

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

**REPORT OF FINANCIAL STATEMENTS**  
(With Supplementary Information)

**FOR THE YEAR ENDED**  
**December 31, 2009**



**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
ATLANTIC COUNTY, NEW JERSEY**

**TABLE OF CONTENTS**

**DECEMBER 31, 2009**

	Page
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Fund Balances	16
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	18
Statement of Net Assets - Fiduciary Funds	19
Statement of Changes in Net Assets - Fiduciary Funds	20
Notes to Financial Statements	21-38
<b>Supplemental Information</b>	
Combining Balance Sheet - Nonmajor Governmental Funds - Debt Service Funds	39
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Funds - Debt Service Funds	40
Combining Statement of Fiduciary Net Assets - Fiduciary Funds	41
Combining Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	42
Combining Net Assets - Other Fiduciary Funds	43-49
Combining Statement of Changes in Net Assets - Other Fiduciary Funds	50-56



**ALLIANCE OF  
GOVERNMENTAL  
AUDITORS, LLC**

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A JOINT VENTURE OF

SWARTZ & CO.,LLC &

TRACEY HEUN BRENNAN & CO.

**Independent Auditor's Report**

The Chairman and Members of the Board  
Casino Reinvestment Development Authority  
Atlantic City, NJ 08401

Members:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Casino Reinvestment Development Authority (the "CRDA" or the "Authority"), a component unit of the State of New Jersey, as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements of the CRDA as listed in the table of contents. These basic financial statements are the responsibility of CRDA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the CRDA as of December 31, 2009, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis information is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to tests and other auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Alliance of Governmental Auditors, LLC*

Alliance of Governmental Auditors, LLC

February 5, 2010

## **Required Supplemental Information**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

### YEAR ENDING DECEMBER 31, 2009

This section of the Casino Reinvestment and 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, 2009. It should be read in conjunction with the CRDA's financial statements, which follow this section.

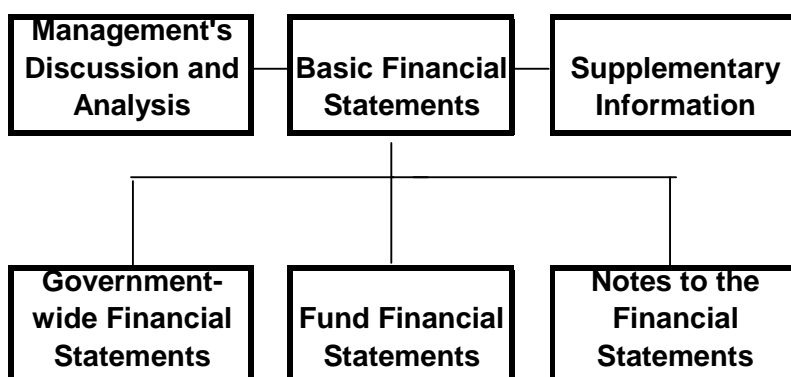
#### FINANCIAL HIGHLIGHTS

- The liabilities of the CRDA exceeded its assets at the close of the most recent fiscal year by approximately \$17 million, a decrease of approximately \$29 million from the prior year. The decrease is primarily the result of a \$17 million capital grant for road improvements and a reduction in community and economic development expenses.
- Cash and investments total approximately \$209.4 million, which is comparable to the prior year balance of \$210 million.
- Long-term liabilities decreased by approximately \$12 million to approximately \$469 million at year end 2009. The decrease is the result of scheduled redemptions of publicly issued debt.
- Real estate holdings increased to approximately \$89.6 million during the fiscal year, as real estate was purchased primarily for Authority road projects.
- General fund actual revenue was more than budgeted revenue for the 2009 year due to additional funding received from the South Jersey Transportation Authority for Authority road projects.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and a section that presents *combining statements* for non major governmental funds.

## Required Components of CRDA's Annual Financial Report



The basic financial statements include two kinds of statements that present different views of the CRDA:

- *Government-wide financial statements* that provide both *long-term* and *short-term* information about the CRDA's *overall* financial status.
- *Fund financial statements* that focus on individual parts of the CRDA.

### Government-wide Statements

The government-wide statements report information about the CRDA as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the CRDA's assets 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 only one category, *governmental activities*. All of CRDA's operations and programs are included here, including the administration of projects and community and economic development.

### Fund Financial Statements

*Fund financial statements* focus on the current financial information of the *individual parts* of the CRDA, reporting the CRDA's operations in *more detail* than the government-wide statements. Funds are an accounting method that CRDA uses to keep track of specific sources of revenue and spending for particular purposes.

The CRDA has two fund groupings, governmental 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 government funds statement that explains the relationship (or difference) between them.
- *Fiduciary fund statements* address accounts in which CRDA acts solely as a *trustee or agent* for the benefits of others. The CRDA is the trustee, or *fiduciary*, for casino reinvestment obligations. It is also responsible for other assets that – because of trust arrangements – 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 assets and a statement of changes in fiduciary net assets. 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 a section of *supplementary information* that further explains and supports the information in the financial statements.

The following chart summarizes the major features of each of CRDA's financial statements, including the scope and types of information they contain.

### Major Features of CRDA's Government-wide and Fund Financial Statements

	<b>Government-wide Statements</b>	<b>Fund Statements</b>	
		<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire CRDA operation (except fiduciary funds)	The activities of the CRDA that are not fiduciary (governmental activities)	Instances in which the CRDA is the trustee or agent for other's resources, such as the casino reinvestment obligations.
<b>Required financial statements</b>	1) Statement of net assets 2) Statement of activities	1) Balance sheet 2) Statement of revenues, expenditures, and changes in fund balance	1) Statement of fiduciary net assets 2) Statement of changes in fiduciary net assets
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	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
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues 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 year, regardless of when cash is received or paid

## Government-wide Financial Analysis

	Net Assets		Total Percentage Change
	Governmental Activities		
	<u>2009</u>	<u>2008</u>	
Current and other assets	\$ 255,950,043	257,104,213	0%
Notes receivable	126,720,575	119,431,121	6%
Capital assets	<u>89,730,464</u>	<u>83,924,660</u>	<u>7%</u>
Total assets	<u>472,401,082</u>	<u>460,459,994</u>	<u>3%</u>
Other liabilities	19,521,199	24,481,872	-20%
Long-term liabilities	<u>469,491,685</u>	<u>481,708,345</u>	<u>-3%</u>
Total Liabilities	<u>489,012,884</u>	<u>506,190,217</u>	<u>-3%</u>
Net Assets:			
Invested in capital assets, net of related debt	94,595	73,670	28%
Restricted	32,285,209	32,252,957	0%
Unrestricted	<u>(48,991,606)</u>	<u>(78,056,850)</u>	<u>-37%</u>
Total net assets	\$ <u>(16,611,802)</u>	<u>(45,730,223)</u>	<u>-64%</u>

Restricted net assets represent resources that are subject to external restrictions on how they may be used. The restricted assets consist of debt service in the amount of \$32 million. The remaining balance of *unrestricted net assets* includes approximately \$19.4 million which may be used for any Authority purpose, and a negative \$68.4 million designated for future project costs.

At the end of 2009, the CRDA maintains positive balances in two of three categories of net assets. The negative unrestricted net assets balance resulted from expenditures for approved projects from funds obtained from 2004 and 2005 bond issues. Revenues for these projects began to be received in July 2006.

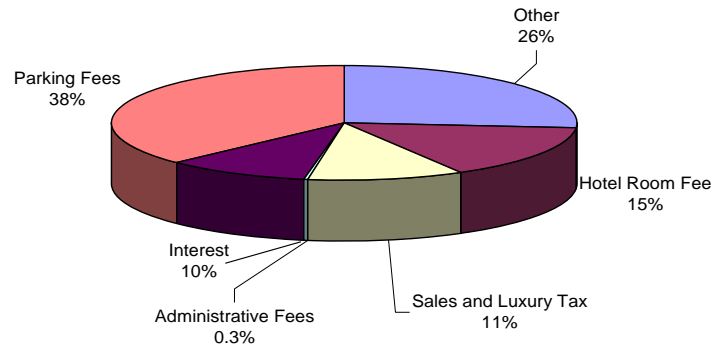
The CRDA holds \$89.6 million in real estate investments. This real estate may be transferred to other entities upon completion of a project.

### Changes in Net Assets

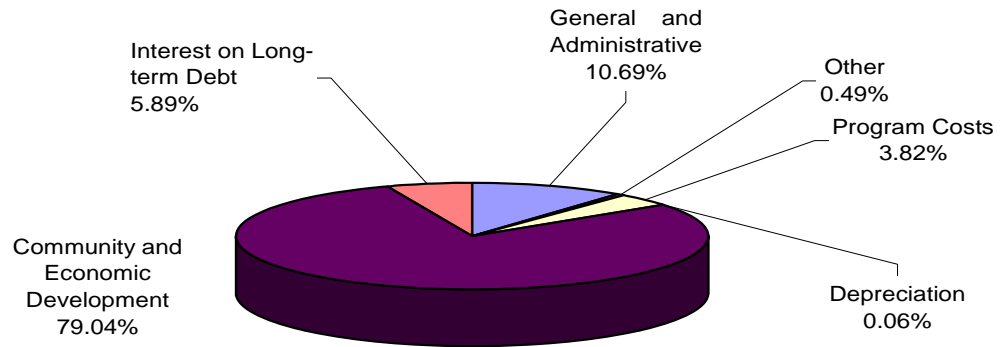
		Governmental Activities		Total Percentage Change
		<u>2009</u>	<u>2008</u>	
<b>Revenues</b>				
Fees:				
Administrative	\$	195,619	290,607	-32.7%
Hotel room		10,705,339	12,226,028	-12.4%
Sales tax		7,441,114	6,023,502	23.5%
Parking		25,833,820	29,040,528	-11.0%
Operating:				
Grant		17,000,000	-	100.0%
Other		1,208,000	1,081,320	11.7%
Investment income		6,945,436	13,989,507	-50.4%
<b>Total revenues</b>		<u>69,329,328</u>	<u>62,651,492</u>	<u>10.7%</u>
<b>Expenses</b>				
General and Administrative		4,300,173	4,407,264	-2.4%
Other		196,628	291,717	-32.6%
Program Costs		1,537,299	5,421,424	-71.6%
Depreciation		25,653	26,470	-3.1%
Interest on long-term debt		2,367,749	3,090,998	-23.4%
Community & Economic Development		31,783,404	56,699,593	-43.9%
<b>Total expenses</b>		<u>40,210,906</u>	<u>69,937,466</u>	<u>-42.5%</u>
<b>Increase in net assets</b>	\$	<u><b>29,118,422</b></u>	<u><b>(7,285,974)</b></u>	<u><b>499.7%</b></u>

The CRDA's net assets increased by \$29.1 million during the current fiscal year. This increase is due the receipt of a \$17 million capital grant for road improvements and a reduction in community and economic development expenses.

### Revenues



### Expenses



## **Governmental Funds Financial Analysis.**

Governmental activities represent 100% of CRDA's governmental funds. CRDA has no proprietary or business-type activities.

As of the end of 2009, the CRDA's governmental funds reported combined ending fund balances of \$215,025,900 an increase of \$2,322,396 for the fiscal year. Of this total amount only \$7,445,326 is *unreserved*, or available for any CRDA purpose. The remainder of fund balance or \$207,580,574 is *reserved* to indicate that it is not available for new spending because it has already been committed to pay debt service (\$33,299,377) and for projects (\$174,281,197).

The Governmental Funds are comprised of the General Fund, Special Revenue Fund 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 additionally fund community and economic development projects.

There are two Special Revenue Funds included in Governmental Funds. The Parking Fee Revenue Fund utilizes parking fee revenue and associated issued debt to pay for projects in the Corridor region and on the Boardwalk in Atlantic City as well as A.C casino expansion projects. The Hotel Room Fee Fund utilizes hotel room fee revenue and associated issued debt to fund Atlantic City casino expansion projects, advances to the New Jersey Sports and Exhibition Authority for horse racing purse enhancements and projects in South Jersey and North Jersey.

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**

The CRDA's investment in capital assets is \$94,595 (net of accumulated depreciation of \$393,660) and consists of office furnishings, computers, and office equipment. An investment in real estate of \$89,635,869 is also held for authorized projects.



## **Long-term Debt**

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

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

The CRDA also issues project bonds to casino licensees with terms varying from 35 to 50 years at interest rates varying between 4.0% 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.

	<u>2009</u>	<u>2008</u>
Debt outstanding January 1,	\$ 468,008,448	\$ 484,260,401
Additions to Debt	1,906,468	2,174,546
Reduction of Debt	<u>(12,218,397)</u>	<u>(18,426,499)</u>
Debt outstanding December 31,	457,696,519	468,008,448
Plus: Net unamortized Premium	<u>10,041,394</u>	<u>11,416,305</u>
	<u><u>\$ 467,737,913</u></u>	<u><u>\$ 479,424,753</u></u>

**GOVERNMENT - WIDE FINANCIAL STATEMENTS**

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**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**

**Statement of Net Assets**

**December 31, 2009**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 137,565,688
Restricted cash	32,285,209
Marketable securities, net of allowance	39,608,396
Receivables:	
Notes receivable	126,720,575
Accrued interest receivable	29,782,912
Accrued revenue	7,341,926
Other	3,922,194
Deferred costs	5,443,718
Real Estate	89,635,869
Capital assets, net of depreciation	94,595
<b>Total Assets</b>	<u><u>472,401,082</u></u>
<b>Liabilities</b>	
Interest payable	9,942,838
Other payables	9,578,361
Long-term liabilities:	
Due within one year	11,098,582
Due in more than one year	458,393,103
<b>Total Liabilities</b>	<u><u>489,012,884</u></u>
<b>Net Assets</b>	
Investment in capital assets, net of related debt	94,595
Restricted for:	
Debt service	32,285,209
Unrestricted	(48,991,606)
<b>Total Net Assets</b>	<u><u>\$ (16,611,802)</u></u>

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Statement of Activities  
For The Year Ended December 31, 2009**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>	
		<u>Fees</u>	<u>Operating Income</u>	<u>Capital Grants</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental Activities						
General and Administration	\$ 4,300,173	1,171,777			(3,128,396)	(3,128,396)
Other	196,628		161,842		(34,786)	(34,786)
Program costs	1,537,299	7,441,114			5,903,815	5,903,815
Depreciation	25,653				(25,653)	(25,653)
Interest on long-term debt	2,367,749				(2,367,749)	(2,367,749)
Community development	31,783,405	36,539,159	70,000	17,000,000	21,825,754	21,825,754
Total governmental activities	<u>\$ 40,210,907</u>	<u>45,152,050</u>	<u>231,842</u>	<u>17,000,000</u>	<u>22,172,985</u>	<u>22,172,985</u>
General revenues:						
Investment Income					<u>6,945,436</u>	<u>6,945,436</u>
Total general revenues					<u>6,945,436</u>	<u>6,945,436</u>
Changes in net assets					29,118,421	29,118,421
Net assets - beginning					<u>(45,730,223)</u>	<u>(45,730,223)</u>
Net assets - ending					<u>\$ (16,611,802)</u>	<u>(16,611,802)</u>

The accompanying notes are an integral part of these financial statements

**FUND FINANCIAL STATEMENTS**

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**Balance Sheet**  
**Governmental Funds**  
**December 31, 2009**

	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Other</u>	<u>Total</u>
		<u>Parking</u>	<u>Hotel</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Fee</u>	<u>Room Fee</u>	<u>Funds</u>	<u>Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 59,779,565	84,866,782	23,794,597	1,409,953	169,850,897
Marketable securities, net of allowance		39,608,103	293		39,608,396
Receivables:					
Accrued interest receivable	173,643			190,115	363,758
Accrued parking fees		3,770,469			3,770,469
Accrued hotel room fees			3,571,457		3,571,457
Other	1,636,876			2,118,709	3,755,585
<b>Total Assets</b>	<u>61,590,084</u>	<u>128,245,354</u>	<u>27,366,347</u>	<u>3,718,777</u>	<u>220,920,562</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Interest payable		1,268,579	2,221,159	167,028	3,656,766
Other payables	866,758	1,189,858	65,327	115,953	2,237,896
<b>Total Liabilities</b>	<u>866,758</u>	<u>2,458,437</u>	<u>2,286,486</u>	<u>282,981</u>	<u>5,894,662</u>
<b>Fund Balances:</b>					
Reserved fund equity:					
Reserve for debt service		30,208,688		3,090,689	33,299,377
Reserve for project costs	53,278,000	95,578,229	25,079,861	345,107	174,281,197
Unreserved fund equity:					
Undesignated	7,445,326				7,445,326
<b>Total Fund Balances</b>	<u>60,723,326</u>	<u>125,786,917</u>	<u>25,079,861</u>	<u>3,435,796</u>	<u>215,025,900</u>
<b>Total liabilities and fund balances</b>	<u>\$ 61,590,084</u>	<u>128,245,354</u>	<u>27,366,347</u>	<u>3,718,777</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

94,595

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

251,385,925

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

(483,118,222)

Net assets of governmental activities

\$ (16,611,802)

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended December 31, 2009**

	<u>General Fund</u>	<u>Special Revenue Fund Parking Fee</u>	<u>Hotel Room Fee</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Administrative fees	\$ 195,619				195,619
Interest and investment income	1,466,190	1,039,836	39,207	2,086,887	4,632,120
Parking revenue		25,833,820			25,833,820
Hotel room fee revenue			10,705,339		10,705,339
Sales and luxury tax rebate revenue	7,441,114				7,441,114
Grant revenue	17,000,000				17,000,000
Processing fees	976,158				976,158
Other	277,161	70,000		-	347,161
Total revenues	<u>27,356,242</u>	<u>26,943,656</u>	<u>10,744,546</u>	<u>2,086,887</u>	<u>67,131,331</u>
<b>EXPENDITURES</b>					
Current:					
Salaries and benefits	3,243,179				3,243,179
General & administrative	723,338				723,338
Professional services	333,656				333,656
Project Costs	1,537,299	10,839,624	2,263,222	4,798	14,644,943
Other		513,028		161,868	674,896
Debt Service:					
Interest expense		14,776,213	4,442,319	1,850,910	21,069,442
Principal		7,136,037	3,445,000	1,637,360	12,218,397
Notes payable		640,000			640,000
Capital outlay					
Purchase of Fixed Assets	46,579				46,579
Total expenditures	<u>5,884,051</u>	<u>33,904,902</u>	<u>10,150,541</u>	<u>3,654,936</u>	<u>53,594,430</u>
Excess (deficiency) of revenues over expenditures	21,472,191	(6,961,246)	594,005	(1,568,049)	13,536,901
<b>OTHER FINANCING SOURCES (USES)</b>					
Payments received on notes	434,257			930,944	1,365,201
Capital related debt issued		1,906,468		-	1,906,468
Loan disbursements	(8,658,267)			-	(8,658,267)
Purchase of real estate	(2,332,125)	(3,495,782)			(5,827,907)
Total other financing sources and uses	<u>(10,556,135)</u>	<u>(1,589,314)</u>	<u>-</u>	<u>930,944</u>	<u>(11,214,505)</u>
Net change in fund balance	10,916,056	(8,550,560)	594,005	(637,105)	2,322,396
Fund Equity, January 1, 2009	<u>49,807,270</u>	<u>134,337,477</u>	<u>24,485,856</u>	<u>4,072,901</u>	<u>212,703,504</u>
Fund Equity, December 31, 2009	<u>\$ 60,723,326</u>	<u>125,786,917</u>	<u>25,079,861</u>	<u>3,435,796</u>	<u>215,025,900</u>

The accompanying notes are an integral part of these financial statements

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combined Statement of Revenues, Expenditures and Changes in Fund Equity  
to the Statement of Activities  
For The Year Ended December 31, 2009**

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

Net change in fund balances - total governmental funds	\$	2,322,396
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the current period.

5,848,833

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

2,313,316

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 assets. 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.

11,862,608

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 assets.

7,334,747

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.

(563,479)

Change in net assets of governmental activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">29,118,421</div>
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The accompanying notes are an integral part of these financial statements

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Statement of Revenues, Expenditures and Changes in Fund Equity**  
**Budget and Actual - General Fund Type**  
**For The Year Ended December 31, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Budget to Actual</u>
<b>REVENUES:</b>			
Administrative fees	\$ 296,145	195,619	(100,526)
Interest and investment income	5,117,539	1,466,190	(3,651,349)
Sales and luxury tax rebate revenue	7,670,965	7,441,114	(229,851)
Processing fees	1,009,520	976,158	(33,362)
Grant revenue		17,000,000	17,000,000
Other	100,000	277,161	177,161
	<u>14,194,169</u>	<u>27,356,242</u>	<u>13,162,073</u>
<b>EXPENDITURES:</b>			
Salaries and benefits	3,399,649	3,243,179	156,470
General & administrative	881,237	723,338	157,899
Professional services	397,000	333,656	63,344
Capital Outlay - Fixed Assets	130,450	46,579	83,871
Project Costs		1,537,299	(1,537,299)
	<u>\$ 4,808,336</u>	<u>5,884,051</u>	<u>(1,075,715)</u>

There were no modifications to the adopted budget

The accompanying notes are an integral part of these financial statements

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**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2009**

	<u>Total</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 314,320,469
Receivables:	
Notes receivable	5,318,443
Accrued interest receivable	20,675
Obligations receivable	11,189,916
Other	5,399,188
Capital Assets:	
Real Estate	10,201,799
	<u>346,450,490</u>
<b>Total Assets</b>	<u><u>346,450,490</u></u>
<b>Liabilities</b>	
Interest payable	1,001,360
Other payables	14,825,345
<b>Reserves:</b>	
Obligations payable	282,644,759
Direct investment deposits	1,936,506
Donation deposits	25,399,897
Project costs	20,642,623
	<u>346,450,490</u>
<b>Total Liabilities and Reserves</b>	<u><u>346,450,490</u></u>
<b>Net Assets:</b>	
<b>Total Net Assets</b>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended December 31, 2009**

	<u>Total</u>
<b>ADDITIONS:</b>	
Obligation deposits	\$ 50,788,670
Transfer from reinvestment	14,084,521
Retail and luxury tax rebate	27,495,380
Interest on notes	236,266
Other income	506
Total Additions	<u>92,605,343</u>
<b>DEDUCTIONS:</b>	
Direct investments	20,660,409
Direct donations:	
Transfers to other fiduciary funds	239,686
Other	13,844,835
Accrued obligations	1,209,847
Bonds issued	1,906,468
Credits	3,136
Grants and donations	17,637,082
Retail and luxury tax rebate	27,495,380
Total deductions	<u>82,996,843</u>
<b>NET CHANGE IN RESERVES</b>	9,608,500
Net assets - beginning	
Net assets - ending	\$ <u><u>                    </u></u>

The accompanying notes are an integral part of these financial statements

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

**1. Summary of Significant Accounting Policies**

The financial statements of the Casino Reinvestment Development Authority (CRDA) have been prepared in conformity with accounting principals generally accepted in the United States of America 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 Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the CRDA are discussed below.

**Reporting Entity**

The CRDA's financial statements include the accounts of all of CRDA's operations. The CRDA, as a component unit of the State of New Jersey, is financially accountable to the State. As set forth in Government Accounting Standards Board (GASB) 14, financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The CRDA, as a component unit, issues separate financial statements from the State of New Jersey.

**Basis of Presentation: Fund Accounting**

**Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non fiduciary activities of the CRDA during 2009. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 the operation of the governmental fund. Other items not properly included within program revenues are reported instead as *general revenues*. There was \$6,945,436 in general revenues during 2009.

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

**Measurement focus, basis of accounting and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the CRDA considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Parking fees, hotel room fees, 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.

The CRDA reports the following major governmental funds:

The *general fund* is the CRDA's primary operating fund. It accounts for all financial resources of the CRDA, except those required to be accounted for in another fund.

The *special revenue funds* are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The *parking fee fund* is used to account for the collection of parking fees as a source of funds to pay for Atlantic City projects on the boardwalk and, in the corridor region, for 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, advances to the New Jersey Sports and Exhibition Authority for horse racing purse enhancements, projects in South Jersey and North Jersey and debt service on a long-term obligation.

Additionally, the CRDA reports the following fiduciary fund types:

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 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 contracts and agreements.



Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

Budgets and Budgetary Accounting

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

Real Estate

Real estate consists of land, land improvements and related acquisition costs and is recorded at cost. Real estate is held by the CRDA for future development, sale, lease or donation. Real estate that is donated is expensed as a program cost.

Fixed Assets

Fixed assets, consisting primarily of furniture and equipment, are carried at cost less accumulated depreciation of \$94,595 at December 31, 2009. The CRDA depreciates its assets using the straight-line method over the estimated useful lives, generally seven years for office equipment and furniture and fixtures and five years for computer equipment.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the certain reported amounts and disclosures. Actual results could differ from those estimates.

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 deductibles 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  
December 31, 2009

Notes Receivable

Notes receivable includes 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 the CRDA. The annual principal amount forgiven is recorded as forgiveness of debt.

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 effect each borrower's ability to repay, estimated value of any underlying collateral and current economic conditions. As of December 31, 2009, a provision for uncollectible accounts was not required.

Bonds Payable

The Authority issues tax-exempt private activity bonds and taxable bonds to casino licensees. The proceeds from these bond issues are used to provide long-term, low-interest, loans to businesses, certain 501 (c) (3) non-profit activities, and other projects. Also included in bonds payable are parking fee revenue bonds and hotel room fee revenue bonds 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.

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 are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as the employees earn the rights to the benefits.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

**2. Investments**

As of December 31, 2009, the Authority had the following investments:

	<u>Maturities</u>	<u>Fair Value</u>
Marketable Securities	various	\$ 39,608,396
CD	2/17/2010	68,814

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

**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 rating service.

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

Units of the New Jersey Cash Management Fund, invested by the State Division of Investments, consisting of short-term obligations of the U.S. Government and certain of its agencies, commercial paper, certificates of deposit, repurchase agreements and bankers’ acceptances.

Certificates of deposit issued by a bank, trust company, national banking association, savings and loan association or other financial institution that is 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 deposit, 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.

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

### 3. Cash

**Custodial Credit Risk – Deposits.** Custodial credit risk 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 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, 2009, \$483,957,746 of the Authority’s bank balance of \$485,904,621 was exposed to custodial credit risk.

Cash and cash equivalents included various checking and money market accounts, and U.S. obligations with maturities of three months or less. \$32,285,209 of the CRDA’s cash is reserved for debt service.

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

**4. Notes Receivable**

As of December 31, 2009, the Parking Fee Revenue Fund includes a note receivable in the amount of \$8,600,000 due from the New Jersey Sports and Exposition Authority (NJSEA), a component unit included in the State of New Jersey's comprehensive annual report. This note, which bears interest at 5.773%, is due on February 10, 2010 or such longer term as shall be required for repayment of the loan and interest thereon from NJSEA's "Available Cash Flow" as defined in the note.

Remaining notes receivable within the Parking Fee Revenue Fund and the debt service fund consist of loans with terms varying from 15 to 40 years at interest rates varying between 3.4% and 8.5%. Repayment of notes receivable are secured by mortgages.

**5. Fixed Assets**

Summary of changes in fixed assets for the year ended December 31, 2009:

	Other Capital Assets Furniture and Equipment	Accumulated Depreciation	Net
Balance January 1, 2009	\$ 798,151	(724,481)	73,670
Increases	46,579	(25,654)	20,925
Decreases	<u>(356,475)</u>	<u>356,475</u>	<u>-</u>
Balance December 31, 2009	<u>\$ 488,255</u>	<u>(393,660)</u>	<u>94,595</u>

**6. Interfund Receivables/Payables**

The following is a summary of interfund receivables and payables at December 31, 2009:

	Due to (due from) General	Due to (due from) Reinvestment	Due to (due from) AC Corridor	Due to (due from) Hotel Room Fee	Due to (due from) Deregulation	Due to (due from) Debt Service Fund	Due to (due from) Agency Fund
Interest	\$ 142,217	(99,808)	(30,319)	(11,989)			(101)
Administrative fees	118,005					(118,005)	
Miscellaneous		672,074	(618,736)	(53,338)			
Deregulation Funds		<u>(345,107)</u>			345,107		
	<u>\$ 260,222</u>	<u>227,159</u>	<u>(649,055)</u>	<u>(65,327)</u>	<u>345,107</u>	<u>(118,005)</u>	<u>(101)</u>

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

The interfunds are the result of timing issues. They will be eliminated in the subsequent year.

**7. Obligation Deposits**

- a. Obligation deposits collected from the licensees are held in the Reinvestment Fund until the CRDA's Board of Directors approves projects. Subsequent to approval of a project, when disbursements for a project are to be made, obligation deposits are disbursed as either bonds payable or direct investment reimbursements. If the approved project is designated as a donation project the funds are initially reclassified from obligation deposits to donation deposits. Donation deposits are disbursed to the Agency Funds as donations to temporarily restricted assets when disbursements for the project are required. The obligation deposits set aside for New Jersey Development Authority for Small Businesses, Minorities and Women Enterprises (NJSBMWE) can be used to purchase bonds of the New Jersey Development Authority.
- b. Current obligations represent amounts incurred by licensees under the CRDA statute and are based upon 1.25% of their gross revenues. Payments are due quarterly on April 15, July 15, October 15, and January 15, for the preceding quarter. For financial reporting purposes, amounts outstanding are also recorded as current obligations receivable with an offsetting reserve as accrued investment obligations.

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

- c. 2009 Obligations and Donations account activity is summarized below:

<u>Obligation deposits</u>	
Beginning Balance	\$ 267,626,266
Obligation deposits	38,388,908
Direct investments	(20,389,342)
Direct donations	(11,833,539)
Transfer to donations	(427,845)
Bonds issued	(1,906,468)
Credits	(3,136)
Obligations receivable	-
Ending balance	<u>271,454,844</u>

<u>Direct Investment Deposit</u>	
Beginning Balance	2,207,573
Disbursements	(271,067)
Ending Balance	<u>1,936,506</u>

<u>Donation Deposits</u>	
Beginning balance	27,223,034
Transfers from obligations	427,845
Grants to Agency and Debt Service Funds	(2,250,982)
Ending balance	<u>25,399,897</u>
	<u>\$ 298,791,247</u>

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

**8. Bonds Payable**

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

On March 23, 2005 the CRDA issued \$291,670,000 in Parking Fee Revenue Bonds. Series 2005A in the amount of \$107,140,000 were tax exempt bonds, with interest rates varying between 5% and 5.25%, the proceeds of which were used to refund \$68,405,000 of the previously issued Parking Fee Revenue Bonds, Series 1997A and \$43,205,000 of the previously issued Parking Fee Revenue Bonds, Series 2001A. Series 2005B in the amount of \$184,530,000 were taxable bonds, with interest rates varying between 4.61% and 5.46%, the proceeds of which were used to refund \$68,405,000 of the previously issued Investment Alternative Tax and Subordinated Parking Fee Revenue Bonds, Series 2001B and to fund projects on the Atlantic City Boardwalk and at the casinos. The bonds are payable from Parking Fee Revenues, certain pledged Investment Alternative Taxes and an additional contractual parking charge to be remitted by the casinos. In October of 2004 the CRDA issued \$93,000,000 of tax exempt Hotel Room Fee Revenue Bonds (Series 2004), with interest rates varying between 5% and 5.25%. The proceeds of these bonds were used to fund projects in North and South Jersey as well as Atlantic City casino expansion projects. These bonds are payable solely from hotel room fees.

Casino Pool Bonds

The CRDA also issues project bonds to casino licensees with terms varying from 35 to 50 years at interest rates varying between 4.0% 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. Accordingly, due to a lack of revenues generated Helrich Plaza bondholders received only a portion of amounts due under the bonds in 2009. The bond holders of the Vermont Plaza project and the Sheraton Headquarters Hotel are not currently receiving principal or interest payments.

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

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

<b><u>Bond Issue</u></b>	<b><u>Amount</u></b>
\$107 million Parking Fee Revenue Bonds	\$ 22,055,755
\$184.5 million Parking Fee Revenue Bonds	7,728,959
Atlantic City Boardwalk Convention Center Project Bonds	423,954
Balance at December 31, 2009	\$ <u>30,208,668</u>

One half of the debt service reserve fund requirement for the 2005 Parking Fee Revenue Bonds has been invested through a Reserve Fund Forward Delivery Agreement with Merrill Lynch Capital Services, Inc. The Agreement provides a guaranteed rate of return of 4.475% and converts to cash on each future bond payment date.

The entire debt service reserve fund requirement for the Hotel Room Fee Revenue Bonds is funded by a surety bond.



Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

The following is a summary of the CRDA's long-term debt transactions for the year ended December 31, 2009:

		Publicly Issued Bonds	Project Bonds	Total
Debt outstanding 12/31/08	\$	365,800,000	102,208,448	468,008,448
Additions to Debt			1,906,468	1,906,468
Reduction of Debt		(10,440,000)	(1,778,397)	(12,218,397)
Debt outstanding 12/31/09		355,360,000	102,336,519	457,696,519
Net Unamortized Premium		10,041,394		10,041,394
		<u>365,401,394</u>	<u>102,336,519</u>	<u>467,737,913</u>
Amounts due within one year:	\$	<u>10,915,000</u>	<u>183,582</u>	<u>11,098,582</u>

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

Calendar Year	Principal	Interest
2010	\$ 10,915,000	18,309,075
2011	12,350,000	17,731,447
2012	21,220,000	16,883,317
2013	24,605,000	15,720,955
2014	25,360,000	14,452,878
2015-2019	121,130,000	53,832,419
2020-2024	113,330,000	22,931,055
2025	26,450,000	704,433
	<u>355,360,000</u>	<u>160,565,579</u>
Total	\$	

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

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

<u>Calendar Year:</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 183,582	3,613,820
2011	191,531	3,604,687
2012	449,107	3,595,927
2013	457,043	3,576,005
2014	464,082	3,555,756
2015-2019	5,427,308	17,224,611
2020-2024	6,730,396	15,921,524
2025-2029	22,689,842	14,776,891
2030-2034	34,924,253	9,778,045
2035-2039	3,384,083	6,941,819
2040-2044	25,279,503	4,639,369
2045-2049	2,155,789	216,774
	<hr/>	<hr/>
Total	\$ <u>102,336,519</u>	<u>87,445,228</u>

**9. Note Payable**

During 2002, the CRDA purchased certain real estate from the Housing Authority and Urban Redevelopment Agency of the City of Atlantic City for \$7,200,000. The CRDA financed \$6,400,000 through a non-interest bearing note to the seller that is payable in ten equal annual installments of \$640,000 commencing October 21, 2002. The note, which totals \$1,753,772 as of December 31, 2009, is recorded in the accompanying statement of net assets, net of unamortized discount. Interest was imputed at 5%, which approximates the CRDA's effective borrowing rate. The note is secured by a first money mortgage on the real estate.

**10. Project and Direct Investment Commitments**

- a. During 2009, the Authority committed approximately \$30.5 million in current and future obligations to finance direct investment and other projects.

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

As of December 31, 2009, CRDA had outstanding commitments as follows:

Atlantic City

Northeast Inlet Redevelopment	\$	5,694,035
Bally's Hope Loan Program		999,424
NJIT Housing Technology Demonstration Park		550,525
Convention Center East Hall		28,882,507
Habitat for Humanity		15,472
AC/Brigantine Connector Road		45,849,588
Virginia Avenue Improvements		4,479,467
Atlantic Avenue Façade Program		701,565
North Carolina Avenue Improvements		367,119
2nd Ward Façade		281,242
Pennsylvania Avenue Homes		100,666
Carolina Gardens		855,202
Cityscape		38,643
AC Housing Fund		17,187,024
Maryland Avenue Façade		11,438
AC Homeowners Program		42,799
Maine Avenue Project		6,499,685
Boys & Girls Club		186,360
Tax Certificate Acquisitions		51,077
Venice Park Bulkhead		1,934,972
Dwayne Harris Memorial Ballfield		474,558
Reliance Health Relocation		29,093
Hope VI On-Site Project		78,221
Pete Pallitto Field Project		6,523
AC Corridor Bond Pledge		145,620,862
Hope VI Housing		3,406,908
2nd Ward Housing		1,268,973
Main Street AC		250
Stockton Campus Project		40,000
Corridor Parking Garage		20,400,000
Healthplex		57,316
Atlantic City Economic Development		129,674
AC Traffic Operations Center		35
Fresh Food Market		314,637

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

Atlantic City (Continued)	
Pacific Avenue Development	3,030
SE Inlet Transportation Improvements	37,900
Lighthouse District Park Project	107,642
Vision 2000 Foreclosure	237,646
AC National Guard Armory	1,000,124
The Walk	4,500,000
Vermont Plaza	1,800,000
Atlantic Cape Community College	5,000,000
	<hr/>
Total Atlantic City	299,242,202
	<hr/>
South Jersey	
Agricultural Loan Program	232,096
Woodbine Airport	64,544
Gateway Village	480,521
Camden Project Fund	9,400,000
A.C. Boys & Girls Club	140,649
SJ Transportation and Green Projects	784,986
Shepherd's Farm Housing	667,598
EHT Route 40 Corridor	2,945,285
SJ Regional Fire Training Center	1,386,429
Greater Trenton Area YMCA	5,525,000
Caesar's Hotel Expansion	14,649,241
Harrah's Hotel Expansion	10,750,147
Resorts Hotel Expansion	5,791,804
Pinnacle Hotel Expansion	19,935,667
Transportation Master Plan	584,366
Workforce Housing Development	15,600
SJ Workforce Housing Loan Fund	20,000,000
SJ Food Access Initiative Project	2,000,000
SJT & Land Use Program	1,000,000
AC International Inspection Services	4,000,000
	<hr/>
Total South Jersey:	100,353,933
	<hr/>
North Jersey	
Long Branch Project	1,455,985
South Amboy Project	7,142,185
North Project Fund	42,233,618
NJSEA Purse Enhancements	34,161,618
NJ Food Access Initiative Project	5,000,000
	<hr/>
Total North Jersey:	89,993,406
	<hr/>
NJSBMWE Set Aside	17,713,755
	<hr/>
Total Commitments at December 31, 2009	\$ 507,303,296

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

**11. Program Costs / Release of Temporarily Restricted Assets**

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

**12. General Fund Donations**

Donations from the general fund are included as expenses within the Statement of Revenues, Expenses, and Changes in Fund Equity and consisted of the following:

Absecon Lighthouse	\$ 6,598
Bus Terminal	1,000,000
AC Traffic Operations Center	13,077
Bus Transit Planning	66,118
South Inlet Transportation Improvements	2,242
Atlantic-Pacific Avenues One-Way	449,260
	<hr/>
Total:	\$ 1,537,295

**13. General Fund Balances Reserved for Project Costs**

Reserved:

Reserve for Absecon Lighthouse	\$ 262,309
Reserve for Urban Lab Project	8,743
Reserve for Corridor Parking Garage	10,000,000
Reserve for AC Transportation & Green Projects	5,341,930
Reserve for AC Traffic Operations Center	21,394
Reserve for AC Int'l Airport Apron Expansion	541,733
Reserve for Bus Transit Planning	198,881
Reserve for South Inlet Transportation Improvements	34,664,772
Reserve for Atlantic-Pacific Avenues One Way	2,050,739
Reserve for Transportation Master Plan	187,500
	<hr/>
Total reserved	\$ 53,278,001

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

**14. Pension Plan**

*Description of Plans*

All required employees of the Authority are covered by the Public Employees' Retirement System cost-sharing multiple-employer defined benefit pension plan which has been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

The Public Employees' Retirement System 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 Public Employees' Retirement System 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 or local jurisdiction.

*Funding Policy*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The current PERS rate is 5.5% of covered payroll. The Authority's contributions to PERS for the years ending December 31, 2009, 2008 and 2007 were \$174,971, \$114,032, and \$80,368, respectively, equal to the required contributions for each year.

The Authority's total payroll for the years ended December 31, 2009, 2008 and 2007 was \$2,321,350, \$2,638,955, and \$2,488,065; covered payroll was \$2,208,711, \$2,232,983, and \$2,118,753, for PERS.

**15. Fidelity Bond**

The CRDA has a \$1,000,000 Honesty Blanket Bond supplied by Zurich-American Insurance Group covering all of its employees.

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

**16. Commitments and Contingencies**

The CRDA occupies office space in Atlantic City. The facility was leased on a month to month basis, which expired on November 30, 2007. The lease included an option to renew for additional periods of twelve months each. The renewal was signed and the lease has been extended through October 31, 2010. Future minimum lease payments as of December 31, 2009 are as follows:

2010 \$177,120

On October 10, 1997, the CRDA entered into a Parking Fee Agreement with the South Jersey Transportation Authority ("SJTA"), which is a component unit included in the State of New Jersey's comprehensive annual report. Pursuant to the Agreement, a portion of parking fees from marina parking facilities used in conjunction with any new licensed casino hotel construction and located on land in the Marina District of Atlantic City will be payable to SJTA. The maximum amount payable to SJTA under the Parking Fee Agreement is an amount sufficient to amortize \$65,000,000 of SJTA bonds issued to finance the Atlantic City Expressway Connector Project and certain costs of issuance. The maximum annual remittance to SJTA is the lesser of the Marina Parking Fees or the amount released by the Trustee of the Parking Fee Revenue Bonds after the semi-annual debt service. The CRDA's payment obligations are subordinate to the lien on the Marina Parking Fees of the Parking Fee Revenue Bonds (see Note 8). Other payables on the Statement of Net Assets and Community and Economic Development expenses on the accompanying Statement of Activities include \$411,495 payable to SJTA in connection with this obligation.

**17. Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The Authority maintains commercial insurance coverage for property, liability and surety bonds. The Authority is also a member of a Joint Insurance Fund. There has been no significant decrease in insurance coverage and there have been no claims in excess of coverage.

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Notes to Financial Statements  
December 31, 2009

**18. Pending Litigation**

There is currently litigation pending against the CRDA for various matters. The amounts to be paid by the CRDA cannot be determined at this time.

**19. Economic Dependence**

The CRDA has a significant economic dependence upon the casino industry in Atlantic City and the casino alternative tax that is remitted to the Authority through the State of New Jersey.

**20. Deficit in Restricted Project Costs**

There is a deficit in the Net Assets on the Statement of Net Assets due to a deficit in net assets restricted for project costs. This has occurred because the Hotel Room Fee Special Revenue Fund has expended over \$96 million to date and revenue has only been received in this fund beginning in July 2006. It is projected that sufficient funds will be generated to offset the projected expenditures.



## SUPPLEMENTAL INFORMATION

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**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Balance Sheet: Nonmajor Governmental Funds - Debt Service Funds  
December 31, 2009**

	Jacobs Family Terrace	Deregulation	Northwest Inlet	Vermont Plaza	Sheraton Hotel	South Jersey Municipal Loan Program	South Jersey Agricultural Loan Program	Marcal Project	Christopher Columbus Homes	North Jersey Municipal Loan Program	Total Nonmajor Governmental Funds
<b>Assets</b>											
Cash, cash equivalents and investments	\$ 29,070		128,795	1,351		719,566		58,857		472,314	1,409,953
Marketable securities, net of allowance											-
Interest receivable			1,454			88,692		37,809	19,275	42,885	190,115
Other receivable		345,107			34,036		1,732,877		6,689		2,118,709
<b>Total Assets</b>	<u>29,070</u>	<u>345,107</u>	<u>130,249</u>	<u>1,351</u>	<u>34,036</u>	<u>808,258</u>	<u>1,732,877</u>	<u>96,666</u>	<u>25,964</u>	<u>515,199</u>	<u>3,718,777</u>
<b>Liabilities</b>											
Accounts payable and accrued liabilities	269		80			10,023		4,375	2,159	99,047	115,953
Interest payable	4,812		7,121			104,545		33,434	17,116		167,028
<b>Total Liabilities</b>	<u>5,081</u>	<u>-</u>	<u>7,201</u>	<u>-</u>	<u>-</u>	<u>114,568</u>	<u>-</u>	<u>37,809</u>	<u>19,275</u>	<u>99,047</u>	<u>282,981</u>
<b>Fund Equity and Other Reserves</b>											
Reserved	23,989	345,107	123,048	1,351	34,036	693,690	1,732,877	58,857	6,689	416,152	3,435,796
<b>Total Fund Equity</b>	<u>23,989</u>	<u>345,107</u>	<u>123,048</u>	<u>1,351</u>	<u>34,036</u>	<u>693,690</u>	<u>1,732,877</u>	<u>58,857</u>	<u>6,689</u>	<u>416,152</u>	<u>3,435,796</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 29,070</u>	<u>345,107</u>	<u>130,249</u>	<u>1,351</u>	<u>34,036</u>	<u>808,258</u>	<u>1,732,877</u>	<u>96,666</u>	<u>25,964</u>	<u>515,199</u>	<u>3,718,777</u>

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Statement of Revenues, Expenditures and Changes in Fund Equity: Nonmajor Governmental Funds - Debt Service Fund:  
For the Year Ended December 31, 2009**

	Jacobs Family Terrace	Deregulation	Northwest Inlet	Vermont Plaza	Sheraton Hotel	South Jersey Municipal Loan Program	South Jersey Agricultural Loan Program	Marcal Project	Christopher Columbus Homes	North Jersey Municipal Loan Program	Total Nonmajor Governmental Funds
Revenues:											
Interest and investment income	\$ 18,729	2,296	16,121	2	824	681,994	42,028	501,869	117,589	705,435	2,086,887
	<u>18,729</u>	<u>2,296</u>	<u>16,121</u>	<u>2</u>	<u>824</u>	<u>681,994</u>	<u>42,028</u>	<u>501,869</u>	<u>117,589</u>	<u>705,435</u>	<u>2,086,887</u>
Expenditures:											
Program costs							4,798				4,798
Other expenditures	1,558		1,010			60,783		52,500	13,105	67,672	196,628
Debt Service:											
Interest expense	18,220		14,595			636,596		448,957	103,876	628,666	1,850,910
Principal	125,316		19,651			304,385			64,475	1,123,533	1,637,360
	<u>145,094</u>	<u>-</u>	<u>35,256</u>	<u>-</u>	<u>-</u>	<u>1,001,764</u>	<u>4,798</u>	<u>501,457</u>	<u>181,456</u>	<u>1,819,871</u>	<u>3,689,696</u>
Excess of revenues over (under) expenditures	(126,365)	2,296	(19,135)	2	824	(319,770)	37,230	412	(63,867)	(1,114,436)	(1,602,809)
Other Financing Sources (Uses):											
Payments received on notes	119,564		21,195			288,173			64,476	437,536	930,944
Other payables						(5,453)				40,213	34,760
Loan disbursements											-
	<u>119,564</u>	<u>-</u>	<u>21,195</u>	<u>-</u>	<u>-</u>	<u>282,720</u>	<u>-</u>	<u>-</u>	<u>64,476</u>	<u>477,749</u>	<u>965,704</u>
Net change in fund balances	(6,801)	2,296	2,060	2	824	(37,050)	37,230	412	609	(636,687)	(637,105)
Fund Equity January 1, 2009	30,790	342,811	120,988	1,349	33,212	730,740	1,695,647	58,445	6,080	1,052,839	4,072,901
Fund Equity December 31, 2009	<u>\$ 23,989</u>	<u>345,107</u>	<u>123,048</u>	<u>1,351</u>	<u>34,036</u>	<u>693,690</u>	<u>1,732,877</u>	<u>58,857</u>	<u>6,689</u>	<u>416,152</u>	<u>3,435,796</u>

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2009**

	<u>Reinvestment funds</u>	<u>Other</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 300,740,577	13,579,892	314,320,469
Receivables:			
Notes receivable		5,318,443	5,318,443
Accrued interest receivable		20,675	20,675
Obligations receivable	11,189,916		11,189,916
Other	693,166	4,706,022	5,399,188
Capital Assets:			
Real Estate		10,201,799	10,201,799
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Assets</b>	<u><u>312,623,659</u></u>	<u><u>33,826,831</u></u>	<u><u>346,450,490</u></u>
<b>Liabilities</b>			
Interest payable	1,001,360		1,001,360
Other payables	1,641,137	13,184,208	14,825,345
<b>Reserves</b>			
Obligations payable	282,644,759		282,644,759
Direct investment deposits	1,936,506		1,936,506
Donation deposits	25,399,897		25,399,897
Project costs		20,642,623	20,642,623
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Liabilities and Reserves</b>	<u><u>312,623,659</u></u>	<u><u>33,826,831</u></u>	<u><u>346,450,490</u></u>
<b>Net Assets</b>			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Net Assets</b>	\$ <u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2009**

	Reinvestment Funds	Other	Total
	<hr/>	<hr/>	<hr/>
<b>ADDITIONS:</b>			
Obligation deposits	\$ 50,788,670		50,788,670
Transfer from reinvestment		14,084,521	14,084,521
Retail and luxury tax rebate		27,495,380	27,495,380
Interest on notes		236,266	236,266
Other income		506	506
	<hr/>	<hr/>	<hr/>
Total Additions	50,788,670	41,816,673	92,605,343
	<hr/>	<hr/>	<hr/>
<b>DEDUCTIONS:</b>			
Direct investments	20,660,409		20,660,409
Direct donations:			
Transfers to other fiduciary funds	239,686		239,686
Other	13,844,835		13,844,835
Accrued obligations	1,209,847		1,209,847
Bonds issued	1,906,468		1,906,468
Credits	3,136		3,136
Grants and donations		17,637,082	17,637,082
Retail and luxury tax rebate		27,495,380	27,495,380
	<hr/>	<hr/>	<hr/>
Total deductions	37,864,381	45,132,462	82,996,843
	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN RESERVES</b>	12,924,289	(3,315,789)	9,608,500
Net assets - beginning	-	-	-
	<hr/>	<hr/>	<hr/>
Net assets - ending	\$ -	-	-
	<hr/>	<hr/>	<hr/>

See accompanying auditors' report

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Net Assets - Fiduciary Funds, Other  
December 31, 2009**

	<u>Delaware Avenue</u>	<u>Land Banking</u>	<u>Virginian Acquisition</u>	<u>Northeast Inlet Infill</u>	<u>2nd Ward Façade</u>	<u>Pacific Avenue Redevelopment</u>	<u>Subtotal</u>
<b>Assets</b>							
Temporarily restricted assets:							
Real estate	\$ 43,888	1,196,804	803,030		36,811	26,970	2,107,503
<b>Total Assets</b>	<u>43,888</u>	<u>1,196,804</u>	<u>803,030</u>	<u>-</u>	<u>36,811</u>	<u>26,970</u>	<u>2,107,503</u>
<b>Liabilities</b>							
Other payables							-
<b>Total Liabilities</b>					<u>-</u>		<u>-</u>
<b>Reserves</b>							
Reserve for temporarily restricted assets	43,888	1,196,804	803,030		36,811	26,970	2,107,503
<b>Total Liabilities and Reserves</b>	<u>43,888</u>	<u>1,196,804</u>	<u>803,030</u>	<u>-</u>	<u>36,811</u>	<u>26,970</u>	<u>2,107,503</u>
<b>Net Assets</b>							
<b>Total Net Assets</b>	\$ <u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Combining Net Assets - Fiduciary Funds, Other**  
**December 31, 2009**

	Cityscape	SE Inlet Transportation Improvements	Virginia Avenue	Prior Subtotal	Subtotal
<b>Assets</b>					
Temporarily restricted assets:					
Real estate	\$ 66,583	187,085	133,266	2,107,503	2,494,437
<b>Total Assets</b>	<u>66,583</u>	<u>187,085</u>	<u>133,266</u>	<u>2,107,503</u>	<u>2,494,437</u>
<b>Liabilities</b>					
Other payables				-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>
<b>Reserves</b>					
Reserve for temporarily restricted assets	66,583	187,085	133,266	2,107,503	2,494,437
<b>Total Liabilities and Reserves</b>	<u>66,583</u>	<u>187,085</u>	<u>133,266</u>	<u>2,107,503</u>	<u>2,494,437</u>
<b>Net Assets</b>					
<b>Total Net Assets</b>	\$ <u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

See accompanying auditors' report



**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Net Assets - Fiduciary Funds, Other  
December 31, 2009**

	Carolina Gardens	Pennsylvania Avenue	Prior Subtotal	Subtotal
<b>Assets</b>				
Temporarily restricted assets:				
Real estate	\$ 823,502	22,062	2,494,437	3,340,001
Notes receivable	35,644		-	35,644
Other receivables	7,984		-	7,984
<b>Total Assets</b>	<u>867,130</u>	<u>22,062</u>	<u>2,494,437</u>	<u>3,383,629</u>
<b>Liabilities</b>				
Other payables			-	-
<b>Total Liabilities</b>	<u></u>	<u></u>	<u></u>	<u></u>
<b>Reserves</b>				
Reserve for temporarily restricted assets	867,130	22,062	2,494,437	3,383,629
<b>Total Liabilities and Reserves</b>	<u>867,130</u>	<u>22,062</u>	<u>2,494,437</u>	<u>3,383,629</u>
<b>Net Assets</b>				
<b>Total Net Assets</b>	\$ <u></u>	<u></u>	<u></u>	<u></u>

See accompanying auditors' report

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Net Assets - Fiduciary Funds, Other  
December 31, 2009**

	General Development	General Donations	Donation Loans	3-2-1 Police Loan	Prior Subtotal	Subtotal
<b>Assets</b>						
Cash	\$ 5,416					5,416
Temporarily restricted assets:						
Real estate					3,340,001	3,340,001
Notes receivable			2,814,999	969,802	35,644	3,820,445
Accrued interest receivable			11,085	2,326		13,411
Other receivables			627,608	3,941,695	7,984	4,577,287
<b>Total Assets</b>	<u>5,416</u>		<u>3,453,692</u>	<u>4,913,823</u>	<u>3,383,629</u>	<u>11,756,560</u>
<b>Liabilities</b>						
Other payables	5,416			33,445		38,861
<b>Total Liabilities</b>	<u>5,416</u>			<u>33,445</u>	<u>-</u>	<u>38,861</u>
<b>Reserves</b>						
Reserve for temporarily restricted assets			3,453,692	4,880,378	3,383,629	11,717,699
<b>Total Liabilities and Reserves</b>	<u>5,416</u>	<u>-</u>	<u>3,453,692</u>	<u>4,913,823</u>	<u>3,383,629</u>	<u>11,756,560</u>
<b>Net Assets</b>						-
<b>Total Net Assets</b>	\$ <u><u>5,416</u></u>					

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Net Assets - Fiduciary Funds, Other  
December 31, 2009**

	Chelsea Westside	Carnegie Plaza	A.C. Supermarket	Prior Subtotal	Subtotal
<b>Assets</b>					
Cash	\$ 6,884,156			5,416	6,889,572
Temporarily restricted assets:					
Real estate	262,354		6,163,011	3,340,001	9,765,366
Notes receivable	125,910		1,335,548	3,820,445	5,281,903
Accrued interest receivable			7,264	13,411	20,675
Other receivables	24,596		104,139	4,577,287	4,706,022
<b>Total Assets</b>	<u>7,297,016</u>	<u>-</u>	<u>7,609,962</u>	<u>11,756,560</u>	<u>26,663,538</u>
<b>Liabilities</b>					
Other liabilities	6,455,027			38,861	6,493,888
<b>Total Liabilities</b>	<u>6,455,027</u>	<u>-</u>	<u>-</u>	<u>38,861</u>	<u>6,493,888</u>
<b>Reserves</b>					
Reserve for temporarily restricted assets	841,989		7,609,962	11,717,699	20,169,650
<b>Total Liabilities and Reserves</b>	<u>7,297,016</u>	<u>-</u>	<u>7,609,962</u>	<u>11,756,560</u>	<u>26,663,538</u>
<b>Net Assets</b>					
<b>Total Net Assets</b>	<u>\$</u>	<u></u>	<u></u>	<u></u>	<u></u>

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Net Assets - Fiduciary Funds, Other  
December 31, 2009**

	NEI Consensual Acquisition	Teachers and Firefighters Home Loans	Virginia Avenue Icon	Prior Subtotal	Subtotal
<b>Assets</b>					
Cash	\$			6,889,572	6,889,572
Temporarily restricted assets:					
Real estate	213,476			9,765,366	9,978,842
Notes receivable		36,540		5,281,903	5,318,443
Accrued interest receivable				20,675	20,675
Other receivables				4,706,022	4,706,022
<b>Total Assets</b>	<u>213,476</u>	<u>36,540</u>	<u>-</u>	<u>26,663,538</u>	<u>26,913,554</u>
<b>Liabilities</b>					
Other liabilities				6,493,888	6,493,888
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,493,888</u>	<u>6,493,888</u>
<b>Reserves</b>					
Reserve for temporarily restricted assets	213,476	36,540		20,169,650	20,419,666
<b>Total Liabilities and Reserves</b>	<u>213,476</u>	<u>36,540</u>	<u>-</u>	<u>26,663,538</u>	<u>26,913,554</u>
<b>Net Assets</b>					
<b>Total Net Assets</b>	\$ <u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

See accompanying auditors' report

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Net Assets - Fiduciary Funds, Other  
December 31, 2009**

	Retail and Luxury Tax	Bally's Warehouse Project	Chesapeake Gardens Senior Homes	Prior Subtotal	Total Fiduciary Funds Other
<b>Assets</b>					
Cash	\$ 6,690,320			6,889,572	13,579,892
Temporarily restricted assets:					
Real estate		71,574	151,383	9,978,842	10,201,799
Notes receivable				5,318,443	5,318,443
Accrued interest receivable				20,675	20,675
Other receivables				4,706,022	4,706,022
<b>Total Assets</b>	<u>6,690,320</u>	<u>71,574</u>	<u>151,383</u>	<u>26,913,554</u>	<u>33,826,831</u>
<b>Liabilities</b>					
Other liabilities	6,690,320			6,493,888	13,184,208
<b>Total Liabilities</b>	<u>6,690,320</u>	<u>-</u>	<u>-</u>	<u>6,493,888</u>	<u>13,184,208</u>
<b>Reserves</b>					
Reserve for temporarily restricted assets		71,574	151,383	20,419,666	20,642,623
<b>Total Liabilities and Reserves</b>	<u>6,690,320</u>	<u>71,574</u>	<u>151,383</u>	<u>26,913,554</u>	<u>33,826,831</u>
<b>Net Assets</b>					
<b>Total Net Assets</b>	\$ <u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>

See accompanying auditors' report

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Combining Statement of Changes in Fiduciary Net Assets - Fiduciary Funds, Other**  
**For the Year Ended December 31, 2009**

	Delaware Avenue	Land Banking	Virginian Acquisition	Northeast Inlet Infill	2nd Ward Façade	Pacific Avenue Redevelopment	Subtotal
Additions							
Transfer from (to) reinvestment funds and other governmental funds	\$				18,085		18,085
Total Additions	-	-	-	-	18,085	-	18,085
Deductions							
Grants and donations	12,667			140,491	18,085		171,243
Total Deductions	12,667	-	-	140,491	18,085	-	171,243
Change in reserves	(12,667)	-	-	(140,491)	-	-	(153,158)
Net assets - beginning of the year	-	-	-	-	-	-	-
Net assets - end of the year	\$						

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Statement of Changes in Fiduciary Net Assets - Fiduciary Funds, Other  
For the Year Ended December 31, 2009**

	<u>Cityscape</u>	<u>SE Inlet Transportation Improvements</u>	<u>Virginia Avenue</u>	<u>Prior Subtotal</u>	<u>Subtotal</u>
Additions					
Transfer from reinvestment funds and other governmental funds	\$ <u>17,023</u>	<u>97,744</u>		<u>18,085</u>	<u>132,852</u>
Total Additions	<u>17,023</u>	<u>97,744</u>	-	<u>18,085</u>	<u>132,852</u>
Deductions					
Grants and donations	<u>16,398</u>	<u>61,196</u>		<u>171,243</u>	<u>248,837</u>
Total Deductions	<u>16,398</u>	<u>61,196</u>	-	<u>171,243</u>	<u>248,837</u>
Change in reserves	625	36,548	-	(153,158)	(115,985)
Net assets - beginning of the year				-	-
Net assets - end of the year	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

See accompanying auditors' report

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Combining Statement of Changes in Fiduciary Net Assets - Fiduciary Funds, Other**  
**For the Year Ended December 31, 2009**

	Carolina Gardens	Pennsylvania Avenue	Prior Subtotal	Subtotal
Additions				
Transfer from reinvestment funds and other governmental funds	\$ 104,584		132,852	237,436
Interest on notes	1,306			1,306
Total Additions	105,890	-	132,852	238,742
Deductions				
Grants and donations	1,118,096		248,837	1,366,933
Total Deductions	1,118,096	-	248,837	1,366,933
Change in reserves	(1,012,206)	-	(115,985)	(1,128,191)
Net assets - beginning of the year	-		-	-
Net assets - end of the year	\$ -	-	-	-

See accompanying auditors' report



**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Statement of Changes in Fiduciary Net Assets - Agency Funds, Other  
For the Year Ended December 31, 2009**

	General Development	General Donations	Donation Loans	3-2-1 Police Loan	Prior Subtotal	Subtotal
Additions						
Transfer from reinvestment funds and other governmental funds	\$	13,844,836			237,436	14,082,272
Interest on notes			71,865	117,537	1,306	190,708
Other income				506		506
Total Additions	-	13,844,836	71,865	118,043	238,742	14,273,486
Deductions						
Grants and donations		13,844,836		26,528	1,366,933	15,238,297
Total Deductions	-	13,844,836	-	26,528	1,366,933	15,238,297
Change in reserves	-	-	71,865	91,515	(1,128,191)	(964,811)
Net assets - beginning of the year					-	-
Net assets - end of the year	\$ -	-	-	-	-	-

See accompanying auditors' report

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Combining Statement of Changes in Fiduciary Net Assets - Agency Funds, Other**  
**For the Year Ended December 31, 2009**

	Chelsea Westside	Carnegie Plaza	A.C. Supermarket	Prior Subtotal	Subtotal
Additions					
Transfer from reinvestment funds and other governmental funds	\$			14,082,272	14,082,272
Interest on notes			45,558	190,708	236,266
Other income				506	506
Total Additions	-	-	45,558	14,273,486	14,319,044
Deductions					
Grants and donations	147,067	2,242,289		15,238,297	17,627,653
Total Deductions	147,067	2,242,289	-	15,238,297	17,627,653
Change in reserves	(147,067)	(2,242,289)	45,558	(964,811)	(3,308,609)
Net assets - beginning of the year				-	-
Net assets - end of the year	\$ -	-	-	-	-

See accompanying auditors' report

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Combining Statement of Changes in Fiduciary Net Assets - Agency Funds, Other**  
**For the Year Ended December 31, 2009**

	NEI Consensual Acquisition	Teachers and Firefighters Home Loans	Virginia Avenue Icon	Prior Subtotal	Subtotal
Additions					
Transfer from reinvestment funds and other governmental funds	\$		2,249	14,082,272	14,084,521
Interest on notes				236,266	236,266
Other income				506	506
Total Additions	-	-	2,249	14,319,044	14,321,293
Deductions					
Grants and donations		7,180	2,249	17,627,653	17,637,082
Total Deductions	-	7,180	2,249	17,627,653	17,637,082
Change in reserves	-	(7,180)	-	(3,308,609)	(3,315,789)
Net assets - beginning of the year				-	-
Net assets - end of the year	\$ -	-	-	-	-

See accompanying auditors' report

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Statement of Changes in Fiduciary Net Assets - Agency Funds, Other  
For the Year Ended December 31, 2009**

	Retail and Luxury Tax	Bally's Warehouse Project	Chesapeake Gardens Senior Homes	Prior Subtotal	Total
Additions					
Transfer from (to) reinvestment funds and other governmental funds	\$			14,084,521	14,084,521
Retail and luxury tax remittance	27,495,380			-	27,495,380
Interest on notes				236,266	236,266
Other income				506	506
Total Additions	27,495,380	-	-	14,321,293	41,816,673
Deductions					
Retail and luxury tax distributions	27,495,380				27,495,380
Grants and donations				17,637,082	17,637,082
Total Deductions	27,495,380	-	-	17,637,082	45,132,462
Change in reserves	-	-	-	(3,315,789)	(3,315,789)
Net assets - beginning of the year				-	-
Net assets - end of the year	\$ -	-	-	-	-

See accompanying auditors' report