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

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2016

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

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, 2016, 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 opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinions.

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Opinions

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, 2016, 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, budgetary comparison information, schedule of Authority's proportionate share of the net pension liability—PERS, and schedule of Authority contributions—PERS 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 opinions on the financial statements that collectively comprise the CRDA's basic financial statements. The accompanying supplementary information, which consists of the combining balance sheet – other governmental nonmajor funds – debt service funds, combining schedule of revenues, expenditures, and changes in fund balance – other governmental nonmajor funds – debt service funds, combining schedule of fiduciary net position – agency funds, other, statement of changes in reserves – fiduciary funds and combining schedule of changes in reserves – agency funds, other 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

Livingston, New Jersey
May 5, 2017

REQUIRED SUPPLEMENTARY INFORMATION – PART 1

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, 2016. Certain comparative information between the current year and the prior year is presented in this MD&A. 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 and deferred outflows of resources of the CRDA exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $342.2 million. Net position increased by $29.4 million compared to the prior year's net position of $312.8 million mainly as a result of the requirements of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*. This also resulted in increases in deferred outflows of resources, deferred inflows of resources and the net pension liability. Net position in governmental activities increased $39 million, whereas, net position from business-type activities decreased $9.6 million.

Cash, cash equivalents and investments total approximately $321.6 million, a decrease of $9.3 million from the prior year. The decrease is substantially comprised of the funding of debt service payments, an increase in projects costs related to such projects as the Atlantic City Development Company project, the Best of Bass Pro Shops project and the Marcal project.

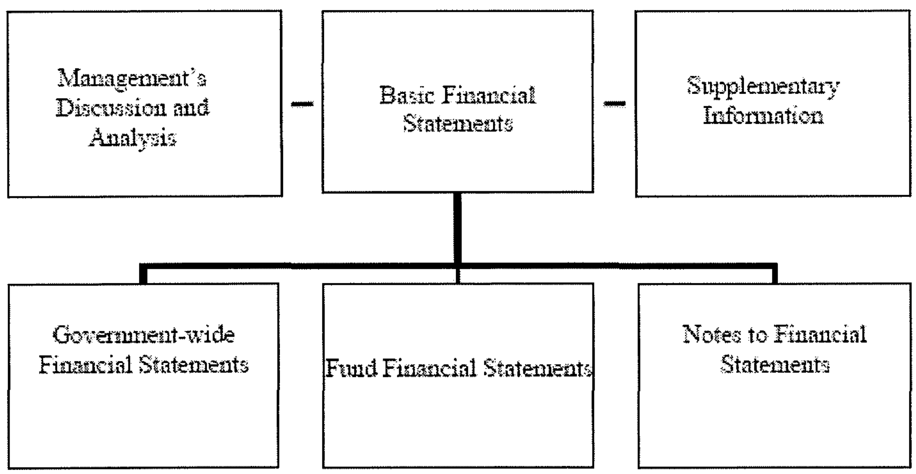
Long-term liabilities reflect a net decrease $21 million. The net decrease is comprised of debt service paid on outstanding bond issues offset by the issuance of project bonds related to the Best of Bass Pro Shops project.

General fund realized revenues exceeded budgeted revenues for the 2016 year due to other revenues exceeding budgeted amounts offset by sales and luxury tax rebate revenue, which fell short of expectations.

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 schedules* 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, deferred inflows and outflows of resources 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 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:

		Fund Statements		
	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire CRDA operation (except fiduciary funds)	The activities of the CRDA that are not proprietary or 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 liabilties 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
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Government-Wide Financial Analysis

	Governmental Activities 2016	Governmental Activities 2015	Total Percent Change
Current and other assets	$ 227,657,235	$ 208,366,671	9%
Notes receivable	75,101,746	68,848,639	9%
Real estate	112,188,017	108,802,982	3%
Capital assets	2,920,618	3,812,250	-23%
Total assets	$ 417,867,616	$ 389,830,542	
Deferred outflow of resources			
Pension deferrals	$ 4,240,056	$ 3,652,051	16%
Total deferred outflow of resources	$ 4,240,056	$ 3,652,051	
Other Liabilities	$ 42,019,296	$ 35,903,296	17%
Long-Term Liabilities	294,167,589	310,845,070	-5%
Total Liabilities	$ 336,186,885	$ 346,748,366	
Deferred inflow of resources			
Pension deferrals	$ 3,396,087	$ 3,191,734	6%
Total deferred inflow of resources	$ 3,396,087	$ 3,191,734	
Net Position:			
Net Investment in Capital Assets	$ 2,920,618	$ 3,812,250	-23%
Restricted	31,879,480	32,298,799	-1%
Unrestricted	47,724,602	7,431,444	-542%
Total Net Position	$ 82,524,700	$ 35,803,116	

The largest portion of the Authority's net position is its unrestricted component which may be used for any Authority purpose, and a negative $65.3 million designated for future project costs. The restricted component of net position represents resources consists of debt service in the amount of $32.0 million.

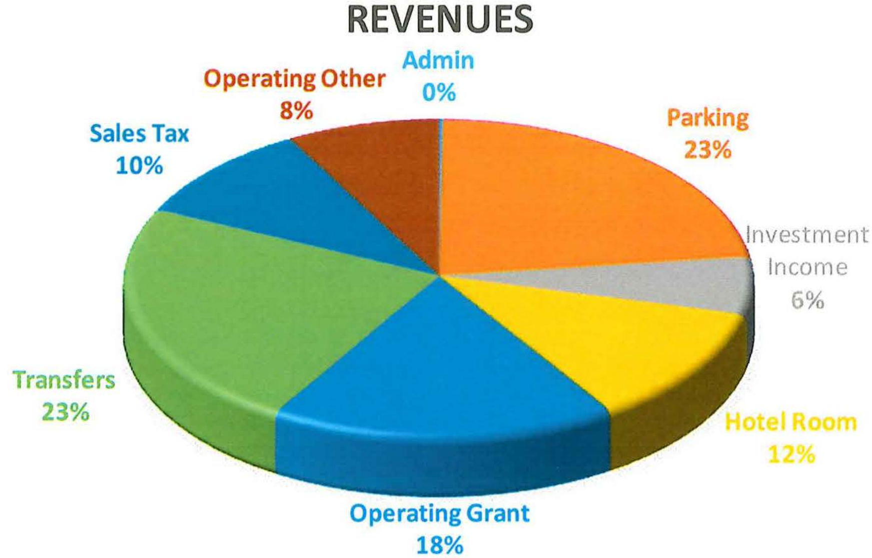
The CRDA holds $112.2 million in real estate investments. This real estate may be transferred to other entities upon completion of a project.

Changes in Net Position

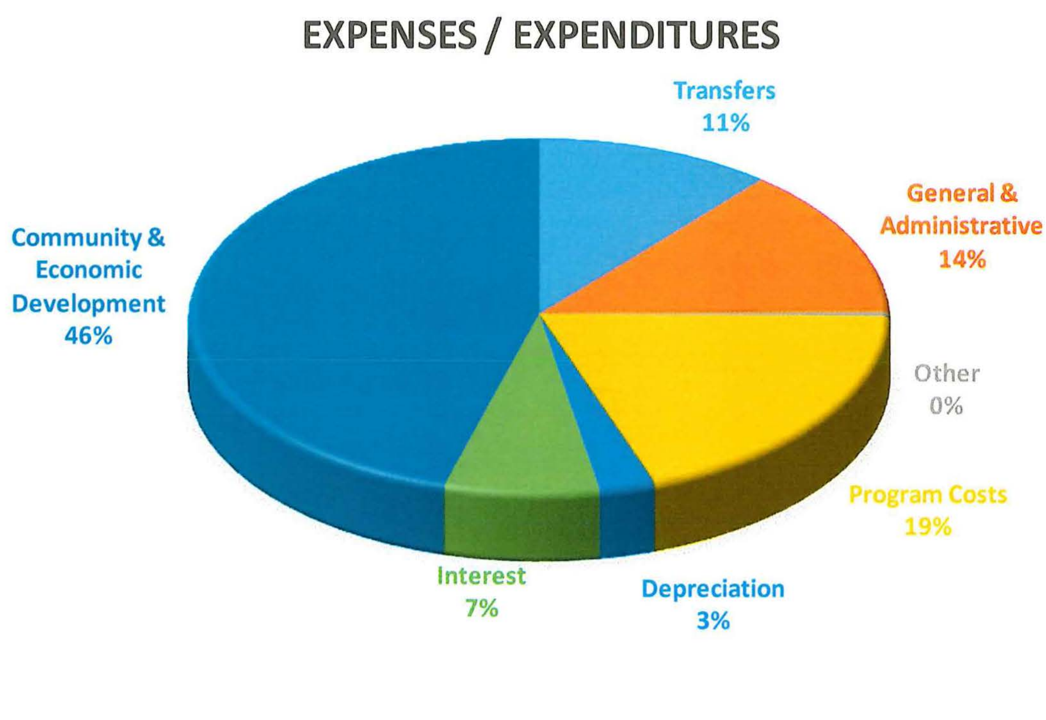
	Governmental Activities 2016	Governmental Activities 2015	Total Percent Change
Revenues:			
Fees:			
Administrative	$ 142,884	$ 478,090	-70%
Hotel room	8,899,322	8,782,140	1%
Sales tax and luxury tax rebate	7,458,595	8,978,799	-17%
Parking	17,003,485	17,669,958	-4%
Operating:			
Grant	13,244,074	9,232,139	43%
Other	6,007,314	2,992,430	101%
Investment income	4,363,948	3,703,992	18%
Transfers	17,164,871	16,315,214	5%
Total Revenues	$ 74,284,493	$ 68,152,762	
Expenses			
General and administrative	4,833,578	5,346,476	-10%
Other	142,536	474,089	-70%
Program costs	6,887,433	12,337,725	-44%
Depreciation	908,399	915,355	-1%
Interest on long-term debt	2,510,941	2,313,945	9%
Community and economic development	16,106,622	17,956,167	-10%
Transfers	3,912,777	13,809,826	-72%
Total Expenses	35,302,286	53,153,583	
Increase in net position	$ 38,982,207	$ 42,986,478	

The CRDA's governmental activities net position increased by approximately $39 million during the current fiscal year. The primary components in the increase in net position of governmental activities are (1) increase in operating revenue from community development offset by (2) a decrease in general and administrative, other, program costs and community development expenses as there were large decreases in expenses related to program costs and community and economic development and (3) the net increase in overall transfer activity of approximately $10.7 million.

2016 REVENUES – GOVERNMENTAL ACTIVITIES



2016 EXPENSES – GOVERNMENTAL ACTIVITIES



Governmental Funds Financial Analysis

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

As of the end of 2016, the CRDA's governmental funds reported combined ending fund balances of approximately $199.8 million, an increase of $13.5 million for the fiscal year. Of this total amount, $80.9 million is unassigned or available for any CRDA purpose. The remainder of fund balance, or $118.9 million, 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 ($35.3 million) and committed for projects ($83.6 million).

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 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 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

Capital Assets

The CRDA's investment in capital assets is $324.6 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 $193.4 million. See Note 6 to the basic financial statements for additional information.

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. The following is a summary of outstanding debt at December 31, 2016 and 2015:

	2016	2015
Debt outstanding January 1	$ 603,744,276	$ 626,748,736
Additions to debt	8,141,219	12,330,000
Reduction of debt	(27,984,449)	(35,334,460)
Debt outstanding December 31	583,901,046	603,744,276
Plus: Net unamortized premium	16,789,415	17,598,667
Less: Valuation allowance	(40,058,584)	(40,058,584)
	$ 560,631,877	$ 581,284,359

See Note 9 to the basic financial statements for additional information.

Selected Operating Highlights of the Convention Center Division

Number of Attendees

	2016	2015	2014
Boardwalk Hall	223,183	267,175	331,199
Convention Center	319,861	313,687	303,100
	543,044	580,862	634,299

Number of Events

	2016	2015	2014
Boardwalk Hall	49	42	47
Convention Center	73	88	91
	122	130	138

Operating Revenue & Expenses by Facility (000's)

	2016	2015	2014
Operating Revenues:			
Boardwalk Hall	$ 6,077	$ 6,684	$ 8,046
Convention Center	6,729	6,968	7,842
Marketing Operations	120	124	438
	$ 12,926	$ 13,776	$ 16,326
Operating Expenses:			
Boardwalk Hall	$ 9,468	$ 11,386	$ 14,663
Convention center	11,806	12,255	12,371
Luxury tax reserve	18,106	17,447	13,180
Marketing operations	3,804	5,701	8,096
	$ 43,184	$ 46,789	$ 48,310

Financial Contact

The Authority's financial statements are designed to present users (citizens, taxpayers, investors, and creditors) with a general overview of the Authority's finances and to demonstrate the Authority's accountability for its resources. If you have questions about this report or need additional information, contact the Authority's Chief Financial Officer, Kathy Marshall, at the Casino Reinvestment Development Authority, 15 South Pennsylvania Avenue, Atlantic City, New Jersey, 08401 or visit the Authority's website at www.njcrda.com.

GOVERNMENT-WIDE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION

DECEMBER 31, 2016

		Governmental Activities		Business-Type Activities		Total
ASSETS						
Cash and cash equivalents	$	170,153,411	$	26,932,723	$	197,086,134
Restricted cash and cash equivalents				109,188,533		109,188,533
Investments		15,166,213		215,775		15,381,988
Receivables:						
Notes receivable, net of allowance		75,101,746				75,101,746
Accrued interest receivable		10,057,806				10,057,806
Accrued parking fees		2,529,683				2,529,683
Accrued revenue receivable		2,506,299				2,506,299
Accrued marketing fees and luxury taxes				9,093,158		9,093,158
Other		27,243,823		8,185,558		35,429,381
Real estate		112,188,017		81,311,000		193,499,017
Capital assets, net of accumulated depreciation		2,920,618		321,730,469		324,651,087
Prepaid bond insurance premium				1,913,141		1,913,141
Total assets	$	417,867,616	$	558,570,357	$	976,437,973
DEFERRED OUTFLOW OF RESOURCES						
Pension deferrals		4,240,056		5,986,897		10,226,953
Total assets and deferred outflow of resources	$	422,107,672	$	564,557,254	$	986,664,926
LIABILITIES						
Interest payable	$	12,834,342	$	2,032,359	$	14,866,701
Unearned revenue				3,352,217		3,352,217
Other payables		21,133,341		17,149,593		38,282,934
Net pension liability		8,051,613		11,368,755		19,420,368
Long-term liabilities:						
Due within one year		28,343,926		4,617,748		32,961,674
Due beyond one year		265,823,663		261,567,912		527,391,575
Total liabilities	$	336,186,885	$	300,088,584	$	636,275,469
DEFERRED INFLOW OF RESOURCES						
Pension deferrals		3,396,087		4,795,225		8,191,312
Total liabilities and deferred inflow of resources	$	339,582,972	$	304,883,809	$	644,466,781
NET POSITION						
Net investment in capital assets	$	2,920,618	$	323,868,114	$	326,788,732
Restricted for:						
Debt service		31,879,480		16,584,647		48,464,127
Statutory requirements				113,811		113,811
Unrestricted (deficit)		47,724,602		(80,893,127)		(33,168,525)
Total net position	$	82,524,700	$	259,673,445	$	342,198,145

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, 2016

		Program Revenue		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Fees	Operating	Governmental Activities	Business-Type Activities	Total
FUNCTIONS / PROGRAMS						
Governmental activities						
General and administrative	$ 4,833,578	$ 670,952		$ (4,162,626)		$ (4,162,626)
Other	142,536		$ 5,248,103	5,105,567		5,105,567
Program costs	6,887,433	7,458,595	1,143	572,305		572,305
Depreciation	908,399			(908,399)		(908,399)
Interest on long-term debt	2,510,941			(2,510,941)		(2,510,941)
Community development	16,106,622	25,902,807	13,474,074	23,270,259		23,270,259
Total governmental activities	31,389,509	34,032,354	18,723,320	21,366,165	-	21,366,165
Business-type activities						
Convention Center Division	54,369,539	12,835,714			$ (41,533,825)	(41,533,825)
Corridor Parking Garage	2,428,602	698,101	37,045		(1,693,456)	(1,693,456)
Special Improvement District	5,770,913	1,709,181	112,066		(3,949,666)	(3,949,666)
Total business-type activities	62,569,054	15,242,996	149,111	-	(47,176,947)	(47,176,947)
Total primary government	$ 93,958,563	$ 49,275,350	$ 18,872,431	21,366,165	(47,176,947)	(25,810,782)
		General revenues				
		Luxury tax revenue			28,999,490	28,999,490
		Marketing fee revenue			4,580,820	4,580,820
		Investment income		4,363,948	62,099	4,426,047
		Transfers, net		13,252,094	3,912,777	17,164,871
		Total general revenues and transfers		17,616,042	37,555,186	55,171,228
		Changes in net position		38,982,207	(9,621,761)	29,360,446
		Net position - beginning		43,542,493	269,295,206	312,837,699
		Net position - ending		$ 82,524,700	$ 259,673,445	$ 342,198,145

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

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

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2016

	Major Funds	Special Revenue Funds			
	General Fund	Parking Fee	Hotel Room Fee	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 109,045,136	$ 39,672,444	$ 16,009,974	$ 5,425,857	$ 170,153,411
Investments		15,166,213			15,166,213
Receivables:					
Accrued interest receivable	83,083			91,624	174,707
Accrued parking fees receivable		2,529,683			2,529,683
Accrued revenue receivable			2,506,299		2,506,299
Other	22,671,770	461,522		3,823,218	26,956,510
Total assets	$ 131,799,989	$ 57,829,862	$ 18,516,273	$ 9,340,699	$ 217,486,823
LIABILITIES					
Interest payable		$ 805,193	$ 1,478,347	$ 644,730	$ 2,928,270
Other payables	$ 7,348,650	3,686,272	114,119	3,646,104	14,795,145
Total liabilities	7,348,650	4,491,465	1,592,466	4,290,834	17,723,415
FUND BALANCES					
Restricted for debt service		30,208,688		5,049,865	35,258,553
Committed for project costs	43,555,495	23,129,709	16,923,807		83,609,011
Unassigned	80,895,844				80,895,844
Total fund balances	124,451,339	53,338,397	16,923,807	5,049,865	199,763,408
Total liabilities and fund balances	$ 131,799,989	$ 57,829,862	$ 18,516,273	$ 9,340,699	

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

Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and therefore a are not reported in the funds.	2,920,618
Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds.	197,460,175
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.	(310,049,587)
Pension related items are not reported in the funds.	(7,569,914)
Net position of governmental activities	$ 82,524,700

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, 2016

	Major Funds			Other Governmental Funds	Total Governmental Funds
		Special Revenue Funds			
	General Fund	Parking Fee	Hotel Room Fee		
REVENUES					
Administrative fees	$ 142,884				$ 142,884
Interest and investment income	683,147	$ 714,536	$ 35,162	$ 2,017,093	3,449,938
Parking fee revenue		17,003,485			17,003,485
Hotel room fee revenue			8,899,322		8,899,322
Sales and luxury tax rebate revenue	7,458,595				7,458,595
Processing fees	528,068				528,068
Grant revenue		13,244,074			13,244,074
Other	5,248,103	230,000		1,143	5,479,246
Total revenues	14,060,797	31,192,095	8,934,484	2,018,236	56,205,612
EXPENDITURES					
Current:					
Salaries and benefits	2,971,254				2,971,254
General and administrative	668,088				668,088
Professional services	949,419				949,419
Project costs	6,887,433	4,136,592	20,685	300,916	11,345,626
Other				142,536	142,536
Debt service:					
Interest expense		9,130,456	2,517,973	1,994,102	13,642,531
Principal		18,729,905	5,288,720	800,075	24,818,700
Capital outlay:					
Purchase of capital assets	16,766				16,766
Total expenditures	11,492,960	31,996,953	7,827,378	3,237,629	54,554,920
Excess (deficiency) of revenues over (under) expenditures	2,567,837	(804,858)	1,107,106	(1,219,393)	1,650,692
OTHER FINANCING (USES) SOURCES					
Other receivables	(39,560)				(39,560)
Payments received on notes				2,119,658	2,119,658
Other payables		(230,632)		(5,949)	(236,581)
Loan disbursements	165,627				165,627
Purchase of real estate	(3,335,297)	(49,738)			(3,385,035)
Transfer from other funds	17,164,871				17,164,871
Transfer to other funds	(3,912,777)				(3,912,777)
Total other financing sources and (uses)	10,042,864	(280,370)	-	2,113,709	11,876,203
Net change in fund balances	12,610,701	(1,085,228)	1,107,106	894,316	13,526,895
Fund balances, January 1, 2016	111,840,638	54,423,625	15,816,701	4,155,549	186,236,513
Fund balances, December 31, 2016	$ 124,451,339	$ 53,338,397	$ 16,923,807	$ 5,049,865	$ 199,763,408

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, 2016

Total net change in fund balances - governmental funds	$ 13,526,895
Amounts reported for governmental activities in the statement of activities are different because:	
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.	2,493,402
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	914,012
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 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.	25,055,281
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.	(2,245,725)
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.	(761,658)
Change in net position of governmental activities	$ 38,982,207

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 - PROPRIETARY FUNDS

DECEMBER 31, 2016

	Business-Type Activities - Major Enterprise Funds			
	Convention Center Division	Corridor Parking Garage District	Special Improvement District	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 17,458,175	$ 2,286,816	$ 7,187,732	$ 26,932,723
Restricted cash and cash equivalents	109,188,533			109,188,533
Investments		215,775		215,775
Accrued marketing fees and luxury taxes	9,093,158			9,093,158
Accrued parking revenue		7,436		7,436
Other	4,410,624	92,775	3,674,723	8,178,122
Total current assets	140,150,490	2,602,802	10,862,455	153,615,747
Noncurrent assets:				
Real Estate	81,311,000			81,311,000
Capital assets, net	291,738,633	29,320,479	671,357	321,730,469
Prepaid bond insurance premium	1,913,141			1,913,141
Total noncurrent assets	374,962,774	29,320,479	671,357	404,954,610
Total assets	$ 515,113,264	$ 31,923,281	$ 11,533,812	$ 558,570,357
DEFERRED OUTFLOW OF RESOURCES				
Pension deferrals	$ 4,637,405		$ 1,349,492	$ 5,986,897
Total assets and deferred outflow of resources	$ 519,750,669	$ 31,923,281	$ 12,883,304	$ 564,557,254
LIABILITIES				
Current liabilities:				
Interest payable	$ 1,935,554	$ 96,805		$ 2,032,359
Unearned revenue	3,352,217			3,352,217
Accounts payable	6,258,960	2,051,489	$ 8,839,144	17,149,593
Net pension liability	8,806,152		2,562,603	11,368,755
Current portion of long-term debt	4,135,000	482,748		4,617,748
Noncurrent liabilities:				
Long-term debt, net of current portion	243,202,305	18,365,607		261,567,912
Total liabilities	$ 267,690,188	$ 20,996,649	$ 11,401,747	$ 300,088,584
DEFERRED INFLOW OF RESOURCES				
Pension deferrals	$ 3,714,345		$ 1,080,880	$ 4,795,225
Total liabilities and deferred inflow of resources	$ 271,404,533	$ 20,996,649	$ 12,482,627	$ 304,883,809
NET POSITION				
Net investment in capital assets	$ 312,724,633	$ 10,472,124	$ 671,357	$ 323,868,114
Restricted for:				
Debt service	15,752,647	832,000		16,584,647
Statutory requirements	113,811			113,811
Unrestricted (deficit)	(80,244,955)	(377,492)	(270,680)	(80,893,127)
Total net position	$ 248,346,136	$ 10,926,632	$ 400,677	$ 259,673,445

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, 2016

	Business-Type Activities - Major Enterprise Funds			
	Convention Center Division	Corridor Parking Garage District	Special Improvement District	Total
Operating revenues				
Special services	$ 5,497,444			$ 5,497,444
Facilities rental	3,760,093			3,760,093
Concessions	367,531			367,531
Assessments, net			$ 1,709,181	1,709,181
Parking revenue	1,746,767	$ 698,101		2,444,868
Other revenue	1,463,879	37,045	112,066	1,612,990
Total operating revenues	12,835,714	735,146	1,821,247	15,392,107
Operating expenses				
Salaries and benefits	13,516,405		2,374,845	15,891,250
Marketing	9,634,153			9,634,153
Production	506,114			506,114
General and administrative	9,547,691	674,261	3,121,178	13,343,130
Depreciation	9,845,388	1,173,510	274,351	11,293,249
Total operating expenses	43,049,751	1,847,771	5,770,374	50,667,896
Operating loss	(30,214,037)	(1,112,625)	(3,949,127)	(35,275,789)
Nonoperating revenues (expenses)				
Luxury tax revenue	28,999,490			28,999,490
Marketing fee revenue, net	4,580,820			4,580,820
Interest income	40,273	4,922	16,904	62,099
Interest expense	(11,319,788)	(580,831)	(539)	(11,901,158)
Transfers from other funds			3,912,777	3,912,777
Total nonoperating revenues (expenses)	22,300,795	(575,909)	3,929,142	25,654,028
Change in net position	(7,913,242)	(1,688,534)	(19,985)	(9,621,761)
Net position, January 1, 2016	256,259,378	12,615,166	420,662	269,295,206
Net position, December 31, 2016	$ 248,346,136	$ 10,926,632	$ 400,677	$ 259,673,445

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, 2016

	Business-Type Activities - Major Enterprise Funds			
	Convention Center Division	Corridor Parking Garage District	Special Improvement District	Total
Cash flows from operating activities				
Receipts from customers	$ 11,094,860			$ 11,094,860
Assessments			$ 1,873,508	1,873,508
Parking revenue		$ 696,231		696,231
Other revenue			112,066	112,066
Payments to suppliers	(11,578,723)	(793,925)	(2,950,671)	(15,323,319)
Payments for others		48,867		48,867
Payments to employees	(13,652,463)		(2,367,175)	(16,019,638)
Net cash (used in) operating activities	(14,136,326)	(48,827)	(3,332,272)	(17,517,425)
Cash flows from noncapital financing activities				
Luxury tax revenue	3,713,268			3,713,268
Marketing fee revenue	2,419,146			2,419,146
Due to/from other funds		1,698,316	2,458,076	4,156,392
Transfers from other funds			3,912,777	3,912,777
Net cash provided by noncapital financing activities	6,132,414	1,698,316	6,370,853	14,201,583
Cash flows from capital and related financing activities				
Interest expense	(11,772,325)	(580,830)	(539)	(12,353,694)
Payments on bonds and notes payable	(3,975,000)		(5,860)	(3,980,860)
Purchase of capital assets	(10,634,901)		(31,091)	(10,665,992)
Luxury tax revenue	15,922,611			15,922,611
Net cash (used in) capital and related financing activities	(10,459,615)	(580,830)	(37,490)	(11,077,935)
Cash flows from investing activities				
Interest	39,660	4,922	16,904	61,486
Net cash provided by investing activities	39,660	4,922	16,904	61,486
Net (decrease) increase in cash and cash equivalents	(18,423,867)	1,073,581	3,017,995	(14,332,291)
Cash balance, January 1, 2016	145,070,575	1,213,235	4,169,737	150,453,547
Cash balance, December 31, 2016	$ 126,646,708	$ 2,286,816	$ 7,187,732	$ 136,121,256
Reconciliation of operating loss to net cash (used in) operating activities				
Operating loss	$ (30,214,037)	$ (1,112,625)	$ (3,949,127)	$ (35,275,789)
Adjustments to reconcile operating loss to net cash (used in) operating activities:				
Depreciation	9,845,388	1,173,510	274,351	11,293,249
(Increase)/decrease in:				
Receivables, net	(1,510,354)			(1,510,354)
Prepaid expenses and other assets	(874,919)	(45,642)	(121,131)	(1,041,692)
Accrued assessments			164,327	164,327
Parking fee receivable		(1,870)		(1,870)
Accrued salaries and benefits			7,670	7,670
Accounts payable and other liabilities	10,053,815	(62,200)	318,745	10,310,360
Unearned revenue	(1,365,694)			(1,365,694)
Accounts payable - pension	(70,525)		(27,107)	(97,632)
Net cash (used in) operating activities	$ (14,136,326)	$ (48,827)	$ (3,332,272)	$ (17,517,425)

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, 2016

	Reinvestment	Other	Total
ASSETS			
Cash and cash equivalents	$ 65,673,900	$ 28,810,619	$ 94,484,519
Receivables:			
Notes receivable		1,700,722	1,700,722
Obligations receivable	2,858,361		2,858,361
Accrued interest receivable		2,332	2,332
Other receivables	32,671,937	6,233,368	38,905,305
Capital assets:			
Real estate		28,618,846	28,618,846
Total assets	$ 101,204,198	$ 65,365,887	$ 166,570,085
LIABILITIES			
Interest payable	$ 92,968		$ 92,968
Other payables	17,955,713	$ 33,011,014	50,966,727
RESERVES			
Obligations payable	46,684,440		46,684,440
Donation deposits	36,471,077		36,471,077
Project costs		32,354,873	32,354,873
Total liabilities and reserves	101,204,198	65,365,887	166,570,085
NET POSITION			
Total liabilities and reserves and net position	$ 101,204,198	$ 65,365,887	$ 166,570,085

See accompanying notes to the basic financial statements.

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.

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 2016. 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.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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.

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.

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 major proprietary and fiduciary fund types:

Proprietary Funds:

The *Corridor Parking 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.

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.

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. The allowance balance for notes receivable at December 31, 2016 is $40,058,584.

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.

Investments

Investments are comprised of United States Treasury Bonds, Federated Treasury Obligations and Solar Renewable Energy Credits and are recorded at fair value.

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, 2016, the provision for uncollectible accounts was approximately $40 million.

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:

	Years
Buildings	35 - 60
Building improvements	10 - 20
Funiture, 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.

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/expense 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.

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.

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.

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.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Division has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Division has one item that qualifies for reporting in this category which are deferred amounts related to pensions.

Effect of New Governmental Accounting Standards Board Pronouncements

GASBS Implemented in the 2016 Fiscal Year

In February, 2015, GASB issued Statement No. 72, Fair Value Measurement and Application ("GASB 72"). The objective of this Statement is to provide guidance for applying fair value for certain assets and liabilities and disclosures related to all fair value measurements. The requirements of this Statement mandate the use of valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The Authority has implemented GASB 72 during this fiscal year.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2016 through May 5, 2017, the date that the financial statements were issued and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been disclosed in the financial statements in footnote 16 "Economic Dependence".

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, 2016 the Authority's book balance was $400,997,187. As of December 31, 2016, the Authority's bank balance of $404,524,063 was partially insured by the FDIC in the amount of $250,000 in each depository. Balances above the FDIC insurance amount are insured by the Government Unit Deposit Protection Act ("GUDPA").

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.

At December 31, 2016, the Authority had the following investments:

Description	Maturity	Fair Value	Fair Value Level
United States Treasury Obligations	May, 2017	$ 15,166,213	Level 2
Solar renewal energy credits	Nonexpiring	$ 215,775	Level 1

GASB 72 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement.) The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

Investments (Continued)

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

There were no transfers in or out of Levels 1, 2 or 3 during 2016.

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.

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 0.0% 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, 2016:

	December 31, 2015	Additions	Repayments	Transferred	December 31, 2016
General Fund					
Steel Pier	$ 11,870,243	$ 3,550,122	$ 300,863		$ 15,119,502
John Brooks Recovery Center	1,745,598			$ 1,745,598	
Atlantic City Development Co.	1,272,114	1,052,241	2,324,355		
Total General Fund	14,887,955	4,602,363	2,625,218	1,745,598	15,119,502
Other Governmental Funds					
Christopher Columbus Homes	2,138,201		87,967		2,050,234
Marcal	8,949,925		834,646		8,115,279
North Jersey Municipal Loan Program	38,771,375		177,292		38,594,083
Northwest	15,569		4,784		10,785
Sheraton Hotel	10,000,000				10,000,000
South Jersey Municipal Loan Program	1,114,198		76,849		1,037,349
Vermont Plaza	20,700,000				20,700,000
Best of Bass Pro Shops	12,330,000		662,821		11,667,179
Impactivate		8,141,218	275,299		7,865,919
Total Other Governmental Funds	94,019,268	8,141,218	2,119,658	-	100,040,828
Total	108,907,223	12,743,581	4,744,876	1,745,598	115,160,330
Less: Allowance	(40,058,584)				(40,058,584)
Total	$ 68,848,639	$ 12,743,581	$ 4,744,876	$ 1,745,598	$ 75,101,746

6 - CAPITAL ASSETS

Capital asset balances and activities for the year ended December 31, 2016 were as follows:

	Balance December 31, 2015	Additions	Balance December 31, 2016
Governmental Funds			
Furniture & Equipment	$ 4,930,208	$ 11,567	$ 4,941,775
Building	2,205,088	5,200	2,210,288
Accumulated Depreciation	(3,323,046)	(908,399)	(4,231,445)
Net, Governmental Funds	3,812,250	(891,632)	2,920,618
Proprietary Funds			
Land	81,311,000		81,311,000
Buildings	414,691,394	7,447,497	422,138,891
Furniture & Equipment	64,076,605	2,660,572	66,737,177
Garage	34,580,935		34,580,935
Leasehould Improvements	6,195,411	503,806	6,699,217
Accumulated Depreciation	(197,132,501)	(11,293,250)	(208,425,751)
Net, Proprietary Funds	403,722,844	(681,375)	403,041,469
Government-wide Total	$ 407,535,094	$ (1,573,007)	$ 405,962,087

7 - INTERFUND RECEIVABLES/PAYABLES

Interfund receivables and payables balances at December 31, 2016 were as follows:

	Interest	Fees	Miscellaneous	Total
Due to (Due From) General	$ 83,083	$ 807,916	$ 15,583,353	$ 16,474,352
Due to (Due From) Reinvestment	(39,768)	(489,423)	15,262,067	14,732,876
Due to (Due From) AC Corridor	(23,804)		(1,295,413)	(1,319,217)
Due to (Due From) Hotel Room Fee	(19,511)		(94,608)	(114,119)
Due to (Due From) Debt Service		(318,493)	783,457	464,964
Due to (Due From) Garage			(1,929,914)	(1,929,914)
Due to (Due From) SID			(4,504,088)	(4,504,088)
Due to (Due From) ERD			(20,798,311)	(20,798,311)
Due to (Due From) Agency	(6,440)		(4,152,843)	(4,159,283)
Due to (Due From) Convention Center			1,152,740	1,152,740
Net Total	$ (6,440)	$ -	$ 6,440	$ -

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. 2016 obligations and donations account activity is summarized below:

Reinvestment Fund - Reserves

	Obligations Payable	Donation Deposits
Beginning Balance January 1, 2016	$ 78,765,341	$ 40,125,843
Obligation Deposits	20,992,777	
Direct investments	(23,041,083)	
Direct donations	(14,621,750)	
Transfer to bond trustee	(7,269,626)	
Bonds Issued	(8,141,219)	
Transfer to General Fund		(2,995,481)
Grants to Agency and Debt Service Funds		(659,285)
Ending Balance, December 31, 2016	$ 46,684,440	$ 36,471,077

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 (tax exempt), in the amount of $107,140,000, with interest rates varying between 5.00% 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.

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, 2016, $23,085,000 of the 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.

The CRDA has debt service reserves established 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
$241.2 million Luxury Tax Revenue Bonds		15,752,647
Balance, December 31, 2016	$	45,961,335

9 - LONG-TERM DEBT (Continued)

The following is a summary of the CRDA's long-term debt transactions for the year ended December 31, 2016:

	Publically Issued Bonds	Project Bonds	Total
Balance, December 31, 2015	$ 476,225,000	$ 127,519,276	$ 603,744,276
Additions to Debt	-	8,141,219	8,141,219
Reductions of Debt	(26,950,000)	(1,034,449)	(27,984,449)
Balance, December 31, 2016	449,275,000	134,626,046	583,901,046
Net Unamortized Premium	16,294,642		16,294,642
Allowance		(40,058,584)	(40,058,584)
	$ 465,569,642	$ 94,567,462	$ 560,137,104

The following tables reflect the scheduled debt service for the publicly issued revenue bonds:

Year	Parking Fee Revenue Bond Principal	Parking Fee Revenue Bond Interest	Total
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	14,435,000	4,981,550	19,416,550
2021	15,200,000	4,196,551	19,396,551
2022-2025	69,460,000	7,837,012	77,297,012
Total	$ 159,120,000	$ 37,852,224	$ 196,972,224

Year	Hotel Room Fee Bond Principal	Hotel Room Fee Bond Interest	Total
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
2020	5,945,000	1,960,719	7,905,719
2021	6,255,000	1,640,469	7,895,469
2022-2025	28,485,000	3,019,188	31,504,188
Total	$ 56,805,000	$ 14,265,574	$ 71,070,574

9 - LONG-TERM DEBT (Continued)

Year	Convention Center Luxury Tax Revenue Bond Principal	Convention Center Luxury Tax Revenue Bond Interest	Total
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	4,695,000	11,052,325	15,747,325
2021	4,930,000	10,817,575	15,747,575
2022-2026	28,520,000	50,224,300	78,744,300
2027-2031	35,990,000	42,751,000	78,741,000
2032-2036	45,500,000	33,244,900	78,744,900
2037-2041	58,080,000	20,664,263	78,744,263
2042-2044	42,685,000	4,558,575	47,243,575
Total	$ 233,350,000	$ 207,607,113	$ 440,957,113

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

Year	Project Bond Principal	Project Bond Interest	Total
2017	$ 3,443,926	$ 3,218,794	$ 6,662,720
2018	1,693,554	3,154,150	4,847,704
2019	1,760,886	3,086,871	4,847,757
2020	1,830,965	3,016,845	4,847,810
2021	1,903,905	2,943,961	4,847,866
2022-2026	16,368,150	12,759,826	29,127,976
2027-2031	56,804,560	11,381,686	68,186,246
2032-2036	9,126,675	7,247,793	16,374,468
2037-2041	7,143,663	5,747,348	12,891,011
2042-2046	5,549,549	4,444,701	9,994,250
2047-2051	670,209	3,998,914	4,669,123
2052-2055	28,330,004	1,649,754	29,979,758
Total	$ 134,626,046	$ 62,650,643	$ 197,276,689

10 – PROJECT AND DIRECT INVESTMENT COMMITMENTS

During 2016, CRDA commitments decreased by $25.35 million. As of December 31, 2016, CRDA had outstanding commitments as follows:

Project		Outstanding Commitments	Project		Outstanding Commitments
Atlantic City			**South Jersey**		
Northeast Inlet Redevelopment	$	756,158	Caesar's Hotel Expansion	$	3,413,957
Virginia Avenue Icon		34,702	Harrah's Hotel Expansion		9,062,566
North Carolina Avenue Improvement		115,561	Resorts Hotel Expansion		5,395,231
Carolina Gardens		651,011	Sub-total: South Jersey	$	17,871,754
AC Housing Fund		15,306,008			
AC Corridor Bond Pledge		53,864,994			
Boardwalk Lighting		1,609,042			
Pacific Avenue/Midtown		49,184			
Harrah's Conference Center		32,046			
South Inlet Mixed Use Development		1,562,813			
Single Point of Entry		100,000			
Caesars Non-Gaming Amenities		19,990			
Tropicana Boardwalk Enhancements		70,824			
Pacific Avenue Midtown		5,815,900			
Resorts Meeting Space Expansion		2,450,622			
Impactivate		3,858,780			
Borgata Nightclub Expansion		1,000,000			
Golden Nugget Suite Expansion		860,439			
Beach at South Inlet		15,000,000			
Tropicana Boardwalk Enhancements		8,000,000			
Harrah's Non-Gaming Amenities		2,829,174			
Bally's A.C. Hotel Room Improv.		4,272,617			
Sub-total: Atlantic City	$	118,259,865	Total at December 31, 2016	$	136,131,619

11 – GENERAL FUND DONATIONS

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

Boardwalk Hall Lighting	$	96,031
Travelers Assisstance Program		14,960
Downtown Revitalization		663
South Inlet Transportation Improvements		95,628
Tourism Market Expansion		49,741
Community Dev. Grants		30,793
Miss America Pageant		3,369,000
Tourism District Maintenance		76,210
Marketplace Project (Block 157)		41,104
AC Ballet		1,600
Garden State Film Festival		62,500
Corridor Groundwater Investigation		14,488
AC Demolition Program		106,592
AC Inlet Neighborhood Strategy Area		27,247
Single Point of Entry		902,836
Citywide Jobs Program		46,412
Absecon Lighthouse Grant		33,333
AC LED Lighting Upgrades		83,000
Community Dev/Events		5,414
Reserve for Live Nation Public-Private Partnership		999,999
Pacific Avenue Midtown		(609,540)
SJTA Block 281 Lease		1,300,604
Save Lucy Committee		25,000
AC Nights TV Program		35,000
Vision 2000		29,198
2016 Atlantic City Air Show		50,000
Operating Fund		(380)
Total	$	6,887,433

12 – GENERAL FUND BALANCES COMMITTED FOR PROJECT COSTS

As of December 31, 2016, the following represents the components of the General Fund balances committed for project costs.

		2016
Absecon Lighthouse	$	24,884
Travelers Assisstance Program		45,811
Downtown Revitalization		2,522,793
Tourism Market Expansion		26,330
Community Dev. Grants/Events		80,174
Augmented Code Enforcement		75,210
Miss America Pageant		942,000
Tourism Maintenance		490,203
Boardwalk Repairs		700,000
Steel Pier		1,294,203
Marketplace Project (Block 157)		1,273,727
Street Lighting		227,886
AC Ballet		4,254
Garden State Film Festival		5,822
AC Demolition Program		1,068,451
Challenge AC		205,515
Marketplace Construction		9,531,375
AC Inlet Neighborhood Strategy Area		596,915
Jewish Family Services		55,228
Steel Pier		659,136
Live Nation Public-Private Partnership		1,500,001
Save Lucy Committee		25,000
AC Nights TV Program		106,000
AC National Guard Armory		33,556
AC DevCo P3		177,021
Route 40 Corridor		125,000
AEG Live		1,935,000
Stockton Aviation Resesearch Technical Park		2,674,000
Garden State Film Festival		150,000
Stockton University Atlantic City Campus Project		17,000,000
Total	$	43,555,495

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, $940,651 is held in escrow and can only be used to restore or repair the organ at East Hall.

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/annrprts.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

14 - PENSION PLANS-(Continued)

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 7.06% 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.

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 Authority's contributions to PERS for the years ended December 31, 2016, 2015, and 2014 were $582,527, $688,075, and $752,641, respectively, equal to the required contributions for each year. The Authority's total payroll for the years ended December 31, 2016, 2015 and 2014 was $5,166,879, $5,679,593, and $6,462,038; covered payroll was $4,508,345 $5,760,666, and $5,137,525, 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 $138,245, $132,650, and $26,716 for the years ended December 31, 2016, 2015 and 2014, respectively. Global Spectrum's total payroll for the years ended December 31, 2016, 2015, and 2014 was $7,761,838, $8,384,261, and $8,502,582, respectively.

14 - PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employee's Retirement System (PERS)

At December 31, 2016 and 2015, the Authority reported a liability of $19,420,370 and $17,965,955, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2015, which was rolled forward to June 30, 2016. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined. At June 30, 2016, the Authority's proportion was 0.0655714054 percent, which was a decrease of 0.0144622745 from its proportion measured as of June 30, 2015. For the years ended December 31, 2016 and 2015, the Authority recognized full accrual pension expense of $1,071,797 and $911,975 in the financial statements. At December 31, 2016 and 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 4,022,863	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	4,811,150	$ 8,191,312
Difference between projected and actual investment earnings	740,516	
Difference between expected and actual experience	361,160	
Authority contributions subsequent to the measurement date	291,264	
	$ 10,226,953	$ 8,191,312

14 - PENSION PLANS (Continued)

	2015	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Changes of assumptions	$ 1,929,400	
Net difference between projected and actual earnings on pension plan investments		$ 288,858
Changes in proportion and differences between Authority contributions and proportionate share of contributions	6,209,740	7,499,653
Difference between expected and actual experience	428,604	
Authority contributions subsequent to the measurement date	344,038	
	$ 8,911,782	$ 7,788,511

As of December 31, 2016, $291,264 is reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2017	$ 364,515
2018	364,517
2019	619,183
2020	374,385
2021	21,777
	$ 1,744,377

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.08%
Salary increase through 2026	1.65 - 4.15% based on age
Thereafter	2.65 - 5.15% based on age
Investment rate of return	7.65%

14 - PENSION PLANS (Continued)

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2015. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions the emerging liability may be higher or lower than anticipated. The more the expectation deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Post-retirement mortality rates were based on the RP-200 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (setback 3 years for males and setback 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

14 - PENSION PLANS (Continued)

Asset Class	Allocation	Real Rate of Return
Cash	5.00%	8.70%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High yield bonds	2.00%	4.56%
Inflation-indexed bonds	1.50%	3.44%
Broad U.S. equities	26.00%	8.53%
Developed foreign equities	13.25%	6.83%
Emerging market equities	6.50%	9.95%
Private equity	9.00%	12.40%
Hedge funds/Absolute return	12.50%	4.68%
Real Estate (property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	100.00%	

Discount rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of the current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

14 - PENSION PLANS (Continued)

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate

The following presents the Authority's proportionate share of the net pension liability as of December 31, 2016 calculated using the discount rate as disclosed above as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	At 1% Decrease (2.98%)	At Current Discount Rate (3.98%)	At 1% Increase (4.98%)
Authority's proportionate share of the net pension liability	$ 23,797,397	$ 19,420,370	$ 15,806,755

The following presents the Authority's proportionate share of the net pension liability as of December 31, 2015 calculated using the discount rate as disclosed above as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90) percent than the current rate.

	At 1% Decrease (3.90%)	At Current Discount Rate (4.90%)	At 1% Increase (5.90%)
Authority's proportionate share of the net pension liability	$ 22,329,486	$ 17,965,957	$ 14,307,606

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information of the Local Group

Collective balances at the end of the current measurement period, June 30, 2016 are as follows:

Collective deferred outflows of resources	$	8,685,338,380
Collective deferred inflows of resources	$	870,133,595
Collective net pension liability	$	29,617,131,759
Authority's Proportion		0.0655714054%

The average of the expected remaining service lives of all plan members is 5.57and 5.72 years for 2016 and 2015, respectively.

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 $406,249, $428,689, and $331,314 in 2016, 2015, and 2014, respectively. The total combined payroll for all participating unions was $2,723,501, $2,866,899, and $1,757,922, in 2016, 2015, and 2014, respectively.

15 - MATERIAL LITIGATION

During the fourth quarter of 2014, the CRDA, as statutory successor-in-interest to the New Jersey Sports and Exposition Authority (NJSEA), reached a settlement in a lawsuit involving the NJSEA's obligation, as the managing member of Historic Boardwalk Hall, LLC (HBH LLC), to pay tax liabilities owed to the Internal Revenue Service (IRS) by PB Historic Renovations, LLC, the investor member of HBH LLC. The settlement of $60,000,000 was funded by the Series 2014 Luxury Tax Revenue Bonds issued by the CRDA. CRDA is pursuing claims against the professional service provider that advised NJSEA on the transaction and is currently in final and binding arbitration. To date, a final decision has not been rendered.

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

15 - MATERIAL LITIGATION (Continued)

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.

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. As a result of such reallocation, PB Historic Renovations, LLC was liable to the IRS for approximately $120 million.

16 - ECONOMIC DEPENDENCE

The closure of several casinos during 2014, as well as, competition from gaming in neighboring states have resulted in significant declines in the assessed value of casino gaming property, which in turn has affected the City of Atlantic City's ability to raise sufficient revenue through the City's property tax levy. During May 2016, P.L. 10`6, c.5 known as the "Casino Property Tax Stabilization Act," (the "Law") was enacted into law. This law exempts casino gaming properties, beginning with calendar year 2016, and the next succeeding nine tax years, from local property taxes contingent upon the casinos entering into Payment In Lieu of Tax agreements with the City of Atlantic City. The Law also amends the CRDA Act and reallocates future investment alternative tax ("IAT") obligations (net of existing CRDA contractual and bond commitments) previously collected by the CRDA, to pay debt service on City bonds issued prior to the effective date of the Law.

Additionally, the Law also abolishes the Atlantic City Alliance ("ACA"), an organization funded principally by the casino industry to promote and market the City and removes the CRDA's right to impose a fee upon casino licensees in the event that the ACA fails to perform its obligations under the agreement entered into with the CRDA prior to enactment of the Law. Under the agreement, the ACA provided $30 million annually toward marketing and promoting the City. Under the Law, these funds and future annual reduced amounts thereof will be reallocated to the City to support annual municipal budgets through 2023. The CRDA is

16 - ECONOMIC DEPENDENCE – (Continued)

currently negotiating a transitional arrangement with the ACA to facilitate the transfer of ACA tangible and intangible property for use in possible future marketing and promotional efforts.

17 - 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 CRDA 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 CRDA's pollution remediation obligations. The estimated obligation was $670,000 at December 31, 2016, 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, 2016. 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 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. The foregoing remediation obligations of $670,000, represents amounts held in escrow by the CRDA as part of a contractual obligation between the CRDA and a third party, which is responsible for effectuating the actual remediation and compliance with applicable state environmental regulations . In accordance with its contract, the CRDA will release these escrow funds once contractual remediation obligations are satisfied by the third party with the understanding that the third party remains responsible for compliance with applicable state environmental regulations. As of May 2, 2017 CRDA released the escrowed funds in accordance with its contractual obligations.

18 – SEGMENT INFORMATION

The Convention Center Division has three responsibilities: operation of the Boardwalk Hall, operation of the Convention Center, and promoting tourism though 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.

Statement of Net Position
December 31, 2016

	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Elimination Entries	Combined December 31, 2016
ASSETS						
Total current assets	$ 3,904,424	$ 4,549,643	$ 8,322,116	$ 125,595,876	$ (2,176,569)	$ 140,150,490
Total noncurrent assets	-	-	43,756	374,919,018	-	374,962,774
Total assets	$ 3,904,424	$ 4,549,643	$ 8,365,872	$ 500,514,894	$ (2,176,569)	$ 515,113,264
Pension deferrals			-	4,637,405		4,637,405
Total assets and deferred outflow of resources	$ 3,904,424	$ 4,549,643	$ 8,365,872	$ 505,152,299	$ (2,176,569)	$ 519,750,669
LIABILITIES						
Total current liabilities	$ 3,904,424	$ 4,549,643	$ 710,249	$ 17,455,136	$ (2,176,569)	$ 24,487,883
Long-term debt, net of current portion				243,202,305		243,202,305
Total liabilites	3,904,424	4,549,643	710,249	260,657,441	(2,176,569)	267,690,188
Pension deferrals			-	3,714,345		3,714,345
Total liabilities and deferred inflow of resources	$ 3,904,424	$ 4,549,643	$ 710,249	$ 264,371,786	$ (2,176,569)	$ 271,404,533
NET POSITION						
Total net position	$ -	$ -	$ 7,610,623	$ 240,735,513	$ -	248,346,136

Statement of Cash Flows
Year Ended December 31, 2016

	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Capital Transfers	Elimination Entries	Combined December 31, 2016
Net cash (used in) provided by operating activities	$ (5,614,376)	$ (4,430,066)	$ (8,121,983)	$ (6,077,200)	$ 10,107,299	$ -	$ (14,136,326)
Net cash provided by (used in)noncapital financing activities	4,304,175	4,014,581	4,119,145	(6,305,487)	-	-	6,132,414
Net cash (used in) capital and related financing activities	-	-	-	(352,316)	-	(10,107,299)	(10,459,615)
Net cash provided by investing activities	1,890	1,035	1,463	35,272	-	-	39,660
Net (decrease) in cash and cash equivalents	(1,308,311)	(414,450)	(4,001,375)	(12,699,731)			(18,423,867)
Cash balance January 1, 2016	3,992,160	2,327,342	4,946,171	133,804,902			145,070,575
Cash balance, December 31, 2016	$ 2,683,849	$ 1,912,892	$ 944,796	$ 121,105,171	$ -	$ -	$ 126,646,708

18 – SEGMENT INFORMATION - (Continued)

Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2016

	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Elimination Entries	Combined December 31, 2016
Operating Revenues						
Special services	$ 2,599,239	$ 2,898,205				$ 5,497,444
Facilities rental	1,678,303	2,081,790				3,760,093
Concessions	352,168	15,363				367,531
Parking	275,981	1,470,786				1,746,767
Promotion reimbursement and fees	332,969	112,046	$ 118,223			563,238
Other	837,898	150,940	1,803		$ (90,000)	900,641
Total operating revenues	6,076,558	6,729,130	120,026	-	(90,000)	12,835,714
Operating Expenses						
Salaries and benefits	5,124,223	5,991,732	2,400,450			13,516,405
Marketing expenditures	816,899	39,011	678,243	$ 8,100,000		9,634,153
Production	334,493	171,621				506,114
General and administrative	3,192,116	5,603,557	642,618	199,400	(90,000)	9,547,691
Depreciation			38,598	9,806,790		9,845,388
Total operating expenses	9,467,731	11,805,921	3,759,909	18,106,190	(90,000)	43,049,751
Operating loss	(3,391,173)	(5,076,791)	(3,639,883)	(18,106,190)	-	(30,214,037)
Nonoperating						
Luxury tax revenue	3,389,283	5,075,756	(942,400)	21,476,851		28,999,490
Marketing fee revenue, net			4,580,820			4,580,820
Interest income	1,890	1,035	1,463	35,885		40,273
Interest expense				(11,319,788)		(11,319,788)
Total nonoperating	3,391,173	5,076,791	3,639,883	10,192,948	-	22,300,795
Change in net position	-	-	-	(7,913,242)	-	(7,913,242)
Net Position, January 1, 2016	-	-	7,610,623	248,648,755	-	256,259,378
Net Position, December 31, 2016	$ -	$ -	$ 7,610,623	$ 240,735,513	$ -	$ 248,346,136

REQUIRED SUPPLEMENTARY INFORMATION – PART II

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, 2016

	Budget	Actual	Variance
REVENUES			
Administrative fees	$ 186,159	$ 142,884	$ (43,275)
Interest and investment income	100,304	683,147	582,843
Sales and luxury tax rebate revenue	10,196,950	7,458,595	(2,738,355)
Processing fees	275,000	528,068	253,068
Other	2,689,448	5,248,103	2,558,655
Total revenues	13,447,861	14,060,797	612,936
EXPENDITURES			
Current			
Salaries and benefits	3,371,197	2,971,254	399,943
General and administrative	954,522	781,099	173,423
Professional services	1,437,400	836,408	600,992
Project costs		6,887,433	(6,887,433)
Capital outlay			
Purchase of capital assets	128,489	16,766	111,723
Purchase of real estate	109,000		109,000
Total expenditures	6,000,608	11,492,960	(5,492,352)
Excess of revenues over expenditures	7,447,253	2,567,837	(4,879,416)
OTHER FINANCING SOURCES (USES)			
Other receivables		(39,560)	(39,560)
Loan disbursements		165,627	165,627
Purchase of real estate		(3,335,297)	(3,335,297)
Transfer from other funds	2,500,000	17,164,871	14,664,871
Transfer to other funds	4,944,742	(3,912,777)	(8,857,519)
Total other financing sources and uses	7,444,742	10,042,864	2,598,122
Net change in fund balance	14,891,995	12,610,701	(2,281,294)
Fund balance, January 1, 2016	111,840,638	111,840,638	-
Fund balance, December 31, 2016	$ 126,732,633	$ 124,451,339	$ (2,281,294)

Casino Reinvestment Development Authority
Schedule of the Authority's Proportionate Share of the Net Pension Liability and Notes to Required Supplementary Information
Required Supplementary Information
Public Employee's Retirement System

Last Ten Fiscal Years

	Years Ended June 30,									
	2016	2015	2014	2013*	2012*	2011*	2010*	2009*	2008*	2007*
Authority's proportion of the net pension liability (asset) - Local Group	0.0655714054%	0.0800336799%	0.0912972062%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Authority's proportionate share of the net pension liability (asset)	$ 19,420,370	$ 17,965,955	$ 17,093,334	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Authority's covered-employee payroll	$ 4,508,345	$ 5,760,666	$ 6,242,196	$ 5,257,232	$ 5,180,757	$ 5,442,341	$ 5,612,725	$ 5,426,236	$ 5,170,196	$ 5,228,496
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	430.76%	311.87%	273.84%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability - Local Group	40.14%	47.93%	48.72%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The Casino Reinvestment Development Authority and the Atlantic City Convention Center Authority merged in 2013. For years presented prior to the merge we combined the data for both entities.
The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

N/A - Information not available.

Notes to the Required Supplmentary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from the measurement date of June 30, 2014 of 5.39% to 4.90% as of the measurement date of June 30, 2015.

The discount rate changed from the measurement date of June 30, 2015 of 4.90% to 3.98% as of the measurement date of June 30, 2016.

Casino Reinvestment Development Authority
Schedule of Authority Contributions
Required Supplementary Information
Public Employee's Retirement System

Last Ten Fiscal Years

	Years Ended June 30,									
	2016	2015	2014	2013*	2012*	2011*	2010*	2009*	2008*	2007*
Contractually required contribution	$ 582,527	$ 688,075	$ 752,641	$ 659,358	$ 559,528	$ 629,453	$ 616,727	$ 500,943	$ 430,772	$ 300,545
Contributions in relation to the contractually required contribution	(582,527)	(688,075)	(752,641)	(659,358)	(559,528)	(629,453)	(616,727)	(500,943)	(430,772)	(300,545)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 4,068,593	$ 4,508,345	$ 5,760,666	$ 6,242,196	$ 5,257,232	$ 5,180,757	$ 5,442,341	$ 5,612,725	$ 5,426,236	$ 5,170,196
Contributions as a percentage of covered-employee payroll	14.32%	15.26%	13.07%	10.56%	10.64%	12.15%	11.33%	8.93%	7.94%	5.81%

* The Casino Reinvestment Development Authority and the Atlantic City Convention Center Authority merged in 2013. For years presented prior to the merge we combined the data for both entities.

SUPPLEMENTARY INFORMATION

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

COMBINING BALANCE SHEET - OTHER GOVERNMENTAL NON-MAJOR FUNDS - DEBT SERVICE FUNDS

YEAR ENDED DECEMBER 31, 2016

	Christopher Columbus Homes	Marcal Project	North Jersey Municipal Loan Program	Northwest Inlet	Sheraton Hotel	South Jersey Municipal Loan Program	Best of Bass Pro Shops	Vermont Plaza	Impactivate	Total Other Governmental Funds
ASSETS										
Cash and cash equivalents		$ 2,505,640	$ 2,079,014	$ 13,503		$ 826,343		$ 1,357		$ 5,425,857
Receivables:										
Accrued interest receivable	$ 15,250	32,102	40,995	(167)		3,444				91,624
Other	239,301		15,601		$ 34,340		$ 1,158,677	2,100,000	$ 275,299	3,823,218
Total assets	$ 254,551	$ 2,537,742	$ 2,135,610	$ 13,336	$ 34,340	$ 829,787	$ 1,158,677	$ 2,101,357	$ 275,299	$ 9,340,699
LIABILITIES										
Interest payable	$ 14,404	$ 32,201	$ 88,208			$ 14,633	$ 462,324		$ 32,960	$ 644,730
Other payables	107,341	1,610,327	1,409,056	$ (19)		154,176	300,916		64,307	3,646,104
Total liabilities	121,745	1,642,528	1,497,264	(19)	-	168,809	763,240	-	97,267	4,290,834
FUND BALANCE										
Restricted for:										
Debt service	132,806	895,214	638,346	13,355	$ 34,340	660,978	395,437	$ 2,101,357	$ 178,032	5,049,865
Committed for project costs										
Total fund balance	132,806	895,214	638,346	13,355	34,340	660,978	395,437	2,101,357	178,032	5,049,865
Total liabilities and fund balance	$ 254,551	$ 2,537,742	$ 2,135,610	$ 13,336	$ 34,340	$ 829,787	$ 1,158,677	$ 2,101,357	$ 275,299	$ 9,340,699

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

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
OTHER GOVERNMENTAL NON MAJOR FUNDS - DEBT SERVICE FUNDS

YEAR ENDED DECEMBER 31, 2016

	Christopher Columbus Homes	Marcal Project	North Jersey Municipal Loan Program	Northwest Inlet	Sheraton Hotel	South Jersey Municipal Loan Program	Best of Bass Pro Shops	Vermont Plaza	Impactivate	Total Other Governmental Funds
REVENUES										
Interest and investment income	$ 93,315	$ 387,335	$ 594,447	$ 23	$ 516,839	$ 66,961	$ 358,171	$ 2		$ 2,017,093
Other income			1,143							1,143
Total revenues	93,315	387,335	595,590	23	516,839	66,961	358,171	2	-	2,018,236
EXPENDITURES										
Project costs							300,916			300,916
Other	10,454	44,402	87,680							142,536
Debt service:										
Interest expense	86,422	341,646	529,249		516,839	87,797	334,882		$ 97,267	1,994,102
Principal		800,075				-				800,075
Total expenditures	96,876	1,186,123	616,929	-	516,839	87,797	635,798	-	97,267	3,237,629
(Deficiency) excess of revenues (under) over expenditures	(3,561)	(798,788)	(21,339)	23	-	(20,836)	(277,627)	2	(97,267)	(1,219,393)
OTHER FINANCING SOURCES (USES)										
Payments received on notes	87,967	834,646	177,293	4,783		76,849	662,821		275,299	2,119,658
Other payables						(5,949)				(5,949)
Total other financing sources and (uses)	87,967	834,646	177,293	4,783	-	70,900	662,821	-	275,299	2,113,709
Net change in fund balance	84,406	35,858	155,954	4,806	-	50,064	385,194	2	178,032	894,316
Fund balance, January 1, 2016	48,400	859,356	482,392	8,549	34,340	610,914	10,243	2,101,355	-	4,155,549
Fund balance, December 31, 2016	$ 132,806	$ 895,214	$ 638,346	$ 13,355	$ 34,340	$ 660,978	$ 395,437	$ 2,101,357	$ 178,032	$ 5,049,865

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

COMBINING SCHEDULE OF FIDUCIARY NET POSITION - AGENCY FUNDS, OTHER

DECEMBER 31, 2016

	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
ASSETS												
Cash and cash equivalents					$ 5,985,799				$ 1,612,184			
Notes receivable		$ 862,752		$ 35,644								
Accrued interest receivable		2,332										
Other receivables		834,140		7,984	447,318			$ 115,242				
Real estate	$ 1,954,335	6,163,011	$ 71,574	823,704	262,354	$ 151,383	$ 66,583			$ 1,196,804	$ 3,347,454	$ 7,300,000
Total assets	$ -	$ 1,699,224	$ -	$ 43,628	$ 6,433,117	$ -	$ -	$ 115,242	$ 1,612,184	$ -	$ -	$ -
LIABILITIES												
Other payables					$ 5,968,724			$ 32,263	$ 1,605,036			$ 1,372,192
RESERVES												
Project costs	$ 1,954,335	$ 7,862,235	$ 71,574	$ 867,332	726,747	$ 151,383	$ 66,583	82,979	7,148	$ 1,196,804	$ 3,347,454	5,927,808
Total liabilities and reserves	1,954,335	7,862,235	71,574	867,332	6,695,471	151,383	66,583	115,242	1,612,184	1,196,804	3,347,454	7,300,000
NET POSITION	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities, reserve, and net position	$ 1,954,335	$ 7,862,235	$ 71,574	$ 867,332	$ 6,695,471	$ 151,383	$ 66,583	$ 115,242	$ 1,612,184	$ 1,196,804	$ 3,347,454	$ 7,300,000

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

COMBINING SCHEDULE OF FIDUCIARY NET POSITION - AGENCY FUNDS, OTHER

DECEMBER 31, 2016

	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	John Brooks Recovery Center	Total
ASSETS												
Cash and cash equivalents			$ 21,212,636									$ 28,810,619
Notes receivable							$ 6,250	$ 204,986			$ 591,090	1,700,722
Accrued interest receivable												2,332
Other receivables								4,828,684				6,233,368
Real estate	$ 213,476	$ 22,062		$ 36,811	$ 5,516,914	$ 187,085			$ 133,266	$ 444,030	728,000	28,618,846
Total assets	$ 213,476	$ 22,062	$ 21,212,636	$ 36,811	$ 5,516,914	$ 187,085	$ 6,250	$ 5,033,670	$ 133,266	$ 444,030	$ 1,319,090	$ 65,365,887
LIABILITIES												
Other payables			$ 21,212,636					$ 1,501,073			$ 1,319,090	$ 33,011,014
RESERVES												
Project costs	$ 213,476	$ 22,062		$ 36,811	$ 5,516,914	$ 187,085	$ 6,250	3,532,597	$ 133,266	$ 444,030		32,354,873
Total liabilities and reserves	213,476	22,062	21,212,636	36,811	5,516,914	187,085	6,250	5,033,670	133,266	444,030	1,319,090	65,365,887
NET POSITION	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities, reserve, and net position	$ 213,476	$ 22,062	$ 21,212,636	$ 36,811	$ 5,516,914	$ 187,085	$ 6,250	$ 5,033,670	$ 133,266	$ 444,030	$ 1,319,090	$ 65,365,887

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

SCHEDULE OF CHANGES IN RESERVES - FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2016

	Reinvestment Fund	Other	Total
ADDITIONS			
Transfer from reinvestment funds and other governmental funds		$ 1,138,378	$ 1,138,378
Obligation deposits	$ 20,992,777		20,992,777
Retail and luxury tax remittance		23,816,162	23,816,162
Interest on notes		42,681	42,681
Other income		25,781	25,781
Total additions	20,992,777	25,023,002	46,015,779
DEDUCTIONS			
Direct investments	26,009,829		26,009,829
Direct donations:			
Transfers to other funds/donations	15,112,918		15,112,918
Other	194,852		194,852
Bonds issued	8,141,219		8,141,219
Bond trustee escrow	7,269,626		7,269,626
Grants and donations		2,500,241	2,500,241
Retail and luxury tax distributions		23,816,162	23,816,162
Total deductions	56,728,444	26,316,403	83,044,847
Change in reserves	(35,735,667)	(1,293,401)	(37,029,068)
Total Reserves, January 1, 2016	118,891,184	33,648,274	152,539,458
Total Reserves, December 31, 2016	$ 83,155,517	$ 32,354,873	$ 115,510,390

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

COMBINING SCHEDULE OF CHANGES IN RESERVES - AGENCY FUNDS, OTHER

YEAR ENDED DECEMBER 31, 2016

	AC Inlet NSA	A.C. Supermarket	Bally's Warehouse Project	Carolina Gardens	Chelsea Westside	Chesapeake Gardens Senior Homes	Cityscape	Donation Loans	General Development	General Donations	Land Banking	Lighthouse District Park Project	Marketplace Land Acquisition
ADDITIONS													
Transfer from (to) reinvestment funds and other governmental funds				$ 1,396						$ 943,526		$ 15,743	
Retail and luxury tax remittance													
Interest on notes		$ 29,118							$ 7,148				
Other income					$ 24,172								
Total additions	-	29,118	-	1,396	24,172	-	-	-	7,148	943,526	-	15,743	-
DEDUCTIONS													
Grants and donations				1,396				$ 15,996		943,526		1,383	
Retail and luxury tax distributions													
Total deductions	-	-	-	1,396	-	-	-	15,996	-	943,526	-	1,383	-
Change in reserves	-	29,118	-	-	24,172	-	-	(15,996)	7,148	-	-	14,360	-
Total reserves, January 1, 2016	$ 1,954,335	7,833,117	$ 71,574	867,332	702,575	$ 151,383	$ 66,583	98,975	-	-	$ 1,196,804	3,333,094	$ 5,927,808
Total reserves, December 31, 2016	$ 1,954,335	$ 7,862,235	$ 71,574	$ 867,332	$ 726,747	$ 151,383	$ 66,583	$ 82,979	$ 7,148	$ -	$ 1,196,804	$ 3,347,454	$ 5,927,808

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

COMBINING SCHEDULE OF CHANGES IN RESERVES - AGENCY FUNDS, OTHER

YEAR ENDED DECEMBER 31, 2016

	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 Homes	Virginia Ave ICON	Virginian Acquisition	John Brooks Recovery Center	Total
ADDITIONS													
Transfer from (to) reinvestment funds and other governmental funds					$ 174,741					$ 2,972			$ 1,138,378
Retail and luxury tax remittance			$ 23,816,162										23,816,162
Interest on notes								$ 6,415					42,681
Other income								1,609					25,781
Total additions	-	-	23,816,162	-	174,741	-	-	8,024	-	2,972	-	-	25,023,002
DEDUCTIONS													
Grants and donations					149,484			1,385,484		2,972			2,500,241
Retail and luxury tax distributions			23,816,162										23,816,162
Total deductions	-	-	23,816,162	-	149,484	-	-	1,385,484	-	2,972	-	-	26,316,403
Change in reserves	-	-	-	-	25,257	-	-	(1,377,460)	-	-	-	-	(1,293,401)
Total reserves, January 1, 2016	$ 213,476	$ 22,062	-	$ 36,811	5,491,657	$ 187,085	$ 6,250	4,910,057	$ 133,266	-	$ 444,030	$ -	33,648,274
Total reserves, December 31, 2016	$ 213,476	$ 22,062	$ -	$ 36,811	$ 5,516,914	$ 187,085	$ 6,250	$ 3,532,597	$ 133,266	$ -	$ 444,030	$ -	$ 32,354,873