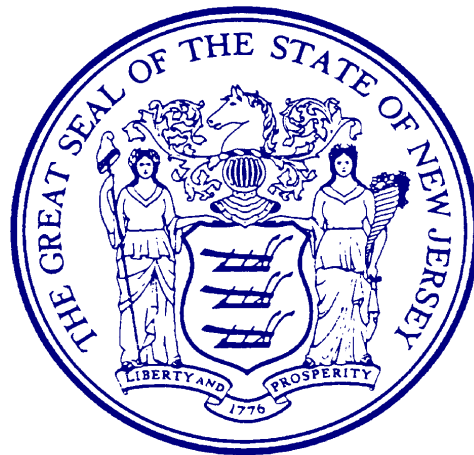


**Bally's Park Place LLC (Bally's Atlantic City)**

**QUARTERLY REPORT**

**FOR THE QUARTER ENDED DECEMBER 31, 2020**

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



**OFFICE OF FINANCIAL INVESTIGATIONS  
REPORTING MANUAL**

# Bally's Park Place LLC (Bally's Atlantic City)

## BALANCE SHEETS

AS OF DECEMBER 31, 2020 AND 2019

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2020 (c)	2019 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....	2	\$0	\$14,591
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2020, \$1,377; 2019, \$3,252 ).....	2, 4, 12	1,310	5,560
4	Inventories .....	2	0	689
5	Other Current Assets.....	5	937	1,655
6	Total Current Assets.....		2,247	22,495
7	Investments, Advances, and Receivables.....	6	2,415	8,737
8	Property and Equipment - Gross.....	2,7	0	101,809
9	Less: Accumulated Depreciation and Amortization.....	2,7	0	(20,391)
10	Property and Equipment - Net.....	2,7	0	81,418
11	Other Assets.....	8, 9	92	13,314
12	Total Assets.....		\$4,754	\$125,964
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$115	\$4,541
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....			
16	External.....		0	0
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....	10	1,848	11,041
19	Other Current Liabilities.....	8	248	1,992
20	Total Current Liabilities.....		2,211	17,574
	Long-Term Debt:			
21	Due to Affiliates.....		0	0
22	External.....		0	0
23	Deferred Credits .....		0	0
24	Other Liabilities.....	11	2,543	67,514
25	Commitments and Contingencies.....	13	0	0
26	Total Liabilities.....		4,754	85,088
27	Stockholders', Partners', or Proprietor's Equity.....		0	40,876
28	Total Liabilities and Equity.....		\$4,754	\$125,964

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

# Bally's Park Place LLC (Bally's Atlantic City)

## STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020 AND 2019

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2020 (c)	2019 (d)
	Revenue:			
1	Casino.....		\$52,423	\$105,385
2	Rooms.....		22,361	42,184
3	Food and Beverage.....		15,863	46,725
4	Other.....		5,215	9,725
5	Net Revenue.....	12	95,862	204,019
	Costs and Expenses:			
6	Casino.....		39,802	71,728
7	Rooms, Food and Beverage.....		21,231	45,998
8	General, Administrative and Other.....		39,053	58,706
9	Total Costs and Expenses.....		100,086	176,432
10	Gross Operating Profit.....		(4,224)	27,587
11	Depreciation and Amortization.....	2	2,994	7,041
	Charges from Affiliates Other than Interest:			
12	Management Fees.....		0	0
13	Other.....	2	10,286	16,619
14	Income (Loss) from Operations.....		(17,504)	3,927
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....		0	0
16	Interest Expense - External.....		(7,525)	(11,504)
17	CRDA Related Income (Expense) - Net.....	13	83	349
18	Nonoperating Income (Expense) - Net.....		(74,746)	(450)
19	Total Other Income (Expenses).....		(82,188)	(11,605)
20	Income (Loss) Before Taxes .....		(99,692)	(7,678)
21	Provision (Credit) for Income Taxes.....			0
22	Net Income (Loss).....		(\$99,692)	(\$7,678)

\* Certain balances have been combined

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

# Bally's Park Place LLC (Bally's Atlantic City)

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 AND 2019

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2020 (c)	2019 (d)
	Revenue:			
1	Casino.....		\$9,606	\$23,133
2	Rooms.....		3,016	7,990
3	Food and Beverage.....		2,168	10,615
4	Other.....		717	2,097
5	Net Revenue.....	12	15,507	43,835
	Costs and Expenses:			
6	Casino.....		6,132	17,758 *
7	Rooms, Food and Beverage.....		3,209	10,506
8	General, Administrative and Other.....		6,631	14,415
9	Total Costs and Expenses.....		15,972	42,679
10	Gross Operating Profit.....		(465)	1,156
11	Depreciation and Amortization.....	2	735	2,443
	Charges from Affiliates Other than Interest:			
12	Management Fees.....		0	0
13	Other.....	2	1,071	3,179 *
14	Income (Loss) from Operations.....		(2,271)	(4,466)
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....		0	0 *
16	Interest Expense - External.....		(303)	(2,934) *
17	CRDA Related Income (Expense) - Net.....	13	29	16 *
18	Nonoperating Income (Expense) - Net.....	1	(36,021)	(102)
19	Total Other Income (Expenses).....		(36,295)	(3,020)
20	Income (Loss) Before Taxes .....		(38,566)	(7,486)
21	Provision (Credit) for Income Taxes.....		(1,255)	0
22	Net Income (Loss).....		(\$37,311)	(\$7,486)

\* Certain balances have been combined

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

**Bally's Park Place LLC (Bally's Atlantic City)**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2019 AND TWELVE MONTHS ENDED DECEMBER 31, 2020

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
			Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2018.....		100	\$1	0	\$0	\$43,775		(\$5,829)	\$37,947
2	Net Income (Loss) - 2019.....								(7,678)	(7,678)
3	Contribution to Paid-in-Capital....									0
4	Dividends.....									0
5	Prior Period Adjustments.....									0
6	Equitization of Intercompany						10,607			10,607
7	Adj. prior year-Rev. Recognition									0
8	Reclassification of Equity									0
9										0
10	Balance, December 31, 2019.....		100	1	0	0	54,382	0	(13,507)	40,876
11	Net Income (Loss) - 2020								(69,549)	(69,549)
12	Contribution to Paid-in-Capital....									0
13	Dividends.....									0
14	Prior Period Adjustments.....		(100)	(1)						(1)
15	Equitization of Intercompany						12,526			12,526
16	Purchase Price						(36,764)		83,055	46,291
17	Net Income (Loss) -Successor								(30,143)	(30,143)
18										0
19	Balance, December 31, 2020 .....		0	\$0	0	\$0	\$30,144	\$0	(\$30,144)	\$0

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

# Bally's Park Place LLC (Bally's Atlantic City)

## STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020 AND 2019

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2020 (c)	2019 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		(\$105,680)	\$944
	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.....		(1,065)	(14,876)
5	Proceeds from Disposition of Property and Equipment.....			32
6	CRDA Obligations .....			(134)
7	Other Investments, Loans and Advances made.....			
8	Proceeds from Other Investments, Loans, and Advances .....		549	626
9	Cash Outflows to Acquire Business Entities.....		0	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities.....		(516)	(14,352)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt .....			
14	Payments to Settle Short-Term Debt.....			
15	Proceeds from Long-Term Debt .....			
16	Costs of Issuing Debt.....			
17	Payments to Settle Long-Term Debt.....			
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....			
20	Payments of Dividends or Capital Withdrawals.....			
21	Change in Payable to / Receivable from affiliates .....		91,605	11,650
22				
23	Net Cash Provided (Used) By Financing Activities.....		91,605	11,650
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(14,591)	(1,758)
25	Cash and Cash Equivalents at Beginning of Period.....		14,591	16,349
26	Cash and Cash Equivalents at End of Period.....		\$0	\$14,591
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$6,212	\$10,317
28	Income Taxes.....		\$0	\$0

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

# Bally's Park Place LLC (Bally's Atlantic City)

## STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020 AND 2019

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2020 (c)	2019 (d)
	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
29	Net Income (Loss).....		(\$99,692)	(\$7,678)
30	Depreciation and Amortization of Property and Equipment.....		2,735	6,574
31	Amortization of Other Assets.....		259	467
32	Amortization of Debt Discount or Premium.....		0	0
33	Deferred Income Taxes - Current .....		0	0
34	Deferred Income Taxes - Noncurrent .....		0	0
35	(Gain) Loss on Disposition of Property and Equipment.....		0	350
36	(Gain) Loss on CRDA-Related Obligations.....		(83)	(349)
37	(Gain) Loss from Other Investment Activities.....		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks .....		3,824	(82)
39	(Increase) Decrease in Inventories .....		689	(110)
40	(Increase) Decrease in Other Current Assets.....		718	422
41	(Increase) Decrease in Other Assets.....		(951)	(108)
42	Increase (Decrease) in Accounts Payable.....		(4,426)	(810)
43	Increase (Decrease) in Other Current Liabilities .....		(10,936)	988
44	Increase (Decrease) in Other Liabilities .....		2,183	1,280
45	Non-Cash Reorganization Loss / (Gain) .....		0	0
46	Impairment of Assets .....		0	
47	Net Cash Provided (Used) By Operating Activities.....		(\$105,680)	\$944

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	<b>ACQUISITION OF PROPERTY AND EQUIPMENT:</b>			
48	Additions to Property and Equipment.....		(\$1,065)	(\$14,876)
49	Less: Capital Lease Obligations Incurred.....			0
50	Cash Outflows for Property and Equipment.....		(\$1,065)	(\$14,876)
	<b>ACQUISITION OF BUSINESS ENTITIES:</b>			
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
	<b>STOCK ISSUED OR CAPITAL CONTRIBUTIONS:</b>			
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.

**Bally's Park Place LLC (Bally's Atlantic City)**  
**SCHEDULE OF PROMOTIONAL**  
**EXPENSES AND ALLOWANCES**

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020  
(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	241,338	\$11,938		
2	Food	153,669	3,048		
3	Beverage	2,323,253	4,647		
4	Travel			22,640	1,390
5	Bus Program Cash				
6	Promotional Gaming Credits	21,804	10,744		
7	Complimentary Cash Gifts	36,738	1,945		
8	Entertainment			614	77
9	Retail & Non-Cash Gifts	27,885	558	17,910	1,791
10	Parking			234,642	704
11	Other	171,026	855	20,516	513
12	Total	2,975,713	\$33,735	296,322	\$4,475

FOR THE THREE MONTHS ENDED DECEMBER 31, 2020

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	46,342	\$1,798		
2	Food	26,892	535		
3	Beverage	434,942	870		
4	Travel			860	190
5	Bus Program Cash				
6	Promotional Gaming Credits	3,088	2,018		
7	Complimentary Cash Gifts	8	197		
8	Entertainment			146	18
9	Retail & Non-Cash Gifts	5,635	113	3,370	337
10	Parking			40,014	120
11	Other	46,714	233	4,627	116
12	Total	563,621	\$5,764	49,017	\$781

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



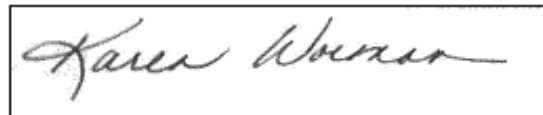
**Bally's Park Place LLC (Bally's Atlantic City)  
STATEMENT OF CONFORMITY,  
ACCURACY, AND COMPLIANCE**

FOR THE QUARTER ENDED DECEMBER 31, 2020

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Division's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.S.A. 5:12-84a(1)-(5) during the quarter.

3/31/2021

Date



Karen Worman

Vice President of Finance

Title

6320-11

License Number

On Behalf of:

Bally's Park Place LLC (Bally's Atlantic City)

Casino Licensee

**BALLY’S PARK PLACE LLC (Bally’s Atlantic City)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(All dollar amounts in thousands)**

**NOTE 1 – ORGANIZATION**

On July 20, 2020, Eldorado Resorts, Inc. (“Eldorado”) completed the merger in which a wholly-owned subsidiary of Eldorado merged with and into Caesars Entertainment Corporation (“Former Caesars”) with Former Caesars surviving as a wholly-owned subsidiary of Eldorado (the “Merger”) pursuant to the Agreement and Plan of Merger dated as of June 24, 2019 (as amended by Amendment No. 1 to Agreement and Plan of Merger, dated as of August 15, 2019, the “Merger Agreement”). In connection with the Merger, Caesars Entertainment Corporation changed its name to “Caesars Holdings, Inc.” and Eldorado Resorts, Inc. converted into a Delaware corporation and changed its name to “Caesars Entertainment, Inc.”

Bally’s Atlantic City Hotel & Casino is a casino hotel resort located in Atlantic City, New Jersey, owned and operated by Bally’s Park Place, Inc. (“Bally’s Atlantic City”), a wholly owned subsidiary of CEOC LLC. Bally’s Atlantic City is licensed by the New Jersey Division of Gaming Enforcement (“DGE”) and is subject its rules and regulations. The license has no expiration date.

On November 18, 2020, the sale of Bally’s Atlantic City to Twin River Worldwide Holdings, Inc. (“Twin River” or subsequently, “Bally’s Corporation”) closed. In addition, on October 9, 2020, CEI reached an agreement to sell the Bally’s brand to Bally’s Corporation for \$20 million, while retaining the right to use the brand within Bally’s Las Vegas in perpetuity. CEI agreed to reimburse Bally’s Corporation \$30 million for capital expenditures required at Bally’s Atlantic City. CEI expects that such commitment will be satisfied by adjusting obligations under certain sportsbook operating agreements. Following the sale, Wild Wild West casino was retained by Caesars and all the related assets were transferred to Caesars Atlantic City. The financial statements are reported through the date of sale, November 18, 2020.

**Effect of the COVID-19 Public Health Emergency**

A novel strain of coronavirus (“COVID-19”) was declared a public health emergency by the United States Department of Health and Human Services on January 31, 2020. COVID-19 is present in nearly all regions around the world and has resulted in travel restrictions and business slowdowns or shutdowns in affected areas. Bally’s was temporarily closed from mid-March 2020 through July 2, 2020 due to orders issued by various state government agencies as part of certain precautionary measures intended to help slow the spread of the COVID-19 public health emergency. As a result of the temporary closures, the COVID-19 public health emergency has had a material adverse effect on the Company’s business, financial condition and results of operations for the period ended December 31, 2020.

To manage the business through this period of uncertainty, we took steps to operate with a smaller, targeted workforce that was focused on maintaining basic operations while our property was closed. On April 2, 2020, CEI announced furloughs that affected approximately 90% of employees at its domestic, owned properties in North America, as well as its corporate employees. As part of the ongoing efforts, we also took steps to support our employees through the effects of these difficult actions. A portion of the workforce has returned to service as our properties have resumed with limited capacities and in compliance with operating restrictions in accordance with governmental orders, directives and guidelines.

The extent of the ongoing and future effects of the COVID-19 public health emergency on the Company’s business and the casino resort industry generally is uncertain, but we expect that it will continue to have a significant impact on our business, results of operations and financial condition. The extent and duration of the impact of COVID-19 will ultimately depend on future developments, including but not limited to, the duration and severity of the outbreak, varying levels of restrictions on operations imposed by governmental authorities, the potential for authorities reimposing stay-at-home orders or additional restrictions in response to continued developments with the COVID-19 public health emergency, our ability to adapt to evolving operating procedures, the impact on consumer demand and discretionary spending, the length of time it takes for demand to return, and our ability to adjust our cost structures for the duration of the outbreak’s effect on our operations.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was signed into law. The CARES Act is a relief package intended to assist many aspects of the American economy. Two provisions of the CARES Act will serve to aid CEC’s liquidity position, the employee retention credit and the deferral of employer-

**BALLY'S PARK PLACE LLC (Bally's Atlantic City)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(All dollar amounts in thousands)**

related FICA taxes. First, the employee retention credit provides employers a refundable federal tax credit equal to 50% of the first \$10,000 of qualified wages and benefits paid to employees while they are not performing services after March 12, 2020 and before January 1, 2021. Contributions to qualified medical plans also constitute creditable amounts. The credit is available to offset all federal employment withholdings owed in a particular quarter including both the employer and employee share of social security, Medicare taxes and withholdings for federal income taxes. To the extent that the credit exceeds employment withholdings, the employer may request a refund of prior taxes paid. Second, employers are permitted to defer the employer share of social security taxes otherwise owed on dates beginning March 27, 2020 and ending December 31, 2020. Half of the total deferred payments are payable on December 31, 2021 and the remaining half are payable on December 31, 2022. CEC intends to take full advantage of this tax deferral provision. The amount of the deferral is based on wages paid from April through December 2020.

As per New Jersey Governor Phil Murphy's approval, we reopened our doors on July 2, 2020 at a maximum capacity of 25% on the casino floor. Health screenings which include temperature checks and answering questions about potential contact with COVID-19 are required for all employees upon entering the building. Health screenings along with temperature checks, include answering questions about potential contact with Covid-19 are required for customers entering the building. Hand Sanitizer stations are also installed throughout all of our properties. Per Governor Murphy's mandate, food and beverage offerings were limited to take-out or outdoor dining only as indoor dining was not permitted. Indoor food and beverage offerings were allowed but limited to a maximum capacity of 25%.

**Sports Book Operation**

Effective September 10, 2020, Sportsbook operation at Bally's Atlantic City is operated by William Hill. Sportsbook revenues for brick and mortar operations will not be shown in gaming revenues. Profit share will be recorded on the Statement of Income.

**NOTE 2 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation** - The Companies 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 collectability of these receivables. Accounts receivable are typically noninterest bearing and are initially recorded at cost.

Marker play represents a portion of the Company's overall games volume. The Company maintains strict controls over the issuance of markers and aggressively pursue collection from those customers who fail to pay their marker balances timely. These collection efforts include 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.

**BALLY’S PARK PLACE LLC (Bally’s Atlantic City)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(All dollar amounts in thousands)**

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.

**Property and Equipment** - Property and equipment are stated at cost, except for assets acquired in our business combinations which were adjusted for fair value under ASC 805. Depreciation is computed using the straight-line method over the estimated useful life of the asset as noted in the table below, or the term of the lease, whichever is less. Costs of major improvements are capitalized, while costs of normal repairs and maintenance are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in operating income.

The Company evaluates its property and equipment and other long-lived assets for impairment based on its classification as held for sale or to be held and used. Several criteria must be met before an asset is classified as held for sale, including that management with the appropriate authority commits to a plan to sell the asset at a reasonable price in relation to its fair value and is actively seeking a buyer. For assets held for sale, the Company recognizes the asset at the lower of carrying value or fair market value less costs to sell, as estimated based on comparable asset sales, offers received, or a discounted cash flow model. For assets to be held and used, the Company reviews for impairment whenever indicators of impairment exist. The Company then compares the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then an impairment charge may be recorded for any difference between fair value and the carrying value. All recognized impairment losses, whether for assets held for sale or assets to be held and used, are recorded as operating expenses.

Our property and equipment is subject to various operating leases for which we are the lessor. We lease our property and equipment related to our hotel rooms, convention space and retail space through various short-term and long-term operating leases.

Useful Lives

Land improvements	12 to 40 years
Buildings	3 to 40 years
Leasehold improvements	3 to 30 years
Furniture, fixtures, and equipment	3 to 15 years

**Intangible Assets Other Than Goodwill** – Intangible assets other than goodwill represents the customer database. Due to the sale, carrying value at December 31, 2020 was 0.

**Adoption of New Revenue Recognition Standard** - In May 2014, the FASB issued a new standard related to revenue recognition, Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers, and all related amendments. We adopted the standard effective January 1, 2018, using the full retrospective method, which requires the Company to recast each prior reporting period presented consistent with the new standard.

Caesars Rewards, formally known as Total Rewards, affects revenue from our four core businesses: casino entertainment, food and beverage, rooms and hotel, and other business operations. Previously, the Company accrued a liability based on the estimated cost of fulfilling the redemption of Reward Credits, after consideration of estimated forfeitures (referred to as “breakage”), based upon the cost of historical redemptions. Upon adoption of the new accounting standard, Reward Credits are no longer recorded at cost, and a deferred revenue model is used to account for the classification and timing of revenue recognized as well as the classification of related expenses when Reward Credits are redeemed. This results in a portion of casino revenues being recorded as deferred revenue as Reward

**BALLY'S PARK PLACE LLC (Bally's Atlantic City)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(All dollar amounts in thousands)**

Credits are earned. Revenue is recognized in a future period based on when and for what good or service the Reward Credits are redeemed (e.g., a hotel room).

Additionally, we previously recorded promotional allowances in a separate line item within net revenues. As part of adopting the new standard, promotional allowances are no longer presented separately. Alternatively, revenue is recognized based on relative standalone selling prices for transactions with more than one performance obligation. For example, when a casino customer is given a complimentary room, we are required to allocate a portion of the casino revenues earned from the customer to rooms revenues based on the standalone selling price of the room. As a result of this change, we are reporting substantially lower casino revenues; however, there is no material effect on total net revenues.

**Casino Revenues** - Casino revenues include revenues generated by our casino operations and casino related activities such as poker, sports wagering, and tournaments, less sales incentives and other adjustments. Casino revenues are measured by the aggregate net difference between gaming wins and losses. Jackpots, other than the incremental amount of progressive jackpots, are recognized at the time they are won by customers. We accrue the incremental amount of progressive jackpots as the progressive machine is played, and the progressive jackpot amount increases, with a corresponding reduction to casino revenues. Funds deposited by customers in advance along with chips and slot vouchers in a customer's possession are recognized as a liability until such amounts are redeemed or used in gaming play by the customer.

**Non-Gaming Revenues** - Rooms revenue, food and beverage revenue, and entertainment and other revenue include: (i) the actual amounts paid for such services (less any amounts allocated to unperformed performance obligations, such as Reward Credits described below); (ii) the value of Reward Credits redeemed for such services; and (iii) the portion of the transaction price allocated to complimentary goods or services provided in conjunction with other revenue-generating activities. Rooms revenue is generally recognized over the course of the customer's reservation period. Food and beverage and entertainment and other revenues are recognized when services are performed, or events are held. Amounts paid in advance, such as advance deposits on rooms and advance ticket sales, are recorded as a liability until the goods or services are provided to the customer.

**Other Revenue** - Other revenue primarily includes revenue from third-party real estate leasing arrangements at our casino properties. Rental income is recognized ratably over the lease term with contingent rental income being recognized when the right to receive such rental income is established according to the lease agreements.

**Caesars Rewards Loyalty Program** - Caesars' customer loyalty program, Caesars Rewards, grants Reward Credits to Total Rewards Members based on on-property spending, including gaming, hotel, dining, and retail shopping at all Caesars-affiliated properties. Members may redeem Reward Credits for complimentary or discounted goods and services such as rooms, food and beverages, merchandise, entertainment, and travel accommodations. Members are able to accumulate Reward Credits over time that they may redeem at their discretion under the terms of the program. A member's Reward Credit balance is forfeited if the member does not earn a Reward Credit for a continuous six-month period.

Because of the significance of the Caesars Rewards program and the ability for customers to accumulate Reward Credits based on their past play, we have determined that Reward Credits granted in conjunction with other earning activity represent a performance obligation. As a result, for transactions in which Reward Credits are earned, we allocate a portion of the transaction price to the Reward Credits that are earned based upon the relative standalone selling prices ("SSP") of the goods and services involved. When the activity underlying the "earning" of the Reward Credits has a wide range of selling prices and is highly variable, such as in the case of gaming activities, we use the residual approach in this allocation by computing the value of the Reward Credits as described below and allocating the residual amount to the gaming activity. This allocation results in a significant portion of the transaction price being deferred and presented as a Contract Liability on our accompanying Balance Sheets. Any amounts allocated to the Contract Liabilities are recognized as revenue when the Reward Credits are redeemed in accordance with the specific recognition policy of the activity for which the credits are redeemed. This balance is further described below under Contract Liabilities.

Our Caesars Rewards loyalty program includes various tiers that offer different benefits, and members are able to earn credits towards tier status, which generally enables them to receive discounts similar to those provided as

**BALLY’S PARK PLACE LLC (Bally’s Atlantic City)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(All dollar amounts in thousands)**

complimentaries described below. We have determined that any such discounts received as a result of tier status do not represent material rights, and therefore, we do not account for them as distinct performance obligations.

We have determined the SSP of a Reward Credit by computing the redemption value of credits expected to be redeemed. Because Reward Credits are not otherwise independently sold, we analyzed all Reward Credit redemption activity over the preceding calendar year and determined the redemption value based on the fair market value of the goods and services for which the Reward Credits were redeemed. We have applied the practical expedient under the portfolio approach to our Reward Credit transactions because of the similarity of gaming and other transactions and the homogeneity of Reward Credits.

As part of determining the SSP for Reward Credits, we also determined that there is generally an amount of Reward Credits that are not redeemed, which is considered “breakage.” We recognize the expected breakage proportionally with the pattern of revenue recognized related to the redemption of Reward Credits. We periodically reassess our customer behaviors and revise our expectations as deemed necessary on a prospective basis.

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 points, 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 statements of income. On December 31, 2020 and 2019, the liability related to the outstanding NNRR points, which is based on historical redemption activity, was approximately \$0 and \$427, respectively.

**Complimentaries** - As part of our normal business operations, we often provide lodging, transportation, food and beverage, entertainment and other goods and services to our customers at no additional charge. Such complimentaries are provided in conjunction with other revenue earning activities and are generally provided to encourage additional customer spending on those activities. Accordingly, we allocate a portion of the transaction price we receive from such customers to the complimentary goods and services. We perform this allocation based on the SSP of the underlying goods and services, which is determined based upon the weighted-average cash sales prices received for similar services at similar points during the year.

**Gaming Tax** — The Company remits weekly to the NJ Division of Taxation a tax equal to eight percent of the gross gaming revenue, as defined. Gaming taxes paid to the NJ Division of Taxation for the twelve months ended December 31, 2020 and 2019, which are included in casino expenses in the accompanying statements of income, were \$6,874 and \$14,081, respectively.

**City of Atlantic City Real Property Tax and Interim Payment in Lieu of Taxes (PILOT) Financial Management** –Beginning for calendar year 2017, each casino licensee entered into a 10-year financial agreement with the City of Atlantic City to make quarterly payments in lieu of real estate taxes. The Company is 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 Company’s expense was \$5,797 and \$6,574 for the twelve months ended December 31, 2020 and 2019, respectively. In addition, the AC industry is required to provide \$5,000 from 2019 thru 2023 to a Separate State Fund for Atlantic City fiscal relief. The Company expensed \$243 and \$336 for the twelve months ending December 31, 2020 and 2019, respectively.

**Internet Gaming** - Caesars Interactive Entertainment New Jersey, LLC as the affiliate of Bally’s Park Place, Inc. 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. Effective November 20, 2014 the Company does not have an internet gaming permit.

**Sports Wagering** - On June 11, 2018, the New Jersey Governor signed the NJ Sports Betting Bill. On July 30, 2018, the Company opened its retail sports betting area at the property.

**Preliminary Purchase Price Allocation**

The fair values are based on management’s analysis including preliminary work performed by third party valuation specialists, which are subject to finalization over the one-year measurement period. The purchase price accounting is preliminary as it relates to determining the fair value of certain assets and liabilities, including goodwill, and is subject

**BALLY’S PARK PLACE LLC (Bally’s Atlantic City)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(All dollar amounts in thousands)**

to change. The following table summarizes the preliminary allocation of the purchase consideration to the identifiable assets acquired and liabilities assumed, with the excess recorded as goodwill as of December 31, 2020:

The following table summarizes the Company’s identifiable assets acquired and liabilities assumed as of the Merger date.

<i>(In millions)</i>	<b>Fair Value</b>
Current Liabilities	\$ 22,324
Property and equipment	51,910
Goodwill	4,285
Intangible assets Other Than Goodwill	5,600
Other noncurrent assets	9,788
Total assets	\$ 93,908
Current Liabilities	\$ 16,905
Financing Lease obligation	31,884
Deferred Credits & Other Liabilities	435
Total liabilities	49,224
Net assets acquired	\$ 44,684

**NOTE 3 – RELATED PARTY TRANSACTIONS**

The Company participated with CEOC and its 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 debt.

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

**Administrative and Other Services** - Pursuant to a shared services agreement, Caesars Enterprise Services (“CES”) provides certain corporate and administrative services provided by corporate personnel. In addition, there are costs allocated to the property for workers compensation, general liability, and property insurance. The Company was charged \$10,286 and \$16,619 for these services for the twelve months ended December 31, 2020 and 2019 respectively. The fee is included in charges from affiliates in the accompanying statements of income. Due to the property sale, corporate allocation charges were discontinued effective August 2020.

**Employee Benefit Plans** - CEI 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, 2020 and 2019 was \$59 and \$697, respectively.

**Multi-employer Benefit Plans** - Under the terms of the collective bargaining agreements that cover union-represented

**BALLY'S PARK PLACE LLC (Bally's Atlantic City)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(All dollar amounts in thousands)**

employees of the Company, CEI contributes to health and welfare plans on behalf of the Company. The contributions are included in operating expenses in the accompanying consolidated statement of operations. The contributions and charges for these plans were \$6,128 and \$11,851 for the years ended December 31, 2020 and 2019, respectively.

CEI contributes to the UNITE HERE Retirement Fund, Local 68 Engineers Union Pension Plan, International Painters & Allied Trades Industry Pension Plan, and the NJ Carpenters Pension Fund on behalf of the Company. The contributions and charges for these plans were \$2,335 and \$4,707 for the years ended December 31, 2020 and 2019, respectively.

**Equity Incentive Awards** - CEI maintains equity incentive award plans under which employees of the Company may be granted awards. CEI allocates an appropriate amount of cost for these awards to each subsidiary where employees participate. The contributions and charges for these plans were \$612 and \$694 for the years ended December 31, 2020 and 2019, respectively.

**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. Offset to this was Additional Paid in Capital. This is separately shown on the Statement of Changes in Stockholder's Equity.

**NOTE 4 – RECEIVABLES AND PATRONS' CHECKS**

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

	<u>2020</u>	<u>2019</u>
Casino Receivable (Net of allowance for doubtful accounts \$1,357 in 2020 and \$2,967 in 2019)	\$ 0	\$3,072
Other (Net of allowance for doubtful accounts of \$20 in 2020 and \$285 in 2019)	1,310	2,074
Current Portion of Notes Receivable	0	414
	<u>\$1,310</u>	<u>\$5,560</u>

**NOTE 5- OTHER CURRENT ASSETS**

Prepaid Expense and Other Current Assets as of December 31 consist of the following:

	<u>2020</u>	<u>2019</u>
Prepaid Real Estate Taxes	\$ 929	\$565
Prepaid Gaming License Fees	0	552
Refundable Deposits	0	9
Prepaid Utilities	8	273
Other	0	256
	<u>\$ 937</u>	<u>\$1,655</u>



**BALLY’S PARK PLACE LLC (Bally’s Atlantic City)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(All dollar amounts in thousands)**

**NOTE 6 - INVESTMENTS, ADVANCE, AND RECEIVABLES**

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

	<u>2020</u>	<u>2019</u>
Casino Reinvestment Development Authority Investment obligations (net of valuation reserves)	\$2,415	\$8,629
Other	<u>0</u>	<u>108</u>
	<u>\$2,415</u>	<u>\$8,737</u>

**NOTE 7- LAND, BUILDING AND EQUIPMENT**

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

	<u>2020</u>	<u>2019</u>
Land	\$ 0	\$11,710
Buildings and Improvements	0	63,285
Furniture, Fixtures and Equipment	0	24,580
Construction in progress	<u>0</u>	<u>2,234</u>
	\$ 0	\$101,809
Less accumulated depreciation	<u>0</u>	<u>(20,391)</u>
	<u>\$ 0</u>	<u>\$81,418</u>

Our property and equipment is subject to various operating leases for which we are the lessor. We lease our property and equipment related to our hotel rooms and retail space through various short-term and long-term operating leases. See Note 8 for further discussion of our leases.

**NOTE 8 –LEASES**

**Adoption of New Lease Accounting Standard** - In February 2016, the FASB issued a new standard related to leases, ASU 2016-02, Leases (Topic 842) (“ASC 842”). We adopted the standard effective January 1, 2019, using the retrospective approach applied as of the beginning of the period of adoption. The Company elected to utilize the transition guidance within the new standard that permits us to (i) continue to report under legacy lease accounting guidance for comparative periods consistent with previously issued financial statements; and (ii) carryforward our prior conclusions about lease identification, lease classification, and initial direct costs. The most significant effects of adopting the new standard relate to the recognition of right-of-use (“ROU”) assets and liabilities for leases classified as operating leases when the Company is the lessee in the arrangement. Adopting the new standard did not affect our accounting related to leases when the Company is the lessor in the arrangement.

We assess whether an arrangement is or contains a lease at the inception of the agreement. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term using our incremental borrowing rate, which is consistent with interest rates of similar financing arrangements based on the information available at the commencement date. The ROU assets were also adjusted to include any prepaid lease payments and reduced by any previously accrued lease liabilities. The

**BALLY’S PARK PLACE LLC (Bally’s Atlantic City)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(All dollar amounts in thousands)**

terms of our leases used to determine the ROU asset and lease liability take into account options to extend when it is reasonably certain that we will exercise those options. Lease expense is recognized on a straight-line basis over the lease term. Additionally, we have elected the short-term lease measurement and recognition exemption and do not establish ROU assets or lease liabilities for operating leases with terms of 12 months or less.

**Lessee Arrangements**

**Operating Leases** - The Company lease both real estate and equipment used in their operations and classify those leases as operating leases, for accounting purposes. Rent expense is associated with operating leases and is charged to expense in the year incurred. 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.

The following are additional details related to leases recorded on our Balance Sheet as of December 31, 2020:

**Lease Costs**

	<b>Twelve Months Ended December 31, 2020</b>
Operating lease expense	\$ 75
Short-term lease expense	1,447
Variable lease expense	50
Total lease costs	\$ 1,572

**Lessor Arrangements**

**Lodging Arrangements** - Lodging arrangements are considered short-term and generally consist of lease and nonlease components. The lease component is the predominant component of the arrangement and consists of the fees charged for lodging. The nonlease components primarily consist of resort fees and other miscellaneous items. As the timing and pattern of transfer of both the lease and nonlease components are over the course of the lease term, we have elected to combine the revenue generated from lease and nonlease components into a single lease component based on the predominant component in the arrangement. During the twelve months ended December 31, 2020, we recognized approximately \$22,361 in lease revenue related to lodging arrangements, which is included in Rooms revenue in the Statement of Operations.

**NOTE 9- OTHER ASSETS**

Other assets as of December 31 consist of the following:

	<u>2020</u>	<u>2019</u>
Customer Database (less accumulated amortization of \$0 in 2020 and \$1,050 in 2019)	\$ 0	\$5,950
Notes Receivable-Net of current portion	0	6,939
Non-Amortized - Other Trademarks	0	0
Goodwill	0	0
Other	92	425
	\$ 92	\$13,314

**BALLY'S PARK PLACE LLC (Bally's Atlantic City)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(All dollar amounts in thousands)**

**NOTE 10- OTHER ACCRUED EXPENSES**

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

	<u>2020</u>	<u>2019</u>
Accrued Sales Tax	\$ 0	\$ 615
Accrued Gaming Tax	0	189
Accrued DGE License Fees	7	681
Accrue Utilities	0	1,230
Accrue Payroll	1,695	4,155
Other	146	4,171
	<u>\$ 1,848</u>	<u>\$11,041</u>

**NOTE 11 - OTHER LIABILITIES**

As of December 31 Other Liabilities were as follows:

	<u>2020</u>	<u>2019</u>
Financial Lease Obligation (see Note 8)	\$ 0	\$67,405
Other Long-Term Contract Liabilities	2,543	109
	<u>\$2,543</u>	<u>\$67,514</u>

**NOTE 12- REVENUE RECOGNITION**

**Disaggregation of Revenue**

	<b><u>Twelve Months Ended</u></b> <b><u>December 31, 2020</u></b>
Casino	\$ 52,423
Food and beverage <sup>(1)</sup>	15,863
Rooms <sup>(1)</sup>	22,361
Entertainment and other	4,942
Total contract revenues	<u>95,589</u>
Real estate leases	273
Net revenues	<u>\$ 95,862</u>

<sup>(1)</sup> As a result of the adoption of ASC 842, as of January 1, 2019, revenue generated from the lease components of lodging arrangements and conventions are no longer considered contract revenue under ASC 606, Revenue from Contracts with Customers. A portion of these balances relate to the lease revenues under ASC 842. See Note 8 for further details.

**BALLY’S PARK PLACE LLC (Bally’s Atlantic City)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(All dollar amounts in thousands)**

Receivables

	<b>Twelve Months Ended December 31, 2020</b>
Casino	\$ 0
Food and beverage and rooms <sup>(1)</sup>	0
Entertainment and other	1,294
Contract receivables, net	1,294
Real estate leases	0
Other	16
Receivables, net	\$ 1,310

<sup>(1)</sup> As a result of the adoption of ASC 842, as of January 1, 2019, revenue generated from the lease components of lodging arrangements and conventions as well as their associated receivables are no longer considered contract revenue or contract receivables under ASC 606, Revenue from Contracts with Customers. A portion of these balance relates to lease receivables under ASC 842. See Note 8 for further details.

**NOTE 13 – CASINO REINVESTMENT DEVELOPMENT AUTHORITY INVESTMENT**

**CRDA Investment Obligation** - The New Jersey Casino Control Act provides, among other things, for an assessment of licenses equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company 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 was reduced by previously contractually obligated Credit Agreements committed by the Authority.

The Company records charges to operations to reflect the estimated net realizable value of its CRDA investment. Charges to operations were \$83 and \$349 for the twelve months ended December 31, 2020 2019, respectively, and is included in CRDA Income (Expense), in the statements of income.

The funds on deposits are held in an interest-bearing account by the CRDA. Initial obligation deposits are marked down by approximately 33% to represent their fair value and eventual expected conversion into bonds by the CRDA. Once CRDA Bonds are issued we have concluded that the bonds are held-to-maturity since the Company has the ability and the intent to hold these bonds to maturity and under the CRDA, they are not permitted to do otherwise. As such the CRDA Bonds are measured at amortized cost. As there is no market for the CRDA Bonds, its fair value could only be determined based on unobservable inputs. Such inputs are limited to the historical carrying value of the CRDA Bonds that are reduced, consistent with industry practice, by 1/3 of their face value at the time of issuance to represent fair value. The Company accretes such discount over the remaining life of the bonds. Accretion for the twelve months ended December 31, 2020 and 2019 was \$83 and \$43, 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 creditworthiness 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 it’s carrying value, the asset will be written down to its expected realizable amount.

**BALLY'S PARK PLACE LLC (Bally's Atlantic City)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**(All dollar amounts in thousands)**

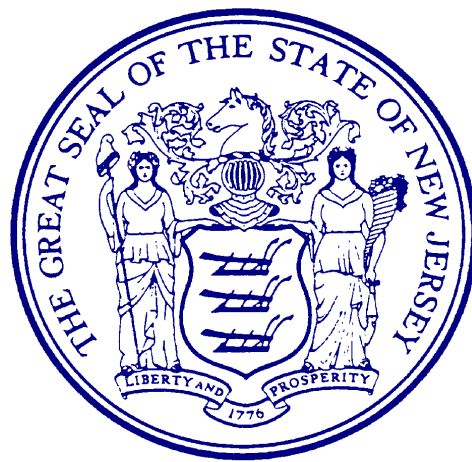
There was a writeoff of the CRDA bonds September 30, 2020 as a result of a risk analysis and purchase price adjustment with corporate. Such analysis was performed at September 30, 2020, resulting in a write off to the CRDA bonds totaling \$6,022.

**BALLY'S PARK PLACE LLC (BALLY'S ATLANTIC CITY)**

**ANNUAL FILINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

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



**OFFICE OF FINANCIAL INVESTIGATIONS  
REPORTING MANUAL**

**BALLY'S PARK PLACE LLC (BALLY'S ATLANTIC CITY)**  
**ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

(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.....	\$0		
2	Returned Patrons' Checks.....	1,357		
3	Total Patrons' Checks.....	1,357	\$1,357	\$0
4	Hotel Receivables.....	57	20	\$37
	Other Receivables:			
5	Receivables Due from Officers and Employees....	-		
6	Receivables Due from Affiliates.....	-		
7	Other Accounts and Notes Receivables.....	1,273		
8	Total Other Receivables.....	1,273	-	\$1,273
9	Totals (Form DGE-205).....	\$2,687	\$1,377	\$1,310

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	Description (g)	Amount (h)
10	Beginning Balance (January 1).....	\$2,543
11	Counter Checks Issued.....	17,964
12	Checks Redeemed Prior to Deposit.....	(16,477)
13	Checks Collected Through Deposits.....	(3,467)
14	Checks Transferred to Returned Checks.....	(563)
15	Other Adjustments.....	0
16	Ending Balance.....	\$0
17	"Hold" Checks Included in Balance on Line 16.....	0
18	Provision for Uncollectible Patrons' Checks.....	\$466
19	Provision as a Percent of Counter Checks Issued.....	2.6%

# Bally's Park Place LLC (Bally's Atlantic City)

## ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2020

(\$ 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	0			
2	Slot Machines	0			
3	Administration	0			
4	Casino Cashiering	0			
5	Sportsbook	0			
6	Other				
7	Total - Casino	0	\$0	\$0	\$0
8	ROOMS	0	0	0	0
9	FOOD AND BEVERAGE	0	0	0	0
10	GUEST ENTERTAINMENT	0	0	0	0
11	MARKETING	0	0	0	0
12	OPERATION AND MAINTENANCE	0	0	0	0
	ADMINISTRATIVE AND GENERAL:		0	0	0
13	Executive Office	0	0	0	0
14	Accounting and Auditing	0	0	0	0
15	Security	0	0	0	0
16	Other Administrative and General	0	0	0	0
	OTHER OPERATED DEPARTMENTS:		0	0	0
17	Parking Operations	0	0	0	0
18	Health Club/Pool Services	0	0	0	0
19	Retail Stores	0	0	0	0
20					
21					
22					
23	TOTALS - ALL DEPARTMENTS	0	\$0	\$0	\$0

\* Bally's Atlantic City was sold to Twin River Holdings, Inc on 11/18/2020