



**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A Component Unit of the State of New Jersey)**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2014**

**AND**

**INDEPENDENT AUDITORS' REPORT**



**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
**(A Component Unit of the State of New Jersey)**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Chairman and Members of the Board  
of the Casino Reinvestment Development Authority  
Atlantic City, New Jersey

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Casino Reinvestment Development Authority ("CRDA" or the "Authority"), a component unit of the State of New Jersey, as of and for the year ended December 31, 2014, and the related notes to the financial statements which collectively comprise the CRDA'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 accounting principles generally accepted in the United States of America; 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 audit. We conducted our audit 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 of material misstatement.

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

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

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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the CRDA as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as presented in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the CRDA's basic financial statements. The accompanying supplementary information, which consists of the combining and individual fund financial statements and statement of changes in fiduciary fund reserves are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information identified above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Wiss & Company*

WISS & COMPANY, LLP

Iselin, New Jersey  
March 4, 2015

## **REQUIRED SUPPLEMENTARY INFORMATION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Casino Reinvestment Development Authority's annual financial report presents our discussion and analysis of the CRDA's financial performance during the fiscal year that ended on December 31, 2014. It should be read in conjunction with the CRDA's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS OF GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

The assets of the CRDA exceeded its liabilities at the close of the most recent fiscal year by \$325.2 million, remaining marginally flat compared to the net position of the prior year in the amount of \$317.1 million. Net position in governmental activities increased 42.9 million, whereas, net position from business-type activities decreased \$34.8 million. The decrease in business-type net position is mainly attributable to litigation settlement related to the Convention Center Division which resulted in a current year non-operating expenditure of \$38.4 million.

Cash and investments total approximately \$352.2 million, an increase of \$139.8 million from the prior year. The increase is substantially comprised of (1) casino donations to the Authority in the amount of \$28.6 million and (2) project and debt service reserve fund proceeds from the 2014 Luxury Tax Revenue bond issue in the amount of \$109.0 million.

Long-term liabilities reflect a net decrease \$77.4 million. The net decrease is comprised of debt service on outstanding bond issues and a valuation allowance for non-recourse casino pool bond issues.

General fund actual revenue was greater than budgeted revenue for the 2014 year due to an increase in sales tax rebate revenues; and general fund operational expenses came in under budget.

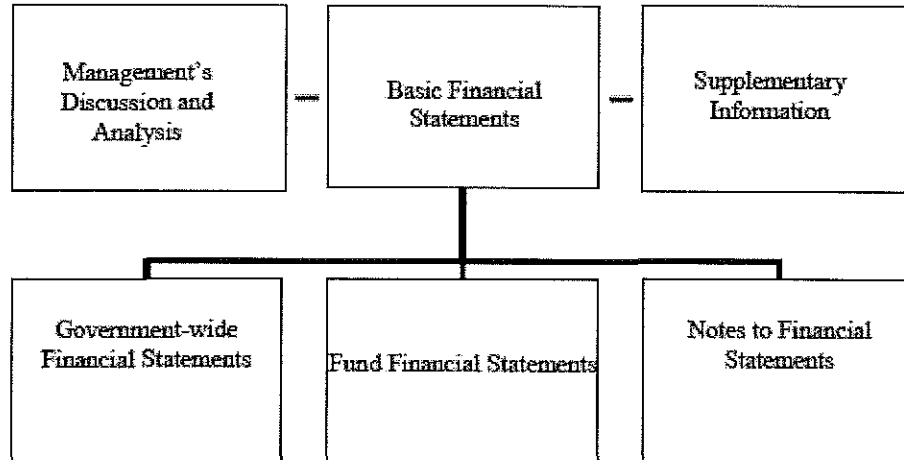
Real estate holdings increased to approximately \$4.7 million during the fiscal year. The increase is related to the purchase of land for Authority projects.

In November of 2014, the CRDA publicly issued tax-exempt Luxury Tax Revenue Bonds, Series 2014, in the amount of \$241,190,000. The Series 2014 Bonds were issued for the purpose of (1) refunding NJSEA's Convention Center Luxury Tax bonds, 1999 Series and Convention Center Luxury Tax Refunding Bonds, Series 2004, (2) funding capital expenditures, (3) funding a litigation settlement, (4) funding the debt service reserve requirement and (5) funding the associated costs of issuance.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and a section that presents *combining statements* for non-major governmental funds.

### Required Components of CRDA's Annual Financial Report



### Government-wide Financial Statements

The government-wide financial statements report information about the CRDA as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the CRDA's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

CRDA's government-wide financial statements have two categories, *governmental activities* and *business-type activities*. Governmental activities include CRDA's operations and programs, including the administration of community and economic development projects. Business-type activities encompass the financing and operation of a garage in the Corridor, and the operations of the Special Improvement District Division and the new Convention Center Division. The Convention Center Division promotes Atlantic City's unique character, boardwalk attractions and appeal as a year-round resort destination through convention development and leisure tourism. The venues of the Convention Center Division include the Atlantic City Convention Center, Historic Boardwalk Hall and West Hall.

## Fund Financial Statements

*Fund financial statements* focus on the current financial information of the *individual parts* of the CRDA, reporting the CRDA's operations in *more detail* than the government-wide statements. Funds are an accounting method that CRDA uses to keep track of specific sources of revenue and spending for particular purposes.

The CRDA has three fund groupings: governmental funds, proprietary funds and fiduciary funds.

- *Governmental funds statements* provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the CRDA's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or difference) between them.
- *Proprietary funds statements* are utilized to account for Authority business-type activities. Proprietary funds provide the same information as government-wide financial statements and use the accrual basis of accounting.
- *Fiduciary funds statements* address accounts in which CRDA acts solely as a *trustee or agent* for the benefit of others. The CRDA is the trustee, or *fiduciary*, for casino reinvestment obligations. It is also responsible for other assets that – because of a trust arrangement – can only be used for specific purposes. The CRDA is responsible for ensuring that the assets reported in these funds are only used for their intended purposes. All of the CRDA's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the CRDA's government-wide financial statements because the CRDA cannot use these assets to finance its operations.

The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The financial statements and notes are followed by sections of *required supplementary information* and *supplementary information* that further explain and support the information in the financial statements.



The following chart summarizes the major features of each of the CRDA's financial statements, including the scope and types of information they contain:

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire CRDA operation (except fiduciary funds)	The activities of the CRDA that are not proprietary nor fiduciary (governmental activities)	Employed to report on activities financed primarily by revenues generated by the activities themselves.	Instances in which the CRDA is the trustee or agent for other's resources, such as the casino reinvestment obligations
Required Financial Statements	1) Statement of net position 2) Statement of activities	1) Balance sheet 2) Statement of revenues, expenditures, and changes in fund balance	1) Statement of net position 2) Statement of revenues, expenditures and changes in net position 3) Statement of cash flows	1) Statement of fiduciary net position 2) Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets available to be used and liabilities that come due during the year; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term

## Government-Wide Financial Analysis

	Governmental Activities		Total Percent
	2014	2013	Change
Current and other assets	\$ 219,527,949	\$ 200,068,364	10%
Notes receivable	59,290,991	118,858,635	(50)%
Real estate	107,993,559	103,237,083	5%
Capital assets	4,690,890	5,347,050	(12)%
Total assets	\$ 391,503,389	\$ 427,511,132	(8)%
Other Liabilities	\$ 26,910,682	\$ 28,450,594	(5)%
Long-Term Liabilities	328,789,591	406,243,900	(19)%
Total Liabilities	\$ 355,700,273	\$ 434,694,494	(18)%
Net Position:			
Net Investment in Capital Assets	\$ 4,690,890	\$ 5,347,050	(12)%
Restricted	33,076,877	33,065,039	0%
Unrestricted	(1,964,651)	(45,595,451)	95%
Total Net Position	\$ 35,803,116	\$ (7,183,362)	598%

The restricted component of net position represents resources that are subject to external restrictions on how they may be used. The restricted component of net position consists of debt service in the amount of \$33 million. The remaining balance of the *unrestricted component of net position* includes approximately \$43.9 million which may be used for any Authority purpose, and a negative \$45.9 million designated for future project costs.

At the end of 2014, the CRDA maintains positive balances in two of three categories of net position. The negative unrestricted component of net position is the result of the prior expenditure of funds for approved projects. The funds were obtained through the issuance of 2004 Hotel Room Fee and 2005 Parking Revenue Fee bonds. Revenues for repayment of these bond issuances did not begin until July 2006. As these revenues continue to be received through the terms of the two bond issues, this negative position will continue to be reduced.

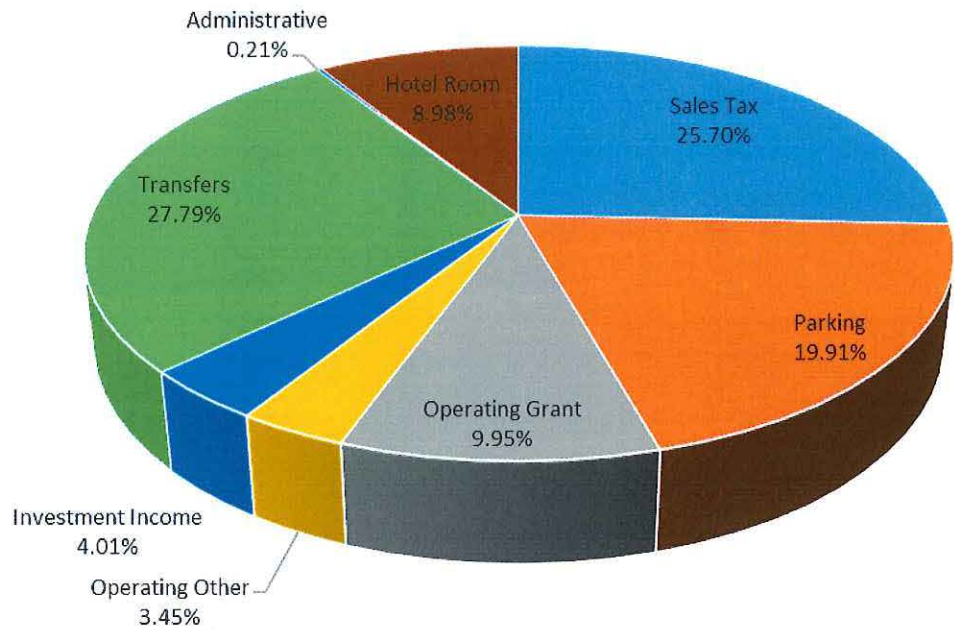
The CRDA holds \$107.9 million in real estate investments. This real estate may be transferred to other entities upon completion of a project.

### Changes in Net Position

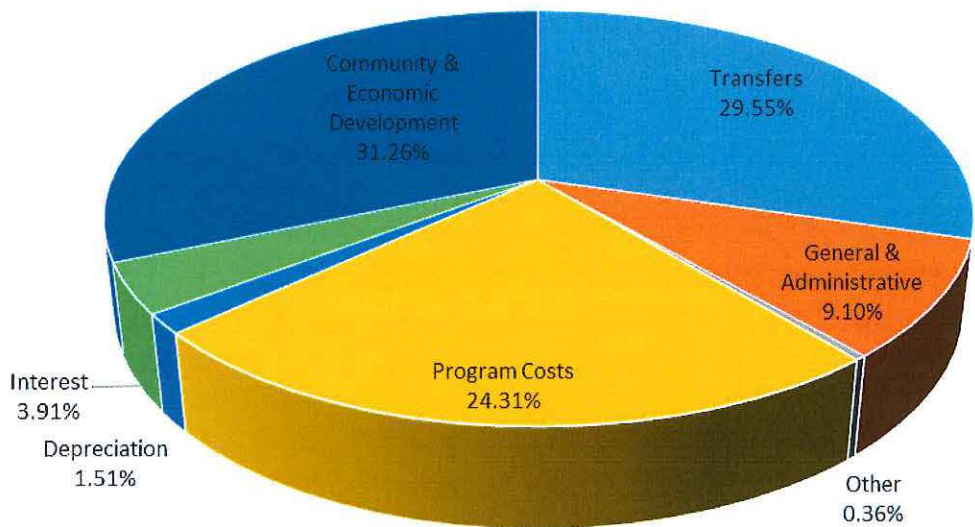
	Governmental Activities		Total Percent
	2014	2013	Change
<b>Revenues:</b>			
Fees:			
Administrative	\$ 215,076	\$ 226,501	(5)%
Hotel room	9,253,442	10,736,879	(14)%
Sales tax and luxury tax rebate	26,663,223	17,990,438	47%
Parking	20,520,335	23,256,065	(12)%
Operating:			
Grant	10,259,568	12,221,304	(16)%
Other	3,553,630	3,494,892	2%
Investment income	4,135,064	4,194,744	(1)%
Transfers	28,639,331	16,551,226	73%
Total Revenues	<u>\$ 103,239,669</u>	<u>\$ 88,672,049</u>	<u>16%</u>
<b>Expenses</b>			
General and administrative	5,484,759	5,751,172	(5)%
Other	215,269	226,818	(5)%
Program costs	14,648,563	10,168,957	44%
Depreciation	906,835	892,624	2%
Interest on long-term debt	2,358,515	2,467,240	(4)%
Community and economic development	18,835,293	28,633,280	(34)%
Transfers	17,803,957	3,575,961	398%
Total Expenses	<u>60,253,191</u>	<u>51,716,052</u>	<u>17%</u>
Increase in net position	<u>\$ 42,986,478</u>	<u>\$ 36,955,997</u>	<u>16%</u>

The CRDA's net position increased by \$42.9 million during the current fiscal year. The primary components in the increase in net position of governmental activities are (1) continuity in the overall levels of itemized revenue with a notable uptick in sales tax rebate revenues and project processing fees, and casino donations, and (2) an overall decrease in community and economic expenditures, offset partially by an increase in program costs.

**2014 REVENUES – GOVERNMENTAL ACTIVITIES**



**2014 EXPENSES – GOVERNMENTAL ACTIVITIES**



## **Governmental Funds Financial Analysis**

Governmental activities represent a significant portion of the CRDA's funds.

As of the end of 2014, the CRDA's governmental funds reported combined ending fund balances of \$198,469,038, an increase of \$26,208,648 for the fiscal year. Of this total amount, \$43,941,971 is *unassigned or* available for any CRDA purpose. The remainder of fund balance, or \$154,527,067, is either *restricted or committed* to indicate that it is not available for new spending, because it has already been restricted to pay debt service (\$33,424,333) and committed for projects (\$121,102,734).

The Governmental Funds are comprised of the General Fund, two Special Revenue Funds and Other Governmental Funds.

The General Fund is the administrative and operating fund of the CRDA. The annual operating budget for the General Fund is approved by the State Treasurer. In recent years, fund balances in the General Fund have been used to additionally fund community and economic development projects.

There are two Special Revenue Funds included in Governmental Funds. The Parking Fee Revenue Fund utilizes parking fee revenue and associated issued debt to pay for projects in the Corridor region and on the Boardwalk in Atlantic City, as well as Atlantic City casino expansion projects. The Hotel Room Fee Fund utilizes hotel room fee revenue and associated issued debt to fund Atlantic City casino expansion projects, advances to the New Jersey Sports and Exhibition Authority for horse racing purse enhancements, and projects in South Jersey and North Jersey.

The last category is Other Governmental Funds, which includes a group of debt service funds. Activity in the debt service funds includes the accumulation of revenues and the payment of interest and principal on debt issued for projects.

## **Capital Assets and Debt Administration**

The CRDA's investment in capital assets is \$413.3 million (net of accumulated depreciation) and consists of office furnishings, computers, office equipment, public parking garage, and Convention Center Division capital assets. In addition, CRDA holds an investment in real estate of \$107.9 million.

## **Long-term Debt**

The CRDA principally utilizes two types of debt, publicly issued bonds and project bonds which are issued solely to the Atlantic City casino licensees. In October of 2004, the CRDA publicly issued tax-exempt Hotel Room Fee Revenue Bonds, Series 2004, in the amount of \$93,000,000 to fund Atlantic City casino expansion projects, advances to the New Jersey Sports and Exhibition Authority for horse racing purse enhancements, and projects in South Jersey and North Jersey. These bonds are special and limited obligations of the CRDA, payable solely from hotel room fees.

In November of 2014, the CRDA publicly issued tax-exempt Luxury Tax Revenue Bonds, Series 2014, in the amount of \$241,190,000. The Series 2014 Bonds were issued for the purpose of (1) refunding NJSEA's Convention Center Luxury Tax bonds, 1999 Series and Convention Center Luxury Tax Refunding Bonds, Series 2004, (2) funding capital expenditures, (3) funding a litigation settlement, (4) funding a debt service reserve requirement and (4) funding the associated costs of issuance.

The CRDA also issues project bonds to casino licensees with terms varying from 25 to 50 years at interest rates varying between 3.0% and 7.0%. Such bonds are payable solely from the revenues and other monies derived from projects financed by such bonds, or other monies which may be pledged with respect to such issues.

All bonds issued by the CRDA are special obligations of the CRDA, do not constitute obligations against the general credit of the CRDA, and are not a debt or liability of the State.

	<u>2014</u>	<u>2013</u>
Debt outstanding January 1	\$ 505,643,777	\$ 444,129,888
Additions to debt	241,897,924	95,094,561
Reduction of debt	<u>(120,792,965)</u>	<u>(33,580,672)</u>
Debt outstanding December 31	626,748,736	505,643,777
Plus: Net unamortized premium	18,998,500	6,326,042
Less: Valuation allowance	<u>(42,158,584)</u>	<u>-</u>
	<u>\$ 603,588,652</u>	<u>\$ 511,969,819</u>

## Selected Operating Highlights of the Convention Center Division

### Number of Attendees

	2014	2013	2012
Boardwalk hall	331,199	277,384	297,512
Convention center	303,100	323,759	266,931
	<u>634,299</u>	<u>601,143</u>	<u>564,443</u>

### Number of Events

	2014	2013	2012
Boardwalk hall	47	35	37
Convention Center	91	90	100
	<u>138</u>	<u>125</u>	<u>137</u>

### Operating Revenue & Expenses by Facility (000's)

#### Operating Revenues:

	2014	2013	2012
Boardwalk hall	\$ 8,046	\$ 6,250	\$ 6,950
Convention Center	7,842	7,578	7,080
Marketing Operations	438	674	703
	<u>\$ 16,326</u>	<u>\$ 14,502</u>	<u>\$ 14,733</u>

#### Operating Expenses:

	2014	2013	2012
Boardwalk hall	\$ 14,663	\$ 11,102	\$ 11,030
Convention center	12,371	11,704	11,680
Luxury tax reserve	13,180	9,328	30,988
Marketing operations	8,096	10,273	10,304
	<u>\$ 48,310</u>	<u>\$ 42,407</u>	<u>\$ 64,002</u>

## **BASIC FINANCIAL STATEMENTS**



**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**STATEMENT OF NET POSITION**

**DECEMBER 31, 2014**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 156,829,933	\$ 41,106,433	\$ 197,936,366
Restricted cash and cash equivalents		115,081,537	115,081,537
Marketable securities, net of allowance	39,184,293		39,184,293
Receivables:			
Notes receivable	59,290,991		59,290,991
Accrued interest receivable	9,036,141		9,036,141
Accrued parking fees	4,120,808		4,120,808
Accrued revenue receivable	2,772,987		2,772,987
Accrued marketing fees and luxury taxes		9,004,506	9,004,506
Other	7,583,787	7,330,999	14,914,786
Real estate	107,993,559		107,993,559
Capital assets, net of depreciation	4,690,890	408,574,007	413,264,897
<b>Total assets</b>	<b>\$ 391,503,389</b>	<b>\$ 581,097,482</b>	<b>\$ 972,600,871</b>
<b>LIABILITIES</b>			
Interest payable	\$ 11,778,956	\$ 2,088,349	\$ 13,867,305
Unearned revenue		5,666,671	5,666,671
Other payables	15,131,726	9,065,934	24,197,660
Long-term liabilities:			
Due within one year	23,516,960	4,869,784	28,386,744
Due beyond one year	305,272,631	269,962,088	575,234,719
<b>Total liabilities</b>	<b>\$ 355,700,273</b>	<b>\$ 291,652,826</b>	<b>\$ 647,353,099</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 4,690,890	\$ 312,157,841	\$ 316,848,731
Restricted for:			
Debt service	33,076,877	19,922,890	52,999,767
Statutory requirements		739,235	739,235
Unrestricted	(1,964,651)	(43,375,310)	(45,339,961)
<b>Total net position</b>	<b>\$ 35,803,116</b>	<b>\$ 289,444,656</b>	<b>\$ 325,247,772</b>

See accompanying notes to the basic financial statements.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2014**

	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Fees	Operating Income	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS / PROGRAMS</b>						
<b>Governmental activities</b>						
General and administrative	\$ 5,484,759	\$ 643,304		\$ (4,841,455)		\$ (4,841,455)
Other	215,269		\$ 2,895,402	2,680,133		2,680,133
Program costs	14,648,563	26,663,223		12,014,660		12,014,660
Depreciation	906,835			(906,835)		(906,835)
Interest on long-term debt	2,358,515			(2,358,515)		(2,358,515)
Community development	18,835,293	29,773,777	10,489,568	21,428,052		21,428,052
<b>Total governmental activities</b>	<b>42,449,234</b>	<b>57,080,304</b>	<b>13,384,970</b>	<b>28,016,040</b>	<b>-</b>	<b>28,016,040</b>
<b>Business-type activities</b>						
Convention Center Division	99,108,332	15,236,870	1,089,386		\$ (82,782,076)	(82,782,076)
Corridor Parking Garage	2,410,145	736,810	238,656		(1,434,679)	(1,434,679)
Special Improvement District	7,806,976	3,596,050	159,453		(4,051,473)	(4,051,473)
<b>Total business-type activities</b>	<b>109,325,453</b>	<b>19,569,730</b>	<b>1,487,495</b>	<b>-</b>	<b>(88,268,228)</b>	<b>(88,268,228)</b>
<b>Total primary government</b>	<b>\$151,774,687</b>	<b>76,650,034</b>	<b>14,872,465</b>	<b>28,016,040</b>	<b>(88,268,228)</b>	<b>(60,252,188)</b>
<b>General revenues</b>						
Luxury tax revenue					32,122,698	32,122,698
Marketing fee revenue					3,520,807	3,520,807
Investment income				4,135,064	24,872	4,159,936
Transfers				10,835,374	17,803,957	28,639,331
<b>Total general revenues</b>				<b>14,970,438</b>	<b>53,472,334</b>	<b>68,442,772</b>
Changes in net position				42,986,478	(34,795,894)	8,190,584
Net position (deficit) - beginning				(7,183,362)	324,240,550	317,057,188
Net position - ending				<b>\$ 35,803,116</b>	<b>\$ 289,444,656</b>	<b>\$ 325,247,772</b>

See accompanying notes to the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**DECEMBER 31, 2014**

	Special Revenue Funds			Other Governmental Funds		Total Governmental Funds
	General Fund	Parking Fee	Hotel Room Fee			
<b>ASSETS</b>						
Cash and cash equivalents	\$ 110,866,585	\$ 28,061,717	\$ 13,881,319	\$ 4,020,312	\$	156,829,933
Marketable securities, net of allowance		39,184,293				39,184,293
Receivables:						
Accrued interest receivable	15,364			171,355		186,719
Accrued parking fees		4,120,808				4,120,808
Accrued revenue receivable			2,772,987			2,772,987
Other	6,397,506	230,000		735,241		7,362,747
<b>Total assets</b>	<b>\$ 117,279,455</b>	<b>\$ 71,596,818</b>	<b>\$ 16,654,306</b>	<b>\$ 4,926,908</b>	<b>\$</b>	<b>210,457,487</b>
<b>LIABILITIES</b>						
Interest payable		\$ 960,586	\$ 1,721,160	\$ 224,815	\$	2,906,561
Other payables	\$ 6,222,342	2,066,955	625	791,966		9,081,888
<b>Total liabilities</b>	<b>6,222,342</b>	<b>3,027,541</b>	<b>1,721,785</b>	<b>1,016,781</b>		<b>11,988,449</b>
<b>FUND BALANCES</b>						
Restricted for debt service		30,208,688		3,215,645		33,424,333
Committed for project costs	67,115,142	38,360,589	14,932,521	694,482		121,102,734
Unrestricted	43,941,971					43,941,971
<b>Total fund balances</b>	<b>111,057,113</b>	<b>68,569,277</b>	<b>14,932,521</b>	<b>3,910,127</b>		<b>198,469,038</b>
<b>Total liabilities and fund balances</b>	<b>\$ 117,279,455</b>	<b>\$ 71,596,818</b>	<b>\$ 16,654,306</b>	<b>\$ 4,926,908</b>		

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,690,890
Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds.	176,355,012
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(343,711,824)
Net position of governmental activities	<u>\$ 35,803,116</u>

See accompanying notes to the basic financial statements.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

**YEAR ENDED DECEMBER 31, 2014**

	General Fund	Special Revenue Funds		Other Governmental Funds	Total Governmental Funds
		Parking Fee	Hotel Room Fee		
<b>REVENUES</b>					
Administrative fees	\$ 215,076				\$ 215,076
Interest and investment income	108,189	\$ 676,650	\$ 3,683	\$ 2,068,783	2,857,305
Parking fee revenue		20,520,335			20,520,335
Hotel room fee revenue			9,253,442		9,253,442
Sales and luxury tax rebate revenue	26,663,223				26,663,223
Processing fees	318,228				318,228
Grant revenue		10,259,568			10,259,568
Other	2,895,402	230,000			3,125,402
<b>Total revenues</b>	<b>30,200,118</b>	<b>31,686,553</b>	<b>9,257,125</b>	<b>2,068,783</b>	<b>73,212,579</b>
<b>EXPENDITURES</b>					
Current:					
Salaries and benefits	4,082,862				4,082,862
General and administrative	673,190				673,190
Professional services	728,707				728,707
Project costs	14,648,563	4,961,553	28,861		19,638,977
Other				215,269	215,269
Debt service:					
Interest expense		11,397,327	3,442,319	1,841,676	16,681,322
Principal		21,174,355	4,400,000	9,225,340	34,799,695
Capital outlay:					
Purchase of fixed assets	250,675				250,675
<b>Total expenditures</b>	<b>20,383,997</b>	<b>37,533,235</b>	<b>7,871,180</b>	<b>11,282,285</b>	<b>77,070,697</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>9,816,121</b>	<b>(5,846,682)</b>	<b>1,385,945</b>	<b>(9,213,502)</b>	<b>(3,858,118)</b>
<b>OTHER FINANCING (USES) SOURCES</b>					
Other receivables	(34,166)				(34,166)
Payments received on notes		4,563,285		11,118,579	15,681,864
Other payables		(2,971,913)		(125,280)	(3,097,193)
Capital related debt issued				500,000	500,000
Loan disbursements	(1,455,100)			(500,000)	(1,955,100)
Purchase of real estate	(4,412,857)	(343,620)			(4,756,477)
Transfer from other funds	33,025,498				33,025,498
Transfer to other funds	(4,911,493)		(4,386,167)		(9,297,660)
<b>Total other financing sources and uses</b>	<b>22,211,882</b>	<b>1,247,752</b>	<b>(4,386,167)</b>	<b>10,993,299</b>	<b>30,066,766</b>
<b>Net change in fund balances</b>	<b>32,028,003</b>	<b>(4,598,930)</b>	<b>(3,000,222)</b>	<b>1,779,797</b>	<b>26,208,648</b>
<b>Fund balances, January 1, 2014</b>	<b>79,029,110</b>	<b>73,168,207</b>	<b>17,932,743</b>	<b>2,130,330</b>	<b>172,260,390</b>
<b>Fund balances, December 31, 2014</b>	<b>\$ 111,057,113</b>	<b>\$ 68,569,277</b>	<b>\$ 14,932,521</b>	<b>\$ 3,910,127</b>	<b>\$ 198,469,038</b>

See accompanying notes to the basic financial statements.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2014**

Total net change in fund balances - governmental funds	\$ 26,208,648
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report real estate acquisitions as expenditures. However, it is capitalized and reported at historical cost on the statement of net position	3,444,157
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount by which capital outlays exceeds depreciation in the current period.	656,160
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	1,387,759
The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds, and the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, these transactions do not affect net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	38,392,917
Disbursements on long-term notes receivable consume current financial resources of government funds, and principal payments received on notes receivable provide current financial resources to government funds.	(13,692,598)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(13,410,565)
Change in net position of governmental activities	<u>\$ 42,986,478</u>

*See accompanying notes to basic financial statements.*

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**

**DECEMBER 31, 2014**

	Business-Type Activities - Enterprise Fund			
	Convention Center Division	Corridor Parking Garage	Special Improvement District	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 38,168,375	\$ 1,455,618	\$ 1,482,440	\$ 41,106,433
Restricted cash and cash equivalents	115,081,537			115,081,537
Accrued marketing fees and luxury taxes	9,004,506			9,004,506
Accrued parking revenue		20,170		20,170
Other	5,267,798	17,480	2,025,551	7,310,829
Total current assets	167,522,216	1,493,268	3,507,991	172,523,475
Noncurrent assets:				
Land	81,311,000			81,311,000
Capital assets, net	294,636,192	31,612,095	1,014,720	327,263,007
Total noncurrent assets	375,947,192	31,612,095	1,014,720	408,574,007
Total assets	\$ 543,469,408	\$ 33,105,363	\$ 4,522,711	\$ 581,097,482
<b>LIABILITIES</b>				
Current liabilities:				
Interest payable	\$ 1,991,216	\$ 96,805	\$ 328	\$ 2,088,349
Unearned revenue	5,666,671			5,666,671
Accounts payable	6,115,190	624,757	2,325,987	9,065,934
Current portion of long-term debt	4,359,772	482,748	27,264	4,869,784
Noncurrent liabilities:				
Long-term debt, net of current portion	251,590,934	18,365,607	5,547	269,962,088
Total liabilities	269,723,783	19,569,917	2,359,126	291,652,826
<b>NET POSITION</b>				
Net investment in capital assets	298,412,192	12,763,740	981,909	312,157,841
Restricted for:				
Debt service	19,090,890	832,000		19,922,890
Restricted for statutory requirements	739,235			739,235
Unrestricted	(44,496,692)	(60,294)	1,181,676	(43,375,310)
Total net position	273,745,625	13,535,446	2,163,585	289,444,656
Total liabilities and net position	\$ 543,469,408	\$ 33,105,363	\$ 4,522,711	\$ 581,097,482

See accompanying notes to the basic financial statements.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS**

**YEAR ENDED DECEMBER 31, 2014**

Business-Type Activities - Enterprise Funds				
	Convention Center Division	Corridor Parking Garage	Special Improvement District	Total
<b>Operating revenues</b>				
Special services	\$ 7,478,323			\$ 7,478,323
Facilities rental	4,341,098			4,341,098
Concessions	1,758,161			1,758,161
Assessments, net			\$ 3,596,050	3,596,050
Parking revenue	1,659,288	\$ 736,810		2,396,098
Other revenue	1,089,386	238,656	159,453	1,487,495
<b>Total operating revenues</b>	<b>16,326,256</b>	<b>975,466</b>	<b>3,755,503</b>	<b>21,057,225</b>
<b>Operating expenses</b>				
Salaries and benefits	14,813,418		1,844,199	16,657,617
Marketing expenditures	10,247,714			10,247,714
Production	1,279,320			1,279,320
General and administrative	12,616,003	660,831	5,721,480	18,998,314
Depreciation	9,353,909	1,155,942	237,005	10,746,856
<b>Total operating expenses</b>	<b>48,310,364</b>	<b>1,816,773</b>	<b>7,802,684</b>	<b>57,929,821</b>
<b>Operating loss</b>	<b>(31,984,108)</b>	<b>(841,307)</b>	<b>(4,047,181)</b>	<b>(36,872,596)</b>
<b>Nonoperating revenues (expenses)</b>				
Luxury tax revenue	32,122,698			32,122,698
Marketing fee revenue, net	3,520,807			3,520,807
Interest income	22,708	590	1,574	24,872
Interest expense	(5,920,184)	(593,372)	(4,292)	(6,517,848)
Early extinguishment of debt	(2,586,585)			(2,586,585)
Litigation settlement	(38,436,091)			(38,436,091)
Other	(3,855,108)			(3,855,108)
Transfers from other funds	12,892,464	863,716	4,047,777	17,803,957
<b>Total nonoperating revenues (expenses)</b>	<b>(2,239,291)</b>	<b>270,934</b>	<b>4,045,059</b>	<b>2,076,702</b>
<b>Change in net position</b>	<b>(34,223,399)</b>	<b>(570,373)</b>	<b>(2,122)</b>	<b>(34,795,894)</b>
<b>Net position, January 1, 2014</b>	<b>307,969,024</b>	<b>14,105,819</b>	<b>2,165,707</b>	<b>324,240,550</b>
<b>Net position, December 31, 2014</b>	<b>\$ 273,745,625</b>	<b>\$ 13,535,446</b>	<b>\$ 2,163,585</b>	<b>\$ 289,444,656</b>

See accompanying notes to the basic financial statements.



**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**

**YEAR ENDED DECEMBER 31, 2014**

Business-Type Activities - Enterprise Fund				
	Convention Center Division	Corridor Parking Garage	Special Improvement District	Total
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 17,913,744			\$ 17,913,744
Assessments			\$ 3,974,578	3,974,578
Parking revenue		\$ 732,391		732,391
Other revenue		238,656	159,453	398,109
Payments to suppliers	(21,694,934)	(694,994)	(6,064,203)	(28,454,131)
Payments for others		7,280		7,280
Payments to employees	(14,779,057)		(1,867,234)	(16,646,291)
<b>Net cash (used in) provided by operating activities</b>	<b>(18,560,247)</b>	<b>283,333</b>	<b>(3,797,406)</b>	<b>(22,074,320)</b>
<b>Cash flows from noncapital financing activities</b>				
Luxury tax revenue	20,787,004			20,787,004
Marketing fee revenue	4,400,000			4,400,000
Due to/from other funds		589,949	(931,232)	(341,283)
Transfers from other funds		863,716	4,047,777	4,911,493
<b>Net cash provided by noncapital financing activities</b>	<b>25,187,004</b>	<b>1,453,665</b>	<b>3,116,545</b>	<b>29,757,214</b>
<b>Cash flows from capital and related financing activities</b>				
Interest expense	(18,750,911)	(630,522)	(4,611)	(19,386,044)
Construction in progress		(207,924)		(207,924)
Issuance of long-term debt	256,033,167	207,924		256,241,091
Cost of issuance	(3,854,008)			(3,854,008)
Litigation settlement	(60,236,091)			(60,236,091)
Lease buyout	(2,176,000)			(2,176,000)
Payments on bonds and notes payable	(82,098,365)	(468,269)	(27,018)	(82,593,652)
Purchase of capital assets	(1,674,557)	(91,949)	(229,581)	(1,996,087)
Luxury tax revenue	12,345,334			12,345,334
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>99,588,569</b>	<b>(1,190,740)</b>	<b>(261,210)</b>	<b>98,136,619</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of investment	4,798,977			4,798,977
Interest	22,226	590	1,573	24,389
<b>Net cash provided by investing activities</b>	<b>4,821,203</b>	<b>590</b>	<b>1,573</b>	<b>4,823,366</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>111,036,529</b>	<b>546,848</b>	<b>(940,498)</b>	<b>110,642,879</b>
<b>Cash balance, January 1, 2014</b>	<b>42,213,383</b>	<b>908,770</b>	<b>2,422,938</b>	<b>45,545,091</b>
<b>Cash balance, December 31, 2014</b>	<b>\$ 153,249,912</b>	<b>\$ 1,455,618</b>	<b>\$ 1,482,440</b>	<b>\$ 156,187,970</b>
<b>Reconciliation of operating loss to net cash used in operating activities</b>				
Operating loss	\$ (31,984,108)	\$ (841,307)	\$ (4,047,181)	\$ (36,872,596)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:				
Depreciation	9,353,909	1,155,942	237,005	10,746,856
(Increase)/decrease in:				
Receivables, net	(1,498,801)			(1,498,801)
Prepaid expenses	343,173	(8,730)	16,904	351,347
Accrued assessments			378,528	378,528
Parking fee receivable		(4,419)		(4,419)
Increase/(decrease) in:				
Accrued salaries and benefits			(23,035)	(23,035)
Accounts payable	3,182,693	(18,153)	(359,627)	2,804,913
Unearned revenue	2,042,887			2,042,887
<b>Net cash (used in) provided by operating activities</b>	<b>\$ (18,560,247)</b>	<b>\$ 283,333</b>	<b>\$ (3,797,406)</b>	<b>\$ (22,074,320)</b>

See accompanying notes to the basic financial statements.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**STATEMENT OF NET POSITION - FIDUCIARY FUNDS**

**YEAR ENDED DECEMBER 31, 2014**

	Reinvestment Fund	Other	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 154,991,700	\$ 20,469,651	\$ 175,461,351
Receivables:			
Notes receivable		1,399,492	1,399,492
Obligations receivable	7,833,872		7,833,872
Accrued interest receivable		3,804	3,804
Other	9,604,289	5,476,366	15,080,655
Capital assets:			
Real estate		29,849,823	29,849,823
<b>Total assets</b>	<b>\$ 172,429,861</b>	<b>\$ 57,199,136</b>	<b>\$ 229,628,997</b>
<b>LIABILITIES</b>			
Interest payable	\$ 27,623		\$ 27,623
Other payables	600,660	\$ 22,853,001	23,453,661
<b>RESERVES</b>			
Obligations payable	125,788,738		125,788,738
Donation deposits	46,012,840		46,012,840
Project costs		34,346,135	34,346,135
<b>Total liabilities and reserves</b>	<b>172,429,861</b>	<b>57,199,136</b>	<b>229,628,997</b>
<b>NET POSITION</b>			
<b>Total liabilities, reserves and net position</b>	<b>\$ 172,429,861</b>	<b>\$ 57,199,136</b>	<b>\$ 229,628,997</b>

See accompanying notes to the basic financial statements.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
**(A Component Unit of the State of New Jersey)**

**NOTES TO FINANCIAL STATEMENTS**

**1 - NATURE OF ORGANIZATION**

The Casino Reinvestment Development Authority ("CRDA" or the "Authority") was established under Title 5, Chapter 12, of the New Jersey Statutes Annotated, to provide capital investment funds for economic development and community development projects in Atlantic City and the State of New Jersey. Encouraging business development, creating permanent jobs and promoting opportunities for business expansion are key facets of the project initiatives.

On February 1, 2011, the Governor of the State of New Jersey signed legislation that expanded the scope of the Authority's responsibilities to encompass (1) the creation of the Atlantic City Tourism District, (2) the assumption of all functions, powers and duties of the Atlantic City Special Improvement District and (3) the assumption of all powers, rights, duties, assets and responsibilities of the Atlantic City Convention and Visitors Authority ("ACCVA") subject to the receipt of two enumerated certifications.

On April 1, 2013, the Chairman of the ACCVA provided the first enumerated certification to the Governor acknowledging the cessation of any outstanding bond obligations of the ACCVA. On the same date, the Chairman of the CRDA provided a second enumerated certification to the Governor acknowledging (1) the cessation of any outstanding bond obligations of the ACCVA and (2) the assumption of all debts and statutory responsibilities of the ACCVA.

Within the Atlantic City Tourism District, the Authority shall have jurisdiction to implement initiatives to promote cleanliness, safety and commercial development, institute coordinated public safety improvements, undertake redevelopment projects, adopt a tourism district master plan and impose land use regulations.

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the CRDA have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the CRDA follows the pronouncements of the GASB. The more significant accounting policies established in GAAP and used by the CRDA are discussed below.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
**(A Component Unit of the State of New Jersey)**

**NOTES TO FINANCIAL STATEMENTS**

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Reporting Entity**

The financial statements of the CRDA include the accounts of all CRDA's operations. The CRDA, as a component unit of the State of New Jersey, is financially accountable to the State. As set forth in GASB Statement 14, financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose its will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The CRDA, as a component unit, issues separate financial statements from the State of New Jersey.

**Basis of Presentation**

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the CRDA during 2014. Governmental activities are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to casinos or applicants who use or directly benefit from services or privileges provided by a given function or segment and interest earned on investments and obligation deposits that are used to fund operation of the governmental fund. Other items not included within program revenues are reported instead as general revenues and interfund transfers.

Government-wide financial statements measure and report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains, and losses using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, revenues, and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
**(A Component Unit of the State of New Jersey)**

**NOTES TO FINANCIAL STATEMENTS**

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

Fund Financial Statements (Continued)

Similar to the government-wide financial statements, the proprietary fund and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the CRDA considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual basis accounting. However, debt service expenditures are recorded only when payment is due.

Parking fees, hotel room fees, Special Improvement District assessments, Convention Center Division operating revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the CRDA.

Operating expenses for proprietary funds include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The emphasis of fund financial statements is on major governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds in a single column, regardless of their fund type. Major funds are those that have assets, liabilities, revenues or expenditures equal to ten percent of their fund-type total. The General Fund is always a major fund.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
**(A Component Unit of the State of New Jersey)**

**NOTES TO FINANCIAL STATEMENTS**

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

Fund Financial Statements (Continued)

The CRDA reports the following major governmental funds:

The General Fund is the CRDA's primary operating fund. It accounts for all financial resources of the CRDA, except those required to be accounted for in another fund.

The special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The parking fee fund is used to account for the collection of parking fees as a source of funds to pay for Atlantic City projects on the boardwalk and in the corridor region, for the casino hotel expansion projects, and for debt service on a long-term obligation.

The hotel room fee fund is used to account for the collection of hotel room fee revenue as a source of funds to pay for Atlantic City casino hotel expansion projects, projects in South Jersey and North Jersey, and debt service on a long-term obligation.

Additionally, the CRDA reports the following proprietary and fiduciary fund types:

**Proprietary Funds:**

The *Corridor Garage District Fund* is utilized to account for the finances and operation of a garage in the Corridor.

The *Special Improvement District Fund* is utilized to account for the Authority's designated Special Improvement District ("SID"). The SID's purpose is to serve Atlantic City, the business community and community at large, and to promote an appealing, safe environment that facilitates growth, revitalization and development within the City.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
**(A Component Unit of the State of New Jersey)**

**NOTES TO FINANCIAL STATEMENTS**

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

**Proprietary Funds (Continued):**

The *Convention Center Division* ("CCD") promotes Atlantic City's unique character, boardwalk attractions and appeal as a year-round resort destination through convention development and leisure tourism. The financial results of the Atlantic City Convention Center, Historic Boardwalk Hall and West Hall are disclosed through the CCD.

**Fiduciary Funds:**

The *Reinvestment Fund* is used to account for the receipt of the obligation deposits and donated obligations from licensees, which are available to commit to projects. Obligation deposits and donated obligations are held in this fund until bonds have been issued, direct investment payments have been made for approved projects, or donated funds have been expended. Two-thirds of all interest earned on obligation deposits held in this fund are due to the licensees and one-third is due to the General Fund. All interest earned on the donated obligations is also due to the General Fund.

The *Other Fiduciary Funds* account for projects administered by the Authority and assets held in the Authority's name on behalf of others. Cash, cash equivalents and investments held in these funds are considered restricted in accordance with the terms of the individual contract agreements.

Program costs shown in the Fiduciary Funds reflect costs associated primarily with the donation of real estate upon completion of a project.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Budgets and Budgetary Accounting**

An annual operating budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures in accordance with NJSA 5:12-143. The operating budget adopted annually covers the general fund activity only. The annual operating budget is required to be submitted by the last day of October of each year to the State Treasurer for approval.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Risk of Loss**

The Authority purchases commercial insurance policies on an annual basis to handle risks of loss associated with property, auto, liability, workers' compensation, flood damage, and employee crime coverage. Any potential liability of the Authority with respect to loss claims would be equal to the deductible associated with the policies and an event that may exceed policy coverage limits.

**Cash and Cash Equivalents**

The CRDA pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. For purposes of the statement of cash flows, CRDA considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Interfund Transfers**

Interfund transactions are reflected as loans, reimbursements, or transfers. Interfund loans are reported as either "due from" or "due to other funds." Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its cost as a reimbursement. All other interfund transactions are treated as transfers. All interfund activity is eliminated in the government-wide financial statements.

**Receivables**

Receivables for the Authority pertain to services rendered by the Authority prior to the end of the year for which payment has not been received. Receivables for the Authority are reflected net of an allowance for doubtful accounts. The allowance account is adjusted at the end of every year for estimated bad debt expense.

**Prepaid Expenses and Other Assets**

Prepaid expenses for the Authority pertain to advance payments made by the Authority for goods to be received or services to be rendered in future years. The goods and/or services are normally received within one year and the expense is recognized. Other assets include deposits given by the Authority.



**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Notes Receivable**

Notes receivable include mortgages, which are stated at unpaid principal balances. Certain mortgages have annual forgiveness provisions over the life of the mortgage. Any unpaid principal balance upon the sale of the property is payable to CRDA. The annual principal amount forgiven is recorded as program expense. Management periodically evaluates whether an allowance for uncollectible notes receivable is required based on the CRDA's past uncollectible loss experience, known and other risks inherent in the note receivable portfolio, adverse situations that may affect each borrower's ability to repay, estimated value of any underlying collateral and current economic conditions. As of December 31, 2014, a provision for uncollectible accounts was established at \$42,158,584.

**Capital Assets**

Capital assets for governmental fund types are not capitalized in the funds used to acquire them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements.

Capital assets are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed utilizing the straight-line method, as follows:

	<u>Years</u>
Buildings	35 - 60
Building improvements	10 - 20
Furniture, fixtures and equipment	3 - 20
Leasehold improvements	7 - 15
Movable equipment	5 - 7

It is the policy of the CRDA to capitalize all land, structures and improvements, and equipment, except assets costing less than \$400.

**Real Estate**

Real estate consists of land, land improvements, and related acquisition costs and is recorded at cost. Real estate is held by the CRDA for future development, sale, lease or donation. Real estate that is donated is expensed as a program cost.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that is not contingent on a specific event that is outside the control of the CRDA and its employees, is accrued, as the employees earn the rights to the benefits.

In governmental and enterprise funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the government-wide financial statements as a governmental activity.

**Bonds Payable**

The Authority issues tax-exempt private activity bonds to casino licensees. The proceeds from these bond issues are used to provide long-term, low-interest loans to businesses, certain 501 (c)(3) non-profit activities, and other projects. Also included in bonds payable are parking fee revenue bonds (taxable and tax-exempt) and hotel room fee revenue bonds (tax-exempt) issued to the public. Parking fee revenue is applied first to the debt service on the parking fee bonds. Hotel room fee revenue is applied first to debt service on the hotel room fee bonds.

**Unearned Revenues**

Unearned revenues relate to the fees collected in advance by the Authority for the usage of the Convention Center, Boardwalk Hall and West Hall. These unearned revenues are recognized as revenue once an event occurs. Additional unearned revenues relate to the advance collection of marketing partnership dues for the subsequent year, and are recognized as revenue at the start of the new year.

**Net Position**

The government-wide financial statements use a net position presentation. Net position is categorized as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Position (Continued)**

Restricted - This category presents external restrictions imposed by creditors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or the enabling legislation for the CRDA.

Unrestricted - This category represents the net position of the Authority not restricted for any project or other purpose.

**Fund Balance Reserves**

In accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the CRDA has classified governmental fund balances as follows:

- Non-spendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual restraints.
- Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and do not lapse at year-end.
- Assigned - Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed.
- Unassigned - Includes positive fund balance amounts within the General Fund which have not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the Authority to generally consider restricted amounts to have been reduced first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the Authority's policy that committed amounts be reduced first, followed by assigned amounts, then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Luxury Tax**

Pursuant to N.J.S.A. 40:48-8.15 et seq. (the "Luxury Tax Act"), the City of Atlantic City has, by Ordinance No. 18 of 1982, imposed a 3% tax on the sale of alcoholic beverages by the drink in restaurants, bars, hotels, and other similar establishments and a 9% tax on cover charges or other similar charges made to any patron of such an establishment, the hiring of hotel rooms and the sale of tickets for admission to theaters, exhibitions and other places of amusement.

On January 13, 1992, amendments to the Luxury Tax Act were adopted which authorized the State to transfer the proceeds of the luxury tax to the NJSEA. Luxury Tax proceeds were deposited into a revenue fund and subsequently transferred to other funds to pay debt service on the Luxury Tax Bonds and fund the operating deficits and capital expenditures for Boardwalk Hall, the West Hall, the Convention Center, and certain marketing operations as of 2006.

Beginning in January 2010, the State began transferring the luxury tax proceeds directly to the bond trustee in order to reserve an amount sufficient to fulfill the debt service requirements and pay the debt service on the Luxury Tax Bonds. As the debt service requirements are fulfilled on an annual basis, the bond trustee forwards the balance of the luxury tax receipts to the Authority to fund the capital expenditures, operating deficits, and working capital and maintenance reserve requirements of the Convention Center Division.

**Marketing Fees**

The New Jersey legislature adopted a bill that authorized the State of New Jersey to impose marketing fees of \$2.00 per occupied room on hotels in Atlantic City. The proceeds from the fees collected pursuant to this legislation are paid into a special fund established and held by the State on behalf of the Authority.

In accordance with the CRDA Urban Revitalization Act ("URA"), N.J.S.A.5:12-173.9 et seq., part of the fee is redirected to hotel properties with approved projects. The redirected amounts ("rebates") are subtracted from marketing fee revenue. Certain hotel properties in the City of Atlantic City have URA projects for which they receive rebates of the marketing fees imposed on them and collected by the State of New Jersey. The amount of the rebate, in any given year, equals the incremental luxury taxes collected for the URA project over its base year, which is the year immediately preceding the project's final approval. The calculation is performed annually by the New Jersey Department of Taxation (the "Department").

The Department calculates and certifies the rebates within the first 120 days of the subsequent year. The amounts are subject to review and audit by the Department. If the certification is not finalized prior to the completion of the Authority's annual audit report, any difference between the accrued rebate and the final rebate is recorded in the subsequent year when the amounts become known.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue and Expense Recognition**

The CRDA classifies its revenues and expenses as operating or non-operating in the Statement of Activities in the accompanying basic financial statements. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. Operating expenses are all expense transactions incurred other than those related to capital and non-capital financing or investing activities as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Non-operating revenues include activities that have the characteristics of non-exchange transactions. Revenues from non-exchange transactions, as well as investment income, are considered non-operating since these are investing, capital, or non-capital financing activities.

**Effect of New Governmental Accounting Standards Board Pronouncements**

The Authority has not completed the process of evaluating the impact that will result from implementing GASB Statement No. 68, *Accounting and Reporting for Pension Plans – an Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (jointly referred to as trusts below) that meet certain criteria.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Effect of New Governmental Accounting Standards Board Pronouncements (Continued)**

The Authority has not completed the process of evaluating the impact that will result from implementing GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. The primary objective of this Statement is to amend paragraph 137 of Statement 68 that requires, at transition, a government to recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

The provisions of this Statement are effective for reporting periods beginning after June 15, 2014 and are required to be applied simultaneously with the provisions of Statement 68.

**Subsequent Events**

Management has reviewed and evaluated all events and transactions from December 31, 2014 through March 4, 2015, the date that the financial statements were issued, for possible disclosure and recognition in the accompanying financial statements, and no items have come to the attention of the Authority which would require disclosure or recognition.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**Deposits with Financial Institutions**

Custodial Credit Risk, with respect to deposits, is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority believes that due to the dollar amounts of cash deposits and the limits of the FDIC insurance, it is impractical to insure all bank deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. As of December 31, 2014, \$533,135,657 of the Authority's bank balance of \$533,635,657 was uninsured and uncollateralized, and, therefore, exposed to custodial credit risk.

Cash and cash equivalents include various checking and money market accounts, and U.S. obligations with maturities of three months or less.

Concentration of Credit Risk - There is no limit on the amount the Authority may invest in any one issuer.

**Investments**

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

	Maturities	Fair Value
Marketable securities	Various	\$39,184,293

Interest Rate Risk - The "Securities Purchase Contract" between the CRDA and the licensees prescribes the types of investments allowed in the Reinvestment Fund. The "Securities Purchase Contract" requires that all investments be as follows:

Direct obligations of or obligations unconditionally guaranteed by the United States or direct obligations of or obligations unconditionally guaranteed by any state of the United States. If the latter is chosen, the securities must be rated in any of the two highest rating categories by a nationally recognized service.

Repurchase agreements that are collateralized by direct obligations of or obligations unconditionally guaranteed by the United States. The collateral must have a market value at all times equal to the repurchase price, and must be perfected for the benefit of the CRDA.

Units of the New Jersey Cash Management Fund, invested by the State Division of Investments, consisting of short-term obligations of the U.S. Government and certain of its agencies, commercial paper, certificates of deposit, repurchase agreements and banker's acceptances.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)**

**Investments (Continued)**

Certificates of deposit issued by a bank, trust company, national banking association, savings and loan association or other financial institution that are fully and continuously secured by direct obligations of, or obligations unconditionally guaranteed by, the United States. The securities underlying the certificates of deposit must have a market value at all times equal to the principal amount of such certificates of deposits, and must be held in such a manner as they may be required to provide a perfected security interest for the benefit of the CRDA.

**4 - NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES**

Notes receivable within the Debt Service Fund consist of loans with terms varying from 15 to 40 years at interest rates varying between 3% and 6.7%. Repayments of notes receivable are secured by mortgages. See Note 5 for details.

**5 - NOTES RECEIVABLE**

Notes receivable consist of the following as of December 31, 2014:

	Balance, December 31, 2013	Additions	Repayments	Write-offs	Operational Transfer Elimination	Balances, December 31, 2014
General Fund						
Ventnor Note Receivable	\$ 1,262			\$ 1,262		\$ -
Steel Pier	7,684,755	\$ 1,810,781				9,495,536
Total General Fund	7,686,017	1,810,781	-	1,262		9,495,536
Parking Fee Fund						
NJSEA	8,600,000		\$ 4,563,285		\$ 4,036,715	-
Total Parking Fee Fund	8,600,000	-	4,563,285	-	4,036,715	-
Other Governmental Funds						
Christopher Columbus Homes	2,302,845		80,496			2,222,349
Marcal	10,000,000		250,000			9,750,000
North Jersey Municipal Loan Program	46,830,883	500,000	8,419,347			38,911,536
Northwest	46,253		15,255			30,998
Sheraton Hotel	10,000,000					10,000,000
South Jersey Municipal Loan Program	10,592,637		2,353,481			8,239,156
Vermont Plaza	22,800,000					22,800,000
Total Other Governmental Funds	102,572,618	500,000	11,118,579	-		91,954,039
Total	\$ 118,858,635	\$ 2,310,781	\$ 15,681,864	\$ 1,262	\$ 4,036,715	\$ 101,449,575
Less: Allowance						(42,158,584)
						\$ 59,290,991



**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**6 - CAPITAL ASSETS**

Capital asset balances and activities for the year ended December 31, 2014 were as follows:

	Balance, December 31, 2013	Additions	Deletions	Balance, December 31, 2014
<b>Governmental Funds</b>				
General Fund				
Furniture and equipment	\$ 4,854,181	\$ 70,649		\$ 4,924,830
Building	2,001,905	180,024		2,181,929
Accumulated depreciation	(1,509,036)	(906,834)		(2,415,870)
Net, Governmental Funds	5,347,050	(656,161)	-	4,690,889
<b>Proprietary Funds</b>				
Land	81,311,000			81,311,000
Building	412,989,293	418,044		413,407,337
Furniture and equipment	61,198,656	1,084,066		62,282,722
Garage	34,373,011	207,924		34,580,935
Leasehold improvements	3,042,541	258,942		3,301,483
Accumulated depreciation	(175,565,395)	(10,744,076)		(186,309,471)
Net, Proprietary Funds	417,349,106	(8,775,100)	-	408,574,006
<b>Government-wide Total</b>	<b>\$ 422,696,156</b>	<b>\$ (9,431,261)</b>	<b>\$ -</b>	<b>\$ 413,264,895</b>

**7 - INTERFUND RECEIVABLES/PAYABLES**

Interfund receivables and payables balances at December 31, 2014 were as follows:

	Interest	Fees	Administrative Miscellaneous	Total
Due to (due from) General	\$ 15,363	\$ 27,589	\$ (1,227,565)	\$ (1,184,613)
Due to (due from) Reinvestment	(13,004)		9,589,288	9,576,284
Due to (due from) AC Corridor	(1,734)		75,455	73,721
Due to (due from) Hotel room fee	(625)			(625)
Due to (due from) Debt service fee		(27,589)	85,195	57,606
Due to (due from) Agency fund			(735,241)	(735,241)
Due to (due from) Corridor Garage			(527,346)	(527,346)
Due to (due from) SID			757,504	757,504
Due to (due from) ERD			(7,153,316)	(7,153,316)
Due to (due from) Convention Center			(863,974)	(863,974)
Net Total	\$ -	\$ -	\$ -	\$ -

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**7 - INTERFUND RECEIVABLES/PAYABLES (Continued)**

Interfund balances represent short-term loans between funds. All interfunds are expected to be repaid within one year.

**8 - OBLIGATION DEPOSITS**

- a. Obligation deposits collected from the licensees are held in the Reinvestment Fund until the CRDA's Board of Directors approves projects. Subsequent to approval of a project, when disbursements for a project are to be made, obligation deposits are disbursed as either bonds payable or direct investment reimbursements. If the approved project is designated as a donation project, the funds are initially reclassified from obligation deposits to donation deposits. Donation deposits are disbursed to the Agency Funds as donations to temporarily restricted assets when disbursements for the project are required. The obligation deposits set aside for the New Jersey Development Authority for Small Businesses, Minorities and Women Enterprises ("NJSBMWE") can be used to purchase bonds of the New Jersey Development Authority.
- b. Current obligations represent amounts incurred by licensees under the CRDA statute and are based upon 1.25% of their gross revenues. Payments are due quarterly on April 15, July 15, October 15, and January 15, for the preceding quarter. For financial reporting purposes, amounts outstanding are also recorded as current obligations receivable with an offsetting reserve as accrued investment obligations.
- c. 2014 obligations and donations account activity is summarized below:

	Reinvestment Fund			
	Obligations Payable	Direct Investment Deposits	Donation Deposits	Total
Beginning balance, January 1, 2014	\$ 177,679,427	\$ 443,432	\$ 54,712,690	\$ 232,835,549
Obligation deposits	36,257,851	-	-	36,257,851
Direct investments	(11,887,636)	-	-	(11,887,636)
Direct donations	(19,454,901)	-	-	(19,454,901)
Transfers (to) from donations	(4,815,517)	-	4,815,517	-
Transfer to General Fund	(24,316,703)	(248,356)	(299,187)	(24,864,246)
Transfer to bond trustee	(8,731,251)	-	-	(8,731,251)
Bonds issued	(707,924)	-	-	(707,924)
Credits	(18,234,608)	-	-	(18,234,608)
Disbursements	-	(195,076)	-	(195,076)
Grants to Agency and Debt Service Funds	-	-	(13,216,180)	(13,216,180)
Ending balance, December 31, 2014	\$ 125,788,738	\$ -	\$ 46,012,840	\$ 171,801,578

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**9 - LONG-TERM DEBT**

The CRDA has utilized two types of debt, publicly issued bonds and project bonds, which are issued solely to the Atlantic City casino licensees.

Public Issuance - CRDA

On March 23, 2005, the CRDA issued \$291,670,000 in Parking Fee Revenue Bonds Series 2005A, in the amount of \$107,140,000, were tax-exempt bonds, with interest rates varying between 5% and 5.25%, the proceeds of which were used to refund \$68,405,000 of the previously issued Parking Fee Revenue Bonds, Series 1997A, and \$43,205,000 of the previously issued Parking Fee Revenue Bonds, Series 2001A. Series 2005B, in the amount of \$184,530,000, were taxable bonds, with interest rates varying between 4.61% and 5.46%, the proceeds of which were used to refund \$68,405,000 of the previously issued Investment Alternative Tax and Subordinated Parking Fee Revenue Bonds, Series 2001B, and to fund projects on the Atlantic City Boardwalk and at the casinos. The bonds are payable from Parking Fee Revenues, certain pledged Investment Alternative Taxes and an additional contractual parking charge to be remitted by the casinos. In October of 2004, the CRDA issued \$93,000,000 of tax-exempt Hotel Room Fee Revenue Bonds (Series 2004), with interest rates varying between 5% and 5.25%. The proceeds of these bonds were used to fund projects in North and South Jersey as well as the Atlantic City casino expansion projects. These bonds are payable solely from hotel room fees.

Public Issuance - CCD

On April 1, 2013, the CRDA assumed all assets, debts and statutory responsibilities of the ACCVA. Accordingly, the Authority is bound by all terms and conditions of the NJSEA Convention Center Luxury Tax Bond Resolutions inclusive of a Pledged Property Agreement. The Pledged Property Agreement encumbers the luxury tax revenue with a lien as security for the NJSEA bond holders. The State transfers the luxury tax revenue directly to the bond trustee in order to reserve an amount sufficient to fulfill the debt service requirements on the Luxury Tax Bonds. As the debt service requirements are fulfilled on an annual basis, the bond trustee forwards the balance of the luxury tax receipts to the Authority to fund the capital expenditures, operating deficits, and working capital and maintenance reserve requirements of the CCD.

On February 15, 1999, the NJSEA issued \$128,270,000 of Convention Center Luxury Tax Refunding Bonds (Series 1999A), with interest rates varying between 4.25% and 5.125%, the proceeds of which were used to refund a portion of the previously issued Luxury Tax Bonds, Series 1992A.

On April 12, 2004, the NJSEA issued \$23,085,000 of Convention Center Luxury Tax Refunding Bonds (Series 2004A), with an interest rate of 5.5%, the proceeds of which were used to refund on a current basis the NJSEA's presently outstanding Luxury Tax Bonds, Series 1992A.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**9 - LONG-TERM DEBT (Continued)**

Public Issuance - CCD (Continued)

The payment, when due (other than by reason of acceleration or optional redemption), of principal and interest on these bonds is secured by a guaranty policy issued by the Municipal Bond Insurance Association.

Luxury Tax Bonds - CRDA

On November 1, 2014, CRDA issued \$241,190,000 in Luxury Tax Revenue Bonds, Series 2014 with interest rates varying between 2% and 5%. The Series 2014 bonds were issued for the purposes of (i) refunding the outstanding NJSEA bonds in the amount of \$77,535,000; (ii) providing funding for new projects; (iii) funding the debt service reserve requirement for the Series 2014 bonds; and (iv) paying the costs of issuance of the Series 2014 bonds. As of December 31, 2014, \$23,085,000 of defeased bonds remain outstanding.

Casino Pool Bonds - CRDA

The CRDA also issues project bonds to casino licensees with terms varying from 35 to 50 years, at interest rates varying between 3.0% and 7.0%. Such bonds are payable solely from the revenues and other monies derived from projects financed by such bonds, or other monies which may be pledged with respect to such issues.

All bonds issued by the CRDA are special obligations of the CRDA, do not constitute obligations against the general credit of the CRDA, and are not a debt or liability of the State. The bond holders of the Vermont Plaza project and the Sheraton Headquarters Hotel are not currently receiving principal or interest payments.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**

**9 - LONG-TERM DEBT (Continued)**

The CRDA has a debt service reserve set up for the following bond issues:

Bond Issue	Amount
\$107 million Parking Fee Revenue Bonds	\$ 22,055,775
\$184.5 million Parking Fee Revenue Bonds	7,728,959
Atlantic City Boardwalk Convention Center Project Bonds	423,954
<u>\$241 million Luxury Tax Revenue Bonds</u>	<u>15,750,663</u>
<u>Balance, December 31, 2014</u>	<u>\$ 45,959,351</u>

The following is a summary of the CRDA's long-term debt transactions for the year ended December 31, 2014:

	Publicly Issued Bonds	Project Bonds	Total
Debt outstanding, December 31, 2013	\$ 371,795,000	\$ 133,848,777	\$ 505,643,777
Additions to debt	241,190,000	707,924	241,897,924
Reductions of debt	(110,885,000)	(9,907,965)	(120,792,965)
Debt outstanding, December 31, 2014	502,100,000	124,648,736	626,748,736
Net unamortized premium	18,998,500		18,998,500
Allowance		(42,158,584)	(42,158,584)
Net debt	\$ 521,098,500	\$ 82,490,152	\$ 603,588,652

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**NOTES TO FINANCIAL STATEMENTS**

**9 - LONG-TERM DEBT (Continued)**

The following table reflects the scheduled debt services for the publicly issued revenue bonds:

Year	Parking Fee Revenue Bond Principal	Parking Fee Revenue Bond Interest	Total
2015	\$ 17,390,000	\$ 9,925,467	\$ 27,315,467
2016	18,125,000	9,013,817	27,138,817
2017	19,795,000	8,018,978	27,813,978
2018	20,835,000	6,942,009	27,777,009
2019	19,395,000	5,876,126	25,271,126
2020 - 2024	80,320,000	16,502,554	96,822,554
2025	18,775,000	512,558	19,287,558
	<u>\$ 194,635,000</u>	<u>\$ 56,791,509</u>	<u>\$ 251,426,509</u>

Year	Hotel Room Fee Revenue Bond Principal	Hotel Room Fee Revenue Bond Interest	Total
2015	\$ 4,620,000	\$ 3,326,819	\$ 7,946,819
2016	4,850,000	3,084,007	7,934,007
2017	5,105,000	2,825,878	7,930,878
2018	5,365,000	2,554,232	7,919,232
2019	5,650,000	2,265,088	7,915,088
2019 - 2023	33,010,000	6,428,501	39,438,501
2024 - 2025	7,675,000	191,875	7,866,875
	<u>\$ 66,275,000</u>	<u>\$ 20,676,400</u>	<u>\$ 86,951,400</u>

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**NOTES TO FINANCIAL STATEMENTS**

**9 - LONG-TERM DEBT (Continued)**

Year	Convention Center Luxury Tax Revenue Bond Principal	Convention Center Luxury Tax Revenue Bond Interest	Total
2015	\$ 3,865,000	\$ 11,882,541	\$ 15,747,541
2016	3,975,000	11,772,325	15,747,325
2017	4,135,000	11,613,325	15,748,325
2018	4,300,000	11,447,925	15,747,925
2019	4,515,000	11,232,925	15,747,925
2020-2024	25,945,000	52,793,875	78,738,875
2025-2029	32,735,000	46,011,825	78,746,825
2030-2034	41,580,000	37,165,300	78,745,300
2035-2039	52,425,000	26,313,525	78,738,525
2040-2044	67,715,000	11,028,413	78,743,413
	<u>\$ 241,190,000</u>	<u>\$ 231,261,979</u>	<u>\$ 472,451,979</u>

The following table reflects the scheduled debt services for the project bonds:

Year	Principal	Interest	Total
2015	\$ 1,506,960	\$ 3,253,019	\$ 4,759,979
2016	1,566,694	3,193,333	4,760,027
2017	1,628,858	3,131,219	4,760,077
2018	1,693,554	3,066,575	4,760,129
2019	1,760,886	2,999,296	4,760,182
2020 - 2024	9,914,672	13,887,089	23,801,761
2025 - 2029	26,404,675	12,291,813	38,696,488
2030 - 2034	38,729,801	9,572,813	48,302,614
2035 - 2039	8,200,200	6,913,855	15,114,055
2040 - 2044	16,038,224	4,694,727	20,732,951
2045 - 2049	1,139,162	2,402,079	3,541,241
2050 - 2054	16,065,050	1,223,481	17,288,531
	<u>\$ 124,648,736</u>	<u>\$ 66,629,299</u>	<u>\$ 191,278,035</u>

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**NOTES TO FINANCIAL STATEMENTS**

**10 – PROJECT AND DIRECT INVESTMENT COMMITMENTS**

During 2014, CRDA commitments decreased by \$106,079,612. As of December 31, 2014, CRDA had outstanding commitments as follows:

Project	Outstanding Commitments	Project	Outstanding Commitments
<b>Atlantic City</b>		<b>South Jersey</b>	
Northeast Inlet Redevelopment	\$ 757,306	EHT Route 40 Corridor	\$ 209,075
Virginia Avenue Improvements	39,937	SJ Regional Fire Training Center	952,451
North Carolina Avenue Improvements	115,561	Caesar's Hotel Expansion	3,719,902
Carolina Gardens	714,107	Harrah's Hotel Expansion	9,362,555
AC Housing Fund	27,139,809	Resorts Hotel Expansion	5,730,321
AC Corridor Bond Pledge	67,828,406	Aviation Research & Technology Park	2,778,306
Lighthouse Distict Park Project	1,470,895	Sub-total: South Jersey	\$ 22,752,610
Atlantic Cape Community College	1,125,363		
Community Development Grants	17,795		
Boardwalk Lighting	1,609,042		
Best of Bass Pro	12,330,000		
Atlantic Avenue Facades	1,731,040		
Main Street / Atlantic Avenue	80,106		
Pacific Avenue / Midtown	55,436		
Harrah's Conference Center	30,203,521		
Issac Cole Plaza Reclamation	57,237		
South Inlet Mixed Use Development	2,384,472		
Captial Expenditure Assessment	15,000		
Lighthouse Park Project	5,602		
Single Point of Entry	100,000		
Downtown Revitalization	100,000		
Caesars Non-Gaming Amenities	12,899,665		
Usry Daycare HVAC	248,519		
Tropicana Boardwalk Enhancements	17,800,000		
1 North Boston Demolition	102,000	<b>North Jersey</b>	
Pacific Avenue Midtown	5,828,000	NJSEA Purse Enhancements	\$ 803,144
Resorts Meeting Space Expansion	15,110,327	Sub-total: North Jersey	\$ 803,144
Sub-Total: Atlantic City	\$ 199,869,146	Total Commitments, December 31, 2014	\$ 223,424,900



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**NOTES TO FINANCIAL STATEMENTS**

**11 – GENERAL FUND DONATIONS**

Donations from the General Fund for project costs are included as expenses within the Statement of Revenues, Expenditures, and Changes in Fund Balances and consisted of the following:

Absecon Lighthouse	\$ 50,569
Atlantic-Pacific Avenues One-Way	519,025
Boardwalk Hall Lighting	371,114
Travelers Assistance Program	8,502
Downtown Revitalization	36,632
South Inlet Transportation Improvements	1,090,743
LEAD AC Tomorrow	7,372
Marketplace Analysis	8,309
Citywide Traveler Signage	104,718
Winter Decorations Project	23,737
Tourism Market Expansion	134,924
Bus Shelter Lighting	5,453
Walk ERD Rebates	884,351
Community Dev. Grants	379,338
Augmented Code Enforcement	21,558
Miss America Pageant	1,640,977
Tourism Distract Maintenance	300,940
Marketplace Project (Block 157)	533,470
LEAD AC Tomorrow	2,820
Urban Land Institute Conference	127,418
Street Lighting	11,189
AC Demolition Program	1,182,199
AC Ballet	66,078
Garden State Film Festival	114,829
Corridor Groundwater Investigation	15,000
AC Demolition Program	268,011
Challenge AC	116,341
Columbus Statue Relocation	22,716
AC Int'l Marketing	836,145
AC Inlet Neighborhood Strategy Area	37,614
Entertainment for Seniors	30,000
Single Point of Entry	594,000
S. Inlet Mixed Use Dev. Design Services	8,237
Parking Lot Improvements	16,406
Lighthouse Park Project	465,792
Gardners Basin Park	149,598
Tourism District Market Assessment	56,000
Marketplace/Architectural	457,226
Pacific Avenue One-Way Pair	3,638,806
Summer Concert Series	177,073
Citywide Jobs Program	100,000
Absecon Lighthouse Grant	33,333
<b>Total</b>	<b>\$ 14,648,563</b>

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**NOTES TO FINANCIAL STATEMENTS**

**12 – GENERAL FUND BALANCES COMMITTED FOR PROJECT COSTS**

Committed for:	
Absecon Lighthouse	\$ 29,884
Atlantic-Pacific Avenues One-Way	63,946
Travelers Assistance Program	77,675
Downtown Revitalization	2,669,304
South Inlet Transportation Improvements	2,489,982
Marketplace Analysis	4,191
Citywide Traveler Signage	195,282
Winter Decorations Project	18,256
Tourism Market Expansion	165,076
Bus Shelters	41,147
Community Entertainment Grants	664,204
Augmented Code Enforcement	108,442
Boardwalk Hall Lighting	442,246
Miss America Pageant	992,963
Tourism Maintenance	644,674
REMI Software	29,070
Boardwalk Repairs	700,000
Steel Pier	2,394,203
Marketplace Project (Block 157)	1,727,120
LEAD AC Tomorrow	18,980
Urban Land Institute Conference	5,000
Street Lighting	227,886
AC Ballet	13,163
Garden State Film Festival	153,346
AC Demolition Program	1,231,989
Challenge AC	633,659
Marketplace Construction	9,531,375
AC Int'l Marketing	1,163,855
AC Inlet Neighborhood Strategy Area	1,261,731
Firehouse Renovations	2,374
Community Dev. Grants/Events	144,276
S. Inlet Mixed Use Dev. Design Services	21,763
Parking Lot Improvements	7,584
Lighthouse Park Project	156,654
Tourism District Market Assessment	69,000
Beach at South Inlet	15,000,000
AC Int'l Risk Abatement	5,000,000
Marketplace/Architectural	765,538
Pacific Avenue One-Way Pair	3,913,552
Summer Concert Series	7,136
Int'l Swimming Hall of Fame	100,000
Citywide Jobs Program	300,000
Jewish Family Services	60,000
NJ Hall of Fame Feasibility Study	50,000
LEAD AC Tomorrow/2014-2015	21,800
Absecon Lighthouse Grant	66,667
Brighton Park Fountain Repairs	58,877
Study of For-Hire Transportation	19,800
AC LED Lighting Upgrades	83,000
Live Nation Public-Private Partnership	2,500,000
Pacific Avenue Midtown	3,272,000
Steel Pier	3,000,000
SJTA Block 281 Lease	597,859
Bass Pro Boat Showroom	4,000,000
Walk ERD Rebates	198,613
<b>Total</b>	<b>\$ 67,115,142</b>

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**NOTES TO FINANCIAL STATEMENTS**

**13 - COMMITMENTS AND CONTINGENCIES**

On October 10, 1997, the CRDA entered into a Parking Fee Agreement with the South Jersey Transportation Authority ("SJTA"), which is a component unit included in the State of New Jersey's comprehensive annual report. Pursuant to the Agreement, a portion of parking fees from marina parking facilities used in conjunction with any new licensed casino hotel construction, and located on land in the Marina District of Atlantic City, will be payable to SJTA. The maximum amount payable to SJTA under the Parking Fee Agreement is an amount sufficient to amortize \$65,000,000 of SJTA bonds issued to finance the Atlantic City Expressway Connector Project and certain costs of issuance. The maximum annual remittance to SJTA is the lesser of the Marina Parking Fees or the amount released by the Trustee of the Parking Fee Revenue Bonds after the semi-annual debt service. The CRDA's payment obligations are subordinate to the lien on the Marina Parking Fees of the Parking Fee Revenue Bonds (see Note 9).

Since April 2013, the Authority is also a party to an ongoing agreement with New Jersey Transit. As long as rail service is provided to the Atlantic City Convention Center, New Jersey Transit is entitled to a share of the revenue of the garage at the convention center. An annual lump-sum amount of \$190,000 satisfies this agreement.

In June of 2000, the NJSEA formed The Historic Boardwalk Hall, LLC ("LLC"), a limited liability company in the State of New Jersey for the purpose of financing and operating the Historic East Hall on the Atlantic City Boardwalk ("East Hall"). The LLC, which assumes the leasehold interest and contractual obligations of the Authority, admitted an investing member on September 14, 2000 through capital contributions. Of the contributed capital already received, \$910,107 is held in escrow and can only be used to restore or repair the organ at East Hall.

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**NOTES TO FINANCIAL STATEMENTS**

**14 - PENSION PLANS**

Public Employees' Retirement System

All full-time employees of the Authority are covered by the Public Employees' Retirement System ("PERS") cost-sharing multiple-employer defined benefit pension plan, which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits ("Division"). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

The PERS was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state local jurisdiction.

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 6.92% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS.

All salaried employees are required as a condition of employment to be members of PERS. A member may retire on a service retirement allowance as early as age 60; no minimum service requirement must be established. The formula for benefits is an annual allowance in the amount equal to years of service, divided by 55, times the final average salary. Final average salary means the average of the salaries received by the member for the last three years of creditable membership service preceding retirement or the highest three fiscal years of membership service, whichever provides the larger benefit. Benefits fully vest on reaching 10 years of service. Vested employees may retire at or after age 55 and receive reduced retirement benefits. The system also provides death and disability benefits. Benefits are established by State statute.

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**NOTES TO FINANCIAL STATEMENTS**

**14 - PENSION PLANS (Continued)**

Public Employees' Retirement System (Continued)

Covered employees are required by PERS to pay a certain percentage of defined salary. CRDA is required by State statute to contribute the remaining amounts necessary to pay benefits when due. PERS certifies the amount of CRDA's contribution each year on the recommendation of an actuary who makes an annual actuarial valuation. The valuation is a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary, and interest. The most recent valuation was issued in February 2014 for the year ended December 31, 2014.

The Authority's contributions to PERS for the years ended December 31, 2014, 2013, and 2012 were \$752,641, \$659,358, and \$197,833, respectively, equal to the required contributions for each year. The Authority's total payroll for the years ended December 31, 2014, 2013 and 2012 was \$6,462,038, \$7,181,612, and \$3,788,363; covered payroll was \$5,137,525, \$4,523,366, and \$3,261,199, for PERS, respectively.

All eligible employees of Global Spectrum may participate in a Section 401(k) deferred compensation plan. Global Spectrum's employer contributions were \$26,716, \$38,996, and \$38,082 for the years ended December 31, 2014, 2013 and 2012, respectively. Global Spectrum's total payroll for the years ended December 31, 2014, 2013, and 2012 was \$8,502,582, \$6,808,404, and \$7,007,932, respectively.

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**NOTES TO FINANCIAL STATEMENTS**

**14 - PENSION PLANS (Continued)**

Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all eligible employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. The Authority is in compliance with this legislation. These assets are not the legal property of the Authority, and are not subject to claims of the Authority's general creditors. Because the Authority has little administrative involvement and does not perform the investing function of this plan, the assets and related liabilities are not shown on the statement of net position.

Union contracts

Additionally, some of the Authority's employees are participants in certain pension plans administered by local unions and contributions are made in accordance with terms of union agreements of those employees. There are four active unions participating in their own pension plans in accordance with each specific union agreement and based on each of the applicable union job trades. The total combined contributions for all participating unions were \$331,314, \$223,764, and \$243,555 in 2014, 2013, and 2012, respectively. The total combined payroll for all participating unions was \$1,757,922, \$1,753,731, and \$2,018,879, in 2014, 2013, and 2012, respectively.

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**NOTES TO FINANCIAL STATEMENTS**

**15 - SETTLED LITIGATION**

The Historic Boardwalk Hall, LLC was formed as a limited liability company under the laws of the State of New Jersey on June 26, 2000, for the purpose of holding the subleasehold interest in East Hall and developing, rehabilitating and maintaining East Hall as a special events center. On September 14, 2000, PB Historic Renovations, LLC was admitted as the investor member. The managing member is the NJSEA. NJSEA, as managing member, signed a "Tax Benefits Guaranty" whereby Historic Boardwalk Hall, LLC agreed to pay PB Historic Renovations, LLC for any reduction in projected tax benefits as a result of an IRS challenge; for any additional tax liability as a result of an IRS challenge; for any interest and penalties imposed by the IRS; for an amount sufficient to compensate PB Historic Renovations, LLC for reasonable third-party legal and administrative expenses related to such a challenge; and an amount sufficient to pay any federal income tax liability owed by PB Historic Renovations, LLC.

The IRS performed an audit on the returns of Historic Boardwalk Hall, LLC for the years 2000 through 2002 and determined that all separately stated partnership items reported by Historic Boardwalk Hall, LLC on its returns for the subject years should be reallocated from PB Historic Renovations, LLC to the NJSEA.

In June 2005, Historic Boardwalk Hall, LLC protested and requested a conference with the IRS Appeals Office. After several conferences with the IRS Appeals Office in 2006, no settlement was reached. In February 2007, a petition to the U.S. Tax Court was filed. The matter was heard before the U.S. Tax Court in April 2009 and a favorable decision for Historic Boardwalk Hall, LLC was entered by the U.S. Tax Court in January 2011. The decision stated that there were no penalties due from Historic Boardwalk Hall, LLC for the applicable taxable years.

The IRS filed a notice of appeal to the U.S. Tax Court in March 2011. Subsequently, the United States Court of Appeals for the Third Circuit in August 2012 reversed the U.S. Tax Court decision. The United States Court of Appeals specifically ruled that PB Historic Renovations, LLC was not a bona fide partner in Historic Boardwalk Hall, LLC and affirmed the reallocation by the IRS of all separately stated partnership items to NJSEA for the subject years. Further, the United States Supreme Court denied certiorari to Historic Boardwalk Hall, et al. v. United States Court of Appeals for the Third Circuit in May 2013.

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**NOTES TO FINANCIAL STATEMENTS**

**15 - SETTLED LITIGATION (Continued)**

The litigation reserve in the amount of \$21,800,000 was recorded as an accrued liability in the CRDA's financial statements as of December 31, 2013.

During 2014, CRDA reached a settlement in this matter. The settlement of \$60,000,000 was funded by the Series 2014 Luxury Tax Revenue Bonds.

**16 - ECONOMIC DEPENDENCE**

The CRDA has a significant economic dependence upon the casino industry in Atlantic City and the casino alternative tax that is remitted to the Authority through the State of New Jersey. During 2014, the following casinos closed: Atlantic Club, Showboat, Revel and Trump Plaza. The CRDA has adopted a 2015 budget that accounts for the effects of these casinos closing.

**17 - DEFICIT IN RESTRICTED PROJECT COSTS**

There is a deficit in the unrestricted net position on the government-wide Statement of Net Position due to a deficit in the net position restricted for project costs in the Hotel Room Fee Fund. This has occurred because the Hotel Room Fee Special Revenue Fund has expended over \$113 million to date, and revenue has only been received in this fund beginning in July 2006. It is projected that sufficient funds will eventually be generated to offset the projected expenditures.

**18 - POLLUTION REMEDIATION OBLIGATIONS**

A pollution remediation obligation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. The Authority is responsible for pollution remediation activities at several sites that have soil contaminated with petroleum, hydrocarbons, and/or metals. The State of New Jersey provides oversight of the Authority's pollution remediation obligations. The estimated obligation was \$1,389,059 at December 31, 2014, and is included as a liability on the government-wide Statement of Net Position. There were no pollution remediation outlays for the year ended December 31, 2014. Pollution remediation obligations are measured based on outlays expected to be incurred to settle all estimable remediation efforts. Pollution remediation obligations are measured at the current value of reasonable and supportable assumptions about future events that may affect the eventual settlement of the obligations. Pollution remediation obligations are measured using the expected cash flow technique, which measures the obligation as the sum of probability-weighted amounts in a range of possible cash flows. Estimates are based on all currently available information, as well as the facts and circumstances of each situation, but may change due to price changes, changes in laws or regulations, changes in remediation technologies, or as additional information becomes available.



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**NOTES TO FINANCIAL STATEMENTS**

**19 – SEGMENT INFORMATION**

The Convention Center Division has three responsibilities: operation of the Boardwalk Hall, operation of the Convention Center, and promoting tourism through its Marketing Operations. The following table illustrates how these three operations contribute to the operating results of the Division. All payments made and received between segments that are recorded as revenues and expenses are eliminated in the combined financial statements. These payments typically include office rent, telephone, and marketing expenses that Marketing Operations pays to Boardwalk Hall and the Convention Center. The following financial information represents the Statement of Net Position, Statement of Cash Flows and Statement of Revenues, Expenses and Changes in Net Position of the Convention Center Division.

	Year Ended December 31, 2014					
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Elimination Entries	Combined December 31, 2014
Total current assets	\$ 6,066,016	\$ 2,784,711	\$ 10,750,463	\$ 152,038,381	\$ (4,117,355)	\$ 167,522,216
Total capital assets	-	-	163,960	375,783,232	-	375,947,192
Total assets	\$ 6,066,016	\$ 2,784,711	\$ 10,914,423	\$ 527,821,613	\$ (4,117,355)	\$ 543,469,408
Total current liabilities	\$ 6,066,016	\$ 2,784,711	\$ 3,252,715	\$ 10,146,762	\$ (4,117,355)	\$ 18,132,849
Total long-term liabilities	-	-	-	251,590,934	-	251,590,934
Total liabilities	6,066,016	2,784,711	3,252,715	261,737,696	(4,117,355)	269,723,783
Total net investment in capital assets	-	-	163,960	298,248,232	-	298,412,192
Total restricted net position	-	-	-	19,830,125	-	19,830,125
Total unrestricted net position	-	-	7,497,748	(51,994,440)	-	(44,496,692)
Total net position	\$ -	\$ -	\$ 7,661,708	\$ 266,083,917	\$ -	\$ 273,745,625

	Year Ended December 31, 2014						
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Capital Transfers	Elimination Entries	Combined December 31, 2014
Net cash used in operating activities	\$ (4,093,455)	\$ (4,128,189)	\$ (6,372,849)	\$ (5,409,544)	\$ 1,443,790	\$ -	\$ (18,560,247)
Net cash provided by noncapital financing activities	5,678,493	5,089,252	7,588,935	6,830,324	-	-	25,187,004
Net cash used in capital and related financing activities	-	-	(59,379)	101,091,738	(1,443,790)	-	99,588,569
Net cash provided by investing activities	52	92	356	4,820,703	-	-	4,821,203
Net increase (decrease) in cash and cash equivalents	1,585,090	961,155	1,157,063	107,333,221	-	-	111,036,529
Cash balance January 1, 2014	2,772,207	947,962	2,005,268	36,487,946	-	-	42,213,383
Cash balance, December 31, 2014	\$ 4,357,297	\$ 1,909,117	\$ 3,162,331	\$ 143,821,167	\$ -	\$ -	\$ 153,249,912

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**NOTES TO FINANCIAL STATEMENTS**

**19 – SEGMENT INFORMATION (continued)**

	Year Ended December 31, 2014					
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Elimination Entries	Combined December 31, 2014
Special services	4,136,747	3,352,725	-	-	(11,149)	7,478,323
Facilities rental	2,338,533	2,002,565	-	-	-	4,341,098
Concessions	835,393	922,768	-	-	-	1,758,161
Parking	265,277	1,394,011	-	-	-	1,659,288
Other	629,572	172,236	437,578	-	(150,000)	1,089,386
Total operating revenues	8,205,522	7,844,305	437,578	-	(161,149)	16,326,256
Salaries and benefits	5,702,895	5,424,460	3,686,063	-	-	14,813,418
Marketing expenditures	2,829,073	39,614	3,468,572	3,921,604	(11,149)	10,247,714
General and administrative	5,055,727	6,703,277	998,558	8,441	(150,000)	12,616,003
Depreciation	-	-	104,116	9,249,793	-	9,353,909
Other	1,075,626	203,694	-	-	-	1,279,320
Total operating expenses	14,663,321	12,371,045	8,257,309	13,179,838	(161,149)	48,310,364
Operating loss	(6,457,799)	(4,526,740)	(7,819,731)	(13,179,838)	-	(31,984,108)
Luxury tax revenue	6,457,747	4,526,648	4,349,653	16,788,650	-	32,122,698
Other nonoperating revenues	52	92	3,521,163	22,208	-	3,543,515
Litigation settlement	-	-	-	(38,436,091)	-	(38,436,091)
Other nonoperating expenses	-	-	-	(12,361,877)	-	(12,361,877)
Transfers from other funds	-	-	-	12,892,464	-	12,892,464
Total nonoperating revenues (expenses)	6,457,799	4,526,740	7,870,816	(21,094,646)	-	(2,239,291)
Change in net position	-	-	51,085	(34,274,484)	-	(34,223,399)
Net position, January 1, 2014	-	-	7,610,623	300,358,401	-	307,969,024
Net position, December 31, 2014	-	-	7,661,708	266,083,917	-	273,745,625

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND**

**YEAR ENDED DECEMBER 31, 2014**

	Budget	Actual	Variance
<b>REVENUES</b>			
Administrative fees	\$ 240,317	\$ 215,076	\$ (25,241)
Interest and investment income	98,500	108,189	9,689
Sales and luxury tax rebate revenue	15,155,592	26,663,223	11,507,631
Processing fees	293,178	318,228	25,050
Other	100,000	2,895,402	2,795,402
<b>Total revenues</b>	<b>15,887,587</b>	<b>30,200,118</b>	<b>14,312,531</b>
<b>EXPENDITURES</b>			
Current			
Salaries and benefits	4,537,027	4,082,862	454,165
General and administrative	1,013,239	673,190	340,049
Professional services	1,205,000	728,707	476,293
Project costs		14,648,563	(14,648,563)
Capital outlay			-
Purchase of fixed assets	296,422	250,675	45,747
<b>Total expenditures</b>	<b>7,051,688</b>	<b>20,383,997</b>	<b>(13,332,309)</b>
<b>Excess of revenues over expenditures</b>	<b>8,835,899</b>	<b>9,816,121</b>	<b>980,222</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Other receivables		(34,166)	(34,166)
Loan disbursements		(1,455,100)	(1,455,100)
Purchase of real estate		(4,412,857)	(4,412,857)
Transfer from other funds	2,700,000	33,025,498	30,325,498
Transfer to other funds	(4,877,777)	(4,911,493)	(33,716)
<b>Total other financing sources and uses</b>	<b>(2,177,777)</b>	<b>22,211,882</b>	<b>24,389,659</b>
<b>Net change in fund balance</b>	<b>6,658,122</b>	<b>32,028,003</b>	<b>25,369,881</b>
<b>Fund balance, January 1, 2014</b>	<b>79,029,110</b>	<b>79,029,110</b>	<b>-</b>
<b>Fund balance, December 31, 2014</b>	<b>\$ 85,687,232</b>	<b>\$ 111,057,113</b>	<b>\$ 25,369,881</b>

## **SUPPLEMENTARY INFORMATION**

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS -  
DEBT SERVICE FUNDS**

**YEAR ENDED DECEMBER 31, 2014**

	Christopher Columbus Homes	Marcal Project	North Jersey Municipal Loan Program	Northwest Inlet	Sheraton Hotel	South Jersey Municipal Loan Program	South Jersey Agricultural Loan Program	Vermont Plaza	Total Other Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents		\$ 691,402	\$ 543,890	\$ 121,516		\$ 2,662,149		\$ 1,355	\$ 4,020,312
Receivables:									
Accrued interest receivable	\$ 16,531	35,108	85,299	648		33,769			171,355
Other	6,419				\$ 34,340		\$ 694,482		735,241
<b>Total assets</b>	<b>\$ 22,950</b>	<b>\$ 726,510</b>	<b>\$ 629,189</b>	<b>\$ 122,164</b>	<b>\$ 34,340</b>	<b>\$ 2,695,918</b>	<b>\$ 694,482</b>	<b>\$ 1,355</b>	<b>\$ 4,926,908</b>
<b>LIABILITIES</b>									
Interest payable	\$ 14,679	\$ 31,045	\$ 88,729	\$ 1,539		\$ 88,823			\$ 224,815
Other payables	1,852	636,268	146,953	13		6,880			791,966
<b>Total liabilities</b>	<b>16,531</b>	<b>667,313</b>	<b>235,682</b>	<b>1,552</b>	<b>-</b>	<b>95,703</b>	<b>-</b>	<b>-</b>	<b>1,016,781</b>
<b>FUND BALANCE</b>									
Restricted for:									
Restricted for debt service	6,419	59,197	393,507	120,612	\$ 34,340	2,600,215		\$ 1,355	3,215,645
Committed for project costs							\$ 694,482		694,482
<b>Total fund balance</b>	<b>6,419</b>	<b>59,197</b>	<b>393,507</b>	<b>120,612</b>	<b>34,340</b>	<b>2,600,215</b>	<b>694,482</b>	<b>1,355</b>	<b>3,910,127</b>
<b>Total liabilities and fund balance</b>	<b>\$ 22,950</b>	<b>\$ 726,510</b>	<b>\$ 629,189</b>	<b>\$ 122,164</b>	<b>\$ 34,340</b>	<b>\$ 2,695,918</b>	<b>\$ 694,482</b>	<b>\$ 1,355</b>	<b>\$ 4,926,908</b>

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
OTHER GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**

**YEAR ENDED DECEMBER 31, 2014**

	Christopher Columbus Homes	Marcal Project	North Jersey Municipal Loan Program	Northwest Inlet	Sheraton Hotel	South Jersey Municipal Loan Program	South Jersey Agricultural Loan Program	Vermont Plaza	Total Other Governmental Funds
<b>REVENUES</b>									
Interest and investment income	\$ 100,843	\$ 431,246	\$ 966,771	\$ 3,011		\$ 566,911		\$ 1	\$ 2,068,783
<b>Total revenues</b>	100,843	431,246	966,771	3,011	-	566,911	-	1	2,068,783
<b>EXPENDITURES</b>									
Other	11,298	49,896	121,186	193		32,696			215,269
Debt service:									
Interest expense	89,884	381,409	822,336	3,468		544,579			1,841,676
Principal	83,048	266,524	8,467,672	22,244		385,852			9,225,340
<b>Total expenditures</b>	184,230	697,829	9,411,194	25,905	-	963,127	-	-	11,282,285
<b>(Deficiency) excess of revenues over expenditures</b>	(83,387)	(266,583)	(8,444,423)	(22,894)	-	(396,216)	-	1	(9,213,502)
<b>OTHER FINANCING SOURCES (USES)</b>									
Payments received on notes	80,495	250,000	8,419,347	15,255		2,353,482			11,118,579
Other payables			(119,331)			(5,949)			(125,280)
Capital-related debt issued			500,000						500,000
Loan disbursements			(500,000)						(500,000)
<b>Total other financing sources and uses</b>	80,495	250,000	8,300,016	15,255	-	2,347,533	-	-	10,993,299
<b>Net change in fund balance</b>	(2,892)	(16,583)	(144,407)	(7,639)	-	1,951,317	-	1	1,779,797
<b>Fund balance, January 1, 2014</b>	9,311	75,780	537,914	128,251	\$ 34,340	648,898	\$ 694,482	1,354	2,130,330
<b>Fund balance, December 31, 2014</b>	\$ 6,419	\$ 59,197	\$ 393,507	\$ 120,612	\$ 34,340	\$ 2,600,215	\$ 694,482	\$ 1,355	\$ 3,910,127

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS OTHER**

**YEAR ENDED DECEMBER 31, 2014**

	AC Inlet NSA	A.C. Supermarket	Bally's Warehouse Project	Carolina Gardens	Chelsea Westside	Chesapeake Gardens Senior Homes	Cityscape	Donation Loans	General Development	Land Banking	Lighthouse District Park Project	Marketplace Land Acquisition
<b>ASSETS</b>												
Cash and cash equivalents					\$ 6,645,583				\$ 8,016			
Real estate	\$ 1,954,335	\$ 6,163,011	\$ 71,574	\$ 823,704	262,187	\$ 151,383	\$ 66,583	\$ 2,150,000		\$ 1,196,804	\$ 3,528,385	\$ 7,300,000
Notes receivable		1,007,659		35,644								
Accrued interest receivable		2,733										
Other receivables		628,191		7,984				251,537				
<b>Total assets</b>	<b>\$ 1,954,335</b>	<b>\$ 7,801,594</b>	<b>\$ 71,574</b>	<b>\$ 867,332</b>	<b>\$ 6,907,770</b>	<b>\$ 151,383</b>	<b>\$ 66,583</b>	<b>\$ 2,401,537</b>	<b>\$ 8,016</b>	<b>\$ 1,196,804</b>	<b>\$ 3,528,385</b>	<b>\$ 7,300,000</b>
<b>LIABILITIES</b>												
Other liabilities					\$ 6,211,607			\$ 14,876	\$ 8,016			\$ 2,777,444
<b>RESERVES</b>												
Project costs	\$ 1,954,335	\$ 7,801,594	\$ 71,574	\$ 867,332	696,163	\$ 151,383	\$ 66,583	2,386,661	-	\$ 1,196,804	\$ 3,528,385	4,522,556
<b>Total liabilities and reserves</b>	<b>1,954,335</b>	<b>7,801,594</b>	<b>71,574</b>	<b>867,332</b>	<b>6,907,770</b>	<b>151,383</b>	<b>66,583</b>	<b>2,401,537</b>	<b>8,016</b>	<b>1,196,804</b>	<b>3,528,385</b>	<b>7,300,000</b>
<b>NET POSITION</b>												
<b>Total liabilities, reserve, and net position</b>	<b>\$ 1,954,335</b>	<b>\$ 7,801,594</b>	<b>\$ 71,574</b>	<b>\$ 867,332</b>	<b>\$ 6,907,770</b>	<b>\$ 151,383</b>	<b>\$ 66,583</b>	<b>\$ 2,401,537</b>	<b>\$ 8,016</b>	<b>\$ 1,196,804</b>	<b>\$ 3,528,385</b>	<b>\$ 7,300,000</b>



CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)

COMBINING STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS OTHER

YEAR ENDED DECEMBER 31, 2014

	NEI Consensual Acquisitions	Pennsylvania Avenue	Retail/Luxury Tax Rebates	2nd Ward Façade	S Inlet Land Acquisition	SE Inlet Transportation Improvements	Teachers & Firefighters Home Loans	3-2-1 Police Loan	Virginia Avenue	Virginian Acquisition	Total
<b>ASSETS</b>											
Cash and cash equivalents			\$ 13,816,052								\$ 20,469,651
Real estate	\$ 213,476	\$ 22,062		\$ 36,811	\$ 5,145,127	\$ 187,085			\$ 133,266	\$ 444,030	29,849,823
Notes receivable							\$ 6,250	\$ 349,939			1,399,492
Accrued interest receivable								1,071			3,804
Other receivables								4,588,654			5,476,366
<b>Total assets</b>	<b>\$ 213,476</b>	<b>\$ 22,062</b>	<b>\$ 13,816,052</b>	<b>\$ 36,811</b>	<b>\$ 5,145,127</b>	<b>\$ 187,085</b>	<b>\$ 6,250</b>	<b>\$ 4,939,664</b>	<b>\$ 133,266</b>	<b>\$ 444,030</b>	<b>\$ 57,199,136</b>
<b>LIABILITIES</b>											
Other liabilities			\$ 13,816,052					\$ 25,006			\$ 22,853,001
<b>RESERVES</b>											
Project costs	\$ 213,476	\$ 22,062		\$ 36,811	\$ 5,145,127	\$ 187,085	\$ 6,250	4,914,658	\$ 133,266	\$ 444,030	34,346,135
<b>Total liabilities and reserves</b>	<b>213,476</b>	<b>22,062</b>	<b>13,816,052</b>	<b>36,811</b>	<b>5,145,127</b>	<b>187,085</b>	<b>6,250</b>	<b>4,939,664</b>	<b>133,266</b>	<b>444,030</b>	<b>57,199,136</b>
<b>NET POSITION</b>											
<b>Total liabilities, reserve, and net position</b>	<b>\$ 213,476</b>	<b>\$ 22,062</b>	<b>\$ 13,816,052</b>	<b>\$ 36,811</b>	<b>\$ 5,145,127</b>	<b>\$ 187,085</b>	<b>\$ 6,250</b>	<b>\$ 4,939,664</b>	<b>\$ 133,266</b>	<b>\$ 444,030</b>	<b>\$ 57,199,136</b>

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**STATEMENT OF CHANGES IN RESERVES - FIDUCIARY FUNDS**

**YEAR ENDED DECEMBER 31, 2014**

	Reinvestment Fund	Other	Total
<b>ADDITIONS</b>			
Transfer from reinvestment funds and other			
governmental funds		\$ 32,671,082	\$ 32,671,082
Obligation deposits	\$ 36,257,851		36,257,851
Accrued obligations	(475,217)		(475,217)
Retail and luxury tax remittance		43,953,056	43,953,056
Interest on notes		44,756	44,756
Other income		4,027	4,027
<b>Total additions</b>	35,782,634	76,672,921	112,455,555
<b>DEDUCTIONS</b>			
Direct investments	12,082,712		12,082,712
Direct donations:			
Transfers to other funds/donations	32,671,082		32,671,082
Bonds issued	707,924		707,924
Credits	13,984,308		13,984,308
Bond trustee escrow	8,731,250		8,731,250
Transfer to General Fund	28,639,329		28,639,329
Grants and donations		22,979,696	22,979,696
Retail and luxury tax distributions		43,953,056	43,953,056
<b>Total deductions</b>	96,816,605	66,932,752	163,749,357
<b>Change in reserves</b>	(61,033,971)	9,740,169	(51,293,802)
<b>Total Reserves, January 1, 2014</b>	232,835,549	24,605,966	257,441,515
<b>Total Reserves, December 31, 2014</b>	171,801,578	34,346,135	206,147,713

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**COMBINING STATEMENT OF CHANGES IN RESERVES - AGENCY FUNDS, OTHER**

**YEAR ENDED DECEMBER 31, 2014**

	AC Inlet NSA	A.C. Supermarket	Bally's Warehouse Project	Carolina Gardens	Chelsea Westside	Chesapeake Gardens Senior Homes	Cityscape	Donation Loans	General Donations	Land Banking	Lighthouse District Park Project	Marketplace Land Acquisition
<b>ADDITIONS</b>												
Transfer from (to) reinvestment funds and other governmental funds	\$ 159,005			\$ 3,752					\$ 21,782,770		\$ 106,738	\$ 4,522,556
Retail and luxury tax remittance												
Interest on notes		33,849										
Other income					3,912							
<b>Total additions</b>	<b>159,005</b>	<b>33,849</b>	<b>-</b>	<b>3,752</b>	<b>3,912</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,782,770</b>	<b>-</b>	<b>106,738</b>	<b>4,522,556</b>
<b>DEDUCTIONS</b>												
Grants and donations	(472)			3,752	5,634			364,210	21,782,770		(214,057)	
Retail and luxury tax distributions												
<b>Total deductions</b>	<b>(472)</b>	<b>-</b>	<b>-</b>	<b>3,752</b>	<b>5,634</b>	<b>-</b>	<b>-</b>	<b>364,210</b>	<b>21,782,770</b>	<b>-</b>	<b>(214,057)</b>	<b>-</b>
<b>Change in reserves</b>	<b>159,477</b>	<b>33,849</b>	<b>-</b>	<b>-</b>	<b>(1,722)</b>	<b>-</b>	<b>-</b>	<b>(364,210)</b>	<b>-</b>	<b>-</b>	<b>320,795</b>	<b>4,522,556</b>
<b>Total reserves, January 1, 2014</b>	<b>1,794,858</b>	<b>7,767,745</b>	<b>71,574</b>	<b>867,332</b>	<b>697,885</b>	<b>151,383</b>	<b>66,583</b>	<b>2,750,871</b>	<b>-</b>	<b>1,196,804</b>	<b>3,207,590</b>	<b>-</b>
<b>Total reserves, December 31, 2014</b>	<b>\$ 1,954,335</b>	<b>\$ 7,801,594</b>	<b>\$ 71,574</b>	<b>\$ 867,332</b>	<b>\$ 696,163</b>	<b>\$ 151,383</b>	<b>\$ 66,583</b>	<b>\$ 2,386,661</b>	<b>\$ -</b>	<b>\$ 1,196,804</b>	<b>\$ 3,528,385</b>	<b>\$ 4,522,556</b>

CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)

COMBINING STATEMENT OF CHANGES IN RESERVES - AGENCY FUNDS, OTHER

YEAR ENDED DECEMBER 31, 2014

	NEI Consensual Acquisition	Pennsylvania Avenue	Retail Luxury Tax Rebates	2nd Ward Façade	S Inlet Land Acquisition	SE Inlet Transportation Improvements	Teachers and Firefighters Home Loans	3-2-1 Police Loan	Virginia Avenue	Virginia Ave ICON	Virginian Acquisition	Total
<b>ADDITIONS</b>												
Transfer from (to) reinvestment funds and other governmental funds				\$ 80,548	\$ 6,013,560					\$ 2,153		\$ 32,671,082
Retail and luxury tax remittance			\$ 43,953,056									43,953,056
Interest on notes								\$ 10,907				44,756
Other income								115				4,027
<b>Total additions</b>	-	-	43,953,056	80,548	6,013,560	-	-	11,022	-	2,153	-	76,672,921
<b>DEDUCTIONS</b>												
Grants and donations				80,548	945,191		\$ 3,750	6,217		2,153		22,979,696
Retail and luxury tax distributions			43,953,056									43,953,056
<b>Total deductions</b>	-	-	43,953,056	80,548	945,191	-	3,750	6,217	-	2,153	-	66,932,752
<b>Change in reserves</b>	-	-	-	-	5,068,369	-	(3,750)	4,805	-	-	-	9,740,169
<b>Total reserves, January 1, 2014</b>	\$ 213,476	\$ 22,062	-	36,811	76,758	\$ 187,085	10,000	4,909,853	\$ 133,266	-	\$ 444,030	24,605,966
<b>Total reserves, December 31, 2014</b>	\$ 213,476	\$ 22,062	\$ -	\$ 36,811	\$ 5,145,127	\$ 187,085	\$ 6,250	\$ 4,914,658	\$ 133,266	\$ -	\$ 444,030	\$ 34,346,135