

ANNUAL REPORT

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAR 2 1986

974.901
C193

LICENSEE TRUMP PLAZA ASSOCIATES

ADDRESS MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 1986

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



MAR 17 10 21 AM '87
CASINO CONTROL COMMISSION
DIVISION OF FINANCE
EVALUATION

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

LEE C. JOHNSON

OFFICIAL TITLE

VICE PRESIDENT OF FINANCE

ADDRESS

MISSISSIPPI AVENUE & BOARDWALK

ATLANTIC CITY, NJ 08401

BALANCE SHEETS

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

(DOLLARS)

(IN THOUSANDS)

LIST OF FORMS - ANNUAL REPORT

DESCRIPTION	(c) 1986	(d) 1985
FOR THE YEAR ENDED DECEMBER 31, 19__		
ASSETS		
Current Assets	\$ 30,648	\$ 17,107
Cash		
Marketable securities		
Accounts receivable and patrons' checks (net of allowance for doubtful accounts - 1986, \$1,797; 1985, \$5,398)	10,904	8,990
Prepaid expenses and other current assets (Note 2)	19,744	8,117
Total Current Assets	30,648	17,107
Long-Term Assets		
Investments	250,000	-
Deferred taxes (Note 9)	27,255	142,181
Deferred credits (Note 10)	1,611	83
Other liabilities		
Contingencies and Commitments		
Total Long-Term Assets	258,866	142,264
Total Assets	289,514	159,371
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable	105,843	176,670
Notes payable		
Other liabilities		
Total Liabilities	105,843	176,670
Equity		
Shareholders', Partners', or Proprietor's Equity	40,507	22,234
Total Equity	40,507	22,234
Total Liabilities and Equity	146,350	198,904

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

BALANCE SHEETS

DECEMBER 31, 19 86 AND 85
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>86</u>	(d) 19 <u>85</u> *
	ASSETS		
	Current Assets	\$	\$
1	Cash	30,448	17,107
2	Marketable securities	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>86</u> , \$7,797; 19 <u>85</u> , \$5,398)	10,904	8,990
4	Inventories	2,176	654
5	Prepaid expenses and other current assets (Note 2).....	3,099	2,132
6	Total current assets	46,627	28,883
7	Investments, Advances, and Receivables (Note 3).....	6,047	546
8	Property and Equipment - Net (Note 4).....	249,793	180,725
9	Other Assets (Note 5).....	41,878	38,700
10	Total Assets	\$ 344,345	\$ 248,854
	LIABILITIES AND EQUITY		
	Current Liabilities	\$	\$
11	Accounts payable	4,464	2,506
12	Notes payable	368	-
	Current portion of long-term debt:		
13	Due to affiliates	-	-
14	Other (Note 9).....	320	15,041
15	Income taxes payable and accrued	-	-
16	Other accrued expenses (Note 6).....	15,754	12,510
17	Other current liabilities (Note 7).....	3,971	4,329
18	Total current liabilities	24,877	34,386
	Long-Term Debt:		
19	Due to affiliates (Note 8).....	250,000	-
20	Other (Note 9).....	27,355	142,161
21	Deferred Credits (Note 10).....	1,611	83
22	Other Liabilities	-	-
23	Commitments and Contingencies		
24	Total Liabilities	303,843	176,630
25	Stockholders', Partners', Or Proprietor's Equity	40,502	72,224
26	Total Liabilities and Equity	\$ 344,345	\$ 248,854

* Restated to conform to 1986 presentation.

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

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1986 AND 1985

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1986	(d) 1985*
	Revenue	\$	\$
1	Casino	218,178	201,960
2	Rooms	19,510	19,394
3	Food and beverage	34,806	35,499
4	Other	6,376	9,621
5	Total revenue	278,870	266,474
6	Less: promotional allowances (Note 11).....	31,823	35,368
7	Net revenue	247,047	231,106
	Costs And Expenses:		
8	Cost of goods and services	143,807	136,706
9	Selling, general, and administrative	43,644	53,954
10	Provision for doubtful accounts	2,902	4,191
11	Total	190,353	194,851
12	Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest	56,694	36,255
13	Depreciation and amortization	13,953	16,771
	Charges from affiliates:		
14	Interest (Note 12).....	20,208	-
15	Management fees	-	-
16	Other (Note 14).....	775	738
17	Interest expense - external	6,727	18,065
18	Income (Loss) From Operations	15,031	681
19	Nonoperating income (expense) - net (Note 13).....	2,843	953
20	Investment alternative tax & related income (expense)-net.	(897)	(548)
21	Income (Loss) Before Income Taxes And Extraordinary Items .	16,977	1,086
22	Provision (Credit) for income taxes	1,528	221
23	Income (Loss) Before Extraordinary Items	15,449	865
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)		
25	Net Income (Loss)	\$ 15,449	865

* Restated to conform with 1986 presentation.

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

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER, 1986 AND 1985

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1986	(d) 1985*
	Revenue	\$	\$
1	Casino	52,252	45,989
2	Rooms	4,432	4,182
3	Food and beverage	8,614	7,796
4	Other	1,331	2,026
5	Total revenue	66,629	59,993
6	Less: promotional allowances (Note 11).....	7,669	7,404
7	Net revenue	58,960	52,589
	Costs And Expenses		
8	Cost of goods and services	39,561	31,805
9	Selling, general, and administrative	5,609	12,040
10	Provision for doubtful accounts	625	1,064
11	Total	45,795	44,909
12	Income (Loss) Before Depreciation And Amortization, Charges From Affiliates, And Interest	13,165	7,680
13	Depreciation and amortization	2,973	4,315
	Charges from affiliates:		
14	Interest (Note 12).....	8,047	-
15	Management fees	-	-
16	Other (Note 14).....	194	185
17	Interest expense - external	373	4,043
18	Income (Loss) From Operations	1,578	(863)
19	Nonoperating income (expense) - net (Note 13).....	1,417	207
20	Investment alternative tax & related income (expense)-net.	(216)	(189)
21	Income (Loss) Before Income Taxes And Extraordinary Items .	2,779	(845)
22	Provision (Credit) for income taxes	250	221
23	Income (Loss) Before Extraordinary Items	2,529	(1,066)
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)		
25	Net Income (Loss)	\$ 2,529	(1,066)

* Restated to conform with 1986 presentation.

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

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 19 86 AND 19 85

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>86</u>	(d) 19 <u>85</u>
	Invested Capital		
1	Beginning balance (January 1)	\$ 77,600	77,600
2	Additional capital invested	11,892	-
3	Redemption of former partner's interest.....	(38,785)	-
4	Ending balance	50,707	77,600
	Accumulated Income (Loss)		
5	Beginning balance (January 1)	624	(241)
6	Prior period adjustments	-	-
7	Net income (loss)	15,449	865
8	Redemption of former partner's interest.....	(1,366)	-
9	Ending balance	14,707	624
	Capital Withdrawals		
10	Beginning balance (January 1)	(6,000)	-
11	Additional capital withdrawals	(21,912)	(6,000)
12	Redemption of former partner's interest.....	3,000	-
13	Ending balance	(24,912)	(6,000)
	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	\$ 40,502	\$ 72,224

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 FINANCIAL POSITION
 FOR THE YEARS ENDED DECEMBER 31, 1986 AND 1985
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1986	(d) 1985*
	Sources Of Funds	\$	\$
1	Income (loss) before extraordinary items	15,449	865
	Add (deduct) items not affecting working capital:		
2	Depreciation and amortization of property and equipment	11,229	10,045
3	Amortization of other assets	3,068	6,726
4	Deferred income taxes - noncurrent.....	1,528	83
5	(Gain) loss on dispositions of property and equipment ..	10	252
6		-	-
7			
8			
9	Total	31,284	17,971
10	Extraordinary items	-	-
11	Total funds provided (used) by operations	31,284	17,971
12	Proceeds from dispositions of property and equipment	24	162
13	Proceeds from long-term debt	277,307	-
14	Additions to deferred credits and other liabilities	-	-
15	Proceeds from issuance of stock or capital contributions	11,892	-
16	Reduction of other asset.....	-	1,666
17			
18			
19			
20	Total funds provided	320,507	19,799
	Uses Of Funds:		
21	Additions to property and equipment	9,813	5,141
22	Investment in casino reinvestment obligations	2,343	546
23	Other additions to investments, advances, and receivables	3,158	-
24	Increase in other assets	432	-
25	Reductions of long-term debt	142,113	21,041
26	Dividends declared or capital distributions	21,912	6,000
27	Write-up of P&E in connection with redemption.....	37,210	-
28	Additions to P&E in connection with redemption.....	33,308	-
29	Redemption payment for former partner's interest.....	37,151	-
30	Write-up of other assets (land rights) in connection with redemption.....	5,814	-
31	Total funds used	293,254	32,728
32	Increase (Decrease) In Working Capital	\$ 27,253	\$ (12,929)
	Summary Of Changes In Components Of Working Capital	\$	\$
33	Cash	13,341	(743)
34	Marketable securities	-	-
35	Receivables and patrons' checks	1,914	(547)
36	Inventories	1,522	(27)
37	Prepaid expenses and other current assets	967	22
38	Accounts payable	(1,958)	688
39	Notes payable	(368)	-
40	Current portion of long-term debt	14,721	(10,005)
41	Income Taxes payable and accrued	-	-
42	Other accrued expenses	(3,244)	(3,055)
43	Other current liabilities	358	738
44	Increase (Decrease) In Working Capital	\$ 27,253	\$ (12,929)

*Restated to conform with 1986 presentation.

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

TRUMP PLAZA ASSOCIATES & SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Trump Plaza Associates (formerly Harrah's Associates), (the Company), doing business as Trump Plaza Hotel and Casino, operates as a general partnership. On May 16, 1986, the Company used a portion of proceeds received from the issuance of Mortgage Bonds by Trump Plaza Funding, Inc., a newly created financing affiliate, for the acquisition of Harrah's Atlantic City, Inc.'s ("HAC") 50% interest in the Company, in accordance with the Redemption Agreement.

The accompanying consolidated financial statements include those of the Company and Nagoya Holding Corp., a newly created, wholly owned subsidiary of the Company. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

B. Gaming Revenues

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

C. Promotional Allowances

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

D. Inventories

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

E. Property and Equipment

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

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

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

TRUMP PLAZA ASSOCIATES & SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

F. Land Rights

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

G. Debt Issuance Costs

Costs incurred in connection with the financing of long-term debt due to affiliates are being amortized over the life of the debt.

H. Income Taxes

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

Under the New Jersey Casino Control Commission regulations, the Company is required to file a consolidated corporation business tax return. Accordingly, a provision of state income taxes has been reflected in the accompanying consolidated financial statements.

NOTE 2: PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	1986	1985
Prepaid taxes	\$ 1,294,000	\$ 1,349,000
Prepaid insurance	1,073,000	504,000
Prepaid air transportation costs	106,000	-
Other	626,000	279,000
	\$ 3,099,000	\$ 2,132,000

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

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

	1986	1985
Advances due from -		
Trump Organization	\$ 6,000	\$ -
Trump's Castle Associates	98,000	-
Seashore Four Associates	3,054,000	-
Casino reinvestment escrow deposit, net of valuation adjustment - 1986, ; \$1,444,000; 1985, \$548,000	2,889,000	546,000
	\$ 6,047,000	\$ 546,000

TRUMP PLAZA ASSOCIATES & SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

NOTE 4: PROPERTY AND EQUIPMENT - NET

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

	<u>1986</u>	<u>1985</u>
Land and land improvements	\$ 29,729,000	\$ 8,289,000
Buildings	182,506,000	153,232,000
Furniture, fixtures and equipment	43,554,000	33,671,000
Leasehold improvements	1,952,000	-
Construction in progress	18,584,000	1,533,000
	<u>276,325,000</u>	<u>196,725,000</u>
Less - Accumulated depreciation & amortization	<u>(26,532,000)</u>	<u>(16,000,000)</u>
Net property and equipment	<u>\$249,793,000</u>	<u>\$180,725,000</u>

NOTE 5: OTHER ASSETS

Other assets as of December 31 consisted of the following:

	<u>1986</u>	<u>1985</u>
Land rights, net	\$ 32,583,000	\$ 27,113,000
Deferred preopening costs, net	-	8,974,000
Debt issuance costs, net	7,642,000	999,000
Deposits	1,078,000	1,041,000
Other deferred charges	575,000	573,000
	<u>\$ 41,878,000</u>	<u>\$ 38,700,000</u>

NOTE 6: OTHER ACCRUED EXPENSES

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

	<u>1986</u>	<u>1985</u>
Accrued payroll	\$ 5,116,000	\$ 4,825,000
Accrued progressive jackpot liabilities	2,745,000	2,896,000
Accrued interest	2,631,000	2,171,000
Accrued gaming taxes payable	321,000	219,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	710,000	417,000
Accrued utilities	266,000	324,000
Accrued union benefits	168,000	143,000
Accrued health insurance benefits	632,000	490,000
Accrued construction design fees	221,000	13,000
Other	2,944,000	1,012,000
	<u>\$ 15,754,000</u>	<u>\$ 12,510,000</u>

TRUMP PLAZA ASSOCIATES & SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

NOTE 7: OTHER CURRENT LIABILITIES

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

	1986	1985
Unredeemed chip/token liability	\$ 1,017,000	\$ 757,000
Patron deposits	238,000	173,000
Casino reinvestment liability	646,000	-
Reserve for insurance claims	584,000	414,000
Advances from affiliates	-	2,809,000
Due to partners	1,166,000	-
Other	320,000	176,000
	<u>\$ 3,971,000</u>	<u>\$ 4,329,000</u>

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES

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

	1986	1985
12 7/8% promissory note, interest payable semi-annually, sinking fund payments to retire \$25,000,000 principal amount annually commence June 15, 1991 are calculated to retire 70% of the promissory note prior to maturity in 1998.	<u>\$250,000,000</u>	-

On May 16, Trump Plaza Funding, Inc. issued Mortgage Bonds for proceeds of \$250,000,000. The Bonds are secured solely by an assignment to the Trustee of the Company's note to Trump Plaza Funding, Inc. in the principal amount of \$250,000,000 and by a mortgage on Trump Plaza Hotel and Casino and virtually all of the other assets of the Company, excluding cash which may be distributed in excess of certain limitations, as defined in the Indenture, pursuant to which the Bonds were issued (regardless of whether such cash has been distributed). The mortgage is subordinate to \$10,320,000 of existing indebtedness as of December 31, 1986. The Company issued a nonrecourse, limited guaranty of the payment of the principal, premium, if any, and interest on the Bonds. The Bonds are nonrecourse to the partners of the Company, the shareholders of Trump Plaza Funding, Inc. and all other persons and entities (other than the Company and Trump Plaza Funding, Inc.).

TRUMP PLAZA ASSOCIATES & SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

NOTE 9: LONG-TERM DEBT - OTHER

Long-term debt - other as of December 31 consisted of the following:

	1986	1985
10% note payable, interest payable monthly, maturing in 1993 (A)	\$ 16,942,000	\$ -
Mortgage notes payable in monthly installments, including interest, with interest rates ranging from 9.5% to 11%. The notes are due at various dates between 1989 and 1998 and are secured by certain real property.	10,610,000	-
Construction and term loan payable in twenty-four quarterly installments commencing August 1, 1985, maturing on May 1, 1991. The entire outstanding balance was extinguished on May 16, 1986.	-	157,041,000
Other notes with interest rates ranging from 11.02% to 12.5%, principal and interest payable monthly, secured by television and automobile equipment.	123,000	161,000
	27,675,000	157,202,000
Less current maturities	320,000	15,041,000
	\$ 27,355,000	\$142,161,000

(A) On May 15, 1986, the Company issued a redemption note in satisfaction of the unpaid balance of the redemption price for HAC's partnership interest. The note is payable in accordance with the terms specified in the redemption agreement dated May 15, 1986. Interest on the note accrues at a rate of 10% per annum and is payable commencing May 15, 1988 or may be added to the outstanding principal amount of the note. Accrued interest thereafter is payable monthly.

Principal payments, including any unpaid accrued interest, will commence on the note's anniversary date as follows:

- 5% of original principal amount due, May 15, 1989
- 10% of original principal amount due, May 15, 1990
- 15% of original principal amount due, May 15, 1991
- 20% of original principal amount due, May 15, 1992
- Balance due on maturity date - May 15, 1993

TRUMP PLAZA ASSOCIATES & SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

NOTE 9: LONG-TERM DEBT - OTHER, continued

The aggregate maturities of long-term debt - other in each of the years subsequent to 1986 are:

1987	\$ 320,000
1988	348,000
1989	1,566,000
1990	2,050,000
1991	2,934,000
Thereafter	20,457,000
	<u>\$ 27,675,000</u>

NOTE 10: DEFERRED CREDITS

Deferred credits as of December 31, 1986 and 1985 consisted of deferred state income taxes.

NOTE 11: PROMOTIONAL ALLOWANCES AND EXPENSES

Promotional allowances and expenses for the three and twelve months ended December 31, 1986 consisted of the following:

Three months ended:

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Rooms	17,260	\$ 2,198,000	16	\$ 2,000
Food	299,331	2,967,000	9	1,000
Beverage	801,981	2,005,000	-	-
Travel	-	-,000	8,991	1,349,000
Theatre	18,520	417,000	213	5,000
Coin Bonus	-	-	267,072	3,903,000
Tips	-	-	2,026	81,000
Other	3,308	82,000	14,656	365,000
TOTAL	<u>1,140,400</u>	<u>\$ 7,669,000</u>	<u>292,983</u>	<u>\$ 5,706,000</u>

Twelve months ended:

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Rooms	69,320	\$ 9,362,000	120	\$ 15,000
Food	1,329,628	12,126,000	69	4,000
Beverage	3,182,396	7,956,000	-	-
Travel	-	-	39,747	5,962,000
Theatre	101,613	2,287,000	325	7,000
Coin Bonus	-	-	1,477,067	17,380,000
Tips	-	-	6,016	241,000
Other	3,686	92,000	32,479	811,000
TOTAL	<u>4,686,643</u>	<u>\$31,823,000</u>	<u>1,555,823</u>	<u>\$24,420,000</u>

TRUMP PLAZA ASSOCIATES & SUBSIDIARY
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

NOTE 12: CHARGES FROM AFFILIATES - INTEREST

Charges from affiliates for the three and twelve months ended December 31, 1986 consisted of interest expense associated with the \$250,000,000 principal amount of 12 7/8% mortgage bonds issued by Trump Plaza Funding, Inc.

NOTE 13: NON-OPERATING INCOME (EXPENSE) - NET

Non-operating income (expense) - net for the three and twelve months ended December 31 consisted of the following:

	<u>Three months ended</u>		<u>Twelve months ended</u>	
	1986	1985	1986	1985
Interest income	\$ 1,217,000	\$ 287,000	\$ 2,833,000	\$ 1,205,000
Gain/(loss) on disposal of property and equipment	200,000	(80,000)	10,000	(252,000)
	<u>\$ 1,417,000</u>	<u>\$ 207,000</u>	<u>\$ 2,843,000</u>	<u>\$ 953,000</u>

NOTE 14: LEASE COMMITMENTS

The Company leases property (primarily land), certain parking space, and various equipment under operating leases. Rent expense for the three and twelve months ended December 31, 1986 was \$1,308,000 and \$5,497,000 respectively.

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

1987	\$ 1,860,000
1988	1,833,000
1989	2,385,000
1990	3,013,000
1991	3,200,000
Thereafter through 2078	521,446,000
	<u>\$533,737,000</u>

Included above are future minimum lease payments under noncancellable leases with an affiliate of the Company which are as follows:

1987	\$ 775,000
1988	775,000
1989	775,000
1990	837,000
1991	900,000
Thereafter through 2078	86,650,000
	<u>\$ 90,712,000</u>

Rent expense charged by the affiliate for the three and twelve months ended December 31, 1986 was \$194,000 and \$775,000, respectively.

Certain of these leases contain options to purchase the leased properties at various prices and times throughout the lease terms. At December 31, 1986, the aggregate option prices for these leases were \$28,000,000.

TRUMP PLAZA ASSOCIATES & SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

NOTE 15: INVESTMENT OBLIGATION

Section 144 of the New Jersey Casino Control Act requires the Company to make qualified investments, as defined, in New Jersey, or pay an investment alternative tax.

Commencing twelve months after the date of opening (May 15, 1984) and continuing twenty-five years thereafter, the Company must either obtain investment tax credits, as defined, in an amount equivalent to 1.25% of its gross casino revenues or pay an alternative tax of 2.5% of its gross casino revenues. Investment tax credits may be obtained by making qualified investments or by the purchase of bonds at below market rates from the Casino Reinvestment Development Authority (CRDA). The Partnership is required to make quarterly deposits with the CRDA.

During 1986, the Company paid \$3,680,000 towards the purchase of below market rate bonds to satisfy their qualified investment requirement for post May 14, 1985 casino revenues. The Company charged to operations \$215,000 and \$897,000 for the three and twelve months ended December 31, 1986, respectively, to give effect to the below market interest rate associated with the CRDA bonds.

NOTE 16: EMPLOYEE BENEFIT PLANS

Effective November 1, 1986, the Company amended its retirement savings plan for its non-union employees under Section 401(K) of the Internal Revenue Code. The plan allows employees of the Company to defer up to 10% of their income on a pre-tax basis through contributions to the plan. The Company will match 50% of eligible employees' contributions up to maximum of 3% of the individual earnings. The Company recorded a charge of \$58,000 and \$766,000 for the three and twelve months ended December 31, 1986, respectively, for matching contributions.

The Company made payments to various trustee pension plans under union, industry-wide agreements. The payments are based on the hours worked by or gross wages paid to covered employees. It is not practical to determine the amount of payments ultimately used to fund pension benefit plans or the current financial condition of these plans. Pension expense for the three and twelve months ended December 31, 1986 was \$115,000 and \$463,000 respectively.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 19 86

(UNAUDITED)

(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
	Patron's Checks:	\$		
1	Undeposited patron's checks	8,215		
2	Returned patrons' checks	8,793		
3	Total patrons' checks	17,008	\$ 7,700	\$ 9,308
4	Hotel Receivables	1,319	97	1,222
5	Receivables due from officers & employees	8		
6	Receivables due from affiliates	-		
7	Other accounts and notes receivables	366		
8	Total other receivables	374	-	374
9	Totals (Form 305)	\$ 18,701	\$ 7,797	\$ 10,904

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning balance (January 1)	\$ 6,914
11	Counterchecks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	218,684
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)	(161,322)
13	Checks collected through deposits	(48,041)
14	Checks transferred to returned checks	(8,020)
15	Other adjustments	-
16	Ending balance	\$ 8,215
17	"Hold" Checks Included in Balance on Line 16	\$ -
18	Provision For Uncollectible Patrons' Checks	\$ 2,840
19	Provision As A Percent Of Counter Checks Issued	1.3 %

CASINO DEPARTMENTAL SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 19 86
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	AMOUNT (c)	DROP (d)	WIN OR (LOSS) (e) %	WEIGHTED AVG. NUMBER OF TABLES OR MACHINES (f)
	Revenue				
1	Blackjack	\$ 50,023	\$308,227	16.2%	84
2	Craps	41,430	286,295	14.5	24
3	Roulette	9,350	36,792	25.4	11
4	Big Six	2,115	4,375	48.3	4
5	Baccarat	6,731	37,265	18.1	3
6	Other table games	-	-	-	-
7	Total table games revenue	109,649	\$672,954	16.3	126
			HANDLE		
8	\$.05 slot machines	3,655	\$ 23,829	15.3	83
9	\$.25 slot machines	50,291	361,569	13.9	931
10	\$1.00 slot machines	13,741	121,219	11.3	166
11	Other slot machines	40,690	391,837	10.4	477
12	Total coin-operated devices revenue	108,377	\$898,454	12.1	1,657
13	Progressive jackpot adjustment	152			
14	Total coin-operated devices revenue after adjustment	108,529			
15	Other income				
16	Total revenue	\$ 218,178			
	Expenses:				
17	Payroll and payroll related expenses	36,165			
18	Licenses and taxes	18,134			
19	Provision for uncollectible patron's checks	2,840			
20	Other	24,236			
21	Total	81,375			
22	Departmental Income/Loss Before Complimentary Services and Casino Management Fees	136,803			
	Complimentary services and casino management fees:				
23	Complimentary services	13,173			
24	Casino management fees	-			
25	Total	13,173			
26	Departmental Income (Loss)	\$ 123,630			

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey
COUNTY OF Atlantic

GROSS REVENUE
ANNUAL TAX RETURN

Lee C. Johnson, being duly sworn according to
Name

law upon my oath deposes and says:

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

Lee C. Johnson
Signature
Vice President of Finance
Title

02281-11
License Number

On Behalf Of:
Trump Plaza Associates
Casino Licensee

Subscribed and sworn to
before me this 13 day
of March, 1987

Geraldine M. Haase
Signature

GERALDINE M. HAASE
NOTARY PUBLIC OF NEW JERSEY
COUNTY OF ATLANTIC

~~My Commission Expires~~ JUNE 2, 1991

Basis of Authority to
Take Oaths

TRADING 2073 3 LICENSES TRUMP PLAZA HOTEL & CASINO

DECEMBER 31 19 86

GROSS REVENUE ANNUAL TAX RETURN

LICENSEE TRUMP PLAZA ASSOCIATES

ADDRESS MISSISSIPPI AVENUE & BOARDWALK

ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 19 86

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



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

LEE C. JOHNSON

OFFICIAL TITLE..... VICE PRESIDENT OF FINANCE

ADDRESS..... MISSISSIPPI AVENUE & BOARDWALK

ATLANTIC CITY, NJ 08401

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 19 86

(UNAUDITED)

(\$ IN THOUSANDS)

LINE			
	Casino win of (loss)		
1	Table games revenue	\$ 109,649	
2	Coin-operated devices revenue	108,377	
3	Total revenues		\$ 218,026
	Less - adjustment for uncollectible patron's checks:		
4	Provision for uncollectible patron's checks	\$ 2,840	
5	Maximum adjustment (4% of line 3)	\$ 8,721	
6	Adjustment (the lesser of line 4 of line 5)		2,840
7	Gross revenues (line 3 less line 6)		\$ 215,186
8	Tax on gross revenues - current year (8% of line 7)		\$ 17,215
9	Audit or other adjustments to tax on gross revenues in prior years		-
10	Total tax on gross revenues (line 8 plus or minus line 9)		17,215
	Deposits made for tax on current year's gross revenues:		
11	January	\$ 986	
12	February	1,093	
13	March	1,612	
14	April	1,320	
15	May	1,278	
16	June	1,731	
17	July	1,559	
18	August	1,618	
19	September	1,654	
20	October	1,343	
21	November	1,314	
22	December	1,386	
23	January	321	
24	Total deposits made for tax on current year's gross revenues		(17,215)
	Settlement of prior year's 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 New Jersey :
COUNTY OF Atlantic :ss.
:

ANNUAL EMPLOYMENT
AND PAYROLL REPORT

Lee C. Johnson, being duly sworn according to
Name

law upon my oath deposes and says:

1. I have examined this Gross Revenue Annual 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.

Lee C. Johnson
Signature

Vice President of Finance
Title

02281-11
License Number

Subscribed and sworn to
before me this 13 day
of March, 1987.

Geraldine M. Haase
Signature

On Behalf Of:

Trump Plaza Associates
Casino Licensee

GERALDINE M. HAASE
NOTARY PUBLIC OF NEW JERSEY
COUNTY OF ATLANTIC

Basis of Authority to My Commission Expires JUNE 2, 1991
Take Oaths

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE TRUMP PLAZA ASSOCIATES

ADDRESS MISSISSIPPI AVENUE & BOARDWALK

ATLANTIC CITY, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 19 86

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



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

LEE C. JOHNSON

OFFICIAL TITLE.....

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, 19 86
 (\$ in Thousands)

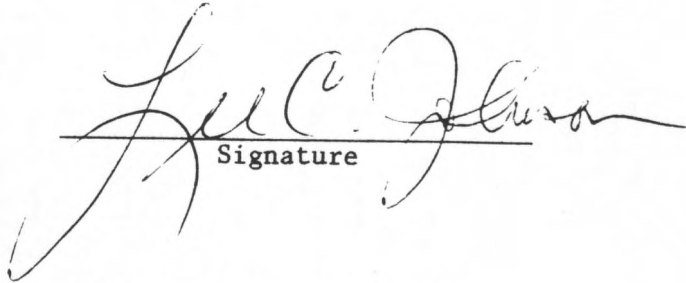
LINE	DEPARTMENT	NUMBER OF		SALARIES AND WAGES	
		(c) EMPLOYEES	(d) OTHER EMPLOYEES	(e) OFFICERS & OWNERS	(f) TOTALS
	CASINO				
1	Administration	0			
2	Gaming	981			
3	Slots	122			
4	Casino accounting	377			
5	Other	127	\$	\$	
6	Total-casino	1,607	29,152		29,152
7	ROOMS	190	2,823		2,823
8	FOOD AND BEVERAGE	965	12,469		12,469
	OTHER OPERATED DEPARTMENTS				
9	Customer Services	37	534		534
10	Gift Shop	21	213		213
11	Wardrobe	33	477		477
12	Parking	137	1,869		1,869
13	Communications	20	284		284
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	10	380	465	845
21	Accounting and auditing	131	2,172		2,172
22	Security	200	3,747		3,747
23	Other administrative and general department	109	2,834		2,834
24	MARKETING	80	1,380		1,380
25	GUEST ENTERTAINMENT	29	1,001		1,001
26	PROPERTY OPERATION AND MAINTENANCE	314	7,220		7,220
27	TOTAL - ALL DEPARTMENTS	3,883	\$ 66,555	\$ 465	\$ 67,020

Trading Name of Licensee TRUMP PLAZA HOTEL & CASINO

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 19 86

3/15/87
Date


Signature

Vice President of Finance
Title

TRADING NAME OF LICENSEE Trump Casino Hotel

HOTEL STATISTICS

FOR THE 12 MONTHS ENDED December 31, 1986

(A) LINE	(B) PERIOD	(C) NUMBER OF GUEST ROOMS IN PROPERTY	(D) NUMBER OF AVAILABLE ROOMS	(E) NUMBER OF OCCUPIED ROOMS	(F) AVERAGE RATE PER OCCUPIED ROOM	(G) OCCUPANCY RATE	(H) NUMBER OF GUESTS ACCOMMODATED	(I) AVERAGE RATE PER GUEST ACCOMMODATED
1	JANUARY	612	18,972	12,821	\$ 90.36	67.6%	25,642	\$ 45.18
2	FEBRUARY	612	17,136	14,003	\$ 89.38	81.7%	28,006	\$ 44.69
3	MARCH	612	18,972	17,089	\$ 87.29	90.1%	34,178	\$ 43.65
4	1ST QUARTER TOTALS		55,080	43,913	\$ 88.85	79.7%	87,826	\$ 44.43
5	APRIL	612	18,360	16,249	\$ 95.59	88.5%	32,498	\$ 47.79
6	MAY	612	18,972	16,541	\$ 100.34	87.2%	33,082	\$ 50.17
7	JUNE	612	18,360	16,735	\$ 103.35	91.1%	33,470	\$ 51.68
8	2ND QUARTER TOTALS		55,692	49,525	\$ 99.80	88.9%	99,050	\$ 49.90
9	JULY	612	18,972	18,075	\$ 122.07	95.3%	36,150	\$ 61.04
10	AUGUST	613	19,003	18,772	\$ 124.42	98.8%	37,544	\$ 62.21
11	SEPTEMBER	613	18,390	16,391	\$ 103.22	89.1%	32,782	\$ 51.61
12	3RD QUARTER TOTALS		56,365	53,238	\$ 117.10	94.5%	106,476	\$ 58.55
13	OCTOBER	613	19,003	17,055	\$ 99.07	89.7%	34,110	\$ 49.54
14	NOVEMBER	613	18,390	15,397	\$ 99.43	83.7%	30,794	\$ 49.72
15	DECEMBER	613	19,003	13,616	\$ 89.00	71.7%	27,232	\$ 44.50
16	4TH QUARTER TOTALS		56,396	46,068	\$ 96.21	81.7%	92,136	\$ 48.11
17	ANNUAL TOTALS		223,533	192,744	\$ 101.23	86.2%	385,488	\$ 50.61