

Division of Financial Evaluation

The Division of Financial Evaluation consists of three units: the Financial Evaluation Unit, the Revenue Unit, and the Audit Unit. The Financial Evaluation Unit provides expert advice and consultation to the Commissioners on all matters of a financial or economic nature. The Revenue Unit collects all taxes and fees required by the Casino Control Act, and the Audit Unit certifies gross revenue and ensures the sufficiency of other tax payments to the Casino Revenue Fund.

Working as a team, the three units in the Division of Financial Evaluation provided oversight to more than \$500 million in casino-related distributions that are made to the State of New Jersey, consisting of the following:

- ▶ \$382.4 million in Gross Revenue Tax and \$27.3 million in casino-related taxes (Parking Fee, Complimentary Tax, Casino Room Fee and Multi-Casino Progressive Slot Tax) that were used to fund programs that benefit the aged and disabled residents of the state;
- ▶ \$39.6 million in casino-related taxes that were forwarded to the Casino Reinvestment Development Authority to assist in the further re-development of Atlantic City and the State of New Jersey;
- ▶ \$72.5 million in licensing fees that fund the operations of the Casino Control Commission and Division of Gaming Enforcement;
- ▶ \$1.4 million in Commission imposed fines, with \$600,000 deposited in the General Fund to provide funding for the Council on Compulsive Gambling and the remainder deposited into the Casino Revenue Fund;
- ▶ Provided financial guidance on the development of statutory changes to permit a gross revenue deduction for promotional gaming credits pursuant to legislation that became operative in August 2008. The Financial Division's initial responsibilities included creating financial reporting requirements, reviewing the regulations, and meeting with the industry to implement the legislation. On an ongoing basis, the Financial Division compiles the promotional gaming credit statistics, issues reports to the industry regarding gross revenue tax deductions, and audits the promotional gaming credit information;
- ▶ Reviewed the proposed legislative changes to the Casino Control Act (Assembly Bill A-2756) and worked with the General Counsel's Office on recommendations that were incorporated into the final version of the legislation;

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- ▶ Performed expanded audit testing upon the introduction of new electronic drop systems at Tropicana and the Trump properties. Also, reviewed revenue reporting and audit issues related to the development of a new electronic drop system being developed by Harrah's Entertainment for introduction at their four properties in 2009;
- ▶ Addressed various issues related to multi-casino jackpot systems including the introduction of a new system with novel funding sources, the takedown and transfer of one system and various financial reporting issues;
- ▶ Developed and implemented audit procedures for computerized table games Poker Pro and Rapid Roulette that were introduced in 2008;
- ▶ Monitored over 550 internal control submission changes that impacted gross revenue reporting and the Commission's audit program;
- ▶ Reviewed 41 notices of document destruction and provided expert guidance to the industry on record retention issues;
- ▶ Completed the required agency annual internal control review resulting in a clean audit report to OMB;
- ▶ Continued to monitor post-close financial reporting issues for Pinnacle Entertainment;
- ▶ Undertook full financial stability reviews for five licensees and their corporate parent companies in conjunction with the renewal of their casino licenses, as well as a Statement of Compliance for Pinnacle Entertainment;
- ▶ Analyzed changes to Apollo Management's and TPG Capital's acquisition of Harrah's Entertainment, an internal reorganization of the company, and two debt exchange offers;
- ▶ Worked with Tropicana management on the transition from former ownership to a standalone entity under a Trustee/Conservator and closely monitored the financial situation at the property during the sale process; and
- ▶ Worked with the Communications Office to maintain the financial pages of the Commission's web site and to post monthly and quarterly financial reports.