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QUARTERLY REPORT

LICENSEE ATLANTIC CITY SHOWBOAT, INC
ADDRESS P.O. BOX 840
ATLANTIC CITY, NEW JERSEY

FOR THE QUARTER ENDED DECEMBER 31, 1993

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NAME OF OFFICER IN CHARGE
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THIS QUARTERLY REPORT ... KATHY CARACCIOLO
OFFICIAL TITLE ..... VICE PRESIDENT FINANCE
ADDRESS ..... P.O. BOX 840
ATLANTIC CITY, NEW JERSEY

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TRADING NAME OF LICENSEE: ATLANTIC CITY SHOWBOAT, INC.

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FOR THE QUARTER ENDED DECEMBER 31, 1993

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TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

BALANCE SHEET

DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 93	(d) 19 92
	ASSETS		
	Current Assets:	$	$
1	Cash	55,354	33,218
2	Marketable securities	–	–
3	Receivables and patrons' checks (net of allowances for doubtful accounts – 19_93_, $ 2,901 ; 19_92_ $ 3,034) NOTE 5..	5,153	4,701
4	Inventories	1,816	1,773
5	Prepaid expenses and other current assets	5,520	4,896
6	Total current assets	67,843	44,588
7	Investments, Advances, And Receivables NOTE 13	6,687	11,037
8	Property And Equipment – Gross	359,602	298,727
9	(Accumulated Depreciation/Amortization)	(105,293)	(91,755)
10	Other Assets	6,595	8,775
11	Total Assets	$ 335,434	$ 271,372
	LIABILITIES AND EQUITY		
	Current Liabilities:	$	$
12	Accounts payable	10,389	6,666
13	Notes payable	–	–
	Current portion of long–term debt:		
14	Due to affiliates	–	–
15	Other	2,283	2,250
16	Income taxes payable and accrued	2,601	2,400
17	Other accrued expenses NOTE 6	12,873	13,243
18	Other current liabilities NOTE 7	5,915	14,321
19	Total current liabilities	34,061	38,880
	Long–Term Debt:		
20	Due to affiliates NOTE 3	215,000	149,444
21	Other	1,928	4,211
22	Deferred Credits	13,387	10,657
23	Other Liabilities	–	–
24	Commitments And Contingencies NOTE 14		
25	Total Liabilities	264,376	203,192
26	Stockholders', Partners', Or Proprietor's Equity	71,058	68,180
27	Total Liabilities And Equity	$ 335,434	$ 271,372

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 93	(d) 19 92
	Revenue:		
1	Casino	$ 273,330	$ 258,605
2	Rooms	13,340	11,802
3	Food and beverage	34,102	30,407
4	Other	5,286	4,857
5	Total revenue	326,058	305,671
6	Less: Promotional allowances	27,291	24,472
7	Net revenues	298,767	281,199
	Costs And Expenses:		
8	Costs of goods and services	174,330	163,255
9	Selling, general, and administrative	58,481	57,984
10	Provision for doubtful accounts	1,340	1,278
11	Total costs and expenses	234,151	222,517
12	Gross Operating Profit	64,616	58,682
13	Depreciation and amortization	18,761	17,475
	Charges from affiliates other than interest:		
14	Management fees	9,924	–
15	Other	–	–
16	Income (Loss) From Operations	35,931	41,207
	Other Income (Expenses):		
17	Interest (expense) – affiliates	(20,205)	(16,999)
18	Interest (expense) – external	(3)	(1,362)
19	Investment alternative tax and related income (expense) – net	(1,122)	(1,068)
20	Nonoperating income (expense) – net	1,149	807
21	Total other income (expenses)	(20,181)	(18,622)
22	Income (Loss) Before Income Taxes And Extraordinary Items	15,750	22,585
23	Provision (credit) for income taxes NOTE 10	6,749	6,116
24	Income (Loss) Before Extraordinary Items	9,001	16,469
25	Extraordinary items (net of income taxes – 19 93, $4,488 ; 19 92, $ ____)	(6,123)	–
26	Net Income (Loss)	$ 2,878	$ 16,469

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 93	(d) 19 92
	Revenue:		
1	Casino	$ 64,237	$ 57,740
2	Rooms	3,204	2,958
3	Food and beverage	7,939	7,149
4	Other	1,154	1,146
5	Total revenue	76,534	68,993
6	Less: Promotional allowances	6,105	6,137
7	Net revenues	70,429	62,856
	Costs And Expenses:		
8	Costs of goods and services	42,204	39,660
9	Selling, general, and administrative	13,420	13,657
10	Provision for doubtful accounts	244	509
11	Total costs and expenses	55,868	53,826
12	Gross Operating Profit	14,561	9,030
13	Depreciation and amortization	5,179	4,034
	Charges from affiliates other than interest:		
14	Management fees	3,747	0
15	Other	0	0
16	Income (Loss) From Operations	5,635	4,996
	Other Income (Expenses):		
17	Interest (expense) – affiliates	(4,972)	(4,250)
18	Interest (expense) – external	(62)	(311)
19	Investment alternative tax and related income (expense) – net	(264)	(238)
20	Nonoperating income (expense) – net	409	(53)
21	Total other income (expenses)	(4,889)	(4,852)
22	Income (Loss) Before Income Taxes And Extraordinary Items	746	144
23	Provision (credit) for income taxes	380	(1,770)
24	Income (Loss) Before Extraordinary Items	366	1,914
25	Extraordinary items (net of income taxes – 19 93, $ _____ ; 19 92, $ _____)	0	0
26	Net Income (Loss)	$ 366	$ 1,914

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c) SHARES	1993 (d) DOLLARS	1992 (e) SHARES	1992 (f) DOLLARS
	Common Stock: 2500 SHARES AUTHORIZED				
1	Beginning balance (January 1)	1,500	$ 76,909	1,500	$ 76,909
2	Sale of stock				
3					
4	Ending balance	1,500	76,909	1,500	76,909
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending balance				
	Additional Paid–in Capital:				
9	Beginning balance (January 1)				
10					
11					
12	Ending balance				
	Treasury Stock:				
13	Beginning balance (January 1)		( )		( )
14	Purchase of additional stock		( )		( )
15	Sale or retirement of stock				
16	Ending balance		( )		( )
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		( )		( )
18					
19					
20	Ending balance		( )		( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		( )		( )
22					
23					
24	Ending balance		( )		( )
	Retained Earnings:				
25	Beginning balance (January 1)		(8,729)		(24,915)
26	Prior period adjustments				
27	Net income (loss)		2,878		16,469
28	Dividends				(283)
29					
30					
31	Ending balance		(5,851)		(8,729)
32	Ending Stockholder's Equity		$ 71,058		$ 68,180

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 93	(d) 19 92
1	Net Cash Provided(Used) By Operating Activities	$ 31,865	$ 30,654
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities		
3	Proceeds from the sale of short-term investment securities		
4	Cash outflows for property and equipment	(56,083)	(18,713)
5	Proceeds from disposition of property and equipment	44	84
6	Purchase of casino reinvestment obligations	(3,289)	(3,160)
7	Purchase of other investments and loans/advances made	(103)	(115)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	0	0
9	Cash outflows to acquire business entities		
10	_____		
11	_____		
12	Net Cash Provided (Used) By Investing Activities	(59,431)	(21,904)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	2,029	
14	Payments to settle short-term debt	(2,029)	
15	Cash proceeds from issuance of long-term debt	215,000	
16	Cost of issuing debt	(5,106)	
17	Payments to settle long-term debt	(151,694)	(3,075)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals		(283)
21	Premium on early retirement of debt	(8,500)	0
22	_____		
23	Net Cash Provided (Used) By Financing Activities	49,700	(3,358)
24	Net Increase (Decrease) In Cash And Cash Equivalents	22,134	5,392
25	Cash And Cash Equivalents At Beginning Of Years	33,218	27,826
26	Cash And Cash Equivalents At End Of Years	$ 55,352	$ 33,218

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 12,212	$ 17,893
28	Income taxes	$ 2,800	$ 4,000

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 93	(d) 19 92
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ 2,878	$ 16,469
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	18,761	17,475
31	Amortization of other assets	431	469
32	Amortization of debt discount or premium		
33	Deferred income taxes – current	(138)	
34	Deferred income taxes – noncurrent	2,730	1,059
35	(Gain) loss on disposition of property and equipment	522	273
36	(Gain) loss on casino reinvestment obligations	1,121	1,068
37	(Gain) loss from other investment activities	32	39
38	Net (increase) decrease in receivables and patrons' checks	(453)	125
39	Net (increase) decrease in inventories	(43)	(48)
40	Net (increase) decrease in other current assets	(486)	(167)
41	Net (increase) decrease in other assets	4,189	1,253
42	Net increase (decrease) in accounts payables	(270)	(266)
43	Net increase (decrease) in other current liabilities excluding debt	(1,981)	1,193
44	Net increase (decrease) in other noncurrent liabilities excluding debt		0
45	Decrease in accr Showboat, Inc management fees, net of tax	(6,594)	(8,288)
46	Extraordinary loss extinguishment of debt	11,166	
47	Net Cash Provided (Used) By Operating Activities	$ 31,865	$ 30,654

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 56,083	$ 18,713
49	Less: Capital lease obligations incurred		
50	Cash Outflows For Property And Equipment	$ 56,083	$ 18,713
	Acquisition Of Business Entries:		
51	Property and equipment acquired	$	$
52	Goodwill acquired		
53	Net assets acquired other than cash, goodwill, and property and equipment		
54	Long–term debt assumed		
55	Issuance of stock or capital invested		
56	Cash Outflows To Acquire Business Entries	$	$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	$	$
58	Less: Issuances to settle long–term debt		
59	Consideration in acquisition of business entities		
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$	$

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1993

(UNAUDITED)
($ IN THOUSANDS)

	ACCOUNTS RECEIVABLE BALANCES			
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE - (e) NET OF ALLOWANCE
	Patrons' Checks:	$		
1	Undeposited patrons' checks	2,982		
2	Returned patrons' checks	3,700		
3	Total patrons' checks	6,682	$ 2,747	$ 3,935
4	Hotel Receivables	816	155	661
	Other Receivables:			
5	Receivables due from officers and employees	0		
6	Receivables due from affiliates	254		
7	Other accounts and notes receivables	303		
8	Total other receivables	557	0	557
9	Totals (Form 205)	$ 8,055	$ 2,901	$ 5,153

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 3,165
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	120,680
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(82,368)
13	Checks collected through deposits	(33,027)
14	Checks transferred to return checks	(5,468)
15	Other adjustments	0
16	Ending Balance	$ 2,982
17	"Hold" Checks Included in Balance On Line 16	$ 0
18	Provision For Uncollectible Patrons' Checks	$ 1,098
19	Provision As A Percent Of Counter Checks Issued	0.9%

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT

PROMOTIONAL EXPENSES AND ALLOWANCES

For The Three Months Ended December 31, 1993
(in Thousands)

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	22	$ 1,737		$
Food	304	2,805		
Beverage	1,398	1,210		
Travel			3	575
Coin			467	6,051
Coupon				
Entertainment	23	337		
Retail & Gifts				
Other	2	16		
Total	1,749	$ 6,105	470	$ 6,626

****

For The Twelve Months Ended December 31, 1993

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	92	$ 7,400		$
Food	1,411	13,022		
Beverage	6,069	4,761		
Travel			16	2,771
Coin			1,736	24,703
Coupon				
Entertainment	174	2,037		
Retail & Gifts				
Other	9	71		
Total	7,755	$ 27,291	1,752	$ 27,474

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey :
: ss
COUNTY OF Atlantic :

Kathy Caracciolo being duly sworn according to law upon my oath deposes and says:

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

K M Caracciolo
Signature

Vice President of Finance
Title

3472-11
License Number

Subscribed and sworn to
before me this 15 day
of March , 1994

Deanna M Peterson
Signature

Notary
Basis of Authority
to Take Oaths

DEANNA M. PETERSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 15, 1998

Atlantic City Showboat, Inc.
Casino Licensee

ATLANTIC CITY SHOWBOAT, INC.

Notes to Financial Statements

December 31, 1993 and 1992

(1) Summary of Significant Accounting Policies

Nature of Operations

Atlantic City Showboat, Inc. (the Company), is a wholly-owned subsidiary of Ocean Showboat, Inc. (OSI), which is a wholly-owned subsidiary of Showboat, Inc. (SBO). OSI was incorporated in 1983 and is a holding company with its principal assets being investments in the Company and Ocean Showboat Finance Corporation (OSFC). OSFC was organized in December 1986 in connection with the sale of $180,000,000 of 11 3/8% Mortgage-Backed Bonds Due 2002 (the Bonds) The Company conducts casino gaming operations and operates full supportive services of hotel, restaurant, bar, bowling, and convention facilities at the Showboat Hotel and Casino in Atlantic City, New Jersey (Atlantic City Showboat).

Casino Revenue and Complimentaries

In accordance with common industry practice, casino revenues are the net of gaming wins less losses.

Complimentaries primarily consist of rooms, food, and beverage furnished gratuitously to customers. The sale values of such services are included in the respective revenue classification and are then deducted as complimentaries. Complimentary rates are periodically reviewed and adjusted by management.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

Fair Value of Certain Financial Instruments

The carrying amount of cash and cash investments, accounts receivable and accounts payable approximates fair value because of the short maturity of these instruments.

(Continued)

(1) Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are carried at cost. Depreciation including amortization of capitalized leases, is computed using the straight-line method. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Estimated useful lives for property and equipment are 5 to 15 years for land improvements, 10 to 40 years for buildings and 2 to 10 years for furniture and equipment.

Interest Costs

Interest is capitalized in connection with the construction of major facilities. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's useful life. For the year ended December 31, 1993, $1,085,000 of interest cost was capitalized. No interest was capitalized in the year ended December 31, 1992.

Income Taxes

In February 1992, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 109,"Accounting for Income Taxes" (FAS 109). Under the asset liability method of FAS 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FAS 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

Effective January 1, 1993, the Company adopted FAS 109 and has reported the cumulative effect of that change in the method of accounting for income taxes in the December 31, 1993 statement of income.(Note 10)

The Company previously used the asset and liability method under Statement of Financial Accounting Standards No. 96 (FAS96). Under the asset and liability method of FAS96, deferred assets and liabilities were recognized for all events that had been recognized in the financial statements. Under FAS96, the future tax consequences of recovering assets or setting liabilities at their financial statement carrying amounts were considered in calculating deferred income taxes. Generally, FAS96 prohibited consideration of any other future events in calculating deferred income taxes.

SBO and its subsidiaries file a consolidated federal income tax return. For tax reporting purposes, SBO has elected to continue its fiscal year ending June 30.

(Continued)

(1) Summary of Significant Accounting Policies (continued)

Post employment and Postretirement Benefits

The Company does not currently provide any postemployment or postretirement benefits.

Amortization of Debt Issuance Costs

Costs associated with the issuance of debt have been deferred and are being amortized over the life of the related indebtedness using a weighted average method based on retirement schedules specified in the debt indentures.

(2) Related Party Transactions

In November 1985, the Company and SBO entered into a Parent Services Agreement whereby SBO agreed to provide the Company with executive, financial, data processing, legal, marketing, tax planning and compliance, and administrative services. SBO's services are intended to support and supplement the routine functions and responsibilities of the Company's staff and are not intended to substitute for the Company's performance or OSI's oversight responsibilities. In addition to the services outlined above, SBO has also granted the Company a nonexclusive right to the use of each of SBO's trademarks, service marks, trade names, and logos in the operations of the Company's business, including the registered trademark "Showboat." In consideration for such services and license, the Company has agreed to pay SBO a fee equal to five percent of gross revenues.

In December 1990, SBO and the Company agreed effective January 1, 1990 to cancel and terminate the Company's obligation to pay management fees to SBO during the period from January 1, 1990 until the fees accrued prior to January 1, 1990 (approximately $24,678,000 net of intercompany tax obligations) are paid in full to SBO and that upon payment in full the obligation to pay fees will recommence for periods beginning after payment of the accrued fees. On March 22, 1991, the New Jersey Casino Control Commission (Commission) ruled that all payments of management fees pursuant to the Parent Services Agreement must receive the prior approval of the Commission. During the six months ended June 30, 1993 and 1992, the Company, with the approval of the Commission, paid to SBO management fees, net of intercompany tax obligations, of $8,108,000 and $4,893,000, respectively. During the quarter ended June 30, 1993 the Company paid the accrued fees in full and recommenced accruing management fees. At December 31, 1993, the Company owed $1,514,000 in accrued fees, net of income taxes, to SBO for SBO's services rendered to the Company in accordance with the Parent Services Agreement.

(3), Long Term Debt, Due to Affiliates

As of December 31, 1993 and 1992 long-term debt, due to affiliates consisted of the following (dollars in thousands):

	1993	1992
9 1/4% Promissory Note - Due 2008 (a)	$ 215,000	0
11 3/8% Mortgage-Backed Bonds - Due 2002 (b)	0	149,444
	$ 215,000	149,444

(a) On May 18, 1993 SBO issued $275,000,000 of 9 1/4% First Mortgage Bonds due 2008 (9 1/4% Bonds). The proceeds from the sale of the 9 1/4% Bonds were $268,469,000 net of underwriting discounts and commissions and expenses. Approximately $215,000,000 of the proceeds of the offering were loaned by SBO to the Company which loan is evidenced by an intercompany note with terms and conditions consistent with those of the 9 1/4% Bonds. Approximately $162,289,000 of these proceeds were used to redeem all of the outstanding 11 3/8% Bonds at 105.7% of the principle amount plus accrued interest (Note 15). The remaining proceeds will be used for the Company's operation and expansion of existing facilities.

The 9 1/4% Bonds are unconditionally guaranteed by the SBO, OSI and Showboat Operating Company, a wholly owned subsidiary of SBO. Interest on the 9 1/4% Bonds will be payable semi-annually on May 1 and November 1 of each year commencing November 1, 1993. The 9 1/4% Bonds will not be redeemable prior to May 1, 1998. Thereafter, the 9 1/4% Bonds will be redeemable at any time at the option of the SBO, in whole or in part, at redemption prices specified in the Indenture for the 9 1/4% Bonds (Indenture). The 9 1/4% Bonds will be senior secured obligations of SBO and will rank senior in right of payment to all existing and future subordinated indebtedness of OSI and pari passu with OSI's senior indebtedness. The 9 1/4% Bonds will be secured by a deed of trust representing a first lien on the Las Vegas hotel casino (other than certain assets), by a pledge of all outstanding shares of capital stock of OSI and an intercompany note by the Company in favor of SBO and a pledge of certain intellectual property rights of SBO. OSI's obligation under its guaranty will be secured by a pledge of all outstanding shares of capital stock of the Company. The Company's obligations under its guaranty will be secured by a leasehold deed of trust representing a first lien on the Company's hotel casino (other than certain assets). Showboat Operating Company's guaranty will be secured by a pledge of certain of its assets related to a Las Vegas hotel casino.

The Indenture contains covenants, including, but not limited to, covenants with respect to the following matters: (i) limitations on restricted payments; (ii) limitations on the incurrence of additional indebtedness; (iii) limitations on liens; (iv) limitations on dividend and other payment restrictions affecting subsidiaries; (v) limitations on merger, consolidations, or sale of assets; (vi) requirements for additional subsidiary guaranties; (vii) limitations on transactions with affiliates; (viii) redemption of the Bonds; (ix) limitations on business activities; (x) maintenance of insurance; (xi) limitations on payments to holders of the 9 1/4% Bonds for consent; and (xii) requirements for SEC reports and financial reports.

(Continued)

(3), Long Term Debt, Due to Affiliates (continued)

(b) On March 18, 1987, OSFC issued $180,000,000 of Bonds, with interest payable semi-annually at the annual rate of 11 3/8%. The proceeds and related issuance costs of the Bonds were subsequently transferred to the Company in exchange for a promissory note containing the same terms and conditions to which OSFC is subject. Interest was payable semi-annually on March 15 and September 15 of each year. In accordance with the provisions of the Indenture for the 11 3/8% Bonds, the 11 3/8% Bonds were redeemed on June 18, 1993 at 105.7% of par plus accrued interest.

Maturities of the Company's long-term debt, due to affiliates, are as follows (dollars in thousands) :

Year ended December 31:	
1994	$ 0
1995	0
1996	0
1997	0
1998	0
Thereafter	215,000
	$ 215,000

(4), Long Term Debt, Other

As of December 31, 1993 and 1992 long-term debt, other consisted of the following: (dollars in thousands):

	1993	1992
Capitalized lease obligations	$ 4,211	6,461
Less current maturities	2,283	2,250
	$ 1,928	4,211

Maturities of the Company's long term-debt, other are as follows: (dollars in thousands)

Year ended December 31:	
1994	$ 2,283
1995	0
1996	0
1997	0
1998	0
Thereafter	1,928
	$ 4,211

The carrying amount of capital leases approximates fair value at December 31, 1993.

At December 31, 1993, the Company had available an unsecured line of credit for general working capital purposes totaling $15,000,000. Interest is payable monthly at the bank's prime rate plus.5%. The line of credit is guaranteed by OSI and expires in August 1994. Borrowings on this line of credit may not be used for the payment of management fees or to fund ventures in other jurisdictions. As of December 31, 1993, no funds have been drawn on this line of credit.

(5) Receivables and Patrons' Checks

As of December 31, 1993 and 1992, receivables consisted of the following (dollars in thousands):

	1993	1992
Casino	$ 6,682	6,830
Hotel	816	553
Other	557	352
	8,055	7,735
Less allowance for doubtful accounts	2,901	3,034
Receivables, net	$ 5,153	4,701

(6) Other Accrued Expenses

As of December 31, 1993 and 1992, other accrued expenses consisted of the following (dollars in thousands) :

	1993	1992
Salaries and wages	$ 6,379	5,591
Taxes, other than taxes on income	1,373	1,141
Medical and liability claims	1,998	2,184
Progressive slot liability	39	884
Accrued advertising and promotion	1,542	2,403
Enforcement/annual license	409	473
Other	1,133	567
	$ 12,873	13,243

(7) Other Current Liabilities

As of December 31, 1993 and 1992, other current liabilities consisted of the following (dollars in thousands) :

	1993	1992
Due to affiliates - interest	$ 3,315	4,958
Due to affiliates - mgmnt. fees	1,514	8,108
Outstanding chip liability	854	957
Other	232	298
	$ 5,915	14,321

(8) **Leases**

The Company leases certain furniture and equipment and a warehouse under long-term lease agreements. The leases covering furniture and equipment, which expire in 1994, and a warehouse, which expires in 2001, are classified as capital leases. The Company has the option to purchase the warehouse from January 1, 1996 through March 31, 2001 at an option price of approximately $1,928,000.

Property and equipment included the following leased property under capital leases by major classes at December 31, 1993 and 1992 (dollars in thousands) :

	1993	1992
Building - warehouse	$ 2,050	2,050
Furniture and equipment	17,332	18,112
	19,382	20,162
Less accumulated amortization	18,344	18,869
	$ 1,038	1,293

The Company is leasing 10 1/2 acres of Boardwalk property in Atlantic City, New Jersey for a term of 99 years commencing October 1983. Annual rent payments, which are payable monthly, commenced upon opening of the Atlantic City Showboat. The rent will be adjusted annually based upon increases or decreases in the Consumer Price Index, not to exceed 10% per year during the second through the sixth lease years. In April 1993, the annual rent increased $243,000 to $8,118,000. Under the lease, the Company is responsible for taxes, assessments, insurance and utilities.

The following is a schedule of future minimum lease payments for capital leases and operating leases (with initial or remaining terms in excess of one year) as of December 31, 1993:

	Capital Leases	Operating Leases
Year ending December 31,		
1994	$ 2,643	8,301
1995	253	8,544
1996	-	8,788
1997	-	9,031
1998	-	9,275
Thereafter	1,928	797,132
Total minimum lease payments	4,824	$ 841,071
Less amount representing interest (10.4%)	613	
Present value of net minimum lease payments	$ 4,211	

Rent expense for all operating leases (except those with terms of a month or less that were not renewed) was $8,390,000 and $8,143,000 for the years ended December 31, 1993 and 1992 respectively.

(9) STOCK PLANS

On May 17, 1990, the shareholders of SBO approved a long-term incentive plan in which officers and key employees of the Company participate. Up to 600,000 shares of SBO common stock may be awarded to plan participants as either restricted shares or stock options. Restricted shares and options vest over a five-year period. The options are exercisable, subject to vesting, over ten years at option prices determined by the Compensation Committee and subject to the approval of the Board of Directors provided that the option price is not less than 100% of the fair market value of SBO's common stock determined on the date of grant of the options. As of December 31, 1993, 127,900 restricted shares have been issued from treasury.

A summary of certain stock option information is as follows:

	1993	1992
Options outstanding at January 1,	220,530	225,970
Granted	-	0
Exercised	(4,420)	(5,440)
Forfeited	-	-
Options outstanding at December 31,	216,110	220,530
Option price at December 31,	$7.625	$7.625
Options exercisable at December 31,	-	48,830

Unearned compensation representing restricted stock issued for future services was recorded on the date of grant at the market value of SBO's common stock of $7.625 and is being amortized ratably from the date of grant over the five-year vesting period as it is earned. Compensation expense of $149,000 and $163,000 was recognized for the years ended December 31, 1993 and 1992, respectively. Unearned compensation at December 31, 1993 and 1992 is $44,000 and $129,000, respectively, and is included on the balance sheets in Other Assets.

(10) INCOME TAXES

As discussed in Note 1, the Company adopted the provisions of FAS 109 as of January 1, 1993. The cumulative effect of this change in accounting for income taxes of $556,000 was determined as of January 1, 1993 (Note 15). Prior period financial statements have not been restated to apply the provisions of FAS 109.

For the year ended, December 31, 1993 income tax expense was allocated as follows (dollars in thousands):

Continuing operations	$ 6,749
Extraordinary item	(4,487)
	$ 2,262

For the years ended, December 31, 1993 and 1992 Income tax expense from continuing operations consisted of the following (dollars in thousands):

	Years ended 1993	1992
Federal:		
Current	$ 2,788	5,057
Deferred	2,389	1,059
	5,177	6,116
State and local:		
Current	1,151	-
Deferred	421	-
	1,572	0
Total		
Current	3,939	5,057
Deferred	2,810	1,059
	$ 6,749	6,116

In 1992, income tax expense of $6,116,000 represents income tax expense from continuing operations before extraordinary items. In 1993, as a result of an extraordinary loss of $11,166,000 (Note 15), the Company recognized an income tax benefit of $4,487,000 resulting in total income tax expense of $2,262,000.

Income tax expense for the years ended December 31, reflects an estimate of the effective annual tax rate applicable to the filing periods ending June 30 of the following year.

(Continued)

(10) **INCOME TAXES (continued)**

Total income tax expense differed from the amounts computed by applying the federal income tax rate of 35% for the year ended December 31, 1993, and 34% for the year ended December 31, 1992 to pretax income from continuing operations as a result of the following (dollars in thousands):

	Years Ended 1993	1992
Computed "expected" tax expense	$ 5,513	7,678
Increase (reduction) in income taxes resulting from:		
Change in the beginning of the year balance of the valuation allowance for deferred tax assets allocated to income tax expense.	159	(1,140)
Adjustment to deferred tax assets and liabilities for enacted changes in tax rates	284	-
State and local income taxes, net of federal tax benefit	977	-
Impact of settlement Internal Revenue Service examination	-	(508)
Impact of graduated tax rates	(59)	-
Other, net	(125)	86
Income tax expense	$ 6,749	6,116

For the year ended December 31, 1992 deferred income tax expense results from temporary differences in the recognition of income and expense for tax and financial reporting purposes. The sources and effect of these temporary differences are as follows (dollars in thousands):

	1992
Depreciation and amortization	$ 1,153
Utilization of credit carryforwards, net	1,500
Provision for loss on Casino Reinvestment Development Authority obligation	(1,496)
Allowance for doubtful accounts	305
Preopening costs	369
Accrued vacations	(191)
Impact of settlement of Internal Revenue Service examination	(539)
Other, net	(42)
	$ 1,059

(Continued)

(10) **INCOME TAXES (continued)**

The significant components of deferred income tax expense attributable to income from continuing operations for the year ended December 31, 1993 are as follows (dollars in thousands):

Deferred tax expense (exclusive of other components listed below)	$ 2,367
Adjustment to deferred tax assets and liabilities for enacted changes in tax rates	284
Change in beginning of the year balance of the valuation allowance for deferred tax assets	159
	$ 2,810

Temporary differences between the financial statement carrying amounts and tax bases of assets and liabilities that give rise to significant portions of the net deferred tax liability relate to the following (dollars in thousands):

	1993
Deferred tax assets:	
Casino Reinvestment Development Authority obligation	$ (1,566)
Accrued vacations	(1,263)
Allowance for doubtful accounts	(1,192)
Other	(1,950)
Total gross deferred tax assets	(5,971)
Less valuation allowance	528
Net deferred tax assets	(5,443)
Deferred tax liabilities:	
Depreciation and amortization	15,664
Total gross deferred tax liabilities	15,664
Net deferred tax liability	$ 10,221

For State of New Jersey income tax purposes, the Company has available $4,486,000 and $1,144,000 of net operating loss carry forwards, respectively, which expire through 1997.

(11) Non-Operating Income (Expense)

For the years ended December 31, 1993 and 1992, non-operating income (expense) consisted of the following (dollars in thousands):

	1993	1992
Interest income	$ 1,671	1,080
Loss on disposal of property and equipment	(522)	(273)
	$ 1,149	807

(12) EMPLOYEE BENEFIT PLANS

The Company maintains a retirement and savings plan for eligible employees not covered by a collective bargaining agreement. Under the terms of the plan, eligible employees may defer up to 3% of their compensation, as defined, of which 100% of the deferral is matched by the Company. Eligible employees may contribute an additional 12% of their compensation which will not be matched by the Company. Amounts contributed by the Company vest over a five-year period. The Company contributed $1,330,000 and $1,110,000 to this plan for the years ended December 31, 1993 and 1992, respectively.

The Company's union employees are covered by union-sponsored, collectively-bargained, multi-employer pension plans. Contributions are determined in accordance with the provisions of negotiated labor contracts and generally are based on the number of man-hours worked. Contributions to the plans were $374,000 and $322,000 during the years ended December 31, 1993 and 1992, respectively .

In April 1992, the Board of Directors of the Company adopted the Showboat, Inc. 1992 Employee Stock Option Plan (Plan) for all full-time and part-time employees. SBO reserved an aggregate of 1,000,000 shares of Showboat, Inc. common stock for issuance under the Plan. The exercise price of an option awarded under the Plan cannot be less than the fair market value of SBO common stock on the date of grant. The number of options granted to an employee is based on the employee's years of service with the Company. Options, all of which expire ten years from the date of grant, are subject to vesting and continued affiliation with the Company.

A summary of certain stock option information is as follows:

	1993	1992
Options outstanding at January 1,	328,950	0
Granted	90,550	328,950
Exercised	(94,570)	0
Forfeited	(3,350)	0
Options outstanding at December 31,	321,580	328,950

(13) NEW JERSEY INVESTMENT OBLIGATION

The New Jersey Casino Control Act (the Act) provides, among other things, for an assessment on a gaming license based upon its gross casino revenues after completion of its first full year of operation. This assessment may be satisfied by investing in qualified direct investments, purchasing bonds issued by the Casino Reinvestment Development Authority (CRDA), or paying an "alternative tax". In order for direct investments to be eligible, they must be approved by the CRDA.

Deposits with the CRDA bear interest at two-thirds of market rates resulting in a current value lower than cost. At December 31, 1993 and 1992, Investments, Advances and Receivables include $5,009,000 and $9,431,000, respectively, representing the Company's deposits with the CRDA of $7,488,000 at December 31, 1993 and $14,121,000 at December 31, 1992 net of a valuation allowance of $2,479,000 and $4,690,000, respectively. The carrying value of these deposits, net of valuation allowance approximates fair value.

The CRDA as an agency of the City of Atlantic City is responsible for the redevelopment of the area surrounding the Boardwalk. The Company has requested and the CRDA has approved that $8.0 million of the Company's deposits with the CRDA will be used for the expansion of a City street leading to the Company. Construction commenced in the fourth quarter of 1993 and is expected to be completed in 1994. The Company has reclassified the CRDA deposits, net of the valuation allowance, associated with the construction of the City street totaling $6,667,000 to construction in progress. When construction is complete, these costs will be amortized over seven years. The CRDA has set aside these deposits in a restricted account and the Company no longer receives the benefit of investment income from these funds.

The Company has applied for and received approval for approximately $8.8 million in funding credits from the CRDA in connection with the construction of the Company's additional hotel rooms. Pending the execution of a Credit Agreement with the CRDA, which states the terms and conditions by which SBO may receive funding credit, SBO may begin applying for and receiving funds from the CRDA as expenditures are made for the construction of the hotel rooms to the extent the Company has available funds on deposit with the CRDA. SBO has approximately $2.5 million in available deposits with the CRDA which they may apply for upon execution of the Credit Agreement, with the balance being applied to portions of future CRDA deposits.

(14) COMMITMENTS AND CONTINGENCIES

In 1993, the Company entered into construction contracts which commit the Company to approximately $39,000,000 in expenditures in 1994.

The Company is involved in various claims and legal actions arising in the ordinary course of business. Additionally, the Company is presently undergoing an audit by the Internal Revenue Service for the tax years ending June 30, 1989 and 1990. The State of New Jersey is currently auditing the Company's state income tax returns for the tax years ended June 30, 1986 through 1992. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position.

(15) EXTRAORDINARY GAIN

As discussed in Note 1, the Company adopted the provisions of FAS 109 as of January 1, 1993. The cumulative effect of this change in accounting for income taxes of $556,000 was determined as of January 1, 1993 and is reported as an extraordinary gain in the statement of income for the year ended December 31, 1993.

On June 18, 1993, the Company repaid the 11 3/8% Note with OSFC in full at 105.7% of the principle amount plus accrued and unpaid interest up to and including the repayment date. The Company recognized an extraordinary loss before any income tax benefit of $11,166,000 as a result of the write-off of unamortized debt issuance costs of $2,666,000 and repayment of a 5.7% redemption premium of $8,500,000. The loss after tax was $6,679,000.

(16) STATEMENT OF CASH FLOW SUPPLEMENTAL INFORMATION

1. Disposal of fixed assets:

Property Gross	(5,790)
Accumulated Depreciation	5,224
Proceeds	44
Loss on disposals	522

2. Increase in fixed asset acquisition included in accounts payable (3,915)

3. Increase in CRDA obligation included in accounts payable (78)

4. Decrease in accrued mgmt fees, net of tax, included in Other Current Liabilities (6,594)

5. (Decrease) in Current Deferred income taxes included in Other Current Assets (138)

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993
($ IN THOUSANDS)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES (d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	(f) TOTALS
	CASINO				
1	Administration	24			
2	Gaming	820			
3	Slots	169			
4	Casino accounting	369			
5	Other	156	$	$	$
6	Total–casino	1,538	32,793	715	33,508
7	ROOMS	261	4,282	159	4,441
8	FOOD AND BEVERAGE	941	15,280	103	15,383
	OTHER OPERATED DEPARTMENTS				
9	BOWLING	14	318		318
10	PBX	20	360		360
11					
12					
13					
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	12	3,636	721	4,357
21	Accounting and auditing	109	2,633	166	2,799
22	Security	254	5,927	82	6,009
23	Other administrative and general department	124	4,136	476	4,612
24	MARKETING	40	1,083	192	1,275
25	GUEST ENTERTAINMENT	92	1,086		1,086
26	PROPERTY OPERATION AND MAINTENANCE	266	7,187		7,187
27	TOTALS – ALL DEPARTMENTS	3,671	$ 78,721	$ 2,614	$ 81,335

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	$ 69,830	
2	Coin-operated devices revenue	200,378	
3	Total revenues		$ 270,208
	Less – adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	$ 1,098	
5	Maximum adjustment (4% of line 3)	$ 10,808	
6	Adjustment (the lesser of line 4 or line 5)		1,098
7	Gross revenues (line 3 less line 6)		$ 269,110
8	Tax on gross revenues – current year (8% of line 7)		$ 21,529
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)		21,529
	Deposits made for tax on current year's gross revenues:		
11	January	$ 1,172	
12	February	1,548	
13	March	1,706	
14	April	1,602	
15	May	1,531	
16	June	2,077	
17	July	1,972	
18	August	2,575	
19	September	1,866	
20	October	1,694	
21	November	2,085	
22	December	1,250	
23	January	451	
24	Total deposits made for tax on current year's gross revenues		(21,529)
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)		$ NONE

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

LIST OF FORMS – ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31,1993

TITLE	FORM NO.
Balance Sheets	CCC–205
Statements of Income (Year–to–Date)	CCC–210
Statements of Income (Three Months)	CCC–215
Statements of Changes in Stockholders' Equity	CCC–220
Statements of Changes in Partners' or Proprietor's Equity	CCC–225
Statements of Cash Flows	CCC–235
Schedule of Receivables and Patrons' Checks	CCC–240
Promotional Expenses and Allowances	CCC–245
Statement of Conformity and Accuracy	CCC–250
Annual Employment and Payroll Report	CCC–376, 377
Gross Revenue Annual Tax Return	CCC–381, 382
Notes to Financial Statements	

New Jersey State Library

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

BALANCE SHEETS

DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c)	1992
	ASSETS		
	Current Assets:		
1	Cash	$ 12,289	$ 12,263
2	Marketable securities	---	---
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1993 $1,265; 1992 $1,800)	5,988	3,902
4	Inventories	1,834	1,972
5	Prepaid expenses and other current assets NOTE 2.	7,143	8,754
6	Total current assets	27,254	26,891
7	Investments, Advances, and Receivables NOTE 9	35,749	34,444
8	Property and Equipment – Gross NOTE 3.	750,880	741,767
9	(Accumulated Depreciation/Amortization) NOTE 3.	(284,177)	(262,276)
10	Other Assets	8,970	14,577
11	Total Assets	$ 538,676	$ 555,403
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	$ 9,076	$ 7,382
13	Notes payable	---	---
	Current portion of long–term debt:		
14	Due to affiliates NOTE 1.	---	16,000
15	Other	44	1,038
16	Income taxes payable and accrued NOTE 1.	5,797	3,936
17	Other accrued expenses NOTE 10	38,454	37,875
18	Other current liabilities	2,540	2,555
19	Total current liabilities	55,911	68,786
	Long Term Debt:		
20	Due to affiliates NOTE 4.	350,000	350,000
21	Other NOTE 4.	4,727	5,778
22	Deferred Credits NOTE 5.	31,760	15,571
23	Other Liabilities NOTE 6.	10,160	23,500
24	Commitments And Contingencies		
25	Total Liabilities	452,558	463,635
26	Stockholders', Partners', or Proprietors' Equity	86,118	91,768
27	Total Liabilities and Equity	$ 538,676	$ 555,403

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

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (A)	DESCRIPTION (b)	1993 (c)	1992 (d)
	REVENUE:		
1	Casino	$ 297,688	$ 277,99
2	Rooms	37,185	40,17
3	Food and Beverage	40,280	39,45
4	Other	7,715	7,66
5	Total Revenue	382,868	365,29
6	Less: Promotional allowances	(31,780)	(36,80
7	Net Revenue	351,088	328,48
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	180,557	174,63
9	Selling, General, and Administrative	52,988	59,99
10	Provision for Doubtful Accounts	421	88
11	Total cost and expenses	233,966	235,51
12	Gross Operating Profit	117,122	92,97
13	Depreciation and amortization	28,262	29,03
	Charges from affiliates other than interest:		
14	Management fees	---	---
15	Other NOTE 1.	4,141	3,66
16	Income (Loss) from Operations	84,719	60,27
	Other Income (Expenses):		
17	Interest (expense) – affiliates NOTE 7.	(41,506)	(41,50
18	Interest (expense) – external NOTE 7.	(1,700)	(4,69
19	Investment alternative tax and related income (expense) – net NOTE 11.	(2,084)	(1,49
20	Nonoperating income (expense) – net NOTE 12	1,489	2,20
21	Total other income (expenses)	(43,801)	(45,48
22	Income (Loss) Before Income Taxes and Extraordinary Items	40,918	14,79
23	Provision (credit) for income taxes NOTE 8.	18,491	6,85
24	Income (Loss) Before Extraordinary Items	22,427	7,94
25	Extraordinary items (net of income taxes – 19___, : 19___)		
	Cumulative effect on prior years of change in accounting for income taxes NOTE 1	(11,377)	---
26	Net Income (Loss)	$ 11,050	$ 7,94

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	1993 (C)	1992 (D)
	REVENUE:		
1	Casino	$ 71,737	$ 65,401
2	Rooms	8,957	9,557
3	Food and Beverage	10,209	9,362
4	Other	2,130	1,598
5	Total Revenue	93,033	85,918
6	Less: Promotional allowances	(7,851)	(8,600)
7	Net Revenue	85,182	77,318
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	45,773	43,223
9	Selling, General, and Administrative	16,511	13,749
10	Provision for Doubtful Accounts	511	326
11	Total cost and expenses	62,795	57,298
12	Gross Operating Profit	22,387	20,020
13	Depreciation and amortization	7,074	7,073
	Charges from affiliates other than interest:		
14	Management fees	---	---
15	Other NOTE 1.	1,117	808
16	Income (Loss) from Operations	14,196	12,139
	Other Income (Expenses):		
17	Interest (expense) – affiliates NOTE 7.	(10,365)	(10,385)
18	Interest (expense) – external NOTE 7.	(234)	(919)
19	Investment alternative tax and related income (expense) – net NOTE 11	(601)	(472)
20	Nonoperating income (expense) – net NOTE 12	439	216
21	Total other income (expenses)	(10,761)	(11,560)
22	Income (Loss) Before Income Taxes and Extraordinary Items	3,435	579
23	Provision (credit) for income taxes NOTE 8.	2,391	(84
24	Income (Loss) Before Extraordinary Items	1,044	663
25	Extraordinary items (net of income taxes – 19___.: 19___) Cumulative effect on prior years of change in accounting for income taxes NOTE 1.	---	---
26	Net Income (Loss)	$ 1,044	$ 663

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (A)	DESCRIPTION (b)	1993 SHARES (c)	1993 DOLLARS (d)	1992 SHARES (e)	1992 DOLLARS (f)
	Common Stock:				
1	Beginning balance (January 1)	100	$ 1	100	$ 1
2	Sale of stock				
3					
4	Ending balance	100	1	100	1
	Preferred Stock:				
5	Beginning balance (January 1)	---	---	---	---
6	Sale of stock				
7	_____				
8	Ending balance	---	---	---	---
	Additional Paid–in Capital:				
9	Beginning balance (January 1)		91,767		128,638
10	Capital Withdrawal (Dividend)		(5,650)		
11	1992 Receivable due from BMC declared as Dividend				(36,871)
12	Ending balance		86,117		91,767
	Treasury Stock:				
13	Beginning balance (January 1)	---	---	---	---
14	Purchase of additional stock				
15	Sale or retirement of stock				
16	Ending balance	---	---	---	---
	Other:				
17	Beginning balance (January 1)	---	---	---	---
18	_____	---	---	---	---
19	_____	---	---	---	---
20	Ending balance	---	---	---	---
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		---		---
22	_____				
23	_____				
24	Ending balance		---		---
	Retained Earnings:				
25	Beginning balance (January 1)		---		5,189
26	Prior period adjustments				
27	Net income (loss)		11,050		7,940
28	Dividends		(11,050)		
29	1992 Receivable due from BMC declared as Dividend				(13,129)
30					
31	Ending balance		0		0
32	*Ending Stockholders' Equity*		$ 86,118		$ 91,768

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	1993 (c)	1992 (d)
	Invested Capital:		
1	Beginning Balance (January 1)	$	$
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning Balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning Balance (January 1)	( )	( )
11	Additional capital withdrawals	( )	( )
12	_____		
13	Ending balance	( )	( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance (January 1)	( )	( )
15	_____		
16	_____		
17	Ending balance	( )	( )
	Ending Partners' Or		
18	Proprietor's Equity	$	$

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

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	Description (b)	1993 (c)	1992 (d)
1	Net Cash Provided (Used) By Operating Activities	$ 51,923	$ 36,192
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	---	---
3	Proceeds from the sale of short-term investment securities	---	---
4	Purchase outflows for property and equipment	(14,434)	(10,268)
5	Proceeds from disposition of property and equipment	---	---
6	Purchase of casino reinvestment obligations	(3,462)	(3,314)
7	Purchase of other investments and loans/advances made	---	(2,240)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	73	99
9	Cash outflows to acquire business entities	---	---
10	Payment to affiliate for CRDA credits	---	(869)
11	Net book value of disposals	672	502
12	Net Cash Provided (Used) By Investing Activities	(17,151)	(16,090)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	---	---
14	Payments to settle short-term debt	---	---
15	Cash proceeds from issuance of long-term debt	74,000	93,000
16	Costs of issuing debt	---	---
17	Payments to settle long-term debt	(76,046)	(115,045)
18	Cash proceeds from issuing stock or capital contributions	---	---
19	Purchases of treasury stock	---	---
20	Payments of dividends or capital withdrawals	(16,700)	---
21	Advance (to) from Bally and affiliates	(16,000)	1,700
22	_____	---	---
23	Net Cash Provided (Used) By Financing Activities	(34,746)	(20,345)
24	Net Increase (Decrease) In Cash And Cash Equivalents	26	(243)
25	Cash And Cash Equivalents At Beginning Of Period	12,263	12,506
26	Cash And Cash Equivalents At End Of Period	$ 12,289	$ 12,263

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 43,278	44,973
28	Income taxes	$ 10,367	3,794

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes. CCC-235

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	Description (b)	1993 (c)	1992 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ 11,050	7,940
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	26,550	26,431
31	Amortization of other assets	1,712	1,811
32	Amortization of debt discount or premium	---	---
33	Deferred income taxes – current	(538)	(1,754)
34	Deferred income taxes – noncurrent	6,015	2,792
35	(Gain) loss on disposition of property and equipment	---	---
36	(Gain) loss on casino reinvestment obligations	2,084	1,438
37	(Gain) loss from other investment activities	---	302
38	Net (increase) decrease in receivables and patrons' checks	(2,086)	687
39	Net (increase) decrease in inventories	138	151
40	Net (increase) decrease in other current assets	161	40
41	Net (increase) decrease in other assets	3,895	(1,193)
42	Net increase (decrease) in accounts payables	1,694	(2,932)
43	Net increase (decrease) in other current liabilities excluding debt	3,211	(2,882)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(13,340)	2,571
45	Cumulative effect of change in accounting for income taxes	11,377	---
46	Amortization of CRDA credits	---	790
47	Net Cash Provided (Used) By Operating Activities	$ 51,923	$ 36,192

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 14,434	10,268
49	Less: Capital lease obligations incurred	---	---
50	Cash Outflows For Property And Equipment	$ 14,434	$ 10,268
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$ ---	$ ---
52	Goodwill acquired	---	---
53	Net assets acquired other than cash, goodwill, and property and equipment	---	---
54	Long–term debt assumed	---	---
55	Issuance of stock or capital invested	---	---
56	Cash Outflows To Acquire Business Entities	$ ---	$ ---
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	$ ---	$ ---
58	Less: Issuances to settle long–term debt	---	---
59	Consideration in acquisition of business entities	---	---
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$ ---	$ ---

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1993

(UNAUDITED)

($ IN THOUSANDS)

		ACCOUNTS RECEIVABLE BALANCES		
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE - (e) NET OF ALLOWANCES
	Patrons' Checks:			
1	Undeposited patrons' checks	$ 2,716		
2	Returned patrons' checks	778		
3	Total patrons' checks	3,494	$ (1,065)	$ 2,429
4	Hotel Receivables	1,735	(200)	1,535
	Other Receivables:			
5	Receivables due from officers and employees	12		
6	Receivables due to affiliates	522		
7	Other accounts and notes receivables	1,490		
8	Total other receivables	2,024	---	2,024
9	Totals (Form 205)	$ 7,253	$ (1,265)	$ 5,988

		UNDEPOSITED PATRONS' CHECKS ACTIVITY
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 1,701
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	76,082
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)	(60,459)
13	Checks collected through deposits	(12,070)
14	Checks transferred to returned checks	(2,538)
15	Other adjustments	---
16	Ending Balance	$ 2,716
17	"Hold" Checks Included In Balance On Line 16	$ 0
18	Provision For Uncollectible Patrons' Checks	$ 512
19	Provision As A Percent Of Counter Checks Issued	0.8%

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

PROMOTIONAL EXPENSES AND ALLOWANCES

($ in Thousands)

For the twelve months ended December 31, 1993

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	124,428	$ 12,165		$
Food	1,146,546	12,692		
Beverage	3,297,343	6,595		
Travel			68,670	1,373
Coin				
Coupon			1,425,685	16,923
Entertainment	10,903	185		
Retail & Gifts				
Other	4,751	143	13,557	678
Total	4,583,971	$ 31,780	1,507,912	$ 18,974

* * * *

STATEMENT OF CONFORMITY AND ACCURACY

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

Vicki Lynn Guveiyian, being duly sworn according to law upon my oath
Name

deposes and says:

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

Signature

Assistant Vice President / Controller
Title

#000558-11
License Number

Subscribed and sworn to
before me this 14th day
of March 15, 1994

Barbara J Shields
Signature

BARBARA SHIELDS
Notary Public of New Jersey
My Commission Expires March 2, 1996

Basis of Authority
to Take Oaths

On Behalf Of:

Bally's Park Place, Inc. NJ
Casino Licensee

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 1 - Summary of Significant Accounting Policies
December 31, 1993
Unaudited

Basis of presentation

The accompanying financial statements include the accounts of Bally's Park Place, Inc., a New Jersey corporation, (the "Company"). The Company was a direct wholly owned subsidiary of Bally Manufacturing Corporation ("BMC") until June 16, 1993, when BMC contributed all of the capital stock of the Company to Bally Casino Holdings, Inc., ("Casino Holdings"). In April 1993, Casino Holdings was formed as a wholly owned subsidiary of BMC to serve as a holding company for the Company and for acquiring and developing gaming operations, including those in newly emerging gaming jurisdictions.

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 1992 statements to conform to the 1993 presentation.

The accompanying financial statements should be read in conjunction with the Company's and BMC's Form 10-K for the year ended December 31, 1993.

Investments in subsidiaries

The Company has three wholly owned subsidiaries, B.W. Realty, Inc. (which operated a motel in Atlantic City until January 1992), Bally Warwick, Inc. (which owns several condominiums for sale and lease in a building in Atlantic City) and Bally's Park Place Realty, Inc. (which owns land in Atlantic City). The investments in these subsidiaries are reflected in the accompanying financial statements using the equity method.

Revenue recognition

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.

Cash equivalents

The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The carrying amount of cash equivalents approximates fair value because of the short maturity of those instruments.

Inventories

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

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 1 - Summary of Significant Accounting Policies
December 31, 1993
Unaudited

Deferred financing costs

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

Fair value of financial instruments

The fair value of the Company's financial instruments approximates their recorded book values at December 31, 1993 and 1992, excluding the 11 7/8% First Mortgage Notes (the "11 7/8% Notes") due 1999 whose fair market value, based on a quoted market price, is approximately $378,875 and $363,125 at December 31, 1993 and 1992, respectively.

Capitalized interest

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

Depreciation and amortization

Depreciation and amortization of property and equipment is provided on the straight-line method and was $26,550,000 and $26,431,000 for 1993 and 1992 respectively.

Amortization of casino licensing and deferred financing costs for both 1993 and 1992 were $1,712,000 and $1,811,000, respectively.

Amortization of CRDA obligations for 1993 and 1992 was $0 and $790,000, respectively.

Transactions with related parties

In 1992, BMC received approval from the Casino Control Commission ("the Commission") to authorize payment by the Company of its proportionate share of BMC's insurance, regulatory, and public company reporting, administrative and other corporate overhead cost. The accompanying financial statements reflect an allocation of such costs and expenses incurred by BMC of $4,141,000 and $3,660,000 for 1993 and 1992 respectively. This includes $392,000 and $497,000 for directors and officers insurance and $325,000 and $754,000 for regulatory and public company reporting costs and $3,424,000 and $2,409,000 for administrative and other corporate overhead costs in 1993 and 1992, respectively.

The Company purchased slot machines and related services from other BMC affiliates on terms negotiated by the parties for aggregate amounts of $963,000 and $554,000 for the three months ended December 31, 1993 and 1992, respectively and $1,887,000 and $3,181,000 for the twelve months ended December 31, 1993 and 1992, respectively.

Certain executive officers of the Company function in similar capacity for GNAC Corp., ("The Grand"), another wholly owned subsidiary of BMC, and exercise decision making and operational authority over both entities. No allocation of cost is made from the Company for certain executive management. In 1993 and 1992, certain administrative and support operations of the Company

and The Grand were consolidated including purchasing, limousine services, and certain aspects of human resources. Costs are allocated by the Company either directly or using various formulas based on estimates. The Company allocated direct costs to The Grand of $100,000 and $680,000 for the three months ended December 31, 1993 and 1992, respectively and $1,096,000 and $2,568,000 for the twelve months ended December 31, 1993 and 1992, respectively, related to these consolidated operations.

In addition, the Company leases surface area parking lots and an administrative facility to The Grand. Rental income was $174,000 for each of the three months ended December 31, 1993 and 1992, respectively and $696,000 for each of the twelve months ended December 31, 1993 and 1992, respectively.

In April 1990, the Company advanced BMC $50,000,000 secured by a promissory note allowing for payment on demand by the Company. In October 1992, BMC petitioned the Commission to allow the Company to declare the receivable due from BMC as a dividend. The Commission approved this request in December 1992 No interest was paid to the Company subsequent to April 1, 1992. The Company earned interest on the outstanding balance at the prime rate of its agent bank with such interest payable at the end of each quarter. Intercompany interest earned on this advance was $-0- for the three months ended December 31, 1992 and $808,000 for the twelve months ended December 31, 1992.

In December 1990, the Company advanced The Grand $2,700,000. This advance, which was payable on demand by the Company, was paid in June, 1992. The Company earned interest on the outstanding balance at the prime rate of its agent bank with such interest payable at the end of each month. Intercompany interest earned on this advance to The Grand for the three and twelve months ended December 31, 1992 was $-0- and $73,000, respectively.

Funds were advanced to the Company from The Grand in 1992 and 1991. The advances are payable on demand. As of December 31, 1992, the Company owed The Grand $16,000,000 for advances used by the Company to reduce the outstanding balance under its revolving credit agreement. The Company pays interest on the outstanding balance at the prime rate of its agent bank with such interest payable at the end of each month. Intercompany interest paid on the advance to The Grand was $302,000 for the three months ended December 31, 1992 and $1,249,000 the twelve months ended December 31, 1992.

The Company participated in the BMC insurance program for general liability. Under this program, general liability insurance expense was allocated to the Company based on claims experience. In 1991, BMC discontinued operations of its captive insurance subsidiary. The Company paid $500,000 to BMC in 1992 for a retroactive premium adjustment related to claim years ended December 31, 1990, 1988 and 1987. Payments in 1993 and 1992 to BMC for insurance coverage are reimbursements of premium payments made by BMC on behalf of the Company, to non-affiliated insurance companies.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 1 - Summary of Significant Accounting Policies
December 31, 1993
Unaudited

Income Taxes

Taxable income or loss of the Company is included in the consolidated federal income tax return of BMC. Under agreements between the Company, BMC, and Casino Holdings, income taxes are allocated to the Company based on amounts the Company would pay or receive if it filed a separate consolidated federal income tax return, except that the Company receives credit from BMC for the tax benefit of the Company's net operating losses and tax credits, if any, that can be utilized in BMC's consolidated federal income tax return, regardless of whether these losses or credits could be utilized by the Company on a separate consolidated federal income tax return basis.

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of December 31, 1993 and January 1, 1993, along with their classification, are as follows:

	December 31, 1993		January 1, 1993	
	Assets	Liabilities	Assets	Liabilities
	(In Thousands)			
Expenses which are not currently deductible for tax purposes:				
Bad debts	$ 500	$ ---	$ 706	$ ---
Deferred compensation and pension	3,739	---	8,937	---
Other	8,376	---	9,857	---
Depreciation and capitalized costs	---	41,225	---	38,437
State tax loss carryforwards.	109	---	83	---
Other, net	2,917	---	14	---
	15,641	$41,225	19,597	$38,437
Valuation allowance	(15)		(7)	
	$15,626		$19,590	
Current	$ 6,162	$ ---	$ 6,888	$ ---
Long-term	9,464	41,225	12,702	38,437
	$15,626	$41,225	$19,590	$38,437

At December 31, 1993, the Company had net operating loss carryforwards for state income tax purposes of approximately $109,000. The loss carryforwards expire in full in 2008. For financial reporting purposes a valuation allowance of $15,000 has been recognized to partially offset the deferred tax asset related to these carryforwards.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 1 - Summary of Significant Accounting Policies
December 31, 1993
Unaudited

During the year ended December 31, 1993, the Company revised its estimated annual effective tax rate to reflect a change in the U.S. statutory tax rate from 34% to 35%. The effect of this change in the estimated annual effective tax rate was to increase the income tax provision for the twelve months ended December 31, 1993 by $816,000. The income tax provision for the twelve months ended December 31, 1993 was also increased by $427,000 as a result of applying the newly enacted tax rate to deferred tax balances as of January 1, 1993. In addition, the effective rate of the income tax provision for the three and twelve months ended December 31, 1993 and 1992 differed from the U.S. statutory tax rate due principally to state income taxes, net of the related federal income tax benefit. The effective income tax rate was 45.2% for the twelve months ended December 31, 1993 compared to 46.3% for the same period in 1992.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 2 - Prepaid Expenses and
Other Current Assets
December 31,
Unaudited

	1993	1992
Deferred Income Taxes	$ 6,161,000	$ 7,611,000
Prepaid Insurance	111,000	129,000
Other *	871,000	1,014,000
	$ 7,143,000	$ 8,754,000

* No item in this category exceeds 5% of total current assets.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 3 - Property, Plant and Equipment
December 31,
Unaudited

	1993	1992
Land	$ 64,210,000	$ 64,170,000
Buildings, Leasehold Improvements	539,871,000	538,190,000
Furniture, Fixtures and Equipment	142,352,000	138,501,000
Construction in Progress	4,447,000	906,000
	750,880,000	741,767,000
Less Accumulated Depreciation and Amortization	(284,177,000)	(262,276,000)
Property and Equipment, Net	$466,703,000	$479,491,000

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 4 - Long-Term Debt, Affiliates and Other
December 31,
Unaudited

Long-Term Debt

	1993	1992
Due to affiliates:		
11 7/8% First Mortgage Notes due 1999	$350,000,000	$350,000,000
Other:		
Revolving credit agreement	$ 2,000,000	$ 3,000,000
Other secured and unsecured debt	2,727,000	2,778,000
	$ 4,727,000	$ 5,778,000

On March 8, 1994, the Company completed a public offering of $425,000,000 principal amount of 9 1/4% First Mortgage Notes due 2004 (the "Notes"). The Notes are not subject to any sinking fund requirement, but may be redeemed beginning March 15, 1999, in whole or in part, with premiums ranging from 104 1/2% in 1999 to zero in 2002 and thereafter. In addition, on or before March 15, 1997, out of the proceeds of one or more public equity offerings by Casino Holdings or the Company if such offerings were to occur, a portion of the Notes may be redeemed at a premium of 109 1/4%, provided that at least $100,000,000 principal amount of the Notes remains outstanding after the redemption. The Notes are secured by a first mortgage and security interest on substantially all property and equipment of the Company, which had a net book value of $486,498,000 at December 31, 1993.

The Company used the net proceeds from the sale of the Notes to purchase and retire certain of its 11 7/8% First Mortgage Notes (the "11 7/8% Notes"), defease the remaining 11 7/8% Notes thereby satisfying all obligations thereunder and pay a $30,000,000 dividend to Casino Holdings. The retirement and defeasance of the 11 7/8% Notes on March 8, 1994 resulted in an extraordinary loss of approximately $20,542,000 net of an income tax benefit of $14,275,000.

In connection with the sale of the Notes, the Company's revolving credit agreement was amended to (i) reduce the amount available under the revolving credit facility to $50,000,000 (previously $75,000,000) at December 31, 1993, (ii) extend the term of the agreement to December 31, 1996 (previously June 30, 1994) at which time all amounts outstanding become due, (iii) provide for interest payable, at the Company's option, at the agent bank's prime rate or LIBOR-based rate, which increases as the balance outstanding increases and (iv) revise certain restrictive covenants. The rate of interest on borrowings (6% at December 31, 1993) was based previously upon the agent bank's prime rate or certain other short-term rates. The Company pays an annual fee on the unused commitment of 1/2%. The agreement is secured by a pari passu lien on the collateral securing the Notes.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 5 - Deferred Credits
December 31,
Unaudited

	1993	1992
Deferred Federal Income Taxes	$31,760,000	$15,571,000

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 6 - Other Liabilities
December 31,
Unaudited

	1993	1992
Accrued SERP	$ 9,089,000	$ 6,197,000
Deferred Long-Term Compensation	---	16,042,000
1983 Reinvestment Obligation (net of unamortized discount of $204,000 in 1993 and $314,000 in 1992)	1,071,000	1,261,000
	$10,160,000	$23,500,000

In connection with the employment of certain officers, the Company has an unfunded Supplemental Executive Retirement Plan (the "SERP"). The participants earn benefits based on years of service and compensation. The Company recognizes this expense over the expected length of the officers' employment.

On January 8, 1993, the Company and BMC entered into a Retirement and Separation Agreement with a former executive of the Company and BMC. The Company paid this executive $14,500,000 on such date in full settlement of the remaining amounts due under his employment contract and for the liability under a previous settlement of his SERP (present value at December 31, 1992 was $16,042,000), which resulted in a gain of approximately $1,500,000 recognized in 1993.

In January 1992, the Company and the New Jersey Department of the Treasury entered into an agreement settling a dispute regarding 1983 qualified investments. The Company is obligated to make payments totalling $2,250,000 between 1992 and 1996 and to participate in certain approved low income mortgage guarantee programs.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 7 - Interest Expense
For the Three Months Ended December 31,
Unaudited

	1993	1992
Charges From Affiliates		
Bally's Park Place Funding, Inc.	$10,391,000	$10,391,000
Capitalized interest	(26,000)	(6,000)
	$10,365,000	$10,385,000
External Sources		
Interest on various loans	$ 241,000	$ 921,000
Capitalized interest	(7,000)	(2,000)
	$ 234,000	$ 919,000

For the Twelve Months Ended December 31,
Unaudited

	1993	1992
Charges From Affiliates		
Bally's Park Place Funding, Inc.	$41,563,000	$41,563,000
Capitalized interest	(57,000)	(59,000)
	$41,506,000	$41,504,000
External Sources		
Interest on various loans	$ 1,715,000	$ 4,715,000
Capitalized interest	(15,000)	(16,000)
	$ 1,700,000	$ 4,699,000

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 8 - Provision for Income Taxes
For the Three Months Ended December 31,
Unaudited

	1993	1992
Current:		
Federal	$ 3,762,000	$1,086,000
State	(136,000)	416,000
	3,626,000	1,502,000
Deferred:		
Federal	(1,921,000)	(1,256,000)
State	686,000	(330,000)
	(1,235,000)	(1,586,000)
Total Income Taxes	$ 2,391,000	$(84,000)

For the Twelve Months Ended December 31,
Unaudited

	1993	1992
Current:		
Federal	$ 9,785,000	$ 4,578,000
State	1,953,000	1,224,000
	11,738,000	5,802,000
Deferred:		
Federal	4,627,000	764,000
State	2,126,000	285,000
	6,753,000	1,049,000
Total Income Taxes	$18,491,000	$ 6,851,000

Reconciliation of Deferred Income Taxes
For the Twelve Months Ended December 31,
Unaudited

	1993	1992
Short-term	$ 937,000	$(1,754,000)
Long-term	5,816,000	2,803,000
	$ 6,753,000	$ 1,049,000

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 9 - Investments, Advances and Receivables
December 31,
Unaudited

	1993	1992
Other long-term investments and receivables:		
Investment in subsidiaries - equity:		
Bally Warwick, Inc. - 100% owned	$ 4,294,000	$ 4,280,000
B.W. Realty, Inc. - 100% owned	4,742,000	4,756,000
Total investments in subsidiaries - equity	9,036,000	9,036,000
Casino Reinvestment Development Authority funds (less discount of $8,118,000 in 1993 and $7,302,000 in 1992)	8,603,000	7,225,000
Jacobs Family Terrace Mortgage Receivable (less reserve of $250,000 in 1993 and $225,000 in 1992)	2,528,000	2,597,000
Bally's Park Place Realty Company	15,630,000	15,630,000
Less current portion	(48,000)	(44,000)
Total Investments, Advances and Receivables	$35,749,000	$34,444,000

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 10 - Other Accrued Expenses
December 31,
Unaudited

	1993	1992
Payroll	$ 7,895,000	$ 6,335,000
Progressive Jackpots	1,484,000	2,859,000
Interest	15,655,000	15,649,000
*Miscellaneous	13,420,000	13,032,000
Total	$38,454,000	$37,875,000

* No item in this category exceeds 5% of total current liabilities.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 11 - Reinvestment Obligation
December 31, 1992
Unaudited

The Company, pursuant to the New Jersey Casino Control Act (the "Act"), is subject to making qualified investments, as specified by the Act or become liable for an alternative tax (2.5% of gross casino revenues). The Company has fulfilled its obligation under the Act by making deposits to the Casino Reinvestment Development Authority (the "CRDA") and by direct investments.

At December 31, 1993 and 1992, the Company had $15,582,000 and $13,400,000 respectively, in remaining bond purchase commitments on deposit with the CRDA. The Company has purchased $1,139,000 and $1,127,000 in bonds from the CRDA as of December 31, 1993 and 1992, respectively.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 12 - Non-Operating Income
For the Three Months Ended December 31,
Unaudited

	1993	1992
Interest income	$ 268,000	$ 243,000
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	(7,000)	(22,000)
Bally Warwick, Inc.	18,000	(24,000)
Other	160,000	19,000
Total	$ 439,000	$ 216,000

For the Twelve Months Ended December 31,
Unaudited

	1993	1992
Interest income	$ 1,014,000	$ 1,882,000
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	(14,000)	(226,000)
Bally Warwick, Inc.	14,000	(76,000)
Other	475,000	626,000
Total	$ 1,489,000	$ 2,206,000

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 13 - Commitments and Contingencies
December 31, 1993
Unaudited

In April 1991, an insurance company that issued guaranteed interest contracts ("GICs") that were purchased by both BMC's and the Company's qualified 401(k) plans was declared insolvent by the State of California's Insurance Commissioner (the "Commissioner"). Operations of this insurance company were assumed by the Commissioner. Approximately $7.4 million of these GICs are held in a Master Trust for BMC's and its subsidiaries' employee benefit plans, of which approximately 42% is attributable to the Company's 401(k) plan. Although BMC and the Company had no legal obligation to fund any 401(k) plan losses, BMC's Board of Directors, in June 1991, authorized BMC, and therefore the Company, to ensure that participants in the Company's 401(k) plan not suffer any loss in principal, as determined on March 31, 1991, to their 401(k) account balances which might otherwise occur due to this insolvency. The Company charged $900,000 to operations in 1991 for its estimated cost of reimbursing any shortfall in the participants' 401(k) account balances which is included in the $3,800,000 defined contribution plan expense. Management of the Company is unable to conclude that the amount provided will be sufficient to cover its guarantee until a final offer and the specific details of an acceptable offer is approved by the courts. Management of the Company does not believe that the final settlement will have a material effect on its financial position or its liquidity.

The Company has guaranteed, in the event of non-payment by BMC, the payment of all compensation and benefits pursuant to an employment agreement between BMC and BMC's Chairman and Chief Executive Officer in the event of nonpayment by BMC. If BMC is unable to make payments according to the terms of the employment agreement, the Company would be required, pursuant to current resolutions of the Commission, to obtain Commission approval prior to making such payments.

Management believes that a final outcome of these matters will not have a material effect on the Company's financial position or its liquidity.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 14 - Capital Stock - Description of Features
December 31, 1993 and 1992
Unaudited

COMMON STOCK

Authorized	2,500 shares
Issued	100 shares
Outstanding	100 Shares
Par Value	None

Note 15 – Long–Term Lease – Other
December 31, 1993
(unaudited)

	Rental Expense		Minimum Non–Cancellable Rental Commitments			
	1992	1993	1994	1995	1996	1997
Rental Expense						
NJ Expressway Authority original terms 3/1/81 – 3/1/86: automatically renewed annually.	$269,000	$230,000	$201,000	$66,000	– – –	– – –
Bally Manufacturing Corp. 11/91 – 5/97	23,000	67,000	67,000	67,000	67,000	67,000
Equipment Rental Expense	33,000	30,000	– – –	– – –	– – –	– – –
Total	$325,000	$327,000	$268,000	$133,000	$67,000	$67,000

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993

($ in Thousands)

LINE	DEPARTMENT (a)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES (d) OTHER EMPLOYEES	(e) DIRECTORS & OWNERS	(f) TOTALS
1	CASINO				
2	Administration	19			
3	Gaming	916			
4	Slots	177			
5	Casino accounting	384			
6	Other				
7	Total – casino	1,496	$ 29,759	$	$ 29,759
8	ROOMS	397	6,973		6,973
9	FOOD AND BEVERAGE	939	14,224		14,224
10	OTHER OPERATED DEPARTMENTS				
11	Spa	44	593		593
12	Hat check and pool	5	116		116
13	Telephone room	32	499		499
14	Hair salon	14	225		225
15	Men's stores	1	19		19
16					
17					
18					
19					
20					
21					
22	ADMINISTRATIVE AND GENERAL				
23	Executive office	54	2,182		2,182
24	Accounting and auditing	76	1,724		1,724
25	Security	270	5,642		5,642
26	Other administrative and general department	213	4,572		4,572
27	MARKETING	62	1,667		1,667
28	GUEST ENTERTAINMENT	11	475		475
29	PROPERTY OPERATION AND MAINTENANCE	368	8,379		8,379
30	TOTALS – ALL DEPARTMENTS	3,982	$ 77,049	$ 0	$ 77,049

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1993

March 15, 1994
Date


Signature

ASST. VICE PRESIDENT & CONTROLLER
Title

ANNUAL EMPLOYMENT AND PAYROLL REPORT

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

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 93

(UNAUDITED)

($ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	$ 92,865	
2	Coin-operated devices revenue	205,314	
3	Total revenues		$ 298,179
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	$ 512	
5	Maximum adjustment (4% of line 3)	$ 11,927	
6	Adjustment (the lesser of line 4 or line 5)		512
7	Gross revenues (line 3 less line 6)		$ 297,667
8	Tax on gross revenues - current year (8% of line 7)		$ 23,813
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)		23,813
	Deposits made for tax on current year's gross revenues:		
11	January	$ 1,288	
12	February	1,622	
13	March	1,933	
14	April	1,894	
15	May	1,836	
16	June	2,315	
17	July	2,078	
18	August	2,722	
19	September	1,989	
20	October	1,832	
21	November	2,271	
22	December	1,442	
23	January	591	
24	Total deposits made for tax on current year's gross revenues		(23,813)
	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-

1/85

CCC-381

STATEMENT OF CONFORMITY AND ACCURACY

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

Vicki L. Guveiyian, 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

Asst. Vice President & Contro
Title

00558-11
License Number

On Behalf Of:
Bally's Park Place, Inc.
Casino Licensee

Subscribed and sworn to
before me this 15th day
of March, 1994

Barbara F. Shields
Signature

BARBARA SHIELDS
Notary Public of New Jersey
My Commission Expires March 2, 1998
Basis of Authority
to Take Oaths

CCC-382

1/85

NEW JERSEY STATE LIBRARY
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ANNUAL REPORT

LICENSEE BOARDWALK REGENCY CORPORATION
d/b/a CAESARS ATLANTIC CITY
ADDRESS 2100 PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAR 25 1994
185 W. STATE ST.
TRENTON, N.J.

RECEIVED
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MAR 15 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . . . MICHAEL J. WALSH
OFFICIAL TITLE . . . . . VICE PRESIDENT OF FINANCE

ADDRESS . . . . . 2100 PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993

TITLE	FORM NO.
Balance Sheets	CCC-305
Statements of Income (Year-to-Date)	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 Cash Flows	CCC-335
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-340
Promotional Expenses and Allowances	CCC-345
Statement of Conformity and Accuracy	CCC-350

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

BALANCE SHEETS

DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	ASSETS		
	Current Assets:		
1	Cash	$ 12,235	$ 9,523
2	Marketable securities	–	–
3	Receivables and patrons' checks(net of allowance for doubtful accounts – 1993, $7,224 ; 1992, $9,587)	11,254	11,062
4	Inventories NOTE 1	3,028	3,708
5	Prepaid expenses and other current assets NOTES 2 & 6	14,007	14,109
6	Total current assets	40,524	38,402
7	Investments, Advances, and Receivables NOTES 3 & 14	6,307	3,650
8	Property And Equipment – Gross NOTES 1, 4 & 10	428,693	411,305
9	(Accumulated Depreciation/Amortization)	(150,603)	(135,120)
10	Other Assets NOTES 1 & 12	13,909	14,756
11	**Total Assets**	$ 338,830	$ 332,993
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	$ 5,424	$ 5,944
13	Notes payable NOTE 5	11,056	6,141
	Current portion of long–term debt :		
14	Due to affiliates	–	–
15	Other NOTE 10	–	288
16	Income taxes payable and accrued NOTES 1 & 6	4,260	869
17	Other accrued expenses NOTE 7	14,372	13,057
18	Other current liabilities NOTE 8	2,483	4,748
19	Total current liabilities	37,595	31,047
	Long–Term Debt:		
20	Due to affiliates NOTE 9	58,600	68,300
21	Other NOTE 10	9,302	11,057
22	Deferred Credits NOTE 6	6,948	6,646
23	Other Liabilities NOTE 11	9,069	6,882
24	Commitments And Contingencies NOTE 14	–	–
25	**Total Liabilities**	121,514	123,932
26	**Stockholders', Partners', Or Proprietor's Equity**	217,316	209,061
27	**Total Liabilities And Equity**	$ 338,830	$ 332,993

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		(c) 1993	(d) 1992
	Revenue:			
1	Casino	NOTE 1	$ 317,451	$ 333,835
2	Rooms		17,289	16,961
3	Food and beverage		32,935	37,112
4	Other		13,107	11,913
5	Total revenue		380,782	399,821
6	Less: Promotional allowances	NOTE 1	38,719	42,733
7	Net revenue		342,063	357,088
	Costs And Expenses:			
8	Cost of goods and services		182,494	183,692
9	Selling, general and administrative		66,568	77,141
10	Provision for doubtful accounts		1,595	2,685
11	Total costs and expenses		250,657	263,518
12	Gross Operating Profit		91,406	93,570
13	Depreciation and amortization	NOTE 1	18,881	19,934
	Charges from affiliates other than interest:			
14	Management fees	NOTE 13	10,219	10,586
15	Other	NOTE 13	13,961	14,107
16	Income (Loss) From Operations		48,345	48,943
	Other Income (Expenses):			
17	Interest (expense) – affiliates	NOTES 5 & 9	(7,874)	(8,344)
18	Interest (expense) – external	NOTE 10	(1,042)	(1,179)
19	Investment alternative tax and related income (expense) – net	NOTE 14	(632)	(1,054)
20	Nonoperating income (expense) – net		224	201
21	Total other income (expenses)		(9,324)	(10,376)
22	Income (Loss) Before Income Taxes And Extraordinary Items		39,021	38,567
23	Provision (credit) for income taxes	NOTE 6	16,399	16,309
24	Income (Loss) Before Extraordinary Items		22,622	22,258
25	Extraordinary Items (net of income taxes – 1993, $; 1992, $) Cumulative Effect of Accounting Change	NOTE 6	(2,367)	–
26	**Net Income (Loss)**		$ 20,255	$ 22,258

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Revenue:		
1	Casino . . . NOTE 1 . . .	$ 72,714	$ 75,073
2	Rooms	4,246	4,046
3	Food and beverage	8,200	8,418
4	Other	3,386	2,929
5	Total revenue	88,546	90,466
6	Less: Promotional allowances . . . NOTE 1 . . .	9,499	9,365
7	Net revenue	79,047	81,101
	Costs And Expenses :		
8	Cost of goods and services	45,101	45,372
9	Selling, general and administrative	16,646	18,143
10	Provision for doubtful accounts	27	(331)
11	Total costs and expenses	61,774	63,184
12	Gross Operating Profit	17,273	17,917
13	Depreciation and amortization . . . NOTE 1 . . .	4,811	4,733
	Charges from affiliates other than interest:		
14	Management fees . . . NOTE 13 . . .	2,381	2,414
15	Other . . . NOTE 13 . . .	3,139	3,576
16	Income (Loss) From Operations	6,942	7,194
	Other Income (Expenses) :		
17	Interest (expense) – affiliates . . . NOTES 5 & 9. . . .	(1,792)	(2,062)
18	Interest (expense) – external . . . NOTE 10. . . .	(171)	(294)
19	Investment alternative tax and related income (expense) – net . . . NOTE 14 . . .	(45)	(234)
20	Nonoperating income (expense) – net	66	56
21	Total other income (expenses)	(1,942)	(2,534)
22	Income (Loss) Before Income Taxes And Extraordinary Items	5,000	4,660
23	Provision (credit) for income taxes . . . NOTE 6 . . .	2,051	1,864
24	Income (Loss) Before Extraordinary Items	2,949	2,796
25	Extraordinary Items (net of income taxes – 1993, $; 1992, $)	–	–
26	**Net Income (Loss)**	$ 2,949	$ 2,796

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c) SHARES	1993 (d) DOLLARS	1992 (e) SHARES	1992 (f) DOLLARS
	Common Stock: No Par Value, 1,000 Shares Authorized				
1	Beginning balance (January 1)	100	$ 1,370	100	$ 1,370
2	Sale of stock	–	–	–	–
3	_____	–	–	–	–
4	Ending balance	100	1,370	100	1,370
	Preferred Stock:				
5	Beginning balance (January 1)	–	–	–	–
6	Sale of stock	–	–	–	–
7	_____	–	–	–	–
8	Ending balance	–	–	–	–
	Additional Paid–in Capital:				
9	Beginning balance (January 1)		46,065		46,065
10	_____		–		–
11	_____		–		–
12	Ending balance		46,065		46,065
	Treasury Stock:				
13	Beginning balance (January 1)	–	(–)	–	(–)
14	Purchase of additional stock	–	(–)	–	(–)
15	Sale or retirement of stock	–	–	–	–
16	Ending balance	–	(–)	–	(–)
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)	–	(–)	–	(–)
18	_____	–	–	–	–
19	_____	–	–	–	–
20	Ending balance	–	(–)	–	(–)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		(–)		(–)
22	_____		–		–
23	_____		–		–
24	Ending balance		(–)		(–)
	Retained Earnings:				
25	Beginning balance (January 1)		161,626		151,368
26	Prior period adjustments		–		–
27	Net Income (loss)		20,255		22,258
28	Dividends (Note 8)		(12,000)		(12,000)
29	_____		–		–
30	_____		–		–
31	Ending balance		169,881		161,626
32	Ending Stockholders' Equity		$ 217,316		$ 209,061

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Invested Capital:		
1	Beginning balance (January 1)	$	$
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	( )	( )
11	Additional capital withdrawals	( )	( )
12	_____		
13	Ending balance	( )	( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	( )	( )
15	_____		
16	_____		
17	Ending balance	( )	( )
18	**Ending Partners' Or Proprietor's Equity**		

This Statement Is Not Applicable

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
1	Net Cash Provided (Used) By Operating Activities	$ 44,464	$ 35,563
	Cash Flows From Investing Activities :		
2	Purchase of short–term investment securities	–	–
3	Proceeds from the sale of short–term investment securities	–	–
4	Cash outflows for property and equipment	(19,370)	(15,248)
5	Proceeds from disposition of property and equipment	–	–
6	Purchase of casino reinvestment obligations	(3,554)	(3,630)
7	Purchase of other investments and loans/advances made	–	–
8	Proceeds from disposal of investments and collection of advances and long–term receivables	–	–
9	Cash outflows to acquire business entities	–	–
10		–	–
11		–	–
12	Net Cash Provided (Used) By Investing Activities	(22,924)	(18,878)
	Cash Flows From Financing Activities :		
13	Cash proceeds from issuance of short–term debt	67,471	80,636
14	Payments to settle short–term debt	(62,556)	(75,689)
15	Cash proceeds from issuance of long–term debt	–	–
16	Costs of issuing debt	–	–
17	Payments to settle long–term debt	(11,743)	(8,662)
18	Cash proceeds from issuing stock or capital contributions	–	–
19	Purchases of treasury stock	–	–
20	Payments of dividends or capital withdrawals	(12,000)	(12,000)
21		–	–
22		–	–
23	Net Cash Provided (Used) by Financing Activities	(18,828)	(15,715)
24	Net Increase (Decrease) In Cash And Cash Equivalents	2,712	970
25	Cash And Cash Equivalents At Beginning Of Period	9,523	8,553
26	Cash And Cash Equivalents At End Of Period	$ 12,235	$ 9,523
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
27	Cash Paid During Period For: Interest (net of amount capitalized)	$ 9,115	$ 9,557
28	Income taxes	$ 14,750	$ 21,381

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ 20,255	$ 22,258
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	17,710	18,801
31	Amortization of other assets	1,171	1,133
32	Amortization of debt discount or premium	–	–
33	Deferred income taxes – current	338	(211)
34	Deferred income taxes – noncurrent	302	375
35	(Gain) loss on disposition of property and equipment	20	–
36	(Gain) loss on casino reinvestment obligations	632	1,054
37	(Gain) loss from other investment activities	–	–
38	Net (increase) decrease in receivables and patrons' checks	(192)	1,618
39	Net (increase) decrease in inventories	680	270
40	Net (increase) decrease in other current assets	(236)	541
41	Net (increase) decrease in other assets	(324)	(1,438)
42	Net increase (decrease) in accounts payable	(520)	(890)
43	Net increase (decrease) in other current liabilities excluding debt	2,441	(6,918)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	2,187	(1,030)
45	_____	–	–
46	_____	–	–
47	Net Cash Provided (Used) By Operating Activities	$ 44,464	$ 35,563
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 19,370	$ 15,248
49	Less: Capital lease obligations incurred	–	–
50	Cash Outflows For Property And Equipment	$ 19,370	$ 15,248
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$ –	$ –
52	Goodwill acquired	–	–
53	Net assets acquired other than cash, goodwill, and property and equipment	–	–
54	Long–term debt assumed	–	–
55	Issuance of stock or capital invested	–	–
56	Cash Outflows To Acquire Business Entities	$ –	$ –
	Stock Issued Or Capital Contributions :		
57	Total issuances of stock or capital contributions	$ –	$ –
58	Less: Issuances to settle long–term debt	–	–
59	Consideration in acquisiton of business entities	–	–
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$ –	$ –

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BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF BUSINESS

Boardwalk Regency Corporation (BRC), a New Jersey corporation, is a wholly-owned subsidiary of Caesars New Jersey, Inc. (CNJ), a New Jersey corporation. CNJ is a wholly-owned subsidiary of Caesars World, Inc., (CWI), a Florida corporation. BRC owns and operates Caesars Atlantic City Hotel/Casino (CAC) in Atlantic City, New Jersey.

Revenue and Promotional Allowances

Casino revenue represents the net win from gaming wins and losses. The retail value of accommodations and the 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 capitalized on funds borrowed to finance construction. For the twelve months ended December 31, 1993 capitalized interest of $105,000 was recorded. Depreciation and amortization are provided for on the straight-line method over the following estimated useful lives:

Buildings and improvements including capital lease	10 to 40 years
Furniture, fixtures and equipment	3 to 8 years

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd):

Costs in Excess of Net Assets Acquired

Included in "Other Assets" is the excess of purchase price over fair value of assets acquired in December 1990, approximately $8,829,000, which is being amortized on a straight-line basis over 40 years.

Income Taxes

BRC is included in CWI's consolidated Federal income tax return. Pursuant to a parent services and expense reimbursement agreement, BRC records its income tax liability (and if applicable, benefit) based upon what the amount would have been had BRC filed a separate return. Deferred income taxes are provided for timing differences between book and tax recognition of revenues and expenses.

Post Employment Benefits

In November 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 112 (SFAS 112), "Employers' Accounting for Postemployment Benefits", which requires accrual accounting for benefits offered to employees after employment, but before retirement. The adoption of SFAS 112 did not have significant impact on the Company's financial position or results of operations.

NOTE 2. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

	1993	1992
	(In Thousands)	
Deferred income taxes.(NOTE 6)..	$11,866	$12,204
Other.....	2,141	1,905
	$14,007	$14,109

NOTE 3. INVESTMENTS, ADVANCES AND RECEIVABLES:

	1993	1992
	(In Thousands)	
CRDA deposits.....	$8,741	$5,188
CRDA bonds receivable.....	521	521
	9,262	5,709
Less: valuation allowance on CRDA investments.....	2,955	2,059
	$6,307	$3,650

The carrying value of these assets approximated their fair value.

NOTE 4. PROPERTY AND EQUIPMENT:

	1993	1992
	(In Thousands)	
Land.....	$ 51,503	$ 51,503
Buildings and improvements.....	263,348	253,742
Furniture, fixtures and equipment	97,109	89,466
Construction in progress.....	4,393	4,254
Properties under capital leases.	12,340	12,340
	428,693	411,305
Less: accumulated depreciation and amortization.....	150,603	135,120
	$278,090	$276,185

NOTE 5. NOTES PAYABLE:

In August 1992, CWI entered into an unsecured facility with a syndicate of banks, consisting of a $125,000,000 term loan and a $150,000,000 revolving credit facility available to be used by CWI and its affiliates, including BRC, for working capital needs and general corporate purposes. Also, in August 1992 CWI issued $150,000,000 of 8 7/8 percent Senior Subordinated Notes due August 15, 2002. The bank loan agreement and 8 7/8 percent Senior Subordinated Notes, as well as the previous loan agreements covering 1992 and 1991, contain covenants, among others, that require the maintenance of certain financial ratios and include restrictions on CWI and its subsidiaries with respect to additional debt, dividends, stock repurchases, sales of certain assets, investments and capital expenditures, mergers, consolidations and similar transactions, liens, acquisitions, disposition of property, and repayment of other debt. Also, the bank agreement requires guarantees by specified subsidiaries of CWI, including BRC.

In May 1989, BRC entered into an unsecured $50,000,000 revolving line of credit with Desert Palace, Inc. (DPI), a wholly-owned subsidiary of CWI. The revolving line of credit carries interest at the prime rate, a $75,000 annual commitment fee, which commenced on May 31, 1989, and has a term of five years. In 1993 and 1992, the maximum amount outstanding at any month-end was $12,944,000 and $9,960,000, respectively, the average of the month-end amounts outstanding was $5,954,000 and $6,451,000, respectively, and the weighted average interest rate was 6.0 percent and 6.3 percent, respectively.

At December 31, 1993 and 1992, the outstanding balance on the revolving line of credit was $11,056,000 and $6,141,000, respectively.

NOTE 6. INCOME TAXES:

Effective August 1, 1993 CWI and BRC adopted the accounting and disclosure rules prescribed by Statement of Financial Accounting Standard No. 109 (SFAS 109). August is the first month of the Company's fiscal 1994. As a result, net income for the six months ended December 31, 1993 included a charge of $2,367,000 for the cumulative effect of this accounting change. Prior financial statements have not been restated.

Under SFAS 109, the liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between financial reporting and tax bases of assets and liabilities using the enacted income tax rates and laws in effect when the differences are expected to reverse. Deferred income tax expenses or credits are based on the changes in the respective assets and liabilities from period to period. Prior to the adoption of SFAS 109, deferred taxes were provided using the deferred method as required by Accounting Principles Opinion No. 11 in which deferred tax expenses were provided for timing differences between book and tax recognition of revenues and expenses at the income tax rates in effect when the differences originated.

In August 1993, the Omnibus Budget Reconciliation Act of 1993 was enacted which increased the corporate tax rate from 34 to 35 percent retroactive to January 1, 1993. In accordance with generally accepted accounting principles, the retroactive effect of this change was recognized in the quarter ended September 30, 1993 and was approximately $225,000.

The provision for income taxes for the twelve months ended December 31, 1993 and 1992 is comprised of the following:

	1993	1992
	(In Thousands)	
Current:		
Federal	$13,661	$11,847
State	4,465	4,298
Deferred:		
Federal	831	33
State	(191)	131
	$18,766	$16,309

NOTE 6. INCOME TAXES (cont'd):

Noncurrent deferred credits of $6,948,000 and $6,646,000 at December 31, 1993 and 1992, respectively, represent noncurrent deferred income taxes which result from timing differences between income for financial reporting purposes and income for tax purposes. The most significant timing differences, included in deferred credits and prepaid expenses (**NOTE 2**), relate to the allowance for doubtful accounts, depreciation, and certain accrued liabilities.

The provision for income taxes for the twelve months ended December 31, 1993 and 1992 differs from the amount computed at the statutory rate as follows:

	(In Thousands)	
	1993	**1992**
Federal income tax at statutory rate.	$13,657	$13,113
State income taxes, net of federal benefit.....	2,283	2,291
Tax effect of adoption of SFAS 109...	2,367	-
Other, net.....	459	905
	$18,766	$16,309

The Internal Revenue Service has examined CWI's consolidated federal income tax returns through fiscal 1988 and is currently examining the returns for Fiscal 1989 and 1990.

NOTE 7. OTHER ACCRUED EXPENSES:

	1993	**1992**
	(In Thousands)	
Salaries, wages and vacation pay....	$ 4,336	$ 3,924
General liability, etc.....	3,939	3,405
Taxes, other than income taxes.....	1,377	1,651
Other.....	4,720	4,077
	$14,372	$13,057

NOTE 8. OTHER CURRENT LIABILITIES:

	1993	1992
	(In Thousands)	
Due to CWI		$2,110
Due to DPI	$ 570	664
Other	1,913	1,974
	$2,483	$4,748

On January 4, 1993, BRC declared a $6,000,000 dividend to CNJ which was paid in full on March 2, 1993. On July 19, 1993, BRC declared a $6,000,000 dividend to CNJ which was paid in full on August 24, 1993. On January 24, 1994, BRC declared a $6,000,000 dividend to CNJ.

NOTE 9. LONG-TERM NOTE, DUE TO AFFILIATES:

	1993	1992
	(In Thousands)	
DPI term note due June 1, 1996, interest at 11.45%	$58,600	$68,300

In June 1991, BRC executed an $81,862,000 term note due June 1, 1996 that replaced the term note due June 1, 1992. Interest is accrued monthly and paid quarterly at the annual rate of 11.45 percent on the unpaid principal balance. The term note is unsecured and may be prepaid at any time without penalty.

At December 31, 1993, the carrying value of this note approximated its fair value.

NOTE 10. LONG-TERM DEBT, OTHER:

	1993	1992
	(In Thousands)	
Mortgage payable.....	$ -	$ 1,808
Capitalized lease obligation, net of amounts representing interest....	9,302	9,249
	$ 9,302	$11,057

Mortgage payable is comprised of the following:

	1993	1992
	(In Thousands)	
Mortgage payable, interest at 8.0% maturing January 1999, secured by property.....	$ -	$2,096
Less current maturities.....	-	288
	$ -	$1,808

The mortgage was paid in full on November 30, 1993.

BRC leases approximately six acres of property in Atlantic City, including an entire block of Boardwalk frontage, which may be suitable for development of a casino/hotel. The capitalized lease, which expires in 2076, provides that BRC pay all applicable taxes, insurance and maintenance expenses and requires annual payments of $875,000. The lease may be purchased for $13,000,000. The purchase option will increase by $500,000 in August 1997 and another $500,000 every 10 years thereafter.

NOTE 10. LONG-TERM DEBT, OTHER (cont'd):

Capital lease obligations are comprised of the following:

	1993	1992
	(In Thousands)	
Capital lease obligations, net amounts representing interest.....	$9,302	$13,945
Less current maturies.....	-	4,743
	$9,302	$ 9,249

Future minimum lease payments for all leases are as follows:

Year Ending December 31,	Operating	Capital
	(In Thousands)	
1994	$ 518	$ 875
1995	201	875
1996	-	875
1997	-	875
1998	-	925
Thereafter	-	84,935
Total minimum lease payments	$ 719	89,360
Less amount representing interest.....		80,058
		$9,302

Rent expense for the twelve months ended December 31, 1993 and 1992 was $2,388,000 and $2,518,000, respectively.

NOTE 11. OTHER LIABILITIES:

	1993	1992
	(In Thousands)	
General liability, etc.....	$6,227	$4,481
Other.....	2,842	2,401
	$9,069	$6,882

NOTE 12. PENSION PLANS:

BRC participates in CWI's nonqualified defined benefit pension plans (the Plans) covering officers or other employees designated as key executives of CWI or its subsidiaries. The benefits are based on years of service (not to exceed 30) and the average of the employee's highest five years of base compensation during the last ten years of employment. BRC has funded the vested benefits of certain current employees by making contributions to a revocable trust. Income earned by the trust accrues to the benefit of BRC. At December 30, 1993 the amount in this revocable trust was $1,802,000 and was recorded as "Other Assets". This trust shall become irrevocable in the event of a change of control of CWI (as defined). Pension expense was $489,000 and $403,000 for the twelve months ended December 31, 1993 and 1992, respectively. The actuarially computed present value of the accumulated benefit obligation relating to participants employed by BRC was $2,007,000 at July 31, 1993. The liability accrued with respect to the Plan at July 31, 1993 was $2,725,000.

BRC also has an Individual Retirement Account Plan which is generally available to all full-time, non-union employees who have at least one year of service and are not covered under any qualified retirement plan. The expense of this plan was $698,000 and $736,000 for the twelve months ended December 31, 1993 and 1992, respectively. On January 1, 1994, the Individual Retirement Account Plan was terminated. CWI implemented a new 401(k) Plan in which BRC participates.

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 13. RELATED TRANSACTIONS:

BRC has recorded expenses for the twelve months ended December 31, 1993 and 1992 from CWI and affiliates as follows:

Affiliate	Transaction	1993	1992
		(In Thousands)	
Caesars World, Inc.	Management Fee	$10,219	$10,586
Caesars World Marketing Corp.	Reservation Offices	$ 6,069	$ 6,151
Caesars Palace Corp	Tradename Fee	4,997	4,800
Caesars World, Inc.	Allocated Expenses	2,895	3,156
		$13,961	$14,107

NOTE 14. COMMITMENTS AND CONTINGENCIES:

New Jersey Investment Obligation

The New Jersey Casino Control Act provides, among other things, for an investment obligation on licensees based upon their gross casino revenues. This obligation may be satisfied by investing in qualified eligible direct investments, by purchasing bonds issued by the Casino Reinvestment Development Authority (CRDA), and/or by making qualified contributions. As of December 31, 1993, all BRC investment obligations had been satisfied or prepaid.

Litigation

BRC is party to legal proceedings arising in the normal conduct of business. BRC believes that the final outcome of these matters will not have a material adverse effect upon BRC's financial position.

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1993
(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE – (e) NET OF ALLOWANCE
	Patron Checks:			
1	Undeposited patrons' checks	$ 4,855	–	
2	Returned patrons' checks	11,617	–	
3	Total patrons' checks	16,472	$ 7,104	$ 9,368
4	Hotel Receivables	718	120	598
	Other Receivables:			
5	Receivables due from officers and employees	5	–	
6	Receivables due from affiliates	324	–	
7	Other accounts and notes receivables	959	–	
8	Total other receivables	1,288	–	1,288
9	Totals (Form 205)	$ 18,478	$ 7,224	$ 11,254

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 6,406
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	221,665
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 consolidation, substitutions, and patrons' cash deposits)	(159,439)
13	Checks collected through deposits	(60,653)
14	Checks transferred to returned checks	(3,124)
15	Other adjustments	–
16	Ending Balance	$ 4,855
17	"Hold" Checks Included Balance on Line 16	$ –
18	Provision For Uncollectible Patrons' Checks	$ 1,575
19	Provision As A Percent Of Counter Checks Issued	0.7%

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

(UNAUDITED)

FOR THE THREE MONTHS ENDED DECEMBER 31, 1993

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	48,523	$ 2,848		$
Food	191,132	3,657		
Beverage	421,847	2,066		
Travel			6,354	2,517
Coin			252,103	2,637
Coupon			66,418	1,681
Cash Rebates			232	73
Entertainment	31,596	774	6,277	1,048
Retail & gifts			237	55
Other	2,229	154	41,877	806
Total	695,327	$ 9,499	373,498	$ 8,817

FOR THE YEAR ENDED DECEMBER 31, 1993

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	225,718	$ 11,433		$
Food	832,670	15,161		
Beverage	1,739,136	8,632		
Travel			29,534	9,478
Coin			1,284,589	11,198
Coupon			279,275	7,050
Cash Rebates			742	1,833
Entertainment	114,538	2,984	15,813	2,685
Retail & gifts			1,347	386
Other	14,041	509	188,769	3,052
Total	2,926,103	$ 38,719	1,800,069	$ 35,682

STATEMENT OF CONFORMITY AND ACCURACY

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

MICHAEL J. WALSH, being duly sworn according to law upon my oath deposes and says:

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

M J Walsh
Signature

VICE PRESIDENT FINANCE
Title

1482-11
License Number

Subscribed and sworn to
before me this 15th day
of March 1994

On Behalf Of:

Mary Nocella
Signature

MARY NOCELLA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 30, 1997

BOARDWALK REGENCY CORPORATION
Casino License

Basis of Authority
to Take Oaths

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE BOARDWALK REGENCY CORPORATION
d/b/a CAESARS ATLANTIC CITY

ADDRESS 2100 PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . . . MICHAEL J. WALSH

OFFICIAL TITLE . . . . . VICE PRESIDENT OF FINANCE

ADDRESS . . . . . 2100 PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993

($ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	(d) OTHER EMPLOYEES	SALARIES AND WAGES (e) OFFICERS AND OWNERS	(f) TOTALS
	CASINO				
1	Administration	16			
2	Gaming (Including simulcast)	798			
3	Slots	188			
4	Casino accounting	48			
5	Other	616			
6	Total – casino	1,666	$42,455	$616	$43,071
7	ROOMS	210	4,081	96	4,177
8	FOOD AND BEVERAGE	807	12,163	238	12,401
9	OTHER OPERATED DEPARTMENTS				
10	Parking Operations	39	914		914
11	Health Spa	8	155		155
12	Coat Room	7	60		60
13	Telephone	16	256		256
14	Affinity	1	16		16
15					
16					
17					
18					
19					
20	ADMINISTRATIVE AND GENERAL				
	Executive office	8	469	731	1,200
21	Accounting and auditing	64	1,700	294	1,994
22	Security	245	5,431	93	5,524
23	Other administrative and general department	194	5,150	413	5,563
24	MARKETING	77	2,031	94	2,125
25	GUEST ENTERTAINMENT	57	1,732		1,732
26	PROPERTY OPERATIONS AND MAINTENANCE	109	4,214	78	4,292
27					
	TOTAL – ALL DEPARTMENTS	3,508	$80,827	$2,653	$83,480

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1993

March 14, 1994
Date

M J Walsh
Signature

VP Finance
Title

GROSS REVENUE
ANNUAL TAX RETURN

LICENSEE BOARDWALK REGENCY CORPORATION

ADDRESS 2100 PACIFIC AVENUE

ATLANTIC CITY, N.J. 08401

FOR THE YEAR ENDED DECEMBER 31, 19 93

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
MAR 15 1994
CASINO CONTROL
COMMISSION

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

OFFICIAL TITLE..... Vice President, Finance

ADDRESS..... 2100 Pacific Avenue

Atlantic City, N.J. 08401

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 93

(UNAUDITED)

($ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	$ 125,949	
2	Coin-operated devices revenue	190,469	
3	Total revenues		$316,418
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	$ 1,577	
5	Maximum adjustment (4% of line 3)	$12,657	
6	Adjustment (the lesser of line 4 or line 5)		1,577
7	Gross revenues (line 3 less line 6)		$314,841
8	Tax on gross revenues - current year (8% of line 7)		$ 25,187
9	Audit or other adjustments to tax on gross revenues in prior years		145
10	Total tax on gross revenues (line 8 plus or minus line 9)		25,332
	Deposits made for tax on current year's gross revenues:		
11	January	$ 2,065	
12	February	1,842	
13	March	1,757	
14	April	2,124	
15	May	2,213	
16	June	2,048	
17	July	2,600	
18	August	2,619	
19	September	2,161	
20	October	2,108	
21	November	2,000	
22	December	1,589	
23	January	61	
24	Total deposits made for tax on current year's gross revenues		(25,187)
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits		(145)
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		$ 0

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF :
:ss.
COUNTY OF :

Michael J. Walsh, 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.

M Walsh
Signature

VICE PRESIDENT/FINANCE
Title

1482-11
License Number

On Behalf Of:

BOARDWALK REGENCY CORPORATION
Casino Licensee

Subscribed and sworn to
before me this 15th day
of March, 1994.

Maria M. Vuruet
Signature

MARIA M. VURUET
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 12, 1995

Basis of Authority
to Take Oaths

974.901
C193

ANNUAL REPORT

NEW JERSEY STATE LIBRARY
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THE CLARIDGE AT PARK PLACE, INC.

INDIANA AVENUE AT THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAR 2 5 1994
185 W. STATE ST.
TRENTON, N.J.

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS ANNUAL REPORT: RAYMOND A. SPERA

OFFICIAL TITLE: EXECUTIVE VICE PRESIDENT OF FINANCE & CORP. DEVELOPMENT

ADDRESS: INDIANA AVENUE AT THE BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993

TITLE	FORM #
BALANCE SHEETS	CCC - 205
STATEMENTS OF INCOME (YEAR)	CCC - 210
STATEMENTS OF INCOME (THREE MONTHS)	CCC - 215
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY	CCC - 220
STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETORS' EQUITY	CCC - 225
STATEMENTS OF CASH FLOWS	CCC - 235
NOTES TO FINANCIAL STATEMENTS	
SCHEDULE OF RECEIVABLES & PATRONS' CHECKS	CCC - 240
PROMOTIONAL EXPENSES & ALLOWANCES	CCC - 245
STATEMENT OF CONFORMITY & ACCURACY	CCC - 250

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

BALANCE SHEETS
DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1993	(D) 1992
	ASSETS		
	CURRENT ASSETS:		
1	CASH	$ 5,193	$ 4,758
2	MARKETABLE SECURITIES	-0-	-0-
3	RECEIVABLES & PATRONS CHECKS (NET OF ALLOW. FOR DOUBTFUL ACCOUNTS - 1993, $1,282; 1992, $1,444	19,253	17,148
4	INVENTORIES	2,647	2,285
5	PREPAID EXPENSES & OTHER CURRENT ASSETS	1,557	1,066
6	TOTAL CURRENT ASSETS	28,650	25,257
7	INVESTMENTS, ADVANCES & RECEIVABLES...(NOTE 3)	118,491	123,500
8	PROPERTY & EQUIPMENT - GROSS	14,436	13,600
9	(ACCUMULATED DEPRECIATION/AMORTIZATION)	(10,211)	(9,639)
10	OTHER ASSETS.....(NOTE 4)	429	461
11	TOTAL ASSETS	$151,795	$153,179
	LIABILITIES & EQUITY		
	CURRENT LIABILITIES:		
12	ACCOUNTS PAYABLE	$ 2,538	$ 1,869
13	NOTES PAYABLE	-0-	-0-
	CURRENT PORTION OF LONG-TERM DEBT:		
14	DUE TO AFFILIATES	-0-	-0-
15	OTHER.....(NOTE 7)	-0-	2,200
16	INCOME TAXES PAYABLE & ACCRUED	1,338	494
17	OTHER ACCRUED EXPENSES.....(NOTE 5)	8,756	8,297
18	OTHER CURRENT LIABILITIES.....(NOTE 6)	21,522	21,338
19	TOTAL CURRENT LIABILITIES	34,154	34,198
	LONG TERM DEBT:		
20	DUE TO AFFILIATES	-0-	-0-
21	OTHER.....(NOTE 7)	35,259	40,301
22	DEFERRED CREDITS	6,103	4,949
23	OTHER LIABILITIES.....(NOTE 8)	56,342	59,525
24	COMMITMENTS & CONTINGENCIES (NOTE 1)		
25	TOTAL LIABILITIES	131,858	138,973
26	STOCKHOLDERS', PARTNERS, OR PROPRIETOR'S EQUITY	19,937	14,206
27	TOTAL LIABILITIES & EQUITY	$151,795	$153,179

THE ACCOMPANYING NOTES ARE IN INTEGRAL PART OF THE FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1993	(D) 1992
	REVENUE:		
1	CASINO	$155,047	$148,798
2	ROOMS	11,408	11,118
3	FOOD & BEVERAGE	18,605	18,973
4	OTHER	2,206	2,842
5	TOTAL REVENUE	187,266	181,731
6	LESS: PROMOTIONAL ALLOWANCES	16,011	16,801
7	NET REVENUE	171,255	164,930
	COSTS & EXPENSES:		
8	COST OF GOODS & SERVICES	90,201	89,145
9	SELLING, GENERAL & ADMINISTRATIVE	49,422	42,924
10	PROVISION FOR DOUBTFUL ACCOUNTS	207	554
11	TOTAL COSTS & EXPENSES	139,830	132,623
12	GROSS OPERATING PROFIT	31,425	32,307
13	DEPRECIATION & AMORTIZATION	1,445	1,321
	CHARGES FROM AFFILIATES OTHER THAN INTEREST:		
14	MANAGEMENT FEES	-0-	-0-
15	OTHER	112	110
16	INCOME (LOSS) FROM OPERATIONS	29,868	30,876
	OTHER INCOME (EXPENSES):		
17	INTEREST (EXPENSES) - AFFILIATES.....(NOTE 13)	(432)	(432)
18	INTEREST (EXPENSES) - EXTERNAL	(3,741)	(3,808)
19	INVESTMENT ALT. TAX & RELATED INCOME (EXPENSE) - NET	(665)	(977)
20	NONOPERATING INCOME (EXPENSE) - NET....(NOTE 9)	(15,877)	(14,925)
21	TOTAL OTHER INCOME (EXPENSE)	(20,715)	(20,142)
22	INCOME (LOSS) BEFORE INCOME TAXES & EXTRAORDINARY ITEMS	9,153	10,734
23	PROVISION (CREDIT) FOR INCOME TAXES..(NOTE 11)	3,422	4,075
24	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS	5,731	6,659
25	EXTRAORDINARY ITEMS (NET OF INCOME TAXES - 1993, $ -0-; 1992, $-0-)	-0-	-0-
26	NET INCOME (LOSS)	$ 5,731	$ 6,659

NOTE: Casino revenues and Net Income for the year ended December 31, 1992 were favorably impacted by the reversal of approximately $2.4 million of progressive jackpot liability, resulting from the removal of certain progressive slot machines.

THE ACCOMPANYING NOTES ARE IN INTEGRAL PART OF THE FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1993	(D) 1992
	REVENUE:		
1	CASINO	$ 34,297	$ 32,717
2	ROOMS	2,585	2,398
3	FOOD & BEVERAGE	4,349	3,986
4	OTHER	509	515
5	TOTAL REVENUE	41,740	39,616
6	LESS: PROMOTIONAL ALLOWANCES	3,623	3,483
7	NET REVENUE	38,117	36,133
	COSTS & EXPENSES:		
8	COST OF GOODS & SERVICES	21,455	20,421
9	SELLING, GENERAL & ADMINISTRATIVE	11,044	10,595
10	PROVISION FOR DOUBTFUL ACCOUNTS	(233)	137
11	TOTAL COSTS & EXPENSES	32,266	31,153
12	GROSS OPERATING PROFIT	5,851	4,980
13	DEPRECIATION & AMORTIZATION	382	364
	CHARGES FROM AFFILIATES OTHER THAN INTEREST:		
14	MANAGEMENT FEES	-0-	-0-
15	OTHER	26	32
16	INCOME (LOSS) FROM OPERATIONS	5,443	4,584
	OTHER INCOME (EXPENSES):		
17	INTEREST (EXPENSES) - AFFILIATES.....(NOTE 13)	(108)	(108)
18	INTEREST (EXPENSES) - EXTERNAL	(900)	(826)
19	INVESTMENT ALT. TAX & RELATED INCOME (EXPENSE) - NET	(149)	(142)
20	NONOPERATING INCOME (EXPENSE) - NET....(NOTE 9)	(4,018)	(3,719)
21	TOTAL OTHER INCOME (EXPENSE)	(5,175)	(4,795)
22	INCOME (LOSS) BEFORE INCOME TAXES & EXTRAORDINARY ITEMS	268	(211)
23	PROVISION (CREDIT) FOR INCOME TAXES..(NOTE 11)	126	(110)
24	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS	142	(101)
25	EXTRAORDINARY ITEMS (NET OF INCOME TAXES - 1993, $ -0-; 1992, $-0-)	-0-	-0-
26	NET INCOME (LOSS)	$ 142	$ (101)

THE ACCOMPANYING NOTES ARE IN INTEGRAL PART OF THE FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY
FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	1993		1992	
		(C) SHARES	(D) DOLLARS	(E) SHARES	(F) DOLLARS
	COMMON STOCK: (PAR VALUE $0.10, AUTHORIZED & OUTSTANDING 1,000 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
	PREFERRED STOCK:				
5	BEGINNING BALANCE (JANUARY 1)				
6	SALE OF STOCK				
7					
8	ENDING BALANCE				
	ADDITIONAL PAID-IN CAPITAL:				
9	BEGINNING BALANCE (JANUARY 1)		$ 4,999		$ 4,999
10					
11					
12	ENDING BALANCE		$ 4,999		$ 4,999
	TREASURY STOCK:				
13	BEGINNING BALANCE (JANUARY 1)				
14	PURCHASE OF ADDITIONAL STOCK				
15	SALE OR RETIREMENT OF STOCK				
16	ENDING BALANCE				
	SUBSCRIPTIONS RECEIVABLE FOR CAPITAL STOCK:				
17	BEGINNING BALANCE (JANUARY 1)				
18					
19					
20	ENDING BALANCE				
	NET UNREALIZED LOSS ON NONCURRENT MARKETABLE EQUITY SECURITIES:				
21	BEGINNING BALANCE (JANUARY 1)				
22					
23					
24	ENDING BALANCE				
	RETAINED EARNINGS:				
25	BEGINNING BALANCE (JANUARY 1)		$ 9,206		$ 2,547
26	PRIOR PERIOD ADJUSTMENTS				
27	NET INCOME (LOSS)		5,731		6,659
28	DIVIDENDS				
29					
30					
31	ENDING BALANCE		14,937		9,206
32	ENDING STOCKHOLDERS' EQUITY		$19,937		$ 14,206

THE ACCOMPANYING NOTES ARE IN INTEGRAL PART OF THE FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETORS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1993	(D) 1992
	INVESTED CAPITAL:		
1	BEGINNING BALANCE (JANUARY 1)		
2	ADDITIONAL CAPITAL INVESTED		
3	_____		
4	ENDING BALANCE		
	ACCUMULATED INCOME (LOSS):		
5	BEGINNING BALANCE		
6	PRIOR PERIOD ADJUSTMENTS		
7	NET INCOME (LOSS)		
8	_____		
9	ENDING BALANCE		
	CAPITAL WITHDRAWALS:		
10	BEGINNING BALANCE		
11	ADDITIONAL CAPITAL WITHDRAWALS		
12	_____		
13	ENDING BALANCE		
	NET UNREALIZED LOSS ON NONCURRENT MARKETABLE EQUITY SECURITIES:		
14	BEGINNING BALANCE		
15	_____		
16	_____		
17	ENDING BALANCE		
18	ENDING PARTNERS' OR PROPRIETOR'S EQUITY		

NOT APPLICABLE

THE ACCOMPANYING NOTES ARE IN INTEGRAL PART OF THE FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1993	(D) 1992
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	$ 4,840	$ 5,806
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	PURCHASE OF SHORT-TERM INVESTMENT SECURITIES.....		
3	PROCEEDS FROM THE SALE OF SHORT-TERM INV. SECURITIES...		
4	CASH OUTFLOWS FOR PROPERTY & EQUIPMENT.....	(1,534)	(1,281)
5	PROCEEDS FROM DISPOSITION OF PROPERTY & EQUIPMENT.....	53	87
6	PURCHASE OF CASINO REINVESTMENT OBLIGATION.....	(1,875)	(1,255)
7	PURCHASE OF OTHER INVESTMENTS & LOANS/ADVANCES MADE....	(3,287)	(2,295)
8	PROCEEDS FROM DISPOSAL OF INVESTMENTS & COLLECTION OF ADVANCES & LONG TERM RECEIVABLES.....	9,480	8,625
9	CASH OUTFLOWS TO ACQUIRE BUSINESS ENTITIES.....		
10	_____.....		
11	_____.....		
12	NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES.....	2,837	3,881
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	CASH PROCEEDS FROM ISSUANCE OF SHORT-TERM DEBT.....	1,700	1,000
14	PAYMENTS TO SETTLE SHORT-TERM DEBT.....	(1,000)	-0-
15	CASH PROCEEDS FROM ISSUANCE OF LONG-TERM DEBT.....		
16	COSTS OF ISSUING DEBT.....		
17	PAYMENTS TO SETTLE LONG-TERM DEBT.....	(7,942)	(10,566)
18	CASH PROCEEDS FROM ISSUING STOCK OR CAPITAL CONTRIB....		
19	PURCHASES OF TREASURY STOCK.....		
20	PAYMENTS OF DIVIDENDS OR CAPITAL WITHDRAWALS.....		
21	_____.....		
22	_____.....		
23	NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES.....	(7,242)	(9,566)
24	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS.....	435	121
25	CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	4,758	4,637
26	CASH & CASH EQUIVALENTS AT END OF PERIOD.....	$ 5,193	$ 4,758

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	CASH PAID DURING YEAR FOR:		
28	INTEREST (NET OF AMOUNT CAPITALIZED).....	$ 3,741	$ 3,808
	INCOME TAXES.....	$ 1,393	$ 2,841

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1993	(D) 1992
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
29	NET INCOME (LOSS)	$ 5,731	$ 6,659
	NON-CASH ITEMS INCLUDED INCOME & CASH ITEMS EXCLUDED FROM INCOME:		
30	DEPRECIATION & AMORTIZATION OF PROPERTY & EQUIPMENT	1,269	1,124
31	AMORTIZATION OF OTHER ASSETS	176	197
32	AMORTIZATION OF DEBT DISCOUNT OR PREMIUM		
33	DEFERRED INCOME TAXES - CURRENT		
34	DEFERRED INCOME TAXES - NONCURRENT	1,154	1,339
35	(GAIN) LOSS ON DISPOSITION OF PROPERTY & EQUIPMENT	(52)	(18)
36	(GAIN) LOSS ON CASINO REINVESTMENT OBLIGATIONS	665	977
37	(GAIN) LOSS FROM OTHER INVESTMENT ACTIVITIES		
38	NET (INCREASE) DECREASE IN RECEIVABLES AND PATRONS' CHECKS EXCLUDING RECLASS FROM LONG TERM OF $1,030 and $489	(1,075)	475
39	NET (INCREASE) DECREASE IN INVENTORIES	(362)	(244)
40	NET (INCREASE) DECREASE IN OTHER CURRENT ASSETS *	(491)	362
41	NET (INCREASE) DECREASE IN OTHER ASSETS	(144)	(272)
42	NET INCREASE (DECREASE) IN ACCOUNTS PAYABLE	669	216
43	NET INCREASE (DECREASE) IN OTHER CURRENT LIABILITIES EXCLUDING DEBT	1,487	(1,252)
44	NET INCREASE (DECREASE) IN OTHER NONCURRENT LIABILITIES EXCLUDING DEBT	(3,183)	(2,884)
45	DISCOUNT ON WRAPAROUND MORTGAGE RECEIVABLE	(1,004)	(873)
46			
47	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 4,840	$ 5,806

* EXCLUDING DECREASE IN CURRENT PORTION OF CRDA CREDIT OF $-0- AND $515

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	ACQUISITION OF PROPERTY & EQUIPMENT:		
49	ADDITIONS TO PROPERTY & EQUIPMENT	$ 1,534	$ 1,281
50	LESS: CAPITAL LEASE OBLIGATIONS ACQUIRED		
	CASH OUTFLOWS FOR PROPERTY & EQUIPMENT	$ 1,534	$ 1,281
	ACQUISITION OF BUSINESS ENTITIES:		
51	PROPERTY & EQUIPMENT ACQUIRED	$	$
52	GOODWILL ACQUIRED		
53	NET ASSETS ACQUIRED OTHER THAN CASH, GOODWILL & PROPERTY & EQUIPMENT		
54	LONG TERM DEBT ASSUMED		
55	ISSUANCE OF STOCK OR CAPITAL INVESTED		
56	CASH OUTFLOWS TO ACQUIRE BUSINESS ENTITIES	$ -0-	$ -0-
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	TOTAL ISSUANCES OF STOCK OR CAPITAL CONTRIBUTIONS	$ -0-	$ -0-
58	LESS: ISSUANCES TO SETTLE LONG TERM DEBT		
59	CONSIDERATION IN ACQUISITION OF BUSINESS ENTITIES		
60	CASH PROCEEDS FROM ISSUING STOCK OR CAPITAL CONTRIB	$ -0-	$ -0-

THE ACCOMPANYING NOTES ARE IN INTEGRAL PART OF THE FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1993 AND 1992

(1) Business

(a) 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. ("DEWNJ"), a wholly-owned subsidiary of Del 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.

(b) Recent Business Developments

On January 31, 1994, the Corporation completed an offering of $85 million of First Mortgage Notes (the "Notes") due 2002, bearing interest at 11 3/4%. A portion of the net proceeds of $82.2 million, after deducting fees and expenses, was used to repay in full New Claridge's outstanding debt under the Revolving Credit and Term Loan Agreement (the "Loan Agreement"), including the outstanding balance of New Claridge's revolving credit line. In conjunction with the full satisfaction of the Loan Agreement, New Claridge's revolving credit line arrangement was terminated. New Claridge is currently seeking to obtain a new line of credit arrangement; however, New Claridge's current resources are adequate to fund future obligations as they become due.

The balance of the net proceeds from the offering of the Notes will be used (i) to fund internal improvements intended to expand the Claridge's casino capacity, which will result in the addition of approximately 550 slot machines, as well as a poker and simulcast area; (ii) the possible acquisition of an adjacent parcel of land and construction on that land of a self-parking garage facility; (iii) the possible purchase of the Contingent Payment (see Note 8, "Other Liabilities") issued by New Claridge in 1989 and now held by a trustee for the benefit of the United Way of Arizona; and (iv) the potential expansion of the Corporation's activities into emerging gaming markets.

(c) Restructuring

On October 27, 1988, the parties with an economic interest in the Corporation and New Claridge, including the banks holding the First Mortgage (the "First Mortgage Lenders"), executed an agreement (the "Restructuring Agreement") with respect to the restructuring of the financial obligations of the Corporation and New Claridge. Had the parties not executed the Restructuring Agreement, New Claridge would probably have exhausted its working capital resources by December 1988, would not have been relicensed for the license period beginning October 31, 1988 through October 31, 1989, and would have had to consider filing for bankruptcy protection. On June 16, 1989 the restructuring was concluded pursuant to the terms of the Restructuring Agreement, and resulted in New Claridge's first mortgage balance being reduced from $89,015,000

to $74,557,000. The restructuring resulted in (i) a reorganization of the ownership interests in the Corporation; (ii) modifications of the rights and obligations of certain lenders; (iii) satisfaction and termination of the obligations and commitments of Webb and DEWNJ under the original structure; (iv) modifications of the lease agreements between New Claridge and the Partnership; and (v) the forgiveness by Webb of substantial indebtedness.

(d) Claridge License Renewal

On September 22, 1993, New Claridge was issued a two-year casino license by the New Jersey Casino Control Commission (the "Commission") for the period commencing September 30, 1993. The relicensing approval was based in part on the execution of the third amendment to the Loan Agreement on April 1, 1993 (as discussed in note 7, Long Term Debt).

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements are prepared in accordance with generally accepted accounting principles.

(b) Cash

Cash includes investments in interest-bearing repurchase agreements in government securities, with maturities of three months or less when purchased. Interest income is recorded as earned.

(c) 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 granted. 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.

(d) Promotional Allowances

Promotional allowances are presented at retail value. The cost of providing these complimentaries is included in the statement of earnings as operating costs.

(e) Inventories

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

(f) Furniture and Equipment

Furniture and equipment is stated at cost. Depreciation is provided over the estimated useful lives (five years) of the respective assets using the straight-line method.

(g) Income Taxes

New Claridge is included in the consolidated income tax return of its parent, the Corporation. Deferred income taxes are provided for the temporary differences between financial statement reporting and income tax reporting for rent levelling provisions, asset basis differences, and various other expenses recorded for financial statement purposes.

(3) Investments, Advances, and Receivables

Investments, Advances, and Receivables at December 31, 1993 and 1992 are summarized as follows:

	1993	1992
	(in thousands)	
$127,000,000 Expandable Wraparound Mortgage 14%, maturities through September 30, 2000 (net of $12,295,000 discount and $13,299,000 discount at December 31, 1993 and 1992, respectively)	$ 87,705	93,701
Deferred interest receivable, due September 30, 2000	20,000	20,000
FF&E promissory note, 14%	8,479	6,339
FF&E promissory note - expansion, 14%	9,819	11,154
Reinvestment Obligations	2,977	1,710
Reinvestment Obligation Credit	20	76
	129,000	132,980
Less Current Installments	10,509	9,480
	$118,491	123,500

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 first mortgage and the Partnership's debt under the Purchase Money Second Mortgage indebtedness. The discounted portion of the Expandable Wraparound Mortgage is due to the deferral of $20 million in interest between 1983 and 1988 until maturity. Principal payments required under the Expandable Wraparound Mortgage commenced in 1988. During the year ended December 31, 1993, $7 million in principal payments were made.

The Expandable Wraparound Mortgage also includes a provision whereby New Claridge will loan the Partnership up to $25 million 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. During the year ended December 31, 1993, $1,146,000 in FF & E Promissory Note principal payments were made.

The Expandable Wraparound Mortgage was increased up to $17 million to provide the Partnership with funding for the construction of the expansion. Effective on the date that the expansion opened to the public (August 28, 1986), the Partnership commenced making level monthly payments of principal and interest so as to repay on September 30, 1998, in full, the principal balance of this $17 million increase in the Expandable Wraparound Mortgage. The Expandable Wraparound Mortgage was amended to require, in addition to the above, principal payments (in equal monthly installments) due during the years 1988 through 1998 in escalating amounts totalling $80 million and on December 31, 2000 a balloon payment of $67 million, which includes $20 million of deferred interest.

The Casino Control Act (the "Act") provides for the imposition of an investment obligation, calculated as 1.25% of the total revenues from gaming operations less the provision for bad debt. If a casino licensee opts not to make an investment as required it is assessed an additional tax of 2.5% of total gaming revenues less the provision for bad debt. The licensee can satisfy its investment obligation by making a direct investment in a project approved by the Casino Reinvestment Development Authority ("CRDA"), the agency responsible for administrating this portion of the Act, or it can buy bonds issued by the CRDA. These bonds bear interest at two-thirds of market rates, as set forth in the Act.

New Claridge has opted to deposit its reinvestment funds with the State Treasurer. Through December 31, 1993, New Claridge has deposited $12,733,000, of which $2,025,000 has been used to purchase bonds issued by the CRDA. Since interest on these bonds and funds deposited is paid at a discounted rate, New Claridge records a valuation allowance of approximately one-third of the reinvestment obligation. In addition, in January 1990, it was determined that certain bonds issued by the CRDA had become impaired, and that the payment of principal and interest on these bonds was uncertain. As a result, New Claridge has recorded a valuation allowance for the full amount of its investment in these bonds, totalling $1,654,000.

In December 1989, and again in July 1990, New Claridge made to the CRDA donations of funds, totalling $7,088,000, which had previously been deposited with the State Treasurer. In exchange for these donations, New Claridge received credits from the CRDA equal to 51% of the donations, to be applied to satisfy portions of the reinvestment obligations commencing after the date of the donations. As of December 31, 1993, $20,000 of these credits remained to be used.

(4) Other Assets

Other assets at December 31, 1993 and 1992 consist of the following:

	1993	1992
	(in thousands)	
Intangible assets (net of accumulated amortization of $513 and $337 at December 31, 1993 and 1992, respectively)	$194	297
Refundable deposits, non-current	119	119
Other	116	45
	$429	461

(5) Other Accrued Expenses

Other accrued expenses at December 31, 1993 and 1992 consist of the following:

	1993	1992
	(in thousands)	
Progressive jackpot liability	$ 51	483
Accrued payroll and related benefits	5,547	4,643
Accrued interest due to the Partnership	1,962	1,530
Other	1,196	1,641
	$8,756	8,297

In September 1992, certain progressive slot machines were removed from the casino, resulting in the reversal of $2.4 million of progressive jackpot liability. In 1993, $432,000 of progressive jackpot liability was reversed as a result of removing additional progressive slot machines. The removal of these units was made following receipt of approval from the Casino Control Commission.

(6) Other Current Liabilities

Other current liabilities at December 31, 1993 and 1992 consist of the following:

	1993	1992
	(in thousands)	
Due to affiliates	$ 3,600	3,600
Deferred rent, current	15,078	15,078
Auto/general claims liability	1,404	1,425
Other	1,440	1,235
	$21,522	21,338

As of December 31, 1993 and 1992, Due to Affiliates includes $3.6 million due to the Partnership. On June 16, 1989 pursuant to the terms of the Restructuring Agreement, the Partnership loaned to New Claridge $3.6 million which represented substantially all cash and cash equivalents remaining in the Partnership other than funds needed to pay expenses incurred through the closing of the restructuring. This loan is evidenced by an unsecured promissory note and is not due and payable until such time as the full or partial satisfaction of the Wraparound Mortgage and the first mortgage has been made in connection with a refinancing or sale of all or a partial interest in New Claridge. Interest, which accrues at 12% per annum, is payable in full upon maturity. As of December 31, 1993, such interest, which is included in Accrued Expenses, amounted to $1,962,000.

As of December 31, 1993, the amount of deferred rent of $15,078,000 represents the maximum deferral allowed in accordance with the terms of the Operating Lease Agreement and Expansion Operating Lease Agreement, as amended. The deferred rent liability will become payable (i) upon a sale or refinancing of the Claridge; (ii) upon full or partial satisfaction of the Wraparound Mortgage; and (iii) upon full satisfaction of any first mortgage then in place.

(7) Long-term Debt

Long-term debt at December 31, 1993 and 1992 consists of the following:

	1993	1992
	(in thousands)	
First Mortgage Note (a)	$33,559	41,501
Revolving line of credit (b)	1,700	1,000
	$35,259	42,501
Less current installments	- 0 -	2,200
	$35,259	40,301

(a) On October 7, 1991, New Claridge was issued a two year license by the Commission for the period commencing October 31, 1991. The relicensing approval was based in part on the execution of the second amendment to the Loan Agreement on April 23, 1991. In addition, New Claridge was required to submit to the Commission by April 30, 1993 a plan to satisfy the balloon payment due on the term loan on January 1, 1994, pursuant to the terms of the Loan Agreement, with implementation of the plan by June 30, 1993. The third amendment to the Loan Agreement was executed, effective April 1, 1993. The modifications resulting from this amendment included (i) the extension of the maturity date of the first mortgage loan from January 1, 1994 to December 31, 1996; (ii) an increase in the interest rate to the "prime rate" of Marine Midland Bank, N.A. plus four percent (from the previous prime rate plus one and one-half percent); (iii) an increase in the mandatory principal payments from $1.2 million to $3 million annually, payable in equal monthly installments; (iv) an increase in the maximum annual capital expenditure limitation from $3.5 million per year to $5 million per year; and (v) an increase in the co-agent's fee to $70,000 per year. Prior to this amendment, New Claridge was required to pay a co-agent's fee equal to one-fortieth of one percent of the average daily outstanding balance of the first mortgage loan. In addition, New Claridge paid an extension fee of $200,000 upon the execution of this amendment to the Loan Agreement.

In addition to the mandatory principal payments, New Claridge was also required to pay quarterly, to the Bank, for permanent application to the outstanding principal balance of the first mortgage loan, any excess cash flow as defined in the Loan Agreement.

The total principal balance outstanding on the first mortgage loan at December 31, 1993 has been classified as long-term debt, due to the repayment in full of the first mortgage on January 31, 1994, in conjunction with the full satisfaction of the Loan Agreement (see note 1(b) "Recent Business Developments").

b) Pursuant to the terms of the Loan Agreement, the Bank established a revolving working capital facility, which, as of December 31, 1993 was in the amount of $7.5 million. Interest on the working capital facility borrowings, which was payable monthly in arrears, accrued at a rate equal to the prime rate plus four percent, as amended effective April 1, 1993. New Claridge was also required to pay quarterly a commitment fee equal to .5% per annum of the unused portion of the revolving working capital facility.

New Claridge's outstanding borrowings on the revolving working capital facility at December 31, 1993 and 1992 were $1,700,000 and $1,000,000, respectively.

The amount outstanding on the revolving working capital facility at December 31, 1993 has been classified as long-term debt, due to the repayment in full on January 31, 1994, in conjunction with the full satisfaction of the Loan Agreement (see Note 1(b) "Recent Business Developments"). As a result of the full satisfaction of the Loan Agreement, New Claridge's revolving credit line arrangement was terminated. New Claridge is currently seeking to obtain a new line of credit arrangement; however, New Claridge's current resources are adequate to fund future obligations as they become due.

(8) Other Liabilities

Other liabilities at December 31, 1993 and 1992 consist of the following:

	1993	1992
	(in thousands)	
Deferred rent	$36,342	39,525
Other non-current liabilities	20,000	20,000
Total	$56,342	59,525

Pursuant to the Restructuring Agreement, Webb retained an interest, which was assigned to a trustee for the benefit of the United Way of Arizona on April 2, 1990, equal to $20 million plus interest at a rate of 15% per annum, compounded quarterly, commencing December 1, 1988, in any proceeds ultimately recovered from operations and/or the sale or refinancing of the Claridge facility in excess of the first mortgage loan ("Contingent Payment"), which amount is payable under certain circumstances. Consequently, New Claridge has deferred the recognition of $20 million of forgiveness income with respect to the Contingent Payment obligation. Interest on the Contingent Payment has not been recorded in the accompanying financial statements since the likelihood of paying such amount is not considered probable at this time. As of December 31, 1993, accrued interest would have amounted to approximately $22.3 million.

(9) Other Nonoperating Income (Expense) - Net

Other nonoperating income (expense) - net for the years ended December 31, 1993 and 1992 consists of the following:

	1993	1992
	(in thousands)	
Interest income - Wraparound Mortgage	$17,974	18,774
Interest income - other	416	157
Other nonoperating income/(expense)	(270)	254
Facilities/maintenance fee	530	530
Gain on disposal of assets	53	18
Partnership rent expense	(34,580)	(34,658)
Total	$(15,877)	(14,925)

(10) Operating Lease

New Claridge leases the Hotel Assets and the land on which the Claridge is located from the Partnership under an Operating Lease, for an initial lease term of 15 years with three ten-year renewal options. If New Claridge exercises its option to extend the term of the Operating Lease, basic rent during the renewal term will be calculated pursuant to a formula, with such rent not to be more than $29,500,000 nor less than $24,000,000 in 1999 and, subsequently, not to be greater than 10% more than the basic rent for the immediately preceding lease year in each lease year thereafter. New Claridge is also required to pay as additional rent amounts including certain taxes, insurance and other charges relating to the occupancy of the land and Hotel Assets, certain expenses and debt service relating to furniture, fixture and equipment replacements and building improvements and the general and administrative costs of the Partnership. Under the terms of the Operating Lease, New Claridge has an option to purchase, on September 30, 1998 and, if it renews the Operating Lease, on September 30, 2003, the Hotel Assets and the underlying land for their fair market value at the time the option is exercised.

Minimum future basic lease payments under the Operating Lease as amended (as described below), as of December 31; 1993 (net of expected abatements, as discussed below) are as follows (in thousands):

01/01/94 - 12/31/94	$ 30,821
01/01/95 - 12/31/95	30,762
01/01/96 - 12/31/96	31,199
01/01/97 - 12/31/97	41,775
01/01/98 - 09/30/98	32,531
Total Minimum	$ 167,088

Also, additional rent payments are required based upon fixed assets purchased by the Partnership (the FF&E Replacements, note 3) and then leased to New Claridge. For the years ended December 31, 1993 and 1992 rental expense for all operating leases amounted to $36,874,000 and $37,043,000 respectively, of which $(3,183,000) and $(2,884,000) of rental expense is attributable to the requirement under Statement of Financial Accounting Statements #13 to provide a level rent expense for those leases with escalating payments. Under the 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.

New Claridge entered into an Expansion Operating Lease Agreement with the Partnership whereby New Claridge leased the expansion facility for an initial term beginning March 17, 1986 and ending on September 30, 1998 with three 10-year renewal options. Basic annual rent payable during the initial term of the Expansion Operating Lease is $3,870,000 in 1986 (prorated based on the day that the Expansion Improvements opened to the public), and determined based on the cost of the construction of the Expansion Improvements. Annually thereafter the rental amount is adjusted based on the Consumer Price Index but any increase may not exceed two percent per annum. The total Expansion Operating Lease paid for the year ended December 31, 1993 was $4,445,000. If the term of the Expansion Operating Lease is extended, basic annual rent will be calculated pursuant to a formula, with such rent not to be more than $3,000,000 nor less than $2,500,000 and not to be greater than 10% more than the basic

annual rent for ~~the im~~mediately preceding lease year in each lease year thereafter.

New Claridge is also required to pay as additional rent certain expenses and the debt service relating to Furniture, Fixture and Equipment Replacements and building improvements (collectively "Expansion FF&E Replacements") for the expanded facility. The Partnership will be required during the entire term of the Expansion Operating Lease to provide New Claridge with Expansion FF&E Replacements and until September 30, 1998, will be required to provide facility maintenance and engineering services to New Claridge. New Claridge will be obligated to lend the Partnership any amounts necessary to fund the cost of Expansion FF&E Replacements. Any advances by New Claridge for the foregoing will be secured under the Expandable Wraparound Mortgage. New Claridge will have the option to purchase, on September 30, 1998 and, if it renews the Expansion Operating Lease, on September 30, 2003, the expansion facility (including air rights) for their fair market value at the time the option is exercised.

Effective with the consummation of the restructuring in June 1989, the Operating Lease Agreement and the Expansion Operating Lease Agreement were amended to provide for the deferral of $15,078,000 of rental payments during the period July 1, 1988 through the beginning of 1992, and to provide for the abatement of basic rent payable through 1998, thereby reducing the Partnership's cash flow to an amount estimated to be necessary to meet the Partnership's cash requirements. During the third quarter of 1991, the maximum deferral of basic rent allowable under the Operating Lease of $15,078,000 was reached. On August 1, 1991, the Operating Lease Agreement and Expansion Operating Lease Agreement were further amended to revise the abatement provisions so that, commencing January 1, 1991, for each calendar year through 1998, the lease abatements may not exceed $10 million in any one calendar year, and $38,820,000 in the aggregate.

Effective with the closing of the restructuring on June 16, 1989, lease expense recognized on a level basis is reduced prospectively, based on a revised schedule of rent levelling relative to the abatement of certain rents beginning in 1992.

If the Partnership should fail to make any payment due under the Wraparound Mortgage, New Claridge may exercise a right of offset against rent or other payments due under the Operating Lease and Expansion Operating Lease to the extent of any such deficiency.

(11) Income Taxes

In February 1992, the Financial Accounting Standards Board issued Statement No. 109, "Accounting for Income Taxes". Statement No. 109 requires a change from the deferred method of accounting for income taxes to the asset and liability method of accounting for income taxes.

Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis.

New Claridge is included in the consolidated income tax return of its parent, the Corporation. Effective January 1, 1993, the Corporation adopted Statement No. 109 on a prospective basis. There is no effect on the Corporation's statement of operations for the year ended December 31, 1993 as a result of the adoption of Statement No. 109.

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

	1993	1992
Current:		
Federal	$1,928	2,325
State	340	411
Deferred	1,154	1,339
	$3,422	4,075

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

	1993	1992
Federal income tax at statutory rates	$2,908	3,442
State income taxes less Federal benefit	514	633
	$3,422	4,075

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 1993 are presented below (in thousands):

Deferred tax asset/(liability):

Depreciation	$ (699)
Rent leveling	14,015
Difference between book and tax basis of receivables	(1,772)
Accrued expenses	1,373
Difference between book and tax basis of Wraparound Mortgage receivable	(19,574)
Other differences between tax and financial statement values	554
Net Deferred Tax Liability	$ (6,103)

No valuation allowance has been provided on deferred tax assets since management believes that it is more likely than not that such assets will be realized through the reversal of existing deferred tax liabilities and future taxable income.

The principal items comprising the deferred tax provision in 1992 included rent levelling of $1,150,000, Wraparound Mortgage discount expense of $350,000, reversal of progressive jackpot liability of $615,000, bad debt expense of ($66,000), and income related to debt forgiveness of ($678,000).

As a result of the restructuring in 1989, the amount of debt forgiven resulted in the loss or reduction of various tax attributes including tax operating loss carryforwards of $30,400,000, unused tax credits of $1,041,000 and reduction in tax basis of assets by $89,178,000. As a result of the reduction in tax basis of assets, cash payments for income taxes will significantly exceed income tax expense for financial statement purposes in future years. The above amounts have been adjusted to reflect settlements of the IRS audits of the years 1983 through 1987.

(12) Other Events

On December 30, 1992, the Corporation and Fitzgeralds Las Vegas, L.P. executed a Letter of Intent to combine the business and assets of the two organizations. A definitive agreement was not reached and the Letter of Intent expired by its own terms on June 28, 1993.

(13) Related Party Transactions

(a) At the closing of the restructuring on June 16, 1989, the Partnership loaned to New Claridge all cash and cash equivalents remaining in the Partnership other than funds needed to pay expenses incurred through or at the closing of the restructuring. Interest on this loan accrues at 12% per years. For the years ended December 31, 1993 and 1992 interest expense due to affiliates was $432,000 and $432,000 respectively.

(b) In conjunction with the restructuring, the Maintenance Services Contract was assigned by DEWNJ to New Claridge; consequently, certain charges are paid directly to the Partnership. The costs of these services for the years ended December 31, 1993 and 1992 amounted to $112,000 and $110,000 respectively.

(c) 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 years ended December 31, 1993 and 1992 New Claridge has earned interest income of $17,974,000 and $18,774,000 respectively, and incurred lease expense of $34,580,000 and $34,658,000, respectively.

(d) In February 1992, the Corporation's Board of Directors adopted a Long-Term Incentive Plan ("Plan") in which certain key employees of the Corporation and/or New Claridge participate. The Plan provides for the grant of the 273,938 shares of the Corporation's Class A stock, which were held as treasury shares of the Corporation, and for the issuance of 100 Equity Units. The aggregate value of the 100 Equity Units is equal to 5.41 percent of certain amounts as further defined in the Plan. Specified portions of the awarded treasury shares and Equity Units held by participants shall vest upon the attainment of specific goals as described in the Plan. The treasury shares and Equity Units fully vest upon a further restructuring or a change in control as defined. Payment with respect to the Equity Units will only be made (a) upon the occurrence of a transaction in which substantially all of the assets and business operations of the Claridge entities are transferred to one or more entities in a merger, sale of assets or other acquisition-type transaction, or (b) if any change of control of the Corporation occurs, as defined in the Plan. With respect to such Plan, no vesting has occurred through December 31, 1993.

On April 15, 1992, the Casino Control Commission approved the Plan, and the treasury shares were delivered to the participants. A participant is entitled to vote all awarded treasury shares whether or not vested in such shares.

On July 25, 1993, Shannon Bybee, Chairman and Chief Executive Officer of the Corporation resigned, resulting in the return to the Corporation of 73,963 shares of the Corporation's Class A stock, which had previously been awarded under the Plan. In addition, the Equity Units held by Mr. Bybee were returned to the Corporation upon his resignation.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

SCHEDULE OF RECEIVABLES & PATRONS' CHECKS
DECEMBER 31, 1993
(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (A)	DESCRIPTION (B)	ACCT. BAL. (C)	ALLOWANCE (D)	A/R NET OF ALLOW. (E)
	PATRONS' CHECKS:			
1	UNDEPOSITED PATRONS' CHECKS	$ 864		
2	RETURNED PATRONS' CHECKS	1,086		
3	TOTAL PATRONS' CHECKS	1,950	$ 1,243	$ 707
4	HOTEL RECEIVABLES	274	26	248
	OTHER RECEIVABLES:			
5	RECEIVABLES DUE FROM OFFICERS & EMPLOYEES	2		
6	RECEIVABLES DUE FROM AFFILIATES	18,090		
7	OTHER ACCOUNTS & NOTES RECEIVABLES	219		
8	TOTAL OTHER RECEIVABLES	18,311	13	18,298
9	TOTALS (FORM 205)	$ 20,535	$ 1,282	$ 19,253

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (F)	DESCRIPTION (G)	(H) AMOUNT
10	BEGINNING BALANCE (JANUARY 1)	$ 899
11	COUNTER CHECKS ISSUED (EXCLUDING COUNTER CHECKS ISSUED THROUGH TRANSACTIONS RELATING TO CONSOLIDATION, PARTIAL REDEMPTIONS, SUBSTITUTIONS, & PATRONS CASH DEPOSITS)	46,435
12	CHECKS REDEEMED PRIOR TO DEPOSIT (EXCLUDING THE UNREDEEMED PORTION OF COUNTER CHECKS REDEEMED THROUGH PARTIAL REDEMPTIONS, & EXCLUDING CHECKS REDEEMED THROUGH TRANSACTIONS RELATING TO CONSOLIDATION, SUBSTITUTIONS, & PATRONS CASH DEPOSITS)	(36,272)
13	CHECKS COLLECTED THROUGH DEPOSITS	(9,220)
14	CHECKS TRANSFERRED TO RETURNED CHECKS	(978)
15	OTHER ADJUSTMENTS	
16	ENDING BALANCE	$ 864
17	"HOLD" CHECKS INCLUDED IN BALANCE ON LINE 16	
18	PROVISION FOR UNCOLLECTIBLE PATRONS' CHECKS	$ 114
19	PROVISION AS A PERCENT OF COUNTER CHECKS ISSUED	.2%

THE ACCOMPANYING NOTES ARE IN INTEGRAL PART OF THE FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

PROMOTIONAL EXPENSES & ALLOWANCES
($ IN THOUSANDS)

FOR THE THREE MONTHS ENDED DECEMBER 31, 1993

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	20,245	$ 1,012	-0-	$ -0-
FOOD	148,520	1,325	-0-	-0-
BEVERAGE	242,659	1,252	-0-	-0-
TRAVEL	-0-	-0-	727	72
COIN	-0-	-0-	404,566	4,208
COUPON	-0-	-0-	-0-	-0-
ENTERTAINMENT	1,491	34	-0-	-0-
RETAIL & GIFTS	-0-	-0-	70,573	304
PARKING	-0-	-0-	23,741	172
OTHER	-0-	-0-	2,035	69
TOTAL	412,915	$ 3,623	501,642	$ 4,825

FOR THE YEAR ENDED DECEMBER 31, 1993

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	83,366	$ 4,760	-0-	$ -0-
FOOD	663,593	5,637	-0-	-0-
BEVERAGE	1,050,380	5,335	-0-	-0-
TRAVEL	-0-	-0-	2,958	300
COIN	-0-	-0-	2,013,804	19,516
COUPON	-0-	-0-	-0-	-0-
ENTERTAINMENT	12,579	279	-0-	-0-
RETAIL & GIFTS	-0-	-0-	256,682	1,202
PARKING	-0-	-0-	142,769	993
OTHER	-0-	-0-	8,953	252
TOTAL	1,809,918	$ 16,011	2,425,166	$ 22,263

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

COUNTY OF ATLANTIC

Raymond A. Spera, being duly sworn according to law upon my oath deposes and says:

1. I have examined this quarterly report.

2. All the information contained in this report has been prepared in conformity with Casino Control Commission's quarterly report instructions and uniform chart of accounts.

3. The information contained in this annual report is accurate to the best of my knowledge and belief.

Raymond A. Spera
Executive Vice President of Finance
and Corporate Development

Lisc. # 002369-11

On Behalf of the Claridge at Park Place, Inc.

Subscribed and sworn to before me on this 14th day of March, 1994.

Signature

Basis of authority to take oaths

ANNA PAPPAS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 15, 1996

ANNUAL EMPLOYMENT

AND PAYROLL REPORT

THE CLARIDGE AT PARK PLACE, INC.

INDIANA AVENUE AT THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

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MAR 15 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS ANNUAL REPORT: RAYMOND A. SPERA

OFFICIAL TITLE: EXECUTIVE VICE PRESIDENT OF FINANCE& CORP. DEVELOPMENT

ADDRESS: INDIANA AVENUE AT THE BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

ANNUAL EMPLOYMENT AND PAYROLL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1993
($ IN THOUSANDS)

LINE (A)	DEPARTMENT (B)	NUMBER OF EMPLOYEES (C)	SALARIES AND WAGES: OTHER EMPLOYEES (D)	SALARIES AND WAGES: OFFICERS & OWNERS (E)	SALARIES AND WAGES: TOTALS (F)
	CASINO				
1	ADMINISTRATION	2			
2	GAMING	521			
3	SLOTS	95			
4	CASINO ACCOUNTING	259			
5	OTHER	-0-			
6	TOTAL CASINO	877	$ 19,514	$ -0-	$ 19,514
				-0-	
7	ROOMS	151	2,918	-0-	2,918
8	FOOD AND BEVERAGE	446	9,683	-0-	9,683
	OTHER OPERATED DEPARTMENTS				
9	TELEPHONE	12	220	-0-	220
10	TRANSPORTATION	70	1,110	-0-	1,110
11	HEALTH SPA	2	117	-0-	117
12	CASINO CREDIT	12	432	-0-	432
13	GIFT SHOP	16	274	-0-	274
14	_____				
15	_____				
16	_____				
17	_____				
18	_____				
19	_____				
	ADMINISTRATIVE & GENERAL				
20	EXECUTIVE OFFICE	19	460	$ 1,532	1,992
21	ACCOUNTING & AUDITING	111	2,367	-0-	2,367
22	SECURITY	161	3,724	-0-	3,724
23	OTHER ADMIN. & GENERAL DEPT.	102	2,629	-0-	2,629
24	MARKETING	119	2,911	-0-	2,911
25	GUEST ENTERTAINMENT	5	199	-0-	199
26	PROPERTY OPERATION & MAINTENANCE	182	4,932	-0-	4,932
27	TOTALS - ALL DEPARTMENTS	2,285	$ 51,490	$ 1,532	$ 53,022

THE CLARIDGE CASINO HOTEL

ANNUAL EMPLOYMENT AND PAYROLL REPORT

SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1993

3/14/94

DATE

SIGNATURE

EXECUTIVE VICE PRESIDENT OF
FINANCE AND CORPORATE DEVELOPMENT

GROSS REVENUE

ANNUAL TAX RETURN

THE CLARIDGE AT PARK PLACE, INC.

INDIANA AVENUE AT THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS ANNUAL REPORT:	RAYMOND A. SPERA
OFFICIAL TITLE:	EXECUTIVE VICE PRESIDENT OF FINANCE& CORP. DEVELOPMENT
ADDRESS:	INDIANA AVENUE AT THE BOARDWALK ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

GROSS REVENUE ANNUAL TAX RETURN
FOR THE YEAR ENDED DECEMBER 31, 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE			
	CASINO WIN OR (LOSS)		
1	TABLE GAMES REVENUE	$ 40,958	
2	COIN-OPERATED DEVICES REVENUE	113,656	
3	TOTAL REVENUES		$ 154,614
	LESS - ADJUSTMENT FOR UNCOLLECTIBLE PATRONS' CHECKS:		
4	PROVISION FOR UNCOLLECTIBLE PATRONS' CHECKS	$ 114	
5	MAXIMUM ADJUSTMENT (4% OF LINE 3)	$ 6,185	
6	ADJUSTMENT (THE LESSER OF LINE 4 OR LINE 5)		114
7	GROSS REVENUES (LINE 3 LESS LINE 6)		$ 154,500
8	TAX ON GROSS REVENUES - CURRENT YEAR (8% OF LINE 7)		$ 12,360
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)		12,360
	DEPOSITS MADE FOR TAX ON CURRENT YEAR'S GROSS REVENUES		
11	JANUARY	$ 681	
12	FEBRUARY	853	
13	MARCH	1,061	
14	APRIL	1,007	
15	MAY	1,024	
16	JUNE	1,335	
17	JULY	1,093	
18	AUGUST	1,371	
19	SEPTEMBER	970	
20	OCTOBER	957	
21	NOVEMBER	1,184	
22	DECEMBER	589	
23	JANUARY	235	
24	TOTAL DEPOSITS MADE FOR TAX ON CURRENT YEAR'S GROSS REVENUES		(12,360)
25	SETTLEMENT FOR 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

COUNTY OF ATLANTIC

Raymond A. Spera, being duly sworn according 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 report has been prepared in conformity with Casino Control Commission's annual report instructions and uniform chart of accounts.

3. The information contained in this annual report is accurate to the best of my knowledge and behalf.

Raymond A. Spera
Executive Vice President of Finance
and Corporate Development

Lisc. # 002369-11

On Behalf of the Claridge Casino Hotel

Subscribed and sworn to before me on this 14th day of March, 1994.

Signature

PAPPAS
OF NEW JERSEY
My Commission Expires Jan. 15, 1998

Basis of authority to take oaths

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ANNUAL REPORT

LICENSEE GNOC, CORP. (The Grand)
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Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

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CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT ..... Donna Graham
OFFICIAL TITLE ..... Vice President of Finance/Treasurer
ADDRESS ..... P.O. Box 1737, Boston and Pacific Avenues
Atlantic City, New Jersey 08401

New Jersey State Library

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

LIST OF FORMS – ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993

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

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

BALANCE SHEETS

DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	ASSETS		
	Currrent Assets:	$	$
1	Cash	6,732	8,882
2	Marketable securities. NOTE 2	1,485	3,000
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1993, $ 5,626 ; 1992, $ 8,796)	7,687	4,430
4	Inventories	2,575	1,707
5	Prepaid expenses and other current assets NOTE 3	12,018	26,589
6	Total current assets	30,497	44,608
7	Investments, Advances, and Receivables NOTE 4	2,772	2,119
8	Property And Equipment – Gross NOTE 5	338,929	311,770
9	(Accumulated Depreciation/Amortization). NOTE 5	(91,158)	(73,892)
10	Other Assets NOTE 6	118,093	108,801
11	Total Assets	$ 399,133	$ 393,406
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	$ 3,461	$ 4,159
13	Notes payable NOTE 7	–	–
14	Current portion of long–term debt		
15	Due to affiliates NOTE 10	–	4,850
16	Other	–	–
17	Income taxes payable and accrued	–	3,133
18	Other accrued expenses NOTE 8	19,925	16,949
19	Other current liabilities NOTE 9	2,081	3,168
	Total current liabilities	25,467	32,259
	Long–Term Debt:		
20	Due to affiliates NOTE 10	273,127	259,364
21	Other	–	–
22	Deferred Credits NOTE 11	58,302	8,947
23	Other Liabilities NOTE 12	30,594	31,010
24	Commitments And Contingencies. NOTE 20	–	–
25	Total Liabilities	387,490	331,580
26	Stockholders', Partners', Or Proprietor's Equity NOTE 13	11,643	61,826
27	Total Liabilities And Equity	$ 399,133	$ 393,406

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1993 and 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992	
	Revenues:	$	$	
1	Casino	216,296	199,560	
2	Rooms	14,289	18,757	
3	Food and beverage	33,493	28,046	
4	Other	10,823	7,956	
5	Total revenues	274,901	254,319	
6	Less: Promotional allowances	36,067	32,368	
7	Net revenues	238,834	221,951	
	Costs And Expenses:			
8	Cost of goods and services	110,546	97,168	*
9	Selling, general, and administrative	81,442	71,198	*
10	Provision for doubtful accounts	1,213	277	
11	Total Costs and Expenses	193,201	168,643	
12	Gross Operating Profit	45,633	53,308	
13	Depreciation and Amortization	18,352	17,749	
	Charges from affiliates other than interest:			
14	Management fees	–	–	
15	Other NOTE 15.	5,345	6,228	
16	Income (Loss) From Operations	21,936	29,331	
	Other Income (Expenses):			
17	Interest (expense)–affiliates	(30,851)	(32,619)	
18	Interest (expense)–external NOTE 16.	1,709	(28)	
19	Investment alternative tax and related income (expense) – net	(1,230)	(535)	
20	Nonoperating income (expense) – net NOTE 17.	945	1,776	
21	Total other income (expenses)	(29,427)	(31,406)	
22	Income (Loss) Before Income Taxes And Extraordinary Items	(7,491)	(2,075)	
23	Provision (credit) for income taxes NOTE 18.	3,231	916	
24	Income (Loss) Before Extraordinary Items	(10,722)	(2,991)	
25	Extraordinary items (net of income taxes – 1993, $ (1,405) ; 1992, $ –) NOTES 1 and 10.	(31,961)	–	
26	Net Income (Loss)	$ (42,683)	$ (2,991)	

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

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* Restated to conform to 1993 presentation.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1993 and 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992	
	Revenues:	$	$	
1	Casino	51,447	44,092	
2	Rooms	3,295	4,016	
3	Food and beverage	8,343	6,905	
4	Other	2,712	2,140	
5	Total revenues	65,797	57,153	
6	Less: Promotional allowances	9,486	7,453	
7	Net revenues	56,311	49,700	
	Costs And Expenses:			
8	Cost of goods and services	28,379	23,608	*
9	Selling, general, and administrative	20,894	17,928	*
10	Provision for doubtful accounts	683	(440)	
11	Total Costs and Expenses	49,956	41,096	
12	Gross Operating Profit	6,355	8,604	
13	Depreciation and Amortization	4,698	3,977	
	Charges from affiliates other than interest:			
14	Management fees	–	–	
15	Other NOTE 15.	1,170	1,553	
16	Income (Loss) From Operations	487	3,074	
	Other Income (Expenses):			
17	Interest (expense)–affiliates	(7,675)	(8,136)	
18	Interest (expense)–external NOTE 16.	(101)	(28)	
19	Investment alternative tax and related income (expense) – net	(377)	(345)	
20	Nonoperating income (expense) – net NOTE 17.	146	476	
21	Total other income (expenses)	(8,007)	(8,033)	
22	Income (Loss) Before Income Taxes And Extraordinary Items	(7,520)	(4,959)	
23	Provision (credit) for income taxes NOTE 18.	921	(1,169)	
24	Income (Loss) Before Extraordinary Items	(8,441)	(3,790)	
25	Extraordinary items (net of income taxes – 1993, $ – ; 1992, $ –)	–	–	
26	Net Income (Loss)	$ (8,441)	$ (3,790)	

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

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* Restated to conform to 1993 presentation.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1993 and 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c) SHARES	1993 (d) DOLLARS	1992 (e) SHARES	1992 (f) DOLLARS
	Common Stock:		$		$
1	Beginning balance (January 1)	3,002,500	30	3,002,500	30
2	Sale of stock				
3					
4	Ending balance	3,002,500	30	3,002,500	30
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending balance				
	Additional Paid-In Capital:				
9	Beginning balance (January 1)		65,712		65,712
10	Dividend Paid		(7,500)		
11					
12	Ending balance		58,212		65,712
	Treasury Stock:				
13	Beginning balance (January 1)		( )		( )
14	Purchase of additional stock		( )		( )
15	Sale or retirement of stock				
16	Ending balance		( )		( )
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		( )		( )
18					
19					
20	Ending balance		( )		( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		( )		( )
22					
23					
24	Ending balance		( )		( )
	Retained Earnings:				
25	Beginning balance (January 1)		(3,916)		(925)
26	Prior period adjustments				
27	Net income (loss)		(42,683)		(2,991)
28	Dividends		( )		( )
29					
30					
31	Ending balance		(46,599)		(3,916)
32	Ending Stockholders' Equity		11,643		61,826

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

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TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1993 and 1992

(UNAUDITED)

($ IN THOUSANDS)

– NOT APPLICABLE –

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Invested Capital:	$	$
1	Beginning balance (January 1)		
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)		
11	Additional capital withdrawals		
12	_____		
13	Ending balance		
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)		
15	_____		
16	_____		
17	Ending balance		
	Ending Partners' Or		
18	Proprietor's Equity	$	$

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	(c) 1993	(d) 1992
1	Net Cash Provided (Used) By Operating Activities	$ 8,616	$ 11,487
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	–	–
3	Proceeds from the sale of short-term investment securities	1,515	1,850
4	Cash outflows for property and equipment	(11,104)	(8,663)
5	Proceeds from disposition of property and equipment	–	–
6	Purchase of casino reinvestment obligations	(2,472)	(1,070)
7	Purchase of other investments and loans/advances made	–	–
8	Proceeds from disposal of investment and collection of advances and long-term receivables	–	869
9	Cash outflows to acquire business entities	–	–
10	Short-term advance Bally's Park Place, Inc.(net)	16,000	1,000
11	Other changes in property and equipment	–	(35)
12	Net Cash Provided (Used) By Investing Activities	3,939	(6,049)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	–	–
14	Payments to settle short-term debt	–	(2,700)
15	Cash proceeds from issuance of long-term debt	272,957	–
16	Costs of issuing debt	(13,413)	–
17	Payments to settle long-term debt	(268,840)	–
18	Cash proceeds from issuing stock or capital contribution	–	–
19	Purchases of treasury stock	–	–
20	Payments of dividends or capital withdrawals	(7,500)	–
21	Extraordinary loss on extinguishment of debt, net of tax	2,091	–
22		–	–
23	Net Cash Provided (Used) By Financing Activities	(14,705)	(2,700)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(2,150)	2,738
25	Cash And Cash Equivalents At Beginning Of Year	8,882	6,144
26	Cash And Cash Equivalents At End Of Year	$ 6,732	$ 8,882

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	$ 25,655	$ 34,418
28	Income taxes refunded (net of payments)	$ 141	$ 6

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

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	(c) 1993	(d) 1992
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ (42,683)	$ (2,991)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	14,930	13,146
31	Amortization of other assets	3,422	4,603
32	Amortization of debt discount or premium	969	(1,771)
33	Deferred income taxes – current	(388)	1,330
34	Deferred income taxes – noncurrent	(1,411)	(1,085)
35	(Gain) loss on disposition of property and equipment	–	–
36	(Gain) loss on casino reinvestment obligations	1,230	535
37	(Gain) loss from other investment activities	–	–
38	Net (increase) decrease in receivables and patrons' checks	(3,257)	(342)
39	Net (increase) decrease in inventories	(868)	(367)
40	Net (increase) decrease in other current assets	(3,975)	(419)
41	Net (increase) decrease in other assets	–	–
42	Net increase (decrease) in accounts payables	(698)	2,060
43	Net increase (decrease) in other current liabilities excluding debt	11,751	(3,914)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(276)	702
45	Cumulative effect on prior years of change	–	–
46	in accounting for income taxes	29,870	–
47	Net Cash Provided (Used) By Operating Activities	$ 8,616	$ 11,487
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 11,104	$ 8,663
49	Less: Capital lease obligations incurred		–
50	Cash Outflows For Property And Equipment	$ 11,104	$ 8,663
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$ –	$ –
52	Goodwill acquired	–	–
53	Net assets acquired other than cash, goodwill, and property and equipment	–	–
54	Long–term debt assumed	–	–
55	Issuance of stock or capital invested	–	–
56	Cash Outflows To Acquire Business Entities	$ –	$ –
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	$ –	$ –
58	Less: Issuances to settle long–term debt	–	–
59	Consideration in acquisition of business entities	–	–
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$ –	$ –

GNOC, CORP. (The Grand)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

GNOC, CORP. (the "Company") is a wholly owned subsidiary of GNAC, CORP. ("GNAC"). The financial statements include the transactions between the Company, GNAC and GNF, Corp. ("GNF"), another wholly owned subsidiary of GNAC, which serves solely as a financing subsidiary.

Certain reclassifications have been made to the prior year financial statements to conform with the current presentation.

Casino Revenue and Promotional Allowances

In accordance with industry practice, the Company recognizes as casino revenue the net win from gaming activities, which is the difference between gaming wins and losses. Net revenues in the accompanying statements of income excludes the retail value of rooms, food, beverage and other promotional allowances provided to customers without charge.

Inventories

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

Property and Equipment

Depreciation of property and equipment is provided principally on the straight-line method over the estimated economic lives of the related assets for financial statement purposes and accelerated methods for income tax purposes.

Cost in Excess of Acquired Assets

Bally Manufacturing Corporation ("BMC") acquired GNAC, including the Company, other related properties and real estate property leases from Golden Nugget, Inc. in a transaction which has been accounted for as a purchase. The excess of the total acquisition cost and debt assumed over the fair value of net assets acquired is being amortized on the straight-line method over forty years.

Deferred Finance Costs

Deferred finance costs are amortized using the bonds outstanding method.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Income Taxes

Taxable income or loss of the Company is included in the consolidated federal income tax return of BMC. Under a tax sharing agreement between BMC and the Company, 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 receives credit from BMC for the tax benefit of the Company's net operating losses and tax credits, if any, that can be utilized in BMC's consolidated federal income tax return, regardless of whether these losses or credits could be utilized by the Company on a separate consolidated federal income tax return basis. Payments to BMC are due at such time and in such amounts as payments are required to be made for income tax purposes. Payments by BMC for such tax benefits are due at the time BMC files the applicable consolidated federal income tax return. Under the tax sharing agreement, the Company had income taxes receivable from BMC of $3,815 and $4,469 at December 31, 1993 and 1992, respectively. The 1992 amount was classified as a reduction of income taxes payable in the accompanying balance sheet.

Effective January 1, 1993, the Company changed its method of accounting for income taxes as required by Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes". SFAS No. 109 retains the requirement to record deferred income taxes for temporary differences that are reported in different years for financial reporting and for tax purposes; however, the methodology for calculating and recording deferred income taxes has changed. Under the liability method adopted by SFAS No. 109, deferred tax liabilities or assets are computed using the tax rates that will be in effect when the temporary differences reverse. Also, requirements for recognition of deferred tax assets and operating loss and tax credit carryforwards have been liberalized by requiring their recognition when and to the extent that their realization is deemed to be more likely than not. As permitted by SFAS No. 109, the Company elected to use the cumulative effect approach rather than to restate the financial statements of any prior years to apply the provisions of SFAS No. 109. The cumulative effect on prior years of this change in accounting for income taxes as of January 1, 1993 was a charge of $29,870. The effect of this change in accounting for income taxes on the income tax provision for 1993 was to increase the income tax provision $772 as a result of applying the change in the U.S. statutory tax rate from 34% to 35% to deferred tax balances at January 1, 1993.

GNOC, CORP. (The Grand)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 2 - MARKETABLE SECURITIES

Marketable securities as of December 31, 1993 and 1992 consisted of repurchase agreements, at cost, which approximates market.

NOTE 3 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	1993	1992
Advances to Bally's Park Place, Inc.	$ -	$16,000
Income taxes receivable	3,846	-
Deferred federal and state income taxes	6,506	9,052
Other	1,666	1,537
	$12,018	$26,589

The Company and Bally's Park Place, Inc. ("Bally's Park Place") have a cash management arrangement whereby the Company advances excess funds to Bally's Park Place which Bally's Park Place uses to reduce the outstanding balance under its revolving credit agreement. At December 31, 1992, Bally's Park Place had an outstanding balance due to the Company totalling $16,000 which was repaid during 1993. The Company received interest monthly on these advances (at the prime rate of Bally's Park Place's agent bank) which totalled $302 for the three months ended December 31, 1992, and $432 and $1,249 for the years ended December 31, 1993 and 1992, respectively.

NOTE 4 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of December 31, 1993 and 1992 consisted of funds invested with the New Jersey Casino Reinvestment Development Authority (the "CRDA"). The New Jersey Casino Control Act ("The Act") provides, among other things, for an assessment of licensees equal to 1.25% of their gross casino revenues. This assessment may be satisfied by the Company investing in qualified eligible direct investments, by depositing funds with the CRDA (which will be used to purchase bonds issued by the CRDA), by making qualified contributions or, under certain circumstances, donating funds on deposit with the CRDA in exchange for credits against future CRDA obligations. The Company's investment obligation in 1993 was met by utilizing CRDA credits and depositing funds with the CRDA. CRDA bonds have terms up to fifty years and bear interest at below market rates. The Company records a charge to operations when it deposits funds with the CRDA to reflect the estimated realizable value of its CRDA investments. No gain or loss is recorded relating to the donation of the CRDA obligations as the book value of the Company's investment in CRDA obligations approximates the credits received.

NOTE 4 - INVESTMENTS, ADVANCES AND RECEIVABLES (Cont.)

The Company recorded an expense of $1,230 and $535 in 1993 and 1992, respectively, which represented the cost to the Company of complying with the assessment requirement contained in the Act.

For the three months ended December 31, 1993 and 1992, the Company expensed/(credited) $39 and $(128), respectively, and for the years ended December 31, 1993 and 1992, the Company expensed $246 and $1,427, respectively, representing amortization of CRDA credits receivable (See Note 6 - Other Assets).

NOTE 5 - PROPERTY AND EQUIPMENT

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

	1993	1992
Land and improvements	$ 52,009	$ 51,870
Buildings and leasehold improvements	205,304	188,600
Furniture, fixtures and equipment	79,875	70,789
Construction in progress	1,741	511
	$338,929	$311,770
Less accumulated depreciation and amortization	(91,158)	(73,892)
	$247,771	$237,878

NOTE 6 - OTHER ASSETS

Other assets as of December 31 consisted of the following:

	1993	1992
Cost in excess of acquired assets, less accumulated amortization of $20,130 and $16,954	$105,344	$108,520
Deferred finance costs, less accumulated amortization of $1,288	12,125	-
CRDA credits receivable	624	281
	$118,093	$108,801

NOTE 7 - NOTE PAYABLE

In December 1990, the Company received an advance of $2,700 from Bally's Park Place. The advance was repaid in full in June 1992. The interest rate was at the prime rate of Bally's Park Place's agent bank. Intercompany interest expense on this advance was $73 in 1992.

NOTE 8 - OTHER ACCRUED EXPENSES

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

	1993	1992
Accrued interest	$ 7,305	$ 4,860
Accrued payroll	6,334	6,338
Accrued progressive jackpot liability	1,563	1,340
Accrued self insurance claims	1,005	1,137
Other	3,718	3,274
	$ 19,925	$ 16,949

NOTE 9 - OTHER CURRENT LIABILITIES

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

	1993	1992
Unredeemed gaming chips and tokens	$ 1,121	$ 1,730
Due to Bally's Park Place	486	615
Due to Bally's Casino Holdings, Inc.	18	-
Due to Bally's Grand, Inc.	18	-
Other	438	823
	$ 2,081	$ 3,168

NOTE 10 - LONG TERM DEBT - DUE TO AFFILIATES

Long term debt due to affiliates as of December 31 consisted of the following:

	1993	1992
10-5/8% First Mortgage Notes due 2003, less unamortized discount of $1,873	$273,127	$ -
13-1/4% Mortgage-Backed Notes due 1995, including unamortized premium of $5,214	-	264,214
Less current maturities	-	4,850
	$273,127	$259,364

On March 10, 1993, GNF completed a private placement (with registration rights) of $275,000 principal amount of 10-5/8% First Mortgage Notes due 2003 (the "10-5/8 Notes") issued at a discount to yield an interest rate of 10-3/4%. During May 1993, the registration of the 10-5/8% Notes was completed. The 10-5/8% Notes are not subject to any sinking fund requirement, but may be redeemed beginning April 1998, in whole or in part, with premiums ranging from 5.25% in 1998 to zero in 2001 and thereafter. The 10-5/8% Notes are unconditionally guaranteed by GNAC and are secured by a first mortgage and security interest on substantially all property and equipment of the Company. GNF used the net proceeds from the placement of the 10-5/8% Notes, together with the collection of certain funds on deposit with Bally's Park Place, to redeem its 13-1/4% Mortgage-Backed Notes due 1995 (the "13-1/4% Notes") at a price of 102.94% of their principal amount plus accrued interest, thereby satisfying all obligations thereunder. The redemption of the 13-1/4% Notes resulted in an extraordinary loss of $2,091 net of an income tax benefit of $1,405.

During April 1993 the Company entered into an agreement with two banks for $20,000 of new revolving credit facilities (the "Credit Facility"). The Credit Facility has an initial term of two years, bears interest at the rate of 1% above the banks' stated prime rates and is secured by a pari passu lien on the collateral securing the 10-5/8% Notes. As of December 31, 1993, the entire amount of the Credit Facility was available.

NOTE 10 - LONG TERM DEBT - DUE TO AFFILIATES (Cont.)

The indenture for the 10-5/8% Notes and the Credit Facility contain covenants, including, but not limited to, the following: (i) limitation on indebtedness; (ii) limitation on restricted payments; (iii) limitation on transactions with affiliates; (iv) limitation on capital expenditures; (v) limitations on encumbrances and liens; (vi) limitation on dividends and other payment restrictions affecting subsidiaries; (vii) limitation on issuance of guaranties by subsidiaries; and (viii) restrictions on merger and sales of assets.

NOTE 11 - DEFERRED CREDITS

Deferred credits as of December 31, 1993 and 1992 consisted of deferred federal and state income taxes, which reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes.

NOTE 12 - OTHER LIABILITIES

Other liabilities consisted of $30,594 and $31,010 due to GNAC as of December 31, 1993 and 1992, respectively.

NOTE 13 - STOCKHOLDER'S EQUITY

At December 31, 1993 and 1992, the Company had 5,000,000 shares of common stock authorized; of such shares 3,002,500 were issued and outstanding. During the year ended December 31, 1993, the Company paid dividends of $7,500 to BMC.

NOTE 14 - JACKPOT PAYOUTS IN MERCHANDISE

There were no jackpot payouts in merchandise for the three months ended December 31, 1993 and 1992, or for the year ended December 31, 1993.

Jackpot payouts in merchandise which were charged to operations for the year ended December 31, 1992 consisted of the following:

	Number of Recipients	Dollar Amount
Motor vehicles	4	$ 140

NOTE 15 - CHARGES FROM AFFILIATES - OTHER

The charges from affiliates for the three months ended December 31 consisted of the following:

Affiliate	Nature of Charge	1993	1992
GNAC	Rent	$ 255	$ 255
BMC	Allocated costs and expenses (a)	641	444
Bally's Park Place	Rent (surface area parking lots)	174	174
	Allocated costs and expenses (b)	100	680
		$1,170	$1,553

The charges from affiliates for the years ended December 31 consisted of the following:

Affiliate	Nature of Charge	1993	1992
GNAC	Rent	$1,020	$1,152
BMC	Allocated costs and expenses (a)	2,533	1,812
Bally's Park Place	Rent (surface area parking lots)	696	696
	Allocated costs and expenses (b)	1,096	2,568
		$5,345	$6,228

(a) Costs and expenses allocated from BMC include the Company's proportionate share for corporate overhead including executive salaries and benefits, public company reporting costs and other corporate headquarters costs.

(b) Costs and expenses allocated to or from Bally's Park Place relate to certain administrative and support operations of the Company and Bally's Park Place which are consolidated.

NOTE 16 - INTEREST EXPENSE - EXTERNAL

Interest expense in 1993 reflects a reversal of a $2,000 interest reserve no longer deemed necessary.

NOTE 17 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income for the three months ended December 31 consisted of the following:

	1993	1992
Interest and dividend income	$ 146	$ 463
Gain on sale of property and equipment	-	15
Other nonoperating expense	-	(2)
	$ 146	$ 476

Nonoperating income for the years ended December 31 consisted of the following:

	1993	1992
Interest and dividend income	$ 945	$ 1,761
Gain on sale of property and equipment	-	15
	$ 945	$ 1,776

NOTE 18 - INCOME TAXES

The income tax provision applicable to loss before income taxes, extraordinary item and cumulative effect on prior years of change in accounting for income taxes consists of the following:

	Liability method 1993	Deferred method 1992
Current:		
Federal	$ 3,972	$ 671
State	1,058	-
	5,030	671
Deferred:		
Federal	(827)	281
State	(972)	(36)
	(1,799)	245
	$ 3,231	$ 916

NOTE 18 - INCOME TAXES (Cont.)

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of December 31, 1993 and January 1, 1993, along with their classification, are as follows:

	December 31, 1993		January 1, 1993	
	Assets	Liabilities	Assets	Liabilities
Expenses which are not currently deductible for tax purposes:				
Bad Debts	$ 3,355	$ -	$ 3,681	$ -
Other	5,891	-	13,412	-
Depreciation and capitalized costs	-	56,200	-	51,810
State tax loss carryforwards	2,207	-	1,195	-
Other, net	-	7,049	-	15,750
	11,453	$63,249	18,288	$67,560
Valuation allowance	-	======	(1,195)	======
	$11,453		$17,093	
	======		======	
Current	$ 6,937	$ 431	$ 6,118	$ -
Long-term	4,516	62,818	10,975	67,560
	$11,453	$63,249	$17,093	$67,560
	======	======	======	======

At December 31, 1993, the Company has loss carryforwards for state income tax purposes of approximately $2,207. The loss carryforwards began to expire in 1993 and fully expire in 1999. For financial reporting purposes, no valuation allowance has been recognized to partially offset the deferred tax asset related to these carryforwards.

NOTE 18 - INCOME TAXES (Cont.)

A reconciliation of the income tax provision with amounts determined by applying the U.S. statutory tax rate to loss before income taxes, extraordinary item and cumulative effect on prior years of change in accounting for income taxes is as follows:

	Liability method 1993	Deferred method 1992
Tax benefit at U.S. statutory tax rate (35% in 1993 and 34% in 1992)	$(2,622)	$ (706)
Add (deduct):		
State income taxes, net of federal income tax benefit	(471)	(24)
Effect of change in U.S. statutory tax rate on deferred tax balances at January 1, 1993	772	-
Amortization of cost in excess of acquired assets	1,112	1,080
Interest expense and fees	-	(641)
Depreciation	-	1,067
Prior years' taxes	4,345	859
Other, net	95	(719)
Provision for income taxes	$ 3,231	$ 916

NOTE 19 - PENSION COSTS

Certain employees of the Company are covered by union-sponsored, collectively bargained, multiemployer defined benefit pension plans. The contributions and charges to expense for these plans were $432 and $380 in 1993 and 1992, respectively.

The Company has a defined contribution plan for its non-union employees (as defined). The plan is a voluntary retirement savings plan ("RSVP"). Eligible participating employees may elect to contribute up to 12% of their pre-tax earnings to the RSVP. Employee contributions to the RSVP, up to certain limits, are partially matched by the Company. The Company's contributions and charges to expense related to this plan totalled $836 and $832 in 1993 and 1992, respectively.

NOTE 19 - PENSION COSTS (Cont.)

In April 1991, an insurance company that issued guaranteed interest contracts ("GICs") that were purchased by both BMC's and the Company's RSVP was declared insolvent by the State of California's Insurance Commissioner (the "Commissioner"). Operations of this insurance company were assumed by the Commissioner. Approximately $7,400 of these GICs are held in a Master Trust for BMC and its subsidiaries' employee benefit plans, of which approximately 15% is attributable to the Company's RSVP. Although BMC and the Company had no legal obligation to fund any RSVP losses, BMC's Board of Directors, in June 1991, authorized BMC, and therefore the Company, to ensure that participants in the Company's RSVP not suffer any loss in principal, as determined on March 31, 1991, to their RSVP account balances which might otherwise occur due to this insolvency. The Company charged approximately $260 to operations in 1991 for its estimated cost of reimbursing any shortfall in the participants' RSVP account balances.

NOTE 20 - LEASE COMMITMENTS

The Company leases real estate and various equipment under cancellable and noncancellable operating lease agreements.

Minimum lease commitments at December 31, 1993 are as follows:

1994	$455
1995	278
1996	5
1997	5
1998	5
Thereafter	5
	$753

Aggregate rent expense was $284 and $226 for the three months ended December 31, 1993 and 1992, respectively, and $1,047 and $989 for the years ended December 31, 1993 and 1992, respectively.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1993
(UNAUDITED)
($ IN THOUSANDS)

	ACCOUNTS RECEIVABLE BALANCES			
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE– (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	$ 4,694		
2	Returned patrons' checks	7,164		
3	Total patrons' checks	11,858	$ 5,562	$ 6,296
4	Hotel Receivables	424	64	360
	Other Receivables:			
5	Receivables due from officers and employees.	3		
6	Receivables due from affiliates	521		
7	Other accounts and notes receivables	507		
8	Total other receivables	1,031	–	1,031
9	Totals (Form 205)	$ 13,313	$ 5,626	$ 7,687

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 3,191
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	139,255
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)	(98,970)
13	Checks collected through deposits	(33,326)
14	Checks transferred to returned checks	(5,456)
15	Other adjustments	–
16	Ending Balance	$ 4,694
17	"Hold" Checks Included In Balance On Line 16	$ –
18	Provision For Uncollectible Patrons' Checks	$ 1,147
19	Provision As A Percent Of Counter Checks Issued	0.82%

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

PROMOTIONAL EXPENSES AND ALLOWANCES

($ in Thousands)

For The Year Ended December 31, 1993

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	187,443	$ 8,852	–	$ –
Food	1,288,531	17,243	–	–
Beverage	3,112,405	6,069	–	–
Travel	–	–	47,235	3,997
Coin	–	–	1,585,856	19,705
Coupon	–	–	–	–
Entertainment	103,666	1,063	4,345	531
Retail & Gifts	52,174	2,609	269,240	2,564
Other	11,760	231	179,772	1,368
Total	4,755,979	$ 36,067	2,086,448	$ 28,165

****

For The Three Months Ended December 31, 1993

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	46,852	$ 2,309	–	$ –
Food	302,091	4,480	–	–
Beverage	846,462	1,651	–	–
Travel	–	–	15,093	1,472
Coin	–	–	313,663	3,610
Coupon	–	–	–	–
Entertainment	28,949	353	1,557	190
Retail & Gifts	12,657	633	25,344	770
Other	2,633	60	62,707	512
Total	1,239,644	$ 9,486	418,364	$ 6,554

STATEMENT OF CONFORMITY AND ACCURACY

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

Donna Graham, being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Annual Report.

2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.

3. The information contained in this Annual Report is accurate to the best of my knowledge and belief.

Signature

Vice President of Finance/Treasurer
Title

03723-11
License Number

Subscribed and sworn to
before me this 14th day
of March, 1994

Mary K Chamberlin
Signature

MARY K. CHAMBERLIN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 31, 1997

Basis of Authority
to Take Oaths

On Behalf Of:

GNOC, CORP.
Casino Licensee

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE GNOC, CORP. (The Grand)
ADDRESS P.O. Box 1737, Boston and Pacific Avenues
Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

RECEIVED
MAR 15 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT ..... Donna Graham
OFFICIAL TITLE ..... Vice President of Finance/Treasurer
ADDRESS ..... P.O. Box 1737, Boston and Pacific Avenues
Atlantic City, New Jersey 08401

GNOC Corp. (The Grand)

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 93
($ In Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	(d) OTHER EMPLOYEES	SALARIES AND WAGES (e) OFFICERS & OWNERS	(f) TOTALS
	CASINO				
1	Administration	18			
2	Gaming	810			
3	Slots	115			
4	Casino accounting	328			
5	Other	20			
6	Total-casino	1,291	$ 25,902	$	$ 25,902
7	ROOMS	244	4,252		4,252
8	FOOD AND BEVERAGE	858	13,104		13,104
	OTHER OPERATED DEPARTMENTS				
9	PARKING	0	0		0
10	PBX	17	252		252
11	RETAIL	32	571		571
12	HEALTH CLUB/POOL SERVICES	14	213		213
13	BEAUTY SALON	11	190		190
14	GAS STATION	5	80		80
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	17	169	845	1,014
21	Accounting and auditing	71	1,517		1,517
22	Security	191	4,105		4,105
23	Other administrative and general department	93	1,839		1,839
24	MARKETING	133	3,016	328	3,344
25	GUEST ENTERTAINMENT	12	967		967
26	PROPERTY OPERATION AND MAINTENANCE	238	5,994		5,994
27	TOTALS - ALL DEPARTMENTS	3,227	$ 62,171	$ 1,173	$ 63,344

CCC-326

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1993

3/15/94
DATE

SIGNATURE

Vice President of Finance/Treasurer
TITLE

GROSS REVENUE
ANNUAL TAX RETURN

LICENSEE GNOC, CORP. (The Grand)
ADDRESS P.O. Box 1737, Boston and Pacific Avenues
Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

RECEIVED
FEU
MAR 15 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT ..... Donna Graham
OFFICIAL TITLE ..... Vice President of Finance/Treasurer
ADDRESS ..... P.O. Box 1737, Boston and Pacific Avenues
Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE GNOC, CORP. (THE GRAND)

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 93

(UNAUDITED)

($ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	$ 87,145	
2	Coin-operated devices revenue	130,423	
3	Total revenues		$ 217,568
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	$ 1,147	
5	Maximum adjustment (4% of line 3)	$ 8,702	
6	Adjustment (the lesser of line 4 or line 5)		1,147
7	Gross revenues (line 3 less line 6)		$ 216,421
8	Tax on gross revenues - current year (8% of line 7)		$ 17,314
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)		17,314
	Deposits made for tax on current year's gross revenues:		
11	January	$ ---	
12	February	1,423	
13	March	1,244	
14	April	1,288	
15	May	1,391	
16	June	1,518	
17	July	1,296	
18	August	1,751	
19	September	1,747	
20	October	1,549	
21	November	1,584	
22	December	1,374	
23	January	1,149	
24	Total deposits made for tax on current year's gross revenues		(17,314)
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 :

Donna Graham, being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Annual Report.

2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.

3. The information contained in this Annual Report is accurate to the best of my knowledge and belief.

Signature

Vice President of Finance/Treasurer
Title

03723-11
License Number

Subscribed and sworn to
before me this 14th day
of March, 1994

Mary K Chamberlin
Signature

MARY K. CHAMBERLIN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 31, 1997

Basis of Authority
to Take Oaths

On Behalf Of:

GNOC, CORP.
Casino Licensee

NEW JERSEY STATE LIBRARY
3 3009 00082 8469

974.901
C193

QUARTERLY REPORT

LICENSEE GREATE BAY HOTEL AND CASINO, INC.

ADDRESS INDIANA AVENUE AND BRIGHTON PARK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED DECEMBER 31, 1993

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAR 25 1994
185 W. STATE ST.
TRENTON, N.J.

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
MAR 15 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT Timothy A. Ebling
OFFICIAL TITLE Director Corporate Accounting
ADDRESS Indiana Avenue & Brighton Park
Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE SANDS HOTEL & CASINO

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 1993

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

BALANCE SHEETS

DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d)1992
	ASSETS		
	Current Assets:	$	$
1	Cash ..... Note 2	12,953	11,440
2	Marketable securities	–	–
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1993, $14,805; 1992, $13,734)	14,302	13,573
4	Inventories ..... Note 2	3,796	3,710
5	Prepaid expenses and other current assets ..... Notes 5, 14	9,837	2,343
6	Total current assets	40,888	31,066
7	Investments, Advances, and Receivables ..... Note 9	10,414	18,341
8	Property and Equipment – Gross ..... Note 2, 16	283,491	303,822
9	(Accumulated Depreciation/Amortization) ..... Notes 2, 16	(121,871)	(139,070)
10	Other Assets ..... Note 5	8,683	10,610
11	Total Assets	$ 221,605	$ 224,769
	LIABILITIES AND EQUITY		
	Current Liabilities:	$	$ --
12	Accounts payable	6,307	6,208
13	Notes payable ..... Notes 3, 9	7,083	6,000
	Current portion of Long-term debt:		
14	Due to affiliates ..... Note 4	891	7,851
15	Other ..... Note 4	8	83
16	Income taxes payable and accrued ..... Note 5	(1,272)	6,943
17	Other accrued expenses ..... Note 15	23,024	13,543
18	Other current liabilities ..... Note 9	3,336	5,268
19	Total current liabilities	39,377	45,896
	Long-Term Debt:		
20	Due to affiliates ..... Notes 3, 4, 9	181,733	161,097
21	Other ..... Note 4	462	9,446
22	Deferred Credits		–
23	Other Liabilities		1,375
24	Commitments and Contingencies		
25	Total Liabilities	221,572	217,814
26	Stockholders', Partners', Or Proprietor's Equity	33	6,955
27	Total Liabilities and Equity	$ 221,605	$ 224,769

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Revenue:	$	$
1	Casino ..... Note 2	244,942	246,934
2	Rooms	9,827	10,180
3	Food and beverage	31,437	32,660
4	Other	4,763	4,858
5	Total revenue	290,969	294,632
6	Less: Promotional allowances ..... Note 2	29,129	28,163
	Net revenue	261,840	266,469
	Costs And Expenses:		
8	Cost of goods and services ..... Note 2	120,872	121,238
9	Selling, general, and administrative ..... Note 9	94,202	96,284
10	Provision for doubtful accounts ..... Note 2	3,603	3,008
11	Total costs and expenses	218,677	220,530
12	Gross Operating Profit	43,163	45,939
13	Depreciation and amortization ..... Note 2	17,316	16,931
	Charges from affiliates other than interest:		
14	Management fees ..... Note 9	6,193	6,591
15	Other	0	0
16	Income (Loss) From Operations	19,654	22,417
	Other Income (Expenses):		
17	Interest (expense) – affiliates ..... Notes 2, 9	(22,805)	(22,696)
18	Interest (expense) – external	456	(447)
19	Investment alternative tax and related income (expense) – net .. Note 10	(2,513)	(1,551)
20	Nonoperating income (expense) – net ..... Note 13	1,822	3,549
21	Total other income (expenses)	(23,040)	(21,145)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(3,386)	1,272
23	Provision (credit) for income taxes ..... Notes 2, 5	(131)	1,666
24	Income (Loss) Before Extraordinary Items	(3,255)	(394)
25	Extraordinary items (net of income taxes – 1993, $3,807; 1992, $ 0) ..... Notes 4, 5	(3,667)	–
26	Net Income (Loss)	($6,922)	($394)

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Revenue:	$	$
1	Casino	57,333	55,669
2	Rooms	2,351	2,457
3	Food and beverage	7,590	7,911
4	Other	1,130	1,368
5	Total revenue	68,404	67,405
6	Less: Promotional allowances	6,927	6,583
7	Net revenue	61,477	60,822
	Costs And Expenses:		
8	Cost of goods and services	29,629	29,735
9	Selling, general, and administrative	22,794	23,667
10	Provision for doubtful accounts	932	387
11	Total costs and expenses	53,355	53,789
12	Gross Operating Profit	8,122	7,033
13	Depreciation and amortization	4,414	4,264
	Charges from affiliates other than interest:		
14	Management fees	1,477	1,274
15	Other		
16	Income (Loss) From Operations	2,231	1,495
	Other Income (Expenses):		
17	Interest (expense) – affiliates	(5,778)	(5,359)
18	Interest (expense) – external	138	(29)
19	Investment alternative tax and related income (expense) – net	(674)	(345)
20	Nonoperating income (expense) – net	310	481
21	Total other income (expenses)	(6,004)	(5,252)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(3,773)	(3,757)
23	Provision (credit) for income taxes	(1,184)	(1,329)
24	Income (Loss) Before Extraordinary Items	(2,589)	(2,428)
25	Extraordinary items (net of income taxes – 1993, $3,807; 1992, $ 0)	(5,667)	–
26	Net Income (Loss)	($8,256)	($2,428)

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

for the Twelve months ended December 31, 1993 and 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE	DESCRIPTION	(c) 1993		(d) 1992	
(a)	(b)	(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:		$		$
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
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending Balance	100	3,500	100	3,500
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		0		6,538
10	Dividends				(6,538)
11					
12	Ending balance		0		0
	Treasury Stock:				
13	Beginning balance (January 1)		( )		( )
14	Purchase of additional stock		( )		( )
15	Sale or retirement of stock				
16	Ending balance		( )		( )
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		( )		( )
18					
19					
20	Ending balance		( )		( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		( )		( )
22					
23					
24	Ending balance				
	Retained Earnings:				
25	Beginning balance (January 1)		3,455		3,911
26	Prior period adjustments				
27	Net income (loss)		(6,922)		(394)
28	Dividends				(62)
29					
30					
31	Ending balance		(3,467)		3,455
32	Ending Stockholders' Equity		$33		$6,955

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE NINE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 1993	(d)1992
	Invested Capital:	$	$
1	Beginning balance (January 1)		
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	( )	( )
11	Additional capital withdrawals	( )	( )
12	_____		
13	Ending balance	( )	( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	( )	( )
15	_____		
16	_____		
17	Ending balance	( )	( )
	Ending Partners' Or	$	$
18	Proprietor's Equity		

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
1	Net Cash provided (Used) By Operating Activities	$14,886	$28,447
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities		–
3	Proceeds from the sale of short-term investment securities		–
4	Purchase outflows for property and equipment	(11,458)	(4,352)
5	Proceeds from disposition of property and equipment		208
6	Purchase of casino reinvestment obligations	(1,549)	(2,271)
7	Purchase of other investments and loans/advances made		–
8	Proceeds from disposal of investments and collection of advances and long-term receivables		–
9	Cash outflows to acquire business entities		–
10			–
11			–
12	Net Cash provided (Used) By Investing Activities	(13,007)	(6,415)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt		3,996
14	Payments to settle short-term debt		(11,996)
15	Cash proceeds from issuance of long-term debt		–
16	Costs of issuing debt	(2,081)	(233)
17	Payments to settle long-term debt	(16,909)	(14,253)
18	Cash proceeds from issuing stock or capital contributions		–
19	Purchases of treasury stock		–
20	Payments of dividends or capital withdrawals		(6,600)
21	Net borrowings from (advances to) Affiliates	18,624	5,481
22			–
23	Net Cash Provided (Used) By Financing Activities	(366)	(23,605)
24	Net Increase (Decrease) In Cash And Cash Equivalents	1,513	(1,573)
25	Cash And Cash Equivalents At Beginning Of Period	11,440	13,013
26	Cash And Cash Equivalents At End Of Period	$12,953	$11,440
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$21,580	$23,884
28	Income taxes	$1,422	$706

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d)1992
	Net Cash Flows From Operating Activities:	$	$
29	Net income (loss)	(6,922)	(394)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	14,590	15,048
31	Amortization of other assets	2,726	1,883
32	Amortization of debt discount or premium	361	361
33	Deferred income taxes – current	–	–
34	Deferred income taxes – noncurrent	(539)	1,084
35	(Gain) Loss on disposition of property and equipment	–	
36	(Gain) Loss on casino reinvestment obligations	2,513	1,551
37	(Gain) Loss from other investment activities	–	–
38	Net (increase) decrease in receivables and patrons' checks	(1,117)	18,761
39	Net (increase) decrease in inventories	(86)	(640)
40	Net (increase) decrease in other current assets	(2,019)	256
41	Net (increase) decrease in other assets	(943)	(1,568)
42	Net increase (decrease) in accounts payables	98	(113)
43	Net increase (decrease) in other current liabilities excluding debt	2,858	(5,271)
44	Net increase (decrease) in other noncurrent liabilities excluding debt		
45	Net increase (decrease) in jackpot accrual	(301)	(2,511)
46	Change in accounting for income taxes and extraordinary item	3,667	–
47	Net Cash Provided (Used) By Operating Activities	14,886	28,447
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
	Acquisition Of Property and Equipment:	$	$
48	Additions to property and equipment	11,458	4,352
49	Less: Capital lease obligations incurred		
50	Cash Outflows For Property And Equipment	11,458	4,352
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$	$
52	Goodwill acquired		
53	Net assets acquired other than cash, goodwill, and property and equipment		
54	Long–term debt assumed		
55	Issuance of stock or capital invested		
56	Cash Outflows To Acquire Business Entities	$	$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	$	$
58	Less: Issuances to settle long–term debt		
59	Consideration in acquisition of business entities		
60	Cash proceeds From Issuing Stock Or Capital Contributions	$	$

SANDS HOTEL & CASINO

(A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.
Notes to Financial Statements
(unaudited)

Note 1 - Organization, business and basis of presentation

Greate Bay Hotel and Casino, Inc. ("GBH&C") is a New Jersey corporation and a wholly owned subsidiary of Pratt Casino Properties, Inc. ("Pratt Casino Properties"), a Delaware corporation. GBH&C's principal business activity includes its ownership of the Sands Hotel and Casino in Atlantic City, New Jersey (the "Sands"). The Sands is managed by Pratt Casino Management, Inc. ("PCMI"), also a wholly owned subsidiary of Pratt Casino Properties. Substantially all of GBH&C's revenues and net income are attributable to the operations of the Sands.

Pratt Casino Properties is wholly owned by Pratt Hotel Corporation ("PHC"), also a Delaware corporation. Pratt Casino Properties was incorporated during October 1987, and acquired the ownership of GBH&C through contributions of capital by its parent.

Greate Bay Property Funding Corp. ("Funding"), a New Jersey corporation and a wholly owned subsidiary of Pratt Casino Properties, was incorporated on June 29, 1987 for the purpose of borrowing funds through the issuance of $173,030,000 of seven-year, non-callable, nonrecourse first mortgage notes (the "First Mortgage Notes") for the benefit of GBH&C.

Note 2 - Summary of significant accounting policies

The significant accounting policies followed in the preparation of the accompanying financial statements are discussed below.

Casino revenues, promotional allowances and departmental expenses -

GBH&C recognizes the net win from gaming activities (the difference between gaming wins and losses) as casino revenues. Casino revenues are net of accruals for anticipated payouts of progressive and certain other slot machine jackpots. Such anticipated jackpot payouts are reflected as current liabilities in the accompanying balance sheets. During the twelve month periods ended December 31, 1993 and 1992, GBH&C removed certain progressive jackpots from the gaming floor, in accordance with regulations approved by the New Jersey Casino Control Commission (the "Casino Commission") resulting in a reduction of approximately $342,000 and $2,900,000, respectively, in progressive jackpot liabilities and a corresponding recognition of an equal amount of slot machine revenues.

Note 2 - Summary of significant accounting policies - (continued)

The retail value of rooms, food and beverage and other items which were provided to customers without charge ha been included in revenues and a corresponding amount has been deducted as promotional allowances. The costs of such complimentaries have been included as cost of goods and services in the accompanying statements of income.

Cash and cash equivalents -

Cash and cash equivalents are generally comprised of cash and investments with original maturities of three months or less, such as commercial paper, certificates of deposit and fixed repurchase agreements.

Allowance for doubtful accounts -

The allowance for doubtful accounts is maintained at a level considered adequate to provide for possible future losses. provisions for doubtful accounts amounting to $3,603,000 and $3,008,000 were made during the years ended December 31, 1993 and 1992, respectively.

Inventories -

Inventories are stated at the lower of cost (on a first-in, first-out basis) or market.

Property and equipment -

Property and equipment have been recorded at cost and are being depreciated over their estimated useful lives utilizing the straight-line method based on the following:

Buildings	25 years
Furniture and Equipment	3-7 years

Deferred financing costs -

The costs of issuing long-term debt, including all underwriting, legal and accounting fees, have been capitalized and are being amortized over the term of the related debt issue. Amortization of such costs was $2,726,000 and $1,883,000 for the years ended December 31, 1993 and 1992, respectively.

Note 2 - Summary of significant accounting policies - (continued)

Interest expense -

Interest expense includes the accretion of debt discount amounting to $361,000 for each of the years ended December 31, 1993 and 1992. Interest costs related to property and equipment acquisitions were capitalized during the acquisition period and are being amortized over the useful lives of the related assets. Interest paid for the years ended December 31, 1993 and 1992 amounted to $21,580,000 and $23,884,000, respectively.

Income taxes -

GBH&C is included in PHC's consolidated federal income tax return. Pursuant to agreements between GBH&C, Pratt Casino Properties and PHC (the "Tax Allocation Agreements"), GBH&C's provision for federal income taxes is based on the amount of tax which would be provided if a separate federal income tax return were filed. There were no federal taxes paid for the twelve months ended December 31, 1993; however, $7,204,000 of current taxes payable were offset against other intercompany obligations (see Note 7). During the twelve month period ended December 31, 1992, GBH&C paid $100,000 in connection with its current federal tax provision. Pursuant to the aforementioned Tax Allocation Agreements, as of December 31, 1993, current federal taxes receivable amounting to $894,000 were included in income taxes payable and accrued on the accompanying balance sheet. At December 31, 1992, $5,871,000 (including approximately $5,319,000 attributable to the arbitration award collected during August 1992 - see Note 11) were included in income taxes payable and accrued in the accompanying balance sheets. The payment of taxes in accordance with the Tax Allocation Agreements is subject to the approval of the Casino Commission. For the years ended December 31, 1993 and 1992, GBH&C paid state income taxes of $1,422,000 and $606,000, respectively.

Note 3 - Short-term credit facilities and borrowing from affiliates

Available short-term credit facilities in the amount of $9,000,000 at December 31, 1992 along with an $8,000,000 term loan due in 1993 and a note payable to bank amounting to approximately $1,000,000 (see Note 4), were replaced during February and March 1993, when a subsidiary of Pratt Casino Properties issued $21,000,000 of Series A and Series B 13.5% Guaranteed First Mortgage Notes due in 1994 (the "Series Notes"). The Series Notes were not registered under the Securities Act and since no such registration became effective prior to August 18, 1993, the interest rate increased to 14% per annum effective at that date. The indenture also provided for additional increases of .25% to become effective after each succeeding 90-day period. On November 16, 1993, the interest rate increased to 14.25% per annum effective at that date. The Series Notes were guaranteed by certain subsidiaries of Pratt Casino Properties involved with the Sands and were collateralized primarily by a mortgage on the Sands administrative offices complex and by certain other assets of the Sands. Refinancing of the Series Notes was completed in February 1994 when an affiliate issued $185,000,000 of 10 7/8% First Mortgage Notes (the "Notes") due 2004 (see Note 4).

During 1992, GBH&C borrowed $6,000,000 from its parent, Greate Bay Casino Corporation ("GBCC"), which borrowings are due on demand, or if no demand is made, on April 1, 1998 and bear interest at one percentage point above the bank prime interest rate. As of December 31, 1993, no borrowings were outstanding. GBCC's source of funds for the loans to GBH&C was borrowings from Hollywood Casino Corporation ("HCC"), parent of PHC.

HCC also agreed to loan up to $8,000,000 to a subsidiary of PHC, the proceeds of which were to be used by the Sands in connection with a planned expansion of its gaming space. This loan accrued interest at the rate of 13.5% per annum payable semi-annually. As of December 31, 1993, the outstanding balance was $7,083,000. The loan was repaid in February of 1994 in connection with a Capital contribution received from GBH&C's parent (see Note 8).

There were no available lines of credit as of December 31, 1993. As of December 31, 1992, GBH&C had available lines of credit and similar credit facilities totaling $9,000,000. Also during 1992, certain principal shareholders of PHC arranged an additional $3,000,000 credit facility, the proceeds of which were made available to GBH&C.

Note 4 - Long-term debt and pledge of assets

Long-term debt as of December 31, 1993 and 1992 is as follows:

	1993	1992
11.75% first mortgage notes, due 1994, net of discounts of $45,000 and $ 571,000 respectively (a)	$161,624,000	$166,348,000
16.5% promissory note, due 1998 (b)	-	2,600,000
Term loan, due 1993 (c)	-	8,000,000
Note payable to bank (d)	-	1,050,000
Other	470,000	479,000
	162,094,000	178,477,000
Less - current maturities	<900,000>	< 7,934,000>
	$161,194,000	$170,543,000

(a) On August 6, 1987, GBH&C obtained $170,504,000 from Funding which issued the First Mortgage Notes, net of a $2,526,000 discount. The First Mortgage Notes were repaid in February 1994. The First Mortgage Notes were collateralized by a first mortgage on the Sands and were guaranteed by PHC to the extent of $10,000,000. The First Mortgage Notes accrued interest at 11.75% per annum, payable monthly; interest only was payable during the first four years. Commencing in August 1991, principal and interest became payable in monthly installments of $2,049,000 based on a 15-year amortization schedule.

The mortgage indenture contained various provisions that, among other things, restricted the ability of GBH&C to incur additional secured indebtedness, create additional liens on the property or sell the Sands. Additionally, maintenance of certain cash balances was required, as well as a requirement that a minimum of $5,000,000 be committed annually for property and fixture renewals, replacements and betterments.

(b) GBH&C repaid this obligation during April 1993. The note was payable to an affiliate, accrued interest at 16.5% per annum and was payable semi-annually in March and September.

Note 4 - Long-term debt and pledge of assets - (continued)

(c) The loan was repaid in February 1993 in connection with the issuance of the Series Notes (see Note 3). The notes accrued interest at the London Interbank Offered Rate ("LIBOR") plus 3.625% per annum (LIBOR plus 2.625% through September 1992) and was payable quarterly.

(d) The note was repaid in February 1993 in connection with the issuance of the Series Notes (see Note 3). The note accrued interest at 1.25 percentage points above the bank's prime lending rate (one percentage point prior to June 1, 1992) and was payable monthly.

On February 17, 1994, GBH&C borrowed $185,000,000 of 10 year non-recourse first mortgage notes due 2004, from an affiliate. Interest on the Notes will accrue at 10 7/8% per annum and will be payable semi-annually in January and July, commencing in July of 1994. Interest only is payable in the first three years. Commencing in July of 1997, principal payments of $5 million are required, payable in equal semi-annual payments of $2.5 million on each interest payment date. In addition, GBH&C borrowed $10,000,000 in junior subordinated notes (the "Junior Notes") due 2005, from an affiliate. The Junior Notes bear interest at 14 5/8% per annum, with interest payments due only after certain coverage ratios are achieved, as defined.

Net proceeds after costs, fees and expenses from such borrowings were used to repay the existing First Mortgage Notes and Series Notes (see Note 3). In connection with this refinancing, GBH&C reflected charges amounting to $5,667,000 relating to the early extinguishment of debt, net of related tax benefit amounting to $3,807,000.

The mortgage indenture contains various provisions that restrict the ability of GBH&C to incur additional secured indebtedness, to create additional liens on the property, to pay restricted payments (including dividends) or to sell the Sands. Additionally, maintenance of certain cash balances is required, as well as a requirement that commencing in 1994, a minimum of $7 million, and in each calendar year thereafter an amount at least equal to 105% of the amount required to be made in the prior year, be committed for property and fixture renewals, replacements and betterments, as defined.

New Jersey State Library

Note 4 - Long-term debt and pledge of assets - (continued)

Scheduled payments of long-term debt as of December 31, 1993 are:

1994	$ 900,000
1995	9,000
1996	10,000
1997	12,000
1998	13,000
Thereafter	161,195,000
Total	$ 162,139,000

Substantially all of GBH&C's assets are pledged in connection with its long-term indebtedness. Additionally, these agreements contain certain cross-default provisions, including default on indebtedness by its affiliates.

Note 5 - Income taxes

The components of the provision for income taxes for the twelve months ended December 31, 1993 and 1992 are as follows:

	1993	1992
Provision (benefit) in lieu of federal income taxes:		
Current	$ 439,000	$ 502,000
Deferred	<550,000>	723,000
State income tax provision (benefit):		
Current	<30,000>	80,000
Deferred	10,000	361,000
	$ <131,000>	$ 1,666,000

Deferred income taxes result primarily from the use of the allowance method rather than the direct write-off method for doubtful accounts, the use of accelerated methods of depreciation for federal and state income tax purposes and differences in the timing of deductions taken between tax and financial reporting purposes for contributions and for adjustments to the carrying value of certain investment obligations.

Note 5 - Income taxes - (continued)

A reconciliation between the calculated tax provision based on the statutory rates in effect and the effective tax rates follows:

	Year ended December 31, 1993	1992
Calculated income tax provision (benefit) at 34%	$<1,151,000>	$ 432,000
Amortization of excess purchase price	803,000	803,000
Disallowance of travel and entertainment	204,000	209,000
State income taxes	<7,000>	291,000
Other	20,000	<69,000>
Tax provision (benefit) as shown on statement of operations	$ <131,000>	$1,666,000

The New Jersey Division of Taxation is currently examining the state income tax returns of GBH&C for the years 1987, 1988 and 1989. In the opinion of management, the results of such examination will not have a material adverse effect on the financial position of GBH&C.

Federal Income tax receivables and payables included in the accompanying balance sheets in connection with the aforementioned tax allocation agreements were as follows:

	December 31, 1993	December 31, 1992
Prepaid expenses and other current assets	$ 5,027,000	$ -
Other assets	7,086,000	6,644,000
Federal income taxes payable and accrued	894,000	<5,871,000>

In the first quarter of 1993, GBH&C adopted the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"), which utilizes the liability method and results in the determination of deferred taxes based on the estimated future tax effects of differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Prior to 1993, GBH&C accounted for income taxes under the provisions of Accounting Principles Board Opinion No. 11. Under this method, the provision for taxes was based on income and expenses included in the accompanying statements of operations. Differences between taxes so computed and taxes payable under applicable statutes and regulations were classified as deferred

taxes arising from timing differences.

Note 5 - Income taxes - (continued)

The cumulative effect of adopting SFAS 109 as of January 1, 1993 was to increase GBH&C's net deferred tax assets and net income by approximately $2,000,000. This change results primarily from reductions in the enacted tax rates from those in effect when the differences between the financial statement and tax bases of assets and liabilities arose. Prior period financial statements have not been restated to reflect the new accounting method. There was no effect of this new standard on income tax expense for the twelve month period ended December 31, 1993.

The components of the deferred tax asset as of December 31, 1993 were as follows:

Deferred tax assets:	
Allowance for doubtful accounts	$ 4,721,000
Refinancing costs	2,786,000
Other liabilities and accruals	974,000
Other	332,000
Total deferred tax assets	8,813,000
Deferred tax liabilities:	
Depreciation	<6,982,000>
Other	<621,000>
Total deferred tax liabilities	<7,603,000>
Net deferred tax asset	$ 1,210,000

Note 6 - Litigation

GBH&C is a party in various legal proceedings with respect to the conduct of casino and hotel operations. Although a possible range of loss can not be estimated, in the opinion of management, based upon the advice of counsel, settlement or resolution of these proceedings should not have a material adverse impact upon the financial position or results of operations of GBH&C.

The accompanying financial statements do not include any adjustments that might result from the outcome of the uncertainties described above.

Note 7 - Supplemental cash flow information

During September 1993, GBH&C and Pratt Casino Properties settled certain intercompany obligations on a noncash basis. Borrowings from GBH&C, totaling $3,537,000 along with accrued interest totaling $3,667,000 were eliminated against GBH&C's current federal tax obligation under the Tax Allocation Agreements (see Note 5). The effects of this elimination have been excluded from the accompanying statement of cash flows as a noncash transaction.

Note 8 - Subsequent events

In February of 1994, GBH&C received a capital contribution from its parent amounting to $15,000,000, a portion of the proceeds of which were used to repay an affiliate for a loan associated with the planned expansion of its gaming space (see Note 3). The remaining proceeds will be used to fund the completion of this expansion.

Note 9 - Related party transactions

GBH&C has a management agreement with PCMI. Pursuant to the management agreement, PCMI is responsible for the supervision, direction and control of the day-to-day operation of the hotel/casino. In accordance with the provisions of this management agreement, PCMI is entitled to receive annually a basic consulting fee of 1.5% of "adjusted gross revenues", as defined, and, if annual "gross operating profits" as defined, exceed $5,000,000, incentive compensation of between 5% and 7.5% of gross operating profits in excess of certain stated amounts. Total charges to operations for the twelve months ended December 31, 1993 and 1992 were $6,194,000 and $6,591,000, respectively, and are included in Management Fees Charged from Affiliates in the accompanying financial statements. Consultant and incentive fees of $109,000 were due and $18,000 were prepaid to PCMI at December 31, 1993 and 1992, respectively, and are included in Other Current Liabilities in the accompanying financial statements.

GBH&C has a License Agreement with PPI, (an affiliate) which entered into a parallel agreement with an unrelated third party. The license agreement provides for a license fee equal to the greater of (i) 3% of room charges, as defined, or (ii) $100,000 for each property using the name. Such charges amounted to $294,000 and $305,000 for the twelve months ended December 31, 1993 and 1992, respectively. Such amounts are included in Selling, General, and Administrative expenses in the accompanying financial statements.

Note 9 - Related party transactions - (continued)

For the twelve months ended December 31, 1993 and 1992 GBH&C recognized the following amounts in interest charges to affiliates:

	1993	1992
11.75% First Mortgage Notes	$19,673,000	$20,251,000
16.5% Promissory Note	107,000	1,457,000
Cash Advances from Affiliates	3,025,000	988,000
Totals	$22,805,000	$22,696,000

At December 31, 1993, GBH&C had cash advances receivable from affiliates including interest totaling $ 5,906,000. In addition, GBH&C had cash advances payable to affiliates including interest totaling $7,230,000. These amounts are included in Investments, Advances, and Receivables, and Notes Payable, respectively, in the accompanying financial statements. Advances to affiliates and from affiliates bear interest at 16.5% and 13.5%, respectively, per annum. Additionally, at December 31, 1993 GBH&C had short term borrowings outstanding to affiliates of $21,000,000 (see Note 3).

Note 10 - New Jersey regulations and obligatory investments

GBH&C conducts gaming operations in Atlantic City, New Jersey and operates a hotel, several restaurants and related support facilities. The operation of an Atlantic City casino/hotel is subject to significant regulatory control which affects virtually all of its operations. Under the New Jersey Casino Control Act (the "Casino Act"), GBH&C was required to obtain and is required to periodically renew its operating license. On May 17, 1993, the Casino Commission renewed GBH&C's license to operate the Sands through September 30, 1994. Some of the terms of the license require GBH&C to comply with periodic financial reporting requirements as well as obtain prior Casino Commission approval of certain cash transfers to affiliates. A casino license is not transferable and, after the initial licensing and two one-year renewal periods, is issued for a term of two years. However, the Casino Commission has the authority to require the licensee to submit to licensing proceedings after one year at the Casino Commission's discretion.

The Casino Act requires casino licensees to make certain approved investments in New Jersey or to pay an investment alternative tax. Casino licensees may obtain investment credits, which amount to 1.25% of casino revenues, by purchasing bonds at below-market interest rates from the Casino Reinvestment Development Authority (the "CRDA") or by making qualified investments approved by the CRDA. This governmental agency

Note 10 - New Jersey regulations and obligatory investments - (continued)

administers the statutorily mandated investments and reinvestments made by casino licensees and is required to expend the monies received by it for eligible projects defined in the statute. The investment alternative tax amounts to 2.5% of casino revenues. Payments of the investment obligations must be made quarterly. GBH&C has elected to comply with the requirements by obtaining investment credits or by making qualified investments.

As of December 31, 1993 and 1992, GBH&C had purchased bonds totaling $3,911,000 and $3,769,000, respectively. In addition, GBH&C had remaining funds on deposit and held in escrow by the CRDA at December 31, 1993 and 1992 of $3,651,000 and $8,548,000, respectively. The bonds purchased and the amounts on deposit and held in escrow are collectively referred to as "obligatory investments" in the accompanying footnotes.

Obligatory investments at December 31, 1993 and 1992 are net of accumulated valuation allowances of $3,065,000 and $5,420,000, respectively, based upon the estimated realizable values of the investments. provisions for valuation allowances during the years ended December 31, 1993 and 1992 amounted to $340,000 and $618,000, respectively.

Through 1993, GBH&C has contributed certain amounts held in escrow to the CRDA. In consideration thereof, the CRDA granted GBH&C waivers of certain of its investment obligations in future periods. The book value of the obligatory investments contributed during the years ended December 31, 1993 and 1992 was $5,694,000 and $1,561,000, respectively, resulting in waivers granted by the CRDA totaling $2,904,000 and $797,000, respectively. Amortization of the waivers during 1993 and 1992 totaled $2,078,000 and $169,000, respectively. The unamortized portion of waivers obtained from the CRDA of $1,727,000 at December 31, 1993 and are included in Prepaid Expenses and Other Current Assets in the accompanying financial statements, will be charged to operations during 1994 based upon the related revenues.

Note 11 - Arbitration Award

In January 1989, the American Arbitration Association issued a determination in favor of GBH&C on its claim against a construction management company for damages due to improper performance in the completion of the renovation of the Sands during 1983 and 1984. On August 6, 1992, the Supreme Court of New Jersey affirmed the judgment in favor of GBH&C and against the construction management company. On August 10, 1992, GBH&C collected $17,510,000 which included the award and post-judgment interest less certain amounts due the construction management company and other related costs.

Note 12 - Disclosures about fair value of financial instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents -

The carrying amounts approximate fair value because of the short maturity of these instruments.

Obligatory investments -

The carrying amount of obligatory investments approximates fair value as a result of such investments being stated net of an allowance reflecting the below market interest rate which reduces the carrying amount to below that resulting from the discounting of net cash flows.

Interest payable -

The carrying amount of interest payable approximates fair value because of the short maturity of the obligation.

Long-term debt -

The fair value of GBH&C's long-term debt is estimated based on either the quoted market prices for recent trades of the issue or on the discounted cash flow of true payments utilizing current rates available to GBH&C for debt of similar remaining maturities. Debt obligations with a short remaining maturity are valued at the carrying amount.

Note 12 - Disclosures about fair value of financial instruments (continued)

The estimated carrying amounts and fair values of GBH&C's financial instruments at December 31, 1993 are as follows:

	Carrying amount	Fair Value
Financial Assets		
Cash and cash equivalents	$ 12,953,000	$ 12,953,000
Obligatory investments	4,497,000	4,497,000
Financial Liabilities		
Interest payable	$ 2,546,000	$ 2,546,000
First Mortgage Notes	161,669,000	165,710,000
Other	470,000	470,000

Note 13 - Non-operating income (expenses)

For the twelve months ended December 31, 1993 and 1992, interest income of $1,822,000 and $3,549,000 was earned on temporary investments, on deposits made with the Casino Reinvestment Development Authority, and on cash advances receivable from affiliates.

Note 14 - Prepaid expenses and other current assets

As of December 31, 1993 and 1992, the line item, Prepaid Expenses and Other Current Assets is comprised of the following:

	1993	1992
Deferred Taxes - Current	$ 5,027,000	$ -
Prepaid expenses	2,371,000	1,808,000
Deposits	712,000	460,000
Current portion of deferred credits on deposit with the Casino Reinvestment Development Authority	1,727,000	75,000
	$ 9,837,000	$ 2,343,000

Note 15 - Other Accrued Expenses

As of December 31, 1993 and 1992, the line item Other Accrued Expenses is comprised of the following:

	1993	1992
Accrued refinancing costs	$ 7,647,000	$ -
Accrued expenses	6,212,000	4,620,000
Accrued salaries and wages	3,131,000	3,339,000
Accrued progressive jackpot	1,327,000	1,628,000
Accrued interest	2,546,000	1,538,000
Accrued insurance	2,161,000	2,418,000
	$ 23,024,000	$ 13,543,000

Note 16 - Property and equipment

Property and equipment as of December 31, 1993 and 1992 consisted of the following:

	1993	1992
Land	$ 37,554,000	$ 37,554,000
Buildings	169,340,000	169,340,000
Furniture, fixtures and equipment	69,768,000	95,711,000
Construction in progress	6,829,000	1,217,000
	283,491,000	303,822,000
Less: accumulated depreciation and amortization	<121,871,000>	<139,070,000>
Net property and equipment	$161,620,000	$164,752,000

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1993

(UNAUDITED)

($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE– (e) NET OF ALLOWANCE
	Patrons' Checks:	$		
1	Undeposited patrons' checks	5,630		
2	Returned patrons' checks	20,540		
3	Total patrons' checks	26,170	$ (14,764)	$ 11,406
4	Hotel Receivables	487	(41)	446
	Other Receivables:			
	Receivables due from officers and employees			
6	Receivables due from affiliates	754		
7	Other accounts and notes receivables	1,696		
8	Total other receivables	2,450	0	2,450
9	Totals (Form 205)	$ 29,107	$ (14,805)	$ 14,302

UNDEPOSITED PATRONS'CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$6,169
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits	207,573
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)	(159,256)
13	Checks collected through deposits	(36,838)
14	Checks transferred to returned checks	(12,018)
15	Other adjustments	–
16	Ending Balance	$5,630
17	"Hold" Checks Included in Balance On Line 16	$0
18	Provision For Uncollectible Patrons' Checks	$3,588
19	Provision As A Percent Of Counter Checks Issued	1.73%

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE 12 MONTHS ENDED DECEMBER 31, 1993

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	228,863	$6,587	–	$ –
Food	729,874	10,453	–	–
Beverage	1,041,479	10,622	–	–
Travel	–	–	20,743	5,382
Coin	–	–	710,248	11,673
Coupon	–	–	138,199	967
Entertainment	21,623	1,028	–	–
Retail & Gifts	–	–	38,969	3,897
Other	54,896	439	311,267	15,074
Total	2,076,735	$29,129	1,219,426	$36,993

****

FOR THE THREE MONTHS ENDED DECEMBER 31, 1993

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	59,713	$1,638	–	$ –
Food	176,792	2,470	–	–
Beverage	267,502	2,421	–	–
Travel	–	–	5,034	1,306
Coin	–	–	162,220	2,751
Coupon	–	–	20,242	141
Entertainment	3,418	171	–	–
Retail & Gifts	–	–	10,149	1,015
Other	28,350	227	85,433	3,785
Total	535,775	$6,927	283,078	$8,998

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

:ss.

COUNTY OF ATLANTIC

Timothy A. Ebling, being duly sworn according to law upon my oath
NAME
deposes and says:

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

Timothy A. Ebling
Signature

Timothy A. Ebling
Director Corporate Accounting
Title

003052-11
License Number

On Behalf Of:

Greate Bay Hotel And Casino, Inc.
Casino Licensee

Subscribed and sworn to
before me this 15 day
of March, 1994

Signature

JANICE M. CLARKE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires [illegible]
Basis of Authority
to Take Oaths
4/86

CCC-250

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE Greate Bay Hotel & Casino, Inc.

ADDRESS Indiana Avenue & Brighton Park

Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 19

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

CASINO CONTROL COMMISSION
MAR 15 1994
RECEIVED
FEU

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS ANNUAL EMPLOYMENT AND PAYROLL REPORT..... Timothy A. Ebling

OFFICIAL TITLE..... Director Corporate Accounting

ADDRESS..... Indiana Avenue & Brighton Park

Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE Sands Hotel & Casino

1/85

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993
($ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES (d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	(f) TOTALS
	CASINO				
1	Administration	15			1,045
2	Gaming	746			15,192
3	Slots	137			3,276
4	Casino accounting	391			7,799
5	Other Casino Credit	23	$	$	$ 619
6	Total-casino	1,312			27,931
7	ROOMS	344			6,446
8	FOOD AND BEVERAGE	869			12,672
	OTHER OPERATED DEPARTMENTS				
9	Human Resources	32			738
10	Legal	15			772
11	Planning & Research	7			202
12	Data Processing	37			1,730
13	Purchasing	23			530
14	Day Tours	17			104
15	Print Shop	17			504
16	Valet/Health Club	103			1,652
17	Surveillance	21			526
18	Recycling	9			168
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	15			1,389
21	Accounting and auditing	78			2,201
22	Security	137			2,865
23	Other administrative and general department	0			0
24	MARKETING	161			6,809
25	GUEST ENTERTAINMENT	140			451
26	PROPERTY OPERATION AND MAINTENANCE	39			1,219
		3,376	$ 64,736	$ 4,173	$ 68,909

CCC-CCC

Trading Name of Licensee Sands Hotel & Casino

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 19 93

March 15, 1994
Date

Timothy A. Ebling
Signature

Timothy A. Ebling
Director Corporate Accounting
Title

GROSS REVENUE
ANNUAL TAX RETURN

LICENSEE Greate Bay hotel & Casino, Inc.

ADDRESS Indiana Ave. & Brighton Park
Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
MAR 15 1994
CASINO CONTROL
COMMISSION

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

OFFICIAL TITLE..... Director Corporate Accounting

ADDRESS..... Indiana Avenue & Brighton Park
Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE Sands Hotel & Casino

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 93

(UNAUDITED)

($ IN THOUSANDS)

1	Casino win or (loss)		
2	Table games revenue	$ 95,526	
3	Coin-operated devices revenue	149,477	
4	Total revenues		$ 245,003
	Less - adjustment for uncollectible patrons' checks:		
5	Provision for uncollectible patrons' checks	$ 3,588	
6	Maximum adjustment (4% of line 3)	$ 9,800	
7	Adjustment (the lesser of line 4 or line 6)		3,588
8	Gross revenues (line 3 less line 6)		$ 241,415
9	Tax on gross revenues - current year (8% of line 7)		$ 19,313
10	Audit or other adjustments to tax on gross revenues in prior years		0
11	Total tax on gross revenues (line 8 plus or minus line 9)		19,313
	Deposits made for tax on current year's gross revenues:		
12	January	$ 1,057	
13	February	1,369	
14	March	1,547	
15	April	1,579	
16	May	1,426	
17	June	1,945	
18	July	1,678	
19	August	2,338	
20	September	1,572	
21	October	1,386	
22	November	1,865	
23	December	1,231	
24	January	320	
	Total deposits made for tax on current year's gross revenues		(19,313
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 :

Timothy A. Ebling, 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.

Timothy A. Ebling
Signature
Timothy A. Ebling
Director Corporate Accounting
Title

305211
License Number

On Behalf Of:

Greate Bay Hotel & Casino, Inc.
Casino Licensee

Subscribed and sworn to
before me this 15th day
of March, 1994.

Janice M. Clarke
Signature

JANICE M. CLARKE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 7, 1998
Basis of Authority
to Take Oaths

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QUARTERLY REPORT

LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

ADDRESS 1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED December 31, 19 93

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAR 25 1994
185 W. STATE ST.
TRENTON, N.J.

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT . . . JOSEPH A. DOMENICO

OFFICIAL TITLE. . . . . VICE PRESIDENT OF FINANCE

ADDRESS . . . . . 1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NJ 08401

Trading Name of Licensee: HARRAH'S CASINO HOTEL, ATLANTIC CITY

LIST OF FORMS - QUARTERLY REPORT

For the Quarter Ended: December 31, 1993

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

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

BALANCE SHEETS

DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1993	(d) 1992
	ASSETS		
	Current Assets:		
1	Cash	$ 11,812	$ 12,562
2	Marketable Securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1993 $ 3,581 ; 1992 $ 3,563	8,082	9,563
4	Inventories	2,288	2,569
5	Prepaid expenses and other current assets (Note 5)	2,777	2,928
6	**Total Current Assets**	24,959	27,622
7	Investments, Advances and Receivables (Note 6)	81,718	30,003
8	Property and Equipment - Gross (Note 2)	374,803	364,893
9	(Accumulated Depreciation/Amortization)	(115,832)	(105,443)
10	Other Assets	8,651	8,940
11	**Total Assets**	374,299	326,015
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts Payable	$ 1,705	$ 2,221
13	Notes Payable	0	0
	Current portion of long-term debt:		
14	Due to affiliates	0	0
15	Other .....(Note 4)	56	113
16	Income taxes payable and accrued	0	1,097
17	Other accrued expenses . . .(Note 9)	16,384	14,998
18	Other current liabilities	818	797
19	**Total current liabilities**	18,963	19,226
	Long-Term Debt:		
20	Due to affiliates . . .(Note 3 & 4)	0	0
21	Other .....(Notes 3 & 4)	362,790	307,276
22	Deferred Credits	3,796	4,502
23	Other Liabilities .....(Note 10)	41,736	33,890
24	Commitments and Contingencies . . .(Note 7)	0	0
25	**Total Liabilities**	427,285	364,894
26	**Stockholders', Partners', or Proprietor's Equity**	(52,986)	(38,879)
27	**Total Liabilities and Equity**	$ 374,299	$ 326,015

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

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

STATEMENTS OF INCOME

For Twelve Months Ended December 31, 1993 and 1992

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1993	(d) 1992
	Revenue:		
1	Casino	$ 285,448	$ 288,310
2	Rooms	20,810	21,402
3	Food and Beverage	35,886	38,082
4	Other	9,027	9,230
5	Total revenue	351,171	357,024
6	Less: Promotional Allowance	37,183	41,664
7	Net revenue	313,988	315,360
	Costs and Expenses:		
8	Cost of goods and services	175,267	176,196
9	Selling, general, and administrative	54,126	58,811
10	Provision for doubtful accounts	1,593	1,590
11	Total costs and expenses	230,986	236,597
12	Gross Operating Profit	83,002	78,763
13	Depreciation and amortization	13,770	12,775
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	1,298	0
16	Income (Loss) from Operations	67,934	65,988
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Embassy Note	(3,528)	0
18	Interest (expense) - external .... (Note 4)	(28,101)	(10,020)
19	Investment alternative tax and related income (expense) - net	(163)	(303)
20	Nonoperating Income (expense) - net	234	477
21	Total other income (expenses)	(31,558)	(9,846)
22	Income (Loss) Before Income Taxes and Extraord. Items	36,376	56,142
23	Provision (credit) for income taxes	3,603	5,269
24	Income (Loss) Before Extraordinary Items	32,773	50,873
25	Extraordinary items (net of income taxes - 1993, $469; 1992, $0) . .(Note 3)	(4,536)	0
26	**Net Income (Loss)**	$ 28,237	$ 50,873

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

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

STATEMENTS OF INCOME

For Three Months Ended December 31, 1993 and 1992

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1993	(d) 1992
	Revenue:		
1	Casino	$ 65,261	$ 66,742
2	Rooms	4,746	4,849
3	Food and Beverage	8,176	8,708
4	Other	1,965	2,047
5	Total revenue	80,148	82,346
6	Less: Promotional Allowance	8,237	9,614
7	Net revenue	71,911	72,732
	Costs and Expenses:		
8	Cost of goods and services	42,054	41,980
9	Selling, general, and administrative	11,633	13,135
10	Provision for doubtful accounts	227	213
11	Total costs and expenses	53,914	55,328
12	Gross Operating Profit	17,997	17,404
13	Depreciation and amortization	3,608	3,457
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	300	0
16	Income (Loss) from Operations	14,089	13,947
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Embassy Note	0	0
18	Interest (expense) - external .... (Note 4)	(8,531)	(7,123)
19	Investment alternative tax and related income .... (expense) - net	(19)	(12)
20	Nonoperating Income (expense) - net	102	70
21	Total other income (expenses)	(8,448)	(7,065)
22	Income (Loss) Before Income Taxes and Extraord. Items	5,641	6,882
23	Provision (credit) for income taxes	607	649
24	Income (Loss) Before Extraordinary Items	5,034	6,233
25	Extraordinary items (net of income taxes - 1993, $469; 1992, $0) ..(Note 3).	0	0
26	**Net Income (Loss)**	$ 5,034	$ 6,233

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

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

For the Twelve Months Ended : December 31,1993 and 1992
(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1993	(d) 1992
	Invested Capital:		
1	Beginning balance (January 1)	$ 141,594	$ 141,594
2	Additional capital invested	0	0
3	_____	0	0
4	Ending balance	141,594	141,594
	Additional Income (Loss):		
5	Beginning balance (January 1)	647,084	596,211
6	Prior period adjustments . .(Note 11).	0	0
7	Net income (loss)	28,237	50,873
8	_____	0	0
9	Ending balance	675,321	647,084
	Capital Withdrawals:		
10	Beginning balance (January 1)	(827,557)	(481,557)
11	Additional capital withdrawals	(42,344)	(346,000)
12	_____	0	0
13	Ending balance	(869,901)	(827,557)
	Net Unrealized Loss on Noncurrent Marketable equity securities:		
14	Beginning balance (January 1)	0	0
15	_____	0	0
16	_____	0	0
17	Ending balance	0	0
18	**Ending Partner's or Proprietor's Equity**	(52,986)	(38,879)

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

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

STATEMENTS OF CASH FLOWS

December 31, 1993 and 1992

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1993	(d) 1992
1	**Net Cash Provided (Used) by Operating Activities**	$ 49,196	$ 68,584
	Cash Flows from Investing Activities:		
2	Purchase of short-term investment securities	0	0
3	Proceeds from the sale of short-term investment securities	0	0
4	Purchase outflows for property and equipment	(12,480)	(21,756)
5	Proceeds from disposition of property and equipment	66	519
6	Purchase of casino reinvestment obligations	(3,450)	(3,186)
7	Purchase of other investments and loan advances made	(52,452)	0
8	Proceeds from disposal of investments and collection of advances and long-term receivables	3,057	3,003
9	Cash outflows to acquire business entities	0	0
10	_____	0	0
11	_____	0	0
12	**Net Cash Provided (Used) by Investing Activities** . .	(65,259)	(21,420)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt		
15	Cash proceeds from issuance of long-term debt	495,688	
16	Costs of issuing debt		
17	Payments to settle long-term debt	(439,949)	(95)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals . . .	(40,426)	(42,654)
21			
22	_____		
23	**Net Cash Provided (Used) by Financing Activities** . .	15,313	(42,749)
24	**Net Increase (Decrease) in Cash and Cash Equivalents**	(750)	4,415
25	**Cash and Cash Equivalents at Beginning of Period** . .	12,562	8,147
26	**Cash and Cash Equivalents at End of Period**	$ 11,812	$ 12,562
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Cash Paid During Period for:		
27	Interest (net of amount capitalized)	$ 31,629	$ 7,870
28	Income Taxes	$ 3,567	$ 5,725

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

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

STATEMENTS OF CASH FLOWS

December 31, 1993 and 1992

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1993	(d) 1992
	Net Cash Flows From Operating Activities:		
29	Net Income (loss)	$ 28,237	$ 50,873
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment	13,673	12,728
31	Amortization of other assets	1,734	495
32	Amortization of debt discount or premium	0	0
33	Deferred income taxes - current	0	0
34	Deferred income taxes - noncurrent	(706)	0
35	(Gain) loss in dispostion of property & equipment	4	(10)
36	(Gain) loss on casino reinvestment obligation	57	302
37	(Gain) loss from other investment activities	1,199	0
38	Net (increase) decrease in receivables and patrons checks	1,382	(512)
39	Net (increase) decrease in inventories	281	(402)
40	Net (increase) decrease in other current assets	151	(892)
41	Net (increase) decrease in other assets	(4,520)	(1,279)
42	Net increase (decrease) in accounts payables	(472)	166
43	Net increase (decrease) in other current liabilities excluding debt . . .	310	1,892
44	Net increase (decrease) in other noncurrent liabilities excluding debt . .	7,866	5,223
45	Interest Income earned on Marina District		0
46	Roadway Account		
47	**Net Cash Provided (Used) by Operating Activities . . . .**	$ 49,196	$ 68,584
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCIAL ACTIVITES		
	Aquisition of Property and Equipment:		
48	Additions to property and equipment	$ 12,480	$ 21,756
49	Less: capital lease obligations incurred	0	0
50	**Cash Outflows for Property and Equipment . . . . . .**	$ 12,480	$ 21,756
	Acquisition of Business Entities:		
51	Property and equipment acquired	$	$
52	Goodwill Acquired		
53	Net assets acquired other than cash, goodwill, and property and equipment		
54	Long-term debt assumed		
55	Issuance of stock or capital invested		
56	Cash Outflows To Acquire Business Entities	$	$
	Stock Issued or Capital Contributions:		
57	Total issuance of stock or capital contributions	$	$
58	Less: issuances to settle long-term debt, and		
59	Consideration in acquistion of business entities		
60	Cash Proceeds from Issuing Stock or Capital Contributions	$	$

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

HARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

Organization - Marina Associates (the Company), doing business as Harrah's Casino Hotel, Atlantic City, operates as a general partnership. The Promus Companies, Inc., through its subsidiaries, is 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, theater 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.

When management determines that some element of property and equipment is to be disposed of, its net realizable value is estimated and a write-down is recorded if the estimated net realizable value is less than the net book value.

A valuation allowance is included as a component of accumulated depreciation.

Pre-Opening Expenses - Costs incurred prior to opening and expansion were deferred and charged to operations over a three year period using the straight-line method.

Income Taxes - The accompanying financial statements do not include a provision 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.

NOTE 2: Property and Equipment

Property and Equipment consists of the following:

	DECEMBER 31	
	1993 (000's)	1992
Land and Land Improvements	$ 30,015	$ 30,745
Buildings, Leaseholds and Improvements	264,370	251,711
Furniture, Fixtures and Equipment	71,386	68,893
Construction in Progress	5,146	10,309
Equipment held under Capital Leases	345	345
C-I-P NE Inlet Redevelopment Project	3,541	2,890
	$374,803	$364,893
Less Accumulated Depreciation	(115,832)	(105,443)
Property and Equipment, Net	$258,971	$259,450

The Northeast Inlet Redevelopment Project is an approved CRDA project sponsored by Harrah's. The project includes 130 townhomes, a retail strip center and a mid-rise apartment building. Eighty- five of the townhomes are sold and the balance are rented. Rental operations began in February 1992 for the townhomes and August of 1992 for the mid-rise building. Currently contained in the C-I-P account is the retail strip center.

NOTE 3: Supplemental Cash Flow Information

Supplemental disclosure of non-cash financing activities:

In August 1992, after receiving Casino Control Commission approval, a transaction was initiated pursuant to an amendment to an existing Master Facility Agreement. Marina Associates issued a note payable in the amount of $307,220,000 to a bank syndicate that held a note receivable from Embassy Suites, Inc., of the same amount. Embassy Suites is Marina Associates' great-great-grandparent. Marina Associates, in exchange for issuing the note payable, received the Embassy note receivable from the banks. Marina then transferred the note receivable to its great-grandparent, Harrah's. This transfer of the note receivable from Embassy Suites, Inc., was accounted for on Marina Associates' books as a Capital Withdrawal.

During October 1992, Embassy Suites passed down to Harrah's Atlantic City deferred finance charges that are associated with the original note payable between Embassy Suites and the bank syndicate referred to above. The finance charges totaled $6,167,299 and will be amortized over the life of the Term Loan Agreement.

On March 23, 1993, Embassy issued $200,000,000 of notes bearing interest at 8.75% payable semiannually at March 15 and September 15, with the principal due March 15, 2000. A portion of the proceeds of this note issuance was used to pay down certain debt owed by Embassy, and the remaining $147,000,000 was advanced to the Partnership in exchange for a promissory note executed by the Partnership under terms similar to the Embassy Notes. In connection with these transactions, approximately $3,000,000 of deferred financing charges related to issuance costs incurred by Embassy were recorded by the Partnership and are being amortized over the life of the Note.

NOTE 3: Supplemental Cash Flow Information (CONT.)

The proceeds from the Note were used to retire a portion of the Partnership's Loan Facility consisting of $110,400,000 of payments due in 1994 and $36,600,000 of the $100,000,000 installment due in 1996. In conjunction with the reduction of the Loan Facility the Partnership wrote-off a proportionate share of the previously established deferred financing charges in March 1993, this resulted in an extraordinary loss of approximately $1,675,000 before adjustment for related income tax benefits.

On July 23, 1993, Embassy entered into a $650,000,000 reducing Revolver and Letter of Credit Facility. Embassy passed down to Harrah's Atlantic City $400,000,000 of the New Facility. The New Facility consist of an available Revolver of $195,350,000, of which Harrah's drew down $142,687,789 and a Letter of Credit totaling $204,650,000. The Revolver bears 6% interest payable monthly with the principal payment due in July 1998.

On July 23, 1993, Embassy passed down through intercompany to Harrah's Atlantic City, $200,000,000 Notes bearing 9% interest payable monthly with principal payment due February 15, 1995. The Letter of Credit guarantees the liquidity to retire the Notes when they reach maturity.

The proceeds from the Bank Revolver were used to retire the $160,220,000 Term Loan and the $147,000,000 Promissory Note payable to Embassy Suite. As a result, Harrah's Atlantic City wrote off the finance charges associates with the Term Loan. This results in an extraordinary loss of approximately $3,331,804 before adjustments for related income tax benefits.

These non-cash transactions have been excluded from the Statement of Cash Flows.

NOTE 4: Long-Term Debt

The maturities of long term debt are:

Date	Amount Due
1993	- -
1994	- -
1995	200,000,000
1996	- -
1997	- -
1998	163,000,000
1999	- -
2000	- -
	$363,000,000

Total Long-Term Debt consists of:

	DECEMBER 30 1993 (000's)	1992
Long-term debt - Term Loan	$ 0	$160,220
Long-term debt - ESI Note	0	147,000
Long-term debt - Capital Leases	56	169
Capital Lease Obligation Due within 1 Year	(56)	(113)
Long-term debt - 9% Note	200,000	0
Discount on N/P	(210)	0
Long-term debt - Bank Revolver	163,000	0
Long-term Debt	$362,790	$307,276

9% Notes Payable

As part of the July 23, 1993 transaction, Embassy passed down to Harrah's Atlantic City, $200,000,000 Notes bearing 9 % interest payable monthly with principal payment due on February 15, 1995. Associated with the Notes is a $281,988 discount that was recorded and will be amortized over the life of the Notes. These Notes are secured by the $204,650,000 Letter of Credit which was obtained through Banker's Trust and is subject to a 1.75% daily fee. This guarantees the funds necessary to retire the $200,000,000 Notes when they mature in February 1995.

Bank Revolver

The Company is an obligee of a Bank Revolver with availability of $195,350,000 which resulted from the transaction described in Note 3. On July 23, 1993, the Company originally drew down $142,687,789 of the available Revolver. In the 4th quarter of 1993, the Company drew down $153,000,000 reducing the available revolver. The Revolver may be reduced throughout the term, with the remaining principal payment due in July 1998. The principal payments through the twelve months ended December 31, 1993 was $132,687,788.

In connection with these transactions, $8,438,000 of deferred finance charges were recorded and are being amortized over the life of the New Facility. The unused portion of the Revolver is subject to a commitment fee at the rate of .5% per day.

Interest accrues at the rate of LIBOR plus 1.5%. As required by the Facility Agreement, the Company has obtained $140,000,000 in interest rate protection as a hedge against future changes in interest rates. The interest rate protection is in the form of a rate collar transaction. The arrangement fixes the Company's rate between 10.3% and 13.5%. This rate collar expires in 1995.

Long-Term Debt - Capital Leases - Represents three thirty-six month capital leases for computer equipment.

Future minimum lease payments consist of:

Year	Amount
1993	$ 0
1994	60,350
	$ 60,350
Less amounts representing interest	(4,420)
Present value of net minimum lease payments	$ 55,927

NOTE 5: Prepaid Expenses and Other Current Assets

	DECEMBER 31 1993 (OOO's)	1992
Prepaid Slot Tax	$ 477	$ 500
Prepaid Insurance	164	240
Prepaid Air Charters	455	486
Prepaid Marketing	213	166
Prepaid Other	1,360	1,434
Future Credit against CRDA Obligations	108	102
	$ 2,777	$ 2,928

NOTE 6: Investments, Advances and Receivables

	DECEMBER 31 1993 (OOO's)	1992
Notes Receivable	$ 2,311	$ 2,343
Investment in CRDA Bonds - Net of Valuation Adj.	2,338	2,261
Reinvestment Obligation Deposits - Net of Val. Adj.	1,614	1,335
Due from Affiliates	74,495	22,043
Funds Advanced to Northeast Inlet Redevelopment Project to be Reimbursed by a UDAG Grant	743	743
Investment in Developer's Component of CRDA Project	0	1,083
Interest Receivable	217	195
	$ 81,718	$ 30,003

Due from Affiliates consists of the following unsecured, non-interest bearing inter-company amounts at December 31, 1993 and 1992.

	DECEMBER 31 1993 (OOO's)	1992
Promus	$ 52,397	$ 0
Harrah's New Jersey, Inc.	18,962	18,962
Harrah's Lake Tahoe	118	125
Embassy Suites, Inc.	2,223	2,301
Harrah's Del Rio	147	145
Harrah's Reno	394	399
Bill's Casino	111	111
Harrah's Vicksburg	17	0
Harrah's Joliet	57	0
Harrah's New Orleans	59	0
Harrah's Tunica	8	0
Harrah's Shreevesport	2	0
Total Due from Affiliates	$ 74,495	$ 22,043

NOTE 7: Commitments and Contingencies

Leases - The Company has several operating leases relating to a storage warehouse, parking areas, computer and communication equipment, transportation equipment and shoreline land. These leases have various expiration dates through 2003. Rental expenses for the twelve months ended December 31, 1993 and 1992, were approximately $3,271,297 and $2,959,113, respectively.

Future minimum lease payments due under these leases are as follows:

Year	Amount
1994	$2,539,243
1995	1,475,947
1996	826,240
1997	517,681
1998	204,000
Thereafter	1,428,000
	$6,991,111

The Company has entered into several long-term contracts for entertainment, marketing and laundry. The future commitments follow:

1994	$ 2,002,544
1995	1,747,044
1996	1,747,044
1997	1,747,044
1998	1,747,044
Thereafter	1,747,044
	$10,737,764

NOTE 8: Investment Obligations

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 equal 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 approved direct investments, purchasing bonds which pay interest below market rates which are issued by the Casino Reinvestment Development Authority (CRDA), or by donating funds directly to the CRDA in return for credit against future obligations. In addition, commencing with obligations incurred after 1983, payments of a casino licensee's obligation must be made quarterly.

NOTE 8: Investment Obligations (Cont.)

The Company has filed a petition with the CRDA and has received final approval for a direct investment project in Atlantic City. This project will be eligible for credit in satisfaction of the investment obligation, and the Company will not be required to continue purchasing bonds or pay the investment alternative tax. Accordingly, no liability has been recorded in the financial statements for the Atlantic City portion of the Company's obligation.

The Company, in the absence of receiving approval for a direct investment project will have to purchase bonds in order to satisfy obligations outside of Atlantic City. At December 31, 1993, the Company has established a valuation allowance of $480,669 to provide for the charge against operations which would be incurred at the time that these bonds were issued. The charge against operations would reflect the below market rate interest paid by the bonds.

During 1990 and 1991, the Company donated obligations on deposit, allocable to South Jersey and the New Jersey Development Authority, totalling $2,000,367, directly to the CRDA, in lieu of purchasing bonds. The donation was made in consideration of 51% credit against future obligations.

NOTE 9: Other Accrued Expenses

Other Accrued Expenses consists of the following:

	DECEMBER 31 1993 (OOO's)	1992
Accrued Salaries, Wages and Benefits	$ 8,616	$ 7,513
Taxes Payable	753	668
Other Accrued Expenses	4,160	3,365
Accrued Progressive Slot Liability	276	789
Accrued CCC/DGE/Casino License Fees	467	511
Accrued Megabucks Handle Fees	64	72
Accrued Interest L-T-D	2,048	2,080
	$ 16,384	$ 14,998

NOTE 10: Other Liabilities

Other Liabilities consists of the following:

	DECEMBER 31 1993 (OOO's)	1992
Long Term Due to Affiliates	$ 38,085	$ 30,714
Other Liabilities - Insurance Loss Reserves	1,465	986
Deferred Income - ACIA Grant	692	737
Deferred Income - CRDA Grant	125	133
Deferred Income - NJHMFA Grant	451	469
Deferred Income - DCA Grant	918	851
	$ 41,736	$ 33,890

NOTE 10: Other Liabilities (CONT.)

On December 1993, Marina Associates recorded a $800,000 IBNR Loss Reserve. The IBNR Reserve consists of $700,000 for possible insurance claims that have been incurred but not yet reported, and $100,000 for legal expenses. IBNR also covers any increase that may occur in the amount of a claim over the possible years of litigation. The IBNR Reserve is based on a actuarial report done by Beecher and Carlson Risk Management Inc. and was recorded to be in accordance with FASB-5 Accounting for Contingencies.

Due to Affiliates consists of the following unsecured, non-interest bearing inter-company accounts:

	DECEMBER 31 1993 (OOO's)	1992
Harrah's Holdings, Inc.	$ 0	$ 617
Harrah's Atlantic City, Inc.	37,726	29,750
Harrah's Holiday Inns of N.J., Inc.	293	293
Holiday Casino, Inc.	66	54
	$ 38,085	$ 30,714

NOTE 11: Savings and Retirements Plan

An employee Savings and Retirement Plan was established on October 1, 1985. This plan covers all non-union employees who have been employed at least one year with a minimum of one thousand hours worked. The Company will match employee contributions up to 6% of gross pay. A participating employee is vested in Company contributions according to their years of service. The Company's contribution through the twelve months ended December 31, 1993, was $2,901,885.

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
December 31, 1993
(UNAUDITED)
($ IN THOUSANDS)
Accounts Receivable Balances

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
	Patrons' Checks			
1	Undeposited patrons' checks .	$ 2,677		
2	Returned patrons's checks . . .	5,203		
3	Total patrons' checks	7,880	$ 3,483	$ 4,397
4	Hotel Receivables	1,015	98	917
	Other Receivables:			
5	Receivables due from officers and employees	13		
6	Receivables due from affiliates	0		
7	Other accounts and notes receivable	2,755		
8	Total other receivables	2,768	0	2,768
9	**Totals (Form 205)**	$ 11,663	$ 3,581	$ 8,082

UNDEPOSITED PATRON'S CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 3,419
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	128,529
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)	(84,973)
13	Checks collected through deposits	(40,479)
14	Checks transferred to returned checks	$ (3,819)
15	Other adjustments	$ 0
16	Ending Balance	$ 2,677
17		
18	"Hold" Checks Included in Balance on Line 16	$ 0
19	Provision for Uncollectible Patrons' Checks	$ 1,593
	Provision as a Percent of Counter Checks Issued	1.2%

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

PROMOTIONAL EXPENSES AND ALLOWANCES

($ in Thousands)

For the Twelve Months Ended December 31,1993

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	125	$ 10,925		$
Food	1,690	$ 16,897		$
Beverage	2,590	$ 6,475		$
Travel		$ 0	67	$ 6,644
Coin		$ 0	1,268	$ 15,845
Coupon		$ 0		$
Entertainment	138	$ 2,755		$
Retail & Gifts		$ 0	312	$ 1,562
Other	N/A	$ 131	N/A	$ 22
Total	4,542	$ 37,183	1,647	$ 24,073

For the Three Months Ended December 31,1993

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	27	$ 2,344		$
Food	386	$ 3,862		$
Beverage	603	$ 1,507		$
Travel		$ 0	15	$ 1,511
Coin		$ 0	302	$ 3,759
Coupon		$ 0		$
Entertainment	25	$ 496		$
Retail & Gifts		$ 0	57	$ 287
Other	N/A	$ 28	N/A	$ 0
Total	1,040	$ 8,237	373	$ 5,557

STATEMENTS OF CONFORMITY AND ACCURACY

State of NEW JERSEY :
: ss
County of ATLANTIC :

Joseph A. Domenico, being duly sworn according to law upon my oath disposes and says:

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

Signature

V.P. of Finance
Title

01833-11
License Number

Subscribed and sworn to
before me this 10th day
of March 1994

Signature

MARY-JO L. CHATTEN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 20, 1995

Basis of Authority
to Take Oaths

On Behalf of:

Marina Associates
Casino Licensee

TRADING NAME OF LICENSEE: HARRAH'S CASINO HOTEL, ATLANTIC CITY

ANNUAL EMPLOYMENT AND PAYROLL REPORT
For the year ended December 31, 1993
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	NUMBER OF (c) EMPLOYEES	OTHER (d) EMPLOYEES	SALARIES AND WAGES (e) OFFICERS & OWNERS	TOTALS
	CASINO				
1	Administration	2			
2	Gaming	536			
3	Slots	159			
4	Casino Accounting	61			
5	Other	444			
6	Total - casino	1,202	34,847	0	34,847
7	**ROOMS**	341	4,660	0	4,660
8	**FOOD AND BEVERAGE**	849	14,822	0	14,822
	OTHER OPERATED DEPARTMENTS				
9	Marina	1	62	0	62
10	Cafeteria	12	952	0	952
11	Communications	16	346	0	346
12	Gift Shop	22	463	0	463
13	Jewelry Store	6	119	0	119
14					0
15					0
16					0
..19					0
	ADMINISTRATIVE AND GENERAL				
20	Executive office	10	564	0	564
21	Accounting and auditing	48	1,960	0	1,960
22	Security	196	4,282	0	4,282
23	Other administrative and general department	228	5,735	0	5,735
24	**MARKETING**	12	646	0	646
25	**GUEST ENTERTAINMENT**	51	2,091	0	2,091
26	**PROPERTY OPERATION AND MAINTENANCE**	298	7,896	0	7,896
27	TOTALS - ALL DEPARTMENTS	3,292	79,445	0	79,445

Trading Name of Licensee : HARRAH'S CASINO HOTEL ATLANTIC CITY

GROSS REVENUE ANNUAL TAX RETURN

For the Year Ended December 31, 1993
(UNAUDITED)
($ in thousands)

LINE			
	Casino win or (loss)		
1	Table games revenue	$ 73,143	
2	Coin-operated devices revenue	$ 212,083	
3	Total Revenues		$ 285,226
	Less - adjustment for uncollectable patron's checks :		
4	Provision for uncollectible patron's checks	$ 1,478	
5	Maximum adjustment (4% of line 3)	$ 11,409	
6	Adjustment (the lesser of line 4 or line 5)		$ 1,478
7	Gross revenues (line 3 less line 6)		$ 283,748
8	Tax on gross revenues - current year (8% of line 7)		$ 22,700
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)		$ 22,700
	Deposits made for tax on current year's gross revenues :		
11	January	$ 1,719	
12	February	1,635	
13	March	1,508	
14	April	1,879	
15	May	1,710	
16	June	2,219	
17	July	2,053	
18	August	2,440	
19	September	1,904	
20	October	1,732	
21	November	2,010	
22	December	1,339	
23	January	552	
24	Total deposits made for tax on current year's gross revenues		$ (22,700)
25	Settlement of prior year's 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 :

Joseph A. Domenico, being duly sworn according 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 of Finance
Title

01833-11
License Number

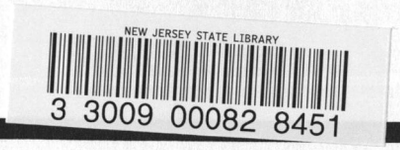
Subscribed to and sworn
before me this 15th day
of March, 1994.

Signature

MARY-JO L. CHATTEN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 28, 1995

Basis of Authority
to Take Oaths

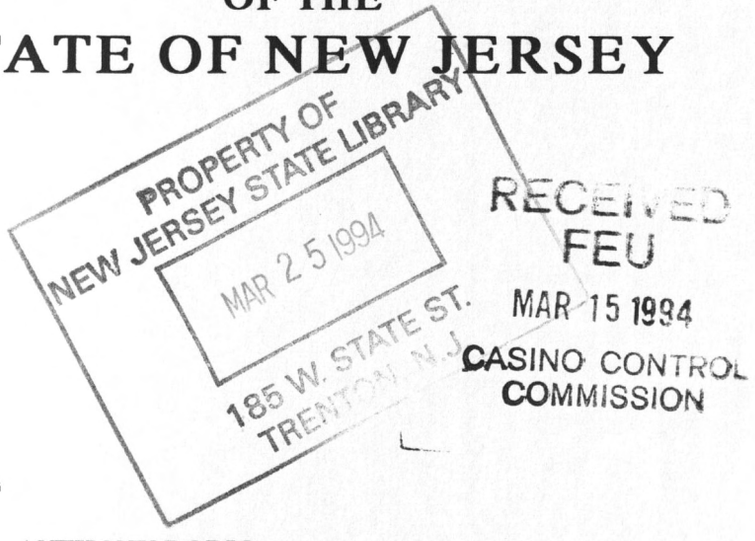
974.901
C193



ANNUAL REPORT

LICENSEE **RESORTS INTERNATIONAL HOTEL, INC.**
ADDRESS **1133 BOARDWALK**
ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993
TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING

THIS ANNUAL REPORT..... **ANTHONY RODIO**
OFFICIAL TITLE..... **VICE PRESIDENT FINANCE**
ADDRESS..... **1133 BOARDWALK**
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

LIST OF FORMS – ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993

TITLE	FORM NO.
Balance Sheets	CCC–205
Statements of Income (Year to Date)	CCC–210
Statements of Income (Three Months)	CCC–215
Statements of Changes in Stockholder's Deficit	CCC–220
Statements of Changes in Partners' or Proprietor's Equity	CCC–225
Statements of Cash Flows	CCC–235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC–240
Promotional Expenses and Allowances	CCC–245
Statement of Conformity and Accuracy	CCC–250

New Jersey State Library

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
BALANCE SHEETS
DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c)	1992 (d)
	ASSETS		
	Current Assets:		
1	Cash	$ 14,501	$ 12,915
2	Marketable securities (Short–term money market at cost)	11,446	9,728
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1993, $4,538; 1992, $4,248;.....NOTE 2.	56,239	59,906
4	Inventories	1,754	1,542
5	Prepaid expenses and other current assets	5,642	1,862
6	Total current assets	89,582	85,953
7	Investments, advances, and receivables	8,964	7,450
8	Property and equipment – gross.....NOTE 3.	199,141	178,109
9	(Accumulated depreciation/amortization)	(35,821)	(22,420)
10	Other assets	2,298	1,544
11	**Total Assets**	$ 264,164	$ 250,636
	LIABILITIES AND STOCKHOLDER'S DEFICIT		
	Current Liabilities:		
12	Accounts payable	$ 1,827	$ 1,528
13	Notes payable		
	Current portion of long–term debt:		
14	Notes Payable to affiliate.....NOTE 6....	325,000	
15	Other.....NOTE 6....	74	643
16	Income taxes payable		
17	Other accrued liabilities.....NOTE 4.	13,602	16,611
18	Other current liabilities.....NOTE 5.	51,906	69,894
19	Total current liabilities	392,409	88,676
	Long–Term Debt:		
20	Notes Payable to affiliate.....NOTE 6..		325,000
21	Other.....NOTE 6.	13	904
22	Deferred credits.....NOTE 7,11.	19,737	414
23	Other liabilities		
24	Commitments and contingencies.....NOTE 12..		
25	**Total Liabilities**	412,159	414,994
26	**Stockholder's Deficit**	(147,995)	(164,358)
27	**Total Liabilities and Stockholder's Deficit**	$ 264,164	$ 250,636

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
STATEMENTS OF INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c)	1992 (d)
	REVENUE:		
1	Casino	$ 245,481	$ 236,181
2	Rooms	14,615	16,133
3	Food and beverage	30,544	31,250
4	Other	9,775	6,470
5	Total revenue	300,415	290,034
6	Less: promotional allowances	25,560	24,893
7	Net revenue	274,855	265,141
	COSTS AND EXPENSES:		
8	Cost of goods and services	174,153	164,776
9	Selling, general, and administrative	62,813	55,918
10	Provision for doubtful accounts	901	1,414
11	Total costs and expenses	237,867	222,108
12	**Gross Operating Profit**	36,988	43,033
13	Depreciation and amortization	13,664	11,402
	Charges from affiliates other than interest NOTE 9		
14	Management fees	8,911	8,629
15	Other	325	325
16	**Income (Loss) From Operations**	14,088	22,677
	Other Income (Expenses):		
17	Interest (expense) – affiliates		
18	Interest (expense) – external	(187)	(388)
19	Investment alternative tax and related expense.....NOTE 12..	(1,538)	(1,448)
20	Nonoperating income – net.....NOTE 10..	4,400	6,515
21	Total other income	2,675	4,679
22	**Income Before Income Taxes And Extraordinary Items**	16,763	27,356
23	Provision for income taxes.....NOTE 1,11..	400	10,942
24	**Income Before Extraordinary Items**	16,363	16,414
25	Extraordinary items (net of income taxes – 1993, $0 ; 1992, $0)		
26	**Net Income**	$ 16,363	$ 16,414

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c)	1992 (d)
	REVENUE:		
1	Casino	$ 56,041	$ 53,801
2	Rooms	3,173	3,880
3	Food and beverage	6,998	6,839
4	Other	2,996	1,482
5	Total revenue	69,208	66,002
6	Less: promotional allowances	5,856	5,813
7	Net revenue	63,352	60,189
	COSTS AND EXPENSES:		
8	Cost of goods and services	44,628	39,720
9	Selling, general, and administrative	16,227	13,256
10	Provision for doubtful accounts	365	575
11	Total costs and expenses	61,220	53,551
12	**Gross Operating Profit**	2,132	6,638
13	Depreciation and amortization	3,400	2,776
	Charges from affiliates other than interest NOTE 9		
14	Management fees	2,057	1,964
15	Other	(17)	(108)
16	**Income From Operations**	(3,308)	2,006
	Other Income (Expenses):		
17	Interest (expense) – affiliates		
18	Interest (expense) – external	(5)	(78)
19	Investment alternative tax and related expense NOTE 12	(344)	(330)
20	Nonoperating income – net NOTE 10	754	1,710
21	Total other income	405	1,302
22	**Income Before Income Taxes And Extraordinary Items**	(2,903)	3,308
23	Provision for income taxes NOTE 1,11		1,322
24	**Income Before Extraordinary Items**	(2,903)	1,986
25	Extraordinary items (net of income taxes – 1993, $0 ; 1992, $0)		
26	**Net Income**	$ (2,903)	$ 1,986

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CHANGES IN STOCKHOLDER'S DEFICIT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c) SHARES	1993 (d) DOLLARS	1992 (e) SHARES	1992 (f) DOLLARS
	Common Stock: ($1 par value, 2,500 shares authorized)				
1	Beginning balance (January 1)	100	$	100	$
2	Sale of Stock				
3	_____				
4	Ending balance	100		100	
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of Stock				
7	_____				
8	Ending balance				
	Excess of Liabilities over Assets at August 31, 1990 Reorganization				
9	Beginning balance (January 1)....NOTE 12..		(198,829)		(198,829)
10	_____				
11	_____				
12	Ending balance		(198,829)		(198,829)
	Treasury Stock:				
13	Beginning balance (January 1)				
14	Purchase of additional stock				
15	Sale or retirement of stock				
16	Ending balance				
	Subscription Receivable for Capital Stock:				
17	Beginning balance (January 1)				
18	_____				
19	_____				
20	Ending balance				
	Net unrealized Loss on Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)				
22	_____				
23	_____				
24	Ending balance				
	Retained Earnings:				
25	Beginning balance (January 1)		34,471		18,057
26	Prior period adjustments				
27	Net income		16,363		16,414
28	Dividends				
29					
30	_____				
31	_____				
32	Ending balance		50,834		34,471
	Ending Stockholder's Deficit		$ (147,995)		$ (164,358)

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	1993 (c)	1992 (d)
	Invested Capital:		
1	Beginning Balance (January 1)	$	$
2	Additional capital invested		
3	_____		
4	Ending Balance		
	Accumulated Income (Loss):		
5	Beginning Balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending Balance		
	Capital Withdrawals:		
10	Beginning Balance (January 1)	( )	( )
11	Additional capital invested	( )	( )
12	_____		
13	Ending Balance	( )	( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance (January 1)		
15	_____		
16	_____		
17	Ending Balance		
18	**Ending Partners' Or Proprietor's Equity**	$	$

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c)	1992 (d)
1	**Net Cash Provided by Operating Activities**	$ 32,048	$ 23,545
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities		
3	Proceeds from the sale of short-term investments securities		
4	Cash outflows for property and equipment	(21,013)	(15,497)
5	Proceeds from disposition of property and equipment	79	1
6	Purchase of casino reinvestment obligations	(3,025)	(2,871)
7	Purchase of other investments and loans/advances made		
8	Proceeds from disposal of investments and collections of advances and long-term receivables		
9	Cash outflows to acquire business entities		
10	Investment in Subsidiary		
11			
12	**Net Cash Used By Investing Activities**	(23,959)	(18,367)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt	(2,065)	(1,003)
15	Cash proceeds from issuance of long-term debt		
16	Costs of issuing debt		
17	Payments to settle long-term debt		
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals		
21	Payments for recapitalization cost		
22	Repayment to parent company and affiliates	(2,720)	1,582
23	**Net Cash Used By Financing Activities**	(4,785)	579
24	**Net Increase in Cash And Cash Equivalents**	3,304	5,757
25	**Cash And Cash Equivalents At Beginning Of Period**	22,643	16,886
26	**Cash And Cash Equivalents At End Of Period**	$ 25,947	$ 22,643

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	**Cash Paid During Year For:**		
28	Interest (net of amount capitalized)	$ 190	$ 395
	Income taxes	$	$

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c)	1992 (d)
	Net Cash Provided by Operating Activities		
29	Net income	$ 16,363	$ 16,414
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization for property and equipment	13,664	11,402
31	Amortization of other assets		
32	Amortization of debt discount or premium		
33	Deferred income taxes – current		
34	Deferred income taxes – noncurrent		
35	Loss on disposition of property and equipment	244	8
36	Loss on casino reinvestment obligations	1,538	1,448
37	(Gain) loss from other investment activities		
38	Net (increase) decrease in receivables and patrons' checks	3,667	(2,306)
39	Net increase in inventories	(212)	(73)
40	Net increase in other current assets	(1,575)	(334)
41	Net increase in other assets	(754)	(1,309)
42	Net increase (decrease) in accounts payable	299	(811)
43	Net decrease in other current liabilities excluding debt	(1,509)	(734)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	323	(160)
45	Other		
46	_____		
47	**Net Cash Provided By Operating Activities**	$ 32,048	$ 23,545

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ (21,618)	$ (15,549)
49	Less: Capital lease obligations incurred	605	52
50	**Cash Outflow For Property And Equipment**	$ (21,013)	$ (15,497)
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$	$
52	Goodwill acquired		
53	Net assets acquired other than cash, goodwill, and property and equipment		
54	Long–term debt assumed		
55	Issuance of stock or capital invested		
56	**Cash Outflow To Acquire Business Entities**	$	$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	$	$
58	Less: Issuance to settle long–term debt		
59	Consideration in acquisition of business entities		
60	**Cash Proceeds From Issuing Stock Or Capital Contributions**	$	$

MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Resorts International Hotel, Inc. ("RIH"), a wholly owned subsidiary of Resorts International, Inc. ("RII"), owns and operates Merv Griffin's Resorts Casino Hotel ("Resorts Casino Hotel"), a casino/hotel complex located in Atlantic City, New Jersey.

Principles of Consolidation

The consolidated financial statements include the accounts of RIH and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

RIH 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 rooms, food, beverage and other hotel services furnished to casino patrons. 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.

Cash Equivalents

RIH considers all of its short-term money market securities purchased with maturities of three months or less to be cash equivalents. The carrying value of cash equivalents approximates fair value due to the short maturity of these instruments.

Inventories

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

Property and Equipment

Property and equipment are depreciated over their useful lives using the straight-line method for financial reporting purposes.

Casino Reinvestment Development Authority ("CRDA") Obligations

Under the New Jersey Casino Control Act ("Casino Control Act"), RIH is obligated to purchase CRDA bonds, which will bear a below market interest rate, or make an alternative qualifying investment. RIH charges to expense an estimated discount related to CRDA investment obligations as of the date the obligation arises based on fair market interest rates of similar quality bonds in existence as of that date. On the date RIH actually purchases the CRDA bond, the estimated discount previously recorded is adjusted to reflect the actual terms of the bonds issued and the then existing fair market interest rate for similar quality bonds. The discount on CRDA bonds purchased is amortized to interest income over the life of the bonds using the effective interest rate method.

Income Taxes

RIH and RII's other domestic subsidiaries file consolidated federal income tax returns with RII.

Effective January 1, 1993 RIH adopted the liability method of accounting prescribed by Statement of Financial Accounting Standards No. 109 ("SFAS 109"),"Accounting for Income Taxes". Although RIH is a member of a consolidated group for federal income tax purposes, RIH will be applying SFAS 109 on a separate return basis for financial reporting purposes.

For periods prior to January 1, 1993, RIH had agreed with RII to provide for federal and state income taxes using a combined rate of 40%. Material transactions which would have been subject to combined tax rates significantly different from the 40% rate were to be separately tax effected. The resulting liability was settled on a current basis.

NOTE 2 - RECEIVABLES AND PATRONS' CHECKS

Components of receivables and patrons' checks at December 31 were as follows:

(In Thousands of Dollars)	1993	1992
Gaming	$ 8,116	$ 8,703
Less allowance for doubtful accounts	(4,498)	(4,200)
	3,618	4,503
Non-gaming:		
Hotel and related	534	450
Other	1,002	501
	1,536	951
Less allowance for doubtful accounts	(40)	(48)
	1,496	903
Interest receivable from affiliate	1,125	4,500
Note receivable from affiliate	50,000	50,000
	$56,239	$59,906

In 1988, RIH loaned $50,000,000 pursuant to a pre-arranged back-to-back loan to Resorts International (Bahamas) 1984 Limited ("RIB"), an indirect wholly owned subsidiary of RII, in exchange for a promissory note (the "RIB Note"). Such note is payable on demand and bears interest at 13 1/2% per annum, with interest payments due each May 1 and November 1. The note is guaranteed by certain of RIB's subsidiaries. The guarantees are secured by mortgages on the Paradise Island Resort & Casino, the Ocean Club Golf & Tennis Resort, and the Paradise Paradise Beach Resort on Paradise Island in The Bahamas, and all furniture, machinery and equipment used in connection therewith. The RIB Note and the mortgages securing payment thereof have been assigned as part of the collateral for the Senior Secured Redeemable Notes due April 15, 1994 issued by RII (the "Series Notes"). See Note 6.

NOTE 3 - PROPERTY AND EQUIPMENT

Components of property and equipment at December 31 were as follows:

(In Thousands of Dollars)	1993	1992
Land and land rights	$ 53,250	$ 53,250
Land improvements	158	130
Hotel and other buildings	104,475	93,235
Furniture, machinery and equipment	40,456	31,168
Construction in progress	802	326
	199,141	178,109
Less accumulated depreciation	(35,821)	(22,420)
	$163,320	$155,689

Substantially all of RIH's property and equipment has been pledged as collateral for the Series Notes issued by RII. See Note 6.

NOTE 4 - OTHER ACCRUED LIABILITIES

Components of other accrued liabilities at December 31 were as follows:

(In Thousands of Dollars)	1993	1992
Accrued payroll and related taxes and benefits	$ 9,398	$10,687
Litigation reserve	1,412	2,805
Accrued gaming taxes, fees and related assessments	927	890
Utilities	673	519
Various taxes	148	189
Progressive slot liability	87	315
Other	957	1,206
	$13,602	$16,611

NOTE 5 - OTHER CURRENT LIABILITIES

Components of other current liabilities at December 31 were as follows:

(In Thousands of Dollars)	1993	1992
Intercompany Payable to RII	$ 42,859	$ 62,374
CRDA Bond Discount	5,000	5,000
CRDA Bond Obligation	693	666
Customer Deposit Liability	205	253
Deferred Revenue	80	85
Tenant Deposits	42	32
Other	3,027	1,484
	$ 51,906	$ 69,894

NOTE 6 - LONG-TERM DEBT

Components of long-term debt at December 31 were as follows:

(In Thousands of Dollars)	1993	1992
Due to affiliate:		
Notes payable to affiliate	$325,000	$325,000
Other:		
Capitalized lease obligations	$ 87	$ 1,545
Less - current portion	74	643
	$ 13	$ 904

Long-Term Debt: Notes Payable to Affiliate

In 1988, GGRI, Inc. ("GGRI") (formerly Griffin Resorts Inc.) , a subsidiary of RII, issued $325,000,000 principal amount of publicly traded notes (the "Securities"). GGRI loaned the proceeds of the Securities to RIH in exchange for (i) two promissory notes payable to GGRI (the "RIH-GGRI Notes"); (ii) a first mortgage on the Resorts Casino Hotel and the other properties owned by RIH, and a first priority security interest in the personal property of RIH; and (iii) the assignment of the RIB Note for $50,000,000 and mortgage securing such note. See Note 2.

In 1990 the terms of the RIH-GGRI Notes were modified and such amended notes were pledged as collateral for the Series Notes issued by RII. In 1992 the notes were further amended (the "Second Amended RIH-GGRI Notes").

The sole purpose of the Second Amended RIH-GGRI Notes is to collateralize RII's Series Notes. The Second Amended RIH-GGRI Notes are payable on demand after April 15, 1994 and are non-interest bearing, but the principal due upon demand by GGRI accretes according to a schedule. As of April 15, 1994, the principal amount of the notes would accrete to $446,150,000. However, GGRI and RIH have entered into an intercompany agreement whereby GGRI will not require payment of the amount in excess of the original $325,000,000 principal amount of the notes unless GGRI is instructed to do so by the Indenture Trustee or other collateral pledgee of the Series Notes. At December 31, 1993 the accretion in principal amount of these notes in excess of $325,000,000 amounted to $109,943,000.

The Second Amended RIH-GGRI Notes and the RIB Note described in Note 2 relate to intercompany loans which were not anticipated to be repaid in the ordinary course of business. Also, RII has proposed a restructuring of the Series Notes, which may also affect these and other intercompany relationships among RII's subsidiaries; however, there can be no assurance that the terms and effects of a restructuring that may ultimately be consummated will be on terms similar to those proposed. Thus, it is not practicable to estimate the fair value of RIH's intercompany notes without incurring excessive costs. RIH's assets were restated to their estimated fair values in 1990. See Note 3 for a summary of RIH's property and equipment balances.

The indentures for RII's Series Notes restrict RIH from the incurrence of additional indebtedness, with certain exceptions.

Long-Term Debt: Other

RIH is the lessee of computer equipment, slot machines and printing equipment under capital leases expiring through 1994. Interest rates on capital leases vary from 15.1% to 21.0%. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their useful lives or their related lease terms.

NOTE 7 - DEFERRED REVENUE

$337,000 and $414,000 of deferred credits at December 31, 1993 and 1992, respectively, represent the unrecognized portion of a lump-sum payment made by a tenant in July 1983 at the inception of a fifteen year lease. This payment is being recognized and recorded in earnings in equal monthly installments over the original term of the lease.

NOTE 8 - SAVINGS AND PENSION PLANS

RIH has a defined contribution plan (the "Savings Plan"), in which substantially all non-union employees are eligible to participate. Employees of certain other affiliated companies are also eligible to participate in the Savings Plan. Under the Savings Plan, eligible participating employees may contribute up to a total of 4% of their annual cash compensation as a basic contribution and may also elect to contribute up to an additional 10% as a voluntary contribution. RIH and other subsidiaries of RII contribute an amount equal to 50% of their employees' basic contributions and, on a discretionary basis, may make additional contributions. RIH's contributions under the Savings Plan were $681,000 and $665,000 for the twelve months ended December 31, 1993 and 1992, respectively.

Union employees are covered by various multi-employer pension plans to which contributions are made by RIH and other unrelated employers. Contributions by RIH were $844,000 and $827,000 for the twelve months ended December 31, 1993 and 1992, respectively.

NOTE 9 - CHARGES FROM AFFILIATES

RIH recorded the following income and expenses for the twelve months ended December 31, from RII and other affiliates:

(In Thousands of Dollars)		1993	1992
AFFILIATED COMPANY	TRANSACTION		
Income - Resorts International (Bahamas) 1984 Limited	Interest	$ 6,750	$ 6,750
Expenses:			
Resorts International, Inc.	Parent services	$ 8,911	$ 8,629
	Property rental	325	325
		$ 9,236	$ 8,954

RII charges RIH a fee of three (3) percent of gross revenues for administrative and other services. Also, recapitalization costs reflected in Nonoperating income - net (see Note 10) represent RIH's allocated portion, one-third, of certain of RII's consolidated recapitalization costs.

In addition to the above, charges for insurance cost are allocated to RIH based on relative operating revenue, payroll, property value, or the appropriate measures.

NOTE 10 - NONOPERATING INCOME, NET

Components of nonoperating income, net for the twelve months ended December 31, were as follows:

(In Thousands of Dollars)	1993	1992
Interest income from affiliates	$ 6,750	$ 6,750
Interest income	865	826
Corporate office expense	(242)	(179)
Recapitalization costs	(2,728)	(874)
Loss on disposition of property and equipment	(245)	(8)
Other	(1)	
	$ 4,400	$ 6,515

NOTE 11 - INCOME TAXES

As discussed in Note 1 RIH adopted SFAS 109 effective January 1, 1993. In connection with the adoption of SFAS 109 RIH's deferred tax liability of $19,000,000 as of January 1, 1993 was transferred to RIH from RII. There was no other effect on the accompanying Consolidated Statements of Operations nor was there a cumulative effect of adopting SFAS 109.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of RIH's deferred tax liabilities and assets as of December 31, 1993 were as follows:

(In Thousands of Dollars)	
Deferred tax liabilities:	
Basis differences on land	$ (19,300)
Other	(1,300)
Total deferred tax liabilities	(20,600)
Deferred tax assets:	
Net operating loss carryforwards	65,800
Basis differences on property and equipment, excluding land	3,500
Book reserves not yet deductible for tax	13,900
Tax credit carryforwards	2,900
Other	100
Total deferred tax assets	86,200
Valuation allowance for deferred tax assets	(85,000)
Deferred tax assets, net of valuation allowance	1,200
Net deferred tax liabilities	$ (19,400)

In August 1993 tax law changes were enacted which resulted in an increase in RIH's federal income tax rate. The increase resulted in a $400,000 increase in RIH's deferred income tax liability and a deferred income tax provision of the same amount. The provision for income taxes in the year ended 1993 is composed of a current federal provision of $2,900,000 and a deferred federal benefit of $2,500,000.

As described in Note 1, in 1992 RIH had an agreement with RII to provide for federal and state income taxes at a combined rate of 40%. In the year 1992 this resulted in income tax expense of $10,942,000.

The effective income tax rate on the loss before income taxes varies from the statutory federal income tax rate as a result of the following factors:

	1993
Statutory federal income tax rate	35.0%
Deferred income tax benefit based on carryback of temporary differences	(34.1%)
Other	1.5%
Effective tax expense rate	2.4%

For federal tax purposes RIH had net operating loss carryforwards of approximately $188,000,000 at December 31, 1993. Due to a change of ownership of RII in 1990, all of the tax loss carryforward which expires from 2003 through 2005 is limited in its availability to offset future taxable income of the consolidated group as it resulted from the period prior to the change in ownership.

At December 31, 1993 RIH net operating loss carryforwards in New Jersey of approximately $156,000,000, which expire from 1994 through 1999.

Also, for federal tax purposes, RIH had tax credit carryforwards of $2,900,000 at December 31, 1993 which expire from 1998 through 2005.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

CRDA

The Casino Control Act, as originally adopted, required a licensee to make investments equal to 2% of the licensee's gross revenue (as defined under the Casino Control Act) (the "investment obligation") for each calendar year, commencing in 1979, in which such net casino win exceeded its "cumulative investments" (as defined in the Casino Control Act). A licensee had five years from the end of each calendar year to satisfy this investment obligation or become liable for an "alternative tax" in the same amount. In 1984, the New Jersey legislature amended the Casino Control Act so that these provisions now apply only to investment obligations for the years 1979 through 1983.

Effective for 1984 and subsequent years, the amended Casino Control Act requires a licensee to satisfy its investment obligation by purchasing bonds to be issued by the CRDA, or by making other investments authorized by the CRDA, in an amount equal to 1.25% of a licensee's gross revenue. If the investment obligation is not satisfied, then the licensee will be subject to an investment alternative tax of 2.5% of net casino win. Since 1985, a licensee has been required to make quarterly deposits with the CRDA against its current year investment obligation.

An analysis of RIH's investment obligations under the Casino Control Act and RIH's means of settlement since 1979 follows:

(In Thousands of Dollars)	1979-1983	1984-1993	TOTAL
Investment obligations	$ (21,637)	$ (29,172)	$ (50,809)
Means of settlement:			
Housing related investments under audit	13,104		13,104
Housing related investments previously approved	1,000		1,000
CRDA deposits/bond purchases	7,533	28,479	36,012
Remaining investment obligation at December 31, 1993, which was deposited in January 1994	$ 0	$ (693)	$ (693)

With regard to the housing related investments under audit, in January 1988, the CRDA notified RIH of its interpretation as to the periods of time during which expenditures could be made to satisfy investment obligations. This interpretation differs from RIH's and if found to be correct would decrease the amount of RIH's qualifying expenditures by approximately $5,000,000 to $6,000,000. RIH believes that its interpretation is correct and intends to contest this issue.

RIH also received a letter dated November 9, 1989, from the State of New Jersey Department of the Treasury (the "Treasury") stating that the housing related investments made by RIH were not sufficient to meet its investment obligation for the years 1979 through 1983. The letter also stated that alternative tax in the amount of $21,637,000 was due for those years, in addition to penalties and interest thereon which amounted to $12,514,000 as of the date of the letter. As set forth in the table above, RIH believes that $8,533,000 of such obligations have been settled; $7,533,000 in cash and $1,000,000 by previously approved housing related investments. Also, RIH has received an audit report issued by an agency acting on behalf of the Treasury identifying qualifying credits from housing related investments of $10,165,000. This leaves a total of $2,939,000 of housing related investments under audit in question. RIH has notified the Treasury that it takes exception to the Treasury's computation of amounts due. Further, RIH believes that the $2,939,000 of housing related investments in question will be found, under further audit, to have been satisfied.

Although these matters have been dormant for some time, RIH was recently verbally contacted by the Treasury and expects further communication regarding the Treasury's proposal for a resolution of these matters in the near future. If the CRDA's interpretation as to the periods of time during which qualifying expenditures can be made is found to be correct, or if the Treasury's issue is determined adversely, RIH could be required to pay the relevant amount in cash to the CRDA. In the opinion of management, based upon advice of counsel, the aggregate liability, if any, arising from these issues will not have a material adverse effect on the accompanying financial statements.

As reflected in the table above, through December 31, 1993, RIH had made CRDA deposits/bond purchases totaling $36,012,000. However, in August 1989 RIH donated $12,048,000 to the CRDA in exchange for which RIH was relieved of its obligation to purchase CRDA bonds of $18,193,000. Because RIH already had the $18,193,000 for bond purchases on deposit with the CRDA, the difference between this amount and the amount of the donation, or $6,146,000, was refunded to RIH in August 1989. Thus, at December 31, 1993, RIH had a remaining balance of $4,873,000 face value of bonds issued by the CRDA and had $12,946,000 on deposit with the CRDA. These bonds and deposits, net of an estimated discount charged to expense to reflect the below-market interest rate payable on the bonds, were recorded as other assets in RIH's Consolidated Balance Sheets.

RIH records charges to expense to reflect the below-market interest rate payable on the bonds it may have to purchase to fulfill its investment obligation at the date the obligation arises. The charges for twelve months ended December 31, 1993 and 1992 for discounts on obligations arising in those years were $1,541,000 and $1,451,000, respectively.

RII RESTRUCTURING OF SERIES NOTES

On October 25, 1993 RII and certain of its non-operating subsidiaries filed a Form S-4 Registration Statement with the Securities and Exchange Commission describing in detail a restructuring (the "Restructuring") which RII and GGRI, RII's subsidiary which guaranteed the Series Notes, propose to accomplish through a prepackaged bankruptcy joint plan of reorganization (the "Plan"). On February 1, 1994, after certain amendments, the Registration Statement was declared effective and on February 5, 1994 the solicitation of acceptances of the Plan commenced.

The Restructuring contemplates, among other things, the exchange of the Series Notes for: (i) $125,000,000 principal amount of 11% Mortgage Notes due 2003 (the "RIHF Mortgage Notes") to be issued by Resorts International Hotel Financing, Inc. ("RIHF"), a newly formed subsidiary of RII, and guaranteed by RIH (ii) $35,000,000 principal amount of 11.375% Junior Mortgage Notes due 2004 (the "RIHF Junior Mortgage Notes") to be issued by RIHF and guaranteed by RIH; (iii) 40% of RII's common stock on a fully diluted basis (excluding certain stock options);

(iv) either (a) $65,000,000 in cash plus 40% of the capital stock of an unaffiliated company formed to purchase RII's Bahamian subsidiaries and, through subsidiaries, the assets and related liabilities of RII and certain of its domestic subsidiaries which support RII's Bahamian operations, or if that sale is not consummated, (b) 100% of the equity of a subsidiary of RII which was recently formed to be a holding company in the event of the spin-off of 100% of the equity of RII's Bahamian subsidiaries and, through subsidiaries, the assets and related liabilities of RII and certain of its domestic subsidiaries which support RII's Bahamian operations and (v) RII's Excess Cash, as defined in the Plan, which is estimated to be at least $30,000,000.

The Restructuring also provides for a senior credit facility (the "RIHF Senior Facility") which will allow RIHF to borrow up to $20,000,000 through the issuance of notes. The RIHF Senior Facility is to be available for a single borrowing during the one-year period from the date the Plan becomes effective. Notes issued pursuant to the RIHF Senior Facility will bear interest at 11% per year and mature in 2002.

In connection with the Restructuring, RIH will assume intercompany notes payable to RIHF whose amounts and terms will mirror those of the RIHF Mortgage Notes, the RIHF Junior Mortgage Notes and, to the extent issued, the RIHF Senior Facility. RIH will however be relieved of its liability under the $325,000,000 RIH-GGRI Notes.

Consummation of the Plan is subject to a number of conditions including, but not limited to, confirmation by the Bankruptcy Court and receipt of required regulatory approvals of the Casino Control Commission and the Government of The Bahamas.

There can be no assurance as to whether or when the Restructuring will be effected, or that any restructuring that may ultimately be consummated will be on terms similar to those of the Restructuring.

EVENT OF DEFAULT

As of September 30, 1993, RII was not in compliance with its covenant contained in the indenture for the Series Notes (the "Series Note Indenture") to maintain a Tangible Net Worth, as defined in the Series Note Indenture, of at least $50,000,000. Since that date RII's Tangible Net Worth has continued to decline. On February 2, 1994, 30 days after receiving notice of such default from the trustee for the Series Notes (the "Series Note Trustee"), this default became an event of Default. Upon the occurrence of an Event of Default, the Series Note Trustee may accelerate the maturity of the Series Notes by declaring all unpaid principal and accrued interest on the Series Notes due and payable or may foreclose upon the collateral securing the Series Notes which includes substantially all of RIH's property and equipment. In addition, the holders of 40% in principal amount of the Series Notes then outstanding may require the Series Note Trustee to accelerate the maturity of the Series Notes.

If the Series Note Trustee accelerates the maturity of the Series Notes or forecloses upon the collateral, RII and GGRI, as guarantor of the Series Notes, and certain of their subsidiaries whose assets are pledged to secure the Series Notes (including RIH and RIB), and would be forced to seek immediate protection under chapter 11 of title 11 of the United States Code (the Bankruptcy Code). If such events occur, there can be no assurance that the Restructuring would be implemented or that a reorganization of RII and GGRI rather than a liquidation would occur.

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
DECEMBER 31, 1993
(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e)NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	$ 3,028		
2	Returned patrons' checks	5,088		
3	Total Patrons' Checks	8,116	$ 4,498	$ 3,618
4	**Hotel Receivables**	534	40	494
	Other Receivables:			
5	Receivables due from officers and employees			
6	Receivables due from affiliates	51,125		
7	Other accounts and notes receivables	1,002		
8	Total Other Receivables	52,127		52,127
9	**Total (Form 305)**	$ 60,777	$ 4,538	$ 56,239

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	**Beginning Balance (January 1)**	$ 3,126
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	133,742
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)	(110,933)
13	Checks collected through deposits	(17,660)
14	Checks transferred to returned checks	(5,247)
15	Other adjustments	
16	**Ending Balance**	$ 3,028
17	"Hold" Checks Included In Balance On Line 16	$
18	Provision For Uncollectible Patrons' Checks	$ 901
19	Provision As A Percent Of Counter Checks Issued	0.7%

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
PROMOTIONAL EXPENSES AND ALLOWANCES
(IN THOUSANDS)

FOR THREE MONTHS ENDED DECEMBER 31, 1993

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	22	$ 1,569		$
FOOD	433	2,648		
BEVERAGE	249	747		
TRAVEL			27	1,248
COIN			225	2,253
COUPON				
CASH COMP			138	4,407
ENTERTAINMENT	65	779		
RETAIL & GIFTS	1	47		
OTHER	12	66	65	669
TOTAL	782	$ 5,856	455	$ 8,577

FOR TWELVE MONTH ENDED DECEMBER 31, 1993

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	109	$ 7,641		$
FOOD	1,240	11,904		
BEVERAGE	627	2,629		
TRAVEL			55	5,466
COIN			1,183	11,833
COUPON				
CASH COMP			393	13,293
ENTERTAINMENT	240	2,876		
RETAIL & GIFTS	5	268		
OTHER	47	242	181	1,818
TOTAL	2,268	$ 25,560	1,812	$ 32,410

STATEMENT OF CONFORMITY AND ACCURACY

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

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

Signature

VICE PRESIDENT FINANCE
Title

002895-11
License Number

Subscribed and sworn to
before me this 15th day
of March, 1994.

Margaret M Bradley
Signature

MARGARET M. BRADLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 21, 1994
Basis of Authority to Take Oaths

On Behalf Of:

MERV GRIFFIN'S RESORTS CASINO HOTEL

ANNUAL REPORT

AND PAYROLL REPORT

LICENSEE **RESORTS INTERNATIONAL HOTEL, INC.**
ADDRESS **1133 BOARDWALK**
ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993
TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

RECEIVED
FEU
MAR 15 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING

THIS ANNUAL REPORT..... **ANTHONY RODIO**
OFFICIAL TITLE..... **VICE PRESIDENT FINANCE**
ADDRESS..... **1133 BOARDWALK**
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993

($ IN THOUSANDS)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	(d) OTHER EMPLOYEES	SALARIES AND WAGES (e) OFFICERS & OWNERS	(f) TOTALS
	CASINO				
1	Administration	6			
2	Gaming	615			
3	Slots	302			
4	Casino accounting	124			
5	Other	28			
6	Total–casino	1,075	$ 28,755	$ 446	$ 29,201
7	ROOMS	198	4,176	127	4,303
8	FOOD AND BEVERAGE	727	14,755	148	14,903
	OTHER OPERATED DEPARTMENTS				
9	Public Areas	154	3,463		3,463
10	Employee Cafeterias	44	1,062		1,062
11	Transportation	51	1,007		1,007
12	Uniform Room	12	254		254
13	Telephone	14	307		307
14	Health Club	11	303		303
15	Other	14	280		280
16					
17					
18					
19					
	ADMINISTRATION AND GENERAL				
20	Executive office	15	487	615	1,102
21	Accounting and auditing	87	2,344	342	2,686
22	Security	195	5,261		5,261
23	Other administrative and general department	148	5,525	300	5,825
24	MARKETING	152	4,461	900	5,361
25	GUEST ENTERTAINMENT	44	2,603		2,603
26	PROPERTY OPERATION AND MAINTENANCE	107	4,676		4,676
27	TOTALS – ALL DEPARTMENTS	3,048	$ 79,719	$ 2,878	$ 82,597

TRADING NAME OF LICENSEE **MERV GRIFFIN'S RESORTS CASINO HOTEL**

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1993

MARCH 15, 1994
DATE

SIGNATURE

VICE PRESIDENT FINANCE
TITLE

ANNUAL REPORT

ANNUAL TAX RETURN

LICENSEE **RESORTS INTERNATIONAL HOTEL, INC.**
ADDRESS **1133 BOARDWALK**
ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993
TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

RECEIVED
FEU
MAR 15 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING

THIS ANNUAL REPORT..... **ANTHONY RODIO**
OFFICIAL TITLE..... **VICE PRESIDENT FINANCE**
ADDRESS..... **1133 BOARDWALK**
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE			
	Casino win		
1	Table games revenue	$ 81,139	
2	Coin-operated devices revenue	164,137	
3	Total revenues		$ 245,276
	Less – adjustment for uncollectible patons' checks:		
4	Provision for uncollectable patrons' checks	$ 901	
5	Maximum adjustment (4% of line 3)	$ 9,811	
6	Adjustment (the lesser of line 4 or 5)		901
7	Gross revenues (line 3 less line 6)		$ 244,375
8	Tax on gross revenues – current year (8% of line 7)		$ 19,550
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)		$ 19,550
	Deposits made for tax on currents year's gross revenues:		
11	January	$ 1,066	
12	February	1,444	
13	March	1,640	
14	April	1,476	
15	May	1,486	
16	June	1,927	
17	July	1,847	
18	August	2,269	
19	September	1,637	
20	October	1,540	
21	November	1,807	
22	December	1,014	
23	January	397	
24	Total deposits made for tax on current year's gross revenue		(19,550)
25	Settlement of priors 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 :

Anthony Rodio, being duly sworn according to law upon my oath

deposes and say:

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

Signature

VICE PRESIDENT FINANCE
Title

02507-11
License Number

Subscribed and sworn to
before me this 15th day
of March ,1994.

On Behalf Of:

Signature Casino Licensee

MERV GRIFFIN'S RESORTS CASINO HOTEL

MARGARET M. BRADLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 21, 1994

Basis of Authority to Take Oaths.

NEW JERSEY STATE LIBRARY
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ANNUAL REPORT

LICENSEE Adamar of New Jersey, Inc.
dba TropWorld Casino & Entertainment Resort

ADDRESS Brighton and the Boardwalk
Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAR 25 1994
185 W. STATE ST.
TRENTON, N.J.

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEB
MAR 1[illegible] 1994
CASINO CONTROL
COMMISSION

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

OFFICIAL TITLE . . . . . Controller

ADDRESS. . . . . Brighton Avenue and the Boardwalk

Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE: TROPWORLD CASINO & ENTERTAINMENT RESORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993

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

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

BALANCE SHEETS

DECEMBER 31, 1993 and 1992

(UNAUDITED)

($ in Thousands)

LINE (a)	DESCRIPTION (b)	1993 (c)	1992 (d)
	ASSETS		
	Current Assets:		
1	Cash	$13,064	$14,087
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1993, $5,598; 1992, $8,241)	9,255	16,988
4	Inventories	2,511	2,657
5	Prepaid expenses and other current assets (Note 7, 11, 14)	9,929	12,789
6	Total current assets	34,759	46,521
7	Investments, Advances, And Receivables (Note 8, 10, 15)	63,627	73,157
8	Property And Equipment – Gross (Note 3)	594,631	325,446
9	(Accumulated Depreciation/Amortization) (Note 3)	(75,575)	(96,703)
10	Other Assets (Note 7, 11)	31,341	14,017
11	Total Assets	$648,783	$362,438
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	$3,907	$3,358
13	Notes payable	0	0
	Current portion of long–term debt:		
14	Due to affiliates	0	0
15	Other (Note 4, 6)	7	2,901
16	Income taxes payable and accrued	0	0
17	Other accrued expenses (Note 16)	13,119	19,050
18	Other current liabilities (Note 8)	2,661	3,169
19	Total current liabilities	19,694	28,478
	Long–Term Debt:		
20	Due to affiliates (Note 4, 10)	423,041	140,000
21	Other (Note 4, 6)	0	6,731
22	Deferred Credits	0	0
23	Other Liabilities (Note 10, 17)	47,278	29,604
24	Commitments And Contingencies (Note 8)		
25	Total Liabilities	490,013	204,813
26	Stockholder's, Partners', Or Proprietor's Equity (Note 5)	158,770	157,625
27	Total Liabilities And Equity	$648,783	$362,438

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

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 and 1992

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1993 (c)	1992 (d)
	Revenue:		
1	Casino	$310,348	$315,959
2	Rooms	23,635	20,464
3	Food and beverage	33,123	34,371
4	Other	13,369	12,533
5	Total revenue	380,475	383,327
6	Less: Promotional allowances	46,745	42,165
7	Net revenue	333,730	341,162
	Costs and Expenses:		
8	Cost of goods and services (Note 6, 9, 10)	170,147	171,614
9	Selling, general, and administrative (Note 10)	89,039	86,843
10	Provision for doubtful accounts	486	466
11	Total costs and expenses	259,672	258,923
12	Gross Operating Profit	74,058	82,239
13	Depreciation and amortization	18,957	15,812
	Charges from affiliates other than interest:		
14	Management fees	0	0
15	Other	0	0
16	Income (loss) from operations	55,101	66,427
	Other Income (Expenses):		
17	Interest (expense) – affiliates (Note 4)	(38,973)	(18,900)
18	Interest (expense) – external (Note 4)	(1,350)	(2,902)
19	Investment alternative tax & related income (exp)–net (Note 8)	(995)	(1,106)
20	Nonoperating income (expense) – net (Note 6, 18)	(21,249)	(37,104)
21	Total other income (expenses)	(62,567)	(60,012)
22	Income(Loss) Before Income Tax & Extraordinary Items	(7,466)	6,415
23	Provision (credit) for income taxes (Note 11)	(8,611)	2,793
24	Income (Loss) Before Extraordinary Items	1,145	3,622
25	Extraordinary items (net of income taxes – 1993, $–0– ; 1992, $23,400) (Note 12)	0	23,400
26	Net Income (Loss)	$1,145	$27,022

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

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

STATEMENTS OF INCOME

FOR THE QUARTER ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1993 (c)	1992 (d)
	Revenue:		
1	Casino	$67,063	$73,493
2	Rooms	5,540	5,060
3	Food and beverage	7,375	8,136
4	Other	2,933	3,116
5	Total revenue	82,911	89,805
6	Less: Promotional allowances	9,886	10,107
7	Net revenue	73,025	79,698
	Costs and Expenses:		
8	Cost of goods and services (Note 6, 9, 10)	40,451	41,831
9	Selling, general, and administrative (Note 10)	18,468	21,469
10	Provision for doubtful accounts	151	(265)
11	Total costs and expenses	59,070	63,035
12	Gross Operating Profit	13,955	16,663
13	Depreciation and amortization	5,539	3,962
	Charges from affiliates other than interest:		
14	Management fees	0	0
15	Other	0	0
16	Income (loss) from operations	8,416	12,701
	Other Income (Expenses):		
17	Interest (expense) – affiliates (Note 4)	(14,561)	(4,725)
18	Interest (expense) – external (Note 4)	0	(844)
19	Investment alternative tax & related income (exp)–net (Note 8)	(252)	(237)
20	Nonoperating income (expense) – net (Note 6, 18)	(1,153)	(9,402)
21	Total other income (expenses)	(15,966)	(15,208)
22	Income(Loss) Before Income Tax & Extraordinary Items	(7,550)	(2,507)
23	Provision (credit) for income taxes (Note 11)	(8,480)	(1,076)
24	Income (Loss) Before Extraordinary Items	930	(1,431)
25	Extraordinary items (net of income taxes – 1993, $ 0; 1992, $ 0) (Note 12)	0	0
26	Net Income (Loss)	$930	($1,431)

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

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c) SHARES	1993 (d) DOLLARS	1992 (e) SHARES	1992 (f) DOLLARS
	Common Stock:				
1	Beginning balance (January 1).....	100	$1	100	$1
2	Sale of stock.....				
3	_____.....				
4	Ending balance.....	100	1	100	1
	Preferred Stock:				
5	Beginning balance (January 1).....	0	0	70,609	78,902
6	Sale of stock.....				
	Preferred Stock cancellation/ Contri-				
7	butions to Paid-in Capital (Note 5)...	0	0	(70,609)	(78,902)
8	Ending balance.....	0	0	0	0
	Additional Paid-in Capital:				
9	Beginning balance (January 1).....		132,785		53,883
10	_____.....				
	Preferred Stock cancellation/ Contri-				
11	butions to Paid-in Capital (Note 5)...				78,902
12	Ending balance.....		132,785		132,785
	Treasury Stock:				
13	Beginning balance (January 1).....				
14	Purchase of additional stock.....				
15	Sale or retirement of stock.....				
16	Ending balance.....				
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1).....				
18	_____.....				
19	_____.....				
20	Ending balance.....				
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1).....				
22	_____.....				
23	_____.....				
24	Ending balance.....				
	Retained Earnings:				
25	Beginning balance (January 1).....		24,839		(2,183)
26	Prior period adjustments.....				
27	Net income (loss).....		1,145		3,622
28	Dividends.....				
29	Extraordinary item.....				
30	Change in acct method.....(Note 12).....		0		23,400
31	Ending balance.....		25,984		24,839
32	Ending Stockholder's Equity.....		$158,770		$157,625

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

TRADING NAME OF LICENSEE TropWorld Casino & Enterainment Resort

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ IN THOUSANDS)

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

NOT APPLICABLE

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

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 and 1992

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1993 (c)	1992 (d)
1	Net Cash Provided (Used) By Operating Activities	$17,899	$10,916
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities		
3	Proceeds from the sale of short-term investment securities		
4	Cash outflows for property and equipment	(8,360)	(4,983)
5	Proceeds from disposition of property and equipment	368	163
6	Purchase of casino reinvestment obligations	(3,876)	(3,875)
7	Purchase of other investments and loans/advances made	(419)	(3,677)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	(5,085)	4,998
9	Cash outflows to acquire business entities		
10	_____		
11	_____		
12	Net Cash Provided (Used) By Investing Activities	(17,372)	(7,374)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt		
15	Cash proceeds from issuance of long-term debt		
16	Costs of issuing debt		
17	Payments to settle long-term debt	(1,550)	(2,740)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals		
21	_____		
22	_____		
23	Net Cash Provided (Used) By Financing Activities	(1,550)	(2,740)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(1,023)	802
25	Cash And Cash Equivalents At Beginning Of Period	14,087	13,285
26	Cash And Cash Equivalents At End Of Period	$13,064	$14,087

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$20,250	$21,653
28	Income taxes	$0	$0

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

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1993 (c)	1992 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$1,145	$27,022
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	18,949	15,804
31	Amortization of other assets	8	8
32	Amortization of debt discount or premium		
33	Deferred income taxes – current	2,576	(7,248)
34	Deferred income taxes – noncurrent	(17,254)	(13,359)
35	(Gain) loss on disposition of property and equipment	79	(229)
36	(Gain) loss on casino reinvestment obligations	995	1,106
37	(Gain) loss from other investment activities	397	0
38	Net (increase) decrease in receivables and patrons' checks	(996)	591
39	Net (increase) decrease in inventories	146	(158)
40	Net (increase) decrease in other current assets	284	(1,588)
41	Net (increase) decrease in other assets	(157)	26
42	Net increase (decrease) in accounts payables	(1,312)	(780)
43	Net increase (decrease) in other current liabilities excluding debt	(2,360)	(3,613)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	15,857	(5,030)
45	Net (increase) decrease in accrued interest income	(458)	(1,636)
46	_____		
47	Net Cash Provided (Used) By Operating Activities	$17,899	$10,916

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	($8,733)	($8,553)
49	* Less: Capital lease obligations incurred	($373)	($3,570)
50	Cash Outflows For Property And Equipment	($8,360)	($4,983)
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$300,879	$0
52	Goodwill acquired		
53	Net assets acquired other than cash, goodwill, and property & equipment	17,838	0
54	Long-term debt assumed	(283,041)	0
55	Issuance of stock or capital invested		
56	Cash Outflows To Acquire Business Entities	$0	$0
	Stock Issued Or Capital Contributions:		
57	Total issuance of stock or capital contributions		
58	Less: Issuances to settle long-term debt		
59	Consideration in acquisition of business entities		
60	Cash Proceeds From Issuing Stock Or Capital Contributions		

* Capital lease obligations of $385 and $3,687 were incurred for 1993 and 1992, respectively, when Adamar entered into new property and equipment leases. Capital lease obligation retirements of $12 and $117 were incurred for 1993 and 1992, respectively. In 1992, a note receivable in the amount of $225 was issued for the sale of fixed assets of which $48 and $80 was received in 1992 and 1993, respectively.

ADAMAR OF NEW JERSEY, INC.
DBA TROPWORLD CASINO AND ENTERTAINMENT RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994

NOTE 1. 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 subsidiaries, Manchester Mall, Inc., AGP Holdings Corporation and Ambassador General Partnership ("AGP"), 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 Aztar Corporation ("Aztar"). The financial statements reflect the intercompany transactions and accounts with RNJHC, Aztar and affiliates.

In July 1993, Aztar exercised its option to repurchase AGP's interest in TropWorld. As a result, AGP, which was an affiliate of the Company, became a subsidiary of the Company. All lease agreements and transactions (see "Note 2: Sale/Leaseback Transaction", "Note 8: Leases (as leasee)" and "Note 9: Leases (as lessor)") are related to the period prior to July 1993 and refer to AGP as an affiliate of the Company. All transactions between the Company and AGP after July 1993 eliminate in consolidation.

Cash and cash equivalents

Highly liquid debt instruments purchased with a maturity of three months or less that are not being held pending reinvestment in capital projects are classified as cash and cash equivalents.

Inventories

Inventories, which consist primarily of food, beverage and operating supplies are stated 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 historical 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 capitalizes interest and other direct and indirect development costs.

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

Gaming license 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.

Jackpot Payouts

The retail value of jackpot payouts are included in Costs of Goods and Services.

Income taxes

Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or income tax returns. Deferred tax assets and liabilities are determined based upon the difference between the financial statement and tax bases of assets and liabilities using enacted rates expected to apply to taxable income in the years in which those differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

NOTE 2. SALE/LEASEBACK TRANSACTION

In November 1984, the Company transferred the original building (the "Building") and certain other non-gaming assets (collectively, the "Hotel Assets") of TropWorld Casino and Entertainment Resort ("TropWorld"), to AGP, in exchange for a 99.9% interest in AGP. Simultaneously with the transfer, the Company gave its interest in AGP to Aztar as a dividend, which then sold the interest to a limited partnership, Ambassador Real Estate Investors, L.P. ("AREI").

In addition to the transfer of assets to AGP, the Company leased the land (the "Land") on which the Building is located to AGP for a term of 65 years and leased back the Hotel Assets and Land from AGP under a 10-year lease agreement (the "Operating Lease") with three 10-year renewal options. For financial reporting purposes, the leaseback has been principally recorded as an operating lease (see Note 6) except for the portion related to furniture and equipment, which has been capitalized. In July 1993, Aztar exercised its option to repurchase AGP's interest in TropWorld. In conjunction with the reacquisition by Aztar of the AGP assets, Aztar transferred $300,879.000 of AGP assets, along with $283,041,000 of intercompany indebtedness to the Company.

Beginning in 1985, the Company funded the purchase of replacement furniture and equipment required for the operation of TropWorld, up to certain maximum amounts per year, with loans collateralized by a mortgage receivable (the "FF&E Mortgage") with AGP. Such furniture and equipment purchases were leased back to the Company by AGP pursuant to a lease agreement under which the Company paid rent to AGP for a period of five years. for financial reporting purposes these leases were recorded as capital leases. Principal and interest payments were not made on the loans until the maturity of each loan. In connection with the repurchase of the Building, this furniture and equipment was also purchased in July 1993.

Aztar had entered into a maintenance services contract with AGP to provide certain maintenance services at cost plus annual fee of $500,000. Aztar had subcontracted the contract to the Company.

NOTE 3. PROPERTY AND EQUIPMENT

At December 31, 1993 and 1992, the components of property and equipment consisted of:

	1993	1992
Land	$ 39,218,000	$ 39,218,000
Building, furniture and fixtures	554,442,000	285,538,000
Construction in progress	971,000	690,000
Total property and equipment-gross	594,631,000	325,446,000
Accumulated depreciation	(75,575,000)	(96,703,000)
Total property and equipment	$519,056,000	$228,743,000

NOTE 4. LONG-TERM DEBT

At December 31, 1993 and 1992, Long-Term Debt consisted of:

	1993	1992
Notes Payable to Aztar Mortgage Funding, Inc.		
Note payable; 13.5%; due 1996	$ 140,000,000	$ 140,000,000
Notes Payable to Aztar Corporation		
First Mortgage Note; 12-1/4%; due 1996	171,000,000	-
Second Mortgage; 16.5%; matures 1996 (a)	52,041,000	-
Note payable; 8.5%; due 1996	60,000,000	-
Long-term debt due to affiliates	423,041,000	140,000,000
Obligations under capital leases	7,000	9,632,000
	423,048,000	149,632,000
Less: current portion	(7,000)	(2,901,000)
Long-term debt, net of current portion	$ 423,041,000	$ 146,731,000

(a) The Amortization differential account was applied against the Second Mortgage due to the termination of the Second Amended and Restated Fixed Rate Agreement, effective December 2, 1993. The due date of the Second Mortgage moved from October 31, 1994 to October 31, 1996 by means of the Extension Agreement dated September 17, 1986.

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:

1994	$ 7,000
1995	-
1996	423,041,000
1997	-
1998	-
Thereafter	-
Total	$ 423,048,000

NOTE 5. CANCELLATION OF PREFERRED STOCK/CONTRIBUTION TO PAID-IN CAPITAL

The authorized, issued and outstanding shares of capital stock at December 31, 1992 consisted of 100 shares of Common Stock, without par value.

Effective December 31, 1992, Adamar cancelled the Series A and B preferred shares issued and outstanding to Aztar. The cancellation was treated as a capital contribution from Aztar to RNJHC and subsequently from RNJHC to Adamar. This action caused the amount reflected in Adamar's Preferred Stock account to be reclassified to the additional Paid-in Capital account and leaves total Stockholder's Equity unchanged.

NOTE 6. LEASE OBLIGATIONS

The Company is a party to noncancelable lease agreements involving land, buildings and equipment. The leases extend for varying periods up to 85 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.

The Building lease has been principally recorded 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 ten years. The basic rent has been adjusted for changes in the Consumer Price Index subject to ceilings in the cumulative percentage increase, beginning in 1987, and is adjusted every two years thereafter. The lease also provides for the payment of certain executory costs by the Company.

The Company entered into an agreement with Adamar Garage Corporation ("AGC"), an affiliate of the Company, for the lease of the Transportation Center (a 1,100-space self-park garage and a 9-bay bus terminal) and a 1,100-space parking garage along with the land, all improvements and air rights. The rental amount is $6,200,000 per year and will expire on February 4, 2078.

Minimum future lease obligations on noncancelable leases at December 31, 1993 are as follows (in thousands):

YEAR	OPERATING	CAPITAL
1994	$ 7,635	$ 8
1995	7,564	-
1996	7,425	-
1997	7,287	-
1998	7,287	-
Thereafter	490,634	-
Total	$527,832	8
Amount representing executory costs		-
Amount representing interest		(1)
Net present value		7
Less current portion		(7)
Long-term portion		$ -

Rental expenses under operating leases for 1993 and 1992 amounted to $37,946,000 and $63,779,000, respectively.

NOTE 7. DEFERRED CREDITS

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

NOTE 8. 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 a biennial basis. The license was renewed on November 3, 1993, effective November 26, 1993, for a period of two years. Management has received no indication that future renewals will not be granted.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The Company's reinvestment obligation for 1993 and 1992, respectively, was $3,876,000 and $3,875,000 for the purchase of CRDA bonds and, accordingly, the Company recorded a loss provision (unamortized discount) of $995,000 and $1,106,000 to recognize the effect of the below market interest rate the bonds would have borne had they been issued on December 31, 1993 and 1992, respectively.

NOTE 9. JACKPOT PAYOUTS

Jackpot payouts for the year ended December 31, 1993 are:

	PAYOUTS INCLUDED IN PROMOTIONAL ALLOWANCES		OTHER PAYOUTS	
	Number of Payouts	Dollar Amount	Number of Payouts	Dollar Amount
Motor Vehicles	-0-	$ -0-	15*	$294,850
Total	-0-	$ -0-	15	$294,850

Jackpot payouts for the three months ending December 31, 1993 are:

	PAYOUTS INCLUDED IN PROMOTIONAL ALLOWANCES		OTHER PAYOUTS	
	Number of Payouts	Dollar Amount	Number of Payouts	Dollar Amount
Motor Vehicles	-0-	$ -0-	4	$ 60,000
Total	-0-	$ -0-	4	$ 60,000

* Note: Cash was taken by 14 patrons instead of motor vehicles.

NOTE 10. RELATED PARTIES

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

	1993	1992
Due to Aztar Corporation	$ 23,195,000	$ 5,051,000
Due to Aztar Mortgage Funding, Inc.	5,408,000	5,408,000
Due to Ramada New Jersey, Inc.	3,040,000	2,291,000
Due to Adamar Garage Corporation	15,013,000	13,290,000
Due to Atlantic Deauville, Inc.	622,000	382,000
	$ 47,278,000	$ 26,422,000

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

	1993	1992
Advances to Tropicana West	$ 24,441,000	$ 18,042,000
Advances to Laughlin	3,000	-
Note Receivable-Adamar Garage Corporation	17,052,000	17,052,000
	$ 41,496,000	$ 35,094,000

Notes payable to related parties are included in Long-term debt to affiliates (See Note 4). The identity of the affiliate and corresponding balances at December 31, 1993 and 1992 are:

PAYEE	1993	1992
Aztar Mortgage Funding, Inc.	$140,000,000	$140,000,000
Aztar Corporation	283,041,000	-
	$423,041,000	$140,000,000

For the twelve months ended December 31, 1993 and 1992 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:

COST OF GOODS AND SERVICES	1993	1992
Executive Deferred Compensation Plan	$ 9,000	$ 8,000
Property Insurance	481,000	464,000
Workmen's Compensation	804,000	981,000
Other	-	1,000
	$1,294,000	$1,454,000

SELLING, GENERAL AND ADMINISTRATIVE	1993	1992
Insurance	$1,004,000	$ 970,000
Executive Deferred Compensation Plan	34,000	36,000
Workmen's Compensation	165,000	200,000
Long-term Incentive	790,000	834,000
Restricted Stock	-	128,000
Other	55,000	40,000
	2,048,000	2,208,000
Total	$3,342,000	$3,662,000

NOTE 11. INCOME TAXES/BENEFITS

The benefit/(provision) for income taxes before cumulative effect of accounting change is comprised of the following (in thousands):

	1993	1992
Current:		
Federal	-	-
State	-	-
	-	-
Deferred:		
Federal	$ 7,395	$ (2,644)
State	1,216	(149)
	8,611	(2,793)
	$ 8,611	$ (2,793)

For income tax purposes, the Company is included in Aztar's consolidated corporate Federal income tax return. The Company uses a separate return method for purposes of allocating the consolidated tax provision. The Internal Revenue Service is examining the income tax returns for years 1986 through 1991. The New Jersey Division of Taxation is examining the income tax returns for the years 1983 through 1988. Management believes that adequate provision for income taxes and interest has been made in the financial statements.

General business credits are taken as a reduction of the provision for federal taxes during the year such credits become available. The following table provides a reconciliation of the benefit/(provision) for income taxes with amounts determined by applying the statutory Federal income tax rate to income before income taxes as follows:

	1993	1992
Benefit/(provision) at statutory rate:	$ 2,613	$ (2,181)
(Increase)/decrease in tax resulting from:		
Disallowance of business meals	(217)	(251)
IRS examination	1,188	(353)
General business credits	382	-
State income tax, net	796	-
Corporate overhead allocation	3,223	-
Federal statutory rate change	649	-
Other	(23)	(8)
	$ 8,611	$ (2,793)

The income tax effects of loss carryforwards, tax credit carryforwards and temporary differences between financial and income tax reporting that give rise to the deferred income tax assets and liabilities at December 31, 1993 and 1992, respectively, are as follows (in thousands):

	Deferred Income Tax	
	1993	1992
Net operating loss carryforward	$ 42,403	$ 34,769
Accrued rent expense	-	3,020
Accrued bad debt expense	2,464	3,465
Accrued compensation	1,791	1,755
General business credits	1,898	1,516
Accrued liabilities	2,805	-
Gross deferred tax assets	51,361	44,525
Deferred tax asset valuation allowance	(7,600)	(7,600)
Accrued liabilities	-	(10)
Other	(1,599)	(834)
Depreciation and amortization	(6,877)	(15,474)
Gross deferred tax liabilities	(8,476)	(16,318)
Net deferred tax assets	$ 35,285	$ 20,607

The deferred tax amounts were adjusted in 1993 for the effect of legislation that increased the federal income tax rate from 34% to 35%.

At December 31, 1993, tax benefits are available for federal income tax purposes as follows (in thousands):

Net operating losses	$95,230
General business credits	1,898

These tax benefits will expire in the years 2002 through 2008 if not used. The Company also has net operating loss carryforwards for state income tax purposes that will expire in the following years if not used (in thousands):

1994	$ 13,705
1995	9,576
1996	24,837
1997	16,640
1998	18,958
1999	7,144
2000	9,940

A valuation allowance has been established for those tax benefits which are not expected to be realized.

NOTE 12. CUMULATIVE EFFECT OF ACCOUNTING CHANGE

In February 1992, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes ("SFAS 109"), which superseded Statement of Financial Accounting Standards No. 96 ("SFAS 96").

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SFAS 96 was never adopted by the Company. The Company adopted the provisions of SFAS 109 in the first quarter of 1992 and elected not to restate prior year financial statements. The effect from prior years of adopting SFAS 109 as of the beginning of fiscal 1992 was a net deferred income tax benefit of $23,400,000 and it was reflected in the Statement of Operations as the Cumulative effect of accounting change.

NOTE 13. PENSION PLAN

Effective June 1, 1988, the Company merged its retirement savings plan with Aztar's employee profit sharing and savings plan that covers substantially all employees located in the United States who are not covered by a collective bargaining unit. The savings account feature of the plan allows employees to defer taxes on their before-tax earnings up to an annual maximum amount of $8,994 for 1993. On December 19, 1989, Aztar established the Employee Stock Ownership Plan ("ESOP"). Allocations made by Aztar will be in the form of Aztar Series B Preferred Stock. The Company's allocated ESOP expense for 1993 and 1992 was $790,000 and $834,000, respectively.

The Company makes contributions based on hours worked, as specified in five union agreements, to union administered, multiemployer, defined contribution pension plans. Contributions for these plans during 1993 and 1992 amounted to $491,000 and $461,000, respectively.

NOTE 14. PREPAID EXPENSES AND OTHER CURRENT ASSETS

At December 31, 1993 and 1992, Prepaid expenses and Other current assets consisted of the following:

	1993	1992
Current deferred taxes	$ 4,672,000	$ 7,248,000
Other	5,257,000	5,541,000
Total	$ 9,929,000	$ 12,789,000

NOTE 15. INVESTMENTS, ADVANCES, AND RECEIVABLES

At December 31, 1993 and 1992, Investments, Advances, and Receivables consisted of the following:

	1993	1992
Due from affiliates	$ 24,444,000	$ 18,042,000
CRDA investments	22,131,000	19,250,000
Mortgage receivable	-	18,416,000
Note receivable-Adamar Garage Corporation	17,052,000	17,052,000
Long-term note receivable	-	397,000
Total	$ 63,627,000	$ 73,157,000

NOTE 16. OTHER ACCRUED EXPENSES

At December 31, 1993 and 1992, Other Accrued Expenses consisted of the following:

	1993	1992
Accrued payroll taxes and benefits	$ 6,316,000	$ 7,022,000
Accrued progressive slot win	1,315,000	1,444,000
Accrued claims reserve	1,894,000	2,099,000
Deferred rent	-	3,819,000
Other	3,594,000	4,666,000
Total	$ 13,119,000	$ 19,050,000

NOTE 17. OTHER LIABILITIES

At December 31, 1993 and 1992, Other Liabilities consisted of the following:

	1993	1992
Due to affiliates	$ 47,278,000	$ 26,422,000
Deferred rent	-	3,182,000
TOTAL	$ 47,278,000	$ 29,604,000

NOTE 18. NON-OPERATING INCOME/(EXPENSE)

For the period ending December 31, 1993 and 1992, Non-operating income/(expense) consisted of the following:

	1993	1992
Interest income	$ 4,980,000	$ 6,561,000
Administrative fee	50,000	100,000
Leased land rental	2,771,000	5,542,000
Maintenance reimbursement	7,557,000	12,827,000
Gain/(Loss) on dispositions	(79,000)	229,000
Rent expense	(36,528,000)	(62,363,000)
Total	$(21,249,000)	$(37,104,000)

TRADING NAME OF LICENSEE: TROPWORLD CASINO AND ENTERTAINMENT RESORT

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1993
(UNAUDITED)
($ IN THOUSANDS)

		ACCOUNTS RECEIVABLE BALANCES		
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	$3,079		
2	Returned patrons' checks	9,986		
3	Total patrons' checks	13,065	($5,468)	$7,597
4	Hotel Receivables	993	(130)	863
	Other Receivables:			
5	Receivables due from officers and employees	35		
6	Receivables due from affiliates	0		
7	Other accounts and notes receivables	760		
8	Total other receivables	795		795
9	Totals (Form 205)	$14,853	($5,598)	$9,255

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$3,085
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	107,529
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed throuh partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(71,750)
13	Checks collected through deposits	(32,765)
14	Checks transferred to returned checks	(3,020)
15	Other adjustments	0
16	Ending Balance	$3,079
17	"Hold" Checks Included In Balance On Line 16	$0
18	Provision For Uncollectable Patrons' Checks	$482
19	Provision As A Percent Of Counter Checks Issued	0.4%

TRADING NAME OF LICENSEE: TROPWORLD CASINO AND ENTERTAINMENT RESORT

PROMOTIONAL EXPENSES AND ALLOWANCES
(in Thousands)
For The Year Ended December 31, 1993

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSE	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Room	229,478	$16,758,000	-0-	$ -0-
Food	1,587,535	15,558,000	126,455	1,239,000
Beverage	4,995,318	5,981,000	-0-	-0-
Travel	-0-	-0-	2,815	985,000
Coin	-0-	-0-	2,490,312	37,576,000
Coupon	-0-	-0-	-0-	-0-
Entertainment	84,342	2,281,000	13,730	275,000
Retail & Gifts	478,387	4,784,000	-0-	-0-
Other	138,343	1,383,000	69,106	691,000
Total	7,513,403	$46,745,000	2,702,418	$40,766,000

****

For The Three Months Ended December 31, 1993

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSE	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Room	47,170	$ 3,566,000	-0-	$ -0-
Food	325,118	3,186,000	30,539	299,000
Beverage	1,191,699	1,395,000	-0-	-0-
Travel	-0-	-0-	571	199,000
Coin	-0-	-0-	482,048	5,931,000
Coupon	-0-	-0-	-0-	-0-
Entertainment	18,845	395,000	4,593	92,000
Retail & Gifts	99,914	999,000	-0-	-0-
Other	34,538	345,000	18,260	183,000
Total	1,717,284	$ 9,886,000	536,011	$ 6,704,000

STATEMENT OF CONFORMITY AND ACCURACY

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

Deborah Marchese, being duly sworn according to law upon my oath
Name

deposes and says:

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

Deborah Marchese
Signature

Controller
Title

367611
License Number

Subscribed and sworn to
before me this 15 day
of March, 1994

Signature

On Behalf Of:

TropWorld Casino &
Entertainment Resort
Casino Licensee

DOLORES DURFOR
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 22, 1998

Basis of Authority
to Take Oaths

4/86

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE Adamar of New Jersey, Inc

ADDRESS Brighton and the Boardwalk

Atlantic City, New Jersey 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
MAR 16 1994
CASINO CONTROL
COMMISSION

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

OFFICIAL TITLE..... Controller

ADDRESS..... Brighton Avenue and the Boardwalk

Atlantic City, New Jersey 08401

1/85

TRADING NAME OF LICENSEE Tropworld Casino and Entertainment Resort

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 93
($ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES (d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	(f) TOTALS
	CASINO				
1	Administration	16			
2	Gaming	811			
3	Slots	192			
4	Casino accounting	491			
5	Other	93	$	$	$
6	Total-casino	1,603	31,934.0		31,934.0
7	ROOMS	493	8,275.6		8,275.6
8	FOOD AND BEVERAGE	941	13,657.1		13,657.1
	OTHER OPERATED DEPARTMENTS				
9	Communications	17	318.8		318.8
10	Retail Shops	22	368.8		368.8
11	Transportation	180	2,130.0		2,130.0
12	Hotel Sales	8	129.8		129.8
13	Tivoli Pier	78	1,112.8		1,112.8
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	11	874.5		874.5
21	Accounting and auditing	190	3,828.7		3,828.7
22	Security	203	4,238.4		4,238.4
23	Other administrative and general department	79	1,943.6		1,943.6
24	MARKETING	125	3,087.8		3,087.8
25	GUEST ENTERTAINMENT	113	1,112.5		1,112.5
26	PROPERTY OPERATION AND MAINTENANCE	120	3,725.1		3,725.1
27	TOTALS - ALL DEPARTMENTS	4183	$ 76,737.5	$	$ 76,737.5

CCC-376

Trading Name of Licensee: TropWorld Casino and Entertainment Resort

ANNUAL EMPLOYMENT AND PAYROLL REPORT

SIGNATURE PAGE

For the Year Ended December 31, 1993

3/14/94
Date

Deborah Marchese
Signature

Controller
Title

GROSS REVENUE
ANNUAL TAX RETURN

LICENSEE TROPWORLD CASINO & ENTERTAINMENT RESORT

ADDRESS Brighton Avenue and the Boardwalk
Atlantic City, NJ 08401-6390

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED FEU
MAR 10 1994
CASINO CONTROL COMMISSION



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

OFFICIAL TITLE..... Controller

ADDRESS..... Brighton Avenue and the Boardwalk
Atlantic City, NJ 08401-6390

TRADING NAME OF LICENSEE TROPWORLD CASINO & ENTERTAINMENT RESORT

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 93

(UNAUDITED)

($ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	$ 72,242.3	
2	Coin-operated devices revenue	237,976.2	
3	Total revenues		$ 310,218.5
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	$ 481.6	
5	Maximum adjustment (4% of line 3)	$ 12,408.7	
6	Adjustment (the lesser of line 4 or line 5)		481.6
7	Gross revenues (line 3 less line 6)		$309,736.9
8	Tax on gross revenues - current year (8% of line 7)		$ 24,779.0
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)		24,779.0
	Deposits made for tax on current year's gross revenues:		
11	January	$ 1,434.3	
12	February	1,817.6	
13	March	2,125.7	
14	April	2,040.5	
15	May	2,329.6	
16	June	2,113.9	
17	July	2,333.4	
18	August	2,756.2	
19	September	2,110.5	
20	October	1,688.5	
21	November	2,097.8	
22	December	1,380.8	
23	January	550.2	
24	Total deposits made for tax on current year's gross revenues		(24,779.0)
	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-

1/05

CCC-381

STATEMENT OF CONFORMITY AND ACCURACY

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

Deborah Marchese, 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.

Deborah Marchese
Signature

Controller
Title

3676-11
License Number

Subscribed and sworn to
before me this 5 day
of March, 1984

Dolores Durfor
Signature

DOLORES DURFOR
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 22, 1989

Basis of Authority
to Take Oaths

On Behalf Of:
TropWorld Casino &
Entertainment Resort
Casino Licensee

NEW JERSEY STATE LIBRARY
3 3009 00082 8519
974.901
C193

QUARTERLY REPORT

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

FOR THE QUARTER ENDED DECEMBER 31, 1993

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAR 25 1994
185 W. STATE ST.
TRENTON, N.J.

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT..... Robert E. Schaffhauser

OFFICIAL TITLE..... Senior Vice President of Finance

ADDRESS..... Huron Avenue & Brigantine Boulevard
Atlantic City, N.J. 08401

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 1993

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

BALANCE SHEETS

DECEMBER 31, 1993 and 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	ASSETS		
	Current Assets:		
1	Cash	$20,555	$23,810
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1993, $1,928; 1992, $2,720)	10,328	6,942
4	Inventories	2,315	2,160
5	Prepaid expenses and other current assets	3,455	3,254
6	Total current assets	36,653	36,166
7	Investments, Advances, And Receivables	4,223	2,213
8	Property And Equipment – Gross (NOTE 2)	493,452	483,057
9	(Accumulated Depreciation/Amortization)	(159,099)	(142,674)
10	Other Assets (NOTE 6)	821	783
11	Total Assets	$376,050	$379,545
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable (NOTE 7)	$3,306	$5,221
13	Notes payable (NOTE 4)	0	0
14	Current portion of long–term debt:		
15	Due to affiliates (NOTE 3,5)	0	0
16	Other (NOTE 4)	0	0
17	Income taxes payable and accrued	0	0
18	Other accrued expenses (NOTE 8)	9,893	20,154
19	Other current liabilities (NOTE 9)	21,227	13,922
	Total current liabilities	34,426	39,297
	Long–Term Debt:		
20	Due to affiliates (NOTE 3)	271,940	234,445
21	Other (NOTE 4)	38,000	45,000
22	Deferred Credits	0	0
23	Other Liabilities	8	7
24	Commitments And Contingencies (NOTE 11)		
25	Total Liabilities	344,374	318,749
26	Stockholders', Partners', Or Proprietor's Equity	31,676	60,796
27	Total Liabilities and Equity	$376,050	$379,545

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 and 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Revenue:		
1	Casino	$246,370	$242,008
2	Rooms	19,647	17,786
3	Food and beverage	34,015	34,569
4	Other	8,201	8,151
5	Total revenue	308,233	302,514
6	Less: Promotional allowances	35,006	33,864
7	Net revenue	273,227	268,650
	Costs And Expenses:		
8	Cost of goods and services	151,220	152,429
9	Selling, general, and administrative	74,246	76,406
10	Provision for doubtful accounts	755	2,289
11	Total costs and expenses	226,221	231,124
12	Gross Operating Profit	47,006	37,526
13	Depreciation and amortization	16,425	19,802
	Charges from affiliates other than interest:		
14	Management fees (NOTE 15)	1,647	1,028
15	Other	0	0
16	Income (Loss) From Operations	28,934	16,696
	Other Income (Expenses):		
17	Interest (expense) – affiliates (NOTE 3,5)	(52,829)	(40,962)
18	Interest (expense) – external (NOTE 4)	(4,097)	(4,398)
19	Investment alternative tax and related income (expense) – net (NOTE 11)	(1,068)	(1,335)
20	Nonoperating income (expense) – net (NOTE 10)	675	(5,485)
21	Total other income (expenses)	(57,319)	(52,180)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(28,385)	(35,484)
23	Provision (credit) for income taxes (NOTE 1)	0	0
24	Income (Loss) Before Extraordinary Items	(28,385)	(35,484)
25	Extraordinary items (net of income taxes – 1993, $0; 1992, $126,837,000) (NOTE 14)	0	126,837
26	Net Income (Loss)	($28,385)	$91,353

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1993 and 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Revenue:		
1	Casino	$59,597	$57,599
2	Rooms	4,379	4,132
3	Food and beverage	7,882	7,849
4	Other	1,549	1,779
5	Total revenue	73,407	71,359
6	Less: Promotional allowances	7,929	7,530
7	Net revenue	65,478	63,829
	Costs And Expenses:		
8	Cost of goods and services	36,605	38,805
9	Selling, general, and administrative	18,707	18,634
10	Provision for doubtful accounts	85	362
11	Total costs and expenses	55,397	57,801
12	Gross Operating Profit	10,081	6,028
13	Depreciation and amortization	3,559	4,584
	Charges from affiliates other than interest:		
14	Management fees (NOTE 15)	406	425
15	Other	0	0
16	Income (Loss) From Operations	6,116	1,019
	Other Income (Expenses):		
17	Interest (expense) – affiliates (NOTE 3,5)	(20,622)	(10,073)
18	Interest (expense) – external (NOTE 4)	(1,038)	(1,048)
19	Investment alternative tax and related income (expense) – net (NOTE 11)	(249)	(146)
20	Nonoperating income (expense) – net (NOTE 10)	190	187
21	Total other income (expenses)	(21,719)	(11,080)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(15,603)	(10,061)
23	Provision (credit) for income taxes (NOTE 1)	0	0
24	Income (Loss) Before Extraordinary Items	(15,603)	(10,061)
25	Extraordinary items (net of income taxes – 1993, $ 0; 1992, $ 0) (NOTE 14)	0	0
26	Net Income (Loss)	($15,603)	($10,061)

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 and 1992

NOT APPLICABLE

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c) SHARES	1993 (d) DOLLARS	1992 (e) SHARES	1992 (f) DOLLARS
	Commom Stock:				
1	Beginning balance (January 1)		$		$
2	Sale of stock				
3	_____				
4	Ending balance				
	Preferred Stock				
5	Beginning balance (January 1)				
6	Sale of stock				
7	_____				
8	Ending balance				
	Additional Paid–in Capital:				
9	Beginning balance (January 1)				
10	_____				
11	_____				
12	Ending balance				
	Treasury Stock:				
13	Beginning balance (January 1)		( )		( )
14	Purchase of additional stock		( )		( )
15	Sale or retirement of stock				
16	Ending balance		( )		( )
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		( )		( )
18	_____				
19	_____				
20	Ending balance		( )		( )
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		( )		( )
22	_____				
23	_____				
24	Ending balance		( )		( )
	Retained Earnings:				
25	Beginning balance (January 1)				
26	Prior period adjustments				
27	Net income (loss)				
28	Dividends		( )		( )
29	_____				
30	_____				
31	Ending balance				
32	Ending Stockholders' Equity		$ N/A		$ N/A

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 and 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Invested Capital:		
1	Beginning balance (January 1)	$71,196	$71,196
2	Additional capital invested	32,116	32,851
3	_____	0	0
4	Ending balance	103,312	104,047
	Accumulated Income (Loss):		
5	Beginning balance (January 1)	(4,801)	(96,154)
6	Prior period adjustments	0	0
7	Net income (loss)	(28,385)	91,353
8	_____	0	0
9	Ending balance	(33,186)	(4,801)
	Capital Withdrawals:		
10	Beginning balance (January 1)	(38,450)	(38,450)
11	Additional capital withdrawals	0	0
12	_____	0	0
13	Ending balance	(38,450)	(38,450)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	0	0
15	_____	0	0
16	_____	0	0
17	Ending balance	0	0
18	Ending Partners' Or Proprietor's Equity	$31,676	$60,796

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 and 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
1	Net Cash Provided (Used) By Operating Activities	($9,912)	($16,946)
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	0	0
3	Proceeds from the sale of short-term investment securities	0	0
4	Cash outflows for property and equipment	(10,369)	(8,574)
5	Proceeds from disposition of property and equipment	0	0
6	Purchase of casino reinvestment obligations	(2,238)	(1,561)
7	Purchase of other investments and loans/advances made	0	0
8	Proceeds from disposal of investments and collection of advances and long-term receivables	0	0
9	Cash outflows to acquire business entities	0	0
10	Redemption of A-1 Bonds	0	0
11	_____	0	0
12	Net Cash Provided (Used) By Investing Activities	(12,607)	(10,135)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	0	0
14	Payments to settle short-term debt	(7,000)	0
15	Cash proceeds from issuance of long-term debt	27,000	3,070
16	Costs of issuing debt	0	0
17	Payments to settle long-term debt	0	0
18	Cash proceeds from issuing stock or capital contributions	0	0
19	Purchases of treasury stock	0	0
20	Payments of dividends or capital withdrawls	(736)	32,851
21	_____	0	0
22	_____	0	0
23	Net Cash Provided (Used) By Financing Activities	19,264	35,921
24	Net Increase (Decrease) In Cash And Cash Equivalents	(3,255)	8,840
25	Cash And Cash Equivalents At Beginning Of Period	23,810	14,970
26	Cash And Cash Equivalents At End Of Period	$20,555	$23,810

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
28	Interest (net of amount capitalized)	$37,251	$8,172
	Income taxes	0	0

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 and 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	($28,385)	$91,353
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	16,425	19,367
31	Amortization of other assets	0	435
32	Amortization of debt discount or premium	10,395	6,617
33	Deferred income taxes – current	0	0
34	Deferred income taxes – noncurrent	0	0
35	(Gain) loss on disposition of property and equipment	(26)	(44)
36	(Gain) loss on casino reinvestment obligations	1,068	1,335
37	(Gain) loss from other investment activities	0	0
38	Net (increase) decrease in receivables and patrons' checks	(3,386)	854
39	Net (increase) decrease in inventories	(155)	(309)
40	Net (increase) decrease in other current assets	(201)	495
41	Net (increase) decrease in other assets	(777)	(961)
42	Net increase (decrease) in accounts payables	(1,915)	(1,107)
43	Net increase (decrease) in other current liabilities excluding debt	(2,956)	(6,794)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	1	0
45	_____	0	(128,187)
46	_____	0	0
47	Net Cash Provided (Used) By Operating Activities	($9,912)	($16,946)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$10,369	$8,574
49	Less: Capital lease obligations incurred	0	0
50	Cash Outflows For Property And Equipment	$10,369	$8,574
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$0	$0
52	Goodwill acquired	0	0
53	Net assets acquired other than cash, goodwill, and property and equipment	0	0
54	Long–term debt assumed	0	0
55	Issuance of stock or capital invested	0	0
56	Cash Outflows To Acquire Business Entities	$0	$0
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	$0	$0
58	Less: Issuances to settle long–term debt	0	0
59	Consideration in acquisition of business entities	0	0
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$0	$0

TRUMP'S CASTLE HOTEL & CASINO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Operation

The Partnership was formed as a limited partnership in 1985 for the sole purpose of acquiring and operating Trump's Castle Casino Resort by the Bay ("Trump's Castle"). The Partnership converted to a general partnership in February 1992. As a result of a recapitalization involving the Partnership, the Company and TC/GP, Inc. ("TC/GP") in December 1993, the Partnership is wholly owned by Donald J. Trump, and his wholly owned companies, TC/GP and Trump's Castle Hotel & Casino Inc. (TCHC). Donald J. Trump has pledged his total ownership interest in the Partnership as collateral under various personal debt agreements.

Revenue Recognition

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

Promotional Allowances

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

Income Taxes/Deferred Credits

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

Under the New Jersey Casino Control Commission regulations, the Partnership is required to file a consolidated New Jersey corporation business tax return. However, no provision for state income taxes has been reflected in the accompanying financial statements, since the Partnership has experienced operating losses during the periods contained in this report.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is maintained at a level considered adequate to provide for possible future losses. The Partnership has provided $1,928,000 through December 31, 1993.

Inventories

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

Property and Equipment

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

Original Issuance Discount and Bond Issuance Costs

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

NOTE 2 - PROPERTY AND EQUIPMENT:

Property and equipment as of December 31:

	1993	1992
	(In thousands)	
Land and Land Improvements	$ 36,282	$ 36,223
Buildings	235,170	235,170
Furniture, Fixtures and Equipment	103,303	97,052
Construction in Progress	3,194	2,401
Building/Leasehold Improvements	115,503	112,211
TOTAL	$493,452	$483,057
Less Accumulated Depreciation	(159,099)	(142,674)
Net Property and Equipment	$334,353	$340,383

NOTE 3 - LONG TERM DEBT:

MORTGAGE BONDS AND NOTES

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

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

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

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

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

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

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

INTEREST PAYMENT DATE	Mandatory Cash Rate (Per Annum)
August 15, 1992	5.00%
February 15, 1993	6.00
August 15, 1993	7.00
February 15, 1994	8.00
August 15, 1994 and all subsequent dates	9.50

For interest payment dates on or before February 15, 1994, the difference between interest calculated at the rate of 9.50% per annum and the Mandatory Cash Amount (the "Additional Amount") was payable to holders of New Bonds in cash to the extent that Excess Available Cash, as defined, of the Partnership was available for such purpose and in additional Units to the extent that Excess Available Cash was less than the Additional Amount. Through August 15, 1993, interest was paid to the bondholders at the mandatory cash rate, with the balance paid in additional units.

Recapitalization

On December 28, 1993, the Partnership, the Company and TC/GP consummated a Recapitalization Plan whereby each $1,000 of principal of the 9.5% Mortgage bonds issued as part of the

Plan was exchanged for $750 principal amount of the Company's 11-3/4% Mortgage Notes due 2003 (the "Mortgage Notes"), $120 principal amount of the Company's Increasing Rate Subordinated Pay-in-Kind Notes due 2005 (the "PIK Notes") and a cash payment of $6.19 plus all accrued and unpaid interest. Those bondholders who did not elect to exchange their bonds received a cash payment of $750 for each $1,000 of principal amount of bonds plus accrued and unpaid interest. In addition, each share of TC/GP common stock was exchanged for $35 principal amount of PIK Notes.

As a result of the Recapitalization Plan, approximately 96% of the principal amount of the previously issued bonds were exchanged for Mortgage and PIK Notes and all of the TC/GP common stock was redeemed. Those bonds that were redeemed for cash were purchased at an amount which approximated their net book value at the date of purchase. The net book value of the exchanged bonds has been carried forward and allocated to the Mortgage and PIK Notes in proportion to the principal amount of Notes issued. The difference between the principal amount and net book value of the Notes will be accreted as a charge to interest expense over the life of the Notes using the effective interest method.

In addition to the Mortgage and PIK Notes, the Company issued $27 million of 11-1/2% Senior Secured Notes, due 2000 (the "Senior Notes"). A portion of the proceeds from the Senior Notes were used to repay the $7 million Grid Note.

Transaction costs related to the Recapitalization Plan of approximately $9,000,000 are included in interest expense. Included in these costs is a $1,500,000 bonus to Donald J. Trump for the substantial services her provided in connection with the recapitalization.

As discussed, on December 28, 1993 all of the outstanding Mortgage Bonds and TC/GP Common stock were either redeemed or exchanged for Mortgage and PIK Notes. The Mortgage Notes bear interest, payable in cash, semi-annually, commencing May 15, 1994 at 11-3/4% and mature on November 15, 2003. In the event the PIK Notes are redeemed prior to November 15, 1998, the interest rate on the Mortgage Notes will be reduced to 11-1/2%. The Mortgage Notes may be redeemed at the Company's option at a specified percentage of the principal amount commencing in 1998.

The PIK Notes bear interest, payable at the Company's option in whole or in part, in cash and through the issuance of additional PIK Notes, semi-annually commencing May 15, 1994 at the rate of 7% through September 30, 1994 and 13-7/8% thereafter and mature on November 15, 2005. The PIK Notes may be redeemed at the Company's option at 100% of the principal amount under certain conditions, as defined in the PIK Note Indenture, and are required to be redeemed from a

specified percentage of any equity offering which includes the Partnership.

The terms of both the Mortgage and PIK Notes include limitations on the amount of additional indebtedness the Partnership may incur, distributions of Partnership capital, investments and other business activities.

The Mortgage and PIK Notes are secured by an assignment of a promissory note of the Partnership to the Company (the "Partnership Note") in an amount and with payment terms necessary to service these Notes. The Partnership Note is secured by a Mortgage on Trump's Castle and substantially all of the other assets of the Partnership; however, it is subordinated to the other borrowings.

Senior Notes

On December 28, 1993, the Company issued 11-1/2% Senior Secured Notes, due 2000. Similar to the Mortgage and PIK Notes, the Senior Notes are secured by an assignment of a promissory note of the Partnership (the "Senior Partnership Note") which is in turn secured by a mortgage on Trump's Castle and substantially all of the other assets of the Partnership. The Senior Partnership Note is subordinated to the Amended Term Loan (Note 4).

Interest on the Senior Notes is payable semiannually commencing May 15, 1994 at the rate of 11-1/2%; however in the event that the PIK Notes are redeemed prior to November 15, 1998, the interest rate will be reduced to 11 & 1/4%. The Senior Notes are subject to a required partial redemption commencing on June 1, 1998 at 100% of the principal amount.

NOTE 4 - BANK BORROWINGS:

In February 1988, the Company and the Partnership entered into a $50,000,000 revolving credit facility with Midlantic National Bank ("Midlantic") which was later converted to a term loan in August 1990 ("Term Loan"). In addition, in June 1990, the Partnership borrowed $13,000,000 from Midlantic under an unsecured line of credit pursuant to a grid note ("Grid Note"). Pursuant to the Plan, the terms of both of these loans were modified.

The principal amount of the amended Term Loan (the "Amended Term Loan") was reduced to $38,000,000. The Amended Term Loan has an initial maturity of three years from the Effective Date and bears interest at 9% per annum over such period. In accordance with its terms, the Partnership has the option, subject to certain conditions, to extend the Amended Term Loan an additional five years. Upon such an extension, the interest rate on such loan will adjust to a market rate, but not less than a minimum rate of 9%. The Amended Term Loan is secured by a mortgage lien on Trump's

Castle that is prior to the lien securing the Mortgage and PIK Notes and the Senior Notes.

The amended Grid Note (the "Amended Grid Note") bore interest at 8.5% and the outstanding principal amount was reduced to $7,000,000 payable on demand. On December 28, 1993, the Amended Grid Note was paid in full.

NOTE 5 - OTHER BORROWINGS:

Trump Priority Interest

During 1990, the Partnership borrowed $28,264,878 from Donald J. Trump, one of its general partners, which included $9,889,000 of Series A-1 Bonds (face value $12,480,000), the proceeds of which were used to partially satisfy the June 1990 interest and sinking fund requirements of the Old Bonds. Pursuant to the Plan, the above obligations and related accrued interest of $5,060,000 were canceled and contributed to capital and Donald J. Trump received in exchange therefor a priority interest in the Partnership (the "Trump Priority Interest"). The Trump Priority Interest will initially be $15,000,000 and the Partnership will be required to pay a priority return thereon semi-annually at a rate per annum of up to 9.50%. The priority return on capital will be paid currently out of certain cash in excess of the excess available cash flow, as defined, and to the extent permitted by the Mortgage Note Indenture, the PIK Note Indenture and the Senior Note Indenture. To the extent that the Partnership is unable to pay the entire amount in full, the portion not paid shall be forgiven and shall not cumulate. The Trump Priority Interest will be entitled to a priority distribution upon dissolution of the Partnership. For the year ended December 31, 1993 and 1992, no amounts were payable as priority return on capital.

Fred Trump Gaming Chip Liability

In December 1990, Fred Trump, the father of Donald J. Trump, placed $3,500,000 in cash on deposit with the Partnership's casino cage, which was recorded by the Partnership as a gaming patron deposit. Counter checks totaling $3,500,000 were issued against the deposit, for which Fred Trump received gaming chips valued at $3,500,000. On October 8, 1992, in accordance with the Indenture, Fred Trump redeemed $1,000,000 in gaming chips for cash. The remaining gaming chip liability to Fred Trump is included in the unredeemed chip liability as of December 31, 1993.

NOTE 6 - OTHER ASSETS - (NET):

	1993	1992
	(In thousands)	
Deferred Loan Cost	$ 0	$ 0
Deferred Bond Costs (Net)	0	0
Other Non-Current Assets	821	783
Deferred Marina Improvement	0	0
TOTAL OTHER ASSETS	$ 821	$ 783

NOTE 7 - ACCOUNTS PAYABLE:

	1993	1992
	(In thousands)	
Accounts Payable Trade	$ 2,354	$4,484
Patron Deposits	890	689
Other	62	48
TOTAL ACCOUNTS PAYABLE	$ 3,306	$ 5,221

NOTE 8 - OTHER ACCRUED EXPENSES:

	1993	1992
	(In thousands)	
Accrued Payroll & Taxes	$ 4,396	$ 3,267
Accrued Interest	233	11,713
Accrued Advertising/Promotions	176	45
Accrued Progressive Jackpots	303	287
Accrued Sick/Vacation	4,455	4,344
Other	330	498
TOTAL OTHER ACCRUED EXPENSES	$ 9,893	$20,154

NOTE 9 - OTHER CURRENT LIABILITIES:

	1993	1992
	(In thousands)	
Outstanding Chip Liability	$ 4,448	$ 3,765
Outstanding Token Liability	474	350
Patron Deposits	3,099	67
Accrued Utilities	97	11
Accrued Group Health insurance	1,838	1,555
Accrued Insurance	4,014	3,381
A/P Other	5,496	3,326
Accrued Legal	400	350
Accrued CCC/DGE	448	257
Construction Retainage	47	30
Accrued Inventories	146	225
Accrued CRDA	720	605
TOTAL OTHER CURRENT LIABILITIES	$21,227	$13,922

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

Non-operating income for the period ended December 31:

	Three Months	
	1993	1992
	(In thousands)	
Interest Income	$ 188	$ 187
Debt Restructuring	2	0
	$ 190	$ 187

	Twelve Months	
	1993	1992
	(In thousands)	
Interest Income	$ 673	$ 497
Debt Restructuring	2	(5,982)
	$ 675	$(5,485)

NOTE 11 - COMMITMENTS AND CONTINGENCIES:

The Partnership holds a casino license issued by the New Jersey Casino Control Commission ("CCC"). On April 19, 1993, subject to certain continuing reporting and compliance conditions, the CCC approved Donald J. Trump as a natural person qualifier and the Registrant, Company and TCHC as entity qualifiers with respect to these casino licenses, renewed the casino license of the Partnership through May 31, 1995 subject to certain continuing reporting and compliance conditions. The casino license held by the Partnership is renewable for periods up to two years.

Casino licenses are non-transferable, revocable and dependent upon the financial stability of the licensee. Due to the uncertainty of any renewal application, there can be no assurance that the casino licenses of the Partnership and TCM will be renewed. Upon suspension for more than 120 days, revocation or the failure or refusal to renew same for any reason, the Casino Control Act provides that the CCC may appoint a conservator to, under its direct supervision, operate and, subject to all valid liens and encumbrances, dispose of the casino hotel facilities.

Casino Reinvestment Development Authority Obligations

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

Pursuant to the provisions of the Act, the Partnership, commencing twelve months after the date of opening of Trump's Castle in June 1985 and continuing for a period of twenty-five years thereafter, must either obtain investment tax credits (as defined in the Casino Control Act), in an amount equivalent to 1.25% of its gross casino revenues (as defined in the Casino Control Act) or pay an alternative tax of 2.5% of its gross casino revenues. Investment tax credits may be obtained by making qualified investments, as defined, or by the purchase of bonds at below market interest rates from the Casino Reinvestment Development Authority ("CRDA"). The Partnership is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

In April 1990, the Partnership modified its agreement with the CRDA under which it is required to purchase CRDA bonds to satisfy the investment alternative tax. Under the terms of the agreement, the Partnership donated $9,589,000 in deposits previously made to the CRDA for the purchase of CRDA bonds through December 31, 1989 in exchange for satisfaction of an equivalent amount of its prior bond purchase commitments, as well as receiving future tax credits to be used to satisfy substantial portions of the Partnership's future investment alternative tax obligations over the following four to six quarters. As a result of this agreement, the Partnership charged $1,588,000 to operations in 1990 to reduce deposits previously made to the amount of the future tax credits received.

For the years ended December 31, 1993 and 1992, the Partnership charged to operations, $115,000 and $679,000 respectively, which represents amortization of a portion of the tax credits discussed above. In addition, for the years ended December 31, 1993 and 1992, the Partnership charged to operations $953,000 and $656,000 respectively, to give effect to the below market interest rates associated with purchased CRDA bonds.

Roadway Improvements

The Partnership, along with another Atlantic City casino, has entered into a joint venture agreement with the New Jersey Department of Transportation to fund the construction of certain roadway improvements in the Atlantic City Marina District. The agreement requires that the Partnership make cash contributions totaling $8,000,000. As of December 31, 1993, the Partnership had made contributions totaling approximately $8,419,000.

NOTE 12 - EMPLOYEE BENEFIT PLANS:

The Company has a retirement savings plan for its nonunion employees under Section 401(k) of the Internal Revenue Code. Employees are eligible to contribute up to 15% of their earnings to the plan up to the maximum amount permitted by law, and the Partnership will match 50% of an eligible employee's contributions up to a maximum of 4% of the employee's earnings. The Partnership recorded charges of approximately $846,000 and $764,000 for matching contributions for the years ended December 31, 1993 and 1992, respectively.

The Partnership makes payments to various trusteed pension plans under industry-wide union agreements. The payments are based on the hours worked by or gross wages paid to covered employees. It is not practical to determine the amount of payments ultimately used to fund pension benefit plans or the current financial condition of the plans. Under the Employee Retirement Income Security Act, the Partnership may be liable for its share of the plans' unfunded liabilities, if any, if the plans are terminated. Pension expense for the years ended December 31, 1993 and 1992 were $407,000 and $397,000, respectively.

The Partnership provides no other material post employment benefits.

NOTE 13 - JACKPOT PAYOUTS:

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

For The Three Months Ended 12/31/93

	Number of Recipients	Amount
Motor Vehicles	0	$ 0
TOTALS	0	$ 0

For The Twelve Months Ended 12/31/93

	Number of Recipients	Amount
Motor Vehicles	0	$ 0
TOTALS	0	$ 0

NOTE 14 - EXTRAORDINARY ITEM:

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

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

NOTE 15 - RELATED PARTY TRANSACTIONS

Trump Management Fee

The Partnership had a services agreement with Trump's Castle Management Corp. ("TCMC"), a corporation wholly owned by Donald J. Trump (the "Management Agreement"). The Management Agreement provided that the day-to-day operation of Trump's Castle and all ancillary properties and businesses of the Partnership was to be under the exclusive management and supervision of TCMC.

Pursuant to the Management Agreement, the Partnership was required to pay an annual fee in the amount of $1,500,000 to TCMC for each year in which Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), as defined, exceeds certain levels. In addition, TCMC, beginning with the fiscal year ended December 31, 1994, was to receive an incentive fee equal to 10% of the excess EBITDA over $45,000,000 for such fiscal year.

As a result of the recapitalization, on December 28, 1993, the Partnership terminated the Management Agreement with TCMC and entered into a Service Agreement with TC/GP.

Pursuant to the Terms of the service agreement, TC/GP is obligated to provide the Partnership, from time to time, when reasonably requested, consulting services on a non-exclusive basis, relating to marketing, advertising, promotional and other similar and related services with respect to the business and operations of the Partnership, including such other services as the Managing Partner may reasonably request.

In consideration for the services to be rendered, the Partnership will pay TC/GP an annual fee on the same basis as that of the previous Management Agreement, discussed above. The Service Agreement expires on December 31, 2005.

The Partnership has recorded expenses for the period ended December 31, 1993 and 1992 from Trump's Castle Management Corp. ("TCM") as follows:

		Three Months	
Affiliate	Transaction	1993	1992
		(In Thousands)	
Trump's Castle Management Corp.	Management Fee	$ 406	$ 425

		Twelve Months	
Affiliate	Transaction	1993	1992
		(In Thousands)	
Trump's Castle Management Corp.	Management Fee	$ 1,647	$ 1,028

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1993

(UNAUDITED)
($ IN THOUSANDS)

	ACCOUNTS RECEIVABLE BALANCES			
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE– (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	$7,015		
2	Returned patrons' checks	2,089		
3	Total patrons' checks	9,104	$1,835	$7,269
4	Hotel Receivables	1,213	93	1,120
	Other Receivables:			
5	Receivables due from officers and employees	7		
6	Receivables due from affiliates	687		
7	Other accounts and notes receivables	1,245		
8	Total other receivables	1,939	0	1,939
9	Totals (Form 305)	$12,256	$1,928	$10,328

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$3,769
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	151,154
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)	(111,701)
13	Checks collected through deposits	(32,969)
14	Checks transferred to returned checks	(3,238)
15	Other adjustments	0
16	Ending Balance	$7,015
17		
18	"Hold" Checks Included In Balance On Line 16	$0
19	Provision For Uncollectible Patrons' Checks	697
	Provision As A Percent Of Counter Checks Issued	0.5%

1/86

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
ROOMS	286,288	12,903,000	0	0
FOOD	1,008,867	15,132,000	0	0
BEVERAGE	1,293,412	5,497,000	0	0
TRAVEL	0	0	37,423	6,549,000
COIN	0	0	0	0
COUPON	0	0	2,302,985	22,865,000
ENTERTAINMENT	48,240	1,206,000	678	20,301
RETAIL & GIFTS	46,800	234,000	0	0
OTHER	6,538	34,000	46,260	2,313,000
TOTAL	2,690,145	$35,006,000	2,387,346	$31,747,301

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FOR THE THREE MONTHS ENDED DECEMBER 31, 1993

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
ROOMS	77,680	$3,264,000	0	$0
FOOD	233,337	3,500,000	0	0
BEVERAGE	325,647	1,384,000	0	0
TRAVEL	0	0	8,692	1,521,000
COIN	0	0	0	0
COUPON	0	0	518,385	5,483,000
ENTERTAINMENT	(11,800)	(296,000)	149	4,456
RETAIL & GIFTS	13,800	69,000	0	0
OTHER	1,538	8,000	15,640	782,000
TOTAL	640,202	$7,929,000	542,866	$7,790,456

STATEMENT OF CONFORMITY AND ACCURACY

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

Robert E. Schaffhauser, being duly sworn according to law upon my oath deposes and says:

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

Signature

Sr. Vice President Finance
Title

004604–11
License Number

Subscribed and sworn to
before me this 14th day
of March, 1994

Signature

SHARON J. MILLER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 18, 1996
Basis of Authority
to Take Oaths

On behalf Of:

Trump's Castle Hotel & Casino
Casino Licensee

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE Trumps Castle Casino Resort

ADDRESS Huron Ave. & Brigantine Blvd.
Atlantic City, New Jersey

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

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NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS ANNUAL EMPLOYMENT AND PAYROLL REPORT..... ROBERT E. SCHAFFHAUSER

OFFICIAL TITLE..... SENIOR VICE PRESIDENT OF FINANCE

ADDRESS..... HURON AVENUE & BRIGANTINE BOULEVARD
ATLANTIC CITY, NJ 08401

1/85

TRADING NAME OF LICENSEE Trumps Castle Casino Resort

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 19 93

($ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	SALARIES AND WAGES (d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	(f) TOTALS
	CASINO				
1	Administration	5			
2	Gaming	754			
3	Slots	475			
4	Casino accounting	32			
5	Other	198			
6	Total-casino		$ $ 31,510	$	$ 31,510
7	ROOMS	272	4,535		4,535
8	FOOD AND BEVERAGE	926	14,257		14,257
	OTHER OPERATED DEPARTMENTS				
9	Communication/PBX	17	286		286
10	Retail Operations	24	341		341
11	Garage	47	600		600
12	Wardrobe	24	417		417
13	Health Club	6	67		67
14	Marina Operations	17	184		184
15	Environmental Services	165	3,114		3,114
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	19		2,106	2,106
21	Accounting and auditing	227	4,812		4,812
22	Security	225	4,536		4,536
23	Other administrative and general department	32	2,352		2,352
24	MARKETING	95	2,478		2,478
25	GUEST ENTERTAINMENT	28	879		879
26	PROPERTY OPERATION AND MAINTENANCE	124	4,074		4,074
27	TOTALS - ALL DEPARTMENTS	3,712	$ 74,442	$ 2,106	$ 76,548

CCC-376

Trading Name of Licensee Trumps Castle Casino Resort

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 1993

March 12,1994
Date

Signature

SR Vice President Of Finance
Title

GROSS REVENUE
ANNUAL TAX RETURN

Amended
3-21-94

LICENSEE TRUMP CASTLE HOTEL AND CASINO

ADDRESS HURON AVE. AND BRIGANTINE BLVD.
ATLANTIC CITY, N.J. 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

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

OFFICIAL TITLE ..... SR. V.P. FINANCE

ADDRESS ..... HURON AVE. & BRIGANTINE BLVD.
ATLANTIC CITY, N.J. 08401

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL AND CASINO

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 93

(UNAUDITED)

Amended 3-21-94

($ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	$ 73,386	
2	Coin-operated devices revenue	172,998	
3	Total revenues		$ 246,384
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	$ 697	
5	Maximum adjustment (4% of line 3)	$ 9,855	
6	Adjustment (the lesser of line 4 or line 5)		697
7	Gross revenues (line 3 less line 6)		$ 245,687
8	Tax on gross revenues - current year (8% of line 7)		$ 19,655
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)		19,655
	Deposits made for tax on current year's gross revenues:		
11	January	$ 1559	
12	February	1473	
13	March	1474	
14	April	1564	
15	May	1653	
16	June	1569	
17	July	1942	
18	August	1993	
19	September	1669	
20	October	1673	
21	November	1743	
22	December	1343	
23	January	0	
24	Total deposits made for tax on current year's gross revenues		(19,655 .)
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

1/85

CCC-38

STATEMENT OF CONFORMITY AND ACCURACY

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

Robert E. Schaffhauser being duly sworn according 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 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 Finance
Title

46-04-11
License Number

Subscribed and sworn to
before me this 18th day
of March, 1993

Signature

SHARON J. MILLER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 18, 1998

Basis of Authority
to Take Oaths

On behalf Of:

Trump's Castle Hotel & Casino
Casino Licensee

NEW JERSEY STATE LIBRARY
3 3009 00082 8493

ANNUAL REPORT

974.901
C193

LICENSEE: TRUMP PLAZA HOTEL & CASINO

ADDRESS: MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAR 25 1994
185 W. STATE ST.
TRENTON, N.J.

RECEIVED
FEU
MAR 15 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT..... GEORGE T. PAPANIER

OFFICIAL TITLE..... VICE-PRESIDENT OF FINANCE

ADDRESS..... MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

LIST OF FORMS – ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

BALANCE SHEETS

DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		(c) 1993	(d) 1992
	ASSETS			
	Current Assets:			
1	Cash		$ 14,391	$ 18,802
2	Marketable securities		–	–
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1993, $10,616; 1992, $14,402)		6,957	7,870
4	Inventories		3,566	3,068
5	Prepaid expenses and other current assets	NOTE 2	2,701	2,502
6	Total current assets		27,615	32,242
7	Investments, Advances, and Receivables	NOTE 3	9,863	5,021
8	Property and Equipment – Gross	NOTE 4	415,591	409,739
9	(Accumulated Depreciation/Amortization)	NOTE 4	(122,450)	(109,473)
10	Other Assets	NOTE 5	44,934	33,882
11	Total Assets		$ 375,553	$ 371,411
	LIABILITIES AND EQUITY			
	Current Liabilities:			
12	Accounts Payable		$ 4,401	$ 5,890
13	Notes Payable		264	194
14	Current portion of long–term debt: Due to affiliates		–	–
15	Other	NOTE 9	1,633	9,980
16	Income taxes payable and accrued		–	–
17	Other accrued expenses	NOTE 6	16,041	28,487
18	Other current liabilities	NOTE 7	7,280	7,071
19	Total current liabilities		29,619	51,622
	Long–Term Debt:			
20	Due to affiliates	NOTE 8	325,859	225,000
21	Other	NOTE 9	5,837	24,723
22	Deferred Credits	NOTE 10	1,673	496
23	Other Liabilities	NOTE 13	2,949	58,208
24	Commitments and Contingencies	NOTE 14	–	–
25	Total Liabilities		365,937	360,049
26	Stockholders', Partners', or Proprietor's Equity		9,616	11,362
27	Total Liabilities and Equity		$ 375,553	$ 371,411

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Revenue:		
1	Casino	$ 266,907	$ 268,441
2	Rooms	18,324	25,783
3	Food and beverage	41,941	45,506
4	Other	8,938	10,910
5	Total revenue	336,110	350,640
6	Less: Promotional allowances	37,122	39,905
7	Net revenue	298,988	310,735
	Costs and Expenses:		
8	Costs of goods and services	155,507	165,328
9	Selling, general, and administrative	71,364	80,441
10	Provision for doubtful accounts	90	4,675
11	Total costs and expenses	226,961	250,444
12	Gross Operating Profit	72,027	60,291
13	Depreciation and amortization	17,554	15,842
	Charges from affiliates other than interest:		
14	Management fees NOTE 14	1,247	708
15	Other NOTE 14	2,513	2,127
16	Income (Loss) from Operations	50,713	41,614
	Other Income (Expenses):		
17	Interest (expense) – affiliates NOTE 11	(33,535)	(27,720)
18	Interest (expense) – external	(2,123)	(4,123)
19	Investment alternative tax and related income (expense) – net	(1,047)	(2,003)
20	Nonoperating income (expense) – net NOTE 12	(3,351)	(5,583)
21	Total other income (expense)	(40,056)	(39,429)
22	Income (Loss) before Income Taxes and Extraordinary Items	10,657	2,185
23	Provision (credit) for income taxes NOTE 16	1,110	(233)
24	Income (Loss) before Extraordinary Items	9,547	2,418
25	Extraordinary items (net of income taxes – 1993,$ – , 1992, $ –) NOTE 15	4,120	(38,205)
26	Net Income (Loss)	$ 13,667	$ (35,787)

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE	DESCRIPTION	(c) 1993	(d) 1992
(a)	(b)		
	Revenue:		
1	Casino	$ 59,641	$ 59,659
2	Rooms	4,353	3,958
3	Food and beverage	9,899	10,234
4	Other	2,291	1,791
5	Total revenue	76,184	75,642
6	Less: Promotional allowances	8,669	8,948
7	Net revenue	67,515	66,694
	Costs and Expenses:		
8	Costs of goods and services	36,918	38,379
9	Selling, general, and administrative	17,602	18,713
10	Provision for doubtful accounts	(32)	(392)
11	Total costs and expenses	54,488	56,700
12	Gross Operating Profit	13,027	9,994
13	Depreciation and amortization	4,149	3,911
	Charges from affiliates other than interest:		
14	Management fees NOTE 14	452	250
15	Other NOTE 14	475	535
16	Income (Loss) from Operations	7,951	5,298
	Other Income (Expenses):		
17	Interest (expense) – affiliates NOTE 11	(9,418)	(6,750)
18	Interest (expense) – external	(263)	(832)
19	Investment alternative tax and related income (expense) – net	(185)	(230)
20	Nonoperating income (expense) – net NOTE 12	(1,269)	(436)
21	Total other income (expense)	(11,135)	(8,248)
22	Income (Loss) before Income Taxes and Extraordinary Items	(3,184)	(2,950)
23	Provision (credit) for income taxes NOTE 16	(215)	(240)
24	Income (Loss) before Extraordinary Items	(2,969)	(2,710)
25	Extraordinary items (net of income taxes – 1993, $ – ; 1992, $ –)	–	–
26	Net Income (Loss)	$ (2,969)	$ (2,710)

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Invested Capital:		
1	Beginning balance (January 1)	$ 50,707	$ 50,707
2	Additional capital invested	–	–
3	Conversion of Preferred into a General Partnership Interest	18,407	–
4	Ending balance	69,114	50,707
	Accumulated Income (Loss):		
5	Beginning balance (January 1)	14,724	50,511
6	Prior period adjustments	–	–
7	Net income (loss)	13,667	(35,787)
8	_____	–	–
9	Ending balance	28,391	14,724
	Capital Withdrawals:		
10	Beginning balance (January 1)	(54,069)	(47,175)
11	Additional capital withdrawals	(27,500)	–
12	Preferred Partnership Interest Distribution	(6,320)	(6,894)
13	Ending balance	(87,889)	(54,069)
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:	–	–
14	Beginning balance (January 1)	–	–
15	_____	–	–
16	_____	–	–
17	Ending balance	–	–
18	Ending Partners' or Proprietor's Equity	$ 9,616	$ 11,362

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992	
1	Net Cash Provided (Used) by Operating Activities	$ 25,037	$ 27,017	
	Cash Flows from Investing Activities:			
2	Purchase of short-term investment securities	–	–	
3	Proceeds from the sale of short-term invest. securities	–	–	
4	Cash outflows for property and equipment	(9,618)	(7,119)	
5	Proceeds from disposition of property and equipment	–	34	
6	Purchase of casino reinvestment obligations	(2,823)	(1,853)	
7	Purchase of other investments and loans/advances made	(6,109)	(971)	
8	Proceeds from disposal of investments and collection of advances and long-term receivables	–	–	
9	Cash outflows to acquire business entities	–	–	
10	Casino Reinvestment Obligation Donation	–	312	
11		–	–	
12	Net Cash Provided (Used) by Investing Activities	(18,550)	(9,597)	
	Cash Flows from Financing Activities:			
13	Cash proceeds from issuance of short-term debt	1,478	1,523	
14	Payments to settle short-term debt	(2,651)	(1,725)	
15	Cash proceeds from issuance of long-term debt	325,687	51	
16	Costs of issuing debt	(14,299)	–	
17	Payments to settle long-term debt	(247,331)	(6,618)	
18	Cash proceeds from issuing stock or capital contribution	–	–	
19	Preferred Partnership interest payments	(40,000)	–	
20	Capital withdrawals	(27,500)	–	*
21	Charges to equity from refinancing & payments of dividends	(6,282)	(2,324)	*
22		–	–	
23	Net Cash Provided (Used) by Financing Activities	(10,898)	(9,093)	
24	Net Increase (Decrease) in Cash and Cash Equivalents	(4,411)	8,327	
25	Cash and Cash Equivalents at Beginning of Period	18,802	10,475	
26	Cash and Cash Equivalents at End of Period	$ 14,391	$ 18,802	

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 41,118	$ 25,310
28	Income taxes	$ –	$ –

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

12/87 * Prior year restated to conform to current year presentation.

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Net Cash Flows from Operating Activities:		
29	Net income (loss)	$ 13,667	$ (35,787)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment	17,177	15,211
31	Amortization of other assets	377	631
32	Amortization of debt discount or premium	172	–
33	Deferred income taxes – current	–	–
34	Deferred income taxes – noncurrent	1,177	(233)
35	(Gain) loss on disposition of property and equipment	26	(34)
36	(Gain) loss on casino reinvestment obligation	1,047	2,003
37	(Gain) loss from other investment activities	–	–
38	Net (increase) decrease in receivables and patrons' checks	913	4,774
39	Net (increase) decrease in inventories	(498)	(167)
40	Net (increase) decrease in other current assets	(199)	778
41	Net (increase) decrease in other assets	5,890	(958)
42	Net increase (decrease) in accounts payable	(1,489)	(1,373)
43	Net increase (decrease) in other current liabilities excluding debt	(9,103)	3,967
44		–	–
45	Extraordinary (Gain) Loss	(4,120)	38,205
46		–	–
47	Net Cash Provided (Used) by Operating Activities	$ 25,037	$ 27,017

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to property and equipment	$ (10,078)	$ (8,643)
49	Less: Capital lease obligations incurred	460	1,524
50	Cash Outflows for Property and Equipment	$ (9,618)	$ (7,119)
	Acquisition of Business Entities:		
51	Property and equipment acquired	$ –	$ –
52	Goodwill acquired	–	–
53	Net assets acquired other than cash, goodwill, and property and equipment	–	–
54	Long–term debt assumed	–	–
55	Issuance of stock or capital invested	–	–
56	Cash Outflows to Acquire Business Entities	$ –	$ –
	Stock Issued or Capital Contributions:		
57	Total issuances of stock or capital contribution	$ –	$ –
58	Less: Issuances to settle long–term debt	–	–
59	Consideration in acquisition of business entities	–	–
60	Cash Proceeds from Issuing Stock or Capital Contributions	$ –	$ –

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Trump Plaza Associates, (the "Company"), doing business as Trump Plaza Hotel and Casino ("Trump Plaza") was organized in June 1982 as a general partnership under the laws of the State of New Jersey for the purpose of acquiring, completing the construction of and operating Trump Plaza. As part of a Prepackaged Plan of Reorganization under Chapter 11 of the U.S. Bankruptcy Code consummated on May 29, 1992 the Company issued a Promissory Note to reflect the terms of the 12% Mortgage Notes. On June 25, 1993 the Company issued a new Promissory Note (the "Partnership Note") to reflect the terms of the 10 7/8% Mortgage Notes and redeemed all of the Company's outstanding 12% Mortgage Notes.

B. Offering of Mortgage Notes And Units

On June 25, 1993 Trump Plaza Funding, Inc. ("TPF") and the Company issued $330,000,000 of Mortgage Notes (for net proceeds of $325,687,000). The proceeds, together with cash on hand were used as follows: (i) $225 million of such proceeds were used to repay its promissory note to TPF which proceeds were then used by TPF to redeem the 12% Mortgage Bonds, due 2002; (ii) $12 million was used to repay the Regency Note; (iii) $40 million was used to repay a portion of the Preferred Partnership Interest; (iv) approximately $14.3 million was used to pay the expenses incurred in connection with the Offerings; (v) $27.5 million of the Mortgage Notes was used to make a Special Distribution to Donald J. Trump which was used by Donald J. Trump to repay certain personal indebtedness and (vi) to pay accrued interest on the Bonds and accrued dividends on the Preferred Stock. No portion of the net proceeds of the Offering was retained by the Company for working capital purposes.

C. Gaming Revenues

Gaming revenues represent the net win from gaming activities which is the difference between amounts wagered and amounts won by patrons. During 1992, certain Progressive Slot Jackpot Programs were discontinued which resulted in $4,100,000 of related accruals being taken into income.

D. Promotional Allowances

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

E. Inventories

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

F. 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 building improvements	40 years
Furniture, fixtures and equipment	3-10 years
Leasehold Improvements	10-40 years

Interest associated with borrowings used to finance construction projects has been capitalized and is being amortized over the estimated useful life of the assets.

G. Land Rights

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

H. Income Taxes

The Company adopted Statement of Financial Accounting Standards No. 109("SFAS No. 109"), Accounting for Income Taxes, effective January 1, 1993. Adoption of this new standard did not have a significant impact on the financial condition or results of operations. SFAS No. 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method deferred tax liabilities and assets are determined based on the difference between the financial statement and the tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

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

Under the New Jersey Casino Control Commission regulations, the Company is required to file a consolidated New Jersey corporation business tax return. Accordingly, a provision (benefit) for state income taxes has been reflected in the accompanying financial statements.

Deferred State income taxes result primarily from differences in the timing of reporting of depreciation for tax and financial statement purposes.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

I. Fair Value of Financial Instruments

The carrying amount of the following financial instruments of the Company approximates fair value, as follows: (a) cash and cash equivalents, accrued interest receivables and payables are based on the short term nature of these financial instruments; (b) CRDA bonds and deposits are based on the allowances to give effect to the below market interest rates.

The estimated fair values of other financial instruments are as follows:

	December 31, 1993	
	Carrying Amount	Fair Value
10 7/8% Mortgage Notes	$325,859,000	$330,000,000

The fair value of the Mortgage Note is based on quoted market prices obtained by the Company from its investment advisor.

There are no quoted market prices for other notes payable and a reasonable estimate could not be made without incurring excessive costs.

J. Statements of Cash Flows

For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

K. Reclassifications

Certain reclassifications were made to the 1992 financial statements to present them on a basis consistent with the 1993 classification.

NOTE 2: PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	1993	1992
Prepaid taxes	$ 463,000	$ 444,000
Prepaid insurance	737,000	670,000
Prepaid rent	124,000	124,000
Prepaid advertising costs	819,000	306,000
Prepaid CRDA expense	-	516,000
Prepaid sewerage costs	125,000	104,000
Other	433,000	338,000
	$2,701,000	$2,502,000

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

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

	1993	1992
Advances due from -		
Trump Seashore Associates	$ 863,000	$1,153,000
Trump Plaza Holding Associates	3,043,000	-
Casino reinvestment bonds and escrow deposit, net of valuation adjustment (1993) $2,981,000; (1992)$1,934,000	5,957,000	3,868,000
	$9,863,000	$5,021,000

NOTE 4: PROPERTY AND EQUIPMENT - NET

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

	1993	1992
Land and land improvements	$ 35,613,000	$ 34,906,000
Buildings	295,617,000	293,908,000
Furniture, fixtures and equipment	78,173,000	74,623,000
Leasehold improvements	2,404,000	2,378,000
Construction in progress	3,784,000	3,924,000
	415,591,000	409,739,000
Less - Accumulated depreciation & amortization	(122,450,000)	(109,473,000)
Net property and equipment	$ 293,141,000	$ 300,266,000

NOTE 5: OTHER ASSETS

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

	1993	1992
Land rights, net	$ 30,058,000	$ 30,428,000
Deferred Loan Cost (net of affiliate)	13,434,000	673,000
Deposits	1,370,000	1,285,000
Deferred slot tax charge	72,000	80,000
Other deferred charges	-	1,416,000
	$ 44,934,000	$ 33,882,000

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

NOTE 6: OTHER ACCRUED EXPENSES

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

	1993	1992
Accrued payroll	$ 6,489,000	$ 5,760,000
Accrued progressive jackpot liabilities	901,000	1,000,000
Accrued interest	1,498,000	8,024,000
Accrued gaming taxes payable	470,000	438,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	537,000	580,000
Accrued utilities	362,000	366,000
Accrued union benefits	220,000	297,000
Accrued health insurance benefits	1,558,000	1,645,000
Accrued parking, sales, use & luxury tax	253,000	133,000
Accrued professional costs	341,000	1,942,000
Accrued special event costs	822,000	934,000
Accrued repairs & maintenance costs	136,000	95,000
Accrued restructuring expense	-	1,414,000
Accrued preferred stock dividends	-	2,026,000
Distribution payable on income taxes to Trump Plaza Funding, Inc.	974,000	2,086,000
Other	1,480,000	1,747,000
	$16,041,000	$28,487,000

NOTE 7: OTHER CURRENT LIABILITIES

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

	1993	1992
Unredeemed chip/token liability	$1,886,000	$1,788,000
Patron deposits	279,000	835,000
Casino reinvestment liability	747,000	753,000
Reserve for insurance claims	2,808,000	2,153,000
Advance room/theater deposits	111,000	104,000
Advances due to Trump Castle Associates	321,000	333,000
Advances due to Trump Penthouse Parcel	-	87,000
Advances due to Seashore Four Associates	566,000	592,000
Advances due to Taj Mahal Associates	73,000	50,000
Other	489,000	376,000
	$7,280,000	$7,071,000

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES

Long-term debt-due to affiliates as of December 31, consisted of the following:

	1993	1992
10 7/8% Partnership Note, net of unamortized discount of $4,141,000, interest payable semi-annually, maturing in 2001.	$325,859,000	$ -
12% Partnership Note, interest payable semi-annually, maturing in 2002.	-	225,000,000
	$325,859,000	$225,000,000

On June 25, 1993 TPF issued $330,000,000 principal amount of 10 7/8% Mortgage Notes, due 2001, net of discount of $4,313,000. Net proceeds of the Offering were used to redeem all of TPF's outstanding $225,000,000 principal amount 12% Mortgage Bonds, due 2002 and together with other funds, $40,000,000 of the Preferred Partnership Interest, $12,000,000 principal amount of the 9.14% Regency Note due 2003, a portion of the Special Distribution and transaction expenses. (See Note 1(B) "Summary of Significant Accounting Policies"). In exchange for the Mortgage Notes, the Company issued a Partnership Note to TPF.

The Mortgage Notes mature on June 15, 2001 and are redeemable at any time on or after June 15, 1998, at the option of the Company or TPF, in whole or in part, at the principal amount plus a premium which declines ratably each year to zero in the year of maturity. The Mortgage Notes bear interest at the rate of 10 7/8% per annum from the date of issuance, payable semi-annually on each June 15 and December 15, commencing December 15, 1993 and are secured by substantially all of the Company's assets.

The Mortgage Note Indenture contains certain covenants limiting the ability of the Company to incur indebtedness, including indebtedness secured by liens on Trump Plaza.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

NOTE 9: LONG-TERM DEBT - OTHER

Long-term debt - other as of December 31, consisted of the following:

	1993	1992
10% note payable to Harrah's Atlantic City, Inc., interest payable monthly, maturing in 1993 (A)	$ -	$ 8,471,000
Regency Note (B)	-	17,500,000
Mortgage notes payable in monthly installments, including interest, with interest rates ranging from 10.0% to 11.0%. The notes are due at various dates between 1994 and 1998 and are secured by certain real property.	6,410,000	7,284,000
Other notes with interest rates ranging from 8.0% to 11.5%, principal and interest payable monthly, secured by automobile and computer equipment	1,060,000	1,448,000
	7,470,000	34,703,000
Less current maturities	1,633,000	9,980,000
	$5,837,000	$24,723,000

(A) The entire $8,471,000 principal amount of the 10% note payable was repaid on May 16, 1993.

(B) The entire $17,500,000 principal amount of 9.14% Regency Note due 2003 was settled on June 25, 1993 with $12.0 million of proceeds from the Mortgage Notes Offering with the excess of the carrying value being classified as an extraordinary gain. See Note 15 Extraordinary Gain (Loss).

The aggregate maturities of long-term debt - other in each of the years subsequent to 1993 are:

1994	$ 1,633,000
1995	2,850,000
1996	542,000
1997	2,012,000
1998	433,000
	$ 7,470,000

NOTE 10: DEFERRED CREDITS

Deferred credits as of December 31, 1993 and 1992 consisted of deferred state income taxes.

NOTE 11: INTEREST (EXPENSE) - AFFILIATES

Interest (Expense)- Affiliates consisted of the interest on the 12% Partnership Note and the 10 7/8% Partnership Note upon consummation of the Mortgage Note Offering on June 25, 1993 for the three and twelve months ended December 31, 1993 and interest on the 12 7/8% Partnership Note and the 12% Partnership Note which was exchanged for the 12 7/8% Partnership Note on May 29, 1992, for the three and twelve months ended December 31, 1992.

NOTE 12: NONOPERATING INCOME (EXPENSE) - NET

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

	Three Months Ended		Twelve Months Ended	
	1993	1992	1993	1992
Interest income	$ 185,000	$ 136,000	$ 546,000	$ 487,000
Gain (Loss) on disposal of property and equipment	(31,000)	-	(26,000)	34,000
Litigation expense	(352,000)	(320,000)	(393,000)	(1,462,000)
Restructuring expense	-	(566,000)	-	(5,177,000)
Nonoperating lease and related costs	(1,781,000)	-	(4,049,000)	-
Other nonoperating income	710,000	314,000	571,000	535,000
	$(1,269,000)	$(436,000)	$(3,351,000)	$(5,583,000)

NOTE 13: OTHER LIABILITIES

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

	1993	1992
Preferred Partnership Interest	$ -	$58,092,000
Deferred Income Taxes relating to Preferred Partnership Interest	2,949,000	116,000
	$2,949,000	$58,208,000

On June 25, 1993, the date of the consummation of the Offerings, TPF's Preferred Stock units were redeemed with $40.0 million of the proceeds of the Company's 10 7/8% Mortgage Note as well as Trump Plaza Holding Associates ("Holding")'s $35.0 million of PIK Notes (see Note 14(D) Commitments and Contingencies). The balance of the Company's preferred partnership interest was converted into and classified as a general partnership interest in accordance with the amended Partnership Agreement.

NOTE 14: COMMITMENTS AND CONTINGENCIES

A. Leases

The Company leases property (primarily land), certain parking space, and various equipment under operating leases. Rent expense for the years ended December 31, 1993 and 1992 was $4,338,000 and $4,361,000 respectively, of which $2,513,000 and $2,127,000, respectively, relates to affiliates of the Company.

Future minimum lease payments under the noncancelable operating leases are as follows:

	Total	Amounts Relating to Affiliates
1994	$ 6,220,000	$ 1,900,000
1995	6,445,000	2,125,000
1996	6,670,000	2,350,000
1997	6,670,000	2,350,000
1998	5,110,000	2,350,000
Thereafter	274,183,000	193,600,000
	$305,298,000	$204,675,000

Certain of these leases contain options to purchase the leased properties at various prices throughout the leased terms. At December 31, 1993, the aggregate option price for these leases was approximately $58,000,000.

A. Leases cont.

In October, 1993 the Company assumed the Boardwalk Expansion Site Lease and related expenses. In connection with the Offerings, the Company acquired a five-year option to purchase the Boardwalk Expansion Site (the "Option"). Management intends to exercise this option by June 30, 1995. See Note 14(E) Commitments and Contingencies Future Expansion.

B. Casino Reinvestment Development Authority Obligations

Pursuant to the provisions of the Act, the Company, commencing twelve months after the date of the opening of Trump Plaza in May 1984, and continuing for a period of twenty-five years thereafter, must either obtain investment tax credits (as defined in the Casino Control Act), 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, (as defined in the Casino Control Act). Investment tax credits may be obtained by making qualified investments or by the purchase of bonds at below market interest rates from the Casino Reinvestment Development Authority ("CRDA"). The Company is required to make quarterly deposits with the CRDA. Investments, Advances and Receivables as of December 31,1993 include $2,119,000 of below market interest rate bonds issued by the CRDA and $6,819,000 of deposits paid towards the purchase of below market interest rate bonds.

C. Casino License Renewal

The operation of an Atlantic City hotel and casino is subject to significant regulatory controls which affect virtually all of its operations. Under the New Jersey Casino Control Act (the "Act"), the Company is required to maintain certain licenses.

In April, 1993, the New Jersey Casino Control Commission ("CCC") renewed the Company's license to operate Trump Plaza. This license must be renewed in June, 1995, is not transferable and will include a review of the financial stability of the Company. Upon revocation, suspension for more than 120 days, or failure to renew the casino license, the Act provides for the mandatory appointment of a conservator to take possession of the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

D. Pay-In-Kind Notes

On June 25, 1993, Holding, a newly formed Partnership beneficially owned 100% by Donald J. Trump ("Trump"), issued $60,000,000 principal amount of 12 1/2% Pay-In-Kind Notes (the "PIK Notes"), due 2003, together with Warrants to acquire an additional $12,000,000 of PIK Notes at no additional cost. The Warrants will be exercisable following the earlier of certain triggering events or June 15, 1996.

D. Pay-In-Kind Notes cont.

The PIK Notes mature on June 15, 2003. The PIK Notes bear interest at the rate of 12 1/2% per annum from the date of issuance, payable semi-annually on each June 15 and December 15, commencing December 15, 1993. At the option of Holding, interest is payable in whole or in part, in cash or, in lieu of cash, through the issuance of additional PIK Notes valued at 100% of their principal amount. Holding has no other assets or business other than its 99% equity interest in the Company. As such, the ability of Holding to pay interest in cash on the PIK Notes is entirely dependent on the ability of the Company to distribute available cash, as defined, to Holding for such purpose. On December 15, 1993 the Company elected to issue, in lieu of cash, an additional $3,562,000 in PIK Notes to satisfy its semi-annual PIK Note interest obligation.

The PIK Notes are subordinate to TPF's Mortgage Notes and any other indebtedness of the Company. The PIK Notes are secured by a pledge of Holding's 99% equity interest in the Company. The indenture to which the PIK Notes were issued (the "PIK Note Indenture") contains covenants prohibiting Holding from incurring additional indebtedness and engaging in other activities, and other covenants restricting the activities of the Company substantially similar to those set forth in the Mortgage Note Indenture. The PIK Note and Warrants are non-recourse to the Partners of Holding, including Trump, and to all other persons and entities (other than Holding). Upon an event of default, holders of PIK Notes or Warrants will have recourse only to the assets of Holding which consist solely of its equity interest in the Company.

E. Future Expansion

In 1993, the Company received the approval of the CCC, subject to certain conditions, for the expansion of its hotel facilities (the "Boardwalk Expansion Site"). On June 25, 1993, the date the Offerings were consummated, Trump transferred title to the Boardwalk Expansion Site to a lender in exchange for a reduction in Trump's indebtedness to such lender in an amount equal to the sum of fair market value of the Boardwalk Expansion Site and all rent payments made to such lender by Trump under the Boardwalk Expansion Site Lease. On the date the Offerings were consummated, the lender leased the Boardwalk Expansion Site to Trump (the "Boardwalk Expansion Site Lease") for a term of five years,which expires on June 30, 1998, during which time Trump is obligated to pay the lender $260,000 per month in lease payments. In October 1993, the Company assumed the Boardwalk Expansion Site Lease and related expenses.

In connection with the Offerings, the Company acquired a five-year option to purchase the Boardwalk Expansion Site (the "Option"). Until such time as the Option is exercised or expires, the Company will be obligated, from and after the date it entered into the Option, to pay the net expenses associated with the Boardwalk Expansion Site. Under the Option, the Company has the right to acquire the Boardwalk Expansion Site for a purchase price of $26.0 million

E. Future Expansion cont.

through 1994, increasing by $1.0 million annually thereafter until expiration on June 30, 1998. The CCC has required that the Company exercise the Option for its right of first refusal therein no later than July 1, 1995. If the Company defaults in making payments due under the Option, the Company would be liable to the lender for the sum of (a) the present value of all remaining payments to be made by the Company pursuant to the Option during the term thereof and (b) the cost of demolition of all improvements then located on the Boardwalk Expansion Site.

As of December 31, 1993 the Company had capitalized approximately $2.7 million in construction costs related to the Boardwalk Expansion Site. The Company's ability to acquire the Boardwalk Expansion Site pursuant to the Option would be dependent upon its ability to obtain financing to acquire the property. The ability to incur such indebtedness is restricted by the Mortgage Note Indenture and the PIK Note Indenture and requires the consent of certain of Trump's personal creditors. The Company's ability to develop the Boardwalk Expansion Site would be dependent upon its ability to use existing cash on hand and generate cash flow from operations sufficient to fund development costs. No assurance can be given that such cash on hand will be available to the Company for such purposes or that it will be able to generate sufficient cash flow from operations. In addition, exercise of the Option requires the consent of certain of Trump's personal creditors, and there can be no assurance that such consent will be obtained at the time the Company desires to exercise the Option or such right.

The accompanying financial statements do not include any adjustments that may be necessary should the Company be unable to exercise the Option.

F. Services Agreement

Pursuant to the terms of a Services Agreement with Trump Plaza Management Corp. ("TPM"), a corporation beneficially owned by Trump, in consideration for services provided, the Company pays TPM each year an annual fee of $1.0 million in equal monthly installments, and reimburses TPM on a monthly basis for all reasonable out-of-pocket expenses incurred by TPM in performing its obligations under the Services Agreement, up to certain amounts. Under this Agreement, $1,247,000 was charged to expense for the year ended December 31, 1993.

G. Advances to Donald J. Trump

In December, 1993, Trump entered into an option agreement (the "Chemical Option Agreement") with Chemical Bank ("Chemical") and ACFH, Inc. ("ACFH") a wholly owned subsidiary of Chemical. The Chemical Option Agreement grants to Trump an option to purchase (i) the Trump Regency (including the land, improvements and personal property used in the operation of the hotel) and (ii) certain promissory notes made by Trump and/or certain of his affiliates

G. Advances to Donald J. Trump cont.

and payable to Chemical (the "Chemical Notes") which are secured by certain real estate assets located in New York, unrelated to the Company.

The aggregate purchase price payable for the assets subject to the Chemical Option Agreement is $80 million. Under the terms of the Chemical Option Agreement, $1 million was required to be paid for the option by January 5, 1994. The option expires on May 6, 1994, provided that the option may be extended until June 30, 1994 by the payment of an additional $250,000 on or before that date. The $1 million payment (and the $250,000 payment, if made) may be credited against the $80 million purchase price. The Chemical Option Agreement does not allocate the purchase price among the assets subject to the option or permit the option to be exercised for some, but not all, of such assets.

In connection with the execution of the Chemical Option Agreement, Trump agreed with the Company that, if Trump is able to acquire the Trump Regency pursuant to the exercise of the option, he would make the Trump Regency available for the sole benefit of the Company on a basis consistent with the Company's contractual obligations and requirements. Trump further agreed that the Company would not be required to pay any additional consideration to Trump in connection with any assignment of the option to purchase the Trump Regency. On January 5, 1994, the Company obtained the approval of the CCC to make the $1 million payment, and the payment was made on that date.

Note 15: Extraordinary Gain (Loss):

The $4,120,000 excess of the carrying value of the Regency Hotel obligation over the amount of the settlement payment net of related prepaid expenses has been reported as an extraordinary gain for the year ended December 31, 1993.

The extraordinary loss for the year ended December 31, 1992 consists of the effect of stating the Bonds and Preferred Stock issued at fair value and the write-off of certain deferred financing charges and costs.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

NOTE 16: PROVISION (CREDIT) FOR INCOME TAXES

The provision (credit) for state income taxes for the three and twelve months ended December 31, consisted of the following:

	Three months ended		Twelve months ended	
	1993	1992	1993	1992
Current	$ -	$ -	$ (67,000)	$ -
Deferred	(215,000)	(240,000)	1,177,000	(233,000)
Total	$(215,000)	$(240,000)	$1,110,000	$(233,000)

Note 17: Employee Benefit Plans

The Company has a retirement savings plan for its nonunion employees under Section 401(K) of the Internal Revenue Code. Employees are eligible to contribute up to 15% of their earnings to the plan and the Company will match 50% of an eligible employee's contributions up to a maximum of 4% of the employee's earnings. The Company recorded charges of $765,000 and $699,000 for matching contributions for the years ended December 31, 1993 and 1992, respectively.

TRADING NAME OF LICENSEE: Trump Plaza Hotel & Casino

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1993

(Unaudited)
($ in thousands)

Line (a)	Description (b)	Account Balance (c)	Allowance (d)	Accounts Receivable net of allowance (e)
1	Patrons' Check: Undeposited patrons' checks	$ 3,074		
2	Returned patron's check	12,914		
3	Total patron's checks	15,988	10,377	5,611
4	Hotel Receivables	1,390	239	1,151
5	Other Receivables: Receivables due from officers and employees	10		
6	Receivables due from affiliates	-		
7	Other accounts and notes receivables	185		
8	Total other receivables	195		195
9	Totals (Form 205)	$ 17,573	$ 10,616	$ 6,957

Line (f)	UNDEPOSITED PATRON'S CHECKS ACTIVITY Description (g)	Amount (h)
10	Beginning Balance (January 1)	$ 3,232
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patron's cash deposits).	122,721
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 patron's cash deposits).	(90,052)
13	Checks collected through deposits	(25,991)
14	Checks transferred to returned checks	(6,836)
15	Other adjustments	-
16	Ending Balance	3,074
17	"Hold Checks" included in Balance on Line 16	-
18	Provisions for Uncollectible Patron's Checks	99
19	Provisions as a percent of Counter Checks issued.	0.1%

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL AND CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

For the Three Months Ended December 31, 1993

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	23,594	$2,610,000	1,031	$ 77,000
Food	216,377	2,812,000	-	-
Beverage	639,978	1,920,000	-	-
Travel	-	-	4,584	687,000
Coin	-	-	657,331	3,976,000
Coupon	171,374	864,000	-	-
Entertainment	13,651	259,000	1,552	62,000
Retail & Gifts	-	-	121	197,000
Other	20,352	204,000	6,884	172,000
Total	1,085,326	$8,669,000	671,503	$5,171,000

For the Twelve Months Ended December 31, 1993

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	96,360	$10,912,000	2,897	$ 217,000
Food	896,332	11,652,000	-	-
Beverage	2,722,731	8,168,000	-	-
Travel	-	-	20,235	3,035,000
Coin	-	-	2,861,348	17,782,000
Coupon	831,986	4,329,000	-	-
Entertainment	55,596	1,209,000	3,877	155,000
Retail & Gifts	-	-	464	1,049,000
Other	85,181	852,000	27,440	686,000
Total	4,688,186	$37,122,000	2,916,261	$22,924,000

STATEMENT OF CONFORMITY AND ACCURACY

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

GEORGE T. PAPANIER, being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Annual Report.

2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.

3. The information contained in this Annual Report is accurate to the best of my knowledge and belief.



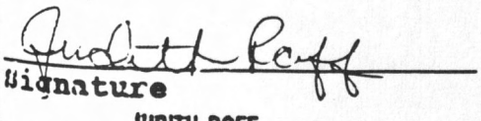
Signature

Vice President of Finance
Title

004859-11
License Number

On Behalf Of:

Subscribed and sworn to before me this 14 **day of** March **, 1994**



Signature

JUDITH ROFF
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb. 24, 1998

Basis of Authority to Take Oaths

4/86

CCC-250

GROSS REVENUE
ANNUAL TAX RETURN

LICENSEE: TRUMP PLAZA HOTEL & CASINO

ADDRESS: MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
MAR 15 1994
CASINO CONTROL
COMMISSION

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

OFFICIAL TITLE..... VICE-PRESIDENT OF FINANCE

ADDRESS..... MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

TRADING NAME OF LICENSEE TRUMP HOTEL AND CASINO

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 93

(UNAUDITED)

($ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	$ 93,593	
2	Coin-operated devices revenue	173,215	
3	Total revenues		$ 266,808
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	$ 99	
5	Maximum adjustment (4% of line 3)	$ 10,672	
6	Adjustment (the lesser of line 4 or line 5)		99
7	Gross revenues (line 3 less line 6)		$ 266,709
8	Tax on gross revenues - current year (8% of line 7)		$ 21,337
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)		21,337
	Deposits made for tax on current year's gross revenues:		
11	January	$ 1,236	
12	February	1,538	
13	March	1,787	
14	April	1,640	
15	May	2,047	
16	June	1,867	
17	July	2,010	
18	August	2,293	
19	September	1,800	
20	October	1,607	
21	November	1,876	
22	December	1,165	
23	January	471	
24	Total deposits made for tax on current year's gross revenues		(21,337)
	Settlement of prior years' tax on gross revenues		
25	resulting from audit or other adjustments - (deposits) credits		-
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		$ -

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF :
:ss.
COUNTY OF :

GEORGE T. PAPANIER, 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 of Finance
Title

004859-11
License Number

On Behalf Of:

Trump Plaza Hotel & Casino
Casino Licensee

Subscribed and sworn to
before me this 14 day
of March, 1994.

Signature

JUDITH ROFF
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb. 24, 1998

Basis of Authority
to Take Oaths

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE: TRUMP PLAZA HOTEL & CASINO

ADDRESS: MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEB

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL EMPLOYMENT
AND PAYROLL REPORT..... GEORGE T. PAPANIER

OFFICIAL TITLE..... VICE-PRESIDENT OF FINANCE

ADDRESS..... MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

TRADING NAME OF LICENSEE **TRUMP PLAZA HOTEL & CASINO**

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993

($ in thousands)

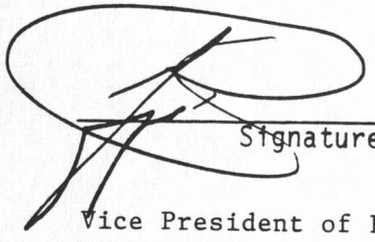
LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES (c)	SALARIES AND WAGES		
			OTHER EMPLOYEES(d)	OFFICERS & OWNERS(e)	TOTAL(f)
1	**CASINO** Administration	2			
2	Gaming	800			
3	Slots	169			
4	Casino Accounting	436			
5	Other	10			
6	Total-casino	1,417	$ 32,676	$ -	$ 32,676
7	**ROOMS**	173	3,639	-	3,639
8	**FOOD AND BEVERAGE**	793	13,617	-	13,617
	OTHER OPERATED DEPARTMENTS				
9	Other Operated Departments	216	3,785	-	3,785
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	18	336	1,232	1,568
21	Accounting and auditing	134	2,877	-	2,877
22	Security	208	4,624	-	4,624
23	Other administrative and general department	128	3,586	-	3,586
24	**MARKETING**	146	2,801	-	2,801
25	**GUEST ENTERTAINMENT**	31	1,214	-	1,214
26	**PROPERTY OPERATION AND MANAGEMENT**	335	8,697	-	8,697
27	**TOTAL - ALL DEPARTMENTS**	3,599	$ 77,852	$ 1,232	$ 79,084

Trading Name of Licensee TRUMP PLAZA HOTEL & CASINO

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 1993

3-15-94
Date



Signature

Vice President of Finance
Title

NEW JERSEY STATE LIBRARY
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974.901
C193

ANNUAL REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAR 25 1994
185 W. STATE ST.
TRENTON, N.J.

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
MAR 16 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT..... R. BRUCE MCKEE

OFFICIAL TITLE..... SENIOR VICE PRESIDENT, FINANCE

ADDRESS..... 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

LIST OF FORMS – ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993.

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

BALANCE SHEETS

DECEMBER 31, 1993 AND 1992

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		DECEMBER (c) 1993	DECEMBER (d) 1992
	ASSETS			
	Current Assets:			
1	Cash and cash investments		$ 58,024	$ 34,042
2	Marketable securities		-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1993, $4,346; 1992, $5,275)		13,034	14,225
4	Inventories		4,685	3,073
5	Prepaid expenses and other current assets		3,986	3,671
6	Total current assets		79,729	55,011
7	Investment, Advances, and Receivables - CRDA		7,132	4,368
8	Property and Equipment - Gross	NOTE 3	863,316	846,634
9	(Accumulated Depreciation/Amortization)	NOTE 3	(140,482)	(104,505)
10	Other Assets		1,793	1,028
11	Total Assets		$ 811,488	$ 802,536
	LIABILITIES AND EQUITY			
	Current Liabilites:			
12	Accounts Payable		$ 3,934	$ 5,159
13	Notes Payable		-	-
	Current portion of long-term debt:			
14	Due to affiliates		-	-
15	Other	NOTES 2 & 4	805	513
16	Income taxes payable and accrued		-	-
17	Other accrued expenses	NOTE 5	36,009	32,116
18	Other current liabilities	NOTE 6	10,042	6,789
19	Total current liabilities		50,790	44,577
	Long-Term Debt:			
20	Due to affiliates	NOTES 2 & 4	580,464	550,140
21	Other	NOTES 2 & 4	45,301	45,542
22	Deferred Credits		-	-
23	Other Liabilities	NOTE 7	28,312	31,384
24	Commitments, Contingencies and Subsequent Events	NOTES 10 & 14		
25	Total Liabilities		704,867	671,643
26	Stockholders', Partners', or Proprietor's Equity		106,621	130,893
27	Total Liabilities and Equity		$ 811,488	$ 802,536

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	REVENUE:		
1	Casino	$ 446,216	$ 417,972
2	Rooms	40,682	41,044
3	Food and Beverage	55,953	59,456
4	Other	16,656	16,458
5	Total Revenue	559,507	534,930
6	Less: Promotional allowances	56,444	61,250
7	Net Revenue	503,063	473,680
	COSTS AND EXPENSES:		
8	Cost of Goods and Services	235,187	227,601
9	Selling, General and Administrative	135,308	128,387
10	Provision for Doubtful Accounts	3,472	6,197
11	Total Costs and Expenses	373,967	362,185
12	Gross Operating Profit	129,096	111,495
13	Depreciation and Amortization	36,858	36,388
	Charges from Affiliates other than Interest:	-	-
14	Management Fees	-	-
15	Other NOTE 8	5,016	4,517
16	Income (Loss) From Operations	87,222	70,590
	Other Income (Expenses):		
17	Interest (Expenses) - Affiliates NOTE 4	(102,337)	(98,072)
18	Interest (Expenses) - External NOTE 4	(6,042)	(5,977)
19	Investment Alternative Tax and Related Income(Expense) - Net	(2,764)	(2,563)
20	Nonoperating Income (Expense) - Net NOTE 9	1,382	923
21	Total Other Income (Expenses)	(109,761)	(105,689)
22	Income (Loss) Before Income Taxes and Extraordinary Items	(22,539)	(35,099)
23	Provision (Credit) for Income Taxes	-	-
24	Income (Loss) Before Extraordinary Items	(22,539)	(35,099)
25	Extraordinary Items	-	-
26	Net Income (Loss)	$ (22,539)	$ (35,099)

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

THREE MONTHS ENDED DECEMBER 31, 1993 AND 1992

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	REVENUE:		
1	Casino	$ 108,139	$ 98,999
2	Rooms	9,636	9,269
3	Food and Beverage	14,105	12,692
4	Other	3,730	4,155
5	Total Revenue	135,610	125,115
6	Less: Promotional allowances	14,071	12,102
7	Net Revenue	121,539	113,013
	COSTS AND EXPENSES:		
8	Cost of Goods and Services	58,920	54,366
9	Selling, General and Administrative	34,129	31,529
10	Provision for Doubtful Accounts	(296)	441
11	Total Costs and Expenses	92,753	86,336
12	Gross Operating Profit	28,786	26,677
13	Depreciation and Amortization	9,371	9,138
	Charges from Affiliates other than Interest:	-	-
14	Management Fees	-	-
15	Other NOTE 8	1,287	1,061
16	Income (Loss) From Operations	18,128	16,478
	Other Income (Expenses):		
17	Interest (Expenses) - Affiliates NOTE 4	(26,029)	(24,867)
18	Interest (Expenses) - External NOTE 4	(2,509)	(2,180)
19	Investment Alternative Tax and Related Income(Expense) - Net	(677)	(617)
20	Nonoperating Income (Expense) - Net NOTE 9	531	228
21	Total Other Income (Expenses)	(28,684)	(27,436)
22	Income (Loss) Before Income Taxes and Extraordinary Items	(10,556)	(10,958)
23	Provision (Credit) for Income Taxes	-	-
24	Income (Loss) Before Extraordinary Items	(10,556)	(10,958)
25	Extraordinary Items	-	-
26	Net Income (Loss)	$ (10,556)	$ (10,958)

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992

UNAUDITED

($ IN THOUSANDS)

NOT APPLICABLE

LINE	DESCRIPTION	1993 (C) SHARES	1993 (D) DOLLARS	1992 (E) SHARES	1992 (F) DOLLARS
	Common Stock:				
1	Beginning Balance (January 1)		$		$
2	Sale of Stock				
3	_____				
4	Ending Balance				
	Preferred Stock:				
5	Beginning Balance (January 1)				
6	Sale of Stock				
7	_____				
8	Ending Balance				
	Additional Paid-in Capital:				
9	Beginning Balance (January 1)				
10	_____				
11	_____				
12	Ending Balance				
	Treasury Stock:				
13	Beginning Balance (January 1)		( )		( )
14	Purchase of Additional Stock		( )		( )
15	Sale or Retirement of Stock				
16	Ending Balance		( )		( )
	Subscriptions Receivable for Capital Stock:				
17	Beginning Balance (January 1)		( )		( )
18	_____				
19	_____				
20	Ending Balance		( )		( )
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:				
21	Beginning Balance (January 1)		( )		( )
22	_____				
23	_____				
24	Ending Balance		( )		( )
	Retained Earnings:				
25	Beginning Balance (January 1)				
26	Prior Period Adjustments				
27	Net Income (Loss)				
28	Dividends		( )		( )
29	_____				
30	_____				
31	Ending Balance				
32	Ending Stockholders' Equity		$		$

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Invested Capital:		
1	Beginning Balance	$ 123,745	$ 123,745
2	Capital Contributions	0	0
3	_____	0	0
4	Ending Balance	123,745	123,745
	Accumulated Income (Loss):		
5	Beginning Balance	8,973	44,072
6	Prior Period Adjustments	0	0
7	Net Income (Loss)	(22,539)	(35,099)
8	_____	0	0
9	Ending Balance	(13,566)	8,973
	Capital Withdrawals:		
10	Beginning Balance	(1,825)	-
11	Additional Capital Withdrawals	-	-
12	Partnership Distribution NOTE 12	(1,733)	(1,825)
13	Ending Balance	(3,558)	(1,825)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance	-	-
15	_____	-	-
16	_____	-	-
17	Ending Balance	0	0
18	Ending Partners' or Proprietor's Equity	$ 106,621	$ 130,893

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
1	Net Cash Provided (Used) by Operating Activities	$ 34,055	$ 22,942
	Cash Flows from Investing Activities:		
2	Purchase of Short-Term Investment Securities	-	-
3	Proceeds from the Sale of Short-Term Investment Securities	-	-
4	Purchase Outflows for Property and Equipment	(16,752)	(12,111)
5	Proceeds from Disposition of Property and Equipment	-	-
6	Purchase of Casino Reinvestment Obligations	(5,408)	(5,648)
7	Purchase of Other Investments and Loans/Advances Made	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables	-	-
9	Cash Outflows to Acquire Business Entities	-	-
10	_____	-	-
11	_____	-	-
12	Net Cash Provided (Used) by Investing Activities	(22,160)	(17,759)
	Cash Flows from Financing Activites:		
13	Cash Proceeds from Issuance of Short-Term Debt	-	-
14	Payments to Settle Short-Term Debt	-	-
15	Cash Proceeds from Issuance of Long-Term Debt	-	8,000
16	Costs of Issuing Debt	-	-
17	Payments to Settle Long-Term Debt	(759)	(8,675)
18	Cash Proceeds from Issuing Stock or Capital Contributions	-	-
19	Reduction in Debt Due To Restructuring	-	-
20	Subcontractor's Note Settlement	-	-
21	Issuance of Additional Bonds	14,579	8,844
22	Partnership Distribution	(1,733)	(1,825)
23	Net Cash Provided (Used) by Financing Activites	12,087	6,344
24	Net Increase (Decrease) in Cash and Cash Equivalents	23,982	11,527
25	Cash and Cash Equivalents at Beginning of Period	34,042	22,515
26	Cash and Cash Equivalents at End of Period	$ 58,024	$ 34,042

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period for:		
27	Interest (Net of Amount Capitalized)	$ 75,972	$ 74,778
28	Income Taxes	$ -	$ -

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1993	(d) 1992
	Net Cash Flows from Operating Activities:		
29	Net Income (Loss)	$ (22,539)	$ (35,099)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	36,858	36,388
31	Amortization of Other Assets	-	-
32	Amortization of Debt Discount or Premium	15,745	13,172
33	Deferred Income Taxes - Current	-	-
34	Deferred Income Taxes - Noncurrent	-	-
35	(Gain) Loss on Disposition of Property and Equipment	-	-
36	(Gain) Loss on Casino Reinvestment Obligations	2,644	3086
37	(Gain Loss from Other Investment Activities	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks	1,191	2,848
39	Net (Increase) Decrease in Inventories	(1,612)	(6)
40	Net (Increase) Decrease in Other Current Assets	(315)	(1,038)
41	Net (Increase) Decrease in Other Assets	(765)	(226)
42	Net Increase (Decrease) in Accounts Payables	(1,225)	640
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	7,145	(2,248)
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	(4,835)	3,906
45	Net Increase in Notes Payable	-	-
46	Costs related to lease guarantee	1,763	1,519
47	Net Cash Provided (Used) by Operating Activites	$ 34,055	$ 22,942

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment	$ 17,562	$ 12,382
49	Less: Captial Lease Obligations Incurred	(810)	(271)
50	Cash Outflows for Property and Equipment	$ 16,752	$ 12,111
	Acquisition of Business Entities:		
51	Property and Equipment Acquired	$ N/A	$ N/A
52	Goodwill Acquired	-	
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment	-	
54	Long-Term Debt Assumed	-	
55	Issuance of Stock or Capital Invested	-	
56	Cash Outflows to Acquire Business Entities	$ -	$
	Stock Issued or Capital Contributions:		
57	Total Issuances of Stock or Capital Contributions	$ N/A	$ N/A
58	Less: Issuances to Settle Long-Term Debt	-	
59	Consideration in Acquisition of Business Entities	-	
60	Cash Proceeds from Issuing Stock or Capital Contributions	$ -	$

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1993

NOTE 1 - ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation:

The accompanying consolidated financial statements include those of Trump Taj Mahal Associates (the "Partnership"), and its wholly owned subsidiary, Trump Taj Mahal Funding, Inc. (the "Company"). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Trump Taj Mahal Associates was formed on June 23, 1988, as a New Jersey limited partnership. The Partnership was converted to a general partnership in December, 1990. As a result of the Plan of Reorganization (Note 2), the current partners and their respective ownership interests are Trump Taj Mahal, Inc. ("TTMI"), 49.995%, The Trump Taj Mahal Corporation ("Trump Corp."), .01%, and TM/GP Corporation ("TMGP"), the managing general partner, and a wholly owned subsidiary of Taj Mahal Holding Corp. ("Holding"), 49.995%.

The Partnership was formed for the purpose of acquiring, constructing and operating the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City Hotel, Casino and Convention Center Complex. On April 2, 1990, the Partnership opened the Taj Mahal to the public.

Trump Taj Mahal Funding, Inc. (the "Company") was incorporated on June 3, 1988 for the purpose of raising funds through the issuance of its 14% First Mortgage Bonds, Series A, due 1998 (the "Bonds"), the proceeds of which were loaned to the Partnership for construction of the Taj Mahal. The Bonds were subsequently exchanged for the Company's 11.35% Mortgage Bonds, Series A, due 1999 (the "New Bonds"), as more fully described in Note 2. Since the Company has no business operations, its ability to repay the principal and interest on the New Bonds is completely dependent on the operations of the Partnership.

Donald J. Trump beneficially owns 50% of the Company and the Partnership and has pledged his total ownership interest as collateral under various debt agreements.

Summary of Significant Accounting Policies:

Revenue Recognition

Casino revenues consist of the net win from gaming activities, which is the difference between gaming wins and losses. Revenues from hotel and other services are recognized at the time the related service is performed. During 1992, certain Progressive Slot Jackpot Programs were discontinued which resulted in approximately $2,186,000 of related accruals being taken into income.

Promotional Allowances

Gross revenues include the retail value of complimentary rooms, food, beverages and other 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. Promotional allowances consisted of the following:

	Year Ended December 31,	
	1993	1992
	(in thousands)	
Rooms	$23,079	$23,692
Food & Beverage	30,734	34,403
Other	2,631	3,155
	$56,444	$61,250

Income Taxes

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

Under the New Jersey Casino Control Commission regulations, the Partnership is required to file a New Jersey corporation business tax return.

Inventories

Inventories are carried at cost on a weighted average basis.

Property and Equipment

Property and equipment is recorded at cost and is depreciated on the straight-line method over the estimated useful lives of assets. Estimated useful lives range from

three to seven years for furniture, fixtures and equipment and 40 years for buildings and building improvements. Leasehold improvements are amortized over the term of the related lease commencing in the period these assets are placed in service. The interest expense associated with borrowings used to fund the purchase and construction of the Taj Mahal has been capitalized and is being amortized over the estimated useful life of the facility.

Cash and Cash Investments

Cash and cash investments include hotel and casino funds, funds on deposit with banks and temporary investments having a maturity of three months or less.

NOTE 2 - PLAN OF REORGANIZATION:

On July 16, 1991, the Company, the Partnership, and its general partners filed a voluntary petition for relief under Chapter 11 of title 11, United States Code (the "Bankruptcy Code"). On July 17, 1991 these entities filed a Plan of Reorganization, as amended (the "Plan"). The Plan was confirmed by the Bankruptcy Court on August 28, 1991 and the Plan was consummated on October 4, 1991 (the "Effective Date"). Pursuant to the terms of the Plan, the Company's 14% First Mortgage Bonds, Series A, due 1998 (the "Old Bonds") were exchanged for the Company's 11.35% Mortgage Bonds, Series A, due 1999 (the "New Bonds") and certain modifications were made to the terms of bank borrowings, and amounts owed to both Donald J. Trump and his affiliates. In addition, approximately 50% of the ownership interest in the Partnership was transferred indirectly to the holders of the Old Bonds. Since the Company has no business operations, its ability to repay the principal and interest on the New Bonds is completely dependent on the operations of the Partnership.

In accordance with AICPA Statement of Position 90-7, "Financial Reporting By Entities in Reorganization Under the Bankruptcy Code", the New Bonds when issued were stated at the present value of amounts to be paid, determined at current interest rates (effective rate of approximately 18%). The effective interest rate of the New Bonds was determined based on the trading price of the New Bonds for a specific period. Stating the debt at its approximate present value resulted in a reduction of approximately $204,276,000 in the carrying amount of the New Bonds. This gain is being offset by increased interest costs over the period of the New Bonds to accrete such bonds to their face value at maturity. At December 31, 1993, the unaccreted balance of this discount approximated $172,417,000. The current interest rates of other borrowings approximated their stated interest rates as of the Effective Date. The accretion amounted to approximately $15,745,000 in 1993 and $13,172,000 in 1992.

The restructuring resulted in an extraordinary gain, net of deferred state income tax

of $7,155,000, totaling approximately $259,618,000, including the $204,276,000 discussed above and $20,000,000 related to settlement of debts due construction subcontractors, with the balance representing a discharge of accrued interest on indebtedness. Additionally, the restructuring resulted in a discharge of related party indebtedness in the approximate amount of $48,744,000, which has been accounted for as a contribution to capital.

NOTE 3 - PROPERTY AND EQUIPMENT

	December 31, 1993	1992
	(in thousands)	
Land	$ 37,291	$ 37,291
Buildings	646,653	639,695
Furniture, fixtures and equipment	148,401	144,022
Leasehold improvements	30,971	25,676
Total	863,316	846,634
Less Accumulated Depreciation	(140,482)	(104,505)
Net Property and Equipment	$722,834	$742,129

NOTE 4 - LONG TERM DEBT

Long term debt consisted of the following at December 31:

	1993	1992
	(in thousands)	
Long-term Portion		
Due to affiliates:		
Trump Taj Mahal Funding, Inc. (A)	$752,881	$738,302
Unamortized discount	(172,417)	(188,162)
Net	$580,464	$550,140
Other:		
Bank term loan (B)	$ 45,138	$ 45,314
Other	163	228
Total other	$ 45,301	$ 45,542
Current Portion		
Other:		
Bank term loan (B)	$ 176	$ 160
Other	629	353
Total other	$ 805	$ 513

NOTE 4 - LONG TERM DEBT (continued)

	Twelve months ended December 31, 1993	1992
	(in thousands)	
Interest Expense Affiliates		
Trump Taj Mahal Funding, Inc. (A)	$ 84,829	$ 83,381
Accretion - bond discount (Note 2)	15,745	13,172
Accretion - lease guarantee (Note 6B)	1,763	1,519
Total	$102,337	$ 98,072
Interest Expense External		
Bank term loan (B)	$ 4,765	$ 4,341
Other	1,097	845
Working Capital line of credit	180	791
Total	$ 6,042	$ 5,977

	Three months ended December 31, 1993	1992
	(in thousands)	
Interest Expense Affiliates		
Trump Taj Mahal Funding, Inc. (A)	$ 21,360	$ 20,949
Accretion - bond discount (Note 2)	4,203	3,516
Accretion - lease guarantee (Note 6B)	466	402
Total	$ 26,029	$ 24,867
Interest (Income) Expense External		
Bank term loan (B)	$ 1,537	$ 1,090
Other	903	761
Working Capital line of credit	69	329
Total	$ 2,509	$ 2,180

(A) On the Effective Date of the Plan, each $1,000 principal amount of the Company's 14% First Mortgage Bonds, Series A, due 1998 was exchanged for $1,070 principal amount of the Company's 11.35% Mortgage Bonds, Series A due November 15, 1999 together with one share of Holding's Class B redeemable common stock, par value $.01 per share for each $1,000 principal amount of New Bonds. The New Bonds and Class B Stock trade together as

a Unit, and may not be transferred separately. Interest on the New Bonds is due semi-annually on each November 15 and May 15. Interest on the New Bonds must be paid in cash on each interest payment date at the rate of 9.375% per annum (the "Mandatory Cash Interest Amount"). In addition to the Mandatory Cash Interest Amount, effective May 15 1992 and annually thereafter, an additional amount of interest (the "Additional Amount") in cash or additional New Bonds or a combination thereof, is payable equal to the difference between 11.35% of the outstanding principal amount of the New Bonds and the Mandatory Cash Interest Amount previously paid. To the extent that there is excess available cash flow ("EACF") of the Partnership, as defined in the Indenture for the immediately preceding calendar year, the Company will pay the Additional Amount in cash up to 10.28% and the balance thereof may be paid at the option of the Company in cash or additional Units, provided that an equivalent amount of cash is used to purchase or redeem Units. Additional New Bonds issued on the Effective Date amounted to approximately $7,208,000. The Additional Amounts due for the period from October 4, 1991 through May 15, 1992 and for the period from May 15, 1992 to May 15, 1993 of $8,844,000 and $14,579,000, respectively, were paid entirely in New Bonds. Of the $14,869,000 Additional Amount due May 15, 1994, the Partnership expects to satisfy $2,621,000 in cash from EACF and the $12,248,000 balance in New Bonds.

The New Bonds are guaranteed as to payment of principal and interest by the Partnership and are secured by a mortgage on the Partnership's real property.

(B) On November 3, 1989, the Partnership entered into a loan agreement with National Westminster Bank, U.S.A. (the "NatWest Loan") which provided financing up to $50,000,000 for certain items of furniture, fixtures and equipment installed in the Taj Mahal. The Partnership failed to make interest and principal payments commencing October 1, 1990 and the terms of the NatWest Loan were modified as part of the Plan. The restructured NatWest Loan bears interest at 9 3/8% per annum. Principal and interest is payable monthly in the fixed amount of $373,000 to be applied first to accrued interest and the balance to the extent available, to principal, through maturity, November 15, 1999. Additionally, on May 15 of each year (May 15, 1992 through May 15, 1999), to the extent principal is still outstanding, NatWest will receive 16.5% of the EACF of the preceding calendar year in excess of the Additional Amount, to be applied first to accrued but unpaid interest, and then to principal.

The NatWest Loan is secured by a first priority lien on the furniture, fixtures and equipment acquired with the proceeds of the NatWest Loan plus any after acquired furniture, fixtures and equipment that replaces such property, or of the same type, provided however, that the NatWest Loan may be

subordinated to a lien to secure purchase money financing of such after acquired property up to 50% of the value of such after acquired property.

In addition to the above borrowings, in November, 1991 the Partnership obtained a working capital line of credit in the amount of $25,000,000 with a maturity of five years. Interest on advances under the line is at prime plus 4% with a minimum of 9% per annum. The Agreement provides for a 1% annual fee and 3/4% unused line fee and contains various covenants during the term of the facility. During 1993, no amounts have been outstanding under the line. During 1992, $8,000,000 was drawn under the line and repaid.

Aggregate annual maturities of long term debt at accreted value are as follows:

1994	$ 805,000
1995	356,000
1996	200,000
1997	233,000
1998	256,000
Thereafter	797,137,000

Also see Note 14, Subsequent Event

NOTE 5 - OTHER ACCRUED EXPENSES

	December 31, 1993	1992
	(in thousands)	
Accrued Advertising	$ 2,387	$ 1,980
Accrued interest	11,460	8,700
Accrued payroll & related	11,381	11,045
Progressive jackpot	2,206	2,210
Accrued taxes	2,912	2,912
Other	** 5,663	** 5,269
Total	$ 36,009	$ 32,116

** None of the individual components of Other exceed 5% of the total.

NOTE 6 - OTHER CURRENT LIABILITIES

The Partnership has engaged in certain transactions with Donald J. Trump and entities that are wholly and partially owned by Donald J. Trump. Amounts owed to (from) these affiliates at December 31 are indicated below:

	1993	1992
	(in thousands)	
Affiliates:		
Donald J. Trump (A)	$ 537	$ 311
Trump Taj Mahal Realty ("Realty") (B)	-	-
Trump's Castle Associates (C)	69	175
Trump Plaza Associates (C)	(73)	(51)
Helicopter Air Service (D)	(43)	(43)
	490	392
Advance deposits	1,046	802
Unredeemed chip liability	3,056	2,475
Insurance reserves	4,879	2,530
Other	571	590
	9,552	6,397
Total	$ 10,042	$ 6,789

(A) Pursuant to the Plan, the Partnership has entered into a Services Agreement (the "Services Agreement"), which provides that Donald J. Trump will render to the Partnership marketing, advertising, promotional and related services with respect to the business operations of the Partnership. In consideration for the services to be rendered, the Partnership will pay an annual fee equal to 1.5% of the Partnership's earnings before interest, taxes and depreciation, as defined, less capital expenditures and partnership distributions for such year, with a minimum base fee of $500,000. The services fee is payable monthly through November 15, 1999, although the agreement provides for earlier termination under certain events. Portions of the fee have been assigned to First Fidelity Bank in connection with the Loan to Realty which has been guaranteed by Donald J. Trump. For the years ended December 31, 1993 and 1992, the Partnership incurred $1,571,000 and $1,319,000, respectively, under the Services Agreement.

(B) As part of the Plan, the leases between the Partnership and Realty were amended and consolidated. The amended lease extends the term through 2023 and provides for base rentals payable by the Partnership, prior to the

time that the NatWest Loan is paid in full, of $2,725,000 per year, plus 3 1/2% of the EACF less the Additional Amount and, upon payment in full of the NatWest loan, increasing to include the payments to which NatWest is otherwise entitled under the amended NatWest Agreement (Note 4). The amended lease was assigned by Realty to First Fidelity Bank ("First Fidelity"). The first $3,300,000 received by First Fidelity each year will be applied to the interest due on the Realty loan (the "Loan"). Any additional sums paid will also reduce the Partnership's guarantee (see below) and the principal amount of the Loan. The Loan is secured by a first mortgage lien on the underlying parcels owned by Realty.

Pursuant to a limited subordinated guarantee the Partnership will, under certain circumstances, reimburse First Fidelity for any deficiency in the amount owed to First Fidelity upon maturity of the Loan, up to a maximum of $30,000,000, provided that First Fidelity first pursues its first mortgage lien on the parcels, and provided further that the New Bonds have been paid in full. Inasmuch as the Partnership's lease payments are Realty's sole source of funds to satisfy the Loan and the amount of the Loan exceeds the estimated fair market value of the land by more than $30,000,000, the Partnership recorded the present value of the maximum guarantee amount as of the Effective Date. Discounted at 15%, a reasonable incremental cost of capital, the obligation amounted to approximately $9,103,000, which amount has been included in restructuring costs in the accompanying financial statements. This obligation is being accreted as interest expense over the life of the New Bonds and is included in Other Liabilities. The accretion amounted to approximately $1,763,000 and $1,519,000 for the years ended December 31, 1993 and 1992, respectively.

As part of a proposed recapitalization, the Partnership is negotiating with First Fidelity to release its liens on the Realty property and to eliminate the above mentioned guarantee. In connection therewith, the Partnership agreed to a payment of $1,487,500 to First Fidelity, $952,869 of which was paid during December, 1993 with the balance payable on March 31, 1994 in consideration of First Fidelity agreeing to extend its date to complete the transaction to May 31, 1994.

(C) The Partnership engages in various transactions with the two other Atlantic City hotel/casinos owned by Donald J. Trump. These transactions are charged at cost or normal selling price in the case of retail items and include the utilization of fleet maintenance and limousine services, certain shared professional fees and payroll costs as well as complimentary services offered to customers. During 1993, the Partnership incurred approximately $1,100,000 and $83,000 of costs for these services from Trump Castle and Trump Plaza, respectively. In addition, the Partnership charged $256,000 and $255,000 to

Trump Castle and Trump Plaza, respectively, for similar services. During 1992, the Partnership incurred approximately $622,000 and $93,000 of costs for these services from Trump Castle and Trump Plaza, respectively. In addition, the Partnership charged $67,000 and $309,000 to Trump Castle and Trump Plaza, respectively, for similar services.

(D) Helicopter Air Services and Trump Shuttle provided aircraft charters and travel services to certain patrons of the Taj Mahal on behalf of the Partnership. For the years ended December 31, 1993 and 1992, the Partnership incurred no charges from Helicopter Air Services. During 1992, the Partnership incurred charges of $29,000 from Trump Shuttle.

NOTE 7 - OTHER LIABILITIES

Other liabilities at December 31, consisted of the following (in thousands):

	1993	1992
Deferred taxes	$ 7,155	$ 7,155
Insurance reserves	1,637	1,837
Accrued interest - Long Term	6,672	9,113
Accounts payable - Long Term	-	1,000
Lease guarantee (Note 6B)	12,731	10,968
Other	117	1,311
	$28,312	$31,384

NOTE 8 - CHARGES FROM AFFILIATES

	Twelve months ended December 31,	
	1993	1992
	(in thousands)	
Other:		
Rent	$ 2,725	$ 2,725
Allocated salaries	720	403
Trump Services Agreement	1,571	1,389
	$ 5,016	$ 4,517

	Three months ended December 31,	
	1993	1992
	(in thousands)	
Other:		
Rent	$ 681	$ [illegible]
Allocated salaries	259	[illegible]
Trump Services Agreement	347	[illegible]
	$ 1,287	$ [illegible]

NOTE 9 - NON-OPERATING INCOME (EXPENSE)

	Twelve months ended December 31,	
	1993	1992
	(in thousands)	
Interest Income	$ 1,382	$ 923
	$ 1,382	$ 923

	Three months ended December 31,	
	1993	1992
	(in thousands)	
Interest Income	$ 531	$ 228
	$ 531	$ 228

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Leases and Employment Agreements

The Partnership has entered into employment agreements with certain key employees and lease agreements for land, office and warehouse space under noncancellable operating leases expiring at various dates through 2023. At December 31, 1993, minimum commitments under these arrangements are as follows:

1994	$ 6,315,000
1995	5,539,000
1996	5,376,000
1997	4,078,000
1998	2,756,000
Thereafter	68,125,000

Rent expense was approximately $4,540,000 and $4,942,000 for the years ended December 31, 1993 and 1992, respectively.

The Partnership's Coastal Area Facilities Review Act ("CAFRA") Permit requires that certain improvements be made to another land parcel leased from Realty known as the Steel Pier. The CAFRA permit is issued by the New Jersey Department of Environmental Protection Energy ("NJDEPE") and is a condition to the operation of the Taj Mahal. These improvements were to have commenced by October, 1992 and be completed within eighteen months of commencement. The Partnership

initially proposed a concept to improve the Steel Pier, the estimated cost of which is $30,000,000 which concept was approved by NJDEPE. The Partnership is seeking a modification of its CAFRA Permit to reduce the scope of such improvements, and has applied for an extension of the commencement and completion dates. In March of 1993, the Partnership was granted a one-year extension of the commencement and completion dates based upon an interim use of the Pier for an amusement park. The Partnership has applied for an additional one-year extension of the required commencement and completion dates of the improvements of the Steel Pier based upon the same interim use of the pier for an amusement park.

Employee Benefit Plan

Effective January 1, 1989, the Partnership established the Taj Mahal Retirement Savings Plan ("the Benefit Plan") for its employees over 21 years of age who are not covered by a collective bargaining agreement. The Benefit Plan is structured to qualify for favorable tax treatment under Section 401(k) of the Internal Revenue Code and allows eligible participants to contribute up to 15% of their salary (certain limits apply, as defined) to the Benefit Plan with a matching Partnership contribution of 50% of the first 4% of such employee salary contribution. The funds are invested by a Benefit Plan trustee. Partnership contributions for the years ended December 31, 1993 and 1992 were $870,000 and $841,000, respectively.

Casino License Renewal

The Company and the Partnership are subject to regulation and licensing by the New Jersey Casino Control Commission (the "CCC"). The Partnership's casino license must be renewed periodically, is not transferable, is dependent upon the financial stability of the Partnership and can be revoked at anytime. Upon revocation, suspension for more than 120 days, or failure to renew the casino license due to the Partnership's financial condition or for any other reason, the Casino Control Act (the "Act") provides that the CCC may appoint a conservator to take possession of and title to the hotel and casino's business and property, subject to all valid liens, claims and encumbrances. On March 15, 1993, the CCC renewed the casino license of the Partnership through March 31, 1995.

Legal Proceedings

The Partnership, its Partners, certain of its employees and the Company are involved in various legal proceedings incurred in the normal course of business including certain claims initiated in the Bankruptcy Court. In the opinion of management of the Partnership, the expected disposition of these proceedings would not have a material effect on the Partnership's or the Company's financial condition or results of operations.

Investment Obligation

The Act requires the Partnership to make qualified investments, as defined, in New Jersey, or pay an investment alternative tax to the New Jersey Casino Reinvestment Development Authority ("CRDA"). Commencing in 1991, and for a period of twenty-five years thereafter, the Partnership must either obtain investment tax credits, as defined, in an amount equivalent to 1.25% of its gross casino revenues or pay an alternative tax of 2.5% of its gross casino revenues, as defined. Investment tax credits may be obtained by making qualified investments or by the purchase of bonds. The Partnership intends to satisfy much of its investment obligation through the purchase of bonds. The bonds traditionally bear interest at below-market interest rates; accordingly, the Partnership has reduced its carrying value of the investment by 50% of their expected cost and charged operations approximately $2,764,000 and $2,563,000 in 1993 and 1992, respectively. The Partnership is required to satisfy its obligations to the CRDA on a quarterly basis.

NOTE 11 - JACKPOT PAYOUTS IN MERCHANDISE

The Company purchased motor vehicles and antique slot machines to be used as jackpot payouts. This merchandise was accounted for as operating expenses of the Slot Department which are included in the accompanying statements of income as costs of goods and services.

	Twelve months ended December 31,	
	1993	1992
Merchandise - jackpot payouts	$102,892	$182,425

	Three months ended December 31,	
	1993	1992
Merchandise - jackpot payouts	$ 21,577	$ 7,631

NOTE 12 - PARTNERSHIP DISTRIBUTION

The Partnership is obligated to reimburse Holding for its operating expenses which consist of directors and officers liability insurance, board of director fees and expenses, and administrative expenses. Total expenses for the years ended December 31, 1993 and 1992 approximated $1,733,000 and $1,825,000, respectively.

NOTE 13 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the following financial instruments of the Company and the Partnership approximates fair value, as follows: (a) cash and cash equivalents and accrued interest payable are based on the short term nature of the financial instruments; and, (b) CRDA deposits are based on the valuation allowances to give effect to the below market interest rates.

The estimated fair values of the other financial instruments are as follows (Note 3):

	December 31, (in thousands)	
11.35% Mortgage Bonds (a)	1993	1992
Carrying Amount	$580,464	$550,140
Fair Value	761,350	595,256

(a) The fair value of the Mortgage Bonds is based on quoted market prices as of December 31, 1993 and 1992.

There are no quoted market prices for the Partnership's NatWest Loan and other debt and a reasonable estimate of their value could not be made without incurring excessive costs.

NOTE 14 - SUBSEQUENT EVENT

On March 8, 1994, Mr. Trump, the Partnership, the Registrant and Holding executed a letter with Putnam Investment Management which set forth the terms of a proposed restructuring transaction which would include (i) an exchange offer with the holders of the Bonds, (ii) an acquisition by Trump of all the Holding Class A Common Stock for a cash price of $29.50 per share, (iii) the repayment of certain indebtedness and (iv) an equity-level financing, the proceeds of which, together with approximately $35 million of cash on hand, would be used to fund the cash requirements for the transaction. On the same date, each of Hamilton Partners, L.P. and Prudential Securities signed a letter which indicated its agreement to the $29.50 per share price for the Holding Class A Common Stock. There can be no assurance that such recapitalization will be consummated, or if consummated as to its ultimate terms.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1993

($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCE				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE-NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks	$ 8,027		
2	Returned Patrons' Checks	7,366		
3	Total Patrons' Checks	15,393	$ (4,099)	$ 11,294
4	Hotel Receivables	1,600	(247)	1,353
	Other Receivables:			
5	Receivables Due From Officers and Employees	0		
6	Receivables Due From Affiliates	0		
7	Other Accounts and Notes Receivables	387		
8	Total Other Receivables	387	0	387
9	Totals (Form 205)	$ 17,380	$ (4,346)	$ 13,034

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ [illegible]
11	Counter Checks Issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	[illegible]
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)	[illegible]
13	Checks Collected Through Deposits	[illegible]
14	Checks Transferred to Returned Checks	[illegible]
15	Other Adjustments	[illegible]
16	Ending Balance	$ [illegible]
17	"Hold" Checks Included in Balance on Line 16	$
18	Provision for Uncollectible Patrons' Checks	$ [illegible]
19	Provision as a Percent of Counter Checks Issued	[illegible]

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSE	
	# OF RECIPIENTS	DOLLAR AMOUNTS	# OF RECIPIENTS	DOLLAR AMOUNTS
Rooms	169,521	$23,079		$
Food	1,540,202	18,880		
Beverage	4,986,701	9,381		
Travel			33,252	5,032
Coin			3,000,463	39,598
Coupon	358,260	2,473		
Entertainment	117,480	1,921		
Retail & Gifts			7,258	296
Other	46,171	710	194,612	9,684
Total	7,218,335	$56,444	3,235,585	$54,610

FOR THE THREE MONTHS ENDED DECEMBER 31, 1993

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSE	
	# OF RECIPIENTS	DOLLAR AMOUNTS	# OF RECIPIENTS	DOLLAR AMOUNTS
Rooms	43,134	$ 5,382		$
Food	403,480	5,055		
Beverage	1,316,131	2,489		
Travel			6,335	1,265
Coin			670,165	9,883
Coupon	44,423	361		
Entertainment	36,399	607		
Retail & Gifts			1,698	55
Other	8,880	177	31,076	2,594
Total	1,852,447	$14,071	709,274	$13,797

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :

:SS.

COUNTY OF ATLANTIC :

R. BRUCE MCKEE , being duly sworn according to law upon my oath deposes and says:
NAME

1. I have examined this Annual Report.

2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.

3. The information contained in this Annual Report is accurate to the best of my knowledge and belief.

R. Bruce McKee
SIGNATURE

Senior Vice President, Finance
TITLE

0548-11
LICENSE NUMBER

Subscribed and Sworn to before me
this 14th day of March, 1994

Marilyn S. Conner
Signature

MARILYN S. CONNER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 11, 1998

Basis of Authority
to Take Oaths

On Behalf Of:

Trump Taj Mahal Associates
Casino Licensee

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT..... JAMES L. WRIGHT

OFFICIAL TITLE..... DIRECTOR OF FINANCE AND CONTROLLER

ADDRESS..... 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FROM JANUARY 1, 1993 THROUGH DECEMBER 31, 1993

($ IN THOUSANDS)

LINE (a)	DEPARTMENT (b)	NUMBER OF (c) EMPLOYEES	OTHER (d) EMPLOYEES	SALARIES AND WAGES (e) OFFICERS & OWNERS	TOTALS (f)
	CASINO				
1	ADMINISTRATION	27	767	172	939
2	GAMING	1,621	26,391	0	26,391
3	SLOTS	219	5,187	126	5,313
4	CASINO ACCOUNTING	628	12,091	0	12,091
5	OTHER	29	798	116	914
6	TOTAL-CASINO	2,524	45,234	414	45,648
7	ROOMS	460	8,223	307	8,530
8	FOOD AND BEVERAGE	1,604	24,100	131	24,231
	OTHER OPERATED DEPARTMENTS				
9	VENDING, BEAUTY SALON, HEALTH CLUB, RETAIL SHOPS	44	754	0	754
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	EXECUTIVE OFFICE	9	812	1,410	2,222
21	ACCOUNTING AND AUDITING	212	4,132	192	4,324
22	SECURITY	357	7,784	82	7,866
23	OTHER ADMINISTRATIVE AND GENERAL DEPARTMENTS	332	6,775	299	7,074
24	MARKETING	184	5,027	1,942	6,969
25	GUEST ENTERTAINMENT	165	3,588	95	3,683
26	PROPERTY OPERATION AND MAINTENANCE	208	7,681	0	7,681
27	TOTALS-ALL DEPARTMENTS	6,099	114,110	4,872	118,982

The number of employees listed reflect full time and part time employees, not forty hour equivalents.

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

ANNUAL EMPLOYMENT AND PAYROLL REPORT SIGNATURE PAGE

FROM JANUARY 1, 1993 THROUGH DECEMBER 31, 1993

2/14/94
Date

James L Wright
Signature

Director of Finance and Controller
Title

GROSS REVENUE
ANNUAL TAX RETURN

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
MAR 14 1994
CASINO CONTROL
COMMISSION

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

OFFICIAL TITLE..... VICE PRESIDENT - CASINO FINANCE

ADDRESS..... 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1993

($ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	$ 180,952	
2	Coin-operated devices revenue	264,504	
3	Total revenues		$ 445,456
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	3,269	
5	Maximum adjustment (4% of line 3)	17,818	
6	Adjustment (the lesser of line 4 or line 5)		3,269
7	Gross revenues (line 3 less line 6)		442,187
8	Tax on gross revenues - current year (8% of line 7)		35,375
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)		35,375
	Deposits made for tax on current year's gross revenue:		
11	January	1,959	
12	February	2,413	
13	March	3,032	
14	April	2,606	
15	May	3,524	
16	June	2,658	
17	July	3,149	
18	August	3,904	
19	September	2,880	
20	October	2,732	
21	November	3,280	
22	December	2,308	
23	January	930	
24	Total deposits made for tax on current year's gross revenues		35,375
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)

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :

:SS.

COUNTY OF ATLANTIC :

RON ALCORN , being duly sworn according to law upon my oath deposes and says:
NAME

1. I have examined this Gross Revenue Annual Tax Return.

2. All the information contained in this Report has been prepared in conformity with 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 RON ALCORN

Vice President - Casino Finance
TITLE

01623-11
LICENSE NUMBER

Subscribed and Sworn to before me
this 10th day of March, 1994.

Brenda J. Thibault
Signature

BRENDA J. THIBAULT
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 14, 1997

Basis of Authority
to Take Oaths

On Behalf Of:

Trump Taj Mahal Casino Resort
Casino Licensee

1/85

CCC-382