

## QUARTERLY REPORT

### INSTRUCTIONS

#### A. General comments regarding the Quarterly Report

1. As authorized by N.J.S.A. 5:12-70(n), 5:12-74(h) and N.J.A.C. 19:45-1.2(b) and (c), 19:45-1.6, 19:45-1.9, 1.9B and 19:45-1.46, Accounting and Internal Controls, the Casino Control Commission ("Commission") prescribes that the following forms shall be completed and filed with the Commission for calendar quarters ending March 31, June 30, September 30, and December 31:

- Quarterly Report - Cover
- Balance Sheets, Form CCC-205
- Statements of Income (Year-to-Date), Form CCC-210
- Statements of Income (Three Months), Form CCC-215
- Statements of Changes in Stockholders' Equity, Form CCC-220 or Statements of Changes in Partners', Proprietor's or Members' Equity, Form CCC-225
- Statements of Cash Flows, Form CCC-235
- Notes to Financial Statements
- Statement of Conformity and Accuracy, Form CCC-249

It will not be necessary to complete Form CCC-215 for the quarter ended March 31.

2. All references to accounts are to those prescribed in the Uniform Chart of Accounts (Form CCC-910) adopted by the Casino Control Commission ("Commission"). Please contact the Division of Financial Evaluation with any questions in determining on which line of a financial statement or schedule an account should be included.
3. Accounts with affiliates - Separate accounts have been provided for certain balances and transactions with affiliates. An affiliate is a person (incorporated or otherwise) that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the affiliated person.
4. All dollar amounts in the financial statements, including parenthetical amounts, shall be rounded to the nearest thousandth, with the last three digits being omitted. The dollar amounts appearing in notes to the financial statements shall be whole dollars, although zeros may be substituted for the last three digits.

5. With the exception of the note on significant accounting policies, all note references are to be typed on the face of the financial statements adjacent to the captions to which they relate. At a minimum, footnote 1 should include the basis of presentation and significant accounting principles used in preparing the financial statements.
6. If prior periods of the current year's financial statements have been revised, submit revised financial statements for the applicable quarter or quarters being revised.
7. If comparative prior year amounts have been revised, that fact should be disclosed on the face of the applicable financial statements. Details of the revisions are to be disclosed as required by generally accepted accounting principles.

**B. Preparation of the Quarterly Report**

1. Balance Sheets (CCC-205)

- a. The Balance Sheets shall be prepared as of the last day of each quarter on a comparative basis with the same quarter for the prior year.
  - (1) The balance sheet as of the end of the current quarter shall be reported in column (c) and the comparative prior period reported in column (d).
  - (2) If the licensee was not in operation at the end of the corresponding quarter of the prior year, then column (d) should be left blank.
- b. Complete the form as follows:

<u>Line</u>	<u>Description</u>
1	Accounts 1000 through 1099
2	Accounts 1100 through 1199
3	Accounts 1200 through 1299. The sum of accounts 1230, 1236, 1250, 1256, and 1290 should be indicated parenthetically
4	Accounts 1300 through 1399
5	Accounts 1400 through 1599
7	Accounts 1600 through 1699
8	Accounts 1700 through 1799
9	Accounts 1800 through 1899

<u>Line</u>	<u>Description</u>
10	Line 8 less line 9
11	Accounts 1900 through 1999
13	Accounts 2000 through 2099
14	Accounts 2100 through 2149
15	Accounts 2150 and 2180
16	Accounts 2160 and 2190
17	Accounts 2350, 2360, and 2365
18	Accounts 2300 through 2499, less amount shown on line 16
19	Accounts 2200 through 2299, plus 2500 through 2599
21	Account 2650 and 2680
22	Accounts 2600 through 2699, less amount shown on line 20
23	Accounts 2800 through 2899
24	Accounts 2700 through 2799
25	Indicate footnote reference
27	If the licensee is organized as a corporation, enter on line 26(c) and 26(d) the amounts from line 19(j) and 10(j) of Form CCC-220, respectively. If the licensee is any other form of organization, enter on line 26(c) and 26(d) the amounts from line 19(f) and 10(f) of Form CCC-225, respectively.

2. Statements of Income (CCC-210) and (CCC-215)

- a. The Statements of Income shall be prepared for the most recent calendar quarter, the year-to-date for the current year, and for the corresponding periods of the prior year.
- The year-to-date and quarterly amounts for the current year shall be reported in column (c) in each statement and the comparative prior year amounts in column (d). Form CCC-215 is not needed for the first quarter of the year.
  - If the licensee was not in operation during the corresponding quarter of the prior year, then column (d) shall be left blank.

b. Complete the forms as follows:

<u>Line</u>	<u>Description</u>
1	Accounts 10-3000 through 10-3900 less account 10-6800
2	The net of accounts 20-3200 through 20-3900
3	The net of accounts 40-3300 through 40-3920
4	The net of accounts 3500 through 3900 for departments 60 through 78, the sum of accounts 79-3800 through 79-3899, and account 91-3710
6	The sum of accounts 20-3290, 20-3295, 40-3390, 40-3395, 40-3490, 40-3495, and for departments 60 through 78, accounts 3530, 3535, 3540, 3545, 3590, and 3595. These amounts should not be entered as negative numbers or with brackets.
7	Line 5 less line 6
8	Line 8 is equal to: <ul style="list-style-type: none"><li>. The sum of accounts 4300 through 6099, and 6800 through 7999 for departments 10, 20, 40, 60 through 78, 84, 91, 92, 93, and 94 (for department 10, exclude account 10-6800)</li><li>. Plus the 6300 series of accounts for departments 10, 20, 40, 60 through 78, 84, 91, and 92</li><li>. Plus the 6400 and 6500 series of accounts for department 10 less 10-6400, 10-7110, 10-7120, 10-7130, 10-7140, 10-7150, 10-7170</li></ul>
9	Line 9 is equal to: <ul style="list-style-type: none"><li>. The sum of accounts 5100 through 5999 and accounts 6300 through 7999 for departments 81, 82, 89, and 90</li><li>. Plus account 10-6100 and, for all departments, the 6245 accounts and any amounts in the 6240, 6250, and 6251 accounts which were not credited as complimentary revenue to other operated departments</li><li>. Less accounts 81-6400, 81-6700, 82-6700, 89-6600, 89-6700, and 90-6700</li></ul>
10	The sum of accounts 10-6600, 10-6610, 20-6600, 40-6600, and 89-6600
11	The sum of lines 8 through 10
12	Deduct total costs and expenses (line 11) from net revenue (line 7)
13	Accounts 95-7800 through 95-7899

<u>Line</u>	<u>Description</u>
14	The sum of accounts 10-6400 and 81-6400
15	The sum of accounts 6700 for all departments
16	Line 12 less the sum of lines 13 through 15
17	Accounts 95-6800 through 95-6849
18	Accounts 95-6850 through 95-6899
19	Accounts 99-9550 through 99-9599
20	Accounts 99-9100 through 99-9549
21	The sum of lines 17 through 20
22	Line 16 plus line 21
23	Accounts 99-9810 through 99-9899, less amounts attributable to extraordinary items and cumulative effect of changes in accounting principles
24	Line 22 less line 23
25	Accounts 99-9600 through 99-9809, net of federal and state income taxes. Extraordinary losses should be shown in parentheses. The applicable income tax should be indicated in the appropriate year in parenthesis in column (b).
26	Line 24 plus line 25

3. Statements of Changes in Stockholders' Equity (CCC-220)
  - a. The Statement of Changes in Stockholders' Equity is a reconciliation of the beginning and ending balances for each of the equity accounts, 2910 through 2969.
  - b. The schedule shall be prepared for both the current year-to-date and the prior year.
    - Information for the prior year shall be reported on applicable lines 1 through 10, while information for the current year shall be reported on lines 11 through 19.
    - If the licensee was not in operation during the prior year, then lines 1 through 9 shall be left blank, and enter zeroes on line 10.
  - c. Any transactions, adjustments, or corrections for which captions have not been provided, shall be reported on lines 6 through 9 and 15 through 18, together with a description. If the description is not self-explanatory, then further disclosures shall be included in the Notes to the Financial Statements.

- d. Prior period adjustments shall be reported on line 5 or 14 with full disclosure of the nature of the adjustments to be included in the Notes to the Financial Statements.
  - e. The net income (loss) on lines 2 and 11 must agree with the amounts reported on line 26 of the Statements of Income, Form CCC-210, for the applicable periods.
  - f. The balance on line 10, column (j) must agree with the balance on line 26 column (d) of the Balance Sheet, Form CCC-205, while the ending balance on line 19, column (j) must agree with the balance on line 26, column (c) of the Balance Sheets, Form CCC-205.
  - g. Column (j) represents the net of columns (d), (f), (g), (h) and (i) for each applicable line.
  - h. Column (h) should be used for reporting any other equity accounts required to be separately reflected in Stockholders' Equity under generally accepted accounting principles.
4. Statements of Changes in Partners', Proprietor's or Members' Equity (CCC-225)
- a. The Statements of Changes in Partners' or Proprietor's Equity is a reconciliation of the beginning and ending balances for each of the equity accounts, 2970 through 2999.
  - b. The schedule shall be prepared for both the current year-to-date and the prior year.
    - Information for the prior year shall be reported on lines 1 through 10, while information for the current year shall be reported on lines 11 through 19.
    - If the licensee was not in operation during the prior year, then lines 1 through 9 shall be left blank, and enter zeroes on line 10.
  - c. Any transactions, adjustments, or corrections, for which captions have not been provided, shall be reported on lines 7 through 9 and 16 through 18, together with a description. If the description is not self-explanatory, then further disclosure shall be included in the Notes to the Financial Statements.
  - d. Prior period adjustments shall be reported on lines 6 and 15 with full disclosure of the nature of the adjustments to be included in the Notes to the Financial Statements.

- e. The net income (loss) on lines 2 and 11 must agree with the amounts reported on line 26 of the Statements of Income, Form CCC-210, for the applicable periods.
  - f. The ending balances on line 10, column (f) must agree with the amounts on line 26, column (d) of the Balance Sheets, Form CCC-205, while the balance on line 19, column (f) must agree with the balance on line 26, column (c) of Form CCC-205.
  - g. Column (f) represents the net of columns (c), (d), and (e) for each applicable line.
  - h. Column (e) should be used for reporting any other equity accounts required to be separately reflected in Partners' or Proprietor's Equity under generally accepted accounting standards.
5. Statements of Cash Flows (CCC-235)
- a. Cash and cash equivalents is defined as the sum of the balances in the account group, 1000 through 1099, as well as investments in the account group 1100 through 1199 with maturity dates of less than three months from date of purchase.
  - b. The Statements of Cash Flows shall be prepared for both the current year-to-date and the corresponding period of the prior year.
    - The amounts for the current year shall be reported in column (c) and the comparative prior year amounts in column (d).
    - If the licensee was not in operation during the prior year period, then column (d) shall be left blank.
  - c. The second page of these statements provides a reconciliation of net cash flows from operating activities to net income or (loss) from the Statements of Income (CCC-210 or CCC-215). It also includes a supplemental schedule of certain cash flow information.
  - d. The policy for determining which items are treated as cash equivalents shall be disclosed in the Notes to the Financial Statements.

e. Complete the form as follows:

<u>Line</u>	<u>Description</u>
1	The amount reported on line 47 of these statements
2	The sum of all amounts representing cash purchases of short-term investments (related accounts 1100 through 1199) other than amounts included on line 53)
3	The sum of all amounts representing the cash proceeds from sales or other dispositions of short-term investments (related accounts 1100 through 1199)
4	The amount reported on line 50. This amount should be in parentheses if the amount on line 50 is in parentheses and vice versa.
5	The net cash proceeds from sales or other dispositions of property and equipment.
6	The sum of all amounts representing cash investments in, deposits made, or proceeds received, regarding the purchase of CRDA bonds or other approved eligible investments (related accounts 1680, 1684 and 1688)
7	The sum of all amounts representing cash disbursements made either as loans/advances or for the purchase of investments (related accounts 1600 through 1679, and 1690 through 1699) other than amounts included on line 53
8	The sum of all amounts representing collections of loans/advances, proceeds from the disposal of investments, or dividends received from subsidiaries which are accounted for under the equity method (related accounts 1600 through 1679 and 1690 through 1699)
9	The amount reported on line 56
10-11	Any amounts, other than those amounts reported on lines 2 through 9, that resulted from investing activities. A description of each item shall be provided in column (b). (Noncash investing activities should not be included).
12	The total of lines 2 through 11
13	The sum of all amounts representing cash proceeds from the issuance of short-term debt (related accounts 2100 through 2149)

<u>Line</u>	<u>Description</u>
14	The sum of all amounts representing cash repayments of short-term debt (related accounts 2100 through 2149)
15	The sum of all amounts representing proceeds from the issuance of long-term debt, less the amounts reported on lines 49 and 54 (related accounts 2150 through 2199 and 2600 through 2699)
16	The sum of all amounts representing the cash costs of issuing debt (related account 1920)
17	The sum of all amounts representing cash repayments of long-term debt (related accounts 2150 through 2199 and 2600 through 2699)
18	The amount reported on line 60
19	The sum of all amounts representing cash purchases of treasury stock (related account 2940)
20	The sum of all amounts representing cash dividend payments or capital withdrawals, (related accounts 2900 through 2999, but excluding account 2940)
21-22	Any amounts, other than those amounts reported on lines 13 through 20, that resulted from financing activities. A description of each item shall be provided in column (b). (Noncash financing activities should not be included).
23	The total of lines 13 through 22
24	The total of lines 1, 12, and 23
25	The amounts included on lines 1(c) and 1(d) of the Balance Sheets, Form CCC-205, in the preceding year's fourth quarter Quarterly Report
26	The net of Lines 25 and 24. (These amounts must agree with lines 1(c) and 1(d) of the Balance Sheets, Form CCC-205, in the current Quarterly Report.)
27	The sum of amounts representing cash paid for interest, less any amounts capitalized (related accounts 1440, 2440, 2510, 2520, 2530, 2710, 2720, and 2730)
28	The sum of amounts representing cash paid for income tax (related accounts 1412 through 1414, 1510, 1520, 1930, 1931, 2350, 2360, 2365, 2570, 2580, 2810, and 2820)

<u>Line</u>	<u>Description</u>
29	The amounts included on lines 26(c) and 26(d) of the Statements of Income, Form CCC-210, in the current Quarterly Report
30	The sum of all amounts representing depreciation and amortization of property and equipment (related accounts 1800 through 1899, and 1700 through 1799)
31	The sum of all amounts representing the amortization of other assets (related accounts 1960 through 1999)
32	The sum of all amounts representing the amortization of debt discount or premium, (related accounts 2600 through 2699)
33	The net change in deferred income taxes (related accounts 1510, 1520, 2570, and 2580 since the beginning of the year)
34	The sum of accounts 99-9820 and 99-9860 less line 33. (If the sum of lines 33 and 34 does not equal the provision for deferred income taxes as disclosed in the Notes to Financial Statements, prepare a schedule reconciling the differences.)
35	The net amount representing the (Gain) Loss on disposition of property and equipment (related account 99-9120)
36	The net amount representing (Gain) Loss on Casino Reinvestment obligations (related accounts 99-9142, 99-9143, 99-9550, and 99-9551)
37	The net amount representing (Gain) Loss from other investment activities (related accounts 99-9130 through 99-9140 and accounts 99-9150 through 99-9399)
38	The Net (Increase) Decrease in Receivables and Patrons' Checks (related accounts 1200 through 1299), other than amounts included on line 53
39	The Net (Increase) Decrease in Inventories (related accounts 1300 through 1399), other than amounts included on line 53

<u>Line</u>	<u>Description</u>
40	The Net (Increase) Decrease in Other Current Assets since the beginning of the year (related accounts 1400 through 1599 excluding the net change in accounts 1510 and 1520 and amounts included on line 53
41	The Net (Increase) Decrease in Other Assets (related accounts 1600 through 1690, 1900 through 1909, 1910, 1912 through 1919, and 1935 through 1959) other than amounts included on lines 31, 34, and 53
42	The Net Increase (Decrease) in Accounts Payable since the beginning of the year (related accounts 2000 through 2099) other than amounts included on line 53 or amounts representing dividends payable
43	The Net Increase (Decrease) in Other Current Liabilities Excluding Debt since the beginning of the year (related accounts 2200 through 2599 less accounts 2556, 2557, 2558, 2559, 2570, and 2580) other than amounts included on line 53 or amounts representing dividends payable
44	The Net Increase (Decrease) in Other Noncurrent Liabilities excluding Debt since the beginning of the year (related accounts 2700 through 2899 less the net change in accounts 2810 and 2820) other than amounts included on lines 34 and 53.
45-46	Any amounts charged or credited to operations during the year, other than the amounts reported on lines 30 through 44. A description of each item shall be provided in column (b).
47	The sum of the amounts reported on lines 29 through 46
48	The sum of all amounts representing the acquisition of property and equipment other than the amounts included on line 51 (related accounts 1700 through 1799)
49	The sum of all amounts representing capital lease obligations incurred (related accounts 1721, 1722, 1723, and 1728)
50	Line 48 less line 49

<u>Line</u>	<u>Description</u>
51	The sum of all amounts representing additions to property and equipment from the acquisition of business entities (related accounts 1700 through 1799)
52	The sum of all amounts representing goodwill acquired from the acquisition of business entities (related account 1910)
53	The sum of all amounts charged and credited to all balance sheet accounts, other than those specified on lines 51, 52, 54, and 55, resulting from the acquisition of business entities
54	The sum of all amounts representing the assumption of long-term debt of acquired business entities (related accounts 2600 through 2699)
55	The sum of all amounts representing the issuance of stock or capital invested in the acquisition of business entities (related accounts 2900 through 2949 or 2970)
56	The total of lines 51 through 55
57	The sum of all amounts representing issuance of stock or capital contributions (related accounts 2900 through 2949 (for corporations) or account 2970 (for partnerships or sole proprietorships)
58	The sum of amounts representing settlements of long-term debt (related accounts 2900 through 2949 (for corporations) or account 2970 (for partnerships or sole proprietorships)
59	The amount reported on line 55
60	Line 57 less lines 58 and 59

6. Notes to Financial Statements

- a. Each licensee is required to submit Notes to the Financial Statements to supplement the financial statements and schedules presented in the Quarterly Report.
- b. The following disclosures are required for each Quarterly Report being filed by a licensee, subject to the provision of Sections 7c through 7e below.
  - All disclosures necessary for a fair presentation of the financial statements in accordance with generally accepted accounting principles.

- All disclosures required by the Securities and Exchange Commission pursuant to its regulations.
  - Certain other disclosures as prescribed by the Commission.
- c. For disclosures which are equivalent to the disclosures contained in the most recent Quarterly Report, the procedures as described below shall be followed.
- The Quarterly Report for the Fourth Quarter shall contain all relevant footnote disclosures. However, footnote disclosures for the first, second, and third quarters' reports may be omitted if they would duplicate the disclosures contained in the most recent report (e.g., summary of significant accounting policies, terms of long-term debt agreements or lease agreements, etc.).
  - In addition, unless material changes have occurred since filing the most recent Quarterly Report, a quarterly update shall not be required for certain information (e.g., aggregate maturities of long-term debt, future lease obligations, and reconciliation of the provision for income taxes to the statutory rate). However, the following must be disclosed for each quarter:
    - \* The components and descriptions of all long-term debt obligations of the licensee which support the amounts reported on CCC-205.
    - \* Information on credit lines, including a description of the credit line, funds available, funds outstanding, total credit line commitment, maturity date, and average interest rate on borrowed funds.
    - \* The present status of all material contingencies reported in the latest Quarterly Report.
  - When disclosures are omitted, a statement to that effect shall be made in Note 1 to the financial statements identifying the nature of the disclosure and the specific report containing the information.
- d. The notes shall contain full disclosure of related party balances and transactions. When balances are reported on lines 14 or 20 of the Balance Sheets, Form CCC-205, the notes should disclose the identities of these affiliates. In addition, there may be other line items on the balance sheets that include amounts due to or due from affiliates. The notes should disclose the portion of these amounts that represent balances with affiliates and identify the affiliates. The notes should also disclose the identities of

the affiliates for any amounts included on the Statements of Income, Form CCC-210 and CCC-215, lines 14, 15, and 17 and the nature of the expenses included on line 15, other charges from affiliates. All charges from affiliates should be reported on line 15 with the exception of management fees, interest, and income taxes. If the licensee is charged for a portion of the federal income tax by its parent with whom it joins in the filing of a consolidated return, such charges shall be included on line 23, Provision (Credit) for Income Taxes, with full disclosure of the arrangements in the notes.

Again, there may be transactions with affiliates which may not be separately identified on the Statements of Income, such as interest income from affiliates which is included on line 20, and Nonoperating income (expense). The notes should disclose these amounts and identify the affiliates. If there are certain charges from affiliates that the licensee believes would be more meaningfully included under costs and expenses (e.g., charges from an affiliate for invoices paid by that affiliate for the account of the licensee) then the licensee should request a determination from Commission staff.

- e. In addition to the disclosures necessary for a fair presentation of the financial statements in accordance with generally accepted accounting principles, notes shall be provided for the Fourth Quarter in support of certain line items on the Balance Sheets, Form CCC-205, and the Statements of Income, Form CCC-210 and CCC-215 where any single item exceeds the specified limits shown below. The remaining items may be aggregated in an "other category". If details are required for the current period, comparable amounts for the prior period shall also be disclosed. Please note however that related party balances and transactions should be reported in accordance with instructions 7d.

Line items for which details may be required and the criteria for disclosures are as follows:

<u>Line Item</u>	<u>Criteria - any item exceeding 5% of</u>
Prepaid expenses and other current assets	Total current assets
Investments, advances, and receivables	Total assets
Other assets	Total assets
Other accrued expenses	Total current

	liabilities
Other current liabilities	Total current liabilities
Other liabilities	Total liabilities
Other revenue	Net revenue
Nonoperating income (expense) - net (Each income or expense item shall be evaluated individually for this caption even if the net amount is less than five percent)	Net income (loss)

**C. Filing the Quarterly Report**

1. The Statement of Conformity, Accuracy and Compliance (Form CCC-249) shall be signed on the licensee's behalf by the chief executive officer, chief gaming executive, financial vice president, treasurer, or controller if the licensee is a corporation; by a general partner or the financial director if the licensee is a partnership; by the chief executive officer or chief gaming executive if the licensee is any other form of business association; or by the proprietor if the licensee is a sole proprietorship.
2. The Quarterly Report shall be filed electronically with the Casino Control Commission and the Division of Gaming Enforcement at the following addresses:

For the Commission: [feu@ccc.state.nj.us](mailto:feu@ccc.state.nj.us)

For the DGE: [ofi@njdge.org](mailto:ofi@njdge.org)

3. In the event the Quarterly Report cannot be e-mailed, the report shall be hand delivered no later than 4:00 p.m. on the 15th calendar day of the second month following the end of the quarter. The Quarterly Report for the Fourth Quarter shall be received no later than 4:00 p.m. on the 31st calendar day of the third month following the end of the calendar year. The Quarterly Report and related correspondence to the Casino Control Commission and the Division of Gaming Enforcement shall be filed at the following addresses:

Casino Control Commission  
Division of Financial Evaluation  
Financial Evaluation Unit  
Tennessee Avenue and Boardwalk  
Arcade Building  
Atlantic City, New Jersey 08401

Department of Law and Public Safety  
Division of Gaming Enforcement  
Office of Financial Investigations  
140 East Front Street  
P.O. Box 047  
Trenton, New Jersey 08625