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# ANNUAL REPORT

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LICENSEE Adamar of New Jersey, Inc. d/b/a Tropicana Hotel/Casino

ADDRESS Iowa and the Boardwalk

Atlantic City, New Jersey 08401

FOR THE YEAR ENDED . . . December 31 , **1984**

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



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

James L. White

OFFICIAL TITLE .....

Controller

ADDRESS .....

Iowa and the Boardwalk

Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE Tropicana Hotel & Casino

## LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 \_\_\_\_\_

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-305
Statements of Income (Year)	CCC-310
Statements of Income (Three Months)	CCC-315
Statements of Changes In Stockholders' Equity	CCC-320
Statements of Changes In Partners' or Proprietor's Equity	CCC-325
Statements of Changes In Financial Position	CCC-330
Notes to Financial Statements	--
Schedule of Receivables and Patrons' Checks	CCC-340
Casino Departmental Schedule	CCC-345
Statement of Conformity and Accuracy	CCC-350

# BALANCE SHEETS

DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u> Restated
<b>ASSETS</b>			
<b>Current Assets</b>			
1	Cash .....	\$ 4,441	\$ 8,778
2	Marketable securities ..... Note II-1 .....	-0-	13
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>84</u> , \$ 6,997 ; 19 <u>83</u> , \$ 4,374 ) Note II-9 .....	12,339	10,637
4	Inventories .....	1,832	1,712
5	Prepaid expenses and other current assets ..... Note III-1 .....	2,122	2,436
6	Total current assets .....	20,734	23,576
7	Investments, Advances, And Receivables ..... Note III-2 & II-9 .....	71,773	-0-
8	Property and Equipment - Net ..... Note II-2 .....	88,322	280,052
9	Other Assets .....	4,409	3,447
10	Total Assets .....	\$ 185,238	\$ 307,075
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
11	Accounts payable .....	\$ 2,170	\$ 1,950
12	Notes payable .....	-0-	-0-
Current portion of long-term debt:			
13	Due to affiliates .....	-0-	-0-
14	Other .....	4,231	3,278
15	Income taxes payable and accrued .....	828	874
16	Other accrued expenses ..... Note III-3 .....	14,463	12,211
17	Other current liabilities ..... Note II-9 & III-4 .....	6,083	5,524
18	Total current liabilities .....	27,775	23,837
<b>Long-Term Debt:</b>			
19	Due to affiliates ..... Note II-9 .....	-0-	135,000
20	Other ..... Note II-3 .....	22,231	66,230
21	Deferred Credits ..... Note II-4 .....	1,755	945
22	Other Liabilities ..... Note II-9, Note III-5 .....	13,265	114,845
23	Commitments And Contingencies ..... Note II-7 .....		
24	Total Liabilities .....	65,026	340,857
25	Stockholders', Partners', Or Proprietor's Equity ..... Note II-5 & 13 .....	120,212	(33,782)
26	Total Liabilities And Equity .....	\$ 185,238	\$ 307,075

## STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 1983

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1984	(d) 1983 Restated
	<b>Revenue</b>	\$	\$
1	Casino .....	220,804	197,985
2	Rooms .....	14,862	13,132
3	Food and beverage .....	36,833	31,918
4	Other .....	6,641	7,270
5	Total revenue .....	279,140	250,305
6	Less: promotional allowances ... Note II-8 .....	33,665	24,985
7	Net revenue .....	245,475	225,320
	<b>Costs And Expenses</b>		
8	Cost of goods and services ..... Note II-9 .....	128,669	116,935
9	Selling, general, and administrative .. Note II-9 .....	58,887	57,755
10	Provision for doubtful accounts .....	2,661	2,793
11	Total .....	190,217	177,483
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest .....</b>	<b>55,258</b>	<b>47,837</b>
13	Depreciation and amortization .....	9,042	9,821
	Charges from affiliates:		
14	Interest ..... Note II-10 .....	12,753	14,486
15	Management fees ..... Note II-9 .....	184	52
16	Other ..... Note II-9 .....	6,285	1,034
17	Interest expense - external ..... Note II-10 .....	7,075	13,452
18	<b>Income (Loss) From Operations .....</b>	<b>19,919</b>	<b>8,992</b>
19	Nonoperating Income (expense) - net Note III-6 .....	1,616	554
20	<b>Income (Loss) Before Income Taxes And Extraordinary Items .</b>	<b>21,535</b>	<b>9,546</b>
21	Provision (Credit) for income taxes Note II-11 .....	11,128	4,834
22	<b>Income (Loss) Before Extraordinary Items .....</b>	<b>10,407</b>	<b>4,712</b>
23	Extraordinary Items (net of income taxes - 1984, \$ -0- ; 1983, \$ -0- Note II-12 .....	8,695	3,130
24	<b>Net Income (Loss) .....</b>	<b>\$ 19,102</b>	<b>\$ 7,842</b>

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED December 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1984	(d) 1983 Restated
	<b>Revenue</b>	\$	\$
1	Casino .....	49,492	47,239
2	Rooms .....	3,474	3,118
3	Food and beverage .....	8,884	7,748
4	Other .....	1,367	1,626
5	Total revenue .....	63,217	59,731
6	Less: promotional allowances <u>Note II-8</u> .....	8,130	6,220
7	Net revenue .....	55,087	53,511
	<b>Costs And Expenses</b>		
8	Cost of goods and services <u>Note II-9</u> .....	30,326	26,599
9	Selling, general, and administrative <u>Note II-9</u> .....	12,296	14,548
10	Provision for doubtful accounts .....	1,014	45
11	Total .....	43,636	41,192
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest .....</b>	<b>11,451</b>	<b>12,319</b>
13	Depreciation and amortization .....	2,105	2,559
	Charges from affiliates:		
14	Interest .....	2,200	4,121
15	Management fees .....	54	16
16	Other <u>Note I-9</u> .....	5,155	264
17	Interest expense - external .....	1,129	3,123
18	<b>Income (Loss) From Operations .....</b>	<b>808</b>	<b>2,236</b>
19	Nonoperating income (expense) - net .....	1,799	195
20	<b>Income (Loss) Before Income Taxes And Extraordinary Items .</b>	<b>2,607</b>	<b>2,431</b>
21	Provision (Credit) for income taxes .....	1,796	921
22	<b>Income (Loss) Before Extraordinary Items .....</b>	<b>811</b>	<b>1,510</b>
23	Extraordinary items (net of income taxes - 1984, \$ -0- ; 1983, \$ -0- ) .....	1,256	597
24	<b>Net Income (Loss) .....</b>	<b>\$ 2,067</b>	<b>\$ 2,107</b>

# STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	Restated			
		1984		1983	
		(c) SHARES	(d) \$	(e) SHARES	(f) \$
	<b>Common Stock</b>		\$		\$
1	Beginning balance (January 1) .....	100	1	100	1
2	Sale of stock .....				
3					
4	Ending balance .....	100	1	100	1
	<b>Preferred Stock</b>				
5	Beginning balance (January 1) .....		0		
6	Sale of stock .....				
7	See schedule 320-A	70,609	78,902		
8	Ending balance .....	70,609	78,902		
	<b>Additional Paid-in Capital</b>				
9	Beginning balance (January 1) .....		0		
10	See schedule 320-A		29,565		
11					
12	Ending balance .....		29,565		
	<b>Treasury Stock</b>				
13	Beginning balance (January 1) .....		( )		( )
14	Purchase of additional stock .....		( )		( )
15	Sale or retirement of stock .....				
16	Ending balance .....		( )		( )
	<b>Subscriptions Receivable For Capital Stock</b>				
17	Beginning balance (January 1) .....		( )		( )
18					
19					
20	Ending balance .....		( )		( )
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>				
21	Beginning balance (January 1) .....		( )		( )
22					
23					
24	Ending balance .....		( )		( )
	<b>Retained Earnings</b>				
25	Beginning balance (January 1) .....		(33,783)		(41,625)
26	Prior period adjustments .....				
27	Net Income (loss) .....		19,102		7,842
28	Dividends .....		( )		( )
29	Quasi-Reorganization		26,425		
30					
31	Ending balance .....		11,744		(33,783)
	<b>Ending Stockholders' Equity</b>		\$		\$
32	Note II-5 & 13		120,212		(33,782)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

SCHEDULE 320-A

Preferred Stock	
Beginning Balance (January 1)	\$ -0-
Assignment of Mortgage Receivable in Exchange for Preferred Stock - Class B	50,000
Conversion of Inter-Company Debt to Preferred Stock - Class A	28,902
	<hr/>
Ending Balance	\$ 78,902
Additional Paid-In Capital	
Beginning Balance (January 1)	\$ -0-
Contribution from Parent (RNJHC) - See Note I	4,565
Contribution from Parent (RHOC) - See Note I-13	26,425
Conversion of Inter-Company Debt	251,000
Dividend	(226,000)
Quasi-Reorganization - See Note II-13	(26,425)
	<hr/>
Ending Balance	\$ 29,565

## STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>    </u>	(d) 19 <u>    </u>
	<b>Invested Capital</b>	\$	\$
1	Beginning balance (January 1) .....		
2	Additional capital invested .....		
3			
4	Ending balance .....		
	<b>Accumulated Income (Loss)</b>		
5	Beginning balance (January 1) .....		
6	Prior period adjustments .....		
7	Net income (loss) .....		
8			
9	Ending balance .....		
	<b>Capital Withdrawals</b>		
10	Beginning balance (January 1) .....	( )	( )
11	Additional capital withdrawals .....	( )	( )
12			
13	Ending balance .....	( )	( )
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>		
14	Beginning balance (January 1) .....	( )	( )
15			
16			
17	Ending balance .....	( )	( )
	<b>Ending Partners' Or Proprietor's Equity</b> .....	\$	\$
18			

APPLICABLE

# STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1984	(d) 1983
	<b>Sources Of Funds</b>		
1	Income (loss) before extraordinary items .....	\$ 10,407	\$ 4,712
	Add (deduct) items not affecting working capital:		
2	Depreciation and amortization of property and equipment .....	8,888	9,676
3	Amortization of other assets .....	897	432
4	Deferred income taxes .....	810	945
5	(Gain) loss on dispositions of property and equipment .....	158	265
6	Other items:		
7			
8			
9	Total funds provided (used) by operations, exclusive of extraordinary items .....	21,160	16,030
10	Extraordinary items .....	8,695	3,130
11	Total funds provided (used) by operations .....	29,855	19,160
12	Proceeds from dispositions of property and equipment .....	212,797	133
13	Proceeds from long-term debt .....	-0-	-
14	Additions to deferred credits and other liabilities .....	-0-	41,445
15	Proceeds from issuance of stock or capital contributions .....	360,892	
16	Other sources of funds:		
17			
18			
19	Total funds provided .....	603,544	60,738
	<b>Uses Of Funds</b>		
20	Additions to property and equipment .....	30,113	3,605
21	Additions to investments, advances, and receivables .....	71,773	
22	Reductions of long-term debt .....	178,999	42,594
23	Dividends declared or capital distributions .....	226,000	
24	Other uses of funds:		
25	Other Assets	1,859	1,009
26	Other Liabilities	101,580	-
27	Total funds used .....	610,324	47,208
28	Increase (Decrease) in Working Capital .....	\$ (6,780)	\$ 13,530
	<b>Summary Of Changes in Components Of Working Capital</b>		
29	Cash .....	(4,337)	2,038
30	Marketable securities .....	(13)	13
31	Receivables and patrons' checks .....	1,702	4,714
32	Inventories .....	120	240
33	Prepaid expenses and other current assets .....	(314)	(401)
34	Accounts payable .....	(220)	4,928
35	Notes payable .....	-	-
36	Current portion of long-term debt .....	(953)	5,497
37	Income taxes payable and accrued .....	46	(707)
38	Other accrued expenses .....	(2,252)	1,641
39	Other current liabilities .....	(559)	(4,433)
40	Increase (Decrease) in Working Capital .....	\$ (6,780)	\$ 13,530

ADAMAR OF NEW JERSEY, INC.  
DBA TROPICANA HOTEL/CASINO  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1984

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements include the accounts of Adamar of New Jersey, Inc. (the Company) and its wholly-owned subsidiary, Manchester Mall, Inc., after elimination of all significant intercompany accounts and transactions.

The Company is a wholly-owned subsidiary of Ramada New Jersey Holdings Corporation (RNJHC) which is, in turn, a subsidiary of Ramada Inns, Inc. (Ramada). The financial statements reflect the intercompany transactions and accounts with RNJHC, Ramada and affiliates.

Marketable Securities

Marketable securities, which are comprised of money market fund shares, are carried at the lower of cost or market.

Inventories

Inventories, which consist primarily of food, beverage and operating supplies are priced at the lower of cost or market. Cost has been determined using the first-in, first-out method.

Property and equipment

Property and equipment are stated at cost. Maintenance and repairs are charged to operations when incurred; renewals and betterments, which significantly extend the useful lives of existing property and equipment, are capitalized. During construction, the Company follows the practice of capitalizing interest and other direct and indirect costs related to development. Interest is capitalized monthly by applying the effective interest rate on borrowings for the project to the average balance of expenditures.

Gains or losses on dispositions of property and equipment are reflected in earnings as realized.

Depreciation is computed on the straight-line basis over the estimated useful lives (building and improvements - 3 to 40 years; equipment, furniture and fixtures - 3 to 15 years).

Leasehold improvements are amortized over the shorter of the estimated useful life of the improvement or the term of the related lease.

### Deferred charges

Costs incurred by the Company in obtaining its initial gaming license to operate a casino in Atlantic City, New Jersey have been capitalized. These costs are being amortized over a ten-year period. Subsequent one-year renewal costs are amortized over the renewal period.

### Casino Revenue

Casino revenue consists of the net win from gaming activities, which is the difference between gaming wins and losses.

### Complimentaries

The retail value of complimentary food, beverage, and hotel services furnished to customers is included in gross revenues and then deducted as promotional allowances in arriving at net revenue.

### Income taxes

The Company is included in Ramada's consolidated corporate federal income tax return. Investment tax credits relating to purchases of property are credited to operations in the year the credits are used to reduce federal income taxes currently payable (flow-through method). Deferred income taxes represent the tax effect of differences in the timing of income and expense recognition for tax purposes versus financial statement reporting purposes.

### SALE/LEASEBACK TRANSACTION

In November 1984, the Company sold and leased back its building and certain non-gaming equipment. The Company transferred the building and certain other non-gaming assets to Ambassador General Partnership (AGP), in exchange for a 99.9% interest in AGP. The assets transferred had a net book value of \$226,000,000. Simultaneously, with the transfer, the Company gave its interest in AGP to Ramada, as a dividend, which then sold the interest to a limited partnership, Ambassador Real Estate Investors, L.P. (AREI) for \$243,900,000. Two directors of the Company are general partners in AGP and AREI. The cash proceeds to Ramada of approximately \$163,000,000 were primarily utilized to repay certain debt obligations. The Company did not realize any gain or loss on the transaction.

In addition to the transfer of assets to AGP, the Company leased the land on which the Tropicana is located to AGP for a term of 65 years, and leased back the assets and land from AGP under a 10-year lease agreement with three 10-year renewal options. For financial reporting purposes, the leaseback has been principally treated as an operating lease (see "Lease Obligations") except for the portion related to furniture and equipment, which has been capitalized. Ramada has an option to repurchase the building and certain non-gaming assets from AGP in 1994 for a minimum repurchase price of \$244,000,000 and a maximum repurchase price of \$350,000,000 subject to adjustment if the Tropicana is expanded.

## SALE/LEASEBACK TRANSACTION (continued)

AREI financed the acquisition of its interest in AGP through a combination of \$38,050,000 in net equity contributions from private investors and distributions of proceeds from \$205,850,000 of borrowings by AGP. The AGP borrowings consist of (i) a non-recourse term loan in the amount of \$125,000,000 (the First Mortgage) by a consortium of financial institutions, collateralized by a first mortgage lien on, among other things, AGP's property and equipment, the Company's land underlying the Tropicana building, and certain other assets owned by the Company, (ii) a loan of \$50,000,000 (the Junior Participation) by Ramada, collateralized by a junior participation in the First Mortgage, and (iii) a non-recourse note payable of \$30,850,000 (the Second Mortgage) from Ramada, collateralized by a third priority lien on the same assets which collateralize the First Mortgage.

In connection with the sale/leaseback transaction Ramada Hotel Operating Company gave its interest in Adamar to Ramada Inns, Inc. Subsequently, Ramada exchanged its interest in Adamar for the common stock of Ramada New Jersey Holdings Corporation.

Beginning in 1985, the Company will fund the purchase of replacement furniture and equipment required for the operation of the Tropicana, up to certain maximum amounts per year, by loans collateralized by a mortgage (the FF&E Mortgage) with AGP. Such furniture and equipment purchases are to be leased back to the Company by AGP pursuant to a lease agreement under which the Company will pay rent to AGP for a period of five years. For financial reporting purposes this lease will be treated as a capital lease. No principal or interest payments are made on the FF&E Mortgages until maturity.

On November 20, 1984 Ramada assigned the Junior Participation to the Company for Class B Preferred Stock of \$50,000,000. The Junior Participation is due in varying installments commencing 1988 through 1990. Interest accrues at a rate equal to LIBOR plus 1-5/8% and is payable in arrears quarterly.

In addition, Ramada has entered into a Maintenance Services Contract with AGP to provide certain maintenance services at cost plus an annual fee of \$500,000. Ramada has subcontracted the Maintenance Services Contract to the Company.

## II. SIGNIFICANT INFORMATION

### NOTE 1. MARKETABLE SECURITIES

Marketable securities are carried at the lower of cost or market. At December 31, 1984 and 1983, marketable securities consisted of:

	1984	1983
Money Market Mutual Fund	\$ -0-	\$ 13,000

NOTE 2. PROPERTY AND EQUIPMENT

At December 31, 1984 and 1983, the components of property and equipment consisted of:

	<u>1984</u>	<u>1983</u>
Land	\$ 35,348,000	\$ 35,351,000
Building, furniture and fixtures	62,686,000	264,909,000
Less accumulated depreciation	<u>( 9,712,000)</u>	<u>(20,208,000)</u>
Total Property and Equipment	<u>\$ 88,322,000</u>	<u>\$280,052,000</u>

NOTE 3. LONG-TERM DEBT

At December 31, 1984 and 1983, long-term debt consisted of:

	<u>1984</u>	<u>1983</u>
Revolving credit agreement; prime plus 1/4%, maturities to 1991, collateralized	\$ -0-	\$ 65,000,000
Notes payable; 9% to prime plus 1-1/2%, maturities to 2009	1,210,000	2,514,000
Mortgages payable; 7% to 11-1/2%, maturities to 1994	336,000	1,683,000
Obligations under capital leases	<u>24,916,000</u>	<u>311,000</u>
	26,462,000	69,508,000
Less current portion	<u>( 4,231,000)</u>	<u>( 3,278,000)</u>
Long-term portion	<u>\$ 22,231,000</u>	<u>\$ 66,230,000</u>

Substantially all of the Company's property and equipment is pledged as collateral for long-term debt.

The aggregate fixed maturities for all long-term debt are:

1985	\$ 4,231,000
1986	4,167,000
1987	4,873,000
1988	5,720,000
1989	6,702,000
Thereafter	<u>769,000</u>
TOTAL	<u>\$ 26,462,000</u>

In November 1984, the Company completed a sale/leaseback transaction involving certain non-gaming assets and the building (see "Sale/Leaseback Transaction"). The AGP First Mortgage has certain restrictive covenants for the Company and restricts the amount of additional unsecured indebtedness. The revolving credit agreement was repaid with an advance from Ramada.

NOTE 3. LONG-TERM DEBT (continued)

The Company also has a \$1,000,000 unsecured line of credit to be used for short-term borrowing needs. At December 31, 1984 no funds were outstanding on this line. The agreement expires May 31, 1985.

NOTE 4. DEFERRED CREDITS

Deferred credits consist of income taxes due to timing differences between financial and taxable income.

NOTE 5. CAPITAL STOCK

The authorized, issued, and outstanding shares of capital stock at December 31, 1984 were as follows:

Class A Preferred - without par value, nonconvertible, voting; authorized, issued, and outstanding - 20,609 shares

Class B Preferred - without par value, nonconvertible, voting; authorized, issued, and outstanding - 50,000 shares

Common - without par value; authorized, issued, and outstanding - 100 shares

NOTE 6. LEASE OBLIGATIONS

The Company is a party to non-cancelable lease agreements involving land, buildings, and equipment. The leases extend for varying periods up to 30 years and generally provide for the payment of taxes, insurance and maintenance (executory costs) by the lessee. Some of these leases have provisions for renewal options primarily under similar terms, and/or options to purchase at various dates.

In connection with the sale/leaseback transaction of the Company, the leaseback has been principally treated as an operating lease except for that portion related to furniture and equipment which has been capitalized. The initial term of the operating lease is 10 years, with options to extend the term for three consecutive terms of 10 years each. The basic rent will be adjusted for changes in the Consumer Price Index every two years, beginning in 1986. The lease also provides for the payment of certain executory costs by Adamar. In addition, Ramada has an option to repurchase the buildings and non-gaming assets from AGP in 1994 (see "Sale/Leaseback Transaction").

Minimum future lease obligations on non-cancelable leases at December 31, 1984 are:

<u>YEAR</u>	<u>OPERATING</u>	<u>CAPITAL</u>
1985	\$ 43,690,000	\$ 7,440,000
1986	43,275,000	7,438,000
1987	42,505,000	7,425,000
1988	42,517,000	7,403,000
1989	42,517,000	7,405,000
Thereafter	<u>212,765,000</u>	<u>10,000</u>
Total	<u>\$427,269,000</u>	37,121,000
Amount representing executory costs		( 113,000)
Amount representing interest		<u>(12,092,000)</u>
Net Present Value		24,916,000
Less current portion		<u>( 3,527,000)</u>
Long-term portion		<u>\$ 21,281,000</u>

NOTE 7. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a permanent gaming license by the New Jersey Casino Control Commission. The license is renewable on an annual basis and was renewed on November 20, 1984. Management has received no indication that future renewals will not be granted.

Land lease

The Company has entered into an agreement providing for the lease of land adjacent to the Tropicana Hotel/Casino to an outside party. As part of the agreement, the lessee has constructed a parking structure on that site and has charge of the parking operation for the term of the land lease. The Company is committed to pay the lessee an amount, if any, to assure that over the ninety-five year term of the land lease, the parking structure has gross revenues of at least \$1,600,000 (adjusted, after the tenth year, for changes in the Consumer Price Index) between September of each year and May of the next year.

Laundry Service

The Company has contracted with an unaffiliated company for laundry and dry cleaning services. The contract expires June 30, 1991, and has, at December 31, 1984, a minimum commitment of \$3,355,000.

Legal Actions

The Company has filed an appeal for real estate taxes assessed by and paid to the city of Atlantic City for tax years 1982 and 1983. The tax is based on the market value of real property, which is the contested issue. The City is expected to allege higher than originally assessed values in defending the suit, however, the amounts are not known or estimable. The case is set for trial in New Jersey Tax Court on May 6, 1985, for years 1982 and 1983. In the opinion of management, the City's position will not result in a materially adverse effect to the Company's consolidated financial position.

NOTE 7. COMMITMENTS AND CONTINGENCIES (continued)

Several class action and derivative lawsuits were filed during the 1981 in federal jurisdictions and in a Delaware state court naming Ramada Inns, Inc. and certain of its current and former directors and officers as defendants. Among other things, the allegations include mismanagement, waste, and misrepresentation or lack of timely disclosure of certain facts regarding Ramada's purchase of the Las Vegas Tropicana, and the acquisition and construction of the Atlantic City Tropicana. Settlement of these actions were approved by the courts on October 24, 1984. The total liability of Ramada is currently estimated not to exceed \$1,800,000, after allowance for amounts covered by insurance. In the third quarter of 1984, Ramada recorded a provision for such settlements.

The New Jersey Act imposes an annual tax on gross revenues (as defined) in the amount of eight percent. In addition, pursuant to legislation adopted in 1984, casino licensees will be required to invest one and one-quarter percent of gross revenues for the purchase of bonds to be issued by the Casino Reinvestment Development Authority or make other approved investments equal to that same amount. In the event the investment on the bonds or other qualified investments is not met, the casino licensee is subject to a tax on gross revenues in the amount of two and one-half percent.

NOTE 8. COMPLIMENTARY SERVICES

The amount of promotional allowances and promotional expenses for the twelve months ended December 31, 1984 are:

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Rooms	95,000	\$ 8,815,000	2,000	\$ 122,000
Food	1,292,000	12,587,000	42,000	408,000
Beverage	4,711,000	10,596,000	-0-	-0-
Travel	-0-	-0-	10,000	3,341,000
Showroom/Boxing	91,000	1,494,000	10,000	169,000
Coin Payouts	-0-	-0-	2,574,000	28,061,000
Other	18,000	173,000	53,000	509,000
Total	<u>6,207,000</u>	<u>\$33,665,000</u>	<u>2,691,000</u>	<u>\$32,610,000</u>

NOTE 8. COMPLIMENTARY SERVICES (continued)

The amount of promotional allowances and promotional expenses for the quarter ended December 31, 1984 are:

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Rooms	22,000	\$ 2,064,000	1,000	\$ 10,000
Food	320,000	3,115,000	9,000	87,000
Beverage	1,112,000	2,500,000	-0-	-0-
Travel	-0-	-0-	3,000	922,000
Showroom/Boxing	22,000	361,000	1,000	27,000
Coin Payouts	-0-	-0-	467,000	5,189,000
Other	9,000	90,000	13,000	129,000
Total	<u>1,485,000</u>	<u>\$ 8,130,000</u>	<u>494,000</u>	<u>\$ 6,364,000</u>

NOTE 9. RELATED PARTIES

At December 31, 1983, substantial funds had been advanced to the Company by affiliates for property acquisitions, working capital and construction costs as follows. On November 20, 1984 inter-company debt was converted to Class A Preferred Stock.

	<u>1984</u>	<u>1983</u>
Note payable to RHOC (due 1988, non-interest bearing)	\$ -0-	\$ 85,000,000
Other payables to RHOC	-0-	50,000,000
Total	<u>\$ -0-</u>	<u>\$ 135,000,000</u>

Advances from affiliates are reflected in Other Current Liabilities and Due to Affiliate is reflected in Other Liabilities. The identity of the affiliates and corresponding balances are:

	<u>1984</u>	<u>1983</u>
Advances from Ramada, New Jersey, Inc.	\$ 5,000	\$ 1,876,000
Advances from Atlantic Deauville, Inc.	164,000	2,007,000
Advances from Tropicana West	11,000	626,000
Total	<u>\$ 180,000</u>	<u>\$ 4,509,000</u>

	<u>1984</u>	<u>1983</u>
Due to Ramada Inns, Inc.	\$ 12,810,000	\$114,845,000

NOTE 9. RELATED PARTIES (continued)

Advances to affiliates are reflected in Receivables and Due from Affiliate is reflected in Investments, Advances, and Receivables. The identity of the affiliates and corresponding balances are:

	<u>1984</u>	<u>1983</u>
Advances to Ramada, New Jersey, Inc.	\$ 6,000	\$ 1,755,000
Advances to Atlantic Deauville, Inc.	4,000	556,000
Advances to Tropicana West		<u>247,000</u>
Total	<u>\$ 10,000</u>	<u>\$ 2,558,000</u>

	<u>1984</u>	<u>1983</u>
Due from Ramada Inns, Inc.	\$ 21,773,000	\$ -0-

For the twelve months ended December 31, 1984 and 1983 the Company incurred management fees from Ramada Inns, Inc. of \$184,000 and \$52,000 respectively.

The nature of "Charges from affiliates - other" for the period ending December 31, 1984 and 1983 are as follows:

	<u>1984</u>	<u>1983</u>
Basic rent due to AGP (not an affiliate)	\$ 4,623,000	\$ -0-
Rent	1,592,000	871,000
Casino publication	29,000	120,000
Management seminar	<u>41,000</u>	<u>43,000</u>
Total	<u>\$ 6,285,000</u>	<u>\$ 1,034,000</u>

The nature of "Charges from affiliates - other" for the fourth quarter ending December 31, 1984 are as follows:

	<u>1984</u>	<u>1983</u>
Basic rent due to AGP (not an affiliate)	\$ 4,623,000	\$ -0-
Rent	\$ 532,000	\$ 221,000
Management seminar	<u>-0-</u>	<u>43,000</u>
Total	<u>\$ 5,155,000</u>	<u>\$ 264,000</u>

The above includes basic rent due to AGP (not an affiliate) under the operating lease (see "Sale/Leaseback Transaction" and "Lease Obligations").

NOTE 9. RELATED PARTIES (continued)

For the twelve months ended December 31, 1984 and 1983 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of goods and services and Selling, general, and administrative. The nature of the charges and dollar amounts are as follows:

	<u>1984</u>	<u>1983</u>
<u>COST OF GOODS AND SERVICES</u>		
Room Charges - Deauville	\$ 194,000	\$ 427,000
Medical Claim Settlements	85,000	-0-
Payroll Reimbursements	6,000	-0-
Travel Reimbursements	(31,000)	9,000
Telephone Charges - Deauville	(12,000)	-0-
Executive Deferred Compensation Plan	15,000	-0-
Cleaning - Deauville Offices	9,000	4,000
Workers Compensation Insurance		
Adjustment (1)	( 9,000)	-0-
Miscellaneous Purchases	5,000	3,000
Gaming Licenses	-0-	44,000
	<u>262,000</u>	<u>487,000</u>
 <u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance (2)	745,000	107,000
Room Charges - Deauville	135,000	8,000
Legal & Professional Fees	174,000	192,000
Banking Charges (FNSB of SJ)	73,000	-0-
Leased Automobile Expense	22,000	15,000
Miscellaneous Purchases	21,000	16,000
Executive Deferred Compensation Plan	69,000	-0-
	<u>1,239,000</u>	<u>338,000</u>
Totals	<u>\$1,501,000</u>	<u>\$ 825,000</u>

For the quarter ended December 31, 1984 and 1983 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of goods and services and Selling, general, and administrative. The nature of the charges and dollar amounts are as follows:

	<u>1984</u>	<u>1983</u>
<u>COST OF GOODS AND SERVICES</u>		
Room Charges - Deauville	\$ 48,000	\$ 118,000
Medical Claim Settlements	6,000	-0-
Executive Deferred Compensation Plan	1,000	-0-
Cleaning - Deauville Offices	4,000	1,000
Miscellaneous Purchases	2,000	1,000
	<u>61,000</u>	<u>120,000</u>

NOTE 9. RELATED PARTIES (continued)

	<u>1984</u>	<u>1983</u>
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance (2)	211,000	55,000
Room Charges - Deauville	13,000	2,000
Legal Fees	-0-	35,000
Banking Charges (FNSB of SJ)	43,000	-0-
Leased Automobile Expense	6,000	4,000
Miscellaneous Purchases	7,000	1,000
Executive Deferred Compensation Plan	<u>18,000</u>	<u>-0-</u>
	<u>298,000</u>	<u>97,000</u>
Totals	<u>\$ 359,000</u>	<u>\$ 217,000</u>

- (1) Workers Compensation is accrued by Tropicana East but paid by Ramada for entire company. All adjustments, accrual and expense, flow through the intercompany account.
- (2) Insurance amounts include various premiums for the property and contents and claim settlements.

NOTE 10. INTEREST

Ramada allocated interest charges of \$19,461,000 for the period ending November 19, 1984 and \$27,938,000 for the period ending December 31, 1983. The charges were computed at 8% per annum in 1984 and 9 1/2% per annum in 1983 applied to the average month-end total assets less current liabilities. As of November 20, 1984 Ramada no longer allocated interest to the Company. The balance of \$367,000 is comprised of interest on capital leases, notes, and mortgages.

NOTE 11. INCOME TAXES

The provision for income taxes from continuing operations is comprised of the following:

	<u>1984</u>		<u>1983</u>	
	<u>CURRENT</u>	<u>DEFERRED</u>	<u>CURRENT</u>	<u>DEFERRED</u>
Federal	\$ -0-	\$8,695,000	\$ -0-	\$3,130,000
State	<u>1,623,000</u>	<u>810,000</u>	<u>759,000</u>	<u>945,000</u>
Total	<u>\$1,623,000</u>	<u>\$9,505,000</u>	<u>\$ 759,000</u>	<u>\$4,075,000</u>

NOTE 11. INCOME TAXES (continued)

The following table provides a reconciliation between the provision for income taxes on continuing operations and the federal statutory rate of 46% when both are expressed as a percentage of pretax income (loss):

	<u>1984</u>	<u>1983</u>
Computed expected tax expense	46.0%	46.0%
Increase (Decrease) in tax resulting from:		
State taxes, net	6.1	9.6
Investment tax credit	<u>(.4)</u>	<u>(5.0)</u>
Total	<u>51.7%</u>	<u>50.6%</u>

At December 31, 1984, operating losses of \$14,816,000 are available to offset future income for financial reporting purposes, and tax credits of \$1,830,000 are available to decrease future income tax expense. For income tax purposes, Adamar is included in Ramada's consolidated corporate, federal income tax return.

NOTE 12. EXTRAORDINARY ITEMS

Tax benefits of net operating losses amounting to \$8,695,000 in 1984 and \$3,130,000 in 1983, arising in prior years, were used to offset federal taxes which would have otherwise been provided for the twelve months ended December 31, 1984, and 1983. The tax provision is shown as a charge equivalent to federal income taxes, and the net operating loss benefit as an extraordinary credit in the accompanying statement of operations.

NOTE 13. STOCKHOLDER'S EQUITY

On June 29, 1984, Ramada Hotel Operating Company (RHOC) as owner of all of the issued and outstanding stock of the Company authorized a contribution to the paid-in capital of the Company of \$26,425,000, such amount being equal to the retained earnings deficit as indicated on the Company's balance sheet at June 28, 1984. Pursuant to the procedures set forth in Accounting Research Bulletin #43 chapter 7-A (Quasi Reorganizations), the Company reorganized its capital structure, with the consent of RHOC, on June 29, 1984, by eliminating the retained earnings deficit against the paid-in capital account, thus causing the paid-in capital and retained earnings accounts to have zero balances.

In addition on November 20, 1984 the following transactions occurred:

- The conversion of intercompany debt due to Ramada into additional paid in capital of \$251,000,000.
- Dividend declared to Ramada consisting of the Company's 99.9% interest in AGP, with a book value of \$226,000,000.
- A contribution to paid in capital from Ramada New Jersey Holdings Corporation of \$4,565,000.

NOTE 13. STOCKHOLDER'S EQUITY (continued)

- Issuance of Class A Preferred Stock to Ramada in exchange for the conversion of intercompany debt due to Ramada of \$28,902,000.
- Issuance of Class B Preferred Stock to Ramada in exchange for a mortgage receivable of \$50,000,000.

III. SUPPORTING SCHEDULES FOR MATERIAL ITEMS

NOTE 1. PREPAID EXPENSES AND OTHER CURRENT ASSETS

At December 31, 1984 and 1983, prepaid expenses and other current assets consisted of the following:

	<u>1984</u>	<u>1983</u>
Prepaid NJ current corporate license	\$ 496,000	\$ 350,000
Prepaid slot machine licenses	358,000	374,000
Prepaid rent	212,000	187,000
Miscellaneous prepaids	188,000	324,000
Prepaid licenses	77,000	72,000
Other	<u>791,000</u>	<u>1,129,000</u>
Total	<u>\$ 2,122,000</u>	<u>\$ 2,436,000</u>

NOTE 2 INVESTMENTS, ADVANCES, & RECEIVABLES

At December 31, 1984, investments, advances, & receivables consisted of the following:

	<u>1984</u>	<u>1983</u>
Mortgage receivable	\$ 50,000,000	\$ -0-
Due from to Ramada Inns, Inc.	<u>21,773,000</u>	<u>-0-</u>
Total	<u>\$ 71,773,000</u>	<u>\$ -0-</u>

NOTE 3. OTHER ACCRUED EXPENSES

At December 31, 1984 and 1983, other accrued expenses consisted of the following:

	<u>1984</u>	<u>1983</u>
Accrued payroll taxes and benefits	\$ 6,902,000	\$ 5,752,000
Reinvestment obligation	2,794,000	-0-
Accrued advertising	1,324,000	662,000
Accrued rent	477,000	-0-
Accrued taxes	573,000	722,000
Accrued progressive slot win	232,000	2,591,000
Accrued CCC & DGE	208,000	667,000
Accrued ESS	308,000	270,000
Accrued miscellaneous	854,000	740,000
Other	<u>\$ 791,000</u>	<u>\$ 807,000</u>
Total	<u>\$ 14,463,000</u>	<u>\$ 12,211,000</u>

NOTE 4. OTHER CURRENT LIABILITIES

At December 31, 1984 and 1983, other current liabilities consisted of the following:

	<u>1984</u>	<u>1983</u>
Advances from affiliates	\$ 180,000	\$ 4,509,000
Accrued construction payables	4,931,000	472,000
Other	<u>972,000</u>	<u>543,000</u>
Total	<u>\$ 6,083,000</u>	<u>\$ 5,524,000</u>

NOTE 5. OTHER LIABILITIES

At December 31, 1984 and 1983, other liabilities consisted of the following:

	<u>1984</u>	<u>1983</u>
Due to Ramada	\$ 12,810,000	\$114,845,000
Deferred rent	<u>455,000</u>	<u>-0-</u>
Total	<u>\$ 13,265,000</u>	<u>\$114,845,000</u>

NOTE 6. NON OPERATING INCOME (EXPENSE)

For the period ending December 31, 1984 and 1983, nonoperating income (expense) consisted of the following:

	<u>1984</u>	<u>1983</u>
Interest income	\$ 705,000	\$ 819,000
Loss on disposition of property & equipment	( 158,000)	( 265,000)
Management fee reimbursement	62,000	-0-
Leased land rental	687,000	-0-
Maintenance reimbursement	1,030,000	-0-
Provision for investment write-down	<u>( 710,000)</u>	<u>-0-</u>
Total	<u>\$ 1,616,000</u>	<u>\$ 554,000</u>

# SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1984

(UNAUDITED)  
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES			
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
		\$	
1	Undeposited patrons' checks .....	10,144	
2	Returned patrons' checks .....	8,041	
3	Total patrons' checks .....	18,185	\$ 6,936
4	Hotel receivables .....	131	70
5	Receivables due from officers and employees	8	
6	Receivables due from affiliates .....	10	
7	Other accounts and notes receivables .....	1,002	
8	Total other receivables .....	1,020	1,020
9	Totals (Form 305)	\$ 19,336	\$ 6,997
			\$ 11,249

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning balance (January-1) .....	\$ 8,389
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .....	258,611
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) .....	( 204,588 )
13	Checks collected through deposits .....	( 44,130 )
14	Checks transferred to returned checks .....	( 8,138 )
15	Other adjustments .....	
16	Ending balance .....	\$ 10,144
17	"Hold" checks included in balance on line 16 .....	\$
18	Provision for uncollectible patrons' checks .....	\$ 2,568
19	Provision as a % of counter checks issued .....	1.0

TRADING NAME OF LICENSEE Tropicana Hotel & Casino

## CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) %	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	<b>Revenue</b>				
1	Blackjack .....	\$ 55,746	\$ 391,357	14.2	76
2	Craps .....	40,947	275,120	14.9	25
3	Roulette .....	9,293	37,215	25.0	11
4	Big Six .....	2,807	5,673	49.5	3
5	Baccarat .....	10,037	65,268	15.4	3
6	Other table games .....				
7	Total table games revenue .....	118,830	\$ 774,633	15.3	118
			<b>HANDLE</b>		
8	\$.05 slot machines .....	3,407	\$ 21,772	15.6	79
9	\$.25 slot machines .....	59,880	419,589	14.3	940
10	\$1 slot machines .....	16,997	152,554	11.1	172
11	Other slot machines .....	19,378	219,294	8.8	267
12	Progressive jackpot adjustment .....	2,312			
13	Total coin-operated devices revenue .....	101,974	\$ 813,209	12.3	1,458
14	Other income .....	-			
15	Total revenue .....	220,804			
	<b>Expenses</b>				
16	Payroll and payroll related expenses .....	36,282			
17	Licenses and taxes .....	18,887			
18	Provision for uncollectible patrons' checks ...	2,568			
19	Other .....	21,044			
20	Total .....	78,781			
21	<b>Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....</b>	<b>142,023</b>			
	Complimentary services and casino management fees:				
22	Complimentary services .....	17,908			
23	Casino management fees .....	-			
24	Total .....	17,908			
25	<b>Departmental Income (Loss).....</b>	<b>\$124,115</b>			



# ANNUAL EMPLOYMENT AND PAYROLL REPORT

**LICENSEE** Adamar of New Jersey, Inc.  
d/b/a Tropicana Hotel & Casino  
**ADDRESS** Iowa and the Boardwalk  
Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 1984

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.....**

James L. White

**OFFICIAL TITLE.....**

Controller

**ADDRESS.....**

Iowa and the Boardwalk

Atlantic City, New Jersey 08401

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 84  
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
	<b>CASINO</b>				
1	Administration .....	26			
2	Gaming .....	995			
3	Slots .....	101			
4	Casino accounting .....	319			
5	Other .....	170	\$	\$	\$
6	Total-casino .....	1,611	29,649		29,649
7	ROOMS .....	191	2,822		2,822
8	FOOD AND BEVERAGE .....	777	9,318		9,318
	<b>OTHER OPERATED DEPARTMENTS</b>				
9	Telephone .....	19	272		272
10	Gift Shop .....	28	413		413
11	Parking/Transportation .....	141	1,760		1,760
12					
13					
14					
15					
16					
17					
18					
19					
	<b>ADMINISTRATIVE AND GENERAL</b>				
20	Executive office .....	19	173	857	1,030
21	Accounting and auditing .....	173	2,270		2,270
22	Security .....	214	3,621		3,621
23	Other administrative and general department ..	74	1,462		1,462
24	MARKETING .....	60	1,059		1,059
25	GUEST ENTERTAINMENT .....	24	678		678
26	PROPERTY OPERATION AND MAINTENANCE .....	78	1,831		1,831
			\$	\$	\$
				857	56,185

Trading Name of Licensee Tropicana Hotel & Casino

GROSS REVENUE  
ANNUAL TAX RETURN  
ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE

For the Year Ended December 31, 19 84

March 14, 1985  
Date

*James White*  
Signature

Controller  
Title

# GROSS REVENUE ANNUAL TAX RETURN

**LICENSEE** ADAMAR OF N.J., INC.D/B/A TROPICANA HOTEL/CASINO

**ADDRESS** IOWA AVENUE AND THE BOARDWALK

ATLANTIC CITY, NEW JERSEY

FOR THE YEAR ENDED DECEMBER 31, 19<sup>84</sup>

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



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

James B. Perry

**OFFICIAL TITLE**

Vice President/Finance

**ADDRESS**

Iowa Avenue and the Boardwalk

Atlantic City, New Jersey

# GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue .....	\$ 118,830	
2	Coin-operated devices revenue .....	99,662	
3	Total revenues .....		\$ 218,492
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks .....	\$ 2,568	
5	Maximum adjustment (4% of line 3) .....	\$ 8,740	
6	Adjustment (the lesser of line 4 or line 5) .....		2,568
7	Gross revenues (line 3 less line 6) .....		\$ 215,924
8	Tax on gross revenues - current year (8% of line 7) .....		\$ 17,274
9	Audit or other adjustments to tax on gross revenues in prior years .....		
10	Total tax on gross revenues (line 8 plus or minus line 9) .....		17,274
	Deposits made for tax on current year's gross revenues:		
11	January .....	\$ 1,090	
12	February .....	1,338	
13	March .....	1,779	
14	April .....	1,455	
15	May .....	1,298	
16	June .....	1,757	
17	July .....	1,444	
18	August .....	1,516	
19	September .....	1,388	
20	October .....	1,552	
21	November .....	1,251	
22	December .....	1,140	
23	* January .....	266	
24	Total deposits made for tax on current year's gross revenues .....		( 17,274 )
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits .....		
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25) .....		\$ -0-

\* Includes \$48 deposit made in February 1985, which related to \$604 December provision adjustment.

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF :  
COUNTY OF :SS.  
:

James B. Perry, 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.

James B. Perry  
Signature

V. P. of Finance  
Title

00516-11  
License Number

Subscribed and sworn to  
before me this 13<sup>th</sup> day  
of February, 1985.

Bernadette E. Halt  
Signature

On Behalf Of:

Tropicana Hotel/Casino  
Casino Licensee

Notary Public - State of New Jersey  
Basis of Authority  
to Take Oaths

#138597  
My Commission expires 7/19/89.

# HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 31, 19 84

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
LINE	PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
1	JANUARY	516	14,448	11,292	\$ 81.88	78.2%	21,490	\$ 43.02
2	FEBRUARY	516	18,060	14,760	\$ 81.01	81.7%	27,351	\$ 43.72
3	MARCH	516	14,448	13,051	\$ 76.31	90.3%	24,567	\$ 40.54
4	<b>1st QUARTER TOTALS</b>		46,956	39,103	\$ 79.69	83.3%	73,408	\$ 42.45
5	APRIL	516	14,448	12,533	\$ 76.31	86.7%	24,392	\$ 39.21
6	MAY	516	18,060	14,340	\$ 91.63	79.4%	27,450	\$ 47.87
7	JUNE	516	14,448	13,182	\$ 88.27	91.2%	25,452	\$ 45.72
8	<b>2nd QUARTER TOTALS</b>		46,956	40,055	\$ 85.73	85.3%	77,294	\$ 44.43
9	JULY	516	14,448	13,099	\$ 123.39	90.7%	25,772	\$ 62.71
10	AUGUST	516	15,996	14,970	\$ 120.87	93.6%	29,494	\$ 61.35
11	SEPTEMBER	516	14,448	12,883	\$ 96.65	89.2%	24,543	\$ 50.74
12	<b>3rd QUARTER TOTALS</b>		44,892	40,952	\$ 114.06	91.2%	79,809	\$ 58.52
13	OCTOBER	516	14,448	13,031	\$ 90.63	90.2%	24,932	\$ 47.37
14	NOVEMBER	516	18,060	15,264	\$ 88.91	84.5%	28,658	\$ 47.36
15	DECEMBER	516	18,060	12,443	\$ 92.50	68.9%	24,147	\$ 47.67
16	<b>4th QUARTER TOTALS</b>		50,568	40,738	\$ 90.56	80.6%	77,737	\$ 47.46
17	<b>ANNUAL TOTALS</b>		189,372	160,848	\$ 92.51	84.9%	308,248	\$ 48.22

Note: The above statistics are unaudited and are subject to change by the casinos.

# ANNUAL REPORT

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C-193  
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LICENSEE Bally's Park Place, NJ  
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Atlantic City, NJ 08401

FOR THE YEAR ENDED . . . December 31 , 19 84

TO THE  
CASINO CONTROL COMMISSION  
OF THE  
STATE OF NEW JERSEY



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

C. Patrick McKoy

OFFICIAL TITLE . . . . .

Vice President & Treasurer

ADDRESS . . . . .

Park Place & The Boardwalk

Atlantic City, NJ 08401

TRADING NAME OF LICENSEE Bally's Park Place, NJ

## LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 84

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-305
Statements of Income (Year)	CCC-310
Statements of Income (Three Months)	CCC-315
Statements of Changes in Stockholders' Equity	CCC-320
Statements of Changes in Partners' or Proprietor's Equity	CCC-325
Statements of Changes in Financial Position	CCC-330
Notes to Financial Statements	--
Schedule of Receivables and Patrons' Checks	CCC-340
Casino Departmental Schedule	CCC-345
Statement of Conformity and Accuracy	CCC-350

# BALANCE SHEETS

DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	* (d) 19 <u>83</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
1	Cash .....	\$	\$
2	Marketable securities .....	6,959	7,966
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1984, \$ 5,800 ; 1983, \$ 6,000 ) ....	3,000	15,850
4	Inventories .....	5,857	6,630
5	Prepaid expenses and other current assets .....	2,969	2,281
		715	988
6	Total current assets .....	19,500	33,715
7	Investments, Advances, And Receivables ..... Note 1	6,486	6,737
8	Property And Equipment - Net ..... Note 2	293,309	266,398
9	Other Assets .....	7,799	10,828
10	Total Assets .....	\$ 327,094	\$ 317,678
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
11	Accounts payable .....	\$ 6,003	\$ 8,346
12	Notes payable .....	--	--
Current portion of long-term debt:			
13	Due to affiliates .....	--	--
14	Other ..... Note 3	5,368	1,203
15	Income taxes payable and accrued ..... Note 4	4,870	27,885
16	Other accrued expenses .....	18,141	17,445
17	Other current liabilities .....	2,041	2,633
18	Total current liabilities .....	36,423	57,512
<b>Long-Term Debt:</b>			
19	Due to affiliates ..... Note 3	99,535	99,503
20	Other ..... Note 3	13,903	8,105
21	Deferred Credits ..... Note 5	14,318	13,017
22	Other Liabilities .....	--	--
23	Commitments And Contingencies .....		
24	Total Liabilities .....	164,179	178,137
25	Stockholders', Partners', Or Proprietor's Equity .....	162,915	139,541
26	Total Liabilities And Equity .....	\$ 327,094	\$ 317,678

\* Restated to conform with 1984 presentation

# STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	* (d) 19 <u>83</u>
	<b>Revenue</b>		
1	Casino .....	\$ 237,700	\$ 230,072
2	Rooms .....	15,787	15,928
3	Food and beverage .....	35,168	36,894
4	Other .....	4,130	2,872
5	Total revenue .....	292,785	285,766
6	Less: promotional allowances Note 6 .....	21,447	22,433
7	Net revenue .....	271,338	263,333
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	151,419	149,021
9	Selling, general, and administrative .....	33,389	30,273
10	Provision for doubtful accounts .....	749	962
11	Total .....	185,557	180,256
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest</b> .....	85,781	83,077
13	Depreciation and amortization .....	24,315	22,083
	Charges from affiliates:		
14	Interest Note 7 .....	13,875	12,165
15	Management fees .....	-0-	-0-
16	Other Note 8 .....	1,100	1,050
17	Interest expense - external Note 7 .....	(655)	710
18	<b>Income (Loss) From Operations</b> .....	47,146	47,069
19	Nonoperating income (expense) - net .....	-0-	-0-
20	<b>Income (Loss) Before Income Taxes And Extraordinary Items</b> .....	47,146	47,069
21	Provision (Credit) for income taxes Note 9 .....	23,900	26,500
22	<b>Income (Loss) Before Extraordinary Items</b> .....	23,246	20,569
23	Extraordinary items (net of income taxes - 19 <u>  </u> , \$ ; 19 <u>  </u> , \$ ) .....	-0-	-0-
24	<b>Net Income (Loss)</b> .....	\$ 23,246	\$ 20,569

\* Restated to conform with 1984 presentation

TRADING NAME OF LICENSEE Bally's Park Place, NJ

# STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED December 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <sup>84</sup>	(d) 19 <sup>83*</sup>
	<b>Revenue</b>		
1	Casino .....	\$ 55,110	\$ 54,162
2	Rooms .....	3,318	3,657
3	Food and beverage .....	8,078	9,270
4	Other .....	1,063	1,004
5	Total revenue .....	67,569	68,093
6	Less: promotional allowances <u>Note 6</u> .....	4,849	5,863
7	Net revenue .....	62,720	62,230
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	35,725	36,745
9	Selling, general, and administrative .....	9,960	8,901
10	Provision for doubtful accounts .....	101	(186)
11	Total .....	45,786	45,460
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest</b> .....	16,934	16,770
13	Depreciation and amortization .....	6,046	5,627
14	Charges from affiliates:		
15	Interest <u>Note 7</u> .....	3,469	3,466
16	Management fees .....	-0-	-0-
17	Other <u>Note 8</u> .....	275	264
18	Interest expense - external <u>Note 7</u> .....	(472)	34
19	<b>Income (Loss) From Operations</b> .....	7,616	7,379
20	Nonoperating income (expense) - net .....	-0-	-0-
21	<b>Income (Loss) Before Income Taxes And Extraordinary Items</b> .....	7,616	7,379
22	Provision (Credit) for income taxes <u>Note 9</u> .....	3,750	4,400
23	<b>Income (Loss) Before Extraordinary Items</b> .....	3,866	2,979
24	Extraordinary items (net of income taxes - 19 <sup>84</sup> , \$ ; 19 <sup>83</sup> , \$ ) .....	-0-	-0-
	<b>Net Income (Loss)</b> .....	\$ 3,866	\$ 2,979

\* Restated to conform with 1984 presentation

# STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 84		19 83	
		(c) SHARES	(d) \$	(e) SHARES	(f) \$
	<b>Common Stock</b>		\$		\$
1	Beginning balance (January 1) .....	100	93,572	100	66,359
2	Sale of stock .....	-0-	-0-	-0-	-0-
3	Increase in Investments by Parent		128		27,213
4	Ending balance .....	100	93,700	100	93,572
	<b>Preferred Stock</b>				
5	Beginning balance (January 1) .....	-0-	-0-	-0-	-0-
6	Sale of stock .....	-0-	-0-	-0-	-0-
7		-0-	-0-	-0-	-0-
8	Ending balance .....	-0-	-0-	-0-	-0-
	<b>Additional Paid-In Capital</b>				
9	Beginning balance (January 1) .....		-0-		-0-
10			-0-		-0-
11			-0-		-0-
12	Ending balance .....		-0-		-0-
	<b>Treasury Stock</b>				
13	Beginning balance (January 1) .....	-0-	( -0- )	-0-	( -0-
14	Purchase of additional stock .....	-0-	( -0- )	-0-	( -0-
15	Sale or retirement of stock .....	-0-	-0-	-0-	-0-
16	Ending balance .....	-0-	( -0- )	-0-	( -0-
	<b>Subscriptions Receivable For Capital Stock</b>				
17	Beginning balance (January 1) .....	-0-	( -0- )	-0-	( -0-
18		-0-	-0-	-0-	-0-
19		-0-	-0-	-0-	-0-
20	Ending balance .....	-0-	( -0- )	-0-	( -0-
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>				
21	Beginning balance (January 1) .....		( -0- )		( -0-
22			-0-		-0-
23			-0-		-0-
24	Ending balance .....		( -0- )		( -0-
	<b>Retained Earnings</b>				
25	Beginning balance (January 1) .....		45,969		25,400
26	Prior period adjustments .....		-0-		-0-
27	Net income (loss) .....		23,246		20,569
28	Dividends .....		( -0- )		( -0-
29					
30					
31	Ending balance .....		69,215		45,969
32	<b>Ending Stockholders' Equity</b> .....		\$ 162,915		\$ 139,541

## STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

Not Applicable

LINE (a)	DESCRIPTION (b)	(c) 19__	(d) 19__
	<b>Invested Capital</b>		
1	Beginning balance (January 1) .....	\$	\$
2	Additional capital invested .....		
3			
4	Ending balance .....		
	<b>Accumulated Income (Loss)</b>		
5	Beginning balance (January 1) .....		
6	Prior period adjustments .....		
7	Net income (loss) .....		
8			
9	Ending balance .....		
	<b>Capital Withdrawals</b>		
10	Beginning balance (January 1) .....	(	)
11	Additional capital withdrawals .....	(	)
12			
13	Ending balance .....	(	)
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>		
14	Beginning balance (January 1) .....	(	)
15			
16			
17	Ending balance .....	(	)
18	<b>Ending Partners' Or Proprietor's Equity</b> .....	\$	\$

# STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 84	* (d) 19 83
	<b>Sources Of Funds</b>		
1	Income (loss) before extraordinary items .....	\$ 23,246	\$ 20,569
2	Add (deduct) items not affecting working capital:		
3	Depreciation and amortization of property and equipment .....	21,046	18,962
4	Amortization of other assets .....	3,269	3,121
5	Deferred income taxes .....	1,301	(9,856)
6	(Gain) loss on dispositions of property and equipment .....	-0-	-0-
7	Other items:		
8			
9			
10	Total funds provided (used) by operations, exclusive of extraordinary items .....	48,862	32,796
11	Extraordinary items .....	-0-	-0-
12	Total funds provided (used) by operations .....	48,862	32,796
13	Proceeds from dispositions of property and equipment .....	1,575	756
14	Proceeds from long-term debt .....	11,651	3,232
15	Additions to deferred credits and other liabilities .....	-0-	-0-
16	Proceeds from issuance of stock or capital contributions .....	-0-	-0-
17	Other sources of funds:		
18	Increase in Debt Due to Affiliates	32	99,492
19	Increase in Common Stock	128	27,213
20	Decrease in L-T Mortgage Receivable	251	48
21	Total funds provided .....	62,499	163,537
22	<b>Uses Of Funds</b>		
23	Additions to property and equipment .....	49,532	24,298
24	Additions to investments, advances, and receivables .....	-0-	-0-
25	Reductions of long-term debt .....	5,853	1,200
26	Dividends declared or capital distributions .....	-0-	-0-
27	Other uses of funds:		
28	Repayment BMC Loan	-0-	147,295
29	Bond Insurance Costs	-0-	3,453
30	Other, Net	240	185
31	Total funds used .....	55,625	176,431
32	Increase (Decrease) in Working Capital .....	\$ 6,874	\$ (12,894)
33	<b>Summary Of Changes In Components Of Working Capital</b>		
34	Cash .....	(1,007)	(1,198)
35	Marketable securities .....	(12,850)	13,200
36	Receivables and patrons' checks .....	(773)	164
37	Inventories .....	688	514
38	Prepaid expenses and other current assets .....	(273)	(280)
39	Accounts payable .....	2,343	(3,143)
40	Notes payable .....	-0-	-
41	Current portion of long-term debt .....	(4,165)	(503)
42	Income taxes payable and accrued .....	23,015	(13,990)
43	Other accrued expenses .....	(695)	(6,423)
44	Other current liabilities .....	591	(1,235)
45	Increase (Decrease) in Working Capital .....	\$ 6,874	\$ (12,894)

7/84

See accompanying notes to financial statements.

\* Restated to conform with 1984 presentation

CCC-330

## Summary of Significant Accounting Policies

### Basis of presentation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries after elimination of all material inter-company transactions. Unless the context otherwise requires, reference to the Company (a New Jersey Corporation) includes its wholly-owned subsidiaries, Bally Warwick, Inc. and B. W. Realty, Inc.

The Company operates in one industry segment. All significant revenues arise from its casino and supporting hotel operations.

Certain reclassifications have been made to the 1983 statements to conform to the 1984 presentation.

### Casino revenue and promotional allowances

Casino revenue consists of the net win from gaming activities, which is the difference between gaming wins and losses. The retail value of complimentary food, beverage and hotel services furnished to customers is included in revenues and then deducted as promotional allowances.

### Inventories

Inventories of provisions and supplies are stated at the lower of cost (first-in, first-out basis) or market.

### Deferred pre-opening costs

Pre-opening costs relating primarily to organization, personnel recruitment and training, employee licensing and development of systems and controls were deferred and amortized ratably through 1984.

### Casino licensing costs

Casino licensing costs relating to obtaining an initial casino license have been deferred and are being amortized ratably through 1989.

### Deferred bond issuance costs and original issue debt discount

Deferred bond issuance costs and original issue debt discount are being amortized by the bonds outstanding method over the term of the issue.

### Capitalized interest

The Company capitalizes interest on the accumulated cost of major construction projects at its average cost of borrowed money.

## Property and equipment

Depreciation and amortization of property and equipment is provided on the straight-line method and totals \$21,046,000 and \$18,962,000 for 1984 and 1983 respectively.

## Income taxes

Taxable income or loss of the Company is included in the consolidated Federal income tax return of Bally Manufacturing Corporation (Bally). Under an agreement between the Company and Bally, income taxes are allocated to the Company based on amounts the Company would pay or receive if it filed a separate Federal income tax return, except that the Company received credit from Bally for the tax benefit of the Company's net operating losses and tax credits that can be utilized in Bally's consolidated Federal income tax return, whether or not such losses or credits could be utilized by the Company on a separate return basis. Payment to Bally is to be made at such time and in such amounts as payments are required to be made for income taxes. Payment by Bally for such tax benefits are made at the time Bally files the applicable consolidated Federal income tax return.

Investment Obligation/Potential Alternative Tax

Regulatory changes

Pursuant to amendments enacted in December, 1984, to the Casino Control Act, a Casino Reinvestment Development Authority (the "Authority") was established to oversee the participation by the casino gaming industry in the urban redevelopment and other social and economic advancement of the City of Atlantic City and the State of New Jersey. For a period of twenty-five years beginning with calendar 1984 or the second year of operations, whichever is later, the ("Obligation Period"), casino licensees are subject to an annual investment alternative tax of 2.5% of gross casino revenues, as defined. The Authority is empowered to issue bonds with maturity dates of up to 50 years from issuance and bearing interest at two-thirds of market rates, as defined, at the time of issuance. Proceeds from such bonds issues will be invested by the Authority in qualifying projects in Atlantic City and the State of New Jersey. Such projects are subject to minimum investment ratings as provided under the Casino Control Act. Casino licensees may receive credits against their investment alternative tax liability in amounts equal to twice the purchase price of Authority bonds purchased within the appropriate time periods. Projects commenced by a casino licensee prior to the effective date of the amendments may also be submitted to the Authority for approval as credits against the investment alternative tax liability. Casino licensees are also required to make quarterly prepayments against the investment alternative tax liability in amounts equal to 1.25% of the preceding calendar quarter's gross casino revenue, as defined. Interest on such prepayments accrues to the Casino Revenue Fund until such time as the prepayments are applied against the tax due or against the purchase of bonds. The Authority's members have not been appointed and final rules and regulations have not yet been promulgated.

The Company is subject to the foregoing legislation as of January 1, 1984, and has until April 30, 1985, to pay the investment alternative tax for calendar 1984 of \$5,910,000 or invest \$2,955,000 in direct investments or the purchase of Authority bonds. Prior to the effective date of the abovementioned amendments, the Company commenced the development of a 72-unit condominium housing project in Atlantic City, to be funded through the Company's donation of the building site and its acquisition of approximately \$5,900,000 of 5% tax-free, 3½ year notes issued by the Atlantic County Improvement Authority. The Company believes this project is consistent with the primary goal of the recent legislation to provide housing in Atlantic City and will seek to obtain full credit against its 1984 investment tax alternative tax liability through approval of the housing project or, absent such credit, through the purchase of sufficient bonds.

Pension Plan

In connection with the employment agreement of an officer/director of the Company, the Company has established a Supplemental Executive Retirement Plan, under which the participant receives benefits based on years of service and compensation. The Company recognizes the expense on this plan currently, however, it presently intends to fund such costs when paid.

BALLY'S PARK PLACE, NJ  
 Note 1 - Investments, Advances and Receivables  
 December 31, 1984

Other long-term investments and receivables:

Reese Palley/Martin Blatt  
 (Mortgage - Marlboro Bleinheim)  
     First Mortgage  
     Second Mortgage

\$2,499,959  
3,333,215

Total other long-term receivables

\$5,833,174

Notes receivable - officers

896,726 (1)

Notes receivable - employees

1,488

Less current portion

(245,272)

Total Investments, Advances  
 and Receivables

\$6,486,116

(1) Notes receivable - officers:

(A) William Weinberger, President  
     Balance January 1, 1984  
     Less payments

\$ 128,428  
(5,952)

Balance December 31, 1984

\$ 122,476

Current portion: \$7,780

Repayment Terms:

Due Date: Quarterly payments of \$2,750

Interest Rate: 4%

Collateral: Mortgage Loan

(B) Richard Gillman, Chairman of the Board  
     Balance January 1, 1984  
     Additions

\$ 774,250  
-

Balance December 31, 1984

774,250

Repayment Terms: without interest until certain  
 future stock prices occur

Total notes receivable - officers

\$ 896,726

BALLY'S PARK PLACE, NJ  
 Note 2 - Property, Plant and Equipment  
 December 31, 1984

	<u>1984</u>	<u>1983</u>
Land	\$ 25,615,000	\$ 19,528,000
Buildings, Leasehold Improvements	266,678,000	232,602,000
Furniture, Fixtures and Equipment	<u>88,604,000</u>	<u>84,127,000</u>
	<u>380,897,000</u>	<u>336,257,000</u>
Less Accumulated Depreciation and Amortization	<u>87,588,000</u>	<u>69,859,000</u>
Property and Equipment, Net	<u><u>\$293,309,000</u></u>	<u><u>\$266,398,000</u></u>

Bally's Park Place, NJ  
 Note 3 - Long-Term Debt - Other  
 December 31, 1984

Lender U. S. dollars	Original Date of note	Due Date of note	Interest rate, payment terms and collateral	Principal amount					
				Balance at 12/31/83	Additions	Reductions	Balance at December 31, 1984		
							Total	Current	Non-current
2000 Pacific Avenue	10/03/82	9/85	10% - Purchase money mortgage & \$185,781 note payable. \$9,680.15 principal & int. per mo.	\$ 185,781	\$ --	\$ 102,184	\$ 83,597	\$ 83,597	\$ --
Dorothy Essl (Farrell-deceased) 26 S. Indiana Ave. Atlantic City, NJ	11/30/79	01/01/85	9½% - 5yr. mortgage. Quarterly payments of \$15,848.04 commencing 4/1/80. Final installment due 4/1/85.	59,800	--	59,800	--	--	--
First National State Bank of South Jersey 1922 Pacific Ave.	01/04/78	02/01/93	15yr. loan-8½%. \$2,360.56 per mo. Balloon payment of \$120,052.64 payable on or before 2/1/93.	232,858	--	8,874	223,984	9,659	214,325
Nat Ginsberg Eastbourne Property	05/11/79	11/86	11% interest-\$15,404 per mo. 10yr. loan; final payment due 11/86.	751,813	--	107,456	644,357	453,224	191,133
E. Beron Eastbourne Property	05/11/79	10/86	10 yr. mortgage-11% int. \$14,807/mo. Final payment due 10/86.	722,696	--	103,292	619,404	448,578	170,826
J. Toll Eastbourne Property	05/11/79	9/86	10 yr. mortgage-11% int. \$14,807/mo. Final payment due 9/86.	722,696	--	442,765	279,931	154,528	125,403
A. C. Rescue Mission 16 S. Indiana Ave. Atlantic City, NJ	12/01/80	12/31/95	5yr. mortgage-9% interest. \$2,282.11/mo. commencing 1/1/81. Final payment due 12/31/95.	200,530	--	9,733	190,797	10,645	180,152
First National State Bank of South Jersey 100 West Parkway Drive Egg Harbor Township	07/20/84	08/01/89	5yr. loan-monthly installments. Monthly principal payment \$17,410.66. Interest based on Prime Rate.	--	1,045,000	87,083	957,917	209,000	748,917
Xerox - Lease Purchase	12/80	10/84	Equip. purchase contract- 15½% int. Final paymt. due 10/30/84.	43,782	--	43,782	--	--	--

Bally's Park Place, NJ  
 Note 3 - Long-Term Debt-Other  
 December 31, 1984

Lender U. S. dollars	Original Date of note	Due Date of note	Interest rate, payment terms and collateral	Principal amount					
				Balance at 12/31/83	Additions	Reductions	Balance at December 31, 1984		
							Total	Current	Non-current
Girard/Mellon Bank	04/84	Not Man- datory un- til 2/86	Credit line for \$50,000,000- Commitment Fee ½ of 1% on unused balance; calculation based on 365-days; loan take downs calculated at Prime Rate (10 ¾% at 12/31/84)	\$ --	\$19,000,000	\$ 9,000,000	\$10,000,000	\$ --	\$10,000,000
IBM-Equipment Purchase Contract	06/29/84	06/29/87	14½% interest. Thirty-six month contract	270	606,257	69,638	536,889	184,509	352,380
Rosenblatt-Poland Building: Lease Termination Agreement 1904 Pacific Ave. Atlantic City, NJ	06/01/81	06/01/84	14% interest. Principal Due: \$14,000 quarterly commencing 3/1/82. Final payment due 6/1/84 (Plus interest on unpaid balance).	28,000	--	28,000	--	--	--
Girard Bank Michigan & Pacific Ave.	03/31/83	5yrs. from date of Acq. of 2nd parcel; No later than 8/15/88.	Interest fixed for 30, 90, or 180 days at one over LIBOR or floating with Girard Bank's PRIME. Principal equal to 20% of original amount due annu- ally. Collateral is a blanket mortgage secured by a 1st mortgage on both parcels - 1 and 2.	3,200,000	--	640,000	2,560,000	640,000	1,920,000
Rachlin Lease - Mortgage Arkansas & Boardwalk	01/01/79	01/01/86	99 year lease. 10 ¼% Interest due: 1983 \$291,749 1984 \$300,500 1985 \$309,515	3,160,200	14,406	--	3,174,606	3,174,606	--
				<u>\$9,308,426</u>	<u>\$20,665,663</u>	<u>\$10,702,607</u>	<u>\$19,271,412</u>	<u>\$5,368,346</u>	<u>\$13,903,136</u>

Bally's Park Place, NJ  
 Note 3 - Long-Term Debt - Affiliates  
 December 31, 1984

Lender U. S. dollars	Original Date of note	Due Date of note	Interest rate, payment terms and collateral	Balance at 12/31/83	Additions	Reductions	Principal amount		
							Balance at December 31, 1984		
							Total	Current	Non-current
Bally's Park Place Funding, Inc. Mortgage Payable	09/01/83	09/01/2003	20 year Mortgage Interest at 13 7/8% payable semi-annually	<u>\$99,502,668</u>	<u>\$32,004</u>	--	<u>\$99,534,672</u>	--	<u>\$99,534,672</u>

BALLY'S PARK PLACE, NJ  
Note 4 - Other Accrued Expenses  
December 31, 1984

	<u>1984</u>	<u>1983</u>
Payroll	\$ 4,917,000	\$ 3,962,000
Payroll Taxes	552,000	1,267,000
Progressive Jackpots	2,389,000	2,949,000
Vacation Pay	1,450,000	1,381,000
Interest	4,723,000	4,717,000
Miscellaneous*	<u>4,110,000</u>	<u>3,169,000</u>
Total	<u>\$18,141,000</u>	<u>\$17,445,000</u>

\* No item exceeds 5% of total current liabilities.

BALLY'S PARK PLACE, NJ  
 Note 5 - Deferred Credits  
 December 31, 1984

	1984	1983
Deferred Federal Income Taxes	<u>\$14,318,000</u>	<u>\$13,017,000</u>

	1984	1983
Number of Participants	1,284,000	1,191,000
	1,100,000	1,000,000
	184,000	191,000
	1,484,000	1,391,000
	1,400,000	1,300,000
	84,000	91,000
	1,484,000	1,391,000
	1,400,000	1,300,000
	84,000	91,000
	<u>1,484,000</u>	<u>1,391,000</u>

BALLY'S PARK PLACE, NJ  
 Note 6 - Complimentary Services  
 For the Twelve Months Ended December 31, 1984

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Rooms	52,956	\$ 6,495,000		
Food	766,129	8,075,000		
Beverage	2,292,333	6,877,000		
Travel			21,990	\$ 3,947,000
Coupon Redemption - Cash Shows			1,035,000	11,971,000
Rooms off premises			13,588	231,000
Other			3,460	272,000
			36,860	<u>1,843,000</u>
Total Amount of Services		<u>\$21,447,000</u>		<u>\$18,264,000</u>

For the Three Months Ended  
 December 31, 1984

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Rooms	11,505	\$ 1,364,000		
Food	171,537	1,808,000		
Beverage	559,333	1,677,000		
Travel			3,878	\$ 696,000
Coupon Redemption - Cash Shows			284,000	3,328,000
Rooms off permises			5,509	86,000
Other			547	43,000
			11,080	<u>554,000</u>
Total Amount of Services		<u>\$ 4,849,000</u>		<u>\$ 4,707,000</u>

BALLY'S PARK PLACE, NJ  
 Note 7 - Interest Expense  
 For Twelve Months Ended December 31, 1984

REVISED 3/18/85

<u>Charges From Affiliates</u>	1984	1983
Bally Manufacturing Corporation	\$ --	\$ 7,733,000
Bally's Park Place Funding	<u>13,875,000</u>	<u>4,432,000</u>
	<u>\$13,875,000</u>	<u>\$12,165,000</u>
 <u>External Sources</u>		
Interest on various loans	\$ 1,606,000	\$ 955,000
Capitalized interest	<u>(2,261,000)</u>	<u>(245,000)</u>
	<u>\$ (655,000)</u>	<u>\$ 710,000</u>

For the Three Months Ended  
 December 31, 1984

<u>Charges From Affiliates</u>		
Bally Manufacturing Corporation	\$ -	\$ (2,000)
Bally's Park Place Funding	<u>3,469,000</u>	<u>3,468,000</u>
	<u>\$ 3,469,000</u>	<u>\$ 3,466,000</u>
 <u>External Sources</u>		
Interest on various loans	\$ 354,000	\$ 279,000
Capitalized interest	<u>(826,000)</u>	<u>(245,000)</u>
	<u>\$ (472,000)</u>	<u>\$ 34,000</u>

BALLY'S PARK PLACE, NJ  
Note 8 Charges From Affiliates - Other  
For the Twelve Months Ended December 31, 1984

	<u>1984</u>	<u>1983</u>
Expenses relating to Marlboro Blenheim Lease	<u>\$1,100,000</u>	<u>\$1,050,000</u>

For the Three Months Ended  
December 31, 1984

Expenses relating to Marlboro Blenheim Lease	<u>\$ 275,000</u>	<u>\$ 264,000</u>
---	-------------------	-------------------

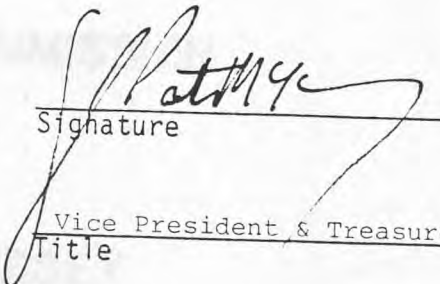
STATEMENT OF CONFORMITY AND ACCURACY

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

C. Patrick McKoy, being duly sworn according to law  
Name

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 the Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Report is accurate to the best of my knowledge and belief.

  
Signature

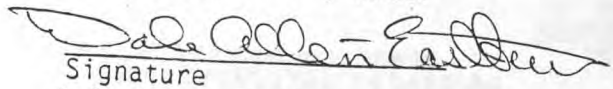
Vice President & Treasurer  
Title

#00962-11  
License Number

Subscribed and sworn to  
before me this 15th day  
of March, 1985.

On Behalf Of:

Bally's Park Place, NJ  
Casino Licensee

  
Signature

Dale Allen-Eastburn  
Notary Public of New Jersey  
My Commission Expires 3/1/88  
Basis of Authority  
to Take Oaths

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

**LICENSEE** Bally's Park Place, NJ

**ADDRESS** Park Place & The Boardwalk

Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1984

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.....

C. Patrick McKoy

OFFICIAL TITLE.....

Vice President & Treasurer

ADDRESS.....

Park Place & The Boardwalk

Atlantic City, NJ 08401

BALLY'S PARK PLACE, NJ  
 Note 9- Provision for Income Taxes  
 For the Twelve Months Ended December 31, 1984

	1984	1983
Current:		
Federal	\$ 18,489,000	\$ 32,791,000
State	3,770,000	7,463,000
	22,259,000	40,254,000
Deferred:		
Federal	1,367,000	(11,215,000)
State	274,000	(2,539,000)
	1,641,000	(13,754,000)
Total Income Taxes	\$ 23,900,000	\$ 26,500,000

For the Three Months Ended  
 December 31, 1984

Current:		
Federal	\$ 1,329,000	\$ 14,418,000
State	75,000	3,133,000
	1,404,000	17,551,000
Deferred:		
Federal	1,947,000	(10,719,000)
State	399,000	(2,432,000)
	2,346,000	(13,151,000)
Total Income Taxes	\$ 3,750,000	\$ 4,400,000

Reconciliation of Deferred Taxes  
 For the Year Ended December 31, 1984

	1984	1983
Short - term	\$ 329,000	\$ (3,898,000)
Long - term	1,312,000	(9,856,000)
Total deferred taxes	\$ 1,641,000	\$ (13,754,000)

BALLY'S PARK PLACE, NJ  
 Long-term Lease - Other  
 December 31, 1984

Rental Expense	Rental Expense			Minimum Non-Cancellable Rental Commitments			
	1984	1983	1985	1986	1987	1988	1989
American International Airlines	\$ 64,800.00	\$2,081,326.00	\$ --	\$ --	\$ --	\$ --	\$ --
Strouse-Greenberg 17th & Chancellor, Philadelphia, PA Terms: 10/1/82 - 9/30/87	37,654.42	35,582.00	32,112.00	32,112.00	24,084.00	--	--
Priester Aviation Original Terms: 8/15/82 - 8/15/83 Possible renegotiation	569,055.36	911,854.00	--	--	--	--	--
Gurwicz & Schiff (2507 Atlantic Realty Co.) Term 2/11/83 - 2/11/86	32,750.00	30,500.00	35,750.00	3,000.00	--	--	--
NJ Expressway Authority original terms 3/1/81 - 3/1/85	295,480.50	336,370.50	46,565.75	--	--	--	--
Roband - New York Sales Office 665 Fifth Avenue, NY, NY terms: 12/1/82 - 3/30/85	106,623.68	121,386.35	22,500.00	--	--	--	--
IBM - Operating Lease terms 8/84 - 7/87	104,339.60	--	250,415.04	250,415.04	146,075.44	--	--
Equipment Rental Expense	928,483.41	818,771.06	--	--	--	--	--
Innovative Travel Group	2,272,983.00	2,105,921.00	--	--	--	--	--
Bally Manufacturing (Airplane Charges)	205,200.00	205,200.00	--	--	--	--	--
Miscellaneous Rent Expenses	5,056.03	29,506.09	--	--	--	--	--
<b>Total</b>	<b>\$4,622,426.00</b>	<b>\$6,676,417.00</b>	<b>\$ 387,342.79</b>	<b>\$ 285,527.04</b>	<b>\$ 170,159.44</b>	<b>\$ --</b>	<b>\$ --</b>

BALLY'S PARK PLACE, NJ  
 Long-term Lease - Affiliates  
 December 31, 1984

Rental Expense	Rental Expense		1985	Minimum Non-Cancellable Rental Commitments				Thereafter
	1984	1983		1986	1987	1988	1989	
Marlboro Blenheim	<u>\$ 1,100,000</u>	<u>\$ 1,050,000</u>	<u>\$ 1,150,000</u>	<u>\$ 1,150,000</u>	<u>\$ 1,150,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 33,600,000</u>

# SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 19 84

(UNAUDITED)  
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE-(e) NET OF ALLOWANCE
1	Undeposited patrons' checks .....	\$ 4,782		
2	Returned patrons' checks .....	5,576		
3	Total patrons' checks .....	10,358	\$ 5,700	\$ 4,658
4	Hotel receivables .....	570	100	470
5	Receivables due from officers and employees	7		
6	Receivables due from affiliates .....	-		
7	Other accounts and notes receivables .....	722		
8	Total other receivables .....	729	-	729
9	Totals (Form 305)	\$ 11,657	\$ 5,800	\$ 5,857

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning balance (January 1) .....	\$
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .....	6,250
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) .....	162,539
13	Checks collected through deposits .....	( 145,033 )
14	Checks transferred to returned checks .....	( 13,770 )
15	Other adjustments .....	( 5,204 )
16	Ending balance .....	\$ 4,782
17	"Hold" checks included in balance on line 16 .....	\$ -0-
18	Provision for uncollectible patrons' checks .....	\$ 713
19	Provision as a % of counter checks issued .....	.4

TRADING NAME OF LICENSEE Bally's Park Place - NJ

# CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) %	WEIGHTED AVG NUMBER OF TAB (f) OR MACHINES
	<b>Revenue</b>				
1	Blackjack .....	\$ 52,734	\$ 304,664	17.3	76
2	Craps .....	38,374	244,448	15.7	22
3	Roulette .....	10,333	41,349	25.0	12
4	Big Six .....	3,265	6,927	47.1	4
5	Baccarat .....	5,494	44,199	12.4	3
6	Other table games .....	-0-	-0-	-0-	-0-
7	Total table games revenue .....	110,200	\$ 641,587	17.2	117
8	\$.05 slot machines .....	4,477	<b>HANDLE</b>		
9	\$.25 slot machines .....	78,855	\$ 29,802	15.0	89
10	\$1 slot machines .....	33,762	539,957	14.6	1,075
11	Other slot machines .....	9,846	260,839	12.9	189
12	Progressive jackpot adjustment .....	560	75,960	13.0	239
13	Total coin-operated devices revenue .....	127,500	\$ 906,558	14.1	1,592
14	Other income .....	-0-			
15	Total revenue .....	237,700			
	<b>Expenses</b>				
16	Payroll and payroll related expenses .....	38,445			
17	Licenses and taxes .....	20,554			
18	Provision for uncollectible patrons' checks ...	713			
19	Other .....	3,789			
20	Total .....	63,501			
21	<b>Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....</b>	174,199			
	Complimentary services and casino management fees:				
22	Complimentary services .....	34,843			
23	Casino management fees .....	-0-			
24	Total .....	34,843			
25	<b>Departmental Income (Loss).....</b>	\$ 139,356			

TRADING NAME OF LICENSEE Bally's Park Place, Inc. (New Jersey)**ANNUAL EMPLOYMENT AND PAYROLL REPORT**FOR THE YEAR ENDED DECEMBER 31, 19 84  
(\$ in Thousands)

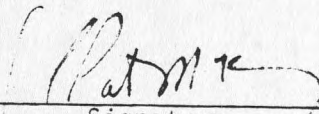
LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	(f) TOTALS
	<b>CASINO</b>				
1	Administration .....	11			
2	Gaming .....	943			
3	Slots .....	350			
4	Casino accounting .....	147			
5	Other .....	39			
6	Total-casino .....	1,490	\$ 27,692	\$ 110	\$ 27,802
7	ROOMS .....	230	2,950	74	3,024
8	FOOD AND BEVERAGE .....	935	11,577	74	11,651
	<b>OTHER OPERATED DEPARTMENTS</b>				
9	Gas Station	9	150		150
10	Hat Check	16	126		126
11	Telephone	27	374		374
12	Beauty Salon	6	71		71
13	Pool, Beach & Cabana	-	21		21
14	Shoe Salon	5	56		56
15					
16					
17					
18					
19					
	<b>ADMINISTRATIVE AND GENERAL</b>				
20	Executive office .....	75	817	2,376	3,193
21	Accounting and auditing .....	99	1,750	57	1,807
22	Security .....	251	4,606		4,606
23	Other administrative and general department ..	156	2,273	71	2,344
24	MARKETING .....	67	1,191		1,191
25	GUEST ENTERTAINMENT .....	20	564		564
26	PROPERTY OPERATION AND MAINTENANCE .....	305	4,879		4,879
27	TOTALS - ALL DEPARTMENTS .....	3,691	\$ 59,097	\$ 2,762	\$ 61,859

Trading Name of Licensee Bally's Park Place, NJ

ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE

For the Year Ended December 31, 1984

March 14, 1985  
Date

  
Signature

Vice President & Treasurer  
Title

# GROSS REVENUE ANNUAL TAX RETURN

**LICENSEE** Bally's Park Place, NJ  
**ADDRESS** Park Place and The Boardwalk  
Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1984

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



**NAME OF OFFICER IN CHARGE  
OF CORRESPONDENCE REGARDING  
THIS ANNUAL TAX RETURN** C. Patrick McKoy

**OFFICIAL TITLE** Vice President & Treasurer

**ADDRESS** Park Place and The Boardwalk  
Atlantic City, NJ 08401

# GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue .....	\$ 110,200	
2	Coin-operated devices revenue .....	126,940	
3	Total revenues .....		\$ 237,140
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks .....	\$ 713	
5	Maximum adjustment (4% of line 3) .....	\$ 9,486	
6	Adjustment (the lesser of line 4 or line 5) .....		713
7	Gross revenues (line 3 less line 6) .....		\$ 236,427
8	Tax on gross revenues - current year (8% of line 7) .....		\$ 18,914
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) .....		18,914
	Deposits made for tax on current year's gross revenues:		
11	January .....	\$ 1,132	
12	February .....	1,450	
13	March .....	1,389	
14	April .....	1,320	
15	May .....	1,443	
16	June .....	1,406	
17	July .....	2,036	
18	August .....	1,723	
19	September .....	1,575	
20	October .....	1,875	
21	November .....	1,371	
22	December .....	1,394	
23	January .....	295	
24	Total deposits made for tax on current year's gross revenues .....		( 18,914 )
25	Settlement of prior years' tax on gross revenues 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



TRADING NAME OF LICENSEE Bally's Park Place, Inc.

## HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 31, 1984

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
LINE	PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
1	JANUARY	512	15,872	12,807	\$ 85.53	80.7 %	23,914	\$ 46.81
2	FEBRUARY	512	14,848	13,371	\$ 82.42	90.1 %	25,133	\$ 43.85
	MARCH	512	15,872	14,732	\$ 84.18	92.8 %	27,671	\$ 44.82
4	<b>1st QUARTER TOTALS</b>		46,592	40,910	\$ 84.03	87.8 %	76,718	\$ 44.81
5	APRIL	512	15,360	13,472	\$ 82.05	87.7 %	25,945	\$ 42.60
6	MAY	512	15,872	13,464	\$ 92.47	84.8 %	26,018	\$ 47.85
7	JUNE	512	15,360	13,845	\$ 96.62	90.1 %	27,113	\$ 49.34
8	<b>2nd QUARTER TOTALS</b>		46,592	40,781	\$ 90.44	87.5 %	79,076	\$ 46.64
9	JULY	512	15,872	14,226	\$ 116.12	89.6 %	29,748	\$ 55.53
10	AUGUST	512	15,872	14,107	\$ 116.66	88.9 %	29,291	\$ 56.19
	SEPTEMBER	512	15,360	13,548	\$ 97.21	88.2 %	26,465	\$ 49.76
12	<b>3rd QUARTER TOTALS</b>		47,104	41,881	\$ 110.18	88.9 %	85,504	\$ 53.97
13	OCTOBER	512	15,872	14,256	\$ 88.48	89.8 %	27,668	\$ 45.59
14	NOVEMBER	512	15,360	12,997	\$ 86.66	84.6 %	25,562	\$ 44.06
15	DECEMBER	512	15,872	10,709	\$ 87.18	67.5 %	21,234	\$ 43.97
16	<b>4th QUARTER TOTALS</b>		47,104	37,962	\$ 87.49	80.6 %	74,464	\$ 44.60
17	<b>ANNUAL TOTALS</b>		187,392	161,534	\$ 93.04	86.2 %	315,762	\$ 47.51

Note: The above statistics are unaudited and are subject to change by the casinos.

# ANNUAL REPORT

974.901  
C 193

PROPERTY OF  
NEW JERSEY STATE LIBRARY  
DEC 5 - 1985  
185 W. State St.  
Trenton, N.J.

LICENSEE Boardwalk Regency Corporation  
ADDRESS 2100 Pacific Avenue  
Atlantic City, New Jersey 08401

FOR THE YEAR ENDED . . . December 31 , 19 84

TO THE  
CASINO CONTROL COMMISSION  
OF THE  
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE  
OF CORRESPONDENCE REGARDING  
THIS ANNUAL REPORT . . . . . Edward J. Sutor

OFFICIAL TITLE . . . . . Vice President/Financial Services

ADDRESS . . . . . 2100 Pacific Avenue  
Atlantic City, New Jersey 08401

BALANCE SHEETS

TRADING NAME OF LICENSEE Boardwalk Regency Corporation

## LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 84

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-305
Statements of Income (Year)	CCC-310
Statements of Income (Three Months)	CCC-315
Statements of Changes in Stockholders' Equity	CCC-320
Statements of Changes in Partners' or Proprietor's Equity	CCC-325
Statements of Changes in Financial Position	CCC-330
Notes to Financial Statements	--
Schedule of Receivables and Patrons' Checks	CCC-340
Casino Departmental Schedule	CCC-345
Statement of Conformity and Accuracy	CCC-350

# BALANCE SHEETS

DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
<b>ASSETS</b>			
	<b>Current Assets</b>	\$ 6,456	\$ 8,219
1	Cash .....		
2	Marketable securities .....		
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>84</u> , \$ 15,976 ; 19 <u>83</u> , \$ 15,697 ) ....	16,791	15,448
4	Inventories ..... (Note 1).....	2,052	2,160
5	Prepaid expenses and other current assets (Note 2).....	3,208	2,302
6	Total current assets .....	28,507	28,129
7	Investments, Advances, And Receivables .....		
8	Property And Equipment - Net ..... (Notes 1, 3 and 9).....	213,849	141,197
9	Other Assets .....	4,698	3,494
10	Total Assets .....	\$ 247,054	\$ 172,820
<b>LIABILITIES AND EQUITY</b>			
	<b>Current Liabilities</b>	\$ 11,280	\$ 8,913
11	Accounts payable .....		
12	Notes payable ..... (Note 4).....	3,300	
	Current portion of long-term debt:		
13	Due to affiliates .....		
14	Other ..... (Note 9).....	1,661	5,576
15	Income taxes payable and accrued .....	277	954
16	Other accrued expenses ..... (Note 6).....	24,029	22,214
17	Other current liabilities ..... (Note 7).....	46,368	37,683
18	Total current liabilities .....	86,915	75,340
	<b>Long-Term Debt:</b>		
19	Due to affiliates ..... (Note 8).....	89,245	
20	Other ..... (Note 9).....	36,433	38,096
21	Deferred Credits .....	137	2,733
22	Other Liabilities .....		6
23	Commitments And Contingencies ..... (Note 12).....		
24	Total Liabilities .....	212,730	116,175
25	Stockholders', Partners', Or Proprietor's Equity ..... (Note 11).....	34,324	56,645
26	Total Liabilities And Equity .....	\$ 247,054	\$ 172,820

# STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Revenue</b>	\$	\$
1	Casino ..... (Note 1) .....	224,077	211,157
2	Rooms .....	14,836	13,963
3	Food and beverage .....	34,493	27,860
4	Other ..... (Note 14) .....	14,818	10,889
5	Total revenue .....	288,224	263,869
6	Less: promotional allowances (Notes 1 and 13) .....	35,215	25,980
7	Net revenue .....	253,009	237,889
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	148,065	145,030
9	Selling, general, and administrative .....	52,338	47,456
10	Provision for doubtful accounts .....	2,858	5,139
11	Total .....	203,261	197,625
12	<b>Income (Loss) Before Depreciation And</b>		
	<b>Amortization, Charges From Affiliates, And Interest</b> .....	49,748	40,264
13	Depreciation and amortization .....	10,267	10,248
	Charges from affiliates:		
14	Interest ..... (Notes 7 and 8) .....	12,436	1,649
15	Management fees .....		
16	Other ..... (Note 11) .....	1,716	1,553
17	Interest expense - external .....	6,495	5,716
18	<b>Income (Loss) From Operations</b> .....	18,834	21,098
19	Nonoperating income (expense) - net .....		
20	<b>Income (Loss) Before Income Taxes And Extraordinary Items</b> .	18,834	21,098
21	Provision (Credit) for income taxes (Notes 1 and 5) .....	6,155	11,054
22	<b>Income (Loss) Before Extraordinary Items</b> .....	12,679	10,044
23	Extraordinary items (net of income taxes -		
	19 <u>  </u> , \$ ; 19 <u>  </u> , \$ ) .....		
24	<b>Net Income (Loss)</b> .....	\$ 12,679	\$ 10,044

TRADING NAME OF LICENSEE BOARDWALK REGENCY CORPORATION

# STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED December 31, 19 84 AND 19 83

(UNAUDITED)  
(S IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Revenue</b>		
1	Casino ..... (Note 1)	\$ 52,571	\$ 54,860
2	Rooms .....	3,796	3,437
3	Food and beverage .....	7,722	7,674
4	Other .....	2,993	2,577
5	Total revenue .....	67,082	68,548
6	Less: promotional allowances .. (Notes 1 and 13)	7,718	7,250
7	Net revenue .....	59,364	61,298
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	35,384	32,804
9	Selling, general, and administrative .....	10,598	17,743
10	Provision for doubtful accounts .....	1,051	299
11	Total .....	47,033	50,846
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest</b> .....	12,331	10,452
13	Depreciation and amortization .....	3,315	2,568
	Charges from affiliates:		
14	Interest .....	4,788	546
15	Management fees .....	-	-
16	Other .....	491	359
17	Interest expense - external .....	642	1,080
18	<b>Income (Loss) From Operations</b> .....	3,095	5,899
19	Nonoperating income (expense) - net .....	-	-
20	<b>Income (Loss) Before Income Taxes And Extraordinary Items</b> ..	3,095	5,899
21	Provision (Credit) for income taxes .....	1,329	3,037
22	<b>Income (Loss) Before Extraordinary Items</b> .....	1,766	2,862
23	Extraordinary items (net of income taxes - 19 <u>84</u> , \$ ; 19 <u>83</u> , \$ ) .....		
24	<b>Net Income (Loss)</b> .....	\$ 1,766	\$ 2,862

7/84

See accompanying notes to financial statements.

CCC-315

# STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1984		1983	
		(c) SHARES	(d) \$	(e) SHARES	(f) \$
1	Common stock (no par value; authorized 1,000 shares)		\$		\$
2	Beginning balance (January 1) .....	100	1,370	100	1,370
3	Sale of stock .....				
4	Ending balance .....	100	1,370	100	1,370
5	Preferred Stock				
6	Beginning balance (January 1) .....				
7	Sale of stock .....				
8	Ending balance .....				
9	Additional Paid-In Capital				
10	Beginning balance (January 1) .....		5,912		5,912
11					
12	Ending balance .....		5,912		5,912
13	Treasury Stock				
14	Beginning balance (January 1) .....		( )		( )
15	Purchase of additional stock .....		( )		( )
16	Sale or retirement of stock .....		( )		( )
17	Ending balance .....		( )		( )
18	Subscriptions Receivable For Capital Stock				
19	Beginning balance (January 1) .....		( )		( )
20	Ending balance .....		( )		( )
21	Net Unrealized Loss On Noncurrent Marketable Equity Securities				
22	Beginning balance (January 1) .....		( )		( )
23					
24	Ending balance .....		( )		( )
25	Retained Earnings				
26	Beginning balance (January 1) .....		49,363		39,319
27	Prior period adjustments .....				
28	Net income (loss) .....		12,679		10,044
29	Dividends ... (Note 11) .....		( 35,000 )		( )
30					
31	Ending balance .....		27,042		49,363
32	Ending Stockholders' Equity .....		\$ 34,324		\$ 56,645

# STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Invested Capital</b>		
1	Beginning balance (January 1) .....	\$ N/A	\$ N/A
2	Additional capital invested .....		
3			
4	Ending balance .....		
	<b>Accumulated Income (Loss)</b>		
5	Beginning balance (January 1) .....	N/A	N/A
6	Prior period adjustments .....		
7	Net income (loss) .....		
8			
9	Ending balance .....		
	<b>Capital Withdrawals</b>		
10	Beginning balance (January 1) .....	( N/A )	( N/A )
11	Additional capital withdrawals .....		
12			
13	Ending balance .....		
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>		
14	Beginning balance (January 1) .....	( N/A )	( N/A )
15			
16			
17	Ending balance .....		
18	<b>Ending Partners' Or Proprietor's Equity</b> .....	\$ N/A	\$ N/A

# STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 84	(d) 19 83
	<b>Sources Of Funds</b>		
1	Income (loss) before extraordinary items .....	\$ 12,679	\$ 10,044
2	Add (deduct) items not affecting working capital:		
3	Depreciation and amortization of property and equipment .....	9,959	8,304
4	Amortization of other assets .....	308	1,944
5	Deferred income taxes .....	(2,985)	(1,285)
6	(Gain) loss on dispositions of property and equipment .....		
7	Other items:		
8	Amortization of discount on note payable	591	
9	Allowance for write down of CRDA bonds	1,095	
10	Total funds provided (used) by operations, exclusive of extraordinary items .....	21,647	19,007
11	Extraordinary items .....		
12	Total funds provided (used) by operations .....	21,647	19,007
13	Proceeds from dispositions of property and equipment .....	735	2,939
14	Proceeds from long-term debt .....	88,877	2,087
15	Additions to deferred credits and other liabilities .....		
16	Proceeds from issuance of stock or capital contributions .....		
17	Other sources of funds:		
18			
19	Total funds provided .....	111,259	24,033
20	<b>Uses Of Funds</b>		
21	Additions to property and equipment .....	83,345	36,472
22	Additions to investments, advances, and receivables .....		
23	Reductions of long-term debt .....	1,886	5,579
24	Dividends declared or capital distributions .....	35,000	
25	Other uses of funds:		
26	Increase in other assets	2,219	406
27	Decrease in other liabilities	6	
28	Total funds used .....	122,456	42,457
29	Increase (Decrease) in Working Capital .....	\$ (11,197)	\$ (18,424)
30	<b>Summary Of Changes In Components Of Working Capital</b>		
31	Cash .....	(1,763)	(4,523)
32	Marketable securities .....		
33	Receivables and patrons' checks .....	1,343	1,206
34	Inventories .....	(108)	1,644
35	Prepaid expenses and other current assets .....	906	(1,248)
36	Accounts payable .....	(2,367)	(2,400)
37	Notes payable .....	(3,300)	
38	Current portion of long-term debt .....	3,915	694
39	Income taxes payable and accrued .....	677	(1,423)
40	Other accrued expenses .....	(1,815)	( 99)
	Other current liabilities .....	(8,685)	(12,275)
	Increase (Decrease) in Working Capital .....	\$ (11,197)	\$ (18,424)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. Summary of Significant Accounting Policies:

#### Description of Business

Caesars New Jersey, Inc. (CNJ), a New Jersey corporation, is an 86.6% owned subsidiary of Caesars World, Inc. (CWI) and owns all of the stock of Boardwalk Regency Corporation (BRC), a New Jersey corporation and Caesars World Finance Corporation (CWFC), a Delaware corporation.

BRC operates Caesars Atlantic City hotel/casino (CAC) in Atlantic City, New Jersey. BRC also leases a property on the Boardwalk at Indiana Avenue in Atlantic City.

The financial statements include the accounts of CAC and the Indiana Avenue Property after elimination of all material interdivisional balances and transactions.

#### Revenue and Promotional Allowances

Casino revenue represents the net win from gaming wins and losses. The retail value of accommodations, food and beverage provided to customers without charge is included in gross revenue and deducted as promotional allowances.

#### Inventories

Inventories are stated at the lower of cost or market, cost being determined principally on the first-in, first-out basis.

#### Property and Equipment

Property and equipment is recorded at cost, including interest on funds borrowed to finance construction. Capitalized interest was \$2,256,000 and \$902,000 for the year ending December 31, 1984 and 1983, respectively. Depreciation and amortization are provided for on the straight-line method over the following estimated useful lives:

Buildings and improvements	5 to 40 years
Leasehold improvements	8 to 10 years
Furniture, fixtures and equipment	5 to 8 years
Property under capital leases, excluding land	5 to 30 years

NOTE 1. Summary of Significant Accounting Policies (continued):

Betterments, renewals and extraordinary repairs that extend the life of the asset are capitalized; other repairs and maintenance are expensed. The cost and accumulated depreciation applicable to assets retired are removed from the accounts and the resultant gain or loss on disposition is recognized.

Reclassifications

Certain reclassifications have been made in the 1983 financial statements in order to conform with the presentation used in 1984.

Income Taxes

CNJ and BRC are included in CWI's consolidated federal income tax return. Pursuant to a tax reimbursement agreement, BRC records income taxes based upon what the amount would have been had BRC filed a separate return. In addition, when the potential tax benefits to CWI exceed the benefits that CNJ and BRC could have derived as a separate group, CWI will reimburse BRC for these excess benefits. The reimbursement of the excess benefits will be made before the earlier of the last year in which those benefits are available to BRC or the last year in which BRC is a member of CWI's consolidated group for federal income tax purposes. Interest on the excess benefits will accrue at 7% per annum from the date CWI files a tax return in which such tax benefits are realized. Deferred income taxes are provided for timing differences between book and tax recognition of revenues and expenses. Investment tax credits are recorded as a reduction of income tax expense when the related assets are placed into service.

NOTE 2. Prepaid Expenses and Other Current Assets:

	1984	1983
	(In thousands)	
Taxes, licenses and fees.....	\$1,827	\$1,561
Advertising.....	491	121
Insurance.....	462	327
Sewerage.....	145	130
Rent.....	142	28
Other.....	141	135
	<u>\$3,208</u>	<u>\$2,302</u>

NOTE 3. Property and Equipment:

	<u>1984</u>	<u>1983</u>
	(In thousands)	
Land.....	\$ 19,864	\$ 16,963
Buildings and improvements .....	106,357	53,637
Leasehold improvements .....	1,644	1,972
Furniture, fixtures and equipment .....	48,602	25,448
Construction in progress .....	23,103	19,094
Properties under capital leases:		
Land .....	9,055	9,055
Buildings .....	34,702	34,702
Furniture, fixtures and equipment .....	<u>10,843</u>	<u>11,387</u>
	254,170	172,258
Less accumulated depreciation and amortization	<u>40,321</u>	<u>31,061</u>
	<u>\$213,849</u>	<u>\$141,197</u>

At December 31, 1984, BRC was committed under contracts and purchase orders for approximately \$14,025,000 of capital additions to Caesars Atlantic City hotel/casino.

NOTE 4. Notes Payable:

BRC currently maintains unsecured lines of credit of \$20,000,000 of which \$3,300,000 was outstanding at December 31, 1984. These lines bear interest at the prime rate or a lesser negotiated rate. BRC is expected to maintain compensating balances under the lines of credit, although it may elect to pay fees in lieu of balances.

The maximum amount outstanding under credit lines was \$12,525,000 in 1984. The average amount outstanding was \$1,014,000 in 1984. The weighted average interest rate was 11.1% in 1984.

NOTE 5. Income Taxes:

The provision for income taxes for the year ending December 31, 1984 and 1983 is comprised of the following:

NOTE 5. Income Taxes (continued):

	1984	1983
	(In thousands)	
Current:		
Federal .....	\$ 6,800	\$ 9,717
State .....	1,733	2,622
Deferred.....	<u>(2,378)</u>	<u>(1,285)</u>
	<u>\$ 6,155</u>	<u>\$11,054</u>

The tax effects of timing differences resulting in deferred income taxes for the year ending December 31, 1984 and 1983 are as follows:

	1984	1983
	(In thousands)	
Difference between book and tax expense for capitalized leases.....	\$ (356)	\$ (388)
Difference between book and tax depreciation.....	2,343	668
Accrual for progressive slot liability.....	873	(1,493)
Amortization of pre-opening costs.....	(4,585)	-
Other IRS audit adjustments.....	(628)	-
Other.....	<u>(25)</u>	<u>(72)</u>
	<u>\$ (2,378)</u>	<u>\$ (1,285)</u>

The provision for income taxes for the year ending December 31, 1984 and 1983 differs from the amount computed at the statutory rate as follows:

	1984	1983
	(In thousands)	
Federal income tax at statutory rate.....	\$8,664	\$ 9,704
State income taxes, net of federal benefit....	1,050	1,291
Investment tax credits.....	(1,183)	(801)
Settlement of IRS examinations.....	(2,314)	-
Other.....	<u>(62)</u>	<u>860</u>
	<u>\$6,155</u>	<u>\$11,054</u>

The Internal Revenue Service has examined CWI's consolidated Federal Income Tax returns through 1980 and is currently examining the tax returns for 1981 through 1983.

NOTE 6. Other Accrued Expenses:

	1984	1983
	(In thousands)	
Rent .....	\$ 8,184	\$ 8,096
Salaries, wages and vacation pay .....	5,368	4,480
Progressive slot accrual .....	3,733	4,649
Interest.....	1,808	34
Workmen's compensation insurance.....	1,685	886
Taxes payable other than income.....	1,423	1,949
Insurance.....	984	1,133
Other .....	844	987
	<u>\$24,029</u>	<u>\$22,214</u>

NOTE 7. Other Current Liabilities:

	1984	1983
	(In thousands)	
Due to affiliates (a).....	\$43,424	\$35,318
Patron deposits.....	1,391	1,424
Other.....	1,553	941
	<u>\$46,368</u>	<u>\$37,683</u>
(a) Federal income taxes (due from) payable to CWI...	\$ (678)	\$ 7,244
Advances from CWI and CNJ for operational expenses, due on demand. Interest calculated at BRC's average borrowing rate, amounted to \$2,978,000 and \$1,649,000 for the year ending December 31, 1984 and 1983, respectively.....	44,102	28,074
	<u>\$43,424</u>	<u>\$35,318</u>

NOTE 8. Long-term Debt, Due to Affiliates:

	1984
	(in thousands)
Unsecured note payable dated May 15, 1984 to CWFC, interest at 14½% payable semi-annually on May 15 and November 15, principal due May 15, 1996.....	\$100,000
Less unamortized discount based upon effective interest rate of 16.4%.....	10,755
	<u>\$ 89,245</u>

Interest expense for the year ending December 31, 1984 was \$9,458,000.

Boardwalk Regency Corporation  
(a subsidiary of Caesars New Jersey, Inc.)  
(unaudited)

NOTE 9. Long-term Debt, Other:

	<u>1984</u>	<u>1983</u>
	(In thousands)	
(a) Long-term debt.....	\$ 2,409	\$ 3,593
(b) Capitalized lease obligations.....	<u>34,024</u>	<u>34,503</u>
	<u>\$36,433</u>	<u>\$38,096</u>

	<u>1984</u>	<u>1983</u>
	(In thousands)	
(a) Mortgages payable and equipment contracts, interest ranging from 3% to 14%, maturing through 1997, secured by property and equipment.....	\$3,584	\$4,622
Construction loan, interest at prime, or lessor periodic rates available.....	<u>3,584</u>	<u>3,803</u>
Less current maturities.....	<u>1,175</u>	<u>4,112</u>
	<u>\$2,409</u>	<u>\$3,593</u>

Maturities of BRC's long-term debt, other are as follows:

<u>Year ending December 31,</u>	<u>(In thousands)</u>
1985 .....	\$1,175
1986 .....	504
1987 .....	374
1988 .....	604
1989 .....	748
Thereafter .....	<u>179</u>
	<u>\$3,584</u>

NOTE 9. Long-term Debt, Other (continued):

(b) Leases:

BRC leases land, buildings and equipment under noncancellable lease agreements which expire at various dates through 2076. The leases generally provide that BRC pay the taxes, insurance and maintenance expenses related to the leased assets. CWI has guaranteed a substantial portion of BRC's lease obligations.

Major leased assets, which have been capitalized, include a portion of CAC and the land on which the hotel/casino is situated. The lease expires in 2008, and is renewable for two additional 30-year periods. BRC has the right to purchase the property between 1988 and 1993 and a right to match any purchase offers for the property or the lease. The lease provides for a minimum rental of \$2,675,000 for the lease year beginning June 1, 1984, increasing by up to \$73,000 per year in each subsequent year, and a percentage rental of 19.3% of the hotel/casino's net profit (as defined); the percentage rental amounted to \$4,668,000 and \$5,587,000 for the year ending December 31, 1984 and 1983, respectively.

Future minimum lease payments for all leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Operating</u>	<u>Capital</u>
	(In thousands)	
1985.....	\$ 1,582	\$ 4,104
1986.....	1,256	3,944
1987.....	1,140	3,806
1988.....	1,107	3,835
1989.....	886	3,835
Thereafter.....	<u>9,597</u>	<u>151,583</u>
Total minimum lease payments.....	<u>\$15,568</u>	171,107
Less amount representing interest.....		<u>136,597</u>
		34,510
Less current maturities of obligations under capital leases.....		<u>486</u>
		<u>\$ 34,024</u>

NOTE 9. Long-term Debt, Other (continued):

Rent expense for the year ending December 31, 1984 and 1983 is comprised of the following:

	<u>1984</u>	<u>1983</u>
	(In thousands)	
Minimum rentals under operating leases.....	\$3,082	\$2,770
Contingent rentals under operating and capital leases.....	<u>4,668</u>	<u>5,587</u>
	<u>\$7,750</u>	<u>\$8,357</u>

NOTE 10. Pension Plans:

BRC participates in CWI's unfunded Executive Security Plan. The Plan is available to all participants of the prior Selective Executive Incentive Plan and any officer or other employee designated as a key executive of CWI and its subsidiaries. Pension expense is determined under the aggregate method and was \$253,000 and \$153,000 for the year ending December 31, 1984 and 1983, respectively.

BRC also has an Individual Retirement Account Plan which is available to all full-time employees who have at least one year of service and are not covered under any qualified retirement plan. The expense of this plan was \$543,000 and \$482,000 for the year ending December 31, 1984 and 1983, respectively.

In addition to the BRC plans described above, union employees are covered by various multi-employer pension plans. For the union sponsored plans, information is not available from the plans' sponsors to permit BRC to determine its share of unfunded vested benefits, if any.

NOTE 11. Related Party Transactions:

Intercompany Services

CWI, CNJ and CWFC have provided BRC with substantial funds to finance the current expansion of the hotel/casino, lease deposits, operating capital and other purposes. CWI also provides certain assistance to BRC, including supervision of the hotel/casino operations and the furnishing of accounting, tax, legal and insurance services. BRC reimburses CWI and CNJ for the cost of such services, which amounted to \$1,716,000 and \$1,553,000 for the year ending December 31, 1984 and 1983, respectively. The breakdown of these services is as follows:

NOTE 11. Related Party Transactions (continued):

	1984	1983
	(In thousands)	
General insurance.....	\$ 962	\$ 803
Reservations office expenses.....	386	346
Corporate office travel expenses.....	213	187
Advertising.....	65	126
Other charges.....	90	91
	<u>\$1,716</u>	<u>\$1,553</u>

Travel Services

Travel services are purchased through a company, a principal of which is related to a director of BRC. BRC paid \$1,880,000 and \$1,798,000 to the travel company for the year ending December 31, 1984 and 1983, respectively.

Lease Payments

Two directors of BRC are partners in a partnership which owns the property on which CAC is situated. BRC provided for lease payments of \$7,319,000 and \$7,831,000 to the partnership during the year ending December 31, 1984 and 1983, respectively.

Dividends

On July 9, 1984 and August 30, 1984, BRC paid dividends of \$15,000,000 and \$20,000,000, respectively, to its parent, CNJ.

NOTE 12. Commitments and Contingencies:

The New Jersey Casino Control Act (the "Act"), signed into law in 1977, provides for an assessment of licensees based upon their gross casino revenues. This assessment may be satisfied by either investing in qualified eligible investments or paying an "alternative tax". The Company intends to seek the approval of the Casino Reinvestment Development Authority ("CRDA"), an agency established by the Act, for investments it has made or intends to make to satisfy these obligations. In December 1984, the applicable provisions of the Act pertaining to this assessment were significantly revised. Among the revisions was a change in the percentage assessment, restrictions in the definition of qualified investments and the establishment of the general terms and conditions of qualified bonds to be issued by CRDA. The CRDA bonds will bear below market rates of interest resulting in a valuation lower than the prevailing market value for such bonds. The Company was denied approval for certain investments for which application was made to satisfy current obligations. Consequently, it has elected to purchase approximately \$4,600,000 in CRDA bonds at face value resulting in a December 1984 valuation writedown of \$1,095,000. Until such time as the bonds are

NOTE 12. Commitments and Contingencies (continued):

issued, the writedown provision may be adjusted depending upon the fluctuation in bond interest rates. The Company will continue to seek to qualify investments to satisfy future obligations becoming due as follows: \$4,000,000 through calendar 1985, \$3,800,000 through calendar 1986, \$3,800,000 through calendar 1987, and \$4,200,000 through calendar 1988. If CRDA bonds are purchased to satisfy future obligations, there will be further charges to income to reflect market valuation.

Litigation

BRC is party to legal proceedings arising in the normal conduct of business. Included in such litigation is a claim of approximately \$6,800,000 against BRC based on gambling losses allegedly incurred using embezzled funds by a former employee of the claimant. Among other theories, the claimant contends that BRC knew or should have known that the funds were stolen and accordingly must repay them. BRC has denied liability and intends to vigorously defend this claim. In August, 1984, the Division of Gaming Enforcement of New Jersey filed with the Casino Control Commission a complaint against BRC and certain of its present and former employees based on the transactions which are the subject of the above lawsuit. It is expected that both the technical violations covered in this complaint and the subject of BRC's overall conduct in these transactions will be ruled on by the Casino Control Commission in terms of the implications of these matters on the casino license of BRC. Management believes that the final outcome of these claims will not have a material adverse effect upon the BRC's financial position.

NOTE 13. Complimentaries:

Promotional Allowances

(Amounts in thousands)

	Year Ending December 31, 1984		Three Months Ending December 31, 1984	
	<u>Recipients</u>	<u>Amount</u>	<u>Recipients</u>	<u>Amount</u>
Rooms	133,673	\$ 6,576	31,868	\$1,609
Food	1,479,090	16,772	304,250	3,374
Beverage	3,861,477	7,337	909,107	1,727
Parking	445,388	3,098	98,682	744
Other	148,938	1,432	20,702	264
	<u>6,068,566</u>	<u>\$35,215</u>	<u>1,364,609</u>	<u>\$7,718</u>

Promotional Expenses

(Amounts in thousands)

	Year Ending December 31, 1984		Three Months Ending December 31, 1984	
	<u>Recipients</u>	<u>Amount</u>	<u>Recipients</u>	<u>Amount</u>
Coin	1,473,066	\$17,458	194,429	\$1,451
Travel	26,958	2,595	9,142	710
Offsite				
Entertainment	2,284	184	2,284	184
Other	33,489	1,599	3,971	320
	<u>1,535,797</u>	<u>\$21,836</u>	<u>209,826</u>	<u>\$2,665</u>

NOTE 14. Other Income:

Year Ending December 31,

1984                      1983

(In thousands)

Parking	\$ 3,347	\$ 2,506
Service Station	3,072	2,462
Shop Rentals	2,957	2,935
Showroom Tickets	2,198	1,939
Interest	1,116	170
Other	2,128	877
	<u>\$14,818</u>	<u>\$10,889</u>

# SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1984

(UNAUDITED)  
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
		\$		
1	Undeposited patrons' checks .....	11,954		
2	Returned patrons' checks .....	19,051		
3	Total patrons' checks .....	31,005	\$ 15,913	\$ 15,092
4	Hotel receivables .....	1,331	63	1,268
5	Receivables due from officers and employees	21		
5	Receivables due from affiliates .....			
7	Other accounts and notes receivables .....	410		
8	Total other receivables .....	431		431
9	Totals (Form 305)	\$ 32,767	\$ 15,976	\$ 16,791

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h) (\$000)
10	Beginning balance (January 1) .....	\$ 11,838
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .....	348,648
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) .....	( 284,084 )
13	Checks collected through deposits .....	( 60,236 )
14	Checks transferred to returned checks .....	( 4,212 )
15	Other adjustments .....	
16	Ending balance .....	\$ 11,954
17	"Hold" checks included in balance on line 16 .....	\$ 0
18	Provision for uncollectible patrons' checks .....	2,679
19	Provision as a % of counter checks issued .....	.8 %

TRADING NAME OF LICENSEE BOARDWALK REGENCY CORPORATION

# CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) %	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	<b>Revenue</b>				
1	Blackjack .....	\$ 53,838	\$ 333,492	16.1	63
2	Craps .....	46,305	333,602	13.9	24
3	Roulette .....	9,513	36,981	25.7	9
4	Big Six .....	2,703	5,797	46.6	4
5	Baccarat .....	9,930	98,299	10.1	4
6	Other table games .....				
7	Total table games revenue .....	122,289	\$ 808,171	15.1	104
			<b>HANDLE</b>		
8	\$.05 slot machines .....	2,899	\$ 20,314	14.3	77
9	\$.25 slot machines .....	49,580	337,882	14.7	778
10	\$1 slot machines .....	17,178	141,815	12.1	194
11	Other slot machines .....	31,217	263,457	11.8	388
12	Progressive jackpot adjustment .....	914			
13	Total coin-operated devices revenue .....	101,788	\$ 763,468	13.3	1,437
14	Other income .....				
15	Total revenue .....	224,077			
	<b>Expenses</b>				
16	Payroll and payroll related expenses .....	45,966			
17	Licenses and taxes .....	18,409			
18	Provision for uncollectible patrons' checks ...	2,679			
19	Other .....	42,384			
20	Total .....	109,438			
21	<b>Departmental Income (Loss) Before Complimentary Services And Casino Management Fees</b> .....	114,639			
	Complimentary services and casino management fees:				
22	Complimentary services .....	32,813			
23	Casino management fees .....				
24	Total .....	32,813			
25	<b>Departmental Income (Loss)</b> .....	\$ 81,826			

STATEMENT OF CONFORMITY AND ACCURACY

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

EDWARD J. SUTOR, being duly sworn  
Name

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 the Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Report is accurate to the best of my knowledge and belief.

Edward J. Sutor  
Signature

Vice-President/Financial Services  
Title

#00587-11  
License Number

Subscribed and sworn to  
before me this 15<sup>th</sup> day  
of March, 1985.

On Behalf Of:

BOARDWALK REGENCY CORPORATION  
Casino Licensee

Geraldine Rose Agnew  
Signature

Geraldine Rose Agnew  
Notary Public  
Basis of Authority  
to Take Oaths

GERALDINE ROSE AGNEW  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Aug. 12, 1989

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

**LICENSEE** BOARDWALK REGENCY CORPORATION

**ADDRESS** 2100 PACIFIC AVENUE

ATLANTIC CITY, NEW JERSEY 08401

**FOR THE YEAR ENDED DECEMBER 31, 1984**

**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.....**

Edward J. Sutor

**OFFICIAL TITLE.....**

Vice President/Financial Services

**ADDRESS.....**

2100 Pacific Avenue

Atlantic City, New Jersey 08401

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 84  
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		TOTALS (f)
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
<b>CASINO</b>					
1	Administration .....	18			
2	Gaming .....	869			
3	Slots .....	107			
4	Casino accounting .....	36			
5	Other .....	587	\$	\$	\$
6	Total-casino .....	1,617	34,956,438		34,956,438
7	ROOMS .....	301	2,953,980		2,953,980
8	FOOD AND BEVERAGE .....	1,006	14,554,252		14,554,252
<b>OTHER OPERATED DEPARTMENTS</b>					
9	Service Station	12	173,508		173,508
10	Parking	67	866,103		866,103
11	Beauty Salon	5	70,444		70,444
12	Health Club	6	6,572		6,572
13	Telephone	13	219,904		219,904
14					
15					
16					
17					
18					
19					
<b>ADMINISTRATIVE AND GENERAL</b>					
20	Executive office .....	27	307,051	1,388,174	1,695,225
21	Accounting and auditing .....	121	2,703,633		2,703,633
22	Security .....	186	3,677,043		3,677,043
23	Other administrative and general department ..	105	2,934,703		2,934,703
24	MARKETING .....	23	337,244		337,244
25	GUEST ENTERTAINMENT .....	17	759,045		759,045
26	PROPERTY OPERATION AND MAINTENANCE .....	84	2,246,770		2,246,770
			\$ 2,500	\$ 1,388,174	\$ 68,154,864
			66,766,690		

Trading Name of Licensee CAESARS ATLANTIC CITY

ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE

For the Year Ended December 31, 19 84

3/14/85  
Date

*Edward J. Jeter*  
Signature

Vice President Financial Services  
Title

# GROSS REVENUE ANNUAL TAX RETURN

LICENSEE Boardwalk Regency Corporation

ADDRESS 2100 Pacific Avenue

Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 19 84

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



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

Edward J. Sutor

OFFICIAL TITLE..... Vice President Financial Services

ADDRESS..... 2100 Pacific Avenue

Atlantic City, New Jersey 08401

# GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue .....	\$ 122,289	
2	Coin-operated devices revenue .....	100,874	
3	Total revenues .....		\$ 223,163
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks .....	\$ 2,679	
5	Maximum adjustment (4% of line 3) .....	\$ 8,926	
6	Adjustment (the lesser of line 4 or line 5) .....		2,679
7	Gross revenues (line 3 less line 6) .....		\$ 220,484
8	Tax on gross revenues - current year (8% of line 7) .....		\$ 17,639
9	Audit or other adjustments to tax on gross revenues in prior years .....		None
10	Total tax on gross revenues (line 8 plus or minus line 9) .....		17,639
	Deposits made for tax on current year's gross revenues:		
11	January .....	\$ 1,137	
12	February .....	1,497	
13	March .....	1,233	
14	April .....	1,681	
15	May .....	1,362	
16	June .....	1,322	
17	July .....	1,993	
18	August .....	1,497	
19	September .....	1,469	
20	October .....	1,532	
21	November .....	1,333	
22	December .....	1,288	
23	January .....	295	
24	Total deposits made for tax on current year's gross revenues .....		( 17,639 )
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits .....		None
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25) .....		\$ None

STATEMENT OF CONFORMITY AND ACCURACY

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

Edward J. Sutor, 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.

Edward J. Sutor  
Signature

Vice President-Financial Services  
Title

00587-11  
License Number

Subscribed and sworn to  
before me this 14 day  
of March, 1985.

[Signature]  
Signature

KATHERINA E. FO  
NOTARY PUBLIC OF NJ  
My Commission Expires March 20, 1986  
Basis of Authority  
to Take Oaths

On Behalf Of:

Boardwalk Regency Corporation  
Casino Licensee

# HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 31, 1984

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
LINE	PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
1	JANUARY	507	15,362	11,921	\$ 82.96	77.6 %	21,263	\$ 46.51
2	FEBRUARY	507	14,097	12,180	\$ 83.09	86.4 %	22,259	\$ 45.47
	MARCH	507	15,035	14,002	\$ 81.06	93.1 %	24,505	\$ 46.32
4	<b>1st QUARTER TOTALS</b>		44,494	38,103	\$ 82.30	85.6 %	68,027	\$ 46.10
5	APRIL	507	14,516	13,406	\$ 81.11	92.4 %	24,438	\$ 44.49
6	MAY	507	15,045	13,971	\$ 84.82	92.9 %	25,120	\$ 47.17
7	JUNE	507	14,830	13,556	\$ 92.83	91.4 %	24,796	\$ 50.75
8	<b>2nd QUARTER TOTALS</b>		44,391	40,933	\$ 86.26	92.2 %	74,354	\$ 47.49
9	JULY	505	15,440	14,501	\$ 116.27	93.9 %	28,437	\$ 59.27
10	AUGUST	505	15,444	15,084	\$ 98.31	97.7 %	29,863	\$ 49.66
11	SEPTEMBER	505	14,815	13,756	\$ 90.69	92.9 %	26,232	\$ 47.56
12	<b>3rd QUARTER TOTALS</b>		45,699	43,341	\$ 101.88	94.8 %	84,532	\$ 52.24
13	OCTOBER	505	15,172	14,281	\$ 88.11	94.1 %	24,973	\$ 50.39
14	NOVEMBER	645	17,514	14,217	\$ 96.34	81.2 %	27,092	\$ 50.55
15	DECEMBER	645	19,585	11,940	\$ 97.66	61.0 %	23,056	\$ 50.57
16	<b>4th QUARTER TOTALS</b>		52,271	40,438	\$ 93.82	77.4 %	75,121	\$ 50.50
17	<b>ANNUAL TOTALS</b>		186,855	162,815	\$ 91.07	87.1 %	302,034	\$ 49.08

Note: The above statistics are unaudited and are subject to change by the casinos.

# ANNUAL REPORT

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LICENSEE The Claridge at Park Place, Inc.

ADDRESS Indiana Avenue and The Boardwalk

Atlantic City, NJ 08401

FOR THE YEAR ENDED . . . December 31 , 19 84

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



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

Larry L. Bertsch

OFFICIAL TITLE . . . . .

Senior Vice President of Finance

ADDRESS . . . . .

Indiana Avenue and The Boardwalk

Atlantic City, NJ 08401

TRADING NAME OF LICENSEE De1 Webb's Claridge Casino Hotel

## LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1984

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-305
Statements of Income (Year)	CCC-310
Statements of Income (Three Months)	CCC-315
Statements of Changes in Stockholders' Equity	CCC-320
Statements of Changes in Partners' or Proprietor's Equity	CCC-325
Statements of Changes in Financial Position	CCC-330
Notes to Financial Statements	--
Schedule of Receivables and Patrons' Checks	CCC-340
Casino Departmental Schedule	CCC-345
Statement of Conformity and Accuracy	CCC-350

# BALANCE SHEETS

DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 84	(d) 19 83
<b>ASSETS</b>			
<b>Current Assets</b>			
1	Cash .....	\$ 4,697	\$ 5,520
2	Marketable securities <u>At Cost Which Approximates Market.</u>	52	---
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>84</u> , \$ 3,385 ; 19 <u>83</u> , \$ 1,848 ) .....	6,327	5,373
4	Inventories .....	2,570	2,091
5	Prepaid expenses and other current assets .....	666	1,033
6	Total current assets .....	14,312	14,017
7	Investments, Advances, And Receivables (Note 3) .....	122,114	115,225
8	Property And Equipment - Net Of Accum. Dep. of \$1,735 & \$214	5,710	6,240
9	Other Assets (Note 4) .....	6,965	5,104
10	Total Assets .....	\$ 149,101	\$ 140,586
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
11	Accounts payable .....	\$ 6,105	\$ 5,465
12	Notes payable (Note 7) .....	2,000	5,000
Current portion of long-term debt:			
13	Due to affiliates .....	-0-	-0-
14	Other (Note 7) .....	2,000	900
15	Income taxes payable and accrued .....	874	-0-
16	Other accrued expenses (Note 5) .....	7,388	5,877
17	Other current liabilities (Note 6) .....	11,389	5,993
18	Total current liabilities .....	29,756	23,235
<b>Long-Term Debt:</b>			
19	Due to affiliates (Note 7) .....	38,101	35,508
20	Other (Note 7) .....	77,000	79,100
21	Deferred Credits .....	23	35
22	Other Liabilities (Note 8) .....	22,769	6,517
23	Commitments And Contingencies (Note 13) .....		
24	Total Liabilities .....	167,649	144,395
25	Stockholders', Partners', Or Proprietor's Equity .....	( 18,548)	( 3,809)
26	Total Liabilities And Equity .....	\$ 149,101	\$ 140,586

TRADING NAME OF LICENSEE Del Webb's Claridge Casino Hotel

## STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 19 84 and the Period  
October 31, 1983 to December 31, 1983

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u> *
	<b>Revenue</b>		
1	Casino .....	\$ 121,581	\$ 16,679
2	Rooms .....	13,469	1,744
3	Food and beverage .....	21,863	3,294
4	Other .....	3,382	273
5	Total revenue .....	160,295	21,990
6	Less: promotional allowances (Note 10) .....	17,471	2,570
7	Net revenue .....	142,824	19,420
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	75,069	11,004
9	Selling, general, and administrative .....	39,400	5,930
10	Provision for doubtful accounts .....	1,363	310
11	Total .....	115,832	17,244
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest</b> .....	26,992	2,176
13	Depreciation and amortization .....	2,721	280
14	Charges from affiliates:		
15	Interest (Note 14) .....	5,832	955
16	Management fees (Note 14) .....	5,574	562
17	Other (Note 14) .....	33,807	10,035
18	Interest expense - external .....	10,619	1,672
19	<b>Income (Loss) From Operations</b> .....	( 31,561)	( 11,328)
20	Nonoperating income (expense) - net (Note 9) .....	16,907	2,734
21	<b>Income (Loss) Before Income Taxes And Extraordinary Items</b> .....	( 14,654)	( 8,594)
22	Provision (Credit) for income taxes .....	85	215
23	<b>Income (Loss) Before Extraordinary Items</b> .....	( 14,739)	( 8,809)
24	Extraordinary items (net of income taxes - 19 <u>  </u> , \$ ; 19 <u>  </u> , \$ ) .....	-0-	-0-
	<b>Net Income (Loss)</b> .....	\$ 14,739	\$ 8,809

\* 1983 amounts represent operating results for the period October 31, 1983 to December 31, 1983, (see note (1) "Organization").

TRADING NAME OF LICENSEE De1 Webb's Claridge Casino Hotel

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED December 31, 19 84 and for the period  
October 31, 1983 through December 31, 1983

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 84	(d) 19 83 *
	<b>Revenue</b>		
1	Casino .....	\$ 28,649	\$ 16,679
2	Rooms .....	3,056	1,744
3	Food and beverage .....	5,469	3,294
4	Other .....	923	273
5	Total revenue .....	38,097	21,990
6	Less: promotional allowances (Note 10) .....	4,715	2,570
7	Net revenue .....	33,382	19,420
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	17,940	11,004
9	Selling, general, and administrative .....	10,035	5,930
10	Provision for doubtful accounts .....	15	310
11	Total .....	27,990	17,244
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest</b> .....	5,392	2,176
13	Depreciation and amortization .....	906	280
	Charges from affiliates:		
14	Interest .....	1,493	955
15	Management fees .....	721	562
16	Other .....	8,460	10,035
17	Interest expense - external .....	2,643	1,672
18	<b>Income (Loss) From Operations</b> .....	( 8,831)	( 11,328)
19	Nonoperating Income (expense) - net .....	4,227	2,734
20	<b>Income (Loss) Before Income Taxes And Extraordinary Items</b> ..	( 4,604)	( 8,594)
21	Provision (Credit) for income taxes .....	227	215
22	<b>Income (Loss) Before Extraordinary Items</b> .....	( 4,377)	( 8,809)
23	Extraordinary items (net of income taxes - 19__, \$ ; 19__, \$ ) .....	-0-	-0-
24	<b>Net Income (Loss)</b> .....	(\$ 4,377)	\$ 8,809

\*1983 amounts represent operating results for the period October 31, 1983 to December 31, 1983, (see note (1) "Organization").

# STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 19 84 and the period August 29, 1983  
(Date of inception) to December 31, 1983

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 84		19 83	
		(c) SHARES	(d) \$	(e) SHARES	(f) \$
	(Par Value \$.10, authorized and <b>Common Stock</b> outstanding 1000 shares)		\$		\$
1	Beginning balance (January 1) .....	1,000	1	1,000	1
2	Sale of stock .....				
3					
4	Ending balance .....	1,000	1	1,000	1
	<b>Preferred Stock</b>				
5	Beginning balance (January 1) .....				
6	Sale of stock .....				
7					
8	Ending balance .....				
	<b>Additional Paid-In Capital</b>				
9	Beginning balance (January 1) .....		4,999		4,999
10					
11					
12	Ending balance .....		4,999		4,999
	<b>Treasury Stock</b>				
13	Beginning balance (January 1) .....		( )		( )
14	Purchase of additional stock .....		( )		( )
15	Sale or retirement of stock .....				
16	Ending balance .....		( )		( )
	<b>Subscriptions Receivable For Capital Stock</b>				
17	Beginning balance (January 1) .....		( )		( )
18					
19					
20	Ending balance .....		( )		( )
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>				
21	Beginning balance (January 1) .....		( )		( )
22					
23					
24	Ending balance .....		( )		( )
	<b>Retained Earnings</b>				
25	Beginning balance (January 1) .....		( 8,809 )		-0-
26	Prior period adjustments .....				
27	Net Income (loss) .....		( 14,739 )		( 8,809 )
28	Dividends .....		( )		( )
29					
30					
31	Ending balance .....		( 23,548 )		( 8,809 )
32	<b>Ending Stockholders' Equity</b> .....		\$ ( 18,548 )		\$ ( 3,809 )

TRADING NAME OF LICENSEE Del Webb's Claridge Casino Hotel

## STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Invested Capital</b>	\$	\$
1	Beginning balance (January 1) .....		
2	Additional capital invested .....		
3			
4	Ending balance .....		
	<b>Accumulated Income (Loss)</b>		
5	Beginning balance (January 1) .....		
6	Prior period adjustments .....		
7	Net Income (loss) .....		
8			
9	Ending balance .....		
	<b>Capital Withdrawals</b>		
10	Beginning balance (January 1) .....	( )	( )
11	Additional capital withdrawals .....	( )	( )
12			
13	Ending balance .....	( )	( )
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>		
14	Beginning balance (January 1) .....	( )	( )
15			
16			
17	Ending balance .....	( )	( )
18	<b>Ending Partners' Or Proprietor's Equity</b> .....	\$	\$

-Not Applicable-

# STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1984 and the period August 29, 1983  
(date of inception) to December 31, 1983

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 84	(d) 19 83
	<b>Sources Of Funds</b>	\$	\$
1	Income (loss) before extraordinary items .....	( 14,739)	( 8,809)
	Add (deduct) items not affecting working capital:		
2	Depreciation and amortization of property and equipment .....	1,556	214
3	Amortization of other assets .....	1,165	66
4	Deferred income taxes .....	( 860)	( 100)
5	(Gain) loss on dispositions of property and equipment .....	45	-0-
	Other items:		
6	Deferred Rent	17,452	5,317
7			
8			
9			
	Total funds provided (used) by operations, exclusive of extraordinary items .....	4,619	( 3,312)
10	Extraordinary items .....		
11	Total funds provided (used) by operations .....		
12	Proceeds from dispositions of property and equipment .....	90	
13	Proceeds from long-term debt .....	2,493	120,608
14	Additions to deferred credits and other liabilities .....		1,235
15	Proceeds from issuance of stock or capital contributions .....		5,000
	Other sources of funds:		
16			
17			
18			
19	Total funds provided .....	7,202	123,531
	<b>Uses Of Funds</b>		
20	Additions to property and equipment .....	1,163	6,454
21	Additions to investments, advances, and receivables .....	6,889	115,225
22	Reductions of long-term debt .....	2,000	6,000
23	Dividends declared or capital distributions .....		
	Other uses of funds:		
24	Additions to Other Assets (Deferred Charges)	2,164	5,070
25	Decrease to Deferred Credits & Other Liabilities	1,212	
26			
27	Total funds used .....	13,428	132,749
28	Increase (Decrease) in Working Capital .....	\$ ( 6,226)	\$ ( 9,218)
	<b>Summary Of Changes In Components Of Working Capital</b>	\$	\$
29	Cash .....	( 823)	5,520
30	Marketable securities .....	52	-0-
31	Receivables and patrons' checks .....	954	5,373
32	Inventories .....	479	2,091
33	Prepaid expenses and other current assets .....	( 367)	1,033
34	Accounts payable .....	( 640)	( 5,465)
35	Notes payable .....	3,000	( 5,000)
36	Current portion of long-term debt .....	( 1,100)	( 900)
37	Income taxes payable and accrued .....	( 874)	-0-
38	Other accrued expenses .....	( 1,511)	( 5,877)
39	Other current liabilities .....	( 5,396)	( 5,993)
40	Increase (Decrease) in Working Capital .....	\$ ( 6,226)	\$ ( 9,218)

DEL WEBB'S CLARIDGE CASINO - HOTEL

Notes to Financial Statements

December 31, 1984 and 1983

(1) Organization

The Claridge at Park Place, Incorporated ("New Claridge") formed on August 29, 1983, is a wholly-owned subsidiary of The Claridge Hotel and Casino Corporation (the "Corporation"). On October 31, 1983, New Claridge acquired certain assets of Del Webb's Claridge Casino - Hotel (the "Claridge"), including gaming equipment (the "Casino Assets"), from Del E. Webb New Jersey, Inc. ("DEW NJ"), a wholly-owned subsidiary of Del E. Webb Corporation ("Webb"), leased certain other of the Claridge's assets, including the buildings, parking facility and nongaming, depreciable, tangible property of the Claridge (the "Hotel Assets"), from Atlantic City Boardwalk Associates, L.P., (the "Partnership"), subleased the land on which the Claridge is located from the Partnership, assumed certain liabilities related to the acquired assets and undertook to carry on the business of the Claridge.

(2) Summary of Significant Accounting Policies

(a) Cash

Cash includes investments in interest-bearing repurchase agreements in government securities. Interest income is recorded as earned.

(b) Casino Receivables and Revenues

Credit is issued to certain casino customers and New Claridge records all unpaid credit as casino receivables on the date the credit was issued. Allowances for estimated uncollectible casino receivables are provided to reduce these receivables to amounts anticipated to be collected. New Claridge recognizes as casino revenue, the net win (which is the difference between amounts wagered and amounts paid to winning patrons) from gaming activity.

(c) Promotional Allowances

Promotional allowances are presented at retail value. The cost of providing these complimentary is included in the consolidated statement of earnings as operating costs. The aggregate retail value of complimentary was \$17,471,000 for the year ended December 31, 1984 and \$2,570,000 for the period October 31, 1983 to December 31, 1983.

DEL WEBB'S CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(d) Inventories

Inventories are stated at a lower of cost or market, cost being determined principally on a first-in, first-out basis.

(e) Gaming Equipment

Gaming equipment is stated at cost. Depreciation is provided over the estimated useful lives (from three to five year) of the respective assets using the straight-line method.

(f) Intangible Assets and Deferred Charges

Certain costs arising from the formation of New Claridge including organization, start-up costs, and goodwill are amortized on a straight line basis over a period of five years. Other deferred charges are amortized over a period of up to five years.

(g) Income Taxes

Deferred income taxes are provided from timing differences in reporting rent expense, depreciation and amortization, interest and other transactions for financial reporting and income tax purposes. Investment tax credits are accounted for as a reduction of income tax expense in the year realized.

Pursuant to the Operating Lease, New Claridge is entitled to claim all investment tax credits relating to the Partnership's purchase of furniture, fixture and equipment replacements (FF&E Replacements), which purchase is funded by New Claridge. The amounts of such credits are added to rents payable to the Partnership under the Operating Lease.

(3) Long Term Receivables

Long-term receivables at December 31, 1984 and 1983 are summarized as follows (in thousands):

	<u>1984</u>	<u>1983</u>
\$127,000,000 Expandable Wraparound Mortgage 14%, maturities through September 30, 2000 (net of \$14,399,000 discount and \$12,892,000 discount at December 31, 1984 and 1983, respectively)	\$112,601	114,108
Deferred interest receivable, due September 30, 2000	5,000	1,000
FF&E promissory notes, 14%	<u>4,513</u>	<u>117</u>
	<u>\$122,114</u>	<u>155,225</u>

DEL WEBB'S CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

The Expandable Wraparound Mortgage Loan Agreement ("Expandable Wraparound Mortgage") was executed and delivered by the Partnership to New Claridge and is secured by all property of the Partnership. As part of the agreement, New Claridge will service the Partnership's debt under the Partnership's First Mortgage and Purchase Money Second Mortgage indebtedness (Note 7). The discounted portion of the Expandable Wraparound Mortgage is based on the same terms as those of the Purchase Money Second Mortgage.

\$20,000,000 in interest will be deferred between 1983 and 1988 and will be due upon maturity. No principal payments will be required under the Expandable Wraparound Mortgage until 1988.

The Expandable Wraparound Mortgage also includes a provision whereby New Claridge will loan the Partnership up to \$25,000,000 in the form of FF&E promissory notes, secured under the Expandable Wraparound Mortgage, for the purchase of property and equipment. One half of the principal is due in 48 months and the remaining balance is due 60 months from the date of the respective FF&E promissory note.

On October 25, 1984 New Claridge entered into a financing agreement ("Purchase Agreement") with First Fidelity Bank N/A ("Bank") whereby the Bank would purchase from New Claridge any FF&E promissory notes up to the aggregate sum of \$5 Million. The purchase price would be one hundred (100%) percent of the outstanding principal amount of each FF&E promissory note, and would include a proportionate sale and assignment by New Claridge to the bank of New Claridge's interest in The Expandable Wraparound Mortgage and other Security Instruments, to the extent that they secure the purchased FF&E promissory notes. New Claridge agreed to pay the Bank an amount equal to the excess, if any, that would be due as interest computed on a prime plus two (2%) percent basis. At any time on or after November 31, 1985 the bank may demand that New Claridge repurchase the FF&E promissory notes. Furthermore, DEWNJ agreed to pay certain costs and expenses incurred by New Claridge in conjunction with the above agreement (See Note 14).

(4) Other Assets

Other assets at December 31, 1984 and 1983 consists of the following (in thousands):

	<u>1984</u>	<u>1983</u>
Intangible assets and deferred charges (net of amortization of \$1,231,000 and \$66,000 at December 31, 1984 and 1983, respectively).	\$ 4,482	5,004
Reinvestment obligation	1,523	-0-
Deferred income taxes	<u>960</u>	<u>100</u>
	<u>\$ 6,965</u>	<u>5,104</u>

DEL WEBB'S CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(5) Other Accrued Expenses

Other accrued expenses at December 31, 1984 and 1983 consists of the following (in thousands):

	<u>1894</u>	<u>1983</u>
Progressive jackpot liability	\$ 3,030	1,472
Accrued payroll and related benefits	2,532	2,003
Other	<u>1,826</u>	<u>2,402</u>
	<u>\$ 7,388</u>	<u>5,877</u>

(6) Other Current Liabilities

Other current liabilities at December 31, 1984 and 1983 consists of the following (in thousands):

	<u>1984</u>	<u>1983</u>
Receivable financing obligation (note 4)	\$ 4,513	-0-
Deferred fees	3,125	4,500
Reinvestment obligation	1,523	-0-
Other	<u>2,228</u>	<u>1,493</u>
	<u>\$11,389</u>	<u>5,993</u>

All fees payable to DEWNJ are subject to deferral if monthly cash flow is insufficient to pay certain other priority items, as defined in the Management Agreement between New Claridge and DEWNJ. All deferred fees bear interest at 10% per annum, payable on a monthly basis.

(7) Long Term Debt

Long-term debt at December 31, 1984 and 1983 consists of the following (in thousands):

	<u>1984</u>	<u>1983</u>
\$80,000,000 First Mortgage Note, prime plus 1% maturities to 1993 (a)	\$ 79,000	79,900
\$47,000,000 Purchase Money Second Mortgage, 14% due September 30, 2000 (net of \$14,399,000 discount at December 31, 1984 and 1983 respectively)	32,601	34,108
Deferred interest payable, due September 30, 2000 (b)	5,000	1,000
Unsecured Notes (c)	<u>2,500</u>	<u>5,500</u>
	119,101	120,508
Less current installments	<u>4,000</u>	<u>5,900</u>
	<u>\$115,101</u>	<u>114,608</u>

DEL WEBB'S CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

Pursuant to the Expandable Wraparound Mortgage Loan Agreement (Note 3) on October 31, 1983 New Claridge assumed the debt of the Partnership relating to an \$80,000,000 First Mortgage made by the Partnership to a group of banks and a \$47,000,000 Purchase Money Second Mortgage made by the Partnership to DEWNJ. The Expandable Wraparound Mortgage is secured by the Hotel Assets and is subordinate to the First Mortgage and the Purchase Money Second Mortgage.

Provided the Partnership is not in default of its obligations under the Expandable Wraparound Mortgage and New Claridge is current in its rental obligations to the Partnership under the Operating Lease, New Claridge will be obligated to make payments required under the First Mortgage and Purchase Money Second Mortgage.

- (a) The approximate principal requirements on the long-term debt due under the First Mortgage for the next five years are as follows:

1985	\$ 2,000,000
1986	3,000,000
1987	5,000,000
1988	5,000,000
1989	7,000,000
Thereafter	57,000,000

Quarterly co-agent fees equal to one fortieth of one percent of the average daily outstanding balance of the First Mortgage during the quarter are required under the First Mortgage loan agreement.

- (b) The discounted portion of the Purchase Money Second Mortgage is due to the deferral to maturity of \$20,000,000 of interest occurring between 1983 and 1988. No principal payments are required under the Second Mortgage until maturity. Interest contractually due under the Second Mortgage amounted to \$6,580,000 and \$1,115,000 for the year ended December 31, 1984 and the period October 31, 1983 to December 31, 1983 respectively. Amounts paid for the above periods amounted to \$2,580,000 and \$115,000 respectively, with the differences for the respective years being deferred.

- (c) The unsecured notes at December 31, 1984 and 1983 consists of the following (in thousands):

	<u>1984</u>	<u>1983</u>
\$2,000,000 loan bearing interest of prime plus 1% (11.75% at December 31, 1984)	\$ 2,000	-0-
\$500,000 loan bearing interest of 10% due December 31, 1989	500	500
\$5,000,000 loan bearing interest of 10% due December 31, 1984 (Loan was paid on December 28, 1984)	-0-	5,000
	<u>\$ 2,500</u>	<u>5,500</u>

DEL WEBB'S CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

The Expandable Wraparound Mortgage Loan Agreement places various restrictions on the operations of New Claridge including the maintenance of certain financial ratios, limits the amount of indebtedness, and limits on dividends paid by New Claridge.

(8) Other Liabilities

Other liabilities at December 31, 1984 and 1983 consists of the following (in thousands):

	<u>1984</u>	<u>1983</u>
Deferred rent	\$22,769	5,317
Other	-0-	1,200
	<u>\$22,769</u>	<u>6,517</u>

(9) Other Nonoperating Income (Expense) - net

Other nonoperating income (expenses) - net for the year ended December 31, 1984 and the period October 31, 1983 to December 31, 1983 consists of the following (in thousands):

	<u>1984</u>	<u>1983</u>
Interest income - Wraparound Mortgage	\$16,572	2,719
Insurance proceeds from Business		
Interruption Claim	280	-0-
Interest income - other	108	15
Insurance proceeds - other	34	-0-
Loss on disposal of assets	( 45)	-0-
Loss due to sewer damage	( 42)	-0-
	<u>\$16,907</u>	<u>2,734</u>

(10) Complimentary Services

Complimentary services for the three months and twelve months ended December 31, 1984 are summarized as follows:

For the three months ended December 31, 1984

Promotional Allowances

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Room	17,093	\$ 1,081,746
Food	263,869	2,193,636
Beverage	180,545	1,180,117
Showroom	<u>25,571</u>	<u>259,195</u>
Total	<u>487,078</u>	<u>\$ 4,714,694</u>

DEL WEBB'S CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(10) Complimentary Services (Continued)

For the three months ended December 31, 1984 (continued)

Promotional Expenses

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Coupon Redemption of Cash & Tokens	229,010	\$ 2,545,690
Travel	785	281,475
Gratuities	23,523	60,314
Other	<u>N/A</u>	<u>115,112</u>
Total	<u>253,318</u>	<u>\$3,002,591</u>

For the year ended December 31, 1984

Promotional Allowances

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Room	67,660	\$ 4,506,930
Food	1,004,586	7,179,365
Beverage	827,063	4,836,301
Showroom	<u>83,750</u>	<u>947,932</u>
Total	<u>1,983,059</u>	<u>\$ 17,470,528</u>

Promotional Expenses

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Coupon Redemption of Cash & Tokens	1,095,060	\$14,082,580
Travel	4,714	868,959
Gratuities	62,998	181,106
Other	<u>N/A</u>	<u>215,077</u>
Total	<u>1,162,772</u>	<u>\$15,347,722</u>

DEL WEBB'S CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(11) Operating Lease

New Claridge leases the Hotel Assets and subleases the land on which the Claridge is located from the Partnership under an Operating Lease. The initial lease term is 15 years with three ten-year renewal options.

Minimum future lease payments under the Operating Lease as of December 31, 1984 are as follows (in thousands):

1985	\$ 22,000
1986	22,450
1987	22,925
1988	27,255
1989	32,605
Later Years	334,187
Total Minimum	<u>\$ 461,422</u>

In addition, additional rent payments are required based upon fixed assets purchased by the Partnership (the FF&E Replacements, note 4) and then leased to New Claridge. For the year ended December 31, 1984 and for the period October 31, 1983 to December 31, 1983 rental expense for all operating leases amounted to \$33,286,000 and \$5,432,000 respectively of which \$17,452,000 and \$5,317,000 of rental expense is attributable to the requirement under Statement of Financial Accounting Standards #13 to provide a level rent expense for those leases with escalating payments. Under terms of the Operating Lease, the Partnership is responsible for taxes, assessments, insurance, maintenance and repairs and other costs related to use and occupancy of the Hotel Assets.

(12) Income Taxes

The provision for income taxes is comprised of the following (in thousands):

	<u>1984</u>	<u>1983</u>
Current		
Federal	\$ 860	100
State	85	215
Deferred	( 860)	( 100)
	<u>\$ 85</u>	<u>215</u>

DEL WEBB'S CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(12) Income Taxes (continued)

The tax effects of timing differences resulting in deferred income taxes are as follows (in thousands):

	<u>1984</u>	<u>1983</u>
Difference between book and tax depreciation	(\$ 25)	47
Difference between book and tax treatment of rent expense	( 8,028)	( 2,425)
Amortization of organization fees currently expensed for book purposes	---	( 1,132)
Accrual for progressive slot liability	126	( 126)
Amortization of organization fees previously expensed for book purposes	409	---
Unrecognized tax benefit of loss carryforward	6,272	3,472
unrecognized tax credits	381	72
Other	<u>5</u>	<u>( 8)</u>
	<u>(\$ 860)</u>	<u>( 100)</u>

The provision for income taxes differs from the amount computed at the statutory rate as follows (in thousands):

	<u>1984</u>	<u>1983</u>
Federal Income Tax at statutory rates	(\$6,740)	( 3,953)
State Income Tax	85	215
Federal benefit of State Income Tax	( 39)	( 99)
Goodwill amortization not deductible for tax purposes	461	575
Targeted Jobs Tax Credit wage adjustment	46	5
Unrecognized tax benefit of loss carryforward	<u>6,272</u>	<u>3,472</u>
	<u>\$ 85</u>	<u>215</u>

For the years ended December 31, 1984 and for the period October 31, 1983 to December 31, 1983 New Claridge has reported losses for financial statement purposes of (\$14,654,000) and (\$8,594,000), respectively. These losses result from expenses for fees and rents which are not currently recognized for tax purposes. If such losses result in a reduction of income tax liability at a future date, the benefit will be recognized as an extraordinary item at that time. In addition, New Claridge has approximately \$453,000 in unused tax credits, all of which have been recognized for tax purposes.

DEL WEBB'S CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(13) Contingencies

(a) Licensing

New Claridge was issued a plenary casino license effective October 31, 1984 by the New Jersey Casino Control Commission (the "Commission") and, in accordance with the State of New Jersey regulation N.J.S.A. 5:12-87(e), will expire one year thereafter. Management of New Claridge is aware of no charges, objections or other facts which would provide a basis for the Commission to deny renewal of the casino license. Further, it is the opinion of Management that the likelihood of a denial to renew the casino license by the Commission is remote.

(b) Investment Obligation

The New Jersey Casino Control Act prior to being amended in December 1984 provided for an "investment obligation" or "alternative tax" of 2% of a licensee's gross casino revenues for each calendar year in which such revenues exceed its "cumulative investments" as defined in the Act. A licensee has five years to satisfy the investment obligation before becoming liable for the alternative tax. It is the Corporation's intention to make sufficient qualified investments in lieu of payment of the alternative tax. At December 31, 1984 the Corporation's obligation is \$339,000 through December 31, 1988.

(c) Casino Expansion Agreement

The Corporation, the Partnership and Webb entered into an agreement with DEWNJ pursuant to which DEWNJ undertook a study to determine the feasibility of expanding and improving the Claridge's casino and related facilities. The study was conducted by independent consultants in cooperation with DEWNJ and its affiliates. The study was completed in accordance with the agreement and submitted to the Corporation, New Claridge, and the Partnership. A decision was made on a preliminary basis to proceed with an expansion. Funds for architectural and engineering studies were authorized. No assurance can be given that any expansion will be determined to be feasible or that necessary financing will be obtainable. Any expansion will also depend on obtaining necessary consents from lenders and governmental approvals, including approvals from the Commission, and no assurance can be given that such consents and approvals can be obtained.

DEL WEBB'S CLARIDGE CASINO - HOTEL

Notes to the Financial Statements - Continued

(13) Contingencies (continued)

(d) Legal Proceedings

New Claridge is a party to a civil action brought on October 19, 1984 in U.S. District Court, District of New Jersey by the United States Department of Labor which alleges violations of the Fair Labor Standards Act. This matter is presently in the preliminary stages of pre-trial discovery. It appears that the government is claiming back wages and liquidated damages in excess of \$1 million. Although a formal assessment of the government's claim or the potential liability of New Claridge cannot be fully made at this time, preliminary indications suggest that the government's case as to back wages and damages may be overstated.

(14) Related Party Transactions

- (a) Pursuant to an exclusive management agreement ("Management Agreement") between New Claridge and DEWNJ, DEWNJ has agreed to manage the Claridge in a proper, efficient and competitive manner in accordance with standards not less than those existing at the time the agreement was entered into. The Management Agreement which has an initial term of 15 years, entitles DEWNJ to receive as compensation certain management fees based on various operating results. For the year ended December 31, 1984 and the period October 31, 1983 to December 31, 1983 management fees were \$5,574,000 and \$562,000, respectively. Under the terms of the Management Agreement, Webb is obligated to defer the payment or allow the recapture of management fees and interest whenever New Claridge's cash flow is insufficient to meet its current obligations including payment of such fees. To generate funds to repay a \$5,000,000 working capital loan which became due on December 31, 1984, New Claridge sold FF&E promissory notes to the extent available to First Fidelity Bank N/A (See note 4). Since deferred fees bear interest at a rate of 10% per annum and the promissory notes sold bear interest at a rate of 14% per annum, DEWNJ agreed to pay New Claridge upon demand, an amount equal to the difference between the 10% borrowing rate and the 14% yield on the promissory notes. In addition DEWNJ agreed to pay New Claridge for any fees incurred with the sale of the notes.
- (b) Webb and DEWNJ have direct and material interest in the Purchase Money Second Mortgage and other indebtedness of New Claridge. For the year ended December 31, 1984 and the period October 31, 1983 to December 31, 1983, interest expense due to affiliates was \$5,832,000 and \$955,000, respectively.

DEL WEBB'S CLARIDGE CASINO - HOTEL

Notes to the Financial Statement - Continued

(14) Related Party Transactions (Continued)

- (c) New Claridge purchases from Webb and DEWNJ certain services including insurance and other miscellaneous services. The costs of these services for the year ended December 31, 1984 and the period October 31, 1983 to December 31, 1983 amounted to \$1,252,000 and \$218,000, respectively.
- (d) The Partnership has a direct material interest in the Expandable Wraparound Mortgage Loan Agreement and the Operating Lease as described in the preceding notes. Under the terms of the above agreements, for the year ended December 31, 1984 and the period October 31, 1983 to December 31, 1983, New Claridge has earned interest income of \$16,572,000 and \$2,719,000, respectively, and incurred lease expense of \$32,555,000 and \$5,317,000, respectively.

# SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 19 84

(UNAUDITED)  
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
		\$		
1	Undeposited patrons' checks .....	2,924		
2	Returned patrons' checks .....	3,771		
			\$	\$
3	Total patrons' checks .....	6,695	3,239	3,456
4	Hotel receivables .....	710	108	602
5	Receivables due from officers and employees (Travel Advances) .....	12		
6	Receivables due from affiliates .....	2,152		
7	Other accounts and notes receivables .....	143		
8	Total other receivables .....	2,307	38	2,269
		\$	\$	\$
9	Totals (Form 305)	9,712	3,385	6,327

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
		\$
10	Beginning balance (January 1) .....	2,489
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .....	102,593
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) .....	( 87,049 )
13	Checks collected through deposits .....	( 10,905 )
14	Checks transferred to returned checks .....	( 4,204 )
15	Other adjustments .....	-0-
16	Ending balance .....	\$ 2,924
		\$
17	"Hold" checks included in balance on line 16 .....	-0-
		\$
18	Provision for uncollectible patrons' checks .....	1,275
19	Provision as a % of counter checks issued .....	1.2%

TRADING NAME OF LICENSEE Del Webb's Claridge Casino/Hotel

## CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) %	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	<b>Revenue</b>				
1	Blackjack .....	\$ 25,808	\$ 170,667	15.1	40
2	Craps .....	23,921	161,033	14.9	12
3	Roulette .....	5,013	19,538	25.7	8
4	Big Six .....	1,327	2,960	44.8	2
5	Baccarat .....	1,958	13,354	14.7	2
6	Other table games .....	-0-	-0-	-0-	-0-
7	Total table games revenue .....	58,027	\$ 367,552	15.8	64
			<b>HANDLE</b>		
8	\$.05 slot machines .....	2,003	\$ 13,200	15.2	55
9	\$.25 slot machines .....	35,620	257,461	13.8	598
10	\$1 slot machines .....	10,380	95,969	10.8	126
11	Other slot machines .....	17,110	154,533	11.1	211
12	Progressive jackpot adjustment .....	( 1,559)			
13	Total coin-operated devices revenue .....	63,554	\$ 521,163	12.2	990
14	Other income .....	-0-			
15	Total revenue .....	121,581			
	<b>Expenses</b>				
16	Payroll and payroll related expenses .....	21,625			
17	Licenses and taxes .....	12,979			
18	Provision for uncollectible patrons' checks ...	1,275			
19	Other .....	2,687			
20	Total .....	38,566			
21	<b>Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....</b>	<b>83,015</b>			
	Complimentary services and casino management fees:				
22	Complimentary services .....	16,522			
23	Casino management fees .....	-0-			
24	Total .....	16,522			
25	<b>Departmental Income (Loss).....</b>	<b>\$ 66,493</b>			

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF *New Jersey* :  
COUNTY OF *Atlantic* :ss.  
:

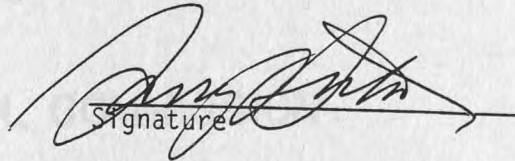
LARRY L. BERTSCH

Name

, 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 the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Report is accurate to the best of my knowledge and belief.

  
Signature

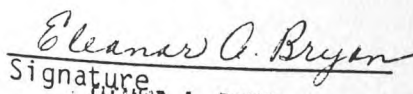
Senior Vice President of Finance  
Title

02144-11  
License Number

Subscribed and sworn to  
before me this *15th* day  
of *March*, 19*85*.

On Behalf Of:

The Claridge at Park Place, Inc.  
Casino Licensee

  
Signature

ELEANOR A. BRYAN  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires MARCH 8, 1988

Basis of Authority  
to Take Oaths

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

**LICENSEE** The Claridge at Park Place, Inc.

**ADDRESS** Indiana Avenue and The Boardwalk  
Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1984

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.....**

Larry L. Bertsch

**OFFICIAL TITLE.....**

Senior Vice President of Finance

**ADDRESS.....**

Indiana Avenue and The Boardwalk

Atlantic City, NJ 08401

## ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 84

(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	(d) OTHER EMPLOYEES	SALARIES AND WAGES (e) OFFICERS & OWNERS	(f) TOTALS
	CASINO				
1	Administration .....	29			
2	Gaming .....	568			
3	Slots .....	69			
4	Casino accounting .....	249			
5	Other .....	-0-	\$	\$	\$
6	Total-casino .....	915	17,633	-0-	17,633
7	ROOMS .....	173	2,549	-0-	2,549
8	FOOD AND BEVERAGE .....	535	7,464	-0-	7,464
	OTHER OPERATED DEPARTMENTS				
9	Telephone	13	192	-0-	192
10	Transportation	89	1,359	-0-	1,359
11	Spa	9	125	-0-	125
12	Casino Marketing	63	1,142	-0-	1,142
13					
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office .....	21	371	568	939
21	Accounting and auditing .....	98	1,765	-0-	1,765
22	Security .....	137	2,516	-0-	2,516
23	Other administrative and general department ..	88	1,715	-0-	1,715
24	MARKETING .....	21	421	-0-	421
25	GUEST ENTERTAINMENT .....	25	581	-0-	581
26	PROPERTY OPERATION AND MAINTENANCE .....	-0-	-0-	-0-	-0-
27	TOTALS - ALL DEPARTMENTS .....	2,187	\$ 37,833	\$ 568	\$ 38,401

Trading Name of Licensee Del Webb's Claridge Casino/Hotel

ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE

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For the Year Ended December 31, 19 84

3/14/85  
Date

  
Signature

Senior Vice President of Finance  
Title

# GROSS REVENUE ANNUAL TAX RETURN

LICENSEE The Claridge at Park Place, Inc.

ADDRESS Indiana Avenue and The Boardwalk  
Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 19 84

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



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

Larry L. Bertsch

OFFICIAL TITLE.....

Senior Vice President of Finance

ADDRESS .....

Indiana Avenue and The Boardwalk

Atlantic City, NJ 08401

# GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 85

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue .....	\$ 58,027	
2	Coin-operated devices revenue .....	65,113	
3	Total revenues .....		\$ 123,140
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks .....	\$ 1,275	
5	Maximum adjustment (4% of line 3) .....	\$ 4,926	
6	Adjustment (the lesser of line 4 or line 5) .....		1,275
7	Gross revenues (line 3 less line 6) .....		\$ 121,865
8	Tax on gross revenues - current year (8% of line 7) .....		\$ 9,749
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) .....		9,749
	Deposits made for tax on current year's gross revenues:		
11	January .....	\$ 563	
12	February .....	776	
13	March .....	711	
14	April .....	944	
15	May .....	747	
16	June .....	662	
17	July .....	1,027	
18	August .....	893	
19	September .....	810	
20	October .....	951	
21	November .....	759	
22	December .....	781	
23	January .....	125	
24	Total deposits made for tax on current year's gross revenues .....		( 9,749 )
25	Settlement of prior years' tax on gross revenues 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-

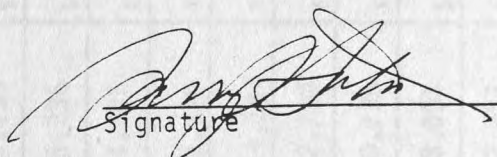
STATEMENT OF CONFORMITY AND ACCURACY

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

LARRY L. BERTSCH, 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.

  
Signature

Senior Vice President of Finance  
Title

02144-11  
License Number

Subscribed and sworn to  
before me this 15th day  
of March, 1985.

Eleanor C. Bryan  
Signature

**ELEANOR A. BRYAN**  
**NOTARY PUBLIC OF NEW JERSEY**  
**My Commission Expires March 9, 1988**  
Basis of Authority  
to Take Oaths

On Behalf Of:

The Claridge at Park Place, Inc.  
Casino Licensee

# HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 31, 1984

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
LINE	PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
1	JANUARY	505	14,918	11,181	\$ 75.13	74.9 %	20,932	\$ 40.13
2	FEBRUARY	505	14,063	12,549	\$ 67.20	89.2 %	23,496	\$ 35.89
3	MARCH	505	15,573	14,368	\$ 70.20	92.3 %	26,573	\$ 37.96
4	<b>1st QUARTER TOTALS</b>		44,554	38,098	\$ 70.66	85.5 %	71,001	\$ 37.91
5	APRIL	505	14,681	12,780	\$ 76.71	87.1 %	23,845	\$ 41.11
6	MAY	505	15,456	14,122	\$ 82.09	91.4 %	24,844	\$ 46.66
7	JUNE	505	14,961	14,246	\$ 84.02	95.2 %	26,278	\$ 45.55
8	<b>2nd QUARTER TOTALS</b>		45,098	41,148	\$ 81.09	91.2 %	74,967	\$ 44.51
9	JULY	505	15,519	15,199	\$ 105.18	97.9 %	29,968	\$ 53.35
10	AUGUST	505	15,526	15,336	\$ 104.56	98.8 %	30,318	\$ 52.89
11	SEPTEMBER	505	14,967	14,385	\$ 87.50	96.1 %	27,016	\$ 46.59
12	<b>3rd QUARTER TOTALS</b>		46,012	44,920	\$ 99.31	97.6 %	87,302	\$ 51.10
13	OCTOBER	505	15,473	14,567	\$ 83.25	94.1 %	27,137	\$ 44.69
14	NOVEMBER	505	14,941	12,789	\$ 82.62	85.6 %	24,354	\$ 43.39
15	DECEMBER	504	15,199	10,735	\$ 73.73	70.6 %	20,002	\$ 39.57
16	<b>4th QUARTER TOTALS</b>		45,613	38,091	\$ 80.36	83.5 %	71,493	\$ 42.81
17	<b>ANNUAL TOTALS</b>		181,277	162,257	\$ 82.86	89.5 %	304,763	\$ 44.08

Note: The above statistics are unaudited and are subject to change by the casinos.

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C193

# ANNUAL REPORT

LICENSEE ELSINORE SHORE ASSOCIATES  
T/A ELSINORE'S ATLANTIS CASINO HOTEL (NOTE 1)

ADDRESS 2500 BOARDWALK

ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED . . . DECEMBER 31 , 1984

TO THE  
CASINO CONTROL COMMISSION  
OF THE  
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE  
OF CORRESPONDENCE REGARDING  
THIS ANNUAL REPORT . . . . . STEVEN A. WINSOR

OFFICIAL TITLE . . . . . VICE PRESIDENT - FINANCE

ADDRESS . . . . . 2500 BOARDWALK

ATLANTIC CITY, NJ 08401

TRADING NAME OF LICENSEE ELSINORE'S ATLANTIS CASINO HOTEL (NOTE 1)

## LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 84

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-305
Statements of Income (Year)	CCC-310
Statements of Income (Three Months)	CCC-315
Statements of Changes in Stockholders' Equity	CCC-320
Statements of Changes in Partners' or Proprietor's Equity	CCC-325
Statements of Changes in Financial Position	CCC-330
Notes to Financial Statements	--
Schedule of Receivables and Patrons' Checks	CCC-340
Casino Departmental Schedule	CCC-345
Statement of Conformity and Accuracy	CCC-350

# BALANCE SHEETS

DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
1	Cash <del>And Cash Equivalents</del> .....	\$ 19,965	\$ 10,199
2	Marketable securities .....		
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>84</u> , \$ 1,233 ; 19 <u>83</u> , \$ 1,197 ) .....	7,548	7,047
4	Inventories .....	1,578	1,726
5	Prepaid expenses and other current assets .....	1,059	948
6	Total current assets .....	30,150	19,920
7	Investments, Advances, And Receivables .....		
8	Property And Equipment - Net (NOTE 2) .....	145,844	143,280
9	Other Assets .....	5,273	1,739
10	Total Assets .....	\$ 181,267	\$ 164,939
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
11	Accounts payable .....	\$ 6,371	\$ 7,320
12	Notes payable .....		
Current portion of long-term debt:			
13	Due to affiliates .....		
14	Other (NOTE 5) .....	290	5,377
15	Income taxes payable and accrued .....	13	158
16	Other accrued expenses (NOTE 3) .....	9,499	8,318
17	Other current liabilities (NOTE 4) .....	15,635	1,959
18	Total current liabilities .....	31,808	23,132
<b>Long-Term Debt: (NOTE 5)</b>			
19	Due to affiliates .....	168,000	78,000
20	Other .....	11,477	63,898
21	Deferred Credits .....		
22	Other Liabilities (NOTE 5) .....	14,711	35,717
23	Commitments And Contingencies (Note 6) .....		
24	Total Liabilities .....	225,996	200,747
25	Stockholders', Partners', Or Proprietor's Equity (DEFICIT) .....	(44,729)	(35,808)
26	Total Liabilities And Equity .....	\$ 181,267	\$ 164,939

## STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Revenue</b>		
1	Casino .....	\$ 147,037	\$ 144,248
2	Rooms .....	10,191	10,361
3	Food and beverage .....	35,020	33,395
4	Other .....	7,249	5,395
5	Total revenue .....	199,497	193,399
6	Less: promotional allowances (NOTE 7) .....	31,505	25,205
7	Net revenue .....	167,992	168,194
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	124,627	120,420
9	Selling, general, and administrative .....	20,318	17,385
10	Provision for doubtful accounts .....	725	1,029
11	Total .....	145,670	138,834
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest</b> .....	22,322	29,360
	Depreciation and amortization .....	7,839	7,015
	Charges from affiliates: (NOTE 5)		
14	Interest .....	9,660	7,908
15	Management fees .....	3,990	3,867
16	Other .....	360	393
17	Interest expense - external .....	9,548	9,876
18	<b>Income (Loss) From Operations</b> .....	(9,075)	301
19	Nonoperating income (expense) - net (NOTE 8) .....	154	197
20	<b>Income (Loss) Before Income Taxes And Extraordinary Items</b> ..	(8,921)	498
21	Provision (Credit) for income taxes .....		
22	<b>Income (Loss) Before Extraordinary Items</b> .....	(8,921)	498
23	Extraordinary items (net of income taxes - 19 <u>  </u> , \$                   ; 19 <u>  </u> , \$                   ) .....		
24	<b>Net Income (Loss)</b> .....	\$ (8,921)	\$ 498

TRADING NAME OF LICENSEE ELSINORE'S ATLANTIS CASINO HOTEL (NOTE 1)

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED December, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 84	(d) 19 83
	<b>Revenue</b>	\$	\$
1	Casino .....	31,547	36,471
2	Rooms .....	2,304	2,391
3	Food and beverage .....	7,362	8,728
4	Other .....	1,200	1,229
5	Total revenue .....	42,413	48,819
6	Less: promotional allowances (NOTE 7) .....	6,738	7,133
7	Net revenue .....	35,675	41,686
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	29,873	31,451
9	Selling, general, and administrative .....	4,333	3,737
10	Provision for doubtful accounts .....	275	200
11	Total .....	34,481	35,388
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest</b> .....	1,194	6,298
	Depreciation and amortization .....	2,060	1,817
	Charges from affiliates: (NOTE 5)		
14	Interest .....	3,810	1,993
15	Management fees .....	849	975
16	Other .....	90	107
17	Interest expense - external .....	1,451	2,227
18	<b>Income (Loss) From Operations</b> .....	(7,066)	(821)
19	Nonoperating Income (expense) - net (NOTE 8) .....	(259)	165
20	<b>Income (Loss) Before Income Taxes And Extraordinary Items</b> .	(7,325)	(656)
21	Provision (Credit) for income taxes .....		
22	<b>Income (Loss) Before Extraordinary Items</b> .....	(7,325)	(656)
23	Extraordinary Items (net of income taxes - 19__, \$ ; 19__, \$ ) .....		
24	<b>Net Income (Loss)</b> .....	\$ (7,325)	\$ (656)

# STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 84		19 83	
		(c) SHARES	(d) \$	(e) SHARES	(f) \$
	<b>Common Stock</b>		\$		\$
1	Beginning balance (January 1) .....				
2	Sale of stock .....				
3					
4	Ending balance .....				
	<b>Preferred Stock</b>				
5	Beginning balance (January 1) .....				
6	Sale of stock .....				
7					
8	Ending balance .....				
	<b>Additional Paid-In Capital</b>				
9	Beginning balance (January 1) .....				
10					
11					
12	Ending balance .....				
	<b>Treasury Stock</b>				
13	Beginning balance (January 1) .....		( )		( )
14	Purchase of additional stock .....		( )		( )
15	Sale or retirement of stock .....				
16	Ending balance .....		( )		( )
	<b>Subscriptions Receivable For Capital Stock</b>				
17	Beginning balance (January 1) .....		( )		( )
18					
19					
20	Ending balance .....		( )		( )
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>				
21	Beginning balance (January 1) .....		( )		( )
22					
23					
24	Ending balance .....		( )		( )
	<b>Retained Earnings</b>				
25	Beginning balance (January 1) .....				
26	Prior period adjustments .....				
27	Net Income (loss) .....				
28	Dividends .....		( )		( )
29					
30					
31	Ending balance .....				
32	<b>Ending Stockholders' Equity</b> .....		\$		\$

THIS STATEMENT IS NOT APPLICABLE

## STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Invested Capital</b>	\$	\$
1	Beginning balance (January 1) .....	20	20
2	Additional capital invested .....		
3			
4	Ending balance .....	20	20
	<b>Accumulated Income (Loss)</b>		
5	Beginning balance (January 1) ..... (LOSS)	(35,828)	(36,326)
6	Prior period adjustments .....		
7	Net income (loss) .....	(8,921)	498
8			
9	Ending balance ..... (LOSS)	(44,749)	(35,828)
	<b>Capital Withdrawals</b>		
10	Beginning balance (January 1) .....	( )	( )
11	Additional capital withdrawals .....	( )	( )
12			
13	Ending balance .....	( )	( )
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>		
14	Beginning balance (January 1) .....	( )	( )
15			
16			
17	Ending balance .....	( )	( )
18	Ending Partners' Or Proprietor's Equity ..... (DEFICIT)	\$ (44,729)	\$ (35,808)

# STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 1984 AND 1983

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Sources Of Funds</b>	\$	\$
1	Income (loss) before extraordinary items .....	(8,921)	498
	Add (deduct) items not affecting working capital:		
2	Depreciation and amortization of property and equipment .....	7,839	7,015
3	Amortization of other assets .....	696	640
4	Deferred income taxes .....		
5	(Gain) loss on dispositions of property and equipment .....	4	
	Other items:		
6			
7			
8			
9	Total funds provided (used) by operations, exclusive of extraordinary items .....	(382)	8,153
10	Extraordinary items .....		
11	Total funds provided (used) by operations .....	(382)	8,153
12	Proceeds from dispositions of property and equipment .....	21	60
13	Proceeds from long-term debt .....	98,000	73,921
14	Additions to deferred credits and other liabilities .....	11,790	11,776
15	Proceeds from issuance of stock or capital contributions .....		
	Other sources of funds:		
16			
17			
18			
19	Total funds provided .....	109,429	93,910
	<b>Uses Of Funds</b>		
20	Additions to property and equipment .....	10,428	15,589
21	Additions to investments, advances, and receivables .....		
22	Reductions of long-term debt .....	65,988	64,597
23	Dividends declared or capital distributions .....		
	Other uses of funds:		
24	increase in other assets .....	4,230	
25	decrease in other liabilities .....	27,229	
26			
27	Total funds used .....	107,875	80,186
		\$	\$
28	Increase (Decrease) in Working Capital .....	1,554	13,724
	<b>Summary Of Changes In Components Of Working Capital</b>	\$	\$
29	Cash .....	9,766	2,644
30	Marketable securities .....		
31	Receivables and patrons' checks .....	501	1,785
32	Inventories .....	(149)	278
33	Prepaid expenses and other current assets .....	112	66
34	Accounts payable .....	949	(822)
35	Notes payable .....		
36	Current portion of long-term debt .....	5,087	8,457
37	Income taxes payable and accrued .....	145	(103)
38	Other accrued expenses .....	(1,181)	(819)
39	Other current liabilities .....	(13,676)	2,238
		\$	\$
40	Increase (Decrease) in Working Capital .....	1,554	13,724

ELSINORE'S ATLANTIS CASINO HOTEL (NOTE 1)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1984 AND 1983

1. Summary of significant accounting policies:

Organization and business:

Playboy-Elsinore Associates (the Partnership), a general partnership, was formed April 24, 1979 by its partners, Elsub Corporation (Elsub), a wholly owned subsidiary of Elsinore Corporation, and Playboy of Atlantic City (PAC), a limited partnership whose general partner is Playboy of New Jersey, Inc. (PNJ), a wholly-owned subsidiary of Playboy Enterprises, Inc. (PEI). The Partnership was formed to complete construction of, own and operate a 500 room hotel casino complex (The Playboy Hotel and Casino) in Atlantic City, New Jersey (see name change below).

On March 12, 1984, the New Jersey Casino Control Commission (CCC) approved a contract between Elsinore Corporation and PEI whereby Elsinore Corporation, through its wholly-owned subsidiary, Elsub, would acquire from PEI all of the issued and outstanding capital stock of PNJ. PNJ owns a 84.3% interest in PAC, a limited partnership, who, in turn, owns 54.3% of the Partnership. Together with its previous ownership, Elsinore Corporation now controls approximately 91.5% of the Partnership.

The contract purchase price was approximately \$53 million, payable substantially in accordance with the buy-out provisions contained in the original partnership agreement initially executed between Elsub and PAC. The purchase price was payable one-seventh in cash, financed through an \$8 million addition to the Partnership's then mortgage note payable to bank. The balance is payable in six equal annual principal installments plus interest at 10% on the unpaid principal balance. This note will be guaranteed by the Partnership, but will not be collateralized by any of its assets. In addition to the purchase price, PEI will receive the partners' fees due PNJ accrued through the date of closing. The contract requires that these fees be paid on or before the sixth anniversary of the closing date.

In connection with the acquisition, the name of the Partnership was changed to Elsinore Shore Associates (ESA), trading as Elsinore's Atlantis Casino Hotel. Concurrently, certain of the other entities were also renamed. PNJ was renamed Elsinore of New Jersey (ENJ); PAC was renamed Elsinore of Atlantic City (EAC).

Accounting for casino revenues and promotional allowances:

In accordance with industry practice, the Partnership recognizes as casino revenue the net win from gaming activities, which is the difference between gaming wins and losses. Gross revenues include the retail value of accommodations, food and beverage and other goods or services furnished without charge to patrons. The retail value of these promotional allowances is deducted from gross revenues. The cost of these promotional items is charged to cost of goods and services.

ELSINORE'S ATLANTIS CASINO HOTEL (NOTE 1)  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 1984 AND 1983

1. Summary of significant accounting policies (cont.):

Deferred Charges:

Deferred charges are recorded as other assets and are amortized over their estimated useful life or the life of the corresponding loan, as applicable.

Inventories:

Inventories are generally stated at cost, less an estimate of usage for linens, uniforms and silverware in service. Inventories at December 31, 1984 and 1983 consist of the following:

	<u>1984</u>	<u>1983</u>
Food & Beverage provisions	\$ 334,000	\$ 329,000
Gift Shop merchandise	240,000	320,000
Supplies	<u>1,004,000</u>	<u>1,077,000</u>
	<u>\$1,578,000</u>	<u>\$1,726,000</u>

Property and equipment and depreciation:

Property and equipment are stated at cost. Depreciation is provided by the straight-line method over the following estimated useful lives:

Buildings	50 years
Furniture and Equipment	3-10 years

Expenditures for maintenance and repairs are charged to operations and major renewals and betterments are capitalized. Upon sale or retirement, cost and related accumulated depreciation are eliminated from the accounts and any resulting gains or losses are included in operations.

Income Taxes:

Pursuant to the State of New Jersey's Casino Control Act, the Partnership, is liable for corporate income taxes to the State of New Jersey. However, no provision for state income taxes has been recorded as the Partnership has incurred tax losses.

No provision has been made for Federal income taxes since income taxes (benefits) are the liabilities (assets) of the Partners.

Reclassification:

Certain amounts in the 1983 financial statements have been reclassified to conform to the 1984 presentation.

ELSINORE'S ATLANTIS CASINO HOTEL (NOTE 1)  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 1984 AND 1983

2. Property and Equipment:

Property and Equipment is summarized below:

	1984	1983
Land	\$ 11,121	\$ 9,683
Buildings	131,734	124,269
Furniture Fixtures and Equipment	30,249	28,769
	173,104	162,721
Accumulated Depreciation	(27,260)	(19,441)
Total Property and Equipment	\$145,844	\$143,280

3. Other accrued expenses:

Other accrued expenses consist of the following:

	1984	1983
Taxes other than income	\$ 1,716	\$ 1,475
Employee Benefits	3,757	3,485
Payroll	1,903	1,707
Other	2,123	1,651
	\$ 9,499	\$ 8,318

4. Other Current Liabilities:

Other current liabilities consist of the following:

	1984	1983
Interest Due Affiliates	\$ 13,962	
Unredeemed Chip Liability	520	\$ 751
Patron Deposits	836	875
Slot Tokens	227	138
Other	90	195
	\$ 15,635	\$ 1,959

ELSINORE'S ATLANTIS CASINO HOTEL (NOTE 1)  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 1984 AND 1983

5. Long-term debt:

Other long term debt is summarized below:

	<u>1984</u>	<u>1983</u>	<u>Maturity</u>
Mortgage payable, bank (a)		\$63,000	1990
Mortgage payable, other (b)	\$ 353	367	1993
Notes payable, property (c)	5,759	5,466	1994
Notes payable, equipment (d)	88	442	1984-1986
Management fees, payable (e)	<u>5,567</u>		1990
	11,767	<u>69,275</u>	
Less Current Portion	<u>290</u>	<u>5,377</u>	
	<u>\$ 11,477</u>	<u>\$63,898</u>	

(a) On June 23, 1983, the Partnership refinanced its first mortgage loan of \$63,000,000 with a consortium of major commercial banks. On April 3, 1984, the Partnership obtained additional financing of \$8,000,000 which was consolidated with the \$63,000,000 loan increasing the total mortgages to \$71,000,000. Interest was payable monthly at 2% above the prime rate with principal payments due in equal monthly installments of \$910,000 beginning July 1984 through December 1990.

On November 13, 1984, the Partnership refinanced the above Mortgage Loans through an affiliate, Elsinore Finance Corporation (EFC), which issued \$115,000,000 principal amount Senior Mortgage Bonds due November 1, 1999. The Bonds bear interest at 15 1/2% per annum with interest payments due May 1 and November 1 each year. The Bonds are secured, in part, by a \$90 million note of Elsinore Shore Associates (ESA) and a Senior Mortgage Lien on the Atlantis Casino Hotel (Atlantis), to evidence the borrowing by ESA of their share of the net proceeds from the sale of the Bonds and their obligation to reimburse EFC for related costs. Terms of the note are virtually identical to those of the Bonds. The note is further collateralized by a security interest in all Atlantis improvements which include all additions and improvements to Atlantis and contiguous property (unless utilized for parking) including furniture, furnishings, operating equipment and supplies, fixtures and machinery. The note is assigned to and held by the Trustee for the benefit of the bondholders until all principal and interest on the Bonds have been paid in full. The Bonds are redeemable on or after November 1, 1989 at the option of EFC, in whole or in part, together with accrued interest. The redemption price ranges from a high of 112% in 1989 on a decreasing sliding scale each year to 100% in 1994 and thereafter. Prior thereto, under certain circumstances the Bonds are redeemable at 110% of the principal amount thereof in the event of a sale or disposition of Atlantis. Sinking fund payments, sufficient to retire annually approximately \$9.6 million principal amount of Bonds, commencing November 1, 1990, are calculated to retire 75% of the issue prior to maturity. EFC may deliver Bonds in lieu of cash as a credit against sinking fund payments.

ELSINORE'S ATLANTIS CASINO HOTEL (NOTE 1)  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 1984 AND 1983

5. Long-term debt (continued)

Elsinore Corporation has unconditionally guaranteed payment of all amounts payable when due.

Certain covenants have been agreed to in connection with the Bond offering including limitations on dividends or stock purchases by Elsinore Corporation, and limitations on additional encumbrances on Atlantis. The terms of these covenants are more specifically outlined in the Indenture.

- (b) On September 28, 1983, the Partnership acquired additional property in Atlantic City. As partial satisfaction of the purchase price the Partnership assumed an existing mortgage note in the amount of \$412,000. The note is payable in quarterly installments of principal and interest of \$16,000 from November 1, 1983 through May 1, 1993 with a final payment of \$11,000 due August 1, 1993. The note is collateralized by a mortgage on the property acquired.

The balance at December 31, 1984 is as follows:

Face amount, 9 1/2% stated interest	\$379,000
Less unamortized discount based on imputed interest of 12%	<u>26,000</u> <u>\$353,000</u>

- (c) Also, on September 28, 1983, the Partnership acquired additional property in Atlantic City. As partial satisfaction of the purchase price, the Partnership issued a note in the amount of \$7,048,000. The note is payable in monthly installments of principal and interest of \$70,000 from February 8, 1984 through December 8, 1994 with a final payment of \$4,371,000 due January 8, 1994. The final payment is net of a \$200,000 deposit paid prior to the purchase and allowed as an offset. The note is collateralized by a mortgage on the property acquired.

Additionally, for those payments that coincide with the quarterly payments referred to in (b) above, the Partnership is allowed a credit of \$16,000 against the interest due.

The balance at December 31, 1984 is as follows:

Face amount, 9% stated interest, net of \$200,000 deposit	\$6,689,000
Less unamortized discount based on imputed interest of 12%	<u>930,000</u> <u>\$5,759,000</u>

ELSINORE'S ATLANTIS CASINO HOTEL (NOTE 1)  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 1984 AND 1983

5. Long-term debt (continued)

- (d) The notes, which are collateralized by equipment which cost \$339,000 are payable in monthly installments of principal and interest of approximately \$8,000. Interest ranges from 13% to 21%.
- (e) In connection with the acquisition of ENJ (Note 1), the Partnership agreed to pay management fees earned through April 3, 1984 to Playboy within six years. It is managements' intention not to satisfy this obligation before the final due date.

The aggregate maturities for each of the next five years ending December 31 and thereafter are as follows:

<u>YEAR</u>	<u>AMOUNT</u> (in thousands)
1985	\$ 290
1986	265
1987	279
1988	314
1989	355
Thereafter	10,264

Debt due to Affiliates and other liabilities is summarized below:

<u>1984</u>	<u>DUE TO AFFILIATES</u>	<u>OTHER LIABILITIES</u>		
	<u>LOANS FROM AFFILIATES</u>	<u>ACCRUED INTEREST</u>	<u>PARTNERS' FEE</u>	<u>TOTAL</u>
EFC(a)	\$90,000,000	\$ 1,860,000		\$ 1,860,000
EAC	39,000,000	9,298,000		9,298,000
ENJ			\$1,498,000	1,498,000
Elsub	39,000,000	8,953,000	7,064,000	16,017,000
	<u>\$168,000,000</u>	<u>20,111,000</u>	<u>8,562,000</u>	<u>28,673,000</u>
(Less) Current Portion	-0-	13,962,000	-0-	13,962,000
	<u>\$168,000,000</u>	<u>\$ 6,149,000</u>	<u>\$ 8,562,000</u>	<u>\$14,711,000</u>
<u>1983</u>	<u>DUE TO AFFILIATES</u>	<u>OTHER LIABILITIES</u>		
	<u>LOANS FROM AFFILIATES</u>	<u>ACCRUED INTEREST</u>	<u>PARTNERS' FEE</u>	<u>TOTAL</u>
EAC	\$39,000,000	\$12,962,000		\$ 12,962,000
ENJ			\$ 5,070,000	5,070,000
Elsub	39,000,000	12,616,000	5,069,000	17,685,000
	<u>\$78,000,000</u>	<u>\$25,578,000</u>	<u>\$10,139,000</u>	<u>\$ 35,717,000</u>

ELSINORE'S ATLANTIS CASINO HOTEL (NOTE 1)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1984 AND 1983

5. Long-term debt (continued)

The partner loans bear interest at 10% per annum and are repayable as available cash flow, as defined in the Partnership Agreement, determined as of December 31 of each year, allows in proportion to the outstanding balances of each partner to total partner loans. All payments shall be applied first to accrued interest and the balance thereof applied to the payment of principal.

It is the Partnership's intention to provide Elsub and ENJ with sufficient funds to make their principal and interest installment to PEI on April 2, 1985 (Note 1). Accordingly, this amount has been classified as a current liability at December 31, 1984.

As compensation for assuming responsibility for managing the Partnership business, Elsub and ENJ are each guaranteed an annual fee equal to 1% of gross receipts as defined in the Partnership Agreement. Additionally, the Partnership incurs \$30,000 per month to Elsinore Corporation as reimbursement for the disproportionate amount of management provided on behalf of the Partnership, and is included as other charges from affiliates.

6. Commitments and Contingencies:

The Partnership is party to various claims and lawsuits arising in the normal course of business. In the opinion of Management, the resolution of these matters will not materially affect the Partnership's financial position or results of operation. The Partnership has also guaranteed Elsub's indebtedness to PEI in connection with the acquisition of PNJ (Note 1).

The New Jersey Casino Control Act (the "ACT") provides for an "investment obligation" or "investment alternative tax" of 2% of a licensee's gross casino revenues, for each calendar year in which such revenues exceed its "cumulative investments", as defined in the Act. A licensee has five years from the end of each calendar year to satisfy this "investment obligation" through making eligible investments or it becomes liable to pay the "investment alternative tax" of equal amount. As of December 31, 1983, the investment obligations are approximately \$2,752,000 for the year 1982 and \$2,860,000 for the year 1983 to be invested by December 31, 1987 and 1988 respectively.

During 1984, the New Jersey State Legislature adopted substantive amendments to the Act. The new law establishes a Casino Reinvestment Development Authority (CRDA) and provided for a 2.5% tax on casino gross revenues unless a licensee receives approval of its reinvestment project by the CRDA, in which case the reinvestment obligation is reduced to 1.25% of gross revenues. The CRDA is authorized to issue bonds, which are considered to be approved reinvestment projects and qualify for the 1.25% rate.

ELSINORE'S ATLANTIS CASINO HOTEL (NOTE 1)  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 1984 AND 1983

6. Commitments and Contingencies (continued)

For the year ended December 31, 1984, the Partnership expects its reinvestment obligation to be approximately \$1,800,000 which is due by April 30, 1985. Since members to the CRDA are not yet appointed, and redevelopment projects not yet identified, no bonds have been issued for purchase. In the interim, the Partnership expects to deposit its reinvestment funds with the State Treasurer and commit to purchase bonds when they are first available. The State has agreed to pay interest on the reinvestment deposits at a rate approximating one third less than market. Since the bonds are also expected to bear interest at less than market, the Partnership has charged off \$650,000 of its expected reinvestment obligation against 1984 operations as a reduction in fair market value of the investment it expects to make.

The law further provides for quarterly estimated payment of the reinvestment obligation during 1985 and thereafter.

Future minimum rental payments at December 31, 1984 under agreements classified as operating leases with an initial or remaining noncancellable lease term in excess of one year are as follows:

<u>Year Ending December 31,</u>	<u>AMOUNT</u> (in thousands)
1985	\$1,216
1986	718
1987	462
1988	379
1989	359
Thereafter	5,076

Rent expense charged to operations for the years ended December 31, 1984 and 1983 was \$1,974,000 and \$1,889,000, respectively.

7. Promotional Allowances and Expenses:

Promotional Allowances and Expenses consist of the following for the twelve months ended December 31, 1984:

	Promotional Allowance		Promotional Expense	
	# of Recipients	\$	# of Recipients	\$
Rooms	121,061	\$ 3,648,000		
Food	1,803,075	15,377,000		
Beverage	3,836,931	8,204,000		
Bus Tour Quarters			1,498,627	\$12,384,000
Travel			338,948	4,996,000
Theater	146,401	2,979,000		
Other	223,439	1,297,000	386,307	2,795,000
Total	<u>6,130,907</u>	<u>\$31,505,000</u>	<u>2,223,882</u>	<u>\$20,175,000</u>

ELSINORE'S ATLANTIS CASINO HOTEL (NOTE 1)  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 1984 AND 1983

7. Promotional Allowances and Expenses: (continued)

Promotional Allowances and Expenses consist of the following for the three months ended December 31, 1984:

	Promotional Allowance		Promotional Expense	
	# of Recipients	\$	# of Recipients	\$
Rooms	29,360	\$ 911,000		
Food	351,194	3,223,000		
Beverage	931,361	1,797,000		
Bus Tour Quarters			360,543	\$ 2,981,000
Travel			114,504	1,661,000
Theater	30,904	482,000		
Other	74,041	325,000	110,886	855,000
<b>Total</b>	<u>1,416,860</u>	<u>\$ 6,738,000</u>	<u>585,933</u>	<u>\$ 5,497,000</u>

8. Nonoperating income (expense) - net

Nonoperating income (expense) consist of the following:

	1984	1983
Interest Income	\$673,225	\$256,115
Cash Call	237,149	162,706
Other Income	13,598	95,211
Credit Card Commission	(214,713)	(244,562)
Fees Related to Refinanced Mortgage	(550,434)	
Other Expenses	<u>(4,485)</u>	<u>(72,302)</u>
<b>Total Nonoperating Income (expense)-net</b>	<u>\$154,340</u>	<u>\$197,168</u>

# SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 19 84

(UNAUDITED)  
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
		\$		
1	Undeposited patrons' checks .....	5,072		
2	Returned patrons' checks .....	2,100		
3	Total patrons' checks .....	7,172	\$ 1,201	\$ 5,971
4	Hotel receivables .....	843	32	811
5	Receivables due from officers and employees	14		
6	Receivables due from affiliates .....	190		
7	Other accounts and notes receivables .....	562		
8	Total other receivables .....	766		766
9	Totals (Form 305)	\$ 8,781	\$ 1,233	\$ 7,548

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning balance (January 1) .....	\$ 4,796
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .....	127,596
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) .....	( 100,896 )
13	Checks collected through deposits .....	( 23,373 )
14	Checks transferred to returned checks .....	( 3,051 )
15	Other adjustments .....	-0-
16	Ending balance .....	\$ 5,072
17	"Hold" checks included in balance on line 16 .....	\$ -0-
18	Provision for uncollectible patrons' checks .....	\$ 725
19	Provision as a % of counter checks issued .....	0.6 %

TRADING NAME OF LICENSEE ELSINORE'S ATLANTIS CASINO HOTEL, (NOTE 1)

# CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) \$	WEIGHTED AVG. NUMBER OF TABLES OR MACHINES (f)
	<b>Revenue</b>				
1	Blackjack .....	\$ 37,089	\$ 220,433	16.8	60
2	Craps .....	22,320	151,676	14.7	16
3	Roulette .....	7,983	32,516	24.6	11
4	Big Six .....	1,910	3,795	50.3	2
5	Baccarat .....	4,245	30,919	13.7	3
6	Other table games .....				
7	Total table games revenue .....	73,547	\$ 439,339	16.7	92
			<b>HANDLE</b>		
8	\$.05 slot machines .....	2,209	\$ 14,702	15.0	66
9	\$.25 slot machines .....	48,419	340,490	14.2	872
10	\$1 slot machines .....	8,299	68,146	12.2	126
11	Other slot machines .....	14,529	140,704	10.3	240
12	Progressive jackpot adjustment .....	2,738			
13	Total coin-operated devices revenue .....	76,194	\$ 564,042	13.0	1304
14	Other income .....				
15	Total revenue .....	149,741			
	<b>Expenses</b>				
16	Payroll and payroll related expenses .....	33,350			
17	Licenses and taxes .....	13,682			
18	Provision for uncollectible patrons' checks .....	725			
19	Other .....	56,722			
20	Total .....	104,479			
21	<b>Departmental Income (Loss) Before Complimentary Services And Casino Management Fees</b> .....	45,262			
	Complimentary services and casino management fees:				
22	Complimentary services .....	30,368			
23	Casino management fees .....				
24	Total .....	30,368			
25	<b>Departmental Income (Loss)</b> .....	\$ 14,894			

STATEMENT OF CONFORMITY AND ACCURACY

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

R. BRUCE MCKEE, being duly sworn according to law  
Name

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 the Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Report is accurate to the best of my knowledge and belief.

R. Bruce McKee  
Signature

CONTROLLER  
Title

0548-11  
License Number

Subscribed and sworn to  
before me this 21 day  
of March, 1985.

On Behalf Of:  
ELSINORE SHORE ASSOCIATES  
Casino Licensee

Francine R. Fields  
Signature

FRANCINE R. FIELDS  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires JULY 28, 1986

Basis of Authority  
to Take Oaths

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

**LICENSEE** ELSINORE SHORE ASSOCIATES

**ADDRESS** 2500 BOARDWALK

ATLANTIC CITY, N.J. 08401

FOR THE YEAR ENDED DECEMBER 31, 19<sub>84</sub>

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**

STEVEN A. WINSOR

**OFFICIAL TITLE**

VICE PRESIDENT-FINANCE

**ADDRESS**

2500 BOARDWALK

ATLANTIC CITY, N.J. 08401

## ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 84

(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		(f) TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
	CASINO				
1	Administration .....	35			
2	Gaming .....	760			
3	Slots .....	90			
4	Casino accounting .....	331			
5	Other .....	110	\$	\$	\$
6	Total-casino .....	1326	27,285,420		27,285,420
7	ROOMS .....	284	3,048,062		3,048,062
8	FOOD AND BEVERAGE .....	982	11,912,733		11,912,733
	OTHER OPERATED DEPARTMENTS				
9	COATROOM	15	165,472		165,472
10	FLOWER SHOP (CLOSED JUNE, 1984)	-	14,056		14,056
11	GARAGE/PARKING	87	874,406		874,406
12	HEALTH CLUB	10	146,977		146,977
13	GIFT SHOP	20	228,691		228,691
14	LAUNDRY/VALET	44	475,350		475,350
15	TELEPHONE	20	266,642		266,642
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office .....	17	144,660	479,530	624,190
21	Accounting and auditing .....	88	1,437,069		1,437,069
22	Security .....	198	3,442,081		3,442,081
23	Other administrative and general department ..	157	2,833,459		2,833,459
24	MARKETING .....	14	356,342		356,342
25	GUEST ENTERTAINMENT .....	14	541,771		541,771
26	PROPERTY OPERATION AND MAINTENANCE .....	68	1,932,950		1,932,950
27	TOTAL - ALL DEPARTMENTS .....	3344	\$ 55,106,141	\$ 479,530	\$ 55,585,671

Trading Name of Licensee ELSINORE'S ATLANTIS CASINO HOTEL

ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE

For the Year Ended December 31, 1984

March 20, 1984  
Date

Steven A. Ellison  
Signature

VICE PRESIDENT-FINANCE  
Title

# GROSS REVENUE ANNUAL TAX RETURN

**LICENSEE** ELSINORE'S ATLANTIS CASINO HOTEL

**ADDRESS** 2500 Boardwalk, Atlantic City, NJ

---

FOR THE YEAR ENDED DECEMBER 31, 19 84

TO THE

**CASINO CONTROL COMMISSION**

OF THE

**STATE OF NEW JERSEY**



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

Steven A. Winsor

---

**OFFICIAL TITLE** .....

Vice President, Finance

---

**ADDRESS** .....

Atlantis Casino Hotel

---

2500 Boardwalk, Atlantic City, NJ

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# GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)

(\$ IN THOUSANDS)

<u>LINE</u>			
	Casino win or (loss)		
<u>1</u>	Table games revenue .....	\$ 73,547	
<u>2</u>	Coin-operated devices revenue .....	73,456	
<u>3</u>	Total revenues .....		\$ 147,003
	Less - adjustment for uncollectible patrons' checks:		
<u>4</u>	Provision for uncollectible patrons' checks .....	\$ 725	
<u>5</u>	Maximum adjustment (4% of line 3) .....	\$ 5,880	
<u>6</u>	Adjustment (the lesser of line 4 or line 5) .....		725
<u>7</u>	Gross revenues (line 3 less line 6) .....		\$ 146,278
<u>8</u>	Tax on gross revenues - current year (8% of line 7) .....		\$ 11,702
<u>9</u>	Audit or other adjustments to tax on gross revenues in prior years .....		0
<u>10</u>	Total tax on gross revenues (line 8 plus or minus line 9) .....		11,702
	Deposits made for tax on current year's gross revenues:		
<u>11</u>	January .....	\$ 714	
<u>12</u>	February .....	932	
<u>13</u>	March .....	997	
<u>14</u>	April .....	1,233	
<u>15</u>	May .....	934	
<u>16</u>	June .....	966	
<u>17</u>	July .....	1,261	
<u>18</u>	August .....	949	
<u>19</u>	September .....	905	
<u>20</u>	October .....	1,031	
<u>21</u>	November .....	808	
<u>22</u>	December .....	808	
<u>23</u>	January .....	164	
<u>24</u>	Total deposits made for tax on current year's gross revenues .....		( 11,702 )
	Settlement of prior years' tax on gross revenues		
<u>25</u>	resulting from audit or other adjustments - (deposits) credits .....		0
<u>26</u>	Gross revenues tax payable (line 10 less line 24 plus or minus line 25) .....		\$ 0

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF :  
COUNTY OF : SS.  
:

STEVEN A. WINSOR, 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.

Steven A. Winsor  
Signature

VICE PRESIDENT - FINANCE  
Title

3195-11  
License Number

Subscribed and sworn to  
before me this 12 day  
of February, 1985.

On Behalf Of:

ATLANTIS CASINO HOTEL  
Casino Licensee

Cynthia J. Andrews  
Signature

Natany Audin  
Basis of Authority  
to Take Oaths

CYNTHIA L. ANDREWS  
Notary Public of New Jersey  
My Commission Expires May 13, 1987

## HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 31, 1984

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
LINE	PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
1	JANUARY	500	15,328	9,661	\$ 68.30	63.0%	18,405	\$ 35.85
2	FEBRUARY	500	14,320	10,285	\$ 64.88	71.8%	20,111	\$ 33.18
3	MARCH	500	15,057	12,754	\$ 65.65	84.7%	24,260	\$ 34.51
4	<b>1st QUARTER TOTALS</b>		44,705	32,700	\$ 66.19	73.1%	62,776	\$ 34.48
5	APRIL	500	14,568	11,399	\$ 65.05	78.2%	21,852	\$ 33.93
6	MAY	500	15,157	12,589	\$ 66.98	83.1%	24,031	\$ 35.09
7	JUNE	500	14,767	13,286	\$ 68.61	90.0%	25,911	\$ 35.18
8	<b>2nd QUARTER TOTALS</b>		44,492	37,274	\$ 66.97	83.8%	71,794	\$ 34.77
9	JULY	500	15,297	14,223	\$ 77.89	93.0%	28,483	\$ 38.89
10	AUGUST	500	15,334	14,690	\$ 78.86	95.8%	29,451	\$ 39.33
11	SEPTEMBER	500	14,852	13,321	\$ 70.84	89.7%	25,387	\$ 37.17
12	<b>3rd QUARTER TOTALS</b>		45,483	42,234	\$ 76.00	92.9%	83,321	\$ 38.52
13	OCTOBER	500	15,250	13,067	\$ 69.17	85.7%	24,732	\$ 36.54
14	NOVEMBER	500	14,866	12,358	\$ 63.79	83.1%	23,977	\$ 32.88
15	DECEMBER	500	15,394	10,038	\$ 59.45	65.2%	19,717	\$ 30.27
16	<b>4th QUARTER TOTALS</b>		45,510	35,463	\$ 64.54	77.9%	68,426	\$ 33.45
17	<b>ANNUAL TOTALS</b>		180,190	147,671	\$ 68.43	82.0%	286,317	\$ 35.31

Note: The above statistics are unaudited and are subject to change by the casinos.

# ANNUAL REPORT

974-901  
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LICENSEE GNOC, CORP. (Golden Nugget)

ADDRESS Boston at Pacific Aves, P.O. Box 1737

Atlantic City, New Jersey 08404

EIGHT MONTHS  
FOR THE YEAR ENDED . . . December 31 , 19 84

TO THE  
CASINO CONTROL COMMISSION  
OF THE  
STATE OF NEW JERSEY



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

HENRY W. HORNBOSTEL

OFFICIAL TITLE . . . . .

Vice President and Treasurer

ADDRESS . . . . .

Boston at Pacific Aves, P.O. Box 1737

Atlantic City, New Jersey 08404

BALANCE SHEETS

TRADING NAME OF LICENSEE GOLDEN NUGGET (GNOC, CORP.)

LIST OF FORMS - ANNUAL REPORT

FOR THE ~~YEAR ENDING~~ DECEMBER 31, 19 84  
EIGHT MONTHS ENDED

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-305
(EIGHT MONTHS) Statements of Income <del>XXXX</del>	CCC-310
Statements of Income (Three Months)	CCC-315
Statements of Changes In Stockholders' Equity	CCC-320
Statements of Changes In Partners' or Proprietor's Equity	CCC-325
Statements of Changes In Financial Position	CCC-330
Notes to Financial Statements	--
Schedule of Receivables and Patrons' Checks	CCC-340
Casino Departmental Schedule	CCC-345
Statement of Conformity and Accuracy	CCC-350

# BALANCE SHEETS

DECEMBER 31, 19 84 AND 19 83

(UNAUDITED) (SEE NOTE 1)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
1	Cash .....	\$ 7,471	\$
2	Marketable securities ..... (Note 2) .....	64,161	
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>84</u> , \$7,510. ; 19 <u>83</u> , \$ ) .....	14,700	
4	Inventories .....	2,102	
5	Prepaid expenses and other current assets ..... (Note 3) .....	4,314	
6	Total current assets .....	92,748	
7	Investments, Advances, And Receivables ..... (Note 4) .....	113,924	
8	Property And Equipment - Net ..... (Note 5) .....	175,311	
9	Other Assets ..... (Note 6) .....	14,412	
10	Total Assets .....	\$ 396,395	\$
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
11	Accounts payable .....	\$ 4,956	\$
12	Notes payable .....	-0-	
Current portion of long-term debt:			
13	Due to affiliates .....	-0-	
14	Other .....	9	
15	Income taxes payable and accrued .....	1,108	
16	Other accrued expenses ..... (Note 7) .....	35,627	
17	Other current liabilities ..... (Note 8) .....	2,696	
18	Total current liabilities .....	44,396	
<b>Long-Term Debt:</b>			
19	Due to affiliates ..... (Note 9) .....	184,034	
20	Other ..... (Note 10) .....	1,823	
21	Deferred Credits ..... (Note 11) .....	15,457	
22	Other Liabilities ..... (Note 12) .....	69,580	
23	Commitments And Contingencies ..... (Note 20) .....		
24	Total Liabilities .....	315,290	
25	Stockholders', Partners', Or Proprietor's Equity ..... (Note 13) .....	81,105	
26	Total Liabilities And Equity .....	\$ 396,395	\$

## STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 \_\_\_\_\_  
EIGHT MONTHS ENDED

(UNAUDITED) (SEE NOTE 1)  
(\$ IN THOUSANDS)

LINE #	DESCRIPTION (b)	(c) 19 84	(d) 19 _____
	<b>Revenue</b>	\$	\$
1	Casino .....	177,690	
2	Rooms .....	12,382	
3	Food and beverage .....	23,639	
4	Other .....	5,172	
5	Total revenue .....	218,883	
6	Less: promotional allowances .....(Note 14).....	23,174	
7	Net revenue .....	195,709	
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	96,900	
9	Selling, general, and administrative .....	29,584	
10	Provision for doubtful accounts .....	2,295	
11	Total .....	128,779	
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest .....</b>	<b>66,930</b>	
13	Depreciation and amortization .....	7,651	
	Charges from affiliates:		
14	Interest .....(Note 15).....	14,213	
15	Management fees .....(Note 15).....	10,900	
16	Other .....(Note 15).....	15,441	
17	Interest expense - external .....	1,172	
18	<b>Income (Loss) From Operations .....</b>	<b>17,553</b>	
19	Nonoperating income (expense) - net .....(Note 16).....	(11,032)	
20	<b>Income (Loss) Before Income Taxes And Extraordinary Items .</b>	<b>6,521</b>	
21	Provision (Credit) for income taxes .....(Note 17).....	1,307	
22	<b>Income (Loss) Before Extraordinary Items .....</b>	<b>5,214</b>	
23	Extraordinary items (net of income taxes - 1984, \$ 2,521. ; 19____, \$ ) (Note 18)....	(2,436)	
24	<b>Net Income (Loss) .....</b>	<b>\$ 2,778</b>	\$

TRADING NAME OF LICENSEE GOLDEN NUGGET (GNOC, CORP.)

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED December 31, 19 84 AND 19     

(UNAUDITED) (SEE NOTE 1)  
(\$ IN THOUSANDS)

LINE NO.	DESCRIPTION (b)	(c) 19 84	(d) 19 <u>    </u>
	<b>Revenue</b>	\$	\$
1	Casino .....	58,720	
2	Rooms .....	4,082	
3	Food and beverage .....	7,587	
4	Other .....	1,796	
5	Total revenue .....	72,185	
6	Less: promotional allowances ..... (Note 14).....	7,934	
7	Net revenue .....	64,251	
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	37,990	
9	Selling, general, and administrative .....	9,411	
10	Provision for doubtful accounts .....	989	
11	Total .....	48,390	
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest .....</b>	<b>15,861</b>	
13	Depreciation and amortization .....	2,931	
14	Charges from affiliates:		
15	Interest ..... (Note 15).....	6,175	
16	Management fees ..... (Note 15).....	3,548	
17	Other ..... (Note 15).....	6,370	
18	Interest expense - external .....	215	
19	<b>Income (Loss) From Operations .....</b>	<b>(3,378)</b>	
20	Nonoperating Income (expense) - net ..... (Note 16).....	(13,576)	
21	<b>Income (Loss) Before Income Taxes And Extraordinary Items .....</b>	<b>(16,954)</b>	
22	Provision (Credit) for income taxes ..... (Note 17).....	(8,575)	
23	<b>Income (Loss) Before Extraordinary Items .....</b>	<b>(8,379)</b>	
24	Extraordinary Items (net of income taxes - 19 <u>    </u> , \$ ; 19 <u>    </u> , \$ ) ..... (Note 18).....	-0-	
	<b>Net Income (Loss) .....</b>	<b>\$ (8,379)</b>	<b>\$</b>

# STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEAR ~~XXXXX~~ ~~XXXXX~~ DECEMBER 31, 19 84 AND 19       
EIGHT MONTHS ENDED

(UNAUDITED) (SEE NOTE 1)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 84		19	
		(c) SHARES	(d) \$	(e) SHARES	(f) \$
	<b>Common Stock</b>		\$		\$
1	Beginning balance <del>(January 1)</del> <sup>MAY</sup> .....	--	--		
2	Sale of stock .....	3,003	78,327		
3					
4	Ending balance .....		78,327		
	<b>Preferred Stock</b>				
5	Beginning balance <del>(January 1)</del> <sup>MAY</sup> .....	--	--		
6	Sale of stock .....	--	--		
7					
8	Ending balance .....	--	--		
	<b>Additional Paid-In Capital</b>				
9	Beginning balance <del>(January 1)</del> <sup>MAY</sup> .....		--		
10					
11					
12	Ending balance .....		--		
	<b>Treasury Stock</b>				
13	Beginning balance <del>(January 1)</del> <sup>MAY</sup> .....	--	( -- )		( )
14	Purchase of additional stock .....	--	( -- )		( )
15	Sale or retirement of stock .....	--	--		
16	Ending balance .....		( )		( )
	<b>Subscriptions Receivable For Capital Stock</b>				
17	Beginning balance <del>(January 1)</del> <sup>MAY</sup> .....		( -- )		( )
18					
19					
20	Ending balance .....		( -- )		( )
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>				
21	Beginning balance <del>(January 1)</del> <sup>MAY</sup> .....		( -- )		( )
22					
23					
24	Ending balance .....		( -- )		( )
	<b>Retained Earnings</b>				
25	Beginning balance <del>(January 1)</del> <sup>MAY</sup> .....		--		
26	Prior period adjustments .....		--		
27	Net Income (loss) .....		2,778		
28	Dividends .....		( )		( )
29					
30					
31	Ending balance .....		2,778		
32	<b>Ending Stockholders' Equity</b> .....		\$ 81,105		\$

# STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19       
EIGHT MONTHS ENDED

(UNAUDITED) (SEE NOTE 1)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>    </u>
	<b>Sources Of Funds</b>	\$	\$
1	Income (loss) before extraordinary items .....	5,214	
	Add (deduct) items not affecting working capital:		
2	Depreciation and amortization of property and equipment .....	6,972	
3	Amortization of other assets .....	679	
4	Deferred income taxes .....	(3,239)	
5	(Gain) loss on dispositions of property and equipment .....	52	
	Other items:		
6	Loss on redemption of mortgage notes (Note 18)	4,957	
7	Original issue discount amortization	2,884	
8	Abandonment loss (Note 16)	15,283	
9	Total funds provided (used) by operations, exclusive of extraordinary items .....	32,802	
10	Extraordinary items .....(Note 18)	(2,436)	
11	Total funds provided (used) by operations .....		
12	Proceeds from dispositions of property and equipment .....	119	
13	Proceeds from long-term debt .....	224,401	
14	Additions to deferred credits and other liabilities .....	18,696	
15	Proceeds from issuance of stock or capital contributions .....	78,327	
	Other sources of funds:		
16	Increase on advances from affiliates	69,580	
17			
18			
19	Total funds provided .....	421,489	
	<b>Uses Of Funds</b>		
20	Additions to property and equipment .....	197,737	
21	Additions to investments, advances, and receivables .....	113,924	
22	Reductions of long-term debt .....	45,285	
23	Dividends declared or capital distributions .....	-0-	
	Other uses of funds:		
24	Increase in long term deposits and receivables	1,606	
25	Increase in deferred finance costs	5,970	
26	Increase in other assets (Note 6 & 21)	8,615	
27	Total funds used .....	373,137	
		\$	\$
28	Increase (Decrease) in Working Capital .....	48,352	
	<b>Summary Of Changes In Components Of Working Capital</b>	\$	\$
29	Cash .....	7,471	
30	Marketable securities .....	64,161	
31	Receivables and patrons' checks .....	14,700	
32	Inventories .....	2,102	
33	Prepaid expenses and other current assets .....	4,314	
34	Accounts payable .....	(4,956)	
35	Notes payable .....	-0-	
36	Current portion of long-term debt .....	(9)	
37	Income taxes payable and accrued .....	(1,108)	
38	Other accrued expenses .....	(35,627)	
39	Other current liabilities .....	(2,696)	
40	Increase (Decrease) in Working Capital .....	\$ 48,352	\$

GNOC, CORP.  
NOTES TO FINANCIAL STATEMENTS  
(Unaudited)

1. Summary of Significant Accounting Policies:

A. Method of Presentation

GNOC, CORP. (the "Company") incorporated in New Jersey on December 5, 1983 is a wholly-owned subsidiary of GNAC, CORP. (GNAC). On May 1, 1984, the Company acquired substantially all of the operating assets, liabilities and operations of GNAC. The financial statements reflect the intercompany transactions between the Company, GNAC and its other affiliates.

B. Property, Equipment, Depreciation and Amortization

Property and equipment are recorded at cost, and are depreciated over their estimated useful lives using the straight line method for financial statement purposes and accelerated methods for income tax purposes.

C. Marketable Securities

Marketable securities are carried at lower of aggregated cost plus accrued dividends and interest of marketable value. The cost of marketable securities sold is based on the average cost of all shares of each security held at the time of sale.

D. Capitalization of New Jersey Gaming License Costs

Costs incurred by the Company in obtaining a gaming license to operate a casino in Atlantic City, New Jersey have been capitalized and are being amortized over a five-year period.

E. Amortization of Original Issue  
Discount and Debt Issuance Costs

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

Costs associated with the issuance of debt are deferred and amortized over the life of the related indebtedness using the straight-line method giving pro rata effect, where appropriate, to debt retirement schedules specified in the debt indentures.

GNOC, CORP.  
NOTES TO FINANCIAL STATEMENTS, Continued  
(Unaudited)

1. Summary of Significant Accounting Policies, continued:

F. Income Taxes

The Company is included in the consolidated federal income tax return filed by Golden Nugget, Inc. (GNI), the parent company of GNAC. The Federal income tax provision and related balance sheet items, exclusive of that portion which is currently payable, in the Company's financial statements represent the amounts in GNI's consolidated federal income tax provision for financial reporting purposes attributable to the Company's activities. Allowable investment tax credits are reflected as a current reduction of income tax expense in the Company's financial statements.

G. Casino Revenue

In accordance with common industry practice, the Company recognizes as casino revenue the net win from gaming activities, which is the difference between gaming wins and losses.

H. Promotional Allowances

The retail value of rooms, food, beverages, entertainment, parking and souvenir gifts provided to customers without charge is included in gross operating revenues, then deducted in total as promotional allowances to arrive at net operating revenues.

I. Industry Segment Information

The Company's operations are conducted in the casino gaming industry and include, in addition to the operation of a gaming casino, the supportive services of hotel, restaurant, bar, entertainment, parking, limousine transportation and gift shop facilities. The Company conducts its casino gaming operations at one location in Atlantic City, New Jersey.

GNOC, CORP.  
NOTES TO FINANCIAL STATEMENTS, Continued  
(Unaudited)

2. Marketable Securities:

Marketable securities as of December 31, 1984 consisted of the following:

Marketable equity securities	\$ 48,538,397
Interest bearing instruments	<u>15,623,059</u>
Market value of equity securities	<u>\$ 64,161,456</u>

The "Nonoperating income (expense) - net" income statement classification includes net losses realized on the sales of equity securities of \$5,406,839. At December 31, 1984 marketable equity securities and interest bearing instruments are carried at cost which approximates market.

3. Prepaid Expenses and Other Current Assets:

Prepaid expenses and other current assets as of December 31, 1984 consisted of the following:

Prepaid insurance	\$ 922,627
Prepaid state gaming taxes and licenses	692,517
Prepaid operating expenses	2,563,738
Other	<u>135,172</u>
	<u>\$4,314,054</u>

GNOC, CORP.  
NOTES TO FINANCIAL STATEMENTS, Continued  
(Unaudited)

4. Investments, Advances and Receivables:

Investments, advances and receivables as of December 31, 1984 consisted of the following:

Advances due from Golden Nugget Marketing Company - Philadelphia	\$ 39,572
Advances due from Golden Nugget Marketing Company - New York	365,316
Advances due from Golden Nugget Marketing Company - Miami	49,815
Advances due from Leisure Time Tours	457,341
Advances due from Golden Nugget, Inc.	112,805,848
Advances due from Golden Nugget Finance Corp.	<u>206,277</u>
	<u>\$ 113,924,169</u>

5. Property and Equipment:

Property and equipment as of December 31, 1984, consisted of the following:

Land and improvements	\$ 44,956,074
Buildings and leasehold improvements	111,541,472
Furniture, fixtures and equipment	42,709,069
Construction in progress	<u>8,112,183</u>
	207,318,798
Less accumulated depreciation and amortization	<u>(32,007,596)</u>
	<u>\$ 175,311,202</u>

GNOC, CORP.  
NOTES TO FINANCIAL STATEMENTS, Continued  
(Unaudited)

6. Other Assets:

Other assets as of December 31, 1984, consisted of the following:

Debt issuance costs (net)	\$ 4,492,478
Long-term receivable	1,500,000
Deposits	104,402
Deferred casino license fee	387,100
New Jersey casino reinvestment (net of purchase discount) (Note 21)	7,657,846
Other	<u>270,127</u>
	<u>\$ 14,411,953</u>

7. Other Accrued Expenses:

Other accrued expenses as of December 31, 1984 consisted of the following:

Accrued payroll	\$ 5,055,024
Accrued progressive jackpot liability	4,035,524
Accrued interest	10,592,326
Accrued property taxes	395,268
Accrued New Jersey casino reinvestment liability	11,486,770
Accrued sales, use and luxury taxes	776,175
Other	<u>3,285,631</u>
	<u>\$35,626,718</u>

8. Other Current Liabilities:

Other current liabilities as of December 31, 1984 consisted of the following:

Customer deposits	\$1,215,125
Unredeemed gaming chips and tokens	1,153,809
Advance room deposits	88,755
Deferred federal income taxes	<u>238,592</u>
	<u>\$2,696,281</u>

GNOC, CORP.  
NOTES TO FINANCIAL STATEMENTS, Continued  
(Unaudited)

9. Long Term Debt-Due to Affiliates:

Long term debt-due to affiliates as of December 31, 1984 consisted of an 8-3/8% note payable to Golden Nugget Finance Corp. due July 1, 1993.

\$ 184,033,783

On July 11, 1983, GNI, together with its wholly owned New Jersey financing subsidiary, Golden Nugget Finance Corp., (GNFC), consummated the public sale of 250,000 Units at a price of \$1,000 per Unit. Each Unit consisted of 60 warrants to purchase common stock of GNI and one financing subsidiary 8-3/8% note of \$1,000 principal amount due July 1, 1993. The warrant exercise price may be paid in cash, by surrender of the 8-3/8% notes, or both. The 8-3/8% notes are direct, unsecured obligations of the financing subsidiary, are guaranteed unconditionally as to principal and interest by GNI and will rank equally with any future unsecured, unsubordinated obligations of the financing subsidiary.

On the same day, GNAC borrowed the net proceeds generated by the public offering of the 8-3/8% notes of \$172,891,400 (\$250,000,000 less \$72,000,000 original issue discount and \$5,108,600 of debt issuance costs). In connection with the borrowing, GNAC signed a promissory note payable to the financing subsidiary which contains substantially the same terms as the 8-3/8% notes issued to the public. The terms of the note require the semiannual payment of interest and provide for sinking fund payments to retire \$25,000,000 in principal amount on July 1, 1991 and 1992 for a final maturity of \$200,000,000 on July 1, 1993. The note has an effective interest rate of 13.9% after giving effect to the \$72,000,000 original issue discount. Pursuant to the reorganization previously discussed in Note 1, effective May 1, 1984, the promissory note is the liability of GNOC. Payment terms are identical as described in the original note between payment GNAC and GNFC.

The "Long Term Debt-Due to affiliates" reflected in the Company's balance sheet is net of the unamortized original issue discount of \$65,966,217. The "Charge from affiliates - Interest" income statement classification for the three and eight months ended December 31, 1984, includes \$6,174,677 and \$14,193,503, respectively, of interest and original issue discount amortization relating to the "Long Term Debt-Due to affiliates".

GNOC, CORP.  
 NOTES TO FINANCIAL STATEMENTS, Continued  
 (Unaudited)

10. Long-Term Debt - Other:

Long-Term Debt - Other as of December 31, 1984 consisted of the following:

11-3/4% (effective rate of 15.5% after giving effect to original issue discount) mortgage notes of \$2,092,000 original principal amount, interest payable semiannually, maturing in 1994 (net of unamortized original issue discount of \$268,842 at December 31, 1984.	\$1,823,158
16%, Equipment financing, payable in monthly installments of \$2,237, including interest, maturing in 1985.	<u>8,659</u>
	1,831,817
Less current maturities	<u>(8,659)</u>
	<u>\$1,823,158</u>

The Company's casino-hotel facility on the Boardwalk in Atlantic City, New Jersey, was collateral for the \$50,148,000 of 11 3/4% Mortgage Notes Due July 1, 1994 (the "Mortgage Notes"), issued by GNAC, a wholly owned subsidiary of GNI, and assumed effective May 1, 1984, by the company, GNAC's New Jersey gaming subsidiary. On May 1, 1984, GNAC, on behalf of GNOC, solicited consents of the holders of the Mortgage Notes to proposed amendments to the governing indenture to permit, among other things, the further encumbrance of the casino-hotel with additional indebtedness which would rank pari passu with the Mortgage Notes, without limitation as to amount, and made a cash tender offer to redeem all of the outstanding Mortgage Notes at \$993.09 for each \$1,000 principal amount of Mortgage Notes, including accrued interest of \$50.59. On May 30, 1984, the conclusion of the offer period, approximately \$48,000,000 in principal amount of Mortgage Notes were tendered and the holders approved the amendments.

GNOC, CORP.  
NOTES TO FINANCIAL STATEMENTS, Continued  
(Unaudited)

10. Long-Term Debt - Other: (continued)

The redemption of the aforementioned Mortgage Notes satisfied the sinking fund requirements for each of the remaining years of the notes.

The Company incurred an extraordinary loss of \$2,435,867, net of tax benefits of \$2,521,127, upon the completion of these transactions.

11. Non-Current Deferred Credits:

Non-current deferred credits as of December 31, 1984 consisted of deferred State and Federal income taxes.

12. Other Liabilities:

The Other liabilities as of December 31, 1984 consisted of the following:

Advances Due to Golden Nugget Aviation Corp.	\$ 2,845,620
Advances Due to TYOH Advertising, Inc.	508,713
Advances Due to Golden Nugget Marketing Offices	854,831
Advances Due to GNAC, CORP.	2,768,393
Advances Due to Atlandia Design and Furnishings, Inc.	16,275,212
Advances Due to SCB Development Company, Inc.	13,318,984
Advances Due to Golden Nugget, Inc.	32,900,706
Advances Due to GNLV, CORP.	<u>107,480</u>
	<u>\$69,579,939</u>

13. Stockholders' Equity:

At December 31, 1984 the Company had 5,000,000 shares of no par common stock authorized; of such shares 3,002,500 were issued and outstanding.

GNOC, CORP.  
 NOTES TO FINANCIAL STATEMENTS, Continued  
 (Unaudited)

14. Promotional Expenses and Allowances:

Promotional expenses and allowances and number of recipients for the eight months ended December 31, 1984 consisted of the following:

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u># of Recipients</u>	<u>Dollar Amount</u>	<u># of Recipients</u>	<u>Dollar Amount</u>
Rooms	59,604	\$ 7,877,176	0	\$ 0
Food	409,228	10,079,748	0	0
Beverage	368,829	2,408,833	0	0
Travel	0	0	57,640	6,051,216
Other	0	0	0	0
Coin	0	0	1,377,274	10,747,963
Entertainment	19,811	389,389	6,814	149,326
Parking	188,715	1,509,723	0	0
Retail	13,781	895,711	0	0
Beverage	0	0	189,826	1,247,624
Other	<u>380</u>	<u>13,729</u>	<u>51,608</u>	<u>957,476</u>
Total Other	<u>222,687</u>	<u>2,808,552</u>	<u>1,625,522</u>	<u>13,102,389</u>
 TOTAL	 <u>1,060,348</u>	 \$ <u>23,174,309</u>	 <u>1,683,162</u>	 \$ <u>19,153,605</u>

GNOC, CORP.  
NOTES TO FINANCIAL STATEMENTS, Continued  
(Unaudited)

14. Promotional Expenses and Allowances: (continued)

Promotional expenses and allowances and number of recipients for the three months ended December 31, 1984 consisted of the following:

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u># of Recipients</u>	<u>Dollar Amount</u>	<u># of Recipients</u>	<u>Dollar Amount</u>
Rooms	19,044	\$2,626,947	0	\$ 0
Food	138,510	3,423,961	0	0
Beverage	116,048	891,249	0	0
Travel	0	0	17,497	2,144,259
Other	0	0	0	0
Coin	0	0	381,539	2,883,329
Entertainment	4,315	128,512	2,880	85,675
Parking	66,181	529,445	0	0
Retail	5,217	328,325	0	0
Beverage	0	0	64,826	497,865
Other	<u>152</u>	<u>5,690</u>	<u>27,875</u>	<u>397,168</u>
Total Other	<u>75,865</u>	<u>991,972</u>	<u>477,120</u>	<u>3,864,037</u>
TOTAL	<u>349,467</u>	<u>\$ 7,934,129</u>	<u>494,617</u>	<u>\$ 6,008,296</u>

GNOC, CORP.  
NOTES TO FINANCIAL STATEMENTS, Continued  
(Unaudited)

15. Charges From Affiliates:

The charges from affiliates for the three and eight months ended December 31, 1984 consisted of the following:

<u>NATURE OF CHARGE FROM AFFILIATE</u>	<u>THREE MONTHS ENDED</u>	<u>EIGHT MONTHS ENDED</u>	<u>FROM AFFILIATE</u>
Interest	\$ 6,174,677	\$ 14,212,921	SCB, GNFC
Management Fees	3,547,665	10,900,018	GNI
Other (A)	6,369,968	15,440,986	(A)

(A) Other expenses includes payroll expense and operating expenses from the marketing offices, promotional allowances, promotional expenses, depreciation and amortization expenses and flight allocations.

These other expenses are allocated from the following affiliates:

- Golden Nugget, Inc.
- Golden Nugget Marketing Company - Atlanta
- Golden Nugget Marketing Company - Las Vegas
- Golden Nugget Marketing Company - New York
- Golden Nugget Marketing Company - Philadelphia
- Golden Nugget Marketing Company - New Orleans
- Golden Nugget Marketing Company - Texas
- Golden Nugget Marketing Company - Miami
- Golden Nugget Marketing Company - Chicago
- Golden Nugget Marketing Company - (Asia) Ltd.
- Golden Nugget Finance Corp.
- Golden Nugget Aviation Corp.
- Leisure Time Tours
- SCB Development Company, Inc.
- Atlantia Design and Furnishings, Inc.
- TYOH Advertising, Inc.

GNOC, CORP.  
 NOTES TO FINANCIAL STATEMENTS, Continued  
 (Unaudited)

16. Nonoperating Income (Expense) - Net:

Nonoperating income (expense)-net for the three and eight months ended December 31, 1984 consisted of the following:

	<u>DECEMBER 31, 1984</u>	
	<u>THREE MONTHS ENDED</u>	<u>EIGHT MONTHS ENDED</u>
Interest and dividend income	\$1,795,031	\$6,061,101
Realized (loss) on sale of marketable securities	(5,444,339)	(5,406,839)
Realized (loss) on sale of property, plant and equipment	(9,379)	(51,948)
Adjustment of marketable securities to current market value	5,014,586	3,298,063
Abandonment loss (A)	(15,271,000)	(15,271,000) +
Other nonoperating income	<u>339,000</u>	<u>339,000</u>
	\$ <u>(13,576,101)</u>	\$ <u>(11,031,623)</u>

(A) The abandonment loss of \$15,271,000 resulted from the Company's decision not to proceed with the construction of a second casino-hotel on property owned in the Marina area of Atlantic City. The abandonment loss consisted principally of costs associated with interior and exterior casino-hotel design and capitalized interest.

GNOC, CORP.  
NOTES TO FINANCIAL STATEMENTS, Continued  
(Unaudited)

17. Income Taxes:

The provisions for income taxes for the three and eight months ended December 31, 1984 consisted of the following:

	<u>DECEMBER 31, 1984</u>	
	<u>THREE MONTHS ENDED</u>	<u>EIGHT MONTHS ENDED</u>
<b>Federal:</b>		
Currently receivable	\$(8,476,568)	\$ (969,808)
Deferred	<u>1,152,944</u>	<u>1,514,184</u>
	<u>(7,323,624)</u>	<u>544,376</u>
<b>State:</b>		
Currently receivable	(2,649,021)	(961,213)
Deferred	<u>1,398,237</u>	<u>1,724,237</u>
	<u>(1,250,784)</u>	<u>763,024</u>
TOTAL	<u><u>\$(8,574,408)</u></u>	<u><u>\$1,307,400</u></u>

The 1984 deferred tax provision relates principally to the write down of Marina project costs (See Note 16), excess of tax over book depreciation, accrual of New Jersey Casino Reinvestment obligation and accruals of estimated expenses.

The Federal income tax effective rates of 43.2% and 41.7% for the three and eight months ended December 31, 1984, respectively, are lower than the statutory rate of 46% principally as a result of investment tax credits, state income taxes, net of federal tax benefit and 85% dividend exclusion.

GNOC, CORP.  
NOTES TO FINANCIAL STATEMENTS, Continued  
(Unaudited)

18. Extraordinary Items:

Extraordinary items for the eight months ended December 31, 1984 consisted of the following:

Loss on debt redemption	\$(4,956,994)
Less tax benefit	<u>2,521,127</u>
Loss on debt redemption (Net of taxes)	<u><u>\$(2,435,867)</u></u>

19. Pension Plans:

The company contributes to various trustee pension plans under union, industry-wide agreements. Contributions are based on the hours worked by, or gross wages paid to, covered employees. The Company has no prior service liability under these plans. Pension expense for the three and eight months ended December 31, 1984 was \$108,372 and \$315,085, respectively.

20. Commitments:

At December 31, 1984 the company was obligated under various operating leases having expiration dates ranging from 1985 to 1989. The future minimum annual rental payments under these leases are as follows:

<u>Year Ended</u> <u>December 31</u>	<u>Amount</u>
1985	\$ 9,027,482
1986	8,423,836
1987	6,792,384
1988	6,792,384
1989	<u>2,264,111</u>
	<u><u>\$ 33,300,197</u></u>

Rent expense under operating leases for the three and eight months ended December 31, 1984 was \$2,265,293 and \$6,126,356, respectively.

GNOC, CORP.  
NOTES TO FINANCIAL STATEMENTS, Continued  
(Unaudited)

21. New Jersey Investment Obligation and Investment Alternative Tax:

The New Jersey State Casino Control Act (the "Act") provides for an "investment obligation" or "alternative tax" based on a percentage of a licensee's gross casino revenues for each calendar year, commencing with the year 1981, in which such revenues exceed its "cumulative investments" as defined. For years prior to 1984, a licensee has five years from the end of each calendar year to satisfy the obligation or become liable for the alternative tax. Beginning with the year 1984, a licensee must satisfy its obligation by April 30 of the following year; and thereafter, it must make quarterly payments on a current basis equal to 1.25% of estimated gross casino revenues, or pay the alternative tax of 2.5% of such revenues by the following April 30.

Prior to the fourth quarter of 1984, the types of investments which could be used to satisfy the investment obligation had not been definitively articulated by the New Jersey State Legislature (the "Legislature"). Accordingly, in previous financial statements, the Company had reported a contingent liability with respect to the nature and potential amount of qualifying investments required. In the fourth quarter of 1984, the Legislature specified a limited variety of qualifying investments, including municipal bonds (issued by the newly-created Casino Reinvestment Development Authority) bearing interest at substantially lower than market rates. Due to constraints imposed by the Legislature, it is likely that the company will have no practical alternative other than to purchase such bonds in satisfaction of its obligation for the years 1981 through 1984. Accordingly, based on its cumulative investment obligation at December 31, 1984, the Company recorded a fourth quarter operating expense of \$3,828,924 necessary to reflect the investment at an appropriate market rate of interest. The net present value of the Company's aggregate investment obligation of \$11,486,770 at December 31, 1984 is recorded in "Other accrued expenses", and the discounted value of such investment, totaling \$7,657,846 is carried in "Other assets - noncurrent" in the accompanying consolidated balance sheet.

# SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1984

(UNAUDITED)  
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
1	Undeposited patrons' checks .....	\$ 12,563		
2	Returned patrons' checks .....	7,601		
3	Total patrons' checks .....	20,164	\$ 7,418	\$ 12,746
4	Hotel receivables .....	519	92	427
5	Receivables due from officers and employees	27		
6	Receivables due from affiliates .....	-0-		
7	Other accounts and notes receivables .....	1,500		
8	Total other receivables .....	1,527	-0-	1,527
9	Totals (Form 305)	\$ 22,210	\$ 7,510	\$ 14,700

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning balance (MAY <del>XXXXXX</del> 1) .....	\$ -0-
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .....	192,900
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) .....	( 158,299 )
13	Checks collected through deposits .....	( 27,064 )
14	Checks transferred to returned checks .....	( 4,597 )
15	Other adjustments (counter checks acquired from GNOC, CORP.) .....	9,623
16	Ending balance .....	\$ 12,563
17	"Hold" checks included in balance on line 16 .....	\$ -0-
18	Provision for uncollectible patrons' checks .....	\$ 2,245
19	Provision as a % of counter checks issued .....	1.2 %

TRADING NAME OF LICENSEE GOLDEN NUGGET (GNOC, CORP.)

## CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 19 84  
EIGHT MONTHS ENDED

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) \$	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	<b>Revenue</b>				
1	Blackjack .....	\$ 38,970	\$ 245,769	15.86	57
2	Craps .....	41,942	269,538	15.56	20
3	Roulette .....	6,524	26,828	24.32	10
4	Big Six .....	2,761	5,376	51.36	4
5	Baccarat .....	6,524	44,317	14.72	2
6	Other table games .....	--	--	---	--
7	Total table games revenue .....	96,721	\$ 591,828	16.34	93
			<b>HANDLE</b>		
8	\$.05 slot machines .....	1,676	\$ 13,105	12.79	63
9	\$.25 slot machines .....	34,234	262,608	13.04	732
10	\$1 slot machines .....	22,856	193,116	11.84	179
11	Other slot machines .....	22,547	204,014	11.05	228
12	Progressive jackpot adjustment .....	(344)			
13	Total coin-operated devices revenue .....	80,969	\$ 672,843	12.03	1,202
14	Other Income .....				
15	Total revenue .....	177,690			
	<b>Expenses</b>				
16	Payroll and payroll related expenses .....	24,231			
17	Licenses and taxes .....	15,485			
18	Provision for uncollectible patrons' checks ...	2,245			
19	Other .....	3,794			
20	Total .....	45,755			
21	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees .....	131,935			
	Complimentary services and casino management fees:				
22	Complimentary services .....	5,996			
23	Casino management fees .....	--			
24	Total .....	5,996			
25	Departmental Income (Loss) .....	\$ 125,939			

TRADING NAME OF LICENSEE

GNAC, CORP. (Golden Nugget)

# CASINO DEPARTMENTAL SCHEDULE

APRIL 30  
 FOR THE YEAR ENDED ~~DECEMBER 31~~, 1984  
 FOUR MONTHS

(UNAUDITED)  
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) \$	WEIGHTED AVG. NUMBER OF TABLES OR MACHINES (f)
<b>Revenue</b>					
1	Blackjack .....	\$ 18,222	\$ 104,203	17.49	57
2	Craps .....	11,791	121,293	9.72	20
3	Roulette .....	3,280	12,335	26.59	10
4	Big Six .....	1,293	2,497	51.78	4
5	Baccarat .....	2,666	18,293	14.57	2
6	Other table games .....	-0-	-0-	-0-	-0-
7	Total table games revenue .....	37,252	\$ 258,621	14.40	93
<b>HANDLE</b>					
8	\$.05 slot machines .....	783	\$ 6,371	12.29	63
9	\$.25 slot machines .....	15,014	119,136	12.60	731
10	\$1 slot machines .....	10,458	88,512	11.82	179
11	Other slot machines .....	9,492	94,375	10.06	229
12	Progressive jackpot adjustment .....	985			
13	Total coin-operated devices revenue .....	36,732	\$ 308,394	11.91	1,202
14	Other income .....	-0-			
15	Total revenue .....	73,984			
<b>Expenses</b>					
16	Payroll and payroll related expenses .....	10,989			
17	Licenses and taxes .....	6,414			
18	Provision for uncollectible patrons' checks ...	678			
19	Other .....	2,401			
20	Total .....	20,482			
21	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....	53,502			
Complimentary services and casino management fees:					
22	Complimentary services .....	2,772			
23	Casino management fees .....	-0-			
24	Total .....	2,772			
25	Departmental Income (Loss).....	\$ 50,730			

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF \_\_\_\_\_ :  
COUNTY OF \_\_\_\_\_ :ss.  
\_\_\_\_\_ :

Henry W. Hornbostel, being duly sworn according to law  
Name

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 the Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Report is accurate to the best of my knowledge and belief.

[Signature]  
Signature

Vice President & Treasurer  
Title

01174-11  
License Number

Subscribed and sworn to  
before me this 15 day  
of March, 1985  
Geraldine M. Haase  
Signature

GERALDINE M. HAASE  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires MAY 6, 1986

Basis of Authority  
to Take Oaths

On Behalf Of:  
G.N.C., CORP.  
Casino Licensee

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

**LICENSEE** GNOC, CORP. (Golden Nugget)  
**ADDRESS** Boston at Pacific Aves, P.O. Box 1737  
Atlantic City, New Jersey 08404

EIGHT MONTHS  
FOR THE ~~YEAR~~ ENDED DECEMBER 31, 1984

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.....

HENRY W. HORNBOSTEL

OFFICIAL TITLE.....

Vice President and Treasurer

ADDRESS.....

Boston at Pacific Aves, P.O. Box 1737

Atlantic City, New Jersey 08404

TRADING NAME OF LICENSEE GNOC, CORP. (Golden Nugget)

## ANNUAL EMPLOYMENT AND PAYROLL REPORT

EIGHT MONTHS  
FOR THE YEAR ENDED DECEMBER 31, 19 84  
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		TOTAL'S
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
	CASINO				
1	Administration .....	21			
2	Gaming .....	868			
3	Slots .....	68			
4	Casino accounting .....	280			
5	Other .....	34	\$	\$	
6	Total-casino .....	1,271	24,231	-0-	24,231
7	ROOMS .....	329	2,677	-0-	2,677
8	FOOD AND BEVERAGE .....	742	12,148	64	12,212
	OTHER OPERATED DEPARTMENTS				
9		55	727	-0-	727
10		28	349	-0-	349
11		18	117	-0-	117
12		4	33	-0-	33
13		2	28	-0-	28
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office .....	8	493	378	871
21	Accounting and auditing .....	133	1,045	62	1,107
22	Security .....	177	3,066	-0-	3,066
23	Other administrative and general department .....	131	4,184	-0-	4,184
24	MARKETING .....	79	1,583	78	1,661
25	GUEST ENTERTAINMENT .....	37	1,020	-0-	1,020
26	PROPERTY OPERATION AND MAINTENANCE .....	75	2,229	-0-	2,229
27	TOTALS - ALL DEPARTMENTS .....	3,089	\$ 53,930	\$ 582	\$ 54,512

Trading Name of Licensee GNOG, CORP. (Golden Nugget)

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE

**EIGHT MONTHS**  
For the ~~year~~ Ended December 31, 19 84

3/15/85  
Date

[Signature]  
Signature

Vice President and Treasurer  
Title

STATE OF NEW JERSEY

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

**LICENSEE** GNAC, CORP. (Golden Nugget)  
**ADDRESS** Boston at Pacific Aves, P.O. Box 1737  
Atlantic City, New Jersey 08404

FOUR MONTHS APRIL 30,  
FOR THE YEAR ENDED ~~DECEMBER 31~~ JULY 1984

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.....**

HENRY W. HORNPOSTEL

**OFFICIAL TITLE.....**

Vice President and Treasurer

**ADDRESS.....**

Boston at Pacific Aves, P.O. Box 1737

Atlantic City, New Jersey 08404

TRADING NAME OF LICENSEE GNAC, CORP. (Golden Nugget)

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOUR MONTHS APRIL 30  
 FOR THE YEAR ENDED ~~DECEMBER 31~~ 19 84  
 (\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	(f) TOTALS
<b>CASINO</b>					
1	Administration .....	21			
2	Gaming .....	868			
3	Slots .....	68			
4	Casino accounting .....	280			
5	Other .....	34	\$	\$	\$
6	Total-casino .....	1,271	10,989	-0-	10,989
7	ROOMS .....	329	1,211	-0-	1,211
8	FOOD AND BEVERAGE .....	742	5,312	51	5,363
<b>OTHER OPERATED DEPARTMENTS</b>					
9		55	322	-0-	322
10		28	104	-0-	104
11		18	31	-0-	31
12		4	13	-0-	13
13		2	11	-0-	11
14					
15					
16					
17					
18					
19					
<b>ADMINISTRATIVE AND GENERAL</b>					
20	Executive office .....	8	64	186	250
21	Accounting and auditing .....	133	492	49	541
22	Security .....	177	1,401	-0-	1,401
23	Other administrative and general department ..	131	1,844	-0-	1,844
24	MARKETING .....	79	822	37	859
25	GUEST ENTERTAINMENT .....	37	401	-0-	401
26	PROPERTY OPERATION AND MAINTENANCE .....	75	1,050	-0-	1,050
			\$	\$	\$
			24,067	323	24,390

Trading Name of Licensee GNAC, CORP. (Golden Nugget)

ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE

FOUR MONTHS  
For the ~~XXX~~ Ended December 31, 19 84

3/18/85  
Date

[Signature]  
Signature

Vice President and Treasurer  
Title

GNAC, CORP.

# GROSS REVENUE ANNUAL TAX RETURN

LICENSEE GNOC, CORP. (Golden Nugget)

ADDRESS Boston at Pacific Aves. P.O. Box 1737  
Atlantic City, New Jersey 08404

EIGHT MONTHS  
FOR THE YEAR ENDED DECEMBER 31, 1984

TO THE

## CASINO CONTROL COMMISSION

OF THE

## STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE  
OF CORRESPONDENCE REGARDING  
THIS ANNUAL TAX RETURN ..... HENRY W. HORNBOSTEL

OFFICIAL TITLE..... Vice President and Treasurer

ADDRESS ..... Boston at Pacific Aves, P.O. Box 1737  
Atlantic City, New Jersey 08404

# GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1984  
EIGHT MONTHS  
(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue .....	\$ 96,721	
2	Coin-operated devices revenue .....	81,313	
3	Total revenues .....		\$ 178,034
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks .....	\$ 2,245	
5	Maximum adjustment (4% of line 3) .....	\$ 7,121	
6	Adjustment (the lesser of line 4 or line 5) .....		2,245
7	Gross revenues (line 3 less line 6) .....		\$ 175,789
8	Tax on gross revenues - current year (8% of line 7) .....		\$ 14,063
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) .....		14,063
	Deposits made for tax on current year's gross revenues:		
11	January .....	\$	
12	February .....		
13	March .....		
14	April .....		
15	May .....	1,484	
16	June .....	1,703	
17	July .....	2,217	
18	August .....	1,764	
19	September .....	1,707	
20	October .....	1,843	
21	November .....	1,457	
22	December .....	1,287	
23	January .....	601	
24	Total deposits made for tax on current year's gross revenues .....		( 14,063 )
	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-

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF  
COUNTY OF

:  
:ss.  
:

Henry W Howdson, 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.

[Signature]  
Signature

Vice President of Treasurer  
Title

01177-11  
License Number

On Behalf Of:  
GABC, CORP.  
Casino Licensee

Subscribed and sworn to  
before me this 19 day  
of March, 1985  
Geraldine M. Haase  
Signature  
GERALDINE M. HAASE  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires MAY 9, 1988

Basis of Authority  
to Take Oaths

# GROSS REVENUE ANNUAL TAX RETURN

LICENSEE GNAC, CORP. (Golden Nugget)  
ADDRESS Boston at Pacific Aves, P.O. Box 1737  
Atlantic City, New Jersey 08404

FOUR MONTHS ~~FOR THE YEAR ENDED~~ APRIL 30, ~~DECEMBER 31,~~ 19 84

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



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

HENRY W. HORNBOSTEL

OFFICIAL TITLE

Vice President and Treasurer

ADDRESS

Boston at Pacific Aves, P.O. Box 1737

Atlantic City, New Jersey 08404

# GROSS REVENUE ANNUAL TAX RETURN

APRIL 30  
 FOR THE ~~XXX~~ ENDED ~~XXXXXX~~, 19 84  
 FOUR MONTHS

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue .....	\$ 37,252	
2	Coin-operated devices revenue .....	35,748	
3	Total revenues .....		\$ 73,000
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks .....	\$ 678	
5	Maximum adjustment (4% of line 3) .....	\$ 2,920	
6	Adjustment (the lesser of line 4 or line 5) .....		678
7	Gross revenues (line 3 less line 6) .....		\$ 72,322
8	Tax on gross revenues - current year (8% of line 7) .....		\$ 5,786
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) .....		5,786
	Deposits made for tax on current year's gross revenues:		
11	January .....	\$ 1,106	
12	February .....	1,221	
13	March .....	1,407	
14	April .....	1,843	
15	May .....	209	
16	June .....		
17	July .....		
18	August .....		
19	September .....		
20	October .....		
21	November .....		
22	December .....		
23	January .....		
24	Total deposits made for tax on current year's gross revenues .....		( 5,786 )
25	Settlement of prior years' tax on gross revenues 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-

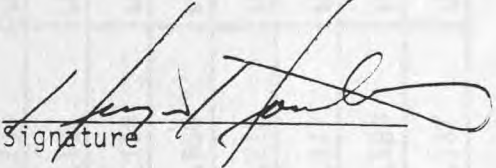
STATEMENT OF CONFORMITY AND ACCURACY

STATE OF \_\_\_\_\_ :  
COUNTY OF \_\_\_\_\_ :ss.  
\_\_\_\_\_ :

HENRY W. HORNBOSTEL, 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.

  
Signature

Vice President and Treasurer  
Title

01174-11  
License Number

Subscribed and sworn to  
before me this 15 day  
of March, 1985

  
Signature

GERALDINE M. HAASE  
NOTARY PUBLIC OF THE STATE OF CALIFORNIA  
My Commission Expires \_\_\_\_\_  
Basis of Authority, 1933  
to Take Oaths

On Behalf Of:  
GNBC, CORP.  
Casino Licensee

TRADING NAME OF LICENSEE Golden Nugget

# HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 31, 1984

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
LINE	PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
1	JANUARY	522	15,382	10,513	\$ 107.26	68.3%	20,369	\$ 55.36
2	FEBRUARY	522	14,616	10,510	\$ 105.89	71.9%	19,779	\$ 56.27
3	MARCH	522	15,716	12,748	\$ 105.02	81.1%	24,114	\$ 55.52
4	<b>1st QUARTER TOTALS</b>		45,714	33,771	\$ 105.99	73.9%	64,262	\$ 55.70
5	APRIL	522	15,171	12,607	\$ 101.66	83.1%	23,924	\$ 53.57
6	MAY	522	15,840	13,741	\$ 109.66	86.7%	25,272	\$ 59.62
7	JUNE	522	15,443	13,710	\$ 107.02	88.8%	25,921	\$ 56.60
8	<b>2nd QUARTER TOTALS</b>		46,454	40,058	\$ 106.24	86.3%	75,117	\$ 56.65
9	JULY	522	16,064	14,699	\$ 122.64	91.5%	28,094	\$ 64.17
10	AUGUST	522	15,965	13,233	\$ 124.65	82.9%	27,129	\$ 60.80
11	SEPTEMBER	522	15,444	12,187	\$ 117.30	78.9%	23,884	\$ 59.85
12	<b>3rd QUARTER TOTALS</b>		47,473	40,119	\$ 121.68	84.5%	79,107	\$ 61.71
13	OCTOBER	522	15,757	12,800	\$ 109.27	81.2%	25,365	\$ 55.14
14	NOVEMBER	522	15,201	11,212	\$ 120.68	73.8%	22,228	\$ 60.87
15	DECEMBER	522	15,877	9,177	\$ 129.21	57.8%	18,245	\$ 64.99
16	<b>4th QUARTER TOTALS</b>		46,835	33,189	\$ 118.64	70.9%	65,838	\$ 59.81
17	<b>ANNUAL TOTALS</b>		186,476	147,137	\$ 113.14	78.9%	284,324	\$ 58.47

Note: The above statistics are unaudited and are subject to change by the casinos.

# ANNUAL REPORT

974-901  
C 193

PROPERTY OF  
NEW JERSEY STATE LIBRARY  
DEC 5 - 1985  
185 W. State St.  
Trenton, N.J.

LICENSEE GREATE BAY HOTEL & CASINO, INC.

ADDRESS INDIANA AVENUE & BRIGHTON PARK

ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED . . . DECEMBER 31, , 19 84

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE  
OF CORRESPONDENCE REGARDING  
THIS ANNUAL REPORT

LEE C. JOHNSON

OFFICIAL TITLE

CORPORATE CONTROLLER

ADDRESS

INDIANA AVENUE & BRIGHTON PARK

ATLANTIC CITY, NJ 08401

BALANCE SHEETS

TRADING NAME OF LICENSEE GREATE BAY HOTEL & CASINO, INC.

LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 84

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-305
Statements of Income (Year)	CCC-310
Statements of Income (Three Months)	CCC-315
Statements of Changes in Stockholders' Equity	CCC-320
Statements of Changes in Partners' or Proprietor's Equity	CCC-325
Statements of Changes in Financial Position	CCC-330
Notes to Financial Statements	--
Schedule of Receivables and Patrons' Checks	CCC-340
Casino Departmental Schedule	CCC-345
Statement of Conformity and Accuracy	CCC-350

# BALANCE SHEETS

DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
1	Cash .....	\$ 5,637	\$ 8,786
2	Marketable securities .....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>84</u> , \$ 9,583 ; 19 <u>83</u> , \$ 7,246 (Note 2))	10,969	10,432
4	Inventories ..... (Note 2)	1,248	985
5	Prepaid expenses and other current assets ..... (Note 7)	4,061	2,464
6	Total current assets .....	21,915	22,667
7	Investments, Advances, And Receivables ..... (Note 5)	1,179	880
8	Property And Equipment - Net ..... (Notes 2, 3 & 12)	107,582	84,313
9	Other Assets ..... (Notes 5 & 8)	11,792	860
10	Total Assets .....	\$ 142,468	\$ 108,720
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
11	Accounts payable .....	\$ 9,900	\$ 11,948
12	Notes payable .....		
Current portion of long-term debt:			
13	Due to affiliates .....		
14	Other ..... (Note 3)	13,387	8,293
15	Income taxes payable and accrued .....	1,209	1,641
16	Other accrued expenses ..... (Note 9)	9,042	7,012
17	Other current liabilities .....	1,621	1,657
18	Total current liabilities .....	35,159	30,551
<b>Long-Term Debt:</b>			
19	Due to affiliates .....		
20	Other ..... (Notes 3 & 5)	66,933	40,244
21	Deferred Credits ..... (Note 4)	953	520
22	Other Liabilities ..... (Note 6)	1,012	747
23	Commitments And Contingencies (Note 6)		
24	Total Liabilities .....	104,057	72,062
25	Stockholders', Partners', Or Proprietor's Equity .....	38,411	36,658
26	Total Liabilities And Equity .....	\$ 142,468	\$ 108,720

TRADING NAME OF LICENSEE GREATER BAY HOTEL & CASINO, INC.

## STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Revenue</b>		
1	Casino ..... (Note 2)	\$ 158,602	\$ 155,577
2	Rooms .....	9,897	12,033
3	Food and beverage .....	18,788	24,025
4	Other .....	7,175	7,856
5	Total revenue .....	194,462	199,491
6	Less: promotional allowances ..... (Notes 2 & 11)	19,846	23,780
7	Net revenue .....	174,616	175,711
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	86,757	82,831
9	Selling, general, and administrative .....	62,676	52,259
10	Provision for doubtful accounts ..... (Note 2)	3,265	2,712
11	Total .....	152,698	137,802
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest</b> .....	21,918	37,909
13	Depreciation and amortization ..... (Note 2)	8,256	6,806
14	Charges from affiliates:		
15	Interest .....		
16	Management fees ..... (Note 5)	4,150	5,302
17	Other .....		
18	Interest expense - external ..... (Note 2)	7,938	7,006
19	<b>Income (Loss) From Operations</b> ..... (Note 10)	1,574	18,795
20	Nonoperating income (expense) - net .....	492	532
21	<b>Income (Loss) Before Income Taxes And Extraordinary Items</b> .....	2,066	19,327
22	Provision (Credit) for income taxes ..... (Note 4)	313	9,789
23	<b>Income (Loss) Before Extraordinary Items</b> .....	1,753	9,538
24	Extraordinary items (net of income taxes - 1984, \$ - ; 1983, \$ 7,479 ) ..... (Note 4)	-	7,479 *
	<b>Net Income (Loss)</b> .....	\$ 1,753	\$ 17,017

\*Utilization of loss and tax credit carryforwards.

TRADING NAME OF LICENSEE GREAT BAY HOTEL & CASINO, INC.

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Revenue</b>		
1	Casino (Note 2)	\$ 36,810	\$ 37,834
2	Rooms	2,335	2,375
3	Food and beverage	4,026	5,895
4	Other	1,197	1,573
5	Total revenue	44,368	47,677
6	Less: promotional allowances (Notes 2 & 11)	4,247	5,339
7	Net revenue	40,121	42,338
	<b>Costs And Expenses</b>		
8	Cost of goods and services	20,838	21,458
9	Selling, general, and administrative	13,219	14,477
10	Provision for doubtful accounts	678	231
11	Total	34,735	36,166
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest</b>	5,386	6,172
13	Depreciation and amortization (Note 2)	2,510	1,715
14	Charges from affiliates:		
15	Interest		
16	Management fees (Note 5)	1,072	1,132
17	Other		
18	Interest expense - external (Note 2)	2,329	1,454
19	<b>Income (Loss) From Operations</b>	(525)	1,871
20	Nonoperating income (expense) - net	96	148
21	<b>Income (Loss) Before Income Taxes And Extraordinary Items</b>	(429)	2,019
22	Provision (Credit) for income taxes	(588)	1,006
23	<b>Income (Loss) Before Extraordinary Items</b>	159	1,013
24	Extraordinary items (net of income taxes - 19 <u>84</u> \$ - ; 19 <u>83</u> , \$ 254 )	-	254 *
	<b>Net Income (Loss)</b>	\$ 159	\$ 1,267

\*Utilization of loss and tax credit carryforwards.

# STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 84		19 83	
		(c) SHARES	(d) \$	(e) SHARES	(f) \$
	<b>Common Stock</b> (No par value; 100 authorized shares)		\$		\$
1	Beginning balance (January 1) .....	100	3,500	100	3,500
2	Sale of stock .....				
3					
4	Ending balance .....	100	3,500	100	3,500
	<b>Preferred Stock</b>				
5	Beginning balance (January 1) .....				
6	Sale of stock .....				
7					
8	Ending balance .....				
	<b>Additional Paid-in Capital</b>				
9	Beginning balance (January 1) .....		24,649		24,649
10					
11					
12	Ending balance .....		24,649		24,649
	<b>Treasury Stock</b>				
13	Beginning balance (January 1) .....		( )		( )
14	Purchase of additional stock .....		( )		( )
15	Sale or retirement of stock .....				
16	Ending balance .....		( )		( )
	<b>Subscriptions Receivable For Capital Stock</b>				
17	Beginning balance (January 1) .....		( )		( )
18					
19					
20	Ending balance .....		( )		( )
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>				
21	Beginning balance (January 1) .....		( )		( )
22					
23					
24	Ending balance .....		( )		( )
	<b>Retained Earnings</b>				
25	Beginning balance (January 1) .....		8,509		(8,508)
26	Prior period adjustments .....				
27	Net income (loss) .....		1,753		17,017
28	Dividends .....		( )		( )
29					
30					
31	Ending balance .....		10,262		8,509
32	<b>Ending Stockholders' Equity</b> .....		\$ 38,411		\$ 36,658

TRADING NAME OF LICENSEE GREATER BAY HOTEL & CASINO, INC.

## STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Invested Capital</b>		
1	Beginning balance (January 1) .....	\$	\$
2	Additional capital invested .....		
3			
4	Ending balance .....		
	<b>Accumulated Income (Loss)</b>		
5	Beginning balance (January 1) .....		
6	Prior period adjustments .....		
7	Net income (loss) .....		
8			
9	Ending balance .....		
	<b>Capital Withdrawals</b>		
10	Beginning balance (January 1) .....	(	)
11	Additional capital withdrawals .....	(	)
12			
13	Ending balance .....	(	)
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>		
14	Beginning balance (January 1) .....	(	)
15			
16			
17	Ending balance .....	(	)
18	<b>Ending Partners' Or Proprietor's Equity</b> .....	\$	\$

# STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 84	(d) 19 83
	<b>Sources Of Funds</b>		
1	Income (loss) before extraordinary items .....	\$ 1,753	\$ 9,538
2	Add (deduct) items not affecting working capital:		
3	Depreciation and amortization of property and equipment .....	8,256	6,806
4	Amortization of other assets .....		
5	Deferred income taxes .....	433	520
6	(Gain) loss on dispositions of property and equipment .....		
7	Other items:		
8	Amortization of Deferred Compensation	184	184
9			
10	Total funds provided (used) by operations, exclusive of extraordinary items .....	10,626	17,048
11	Extraordinary items .....	-	7,479
12	Total funds provided (used) by operations .....	10,626	24,527
13	Proceeds from dispositions of property and equipment .....		
14	Proceeds from long-term debt .....	48,023	15,615
15	Additions to deferred credits and other liabilities .....		
16	Proceeds from issuance of stock or capital contributions .....		
17	Other sources of funds:		
18	Increase in Other Liabilities	81	208
19			
20	Total funds provided .....	58,730	40,350
21	<b>Uses Of Funds</b>		
22	Additions to property and equipment .....	31,525	13,423
23	Additions to investments, advances, and receivables .....	300	196
24	Reductions of long-term debt .....	21,334	23,479
25	Dividends declared or capital distributions .....		
26	Other uses of funds:		
27	Increase in Other Assets	10,932	412
28			
29	Total funds used .....	(64,091)	37,510
30			
31	Increase (Decrease) in Working Capital .....	\$ (5,361)	\$ 2,840
32	<b>Summary Of Changes in Components Of Working Capital</b>		
33	Cash .....	(3,148)	544
34	Marketable securities .....	-	-
35	Receivables and patrons' checks .....	537	31
36	Inventories .....	262	28
37	Prepaid expenses and other current assets .....	1,596	(1,472)
38	Accounts payable .....	2,048	552
39	Notes payable .....		
40	Current portion of long-term debt .....	(5,094)	2,795
41	Income taxes payable and accrued .....	432	904
42	Other accrued expenses .....	(2,030)	(2,356)
43	Other current liabilities .....	36	1,814
44			
45	Increase (Decrease) in Working Capital .....	\$ (5,361)	\$ 2,840

GREATE BAY HOTEL & CASINO INC.

Notes to Financial Statements

NOTE 1 - COMPANY'S ORGANIZATION AND BUSINESS

Great Bay Hotel & Casino, Inc. (the "Company") is an wholly-owned subsidiary of Great Bay Casino Corporation ("Casino Corp."). Casino Corp. is a 80%-owned subsidiary of Great Bay Hotel Corporation ("Hotel Corp.") which is wholly owned by PPI Corporation ("PPI").

The Company operates in one industry segment. All significant revenues arise from GBH&C casino and supporting hotel operations.

In March 1985, Casino Corp. intends to furnish a Proxy Statement to its shareholders to consider and vote upon a proposed going private transaction. If this proposed transaction is consummated, Hotel Corp. will own all of the issued and outstanding common stock of the Company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gaming Revenues

The Company records as gross gaming revenues the difference between amounts wagered and amounts won by casino patrons.

Promotional Allowances

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

Allowance for Doubtful Accounts

The allowance for doubtful accounts is maintained at a level considered adequate to provide for possible future losses. The Company has provided \$3,265,000 and \$2,712,000 for doubtful accounts in 1984 and 1983, respectively.

Inventories

Inventories of provisions and supplies 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 the assets. Estimated useful lives for furniture, fixtures and equipment are from three to seven years and twenty-five years (composite) for buildings.

Interest Expense

Interest and financing costs relating to the financing of property and equipment acquisitions are capitalized during the acquisition period and are amortized over the respective lives of the assets. Interest in amounts of \$1,074,000 and \$80,000 were capitalized in 1984 and 1983, respectively.

NOTE 3 - LONG-TERM DEBT

Long-term debt at December 31, 1984 and 1983 is as follows:

	<u>1984</u>	<u>1983</u>
First mortgage/revolving credit line at 1½% above prime rate (A)	\$72,976,000	\$40,583,000
Working capital loans:		
at 1½% above prime rate through June 30, 1983 and ¾% above the prime rate thereafter	-	4,166,000
at 2% above prime rate (E)	4,100,000	-
at ¾% above prime rate (C)	1,500,000	2,000,000
Other	<u>1,744,000</u>	<u>1,788,000</u>
	80,320,000	48,537,000
Less current portion	<u>13,387,000</u>	<u>8,293,000</u>
Long-term debt	<u>\$66,933,000</u>	<u>\$40,244,000</u>

(A) Principal is payable in monthly installments of \$748,000 through February 28, 1985, \$1,060,000 from March 1, 1985 through May 31, 1985, \$1,130,000 from June 1, 1985 through February 28, 1986, \$818,000 from March 1, 1986 through May 31, 1986, \$985,000 from June 1, 1986 through May 31, 1987, \$1,151,000 from June 1, 1987 through May 31, 1988, \$1,235,000 from June 1, 1988 through May 31, 1989, \$1,318,000 from June 1, 1989 through April 29, 1990. The balance of the loan is payable on April 30, 1990. Interest is payable monthly.

The first mortgage loan also provides for a \$10,000,000 revolving line of credit, all of which was outstanding at December 31, 1984 and expires in November 1986. The average interest rate charged on the first mortgage revolving credit line during 1984 was 13.5%.

The Company has negotiated a six month deferral of principal payments on its first mortgage/revolving credit line agreement. The total deferred from September 1, 1984 to January 31, 1985 was approximately \$3,740,000 which will be repaid over twelve equal installments approximating \$312,000 commencing with the payment due March 1, 1985.

- (B) Principal is payable in full on February 28, 1986. Interest is payable quarterly.
- (C) Principal payments of \$500,000 and \$1,000,000 are due on April 1, 1985 and October 1, 1985 respectively. Interest is payable monthly.

Substantially all real and personal property of the Company is pledged as security under long-term debt agreements. In addition, all rental income and leases have been assigned as additional collateral.

Agreements with the various lending institutions require that the Company meet certain financial ratios and covenants, restrict loans or advances and prohibit dividends. As of December 31, 1984, the Company was in default of certain covenants related to the first mortgage/revolving credit line agreement. All conditions of noncompliance were waived by the first mortgage lenders through May 14, 1985. On March 6, 1985, the Company received a first mortgage loan commitment, subject to the consummation of the proposed going private transaction discussed in Note 1 and certain other conditions, the proceeds of which will be used to replace the existing first mortgage/revolving credit agreement. The commitment expires on May 16, 1985.

Maturities of long-term debt for each of the succeeding five years are as follows:

<u>Year</u>	<u>Principal Repayment</u>
1985	\$13,387,000
1986	15,757,000
1987	13,030,000
1988	14,441,000
1989	15,437,000
Thereafter	<u>8,268,000</u>
Total	<u>\$80,320,000</u>

NOTE 4 - INCOME TAXES

The components of the provision for income taxes for the years ended December 31, 1984 and 1983 are as follows:

	<u>1984</u>	<u>1983</u>
Federal		
Current	\$ -	\$7,529,000
Deferred	99,000	520,000
State		
Current	(120,000)	1,740,000
Deferred	<u>334,000</u>	<u>-</u>
	<u>\$ 313,000</u>	<u>\$9,789,000</u>

The utilization of net operating loss and tax credit carryforwards of \$7,479,000 for 1983 has been reported in the accompanying financial statements as an extraordinary item. Substantially the entire difference between the statutory tax rate (46%) and the effective tax rate (6%) in 1984 for federal income tax purposes is attributable to investment tax credits.

In addition, at December 31, 1984, the Company has investment tax credit carryforwards of approximately \$400,000 available for financial reporting purposes. Such credits expire in 1999. In addition, the Company has investment tax and jobs tax credits of approximately \$5,948,000 which are available for federal income tax return purposes and expire as follows:

<u>Expiration Period</u>	<u>Amount</u>
1994	\$2,195,000
1995	791,000
1996	1,071,000
1997	512,000
1998	<u>1,379,000</u>
	<u>\$5,948,000</u>

Deferred income taxes result from differences in the recognition of certain compensation, slot jackpot expenses and the use of accelerated methods of depreciation for federal income tax purposes.

#### NOTE 5 - RELATED PARTY TRANSACTIONS

The Company has a Management Agreement with PHC, which was subsequently assigned to Pratt Hotel Management, Inc. ("PHM"). Pursuant to the Management Agreement, PHM is responsible for the supervision, direction and control of the day-to-day operation of the hotel/casino for an initial term of ten years, which term may be extended by PHM if certain minimum operating results are achieved. In accordance with the provisions of this Management Agreement, PHM is entitled to receive annually (1) a basic consulting fee of 1½% of "adjusted gross revenues" (as defined) and, (2) if annual "gross operating profits" (as defined) exceed \$5,000,000, incentive compensation of between 5% and 7½% of gross operating profits in excess of certain stated amounts. The aggregate fees for the years ended December 31, 1984 and 1983 were \$3,800,000 and \$4,952,000, respectively, and are included in general and administrative expenses in the accompanying financial statements. As of December 31, 1984 and 1983, \$138,000 and \$191,000, respectively, was payable to PHM and is included in other current liabilities in the accompanying financial statements.

The Company also entered into a License Agreement with PPI, which entered into a parallel agreement with Hughes Properties, Inc., for the use of the trade name "Sands". The term of the agreement extends until September 2, 2002. The Company is required to pay monthly royalties equal to 3% of "gross room charges", as defined, which totaled \$298,000 and \$361,000 in 1984 and 1983, respectively. Such amounts are included in general and administrative expenses in the accompanying financial statements.

Effective January 1, 1982, Richard and Burton Koffman, former directors of the Company, served as financial consultants to the Company at a consulting fee equal to \$175,000 each per annum. The terms of their respective consulting agreements expired on December 31, 1984.

The Company has loaned funds from time to time to Hotel Corp. for working capital needs and various capital improvements. Such loans currently bear interest at 1½% above the prime rate. The maximum indebtedness of Hotel Corp. to the Company at any time during 1984 was \$499,000, including unpaid interest. As of December 31, 1984 and 1983, \$226,000 and \$463,000, respectively, were due from Hotel Corp., and are included in other receivables in the accompanying financial statements.

Included in long-term debt at December 31, 1984 was a loan of \$4,100,000 obtained from affiliates of PHC. Interest expense of \$50,000 was incurred with respect to such loan during 1984.

Included in investments, advances and receivables in the accompanying financial statements at December 31, 1984 and 1983 is \$495,000 and \$537,000, respectively, due from officers of the Company. The amounts bear interest at 9% and 10% and are payable through 1987.

Included in other assets in the accompanying financial statements at December 31, 1984 is \$10,625,000 due from Casino Corp. of which \$10,597,000 pertains to the June 1984 acquisition by Casino Corp. of 465,811 shares of its Class A Common Stock.

#### NOTE 6 - COMMITMENTS AND CONTINGENCIES

During May 1984, the New Jersey Casino Control Commission ("CCC") renewed the Company's existing plenary license to operate its hotel and casino complex in Atlantic City. A license is not transferable, is issued for a term of one year and must be acted upon by the CCC no later than thirty days prior to the expiration of the license then in force. In the event the Company is unsuccessful in renewing its plenary license, the Company believes that it would recover its investment and other related costs in the hotel/casino complex.

The New Jersey Casino Control Act, as amended in 1984, requires the Company to make qualified investments, as defined, in New Jersey, or pay an alternative tax. For each year through 1983 where the Company's gross casino revenues exceed its cumulative investment it must either make qualified investments in an amount equivalent to 2% of its gross casino revenues or pay an alternative tax in the same amount within five years of such calendar year. The cumulative investment includes the real property and improvement costs associated with its hotel/casino complex.

Commencing in 1984, and continuing for twenty-five years thereafter, the Company 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 rates from the newly created Casino Reinvestment Development Authority ("CRDA") or by making qualified investments, as approved by the CRDA. In addition, commencing with obligations incurred after 1983, payments of the Company's obligation must be made quarterly.

It is the Company's intention to satisfy its investment obligations for 1983 and prior by making qualified investments. For 1984, The Company intends to satisfy its investment obligations through the purchase of CRDA bonds. Accordingly, \$599,000 was charged to operations during 1984 to give effect to the below market interest rate of the CRDA bonds and is included in selling, general and administrative expenses in the accompanying financial statements. If approval of qualified investments is not obtained from the CRDA and bonds are purchased to satisfy the investment obligations incurred for years 1981 through 1983, approximately \$1,500,000 would be charged to operations to give effect to the below market interest rate.

At December 31, 1984, the Company's investment obligation was payable as follows:

<u>Year</u>	<u>Obligation Amount</u>
1985	\$1,980,000
1986	1,830,000
1987	2,880,000
1988	<u>3,110,000</u>
	<u>\$9,800,000</u>

NOTE 7 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

As of December 31, 1984 and 1983, the caption Prepaid Expenses and Other Current Assets is comprised of the following:

	<u>1984</u>	<u>1983</u>
Prepaid Advertising & Promotion	\$1,513,000	\$ 525,000
Prepaid Insurance	94,000	240,000
Prepaid Licenses & Permits	464,000	346,000
Prepaid Sewer	74,000	6,000
Prepaid Pent	69,000	60,000
Prepaid Taxes	660,000	304,000
Miscellaneous Prepaids	410,000	640,000
Prepaid Slot Parts	161,000	105,000
Prepaid Parking	31,000	28,000
Prepaid Air Charters	167,000	-
Deposits	260,000	175,000
Liquor License	46,000	35,000
Other	<u>112,000</u>	<u>-</u>
Total Prepaid Expenses & Other Current Assets	<u>\$4,061,000</u>	<u>\$2,464,000</u>

NOTE 8 - OTHER ASSETS

As of December 31, 1984 and 1983, the caption Other Assets is comprised of the following:

	<u>1984</u>	<u>1983</u>
Deposit - Atlantic Electric	\$ 75,000	\$ 75,000
Software Purchases	216,000	298,000
Loan Fees (Refinancing)	626,000	287,000
Workers Compensation	250,000	200,000
Due from Greate Bay Casino Corp.	<u>10,625,000</u>	<u>-</u>
Total Other Assets	<u>\$11,792,000</u>	<u>\$ 860,000</u>

NOTE 9 - OTHER ACCRUED EXPENSES

As of December 31, 1984 and 1983, the caption Other Accrued Expenses is comprised of the following:

	<u>1984</u>	<u>1983</u>
Accrued salaries & wages	\$ 984,000	\$ 766,000
Accrued vacation	1,175,000	1,000,000
Accrued legal & professional	290,000	137,000
Other accrued expenses	1,021,000	1,047,000
Accrued interest	854,000	516,000
Accrued progressive slot machine jackpots	3,788,000	2,620,000
Accrued CCC inspection fees	59,000	70,000
Accrued DGF inspection fees	20,000	24,000
Accrued CCC fund deficit	57,000	106,000
Accrued casino license fees	34,000	50,000
Trade-out liability	64,000	236,000
Accrued insurance	403,000	32,000
Million coin slot accrual	-	246,000
Other	<u>293,000</u>	<u>162,000</u>
Total Other Accrued Expenses	<u>\$ 9,042,000</u>	<u>\$ 7,012,000</u>

NOTE 10 - NON-OPERATING INCOME (EXPENSE)

For the twelve month periods ended December 31, 1984 and 1983, Non-Operating Income of \$492,000 and \$532,000, respectively, is comprised entirely of interest income earned on temporary investments.

NOTE 11 - PROMOTIONAL ALLOWANCES AND EXPENSES

A summary of promotional allowances and expenses incurred during the three month period ended December 31, 1984 is as follows:

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>No. of Recipients</u>	<u>Dollar Amount</u>	<u>No. of Recipients</u>	<u>Dollar Amount</u>
Rooms	19,288	\$ 566	-	\$ -
Food	18,688	1,188	-	-
Beverage	308,851	1,853	-	-
Travel	-	-	4,620	1,119
Theatre	7,768	249	-	-
Parking	37,678	302	-	-
Bus Tour Coupon	-	-	352,758	2,936
Exchange Coin	-	-	121,768	752
Food Court - Other	-	-	-	-
Other	30,186	89	-	-
Total Promotional Allowances and Expenses		<u>\$ 4,247</u>		<u>\$ 4,807</u>

STATE OF TEXAS  
COMPTROLLER GENERAL  
OFFICE OF RECEIVABLES AND PATRON CHECKS  
JANUARY 31, 1985

A summary of promotional allowances and expenses incurred during the twelve month period ended December 31, 1984 is as follows:

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>No. of Recipients</u>	<u>Dollar Amount</u>	<u>No. of Recipients</u>	<u>Dollar Amount</u>
Rooms	92,174	\$ 3,068	-	\$ -
Food	321,946	4,533	-	-
Beverage	1,338,333	8,030	-	-
Travel	-	-	26,475	5,424
Theatre	77,431	2,484	-	-
Parking	171,375	1,371	-	-
Bus Tour Coupon	-	-	1,753,410	17,212
Exchange Coin	-	-	408,197	2,371
Food Court - Other	-	-	-	-
Other	120,333	<u>360</u>	-	<u>-</u>
Total Promotional Allowances and Expenses		<u>\$19,846</u>		<u>\$25,007</u>

NOTE 12 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 1984, consisted of the following:

	<u>1984</u>	<u>1983</u>
Land	\$ 6,262,000	\$ 6,262,000
Buildings	87,742,000	64,134,000
Furniture, fixtures and equipment	40,814,000	28,589,000
Construction in progress	<u>421,000</u>	<u>4,729,000</u>
	135,239,000	103,714,000
Less: accumulated depreciation	<u>(27,657,000)</u>	<u>(19,401,000)</u>
Total Property and Equipment - Net	<u>\$107,582,000</u>	<u>\$ 84,313,000</u>

# SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 19 84

(UNAUDITED)  
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
1	Undeposited patrons' checks .....	\$ 7,469		
2	Returned patrons' checks .....	11,114		
3	Total patrons' checks .....	18,583	\$ 9,571	\$ 9,012
4	Hotel receivables .....	638	12	626
5	Receivables due from officers and employees	176		
6	Receivables due from affiliates .....	226		
7	Other accounts and notes receivables .....	929		
8	Total other receivables .....	1,331		1,331
9	Totals (Form 305)	\$ 20,552	\$ 9,583	\$ 10,969

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning balance (January 1) .....	\$ 6,871
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .....	206,703
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) .....	( 162,355 )
13	Checks collected through deposits .....	( 37,026 )
14	Checks transferred to returned checks .....	( 6,874 )
15	Other adjustments .....	150
16	Ending balance .....	\$ 7,469
17	"Hold" checks included in balance on line 16 .....	\$ -
18	Provision for uncollectible patrons' checks .....	\$ 3,253
19	Provision as a % of counter checks issued .....	1.6 %

TRADING NAME OF LICENSEE GREATE BAY HOTEL & CASINO, INC.

## CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)  
(S IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) %	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	<b>Revenue</b>				
1	Blackjack .....	\$ 39,038	\$ 250,327	15.6	52
2	Craps .....	34,740	232,139	15.0	19
3	Roulette .....	7,989	31,083	25.7	12
4	Big Six .....	1,714	3,705	46.3	2
5	Baccarat .....	2,639	44,404	5.9	2
6	Other table games .....	-	-	-	-
7	Total table games revenue .....	86,120	\$ 561,658	15.3	87
			<b>HANDLE</b>		
8	\$.05 slot machines .....	2,168	\$ 16,226	13.4	68
9	\$.25 slot machines .....	42,981	297,333	14.5	763
10	\$1 slot machines .....	9,956	77,415	12.9	151
11	Other slot machines .....	18,301	144,848	12.6	237
12	Progressive jackpot adjustment .....	(924)			
13	Total coin-operated devices revenue .....	72,482	\$ 535,822	13.5	1,219
14	Other income .....	-			
15	Total revenue .....	158,602			
	<b>Expenses</b>				
16	Payroll and payroll related expenses .....	28,861			
17	Licenses and taxes .....	15,635			
18	Provision for uncollectible patrons' checks ...	3,253			
19	Other .....	3,407			
20	Total .....	51,156			
21	<b>Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....</b>	<b>107,446</b>			
	Complimentary services and casino management fees:				
22	Complimentary services .....	9,391			
23	Casino management fees .....	-			
24	Total .....	9,391			
25	<b>Departmental Income (Loss).....</b>	<b>\$ 98,055</b>			



# ANNUAL EMPLOYMENT AND PAYROLL REPORT

**LICENSEE** GREATE BAY HOTEL & CASINO, INC.

**ADDRESS** INDIANA AVENUE & BRIGHTON PARK

ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1984

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**

LEE C. JOHNSON

**OFFICIAL TITLE**

CORPORATE CONTROLLER

**ADDRESS**

INDIANA AVENUE & BRIGHTON PARK

ATLANTIC CITY, NJ 08401

**ANNUAL EMPLOYMENT AND PAYROLL REPORT**FOR THE YEAR ENDED DECEMBER 31, 19 84

(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		(f) TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
	<b>CASINO</b>				
1	Administration .....	17	276	-	276
2	Gaming .....	744	15,369	-	15,369
3	Slots .....	76	1,574	-	1,574
4	Casino accounting .....	267	4,512	-	4,512
5	Other .....	82	\$ 4,736	\$ -	\$ 4,736
6	Total-casino .....	1,186	26,467	-	26,467
7	ROOMS .....	292	3,998	-	3,998
8	FOOD AND BEVERAGE .....	483	7,490	-	7,490
	<b>OTHER OPERATED DEPARTMENTS</b>				
9		76	1,258	-	1,258
10		70	752	-	752
11					
12					
13					
14					
15					
16					
17					
18					
19					
	<b>ADMINISTRATIVE AND GENERAL</b>				
20	Executive office .....	11	224	1,151	1,375
21	Accounting and auditing .....	47	880	-	880
22	Security .....	155	542	-	542
23	Other administrative and general department ..	103	1,922	-	1,922
24	MARKETING .....	30	649	-	649
25	GUEST ENTERTAINMENT .....	24	1,052	-	1,052
26	PROPERTY OPERATION AND MAINTENANCE .....	26	700	-	700
	<b>TOTALS - ALL DEPARTMENTS .....</b>	<b>2,503</b>	<b>\$ 45,934</b>	<b>\$ 1,151</b>	<b>\$ 47,085</b>

Trading Name of Licensee GREATE BAY HOTEL & CASINO, INC.

ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE

For the Year Ended December 31, 19 84

March 15, 1985  
Date

  
Signature  
LEE C. JOHNSON  
CORPORATE CONTROLLER  
Title

# GROSS REVENUE ANNUAL TAX RETURN

LICENSEE GREATE BAY HOTEL & CASINO, INC.

ADDRESS INDIANA AVENUE & BRIGHTON PARK  
ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 19 84

TO THE

## CASINO CONTROL COMMISSION

OF THE

## STATE OF NEW JERSEY



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

LEE C. JOHNSON

OFFICIAL TITLE

CORPORATE CONTROLLER

ADDRESS

INDIANA AVENUE & BRIGHTON PARK

ATLANTIC CITY, NJ 08401

# GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue .....	\$ 86,120	
2	Coin-operated devices revenue .....	73,406	
3	Total revenues .....		\$ 159,526
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks .....	\$ 3,253	
5	Maximum adjustment (4% of line 3) .....	\$ 6,381	
6	Adjustment (the lesser of line 4 or line 5) .....		3,253
7	Gross revenues (line 3 less line 6) .....		\$ 156,273
8	Tax on gross revenues - current year (8% of line 7) .....		\$ 12,502
9	Audit or other adjustments to tax on gross revenues in prior years .....		12,502
10	Total tax on gross revenues (line 8 plus or minus line 9) .....		<u>12,502</u>
	Deposits made for tax on current year's gross revenues:		
11	January .....	\$ 751	
12	February .....	819	
13	March .....	956	
14	April .....	1,133	
15	May .....	877	
16	June .....	940	
17	July .....	1,418	
18	August .....	1,208	
19	September .....	1,187	
20	October .....	1,150	
21	November .....	984	
22	December .....	888	
23	January .....	191	
24	Total deposits made for tax on current year's gross revenues .....		( 12,502 )
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits .....		
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25) .....		\$ -



# HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 31, 1984

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
LINE	PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
1	JANUARY	504	15,624	11,684	\$ 58.00	74.8 %	21,403	\$ 31.66
2	FEBRUARY	504	14,616	11,442	\$ 57.68	78.3 %	22,073	\$ 29.90
3	MARCH	504	15,624	12,159	\$ 63.32	77.8 %	21,822	\$ 35.28
4	<b>1st QUARTER TOTALS</b>		45,864	35,285	\$ 59.73	76.9 %	65,298	\$ 32.28
5	APRIL	504	15,120	11,511	\$ 59.93	76.1 %	21,044	\$ 32.78
6	MAY	504	15,624	13,243	\$ 62.85	84.8 %	24,101	\$ 34.53
7	JUNE	504	15,120	13,196	\$ 65.01	87.3 %	24,604	\$ 34.87
8	<b>2nd QUARTER TOTALS</b>		45,864	37,950	\$ 62.72	82.7 %	69,749	\$ 34.12
9	JULY	504	15,624	14,233	\$ 72.86	91.1 %	27,151	\$ 38.20
10	AUGUST	504	15,624	14,530	\$ 73.05	93.0 %	27,831	\$ 38.14
11	SEPTEMBER	500	15,076	13,267	\$ 73.54	88.0 %	24,848	\$ 39.26
12	<b>3rd QUARTER TOTALS</b>		46,324	42,030	\$ 73.14	90.7 %	79,830	\$ 38.51
13	OCTOBER	500	15,281	13,641	\$ 70.96	89.3 %	32,239	\$ 30.02
14	NOVEMBER	500	15,000	12,268	\$ 67.69	81.8 %	22,545	\$ 36.83
15	DECEMBER	500	15,500	9,722	\$ 60.93	62.7 %	17,736	\$ 33.40
16	<b>4th QUARTER TOTALS</b>		45,781	35,631	\$ 67.10	77.8 %	72,520	\$ 32.97
17	<b>ANNUAL TOTALS</b>		183,833	150,896	\$ 65.67	82.1 %	287,397	\$ 34.47

Note: The above statistics are unaudited and are subject to change by the casinos.

# ANNUAL REPORT

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LICENSEE HARRAH'S ASSOCIATES

ADDRESS MISSISSIPPI AVE. & BOARDWALK

ATLANTIC CITY, NJ

FOR THE YEAR ENDED . . . DECEMBER 31 , 19 84

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



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

GEORGE M. RINALDI

OFFICIAL TITLE . . . . .

CONTROLLER

ADDRESS . . . . .

MISSISSIPPI AVENUE AND BOARDWALK

ATLANTIC CITY, NJ

BALANCE SHEETS

TRADING NAME OF LICENSEE TRUMP PLAZA

LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1984

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-305
Statements of Income (Year)	CCC-310
Statements of Income (Three Months)	CCC-315
Statements of Changes in Stockholders' Equity	CCC-320
Statements of Changes in Partners' or Proprietor's Equity	CCC-325
Statements of Changes in Financial Position	CCC-330
Notes to Financial Statements	--
Schedule of Receivables and Patrons' Checks	CCC-340
Casino Departmental Schedule	CCC-345
Statement of Conformity and Accuracy	CCC-350

# BALANCE SHEETS

DECEMBER 31, 19 84 AND 19 83\*

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u> *
<b>ASSETS</b>			
<b>Current Assets</b>			
1	Cash .....	\$ 17,850	\$
2	Marketable securities .....	0	
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>84</u> , \$1,701,509 ; 19 <u>83</u> \$ -0- ) ....	9,537	
4	Inventories .....(Note 1).....	681	
5	Prepaid expenses and other current assets ...(Note 10).....	2,110	
6	Total current assets .....	30,178	
7	Investments, Advances, And Receivables .....	0	
8	Property And Equipment - Net .....(Note 3).....	186,043	
9	Other Assets .....(Notes 1 and 11).....	46,639	
10	Total Assets .....	\$ 262,860	\$
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
11	Accounts payable .....	\$ 3,194	\$
12	Notes payable .....	0	
13	Current portion of long-term debt:	0	
14	Due to affiliates .....	5,036	
15	Other .....		
16	Income taxes payable and accrued .....	9,002	
17	Other accrued expenses .....(Note 12).....	5,067	
18	Other current liabilities .....(Note 13).....	22,299	
	Total current liabilities .....		
<b>Long-Term Debt:</b>			
19	Due to affiliates .....	0	
20	Other .....(Note 4).....	163,202	
21	Deferred Credits .....	0	
22	Other Liabilities .....	0	
23	Commitments And Contingencies		
24	Total Liabilities .....	185,501	
25	Stockholders', Partners', Or Proprietor's Equity .....	77,359	
26	Total Liabilities And Equity .....	\$ 262,860	\$

\*Operations Commenced May 15, 1984.

# STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83\*

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1984	(d) 1983*
	<b>Revenue</b>	\$	\$
1	Casino .....	123,947	
2	Rooms .....	12,157	
3	Food and beverage .....	22,643	
4	Other .....(Note.14).....	6,440	
5	Total revenue .....	165,187	
6	Less: promotional allowances .....(Note.8).....	21,162	
7	Net revenue .....	144,025	
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	99,495	
9	Selling, general, and administrative .....	14,336	
10	Provision for doubtful accounts .....	1,728	
11	Total .....	115,559	
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest .....</b>	28,466	
13	Depreciation and amortization .....	10,700	
14	Charges from affiliates:		
15	Interest .....	0	
16	Management fees .....	0	
17	Other .....(Note.7).....	5,438	
18	Interest expense - external .....(Note.9).....	13,504	
19	<b>Income (Loss) From Operations .....</b>	(1,176)	
20	Nonoperating Income (expense) - net .....(Note.15).....	935	
21	<b>Income (Loss) Before Income Taxes And Extraordinary Items .....</b>	(241)	
22	Provision (Credit) for income taxes .....	-	
23	<b>Income (Loss) Before Extraordinary Items .....</b>	(241)	
24	Extraordinary items (net of income taxes - 19__, \$ ; 19__, \$ ) .....	-	
	<b>Net Income (Loss) .....</b>	\$ (241)	\$

\*Operations Commenced May 15, 1984.

TRADING NAME OF LICENSEE TRUMP PLAZA

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER , 19 84 AND 19 83\*

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u> *
	<b>Revenue</b>	\$	\$
1	Casino .....	45,293	
2	Rooms .....	4,137	
3	Food and beverage .....	8,395	
4	Other ..... (Note 14.)	2,148	
5	Total revenue .....	59,973	
6	Less: promotional allowances ..... (Note 8.)	7,935	
7	Net revenue .....	52,038	
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	38,234	
9	Selling, general, and administrative .....	7,131	
10	Provision for doubtful accounts .....	760	
11	Total .....	46,125	
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest</b> .....	5,913	
13	Depreciation and amortization .....	4,364	
14	Charges from affiliates:		
15	Interest .....	0	
16	Management fees .....	0	
17	Other ..... (Note 7.)	2,153	
18	Interest expense - external ..... (Note 9.)	5,572	
19	<b>Income (Loss) From Operations</b> .....	(6,176)	
20	Nonoperating income (expense) - net ..... (Note 15.)	464	
21	<b>Income (Loss) Before Income Taxes And Extraordinary Items</b> .	(5,712)	
22	Provision (Credit) for income taxes .....	-	
23	<b>Income (Loss) Before Extraordinary Items</b> .....	(5,712)	
24	Extraordinary items (net of income taxes - 19 <u>  </u> , \$ ; 19 <u>  </u> , \$ ) .....	-	
	<b>Net Income (Loss)</b> .....	\$ (5,712)	\$

\*Operations Commenced May 15, 1984.

See accompanying notes to financial statements.

CCC-315

# STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 \_\_\_\_ AND 19 \_\_\_\_

(UNAUDITED)  
(\$ IN THOUSANDS)

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

THIS SCHEDULE DOES NOT APPLY  
See accompanying notes to financial statements.

# STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83\*

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83*</u>
	<b>Invested Capital</b>		
1	Beginning balance (January 1) .....	\$ 77,600	\$
2	Additional capital invested .....		
3			
4	Ending balance .....	77,600	
	<b>Accumulated Income (Loss)</b>		
5	Beginning balance (January 1) .....	0	
6	Prior period adjustments .....	0	
7	Net Income (loss) .....	(241)	
8			
9	Ending balance .....	(241)	
	<b>Capital Withdrawals</b>		
10	Beginning balance (January 1) .....	( 0 )	( )
11	Additional capital withdrawals .....	( 0 )	( )
12			
13	Ending balance .....	( 0 )	( )
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>		
14	Beginning balance (January 1) .....	( 0 )	( )
15			
16			
17	Ending balance .....	( 0 )	( )
18	<b>Ending Partners' Or Proprietor's Equity</b> .....	<b>\$ 77,359</b>	<b>\$</b>

\*Operations Commenced May 15, 1984.

# STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Sources Of Funds</b>		
1	Income (loss) before extraordinary items .....	\$ (241)	\$
2	Add (deduct) items not affecting working capital:		
3	Depreciation and amortization of property and equipment .....	6,029	
4	Amortization of other assets .....	4,671	
5	Deferred income taxes .....		
6	(Gain) loss on dispositions of property and equipment .....		
7	Other items:		
8			
9			
10	Total funds provided (used) by operations, exclusive of extraordinary items .....	10,459	
11	Extraordinary items .....		
12	Total funds provided (used) by operations .....	10,459	
13	Proceeds from dispositions of property and equipment .....		
14	Proceeds from long-term debt .....	38,028	
15	Additions to deferred credits and other liabilities .....		
16	Proceeds from issuance of stock or capital contributions .....		
17	Other sources of funds:		
18			
19	Total funds provided .....	48,487	
20	<b>Uses Of Funds</b>		
21	Additions to property and equipment .....	17,734	
22	Additions to investments, advances, and receivables .....		
23	Reductions of long-term debt .....	8	
24	Dividends declared or capital distributions .....		
25	Other uses of funds:		
26	Increase Other Assets	9,977	
27	Current Portion - Long Term Debt	5,036	
28	Total funds used .....		
		\$ 15,732	\$
29	<b>Increase (Decrease) in Working Capital .....</b>		
30	<b>Summary Of Changes in Components Of Working Capital</b>		
31	Cash .....	10,305	
32	Marketable securities .....	0	
33	Receivables and patrons' checks .....	9,111	
34	Inventories .....	(891)	
35	Prepaid expenses and other current assets .....	1,634	
36	Accounts payable .....	9,050	
37	Notes payable .....	0	
38	Current portion of long-term debt .....	(5,036)	
39	Income taxes payable and accrued .....	0	
40	Other accrued expenses .....	(7,145)	
	Other current liabilities .....	(1,296)	
		\$ 15,732	\$

HARRAH'S ASSOCIATES  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: Summary of Significant Accounting Policies

Organization

Harrah's Associates (the Company), doing business as Trump Plaza, operates as a general partnership. The partnership was formed on June 30, 1982 between The Trump Plaza Corporation and Harrah's Atlantic City Inc., a wholly-owned subsidiary of Holiday Inns, Inc. Subsequent to the formation of the partnership, The Trump Plaza Corporation's interest was transferred to Mr. Donald J. Trump. Each partner has a 50% interest in the partnership. Under the terms of the partnership agreement, The Trump Plaza Corporation was responsible for the overall development and construction of the casino/hotel complex, including supervision of the independent construction manager. Harrah's Atlantic City, Inc. is responsible for the ongoing management of the casino and hotel operations. The partnership agreement provides for an Executive Committee, comprised of both partners, to review all decisions affecting the partnership.

During the period June 30, 1983 through May 14, 1984, the Company was in a preopening phase and, accordingly, all costs and expenses were deferred. As a result, the statement of operations reflects operating activity for the period May 15, 1984 through December 31, 1984.

Gaming Revenues

Gaming revenues are the net win from gaming activities and represent the difference between amounts wagered and amounts won by patrons.

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 to arrive at net revenues. The cost of promotional allowances is charged to operations.

Inventories

Inventories of provisions and supplies are valued at the lower of cost, weighted average, or market.

Property and Equipment

Property and equipment is carried at cost and is depreciated on the straight-line method using rates based on the following estimated useful lives:

Building and improvements	40 years
Furniture, fixtures and equipment	3-10 years

HARRAH'S ASSOCIATES  
NOTES TO FINANCIAL STATEMENTS, continued

The interest associated with borrowings used to finance the construction of the casino/hotel complex during the construction period has been capitalized and is being amortized over the estimated useful life of the complex.

Preopening Expenses

Costs incurred prior to opening have been deferred and are being charged to operations over a three-year period using the straight-line method.

Land Rights

Land rights represent the fair value, at the time of contribution, of certain land leases contributed to the partnership by The Trump Plaza Corporation. These rights are being amortized over the period of the underlying operating leases which extend through 2078.

Deferred Loan Costs

Costs incurred in connection with the financing of the construction and term loan are being amortized over the life of the loan.

Income Taxes

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

In accordance with regulations prescribed the New Jersey Casino Control Act, the Company files a statement income tax return on behalf of the partners. During the period from inception to December 31, 1984, state income taxes amounted to \$139,000 which are included in general administration expenses.

NOTE 2: Gaming Operations

Gaming operations commenced on May 15, 1984, and are being conducted under a license to operate which was issued by the New Jersey Casino Control Commission on May 26, 1984. A casino license is not transferable, is issued for a term of one year and must be renewed annually by filing an application which must be acted upon by the the New Jersey Casino Control Commission no later than 30 days prior to the expiration of the license then in force.

NOTE 3: Property and Equipment

Property and equipment at December 31, 1984 consisted of the following:

HARRAH'S ASSOCIATES  
NOTES TO FINANCIAL STATEMENTS, continued

Land and land improvements	\$ 6,435,000
Building and improvements	154,024,000
Furniture, fixtures and equipment	31,632,000
	192,091,000
Less accumulated depreciation and amortization	6,048,000
Property and equipment, net	\$186,043,000

NOTE 4: Long-Term Debt

Long-term debt at December 31, 1984 consisted of the following:

Construction and term loan	\$168,041,000
Notes payable at 11.02% due in 60 monthly installments	197,000
	168,238,000
Less Long-term debt due within one year	5,036,000
	\$163,202,000

The construction and term loan, dated November 30, 1983, is payable in 24 consecutive quarterly installments commencing August 1, 1985, with the final installment due May 1, 1991. The quarterly payments are determined by applying a varying percentage each year, to the outstanding principal balance, as defined by the loan agreement.

Interest is paid at a rate elected by the borrower of either the bank's stated prime rate or one and one-half (1½%) per annum above the London Interbank Offered Rate (LIBOR). At December 31, 1984, the components and interest rates on the construction and term loan were as follows (in thousands):

\$ 68,041 at 10.75%
50,000 at 11.10%
50,000 at 13.74%
\$168,041
=====

The loan is secured by the property and equipment of the hotel/casino complex. In addition, the loan is guaranteed by Holiday Inns, Inc. for a period of five years (beginning May 16, 1984) or until the date that 50% of the loan has been amortized, whichever is later. The agreement further requires Holiday Inns, Inc. to maintain a minimum level of tangible net worth and to maintain certain financial ratios and restricts the amount of additional debt the Company may obtain.

HARRAH'S ASSOCIATES  
NOTES TO FINANCIAL STATEMENTS, continued

The aggregate maturities of long-term debt of each of the years subsequent to 1984 are:

1985	\$ 5,036,000
1986	14,810,000
1987	22,287,000
1988	27,234,000
1989	27,206,000
Thereafter	71,665,000
	<u>\$168,238,000</u>
	=====

NOTE 5: Related Party Transactions

During the period from inception to December 31, 1984, the Company received consulting and other services of \$203,000 from wholly-owned subsidiaries of Holiday Inns, Inc. In addition, various administrative expenses are incurred by an affiliate of Holiday Inns, Inc. for the Company. These charges are allocated to the Company by the affiliate at cost. During the period from May 15, 1984 through December 31, 1984, \$6,543,000 was charged to the Company for such services. Deferred preopening expenses include \$4,007,000 incurred by an affiliate of the Company.

In connection with the overall supervision of the construction of the casino/hotel complex, The Trump Plaza Corporation may be entitled to a contractor's fee. The amount of the fee, if any, is dependent upon the final total cost of the construction project, as defined in the partnership agreement. At December 31, 1984, the casino/hotel complex has not been completed and accordingly, no contractor fee has been paid. If such a fee were to be paid in the future, the amount would be capitalized as part of the cost of the casino/hotel complex.

Due to affiliates consisted of unsecured, noninterest bearing intercompany advances payable to:

Harrah's Atlantic City, Inc.	\$ 995,000
D. J. Trump Parking	850,000
Marina Associates	118,000
Holiday Inns, Inc.	35,000
Harrah's Holding's, Inc.	10,000
	<u>\$2,008,000</u>
	=====

HARRAH'S ASSOCIATES  
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 6: Leases

The partnership leases property (primarily land), certain parking space, and various equipment under operating leases. Rent expense for the year was \$3,444,000, of which \$1,487,000 related to affiliates of the Company.

Future minimum lease payments under the noncancellable leases are as follows:

1985	\$ 2,051,000
1986	1,904,000
1987	1,860,000
1988	1,833,000
1989	2,319,000
Thereafter through 2078	527,458,000
	<u>\$537,425,000</u>
	=====

NOTE 7: Related Party Transactions

Various expenses, such as payroll and administrative costs, are incurred by affiliates for the Company. These charges are reimbursed by the Company to the applicable affiliate at cost. For the quarter and eight months ended December 31, 1984, Harrah's Atlantic City incurred reimbursable costs in the following areas:

	<u>THREE MONTHS</u> <u>ENDED 12/31/84</u>	<u>EIGHT MONTHS</u> <u>ENDED 12/31/84</u>
Executive	\$ 191,000	\$ 456,000
Business Development	204,000	565,000
Finance	233,000	650,000
Human Resources	202,000	596,000
Logistics	557,000	1,434,000
Management Info. Systems	250,000	632,000
Sales & Marketing	69,000	146,000
Legal & Risk Management	109,000	237,000
Other	338,000	722,000
	<u>\$2,153,000</u>	<u>\$5,438,000</u>
	=====	=====

In addition, certain property leases are contracted with affiliates of the Company. Included in Note 6 above are future minimum lease payments under non-cancellable leases with affiliates of the Company and are as follows:

HARRAH'S ASSOCIATES  
NOTES TO FINANCIAL STATEMENTS, continued

1985		\$ 738,000
1986		775,000
1987		775,000
1988		775,000
1989		775,000
Thereafter through 2078		88,387,000
		\$92,225,000
		=====

Certain of these leases contain options to purchase the leased properties at various prices and times throughout the lease terms. At December 31, 1984, the aggregate option prices for these leases was \$28,000,000.

NOTE 8: Promotional Allowances

Promotional allowances consist of the following:

For the 3 months ended December 31:

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	13,807	1,740,151	-	-
Food	337,691	3,039,219	-	-
Beverage	714,534	1,786,334	-	-
Travel	-	-	1,032	145,913
Theatre	18,092	271,385	-	-
Parking	128,081	1,088,686	-	-
Coin Bonus	-	-	317,533	2,357,747
Tips	-	-	2,421	96,815
Other	340	8,510	8,258	166,399
TOTAL	<u>1,212,545</u>	<u>7,934,285</u>	<u>329,244</u>	<u>2,766,874</u>

For the 8 months ended December 31:

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	38,864	4,872,371	-	-
Food	889,385	8,004,468	-	-
Beverage	1,940,522	4,851,303	-	-
Travel	-	-	4,023	568,801
Theatre	65,664	984,966	-	-
Parking	285,834	2,429,588	7,993	115,175
Coin Bonus	-	-	510,028	3,996,455
Tips	-	-	9,280	371,186
Other	341	18,810	11,659	233,182
TOTAL	<u>3,220,610</u>	<u>21,161,506</u>	<u>542,983</u>	<u>5,284,799</u>

HARRAH'S ASSOCIATES  
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 9: Interest Costs

The company follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. For the three months ended December 31, 1984 and year-to-date total interest incurred was \$5,571,593 and \$13,504,419 respectively, all of which were charged to operations.

NOTE 10: Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consists of:

Taxes	\$1,529,000
Permits and Licensing	32,000
Insurance	165,000
Other	384,000
	<u>\$2,110,000</u>
	=====

NOTE 11: Other Assets

Other assets consists of:

Deposits	\$ 1,067,000
Preopening Costs - NET	16,549,000
Land Rights - NET	27,413,000
Other Deferred Charges	1,610,000
	<u>\$46,639,000</u>
	=====

NOTE 12: Other Accrued Expenses

Other accrued expenses consists of:

Payroll Withholdings	\$ 265,000
Taxes Payable	175,000
Property Taxes Payable	120,000
Gaming Revenue Taxes Payable	180,000
Accrued Interest	2,545,000
Accrued Salaries and Wages	2,783,000
Accrued Progressive Jackpots	1,438,000
Other Accrued Expenses	1,496,000
	<u>\$9,002,000</u>
	=====

HARRAH'S ASSOCIATES  
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 13: Other Current Liabilities

Other current liabilities consists of:

Unredeemed Chip/Token Liability	\$ 610,000
Due to Affiliates (Note 5)	2,008,000
Other	2,449,000
	<u>\$5,067,000</u>
	=====

NOTE 14: Other Revenue

Other revenue consists of:

	<u>THREE MONTHS</u> <u>ENDED 12/31</u>	<u>EIGHT MONTHS</u> <u>ENDED 12/31</u>
Theatre Revenue	\$ 570,000	\$2,369,000
Parking Revenue	1,089,000	2,588,000
Gift Shop/Souvenir Revenue	243,000	698,000
Telephone Revenue	79,000	217,000
Commission	82,000	233,000
Other	85,000	335,000
	<u>\$2,148,000</u>	<u>\$6,440,000</u>
	=====	=====

NOTE 15: Non-Operating Income (Expense) - Net

Non-operating income consists entirely of interest income.

# SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1984

(UNAUDITED)  
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
1	Undeposited patrons' checks .....	\$ 8,141		
2	Returned patrons' checks .....	1,428		
3	Total patrons' checks .....	9,569	\$ 1,646	\$ 7,923
4	Hotel receivables .....	1,563	56	1,507
5	Receivables due from officers and employees	44		
6	Receivables due from affiliates .....	-		
7	Other accounts and notes receivables .....	63		
8	Total other receivables .....	107	-	107
9	Totals (Form 305)	\$ 11,239	\$ 1,702	\$ 9,537

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning balance (January 1) .....	\$ 0
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .....	114,072
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) .....	( 79,959 )
13	Checks collected through deposits .....	( 24,544 )
14	Checks transferred to returned checks .....	( 1,428 )
15	Other adjustments .....	
16	Ending balance .....	\$ 8,141
17	"Hold" checks included in balance on line 16 .....	\$ -
18	Provision for uncollectible patrons' checks .....	\$ 1,661
19	Provision as a % of counter checks issued .....	1.5 %

TRADING NAME OF LICENSEE TRUMP PLAZA

# CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 1984

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) \$	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
	<b>Revenue</b>				
1	Blackjack .....	\$ 29,986	\$ 192,258	15.6	81
2	Craps .....	21,920	159,826	13.7	22
3	Roulette .....	6,218	25,021	24.9	12
4	Big Six .....	1,914	4,382	43.7	6
5	Baccarat .....	1,659	29,758	5.6	3
6	Other table games .....	-	-	-	-
7	Total table games revenue .....	61,697	\$ 411,245	15.0	124
			<b>HANDLE</b>		
8	\$.05 slot machines .....	2,154	\$ 13,881	15.5	84
9	\$.25 slot machines .....	31,481	228,290	13.8	830
10	\$1 slot machines .....	9,210	82,807	11.1	198
11	Other slot machines .....	20,839	182,513	11.4	475
12	Progressive jackpot adjustment .....	1,434			
13	Total coin-operated devices revenue .....	62,250	\$ 507,491	12.3	1,587
14	Other income .....				
15	Total revenue .....	123,947			
	<b>Expenses</b>				
16	Payroll and payroll related expenses .....	25,430			
17	Licenses and taxes .....	10,455			
18	Provision for uncollectible patrons' checks ...	1,661			
19	Other .....	11,591			
20	Total .....	49,137			
21	<b>Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....</b>	74,810			
	Complimentary services and casino management fees:				
22	Complimentary services .....	14,578			
23	Casino management fees .....	-0-			
24	Total .....	14,578			
25	<b>Departmental Income (Loss).....</b>	\$ 60,232			

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF \_\_\_\_\_ :  
AND \_\_\_\_\_ :  
COUNTY OF \_\_\_\_\_ :  
:SS.  
:

GEORGE M. RINALDI, being duly sworn according to law  
Name

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 the Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Report is accurate to the best of my knowledge and belief.

*George M. Rinaldi*  
Signature

CONTROLLER  
Title

TL03283-11  
License Number

On Behalf Of:

HARRAH'S ASSOCIATES  
Casino Licensee

Subscribed and sworn to  
before me this 14th day  
of March, 1980.

*Lea A. Armstrong*  
Signature

LEA A. ARMSTRONG  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires JUNE 22  
Basis of Authority  
to Take Oaths

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

**LICENSEE** HARRAH'S ASSOCIATES

**ADDRESS** MISS. AVENUE AND BOARDWALK

ATLANTIC CITY, NJ

FOR THE YEAR ENDED DECEMBER 31, 19 84

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**.....

GEORGE M. RINALDI

**OFFICIAL TITLE**.....

CONTROLLER

**ADDRESS**.....

MISS. AVENUE AND BOARDWALK

ATLANTIC CITY, NJ

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

AMENDED FOR THE YEAR ENDED DECEMBER 31, 19 84  
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES	
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS
			(f)	TOTALS
<b>CASINO</b>				
1	Administration .....	2	\$ 113	\$ 113
2	Gaming .....	1,071	12,526	12,526
3	Slots .....	127	1,568	1,568
4	Casino accounting .....	99	931	931
5	Other .....	49	\$ 898	\$ 898
6	Total-casino .....	1,348	16,036	16,036
7	ROOMS .....	217	1,788	1,788
8	FOOD AND BEVERAGE .....	1,094	8,662	8,662
<b>OTHER OPERATED DEPARTMENTS</b>				
9	Customer Services	66	511	511
10	Gift Shop	15	137	137
11	Wardrobe	31	259	259
12	Garage	139	946	946
13				
14				
15				
16				
17				
18				
19				
<b>ADMINISTRATIVE AND GENERAL</b>				
20	Executive office .....	4	104	104
21	Accounting and auditing .....	21	280	280
22	Security .....	239	2,901	2,901
23	Other administrative and general department ..	528	5,546	5,546
24	MARKETING .....	22	292	292
25	GUEST ENTERTAINMENT .....	29	715	715
26	PROPERTY OPERATION AND MAINTENANCE .....	347	4,011	4,011
27	TOTALS - ALL DEPARTMENTS .....	4,100	\$ 42,188	\$ 42,188

Trading Name of Licensee TRUMP PLAZA

ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE

For the Year Ended December 31, 19 84

3/21/85  
Date

*Symon Ruzalski*  
Signature

CONTROLLER  
Title

# GROSS REVENUE ANNUAL TAX RETURN

LICENSEE HARRAH'S ASSOCIATES  
ADDRESS MISSISSIPPI AVENUE & BOARDWALK  
ATLANTIC CITY, NJ

FOR THE YEAR ENDED DECEMBER 31, 1984

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



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

GEORGE M. RINALDI

OFFICIAL TITLE.....

CONTROLLER

ADDRESS.....

MISS. AVENUE & BOARDWALK

ATLANTIC CITY, NJ

# GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)

(\$ IN THOUSANDS)

<u>LINE</u>			
	Casino win or (loss)		
<u>1</u>	Table games revenue .....	\$ 61,697	
<u>2</u>	Coin-operated devices revenue .....	63,926	
<u>3</u>	Total revenues .....		\$ 125,623
	Less - adjustment for uncollectible patrons' checks:		
<u>4</u>	Provision for uncollectible patrons' checks .....	\$ 1,661	
<u>5</u>	Maximum adjustment (4% of line 3) .....	\$ 5,025	
<u>6</u>	Adjustment (the lesser of line 4 or line 5) .....		1,661
<u>7</u>	Gross revenues (line 3 less line 6) .....		\$ 123,962
<u>8</u>	Tax on gross revenues - current year (8% of line 7) .....	\$ 9,917	
<u>9</u>	Audit or other adjustments to tax on gross revenues in prior years .....		-
<u>10</u>	Total tax on gross revenues (line 8 plus or minus line 9) .....		9,917
	Deposits made for tax on current year's gross revenues:		
<u>11</u>	January .....	\$ -	
<u>12</u>	February .....	-	
<u>13</u>	March .....	-	
<u>14</u>	April .....	-	
<u>15</u>	May .....	331	
<u>16</u>	June .....	1,174	
<u>17</u>	July .....	1,717	
<u>18</u>	August .....	1,360	
<u>19</u>	September .....	1,324	
<u>20</u>	October .....	1,506	
<u>21</u>	November .....	1,120	
<u>22</u>	December .....	1,205	
<u>23</u>	January .....	180	
<u>24</u>	Total deposits made for tax on current year's gross revenues .....		( 9,917 )
<u>25</u>	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits .....		-
<u>26</u>	Gross revenues tax payable (line 10 less line 24 plus or minus line 25) .....	\$	0



TRADING NAME OF LICENSEE Harrah's at Trump Plaza

## HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 31, 1984

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
LINE	PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
1	JANUARY				\$	%		\$
2	FEBRUARY				\$	%		\$
	MARCH				\$	%		\$
4	1st QUARTER TOTALS				\$	%		\$
5	APRIL				\$	%		\$
6	MAY *	612	10,956	7,128	\$ 102.70	65.1 %	11,142	\$ 65.70
7	JUNE	612	17,925	14,672	\$ 104.44	81.9 %	25,776	\$ 59.45
8	2nd QUARTER TOTALS		28,881	21,800	\$ 103.87	75.5 %	36,918	\$ 61.34
9	JULY	612	18,803	17,262	\$ 116.88	91.8 %	32,418	\$ 62.24
10	AUGUST	612	18,711	17,803	\$ 117.89	95.1 %	33,031	\$ 63.54
	SEPTEMBER	612	17,969	16,115	\$ 103.04	89.7 %	28,210	\$ 58.86
12	3rd QUARTER TOTALS		55,483	51,180	\$ 112.87	92.2 %	93,659	\$ 61.68
13	OCTOBER	612	18,972	15,553	\$ 99.12	82.0 %	27,511	\$ 56.04
14	NOVEMBER	612	17,894	14,818	\$ 94.28	82.8 %	25,880	\$ 53.98
15	DECEMBER	612	18,045	12,667	\$ 94.57	70.2 %	21,747	\$ 55.08
16	4th QUARTER TOTALS		54,911	43,038	\$ 96.11	78.4 %	75,138	\$ 55.05
17	ANNUAL TOTALS		139,275	116,018	\$ 104.28	83.3 %	205,715	\$ 59.36

\*Harrah's at Trump Plaza officially opened on May 26, 1984.

Note: The above statistics are unaudited and are subject to change by the casinos.

# ANNUAL REPORT

974-901  
C193

LICENSEE HARRAH'S MARINA HOTEL CASINO

ADDRESS 1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NEW JERSEY 08401

PROPERTY OF  
NEW JERSEY STATE LIBRARY  
DEC 5 - 1985  
185 W. State St.  
Trenton, N.J.

FOR THE YEAR ENDED . . . DECEMBER 1984

TO THE  
CASINO CONTROL COMMISSION  
OF THE  
STATE OF NEW JERSEY



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

WILLIAM HESSEL

OFFICIAL TITLE . . . . .

PROPERTY CONTROLLER

ADDRESS . . . . .

1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE HARRAH'S MARINA HOTEL CASINO

## LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 84

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-305
Statements of Income (Year)	CCC-310
Statements of Income (Three Months)	CCC-315
Statements of Changes in Stockholders' Equity	CCC-320
Statements of Changes in Partners' or Proprietor's Equity	CCC-325
Statements of Changes in Financial Position	CCC-330
Notes to Financial Statements	--
Schedule of Receivables and Patrons' Checks	CCC-340
Casino Departmental Schedule	CCC-345
Statement of Conformity and Accuracy	CCC-350

# BALANCE SHEETS

DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
<b>ASSETS</b>			
	<b>Current Assets</b>	\$ 6,153	\$ 11,457
1	Cash .....	-0-	-0-
2	Marketable securities .....		
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>84</u> , \$4,885 ; 19 <u>83</u> , \$3,565 ) .....	5,770	7,018
4	Inventories .....	852	1,843
5	Prepaid expenses and other current assets (NOTE 8) .....	24,629	1,500
6	Total current assets .....	37,404	21,818
7	Investments, Advances, And Receivables .....	-0-	-0-
8	Property And Equipment - Net (NOTE 2) .....	161,680	148,326
9	Other Assets .....	3,355	611
10	Total Assets .....	\$ 202,439	\$ 170,755
<b>LIABILITIES AND EQUITY</b>			
	<b>Current Liabilities</b>	\$ 8,017	\$ 4,933
11	Accounts payable .....	-0-	-0-
12	Notes payable .....		
	Current portion of long-term debt:	15,002	22,857
13	Due to affiliates (NOTE 4) .....	719	796
14	Other .....	-0-	-0-
15	Income taxes payable and accrued .....	6,793	8,468
16	Other accrued expenses (NOTE 9) .....	1,481	1,166
17	Other current liabilities .....	32,012	38,220
18	Total current liabilities .....		
	<b>Long-Term Debt:</b>	-0-	-0-
19	Due to affiliates .....	9,912	10,629
20	Other (NOTE 3) .....	-0-	-0-
21	Deferred Credits .....	-0-	-0-
22	Other Liabilities .....		
23	Commitments And Contingencies .....	41,924	48,849
24	Total Liabilities .....	160,515	121,906
25	Stockholders', Partners', Or Proprietor's Equity .....	\$ 202,439	\$ 170,755
26	Total Liabilities And Equity .....		

## STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Revenue</b>		
1	Casino .....	\$ 210,848	\$ 201,798
2	Rooms .....	13,870	12,333
3	Food and beverage .....	35,265	31,444
4	Other .....	6,864	6,038
5	Total revenue .....	266,847	251,613
6	Less: promotional allowances (NOTE 7A) .....	22,625	19,437
7	Net revenue .....	244,222	232,176
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	124,865	104,563
9	Selling, general, and administrative .....	33,739	43,664
10	Provision for doubtful accounts .....	1,969	1,893
11	Total .....	160,573	150,120
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest .....</b>	83,649	82,056
13	Depreciation and amortization .....	6,492	9,966
14	Charges from affiliates:		
15	Interest .....	-0-	-0-
16	Management fees .....	-0-	-0-
17	Other (NOTE 4) .....	11,781	-0-
18	Interest expense - external .....	327	4,176
19	<b>Income (Loss) From Operations .....</b>	65,049	67,914
20	Nonoperating income (expense) - net .....	581	817
21	<b>Income (Loss) Before Income Taxes And Extraordinary Items .</b>	65,630	68,731
22	Provision (Credit) for income taxes .....	5,326	-0-
23	<b>Income (Loss) Before Extraordinary Items .....</b>	60,304	68,731
24	Extraordinary items (net of income taxes - 19 <u>  </u> , \$ ; 19 <u>  </u> , \$ ) .....	-0-	-0-
	<b>Net Income (Loss) .....</b>	<b>\$ 60,304</b>	<b>\$ 68,731</b>

TRADING NAME OF LICENSEE HARRAH'S MARINA HOTEL CASINO

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Revenue</b>		
1	Casino .....	\$ 49,762	\$ 47,716
2	Rooms .....	2,979	3,012
3	Food and beverage .....	8,211	7,536
4	Other .....	1,578	1,422
5	Total revenue .....	62,530	59,686
6	Less: promotional allowances (NOTE 7B) .....	4,995	3,380
7	Net revenue .....	57,535	56,306
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	23,078	22,414
9	Selling, general, and administrative .....	17,186	17,928
10	Provision for doubtful accounts .....	421	505
11	Total .....	40,685	40,847
12	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest</b> .....	16,850	15,459
13	Depreciation and amortization .....	1,789	2,274
14	Charges from affiliates:		
15	Interest .....	-0-	(3,221)
16	Management fees .....	-0-	-0-
17	Other .....	2,523	-0-
18	Interest expense - external .....	24	475
19	<b>Income (Loss) From Operations</b> .....	12,514	15,931
20	Nonoperating income (expense) - net .....	7	198
21	<b>Income (Loss) Before Income Taxes And Extraordinary Items</b> .....	12,521	16,129
22	Provision (Credit) for income taxes .....	1,017	-0-
23	<b>Income (Loss) Before Extraordinary Items</b> .....	11,504	16,129
24	Extraordinary items (net of income taxes - 19 <u>  </u> , \$                   ; 19 <u>  </u> , \$                   ) .....	-0-	-0-
	<b>Net Income (Loss)</b> .....	\$ 11,504	\$ 16,129

# STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

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

## STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Invested Capital</b>		
1	Beginning balance (January 1) .....	\$ 31,763	\$ 4,000
2	Additional capital invested .....	-0-	27,803
3	Redemption of Partner Interest .....	-0-	(40)
4	Ending balance .....	31,763	31,763
	<b>Accumulated Income (Loss)</b>		
5	Beginning balance (January 1) .....	101,186	33,053
6	Prior period adjustments .....	-0-	-0-
7	Net Income (loss) .....	60,304	68,731
8	Redemption of Partner Interest .....	-0-	(598)
9	Ending balance .....	161,490	101,186
	<b>Capital Withdrawals</b>		
10	Beginning balance (January 1) .....	( 11,043 )	( -0- )
11	Additional capital withdrawals .....	( 21,695 )	( 11,043 )
12			
13	Ending balance .....	( 32,738 )	( 11,043 )
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>		
14	Beginning balance (January 1) .....	( -0- )	( -0- )
15			
16			
17	Ending balance .....	( -0- )	( -0- )
18	<b>Ending Partners' Or Proprietor's Equity .....</b>	<b>\$ 160,515</b>	<b>\$ 121,906</b>

# STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 19<sup>84</sup> AND 19<sup>83</sup>

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <sup>84</sup>	(d) 19 <sup>83</sup>
	<b>Sources Of Funds</b>		
1	Income (loss) before extraordinary items .....	\$ 60,304	\$ 68,731
	Add (deduct) items not affecting working capital:		
2	Depreciation and amortization of property and equipment .....	6,492	5,931
3	Amortization of other assets .....	-0-	4,563
4	Deferred income taxes .....	-0-	-0-
5	(Gain) loss on dispositions of property and equipment .....	6	-0-
6	Other items:		
7			
8			
9	Total funds provided (used) by operations, exclusive of extraordinary items .....	66,802	79,225
10	Extraordinary items .....	-0-	-0-
11	Total funds provided (used) by operations .....	66,802	79,225
12	Proceeds from dispositions of property and equipment .....	187	342
13	Proceeds from long-term debt .....	-0-	-0-
14	Additions to deferred credits and other liabilities .....	-0-	-0-
15	Proceeds from issuance of stock or capital contributions .....	-0-	-0-
	Other sources of funds:		
16	Forgiveness of Indebtedness due Related Party	-0-	27,803
17	Decrease in Other Assets	-0-	51
18			
19	Total funds provided .....	66,989	107,421
	<b>Uses Of Funds</b>		
20	Additions to property and equipment .....	20,039	24,158
21	Additions to investments, advances, and receivables .....	-0-	-0-
22	Reductions of long-term debt .....	717	69,159
23	Dividends declared or capital distributions .....	21,695	11,043
	Other uses of funds:		
24	Increase in Other Assets	2,744	-0-
25	Retirement of Minority Interest	-0-	638
26	Decrease in Other Long Term Liabilities	-0-	8,287
27	Total funds used .....	45,195	113,285
		\$ 21,794	\$ (5,864)
28	<b>Increase (Decrease) in Working Capital .....</b>		
	<b>Summary Of Changes In Components Of Working Capital</b>		
29	Cash .....	(5,304)	(1,194)
30	Marketable securities .....	-0-	-0-
31	Receivables and patrons' checks .....	(1,248)	1,859
32	Inventories .....	(991)	(2)
33	Prepaid expenses and other current assets .....	23,129	749
34	Accounts payable .....	(3,084)	(1,279)
35	Notes payable .....	-0-	-0-
36	Current portion of long-term debt .....	7,932	(9,660)
37	Income taxes payable and accrued .....	-0-	-0-
38	Other accrued expenses .....	1,675	1,226
39	Other current liabilities .....	(315)	2,437
40		\$ 21,794	\$ (5,864)
	<b>Increase (Decrease) in Working Capital .....</b>		

HARRAH'S MARINA HOTEL CASINO

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies:

Organization -

Marina Associates (the Company), doing business as Harrah's Marina Hotel Casino, operates as a general partnership. On July 31, 1983, the partnership redeemed the capital contribution and paid previously undistributed earnings attributable to a limited partner and the form of organization was changed from a limited to a general partnership. As a result, Holiday Inns, Inc., through its subsidiaries, became the sole owner of the Company.

Gaming revenues -

Gaming revenues are the net win from gaming activities and represent the difference between amounts wagered and amounts won by patrons.

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 to arrive at net revenues. The cost of promotional allowances is charged to operations.

Inventories -

Inventories of provisions and supplies are valued at the lower of cost, weighted average, or market.

Property and equipment -

Property and equipment is carried at cost and is depreciated on the straight-line method using rates based on the following estimated useful lives -

Buildings, leaseholds and improvements	40 years
Furniture, fixtures and equipment	3-10 years

The interest associated with borrowings used to finance the construction and expansion of the hotel/casino during the construction period has been capitalized and is being amortized over the estimated useful life of the complex.

Pre-opening expenses -

Costs incurred prior to opening were deferred and charged to operations over a three-year period using the straight-line method. Such costs were fully amortized during 1983.

Income taxes -

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

In accordance with regulations prescribed by the New Jersey Casino Control Act, the Company files a State income tax return on behalf of the partners. Accordingly, in 1984, the accompanying financial statements include a provision for State income taxes. Prior to 1984, the provision for State income taxes had been reflected on the individual partner's financial statements in relation to their respective share of the income of the Company. Had the provision for State income taxes been reflected in the Company's 1983 financial statements, net income would have decreased by approximately \$5,982,000.

Reclassifications -

Certain reclassifications of 1983 reported amounts have been made to conform to the 1984 presentation.

(2) Property and equipment:

Property and equipment consisted of the following -

	DECEMBER 31	
	1984	1983
	(in thousands)	
Land and land improvements	\$ 26,512	\$ 26,513
Buildings, leaseholds and improvements	115,399	113,372
Furniture, fixtures and equipment	26,725	22,585
Construction in progress	15,454	2,447
	<u>184,090</u>	<u>164,917</u>
Less accumulated depreciation and amortization	22,410	16,591
Property and equipment, net	<u>\$161,680</u>	<u>\$148,326</u>

(3) Long-term debt:

Long-term debt consisted of the following -

	DECEMBER 31	
	1984	1983
	(in thousands)	
Mortgage payable (a)	\$ 8,560	\$ 8,673
Other notes payable (b)	2,071	2,752
	<u>10,631</u>	<u>11,425</u>
Less Long-term debt due within one year	719	796
	<u>\$ 9,912</u>	<u>\$10,629</u>

- (a) The mortgage payable, dated September 14, 1978, provides for interest and principal payments as follows -
- From September 15, 1982 through September 14, 1995, principal and interest at 8.9% is payable in equal monthly installments of \$73,000. An additional principal payment of \$1,584,000 is due September 14, 1995.
  - Thereafter, principal and interest at 8.9% is payable in 60 equal monthly installments.

The mortgage note is collateralized by a lien on certain of the Company's land.

- (b) Other notes payable consist of (1) a note bearing interest at 9% payable to a former limited partner which provides for payments of \$452,000 in 1985 and \$450,000 in 1986; and (2) a mortgage note bearing interest at 9% which provides for principal payments of \$144,000 in 1985, \$164,000 in 1986, \$178,000 in 1987 and \$683,000 in 1988.

The aggregate maturities of long-term debt in each of the years subsequent to 1984 are -

1985	\$ 719,000
1986	748,000
1987	326,000
1988	843,000
1989	176,000
Thereafter	7,819,000
	<u>\$10,631,000</u>

(4) Related party transactions:

The Company received consulting and other services of \$375,000 in 1984 and \$106,000 in 1983 from wholly-owned subsidiaries of Holiday Inns, Inc. In addition, commencing in 1984, various administrative expenses are incurred by an affiliate for the Company rather than directly by the Company. These charges are allocated to the Company by the affiliate at cost. The total amount of such charges was \$11,781,000 in 1984.

Due from/to affiliates consisted of the following unsecured, non-interest bearing intercompany amounts at December 31, 1984, and 1983, (in thousands) - Due from affiliates are classified as Other Current Assets.

	1984	1983
Due from affiliates -		
Harrah's New Jersey, Inc.	\$18,972	\$ -
Harrah's Atlantic City, Inc.	1,352	-
Harrah's Associates	118	776
Holiday Inns, Inc.	2,869	-
Total due from affiliates	<u>\$23,311</u>	<u>\$ 776</u>

	<u>1984</u>	<u>1983</u>
Due to affiliates -		
Harrah's Services, Inc.	\$ 6	\$ 2
Harrah's New Jersey, Inc.	-	12,986
Harrah's Atlantic City, Inc.	-	4,824
Holiday Inns Holdings, Inc.	<u>14,996</u>	<u>5,045</u>
Total due to affiliates	<u>\$15,002</u>	<u>\$22,857</u>

(5) Commitments and contingencies:

Leases -

The Company has several operating leases relating to a storage warehouse, parking areas, computer equipment and shoreline land. These leases have various expiration dates through 2003. Rental expenses for the years ended December 31, 1984, and 1983, was approximately \$1,084,000 and \$1,604,000, respectively.

Future minimum lease payments due under these leases are as follows -

1985	\$ 853,000
1986	342,000
1987	204,000
1988	120,000
1989	120,000
Thereafter	<u>1,680,000</u>
	<u>\$3,319,000</u>

(6) Investment obligation -

Section 144 of the New Jersey Casino Control Act, as amended in 1984, requires a casino licensee to make investments in New Jersey, or pay an investment alternative tax if it fails to do so. For each of the calendar years 1979 to 1983, a casino licensee whose gross casino revenues exceed its cumulative investment (the "cumulative investment"), must either make investments in an amount equivalent to 2% of its gross casino revenues or pay an investment alternative tax in the same amount within five years of the applicable calendar year. The cumulative investment of a casino licensee includes the real property and improvement costs associated with its hotel/casino complex.

Commencing with calendar year 1984, and continuing for twenty-five years thereafter, a casino licensee must either obtain investment tax credits 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 making qualified investments or by the purchase of bonds at below market rates from the newly created Casino Reinvestment Development Authority. In addition, commencing with obligations incurred after 1983, payments of a casino licensee's obligation must be made quarterly.

At December 31, 1984, the Company's investment obligation was payable as follows -

<u>Through 12/31</u>	
1985	\$ 2,600,000
1986	2,800,000
1987	3,500,000
1988	4,000,000
	<u>\$12,900,000</u>

The Company has filed a petition with the Casino Control Commission for a determination of the eligibility of certain roadway improvements currently being made in Atlantic City. In the opinion of management and counsel, these improvements will be eligible for credit in satisfaction of the investment obligation, and the Company will not be required to purchase bonds or pay the alternative tax. Accordingly, no liability has been recorded in the financial statements for this obligation.

(7) Promotional allowances

- a) Promotional allowances for the year ended December 31, 1984, consist of:

(\$000's)	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u>NUMBER OF RECIPIENTS</u>	<u>DOLLAR AMOUNT</u>	<u>NUMBER OF RECIPIENTS</u>	<u>DOLLAR AMOUNT</u>
Rooms	46	\$ 5,718	-	\$ -
Food	658	6,580	-	-
Beverage	2,307	9,480	-	-
Travel	-	-	20	1,176
Theatre	97	847	-	-
Coupon Redemption of Cash & Tokens	-	-	888	13,314
Other	-	-	97	486
	<u>3,108</u>	<u>\$22,625</u>	<u>1,005</u>	<u>\$14,976</u>

- b) Promotional allowances for the three months ended December 31, 1984 consist of:

(\$000's)	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u>NUMBER OF RECIPIENTS</u>	<u>DOLLAR AMOUNT</u>	<u>NUMBER OF RECIPIENTS</u>	<u>DOLLAR AMOUNT</u>
Rooms	11	\$ 1,306	-	\$ -
Food	304	1,507	-	-
Beverage	759	1,983	-	-
Travel	-	-	6	33
Theatre	28	199	-	-
Coupon Redemption of Cash & Tokens	-	-	297	4,592
Other	-	-	25	145
	<u>1,102</u>	<u>\$4,995</u>	<u>328</u>	<u>\$4,770</u>

(8) Prepaid expenses and other current assets -

Prepaid expenses and other current assets as of December 31, 1984, consist of:

	<u>1984</u>	<u>1983</u>
Prepaid licenses and permits	\$ 63	\$ 69
Prepaid slot tax	327	327
Prepaid insurance	75	88
Other prepaids	853	201
Due from affiliates	23,311	776
Other current assets	-	39
	<u>\$24,629</u>	<u>\$1,500</u>

(9) Other accrued expenses -

Other accrued expenses as of December 31, 1984, consist of:

	<u>1984</u>	<u>1983</u>
Accrued salaries and wages	\$3,599	\$4,684
Other taxes payable	392	498
Other accrued expenses	1,809	1,888
Accrued progressive slot liability	901	1,317
Accrued interest	92	81
	<u>\$6,793</u>	<u>\$8,468</u>

# SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1984

(UNAUDITED)  
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
1	Undeposited patrons' checks .....	\$ 3,935		
2	Returned patrons' checks .....	5,055		
3	Total patrons' checks .....	8,990	\$ 4,535	\$ 4,455
4	Hotel receivables .....	1,429	350	1,079
5	Receivables due from officers and employees .....	6		
6	Receivables due from affiliates .....	-0-		
7	Other accounts and notes receivables .....	230		
8	Total other receivables .....	236	-0-	236
9	Totals (Form 305)	\$ 10,655	\$ 4,885	\$ 5,770

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
		\$ 4,387
10	Beginning balance (January 1) .....	
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .....	131,183
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) .....	( 95,218 )
13	Checks collected through deposits .....	( 30,579 )
14	Checks transferred to returned checks .....	( 5,840 )
15	Other adjustments .....	-0-
16	Ending balance .....	\$ 3,933
17	"Hold" checks included in balance on line 16 .....	\$ -0-
18	Provision for uncollectible patrons' checks .....	\$ 1,799
19	Provision as a % of counter checks issued .....	1.4

TRADING NAME OF LICENSEE HARRAH'S MARINA HOTEL CASINO

# CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) %	WEIGHTED AVG. NUMBER OF TABLES (f) OR MACHINES
<b>Revenue</b>					
1	Blackjack .....	\$ 37,314	\$ 220,850	16.9	60
2	Craps .....	32,184	192,523	16.7	22
3	Roulette .....	8,920	35,380	25.2	12
4	Big Six .....	2,407	5,261	45.8	3
5	Baccarat .....	3,102	20,373	15.2	2
6	Other table games .....	-0-	-0-	-0-	-0-
7	Total table games revenue .....	83,927	\$ 474,387	17.7	99
<b>HANDLE</b>					
8	\$.05 slot machines .....	3,042	\$ 20,888	14.6	66
9	\$.25 slot machines .....	57,106	427,745	13.4	725
10	\$1 slot machines .....	43,355	395,308	11.0	299
11	Other slot machines .....	23,001	208,573	11.0	217
12	Progressive jackpot adjustment .....	417			
13	Total coin-operated devices revenue .....	126,921	\$ 1,052,514	12.1	1,307
14	Other income .....	-0-			
15	Total revenue .....	210,848			
<b>Expenses</b>					
16	Payroll and payroll related expenses .....	26,606			
17	Licenses and taxes .....	17,571			
18	Provision for uncollectible patrons' checks ...	1,799			
19	Other .....	1,215			
20	Total .....	47,191			
21	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....	163,657			
Complimentary services and casino management fees:					
22	Complimentary services .....	11,190			
23	Casino management fees .....	-0-			
24	Total .....	11,190			
25	Departmental Income (Loss).....	\$ 152,467			



# ANNUAL EMPLOYMENT AND PAYROLL REPORT

**LICENSEE** HARRAH'S MARINA HOTEL CASINO  
**ADDRESS** 1725 BRIGANTINE BOULEVARD  
ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1984

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.....

WILLIAM HESSEL

OFFICIAL TITLE.....

PROPERTY CONTROLLER

ADDRESS.....

1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NEW JERSEY 08401

# ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 84  
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS (f)	
	<b>CASINO</b>				
1	Administration .....	2			
2	Gaming .....	917			
3	Slots .....	129			
4	Casino accounting .....	434			
5	Other .....	37			
6	Total-casino .....	1,519	\$ 27,957	\$ -	\$ 27,957
7	ROOMS .....	154	2,196	-	2,196
8	FOOD AND BEVERAGE .....	837	9,715	-	9,715
	<b>OTHER OPERATED DEPARTMENTS</b>				
9	Customer Services	39	358	-	358
10	Gift Shop/Boutique	23	250	-	250
11	Communications	16	224	-	224
12	Cafeteria	26	719	-	719
13	Marina	2	73	-	73
14					
15					
16					
17					
18					
19					
	<b>ADMINISTRATIVE AND GENERAL</b>				
20	Executive office .....	4	196	-	196
21	Accounting and auditing .....	128	2,058	-	2,058
22	Security .....	209	3,905	-	3,905
23	Other administrative and general department ..	140	2,190	-	2,190
24	MARKETING .....	52	687	-	687
25	GUEST ENTERTAINMENT .....	47	1,052	-	1,052
26	PROPERTY OPERATION AND MAINTENANCE .....	318	5,519	-	5,519
	<b>TOTALS - ALL DEPARTMENTS</b>	<b>3,514</b>	<b>\$ 57,099</b>	<b>\$ -</b>	<b>\$ 57,099</b>

Trading Name of Licensee HARRAH'S MARINA HOTEL CASINO

ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE

For the Year Ended December 31, 19 84

3/15/85  
Date

Wm Hesser  
Signature

PROPERTY CONTROLLER  
Title

# GROSS REVENUE ANNUAL TAX RETURN

**LICENSEE** HARRAH'S MARINA HOTEL CASINO

**ADDRESS** 1725 BRIGANTINE BOULEVARD  
ATLANTIC CITY, NEW JERSEY

FOR THE YEAR ENDED DECEMBER 31, 1984

TO THE

**CASINO CONTROL COMMISSION**

OF THE

**STATE OF NEW JERSEY**



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

WILLIAM HESSEL

**OFFICIAL TITLE** .....

PROPERTY CONTROLLER

**ADDRESS** .....

1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NEW JERSEY 08401

# GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue .....	\$ 83,927	
2	Coin-operated devices revenue .....	126,505	
3	Total revenues .....		\$ 210,432
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks .....	\$ 1,799	
5	Maximum adjustment (4% of line 3) .....	\$ 8,417	
6	Adjustment (the lesser of line 4 or line 5) .....		1,799
7	Gross revenues (line 3 less line 6) .....		\$ 208,633
8	Tax on gross revenues - current year (8% of line 7) .....		\$ 16,691
9	Audit or other adjustments to tax on gross revenues in prior years .....		
10	Total tax on gross revenues (line 8 plus or minus line 9) .....		16,691
	Deposits made for tax on current year's gross revenues:		
11	January .....	\$ 1,055	
12	February .....	1,242	
13	March .....	1,236	
14	April .....	1,652	
15	May .....	1,306	
16	June .....	1,258	
17	July .....	1,794	
18	August .....	1,415	
19	September .....	1,364	
20	October .....	1,664	
21	November .....	1,248	
22	December .....	1,307	
23	January .....	150	
24	Total deposits made for tax on current year's gross revenues .....		( 16,691 )
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits .....		
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25) .....	\$	-0-

STATEMENT OF CONFORMITY AND ACCURACY

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

WILLIAM HESSEL, 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.

Wm Hessel  
Signature

PROPERTY CONTROLLER  
Title

00982-11  
License Number

Subscribed and sworn to  
before me this 10<sup>th</sup> day  
of January, 1985.

Brenda M. ...  
Signature

Brenda M. ...  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires 12/31/87

Basis of Authority  
to Take Oaths

On Behalf Of:

HARRAH'S MARINA HOTEL CASINO  
Casino Licensee

# HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 31, 19 84

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
LINE	PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
1	JANUARY	506	15,686	10,504	\$ 79.23	67.0 %	19,286	\$ 43.15
2	FEBRUARY	506	14,674	12,097	\$ 77.86	82.4 %	24,394	\$ 38.61
	MARCH	506	15,686	14,092	\$ 79.67	89.8 %	26,023	\$ 43.14
4	<b>1st QUARTER TOTALS</b>		46,046	36,693	\$ 78.95	79.7 %	69,703	\$ 41.56
5	APRIL	506	15,180	13,021	\$ 84.09	85.8 %	24,872	\$ 44.02
6	MAY	506	15,686	13,280	\$ 86.47	84.7 %	24,939	\$ 46.05
7	JUNE	506	15,180	13,397	\$ 95.52	88.3 %	25,872	\$ 49.46
8	<b>2nd QUARTER TOTALS</b>		46,046	39,698	\$ 88.74	86.2 %	75,683	\$ 46.55
9	JULY	506	15,686	14,622	\$ 105.46	93.2 %	28,012	\$ 55.05
10	AUGUST	506	15,686	15,344	\$ 104.88	97.8 %	30,123	\$ 53.42
11	SEPTEMBER	506	15,180	13,909	\$ 96.01	91.6 %	26,080	\$ 51.21
12	<b>3rd QUARTER TOTALS</b>		46,552	43,875	\$ 102.26	94.2 %	84,215	\$ 53.28
13	OCTOBER	506	15,686	13,595	\$ 85.27	86.7 %	24,710	\$ 46.92
14	NOVEMBER	506	15,180	11,568	\$ 87.31	76.2 %	21,484	\$ 47.01
15	DECEMBER	506	15,686	9,471	\$ 85.38	60.4 %	17,670	\$ 45.76
16	<b>4th QUARTER TOTALS</b>		46,552	34,634	\$ 85.98	74.4 %	63,864	\$ 46.63
17	<b>ANNUAL TOTALS</b>		185,196	154,900	\$ 88.98	83.6 %	293,465	\$ 47.01

Note: The above statistics are unaudited and are subject to change by the casinos.

# ANNUAL REPORT

974-901  
C193

PROPERTY OF  
NEW JERSEY STATE LIBRARY  
DEC 5 - 1985  
185 W. State St.  
Trenton, N.J.

RESORTS INTERNATIONAL HOTEL, INC.  
LICENSEE (a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

ADDRESS North Carolina Avenue & Boardwalk

Atlantic City, NJ 08401

FOR THE YEAR ENDED . . . DECEMBER 31 , 19 84

TO THE  
CASINO CONTROL COMMISSION  
OF THE  
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE  
OF CORRESPONDENCE REGARDING  
THIS ANNUAL REPORT

ROBERT S. FIORE

OFFICIAL TITLE

SENIOR VICE PRESIDENT OF FINANCE

ADDRESS

North Carolina Avenue & Boardwalk

Atlantic City, NJ 08401

TRADING NAME OF LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

# BALANCE SHEETS

DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 84	(d) 19 83
<b>ASSETS</b>			
<b>Current Assets</b>			
1	Cash .....	\$ 10,923	\$ 8,021
2	Marketable securities Short term Money Market at cost .....	132,842	1,238
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>84</u> , \$ 4,116 ; 19 <u>83</u> , \$ 11,227 ) .....	15,074	17,850
4	Inventories .....	3,379	3,009
5	Prepaid expenses and other current assets .....	1,041	1,271
6	<b>Total current assets</b> .....	<b>163,259</b>	<b>31,389</b>
7	<b>Investments, Advances, And Receivables</b> .....	<b>3,629</b>	<b>2,640</b>
8	<b>Property And Equipment - Net</b> .....	<b>105,602</b>	<b>110,278</b>
9	<b>Other Assets</b> .....	<b>7,245</b>	<b>295</b>
10	<b>Total Assets</b> .....	<b>\$ 279,735</b>	<b>\$ 144,602</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
11	Accounts payable .....	\$ 6,808	\$ 5,066
12	Notes payable .....		
13	Current portion of long-term debt: (Note 7)		
14	Due to affiliates .....		
14	Other .....	424	484
15	Income taxes payable and accrued .....		
16	Other accrued expenses (Note 5) .....	27,648	12,419
17	Other current liabilities (Note 6) .....	3,008	2,922
18	<b>Total current liabilities</b> .....	<b>37,888</b>	<b>20,891</b>
19	<b>Long-Term Debt: (Note 7)</b>		
19	Due to affiliates .....	195,736	
20	Other .....	2,201	3,256
21	<b>Deferred Credits</b> .....	<b>917</b>	<b>990</b>
22	<b>Other Liabilities</b> .....		
23	<b>Commitments And Contingencies</b> .....		
24	<b>Total Liabilities</b> .....	<b>236,742</b>	<b>25,137</b>
25	<b>Stockholders', Partners', Or Proprietor's Equity</b> .....	<b>42,993</b>	<b>119,465</b>
26	<b>Total Liabilities And Equity</b> .....	<b>\$ 279,735</b>	<b>\$ 144,602</b>

TRADING NAME OF LICENSEE RESORTS INTERNATIONAL HOTEL, INC.  
(a wholly owned of RESORTS INTERNATIONAL, INC.)

## STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>84</u>	(d) 19 <u>83</u>
	<b>Revenue</b>		
1	Casino .....	\$ 254,753	\$ 249,977
2	Rooms .....	17,604	17,244
3	Food and beverage .....	36,457	37,524
4	Other .....	11,901	12,284
5	Total revenue .....	320,715	317,029
6	Less: promotional allowances (Note 8) .....	30,086	27,459
7	Net revenue .....	290,629	289,570
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	157,452	148,259
9	Selling, general, and administrative .....	44,282	42,734
10	Provision for doubtful accounts .....	1,242	7,360
11	Total .....	202,976	198,353
	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest .....</b>	<b>87,653</b>	<b>91,217</b>
13	Depreciation and amortization .....	13,350	12,604
	Charges from affiliates:		
14	Interest .....	13,208	
15	Management fees .....	2,130	1,290
16	Other .....	17,719	16,282
17	Interest expense - external .....	277	300
18	<b>Income (Loss) From Operations .....</b>	<b>40,969</b>	<b>60,741</b>
19	Nonoperating income (expense) - net .....	5,606	( 1,234)
20	<b>Income (Loss) Before Income Taxes And Extraordinary Items .</b>	<b>46,575</b>	<b>59,507</b>
21	Provision (Credit) for income taxes .....	23,047	29,833
22	<b>Income (Loss) Before Extraordinary Items .....</b>	<b>23,528</b>	<b>29,674</b>
23	Extraordinary items (net of income taxes - 19 <u>  </u> , \$ ; 19 <u>  </u> , \$ ) .....		
24	<b>Net Income (Loss) .....</b>	<b>\$ 23,528</b>	<b>\$ 29,674</b>

TRADING NAME OF LICENSEE RESORTS INTERNATIONAL HOTEL, INC.  
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 84	(d) 19 83
	<b>Revenue</b>		
1	Casino .....	\$ 55,979	\$ 55,562
2	Rooms .....	4,098	3,759
3	Food and beverage .....	8,116	8,329
4	Other .....	2,128	2,189
5	Total revenue .....	70,321	69,839
6	Less: promotional allowances .....	6,818	5,925
7	Net revenue .....	63,503	63,914
	<b>Costs And Expenses</b>		
8	Cost of goods and services .....	36,083	35,713
9	Selling, general, and administrative .....	10,605	8,777
10	Provision for doubtful accounts .....	40	3,448
11	Total .....	46,728	47,938
	<b>Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest</b>		
12	Depreciation and amortization .....	16,775	15,976
13	Charges from affiliates:	3,371	3,106
14	Interest .....	8,682	
15	Management fees .....	630	375
16	Other .....	5,640	4,719
17	Interest expense - external .....	90	72
18	Income (Loss) From Operations .....	( 1,638)	7,704
19	Nonoperating income (expense) - net .....	3,332	( 195)
20	Income (Loss) Before Income Taxes And Extraordinary Items	1,694	7,509
21	Provision (Credit) for income taxes .....	598	3,736
22	Income (Loss) Before Extraordinary Items .....	1,096	3,773
23	Extraordinary items (net of income taxes - 19__, \$ ; 19__, \$ ) .....		
24	Net Income (Loss) .....	\$ 1,096	\$ 3,773

TRADING NAME OF LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

# STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 84		19 83	
		(c) SHARES	(d) \$	(e) SHARES	(f) \$
	<b>Common Stock</b>		\$		\$
1	Beginning balance (January 1) .....	100		100	
2	Sale of stock .....				
3					
4	Ending balance .....	100		100	
	<b>Preferred Stock</b>				
5	Beginning balance (January 1) .....				
6	Sale of stock .....				
7					
8	Ending balance .....				
	<b>Additional Paid-in Capital</b>				
9	Beginning balance (January 1) .....		2,490		2,490
10					
11					
12	Ending balance .....				
	<b>Treasury Stock</b>				
13	Beginning balance (January 1) .....		( )		( )
14	Purchase of additional stock .....		( )		( )
15	Sale or retirement of stock .....		( )		( )
16	Ending balance .....		( )		( )
	<b>Subscriptions Receivable For Capital Stock</b>				
17	Beginning balance (January '1) .....		( )		( )
18					
19					
20	Ending balance .....		( )		( )
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>				
21	Beginning balance (January 1) .....		( )		( )
22					
23					
24	Ending balance .....		( )		( )
	<b>Retained Earnings</b>				
25	Beginning balance (January 1) .....		117,660		153,064
26	Prior period adjustments .....				
27	Net income (loss) .....		23,528		29,674
28	Dividends .....		( 100,000 )		( 65,000 )
29	Adj. for calendar conversion		( 685 )		( 780 )
30					
31	Ending balance .....		40,503		116,975
32	<b>Ending Stockholders' Equity</b> .....		\$ 42,993		\$ 119,465

TRADING NAME OF LICENSEE RESORTS INTERNATIONAL HOTEL, INC.  
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)  
**STATEMENTS OF CHANGES IN PARTNERS'  
OR PROPRIETOR'S EQUITY**

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 ____	(d) 19 ____
	<b>Invested Capital</b>		
1	Beginning balance (January 1) .....	\$	\$
2	Additional capital invested .....		
3			
4	Ending balance .....		
	<b>Accumulated Income (Loss)</b>		
5	Beginning balance (January 1) .....		
6	Prior period adjustments .....		
7	Net income (loss) .....		
8			
9	Ending balance .....		
	<b>Capital Withdrawals</b>		
10	Beginning balance (January 1) .....	( )	( )
11	Additional capital withdrawals .....	( )	( )
12			
13	Ending balance .....	( )	( )
	<b>Net Unrealized Loss On Noncurrent Marketable Equity Securities</b>		
14	Beginning balance (January 1) .....	( )	( )
15			
16			
17	Ending balance .....	( )	( )
18	<b>Ending Partners' Or Proprietor's Equity</b> .....	\$	\$

THIS DOES NOT APPLY.

TRADING NAME OF LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

# STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 19 84 AND 19 83

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 84	(d) 19 83
	<b>Sources Of Funds</b>		
1	Income (loss) before extraordinary items .....	\$ 23,528	\$ 29,674
	Add (deduct) items not affecting working capital:		
2	Depreciation and amortization of property and equipment .....	13,246	12,561 *
3	Amortization of other assets .....	273	155
4	Deferred income taxes .....		
5	(Gain) loss on dispositions of property and equipment .....	123	( 879)
	Other items:		
6	Other (See Attached Schedule 4-A)	236	1,567
7			
8			
9	Total funds provided (used) by operations, exclusive of extraordinary items .....	37,406	43,078
10	Extraordinary items .....		
11	Total funds provided (used) by operations .....	37,406	43,078
12	Proceeds from dispositions of property and equipment .....	86	251
13	Proceeds from long-term debt .....	190,338	900
14	Additions to deferred credits and other liabilities .....		
15	Proceeds from issuance of stock or capital contributions .....		
	Other sources of funds:		
16			
17	Capital assets transferred to affiliates	2,365	32,885
18	Other (See Attached Schedule 4-B)	2,185	7,911
19	Total funds provided .....	232,380	85,025
	<b>Uses Of Funds</b>		
20	Additions to property and equipment .....	11,145	13,458
21	Additions to investments, advances, and receivables .....		
22	Reductions of long-term debt .....	440	727
23	Dividends declared or capital distributions .....	100,000	65,000
	Other uses of funds:		
24	Increase to other assets	1,824	117
25	Deferred tax liability assumed by parent		2,287
26	Other (See Attached Schedule 4-C)	4,098	2,897
27	Total funds used .....	117,507	84,486
28	Increase (Decrease) in Working Capital .....	\$ 114,873	\$ 539
	<b>Summary Of Changes In Components Of Working Capital</b>		
29	Cash .....	2,902	( 265)
30	Marketable securities .....	131,604	( 413)
31	Receivables and patrons' checks .....	( 2,776)	4,627)
32	Inventories .....	370	193
33	Prepaid expenses and other current assets .....	( 230)	76
34	Accounts payable .....	( 1,742)	193
35	Notes payable .....		
36	Current portion of long-term debt .....	60	74
37	Income taxes payable and accrued .....		
38	Other accrued expenses .....	( 18,659)	2,453
39	Other current liabilities .....	3,344	( 6,401)
40	Increase (Decrease) in Working Capital .....	\$ 114,873	\$ 460

SUBJECT TO CHANGE

7/84

See accompanying notes to financial statements.  
\*Includes depreciation of \$112 for non operating real estate properties reported on Schedule CCC-310, Line 19.

CCC-330

RESORTS INTERNATIONAL HOTEL, INC. AND SUBSIDIARIES  
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

(Form CCC-330)

SCHEDULE 4A

YEARS ENDED DECEMBER 31, 1984 and 1983

	<u>1984</u>	<u>1983</u>
Equity (income) losses in joint ventures & subsidiary	\$236	\$ 156
Write-off of investment in joint ventures		421
Increase to non-current deferred credits	<u>          </u>	<u>990</u>
OTHER (LINE 6)	<u>\$236</u>	<u>\$1,567</u>

SUBJECT TO CHANGE

RESORTS INTERNATIONAL HOTEL, INC. AND SUBSIDIARIES  
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

(FORM CCC-330)

SCHEDULE 4B

YEARS ENDED DECEMBER 31, 1984 and 1983

	<u>1984</u>	<u>1983</u>
Reduction of investment in joint ventures & subsidiary	\$2,185	\$4,512
Proceeds from insurance claim	<u>          </u>	<u>3,399</u>
OTHER (LINE 17)	<u>\$2,185</u>	<u>\$7,911</u>

SUBJECT TO CHANGE

RESORTS INTERNATIONAL HOTEL, INC. AND SUBSIDIARIES  
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

(Form CCC-330)

SCHEDULE 4C

YEARS ENDED DECEMBER 31, 1984 and 1983

	<u>1984</u>	<u>1983</u>
Additional investment in joint ventures & subsidary	\$ 622	\$ 917
Decrease in deferred credits	73	
Long term debt transferred to affiliates	615	1,980
Increase to investments, advances, receivables	32	
Note receivable from affiliate	<u>2,756</u>	<u>          </u>
OTHER (LINE 26)	<u>\$4,098</u>	<u>\$2,897</u>

SUBJECT TO CHANGE

RESORTS INTERNATIONAL HOTEL, INC. AND SUBSIDIARIES  
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1984

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

Accounting period:

At the end of 1984, Resorts International Hotel, Inc. (the Company), a wholly owned subsidiary of Resorts International, Inc. (the Parent), changed to a calendar year for reporting operations. Prior to this the Company and its Parent reported operations on a fifty-two or fifty-three week fiscal year ending on the Sunday closest to the last day of the calendar year. The years 1984 and 1983 ended on December 31, 1984 and January 1, 1984, respectively.

Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its active subsidiaries except for one wholly owned subsidiary which is accounted for on the equity basis of accounting. All significant intercompany balances and transactions have been eliminated in consolidation.

Revenue recognition:

The Company 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 and from theatre ticket sales 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 customers. The retail value of these complimentary services is deducted as a promotional allowance to arrive at net revenues. The cost of complimentary services is charged to cost of goods and services and selling, general and administrative.

Inventories:

Inventories of provisions and supplies are carried at the lower of cost (first-in, first-out basis) or market.

Property and equipment:

Property and equipment are recorded at cost and depreciated for financial reporting purposes using the straight-line method based upon the estimated useful lives of the assets, as follows: land improvements, 20 years; buildings and improvements, 20 years; furniture and equipment, 2-7 years.

Income taxes:

The Company's federal taxable income is included in the consolidated federal income tax return filed by the Parent. Based on an agreement with its Parent, the Company provides for federal and state income taxes based on a combined tax rate of 50%, except for those isolated transactions which materially affect the Company's effective tax rate, in which case the applicable transactions will be separately tax effected using the appropriate tax rate.

Reclassification:

Certain expenses for 1983 have been reclassified to conform to the 1984 presentation.

NOTE 2 - GAMING OPERATIONS:

The Company owns and operates a casino/hotel complex in Atlantic City, New Jersey. Gaming operations are conducted under a casino license issued by the New Jersey Casino Control Commission. The license must be renewed annually and requires the payment of licensing and inspection fees and taxes on gaming win. On February 26, 1985 the Casino Control Commission renewed the Company's license until February 26, 1986.

NOTE 3 - PROPERTY AND EQUIPMENT:

(In Thousands of Dollars)

	<u>1984</u>	<u>1983</u>
Land		
Land and improvements	\$ 6,990	\$ 6,990
Building and improvements	2,124	3,232
Furniture, machinery and equipment	103,408	102,522
Construction in progress	53,166	45,921
	<u>37</u>	<u>146</u>
	165,725	158,811
<u>Less</u> - Accumulated depreciation	<u>60,123</u>	<u>48,533</u>
	<u>\$105,602</u>	<u>\$110,278</u>

In 1984 and 1983, the Company transferred to affiliates the ownership and related debt of several properties acquired from affiliates in 1982 which were not an integral part of the operations of the Company's casino/hotel complex. The cost of the properties, accumulated depreciation and debt transferred were \$2,897,000, \$635,000 and \$630,000, respectively in 1984 and \$33,822,000, \$1,015,000 and \$2,111,000, respectively in 1983. The net expenses (excluding an involuntary conversion gain of \$862,000 in 1983) of these properties amounted to \$604,000 for 1983.

NOTE 4 - DEBT ISSUANCE COSTS

Underwriter's commissions, legal and accounting fees and other expenses amounting to \$5,340,000 associated with the issuance of 16-5/8% subordinated debentures are being amortized on the bonds outstanding method over the terms of the bonds. Amortization expense charged to operations in 1984 was \$112,000.

NOTE 5 - OTHER ACCRUED EXPENSES:

(In Thousands of Dollars)

	<u>1984</u>	<u>1983</u>
Accrued payroll	\$ 4,302	\$ 3,788
Payroll tax liabilities	1,386	1,444
Progressive slot liability	4,752	3,305
Other	<u>17,208</u>	<u>3,882</u>
	<u>\$ 27,648</u>	<u>\$ 12,419</u>

NOTE 6 - OTHER CURRENT LIABILITIES:

(In Thousands of Dollars)

	<u>1984</u>	<u>1983</u>
Other	<u>3,008</u>	<u>2,922</u>
	<u>\$ 3,008</u>	<u>\$ 2,922</u>

NOTE 7 - LONG-TERM DEBT:

(In Thousands of Dollars)

	<u>1984</u>	<u>1983</u>
16-5/8% subordinated note payable to affiliate, net of \$4,300,000 unamortized discount	\$195,736	
9-1/2% mortgage note	1,638	\$ 2,002
Other mortgages and notes	<u>987</u>	<u>1,738</u>
	198,361	3,740
Less - Current portion	<u>424</u>	<u>484</u>
	<u>\$197,937</u>	<u>\$ 3,256</u>

Interest of the 16-5/8% subordinated note payable to Resorts International Finance, Inc. is payable semi-annually on March 1, and September 1, and principal payments commence in the year 1994 with annual payments of \$15,000,000 through 2003 and final payment of \$50,000,000 in 2004.

The 9-1/2% mortgage note is secured by the underlying operating property which had a net book value of approximately \$6,365,000 at the end of 1984. The mortgage agreement provides for equal quarterly payments of principal plus accrued interest through April 1989.

The other mortgage and notes are payable in various installments through 2003 and bear interest at rates ranging from 9% to 9-1/2%.

Minimum principal payments of long-term debt outstanding as of the end of 1984: 1985 - \$424,000; 1986 - \$430,000; 1987 - \$436,000; 1988 - \$443,000; 1989 - \$268,000.

NOTE 8 - PROMOTIONAL ALLOWANCES AND PROMOTIONAL EXPENSES:

(In Thousands)

Quarter Ended 12/31/84

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u>NUMBER OF RECIPIENTS</u>	<u>AMOUNT</u>	<u>NUMBER OF RECIPIENTS</u>	<u>AMOUNT</u>
<u>1984</u>				
Rooms	35	\$ 2,049		
Food	249	2,173		
Beverage	732	1,464		
Travel				
Coupon redemption:			14	\$ 1,580
Cash				
Food	287	630	304	3,003
Admissions	73	367		
Parking				
Other		135	77	615
				129
Totals	<u>1,376</u>	<u>\$ 6,818</u>	<u>395</u>	<u>\$ 5,327</u>

NOTE 8 - PROMOTIONAL ALLOWANCES AND PROMOTIONAL EXPENSES:

(In Thousands)

Year Ended 12/31/84

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u>NUMBER OF RECIPIENTS</u>	<u>AMOUNT</u>	<u>NUMBER OF RECIPIENTS</u>	<u>AMOUNT</u>
<u>1984</u>				
Rooms	184	\$ 8,272		
Food	1,134	9,659		
Beverage	3,100	6,199		
Travel			60	\$ 6,216
Coupon redemption:				
Cash				
Food	1,005	3,014	1,648	16,482
Admissions	153	2,288		
Parking			347	2,778
Other		654		939
Totals	<u>5,576</u>	<u>\$30,086</u>	<u>2,055</u>	<u>\$26,415</u>

NOTE 9 - THRIFT SAVINGS AND INCENTIVE PLAN:

A defined contribution plan, covering substantially all non-union, full-time employees commenced in 1982. Under this Thrift Savings and Incentive Plan (the "Plan") eligible participating employees may contribute not less than 2% nor more than 6% of their annual cash compensation as a basic contribution and may also elect to contribute up to an additional 4%. The Company contributes an amount equal to 50% of the participant's basic contribution. The Company's contribution under the Plan was approximately \$1,058,000 and \$991,000 at December 31, 1984 and 1983, respectively.

NOTE 10 - DEFERRED INCOME:

The deferred income of \$917,000 and \$990,000 at December 31, 1984 and January 1, 1984, respectively, represents the unamortized portion of a lump-sum payment made by a tenant at the inception, July 1983, of a fifteen year lease. This payment is being amortized and recorded in earnings in equal monthly installments over the life of the lease.

NOTE 11 - RELATED-PARTY TRANSACTIONS:

The Company has incurred charges from affiliates and its Parent as follows:

(In Thousands of Dollars)

<u>AFFILIATED COMPANY</u>	<u>TRANSACTION</u>	<u>AMOUNT</u>	
		<u>1984</u>	<u>1983</u>
Resorts International, Inc.	Management Fee	\$ 2,130	\$ 1,290
Resorts International, Inc.	Real estate taxes	\$ 3,842	\$ 4,659
	Insurance	2,408	1,068
	Property Rental	900	
	Other	1,060	2,155
		<u>8,210</u>	<u>7,882</u>
International Intelligence, Inc.	Security fees	913	926
ANTL, Inc.	Aircraft rentals	5,291	4,591
Resorts of New York, Inc.	Sales office expenses	1,850	2,299
Others	Property rentals	1,215	374
	Other	240	210
		<u>\$17,719</u>	<u>\$16,282</u>

In 1984, the Company entered into an agreement with Resorts International, Inc. of New Jersey (RINJ) to lend up to \$125,000,000 during the period September 30, 1984 up to and including December 31, 1987 (termination date) for various purposes including the construction of a new casino/hotel complex in Atlantic City, New Jersey. RINJ shall pay interest monthly on the net outstanding principal amount at an interest rate per annum equal to the minimum posted rate to prime commercial borrowers of Citibank N.A. in effect on the first day of the then-current calendar quarter. It is the intent that this note will be converted into a term loan at the termination date at terms determined by the parties to be the then prevailing market condition for similar financing arrangements. At December 31, 1984 the note balance is \$2,756,000 and the related interest earned in 1984 is \$50,000.

In 1983, the Company established two Employee Stock Ownership Plans under which 8,253 and 7,930 shares of Resorts International, Inc. Class A Common Stock were awarded to eligible employees of the Company in 1984 and 1983, respectively. Accordingly, the Company recorded \$310,000 and \$274,000 in 1984 and 1983, respectively, as compensation expense, an amount based on the fair market value of shares as of the grant dates.

NOTE 12 - NONOPERATING INCOME(EXPENSE), NET:

(In Thousands of Dollars)

	<u>1984</u>	<u>1983</u>
Interest income	\$6,993	\$ 257
Corporate office expense	( 786)	( 781)
Loss in disposal of fixed assets	( 123)	( 18)
Forfeited deposit	( 376)	
Prior years real estate tax settlement		( 727)
Other	( 102)	35
	<u>\$5,606</u>	<u>(\$1,234)</u>

NOTE 13 - CONTINGENCY:

TRADING NAME OF LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

## SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1984

(UNAUDITED)  
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
1	Undeposited patrons' checks .....	\$ 10,037		
2	Returned patrons' checks .....	4,498		
3	Total patrons' checks .....	14,535	\$ 4,041	\$ 10,494
4	Hotel receivables .....	734	38	696
5	Receivables due from officers and employees	40		
6	Receivables due from affiliates .....	2,212		
7	Other accounts and notes receivables .....	1,669		
8	Total other receivables .....	3,921	37	3,884
9	Totals (Form 305)	\$ 19,190	\$ 4,116	\$ 15,074

### UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning balance (January 1) .....	\$ 13,647
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits) .....	253,829
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) .....	( 202,288 )
13	Checks collected through deposits .....	( 45,147 )
14	Checks transferred to returned checks .....	( 10,004 )
15	Other adjustments .....	
16	Ending balance .....	\$ 10,037
17	"Hold" checks included in balance on line 16 .....	\$
18	Provision for uncollectible patrons' checks .....	\$ 1,216
19	Provision as a % of counter checks issued .....	.5%

TRADING NAME OF LICENSEE RESORTS INTERNATIONAL HOTEL, INC.  
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)  
**CASINO DEPARTMENTAL SCHEDULE**

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) \$	WEIGHTED AVG. NUMBER OF TABLES OR MACHINES (f)
	<b>Revenue</b>				
1	Blackjack .....	\$ 57,142	\$ 334,078	17.1	82
2	Craps .....	46,111	369,338	12.5	21
3	Roulette .....	9,875	37,328	26.5	11
4	Big Six .....	3,321	6,937	47.9	6
5	Baccarat .....	6,610	59,414	11.1	3
6	Other table games .....				
7	Total table games revenue .....	123,059	\$ 807,095	15.2	123
			<b>HANDLE</b>		
8	\$.05 slot machines .....	3,663	\$ 25,842	14.2	92
9	\$.25 slot machines .....	70,356	495,281	14.2	1,113
10	\$1 slot machines .....	49,032	388,704	12.6	353
11	Other slot machines .....	10,105	69,811	14.5	114
12	Progressive jackpot adjustment .....	( 1,462)			
13	Total coin-operated devices revenue .....	131,694	\$ 979,638	13.4	1,672
14	Other income .....				
15	Total revenue .....	254,753			
	<b>Expenses</b>				
16	Payroll and payroll related expenses .....	42,842			
17	Licenses and taxes .....	21,174			
18	Provision for uncollectible patrons' checks ...	1,216			
19	Other .....	43,344			
20	Total .....	108,576			
21	Departmental Income (Loss) Before Complimentary Services And Casino Management Fees.....	146,177			
	Complimentary services and casino management fees:				
22	Complimentary services .....	24,995			
23	Casino management fees .....				
24	Total .....	24,995			
25	Departmental Income (Loss).....	\$ 121,182			

SUBJECT TO CHANGE



# ANNUAL EMPLOYMENT AND PAYROLL REPORT

**LICENSEE** RESORTS INTERNATIONAL HOTEL, INC.  
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

**ADDRESS** North Carolina Avenue & Boardwalk  
Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1984

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.....**

ROBERT S. FIORE

**OFFICIAL TITLE.....**

SENIOR VICE PRESIDENT OF FINANCE

**ADDRESS.....**

North Carolina Avenue & Boardwalk

Atlantic City, NJ 08401

TRADING NAME OF LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

**ANNUAL EMPLOYMENT AND PAYROLL REPORT**FOR THE YEAR ENDED DECEMBER 31, 19 84

(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES		(f) TOTALS
			(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	
	<b>CASINO</b>				
1	Administration .....	18			
2	Gaming .....	996			
3	Slots .....	348			
4	Casino accounting .....	12			
5	Other .....	274			
6	Total-casino .....	1,648	\$ 33,255	\$ 490	\$ 33,745
7	ROOMS .....	238	3,200	50	3,250
8	FOOD AND BEVERAGE .....	1,309	15,113	95	15,208
	<b>OTHER OPERATED DEPARTMENTS</b>				
9					
10	Telephone	14	209		209
11	Service Station	4	103		103
12	Cloak Room	12	110		110
13	Trams	28	405		405
14	Game Room	5	64		64
15	Health Club	14	253		253
16	Other	16	68		68
17					
18					
19					
	<b>ADMINISTRATIVE AND GENERAL</b>				
20	Executive office .....	8	151	277	428
21	Accounting and auditing .....	140	2,990	97	3,087
22	Security .....	217	6,071		6,071
23	Other administrative and general department ..	278	3,770	318	4,088
24	MARKETING .....	90	1,469	155	1,624
25	GUEST ENTERTAINMENT .....	107	1,781	75	1,856
26	PROPERTY OPERATION AND MAINTENANCE .....	126	3,055	53	3,108
27	<b>TOTALS - ALL DEPARTMENTS</b> .....	<b>4,254</b>	<b>\$ 72,067</b>	<b>\$ 1,610</b>	<b>\$ 73,677</b>

SUBJECT TO CHANGE

Trading Name of Licensee RESORTS INTERNATIONAL HOTEL, INC.  
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

ANNUAL TAX RETURN

ANNUAL EMPLOYMENT AND PAYROLL REPORT  
SIGNATURE PAGE

For the Year Ended December 31, 19 84

March 15, 1985  
Date

Paul Shore  
Signature

SR. VICE PRESIDENT OF FINANCE  
Title

# GROSS REVENUE ANNUAL TAX RETURN

RESORTS INTERNATIONAL HOTEL, INC.  
**LICENSEE** (a wholly owned Subsidiary of RESORTS INTERNATIONAL, INC.)

**ADDRESS** North Carolina Avenue & Boardwalk  
Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 19 84

TO THE

**CASINO CONTROL COMMISSION**

OF THE

**STATE OF NEW JERSEY**



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

ROBERT S. FIORE

**OFFICIAL TITLE**

SENIOR VICE PRESIDENT OF FINANCE

**ADDRESS**

North Carolina Avenue & Boardwalk

Atlantic City, NJ 08401

TRADING NAME OF LICENSEE RESORTS INTERNATIONAL HOTEL, INC.  
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

# GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue .....	\$123,059,275	
2	Coin-operated devices revenue .....	133,156,002	
3	Total revenues .....		\$ 256,215,277
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks .....	\$ 1,215,913	
5	Maximum adjustment (4% of line 3) .....	\$ 10,248,611	
6	Adjustment (the lesser of line 4 or line 5) .....		1,215,913
7	Gross revenues (line 3 less line 6) .....		\$ 254,999,364
8	Tax on gross revenues - current year (8% of line 7) .....		\$ 20,399,949
9	Audit or other adjustments to tax on gross revenues in prior years .....		
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 .....	\$ 1,541,188	
12	February .....	1,561,649	
13	March .....	1,729,560	
14	April .....	1,676,566	
15	May .....	1,725,607	
16	June .....	1,497,037	
17	July .....	2,076,447	
18	August .....	2,086,331	
19	September .....	1,978,411	
20	October .....	1,621,904	
21	November .....	1,457,311	
22	December .....	1,447,938	
23	January .....		
24	Total deposits made for tax on current year's gross revenues .....		( 20,399,949 )
	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-

TRADING NAME OF LICENSEE RESORTS INTERNATIONAL HOTEL, INC.  
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

## GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 84

(UNAUDITED)

(\$ IN THOUSANDS)

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STATEMENT OF CONFORMITY AND ACCURACY

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

Robert S. Fiore, 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.

  
Signature

SR. VICE PRESIDENT OF FINANCE  
Title

00613-11  
License Number

Subscribed and sworn to  
before me this \_\_\_\_\_ day  
of \_\_\_\_\_, 19\_\_\_\_.

  
Signature

SHARON J. MILLER  
NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES JUNE 18, 1986

Basis of Authority  
to Take Oaths

On Behalf Of:

RESORTS INTERNATIONAL HOTEL, INC.  
Casino Licensee

STATEMENT OF CONFORMITY AND ACCURACY

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

Robert S. Fiore, being duly sworn according  
Name

to law upon my oath deposes and says:

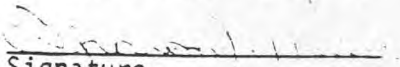
1. I have examined this Gross Revenue Annual Tax Return.
2. All the information contained in this Return has been prepared in conformity with the Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.
3. The information contained in this Return is accurate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

  
Signature

SR. VICE PRESIDENT OF FINANCE  
Title

00613-11  
License Number

Subscribed and sworn to  
before me this 10 day  
of November, 1985.

  
Signature

SHARON J. MILLER  
NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES JUNE 18, 1986

Basis of Authority  
to Take Oaths

On Behalf Of:  
RESORTS INTERNATIONAL HOTEL, INC.  
Casino Licensee

# HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 31, 1984

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
LINE	PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
1	JANUARY	686	16,736	12,564	\$ 84.07	75.1 %	24,856	\$ 42.49
2	FEBRUARY	686	17,243	13,414	\$ 80.07	77.8 %	27,862	\$ 38.55
3	MARCH	686	22,657	19,701	\$ 82.57	87.0 %	38,481	\$ 42.27
4	1st QUARTER TOTALS		56,636	45,679	\$ 82.25	80.7 %	91,199	\$ 41.20
5	APRIL	686	18,604	16,425	\$ 82.88	88.3 %	32,662	\$ 41.68
6	MAY	686	18,978	16,679	\$ 87.98	87.9 %	33,237	\$ 44.15
7	JUNE	686	23,989	21,290	\$ 95.91	88.7 %	43,638	\$ 46.79
8	2nd QUARTER TOTALS		61,571	54,394	\$ 89.54	88.3 %	109,537	\$ 44.47
9	JULY	686	19,208	18,554	\$104.62	96.6 %	38,672	\$ 50.19
10	AUGUST	686	19,208	19,088	\$104.43	99.4 %	39,595	\$ 50.34
11	SEPTEMBER	686	24,010	22,408	\$ 94.42	93.3 %	45,805	\$ 46.19
12	3rd QUARTER TOTALS		62,426	60,050	\$100.75	96.2 %	124,072	\$ 48.76
13	OCTOBER	686	19,208	17,481	\$ 85.13	91.0 %	34,960	\$ 42.57
14	NOVEMBER	686	19,208	16,630	\$ 88.27	86.6 %	32,660	\$ 44.95
15	DECEMBER	686	24,696	17,861	\$ 81.16	72.3 %	35,363	\$ 40.99
16	4th QUARTER TOTALS		63,112	51,972	\$ 84.77	82.3 %	102,983	\$ 42.78
17	ANNUAL TOTALS		243,745	212,095	\$ 89.33	87.0 %	427,791	\$ 44.30

Note: The above statistics are unaudited and are subject to change by the casinos.