

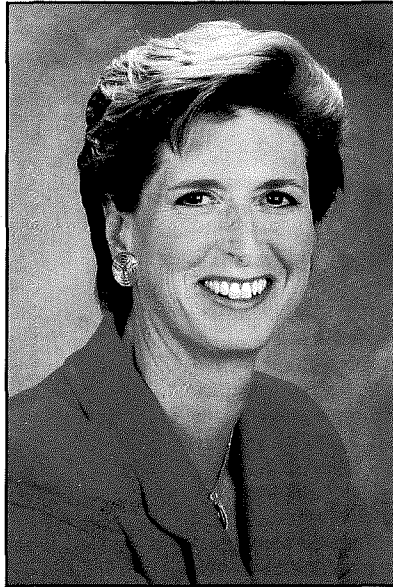
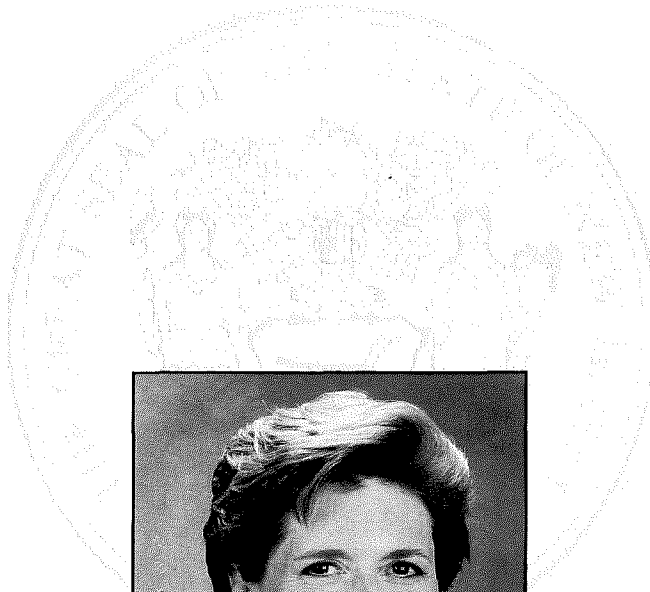


# NEW JERSEY CASINO CONTROL COMMISSION

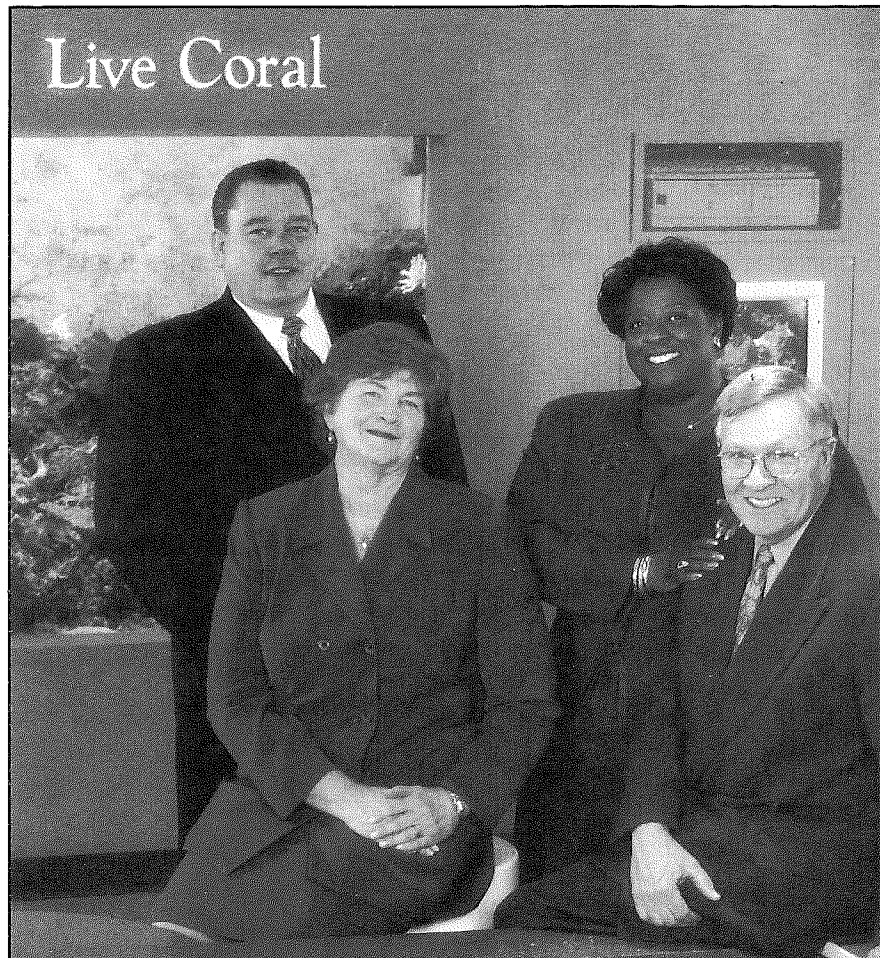
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# Annual Report

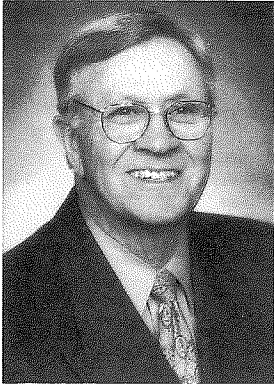




**CHRISTINE TODD WHITMAN**  
**GOVERNOR**



*Seated from left:  
Diane M. Legreide, Commissioner, and James R. Hurley, Chairman.  
Standing from left: Michael A. Fedorko, Commissioner, and  
Susan F. Maven, Vice Chair.*



## WHAT A DIFFERENCE A DECADE MAKES

*"the signs of the success are visible throughout the city."*

When I joined the Casino Control Commission in 1990, it was unclear whether the experiment of casino gaming was succeeding. Casinos had invested a lot of money in the city, but the city didn't have much else to show for it. While some new housing had been built, the city was still saddled with several thousand dilapidated dwellings. Its narrow streets, overburdened by traffic, were rutted and pocked with holes.

The commission itself, which had helped prove to the nation that casinos could be kept clean, had become a bloated, plodding agency whose over regulation was stifling the development of the industry and the city. Local, county and state governments could not, or would not, cooperate. The resulting stagnation threatened to cripple the industry and to undermine all of the economic benefits that casinos were generating.

All of this was happening at a time when the gaming industry was starting a period of explosive growth everywhere but in Atlantic City. As state after state welcomed casinos within their borders, investment capital went anywhere but here.

That competition hit Atlantic City in the face like a bucket of ice water and shocked all of the players here to recognize the new reality. The result was a sea change in the way New Jersey treated casino gaming. The government recognized that the casino industry deserved to be treated the same way

that any other industry is treated. That didn't mean relaxing the state's strict licensing requirements, but it meant getting the state out of dictating all sorts of operating requirements that had nothing to do with maintaining integrity. It meant that government had to get its act together and develop a new understanding and an unprecedented level of cooperation among all of the levels of government.

And it did. Probably for the first time since casinos were legalized in 1976, there was a common agenda. City, county and state officials all worked together to ensure that the promises of casino gaming were met, that Atlantic City was redeveloped and that the people of New Jersey benefited from casino gaming in Atlantic City.

Now, a decade after I started, the signs of the success are visible throughout the city. Over the last 10 years, the new Convention Center was built and the entrance corridor of the city was completely rebuilt into a grand boulevard that welcomes visitors through a lush park. New neighborhoods have taken shape in the last decade, replacing the city's most blighted areas with modern, attractive housing.

A variety of new attractions have been developed - the Ocean Life Center, the Sandcastle baseball stadium, the new Skate Zone ice rink, to mention just a few. There's a downtown shopping area, a new senior citizens center and a whimsical looking visitors center along the Atlantic City

Expressway. These are making Atlantic City a more attractive place to live, to work and to visit.

Streets have been repaved and several of the main cross streets have been widened and landscaped. The city built a new high school, a new public safety building and a new fire station. New schools and more new homes are being built around the city and improvements to the city's network of roads are making a drive through the city a more pleasant experience.

Since I joined the commission, the number of casino hotel rooms has increased by 50 percent, casino revenues increased about 40 percent and the amount of gaming space has nearly doubled. The number of casino hotel employees has increased by almost 6,000 in the 10-year period and the industry's investment in Atlantic City has soared from \$3.6 billion to \$6.8 billion. The amount that casinos pay in taxes to the Casino Revenue Fund jumped from \$245 million to \$329 million over the 10 years, enabling the state to provide vital services to the state's seniors and people with disabilities.

It has been amazing to watch all of these developments over the last decade. Since casino gaming was approved as a "unique tool of urban redevelopment," the Casino Control Commission has played a key role in seeing that this tool is used as effectively as possible.

Through a series of legislative and regulatory changes, the regulatory process has been streamlined to enable us to focus on our core mission of protecting integrity and ensuring the proper accounting of all gaming revenues. That refocusing has given casino operators much more flexibility to run their businesses and to respond to competitive challenges more effectively and efficiently. Of course, we continue to look at new ways to sharpen our focus, particularly

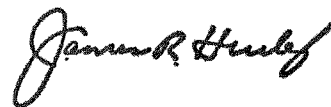
through the use of new technology.

When all of these factors are combined, it is apparent that Atlantic City is better positioned to deal with the competition that already exists and any that may be on the horizon. And I am happy to say that the progress of the last decade is not over.

There are plans for at least two new casino hotels right now - one by Boyd Gaming and the other by MGM Grand Inc. In addition, existing operators see the strength of this market and several of them are planning expansions. Within the next three years, casinos will invest a couple of billion dollars to build several thousand new hotel rooms in Atlantic City. These new projects will create thousands of new jobs and generate hundreds of millions of dollars in new tax revenues.

I am proud of the way that Atlantic City has changed over the last decade and I have been very fortunate to be at the Casino Control Commission during this period. I have been able to help New Jersey fulfill the promises that it made to its people back in 1976. We have insisted on the highest levels of integrity in the industry and have helped to channel the industry's economic impact in a way that it could do the most good.

I can promise you that we can, and we will, maintain our focus and our commitment to ensure that the people of New Jersey continue to reap these benefits for years to come.



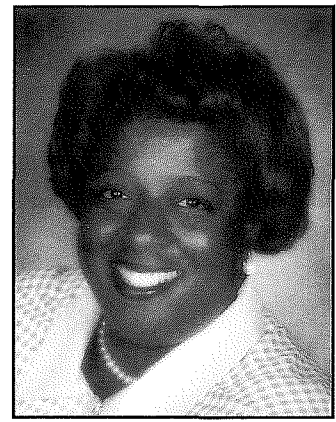




*Leanna Brown*



*Michael A. Fedorko*



*Susan F. Maven*

The Casino Control Commission was established in 1977 when then Governor Brendan T. Byrne signed the Casino Control Act into law. Today, more than two decades from its inception, the commission continues its efforts to ensure that the casino industry in New Jersey operates with the highest integrity. The commission is based on the Boardwalk in Atlantic City with a staff of 354 and an operating budget of \$22.5 million.

Michael A. Fedorko became the newest member of the commission in 1999. Fedorko, the former acting superintendent of the New Jersey State Police was appointed by Gov. Christine Whitman and was sworn in to a five-year term in November. Before joining the commission, Fedorko served in the State Police for over 30 years.

Fedorko replaced Commissioner Leanna Brown, who after serving six years announced that she would not seek reappointment to the panel. Brown, was appointed to the commission in 1993.

In December 1999, commission members elected Susan F. Maven vice chair of the Casino Control Commission. Maven, who was appointed in 1998, previously held the position of general counsel for the Atlantic County Improvement Authority.

The Public Information Office was restructured in 1999 to create the Office of Communications. This office is staffed with five positions; director, public information officer, community relations coordinator, communications/publications coordinator, and secretarial assistant.

This restructuring has enabled the commission to respond more efficiently to constituent concerns. The commission is also able to maintain a more visible presence in the community and it has now improved its ability to respond to public inquiries.

The commission's speakers bureau, managed by the Office of Communications, provides an important link to New Jersey residents. Commissioners and office staff travel around the state speaking to groups about the gaming industry and commission operations.

The Commissioners Office also includes an Affirmative Action Officer who reports directly to the chairman. The role of the Affirmative Action Officer is to ensure equal employment opportunities for all employees at the commission. He also takes a lead role in recruiting new employees for open positions at the commission.

The Affirmative Action Officer is also responsible for monitoring employee promotions to ensure that persons seeking promotions are given equal opportunities to advance.



*The four divisions and three offices of the Casino Control Commission are run by the following directors. From left: Dennis Daly, Division of Administration, Daniel Heneghan, Office of Communications, Richard Franz, Division of Compliance, Christopher Storcella, Division of Licensing, Marvin Askins, Affirmative Action Officer, Noreen Iannuzzi, Division of Financial Evaluation and John Zimmerman, General Counsel.*

Each year the commission recognizes the accomplishments of employees who go beyond normal expectations in executing their duties. Four employees were honored in 1999 with the Sandra Donahue Employee Recognition Award for their consistent, outstanding job performance. They are Anne Hyatt, senior auditor in the Division of Financial Evaluation, Susan Kunkle, human resource analyst in the Division of Administration, Seth Brilliant, senior counsel in the Division of Compliance and Vickie Scheibein, principal clerk typist in the Division of Licensing.



*Susan Kunkle*



*Anne Hyatt*



*Seth Brilliant*



*Vickie Scheibein*





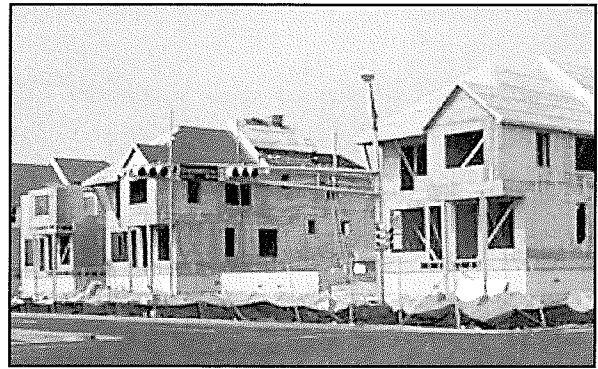
*View of Atlantic City from the Atlantic City Expressway corridor.*

Anyone who is at all curious about the difference a decade can make should take a tour of Atlantic City. The difference is immediately obvious to anyone who has not visited for a while -- new homes, new business development, improved infrastructure and jobs. All fueled by a strong gaming industry and a strong economy.

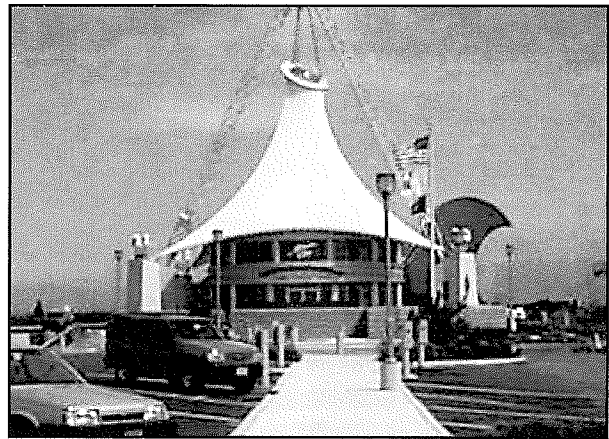
Since the early '90s, entire neighborhoods were completely rebuilt with money provided by the casino industry and the Casino Reinvestment Development Authority (CRDA). That process of rebuilding Atlantic City continued in 1999 with several new housing projects. But, development in Atlantic City isn't just limited to new homes. Last year, the county broke ground for Oscar McClinton Park in the Northeast Inlet. A new senior center, funded by casinos through CRDA, opened on Atlantic Avenue. Visitors enroute to the city can now access information at the new Atlantic City Expressway visitor center that opened in 1999. There they can learn about the new Ocean Life Center another CRDA project that opened in 1999.

Work on the tunnel connector project continued throughout the year. When completed the tunnel will connect the Atlantic City Expressway to the city's Marina District, an area of anticipated casino development.

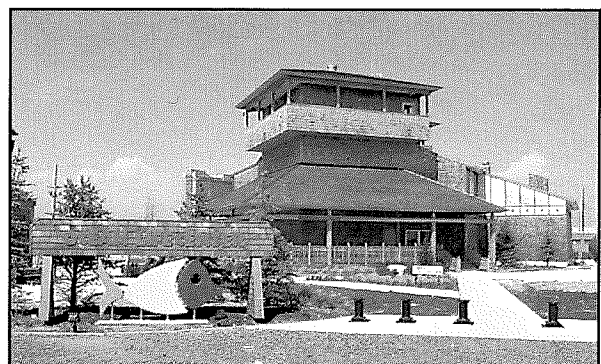
## ATLANTIC CITY DEVELOPMENTS 1999



*Construction began on several new housing developments in 1999. Funded through the Casino Reinvestment Development Authority, this upscale development is scheduled for completion in late 2000.*



*A new Visitor Welcome Center along the Atlantic City Expressway is now open to the public.*



*The Ocean Life Center opened at Historic Gardner's Basin in the spring of 1999.*

The Division of Administration is responsible for human resource management, staff development and training and computer systems management.

This division is also responsible for providing administrative services required for the commission's efficient operation.

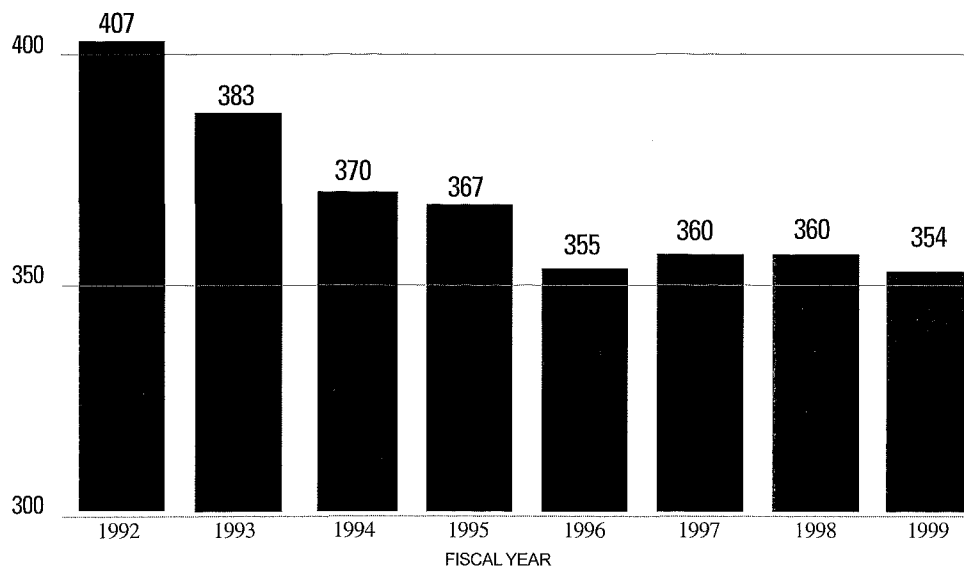
Computer maintenance and upgrades were a priority in 1999. Computer systems throughout the agency were upgraded with state of the art hardware and software. The upgrades were part of the commission's

efforts to enhance its information processing capabilities. To ensure Y2K compliance, the Division of Administration developed the commission's Y2K contingency plan for its computer systems in 1999.

Additionally, staff oversaw several major facility improvements, including the reconfiguration of modular systems furniture and the installation of open shelf filing systems that enabled staff to maximize floor space throughout the agency.

### CCC Employees

Authorized Full Time Positions



**T**he Division of Compliance reviews and analyzes casino regulations and industry practices to ensure compliance with the Casino Control Act.

In 1999, the Casino Operations Unit of the Division of Compliance devoted a significant amount of time on the review and analysis of new gaming technologies and electronic gaming systems. Casino submissions approved during the year included automated currency counting equipment and automated jackpot/hopper fill systems.

This unit also reviewed casino submissions involving new bill changer coupon acceptance systems and software driven slot machines. Staff continued an ongoing review of the electronic slot machine drop system.

The three staff attorneys within the Legal Advisory Unit processed approximately 430 patron complaints.

Inspectors assigned to the Field Gaming Unit maintained their presence in each Atlantic City casino. Inspectors are the on-site representatives of the commission and maintain a 24-hour presence on the casino floor. In 1999, all Field Gaming Unit supervisors attended Slot Data Systems training to study this important emerging technology in slot machines.

In 1999, the Affirmative Action/Equal Employment Opportunity Unit of the Division of Compliance worked with casino industry representatives to monitor outreach programs designed to enhance the understanding of casino job opportunities for organizations associated with persons with disabilities. Linda Brooks joined the commission as manager of the Affirmative Action/Equal Employment Opportunity Unit in January 1999.

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#### GENERAL COUNSEL'S OFFICE

**I**n 1999, the General Counsel's Office represented the commission in a number of significant public hearings including the hearing on the acquisition of Caesars World, Inc. by Park Place Entertainment. This hearing presented novel issues of economic concentration in the casino industry.

Another important hearing involved a review of Park Place Entertainment's payment of \$250,000 to a former speaker of the Florida House of Representatives during its attempts to bring casino gaming to Florida. This hearing resulted in a commission ruling that Park Place Entertainment continued to possess the good character, honesty and integrity necessary for licensure in New Jersey. The commission also subjected the company to a variety of conditions designed to improve its regulatory compliance practices.

Other hearings were held involving the relicensure, as well as the corporate and financial restructuring, of various casino enterprises. A number of issues were presented at these hearings involving the regulatory oversight of casino licensees operating under the protection of bankruptcy courts.

The General Counsel's Office also represented the commission in a variety of legal actions. Most significantly, the office defended several legal challenges to the commission's Affirmative Action/Equal Employment Opportunity regulations, and initiated a review of those regulations to ensure that they are in compliance with the changing constitutional standards in this area of law.

The Division of Licensing handles all aspects of casino hotel alcoholic beverage licensing, casino employee licensing and business enterprise licensing. This division is also responsible for managing contested case hearings and settlements for the commission.

In 1999, this division worked with the casino industry to ensure that all electronically filed reports were Y2K compliant. These efforts proved successful since there were no significant processing issues that occurred at the birth of the new millennium.

A major highlight of the year occurred in December 1999 when the division placed license applications on the commission's internet web site. Casino license applicants may now download forms directly from the web site, making the application and renewal process easier for current casino employees and new applicants.

The Employee License Unit began work on a photo imaging system that will streamline the process for renewing employee licenses. When the system is fully operational, the commission will use digital equipment to take license photographs and will store the photos electronically. When a license comes up for renewal, the Employee License Unit will be able to print the stored photo on

the renewed license. The change will eliminate the need for casino employees to come to the commission offices just to have new photos taken.

The Division of Licensing, through its Legal Advisory Unit, successfully represented the commission in two appeals in the Superior Court of New Jersey, Appellate Division. Additionally, this unit handled a significant casino violation complaint against Trump Taj Mahal. The complaint involved the casino's failure to collect vigorish at the game of baccarat. As a result, the commission imposed a \$237,199 fine against the casino.

The Enterprise License Unit began a test project with one licensee that permits the casino to submit enterprise registration and licensing data electronically. If this test is successful, this more business-efficient option will be offered to other casino licensees and applicants.

Nineteen ninety-nine was a very good year for the division's Technical Resource Unit. This unit, which retains all casino employee and business enterprise files, purchased a much-needed new filing system enabling the unit to store records more efficiently.

### Casino Employment Statistics

As of December 31, 1999 there were 47,366 people employed in Atlantic City casinos.

AC Hilton	3,285
Bally's Park Place	5,393
Caesars	4,474
Claridge	2,379
Harrah's	3,461
Trump Plaza	4,323
Resorts	3,185
Sands	3,069
Showboat	3,278
Trump Taj Mahal	5,950
Tropicana	5,141
Trump Marina	3,428
Industry Total	47,366

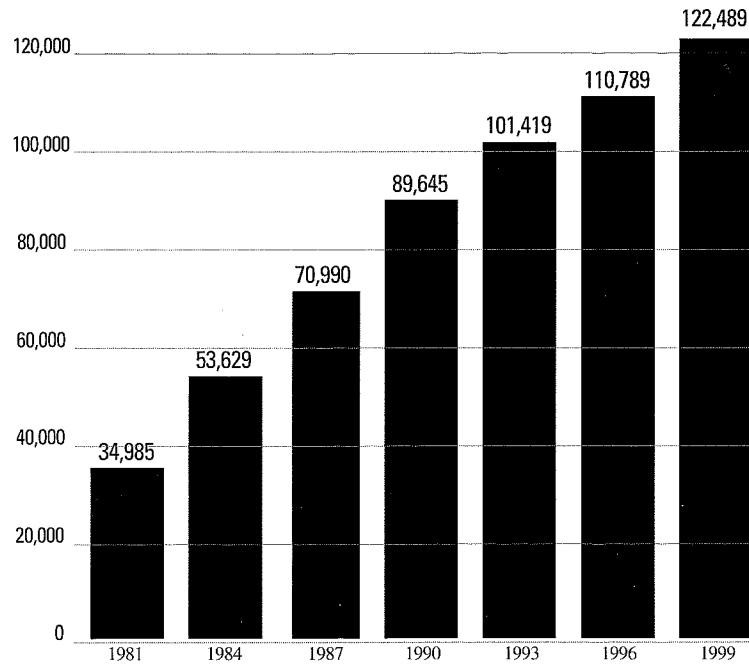
## Employee License Unit

### APPLICATIONS ACCEPTED AND LICENSES/CASINO SERVICE EMPLOYEE REGISTRATIONS ISSUED

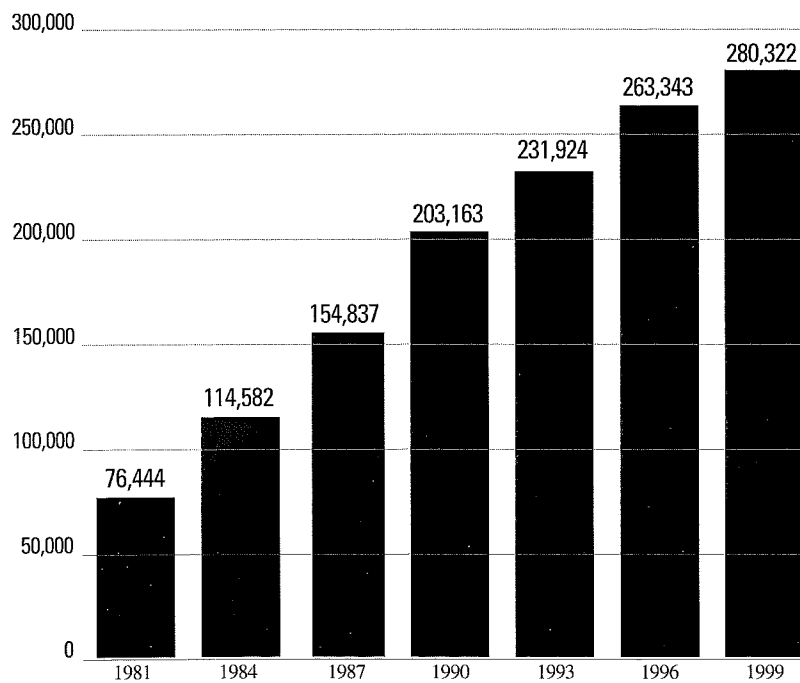
	1/1/99 to 12/31/99	Inception to 12/31/99
Casino Key Employees:		
Applications Filed	147	7,336
Licenses Issued	156	6,851
Casino Employees:		
Applications Filed	3,035	119,323
Licenses Issued	2,822	114,071
Casino Service Employees:		
Licenses & Registrations Issued	1,865	151,939
Gaming School and Junket Employees: <sup>1</sup>		
Applications Filed		1,724
Licenses Issued		1,567
Total Employees:		
Applications Filed	3,182	128,383
Plenary Licenses & Registrations Issued	4,843	274,428
Temporary Licenses Issued	1,754	23,250
Employee License Renewals Processed	6,470	177,586

<sup>1</sup> Gaming School and Junket employee license categories were eliminated by statutory change

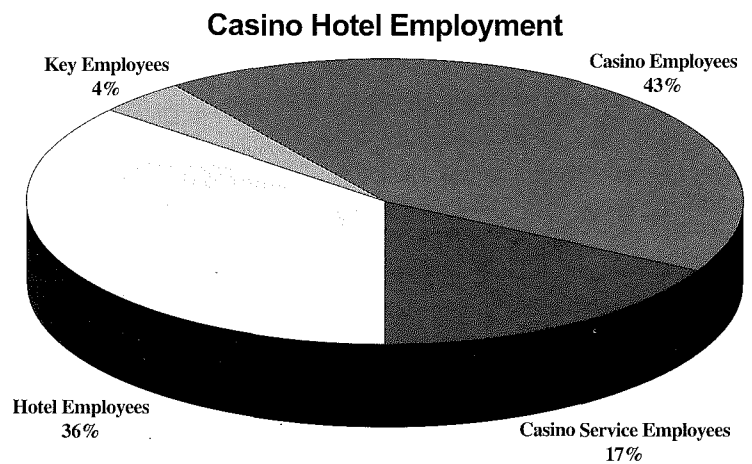
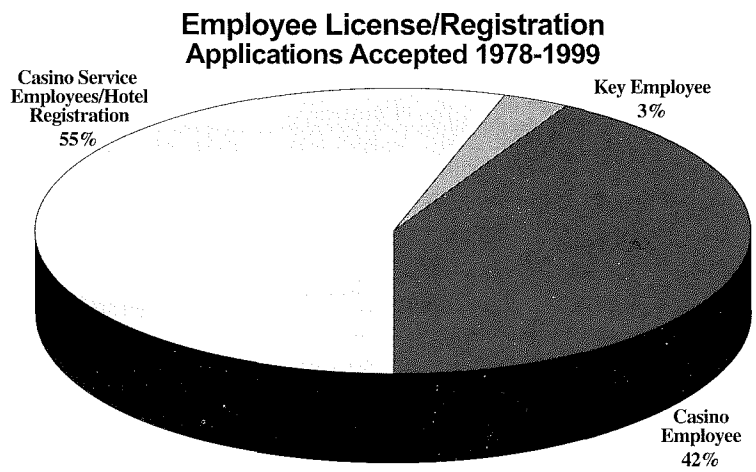
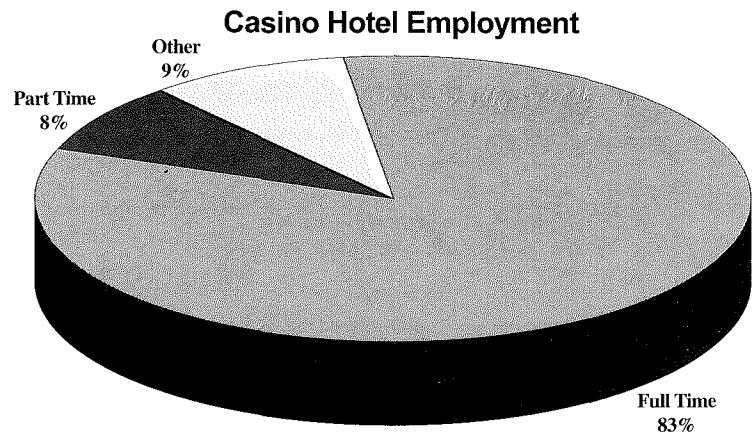
### Casino Initial Licenses Issued 1978-1999



### Employee License/Registration Applications Accepted 1978 - 1999







## Enterprise License Unit Statistics Casino Service Industry Licenses

	Period 1-1-99 to 12-31-99	Inception to 12-31-99
Enterprises permitted to conduct business with casino licensees	3,917	56,664
Universe of Active Vendors		13,610
Enterprises prohibited from conducting business with casino licensees	117*	1,905
Universe of Prohibited Vendors		965
<b>Initial Casino Service Industry Licenses (Gaming Related)</b>		
Applications Filed	7	231
Licenses Issued	4	135
Licenses Denied	0	15
Withdrawals Granted	2	45
<b>Total Licensees</b>		<b>7</b>
<b>Renewal Casino Service Industry Licenses (Gaming Related)</b>		
Applications Filed	5	203**
Licenses Issued	19	94**
Licenses Denied	0	1**
Withdrawals Granted	4	5**
<b>Total Licensees</b>		<b>54</b>
<b>Initial Casino Service Industry Licenses (Non-Gaming Related)</b>		
Applications Filed	175	5,243
Licenses Issued	192	3,848
Licenses Denied	12	208
Withdrawals Granted	30	779
<b>Total Licensees</b>		<b>664</b>
<b>Renewal Casino Service Industry Licenses (Non-Gaming Related)</b>		
Applications Filed	221	2,268**
Licenses Issued	183	2,057**
Licenses Denied	0	22**
Withdrawals Granted	19	85**
<b>Total Licensees</b>		<b>551</b>
Exemptions From Licensure Granted by CCC	7	216
<b>Initial Casino Service Industry Licenses (Junket Enterprises)</b>		
Applications Filed	12	415
Licenses Issued	19	288
Licenses Denied	2	11
Withdrawals Granted	2	41
<b>Total Licensees</b>		<b>58</b>
<b>Renewal Casino Service Industry Licenses (Junket Enterprises)</b>		
Applications Filed	16	181**
Licenses Issued	10	130**
Licenses Denied	0	1**
Withdrawals Granted	2	3**
<b>Total Licensees</b>		<b>48</b>
<b>Casino Service Industry Licenses (Gaming Schools)</b>		
Applications Filed	4	24
Licenses Issued	2	13
Schools Currently Operating		7
<b>Labor Organizations</b>		
Registrations	7	
<b>Total Registered</b>		<b>7</b>

\* This figure includes enterprises prohibited for the following reasons: denial of a casino service industry license, failure to file a casino service industry license, failure to file a casino service industry license application, withdrawal of a casino service industry license, and nonfiling of a required vendor registration form.

\*\* Cumulative figures in this area account for the time period of 1-1-88 to 12-31-99

**CASINO SERVICE INDUSTRY  
TOTAL VOLUME OF BUSINESS--NEW JERSEY COMPANIES**

	<b>Total Companies</b>	<b>Percent of Total Companies</b>	<b>Dollar Volume of Business*</b>	<b>Percent of Total Business</b>
New Jersey Enterprises	3,084	100.00%	\$1,483,898,123	100.00000%
Atlantic	1,416	45.91%	\$810,900,465	54.64664%
Bergen	147	4.77%	\$21,898,148	1.47572%
Burlington	190	6.16%	\$47,558,285	3.20496%
Camden	289	9.37%	\$86,164,326	5.80662%
Cape May	115	3.73%	\$17,203,887	1.15937%
Cumberland	67	2.17%	\$7,441,181	0.50146%
Essex	95	3.08%	\$208,762,130	14.06849%
Gloucester	118	3.83%	\$21,653,550	1.45923%
Hudson	52	1.69%	\$6,939,814	0.46767%
Hunterdon	4	0.13%	\$72,720	0.00490%
Mercer	74	2.40%	\$6,180,822	0.41653%
Middlesex	93	3.02%	\$160,565,576	10.82053%
Monmouth	113	3.66%	\$15,038,403	1.01344%
Morris	61	1.98%	\$11,071,868	0.74613%
Ocean	96	3.11%	\$12,664,969	0.85349%
Passaic	47	1.52%	\$10,186,658	0.68648%
Salem	5	0.16%	\$50,296	0.00339%
Somerset	35	1.13%	\$33,275,915	2.24247%
Sussex	4	0.13%	\$266,528	0.01796%
Union	61	1.98%	\$5,998,344	0.40423%
Warren	2	0.06%	\$4,238	0.00029%

**CASINO SERVICE INDUSTRY  
TOTAL VOLUME OF BUSINESS -- CALENDAR YEAR 1999**

	<b>Total Companies</b>	<b>Percent of Total Companies</b>	<b>Dollar Volume of Business*</b>	<b>Percent of Total Business</b>
Total Number of Vendors Receiving Payments	8,040	100.00%	\$2,313,003,732**	100.00%
New Jersey Enterprises	3,084	38.36%	\$1,483,898,123	64.15%
Pennsylvania Enterprises	941	11.70%	\$116,541,016	5.04%
New York Enterprises	1,055	13.12%	\$158,564,895	6.86%
Delaware Enterprises	38	0.47%	\$5,481,754	0.24%
All Other States	2,747	34.17%	\$540,280,465	23.36%
Foreign Enterprises	175	2.18%	\$8,237,479	0.36%

\* "Dollar Volume of Business" represents only the amount paid by casino licensees for goods or services. This figure does not include such payments as governmental taxes, fines and fees to the Casino Control Commission, charitable contributions, guest losses or court garnishments.

\*\* This dollar figure includes disbursements to subcontractors made pursuant to N.J.A.C. 19:43-10.6(a)5.

Numbers reflect the states in which the offices serving hotel/casinos are located and may not be the states in which the enterprises are incorporated or have a home office.

The Division of Financial Evaluation is responsible for the appraisal and study of casino finances and overseeing the financial reporting requirements of the casino industry. Each of its four units provided oversight over millions of dollars in financial transactions during 1999.

The Audit Unit performed annual gross revenue tax examinations to certify each licensee's casino revenue and verified the sufficiency of gross revenue tax payments to the State. With the introduction of certain new technologies, this unit monitored changes to internal control procedures to ensure that adequate audit coverage was obtained.

The Budget and Fiscal Unit is responsible for the commission's budget. The budget for fiscal Year 1999 was approved by the Legislature at \$22.5 million. In addition, this unit is responsible for all purchases and payments to vendors and for providing services necessary for the operation of the commission.

Last year, the Financial Evaluation Unit successfully analyzed a variety of financial issues in the casino industry. In addition to assessing the operating results and financial position of five properties in conjunction with

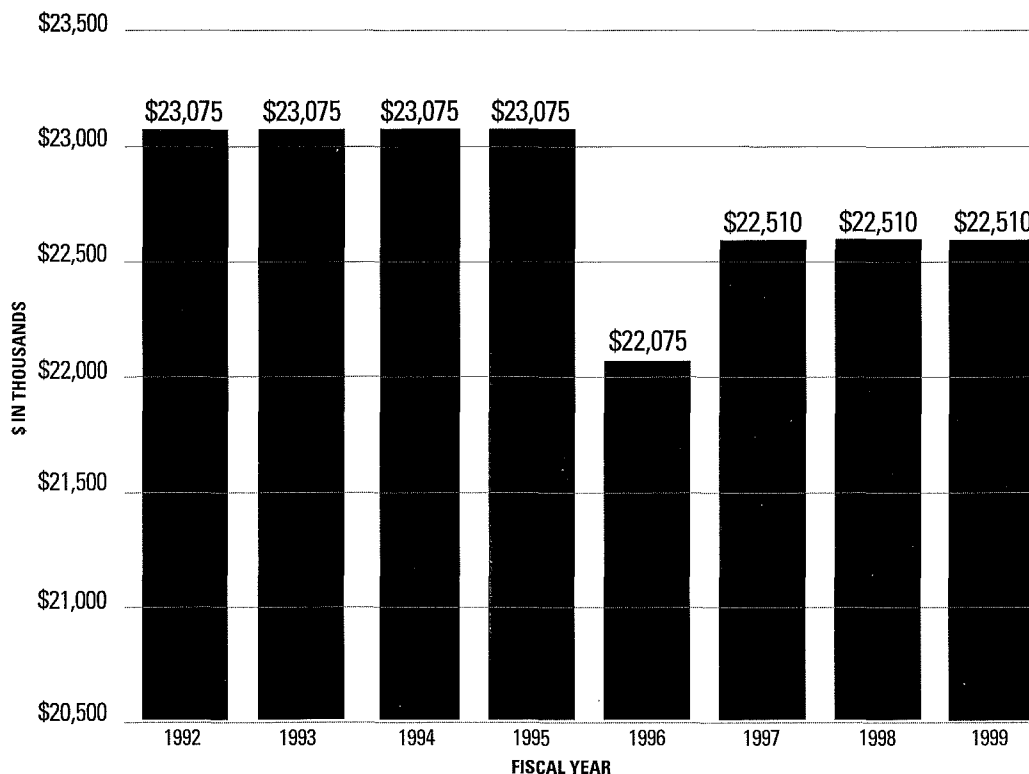
their license renewals, the unit analyzed complex financial concepts related to the Claridge and Sands bankruptcies and Park Place Entertainment's acquisition of Caesars World. This unit also played a key role in assisting the Office of Communications with the issuance of statistical information electronically and on the commission's web site.

During 1999, the Revenue Unit collected \$329.8 million in gross revenue tax. An additional \$243,152 in fines were collected and deposited to the State's General Fund to provide funding for the Council on Compulsive Gambling.

To fully fund the Fiscal Year 1999 operations of the commission and Division of Gaming Enforcement, the Revenue Unit collected \$57.8 million in licensing fees from the casino industry. Casino licensees paid an additional \$3.8 million to the Atlantic City Fund as the result of budgetary savings by the two regulatory agencies.

Since the inception of casino gaming, the Revenue Unit has collected \$4.3 million in Gross Revenue Tax, \$893.7 million in license fees, \$9.2 million in fines, and \$27.6 million in Atlantic City Fund contributions.

### CCC Budget Appropriations



# FINANCIAL STATISTICS

## NEW JERSEY CASINO INDUSTRY

	AC HILTON		BALLY'S PARK PLACE		CAESARS		CLARIDGE		HARRAH'S		RESORTS	
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
TABLE GAMES:												
Blackjack	46	46	76	92	64	74	32	36	42	37	41	39
Craps	10	10	14	12	12	12	8	8	8	9	8	6
Roulette	10	11	18	19	16	13	5	5	8	9	8	8
Big Six	-	1	3	3	2	2	1	1	-	1	1	1
Baccarat	3	2	2	2	3	3	2	2	-	1	3	2
Minibaccarat	7	6	2	2	4	4	3	2	1	2	2	2
Sic Bo	-	1	1	1	2	2	-	-	-	-	-	-
Pai Gow Poker	4	4	5	5	5	4	3	2	2	2	2	2
Pai Gow	3	3	2	2	1	1	2	2	-	-	-	1
Poker	-	-	15	16	6	6	-	-	8	8	-	-
Caribbean Stud Poker	6	6	6	6	5	4	3	3	4	5	4	4
Let It Ride Poker	4	4	8	8	8	8	2	2	6	5	4	4
Mini-Craps	-	-	-	-	-	-	1	1	-	-	-	-
Mini-Dice	-	-	-	-	-	-	-	-	-	-	-	-
Casino War	-	-	-	-	-	-	-	-	-	1	-	-
Spanish 21 [a]	2	-	4	-	4	-	2	-	-	-	2	-
<b>Total Table Games</b>	<b>95</b>	<b>94</b>	<b>156</b>	<b>168</b>	<b>132</b>	<b>133</b>	<b>64</b>	<b>64</b>	<b>79</b>	<b>80</b>	<b>75</b>	<b>69</b>
KENO WINDOWS												
	-	-	4	4	6	6	-	-	4	4	-	-
SLOT MACHINES:												
\$.05 Slot Machines	134	50	431	264	171	-	60	36	169	-	124	-
\$.25 Slot Machines	1,053	1,104	2,291	2,440	1,938	1,991	1,296	1,265	1,705	1,526	1,483	1,525
\$.50 Slot Machines	197	221	420	472	503	550	139	170	218	229	213	282
\$1 Slot Machines	337	396	537	578	678	756	221	247	577	639	304	315
\$5 Slot Machines	54	77	94	99	112	123	33	30	103	117	45	55
\$25 Slot Machines	12	13	13	11	16	13	4	4	8	9	5	7
\$100 Slot Machines	8	10	9	6	8	7	-	-	4	3	2	-
Other Slot Machines	25	25	214	129	140	155	-	-	42	47	7	6
<b>Total Slot Machines</b>	<b>1,820</b>	<b>1,896</b>	<b>4,009</b>	<b>3,999</b>	<b>3,566</b>	<b>3,595</b>	<b>1,753</b>	<b>1,752</b>	<b>2,826</b>	<b>2,570</b>	<b>2,183</b>	<b>2,190</b>
Casino Square Footage												
	59,832	58,272	120,284	118,710	110,540	110,540	58,932	58,932	86,131	80,822	67,655	67,655
Simulcast Square Footage	-	1,517	34,550	36,124	9,691	9,691	-	-	-	-	8,058	8,058
Number Of Hotel Rooms	804	804	1,246	1,251	1,148	1,144	507	507	1,174	1,174	644	662
Number of Parking Spaces	1,583	1,762	2,723	2,799	2,198	2,148	1,460	1,460	3,085	2,862	1,485	1,485
Fixed Asset Investment												
(\$ in Millions) [b]	\$512.3	\$505.9	\$1,008.9	\$989.6	\$853.8	\$824.0	\$39.8	\$39.6	\$526.6	\$496.2	\$290.3	\$249.6
Number of Employees	3,285	3,378	5,393	5,447	4,474	4,688	2,379	2,411	3,461	3,477	3,185	3,245

(a) Spanish 21 commenced operations in April 1999

(b) Represents property and equipment before accumulated depreciation. Since Claridge leases its hotel property and non-gaming equipment, fixed asset investment for Claridge primarily represents gaming equipment and the parking garage.

(c) Trump Plaza's statistics at December 1999 reflect the closing of World's Fair in October 1999.



## FACILITY STATISTICS 1999/1998

SANDS		SHOWBOAT		TROPICANA		TRUMP MARINA		TRUMP PLAZA [c]		TRUMP TAJ MAHAL		INDUSTRY TOTALS	
1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
44	43	42	49	56	56	35	44	51	56	64	70	593	642
8	8	6	8	14	14	11	12	8	8	11	12	118	119
11	12	9	13	13	13	9	9	11	13	17	19	135	144
2	2	1	2	1	1	1	1	1	2	2	3	15	20
4	4	3	3	5	3	3	3	2	2	5	5	35	32
3	3	1	2	6	7	2	2	6	6	5	3	42	41
1	1	-	1	1	1	-	1	1	1	1	2	7	11
2	2	2	2	6	5	3	3	3	3	12	9	49	43
2	1	1	2	6	6	2	3	1	2	7	6	27	29
12	12	-	-	43	50	-	-	-	-	67	64	151	156
6	6	6	6	6	6	5	5	5	5	8	10	64	66
4	4	4	6	5	4	6	7	5	5	6	7	62	64
1	1	-	-	-	-	-	-	-	-	-	-	2	2
-	-	-	-	-	-	-	-	-	-	1	1	1	1
-	-	-	1	-	1	1	1	-	-	-	-	1	3
-	-	-	-	-	-	1	-	-	-	4	-	19	-
<b>100</b>	<b>99</b>	<b>75</b>	<b>95</b>	<b>162</b>	<b>166</b>	<b>79</b>	<b>91</b>	<b>94</b>	<b>103</b>	<b>210</b>	<b>211</b>	<b>1,321</b>	<b>1,373</b>
-	-	-	-	-	7	-	-	-	-	10	10	24	31
112	29	150	88	247	144	148	51	160	439	449	266	2,355	1,367
1,224	1,284	2,731	2,674	2,051	2,079	1,301	1,238	1,459	2,601	2,925	2,745	21,457	22,472
220	246	227	261	427	441	228	308	264	513	322	324	3,378	4,017
349	371	541	569	712	735	408	435	383	514	600	663	5,647	6,218
65	64	63	48	121	127	77	77	75	84	104	102	946	1,003
4	6	-	-	13	15	13	13	14	14	13	13	115	118
5	3	-	-	10	10	7	7	4	4	4	4	61	54
22	22	32	48	128	149	50	49	34	35	65	94	759	759
<b>2,001</b>	<b>2,025</b>	<b>3,744</b>	<b>3,688</b>	<b>3,709</b>	<b>3,700</b>	<b>2,232</b>	<b>2,178</b>	<b>2,393</b>	<b>4,204</b>	<b>4,482</b>	<b>4,211</b>	<b>34,718</b>	<b>36,008</b>
57,968	57,296	83,901	80,707	117,453	114,320	73,734	73,734	85,912	138,295	120,829	116,199	1,043,171	1,075,482
15,291	15,963	17,804	20,998	8,380	10,183	2,150	2,150	-	-	31,521	31,521	127,445	136,205
532	532	800	800	1,624	1,624	728	728	904	1,104	1,250	1,250	11,361	11,880
1,732	1,738	3,046	3,051	3,265	3,265	2,986	2,986	2,778	3,282	7,180	7,180	33,521	34,018
\$346.8	\$328.2	\$480.8	\$470.9	\$724.8	\$710.6	\$536.3	\$527.1	\$410.6	\$514.5	\$1,056.0	\$1,026.0	\$6,787.0	\$6,682.2
3,069	3,037	3,278	3,353	5,141	5,084	3,428	3,482	4,323	5,124	5,950	5,766	47,366	48,492

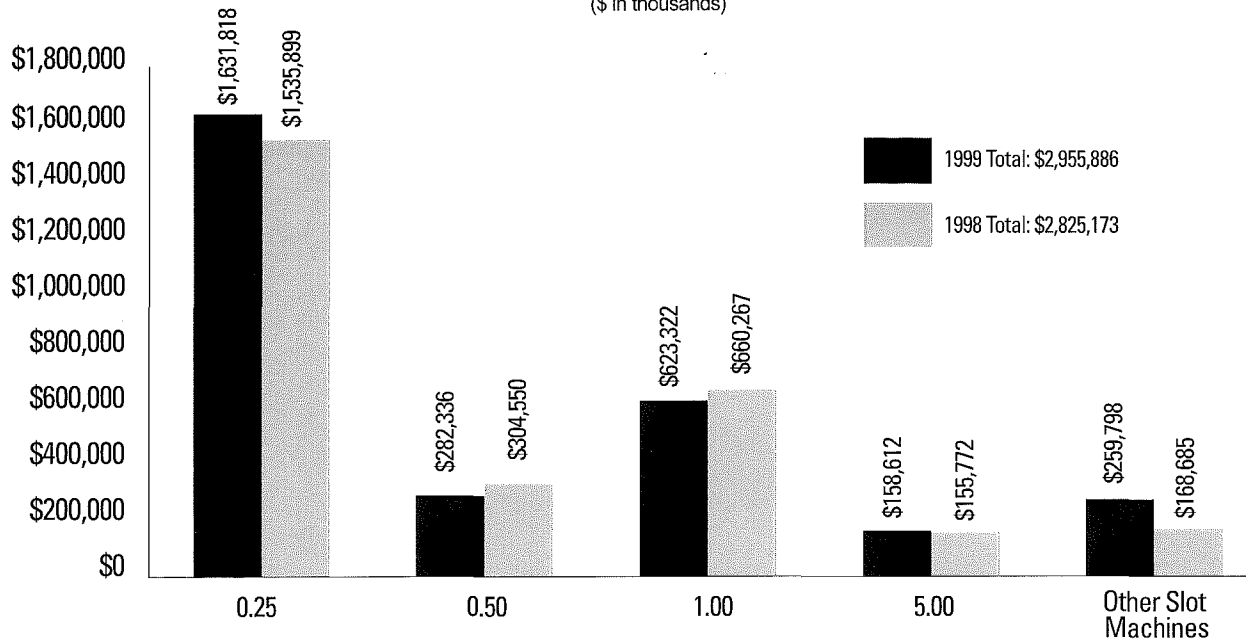
# FINANCIAL STATISTICS

THE NEW JERSEY CASINO INDUSTRY  
GROSS REVENUE STATISTICS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998  
(\$ IN THOUSANDS)

<u>Casino Hotel</u>	<u>Casino Win</u>	<u>Daily Average Casino Win</u>	<u>Adjustment for Uncollectibles</u>	<u>Gross Revenue</u>	<u>Tax</u>	<u>Market Share of Casino Win</u>
AC Hilton						
1999	291,980	800	2,341	289,639	23,171	7.0%
1998	256,703	703	1,464	255,239	20,419	6.4%
Bally's Park Place						
1999	494,764	1,356	1,985	492,779	39,422	11.9%
1998	466,867	1,279	1,455	465,412	37,233	11.6%
Caesars						
1999	461,357	1,264	7,032	454,325	36,346	11.1%
1998	424,695	1,164	9,078	415,617	33,249	10.5%
Claridge						
1999	165,913	455	1,034	164,879	13,190	4.0%
1998	164,705	451	1,101	163,604	13,088	4.1%
Harrah's Marina						
1999	382,826	1,049	1,596	381,230	30,499	9.2%
1998	349,224	957	1,798	347,426	27,794	8.7%
Resorts						
1999	222,123	609	1,102	221,021	17,682	5.3%
1998	235,493	645	643	234,850	18,788	5.8%
Sands						
1999	230,057	630	2,344	227,713	18,217	5.5%
1998	221,901	608	2,020	219,881	17,591	5.5%
Showboat						
1999	359,974	986	1,240	358,734	28,699	8.6%
1998	357,064	978	1,179	355,885	28,471	8.9%
Tropicana						
1999	398,487	1,092	2,948	395,539	31,643	9.6%
1998	388,583	1,065	7,474	381,109	30,489	9.6%
Trump Marina						
1999	272,809	747	759	272,050	21,764	6.6%
1998	264,825	726	984	263,841	21,107	6.6%
Trump Plaza						
1999	358,828	983	1,308	357,520	28,602	8.6%
1998	379,604	1,040	1,866	377,738	30,219	9.4%
Trump Taj Mahal						
1999	525,080	1,439	17,714	507,366	40,589	12.6%
1998	523,348	1,434	12,323	511,025	40,882	13.0%
TOTALS						
1999	4,164,198	11,409	41,403	4,122,795	329,824	
1998	4,033,012	11,049	41,385	3,991,627	319,330	

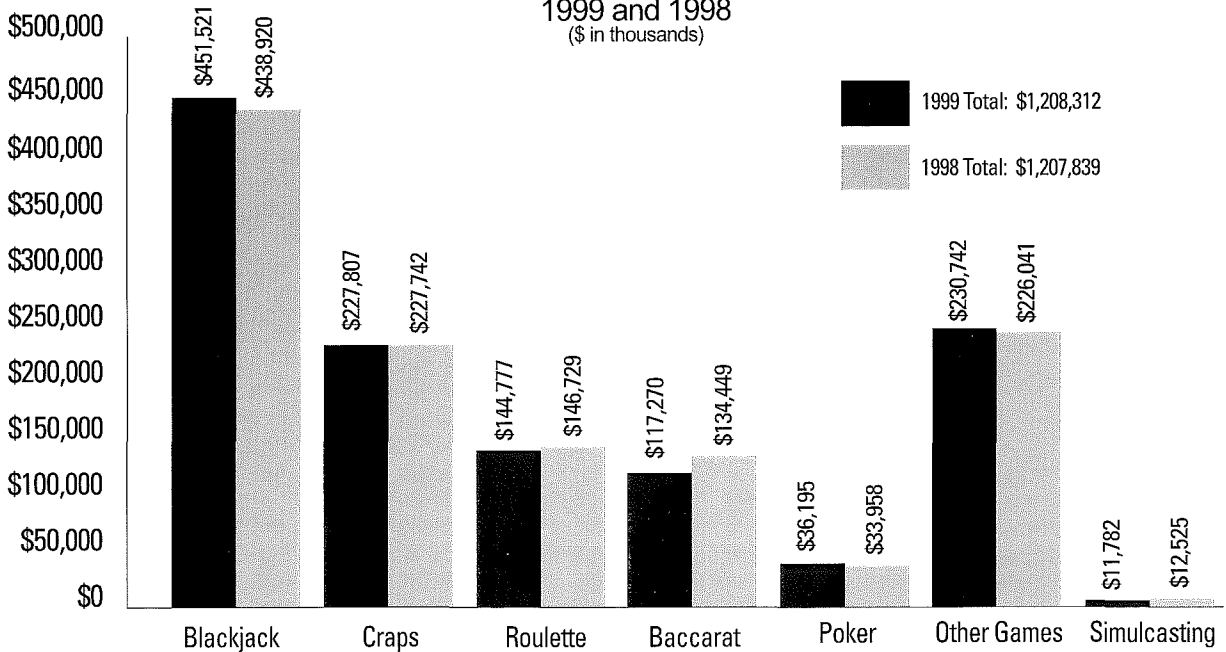
### Slot Machine Win Analysis

1999 and 1998  
(\$ in thousands)

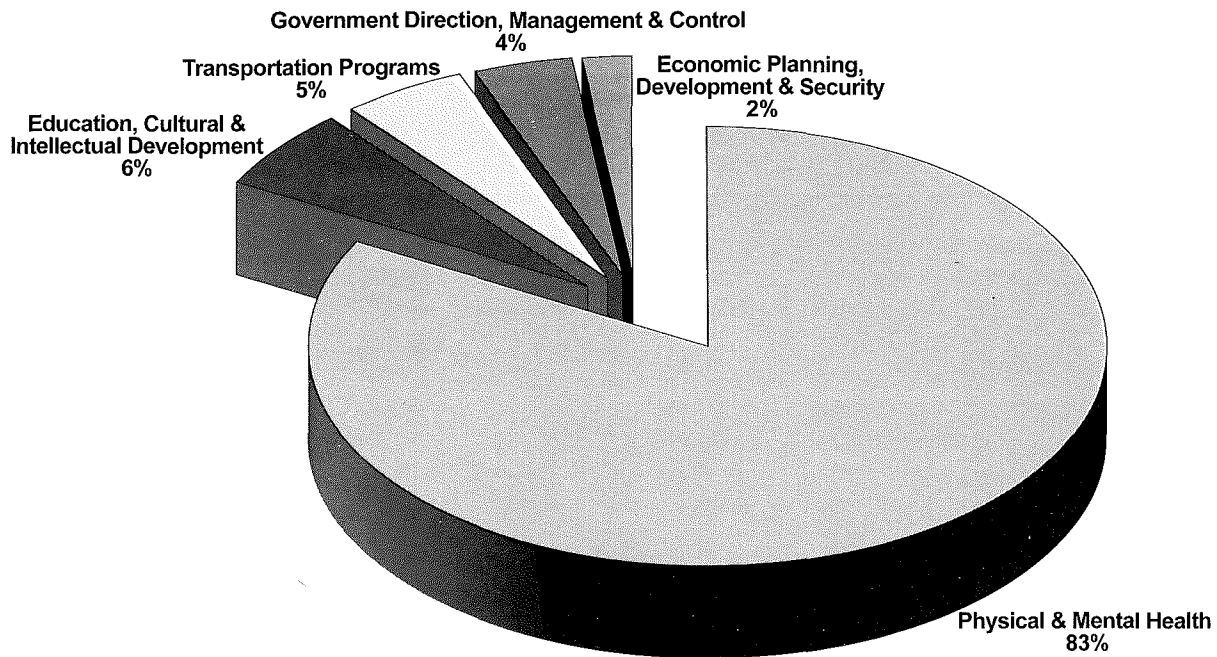


### Table Game Win Analysis

1999 and 1998  
(\$ in thousands)



## Casino Revenue Fund



In fiscal year 1999, the Casino Revenue Fund spent \$389,487,791 on programs that benefit senior citizens and people with disabilities in New Jersey. The Casino Revenue Fund total resources for this period amounted to \$422,426,394.

**THE NEW JERSEY CASINO INDUSTRY  
SALARIES AND WAGES  
FOR THE FOUR YEARS ENDED DECEMBER 31, 1999  
(\$ IN THOUSANDS)**

	1999	1998	1997	1996
<i>AC Hilton</i>	\$71,314	\$72,008	\$69,446	\$69,632
<i>Bally's Park Place</i>	115,047	112,598	101,849	93,401
<i>Caesars</i>	112,518	110,361	95,109	95,650
<i>Claridge</i>	55,094	55,698	53,994	56,311
<i>Harrah's Marina</i>	85,829	84,382	83,546	80,932
<i>Resorts</i>	73,248	75,309	80,261	82,655
<i>Sands</i>	69,034	66,086	69,883	74,389
<i>Showboat</i>	81,614	84,821	89,167	89,467
<i>Tropicana</i>	99,189	96,716	97,287	92,211
<i>Trump Marina</i>	78,657	77,278	78,114	73,797
<i>Trump Plaza</i>	101,166	106,797	107,251	101,247
<i>Trump Taj Mahal</i>	138,333	133,538	134,764	133,557
<b>Industry Totals</b>	<u>\$1,081,043</u>	<u>\$1,075,592</u>	<u>\$1,060,671</u>	<u>\$1,043,249</u>

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New Jersey State Legislature

OFFICE OF LEGISLATIVE SERVICES

OFFICE OF THE STATE AUDITOR

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ALBERT PORRONI

*Executive Director*

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The Honorable Christine Todd Whitman  
Governor of New Jersey

The Honorable Donald T. DiFrancesco  
President of the Senate

The Honorable Jack Collins  
Speaker of the General Assembly

Mr. Albert Porroni  
Executive Director  
Office of Legislative Services

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the State of New Jersey Casino Control Fund as of and for the years ended June 30, 1999 and 1998. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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.

As discussed in Note 1, the financial statements present only the Casino Control Fund and are not intended to present fairly the financial position and results of operations of the State of New Jersey in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Casino Control Fund as of June 30, 1999 and 1998 and the results of its operation for the years then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the Casino Control Fund financial statements taken as a whole. The Expenditure Detail schedule is presented for the purpose of additional analysis and is not a required part of the Casino Control Fund financial statements. Such information has been subjected to the same auditing procedures applied in the examination of the Casino Control Fund financial statements, and, in our opinion is fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 3, 2000 on our consideration of management's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts.

Richard L. Fair  
State Auditor

STATE OF NEW JERSEY  
CASINO CONTROL FUND  
BALANCE SHEET  
JUNE 30, 1999 AND 1998

EXHIBIT I  
(In \$000)

	<u>1999</u>	<u>1998</u>
<b><u>ASSETS</u></b>		
Cash	\$ 51.0	\$ 51.0
Accounts Receivable	6,910.4	6,129.9
Less: Allowance for Doubtful Accounts	<u>42.1</u>	<u>33.2</u>
Net Accounts Receivable	6,868.3	6,096.7
Due from General Fund	<u>13,474.1</u>	<u>10,087.0</u>
Total Assets	<u>\$ 20,393.4</u>	<u>\$ 16,234.7</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
Liabilities		
Accounts Payable	\$ 3,614.2	\$ 3,362.5
Deferred Revenue	<u>12,676.5</u>	<u>8,754.6</u>
Total Liabilities	<u>16,290.7</u>	<u>12,117.1</u>
Fund Balances		
Reserved for:		
Encumbrances	2,616.5	2,803.6
Other	1,247.5	1,242.5
Unreserved:		
Designated for Continuing Appropriation	280.2	469.5
Undesignated	<u>(41.5)</u>	<u>(398.0)</u>
Total Fund Balances	<u>4,102.7</u>	<u>4,117.6</u>
Total Liabilities and Fund Balances	<u>\$ 20,393.4</u>	<u>\$ 16,234.7</u>

SEE NOTES TO FINANCIAL STATEMENTS



STATE OF NEW JERSEY  
CASINO CONTROL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

	<u>EXHIBIT II</u> <u>(in \$000)</u>	
	<u>1999</u>	<u>1998</u>
<b>REVENUES</b>		
Casinos		
Licenses - Casino	\$ 34,253.9	\$ 33,716.6
- Slot Machine	18,162.4	17,657.7
- Alcoholic Beverage	116.2	105.8
Assessments	-	-
	<u>52,532.5</u>	<u>51,480.1</u>
Credits - Prior Year Fund Balance	<u>(4,117.6)</u>	<u>(2,343.3)</u>
Total from Casinos	<u>48,414.9</u>	<u>49,136.8</u>
Other Sources		
Licenses - Casino Employees	3,266.1	1,961.8
- Casino Service Industry	1,294.3	1,337.9
Slot Prototype	622.2	600.5
Other Revenues	<u>93.0</u>	<u>89.7</u>
Total from Other Sources	<u>5,275.6</u>	<u>3,989.9</u>
Investment Earnings	<u>605.5</u>	<u>497.1</u>
Total Revenues	<u>54,296.0</u>	<u>53,623.8</u>
<b>EXPENDITURES</b>		
Public Safety and Criminal Justice (Division of Gaming Enforcement)	31,848.3	29,554.9
Government Direction, Management and Control (Casino Control Commission)	<u>22,462.6</u>	<u>22,294.6</u>
Total Expenditures	<u>54,310.9</u>	<u>51,849.5</u>
Net Increase (Decrease) in Fund Balance for the Year	(14.9)	1,774.3
Fund Balance - Beginning	<u>4,117.6</u>	<u>2,343.3</u>
Fund Balance - Ending	<u>\$ 4,102.7</u>	<u>\$ 4,117.6</u>

SEE NOTES TO FINANCIAL STATEMENTS

STATE OF NEW JERSEY  
CASINO CONTROL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

			EXHIBIT III-A (in \$000)
	Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>			
Casinos			
Licenses - Casino	\$ 34,543.5	\$ 34,253.9	\$ (289.6)
- Slot Machine	17,416.5	18,162.4	745.9
- Alcoholic Beverage	96.6	116.2	19.6
Assessments	2,625.5	-	(2,625.5)
	54,682.1	52,532.5	(2,149.6)
Credits - Prior Year Fund Balance	(4,117.6)	(4,117.6)	-
Total from Casinos	50,564.5	48,414.9	(2,149.6)
Other Sources			
Licenses - Casino Employees	3,416.1	3,266.1	(150.0)
- Casino Service Industry	1,131.6	1,294.3	162.7
Slot Prototype	600.0	622.2	22.2
Other Revenues	100.0	93.0	(7.0)
Total from Other Sources	5,247.7	5,275.6	27.9
Investment Earnings	-	605.5	605.5
Total Revenues	55,812.2	54,296.0	(1,516.2)
<b>EXPENDITURES</b>			
Public Safety and Criminal Justice (Division of Gaming Enforcement)	32,366.7	31,496.9	869.8
Government Direction, Management and Control (Casino Control Commission)	22,863.8	22,739.4	124.4
Total Expenditures	55,230.5	54,236.3	994.2
Net Increase (Decrease) in Fund Balance for the Year	\$ 581.7	\$ 59.7	\$ (522.0)

SEE NOTES TO FINANCIAL STATEMENTS

STATE OF NEW JERSEY  
CASINO CONTROL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

EXHIBIT III-B  
(in \$000)

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>			
Casinos			
Licenses - Casino	\$ 33,881.6	\$ 33,716.6	\$ (165.0)
- Slot Machine	17,518.5	17,657.7	139.2
- Alcoholic Beverage	57.4	105.8	48.4
Assessments	-	-	-
	51,457.5	51,480.1	22.6
Credits - Prior Year Fund Balance	(2,343.3)	(2,343.3)	-
Total from Casinos	49,114.2	49,136.8	22.6
 Other Sources			
Licenses - Casino Employees	2,558.1	1,961.8	(596.3)
- Casino Service Industry	1,096.7	1,337.9	241.2
Slot Prototype	600.0	600.5	0.5
Other Revenues	100.0	89.7	(10.3)
Total from Other Sources	4,354.8	3,989.9	(364.9)
 Investment Earnings	-	497.1	497.1
 Total Revenues	53,469.0	53,623.8	154.8
 <b>EXPENDITURES</b>			
Public Safety and Criminal Justice (Division of Gaming Enforcement)	32,256.5	30,636.1	1,620.4
Government Direction, Management and Control (Casino Control Commission)	22,857.5	22,443.0	414.5
Total Expenditures	55,114.0	53,079.1	2,034.9
 Net Increase (Decrease) in Fund Balance for the Year	\$ (1,645.0)	\$ 544.7	\$ 2,189.7

SEE NOTES TO FINANCIAL STATEMENTS

STATE OF NEW JERSEY  
CASINO CONTROL FUND  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

B. Fund Accounting

The state uses funds, account groups and component units to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts which represent the fund's assets, liabilities, equity, revenues and expenditures or expenses. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is then divided into separate "Fund Types".

Governmental Fund Type - Special Revenue Fund

The Casino Control Fund is a governmental fund type - special revenue fund. Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

The Casino Control Fund (N.J.S.A. 5:12-143) accounts for fees from the issuance and renewal of casino licenses and other license fees. Appropriations are made to fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

C. Basis of Accounting

The Casino Control Fund is accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues susceptible to accrual would include casino license fees.

Expenditures are recorded on the accrual basis when the related liability is incurred. Disbursements for prepaid expenses, inventory items, and fixed assets are recorded as expenditures when incurred.

D. Budgetary Process

An annual budget is adopted for the Casino Control Fund. The Legislature enacts the budget through passage of specific appropriation, the sum of which may not exceed estimated revenues. The annual appropriation act for fiscal

years 1999 and 1998 authorized \$54,761,000 for each fiscal year. Budgetary control is maintained at the program unit level.

The accompanying statements of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Budgetary Basis present comparisons of the budget established at the start of the fiscal year with actual data on a budgetary basis. The Casino Control Fund's budgeted figures differ from those presented in the State of New Jersey Comprehensive Annual Financial Report (CAFR) due to state budget revisions made throughout the year for supplemental appropriations and changes in appropriated revenues.

The state's budgetary basis of accounting differs from that utilized to present financial statements in conformity with generally accepted accounting principles (GAAP). The main differences between the budgetary basis and the GAAP basis are that under the budgetary basis encumbrances are recognized as expenditures, and the budgetary basis reflects transactions only for the current fiscal year.

There were no expenditures in excess of appropriations in the Casino Control Fund. The following presents a reconciliation of the budgetary basis to the GAAP basis of reporting:

Actual on Budgetary to GAAP Basis June 30, 1999 and 1998 (In \$000)		
	<u>1999</u>	<u>1998</u>
Budgetary basis - net increase (decrease) in fund balances for the fiscal year	\$ 59.7	\$ 544.7
Prior year expenditures and other financing uses	(1,816.3)	(1,389.4)
Encumbrances	<u>1,741.7</u>	<u>2,619.0</u>
GAAP basis - net increase (decrease) in fund balances for the fiscal year	\$ <u>(14.9)</u>	\$ <u>1,774.3</u>

E. Fixed Assets

Fixed assets acquired with fund resources are recorded as expenditures of the fund at the time of acquisition. Assets greater than \$20,000 are also recorded in the State's General Fixed Asset Account Group.

F. Fund Balances

The fund balances of the Casino Control Fund consist of the following:

- 1) Reserved for Encumbrances - Used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.
- 2) Reserved - Other - Used to segregate a portion of the fund balance to

provide for anticipated expenditures in future fiscal years.

3) Unreserved - Designated for Continuing Appropriations - Used to represent that portion of fund balance which has been appropriated by the Legislature.

4) Unreserved - Undesignated - Used to represent that portion of fund balance resources available for appropriation.

G. Other

Other significant accounting policies are described in Notes 2 to 9.

NOTE 2 - Cash

Represents a \$500 petty cash fund maintained by each agency and a \$50,000 confidential fund maintained by the Division of Gaming Enforcement.

NOTE 3 - Accounts Receivable

Represents amounts due from casinos and related industries. Net receivables are substantially collected within three months.

Allowance for doubtful accounts represents one hundred percent of non-current receivables.

NOTE 4 - Due From General Fund

Cash transactions of the Casino Control Fund are made by and through the General Fund cash accounts. The balance of cash for this fund held in the General Fund, after receipt and disbursement transactions, is accounted for and reflected in the Due From account on the Balance Sheet.

NOTE 5 - Deferred Revenue

Deferred Revenue represents fiscal year 2000 and fiscal year 1999 slot machine license billings collected and recorded in June 1999 and 1998, respectively.

NOTE 6 - Fund Balance

The positive fund balance as of June 30, 1999 and June 30, 1998 resulted from revenues exceeding expenditures. Pursuant to N.J.A.C. 19:41-9.1(e) the balance at June 30, 1999 will be credited to casino licensees during fiscal year 2000 in proportion to the relative amount of total fees incurred or paid by each casino licensee with respect to the fiscal year ended June 30, 1999. The balance at June 30, 1998 was credited in the same manner to casino licensees during fiscal year 1999.

NOTE 7 - Employee Benefit Costs

Fringe benefit costs which include pension, health benefits, payroll taxes, and amounts for unused sick leave are originally paid by the General Fund and are charged to the Casino Control Fund using a composite fringe benefit rate.

Cash payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on fifty percent of the employee's sick leave accumulation, at the pay rate in effect at the time of



retirement up to a maximum of \$15,000. Employees separating from state service prior to retirement are not entitled to payments for accumulated sick leave balances. The liability for accumulated employee sick leave balances as of June 30, 1999 of approximately \$3.7 million is reflected in the State's Long-Term Debt Account Group and is not accrued in these financial statements.

Employees annually earn 12 to 25 vacation days based on years of service and are permitted to carry over those days earned within a one year period. The liability for accumulated vacation pay as of June 30, 1999 of approximately \$1.1 million is reflected in the State's General Long-Term Debt Account Group and is not accrued in these financial statements.

NOTE 8- Interest

The General Fund charges interest to the Casino Control Fund when disbursements exceed receipts collected and credits interest to the Casino Control Fund when receipts collected exceed disbursements made. The interest rate used during fiscal year 1999 and fiscal year 1998 was equal to the effective rate of return on investments in the General Fund and varied from 4.80% to 5.45% in fiscal year 1999 and from 5.45% to 5.69% in fiscal year 1998. The net effect of these transactions is reflected in the Investment Earnings account on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

NOTE 9 - Contingent Liability

The Casino Control Fund is involved in a number of legal actions wherein there is potential for unanticipated expenditure. The exact amount involved in these legal proceedings is not fully determinable. N.J.A.C. 19:41-9.1 allows the Casino Control Fund to apportion any uncollected cost among the licensed casino facilities.

STATE OF NEW JERSEY  
CASINO CONTROL FUND  
EXPENDITURE DETAIL  
FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

SCHEDULE I  
(in \$000)

	1999		1998	
	PUBLIC SAFETY AND CRIMINAL JUSTICE	GOVERNMENT DIRECTION MANAGEMENT AND CONTROL	PUBLIC SAFETY AND CRIMINAL JUSTICE	GOVERNMENT DIRECTION MANAGEMENT AND CONTROL
EXPENDITURES:				
Salaries	\$ 21,250.4	\$ 15,939.9	\$ 19,534.3	\$ 15,494.0
Payroll Taxes and Employee Benefits	3,437.4	3,594.7	3,921.1	3,346.0
Printing and Office Supplies	104.5	194.6	134.6	220.9
Vehicular Supplies	66.0	-	93.8	-
Travel	306.4	53.6	73.4	39.3
Telephone	315.0	214.7	321.9	205.0
Data Processing	982.1	849.9	729.5	1,263.0
Professional Services	95.8	68.7	367.3	130.6
Other Services Other Than Personal	633.7	133.0	602.1	149.8
Rent-Facilities	2,028.0	1,096.6	2,073.4	1,108.3
Rent-Automobiles and Other	107.3	115.1	120.1	68.7
Indirect Costs	1,139.7	51.6	1,075.9	66.8
Office Equipment	163.8	40.2	116.6	107.2
Vehicular Equipment	931.3	26.3	68.7	8.2
Other Equipment	286.9	83.7	322.2	86.8
TOTAL EXPENDITURES	\$ 31,848.3	\$ 22,462.6	\$ 29,554.9	\$ 22,294.6



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