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

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2015

AND

INDEPENDENT AUDITORS' REPORT

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

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Casino Reinvestment Development Authority ("CRDA" or the "Authority"), a component unit of the State of New Jersey, as of and for the year ended December 31, 2015, 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, 2015, 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the fiscal year ended December 31, 2015, the Authority adopted new accounting guidance, 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,* which represents a change in accounting principle. As discussed in Note 19, as of January 1, 2015 the Authority's net position was restated to reflect the impact of this change in accounting principle. Our opinion is not modified with respect to this matter.

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
June 27, 2016

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, 2015. 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 $312.8 million. Net position decreased $12.4 million compared to the net position of the prior year in the amount of $325.2 million mainly as a result of the implementation 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*. The implementation of these GASB Statements also resulted in increases in deferred outflows of resources, deferred inflows of resources and the net pension liability. Net position in governmental activities increased $7.7 million, whereas, net position from business-type activities decreased $20.1 million.

Cash and investments total approximately $330.9 million, a decrease of $21.2 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 South Jersey Municipal Loan projects, the Northwest Inlet project and the Marcal project.

Long-term liabilities reflect a net decrease $22.3 million. The net decrease is comprised of debt service on outstanding bond issues offset by the issuance of project bonds related to the Best of Bass Pro Shops project.

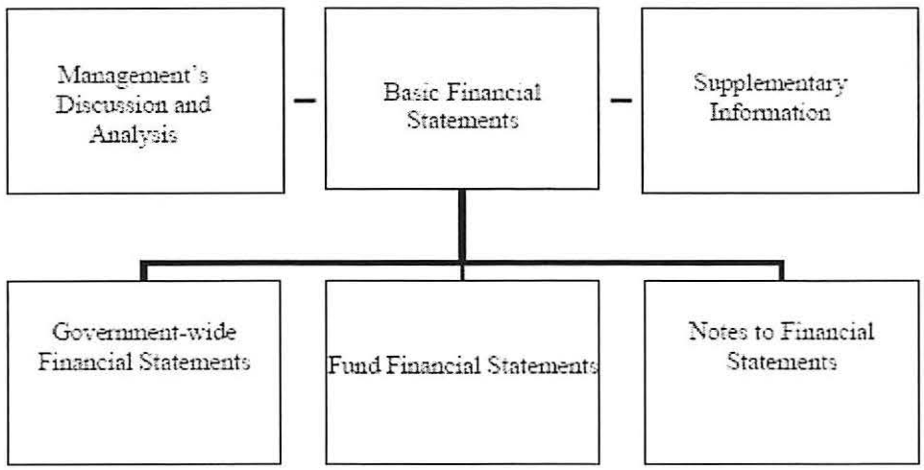
General fund actual revenue was greater than budgeted revenue for the 2015 year due to an increase in processing fees and other revenues; and general fund operational expenses came in over budget.

Real estate holdings increased by approximately $800k during the fiscal year. The increase is related to the purchase of land for Authority projects.

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:

	Government-Wide Statements	Fund Statements: Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire CRDA operation (except fiduciary funds)	The activities of the CRDA that are not proprietary 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 2015	Governmental Activities 2014	Total Percent Change
Current and other assets	$ 208,366,671	$ 219,527,949	-5%
Notes receivable	68,848,639	59,290,991	16%
Real estate	108,802,982	107,993,559	1%
Capital assets	3,812,250	4,690,890	-19%
Total assets	$ 389,830,542	$ 391,503,389	
Deferred outflow of resources			
Pension deferrals	$ 3,652,051	$ -	100%
Total deferred outflow of resources	$ 3,652,051	$ -	
Other Liabilities	$ 35,903,296	$ 26,910,682	33%
Long-Term Liabilities	310,845,070	328,789,591	-5%
Total Liabilities	$ 346,748,366	$ 355,700,273	
Deferred inflow of resources			
Pension deferrals	$ 3,191,734	$ -	100%
Total deferred inflow of resources	$ 3,191,734	$ -	
Net Position:			
Net Investment in Capital Assets	$ 3,812,250	$ 4,690,890	-19%
Restricted	32,298,799	33,076,877	-2%
Unrestricted (deficit)	7,431,444	(1,964,651)	478%
Total Net Position	$ 43,542,493	$ 35,803,116	

The largest portion of the Authority's net position is its restricted component which represents resources that are subject to external restrictions on how they may be used. The restricted component of net position consists of debt service in the amount of $32.0 million. The remaining balance of the *unrestricted component of net position* includes approximately $72.7 million which may be used for any Authority purpose, and a negative $65.3 million designated for future project costs.

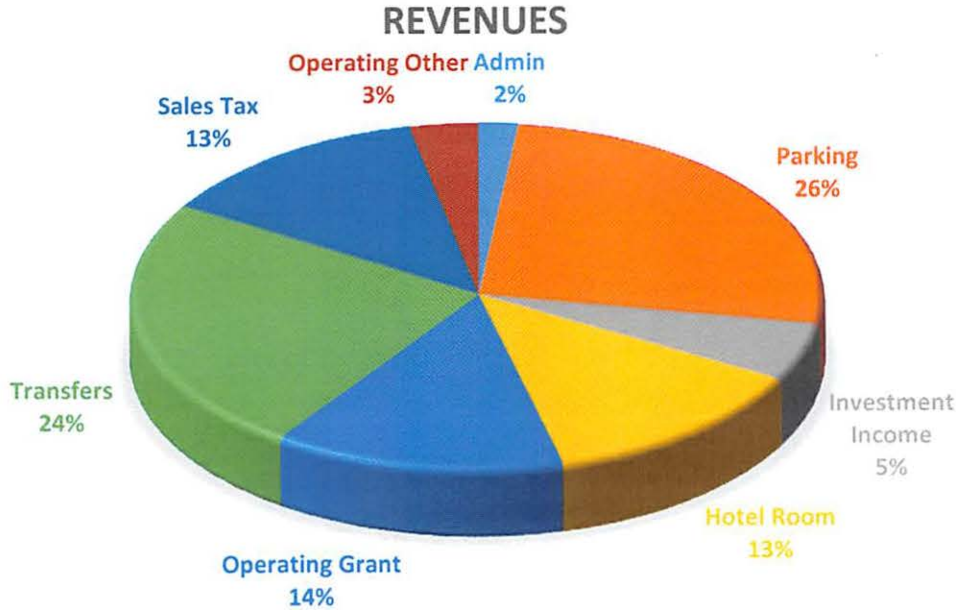
The CRDA holds $108.8 million in real estate investments. This real estate may be transferred to other entities upon completion of a project.

Changes in Net Position

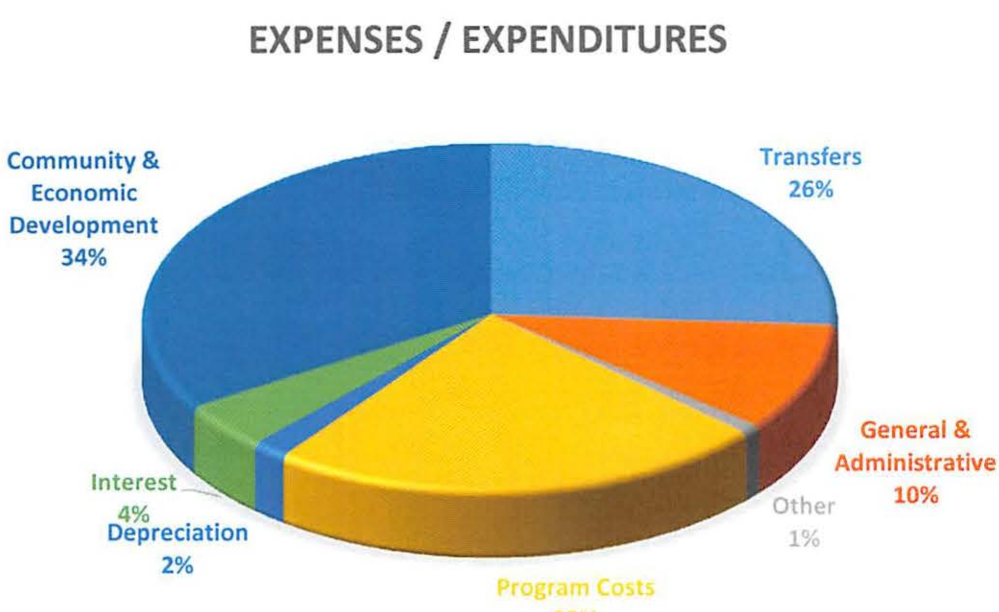
	Governmental Activities		Total Percent
	2015	2014	Change
Revenues:			
Fees:			
Administrative	$ 478,090	$ 215,076	122%
Hotel room	8,782,140	9,253,442	-5%
Sales tax and luxury tax rebate	8,978,799	26,663,223	-66%
Parking	17,669,958	20,520,335	-14%
Operating:			
Grant	9,232,139	10,259,568	-10%
Other	2,992,430	3,553,630	-16%
Investment income	3,703,992	4,135,064	-10%
Transfers	16,315,214	28,639,331	-43%
Total Revenues	$ 68,152,762	$ 103,239,669	
Expenses			
General and administrative	5,346,476	5,484,759	-3%
Other	474,089	215,269	120%
Program costs	12,337,725	14,648,563	-16%
Depreciation	915,355	906,835	1%
Interest on long-term debt	2,313,945	2,358,515	-2%
Community and economic development	17,956,167	18,835,293	-5%
Transfers	13,809,826	17,803,957	-22%
Total Expenses	53,153,583	60,253,191	
Increase in net position	$ 14,999,179	$ 42,986,478	

The CRDA's net position increased by $14.9 million during the current fiscal year. The primary components in the increase in net position of governmental activities are (1) decrease in all revenues with the exception of administrative fees which was largely comprised of the administrative fees earned for the issuance of the project bonds for the Best of Bass Pro Shops project in the amount of $330,000 and (2) a larger decrease in expenses as there were large decreases in expenses related to program costs and community and economic development. In addition the decrease in overall transfer activity was $8.3million.

2015 REVENUES – GOVERNMENTAL ACTIVITIES



2015 EXPENSES – GOVERNMENTAL ACTIVITIES



Governmental Funds Financial Analysis

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

As of the end of 2015, the CRDA's governmental funds reported combined ending fund balances of $186.2 million, a decrease of $12.2 million for the fiscal year. Of this total amount, $72.7 million is *unassigned or* available for any CRDA purpose. The remainder of fund balance, or $113.5 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 ($34.4 million) and committed for projects ($79.1 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 $407.5 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 $108.8 million.

Long-term Debt

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

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

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

All bonds issued by the CRDA are special obligations of the CRDA, do not constitute obligations against the general credit of the CRDA, and are not a debt or liability of the State. The following is a summary of outstanding debt at December 31, 2015 and 2014:

	2015	2014
Debt outstanding January 1	$ 626,748,736	$ 505,643,777
Additions to debt	12,330,000	241,897,924
Reduction of debt	(35,334,460)	(120,792,965)
Debt outstanding December 31	603,744,276	626,748,736
Plus: Net unamortized premium	17,598,667	18,998,500
Less: Valuation allowance	(40,058,584)	(42,158,584)
	$ 581,284,359	$ 603,588,652

Selected Operating Highlights of the Convention Center Division

Number of Attendees

	2015	2014	2013
Boardwalk Hall	267,175	331,199	277,384
Convention Center	313,687	303,100	323,759
	580,862	634,299	601,143

Number of Events

	2015	2014	2013
Boardwalk Hall	42	47	35
Convention Center	88	91	90
	130	138	125

Operating Revenue & Expenses by Facility (000's)

	2015	2014	2013
Operating Revenues:			
Boardwalk Hall	$ 6,684	$ 8,046	$ 6,250
Convention Center	6,968	7,842	7,578
Marketing Operations	124	438	674
	$ 13,776	$ 16,326	$ 14,502
Operating Expenses:			
Boardwalk Hall	$ 11,386	$ 14,663	$ 11,102
Convention center	12,255	12,371	11,704
Luxury tax reserve	17,447	13,180	9,328
Marketing operations	5,701	8,096	10,273
	$ 46,789	$ 48,310	$ 42,407

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION

DECEMBER 31, 2015

		Governmental Activities		Business-Type Activities		Total
ASSETS						
Cash and cash equivalents	$	139,343,730	$	40,920,695	$	180,264,425
Restricted cash and cash equivalents				109,532,852		109,532,852
Marketable securities		41,150,129				41,150,129
Other investments				178,730		178,730
Receivables:						
Notes receivable, net of allowance		68,848,639				68,848,639
Accrued interest receivable		9,669,239				9,669,239
Accrued parking fees		1,277,499				1,277,499
Accrued revenue receivable		2,733,123				2,733,123
Accrued marketing fees and luxury taxes				7,519,118		7,519,118
Other		14,192,951		5,201,888		19,394,839
Real estate		108,802,982				108,802,982
Capital assets, net of accumulated depreciation		3,812,250		403,722,844		407,535,094
Prepaid bond insurance premium				1,981,877		1,981,877
Total assets	$	389,830,542	$	569,058,004	$	958,888,546
DEFERRED OUTFLOW OF RESOURCES						
Pension deferrals		3,652,051		5,259,731		8,911,782
Total assets and deferred outflow of resources	$	393,482,593	$	574,317,735	$	967,800,328
LIABILITIES						
Interest payable	$	12,528,487	$	2,058,859	$	14,587,346
Unearned revenue				4,631,213		4,631,213
Other payables		16,012,355		12,687,030		28,699,385
Net pension liability		7,362,454		10,603,501		17,965,955
Long-term liabilities:						
Due within one year		23,516,960		4,463,608		27,980,568
Due beyond one year		287,328,110		265,981,541		553,309,651
Total liabilities	$	346,748,366	$	300,425,752	$	647,174,118
DEFERRED INFLOW OF RESOURCES						
Pension deferrals		3,191,734		4,596,777		7,788,511
Total liabilities and deferred inflow of resources	$	349,940,100	$	305,022,529	$	654,962,629
NET POSITION						
Net investment in capital assets	$	3,812,250	$	315,728,629	$	319,540,879
Restricted for:						
Debt service		32,298,799		16,583,720		48,882,519
Statutory requirements				739,235		739,235
Unrestricted		7,431,444		(63,756,378)		(56,324,934)
Total net position	$	43,542,493	$	269,295,206	$	312,837,699

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, 2015

		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	$ 5,346,476	$ 1,277,389		$ (4,069,087)		$ (4,069,087)
Other	474,089		$ 1,963,131	1,489,042		1,489,042
Program costs	12,337,725	8,978,799		(3,358,926)		(3,358,926)
Depreciation	915,355			(915,355)		(915,355)
Interest on long-term debt	2,313,945			(2,313,945)		(2,313,945)
Community development	17,956,167	26,452,098	9,462,139	17,958,070		17,958,070
Total governmental activities	39,343,757	36,708,286	11,425,270	8,789,799	-	8,789,799
Business-type activities						
Convention Center Division	58,242,202	13,812,286			$ (44,429,916)	(44,429,916)
Corridor Parking Garage	2,509,747	828,886	178,730		(1,502,131)	(1,502,131)
Special Improvement District	5,752,685	2,145,696	257,011		(3,349,978)	(3,349,978)
Total business-type activities	66,504,634	16,786,868	435,741	-	(49,282,025)	(49,282,025)
Total primary government	$ 105,848,391	$ 53,495,154	$ 11,861,011	8,789,799	(49,282,025)	(40,492,226)
		General revenues				
		Luxury tax revenue			31,375,960	31,375,960
		Marketing fee revenue			3,549,220	3,549,220
		Investment income		3,703,992	34,449	3,738,441
		Transfers, net		2,505,388	4,628,608	7,133,996
		Total general revenues and transfers		6,209,380	39,588,237	45,797,617
		Changes in net position		14,999,179	(9,693,788)	5,305,391
		Net position (deficit) - beginning (as restated)		28,543,314	278,988,994	307,532,308
		Net position - ending		$ 43,542,493	$ 269,295,206	$ 312,837,699

See accompanying notes to the basic financial statements.

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

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2015

	General Fund	Special Revenue Funds: Parking Fee	Special Revenue Funds: Hotel Room Fee	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 108,104,267	$ 14,596,359	$ 14,766,486	$ 1,876,618	$ 139,343,730
Marketable securities		41,150,129			41,150,129
Receivables:					
Accrued interest receivable	46,602			256,376	302,978
Accrued parking fees receivable		1,277,499			1,277,499
Accrued revenue receivable			2,733,123		2,733,123
Other	10,302,121	230,000		3,413,077	13,945,198
Total assets	$ 118,452,990	$ 57,253,987	$ 17,499,609	$ 5,546,071	$ 198,752,657
LIABILITIES					
Interest payable		$ 885,315	$ 1,605,659	$ 648,279	$ 3,139,253
Other payables	$ 6,612,352	1,945,047	77,249	742,243	9,376,891
Total liabilities	6,612,352	2,830,362	1,682,908	1,390,522	12,516,144
FUND BALANCES					
Restricted for debt service		30,208,688		4,155,549	34,364,237
Committed for project costs	39,119,631	24,214,937	15,816,701		79,151,269
Unassigned	72,721,007				72,721,007
Total fund balances	111,840,638	54,423,625	15,816,701	4,155,549	186,236,513
Total liabilities and fund balances	$ 118,452,990	$ 57,253,987	$ 17,499,609	$ 5,546,071	

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 are not reported	3,812,250
Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds.	187,265,635
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.	(333,771,905)
Net position of governmental activities	$ 43,542,493

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, 2015

	General Fund	Special Revenue Funds: Parking Fee	Special Revenue Funds: Hotel Room Fee	Other Governmental Funds	Total Governmental Funds
REVENUES					
Administrative fees	$ 478,090				$ 478,090
Interest and investment income	170,669	$ 711,192	$ 10,316	$ 1,944,990	2,837,167
Parking fee revenue		17,669,958			17,669,958
Hotel room fee revenue			8,782,140		8,782,140
Sales and luxury tax rebate revenue	8,978,799				8,978,799
Processing fees	799,299				799,299
Grant revenue		9,232,139			9,232,139
Other	1,963,131	230,000			2,193,131
Total revenues	12,389,988	27,843,289	8,792,456	1,944,990	50,970,723
EXPENDITURES					
Current:					
Salaries and benefits	3,818,533				3,818,533
General and administrative	716,507				716,507
Professional services	746,141				746,141
Project costs	12,337,725	5,145,228	76,957		17,559,910
Other				474,089	474,089
Debt service:					
Interest expense		9,998,896	2,735,086	1,797,106	14,531,088
Principal		18,042,966	5,096,233	9,235,322	32,374,521
Capital outlay:					
Purchase of capital assets	28,537				28,537
Total expenditures	17,647,443	33,187,090	7,908,276	11,506,517	70,249,326
(Deficiency) excess of revenues (under) over expenditures	(5,257,455)	(5,343,801)	884,180	(9,561,527)	(19,278,603)
OTHER FINANCING (USES) SOURCES					
Other receivables	(26,713)				(26,713)
Payments received on notes				10,264,770	10,264,770
Other payables	(49,973)	(11,412)		(5,949)	(67,334)
Loan disbursements	(4,820,611)				(4,820,611)
Purchase of real estate	(748,329)	(61,093)			(809,422)
Transfer from other funds	16,315,214				16,315,214
Transfer to other funds	(4,628,608)	(8,729,346)		(451,872)	(13,809,826)
Total other financing sources and (uses)	6,040,980	(8,801,851)	-	9,806,949	7,046,078
Net change in fund balances	783,525	(14,145,652)	884,180	245,422	(12,232,525)
Fund balances, January 1, 2015	111,057,113	68,569,277	14,932,521	3,910,127	198,469,038
Fund balances, December 31, 2015	$ 111,840,638	$ 54,423,625	$ 15,816,701	$ 4,155,549	$ 186,236,513

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, 2015

Total net change in fund balances - governmental funds	$ (12,232,525)
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.	(77,396)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	865,980
The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds, and the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, these transactions do not affect net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	32,441,855
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.	(5,417,446)
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.	(581,289)
Change in net position of governmental activities	$ 14,999,179

See accompanying notes to basic financial statements.

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

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

DECEMBER 31, 2015

	Business-Type Activities - Enterprise Fund			
	Convention Center Division	Corridor Parking Garage District	Special Improvement District	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 35,537,723	$ 1,213,235	$ 4,169,737	$ 40,920,695
Restricted cash and cash equivalents	109,532,852			109,532,852
Other investments		178,730		178,730
Accrued marketing fees and luxury taxes	7,519,118			7,519,118
Accrued parking revenue		5,566		5,566
Other	3,777,798	407,734	1,010,790	5,196,322
Total current assets	156,367,491	1,805,265	5,180,527	163,353,283
Noncurrent assets:				
Land	81,311,000			81,311,000
Capital assets, net	291,003,238	30,493,989	914,617	322,411,844
Prepaid bond insurance premium	1,981,877			1,981,877
Total noncurrent assets	374,296,115	30,493,989	914,617	405,704,721
Total assets	$ 530,663,606	$ 32,299,254	$ 6,095,144	$ 569,058,004
DEFERRED OUTFLOW OF RESOURCES				
Pension deferrals	$ 4,030,112		$ 1,229,619	$ 5,259,731
Total assets and deferred outflow of resources	$ 534,693,718	$ 32,299,254	$ 7,324,763	$ 574,317,735
LIABILITIES				
Current liabilities:				
Interest payable	$ 1,962,054	$ 96,805		$ 2,058,859
Unearned revenue	4,631,213			4,631,213
Accounts payable	8,603,379	738,928	$ 3,344,723	12,687,030
Net pension liability	8,124,617		2,478,884	10,603,501
Current portion of long-term debt	3,975,000	482,748	5,860	4,463,608
Noncurrent liabilities:				
Long-term debt, net of current portion	247,615,934	18,365,607		265,981,541
Total liabilities	$ 274,912,197	$ 19,684,088	$ 5,829,467	$ 300,425,752
DEFERRED INFLOW OF RESOURCES				
Pension deferrals	$ 3,522,143		$ 1,074,634	$ 4,596,777
Total liabilities and deferred inflow of resources	$ 278,434,340	$ 19,684,088	$ 6,904,101	$ 305,022,529
NET POSITION				
Net investment in capital assets	$ 303,174,238	$ 11,645,634	$ 908,757	$ 315,728,629
Restricted for:				
Debt service	15,751,720	832,000		16,583,720
Statutory requirements	739,235			739,235
Unrestricted	(63,405,815)	137,532	(488,095)	(63,756,378)
Total net position	$ 256,259,378	$ 12,615,166	$ 420,662	$ 269,295,206

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, 2015

	Business-Type Activities - Enterprise Funds			
	Convention Center Division	Corridor Parking Garage District	Special Improvement District	Total
Operating revenues				
Special services	$ 5,901,042			$ 5,901,042
Facilities rental	4,245,969			4,245,969
Concessions	863,689			863,689
Assessments, net			$ 2,145,696	2,145,696
Parking revenue	1,757,334	$ 828,886		2,586,220
Other revenue	1,044,252	178,730	257,011	1,479,993
Total operating revenues	13,812,286	1,007,616	2,402,707	17,222,609
Operating expenses				
Salaries and benefits	14,462,897		2,259,588	16,722,485
Marketing expenditures	11,669,781			11,669,781
Production	888,038			888,038
General and administrative	10,373,155	757,057	3,237,051	14,367,263
Depreciation	9,395,989	1,171,859	255,184	10,823,032
Total operating expenses	46,789,860	1,928,916	5,751,823	54,470,599
Operating loss	(32,977,574)	(921,300)	(3,349,116)	(37,247,990)
Nonoperating revenues (expenses)				
Luxury tax revenue	31,375,960			31,375,960
Marketing fee revenue, net	3,549,220			3,549,220
Interest income	29,828	1,020	3,601	34,449
Interest expense	(11,427,342)	(580,831)	(862)	(12,009,035)
Other	(25,000)			(25,000)
Transfers from other funds		580,831	4,047,777	4,628,608
Total nonoperating revenues (expenses)	23,502,666	1,020	4,050,516	27,554,202
Change in net position	(9,474,908)	(920,280)	701,400	(9,693,788)
Net position, January 1, 2015 (as restated)	265,734,286	13,535,446	(280,738)	278,988,994
Net position, December 31, 2015	$ 256,259,378	$ 12,615,166	$ 420,662	$ 269,295,206

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 - PROPERIETARY FUNDS

YEAR ENDED DECEMBER 31, 2015

	Business-Type Activities - Enterprise Fund			
	Convention Center Division	Corridor Parking Garage District	Special Improvement District	Total
Cash flows from operating activities				
Receipts from customers	$ 13,451,162			$ 13,451,162
Assessments			$ 1,909,556	1,909,556
Parking revenue		$ 843,489		843,489
Other revenue			257,011	257,011
Payments to suppliers	(17,529,251)	(677,814)	(3,907,537)	(22,114,602)
Payments for others		19,948		19,948
Payments to employees	(14,359,024)		(2,243,385)	(16,602,409)
Net cash (used in) provided by operating activities	(18,437,113)	185,623	(3,984,355)	(22,235,845)
Cash flows from noncapital financing activities				
Luxury tax revenue	11,064,976			11,064,976
Marketing fee revenue	4,363,130			4,363,130
Due to/from other funds		(375,277)	2,803,496	2,428,219
Transfers from other funds		580,831	4,047,777	4,628,608
Net cash provided by noncapital financing activities	15,428,106	205,554	6,851,273	22,484,933
Cash flows from capital and related financing activities				
Interest expense	(17,616,812)	(580,827)	(1,190)	(18,198,829)
Cost of issuance	(25,000)			(25,000)
Payments on bonds and notes payable	(3,865,000)		(26,951)	(3,891,951)
Purchase of capital assets	(5,175,790)	(53,753)	(155,081)	(5,384,624)
Luxury tax revenue	21,481,812			21,481,812
Net cash (used in) capital and related financing activities	(5,200,790)	(634,580)	(183,222)	(6,018,592)
Cash flows from investing activities				
Interest	30,460	1,020	3,601	35,081
Net cash provided by investing activities	30,460	1,020	3,601	35,081
Net (decrease) increase in cash and cash equivalents	(8,179,337)	(242,383)	2,687,297	(5,734,423)
Cash balance, January 1, 2015	153,249,912	1,455,618	1,482,440	156,187,970
Cash balance, December 31, 2015	$ 145,070,575	$ 1,213,235	$ 4,169,737	$ 150,453,547
Reconciliation of operating loss to net cash (used in) provided by operating activities				
Operating loss	$ (32,977,574)	$ (921,300)	$ (3,349,116)	$ (37,247,990)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:				
Depreciation	9,395,989	1,171,859	255,184	10,823,032
(Increase)/decrease in:				
Receivables, net	1,980,912			1,980,912
Prepaid expenses	(1,331,333)	(174,209)	(12,703)	(1,518,245)
Accrued assessments			(236,140)	(236,140)
Parking fee receivable		14,604		14,604
Accrued salaries and benefits			(5,781)	(5,781)
Accounts payable	5,458,297	94,669	(657,783)	4,895,183
Unearned revenue	(1,035,458)			(1,035,458)
Accounts payable - pension	72,054		21,984	94,038
Net cash (used in) provided by operating activities	$ (18,437,113)	$ 185,623	$ (3,984,355)	$ (22,235,845)

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, 2015

				Other		Total
ASSETS						
Cash and cash equivalents	$	107,766,476	$	19,859,942	$	127,626,418
Receivables:						
Notes receivable				1,225,362		1,225,362
Obligations receivable		8,009,121				8,009,121
Accrued interest receivable				2,813		2,813
Other		7,297,684		5,727,060		13,024,744
Capital assets:						
Real estate				27,851,229		27,851,229
Total assets	$	123,073,281	$	54,666,406	$	177,739,687
LIABILITIES						
Interest payable	$	65,445			$	65,445
Other payables		4,116,652	$	21,018,132		25,134,784
RESERVES						
Obligations payable		78,765,341				78,765,341
Donation deposits		40,125,843				40,125,843
Project costs				33,648,274		33,648,274
Total liabilities and reserves		123,073,281		54,666,406		177,739,687
NET POSITION						
Total liabilities and reserves and net position	$	123,073,281	$	54,666,406	$	177,739,687

See accompanying notes to the basic 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 2015. 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)

<u>Fund Financial Statements (Continued)</u>

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 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.

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.

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, 2015, a provision for uncollectible accounts was established at $40,058,584.

Capital Assets

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

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

	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.

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

Marketing Fees

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

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

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

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 2015 Fiscal Year

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* ("GASB No. 68"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This Statement replaces the requirement of Statement No. 27, *Accounting for Pensions by State and Local Governmental*

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Effect of New Governmental Accounting Standards Board Pronouncements (continued)

GASBS Implemented in the 2015 Fiscal Year (continued)

Employers, as well as the requirements of Statement No. 50, *Pension Disclosures,* as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68* ("GASB 71"). The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68 concerning the transition provisions related to certain pension contributions made to defined benefit pension plans prior to the implementation of that Statement by employers and nonemployer contributing entities. The requirements of this Statement will eliminate the source of a potential understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Effect of New Governmental Accounting Standards Board Pronouncements (continued)

GASBS Implemented in the 2015 Fiscal Year (continued)

deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

GASBS to be 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 not completed the process of evaluating the impact that will result from adopting GASB No. 72.

Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2015 through June 27, 2016, 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, 2015, $473,098,323 of the Authority's bank balance of $473,598,323 was uninsured and uncollateralized, and, therefore, exposed to custodial credit risk. $500,000 was insured by the FDIC.

3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

Deposits with Financial Institutions (Continued)

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

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

Investments

As of December 31, 2015, the Authority had the following investments:

	Maturities	Fair Value
Marketable securities	Various	$41,150,129

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% 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, 2015:

	Balance December 31, 2014	Additions	Repayments	Balance December 31, 2015
General Fund				
Steel Pier	$ 9,495,536	$ 2,374,707		$ 11,870,243
John Brooks Recovery Center		1,745,598		1,745,598
Atlantic City Development Co		1,272,114		1,272,114
Total General Fund	9,495,536	5,392,419	-	14,887,955
Other Governmental Funds				
Christopher Columbus Homes	2,222,349		$ 84,148	2,138,201
Marcal	9,750,000		800,075	8,949,925
North Jersey Municipal Loan Program	38,911,536		140,161	38,771,375
Northwest	30,998		15,429	15,569
Sheraton Hotel	10,000,000			10,000,000
South Jersey Municipal Loan Program	8,239,156		7,124,958	1,114,198
Vermont Plaza	22,800,000		2,100,000	20,700,000
Best of Bass Pro Shops		12,330,000		12,330,000
Total Other Governmental Funds	91,954,039	12,330,000	10,264,771	94,019,268
Total	101,449,575	17,722,419	10,264,771	108,907,223
Less: Allowance	(42,158,584)		2,100,000	(40,058,584)
	$ 59,290,991	$ 17,722,419	$ 12,364,771	$ 68,848,639

6 - CAPITAL ASSETS

Capital asset balances and activities for the year ended December 31, 2015 were as follows:

		Balance December 31, 2014		Additions		Disposals		Balance December 31, 2015
Governmental Funds								
Furniture & Equipment	$	4,924,830	$	13,557	$	(8,179)	$	4,930,208
Building		2,181,929		23,159				2,205,088
Accumulated Depreciation		(2,415,870)		(915,355)		8,179		(3,323,046)
Net, Governmental Funds		4,690,889		(878,639)		-		3,812,250
Proprietary Funds								
Land		81,311,000						81,311,000
Buildings		413,407,337		1,284,057				414,691,394
Furniture & Equipment		62,282,722		1,793,883				64,076,605
Garage		34,580,935						34,580,935
Leasehould Improvements		3,301,483		2,893,928				6,195,411
Accumulated Depreciation		(186,309,471)		(10,823,030)				(197,132,501)
Net, Proprietary Funds		408,574,006		(4,851,162)		-		403,722,844
Government-wide Total	$	413,264,895	$	(5,729,801)	$	-	$	407,535,094

7 - INTERFUND RECEIVABLES/PAYABLES

Interfund receivables and payables balances at December 31, 2015 were as follows:

		Interest		Administrative Fees		Miscellaneous		Total
Due to (Due From) General	$	46,602	$	665,033	$	2,287,640	$	2,999,275
Due to (Due From) Reinvestment		(42,802)		(489,423)		3,827,768		3,295,543
Due to (Due From) AC Corridor		(3,509)				202,064		198,555
Due to (Due From) Hotel Room Fee		(291)				(76,958)		(77,249)
Due to (Due From) Debt Service				(175,610)		945,076		769,466
Due to (Due From) Garage						(182,730)		(182,730)
Due to (Due From) SID						(2,045,992)		(2,045,992)
Due to (Due From) ERD						(4,883,577)		(4,883,577)
Due to (Due From) Agency						(218,488)		(218,488)
Due to (Due From) Convention Center						145,197		145,197
Net Total	$	-	$	-	$	-	$	-

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. 2015 obligations and donations account activity is summarized below:

Reinvestment Fund	Obligations Payable	Donation Deposits
Beginning Balance January 1, 2015	$ 125,788,738	$ 46,012,840
Obligation Deposits	33,904,676	
Direct investments	(50,384,293)	
Direct donations	(11,972,533)	
Transfer (to) from donations	-	
Transfer (to) from General Fund		(3,741,313)
Transfer to bond trustee	(6,716,461)	
Bonds Issued	(12,330,000)	
Credits	475,214	
Disbursements		
Grants to Agency and Debt Service Funds		(2,145,684)
Ending balance, December 31, 2015	$ 78,765,341	$ 40,125,843

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, 2015, $23,085,000 of defeased bonds remain outstanding.

Casino Pool Bonds - CRDA

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

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

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

Bond Issue	Amount
$107 million Parking Fee Revenue Bonds	$ 22,055,775
$184.5 million Parking Fee Revenue Bonds	7,728,959
Atlantic City Boardwalk Convention Center Project Bonds	423,954
$241.2 million Luxury Tax Revenue Bonds	15,751,720
Balance, December 31, 2015	$ 45,960,408

9 - LONG-TERM DEBT (Continued)

The following is a summary of the CRDA's long-term debt transactions for the year ended December 31, 2015:

	Publically Issued Bonds	Project Bonds	Total
Debt outstanding 12/31/2014	$ 502,100,000	$ 124,648,736	$ 626,748,736
Additions to Debt	-	12,330,000	12,330,000
Reductions of Debt	(25,875,000)	(9,459,460)	(35,334,460)
Debt outstanding 12/31/2015	476,225,000	127,519,276	603,744,276
Net Unamortized Premium	17,598,667		17,598,667
Allowance		(40,058,584)	(40,058,584)
	$ 493,823,667	$ 87,460,692	$ 581,284,359

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

Year	Parking Fee Revenue Bond Principal	Parking Fee Revenue Bond Interest	Total
2016	$ 18,125,000	$ 9,013,817	$ 27,138,817
2017	19,795,000	8,018,978	27,813,978
2018	20,835,000	6,942,009	27,777,009
2019	19,395,000	5,876,126	25,271,126
2020	14,435,000	4,981,550	19,416,550
2021-2025	84,660,000	12,033,562	96,693,562
Total	$ 177,245,000	$ 46,866,041	$ 224,111,041

Year	Hotel Room Fee Bond Principal	Hotel Room Fee Bond Interest	Total
2016	$ 4,850,000	$ 3,084,007	$ 7,934,007
2017	5,105,000	2,825,878	7,930,878
2018	5,365,000	2,554,232	7,919,232
2019	5,650,000	2,265,088	7,915,088
2020	5,945,000	1,960,719	7,905,719
2021-2025	34,740,000	4,659,657	39,399,657
Total	$ 61,655,000	$ 22,009,238	$ 79,004,581

9 - LONG-TERM DEBT (Continued)

Year	Convention Center Luxury Tax Revenue Bond Principal	Convention Center Luxury Tax Revenue Bond Interest	Total
2016	$ 3,975,000	$ 11,772,325	$ 15,747,325
2017	4,135,000	11,613,325	15,748,325
2018	4,300,000	11,447,925	15,747,925
2019	4,515,000	11,232,925	15,747,925
2020	4,695,000	11,052,325	15,747,325
2021-2025	27,245,000	52,793,875	80,038,875
2026-2030	34,280,000	46,011,825	80,291,825
2031-2035	43,480,000	37,165,300	80,645,300
2036-2040	55,180,000	26,313,525	81,493,525
2041-2044	55,520,000	11,028,413	66,548,413
Total	$ 237,325,000	$ 219,379,438	$ 467,756,763

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

Year	Project Bond Principal	Project Bond Interest	Total
2016	$ 1,566,694	$ 3,078,222	$ 4,644,916
2017	1,628,858	3,016,108	4,644,966
2018	1,693,554	2,951,465	4,645,019
2019	1,760,886	2,884,185	4,645,071
2020	3,113,786	2,814,160	5,927,946
2021-2025	9,089,087	12,916,049	22,005,136
2026-2030	26,600,883	11,520,400	38,121,283
2031-2035	38,880,896	8,161,021	47,041,917
2036-2040	8,234,355	6,053,551	14,287,906
2041-2045	5,693,155	4,644,703	10,337,858
2046-2050	927,123	4,032,771	4,959,894
2051-2055	28,329,999	2,440,116	30,770,115
Total	$ 127,519,276	$ 64,512,751	$ 192,032,027

10 – PROJECT AND DIRECT INVESTMENT COMMITMENTS

During 2015, CRDA commitments decreased by $61,945,542. As of December 31, 2015, CRDA had outstanding commitments as follows:

Project		Outstanding Commitments	Project		Outstanding Commitments
Atlantic City			**South Jersey**		
Northeast Inlet Redevelopment	$	756,158	EHT Route 40 Corridor	$	100,991
Virginia Avenue Icon		37,335	SJ Regional Fire Training Center		952,451
North Carolina Avenue Improvements		115,561	Caesar's Hotel Expansion		3,413,957
Carolina Gardens		664,259	Harrah's Hotel Expansion		9,062,566
AC Housing Fund		27,309,927	Resorts Hotel Expansion		5,612,502
AC Corridor Bond Pledge		61,134,620	Sub-total: South Jersey		19,142,467
Lighthouse District Park Project		1,655,771			
Atlantic Cape Community College		672,524			
Boardwalk Lighting		1,609,042			
Atlantic Avenue Facades		699,855			
Main Street/Atlantic Avenue		14,130			
Pacific Avenue/Midtown		49,284			
Harrah's Conference Center		4,284,984			
South Inlet Mixed Use Development		1,615,153			
Lighthouse Park Project		4,152			
Single Point of Entry		100,000			
Caesars Non-Gaming Amenities		454,734			
Usry Daycare HVAC		35,716			
Tropicana Boardwalk Enhancements		1,238,501			
Pacific Avenue Midtown		5,828,000			
Resorts Meeting Space Expansion		4,924,416			
Impactivate		12,000,000			
Borgata Nightclub Expansion		15,000,000			
Golden Nugget Suite Expansion		2,132,769			
Sub-total: Atlantic City	$	142,336,891	Total at December 31, 2015	$	161,479,358

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:

Absecon Lighthouse	$	5,000
Atlantic-Pacific Avenues One-Way		85,530
Travelers Assistance Program		17,738
Downtown Revitalization		51,880
South Inlet Transportation Improvements		165,551
Citywide Traveler Signage		170,216
Tourism Market Expansion		89,005
Walk ERD Rebates		2,856,811
Community Dev. Grants		292,517
Reserve for Augmented Code Enforcement		33,232
Miss America Pageant		717,834
Tourism District Maintenance		80,262
Marketplace Project (Block 157)		286,490
LEAD AC Tomorrow		9,536
Urban Land Institute Conference		5,000
AC Ballet		7,309
Garden State Film Festival		85,023
Corridor Groundwater Investigation		(14,488)
AC Demolition Program		56,945
Challenge AC		428,143
AC Inlet Neighborhood Strategy Area		52,096
Entertainment for Seniors		27,977
Single Point of Entry		875,182
S. Inlet Mixed Use Dev.Design Services		12,085
Parking Lot Improvements		(16,406)
Lighthouse Park Project		105,003
Pacific Avenue One-Way Pair		2,012,575
Summer Concert Series		5,181
Int'l Swim Hall of Fame		86,776
Citywide Jobs Program		253,588
Jewish Family Services- SPOE Grantwriter		4,773
LEAD AC Tomorrow		3,918
Absecon Lighthouse Grant		33,333
For Hire Tran Study		19,800
Community Dev/Events		46,536
Pacific Avenue Midtown		609,540
SJTA Block 281 Lease		597,859
Save Lucy Committee		25,000
ACA Summer Concert Event		1,275,000
AC Police Foundation		149,704
AC National Guard Armory		6,444
Police Foundation - Back to School		25,861
Vision 2000		60,815
Air Service Risk Abatement		633,566
Operating Fund		1,985
Total	$	12,337,725

12 – GENERAL FUND BALANCES COMMITTED FOR PROJECT COSTS

Commited for:		
Absecon Lighthouse	$	24,884
Travelers Assisstance Program		60,771
Downtown Revitalization		2,555,897
Citywide Traveler Signage		25,067
Winter Decorations Project		18,256
Tourism Market Expansion		76,071
Community Dev. Grants/Events		469,428
Augmented Code Enforcement		75,210
Boardwalk Hall Lighting		96,031
Miss America Pageant		275,129
Tourism Maintenance		564,412
Boardwalk Repairs		700,000
Steel Pier		2,394,203
Marketplace Project (Block 157)		1,314,832
LEAD AC Tomorrow		9,444
Street Lighting		227,886
AC Ballet		5,854
Garden State Film Festival		68,322
Corridor Groundwater Investigation		14,488
AC Demolition Program		1,175,043
Challenge AC		205,515
Marketplace Construction		9,531,375
AC Int'l Marketing		1,163,855
AC Inlet Neighborhood Strategy Area		609,054
Entertainment for Seniors		2,023
S. Inlet Mixed Use Dev.Design Services		14,256
Tourism District Market Assessment		69,000
Beach at South Inlet		2,122,667
AC Int'l Risk Abatement		5,000,000
Pacific Avenue One-Way Pair		1,900,977
Int'l Swimming Hall of Fame		13,224
Citywide Jobs Program		46,412
Jewish Family Services		55,228
LEAD AC Tomorrow/2014-2015		17,882
Absecon Lighthouse Grant		33,333
Brighton Park Fountain repairs		58,877
AC LED Lighting Upgrades		83,000
Live Nation Public-Private Partnership		2,500,000
Pacific Avenue Midtown		947,096
Steel Pier		827,200
Garden Street Discover Museum		35,000
Save Lucy Committee		50,000
AC Nights TV Program		141,000
ACA Summer Concert Event		80,000
AC Police Foundation		296
AC National Guard Armory		33,556
AC DevCo P3		1,229,262
Route 40 Corridor		125,000
AEG Live		1,935,000
Police Foundation - Back to School		1,910
Vision 2000		64,185
Air Service Risk Abatement		72,220
Total	$	39,119,631

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 employee is not required to be a member of another State-administered retirement system or other state local jurisdiction.

14 - PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

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, 2015, 2014, and 2013 were $688,075, $752,641, and $659,358, respectively, equal to the required contributions for each year. The Authority's total payroll for the years ended December 31, 2015, 2014 and 2013 was $5,679,593, $6,462,038, and $7,181,612; covered payroll was $5,760,666, $5,137,525, and $4,523,366, 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 $132,650, $26,716, and $38,996 for the years ended December 31, 2015, 2014 and 2013, respectively. Global Spectrum's total payroll for the years ended December 31, 2015, 2014, and 2013 was $8,384,261, $8,502,582, and $6,808,404, 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, 2015 and 2014, the Authority reported a liability of $17,965,955 and $17,093,334, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2014, which was rolled forward to June 30, 2015. 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, 2015, the Authority's proportion was 0.0800336799 percent, which was a decrease of 0.0112635263 from its proportion measured as of June 30, 2014. For the years ended December 31, 2015 and 2014, the Authority recognized full accrual pension expense of $911,975 and $990,868 in the financial statements. At December 31, 2015 and 2014, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	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

14 - PENSION PLANS (Continued)

Public Employee's Retirement System (PERS) (Continued)

$344,038 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:		
2016	$	102,940
2017		102,940
2018		102,940
2019		102,940
2020		102,940
Thereafter		264,534
	$	779,234

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.04%
Salary increases	
2012-2021	2.15 - 4.40% based on age
Thereafter	3.15 - 5.40% based on age
Investment rate of return	7.90%

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. 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.

14 - PENSION PLANS (Continued)

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Allocation	Real Rate of Return
Cash	5.00%	1.04%
Core Bonds	1.75%	1.64%
Intermediate-Term Bonds	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	100.00%	

14 - PENSION PLANS (Continued)

Discount rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015 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 at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 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	$ 17,965,955	$ 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.

14 - PENSION PLANS (Continued)

Additional Information

Local Group collective balances at June 30, 2015 are as follows:

Collective deferred outflows of resources	$	2,946,265,815
Collective deferred inflows of resources	$	360,920,604
Collective net pension liability - Local Group	$	22,447,996,119
Authority's Proportion		0.0800336799%

The average of the expected remaining service lives of all plan members is 5.72 and 6.44 years for 2015 and 2014, respectively.

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 $428,689, $331,314, and $223,764 in 2015, 2014, and 2013, respectively. The total combined payroll for all participating unions was $2,866,899, $1,757,922, and $1,753,731, in 2015, 2014, and 2013, respectively.

15 - SETTLED LITIGATION

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

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

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

The IRS filed a notice of appeal to the U.S. Tax Court in March 2011. Subsequently, the United States Court of Appeals for the Third Circuit in August 2012 reversed the U.S. Tax Court decision. The United States Court of Appeals specifically ruled that PB Historic Renovations, LLC was not a bona fide partner in Historic Boardwalk Hall, LLC and affirmed the reallocation by the IRS of all separately stated partnership items to NJSEA for the subject years. Further, the United States Supreme Court denied certiorari to Historic Boardwalk Hall, *et al.* v. United States Court of Appeals for the Third Circuit in May 2013. As a result of such reallocation, PB Historic Renovations, LLC was liable to the IRS for approximately $120 million.

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

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, the New Jersey Senate and Assembly passed Senate No. 1715, also known as the "Casino Property Tax Stabilization Act," which was subsequently signed by the Governor of New Jersey. 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 (after accounting for existing CRDA contractual and bond commitments) that were previously collected by the CRDA to pay debt service on City of Atlantic 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 of Atlantic City and takes away 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 of Atlantic City. Under the Law, these funds and future annual reduced amounts thereof will be reallocated to the city of Atlantic City to support annual municipal budgets through 2023. The CRDA is 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 Authority is responsible for pollution remediation activities at several sites that have soil contaminated with petroleum, hydrocarbons, and/or metals. The State of New Jersey provides oversight of the Authority's pollution remediation obligations. The estimated obligation was $1,569,086 at December 31, 2015, and is included as a liability on the government-wide Statement of Net Position. There were no pollution remediation outlays for the year ended December 31, 2014. Pollution remediation obligations are measured based on outlays expected to be incurred to settle all estimable remediation efforts. Pollution remediation obligations are measured at the current value of reasonable and supportable assumptions about future events that may affect the eventual settlement of the obligations. Pollution remediation obligations are measured using the expected cash flow technique, which measures the obligation as the sum of probability-weighted amounts in a range of possible cash flows. Estimates are based on all currently available information, as well as the facts and circumstances of each situation, but may change due to price changes, changes in laws or regulations, changes in remediation technologies, or as additional information becomes available.

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.

	Year Ended December 31, 2015					
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Elimination Entries	Combined December 31, 2015
Total current assets	$ 5,535,029	$ 3,748,065	$ 19,652,635	$ 140,851,918	$ (13,420,156)	$ 156,367,491
Total capital assets			82,354	372,231,884		372,314,238
Total other noncurrent assets				1,981,877		1,981,877
Total pension deferrals			4,030,112			4,030,112
Total assets and deferred outflows of resources	$ 5,535,029	$ 3,748,065	$ 23,765,101	$ 515,065,679	$ (13,420,156)	$ 534,693,718
Total current liabilities	$ 5,535,029	$ 3,748,065	$ 12,632,335	$ 18,800,990	$ (13,420,156)	$ 27,296,263
Total long-term liabilities				247,615,934		247,615,934
Total pension deferrals			3,522,143			3,522,143
Total liabilities and deferred inflows of resources	5,535,029	3,748,065	16,154,478	266,416,924	(13,420,156)	278,434,340
Total net investment in capital assets			82,354	303,091,884		303,174,238
Total restricted net position				16,490,955		16,490,955
Total unrestricted net position			7,528,269	(70,934,084)		(63,405,815)
Total net position	$ -	$ -	$ 7,610,623	$ 248,648,755	$ -	$ 256,259,378

	Year Ended December 31, 2015						
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Capital Transfers	Elimination Entries	Combined December 31, 2015
Net cash (used in) provided by operating activities	$ (4,633,218)	$ (4,356,343)	$ (4,241,055)	$ (9,663,235)	$ 4,456,738		$ (18,437,113)
Net cash provided by noncapital financing activities	4,743,377	4,774,135	6,043,130	(132,536)			15,428,106
Net cash (used in) provided by capital and related financing activities			(18,973)	(725,079)	(4,456,738)		(5,200,790)
Net cash provided by investing activities	316	433	738	28,973			30,460
Net increase (decrease) in cash and cash equivalents	110,475	418,225	1,783,840	(10,491,877)	-	-	(8,179,337)
Cash balance January 1, 2015	4,357,297	1,909,117	3,162,331	143,821,167	-	-	153,249,912
Cash balance, December 31, 2015	$ 4,467,772	$ 2,327,342	$ 4,946,171	$ 133,329,290	$ -	$ -	$ 145,070,575

	Year Ended December 31, 2015						
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Capital Transfers	Elimination Entries	Combined December 31, 2014
Net cash used in operating activities	$ (4,633,218)	$ (4,356,343)	$ (4,241,055)	$ (9,663,235)	$ 4,456,738	$ -	$ (18,437,113)
Net cash provided by noncapital financing activities	4,743,377	4,774,135	6,043,130	(132,536)	-	-	15,428,106
Net cash used in capital and related financing activities	-	-	(18,973)	(725,079)	(4,456,738)	-	(5,200,790)
Net cash provided by investing activities	316	433	738	28,973	-	-	30,460
Net increase (decrease) in cash and cash equivalents	110,475	418,225	1,783,840	(10,491,877)	-	-	(8,179,337)
Cash balance January 1, 2015	4,357,297	1,909,117	3,162,331	143,821,167	-	-	153,249,912
Cash balance, December 31, 2015	$ 4,467,772	$ 2,327,342	$ 4,946,171	$ 133,329,290	$ -	$ -	$ 145,070,575

18 – SEGMENT INFORMATION (continued)

	Year Ended December 31, 2015					
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Elimination Entries	Combined December 31, 2015
Special services	2,943,857	2,957,185				5,901,042
Facilities rental	2,150,605	2,095,364				4,245,969
Concessions	610,699	252,990				863,689
Parking	370,012	1,387,322				1,757,334
Other	734,555	275,150	124,547		(90,000)	1,044,252
Total operating revenues	6,809,728	6,968,011	124,547	-	(90,000)	13,812,286
Salaries and benefits	5,511,423	6,161,939	2,789,535			14,462,897
Marketing expenditures	1,399,826	36,394	2,133,561	8,100,000		11,669,781
General and administrative	3,871,630	5,861,564	677,907	52,054	(90,000)	10,373,155
Depreciation			100,579	9,295,410		9,395,989
Other	693,396	194,642				888,038
Total operating expenses	11,476,275	12,254,539	5,701,582	17,447,464	(90,000)	46,789,860
Operating loss	(4,666,547)	(5,286,528)	(5,577,035)	(17,447,464)	-	(32,977,574)
Luxury tax revenue	4,666,231	5,286,095	1,955,023	19,468,611		31,375,960
Other nonoperating revenues	316	433	3,549,958	28,341		3,579,048
Litigation settlement						-
Other nonoperating expenses				(11,452,342)		(11,452,342)
Transfers from other funds			20,969	(20,969)		-
Total nonoperating revenues (expenses)	4,666,547	5,286,528	5,525,950	8,023,641	-	23,502,666
Change in net position	-	-	(51,085)	(9,423,823)	-	(9,474,908)
Net position, January 1, 2015	-	-	7,661,708	258,072,578	-	265,734,286
Net position, December 31, 2015	-	-	7,610,623	248,648,755	-	256,259,378

19—CHANGE IN ACCOUNTING PRINCIPLE/RESTATEMENT

Effective in the fiscal year ended December 31, 2015, the Authority implemented 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.*

The implementation of the Statements required a restatement of prior year net position in the government-wide, business-type activities, convention center division enterprise fund, and the special improvement enterprise fund financial statements.

	Governmental Activities
Beginning Net Position - December 31, 2014	$ 35,803,116
Restatement for pension liability and related expense	(7,259,802)
Beginning Net Position - December 31, 2014 (as restated)	$ 28,543,314

	Business-type Activities
Beginning Net Position - December 31, 2014	$ 289,444,656
Restatement for pension liability and related expense	(10,455,662)
Beginning Net Position - December 31, 2014 (as restated)	$ 278,988,994

	Convention Center Division
Beginning Net Position - December 31, 2014	$ 273,745,625
Restatement for pension liability and related expense	(8,011,339)
Beginning Net Position - December 31, 2014 (as restated)	$ 265,734,286

	Special Improvement District
Beginning Net Position - December 31, 2014	$ 2,163,585
Restatement for pension liability and related expense	(2,444,323)
Beginning Net Position - December 31, 2014 (as restated)	$ (280,738)

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, 2015

	Budget	Actual	Variance
REVENUES			
Administrative fees	$ 188,039	$ 478,090	$ 290,051
Interest and investment income	100,304	170,669	70,365
Sales and luxury tax rebate revenue	10,663,118	8,978,799	(1,684,319)
Processing fees	273,737	799,299	525,562
Other	100,000	1,963,131	1,863,131
Total revenues	11,325,198	12,389,988	1,064,790
EXPENDITURES			
Current			
Salaries and benefits	4,148,046	3,818,533	329,513
General and administrative	968,758	716,507	252,251
Professional services	1,300,900	746,141	554,759
Project costs		12,337,725	(12,337,725)
Capital outlay			
Purchase of capital assets	128,489	28,537	99,952
Total expenditures	6,546,193	17,647,443	(11,101,250)
Excess of revenues over expenditures	4,779,005	(5,257,455)	(10,036,460)
OTHER FINANCING SOURCES (USES)			
Other receivables		(26,713)	(26,713)
Other payables		(49,973)	(49,973)
Loan disbursements		(4,820,611)	(4,820,611)
Purchase of real estate		(748,329)	(748,329)
Transfer from other funds	1,998,538	16,315,214	14,316,676
Transfer to other funds	(5,113,316)	(4,628,608)	484,708
Total other financing sources and uses	(3,114,778)	6,040,980	9,155,758
Net change in fund balance	1,664,227	783,525	(880,702)
Fund balance, January 1, 2015	111,057,113	111,057,113	-
Fund balance, December 31, 2015	$ 112,721,340	$ 111,840,638	$ (880,702)

Casino Reinvestment Development Authority
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Public Employee's Retirement System

Last Ten Fiscal Years*

	Years Ended June 30, 2015	2014
Authority's proportion of the net pension liability (asset) - Local Group	0.0800336799%	0.0912972062%
Authority's proportionate share of the net pension liability (asset)	$ 17,965,955	$ 17,093,334
Authority's covered-employee payroll	$ 5,760,666	$ 6,242,196
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	311.87%	273.84%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	47.93%	48.72%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the Authority presents information for those years for which information is available.

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

Last Ten Fiscal Years*

	Years Ended June 30, 2015		Years Ended June 30, 2014	
Contractually required contribution	$	688,075	$	752,641
Contributions in relation to the contractually required contribution		(688,075)		(752,641)
Contribution deficiency (excess)	$	-	$	-
Authority's covered-employee payroll	$	5,760,666	$	6,242,196
Contributions as a percentage of covered-employee payroll		11.94%		12.06%

*This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the Authority presents information for those years for which information is available.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The inflation and discount rates used to measure the total pension liability were as follows:

Measurement date	Discount Rate	Inflation Rate
June 30, 2015	4.90%	3.04%
June 30, 2014	5.39%	3.01%

SUPPLEMENTARY INFORMATION

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

COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS

YEAR ENDED DECEMBER 31, 2015

	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	Total Other Governmental Funds
ASSETS									
Cash and cash equivalents		$ 59,281	$ 1,131,284	$ 8,354		$ 676,344		$ 1,355	$ 1,876,618
Receivables:									
Accrued interest receivable	$ 15,905	35,107	67,522	176		(19)	$ 137,685		256,376
Other	57,364	1,221,373			$ 34,340			2,100,000	3,413,077
Total assets	$ 73,269	$ 1,315,761	$ 1,198,806	$ 8,530	$ 34,340	$ 676,325	$ 137,685	$ 2,101,355	$ 5,546,071
LIABILITIES									
Interest payable	$ 14,404	$ 403,592	$ 88,208			$ 14,633	$ 127,442		$ 648,279
Other payables	10,465	52,813	628,206	$ (19)		50,778			742,243
Total liabilities	24,869	456,405	716,414	(19)	-	65,411	127,442	-	1,390,522
FUND BALANCE									
Restricted for:									
Restricted for debt service	48,400	859,356	482,392	8,549	$ 34,340	610,914	10,243	$ 2,101,355	4,155,549
Committed for project costs									
Total fund balance	48,400	859,356	482,392	8,549	34,340	610,914	10,243	2,101,355	4,155,549
Total liabilities and fund balance	$ 73,269	$ 1,315,761	$ 1,198,806	$ 8,530	$ 34,340	$ 676,325	$ 137,685	$ 2,101,355	$ 5,546,071

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, 2015

	Christopher Columbus Homes	Marcal Project	North Jersey Municipal Loan Program	Northwest Inlet	Sheraton Hotel	South Jersey Municipal Loan Program	South Jersey Agricultural Loan Program	Best of Bass Pro Shops	Vermont Plaza	Total Other Governmental Funds
REVENUES										
Interest and investment income	$ 97,162	$ 421,381	$ 639,708	$ 1,109	$ 516,839	$ 131,106		$ 137,685		$ 1,944,990
Total revenues	97,162	421,381	639,708	1,109	516,839	131,106	-	137,685	-	1,944,990
EXPENDITURES										
Other	10,885	48,750	88,385	69			$ 326,000			474,089
Debt service:										
Interest expense	86,836	372,547	530,292	1,163	516,839	161,987		127,442		1,797,106
Principal	41,608		72,306	43,979		9,077,429				9,235,322
Total expenditures	139,329	421,297	690,983	45,211	516,839	9,239,416	326,000	127,442	-	11,506,517
(Deficiency) excess of revenues (under) over expenditures	(42,167)	84	(51,275)	(44,102)	-	(9,108,310)	(326,000)	10,243	-	(9,561,527)
OTHER FINANCING SOURCES (USES)										
Payments received on notes	84,148	800,075	140,160	15,429		7,124,958			$ 2,100,000	10,264,770
Other payables						(5,949)				(5,949)
Transfer to other funds				(83,390)			(368,482)			(451,872)
Total other financing sources and (uses)	84,148	800,075	140,160	(67,961)	-	7,119,009	(368,482)	-	2,100,000	9,806,949
Net change in fund balance	41,981	800,159	88,885	(112,063)	-	(1,989,301)	(694,482)	10,243	2,100,000	245,422
Fund balance, January 1, 2015	6,419	59,197	393,507	120,612	34,340	2,600,215	694,482	-	1,355	3,910,127
Fund balance, December 31, 2015	$ 48,400	$ 859,356	$ 482,392	$ 8,549	$ 34,340	$ 610,914	$ -	$ 10,243	$ 2,101,355	$ 4,155,549

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

COMBINING SCHEDULE OF FIDUCIARY NET POSITION - AGENCY FUNDS OTHER

DECEMBER 31, 2015

	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					$ 5,961,627				$ 2,356,905			
Real estate	$ 1,954,335	$ 6,163,011	$ 71,574	$ 823,704	262,354	$ 151,383	$ 66,583			$ 1,196,804	$ 3,333,094	$ 7,300,000
Notes receivable		936,404		35,644								
Accrued interest receivable		2,536										
Other receivables		731,166		7,984	148,679			$ 115,243				
Total assets	$ 1,954,335	$ 7,833,117	$ 71,574	$ 867,332	$ 6,372,660	$ 151,383	$ 66,583	$ 115,243	$ 2,356,905	$ 1,196,804	$ 3,333,094	$ 7,300,000
LIABILITIES												
Other liabilities					$ 5,670,085			$ 16,268	$ 2,356,905			$ 1,372,192
RESERVES												
Project costs	$ 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 liabilities and reserves	1,954,335	7,833,117	71,574	867,332	6,372,660	151,383	66,583	115,243	2,356,905	1,196,804	3,333,094	7,300,000
NET POSITION	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities, reserve, and net position	$ 1,954,335	$ 7,833,117	$ 71,574	$ 867,332	$ 6,372,660	$ 151,383	$ 66,583	$ 115,243	$ 2,356,905	$ 1,196,804	$ 3,333,094	$ 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, 2015

	NEI Consensual Acquisitions	Pennsylvania Avenue	Retail/Luxury Tax Rebates	2nd Ward Façade	S Inlet Land Acquisition	SE Inlet Transportation Improvements	Teachers & Firefighters Home Loans	3-2-1 Police Loan	Virginia Avenue	Virginian Acquisition	Total
ASSETS											
Cash and cash equivalents			$ 11,541,410								$ 19,859,942
Real estate	$ 213,476	$ 22,062		$ 36,811	$ 5,491,657	$ 187,085			$ 133,266	$ 444,030	27,851,229
Notes receivable							$ 6,250	$ 247,064			1,225,362
Accrued interest receivable								277			2,813
Other receivables								4,723,988			5,727,060
Total assets	$ 213,476	$ 22,062	$ 11,541,410	$ 36,811	$ 5,491,657	$ 187,085	$ 6,250	$ 4,971,329	$ 133,266	$ 444,030	$ 54,666,406
LIABILITIES											
Other liabilities			$ 11,541,410					$ 61,272			$ 21,018,132
RESERVES											
Project costs	$ 213,476	$ 22,062		$ 36,811	$ 5,491,657	$ 187,085	$ 6,250	4,910,057	$ 133,266	$ 444,030	33,648,274
Total liabilities and reserves	213,476	22,062	11,541,410	36,811	5,491,657	187,085	6,250	4,971,329	133,266	444,030	54,666,406
NET POSITION	-	-	-	-	-	-	-	-	-	-	-
Total liabilities, reserve, and net position	$ 213,476	$ 22,062	$ 11,541,410	$ 36,811	$ 5,491,657	$ 187,085	$ 6,250	$ 4,971,329	$ 133,266	$ 444,030	$ 54,666,406

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

SCHEDULE OF CHANGES IN RESERVES - FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2015

	Reinvestment Fund	Other	Total
ADDITIONS			
Transfer from reinvestment funds and other governmental funds		$ 13,655,663	$ 13,655,663
Obligation deposits	$ 33,904,676		33,904,676
Accrued obligations	(175,247)		(175,247)
Retail and luxury tax remittance		23,181,692	23,181,692
Interest on notes		40,362	40,362
Other income		6,541	6,541
Total additions	33,729,429	36,884,258	70,613,687
DEDUCTIONS			
Direct investments	50,384,293		50,384,293
Direct donations:			
Transfers to other funds/donations	11,984,418		11,984,418
Other	1,958,553		1,958,553
Bonds issued	12,330,000		12,330,000
Credits	(475,215)		(475,215)
Bond trustee escrow	6,716,461		6,716,461
Transfer to General Fund	3,741,313		3,741,313
Grants and donations		14,400,427	14,400,427
Retail and luxury tax distributions		23,181,692	23,181,692
Total deductions	86,639,823	37,582,119	124,221,942
Change in reserves	(52,910,394)	(697,861)	(53,608,255)
Total Reserves, January 1, 2015	171,801,578	34,346,135	206,147,713
Total Reserves, December 31, 2015	$ 118,891,184	$ 33,648,274	$ 152,539,458

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, 2015

	AC Inlet NSA	A.C. Supermarket	Bally's Warehouse Project	Carolina Gardens	Chelsea Westside	Chesapeake Gardens Senior Homes	Cityscape	Donation Loans	General Donations	Land Banking	Lighthouse District Park Project	Marketplace Land Acquisition
ADDITIONS												
Transfer from (to) reinvestment funds and other governmental funds				$ 1,533					$ 11,792,873		$ (189,723)	$ 1,405,252
Retail and luxury tax remittance												
Interest on notes		$ 31,523										
Other income					$ 6,412							
Total additions	-	31,523	-	1,533	6,412	-	-	-	11,792,873	-	(189,723)	1,405,252
DEDUCTIONS												
Grants and donations				1,533				$ 2,287,686	11,792,873		5,568	
Retail and luxury tax distributions												
Total deductions	-	-	-	1,533	-	-	-	2,287,686	11,792,873	-	5,568	-
Change in reserves	-	31,523	-	-	6,412	-	-	(2,287,686)	-	-	(195,291)	1,405,252
Total reserves, January 1, 2015	$ 1,954,335	7,801,594	$ 71,574	867,332	696,163	$ 151,383	$ 66,583	2,386,661	-	$ 1,196,804	3,528,385	4,522,556
Total reserves, December 31, 2015	$ 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

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, 2015

	NEI Consensual Acquisition	Pennsylvania Avenue	Retail Luxury Tax Rebates	2nd Ward Façade	S Inlet Land Acquisition	SE Inlet Transportation Improvements	Teachers and Firefighters Home Loans	3-2-1 Police Loan	Virginia Avenue	Virginia Ave ICON	Virginian Acquisition	Total
ADDITIONS												
Transfer from (to) reinvestment funds and other governmental funds					$ 643,070					$ 2,658		$ 13,655,663
Retail and luxury tax remittance			$ 23,181,692									23,181,692
Interest on notes								$ 8,839				40,362
Other income								129				6,541
Total additions	-	-	23,181,692	-	643,070	-	-	8,968	-	2,658	-	36,884,258
DEDUCTIONS												
Grants and donations					296,540			13,569		2,658		14,400,427
Retail and luxury tax distributions			23,181,692									23,181,692
Total deductions	-	-	23,181,692	-	296,540	-	-	13,569	-	2,658	-	37,582,119
Change in reserves	-	-	-	-	346,530	-	-	(4,601)	-	-	-	(697,861)
Total reserves, January 1, 2015	$ 213,476	$ 22,062	-	$ 36,811	5,145,127	$ 187,085	$ 6,250	4,914,658	$ 133,266	-	$ 444,030	34,346,135
Total reserves, December 31, 2015	$ 213,476	$ 22,062	$ -	$ 36,811	$ 5,491,657	$ 187,085	$ 6,250	$ 4,910,057	$ 133,266	$ -	$ 444,030	$ 33,648,274