# TROPICANA CASINO AND RESORT
# QUARTERLY REPORT

## FOR THE QUARTER ENDED DECEMBER 31, 2012

**SUBMITTED TO THE**
**DIVISION OF GAMING ENFORCEMENT**
**OF THE**
**STATE OF NEW JERSEY**

**OFFICE OF FINANCIAL INVESTIGATIONS**
**REPORTING MANUAL**

# TROPICANA CASINO AND RESORT
# BALANCE SHEETS

AS OF DECEMBER 31, 2012 AND 2011

(UNAUDITED)
($ IN THOUSANDS)

| Line (a) | Description (b) | Notes | 2012 (c) | 2011 (d) |
|---|---|---|---|---|
| | ASSETS: | | | |
| | Current Assets: | | | |
| 1 | Cash and Cash Equivalents | | $106,110 | $90,284 |
| 2 | Short-Term Investments | | 0 | 0 |
| 3 | Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2012, $11,413; 2011, $11,768) | | 13,598 | 21,808 |
| 4 | Inventories | | 2,487 | 2,362 |
| 5 | Other Current Assets | 8 | 2,361 | 2,279 |
| 6 | Total Current Assets | | 124,556 | 116,733 |
| 7 | Investments, Advances, and Receivables | 9 | 34,799 | 34,007 |
| 8 | Property and Equipment - Gross | 2 | 218,035 | 204,593 |
| 9 | Less: Accumulated Depreciation and Amortization | 2 | (37,254) | (26,142) |
| 10 | Property and Equipment - Net | 2 | 180,781 | 178,451 |
| 11 | Other Assets | 15 | 3,641 | 7,011 |
| 12 | Total Assets | | $343,777 | $336,202 |
| | LIABILITIES AND EQUITY: | | | |
| | Current Liabilities: | | | |
| 13 | Accounts Payable | | $8,806 | $8,682 |
| 14 | Notes Payable | | 0 | 0 |
| | Current Portion of Long-Term Debt: | | | |
| 15 | Due to Affiliates | | 0 | 0 |
| 16 | External | 4 | 45 | 42 |
| 17 | Income Taxes Payable and Accrued | | 0 | 0 |
| 18 | Other Accrued Expenses | 10 | 20,918 | 21,346 |
| 19 | Other Current Liabilities | 11 | 4,337 | 4,826 |
| 20 | Total Current Liabilities | | 34,106 | 34,896 |
| | Long-Term Debt: | | | |
| 21 | Due to Affiliates | | 0 | 0 |
| 22 | External | 4,11 | 44 | 89 |
| 23 | Deferred Credits | | 0 | 0 |
| 24 | Other Liabilities | 5 | 24,204 | 13,824 |
| 25 | Commitments and Contingencies | | 0 | 0 |
| 26 | Total Liabilities | | 58,354 | 48,809 |
| 27 | Stockholders', Partners', or Proprietor's Equity | | 285,423 | 287,393 |
| 28 | Total Liabilities and Equity | | $343,777 | $336,202 |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

# TROPICANA CASINO AND RESORT
# STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2011

(UNAUDITED)
($ IN THOUSANDS)

| Line (a) | Description (b) | Notes | 2012 (c) | 2011 (d) |
|---|---|---|---|---|
| | Revenue: | | | |
| 1 | Casino | | $246,495 | $272,513 |
| 2 | Rooms | | 53,089 | 64,539 |
| 3 | Food and Beverage | | 35,313 | 39,742 |
| 4 | Other | | 13,125 | 13,850 |
| 5 | Total Revenue | | 348,022 | 390,644 |
| 6 | Less: Promotional Allowances | | 83,985 | 111,581 |
| 7 | Net Revenue | | 264,037 | 279,063 |
| | Costs and Expenses: | | | |
| 8 | Cost of Goods and Services | 5 | 189,294 | 204,788 |
| 9 | Selling, General, and Administrative | 5 | 54,776 | 52,225 |
| 10 | Provision for Doubtful Accounts | | 1,970 | 4,402 |
| 11 | Total Costs and Expenses | | 246,040 | 261,415 |
| 12 | Gross Operating Profit | | 17,997 | 17,648 |
| 13 | Depreciation and Amortization | 2 | 11,901 | 12,511 |
| | Charges from Affiliates Other than Interest: | | | |
| 14 | Management Fees | 5 | 4,396 | 5,962 |
| 15 | Other | | 0 | 0 |
| 16 | Income (Loss) from Operations | | 1,700 | (825) |
| | Other Income (Expenses): | | | |
| 17 | Interest Expense - Affiliates | | 0 | 0 |
| 18 | Interest Expense - External | | (8) | (11) |
| 19 | CRDA Related Income (Expense) - Net | 4 | (1,927) | (2,379) |
| 20 | Nonoperating Income (Expense) - Net | 14 | (1,559) | 197 |
| 21 | Total Other Income (Expenses) | | (3,494) | (2,193) |
| 22 | Income (Loss) Before Taxes and Extraordinary Items | | (1,794) | (3,018) |
| 23 | Provision (Credit) for Income Taxes | 6 | 176 | 0 |
| 24 | Income (Loss) Before Extraordinary Items | | (1,970) | (3,018) |
| 25 | Extraordinary Items (Net of Income Taxes - 2012, $0; 2011, $0) | | 0 | 0 |
| 26 | Net Income (Loss) | | ($1,970) | ($3,018) |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

# TROPICANA CASINO AND RESORT
# STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2012 AND 2011

(UNAUDITED)
($ IN THOUSANDS)

| Line (a) | Description (b) | Notes | 2012 (c) | 2011 (d) |
|---|---|---|---|---|
| | Revenue: | | | |
| 1 | Casino | | $42,738 | $66,973 |
| 2 | Rooms | | 8,589 | 13,783 |
| 3 | Food and Beverage | | 6,709 | 9,586 |
| 4 | Other | | 2,551 | 3,352 |
| 5 | Total Revenue | | 60,587 | 93,694 |
| 6 | Less: Promotional Allowances | | 14,722 | 26,420 |
| 7 | Net Revenue | | 45,865 | 67,274 |
| | Costs and Expenses: | | | |
| 8 | Cost of Goods and Services | 5 | 40,464 | 51,087 |
| 9 | Selling, General, and Administrative | 5 | 11,660 | 13,299 |
| 10 | Provision for Doubtful Accounts | | 167 | 1,756 |
| 11 | Total Costs and Expenses | | 52,291 | 66,142 |
| 12 | Gross Operating Profit | | (6,426) | 1,132 |
| 13 | Depreciation and Amortization | 2 | 2,755 | 2,955 |
| | Charges from Affiliates Other than Interest: | | | |
| 14 | Management Fees | 5 | (529) | (6,045) |
| 15 | Other | | 0 | 0 |
| 16 | Income (Loss) from Operations | | (8,652) | 4,222 |
| | Other Income (Expenses): | | | |
| 17 | Interest Expense - Affiliates | | 0 | 0 |
| 18 | Interest Expense - External | | (2) | (2) |
| 19 | CRDA Related Income (Expense) - Net | 4 | (769) | (524) |
| 20 | Nonoperating Income (Expense) - Net | 14 | 72 | 374 |
| 21 | Total Other Income (Expenses) | | (699) | (152) |
| 22 | Income (Loss) Before Taxes and Extraordinary Items | | (9,351) | 4,070 |
| 23 | Provision (Credit) for Income Taxes | 6 | 2 | 0 |
| 24 | Income (Loss) Before Extraordinary Items | | (9,353) | 4,070 |
| | Extraordinary Items (Net of Income Taxes - | | | |
| 25 | 2012, $0; 2011, $0) | | 0 | 0 |
| 26 | Net Income (Loss) | | ($9,353) | $4,070 |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

# TROPICANA CASINO AND RESORT
# STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2012

(UNAUDITED)
($ IN THOUSANDS)

| Line (a) | Description (b) | Notes | Common Stock Shares (c) | Common Stock Amount (d) | Preferred Stock Shares (e) | Preferred Stock Amount (f) | Additional Paid-In Capital (g) | (h) | Retained Earnings (Accumulated Deficit) (i) | Total Stockholders' Equity (Deficit) (j) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Balance, December 31, 2010..........** | | | | | | $282,128 | | $14,592 | $296,720 |
| 2 | Net Income (Loss) - 2011............. | | | | | | | | (3,018) | (3,018) |
| 3 | Contribution to Paid-in-Capital..... | | | | | | | | | 0 |
| 4 | Dividends..................................... | | | | | | | | (6,309) | (6,309) |
| 5 | Prior Period Adjustments.............. | | | | | | | | | 0 |
| 6 | ........................................ | | | | | | | | | 0 |
| 7 | ........................................ | | | | | | | | | 0 |
| 8 | ........................................ | | | | | | | | | 0 |
| 9 | ........................................ | | | | | | | | | 0 |
| 10 | **Balance, December 31, 2011..........** | | 0 | 0 | 0 | 0 | 282,128 | 0 | 5,265 | 287,393 |
| 11 | Net Income (Loss) - 2012............. | | | | | | | | (1,970) | (1,970) |
| 12 | Contribution to Paid-in-Capital..... | | | | | | | | | 0 |
| 13 | Dividends..................................... | | | | | | | | | 0 |
| 14 | Prior Period Adjustments.............. | | | | | | | | | 0 |
| 15 | ........................................ | | | | | | | | | 0 |
| 16 | ........................................ | | | | | | | | | 0 |
| 17 | ........................................ | | | | | | | | | 0 |
| 18 | ........................................ | | | | | | | | | 0 |
| 19 | **Balance, December 31, 2012 ..........** | | 0 | $0 | 0 | $0 | $282,128 | $0 | $3,295 | $285,423 |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

# TROPICANA CASINO AND RESORT
# STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2011

(UNAUDITED)
($ IN THOUSANDS)

| Line (a) | Description (b) | Notes | 2012 (c) | 2011 (d) |
|---|---|---|---|---|
| 1 | CASH PROVIDED (USED) BY OPERATING ACTIVITIES... | | $29,624 | $12,697 |
| | CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| 2 | Purchase of Short-Term Investments | | | |
| 3 | Proceeds from the Sale of Short-Term Investments | | | |
| 4 | Cash Outflows for Property and Equipment | | (15,476) | (12,616) |
| 5 | Proceeds from Disposition of Property and Equipment | | 3 | 130 |
| 6 | CRDA Obligations | | (3,125) | (3,464) |
| 7 | Other Investments, Loans and Advances made | | | |
| 8 | Proceeds from Other Investments, Loans, and Advances | | 1,200 | 1,133 |
| 9 | Cash Outflows to Acquire Business Entities | | 0 | 0 |
| 10 | Proceeds from Sales and Luxury Tax Credits | | 3,650 | 3,427 |
| 11 | | | | |
| 12 | Net Cash Provided (Used) By Investing Activities | | (13,748) | (11,390) |
| | CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| 13 | Proceeds from Short-Term Debt | | | |
| 14 | Payments to Settle Short-Term Debt | | | |
| 15 | Proceeds from Long-Term Debt | | | |
| 16 | Costs of Issuing Debt | | | |
| 17 | Payments to Settle Long-Term Debt | | (50) | (50) |
| 18 | Cash Proceeds from Issuing Stock or Capital Contributions | | 0 | 0 |
| 19 | Purchases of Treasury Stock | | | |
| 20 | Payments of Dividends or Capital Withdrawals | | | |
| 21 | | | | |
| 22 | | | | |
| 23 | Net Cash Provided (Used) By Financing Activities | | (50) | (50) |
| 24 | Net Increase (Decrease) in Cash and Cash Equivalents | | 15,826 | 1,257 |
| 25 | Cash and Cash Equivalents at Beginning of Period | | 90,284 | 89,027 |
| 26 | Cash and Cash Equivalents at End of Period | | $106,110 | $90,284 |

| | | | | |
|---|---|---|---|---|
| | CASH PAID DURING PERIOD FOR: | | | |
| 27 | Interest (Net of Amount Capitalized) | | $8 | $11 |
| 28 | Income Taxes | | | |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

# TROPICANA CASINO AND RESORT
# STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2011

(UNAUDITED)

($ IN THOUSANDS)

| Line (a) | Description (b) | Notes | 2012 (c) | 2011 (d) | |
|---|---|---|---|---|---|
| | CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| 29 | Net Income (Loss)........................................................... | | ($1,970) | ($3,018) | |
| 30 | Depreciation and Amortization of Property and Equipment... | | 11,434 | 12,045 | |
| 31 | Amortization of Other Assets............................................... | | 467 | 466 | |
| 32 | Amortization of Debt Discount or Premium.......................... | | (43) | (58) | |
| 33 | Deferred Income Taxes - Current ........................................ | | | | |
| 34 | Deferred Income Taxes - Noncurrent .................................. | | | | |
| 35 | (Gain) Loss on Disposition of Property and Equipment......... | | 45 | (64) | * |
| 36 | (Gain) Loss on CRDA-Related Obligations........................... | | 1,927 | 2,379 | |
| 37 | (Gain) Loss from Other Investment Activities....................... | | | | |
| 38 | (Increase) Decrease in Receivables and Patrons' Checks ....... | | 8,108 | (2,227) | |
| 39 | (Increase) Decrease in Inventories ....................................... | | (125) | 269 | |
| 40 | (Increase) Decrease in Other Current Assets.......................... | | (82) | 1,575 | |
| 41 | (Increase) Decrease in Other Assets...................................... | | 1,226 | 1,975 | * |
| 42 | Increase (Decrease) in Accounts Payable.............................. | | 124 | (1,802) | |
| 43 | Increase (Decrease) in Other Current Liabilities ................... | | (1,660) | (1,827) | |
| 44 | Increase (Decrease) in Other Liabilities ................................ | | 8,394 | 2,984 | |
| 45 | Loss on Impairment of Intangible Asset .................. | | 1,779 | | |
| 46 | .................. | | | | |
| 47 | Net Cash Provided (Used) By Operating Activities................... | | $29,624 | $12,697 | |

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

| Line | Description | Notes | 2012 | 2011 |
|---|---|---|---|---|
| | ACQUISITION OF PROPERTY AND EQUIPMENT: | | | |
| 48 | Additions to Property and Equipment.................................. | | ($15,476) | ($12,616) |
| 49 | Less: Capital Lease Obligations Incurred.............................. | | | |
| 50 | Cash Outflows for Property and Equipment.............................. | | ($15,476) | ($12,616) |
| | ACQUISITION OF BUSINESS ENTITIES: | | | |
| 51 | Property and Equipment Acquired......................................... | | | |
| 52 | Goodwill Acquired............................................................... | | | |
| 53 | Other Assets Acquired - net .................................................. | | | |
| 54 | Long-Term Debt Assumed.................................................... | | | |
| 55 | Issuance of Stock or Capital Invested.................................... | | | |
| 56 | Cash Outflows to Acquire Business Entities............................. | | $0 | $0 |
| | STOCK ISSUED OR CAPITAL CONTRIBUTIONS: | | | |
| 57 | Total Issuances of Stock or Capital Contributions................. | | $0 | $0 |
| 58 | Less: Issuances to Settle Long-Term Debt............................ | | 0 | 0 |
| 59 | Consideration in Acquisition of Business Entities................. | | 0 | 0 |
| 60 | Cash Proceeds from Issuing Stock or Capital Contributions...... | | $0 | $0 |

* Certain 2011 amounts have been reclassified to conform with 2012 presentation

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

# TROPICANA CASINO AND RESORT
# SCHEDULE OF PROMOTIONAL
# EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
(UNAUDITED)
($ IN THOUSANDS)

| | | Promotional Allowances | | Promotional Expenses | |
|---|---|---|---|---|---|
| Line (a) | Description (b) | Number of Recipients (c) | Dollar Amount (d) | Number of Recipients (e) | Dollar Amount (f) |
| 1 | Rooms | 313,692 | $18,757 | 0 | $0 |
| 2 | Food | 588,241 | 12,945 | 107,446 | 2,362 |
| 3 | Beverage | 5,962,290 | 8,058 | 0 | 0 |
| 4 | Travel | 0 | 0 | 5,204 | 1,561 |
| 5 | Bus Program Cash | 3,833 | 213 | 0 | 0 |
| 6 | Promotional Gaming Credits | 336,396 | 36,056 | 0 | 0 |
| 7 | Complimentary Cash Gifts | 119,882 | 7,589 | 0 | 0 |
| 8 | Entertainment | 47,464 | 311 | 498 | 60 |
| 9 | Retail & Non-Cash Gifts | 0 | 0 | 157,688 | 1,529 |
| 10 | Parking | 0 | 0 | 372,731 | 1,118 |
| 11 | Other | 5,680 | 56 | 60,730 | 607 |
| 12 | Total | 7,377,478 | $83,985 | 704,297 | $7,237 |

FOR THE THREE MONTHS ENDED DECEMBER 31, 2012

| | | Promotional Allowances | | Promotional Expenses | |
|---|---|---|---|---|---|
| Line (a) | Description (b) | Number of Recipients (c) | Dollar Amount (d) | Number of Recipients (e) | Dollar Amount (f) |
| 1 | Rooms | 61,671 | $3,626 | 0 | $0 |
| 2 | Food | 100,519 | 2,385 | 24,133 | 580 |
| 3 | Beverage | 979,613 | 1,526 | 0 | 0 |
| 4 | Travel | 0 | 0 | 1,051 | 315 |
| 5 | Bus Program Cash | 611 | 27 | 0 | 0 |
| 6 | Promotional Gaming Credits | 52,222 | 6,314 | 0 | 0 |
| 7 | Complimentary Cash Gifts | 960 | 802 | 0 | 0 |
| 8 | Entertainment | 5,117 | 31 | 233 | 20 |
| 9 | Retail & Non-Cash Gifts | 0 | 0 | 37,800 | 367 |
| 10 | Parking | 0 | 0 | 70,234 | 211 |
| 11 | Other | 1,078 | 11 | 9,500 | 95 |
| 12 | Total | 1,201,791 | $14,722 | 142,951 | $1,588 |

*No item in this category (Other) exceeds 5%.

# TROPICANA CASINO AND RESORT
# STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 2012

1. I have examined this Quarterly Report.

2. All the information contained in this Quarterly Report has been prepared in conformity with the Division's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.S.A. 5:12-84a(1)-(5) during the quarter.

4/1/2013
Date

Christina Broome

Vice President - Finance
Title

7571-11
License Number

On Behalf of:

TROPICANA CASINO AND RESORT
Casino Licensee

## NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION

### Basis of Presentation

The consolidated financial statements include the accounts of Tropicana Atlantic City Corp. ("the Company") and its wholly-owned subsidiary Tropicana AC Sub Corp. ("TAC Sub"), after elimination of all significant intercompany accounts and transactions.

The Company operates a casino hotel in Atlantic City, New Jersey ("the Property") and is a wholly owned subsidiary of Tropicana Entertainment, Inc. ("TE").

On March 8, 2010 ("the Acquisition Date"), the Tropicana Casino & Resort was acquired along with the other assets of Adamar of New Jersey, Inc. by TE. The newly acquired company was formed as Tropicana Atlantic City Corp, a New Jersey corporation. Tropicana Atlantic City Corp. formed a wholly owned subsidiary, TAC Sub, a New Jersey corporation. The new corporations were formed in accordance with the terms of the Amended and Restated Purchase agreement that was approved by the United States Bankruptcy Court, District of New Jersey, on November 4, 2009 and the New Jersey Casino Control Commission ("NJCCC") on November 19, 2009.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### Cash and Cash Equivalents

Highly liquid investments purchased with an original maturity of three months or less are classified as cash equivalents. These instruments are stated at cost, which approximates fair value because of their short maturity.

### Receivables

Receivables consist primarily of casino, hotel and other receivables, net of an allowance for doubtful accounts. Receivables are typically non-interest bearing and are initially recorded at cost. Accounts are written off when management deems the account to be uncollectible. An estimated allowance for doubtful accounts is maintained to reduce the Company's receivables to their expected realization, which approximates fair value. The allowance is estimated based on specific review of customer accounts as well as historical collection experience and current economic and business conditions. Recoveries of accounts previously written off are recorded when received.

### Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments in excess of $250,000 which are all invested in the same financial institution, investments and trade accounts receivable. Concentration of credit risk, with respect to casino receivables, is limited through the Company's credit evaluation process. The Company issues markers to approved casino customers following credit checks and investigation of credit worthiness.

### Inventories

Inventories, which consist primarily of food, beverage, uniforms and operating supplies, are stated at the lower of cost or market value. Costs are determined using the average cost method.

### Advertising Costs

Costs for advertising are expensed as incurred. Advertising costs for the years ended December 31, 2012 and 2011 were $3,548,000 and $3,474,000 respectively.

**Property and equipment**

Property and equipment under business combination guidance is stated at fair value as of the Acquisition Date. Property and equipment acquired subsequent to the Acquisition Date are stated at cost (Refer to Note 2). Maintenance and repairs are charged to operations when incurred. Renewals and betterments which significantly extend the useful lives of existing property and equipment are capitalized. During construction, the Company capitalizes interest and other direct and indirect costs, which are primarily property taxes, insurance costs, outside legal costs and the compensation costs of project personnel devoted exclusively to managing the project. Interest is capitalized monthly by applying the effective interest rate on certain borrowings to the average balance of expenditures. No interest was capitalized during the years ended December 31, 2012 or 2011. Gains or losses on dispositions of property and equipment are reflected in earnings as realized.

Depreciation is computed on the straight-line basis over the estimated useful lives (building and improvements - 3 to 40 years; equipment, furniture and fixtures - 3 to 15 years).

**CRDA Investment**

The Casino Reinvestment Development Authority ("CRDA") deposits are carried at cost less a valuation allowance because they have to be used to purchase CRDA bonds that carry below market interest rates unless an alternative investment is approved. The valuation allowance is established by a charge to the Statements of Income at the time the obligation is incurred to make the deposit unless there is an agreement with the CRDA for a return of the deposit at full face value. If the CRDA deposits are used to purchase CRDA bonds, the valuation allowance is transferred to the bonds as a discount, which is amortized to interest income using the interest method. If the CRDA deposits are used to make other investments, the valuation allowance is transferred to those investments and remains a valuation allowance. The CRDA bonds are classified as held-to-maturity securities and are carried at amortized cost less a valuation allowance. The average interest rate on the CRDA investment was 0.8% for the year ended December 31, 2012 and 2011.

**Leasing Costs**

Leasing costs are capitalized as incurred and amortized evenly, as a reduction to rental income, over the related lease terms. Leasing costs consist primarily of tenant allowances, which are incentives provided to tenants whereby the Company agrees to pay certain amounts toward tenant leasehold improvements or other tenant development costs. Leasing costs are included in Other Assets on the consolidated balance sheet.

**Valuation of Long-Lived Assets**

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances warrant such a review. The carrying value of a long-lived or amortizable intangible asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the asset.

**Intangible Assets**

The Company's definite life intangible assets include customer lists and favorable lease agreements. Intangible assets with a definite life are amortized over their useful life, which is the period over which the asset is expected to contribute directly or indirectly to future cash flows. Management periodically assesses the amortization period of intangible assets with definite lives based upon estimated future cash flows from related operations.

**Self-Insurance Reserves**

The Company is self-insured up to certain stop loss amounts for employee health coverage, workers' compensation and general liability claims. Insurance claims and reserves include accruals of estimated settlements for known claims, as well as accruals of estimates for claims incurred but not yet reported as provided by a third party. In estimating these accruals, historical loss experience is considered and judgments are made about the expected levels of costs per claim. We believe our estimates of future liability are reasonable based upon our methodology; however, changes in health care costs, accident frequency and severity and other factors could materially affect the estimates for these liabilities. The Company continually monitors changes in claim type and incident and evaluates the insurance accrual, making necessary adjustments based on the evaluation of these qualitative data points. The Company's accrual for general liability claims was approximately $1.5 million and $1.3 million at December 31, 2012 and 2011, respectively. The Company's accrual for workers compensation and employee health insurance claims was approximately $3.1 million and $4.0 million at December 31, 2012 and 2011, respectively.

## Customer Loyalty Program

The Company provides certain customer loyalty programs (the "Programs") at its casino, which allow customers to redeem points earned from their gaming activity for cash, food, beverage, rooms or merchandise. Under the Programs, customers are able to accumulate points that may be redeemed in the future, subject to certain limitations and the terms of the Programs. The Company records a liability for the estimated cost of the outstanding points under the Programs that it believes will ultimately be redeemed. The estimated cost of the outstanding points under the Programs is calculated based on estimates and assumptions regarding marginal costs of the goods and services, redemption rates and the mix of goods and services for which the points are expected to be redeemed. For points that may be redeemed for cash, the Company accrues this cost (after consideration of estimated redemption rates) as they are earned, which is included in promotional allowances. For points that may only be redeemed for goods or services but cannot be redeemed for cash, the Company estimates the cost and accrues for this expense as the points are earned from gaming play, which is recorded as casino operating costs and expenses. At December 31, 2012 and 2011, the Company had $.9 million and $1.3 million, respectively, accrued for the estimated cost of anticipated redemptions under the Programs.

## Revenue Recognition and Promotional Allowances

Casino revenue represents the difference between wins and losses from gaming activities. Room, food and beverage and other operating revenues are recognized at the time the goods or services are provided. The Company collects taxes from customers at the point of sale on transaction subject to sales and other taxes. Revenues are recorded net of any taxes collected. The Company makes cash promotional offers to certain of its customers, including cash rebates as part of loyalty programs generally based on an individual's level of gaming play. These costs are classified as promotional allowances. For the year ended December 31, 2012, the total casino revenue was $246,495,000 which is comprised of $59,532,000 for games revenue and $186,963,000 for slot revenue. For the year ended December 31, 2011, the total casino revenue was $272,513,000 which is comprised of $85,334,000 for games revenue and $187,179,000 for slot revenue.

## Income taxes

Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or income tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted rates expected to apply to taxable income in the years in which those differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

## Recently Issued Accounting Standards

In July 2012, the FASB issued ASU No. 2012-02, "*Intangibles-Goodwill and Other*." Under the new guidance, ASC Topic 350, "*Testing indefinite-Lived Intangible Assets for Impairment*," was amended to simplify the assessment of testing the impairment of indefinite-lived intangible assets other than goodwill. The amended guidance allows the Company to do an initial qualitative assessment to determine whether it is more likely than not that the fair value of its indefinite-lived intangible assets are less than their carrying amounts prior to performing the quantitative indefinite-lived intangible asset impairment test. The amended guidance is effective for the Company for fiscal years beginning after September 15, 2012. The Company will consider this guidance when performing the assessment of indefinite-lived intangible assets other than goodwill.

A variety of proposed or otherwise potential accounting standards are currently under consideration by standard-setting organizations and certain regulatory agencies. Because of the tentative and preliminary nature of such proposed standards, we have not yet determined the effect, if any, that the implementation of such proposed standards has on our financial statements.

## Subsequent Event

The Company evaluated its December 31, 2012 financial statements for subsequent events for recognition or disclosure through April 1, 2013 the date the financial statements were available to be issued.

**NOTE 2. PROPERTY AND EQUIPMENT**

At December 31, 2012 and 2011, the components of Property and Equipment consisted of:

| | 2012 | 2011 |
|---|---|---|
| Land and land improvements | $ 68,020,000 | $ 68,020,000 |
| Building and improvements | 103,948,000 | 98,394,000 |
| Furniture, fixtures and equipment | 44,085,000 | 36,361,000 |
| Construction in progress | 1,982,000 | 1,818,000 |
| Total property and equipment-gross | 218,035,000 | 204,593,000 |
| Less: accumulated depreciation and amortization | (37,254,000) | (26,142,000) |
| Total property and equipment | $ 180,781,000 | $ 178,451,000 |

Depreciation expense related to property and equipment was $11,434,000 and $12,045,000 for the years ended December 31, 2012 and 2011 respectively.

**NOTE 3. LONG-TERM DEBT**

The Company's long-term debt with third parties consisted of the following:

| | 2012 | 2011 |
|---|---|---|
| Contract payable; 7.2% matures 2014 | $ 89,000 | $ 131,000 |
| Less: current portion | (45,000) | (42,000) |
| Total long-term debt | $ 44,000 | $ 89,000 |

The aggregate fixed maturities for all long-term debt are:

| | |
|---|---|
| 2013 | $ 45,000 |
| 2014 | 44,000 |
| Total | $ 89,000 |

**NOTE 4. COMMITMENTS AND CONTINGENCIES**

Licensing

On March 3, 2010, the Company was granted an interim casino authorization by the New Jersey Casino Control Commission. On November 10, 2010, the Company was granted its plenary casino license by the NJCCC.

The NJCCC imposes an annual tax of eight percent on gross casino revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the CRDA or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. For the period ending December 31, 2012 and 2011, the Company's reinvestment obligation was $3,125,000 and $3,464,000 respectively for the purchase of CRDA bonds. For the period ending December 31, 2012 and 2011, the Company recorded a loss provision of $1,927,000 and $2,379,000 respectively. The loss provision is to recognize the effect of the below market interest rate using the interest rate in effect at December 31, 2012 and 2011.

Other

TE has long-term debt where the Company is a guarantor and substantially all of the Company's property and equipment is pledged as collateral.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position, results of operations or cash flows.

For the year ended December 31, 2012, the annual realty tax expense for the land and improvements was $27,789,000 based on a tax rate of $2.164 per $100 of assessed value. Realty taxes for subsequent years and for any expansion or improvements of the facilities may vary significantly depending on assessed values and the tax rate in effect at such future time.

2011 Legislation

On February 1, 2011, the Governor of New Jersey signed two pieces of legislation, effective on that date, S-11 (the "Tourism District Bill") and S-12 (the "Deregulation Bill"). The overall intent of the Tourism District Bill among other things delegates redevelopment authority and creation of a master plan to the CRDA and allows the CRDA the ability to enter into a five year public private partnership with the Casinos in Atlantic City that have formed the Atlantic City Alliance ("ACA") to jointly market the city. Through this legislation the AC Casinos are required to contribute $5 million prior to 2012. Thereafter, the legislation obligates the AC Casinos either through the ACA, or if not a member of the ACA, through individual assessments, to provide funding for the Tourism District Bill in the aggregate amount of $30 million annually over the next five years. Each casino's proportionate share of the assessment will be based on the casino's gross revenue generated in the preceding fiscal year. The Property estimates its portions of these industry obligations to be approximately 8.1%.

The Deregulation Bill removes duplicative and onerous functions that both the NJCCC and the Division of Gaming Enforcement ("DGE") currently require the Casinos to perform. Reforms in technology, internal controls, licensing and licensing requirements are among the many sections that are being amended in the New Jersey Casino Control Act which is expected to provide the industry significant cost savings and make it more competitive in the market. However it is too premature to quantify these savings as the regulations at this time are in the process of being implemented.

Tax Appeal Settlement

In January 2013, the Company settled outstanding real estate tax appeals with the City of Atlantic City. The settlement involves the tax years 2008 through 2012 and also covers negotiated real estate assessments for 2013 and 2014. Under the terms of the settlement, the Company will receive a $49.5 million refund in the form of credits against future year real estate bills beginning in 2013 and ending in 2017. The credits are front-loaded in 2013 and 2014 so that after the credits are applied, the Company will pay $1.8 million in taxes in 2013 and $3.0 million in taxes in 2014, with the remainder of the credits spread over the remaining three years, 2015 through 2017.

**NOTE 5. RELATED PARTIES**

Transactions with TE include activity principally related to joint insurance programs, federal income tax filings, and other administrative services. Various corporate services were provided to the Company in 2012 and 2011 for which a management fee was charged. For the twelve months ended December 31, 2012 the management fee was $4,396,000. For the twelve months ended December 31, 2011, a management fee of $5,962,000 was charged and in connection with the shared services agreement, the company recorded a dividend of $6,309,000 to TE.

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balance at December 31, 2012 and 2011 is:

| | 2012 | 2011 |
|---|---|---|
| Due to Tropicana Entertainment, Inc. | $ 24,204,000 | $ 13,824,000 |

For the twelve months ended December 31, 2012 and 2011 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

| COST OF GOODS AND SERVICES | 2012 | 2011 |
|---|---|---|
| Professional/Administrative Services | $ 195,000 | $ 52,000 |
| Health Insurance | 476,000 | 422,000 |
| Telecommunications | 68,000 | 78,000 |
| Property insurance | 2,200,000 | 1,618,000 |
| Workman's Compensation Insurance | 205,000 | 261,000 |
| Total | $ 3,144,000 | $2,431,000 |

| SELLING, GENERAL AND ADMINISTRATIVE | 2012 | 2011 |
|---|---|---|
| General Liability Insurance | $ 651,000 | $ 539,000 |
| Health Insurance | 476,000 | 422,000 |
| Telecommunications | 68,000 | 78,000 |
| Workman's Compensation Insurance | 205,000 | 261,000 |
| Professional/Administrative Services | 151,000 | 456,000 |
| Total | $ 1,551,000 | $ 1,756,000 |

**NOTE 6. INCOME TAXES**

The provision for income taxes for the year ended December 31, 2012 and 2011 is comprised of:

| | | 2012 | 2011 |
|---|---|---|---|
| Current: | | | |
| | Federal | $ - | $ - |
| | State | 176,000 | - |
| | | 176,000 | - |
| Deferred: | | | |
| | Federal | - | - |
| | State | - | - |
| | | - | - |
| | | $ 176,000 | $ - |

A reconciliation of the federal income tax statutory rate for the years ended December 31, 2012 and 2011 is as follows:

| | 2012 | 2011 |
|---|---|---|
| Expected tax at 35% | $ (629,000) | $ (3,251,000) |
| State Tax net of Federal Benefit | 9,000 | - |
| Effect of Permanent Differences | (6,000) | 60,000 |
| Valuation Allowance | 802,000 | 3,191,000 |
| Total Provision | $ 176,000 | $ - |

The income tax effects of loss carryforwards, tax credit carryforwards and temporary differences between financial and income tax reporting that give rise to the deferred income tax assets and liabilities at December 31, 2012 and 2011, are as follows:

| | 2012 | 2011 |
|---|---|---|
| Receivables | $ 4,661,000 | $ 4,467,000 |
| Accrued compensation | 2,890,000 | 3,066,000 |
| Net Operating Loss Carryforward | 61,631,000 | 56,420,000 |
| Reserve accrued liabilities | 258,000 | 513,000 |
| Property and Equipment | 142,252,000 | 157,767,000 |
| Other Assets | 3,209,000 | 3,293,000 |
| Gross deferred tax assets | 214,901,000 | 225,526,000 |
| Less Valuation Allowance | (213,449,000) | (224,595,000) |
| Total deferred tax asset | 1,452,000 | 931,000 |
| | | |
| Deductible prepaids | (964,000) | (931,000) |
| Intangibles | (488,000) | - |
| Total deferred tax liabilities | (1,452,000) | (931,000) |
| | | |
| Net deferred tax liabilities | $ - | $ - |

The Company has federal net operating loss carryforwards pursuant to the acquisition of Adamar. Internal Revenue Code Section 382 ("Section 382") places certain limitation on the annual amount of net operating loss carryforwards that can be utilized when a change of ownership occurs. The Company believes the 2010 acquisition of the Company was a change in ownership pursuant to Section 382. As a result of the annual limitation, the net operating loss carryforward amount available to be used in future periods is approximately $186.4 million and will begin to expire in 2027 and forward. As of December 31, 2012, the Company could not determine it was more likely than not to utilize its net operating loss carryforwards before expiration and has established a full valuation allowance.

Accounting for uncertainty in income taxes prescribes a threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The accounting standards also require that the tax positions be assessed using a two step process. A tax position is recognized if it meets a "more likely than not" threshold, and is measured at the largest amount of benefit that is greater than 50 percent likely of being realized. Uncertain tax positions must be reviewed at each balance sheet date. As of December 31, 2012 and 2011, the Company does not have an uncertain tax position. The Company policy is to recognize interest and penalties related to unrecognized tax benefits/liabilities in income tax expense. For the years ended December 31, 2012 and 2011, no amounts have been recorded. The Company has not accrued interest or penalties as of December 31, 2012. The Company files income tax returns in the United State Federal jurisdiction and New Jersey. Generally, the statute of limitation for examination of the Company's returns is open for years ended December 31, 2010.

## NOTE 7. RETIREMENT PLANS

The Company has a defined contribution plan that covers substantially all employees who are not covered by a collective bargaining unit. The plan allows employees, at their discretion, to make contributions of their before-tax earnings to the plan up to an annual maximum amount.

*Multiemployer Pension Plans*

At December 31, 2012 the Company had collective bargaining agreements with unions covering certain employees. Certain Company employees who are members of various unions are covered by union-sponsored, collectively bargained, multiemployer defined benefit pension plans. The risks of participating in multiemployer pension plans are different from single-employer pension plans in the following aspects: (i) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (ii) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers, and (iii) if the Company stops participating in some of its multiemployer pension plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company's total contributions to these multiemployer plans were $.5 million and $3.0 million for the years ended December 31, 2012 and 2011, respectively and do not represent more than 5% of total contribution to those plans. The Company's participation in the individually significant plan is outlined in the table below, while other plans have been aggregated in the "Other" line as the contributions to these plans are not material:

| **Pension Fund** | **EIN/Pension Plan number** | **Pension Protection Act Status** | **Contributions (in thousands)** | | **Funding Improvement Plan/ Rehabilitation Plan Status** | **Surcharge Paid** |
|---|---|---|---|---|---|---|
| | | | **2012** | **2011** | | |
| UNITE HERE National Retirement Fund | 13-6130178 / 001 | Red [(a)] | $461 | $2,755 | Implemented | No |
| Other | | | - | 238 | | |
| Total | | | $461 | $2,993 | | |

**(a)** On March 31, 2010, this fund was certified in critical status under the federal multiemployer plan funding laws pursuant to the Pension Protection Act of 2006.

During 2011, the Company withdrew from certain "Other" union pension plans and paid $0.3 million of withdrawal liabilities. Under the UNITE HERE National Retirement Fund Rehabilitation Plan (the "NRF"), the Company paid increased contributions from January 2012 until the Company withdrew from the plan on February 25, 2012. The contributions increased from $1.773 per employee per straight time hour worked to $1.911 per employee per straight time hour worked. In September 2011, the collective bargaining agreement with UNITE HERE expired and the Company continued to voluntarily contribute to the NRF after the September 2011 expiration date through February 25, 2012 (at which time the Company declared an impasse in the collective bargaining negotiations and ceased contributions to the NRF). UNITE HERE subsequently filed a complaint with the National Labor Relations Board (the "NLRB") alleging that the Company's declarations of an impasse violated the National Labor Relations Act. The Company is contesting this complaint. In the event the NLRB rules against the Company and in favor of UNITE HERE and the Company is unsuccessful in overturning such NLRB ruling, the Company could be required to make contributions to the NRF for the period of time in which the Company's withdrawal was in effect. In addition, in January 2012 the NRF's legal counsel sent a letter to the Company asserting that any Company withdrawal from the NRF would not be entitled to the NFR's "Free Look Rule" and would trigger a withdrawal liability. The Company disagrees with this assertion and does not believe it has any legal obligation for any withdrawal liability.

**NOTE 8. OTHER CURRENT ASSETS**

At December 31, 2012 and 2011, Other Current Assets consisted of the following:

| | 2012 | 2011 |
|---|---|---|
| Pre-paid Insurance | $ 1,106,000 | $ 926,000 |
| Other | 1,255,000 | 1,353,000 |
| Total | $ 2,361,000 | $ 2,279,000 |

**NOTE 9. INVESTMENTS, ADVANCES, AND RECEIVABLES**

The New Jersey Casino Control Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the New Jersey Casino Reinvestment Development Authority ("CRDA"). Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations.

Investments consist of the following:

| | 2012 | 2011 |
|---|---|---|
| Investment in bonds – CRDA | $ 16,616,000 | $ 14,173,000 |
| Less unamortized discount | (4,498,000) | (3,882,000) |
| Less valuation allowance | (3,415,000) | (2,972,000) |
| Deposits – CRDA | 29,751,000 | 30,961,000 |
| Less valuation allowance | (6,987,000) | (7,862,000) |
| Direct investment – CRDA | 4,612,000 | 4,633,000 |
| Less valuation allowance | (1,280,000) | (1,044,000) |
| | $ 34,799,000 | $ 34,007,000 |

The CRDA bonds have various contractual maturities that range from 2 to 40 years. Actual maturities may differ from contractual maturities because of prepayment rights.

**NOTE 10. OTHER ACCRUED EXPENSES**

At December 31, 2012 and 2011, the components of Other Accrued Expenses consisted of:

| | 2012 | 2011 |
|---|---|---|
| Accrued payroll, taxes and benefits | $ 10,631,000 | $ 8,914,000 |
| Accrued progressive liability | 632,000 | 2,788,000 |
| Insurance Reserves | 4,600,000 | 5,300,000 |
| Other | 5,055,000 | 4,344,000 |
| Total other accrued expenses | $ 20,918,000 | $ 21,346,000 |

**NOTE 11. OTHER CURRENT LIABILITIES**

At December 31, 2012 and 2011, the components of Other Current Liabilities consisted of:

| | 2012 | 2011 |
|---|---|---|
| Chip and token liability | $ 2,269,000 | $ 2,200,000 |
| Other | 2,068,000 | 2,626,000 |
| Total other current liabilities | $ 4,337,000 | $ 4,826,000 |

**NOTE 12. OTHER LIABILITIES**

At December 31, 2012 and 2011, the components of Other Liabilities consisted of:

| | 2012 | 2011 |
|---|---|---|
| Due to affiliates | $ 24,204,000 | $ 13,824,000 |

**NOTE 13. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following table presents (in thousands) the carrying amounts and estimated fair values of the Company's financial instruments. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

| | 2012 | | 2011 | |
|---|---|---|---|---|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Assets | | | | |
| Investments | $ 34,799 | $ 34,799 | $ 34,007 | $ 34,007 |
| Liabilities | | | | |
| Current portion of long-term debt | $ 45 | $ 45 | $ 42 | $ 42 |
| Long-term debt | $ 44 | $ 44 | $ 89 | $ 89 |

The carrying amounts shown in the table are included in the Consolidated Balance Sheets under the indicated captions. All of the Company's financial instruments are held or issued for purposes other than trading.

Investments consisted of deposits with the CRDA, CRDA bonds that bear interest at two-thirds of market rates resulting in a fair value lower than cost and other CRDA investments (primarily loans). The carrying amounts of these deposits, bonds and other investments are presented net of a valuation allowance and in the case of the bonds an unamortized discount that result in an approximation of fair values.

**NOTE 14. NON-OPERATING INCOME/EXPENSE**

At December 31, 2012 and 2011, Non-operating Income/(Expense) consisted of the following:

| | 2012 | 2011 |
|---|---|---|
| Interest income | $ 552,000 | $ 669,000 |
| Impairment Charge | (1,779,000) | - |
| Reorganization/Construction Accident Related | (287,000) | (536,000) |
| (Loss)/Proceeds on Disposal of Asset | (45,000) | 64,000 |
| Total | $ (1,559,000) | $ 197,000 |

**NOTE 15. INTANGIBLE ASSETS**

At December 31, 2012 and 2011 the Company’s intangible assets, a component of Other Assets, consisted of the following:

| | 2012 | 2011 |
|---|---|---|
| Favorable leases | $ 2,385,000 | $ 5,200,000 |
| Customer lists | 1,400,000 | 1,400,000 |
| Total intangible assets | 3,785,000 | 6,600,000 |
| Less accumulated amortization: | | |
| Favorable leases | (1,193,000) | (1,682,000) |
| Customer lists | (1,322,000) | (856,000) |
| Total accumulated amortization | (2,515,000) | (2,538,000) |
| Intangible assets, net | $ 1,270,000 | $ 4,062,000 |

Customer lists represent the value associated with customers enrolled in our customer loyalty programs and are being amortized to amortization expense on a straight-line basis over three years. Favorable lease arrangements are being amortized to tenant income on a straight-line basis over the terms of the various leases.

In the second quarter of 2012, management reviewed the tenant leases and determined that there was a $1.8 million impairment due to certain original tenant leases being terminated early. The remaining balance will continue to be amortized over the remaining useful life.

# TROPICANA CASINO AND RESORT
# ANNUAL FILINGS

## FOR THE YEAR ENDED DECEMBER 31, 2012

**SUBMITTED TO THE**
**DIVISION OF GAMING ENFORCEMENT**
**OF THE**
**STATE OF NEW JERSEY**

**OFFICE OF FINANCIAL INVESTIGATIONS**
**REPORTING MANUAL**

# TROPICANA CASINO AND RESORT

## ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)
($ IN THOUSANDS)

| ACCOUNTS RECEIVABLE BALANCES | | | | |
|---|---|---|---|---|
| Line (a) | Description (b) | Account Balance (c) | Allowance (d) | Accounts Receivable (Net of Allowance) (e) |
| | Patrons' Checks: | | | |
| 1 | Undeposited Patrons' Checks | $4,317 | | |
| 2 | Returned Patrons' Checks | 14,851 | | |
| 3 | Total Patrons' Checks | 19,168 | $10,448 | $8,720 |
| 4 | Hotel Receivables | 2,708 | 502 | $2,206 |
| | Other Receivables: | | | |
| 5 | Receivables Due from Officers and Employees | - | | |
| 6 | Receivables Due from Affiliates | - | | |
| 7 | Other Accounts and Notes Receivables | 3,135 | | |
| 8 | Total Other Receivables | 3,135 | 463 | $2,672 |
| 9 | Totals (Form DGE-205) | $25,011 | $11,413 | $13,598 |

| UNDEPOSITED PATRONS' CHECKS ACTIVITY | | |
|---|---|---|
| Line (f) | Description (g) | Amount (h) |
| 10 | Beginning Balance (January 1) | $10,596 |
| 11 | Counter Checks Issued | 171,298 |
| 12 | Checks Redeemed Prior to Deposit | (134,747) |
| 13 | Checks Collected Through Deposits | (34,102) |
| 14 | Checks Transferred to Returned Checks | (8,728) |
| 15 | Other Adjustments | 0 |
| 16 | Ending Balance | $4,317 |
| 17 | "Hold" Checks Included in Balance on Line 16 | 0 |
| 18 | Provision for Uncollectible Patrons' Checks | $1,760 |
| 19 | Provision as a Percent of Counter Checks Issued | 1.0% |

# TROPICANA CASINO AND RESORT
# ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2012

($ IN THOUSANDS)

| Line (a) | Department (b) | Number of Employees (c) | Salaries and Wages: Other Employees (d) | Salaries and Wages: Officers & Owners (e) | Salaries and Wages: Totals (f) |
|---|---|---|---|---|---|
| | CASINO: | | | | |
| 1 | Table and Other Games | 693 | | | |
| 2 | Slot Machines | 78 | | | |
| 3 | Administration | 7 | | | |
| 4 | Casino Accounting | 136 | | | |
| 5 | Simulcasting | 0 | | | |
| 6 | Other | 0 | | | |
| 7 | Total - Casino | 914 | $19,798 | $0 | $19,798 |
| 8 | ROOMS | 412 | 9,745 | | 9,745 |
| 9 | FOOD AND BEVERAGE | 716 | 13,821 | | 13,821 |
| 10 | GUEST ENTERTAINMENT | 165 | 1,600 | | 1,600 |
| 11 | MARKETING | 124 | 5,212 | | 5,212 |
| 12 | OPERATION AND MAINTENANCE | 204 | 7,318 | | 7,318 |
| | ADMINISTRATIVE AND GENERAL: | | | | |
| 13 | Executive Office | 3 | 898 | | 898 |
| 14 | Accounting and Auditing | 39 | 1,833 | | 1,833 |
| 15 | Security | 175 | 4,595 | | 4,595 |
| 16 | Other Administrative and General | 46 | 2,044 | | 2,044 |
| | OTHER OPERATED DEPARTMENTS: | | | | |
| 17 | Communications | 17 | 372 | | 372 |
| 18 | Transportation | 80 | 1,364 | | 1,364 |
| 19 | Hotel Sales | 5 | 303 | | 303 |
| 20 | IT | 18 | 1,034 | | 1,034 |
| 21 | | | | | 0 |
| 22 | | | | | 0 |
| 23 | TOTALS - ALL DEPARTMENTS | 2,918 | $69,937 | $0 | $69,937 |