to Financial Statements

June 30, 2015 and 2014

(5) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of June 30, 2015 and 2014:

	2015	2014
Accounts payable – vendor	\$ 32,452	23,531

(6) Long-Term Debt

In October 2010, the Gloucester County Improvement Authority (GCIA) issued a private placement bond purchased by TD Bank on behalf of SJTP in the amount of \$6,120,000. \$6,000,000 of the proceeds was used to repay SJTP debt to Rowan University. An additional \$120,000 was financed to pay costs associated with the financing. The twenty five year tax-exempt bond matures on November 1, 2035. Interest on the bond is calculated for the first ten years at a fixed rate of 3.45% per annum, except to the extent that there is a determination of taxability in which the rate shall increase to 5.0% per annum. Interest on the bond for each ten year period or portion thereof following the initial ten years of the loan shall be a rate equal to a fixed rate of TD Bank's tax exempt equivalent to the current thirty day LIBOR rate plus 350 points provided however, to the extent that the bond shall be taxable the interest rate on the bond shall be the current LIBOR rate for thirty days as of the date of determination of taxability plus 350 basis points. The interest rate on the bond shall reset every 120 months and the then current applicable LIBOR rate shall be applied.

Aggregate principal and interest repayments, using the fixed interest rate of 3.45% in effect as of June 30, 2015, required during the next five fiscal years and in five year increments thereafter are as follows as of June 30, 2015:

	Principal amount	Interest amount	Total amount
Year ending June 30:			
2016	\$ 184,184	183,486	367,670
2017	190,731	176,939	367,670
2018	197,511	170,159	367,670
2019	204,531	163,139	367,670
2020	211,801	155,869	367,670
2021 – 2025	1,177,432	660,920	1,838,352
2026 – 2030	1,402,108	436,243	1,838,351
2031 – 2035	1,669,657	168,695	1,838,352
2036	91,228	533	91,761
	\$ 5,329,183	2,115,983	7,445,166

SOUTH JERSEY TECHNOLOGY PARK AT ROWAN UNIVERSITY, INC.
(A Component Unit of Rowan University)

Notes to Financial Statements

June 30, 2015 and 2014

(7) Noncurrent Liabilities

Noncurrent liabilities activity for the years ended June 30, 2015 and 2014 was as follows:

<u>2015</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Long-term debt	\$ 5,507,035	—	177,852	5,329,183	184,184
Total noncurrent liabilities	<u>\$ 5,507,035</u>	<u>—</u>	<u>177,852</u>	<u>5,329,183</u>	<u>184,184</u>
<u>2014</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Long-term debt	\$ 5,680,475	—	173,440	5,507,035	177,862
Total noncurrent liabilities	<u>\$ 5,680,475</u>	<u>—</u>	<u>173,440</u>	<u>5,507,035</u>	<u>177,862</u>

(8) Rental Income

The SJTP leases space to two tenants under operating lease arrangements. Rowan University leases the first floor of the Samuel H. Jones Innovation Center to support its educational mission for a thirty year lease term expiring December 31, 2037. On January 1st of each year during the lease term, the annual rent is adjusted to reflect the lesser of (i) the increase in the Consumer Price Index or (ii) three percent. For the years ended June 30, 2015 and 2014, SJTP recognized \$510,839 and \$504,026, respectively, in rental income related to this lease agreement.

The second floor of the Samuel H. Jones Innovation Center is leased to another tenant for a lease term of seven years expiring December 31, 2016. The future minimum lease rentals for the noncancelable operating lease as of June 30, 2015 are as follows:

	<u>Amount</u>
Year ending June 30:	
2016	\$ 580,009
2017	<u>313,053</u>
	<u>\$ 893,062</u>