

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

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

DECEMBER 31, 2023

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 Audit 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, 2023, 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, 2023, 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 audit 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 audit. 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 Audit 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 and *Government Auditing Standards* 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Supplementary Information

Our audit was 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information, as listed in the table of contents, 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 July 18, 2024, 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 the Authority's internal control over financial reporting and compliance.

Mercadieu, P.C.

Certified Public Accountants

July 18, 2024

**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, 2023. 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 \$419.3 million. Net position increased by \$30.4 million compared to the prior year's net position of \$388.9 million due to government-wide revenues exceeding expenses. Net position in governmental activities increased \$23.8 million and net position from business-type activities increased \$6.6 million.

Cash, cash equivalents and investments total approximately \$217.5 million, an increase of \$11.5 million from the prior year. Governmental activities cash, cash equivalents and investments increased \$2.7 million while business-type activities cash, cash equivalents and investments increased \$8.7 million.

Long-term liabilities reflect a net decrease of \$33.1 million. The net decrease is comprised of principal payments on outstanding bond issues of \$31.2 million as well as a decrease to the net pension liability of \$1.9 million.

Certain general fund actual revenues exceeded budgeted revenues for fiscal year 2023 as a result of increased interest and investment income and \$11.2 million in grant revenue. The grant revenue was comprised of a \$5 million federal American Rescue Plan grant, as well as \$6.2 million in residual Investment Alternative Tax allocations. General fund expenditures exceeded budgeted expenditures mostly due to unbudgeted project costs. Project costs of \$15.8 million included the \$5 million federal American Rescue Plan grant passed through to the New Jersey Economic Development Authority ("NJEDA") for the administration of NJEDA's Commuter HUB COVID-Impacted Redevelopment Program.

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	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire CRDA operation (except fiduciary funds).	The activities of the CRDA that are not proprietary or fiduciary (governmental activities).	Employed to report on activities financed primarily by revenues generated by the activities themselves.	Instances in which the CRDA is the trustee or agent for other's resources, such as the casino reinvestment obligations.
Required Financial Statements	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 \$221.4 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 \$43.6 million.

The CRDA holds \$190.8 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
	2023	2022		
Assets				
Current and other assets	\$ 144,097,243	\$ 136,662,860	\$ 7,434,383	5%
Notes receivable	47,389,449	55,029,335	(7,639,886)	-14%
Real estate	109,486,854	110,930,305	(1,443,451)	-1%
Capital assets	2,007,876	1,643,784	364,092	22%
Long-term lease receivable	6,688,079	6,698,687	(10,608)	0%
Total assets	<u>\$ 309,669,501</u>	<u>\$ 310,964,971</u>	(1,284,862)	0%
Deferred outflows of resources				
Pension deferrals	\$ 1,194,144	\$ 2,108,317	(914,173)	-43%
Total deferred outflows of resources	<u>\$ 1,194,144</u>	<u>\$ 2,108,317</u>	(914,173)	-43%
Liabilities				
Other liabilities	\$ 45,124,204	\$ 44,208,198	916,006	2%
Long-term liabilities	79,339,300	106,080,405	(26,741,105)	-25%
Total liabilities	<u>\$ 124,463,504</u>	<u>\$ 150,288,603</u>	(25,825,099)	-17%
Deferred inflows of resources				
Pension deferrals	\$ 1,009,226	\$ 1,078,147	(68,921)	-6%
Lease deferrals	5,381,516	5,452,446	(70,930)	-1%
Total deferred inflows of resources	<u>\$ 6,390,742</u>	<u>\$ 6,530,593</u>	(139,851)	-2%
Net Position				
Net investment in capital assets	\$ 2,007,876	\$ 1,643,784	364,092	22%
Restricted	26,432,844	27,297,980	(865,136)	-3%
Unrestricted	151,568,679	127,312,328	24,256,351	19%
Total net position	<u>\$ 180,009,399</u>	<u>\$ 156,254,092</u>	23,755,307	15%

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
	2023	2022		
Revenues				
Fees				
Administrative	\$ 233,632	\$ 98,020	\$ 135,612	138%
Hotel room	9,334,340	9,418,942	(84,602)	-1%
Sales tax and luxury tax rebate	10,522,836	10,046,513	476,323	5%
Parking	13,189,727	13,393,694	(203,967)	-2%
Operating				
Grant	17,124,551	7,976,644	9,147,907	115%
Other	848,262	799,330	48,932	6%
Lease amortization and interest revenue	395,323	395,746	(423)	0%
Investment income	8,091,961	4,175,782	3,916,179	94%
Total revenues	<u>59,740,632</u>	<u>46,304,671</u>	13,435,961	29%
Expenses				
General and administrative	5,954,797	6,155,529	(200,732)	-3%
Other	68,632	80,732	(12,100)	-15%
Project costs	15,780,718	17,794,720	(2,014,002)	-11%
Depreciation	175,599	200,175	(24,576)	-12%
Interest on long-term debt	1,714,824	1,756,294	(41,470)	-2%
Loss on sale of real estate	27,134	4,478,413	(4,451,279)	100%
Community and economic development	4,484,045	14,125,211	(9,641,166)	-68%
Transfers	7,779,576	6,437,502	1,342,074	21%
Total expenses	<u>35,985,325</u>	<u>51,028,576</u>	(15,043,251)	-29%
Increase (decrease) in net position	<u>\$ 23,755,307</u>	<u>\$ (4,723,905)</u>	28,479,212	603%

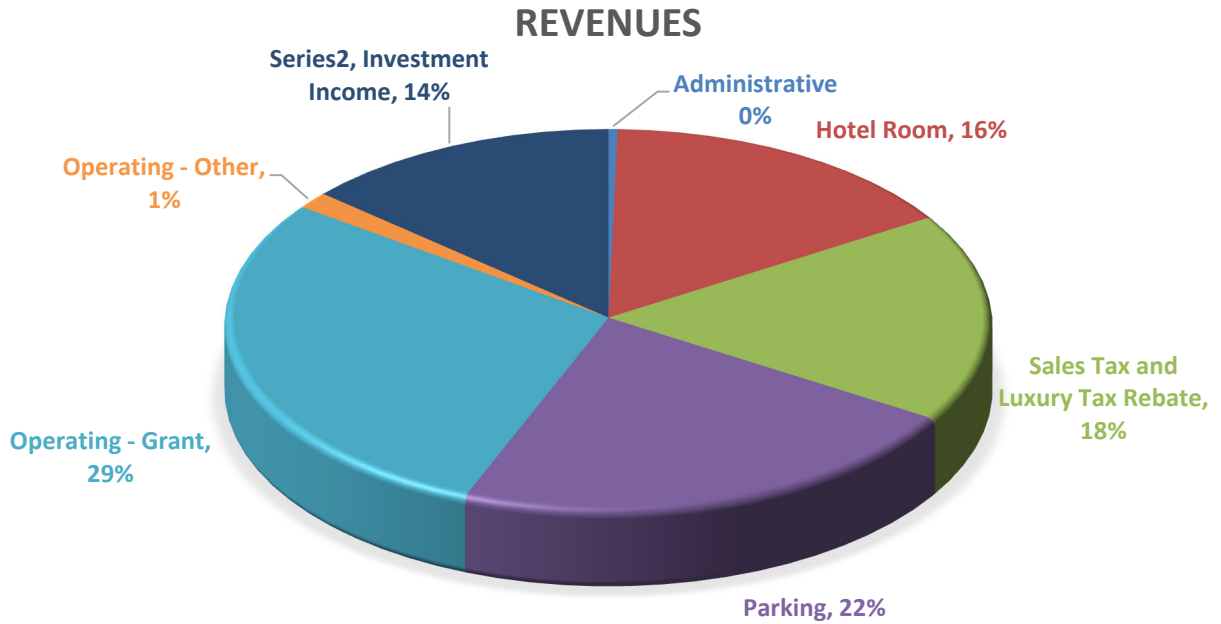
The CRDA's governmental activities net position increased by approximately \$23.8 million during the current fiscal year, compared to a decrease of approximately \$4.7 million during the prior fiscal year. The primary components in the increase from the prior year are 1) decreased community and economic development expenses, 2) increased investment income, 3) decreased loss on sale of real estate, and 4) decreased project costs.

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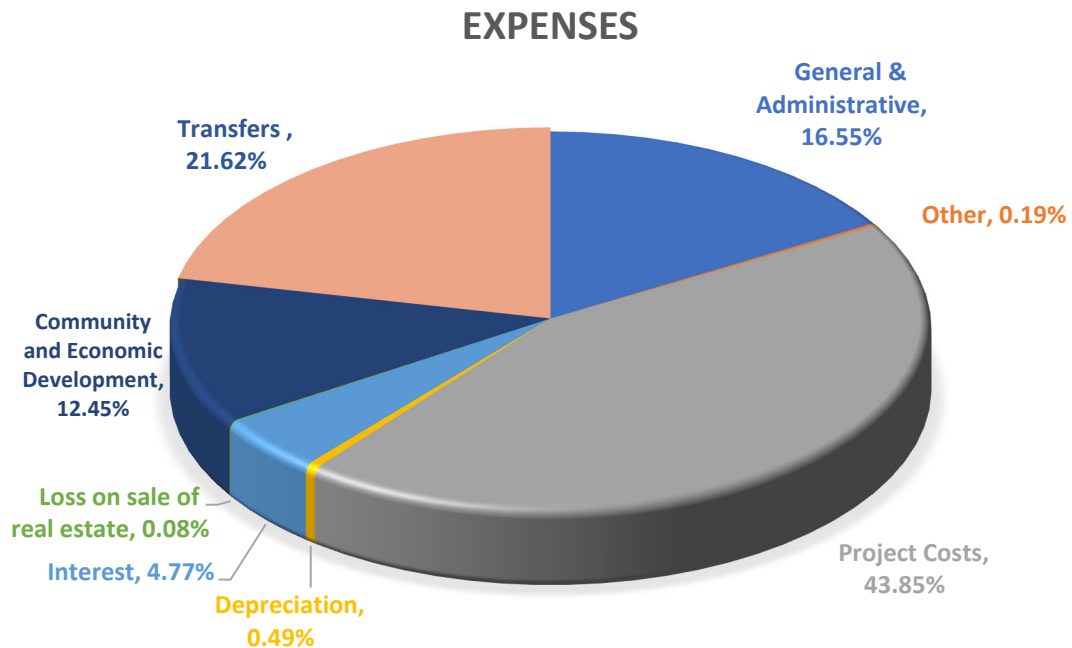
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

2023 REVENUES - GOVERNMENTAL ACTIVITIES



2023 EXPENSES - GOVERNMENTAL ACTIVITIES



CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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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 2023, the CRDA's governmental funds reported combined ending fund balances of approximately \$132.6 million, an increase of \$6.1 million from the prior year. Of this total amount, \$57.1 million is unassigned or available for any CRDA purpose. The remainder of fund balance, or \$75.5 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 (\$25.3 million) and committed for projects (\$50.2 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 capital assets of \$302.3 million (net of accumulated depreciation) consist of office furnishings, computers, office equipment, public parking garage, and Convention Center Division capital assets. In addition, CRDA holds investments in real estate of \$190.8 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, facade 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, 2023 and 2022:

	2023	2022	Total \$ Change	Total % Change
Debt Outstanding as of January 1	\$ 401,309,160	\$ 430,799,964	\$ (29,490,804)	-7%
Additions to debt	-	-	-	0%
Reductions of debt	<u>(30,367,290)</u>	<u>(29,490,804)</u>	<u>(876,486)</u>	-3%
Debt Outstanding as of December 31	370,941,870	401,309,160	(30,367,290)	-8%
Plus: Net unamortized premium	10,307,756	10,857,643	(549,887)	-5%
Less: Valuation allowance	<u>(48,900,000)</u>	<u>(48,900,000)</u>	-	0%
	<u>\$ 332,349,626</u>	<u>\$ 363,266,803</u>	<u>\$ (30,917,177)</u>	-9%

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
	2023	2022		
Assets				
Current and other assets	\$ 112,695,962	\$ 99,779,718	\$ 12,916,244	13%
Real estate	81,311,000	81,311,000	-	0%
Capital assets	300,250,336	312,351,343	(12,101,007)	-4%
Total assets	<u>\$ 494,257,298</u>	<u>\$ 493,442,061</u>	815,237	0%
Deferred outflows of resources				
Pension deferrals	\$ 1,102,287	\$ 1,465,101	(362,814)	-25%
Total deferred outflows of resources	<u>\$ 1,102,287</u>	<u>\$ 1,465,101</u>	(362,814)	-25%
Liabilities				
Other liabilities	\$ 21,135,534	\$ 22,693,111	(1,557,577)	-7%
Long-term liabilities	227,907,769	234,269,187	(6,361,418)	-3%
Total liabilities	<u>\$ 249,043,303</u>	<u>\$ 256,962,298</u>	(7,918,995)	-3%
Deferred inflows of resources				
Pension deferrals	\$ 931,593	\$ 749,221	182,372	24%
Lease deferrals	6,108,915	4,526,216	1,582,699	35%
Total deferred inflows of resources	<u>\$ 7,040,508</u>	<u>\$ 5,275,437</u>	1,765,071	33%
Net Position				
Net investment in capital assets	\$ 152,240,225	\$ 158,411,459	(6,171,234)	-4%
Restricted	17,215,073	17,215,073	-	0%
Unrestricted	69,820,476	57,042,895	12,777,581	22%
Total net position	<u>\$ 239,275,774</u>	<u>\$ 232,669,427</u>	6,606,347	3%

	Business-Type Activities		Total \$ Change	Total % Change
	2023	2022		
Revenues				
Fees				
Convention Center Division	\$ 19,302,580	\$ 18,796,426	\$ 506,154	3%
Corridor Parking Garage	362,564	359,872	2,692	1%
Special Improvement District	1,218,700	1,218,705	(5)	0%
Operating				
Corridor Parking Garage	119,057	125,484	(6,427)	-5%
Special Improvement District	209,522	244,982	(35,460)	-14%
Luxury Tax Revenue	45,047,680	42,689,407	2,358,273	6%
Marketing Fee Revenue	3,467,143	3,040,881	426,262	14%
Sports Wagering Revenue	5,895,873	3,672,255	2,223,618	61%
Lease Amortization and Interest Revenue	776,322	565,475	210,847	37%
Investment Income	3,522,354	833,552	2,688,802	323%
Transfers	8,478,099	6,469,397	2,008,702	31%
Total Revenues	<u>88,399,894</u>	<u>78,016,436</u>	10,383,458	13%
Expenses				
Convention Center Division	69,852,946	69,048,071	804,875	1%
Corridor Parking Garage	2,447,376	2,438,789	8,587	0%
Special Improvement District	9,493,225	9,786,484	(293,259)	-3%
Total Expenses	<u>81,793,547</u>	<u>81,273,344</u>	520,203	1%
Changes in Net Position	<u>\$ 6,606,347</u>	<u>\$ (3,256,908)</u>	9,863,255	303%

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 increased by approximately \$6.6 million during the current fiscal year compared to a \$3.3 million decrease in the prior year. The primary components in the increase from the prior year are 1) increased luxury tax revenue, 2) increased investment income, and 3) increased sports wagering revenue.

Selected Operating Highlights of the Convention Center Division

Number of Attendees

	2023	2022	2021
Boardwalk Hall	345,346	266,471	51,533
Convention Center	338,317	364,459	350,404
	<u>683,663</u>	<u>630,930</u>	<u>401,937</u>

Number of Events

	2023	2022	2021
Boardwalk Hall	46	42	11
Convention Center	82	88	53
	<u>128</u>	<u>130</u>	<u>64</u>

Operating Revenue & Expenses by Facility

	2023	2022	2021
Operating revenues			
Boardwalk Hall	\$ 8,824,831	\$ 6,536,501	\$ 2,499,496
Convention Center	10,470,838	12,212,294	6,978,370
Luxury tax reserve	-	23,233	-
Marketing operations	96,911	114,398	40,339
	<u>\$ 19,392,580</u>	<u>\$ 18,886,426</u>	<u>\$ 9,518,205</u>
Operating expenses			
Boardwalk Hall	\$ 15,914,331	\$ 13,982,812	\$ 8,556,979
Convention Center	18,682,493	19,925,984	13,664,550
Luxury tax reserve	22,344,595	22,228,382	20,224,827
Marketing operations	3,201,614	2,898,980	2,305,509
	<u>\$ 60,143,033</u>	<u>\$ 59,036,158</u>	<u>\$ 44,751,865</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, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 84,721,113	\$ 60,494,424	\$ 145,215,537
INVESTMENTS	44,255,493	21,000	44,276,493
RESTRICTED INVESTMENTS	-	28,020,006	28,020,006
RECEIVABLES:			
NOTES RECEIVABLE, NET OF ALLOWANCE	47,389,449	-	47,389,449
ACCRUED INTEREST RECEIVABLE	3,105,553	-	3,105,553
ACCRUED PARKING FEES	3,317,155	-	3,317,155
ACCRUED HOTEL ROOM FEES	2,794,848	-	2,794,848
ACCRUED MARKETING FEES & LUXURY TAXES	-	13,480,717	13,480,717
OTHER	5,903,081	2,009,117	7,912,198
REAL ESTATE	109,486,854	81,311,000	190,797,854
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	2,007,876	300,250,336	302,258,212
LONG-TERM LEASES RECEIVABLE	6,688,079	7,238,706	13,926,785
PREPAID BOND INSURANCE PREMIUM	-	1,431,992	1,431,992
TOTAL ASSETS	309,669,501	494,257,298	803,926,799
DEFERRED OUTFLOWS OF RESOURCES			
PENSION DEFERRALS	1,194,144	1,102,287	2,296,431
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 310,863,645	\$ 495,359,585	\$ 806,223,230
LIABILITIES			
INTEREST PAYABLE	\$ 8,074,492	\$ 5,255,219	\$ 13,329,711
CURRENT BONDS PAYABLE	28,343,926	5,710,000	34,053,926
DEFERRED REVENUE	-	2,312,088	2,312,088
OTHER PAYABLES	8,705,786	7,858,227	16,564,013
LONG-TERM LIABILITIES:			
NET PENSION LIABILITY	4,654,711	4,296,658	8,951,369
LONG-TERM BONDS PAYABLE	74,684,589	223,611,111	298,295,700
TOTAL LIABILITIES	124,463,504	249,043,303	373,506,807
DEFERRED INFLOWS OF RESOURCES			
PENSION DEFERRALS	1,009,226	931,593	1,940,819
LEASE DEFERRALS, NET OF ACCUMULATED AMORTIZATION	5,381,516	6,108,915	11,490,431
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	130,854,246	256,083,811	386,938,057
NET POSITION			
INVESTMENT IN CAPITAL ASSETS:			
NET OF RELATED DEBT	2,007,876	152,240,225	154,248,101
RESTRICTED FOR:			
DEBT SERVICE	26,432,844	17,137,586	43,570,430
STATUTORY REQUIREMENTS	-	77,487	77,487
UNRESTRICTED	151,568,679	69,820,476	221,389,155
TOTAL NET POSITION	\$ 180,009,399	\$ 239,275,774	\$ 419,285,173

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

FUNCTIONS/PROGRAMS	PROGRAM REVENUE			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION		
	EXPENSES	PRIMARY GOVERNMENT		GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
		FEES	OPERATING INCOME			
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES:						
GENERAL AND ADMINISTRATION	\$ 5,954,797	\$ 679,558	\$ -	\$ (5,275,239)	\$ -	\$ (5,275,239)
OTHER	68,632	-	402,336	333,704	-	333,704
PROJECT COSTS	15,780,718	10,522,836	-	(5,257,882)	-	(5,257,882)
DEPRECIATION	175,599	-	-	(175,599)	-	(175,599)
INTEREST ON LONG-TERM DEBT	1,714,824	-	-	(1,714,824)	-	(1,714,824)
LOSS ON SALE OF REAL ESTATE	27,134	-	-	(27,134)	-	(27,134)
COMMUNITY DEVELOPMENT	4,484,045	22,524,067	17,124,551	35,164,573	-	35,164,573
TOTAL GOVERNMENTAL ACTIVITIES	<u>28,205,749</u>	<u>33,726,461</u>	<u>17,526,887</u>	<u>23,047,599</u>	<u>-</u>	<u>23,047,599</u>
BUSINESS-TYPE ACTIVITIES:						
CONVENTION CENTER DIVISION	69,852,946	19,302,580	-	-	(50,550,366)	(50,550,366)
CORRIDOR PARKING GARAGE	2,447,376	362,564	119,057	-	(1,965,755)	(1,965,755)
SPECIAL IMPROVEMENT DISTRICT	9,493,225	1,218,700	209,522	-	(8,065,003)	(8,065,003)
TOTAL BUSINESS-TYPE ACTIVITIES	<u>81,793,547</u>	<u>20,883,844</u>	<u>328,579</u>	<u>-</u>	<u>(60,581,124)</u>	<u>(60,581,124)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 109,999,296</u>	<u>\$ 54,610,305</u>	<u>\$ 17,855,466</u>	<u>\$ 23,047,599</u>	<u>\$ (60,581,124)</u>	<u>\$ (37,533,525)</u>
GENERAL REVENUES & TRANSFERS:						
LUXURY TAX REVENUE				\$ -	\$ 45,047,680	\$ 45,047,680
MARKETING FEE REVENUE				-	3,467,143	3,467,143
SPORTS WAGERING REVENUE				-	5,895,873	5,895,873
LEASE AMORTIZATION AND INTEREST REVENUE				395,323	776,322	1,171,645
INVESTMENT INCOME				8,091,961	3,522,354	11,614,315
INTERFUND TRANSFERS				(7,779,576)	8,478,099	698,523
TOTAL GENERAL REVENUES & TRANSFERS				<u>707,708</u>	<u>67,187,471</u>	<u>67,895,179</u>
CHANGES IN NET POSITION				23,755,307	6,606,347	30,361,654
BEGINNING NET POSITION				<u>156,254,092</u>	<u>232,669,427</u>	<u>388,923,519</u>
ENDING NET POSITION				<u>\$ 180,009,399</u>	<u>\$ 239,275,774</u>	<u>\$ 419,285,173</u>

FUND FINANCIAL STATEMENTS

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

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2023

	MAJOR FUNDS					TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND		OTHER GOVERNMENTAL FUNDS		
		AC CORRIDOR	HOTEL ROOM FEE			
ASSETS						
CASH AND CASH EQUIVALENTS	\$ 68,867,091	\$ 6,347,212	\$ 4,846,721	\$ 4,660,089	\$	84,721,113
INVESTMENTS	-	32,018,816	12,236,677	-		44,255,493
RECEIVABLES:						
ACCRUED INTEREST RECEIVABLE	48,444	-	-	3,057,109		3,105,553
ACCRUED PARKING FEES	-	3,317,155	-	-		3,317,155
ACCRUED HOTEL ROOM FEES	-	-	2,794,848	-		2,794,848
OTHER	5,413,076	181,286	-	60,749		5,655,111
LONG-TERM LEASES RECEIVABLE	1,194,931	5,493,148	-	-		6,688,079
	<u>\$ 75,523,542</u>	<u>\$ 47,357,617</u>	<u>\$ 19,878,246</u>	<u>\$ 7,777,947</u>		<u>\$ 150,537,352</u>
LIABILITIES:						
INTEREST PAYABLE	\$ -	\$ 3,605,137	\$ 383,369	\$ 4,063,012	\$	8,051,518
OTHER PAYABLES	903,318	1,855,287	1,436,946	287,869		4,483,420
	<u>903,318</u>	<u>5,460,424</u>	<u>1,820,315</u>	<u>4,350,881</u>		<u>12,534,938</u>
DEFERRED INFLOWS OF RESOURCES:						
LEASE DEFERRALS, NET OF ACCUMULATED AMORTIZATION	834,166	4,547,350	-	-		5,381,516
	<u>834,166</u>	<u>4,547,350</u>	<u>-</u>	<u>-</u>		<u>5,381,516</u>
FUND BALANCES:						
RESERVED FUND BALANCE:						
RESERVE FOR DEBT SERVICE	-	21,864,133	-	3,427,066		25,291,199
RESERVE FOR PROJECT COSTS	16,704,342	15,485,710	18,057,931	-		50,247,983
UNRESERVED FUND BALANCE:						
UNASSIGNED	57,081,716	-	-	-		57,081,716
TOTAL FUND BALANCES	<u>73,786,058</u>	<u>37,349,843</u>	<u>18,057,931</u>	<u>3,427,066</u>		<u>132,620,898</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 75,523,542</u>	<u>\$ 47,357,617</u>	<u>\$ 19,878,246</u>	<u>\$ 7,777,947</u>		<u>\$ 150,537,352</u>
Total Fund Balances - Governmental Funds					\$	132,620,898
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets, net of AD used in governmental activities, are not financial resources and therefore are not reported in the funds.						2,007,876
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.						157,124,275
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.						(106,629,595)
Pension related items are not reported in the funds.						(5,114,055)
Total Net Position - Governmental Activities					\$	<u>180,009,399</u>

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, 2023

	MAJOR FUNDS				OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND		HOTEL ROOM FEE		
		AC CORRIDOR				
REVENUES						
ADMINISTRATIVE FEES	\$ 233,632	\$ -	\$ -	\$ -	\$ -	\$ 233,632
INTEREST AND INVESTMENT INCOME	4,028,709	1,375,624	588,387		1,776,081	7,768,801
PARKING FEE REVENUE	-	13,189,727	-		-	13,189,727
HOTEL ROOM FEE REVENUE	-	-	9,334,340		-	9,334,340
TAX OVERRIDE REVENUE	10,522,836	-	-		-	10,522,836
GRANT REVENUE	11,210,030	5,914,521	-		-	17,124,551
PROCESSING FEES	445,926	-	-		-	445,926
OTHER INCOME	402,336	-	-		-	402,336
	<u>\$ 26,843,469</u>	<u>\$ 20,479,872</u>	<u>\$ 9,922,727</u>		<u>\$ 1,776,081</u>	<u>\$ 59,022,149</u>
EXPENDITURES						
CURRENT						
SALARIES AND BENEFITS	\$ 4,847,607	\$ -	\$ -	\$ -	\$ -	\$ 4,847,607
GENERAL & ADMINISTRATIVE	1,326,868	-	-	-	-	1,326,868
PROFESSIONAL COSTS	847,749	-	-	-	-	847,749
PROGRAM COSTS	15,780,718	55,060	-	857,761		16,693,539
OTHER EXPENDITURES	-	-	-	68,632		68,632
DEBT SERVICE:						
INTEREST EXPENSE	-	2,859,603	711,621	1,714,824		5,286,048
PRINCIPAL PAYMENTS	-	16,880,000	6,985,116	1,122,288		24,987,404
CAPITAL OUTLAY						
PURCHASE OF FIXED ASSETS	539,692	-	-	-		539,692
	<u>23,342,634</u>	<u>19,794,663</u>	<u>7,696,737</u>	<u>3,763,505</u>		<u>54,597,539</u>
EXCESS OF EXPENDITURES (OVER)/UNDER REVENUES	3,500,835	685,209	2,225,990	(1,987,424)		4,424,610
OTHER FINANCING SOURCES (USES)						
OTHER RECEIVABLES	(39,807)	-	-	-		(39,807)
LEASE AMORTIZATION AND INTEREST REVENUE	116,681	278,642	-	-		395,323
PAYMENTS RECEIVED ON NOTES	5,606,468	-	-	2,356,580		7,963,048
OTHER PAYABLES	(66,637)	(198,911)	-	9,453		(256,095)
SALE OF REAL ESTATE	1,414,524	28,927	-	-		1,443,451
LOSS ON SALE OF ASSETS	(17,408)	(9,726)	-	-		(27,134)
TRANSFERS FROM OTHER FUNDS	2,154,670	-	-	-		2,154,670
TRANSFERS TO OTHER FUNDS	(8,478,099)	(19,201)	(1,436,946)	-		(9,934,246)
TOTAL OTHER FINANCING SOURCES	<u>690,392</u>	<u>79,731</u>	<u>(1,436,946)</u>	<u>2,366,033</u>		<u>1,699,210</u>
NET CHANGES IN FUND BALANCE	4,191,227	764,940	789,044	378,609		6,123,820
FUND BALANCE JANUARY 1, 2023	69,594,831	36,584,903	17,268,887	3,048,457		126,497,078
FUND BALANCE DECEMBER 31, 2023	<u>\$ 73,786,058</u>	<u>\$ 37,349,843</u>	<u>\$ 18,057,931</u>	<u>\$ 3,427,066</u>		<u>\$ 132,620,898</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, 2023

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

Total net change in fund balances - governmental funds	\$ 6,123,820
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.	(1,079,358)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	323,164
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.	25,243,499
Disbursements on long-term notes receivable consume current financial resources of governmental funds, and principal payments received on notes receivable provide current financial resources to governmental funds. These transactions do not affect net position.	(7,923,241)
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.	1,067,423
Change in fund balance (net position) of governmental activities	<u>\$ 23,755,307</u>

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

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

DECEMBER 31, 2023

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS			
	CONVENTION CENTER DIVISION	CORRIDOR PARKING GARAGE	SPECIAL IMPROVEMENT DISTRICT	TOTAL
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	\$ 55,907,633	\$ 1,029	\$ 4,585,762	\$ 60,494,424
OTHER INVESTMENT	-	21,000	-	21,000
RESTRICTED MARKETABLE SECURITIES	28,020,006	-	-	28,020,006
RECEIVABLES:				
ACCRUED MARKETING FEES & LUXURY TAXES	13,480,717	-	-	13,480,717
ACCRUED ASSESSMENTS, NET OF ALLOWANCES FOR UNCOLLECTIBLES	-	-	24,459	24,459
OTHER	2,062,548	157,823	(235,713)	1,984,658
TOTAL CURRENT ASSETS	\$ 99,470,904	\$ 179,852	\$ 4,374,508	\$ 104,025,264
NONCURRENT ASSETS				
PREPAID BOND INSURANCE PREMIUM	1,431,992	-	-	1,431,992
REAL ESTATE	81,311,000	-	-	81,311,000
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	277,824,539	21,444,613	981,184	300,250,336
LONG-TERM LEASES RECEIVABLE	7,238,706	-	-	7,238,706
TOTAL NON-CURRENT ASSETS	367,806,237	21,444,613	981,184	390,232,034
TOTAL ASSETS	467,277,141	21,624,465	5,355,692	494,257,298
DEFERRED OUTFLOWS OF RESOURCES				
PENSION DEFERRALS	275,572	-	826,715	1,102,287
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 467,552,713	\$ 21,624,465	\$ 6,182,407	\$ 495,359,585
LIABILITIES				
CURRENT LIABILITIES				
INTEREST PAYABLE	\$ 1,673,429	\$ 3,581,790	\$ -	\$ 5,255,219
CURRENT BONDS PAYABLE	5,710,000	-	-	5,710,000
DEFERRED REVENUE	2,312,088	-	-	2,312,088
OTHER PAYABLES	6,271,405	32,199	1,554,623	7,858,227
	15,966,922	3,613,989	1,554,623	21,135,534
NON-CURRENT LIABILITIES				
NET PENSION LIABILITY	1,074,166	-	3,222,492	4,296,658
LONG-TERM BONDS PAYABLE	204,762,756	18,848,355	-	223,611,111
TOTAL NON-CURRENT LIABILITIES	205,836,922	18,848,355	3,222,492	227,907,769
TOTAL LIABILITIES	221,803,844	22,462,344	4,777,115	249,043,303
DEFERRED INFLOWS OF RESOURCES				
PENSION DEFERRALS	232,898	-	698,695	931,593
LEASE DEFERRALS, NET OF ACCUMULATED AMORTIZATION	6,108,915	-	-	6,108,915
TOTAL DEFERRED INFLOWS OF RESOURCES	6,341,813	-	698,695	7,040,508
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	228,145,657	22,462,344	5,475,810	256,083,811
NET POSITION:				
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT	148,662,783	2,596,258	981,184	152,240,225
RESTRICTED FOR:				
DEBT SERVICE	16,305,586	832,000	-	17,137,586
STATUTORY REQUIREMENTS	77,487	-	-	77,487
UNRESTRICTED (DEFICIT)	74,361,200	(4,266,137)	(274,587)	69,820,476
TOTAL NET POSITION	239,407,056	(837,879)	706,597	239,275,774
TOTAL LIABILITIES AND NET POSITION	\$ 467,552,713	\$ 21,624,465	\$ 6,182,407	\$ 495,359,585

See notes to financial statements.

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

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

YEAR ENDED DECEMBER 31, 2023

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS			
	CONVENTION	CORRIDOR	SPECIAL	TOTAL
	CENTER	PARKING	IMPROVEMENT	
DIVISION	GARAGE	DISTRICT		
OPERATING REVENUES:				
SPECIAL SERVICES	\$ 3,472,683	\$ -	\$ -	\$ 3,472,683
FACILITIES RENTAL	4,245,547	-	-	4,245,547
CONCESSIONS	2,870,208	-	-	2,870,208
ASSESSMENTS, NET	-	-	1,218,700	1,218,700
PARKING REVENUE	1,540,456	362,564	-	1,903,020
OTHER REVENUE	7,173,686	119,057	209,522	7,502,265
TOTAL OPERATING REVENUES	19,302,580	481,621	1,428,222	21,212,423
OPERATING EXPENSES:				
SALARIES AND BENEFITS	16,559,553	-	4,534,855	21,094,408
MARKETING EXPENDITURES	10,912,425	-	-	10,912,425
PRODUCTION	5,838,798	-	-	5,838,798
GENERAL AND ADMINISTRATIVE	12,891,902	664,635	4,737,466	18,294,003
DEPRECIATION AND AMORTIZATION	13,850,355	1,201,910	220,904	15,273,169
TOTAL OPERATING EXPENSES	60,053,033	1,866,545	9,493,225	71,412,803
OPERATING LOSS	(40,750,453)	(1,384,924)	(8,065,003)	(50,200,380)
NONOPERATING REVENUES (EXPENSES):				
LUXURY TAX REVENUE	45,047,680	-	-	45,047,680
MARKETING FEE REVENUE	3,467,143	-	-	3,467,143
SPORTS WAGERING TAX REVENUE	5,895,873	-	-	5,895,873
LEASE AMORTIZATION AND INTEREST REVENUE	776,322	-	-	776,322
INTEREST INCOME	3,430,368	3,804	88,182	3,522,354
INTEREST EXPENSE	(9,799,913)	(580,831)	-	(10,380,744)
TRANSFERS FROM OTHER FUNDS	-	410,794	8,067,305	8,478,099
	48,817,473	(166,233)	8,155,487	56,806,727
CHANGES IN NET POSITION	8,067,020	(1,551,157)	90,484	6,606,347
NET POSITION - BEGINNING	231,340,036	713,278	616,113	232,669,427
NET POSITION - ENDING	\$ 239,407,056	\$ (837,879)	\$ 706,597	\$ 239,275,774

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

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2023

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS			
	CONVENTION	CORRIDOR	SPECIAL	TOTAL
	CENTER DIVISION	PARKING GARAGE	IMPROVEMENT DISTRICT	
CASH FLOWS FROM OPERATING ACTIVITIES				
RECEIPTS FROM CUSTOMERS	\$ 15,221,105	\$ -	\$ -	\$ 15,221,105
ASSESSMENTS	-	-	1,237,169	1,237,169
PARKING REVENUE	-	370,928	-	370,928
OTHER REVENUE	-	119,057	216,522	335,579
PAYMENTS TO SUPPLIERS	(25,952,449)	(719,822)	(5,253,308)	(31,925,579)
PAYMENTS TO EMPLOYEES	(16,642,738)	-	(3,852,054)	(20,494,792)
PAYMENTS FOR OTHERS	-	(1,335)	-	(1,335)
NET CASH FROM OPERATING ACTIVITIES	(27,374,082)	(231,172)	(7,651,671)	(35,256,925)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
LUXURY TAX REVENUE	25,937,260	-	-	25,937,260
MARKETING FEE REVENUE	3,467,143	-	-	3,467,143
SPORTS WAGERING TAX REVENUE	5,895,873	-	-	5,895,873
DUE TO/FROM OTHER FUNDS	-	(87,172)	(29,569)	(116,741)
TRANSFERS FROM OTHER FUNDS	-	410,794	8,067,304	8,478,098
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	35,300,276	323,622	8,037,735	43,661,633
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
INTEREST EXPENSE	(10,312,325)	-	-	(10,312,325)
PAYMENTS ON BONDS AND NOTES PAYABLE	(5,435,000)	-	-	(5,435,000)
PURCHASE OF CAPITAL ASSETS	(2,534,916)	(347,586)	(408,717)	(3,291,219)
LUXURY TAX REVENUE	15,747,326	-	-	15,747,326
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(2,534,915)	(347,586)	(408,717)	(3,291,218)
CASH FLOWS FROM INVESTING ACTIVITIES				
PROCEEDS FROM SALE OF INVESTMENT	-	103,336	-	103,336
INTEREST	4,262,060	3,804	88,182	4,354,046
NET CASH FROM INVESTING ACTIVITIES	4,262,060	107,140	88,182	4,457,382
NET CHANGES IN CASH AND CASH EQUIVALENTS	9,653,339	(147,996)	65,529	9,570,872
CASH AND CASH EQUIVALENTS - BEGINNING	46,254,294	149,025	4,520,233	50,923,552
CASH AND CASH EQUIVALENTS - ENDING	\$ 55,907,633	\$ 1,029	\$ 4,585,762	\$ 60,494,424
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES:				
OPERATING LOSS	\$ (40,750,453)	\$ (1,384,924)	\$ (8,065,003)	\$ (50,200,380)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES:				
DEPRECIATION & AMORTIZATION	13,850,356	1,201,910	220,904	15,273,170
PENSION EXPENSE - GASB 68	(77,084)	-	502,145	425,061
(INCREASE)/DECREASE IN:				
RECEIVABLES, NET	(1,493,403)	-	7,000	(1,486,403)
PREPAID EXPENSES & OTHER ASSETS	(146,836)	(3,272)	(12,854)	(162,962)
ACCRUED ASSESSMENTS	-	-	18,469	18,469
PARKING FEES RECEIVABLE	-	8,364	-	8,364
INCREASE/(DECREASE IN):				
ACCRUED SALARIES AND BENEFITS	-	-	180,656	180,656
ACCOUNTS PAYABLE	3,845,109	(53,250)	(502,988)	3,288,871
DEFERRED REVENUE AND ADVANCE DEPOSITS	(3,298,164)	-	-	(3,298,164)
LEASE DEFERRALS	696,393	-	-	696,393
TOTAL ADJUSTMENTS	13,376,371	1,153,752	413,332	14,943,455
NET CASH FROM OPERATING ACTIVITIES	\$ (27,374,082)	\$ (231,172)	\$ (7,651,671)	\$ (35,256,925)

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, 2023

	AGENCY FUNDS		
	REINVESTMENT FUND	OTHER	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 19,426,982	\$ 10,244,190	\$ 29,671,172
RECEIVABLES:			
NOTES RECEIVABLE	-	24,570,327	24,570,327
ACCRUED INTEREST RECEIVABLE	-	1,764,490	1,764,490
OBLIGATION RECEIVABLE	91,293	-	91,293
INTERFUNDS RECEIVABLE	1,738,094	9,774	1,747,868
EQUITY INVESTMENT	-	3,600,000	3,600,000
CAPITAL ASSETS:			
REAL ESTATE	-	27,542,060	27,542,060
TOTAL ASSETS	\$ 21,256,369	\$ 67,730,841	\$ 88,987,210
LIABILITIES			
INTEREST PAYABLE	\$ 206,365	\$ -	\$ 206,365
INTERFUNDS PAYABLE	-	5,327,830	5,327,830
OTHER PAYABLES	704,637	417,548	1,122,185
TOTAL LIABILITIES	911,002	5,745,378	6,656,380
NET POSITION			
RESERVE FOR:			
OBLIGATIONS PAYABLE	17,365,133	-	17,365,133
DIRECT INVESTMENT DEPOSITS	-	-	-
DONATION DEPOSITS	2,980,234	-	2,980,234
PROJECT COSTS	-	61,985,463	61,985,463
TOTAL NET POSITION	20,345,367	61,985,463	82,330,830
TOTAL LIABILITIES AND NET POSITION	\$ 21,256,369	\$ 67,730,841	\$ 88,987,210

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, 2023

	AGENCY FUNDS		
	REINVESTMENT		TOTAL
	FUND	OTHER	
ADDITIONS:			
OBLIGATION DEPOSITS	\$ 2,334,801	\$ -	\$ 2,334,801
TRANSFER FROM REINVESTMENT	-	453	453
TAX REMITTANCES	-	38,807,873	38,807,873
INTEREST ON NOTES	-	680,574	680,574
GAIN ON SALE OF REAL ESTATE, NET	-	275,907	275,907
TOTAL ADDITIONS	2,334,801	39,764,807	42,099,608
DEDUCTIONS:			
DIRECT INVESTMENTS	2,841,429	-	2,841,429
DIRECT DONATIONS:	3,608,516	-	3,608,516
TRANSFERS TO OTHER FUNDS	-	-	-
OTHER	453	-	453
ACCRUED OBLIGATIONS	1,000,888	-	1,000,888
GRANTS AND DONATIONS	-	453	453
TAX DISTRIBUTIONS	-	38,807,873	38,807,873
TRANSFERS TO OTHER FUNDS	-	698,522	698,522
TOTAL DEDUCTIONS	7,451,286	39,506,848	46,958,134
CHANGES IN NET POSITION	(5,116,485)	257,959	(4,858,526)
NET POSITION - JANUARY 1, 2023	25,461,852	61,727,504	87,189,356
NET POSITION - DECEMBER 31, 2023	\$ 20,345,367	\$ 61,985,463	\$ 82,330,830

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 Atlantic City.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

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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 ninety days 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, 2023, the provision for uncollectible accounts was approximately \$48,900,000.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

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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:

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

It is the policy of the CRDA to capitalize all land, structures, improvements and equipment exceeding \$5,000 and with a useful life of at least three years.

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 project 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
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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 two items that qualify for reporting in this category, which are deferred amounts related to pensions and leases.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rounding

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

Adoption of Governmental Accounting Standards Board (GASB) Statements

The GASB has issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." This Statement was adopted by the Authority for the year ended December 31, 2023. The adoption of this Statement had no effect on previously reported amounts.

The GASB has issued Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement was adopted by the Authority for the year ended December 31, 2023. The adoption of this Statement had no effect on previously reported amounts due to the Authority considering its subscription-based information technology arrangements immaterial to the financial statements.

The GASB has issued Statement No. 99, "Omnibus 2022." Certain provisions of this Statement were required to be adopted by the Authority for the year ended December 31, 2023. The adoption of this Statement had no effect on previously reported amounts.

Pending Governmental Accounting Standards Board (GASB) Statements

The GASB has issued Statement No. 99, "Omnibus 2022." Certain provisions of this Statement are required to be adopted by the Authority for the year ending December 31, 2024. The Authority has not determined the effect of these provisions on the financial statements.

The GASB has issued Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62." This Statement is required to be adopted by the Authority for the year ending December 31, 2024. The Authority has not determined the effect of GASB Statement No. 100 on the financial statements.

The GASB has issued Statement No. 101, "Compensated Absences." This Statement is required to be adopted by the Authority for the year ending December 31, 2024. The Authority has not determined the effect of GASB Statement No. 101 on the financial statements.

The GASB has issued Statement No. 102, "Certain Risk Disclosures." This Statement is required to be adopted by the Authority for the year ending December 31, 2025. The Authority has not determined the effect of GASB Statement No. 102 on the financial statements.

The GASB has issued Statement No. 103, "Financial Reporting Model Improvements." This Statement is required to be adopted by the Authority for the year ending December 31, 2026. The Authority has not determined the effect of GASB Statement No. 103 on the financial statements.

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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, 2023, the Authority's book balance was \$174,886,709. As of December 31, 2023, the Authority's bank balance of \$178,866,184 was partially insured by the FDIC in the amount of \$500,000 or \$250,000 for each depository, except for external investment pool funds held in the New Jersey Cash Management Fund ("NJCMF"). Cash and cash equivalents include various checking and money market accounts, and U.S. obligations with maturities of ninety days or less.

The NJCMF is a money market fund managed by the State's Division of Investments. P.L. 1950, c. 270 and subsequent legislation permits the Division of Investments to invest in a variety of securities, including, in the case of short-term investments, obligations of the U.S. government and certain of its agencies, commercial paper, certificates of deposit, repurchase agreements, bankers' acceptances and loan participation notes. All such investments must fall within the guidelines set forth by the regulations of the State of New Jersey, State Investment Council. Securities in the NJCMF are insured or registered, or securities held by the Division of Investments or its agent in the NJCMF's name. The Authority's NJCMF is not subject to custodial credit risk due to the fact that the funds are held by and in the name of NJCMF in segregated trust accounts with third-party custodians rather than in possession of the third-party custodian.

As of December 31, 2023, the Authority's bank balance was exposed to custodial credit risk as follows:

Insured	\$ 500,000
NJCMF	159,787,005
Uninsured and uncollateralized	<u>18,579,179</u>
	<u>\$178,866,184</u>

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

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NOTES TO FINANCIAL STATEMENTS

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENT (CONTINUED)

Investments

At December 31, 2023, the Authority had the following investments:

Description	Maturity	Fair Value	Fair Value Level
Money market funds	Nonexpiring	\$ 72,275,498	Level 1
Solar Renewal Energy Credits ("SREC")	Nonexpiring	21,000	Level 2
Total Investments		\$ 72,296,498	

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.

The U.S. Treasury Obligations held as of December 31, 2022, were not repurchased upon maturity in 2023. There were no transfers in or out of Levels 1, 2 or 3 during 2023.

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.

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NOTES TO FINANCIAL STATEMENTS

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENT (CONTINUED)

Investments (Continued)

Units of the NJCMF, 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 bankers' 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.

E. NOTES RECEIVABLE

Notes receivable consist of the following as of December 31, 2023:

	Balance December 31, 2022		Additions	Repayments	Write-offs	Balance December 31, 2023	
General Fund							
Steel Pier	\$ 16,038,684	\$ 319,710	\$ 5,590,110	\$ -	\$ -	\$ 10,768,284	
Atlantic County Improvement Authority	2,674,000	-	-	-	-	2,674,000	
Stockton University	1,911,167	-	-	-	-	1,911,167	
Ernest School of Trucking	135,000	-	12,906	-	-	122,094	
Total General Fund	\$ 20,758,851	\$ 319,710	\$ 5,603,016	\$ -	\$ -	\$ 15,475,545	
Other Governmental Funds							
Best of Bass Pro Shops	\$ 8,333,854	\$ -	\$ 616,172	\$ -	\$ -	\$ 7,717,682	
Christopher Columbus Homes	1,431,956	-	120,018	-	-	1,311,938	
Impactivate	9,784,767	-	-	-	-	9,784,767	
Marcal	2,293,073	-	1,122,289	-	-	1,170,784	
North Jersey Municipal Loan Program	30,186,889	-	357,309	-	-	29,829,580	
Sheraton Hotel	10,000,000	-	-	-	-	10,000,000	
South Jersey Municipal Loan Program	439,945	-	105,933	-	34,859	299,153	
Vermont Plaza	20,700,000	-	-	-	-	20,700,000	
Subtotal	83,170,484	-	2,321,721	34,859	80,813,904		
Allowance	(48,900,000)	-	-	-	-	(48,900,000)	
Total Other Governmental Funds	\$ 34,270,484	\$ -	\$ 2,321,721	\$ 34,859	\$ 31,913,904		
Total Governmental Activities	\$ 55,029,335	\$ 319,710	\$ 7,924,737	\$ 34,859	\$ 47,389,449		
Other Agency Funds							
3-2-1 Police Loan	\$ 35,338	\$ -	\$ 3,897	\$ -	\$ -	\$ 31,441	
AC Supermarket	365,758	-	92,859	-	-	272,899	
Beach at South Inlet	11,400,000	-	-	-	-	11,400,000	
Chelsea Westside	(167)	-	-	-	(167)	-	
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	\$ 24,666,915	\$ -	\$ 96,756	\$ (167)	\$ 24,570,326		

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NOTES TO FINANCIAL STATEMENTS

F. CAPITAL ASSETS

Capital asset balances and activities for the year ended December 31, 2023, were as follows:

	Balance December 31, 2022		Additions	Deletions	Balance December 31, 2023	
Governmental Activities						
Furniture and Equipment	\$	5,449,112	\$	71,649	\$	-
Building		2,238,053		468,043		-
Accumulated Depreciation		(6,043,381)		(175,600)		-
Net, Governmental Activities		1,643,784		364,092		-
Business-Type Activities						
Buildings		484,721,972		2,026,008		-
Furniture and Equipment		76,959,578		637,246		-
Garage		34,580,935		-		-
Leasehold Improvements		9,427,137		508,909		-
Accumulated Depreciation		(293,338,279)		(15,273,170)		-
Net, Business-Type Activities		312,351,343		(12,101,007)		-
Entity-wide Total	\$	313,995,127	\$	(11,736,915)	\$	-

G. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables and payables balances at December 31, 2023, were as follows:

Fund	Interfund Receivable			Interfund Payable		
	Miscellaneous	Interest	Fees	Miscellaneous	Interest	Fees
General	\$ 5,148,197	\$ 48,444	\$ 10,733	\$ -	\$ -	\$ -
AC Corridor	-	-	-	-	(48,714)	-
Hotel Room Fee	-	-	-	(1,436,946)	-	-
Other Governmental	71,482	-	-	-	-	(10,733)
Convention Center Division	-	-	-	(88,790)	-	-
Corridor Parking Garage	141,243	-	-	-	-	-
Special Improvement District	-	-	-	(254,954)	-	-
Reinvestment	1,715,465	22,629	-	-	-	-
Other Agency	-	-	-	(5,295,697)	(22,359)	-
	\$ 7,076,387	\$ 71,073	\$ 10,733	\$ (7,076,387)	\$ (71,073)	\$ (10,733)

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

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NOTES TO FINANCIAL STATEMENTS

H. OBLIGATION DEPOSITS (CONTINUED)

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 Economic Development Authority for Small Businesses, Minorities and Women Enterprises can be used to purchase bonds of the New Jersey Economic 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 2023 activities are summarized below:

	Reinvestment Fund Reserves	
	Obligations Payable	Donation Deposits
Beginning Balance January 1, 2023	\$ 22,481,165	\$ 2,980,687
Obligation Deposits	2,334,801	-
Direct Investments	(2,841,429)	-
Direct Donation	(3,608,516)	-
Obligations Receivable	(1,000,888)	-
Grants to Agency and Debt Service Funds	-	(453)
Ending Balance December 31, 2023	\$ 17,365,133	\$ 2,980,234

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

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NOTES TO FINANCIAL STATEMENTS

I. LONG-TERM DEBT (CONTINUED)

Public Issuance – Parking Fee and Hotel Room Fee Revenue Bonds (Continued)

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. In March 2022, the remaining \$23,085,000 of defeased bonds held in escrow matured.

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 2.0% and 5.0%. 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.

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NOTES TO FINANCIAL STATEMENTS

I. LONG-TERM DEBT (CONTINUED)

Project Bonds – Casino Pool Bonds (Continued)

Bond Issue	Debt Reserve Amount
\$107 Million Parking Fee Revenue Bonds	\$ 13,711,220
\$184.5 Million Parking Fee Revenue Bonds	7,728,959
Atlantic City Boardwalk Convention Center Project Bonds	423,954
Total AC Corridor Reserve	21,864,133
\$241.2 Million Luxury Tax Revenue Bonds	16,305,586
Balance, December 31, 2023	\$ 38,169,719

The following is a summary of the CRDA's long-term debt transactions for the year ended December 31, 2023:

	Publicly Issued Bonds	Project Bonds	Total
Debt Outstanding December 31, 2022	\$ 280,955,000	\$ 120,354,160	\$ 401,309,160
Additions to Debt	-	-	-
Reductions of Debt	(29,245,000)	(1,122,290)	(30,367,290)
Debt Outstanding December 31, 2023	251,710,000	119,231,870	370,941,870
Net Unamortized Premium	10,307,756	-	10,307,756
Allowance	-	(48,900,000)	(48,900,000)
	\$ 262,017,756	\$ 70,331,870	\$ 332,349,626

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

Years Ending December 31,	Parking Fee Revenue Bond		Total
	Principal	Interest	
2024	\$ 17,800,000	\$ 1,511,055	\$ 19,311,055
2025	18,775,000	512,558	19,287,558
Total	\$ 36,575,000	\$ 2,023,613	\$ 38,598,613

Years Ending December 31,	Hotel Room Fee Bond		Total
	Principal	Interest	
2024	\$ 7,295,000	\$ 575,244	\$ 7,870,244
2025	7,675,000	191,875	7,866,875
Total	\$ 14,970,000	\$ 767,119	\$ 15,737,119

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NOTES TO FINANCIAL STATEMENTS

I. LONG-TERM DEBT (CONTINUED)

Years Ending December 31,	Convention Center Luxury Tax Revenue Bond Principal	Convention Center Luxury Tax Revenue Bond Interest	Total
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	6,515,000	9,235,000	15,750,000
2028	6,840,000	8,909,250	15,749,250
2029-2033	39,680,000	39,062,000	78,742,000
2034-2038	49,920,000	28,820,825	78,740,825
2039-2043	64,335,000	14,406,000	78,741,000
2044	14,965,000	785,663	15,750,663
Total	\$ 200,165,000	\$ 130,559,638	\$ 330,724,638

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

Years Ending December 31,	Project Bond Principal	Project Bond Interest	Total
2024	\$ 18,547,391	\$ 18,455,814	\$ 37,003,204
2025	1,124,466	2,249,053	3,373,519
2026	1,182,536	2,212,747	3,395,283
2027	1,090,901	2,175,065	3,265,966
2028	20,018,684	2,135,950	22,154,634
2029-2033	38,416,279	8,983,261	47,399,540
2034-2038	7,466,280	5,793,798	13,260,079
2039-2043	7,553,793	4,344,035	11,897,828
2044-2048	1,270,585	3,277,210	4,547,794
2049-2053	9,730,955	2,721,580	12,452,535
2054-2055	12,830,000	681,361	13,511,361
Total	\$ 119,231,870	\$ 53,029,874	\$ 172,261,744

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

J. PROJECT AND DIRECT INVESTMENT COMMITMENTS

During 2023, CRDA commitments increased by \$3,519,540. As of December 31, 2023, 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
Boardwalk Lighting	1,159,371
Pacific Avenue/Midtown	49,134
South Inlet Mixed Use Development	1,271,218
Single Point of Entry	100,000
Tropicana Boardwalk Enhancements	65,666
Pacific Avenue Midtown Redevelopment	801,821
Atlantic City Demolition Project	98,347
Pacific Avenue Midtown Redevelopment	2,153
Caesars Non-Gaming Capital Improvements	1,947,914
Borgata Non-Gaming Capital Improvements	4,556,484
Subtotal: Atlantic City	<u>11,609,329</u>
South Jersey	
Harrah's Hotel Expansion	6,331,977
Resorts Hotel Expansion	489
Subtotal: South Jersey	<u>6,332,466</u>
Total at December 31, 2023	<u>\$ 17,941,795</u>

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NOTES TO FINANCIAL STATEMENTS

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:

	2023
Marketplace Project (Block 157)	\$ 29,345
Challenge Atlantic City Triathlon	450,000
AtlantiCare HealthPark	1,929,848
Chicken Bone Beach Jazz and Music School	14,078
Boys and Girls Club	50,000
Atlantic City Demolition Project	(145,718)
Live Nation Beach Concerts	1,000,000
Gardner's Basin Improvements	896,525
Street Lighting Maintenance	388,954
Volunteers of America Human Trafficking Program	38,582
2405 Pacific Avenue Purchase	10,618
Community Food Bank of NJ FEEDAC Initiative	249,841
Atlantic Cape Community College Atlantic City Works Program	468,149
AtlantiCare Safe Beginnings	356,536
Boys & Girls Club of AC Collaborative Health, Education, and Community Model	607,722
Save Lucy Committee	25,000
World War II Memorial Fund	103,685
Jewish Family Services Travelers Assistance	3,923
Volunteer of America Travelers Assistance	8,811
Jewish Family Services Mental Health Services	156,305
Parking Lot for Chicken Bone Beach Historic Foundation School	9,066
City of Atlantic City Department of Health and Human Services 2022 Grant	622,580
Atlantic City Marathon Race Series	50,000
Chicken Bone Beach Concerts @ Browns Park and Kennedy Plaza	9,795
Broadway on the Boardwalk shows @ Kennedy Plaza	6,683
Tony Mart Mardi Gras AC Summer Concert Series	5,000
Absecon Lighthouse	33,333
Ernest Trans School of Trucking	30,000
Atlantic City Latino Festival 2022	7,563
Sustainable Health Wellness 2022	34,999
Atlantic City Police Department Neighborhood Coordination Officers (NCOs)	618,047
African American Heritage Museum	20,275
New Jersey Performing Arts Center North to South Festival	157,656
Atlantic City Beer and Music Festival 2023	24,915
Children's Hospital of Philadelphia	209,696
Leaders in Training	779,247
Street Lighting Maintenance	385,480
Atlantic City Gambits Basketball LLC	25,000
Atlantic City Fashion Week	25,000
Atlantic City Arts Foundation 48 blocks Atlantic City 2023 Project	100,000
Literacy New Jersey Atlantic Cape	4,347
Covenant House New Jersey	70,278
Atlantic City Free Summer Concert Series @ Gardner's Basin	208,905
Mardi Gras Atlantic City Summer Concert Series	216,120
Impact Golf Marketing	89,000
Chicken Bone Beach Concerts @ Browns Park and Kennedy Plaza	177,717
Black Excellence Festival	24,925
Multi-Cultural Festival 2023	30,000
Atlantic City Latino Festival 2023	29,800
2023 Sustainable Health & Wellness Village Festival	34,890
Jewish Family Services Travelers Assistance	3,694
Atlantic City Football Club	14,500
Diner En Blanc Atlantic City	25,000
Mr. America All American Sports Festival	16,148
Atlantic County Sheriff's Foundation (Hope Exists-Atlantic City Project)	6,522
Atlantic City Boardwalk Reconstruction Project	32,333
New Jersey Economic Development Authority - American Rescue Plan Pass-Through	5,000,000
	<u>\$ 15,780,718</u>

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NOTES TO FINANCIAL STATEMENTS

L. GENERAL FUND BALANCES COMMITTED FOR PROJECT COSTS

As of December 31, 2023, the following represents the components of the General Fund balances committed for project costs.

	2023
Reserve for Marketplace Project (Block 157)	\$ 466,634
Reserve for Marketplace Construction	1,877,266
Reserve for Challenge Atlantic City Triathlon	300,000
Reserve for Comcast/NBC Universal	1,554,736
Reserve for AtlantiCare HealthPark	90,152
Reserve for Atlantic City Boardwalk Holocaust Memorial	500,000
Reserve for Boys and Girls Club Youth Center	50,000
Reserve for Atlantic City Demolition Project	811,767
Reserve for Gardner's Basin Improvements	557,089
Reserve for Volunteers of America Grant	226,300
Reserve for 2405 Pacific Avenue Purchase	7,138
Reserve for Atlantic Cape Community College Atlantic City Works Program	527,985
Reserve for AtlantiCare Safe Beginnings	942,607
Reserve for Boys & Girls Club of AC Collaborative Health, Education, and Community Model	1,086,498
Reserve for World War II Memorial Fund	71,315
Reserve for Jewish Family Services Travelers Assistance	34,955
Reserve for Volunteers of America Travelers Assistance	41,189
Reserve for Jewish Family Services Mental Health Services	446,680
Reserve for Parking Lot for Chicken Bone Beach Historic Foundation School	105,500
Reserve for City of Atlantic City Department of Health and Human Services 2022 fund	27,420
Reserve for Atlantic City Marathon Race Series	50,000
Reserve for Absecon Lighthouse	33,334
Reserve for Ernest Trans School of Trucking	10,000
Reserve for Atlantic City Demolition Project	500,000
Reserve for African American Heritage Museum of Southern NJ	2,625
Reserve for New Jersey Performing Arts Center North to South Festival	172,344
Reserve for Atlantic City Convention Center Electric Vehicle Charging Stations	28,478
Reserve for WAVE Garage Electric Vehicle Charging Stations	2,129
Reserve for Children's Hospital of Philadelphia	40,304
Reserve for Street Lighting Maintenance	156,519
Reserve for Literacy New Jersey Atlantic Cape	20,653
Reserve for Covenant House New Jersey	79,722
Reserve for Impact Golf Marketing	91,000
Reserve for Chicken Bone Beach Concerts @ Browns Park and Kennedy Plaza	22,283
Reserve for Black Excellence Festival	75
Reserve for Communities Revolutionizing Open Public Space Atlantic City Food Security Plan	308,200
Reserve for Atlantic City Latino Festival 2023	200
Reserve for 2023 Sustainable Health & Wellness Village Festival	110
Reserve for City of Atlantic City Department of Health and Human Services 2023 fund	650,000
Reserve for Jewish Family Services Travelers Assistance	16,306
Reserve for Street Lighting Maintenance	2,938,000
Reserve for Atlantic City Police Department Neighborhood Coordination Officers (NCOs)	1,000,000
Reserve for Mr. America All American Sports Festival	8,852
Reserve for Atlantic County Sheriff's Foundation (Hope Exists-Atlantic City Project)	27,138
Reserve for Atlantic City Automated License Plate Reader Public Safety Initiative	273,171
Reserve for Atlantic City Boardwalk Reconstruction Project	267,668
Reserve for International Lifeguard Museum	30,000
Reserve for Grocery Store Operational Subsidy Grant	250,000
	<u>\$ 16,704,342</u>

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

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NOTES TO FINANCIAL STATEMENTS

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). Under this agreement, the Authority paid \$1,105,917 to SJTA during 2023.

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.

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NOTES TO FINANCIAL STATEMENTS

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 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.nj.gov/treasury/pensions/financial-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

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NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

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.

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, 2023, are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

The Authority's contributions to PERS for the year ended December 31, 2023, were \$825,977, equal to the required contributions for each year. The Authority's covered payroll was \$5,465,107 for PERS.

A special funding situation exists for the local employers of the Public Employees' Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the

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NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)

Contributions (Continued)

additional costs incurred by local employers under Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The state special funding situation pension expense of \$45,000,471, for the fiscal year ended June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ended June 30, 2023. The pension expense is deemed to be a state administrative expense due to the special funding situation. The portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Authority is \$0 and the total proportionate share of the employer pension benefit is \$27,916 for the June 30, 2023, measurement date.

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

At December 31, 2023, the Authority reported a liability of \$8,951,367, 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, 2023, the Authority's proportion was 0.0618001612%, which was a decrease of 0.0101728314% from its proportion measured as of June 30, 2022. For the year ended December 31, 2023, the Authority recognized full accrual pension expense of \$265,246 in the financial statements. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 85,587	\$ 36,590
Net difference between projected and actual investment earnings on pension plan investments	41,222	-
Changes of assumptions	19,664	542,491
Changes in proportion	1,736,970	1,361,738
Authority's contributions subsequent to the measurement date	412,989	-
	<u>\$ 2,296,432</u>	<u>\$ 1,940,819</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
2024	\$ (2,430,000)
2025	1,147,745
2026	1,234,797
2027	(6,069)
2028	(3,849)
	<u>\$ (57,376)</u>

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total 2023 pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to the June 30, 2023, measurement date. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>
Inflation: Price	2.75%
Inflation: Wage	3.25%
Salary Increases (Based on Years of Service):	2.75 - 6.55%
Investment Rate of Return	7.00%

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions the emerging liability may be higher or lower than anticipated. The more the expectation deviates, the larger the impact on amounts.

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, 2023), 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, 2023, are summarized in the following table:

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NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)

Long-Term Rate of Return (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rates of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2023, 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	\$ 11,751,017	\$ 8,951,367	\$ 6,708,194

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NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)

Deferred Compensation Plan

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

O. CERTAIN LITIGATION MATTERS

Watson v. CRDA

In March 2020, Terrence Watson ("Plaintiff") filed an action against defendants and the Authority (collectively the "Defendants"). The matter arises out of a claim by an employee of Ovations Food Services LP d/b/a Spectra Food Services & Hospitality that he received an electrical shock while working on a mobile fryer.

In January 2019, the Authority entered into an agreement(s) for: (1) Facilities Management for the Atlantic City Convention Center and Jim Whelan Boardwalk Hall with Global Spectrum L.P d/b/a Spectra Venue Management and (2) Food Beverage, Merchandise Concession and Catering for the Atlantic City Convention Center and Jim Whelan Boardwalk Hall with Ovations Food Services LP d/b/a Spectra Food Services & Hospitality, (collectively "Spectra"). Plaintiff alleges multiple theories of liability including products liability and negligence. The litigation was delayed substantially due to efforts to gain service of process over the manufacturer of the cable supplying power to the fryer on the date of Plaintiff's alleged accident. The Authority is the owner of the equipment and cable in question. However, the equipment was purchased and operated by Spectra in meeting its obligations under the Food, Beverage, Merchandise and Catering contract. The Court has set an original fact discovery deadline of September 15, 2023. The fact discovery deadline has been extended to September 30, 2024. Mediation is scheduled with Judge Happas (retired) on September 19, 2024.

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 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

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NOTES TO FINANCIAL STATEMENTS

P. ECONOMIC DEPENDENCE (CONTINUED)

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 and AtlantiCare entered into a Purchase and Sale Agreement dated February 12, 2020 (“Agreement”) whereby AtlantiCare received real property and financial assistance to develop the AtlantiCare Health Park- Ohio Avenue Project. As part of the Agreement, the parties agreed to be responsible for certain clean-up activities and the Authority established a fund reservation of \$500,000 to be used by AtlantiCare for those activities. The cleanup activities are complete. In addition, there are ongoing monitoring activities under a pre-existing DEP action on the property which the Authority agreed to provide environmental insurance coverage to AtlantiCare covering the monitoring activities.

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 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

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NOTES TO FINANCIAL STATEMENTS

R. SEGMENT INFORMATION (CONTINUED)

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					Combined December 31, 2023
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Elimination Entries	
ASSETS						
Total Current Assets	\$ 2,846,361	\$ 3,778,960	\$ 24,910,081	\$ 67,935,502	\$ -	\$ 99,470,904
Total Noncurrent Assets	3,380,826	3,857,881	12,084	360,555,446	-	367,806,237
Total Assets	6,227,187	7,636,841	24,922,165	428,490,948	-	467,277,141
Pension Deferrals	-	-	275,572	-	-	275,572
Total Assets and Deferred Outflows of Resources	\$ 6,227,187	\$ 7,636,841	\$ 25,197,737	\$ 428,490,948	\$ -	\$ 467,552,713
LIABILITIES						
Total Current Liabilities	\$ 3,080,752	\$ 4,674,361	\$ 828,380	\$ 7,383,429	\$ -	\$ 15,966,922
Net Pension Liability	-	-	1,074,166	-	-	1,074,166
Long-term Bonds Payable	-	-	-	204,762,756	-	204,762,756
Total Liabilities	3,080,752	4,674,361	1,902,546	212,146,185	-	221,803,844
Pension Deferrals	-	-	232,898	-	-	232,898
Lease Deferrals, Net of Accumulated Amortization	3,146,435	2,962,480	-	-	-	6,108,915
Total Liabilities and Deferred Inflows of Resources	\$ 6,227,187	\$ 7,636,841	\$ 2,135,444	\$ 212,146,185	\$ -	\$ 228,145,657
NET POSITION						
Total Net Position	\$ -	\$ -	\$ 23,062,293	\$ 216,344,763	\$ -	\$ 239,407,056

	Statement of Revenue, Expenses and Changes in Net Position					Combined December 31, 2023
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Elimination Entries	
OPERATING REVENUES:						
Special Services	\$ 2,246,516	\$ 1,226,167	\$ -	\$ -	\$ -	\$ 3,472,683
Facilities Rental	2,102,797	2,142,750	-	-	-	4,245,547
Concessions	1,463,150	1,407,058	-	-	-	2,870,208
Promotion, Reimbursement Fees	362,973	313,455	-	-	-	676,428
Parking Revenue	259,444	1,281,012	-	-	-	1,540,456
Other Revenue	2,389,951	4,100,396	96,911	-	(90,000)	6,497,258
Total Operating Revenues	8,824,831	10,470,838	96,911	-	(90,000)	19,302,580
OPERATING EXPENSES:						
Salaries and Benefits	7,250,028	8,321,161	988,364	-	-	16,559,553
Marketing Expenditures	401,220	85,705	1,925,500	8,500,000	-	10,912,425
Production	3,023,244	2,815,554	-	-	-	5,838,798
General and Administrative	5,239,839	7,460,073	278,990	3,000	(90,000)	12,891,902
Depreciation and Amortization	-	-	8,760	13,841,595	-	13,850,355
Total Operating Expenses	15,914,331	18,682,493	3,201,614	22,344,595	(90,000)	60,053,033
Operating Loss	(7,089,500)	(8,211,655)	(3,104,703)	(22,344,595)	-	(40,750,453)
NONOPERATING REVENUES (EXPENSES)						
Luxury Tax Revenue	6,699,633	7,795,569	-	30,552,478	-	45,047,680
Marketing Fee Revenue	-	-	3,467,143	-	-	3,467,143
Sports Wagering Revenue	-	-	5,895,873	-	-	5,895,873
Lease Amortization and Interest Revenue	373,168	403,154	-	-	-	776,322
Interest Income	16,699	12,932	592,659	2,808,078	-	3,430,368
Interest Expense	-	-	-	(9,799,913)	-	(9,799,913)
Total Nonoperating Revenues (Expenses)	7,089,500	8,211,655	9,955,675	23,560,643	-	48,817,473
CHANGE IN NET POSITION	-	-	6,850,972	1,216,048	-	8,067,020
BEGINNING NET POSITION	-	-	16,211,321	215,128,715	-	231,340,036
ENDING NET POSITION	\$ -	\$ -	\$ 23,062,293	\$ 216,344,763	\$ -	\$ 239,407,056

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

NOTES TO FINANCIAL STATEMENTS

R. SEGMENT INFORMATION (CONTINUED)

	Statement of Cash Flows					Combined December 31, 2023
	December 31, 2023					
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Capital Transfers	
Net cash (used in) provided by operating activities	\$ (9,143,681)	\$ (7,512,226)	\$ (4,750,090)	\$ (8,503,000)	\$ 2,534,915	\$ (27,374,082)
Net Cash provided by (used in) non-capital financing activities	6,383,378	7,556,706	9,363,016	11,997,176	-	35,300,276
Net cash used in capital and related financing activities	-	-	-	-	(2,534,915)	(2,534,915)
Net cash provided by investing activities	16,699	12,932	592,659	3,639,770	-	4,262,060
Net (decrease) increase in cash and cash equivalents	(2,743,604)	57,412	5,205,585	7,133,946	-	9,653,339
Cash balance January 1, 2023	4,314,679	1,463,691	12,916,762	27,559,161	-	46,254,294
Cash balance December 31, 2023	\$ 1,571,075	\$ 1,521,103	\$ 18,122,347	\$ 34,693,107	\$ -	\$ 55,907,633

S. LONG-TERM LEASES

The Authority leases various real estate and rental spaces to tenants. The interest rates on the leases are fixed based on the U.S. prime interest rate of lease commencement, or at the interest rate explicitly prescribed in the lease agreement. As of December 31, 2023, leases receivable were \$13,926,785, and lease revenue and interest income earned during the year were \$454,410 and \$717,235, respectively and summarized as follows:

Fund / Lease Description	Lease Term	Lease Receivable, December 31, 2023	2023 Rent Revenue	2023 Interest Revenue
General Fund - Renaissance Plaza Ground Lease	4/17/1995 - 3/16/2094	\$ 1,194,931	\$ 11,874	\$ 104,807
AC Corridor Fund - Tanger Outlets The Walk Ground Lease	7/31/2003 - 12/31/2100	5,493,148	59,056	219,586
Convention Center Division Fund - Space at Convention Center and Boardwalk Hall (4 Leases)	4/3/2015 - 1/31/2043	7,238,706	383,480	392,842
		<u>\$ 13,926,785</u>	<u>\$ 454,410</u>	<u>\$ 717,235</u>

Future payments due to the Authority under non-cancelable agreements are as follows:

Years Ending December 31,	Principal (Undiscounted)	Interest	Total
2024	\$ 615,505	\$ 415,889	\$ 1,031,394
2025	634,040	399,603	1,033,643
2026	652,052	382,342	1,034,394
2027	670,280	364,113	1,034,393
2028	689,531	344,862	1,034,393
2029-2033	3,776,669	1,395,297	5,171,966
2034-2038	4,174,709	731,310	4,906,019
2039-2043	19,605,503	1,194,681	20,800,184
	<u>\$ 30,818,289</u>	<u>\$ 5,228,097</u>	<u>\$ 36,046,386</u>
		Less: Present Value Discount	(22,119,601)
		Lease Receivable, December 31, 2023	<u>\$ 13,926,785</u>

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

NOTES TO FINANCIAL STATEMENTS

T. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) OTHER THAN PENSIONS

General Information About the OPEB Plan

During 2023, the Authority began participating in the State Health Benefit Local Government Retired Employees Plan (the “Plan”) which is a cost-sharing multiple-employer defined benefit other post-employment benefit (OPEB) plan. From July 1, 2023 through December 31, 2023, one participant was enrolled in the Plan. Since the first enrollment in the Plan was effective July 1, 2023, the Authority will not be included in the GASB Statement No. 75 report of the Plan for the period ended June 30, 2023, and thus will not be required to record a net OPEB liability and related deferred outflows of resources until this information is available in State reporting for the period ending June 30, 2024.

The Plan covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits, Annual Comprehensive Financial Report (ACFR), which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division of Pensions and Benefits. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer-paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post-retirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a state or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a state or locally administered retirement system and a period of service of up to 25 years of service with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters who retire within 25 years of service or on a disability from an employer who does not provide post-retirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The Authority is in a nonspecial funding situation, therefore, coverage under Chapter 330 does not apply.

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

NOTES TO FINANCIAL STATEMENTS

T. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) OTHER THAN PENSIONS (CONTINUED)

General Information About the OPEB Plan (Continued)

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The Authority’s contribution to the Plan for the year ended December 31, 2023, was \$2,648.

The total number of retired participants eligible for benefits was 1 at December 31, 2023.

**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, 2023

	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
REVENUES			
ADMINISTRATIVE FEES	\$ 76,800	\$ 233,632	\$ 156,832
INTEREST AND INVESTMENT INCOME	840,000	4,171,637	3,331,637
TAX OVERRIDE REVENUE	10,590,000	10,522,836	(67,164)
GRANT REVENUE	-	11,210,030	11,210,030
PROCESSING FEES	300,000	445,926	145,926
OTHER INCOME	225,000	402,336	177,336
	<u>12,031,800</u>	<u>26,986,397</u>	<u>14,954,597</u>
EXPENDITURES			
CURRENT			
SALARIES AND BENEFITS	5,201,707	4,847,607	354,100
GENERAL & ADMINISTRATIVE	1,758,604	1,326,868	431,736
PROFESSIONAL COSTS	1,242,500	847,749	394,751
CAPITAL OUTLAY - FIXED ASSETS	2,246,000	539,692	1,706,308
PROJECT COSTS	-	15,780,718	(15,780,718)
	<u>10,448,811</u>	<u>23,342,634</u>	<u>(12,893,823)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,582,989</u>	<u>3,643,763</u>	<u>2,060,774</u>
OTHER FINANCING SOURCES (USES)			
OTHER RECEIVABLES	-	(39,807)	(39,807)
LEASE AMORTIZATION AND INTEREST REVENUE	-	116,681	(116,681)
OTHER PAYABLES	-	(66,637)	(66,637)
LOAN DISBURSEMENTS	-	5,463,540	5,463,540
PURCHASE (SALE) OF REAL ESTATE	-	1,414,524	1,414,524
GAIN/LOSS ON SALE OF ASSETS	-	(17,408)	(17,408)
TRANSFERS FROM OTHER FUNDS	500,000	2,154,670	-
TRANSFERS TO OTHER FUNDS	(7,327,488)	(8,478,099)	(1,150,611)
	<u>(6,827,488)</u>	<u>547,464</u>	<u>7,374,952</u>
TOTAL OTHER FINANCING SOURCES AND USES	<u>(6,827,488)</u>	<u>547,464</u>	<u>7,374,952</u>
NET CHANGES IN FUND BALANCE	(5,244,499)	4,191,227	9,435,726
FUND BALANCE JANUARY 1, 2023	103,148,050	69,594,831	(33,553,219)
FUND BALANCE DECEMBER 31, 2023	<u>\$ 97,903,551</u>	<u>\$ 73,786,058</u>	<u>\$ (24,117,493)</u>

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability	0.0618001612%	0.0719729926%	0.0613308043%	0.0576095116%	0.0546139643%	0.0516125400%	0.0568348299%	0.0655714054%	0.0800336799%	0.0912972062%
Authority's proportionate share of net pension liability	\$ 8,951,367	\$ 10,861,715	\$ 7,265,553	\$ 9,394,605	\$ 9,840,608	\$ 10,162,251	\$ 13,230,240	\$ 19,420,370	\$ 17,965,957	\$ 17,093,334
Authority's covered-employee payroll	5,465,107	5,028,230	4,931,546	4,330,917	3,901,339	3,661,815	4,508,345	5,760,666	5,180,757	5,257,232
Authority's proportionate share of net pension liability as a % of payroll	163.79%	216.01%	147.33%	216.92%	252.24%	277.52%	293.46%	337.12%	346.78%	325.14%
Total pension liability	\$ 25,960,349	\$ 29,529,993	\$ 24,752,848	\$ 22,717,039	\$ 22,660,133	\$ 21,900,013	\$ 25,491,767	\$ 32,441,255	\$ 34,502,183	\$ 35,671,161
Plan fiduciary net position	17,008,982	18,668,277	17,487,294	13,322,435	12,819,525	11,737,761	12,261,527	13,020,885	16,536,226	18,577,827
Plan fiduciary net position as a % of total pension liability	65.52%	63.22%	70.65%	58.65%	56.57%	53.60%	48.10%	40.14%	47.93%	52.08%

N/A = Information not available.

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.
- The discount rate of 7.00% as of the measurement date of June 30, 2022, was unchanged from the June 30, 2021, measurement date.
- The discount rate of 7.00% as of the measurement date of June 30, 2023, was unchanged from the June 30, 2022, 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

	2023	2022	2021	2020	Years Ended June 30,		2017	2016	2015	2014
	\$ 825,977	\$ 907,614	\$ 718,255	\$ 630,219	2019	2018	\$ 589,434	\$ 582,527	\$ 688,075	\$ 752,641
Contractually required contribution	\$ 825,977	\$ 907,614	\$ 718,255	\$ 630,219	\$ 531,233	\$ 513,378	\$ 589,434	\$ 582,527	\$ 688,075	\$ 752,641
Contributions in relation to the contractually required contribution	825,977	907,614	718,255	630,219	531,233	513,378	589,434	582,527	688,075	752,641
Authority's covered-employee payroll	5,465,107	5,028,230	4,931,546	4,330,917	4,028,322	3,901,339	3,661,815	4,068,593	4,508,345	5,760,666
Contributions as a % of covered-employee payroll	15.11%	18.05%	14.56%	14.55%	13.19%	13.16%	16.10%	14.32%	15.26%	13.07%

See independent auditors' report.

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, 2023

	BEST OF BASS PRO SHOPS	CHRISTOPHER COLUMBUS HOMES	IMPACTIVATE	MARCAL	NORTH JERSEY MUNICIPAL LOAN PROGRAM	NORTHWEST	SHERATON HOTEL	SOUTH JERSEY MUNICIPAL LOAN PROGRAM	VERMONT PLAZA	TOTAL OTHER GOVERNMENTAL FUNDS
ASSETS										
CASH AND CASH EQUIVALENTS	\$ 822,016	\$ 1,099,301	\$ 15,073	\$ 144,511	\$ 1,381,214	\$ 28,597	\$ 37,109	\$ 1,128,757	\$ 3,511	\$ 4,660,089
ACCRUED INTEREST RECEIVABLE	-	10,604	1,779,276	15,233	1,250,654	-	-	1,342	-	3,057,109
OTHER RECEIVABLE	71,480	(1,093)	-	(1,443)	(8,195)	-	-	-	-	60,749
	<u>\$ 893,496</u>	<u>\$ 1,108,812</u>	<u>\$ 1,794,349</u>	<u>\$ 158,301</u>	<u>\$ 2,623,673</u>	<u>\$ 28,597</u>	<u>\$ 37,109</u>	<u>\$ 1,130,099</u>	<u>\$ 3,511</u>	<u>\$ 7,777,947</u>
LIABILITIES										
INTEREST PAYABLE	\$ 2,806,504	\$ 14,404	\$ 1,163,809	\$ 3,728	\$ 59,934	\$ -	\$ -	\$ 14,633	\$ -	\$ 4,063,012
OTHER PAYABLES	-	-	-	-	287,869	-	-	-	-	287,869
	<u>2,806,504</u>	<u>14,404</u>	<u>1,163,809</u>	<u>3,728</u>	<u>347,803</u>	<u>-</u>	<u>-</u>	<u>14,633</u>	<u>-</u>	<u>4,350,881</u>
FUND BALANCES:										
RESERVED FUND BALANCE: RESTRICTED FOR DEBT SERVICE	(1,913,008)	1,094,408	630,540	154,573	2,275,870	28,597	37,109	1,115,466	3,511	3,427,066
TOTAL FUND BALANCES	<u>(1,913,008)</u>	<u>1,094,408</u>	<u>630,540</u>	<u>154,573</u>	<u>2,275,870</u>	<u>28,597</u>	<u>37,109</u>	<u>1,115,466</u>	<u>3,511</u>	<u>3,427,066</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 893,496</u>	<u>\$ 1,108,812</u>	<u>\$ 1,794,349</u>	<u>\$ 158,301</u>	<u>\$ 2,623,673</u>	<u>\$ 28,597</u>	<u>\$ 37,109</u>	<u>\$ 1,130,099</u>	<u>\$ 3,511</u>	<u>\$ 7,777,947</u>

See independent auditors' report.

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, 2023

	BEST OF BASS PRO SHOPS	CHRISTOPHER COLUMBUS HOMES	IMPACTIVATE	MARCAL	NORTH JERSEY MUNICIPAL LOAN PROGRAM	NORTHWEST	SHERATON HOTEL	SOUTH JERSEY MUNICIPAL LOAN PROGRAM	VERMONT PLAZA	TOTAL OTHER GOVERNMENTAL FUNDS
REVENUES										
INTEREST AND INVESTMENT INCOME	\$ 265,430	\$ 109,572	\$ 333,638	\$ 111,238	\$ 398,036	\$ 1,337	\$ 518,624	\$ 38,076	\$ 130	\$ 1,776,081
TOTAL REVENUES	265,430	109,572	333,638	111,238	398,036	1,337	518,624	38,076	130	1,776,081
EXPENDITURES										
PROJECT COSTS	857,761	-	-	-	-	-	-	-	-	857,761
OTHER EXPENDITURES	-	6,837	-	11,894	49,901	-	-	-	-	68,632
DEBT SERVICE:										
INTEREST EXPENSE	334,883	86,423	245,232	84,045	359,605	-	516,839	87,797	-	1,714,824
PRINCIPAL	-	-	-	1,122,288	-	-	-	-	-	1,122,288
TOTAL EXPENDITURES	1,192,644	93,260	245,232	1,218,227	409,506	-	516,839	87,797	-	3,763,505
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(927,214)	16,312	88,406	(1,106,989)	(11,470)	1,337	1,785	(49,721)	130	(1,987,424)
OTHER FINANCING SOURCES (USES)										
PAYMENTS RECEIVED ON NOTES	616,172	120,019	-	1,122,289	357,309	-	-	140,791	-	2,356,580
OTHER PAYABLES	-	-	-	-	9,453	-	-	-	-	9,453
TOTAL OTHER FINANCING SOURCES (USES)	616,172	120,019	-	1,122,289	366,762	-	-	140,791	-	2,366,033
NET CHANGES IN FUND BALANCE	(311,042)	136,331	88,406	15,300	355,292	1,337	1,785	91,070	130	378,609
FUND BALANCE JANUARY 1, 2023	(1,601,966)	958,077	542,134	139,273	1,920,578	27,260	35,324	1,024,396	3,381	3,048,457
FUND BALANCE DECEMBER 31, 2023	\$ (1,913,008)	\$ 1,094,408	\$ 630,540	\$ 154,573	\$ 2,275,870	\$ 28,597	\$ 37,109	\$ 1,115,466	\$ 3,511	\$ 3,427,066

See independent auditors' report.

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

COMBINING SCHEDULE OF FIDUCIARY NET POSITION – AGENCY FUNDS, OTHER

DECEMBER 31, 2023

	AC INLET NSA	AC SUPERMARKET	BALLY'S WAREHOUSE PURCHASE	CAROLINA GARDENS	CHELSEA WESTSIDE	CHESAPEAKE GARDENS SENIOR HOMES	CITYSCAPE	GENERAL DONATIONS	GENERAL DEVELOPMENT
ASSETS									
CASH AND CASH EQUIVALENTS	\$ -	\$ 1,658,570	\$ -	\$ -	\$ 514,078	\$ -	\$ -	\$ -	\$ 127,633
RECEIVABLES:									
NOTES RECEIVABLE	-	272,899	-	-	-	-	-	-	-
ACCRUED INTEREST RECEIVABLE	-	849	-	-	-	-	-	-	-
INTERFUNDS PAYABLE	-	8,581	-	-	-	-	-	-	-
CAPITAL ASSETS:									
REAL ESTATE	1,951,664	6,163,011	71,574	427,133	262,354	151,383	42,449	-	-
	<u>\$ 1,951,664</u>	<u>\$ 8,103,910</u>	<u>\$ 71,574</u>	<u>\$ 427,133</u>	<u>\$ 776,432</u>	<u>\$ 151,383</u>	<u>\$ 42,449</u>	<u>\$ -</u>	<u>\$ 127,633</u>
LIABILITIES									
INTERFUND PAYABLES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,004
OTHER PAYABLES	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	90,004
RESERVES									
RESTRICTED FOR OTHER PURPOSES	1,951,664	8,103,910	71,574	427,133	776,432	151,383	42,449	-	37,629
TOTAL LIABILITIES, RESERVES AND NET POSITION	<u>\$ 1,951,664</u>	<u>\$ 8,103,910</u>	<u>\$ 71,574</u>	<u>\$ 427,133</u>	<u>\$ 776,432</u>	<u>\$ 151,383</u>	<u>\$ 42,449</u>	<u>\$ -</u>	<u>\$ 127,633</u>
	LAND BANKING	LIGHTHOUSE DISTRICT PARK PROJECT	MARKETPLACE LAND ACQUISITION	NEI CONSENSUAL ACQUISITIONS	PENNSYLVANIA AVENUE	RETAIL/LUXURY TAX REBATES	2ND WARD FACADE	S INLET LAND ACQUISITION	SE INLET TRANSPORTATION IMPROVEMENTS
ASSETS									
CASH AND CASH EQUIVALENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,652,150	\$ -	\$ -	\$ -
RECEIVABLES:									
NOTES RECEIVABLE	-	-	-	-	-	-	-	-	-
ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-	-	-
INTERFUNDS RECEIVABLE	-	-	-	-	-	-	-	-	-
CAPITAL ASSETS:									
REAL ESTATE	1,195,843	3,319,848	7,300,000	213,476	22,062	-	180	5,718,247	185,325
	<u>\$ 1,195,843</u>	<u>\$ 3,319,848</u>	<u>\$ 7,300,000</u>	<u>\$ 213,476</u>	<u>\$ 22,062</u>	<u>\$ 5,652,150</u>	<u>\$ 180</u>	<u>\$ 5,718,247</u>	<u>\$ 185,325</u>
LIABILITIES									
INTERFUNDS PAYABLE	-	-	-	-	-	5,237,826	-	-	-
OTHER PAYABLES	-	-	-	-	-	414,324	-	-	-
	-	-	-	-	-	5,652,150	-	-	-
RESERVES									
RESTRICTED FOR OTHER PURPOSES	1,195,843	3,319,848	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>\$ 3,319,848</u>	<u>\$ 7,300,000</u>	<u>\$ 213,476</u>	<u>\$ 22,062</u>	<u>\$ 5,652,150</u>	<u>\$ 180</u>	<u>\$ 5,718,247</u>	<u>\$ 185,325</u>

See independent auditors' report.

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, 2023

	3-2-1 POLICE LOAN	VIRGINIA AVENUE	VIRGINIAN ACQUISITION	JOHN BROOKS RECOVERY CENTER	BEACH AT SOUTH INLET	CITY OF AC PROP ACQ LOAN	SENCIT LIBERTY APARTMENTS	STOCKTON PHASE II	TOTAL AGENCY FUNDS
ASSETS									
CASH AND CASH EQUIVALENTS	\$ 1,699,182	\$ -	\$ -	\$ -	\$ 592,577	\$ -	\$ -	\$ -	\$ 10,244,190
RECEIVABLES:									
NOTES RECEIVABLE	31,442	-	-	-	11,400,000	51,653	4,450,000	8,364,333	24,570,327
ACCRUED INTEREST RECEIVABLE	924	-	-	-	1,257,753	-	504,964	-	1,764,490
INTERFUNDS RECEIVABLE	1,193	-	-	-	-	-	-	-	9,774
EQUITY INVESTMENT	-	-	-	-	3,600,000	-	-	-	3,600,000
CAPITAL ASSETS:									
REAL ESTATE	-	73,481	444,030	-	-	-	-	-	27,542,060
	<u>\$ 1,732,741</u>	<u>\$ 73,481</u>	<u>\$ 444,030</u>	<u>\$ -</u>	<u>\$ 16,850,330</u>	<u>\$ 51,653</u>	<u>\$ 4,954,964</u>	<u>\$ 8,364,333</u>	<u>\$ 67,730,841</u>
LIABILITIES									
INTERFUNDS PAYABLE	-	-	-	-	-	-	-	-	5,327,830
OTHER PAYABLES	3,224	-	-	-	-	-	-	-	417,548
	<u>3,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,745,378</u>
RESERVES:									
RESTRICTED FOR OTHER PURPOSES	1,729,517	73,481	444,030	-	16,850,330	51,653	4,954,964	8,364,333	61,985,463
TOTAL LIABILITIES, RESERVES AND NET POSITION	<u>\$ 1,732,741</u>	<u>\$ 73,481</u>	<u>\$ 444,030</u>	<u>\$ -</u>	<u>\$ 16,850,330</u>	<u>\$ 51,653</u>	<u>\$ 4,954,964</u>	<u>\$ 8,364,333</u>	<u>\$ 67,730,841</u>

See independent auditors' report.

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, 2023

	AC INLET NSA	AC SUPERMARKET	BALLY'S WAREHOUSE PURCHASE	CAROLINA GARDENS	CHELSEA WESTSIDE	CHESAPEAKE GARDENS SENIOR HOMES	CITYSCAPE	GENERAL DONATIONS	GENERAL DEVELOPMENT
Additions									
Transfer from (to) reinvestment funds and other governmental funds	\$ -	\$ -	\$ -	\$ (236,032)	\$ -	\$ -	\$ -	\$ -	\$ -
Gain/(Loss) on Sale of Real Estate	-	-	-	(159,449)	-	-	-	-	-
Interest on notes	-	86,600	-	-	25,748	-	-	-	8,812
Other income	-	-	-	-	-	-	-	-	-
Total Additions	-	86,600	-	(395,481)	25,748	-	-	-	8,812
Deductions									
Grants and donations	-	-	-	-	-	-	-	-	-
Tax Distributions	-	-	-	-	-	-	-	-	-
Total Deductions	-	-	-	-	-	-	-	-	-
Changes in net position	-	86,600	-	(395,481)	25,748	-	-	-	8,812
Total net position - beginning of the year	1,951,664	8,017,310	71,574	822,614	750,684	151,383	42,449	-	28,817
Total net position - end of the year	\$ 1,951,664	\$ 8,103,910	\$ 71,574	\$ 427,133	\$ 776,432	\$ 151,383	\$ 42,449	\$ -	\$ 37,629
Additions									
Transfer from (to) reinvestment funds and other governmental funds	\$ -	\$ (462,490)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Remittances	-	-	-	-	-	38,807,873	-	-	-
Gain/(Loss) on Sale of Real Estate	-	435,356	-	-	-	-	-	-	-
Interest on notes	-	-	-	-	-	-	-	-	-
Total Additions	-	(27,134)	-	-	-	38,807,873	-	-	-
Deductions									
Grants and donations	-	-	-	-	-	-	-	-	-
Tax distributions	-	-	-	-	-	38,807,873	-	-	-
Total Deductions	-	-	-	-	-	38,807,873	-	-	-
Changes in net position	-	(27,134)	-	-	-	-	-	-	-
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	\$ 3,319,848	\$ 7,300,000	\$ 213,476	\$ 22,062	\$ -	\$ 180	\$ 5,718,247	\$ 185,325

See independent auditors' report.

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, 2023

	3-2-1 POLICE LOAN	VIRGINIA AVE HOMES	VIRGINIAN ACQUISITION	JOHN BROOKS RECOVERY CENTER	BEACH AT SOUTH INLET	CITY OF AC PROP ACQ LOAN	SENCIT LIBERTY APARTMENTS	STOCKTON PHASE II	TOTAL AGENCY FUNDS
Additions									
Transfer from (to) reinvestment funds and other governmental funds	\$ -	\$ -	\$ -	\$ 453	\$ -	\$ -	\$ -	\$ -	\$ (698,069)
Tax Remittances	-	-	-	-	-	-	-	-	38,807,873
Interest on notes	82,989	-	-	-	357,610	-	118,815	-	680,574
Gain/(Loss) on Sale of Real Estate	-	-	-	-	-	-	-	-	275,907
Total Additions	82,989	-	-	453	357,610	-	118,815	-	39,066,285
Deductions									
Grants and donations	-	-	-	453	-	-	-	-	453
Tax distributions	-	-	-	-	-	-	-	-	38,807,873
Total Deductions	-	-	-	453	-	-	-	-	38,808,326
Changes in net position	82,989	-	-	-	357,610	-	118,815	-	257,959
Total net position - beginning of the year	1,646,528	73,481	444,030	-	16,492,720	51,653	4,836,149	8,364,333	61,727,504
Total net position - end of the year	\$ 1,729,517	\$ 73,481	\$ 444,030	\$ -	\$ 16,850,330	\$ 51,653	\$ 4,954,964	\$ 8,364,333	\$ 61,985,463

See independent auditors' report.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass-through Grantor/Program	Financial Assistance Listing Number	Grant Period	Program Award Amount	Current Year Expenditures	Passed Through to Subrecipients	Cumulative Expenditures
US Department of Treasury:						
Passed-through State of New Jersey Governor's Disaster Recovery Office						
Coronavirus State and Local Recovery Funds	21.027	2/10/21-12/31/2024	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Total State of New Jersey Governor's Disaster Recovery Office			<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Total Federal Expenditures			<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

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 includes the state 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 Federal 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 agree 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	\$ 15,780,718
Less: non-grant funded project costs	<u>(10,780,718)</u>
Total grant funded project costs	<u>\$ 5,000,000</u>
Reported on Schedule of Expenditures of Federal Awards	<u>\$ 5,000,000</u>
Detail of grant funded project costs:	
Coronavirus State and Local Recovery Funds - Pass-through to New Jersey Economic Development Authority	<u>\$ 5,000,000</u>
	<u>\$ 5,000,000</u>

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

SCHEDULE OF FINDINGS AND QUESTIONS COSTS

YEAR ENDED DECEMBER 31, 2023

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 Uniform Guidance? Yes No

Identification of major programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program</u>
21.027	Coronavirus State and Local Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? 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, 2023

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, 2023, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements, as listed in table of contents, and have issued our report thereon dated July 18, 2024.

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

July 18, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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 identified as subject to audit in the Federal Grant Compliance Supplement, that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2023. 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, 2023.

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 program.

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 Uniform Guidance will always detect

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

Auditors' Responsibilities for the Audit of Compliance (Continued)

material noncompliance when it exists. The risk of not detecting material noncompliance resulting from 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 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 AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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

July 18, 2024