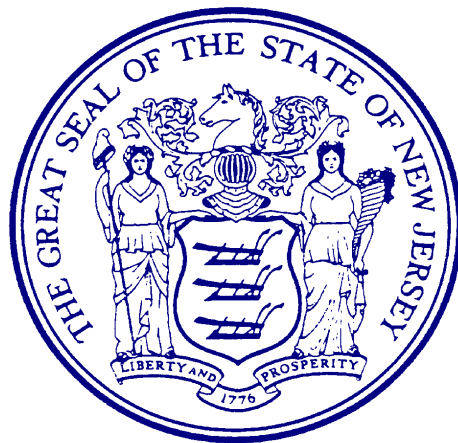


**BORGATA HOTEL CASINO & SPA  
QUARTERLY REPORT  
FOR THE QUARTER ENDED DECEMBER 31, 2022**

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



**OFFICE OF FINANCIAL INVESTIGATIONS  
REPORTING MANUAL**

# BORGATA HOTEL CASINO & SPA BALANCE SHEETS

AS OF DECEMBER 31, 2022 AND 2021

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2022 (c)	2021 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....	2	\$62,770	\$73,143
2	Short-Term Investments.....			
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2022, \$17,941; 2021, \$23,071).....	3	36,857	26,725
4	Inventories .....		4,835	3,264
5	Other Current Assets.....		5,435	7,000
6	Total Current Assets.....		109,897	110,132
7	Investments, Advances, and Receivables.....	2	722	700
8	Property and Equipment - Gross.....	4	284,448	194,070
9	Less: Accumulated Depreciation and Amortization.....		(117,879)	(109,997)
10	Property and Equipment - Net.....	4	166,569	84,073
11	Other Assets.....		1,984,208	1,741,169
12	Total Assets.....		\$2,261,396	\$1,936,074
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$12,425	\$13,278
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....		0	0
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....	5	79,405	92,966
19	Other Current Liabilities.....	6	20,593	42,104
20	Total Current Liabilities.....		112,423	148,348
	Long-Term Debt:			
21	Due to Affiliates.....			
22	External.....			
23	Deferred Credits .....			
24	Other Liabilities.....		1,613,058	1,289,014
25	Commitments and Contingencies.....		0	0
26	Total Liabilities.....		1,725,481	1,437,362
27	Stockholders', Partners', or Proprietor's Equity.....	2	535,915	498,712
28	Total Liabilities and Equity.....		\$2,261,396	\$1,936,074

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

# BORGATA HOTEL CASINO & SPA STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(UNAUDITED)  
(\$ IN THOUSANDS)

Amended 10/25/23

Line (a)	Description (b)	Notes	2022 (c)	2021 (d)
	Revenue:			
1	Casino.....	2	\$430,712	\$393,125
2	Rooms.....		123,637	98,824
3	Food and Beverage.....		142,382	97,604
4	Other.....		62,983	35,342
5	Net Revenue.....		759,714	624,895
	Costs and Expenses:			
6	Casino.....	2	154,787	144,622
7	Rooms, Food and Beverage.....		155,348	110,083
8	General, Administrative and Other.....		226,384	196,113
9	Total Costs and Expenses.....		536,519	450,818
10	Gross Operating Profit.....		223,195	174,077
11	Depreciation and Amortization.....	4	20,957	22,372
	Charges from Affiliates Other than Interest:			
12	Management Fees.....			
13	Other.....			
14	Income (Loss) from Operations.....		202,238	151,705
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....			
16	Interest Expense - External.....		(4,842)	518
17	CRDA Related Income (Expense) - Net.....		(10,242)	(7,832)
18	Nonoperating Income (Expense) - Net.....	2	(113,011)	(93,728)
19	Total Other Income (Expenses).....		(128,095)	(101,042)
20	Income (Loss) Before Taxes .....		74,143	50,663
21	Provision (Credit) for Income Taxes.....		8,516	5,768
22	Net Income (Loss).....		\$65,627	\$44,895

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

# BORGATA HOTEL CASINO & SPA

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2022 AND 2021

(UNAUDITED)  
(\$ IN THOUSANDS)

Amended 10/25/23

Line (a)	Description (b)	Notes	2022 (c)	2021 (d)
	Revenue:			
1	Casino.....	2	\$101,392	\$104,197
2	Rooms.....		\$30,084	26,741
3	Food and Beverage.....		\$37,386	30,017
4	Other.....		\$22,026	9,872
5	Net Revenue.....		190,888	170,827
	Costs and Expenses:			
6	Casino.....	2	\$40,595	41,935
7	Rooms, Food and Beverage.....		\$42,735	32,256
8	General, Administrative and Other.....		\$60,652	49,189
9	Total Costs and Expenses.....		143,982	123,380
10	Gross Operating Profit.....		46,906	47,447
11	Depreciation and Amortization.....	4	\$5,197	5,292
	Charges from Affiliates Other than Interest:			
12	Management Fees.....			
13	Other.....			
14	Income (Loss) from Operations.....		41,709	42,155
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....		0	0
16	Interest Expense - External.....		(\$2,403)	(221)
17	CRDA Related Income (Expense) - Net.....		(\$2,521)	(2,311)
18	Nonoperating Income (Expense) - Net.....	2	(\$34,730)	(27,267)
19	Total Other Income (Expenses).....		(39,654)	(29,799)
20	Income (Loss) Before Taxes .....		2,055	12,356
21	Provision (Credit) for Income Taxes.....		\$4,746	2,305
22	Net Income (Loss).....		(\$2,691)	\$10,051

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

# BORGATA HOTEL CASINO & SPA STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022  
AND THE TWELVE MONTHS ENDED DECEMBER, 2021

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2020.....		\$1,150,373	(\$77,358)	\$0	\$1,073,015
2	Net Income (Loss) - 2021.....			44,895		44,895
3	Capital Contributions.....					0
4	Capital Withdrawals.....					0
5	Partnership Distributions.....			(932,558)		(932,558)
6	Prior Period Adjustments.....					0
7	Proceeds from disposition of un2			878,887		878,887
8	Depletion and disposition of invest2			(566,852)		(566,852)
9	Other			1,325		1,325
10	Balance, December 31, 2021.....		1,150,373	(651,661)	0	498,712
11	Net Income (Loss) - 2022.....			65,627		65,627
12	Capital Contributions.....					0
13	Capital Withdrawals.....					0
14	Partnership Distributions.....		(29,594)			(29,594)
15	Prior Period Adjustments.....					0
16	Reclassification of equity account		(651,661)	651,661		0
17	Other		1,170			1,170
18						0
19	Balance, December 31, 2022.....		\$470,288	\$65,627	\$0	\$535,915

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

# BORGATA HOTEL CASINO & SPA

## STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2022 AND DECEMBER 31, 2021

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2022 (c)	2021 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$72,010	\$71,649
	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.....	4	(44,358)	(11,700)
5	Proceeds from Disposition of Property and Equipment.....	2,4	0	31
6	CRDA Obligations .....			
7	Other Investments, Loans and Advances made.....			
8	Proceeds from Other Investments, Loans, and Advances .....		0	878,887
9	Cash Outflows to Acquire Business Entities.....		0	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities.....		(44,358)	867,218
	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	Distributions to Parent .....		(29,594)	(926,439)
22	Principal payments on Finance Leases .....		(8,431)	(5,559)
23	Net Cash Provided (Used) By Financing Activities.....		(38,025)	(931,998)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(10,373)	6,869
25	Cash and Cash Equivalents at Beginning of Period.....		73,143	66,274
26	Cash and Cash Equivalents at End of Period.....		\$62,770	\$73,143
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$3,946	\$421
28	Income Taxes.....		(\$903)	(\$3,942)

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

# BORGATA HOTEL CASINO & SPA STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2022 AND DECEMBER 31, 2021

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2022 (c)	2021 (d)
	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
29	Net Income (Loss).....		\$65,627	\$44,895
30	Depreciation and Amortization of Property and Equipment...	4	20,830	22,271
31	Amortization of Other Assets.....		127	101
32	Amortization of Debt Discount or Premium.....		0	0
33	Deferred Income Taxes - Current .....		0	0
34	Deferred Income Taxes - Noncurrent .....		8,514	5,819
35	(Gain) Loss on Disposition of Property and Equipment.....		30,610	40
36	(Gain) Loss on CRDA-Related Obligations.....		0	0
37	(Gain) Loss from Other Investment Activities.....		0	(15,331)
38	(Increase) Decrease in Receivables and Patrons' Checks .....		(9,909)	4,307
39	(Increase) Decrease in Inventories .....		(1,571)	438
40	(Increase) Decrease in Other Current Assets.....		1,565	6,574
41	(Increase) Decrease in Other Assets.....		579	77
42	Increase (Decrease) in Accounts Payable.....		(2,701)	9,113
43	Increase (Decrease) in Other Current Liabilities .....		(13,561)	(18,503)
44	Increase (Decrease) in Other Liabilities .....		(18,488)	(33,466)
45	Amortization of Operating Lease .....		(10,559)	30,805
46	Other .....		947	14,509
47	Net Cash Provided (Used) By Operating Activities.....		\$72,010	\$71,649

## SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	<b>ACQUISITION OF PROPERTY AND EQUIPMENT:</b>			
48	Additions to Property and Equipment.....	4	(\$44,600)	(\$11,700)
49	Less: Capital Lease Obligations Incurred.....		242	0
50	Cash Outflows for Property and Equipment.....		(\$44,358)	(\$11,700)
	<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.

# BORGATA HOTEL CASINO & SPA SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022  
(UNAUDITED)  
(\$ IN THOUSANDS)

Amended 6/23/23

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	518,263	\$86,527	0	\$0
2	Food	1,843,528	49,333	194,343	1,943
3	Beverage	7,616,126	24,752	0	0
4	Travel	0	0	15,011	3,753
5	Bus Program Cash	0	0	0	0
6	Promotional Gaming Credits	4,446,950	111,164	0	0
7	Complimentary Cash Gifts	230,708	5,779	0	0
8	Entertainment	34,329	1,373	1,713	171
9	Retail & Non-Cash Gifts	180,731	9,037	35,220	8,805
10	Parking	1,531,734	1,440	475,266	1,901
11	Other	518,832	18,505	107,871	1,566
12	Total	16,921,201	\$307,910	829,424	\$18,139

FOR THE THREE MONTHS ENDED DECEMBER 31, 2022

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	121,622	\$21,311	0	\$0
2	Food	482,824	12,921	61,645	615
3	Beverage	1,913,616	6,219	0	0
4	Travel	0	0	3,441	860
5	Bus Program Cash	0	0	0	0
6	Promotional Gaming Credits	1,238,262	30,967	0	0
7	Complimentary Cash Gifts	38,171	945	0	0
8	Entertainment	20,233	809	103	10
9	Retail & Non-Cash Gifts	62,068	3,104	12,263	3,066
10	Parking	381,430	359	132,045	528
11	Other	142,309	5,323	23,753	372
12	Total	4,400,535	\$81,958	233,250	\$5,451

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



# BORGATA HOTEL CASINO & SPA STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 2022

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.

10/25/2023

Date



Chris Rynkiewicz

VP of Finance / CFO

Title

0078526-11

License Number

On Behalf of:

BORGATA HOTEL CASINO & SPA

Casino Licensee

# Marina District Development Company, LLC



(A Wholly-Owned Subsidiary of Marina District Development Holding Co., LLC)

Notes to Financial Statements  
(Unaudited)

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## NOTE 1. Organization and Basis of Presentation

Marina District Development Company, LLC (“MDDC” or the “Company”), is a New Jersey limited liability company and Marina District Development Holding Company (“MDDHC”) is the sole member of MDDC. MDDHC is a wholly owned subsidiary of MGM Resorts International (“MGM Resorts”).

MDDC was incorporated in July 1998 and has been operating since July 3, 2003. The Company owns and operates Borgata Hotel Casino and Spa, including The Water Club at Borgata (collectively, “Borgata”), an integrated casino, hotel and entertainment resort located at Renaissance Pointe in Atlantic City, New Jersey.

These financial statements have been prepared in conformity with the New Jersey Division of Gaming Enforcement regulations.

### *Financial impact of COVID-19*

As of December 31, 2022, the Company’s property was open and not subject to operating restrictions; however, travel and business volume were negatively affected in the early part of the first quarter of 2022 due to the spread of the omicron variant.

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

### *Management’s Use of Estimates*

US GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *Fair value measurements*

Fair value measurements affect the Company’s accounting for and impairment assessments of its long-lived assets and intangible asset. 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 at the measurement date and is measured according to a hierarchy that includes: Level 1 inputs, such as quoted prices in an active market; Level 2 inputs, which are quoted prices for identical or comparable instruments or pricing using observable market data; or Level 3 inputs, which are unobservable inputs.

### *Cash and Cash Equivalents*

Cash and cash equivalents consist of unrestricted cash on hand and cash in the bank.

### *Accounts receivable and credit risk*

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of casino receivables. Markers are issued by the Company to the customer in exchange for gaming chips at the casino as permitted by the regulations of the NJ Division of Gaming Enforcement. The Company issues credit to approved casino customers following background checks and investigations of creditworthiness. At December 31, 2022 and 2021, approximately 71% and 81%, respectively, of the Company’s gross accounts receivable related to casino receivables.

Accounts receivable are typically non-interest bearing and are initially recorded at cost. Accounts are written off when management deems the account to be uncollectible. Recoveries of accounts previously written off are recorded when received. An estimated loss reserve is maintained to reduce the Company’s receivables to their net carrying amount, which approximates fair value. The loss reserve is estimated based on both a specific review of customer accounts as well as historical collection experience and current and expected future economic and business conditions. Management believes that as of December 31, 2022, no significant concentrations of credit risk existed for which a loss reserve had not already been recorded.

***Inventories***

Inventories consist primarily of food and beverage, retail merchandise and operating supplies, and are stated at the lower of cost or net realizable value. Cost is determined primarily by the average cost method for food and beverage and operating supplies. Cost for retail merchandise is determined using the cost method.

***Property and equipment***

Property and equipment are stated at cost. Gains or losses on dispositions of property and equipment are included in the determination of income or loss. Maintenance costs are expensed as incurred.

Property and equipment are generally depreciated over the following estimated useful lives on a straight-line basis:

Buildings, building improvements and land improvements	10 to 40 years
Furniture, fixtures, and equipment	3 to 20 years

The Company evaluates its property and equipment and other long-lived assets to be held and used for impairment whenever indicators of impairment exist. If an indicator of impairment exists, the Company compares the estimated future cash flows of the asset group, on an undiscounted basis, to the carrying value of the asset group. 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 is recorded based on the fair value of the asset, typically measured using a discounted cash flow model.

***Investment in unconsolidated affiliate***

Until March 2021, the Company held an investment in MGM Growth Properties Operating Partnership LP (“MGP OP”), a subsidiary of MGM Growth Properties LLC (“MGP”), and was an unconsolidated affiliate accounted for under the equity method. Under the equity method, carrying value was adjusted for the Company’s share of the investee earnings and losses, as well as capital contributions to and distributions from MGP OP. The Company classified its share of income and losses as well as gains and impairments related to its investments in unconsolidated affiliates in income from unconsolidated affiliate. Distributions in excess of equity method earnings were recognized as a return of investment and recorded as investing cash inflows in the statement of cash flows.

In March 2021, the Company exercised its right to require MGP to redeem all of the MGP OP units that the Company held in accordance with the terms of the MGP OP partnership agreement. The redemption transaction resulted in the Company no longer having an investment in MGP OP.

***Goodwill and intangible assets***

Goodwill represents the excess of purchase price over fair market value of net assets acquired in business combinations. The Company’s indefinite-lived intangible asset consists of tradenames. Goodwill and indefinite-lived intangible assets must be reviewed for impairment at least annually and between annual test dates in certain circumstances. The Company performs its annual impairment tests in the fourth quarter of each fiscal year. No impairments were indicated or recorded as a result of the annual impairment review for goodwill and indefinite-lived intangible assets in 2022 or 2021.

Accounting guidance provides entities the option to perform a qualitative assessment of goodwill and indefinite-lived intangible assets (commonly referred to as “step zero”) in order to determine whether further impairment testing is necessary. In performing the step zero analysis the Company considers macroeconomic conditions, industry and market considerations, current and forecasted financial performance, entity-specific events, and changes in the composition or carrying amount of net assets for goodwill. In addition, the Company takes into consideration the amount of excess of fair value over carrying value determined in the last quantitative analysis that was performed, as well as the period of time that has passed since the last quantitative analysis. If the step zero analysis indicates that it is more likely than not that the fair value is less than its carrying amount, the entity would proceed to a quantitative analysis.

Under the quantitative analysis, goodwill is tested for impairment using a discounted cash flow analysis based on the estimated future results of the Company’s discounted using market discount rates and market indicators of terminal year capitalization rates, and a market approach that utilizes business enterprise value multiples based on a range of multiples from the Company’s peer group. If the fair value is less than its carrying value, an impairment charge is recognized equal to the difference. Under the quantitative analysis trademarks are tested for impairment using the relief-from-royalty method. If the fair value of an indefinite-lived intangible asset is less than its carrying amount, an impairment loss is recognized equal to the difference.

***Internet Gaming and Sports Wagering***

The Company holds an internet gaming permit and sports wagering license in New Jersey for the use of placing wagers online and sports wagers at the Borgata. The internet gaming and sports wagering for the skins discussed below, including Borgata’s retail sports wagering lounge, is operated by a venture owned 50% by MGM Resorts, BetMGM, LLC (“BetMGM”) pursuant to an arrangement whereby BetMGM operates the lounge and receives 100% of the net economics generated and reimburses the Company for costs incurred. As the Company is considered an agent under ASC 606, the revenues and expenses generated under the service arrangement are recorded “net” by the Company, in which the expenses incurred are recorded as contra revenue. As BetMGM is entitled to 100% of the net economics generated, this results in the Company recording no net revenues and no expenses relating to the retail sports wagering lounge and internet gaming and sports wagering skins, which are described below. The Company is reimbursed by BetMGM for costs that the Company incurs relating to the service arrangement, which are reflected gross within the income statement within “Other Revenue” and “General, Administrative, and Other.” See Note 10 for the reimbursed costs incurred for the year ended December 31, 2022.

The below table provides a brief description of the four internet gaming and sports wagering skins in use:

<b>Skin</b>	<b>Operations commencement date</b>	<b>Internet gaming or sports wagering</b>	<b>Operator of Skin</b>
Borgata	11/2013	Both	BetMGM
BetMGM	07/2018	Both	BetMGM
BWIN	11/2013	Internet gaming	BetMGM
Pala Interactive	11/2014	Internet gaming	BetMGM

***Revenue Recognition***

The Company’s revenue from contracts with customers consists of casino wager transactions, hotel room sales, food and beverage transactions, and other transactions. The transaction price for a casino wager is the difference between gaming wins and losses (“net win”). In certain circumstances, the Company offers discounts on markers, which is estimated based upon historical business practice, and recorded as a reduction of casino revenue. The Company accounts for casino revenue on a portfolio basis given the similar characteristics of wagers by recognizing net win per gaming day versus on an individual wager basis.

For casino wager transactions that include other goods and services provided by the Company to gaming patrons on a discretionary basis to incentivize gaming, the Company allocates revenue from the casino wager transaction to the good or service delivered based upon stand-alone selling price (“SSP”). Discretionary goods and services provided by the Company and supplied by third parties are recognized as an operating expense.

For casino wager transactions that include incentives earned by customers under MGM Resorts’ loyalty program, the Company allocates a portion of net win based upon the SSP of such incentive (less estimated breakage). This allocation is deferred and recognized as revenue when the customer redeems the incentive. When redeemed, revenue is recognized in the department that provides the goods or service. After allocating revenue to other goods and services provided as part of casino wager transactions, the Company records the residual amount to casino revenue.

The transaction price of rooms, food and beverage, and retail contracts is the net amount collected from the customer for such goods and services. The transaction price for such contracts is recorded as revenue when the good or service is transferred to the customer over their stay at the hotel or when the delivery is made for the food and beverage and other contracts. Sales and usage-based taxes are excluded from revenues. For some arrangements, the Company acts as an agent in that it arranges for another party to transfer goods and services, which primarily include the Company’s arrangement with BetMGM for sports betting and iGaming.

The Company also has other contracts that include multiple goods and services, such as packages that bundle food, or beverage offerings with hotel stays. For such arrangements, the Company allocates revenue to each good or service based on its relative SSP. The Company primarily determines the SSP of rooms and food and beverage based on the amount that the Company charges when sold separately in similar circumstances to similar customers.

### ***Contract and Contract-Related Liabilities***

There may be a difference between the timing of cash receipts from the customer and the recognition of revenue, resulting in a contract or contract-related liability. The Company generally has two types of liabilities related to contracts with customers: (1) outstanding chip liability, which represents the amounts owed in exchange for gaming chips held by a customer and (2) customer advances and other, which is primarily funds deposited by customers before gaming play occurs (“casino front money”) and advance payments on goods and services yet to be provided such as advance ticket sales and deposits on rooms or for unpaid wagers. These liabilities are generally expected to be recognized as revenue within one year of being purchased, earned, or deposited and are recorded within “Other current liabilities” on the Company’s balance sheets.

Refer to Note 8 for the Company’s balances associated with contract and contract related liabilities.

### ***CRDA investments***

Pursuant to the New Jersey Casino Control Act (“Casino Control Act”), as a casino licensee, the Company is assessed an amount equal to 1.25% of its land-based and online sports related gross gaming revenues in order to fund qualified investments. This assessment is made in lieu of an Investment Alternative Tax (the “IAT”) equal to 2.5% of land-based and online sports related gross gaming revenues. The Casino Control Act also provides for an assessment of licensees equal to 2.5% of non-sports online gross gaming revenues, which is made in lieu of an IAT equal to 5.0% of non-sports online gross gaming revenues. Once the funds are deposited with the New Jersey Casino Reinvestment Development Authority (“CRDA”), qualified investments may be satisfied by: (i) the purchase of bonds issued by the CRDA at below market rates of interest; (ii) direct investment in CRDA-approved projects; or (iii) a donation of funds to projects as determined by the CRDA. According to the Casino Control Act, funds on deposit with the CRDA are invested by the CRDA and the resulting income is shared two-thirds to the casino licensee and one-third to the CRDA. Further, the Casino Control Act requires that CRDA bonds be issued at statutory rates established at two-thirds of market value.

In May 2016, pursuant to a provision contained within legislation enacted to address Atlantic City’s fiscal matters commonly referred to as the PILOT (payment in lieu of taxes) law, any CRDA funds not utilized or pledged for direct investments, the purchases of CRDA bonds or otherwise contractually obligated, all funds received from the payment of the IAT going forward are allocated to the City of Atlantic City. The PILOT law directs that these funds be used for the purposes of paying debt service on bonds issued by the City of Atlantic City prior to and after the date of the PILOT law. These provisions expire as of December 31, 2026.

The Company is required to make quarterly deposits with the CRDA to satisfy its investment obligations and, as a result of the PILOT law, records a charge to expense for 100% of the obligation amount as of the date the obligation arises. This CRDA expense is included in General and administrative expenses in the statements of operations; however, the CRDA expense related to BetMGM is recorded as a contra-revenue expense in casino revenue in the statements of operations.

In December 2021, an amendment to the PILOT law was enacted, which, among other things, removed online sports wagering and iGaming (online casino style games) related gross gaming revenues from the determination of amounts due under the PILOT law. In August 2022, the New Jersey Superior Court held that the amendment violated the State constitution. In October 2022, the Court issued a limited 90-day stay of its decision to allow for an appeal. In January 2023, the Court extended the stay for an additional 120-day period pending appellate review. As such, as of December 31, 2022, the Company has accrued for amounts due under the PILOT law based upon the 2021 amendment in effect.

### ***Gaming taxes***

The Company is subject to an annual tax assessment of 8.5% based on its land-based sports gross gaming revenue; 8.0% based on its other land-based gross gaming revenues; 13.0% based on its online sports gross gaming revenue; and 15.0% based on its other online gross gaming revenues. These gaming taxes are recorded as a casino expense in the statements of operations; however, the gaming taxes related to BetMGM are recorded as contra revenue in casino revenue in the statements of operations.

### ***Leases***

The Company determines if an arrangement is or contains a lease at inception or modification of the arrangement. An arrangement is or contains a lease if there are identified assets and the right to control the use of an identified asset is conveyed

for a period of time in exchange for consideration. Control over the use of the identified asset means the lessee has both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. The Company has elected to account for lease and non-lease components as a single component for the majority of classes of underlying assets and also to not recognize short-term leases (leases that are less than 12 months) and instead recognizes lease payments on a straight-line basis over the lease term.

The Company classifies leases with terms greater than twelve months as either operating or finance. At commencement, the right-of-use (“ROU”) assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term. The initial measurement of ROU assets also includes any prepaid lease payments and are reduced by any previously accrued deferred rent. When available, such as for the Company’s triple-net operating lease for which the lessor has provided the assumptions required for the Company to readily determine the rate implicit in the lease, the Company uses the rate implicit in the lease to discount lease payments to present value. However, for most of the Company’s leases, such as its ground sublease and equipment leases, the Company cannot readily determine the implicit rate. Accordingly, the Company uses its incremental borrowing rate to discount the lease payments based on the information available at commencement date. Lease terms include options to extend or terminate the lease when it is reasonably certain that such option will be exercised. The Company’s triple-net operating lease contains renewal periods at the lessee’s option, which are not considered to be reasonably certain of being exercised. For operating leases, lease expense for minimum lease payments is recognized on a straight-line basis over the expected lease term. For finance leases, the ROU asset depreciates on a straight-line basis over the shorter of the lease term or useful life of the ROU asset and the lease liability accretes interest based on the interest method using the discount rate determined at lease commencement.

The Company is a lessor under certain of its lease arrangements. Lease revenues earned by the Company from third parties are classified within the line item corresponding to the type or nature of the tenant’s good or service. Lease revenues from third-party tenants include \$1.1 million and \$1.7 million recorded within other revenue for 2022 and 2021, respectively, and \$1.3 million and \$0.3 million recorded within food and beverage revenue for the same periods, respectively. Lease revenues from the rental of hotel rooms are recorded as rooms revenues within the statements of operations.

#### ***Advertising***

The Company expenses advertising costs as incurred. Advertising expense that primarily relates to media placement costs and which is generally included in “General, Administrative and Other,” was \$8.7 million and \$9.0 million for the year ended December 31, 2022 and 2021, respectively.

#### ***Property transactions, net***

The Company classifies transactions such as write-downs and impairments, demolition costs, and normal gains and losses on the sale of assets as “General, Administrative and Other” in the statements of operations.

#### ***Income taxes***

As a single member limited liability company, MDDC is treated as a disregarded entity for federal income tax purposes. As such, it is not subject to federal income tax and its income is treated as earned by its member, MDDHC. MDDHC is treated as a partnership for federal income tax purposes and federal income taxes are the responsibility of its members.

In New Jersey, casino licensees are subject to corporate income taxes under the Casino Control Act. MDDC is a casino licensee and is part of a unitary business with MGM Resorts and other affiliates. As a result of income tax regulations published by the state of New Jersey during the third quarter of 2022 (the "Combined Reporting Regulations"), MDDC is now treated as a taxable member of the New Jersey combined group return filed by MGM Resorts. Prior to the issuance of these regulations, MDDC and MDDHC filed a New Jersey consolidated casino return with MGM and certain subsidiaries.

MGM Resorts holds direct and indirect ownership of 100% of the members' interests in MDDHC. The amounts reflected in the financial statements are calculated under the separate return approach, reflecting as if MDDC was taxed for state purposes on a standalone basis notwithstanding that MDDC is included in a New Jersey combined group return after the issuance of the Combined Reporting Regulations and in a consolidated casino New Jersey tax return with MDDHC, MGM Resorts, and certain of its subsidiaries prior to the issuance of the Combined Reporting Regulations.

MGM Resorts is responsible for New Jersey taxes for the combined group return and any New Jersey income tax expense allocated to MDDC is recorded to equity. Prior to the issuance of the Combined Reporting Regulations, MDDC recorded a distribution or contribution to MGM Resorts to the extent that its standalone New Jersey tax liability was greater than or less than the consolidated casino tax return liability.

### **Member Equity**

The Company utilizes MGM Resorts as its centralized treasury function in which MGM Resorts controls all bank cash transactions and maintains cash accounts on behalf of the Company. This arrangement results in deemed contributions and distributions between the Company and MGM Resorts, which includes activity from the Company's previous investment in MGP OP, since MGM Resorts makes all bank cash payments on behalf of the Company and sweeps all bank cash balances from the Company. Such activity is reflected as financing activities within the statements of cash flows. Certain noncash income statement-related allocations from MGM Resorts to the Company, such as stock-based compensation, are settled and treated as noncash contributions or distributions and are presented as other on the statements of member equity.

### **Subsequent Events**

Management has evaluated subsequent events through March 9, 2023, the date these financial statements were available to be issued and has not identified any such events, except as otherwise disclosed.

### **NOTE 3. RECEIVABLES AND PATRONS' CHECKS**

Receivables and patrons' checks consist of the following:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(In thousands)</i>	
Casino receivables (net of a provision for losses - 2022 \$17.9 million and 2021 \$23.0 million)	\$ 21,299	\$ 17,308
Other (net of a provision for losses - 2022 \$0.1 million and 2021 \$0.1 million)	15,558	9,417
	<u>\$ 36,857</u>	<u>\$ 26,725</u>

### **NOTE 4. OTHER CURRENT ASSETS**

Prepays and other current assets consist of the following:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(In thousands)</i>	
Prepaid insurance	\$ 1,817	\$ 1,958
Prepaid gaming tax & licenses	1,633	1,523
Income tax receivable	-	903
Other	1,985	2,616
	<u>\$ 5,435</u>	<u>\$ 7,000</u>

### **NOTE 5. PROPERTY AND EQUIPMENT, NET**

Property and equipment, net, consists of the following:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(In thousands)</i>	
Buildings, building improvements, and land improvements	\$ 498	\$ 24,619
Furniture, fixtures, and equipment	131,367	137,734
Construction in progress	38,017	4,882
	<u>169,882</u>	<u>167,235</u>
Less: Accumulated depreciation	(94,962)	(96,129)
Finance lease ROU assets, net	91,649	12,967
	<u>\$ 166,569</u>	<u>\$ 84,073</u>

**NOTE 6. OTHER ASSETS**

Other assets consist of the following:

	December 31,	
	2022	2021
	<i>(In thousands)</i>	
Operating lease ROU assets, net	\$ 1,499,547	\$ 1,246,566
Goodwill	394,077	394,077
Tradenname	82,000	82,000
Other	8,584	18,526
	<u>\$ 1,984,208</u>	<u>\$ 1,741,169</u>

**NOTE 7. OTHER CURRENT LIABILITIES**

Other current liabilities consist of the following:

	December 31,	
	2022	2021
	<i>(In thousands)</i>	
Operating lease liabilities - current	\$ 11,924	\$ 34,937
Finance lease liabilities - current	8,669	7,167
	<u>\$ 20,593</u>	<u>\$ 42,104</u>

**NOTE 8. OTHER ACCRUED EXPENSES**

Other accrued expenses consist of the following:

	December 31,	
	2022	2021
	<i>(In thousands)</i>	
Outstanding chip liability	\$ 9,485	\$ 8,872
Customer advances and other casino	17,317	36,432
Payroll and related	25,374	24,554
Taxes, other than income tax	14,699	9,868
Other	12,530	13,241
	<u>\$ 79,405</u>	<u>\$ 92,967</u>

**NOTE 9. OTHER LIABILITIES**

Other liabilities consist of the following:

	December 31,	
	2022	2021
	<i>(In thousands)</i>	
Long-term portion of operating lease liabilities	\$ 1,509,632	\$ 1,260,901
Long-term portion of finance lease liabilities	85,218	6,526
Other long-term obligations	18,208	21,586
	<u>\$ 1,613,058</u>	<u>\$ 1,289,013</u>

**NOTE 10. OTHER REVENUES**

Other revenues consist of the following:

	Year Ended December 31,	
	2022	2021
	<i>(In thousands)</i>	
Entertainment and retail revenue	\$ 15,224	\$ 7,571
Retail revenue	12,687	3,674
Other revenue	30,985	24,097
Reimbursed costs	4,087	-
	<u>\$ 62,983</u>	<u>\$ 35,342</u>



## NOTE 11. LEASES

The Company leases the land underlying its property, its real estate, and various equipment under operating and, to a lesser extent, finance lease arrangements.

*Real estate assets.* Pursuant to a master lease agreement (the “MGP Master Lease”) by and between a subsidiary of MGM Resorts and an indirect wholly owned subsidiary of MGP OP, the real estate assets of Borgata were leased from MGP OP, which were then subleased to operating subtenants of MGM Resorts, including the Company. The MGP Master Lease was accounted for as an operating lease.

Given the triple-net structure of the MGP Master Lease, the Company was responsible for the rent payments related to MGP OP’s ground leases of land underlying the property through the term of the MGP Master Lease. The Company accounted for its sublease of the ground lease as an operating lease. The Company recorded the rent expense for the MGP master lease within “Nonoperating Income (Expense) - Net” on the statement of operations for the three months ended December 31, 2021 and years ended December 31, 2021 and 2022.

On April 29, 2022, MGM Resorts completed a series of transactions with VICI Properties, Inc. (“VICI”) and MGP whereby VICI acquired MGP in a stock-for-stock transaction. As part of the transaction, MGM Resorts entered into an amended and restated master lease with VICI (the “VICI lease”) and, concurrently, MGM Resorts entered into an amended sublease agreement with the operating subtenants of MGM Resorts, including the Company.

The VICI lease is classified as an operating lease. The triple-net structure of the lease requires the tenant to pay substantially all costs associated with the property, including real estate taxes, insurance, utilities, and routine maintenance (obligating the tenant to spend a specified percentage of net revenues on capital expenditures), in addition to the annual cash rent. The lease also requires MGM Resorts to comply with certain financial covenants, which, if not met, would require MGM Resorts to maintain cash security or provide one or more letters of credit in favor of the landlord in an amount equal to 6 months or 1 year of rent, as applicable to the circumstances. The tenant’s performance and payments under the VICI lease is guaranteed by MGM Resorts. A default by the tenant with regard to any property under the lease or by MGM Resorts with regard to its guarantee will cause a default with regard to the entire portfolio covered by the lease.

Given the triple-net structure of the VICI lease, the Company is responsible for the rent payments related to VICI’s ground leases of land underlying the property through the term of the VICI lease. The Company accounts for its sublease of the ground lease as a finance lease.

The VICI lease commenced April 29, 2022 and has an initial term of 25 years, with three 10-year renewal periods, exercisable at the tenant’s option, with a fixed 2% rent escalator for the first 10 years, and thereafter, an escalator equal to the greater of 2% and the CPI increase during the prior year subject to a cap of 3%. The Company recorded \$93.2 million of VICI lease rent expense within “Nonoperating Income (Expense) - Net” for the year ended December 31, 2022.

As a result of the transactions with VICI, the operating lease ROU and lease liabilities relating to the MGP Master Lease, the operating lease ROU and lease liabilities relating to the ground sublease with MGP, and building and building-related assets were written off, with the differences of a gain of \$6.4 million, a gain of \$40.5 million, and a loss of \$30.2 million, respectively, reflected within “Nonoperating Income (Expense) – Net” for the year ended December 31, 2022

New operating lease ROU and lease liabilities of \$1.5 billion relating to the new VICI lease were recorded and new finance lease ROU and lease liabilities of \$87.7 million relating to the ground sublease with VICI were recorded.

*Other information.* Components of lease costs and other information related to the Company's leases was as follows:

	<b>Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(In thousands)</i>	
Operating lease cost <sup>1</sup>	\$ 96,361	\$ 126,131
Variable lease cost	\$ 14,042	\$ 8,746
<b>Finance lease costs</b>		
Interest expense <sup>2</sup>	\$ 4,842	\$ (518)
Amortization expense	9,048	6,709
Total finance lease costs	\$ 13,890	\$ 6,191

<sup>1</sup> Primarily classified within "General, Administrative and Other" and "Nonoperating Income (Expense) – Net"

<sup>2</sup> Interest expense includes variable rent expense on finance leases

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Weighted average remaining lease term (years)</b>		
Operating leases	24	23
Finance leases	23	2
<b>Weighted average discount rate (%)</b>		
Operating leases	7%	7%
Finance leases	6%	3%

	<b>Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(In thousands)</i>	
<b>Cash paid for amounts included in the measurement of lease liabilities</b>		
Operating cash outflows from operating leases	\$ 123,624	\$ 127,412
Operating cash outflows from finance leases	3,947	437
Financing cash outflows from finance leases	8,431	5,559
<b>ROU assets obtained in exchange for new lease liabilities</b>		
Operating leases	\$ 1,486,960	\$ 8,214
Finance leases	87,730	—

Maturities of lease liabilities were as follows:

<b>Year ending December 31,</b>	<b>Operating Leases</b>	<b>Finance Leases</b>
	<i>(In thousands)</i>	
2023	\$ 124,055	\$ 14,197
2024	124,465	6,992
2025	126,560	6,992
2026	128,797	6,992
2027	130,964	6,992
Thereafter	2,835,623	135,187
Total future minimum lease payments	3,470,464	177,352
Less: Amount of lease payments representing interest	(1,948,908)	(83,465)
Present value of future minimum lease payments	1,521,556	93,887
Less: Current portion	(11,924)	(8,669)
Long-term portion of lease liabilities	\$ 1,509,632	\$ 85,218

**NOTE 12 — INCOME TAXES**

Components of the state income tax provision are as follows:

	<b>Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(In thousands)</i>	
Current	\$ 2	\$ (51)
Deferred	8,514	5,819
<b>State income tax provision</b>	<b>\$ 8,516</b>	<b>\$ 5,768</b>

The Company's effective tax rate was 11.5% and 11.4% for the years ended December 31, 2022 and 2021, respectively. On September 29, 2020, the State of New Jersey enacted legislation that extended the 2.5% surtax imposed on corporate business tax filers through December 31, 2023. As originally enacted, the surtax rate was scheduled to decrease from 2.5% to 1.5% for tax years beginning on or after January 1, 2020 through December 31, 2021 and expire for tax years beginning on or after January 1, 2022.

The following table provides a reconciliation between the state statutory rate and the effective income tax rate where both are expressed as a percentage of income:

	<b>Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
Tax provision at state statutory rate	11.5%	11.5%
Income not subject to state income tax	0%	(3.5%)
Rate change impact	(1.9%)	2.6%
Permanent and other, net	1.9%	0.8%
Effective state tax rate	11.5%	11.4%

*Deferred Tax Assets and Liabilities.* Deferred tax assets and liabilities are classified as noncurrent on the consolidated balance sheet and are provided to record the effects of temporary differences between the tax basis of an asset or liability and its amount as reported in the consolidated balance sheets. These temporary differences result in taxable or deductible amounts in future years. A valuation allowance on deferred state tax assets is assessed on the basis of the Company's projected separate return results; there is no valuation allowance as of December 31, 2022 or December 31, 2021.

The components comprising the Company's net deferred state tax asset are as follows:

	<b>Year Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(In thousands)</i>	
<b>Deferred state tax assets</b>		
Net operating loss carryforward	\$ 7,711	\$ 11,889
Reserve for employee benefits	1,963	2,317
Accrued gaming taxes	1,439	1,998
Provision for credit losses	1,675	2,191
Accrued expenses	1,323	1,600
Lease liabilities	145,336	117,827
Other	9	11
<b>Gross deferred state tax assets</b>	<b>\$ 159,456</b>	<b>\$ 137,833</b>
<b>Deferred state tax liabilities</b>		
Property and equipment	\$ 8,588	\$ 3,004
Intangible	11,432	9,599
Prepaid services and supplies	425	473
Right-of-use assets	134,959	112,191
<b>Gross deferred state tax liabilities</b>	<b>155,404</b>	<b>125,267</b>
<b>Net deferred state tax assets</b>	<b>\$ 4,052</b>	<b>\$ 12,566</b>

At December 31, 2022, the Company has a hypothetical net operating loss carryforward of approximately \$84 million which equates to a deferred tax asset of \$8 million that may be carried forward or used until expiration in 2040.

*Accounting for uncertain tax positions.* The impact of an uncertain income tax position on the income tax return is recognized as the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Accounting guidance, which is applicable to all income tax positions, provides direction on derecognition, classification, interest and penalties, accounting in interim periods and disclosure.

The Company recognizes interest related to unrecognized tax benefits in its income tax provision. The Company has no unrecognized tax benefits or related interest and penalties recorded for the periods ended December 31, 2022 and December 31, 2021. The Company does not anticipate any changes in unrecognized tax benefits over the next 12-month period.

*Status of examinations.* The Company is subject to state taxation in New Jersey and the state can no longer assess tax with respect to years ended prior to 2018.

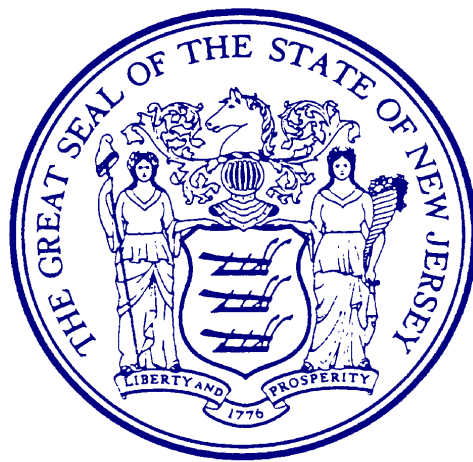
### **NOTE 13. COMMITMENTS AND CONTINGENCIES**

The Company is a party to various legal proceedings, most of which relate to routine matters incidental to its business. Management does not believe that the outcome of such proceedings will have a material adverse effect on the Company's financial position, results of operations or cash flows.

**BORGATA HOTEL CASINO & SPA  
ANNUAL FILINGS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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



**OFFICE OF FINANCIAL INVESTIGATIONS  
REPORTING MANUAL**

**BORGATA HOTEL CASINO & SPA**  
**ANNUAL STATEMENT OF SLOT MACHINE,**  
**TABLE GAME & OTHER GAMES WIN**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**CASINO WIN**

Line (a)	Type of Game (b)	Authorized Units (c)	Win or (Loss) (d)	Drop/Handle (e)	Win (Loss) Percentage (f)
<b>Table and Other Games:</b>					
1	Blackjack	66	\$ 67,413,821	\$ 441,488,378	15.3%
2	Craps	8	17,199,233	103,434,897	16.6%
3	Roulette	22	24,373,697	130,809,437	18.6%
4	Big Six	0	0	0	0.0%
5	Baccarat	0	0	0	0.0%
6	Minibaccarat	14	36,711,719	232,998,550	15.8%
7	Other Games - (DGE-310B)	53	42,976,620	170,148,183	25.3%
8	Subtotal - Table and Other Games	163	\$ 188,675,090	\$1,078,879,445	17.5%
9	Poker	74	15,096,197		
10	<b>Total - Table and Other Games</b>	<b>237</b>	<b>\$ 203,771,287</b>		

<b>Slot Machines:</b>					
11	\$ .01 and .02 Slot Machines	1,428	\$ 218,852,722	\$1,705,236,527	12.8%
12	\$ .05 Slot Machines	78	17,452,817	180,985,180	9.6%
13	\$ .25 Slot Machines	163	25,440,948	202,580,820	12.6%
14	\$ .50 Slot Machines	39	4,509,351	61,167,723	7.4%
15	\$ 1.00 Slot Machines	145	38,837,195	395,272,757	9.8%
16	\$ 5.00 Slot Machines	41	11,337,228	123,956,363	9.1%
17	\$ 25.00 Slot Machines	9	4,388,124	36,812,900	11.9%
18	\$100.00 Slot Machines	11	5,371,514	43,488,900	12.4%
19	Multi-denominational Slot Machin	796	171,368,654	2,841,519,080	6.0%
20	Other Slot Machines	58	23,091,536	249,794,546	9.2%
21	Total - Slot Machines	2,768	\$ 520,650,089	\$5,840,814,796	8.9%
22	<b>Total Casino Win</b>		<b>\$ 724,421,376</b>		

**BORGATA HOTEL CASINO & SPA**  
**ANNUAL STATEMENT OF SLOT MACHINE,**  
**TABLE GAME & OTHER GAMES WIN**  
**DETAIL SCHEDULE OF OTHER GAMES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

Line (a)	Type of Game (b)	Authorized		Drop (e)	Win or (Loss) Percentage (f)
		Units (c)	Win or (Loss) (d)		
1	Red Dog				
2	Sic Bo				
3	Pai Gow Poker	8	5,096,454	24,764,755	20.6%
4	Pai Gow	3	1,645,106	9,973,058	16.5%
7	Keno				
8	Caribbean Stud Poker				
9	Let it Ride Poker	5	4,238,531	15,782,092	26.9%
12	Three Card Poker	13	11,332,279	31,638,420	35.8%
16	Casino War				
18	Spanish 21	7	6,888,995	29,834,396	23.1%
30	Double Attack Blackjack				
33	Four Card Poker	5	3,176,427	14,020,365	22.7%
39	Texas Hold 'Em Bonus Poker	3	1,487,679	6,295,853	23.6%
41	Flop Poker	2	1,392,066	6,270,619	22.2%
43	Ultimate Texas Hold 'Em				
44	Asia Poker	2	676,995	3,672,724	18.4%
45	Winner's Pot Poker				
47	Mississippi Stud				
48	Mini-Tex 3 Card Hold'Em				
49	Supreme Pai Gow				
50	Triple Attack Blackjack				
51	High Roll Dice				
52	Boston 7 Stud Poker				
53	Electronic Table Games				
54	5 Card Hi-Lo				
55	Lunar Poker				
56	Hold'Em 3 Bonus				
57	Switch Hands Blackjack				
58	Criss Cross Poker	5	7,042,088	27,895,901	25.2%
59	High Card Flush				
60	Skill Based Games				
61	Heads Up Hold'Em				
62	Double Draw Poker				
63	Pack's Poker				
64	Tournament - Table & Other Games				
65	Football Kings				
66	Total	53	\$ 42,976,620	\$ 170,148,183	25.3%

**BORGATA HOTEL CASINO & SPA**  
**ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(UNAUDITED)  
(\$ IN THOUSANDS)

<b>ACCOUNTS RECEIVABLE BALANCES</b>				
<b>Line (a)</b>	<b>Description (b)</b>	<b>Account Balance (c)</b>	<b>Allowance (d)</b>	<b>Accounts Receivable (Net of Allowance) (e)</b>
	Patrons' Checks:			
<b>1</b>	Undeposited Patrons' Checks.....	\$17,536		
<b>2</b>	Returned Patrons' Checks.....	21,643		
<b>3</b>	Total Patrons' Checks.....	39,179	\$17,880	\$21,299
<b>4</b>	Hotel Receivables.....	5,752	61	5,691
	Other Receivables:			
<b>5</b>	Receivables Due from Officers and Employees.....	-		
<b>6</b>	Receivables Due from Affiliates.....	-		
<b>7</b>	Other Accounts and Notes Receivables.....	9,867		
<b>8</b>	Total Other Receivables.....	9,867	-	9,867
<b>9</b>	Totals (Form DGE-205).....	\$54,798	\$17,941	\$36,857

<b>UNDEPOSITED PATRONS' CHECKS ACTIVITY</b>		
<b>Line (f)</b>	<b>Description (g)</b>	<b>Amount (h)</b>
<b>10</b>	Beginning Balance (January 1).....	\$12,847
<b>11</b>	Counter Checks Issued.....	408,016
<b>12</b>	Checks Redeemed Prior to Deposit.....	(303,416)
<b>13</b>	Checks Collected Through Deposits.....	(80,411)
<b>14</b>	Checks Transferred to Returned Checks.....	(18,522)
<b>15</b>	Other Adjustments.....	-978
<b>16</b>	Ending Balance.....	\$17,536
<b>17</b>	"Hold" Checks Included in Balance on Line 16.....	
<b>18</b>	Provision for Uncollectible Patrons' Checks.....	\$295
<b>19</b>	Provision as a Percent of Counter Checks Issued.....	0.1%



# BORGATA HOTEL CASINO & SPA

## ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2022

(\$ 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	1,077			
2	Slot Machines	83			
3	Administration	1			
4	Casino Accounting	174			
5	Simulcasting	36			
6	Other	33			
7	Total - Casino	1,404	\$39,865	\$225	\$40,090
8	ROOMS	414	15,139		15,139
9	FOOD AND BEVERAGE	1,338	35,184		35,184
10	GUEST ENTERTAINMENT	296	4,446		4,446
11	MARKETING	210	9,431	335	9,766
12	OPERATION AND MAINTENANCE	270	12,544		12,544
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	6	45	1,281	1,326
14	Accounting and Auditing	47	2,518		2,518
15	Security	202	8,587		8,587
16	Other Administrative and General	96	5,506	345	5,851
17	OTHER OPERATED DEPARTMENTS:				0
18	Retail	36	1,027		1,027
19	Spa	70	2,093		2,093
20	Salon/Barbershop	13	235		235
21	Transportation	102	2,452		2,452
22					0
23	TOTALS - ALL DEPARTMENTS	4,504	\$139,072	\$2,186	\$141,258