

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

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

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, 2024, 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, 2024, 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Responsibilities of Management for the Financial Statements (Continued)

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.

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; schedule of Authority contributions – PERS; and schedule of the proportionate share of the net OPEB liability and contributions, 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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Required Supplementary Information (Continued)

the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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. 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 November 3, 2025, 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

November 3, 2025

**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, 2024. 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 \$445.5 million. Net position increased by \$27.0 million compared to the prior year's net position of \$418.5 million due to government-wide revenues exceeding expenses. Net position in governmental activities increased \$24.6 million and net position from business-type activities increased \$2.4 million.

Cash, cash equivalents and investments total approximately \$274 million, an increase of \$56.5 million from the prior year. Governmental activities cash, cash equivalents and investments decreased \$6.5 million while business-type activities cash, cash equivalents and investments increased \$63 million.

Long-term liabilities reflect a net increase of \$20.9 million. The net increase is mainly comprised of the issuance of the Luxury Tax Revenue Bonds, Series 2024, which, after refunding the prior outstanding Luxury Tax Revenue Bonds, Series 2014, resulted in a net increase in luxury tax revenue bonds payable of \$33,330,000. This increase was offset by regular principal payments of the Authority's Parking Fee Revenue bonds, Hotel Room Fee Revenue bonds, and Project bonds totaling \$15.8 million. Other increases in long-term liabilities include increases in the Authority's net pension and other post-employment benefit ("OPEB") liabilities totaling \$3.4 million.

General fund revenues exceeded budgeted revenues for fiscal year 2024 mainly due to increased interest and investment income and \$3.7 million in grant revenue. The grant revenue was comprised of a \$500,000 pass-through American Rescue Plan grant, as well as \$3.2 million in residual Investment Alternative Tax allocations. General fund expenditures exceeded budgeted expenditures mostly due to unbudgeted project costs in the amount of \$8.5 million.

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
 - Schedule of the Proportionate Share of the Net OPEB Liability and Contributions

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:

Scope	Government-Wide Statements Entire CRDA operation (except fiduciary funds).	Fund Statements		
		Governmental Funds The activities of the CRDA that are not proprietary or fiduciary (governmental activities).	Proprietary Funds Employed to report on activities financed primarily by revenues generated by the activities themselves.	Fiduciary Funds 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 \$303.1 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 \$26.4 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 \$	Total %
	2024	2023	Change	Change
Assets				
Current and other assets	\$ 150,006,262	\$ 144,097,243	\$ 5,909,019	4%
Notes receivable	43,965,931	47,389,449	(3,423,518)	-7%
Real estate	109,515,092	109,486,854	28,238	0%
Capital assets	2,265,581	2,007,877	257,704	13%
Long-term lease receivable	6,368,279	6,688,079	(319,800)	-5%
Total assets	<u>\$ 312,121,145</u>	<u>\$ 309,669,502</u>	2,451,643	1%
Deferred outflows of resources				
Pension deferrals	\$ 1,351,089	\$ 1,194,144	156,945	13%
Other post-employment benefit deferrals	11,646,580	11,801,308	(154,728)	-1%
Total deferred outflows of resources	<u>\$ 12,997,669</u>	<u>\$ 12,995,452</u>	2,217	0%
Liabilities				
Other liabilities	\$ 50,161,330	\$ 45,124,204	5,037,126	11%
Long-term liabilities	61,330,494	87,209,186	(25,878,692)	-30%
Total liabilities	<u>\$ 111,491,824</u>	<u>\$ 132,333,390</u>	(20,841,566)	-16%
Deferred inflows of resources				
Pension deferrals	\$ 640,511	\$ 1,009,226	(368,715)	-37%
Other post-employment benefit deferrals	3,463,886	4,363,066	(899,180)	-21%
Lease deferrals	5,310,585	5,381,516	(70,931)	-1%
Total deferred inflows of resources	<u>\$ 9,414,982</u>	<u>\$ 10,753,808</u>	(1,338,826)	-12%
Net Position				
Net investment in capital assets	\$ 2,265,581	\$ 2,007,877	257,704	13%
Restricted	25,573,985	26,432,844	(858,859)	-3%
Unrestricted	176,372,442	151,137,035	25,235,407	17%
Total net position	<u>\$ 204,212,008</u>	<u>\$ 179,577,756</u>	24,634,252	14%

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 \$	Total %
	2024	2023	Change	Change
Revenues				
Fees				
Administrative	\$ 58,850	\$ 233,632	\$ (174,782)	-75%
Hotel room	9,205,652	9,334,340	(128,688)	-1%
Sales tax and luxury tax rebate	10,899,759	10,522,836	376,923	4%
Parking	12,848,848	13,189,727	(340,879)	-3%
Operating				
Grant	10,067,242	17,124,551	(7,057,309)	-41%
Other	4,018,338	848,262	3,170,076	374%
Lease amortization and interest revenue	394,881	395,323	(442)	0%
Investment income	9,325,954	8,091,962	1,233,992	15%
Total revenues	<u>56,819,524</u>	<u>59,740,633</u>	<u>(2,921,109)</u>	<u>-5%</u>
Expenses				
General and administrative	9,779,519	6,386,441	3,393,078	53%
Other	58,849	68,632	(9,783)	-14%
Project costs	8,542,757	15,780,718	(7,237,961)	-46%
Depreciation	194,932	175,599	19,333	11%
Interest on long-term debt	1,657,383	1,714,824	(57,441)	-3%
Loss on sale of real estate	-	27,134	(27,134)	-100%
Community and economic development	3,135,326	4,484,045	(1,348,719)	-30%
Transfers	8,816,506	7,779,576	1,036,930	13%
Total expenses	<u>32,185,272</u>	<u>36,416,969</u>	<u>(4,231,697)</u>	<u>-12%</u>
Increase (decrease) in net position	<u>\$ 24,634,252</u>	<u>\$ 23,323,664</u>	<u>1,310,588</u>	<u>6%</u>

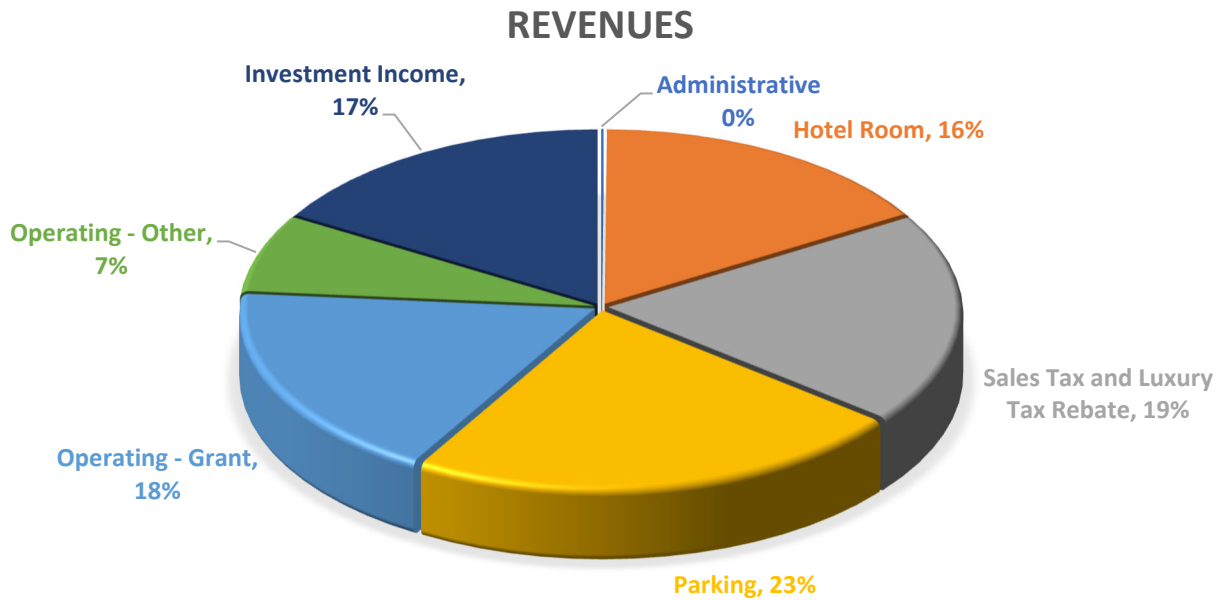
The CRDA's governmental activities net position increased by approximately \$24.6 million during the current fiscal year, due to total revenues exceeding total expenses. This compares to an increase of approximately \$23.3 million during the prior fiscal year. Significant changes in revenues from the prior year included decreased operating – grant revenues, offset by increased operating – other revenues and investment income. Significant changes in expenses from the prior year included decreased project costs and community and economic development expenses, offset by increased general and administrative expenses and transfers to proprietary funds.

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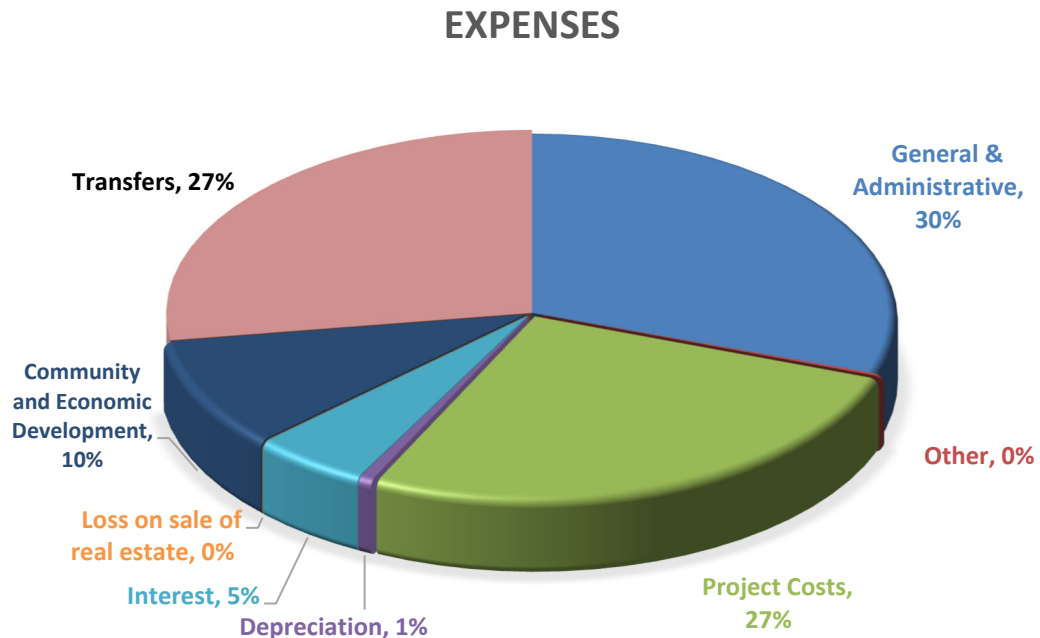
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

2024 REVENUES - GOVERNMENTAL ACTIVITIES



2024 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 2024, the CRDA's governmental funds reported combined ending fund balances of approximately \$133.8 million, an increase of approximately \$1.1 million from the prior year. Of this total amount, \$59.8 million is unassigned or available for any CRDA purpose. The remainder of fund balance 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 (\$24.5 million) and committed for projects (\$49.4 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 \$309.7 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 Luxury Tax Revenue Bonds, Series 2014, were fully refunded in fiscal year 2024 with the Luxury Tax Revenue Bonds, Series 2024.

In August of 2024, the CRDA publicly issued tax exempt Luxury Tax Revenue Bonds, Series 2024, in the amount of \$233,495,000. The Series 2024 Bonds were issued for the purposes of (1) refunding the Series 2014 bonds as noted above, (2) implementing the portion of the Authority's energy savings improvement program ("ESIP"), which provides for the Authority undertaking certain conservation measures, including the acquisition and installation of certain energy savings equipment and related work at the Convention Center and Boardwalk Hall, and (3) various capital improvements, including the installation of a new roof, at the Convention Center.

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, 2024 and 2023:

	2024	2023	Total \$ Change	Total % Change
Debt Outstanding as of January 1	\$ 370,941,870	\$ 401,309,160	\$ (30,367,290)	-8%
Additions to debt	233,495,000	-	233,495,000	100%
Reductions of debt	(228,611,527)	(30,367,290)	(198,244,237)	-653%
Debt Outstanding as of December 31	375,825,343	370,941,870	4,883,473	1%
Plus: Net unamortized premium	22,670,167	10,307,756	12,362,411	120%
Less: Valuation allowance	(48,900,000)	(48,900,000)	-	0%
	<u>\$ 349,595,510</u>	<u>\$ 332,349,626</u>	<u>\$ 17,245,884</u>	5%

See Note I to the financial statements for additional information.

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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 \$	Total %
	2024	2023	Change	Change
Assets				
Current and other assets	\$ 177,455,705	\$ 112,695,962	\$ 64,759,743	57%
Real estate	81,311,000	81,311,000	-	0%
Capital assets	307,424,867	300,250,336	7,174,531	2%
Total assets	<u>\$ 566,191,572</u>	<u>\$ 494,257,298</u>	<u>71,934,274</u>	<u>15%</u>
Deferred outflows of resources				
Pension deferrals	\$ 1,105,437	\$ 1,102,287	3,150	0%
Other post-employment benefit deferrals	9,529,020	10,893,516	(1,364,496)	-13%
Total deferred outflows of resources	<u>\$ 10,634,457</u>	<u>\$ 11,995,803</u>	<u>(1,361,346)</u>	<u>-11%</u>
Liabilities				
Other liabilities	\$ 36,076,482	\$ 21,135,534	14,940,948	71%
Long-term liabilities	281,931,879	235,172,278	46,759,601	20%
Total liabilities	<u>\$ 318,008,361</u>	<u>\$ 256,307,812</u>	<u>61,700,549</u>	<u>24%</u>
Deferred inflows of resources				
Pension deferrals	\$ 524,054	\$ 931,593	(407,539)	-44%
Other post-employment benefit deferrals	2,834,088	4,027,447	(1,193,359)	-30%
Lease deferrals	5,717,243	6,108,915	(391,672)	-6%
Gain on Refunding of Debt	8,450,022	-	8,450,022	100%
Total deferred inflows of resources	<u>\$ 17,525,407</u>	<u>\$ 11,067,955</u>	<u>6,457,452</u>	<u>58%</u>
Net Position				
Net investment in capital assets	\$ 113,722,343	\$ 152,240,225	(38,517,882)	-25%
Restricted	832,000	17,215,073	(16,383,073)	-95%
Unrestricted	126,737,918	69,422,036	57,315,882	83%
Total net position	<u>\$ 241,292,261</u>	<u>\$ 238,877,334</u>	<u>2,414,927</u>	<u>1%</u>
	Business-Type Activities		Total \$	Total %
	2024	2023	Change	Change
Revenues				
Fees				
Convention Center Division	\$ 16,979,237	\$ 19,302,580	\$ (2,323,343)	-12%
Corridor Parking Garage	352,939	362,564	(9,625)	-3%
Special Improvement District	1,210,155	1,218,700	(8,545)	-1%
Operating				
Corridor Parking Garage	111,248	119,057	(7,809)	-7%
Special Improvement District	96,943	209,522	(112,579)	-54%
Luxury Tax Revenue	45,217,319	45,047,680	169,639	0%
Marketing Fee Revenue	1,989,791	3,467,143	(1,477,352)	-43%
Sports Wagering Revenue	6,162,271	5,895,873	266,398	5%
Lease Amortization and Interest Revenue	781,270	776,322	4,948	1%
Investment Income	6,746,481	3,522,354	3,224,127	92%
Transfers	8,816,506	8,478,099	338,407	4%
Total Revenues	<u>88,464,160</u>	<u>88,399,894</u>	<u>64,266</u>	<u>0%</u>
Expenses				
Convention Center Division	74,285,684	69,952,556	4,333,128	6%
Corridor Parking Garage	2,455,032	2,447,376	7,656	0%
Special Improvement District	9,308,517	9,792,055	(483,538)	-5%
Total Expenses	<u>86,049,233</u>	<u>82,191,987</u>	<u>3,857,246</u>	<u>5%</u>
Changes in Net Position	<u>\$ 2,414,927</u>	<u>\$ 6,207,907</u>	<u>(3,792,980)</u>	<u>61%</u>

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 \$2.4 million during the current fiscal year, due to total revenues exceeding total expenses. This compares to an increase of approximately \$6.2 million during the prior fiscal year. Significant changes in revenues from the prior year included decreased Convention Center Division and marketing fee revenues, offset by increased investment income. Significant changes in expenses from the prior year included increased Convention Center Division expenses, offset by decreased Special Improvement District expenses.

Selected Operating Highlights of the Convention Center Division

Number of Attendees

	2024	2023	2022
Boardwalk Hall	195,097	345,346	266,471
Convention Center	326,659	338,317	364,459
	521,756	683,663	630,930

Number of Events

	2024	2023	2022
Boardwalk Hall	40	46	42
Convention Center	64	82	88
	104	128	130

Operating Revenue & Expenses by Facility

	2024	2023	2022
Operating revenues			
Boardwalk Hall	\$ 6,515,968	\$ 8,824,831	\$ 6,536,501
Convention Center	10,492,180	10,470,838	12,212,294
Luxury tax reserve	-	-	23,233
Marketing operations	61,089	96,911	114,398
	<u>\$ 17,069,237</u>	<u>\$ 19,392,580</u>	<u>\$ 18,886,426</u>
Operating expenses			
Boardwalk Hall	\$ 14,530,877	\$ 15,914,331	\$ 13,982,812
Convention Center	19,801,448	18,682,493	19,925,984
Luxury tax reserve	13,949,874	22,344,595	22,228,382
Marketing operations	13,426,594	3,301,224	2,898,980
	<u>\$ 61,708,793</u>	<u>\$ 60,242,643</u>	<u>\$ 59,036,158</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, 2024

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 73,222,657	\$ 68,204,582	\$ 141,427,239
INVESTMENTS	49,221,312	42,479	49,263,791
RESTRICTED INVESTMENTS	-	83,332,203	83,332,203
RECEIVABLES:			
NOTES RECEIVABLE, NET OF ALLOWANCE	43,965,931	-	43,965,931
ACCRUED INTEREST RECEIVABLE	3,662,577	-	3,662,577
ACCRUED PARKING FEES	2,258,150	-	2,258,150
ACCRUED HOTEL ROOM FEES	2,758,069	-	2,758,069
ACCRUED MARKETING FEES & LUXURY TAXES	-	12,004,369	12,004,369
ACCRUED SPORTS WAGERING TAXES	-	1,623,124	1,623,124
SHORT-TERM LEASES RECEIVABLE	308,747	325,292	634,039
OTHER	18,574,750	2,568,686	21,143,436
REAL ESTATE	109,515,092	81,311,000	190,826,092
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	2,265,581	307,424,867	309,690,448
LONG-TERM LEASES RECEIVABLE	6,368,279	6,606,619	12,974,898
PREPAID BOND INSURANCE PREMIUM	-	2,748,351	2,748,351
TOTAL ASSETS	312,121,145	566,191,572	878,312,717
DEFERRED OUTFLOWS OF RESOURCES			
PENSION DEFERRALS	1,351,089	1,105,437	2,456,526
OTHER POST-EMPLOYMENT BENEFIT DEFERRALS	11,646,580	9,529,020	21,175,600
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,997,669	10,634,457	23,632,126
LIABILITIES			
INTEREST PAYABLE	8,827,741	7,845,186	16,672,927
CURRENT BONDS PAYABLE	28,343,926	5,430,000	33,773,926
DEFERRED REVENUE	-	3,970,388	3,970,388
OTHER PAYABLES	12,989,663	18,830,908	31,820,571
LONG-TERM LIABILITIES:			
NET PENSION LIABILITY	5,350,600	4,377,763	9,728,363
NET OTHER POST-EMPLOYMENT BENEFIT LIABILITY	9,741,834	7,970,592	17,712,426
LONG-TERM BONDS PAYABLE	46,238,060	269,583,524	315,821,584
TOTAL LIABILITIES	111,491,824	318,008,361	429,500,185
DEFERRED INFLOWS OF RESOURCES			
PENSION DEFERRALS	640,511	524,054	1,164,565
OTHER POST-EMPLOYMENT BENEFIT DEFERRALS	3,463,886	2,834,088	6,297,974
GAIN ON REFUNDING OF DEBT	-	8,450,022	8,450,022
LEASE DEFERRALS, NET OF ACCUMULATED AMORTIZATION	5,310,585	5,717,243	11,027,828
TOTAL DEFERRED INFLOWS OF RESOURCES	9,414,982	17,525,407	26,940,389
NET POSITION			
INVESTMENT IN CAPITAL ASSETS:			
NET OF RELATED DEBT	2,265,581	113,722,343	115,987,924
RESTRICTED FOR:			
DEBT SERVICE	25,573,985	832,000	26,405,985
UNRESTRICTED	176,372,442	126,737,918	303,110,360
TOTAL NET POSITION	\$ 204,212,008	\$ 241,292,261	\$ 445,504,269

See notes to financial statements.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

FUNCTIONS/PROGRAMS	PROGRAM REVENUE			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION		
	EXPENSES	PRIMARY GOVERNMENT		PRIMARY GOVERNMENT		TOTAL
		FEES	OPERATING INCOME	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES:						
GENERAL AND ADMINISTRATION	\$ 9,779,519	\$ 600,151	\$ -	\$ (9,179,368)	\$ -	\$ (9,179,368)
OTHER	58,849	-	3,477,037	3,418,188	-	3,418,188
PROJECT COSTS	8,542,757	10,899,759	-	2,357,002	-	2,357,002
DEPRECIATION	194,932	-	-	(194,932)	-	(194,932)
INTEREST ON LONG-TERM DEBT	1,657,383	-	-	(1,657,383)	-	(1,657,383)
COMMUNITY DEVELOPMENT	3,135,326	22,054,500	10,067,242	28,986,416	-	28,986,416
TOTAL GOVERNMENTAL ACTIVITIES	23,368,766	33,554,410	13,544,279	23,729,923	-	23,729,923
BUSINESS-TYPE ACTIVITIES:						
CONVENTION CENTER DIVISION	74,285,684	16,979,237	-	-	(57,306,447)	(57,306,447)
CORRIDOR PARKING GARAGE	2,455,032	352,939	111,248	-	(1,990,845)	(1,990,845)
SPECIAL IMPROVEMENT DISTRICT	9,308,517	1,210,155	96,943	-	(8,001,419)	(8,001,419)
TOTAL BUSINESS-TYPE ACTIVITIES	86,049,233	18,542,331	208,191	-	(67,298,711)	(67,298,711)
TOTAL PRIMARY GOVERNMENT	\$ 109,417,999	\$ 52,096,741	\$ 13,752,470	\$ 23,729,923	\$ (67,298,711)	\$ (43,568,788)
GENERAL REVENUES & TRANSFERS:						
LUXURY TAX REVENUE				\$ -	\$ 45,217,319	\$ 45,217,319
MARKETING FEE REVENUE				-	1,989,791	1,989,791
SPORTS WAGERING REVENUE				-	6,162,271	6,162,271
LEASE AMORTIZATION AND INTEREST REVENUE				394,881	781,270	1,176,151
INVESTMENT INCOME				9,325,954	6,746,481	16,072,435
INTERFUND TRANSFERS				(8,816,506)	8,816,506	-
TOTAL GENERAL REVENUES & TRANSFERS				904,329	69,713,638	70,617,967
CHANGES IN NET POSITION				24,634,252	2,414,927	27,049,179
BEGINNING NET POSITION				179,577,756	238,877,334	418,455,090
ENDING NET POSITION				\$ 204,212,008	\$ 241,292,261	\$ 445,504,269

FUND FINANCIAL STATEMENTS

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

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2024

	MAJOR FUNDS			OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND AC CORRIDOR	HOTEL ROOM FEE		
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 56,179,922	\$ 6,840,464	\$ 5,102,043	\$ 5,100,228	\$ 73,222,657
INVESTMENTS	-	35,178,597	14,042,715	-	49,221,312
RECEIVABLES:					
ACCRUED INTEREST RECEIVABLE	22,909	-	-	3,639,668	3,662,577
ACCRUED PARKING FEES	-	2,258,150	-	-	2,258,150
ACCRUED HOTEL ROOM FEES	-	-	2,758,069	-	2,758,069
OTHER	18,171,706	-	-	71,480	18,243,186
SHORT-TERM LEASES RECEIVABLE	96,624	212,123	-	-	308,747
LONG-TERM LEASES RECEIVABLE	1,098,095	5,270,184	-	-	6,368,279
	<u>\$ 75,569,256</u>	<u>\$ 49,759,518</u>	<u>\$ 21,902,827</u>	<u>\$ 8,811,376</u>	<u>\$ 156,042,977</u>
LIABILITIES:					
INTEREST PAYABLE	\$ -	\$ 3,987,897	\$ 191,875	\$ 4,624,995	\$ 8,804,767
OTHER PAYABLES	1,645,999	2,134,829	2,879,164	1,507,382	8,167,374
	<u>1,645,999</u>	<u>6,122,726</u>	<u>3,071,039</u>	<u>6,132,377</u>	<u>16,972,141</u>
DEFERRED INFLOWS OF RESOURCES:					
LEASE DEFERRALS, NET OF ACCUMULATED AMORTIZATION	822,292	4,488,293	-	-	5,310,585
	<u>822,292</u>	<u>4,488,293</u>	<u>-</u>	<u>-</u>	<u>5,310,585</u>
FUND BALANCES:					
RESERVED FUND BALANCE:					
RESERVE FOR DEBT SERVICE	-	21,864,133	-	2,678,999	24,543,132
RESERVE FOR PROJECT COSTS	13,283,513	17,284,366	18,831,788	-	49,399,667
UNRESERVED FUND BALANCE:					
UNASSIGNED	59,817,452	-	-	-	59,817,452
TOTAL FUND BALANCES	<u>73,100,965</u>	<u>39,148,499</u>	<u>18,831,788</u>	<u>2,678,999</u>	<u>133,760,251</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 75,569,256</u>	<u>\$ 49,759,518</u>	<u>\$ 21,902,827</u>	<u>\$ 8,811,376</u>	<u>\$ 156,042,977</u>

Total Fund Balances - Governmental Funds	\$ 133,760,251
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation used in governmental activities, are not financial resources and therefore are not reported in the funds.	2,265,581
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.	153,812,587
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.	(78,619,776)
Pension and other post-employment benefit related items are not reported in the funds.	(7,006,635)
Total Net Position - Governmental Activities	<u>\$ 204,212,008</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, 2024

	MAJOR FUNDS				
	GENERAL	SPECIAL REVENUE FUND		OTHER	TOTAL
	FUND	AC CORRIDOR	HOTEL ROOM FEE	GOVERNMENTAL FUNDS	GOVERNMENTAL FUNDS
REVENUES					
ADMINISTRATIVE FEES	\$ 58,850	\$ -	\$ -	\$ -	\$ 58,850
INTEREST AND INVESTMENT INCOME	4,700,173	1,896,165	689,173	1,715,132	9,000,643
PARKING FEE REVENUE	-	12,848,848	-	-	12,848,848
HOTEL ROOM FEE REVENUE	-	-	9,205,652	-	9,205,652
TAX OVERRIDE REVENUE	10,899,759	-	-	-	10,899,759
GRANT REVENUE	3,717,574	6,349,668	-	-	10,067,242
PROCESSING FEES	541,301	-	-	-	541,301
OTHER INCOME	3,477,037	-	-	-	3,477,037
	<u>\$ 23,394,694</u>	<u>\$ 21,094,681</u>	<u>\$ 9,894,825</u>	<u>\$ 1,715,132</u>	<u>\$ 56,099,332</u>
EXPENDITURES					
CURRENT					
SALARIES AND BENEFITS	\$ 5,334,703	\$ -	\$ -	\$ -	\$ 5,334,703
GENERAL & ADMINISTRATIVE	1,381,809	-	-	-	1,381,809
PROFESSIONAL COSTS	1,280,820	-	-	-	1,280,820
PROGRAM COSTS	8,542,757	-	-	857,761	9,400,518
OTHER EXPENDITURES	-	-	-	58,849	58,849
DEBT SERVICE					
INTEREST EXPENSE	-	1,893,815	383,750	1,657,383	3,934,948
PRINCIPAL PAYMENTS	-	17,800,000	7,295,000	3,351,527	28,446,527
CAPITAL OUTLAY					
PURCHASE OF FIXED ASSETS	452,637	-	-	-	452,637
	<u>16,992,726</u>	<u>19,693,815</u>	<u>7,678,750</u>	<u>5,925,520</u>	<u>50,290,811</u>
EXCESS OF EXPENDITURES (OVER)/UNDER REVENUES	<u>6,401,968</u>	<u>1,400,866</u>	<u>2,216,075</u>	<u>(4,210,388)</u>	<u>5,808,521</u>
OTHER FINANCING SOURCES (USES)					
OTHER RECEIVABLES	(83,594)	-	-	-	(83,594)
LEASE AMORTIZATION AND INTEREST REVENUE	116,663	278,218	-	-	394,881
PAYMENTS RECEIVED ON NOTES	-	-	-	3,455,715	3,455,715
OTHER PAYABLES	(10,716)	119,572	-	6,606	115,462
SALE OF REAL ESTATE	(28,238)	-	-	-	(28,238)
LOSS ON SALE OF ASSETS	-	-	-	-	-
TRANSFERS FROM OTHER FUNDS	1,442,217	-	-	-	1,442,217
TRANSFERS TO OTHER FUNDS	(8,816,505)	-	(1,442,218)	-	(10,258,723)
TOTAL OTHER FINANCING SOURCES	<u>(7,087,061)</u>	<u>397,790</u>	<u>(1,442,218)</u>	<u>3,462,321</u>	<u>(4,669,168)</u>
NET CHANGES IN FUND BALANCE	(685,093)	1,798,656	773,857	(748,067)	1,139,353
FUND BALANCE JANUARY 1, 2024	73,786,058	37,349,843	18,057,931	3,427,066	132,620,898
FUND BALANCE DECEMBER 31, 2024	<u>\$ 73,100,965</u>	<u>\$ 39,148,499</u>	<u>\$ 18,831,788</u>	<u>\$ 2,678,999</u>	<u>\$ 133,760,251</u>

See notes to financial statements.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

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

YEAR ENDED DECEMBER 31, 2024

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

Total net change in fund balances - governmental funds	\$ 1,139,353
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 exceed depreciation in the current period.	285,943
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	325,309
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.	28,331,065
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.	(3,665,233)
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.	(1,782,185)
Change in fund balance (net position) of governmental activities	<u>\$ 24,634,252</u>

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

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

DECEMBER 31, 2024

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS			
	CONVENTION CENTER DIVISION	CORRIDOR PARKING GARAGE	SPECIAL IMPROVEMENT DISTRICT	TOTAL
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	\$ 62,226,971	\$ 12,358	\$ 5,965,253	\$ 68,204,582
INVESTMENTS	-	42,479	-	42,479
RESTRICTED INVESTMENTS	83,332,203	-	-	83,332,203
RECEIVABLES:				
ACCRUED MARKETING FEES & LUXURY TAXES	12,004,369	-	-	12,004,369
ACCRUED SPORTS WAGERING TAXES	1,623,124	-	-	1,623,124
ACCRUED ASSESSMENTS, NET OF ALLOWANCES FOR UNCOLLECTIBLES	-	-	36,968	36,968
SHORT-TERM LEASES RECEIVABLE	325,292	-	-	325,292
OTHER RECEIVABLES AND PREPAID EXPENSES	2,391,718	129,774	10,226	2,531,718
TOTAL CURRENT ASSETS	\$ 161,903,677	\$ 184,611	\$ 6,012,447	\$ 168,100,735
NONCURRENT ASSETS				
PREPAID BOND INSURANCE PREMIUM	2,748,351	-	-	2,748,351
REAL ESTATE	81,311,000	-	-	81,311,000
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	286,334,928	20,214,530	875,409	307,424,867
LONG-TERM LEASES RECEIVABLE	6,606,619	-	-	6,606,619
TOTAL NON-CURRENT ASSETS	377,000,898	20,214,530	875,409	398,090,837
TOTAL ASSETS	538,904,575	20,399,141	6,887,856	566,191,572
DEFERRED OUTFLOWS OF RESOURCES				
PENSION DEFERRALS	270,218	-	835,219	1,105,437
OTHER POST-EMPLOYMENT BENEFIT DEFERRALS	2,329,316	-	7,199,704	9,529,020
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,599,534	-	8,034,923	10,634,457
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 541,504,109	\$ 20,399,141	\$ 14,922,779	\$ 576,826,029
LIABILITIES				
CURRENT LIABILITIES				
INTEREST PAYABLE	\$ 3,682,565	\$ 4,162,621	\$ -	\$ 7,845,186
CURRENT BONDS PAYABLE	5,430,000	-	-	5,430,000
DEFERRED REVENUE	3,970,388	-	-	3,970,388
OTHER PAYABLES	16,855,699	35,207	1,940,002	18,830,908
	29,938,652	4,197,828	1,940,002	36,076,482
NON-CURRENT LIABILITIES				
NET PENSION LIABILITY	1,070,120	-	3,307,643	4,377,763
NET OTHER POST-EMPLOYMENT BENEFIT LIABILITY	1,948,367	-	6,022,225	7,970,592
LONG-TERM BONDS PAYABLE	250,735,169	18,848,355	-	269,583,524
TOTAL NON-CURRENT LIABILITIES	253,753,656	18,848,355	9,329,868	281,931,879
TOTAL LIABILITIES	283,692,308	23,046,183	11,269,870	318,008,361
DEFERRED INFLOWS OF RESOURCES				
PENSION DEFERRALS	128,102	-	395,952	524,054
OTHER POST-EMPLOYMENT BENEFIT DEFERRALS	692,777	-	2,141,311	2,834,088
GAIN ON REFUNDING OF DEBT	8,450,022	-	-	8,450,022
LEASE DEFERRALS, NET OF ACCUMULATED AMORTIZATION	5,717,243	-	-	5,717,243
TOTAL DEFERRED INFLOWS OF RESOURCES	14,988,144	-	2,537,263	17,525,407
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	298,680,452	23,046,183	13,807,133	335,533,768
NET POSITION:				
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT	111,480,759	1,366,175	875,409	113,722,343
RESTRICTED FOR:				
DEBT SERVICE	-	832,000	-	832,000
UNRESTRICTED (DEFICIT)	131,342,898	(4,845,217)	240,237	126,737,918
TOTAL NET POSITION	242,823,657	(2,647,042)	1,115,646	241,292,261
TOTAL LIABILITIES AND NET POSITION	\$ 541,504,109	\$ 20,399,141	\$ 14,922,779	\$ 576,826,029

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, 2024

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS			
	CONVENTION	CORRIDOR	SPECIAL	TOTAL
	CENTER DIVISION	PARKING GARAGE	IMPROVEMENT DISTRICT	
OPERATING REVENUES:				
SPECIAL SERVICES	\$ 2,358,033	\$ -	\$ -	\$ 2,358,033
FACILITIES RENTAL	3,444,044	-	-	3,444,044
CONCESSIONS	2,594,382	-	-	2,594,382
ASSESSMENTS, NET	-	-	1,210,155	1,210,155
PARKING REVENUE	1,407,381	352,939	-	1,760,320
OTHER REVENUE	7,175,397	111,248	96,943	7,383,588
TOTAL OPERATING REVENUES	16,979,237	464,187	1,307,098	18,750,522
OPERATING EXPENSES:				
SALARIES AND BENEFITS	16,193,225	-	4,727,620	20,920,845
MARKETING EXPENDITURES	12,244,310	-	-	12,244,310
PRODUCTION	5,988,760	-	-	5,988,760
GENERAL AND ADMINISTRATIVE	13,242,884	644,118	4,309,519	18,196,521
DEPRECIATION AND AMORTIZATION	13,949,614	1,230,083	271,378	15,451,075
TOTAL OPERATING EXPENSES	61,618,793	1,874,201	9,308,517	72,801,511
OPERATING LOSS	(44,639,556)	(1,410,014)	(8,001,419)	(54,050,989)
NONOPERATING REVENUES (EXPENSES):				
LUXURY TAX REVENUE	45,217,319	-	-	45,217,319
MARKETING FEE REVENUE	1,989,791	-	-	1,989,791
SPORTS WAGERING TAX REVENUE	6,162,271	-	-	6,162,271
LEASE AMORTIZATION AND INTEREST REVENUE	781,270	-	-	781,270
INTEREST INCOME	6,672,007	2,736	71,738	6,746,481
INTEREST EXPENSE	(11,289,149)	(580,831)	-	(11,869,980)
DEBT ISSUANCE EXPENSE	(1,377,742)	-	-	(1,377,742)
TRANSFERS FROM OTHER FUNDS	-	178,946	8,637,560	8,816,506
TOTAL NONOPERATING REVENUES (EXPENSES)	48,155,767	(399,149)	8,709,298	56,465,916
CHANGES IN NET POSITION	3,516,211	(1,809,163)	707,879	2,414,927
NET POSITION - BEGINNING	239,307,446	(837,879)	407,767	238,877,334
NET POSITION - ENDING	\$ 242,823,657	\$ (2,647,042)	\$ 1,115,646	\$ 241,292,261

See notes to financial statements.

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

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2024

	BUSINESS-TYPE ACTIVITIES - MAJOR ENTERPRISE FUNDS			
	CONVENTION CENTER DIVISION	CORRIDOR PARKING GARAGE	SPECIAL IMPROVEMENT DISTRICT	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
RECEIPTS FROM CUSTOMERS	\$ 18,545,537	\$ -	\$ -	\$ 18,545,537
ASSESSMENTS	-	-	1,197,647	1,197,647
PARKING REVENUE	-	352,939	-	352,939
OTHER REVENUE	-	111,248	96,943	208,191
PAYMENTS TO SUPPLIERS	(25,792,078)	(643,413)	(4,143,488)	(30,578,979)
PAYMENTS TO EMPLOYEES	(16,058,613)	-	(4,341,654)	(20,400,267)
PAYMENTS FROM OTHERS	-	95	-	95
NET CASH FROM OPERATING ACTIVITIES	(23,305,154)	(179,131)	(7,190,552)	(30,674,837)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
LUXURY TAX REVENUE	32,155,851	-	-	32,155,851
MARKETING FEE REVENUE	1,989,791	-	-	1,989,791
SPORTS WAGERING TAX REVENUE	6,162,271	-	-	6,162,271
DUE TO/FROM OTHER FUNDS	-	30,257	26,347	56,604
TRANSFERS FROM OTHER FUNDS	-	178,946	8,637,558	8,816,504
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	40,307,913	209,203	8,663,905	49,181,021
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
INTEREST EXPENSE	(10,040,575)	-	-	(10,040,575)
ISSUANCE OF LONG-TERM DEBT	252,973,144	-	-	252,973,144
COST OF ISSUANCE	(599,248)	-	-	(599,248)
PAYMENTS ON BONDS AND NOTES PAYABLE	(200,165,000)	-	-	(200,165,000)
PURCHASE OF CAPITAL ASSETS	(9,056,746)	(111,247)	(165,603)	(9,333,596)
LUXURY TAX REVENUE	5,020,288	-	-	5,020,288
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	38,131,863	(111,247)	(165,603)	37,855,013
CASH FLOWS FROM INVESTING ACTIVITIES				
PROCEEDS FROM SALE OF INVESTMENT	(55,312,197)	89,768	-	(55,222,429)
INTEREST	6,496,914	2,736	71,739	6,571,389
NET CASH FROM INVESTING ACTIVITIES	(48,815,283)	92,504	71,739	(48,651,040)
NET CHANGES IN CASH AND CASH EQUIVALENTS	6,319,339	11,329	1,379,489	7,710,157
CASH AND CASH EQUIVALENTS - BEGINNING	55,907,632	1,029	4,585,764	60,494,425
CASH AND CASH EQUIVALENTS - ENDING	\$ 62,226,971	\$ 12,358	\$ 5,965,253	\$ 68,204,582
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES:				
OPERATING LOSS	\$ (44,639,556)	\$ (1,410,014)	\$ (8,001,419)	\$ (54,050,989)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES:				
DEPRECIATION & AMORTIZATION	14,639,467	1,230,083	271,378	16,140,928
PENSION AND OPEB EXPENSE - GASB 68 & 75	120,800	-	489,723	610,523
(INCREASE)/DECREASE IN:				
RECEIVABLES, NET	(2,152,530)	-	-	(2,152,530)
PREPAID EXPENSES & OTHER ASSETS	120,074	(2,208)	12,200	130,066
ACCRUED ASSESSMENTS	-	-	(12,509)	(12,509)
INCREASE/(DECREASE IN):				
ACCRUED SALARIES & BENEFITS	-	-	(103,756)	(103,756)
ACCOUNTS PAYABLE	6,251,898	3,008	153,831	6,408,737
DEFERRED REVENUE AND ADVANCE DEPOSITS	1,658,300	-	-	1,658,300
LEASE DEFERRALS	696,393	-	-	696,393
TOTAL ADJUSTMENTS	21,334,402	1,230,883	810,867	23,376,152
NET CASH FROM OPERATING ACTIVITIES	\$ (23,305,154)	\$ (179,131)	\$ (7,190,552)	\$ (30,674,837)

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, 2024

	AGENCY FUNDS		
	REINVESTMENT FUND	OTHER	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 13,133,777	\$ 6,230,396	\$ 19,364,173
RECEIVABLES:			
NOTES RECEIVABLE	-	24,469,667	24,469,667
ACCRUED INTEREST RECEIVABLE	-	2,722,109	2,722,109
OBLIGATION RECEIVABLE	98,133	-	98,133
INTERFUNDS RECEIVABLE	10,095	45,772	55,867
EQUITY INVESTMENT	-	3,600,000	3,600,000
CAPITAL ASSETS:			
REAL ESTATE	-	27,542,060	27,542,060
TOTAL ASSETS	<u>\$ 13,242,005</u>	<u>\$ 64,610,004</u>	<u>\$ 77,852,009</u>
LIABILITIES			
INTEREST PAYABLE	\$ 78,850	\$ -	\$ 78,850
INTERFUNDS PAYABLE	1,984,479	958,242	2,942,721
OTHER PAYABLES	795,012	957,763	1,752,775
TOTAL LIABILITIES	<u>2,858,341</u>	<u>1,916,005</u>	<u>4,774,346</u>
NET POSITION			
RESERVE FOR:			
OBLIGATIONS PAYABLE	7,403,430	-	7,403,430
DONATION DEPOSITS	2,980,234	-	2,980,234
PROJECT COSTS	-	62,693,999	62,693,999
TOTAL NET POSITION	<u>10,383,664</u>	<u>62,693,999</u>	<u>73,077,663</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 13,242,005</u>	<u>\$ 64,610,004</u>	<u>\$ 77,852,009</u>

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, 2024

	AGENCY FUNDS		
	REINVESTMENT FUND	OTHER	TOTAL
ADDITIONS:			
OBLIGATION DEPOSITS	\$ 391,415	\$ -	\$ 391,415
TRANSFER FROM REINVESTMENT	6,840	-	6,840
TAX REMITTANCES	-	28,643,042	28,643,042
INTEREST ON NOTES	-	708,536	708,536
TOTAL ADDITIONS	398,255	29,351,578	29,749,833
DEDUCTIONS:			
DIRECT INVESTMENTS	204,277	-	204,277
DIRECT DONATIONS:			
OTHER	10,155,681	-	10,155,681
TAX DISTRIBUTIONS	-	28,643,042	28,643,042
TOTAL DEDUCTIONS	10,359,958	28,643,042	39,003,000
CHANGES IN NET POSITION	(9,961,703)	708,536	(9,253,167)
NET POSITION - JANUARY 1, 2024	20,345,367	61,985,463	82,330,830
NET POSITION - DECEMBER 31, 2024	\$ 10,383,664	\$ 62,693,999	\$ 73,077,663

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

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Fiduciary Funds:

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

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

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

Use of Estimates

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

Budgets and Budgetary Accounting

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

Risk of Loss

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

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

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. An equity investment held in an agency – other fund is recorded at cost.

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.

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, 2024, the provision for uncollectible accounts was approximately \$48,900,000.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

(A Component Unit of the State of New Jersey)

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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.

See Note I for information on the Authority's Luxury Tax Revenue Bond issuances.

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 nonoperating 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*.

Nonoperating revenues include activities that have the characteristics of non-exchange transactions as well as investment income. Nonoperating expenses include activities related to debt issuances and interest expense. Other nonoperating revenues and expenses include transactions for which the related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Respectively, these separate financial elements represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then, and 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 three items that qualify for reporting in this category, which are deferred amounts related to pensions, other post-employment benefits, and leases.

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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. 99, "*Omnibus 2022*." Certain provisions of this Statement were adopted by the Authority for the year ended December 31, 2024. The adoption of this Statement had no effect on previously reported amounts.

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*." This Statement was adopted by the Authority for the year ended December 31, 2024. The adoption of this Statement had no effect on previously reported amounts.

The GASB has issued Statement No. 101, "*Compensated Absences*." This Statement was adopted by the Authority for the year ended December 31, 2024. 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. 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.

The GASB has issued Statement No. 104, "*Disclosure of Certain Capital Assets*." 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. 104 on the 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, 2024, the Authority's book balance was \$160,791,412. As of December 31, 2024, the Authority's bank balance of \$164,409,052 was partially insured by the FDIC in the amount of

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NOTES TO FINANCIAL STATEMENTS

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENT (CONTINUED)**Deposits with Financial Institutions (Continued)**

\$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, 2024, the Authority's bank balance was exposed to custodial credit risk as follows:

Insured	\$ 500,000
NJCMF	144,859,792
Uninsured and uncollateralized	19,049,260
	<u>\$ 164,409,052</u>

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

Investments

At December 31, 2024, the Authority had the following investments:

Description	Maturity	Fair Value	Fair Value Level
Money market funds	Nonexpiring	\$ 128,671,389	Level 1
U.S. Treasury Obligations	May 2025	3,882,126	Level 1
Solar Renewal Energy Credits ("SREC")	Nonexpiring	42,479	Level 2
Equity investment (agency - other)	N/A	3,600,000	N/A - cost
Total Investments		<u>\$ 136,195,994</u>	

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

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NOTES TO FINANCIAL STATEMENTS

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENT (CONTINUED)

Investments (Continued)

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, 2023, were not repurchased upon maturity in 2024. There were no transfers in or out of Levels 1, 2 or 3 during 2024.

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

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

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

Units of the 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.

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NOTES TO FINANCIAL STATEMENTS

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, 2024:

	Balance December 31, 2023	Additions	Repayments	Balance December 31, 2024
General Fund				
Steel Pier	\$ 10,768,284	\$ 58,642	\$ -	\$ 10,826,926
Atlantic County Improvement Authority	2,674,000	-	-	2,674,000
Stockton University	1,911,167	-	-	1,911,167
Ernest School of Trucking	122,094	-	26,446	95,648
Total General Fund	<u>\$ 15,475,545</u>	<u>\$ 58,642</u>	<u>\$ 26,446</u>	<u>\$ 15,507,741</u>
Other Governmental Funds				
Best of Bass Pro Shops	\$ 7,717,682	\$ -	\$ 634,914	\$ 7,082,768
Christopher Columbus Homes	1,311,938	-	1,311,938	-
Impactivate	9,784,767	-	1	9,784,766
Marcal	1,170,784	-	1,170,784	-
North Jersey Municipal Loan Program	29,829,580	-	249,818	29,579,762
Sheraton Hotel	10,000,000	-	-	10,000,000
South Jersey Municipal Loan Program	299,153	-	88,260	210,893
Vermont Plaza	20,700,000	-	-	20,700,000
Subtotal	<u>80,813,904</u>	<u>-</u>	<u>3,455,715</u>	<u>77,358,189</u>
Allowance	<u>(48,900,000)</u>	<u>-</u>	<u>-</u>	<u>(48,900,000)</u>
Total Other Governmental Funds	<u>\$ 31,913,904</u>	<u>\$ -</u>	<u>\$ 3,455,715</u>	<u>\$ 28,458,189</u>
Total Governmental Activities	<u>\$ 47,389,449</u>	<u>\$ 58,642</u>	<u>\$ 3,482,161</u>	<u>\$ 43,965,930</u>
Other Agency Funds				
3-2-1 Police Loan	\$ 31,441	\$ -	\$ 4,675	\$ 26,766
Beach at South Inlet	272,899	-	95,984	176,915
Chelsea Westside	11,400,000	-	-	11,400,000
City of AC Prop Acq Loan	51,653	-	-	51,653
Sencit Liberty Apartments	4,450,000	-	-	4,450,000
Stockton University	8,364,333	-	-	8,364,333
Total Other Agency Funds	<u>\$ 24,570,326</u>	<u>\$ -</u>	<u>\$ 100,659</u>	<u>\$ 24,469,667</u>

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NOTES TO FINANCIAL STATEMENTS

F. CAPITAL ASSETS

Capital asset balances and activities for the year ended December 31, 2024, were as follows:

	Balance December 31, 2023		Additions	Deletions	Balance December 31, 2024	
Governmental Activities						
Furniture and Equipment	\$	5,520,761	\$	118,468	\$	5,639,229
Building		2,706,096		334,169		3,040,265
Accumulated Depreciation		(6,218,981)		(194,932)		(6,413,913)
Net, Governmental Activities		2,007,876		257,705		2,265,581
Business-Type Activities						
Buildings		486,747,980		7,130,041		493,878,021
Furniture and Equipment		77,596,825		15,409,959		93,006,784
Garage		34,580,935		-		34,580,935
Leasehold Improvements		9,936,045		85,607		10,021,652
Accumulated Depreciation		(308,611,449)		(15,665,773)	214,697	(324,062,525)
Net, Business-Type Activities		300,250,336		6,959,834	214,697	307,424,867
Entity-wide Total	\$	302,258,212	\$	7,217,539	\$	309,690,448

G. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables and payables balances at December 31, 2024, were as follows:

Fund	Interfund Receivable			Interfund Payable		
	Miscellaneous	Interest	Fees	Miscellaneous	Interest	Fees
General	\$ 13,717,522	\$ 840,479	\$ 3,992	\$ -	\$ -	\$ -
AC Corridor	-	-	-	-	(20,970)	-
Hotel Room Fee	-	-	-	(2,879,164)	-	-
Other Governmental	-	-	-	(1,144,040)	-	(3,992)
Convention Center Division	1,275,347	-	-	-	-	-
Corridor Parking Garage	110,986	-	-	-	-	-
Luxury Tax	-	-	-	(8,732,004)	-	-
Special Improvement District	-	-	-	(281,301)	-	-
Reinvestment	-	10,095	-	(1,984,479)	-	-
Other Agency	45,772	-	-	(128,639)	(829,604)	-
	\$ 15,149,627	\$ 850,574	\$ 3,992	\$ (15,149,627)	\$ (850,574)	\$ (3,992)

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

H. OBLIGATION DEPOSITS

Obligation deposits collected from the licensees are held in the Reinvestment Fund until the CRDA's Board of Directors approves projects. Subsequent to approval of a project, when disbursements for a project are to be made, obligation deposits are disbursed as either bonds payable or direct investment reimbursements. If the approved project is designated as a donation project, the funds are initially reclassified from obligation deposits to donation deposits. Donation deposits are disbursed to the Agency Funds as donations to temporarily restricted assets when disbursements for the project are required. The obligation deposits set aside for the New Jersey Economic Development Authority for Small Businesses, Minorities and Women Enterprises can be used to purchase bonds of the New Jersey Economic Development Authority.

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NOTES TO FINANCIAL STATEMENTS

H. OBLIGATION DEPOSITS (CONTINUED)

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 2024 activities are summarized below:

Reinvestment Fund Reserves			
	Obligations Payable	Donation Deposits	
Beginning Balance January 1, 2024	\$ 17,365,133	\$ 2,980,234	
Obligation Deposits	391,415	-	
Direct Investments	(204,277)	-	
Direct Donation	(10,155,681)	-	
Obligations Receivable	6,840	-	
Ending Balance December 31, 2024	<u>\$ 7,403,430</u>	<u>\$ 2,980,234</u>	

I. LONG-TERM DEBT

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

Public Issuance – Parking Fee and Hotel Room Fee Revenue Bonds

On March 23, 2005, the CRDA issued \$291,670,000 in Parking Fee Revenue Bonds, Series 2005A (tax exempt), in the amount of \$107,140,000, with interest rates varying between 5.00% and 5.25%, the proceeds of which were used to refund \$68,405,000 of the previously issued Parking Fee Revenue Bonds, Series 1997A, and \$43,205,000 of the previously issued Parking Fee Revenue Bonds, Series 2001A. Series 2005B, in the amount of \$184,530,000, were taxable bonds with interest rates varying between 4.61% and 5.46%, the proceeds of which were used to refund \$68,405,000 of the previously issued Investment Alternative Tax and Subordinated Parking Fee Revenue Bonds, Series 2001B, and to fund projects on the Atlantic City Boardwalk and at the casinos. The bonds are payable from Parking Fee Revenues, certain pledged Investment Alternative Taxes, and an additional contractual parking charge to be remitted by the casinos. In October of 2004, the CRDA issued \$93,000,000 of tax-exempt Hotel Room Fee Revenue Bonds (Series 2004), with interest rates varying between 5.00% and 5.25%. The proceeds of these bonds were used to fund projects in North and South Jersey as well as the Atlantic City casino expansion projects. These bonds are payable solely from hotel room fees.

Public Issuance – Luxury Tax Revenue Bonds

On April 1, 2013, the CRDA assumed all assets, debts and statutory responsibilities of the ACCVA. Accordingly, the Authority is bound by all terms and conditions of the NJSEA Convention Center

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NOTES TO FINANCIAL STATEMENTS

I. LONG-TERM DEBT (CONTINUED)

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.

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.

In 2014, the Authority issued \$241 million of Series 2014 Luxury Tax Revenue Bonds to refinance existing bonds (as noted above), fund new money capital projects, and the settlement of a litigation matter. In 2024, the Authority issued \$233,495 million of Series 2024 Luxury Tax Revenue Bonds to refund the outstanding Series 2014 bonds and fund, with new monies, a portion of the Authority's energy savings improvement program ("ESIP") and capital projects.

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.

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)

The Authority has debt service reserves established in the AC Corridor Special Revenue Fund for the following bond issues:

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
Balance, December 31, 2024	<u>\$ 21,864,133</u>

The following is a summary of the CRDA's long-term debt transactions for the year ended December 31, 2024:

	Publicly Issued Bonds	Project Bonds	Total
Debt Outstanding December 31, 2023	\$ 251,710,000	\$ 119,231,870	\$ 370,941,870
Additions to Debt	233,495,000	-	233,495,000
Reductions of Debt	(225,260,000)	(3,351,527)	(228,611,527)
Debt Outstanding December 31, 2024	259,945,000	115,880,343	375,825,343
Net Unamortized Premium	22,670,167	-	22,670,167
Allowance	-	(48,900,000)	(48,900,000)
	<u>\$ 282,615,167</u>	<u>\$ 66,980,343</u>	<u>\$ 349,595,510</u>

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

Years Ending December 31,	Parking Fee Revenue Bond Principal	Parking Fee Revenue Bond Interest	Total
2025	\$ 18,775,000	\$ 512,558	\$ 19,287,558
Total	<u>\$ 18,775,000</u>	<u>\$ 512,558</u>	<u>\$ 19,287,558</u>

Years Ending December 31,	Hotel Room Fee Bond Principal	Hotel Room Fee Bond Interest	Total
2025	\$ 7,675,000	\$ 191,875	\$ 7,866,875
Total	<u>\$ 7,675,000</u>	<u>\$ 191,875</u>	<u>\$ 7,866,875</u>

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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
2025	\$ 5,430,000	\$ 13,206,440	\$ 18,636,440
2026	7,470,000	11,157,150	18,627,150
2027	7,850,000	10,783,650	18,633,650
2028	8,240,000	10,391,150	18,631,150
2029	8,645,000	9,979,150	18,624,150
2030-2034	50,195,000	42,960,500	93,155,500
2035-2039	64,040,000	29,093,500	93,133,500
2040-2044	81,625,000	11,520,100	93,145,100
Total	\$ 233,495,000	\$ 139,091,639	\$ 372,586,639

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

Years Ending December 31,	Project Bond Principal	Project Bond Interest	Total
2025	\$ 18,501,073	\$ 18,576,217	\$ 37,077,290
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	1,159,360	2,095,346	3,254,706
2030-2034	36,463,472	8,152,458	44,615,930
2035-2039	8,200,200	5,513,840	13,714,040
2040-2044	5,729,905	4,036,463	9,766,368
2045-2049	1,139,162	3,227,776	4,366,938
2050-2054	10,065,050	2,440,604	12,505,654
2055	12,330,000	334,760	12,664,760
Total	\$ 115,880,343	\$ 50,901,226	\$ 166,781,569

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NOTES TO FINANCIAL STATEMENTS

J. PROJECT AND DIRECT INVESTMENT COMMITMENTS

During 2024, CRDA commitments decreased by \$6,774,341. As of December 31, 2024, 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
Pacific Avenue Midtown Redevelopment	801,821
Atlantic City Demolition Project	98,347
Pacific Avenue Midtown Redevelopment	2,153
Subtotal: Atlantic City	<u>5,039,265</u>
South Jersey	
Harrah's Hotel Expansion	<u>6,128,189</u>
Subtotal: South Jersey	<u>6,128,189</u>
Total at December 31, 2024	<u><u>\$ 11,167,454</u></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:

	2024
Marketplace Project (Block 157)	\$ 24,322
Challenge Atlantic City Triathlon	83,000
Boys and Girls Club	50,000
Atlantic City Demolition Project	590,547
Gardner's Basin Improvements	557,089
2405 Pacific Avenue Purchase	12,011
Atlantic Cape Community College Atlantic City Works Program	424,457
Boys & Girls Club of AC Collaborative Health, Education, and Community Model	1,085,327
World War II Memorial Fund	71,315
Jewish Family Services Mental Health Services	147,035
Parking Lot for Chicken Bone Beach Historic Foundation School	105,500
Absecon Lighthouse	33,334
Ernest Trans School of Trucking	10,000
African American Heritage Museum	2,625
New Jersey Performing Arts Center North to South Festival	114,972
Children's Hospital of Philadelphia	10,500
Street Lighting Maintenance	156,519
Literacy New Jersey Atlantic Cape	20,653
Covenant House New Jersey	79,722
Impact Golf Marketing	169,339
C.R.O.P.S. - AC Food Security Plan	307,253
City of Atlantic City Department of Health and Human Services 2023 fund	593,362
Jewish Family Services Travelers Assistance	13,996
Citywide Streetlight Maintenance and Improvement Project	30,837
2023 NCOs - neighborhood coordination officers	1,000,000
Mr. America All American Sports Festival	8,841
Atlantic County Sheriff's Foundation (Hope Exists-Atlantic City Project)	27,126
NJ Dept of L&PS-Atlantic City Automated License Plate Reader Public Safety Initiative	273,080
Atlantic City Boardwalk Reconstruction Project	20,601
International Lifeguard Museum	2,010
Grocery Store Operational Subsidy Grant	187,500
2024 Atlantic City Saint Patrick's Day Parade	25,000
2024 Atlantic City Free Summer Concert Series @ Gardner's Basin	189,749
2024 Mardi Gras Atlantic City Summer Concert Series	229,312
2024 Chicken Bone Beach Concerts @ Browns Park and Kennedy Plaza	174,261
Atlantic City Arts Foundation 48 blocks AC 2024 Project	19,868
2024 NCOs - neighborhood coordination officers	500,000
2024 Holiday Heroes Safe Ride Program	20,000
AC Professional Firefighters	20,162
Jewish Family Services Travelers Assistance Program	13,176
2024 Leaders in Training Youth Development Program	373,720
South Jersey Indian Association 2024 Mela and Parade	17,500
City of Atlantic City Department of Health and Human Services 2024 fund	62,546
2024 Sustainable Health & Wellness Village Festival	25,857
AC PAL Purchase 15-Passenger Vans(2) for Youth Transportation	95,740
E-Sports Innovation Center @ Stockton	30,143
Atlantic City Football Club	32,850
UFC MMA Grant #2024-13-Zuffa LLC	500,000
	<u>\$ 8,542,757</u>

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NOTES TO FINANCIAL STATEMENTS

L. GENERAL FUND BALANCES COMMITTED FOR PROJECT COSTS

As of December 31, 2024, the following represents the components of the General Fund balances committed for project costs.

	2024
Reserve for Marketplace Project (Block 157)	\$ 442,312
Reserve for Marketplace Construction	1,877,266
Reserve for Challenge Atlantic City Triathlon	217,000
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 Atlantic City Demolition Project	221,221
Reserve for Volunteers of America Grant	226,300
Reserve for 2405 Pacific Avenue Purchase	35,126
Reserve for Atlantic Cape Community College Atlantic City Works Program	412,150
Reserve for AtlantiCare Safe Beginnings	942,607
Reserve for Boys & Girls Club of AC Collaborative Health, Education, and Community Model	1,170
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	299,645
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 Atlantic City Demolition Project	500,000
Reserve for New Jersey Performing Arts Center North to South Festival	57,372
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	29,804
Reserve for Literacy New Jersey Atlantic Cape	-
Reserve for Impact Golf Marketing	101,661
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	947
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	56,638
Reserve for Jewish Family Services Travelers Assistance	2,310
Reserve for Street Lighting Maintenance	2,907,163
Reserve for Mr. America All American Sports Festival	11
Reserve for Atlantic County Sheriff's Foundation (Hope Exists-Atlantic City Project)	12
Reserve for Atlantic City Automated License Plate Reader Public Safety Initiative	92
Reserve for Atlantic City Boardwalk Reconstruction Project	247,067
Reserve for International Lifeguard Museum	27,990
Reserve for Grocery Store Operational Subsidy Grant	62,500
Reserve for 2024 Atlantic City Free Summer Concert Series @ Gardner's Basin	461
Reserve for 2024 Mardi Gras Atlantic City Summer Concert Series	1,227
Reserve for Atlantic City Arts Foundation 48 blocks AC 2024 Project	110,157
Reserve for AC Professional Firefighters	3,324
Reserve for Community Food Bank healthy food distribution	100,000
Reserve for Salvation Army Summer Education Program	10,000
Reserve for Jewish Family Services Travelers Assistance Program	6,824
Reserve for 2024 Leaders in Training Youth Development Program	90,280
Reserve for South Jersey Indian Association 2024 Mela and Parade	7,500
Reserve for City of Atlantic City Department of Health and Human Services 2024 fund	237,454
Reserve for 2024 Sustainable Health & Wellness Village Festival	9,143
Reserve for Renaissance Plaza Revitalization	200,000
Reserve for E-Sports Innovation Center @ Stockton	19,857
Reserve for Atlantic City Football Club	17,150
Reserve for Absecon Lighthouse Grant	100,000
Reserve for Atlantic City Ballet Performance	31,500
Reserve for Sister Jean's Pantry and Sister Jean's Kitchen	114,000
Reserve for Mighty Writers Grant	100,000
Reserve for Mudgirls Studios Grant	120,000
Reserve for New York Ave Armory Project	500,000
Reserve for Literacy New Jersey Atlantic Cape	30,000
Reserve for AC Boys and Girls Club Collaborative Health, Education, and Community Model	454,545
	\$ 13,283,513

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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 \$66,912 to SJTA during 2024.

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.
4	Members who were eligible to enroll on or after May 22, 2010, and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

Service retirement benefits of 1/55th of final average salary for each year of service credit are available to Tiers 1 and 2 members upon reaching age 60, and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit are available to Tier 4 members upon reaching age 62, and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit, and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a

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NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

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, 2024, are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

The Authority's contributions to PERS for the year ended December 31, 2024, were \$974,208, equal to the required contributions for each year. The Authority's covered payroll was \$5,725,829 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 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

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NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)

Contributions (Continued)

benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, 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 \$43,606,492, for the fiscal year ended June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ended June 30, 2024. 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 \$31,364 for the June 30, 2024, measurement date.

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

At December 31, 2024, the Authority reported a liability of \$9,728,363 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, 2024, the Authority's proportion was 0.0715950130%, which was an increase of 0.0097948518% from its proportion measured as of June 30, 2023. For the year ended December 31, 2024, the Authority recognized full accrual pension expense of \$888,972 in the financial statements. At December 31, 2024, 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	\$ 194,877	\$ 25,900
Net difference between projected and actual investment earnings on pension plan investments	12,086	110,686
Changes in assumptions	(451,078)	-
Changes in proportion	2,213,536	1,027,979
Authority contributions subsequent to the measurement date	487,104	-
	<u>\$ 2,456,525</u>	<u>\$ 1,164,565</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 June 30,	PERS
2025	\$ (1,046,219)
2026	1,434,992
2027	194,126
2028	196,338
2029	25,619
	<u>\$ 804,856</u>

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NOTES TO FINANCIAL STATEMENTS

N. PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total 2024 pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to the June 30, 2024, measurement date. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the July 1, 2023, 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, 2024), 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, 2024, 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 Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

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, 2024, 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 or 1-percentage point higher 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	<u>\$ 13,035,413</u>	<u>\$ 9,728,363</u>	<u>\$ 7,065,658</u>

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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

The Authority is a party to several lawsuits arising out of the ordinary conduct of business. While the ultimate results of lawsuits or other proceedings against the Authority cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the Authority's financial position, other than for the case below, which was recognized as a contingent liability in the Authority's governmental activities statement of net position. The previously reported case, *Watson v. CRDA*, was settled, with the Authority's insurance carrier covering its \$20,000 settlement obligation.

In *Maria Mateo v. CRDA*, the Plaintiff has made a demand payment of \$325,000 related to an incident that occurred on January 5, 2022, at a bus shelter the Authority owned and maintained. While the case is ongoing, the Authority's counsel has determined that the Authority is likely to be found liable.

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 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.

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NOTES TO FINANCIAL STATEMENTS

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.

Renaissance Plaza

The Authority and Renaissance Shopping Center LLC ("Seller") entered into a Real Estate Purchase Agreement dated June 27, 2025 ("Agreement") whereby Seller conveyed its interest in Renaissance Plaza, a retail shopping center. Under the Agreement, the Authority assumed responsibility for certain clean-up activities and Seller established an escrow fund of \$600,000 to be used by the Authority for those activities. The clean-up is on-going. See Note V, Subsequent Events for additional information on the Renaissance Plaza project.

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

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

R. SEGMENT INFORMATION (CONTINUED)

	Statement of Net Position					
	December 31, 2024					
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Elimination Entries	Combined December 31, 2024
ASSETS						
Total Current Assets	\$ 3,949,628	\$ 2,916,694	\$ 29,788,444	\$ 125,248,911	\$ -	\$ 161,903,677
Total Noncurrent Assets	3,106,570	3,500,049	8,628	370,385,651	-	377,000,898
Total Assets	7,056,198	6,416,743	29,797,072	495,634,562	-	538,904,575
Pension and OPEB Deferrals	-	-	2,599,534	-	-	2,599,534
Total Assets and Deferred Outflows of Resources	\$ 7,056,198	\$ 6,416,743	\$ 32,396,606	\$ 495,634,562	\$ -	\$ 541,504,109
LIABILITIES						
Total Current Liabilities	\$ 4,103,936	\$ 3,651,762	\$ 9,733,141	\$ 12,449,813	\$ -	\$ 29,938,652
Net Pension and OPEB Liabilities	-	-	3,018,487	-	-	3,018,487
Long-term Bonds Payable	-	-	-	250,735,169	-	250,735,169
Total Liabilities	4,103,936	3,651,762	12,751,628	263,184,982	-	283,692,308
Pension and OPEB Deferrals	-	-	820,879	-	-	820,879
Lease Deferrals, Net of Accumulated Amortization	2,952,262	2,764,981	-	-	-	5,717,243
Gain on Refunding of Debt	-	-	-	8,450,022	-	8,450,022
Total Liabilities and Deferred Inflows of Resources	\$ 7,056,198	\$ 6,416,743	\$ 13,572,507	\$ 271,635,004	\$ -	\$ 298,680,452
NET POSITION						
Total Net Position	\$ -	\$ -	\$ 18,824,099	\$ 223,999,558	\$ -	\$ 242,823,657
	Statement of Revenues, Expenses and Changes in Net Position					
	Year Ended December 31, 2024					
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Elimination Entries	Combined December 31, 2024
OPERATING REVENUES						
Special Services	\$ 1,116,820	\$ 1,241,211	\$ -	\$ -	\$ -	\$ 2,358,031
Facilities Rental	1,407,763	2,036,282	-	-	-	3,444,045
Concessions	1,203,199	1,391,184	-	-	-	2,594,383
Promotion, Reimbursement Fees	377,249	359,514	-	-	-	736,763
Parking Revenue	203,527	1,203,854	-	-	-	1,407,381
Other Revenue	2,207,410	4,260,135	61,089	-	(90,000)	6,438,634
Total Operating Revenues	6,515,968	10,492,180	61,089	-	(90,000)	16,979,237
OPERATING EXPENSES						
Salaries and Benefits	6,073,678	8,818,773	1,300,774	-	-	16,193,225
Marketing Expenditures	279,773	99,146	11,865,391	-	-	12,244,310
Production	2,874,350	3,114,410	-	-	-	5,988,760
General and Administrative	5,303,076	7,769,119	256,976	3,713	(90,000)	13,242,884
Depreciation and Amortization	-	-	3,453	13,946,161	-	13,949,614
Total Operating Expenses	14,530,877	19,801,448	13,426,594	13,949,874	(90,000)	61,618,793
Operating Loss	(8,014,909)	(9,309,268)	(13,365,505)	(13,949,874)	-	(44,639,556)
NONOPERATING REVENUES (EXPENSES)						
Luxury Tax Revenue	7,610,328	8,889,420	-	28,717,571	-	45,217,319
Marketing Fee Revenue	-	-	1,989,791	-	-	1,989,791
Sports Wagering Revenue	-	-	6,162,271	-	-	6,162,271
Lease Amortization and Interest Revenue	387,008	394,262	-	-	-	781,270
Debt Issuance Costs	-	-	-	(1,377,742)	-	(1,377,742)
Interest Income	17,573	25,586	1,074,859	5,553,989	-	6,672,007
Interest Expense	-	-	-	(11,289,149)	-	(11,289,149)
Total Nonoperating Revenues (Expenses)	8,014,909	9,309,268	9,226,921	21,604,669	-	48,155,767
CHANGES IN NET POSITION	-	-	(4,138,584)	7,654,795	-	3,516,211
BEGINNING NET POSITION	-	-	22,962,683	216,344,763	-	239,307,446
ENDING NET POSITION	\$ -	\$ -	\$ 18,824,099	\$ 223,999,558	\$ -	\$ 242,823,657

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					
	December 31, 2024					
	Boardwalk Center Operations	New Center	Marketing Operations	Luxury Tax Reserve Fund	Capital Transfers	Combined December 31, 2024
Net cash (used in) provided by operating activities	\$ (6,552,747)	\$ (7,815,101)	\$ (5,614,704)	\$ (12,379,349)	\$ 9,056,747	\$ (23,305,154)
Net Cash provided by (used in) non-capital financing activities	7,921,008	7,772,245	8,152,063	16,462,597	-	40,307,913
Net cash used in capital and related financing activities	-	-	-	47,188,610	(9,056,747)	38,131,863
Net cash provided by investing activities	17,573	25,586	1,074,859	(49,933,301)	-	(48,815,283)
Net (decrease) increase in cash and cash equivalents	1,385,834	(17,270)	3,612,218	1,338,557	-	6,319,339
Cash balance January 1, 2024	1,571,076	1,521,103	18,122,348	34,693,104	-	55,907,632
Cash balance December 31, 2024	\$ 2,956,910	\$ 1,503,833	\$ 21,734,566	\$ 36,031,661	\$ -	\$ 62,226,971

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, 2024, leases receivable were \$13,608,940, and lease revenue and interest income earned during the year were \$462,602 and \$713,547, respectively and summarized as follows:

Fund / Lease Description	Lease Term	Lease Receivable, December 31, 2024	2024 Rent Revenue	2024 Interest Revenue
General Fund - Renaissance Plaza Ground Lease	4/17/1995 - 3/16/2094	\$ 1,194,720	\$ 11,874	\$ 104,789
AC Corridor Fund - Tanger Outlets The Walk Ground Lease	7/31/2003 - 12/31/2100	5,482,309	59,056	219,161
Convention Center Division Fund - Space at Convention Center and Boardwalk Hall (4 Leases)	4/3/2015 - 1/31/2043	6,931,911	391,672	389,597
		<u>\$ 13,608,940</u>	<u>\$ 462,602</u>	<u>\$ 713,547</u>

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

Years Ending December 31,	Principal (Undiscounted)	Interest	Total
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	709,865	324,528	1,034,393
2030-2034	3,896,986	1,274,980	5,171,966
2035-2039	3,797,857	596,160	4,394,017
2040-2100	19,152,172	1,125,620	20,277,792
	<u>\$ 30,202,783</u>	<u>\$ 4,812,208</u>	<u>\$ 35,014,991</u>
	Less: Present Value Discount		(21,406,051)
	Lease Receivable, December 31, 2024		<u>\$ 13,608,940</u>

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

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NOTES TO FINANCIAL STATEMENTS

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

The Authority participates in a cost sharing multiple-employer defined post-retirement benefit plan (the “Plan”), which is administered by the State, and began offering Plan benefits for retirees beginning in 2023. The Plan provides continued health care benefits to employees retiring after twenty-five years of service. Benefits, contributions, funding and the manner of administration are determined by the State of New Jersey Legislature. The Division of Pensions and Benefits charges the Authority for its contributions. The total number of participants eligible for benefits, was 94 at December 31, 2024.

The Authority's contribution to the Plan for the year ended December 31, 2024, was \$2,061,689. The retiree portion of the contribution was \$17,578.

Please refer to the State website, www.state.nj.us, for more information regarding the Plan. The Plan's financial report may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

General Information About the OPEB Plan

The Authority participates 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 with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Authority adopted a resolution to approve participation in the Plan in fiscal year 2012. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for 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' (the “Division”) 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. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Authority. 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 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. Further, the law provides that the employer-paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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NOTES TO FINANCIAL STATEMENTS

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

General Information About the OPEB Plan (Continued)

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.

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.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation’s and nonspecial funding situation’s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation’s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan’s nonspecial funding situation during the measurement period July 1, 2023, through June 30, 2024.

Net OPEB Liability

Components of Net OPEB Liability

The components of the Authority’s net OPEB liability as of June 30, 2024, are as follows:

	June 30, 2024
Total OPEB liability	\$ 17,556,931
Plan Fiduciary Net Position (Deficit)	(155,493)
Net OPEB Liability	<u>\$ 17,712,424</u>
Plan Fiduciary Net Position	
as a % of total OPEB liability	(0.89%)

Actuarial Assumptions

The total OPEB liability as of June 30, 2024, was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. The actuarial valuations used the following actuarial assumptions:

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NOTES TO FINANCIAL STATEMENTS

T. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) OTHER THAN PENSIONS (CONTINUED)**Actuarial Assumptions (Continued)**

Salary increases*

PERS

All future years

2.75 - 6.55%

* Salary increases are based on years of service within PERS.

Mortality Rates

Pre-retirement, post-retirement and disabled retiree mortality rates were based on the Pub-2010 General Classification Headcount Weighted Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024, was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At June 30, 2024		
At 1% Decrease (2.93%)	At Current Discount Rate (3.93%)	At 1% Increase (4.93%)
\$ 20,633,066	\$ 17,712,425	\$ 15,373,251

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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NOTES TO FINANCIAL STATEMENTS

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

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate (Continued)

At June 30, 2024		
At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
\$ 14,981,096	\$ 17,712,425	\$ 21,224,146

Deferred Outflows of Resources and Deferred Inflows of Resources

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 897,009	\$ 3,001,094
Changes in assumptions	2,961,182	2,940,151
Net difference between projected and actual investment earnings on pension plan investments	-	8,018
Changes in proportion	16,308,118	348,711
Authority's contributions made subsequent to measurement date	1,009,291	-
	<u>\$ 21,175,600</u>	<u>\$ 6,297,974</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	OPEB
2025	\$ (425,184)
2026	(425,184)
2027	(425,185)
2028	(424,561)
2029	(423,024)
Thereafter	32,066
	<u>\$ (2,091,072)</u>

Changes in Proportion

The previous amounts do not include employer-specific deferred outflows of resources and deferred inflows of resources related to the changes in proportion. These amounts should be recognized (amortized) by the Authority over the average remaining service lives of all plan members, which are 7.89, 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2024, 2023, 2022, 2021, 2020, 2019, 2018, and 2017 amounts, respectively.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

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NOTES TO FINANCIAL STATEMENTS

U. RELATED PARTIES

Meet AC, Inc. ("Meet AC") was incorporated on April 22, 2014. Effective June 18, 2014, CRDA approved the restructuring and outsourcing of the sales function of its Convention Sales Division through the creation of this separate and distinct not-for-profit business league entity. Meet AC's purpose is to promote, market and advance the City of Atlantic City as a premium destination for conventions, meetings, and tradeshow, all with the goal of expanding the convention and tourism industries in Atlantic City and promoting the general business conditions of the community at large. CRDA and Meet AC have entered into a public-private partnership agreement, whereby the CRDA provides funding to Meet AC in exchange for these services, including booking convention space at the Convention Center and Boardwalk Hall, hotel rooms and off-site venues within Atlantic City, and promoting other Atlantic City amenities.

Meet AC's affiliate, Atlantic City Sports Commission, Inc. (the "Commission"), was incorporated on December 3, 2014. The Commission was created by the State, through the efforts of the CRDA and Meet AC, to further carry out CRDA's purposes. The Commission's purpose is to engage in sports and entertainment related activities, including, but not limited to, making distributions for charitable purposes and improving the Atlantic City region by promoting, marketing and advancing Atlantic City as a destination for amateur and professional sporting and other entertainment events. The Commission's primary source of revenue is from CRDA funding passed through Meet AC to the Commission.

Key personnel from CRDA's executive leadership team have served as board members for both Meet AC and the Commission, however, do not represent a voting majority of either board. CRDA is also not entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by Meet AC or the Commission. Given these factors, Meet AC and the Commission are not component units of CRDA.

The funding provided to Meet AC by CRDA for the year ended December 31, 2024, was \$9,839,117, which is included in the marketing expenditures included in the Convention Center Division statement of revenues, expenses and changes in net position.

V. SUBSEQUENT EVENTS

In January 2025, CRDA's board approved Resolution 25-13 authorizing the reorganization of the Convention Center Division's marketing department. Thirteen of CRDA's employees from the marketing department were offered a transition of their roles from CRDA to Meet AC. This transition is expected to decrease the Convention Center Division salaries and benefits expense but increase the annual funding to Meet AC. In October 2025, CRDA's board approved Resolution 25-130 authorizing additional marketing-dedicated funding sources to support Meet AC, including marketing fee and sports wagering tax revenues.

In September 2025, the Authority acquired the leasehold interest and improvements at Renaissance Plaza (Atlantic City Block 292). The site includes a 76,000-square-foot multi-tenant shopping plaza comprised of three buildings. The property currently contains 14 rental units. In October 2025, Block 292, Lot 1 was determined to be an area in need of redevelopment and the Corridor Neighborhood Strategy Area was expanded to include the site. The Authority seeks to

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NOTES TO FINANCIAL STATEMENTS

V. SUBSEQUENT EVENTS (CONTINUED)

undertake improvements to Renaissance Plaza with the intent to renovate and revitalize the shopping center, which had fallen into disrepair. Upon completion of renovations, the plaza is expected to include 12 rental units, with expanded square footage dedicated to a grocery store.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
(UNAUDITED)

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (UNAUDITED)**

YEAR ENDED DECEMBER 31, 2024

	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
REVENUES			
ADMINISTRATIVE FEES	\$ 67,200	\$ 58,850	\$ (8,350)
INTEREST AND INVESTMENT INCOME	4,162,097	4,700,173	538,076
TAX OVERRIDE REVENUE	11,000,000	10,899,759	(100,241)
GRANT REVENUE	-	3,717,574	3,717,574
PROCESSING FEES	300,000	541,301	241,301
OTHER INCOME	269,800	3,477,037	3,207,237
	<u>15,799,097</u>	<u>23,394,694</u>	<u>7,595,597</u>
EXPENDITURES			
CURRENT			
SALARIES AND BENEFITS	5,619,504	5,334,703	284,801
GENERAL & ADMINISTRATIVE	1,924,437	1,381,809	542,628
PROFESSIONAL COSTS	1,426,000	1,280,820	145,180
CAPITAL OUTLAY - FIXED ASSETS	1,983,000	452,637	1,530,363
PROJECT COSTS	-	8,542,757	(8,542,757)
	<u>10,952,941</u>	<u>16,992,726</u>	<u>(6,039,785)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,846,156</u>	<u>6,401,968</u>	<u>1,555,812</u>
OTHER FINANCING SOURCES (USES)			
OTHER RECEIVABLES	-	(83,594)	(83,594)
LEASE AMORTIZATION AND INTEREST REVENUE	-	116,663	116,663
OTHER PAYABLES	-	(10,716)	(10,716)
LOAN DISBURSEMENTS	-	293,112	293,112
PURCHASE (SALE) OF REAL ESTATE	-	(28,238)	(28,238)
TRANSFERS FROM OTHER FUNDS	1,500,000	1,442,217	(57,783)
TRANSFERS TO OTHER FUNDS	(8,950,117)	(8,816,504)	133,613
	<u>(7,450,117)</u>	<u>(7,087,060)</u>	<u>363,057</u>
TOTAL OTHER FINANCING SOURCES AND USES	<u>(7,450,117)</u>	<u>(7,087,060)</u>	<u>363,057</u>
NET CHANGES IN FUND BALANCE	(2,603,961)	(685,092)	1,918,869
FUND BALANCE JANUARY 1, 2024	97,903,551	73,786,057	(24,117,494)
FUND BALANCE DECEMBER 31, 2024	<u>\$ 95,299,590</u>	<u>\$ 73,100,965</u>	<u>\$ (22,198,625)</u>

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

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

LAST TEN YEARS

	PERS - Last 10 Fiscal Years									
	2024	2023	2022	2021	Years Ended June 30,		2018	2017	2016	2015
	0.0715950130%	0.0618001612%	0.0719729926%	0.0613308043%	2020	2019				
Authority's proportion of the net pension liability					0.0576095116%	0.0546139643%	0.0516125400%	0.0568348299%	0.0655714054%	0.0800336799%
Authority's proportionate share of net pension liability	\$ 9,728,363	\$ 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
Authority's covered-employee payroll	5,725,829	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
Authority's proportionate share of net pension liability as a % of payroll	169.90%	163.79%	216.01%	147.33%	216.92%	252.24%	277.52%	293.46%	337.12%	346.78%
Total pension liability	\$ 30,868,544	\$ 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
Plan fiduciary net position	21,140,180	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
Plan fiduciary net position as a % of total pension liability	68.48%	65.52%	63.22%	70.65%	58.65%	56.57%	53.60%	48.10%	40.14%	47.93%

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.
- The discount rate of 7.00% as of the measurement date of June 30, 2024, was unchanged from the June 30, 2023 measurement date.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

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SCHEDULE OF AUTHORITY CONTRIBUTIONS – PERS**LAST TEN YEARS**

PERS - Last 10 Fiscal Years										
	2024	2023	2022	2021	Years Ended June 30,		2018	2017	2016	2015
	\$ 974,208	\$ 825,977	\$ 907,614	\$ 718,255	\$ 630,219	\$ 531,233	\$ 513,378	\$ 589,434	\$ 582,527	\$ 688,075
Contractually required contribution										
Contributions in relation to the contractually required contribution	974,208	825,977	907,614	718,255	630,219	531,233	513,378	589,434	582,527	688,075
Authority's covered-employee payroll	5,725,829	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
Contributions as a % of covered-employee payroll	17.01%	15.11%	18.05%	14.56%	14.55%	13.19%	13.16%	16.10%	14.32%	15.26%

See independent auditors' report.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY

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SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS

LAST TEN YEARS

	Last 10 Fiscal Years	
	2024	2023
Proportion of the net OPEB liability	0.098922%	0.100852%
Proportionate share of net OPEB liability	\$ 17,712,425	\$ 15,134,395
Contributions	2,061,689	1,884,562

The OPEB schedule is intended to show information for ten years. 2023 was the first year the Authority was included in the State OPEB Plan. Additional years' information will be displayed as it becomes available.

SUPPLEMENTARY INFORMATION

CASINO REINVESTMENT DEVELOPMENT AUTHORITY
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COMBINING BALANCE SHEET – OTHER GOVERNMENTAL NON-MAJOR FUNDS – DEBT SERVICE FUNDS

DECEMBER 31, 2024

	CHRISTOPHER COLUMBUS HOMES	MARCAL	NORTH JERSEY MUNICIPAL LOAN PROGRAM	NORTHWEST	SHERATON HOTEL	SOUTH JERSEY MUNICIPAL LOAN PROGRAM	BEST OF BASS PRO SHOPS	VERMONT PLAZA	IMPACTIVATE	TOTAL OTHER GOVERNMENTAL FUNDS
ASSETS										
CASH AND CASH EQUIVALENTS	\$ 251,817	\$ 1,368,445	\$ 1,328,187	\$ 30,061	\$ 39,063	\$ 1,199,380	\$ 863,754	\$ 3,654	\$ 15,867	\$ 5,100,228
ACCRUED INTEREST RECEIVABLE	-	-	1,527,849	-	-	(139)	-	-	2,111,958	3,639,668
OTHER RECEIVABLE	-	-	-	-	-	-	71,480	-	-	71,480
	<u>\$ 251,817</u>	<u>\$ 1,368,445</u>	<u>\$ 2,856,036</u>	<u>\$ 30,061</u>	<u>\$ 39,063</u>	<u>\$ 1,199,241</u>	<u>\$ 935,234</u>	<u>\$ 3,654</u>	<u>\$ 2,127,825</u>	<u>\$ 8,811,376</u>
LIABILITIES										
INTEREST PAYABLE	\$ -	\$ -	\$ 59,934	\$ -	\$ -	\$ 14,633	\$ 3,141,387	\$ -	\$ 1,409,041	\$ 4,624,995
OTHER PAYABLES	-	1,215,521	291,861	-	-	-	-	-	-	1,507,382
	<u>-</u>	<u>1,215,521</u>	<u>351,795</u>	<u>-</u>	<u>-</u>	<u>14,633</u>	<u>3,141,387</u>	<u>-</u>	<u>1,409,041</u>	<u>6,132,377</u>
FUND BALANCES:										
RESERVED FUND BALANCE: RESTRICTED FOR DEBT SERVICE	251,817	152,924	2,504,241	30,061	39,063	1,184,608	(2,206,153)	3,654	718,784	2,678,999
	<u>251,817</u>	<u>152,924</u>	<u>2,504,241</u>	<u>30,061</u>	<u>39,063</u>	<u>1,184,608</u>	<u>(2,206,153)</u>	<u>3,654</u>	<u>718,784</u>	<u>2,678,999</u>
TOTAL FUND BALANCES	<u>251,817</u>	<u>152,924</u>	<u>2,504,241</u>	<u>30,061</u>	<u>39,063</u>	<u>1,184,608</u>	<u>(2,206,153)</u>	<u>3,654</u>	<u>718,784</u>	<u>2,678,999</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 251,817</u>	<u>\$ 1,368,445</u>	<u>\$ 2,856,036</u>	<u>\$ 30,061</u>	<u>\$ 39,063</u>	<u>\$ 1,199,241</u>	<u>\$ 935,234</u>	<u>\$ 3,654</u>	<u>\$ 2,127,825</u>	<u>\$ 8,811,376</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, 2024

	CHRISTOPHER COLUMBUS HOMES	MARCAL	NORTH JERSEY MUNICIPAL LOAN PROGRAM	NORTHWEST	SHERATON HOTEL	SOUTH JERSEY MUNICIPAL LOAN PROGRAM	BEST OF BASS PRO SHOPS	VERMONT PLAZA	IMPACTIVATE	TOTAL OTHER GOVERNMENTAL FUNDS
REVENUES										
INTEREST AND INVESTMENT INCOME	\$ 103,439	\$ 44,726	\$ 379,826	\$ 1,464	\$ 518,793	\$ 68,679	\$ 264,586	\$ 143	\$ 333,476	\$ 1,715,132
TOTAL REVENUES	103,439	44,726	379,826	1,464	518,793	68,679	264,586	143	333,476	1,715,132
EXPENDITURES										
PROJECT COSTS	-	-	-	-	-	-	857,761	-	-	857,761
OTHER EXPENDITURES	5,207	5,366	48,276	-	-	-	-	-	-	58,849
DEBT SERVICE:										
INTEREST EXPENSE	72,019	41,008	359,605	-	516,839	87,797	334,883	-	245,232	1,657,383
PRINCIPAL	2,180,742	1,170,785	-	-	-	-	-	-	-	3,351,527
TOTAL EXPENDITURES	2,257,968	1,217,159	407,881	-	516,839	87,797	1,192,644	-	245,232	5,925,520
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,154,529)	(1,172,433)	(28,055)	1,464	1,954	(19,118)	(928,058)	143	88,244	(4,210,388)
OTHER FINANCING SOURCES (USES)										
PAYMENTS RECEIVED ON NOTES	1,311,938	1,170,784	249,820	-	-	88,260	634,913	-	-	3,455,715
OTHER PAYABLES	-	-	6,606	-	-	-	-	-	-	6,606
TOTAL OTHER FINANCING SOURCES (USES)	1,311,938	1,170,784	256,426	-	-	88,260	634,913	-	-	3,462,321
NET CHANGES IN FUND BALANCE	(842,591)	(1,649)	228,371	1,464	1,954	69,142	(293,145)	143	88,244	(748,067)
FUND BALANCE JANUARY 1, 2024	1,094,408	154,573	2,275,870	28,597	37,109	1,115,466	(1,913,008)	3,511	630,540	3,427,066
FUND BALANCE DECEMBER 31, 2024	\$ 251,817	\$ 152,924	\$ 2,504,241	\$ 30,061	\$ 39,063	\$ 1,184,608	\$ (2,206,153)	\$ 3,654	\$ 718,784	\$ 2,678,999

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, 2024

	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	\$ -	\$ 1,850,997	\$ -	\$ -	\$ 541,158	\$ -	\$ -	\$ -	\$ 174,027
RECEIVABLES:									
NOTES RECEIVABLE	-	176,915	-	-	-	-	-	-	-
ACCRUED INTEREST RECEIVABLE	-	584	-	-	-	-	-	-	-
INTERFUNDS RECEIVABLE	-	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>\$ 8,200,088</u>	<u>\$ 71,574</u>	<u>\$ 427,133</u>	<u>\$ 803,512</u>	<u>\$ 151,383</u>	<u>\$ 42,449</u>	<u>\$ -</u>	<u>\$ 174,027</u>
LIABILITIES									
INTERFUND PAYABLES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,639
OTHER PAYABLES	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	128,639
RESERVES									
RESTRICTED FOR OTHER PURPOSES	1,951,664	8,200,088	71,574	427,133	803,512	151,383	42,449	-	45,388
	<u>\$ 1,951,664</u>	<u>\$ 8,200,088</u>	<u>\$ 71,574</u>	<u>\$ 427,133</u>	<u>\$ 803,512</u>	<u>\$ 151,383</u>	<u>\$ 42,449</u>	<u>\$ -</u>	<u>\$ 174,027</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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 966,357	\$ -	\$ -	\$ -
RECEIVABLES:									
NOTES RECEIVABLE	-	-	-	-	-	-	-	-	-
ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	817,570	-	-	-
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>\$ 1,783,927</u>	<u>\$ 180</u>	<u>\$ 5,718,247</u>	<u>\$ 185,325</u>
LIABILITIES									
INTERFUNDS PAYABLE	-	-	-	-	-	829,603	-	-	-
OTHER PAYABLES	-	-	-	-	-	954,324	-	-	-
	-	-	-	-	-	1,783,927	-	-	-
RESERVES									
RESTRICTED FOR OTHER PURPOSES	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>\$ 1,783,927</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, 2024

	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	\$ 1,794,721	\$ -	\$ -	\$ -	\$ 903,136	\$ -	\$ -	\$ -	\$ 6,230,396
RECEIVABLES:									
NOTES RECEIVABLE	26,766	-	-	-	11,400,000	51,653	4,450,000	8,364,333	24,469,667
ACCRUED INTEREST RECEIVABLE	899	-	-	-	1,279,277	-	623,779	-	2,722,109
INTERFUNDS RECEIVABLE	1,137	-	-	-	36,054	-	-	-	45,772
EQUITY INVESTMENT	-	-	-	-	3,600,000	-	-	-	3,600,000
CAPITAL ASSETS:									
REAL ESTATE	-	73,481	444,030	-	-	-	-	-	27,542,060
	<u>\$ 1,823,523</u>	<u>\$ 73,481</u>	<u>\$ 444,030</u>	<u>\$ -</u>	<u>\$ 17,218,467</u>	<u>\$ 51,653</u>	<u>\$ 5,073,779</u>	<u>\$ 8,364,333</u>	<u>\$ 64,610,004</u>
LIABILITIES									
INTERFUNDS PAYABLE	-	-	-	-	-	-	-	-	958,242
OTHER PAYABLES	3,439	-	-	-	-	-	-	-	957,763
	<u>3,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,916,005</u>
RESERVES:									
RESTRICTED FOR OTHER PURPOSES	1,820,084	73,481	444,030	-	17,218,467	51,653	5,073,779	8,364,333	62,693,999
TOTAL LIABILITIES, RESERVES AND NET POSITION	<u>\$ 1,823,523</u>	<u>\$ 73,481</u>	<u>\$ 444,030</u>	<u>\$ -</u>	<u>\$ 17,218,467</u>	<u>\$ 51,653</u>	<u>\$ 5,073,779</u>	<u>\$ 8,364,333</u>	<u>\$ 64,610,004</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, 2024

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain/(Loss) on Sale of Real Estate	-	-	-	-	-	-	-	-	-
Interest on notes	-	96,178	-	-	27,080	-	-	-	7,759
Other income	-	-	-	-	-	-	-	-	-
Total Additions	-	96,178	-	-	27,080	-	-	-	7,759
Deductions									
Grants and donations	-	-	-	-	-	-	-	-	-
Tax Distributions	-	-	-	-	-	-	-	-	-
Total Deductions	-	-	-	-	-	-	-	-	-
Changes in net position	-	96,178	-	-	27,080	-	-	-	7,759
Total net position - beginning of the year	1,951,664	8,103,910	71,574	427,133	776,432	151,383	42,449	-	37,629
Total net position - end of the year	\$ 1,951,664	\$ 8,200,088	\$ 71,574	\$ 427,133	\$ 803,512	\$ 151,383	\$ 42,449	\$ -	\$ 45,388
	LAND BANKING	LIGHTHOUSE DISTRICT PARK PROJECT	MARKETPLACE LAND ACQUISITION	NEI SENSUAL ACQUISITIONS	PENNSYLVANIA AVENUE	RETAIL/LUXURY TAX REBATES	2ND WARD FACADE	S INLET LAND ACQUISITION	SE INLET TRANSPORTATION IMPROVEMENTS
Additions									
Transfer from (to) reinvestment funds and other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Remittances	-	-	-	-	-	28,643,042	-	-	-
Gain/(Loss) on Sale of Real Estate	-	-	-	-	-	-	-	-	-
Interest on notes	-	-	-	-	-	-	-	-	-
Total Additions	-	-	-	-	-	28,643,042	-	-	-
Deductions									
Grants and donations	-	-	-	-	-	-	-	-	-
Tax distributions	-	-	-	-	-	28,643,042	-	-	-
Total Deductions	-	-	-	-	-	28,643,042	-	-	-
Changes in net position	-	-	-	-	-	-	-	-	-
Total net position - beginning of the year	1,195,843	3,319,848	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, 2024

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Remittances	-	-	-	-	-	-	-	-	28,643,042
Interest on notes	90,567	-	-	-	368,137	-	118,815	-	708,536
Gain/(Loss) on Sale of Real Estate	-	-	-	-	-	-	-	-	-
Total Additions	90,567	-	-	-	368,137	-	118,815	-	29,351,578
Deductions									
Grants and donations	-	-	-	-	-	-	-	-	-
Tax distributions	-	-	-	-	-	-	-	-	28,643,042
Total Deductions	-	-	-	-	-	-	-	-	28,643,042
Changes in net position	90,567	-	-	-	368,137	-	118,815	-	708,536
Total net position - beginning of the year	1,729,517	73,481	444,030	-	16,850,330	51,653	4,954,964	8,364,333	61,985,463
Total net position - end of the year	\$ 1,820,084	\$ 73,481	\$ 444,030	\$ -	\$ 17,218,467	\$ 51,653	\$ 5,073,779	\$ 8,364,333	\$ 62,693,999

**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, 2024, 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 November 3, 2025.

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.

Mercadien, P.C.
Certified Public Accountants

November 3, 2025

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

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None reported.

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

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None reported.