

QUARTERLY REPORT

LICENSEE Trump's Castle Associates
ADDRESS Huron Avenue & Brigantine Boulevard
Atlantic City, NJ 08401

FOR THE QUARTER ENDED December 31, 1992

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . .

Thomas P. Venier

OFFICIAL TITLE

Sr. Vice President of Finance

ADDRESS

Huron Avenue & Brigantine Boulevard

Atlantic City, NJ 08401

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 1992

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-205
Statements of Income (Twelve Months)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Promotional Allowances and Expenses	CCC-245
Statement of Conformity and Accuracy	CCC-250

BALANCE SHEETS

DECEMBER 31, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
ASSETS			
	Current Assets:		
1	Cash		
2	Marketable securities	\$23,810	\$14,970
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1992, \$2,720; 1991, \$3,104)	0	0
4	Inventories	6,942	7,796
5	Prepaid expenses and other current assets	2,160	1,851
		3,254	3,749
6	Total current assets	36,166	28,366
7	Investments, Advances, And Receivables	2,213	844
8	Property And Equipment - Gross	483,057	474,483
9	(Accumulated Depreciation/Amortization)	(142,674)	(123,306)
10	Other Assets	783	10,914
11	Total Assets	\$379,545	\$391,301
LIABILITIES AND EQUITY			
	Current Liabilities:		
12	Accounts payable	\$5,221	\$6,328
13	Notes payable	0	13,000
	Current portion of long-term debt:		
14	Due to affiliates	0	318,818
15	Other	0	50,000
16	Income taxes payable and accrued	0	0
17	Other accrued expenses	20,154	52,540
18	Other current liabilities	13,922	14,016
19	Total current liabilities	39,297	454,702
	Long-Term Debt:		
20	Due to affiliates	234,445	0
21	Other	45,000	0
22	Deferred Credits	0	0
23	Other Liabilities	7	7
24	Commitments And Contingencies		
25	Total Liabilities	318,749	454,709
26	Stockholders', Partners', Or Proprietor's Equity	60,796	(63,408)
27	Total Liabilities and Equity	\$379,545	\$391,301

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:		
1	Casino.....		
2	Rooms	\$242,008	\$195,996
3	Food and beverage	17,786	16,599
4	Other	34,569	32,963
5	Total revenue	8,151	10,058
6	Less: Promotional allowances	302,514	255,616
7	Net revenue	33,864	32,465
		268,650	223,151
	Costs And Expenses:		
8	Cost of goods and services		
9	Selling, general, and administrative	152,429	133,671
10	Provision for doubtful accounts	76,406	60,652
11	Total costs and expenses	2,289	2,946
12	Gross Operating Profit	231,124	197,269
13	Depreciation and amortization	37,526	25,882
	Charges from affiliates other than interest:		
14	Management fees	19,802	21,414
15	Other	1,028	0
16	Income (Loss) From Operations	0	0
		16,696	4,468
	Other Income (Expenses):		
17	Interest (expense) – affiliates.....		
18	Interest (expense) – external	(40,962)	(42,345)
19	Investment alternative tax and related income (expense) – net.....	(4,398)	(6,031)
20	Nonoperating income (expense) – net	(1,335)	(2,348)
21	Total other income (expenses)	(5,485)	(3,943)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(52,180)	(54,667)
23	Provision (credit) for income taxes	(35,484)	(50,199)
24	Income (Loss) Before Extraordinary Items	0	0
25	Extraordinary items (net of income taxes – 1992, \$ 126,837,000; 1991, \$0)	(35,484)	(50,199)
26	Net Income (Loss)	126,837	0
		\$91,353	(\$50,199)

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Revenue:		
1	Casino.....		
2	Rooms	\$57,599	\$49,240
3	Food and beverage	4,132	4,079
4	Other	7,849	7,995
5	Total revenue	1,779	1,611
6	Less: Promotional allowances	71,359	62,925
7	Net revenue	7,530	8,185
		63,829	54,740
	Costs And Expenses:		
8	Cost of goods and services		
9	Selling, general, and administrative	38,805	33,821
10	Provision for doubtful accounts	18,634	15,620
11	Total costs and expenses	362	749
12	Gross Operating Profit	57,801	50,190
13	Depreciation and amortization	6,028	4,550
	Charges from affiliates other than interest:		
14	Management fees	4,584	5,331
15	Other		
16	Income (Loss) From Operations	425	0
		0	0
	Income (Loss) From Operations	1,019	(781)
	Other Income (Expenses):		
17	Interest (expense) – affiliates.....(NOTE 3,5)....	(10,073)	(10,560)
18	Interest (expense) – external	(1,048)	(1,442)
19	Investment alternative tax and related income (expense) – net.....(NOTE 11)....	(146)	(463)
20	Nonoperating income (expense) – net	187	(1,514)
21	Total other income (expenses)	(11,080)	(13,979)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(10,061)	(14,760)
23	Provision (credit) for income taxes	0	0
24	Income (Loss) Before Extraordinary Items	(10,061)	(14,760)
25	Extraordinary items (net of income taxes – 1992, \$0; 1991, \$0)	0	0
26	Net Income (Loss)	(\$10,061)	(\$14,760)

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 TWELVE MONTHS ENDED DECEMBER 31, 1992 and 1991

NOT APPLICABLE

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1991		1990	
		(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.....		\$ N/A		\$ N/A

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 TWELVE MONTHS ENDED DECEMBER 31, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Invested Capital:		
1	Beginning balance (January 1)	\$71,196	\$71,196
2	Additional capital invested	32,851	0
3	.....	0	0
4	Ending balance	104,047	71,196
	Accumulated Income (Loss):		
5	Beginning balance (January 1)	(96,154)	(45,955)
6	Prior period adjustments	0	0
7	Net income (loss)	91,353	(50,199)
8	.....	0	0
9	Ending balance	(4,801)	(96,154)
	Capital Withdrawals:		
10	Beginning balance (January 1)	(38,450)	(38,450)
11	Additional capital withdrawals	0	0
12	.....	0	0
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	\$60,796	(\$63,408)

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 TWELVE MONTHS ENDED DECEMBER 31, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
1	Net Cash Provided (Used) By Operating Activities	(\$16,946)	\$12,802
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....	0	0
3	Proceeds from the sale of short-term investment securities.....	0	0
4	Cash outflows for property and equipment.....	(8,574)	(7,329)
5	Proceeds from disposition of property and equipment.....	0	1,841
6	Purchase of casino reinvestment obligations.....	(1,561)	(388)
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.....	0	0
9	Cash outflows to acquire business entities.....	0	0
10	Redemption of A-1 Bonds.....	0	0
11	.....	0	0
12	Net Cash Provided (Used) By Investing Activities.....	(10,135)	(5,876)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	0	0
14	Payments to settle short-term debt.....	0	0
15	Cash proceeds from issuance of long-term debt.....	3,070	0
16	Costs of issuing debt.....	0	0
17	Payments to settle long-term debt.....	0	0
18	Cash proceeds from issuing stock or capital contributions.....	0	0
19	Purchases of treasury stock.....	0	0
20	Payments of dividends or capital withdrawals.....	32,851	0
21	.....	0	0
22	.....	0	0
23	Net Cash Provided (Used) By Financing Activities.....	35,921	0
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	8,840	6,926
25	Cash And Cash Equivalents At Beginning Of Period.....	14,970	8,044
26	Cash And Cash Equivalents At End Of Period.....	\$23,810	\$14,970

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For: Interest (net of amount capitalized).....	\$8,172	\$7,786
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 TWELVE MONTHS ENDED DECEMBER 31, 1992 and 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1992	(d) 1991
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$91,353	(\$50,199)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	19,367	20,903
31	Amortization of other assets.....	435	933
32	Amortization of debt discount or premium.....	6,617	2,904
33	Deferred income taxes – current.....	0	0
34	Deferred income taxes – noncurrent.....	0	0
35	(Gain) loss on disposition of property and equipment.....	(44)	(51)
36	(Gain) loss on casino reinvestment obligations.....	1,335	2,348
37	(Gain) loss from other investment activities.....	0	0
38	Net (increase) decrease in receivables and patrons' checks.....	854	6,689
39	Net (increase) decrease in inventories.....	(309)	922
40	Net (increase) decrease in other current assets.....	495	(1,381)
41	Net (increase) decrease in other assets.....	(961)	(589)
42	Net increase (decrease) in accounts payables.....	(1,107)	(4,809)
43	Net increase (decrease) in other current liabilities excluding debt.....	(6,794)	35,133
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	0	(1)
45		(128,187)	0
46		0	0
47	Net Cash Provided (Used) By Operating Activities.....	(\$16,946)	\$12,802

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$8,574	\$7,329
49	Less: Capital lease obligations incurred.....	0	0
50	Cash Outflows For Property And Equipment.....	\$8,574	\$7,329
	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	\$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

TRUMP'S 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 formed as a limited partnership in 1985 for the sole purpose of acquiring and operating Trump's Castle Casino Resort by the Bay ("Trump's Castle"). The Partnership converted to a general partnership in February 1992. The current partners and their respective ownership interests are Donald J. Trump, 49.995%, the Managing General Partner, Trump's Castle Hotel and Casino, Inc. ("TCHC"), .01% and TC/GP, Inc. ("TC/GP"), 49.995%.

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. However, no provision for state income taxes has been reflected in the accompanying financial statements, since the Partnership has experienced operating losses during the periods contained in this report.

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 \$2,720,000 through December 31, 1992.

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.

NOTE 2 - PROPERTY AND EQUIPMENT:

Property and equipment as of December 31:

	<u>1992</u>	<u>1991</u>
	(In thousands)	
Land	\$ 36,223	\$ 33,431
Buildings	235,170	235,170
Furniture, Fixtures and Equipment	97,052	94,298
Construction in Progress	2,401	324
Building/Leasehold Improvements	112,211	111,260
TOTAL	<u>\$483,057</u>	<u>\$474,483</u>
Less Accumulated Depreciation	(142,674)	(123,306)
Net Property and Equipment	<u><u>\$340,383</u></u>	<u><u>\$351,177</u></u>

NOTE 3 - LONG TERM DEBT:

Trump's Castle Funding (the "Company") was incorporated on May 28, 1985 solely to serve as a financing company to raise funds through the issuance of its 13-3/4% First Mortgage Bonds, Series A-1, due 1997 (the "Series A-1 Bonds") and 7% First Mortgage Bonds, Series A-2, due 1999 (the "Series A-2 Bonds," and together with the Series A-1 Bonds, the "Old Bonds"), the proceeds of which were loaned to the Partnership. In return for such proceeds, the Partnership issued a promissory note (the "Old Partnership Note") to the Company in a principal amount equal to the aggregate principal amount of the Old Bonds and with similar payment terms. In addition, the Partnership directly guaranteed the payment of the principal of, premium, if any, and interest on the Old Bonds (the "Old Guaranty"). On the Effective Date, the Old Partnership

Note and Old Guaranty were discharged, the Partnership issued a new promissory note (the "Partnership Note") and a new guaranty (the "Guaranty") and the Old Bonds were exchanged for the Company's 9.50% Mortgage Bonds, due 1998 (the "New Bonds") and shares of common stock of TC/GP (the "Common Stock").

On March 9, 1992, the Company, the Partnership, and its general partners filed a voluntary petition for relief under Chapter 11 of title 11, United States Code (the "Bankruptcy Code") and filed a Plan of Reorganization (the "Plan"). The Plan was confirmed by the Bankruptcy Court on May 5, 1992 and the Plan was consummated on May 29, 1992 (the "Effective Date"). Pursuant to the terms of the Plan, the Old Bonds were exchanged for the New Bonds and Common Stock (Note 3) and certain modifications were made to the terms of the bank borrowings (Note 4), and amounts owed to Donald J. Trump (Note 5). The issuance of the Common Stock resulted in approximately 50% of the beneficial ownership interest in the Partnership being transferred to the holders of Old Bonds.

In accordance with AICPA Statement of Position 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," the New Bonds have been stated at the present value of amounts to be paid, determined at current interest rates (effective rate of approximately 17.5%). The effective interest rate of the New Bonds was determined based on the trading price of the New Bonds for a specific period. Stating the debt at its present value resulted in a reduction of approximately \$96,896,000 in the carrying amount of the New Bonds. This gain will be offset by increased interest costs over the period of the New Bonds to accrete such bonds to their face value at maturity.

On the Effective Date, TC/GP received a 50% beneficial interest in Trump's Castle Hotel & Casino, Inc., a partner in the Partnership, and was admitted as a partner in the Partnership, giving TC/GP a 50% beneficial interest in the Partnership. On the Effective Date, the partners executed the Amended and Restated Partnership Agreement (the "Partnership Agreement"), which provides, among other things, for a Board of Partners Representatives (the "Board") to oversee the business and operations of the Partnership. Pursuant to the terms of the Partnership Agreement, Donald J. Trump was appointed the Managing General Partner of the Partnership responsible for its day-to-day operations, and has the right to appoint four of the seven members of the Board; the remaining members of the Board are appointed by TC/GP through the holders of its Common Stock. Upon the occurrence of certain events, TC/GP has the right to appoint four members to the Board, and Donald J. Trump has the right to appoint three.

The Plan resulted in an extraordinary gain totaling approximately \$128,187,000, including the \$96,896,000 discussed above, \$18,000,000 representing the forgiveness of the bank debt (Note 3), and \$22,805,000 representing a discharge of accrued interest and accretion on indebtedness, less the write-off of unamortized loan issuance costs of \$9,514,000. On the Effective

Date, 35,447 of additional units (Note 3) were issued in lieu of the Bond Carryforward Amount and the Effective Date Amount, as defined. Additionally, the Plan resulted in a discharge of related party indebtedness in the approximate amount of \$33,325,000 which has been accounted for as a contribution to capital (Note 5).

Upon consummation of the Plan on May 29, 1992, each \$1,000 principal amount of the Company's Series A-1 Bonds or \$1,000 accreted amount as of December 15, 1990 of Series A-2 Bonds was exchanged for a Unit consisting of \$1,000 in principal amount of the Company's New Bonds, together with one share of the Common Stock of TC/GP and certain other payments. The New Bonds and Common Stock trade together as a Unit and may not be transferred separately, except upon the occurrence of certain events. The New Bonds bear interest at 9.50% per annum from the date of issuance, payable semi-annually on each February 15 and August 15, commencing August 15, 1992. The Company is required to pay interest in cash to holders of New Bonds outstanding on the immediately preceding August 1 or February 1 at varying rates per annum (the "Mandatory Cash Amounts") as follows:

<u>Period</u>	<u>Mandatory Cash Rate (Per Annum)</u>
From issuance to August 15, 1992	5.00%
From August 15, 1992 to February 15, 1993	6.00
From February 15, 1993 to August 15, 1993	7.00
From August 15, 1993 to February 15, 1994	8.00
From February 15, 1994 and thereafter	9.50

For interest payment dates on or before February 15, 1994, the difference between interest calculated at the rate of 9.50% per annum and the Mandatory Cash Amount (the "Additional Amount") is payable to holders of New Bonds in cash to the extent that Excess Available Cash, as defined, of the Partnership is available for such purpose and in additional Units to the extent that Excess Available Cash is less than the Additional Amount.

The New Bonds are secured by an assignment to First Bank National Association, the trustee under the indenture pursuant to which the New Bonds were issued (the "Indenture"), of a promissory note of the Partnership to the Company (the "Partnership Note") in an amount and with payment terms necessary to service the New Bonds. The Partnership Note is secured by a mortgage on Trump Castle and substantially all of the other assets of the Partnership (the "Mortgage"). The New Bonds are guaranteed as to payment of principal and interest, on a nonrecourse basis by the Partnership and are secured by a mortgage on the Partnership's real property.

The New Bonds are subject to redemption at any time, in whole, but not in part, at specified prices. Upon the redemption

of the New Bonds, the Common Stock will cease to trade as a Unit with the New Bonds, and will trade separately.

NOTE 4 - BANK BORROWINGS:

On February 16, 1988, the Company and the Partnership entered into a \$50,000,000 revolving credit facility with Midlantic National Bank ("Midlantic"), later converted to a term loan in August 1990 ("Term Loan") to finance a portion of the cost of constructing a helipad on the roof of Trump's Castle's parking garage and a new hotel tower, including a ballroom. In June 1990, the Partnership borrowed \$13,000,000 from Midlantic under an unsecured line of credit pursuant to a grid note (the "Grid Note"). Pursuant to the Plan, the terms of both of these loans were modified. The restructured Term Loan bears interest at 9% per annum over the first three years and will adjust to a market rate if the maturity thereof is extended in accordance with its terms. Additionally, the principal amount of the Term Loan was reduced to \$38,000,000. The amended Term Loan will mature three years from the Effective Date and is secured by a mortgage lien on Trump's Castle that is prior to the lien securing the New Bonds. The restructured Grid Note bears interest at 8.5% per annum for the first three years and will be adjusted to a market rate if the maturing thereof is extended in accordance with its terms. The outstanding principal amount of the Grid Note has been reduced to \$7,000,000 and the Grid Note has been converted into a demand note, although Midlantic has agreed not to demand payment for a period of three years from the Effective Date so long as no Event of Default has occurred thereunder.

NOTE 5 - OTHER BORROWINGS:

The Partnership borrowed \$28,264,878 from Donald J. Trump, one of its general partners which included \$9,889,000 of Series A-1 Bonds (face value \$12,480,000) the proceeds of which were used to partially satisfy the June 1990 interest and sinking fund requirements of the Old Bonds. Pursuant to the Plan the above obligations were canceled and contributed to capital and Donald J. Trump received in exchange thereof a priority interest in the Partnership (the "Trump Priority Interest"). The Trump Priority Interest will initially be \$15,000,000 and the Partnership will be required to pay a priority return thereon semi-annually at a rate per annum of up to 9.50%. The priority return on capital will be paid currently out of certain cash in excess of the First Tier Sweep Amount, as defined, or under certain circumstances, the Third Tier Sweep Amount, as defined. To the extent not paid in full, the Trump Priority Interest will be entitled to a priority distribution upon dissolution of the Partnership.

In December 1990, Fred Trump, the father of Donald J. Trump, placed \$3,500,000 in cash on deposit with the Partnership's casino cage, which was recorded by the Partnership as a gaming patron deposit. Counter checks totaling \$3,500,000 were issued against the deposit, for which Fred Trump received gaming chips valued at \$3,500,000. To date, Fred Trump has redeemed \$1,000,000 of the

gaming chips for cash. The balance of these gaming chips were included in the outstanding chip liability on the Partnership's books at December 31, 1992. Any subsequent redemption of the remaining outstanding gaming chips will be done in accordance with the Indenture.

NOTE 6 - OTHER ASSETS - (NET):

	<u>1992</u>	<u>1991</u>
	(In thousands)	
Deferred Loan Cost	\$ 0	\$ 362
Deferred Bond Costs (Net)	0	9,587
Other Non-Current Assets	783	965
Deferred Marina Improvement	0	0
	-----	-----
TOTAL OTHER ASSETS	\$ 783	\$10,914
	=====	=====

NOTE 7 - ACCOUNTS PAYABLE:

	<u>1992</u>	<u>1991</u>
	(In thousands)	
Accounts Payable Trade	\$ 4,484	\$ 5,611
Patron Deposits	689	678
Other	48	39
	-----	-----
TOTAL ACCOUNTS PAYABLE	\$ 5,221	\$ 6,328
	=====	=====

NOTE 8 - OTHER ACCRUED EXPENSES:

	<u>1992</u>	<u>1991</u>
	(In thousands)	
Accrued Payroll & Taxes	\$ 3,267	\$ 2,793
Accrued Interest	11,713	43,249
Accrued Advertising/Promotions	45	203
Accrued Progressive Jackpots	287	1,941
Accrued Sick/Vacation	4,344	3,978
Other	498	376
	-----	-----
TOTAL OTHER ACCRUED EXPENSES	\$20,154	\$52,540
	=====	=====

NOTE 9 - OTHER CURRENT LIABILITIES:

	<u>1992</u>	<u>1991</u>
	(In thousands)	
Outstanding Chip Liability	\$ 3,765	\$ 5,486
Outstanding Token Liability	350	628
Patron Deposits	67	119
Accrued Utilities	11	1,471
Accrued Group Health insurance	1,555	1,615
Accrued Insurance	\$ 3,381	\$ 1,107
A/P Other	3,326	2,746
Accrued Legal	350	294
Accrued CCC/DGE	257	261
Construction Retainage	30	0
Accrued Inventories	225	176
Accrued CRDA	605	113
	-----	-----
TOTAL OTHER CURRENT LIABILITIES	<u>\$13,922</u>	<u>\$14,016</u>

NOTE 10 - NON-OPERATING INCOME (EXPENSES) - NET:

Non-operating income for quarter ended December 31, 1992:

	<u>Three Months</u>	
	<u>1992</u>	<u>1991</u>
	(In thousands)	
Discount Earned	\$ 0	\$ 0
Interest Income	187	132
Gain/(Loss) Disp. of Equipment	0	0
Debt Restructuring	0	(1,646)
	-----	-----
	<u>\$ 187</u>	<u>\$(1,514)</u>

Non-operating income for nine months ended December 31, 1992:

	<u>Twelve Months</u>	
	<u>1992</u>	<u>1991</u>
	(In thousands)	
Discount Earned	\$ 0	\$ 0
Interest Income	497	505
Gain/(Loss) Disp. of Equipment	0	51
Debt Restructuring	(5,982)	(4,499)
	-----	-----
	<u>\$ (5,485)</u>	<u>\$(3,943)</u>

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.

On May 8, 1991, the CCC renewed the casino license of the Partnership through May 16, 1993, subject to the conditions that both the Partnership and Donald J. Trump demonstrate their financial stability through May 16, 1993 at a subsequent CCC proceeding. On June 20, 1991, the CCC determined that Donald J. Trump, as a natural person qualifier, had by clear and convincing evidence established his financial stability, integrity, and responsibility through May 16, 1993 but required that by July 31, 1991 Donald J. Trump file with the CCC and the Division final executed contracts effectuating agreements with certain lender banks to which Donald J. Trump and certain of his Affiliates are a party. On June 26, 1991, the CCC required that the Partnership (a) by July 31, 1991 agree upon definitive documentation reflecting a previously agreed upon outline of principal terms; (b) by July 31, 1991 file with the SEC the Registration Statement outlining a Plan of Reorganization; and (c) within forty-five days of the registration Statement being declared effective by the SEC, file a Petition with the United States Bankruptcy Court for approval of the Plan. On March 9, 1992, the Company, the Partnership, and its general partners filed a voluntary petition for relief under Chapter 11 of title 11, United States Code (the "Bankruptcy Code") and filed a Plan of Reorganization (the "Plan"). The Plan was confirmed by the Bankruptcy Court on May 5, 1992 and the Plan was consummated on May 29, 1992 (the "Effective Date"). Pursuant to the terms of the Plan, the Old Bonds were exchanged for the New Bonds and Common Stock (Note 3) and certain modifications were made to the terms of the bank borrowings (Note 4), and amounts owed to Donald J. Trump (Note 5). The issuance of the Common Stock resulted in approximately 50% of the beneficial ownership interest in the Partnership being transferred to the holders of Old Bonds.

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 three to four quarters.

The Partnership made an additional donation of its existing CRDA deposits during the third quarter of 1991, totaling approximately \$524,000, in exchange for satisfaction of an equivalent amount of its prior bond purchase commitments, in addition to receiving future tax credits totaling approximately \$267,000.

As a result of this agreement, the Partnership has charged \$1,048,000 for the twelve months ending December 31, 1992 to operations, which represents application of a portion of the tax credits, as well as the effect of below market interest rates associated with the bond purchase commitment.

Additionally, the Partnership has charged \$278,000 and \$257,000 respectively to its second quarter of 1992 and 1991 results to give effect to the CRDA donations. These charges represent the write down of the asset value of the CRDA deposits to the value of the tax credits issued to the Partnership by the CRDA.

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, 1992, the Partnership had made contributions totaling approximately \$7,316,000.

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 an individual's earnings. Effective January 1, 1992, the Partnership will match 50% of eligible employees' contributions up to a maximum of 5% of an individual's earnings.

The Partnership recorded charges of approximately \$747,000 for matching contributions for the twelve months ended December 31, 1992.

The Partnership made payments to various trusted 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 - JACKPOT PAYOUTS:

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

For The Three Months
Ended 12/31/92

	<u>Number of Recipients</u>	<u>Amount</u>
Motor Vehicles	0	\$ 0
	--	-----
TOTALS	0	\$ 0
	==	=====

For The Twelve Months
Ended 12/31/92

	<u>Number of Recipients</u>	<u>Amount</u>
Motor Vehicles	0	\$ 0
	--	-----
TOTALS	0	\$ 0
	==	=====

NOTE 14 - EXTRAORDINARY ITEM:

Since June 1990, various purported class actions have been commenced on behalf of the holders of Trump's Castle Bonds and the publicly traded bonds of the Other Trump Casinos. Pursuant to an Order of the New Jersey District Court, on or about March 1, 1991, plaintiffs in the class actions filed an amended and consolidated complaint that superseded the complaints originally filed in those three actions. On July 30, 1991, counsel for the parties in the above litigation reached an agreement in principal pursuant to which Trump's Castle Associates created a settlement fund in the amount of \$1,350,000 in cash. This settlement fund is presented as an extraordinary item for these financial statements.

The Plan resulted in an extraordinary gain totaling approximately \$128,187,000, including the \$96,896,000 discussed above, \$18,000,000 representing the forgiveness of the bank debt (Note 3), and \$23,805,000 representing a discharge of accrued interest and accretion on indebtedness, less the write-off of unamortized loan issuance costs of \$9,514,000. On the Effective Date, 35,447 of additional units (Note 3) were issued in lieu of the Bond Carryforward Amount and the Effective Date Amount, as defined. Additionally, the Plan resulted in a discharge of related party indebtedness in the approximate amount of \$33,325,000 which has been accounted for as a contribution to capital (Note 5).

NOTE 15 - RELATED PARTY TRANSACTIONS:

The Partnership has recorded expenses for the three months ended June 30, 1992 and 1991 from Trump's Castle Management Corp. ("TCM") as follows:

<u>Affiliate</u>	<u>Transaction</u>	<u>Three Months</u>	
		<u>1992</u>	<u>1991</u>
		(In Thousands)	
Trump's Castle Management Corp.	Management Fee	\$ 425	\$ 0
		=====	=====

<u>Affiliate</u>	<u>Transaction</u>	<u>Twelve Months</u>	
		<u>1992</u>	<u>1991</u>
		(In Thousands)	
Trump's Castle Management Corp.	Management Fee	\$1,028	\$ 0
		=====	=====

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1992

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE-- (e) NET OF ALLOWANCE
1	Patrons' Checks:			
	Undeposited patrons' checks	\$3,769		
2	Returned patrons' checks	3,525		
3	Total patrons' checks	7,294	\$2,612	\$4,682
4	Hotel Receivables	801	108	693
	Other Receivables:			
5	Receivables due from officers and employees	5		
6	Receivables due from affiliates	772		
7	Other accounts and notes receivables	790		
8	Total other receivables	1,567	0	1,567
9	Totals (Form 305)	\$9,662	\$2,720	\$6,942

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$4,204
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	157,634
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).....	(119,764)
13	Checks collected through deposits	(33,540)
14	Checks transferred to returned checks	(4,765)
15	Other adjustments	0
16	Ending Balance	\$3,769
17	*Hold* Checks Included In Balance On Line 16	\$0
18	Provision For Uncollectible Patrons' Checks	2,030
19	Provision As A Percent Of Counter Checks Issued	1.3%

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1992

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
ROOMS	137,153	11,023,000	0	0
FOOD	1,133,867	17,008,000	0	0
BEVERAGE	1,054,353	4,481,000	0	0
TRAVEL	0	0	38,606	6,756,000
COIN	0	0	0	0
COUPON	0	0	2,923,906	25,764,000
ENTERTAINMENT	43,600	1,090,000	390	12,839
RETAIL & GIFTS	47,800	239,000	0	0
OTHER	4,600	23,000	32,420	1,621,000
TOTAL	2,421,373	\$33,864,000	2,995,322	\$34,153,839

FOR THE THREE MONTHS ENDED DECEMBER 31, 1992

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
ROOMS	22,820	2,448,000	0	0
FOOD	242,067	3,632,000	0	0
BEVERAGE	260,471	1,107,000	0	0
TRAVEL	0	0	9,892	1,731,000
COIN	0	0	0	0
COUPON	0	0	764,991	6,384,000
ENTERTAINMENT	11,360	284,000	134	3,873
RETAIL & GIFTS	11,000	55,000	0	0
OTHER	800	4,000	10,720	536,000
TOTAL	548,518	\$7,530,000	785,737	\$8,654,873

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



Signature

Sr. Vice President Finance

Title

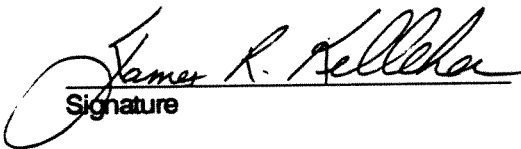
00711-11

License Number

Subscribed and sworn to

before me this 12th day

of March, 1993



Signature

On behalf Of:

Trump's Castle Hotel & Casino
Casino Licensee

Basis of Authority
to Take Oaths

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE Trump's Castle Casino Resort
ADDRESS Huron Avenue & Brigantine Blvd.
Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 192

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.....

Sr. Vice President of Finance

ADDRESS.....

Huron Ave., & Brigantine Blvd.

Atlantic City, New Jersey 08401

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 92
 (\$ in thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	(d) OTHER EMPLOYEES	SALARIES AND WAGES (e) OFFICERS & OWNERS	TOTAL (f)
	CASINO				
1	Administration	13			
2	Gaming	490			
3	Slots	359			
4	Casino accounting	29			
5	Other	198			
6	Total-casino		\$ 30,441	\$ 0	\$ 30,441
7	ROOMS	266	4,727		4,727
8	FOOD AND BEVERAGE	796	12,979		12,979
	OTHER OPERATED DEPARTMENTS				
9	Communication/PBX	17	307		307
10	Retail Shops	20	368		368
11	Garage	41	658		658
12	Wardrobe	21	440		440
13	Health Club	3	68		68
14	Marina Operations	5	190		190
15	Environmental Services	155	3,023	0	3,023
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	12	0	2,283	2,283
21	Accounting and auditing	206	4,682	0	4,682
22	Security	199	4,266		4,266
23	Other administrative and general department	43	975		975
24	MARKETING	69	2,208	0	2,208
25	GUEST ENTERTAINMENT	17	863		863
26	PROPERTY OPERATION AND MAINTENANCE	122	4,011	0	4,011
27	TOTALS - ALL DEPARTMENTS	3,061	\$ 70,206	\$ 2,283	\$ 72,489

Trading Name of Licensee Trump's Castle Casino Resort

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 1992

3/11/93

Date

Tom Vane

Signature

Sr. Vice President of Finance
Title

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL AND CASINO

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 92

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)	\$ 77,734	
1	Table games revenue	162,620	
2	Coin-operated devices revenue		\$ 240,354
3	Total revenues		
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 2,030	
5	Maximum adjustment (4% of line 3)	\$ 9,614	2,030
6	Adjustment (the lesser of line 4 or line 5)		\$ 238,324
7	Gross revenues (line 3 less line 6)		\$ 19,066
8	Tax on gross revenues - current year (8% of line 7)		0
9	Audit or other adjustments to tax on gross revenues in prior years		19,066
10	Total tax on gross revenues (line 8 plus or minus line 9)		
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 1,409	
12	February	1,516	
13	March	1,495	
14	April	1,363	
15	May	1,551	
16	June	1,509	
17	July	1,992	
18	August	1,913	
19	September	1,740	
20	October	1,697	
21	November	1,614	
22	December	1,267	
23	January	0	
24	Total deposits made for tax on current year's gross revenues		(19,066)
	Settlement of prior years' tax on gross revenues		0
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)		