

ANNUAL REPORT

LICENSEE TRUMP'S CASTLE ASSOCIATES

ADDRESS Huron Avenue & Brigantine Boulevard
Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1991

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

Sr. Vice President Finance

ADDRESS

Huron Avenue & Brigantine Boulevard

Atlantic City, NJ 08401

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FOR THE YEAR ENDED DECEMBER 31, 1991

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BALANCE SHEETS

DECEMBER 31, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	ASSETS		
	Current Assets:		
1	Cash	\$14,970	\$8,044
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1991, \$3,104; 1990, \$5,184)	7,796	14,486
4	Inventories	1,851	2,773
5	Prepaid expenses and other current assets	3,749	4,112
6	Total current assets	28,366	29,415
7	Investments, Advances, And Receivables	844	1,061
8	Property And Equipment – Net	351,177	366,540
9	Other Assets	10,914	11,258
10	Total Assets	\$391,301	\$408,274
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts payable	\$6,328	\$11,138
12	Notes payable	13,000	13,000
	Current portion of long-term debt:		
13	Due to affiliates	318,818	315,914
14	Other	50,000	50,000
15	Income taxes payable and accrued	0	0
16	Other accrued expenses	52,540	16,300
17	Other current liabilities	14,016	15,123
18	Total current liabilities	454,702	421,475
	Long-Term Debt:		
19	Due to affiliates	0	0
20	Other	0	0
21	Deferred Credits	0	0
22	Other Liabilities	7	8
23	Commitments And Contingencies		
24	Total Liabilities	454,709	421,483
25	Stockholders', Partners', Or Proprietor's Equity	(63,408)	(13,209)
26	Total Liabilities and Equity	\$391,301	\$408,274

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 YEARS ENDED DECEMBER 31, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino.....	\$195,996	\$233,679
2	Rooms	16,599	21,863
3	Food and beverage	32,963	41,289
4	Other	10,058	13,765
5	Total revenue	255,616	310,596
6	Less: Promotional allowances .....(NOTE 13).....	32,465	44,351
7	Net Revenue	223,151	266,245
	Costs And Expenses:		
8	Cost of goods and services	133,671	152,776
9	Selling, general, and administrative	60,652	80,449
10	Provision for doubtful accounts	2,946	6,470
11	Depreciation and amortization	21,414	20,658
	Charges from affiliates other than interest:		
12	Management fees	0	0
13	Other	0	0
14	Total costs and expenses	218,683	260,353
15	Income (Loss) From Operations	4,468	5,892
	Other Income (Expenses):		
16	Interest (expense) – affiliates.....(NOTE 3,5).....	(42,345)	(41,843)
17	Interest (expense) – external .....(NOTE 4).....	(6,031)	(6,969)
18	Investment alternative tax and related income (expense) – net.....(NOTE 11).....	(2,348)	(4,007)
19	Nonoperating income (expense) – net .....(NOTE 10).....	(3,943)	330
20	Total other income (expenses)	(54,667)	(52,489)
21	Income (Loss) Before Income Taxes And Extraordinary Items	(50,199)	(46,597)
22	Provision (credit) for income taxes .....(NOTE 1).....	0	0
23	Income (Loss) Before Extraordinary Items	(50,199)	(46,597)
24	Extraordinary items (net of taxes – 1991, \$ 0; 1990, \$3,136) .....(NOTE 3,15).....	0	3,136
25	Net Income (Loss)	(\$50,199)	(\$43,461)

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, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Revenue:		
1	Casino.....	\$49,240	\$51,690
2	Rooms	4,079	4,832
3	Food and beverage	7,995	9,659
4	Other	1,611	4,120
5	Total revenue	62,925	70,301
6	Less: Promotional allowances .....(NOTE 13).....	8,185	10,531
7	Net revenue	54,740	59,770
	Costs And Expenses:		
8	Cost of goods and services	33,821	36,524
9	Selling, general, and administrative	15,620	20,776
10	Provision for doubtful accounts	749	3,071
11	Depreciation amd amortization	5,331	5,325
	Charges from affiliates other than interest:		
12	Management fees	0	0
13	Other	0	0
14	Total costs and expenses	55,521	65,696
15	Income (Loss) From Operations	(781)	(5,926)
	Other Income (Expenses):		
16	Interest (expense) – affiliates.....(NOTE 3,5).....	(10,560)	(10,603)
17	Interest (expense) – external.....(NOTE 4).....	(1,442)	(1,759)
18	Investment alternative tax and related income (expense) – net.....(NOTE 11).....	(463)	(705)
19	Nonoperating income (expense) – net.....(NOTE 10).....	(1,514)	(237)
20	Total other income (expenses)	(13,979)	(13,304)
21	Income (Loss) Before Income Taxes And Extraordinary Items	(14,760)	(19,230)
22	Provision (credit) for income taxes .....(NOTE 1).....	0	0
23	Income (Loss) Before Extraordinary Items	(14,760)	(19,230)
24	Extraordinary items (net of income taxes – 1991, \$ 0; 1990, \$0)	0	0
25	Net Income (Loss)	(\$14,760)	(\$19,230)

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 YEARS ENDED DECEMBER 31, 1991 and 1990

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 YEARS ENDED DECEMBER 31, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Invested Capital:		
1	Beginning balance (January 1)	\$71,196	\$71,196
2	Additional capital invested	0	0
3	.....	0	0
4	Ending balance	71,196	71,196
	Accumulated Income (Loss):		
5	Beginning balance (January 1)	(45,955)	(2,494)
6	Prior period adjustments	0	0
7	Net income (loss)	(50,199)	(43,461)
8	.....	0	0
9	Ending balance	(96,154)	(45,955)
	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	(\$63,408)	(\$13,209)

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, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
1	Net Cash Provided (Used) By Operating Activities	\$12,802	(\$7,494)
	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.....	(7,329)	(12,621)
5	Proceeds from disposition of property and equipment.....	1,841	120
6	Purchase of casino reinvestment obligations.....	(388)	(287)
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	2,488
9	Cash outflows to acquire business entities.....	0	0
10	Redemption of A-1 Bonds.....	0	9,655
11	.....	0	0
12	Net Cash Provided (Used) By Investing Activities.....	(5,876)	(645)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	0	0
14	Payments to settle short-term debt.....	0	(2,000)
15	Cash proceeds from issuance of long-term debt.....	0	26,265
16	Costs of issuing debt.....	0	0
17	Payments to settle long-term debt.....	0	(22,680)
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.....	0	0
21	.....	0	0
22	.....	0	0
23	Net Cash Provided (Used) By Financing Activities.....	0	1,585
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	6,926	(6,554)
25	Cash And Cash Equivalents At Beginning Of Year.....	8,044	14,598
26	Cash And Cash Equivalents At End Of Year.....	\$14,970	\$8,044

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized).....	\$7,786	\$42,847
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, 1991 and 1990

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1991	(d) 1990
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	(\$50,199)	(\$43,461)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	20,903	19,608
31	Amortization of other assets.....	933	1,050
32	Amortization of debt discount or premium.....	2,904	2,505
33	Deferred income taxes – current.....	0	0
34	Deferred income taxes – noncurrent.....	0	0
35	(Gain) loss on disposition of property and equipment.....	(51)	133
36	(Gain) loss on casino reinvestment obligations.....	2,348	4,007
37	(Gain) loss from other investment activities.....	0	0
38	Net (increase) decrease in receivables and patrons' checks.....	6,689	1,821
39	Net (increase) decrease in inventories.....	922	718
40	Net (increase) decrease in other current assets.....	(1,381)	(1,382)
41	Net (increase) decrease in other assets.....	(589)	(374)
42	Net increase (decrease) in accounts payables.....	(4,809)	2,668
43	Net increase (decrease) in other current liabilities excluding debt.....	35,133	5,224
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(1)	(11)
45	.....	0	0
46	.....	0	0
47	Net Cash Provided (Used) By Operating Activities.....	\$12,802	(\$7,494)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$7,329	\$12,621
49	Less: Capital lease obligations incurred.....	0	0
50	Cash Outflows For Property And Equipment.....	\$7,329	\$12,621
	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 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. 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 \$3,104,000 through December 31, 1991.

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>1991</u>	<u>1990</u>
Land	\$ 33,431	\$ 31,792
Buildings	235,170	236,728
Furniture, Fixtures and Equipment	94,298	91,148
Construction in Progress	324	1,004
Building/Leasehold Improvements	111,260	109,180
	-----	-----
TOTAL	\$474,483	\$469,852
Less Accumulated Depreciation	(123,306)	(103,312)
	-----	-----
Net Property and Equipment	\$351,177	\$366,540
	=====	=====

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 rateably 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 a 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 nonrecourse 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, 1991, 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.

The Partnership failed to make certain interest payments on the Series A-1 and A-2 Bonds due June 15, 1991 and December 15, 1991, in the amount of \$36,816,500, and failed to make a sinking fund payment on the Series A-1 Bonds in the amount of \$22,680,000, also due on June 15, 1991. Failure to meet these payment requirements has resulted in the indebtedness represented by the Series A-1 and A-2 Bonds being classified as a current liability.

The Partnership and the Company are currently involved in negotiations with the Bondholders of the Company in an effort to restructure the indebtedness represented by the Series A-1 and A-2 Bonds. The intent of the restructuring process is to obtain more favorable repayment terms for the Partnership and the Company and to improve long-term financial stability. However, no assurances can be given that the restructuring process will be successful in solving the Company's and Partnership's current liquidity problems. In the event that a debt restructure is not completed, the Company and Partnership may be forced to seek protection under Chapter 11 of the United States Bankruptcy Code.

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 State 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 also maintains a line of credit with Midlantic, due in 1995, of which \$13,000,000 has been drawn upon as of December 31, 1991.

The Partnership had failed to make interest payments totaling approximately \$2,353,000, which represented interest charges on the term loan for the months of August through December, 1990, as well as interest payments on the line of credit, totaling approximately \$961,000, which represented interest charges for the months of August 1990 through April 1991. Midlantic had agreed to defer payment of the unpaid interest on both loans until June 15, 1991.

On June 14, 1991 the Partnership made payment, to Midlantic, of all unpaid interest for both the term loan as well as the line of credit, then due and payable. The Partnership has maintained both loans in a current status since that date.

Since the security for the term loan is identical to that of the Bonds (See Note 3), and since the Bonds have been classified as a current liability, the term loan has also been classified as a current liability.

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.

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 check(s) totaling \$3,500,000 were issued against the deposit, for which Fred Trump received gaming chips valued at \$3,500,000. These gaming chips were included in the outstanding chip liability on the Partnership's books at December 31, 1991.

The Casino Control Commission (CCC) has ruled that the transaction was, in fact, a loan from Fred Trump to the Partnership, and not a customer deposit. The Partnership has subsequently been fined by the CCC for its handling of the transaction.

NOTE 6 - OTHER ASSETS - (NET):

(In Thousands of Dollars)

Other Assets consist of:	<u>1991</u>	<u>1990</u>
Deferred Loan Cost	\$ 362	\$ 421
Deferred Bond Costs (Net)	9,587	10,461
Other Non-Current Assets	965	119
Deferred Marina Improvement	0	257
	-----	-----
TOTAL OTHER ASSETS	\$10,914	\$11,258
	=====	=====

NOTE 7 - ACCOUNTS PAYABLE:

(In Thousands of Dollars)

	<u>1991</u>	<u>1990</u>
Accounts Payable Trade	\$ 5,611	\$10,271
Patron Deposits	678	560
Other	39	307
	-----	-----
TOTAL ACCOUNTS PAYABLE	\$ 6,328	\$11,138
	=====	=====

NOTE 8 - OTHER ACCRUED EXPENSES:

(In Thousands of Dollars)

Other accrued expenses consist of:	<u>1991</u>	<u>1990</u>
Accrued Payroll & Taxes	\$ 2,793	\$ 3,661
Accrued Interest	43,249	5,677
Accrued Advertising/Promotions	203	666
Accrued Progressive Jackpots	1,941	1,444
Accrued Sick/Vacation	3,978	4,370
Other	376	482
	-----	-----
TOTAL OTHER ACCRUED EXPENSES	<u>\$52,540</u>	<u>\$16,300</u>

NOTE 9 - OTHER CURRENT LIABILITIES:

(In Thousands of Dollars)

Other current liabilities consist of:	<u>1991</u>	<u>1990</u>
Outstanding Chip Liability	\$ 5,486	\$ 4,595
Outstanding Token Liability	628	616
Patron Deposits	119	178
Accrued Utilities	1,471	808
Accrued Group Health insurance	1,615	1,398
Accrued Insurance	1,107	2,111
A/P Other	2,746	2,554
Accrued Legal	294	1,915
Accrued CCC/DGE	261	156
Construction Retainage	0	383
Accrued Inventories	176	321
Accrued CRDA	113	88
	-----	-----
TOTAL OTHER CURRENT LIABILITIES	<u>\$14,016</u>	<u>\$15,123</u>

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

(In Thousands of Dollars)

Non-operating income for quarter ended December 31, 1991:

	<u>Three Months</u>	
	<u>1991</u>	<u>1990</u>
Discount Earned	\$ 0	\$ 0
Interest Income	132	277
Gain/(Loss) Disp. of Equipment	0	0
Debt Restructuring	(1,646)	(514)
	-----	-----
	<u>\$ (1,514)</u>	<u>\$ (237)</u>

Non-operating income for the year ended December 31, 1991:

	<u>Twelve Months</u>	
	<u>1991</u>	<u>1990</u>
Discount Earned	\$ 0	\$ 84
Interest Income	505	893
Gain/(Loss) Disp. of Equipment	51	(133)
Debt Restructuring	(4,499)	(514)
	-----	-----
	\$ (3,943)	\$ 330
	=====	=====

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. No assurances can be given that the CCC will continue the casino license of the Partnership or, if continued, what conditions may be imposed and whether those conditions will be considered acceptable by the Partnership.

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 \$2,091,000 for the twelve months ending December 31, 1991 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 has charged \$257,000 and \$1,288,000 respectively to its 1991 and 1990 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

Trump's Castle Assoc.

make cash contributions totaling \$8,000,000. As of December 31, 1991, the Partnership had made contributions totaling approximately \$4,801,000.

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 \$343,000 for matching contributions for the twelve months ended December 31, 1991.

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:

Promotional Allowances and Expenses and number of recipients for three months ended December 31, 1991 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	69,671	\$ 2,439,000	46	\$ 44,200
Food	253,600	3,805,000	0	0
Beverage	310,024	1,318,000	0	0
Travel	0	0	3,423	599,000
Cash Coupons	0	0	647,041	5,581,000
Admissions	22,440	561,000	160	4,000
Other/Gifts	12,400	62,000	5,600	280,000
	-----	-----	-----	-----
TOTALS	668,135	\$ 8,185,000	656,270	\$ 6,508,200
	=====	=====	=====	=====

Trump's Castle Assoc.

Promotional Allowances and Expenses and number of recipients for twelve months ended December 31, 1991 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	267,900	\$ 9,377,000	62	\$ 58,900
Food	1,033,000	15,496,000	0	0
Beverage	1,291,200	5,488,000	0	0
Travel	2,720	408,000	11,194	1,955,000
Cash Coupons	0	0	2,929,200	23,379,000
Admissions	55,840	1,396,000	275	13,000
Other/Gifts	60,000	300,000	32,580	1,629,000
	-----	-----	-----	-----
TOTALS	2,710,660	\$32,465,000	2,973,311	\$27,034,900
	=====	=====	=====	=====

NOTE 14 - 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 12/31/91

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

For the Twelve Months
Ended 12/31/91

	<u>Number of Recipients</u>	<u>Amount</u>
Motor Vehicles	6	\$ 79,938
	--	-----
TOTALS	6	\$ 79,938
	==	=====

NOTE 15 - EXTRAORDINARY ITEM:

The Partnership elected to satisfy its sinking fund requirement of June 15, 1990 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.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1991

(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	\$4,204		
2	Returned patrons' checks	4,742		
3	Total patrons' checks	8,946	\$3,039	\$5,907
4	Hotel Receivables	732	65	667
5	Other Receivables:			
	Receivables due from officers and employees	264		
6	Receivables due from affiliates	580		
7	Other accounts and notes receivables	378		
8	Total other receivables	1,222	0	1,222
9	Totals (Form 305)	\$10,900	\$3,104	\$7,796

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$7,553
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	142,301
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).....	(82,251)
13	Checks collected through deposits	(56,760)
14	Checks transferred to returned checks	(6,639)
15	Other adjustments	0
16	Ending Balance	\$4,204
17	*Hold* Checks Included In Balance On Line 16	\$0
18	Provision For Uncollectible Patrons' Checks	2,997
19	Provision As A Percent Of Counter Checks Issued	2.1%

CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 1991

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) PERCENT (e)	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	Revenue:				
1	Blackjack.....	\$29,007	\$216,639	13.4%	62
2	Craps.....	24,337	155,661	15.6%	17
3	Roulette.....	7,193	31,726	22.7%	13
4	Big Six.....	970	2,210	43.9%	2
5	Baccarat.....	4,482	26,430	17.0%	4
6	Other table games.....	1,596	8,536	18.7%	3
7	Total table games revenue.....	67,585	\$441,202	15.3%	101
			HANDLE		
8	\$.05 slot machines.....	2,901	\$18,234	15.9%	74
9	\$.25 slot machines.....	39,018	309,390	12.6%	555
10	\$1.00 slot machines.....	19,593	208,246	9.4%	224
11	Other slot machines.....	67,396	743,014	9.1%	765
12	Total coin-operated devices revenue.....	128,908	\$1,278,884	10.1%	1,618
13	Progressive jackpot adjustment.....	(497)			
14	Total coin-operated devices revenue after adjustment.....	128,411			
15	Other income.....	0			
16	Total revenue.....	195,996			
	Expenses:				
17	Payroll and payroll related expenses.....	22,280			
18	Licenses and taxes.....	16,317			
19	Provision for uncollectible patrons' checks.....	2,997			
20	Other.....	17,685			
21	Total.....	59,279			
22	Departmental Income (Loss) Before Complimentary Services and Casino Management Fees.....	136,717			
	Complimentary services and casino management fees:				
23	Complimentary services.....	5,430			
24	Casino management fees.....	0			
25	Total.....	5,430			
26	Departmental Income (Loss).....	\$131,287			

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 accurated ot the best of my knowledge and belief.



Signature

Sr. Vice President Finance

Title

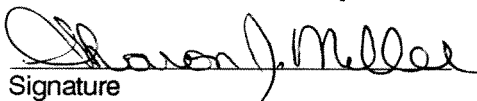
00711-11

License Number

Subscribed and sworn to

before me this 10th day

of March, 1992



Signature

SHARON J. MILLER

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires June 18, 1996

Basis of Authority
to Take Oaths

On behalf Of:

Trump's Castle Hotel & Casino
Casino Licensee

**GROSS REVENUE
ANNUAL TAX RETURN**

LICENSEE TRUMP CASTLE HOTEL AND CASINO
ADDRESS HURON AVE. AND BRIGANTINE BLVD.
ATLANTIC CITY, N.J. 08401

FOR THE YEAR ENDED DECEMBER 31, 1991

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.....

SR. V.P. FINANCE

ADDRESS.....

HURON AVE. & BRIGANTINE BLVD.

ATLANTIC CITY, N.J. 08401

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 91

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	\$ 67,585	
2	Coin-operated devices revenue	128,908	
3	Total revenues		\$ 196,493
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	\$ 2,997	
5	Maximum adjustment (4% of line 3)	\$ 7,860	
6	Adjustment (the lesser of line 4 or line 5)		2,997
7	Gross revenues (line 3 less line 6)		\$ 193,496
8	Tax on gross revenues - current year (8% of line 7)		\$ 15,480
9	Audit or other adjustments to tax on gross revenues in prior years		<164>*
10	Total tax on gross revenues (line 8 plus or minus line 9)		15,316
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 978	
12	February	1,219	
13	March	1,406	
14	April	1,116	
15	May	1,201	
16	June	1,133	
17	July	1,357	
18	August	1,800	
19	September	1,250	
20	October	1,196	
21	November	1,572	
22	December	1,020	
23	January	232	
24	Total deposits made for tax on current year's gross revenues		(15,480)
	Settlement of prior years' tax on gross revenues		
25	resulting from audit or other adjustments - (deposits) credits		164
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		\$ 0

* 1990 Provision adjustment shown in January 1991

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey :
 :SS.
COUNTY OF Atlantic :

THOMAS P. VENIER , being duly sworn according
Name

to law upon my oath deposes and says:

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

Tom Venier
Signature

SR. V.P. FINANCE
Title

00711-11
License Number

Subscribed and sworn to
before me this 10th day
of March , 1992.

Sharon J. Miller
Signature

SHARON J. MILLER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 18, 1996

Basis of Authority
to Take Oaths

On Behalf Of:
TRUMP CASTLE
Casino Licensee

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE Trump Castle Associates
ADDRESS Huron Ave. & Brigantine Blvd.
Atlantic City, New Jersey

FOR THE YEAR ENDED DECEMBER 31, 19 91

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

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 91
 (\$ in Thousands)


LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	(d) OTHER EMPLOYEES	SALARIES AND WAGES (e) OFFICERS & OWNERS	TOTALS (f)
1	CASINO				
2	Administration	15			
3	Gaming	839			
4	Slots	369			
5	Casino accounting	49			
6	Other	174			
	Total-casino	1,446	\$ 25,558,000	\$	\$ 25,558,000
7	ROOMS	230	4,278,000		4,278,000
8	FOOD AND BEVERAGE	790	12,158,000		12,158,000
9	OTHER OPERATED DEPARTMENTS				
10	Telephone	20	306,000		306,000
11	Beauty Salon	4	4,000		4,000
12	Gift Shop	19	299,000		299,000
13	Transportation	61	1,217,000		1,217,000
14	Uniforms	26	406,000		406,000
15	Health Club	5	65,000		65,000
16	Marina	69	193,000		193,000
17	Environmental Services	163	2,931,000		2,931,000
18	Print Shop	16	36,000		36,000
19					
20	ADMINISTRATIVE AND GENERAL				
21	Executive office	16		2,364,000	2,364,000
22	Accounting and auditing	197	4,541,000		4,541,000
23	Security / Surveillance	190	3,952,000		3,952,000
	Other administrative and general department	75	689,000		689,000
24	MARKETING	70	1,972,000		1,972,000
25	GUEST ENTERTAINMENT	77	790,000		790,000
26	PROPERTY OPERATION AND MAINTENANCE	116	3,379,000		3,379,000
27	TOTALS - ALL DEPARTMENTS	3,590	\$ 62,774,000	\$ 2,364,000	\$ 65,138,000

Trading Name of Licensee Trump Castle Associates

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 19 91

3/13/92
Date


Signature

Sr. Vice President of Finance
Title