

# ANNUAL REPORT

**LICENSEE** TRUMP CASTLE ASSOCIATES  
**ADDRESS** Huron Avenue & Brigantine Blvd.  
Atlantic City, NJ 08401

**FOR THE YEAR ENDED DECEMBER 31, 19** 90

**TO THE**  
**CASINO CONTROL COMMISSION**  
**OF THE**  
**STATE OF NEW JERSEY**



**NAME OF OFFICER IN CHARGE  
OF CORRESPONDENCE REGARDING  
THIS ANNUAL REPORT** . . . . .

Thomas P. Venier

**OFFICIAL TITLE** . . . . .

Vice President of Finance

**ADDRESS** . . . . .

Huron Avenue & Brigantine Blvd

Atlantic City, NJ 08401

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL & CASINO

L I S T   O F   F O R M S   -   A N N U A L   R E P O R T

FOR THE YEAR ENDED DECEMBER 31, 1990

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-305
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BALANCE SHEETS

DECEMBER 31, 1990 and 1989

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	<b>ASSETS</b>		
	Current Assets:		
1	Cash.....	\$ 8,044	\$ 14,598
2	Marketable securities.....	0	9,655
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$5,184; 1989, \$2,629).....	14,486	16,307
4	Inventories.....	2,773	3,491
5	Prepaid expenses and other current assets.....	4,112	2,730
6	Total current assets.....	29,415	46,781
7	Investments, Advances, And Receivables.....	1,061	7,269
8	Property And Equipment - Net.....(NOTE 2).....	366,540	373,780
9	Other Assets.....(NOTE 6).....	11,258	11,934
10	Total Assets.....	\$408,274	\$439,764
	<b>LIABILITIES AND EQUITY</b>		
	Current Liabilities:		
11	Accounts payable.....(NOTE 7).....	\$ 11,138	\$ 8,470
12	Notes payable.....(NOTE 4).....	13,000	15,000
	Current portion of long-term debt:		
13	Due to affiliates.....(NOTE 3,5).....	315,914	24,680
14	Other.....(NOTE 4).....	50,000	0
15	Income taxes payable and accrued.....	0	0
16	Other accrued expenses.....(NOTE 8).....	16,300	13,056
17	Other current liabilities.....(NOTE 9).....	15,123	13,143
18	Total current liabilities.....	421,475	74,349
	Long-Term Debt:		
19	Due to affiliates.....(NOTE 3).....	0	285,144
20	Other.....(NOTE 4).....	0	50,000
21	Deferred Credits.....	0	0
22	Other Liabilities.....	8	19
23	Commitments And Contingencies.....(NOTE 11).....		
24	Total Liabilities.....	421,483	409,512
25	Stockholders', Partners', Or Proprietor's Equity.....	(13,209)	30,252
26	Total Liabilities And Equity.....	\$408,274	\$439,764

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

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1990 and 1989

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino.....	\$ 51,690	\$ 61,805
2	Rooms.....	4,832	5,795
3	Food and beverage.....	9,659	10,858
4	Other.....	4,120	2,791
5	Total revenue.....	70,301	81,249
6	Less: Promotional allowances.....(NOTE 13).....	10,531	13,032
7	Net revenue.....	59,770	68,217
	Costs And Expenses:		
8	Cost of goods and services.....	36,524	38,741
9	Selling, general, and administrative.....	20,776	22,306
10	Provision for doubtful accounts.....	3,071	793
11	Depreciation and amortization.....	5,325	4,693
	Charges from affiliates other than interest:		
12	Management fees.....	0	0
13	Other.....	0	0
14	Total costs and expenses.....	65,696	66,533
15	Income (Loss) From Operations.....	(5,926)	1,684
	Other Income (Expenses)		
16	Interest (expense) - affiliates.....(NOTE 3,5).....	(10,603)	(10,468)
17	Interest (expense) - external.....(NOTE 4).....	(1,759)	(1,329)
18	Investment alternative tax and related income (expense) - net.(NOTE 11)...	(705)	(243)
19	Non-operating income (expense) - net.....(NOTE 10).....	(237)	523
20	Total other income (expenses).....	(13,304)	(11,517)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(19,230)	(9,833)
22	Provision (credit) for income taxes.....(NOTE 1).....	0	(734)
23	Income (Loss) Before Extraordinary Items.....	(19,230)	(9,099)
24	Extraordinary items (net of income taxes - 1990, \$3,136 ; 1989, \$ -0- ).....	0	0
25	Net Income (Loss).....	\$ (19,230)	\$ (9,099)

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE 12 MONTHS ENDED DECEMBER 31, 1990 and 1989

NOT APPLICABLE

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1990		1989	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:				
1	Beginning balance (January 1).....		\$		\$
2	Sale of stock.....				
3	_____				
4	Ending balance.....				
	Preferred Stock:				
5	Beginning balance (January 1).....				
6	Sale of stock.....				
7	_____				
8	Ending balance.....				
	Additional Paid-In Capital:				
9	Beginning balance (January 1).....				
10	_____				
11	_____				
12	Ending balance.....				
	Treasury Stock:				
13	Beginning balance (January 1).....		( )		( )
14	Purchase of additional stock.....		( )		( )
15	Sale or retirement of stock.....				
16	Ending balance.....		( )		( )
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1).....		( )		( )
18	_____				
19	_____				
20	Ending balance.....		( )		( )
	Net Unrealized Loss On Noncurrent Marketable Equity				
	Securities:				
21	Beginning balance (January 1).....		( )		( )
22	_____				
23	_____				
24	Ending balance.....		( )		( )
	Retained Earnings:				
25	Beginning balance (January 1).....				
26	Prior period adjustments.....				
27	Net income (loss).....				
28	Dividends.....		( )		( )
29	_____				
30	_____				
31	Ending balance.....				
32	Ending Stockholders' Equity.....		\$		\$

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

STATEMENTS OF CHANGES IN PARTNERS' OR  
 PROPRIETOR'S EQUITY

FOR THE 12 MONTHS ENDED DECEMBER 31, 1990 and 1989

(UNAUDITED)  
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Invested Capital:		
1	Beginning balance (January 1).....	\$ 71,196	\$ 66,196
2	Additional capital invested.....	0	5,000
3	.....	0	0
4	Ending balance.....	71,196	71,196
	Accumulated Income (Loss):		
5	Beginning balance (January 1).....	(2,494)	4,204
6	Prior period adjustments.....	0	0
7	Net income (loss).....	(43,461)	(6,698)
8	.....	0	0
9	Ending balance.....	(45,955)	(2,494)
	Capital Withdrawals:		
10	Beginning balance (January 1).....	(38,450)	(42,197)
11	Additional capital withdrawals.....	( 0)	( 0)
12	Repayment of Withdrawals .....	0	3,747
13	Ending balance.....	(38,450)	(38,450)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1).....	( 0)	0
15	.....	0	0
16	.....	0	0
17	Ending balance.....	( 0)	( 0)
18	Ending Partners' Or Proprietor's Equity.....	\$ (13,209)	\$ 30,252

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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1990 and 1989

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ (7,794)	\$ 22,862
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....	0	(9,655)
3	Proceeds from the sale of short-term investment securities.....	0	0
4	Cash outflows for property and equipment.....	(12,621)	(50,128)
5	Proceeds from disposition of property and equipment.....	120	
6	Purchase of casino reinvestment obligations.....	(287)	(3,280)
7	Purchase of other investments and loans/advances made.....	0	0
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	2,788	0
9	Cash outflows to acquire business entities.....	0	0
10	Redemption of A-1 Bonds.....	9,655	0
11	.....	0	0
12	Net Cash Provided (Used) By Investing Activities.....	(345)	(63,063)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		17,000
14	Payments to settle short-term debt.....	(2,000)	0
15	Cash proceeds from issuance of long-term debt.....	26,265	32,019
16	Costs of issuing debt.....	0	0
17	Payments to settle long-term debt.....	(22,680)	0
18	Cash proceeds from issuing stock or capital contributions.....	0	5,000
19	Purchases of treasury stock.....	0	0
20	Payments of dividends or capital withdrawals.....	0	0
21	Reclassification of Long Term Debt To Current Portion .....	0	(22,680)
22	Repayment of Capital Withdrawals .....	0	3,747
23	Net Cash Provided (Used) By Financing Activities.....	1,585	35,086
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(6,554)	(5,115)
25	Cash And Cash Equivalents At Beginning Of Year.....	14,598	19,713
26	Cash And Cash Equivalents At End Of Year.....	\$ 8,044	\$ 14,598

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized).....	\$ 42,847	\$ 41,173
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.



STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1990 and 1989

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ (43,461)	\$ (6,698)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	19,608	16,722
31	Amortization of other assets.....	1,050	742
32	Amortization of debt discount or premium.....	2,505	2,102
33	Deferred income taxes - current.....	0	0
34	Deferred income taxes - noncurrent.....	0	(466)
35	(Gain) loss on disposition of property and equipment.....	133	0
36	(Gain) loss on casino reinvestment obligations.....	3,707	1,064
37	(Gain) loss from other investment activities.....	0	0
38	Net (increase) decrease in receivables and patrons' checks.....	1,821	(2,449)
39	Net (increase) decrease in inventories.....	718	(453)
40	Net (increase) decrease in other current assets.....	(1,382)	(430)
41	Net (increase) decrease in other assets.....	(374)	(125)
42	Net increase (decrease) in accounts payable.....	2,668	(14,168)
43	Net increase (decrease) in other current liabilities excluding debt....	5,224	4,320
44	Net increase (decrease) in other noncurrent liabilities excluding debt..	(11)	21
45	Net increase (decrease) current portion - Ltd. ....	0	22,680
46	.....	0	0
47	Net Cash Provided (Used) By Operating Activities.....	\$ (7,794)	\$ 22,862

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ 12,621	\$ 50,128
49	Less: Capital lease obligations incurred.....	0	0
50	Cash Outflows For Property And Equipment.....	\$ 12,621	\$ 50,128
	Acquisition of Business Entities:		
51	Property and equipment acquired.....	\$ 0	\$ 0
52	Goodwill acquired.....	0	0
53	Net assets acquired other than cash, goodwill, and property and equipment.....	0	0
54	Long-term debt assumed.....	0	0
55	Issuance of stock or capital invested.....	0	0
56	Cash Outflows To Acquire Business Entities.....	\$ 0	\$ 0
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$ 0	\$ 5,000
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	\$ 5,000



TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL & CASINO

CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 1990

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) PERCENT (e)	WEIGHTED AVG. NUMBER OF TABLES OR MACHINES (f)
	Revenue:				
1	Blackjack.....	\$ 40,683	\$ 318,622	12.8%	68
2	Craps.....	39,924	250,322	15.9	20
3	Roulette.....	9,390	39,090	24.0	12
4	Big Six.....	1,339	2,995	44.7	3
5	Baccarat.....	7,010	54,126	13.0	6
6	Other table games.....	0	0	0	0
7	Total table games revenue.....	98,346	\$ 665,155	14.8%	109
			HANDLE		
8	\$.05 slot machines.....	3,634	\$ 23,015	15.8%	86
9	\$.25 slot machines.....	44,262	330,038	13.4	648
10	\$1.00 slot machines.....	21,194	197,131	10.8	245
11	Other slot machines.....	66,433	718,067	9.3	703
12	Total coin-operated devices revenue.....	135,523	\$1,268,251	10.7%	1,682
13	Progressive jackpot adjustment.....	(190)			
14	Total coin-operated devices revenue after adjustment.....	135,333			
15	Other income.....	0			
16	Total revenue.....	233,679			
	Expenses:				
17	Payroll and payroll related expenses.....	33,639			
18	Licenses and taxes.....	19,211			
19	Provision for uncollectible patrons' checks..	6,327			
20	Other.....	6,052			
21	Total.....	65,229			
22	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....	168,450			
	Complimentary services and casino management fees:				
23	Complimentary services.....	7,000			
24	Casino management fees.....	0			
25	Total.....	7,000			
26	Departmental Income (Loss).....	\$161,450			

STATEMENTS OF INCOME

FOR THE 12 MONTHS ENDED DECEMBER 31, 1990 and 1989

(UNAUDITED)  
(\$ IN THOUSANDS)

(a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino.....	\$233,679	\$264,358
2	Rooms.....	21,863	21,481
3	Food and beverage.....	41,289	45,797
4	Other.....	13,765	11,613
5	Total revenue.....	310,596	343,249
6	Less: Promotional allowances.....(NOTE 13)..	44,351	49,149
7	Net revenue.....	266,245	294,100
	Costs And Expenses:		
8	Cost of goods and services.....	152,776	156,128
9	Selling, general, and administrative.....	80,449	82,700
10	Provision for doubtful accounts.....	6,470	2,549
11	Depreciation and amortization.....	20,658	17,464
	Charges from affiliates other than interest:		
12	Management fees.....	0	0
13	Other.....	0	0
14	Total costs and expenses.....	260,353	258,841
15	Income (Loss) From Operations.....	5,892	35,259
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(NOTE 3,5)..	(41,843)	(41,971)
17	Interest (expense) - external.....(NOTE 4)...	(6,969)	(1,329)
18	Investment alternative tax and related income (expense) - net..(NOTE 11)..	(4,007)	(1,064)
19	Non-operating income (expense) - net.....(NOTE 10)..	330	1,941
20	Total other income (expenses).....	(52,489)	(42,423)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(46,597)	(7,164)
22	Provision (credit) for income taxes.....(NOTE 1)...	0	(466)
23	Income (Loss) Before Extraordinary Items.....	(46,597)	(6,698)
24	Extraordinary items (net of income taxes - 1990, \$3,136 ; 1989, \$ -0- ).....(NOTE 3,15)	3,136	0
25	Net Income (Loss).....	\$ (43,461)	\$ (6,698)

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

TRUMP CASTLE HOTEL & CASINO  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Operation:

Trump's Castle Associates Limited Partnership (the "Partnership") was organized on May 24, 1985, as a New Jersey limited partnership. Donald J. Trump and Trump's Castle Hotel & Casino, Inc., a New Jersey corporation which is owned by Mr. Trump, are the general partners and Mr. Trump is the sole limited partner (the "Partners").

Revenue Recognition:

The Partnership records as revenue the win from gaming activities which represents the difference between amounts wagered and amounts won by patrons. Revenues from hotel and related services are recognized at the time the related service is performed.

Promotional Allowances:

Gross revenues include the retail value of complimentary food, beverage and hotel services furnished to patrons. The retail value of these promotional allowances is deducted from gross revenue to arrive at net revenues. The cost of promotional allowances is charged to operations.

Income Taxes/Deferred Credits:

The accompanying financial statements do not include a provision for Federal income taxes of the Partnership, since any income or losses allocated to the Partners are reportable for Federal income tax purposes by the Partners.

Under the New Jersey Casino Control Commission regulations, the Partnership is required to file a consolidated New Jersey corporation business tax return. Accordingly, a benefit for state income taxes has been reflected in the accompanying financial statements for 1989 calendar year. Deferred state income taxes result primarily from differences in the timing of reporting depreciation for tax and financial statement purposes.

Allowance for Doubtful Accounts:

The allowance for doubtful accounts is maintained at a level considered adequate to provide for possible future losses. The Partnership has provided \$5,184,000 through December 31, 1990.

Inventories:

Food and beverage inventories are carried on a weighted average basis and all other inventories are carried at the lower of cost or market on a first in, first out basis.

Property and Equipment:

Property and equipment is recorded at cost and is depreciated on the straight-line method over the estimated useful lives of assets. Estimated useful lives for furniture, fixtures and equipment are from three to eight years and 40 years for buildings.

Original Issuance Discount and Bond Issuance Costs:

Original issue discount is accreted over the life of the related indebtedness using the effective interest method.

Costs associated with the issuance of the bonds are capitalized and amortized over the life of the bonds using the effective interest method.

NOTE 2 - PROPERTY AND EQUIPMENT:

(In Thousands of Dollars)

Property and equipment as of December 31:

	<u>1990</u>	<u>1989</u>
Land	\$ 31,792	\$ 28,768
Buildings	236,728	239,731
Furniture, Fixtures and Equipment	91,148	85,252
Construction in Progress	1,004	29,440
Building/Leasehold Improvements	109,180	73,750
	-----	-----
TOTAL	\$469,852	\$456,941
Less Accumulated Depreciation	(103,312)	(83,161)
	-----	-----
Net Property and Equipment	\$366,540	\$373,780
	=====	=====

NOTE 3 - LONG TERM DEBT:

On June 27, 1985, Trump's Castle Funding ("The Company") issued its Series A-1 and Series A-2 First Mortgage Bonds (the "Bonds") for proceeds of \$300,000,000. The proceeds of the bonds were loaned by the Company to the Partnership under the terms which conform in all material respects with the terms of the Bonds, and were used by the Partnership to repay the interim bank financing.

The Series A-1 Bonds in an aggregate principal amount of \$226,800,000 bear interest at a rate of 13-3/4%, which is payable semi-annually, with the principal due in full in 1997. These bonds are redeemable at any time, subject to certain conditions at the option of the Company, at the principal amount plus a premium of 13-3/4%, in the first year, which premium declines ratably each year to zero in the year of maturity. As of June 30, 1990 the Partnership has redeemed \$22,680,000 of the original principal amount as required by the bond indenture and will be required to annually make sinking fund payments in an amount sufficient to redeem 10% of the principal amount of Series A-1 Bonds up to maximum of 70% of the principal amount through 1996.

The Series A-2 Bonds in an aggregate principal amount of \$125,000,000 bear interest at a rate of 7% and were issued at a discount (net proceeds of \$73,200,000) at an effective interest rate of 13-3/4%. Interest is payable semiannually and the principal will be due in full in 1999. These bonds will be redeemable at any time, subject to certain conditions, at the option of the Company, at 100% of the stated principal amount thereof.

The bonds are secured solely by an assignment to the Trustee of the Partnership's notes to the Company in the aggregate amount necessary to service bonds and by a first mortgage on the Partnership, excluding cash which may be distributed as described below (regardless of whether such cash has been distributed) and non-recourse to such distributable cash. The Partnership has issued a non-recourse, limited guaranty of the payment of the principal or premium, if any, and interest on the bonds. The bonds are non-recourse to the Partners of the Partnership and the shareholders of the Company and all other persons and entities (other than the Company and the Partnership). The bonds cannot be subordinated to any other future borrowings by the Partnership or the Company.

The bond indenture permits the quarterly distribution of available cash flow, as defined, to the Partners in excess of \$1,512,000. The Partnership must also maintain such cash flow in an aggregate amount of \$6,048,000 during each 12 month period ending June 30, 1986 through 1990. In addition, the bond indenture limits additional borrowings and liens, certain activities of the Partnership and the Company, and the consolidation, merger, and transfer of substantially all of the assets, among other provisions.

As of December 31, 1990, 10% of the original principal amount (\$22,680,000) of the Series A-1 Bonds had been redeemed in satisfaction of the sinking fund requirements under the Indenture. Certain Bonds were acquired at a discount that resulted in a gain of \$3,136,000. See Note 15.

The next scheduled semi-annual interest payment for the Bonds is due on June 15, 1991, in the amount of \$18,408,250. The Partnership has failed to make certain payments of principal and interest owed to Midlantic National Bank ("Midlantic"), which failure may result in an Event of Default under the Indenture and has resulted in the indebtedness represented by the Bonds being classified as current portion-long term debt - due to affiliates. See Note 4.

#### NOTE 4 - BANK BORROWINGS

In February 1988, the Partnership obtained a line of credit from Midlantic for \$50,000,000 to partially finance an expansion of Trump Castle and to reconstruct the Senator Frank S. Farley Marina, located directly across from the entrance to Trump Castle (the "Marina"). The company has borrowed the entire amount of this line of credit which was converted to a term loan in August 1990. Interest is payable monthly at 1% above the bank's prime rate. Principal is payable commencing February, 1992 and is based on a ten-year amortization schedule with the balance due in 1998. Security for this loan is identical to that of the Bonds. See Note 3.

The Partnership has failed to make interest payments totaling \$2,353,000 which represent interest charges for the months of August, September, October, November and December, 1990. Midlantic has not declared the entire outstanding balance currently due and payable as of December 31, 1990; however, no assurances can be given that demand for the outstanding balance will not be made. Accordingly, the entire outstanding principal balance of \$50,000,000 has been classified as current portion-long term debt-other.

The Partnership also maintains a line of credit due in 1995 with Midlantic of which \$13,000,000 has been drawn upon, as of December 31, 1990. The Partnership has also failed to make interest payments due under such line of credit for the months of August, September, October, November and December, 1990 totalling approximately \$556,000.

Midlantic has agreed to defer payment of the unpaid interest on the \$50,000,000 loan and the \$13,000,000 line of credit until June 15, 1991. However, Midlantic reserves the right to accelerate the principal amount of the borrowings at any time to be immediately due and payable.

NOTE 5 - OTHER BORROWINGS:

The Partnership borrowed \$28,265,000 from Donald J. Trump one of its general partners (which included \$9,889,000) (face value \$12,480,000) evidenced by Series A-1 Bonds acquired by the Partner), the proceeds of which were used to partially satisfy the June 1990 interest and sinking fund requirements of the Bonds. The loan is due on demand and bears interest at the prime rate. These notes are included in current portion-long term debt-due to affiliates.

NOTE 6 - OTHER ASSETS - (Net):  
(In Thousands of Dollars)

Other Assets consist of:	<u>1990</u>	<u>1989</u>
Deferred Marina Improvement	257	0
Deferred Loan Cost	\$ 421	\$ 480
Deferred Bond Costs (Net)	10,461	11,206
Other Non-Current Assets	119	248
	-----	-----
TOTAL OTHER ASSETS	<u>\$11,258</u>	<u>\$11,934</u>
	=====	=====

NOTE 7 - ACCOUNTS PAYABLE:  
(In Thousands of Dollars)

	<u>1990</u>	<u>1989</u>
Accounts Payable Trade	\$10,271	\$ 8,096
Marina Slip Advance Deposits	560	0
Other	307	374
	-----	-----
TOTAL ACCOUNTS PAYABLE	<u>\$11,138</u>	<u>\$ 8,470</u>
	=====	=====

NOTE 8 - OTHER ACCRUED EXPENSES:  
(In Thousands of Dollars)

Other accrued expenses consist of:	<u>1990</u>	<u>1989</u>
Accrued Payroll & Taxes	\$ 3,661	\$ 4,117
Accrued Interest	5,677	1,775
Accrued Advertising/Promotions	666	1,767
Accrued Progressive Jackpots	1,444	1,254
Accrued Sick/Vacation	4,370	3,999
Other	482	144
	-----	-----
TOTAL OTHER ACCRUED EXPENSES	<u>\$16,300</u>	<u>\$13,056</u>
	=====	=====



NOTE 9 - OTHER CURRENT LIABILITIES  
(In Thousands of Dollars)

Other current liabilities consist of:	<u>1990</u>	<u>1989</u>
Outstanding Chip Liability	\$ 4,595	\$1,350
Outstanding Token Liability	616	311
Patron Deposits	178	250
Accrued Utilities	808	325
Accrued Group Health insurance	1,398	1,634
Accrued Insurance	2,111	1,622
A/P Other	1,341	2,320
Accrued Legal	1,915	415
Accrued CCC/DGE	156	662
Construction Retainage	383	2,154
Accrued Inventories	321	670
Accrued CRDA	88	750
Accrued 401 K	545	330
Accrued Real Estate Tax	668	350
	-----	-----
TOTAL OTHER CURRENT LIABILITIES	\$15,123	\$13,143
	=====	=====

NOTE 10 - NON-OPERATING INCOME (EXPENSE) - NET:  
(In Thousands of Dollars)

Non-operating income for the year ended December 31, 1990:

	<u>Three Months</u>	
	<u>1990</u>	<u>1989</u>
Discount Earned	\$ 0	\$ 55
Interest Income	468	468
Gain/(Loss) Disposition of Equipment	0	
Debt Restructuring (Expense)	(514)	0
	----	----
TOTAL NON-OPERATING INCOME	\$(46)	\$523
	=====	=====

Non-operating income year-to-date as of December 31, 1990:

	<u>Twelve Months</u>	
	<u>1990</u>	<u>1989</u>
Discount Earned	\$ 84	\$ 230
Interest Income	893	1,711
Gain/(Loss) Disposition of Equipment	(133)	-0-
Debt Restructuring (Expense)	(514)	-0-
	----	----
TOTAL NON-OPERATING INCOME	\$330	\$1,941
	=====	=====

NOTE 11 - COMMITMENTS AND CONTINGENCIES:

In May 1989, the New Jersey Casino Control Commission ("CCC") issued the Partnership a license to operate Trump Castle. A license is not transferable, is issued for a term of two years, and must be acted upon by the CCC no later than 30 days prior to the expiration of the license then in force. The continued operations of the Partnership are subject to its retaining its operating license. The Partnership's operating license is currently renewable in April, 1991.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY OBLIGATIONS

The New Jersey Casino Control Act requires the Partnership to make qualified investments, as defined, in New Jersey, or pay an investment alternative tax.

Commencing 12 months after the date of opening (June 17, 1985) and continuing for a period of 25 years thereafter, the Partnership must either obtain investment tax credits, as defined, in an amount equivalent to 1.25% of its gross casino revenues or pay an alternative tax of 2.5% of its gross casino revenues. Investment tax credits may be obtained by the purchase of bonds at below market interest rates from the Casino Reinvestment Development Authority (CRDA) or by making qualified investments which must be approved by the CRDA. The Partnership is required to make quarterly deposits with the CRDA to satisfy its investment obligation.

In April, 1990 the Partnership modified its agreement with the Casino Reinvestment Development Authority (CRDA) under which it is required to purchase bonds to satisfy the investment alternative tax on gross revenues.

Under the modified terms of the agreement, the Partnership has donated approximately \$9,588,000 in deposits to the CRDA in exchange for satisfaction of an equivalent amount of its prior bond purchase commitments, as well as receiving future tax credits in the amount of approximately \$4,890,000 which credits are to be utilized to satisfy substantial portions of the Partnership's investment alternative tax obligations over approximately the next four to six quarters.

As a result of this agreement, the Partnership has charged \$2,566,000 for the twelve months ending December 31, 1990 to operations, which represents application of portion of the tax credits, as well as effect below market interest rates associated with the first and second quarter bond purchase commitment.

Additionally, the Partnership charged \$1,588,000 against its 1990, results to give effect to the CRDA donation. This charge represents the write down of the net asset value of the CRDA deposits to the value of the tax credits issued to the Partnership by the CRDA.

# Trump Castle

Promotional Allowances and Expenses and number of recipients for three months ended December 31, 1990 consisted of the following:

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Amount</u>	<u>Number of Recipients</u>	<u>Amount</u>
Rooms	68,903	\$ 2,968,000	185	\$ 118,000
Food	280,441	5,169,000	---	---
Beverage	463,701	1,601,000	---	---
Travel	908	225,000	5,694	1,300,000
Cash Coupons	---	---	791,332	6,404,000
Admissions	21,301	442,000	464	251,000
Other/Gifts	2,318	126,000	19,453	1,310,000
	-----	-----	-----	-----
TOTALS	837,572	\$10,531,000	817,128	\$ 9,383,000
	=====	=====	=====	=====

## NOTE 14 - JACKPOT PAYOUTS

Jackpot payouts in the form of merchandise which are included in cost of goods and services consisted of the following:

	<u>For the Three Months Ended 12-31-90</u>		<u>For the Twelve Months Ended 12-31-90</u>	
	<u>Number of Recipients</u>	<u>Amount</u>	<u>Number of Recipients</u>	<u>Amount</u>
Motor Vehicles	2	\$ 25,774	22	\$283,514
	--	-----	--	-----
TOTALS	2	\$ 25,774	22	\$283,514
	==	=====	==	=====

## NOTE 15 - EXTRAORDINARY ITEM:

The Partnership elected to satisfy its sinking fund requirement for the Series A-1 Bonds (Note 3) through open market purchases of said bonds. Several bond purchases were made during the period of December 1989 through June 1990, at varying degrees of discount from the original face value of the bond issue. The gain generated by these discounted purchases is presented as an extraordinary item for these financial statements.

ROADWAY IMPROVEMENTS

The Partnership, along with another Atlantic City casino, has entered into a joint venture agreement with the New Jersey Department of Transportation to fund the construction of certain roadway improvements in the Atlantic City Marina District. The agreement requires that the Partnership make cash contributions totaling \$8,000,000. As of December 31, 1990, the Partnership had made contributions totaling \$3,036,000.

NOTE 12 - EMPLOYEE BENEFIT PLANS:

Effective November 1, 1986, the Company adopted a retirement savings plan for its non-union employees under Section 401K of the Internal Revenue Code. The plan allows employees of the Partnership to defer up to 15% of their income on a pre-tax basis through contributions to the plan. The Partnership will match 50% of eligible employees' contributions up to a maximum of 4% of the individual earnings. The Partnership recorded charges of approximately \$594,000 for matching contributions for the twelve months ended December 31, 1990.

The Partnership made payments to various trustee pension plans under industry-wide union agreements. The payments are based on the hours worked by or gross wages paid to covered employees. It is not practical to determine the amount of payments ultimately used to fund pension benefit plans or the current financial condition of these plans. Under the Employee Retirement Income Security Act, the Partnership may be liable for its share of the plans unfunded liability, if any, if the plans are terminated.

NOTE 13 - PROMOTIONAL ALLOWANCE AND PROMOTIONAL EXPENSES:

*Trump Castle*

Promotional Allowances and Expenses and number of recipients for twelve months ended December 31, 1990 consisted of the following:

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Amount</u>	<u>Number of Recipients</u>	<u>Amount</u>
Rooms	225,263	13,077,000	298	\$ 261,000
Food	1,345,640	20,521,000	---	---
Beverage	1,879,393	6,202,000	---	---
Travel	11,585	1,506,000	25,910	5,610,000
Cash Coupons	---	---	2,632,791	25,662,000
Admissions	127,756	2,619,000	1,062	345,000
Other/Gifts	8,520	426,000	169,933	5,072,000
	-----	-----	-----	-----
TOTALS	3,598,157	\$44,351,000	2,829,994	\$36,950,000
	=====	=====	=====	=====

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1990

(UNAUDITED)  
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks.....	\$ 7,553		
2	Returned patrons' checks.....	8,240		
3	Total patrons' checks.....	15,793	\$4,903	\$ 10,890
4	Hotel Receivables.....	1,448	281	1,167
	Other Receivables:			
5	Receivables due from officers and employees.....	18		
6	Receivables due from affiliates.....	1,111		
7	Other accounts and notes receivables.....	1,300		
8	Total other receivables.....	2,429	0	2,429
9	Totals (Form 305).....	\$19,670	\$5,184	\$ 14,486

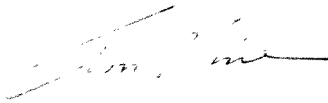
UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 8,064
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	268,334
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(193,254)
13	Checks collected through deposits.....	( 63,357)
14	Checks transferred to returned checks.....	( 12,234)
15	Other adjustments.....	0
16	Ending Balance.....	\$ 7,553
17	"Hold" Checks Included In Balance On Line 16.....	\$ 0
18	Provision For Uncollectible Patrons' Checks.....	\$ 6,327
19	Provision As A Percent Of Counter Checks Issued.....	2.4 %

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :  
: ss.  
COUNTY OF ATLANTIC :

Thomas P. Venier , being duly sworn according to law upon my oath deposes and says:

1. I have examined this Annual Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Annual Report is accurate to the best of my knowledge and belief.



Signature

Vice President Finance

Title

00711-11

License Number

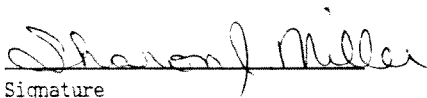
Subscribed and sworn to before

On Behalf Of:

me this 15<sup>th</sup> day

of March, 1991

Trump Castle Hotel & Casino  
Casino Licensee

  
Signature

SHARON J. MILLER  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires JUNE 18, 1991  
Basis of Authority to Take Oaths

# GROSS REVENUE ANNUAL TAX RETURN

LICENSEE TRUMP CASTLE HOTEL & CASINO

ADDRESS Huron Ave. & Brigantine Ave.  
Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1990

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE  
OF CORRESPONDENCE REGARDING  
THIS ANNUAL TAX RETURN

Thomas P. Venier

OFFICIAL TITLE.....

Vice President Finance

ADDRESS .....

Huron Ave. & Brigantine Blvd.

Atlantic City, NJ 08401



# GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 90

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue .....	\$ 98,346	
2	Coin-operated devices revenue .....	135,523	
3	Total revenues .....		\$ 233,869
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks .....	\$ 6,327	
5	Maximum adjustment (4% of line 3) .....	\$ 9,355	
6	Adjustment (the lesser of line 4 or line 5) .....		6,327
7	Gross revenues (line 3 less line 6) .....		\$ 227,542
8	Tax on gross revenues - current year (8% of line 7) .....		\$ 18,203
9	Audit or other adjustments to tax on gross revenues in prior years .....		0
10	Total tax on gross revenues (line 8 plus or minus line 9) .....		18,203
	Deposits made for tax on current year's gross revenues:		
11	January .....	\$ 1,548	
12	February .....	1,787	
13	March .....	1,871	
14	April .....	1,377	
15	May .....	1,220	
16	June .....	1,817	
17	July .....	1,542	
18	August .....	1,772	
19	September .....	1,319	
20	October .....	1,266	
21	November .....	1,587	
22	December .....	1,021	
23	January .....	76	
24	Total deposits made for tax on current year's gross revenues .....		( 18,203 )
	Settlement of prior years' tax on gross revenues		
25	resulting from audit or other adjustments - (deposits) credits .....		0
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25) .....		\$ 0

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

**LICENSEE** TRUMP CASTLE ASSOCIATES

**ADDRESS** Huron Avenue & Brigantine Blvd.

Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 19 90

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



**NAME OF OFFICER IN CHARGE  
OF CORRESPONDENCE REGARDING  
THIS ANNUAL EMPLOYMENT  
AND PAYROLL REPORT.....**

Thomas P. Venier

**OFFICIAL TITLE .....**

Vice President of Finance

**ADDRESS .....**

Huron Avenue & Brigantine Blvd.

Atlantic City, NJ 08401

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 **90**  
 (\$ in Thousands)


LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	(d) OTHER EMPLOYEES	SALARIES AND WAGES (e) OFFICERS & OWNERS	(f) TOTALS
	<b>CASINO</b>				
1	Administration .....	18			
2	Gaming .....	525			
3	Slots .....	277			
4	Casino accounting .....	49			
5	Other .....	202			
6	Total-casino .....		\$ 27,829,000	\$	\$ 27,829,000
7	<b>ROOMS</b> .....	294	4,662,000		4,662,000
8	<b>FOOD AND BEVERAGE</b> .....	818	14,335,000		14,335,000
	<b>OTHER OPERATED DEPARTMENTS</b>				
9	Telephone .....	17	317,000		317,000
10	Beauty Salon .....	3	100,000		100,000
11	Gift Shop .....	20	265,000		265,000
12	Transportation .....	170	1,944,000		1,944,000
13	Uniforms .....	27	456,000		456,000
14	Health Club .....	2	72,000		72,000
15	Marina .....	84	564,000		564,000
16	Environmental Services .....	183	3,001,000		3,001,000
17	Print Shop .....	16	394,000		394,000
18					
19					
	<b>ADMINISTRATIVE AND GENERAL</b>				
20	Executive office .....	18		3,115,000	3,115,000
21	Accounting and auditing .....	213	3,665,000		3,665,000
22	Security & Surveillance .....	195	4,278,000		4,278,000
23	Other administrative and general department ..	45	1,391,000		1,391,000
24	<b>MARKETING</b> .....	67	1,708,000		1,708,000
25	<b>GUEST ENTERTAINMENT</b> .....	32	1,404,000		1,404,000
26	<b>PROPERTY OPERATION AND MAINTENANCE</b> .....	109	3,425,000		3,425,000
27	<b>TOTALS - ALL DEPARTMENTS</b> .....	3,384	\$ 69,810,000	\$ 3,115,000	\$ 72,925,000

Trading Name of Licensee Trump Castle Associates

ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE

For the Year Ended December 31, 1990

March 14, 1991  
Date

  
Signature

Vice President of Finance  
Title