

MEET AC, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2016
AND
INDEPENDENT AUDITORS' REPORT

MEET AC, INC. AND AFFILIATE

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6
Supplementary Information	
Consolidated Schedule of Functional Expenses	13
Consolidating Statement of Financial Position	14
Consolidating Statement of Activities and Changes in Net Assets	15



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Meet AC, Inc. and Affiliate

We have audited the accompanying consolidated financial statements of Meet AC, Inc. and Affiliate (the "Organization") (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2016, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Meet AC, Inc. and Affiliate as of December 31, 2016, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of functional expenses and consolidating statements are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The consolidating information on pages 14 and 15 is presented for purposes of additional analysis of the consolidated financial statements, rather than to present financial position and results of operations of the individual organizations. 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 10 to the financial statements, the Organization was informed by the Casino Reinvestment Development Authority (“CRDA”) that there would be a reduction in funding for the 2017 fiscal year and a cessation of funding for the 2018 fiscal year. This condition raises substantial doubt about the Organization’s ability to continue as a going concern. Management’s plans regarding this matter also are described in Note 10. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.



March 22, 2017
Linwood, NJ

MEET AC, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

ASSETS

Current assets

Cash and cash equivalents	\$ 1,216,833
Committed cash - convention development funds	296,803
Accounts receivable	14,445
Prepaid expenses	65,804
Total current assets	1,593,885

Noncurrent assets

Intangible asset	25,000
Computer equipment - at cost, less accumulated depreciation of \$18,391	31,955
Total noncurrent assets	56,955
Total assets	\$ 1,650,840

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued expenses	\$ 308,551
Accrued payroll and related expenses	617,340
Refundable advance - NJ Department of State	23,146
Refundable advance - CRDA	296,803
Total current liabilities	1,245,840

Commitments

Unrestricted net assets	405,000
Total liabilities and net assets	\$ 1,650,840

See notes to consolidated financial statements.

MEET AC, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2016

Revenues and other support

Contract revenue	\$ 8,157,882
Registration staffing	131,066
Interest income	8,528
Grant revenue	63,074
Total revenues and other support	8,360,550

Expenses

Program services	
Meetings, conventions and groups	6,985,762
Registration staffing	123,595
Marketing - sports and entertainment	740,675
Total program services	7,850,032
Supporting services	
Management and general	510,518
Total expenses	8,360,550

Change in unrestricted net assets -

Net assets, beginning of year	405,000
Net assets, end of year	\$ 405,000

See notes to consolidated financial statements.

MEET AC, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016

Cash flows from operating activities	
Change in unrestricted net assets	\$ -
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities	
Depreciation expense	9,155
Changes in assets and liabilities	
Accounts receivable	1,320
Prepaid expenses	186,165
Accounts payable and accrued expenses	(197,077)
Accrued payroll and related expenses	(68,871)
Refundable advance - NJ Department of State	23,146
Refundable advance - CRDA	(45,027)
<hr/> Net cash used in operating activities	<hr/> (91,189)
Cash flows from investing activities	
Intangible asset	(25,000)
Equipment purchases	(6,348)
<hr/> Net cash used in investing activities	<hr/> (31,348)
Cash flows from financing activities	
Release of cash commitment - ACA subsidy obligations	334,000
Cash commitments - convention development funding	(296,803)
<hr/> Net cash provided by financing activities	<hr/> 37,197
 Net decrease in cash and cash equivalents	 (85,340)
Cash and cash equivalents, beginning of year	1,302,173
<hr/> Cash and cash equivalents, end of year	<hr/> \$ 1,216,833

See notes to consolidated financial statements.

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Meet AC, Inc. (“Meet AC”) was incorporated on April 22, 2014. Effective June 18, 2014, the Casino Reinvestment Development Authority (“CRDA”), which is an instrumentality of the State of New Jersey (the “State”), 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. The Organization’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. As such, the CRDA and the Organization have entered into a public-private partnership agreement, whereby the CRDA provides funding to the Organization in exchange for these services, including booking convention space at Atlantic City Convention Center and Historic Boardwalk Hall, hotel rooms and off-site venues within Atlantic City, and promoting other Atlantic City amenities (see note 10).

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 the 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.

Principles of Consolidation

Accounting principles generally accepted in the United States of America (“GAAP”) require the Organization to consolidate entities in which it has control and an economic interest, when that control is evidenced through a majority ownership or voting interest. Meet AC has an economic interest and control of the Commission’s board, by virtue of common corporate governance, and therefore consolidation is required. The consolidated financial statements include the accounts of Meet AC and the Commission, collectively referred to as the “Organization.” All material intra-organizational accounts and transactions have been eliminated in the accompanying consolidated financial statements.

Basis of Presentation

The accompanying consolidated financial statements have been presented in accordance with GAAP. Net assets, revenues and other support, and expenses are classified based on the existence or absence of donor-imposed restrictions.

Unrestricted net assets consist of assets, revenues and other support which are available and used for operations and programs.

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Unrestricted Revenues and Support

All contract revenues and grant revenues are recorded as refundable advances until they are expended in accordance with the terms of the Organization's agreement with the CRDA or the granting agency, at which time they are recognized as unrestricted revenues and support. Any CRDA contract revenues received but not expended as of the end of the year are permitted to be retained in a budget reserve in accordance with the terms of the agreement with CRDA. If, at the end of the contract term, the CRDA requests a return of any remaining uncommitted and unexpended monies, over and above the allowable budget reserve retained, the refundable advances would then be reclassified as due back to the CRDA. Accordingly, revenue is recognized only to the extent of expenses incurred (exchange transaction), plus the allowable budget reserve in the case of the CRDA contract.

Cash and Cash Equivalents

Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. For purposes of the statement of cash flows, the Organization considers all cash and cash equivalents with original maturities of three months or less when purchased to be cash or cash equivalents.

Accounts Receivable

Accounts receivable represent amounts due from registration activities, and are stated at the amounts management expects to collect. Management evaluates its accounts receivable and records an allowance for doubtful accounts, when deemed necessary, based on a combination of historical experience, aging analysis, and information on specific accounts. Based on the Organization's review of accounts receivable, no allowance for doubtful accounts is considered necessary at December 31, 2016.

Equipment

Equipment is stated at cost, less accumulated depreciation. The Organization's policy is to capitalize all assets with estimated useful lives greater than one year and with an original cost over \$1,000. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. The principal useful life for computers and computer equipment is estimated to be five years.

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible Asset

The intangible asset consists of a domain name (meetac.com) purchased by the Organization in June of 2016. The Organization follows the provisions of Accounting Standards Code 350-30-35-18 for intangible assets, which requires an organization to perform impairment testing annually, or more frequently if events or circumstances indicate that the asset may be impaired, using a direct valuation methodology for those assets determined to have an indefinite life. Since the domain name has been determined to have an indefinite life, no amortization is recorded.

Domain names are tested for impairment by comparing their estimated fair values to their carrying values. If the carrying amount of the domain name exceeds its fair value, an impairment charge is recorded to operating expense for the amount equal to the excess.

As of December 31, 2016, the Organization considers the \$25,000 carrying value of the domain name to be equal to its fair value; therefore no impairment test was deemed necessary.

Compensated Absences

Certain employees of the Organization have earned a vested right to compensation for unused vacation time. Accordingly, the Organization has made an accrual for vacation compensation that employees have earned but not taken. As of December 31, 2016, the Organization has accrued approximately \$59,000 of earned vacation.

Functional Allocation of Expenses

Expenses are charged to programs and supporting services on the basis of time and expense analysis. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

Advertising Costs

It is the Organization's policy to expense advertising costs as incurred. The Organization incurred approximately \$1,273,000 in advertising costs for the year ended December 31, 2016.

Income Taxes

Meet AC, Inc. qualifies as a tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code. Contributions to the Organization are neither solicited nor tax deductible.

Atlantic City Sports Commission, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Commission also has been classified as an organization that is not a private foundation under Section 509(a)(2), and therefore qualifies for the charitable contribution deduction under Section 170(b)(1)(a).

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

Since both entities qualify as tax-exempt organizations for both federal and state purposes, and neither organization engaged in any activities that might give rise to unrelated business income tax, the consolidated financial statements do not reflect a provision for income taxes.

Subsequent Events

These consolidated financial statements were approved by management and available for issuance on March 22, 2017. Management has evaluated subsequent events through this date.

2 - PROGRAM AND SUPPORTING SERVICES

Program Services

Meet AC, Inc.'s program services have been established, in accordance with the Organization's agreement with the CRDA, to promote and market the Atlantic City Convention Center and Historic Boardwalk Hall (the "Facilities") as premier destinations for conventions, meetings, trade shows and group leisure events; conduct coordinated advertising, publicity and promotion campaigns emphasizing attractions offered in Atlantic City (the "City") for meetings and groups; sell and coordinate the booking and reservation of convention, meeting and trade show space, hotel rooms and other off-site venues; participate in appropriate convention and destination marketing associations' events and trade shows to assure favorable publicity about the City and the Facilities; solicit convention, tradeshow and meeting organizations to use the Facilities and other venues throughout the City; provide tourism and event-planning services to associations, businesses, organizations and groups convening or holding conventions, meetings or events; prepare, publish and update materials providing specific information on the Facilities, hotels, restaurants, entertainment and other amenities located in the City, and distribute said materials to event planners or coordinators; coordinate with City hotels, restaurants and entertainment venues the cross-selling and booking of said facilities in connection with the booking of a convention, tradeshow or other meeting events at the Facilities; and create and maintain strategic relationships for the coordination of services with the CRDA and its business partners, as they relate to the convention and meeting business in the City.

The Commission's program services are supported by Meet AC's agreement with the CRDA, and established to promote and market the Atlantic City Convention Center, Historic Boardwalk Hall and Bader Field (the "Commission Facilities") as premier destinations for sports related events, emphasizing attractions offered in the City for events to groups; to sell and coordinate the booking and reservation of events, hotel rooms and other off-site venues; to participate in appropriate convention and destination marketing associations' events and trade shows to assure favorable publicity about the City and the Commission Facilities; and to solicit, create and support sport related events to use the Commission Facilities and other venues throughout the City.

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 - PROGRAM AND SUPPORTING SERVICES (Continued)

Supporting Services

Management and general services include those functions necessary to obtain and manage the Organization's financial and other resources, ensure an adequate working environment, develop and administer Organization programs and services and, in conjunction with the Board, oversee the articulation of Organization policies and procedures, as well as long-term Organization strategies.

3 - RETIREMENT PLAN

The Organization sponsors a 401(k) retirement plan, covering all full-time employees. The Organization contributes a Safe Harbor amount equal to 3% of each full-time employee's compensation. The discretionary contribution for the year ended December 31, 2016 was \$73,345.

4 - RELATED PARTY TRANSACTIONS

Contract Revenues

The Organization is funded by the CRDA as part of its collaborative, public-private partnership agreement with the CRDA in exchange for promotional, marketing and sales efforts rendered, including booking convention space, leisure groups, hotel rooms and off-site venues.

Rental Expense

The Organization leases its operating facilities, on a month-to-month basis, from the CRDA. The monthly rental expense is based upon the percentage of floor space used, which for the year ended December 31, 2016 totaled \$60,000.

Miscellaneous Expenses

Occasionally the CRDA will pay various administrative/office expenses on behalf of the Organization, for which the Organization will reimburse the CRDA. Amounts have been *de minimis*.

5 - GAIN CONTINGENCY

The Organization has entered into a lawsuit against an organization which was advanced \$75,000 in incentive funding in 2015. The Organization is seeking a refund of the incentive funds, since the event was cancelled by the venue and did not take place. The collectability of the refund is currently uncertain. Therefore, any recovery arising from this claim will be recorded as income in the year received.

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 - COMMITTED CASH – CONVENTION DEVELOPMENT FUNDS

On October 19, 2015, the Meet AC Board of Directors approved a commitment of \$334,000 of unused 2015 CRDA funding for the Organization to fulfill the Atlantic City Alliance’s (“ACA”) 2016 contracts for incentive funding to sales groups. The ACA was a private, non-profit destination marketing organization for Atlantic City, New Jersey which operated under a separate marketing agreement with the CRDA. During 2016, the Organization expended all ACA committed funds.

The Organization enters into agreements with other organizations to hold future events, conferences, and meetings in Atlantic City. As of December 31, 2016, the Organization had committed \$296,803 in unused CRDA funding to fulfill future agreements totaling \$670,500 (see note 8).

7- REFUNDABLE ADVANCES

The Organization operates under an agreement with the CRDA. At December 31, 2016, the Organization received funds in advance of and in excess of expenses incurred, which are reflected as refundable advances totaling \$296,803. However, the Organization entered into commitments, exceeding these amounts, for future incentive funding of events to sales groups. Therefore, the Organization anticipates recognizing these amounts as revenue in 2017, as the events take place and the commitments entered into during 2016 are satisfied.

The Organization was awarded grants from the NJ Department of State, Division of Travel & Tourism, entitled, *Destination Marketing Organization*, in the amounts of \$82,480, covering the period July 1, 2015 to June 30, 2016 and \$82,480, covering the period July 1, 2016 to June 30, 2017. For the year ending December 31, 2016, the Organization recognized revenues of \$44,890 for the grant covering the period July 1, 2015 to June 30, 2016 and \$18,094 for the grant covering the period July 1, 2016 to June 30, 2017. At December 31, 2016, the Organization had received funds in advance of and in excess of expenses incurred, which are reflected as refundable advances totaling \$23,146. The Organization anticipates recognizing the remaining funds as revenue in 2017, prior to the June 30, 2017 grant expiration date.

8 - COMMITMENTS

The Organization enters into agreements with various groups and organizations to provide convention development and incentive funds to encourage the booking of conferences, conventions, and meetings in Atlantic City. As of the year ended December 31, 2016, the Organization has the following incentive funding commitments:

2017	\$	316,000
2018		209,500
2019		10,000
2020		10,000
2021		15,000
Thereafter		110,000
	<u>\$</u>	<u>670,500</u>

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9 - CONCENTRATIONS

Major Sources of Revenue

The Organization receives its funding from the CRDA, which, under a 5 year contract originally set to expire at the end of 2019, provided for quarterly funding totaling \$8.1 million per year. The contract also provided for a reduction in the funding commitment to the Organization, in the event of an extraordinary reduction in the amount of annual Luxury Tax Revenues collected by the CRDA in any year. See note 10 for the subsequent reduction and cessation of funding in 2017 and 2018, respectively.

Concentrations of Credit Risk

Concentrations of credit risk with respect to accounts receivable are limited, since they are represented by a variety of signed agreements with a collection rate of 100%.

10 – GOING CONCERN UNCERTAINTY

As a result of the current economic condition of Atlantic City and the re-allocation of a portion of the Luxury Tax Revenues to the city of Atlantic City for debt reduction, the amount of funding allocated from this source to the CRDA has been significantly decreased. In response to the reduction in Luxury Tax Revenue and in accordance with the terms of the Organization's contract with the CRDA (see note 9), on January 17, 2017, the CRDA approved the Organization's 2017 budget with a \$1.1 million reduction in funding from \$8.1 million to \$7 million. Management did not anticipate that this reduction would significantly impact the operations of the Organization and its ability to service its programs and activities, until the CRDA also notified the Organization, in March of 2017, that there would be no funding available after December 31, 2017 for the 2018 budget year. Management and the Board of Directors evaluated these factors and projects that, while all cash needs will be met throughout the year 2017, these factors raise substantial doubt about the Organization's ability to continue as a going concern within one year from the issuance of these financial statements.

Management and the Board of Directors, at its March 13, 2017, discussed the possible dissolution of the Organization and several paths to alternate funding designed to keep the Organization intact and ensure its continued contribution to Atlantic City's economic health. Plans include: 1) commencing discussions with the CRDA as to the probability of funding the Organization with funds other than from the Luxury Tax Revenues; 2) meeting with state legislators to find and allocate long term funding through the legislative process; 3) coordinating an action plan for funding with the Hotel and Hotel/Casino Leadership; and 4) introducing a Tourism Business Improvement District that includes all of Atlantic County to raise funding and market the entire County. This multi-pronged approach was put into immediate action to ensure a resolution is found prior to the end of the Organization's 2017 funded budget year.

The ability of the Organization to continue as a going concern is dependent upon the success of these efforts. The financial statements do not include any adjustments that might be necessary if the Organization is unable to continue as a going concern.

SUPPLEMENTARY INFORMATION

MEET AC, INC. AND AFFILIATE
CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

					Supporting Services		
	Meetings, Conventions and Groups	Registration Staffing	Marketing - Sports and Entertainment	Total Program Services	Management and General	Total Functional Expenses	
Payroll	\$ 2,013,217	\$ 112,459	\$ 51,217	\$ 2,176,893	\$ 258,499	\$ 2,435,392	
Payroll taxes	181,321	9,020	5,967	196,308	21,345	217,653	
Benefits	408,192	-	5,656	413,848	37,957	451,805	
Salaries and related expenses	2,602,730	121,479	62,840	2,787,049	317,801	3,104,850	
Marketing	2,356,246	2,086	577,721	2,936,053	25,924	2,961,977	
Client entertainment	305,544	-	10,724	316,268	2,522	318,790	
Advertising and print	1,239,362	-	75,131	1,314,493	9,030	1,323,523	
Public relations	228,081	-	12,489	240,570	223	240,793	
Office and computer expenses	52,754	-	-	52,754	53,460	106,214	
Other expenses	66,480	30	1,770	68,280	2,434	70,714	
Facilities and insurance	107,215	-	-	107,215	24,342	131,557	
Professional fees	18,195	-	-	18,195	74,782	92,977	
Depreciation	9,155	-	-	9,155	-	9,155	
Total expenses	\$ 6,985,762	\$ 123,595	\$ 740,675	\$ 7,850,032	\$ 510,518	\$ 8,360,550	

See Independent Auditors' Report.

MEET AC, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

	Meet AC	Atlantic City Sports Commission	Eliminations	Consolidated Statement
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,216,694	\$ 139	\$ -	\$ 1,216,833
Committed cash - convention development funds	296,803	-	-	296,803
Accounts receivable	14,445	-	-	14,445
Prepaid expenses	59,079	6,725	-	65,804
Due from related parties	(9,230)	-	9,230	-
Total current assets	1,577,791	6,864	9,230	1,593,885
Noncurrent assets				
Intangible asset	25,000	-	-	25,000
Computer equipment - at cost, less accumulated depreciation of \$18,391	31,955	-	-	31,955
Total noncurrent assets	56,955	-	-	56,955
Total assets	\$ 1,634,746	\$ 6,864	\$ 9,230	\$ 1,650,840
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable and accrued expenses	\$ 292,457	\$ 16,094	\$ -	\$ 308,551
Accrued payroll and related expenses	617,340	-	-	617,340
Refundable advance - NJ Department of State	23,146	-	-	23,146
Refundable advance - CRDA	296,803	-	-	296,803
Due to related parties	-	(9,230)	9,230	-
Total current liabilities	1,229,746	6,864	9,230	1,245,840
Unrestricted net assets	405,000	-	-	405,000
Total unrestricted net assets	405,000	-	-	405,000
Total liabilities and net assets	\$ 1,634,746	\$ 6,864	\$ 9,230	\$ 1,650,840

See Independent Auditors' Report.

MEET AC, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2016

	Meet AC	Atlantic City Sports Commission	Eliminations	Consolidated Statement
Revenues and other support				
Contract revenue	\$ 8,157,882	\$ 749,817	\$ (749,817)	\$ 8,157,882
Registration staffing	131,066	-	-	131,066
Interest income	8,528	-	-	8,528
Grant revenue	63,074	-	-	63,074
Total revenues and other support	8,360,550	749,817	(749,817)	8,360,550
Expenses				
Program services				
Meetings, conventions and groups	6,985,762	-	-	6,985,762
Registration staffing	123,595	-	-	123,595
Marketing - sports and entertainment	-	740,675	-	740,675
Atlantic City Sports Commission	740,675	-	(740,675)	-
Total program services	7,850,032	740,675	(740,675)	7,850,032
Supporting services				
Management and general	510,518	9,142	(9,142)	510,518
Total expenses	8,360,550	749,817	(749,817)	8,360,550
Change in unrestricted net assets	-	-	-	-
Net assets, beginning of year	405,000	-	-	405,000
Net assets, end of year	\$ 405,000	\$ -0-	\$ -0-	\$ 405,000

See Independent Auditors' Report.