

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

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

DECEMBER 31, 2021

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

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INDEPENDENT AUDITORS' REPORT

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 Audits of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of December 31, 2021, 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.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; schedule of revenues, expenditures and changes in fund balances – budget and actual – general fund; schedule of the Authority's proportionate share of the net pension liability and notes to required supplementary information – PERS; and schedule of Authority contributions – PERS, as listed in table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 audits 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining balance sheet - other governmental non-major funds - debt service funds; combining schedule of revenues, expenditures and changes in fund balance - other governmental non-major funds - debt service funds; combining schedule of fiduciary net position - agency funds, other; and combining schedule of changes in fiduciary net position - agency funds, other, as listed in table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and the related notes to the schedule of expenditures of federal awards are presented for the purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audits 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 above supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

Merodien, P.C.

Certified Public Accountants

September 19, 2022

**REQUIRED SUPPLEMENTARY INFORMATION – PART I
(UNAUDITED)**

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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, 2021. 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 basic 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 \$394.8 million. Net position increased by \$2.0 million compared to the prior year's net position of \$392.8 million mainly due to program revenues related to project costs and community development not exceeding related expenses. Net position in governmental activities increased \$6.0 million and net position from business-type activities decreased \$4.0 million.

Cash, cash equivalents and investments total approximately \$226.4 million, a decrease of \$13.0 million from the prior year. Governmental activities cash, cash equivalents and investments decreased \$14.2 million while business-type activities cash, cash equivalents and investments increased \$1.2 million.

Long-term liabilities reflect a net decrease of \$29.9 million. The net decrease is comprised of debt service paid on outstanding bond issues and a reduction in net pension liability as a result of changes in the State of New Jersey Public Employees' Retirement System ("PERS").

Certain general fund actual revenues exceeded budgeted revenues for the 2021 year as a result of reopenings after 2020 closures related to the coronavirus pandemic. General fund expenditures exceeded budgeted expenditures due to other project costs exceeding budgeted amounts, also as a result of the coronavirus pandemic. A significant portion of the additional expenditures made as a result of the pandemic were reimbursed by COVID Relief Funds. See Note S for more detail.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three parts – *required supplementary information* including the management's discussion and analysis (this section) and the general fund budget to actual and net pension liability schedules, the *basic financial statements*, and the *supplementary information* that presents combining schedules for non-major governmental funds.

Required Components of CRDA's Annual Financial Report:

- Management's Discussion and Analysis
- Basic Financial Statements, consisting of
 - Government-wide Financial Statements
 - Fund Financial Statements
 - Notes to Financial Statements
- Supplementary Information
 - General Fund Budget to Actual Schedule and Net Pension Liability Schedules
 - Schedule of the Authority's Proportionate Share of the Net Pension Liability and Notes to Required Supplementary Information – PERS
 - Schedule of Authority Contributions – PERS

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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, Jim Whelan 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 recorded using an accounting method that keeps 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 basic financial statements.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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	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	Statement of Net Position and Statement of Activities	Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance	Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows	Statement of Net Position and Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources.	Accrual accounting and economic resources.
Types of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets available to be used and liabilities that come due during the year. No capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both financial and capital, and short-term and long-term.
Types 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 revenues and expenses during the year, regardless of when cash is received or paid.

Government-Wide Financial Analysis

The largest portion of the Authority's net position is its unrestricted component of \$182.5 million, which may be used for any Authority purpose. The restricted component of net position includes resources restricted for debt service in the amount of \$45.1 million.

The CRDA holds \$197.1 million in real estate investments. This real estate may be transferred to other entities upon completion of a project.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

	Governmental Activities		Total \$ Change	Total % Change
	2021	2020		
Assets				
Current and other assets	\$ 159,656,139	\$ 176,301,107	\$ (16,644,968)	-9%
Notes receivable	57,271,950	57,672,490	(400,540)	-1%
Real estate	115,833,451	113,165,400	2,668,051	2%
Capital assets	1,691,247	1,844,463	(153,216)	-8%
Total assets	<u>\$ 334,452,787</u>	<u>\$ 348,983,460</u>	<u>\$ (14,530,673)</u>	-4%
Deferred outflows of resources				
Pension deferrals	\$ 1,175,805	\$ 1,327,780	\$ (151,975)	-11%
Total deferred outflows of resources	<u>\$ 1,175,805</u>	<u>\$ 1,327,780</u>	<u>\$ (151,975)</u>	-11%
Liabilities				
Other liabilities	\$ 43,913,819	\$ 40,889,623	\$ 3,024,196	7%
Long-term liabilities	128,734,224	152,225,722	(23,491,498)	-15%
Total liabilities	<u>\$ 172,648,043</u>	<u>\$ 193,115,345</u>	<u>\$ (20,467,302)</u>	-11%
Deferred inflows of resources				
Pension deferrals	\$ 3,188,045	\$ 3,408,285	\$ (220,240)	-6%
Total deferred inflows of resources	<u>\$ 3,188,045</u>	<u>\$ 3,408,285</u>	<u>\$ (220,240)</u>	-6%
Net Position				
Net investment in capital assets	\$ 1,691,247	\$ 1,844,463	\$ (153,216)	-8%
Restricted	28,008,995	28,938,059	(929,064)	-3%
Unrestricted	130,092,262	123,005,088	7,087,174	6%
Total net position	<u>\$ 159,792,504</u>	<u>\$ 153,787,610</u>	<u>\$ 6,004,894</u>	4%

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Changes in Net Position

	Governmental Activities		Total \$ Change	Total % Change
	2021	2020		
Revenues				
Fees				
Administrative	\$ 83,129	\$ 89,647	\$ (6,518)	-7%
Hotel room	9,644,600	6,412,802	3,231,798	50%
Sales tax and luxury tax rebate	9,702,050	7,462,061	2,239,989	30%
Parking	13,895,789	9,744,753	4,151,036	43%
Operating				
Grant	5,144,878	4,306,689	838,189	19%
Other	1,131,371	786,643	344,728	44%
Investment income	2,339,531	3,827,032	(1,487,501)	-39%
Total revenues	<u>41,941,348</u>	<u>32,629,627</u>	<u>9,311,721</u>	<u>29%</u>
Expenses				
General and administrative	5,421,924	9,276,794	(3,854,870)	-42%
Other	83,129	254,646	(171,517)	-67%
Program costs	13,631,690	7,597,559	6,034,131	79%
Depreciation	183,338	178,740	4,598	3%
Interest on long-term debt	1,795,623	1,833,464	(37,841)	-2%
Community and economic development	7,213,137	8,837,251	(1,624,114)	-18%
Transfers	7,607,613	6,847,341	760,272	11%
Total expenses	<u>35,936,454</u>	<u>34,825,795</u>	<u>1,110,659</u>	<u>3%</u>
Increase (decrease) in net position	<u>\$ 6,004,894</u>	<u>\$ (2,196,168)</u>	<u>\$ 8,201,062</u>	<u>-373%</u>

The CRDA's governmental activities net position increased by approximately \$6.0 million during the current fiscal year, compared to a decrease of approximately \$2.2 million during the prior fiscal year. The primary components in the increase from the prior year are 1) significant increases in hotel room, sales tax and luxury tax rebate, parking fee, and operating revenues and 2) decreased general and administrative and community and economic development expenses offset by increases in program cost expenses.

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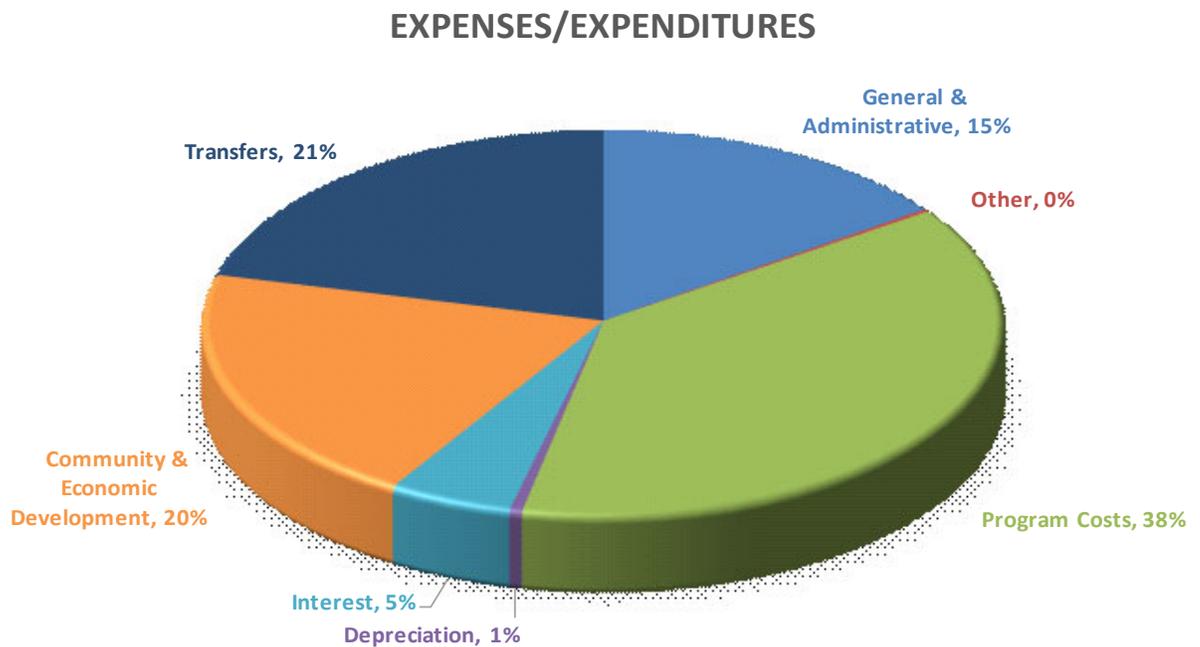
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

2021 REVENUES - GOVERNMENTAL ACTIVITIES



2021 EXPENSES - GOVERNMENTAL ACTIVITIES



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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds Financial Analysis

Governmental funds represent a significant portion of the CRDA's funds. As of the end of 2021, the CRDA's governmental funds reported combined ending fund balances of approximately \$148.8 million, a decrease of \$18.3 million from the prior year. Of this total amount, \$33.5 million is unassigned or available for any CRDA purpose. The remainder of fund balance, or \$115.3 million, is either reserved or committed to indicate that it is not available for new spending, because it has already been restricted to pay debt service (\$33.4 million) and committed for projects (\$81.9 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 AC Corridor 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 \$326.7 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 \$197.1 million. See Note F to the basic financial statements for additional information.

Long-term Debt

The CRDA principally utilizes two types of debt, publicly issued bonds and project bonds which are issued solely to the Atlantic City casino licensees. In October of 2004, the CRDA publicly issued tax-exempt Hotel Room Fee Revenue Bonds, Series 2004, in the amount of \$93,000,000 to fund Atlantic City casino expansion projects, advances to the New Jersey Sports and Exposition Authority ("NJSEA") 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.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Long-term Debt (Continued)

In March of 2005, the CRDA publicly issued tax-exempt Parking Fee Revenue Bonds, Series 2005 A, in the amount of \$107,140,000 and taxable Parking Fee Revenue Bonds, Series 2005 B, in the amount of \$184,530,000. The Series 2005 A Bonds were issued for the purpose of advance refunding the Authority's tax-exempt Parking Fee Bonds, Series 1997 A, and tax-exempt Parking Fee Revenue Bonds, Series 2001. The Series 2005 B Bonds were issued for the purpose of advance refunding the Authority's Investment Alternative Tax and Subordinated Parking Fee Revenue Bonds, Series 2001, and financing boardwalk revitalization projects or programs which may include property acquisition, façade improvements, parking facilities, new retail and dining venues, improvements to casino boardwalk frontage and/or other economic development projects in Atlantic City.

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, 1999A Series and Convention Center Luxury Tax Refunding Bonds, Series 2004A, (2) funding capital expenditures, (3) funding a litigation settlement, (4) funding a debt service reserve requirement, and (5) funding the associated costs of issuance.

The CRDA also issues project bonds to casino licensees with terms varying from 7 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, 2021 and 2020:

	2021	2020	Total \$ Change	Total % Change
Debt Outstanding as of January 1	\$ 458,724,791	\$ 484,776,919	\$ (26,052,128)	-5%
Additions to debt	-	11,401	(11,401)	-100%
Reductions of debt	(27,924,827)	(26,063,529)	(1,861,298)	-7%
Debt Outstanding as of December 31	430,799,964	458,724,791	(27,924,827)	-6%
Plus: Net unamortized premium	11,521,546	12,236,323	(714,777)	-6%
Less: Valuation allowance	(48,900,000)	(50,058,584)	1,158,584	-2%
	<u>\$ 393,421,510</u>	<u>\$ 420,902,530</u>	<u>\$ (27,481,020)</u>	-7%

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

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Business-Type Activities Financial Analysis

	Business-Type Activities		Total \$ Change	Total % Change
	2021	2020		
Assets				
Current and other assets	\$ 89,394,435	\$ 86,539,165	\$ 2,855,270	3%
Real estate	81,311,000	81,311,000	-	0%
Capital assets	324,978,053	334,188,538	(9,210,485)	-3%
Total assets	<u>\$ 495,683,488</u>	<u>\$ 502,038,703</u>	<u>\$ (6,355,215)</u>	-1%
Deferred outflows of resources				
Pension deferrals	\$ 690,552	\$ 746,877	\$ (56,325)	-8%
Total deferred outflows of resources	<u>\$ 690,552</u>	<u>\$ 746,877</u>	<u>\$ (56,325)</u>	-8%
Liabilities				
Other liabilities	\$ 21,101,942	\$ 17,074,080	\$ 4,027,862	24%
Long-term liabilities	238,433,910	244,797,485	(6,363,575)	-3%
Total liabilities	<u>\$ 259,535,852</u>	<u>\$ 261,871,565</u>	<u>\$ (2,335,713)</u>	-1%
Deferred inflows of resources				
Pension deferrals	\$ 1,872,344	\$ 1,917,161	\$ (44,817)	-2%
Total deferred outflows of resources	<u>\$ 1,872,344</u>	<u>\$ 1,917,161</u>	<u>\$ (44,817)</u>	-2%
Net Position				
Net investment in capital assets	\$ 165,368,397	\$ 169,154,110	\$ (3,785,713)	-2%
Restricted	17,215,073	17,215,073	-	0%
Unrestricted	52,382,374	52,627,671	(245,297)	0%
Total net position	<u>\$ 234,965,844</u>	<u>\$ 238,996,854</u>	<u>\$ (4,031,010)</u>	-2%
			Total \$ Change	Total % Change
	2021	2020		
Revenues				
Fees				
Convention Center Division	\$ 9,209,395	\$ 11,663,599	\$ (2,454,204)	-21%
Corridor Parking Garage	353,514	271,405	82,109	30%
Special Improvement District	1,221,823	1,242,757	(20,934)	-2%
Operating				
Corridor Parking Garage	125,677	129,123	(3,446)	-3%
Special Improvement District	137,669	91,775	45,894	50%
Luxury Tax Revenue	35,380,059	18,278,088	17,101,971	94%
Marketing Fee Revenue	2,975,689	2,829,837	145,852	5%
Sports Wagering Revenue	3,812,717	2,079,175	1,733,542	83%
Investment income	11,979	332,813	(320,834)	-96%
Transfers	7,607,613	6,847,341	760,272	11%
Total Revenues	<u>\$ 60,836,135</u>	<u>\$ 43,765,913</u>	<u>\$ 17,070,222</u>	39%
Expenses				
Convention Center Division	\$ 55,053,403	\$ 53,558,936	\$ 1,494,467	3%
Corridor Parking Garage	2,393,807	2,353,464	40,343	2%
Special Improvement District	7,419,935	7,705,102	(285,167)	-4%
Total expenses	<u>\$ 64,867,145</u>	<u>\$ 63,617,502</u>	<u>\$ 1,249,643</u>	2%
Changes in net position	<u>\$ (4,031,010)</u>	<u>\$ (19,851,589)</u>	<u>\$ 15,820,579</u>	80%

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The CRDA's business-type activities net position decreased by approximately \$4.0 million during the current fiscal year compared to a \$19.8 million decrease in the prior year. The primary components in the decrease from the prior year are a decrease in Convention Center Division, and investment income revenues, offset by an increase in luxury tax, marketing fee, and sports wagering tax revenues.

Selected Operating Highlights of the Convention Center Division

Number of Attendees

	2021	2020	2019
Boardwalk Hall	51,533	144,404	329,424
Convention Center	350,404	134,352	385,195
	<u>401,937</u>	<u>278,756</u>	<u>714,619</u>

Number of Events

	2021	2020	2019
Boardwalk Hall	11	12	56
Convention Center	53	21	84
	<u>64</u>	<u>33</u>	<u>140</u>

Operating Revenue & Expenses by Facility

	2021	2020	2019
Operating revenues			
Boardwalk Hall	\$ 2,480,392	\$ 2,536,930	\$ 6,392,299
Convention Center	6,778,664	9,168,228	9,310,737
Marketing operations	40,339	48,441	263,341
	<u>\$ 9,299,395</u>	<u>\$ 11,753,599</u>	<u>\$ 15,966,377</u>
Operating expenses			
Boardwalk Hall	\$ 8,556,979	\$ 8,946,398	\$ 12,710,688
Convention Center	13,664,550	15,261,726	15,583,396
Luxury tax reserve	20,224,827	21,252,650	21,636,770
Marketing operations	2,305,509	(2,368,899)	4,293,435
	<u>\$ 44,751,865</u>	<u>\$ 43,091,875</u>	<u>\$ 54,224,289</u>

Financial Contact

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
DECEMBER 31, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 103,141,391	\$ 29,942,713	\$ 133,084,104
RESTRICTED CASH & CASH EQUIVALENTS	-	27,128	27,128
INVESTMENTS	50,174,619	74,694	50,249,313
RESTRICTED INVESTMENTS	-	43,068,871	43,068,871
RECEIVABLES:			
NOTES RECEIVABLE, NET OF ALLOWANCE	57,271,950	-	57,271,950
ACCRUED INTEREST RECEIVABLE	1,812,920	-	1,812,920
ACCRUED PARKING FEES	2,272,977	-	2,272,977
ACCRUED HOTEL ROOM FEES	2,758,047	-	2,758,047
ACCRUED MARKETING FEES & LUXURY TAXES	-	9,973,162	9,973,162
OTHER	(503,815)	4,738,404	4,234,589
REAL ESTATE	115,833,451	81,311,000	197,144,451
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	1,691,247	324,978,053	326,669,300
PREPAID BOND INSURANCE PREMIUM	-	1,569,463	1,569,463
TOTAL ASSETS	334,452,787	495,683,488	830,136,275
DEFERRED OUTFLOWS OF RESOURCES			
PENSION DEFERRALS	1,175,805	690,552	1,866,357
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 335,628,592	\$ 496,374,040	\$ 832,002,632
LIABILITIES			
INTEREST PAYABLE	\$ 6,400,535	\$ 4,223,058	\$ 10,623,593
DEFERRED REVENUE	-	4,203,716	4,203,716
OTHER PAYABLES	9,169,358	7,500,168	16,669,526
CURRENT BONDS PAYABLE	28,343,926	5,175,000	33,518,926
LONG-TERM LIABILITIES:			
NET PENSION LIABILITY	4,577,298	2,688,254	7,265,552
LONG-TERM BONDS PAYABLE	124,156,926	235,745,656	359,902,582
TOTAL LIABILITIES	172,648,043	259,535,852	432,183,895
DEFERRED INFLOWS OF RESOURCES			
PENSION DEFERRALS	3,188,045	1,872,344	5,060,389
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	175,836,088	261,408,196	437,244,284
NET POSITION			
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT	1,691,247	165,368,397	167,059,644
RESTRICTED FOR:			
DEBT SERVICE	28,008,995	17,137,586	45,146,581
STATUTORY REQUIREMENTS	-	77,487	77,487
UNRESTRICTED	130,092,262	52,382,374	182,474,636
TOTAL NET POSITION	\$ 159,792,504	\$ 234,965,844	\$ 394,758,348

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUES AND CHANGES IN NET POSITION					
	PROGRAM REVENUE			PRIMARY GOVERNMENT		
	EXPENSES	FEES	OPERATING INCOME	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES:						
GENERAL AND ADMINISTRATION	\$ 5,421,924	\$ 768,557	\$ -	\$ (4,653,367)	\$ -	\$ (4,653,367)
OTHER	83,129	-	215,943	132,814	-	132,814
PROJECT COSTS	13,631,690	9,702,050	-	(3,929,640)	-	(3,929,640)
DEPRECIATION	183,338	-	-	(183,338)	-	(183,338)
INTEREST ON LONG-TERM DEBT	1,795,623	-	-	(1,795,623)	-	(1,795,623)
COMMUNITY DEVELOPMENT	7,213,137	23,540,389	5,374,878	21,702,130	-	21,702,130
TOTAL GOVERNMENTAL ACTIVITIES	28,328,841	34,010,996	5,590,821	11,272,976		11,272,976
BUSINESS-TYPE ACTIVITIES:						
CONVENTION CENTER DIVISION	55,053,403	9,209,395	-	-	(45,844,008)	(45,844,008)
CORRIDOR PARKING GARAGE	2,393,807	353,514	125,677	-	(1,914,616)	(1,914,616)
SPECIAL IMPROVEMENT DISTRICT	7,419,935	1,221,823	137,669	-	(6,060,443)	(6,060,443)
TOTAL BUSINESS-TYPE ACTIVITIES	64,867,145	10,784,732	263,346	-	(53,819,067)	(53,819,067)
TOTAL PRIMARY GOVERNMENT	\$ 93,195,986	\$ 44,795,728	\$ 5,854,167	\$ 11,272,976	\$ (53,819,067)	\$ (42,546,091)
GENERAL REVENUES & TRANSFERS:						
LUXURY TAX REVENUE				\$ -	\$ 35,380,059	\$ 35,380,059
MARKETING FEE REVENUE				-	2,975,689	2,975,689
SPORTS WAGERING REVENUE				-	3,812,717	3,812,717
INVESTMENT INCOME				2,339,531	11,979	2,351,510
TRANSFERS				(7,607,613)	7,607,613	-
TOTAL GENERAL REVENUES & TRANSFERS				(5,268,082)	49,788,057	44,519,975
CHANGES IN NET POSITION				6,004,894	(4,031,010)	1,973,884
BEGINNING NET POSITION				153,787,610	238,996,854	392,784,464
ENDING NET POSITION				\$ 159,792,504	\$ 234,965,844	\$ 394,758,348

FUND FINANCIAL STATEMENTS

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

BALANCE SHEET – GOVERNMENTAL FUNDS

DECEMBER 31, 2021

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND		OTHER GOVERNMENTAL FUNDS	
		AC CORRIDOR	HOTEL ROOM FEE		
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 84,718,153	\$ 6,829,941	\$ 6,039,415	\$ 5,553,882	\$ 103,141,391
INVESTMENTS	-	41,254,521	8,920,098	-	50,174,619
RECEIVABLES:					
ACCRUED INTEREST RECEIVABLE	2,000	-	-	1,810,920	1,812,920
ACCRUED PARKING FEES	-	2,272,977	-	-	2,272,977
ACCRUED HOTEL ROOM FEES	-	-	2,758,047	-	2,758,047
OTHER	2,071,284	(1,160,450)	(539,102)	(1,065,347)	(693,615)
	<u>86,791,437</u>	<u>49,196,989</u>	<u>17,178,458</u>	<u>6,299,455</u>	<u>159,466,339</u>
LIABILITIES:					
INTEREST PAYABLE	-	2,783,410	738,138	2,856,014	6,377,562
OTHER PAYABLES	1,817,876	2,216,234	-	287,849	4,321,959
	<u>1,817,876</u>	<u>4,999,644</u>	<u>738,138</u>	<u>3,143,863</u>	<u>10,699,521</u>
FUND BALANCES:					
RESERVED FUND EQUITY:					
RESERVE FOR DEBT SERVICE	-	30,208,688	-	3,155,592	33,364,280
RESERVE FOR PROJECT COSTS	51,515,590	13,988,657	16,440,320	-	81,944,567
UNRESERVED FUND EQUITY:					
UNASSIGNED	33,457,971	-	-	-	33,457,971
TOTAL FUND BALANCES	<u>84,973,561</u>	<u>44,197,345</u>	<u>16,440,320</u>	<u>3,155,592</u>	<u>148,766,818</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 86,791,437</u>	<u>\$ 49,196,989</u>	<u>\$ 17,178,458.00</u>	<u>\$ 6,299,455</u>	<u>\$ 159,466,339</u>

Total Fund Balances - Governmental Funds \$ 148,766,818

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

Capital assets, net of AD used in governmental activities and are not financial resources and therefore are not reported in the funds. 1,691,247

Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds. 172,754,981

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. (157,472,749)

Pension related items are not reported in the funds. (5,947,793)

\$ 159,792,504

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, 2021

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND		OTHER GOVERNMENTAL FUNDS	
		AC CORRIDOR	HOTEL ROOM FEE		
REVENUES					
ADMINISTRATIVE FEES	\$ 83,129	\$ -	\$ -	\$ -	\$ 83,129
INTEREST AND INVESTMENT INCOME	44,725	(6,543)	2,831	1,807,450	1,848,463
PARKING FEE REVENUE	-	13,895,789	-	-	13,895,789
HOTEL ROOM FEE REVENUE	-	-	9,644,600	-	9,644,600
TAX OVERRIDE REVENUE	9,702,050	-	-	-	9,702,050
GRANT REVENUE	444,918	4,699,960	-	-	5,144,878
PROCESSING FEES	685,428	-	-	-	685,428
OTHER INCOME	215,943	230,000	-	-	445,943
	<u>11,176,193</u>	<u>18,819,206</u>	<u>9,647,431</u>	<u>1,807,450</u>	<u>41,450,280</u>
EXPENDITURES					
CURRENT					
SALARIES AND BENEFITS	4,422,085	-	-	-	4,422,085
GENERAL & ADMINISTRATIVE	1,206,333	-	-	-	1,206,333
PROFESSIONAL COSTS	1,223,281	-	-	-	1,223,281
PROJECT COSTS	13,631,690	463,583	-	857,762	14,953,035
OTHER EXPENDITURES	-	-	-	83,129	83,129
DEBT SERVICE:					
INTEREST EXPENSE	-	4,635,523	1,256,270	1,795,623	7,687,416
PRINCIPAL PAYMENTS	-	15,200,000	6,475,005	1,031,243	22,706,248
CAPITAL OUTLAY					
PURCHASE OF CAPITAL ASSETS	30,122	-	-	-	30,122
	<u>20,513,511</u>	<u>20,299,106</u>	<u>7,731,275</u>	<u>3,767,757</u>	<u>52,311,649</u>
EXCESS OF EXPENDITURES (OVER)/UNDER REVENUES	<u>(9,337,318)</u>	<u>(1,479,900)</u>	<u>1,916,156</u>	<u>(1,960,307)</u>	<u>(10,861,369)</u>
OTHER FINANCING SOURCES (USES)					
OTHER RECEIVABLES	32,420	-	-	-	32,420
PAYMENTS RECEIVED ON NOTES	-	-	-	2,092,733	2,092,733
OTHER PAYABLES	(105,632)	1,334,935	-	647,460	1,876,763
LOAN DISBURSEMENTS	(1,201,124)	-	-	-	(1,201,124)
PURCHASE OF REAL ESTATE	(2,668,051)	-	-	-	(2,668,051)
TRANSFERS FROM OTHER FUNDS	539,102	-	-	-	539,102
TRANSFERS TO OTHER FUNDS	(7,607,613)	-	(539,102)	-	(8,146,715)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(11,010,898)</u>	<u>1,334,935</u>	<u>(539,102)</u>	<u>2,740,193</u>	<u>(7,474,872)</u>
NET CHANGE IN FUND BALANCE	(20,348,216)	(144,965)	1,377,054	779,886	(18,336,241)
FUND EQUITY JANUARY 1, 2021	105,321,777	44,342,310	15,063,266	2,375,706	167,103,059
FUND EQUITY DECEMBER 31, 2021	<u>\$ 84,973,561</u>	<u>\$ 44,197,345</u>	<u>\$ 16,440,320</u>	<u>\$ 3,155,592</u>	<u>\$ 148,766,818</u>

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, 2021

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

Total net change in fund balances - governmental funds	\$ (18,336,241)
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 is the amount by which capital outlays exceeds depreciation in the current period.	2,514,835
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	491,069
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.	20,829,485
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. These transactions do not affect net position.	(924,029)
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.	1,429,775
Change in fund balance (net position) of governmental activities	<u>\$ 6,004,894</u>

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

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

DECEMBER 31, 2021

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS			
	CONVENTION CENTER DIVISION	CORRIDOR PARKING GARAGE	SPECIAL IMPROVEMENT DISTRICT	TOTAL
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	\$ 26,359,381	\$ 1,011	\$ 3,582,321	\$ 29,942,713
OTHER INVESTMENT	-	74,694	-	74,694
RESTRICTED CASH AND CASH EQUIVALENTS	27,128	-	-	27,128
RESTRICTED INVESTMENTS	43,068,871	-	-	43,068,871
RECEIVABLES:				
ACCRUED MARKETING FEES & LUXURY TAXES	9,973,162	-	-	9,973,162
ACCRUED ASSESSMENTS, NET OF ALLOWANCES FOR UNCOLLECTIBLES	-	-	3,690	3,690
ACCRUED PARKING REVENUE	-	11,340	-	11,340
OTHER	2,926,476	108,544	1,688,354	4,723,374
TOTAL CURRENT ASSETS	82,355,018	195,589	5,274,365	87,824,972
NONCURRENT ASSETS				
PREPAID BOND INSURANCE PREMIUM	1,569,463	-	-	1,569,463
REAL ESTATE	81,311,000	-	-	81,311,000
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	300,606,479	23,604,354	767,220	324,978,053
TOTAL NON-CURRENT ASSETS	383,486,942	23,604,354	767,220	407,858,516
TOTAL ASSETS	466,841,960	23,799,943	6,041,585	496,683,488
DEFERRED OUTFLOWS OF RESOURCES				
PENSION DEFERRALS	298,617	-	391,935	690,552
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 466,140,577	\$ 23,799,943	\$ 6,433,520	\$ 496,374,040
LIABILITIES				
CURRENT LIABILITIES				
INTEREST PAYABLE	1,802,929	2,420,129	-	4,223,058
CURRENT BONDS PAYABLE	5,175,000	-	-	5,175,000
DEFERRED REVENUE	4,203,716	-	-	4,203,716
OTHER PAYABLES	6,227,459	58,211	1,214,498	7,500,168
	17,409,104	2,478,340	1,214,498	21,101,942
NONCURRENT LIABILITIES				
NET PENSION LIABILITY	1,162,488	-	1,525,766	2,688,254
LONG-TERM BONDS PAYABLE	216,897,301	18,848,355	-	235,745,656
TOTAL NONCURRENT LIABILITIES	218,059,789	18,848,355	1,525,766	238,433,910
TOTAL LIABILITIES	235,468,893	21,326,695	2,740,264	259,535,852
DEFERRED INFLOWS OF RESOURCES				
PENSION DEFERRALS	809,662	-	1,062,682	1,872,344
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	236,278,555	21,326,695	3,802,946	261,408,196
NET POSITION:				
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT	159,845,178	4,755,999	767,220	165,368,397
RESTRICTED FOR:				
DEBT SERVICE	16,305,586	832,000	-	17,137,586
STATUTORY REQUIREMENTS	77,487	-	-	77,487
UNRESTRICTED (DEFICIT)	53,633,771	(3,114,751)	1,863,354	52,382,374
TOTAL NET POSITION	229,862,022	2,473,248	2,630,574	234,965,844
TOTAL LIABILITIES AND NET POSITION	\$ 466,140,577	\$ 23,799,943	\$ 6,433,520	\$ 496,374,040

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, 2021

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS			
	CONVENTION	CORRIDOR	SPECIAL	TOTAL
	CENTER	PARKING	IMPROVEMENT	
DIVISION	GARAGE	DISTRICT		
OPERATING REVENUES:				
SPECIAL SERVICES	\$ 1,458,310	\$ -	\$ -	\$ 1,458,310
FACILITIES RENTAL	1,404,596	-	-	1,404,596
CONCESSIONS	643,140	-	-	643,140
ASSESSMENTS, NET	-	-	1,221,823	1,221,823
PARKING REVENUE	523,885	353,514	-	877,399
OTHER REVENUE	5,179,464	125,677	137,669	5,442,810
TOTAL OPERATING REVENUES	9,209,395	479,191	1,359,492	11,048,078
OPERATING EXPENSES:				
SALARIES AND BENEFITS	10,485,789	-	3,056,884	13,542,673
MARKETING EXPENDITURES	7,820,795	-	-	7,820,795
PRODUCTION	2,137,387	-	-	2,137,387
GENERAL AND ADMINISTRATIVE	10,173,756	631,656	4,175,125	14,980,537
DEPRECIATION AND AMORTIZATION	14,044,138	1,181,320	187,926	15,413,384
TOTAL OPERATING EXPENSES	44,661,865	1,812,976	7,419,935	53,894,776
OPERATING INCOME (LOSS)	(35,452,470)	(1,333,785)	(6,060,443)	(42,846,698)
NONOPERATING REVENUES (EXPENSES):				
LUXURY TAX REVENUE	35,380,059	-	-	35,380,059
MARKETING FEE REVENUE	2,975,689	-	-	2,975,689
SPORTS WAGERING TAX REVENUE	3,812,717	-	-	3,812,717
INTEREST INCOME	10,667	94	1,218	11,979
INTEREST EXPENSE	(10,391,538)	(580,831)	-	(10,972,369)
TRANSFERS FROM OTHER FUNDS	-	115,393	7,492,220	7,607,613
	31,787,594	(465,344)	7,493,438	38,815,688
CHANGE IN NET POSITION	(3,664,876)	(1,799,129)	1,432,995	(4,031,010)
NET POSITION - BEGINNING	233,526,898	4,272,377	1,197,579	238,996,854
NET POSITION - ENDING	\$ 229,862,022	\$ 2,473,248	\$ 2,630,574	\$ 234,965,844

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

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2021

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS			
	CONVENTION	CORRIDOR	SPECIAL	TOTAL
	CENTER DIVISION	PARKING GARAGE	IMPROVEMENT DISTRICT	
CASH FLOWS FROM OPERATING ACTIVITIES				
RECEIPTS FROM CUSTOMERS	\$ 7,334,000	\$ -	\$ -	\$ 7,334,000
ASSESSMENTS	-	-	1,222,740	1,222,740
PARKING REVENUE	-	412,582	-	412,582
OTHER REVENUE	-	125,677	128,591	254,268
PAYMENTS TO SUPPLIERS	(9,646,319)	(630,000)	(4,360,601)	(14,636,920)
PAYMENTS TO EMPLOYEES	(10,950,297)	-	(3,210,657)	(14,160,954)
PAYMENTS FOR OTHERS	-	8,019	-	8,019
NET CASH FROM OPERATING ACTIVITIES	(13,262,616)	(83,722)	(6,219,927)	(19,566,265)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
LUXURY TAX REVENUE	13,348,976	-	-	13,348,976
MARKETING FEE REVENUE	2,975,689	-	-	2,975,689
SPORTS WAGERING REVENUE	3,812,717	-	-	3,812,717
DUE TO/FROM OTHER FUNDS	-	(130,456)	(703,479)	(833,935)
TRANSFERS FROM OTHER FUNDS	-	115,393	7,492,220	7,607,613
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	20,137,382	(15,063)	6,788,741	26,911,060
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
INTEREST EXPENSE	(10,817,575)	-	-	(10,817,575)
PAYMENTS ON BONDS AND NOTES PAYABLE	(4,930,000)	-	-	(4,930,000)
PURCHASE OF CAPITAL ASSETS	(5,700,169)	(206,776)	(421,631)	(6,328,576)
LUXURY TAX REVENUE	15,747,575	-	-	15,747,575
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(5,700,169)	(206,776)	(421,631)	(6,328,576)
CASH FLOWS FROM INVESTING ACTIVITIES				
PROCEEDS FROM SALE OF INVESTMENT	-	245,706	-	245,706
INTEREST	(2,975,590)	94	1,217	(2,974,279)
NET CASH FROM INVESTING ACTIVITIES	(2,975,590)	245,800	1,217	(2,728,573)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,800,993)	(59,761)	148,400	(1,712,354)
CASH AND CASH EQUIVALENTS - BEGINNING	28,187,502	60,772	3,433,921	31,682,195
CASH AND CASH EQUIVALENTS - ENDING	\$ 26,386,509	\$ 1,011	\$ 3,582,321	\$ 29,969,841
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES:				
OPERATING LOSS	\$ (35,452,470)	\$ (1,333,785)	\$ (6,060,443)	\$ (42,846,698)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES:				
DEPRECIATION AND AMORTIZATION	14,044,138	1,181,320	187,926	15,413,384
GASB 68 EXPENSE	(476,183)	-	(159,474)	(635,657)
(INCREASE)/DECREASE IN:				
RECEIVABLES, NET	(2,252,935)	-	(9,079)	(2,262,014)
PREPAID EXPENSES AND OTHER ASSETS	253,476	(394)	(3,660)	249,422
ACCRUED ASSESSMENTS	-	-	916	916
PARKING FEES RECEIVABLE	-	59,068	-	59,068
INCREASE/(DECREASE IN):				
ACCRUED SALARIES AND BENEFITS	-	-	5,701	5,701
ACCOUNTS PAYABLE	9,874,119	10,069	(181,814)	9,702,374
DEFERRED REVENUE AND ADVANCE DEPOSITS	747,239	-	-	747,239
TOTAL ADJUSTMENTS	22,189,854	1,250,063	(159,484)	23,280,433
NET CASH FROM OPERATING ACTIVITIES	\$ (13,262,616)	\$ (83,722)	\$ (6,219,927)	\$ (19,566,265)

See notes to financial statements.

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

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS

DECEMBER 31, 2021

	AGENCY FUNDS		
	REINVESTMENT FUND	OTHER	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 23,100,143	\$ 6,635,397	\$ 29,735,540
RECEIVABLES:			
NOTES RECEIVABLE	-	24,780,099	24,780,099
ACCRUED INTEREST RECEIVABLE	-	1,061,758	1,061,758
OBLIGATION RECEIVABLE	629,561	-	629,561
OTHER	2,766,347	(514,045)	2,252,302
EQUITY INVESTMENT	-	3,600,000	3,600,000
CAPITAL ASSETS:			
REAL ESTATE	-	32,810,533	32,810,533
TOTAL ASSETS	\$ 26,496,051	\$ 68,373,742	\$ 94,869,793
LIABILITIES			
INTEREST PAYABLE	\$ 1,626	\$ -	\$ 1,626
OTHER PAYABLES	608,087	2,326,794	2,934,881
TOTAL LIABILITIES	609,713	2,326,794	2,936,507
NET POSITION			
RESERVE FOR:			
OBLIGATIONS PAYABLE	22,819,295	-	22,819,295
DIRECT INVESTMENT DEPOSITS	-	-	-
DONATION DEPOSITS	3,067,043	-	3,067,043
PROJECT COSTS	-	66,046,948	66,046,948
TOTAL NET POSITION	25,886,338	66,046,948	91,933,286
TOTAL LIABILITIES AND NET POSITION	\$ 26,496,051	\$ 68,373,742	\$ 94,869,793

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2021

	AGENCY FUNDS		
	REINVESTMENT		TOTAL
	FUND	OTHER	
ADDITIONS:			
OBLIGATION DEPOSITS	\$ 2,259,820	\$ -	\$ 2,259,820
ACCRUED OBLIGATIONS	(341,341)	-	(341,341)
TRANSFER FROM REINVESTMENT	-	8,454,043	8,454,043
TAX REMITTANCES	-	31,375,757	31,375,757
INTEREST ON NOTES	-	448,246	448,246
TOTAL ADDITIONS	1,918,479	40,278,046	42,196,525
DEDUCTIONS:			
DIRECT INVESTMENTS	1,687,752	-	1,687,752
DIRECT DONATIONS:			
TRANSFERS TO OTHER FUNDS	14,990	-	14,990
OTHER	8,454,043	-	8,454,043
GRANTS AND DONATIONS	-	633,834	633,834
TAX DISTRIBUTIONS	-	31,375,757	31,375,757
TOTAL DEDUCTIONS	10,156,785	32,009,591	42,166,376
CHANGES IN NET POSITION	(8,238,306)	8,268,455	30,149
NET POSITION - JANUARY 1, 2021	34,124,644	57,778,493	91,903,137
NET POSITION - DECEMBER 31, 2021	\$ 25,886,338	\$ 66,046,948	\$ 91,933,286

NOTES TO FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

A. 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 ("State"). 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 redefined the scope of the Authority's responsibilities to encompass (1) the creation of the Atlantic City Tourism District, (2) the establishment of a new 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"). The Tourism District and Special Improvement District are coextensive.

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.

B. 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.

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, is financially accountable to the State. As set forth in GASB Statement 61, 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.

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.

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

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

Governmental activities are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Fund Financial Statements

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

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, revenue 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 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 thirty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis accounting. However, debt service expenditures are recorded only when payment is due.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Special Revenue Fund parking and 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 revenues and expenses for proprietary funds include transactions that constitute the respective funds' principal ongoing operations. All revenues and expenses not meeting these definitions 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.

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

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

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

Proprietary Funds:

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

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

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (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, Jim Whelan 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.

Project 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 N.J.S.A. 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.

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.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, except for money market funds classified as investments.

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.

Investments

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

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, 2021, the provision for uncollectible accounts was approximately \$48,900,000.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

It is the policy of the CRDA to capitalize all land, structures, improvements and equipment exceeding \$5,000.

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.

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. An employee who retires within the meaning of the Public Employees' Retirement System and has at least fifteen years of uninterrupted service will receive a lump sum payment as supplemental compensation for sick time that is credited to the employee on the effective date of retirement. The amount of the supplemental compensation shall be calculated at a rate of one-half of the retiring employee's daily rate based upon the average annual base compensation received during the employee's final year of employment, exclusive of any overtime or special payments. The supplemental compensation is capped at \$15,000.

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.

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

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 projects approved by the Authority. Such bonds are payable solely from the revenues and other monies derived from projects financed by such bonds. In some cases, the project revenues are derived from CRDA notes receivable. When these revenues are not sufficient to support debt service, a valuation allowance is assigned to both the note receivable and the related project bond. 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.

See the Luxury Tax section below for information on Luxury Tax Revenue 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 investment in capital assets, net of related debt, restricted, and unrestricted. Net investment in capital assets 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.

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.

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

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

- 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 fund balance amounts within the General Fund which have not been classified within the above-mentioned categories and 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.

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 New Jersey Sports and Exposition Authority ("NJSEA"). Luxury tax proceeds were deposited into a revenue fund and subsequently transferred to other funds to pay debt service on the Luxury Tax Bonds and fund the operating deficits and capital expenditures for Boardwalk Hall, the West Hall, the Convention Center, and certain marketing operations as of 2006.

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

In the fourth quarter of 2014, the Authority issued \$241 million of Series 2014 Luxury Tax Revenue Bonds to refinance existing bonds, fund new money capital projects, and the settlement of a litigation matter.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Marketing Fees

The New Jersey legislature adopted a bill that authorized the State to impose marketing fees of \$2.00 per occupied casino room and \$1.00 per occupied non-casino 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. 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.

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 reports a separate section for deferred outflows of resources. This separate financial element represents 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 Authority has one item that qualifies for reporting in this category, deferred amounts related to pensions. In addition to liabilities, the statement of net position reports 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 Authority has one item that qualifies for reporting in this category, which is deferred amounts related to pensions.

Rounding

Some statements/schedules in the financial statements may have dollar differences due to rounding adjustments.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENT

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 Federal Deposit Insurance Corporation ("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, 2021, the Authority's book balance was \$162,846,772. As of December 31, 2021, the Authority's bank balance of \$163,839,704 was partially insured by the FDIC in the amount of \$500,000 or \$250,000 for each depository. Cash and cash equivalents include various checking and money market accounts, and U.S. obligations with maturities of ninety days or less.

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

Investments

At December 31, 2021, the Authority had the following investments:

Description	Maturity	Fair Value	Fair Value Level
Money market funds	Nonexpiring	\$ 89,265,563	Level 1
U.S. Treasury Obligations	May 2022	3,977,927	Level 1
Solar Renewal Energy Credits ("SREC")	Nonexpiring	74,694	Level 2
Total Investments		<u>\$ 93,318,184</u>	

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

Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets.

Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

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C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENT (CONTINUED)

Investments (Continued)

The U.S. Treasury Obligations were repurchased in May 2022, upon maturity. There were no transfers in or out of Levels 1, 2 or 3 during 2021.

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.

D. NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES

Notes receivable within the Debt Service Fund consist of loans with terms varying from 7 to 40 years at interest rates varying between 0.0% and 6.7%. Repayments of notes receivable are secured by mortgages. See Note E for details.

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E. NOTES RECEIVABLE

Notes receivable consist of the following as of December 31, 2021:

	Balance December 31,				Balance December 31,
	2020	Additions	Repayments	Write-offs	2021
General Fund					
Steel Pier	\$ 16,310,111	\$ 488,212	\$ 707,184	\$ -	\$ 16,091,139
Atlantic County Improvement Authority	2,674,000	-	-	-	2,674,000
Stockton University	-	1,911,167	-	-	1,911,167
Total General Fund	\$ 18,984,111	\$ 2,399,379	\$ 707,184	\$ -	\$ 20,676,306
Other Governmental Funds					
Christopher Columbus Homes	\$ 1,656,587	\$ -	\$ 109,823	\$ -	\$ 1,546,764
Marcal	4,400,120	-	1,031,243	-	3,368,877
North Jersey Municipal Loan Program	31,987,339	-	868,209	508,584	30,610,546
Sheraton Hotel	10,000,000	-	-	-	10,000,000
South Jersey Municipal Loan Program	658,397	-	105,545	-	552,852
Vermont Plaza	20,700,000	-	-	-	20,700,000
Best of Bass Pro Shops	9,559,751	-	627,913	-	8,931,838
Impactivate	9,784,767	-	-	-	9,784,767
Subtotal	88,746,961	-	2,742,733	508,584	85,495,644
Allowance	(50,058,584)	-	-	(1,158,584)	(48,900,000)
Total Other Governmental Funds	\$ 38,688,377	\$ -	\$ 2,742,733	\$ (650,000)	\$ 36,595,644
Total Governmental Activities	\$ 57,672,488	\$ 2,399,379	\$ 3,449,917	\$ (650,000)	\$ 57,271,950
Other Agency Funds					
AC Supermarket	\$ 542,503	\$ -	\$ 86,910	\$ -	\$ 455,593
Chelsea Westside	(167)	-	-	-	(167)
3-2-1 Police Loan	91,484	-	32,797	-	58,687
Beach at South Inlet	11,400,000	-	-	-	11,400,000
City of AC Prop Acq Loan	51,653	-	-	-	51,653
Sencit Liberty Apartments	4,450,000	-	-	-	4,450,000
Stockton University	-	8,364,333	-	-	8,364,333
Total Other Agency Funds	\$ 16,535,473	\$ 8,364,333	\$ 119,707	\$ -	\$ 24,780,099

F. CAPITAL ASSETS

Capital asset balances and activities for the year ended December 31, 2021, were as follows:

	Balance December 31,			Balance December 31,
	2020	Additions	Deletions	2021
Governmental Activities				
Furniture and Equipment	\$ 5,295,045	\$ 29,122	\$ -	\$ 5,324,167
Building	2,210,287	-	-	2,210,287
Accumulated Depreciation	(5,660,869)	(182,338)	-	(5,843,207)
Net, Governmental Activities	1,844,463	(153,216)	-	1,691,247
Business-Type Activities				
Buildings	477,142,264	5,339,455	-	482,481,719
Furniture and Equipment	75,873,002	858,346	(77,546)	76,653,802
Garage	34,580,935	-	-	34,580,935
Leasehold Improvements	9,233,080	82,644	-	9,315,724
Accumulated Depreciation	(262,640,743)	(15,414,348)	964	(278,054,127)
Net, Business-Type Activities	334,188,538	(9,133,903)	(76,582)	324,978,053
Entity-wide Total	\$ 336,033,001	\$ (9,287,119)	\$ (76,582)	\$ 326,669,300

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G. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables and payables balances at December 31, 2021, were as follows:

Fund	Interfund Receivable			Interfund Payable		
	Miscellaneous	Interest	Fees	Miscellaneous	Interest	Fees
General	\$ -	\$ 2,000	\$ 13,376	\$ (486,737)	\$ -	\$ -
AC Corridor	-	-	-	(1,390,241)	(209)	-
Hotel Room Fee	-	-	-	(539,102)	-	-
Other Governmental	-	-	-	(1,051,971)	-	(13,376)
Convention Center Division	-	-	-	(470,158)	-	-
Corridor Parking Garage	54,864	-	-	-	-	-
Special Improvement District	1,629,368	-	-	-	-	-
Reinvestment	2,768,022	-	-	-	(1,675)	-
Other Agency	-	-	-	(514,045)	(115)	-
	<u>\$ 4,452,254</u>	<u>\$ 2,000</u>	<u>\$ 13,376</u>	<u>\$ (4,452,254)</u>	<u>\$ (2,000)</u>	<u>\$ (13,376)</u>

Interfund balances are included in respective receivables and payables in the statements of net position/balance sheet and represent short-term loans between funds. All interfund balances are expected to be repaid within one year.

H. OBLIGATION DEPOSITS

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 can be used to purchase bonds of the New Jersey Development Authority.

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.

The obligations payable and donation deposits are recorded in the Reinvestment Fund statement of fiduciary net position, and their respective 2021 activities are summarized below:

	Reinvestment Fund Reserves	
	Obligations Payable	Donation Deposits
Beginning Balance January 1, 2021	\$ 22,588,568	\$ 11,536,076
Obligation Deposits	2,259,820	-
Direct Investments	(1,687,752)	-
Obligations Receivable	(341,341)	-
Grants to Agency and Debt Service Funds	-	(8,469,033)
Ending Balance December 31, 2021	<u>\$ 22,819,295</u>	<u>\$ 3,067,043</u>

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NOTES TO FINANCIAL STATEMENTS

I. 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 – Parking Fee and Hotel Room Fee Revenue Bonds

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 5.00% 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 – Luxury Tax Revenue Bonds

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 5.50%, the proceeds of which were used to refund on a current basis the NJSEA's previously outstanding Luxury Tax Bonds, Series 1992A. In 2014, the aggregate principal amounts of \$54,450,000 and \$23,085,000 were refunded by the CRDA as part of the Series 2014 Luxury Tax Revenue Bond issuance totaling \$241,190,000. As of December 31, 2021, \$23,085,000 of the defeased bonds remained outstanding in escrow until they matured in March 2022.

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NOTES TO FINANCIAL STATEMENTS

I. LONG-TERM DEBT (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.

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; (iv) paying the costs of issuance of the Series 2014 bonds; and (v) funding the settlement of a litigation matter otherwise paid from luxury tax residuals.

Project Bonds – Casino Pool Bonds

The CRDA also issues project bonds to casino licensees with terms varying from 7 to 50 years, at non-compounding interest rates varying between 3.0% and 7.0%. Such bonds, including interest, 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.

Bond Issue	Debt Reserve 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
Total AC Corridor Reserve	30,208,688
\$241.2 million Luxury Tax Revenue Bonds	16,305,586
Balance, December 31, 2021	<u>\$ 46,514,274</u>

The following is a summary of the CRDA's long-term debt transactions for the year ended December 31, 2021:

	Publicly Issued Bonds	Project Bonds	Total
Debt outstanding December 31, 2020	\$ 335,105,000	\$ 123,619,791	\$ 458,724,791
Additions to Debt	-	-	-
Reductions of Debt	(26,385,000)	(1,539,827)	(27,924,827)
Debt outstanding December 31, 2021	308,720,000	122,079,964	430,799,964
Net Unamortized Premium Allowance	11,521,546	-	11,521,546
	-	(48,900,000)	(48,900,000)
	<u>\$ 320,241,546</u>	<u>\$ 73,179,964</u>	<u>\$ 393,421,510</u>

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NOTES TO FINANCIAL STATEMENTS

I. LONG-TERM DEBT (CONTINUED)

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

	Parking Fee Revenue Bond		Total
	Principal	Interest	
2022	\$ 16,005,000	\$ 3,355,580	\$ 19,360,580
2023	16,880,000	2,457,819	19,337,819
2024	17,800,000	1,511,055	19,311,055
2025	18,775,000	512,558	19,287,558
Total	\$ 69,460,000	\$ 7,837,012	\$ 77,297,012

	Hotel Room Fee Bond		Total
	Principal	Interest	
2022	\$ 6,585,000	\$ 1,303,419	\$ 7,888,419
2023	6,930,000	948,650	7,878,650
2024	7,295,000	575,244	7,870,244
2025	7,675,000	191,875	7,866,875
Total	\$ 28,485,000	\$ 3,019,188	\$ 31,504,188

	Convention Center Luxury Tax Revenue Bond		Total
	Principal	Interest	
2022	\$ 5,175,000	\$ 10,571,075	\$ 15,746,075
2023	5,435,000	10,312,325	15,747,325
2024	5,710,000	10,040,575	15,750,575
2025	5,995,000	9,755,075	15,750,075
2026	6,205,000	9,545,250	15,750,250
2027-2031	35,990,000	42,751,000	78,741,000
2032-2036	45,500,000	33,244,900	78,744,900
2037-2041	58,080,000	20,664,263	78,744,263
2042-2044	42,685,000	4,558,575	47,243,575
Total	\$ 210,775,000	\$ 151,443,038	\$ 362,218,038

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NOTES TO FINANCIAL STATEMENTS

I. LONG-TERM DEBT (CONTINUED)

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

	Project Bond Principal	Project Bond Interest	Total
2022	\$ 7,032,016	\$ 13,704,365	\$ 20,736,381
2023	8,484,845	2,416,825	10,901,670
2024	5,228,623	2,334,624	7,563,247
2025	1,124,466	2,249,053	3,373,519
2026	1,182,536	2,212,747	3,395,283
2027-2031	54,715,962	10,533,586	65,249,548
2032-2036	9,126,676	6,399,693	15,526,369
2037-2041	7,143,664	4,899,248	12,042,912
2042-2046	5,040,966	3,596,601	8,637,567
2047-2051	670,210	3,150,814	3,821,024
2052-2055	22,330,000	1,532,319	23,862,319
Total	\$ 122,079,964	\$ 53,029,874	\$ 175,109,838

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J. PROJECT AND DIRECT INVESTMENT COMMITMENTS

During 2021, CRDA commitments decreased by \$10,075,211. As of December 31, 2021, CRDA had outstanding commitments as follows:

Project	Outstanding Commitments
Atlantic City	
Northeast Inlet Redevelopment	\$ 756,158
Virginia Avenue Icon	34,491
North Carolina Avenue Improvements	115,561
Carolina Gardens	651,011
AC Housing Fund	0
Boardwalk Lighting	1,159,371
Pacific Avenue/Midtown	49,134
South Inlet Mixed Use Development	1,271,218
Single Point of Entry	100,000
Caesars Non-Gaming Amenities	19,990
Tropicana Boardwalk Enhancements	70,824
Pacific Avenue Midtown Redevelopment	888,629
Tropicana B'walk Enhancement & Property Revitalization	219,999
Harrah's Non-Gaming Amenities	72,772
Bally's Atlantic City Hotel Room Improvements	45,056
Atlantic City Demolition Project	98,347
Pacific Avenue Midtown Redevelopment	2,153
Subtotal: Atlantic City	<u>5,554,714</u>
South Jersey	
Caesar's Hotel Expansion	1,072,048
Harrah's Hotel Expansion	7,270,466
Resorts Hotel Expansion	3,275,988
Subtotal: South Jersey	<u>11,618,502</u>
Total at December 31, 2021	<u>\$ 17,173,216</u>

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K. 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 – budget and actual – general fund and consisted of the following:

	2021
Travelers Assistance Program	\$ 11,299
Marketplace Project (Block 157)	32,080
AC Demolition Program	371,722
Absecon Lighthouse Grant	33,334
NJDCA AC Projects Office	445,197
AtlantiCare HealthPark	4,345,732
Chicken Bone Beach Jazz and Music School	16,103
Boys and Girls Club	50,000
Tourism District Restroom Renovations	2,419,057
Atlantic City Arts Foundation	46,345
Street Lighting Maintenance	67,786
Class II Officers	223,592
Neighborhood Community Policing	1,377,638
Gateway Community Action Partnership Food Hub and Distribution	13,470
155 S Tennessee Avenue Purchase	69,257
Saracini O'Neill AC 911 Memorial	10,343
Boys and Girls Club Kids Explore, Learn and Earn Program	85,417
Community Food Bank of NJ Feeding Initiative	100,431
Boys and Girls Club Grant	21,925
Volunteers of America Human Trafficking Program	60,236
Community Food Bank of NJ Community Development Grant	185,764
2405 Pacific Avenue Purchase	18,706
Community Food Bank of NJ FEEDAC Initiative	441,280
Turning Point Leaders in Training Youth Employment Spring Program	146,668
ACCC Atlantic City Works Program	65,430
IUOE Local 68 training and office facility	2,250,000
AtlantiCare Safe Beginnings	32,077
Turning Point Leaders in Training Youth Employment Summer Program	311,726
105 S California Avenue Purchase	8,361
1401 Memorial Avenue Purchase	3,095
Save Lucy Committee	25,000
Hispanic Association 2021 Latino Festival	57,651
National R&B Music Society Boardwalk Summer Concert Series	149,980
Bangladesh Association of Atlantic County Indian Cultural Festival	64,500
Chicken Bone Beach Jazz Concert Series	15,554
Grocery Store Development	23,749
North Beach Mini Golf, LLC Access Way & Ramp/Bridge Construction	23,785
106 Albion Place Purchase	3,700
108 Albion Place Purchase	3,700
	<u>\$ 13,631,690</u>

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L. GENERAL FUND BALANCES COMMITTED FOR PROJECT COSTS

As of December 31, 2021, the following represents the components of the General Fund balances committed for project costs.

	<u>2021</u>
Reserve for Travelers Assistance Program	\$ 71,216
Reserve for Marketplace Project (Block 157)	505,389
Reserve for Street Lighting	227,886
Reserve for AC Demolition Program	132,397
Reserve for Marketplace Construction	3,141,375
Reserve for Challenge AC Triathlon	1,000,000
Reserve for Comcast/NBC Universal	1,554,736
Reserve for AtlantiCare HealthPark	11,154,268
Reserve for Chicken Bone Beach Historic Foundation School	51,751
Reserve for Atlantic City Boardwalk Holocaust Memorial	500,000
Reserve for Boys and Girls Club Youth Center	150,000
Reserve for Atlantic City Demolition Project	1,000,000
Reserve for Tourism District Public Restroom Renovations	142,604
Reserve for Live Nation Beach Concerts/Festival	1,800,000
Reserve for Gardner's Basin Improvements	1,740,000
Reserve for Street Lighting Maintenance and Repair	432,214
Reserve for 155 S. Tennessee Ave Purchase	85
Reserve for Saracini O'Neill 911 Memorial	3,523
Reserve for Boys and Girls Club Grant	131,412
Reserve for Volunteers of America Grant	173,699
Reserve for 2405 Pacific Avenue Purchase	28,079
Reserve for Community Food Bank of NJ FEEDAC Initiative	1,058,720
Reserve for ACCC Atlantic City Works Program	427,349
Reserve for AtlantiCare Safe Beginnings	1,273,458
Reserve for Class II Police Officers	250,000
Reserve for Community Policing	1,500,000
Reserve for Boys & Girls Club of AC Collaborative Health, Education, and Community	2,169,974
Reserve for 105 S California Avenue Purchase	164,930
Reserve for 1401 Memorial Avenue Purchase	571,811
Reserve for Save Lucy Committee	50,000
Reserve for Chicken Bone Beach Jazz Concert Series	2,560
Reserve for Grocery Store Development	151,251
Reserve for World War II Memorial Fund	175,000
Reserve for North Beach Mini Golf, LLC Access Way & Ramp/Bridge Construction	109,215
Reserve for 106 Albion Place Purchase	198,862
Reserve for 108 Albion Place Purchase	194,326
Reserve for Grocery Store Development	18,752,500
Reserve for NJDCA AC Project Office	525,000
	<u>\$ 51,515,590</u>

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M. COMMITMENTS AND CONTINGENCIES

South Jersey Transportation Authority

On October 10, 1997, the CRDA entered into a Parking Fee Agreement ("Agreement") with the South Jersey Transportation Authority ("SJTA"), which is a component unit included in the State's comprehensive annual report. Pursuant to the Agreement, a portion of parking fees from parking facilities used in conjunction with any new licensed casino hotel construction and located on land in the Marina District of Atlantic City, are payable to SJTA ("Marina Parking Fees"). The maximum amount payable to SJTA under the Agreement is an amount sufficient to amortize \$65,000,000 of SJTA bonds that were issued to finance the Atlantic City Expressway Connector Project and certain costs of bond 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 I).

New Jersey Transit

Since April 2013, when the Atlantic City Convention Center (including the train station) ("Convention Center") was transferred to the Authority, the Authority is a party to an ongoing agreement with New Jersey Transit ("NJ Transit"). The Agreement governs operation of the New Jersey Transit Train Terminal at the Convention Center and among other terms, entitles NJ Transit to a share of the parking revenue from the garage at the Convention Center. An annual lump-sum amount of \$190,000 appears to have satisfied this agreement prior to the Authority's involvement. Since then, the Authority has disputed the annual payment and is currently in discussions with NJ Transit to resolve the issue.

Historic Boardwalk Hall, L.L.C.

In 1992, the Atlantic County Improvement Authority ("ACIA") entered into a lease agreement with the NJSEA for Boardwalk Hall.

In June 2000, the NJSEA formed Historic Boardwalk Hall, L.L.C. ("HBH, LLC"), a limited liability company in the State. The entity was created for the purpose of financing and operating the historic East Hall, which is part of Jim Whelan Boardwalk Hall and located on the Atlantic City Boardwalk. The HBH, LLC, which assumed the leasehold interest and contractual obligations of the NJSEA, admitted Pitney Bowes Historic Renovation, LLC as an investing member on September 14, 2000, through capital contributions.

In 2013, the Authority assumed the NJSEA's interest in the lease with the ACIA and in HBH, LLC. As of October 2014, Pitney Bowes Historic Renovation, LLC is no longer part of HBH, LLC and the Authority is the sole member.

N. PENSION PLANS

Public Employees' Retirement System

All full-time employees of the Authority are covered by the State of New Jersey Public Employees' Retirement System ("PERS"), which is a cost sharing multiple-employer defined benefit pension plan administered by the New Jersey Division of Pension and Benefits (the "Division"). The plan has a board of trustees that is primarily responsible for its administration. According to the State of New

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NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Jersey Administrative Code, all obligations of PERS will be assumed by the State should PERS 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 accessed on the internet at:

<https://www.state.nj.us/treasury/pensions/annual-reports.shtml>

Or the reports can be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295, Trenton, New Jersey, 08625-0295

Plan Description

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.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007, and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008, and prior to May 22, 2010.
3	Members who were eligible to enroll on or after May 22, 2010, and prior to June 28, 2011.
4	Members who were eligible to enroll on or after June 28, 2011.

Service retirement benefits of 1/55th of final average salary for each year of service credit are available to Tiers 1 and 2 members upon reaching age 60, and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit are available to Tier 4 members upon reaching age 62, and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit, and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

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NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)

Contributions

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. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets.

Covered employees are required by PERS to contribute 7.5% of their annual compensation. CRDA is required by State statute to contribute the remaining amounts necessary to pay benefits when due. Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan. To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and non-employer allocations are applied to amounts presented in the schedule of pension amounts by employer and non-employer. The allocation percentages for each group as of June 30, 2021, are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2021.

The Authority's contributions to PERS for the year ended December 31, 2021, were \$718,255, equal to the required contributions for each year. The Authority's covered payroll was \$4,931,546 for PERS.

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

At December 31, 2021, the Authority reported a liability of \$7,265,552, for its proportionate share of the net pension liability. 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, 2021, the Authority's proportion was 0.0613308043%, which was an increase of 0.0037212927% from its proportion measured as of June 30, 2020. For the year ended December 31, 2021, the Authority recognized full accrual pension expense of \$(1,423,538) in the financial statements. At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)

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

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 114,587	\$ 52,013
Changes of assumptions	37,839	2,586,584
Net difference between projected and actual investment earnings on pension plan investments	-	1,913,938
Changes in proportion	1,354,803	507,854
Authority contributions subsequent to the measurement date	359,128	-
	<u>\$ 1,866,357</u>	<u>\$ 5,060,389</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31,	PERS
2022	\$ (2,690,686)
2023	(877,534)
2024	(34,372)
2025	(18,809)
2026	68,241
	<u>\$ (3,553,160)</u>

Actuarial Assumptions

The total 2021 pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to the June 30, 2021, measurement date. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS
Inflation: Price	2.75%
Inflation: Wage	3.25%
Salary Increases through 2026 (based on years of service)	2.00-6.00%
Salary Increases: Thereafter (based on years of service)	3.00-7.00%
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021), is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees, and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rates of Return
U.S. equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real assets	3.00%	7.40%
Real estate	8.00%	9.15%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%
	100.00%	

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NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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, 2021, 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 (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Authority's proportionate share of net pension liability	\$ 9,999,682	\$ 7,265,552	\$ 5,088,436

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.

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NOTES TO FINANCIAL STATEMENTS

O. CERTAIN LITIGATION MATTERS

Williams v. CRDA

In August 2016, Robert Williams ("Plaintiff") filed a lawsuit against defendants, the Authority and two of its employees, Daniel Mack and Rosalind Kincaid (collectively, "Defendants"), claiming retaliation and race discrimination under the New Jersey Law Against Discrimination (the "LAD"). Plaintiff is Caucasian. Mr. Mack and Ms. Kincaid are African-American. Plaintiff amended his Complaint in March 2018, to add a cause of action for disability discrimination also in violation of the LAD.

Plaintiff was formerly employed as the General Maintenance Manager in the Authority's Special Improvement Division ("SID"). In or about March 2015, Daniel Mack, the SID General Maintenance Supervisor, complained to Rosalind Kincaid, the Authority's Human Resource Director, that Plaintiff made disparaging, inappropriate and offensive comments to and about him in the workplace. After confronting Plaintiff about his conduct and suspending him pending an investigation, the Authority received a letter from Plaintiff's attorney alleging that Mr. Mack created a hostile work environment against Plaintiff. The Authority retained outside legal counsel to conduct an investigation. Counsel's investigation confirmed that Plaintiff had made disparaging, inappropriate and offensive comments to Mack and others in the workplace, which were in violation of its policies. The investigators did not find that Mack had acted inappropriately in any way or that he otherwise violated Authority policy. As a result of the investigation's findings, the Authority terminated Plaintiff's employment.

Plaintiff filed this lawsuit seeking compensatory damages, including lost wages, benefits and emotional distress, punitive damages, attorneys' fees and costs. Plaintiff filed a motion to extend discovery, which Defendants opposed, a few weeks before the May 30, 2018, discovery end date. On May 25, 2018, Defendants filed a motion for summary judgment seeking to dismiss all of Plaintiff's claims. On June 12, 2018, Plaintiff filed a cross-motion for summary judgment on the reverse race discrimination claim. The Court heard oral arguments on Defendants' summary judgment motion and Plaintiff's motion to extend discovery on February 8, 2019.

On June 27, 2019, the court granted Defendants' motion for summary judgment on all counts and dismissed Plaintiff's Complaint with prejudice. The Court denied Plaintiff's motion to extend discovery and his cross-motion for summary judgment on the reverse race discrimination claim. On August 12, 2019, Plaintiff filed a Notice of Appeal of the Court's order granting summary judgment in favor of Defendants. On July 13, 2021, the Appellate Division affirmed the trial court's decision to dismiss Mr. Williams' reverse discrimination claims.

On November 1, 2021, the New Jersey Supreme Court denied Williams' petition for certification. The matter is now closed.

P. ECONOMIC DEPENDENCE

During May 2016, P.L. 106, c.5 known as the "Casino Property Tax Stabilization Act," (the "Law") was enacted into law. This Law exempts casino gaming properties, beginning with calendar year 2016, and the next succeeding nine tax years, from local property taxes contingent upon the casinos entering into Payment in Lieu of Tax agreements with the City of Atlantic City. The Law also amends

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NOTES TO FINANCIAL STATEMENTS

P. ECONOMIC DEPENDENCE (CONTINUED)

the CRDA Act and reallocates future investment alternative tax obligations (net of existing CRDA contractual and bond commitments) previously collected by the CRDA, to pay debt service on Atlantic City bonds issued prior to the effective date of the Law.

Additionally, the Law also abolished the Atlantic City Alliance ("ACA"), an organization funded principally by the casino industry to promote and market Atlantic City and removes the CRDA's right to impose a fee upon casino licensees in the event that the ACA fails to perform its obligations under the agreement entered into with the CRDA prior to enactment of the Law. Under the agreement, the ACA provided \$30 million annually toward marketing and promoting Atlantic City. Under the Law, these funds and future annual reduced amounts thereof will be reallocated to Atlantic City to support annual municipal budgets through 2026. The ACA has transferred to the CRDA certain tangible and intangible property for use in possible future marketing and promotional efforts.

Q. POLLUTION REMEDIATION OBLIGATIONS

South Jersey Industries

The Authority was engaged in discussions for a Public Private Partnership Agreement ("Agreement") with South Jersey Industries ("SJI") in connection with a potential acquisition by the Authority of an assemblage of approximately 6 acres of property, comprised of 14 environmentally contaminated parcels located within the Tourism District (owned by various parties). The discussions proposed SJI to undertake all necessary remediation of the contamination of the outlying parcels which are owned by other private parties.

The proposed Agreement has stalled due to additional potential environmental issues that have emerged, including the potential allegation that some of the environmental contamination at the SJI site emanated from the former operations at the Atlantic City Convention Center, now owned and operated by the Authority. No formal notice or demand for environmental contribution has been made by SJI or any other party. The Authority maintains pollution liability policies of insurance and must put its insurers on notice of any potential claim(s).

AtlantiCare Health Park

The Authority has entered into a Public Private Partnership Agreement with AtlantiCare ("Agreement") whereby it has provided AtlantiCare with real property and financial assistance for it to build a Health Park. As part of the Agreement, AtlantiCare and the Authority have agreed to be responsible for certain clean-up responsibilities on the property, and the Authority has established a fund reservation of \$500,000 to be used by AtlantiCare for certain clean-up activities – if ultimately required. These funds are only available for a two (2) year period. In addition, the Authority is contractually obligated to provide environmental insurance coverage to AtlantiCare. The Authority is also obligated to perform certain monitoring activities as a result of a pre-existing DEP action on this property.

R. SEGMENT INFORMATION

The CCD has three responsibilities: operation of the Boardwalk Hall, operation of the Convention Center, and promoting tourism through its Marketing Operations. The following table illustrates how these three operations contribute to the operating results of the CCD. All payments made and

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NOTES TO FINANCIAL STATEMENTS

R. SEGMENT INFORMATION (CONTINUED)

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 revenues, expenses and changes in net position, and statement of cash flows of the CCD.

Statement of Net Position						
December 31, 2021						
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Elimination Entries	Combined December 31, 2021
ASSETS						
Total current assets	\$ 5,119,482	\$ 4,375,539	\$ 14,775,926	\$ 58,084,071	\$ -	\$ 82,355,018
Total noncurrent assets	-	-	11,314	383,475,628	-	383,486,942
Total assets	5,119,482	4,375,539	14,787,240	441,559,699	-	465,841,960
Pension Deferrals	-	-	298,617	-	-	298,617
Total assets and deferred outflows of resources	\$ 5,119,482	\$ 4,375,539	\$ 15,085,857	\$ 441,559,699	\$ -	\$ 466,140,577
LIABILITIES						
Total current liabilities	\$ 5,119,482	\$ 4,375,539	\$ 913,587	\$ 7,000,496	\$ -	\$ 17,409,104
Long-term debt, net of current portion	-	-	1,162,488	216,897,301	-	218,059,789
Total Liabilities	5,119,482	4,375,539	2,076,075	223,897,797	-	235,468,893
Pension deferrals	-	-	809,662	-	-	809,662
Total liabilities and deferred inflows of resources	\$ 5,119,482	\$ 4,375,539	\$ 2,885,737	\$ 223,897,797	\$ -	\$ 236,278,555
NET POSITION						
Total net position	\$ -	\$ -	\$ 12,200,120	\$ 217,661,902	\$ -	\$ 229,862,022

Statement of Revenue, Expenses and Changes in Net Position						
Year Ended December 31, 2021						
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Elimination Entries	Combined December 31, 2021
OPERATING REVENUES:						
Special Services	\$ 399,603	\$ 1,058,707	\$ -	\$ -	\$ -	\$ 1,458,310
Facilities Rental	208,001	1,196,595	-	-	-	1,404,596
Concessions	246,366	396,774	-	-	-	643,140
Promotion, Reimbursement Fees	306,445	436,692	-	-	-	743,137
Parking Revenue	61,127	462,758	-	-	-	523,885
Other Revenue	1,258,850	3,227,138	40,339	-	(90,000)	4,436,327
Total Operating Revenues	2,480,392	6,778,664	40,339	-	(90,000)	9,209,395
OPERATING EXPENSES:						
Salaries and Benefits	3,944,111	5,960,253	581,425	-	-	10,485,789
Marketing Expenditures	104,030	66,976	1,440,561	6,199,798	-	7,811,365
Production	703,355	1,434,032	-	-	-	2,137,387
General and Administrative	3,805,483	6,203,289	261,914	2,500	(90,000)	10,183,186
Depreciation and Amortization	-	-	21,609	14,022,529	-	14,044,138
Total Operating Expenses	8,556,979	13,664,550	2,305,509	20,224,827	(90,000)	44,661,865
Operating Loss	(6,076,587)	(6,885,886)	(2,265,170)	(20,224,827)	-	(35,452,470)
NONOPERATING REVENUES (EXPENSES)						
Luxury Tax Revenue	6,076,524	6,885,808	-	22,417,727	-	35,380,059
Marketing Fee Revenue	-	-	2,975,689	-	-	2,975,689
Sports Wagering Revenue	-	-	3,812,717	-	-	3,812,717
Interest Income	63	78	2,119	8,407	-	10,667
Interest Expense	-	-	-	(10,391,538)	-	(10,391,538)
Total Nonoperating Revenues (Expenses)	6,076,587	6,885,886	6,790,525	12,034,596	-	31,787,594
CHANGE IN NET POSITION	-	-	4,525,355	(8,190,231)	-	(3,664,876)
BEGINNING NET POSITION	-	-	7,674,765	225,852,133	-	233,526,898
ENDING NET POSITION	\$ -	\$ -	\$ 12,200,120	\$ 217,661,902	\$ -	\$ 229,862,022

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

R. SEGMENT INFORMATION (CONTINUED)

	Statement of Cash Flows					
	December 31, 2021					
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Capital Transfers	Combined December 31, 2021
Net cash (used in) provided by operating activities	\$ (4,805,062)	\$ (6,764,874)	\$ (2,626,658)	\$ (4,766,191)	\$ 5,700,169	\$ (13,262,616)
Net Cash provided by (used in) non-capital financing activities	4,939,383	6,500,448	6,788,405	1,909,146	-	20,137,382
Net cash used in capital and related financing activities	-	-	-	-	(5,700,169)	(5,700,169)
Net cash provided by investing activities	63	77	2,119	(2,977,849)	-	(2,975,590)
Net (decrease) increase in cash and cash equivalents	134,384	(264,349)	4,163,866	(5,834,894)	-	(1,800,993)
Cash balance January 1, 2021	2,767,997	2,026,863	4,712,853	18,679,788	-	28,187,502
Cash balance December 31, 2021	\$ 2,902,381	\$ 1,762,514	\$ 8,876,719	\$ 12,844,894	\$ -	\$ 26,386,509

S. IMPACTS OF THE CORONAVIRUS PANDEMIC

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus included restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Authority operates. Due to the impact of New Jersey Governor Phil Murphy's numerous Executive Orders beginning in March 2020, which among other things mandated statewide stay-at-home practices and closure of all non-essential retail businesses, including casinos, it is reasonably possible that certain revenues, including but not limited to Luxury Taxes, Event Revenues and Sales Tax Rebates will decrease, expenses related to COVID-19 mitigation response will be incurred, accounts receivable will increase and related collections will be adversely impacted. It is unknown how long these conditions will last and what the complete financial affect will be to the Authority.

The Authority submitted a Coronavirus Relief Fund grant application with the State of New Jersey during the year ended December 31, 2020. The Authority received reimbursement for the eligible expenses submitted during the year ended December 31, 2020, in the amount of \$2,375,455, which is reflected in the statement of revenues, expenditures and changes in fund balances – governmental funds Grant Revenue line item.

During 2021, the Authority applied for additional funds under the Coronavirus Relief Fund and received an additional \$1,303,022 during the year 2021. \$343,788 is included in the 2021 statement of revenues, expenditures and changes in fund balances – governmental funds Grant Revenue line item and \$959,234 is reflected in the 2021 statement of revenues, expenses and changes in net position – proprietary funds in the Convention Center Division other revenue line item.

The Authority has also submitted for reimbursement of COVID-19 expenses through FEMA.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II
(UNAUDITED)**

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (UNAUDITED)

YEAR ENDED DECEMBER 31, 2021

	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
REVENUES			
ADMINISTRATIVE FEES	\$ 100,000	\$ 83,129	\$ 16,871
INTEREST AND INVESTMENT INCOME	1,000,000	44,725	955,275
TAX OVERRIDE REVENUE	8,650,000	9,702,050	(1,052,050)
GRANT REVENUE	-	444,918	(444,918)
PROCESSING FEES	250,000	685,428	(435,428)
OTHER INCOME	285,820	215,943	69,877
	<u>10,285,820</u>	<u>11,176,193</u>	<u>(890,373)</u>
EXPENDITURES			
CURRENT			
SALARIES AND BENEFITS	4,722,711	4,422,085	300,626
GENERAL & ADMINISTRATIVE	1,256,725	1,206,333	50,392
PROFESSIONAL COSTS	977,000	1,223,281	(246,281)
CAPITAL OUTLAY - FIXED ASSETS	236,000	30,122	205,878
PROJECT COSTS	-	13,631,690	(13,631,690)
	<u>7,192,436</u>	<u>20,513,511</u>	<u>(13,321,075)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,093,384</u>	<u>(9,337,318)</u>	<u>12,430,702</u>
OTHER FINANCING SOURCES (USES)			
OTHER RECEIVABLES	-	32,420	(32,420)
OTHER PAYABLES	-	(105,632)	105,632
LOAN DISBURSEMENTS	-	(1,201,124)	1,201,124
PURCHASE OF REAL ESTATE	-	(2,668,051)	2,668,051
TRANSFERS FROM OTHER FUNDS	-	539,102	(539,102)
TRANSFERS TO OTHER FUNDS	(8,960,508)	(7,607,613)	(1,352,895)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(8,960,508)</u>	<u>(11,010,898)</u>	<u>2,050,390</u>
NET CHANGE IN FUND BALANCE	(5,867,124)	(20,348,216)	14,481,092
FUND BALANCE JANUARY 1, 2021	113,918,104	105,321,777	8,596,327
FUND BALANCE DECEMBER 31, 2021	<u>\$ 108,050,980</u>	<u>\$ 84,973,561</u>	<u>\$ 23,077,419</u>

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

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SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PERS

LAST TEN YEARS

	PERS - Last 10 Fiscal Years									
	Years Ended June 30.									
	2021	2020	2019	2018	2017	2016	2015	2014	2013*	2012*
Authority's proportion of the net pension liability	0.0613308043%	0.0576095116%	0.0546139643%	0.0516125400%	0.0568348299%	0.0655714054%	0.0800336799%	0.0912972062%	N/A	N/A
Authority's proportionate share of net pension liability	\$ 7,265,553	\$ 9,394,605	\$ 9,840,608	\$ 10,162,251	\$ 13,230,240	\$ 19,420,370	\$ 17,965,957	\$ 17,093,334	N/A	N/A
Authority's covered-employee payroll	4,931,546	4,330,917	3,901,339	3,661,815	4,508,345	5,760,666	5,180,757	5,257,232	\$ 5,180,757	\$ 5,442,341
Authority's proportionate share of net pension liability as a % of payroll	147.33%	216.92%	252.24%	277.52%	293.46%	337.12%	346.78%	325.14%	N/A	N/A
Total pension liability	24,752,848	22,717,039	22,660,133	21,900,013	25,491,767	32,441,255	34,502,183	35,671,161	N/A	N/A
Plan fiduciary net position	17,487,294	13,322,435	12,819,525	11,737,761	12,261,527	13,020,885	16,536,226	18,577,827	N/A	N/A
Plan fiduciary net position as a % of total pension liability	70.65%	58.65%	56.57%	53.60%	48.10%	40.14%	47.93%	52.08%	N/A	N/A

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

N/A = Information not available. This schedule reports information for those years subsequent to the adoption of GASB Statement No. 68. All ten years' presentation will be made as appropriate information becomes available in future years.

Notes to the Required Supplementary Information

- There were no benefit changes.
- The discount rate changed from the measurement date of June 30, 2014, of 5.39% to 4.90% as of the measurement date of June 30, 2015.
- The discount rate changed from the measurement date of June 30, 2015, of 4.90% to 3.98% as of the measurement date of June 30, 2016.
- The discount rate changed from the measurement date of June 30, 2016, of 3.98% to 5.00% as of the measurement date of June 30, 2017.
- The discount rate changed from the measurement date of June 30, 2017, of 5.00% to 5.66% as of the measurement date of June 30, 2018.
- The discount rate changed from the measurement date of June 30, 2018, of 5.66% to 6.28% as of the measurement date of June 30, 2019.
- The discount rate changed from the measurement date of June 30, 2019, of 6.28% to 7.00% as of the measurement date of June 30, 2020.
- The discount rate of 7.00% as of the measurement date of June 30, 2021 was unchanged from the June 30, 2020 measurement date.

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

SCHEDULE OF AUTHORITY CONTRIBUTIONS – PERS

LAST TEN YEARS

	PERS - Last 10 Fiscal Years									
	Years Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013*	2012*
Contractually required contribution	\$ 718,255	\$ 630,219	\$ 531,233	\$ 513,378	\$ 589,434	\$ 582,527	\$ 688,075	\$ 752,641	\$ 659,358	\$ 559,528
Contributions in relation to the contractually required contribution	718,255	630,219	531,233	513,378	589,434	582,527	688,075	752,641	659,358	559,528
Authority's covered-employee payroll	4,931,546	4,330,917	4,028,322	3,901,339	3,661,815	4,068,593	4,508,345	5,760,666	5,180,757	5,257,232
Contributions as a % of covered-employee payroll	14.56%	14.55%	13.19%	13.16%	16.10%	14.32%	15.26%	13.07%	12.73%	10.64%

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

SUPPLEMENTARY INFORMATION

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

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

DECEMBER 31, 2021

	CHRISTOPHER COLUMBUS HOMES	MARCAL	NORTH JERSEY MUNICIPAL LOAN PROGRAM	NORTHWEST	SHERATON HOTEL	SOUTH JERSEY MUNICIPAL LOAN PROGRAM	BEST OF BASS PRO SHOPS	VERMONT PLAZA	IMPACTIVATE	TOTAL OTHER GOVERNMENTAL FUNDS
ASSETS										
CASH AND CASH EQUIVALENTS	\$ 860,659	\$ 1,333,975	\$ 1,710,811	\$ 26,867	\$ 34,799	\$ 968,915	\$ 433,568	\$ 3,342	\$ 180,945	\$ 5,553,882
ACCRUED INTEREST RECEIVABLE	11,706	15,401	610,159	(1,860)	-	2,291	-	-	1,173,223	1,810,920
OTHER RECEIVABLE	(1,289)	(1,202,609)	(8,850)	-	-	-	428,881	-	(281,480)	(1,065,347)
	<u>\$ 871,077</u>	<u>\$ 146,767</u>	<u>\$ 2,312,120</u>	<u>\$ 25,007</u>	<u>\$ 34,799</u>	<u>\$ 971,206</u>	<u>\$ 862,448</u>	<u>\$ 3,342</u>	<u>\$ 1,072,688</u>	<u>\$ 6,299,455</u>
LIABILITIES										
INTEREST PAYABLE										
OTHER PAYABLES	\$ 14,404	\$ 10,727	\$ 59,934	\$ -	\$ -	\$ 14,633	\$ 2,136,738	\$ -	\$ 619,578	\$ 2,856,014
	-	-	287,869	(20)	-	-	-	-	-	287,849
FUND BALANCES:	14,404	10,727	347,803	(20)	-	14,633	2,136,738	-	619,578	3,143,863
RESERVED FUND EQUITY: RESTRICTED FOR DEBT SERVICE	856,673	136,040	1,964,317	25,026	34,799	956,574	(1,274,290)	3,342	453,111	3,155,592
TOTAL FUND BALANCES	856,673	136,040	1,964,317	25,026	34,799	956,574	(1,274,290)	3,342	453,111	3,155,592
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 871,077</u>	<u>\$ 146,767</u>	<u>\$ 2,312,120</u>	<u>\$ 25,007</u>	<u>\$ 34,799</u>	<u>\$ 971,206</u>	<u>\$ 862,448</u>	<u>\$ 3,342</u>	<u>\$ 1,072,688</u>	<u>\$ 6,299,455</u>

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, 2021

	CHRISTOPHER COLUMBUS HOMES	MARCAL	NORTH JERSEY MUNICIPAL LOAN PROGRAM	NORTHWEST	SHERATON HOTEL	SOUTH JERSEY MUNICIPAL LOAN PROGRAM	BEST OF BASS PRO SHOPS	VERMONT PLAZA	IMPACTIVATE	TOTAL OTHER GOVERNMENTAL FUNDS
REVENUES										
INTEREST AND INVESTMENT INCOME	\$ 71,818	\$ 186,525	\$ 382,455	\$ 12	\$ 516,853	\$ 39,422	\$ 277,625	\$ 2	\$ 332,738	\$ 1,807,450
TOTAL REVENUES	71,818	186,525	382,455	12	516,853	39,422	277,625	2	332,738	1,807,450
EXPENDITURES										
PROJECT COSTS	-	-	-	-	-	-	857,761	-	-	857,761
OTHER EXPENDITURES	8,010	21,571	53,549	-	-	-	-	-	-	83,129
DEBT SERVICE:										
INTEREST EXPENSE	86,423	164,845	359,605	-	516,839	87,797	334,883	-	245,232	1,795,624
PRINCIPAL	-	1,031,243	-	-	-	-	-	-	-	1,031,243
TOTAL EXPENDITURES	94,433	1,217,659	413,154	-	516,839	87,797	1,192,644	-	245,232	3,767,757
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(22,614)	(1,031,134)	(30,699)	12	14	(48,375)	(915,019)	2	87,506	(1,960,307)
OTHER FINANCING SOURCES (USES)										
PAYMENTS RECEIVED ON NOTES	109,824	1,031,243	218,209	-	-	105,544	627,913	-	-	2,092,733
OTHER PAYABLES	-	-	650,000	-	-	(2,540)	-	-	-	647,460
TOTAL OTHER FINANCING SOURCES (USES)	109,824	1,031,243	868,209	-	-	103,005	627,913	-	-	2,740,194
NET CHANGE IN FUND BALANCE	87,210	109	837,510	12	14	54,630	(287,106)	2	87,506	779,887
FUND BALANCE JANUARY 1, 2021	769,463	135,932	1,126,807	25,014	34,785	901,944	(987,184)	3,340	365,604	2,375,706
FUND BALANCE DECEMBER 31, 2021	\$ 856,673	\$ 136,040	\$ 1,964,317	\$ 25,026	\$ 34,799	\$ 956,574	\$ (1,274,290)	\$ 3,342	\$ 453,111	\$ 3,155,592

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

COMBINING SCHEDULE OF FIDUCIARY NET POSITION – AGENCY FUNDS, OTHER

DECEMBER 31, 2021

	AC INLET NSA	AC SUPERMARKET	BALLY'S WAREHOUSE PURCHASE	CAROLINA GARDENS	CHELSEA WESTSIDE	CHESAPEAKE GARDENS SENIOR HOMES	CITYSCAPE	SENCIT LIBERTY APARTMENTS	GENERAL DEVELOPMENT
ASSETS									
CASH AND CASH EQUIVALENTS	\$ -	\$ 1,354,553	\$ -	\$ -	\$ 482,085	\$ -	\$ -	\$ -	\$ 546,083
RECEIVABLES:									
NOTES RECEIVABLE	-	455,593	-	-	(167)	-	-	4,450,000	-
ACCRUED INTEREST RECEIVABLE	-	1,208	-	-	-	-	-	267,334	-
OTHER	-	8,581	-	-	-	-	-	-	(519,675)
CAPITAL ASSETS:									
REAL ESTATE	1,953,135	6,163,011	71,574	822,614	262,354	151,383	42,449	-	-
	<u>\$ 1,953,135</u>	<u>\$ 7,982,946</u>	<u>\$ 71,574</u>	<u>\$ 822,614</u>	<u>\$ 744,272</u>	<u>\$ 151,383</u>	<u>\$ 42,449</u>	<u>\$ 4,717,334</u>	<u>\$ 26,408</u>
LIABILITIES									
OTHER PAYABLES	\$ -	\$ -	\$ -	\$ -	\$ 850	\$ -	\$ -	\$ -	\$ -
RESERVES	-	-	-	-	-	-	-	-	-
RESTRICTED FOR OTHER PURPOSES	1,953,135	7,982,946	71,574	822,614	743,422	151,383	42,449	4,717,334	26,408
TOTAL LIABILITIES, RESERVES AND NET POSITION	<u>\$ 1,953,135</u>	<u>\$ 7,982,946</u>	<u>\$ 71,574</u>	<u>\$ 822,614</u>	<u>\$ 744,272</u>	<u>\$ 151,383</u>	<u>\$ 42,449</u>	<u>\$ 4,717,334</u>	<u>\$ 26,408</u>
	LAND BANKING	LIGHTHOUSE DISTRICT PARK PROJECT	MARKETPLACE LAND ACQUISITION	NEI CONSENSUAL ACQUISITIONS	PENNSYLVANIA AVENUE	RETAIL/LUXURY TAX REBATES	2ND WARD FAÇADE	S INLET LAND ACQUISITION	SE INLET TRANSPORTATION IMPROVEMENTS
ASSETS									
CASH AND CASH EQUIVALENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,328,706	\$ -	\$ -	\$ -
RECEIVABLES:									
NOTES RECEIVABLE	-	-	-	-	-	(115)	-	-	-
CAPITAL ASSETS:									
REAL ESTATE	1,195,843	3,346,982	7,300,000	213,476	22,062	-	180	5,718,247	185,325
	<u>\$ 1,195,843</u>	<u>\$ 3,346,982</u>	<u>\$ 7,300,000</u>	<u>\$ 213,476</u>	<u>\$ 22,062</u>	<u>\$ 2,328,591</u>	<u>\$ 180</u>	<u>\$ 5,718,247</u>	<u>\$ 185,325</u>
LIABILITIES									
OTHER PAYABLES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,328,591	\$ -	\$ -	\$ -
RESERVES	-	-	-	-	-	-	-	-	-
RESTRICTED FOR OTHER PURPOSES	1,195,843	3,346,982	7,300,000	213,476	22,062	-	180	5,718,247	185,325
TOTAL LIABILITIES, RESERVES AND NET POSITION	<u>\$ 1,195,843</u>	<u>\$ 3,346,982</u>	<u>\$ 7,300,000</u>	<u>\$ 213,476</u>	<u>\$ 22,062</u>	<u>\$ 2,328,591</u>	<u>\$ 180</u>	<u>\$ 5,718,247</u>	<u>\$ 185,325</u>

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

COMBINING SCHEDULE OF FIDUCIARY NET POSITION – AGENCY FUNDS, OTHER (CONTINUED)

DECEMBER 31, 2021

	3-2-1 POLICE LOAN	VIRGINIA AVENUE	VIRGINIAN ACQUISITION	JOHN BROOKS RECOVERY CENTER	BEACH AT SOUTH INLET	CITY OF AC PROP ACQ LOAN	STOCKTON PHASE II	TOTAL AGENCY FUNDS
ASSETS								
CASH AND CASH EQUIVALENTS	\$ 1,562,528	\$ -	\$ -	\$ -	\$ 361,442	\$ -	\$ -	\$ 6,635,397
RECEIVABLES:								
NOTES RECEIVABLE	58,687	-	-	-	11,400,000	51,653	8,364,333	24,779,984
ACCRUED INTEREST RECEIVABLE	525	-	-	-	792,806	-	-	1,061,873
OTHER	(2,951)	-	-	-	-	-	-	(514,045)
EQUITY INVESTMENT	-	-	-	-	3,600,000	-	-	3,600,000
CAPITAL ASSETS:								
REAL ESTATE	-	73,481	444,030	4,844,387	-	-	-	32,810,533
	<u>\$ 1,618,789</u>	<u>\$ 73,481</u>	<u>\$ 444,030</u>	<u>\$ 4,844,387</u>	<u>\$ 16,154,248</u>	<u>\$ 51,653</u>	<u>\$ 8,364,333</u>	<u>\$ 68,373,742</u>
LIABILITIES								
OTHER PAYABLES	\$ (2,648)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,326,794
RESERVES:								
RESTRICTED FOR OTHER PURPOSES	1,621,437	73,481	444,030	4,844,387	16,154,248	51,653	8,364,333	66,046,948
TOTAL LIABILITIES, RESERVES AND NET POSITION	<u>\$ 1,618,789</u>	<u>\$ 73,481</u>	<u>\$ 444,030</u>	<u>\$ 4,844,387</u>	<u>\$ 16,154,248</u>	<u>\$ 51,653</u>	<u>\$ 8,364,333</u>	<u>\$ 68,373,742</u>

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

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – AGENCY FUNDS, OTHER

YEAR ENDED DECEMBER 31, 2021

	AC INLET NSA	AC SUPERMARKET	BALLY'S WAREHOUSE PURCHASE	CAROLINA GARDENS	CHELSEA WESTSIDE	CHESAPEAKE GARDENS SENIOR HOMES	CITYSCAPE	SENCIT LIBERTY APARTMENTS	GENERAL DEVELOPMENT
Additions									
Transfer from (to) reinvestment funds and other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on notes	-	16,352	-	-	197	-	-	118,815	972
Total Additions	-	16,352	-	-	197	-	-	118,815	972
Deductions									
Grants and donations	-	-	-	-	-	-	-	-	-
Total Deductions	-	-	-	-	-	-	-	-	-
Changes in net position	-	16,352	-	-	197	-	-	118,815	972
Total net position - beginning of the year	1,953,135	7,966,594	71,574	822,614	743,225	151,383	42,449	4,598,519	25,436
Total net position - end of the year	\$ 1,953,135	\$ 7,982,946	\$ 71,574	\$ 822,614	\$ 743,422	\$ 151,383	\$ 42,449	\$ 4,717,334	\$ 26,408

	LAND BANKING	LIGHTHOUSE DISTRICT PARK PROJECT	MARKETPLACE LAND ACQUISITION	NEI CONSENSUAL ACQUISITIONS	PENNSYLVANIA AVENUE	RETAIL/LUXURY TAX REBATES	2ND WARD FAÇADE	S INLET LAND ACQUISITION	SE INLET TRANSPORTATION IMPROVEMENTS
Additions									
Transfer from (to) reinvestment funds and other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Remittances	-	-	-	-	-	31,375,757	-	-	-
Total Additions	-	-	-	-	-	31,375,757	-	-	-
Deductions									
Grants and donations	-	-	-	-	-	-	-	-	-
Tax Distributions	-	-	-	-	-	31,375,757	-	-	-
Total Deductions	-	-	-	-	-	31,375,757	-	-	-
Changes in net position	-	-	-	-	-	-	-	-	-
Total net position - beginning of the year	1,195,843	3,346,982	7,300,000	213,476	22,062	-	180	5,718,247	185,325
Total net position - end of the year	\$ 1,195,843	\$ 3,346,982	\$ 7,300,000	\$ 213,476	\$ 22,062	\$ -	\$ 180	\$ 5,718,247	\$ 185,325

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

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – AGENCY FUNDS, OTHER (CONTINUED)

YEAR ENDED DECEMBER 31, 2021

	3-2-1 POLICE LOAN	VIRGINIA AVE HOMES	VIRGINIAN ACQUISITION	JOHN BROOKS RECOVERY CENTER	BEACH AT SOUTH INLET	CITY OF AC PROP ACQ LOAN	STOCKTON PHASE II	TOTAL AGENCY FUNDS
Additions								
Transfer from (to) reinvestment funds and other governmental funds	\$ -	\$ -	\$ -	\$ 89,711	\$ -	\$ -	\$ 8,364,333	\$ 8,454,043
Tax Remittances	-	-	-	-	-	-	-	31,375,757
Interest on notes	2,971	-	-	-	308,939	-	-	448,246
Total Additions	2,971	-	-	89,711	308,939	-	8,364,333	40,278,046
Deductions								
Grants and donations	551,000	-	-	82,834	-	-	-	633,834
Tax Distributions	-	-	-	-	-	-	-	31,375,757
Total Deductions	551,000	-	-	82,834	-	-	-	32,009,591
Changes in net position	(548,029)	-	-	6,877	308,939	-	8,364,333	8,268,455
Total net position - beginning of the year	2,169,466	73,481	444,030	4,837,510	15,845,309	51,653	-	57,778,493
Total net position - end of the year	\$ 1,621,437	\$ 73,481	\$ 444,030	\$ 4,844,387	\$ 16,154,248	\$ 51,653	\$ 8,364,333	\$ 66,046,948

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2021

Federal Grantor Program Title	Federal CFDA Number	Pass-through Grant Number	Grant Period	Program Award Amount	Current Year Expenditures	Passed Through to Subrecipients
U.S. Department of the Treasury Passed through New Jersey Office of Emergency Management: Coronavirus Relief Fund	21.019	Unknown	3/1/2020-6/30/2021	\$ 1,303,022	\$ 1,303,022	\$ 343,788
Total U.S. Department of the Treasury				<u>1,303,022</u>	<u>1,303,022</u>	<u>343,788</u>
Total Federal Expenditures				<u>\$ 1,303,022</u>	<u>\$ 1,303,022</u>	<u>\$ 343,788</u>

See notes to schedule of expenditures of federal awards.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards include the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Single Audit Act and Subpart F of Title 2 U.S. Code of Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

B. Significant Accounting Policy

The Authority recognizes grant revenue when earned on an accrual basis; that is, activities prerequisite to obtaining benefit have been completed, such as complying with the terms and conditions of the grant agreement.

C. Indirect Cost Rate

The Authority does not have an indirect cost allocation plan nor does it use the de minimis indirect cost rate of 10%.

D. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedule of expenditures of federal awards agrees with amounts reported in the Authority's basic financial statements. See the Note B for the summary of significant accounting policies and the table below for reconciliation of the schedule to the basic financial statements.

	<u>Expenditures</u>
Total General Fund Project Costs per the Financial Statements	\$ 13,631,690
Less: non-grant funded project costs	(12,328,668)
Total grant funded project costs	<u>\$ 1,303,022</u>
Reported on Schedule of Expenditures of Federal Awards	<u>\$ 1,303,022</u>
Detail of grant funded project costs:	
Atlantic City Convention Center expenses	\$ 737,891
Jim Whelan Boardwalk Hall expenses	221,343
Pass through grants:	
Community Food Bank of New Jersey	300,000
Hispanic Association of Atlantic County	40,000
Turning Point	3,788
	<u>\$ 1,303,022</u>

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

SCHEDULE OF FINDINGS AND QUESTIONS COSTS

YEAR ENDED DECEMBER 31, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: **Unmodified**

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None reported

Type of auditors' report issued on compliance for major federal programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs for federal awards: \$ 750,000

Auditee qualified as low-risk auditee for federal purposes? Yes No

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2021

Section II - Financial Statement Findings

None reported.

Section III - Federal Awards Findings and Questioned Costs

None reported.

Section IV - Summary Schedule of Prior Year Audit Findings

None reported.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Chairman and Members of the Board
of the Casino Reinvestment Development Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, of the Casino Reinvestment Development Authority (the "Authority"), as of and for the year ended December 31, 2021, and the related notes to the basic financial statements, which collectively comprises the Authority's basic financial statements, and have issued our report thereon dated September 19, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Merodien, P.C.
Certified Public Accountants

September 19, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Chairman and Members of the Board
of the Casino Reinvestment Development Authority

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Casino Reinvestment Development Authority's (the "Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement, that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2021. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (CONTINUED)

Auditors' Responsibilities for the Audit of Compliance (Continued)

fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditors' Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE (CONTINUED)**

Report on Internal Control Over Compliance (Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Merodien, P.C.

Certified Public Accountants

September 19, 2022