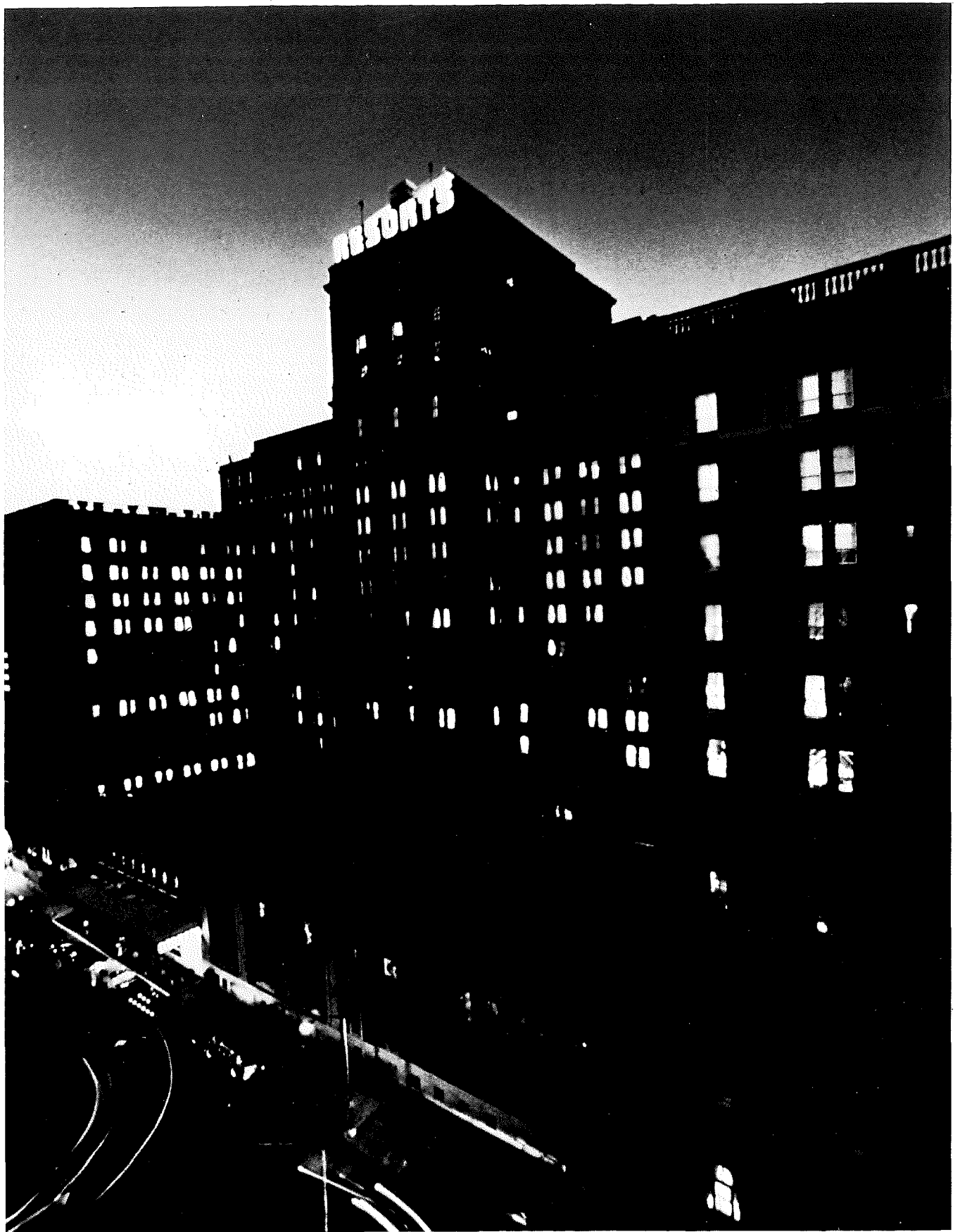




**NEW JERSEY
CASINO
CONTROL
COMMISSION**

**ANNUAL REPORT
JUNE 30, 1979**





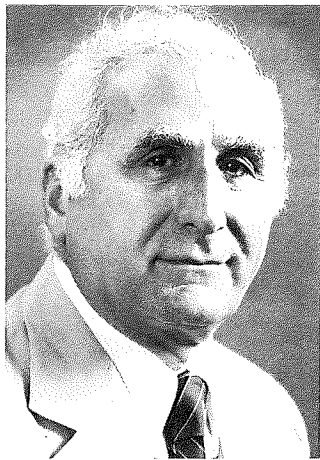
*The Annual Report of the
New Jersey Casino Control
Commission is submitted to
Governor Brendan T. Byrne
and to the Members of the
New Jersey Legislature.*

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New Jersey Casino Control Commission
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Trenton, New Jersey 08625
Tel. 609-292-7730

Tennessee Avenue & Boardwalk
Atlantic City, New Jersey 08401
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LORDI

JOSEPH P. LORDI, (Chairman) Newark, was serving as Essex County Prosecutor when he was appointed Chairman of the New Jersey Casino Control Commission. He served as prosecutor from 1968 to 1977. He originally joined the Essex County Prosecutor's office in 1959 but left in 1964 to become Director of the State Division of Alcoholic Beverage Control. He has also served as Chief Counsel to the State Public Utility Commission and as a Deputy Attorney General. After attending Rutgers University and Rutgers School of Law, he was admitted to the New Jersey Bar in 1949. During World War II, Mr. Lordi served with the OSS (Office of Strategic Services) and was assigned to special counter-intelligence work in France, Germany, Czechoslovakia and England.



MAC DONALD

KENNETH N. MACDONALD, (Vice-Chairman) Haddonfield, is President of Chas. S. Winner, Inc. and Winner Company. He is also a Director and Chairman of the Executive Committee of the Glendale National Bank of New Jersey. At the time of his appointment to the Casino Control Commission he was the Mayor of Haddonfield and was also a member of the New Jersey State Law Enforcement Planning Agency. He is a former president of the Esterbrook Pen Company of Camden. An Army Captain during World War II, Mr. MacDonald has also served in such community endeavors as: Chairman, United Fund of Camden County; Chairman, Eastern United States Kidney Foundation; President, Leukemia Society of Southern New Jersey; President, Camden County Chamber of Commerce; Pres-

ident, Camden County Hero Scholarship Fund; President, Tri-County Unit for Retarded Children. Mr. MacDonald attended the Wharton School of finance at the University of Pennsylvania.



MERCK

ALBERT W. MERCK, Mendham, is a director of Merck & Co., Inc., the Rahway-based pharmaceutical manufacturer. He is adjunct assistant professor of political science and a trustee of Drew University and a director of the Regional Plan Association of New York. He served in the State Assembly from 1972 to 1974 and

was formerly vice-chairman of the board of trustees of Newark State (now Kean) College. A graduate of Harvard College, Mr. Merck holds advanced degrees from Columbia and Rutgers Universities. He is a veteran of the South and Southwest Pacific theatres in World War II.



CORSEY

ALICE D. CORSEY, Deptford, is a former member and Vice-President of the Deptford Township School Board. Married and the mother of two teenage sons, Mrs. Corsey has long been active as a leader and worker in civic and community affairs. A graduate of Bennett College for Women in Greensboro, North Carolina, she was formerly employed at the Heinemann Medical College and the University of Pennsylvania School of Veterinary Medicine in Phila-

delphia. Mrs. Corsey, the recipient of many community awards for her service, is also a former member of the Gloucester Community College Board of Trustees.



DE BONA

PROSPERO DeBONA, Rumson, is an attorney, with offices in Jersey City and Red Bank. He attended Trinity College and Harvard Law School and was admitted to the Massachusetts Bar in 1949. He later moved to New Jersey and was admitted to the State Bar in 1953. Mr. DeBona served as an Army Paratrooper in World War II and also served in the Korean Conflict, attaining the rank of Captain. He is a former member of the State Board of Higher Education.

**MESSAGE FROM
JOSEPH P. LORDI, CHAIRMAN
NEW JERSEY CASINO CONTROL COMMISSION**

New Jersey's casino gaming industry is still in its infancy, but after completion of the first year of casino operations, it can be said that the "baby" is healthy and thriving. There are many important dates in New Jersey casino gaming history, including November 2, 1976, when the referendum passed, June 2, 1977, when the Governor signed the Casino Control Act into law and February 26, 1979, when the Casino Control Commission unanimously awarded its first plenary casino license. But to the vast majority of New Jersey citizens, the pivotal date is May 26, 1978, when the first casino in New Jersey opened its doors under a temporary permit issued by this Commission.

Through May 30, 1979, or in slightly over a year's time, that casino, operated by Resorts International Hotel, Inc. posted gross revenues of approximately \$224.6 million. This is believed to be a record for any casino in the world. The State of New Jersey collected 8%, or approximately \$18.0 million of that gross revenue, as tax. According to the New Jersey Constitution and the Casino Control Act, this money is dedicated to help senior citizens and certain disabled residents in the form of property tax and utility bill relief. The Legislature is presently in the process of working out the mechanics for distributing these funds.

Two months after the first casino opened, I made some remarks at a Commission meeting, which I then termed an early "State-of-the-New-Jersey-Casino-Industry" message. At that time, both the casino industry and the governmental regulatory agencies had received some criticism because of overcrowded conditions within the casino, employee licensing delays and the slow progress in attacking some of the city's social and economic problems. I am glad to report at this time that, while much remains to be done, we have seen substantial improvement in these areas.

The Commission held its first meeting in October, 1977. On May 26, 1978, the first casino actually opened. This latter date is the proper starting point from which to measure progress.

After one year of casino operation, there are many things we can measure. We now have two casino hotels open, Resorts International, and Boardwalk Regency (a subsidiary of Caesar's World, Inc.) and license applications from several other developers have been received. These two casino hotels alone employ over 7,000 persons. More than 17,000 employee license applications and approximately 450 casino service industry license applications have been filed with the Commission. This represents a great deal of work, but that work is essential if this Commission and the

Division of Gaming Enforcement are to uphold the legislative intent of the Casino Control Act to maintain the integrity of casino gaming operations in New Jersey.

Legalized casino gaming in Atlantic City was authorized by the citizens of New Jersey as a unique tool of urban redevelopment. When the Casino Control Act was enacted, the Legislature expressly recognized as public policy that the tourist, convention and resort industry constitutes a critical component of the economy of this State. Casino gaming was approved as the catalyst necessary to spark the rehabilitation and redevelopment of existing tourist and convention facilities in Atlantic City, to foster and encourage new construction and the replacement of lost convention, tourist, entertainment and cultural centers in Atlantic City, and to enable the inhabitants of the entire State to make maximum use of the natural resources available in Atlantic City. At the same time, the Legislature wisely recognized that the ultimate success of this redevelopment is dependent upon public confidence in the integrity of casino gaming operations. Such public confidence can only be instilled by imposing strict governmental controls on the operation of the casinos and all related service industries.

This Commission derives its authority from the Casino Control Act. And it is from this law also that the Commission takes its dual charge: to foster the rebirth of Atlantic City and to insure the integrity and vitality of the casino gaming industry. As to the latter, it has now been demonstrated that we can keep this industry clean. The strict licensing and regulatory system created by law has been tested in full view of the public. And it works.

The spark has been ignited and the signs of rebirth and growth are clearly visible in Atlantic City. The boardwalk is alive with construction. Estimated casino hotel construction expenditures for the period from 1977-1985 range from 436.5 million dollars to 882 million dollars. New jobs are becoming available at a rate undreamed of just a few years ago. Moreover, due to the continuing vigorous affirmative action efforts of this Commission, minorities and women will be getting more of their fair share of these new jobs. There is an almost tangible feeling of excitement in the air, fostered by the promise of things to come.

The problems of housing, transportation, unemployment and insufficient social services in Atlantic City are still with us. They will be for some time. Anyone who expects all of these problems to be cured overnight is very naive. It is going to take time and a great deal of effort before Atlantic City achieves its full potential. That effort will require



GOVERNOR BRENDAN BYRNE, flanked by Senator Steven P. Perskie (left) and Joseph P. Lordi, Chairman of the Casino Control Commission, answers questions

from the press after the official ribbon cutting to open the Resorts International Hotel Casino on May 26, 1978.

the closest cooperation of state and local officials with citizen and industry groups. While the old problems remain, we are encouraged by the increasing employment, the beginning of new housing construction and by the transportation planning which we see. We are confident that the challenge of new problems, such as relocation caused by escalating real estate values and increasing street crime, can and will be met. Our confidence comes from the people of Atlantic City. For the first time in recent memory, there is hope—there is a future. The experience of this past year and a half give us good reason to believe that the dream of a new Atlantic City will not come easy, but it *will* come. It has already begun.

I would be remiss if I did not add this note. This Commission has accomplished a great deal in a very short span of time. I attribute those ac-

complishments to the dedication and hard work of my fellow Commissioners, and to the excellent staff which we have been able to assemble. Commissioners Kenneth N. MacDonald, Albert W. Merck, Alice D. Corsey and Prospero DeBona are true public servants with whom I am proud to be associated. The entire staff, especially the Division Directors, William F. X. Band, R. Benjamin Cohen, Joseph A. Fusco, and Francis X. Fee, has been enthusiastic and dedicated to the immense task of effectively constructing and administering a new state agency in an entirely new field in compliance with a statute unique in the history of New Jersey. They deserve my public thanks.

I would also like to thank the Governor and the Legislature of this State who, in entrusting this Commission with its heavy responsibilities, have given it the tools necessary to do the job.

CREATION AND ORGANIZATION OF CASINO CONTROL COMMISSION

On November 2, 1976, the citizens of New Jersey passed a referendum amending the Constitution of New Jersey (Article 4, Sec. 7, para. 2D) so as to permit casino gambling in Atlantic City. That amendment to the State Constitution provides:

"It shall be lawful for the legislature to authorize by law the establishment and operation, under regulation and control by the State, of gambling houses or casinos within the boundaries, as heretofore established, of the city of Atlantic City, county of Atlantic, and to license and tax such operations and equipment used in connection therewith. Any law authorizing the establishment and operation of such gambling establishments shall provide for the State revenues derived therefrom to be applied solely for the purpose of providing reductions in property taxes, rentals, telephone, gas, electric, and municipal utilities charges of eligible senior citizens and disabled residents of the State, in accordance with such formulae as the Legislature shall by law provide. The type and number of such casinos or gambling houses and of the gambling games which may be conducted in any such establishment shall be determined by or pursuant to the terms of the law authorizing the establishment and operation thereof."

Pursuant to the authority of this constitutional amendment the Legislature enacted the "Casino Control Act" (N.J.S.A. 5:12-1, *et seq.* which was signed into law on June 2, 1977, by Governor Brendan T. Byrne. The Act created the New Jersey Casino Control Commission as the state agency with general responsibility for implementing this law.

The Casino Control Commission consists of five members who are appointed for fixed terms by the Governor with the advice and consent of the Senate. The member designated by the Governor to serve as Chairman is the chief executive officer of the Commission. The Chairman must devote his full time to the duties of his office and may not pursue or engage in any other business, occupation or other gainful employment. Under the law, the Commission may employ such personnel and may establish a plan of organization as it deems necessary. The following chart depicts the table of organization of the Casino Control Commission and its staff. The textual material describes the work of the four divisions of the Commission staff: the Legal Division, the Financial Evaluation and Control Division, the Licensing Division and the Administrative Division.

LEGAL DIVISION

The Legal Division, headed by General Counsel R. Benjamin Cohen, is structured in four sections as follows: the Legal Advisory Section, the Affirmative Action Section, the Legislative and Planning Section, and the Hearings and Litigation Section.

The Legal Advisory Section has primary responsibility for advising the Commission on questions of law. The researching of written opinions includes both formal opinions, which are voted upon by the Commission, and informal staff opinions, which are rendered to the Commission's staff, to other governmental agencies and to applicants and licensees.

The Affirmative Action Section reviews and evaluates the affirmative action programs which must be submitted by all applicants for casino licenses and casino service industry licenses. This section is also responsible for overseeing the affirmative action requirements of the casino hotel construction workforce. Once the submitted programs have been approved, these programs are monitored for compliance with Commission regulations. This section also works with community groups and other governmental agencies to promote equal employment opportunity in Atlantic City.

The Legislation and Planning Section oversees the drafting and amending of Commission regulations. Amendments to the Casino Control Act are prepared and reviewed here. This section also advises the Commission as to approval of investments and contributions in Atlantic City by casino licensees seeking to obtain the benefit of certain tax incentives in the law which are designed to stimulate the redevelopment of Atlantic City by encouraging the reinvestment of casino profits.

Attorneys in the Hearings and Litigation Section represent the Casino Control Commission in all actions to which the Commission is a party. Where appropriate, staff attorneys serve as hearing examiners and draft reports and recommendations for the Commission. In other types of hearings, these attorneys may assist Commissioners in conducting hearings and also review the reports and recommendations of Administrative Law Judges. This section also supervises the Commission's patron complaint procedures.

FINANCIAL EVALUATION AND CONTROL DIVISION

The Financial Evaluation and Control Division, headed by Director Francis X. Fee, has three sections—Financial Evaluation, Accounting and Inspection.

The Financial Evaluation Section reviews the financial stability, responsibility and business experience of applicants for casino, gaming school and casino key employee licenses. This section also evaluates the adequacy of each casino's internal control system and reviews the adequacy of any proposed changes to this system. Financial and statistical analyses of the continuing casino operations are performed, including special studies requested by members of the Commission.

All casino-related taxes and licensing fees are collected by the Accounting Section. In addition, to help the Commission establish licensing fees that will make it self-sustaining, this section prepares financial forecasts which project the development of the casino industry in Atlantic City.

The Inspection Section is in the casino 24 hours a day, seven days a week to review casino operations. In addition to accepting casino patron complaints, the Commission Inspectors monitor the effectiveness of the casino's internal control system and gaming operations to determine if the casino is in compliance with the Commission's regulations. As part of their responsibility to certify gross gaming revenue, Inspectors are present during the collection and counting of coin and currency from gaming operations.

LICENSING DIVISION

The Licensing Division of the Commission is directed by Joseph A. Fusco, Special Counsel for Licensing. This Division is organized in three sections. They are: the Enterprise Section, the Employee Section and the Casino Section.

The functions of the Casino Section can be dissected into two rather broad components. The first is a review of the proposed hotel/casino complex in order to assure its adequacy and suitability under the Act. The second function involves a review of the extensive data submitted by the entity applying for a casino license as well as all persons associated therewith.

It is the responsibility of the Employee Section to process the applications of applicants for casino key employee, casino employee and casino hotel employee licenses. This section also administers the issuance of the rather high volume of temporary five-day casino hotel employee licenses. In addition, the Employee Section staff reviews applications in order to determine, in the first instance, if a person's experience qualifies him or her for a particular position. Finally, this section, in conjunction with the Financial Evaluation and Control Division, issues work permits to the casino licensee/permittee and has overall responsibility for internal procedures and controls promulgated by the licensee/permittee for its personnel.

The primary duty of the Enterprises Section is to process applications for casino service industry licenses. In addition to this function, this section also processes contract approval forms, labor organization registrations, and requests for exemptions. Similar to the Employee Section, this section also is responsible for overseeing the internal procedures and controls of a licensee or permittee in so far as they pertain to purchasing.

ADMINISTRATIVE DIVISION

The Administrative Division, headed by Executive Secretary, William F. X. Band, provides administrative support for all the activities of the Commission.

The Division is the focal point for coordination with other agencies of State Government and through its Public Information Section handles contacts with the press and responds to public and industry inquiries.

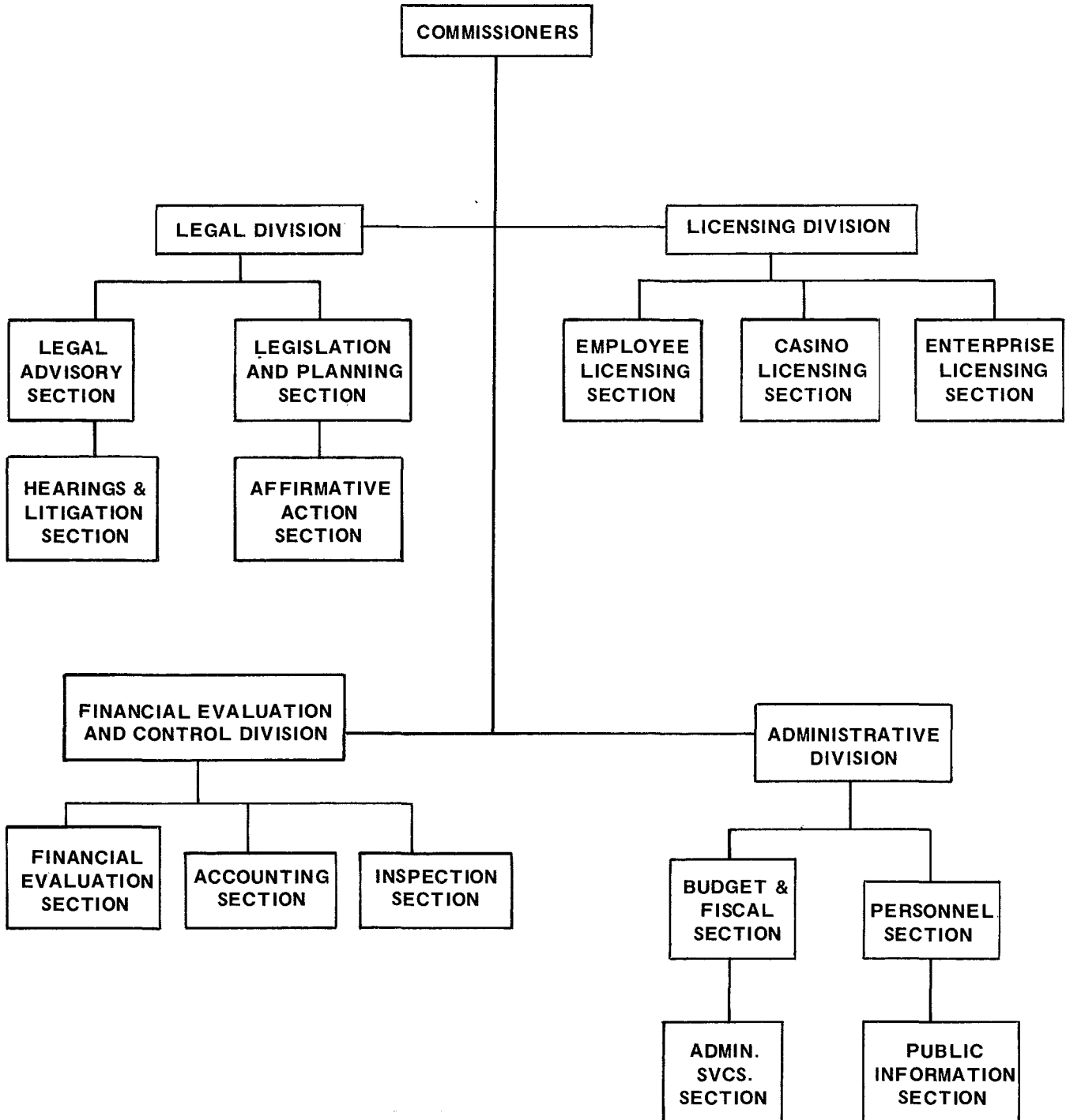
The Administrative Division is responsible for the purchasing of equipment and supplies, the preparation and monitoring of the Commission budget, the maintenance of personnel records, and the development of standard operating procedures. This Division also handles such other matters as the leasing of office space, vehicle coordination, and the interviewing and processing of personnel to be hired.

One of the major tasks of this Division is the organization and preparation for Commission meetings and hearings. The Administrative Division assembles and reviews the necessary materials for those meetings, including the agenda and supporting material, the Chairman's Operating Report, the Commission's regulations, and the formal resolutions of Commission action. These materials are then distributed to the Commissioners, to the staff, and to all subscribers and other interested parties. The Administrative Division maintains the minutes of the Commission meetings and keeps the official records of all Commission actions, resolutions, regulations, licenses and orders.

THE DIVISION OF GAMING ENFORCEMENT

In addition to the Casino Control Commission, the Casino Control Act established within the Attorney General's office the Division of Gaming Enforcement. The Division of Gaming Enforcement is generally responsible for investigating all applicants for licensure and reporting the results to the Commission, for enforcing the provisions of the Act and any Commission regulations promulgated thereunder, and for prosecuting in the courts criminal violations of the Act.

NEW JERSEY CASINO CONTROL COMMISSION
TABLE OF ORGANIZATION



THE CASINO CONTROL ACT

Casino gaming was legalized in Atlantic City to foster the redevelopment of the tourism, convention and hospitality industries. Gaming is the catalyst needed to stimulate construction, provide new jobs and to generate new tax revenues. But the law makes it clear that gaming is only to be a component of the new Atlantic City, and not its dominant theme. The Legislature has employed many devices in the statute to effectuate this purpose.

Gaming is permitted only in casino rooms located within approved hotels in Atlantic City. An approved hotel must have at least 500 first class guest rooms and must contain certain minimum amounts of meeting and exhibition space and dining, entertainment and indoor sports space. Live entertainment is required and is provided nightly in all approved hotels. Persons under the age of eighteen are not permitted to gamble within the casino rooms. Advertising is strictly regulated to insure that it is truthful, in good taste, and that gaming activity is not the dominant theme. The distribution of alcoholic beverages at approved hotels is regulated according to rules designed to avoid undue consumption. The extension of credit to gaming patrons and the collection of gaming obligations are strictly controlled. Casino rooms are not permitted to remain open 24 hours per day. The use of shells and barkers by the casinos is prohibited. The only authorized games are blackjack, craps, roulette, baccarat, big six wheel and slot machines.

In recognition of the fact that casino gaming is particularly sensitive, the Legislature provided for strict governmental regulation of all facets of this activity. The Casino Control Commission may issue a license to a casino only after an extensive investigation has been conducted concerning the background of the company or companies that propose to own and operate the casino hotel complex, and concerning the background of the persons associated with those companies. In evaluating a casino license application, the Commission must consider the good character, honesty and integrity, financial stability, responsibility, business acumen, ability and casino experience of these companies and persons. The Commission must also approve the physical facility of the proposed casino hotel complex. In addition to licensing the casinos themselves, the Commission is responsible for licensing all of the employees of the casino hotel complex and all of the companies that provide goods or services to the casino hotels on a regular or continuing basis.

Nor does the regulatory scheme end with the licensing process. Once a casino is licensed, it remains under continuous governmental supervision. The Casino Control Commission is present

in the casinos through its Inspectors twenty-four hours per day, seven days per week, monitoring the system of internal and accounting controls, observing the count of the money and receiving any patron complaints. Audits of casino operations are conducted periodically. The Division of Gaming Enforcement also employs agents to check for any possible violations of the law or Commission regulations. The two governmental agencies, the casinos' own security and surveillance departments and the reporting and record keeping requirements of the regulations provide several levels of checks and balances to insure that the assets of the casinos and the records of those assets are in order.

The Commission is charged with the responsibility for adopting rules and regulations to implement the Act. The Commission has adopted regulations prescribing the methods and forms of application, hearing procedures, the payments of taxes, credit transactions, internal and accounting controls, gaming schools, casino service industries, gaming equipment, the rules of the games, advertising, entertainment, the distribution and consumption of alcoholic beverages, equal employment opportunity, and exclusion of persons from the casinos.

The Commission is also responsible for reviewing the Casino Control Act itself and recommending any necessary amendments to the Legislature. The Commission has been active in this regard, and in light of the experience gained during the initial period of operation, has recommended several such amendments. Many of these recommendations are designed to facilitate the licensing process without diluting the strict regulatory scheme of the statute.

In addition to the revenues generated by increased corporate business taxes, property taxes, State and federal income taxes and other taxes, the Casino Control Act imposes a tax on the gross revenues of the casinos. This gross revenues tax is deposited into a special account known as the Casino Revenue Fund. Moneys in this fund are appropriated exclusively for reductions in property taxes, rentals, and utilities charges of eligible senior citizens and disabled residents of New Jersey. The cost of the governmental regulation of the casino gaming industry is borne by the industry itself in the form of license fees rather than by tax dollars.

THE ROLE OF THE CASINO CONTROL COMMISSION

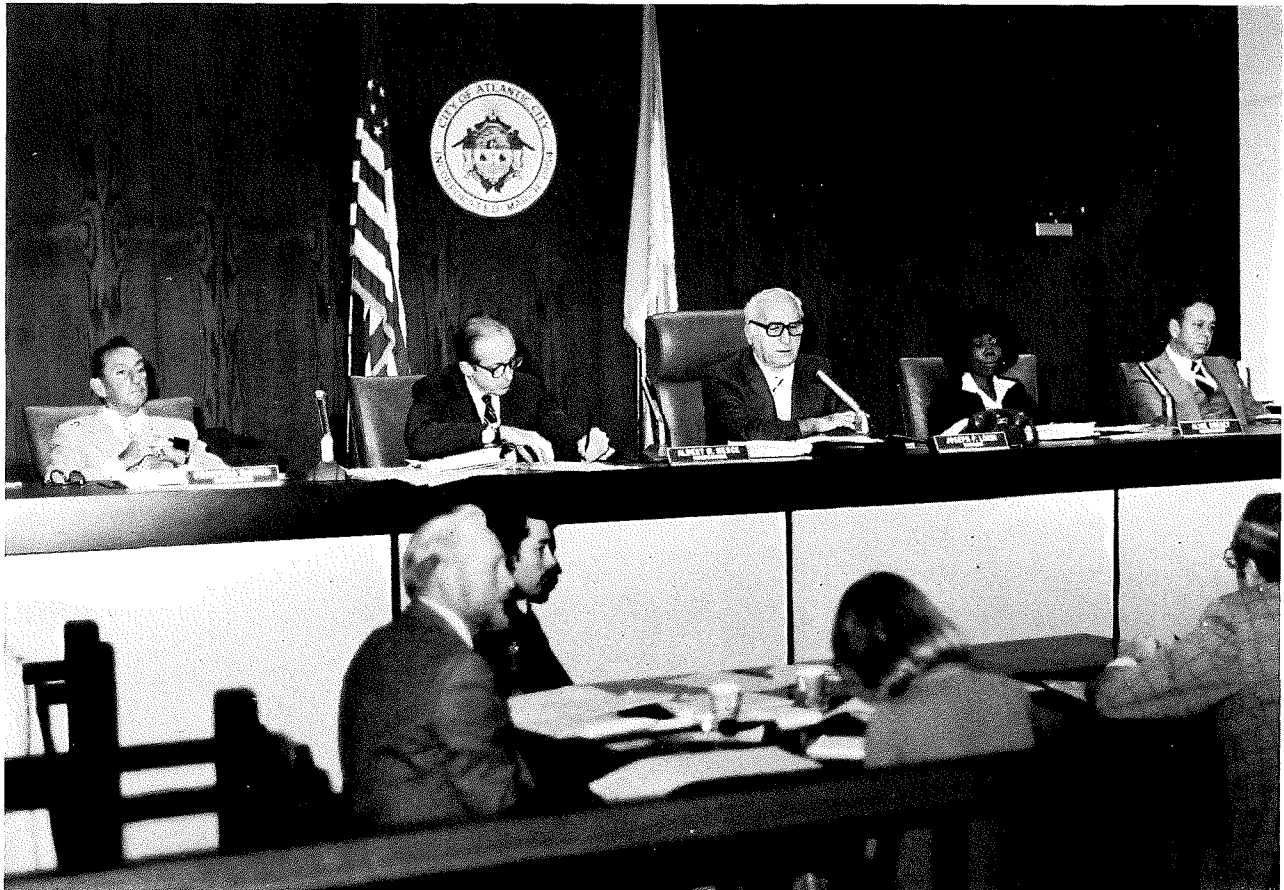
The role of the Casino Control Commission is to effectuate the policies and provisions of the Casino Control Act. That statute legalized casino gaming as a catalyst to stimulate the economy of a critical area of this State. The Commission has

viewed its role as an active one. It has consistently confronted and dealt with controversial issues rather than shying away from them. In keeping with the spirit of the legislation, the Commission regulations relating to internal and accounting controls are the most rigorous in the world. The regulations setting forth the rules of the games are the first such comprehensive compilation by a governmental agency. The regulations relating to minimum and maximum wagers seek to balance the competing goals of maximum participation of casino patrons and the vitality of casino operations, at a time when the market factors of supply and demand are not yet in balance. While encouraging some casino developers to preserve historic buildings, the Commission has adopted regulations designed to stimulate the construction of new hotel facilities as opposed to the renovation of existing structures. The Commission has also adopted regulations designed to stimulate competition in the area of slot machine manufacturing.

Nor has this Commission forgotten the people of this State who are to derive the primary benefit of this venture. The Commission has aggressively

attacked the problem of unemployment by enforcing its policy of equal employment opportunity and affirmative action and by first recommending and then imposing durational residency requirements for licensure. Developers have been put on notice by the Commission that they must make adequate housing arrangements for any persons displaced by their facilities and for new employees brought into the area. The Commission has warned developers that it will not countenance casino development in areas zoned residential under the Atlantic City Master Plan.

In the immediate future the Commission will be confronted by new challenges. These include such policy questions as the ultimate limitation of the number of casino hotel complexes in Atlantic City and the extent to which the Commission can or should limit casino developers from dominating the local scene by making non-casino related acquisitions. The availability of essential services in the Atlantic City area including housing, transportation, and other social services will continue to be a concern of the Commission. The Commission will continue to view its role as an active agency in all of these areas.



COMMISSIONERS Prospero DeBona, Albert Merck, Joseph Lordi, Alice Corsey and Kenneth MacDonald conduct a meeting of the Casino Control Commission.

**CASINO CONTROL COMMISSION
LICENSING STATISTICS AS OF JUNE 30, 1979**

CASINO HOTELS	
LICENSE APPLICATIONS FILED	
Complete	3
Partial	9
TEMPORARY CASINO PERMITS ISSUED	2
CASINO LICENSES ISSUED	1

CASINO SERVICE INDUSTRIES	
GAMING RELATED SERVICE INDUSTRIES	
Gaming School Applications Filed	11
Other Applications Filed	23
Sub-Total of Applications Filed	34
Gaming School Licenses Issued	4
Other Licenses Issued	4
Sub-Total of Licensed Issued	8
NON-GAMING RELATED SERVICE INDUSTRIES	
Applications Filed	425
Licenses Issued	70
TOTAL SERVICE INDUSTRIES	
Applications Filed	459
Licenses Issued	78
EXEMPTIONS FROM LICENSURE	
Exemptions Requested	62
Exemptions Granted	8
CONTRACT APPROVALS	
Contract Approval Forms Filed	1,531
Contracts Approved	488

LABOR ORGANIZATIONS	
REGISTRATIONS FILED	
Complete	11
Partial	1
EMPLOYEES	
CASINO KEY EMPLOYEES	
Applications Filed	476
Licenses Issued	142
CASINO EMPLOYEES	
Applications Filed	9,693
Licenses Issued	3,575
GAMING SCHOOL EMPLOYEES	
Applications Filed	220
Licenses Issued	89
CASINO HOTEL EMPLOYEES	
Applications Filed	7,166
Licenses Issued*	3,659
TOTAL EMPLOYEES	
Applications Filed	17,555
Licenses Issued	7,465
POSITION CHANGES PROCESSED	868
LICENSE RENEWALS PROCESSED	1,552

*Does not include temporary casino hotel employee licenses issued.

INSPECTIONS



CASINO CONTROL COMMISSION

CASINO CONTROL FUND STATEMENT OF REVENUES AND DISBURSEMENTS FOR THE TWENTY-TWO MONTHS ENDED JUNE 30, 1979

REVENUES:	
Casino Licenses	\$5,461,376
Casino Employee Licenses	1,611,849
Slot Machines Licenses	285,417
Casino Service Industry Licenses	330,121
Work Permits	352,230
Other Revenues	613,438
TOTAL REVENUES	8,654,431

DISBURSEMENTS:	
CASINO CONTROL COMMISSION:	
Commissioner Salaries	236,529
Other Employee Salaries	1,550,658
Payroll Taxes & Employee Benefits	313,731
Printing & Office Supplies	49,215
Travel	64,046
Telephone	56,710
Legal & Investigation	69,013
Rent—Facilities	95,407
Rent—Automobiles	25,810
Rent—Other	17,945
Professional Fees	300,483
Office Equipment	146,262
Vehicle Equipment	25,692
Other Expenditures	96,179

TOTAL CASINO CONTROL COMMISSION DISBURSEMENTS	3,047,680
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TOTAL DIVISION OF GAMING ENFORCEMENT DISBURSEMENTS	9,310,521
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TOTAL DISBURSEMENTS	12,358,201
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DEFICIT AT JUNE 30, 1979	\$3,703,770
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

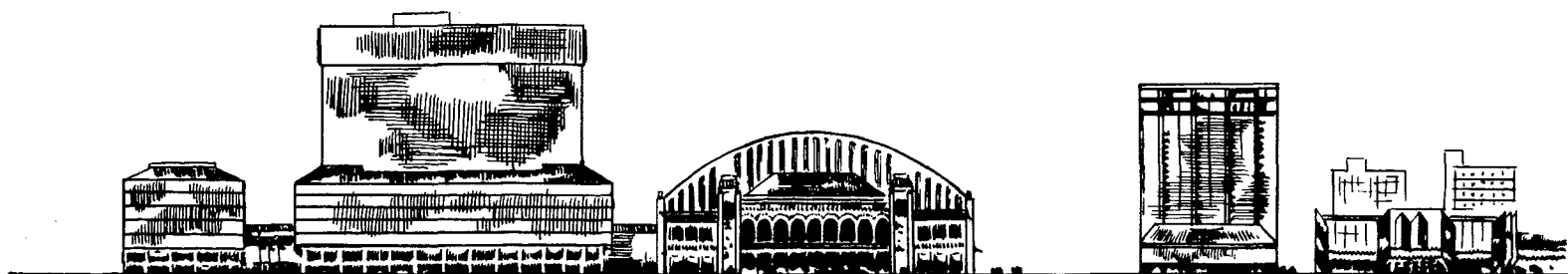
The accompanying Statement of Revenues and Disbursements was prepared on the cash basis of accounting. Revenues only include fees, fines and penalties collected by the Casino Control Commission. Disbursements only reflect those expenses for which actual payments were made. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying Statement of Revenues and Disbursements is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Pursuant to the "Casino Control Act" P.L. 1977, c. 110, the Casino Control Fund was established in the Department of Treasury as a separate special account into which all application and renewal fee revenues are deposited. Fees are determined by the New Jersey Casino Control Commission based on the cost of investigating and processing license applications along with the cost of maintaining control and regulatory activities contemplated by the Casino Control Act. Monies in the Casino Control Fund are appropriated exclusively for the operating expenses of the New Jersey Casino Control Commission and the Division of Gaming Enforcement.

The current deficit in the Casino Control Fund, as well as appropriations in excess of revenues through July 1, 1980, will be repaid with interest to the General State Fund from a special assessment to casinos in operation or with applications pending on July 1, 1980. The assessment will be determined by the Casino Control Commission and will be payable in full by December 31, 1980. Interest on the Casino Control Fund's deficit is presently assessed by the Department of Treasury at an annual rate of 8%. Accrued interest of \$209,730 payable to the general state fund is not reflected in the accompanying Statement of Revenues and Disbursements.

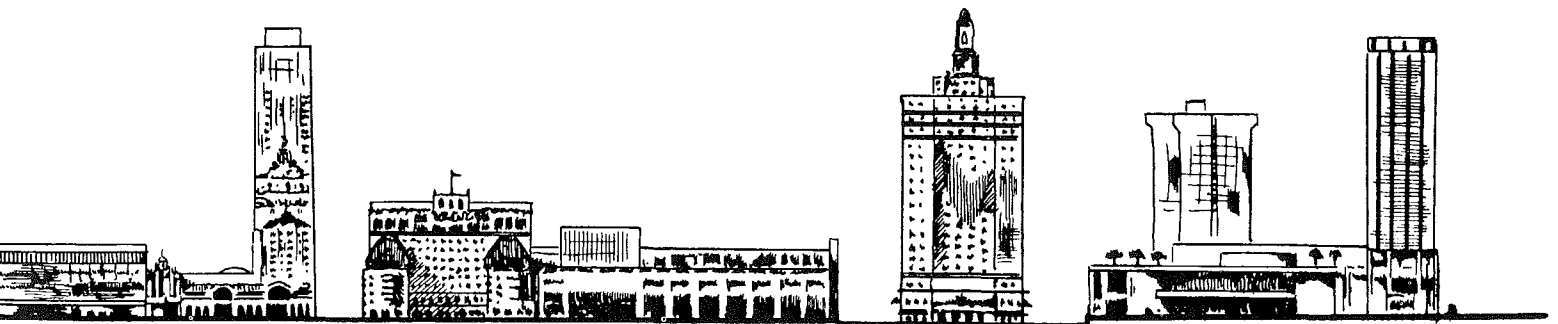
CASINO CONTROL COMMISSION
CASINO REVENUE AND TAX SUMMARY
 May 1978 – July 1979

<u>1978</u>	<u>Gross Revenue Per Month</u>	<u>Adjust. For Uncollect. Patron Checks</u>	<u>Revenue After Adjustment</u>	<u>Cum. Gross Revenue To Date</u>	<u>Tax on Gross Revenue/Mo.</u>
May	\$ 2,850,780	\$ ---	\$ 2,850,780	\$ 2,850,780	\$ 228,062
June	16,062,465	---	16,062,465	18,913,245	1,284,998
July	20,652,497	---	20,652,497	39,565,742	1,652,199
Aug.	23,535,460	100,000	23,435,460	63,001,202	1,874,837
Sept.	19,735,146	---	19,735,146	82,736,348	1,578,812
Oct.	18,527,522	150,000	18,377,522	101,113,870	1,470,202
Nov.	17,890,860	---	17,890,860	119,004,730	1,431,268
Dec.	14,818,715	150,000	14,668,715	133,673,445	1,173,498
1979					
Jan.	13,628,774	---	13,628,774	147,302,219	1,090,302
Feb.	14,819,620	---	14,819,620	162,121,839	1,185,570
Mar.	20,557,806	50,000	20,507,806	182,629,645	1,640,624
Apr.	21,412,777	---	21,412,777	204,042,422	1,713,022
May	20,524,198	---	20,524,198	224,566,620	1,641,936
June	22,845,915	100,000	22,745,915	247,312,535	1,819,673
July	35,439,937	---	34,439,937	281,752,472	2,755,195



CASINO REVENUE AND TAX SUMMARY (Continued)

<u>Cumulative Tax on Gross Revenue</u>	<u>No. of Days In Month</u>	<u>Cum. No. of Days To Date</u>	<u>Average Daily Win/Mo.</u>	<u>Cum. Average Daily Win Yr. to Date</u>	<u>Average Daily Tax Per/Mo.</u>	<u>Cum. Average Daily Tax Yr. To Date</u>
\$ 228,062	6	6	\$ 475,130	\$475,130	\$38,010	\$38,010
1,513,060	30	36	535,416	525,368	42,833	42,029
3,165,259	31	67	666,210	590,533	53,297	47,243
5,040,096	31	98	759,208	642,869	60,479	51,430
6,618,908	30	128	657,838	646,378	52,627	51,710
8,089,110	31	159	597,662	635,936	47,426	50,875
9,520,378	30	189	596,362	629,355	47,739	50,372
10,693,876	31	220	478,023	607,607	37,855	48,609
11,784,178	31	251	439,638	586,861	35,171	46,949
12,969,748	28	279	529,272	581,082	42,342	46,487
14,610,372	31	310	663,155	589,128	52,923	47,130
16,323,394	30	340	713,759	600,125	57,101	48,010
17,965,330	31	371	662,301	605,301	52,966	48,424
19,785,003	30	401	761,531	616,739	60,656	49,339
22,540,198	31	432	1,110,966	652,205	88,877	52,176



CASINO CONTROL COMMISSION
ANALYSIS OF WIN BY GAME (\$ IN THOUSANDS)
May 1978 – July 1979

<u>1978</u>	<u>B.J.</u>	<u>Mo. % Contrib.</u>	<u>Craps</u>	<u>Mo. % Contrib.</u>	<u>Roulette</u>	<u>Mo. % Contrib.</u>
May	\$ 715	25.1	\$ 215	7.5	\$ 111	3.9
June	5,319	33.1	2,148	13.3	724	4.5
July	5,978	29.0	2,619	12.7	998	4.8
August	7,385	31.3	2,473	10.5	1,098	4.7
September	5,910	29.9	2,732	13.8	992	5.0
October	6,010	32.4	2,795	15.1	1,181	6.3
November	5,408	30.2	2,995	16.7	1,087	6.0
December	4,845	32.7	2,768	18.7	1,072	7.2
 <u>1979</u>						
January	3,076	22.6	2,770	20.3	1,130	8.3
February	4,745	32.0	3,002	20.2	892	6.1
March	6,223	30.3	3,544	17.2	1,139	5.6
April	6,422	30.0	3,675	17.1	1,244	5.8
May	5,691	27.7	3,587	17.5	1,124	5.5
June	6,970	30.5	3,761	16.5	1,182	5.2
July	<u>7,565</u>	21.4	<u>6,919</u>	19.5	<u>1,482</u>	4.2
	<u>\$82,262</u>		<u>\$46,003</u>		<u>\$15,456</u>	
C.C.C. YTD						
% Contrib.	29.0%		16.2%		5.5%	
Nevada						
Contrib.	30.7%		22.4%		3.3%	

*Nevada includes this game with all other games and devices which account for 9.4% of total.

Nevada – Source Nevada Gaming Abstract 1978 – Hotel/Casino complexes with gaming revenues of \$20,000,000 and over.

ANALYSIS OF WIN BY GAME (\$ IN THOUSANDS) (Continued)

<u>Big 6</u>	<u>Mo. % Contrib.</u>	<u>Baccarat</u>	<u>Mo. % Contrib.</u>	<u>Slots</u>	<u>Mo. % Contrib.</u>	<u>Total Win</u>	<u>Mo. % Contrib.</u>
\$ 47	1.6	\$ 106	3.7	\$ 1,658	58.2	\$ 2,852	100%
187	1.2	482	3.0	7,202	44.9	16,062	100
473	2.3	475	2.3	10,109	48.9	20,652	100
723	3.1	890	3.8	10,967	46.6	23,536	100
636	3.2	722	3.7	8,743	44.4	19,735	100
534	2.9	535	2.9	7,472	40.3	18,527	100
531	3.0	675	3.8	7,195	40.2	17,891	100
388	2.6	509	3.4	5,236	35.4	14,818	100
505	3.7	862	6.3	5,285	38.8	13,628	100
449	3.1	566	3.8	5,166	34.8	14,820	100
643	3.1	737	3.6	8,272	40.2	20,558	100
615	2.9	849	4.0	8,608	40.2	21,413	100
484	2.4	606	2.9	9,032	44.0	20,524	100
355	1.5	512	2.2	10,066	44.1	22,846	100
612	1.7	<u>1,033</u>	2.9	<u>17,829</u>	50.3	<u>35,440</u>	100
<u>\$7,182</u>		<u>\$9,559</u>		<u>\$122,840</u>		<u>\$283,302</u>	
2.5%		3.4%		43.4%		100%	
*		6.4%		27.8%		100%	

CASINO CONTROL COMMISSION
ANALYSIS OF CASINO ACTIVITY – (\$ IN THOUSANDS)
May 1978 – July 1979

Months	Blackjack			Craps			Roulette			Big Six			Baccarat		
	Drop	Win	Win %	Drop	Win	Win %	Drop	Win	Win %	Drop	Win	Win %	Drop	Win	Win %
May 1978	\$ 3,006	\$ 715	24%	\$ 2,003	\$ 215	11%	\$ 481	\$ 111	23%	\$ 109	\$ 47	43%	\$ 793	\$ 106	13%
Total YTD	3,006	715	24	2,003	215	11	481	111	23	109	47	43	793	106	13
June 1978	23,034	5,319	23	12,896	2,148	17	2,930	724	25	332	187	56	5,856	482	8
Total YTD	26,040	6,034	23	14,899	2,363	16	3,411	835	24	441	234	53	6,649	588	9
July 1978	30,651	5,978	20	16,290	2,619	16	3,936	998	25	874	473	54	5,800	475	8
Total YTD	56,691	12,012	21	31,189	4,982	16	7,347	1,833	25	1,315	707	54	12,449	1,063	9
August 1978	32,998	7,385	22	17,636	2,473	14	4,349	1,098	25	1,267	723	57	5,080	890	18
Total YTD	89,689	19,397	22	48,825	7,455	15	11,696	2,931	25	2,582	1,430	55	17,529	1,953	11
September 1978	29,817	5,910	20	16,357	2,732	17	3,959	992	25	1,081	636	59	3,439	722	21
Total YTD	119,506	25,307	21	65,182	10,187	16	15,655	3,923	25	3,663	2,066	56	20,968	2,675	13
October 1978	30,225	6,010	20	16,990	2,795	16	4,095	1,181	29	948	534	56	3,830	535	14
Total YTD	149,731	31,317	21	82,172	12,982	16	19,750	5,104	26	4,611	2,600	56	24,798	3,210	13
November 1978	30,954	5,408	17	16,890	2,995	18	4,070	1,087	27	934	531	57	3,894	675	17
Total YTD	180,685	36,725	20	99,062	15,977	16	23,820	6,191	26	5,545	3,131	56	28,692	3,885	14
December 1978	31,903	4,845	15	15,514	2,768	18	3,945	1,072	27	711	388	55	3,258	509	16
Total YTD	212,588	41,570	20	114,576	18,745	16	27,765	7,263	26	6,256	3,519	56	31,950	4,394	14
1979															
January 1979	30,945	3,076	10	16,526	2,770	17	4,346	1,130	26	912	505	55	4,361	862	20
Total YTD	243,533	44,646	18	131,102	21,515	16	32,111	8,393	26	7,168	4,024	56	36,311	5,256	14
February 1979	25,821	4,745	18	14,135	3,002	21	3,728	892	24	796	449	56	3,240	566	17
Total YTD	269,534	49,391	18	145,237	24,517	17	35,839	9,285	26	7,964	4,473	56	39,551	5,822	15
March 1979	35,861	6,223	17	19,534	3,544	18	4,634	1,139	25	1,120	643	57	4,559	737	16
Total YTD	305,215	55,614	18	164,771	28,061	17	40,473	10,424	26	9,084	5,116	56	44,110	6,559	15
April 1979	31,721	6,422	20	19,748	3,675	19	4,573	1,244	27	1,096	615	56	4,112	849	21
Total YTD	336,936	62,036	18	184,519	31,736	17	45,046	11,668	26	10,180	5,731	56	48,222	7,408	15
May 1979	33,982	5,691	17	19,836	3,587	18	4,414	1,124	25	873	484	55	3,835	606	16
Total YTD	370,918	67,727	18	204,355	35,323	17	49,460	12,792	26	11,053	6,215	56	52,057	8,014	15
June 1979	37,443	6,970	19	23,619	3,761	16	4,196	1,182	28	658	355	54	3,946	512	13
Total YTD	408,361	74,697	18	227,974	39,084	17	53,656	13,974	26	11,711	6,570	56	56,000	8,526	15
July 1979	51,097	7,565	15	35,806	6,919	19	5,966	1,482	25	1,170	612	52	6,491	1,033	16
Total YTD	459,458	82,262	18	263,780	46,003	17	59,622	15,456	26	12,881	7,182	56	62,491	9,559	15

CASINO CONTROL COMMISSION
ANALYSIS OF CASINO ACTIVITY – (\$ IN THOUSANDS)
May 1978 – July 1979

<u>Months</u>	<u>5¢ Slots</u>			<u>25¢ Slots</u>			<u>\$1.00 Slots</u>		
	<u>Handle</u>	<u>Win</u>	<u>Win %</u>	<u>Handle</u>	<u>Win</u>	<u>Win %</u>	<u>Handle</u>	<u>Win</u>	<u>Win %</u>
May 1978	*	*	*	*	*	*	*	*	*
Total YTD	*	*	*	*	*	*	*	*	*
June 1978	\$ 688	\$ 133	19%	\$ 22,510	\$ 3,826	17%	\$ 25,374	\$ 3,243	13%
Total YTD	688	133	19	22,510	3,826	17	25,374	3,243	13
July 1978	813	157	19	33,402	5,101	15	37,848	4,851	13
Total YTD	1,501	290	19	55,912	8,927	16	63,222	8,094	13
August 1978	1,012	180	18	33,707	5,318	16	43,614	5,469	13
Total YTD	2,513	470	19	89,619	14,245	16	106,836	13,563	13
September 1978	1,067	143	13	27,828	4,281	15	31,416	4,319	14
Total YTD	3,580	613	17	117,447	18,526	16	138,252	17,882	13
October 1978	1,161	161	14	25,547	3,779	15	28,869	3,532	12
Total YTD	4,741	774	16	141,994	22,305	16	167,121	21,414	13
November 1978	1,203	186	15	25,483	3,820	15	25,624	3,189	12
Total YTD	5,944	960	16	167,477	26,125	16	192,745	24,603	13
December 1978	1,254	179	14	17,407	2,738	16	18,835	2,319	12
Total YTD	7,198	1,139	16	184,884	28,863	16	211,580	26,922	13
1979									
January 1979	1,323	189	14	18,042	2,733	15	19,186	2,363	12
Total YTD	8,521	1,328	16	202,926	31,596	16	230,766	29,285	13
February 1979	1,226	167	14	17,482	2,692	15	18,783	2,307	12
Total YTD	9,747	1,495	15	220,408	34,288	16	249,549	31,592	13
March 1979	1,532	201	13	28,586	4,463	16	29,408	3,608	12
Total YTD	11,279	1,696	15	248,994	38,751	16	278,957	35,200	13
April 1979	1,456	182	13	30,499	4,735	16	29,854	3,691	12
Total YTD	12,735	1,878	15	279,493	43,486	16	308,811	38,891	13
May 1979	1,480	194	13	32,180	5,023	16	31,287	3,815	12
Total YTD	14,215	2,072	15	311,673	48,509	16	340,098	42,706	13
June 1979	1,561	215	14	36,008	5,647	16	34,573	4,204	12
Total YTD	15,776	2,287	14	347,681	54,156	16	374,671	46,910	13
July 1979	2,460	335	14	68,299	10,486	15	58,497	7,008	12
Total YTD	18,236	2,622	14	415,980	64,642	16	433,168	53,918	12

* Meter readings not available for May 1978. May 1978 tax return's handle as submitted is incorrect and excluded from the analysis.



