BOARDWALK REGENCY CORPORATION

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

BOARDWALK REGENCY CORPORATION
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		$21,821	$16,708	
2	Short-Term Investments				
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2015, $10,271 ; 2014, $11,336)	2 & 4	14,933	18,100	*
4	Inventories	2	450	496	
5	Other Current Assets	5	1,852	5,583	
6	Total Current Assets		39,056	40,887	
7	Investments, Advances, and Receivables	6 & 13	9,722	13,370	
8	Property and Equipment - Gross	2 & 7	77,099	66,277	
9	Less: Accumulated Depreciation and Amortization	2 & 7	(10,690)	(4,512)	
10	Property and Equipment - Net	2 & 7	66,409	61,765	
11	Other Assets	2 & 8	115,186	128,284	*
12	Total Assets		$230,373	$244,306	
	LIABILITIES AND EQUITY:				
	Current Liabilities:				
13	Accounts Payable		$9,119	$5,544	
14	Notes Payable				
	Current Portion of Long-Term Debt:				
15	Due to Affiliates				
16	External	10	2,060	1,885	
17	Income Taxes Payable and Accrued	2 & 11			
18	Other Accrued Expenses	9	322,478	318,645	
19	Other Current Liabilities		3,267	3,472	
20	Total Current Liabilities		336,924	329,546	
	Long-Term Debt:				
21	Due to Affiliates	10	518,330	518,330	
22	External	10	0	1,178	
23	Deferred Credits				
24	Other Liabilities		76	82	
25	Commitments and Contingencies	13			
26	Total Liabilities		855,330	849,136	
27	Stockholders', Partners', or Proprietor's Equity		(624,957)	(604,830)	
28	Total Liabilities and Equity		$230,373	$244,306	

* These prior year numbers have been adjusted to match 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 CORPORATION
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		$308,356	$327,421	
2	Rooms		36,783	35,998	*
3	Food and Beverage		59,276	59,364	
4	Other		19,041	19,906	*
5	Total Revenue		423,456	442,689	
6	Less: Promotional Allowances		112,538	131,494	
7	Net Revenue		310,918	311,195	
	Costs and Expenses:				
8	Casino		137,684	157,710	
9	Rooms, Food and Beverage		22,949	18,318	
10	General, Administrative and Other		66,859	75,332	
11	Total Costs and Expenses		227,492	251,360	
12	Gross Operating Profit		83,426	59,835	
13	Depreciation and Amortization	2	6,342	4,834	
	Charges from Affiliates Other than Interest:				
14	Management Fees				
15	Other	3	24,747	26,052	
16	Income (Loss) from Operations		52,337	28,949	
	Other Income (Expenses):				
17	Interest Expense - Affiliates	10	(1,658)	(44,058)	
18	Interest Expense - External	10	(107)	(73)	
19	CRDA Related Income (Expense) - Net	13	(2,610)	(1,738)	
20	Nonoperating Income (Expense) - Net		(2,570)	(1,030)	
21	Total Other Income (Expenses)		(6,945)	(46,899)	
22	Income (Loss) Before Taxes and Extraordinary Items		45,392	(17,950)	
23	Provision (Credit) for Income Taxes	2 & 11	8,198	(34,007)	
24	Income (Loss) Before Extraordinary Items		37,194	16,057	
25	Extraordinary Items (Net of Income Taxes - 20__, $0; 20__, $0)				
26	Net Income (Loss)		$37,194	$16,057	

* These prior year numbers have been adjusted to match 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 CORPORATION
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		$68,813	$82,670	
2	Rooms		7,934	8,379	*
3	Food and Beverage		13,559	13,246	
4	Other		4,505	4,383	*
5	Total Revenue		94,811	108,678	
6	Less: Promotional Allowances		24,985	29,863	
7	Net Revenue		69,826	78,815	
	Costs and Expenses:				
8	Casino		33,896	38,788	
9	Rooms, Food and Beverage		5,247	4,046	
10	General, Administrative and Other		16,453	18,657	
11	Total Costs and Expenses		55,596	61,491	
12	Gross Operating Profit		14,230	17,324	
13	Depreciation and Amortization	2	2,006	652	
	Charges from Affiliates Other than Interest:				
14	Management Fees				
15	Other	3	5,838	6,440	
16	Income (Loss) from Operations		6,386	10,232	
	Other Income (Expenses):				
17	Interest Expense - Affiliates	10	0	(11,015)	
18	Interest Expense - External	10	(9)	1	
19	CRDA Related Income (Expense) - Net	13	224	(2,037)	
20	Nonoperating Income (Expense) - Net		(1,777)	(650)	
21	Total Other Income (Expenses)		(1,562)	(13,701)	
22	Income (Loss) Before Taxes and Extraordinary Items		4,824	(3,469)	
23	Provision (Credit) for Income Taxes	2 & 11	8,198	(2,549)	
24	Income (Loss) Before Extraordinary Items		(3,374)	(920)	
25	Extraordinary Items (Net of Income Taxes - 20__, $_____; 20__, $________)				
26	Net Income (Loss)		($3,374)	($920)	

* These prior year numbers have been adjusted to match 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 CORPORATION
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)

			Common Stock		Preferred Stock		Additional Paid-In Capital	________	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity (Deficit)
Line (a)	Description (b)	Notes	Shares (c)	Amount (d)	Shares (e)	Amount (f)	(g)	(h)	(i)	(j)
1	**Balance, December 31, 2013..........**		100	$1,370			$533,326		($1,123,761)	($589,065)
2	Net Income (Loss) - 2014.............								16,057	16,057
3	Contribution to Paid-in-Capital.....									0
4	Dividends..................................									0
5	Prior Period Adjustments.............									0
6	Equitization of Intercompany									0
7	Balances						(31,822)			(31,822)
8										0
9										0
10	**Balance, December 31, 2014..........**		100	1,370	0	0	501,504	0	(1,107,704)	(604,830)
11	Net Income (Loss) - 2015.............								37,194	37,194
12	Contribution to Paid-in-Capital.....									0
13	Dividends..................................									0
14	Prior Period Adjustments.............									0
15	Equitization of Intercompany									0
16	Balances						(57,321)			(57,321)
17										0
18										0
19	**Balance, December 31, 2015 ....**		100	$1,370	0	$0	$444,183	$0	($1,070,510)	($624,957)

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 CORPORATION
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..		$70,605	$49,869
	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...........................		(10,751)	(17,149)
5	Proceeds from Disposition of Property and Equipment..........		47	42
6	CRDA Obligations		(4,056)	(4,098)
7	Other Investments, Loans and Advances made.......................			
8	Proceeds from Other Investments, Loans, and Advances		7,592	672
9	Cash Outflows to Acquire Business Entities..........................		0	0
10	....			
11	....			
12	Net Cash Provided (Used) By Investing Activities....................		(7,168)	(20,533)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt......................................			
15	Proceeds from Long-Term Debt		90	676
16	Costs of Issuing Debt..			
17	Payments to Settle Long-Term Debt......................................		(1,093)	(1,607)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock..			
20	Payments of Dividends or Capital Withdrawals......................			
21	Borrowings/Payments of Intercompany Payable		(57,321)	(31,822)
22	....			
23	Net Cash Provided (Used) By Financing Activities..................		(58,324)	(32,753)
24	Net Increase (Decrease) in Cash and Cash Equivalents.............		5,113	(3,417)
25	Cash and Cash Equivalents at Beginning of Period...................		16,708	20,125
26	Cash and Cash Equivalents at End of Period............................		$21,821	$16,708

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)......................................		$77	$287
28	Income Taxes..			

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

BOARDWALK REGENCY CORPORATION
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)..		$37,194	$16,057
30	Depreciation and Amortization of Property and Equipment...		5,706	4,219
31	Amortization of Other Assets...		636	615
32	Amortization of Debt Discount or Premium..........................			
33	Deferred Income Taxes - Current		3,914	640
34	Deferred Income Taxes - Noncurrent		12,508	(20,072)
35	(Gain) Loss on Disposition of Property and Equipment.........		(32)	(7)
36	(Gain) Loss on CRDA-Related Obligations..........................		112	6,915
37	(Gain) Loss from Other Investment Activities.......................			
38	(Increase) Decrease in Receivables and Patrons' Checks		2,907	4,755
39	(Increase) Decrease in Inventories		46	1
40	(Increase) Decrease in Other Current Assets.........................		(183)	(216)
41	(Increase) Decrease in Other Assets....................................		214	(255)
42	Increase (Decrease) in Accounts Payable.............................		3,961	(3,338)
43	Increase (Decrease) in Other Current Liabilities		3,628	40,477
44	Increase (Decrease) in Other Liabilities		(6)	78
45	....			
46	....			
47	Net Cash Provided (Used) By Operating Activities..................		$70,605	$49,869

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line	Description	Notes	2015	2014
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment..................................		($11,464)	($17,825)
49	Less: Capital Lease Obligations Incurred..............................		713	676
50	Cash Outflows for Property and Equipment.............................		($10,751)	($17,149)
	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.

BOARDWALK REGENCY CORPORATION
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	505,760	$19,291	0	$0
2	Food	535,700	23,076	0	0
3	Beverage	7,693,699	15,387	0	0
4	Travel	0	0	116,029	2,282
5	Bus Program Cash	1,516	125	0	0
6	Promotional Gaming Credits	1,378,573	36,050	0	0
7	Complimentary Cash Gifts	86,872	14,721	0	0
8	Entertainment	22,034	1,602	4,537	583
9	Retail & Non-Cash Gifts	55,872	1,117	0	0
10	Parking			0	0
11	Other	8,679	1,169	307,155	7,698
12	Total	10,288,705	$112,538	427,721	$10,563

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	122,934	$4,537	0	$0
2	Food	124,658	5,322	0	0
3	Beverage	1,786,696	3,573	0	0
4	Travel	0	0	26,172	350
5	Bus Program Cash	405	31	0	0
6	Promotional Gaming Credits	343,742	8,989	0	0
7	Complimentary Cash Gifts	19,939	1,582	0	0
8	Entertainment	5,960	426	752	108
9	Retail & Non-Cash Gifts	14,394	287	0	0
10	Parking	0	0	0	0
11	Other	648	238	116,262	2,912
12	Total	2,419,376	$24,985	143,186	$3,370

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

BOARDWALK REGENCY CORPORATION
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.

Karen Worman

3/31/2016
Date

Karen Worman

Vice President of Finance
Title

006320-11
License Number

On Behalf of:

BOARDWALK REGENCY CORPORATION
Casino Licensee

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

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Boardwalk Regency Corporation (the "Company"), a New Jersey corporation, is a wholly owned subsidiary of Caesars New Jersey, Inc. ("CNJ"), a New Jersey corporation. The Company owns and operates the casino hotel resort in Atlantic City, New Jersey known as "Caesars Atlantic City". CNJ is a wholly owned subsidiary of Caesars World, Inc. ("CWI"), a Florida corporation, and CWI is a wholly owned subsidiary of Caesars Entertainment Operating Company, Inc. ("CEOC"), a direct wholly owned subsidiary of Caesars Entertainment Corp. ("CEC").

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 Reorganization Petition - On January 15, 2015 (the "Petition Date"), CEOC and certain of its United States subsidiaries, including the Company, (the "Debtors") voluntarily filed for reorganization under Chapter 11 of the Bankruptcy Code. As a result of this filing, CEOC and the Companies operate as debtors-in-possession under the Bankruptcy Code.

The accompanying financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and liabilities in the ordinary course of business. The Companies' ability to continue as a going concern is dependent upon CEOC's ability to restructure its indebtedness and emerge from bankruptcy, and a favorable resolution to the continued ability to use cash collateral. These uncertainties raise substantial doubt about the Companies' ability to continue as a going concern. The accompanying Consolidating Schedules do not include any adjustments that might result from the outcome of uncertainties, including the possibility that the Companies lose some or substantially all of their assets to foreclosure as a result of these uncertainties.

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.

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

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.

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 of provisions and supplies are valued at the lower of average cost, or market.

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.

(All dollar amounts in thousands)

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 $3,737 as of December 31, 2015 and 2014, respectively, with accumulated amortization of $1,229 and $614 as of December 31, 2015 and 2014, respectively. The customer database was determined to have a 12 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.

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, 2015 and 2014:

(All dollar amounts in thousands)

	2015	2014
Food & Beverage	$ 29,859	$ 33,544
Rooms	8,993	9,510
Other	3,612	5,876
Bus Program Cash	125	171
Promotional Gaming Credits	36,050	43,259
Other Cash Complimentaries	14,721	20,053
	$ 93,360	$ 112,413

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, 2015 and 2014, $2,891 and $3,061 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, 2015 and 2014, the liability related to outstanding NNRR, which is based on historical redemption, was approximately $692 and $532, 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, 2015 and 2014, which are included in casino expenses in the accompanying consolidated statements of income, were approximately $24,827 and $26,453, respectively.

Advertising Expenses – Advertising costs are expensed as incurred. Advertising expenses are $906 and $3,399 for the twelve months ended December 31, 2015 and 2014 respectively. Advertising expenses are included in general, administrative and other expenses in the accompanying statements of income.

City of Atlantic City Real Property Tax Appeals - Property Tax – In 2015 and 2014, the Company settled with the City with respect to their challenges to the real estate tax assessment for prior years. During the first quarter of 2014, the City approved refunds/credits of prior year's property taxes in the amount of $2,935, which was recorded in general, administrative and other expense in the accompanying Statements of Income. In 2015, 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 2016. In addition, the 2015 and 2014 assessments were reduced by approximately $220,000 and $450,000 respectively. During 2015 and 2014, the city increased the property tax rate by approximately 2% and 32% respectively.

Income Taxes - The Company is included in the consolidated federal tax return of Caesars and files a separate New Jersey tax return. The (benefit)/provision for federal income taxes is computed based on the statutory federal rate as if the Company had filed a separate income tax return. The provision for state taxes is based on the statutory New Jersey tax.

Deferred 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 tax assets and liabilities 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 follows the provisions of ASC 740-Income Taxes. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense.

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.

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.

Reclassifications – The Company has reclassified certain amounts for prior periods to conform to the current year's presentation.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Company participates with CEOC and Caesars' 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.

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.

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 Harrah's Atlantic City and Showboat Atlantic City, also affiliates of the Company. In 2014, the Company was charged approximately $176 for these services. The costs are included in other operating expenses in the accompanying statements of income. In April 2014, the Company sold the ACCC.

Administrative and Other Services – Pursuant to a shared services agreement, CEOC provides certain corporate and administrative services to the Companies and allocates the costs of these services to the companies. In May 2014, Caesars Enterprise Service ("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 $24,747 and $26,052 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, Caesars Entertainment Resort Properties ("CERP"), and Caesars Growth Properties Holdings, LLC ("CGPH") (the "Members" and each a "Member") entered into a services joint venture, 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 properties 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.

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 Statement of Changes in Stockholder's Equity.

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. Participating employees become vested in matching contributions on a pro-rata basis over five years of credited service. The Company's contribution expense for the twelve months ended December 31, 2015 and 2014 was $499 and $513, respectively.

Caesars maintains several supplemental executive supplemental savings plans ("SERP") to provide additional retirement benefits to a select group of former executives. The expenses charged by Caesars to the Company for employees' participation in these programs are included in the administrative and other services charge discussed above.

Equity Incentive Awards — Caesars maintains equity incentive award plans in which employees of the Company may participate. Caesars allocates an appropriate amount of cost for these awards to each subsidiary where employees participate.

The Company recognized $0 and $13 in equity award options for each of the years ended December 31, 2015 and 2014, respectively, and are included in general, administrative and other within the accompanying statements of income.

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 $12,089 and $11,986 for the years ended December 31, 2015 and 2014, respectively, and are included in Selling, General and Administrative 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".

Multiemployer Pension Plan Participation

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status (1)		FIP/RP Status (2)	Contributions of CEOC on Behalf of Boardwalk Regency Corporation ($ in millions)		Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
		2015	2014		2015	2014		
Pension Plan of the UNITE HERE National Retirement Fund (4)	13-6130178/001	Red	Red	Yes	$ 3.4	$ 3.2	No	March 2015
Local 68 Engineers Union Pension Plan (3)	51-0176618/001	Green	Green	No	0.4	0.4	No	April 2017
NJ Carpenters Pension Fund	22-6174423/001	Yellow	Yellow	Yes	0.1	0.1	No	April 2017
Painters IUPAT	52-6073909/001	Yellow	Yellow	Yes	0.1	0.1	No	April 2017
					$ 4.0	$ 3.8		

(1) Represents the Pension Protection Act ("PPA") zone status for applicable plan years beginning January 1, 2015 and 2014, 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) 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 65% funded, plans in the yellow zone are between 60% 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.

(All dollar amounts in thousands)

NOTE 4 – RECEIVABLES AND PATRONS' CHECKS

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

	2015	2014
Casino Receivables (Net of Allowance for Doubtful Accounts - 2015, $10,136 & 2014, $10,287)	$ 10,464	$ 14,033
Other (Net of Allowance for Doubtful Accounts - 2015, $135 & 2014, $1,049)	4,469	4,067
	$ 14,933	$ 18,100

NOTE 5 –OTHER CURRENT ASSETS

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

	2015	2014
Tax Deferred Asset	$ -	$ 3,914
Other	1,852	1,669
	$ 1,852	$ 5,583

NOTE 6 - INVESTMENTS, ADVANCES AND RECEIVABLES

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

	2015	2014
Casino Reinvestment Development Authority Obligation ("CRDA") (net of valuation reserves- 2015, $9,385 and 2014, $11,584)	$ 9,722	$ 13,370
	$ 9,722	$ 13,370

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

NOTE 7 – LAND, BUILDINGS AND EQUIPMENT

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

	2015	2014
Land	$ 12,411	$ 12,416
Buildings and Improvements	34,976	32,344
Furniture, Fixtures, and Equipment	23,948	16,458
Construction in Progress	5,764	5,059
	$ 77,099	$ 66,277
Less Accumulated Depreciation & Amortization	(10,690)	(4,512)
	$ 66,409	$ 61,765

NOTE 8 – OTHER ASSETS

Other assets as of December 31 consist of the following:

	2015	2014
Customer Database (less Accumulated Amortization of $1,229 in 2015 & $614 in 2014)	$ 2,509	$ 3,123
L/T Deferred Income Tax	109,019	121,527
Other	3,658	3,634
	$ 115,186	$ 128,284

During May 2003, the Company entered into an agreement to lease The Pier at Caesars (the “Pier”) to developers for an initial term of 75 years. The 75 year term commenced upon completion of the Pier’s construction in 2006. The lease agreement provides for the repayment of certain qualified pier development costs incurred by the developers.

As of December 31, 2006, Caesars Atlantic City repaid the Developer approximately $42,800 through CRDA funds previously deposited by the Companies. In December 2013, Caesars recognized an impairment of the lease incentive payments of $36,060 reducing the balance to $2,947. These payments are considered lease incentive payments and are being amortized over the life of the lease.

(All dollar amounts in thousands)

NOTE 9 - OTHER ACCRUED EXPENSES

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

	2015	2014
Accrued Payroll	$ 7,060	$ 6,771
Accrued Interest Payable	306,808	305,111
Other	8,610	6,763
	$ 322,478	$ 318,645

NOTE 10- LONG-TERM DEBT

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

	2015	2014
Due to Affiliates		
8.5% Note Payable to Caesars Entertainment, Ltd. ("CEL") due December 1, 2020	$ 518,330	$ 518,330
Due to Other		
Notes Payable	1,780	$ 1,892
Less: Current Portion of Notes Payable	(1,780)	$ (1,040)
Capitalized Leases	280	1,171
Less: Current Portion of Capitalized Leases	(280)	(845)
Long Term Portion of Other Debt	-	1,178
Total Long Term Debt	$ 518,330	$ 519,508

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. As of December 31, 2015 and 2014, accrued interest related to the intercompany note totaled $306,748 and $305,090, respectively. Since the note is due to an affiliate, a determination of fair value is not considered meaningful.

Due to the bankruptcy, the long term debt, accrued interest and capital leases are considered liabilities subject to compromise (LSTC).

(All dollar amounts in thousands)

NOTE 11 – INCOME TAXES (BENEFIT)

The Company is included in the consolidated federal tax return of Caesars, but files a separate New Jersey tax return.

The tax years that remain open for examination for Caesar's major jurisdictions are 2010 through 2014 for New Jersey. The tax years prior to 2010 are no longer subject to examination for U.S. tax purposes.

Significant components of the income tax provision (benefit) for income taxes for the year ended December 31 consisted of the following:

Provision (Benefit) for Income Taxes	2015	2014
Current		
Federal	$ (8,143)	$ (15,401)
State	(81)	(40,308)
	$ (8,224)	$ (55,709)
Deferred	16,422	21,702
Provision (Benefit) for income taxes	$ 8,198	$ (34,007)

The provision for income taxes for the year ended December 31, 2015, differs 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 a benefit of $8,143 in 2015.

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 consisted of the following:

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

	2015	2014
Deferred tax assets:		
Allowance for doubtful accounts	$ 4,213	$ 4,650
CRDA investment obligation	5,685	6,073
Depreciation and other property related items	145,040	167,878
Deferred charges	14,337	
Tax credit carryovers		1,661
Net operating loss carryovers	474	1,317
Other	1,048	697
	170,797	182,276
Valuation Allowance	(45,835)	(47,092)
	124,962	135,184
Deferred tax liabilities:		
Debt costs	(14,914)	(8,462)
Intangible Assets	(1,029)	(1,281)
	(15,943)	(9,743)
Net deferred tax asset	$ 109,019	$ 125,441

As of December 31, 2015, the Company had New Jersey net operating loss (NOL) carryforwards of $24,999. These NOLs will begin to expire in 2029.

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 $45,835 has been recorded against the portion of the federal and 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.

At the beginning of 2015, the Company had an unrecognized tax benefits balance of $1,520. During 2015, the unrecognized tax liability was reduced by $0, due to state statute of limitations expirations.

(All dollar amounts in thousands)

The ending balance of unrecognized tax benefits at December 31, 2015 was $1,520. 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.

We believe that 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 12 – LEASES

The Company leases equipment used in their operations and classify those leases as either operating or capital leases, for accounting purposes. As of December 31, 2015, the remaining lives of the Company's operating leases were 1 year. In addition to the minimum rental commitments, certain of our operating leases provide for contingent rentals based on a percentage of revenues in excess of specified amounts.

	Capital Leases	Financing Obligations
2016	$ 280	$ 1,780
2017	-	-
2018	-	-
2019	-	-
Thereafter	-	-
Total minimum lease payments	280	1,780
Amounts representing interest	(25)	(105)
Present value of net minimum lease payments	255	1,675
Less current maturities	(255)	(1,675)
Lease obligations — noncurrent	$ -	$ -

Rent expense, which includes both cancelable and non-cancelable leases for the years ended December 31, 2015 and 2014, was $2,461 and $2,733, respectively. These amounts are included in the accompanying Statements of Income.

(All dollar amounts in thousands)

NOTE 13 – COMMITMENTS AND CONTINGENCIES

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.

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 as of December 31, 2015 and 2014. Actual results may differ from these reserve amounts.

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 costs	$ 2,580	$ 1,950
Deposits — net of reserves of $4,481 and $10,326	7,142	11,420
Total	$ 9,722	$ 13,370

The Company records charges to operations to reflect the estimated net realizable value of its CRDA investment. Charges to operations were $2,711 and $1,738 for the twelve months ended December 31, 2015 and 2014, respectively, and is included in CRDA 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, 2015 and 2014 was $31 and $28, 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 (the "AC Industry") and the CRDA entered into an agreement with the New Jersey Sports & Exposition Authority (the "NJSEA") to provide funding to subsidize New Jersey's horseracing industry. This agreement expired on January 1, 2009. The agreement provided that in exchange for funding, the NJSEA and the three active New Jersey racetracks would not conduct any casino gaming at the racetracks prior to January 1, 2009. As part of the agreement, the AC Industry provided $34,000 over a four year period to the NJSEA and deposited another $62,000 into the Casino Expansion Fund (managed by the CRDA). The Company's obligation was equal to its fair-share of AC Industry casino revenues totaling $2,812, and the Company is eligible to receive funds deposited as a result of this obligation from the Casino Expansion Fund for qualified construction expenditures. The Company had until June 30, 2014 to submit an application to exhaust its share of the Casino Expansion Fund. Any funds not transferred out of the Casino Expansion Fund by the required date will be transferred to funds on deposit with the CRDA pursuant to its ongoing investment obligations.

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 obligation was $3,602 for the twelve months ended December 31, 2014. The Company has expensed $4,085 for 2015. The Company's obligation for its portion of future payments is estimated at $4,085, equal to its fair-share of AC Industry casino revenues.

(All dollar amounts in thousands)

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:

- $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:

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, 2015, Caesars has received $40,715 in reimbursements from the

Project Fund.

NOTE 14 – SUBSEQUENT EVENTS

Real Estate Tax Settlement – On February 9, 2016, the Company finalized a tax settlement with the City of Atlantic City on the assessment valuation for The Pier at Caesars, for the tax years 2012-2014, in the amount of $3,249. Under the settlement, the real estate tax credits will be applied in five installments, against the tax payments for the 1st quarter of 2016 through the 1st quarter of 2017.

BOARDWALK REGENCY CORPORATION

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

BOARDWALK REGENCY CORPORATION

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..............................	$6,658		
2	Returned Patrons' Checks....................................	13,942		
3	Total Patrons' Checks.......................................	20,600	$10,136	$10,464
4	Hotel Receivables...	1,390	127	$1,263
	Other Receivables:			
5	Receivables Due from Officers and Employees....	241		
6	Receivables Due from Affiliates...........................			
7	Other Accounts and Notes Receivables................	2,973		
8	Total Other Receivables.....................................	3,214	8	$3,206
9	Totals (Form DGE-205)..	$25,204	$10,271	$14,933

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	**Description (g)**	**Amount (h)**
10	Beginning Balance (January 1)..	$10,836
11	Counter Checks Issued..	203,992
12	Checks Redeemed Prior to Deposit...	(159,468)
13	Checks Collected Through Deposits..	(34,807)
14	Checks Transferred to Returned Checks..	(13,895)
15	Other Adjustments..	
16	Ending Balance..	$6,658
17	"Hold" Checks Included in Balance on Line 16..	0
18	Provision for Uncollectible Patrons' Checks...	$1,821
19	Provision as a Percent of Counter Checks Issued..	0.9%

BOARDWALK REGENCY CORPORATION
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)	Officers & Owners (e)	Totals (f)
	CASINO:				
1	Table and Other Games	669			
2	Slot Machines	67			
3	Administration				
4	Casino Cashiering	94			
5	Simulcasting				
6	Other				
7	Total - Casino	830	$19,756	$124	$19,880
8	ROOMS	246	6,281	103	6,384
9	FOOD AND BEVERAGE	725	15,476		15,476
10	GUEST ENTERTAINMENT	184	594		594
11	MARKETING	121	7,313	111	7,424
12	OPERATION AND MAINTENANCE	167	6,808		6,808
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	1	64	713	777
14	Accounting and Auditing	20	660		660
15	Security	144	4,578		4,578
16	Other Administrative and General	60	2,982		2,982
	OTHER OPERATED DEPARTMENTS:				
17	Parking Operations	49	1,221		1,221
18	Health Club/Pool Services	25	602		602
19	Retail Stores	25	656		656
20					0
21					0
22					0
23	TOTALS - ALL DEPARTMENTS	2,597	$66,991	$1,051	$68,042

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.