



New Jersey Casino Control Commission



Annual Report | 2013

The 2013 Annual Report of the New Jersey Casino Control Commission



*State of New Jersey
Governor Chris Christie*



| <u>Section</u> | <u>Page</u> |
|---|-------------|
| Message from the Chairman | 3 |
| Members of the Commission | 6 |
| Organizational Statements; Chart and Statistics | 8 |
| Team Building; Community Outreach and Training | 10 |
| Chief of Staff's Office | 12 |
| Office of the General Counsel | 15 |
| Division of Regulatory Affairs | 17 |
| New Jersey Casinos | 21 |
| Atlantic City Tourism District | 28 |
| 2013 Atlantic City Highlights | 29 |
| Internet Gaming | 30 |
| Revenue, Expenses and Disbursements | 31 |



2013 ANNUAL REPORT MESSAGE

*Matthew B. Levinson
Chairman & Chief Executive Officer*

Our mission states:

“The Casino Control Commission ensures integrity and public confidence in the gaming industry and collaborates with all stakeholders for the revitalization of Atlantic City and benefit of New Jersey.

While fulfilling its duties, the Commission upholds objective, independent and ethical standards with professionalism and integrity.”

With that mission in mind, the Casino Control Commission’s programs and activities are geared toward implementing the public policy goals of using casino gaming as “a unique tool of urban redevelopment” designed to rebuild Atlantic City’s convention, tourism and resort industry. While there were a number of new developments in 2013, Atlantic City’s gaming industry ushered in a whole new era with the introduction of Internet gambling. After several years of dealing with a weak economy and increasing competition, New Jersey loosened the bonds of bricks and mortar and allowed casino operators to start taking wagers electronically from people anywhere in our state.

Early in the year, the Legislature passed and Governor Chris Christie signed legislation to authorize Atlantic City’s casinos to engage in Internet gaming. It was a bold step forward for New Jersey, the most densely populated of three states to approve on-line gaming, and allow people to gamble on-line. Once the bill was signed, the State acted quickly and decisively to develop and implement the regulations needed to make Internet gambling in New Jersey a reality.

The Commission issued a license for Caesars Interactive and ruled on the suitability of that company’s qualifiers while the Division of Gaming Enforcement issued permits to a number of casinos and allowed them to partner with existing companies involved in Internet gambling. I am confident that it will prove to be a significant new revenue stream for Atlantic City’s casinos, especially since early reports indicate that the overwhelming majority of people setting up accounts are not regular visitors to Atlantic City.

During 2013, Resorts Casino Hotel reached an agreement with the Mohegan Tribal Gaming Authority for the management of the casino hotel and allowed the casino to cross-market to the other properties operated by the tribal gaming authority in Pennsylvania and Connecticut. This was the first investment by a tribal gaming company in an Atlantic City casino hotel.



In related developments, Resorts opened its new Margaritaville facilities in time for the summer and it is quickly becoming a big attraction. It includes a Margaritaville restaurant which opens up along the Boardwalk featuring outdoor seating, while across the Boardwalk is the Landshark Bar and Grill built over the beach. The theme was carried into part of the gaming area and the Boardwalk façade was completely redone. To celebrate the opening, Jimmy Buffett held a free concert on the beach right outside Resorts Casino Hotel.

There were other significant developments in 2013 that positioned Atlantic City for future growth. For example, Harrah's broke ground on a state-of-the-art meeting center that will allow the city to attract more mid-sized meetings. Tropicana opened Chickie's and Pete's Crab House and Sports Bar and several other restaurants along the Boardwalk enhancing Atlantic City's recreations and dining options.

At the Trump Taj Mahal, Starlight Events, LLC completed a \$25 million makeover of unused area on the casino's second floor to create a new Scores gentlemen's club and upgrades to the building's façade were completed. Caesars opened a new buffet and started work on a \$5 million makeover of the casino floor, while Golden Nugget opened the new Haven Nightclub and a brand new poker room.

Borgata became the first casino to start offering remote gaming when it inaugurated a system that allows hotel guests to place wagers from their rooms. Revel opened its HQ Beach Club and Night Club, and completed a high limit slot area and VIP lounge for its players. Revel also rescinded its no smoking policy and allowed smoking in the casino for the first time.

In the non-casino area, Bass Pro Shops broke ground on a sprawling new store that will be a tourist attraction in its own right and will anchor one corner of The Walk. Stockton College and the Noyes Museum opened an art gallery called the Arts Garage in the ground floor of the Wave parking complex. With help from the Casino Reinvestment Development Authority and the Atlantic City Alliance, the Miss America Pageant was lured back to Atlantic City and aired in primetime on the ABC network and the annual parade on the Boardwalk was revived. Work also started on a new park adjacent to Absecon Lighthouse, which will provide a direct path to Atlantic City's beach and boardwalk.

We expanded our efforts to compile and share information with our partners on gaming-related matters. For example, the Commission established protocols with the New Jersey Department of Treasury to receive quarterly reports on the Atlantic County Sales & Use Tax that could be shared with agency partners. The Commission packaged that and other data, including Luxury Tax, parking fees, tourism promotional fees, hotel occupancy, employment and non-gaming revenue to create a clearer picture of the economic impacts of gaming. Our staff also performed in-depth analyses of the proliferation of gaming, trends in the gaming industry, sports betting, internet wagering, market share, employment and a variety of other matters.



Through our Licensing Unit, the Commission conducted a comprehensive review of each casino's organizational structure to make certain that casinos properly identify positions for which employees must hold a casino key employee license. We paid particular attention to managers and supervisors of information technology, marketing directors and security shift managers and supervisors. In addition, we worked closely with the Division of Gaming Enforcement to designate key employee titles for Internet gaming platform providers.

We also relocated our casino key employee license processing center within the Arcade Building to an area that is easily accessible for applicants and more efficient for both the Commission and the Division.

In our ongoing efforts to streamline the operations of the Commission, we worked together with the Office of Information Technology to have the Commission join an electronic administration and timekeeping system that has been rolled out across state government. The new system further modernizes the payroll process and it eliminates the need to manually process or track employee time sheets and leave requests. The Commission's webpage and Intranet were redesigned for ease of use, accessibility and transparency.

Going forward, we will continue with our mandate to ensure those who own, control and operate casinos in Atlantic City are people and corporations with the highest levels of good character, honesty and integrity. We will continuously compile, analyze and assess gaming data, so we and our partners have the most complete and up-to-date information on which to base our actions. I am confident that when taken together, the result of these commitments will be a stronger and healthier casino industry and a more vibrant and attractive Atlantic City.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt", with a long horizontal flourish extending to the right.



Matthew B. Levinson
Chairman & Chief Executive Officer

Matthew Levinson was appointed by Governor Chris Christie and was sworn in as the seventh Chairman & Chief Executive Officer of the New Jersey Casino Control Commission on August 6, 2012. As Chairman, Levinson also sits on the Casino Reinvestment Development Authority, helping to ensure a coordinated approach in the implementation of Governor Christie's vision for moving Atlantic City forward.

At the time of his appointment, Levinson served as Chief Financial Officer of SOSH Architects where he was responsible for all accounting and finance operations for the firm's offices in Atlantic City and in New York City. His duties there also included handling human resources, information technology, business development, operations and marketing.

The Chairman previously served as a member of the Linwood City Council where he was chairman of the council's Finance Committee and a member of the Board of School Estimate.

Earlier in his professional career, Levinson worked as Casino Accounting Manager at Resorts International Hotel Casino and also as a Senior Operations Analyst with responsibilities in both the gaming and non-gaming areas of the property. He also worked for the international forensic accounting firm of Matson, Driscoll & Damico, LLP, where he performed forensic accounting work relating to the 2001 attack on the World Trade Center and the 2003 collapse of a parking garage under construction at the Tropicana Casino and Hotel.

Levinson is a graduate of Villanova University where he majored in accounting and minored in finance. While in college, he worked at the Tropicana Casino and Hotel in the accounting and finance department and also at the Philadelphia Investment Banking Co.

He has been active in a variety of civic, professional and charitable organizations. Levinson was born and raised in Atlantic County where he has lived and worked most of his life. He currently resides in Linwood with his wife and two children.



Vice Chair

Sharon Anne Harrington became a Commissioner of the New Jersey Casino Control Commission in July 2009.

Prior to joining the Casino Control Commission, Harrington served as Chief

Administrator of the New Jersey Motor Vehicle Commission (MVC) from March 2004 through July 2009. During her tenure at MVC, many services were modernized and brought to on-line technology solutions.

Commissioner Harrington was State Director for U.S. Senator Frank Lautenberg. She had previously been Managing Partner with Public Strategies Impact, a Trenton-based Government Relations/Public Affairs firm. Her portfolio included public and private sector clients at the state and federal levels. Harrington served as Vice Chair of the Region 1 Board of Directors of the American Association of Motor Vehicle Administrators (AAMVA) and on its International Board. She was also a member and past chairman of the New Jersey State Council on the Arts. She served as a member of the State Ethics Commission, Public Member to the New Jersey Cemetery Board (1981-1983), Commissioner on the Urban Enterprise Zone Authority (1984-1990) and a member of the New Jersey State Council on the Arts (1990-1996; 2002-2010).

Harrington currently serves as a board member of Art Pride New Jersey and the Non-Profit Finance Fund. Past service includes: the Atlantic City Special Improvement District Advisory Committee, the New Jersey Symphony Orchestra, the New Jersey Shakespeare Festival, Passage Theatre, the New Jersey Performing Arts Center and the Women of Irish Heritage of the Jersey Shore.

Harrington is a graduate of Glassboro State College, now Rowan University, where she served on the Alumni Board. She is married to George Sullivan. They reside in Bradley Beach, Monmouth County.



Commissioner

Alisa Cooper joined the Casino Control Commission in August 2012 following her appointment by Governor Chris Christie.

Cooper was born and raised in Atlantic City and graduated from Atlantic City High School. She attended the University of Maryland, where she earned a Bachelor of Science degree in Music Education. She went on to a long career in the music and entertainment industry and owned "Alisa Cooper Orchestras" for several decades. During her career, she played piano at the famous "500 Club" and opened Resorts International Casino Hotel in 1978. She entertained at parties for Tony Bennett, Jerry Seinfeld, Bill Cosby, Dom DeLuise, Neil Sedaka as well as countless sports celebrities. In 2008, Cooper was named a member of the New Jersey State Council on the Arts, giving her an opportunity to promote music and the arts throughout the state. Cooper's lifelong passion for music also led to a long career as a music educator.

In 2005, Cooper followed in the footsteps of her late mother - Assemblywoman Dolores Cooper - and entered public service. Cooper won an "at-large" seat on the Atlantic County Board of Chosen Freeholders and was re-elected in 2008. While a Freeholder, she chaired the Education and Schools Committee and served as a member of several committees including the Tourism, Gaming and Marketing Committee, Commission on Women and the Local Advisory Council on Drug and Alcohol Abuse.

Cooper is a member of the Board of Directors of Robin's Nest and numerous civic, professional and philanthropic organizations. Donating her "time and talents", and with her orchestra, she has performed for numerous fundraisers and benefits. Throughout her career, Cooper has received several awards for her charitable activities including raising thousands of dollars for The Food Bank of South Jersey and the Atlantic County Animal Shelter.

Cooper lives in Linwood with her husband Doug Little and their son, David Cooper Little.



Vision Statement

Build on our reputation as a leader in gaming regulation and be a key partner and catalyst in the evolution of Atlantic City as a premier gaming and destination resort.

Mission Statement

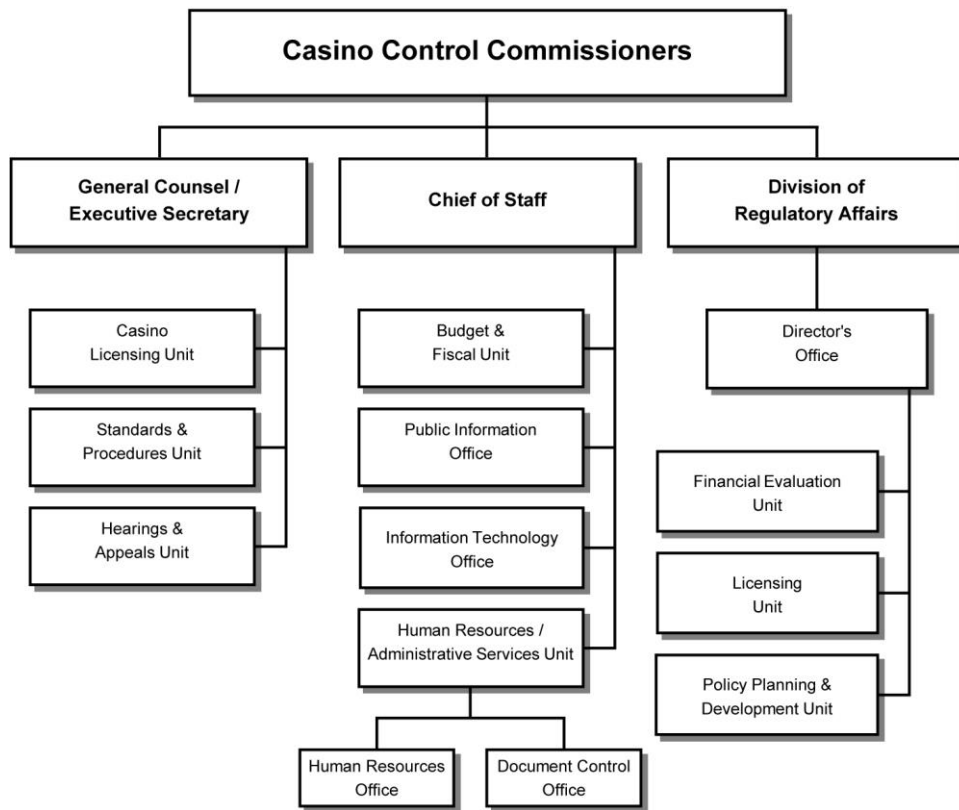
The Casino Control Commission ensures integrity and public confidence in the gaming industry and collaborates with all stakeholders for the revitalization of Atlantic City and benefit of New Jersey.

While fulfilling its duties, the Commission upholds objective, independent and ethical standards with professionalism and integrity.

The Strategic Planning Committee (SPC) was established to create new vision and mission statements as well as a strategic plan for the Commission. The strategic plan, finalized in 2012, identifies factors and goals critical to achieving the Commission's vision and the objectives and tactics recommended in pursuing those goals.

During 2013, with the strategic plan in place, the SPC was made a standing committee and its focus turned to tracking the Commission's progress toward implementing the tactics outlined in the strategic plan and achieving its goals. In addition to the achievements highlighted by each unit herein, the SPC highlights the following agency progress for 2013:

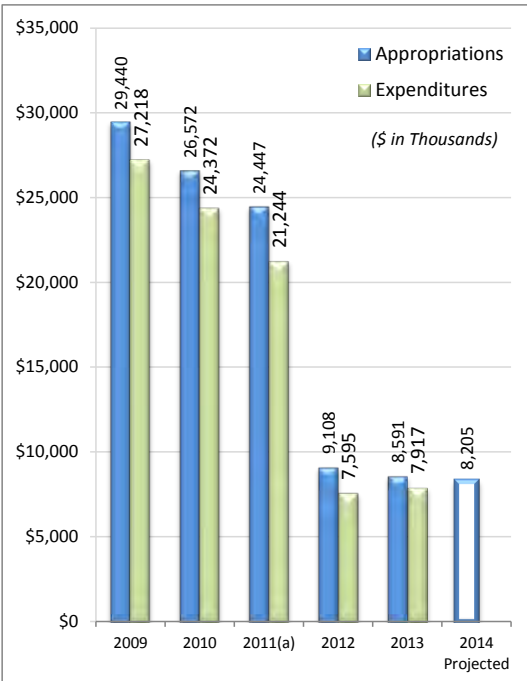
- ▶Development of a new Intranet system which enhances office communication and collaboration.
- ▶Development of comprehensive research and white papers to advise and assist Atlantic City partners regarding market information.
- ▶Replacement of several manual processes with more efficient electronic processes, such as eCATS, manager monthly reports, key license petitions and others.
- ▶The creation and implementation of a new Employee Development System to serve as a tool for mentoring employee growth and succession planning.
- ▶Continued enhancement of the Commission's website, to improve public access and customer service.
- ▶Increased media interviews given by the Chairman to promote informative and positive relationships.



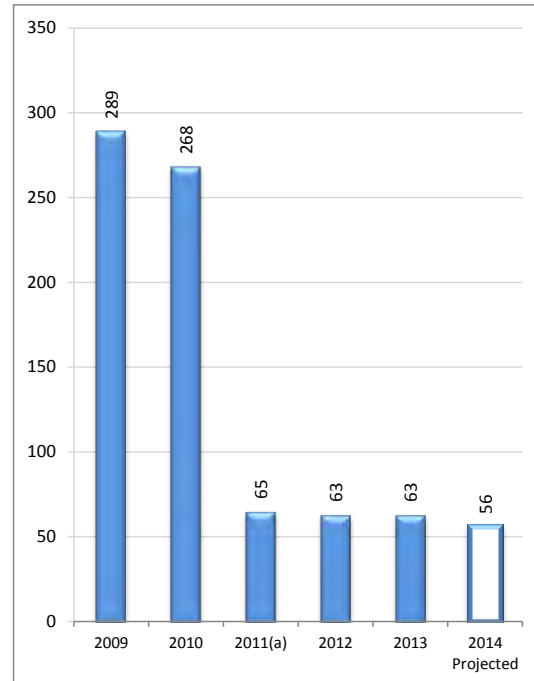
FINANCE AND STAFFING STATISTICS

FOR THE FISCAL YEARS ENDED JUNE 30

BUDGET APPROPRIATIONS & EXPENDITURES



NUMBER OF AUTHORIZED EMPLOYEE POSITIONS



(a) Duties and responsibilities significantly realigned in P.L. 2011, c. 19, February 1, 2011.



In addition to focusing on its statutory responsibilities, the Commission's strategic goals address the importance of a positive and professional work environment. During the year, several team building, outreach and training activities were implemented as follows:

Team Building

To facilitate communication, regular scheduled meetings with the Chairman, Commissioners, Directors and Managers were conducted. In addition, events were held throughout the year to gather all employees together.

In 2013, the Chairman and Commissioners along with staff participated in the following committees: Strategic Planning, Recognition, Service, Value and Pride and Website and Intranet.



In October, several employees were recognized for their years of service with the state.

In 2013, the Commission developed a new Intranet to provide staff with timely access to pertinent information and further enhance Inter-agency communication and collaboration. The Intranet was built on Microsoft SharePoint, which is an enterprise-wide collaborative platform used by 80% of Fortune 500 companies. Each operational unit contributes to the Intranet by managing a home page with unit-specific documents and other information. In the future, the Intranet can be enhanced to improve agency efficiency through the use of electronic forms, electronic document management, and document archiving.

Community Outreach

The Commission acknowledged support of March as Problem Gambling Awareness Month and expressed appreciation for the contribution and ongoing efforts of the Council on Compulsive Gambling.

In April and October, the Commission conducted and participated in blood drives for the American Red Cross.

In April, Commission staff along with employees of the Division of Gaming Enforcement, Division on Civil Rights and Atlantic City Task Force participated in the collection of items and a Soup-A-Thon to benefit the men and women in our military.





Community Outreach (cont'd)

In conjunction with our agency's commitment to support local charitable organizations, the Commission participated in several sub and salad sales to support Career Opportunity Development, Inc., a local charity that provides services for individuals with disadvantages and disabilities.

In October, the Commission participated in the New Jersey State Employees Charitable Campaign.

In November, the Commission participated in a food drive to benefit Jewish Family Services, which helps needy families of Atlantic and Cape May counties.

In December, Commission staff along with employees of the Division of Gaming Enforcement, Division on Civil Rights and Atlantic City Task Force participated in a toy drive for the Police Athletic League located in Atlantic City.

Training

In 2013, employees participated in the following training and seminars:

- Discrimination in the Workplace.
- Ethics Training.
- Presentation of safety and security issues by the Atlantic City Police Department.
- Presentation to promote a healthy lifestyle by Tilton Fitness.
- Job development training, such as Excel, SharePoint and Time Management Skills.
- Continuing education for professional licenses.
- eCATS Training.
- NJSTEP Leadership Training.



Recognition, Service, Value and Pride Committee



NJSTEP Leadership Training



Lisa Johnson, Acting Chief of Staff

The Chief of Staff reports directly to the Chairman. The primary responsibility of the Chief of Staff is to ensure that the Commission functions effectively. The Chief of Staff directs strategic planning, fiscal operations, agency-wide policy development and the implementation of plans and policies.

The Commission's budget process, fiscal operations, human resources and all administrative matters are handled by employees who report to the Chief of Staff. In December, the Commission's Table of Organization was revised to move the reporting of the Information Technology Office to the Chief of Staff.

Budget & Fiscal Unit

The Budget & Fiscal Unit is responsible for the Commission's annual budget, purchasing and agency fiscal operations services. Throughout the year, Budget & Fiscal Unit employees diligently monitored the Commission's cash flow, assets and budget and for the fiscal year ending June 30, 2013, reported the following:

- ▶ The Commission underspent its \$8,591,000 appropriation for fiscal year 2013 by about 8 percent or \$674,000, mostly attributable to salaries and fringe benefits savings.
- ▶ In addition to the salaries related savings, the agency underspent its operating expense budget (i.e., supplies and rent) by \$265,000 or 10 percent. This was accomplished through reduced rent expenditures for office space and parking as well as streamlined information technology systems.
- ▶ The Commission's appropriation for fiscal year 2013 was \$8,591,000, a reduction of \$517,000 from the prior year. This reduction is attributable to the legislative downsizing of the commissioner panel from five to three members during fiscal year 2012 and elimination of surplus salary funds.
- ▶ During fiscal year 2013, Commission authorized staffing levels remained at 63 positions. In December 2013, the authorized staffing level was reduced to 56.

Human Resources & Administrative Services Unit

The Commission's Human Resource Manager is responsible for the Human Resources and Document Control/Administrative Services Offices. The Human Resources Office is responsible for all personnel and employee services, including timekeeping, employee benefits, recruitment, compensation and classification, training, and for the maintenance and storage of personnel and training records. It also ensures agency compliance with all Civil Service Commission requirements and directives.



The Document Control/Administrative Services Office is the organizational hub of the agency and manages the Commission's incoming and outgoing mail, transportation, central files, document receipt and processing, building security and all facilities operations. During the year, the employees of the Document Control/Building Services Office continued to review building access and security and implemented several recommendations to enhance overall building security. Noteworthy highlights for the two offices of the Human Resources/Administrative Services Unit are as follows:

- ▶ Implemented the agency's new Employee Development System (EDS) that aligns the organization's goals and objectives to the goals and objectives of each employee while improving communication between supervisors and employees regarding expected performance standards and development opportunities.
- ▶ Administered filling of critical vacant positions through the recruitment and hiring of five new employees with diverse experiences and backgrounds.
- ▶ Worked with representatives of the Information Technology Office to implement an electronic Cost Accounting and Timekeeping System (eCATS) in order to streamline the agency's payroll process including the electronic filing of payroll and eliminate the manual tracking of physical timesheets and leave requests.
- ▶ Relocated the Licensing Unit's key license processing center to a central processing area to provide convenient access for all casino license applicants.
- ▶ Worked to enhance CCTV coverage by installing four additional cameras outside the Arcade building and one additional camera inside the garage parking area in order to improve the overall safety of employees and visitors.
- ▶ Administrative Services staff worked with personnel from the Division of Property Management & Construction in relocating employees of the Division of Criminal Justice to the Arcade building.
- ▶ Continued the review and revision of the Commission's orientation policy and procedures and human resource system manuals.



Strategic Planning Committee



Public Information Officer

The Public Information Officer reports to the Chief of Staff and is responsible for all media relations for the Commission. In addition, the Public Information Officer prepares a myriad of reports, presentations and speeches for the Chairman.

Information Technology Office

In December 2013, the Commission's Information Technology (I.T.) operations and staff were reorganized. Responsibility over regulatory applications was assigned to the Division of Regulatory Affairs, while the I.T. Office and its day-to-day administration of all other enterprise I.T. systems were transferred to the Office of the Chief of Staff. The Commission's I.T. Management Team was formalized to oversee all I.T. activities. Team members meet regularly to coordinate projects, discuss operational issues, identify opportunities, and to establish priorities. Noteworthy highlights for 2013 include:

- ▶ Continued to support agency specific applications as well as applications shared with the Division of Gaming Enforcement (DGE), including the Billing System and the Employee License System.
- ▶ Commenced work on modernizing the user interface of the Employee License System, which will provide operational efficiencies for both the Commission and DGE.
- ▶ Completed the migration to the State's electronic Cost Accounting and Time System ("eCATS") for the allocation of employee leave and work time, which was previously spread across three different systems.
- ▶ Upgraded computer hardware and software to accommodate the end-of-life of Microsoft Windows XP.
- ▶ Upgraded servers that were approaching the end of useful life.
- ▶ Implemented an electronic mail hot site to ensure continuity of communications during a potential disaster affecting the Commission's main office.
- ▶ Upgraded Microsoft Office productivity software.
- ▶ Updated multi-media capability for meetings, training programs, and presentations.





Dianna Williams-Fautleroy, Esq.
General Counsel/Executive Secretary

Under the supervision of the General Counsel, who also serves as the Commission's Executive Secretary and Ethics Liaison Officer, the General Counsel's Office renders legal advice to the Commission, represents the Commission in any proceeding to which it is a party and supports the Commission in the effective exercise of its statutory authority including the issuance of initial casino licenses, issuance of key employee licenses, consideration of contested key license matters and appeals from Orders and Actions of the Director of the Division of Gaming Enforcement.

The General Counsel's Office consists of the Casino Licensing Unit, the Hearings and Appeals Unit and the Standards and Procedures Unit. Each unit works cooperatively with each other and collaboratively with the Office of the Chief of Staff and the Division of Regulatory Affairs to support the Commission in meeting its statutory objectives.

Casino Licensing Unit

This unit, led by Assistant General Counsel Mary Wozniak, advises the Commission regarding all casino licensing and qualification matters. In 2013, the unit assisted the Commission during its consideration of a variety of complex matters including:

- ▶ Issuance of a ruling that pursuant to N.J.S.A. 5:12-82c, Margaritaville of Atlantic City, LLC did not require a casino license and was eligible for and required to obtain a casino service industry enterprise license in connection with a trademark license agreement and lease agreement with Resorts Casino Hotel.
- ▶ Approval of the Chapter 11 Reorganization Plan of Revel Entertainment Group, LLC and qualification of a new Revel AC, Inc. Board of Directors.
- ▶ Grant of Interim Casino Authorization to Chatham Revel Voteco, LLC as a holding company of Revel Entertainment Group.
- ▶ Issuance of a casino license to Caesars Interactive Entertainment Corporation as an "Internet Gaming Affiliate" pursuant to N.J.S.A. 5:12-82b(5) and 95.32.

This unit also coordinates preparation of the Commission's public meeting agenda, notices and minutes as well as access to public records. As the unit responsible for maintaining the official records of the Commission and the files of the Executive Secretary, the unit throughout the year, both separately and in conjunction with the Commission's Public Information Officer, responded to over 50 requests for information and/or documents under the Freedom of Information Act and the Open Public Records Act. The unit also began the process of indexing files for archiving in preparation for its long range goal of establishing and maintaining a streamlined document management system.



Hearings and Appeals Unit

In 2013, this unit, under the leadership of Senior Counsel Teresa Pimpinelli, continued to streamline its procedures related to the Commission's hearing and appeal processes and held more than double 2012's number of contested case conferences to address objections raised by the Division of Gaming Enforcement for pending initial and resubmitted casino key employee license applications. All contested cases closed in 2013 resulted in satisfactory stipulations of settlement between the individual applicants and the Division of Gaming Enforcement. The unit's regulations which codify the hearing and appeal processes before the Commission were also formally adopted.

Standards and Procedures Unit

This unit, led by Senior Counsel Stephanie Olivo, works in conjunction with the Chief of Staff's Office and the Division of Regulatory Affairs to ensure that policies and procedures are legally compliant and operationally efficient as they relate to issues in human resources and licensing of casino key employees.

As the unit responsible for providing updates and analysis of legislative action concerning casino regulation as well as legislation generally related to public entities, the unit provided the Commission with comprehensive updates and analyses of legislative action throughout the year including amendments to the Casino Control Act authorizing Internet gaming.

The Commission's designated EEO Officer, Kenneth Doss, also within the unit, ensures that the Commission adheres to all federal and state laws and equal employment opportunity policies for the protection of all employees at the Commission. In addition to other duties, the EEO Officer conducts Equal Employment Opportunity exit interviews of separating Commission employees, maintains required documentation for filing with the state's EEO Office, performs in-house training for Commission employees concerning state policies and facilitates on-line training for Commission employees. In addition, the EEO Officer collaborates with the Human Resource Unit during the recruitment and hiring process to ensure the Commission's compliance with all EEO mandates. In 2013, the Commission's EEO Officer facilitated two in-person EEO training sessions – one for employees and the other for supervisors, managers and executive staff including Commission Members. The employee training was conducted by the Director of EEO/AA for the State of New Jersey and the supervisor and executive staff training was conducted by the Director of the Civil Rights Division for the State of New Jersey.



James E. Fehon, Director

This division includes three units, each with its own statutorily defined role, and is responsible for implementing all statutory responsibilities of the Commission other than legal affairs. Staff of the division supports the Commissioners' Office in completing the agency's annual internal control review required by the state, and coordinates the agency's Business Continuity Plan. The director is the principal regulatory policy advisor to the Commissioners and directs the operation of the division in accordance with pertinent statutes, regulations, executive orders, state directives, and agency policies. The director is also a member of the agency's Information Technology Management Team, which oversees the Information Technology Office.

Financial Evaluation Unit

This unit is responsible for facilitating the Commission's responsibilities under Section 82e (undo economic concentration), Section 84 (financial stability) and Section 87 (casino license applicants) of the Act, by providing expert advice and consultation to the Commissioners on all matters of a financial or economic nature. This unit also facilitates the Commission's financial reporting responsibilities and performs the certification and review of casino parking fee revenue under Section 173.5 of the Act, which benefits both the Casino Revenue Fund and public projects undertaken by the Casino Reinvestment Development Authority. Noteworthy highlights for the year include:

- ▶ Certified parking fee revenue and provided oversight to more than \$27.9 million in parking fee remittances that were made to the State of New Jersey during the 2013 calendar year, with \$4.7 million used to fund programs that benefit aged and disabled residents of the state and \$23.2 million forwarded to the Casino Reinvestment Development Authority to assist in the further redevelopment of Atlantic City.
- ▶ Coordinated with the Department of Treasury to receive quarterly reports on the Atlantic County Sales & Use Tax and shared this information with agency partners.
- ▶ Conducted parking fee audits to ensure the integrity of the \$3.00 parking fee remittance and oversaw the invoicing for the collection of parking fee assessments.
- ▶ Provided a five-year parking fee forecast to the Department of Treasury for inclusion in the state budget.
- ▶ Provided confirmation of CRDA parking fee revenue to the outside independent auditor.
- ▶ Conducted the agency's quadrennial petty cash audit as required by the state.
- ▶ Completed an economic concentration analysis of gaming space and total revenue of the Atlantic City casino industry utilizing the Herfindahl-Hirshman Index (HHI) and other measures.
- ▶ Evaluated financial stability in the casino industry and supported the Commission's decision-making process in the bankruptcy of Revel and the licensing of Caesars Interactive Entertainment NJ LLC for Internet gaming, including an analysis of its funding structure as well as the background and Internet gaming business experience of management.



Licensing Unit

This unit is primarily responsible for implementing the Commission's responsibilities under Sections 89 and 95 of the Act. It specifies the content of applications for casino key employee licensure, accepts and analyzes those applications, and issues licenses and temporary licenses. It monitors casino key employee license and employment practices of the gaming industry, and assists the Commissioners in addressing issues of related policies. Noteworthy highlights for the year include:

- ▶ Assisted the General Counsel's Office in:
 - Drafting proposed new regulations regarding casino key employee licensing; and
 - Preparing the Commission meeting agenda items relating to all Licensing Unit matters.
- ▶ Issued duplicate license credentials and updated credentials to reflect information changes, e.g., name or address change.
- ▶ Continued an industry-wide review to determine compliance with revisions to Section 9 of the Act whereby managers and supervisors of information technology, marketing directors and security shift managers or supervisors are required to have casino key employee licenses.
- ▶ In cooperation with the Division of Gaming Enforcement (DGE), provided assistance to individuals from the Atlantic Club in maintaining their key licenses prior to the property's closure.
- ▶ Received and maintained revenue transmittals from the DGE's Revenue Unit documenting fee transfers.
- ▶ Handled 247 requests to inactivate key licenses and recommended to the Commission that 22 key licensees be terminated.
- ▶ Coordinated the key licensing of restructured IT departments for all properties participating in Internet gaming.
- ▶ Tested and monitored, on a daily basis, connectivity between all components of the intake automation system including camera, computers and printers, and maintained adequate stock of supplies.
- ▶ Performed intake and processing of initial key license applications and resubmission review forms, including accurate transmittal of fees, production and distribution of key license credentials for licenses approved at the Commission meetings as well as those approved via delegated authority. Handled 437 key license applications and collected \$327,750 in fees. See page 20 for details.
- ▶ Printed monthly key license resubmission lists and mailed letters directing key licensees to the forms section of the website.
- ▶ Handled 97 requests for temporary casino key licenses and eight withdrawals of temporary key licenses via delegated authority.
- ▶ Recommended the issuance of key licenses for the CEO and Senior Vice President and General Counsel of Caesars Interactive Entertainment in conjunction with the introduction of Internet gaming.
- ▶ In cooperation with the DGE designated key employee titles regarding New Jersey management for Internet platform providers.



Policy, Planning and Development Unit

This unit is primarily responsible for implementing Section 72 of the Casino Control Act. Section 72 requires the Commission, in consultation with the Division, to carry on a continuous study of the operation and administration of casino control laws which may be in effect in other jurisdictions, related literature and federal laws, as well as the reaction of New Jersey citizens to existing and potential features of casino gaming. This unit: monitors trends and emerging technologies in the operation of casinos; performs ongoing studies of Internet wagering and wireless gambling, and develops recommendations to modernize the Act and New Jersey gaming regulations as necessary to keep pace with the rapidly evolving landscape of casino gaming technology; makes recommendations for leveraging the unique advantages and other unique attributes of the Atlantic City Tourism District; and assists the Commission in carrying out its responsibility to ascertain any defects in the Act to prevent abuses and make annual reports to the Governor and the Legislature. Noteworthy highlights for the year include:

- ▶Conducted an analysis of:
 - Proliferation of gaming including convenience and destination style gambling along with the most recent gambling trends;
 - Casino win, table game and slot machine win, promotional allowances, including promotional gaming credits and hotel occupancy rates;
 - Internet wagering and sports wagering;
 - Economic concentration analysis of other states with gaming for comparison to Atlantic City;
 - Employment statistics for Atlantic City and its regional competition markets; and
 - Comparison of compulsive gambling issues for Internet gamblers as compared to casino gamblers.
- ▶Monitored regulatory costs and gross revenue tax rates for 24 states with commercial casino gaming.
- ▶Collected information related to leased and owned food & beverage and retail space for the casinos.
- ▶Conducted research on the state of casino gaming.
- ▶Prepared an analysis of non-gaming and gaming revenue of the Atlantic City casinos for comparison against the Las Vegas Strip casinos.
- ▶Analyzed market share, operating profit and vendor business for the Atlantic City casinos.
- ▶Provided background information for the Caesars Interactive licensing hearing.
- ▶Monitored pending legislative changes and related issues.
- ▶Provided various agency partners with monthly, quarterly and trailing twelve month charts related to Casino Parking Fee Revenue, Atlantic City Luxury Tax and Tourism Promotional Fee Revenue and the yearly analysis of Sales Tax collected for Atlantic City.
- ▶Prepared briefing reports on a myriad of topics for the Commissioners, such as child intercept programs and common criteria for the selection of gaming site operators in other jurisdictions.



**NEW JERSEY CASINO INDUSTRY
CASINO KEY LICENSES ACCEPTED (INTAKE) AND ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2013**

| | Initial Intake | Resubmission Intake | Monthly Intake | Initial Issued | Resubmission Issued | Monthly Issued |
|------------------|----------------|---------------------|----------------|----------------|---------------------|----------------|
| January | 5 | 18 | 23 | 13 | 10 | 23 |
| February | 6 | 34 | 40 | 10 | 13 | 23 |
| March | 6 | 54 | 60 | 10 | 2 | 12 |
| April | 8 | 37 | 45 | 8 | 33 | 41 |
| May | 6 | 35 | 41 | 16 | 37 | 53 |
| June | 5 | 21 | 26 | 6 | 23 | 29 |
| July | 8 | 29 | 37 | 2 | 19 | 21 |
| August | 8 | 29 | 37 | 10 | 36 | 46 |
| September | 16 | 20 | 36 | 6 | 47 | 53 |
| October | 13 | 29 | 42 | 10 | 33 | 43 |
| November | 10 | 27 | 37 | 6 | 27 | 33 |
| December | <u>7</u> | <u>6</u> | <u>13</u> | <u>6</u> | <u>12</u> | <u>18</u> |
| Totals | 98 | 339 | 437 | 103 | 292 | 395 |

**NEW JERSEY CASINO INDUSTRY
CASINO KEY LICENSE FEES COLLECTED
FOR THE YEAR ENDED DECEMBER 31, 2013**

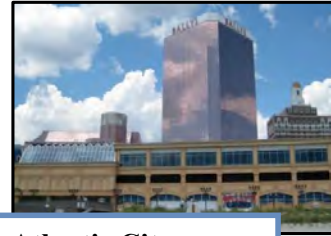
| | Initial Fees | Resubmission Fees | Misc. Fees | Monthly Total Fees |
|-----------------------------|------------------|-------------------|-------------|--------------------|
| January | \$ 3,750 | \$ 13,500 | \$ 0 | \$ 17,250 |
| February | 4,500 | 25,500 | 0 | 30,000 |
| March | 4,500 | 40,500 | 0 | 45,000 |
| April | 6,000 | 27,750 | 0 | 33,750 |
| May | 4,500 | 26,250 | 0 | 30,750 |
| June | 3,750 | 15,750 | 0 | 19,500 |
| July | 6,000 | 21,750 | 0 | 27,750 |
| August | 6,000 | 21,750 | 0 | 27,750 |
| September | 12,000 | 15,000 | 0 | 27,000 |
| October | 9,750 | 21,750 | 0 | 31,500 |
| November | 7,500 | 20,250 | 0 | 27,750 |
| December | <u>5,250</u> | <u>4,500</u> | <u>0</u> | <u>9,750</u> |
| Total Fees Collected | \$ 73,500 | \$ 254,250 | \$ 0 | \$ 327,750 |



Atlantic Club Casino Hotel

Boston Avenue & The Boardwalk
Atlantic City, NJ 08401

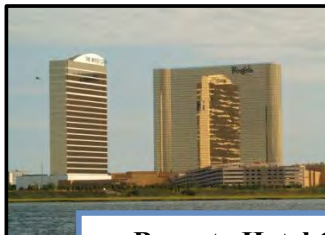
Closed to the public on January 13, 2014



Bally's Atlantic City

Park Place and the Boardwalk
Atlantic City, NJ 08401
609-340-2000

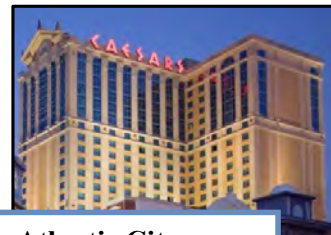
www.ballysac.com



Borgata Hotel Casino & Spa

One Borgata Way
Atlantic City, NJ 08401
609-317-1000

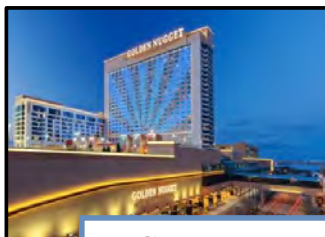
www.theborgata.com



Caesars Atlantic City

2100 Pacific Avenue
Atlantic City, NJ 08401
609-348-4411

www.caesarsac.com



Golden Nugget Atlantic City

Huron & Brigantine Blvd.
Atlantic City, NJ 08401
800-777-8477

www.goldennugget.com/AtlanticCity



Harrah's Resort Atlantic City

777 Harrah's Blvd.
Atlantic City, NJ 08401
609-441-5000

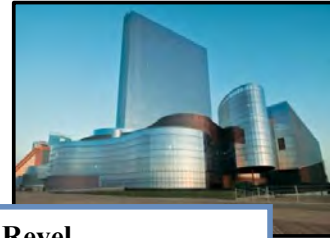
www.harrahresort.com

For more detailed information visit: <http://www.njccc.gov/home/info/index.html>



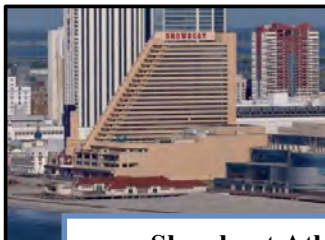
Resorts Casino Hotel

1133 Boardwalk
Atlantic City, NJ 08401
1-800-772-9000
www.resortsc.com



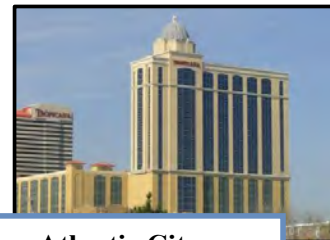
Revel

500 Boardwalk
Atlantic City, NJ 08401
855-348-0500
www.revelresorts.com



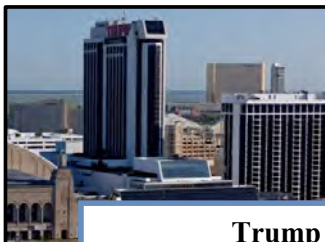
Showboat Atlantic City

801 Boardwalk
Atlantic City, NJ 08401
609-343-4000
www.showboat.com



Tropicana Atlantic City

2831 Boardwalk
Atlantic City, NJ 08401-6338
1-800-345-8767
www.tropicana.net



Trump Plaza

The Boardwalk at Mississippi Avenue
Atlantic City, NJ 08401
609-441-6000
www.trumpplaza.com



Trump Taj Mahal

1000 Boardwalk at Virginia Avenue
Atlantic City, NJ 08401
609-449-1000
www.trumptaj.com

For more detailed information visit: <http://www.njccc.gov/home/info/index.html>



**NEW JERSEY CASINO INDUSTRY CASINO FACILITY STATISTICS
AS OF DECEMBER 2013**

| | Total Table and Other Games | Total Poker | Total Slot Machines | Casino Square Footage | Simulcasting Square Footage | Total Gaming Space |
|------------------------|--|------------------------|------------------------------------|--------------------------------------|--|-----------------------------------|
| Atlantic Club | 48 | 0 | 1,641 | 75,416 | 0 | 75,416 |
| Bally's A.C. | 113 | 26 | 1,822 | 105,684 | 9,393 | 115,077 |
| Borgata | 183 | 80 | 3,153 | 136,667 | 23,620 | 160,287 |
| Caesars | 145 | 32 | 2,096 | 111,786 | 28,963 | 140,749 |
| Golden Nugget | 76 | 10 | 1,421 | 70,250 | 0 | 70,250 |
| Harrah's A.C. | 138 | 40 | 2,318 | 154,504 | 569 | 155,073 |
| Resorts | 74 | 0 | 1,704 | 81,219 | 0 | 81,219 |
| Revel | 110 | 0 | 2,251 | 126,741 | 0 | 126,741 |
| Showboat | 89 | 24 | 2,181 | 108,869 | 17,086 | 125,955 |
| Tropicana | 108 | 27 | 2,595 | 123,980 | 0 | 123,980 |
| Trump Plaza | 64 | 0 | 1,600 | 86,923 | 0 | 86,923 |
| Trump Taj Mahal | 132 | 48 | 2,523 | 159,998 | 0 | 159,998 |
| Industry Totals | 1,280 | 287 | 25,305 | 1,342,037 | 79,631 | 1,421,668 |

Source of data: Monthly Gross Revenue Reports Form DGE-101.



Photo Credit: Atlantic City Convention & Visitors Authority



Some noteworthy events at casinos throughout the year 2013:

Atlantic Club Casino Hotel

- In December, hosted free Sounds of the Season concerts to benefit the MAPS Foundation of South Jersey.
- Promotions held throughout the year included: \$50,000 in Free Slot Play, Win a 2013 Lincoln MKZ, Sunday Sweepstakes, Pumpkin Patch Sweepstakes, Penny Spin and Win, Table Games Sweepstakes, The Big Cash Grab Sweepstakes, \$10,000 Slot Tournament, \$5,000 Blackjack Tournament, Dancing With The Stars Ballroom Dancing and Cocktail Party and Lucky Shamrock Sweepstakes.
- Entertainment throughout the year included: Louis Prima Jr., The Duprees, Rich Little, Bobby Rydell, Sheena Easton, Ben E. King, "Ricky Nelson Remembered" Featuring Matthew & Gunnar Nelson and Paul Revere & The Raiders Rockin' Christmas show.

► Borgata Hotel Casino & Spa

- In February, launched the Borgata E-Casino which enables MyBorgata Rewards members to wager on slots and video poker games in their hotel rooms through an interactive high definition television service.
- Borgata celebrated its 10th Anniversary which included special promotions such as \$1,010 Bonus Slot Dollars and \$500,000 Cash Giveaway; a 10th Anniversary Concert series and fireworks spectacular.
- In July, introduced the largest table game progressive jackpot in the country, starting at \$1 million dollars and offered on the games of Three Card Poker, Four Card Poker, Caribbean Stud Poker, Texas Hold'em and Let It Ride.
- In September, launched a newly redesigned website enhancing the process to book hotel rooms, dining reservations and entertainment performances and the ability to share events and pages on social media sites.
- Throughout the year, poker tournaments remained a popular offering with record-breaking participation and the Championship events offering millions in prize money.

► Borgata Hotel Casino & Spa (continued)

- Offered Pick The Pros \$1 Million Football Challenge from September through December, giving away \$60,000 in prizes each week. Other promotions held throughout the year included: \$500,000 Guaranteed Slot Tournament, \$100,000 Cash Giveaway, 3X Slot Dollars, 5X Slot Dollars and Bonus Slot Dollars.
- Entertainment throughout the year included: Rob Thomas, Kathy Griffin, Joan Rivers, George Lopez, Sting, Jerry Seinfeld, Diana Ross, Chicago, Lisa Lampanelli, The Rascals, Robin Thicke, Tony Bennett, Frankie Valli and Cage Fury Fighting Chamionships.

► Caesars Entertainment in Atlantic City

- In February, started a new Total Rewards Poker Loyalty Pays program based on number of poker hours played at any of the four properties.
- In July, hosted the Food & Wine Festival featuring some of the world's most renowned chefs and experts with events at each property.
- In August, teamed up with Masters Farms in Galloway, New Jersey to bring organic and sustainable produce to restaurants in three of its properties.
- In September, teamed up with some of the most prominent names in health and fitness to offer Sweat AC Festival at each property.
- Throughout the year, conducted several Total Rewards promotions such as The Millionaire Maker \$4 Million Summer Sweepstakes.

► Bally's Atlantic City

- In March, The 30th Anniversary Atlantic Cape Community College Restaurant Gala was held.
- In May, Bally's Bikini Beach Bar reopened after a three-summer run as Sammy Hagar Beach Bar (destroyed by Hurricane Sandy).
- In April, served as the official host hotel for the 2013 Atlantic City Beer and Music Festival offering special room rates to all festival attendees.
- A \$621,236 jackpot on the Wheel of Fortune progressive slot machine was hit in July.



► **Caesars Atlantic City**

- In October, announced that TJM Properties, a Florida based hotel operator, agreed to purchase the Claridge Hotel Tower and keep the property as a stand-alone boutique hotel.
- In October, began a \$5.6 million casino floor renovation project. Renovation highlights include: new carpet, painted walls, new casino floor layout, state-of-the-art custom slot signage and plush chairs at table games and slots.
- In February and March, hosted the World Series of Poker Circuit.
- During Memorial Day weekend and the months of July and August, Caesars presented the Gladiator Fighting program. Daily battles featured two armor-clad soldiers battling each other.
- In September, the Palladium Ballroom Foyer was the primary location for the retirement party for Donovan McNabb.
- In November, The Palace Court Buffet opened. The new state-of-the-art buffet allows you to text to reserve a table, and includes a self-serve wine kiosk.
- Entertainment throughout the year included: Steve Martin & Steep Canyon Rangers, Celtic Thunder, Willie Nelson, Johnny Mathis, Smokey Robinson, Deana Sings Dino and Third Eye Blind.

► **Harrah's Resort Atlantic City**

- In June, became the first casino in the country to offer the Titan 360 slot experience by Konami Gaming. The Titan 360 slot game features mechanical and amusement-like action creating more winnings.
- In July, Harrah's broke ground on its \$126 million conference center that has been billed as the largest of its type in the Northeast.
- In September, a party to celebrate the retirement of Donovan McNabb's Philadelphia Eagles No. 5 jersey was held at The Pool After Dark.
- In October, held The Battle of the Bras competition fashion show to benefit Making Strides Against Breast Cancer.
- Entertainment throughout the year included: The Ronnie Mund Black Party, America's Got Talent Live: All-Stars Tour, Zappa plays Zappa, Straight No Chase, Ceelo Green, Kenny G, Tony Orlando, Sara Evan, Gipsy Kings and Michael Bolton.

► **Showboat Atlantic City**

- In February, the Fat Tuesday King Cake Eating World Championship was held at the House of Blues Party Pit as part of the Mardi Gras celebration.
- In March, ABC filmed "The Bachelorette" in the Foundation Room and in the House of Blues.
- Throughout the year, consistently offered entertainment at its House of Blues which included major acts like Bobby Brown, 112, Sully Erna, Badfish, Pat Benatar, The Mavericks, Passion Pit, Stone Temple Pilots, Darius Rucker, Deftones and Tenacious D.

► **Golden Nugget Hotel Casino**

- In May, opened the Haven Nightclub with DJ Havana Brown.
- In May, became the first casino to launch a new Interactive slot experience which offers special bonus games for a chance to win slot credits without interrupting play on the base slot machine. Themes for the bonus games include horse racing and NASCAR racing.
- In June, hosted the Cali-Ital Summer Winefest.
- In December, a new poker room opened and is available on the "Bravo Poker" app, which informs players of live poker games and promotions at local casinos.
- Promotions held throughout the year included: free self-parking, Bingo Bonanza, Bingo After Dark, Golden Days Celebration, 2013 Toyota Prius Giveaway, 2014 GMC Acadia Giveaway, Party with Maxim Model Krista Mills Sweepstakes, Big Game 60" TV Giveaway, \$25,000 Ultimate Casino Challenge and \$50,000 Cold Hard Cash Giveaway.
- Throughout the year, held several Slot and Poker tournaments.
- Entertainment throughout the year included: Foreigner, Dwight Yoakam, Scotty McCreery, Jewel and Big Bad Voodoo Daddy, Brian Wilson and Al Jardine and David Markets, Blondie, Graham Nash, Rick Springfield, illusionist Steve Wyrick and comedian Mario Cantone.



► Resorts Casino Hotel

- \$60 million in renovations, upgrades and expansions to the property in 2013 included: themed Margaritaville entertainment complex, hotel rooms, installation of new casino floor carpeting, improvements to the parking garage, two (2) new VIP player's club lounges (Epic and Paramount) and a new food court.
- Cross-marketing events continued throughout the year as Mohegan Sun's Reality Check events (interactive events with stars from Reality TV) came to Resorts.
- One of the most significant events occurred in May, when Governor Chris Christie attended a ribbon cutting ceremony to celebrate the grand opening of the new Margaritaville and LandShark Bar & Grill.
- In June, hosted a free beach concert featuring special guest Jimmy Buffett along with Andy Grammer, Mac McAnally and Wilson Phillips.
- Introduced a new locals program "Lucky Locals" for Atlantic and Cape May County residents to receive daily offers and special benefits.
- Promotions held throughout the year included: The Big Game Deserves the Bit Screen Sweepstakes, Bingo and Slot Tournaments, Win a Fiat 500 Abarth, Superstar \$100,000 Scratch-off, Tropical Treasure Game \$1 Million Grand Prize, \$25,000 The Fun Begins Now Sweepstakes and \$20,000 Margaritaville Sweepstakes.
- Entertainment throughout the year included: Chubby Checker, Blue Oyster Cult, The Temptations, Bachman & Turner, Do Divas AC, Lee Brice, Wang Chung & Naked Eyes, Little Anthony & The Imperials, Kenny Rogers and Louis Prima, Jr.

► Revel

- Launched a new Revel Rewards patron loyalty program where members earn reward dollars in nearly every area including the hotel, restaurants nightlife and casino floor.
- In May, opened the Pearl Lounge, a \$3 million high-limits slots area and VIP players' lounge.
- Introduced "Ruff It at Revel" program providing pet-friendly accommodations.
- In May, reversed its non-smoking policy to permit smoking in certain areas of the casino floor.

► Revel (continued)

- In June, celebrated the grand-opening of the HQ Beach Club introducing a signature day-to-night party experience with HQ Night Club.
- In June and August, celebrated the summer with state-of-the-art fireworks.
- Opened its first 24-hour restaurant, "Relish" with inexpensive specials not listed on the menu but advertised throughout the resort.
- Promotions held throughout the year included: "You Can't Lose" Slot-Refund and Slot-Dollar Offer, Fortune 8 Ball Contest, 48 Volkswagen Jetta's in 48 Hours, Free Gas Card Giveaway, \$500,000 Swipe & Win, Bonus Wheel Sundays, \$1 Million Blackjack Challenge and Caddy Saturdays drawing.
- Entertainment throughout the year included: Alicia Keys, Rihanna, ZZ Top, Steely Dan, Depeche Mode, Reba McEntire, Toby Keith, Blink-182, John Legend, Pat Benatar, Steve Miller Band, 'Cirque Dreams Revealed' Show, Ivan Kane's Le Male Burlesque and Bellator MMA Champion Tournament.

► Tropicana Casino and Resort

- In April, Tropicana launched its all-new "Trop Advantage" patron loyalty card which replaced the "Diamond Club" card.
- In June, hosted the Jersey Shore Wine Festival.
- In July, Tropicana's Bad Beat Progressive Poker Jackpot was awarded for \$271,682.
- New restaurants added during the year included: Tony Luke's, Marketplace Express, Perry's Pizza, Casa Taco & Tequila Bar, Broadway Burger and Chickie's & Pete's Crab House and Sports Bar. In addition, held several events throughout the year which focused on its restaurants and included: Pasta Week, Bacon Week, Martini Week, Beer Week and Seafood Week.
- In November, hosted the Atlantic City Tattoo Expo.
- Throughout the year, held several Slot and Poker tournaments.
- Entertainment throughout the year included: Whoopi Goldberg, Kenny Loggins, Kansas, Sinbad, Carlos Mencia, Sal Richards, Margaret Cho, KC & The Sunshine Band and Gretchen Wilson.

► **Trump Plaza**

- Promotions held throughout the year included: A Million and One Cash Explosion, Jackpot Patrol \$1,000 Bonus Slot Dollars, Money Machine, \$100,000 Loyalty Pays Sweepstakes, \$500,000 Hooray for Holidays Scratch & Win “Rollin’ In The Dough” Sweepstakes and free rooms and parking.
- Starting Memorial Day and continuing until August, the Beach Bar served “Breakfast on the Beach.”
- In June, opened the \$7.98 “Back in the Day” Buffet and added 165 new slot machines.
- Throughout most of the year, new patrons who registered for a Trump One card received \$100 in complimentary to eat, drink or play slot machines. In addition, in October, announced a new premiere gift program for its loyalty card holders offering cars, TVs, tablets, jewelry and more.
- Throughout the year, held several Slot tournaments.



► **Trump Taj Mahal Casino Resort**

- In April, 400 new slot machines including Popeye, Wizard of Oz, Cheers and Fortune Teller themes were added to the casino floor.
- In August, auditions were held for *The Amazing Race* television show and in November, auditions were held for the *Family Feud* game show.
- In September, opened the \$25 million dollar Scores Atlantic City adult themed entertainment club.
- Winner of “Best Promotions” by *Casino Player Magazine*.
- Casino promotions and sweepstakes included the \$10,000 Kitchen Makeover, Putting For Prizes, \$25,000 Hot Seat Slot & Tables Guaranteed Sweepstakes, Win a Trip to Highclene Castle, Tick Tac Taj, \$200,000 Grand In The Sand, Win a VIP trip to the Super Bowl and The Wizard of Taj Guaranteed Sweepstakes.
- Throughout the year, held several Slot and Blackjack tournaments.
- Entertainment throughout the year included: Cyndi Lauper, Don Rickles, Jeff Foxworthy, Toni Braxton, Peter Frampton, Travis Tritt, Gregg Allman, Neil Sedaka and Motely Crue.



In 2013, the Atlantic City Tourism District, with oversight from the Casino Reinvestment Development Authority (CRDA), continued to be a main focus of the Christie Administration's commitment to Atlantic City along with its ambitious Master Plan. Throughout the year, CRDA continued to work diligently to make Atlantic City a world class tourism and entertainment destination. CRDA provides funding to the casinos for various upgrades and expansion projects. Examples of some noteworthy accomplishments for the year include:



Photo Credit: Bruce V. Boyajian/The Miss America Organization

► In May, Governor Christie, Jimmy Buffet and the owners and operators of Resorts Casino Hotel hosted the grand opening of Margaritaville, the Five O' Clock Somewhere Bar and the LandShark Bar & Grill transforming the Boardwalk and beach at North Carolina Avenue. From May through December 2013, Margaritaville helped provide an increase of 6% on the gaming floor, revenue growth of 28% and increased restaurant covers by 175,000. Also in May, Resorts completed its Food Court Project which received \$2.8 million in funding from CRDA.

► In April, Tropicana received project approval from the CRDA for \$1.1 million in boardwalk façade improvements as part of a \$6 million dollar project that featured the addition of six new restaurants, including Chickie's & Pete's.

► Harrah's Resort broke ground for its state-of-the-art conference center. CRDA is investing \$45 million in the project.

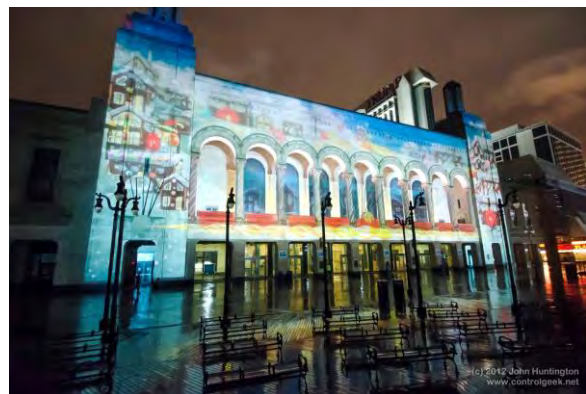


Photo Credit: JohnHuntington.photography



AHL Hockey

JAN – AHL Professional Hockey at Boardwalk Hall

FEB – Atlantic City RV & Camping Show
– Atlantic City Boat Show

MAR – Atlantic City Classic Car Show
– Home & Garden Show
– Atlantic City Restaurant Week
– ECAC Hockey Tournament
– Atlantic City Antiques & Collectors Show
– St. Patrick’s Day and Easter Parades
– WrestleMania Super Show

APR – Atlantic City Beer and Music Festival
– April Fools Marathon
– Ringling Bros. and Barnum Bailey Circus

MAY – Do AC Boardwalk Wine Promenade
– Memorial Day Celebrations

JUN – Atlantic City Airshow
– Atlantic City Salutes America’s Armed Forces Parade
– Atlantic City Summer Concert Series 2013
– World Championships of Sand Sculpting
– Boardwalk Hall “Boardwalk Beat” 3-D Lightshow

JUL – Atlantic City Food and Wine Festival
– 4th of July Celebrations
– Beyoncé at Boardwalk Hall

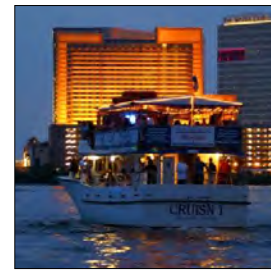
AUG – Puerto Rican Parade & Latin Festival

SEP – Miss America Parade & Pageant
– Atlantic City International Triathlon
– In-Water Power Boat Show
– Atlantic City Seafood Festival at Bader Field

OCT – Atlantic City Marathon
– Boxing – Bernard Hopkins vs. Karo Murat
– Atlantic City Boardwalk Rodeo
– Phish Concert at Boardwalk Hall
– Groundbreaking Ceremony for Bass Pro Shops

NOV – New Jersey Education Association Convention
– New Jersey League of Municipalities

DEC – Boardwalk Hall “Winter Sweet” 3-D Lightshow



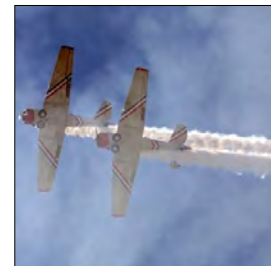
Boating**



Boardwalk



Sand Sculpting



Atlantic City Airshow



Bass Pro Shops



Summer Concert Series



Miss America Parade*



Fireworks



Marina

*Photo Credit: Bruce V. Boyajian/The Miss America Organization

** Photo Credit: Atlantic City Convention & Visitors Authority



On February 26, 2013, Governor Chris Christie signed legislation authorizing Intrastate Internet gaming for Atlantic City casinos, including peer-to-peer poker and other casino games. New Jersey is one of three states to authorize and implement online gaming in the United States along with Nevada (poker only) and Delaware.

Effective October 28, 2013, the Division of Gaming Enforcement (DGE) temporarily adopted regulations to govern the operation of Internet gaming along with its October 21, 2013 adopted regulations. The regulations focus on the integrity of the systems and the protection of the players' interests. Players must be 21 years of age and be located within state lines to wager, and verification of such is required prior to the system authorizing player access to gaming. All gaming equipment, software, and hardware must be located in a secure location in a casino facility in Atlantic City. See page 36 for 2013 Internet gross revenue.

Several of Atlantic City's casinos offer online gaming. See chart below. On November 21, 2013, a five day test period was authorized by the DGE. Full Internet gaming in New Jersey was authorized to begin at 9 a.m. on November 26, 2013. Internet gross revenue is taxed at 15%.

At year-end, over 126,000 user accounts had been created. In addition, New Jersey casinos offer a wide range of table game offerings such as Blackjack, Roulette, Fortune Pai Gow Poker and Three Card Poker, and exciting slot machine offerings such as Cats, Monopoly Plus, Star Trek, Treasures of Troy and Money Boat.

| LICENSEE | DATE APPROVED FOR FULL PLAY | INTERMEDIARIES | SKINS (as of 4/17/14) |
|--|-----------------------------|-----------------|--|
| Caesars Interactive Ent.(affiliate of Bally's) | November 25, 2013 | 888 | HarrahsCasino.com WSOP.com us.888.com us.888poker.com us.888casino.com |
| Caesars Interactive Ent. (affiliate of Caesars) | November 25, 2013 | Amaya | CaesarsCasino.com |
| Borgata | November 25, 2013 | BWIN | Borgatacasino.com Borgatapoker.com NJ.Partypoker.com |
| Golden Nugget | December 13, 2013 | Bally IGP | GoldenNuggetCasino.com nj- casino.goldennuggetcasino.com |
| Tropicana | November 25, 2013 | GameSys | tropicanacasino.com virgincasino.com |
| Trump Plaza | November 25, 2013 | Betfair | betfaircasino.com |
| Trump Taj Mahal | November 25, 2013 | Ultimate Gaming | ucasino.com ultimategaming.com |



Capital Investment Page

Cumulative Capital Investment..... 33

Casino

Casino Win per Square Foot of Gaming Space..... 34
Total Non-Gaming Revenue with Third Party Business Sales (3 years)..... 34
Gaming vs. Non-Gaming Revenue Mix 34
Gross Revenue Statistics..... 35
Internet Gross Revenue Statistics..... 36
Total Gaming Gross Revenue Statistics..... 36
Total Casino Win..... 37
Income Statement Total Revenue by Percent of Contribution..... 38

Complimentaries (Promotional Allowances & Expenses) & Non-Gaming

Hotel Revenue & Hotel Complimentaries..... 39
Food & Beverage Revenue & Complimentaries..... 40
Non-Gaming Revenue 2012 and 2013..... 41
Promotional Allowances and Expenses as a Percent of Total Revenue (3 years)..... 41
Number of Food & Beverage and Retail Outlets (own vs. lease)..... 41
Slot Win and Promotional Gaming Credits 42

Employment

Casino Employment by County..... 43
Casino Industry Employment Statistics..... 44
Casino Industry Total Employees at Quarter End..... 44
Casino Key Licensees at Quarter End..... 44
Casino Industry Salaries and Wages..... 45

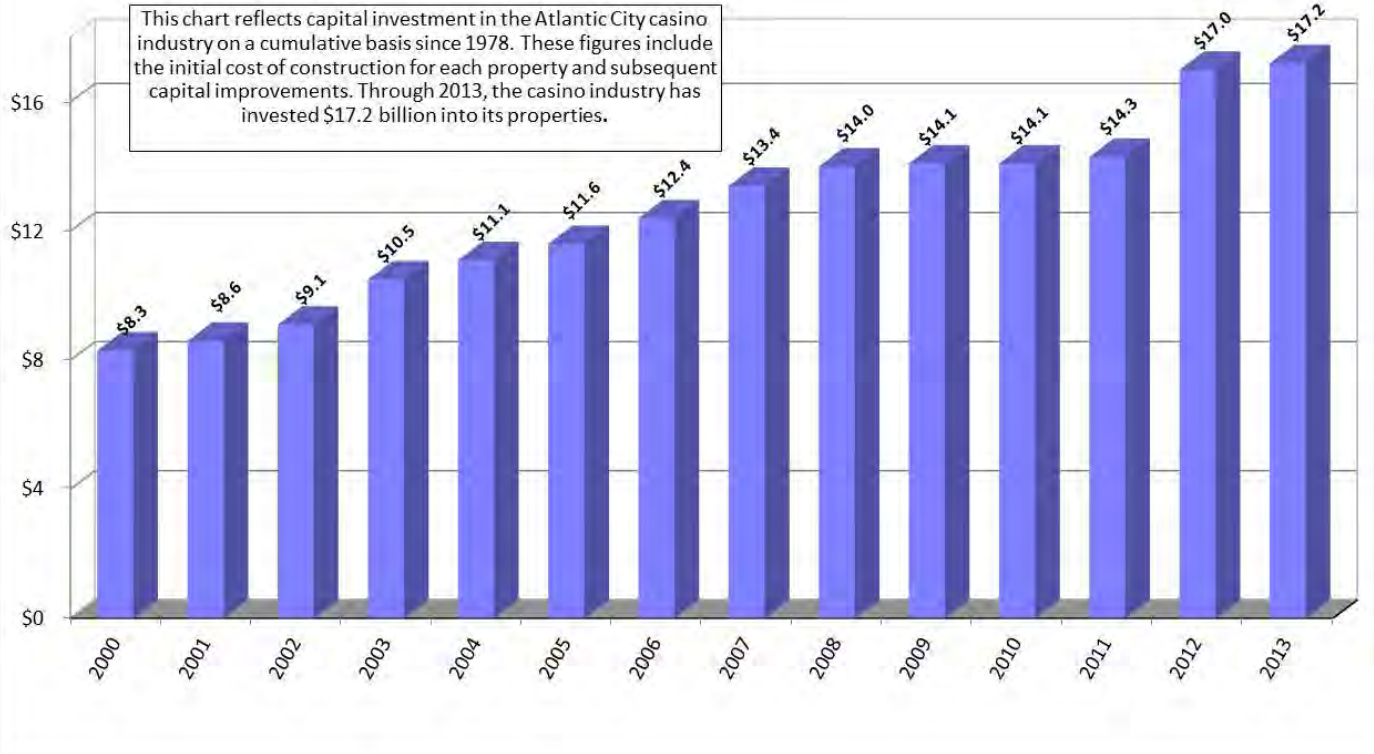
Hotel

Hotel Occupancy Rates by Casino..... 46
Hotel Room Statistics..... 46
Number of Available Room Nights vs. Number of Occupied Room Nights..... 47
Number of Occupied Room Nights 2012, 2013..... 48
Number of Occupied Room Nights by Quarter 48



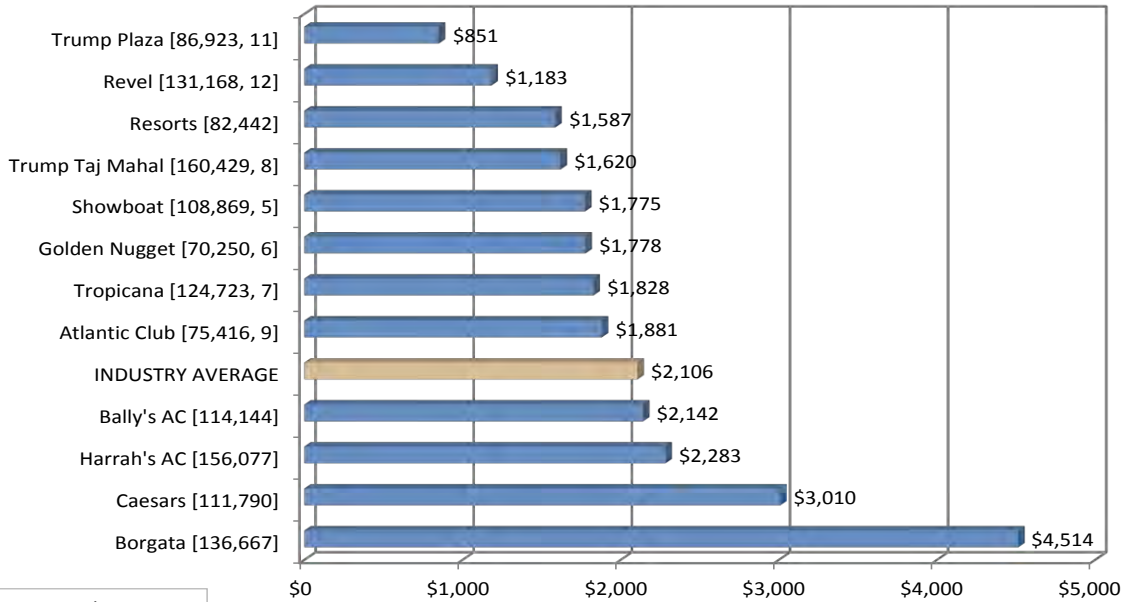
| | <u>Page</u> |
|--|-------------|
| <u>Non-Gaming</u> | |
| Atlantic City Luxury Tax (Monthly) | 49 |
| Tourism Promotional Fee Revenue (3 years)..... | 49 |
| State Occupancy Fee Revenue (3 years)..... | 49 |
| Six Selected Non-Gaming Fees & Taxes (donut and bar graph)..... | 50 |
| Luxury Tax (3 years)..... | 51 |
| Sales and Luxury Tax Revenue (3 years)..... | 51 |
| Total Sales Tax Revenue and Total Business Entities (3 years)..... | 51 |
| <u>Parking Revenue</u> | |
| Casino Parking Fee Revenue 2013 and 2012 | 52 |
| Casino Industry Number of Parking Spaces..... | 52 |
| Casino Parking Fee Revenue (3 years)..... | 52 |
| <u>Slot Machine and Table Game Revenue</u> | |
| Slot and Table Game Win as a Percent of Casino Win..... | 53 |
| Slot Machine and Table Game Win Percentages..... | 53 |
| Slot Machine Win Per Machine..... | 54 |
| Table Game Win Per Table..... | 54 |
| <u>Vendor Business</u> | |
| Total Revenue and Dollar Volume of Vendor Business..... | 55 |
| Total Dollar Volume of Vendor Business | 56 |
| Total Volume of Business – New Jersey Companies by County..... | 56 |
| <u>Casino Revenue Fund</u> | |
| Fiscal Year 2013 Deposits..... | 57 |
| <u>Casino Control Fund</u> | |
| Independent Auditor’s Report..... | 58 |

**ATLANTIC CITY CASINO INDUSTRY
CUMULATIVE CAPITAL INVESTMENT**
(\$ IN BILLIONS)



ATLANTIC CITY CASINO INDUSTRY CASINO WIN PER SQUARE FOOT OF GAMING SPACE*

FOR THE YEAR ENDED DECEMBER 31, 2013



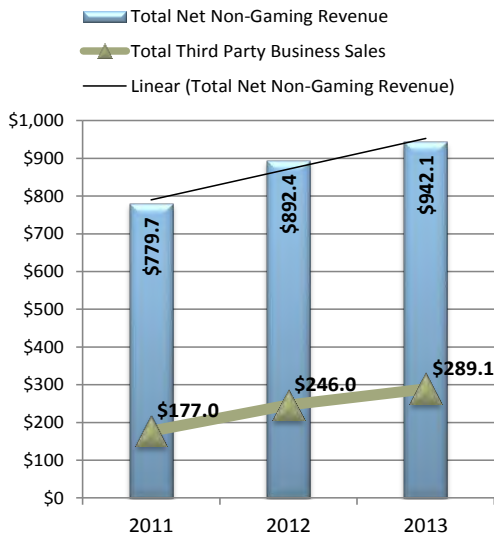
[] Brackets next to casino name indicate the average casino square footage at that property and the prior year's ranking if different.

*Simulcast space only included in gaming space if area also included gaming tables.

Source of data: Monthly Gross Revenue Reports Form DGE-101 (as of 01/14/14).

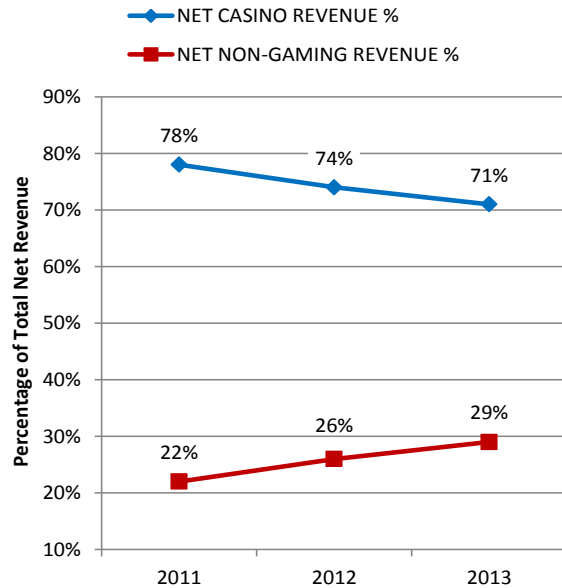
ATLANTIC CITY CASINO INDUSTRY TOTAL NET NON-GAMING REVENUE INCLUDING THIRD PARTY BUSINESS SALES AND TOTAL THIRD PARTY BUSINESS SALES

FOR THE THREE YEARS ENDED DECEMBER 31, 2013
(*\$ IN MILLIONS*)



ATLANTIC CITY CASINO INDUSTRY CASINO REVENUE VS. NON-GAMING REVENUE MIX

2011-2013



Note: Casino Revenue excludes promotional allowances and starting in 2013 also includes Internet gaming revenue. Total Non-Gaming Revenue excludes promotional allowances and includes Third Party Business Sales. Third Party Business Sales includes food, beverage, retail, entertainment and hospitality related sales from casino leased food & beverage and retail outlets.

Source of data: Quarterly Financial Reports and Quarterly Press Releases and Statistical Summaries by the DGE.

THE NEW JERSEY CASINO INDUSTRY
GROSS REVENUE STATISTICS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(\$ IN THOUSANDS)

| <u>Casino Hotel</u> | <u>Casino Win</u> | <u>Adjustments</u> | Casino and Internet <u>Promotional Gaming Credits</u> | <u>Taxable Gross Revenue</u> | <u>Gross Revenue Tax</u> | <u>Market Share of Casino Win</u> |
|------------------------|-------------------|--------------------|--|--------------------------------------|----------------------------------|---|
| Atlantic Club | | | | | | |
| 2013 | \$ 141,870 | \$ - | \$ 29,089 | \$ 112,781 | \$ 9,022 | 5.0% |
| 2012 | 127,175 | - | 19,246 | 107,929 | 8,634 | 4.2% |
| Bally's Atlantic City | | | | | | |
| 2013 | \$ 244,450 | (334) | 24,142 | 219,974 | 17,598 | 8.5% |
| 2012 | 296,028 | - | 37,469 | 258,559 | 20,685 | 9.7% |
| Borgata | | | | | | |
| 2013 | \$ 616,970 | (507) | 54,536 | 561,927 | 44,954 | 21.6% |
| 2012 | 612,691 | - | 58,853 | 553,839 | 44,307 | 20.0% |
| Caesars | | | | | | |
| 2013 | \$ 336,447 | 30 | 29,545 | 306,932 | 24,555 | 11.8% |
| 2012 | 358,565 | (970) | 37,574 | 320,020 | 25,602 | 11.7% |
| Golden Nugget | | | | | | |
| 2013 | \$ 124,871 | (698) | 15,671 | 108,502 | 8,680 | 4.4% |
| 2012 | 130,451 | 86 | 5,674 | 124,863 | 9,989 | 4.3% |
| Harrah's Atlantic City | | | | | | |
| 2013 | \$ 356,367 | (228) | 31,018 | 325,121 | 26,010 | 12.4% |
| 2012 | 399,240 | (1,803) | 40,418 | 357,019 | 28,562 | 13.1% |
| Resorts | | | | | | |
| 2013 | \$ 130,803 | (397) | 18,209 | 112,197 | 8,976 | 4.6% |
| 2012 | 130,833 | 362 | 15,898 | 115,297 | 9,224 | 4.3% |
| Revel | | | | | | |
| 2013 | \$ 155,153 | - | 17,074 | 138,078 | 11,046 | 5.4% |
| 2012 (b) | 122,316 | - | 5,546 | 116,770 | 9,342 | 4.0% |
| Showboat | | | | | | |
| 2013 | \$ 193,247 | (500) | 22,877 | 169,870 | 13,590 | 6.7% |
| 2012 | 225,410 | (1,031) | 27,927 | 196,452 | 15,716 | 7.4% |
| Tropicana | | | | | | |
| 2013 | \$ 228,022 | - | 28,217 | 199,805 | 15,984 | 8.0% |
| 2012 | 249,994 | - | 27,703 | 222,291 | 17,783 | 8.2% |
| Trump Plaza | | | | | | |
| 2013 | \$ 73,954 | 41 | 10,303 | 63,692 | 5,095 | 2.5% |
| 2012 | 102,506 | (92) | 16,795 | 85,619 | 6,850 | 3.4% |
| Trump Taj Mahal | | | | | | |
| 2013 | \$ 259,914 | 50 | 29,282 | 230,683 | 18,455 | 9.1% |
| 2012 | 295,492 | 20 | 46,921 | 248,591 | 19,887 | 9.7% |
| TOTALS | | | | | | |
| 2013 | \$ 2,862,069 | \$ (2,543) | \$ 309,963 (a) | \$ 2,549,561 | \$ 203,965 | 100.0% |
| 2012 | \$ 3,050,701 | \$ (3,428) | \$ 340,024 | \$ 2,707,249 | \$ 216,581 | 100.0% |

Columns may not foot due to rounding.

(a) Both casino and internet eligible promotional gaming credits are deductible from the gross revenue tax. The tax value of eligible promotional gaming credits reflects 8% of eligible promotional gaming credits. The tax value of promotional gaming credits for Caesars Interactive Entertainment NJ has been transferred to Caesars, as approved by DGE.

(b) Revel opened in April 2012.

Source of data: Monthly Gross Revenue Reports Form DGE-101.

THE NEW JERSEY CASINO INDUSTRY
INTERNET GROSS REVENUE STATISTICS (a)
 FOR THE MONTHS OF NOVEMBER AND DECEMBER 2013
 (\$ IN THOUSANDS)

| <u>Casino Licensee</u> | <u>Internet Win</u> | <u>Adjustments</u> | <u>Taxable Gross Revenue</u> | <u>Gross Revenue Tax</u> | <u>Market Share of Internet Win</u> |
|---|------------------------|--------------------|--------------------------------------|----------------------------------|---|
| Borgata | \$ 3,750 | \$ 1 | \$ 3,751 | \$ 563 | 44.8% |
| Caesars Interactive Entertainment NJ | 2,380 | - | 2,380 | 357 | 28.4% |
| Golden Nugget | 179 | - | 179 | 27 | 2.1% |
| Tropicana | 749 | - | 749 | 112 | 8.9% |
| Trump Plaza | 428 | - | 428 | 64 | 5.1% |
| Trump Taj Mahal | <u>883</u> | <u>2</u> | <u>885</u> | <u>133</u> | <u>10.6%</u> |
| TOTALS | <u>\$ 8,369</u> | <u>\$ 3</u> | <u>\$ 8,372</u> | <u>\$ 1,256</u> | <u>100.0%</u> |

Source of data: DGE Monthly Press Release and Statistical Summary and
 Monthly Internet Gross Revenue Report Form DGE-105 as of 01/14/14.

THE NEW JERSEY CASINO INDUSTRY
TOTAL GAMING GROSS REVENUE STATISTICS
 FOR THE YEAR ENDED DECEMBER 31, 2013
 (\$ IN THOUSANDS)

| | <u>Gaming Win</u> | <u>Adjustments</u> | <u>Eligible Promotional Gaming Credits</u> | <u>Taxable Gross Revenue</u> | <u>Gross Revenue Tax</u> |
|---------------|----------------------------|--------------------------|--|--------------------------------------|----------------------------------|
| Casino | \$ 2,862,069 | \$ (2,543) | \$ 309,963 | \$ 2,549,561 | \$ 203,965 |
| Internet (a) | <u>8,369</u> | <u>3</u> | <u>-</u> | <u>8,372</u> | <u>1,256</u> |
| TOTALS | <u>\$ 2,870,438</u> | <u>\$ (2,540)</u> | <u>\$ 309,963</u> | <u>\$ 2,557,933</u> | <u>\$ 205,221</u> |

(a) Internet gaming started in November 2013 and is taxed at 15%.

Source of data: Monthly Gross Revenue Reports Form DGE-101 and Monthly Internet Gross
 Revenue Report Form DGE-105 as of 01/14/14.

**THE NEW JERSEY CASINO INDUSTRY
TOTAL CASINO WIN**

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(*\$ IN THOUSANDS*)

| | | | Growth (Decline) | |
|--------------------------------|---------------------|---------------------|------------------|--------------|
| | | | \$ | % |
| | 2013 | 2012 | | |
| <i>Table & Other Games</i> | | | | |
| Blackjack | \$ 271,218 | \$ 299,278 | (28,060) | (9.4) |
| Craps | 105,291 | 109,542 | (4,251) | (3.9) |
| Roulette | 94,041 | 101,972 | (7,931) | (7.8) |
| Spanish 21 | 22,261 | 25,990 | (3,729) | (14.3) |
| Three Card Poker | 71,892 | 78,846 | (6,954) | (8.8) |
| Baccarat | 6,338 | 10,094 | (3,756) | (37.2) |
| Mini Baccarat | 79,744 | 74,232 | 5,512 | 7.4 |
| Keno | 514 | 681 | (167) | (24.5) |
| Let It Ride | 16,230 | 16,874 | (644) | (3.8) |
| Pai Gow | 11,354 | 12,558 | (1,204) | (9.6) |
| Pai Gow Poker | 18,191 | 21,205 | (3,014) | (14.2) |
| Four Card Poker | 20,785 | 22,076 | (1,291) | (5.8) |
| Other Games (a) | 11,991 | 13,935 | (1,944) | (14.0) |
| Banking Games (b) | 24,217 | 22,613 | 1,604 | 7.1 |
| Electronic Table Games | 613 | 880 | (267) | (30.3) |
| Poker | 43,563 | 48,870 | (5,307) | (10.9) |
| Subtotal | 798,243 | 859,646 | (61,403) | (7.1) |
| Simulcasting | 4,694 | 5,391 | (697) | (12.9) |
| Total Table & Other Games | 802,937 | 865,037 | (62,100) | (7.2) |
| <i>Slot Machines</i> | | | | |
| .01 and .02 Slot Machines | 933,400 | 918,953 | 14,447 | 1.6 |
| .05 Slot Machines | 120,775 | 148,718 | (27,943) | (18.8) |
| .25 Slot Machines | 197,806 | 232,589 | (34,783) | (15.0) |
| .50 Slot Machines | 22,730 | 24,192 | (1,462) | (6.0) |
| 1.00 Slot Machines | 215,737 | 225,910 | (10,173) | (4.5) |
| 5.00 Slot Machines | 69,808 | 76,634 | (6,826) | (8.9) |
| 25.00 Slot Machines | 18,570 | 20,551 | (1,981) | (9.6) |
| 100.00 Slot Machines | 12,722 | 14,727 | (2,005) | (13.6) |
| Multi-Denominational Machines | 441,779 | 498,333 | (56,554) | (11.3) |
| Other Slot Machines | 30,499 | 30,448 | 51 | 0.2 |
| Total Slot Machines | 2,063,826 | 2,191,055 | (127,229) | (5.8) |
| Grand Total | \$ 2,866,763 | \$ 3,056,092 | (189,329) | (6.2) |

(a) Other Games includes: Big Six, Sic Bo, Double Attack Blackjack, Casino War and Caribbean Stud Poker.

(b) Banking Poker Games includes: Flop Poker, Asia Poker, Mississippi Stud, Ultimate Texas Hold'Em Bonus Poker, Texas Hold'Em Bonus Poker, Boston 7 Stud Poker, 5 Card Hi-lo and Lunar Poker.

Note: Internet gaming not included.

**INCOME STATEMENT TOTAL REVENUE BY PERCENTAGE OF CONTRIBUTION
ATLANTIC CITY CASINO INDUSTRY, CY 2013 VS. LAS VEGAS STRIP
AND CLARK COUNTY, NEVADA CASINOS, FY 2013**
(*\$ IN THOUSANDS*)

| | Atlantic Club | | Bally's AC | | Borgata | | Caesars | |
|------------------------------|---------------|-------------------------|------------|-------------------------|------------|-------------------------|------------|-------------------------|
| | Revenue | As a % of Total Revenue | Revenue | As a % of Total Revenue | Revenue | As a % of Total Revenue | Revenue | As a % of Total Revenue |
| Casino (a) | \$ 140,746 | 80.8% | \$ 243,944 | 70.4% | \$ 615,734 | 67.4% | \$ 334,989 | 75.4% |
| Rooms | 11,788 | 6.8% | 45,073 | 13.0% | 113,195 | 12.4% | 37,426 | 8.4% |
| Food and Beverage (b) | 18,986 | 10.9% | 44,571 | 12.9% | 140,292 | 15.4% | 53,554 | 12.1% |
| Other | 2,606 | 1.5% | 12,811 | 3.7% | 44,295 | 4.8% | 18,326 | 4.1% |
| Total Revenue (c) | \$ 174,126 | 100.0% | \$ 346,399 | 100.0% | \$ 913,516 | 100.0% | \$ 444,295 | 100.0% |

| | Caesars Interactive Entertainment NJ (a) | | Golden Nugget | | Harrah's | | Resorts | |
|------------------------------|--|-------------------------|---------------|-------------------------|------------|-------------------------|------------|-------------------------|
| | Revenue | As a % of Total Revenue | Revenue | As a % of Total Revenue | Revenue | As a % of Total Revenue | Revenue | As a % of Total Revenue |
| Casino (a) | \$ 1,175 | 85.3% | \$ 121,124 | 68.1% | \$ 352,356 | 66.4% | \$ 129,224 | 73.2% |
| Rooms | - | 0.0% | 19,170 | 10.8% | 72,985 | 13.7% | 19,423 | 11.0% |
| Food and Beverage (b) | - | 0.0% | 22,557 | 12.7% | 78,563 | 14.8% | 20,994 | 11.9% |
| Other | 203 | 14.7% | 14,918 | 8.4% | 26,977 | 5.1% | 6,906 | 3.9% |
| Total Revenue (c) | \$ 1,378 | 100.0% | \$ 177,769 | 100.0% | \$ 530,881 | 100.0% | \$ 176,547 | 100.0% |

| | Revel | | Showboat | | Tropicana | | Trump Plaza | |
|------------------------------|------------|-------------------------|------------|-------------------------|------------|-------------------------|-------------|-------------------------|
| | Revenue | As a % of Total Revenue | Revenue | As a % of Total Revenue | Revenue | As a % of Total Revenue | Revenue | As a % of Total Revenue |
| Casino (a) | \$ 152,731 | 61.0% | \$ 190,826 | 69.3% | \$ 224,998 | 70.7% | \$ 73,156 | 69.9% |
| Rooms | 47,397 | 18.9% | 33,938 | 12.3% | 50,050 | 15.7% | 18,448 | 17.6% |
| Food and Beverage (b) | 26,328 | 10.5% | 40,039 | 14.5% | 31,474 | 9.9% | 9,478 | 9.1% |
| Other | 23,970 | 9.6% | 10,548 | 3.8% | 11,672 | 3.7% | 3,603 | 3.4% |
| Total Revenue (c) | \$ 250,426 | 100.0% | \$ 275,351 | 100.0% | \$ 318,194 | 100.0% | \$ 104,685 | 100.0% |

| | Trump Taj Mahal | | AC INDUSTRY TOTALS | | LAS VEGAS STRIP TOTALS* | | CLARK COUNTY TOTALS* | |
|------------------------------|-----------------|-------------------------|--------------------|-------------------------|-------------------------|-------------------------|----------------------|-------------------------|
| | Revenue | As a % of Total Revenue | Revenue | As a % of Total Revenue | Revenue | As a % of Total Revenue | Revenue | As a % of Total Revenue |
| Casino (a) | \$ 257,081 | 72.6% | \$ 2,838,084 | 69.8% | \$ 5,751,646 | 37.0% | \$ 8,975,812 | 43.6% |
| Rooms | 48,780 | 13.8% | \$ 517,673 | 12.7% | 3,928,746 | 25.3% | 4,442,656 | 21.6% |
| Food and Beverage (b) | 34,799 | 9.8% | \$ 521,635 | 12.8% | 3,608,293 | 23.2% | 4,572,635 | 22.2% |
| Other | 13,272 | 3.7% | \$ 190,107 | 4.7% | 2,249,935 | 14.5% | 2,591,997 | 12.6% |
| Total Revenue (c) | \$ 353,932 | 100.0% | \$ 4,067,499 | 100.0% | \$15,538,620 | 100.0% | \$20,583,100 | 100.0% |

* Figures are for casinos with gaming revenue of \$1,000,000 or more.

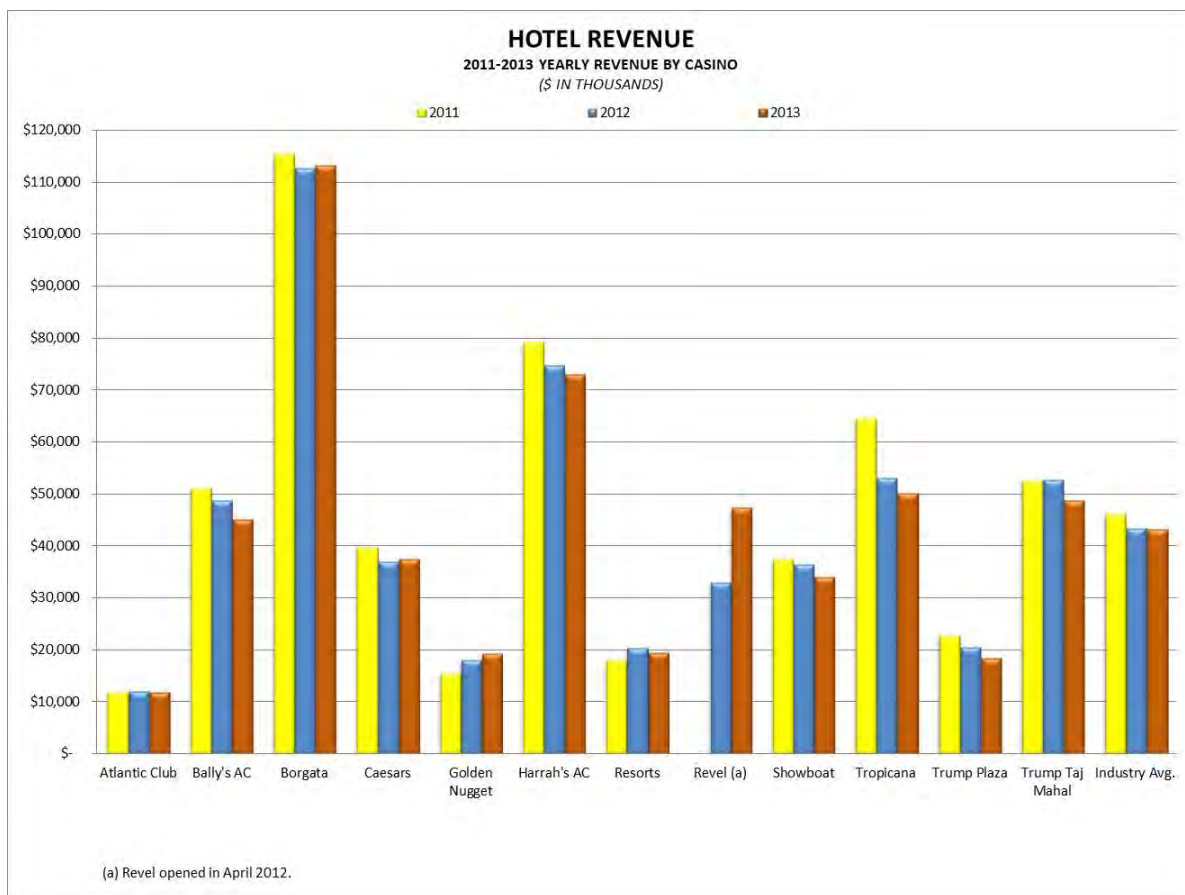
Note: The four properties with the largest percentage of total revenue from non-gaming sources, Revel (39.0%), Harrah's (33.6%), Borgata (32.6%) and Golden Nugget (31.9%), are known for popular nightlife outlets and restaurants.

(a) Borgata, Golden Nugget, Tropicana, Trump Plaza and Trump Taj Mahal Casino Revenue figure includes Internet wagering revenue as of November 21, 2013. Caesars Interactive Entertainment NJ obtained a casino license in November 2013 and commenced Internet gaming operations as an affiliate of Caesars and Bally's.

(b) Food & Beverage Revenue for casino owned outlets only.

(c) Unaudited and not adjusted for promotional allowances in order to provide a basis for comparison between jurisdictions.

Source of data: A.C. is Quarterly Financial Reports Form DGE-210. Las Vegas Strip and Clark County is the NSGBC Nevada Gaming Abstract 2013.



| (\$ in Thousands) | HOTEL REVENUE* | | | HOTEL COMPS | | |
|-------------------|----------------|-----------|-----------|-------------|-----------|-----------|
| | 2011 | 2012 | 2013 | 2011 | 2012 | 2013 |
| Atlantic Club | \$ 11,818 | \$ 11,932 | \$ 11,788 | \$ 6,346 | \$ 6,641 | \$ 8,499 |
| Bally's AC | 51,186 | 48,725 | 45,073 | 30,084 | 25,866 | 24,106 |
| Borgata | 115,548 | 112,709 | 113,195 | 70,704 | 71,251 | 70,792 |
| Caesars | 39,752 | 37,002 | 37,426 | 22,062 | 20,185 | 19,427 |
| Golden Nugget | 15,373 | 18,100 | 19,170 | 7,825 | 9,243 | 8,927 |
| Harrah's AC | 79,242 | 74,771 | 72,985 | 46,429 | 41,356 | 37,755 |
| Resorts | 17,958 | 20,336 | 19,423 | 10,832 | 10,959 | 10,331 |
| Revel (a) | | 32,944 | 47,397 | | 9,400 | 18,493 |
| Showboat | 37,439 | 36,475 | 33,938 | 22,518 | 20,306 | 18,822 |
| Tropicana | 64,539 | 53,089 | 50,050 | 30,052 | 18,757 | 15,957 |
| Trump Plaza | 22,749 | 20,519 | 18,448 | 11,715 | 10,629 | 9,589 |
| Trump Taj Mahal | 52,575 | 52,808 | 48,780 | 30,100 | 31,206 | 28,681 |
| Industry Totals | 508,179 | 519,410 | 517,673 | 288,667 | 275,799 | 271,379 |
| Industry Avg. | \$ 46,198 | \$ 43,284 | \$ 43,139 | \$ 26,242 | \$ 22,983 | \$ 22,615 |

Yellow ■■■ indicates an increase from 2012 with three of the four casinos not increasing related hotel comps.

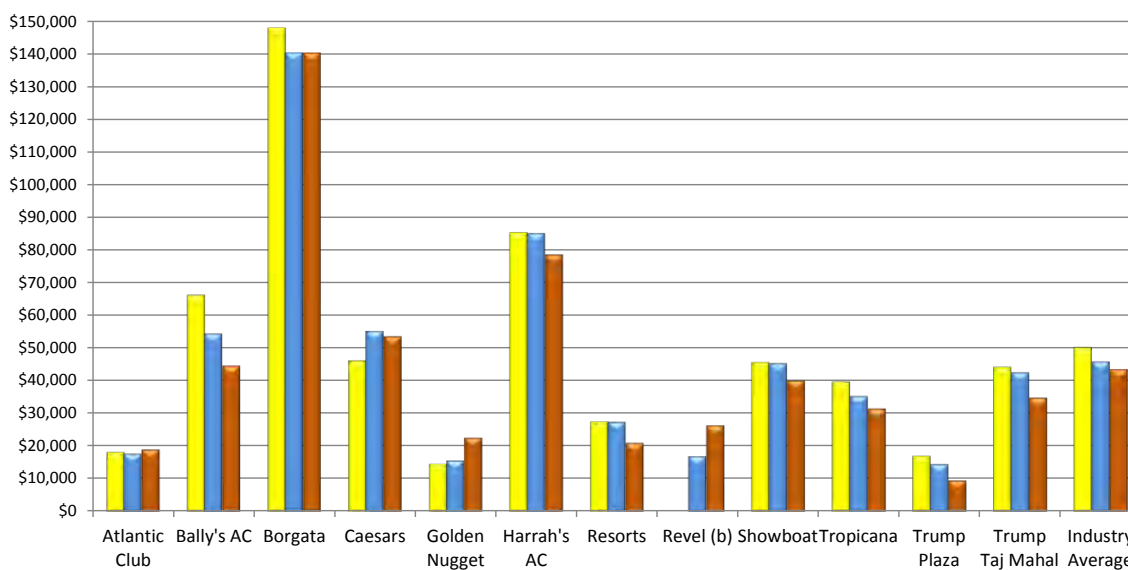
*Prior revenue figures may have been updated from last year's report due to amendments. The analysis on this page ignores the impact of hotel comps on other revenue sources.

Source of data: 2012 and 2013 Quarterly Financial Reports Forms DGE-210 & DGE-245, 2011 Quarterly Press Releases & Statistical Summaries - Casino Industry Statements of Income.

FOOD AND BEVERAGE REVENUE (a)

2011-2013 YEARLY REVENUE BY CASINO
(\$ IN THOUSANDS)

■ 2011 ■ 2012 ■ 2013



(a) Figures do not include Third Party Business sales.
(b) Revel opened in April 2012.

| (\$ in Thousands) | FOOD AND BEVERAGE REVENUE | | | FOOD AND BEVERAGE COMPS | | |
|-------------------------|---------------------------|------------------|------------------|-------------------------|------------------|------------------|
| | 2011 | 2012 | 2013 | 2011 | 2012 | 2013 |
| Atlantic Club | \$18,153 | \$17,709 | \$18,986 | \$12,759 | \$12,001 | \$13,755 |
| Bally's AC | \$66,301 | \$54,435 | \$44,571 | \$38,913 | \$32,970 | \$25,302 |
| Borgata | \$148,083 | \$140,391 | \$140,292 | \$56,834 | \$53,118 | \$51,791 |
| Caesars | \$46,208 | \$55,211 | \$53,554 | \$29,252 | \$38,613 | \$36,001 |
| Golden Nugget | \$14,566 | \$15,569 | \$22,557 | \$8,532 | \$7,415 | \$9,992 |
| Harrah's AC | \$85,455 | \$85,160 | \$78,563 | \$44,992 | \$44,608 | \$39,461 |
| Resorts | \$27,560 | \$27,361 | \$20,994 | \$17,457 | \$18,119 | \$13,306 |
| Revel (b) | - | \$16,893 | \$26,328 | - | \$7,057 | \$9,743 |
| Showboat | \$45,706 | \$45,341 | \$40,039 | \$28,346 | \$28,916 | \$26,214 |
| Tropicana | \$39,742 | \$35,313 | \$31,474 | \$25,714 | \$21,003 | \$17,119 |
| Trump Plaza | \$17,059 | \$14,539 | \$9,478 | \$9,390 | \$7,416 | \$4,695 |
| Trump Taj Mahal | \$44,300 | \$42,581 | \$34,799 | \$22,903 | \$23,690 | \$18,942 |
| INDUSTRY TOTAL | \$553,133 | \$550,503 | \$521,635 | \$295,092 | \$294,926 | \$266,321 |
| INDUSTRY AVERAGE | \$50,285 | \$45,875 | \$43,470 | \$26,827 | \$24,577 | \$22,193 |

Source of data: DGE Quarterly Press Releases and Statistical Summaries and Forms DGE-210 and DGE-245.

Note: The analysis on this page ignores the impact of food and beverage comps on other revenue sources. See next page for total promotional allowances and expenses compared to total revenue.

| NON-GAMING REVENUE FOR THE TWELVE CASINOS* | | | | |
|--|--------------|--------------|---------------|--------------|
| FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2013 | | | | |
| Type of Revenue (\$ In Thousands) | 2012 | 2013 | \$ Difference | % Difference |
| Rooms | \$ 519,410 | \$ 517,673 | \$ (1,737) | -0.3% |
| Food and Beverage (a) | 550,503 | 521,635 | (28,868) | -5.2% |
| Other | 193,122 | 190,107 | (3,015) | -1.6% |
| Total Non-Gaming Revenue (Casinos) | \$ 1,263,035 | \$ 1,229,415 | \$ (33,620) | -2.7% |
| Third Party Business Sales | \$ 245,958 | \$ 289,067 | \$ 43,109 | 17.5% |

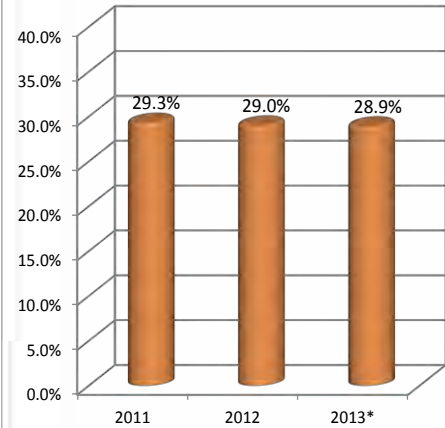
*Not adjusted for promotional allowances. Current year revenue figures are unaudited. Prior revenue figures may have been updated from last year's report due to amendments.

(a) Food & Beverage Revenue for casino owned outlets only.

Source of data: DGE Quarterly Press Releases and Statistical Summaries of Income and Quarterly Financial Reports Form DGE-210.

ATLANTIC CITY CASINO INDUSTRY PROMOTIONAL ALLOWANCES AND EXPENSES AS A PERCENT OF TOTAL REVENUE

FOR THE THREE YEARS ENDED DECEMBER 31, 2013

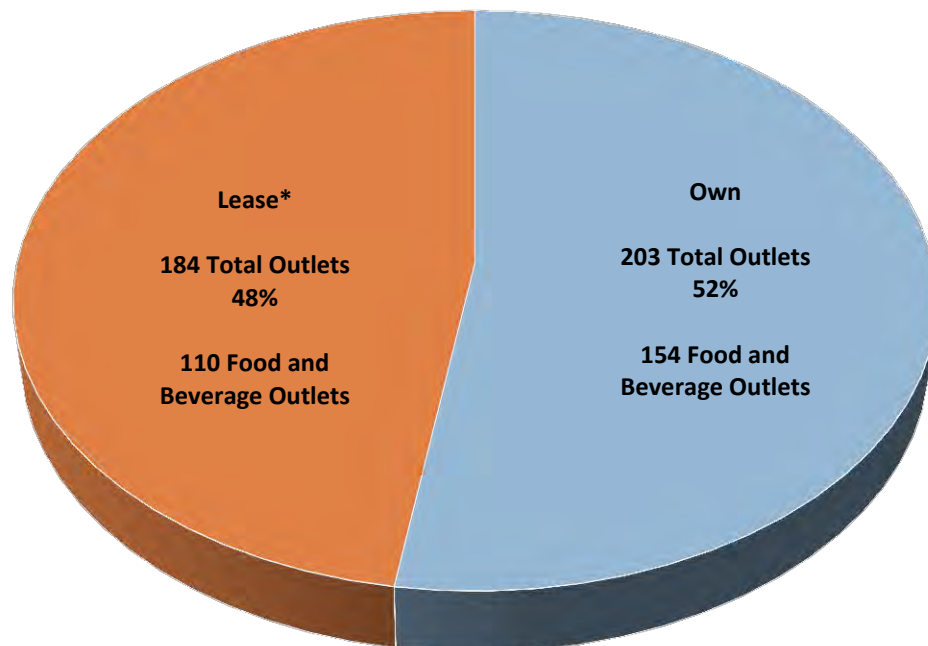


* Internet gaming started in November 2013.

Source of data: Quarterly Financial Reports Forms DGE-210 and DGE-245.

FOOD & BEVERAGE AND RETAIL OUTLETS WITHIN ATLANTIC CITY CASINOS OWN vs. LEASE CITYWIDE

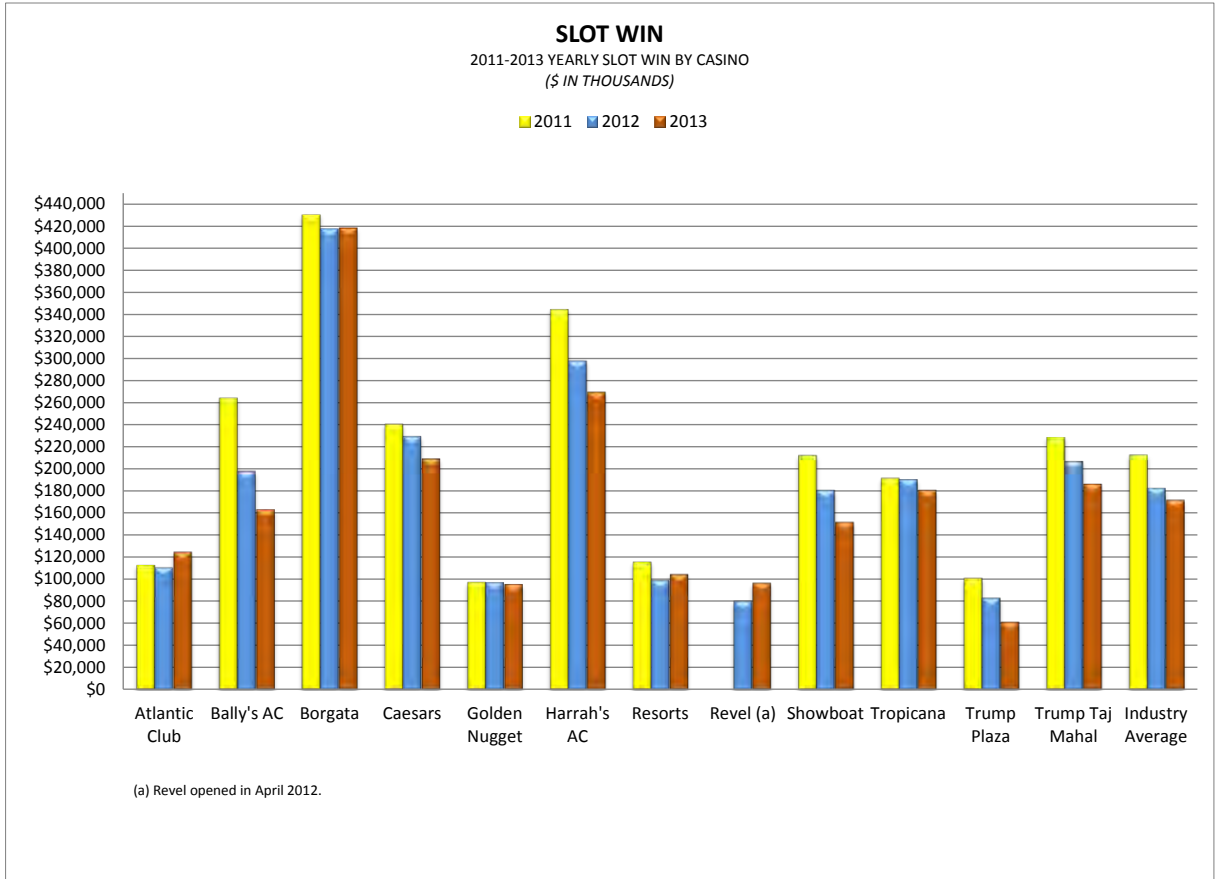
INFORMATION CONFIRMED DURING THE PERIOD SEPTEMBER THROUGH DECEMBER 2013



*Third Party Business Sales include food, beverage, retail, entertainment and hospitality related items which added an additional \$289,067,000 in 2013 non-gaming revenue and represented an increase of 17.5% from 2012.

In 2013, the number of Food & Beverage outlets increased 10.5% from 2012.

Source of data: Atlantic City casinos.



| (\$ in Thousands) | SLOT WIN | | | PROMOTIONAL GAMING CREDITS | | | PROMOTIONAL GAMING CREDITS AS A % OF SLOT WIN | | |
|-------------------------|--------------------|--------------------|--------------------|----------------------------|------------------|------------------|---|--------------|--------------|
| | 2011 | 2012 | 2013 | 2011 | 2012 | 2013* | 2011 | 2012 | 2013 |
| Atlantic Club | \$113,093 | \$110,677 | \$124,925 | \$26,751 | \$33,571 | \$37,536 | 23.7% | 30.3% | 30.0% |
| Bally's AC | \$264,441 | \$197,915 | \$163,416 | \$54,503 | \$38,626 | \$31,152 | 20.6% | 19.5% | 19.1% |
| Borgata | \$430,412 | \$417,234 | \$418,408 | \$72,208 | \$69,124 | \$70,371 | 16.8% | 16.6% | 16.8% |
| Caesars | \$240,740 | \$229,462 | \$209,422 | \$44,571 | \$42,237 | \$38,123 | 18.4% | 18.4% | 18.2% |
| Golden Nugget | \$97,553 | \$97,279 | \$95,605 | \$20,759 | \$21,514 | \$20,221 | 21.3% | 22.1% | 21.2% |
| Harrah's AC | \$344,630 | \$297,882 | \$269,851 | \$53,810 | \$44,208 | \$40,024 | 15.6% | 14.8% | 14.8% |
| Resorts | \$115,873 | \$99,141 | \$104,551 | \$29,531 | \$21,700 | \$23,496 | 25.5% | 21.9% | 22.5% |
| Revel (b) | - | \$80,264 | \$96,836 | - | \$21,254 | \$22,032 | - | 26.5% | 22.8% |
| Showboat | \$212,569 | \$180,807 | \$151,986 | \$50,811 | \$37,631 | \$29,520 | 23.9% | 20.8% | 19.4% |
| Tropicana | \$191,905 | \$190,372 | \$180,858 | \$34,122 | \$36,056 | \$36,409 | 17.8% | 18.9% | 20.1% |
| Trump Plaza | \$101,103 | \$83,119 | \$61,542 | \$22,539 | \$20,077 | \$13,295 | 22.3% | 24.2% | 21.6% |
| Trump Taj Mahal | \$228,837 | \$206,902 | \$186,424 | \$45,545 | \$44,025 | \$37,784 | 19.9% | 21.3% | 20.3% |
| INDUSTRY TOTAL | \$2,341,156 | \$2,191,055 | \$2,063,826 | \$455,150 | \$430,023 | \$399,963 | - | - | - |
| INDUSTRY AVERAGE | \$212,832 | \$182,588 | \$171,986 | \$41,377 | \$35,835 | \$33,330 | 19.4% | 19.6% | 19.4% |

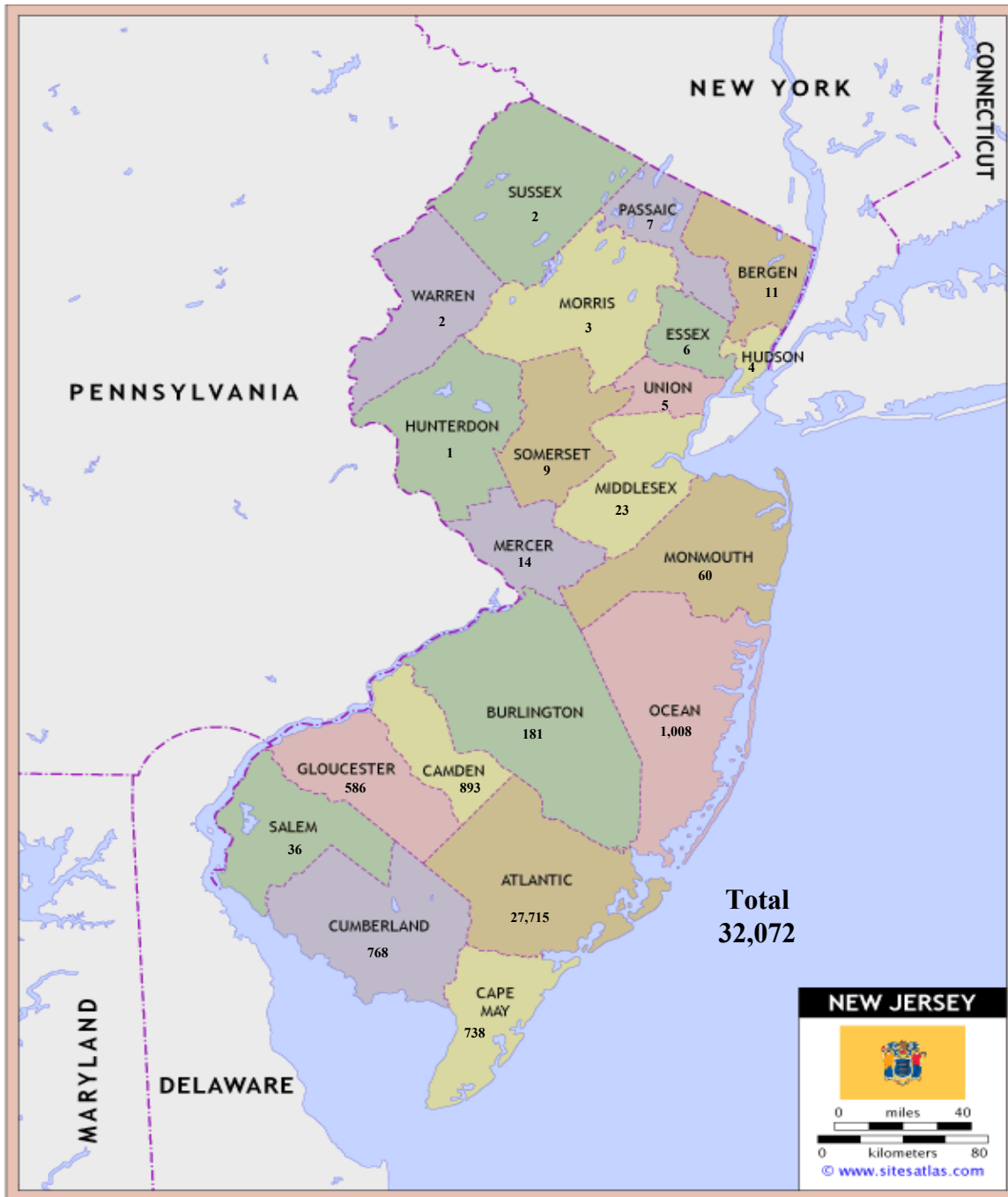
As of March 2011, source of data is Form DGE-101, Monthly Press Releases and Statistical Summaries by the DGE.

* As of December 2013, promotional gaming credits include Internet promotional gaming credits.

Note: Prior win figures may have been updated from last year's report due to amendments. Columns may not foot due to rounding. The analysis on this page ignores the impact of free slot play comps on revenue sources other than slot win, and the impact and dollar amount of non-gaming comps on slot win.

Source of data: Monthly Gross Revenue Reports Form DGE-101 (as of 01/14/14), DGE Monthly Press Releases and Statistical Summaries.

ATLANTIC CITY CASINO LICENSEES EMPLOYMENT BY COUNTY
 FOR THE YEAR ENDED DECEMBER 31, 2013

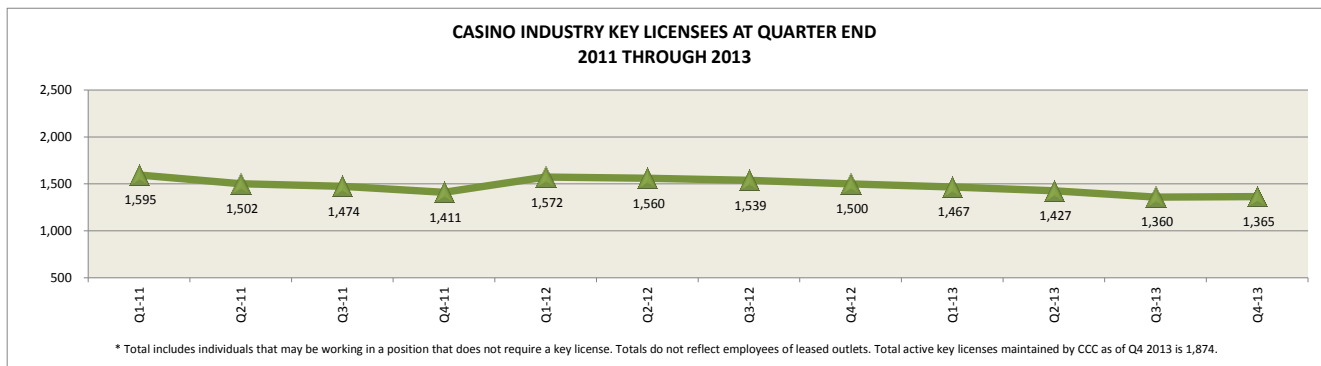
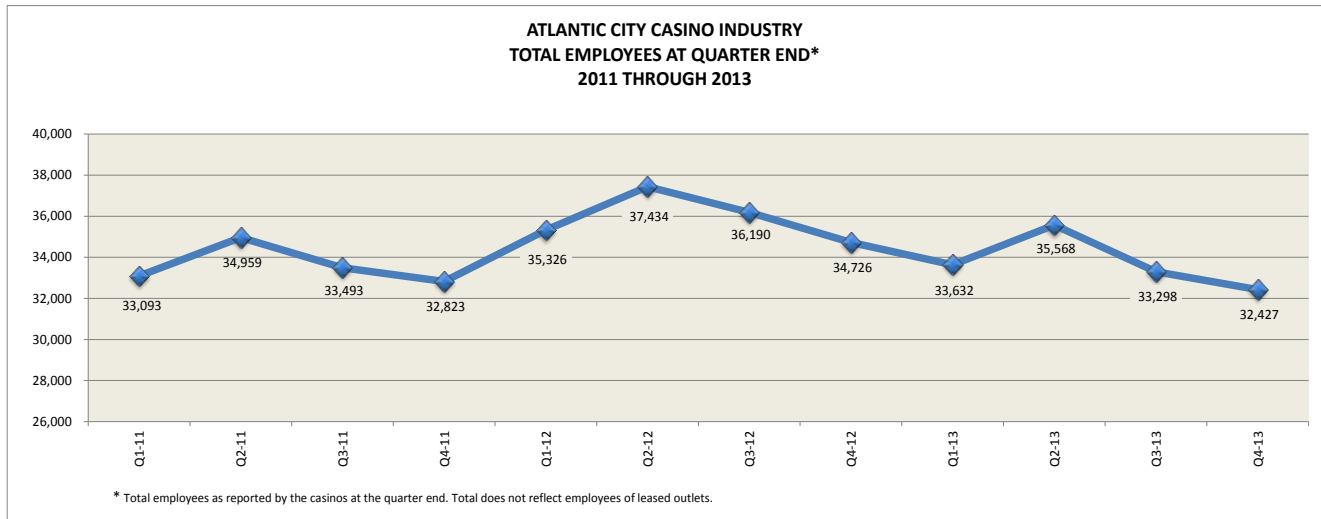


Note: Margin of error for total casino hotel employees is 1.1%. Map used with permission.

**NEW JERSEY CASINO INDUSTRY EMPLOYMENT STATISTICS
FOR THE THREE YEARS ENDED DECEMBER 31, 2013**

| | 2013 | 2012 | 2011 |
|------------------------|--------------|--------------|--------------|
| Atlantic Club | 1,663 | 1,741 | 1,701 |
| Bally's A.C. | 3,147 | 3,418 | 3,856 |
| Borgata | 5,841 | 5,936 | 6,211 |
| Caesars | 2,850 | 2,996 | 3,090 |
| Golden Nugget | 1,881 | 1,779 | 1,660 |
| Harrah's A.C. | 3,639 | 3,924 | 4,115 |
| Resorts | 1,884 | 1,962 | 1,933 |
| Revel | 2,792 | 3,516 | |
| Showboat | 2,159 | 2,308 | 2,488 |
| Tropicana | 2,748 | 2,918 | 2,952 |
| Trump Plaza | 1,046 | 1,177 | 1,442 |
| Trump Taj Mahal | <u>2,777</u> | <u>3,051</u> | <u>3,375</u> |
| Industry Totals | *32,427 | 34,726 | 32,823 |

*23,436 (72.3%) are full time employees, 4,634 (14.3%) are part time employees and 4,357 (13.4%) are considered other employees. Total does not reflect employees of leased retail and food & beverage outlets.

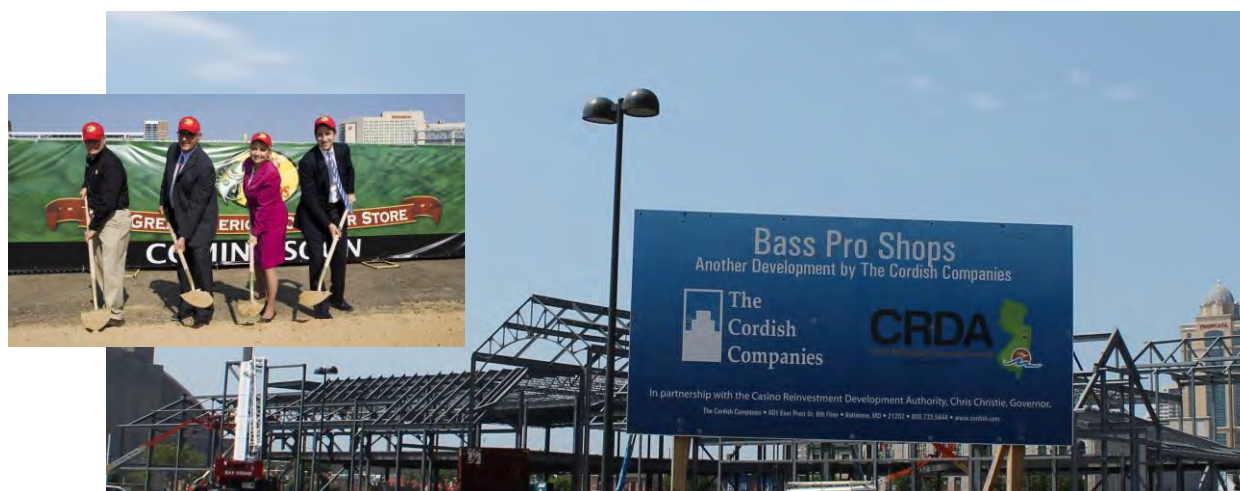


**NEW JERSEY CASINO INDUSTRY SALARIES AND WAGES
FOR THE THREE YEARS ENDED DECEMBER 31, 2013
(\$ IN THOUSANDS)**

| | 2013 | 2012 | 2011 |
|--------------------------|---------------|---------------|---------------|
| Atlantic Club (a) | \$ 38,874 | \$ 42,436 (a) | \$ 52,972 |
| Bally's A.C. | 69,734 | 79,548 | 95,179 |
| Borgata | 141,424 | 145,892 | 149,059 |
| Caesars | 69,981 | 74,150 | 81,554 |
| Golden Nugget (b) | 41,161 | 40,292 | 23,795 (b) |
| Harrah's A.C. | 76,099 | 83,985 | 89,741 |
| Resorts (c) | 42,641 | 42,714 | 46,782 (c) |
| Revel (d) | 82,581 | 70,360 | |
| Showboat | 48,518 | 54,843 | 59,976 |
| Tropicana | 66,517 | 69,937 | 73,553 |
| Trump Marina (b) | | | 16,796 |
| Trump Plaza | 25,311 | 34,438 | 45,620 |
| Trump Taj Mahal | <u>71,737</u> | <u>75,887</u> | <u>88,656</u> |
| Industry Totals | \$ 774,578 | \$ 814,482 | \$ 823,683 |

- (a) In March 2012, ACH was renamed Atlantic Club.
- (b) In May 2011, Golden Nugget began operations after acquiring the Trump Marina property.
- (c) Resorts was under Resorts International Hotel, Inc. management until December 6, 2010 and operating as DGMB Casino, LLC since December 7, 2010.
- (d) Revel opened in April, 2012.

Source of data: DGE-370.



HOTEL OCCUPANCY RATES FOR ATLANTIC CITY CASINOS

2011-2013 YEARLY AVERAGES BY CASINO



(a) Revel opened in April 2012.

Source of data: DGE Quarterly Press Releases and Statistical Summaries.

ATLANTIC CITY CASINO INDUSTRY HOTEL ROOM STATISTICS

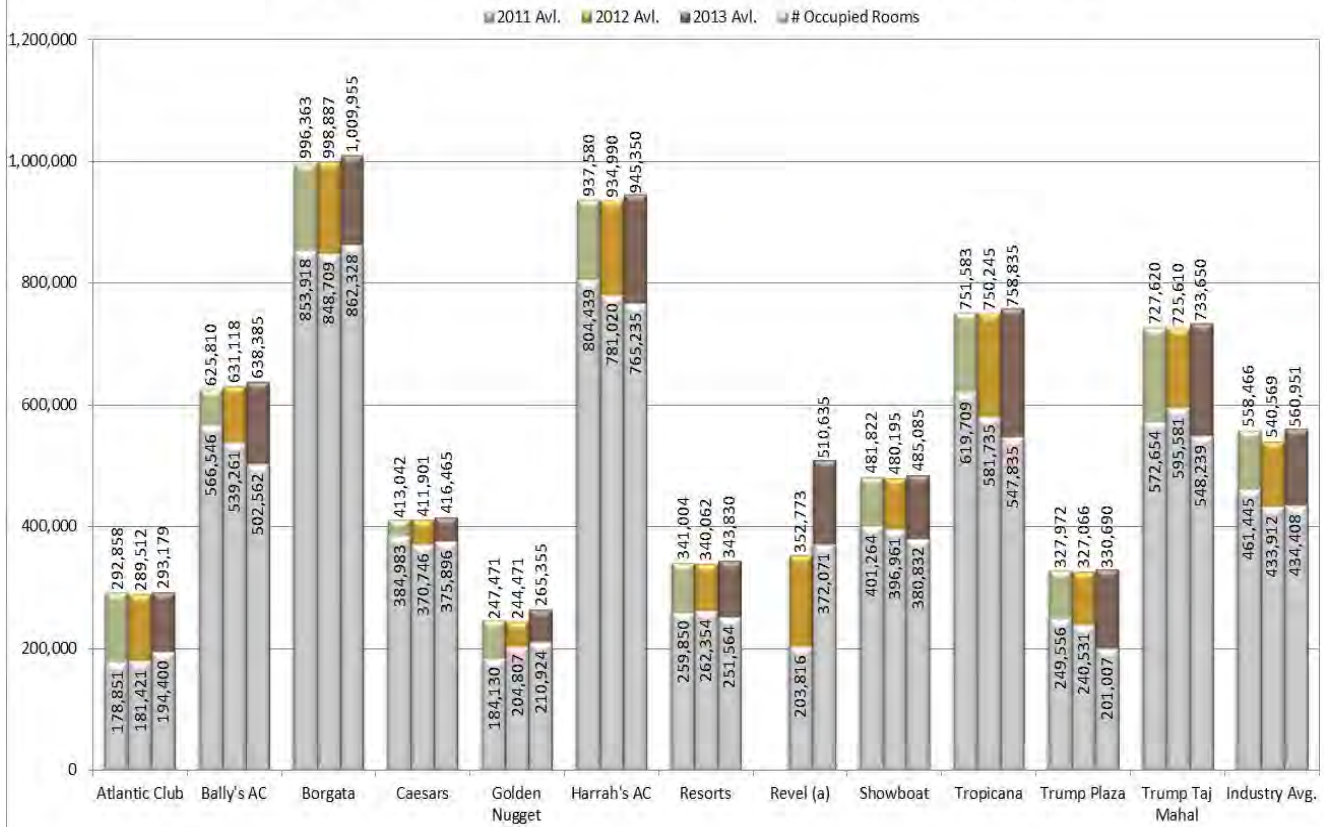
AT THE YEAR ENDED DECEMBER 31, 2013

| | Atlantic Club | Bally's AC | Borgata | Caesars | Golden Nugget | Harrah's AC | Resorts | Revel | Showboat | Tropicana | Trump Plaza | Trump Taj Mahal | Industry Total |
|---------------------------------------|---------------|------------|---------|---------|---------------|-------------|---------|-------|----------|-----------|-------------|-----------------|----------------|
| # of Hotel Rooms (a) | 809 | 1,749 | 2,767 | 1,141 | 727 | 2,590 | 942 | 1,399 | 1,329 | 2,079 | 906 | 2,010 | 18,448 |
| Average Rate per Occupied Room | \$61 | \$90 | \$131 | \$100 | \$91 | \$95 | \$77 | \$127 | \$89 | \$91 | \$92 | \$89 | \$99 |

(a) Number of guest rooms at end of year.

Source of data: DGE Quarterly Press Releases and Statistical Summaries.

ATLANTIC CITY CASINOS NUMBER OF AVAILABLE ROOM NIGHTS VS. NUMBER OF OCCUPIED ROOM NIGHTS



(a) Revel opened in April 2012.

Source of data: DGE 2011-2013 Quarterly Press Releases and Statistical Summaries.



NUMBER OF OCCUPIED ROOM NIGHTS FOR ATLANTIC CITY CASINOS

FOR THE TWO YEARS ENDED DECEMBER 31, 2012 AND 2013

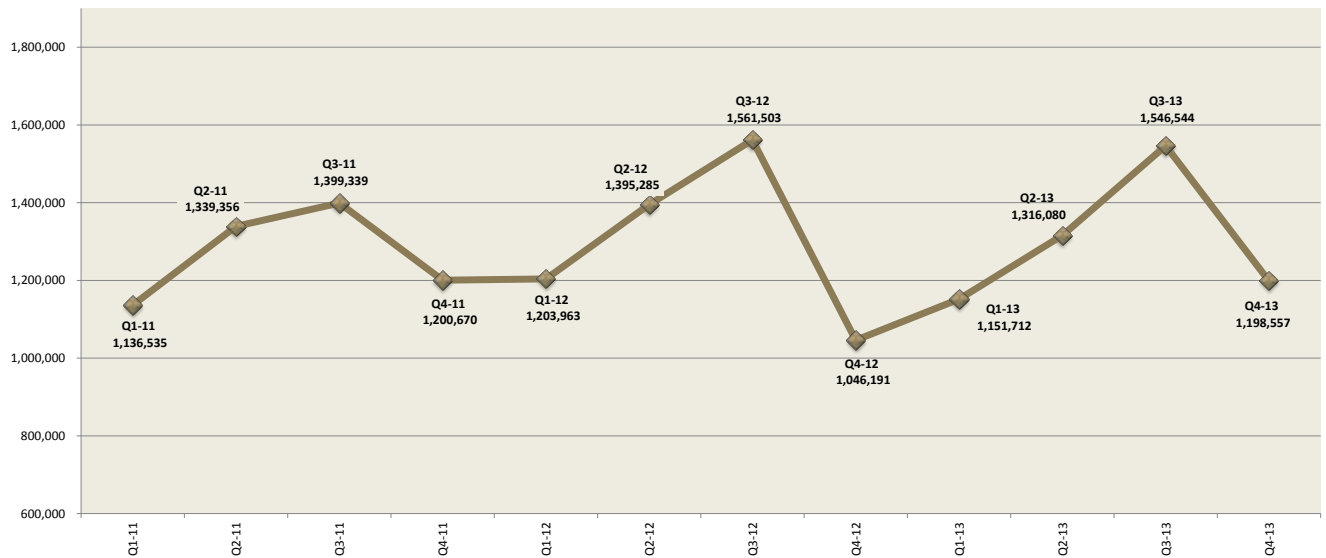
| Casino | 2012 | 2013 | Difference | % Difference |
|-----------------|-----------|-----------|------------|--------------|
| Atlantic Club | 181,421 | 194,400 | 12,979 | 7.2% |
| Bally's AC | 539,261 | 502,562 | (36,699) | -6.8% |
| Borgata | 848,709 | 862,328 | 13,619 | 1.6% |
| Caesars | 370,746 | 375,896 | 5,150 | 1.4% |
| Golden Nugget | 204,807 | 210,924 | 6,117 | 3.0% |
| Harrah's Marina | 781,020 | 765,235 | (15,785) | -2.0% |
| Resorts | 262,354 | 251,564 | (10,790) | -4.1% |
| Revel (a) | 203,816 | 372,071 | 168,255 | 82.6% |
| Showboat | 396,961 | 380,832 | (16,129) | -4.1% |
| Tropicana | 581,735 | 547,835 | (33,900) | -5.8% |
| Trump Plaza | 240,531 | 201,007 | (39,524) | -16.4% |
| Trump Taj Mahal | 595,581 | 548,239 | (47,342) | -7.9% |
| Industry Totals | 5,206,942 | 5,212,893 | 5,951 | 0.1% |

Yellow ■ indicates an increase from 2012.

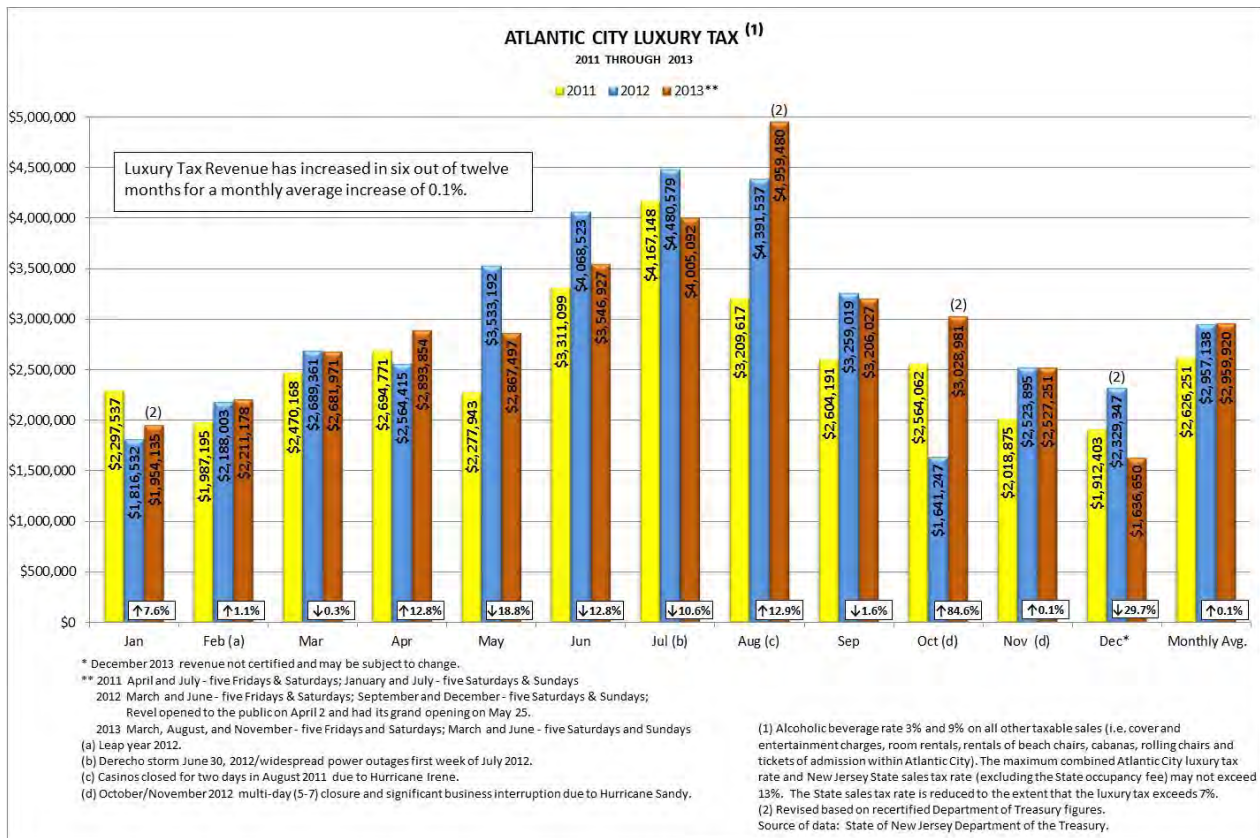
(a) Revel opened in April 2012.

Source of data: DGE Quarterly Press Releases and Statistical Summaries.

**ATLANTIC CITY CASINO INDUSTRY
NUMBER OF OCCUPIED ROOM NIGHTS BY QUARTER
2011 THROUGH 2013**

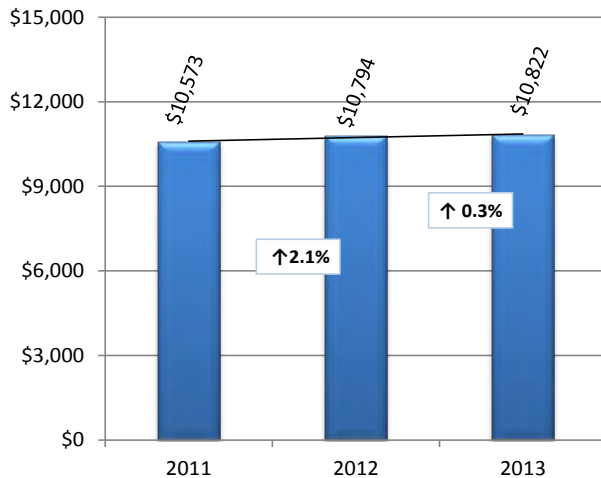


Source of data: Quarterly Press Releases and Statistical Summaries by the DGE.



ATLANTIC CITY TOURISM PROMOTIONAL FEE REVENUE ⁽¹⁾

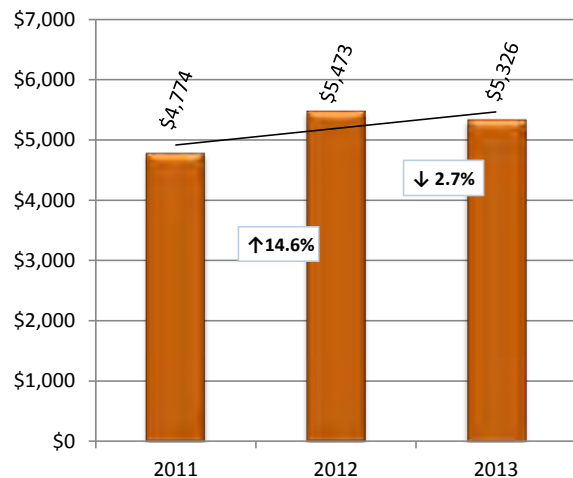
FOR THE THREE YEARS ENDED DECEMBER 31, 2013
(\$ IN THOUSANDS)



(1) \$1 or \$2 fee per occupied hotel/motel room in Atlantic City as reported by the Division of Taxation. Source of Data: State of New Jersey Department of the Treasury.

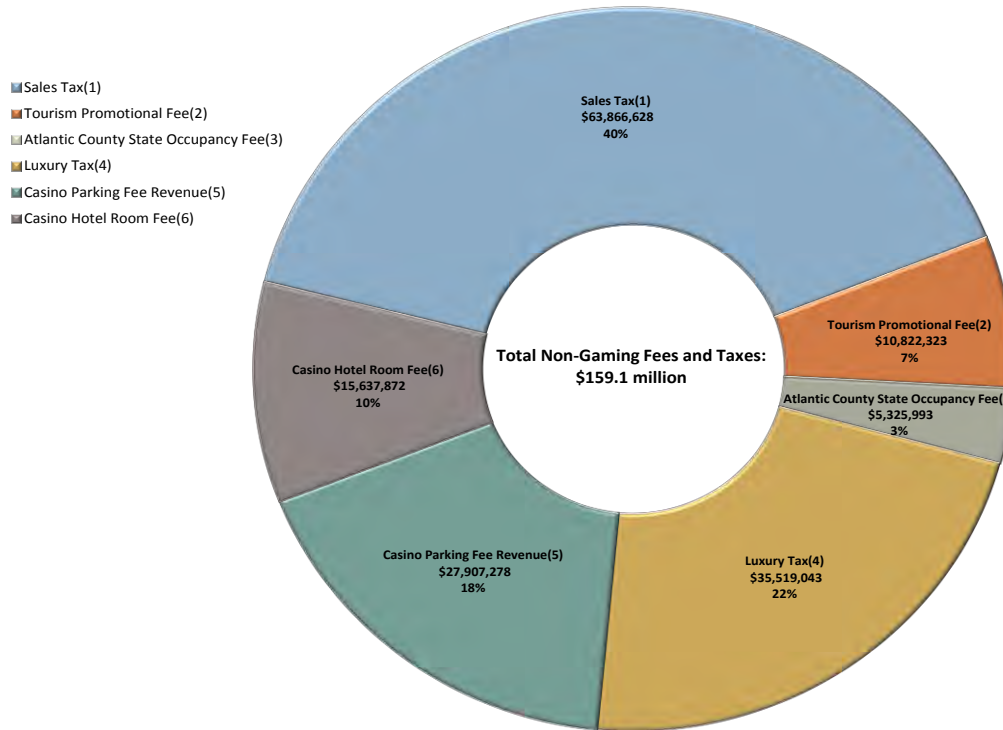
ATLANTIC COUNTY STATE OCCUPANCY FEE REVENUE ⁽¹⁾

FOR THE THREE YEARS ENDED DECEMBER 31, 2013
(\$ IN THOUSANDS)



(1) The State Occupancy Fee in Atlantic City is 1%. The general State Occupancy Fee rate is 5%. The State Occupancy Fee is imposed on room rentals that are currently subject to New Jersey Sales Tax and is in addition to the Sales Tax. Source of Data: State of New Jersey Department of the Treasury, Division of Taxation - Hotel/Motel information County Totals Reports 2011 - 2013.

**ATLANTIC CITY/COUNTY
2013 SIX SELECTED NON-GAMING FEES AND TAXES**

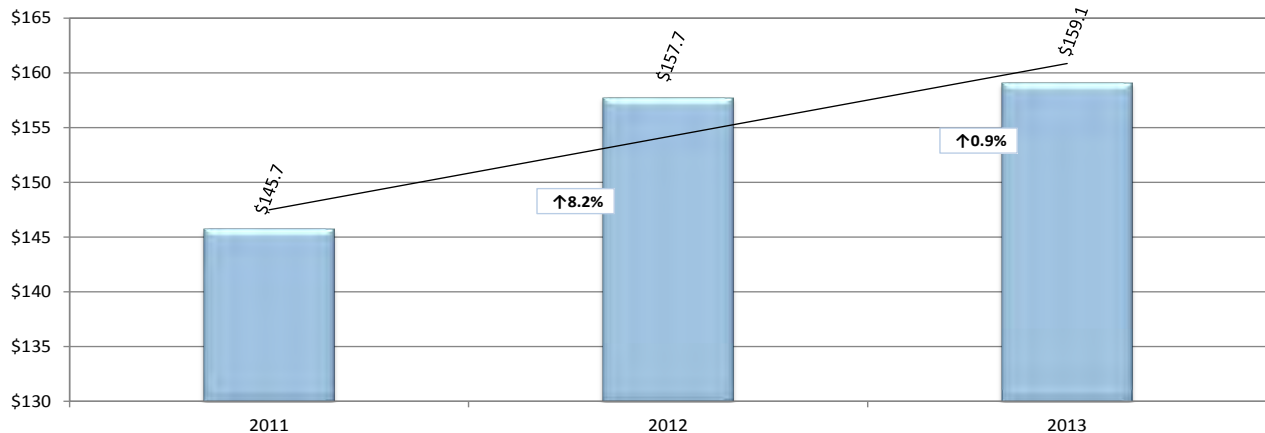


(1) Sales tax revenue does not typically include business entities that have Atlantic City locations but are primarily based outside of Atlantic City.
 (2) \$1 or \$2 fee per occupied hotel/motel room in Atlantic City as reported by the Division of Taxation.
 (3) The State Occupancy Fee in Atlantic City is 1%. The general State Occupancy Fee rate is 5%. The State Occupancy Fee is imposed on room rentals that are currently subject to New Jersey Sales Tax and is in addition to the Sales Tax.

(4) Alcoholic beverage rate 3% and 9% on all other taxable sales (i.e. cover and entertainment charges, room rentals, rentals of beach chairs, cabanas, rolling chairs and tickets of admission within Atlantic City). The maximum combined Atlantic City Luxury Tax rate and New Jersey State Sales Tax rate (excluding the State Occupancy Fee) may not exceed 13%. The State Sales Tax rate is reduced to the extent that the Luxury Tax exceeds 7%.
 (5) Casino Parking Fee requires casinos to remit a fee of \$3.00 per day for any parking space in use in their facility.
 (6) A \$3 Casino Hotel Room Fee is charged on each hotel room in a casino hotel that is occupied by a guest.

Source of data: State of New Jersey Department of the Treasury, Division of Taxation and DGE 4th Quarter 2013 Press Release.

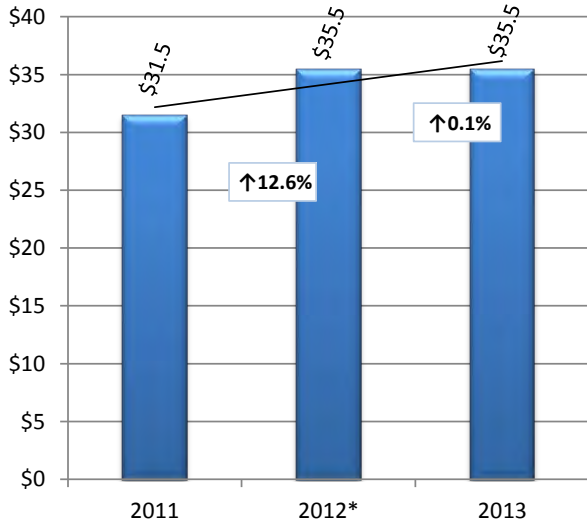
**ATLANTIC CITY/COUNTY
SIX SELECTED NON-GAMING FEES AND TAXES (a)
FOR THE THREE YEARS ENDED DECEMBER 31, 2013
(\$ IN MILLIONS)**



(a) Total Non-gaming Fees and Taxes includes: Sales Tax, Tourism Promotional Fee, Atlantic County State Occupancy Fee, Luxury Tax, Casino Parking Fee and Casino Hotel Room Fee revenues.

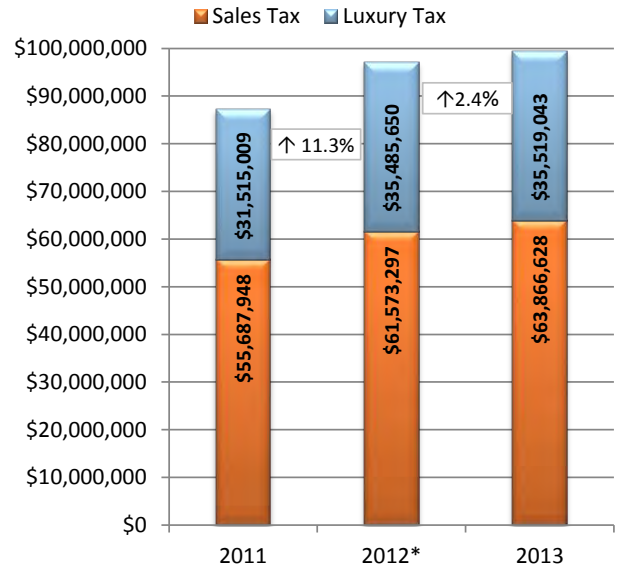
Source of data: State of New Jersey Department of the Treasury, Division of Taxation and DGE 4th Quarter 2013 Press Releases.

ATLANTIC CITY LUXURY TAX
FOR THE THREE YEARS ENDED DECEMBER 31, 2013
(\$ IN MILLIONS)



* Revised March 2013 based on recertified Department of Treasury figures.
Note: Alcoholic beverage rate 3% and 9% on all other taxable sales (i.e. cover and entertainment charges, room rentals, rentals of beach chairs, cabanas, rolling chairs and tickets of admission within Atlantic City). The maximum combined Atlantic City luxury tax rate and New Jersey State sales tax rate (excluding the State occupancy fee) may not exceed 13%. The State sales tax rate is reduced to the extent that the luxury tax exceeds 7%.
Source of data: State of New Jersey Department of the Treasury.

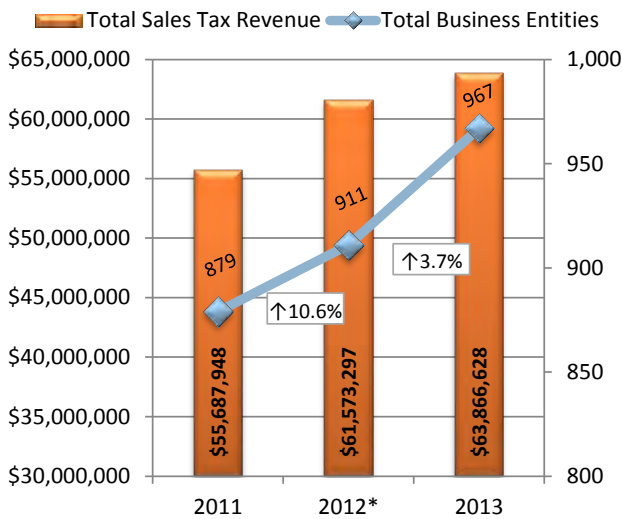
**ATLANTIC CITY
COMBINED SALES & LUXURY TAX
REVENUE**
FOR THE THREE YEARS ENDED DECEMBER 31, 2013



* Revel opened in April 2012.

Source of data: State of New Jersey Department of the Treasury, Division of Taxation.
Updated as of 03/04/14

**ATLANTIC CITY
TOTAL SALES TAX REVENUE (left) AND
TOTAL BUSINESS ENTITIES (right)**
FOR THE THREE YEARS ENDED DECEMBER 31, 2013



*Revel opened in April 2012.

Note: Business entities that have Atlantic City locations but are primarily based outside of Atlantic City are not typically included in sales tax revenue for Atlantic City. Total number represents Atlantic City-based business entities active at any time during the year. Subject to change. Source of data: State of New Jersey Department of the Treasury, Division of Taxation.
Updated as of 03/04/14



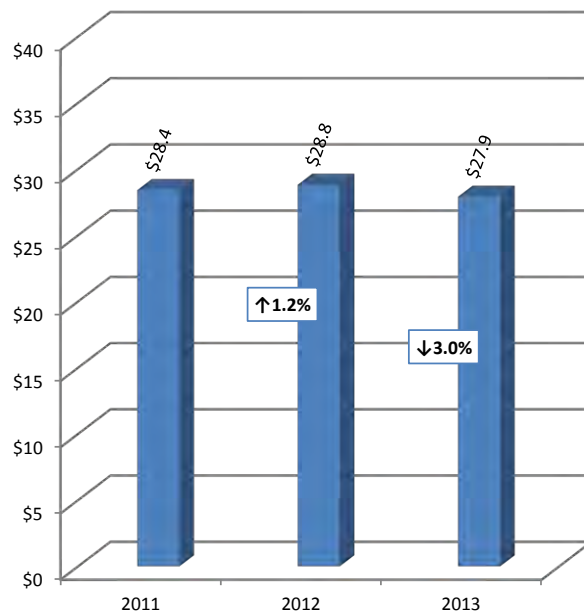
**ATLANTIC CITY CASINO INDUSTRY CASINO PARKING FEE REVENUE
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012 (\$ IN THOUSANDS)**

| | 2013 | 2012 | Growth (Decline) | |
|--------------|------------------|------------------|------------------|--------------|
| | | | \$ | % |
| January | \$1,937 | \$ 2,082 | (145) | (7.0) |
| February | 1,864 | 2,131 | (267) | (12.5) |
| March | 2,303 | 2,387 | (84) | (3.5) |
| April | 2,129 | 2,472 | (343) | (13.9) |
| May | 2,334 | 2,537 | (203) | (8.0) |
| June | 2,507 | 2,704 | (197) | (7.3) |
| July | 2,906 | 3,133 | (227) | (7.2) |
| August | 3,033 | 3,118 | (85) | (2.7) |
| September | 2,422 | 2,600 | (178) | (6.8) |
| October | 2,147 | 1,934 | 213 | 11.0 |
| November | 2,238 | 1,581 | 657 | 41.6 |
| December | <u>2,087</u> | <u>2,102</u> | <u>(15)</u> | <u>(0.7)</u> |
| Total | \$ 27,907 | \$ 28,781 | (874) | (3.0) |

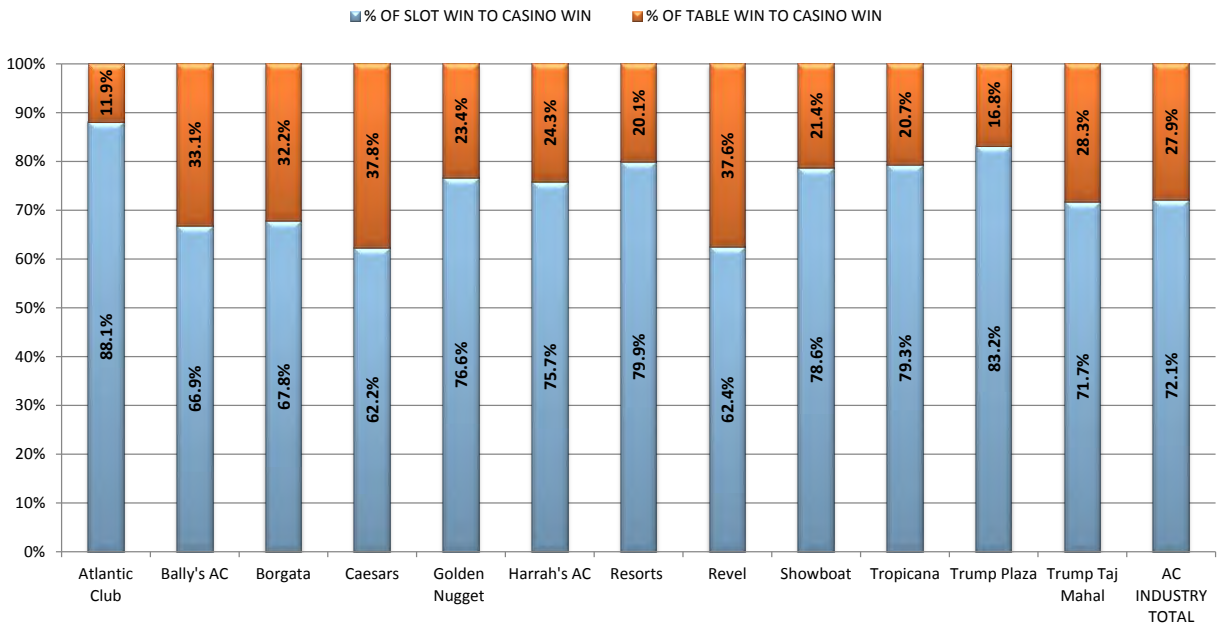
**ATLANTIC CITY
CASINO INDUSTRY
NUMBER OF PARKING SPACES
FOR THE YEAR ENDED DECEMBER 31, 2013**

| | |
|------------------------|---------------|
| Atlantic Club | 1,406 |
| Bally's A.C. | 2,668 |
| Borgata | 6,433 |
| Caesars | 5,346 |
| Golden Nugget | 2,690 |
| Harrah's A.C. | 5,635 |
| Resorts | 1,871 |
| Revel | 7,657 |
| Showboat | 3,440 |
| Tropicana | 4,975 |
| Trump Plaza | 2,618 |
| Trump Taj Mahal | <u>5,806</u> |
| Industry Totals | 50,545 |

**ATLANTIC CITY CASINO INDUSTRY
CASINO PARKING FEE REVENUE
FOR THE THREE YEARS ENDED DECEMBER 31, 2013
(\$ IN MILLIONS)**



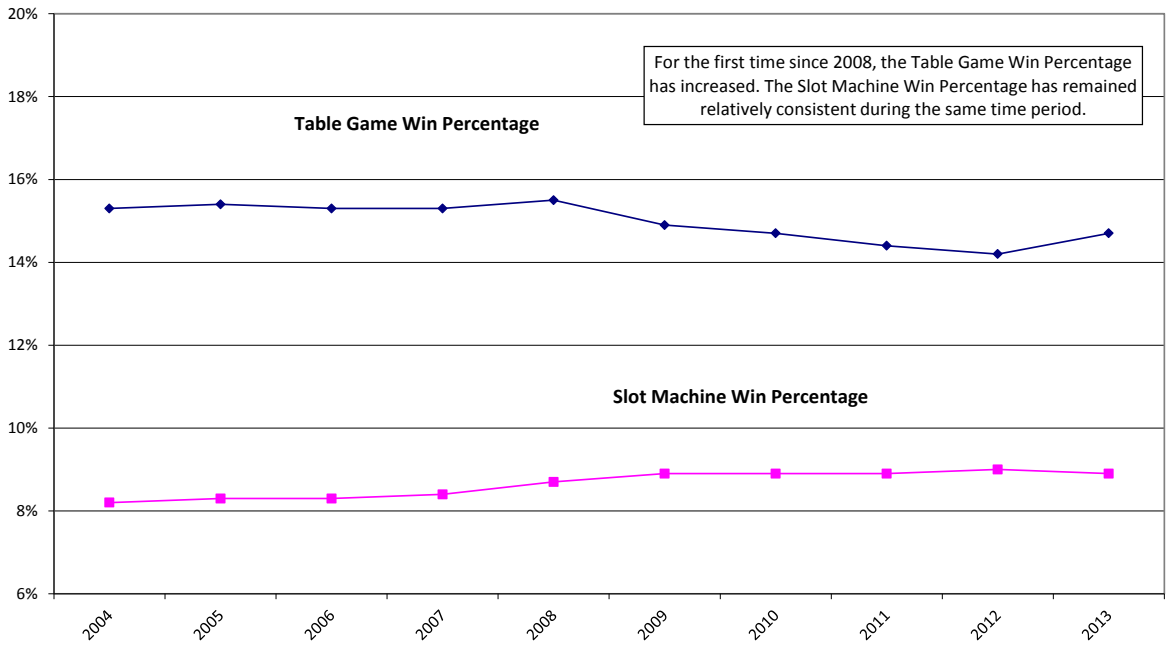
**ATLANTIC CITY CASINO INDUSTRY
SLOT AND TABLE GAME WIN AS A PERCENT OF CASINO WIN***
FOR THE YEAR ENDED DECEMBER 31, 2013



* Casino Win includes Keno and Non-Banking Poker.

Source of data: Monthly Gross Revenue Reports Form DGE-101 as of 01/14/14.

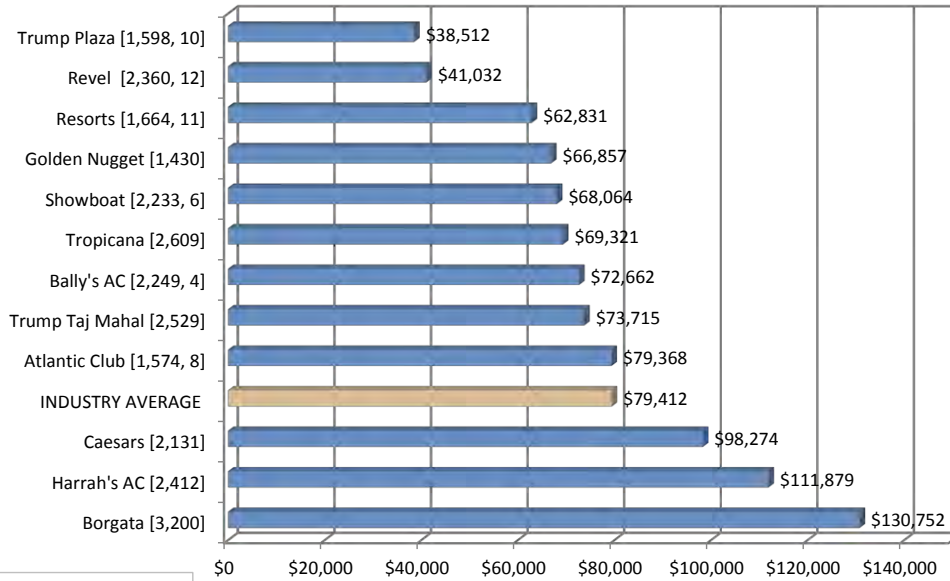
**ATLANTIC CITY CASINO INDUSTRY
SLOT MACHINE AND TABLE GAME WIN PERCENTAGES
HISTORICAL HOLD DATA**
FOR THE TEN YEARS ENDED DECEMBER 31, 2013



For the first time since 2008, the Table Game Win Percentage has increased. The Slot Machine Win Percentage has remained relatively consistent during the same time period.

Source of data: Monthly Gross Revenue Reports Form DGE-101.

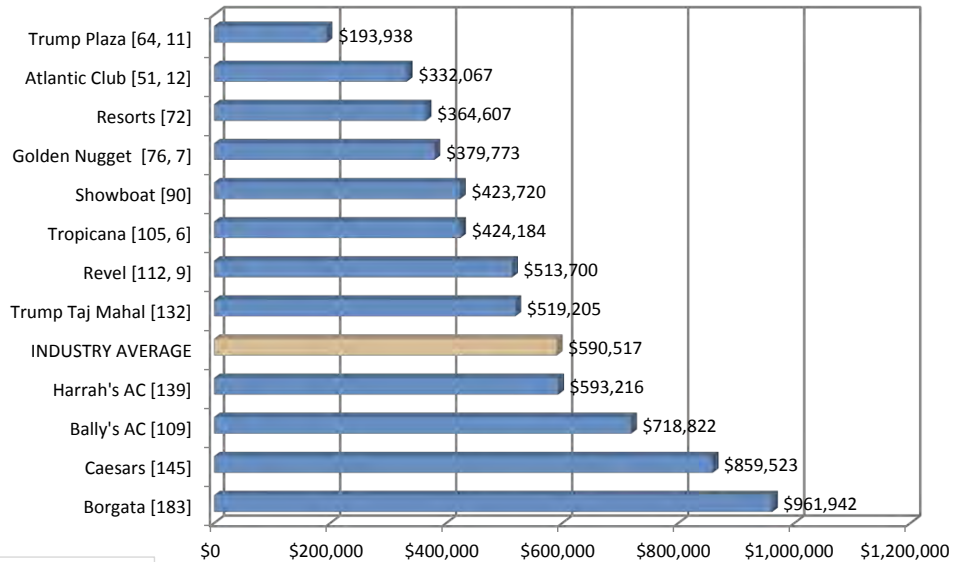
**ATLANTIC CITY CASINO INDUSTRY
SLOT MACHINE WIN PER MACHINE**
FOR THE YEAR ENDED DECEMBER 31, 2013



[] Brackets next to casino name indicate the average number of slot machines at the property and prior year's ranking if different.

Source of data: Monthly Gross Revenue Reports Form DGE-101 (as of 01/14/14)

**ATLANTIC CITY CASINO INDUSTRY
TABLE GAME WIN PER TABLE, EXCLUDING NON-BANKING POKER**
FOR THE YEAR ENDED DECEMBER 31, 2013



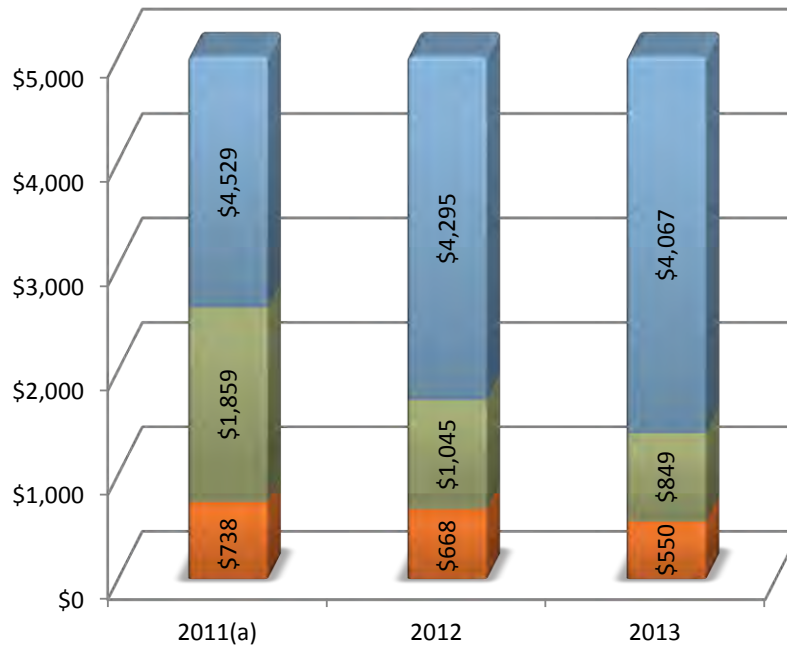
[] Brackets next to casino name indicate the average number of tables at that property and prior year's ranking if different.

Source of data: Monthly Gross Revenue Reports Form DGE-101 (as of 01/14/14)

ATLANTIC CITY CASINO INDUSTRY TOTAL REVENUE AND DOLLAR VOLUME OF VENDOR BUSINESS

FOR THE THREE YEARS ENDED DECEMBER 31, 2013
(*\$ IN MILLIONS*)

■ Volume of Non-NJ Vendor Business
 ■ Volume of NJ Vendor Business
 ■ Total Revenue*



*Total revenue includes casino, rooms, food & beverage and other but is unadjusted for promotional allowances.

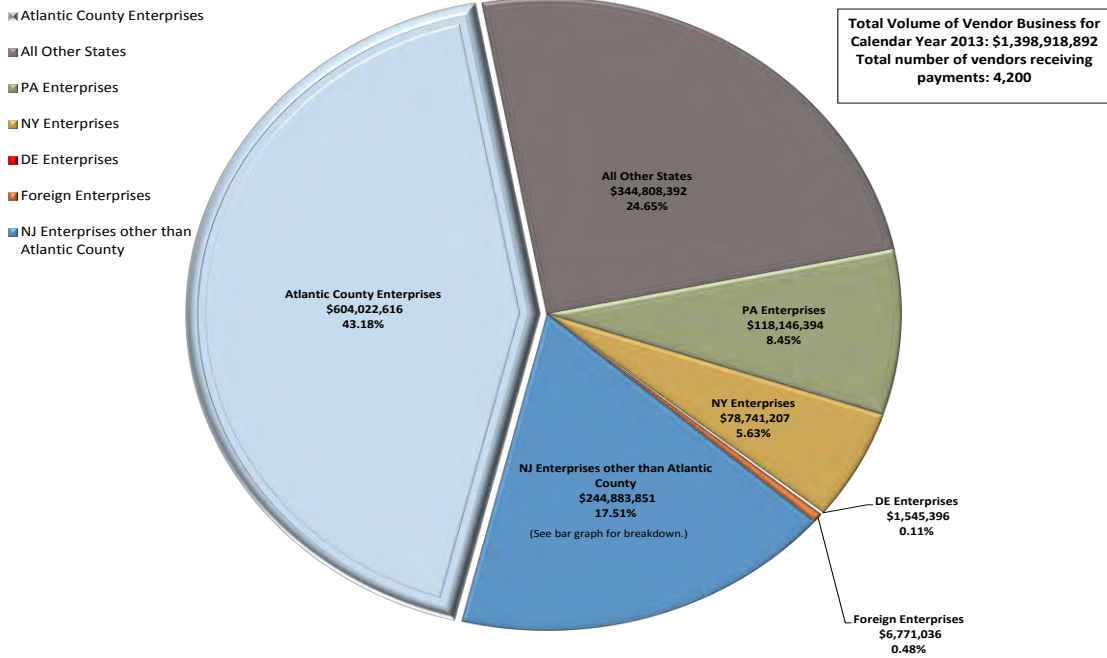
(a) Increase in vendor business primarily due to start-up cost of Revel which opened in April 2012.

Source of data: CCC Annual Reports 2011-2012, Quarterly Press Releases and Statistical Summaries by the DGE 2011-2013 and DGE Annual Employee & Vendor Statistics - Total Vendor Volume of Business Report 2013.



Photo Credit: Atlantic City Race Week

**ATLANTIC CITY CASINO INDUSTRY
TOTAL DOLLAR VOLUME OF VENDOR BUSINESS***
FOR THE YEAR ENDED DECEMBER 31, 2013

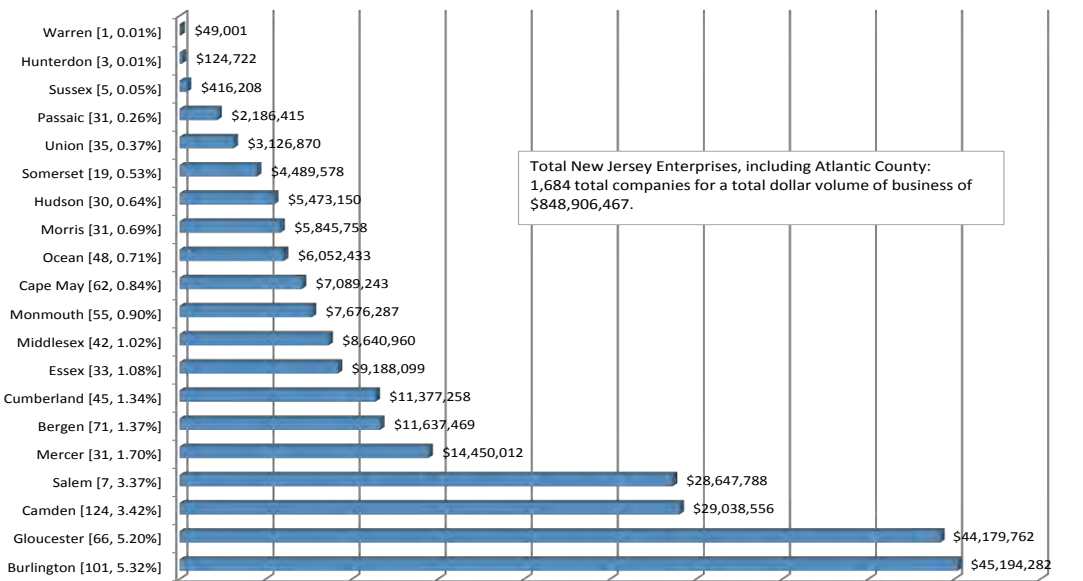


*Dollar Volume of Business represents only those monies paid by casino licensees for goods and services including disbursements to subcontractors. This figure does not include such payments as governmental taxes, fines and fees, charitable contributions, guest losses or court garnishments.

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

Source of data: DGE Annual Employee & Vendor Statistics - Total Vendor Volume of Business Report.

**NEW JERSEY ENTERPRISES OTHER THAN ATLANTIC COUNTY
TOTAL VOLUME OF VENDOR BUSINESS**
FOR THE YEAR ENDED DECEMBER 31, 2013



[] Brackets next to county indicate total companies contributing and percent of total \$ business.

Source of data: DGE Annual Employee & Vendor Statistics - Total Vendor Volume of Business Report.



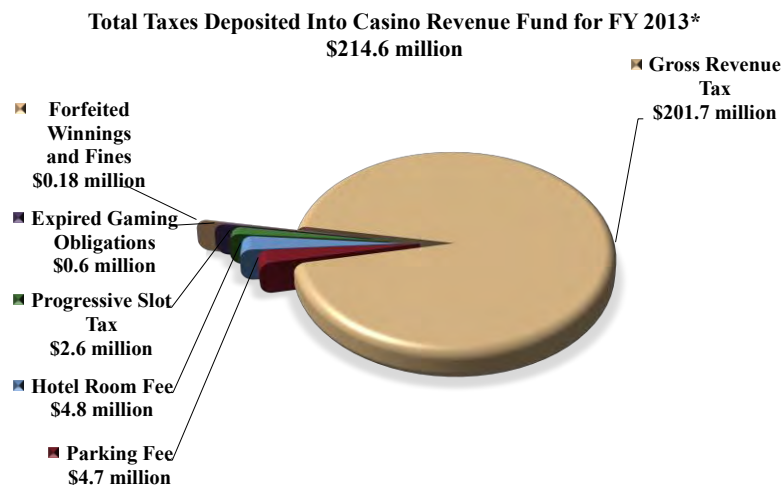
CASINO REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

New Jersey casinos pay the state 8 percent tax on their gross revenues appropriated to the Casino Revenue Fund for the benefit of the aged and disabled citizens of the State of New Jersey. Gross gaming revenue is the amount casinos win from gamblers after all payouts have been made.

Funding is generated through two casino related taxes and five casino related fees. The largest is an 8 percent tax on casino gross revenues and can only be spent on programs that benefit New Jersey State seniors and people with disabilities.

The responsibility for administering these taxes and fees resides with the Division of Gaming Enforcement, Division of Taxation and the Casino Control Commission.

- ▶ Gross Revenue Tax includes audit assessments, penalties, interest and other adjustments.
- ▶ Casino Parking Fee requires casinos to remit a fee of \$3.00 per day for any parking space in use in their facility. In FY 13, \$0.50 of the parking fee revenue was deposited into the Casino Revenue Fund, with the remaining \$2.50 forwarded to the Casino Reinvestment Development authority (CRDA) for statutorily restricted projects.
- ▶ Casino Room Fee requires casinos to remit \$3.00 per day for each hotel room occupied by a guest. In FY 13, \$1.00 went to the CRDA and \$2.00 went into the Casino Revenue Fund.
- ▶ Multi-Casino Progressive Slot Tax assesses an 8 percent tax on casino service industry multi-casino progressive slot revenue.
- ▶ Expired Obligations - Casinos are required to remit a percentage of each expiring gaming obligation.
- ▶ Forfeited Winnings: Winnings of underage gamblers or excluded persons are subject to forfeiture. Forfeitures under \$100,000 are split equally between Casino Revenue Fund and Compulsive Gambling Programs. For forfeitures over \$100,000, Compulsive Gambling Programs get \$50,000 and the balance goes to the Casino Revenue Fund.
- ▶ Fines: The first \$600,000 of fines imposed on casinos in a fiscal year goes to the General Fund for Compulsive Gaming Programs. Any amount over \$600,000 goes to the Casino Revenue Fund.



Casinos have paid more than **\$9.3 billion** in taxes to the Casino Revenue Fund since 1978.

*Note: Internet wagering revenue did not occur until FY 2014.
Source of data: Division's Casino Revenue Fund Taxes and Fees Source Report.

INDEPENDENT AUDITOR'S REPORT



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

Casino Control Fund

Fiscal Year 2013

**Stephen M. Eells
State Auditor**

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New Jersey State Legislature

OFFICE OF LEGISLATIVE SERVICES

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Executive Director
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OFFICE OF THE STATE AUDITOR
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State Auditor

GREGORY PICA
Assistant State Auditor

JOHN J. TERMYNA
Assistant State Auditor

The Honorable Chris Christie
Governor of New Jersey

The Honorable Stephen M. Sweeney
President of the Senate

The Honorable Vincent Prieto
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

Enclosed is our report on the audit of the Casino Control Fund for Fiscal Year 2013. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in black ink, appearing to read "Stephen M. Eells".

Stephen M. Eells
State Auditor
May 8, 2014

Table of Contents

| | Page |
|--|-------------|
| Independent Auditor's Report | 1 |
| Financial Statements | |
| Balance Sheet | 5 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances..... | 6 |
| Notes to the Financial Statements | 7 |
| Required Supplementary Information | |
| Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Budgetary Basis | 13 |
| Budgetary Comparison Schedule Budget-to-GAAP Reconciliation..... | 14 |
| Supplementary Information | |
| Expenditure Detail | 16 |
| Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 17 |

SENATE

CHRISTOPHER J. CONNORS
NIA H. GILL
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THOMAS H. KEAN, JR.
JOSEPH M. KYRILLOS, JR.
JOSEPH PENNACCHIO
STEPHEN M. SWEENEY
LORETTA WEINBERG

GENERAL ASSEMBLY

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New Jersey State Legislature

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State Auditor

GREGORY PICA
Assistant State Auditor

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INDEPENDENT AUDITOR'S REPORT

The Honorable Chris Christie
Governor of New Jersey

The Honorable Stephen M. Sweeney
President of the Senate

The Honorable Vincent Prieto
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

Report on the Financial Statements

We have audited the accompanying modified accrual basis financial statements of the State of New Jersey Casino Control Fund as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified accrual basis of accounting described in Note 1; this includes determining that the modified accrual basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

As discussed in Note 1, the Casino Control Fund prepares its financial statements on a modified accrual basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Additionally, the financial statements present only the Casino Control Fund and do not purport to, and do not, present fairly the financial position of the State of New Jersey as of June 30, 2013 and 2012, the changes in its financial position, or its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified accrual basis financial position of the Casino Control Fund as of June 30, 2013 and 2012, and the respective changes in modified accrual financial position for the years then ended in accordance with the modified accrual basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Budgetary Basis and reconciliation be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the Casino Control Fund financial statements. The expenditure detail schedule is presented for the purpose of additional analysis and is not a required part of the financial statements.

The expenditure detail schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 expenditure detail schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2014 on our consideration of the Casino Control Fund management's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report

is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Casino Control Fund's internal control over financial reporting and compliance.



Stephen M. Eells
State Auditor
May 1, 2014

**STATE OF NEW JERSEY
CASINO CONTROL FUND
BALANCE SHEET
JUNE 30, 2013 AND 2012**

| <u>ASSETS</u> | <u>2013</u> | <u>2012</u> |
|---|----------------------|----------------------|
| Cash | \$ 50,350 | \$ 50,350 |
| Accounts Receivable | 10,452,489 | 8,951,568 |
| Less: Allowance for Doubtful Accounts | <u>84,223</u> | <u>85,129</u> |
| Net Accounts Receivable | 10,368,266 | 8,866,439 |
| Due from General Fund | <u>9,164,582</u> | <u>2,049,222</u> |
| Total Assets | <u>\$ 19,583,198</u> | <u>\$ 10,966,011</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | |
| Liabilities | | |
| Accounts Payable | \$ 4,429,175 | \$ 4,062,144 |
| Deferred Revenue | <u>9,406,000</u> | <u>3,287,568</u> |
| Total Liabilities | <u>13,835,175</u> | <u>7,349,712</u> |
| Fund Balances | | |
| Committed | <u>5,748,023</u> | <u>3,616,299</u> |
| Total Fund Balances | <u>5,748,023</u> | <u>3,616,299</u> |
| Total Liabilities and Fund Balances | <u>\$ 19,583,198</u> | <u>\$ 10,966,011</u> |

The accompanying notes are an integral part of the financial statements

**STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

| | 2013 | 2012 |
|--|---------------|---------------|
| <u>REVENUES</u> | | |
| Casinos | | |
| Licenses - Casino | \$ 37,182,535 | \$ 37,269,527 |
| - Slot Machine | 13,602,875 | 13,889,374 |
| - Alcoholic Beverage | 43,505 | 68,761 |
| Assessments | - | - |
| | 50,828,915 | 51,227,662 |
| Credits - Prior Year Fund Balance | - | (4,462,571) |
| Total from Casinos | 50,828,915 | 46,765,091 |
| Other Sources | | |
| Licenses - Casino Employees | 1,218,547 | 1,164,784 |
| - Casino Service Industry | 1,096,403 | 998,726 |
| Equipment Prototype Testing | 2,427,692 | 2,409,629 |
| Other Revenues | 22,160 | 58,947 |
| Total from Other Sources | 4,764,802 | 4,632,086 |
| Investment Earnings | 8,349 | 10,837 |
| Total Revenues | 55,602,066 | 51,408,014 |
| <u>EXPENDITURES</u> | | |
| Public Safety and Criminal Justice (Division of Gaming Enforcement) | 45,802,679 | 44,472,333 |
| Government Direction, Management and Control (Casino Control Commission) | 7,667,663 | 7,781,953 |
| Total Expenditures | 53,470,342 | 52,254,286 |
| Excess (Deficiency) of Revenues over Expenditures | 2,131,724 | (846,272) |
| <u>OTHER FINANCING SOURCES</u> | | |
| Transfers from Other Funds | - | - |
| Total Other Financing Sources | - | - |
| Net Change in Fund Balance | 2,131,724 | (846,272) |
| Fund Balance - Beginning | 3,616,299 | 4,462,571 |
| Fund Balance - Ending | \$ 5,748,023 | \$ 3,616,299 |

The accompanying notes are an integral part of the financial statements

**STATE OF NEW JERSEY
CASINO CONTROL FUND
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Casino Control Fund have been prepared on a modified accrual basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The more significant of the Casino Control Fund's accounting policies are described in this note.

B. Financial Reporting Entity

The Casino Control Commission and the Division of Gaming Enforcement are agencies of the State of New Jersey. N.J.S.A. 5:12-143 established the Casino Control Fund to account for the financial transactions of these agencies.

C. Fund Level Financial Statements

The State of New Jersey issues government-wide financial statements that report information for all of the non-fiduciary activities of the State including that of the Casino Control Fund. Due to the legislative mandate that the Casino Control Fund be financed exclusively by licensing fees assessed upon the casino industry, a Fund Level Financial Statement is prepared for the Casino Control Fund.

A Fund Level Financial Statement includes a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances.

D. Measurement Focus and Basis of Accounting

The Casino Control Fund statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and liabilities are included on the balance sheet. The operating statement for the fund presents increases and decreases in total fund balances.

In accordance with the modified accrual basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues susceptible to accrual would include casino license fees.

Expenditures are recognized when the related fund liabilities are incurred. Disbursements for prepaid expenses, inventory items, and fixed assets are recorded as expenditures when incurred.

E. Fund Accounting

The financial activities of the State are recorded in individual funds, each of which is deemed to be a separate accounting entity. The State uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which represents the fund's assets, liabilities, equity, revenues, and expenditures or expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds.

Governmental Fund Type - Special Revenue Fund

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

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

F. Budgetary Process

An annual budget is adopted for the Casino Control Fund. The Legislature enacts the budget through passage of a specific appropriation, the sum of which may not exceed estimated revenues. The annual appropriations act for fiscal year 2013 authorized \$55,344,000. Budgetary control is maintained at the program unit level.

During the year, the spending authority delineated in the appropriations act may be revised for supplemental appropriations approved by both the Legislature and the Governor. For fiscal year 2013, no supplemental appropriations were granted to the Division of Gaming Enforcement or Casino Control Commission.

A Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Budgetary Basis for the fiscal year ended June 30, 2013 is presented as required supplementary information to these statements. This statement presents a comparison of the final budget adopted for the Casino Control Fund with actual data on a budgetary basis.

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

There were no expenditures in excess of appropriations in the Casino Control Fund.

G. Fund Balances

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 54, the fund balances of a Special Revenue Fund are classified depicting the relative strength of the spending constraints placed on the purposes for which fund resources can be used.

The fund balances of the Casino Control Fund are classified as *Committed*. Fund balances designated as *Committed* can only be used for specific purposes pursuant to constraints imposed by the government itself. N.J.S.A. 5:12-143b mandates that moneys in the Casino Control Fund shall be appropriated exclusively for the operating expenses of the Casino Control Commission and the Division of Gaming Enforcement.

Within the committed fund balances as of June 30, 2013 and June 30, 2012, money has been set aside (encumbered) pending vendor performance in the amounts of \$1,081,504 and \$420,157 respectively.

H. Other

Other significant accounting policies are described in Notes 2 to 10.

NOTE 2 - Cash

Represents a \$100 petty cash fund maintained by the Casino Control Commission, a \$250 petty cash fund maintained by the Division of Gaming Enforcement and a \$50,000 confidential fund maintained by the Division of Gaming Enforcement.

NOTE 3 - Accounts Receivable

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

Allowance for doubtful accounts represents 100 percent of non-current receivables.

NOTE 4 - Due from General Fund

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

NOTE 5 - Capital Assets

Capital Assets acquired with fund resources are recorded as expenditures of the fund at the time of acquisition. Assets greater than \$20,000 are also recorded in the State's government-wide financial statements. Capital assets are depreciated using the straight line method. The State assigned estimated useful life for machinery and equipment is 4-30 years. A summary of these capital assets and related accumulated depreciation for the year ended June 30, 2013 follows:

| <u>Program</u> | <u>Asset</u> | <u>Balance July 1, 2012</u> | <u>Additions/ Transfers In</u> | <u>Retirements/ Transfers Out</u> | <u>Accumulated Depreciation</u> | <u>Net Capital Assets June 30, 2013</u> |
|---|-----------------------------|---------------------------------|------------------------------------|---------------------------------------|-------------------------------------|---|
| Government Direction, Management and Control | Machinery & Equipment | 929,355 | - | 311,545 | 440,642 | 177,168 |
| Public Safety and Criminal Justice | Machinery & Equipment | 419,943 | 223,372 | 116,196 | 486,995 | 40,124 |

NOTE 6 - Deferred Revenue

Deferred Revenue represents fiscal year 2014 and fiscal year 2013 slot machine license billings collected and recorded in June 2013 and 2012, respectively.

NOTE 7 - Fund Balance

The Casino Control Fund ended with a positive fund balance as of June 30, 2013. The balance includes \$3,616,299 of the fiscal year 2012 fund balance which was credited to casino licensees at the beginning of fiscal year 2014. Pursuant to N.J.A.C. 13:69A-9.1(e) the remaining fund balance as of June 30, 2013 totaling \$2,131,724 will be credited to casino licensees in fiscal year 2014 upon approval by the Director of the Division of Gaming Enforcement in proportion to the relative amount of total fees paid by each casino licensee with respect to the fiscal year ended June 30, 2013.

NOTE 8 - Employee Benefit Costs

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

Cash payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on fifty percent of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of \$15,000. Employees separating from state service prior to retirement are not entitled to payments for accumulated sick leave balances. Sick leave accumulations may also be used by an employee for a personal illness or injury as a means of continuing regular pay. The liability for accumulated employee sick leave balances as of June 30, 2013 and June 30, 2012 of approximately \$2.5 million and \$2.8 million, respectively, is reflected as a non-current liability on the State's government-wide financial statements and is not accrued in these financial statements.

Employees annually earn 12 to 25 vacation days based on years of service and are permitted to carry over those days earned within a one-year period. The liability for accumulated vacation pay as of June 30, 2013 and June 30, 2012 of approximately \$1.0 million and \$1.2 million, respectively, is reflected as a non-current liability on the State's government-wide financial statements and is not accrued in these financial statements.

NOTE 9 - Interest

The General Fund charges interest to the Casino Control Fund when disbursements exceed receipts collected and credits interest to the Casino Control Fund when receipts collected exceed disbursements made. The interest rate used during fiscal year 2013 and fiscal year 2012 was equal to the effective rate of return on investments in the General Fund and varied from 0.10% to 0.16% in fiscal year 2013 and from 0.14% to 0.19% in fiscal year 2012. The net effect of these transactions is reflected in the Investment Earnings account on the Statement of Revenues, Expenditures, and Changes in Fund Balances.

NOTE 10 - Contingent Liability

As of the issuance date of these statements, the Casino Control Fund is not involved in any legal actions wherein there is potential for unanticipated expenditure. Should any legal actions subsequently materialize, N.J.A.C 13:69A-9.1 allows the Casino Control Fund to apportion any uncollected cost among the licensed casino facilities.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Budgetary Basis</u> | <u>Variance with Final Budget</u> |
|--|----------------------------|-------------------------|-----------------------------------|---------------------------------------|
| REVENUES | | | | |
| Casinos | | | | |
| Licenses - Casino | \$ 38,206,695 | \$ 38,199,695 | 37,182,535 | \$ (1,017,160) |
| - Slot Machine | 13,589,500 | 13,589,500 | 13,602,875 | 13,375 |
| - Alcoholic Beverage | 69,000 | 69,000 | 43,505 | (25,495) |
| Assessments | - | - | - | - |
| Total from Casinos | <u>51,865,195</u> | <u>51,858,195</u> | <u>50,828,915</u> | <u>(1,029,280)</u> |
| Other Sources | | | | |
| Licenses - Casino Employees | 1,164,800 | 1,164,800 | 1,218,547 | 53,747 |
| - Casino Service Industry | 998,700 | 998,700 | 1,096,403 | 97,703 |
| Equipment Prototype Testing | 2,409,600 | 2,409,600 | 2,427,692 | 18,092 |
| Other Revenues | 59,000 | 59,000 | 22,160 | (36,840) |
| Total from Other Sources | <u>4,632,100</u> | <u>4,632,100</u> | <u>4,764,802</u> | <u>132,702</u> |
| Investment Earnings | 18,000 | 18,000 | 8,349 | (9,651) |
| Total Revenues | <u>56,515,295</u> | <u>56,508,295</u> | <u>55,602,066</u> | <u>(906,229)</u> |
| EXPENDITURES | | | | |
| Public Safety and Criminal Justice (Division of Gaming Enforcement) | 47,167,497 | 47,149,217 | 46,267,170 | 882,047 |
| Government Direction, Management and Control (Casino Control Commission) | 9,597,798 | 9,594,078 | 7,916,942 | 1,677,136 |
| Total Expenditures | <u>56,765,295</u> | <u>56,743,295</u> | <u>54,184,112</u> | <u>2,559,183</u> |
| Net Change in Fund Balance | (250,000) | (235,000) | 1,417,954 | 1,652,954 |
| Fund Balance - July 1, 2012 | 250,000 | 1,780,000 | 1,780,000 | - |
| Fund Balance - June 30, 2013 | <u>\$ -</u> | <u>\$ 1,545,000</u> | <u>\$ 3,197,954</u> | <u>\$ 1,652,954</u> |

**STATE OF NEW JERSEY
CASINO CONTROL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Budgetary Basis - Net Increase (Decrease) in Fund Balances \$ 1,417,954

Differences - Budget to GAAP

Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items were received for GAAP purposes. \$ 1,081,504

Expenditures in prior fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for GAAP purposes. (367,734)

Total Differences - Budget to GAAP 713,770

GAAP Basis - Net Increase (Decrease) In Fund Balances \$ 2,131,724

SUPPLEMENTARY INFORMATION

**STATE OF NEW JERSEY
CASINO CONTROL FUND
EXPENDITURE DETAIL
FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

| | <u>2013</u> | | <u>2012</u> | |
|--|---|--|---|--|
| | <u>PUBLIC SAFETY AND CRIMINAL JUSTICE</u> | <u>GOVERNMENT DIRECTION MANAGEMENT AND CONTROL</u> | <u>PUBLIC SAFETY AND CRIMINAL JUSTICE</u> | <u>GOVERNMENT DIRECTION MANAGEMENT AND CONTROL</u> |
| EXPENDITURES: | | | | |
| Salaries | \$ 26,867,480 | \$ 3,916,148 | \$ 28,543,369 | \$ 3,988,978 |
| Payroll Taxes and Employee Benefits | 10,878,976 | 1,777,868 | 9,723,582 | 1,505,019 |
| Printing and Office Supplies | 204,635 | 89,346 | 192,173 | 85,876 |
| Vehicular Supplies | 322,343 | 11 | 329,584 | - |
| Travel | 171,378 | 14,235 | 112,549 | 8,660 |
| Telephone | 307,216 | 85,600 | 299,461 | 83,387 |
| Data Processing | 811,689 | 287,614 | 442,437 | 512,738 |
| Professional Services | 1,510,407 | 24,080 | 54,724 | 23,456 |
| Other Services Other Than Personal | 328,629 | 67,842 | 394,659 | 96,846 |
| Rent-Facilities | 2,337,902 | 1,289,689 | 2,428,466 | 1,385,252 |
| Rent-Automobiles and Other | 84,920 | 65,498 | 75,580 | 84,466 |
| Indirect Costs | 1,429,294 | 15,382 | 1,418,672 | - |
| Improvements | 8,497 | - | 847 | - |
| Office Equipment | 14,694 | 19,379 | 34,651 | (4,413) |
| Vehicular Equipment | 310,082 | - | 207,729 | (3,285) |
| Other Equipment | 214,537 | 14,971 | 213,850 | 14,973 |
| Total Expenditures | <u>\$ 45,802,679</u> | <u>\$ 7,667,663</u> | <u>\$ 44,472,333</u> | <u>\$ 7,781,953</u> |

State of New Jersey Casino Control Fund

Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on
an Audit of the Financial Statements Performed in Accordance
with *Government Auditing Standards*

For the Fiscal Year Ended
June 30, 2013

SENATE

CHRISTOPHER J. CONNORS
NIA H. GILL
ROBERT M. GORDON
THOMAS H. KEAN, JR.
JOSEPH M. KYRILLOS, JR.
JOSEPH PENNACCHIO
STEPHEN M. SWEENEY
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New Jersey State Legislature

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JOHN J. TERMYNA
Assistant State Auditor

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

The Honorable Chris Christie
Governor of New Jersey

The Honorable Stephen M. Sweeney
President of the Senate

The Honorable Vincent Prieto
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the State of New Jersey Casino Control Fund as of and for the year ended June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated May 1, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of New Jersey Casino Control Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of New Jersey Casino Control Fund's internal control.

Accordingly, we do not express an opinion on the effectiveness of the State of New Jersey Casino Control Fund's internal control.

A *deficiency in internal control* exists when the design or the operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

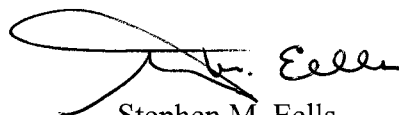
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of New Jersey Casino Control Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Stephen M. Eells
State Auditor
May 1, 2014

Chris Christie
Governor

*New Jersey
Casino
Control Commission*

Matthew B. Levinson
Chairman/CEO

Sharon Anne Harrington
Vice Chair

Alisa Beth Cooper
Commissioner



If you or anyone you know has a gambling problem, call
1-800-GAMBLER