HARRAH'S RESORT, ATLANTIC CITY

QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 2015

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

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

HARRAH'S RESORT, ATLANTIC CITY
BALANCE SHEETS

AS OF DECEMBER 31, 2015 AND 2014

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2015 (c)	2014 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		$28,260	$21,460
2	Short-Term Investments			
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2015, $5,686; 2014, $4,931)	4	12,715	11,598
4	Inventories	2	1,353	1,529
5	Other Current Assets	5	2,183	2,620
6	Total Current Assets		44,511	37,207
7	Investments, Advances, and Receivables	6	10,206	9,602
8	Property and Equipment - Gross	2,7	190,083	184,660
9	Less: Accumulated Depreciation and Amortization	2,7	(14,552)	(7,329)
10	Property and Equipment - Net	2,7	175,531	177,331
11	Other Assets	8	154,502	159,365
12	Total Assets		$384,750	$383,505
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$7,308	$6,814
14	Notes Payable			
	Current Portion of Long-Term Debt:			
15	Due to Affiliates			
16	External	10, 14	3,364	4,001
17	Income Taxes Payable and Accrued		0	8,385
18	Other Accrued Expenses	9	16,188	15,231
19	Other Current Liabilities		2,820	2,354
20	Total Current Liabilities		29,680	36,785
	Long-Term Debt:			
21	Due to Affiliates			
22	External	11, 14	750	3,679
23	Deferred Credits		0	0
24	Other Liabilities	12	46	318
25	Commitments and Contingencies	16		
26	Total Liabilities		30,476	40,782
27	Stockholders', Partners', or Proprietor's Equity	3	354,274	342,723
28	Total Liabilities and Equity		$384,750	$383,505

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

HARRAH'S RESORT, ATLANTIC CITY
STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015 AND 2014

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2015 (c)	2014 (d)
	Revenue:			
1	Casino		$370,158	$359,995
2	Rooms		79,751	75,599
3	Food and Beverage		92,589	86,063
4	Other		26,363	28,804
5	Total Revenue		568,861	550,461
6	Less: Promotional Allowances	2	144,830	146,550
7	Net Revenue		424,031	403,911
	Costs and Expenses:			
8	Casino		166,639	174,465
9	Rooms, Food and Beverage		37,858	35,533
10	General, Administrative and Other		96,808	96,500
11	Total Costs and Expenses		301,305	306,498
12	Gross Operating Profit		122,726	97,413
13	Depreciation and Amortization		8,394	8,593
	Charges from Affiliates Other than Interest:			
14	Management Fees			
15	Other	3	37,984	48,071
16	Income (Loss) from Operations		76,348	40,749
	Other Income (Expenses):			
17	Interest Expense - Affiliates			
18	Interest Expense - External		(128)	(115)
19	CRDA Related Income (Expense) - Net	17	(3,466)	(2,066)
20	Nonoperating Income (Expense) - Net	13	710	(2,492)
21	Total Other Income (Expenses)		(2,884)	(4,673)
22	Income (Loss) Before Taxes and Extraordinary Items		73,464	36,076
23	Provision (Credit) for Income Taxes	15	26,059	1,222
24	Income (Loss) Before Extraordinary Items		47,405	34,854
	Extraordinary Items (Net of Income Taxes -			
25	2015, $0; 2014, $0)			
26	Net Income (Loss)		$47,405	$34,854

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

HARRAH'S RESORT, ATLANTIC CITY
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2015 AND 2014

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2015 (c)	2014 (d)
	Revenue:			
1	Casino		$84,570	$91,504
2	Rooms		17,867	17,420
3	Food and Beverage		20,667	20,740
4	Other		6,111	6,940
5	Total Revenue		129,215	136,604
6	Less: Promotional Allowances	2	33,153	37,612
7	Net Revenue		96,062	98,992
	Costs and Expenses:			
8	Casino		40,940	45,919
9	Rooms, Food and Beverage		8,745	7,329
10	General, Administrative and Other		24,632	22,763
11	Total Costs and Expenses		74,317	76,011
12	Gross Operating Profit		21,745	22,981
13	Depreciation and Amortization		2,689	1,123
	Charges from Affiliates Other than Interest:			
14	Management Fees			
15	Other	3	9,256	9,812
16	Income (Loss) from Operations		9,800	12,046
	Other Income (Expenses):			
17	Interest Expense - Affiliates			
18	Interest Expense - External		(56)	123
19	CRDA Related Income (Expense) - Net	17	(548)	(91)
20	Nonoperating Income (Expense) - Net	13	57	(2,659)
21	Total Other Income (Expenses)		(547)	(2,627)
22	Income (Loss) Before Taxes and Extraordinary Items		9,253	9,419
23	Provision (Credit) for Income Taxes	15	26,059	4,465
24	Income (Loss) Before Extraordinary Items		(16,806)	4,954
25	Extraordinary Items (Net of Income Taxes - 2015, $0; 2014, $0)			
26	Net Income (Loss)		($16,806)	$4,954

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

HARRAH'S RESORT, ATLANTIC CITY
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2015

(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)	Accumulated Comprehensive Income/Loss (h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	**Balance, December 31, 2013..........**		25	$25			$1,148,402	$0	($822,684)	$325,743
2	Net Income (Loss) - 2014.............								34,854	34,854
3	Contribution to Paid-in-Capital.....									0
4	Dividends....................................									0
5	Prior Period Adjustments.............									0
6	Comprehensive Income/Loss									0
7	Equitization of Intercompany	3					(17,874)			(17,874)
8	Capital Contributions									0
9										0
10	**Balance, December 31, 2014..........**		25	25	0	0	1,130,528	0	(787,830)	342,723
11	Net Income (Loss) - 2015.............								47,405	47,405
12	Contribution to Paid-in-Capital.....									0
13	Dividends....................................									0
14	Prior Period Adjustments.............									0
15	Equitization of Intercompany	3					(35,854)			(35,854)
16										0
17										0
18										0
19	**Balance, December 31, 2015 ....**		25	$25	0	$0	$1,094,674	$0	($740,425)	$354,274

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

HARRAH'S RESORT, ATLANTIC CITY
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015 AND 2014

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2015 (c)	2014 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		$17,008	$17,983
	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...........................		(5,439)	(10,986)
5	Proceeds from Disposition of Property and Equipment..........		0	0
6	CRDA Obligations		(4,769)	(4,461)
7	Other Investments, Loans and Advances made.......................			
8	Proceeds from Other Investments, Loans, and Advances			
9	Cash Outflows to Acquire Business Entities...........................		0	0
10	....			
11	....			
12	Net Cash Provided (Used) By Investing Activities....................		(10,208)	(15,447)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt......................................			
15	Proceeds from Long-Term Debt		0	(3,304)
16	Costs of Issuing Debt...			
17	Payments to Settle Long-Term Debt......................................			
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock..			
20	Payments of Dividends or Capital Withdrawals......................			
21	Transition from CMBS Financing to CERP			
22	....			
23	Net Cash Provided (Used) By Financing Activities...................		0	(3,304)
24	Net Increase (Decrease) in Cash and Cash Equivalents.............		6,800	(768)
25	Cash and Cash Equivalents at Beginning of Period...................		21,460	22,228
26	Cash and Cash Equivalents at End of Period.............................		$28,260	$21,460

Line	Description	Notes	2015	2014
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)......................................		$310	$367
28	Income Taxes..		$0	$0

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

HARRAH'S RESORT, ATLANTIC CITY
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015 AND 2014

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2015 (c)	2014 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)..		$47,405	$34,854
30	Depreciation and Amortization of Property and Equipment...		7,780	7,979
31	Amortization of Other Assets...		614	614
32	Amortization of Debt Discount or Premium.........................			
33	Deferred Income Taxes - Current		(8,385)	(413)
34	Deferred Income Taxes - Noncurrent		0	11,577
35	(Gain) Loss on Disposition of Property and Equipment........		(57)	(136)
36	(Gain) Loss on CRDA-Related Obligations..........................	17	3,466	2,066
37	(Gain) Loss from Other Investment Activities......................		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks		(1,117)	1,946
39	(Increase) Decrease in Inventories		176	(33)
40	(Increase) Decrease in Other Current Assets.........................		437	(500)
41	(Increase) Decrease in Other Assets....................................		4,249	(5,854)
42	Increase (Decrease) in Accounts Payable.............................		494	(1,956)
43	Increase (Decrease) in Other Current Liabilities		786	2,264
44	Increase (Decrease) in Other Liabilities		(3,201)	(22,111)
45	(Increase) Decrease in Other Receivables or Adv		(35,198)	(12,314)
46	Asset Write-Off	13	(441)	0
47	Net Cash Provided (Used) By Operating Activities..................		$17,008	$17,983

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2015 (c)	2014 (d)
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment..................................		($5,439)	($14,290)
49	Less: Capital Lease Obligations Incurred..............................		0	3,304
50	Cash Outflows for Property and Equipment.............................		($5,439)	($10,986)
	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

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

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

HARRAH'S RESORT, ATLANTIC CITY
SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
(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	499,562	$42,063	0	$0
2	Food	1,173,161	29,373	0	0
3	Beverage	2,745,151	20,589	0	0
4	Travel	0	0	67,305	17,447
5	Bus Program Cash	5,062	51	0	0
6	Promotional Gaming Credits	1,239,122	43,369	0	0
7	Complimentary Cash Gifts	72,251	4,739	0	0
8	Entertainment	25,736	1,158	0	0
9	Retail & Non-Cash Gifts	93,199	1,864	0	0
10	Parking	0	0	0	0
11	Other	350,685	1,624	0	0
12	Total	6,203,929	$144,830	67,305	$17,447

FOR THE THREE MONTHS ENDED DECEMBER 31, 2015

		Promotional Allowances		Promotional Expenses	
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	115,313	$9,546		
2	Food	276,530	6,538		
3	Beverage	668,705	5,016		
4	Travel		0	14,336	3,674
5	Bus Program Cash	1,064	11		
6	Promotional Gaming Credits	301,261	10,544		
7	Complimentary Cash Gifts	1,092	536		
8	Entertainment	3,593	161		
9	Retail & Non-Cash Gifts	23,492	470		
10	Parking		0		
11	Other	68,347	331		
12	Total	1,459,397	$33,153	14,336	$3,674

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

HARRAH'S RESORT, ATLANTIC CITY
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 2015

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.

3/31/2016
Date

Joseph Lodise

Vice President of Finance
Title

008900-11
License Number

On Behalf of:

HARRAH'S RESORT, ATLANTIC CITY
Casino Licensee

HARRAH'S RESORT, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Harrah's Atlantic City Holding, Inc. and Subsidiaries (the "Company", "Harrah's Atlantic City") is a wholly owned subsidiary of Caesars Entertainment Resort Properties ("CERP") which is a wholly owned subsidiary of Caesars Entertainment Corporation ("Caesars"). The Company operates a casino hotel resort located in the Marina District of Atlantic City, New Jersey, known as Harrah's Resort Atlantic City.

The Company operates in one industry segment and all significant revenues arise from its casino and supporting hotel operations. The Company is licensed to operate the facility by the New Jersey Division of Gaming Enforcement, (the "DGE") and is subject to rules and regulations established by the DGE. The Company's license is subject to resubmission every five years.

CEOC Chapter 11 Reorganization - As described more fully in Note 3 of CEC's audited consolidated financial statements ("CEC's Note 3"), on January 15, 2015, CEOC and certain of its United States subsidiaries (the "Debtors") voluntarily filed for reorganization under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for Northern District of Illinois in Chicago (the "Bankruptcy Court") in order to implement a restructuring plan for balance sheet deleveraging. All CEC properties, and those owned by CEOC, are continuing to operate in the ordinary course. As described more fully in CEC's Note 1, CEC made material commitments under CEOC's plan of reorganization (the "Restructuring"), and is a defendant in litigation, including the Noteholder Disputes, and other noteholder disputes relating to certain CEOC transactions dating back to 2010. The circumstances described in CEC's Note 1 under "CEC Liquidity" raise substantial doubt as to CEC's ability to continue as a going concern without securing additional sources of funding to meet its ongoing obligations and its commitments under the Restructuring. Additionally, in each of the litigation matters disclosed in CEC's Note 1 under "Litigation," claims have been made or could be made against CEC that, if resolved against them, raise substantial doubt about CEC's ability to continue as a going concern. Under the terms of the Restructuring, all such litigation should be resolved. However, in the event of a material adverse ruling on one or all of the litigation matters disclosed in CEC's Note 1, it is likely that a CEC reorganization under Chapter 11 of the Bankruptcy Code would be necessary.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), which require the use of estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting periods. Management believes the accounting estimates are appropriate and reasonably stated; however, due to the inherent uncertainties in making these estimates, actual amounts could differ.

Principles of Consolidation - The accompanying consolidated financial statements include the account balances of Harrah's Atlantic City and its wholly-owned subsidiaries. As a result, all material intercompany transactions and balances have been eliminated in consolidation.

Cash and Cash Equivalents - Cash equivalents are highly liquid investments with original maturities of three months or less from the date of purchase and are stated at the lower of cost or market value.

Allowance for Doubtful Accounts - The Company reserves an estimated amount for receivables that may not be collected. The methodology for estimating the allowance includes using specific reserves and applying various percentages to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific allowances. As with many estimates management must make judgments about potential actions by third parties in establishing and evaluating the allowance for doubtful accounts.

Inventories - Inventories, which consist primarily of food, beverage, and operating supplies, are stated at the lower of average cost or market value.

Long-Lived Assets - The Company has significant capital invested in long-lived assets, and judgments are made in determining the estimated useful lives of assets and salvage values and if or when an asset (or asset group) has been impaired. The accuracy of these estimates affects the amount of depreciation and amortization expense recognized in the Company's financial results and whether the Company has a gain or loss on the disposal of an asset. The Company assigns lives to their assets based on their standard policy, which is established by management as representative of the useful life of each category of asset.

The Company reviews the carrying value of their long-lived assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. The Company typically estimates its fair value of assets starting with a "Replacement Cost New" approach and then deducting appropriate amounts for both functional and economic obsolescence to arrive at fair value estimates. Other factors considered by management in performing this assessment may include current operating results, trends, prospects, and third-party appraisals, as well as the effect of demand, competition, and other economic, legal, and regulatory factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the lowest level of identifiable cash flows, which, for the Company, is the individual property. These analyses are sensitive to management assumptions and the estimates of the obsolescence factors, and changes in the assumptions and estimates, could have a material impact on the analysis and the consolidated financial statement schedules.

Additions to property and equipment are stated at cost. The Company capitalizes the costs of improvements that extend the life of the asset. The Company expenses maintenance and repair costs as incurred. Gains or losses on the disposition of property and equipment are recognized in the period of disposal. Interest expense is capitalized on internally constructed assets at the applicable weighted-average borrowing rates of interest. Capitalization of interest ceases when the project is substantially complete or construction activity is suspended for more than a brief period of time.

Depreciation is calculated using the straight-line method over the shorter of the estimated useful life of the asset or the related lease as follows:

Useful Lives
Land improvements 12 years
Buildings 20 to 40 years
Leasehold improvements 5 to 20 years
Furniture, fixtures, and equipment 2.5 to 20 years

Goodwill and Other Intangible Assets – The intangible assets represent a customer database with a recorded gross value of $4,352 and $4,352 as of December 31, 2015 and 2014, respectively, and accumulated amortization of $1,229 and $614 as of December 31, 2015 and 2014, respectively. The customer database had been determined to have a useful life of 13 years.

Impairment of Intangible Assets - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principle market or, if none exists, the most advantageous market, for the specific asset or liability at the measurement date (referred to as the "exit price"). Fair value is a market-based measurement that should be determined based upon assumptions that market participants would use in pricing an asset or liability, including consideration of nonperformance risk.

We assess the inputs used to measure fair value using the three-tier hierarchy promulgated under GAAP. This hierarchy indicates the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Inputs include quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable either directly or indirectly, including quoted prices for similar assets in active markets, quoted prices from identical or similar assets in inactive markets, and observable inputs such as interest rates and yield curves.

Level 3: Inputs that are significant to the measurement of fair value that are not observable in the market and include management's judgments about assumptions market participants would use in pricing the asset or liability (including assumptions about risk).

(Dollars in Thousands)

Our assessment of goodwill and other intangible assets for impairment includes an assessment using various Level 2 (EBITDA multiples and discount rate) and Level 3 (forecasted cash flows) inputs.

Fair Value of 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. The carrying amount of receivables and all current liabilities approximates fair value due to their short-term nature. After giving effect to their allowances, the Casino Reinvestment Development Authority ("CRDA") bonds and deposits approximately reflect their fair value based upon their below-market interest rates.

Revenue Recognition - Casino revenues are measured by the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs and for chips in the customers' possession. Food and beverage, rooms, and other operating revenues are recognized when services are performed. Advance deposits on rooms and advance ticket sales are recorded as customer deposits until services are provided to the customer. Sales taxes and other taxes collected from customers on behalf of governmental authorities are accounted for on a net basis and are not included in net revenues or operating expenses.

Casino Promotional Allowances - Casino promotional allowances consist of the retail value of complimentary food and beverages, accommodations, admissions and entertainment provided to casino patrons. Also included is the value of the coupons redeemed for cash at the property. The estimated costs of providing such complimentary services are classified as casino expenses in the accompanying statements of income. These costs consisted of the following at December 31:

	2015	2014
Food and Beverage	$ 34,807	$ 36,937
Rooms	17,023	16,696
Other	4,122	6,874
Other Cash Complimentary	4,739	6,805
Promotional Gaming Credits	43,369	44,661
	$ 104,060	$ 111,973

Total Rewards Point Liability Program – Caesars' customer loyalty program, Total Rewards, offers incentives to customers who gamble at Caesars' casinos throughout the United States. Under the program, customers are able to accumulate, or bank, reward credits over time that they may redeem at their discretion under the terms of the program. The reward credit balance will be forfeited if the customer does not earn a reward credit over the prior six-month period. As a result of the ability of the customer to bank the reward credits, the expense of Reward Credits is accrued after consideration of estimated forfeitures (referred to as breakage), as they are earned. The estimated cost to provide reward credits is expensed at the property where they are earned and is included in casino expense on the accompanying consolidated statements of income. To arrive at the estimated cost associated with reward credits, estimates and assumptions are made regarding incremental marginal costs of the benefits, breakage rates and the mix of goods and services for which reward credits will be redeemed. The Company uses historical data to assist in the determination of estimated accruals. These amounts are recorded on Caesars' balance sheets with the incremental charges included in due from affiliates, net in the balance sheets. At December 31, 2015 and 2014, the accrued balance for the estimated cost of Total Rewards credit redemptions was $2,914 and $4,232 respectively.

In addition to Reward Credits, customers can earn points based on play that are redeemable in Non-Negotiable Reel Rewards ("NNRR"). The Company accrues the cost of NNRR, after consideration of estimated breakage, as they are earned. The cost is recorded as contra-revenue and included in casino promotional allowances on the accompanying Consolidated Statements of Income. At December 31, 2015 and 2014, the liability related to outstanding NNRR, which is based on historical redemption activity, were $897 and $709 respectively.

Gaming Tax – The Company remits weekly to the State of New Jersey a tax equal to eight percent of the gross gaming revenue, as defined. Gaming taxes paid to the State of New Jersey for the twelve months ended December 31, 2015 and 2014, which are included in cost of goods and services in the statement of income, were approximately $29,949 and $29,229 respectively.

Advertising Expenses — Advertising costs are expensed as incurred. Advertising expenses are approximately $1,361 and $4,339 for the twelve months ended December 31, 2015 and 2014, respectively. Advertising expenses are included in charges from affiliates in the statements of income.

Property Taxes - In 2015 and 2014, the Company settled with the City with respect to their challenges to the real estate tax assessment for prior years. The City approved refunds/credits of prior year's property taxes during the first quarter of 2014 in the amount of $4,143. This credit was recorded in general, administrative and other expense in the accompanying Statements of Income. In addition, the 2015 and 2014 assessments were reduced by approximately $32,000 and $500,000 respectively. During 2015 and 2014, the city increased the property tax rate by approximately 2% and 32% respectively.

Subsequent Events - We have evaluated all events or transactions that occurred after December 31, 2015. During this period we did not identify any subsequent events, the effects of which would require disclosure or adjustments to our financial results.

Income Taxes — The Company is included in the consolidated federal tax return of Caesars and files a separate New Jersey tax return. Deferred income tax assets and liabilities represent the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income taxes are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in existing tax rates is recognized as an increase or decrease to the tax provision in the period that includes the enactment date. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense.

Internet Gaming - Harrah's Resort Atlantic City did not have Internet gaming operations during 2015 or 2014.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Company participates with Caesars Entertainment Operating Company (CEOC) and Caesars' other subsidiaries in marketing, purchasing, insurance, employee benefit and other programs that are defined and negotiated, and managed by CEOC on a consolidated basis. The Company believes that participating in these consolidated programs is beneficial in comparison to the terms for similar programs that it could negotiate on a stand-alone basis.

Cash Activity with CEOC and Affiliates - The Company transfers cash in excess of its operating and regulatory needs to CEOC on a daily basis. Cash transfers from CEOC to the Company are also made based upon the needs of the Company to fund daily operations, including accounts payable and payroll, as well as capital expenditures. No interest is charged on transfers made to or from the Company.

Equity Incentive Awards - Caesars maintains equity incentive award plans in which certain employees of the Company may be granted awards. Caesars allocates an appropriate amount of cost for these plans to each subsidiary where employees participate. The Company recognized $316 and $248 in equity incentive award expense for each of the years ended December 31, 2015 and 2014, respectively, are included in Selling, General, and Administrative expenses in the accompanying statements of income.

Employee Benefit Plans — Caesars maintains a defined contribution savings and retirement plan that allows employees to make pre-tax and after-tax contributions. Under the plan, participating employees may elect to contribute up to 50% of their eligible earnings (subject to IRS rules and regulations) and are eligible to receive a company match of up to $600, which was reinstated in 2012. Participating employees become vested in matching contributions on a pro-rata basis over five years of credited service. The Company's contribution expense for each of the years ended December 31, 2015 and 2014 were $569 and $550 respectively and are included in the accompanying statements of income.

Caesars also maintains deferred compensation plans under which certain employees of the Company's management may defer a portion of their compensation. The expenses charged by CEC to the Company for employees' participation in these programs are included in the administrative and other services charge discussed above.

Multiemployer Benefit Plans — Certain employees of the Company are covered by union sponsored, collectively bargained, health and welfare plans. The contributions and charges for these plans were $13,369 and $13,743 for the years ended December 31, 2015 and 2014, respectively, are included in Selling, General, and Administrative expenses in the accompanying statements of income.

The Company contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from a single-employer plan in the following aspects:

a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If the Company chooses to stop participating in some of its multiemployer 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.

		Pension Protection Act Zone Status (1)			Contributions of CEOC on behalf of HACH ($ in thousands)			
Pension Fund	**EIN/Pension Plan Number**	**2015**	**2014**	**FIP/RP Status (2)**	**2015**	**2014**	**Surcharge Imposed**	**Expiration Date of Collective-Bargaining Agreement**
Pension Plan of the UNITE HERE National Retirement Fund (4)	13-6130178/001	Red	Red	Yes	$ 4,922	$ 4,727	No	March 2015
Local 68 Engineers Union Pension Plan (3)	51-0176618/001	Green	Green	No	454	471	No	April 2017
NJ Carpenters Pension Fund	22-6174423/001	Yellow	Yellow	Yes	111	122	No	April 2017
Other funds					77	118		
					$ 5,564	$ 5,438		

(1) Represents the Pension Protection Act ("PPA") zone status for applicable plan year beginning January 1, 2015, except where noted otherwise.
(2) Indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented.
(3) Plan years begin July 1.
(4) As described in Note 19, " Subsequent Event - Other ," in 2015, the Pension Plan of the UNITE HERE National Retirement Fund voted to expel Caesars Entertainment and its participating subsidiaries from the plan.

The zone status is based on information that the Company received from the plan administrator and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than less than 65% funded, plans in the yellow zone are between 65% and less than 80% funded, and plans in the green zone are at least at least 80% funded. All plans detailed in the table above utilized extended amortization provisions to calculate zone status.

Administrative and Other Services - Pursuant to a shared services agreement, CEOC provides certain corporate and administrative services (including consulting, legal, marketing, information technology, accounting and insurance) to the Company and allocates the costs of these services to the companies. In May 2014, CES was formed, and the Members entered into the Omnibus License and Enterprise Services Agreement (see below). Certain of these corporate and administrative services are now provided by CES. The Company was charged $37,984 and $48,071 for these services for the twelve months ended December 31, 2015 and 2014 respectively. The fee is included in charges from affiliates in the accompanying statements of income.

Omnibus License and Enterprise Services Agreement

On May 20, 2014, CEOC, CERP, and Caesars Growth Properties Holdings, LLC (“CGPH”) (the “Members” and each a“Member”) entered into a services joint venture, Caesars Enterprise Services (“CES”). CES manages certain Enterprise Assets and the other assets it owns, licenses or controls, and employs certain of the corresponding employees and other employees who previously provided services to CEOC, CERP and CGPH, their affiliates and their respective properties and systems under each property’s corresponding property management agreement. Corporate expenses that are not allocated to the property directly are allocated by CES to CEOC, CERP, and CGPH according to their allocation percentages. Operating expenses will be allocated to each Member with respect to their respective properties serviced by CES in accordance with historical allocation methodologies, subject to annual revisions and certain prefunding requirements.

(Dollars in Thousands)

Equitization of Intercompany Balances – During June 2013, the Company began the process to equitize certain intercompany balances with its parent and affiliates that were previously classified as a receivable/liability. The offset to this entry was Additional Paid in Capital. This is separately shown on the statements of changes in stockholders' equity.

Atlantic City Country Club - Atlantic City Country Club 1, LLC ("ACCC") was a wholly owned subsidiary of Bally's Atlantic City ("Bally's"), an affiliate of the Company. The net operating costs of ACCC were allocated to the Company and Bally's as well as Caesars Atlantic City and Showboat Atlantic City, also affiliates of the Company. The Company was charged approximately $169 for these costs for the twelve months ended December 31, 2014. The costs are included in other operating expenses in the accompanying statements of income. Atlantic City Country Club was sold in April 2014.

NOTE 4 – RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks as of December 31 consisted of the following:

	2015	2014
Casino Receivables (Net of Allowance for Doubtful Accounts - 2015, $5,471 & 2014, $4,855)	$ 5,544	$ 6,743
Other (Net of Allowance for Doubtful Accounts- 2015, $215 & 2014, $76)	7,171	4,855
	$ 12,715	$ 11,598

NOTE 5 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid Expenses and Other Current Assets as of December 31 consisted of the following:

	2015	2014
Prepaid Air Charter	$ -	$ 14
Prepaid State Income Tax	1,140	1,490
Prepaid Taxes	543	577
Prepaid Marketing & Entertainment	128	159
Prepaid Other & Other Current Assets	372	380
	$ 2,183	$ 2,620

NOTE 6 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, Advances and Receivables as of December 31 consisted of the following:

	2015	2014
CRDA obligation deposit-Net of Valuation Allowance of $2,060 and $2,131 at December 31, 2015 and 2014, respectively	4,119	4,262
CRDA obligation bonds-Net of Valuation Allowance of $6,008 and $3,980 at December 31, 2015 and 2014, respectively	5,127	3,517
CRDA Investments, Net	307	946
Other	653	877
	$ 10,206	$ 9,602

HARRAH'S RESORT, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

NOTE 7 – LAND, BUILDINGS AND EQUIPMENT

Land, Buildings and Equipment as of December 31 consisted of the following:

	2015	2014
Land and Land Improvements	$ 57,515	$ 57,515
Building and Improvements	110,904	109,850
Furniture Fixtures & Equipment	19,621	11,174
Construction in Progress	2,043	6,121
	190,083	184,660
Less: Accumulated Depreciation and Amortization	(14,552)	(7,329)
Land, Building and Equipment, Net	$ 175,531	$ 177,331

NOTE 8 - OTHER ASSETS

Other Assets as of December 31 consisted of the following:

	2015	2014
Intangible Asstes	$ 3,123	$ 3,738
Deferred Income Taxes	144,671	148,920
Other	6,708	6,707
	$ 154,502	$ 159,365

NOTE 9 - OTHER ACCRUED EXPENSES

Other Accrued Expenses as of December 31 consisted of the following:

	2015	2014
Accrued Salaries, Wages and Benefits	$ 2,734	$ 3,017
Taxes Payable	2,725	2,826
Accrued City Wide Progressive Slot Liability	94	269
Accrued Interest, Long-term debt	32	57
Accrued CCC/DGE Casino License Fees	945	542
Accrued Utilities	962	1,081
Accrued Health and Welfare Union	1,536	1,552
Other Accrued Expenses	7,160	5,887
	$ 16,188	$ 15,231

NOTE 10- SHORT-TERM DEBT

Short-term debt, due to other as of December 31 consisted of the following:

	2015	2014
Current Portion of Capitalized Leases / Financing Obligations	3,364	4,001
	$ 3,364	$ 4,001

NOTE 11 – LONG TERM DEBT

Long-term debt, due to others as of December 31 consisted of the following:

	2015	2014
Capitalized Leases / Financing Obligations	750	3,679
	$ 750	$ 3,679

HARRAH'S RESORT, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

NOTE 12 - OTHER LIABILITIES

Other Liabilities as of December 31 consisted of the following:

	2015	2014
Reported Claims	$ -	$ 115
Other Long Term Liabilities	46	203
	$ 46	$ 318

NOTE 13 – NON-OPERATING INCOME (EXPENSE)

For the twelve months ended December 31, 2015 and 2014, Non-Operating Income (Expense) consisted of the following:

	2015	2014
Interest Income	$ 166	$ 211
Asset Write-Off	441	(2,124)
Impairment Tangible Assets	3	(120)
Other	100	(459)
	$ 710	$ (2,492)

NOTE 14 - LEASES

Capital Lease — The Company entered into capital leases for gaming equipment, which is included in furniture, fixtures, and equipment, in the accompany balance sheets.

Future minimum rental commitments for non-cancelable leases including renewal options and capital leases, as of December 31, 2015, are as follows:

	Capital Lease Obligations	Financing Obligations
2016	$ 1,267	$ 2,247
2017	765	
2018 and thereafter		
Total minimum	2,032	2,247
Amounts representing interest	(94)	(71)
Present value of net minimum	1,938	2,176
Less current maturities	(1,188)	(2,176)
Capital lease obligations/ Financing obligations — noncurrent	$ 750	$ 0

Rent expense, which includes both cancelable and non-cancelable operating leases for the years ended December 31, 2015 and 2014, was $3,244 and $4,214 respectively. These amounts are included in the accompanying Statements of Income.

NOTE 15 – INCOME TAXES

The Company is included in the consolidated federal income tax return of Caesars. The Company will file a separate final New Jersey return through May 2014. During May 2014, the Company merged into Caesars Entertainment Resort Properties (“CERP”). As such, the Company will file as part of the CERP combined New Jersey filing for 2015 and future years.

HARRAH'S RESORT, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

The tax years that remain open for examination for Caesars major jurisdictions are 2010 through 2015 for New Jersey due to our execution of New Jersey statute of limitations extensions. The tax years prior to 2010 are no longer subject to examination for U.S. tax purposes.

Significant components of the provision for income taxes for the years ended December 31, 2015 and 2014 are as follows:

Provision (benefit) for income taxes	2015	2014
Current:		
Federal	$ 28,382	$ 14,520
State	1,818	(23,472)
	30,200	(8,952)
Deferred	(4,141)	10,174
Provision for income taxes	$ 26,059	$ 1,222

The provision for income taxes for the years ended December 31, 2015 differ from the federal statutory rate of 35% primarily due to state income taxes, the impact of nondeductible expenses, federal tax credits and the accrual for uncertain tax positions.

The Company does not have a formal tax sharing agreement in place with its parent entity for federal income tax purposes. Therefore, Caesars reports all of the Company's federal income taxes of which the Company's portion was an expense of $28,382 and an expense of $14,520 in 2015 and 2014, respectively.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The components of the Company's deferred tax assets and liabilities as of December 31, 2015and 2014 were as follows:

	2015	2014
Deferred tax assets:		
Allowance for doubtful accounts	$ 2,070	$ 1,791
CRDA investment obligation	5,555	4,831
Tax credit carryovers	2,302	2,354
Depreciation and other property related items	175,869	182,934
Other	108	720
	185,904	192,630
Valuation Allowance	(7,569)	(7,551)
	178,335	185,079
Deferred tax liabilities:		
Intangible assets	(1,107)	(1,317)
Debt costs	(32,557)	(43,227)
	(33,664)	(44,544)
Net deferred tax liability	$ 144,671	$ 140,535

The Company does not have any New Jersey net operating loss (NOL) carryforwards as of December 31, 2015.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing federal and state deferred tax assets. On the basis of this evaluation, as of December 31, 2015, a valuation allowance of $7,569 has been recorded against the portion of the state deferred tax assets that are not more likely than not to be realized. The amount of the federal and state deferred tax assets considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased.

(Dollars in Thousands)

At the beginning of 2015, the Company had an unrecognized tax benefits balance of $0. During 2015, the unrecognized tax liability was reduced by $0 due to state statute of limitations expirations. The ending balance of unrecognized tax benefits at December 31, 2015 was $0. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. We reduced our accrual by $0 during 2015 primarily due to state statute of limitations expirations. As of December 31, 2015, the Company accrued $0 for the payment of interest and penalties.

It is reasonably possible that the unrecognized tax benefits liability will not change within the next 12 months. Audit outcomes and the timing of audit settlements are subject to significant uncertainty. Although we believe that adequate provision has been made for such issues, there is a possibility that the ultimate resolution of such issues could have an adverse effect on our earnings. Conversely, if these issues are resolved favorably in the future, the related provision would be reduced, thus having a favorable impact on earnings.

NOTE 16 — ATLANTIC CITY CONFERENCE CENTER

In June 2013, Caesars established, AC Conference NewCo, LLC (“NewCo”) to construct and operate a new conference center (the "Project) adjacent to Harrah's Atlantic City. NewCo is a direct wholly owned subsidiary of AC Conference HoldCo, LLC, which is a direct wholly owned subsidiary of Caesars.

Also in June 2013, Caesars signed an agreement with the CRDA regarding a grant for financial assistance in the amount of $45,000 million (the "Project Grant") wherein the CRDA will provide Caesars cash to help fund the construction of the Project. Under the Project Grant, Caesars is obligated to contribute to the CRDA the following:

- $46,200 of Atlantic City Economic Development Investment Alternative Tax Obligation balances (“Existing Credits”), of which $1,200 represents a 2.75% administrative fee,

- $9,500 of CRDA Credits that the CRDA will use towards the construction of the CRDA’s marketplace-style retail development project (the "Donation Credits"), and

- Land parcels with an appraised value of $7,300 on which the CRDA’s Marketplace Project will be developed (the Marketplace Parcels).

The gross value of the credits and land parcels described above held by the Companies immediately prior to the transaction as follows:

Existing Credits		
Harrah's Atlantic City Holding, Inc and Subsidiaries	$	23,400
Bally's Park Place, Inc.		10,600
Boardwalk Regency Corporation		7,000
Ocean Showboat, Inc. and Subsidiaries		5,200
Total	$	46,200
Donation Credits		
Ocean Showboat, Inc. and Subsidiaries	$	9,500
Marketplace Parcels		
Bally's Park Place, Inc.	$	4,600
Boardwalk Regency Corporation		2,700
Total	$	7,300

In return for the above, the CRDA will deposit $45,000 into a Project Fund from which Caesars can draw on a paripassu basis via reimbursements to NewCo based on amounts paid for the Project by NewCo. As of December 31, 2015, Caesars received $40,715 in reimbursements from the Project Fund.

(Dollars in Thousands)

CERP is building a new meeting and conference center that will be connected to its Harrah's Atlantic City casino. In July 2014, CEC contributed to CERP the subsidiaries holding the interests in the conference center. The total net book value contributed was $82,000 which primarily consisted of real estate and the initial development costs. There was no impact on CEC's consolidated financial statements as a result of this transaction.

NOTE 17 – CASINO REINVESTMENT DEVELOPMENT AUTHORITY INVESTMENT

CRDA Investment Obligation — The New Jersey Casino Control Act provides, among other things, for an assessment of licenses 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 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. CRDA bonds have terms up to 50 years and bear interest at below-market rate. During 2014, the Company entered into a donation credit agreement, whereby a portion of the Company's CRDA deposits were permitted to be used for non-gaming related projects.

As of December 31 CRDA related assets were as follows:

	2015	2014
CRDA Bonds-net of amortized cost	$ 5,127	$ 3,517
Deposit - net reserves	4,119	4,262
Direct Investments - net of reserves	307	946
	$ 9,553	$ 8,725

The CRDA related assets are held in deferred charges and other non-current assets in the consolidated balance sheets.

The Company records charges to operations to reflect the estimated net realizable value of its CRDA investment. Charges to operations were $3,466 and $2,066 for the twelve months ended December 31, 2015 and 2014, respectively, and is included in CRDA related expenses, in the statement of income.

The funds on deposits are held in an interest-bearing account by the CRDA. Initial obligation deposits are marked down by approximately 33% to represent their fair value and eventual expected conversion into bonds by the CRDA. Once CRDA Bonds are issued we have concluded that the bonds are held-to-maturity since the Company has the ability and the intent to hold these bonds to maturity and under the CRDA, they are not permitted to do otherwise. As such the CRDA Bonds are measured at amortized cost. As there is no market for the CRDA Bonds, its fair value could only be determined based on unobservable inputs. Such inputs are limited to the historical carrying value of the CRDA Bonds that are reduced, consistent with industry practice, by 1/3 of their face value at the time of issuance to represent fair value. The Company accretes such discount over the remaining life of the bonds. Accretion for the twelve months ended December 31, 2015 and 2014 were $47 and ($78), respectively, and is included in CRDA related expenses, in the statement of income.

After the initial determination of fair value, the Company will analyze the recoverability of the CRDA Bonds on a quarterly basis and its effect on reported amount based upon the ability and likelihood of bonds to be repaid. When considering recoverability of the CRDA Bonds, the Company considers the relative credit-worthiness of each bondholder, historical collection experience and other information received from the CRDA. If indications exist that the amount expected to be recovered is less than its carrying value, the asset will be written down to its expected realizable amount.

NOTE 18 – COMMITMENTS AND CONTINGENCIES

Litigation - The Company is involved in various legal proceedings relating to routine matters of its business. The Company believes that all the actions brought against it are without merit and will continue to vigorously defend against them. While any proceedings or litigation has an element of uncertainty, the Company believes that the final outcome of these matters, in the aggregate, is not likely to have a material adverse effect upon the Company's results of operations, financial position, or cash flows.

Insurance Reserve - The Company is self-insured for various levels of general liability coverage. Insurance claims and reserves include the accrual of estimated settlements for known and anticipated claims. Accrued expenses and other current liabilities in the accompanying balance sheets include insurance allowances of $0 and $115 as of December 31, 2015 and 2014, respectively. Actual results may differ from these reserve amounts.

All the Atlantic City casino properties (the "AC Industry") and the CRDA entered into an agreement with the Atlantic City Alliance (the "ACA") to provide funding to subsidize Atlantic City casino marketing. This agreement was signed on November 2, 2011 and is set to expire on December 31, 2016. The agreement provides that in exchange for funding, the ACA will create and implement a marketing plan for the AC Industry. As part of the agreement, the AC Industry provided an initial deposit of $5,000 in December 2011 and will continue to pay $30,000 annually for the next five years. The Company's fair-share is $4,844 for the twelve months ended December 31, 2015. The Company's obligation for its portion of future payments is estimated at $4,652 equal to its fair-share of AC Industry casino revenues.

HARRAH'S RESORT, ATLANTIC CITY

ANNUAL FILINGS

FOR THE YEAR ENDED DECEMBER 31, 2015

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

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

HARRAH'S RESORT, ATLANTIC CITY

ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2015

(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	$4,173		
2	Returned Patrons' Checks	6,842		
3	Total Patrons' Checks	11,015	$5,471	$5,544
4	Hotel Receivables	3,431	215	$3,216
	Other Receivables:			
5	Receivables Due from Officers and Employees	10		
6	Receivables Due from Affiliates			
7	Other Accounts and Notes Receivables	3,945		
8	Total Other Receivables	3,955		$3,955
9	Totals (Form DGE-205)	$18,401	$5,686	$12,715

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	**Description (g)**	**Amount (h)**
10	Beginning Balance (January 1)	$5,246
11	Counter Checks Issued	112,229
12	Checks Redeemed Prior to Deposit	(75,266)
13	Checks Collected Through Deposits	(33,198)
14	Checks Transferred to Returned Checks	(4,838)
15	Other Adjustments	
16	Ending Balance	$4,173
17	"Hold" Checks Included in Balance on Line 16	0
18	Provision for Uncollectible Patrons' Checks	$1,747
19	Provision as a Percent of Counter Checks Issued	1.6%

HARRAH'S RESORT, ATLANTIC CITY
ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2015

($ 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	677			
2	Slot Machines	68			
3	Administration				
4	Casino Accounting	92			
5	Simulcasting				
6	Other	153			
7	Total - Casino	990	$22,398	$225	$22,623
8	ROOMS	487	11,093	193	11,286
9	FOOD AND BEVERAGE	913	19,286	0	19,286
10	GUEST ENTERTAINMENT	202	756	0	756
11	MARKETING	65	4,328	1,298	5,626
12	OPERATION AND MAINTENANCE	205	8,163	0	8,163
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	3	79	1,045	1,124
14	Accounting and Auditing	2	143	0	143
15	Security	168	4,272	128	4,400
16	Other Administrative and General	169	8,322	0	8,322
	OTHER OPERATED DEPARTMENTS:				
17	Retail	47	1,179	0	1,179
18	Employee Cafeteria	20	793	0	793
19					0
20					0
21					0
22					0
23	TOTALS - ALL DEPARTMENTS *	3,271	$80,812	$2,889	$83,701