BOARDWALK REGENCY LLC

QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 2017

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

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

BOARDWALK REGENCY LLC
BALANCE SHEETS

AS OF DECEMBER 31, 2017 AND 2016

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2017 (c)	2016 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents	3 & 4	$18,697	$19,119
2	Short-Term Investments		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2017, $10,016; 2016, $9,791)	3 & 5	15,838	22,700
4	Inventories	3	424	268
5	Other Current Assets	6	1,707	2,984
6	Total Current Assets		36,666	45,071
7	Investments, Advances, and Receivables	7	3,953	4,988
8	Property and Equipment - Gross	3 & 8	273,614	86,208
9	Less: Accumulated Depreciation and Amortization	3 & 8	(7,009)	(18,751)
10	Property and Equipment - Net	3 & 8	266,605	67,457
11	Other Assets	9	11,162	117,456
12	Total Assets		$318,386	$234,972
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$7,493	$7,510
14	Notes Payable		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates		0	0
16	External	11	0	2,004
17	Income Taxes Payable and Accrued	3	0	0
18	Other Accrued Expenses	10	10,992	324,707
19	Other Current Liabilities		4,014	2,896
20	Total Current Liabilities		22,499	337,117
	Long-Term Debt:			
21	Due to Affiliates	11	0	518,330
22	External	11	0	0
23	Deferred Credits	3	0	0
24	Other Liabilities	12	249,643	1,525
25	Commitments and Contingencies	14	0	0
26	Total Liabilities		272,142	856,972
27	Stockholders', Partners', or Proprietor's Equity		46,244	(622,000)
28	Total Liabilities and Equity		$318,386	$234,972

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

BOARDWALK REGENCY LLC
STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017 AND 2016

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2017 (c)	2016 (d)	
	Revenue:				
1	Casino		$323,664	$299,582	
2	Rooms		42,186	38,858	
3	Food and Beverage		60,464	58,446	
4	Other		16,479	16,733	
5	Total Revenue		442,793	413,619	
6	Less: Promotional Allowances		123,839	112,041	
7	Net Revenue		318,954	301,578	
	Costs and Expenses:				
8	Casino		139,959	134,188	
9	Rooms, Food and Beverage		20,649	21,244	
10	General, Administrative and Other		66,230	69,072	*
11	Total Costs and Expenses		226,838	224,504	
12	Gross Operating Profit		92,116	77,074	
13	Depreciation and Amortization	3	14,026	9,604	
	Charges from Affiliates Other than Interest:				
14	Management Fees		0	0	
15	Other	4	22,510	21,156	
16	Income (Loss) from Operations		55,580	46,314	
	Other Income (Expenses):				
17	Interest Expense - Affiliates		0	0	
18	Interest Expense - External		(10,864)	(18)	
19	CRDA Related Income (Expense) - Net	14	(689)	(3,366)	
20	Nonoperating Income (Expense) - Net	13	(75,245)	2,054	*
21	Total Other Income (Expenses)		(86,798)	(1,330)	
22	Income (Loss) Before Taxes		(31,218)	44,984	
23	Provision (Credit) for Income Taxes	3	2,001	(6,537)	
24	Net Income (Loss)		($33,219)	$51,521	

*These amounts for prior year have been restated to reflect the current year presentation

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

BOARDWALK REGENCY LLC
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2017 AND 2016

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2017 (c)	2016 (d)
	Revenue:			
1	Casino		$72,225	$73,868
2	Rooms		9,499	9,191
3	Food and Beverage		14,348	14,265
4	Other		3,953	4,279
5	Total Revenue		100,025	101,603
6	Less: Promotional Allowances		27,986	30,315
7	Net Revenue		72,039	71,288
	Costs and Expenses:			
8	Casino		33,541	34,833
9	Rooms, Food and Beverage		4,383	4,196
10	General, Administrative and Other		16,726	18,000
11	Total Costs and Expenses		54,650	57,029
12	Gross Operating Profit		17,389	14,259
13	Depreciation and Amortization	3	7,108	2,503
	Charges from Affiliates Other than Interest:			
14	Management Fees		0	0
15	Other	4	5,729	5,063
16	Income (Loss) from Operations		4,552	6,693
	Other Income (Expenses):			
17	Interest Expense - Affiliates		0	0
18	Interest Expense - External		(10,860)	(9)
19	CRDA Related Income (Expense) - Net	14	(545)	(931)
20	Nonoperating Income (Expense) - Net	13	(76,961)	17
21	Total Other Income (Expenses)		(88,366)	(923)
22	Income (Loss) Before Taxes		(83,814)	5,770
23	Provision (Credit) for Income Taxes	3	(1,844)	(7,037)
24	Net Income (Loss)		($81,970)	$12,807

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

BOARDWALK REGENCY LLC
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016 AND DECEMBER 31, 2017

(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, 2015...........**		100	$1,370	0	$0	$444,183		($1,070,510)	($624,957)
2	Net Income (Loss) - 2016.............								51,521	51,521
3	Contribution to Paid-in-Capital.....									0
4	Dividends....................................									0
5	Prior Period Adjustments..............						(8,162)		8,162	0
6	Equitization						(48,564)			(48,564)
7										0
8										0
9										0
10	**Balance, December 31, 2016...........**		100	1,370	0	0	387,457	0	(1,010,827)	(622,000)
11	Net Income (Loss) - 2017.............								(33,219)	(33,219)
12	Contribution to Paid-in-Capital.....									0
13	Dividends....................................									0
14	Prior Period Adjustments..............						3,672		(3,672)	0
15	Equitization						(123,616)			(123,616)
16	Equitization of Intercompany									0
17	Debt and Interest						825,079			825,079
18										0
19	**Balance, December 31, 2017 ....**		100	$1,370	0	$0	$1,092,592	$0	($1,047,718)	$46,244

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

BOARDWALK REGENCY LLC
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017 AND 2016

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2017 (c)	2016 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		$51,466	$54,492
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments		0	0
3	Proceeds from the Sale of Short-Term Investments		0	0
4	Cash Outflows for Property and Equipment...........................		(6,773)	(10,054)
5	Proceeds from Disposition of Property and Equipment..........		28	51
6	CRDA Obligations		(1,965)	(3,711)
7	Other Investments, Loans and Advances made.......................			
8	Proceeds from Other Investments, Loans, and Advances		1,036	5,140
9	Cash Outflows to Acquire Business Entities...........................		0	0
10	....			
11	....			
12	Net Cash Provided (Used) By Investing Activities....................		(7,674)	(8,574)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt		0	0
14	Payments to Settle Short-Term Debt......................................		0	0
15	Proceeds from Long-Term Debt		0	336
16	Costs of Issuing Debt..		0	0
17	Payments to Settle Long-Term Debt......................................		(2,004)	(392)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock..		0	0
20	Payments of Dividends or Capital Withdrawals......................		0	0
21	Borrowings/Payments of Intercompany Payable		(42,210)	(48,564)
22	....			
23	Net Cash Provided (Used) By Financing Activities..................		(44,214)	(48,620)
24	Net Increase (Decrease) in Cash and Cash Equivalents.............		(422)	(2,702)
25	Cash and Cash Equivalents at Beginning of Period..................		19,119	21,821
26	Cash and Cash Equivalents at End of Period............................		$18,697	$19,119

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)......................................		$2	$77
28	Income Taxes..		$605	$815

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

BOARDWALK REGENCY LLC
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017 AND 2016

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2017 (c)	2016 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)		($33,219)	$51,521
30	Depreciation and Amortization of Property and Equipment		13,381	8,970
31	Amortization of Other Assets		645	634
32	Amortization of Debt Discount or Premium		0	0
33	Deferred Income Taxes - Current		0	0
34	Deferred Income Taxes - Noncurrent		0	(2,881)
35	(Gain) Loss on Disposition of Property and Equipment		0	(15)
36	(Gain) Loss on CRDA-Related Obligations		1,964	3,305
37	(Gain) Loss from Other Investment Activities		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks		6,862	(7,767)
39	(Increase) Decrease in Inventories		(156)	182
40	(Increase) Decrease in Other Current Assets		1,277	(1,132)
41	(Increase) Decrease in Other Assets		(9,042)	(23)
42	Increase (Decrease) in Accounts Payable		(17)	(1,609)
43	Increase (Decrease) in Other Current Liabilities		(5,848)	1,858
44	Increase (Decrease) in Other Liabilities		(1,521)	1,449
45	Non Cash Reorganization (Gain) Loss……		77,140	0
46				
47	Net Cash Provided (Used) By Operating Activities		$51,466	$54,492

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment		($6,773)	($10,054)
49	Less: Capital Lease Obligations Incurred			
50	Cash Outflows for Property and Equipment		($6,773)	($10,054)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired		$0	$0
52	Goodwill Acquired		0	0
53	Other Assets Acquired - net		0	0
54	Long-Term Debt Assumed		0	0
55	Issuance of Stock or Capital Invested		0	0
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.

BOARDWALK REGENCY LLC
SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017
(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	548,486	$23,659		
2	Food	928,285	24,629		
3	Beverage	8,330,271	16,661		
4	Travel			105,813	11,124
5	Bus Program Cash	1,345	101		
6	Promotional Gaming Credits	1,700,207	34,730		
7	Complimentary Cash Gifts	71,688	20,400		
8	Entertainment	13,650	441	4,297	409
9	Retail & Non-Cash Gifts	84,419	1,688	41,518	4,850
10	Parking			551,520	2,445
11	Other*	2,722	1,530	87,834	2,196
12	Total	11,681,073	$123,839	790,982	$21,024

FOR THE THREE MONTHS ENDED DECEMBER 31, 2017

		Promotional Allowances		Promotional Expenses	
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	130,046	$5,596		
2	Food	213,571	6,115		
3	Beverage	1,982,943	3,967		
4	Travel			28,542	2,295
5	Bus Program Cash	296	22		
6	Promotional Gaming Credits	403,030	7,951		
7	Complimentary Cash Gifts	16,859	3,406		
8	Entertainment	3,793	93	925	115
9	Retail & Non-Cash Gifts	22,762	455	5,578	1,043
10	Parking			130,287	557
11	Other*	627	381	17,466	437
12	Total	2,773,927	$27,986	182,798	$4,447

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

BOARDWALK REGENCY LLC
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 2017

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.

3/30/2018
Date

Karen Worman

Vice President of Finance
Title

006320-11
License Number

On Behalf of:

BOARDWALK REGENCY LLC
Casino Licensee

Boardwalk Regency LLC (Caesars Atlantic City)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 – ORGANIZATION

Caesars Atlantic City Hotel & Casino is a casino hotel resort located in Atlantic City, New Jersey, owned and operated by Boardwalk Regency LLC ("Caesars Atlantic City"), an indirect wholly owned subsidiary of CEOC LLC. CEOC LLC is a majority owned subsidiary of Caesars Entertainment Corporation ("CEC"). Caesars Atlantic City is licensed by the DGE and is subject to its rules and regulations. The license expired in December 2017, and Caesars Atlantic City has submitted the renewal application, which is pending as of the date of this report.

CEOC's Emergence from Bankruptcy and CEC's Acquisition of OpCo - Caesars Entertainment Operating Company, Inc. ("CEOC") and certain of its United States subsidiaries (collectively, the "Debtors" which includes the Company) voluntarily filed for reorganization under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") on January 15, 2015 (the "Petition Date"). On January 17, 2017, the Bankruptcy Court entered an order approving and confirming the Debtors' third amended joint plan of reorganization (the "Plan"), and the Debtors emerged from bankruptcy and consummated their reorganization pursuant to the Plan on October 6, 2017 (the "Effective Date"). As of the Effective Date, Boardwalk Regency Corporation was dissolved and new company Boardwalk Regency LLC was formed.

The Plan provided for, among other things, (i) the settlement of the majority of claims included in liabilities subject to compromise, with any remaining disputed claims being transferred to CEOC LLC for final resolution, (ii) the reorganization of CEOC into an operating company ("OpCo") and PropCo, and (iii) OpCo established an escrow trust that will be used to fund the resolution of unsecured claims that were unresolved at the time of CEOC's emergence from bankruptcy. PropCo holds certain real property assets formerly held by CEOC and leases those assets to OpCo. PropCo is a separate entity that is not consolidated by CEC and, on the Effective Date, was sold to VICI Properties Inc., the real estate investment trust that was initially owned by certain former creditors of CEOC and is independent from CEC. OpCo, which operates the properties and facilities formerly held by CEOC, was acquired by CEC on the Effective Date, and upon acquisition, was immediately merged with and into CEOC LLC, with CEOC LLC as the surviving entity.

Reorganization Items

The Company's reorganization items are as follows:

Loss on settlement of claims	$ (249,764)
Fresh-start adjustments	172,624
Amounts recongnized in Reorganization items	$ (77,140)

NOTE 2 - ACQUISITION BY CEC

As described in Note 1, the Company emerged from bankruptcy and consummated their reorganization pursuant to the Plan on the Effective Date. CEC's acquisition of OpCo was accounted for in accordance with FASB's ASC Topic 805, Business Combinations, ("ASC 805") with CEC considered the acquirer, which requires, among other things, that the assets acquired and liabilities assumed be recognized on CEC's balance sheet at their fair values as of the acquisition date. The excess of the purchase price over the net fair value of the assets and liabilities was recorded as goodwill. The fair value of the Company's assets and liabilities, as determined by CEC on the acquisition are summarized below. The Company elected to apply these adjusted fair values to their balance sheets as part of the acquisition.

The fair values of the assets acquired and liabilities assumed were determined using the market, income, and cost approaches. The fair value measurements were primarily based on significant inputs that are not observable in the market, inputs included an expected range of market values, expected cash flows, recent comparable transactions and discounted cash flows. The market approach, which indicates value for a subject asset based on available market pricing for comparable assets, was utilized to estimate the fair value of primarily property plant and equipment operating leases. The market approach included prices and other relevant information generated by market transactions involving comparable assets, as well as pricing guides and other sources. CEC considered the current market for the properties and the expected proceeds from the sale of the assets, among other factors. The income approach was used to value certain intangible assets, including player relationships. The income approach was used to determine the failed sale real estate assets fair value, based on the estimated present value of the future lease payments over the lease term, including renewal options, using an imputed discount rate of approximately 8.5%. Projected cash flows are discounted at a required market rate of return that reflects the relative risk of achieving the cash flows and the time value of money. The cost approach, which estimates value by determining the current cost of replacing an asset with another of equivalent economic utility, was used, as appropriate, for certain assets for which the market and income approaches could not be applied due to the nature of the asset. The cost to replace a given asset reflects the estimated reproduction or replacement cost for the asset, less an allowance for loss in value due to depreciation.

As part of the Plan, certain real estate assets were sold to PropCo and leased back to OpCo. The leases were evaluated as a sale-leaseback of real estate, and we determined that these transactions did not qualify for sale-leaseback accounting. Therefore, we accounted for the transaction as a financing.

Goodwill was recognized as a result of the transaction and relates to (i) the values of acquired assets that do not meet the definition of an identifiable intangible asset under ASC 805, but that do contribute to the value of the acquired business, including the assembled workforce and relationships with customers that are not tracked through our customer loyalty program Total Rewards;(ii) the going-concern value associated with expectations of forging relationships with future customers; and (iii) the assemblage value associated with acquiring an on-going business whose value is worth more than simply the sum of its parts. None of the goodwill recognized is expected to be deductible for income tax purposes.

The income approach comparing the prospective cash flows with and without the customer relationships in place was used to estimate the fair value of the customer relationships with the fair value assumed to be equal to the discounted cash flows of the business that would be lost if the customer relationships were not in place and needed to be replaced (see note 3).

Failed Sale-Leaseback Financing Obligations - As described in Note 1, OpCo entered into leases with VICI on the Effective Date related to certain real property assets and related fixtures formerly held by CEOC: (i) for Caesars Palace Las Vegas, (ii) for a portfolio of casino properties at various locations throughout the United States, including the Companies, and (iii) for the Harrah's Joliet Hotel and Casino (collectively, the "CEOC LLC Leases").

Each lease agreement provides for fixed rent (subject to escalation) during an initial term, then rent consisting of both base rent and variable percentage rent elements, and has a 15 year initial term and four five-year renewal options. The Company Leases initially provide for annual fixed rent, but include escalation provisions beginning at various points in the initial term and continuing through the renewal terms equal to the greater of either: (i) 1% or 2% (varies by lease) or (ii) the Consumer Price Index. The leases also include provisions for contingent rental payments calculated based on a percentage of net revenue of the underlying lease properties commencing in year six for the Company.

The leases were evaluated as a sale-leaseback of real estate. Under the expected terms of the lease agreements, we are required to contribute to a FF&E reserve account that VICI may use as collateral in a future VICI financing. We determined that this contingent-collateral arrangement represents a prohibited form of continuing involvement. Among other things, we estimated that the length of the leases, including optional renewal periods, would represent substantially all (90% or more) of the remaining economic lives of the properties and facilities subject to the leases, and the terms of the renewal options give the Company the ability to renew the lease at a rate that has the potential of being less than a fair market value rate as determined at the time of renewal. These, among certain other conditions, represent a prohibited form of continuing involvement; and therefore, we determined that these transactions did not qualify for sale-leaseback accounting and therefore we accounted for the transaction as a financing.

The real estate assets that were sold to VICI and leased back by OpCo were first adjusted to fair value upon the Company's emergence from bankruptcy and the failed sale-leaseback financing obligation was recognized at an amount equal to this fair value. The Company then recognized a failed sale-leaseback financing obligation equal to this fair value as part of CEC's acquisition of OpCo and immediate merger with and into the Company.

(All dollar amounts in thousands)

As described above, for failed sale-leaseback transactions, we continue to reflect the real estate assets on our Balance Sheets in Property and equipment, net as if we were the legal owner, and we continue to recognize depreciation expense over the estimated useful lives. We do not recognize rent expense related to the leases, but we have recorded a liability for the failed sale-leaseback obligations (see Note 12) and currently, all of the periodic lease payments are recognized as interest expense. In the initial periods, cash payments are less than the interest expense recognized on the Statements of Operations, which causes the related sale-leaseback liability to increase during the beginning of the lease term.

	Lease Commitments
2018	$ 41,823
2019	42,684
2020	42,684
2021	42,684
2022	42,826
Thereafter	2,142,739
Total minimum rental commitments	2,355,440

Guarantee for Failed Sale-Leaseback - Subject to certain exceptions, the payment of all monetary obligations under the Company Leases is guaranteed by CEC.

NOTE 3 – BASIS OF PRESENTATION AND 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 statement schedules include the account balances of the Company 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.

Receivables - The Company issues credit to approved casino customers following investigations of creditworthiness. Business or economic conditions or other significant events could affect the collectibility of these receivables. Accounts receivable are typically non-interest bearing and are initially recorded at cost.

Marker play represents a portion of the Company's overall games volume. The Company maintains strict control over the issuance of markers and aggressively pursues collection from those customers who fail to pay their marker balances timely. These collection efforts includes the mailing of statements and delinquency notices, personal contacts, the use of outside collection agencies and civil litigation. Markers are generally legally enforceable instruments in the United States. Markers are not legally enforceable instruments in some foreign countries, but the United States' assets of foreign customers may be reached to satisfy judgments entered in the United States. The Company considers the likelihood and difficulty of enforceability, among other factors, when the Company issues credit to customers who are not residents of the United States.

Markers acquired as part of the acquisition of OpCo were accounted for at fair value on the Effective Date and will be accreted to interest income up to their expected realizable value over the life of their expected collectability. The acquired markers are subject to adjustment if the actual cash collection differs from the expected collectibility. The fair value which also represents the carrying amount of markers acquired as part of the acquisition of OpCo at the Effective Date for the Company was $10,499. As of December 31, 2017, the carrying amount of the markers acquired was $1,996.

Accounts are written off when management deems the account to be uncollectible. Recoveries of accounts previously written off are recorded when received. The Company reserves an estimated amount for gaming receivables that may not be collected to reduce the Company's receivables to their net carrying amount. Methodologies for estimating the allowance for doubtful accounts range from specific reserves to various percentages applied to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific reserves. As with many estimates, management must make judgments about potential actions by third parties in establishing and evaluating our reserves for 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 its assets based on its 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 its 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. 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 supplemental consolidated financial statements 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

Intangible Assets Other Than Goodwill – Intangible assets other than goodwill represents the customer database with a gross carrying value of $10,817 and $3,737 as of December 31, 2017 and 2016, respectively, with accumulated amortization of $183 and $1,894 as of December 31, 2017 and 2016, respectively. The customer database was determined to have a 15 year life based upon attrition rates and computations of incremental value derived from existing relationships.

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).

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.

(All dollar amounts in thousands)

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 as of December 31, 2017 and 2016:

	2017	2016
Food & Beverage	$ 30,453	$ 30,500
Rooms	9,976	9,406
Other	2,091	2,069
Bus Program Cash	101	113
Promotional Gaming Credits	34,730	31,928
Other Cash Complimentaries	20,400	16,798
	$ 97,751	$ 90,814

Total Rewards Program Liability — Caesars' customer loyalty program, Total Rewards, offers incentives to customers who gamble at the Company's property and certain affiliate 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 Company accrues the expense of reward credits, after consideration of estimated forfeitures referred to as "breakage", as they are earned. The estimated cost to provide reward credits is expensed as the reward credits are earned and is included in casino expense in the accompanying consolidated statements of operations. 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. At December 31, 2017 and 2016, $2,744 and $2,987 respectively, was accrued for the cost of anticipated Total reward credit redemptions. These amounts reside on Caesars' Balance Sheet and thus are included in the due from affiliates balance in the accompanying consolidated balance sheets of the company.

In addition to Reward Credits, the Company's customers can earn points based on play that are redeemable in Non-Negotiable Reel Rewards ("NNRR"). The Company accrues the costs of NNRR, after consideration of estimated breakage, as they are earned. The cost is recorded as contra-revenue and included in casino promotional allowances in the accompanying consolidated statements of operations. At December 31, 2017 and 2016, the liability related to outstanding NNRR, which is based on historical redemption, was approximately $838 and $725, respectively.

Gaming Tax — The Company remits weekly to the State of New Jersey a tax equal to 8% of the gross gaming revenue, as defined. Gaming taxes paid to the State of New Jersey for the twelve months ended December 31, 2017 and 2016, which are included in casino expenses in the accompanying consolidated statements of income, were $26,009 and $24,138, respectively.

Advertising Expenses – Advertising costs are expensed as incurred. Advertising expenses are $899 and $1,019 for the twelve months ended December 31, 2017 and 2016 respectively. Advertising expenses are included in general, administrative and other expenses in the accompanying statements of income.

Rent Expense - Rent expense, which includes both cancelable and non-cancelable leases for the years ended December 31, 2017 and 2016, was $2,666 and $2,624, respectively. These amounts are included in the accompanying Statements of Income.

City of Atlantic City Real Property Tax and Interim Payment in Lieu of Taxes (PILOT) Financial Management – In 2015, the Company settled with the City with respect to their challenges to the real estate tax assessment for prior years. The City allowed the Company to use Showboat Casino's prior year property tax credit, in the amount of $4,193, against future tax payments in 2015 and the 1st quarter of 2016. In 2016, the City approved refunds/credits of the Company's prior year's property taxes in the amount of $3,249. The credits were recorded in Non-Operating Income in the statements of income. The City increased the property tax rate by approximately 12.8% for the year ending 2016. Beginning for calendar year 2017, each casino licensee entered into a 10-year financial agreement with the City of Atlantic City requiring to make quarterly payments in lieu of real estate taxes. The Company will be responsible for the payments based on its share as referenced in the agreement and will be subject to lien provisions if the payments are not made. The total amount of the payment in lieu of property taxes owed to the City of Atlantic City for 2017 will total $120,000. The company paid its respective quarterly obligations for the year. In September 2017, the Company settled the 2016 tax appeal with the City and the assessed value of the company was reduced by $54,000. In October 2017, the Company received a payment of $2,084, due to the reduction in the assessed value and is included in Non-Operating Income in the Statements of Income.

Income Taxes - The Company is not treated as a corporation for federal and state income tax purposes and is included in the consolidated income tax returns of CEC. Effective in 2017, the accompanying Consolidating Schedules do not include a provision for income taxes for the Company since any income or loss from the Company is reportable for income tax purposes by CEC.

Use of Estimates - The preparation of these financial statements in conformity with generally accepted accounting principles (GAAP) requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumption.

Internet Gaming - Caesars Interactive Entertainment New Jersey, LLC as the affiliate of Boardwalk Regency Corporation, was issued an internet gaming permit on November 20, 2013 to conduct real money online gaming in the State of New Jersey. All real money online gaming is reported in the financial statements of Caesars Interactive Entertainment New Jersey, LLC.

Subsequent Events - We completed our subsequent events review through March 30, 2018, the date on which the financial statements were available to be issued, and noted no items requiring disclosure.

NOTE 4 - RELATED PARTY TRANSACTIONS

The Company participates with CEOC and CEC's other subsidiaries in marketing, purchasing, insurance, employee benefit and other programs that are defined and negotiated 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. The Company's property, assets and capital stock are pledged as collateral for certain of CEOC's outstanding debts.

Cash Activity with CEOC and Affiliates - The Company transfers cash in excess of its operating and regulatory needs to its parent on a daily basis. Cash transfers from its parent 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 companies.

Administrative and Other Services - Pursuant to a shared services agreement, CEOC provides the Company certain corporate and administrative services, and the costs of these services are allocated to the Company. Certain of these corporate and administrative services are now provided by Caesars Enterprise Services. The Company was charged $22,510 and $21,156 for these services for the twelve months ended December 31, 2017 and 2016 respectively. The fee is included in charges from affiliates in the accompanying statements of income.

Equitization of Intercompany Balances - During June 2013, the Company elected to equitize certain intercompany balances with its parent and affiliates that were previously classified as a receivable/liability. The offset to this was Additional Paid in Capital and Retained Earnings. This is shown separately on the Statemnt of Changes in Stockholder's Equity.

Employee Benefit Plans - CEC maintains a defined contribution savings and retirement plan in which employees of the Company may participate. The plan, among other things, provides for pre-tax and after-tax contributions by employees. Under the plan, participating employees may elect to contribute up to 50% of their eligible earnings. The Company's contribution expense for the twelve months ended December 31, 2017 and 2016 was $524 and $449, respectively.

CEC 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. The Company recognized a nominal amount of expense for the year ended December 31, 2017.

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 $12,043 and $11,594 for the years ended December 31, 2017 and 2016, respectively.

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 contributions and charges for these plans were $4,426 and $4,066 for the years ended December 31, 2017 and 2016, respectively

Equity Incentive Awards - CEC maintains equity incentive award plans under which employees of the Company may be granted awards. CEC allocates an appropriate amount of cost for these awards to each subsidiary where employees participate. The Company recognized a nominal amount of expense for the year ended December 31, 2017.

(All dollar amounts in thousands)

NOTE 5 – RECEIVABLES AND PATRONS' CHECKS

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

	2017	2016
Casino Receivables (Net of Allowance for Doubtful Accounts - 2017, $8,733 & 2016, $9,151)	$ 11,807	$ 18,198
Other (Net of Allowance for Doubtful Accounts - 2017, $1,283 & 2016, $640)	4,031	4,502
	$ 15,838	$ 22,700

NOTE 6 –OTHER CURRENT ASSETS

Other Current Assets as of December 31 consist of the following:

	2017	2016
Other	$ 1,707	$ 2,984
	$ 1,707	$ 2,984

NOTE 7 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of December 31 consist of the following:

	2017	2016
Casino Reinvestment Development Authority Investment Obligation ("CRDA") (net of valuation reserves- 2017, $5,667 and 2016, $7,058)	$ 3,953	$ 4,988
	$ 3,953	$ 4,988

(All dollar amounts in thousands)

NOTE 8 – LAND, BUILDINGS AND EQUIPMENT

Property and Equipment as of December 31 consist of the following:

	2017	2016
Land	$ 14,920	$ 12,414
Buildings and Improvements	237,165	41,415
Furniture, Fixtures, and Equipment	15,830	30,607
Construction in Progress	5,699	1,772
	$ 273,614	$ 86,208
Less Accumulated Depreciation & Amortization	(7,009)	(18,751)
	$ 266,605	$ 67,457

NOTE 9 – OTHER ASSETS

Other assets as of December 31 consist of the following:

	2017	2016
Customer Database (less Accumulated Amortization of $183 in 2017 & $1,843 in 2016)	$ 10,817	$ 1,894
L/T Deferred Income Tax	-	111,900
Other	345	3,662
	$ 11,162	$ 117,456

(All dollar amounts in thousands)

NOTE 10 - OTHER ACCRUED EXPENSES

Other accrued expenses as of December 31 consist of the following:

	2017	2016
Accrued Payroll	$ 4,868	$ 6,596
Accrued Interest Payable	-	306,749
Accrued Sales Tax	651	666
Accrued Gaming Tax	566	524
Accrued Gaming License	733	725
Accrued Utilities	544	551
Other	3,630	8,896
	$ 10,992	$ 324,707

In preparation for the Debtors' emergence from bankruptcy, which occurred on October 6, 2017, all intercompany receivables and payables among the debtor entities were dissolved. This resulted in our accrued interest payable being forgiven and no longer outstanding as of September 30, 2017. As of December 31, 2017 and 2016, accrued interest related to the intercompany note totaled $0 and $306,749.

NOTE 11- LONG-TERM DEBT

Long-term debt, due to affiliates and other as of December 31, consists of the following:

	2017	2016
Due to Affiliates		
8.5% Note Payable to Caesars Entertainment, Ltd. ("CEL") due December 1, 2020	$ -	$ 518,330
Due to Other		
Notes Payable		$ 1,854
Less: Current Portion of Notes Payable		$ (1,854)
Capitalized Leases	-	150
Less: Current Portion of Capitalized Leases	-	(150)
Long Term Portion of Other Debt	-	-
Total Long Term Debt	$ -	$ 518,330

(All dollar amounts in thousands)

On July 1, 2006, the note formerly held by Caesars Entertainment Finance Corp. ("CEFC") was assigned to CEL. Neither the terms nor the amounts of debt were affected by this assignment. The only notable change resulting from the assignment was a change in the timing of interest payments. Prior to the assignment interest payments were made monthly. However, for subsequent tax years, interest payments will be remitted annually, payable in the following year. Since the note was due to an affiliate, a determination of fair value was not considered meaningful.

In preparation for the Debtors' emergence from bankruptcy, which occurred on October 6, 2017, all intercompany receivables and payables among the debtor entities were dissolved. This resulted in our long-term debt due to affiliates being forgiven and no longer outstanding as of September 30, 2017.

NOTE 12 – OTHER LIABILITIES

Other Liabilities as of December 31 consisted of the following:

	2017	2016
Financial Lease Obligation (see note 2)	$ 249,639	$ -
Other	4	1,525
	$ 249,643	$ 1,525

NOTE 13- NON-OPERATING INCOME (EXPENSE)

For the twelve months ended December 31, 2017 and 2016, Non-Operating Income (Expense) consisted of the following:

	2017	2016
Interest Income	$ 74	$ 147
Write Downs & Reserves	(210)	(923)
2016 Property Tax Appeal Settlement	2,084	3,249
Reorganization	(77,140)	(470)
Other	(53)	51
	$ (75,245)	$ 2,054

NOTE 14 - LITIGATION, CONTRACTUAL COMMITMENTS AND CONTINGENCIES

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 previously satisfied 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 were used to purchase bonds designated by the CRDA or, under certain circumstances, used to donate 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. Effective May 27, 2016 the CRDA investment obligation of 1.25% of gross gaming revenues was redirected to the City of Atlantic City to be used for debt service. The CRDA investment obligation will be reduced by previously contractually obligated Credit Agreements committed by the Authority.

(All dollar amounts in thousands)

CRDA Donation Credit Agreement - In July 2016, the Company, Bally's Park Place Inc.(BPP), Caesars Interactive Entertainment New Jersey LLC (CIE), Showboat Atlantic City Operating Company LLC and Harrah's Operating Company (the Companies) entered into a Donation Credit Agreement with the CRDA. The agreement provides that the Companies donate their current Investment Alternative Tax (IAT) funds on deposit with the CRDA, through the first quarter of 2016, in exchange for a donation credit of 50%, to be used by the Companies for any eligible nongaming project.

Upon execution of the Donation Credit Agreement, BPP entered into an agreement with CIE. CIE agreed to sell and assign all of its rights to the released IAT funds, which was approximately $700 to the company and BPP, and, in exchange, the company, on behalf of BPP and itself, agrees to and shall apply a $200 Rent Credit to CIE.

As of December 31, CRDA related assets were as follows:

	2017	2016
CRDA Bonds — net of amortized costs	$ 3,411	$ 3,248
Deposits — net of reserves	542	1,740
Total	$ 3,953	$ 4,988

The Company records charges to operations to reflect the estimated net realizable value of its CRDA investment. Charges to operations were $689 and $3,366 for the twelve months ended December 31, 2017 and 2016, respectively, and is included in CRDA Income (Expense), in the consolidated statements of operations.

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, 2017 and 2016 was $47 and $39, respectively, and is included in CRDA Expense in the consolidated statements of operations.

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.

All the Atlantic City casino properties and the CRDA entered into an agreement with the Atlantic City Alliance (the “ACA”) to provide funding to subsidize the Atlantic City market. This agreement was signed on November 2, 2011 and expired 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 paid $30,000 annually until December 31, 2016. A new agreement effective 2017, as part of the PILOT program, requires the AC industry to provide $15,000 in 2017, $10,000 in 2018 and $5,000 from 2019 thru 2023. The Company expensed $2,218 and $3,730 for the twelve months ending December 31, 2017 and 2016.

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 (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:

(All dollar amounts in thousands)

- $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 were as follows:

		Project Grant
Existing Credits		
Harrah's Atlantic City Holding, Inc. and Subs.	$	23,400
Bally's Park Place Inc.		10,600
Boardwalk Regency Corporation		7,000
Ocean Showboat, Inc. and Subsidiaries		5,200
	$	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
	$	7,300

In return for the above, the CRDA will deposit $45,000 into a Project Fund from which Caesars can draw on a pari-passu basis via reimbursements to NewCo based on amounts paid for the Project by NewCo. As of December 31, 2017, Caesars has received $43,375 in reimbursements from the Project Fund.

Litigation – The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, these matters will not have a material effect on the Company's financial position or results of operations.

Settlement of Disputed Claims - Prior to the Effective Date, Company's financial statements included amounts classified as LSTC, which represented estimates of pre-petition obligations impacted by the Chapter 11 reorganization process. These amounts represented the Debtors' then-current estimate of known or potential pre-petition obligations to be resolved in connection with Company's emergence from bankruptcy.

Following the Effective Date, actions to enforce or otherwise effect repayment of liabilities preceding January 15, 2015 (the "Petition Date"), as well as pending litigation against the Debtors related to such liabilities, generally have been permanently enjoined. Any unresolved claims were transferred to CEOC LLC and will continue to be subject to the claims reconciliation process under the supervision of the Bankruptcy Court.

BOARDWALK REGENCY LLC

ANNUAL FILINGS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

BOARDWALK REGENCY LLC

ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2017

(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...............................	$9,881		
2	Returned Patrons' Checks..................................	10,659		
3	Total Patrons' Checks.......................................	20,540	$8,734	$11,806
4	Hotel Receivables...	1,375	36	$1,339
	Other Receivables:			
5	Receivables Due from Officers and Employees....	225		
6	Receivables Due from Affiliates..........................			
7	Other Accounts and Notes Receivables................	3,714		
8	Total Other Receivables.....................................	3,939	1,246	$2,693
9	Totals (Form DGE-205)..	$25,854	$10,016	$15,838

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	Description (g)	Amount (h)
10	Beginning Balance (January 1)...	$16,022
11	Counter Checks Issued..	218,624
12	Checks Redeemed Prior to Deposit..	(178,884)
13	Checks Collected Through Deposits...	(32,890)
14	Checks Transferred to Returned Checks..	(12,991)
15	Other Adjustments...	
16	Ending Balance...	$9,881
17	"Hold" Checks Included in Balance on Line 16...	0
18	Provision for Uncollectible Patrons' Checks..	$203
19	Provision as a Percent of Counter Checks Issued...	0.1%

BOARDWALK REGENCY LLC
ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2017

($ 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	718			
2	Slot Machines	58			
3	Administration	0			
4	Casino Cashiering	80			
5	Simulcasting	0			
6	Other	0			
7	Total - Casino	856	$18,979	$122	$19,101
8	ROOMS	253	6,875	75	6,950
9	FOOD AND BEVERAGE	693	14,729	0	14,729
10	GUEST ENTERTAINMENT	324	552	0	552
11	MARKETING	234	7,770	763	8,533
12	OPERATION AND MAINTENANCE	168	6,926	0	6,926
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	8	19	549	568
14	Accounting and Auditing	20	704	0	704
15	Security	144	4,715	0	4,715
16	Other Administrative and General	125	2,797	0	2,797
	OTHER OPERATED DEPARTMENTS:				
17	Parking Operations	49	1,126	0	1,126
18	Health Club/Pool Services	23	554	0	554
19	Retail Stores	27	692	0	692
20					0
21					0
22					0
23	TOTALS - ALL DEPARTMENTS*	2,924	$66,438	$1,509	$67,947

* Caesars Enterprise Services (CES) employee counts have been included in Boardwalk Regency Corporation totals, however the payroll expense is included with the property that the CES employee supports.