

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

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

**FOR THE YEAR ENDED  
December 31, 2010**

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

**DECEMBER 31, 2010**

**TABLE OF CONTENTS**

	<b>Page</b>
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1 - 2
<b>Required Supplementary Information:</b> Management's Discussion and Analysis	3 - 11
<b>Financial Statements:</b>	
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Statement of Net Assets - Governmental Funds	14
Statement of Revenues, Expenditures and Changes in Fund Balances	15
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Balance Sheet - Proprietary Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Proprietary Funds	18
Statement of Cash Flows - Proprietary Funds	19
Statement of Net Assets - Fiduciary Funds	20
Statement of Changes in Net Assets - Fiduciary Funds	21
Notes to Financial Statements	22 - 35
<b>Required Supplementary Information:</b> Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	36
<b>Other Supplementary Information:</b> Combining Balance Sheet - Nonmajor Governmental Funds - Debt Service Funds	37
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Funds - Debt Service Funds	38
Combining Net Assets - Other Fiduciary Funds	39 - 43
Combining Statement of Changes in Net Assets - Other Fiduciary Funds	44 - 48

## **FINANCIAL SECTION**



# FORD - SCOTT

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Members of the Board  
of the Casino Reinvestment Development Authority  
Atlantic City, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Casino Reinvestment Development Authority ("CRDA"), a component unit of the State of New Jersey, as of and for the year ended December 31, 2010, which collectively comprise the basic financial statements of the CRDA as listed in the table of contents. These financial statements are the responsibility of CRDA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the CRDA, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the CRDA's financial statements as a whole. The other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**February 1, 2011**

**REQUIRED SUPPLEMENTARY INFORMATION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDING DECEMBER 31, 2010**

This section of the Casino Reinvestment Development Authority's annual financial report presents our discussion and analysis of the CRDA's financial performance during the fiscal year that ended on December 31, 2010. It should be read in conjunction with the CRDA's financial statements, which follow this section.

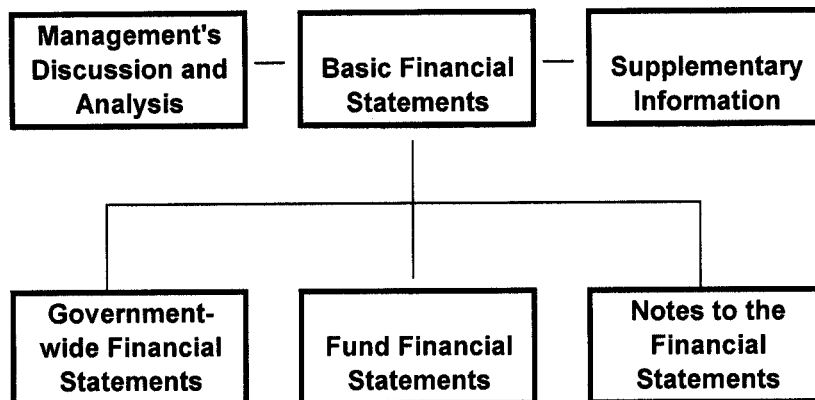
### **FINANCIAL HIGHLIGHTS**

- The liabilities of the CRDA exceeded its assets at the close of the most recent fiscal year by approximately \$13 million, a decrease of approximately \$4 million from the prior year. The decrease is primarily the result of revenue in excess of expenses for the primary governmental unit.
- Cash and investments total approximately \$199.5 million, a decrease of \$10 million from the prior year.
- Long-term liabilities decreased by approximately \$11.7 million to approximately \$457.7 million at year end 2010. The decrease is the result of scheduled redemptions of publicly issued debt.
- Real estate holdings increased to approximately \$96.7 million during the fiscal year, primarily for Authority road projects.
- A recently established proprietary fund reported net assets of \$2.7 million.
- General fund actual revenue was less than budgeted revenue for the 2010 year due to a decrease in tax override and processing fee revenues. General fund operational expenses were essentially flat when compared with 2009.

### **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 two categories, *governmental activities* and *business-type activities*. Governmental activities include CRDA's operations and programs including the administration of community and economic development projects. Business-type activities encompass the financing, construction and eventual operation of a garage in the Corridor.

### 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 three fund groupings, governmental funds, proprietary funds and fiduciary funds.

- *Governmental funds statements* provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the CRDA's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the government funds statement that explains the relationship (or difference) between them.
- *Proprietary funds statements* are utilized to account for Authority business-type activities. Proprietary funds provide the same information as government-wide financial statements and use the accrual basis of accounting.
- *Fiduciary 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>Fund Statements</b>		
	<b>Government-wide 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		
	2010	2009	
Current and Other Assets	\$ 247,306,751	\$ 255,950,043	-3%
Notes Receivable	119,616,464	126,720,575	-6%
Capital Assets	96,753,927	89,730,464	8%
<b>Total Assets</b>	<b>463,677,142</b>	<b>472,401,082</b>	<b>-2%</b>
Other Liabilities	21,515,772	19,521,199	10%
Long-Term Liabilities	457,756,543	469,491,685	-2%
<b>Total Liabilities</b>	<b>479,272,315</b>	<b>489,012,884</b>	<b>-2%</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	88,956	94,595	-6%
Restricted	32,214,392	32,285,209	0%
Unrestricted	(47,898,521)	(48,991,606)	2%
<b>Total Net Assets</b>	<b>\$ (15,595,173)</b>	<b>\$ (16,611,802)</b>	<b>6%</b>

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 \$27.0 million which may be used for any Authority purpose, and a negative \$74.8 million designated for future project costs.

At the end of 2010, 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.

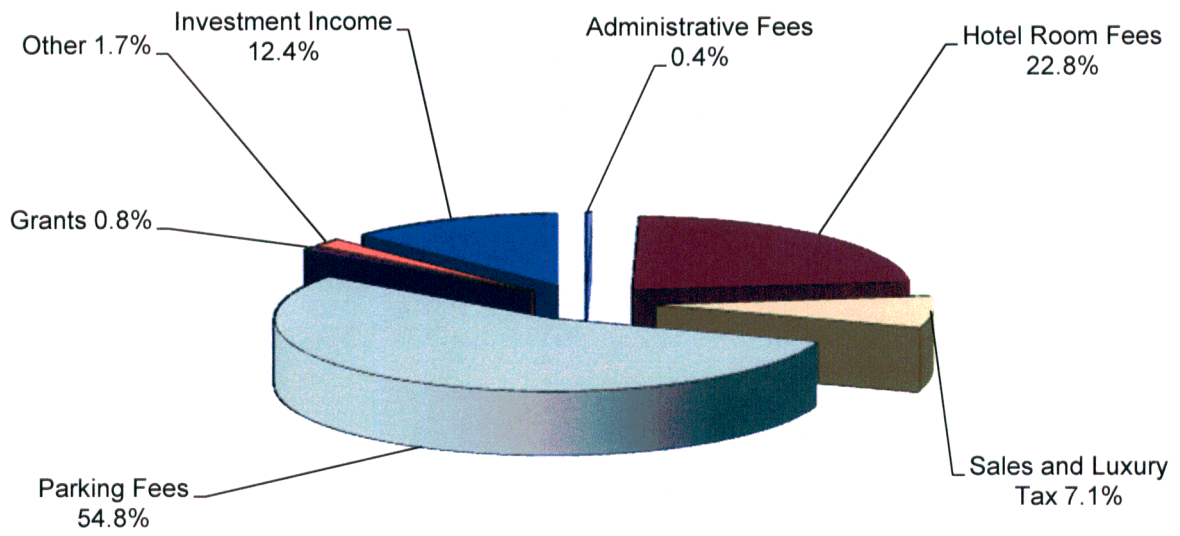
The CRDA holds \$96.6 million in real estate investments. This real estate may be transferred to other entities upon completion of a project.

### Changes in Net Assets

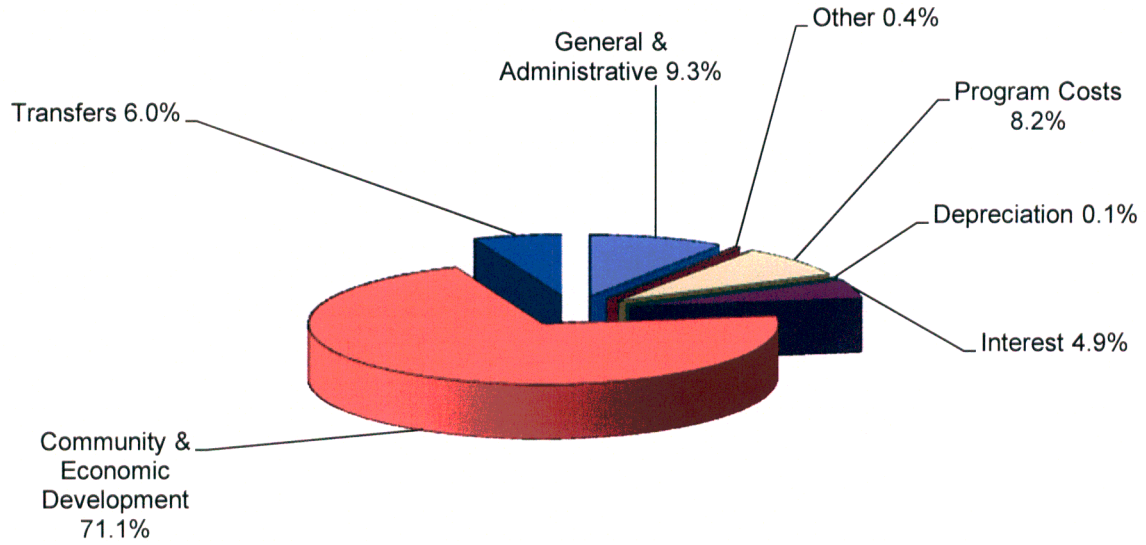
	Governmental Activities		Total
			Percentage
	2010	2009	Change
<b>Revenues</b>			
<b>Fees:</b>			
Administrative	\$ 174,027	\$ 195,619	-11%
Hotel Room	10,440,707	10,705,339	-2%
Sales Tax	3,227,669	7,441,114	-57%
Parking	25,043,347	25,833,820	-3%
<b>Operating:</b>			
Grant	364,967	17,000,000	-98%
Other	796,288	1,208,000	-34%
Investment Income	5,676,815	6,945,436	-18%
<b>Total Revenues</b>	<b>45,723,820</b>	<b>69,329,328</b>	<b>-34%</b>
<b>Expenses</b>			
General and Administrative	4,166,923	4,300,173	-3%
Other	174,927	196,628	-11%
Program Costs	3,645,649	1,537,299	137%
Depreciation	25,559	25,653	0%
Interest on Long-Term Debt	2,199,849	2,367,749	-7%
Community & Economic Development	31,791,776	31,783,404	0%
Transfers	2,702,508		100%
<b>Total Expenses</b>	<b>44,707,191</b>	<b>40,210,906</b>	<b>11%</b>
<b>Increase in Net Assets</b>	<b>\$ 1,016,629</b>	<b>\$ 29,118,422</b>	<b>-97%</b>

The CRDA's net assets increased by \$1 million during the current fiscal year. This increase is due to revenue in excess of expenses for the primary governmental unit.

### 2010 REVENUE – GOVERNMENTAL ACTIVITIES



### 2010 EXPENSES – GOVERNMENTAL ACTIVITIES



## **Governmental Funds Financial Analysis**

Governmental activities represent a significant portion of CRDA's funds.

As of the end of 2010, the CRDA's governmental funds reported combined ending fund balances of \$202,972,625 a decrease of \$12,053,275 for the fiscal year. Of this total amount only \$26,995,337 is *unreserved* or available for any CRDA purpose. The remainder of fund balance or \$175,977,288 is *reserved* to indicate that it is not available for new spending because it has already been committed to pay debt service (\$33,593,120) and for projects (\$142,384,168).

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 utilized 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 \$2,791,464 (net of accumulated depreciation of \$419,219) and consists of office furnishings, computers, office equipment and construction-in-progress. An investment in real estate of \$96,664,971 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 publically 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 publically 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 3.4% 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>2010</u>	<u>2009</u>
Debt outstanding January 1,	\$ 457,696,519	\$ 468,008,448
Additions to Debt	1,822,472	1,906,468
Reduction of Debt	<u>(11,686,420)</u>	<u>(12,218,397)</u>
Debt outstanding December 31,	447,832,571	457,696,519
Plus: Net unamortized Premium	<u>8,726,512</u>	<u>10,041,394</u>
	<u>\$ 456,559,083</u>	<u>\$ 467,737,913</u>

**GOVERNMENT - WIDE FINANCIAL STATEMENTS**

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Statement of Net Assets**  
**December 31, 2010**

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 163,012,381	\$	\$ 163,012,381
Marketable securities, net of allowance	36,563,685		36,563,685
Receivables:			
Notes receivable	119,616,464		119,616,464
Accrued interest receivable	31,975,135		31,975,135
Accrued revenue receivable	7,087,903		7,087,903
Other	3,878,487		3,878,487
Deferred Costs	4,789,160		4,789,160
Real Estate	96,664,971		96,664,971
Capital assets, net of depreciation	88,956	2,702,508	2,791,464
<b>Total Assets</b>	<b>\$ <u>463,677,142</u></b>	<b>\$ <u>2,702,508</u></b>	<b>\$ <u>466,379,650</u></b>
<b>Liabilities</b>			
Interest payable	\$ 10,391,182	\$	\$ 10,391,182
Other payables	11,124,590		11,124,590
Long-term liabilities:			
Due within one year	12,561,692		12,561,692
Due beyond one year	445,194,851		445,194,851
<b>Total Liabilities</b>	<b>\$ <u>479,272,315</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>479,272,315</u></b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 88,956	\$ 2,702,508	\$ 2,791,464
Restricted for:			
Debt Service	32,214,392		32,214,392
Unrestricted	(47,898,521)	-	(47,898,521)
<b>Total Net Assets</b>	<b>\$ <u>(15,595,173)</u></b>	<b>\$ <u>2,702,508</u></b>	<b>\$ <u>(12,892,665)</u></b>

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Statement of Activities**  
**For The Year Ended December 31, 2010**

Functions / Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Fees	Operating Income	Governmental Activities	Business - Type Activities	Total
<b>Governmental Activities</b>						
General and Administrative	\$ 4,166,923	\$ 566,220	\$ 125,757	\$ (3,600,703)	\$ -	\$ (3,600,703)
Other	174,927			(49,170)		(49,170)
Program Costs	3,645,649	3,227,669		(417,980)		(417,980)
Depreciation	25,559			(25,559)		(25,559)
Interest on long - term debt	2,199,849			(2,199,849)		(2,199,849)
Community Development	31,791,776	35,484,054	643,305	4,335,583		4,335,583
<b>Total governmental activities</b>	<b>\$ 42,004,683</b>	<b>\$ 39,277,943</b>	<b>\$ 769,062</b>	<b>\$ (1,957,678)</b>	<b>\$ -</b>	<b>\$ (1,957,678)</b>
<b>Business - Type Activities</b>						
Corridor Parking Garage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Business - Type Activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Primary Government</b>	<b>\$ 42,004,683</b>	<b>\$ 39,277,943</b>	<b>\$ 769,062</b>	<b>\$ (1,957,678)</b>	<b>\$ -</b>	<b>\$ (1,957,678)</b>
<b>General Revenues</b>						
Investment income		\$ 5,676,815		\$ 5,676,815		\$ 5,676,815
Transfers		(2,702,508)		(2,702,508)	2,702,508	-
<b>Total general revenues</b>		<b>2,974,307</b>		<b>2,974,307</b>	<b>2,702,508</b>	<b>5,676,815</b>
<b>Changes in net assets</b>		<b>1,016,629</b>		<b>1,016,629</b>	<b>2,702,508</b>	<b>3,719,137</b>
<b>Net Assets (Deficit) - beginning</b>				<b>(16,611,802)</b>		<b>(16,611,802)</b>
<b>Net Assets (Deficit) - ending</b>				<b>(15,595,173)</b>	<b>2,702,508</b>	<b>(12,892,665)</b>

The accompanying notes are an integral part of these financial statements

## **FUND FINANCIAL STATEMENTS**

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Balance Sheet  
Governmental Funds  
December 31, 2010**

	General Fund	Special Revenue Funds		Other Governmental Funds	Total Governmental Funds
		Parking Fee	Hotel Room Fee		
<b>Assets</b>					
Cash and cash equivalents	\$ 52,943,253	\$ 83,717,713	\$ 23,767,243	\$ 2,584,172	\$ 163,012,381
Marketable securities, net of allowance		36,563,392	293		36,563,685
Receivables:					
Accrued interest receivable	101,425			141,239	242,664
Accrued revenue receivable		3,516,446	3,571,457		7,087,903
Other	2,029,650			1,689,830	3,719,480
<b>Total Assets</b>	<b>\$ 55,074,328</b>	<b>\$ 123,797,551</b>	<b>\$ 27,338,993</b>	<b>\$ 4,415,241</b>	<b>\$ 210,626,113</b>
<b>Liabilities</b>					
Interest payable	\$	\$ 1,248,840	\$ 2,130,659	\$ 206,642	\$ 3,586,141
Other payables	1,676,229	1,904,924	8,012	478,182	4,067,347
<b>Total Liabilities</b>	<b>1,676,229</b>	<b>3,153,764</b>	<b>2,138,671</b>	<b>684,824</b>	<b>7,653,488</b>
<b>Fund Balances</b>					
Reserved fund equity:					
Reserve for debt service		30,208,688		3,384,432	33,593,120
Reserve for project costs	26,402,762	90,435,099	25,200,322	345,985	142,384,168
Unreserved fund equity:					
Undesignated	26,995,337	-	-	-	26,995,337
<b>Total Fund Balances</b>	<b>53,398,099</b>	<b>120,643,787</b>	<b>25,200,322</b>	<b>3,730,417</b>	<b>202,972,625</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 55,074,328</b>	<b>\$ 123,797,551</b>	<b>\$ 27,338,993</b>	<b>\$ 4,415,241</b>	

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.

The cost of the assets is \$508,175 and the accumulated depreciation is \$419,219.

88,956

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

252,962,073

Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(471,618,827)

Net assets (Deficit) of governmental activities

\$ (15,595,173)

**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, 2010**

	General Fund	Special Revenue Funds		Other Governmental Funds	Total Governmental Funds
		Parking Fee	Hotel Room Fee		
<b>REVENUES</b>					
Administrative fees	\$ 174,027	\$	\$	\$ 1,864,295	\$ 174,027
Interest and investment income	672,791	810,705	15,708		3,363,499
Parking fee revenue		25,043,347			25,043,347
Hotel room fee revenue			10,440,707		10,440,707
Sales and luxury tax rebate revenue	3,227,669				3,227,669
Processing fees	392,193				392,193
Grant revenue				364,967	364,967
Other	125,757	278,338			404,095
<b>Total Revenues</b>	<b>4,592,437</b>	<b>26,132,390</b>	<b>10,456,415</b>	<b>2,229,262</b>	<b>43,410,504</b>
<b>EXPENDITURES</b>					
Current:					
Salaries and benefits	3,117,115				3,117,115
General and administrative	710,863				710,863
Professional services	338,945				338,945
Project costs	3,645,649	7,101,715	2,454,635	441,266	13,643,265
Other				174,927	174,927
Debt Service:					
Interest expense		14,502,868	4,261,319	1,683,010	20,447,197
Principal		7,464,704	3,620,000	601,716	11,686,420
Capital Outlay					
Purchase of Fixed Assets	22,920				22,920
<b>Total Expenditures</b>	<b>7,835,492</b>	<b>29,069,287</b>	<b>10,335,954</b>	<b>2,900,919</b>	<b>50,141,652</b>
Excess (deficiency) of revenues over expenditures	(3,243,055)	(2,936,897)	120,461	(671,657)	(6,731,148)
<b>OTHER FINANCING SOURCES (USES)</b>					
Payments received on notes	2,898,930			1,336,788	4,235,718
Other receivables	7,602				7,602
Other payables		(275,548)		(5,543)	(281,091)
Payments on note payable		(640,000)			(640,000)
Capital related debt issued		1,822,472			1,822,472
Loan disbursements	(370,251)			(364,967)	(735,218)
Purchase of real estate	(6,618,453)	(410,649)			(7,029,102)
Transfer to other funds		(2,702,508)			(2,702,508)
<b>Total other financing sources and uses</b>	<b>(4,082,172)</b>	<b>(2,206,233)</b>	<b>-</b>	<b>966,278</b>	<b>(5,322,127)</b>
Net change in fund balance	(7,325,227)	(5,143,130)	120,461	294,621	(12,053,275)
Fund balance, January 1, 2010	60,723,326	125,786,917	25,079,861	3,435,796	215,025,900
Fund balance, December 31, 2010	\$ 53,398,099	\$ 120,643,787	\$ 25,200,322	\$ 3,730,417	\$ 202,972,625

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2010**

Total Net Change in Fund Balance - Governmental Funds	\$	(12,053,275)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
		7,026,463
<p>Revenues in the statement of activities that do not provide financial resources are not reported as revenue in the funds.</p>		
		2,313,316
<p>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.</p>		
		11,361,676
<p>Disbursements on long - term notes receivable consume current financial resources of government fund, and principal payments received on notes receivable provide current financial resources to governmental funds. These transactions do not affect net assets.</p>		
		(3,508,102)
<p>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.</p>		
		(4,123,449)
Change in net assets of governmental activities	\$	1,016,629

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Statement of Net Assets  
Proprietary Fund  
December 31, 2010**

		<u><b>Business-Type Activities - Enterprise Fund Corridor Parking Garage</b></u>
<b>Assets</b>		
Current assets:	\$	
None		-
Noncurrent assets:		
Construction in progress		2,702,508.00
Less: accumulated depreciation		<u>-</u>
Total noncurrent assets		<u>2,702,508.00</u>
<b>Total Assets</b>	<b>\$</b>	<b><u><u>2,702,508.00</u></u></b>
<b>Liabilities</b>		
None	\$	-
<b>Total Liabilities</b>		<u>-</u>
<b>Net Assets</b>		
Invested in Capital Assets Net of Related Debt		2,702,508.00
Unrestricted		<u>-</u>
<b>Total Net Assets</b>		<u>2,702,508.00</u>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b><u><u>2,702,508.00</u></u></b>

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Fund**  
**For the Year Ended December 31, 2010**

		<b>Business-Type Activities - Enterprise Fund <u>Corridor Parking Garage</u></b>
Operating Revenues:		
None	\$	-
Total Operating Revenues		<u>-</u>
Operating Expenses:		
None		-
Total Operating Expenses		<u>-</u>
Operating Income		-
Nonoperating Revenues (Expenses):		
Transfers from other funds		2,702,508
Net assets, January 1, 2010		<u>-</u>
Net assets, December 31, 2010	\$	<u><u>2,702,508</u></u>

**Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2010**

	<b>Business-Type Activities - Enterprise Fund</b>
	<b>Corridor Parking Garage</b>
<b>Cash flows from operating activities</b>	
None	\$ -
Net cash provided by (used for) operating activities	-
<b>Cash flows from noncapital financing activities</b>	
Transfers form other funds	2,702,508
Net cash provided by (used for) noncapital financing activities	2,702,508
<b>Cash flows from capital and related financing activities</b>	
Construction in progress	(2,702,508)
Net cash provided by (used for) capital and related financing activities	(2,702,508)
<b>Cash flows from investing activities</b>	
None	-
Net cash provided by (used for) investing activities	-
Net increase (decrease) in cash and cash equivalents	-
Cash balance, January 1, 2010	-
Cash balance, December 31, 2010	\$ -
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	-
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
None	-
Total adjustments	-
Net cash provided by (used for) operating activities	\$ -

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Statement of Net Assets**  
**Fiduciary Funds**  
**December 31, 2010**

	<b>Reinvestment Funds</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 305,808,456	\$ 10,815,681	\$ 316,624,137
Receivables:			
Notes receivable		5,053,213	5,053,213
Obligations receivable	10,349,820		10,349,820
Accrued interest receivable		61,863	61,863
Other	1,818,456	4,993,596	6,812,052
Capital assets:			
Real estate		10,201,800	10,201,800
<b>Total Assets</b>	<b>\$ 317,976,732</b>	<b>\$ 31,126,153</b>	<b>\$ 349,102,885</b>
<b>Liabilities</b>			
Interest payable	\$ 915,041		\$ 915,041
Other payables	3,990,996	10,411,814	14,402,810
<b>Reserves</b>			
Obligations payable	260,327,636		260,327,636
Direct investment deposits	1,672,262		1,672,262
Donation deposits	51,070,797		51,070,797
Project costs		20,714,339	20,714,339
<b>Total Liabilities and Reserves</b>	<b>\$ 317,976,732</b>	<b>\$ 31,126,153</b>	<b>\$ 349,102,885</b>
<b>Net Assets</b>	-	-	-
<b>Total Liabilities Reserves and Net Assets</b>	<b>\$ 317,976,732</b>	<b>\$ 31,126,153</b>	<b>\$ 349,102,885</b>

**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, 2010**

	<u>Reinvestment Funds</u>	<u>Other</u>	<u>Total</u>
<b>Additions</b>			
Transfer from (to) reinvestment funds and other governmental funds	\$	\$ 5,931,708	\$ 5,931,708
Obligation deposits	45,416,981		45,416,981
Retail and luxury tax remittance		20,212,730	20,212,730
Interest on notes		149,438	149,438
Other income		185	185
Total Additions	<u>45,416,981</u>	<u>26,294,061</u>	<u>71,711,042</u>
<b>Deductions</b>			
Direct Investments	15,077,641		15,077,641
Direct donations:			
Transfers to other fiduciary funds	428,187		428,187
Other	5,868,493		5,868,493
Accrued obligations	840,096		840,096
Bonds issued	1,822,472		1,822,472
Credits	18,290,559		18,290,559
Grants and donations		6,009,616	6,009,616
Retail and luxury tax distributions		20,212,730	20,212,730
Total Deductions	<u>42,327,448</u>	<u>26,222,346</u>	<u>68,549,794</u>
Change in reserves	3,089,533	71,715	3,161,248
Net assets January 1, 2010	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, December 31, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**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 2010. The effect of Interfund activity has been removed from these statements. Governmental activities, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 and interfund transfers*. There was \$5,676,815 and \$2,702,508 of general revenues and interfund transfers, respectively, in 2010.

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

**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 proprietary fund and 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  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**1. Summary of Significant Accounting Policies - Continued**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued**

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 proprietary and fiduciary fund types:

**Proprietary Fund :**

The *Corridor Garage Fund* is utilized to account for the financing, construction and eventual operation of a garage in the Corridor. The costs of operation and debt service will be recovered by fees and/or charges.

**Fiduciary Funds:**

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

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**1. Summary of Significant Accounting Policies - Continued**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued**

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.

**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. 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 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  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**1. Summary of Significant Accounting Policies - Continued**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued**

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, 2010, 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, 2010, the Authority had the following investments:

	<u>Maturities</u>		<u>Fair Value</u>
Marketable Securities	various	\$	36,563,685
Certificates of Deposit	2/16/2011		69,072

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**2. Investment - Continued**

**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, 2010, \$488,755,893 of the Authority's bank balance of \$489,255,893 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. \$32,214,392 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  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**4. Notes Receivable**

As of December 31, 2010, the Parking Fee Revenue Fund includes a note receivable in the amount of \$8,600,000,000 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%, was 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 4.0% and 7.5%. Repayment of notes receivable are secured by mortgages.

**5. Fixed Assets**

Summary of changes in fixed assets for the year ended December 31, 2010:

	<u>Furniture and Equipment</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Balance January 1, 2010	\$ 488,255	\$ (393,660)	\$ 94,595
Increases	22,920	(25,559)	(2,639)
Decreases	(3,000)		(3,000)
Balance December 31, 2010	<u>\$ 508,175</u>	<u>\$ (419,219)</u>	<u>\$ 88,956</u>

**6. Interfund Receivables/Payables**

The following is a summary of interfund receivables and payables at December 31, 2010:

	<u>Due to (due from) General</u>	<u>Due to (due from) Reinvestment</u>	<u>Due to (due from) AC Corridor</u>	<u>Due to (due from) Hotel Room Fee</u>	<u>Due to (due from) Deregulation</u>	<u>Due to (due from) Debt Service Fund</u>	<u>Due to (due from) Agency Fund</u>	<u>Net Total</u>
Interest	\$ 95,586	\$ (70,889)	\$ (16,536)	\$ (8,161)				\$
Administrative fees	76,911					(76,911)		
Miscellaneous		1,818,456	(1,344,966)			(401,205)	(72,285)	
Deregulation Funds		(345,985)			345,985			
Total	<u>\$ 172,497</u>	<u>\$ 1,401,582</u>	<u>\$ (1,361,502)</u>	<u>\$ (8,161)</u>	<u>\$ 345,985</u>	<u>\$ (478,116)</u>	<u>\$ (72,285)</u>	<u>\$</u>

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

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**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.
- c. 2010 Obligations and Donations account activity is summarized below:

<u>Obligation Deposits</u>	
Beginning Balance	\$ 271,454,844
Obligation deposits	45,416,981
Direct investments	(14,813,397)
Direct donations	(5,169,698)
Transfer to donations	(26,797,883)
Bonds issued	(1,822,472)
Credits	(18,290,559)
Obligations receivable	
Ending Balance	<u>249,977,816</u>
<u>Direct Investment Deposit</u>	
Beginning Balance	1,936,506
Disbursements	(264,244)
Ending Balance	<u>1,672,262</u>
<u>Donation Deposits</u>	
Beginning Balance	25,399,897
Transfers from obligations	26,797,883
Grants to Agency and Debt Service Funds	(1,126,983)
Ending Balance	<u>51,070,797</u>
Grand Total	<u>\$ 302,720,875</u>

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**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 3.4% 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 2010. The bond holders of the Vermont Plaza project, the Sheraton Headquarters Hotel and the North Oraton Homes project are not currently receiving principal or interest payments.

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

<u>Bond Issue</u>	<u>Amount</u>
\$107 million Parking Fee Revenue Bonds	\$ 22,055,775
\$184.5 million Parking Fee Revenue Bonds	7,728,959
Atlantic City Boardwalk Convention Center Project Bonds	423,954
Balance December 31, 2010	\$ <u>30,208,688</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  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**8. Bonds Payable - Continued**

The following is a summary of the CRDA's long-term debt transactions for the year ended December 31, 2010:

	<u>Publicly Issued Bonds</u>	<u>Project Bonds</u>	<u>Total</u>
Debt Outstanding December 31, 2009	\$ 355,360,000	\$ 102,336,519	\$ 457,696,519
Additions to Debt		1,822,472	1,822,472
Reductions of Debt	(10,915,000)	(771,420)	(11,686,420)
Debt Outstanding December 31, 2010	<u>344,445,000</u>	<u>103,387,571</u>	<u>447,832,571</u>
Net Unamortized Premium	<u>8,726,512</u>		<u>8,726,512</u>
Net Debt	<u>\$ 353,171,512</u>	<u>\$ 103,387,571</u>	<u>\$ 456,559,083</u>
Amounts due within one year	<u>\$ 12,350,000</u>	<u>\$ 211,692</u>	<u>\$ 12,561,692</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 12,350,000	\$ 17,731,447	\$ 30,081,447
2012	21,220,000	16,883,317	38,103,317
2013	24,605,000	15,720,955	40,325,955
2014	25,360,000	14,452,878	39,812,878
2015	22,010,000	13,252,286	35,262,286
2016-2020	119,500,000	47,522,402	167,022,402
2021-2025	119,400,000	16,693,219	136,093,219
Total	<u>\$ 344,445,000</u>	<u>\$ 142,256,504</u>	<u>\$ 486,701,504</u>

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**8. Bonds Payable - Continued**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 211,692	\$ 3,494,930	\$ 3,706,622
2012	470,480	3,484,959	3,955,439
2013	479,219	3,464,234	3,943,453
2014	487,091	3,443,153	3,930,244
2015	1,018,010	3,422,779	4,440,789
2016-2020	5,799,423	16,404,522	22,203,945
2021-2025	5,965,700	15,016,875	20,982,575
2026-2030	22,962,815	14,134,268	37,097,083
2031-2035	35,168,176	8,100,339	43,268,515
2036-2040	3,403,143	6,482,720	9,885,863
2041-2045	25,364,293	3,240,927	28,605,220
2046-2050	2,057,529	134,682	2,192,211
Total	<u>\$ 103,387,571</u>	<u>\$ 80,824,388</u>	<u>\$ 184,211,959</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 \$1,197,460 as of December 31, 2010, 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.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**10. Project and Direct Investment Commitments**

a. During 2010, the CRDA commitments decreased by \$14 million.

As of December 31, 2010, CRDA had outstanding commitments as follows:

<u>Project</u>	<u>Outstanding Commitments</u>	<u>Project</u>	<u>Outstanding Commitments</u>
<b>Atlantic City</b>		<b>South Jersey</b>	
Northeast Inlet Redevelopment	\$ 5,686,050	Agricultural Loan Program	\$ 232,096
Bally's Hope Loan Program	999,424	Woodbine Airport	57,339
NJIT Housing Technology Demonstration Park	550,525	Gateway Village	480,521
Convention Center East Hall	12,787,503	Camden Project Fund	9,400,000
AC/Brigantine Connector Road	42,581,532	A.C. Boys & Girls Club	140,649
Virginia Avenue Improvements	4,477,010	SJ Transportation and Green Projects	784,986
Atlantic Avenue Façade Program	701,565	Shepherd's Farm Housing	518,883
North Carolina Avenue Improvements	331,685	EHT Route 40 Corridor	2,945,285
2nd Ward Façade	277,303	SJ Regional Fire Training Center	952,451
Pennsylvania Avenue Homes	100,666	Greater Trenton Area YMCA	5,525,000
Carolina Gardens	789,076	Caesar's Hotel Expansion	14,649,241
Cityscape	35,909	Harrah's Hotel Expansion	10,325,957
AC Housing Fund	19,805,548	Resorts Hotel Expansion	5,791,804
Maryland Avenue Façade	11,438	Transportation Master Plan	370,535
AC Homeowners Program	42,799	Workforce Housing Development	15,600
Maine Avenue Project	6,499,685	SJ Workforce Housing Loan Fund	20,000,000
Boys & Girls Club	186,360	SJ Food Access Initiative Project	2,000,000
Tax Certificate Acquisitions	18,109	SJT & Land Use Program	1,000,000
Venice Park Bulkhead	1,807,447	AC International Inspection Services	4,000,000
Dwayne Harris Memorial Ballfield	467,833	Aviation Research & Technology Park	2,394,021
Reliance Health Relocation	29,093		
Pete Pallitto Field Project	6,523	<b>Total South Jersey</b>	<b>81,584,368</b>
AC Corridor Bond Pledge	145,620,862		
Hope VI Housing	3,330,724	<b>North Jersey</b>	
2nd Ward Housing	1,268,973	Long Branch Project	1,191,741
Stockton Campus Project	40,000	South Amboy Project	7,142,185
Corridor Parking Garage	20,400,000	North Project Fund	46,794,922
Healthplex	57,316	NJSEA Purse Enhancements	32,940,871
Atlantic City Economic Development	116,118	NJ Food Access Initiative Project	5,000,000
Fresh Food Market	314,637		
Pacific Avenue Development	3,030	<b>Total North Jersey</b>	<b>93,069,719</b>
SE Inlet Transportation Improvements	121		
Lighthouse District Park Project	5,104,917	NJSBMWE Set Aside	13,187,755
Vision 2000 Foreclosure	237,646		
AC National Guard Armory	971,583	<b>Total Commitments</b>	
The Walk	4,500,000	<b>December 31, 2010</b>	<b>\$ 474,584,637</b>
Vermont Plaza	1,435,033		
Atlantic Cape Community College	5,000,000		
Roosevelt Beach Pavilion	148,752		
<b>Total Atlantic City</b>	<b>\$ 286,742,795</b>		

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**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	\$ 32,440
Bus Terminal	1,000,000
Bus Transit Planning	73,123
South Inlet Transportation Improvements	1,532,950
Atlantic-Pacific Avenues One-Way	957,254
Transportation Master Plan	49,613
Total	<u>\$ 3,645,380</u>

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

Reserved:	
Reserve for Absecon Lighthouse	\$ 229,869
Reserve for Urban Lab Project	8,743
Reserve for Corridor Parking Garage	10,000,000
Reserve for AC Transportation & Green Projects	5,600,906
Reserve for AC Traffic Operations Center	21,394
Reserve for AC Int'l Airport Apron Expansion	171,482
Reserve for Bus Transit Planning	125,758
Reserve for South Inlet Transportation Improvements	8,513,239
Reserve for Atlantic-Pacific Avenues One Way	1,093,484
Reserve for Transportation Master Plan	137,887
Reserve for Boardwalk Hall Lighting	500,000
Total	<u>\$ 26,402,762</u>

**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 is 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/annrprts.shtml>.

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**14. Pension Plan - Continued**

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, 2010, 2009 and 2008 were \$198,704, \$174,971, and \$114,032, respectively, equal to the required contributions for each year. The Authority's total payroll for the years ended December 31, 2010, 2009 and 2008 was \$2,090,500, \$2,321,350, and \$2,638,955; covered payroll was \$2,039,903, \$2,208,711, and \$2,232,983 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.

**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, 2011. Future minimum lease payments as of December 31, 2010 are as follows:

2011 - \$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).

**CASINO REINVESTMENT DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
(CONTINUED)**

**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.

**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 \$98 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.

**20. Deferred Compensation**

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all eligible regular employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights have been removed from the books and accounts of the Authority as they are no longer the property or rights of the Authority.

**21. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2010 through February 1, 2011 the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to attention of the Authority that require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Casino Reinvestment Development Authority**  
**(A Component Unit of the State of New Jersey)**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
**For the Year Ended December 31, 2010**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Budget to Actual</u>
<b>REVENUES</b>			
Administrative fees	\$ 191,724	\$ 174,027	\$ (17,697)
Interest and investment income	1,030,354	672,791	(357,563)
Sales and luxury tax rebate revenue	7,140,000	3,227,669	(3,912,331)
Processing fees	1,030,160	392,193	(637,967)
Other	100,000	125,757	25,757
Total Revenues	<u>9,492,238</u>	<u>4,592,437</u>	<u>(4,899,801)</u>
<b>EXPENDITURES</b>			
Current:			
Salaries and benefits	3,359,754	3,117,115	242,639
General and administrative	874,278	710,863	163,415
Professional services	374,000	338,945	35,055
Project costs		3,645,649	(3,645,649)
Capital Outlay:			
Purchase of Fixed Assets	37,060	22,920	14,140
Total Expenditures	<u>4,645,092</u>	<u>7,835,492</u>	<u>(3,190,400)</u>
Excess (deficiency) of revenues over expenditures	4,847,146	(3,243,055)	(8,090,201)
<b>OTHER FINANCING SOURCES (USES)</b>			
Payments received on notes		2,898,930	2,898,930
Other receivables		7,602	7,602
Loan disbursements		(370,251)	(370,251)
Purchase of real estate		(6,618,453)	(6,618,453)
Total other financing sources and uses	<u>-</u>	<u>(4,082,172)</u>	<u>(4,082,172)</u>
Net change in fund balance	4,847,146	(7,325,227)	(12,172,373)
Fund balance, January 1, 2010	60,723,326	60,723,326	-
Fund balance, December 31, 2010	<u>\$ 65,570,472</u>	<u>\$ 53,398,099</u>	<u>\$ (12,172,373)</u>

**OTHER SUPPLEMENTARY INFORMATION**

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Balance Sheet - Nonmajor Governmental Funds  
Debt Service Funds  
December 31, 2010

	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 and cash equivalents	\$ 24,870	\$	\$ 140,544	\$ 1,352	\$	\$ 731,687	\$	\$ 460,259	\$	\$ 1,225,460	\$ 2,584,172
Receivables:											
Accrued interest receivable			1,218			45,118		37,809	18,774	38,320	141,239
Other		345,985			34,253		1,302,715		6,877		1,689,830
<b>Total Assets</b>	<b>\$ 24,870</b>	<b>\$ 345,985</b>	<b>\$ 141,762</b>	<b>\$ 1,352</b>	<b>\$ 34,253</b>	<b>\$ 776,805</b>	<b>\$ 1,302,715</b>	<b>\$ 498,068</b>	<b>\$ 25,651</b>	<b>\$ 1,263,780</b>	<b>\$ 4,415,241</b>
<b>Liabilities</b>											
Interest payable	\$ 2,094	\$	\$ 6,358	\$	\$	\$ 101,564	\$	\$ 33,434	\$ 16,671	\$ 46,521	\$ 206,642
Other payables			66			628		405,580	2,103	69,805	478,182
<b>Total Liabilities</b>	<b>2,094</b>	<b>-</b>	<b>6,424</b>	<b>-</b>	<b>-</b>	<b>102,192</b>	<b>-</b>	<b>439,014</b>	<b>18,774</b>	<b>116,326</b>	<b>684,824</b>
<b>Fund Balances</b>											
Reserved fund equity:											
Reserve for debt service	22,776	345,985	135,338	1,352	34,253	674,613	1,302,715	59,054	6,877	1,147,454	3,384,432
Reserve for project costs											345,985
<b>Total Fund Balances</b>	<b>22,776</b>	<b>345,985</b>	<b>135,338</b>	<b>1,352</b>	<b>34,253</b>	<b>674,613</b>	<b>1,302,715</b>	<b>59,054</b>	<b>6,877</b>	<b>1,147,454</b>	<b>3,730,417</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 24,870</b>	<b>\$ 345,985</b>	<b>\$ 141,762</b>	<b>\$ 1,352</b>	<b>\$ 34,253</b>	<b>\$ 776,805</b>	<b>\$ 1,302,715</b>	<b>\$ 498,068</b>	<b>\$ 25,651</b>	<b>\$ 1,263,780</b>	<b>\$ 4,415,241</b>

The accompanying notes are an integral part of these financial statements

Casino Reinvestment Development Authority  
(A Component Unit of the State of New Jersey)  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds - Debt Service Funds  
For the Year Ended December 31, 2010

	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 Governmental Funds
<b>REVENUES</b>											
Interest and investment income	\$ 9,392	\$ 878	\$ 14,008	\$ 1	\$ 217	\$ 660,864	\$ 11,104	\$ 453,901	\$ 114,222	\$ 599,708	\$ 1,864,295
Grant revenue				364,967							364,967
Total Revenues	<u>9,392</u>	<u>878</u>	<u>14,008</u>	<u>364,968</u>	<u>217</u>	<u>660,864</u>	<u>11,104</u>	<u>453,901</u>	<u>114,222</u>	<u>599,708</u>	<u>2,229,262</u>
<b>EXPENDITURES</b>											
Project costs											
Other			900			50,076	441,266	52,500	12,776	58,675	441,266
Debt Service:											
Interest expense	11,164		13,090			619,589		401,204	101,258	536,705	1,683,010
Principal	135,907		21,805			346,602			67,402	30,000	601,716
Total Expenditures	<u>147,071</u>	<u>-</u>	<u>35,795</u>	<u>-</u>	<u>-</u>	<u>1,016,267</u>	<u>441,266</u>	<u>453,704</u>	<u>181,436</u>	<u>625,380</u>	<u>2,900,919</u>
Excess (deficiency) of revenues over expenditures	(137,679)	878	(21,787)	364,968	217	(355,403)	(430,162)	197	(67,214)	(25,672)	(671,657)
<b>OTHER FINANCING SOURCES (USES)</b>											
Payments received on notes	136,466		34,077	(364,967)		342,771			67,402	756,072	1,336,788
Other payables				(364,967)		(6,445)				902	(5,543)
Loan disbursements											(364,967)
Total other financing sources and uses	<u>136,466</u>	<u>-</u>	<u>34,077</u>	<u>(364,967)</u>	<u>-</u>	<u>336,326</u>	<u>-</u>	<u>-</u>	<u>67,402</u>	<u>756,974</u>	<u>966,278</u>
Net change in fund balance	(1,213)	878	12,290	1	217	(19,077)	(430,162)	197	188	731,302	294,621
Fund balance, January 1, 2010	23,989	345,107	123,048	1,351	34,036	693,690	1,732,877	58,657	6,689	416,152	3,435,796
Fund balance, December 31, 2010	<u>\$ 22,776</u>	<u>\$ 345,985</u>	<u>\$ 135,338</u>	<u>\$ 1,352</u>	<u>\$ 34,253</u>	<u>\$ 674,613</u>	<u>\$ 1,302,715</u>	<u>\$ 59,054</u>	<u>\$ 6,877</u>	<u>\$ 1,147,454</u>	<u>\$ 3,730,417</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)**  
**Combining Statement of Net Assets - Fiduciary Funds, Other**  
**December 31, 2010**

	Delaware Avenue	Land Banking	Virginian Acquisition	2nd Ward Façade	Pacific Avenue Redevelopment
<b>Assets</b>					
Cash	\$	\$	\$	\$	\$
Temporarily restricted assets:					
Real estate	43,888	1,196,804	803,030	36,811	26,971
Notes receivable					
Accrued interest receivable					
Other receivables					
<b>Total Assets</b>	<u>\$ 43,888</u>	<u>\$ 1,196,804</u>	<u>\$ 803,030</u>	<u>\$ 36,811</u>	<u>\$ 26,971</u>
<b>Liabilities</b>					
Other Liabilities	\$	\$	\$	\$	\$
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Reserves</b>					
Reserve for temporarily restricted assets	43,888	1,196,804	803,030	36,811	26,971
<b>Total Liabilities and Reserves</b>	<u>43,888</u>	<u>1,196,804</u>	<u>803,030</u>	<u>36,811</u>	<u>26,971</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 Statement of Net Assets - Fiduciary Funds, Other**  
**December 31, 2010**

	Cityscape	SE Inlet Transportation Improvements	Virginia Avenue	Carolina Gardens	Pennsylvania Avenue
<b>Assets</b>					
Cash	\$	\$	\$	\$	\$
Temporarily restricted assets:					
Real estate	66,583	187,085	133,266	823,502	22,062
Notes receivable				35,644	
Accrued interest receivable				7,984	
Other receivables					
<b>Total Assets</b>	<u>\$ 66,583</u>	<u>\$ 187,085</u>	<u>\$ 133,266</u>	<u>\$ 867,130</u>	<u>\$ 22,062</u>
<b>Liabilities</b>					
Other Liabilities	\$	\$	\$	\$	\$
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Reserves</b>					
Reserve for temporarily restricted assets	66,583	187,085	133,266	867,130	22,062
<b>Total Liabilities and Reserves</b>	<u>66,583</u>	<u>187,085</u>	<u>133,266</u>	<u>867,130</u>	<u>22,062</u>
<b>Net Assets</b>	-	-	-	-	-
<b>Total Net Assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<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)**  
**Combining Statement of Net Assets - Fiduciary Funds, Other**  
**December 31, 2010**

	General Development	Donation Loans	3-2-1 Police Loan	Chelsea Westside	A.C. Supermarket
<b>Assets</b>					
Cash	\$ 5,505	\$	\$	\$ 6,768,537	\$
Temporarily restricted assets:					
Real estate				262,354	6,163,011
Notes receivable		2,814,999	808,652	89,229	1,275,329
Accrued interest receivable		52,780	2,152		6,931
Other receivables		645,937	4,132,321		207,354
<b>Total Assets</b>	<u>\$ 5,505</u>	<u>\$ 3,513,716</u>	<u>\$ 4,943,125</u>	<u>\$ 7,120,120</u>	<u>\$ 7,652,625</u>
<b>Liabilities</b>					
Other Liabilities	\$ 5,505	\$	\$ 27,228	\$ 6,337,442	\$
<b>Total Liabilities</b>	<u>5,505</u>	<u>-</u>	<u>27,228</u>	<u>6,337,442</u>	<u>-</u>
<b>Reserves</b>					
Reserve for temporarily restricted assets		3,513,716	4,915,897	782,678	7,652,625
<b>Total Liabilities and Reserves</b>	<u>5,505</u>	<u>3,513,716</u>	<u>4,943,125</u>	<u>7,120,120</u>	<u>7,652,625</u>
<b>Net Assets</b>	-	-	-	-	-
<b>Total Net Assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<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)**  
**Combining Statement of Net Assets - Fiduciary Funds, Other**  
**December 31, 2010**

	NEI Consensual Acquisition	Teachers and Firefighters Home Loans	Retail and Luxury Tax	Bally's Warehouse Project	Chesapeake Gardens Senior Homes
<b>Assets</b>					
Cash	\$	\$	4,041,639	\$	\$
Temporarily restricted assets:					
Real estate	213,476			71,574	151,383
Notes receivable		29,360			
Accrued interest receivable					
Other receivables					
<b>Total Assets</b>	<u>\$ 213,476</u>	<u>\$ 29,360</u>	<u>\$ 4,041,639</u>	<u>\$ 71,574</u>	<u>\$ 151,383</u>
<b>Liabilities</b>					
Other Liabilities	\$	\$	4,041,639	\$	
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>4,041,639</u>	<u>-</u>	<u>-</u>
<b>Reserves</b>					
Reserve for temporarily restricted assets	213,476	29,360		71,574	151,383
<b>Total Liabilities and Reserves</b>	<u>213,476</u>	<u>29,360</u>	<u>4,041,639</u>	<u>71,574</u>	<u>151,383</u>
<b>Net Assets</b>	-	-	-	-	-
<b>Total Net Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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)**  
**Combining Statement of Net Assets - Fiduciary Funds, Other**  
**December 31, 2010**

	<b>Total</b>
<b>Assets</b>	
Cash	\$ 10,815,681
Temporarily restricted assets:	
Real estate	10,201,800
Notes receivable	5,053,213
Accrued interest receivable	61,863
Other receivables	4,993,596
	\$ 31,126,153
<b>Liabilities</b>	
Other Liabilities	\$ 10,411,814
	10,411,814
<b>Reserves</b>	
Reserve for temporarily restricted assets	20,714,339
	31,126,153
<b>Net Assets</b>	-
	\$ -

**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, 2010**

	Delaware Avenue	Land Banking	Virginian Acquisition	2nd Ward Façade	Pacific Avenue Redevelopment
<b>Additions</b>					
Transfer from (to) reinvestment funds and other governmental funds	\$		\$	3,938	\$
Retail and luxury tax remittance					
Interest on notes					
Other income					
<b>Total Additions</b>	-	-	-	3,938	-
<b>Deductions</b>					
Grants and donations				3,938	
Retail and luxury tax distributions					
<b>Total Deductions</b>	-	-	-	3,938	-
Change in reserves					
Net assets January 1, 2010					
Net assets, December 31, 2010	\$	-	\$	-	\$

The accompanying notes are an integral part of these financial statements

**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, 2010**

	Cityscape	SE Inlet Transportation Improvements	Virginia Avenue	Carolina Gardens	Pennsylvania Avenue
<b>Additions</b>					
Transfer from (to) reinvestment funds and other governmental funds	\$ 2,733	\$ 37,778	\$ -	\$ 16,481	\$ -
Retail and luxury tax remittance					
Interest on notes					
Other income					
<b>Total Additions</b>	<u>2,733</u>	<u>37,778</u>	<u>-</u>	<u>16,481</u>	<u>-</u>
<b>Deductions</b>					
Grants and donations	2,733	37,778		16,481	
Retail and luxury tax distributions					
<b>Total Deductions</b>	<u>2,733</u>	<u>37,778</u>	<u>-</u>	<u>16,481</u>	<u>-</u>
Change in reserves	-	-	-	-	-
Net assets January 1, 2010	-	-	-	-	-
<b>Net assets, December 31, 2010</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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)**  
**Combining Statement of Changes in Fiduciary Net Assets - Agency Funds, Other**  
**For the Year Ended December 31, 2010**

	General Development	General Donations	Donation Loans	3-2-1 Police Loan	Chelsea Westside
<b>Additions</b>					
Transfer from (to) reinvestment funds and other governmental funds	\$	5,868,490	\$	\$	
Retail and luxury tax remittance			60,024	46,751	
Interest on notes				185	
Other income					
Total Additions	-	5,868,490	60,024	46,936	-
<b>Deductions</b>					
Grants and donations		5,868,490		11,417	59,311
Retail and luxury tax distributions					
Total Deductions	-	5,868,490	-	11,417	59,311
Change in reserves	-	-	60,024	35,519	(59,311)
Net assets January 1, 2010	-	-	-	-	-
Net assets, December 31, 2010	\$	\$	\$	\$	\$

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**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, 2010**

	A.C. Supermarket	NEI Consensual Acquisition	Teachers and Firefighters Home Loans	Virginia Avenue Icon	Retail and Luxury Tax
<b>Additions</b>					
Transfer from (to) reinvestment funds and other governmental funds	\$	\$	\$	2,288	\$
Retail and luxury tax remittance	42,663				20,212,730
Interest on notes					
Other income					
<b>Total Additions</b>	<u>42,663</u>	<u>-</u>	<u>-</u>	<u>2,288</u>	<u>20,212,730</u>
<b>Deductions</b>					
Grants and donations			7,180	2,288	20,212,730
Retail and luxury tax distributions					
<b>Total Deductions</b>	<u>-</u>	<u>-</u>	<u>7,180</u>	<u>2,288</u>	<u>20,212,730</u>
Change in reserves	42,663	-	(7,180)	-	-
Net assets January 1, 2010	-	-	-	-	-
<b>Net assets, December 31, 2010</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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)**  
**Combining Statement of Changes in Fiduciary Net Assets - Agency Funds, Other**  
**For the Year Ended December 31, 2010**

	Bally's Warehouse Project	Chesapeake Gardens Senior Homes	Total
<b>Additions</b>			
Transfer from (to) reinvestment funds and other governmental funds	\$	\$	\$
Retail and luxury tax remittance			5,931,708
Interest on notes			20,212,730
Other income			149,438
			185
Total Additions	-	-	26,294,061
<b>Deductions</b>			
Grants and donations			6,009,616
Retail and luxury tax distributions			20,212,730
Total Deductions	-	-	26,222,346
Change in reserves	-	-	71,715
Net assets January 1, 2010	-	-	-
Net assets, December 31, 2010	-	-	\$ -

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