

TRUMP ENTERTAINMENT RESORTS FUNDING INC
Form 10-Q
August 08, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

TRUMP ENTERTAINMENT RESORTS, INC.
TRUMP ENTERTAINMENT RESORTS HOLDINGS, L.P.
TRUMP ENTERTAINMENT RESORTS FUNDING, INC.

(Exact name of registrant as specified in its charter)

Delaware
Delaware
Delaware
(State or other jurisdiction of

1-13794
33-90786
33-90786-01
(Commission File Number)

13-3818402
13-3818407
13-3818405
(I.R.S. Employer

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incorporation or organization)

Identification No.)

1000 Boardwalk at Virginia Avenue

Atlantic City, New Jersey 08401

(609) 449-6515

(Address, including zip code, and telephone number, including area code, of principal executive offices)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Registrant	Title of Each Class	Name of Each Exchange on Which Registered
Trump Entertainment Resorts, Inc.	Common Stock, par value \$0.001 per share	The NASDAQ Stock Market LLC
Trump Entertainment Resorts Holdings, L.P.	None	None
Trump Entertainment Resorts Funding, Inc.	None	None

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Trump Entertainment Resorts, Inc.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Trump Entertainment Resorts Holdings, L.P.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Trump Entertainment Resorts Funding, Inc.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate by check mark whether the registrants have filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

As of August 8, 2007, there were 31,095,514 shares of common stock and 900 shares of class B common stock (having a voting equivalency of 9,377,484 shares of common stock) of Trump Entertainment Resorts, Inc. outstanding.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

TRUMP ENTERTAINMENT RESORTS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except share and per share data)

	June 30, 2007 (unaudited)	December 31, 2006
Current assets:		
Cash and cash equivalents	\$ 85,414	\$ 100,007
Restricted cash		27,375
Accounts receivable, net	49,989	45,342
Accounts receivable, other	6,179	9,000
Inventories	9,794	10,816
Deferred income taxes	10,881	10,351
Prepaid expenses and other current assets	16,191	13,049
Total current assets	178,448	215,940
Net property and equipment	1,635,694	1,535,543
Other assets:		
Restricted cash	100,778	
Goodwill	226,287	226,480
Trademarks	197,000	197,000
Intangible assets, net	7,012	7,730
Deferred financing costs, net	16,568	17,914
Other assets, net	60,058	59,889
Total other assets	607,703	509,013
Total assets	\$ 2,421,845	\$ 2,260,496
Current liabilities:		
Accounts payable	\$ 43,037	\$ 31,384
Accrued payroll and related expenses	31,194	28,332
Income taxes payable	7,765	24,904
Partnership distribution payable	250	260
Accrued interest payable	16,145	13,645
Self-insurance reserves	12,658	13,299
Other current liabilities	43,142	33,645
Current maturities of long-term debt	6,250	11,263
Total current liabilities	160,441	156,732
Long-term debt, net of current maturities	1,563,110	1,396,170
Deferred income taxes	152,944	152,414
Other long-term liabilities	33,798	17,017
Minority interest	118,808	125,395
Stockholders equity:		
Preferred stock, \$1 par value; 1,000,000 shares authorized, no shares issued and outstanding		

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Common stock, \$.001 par value; 75,000,000 shares authorized, 31,129,753 and 30,990,902 shares issued and outstanding at June 30, 2007 and December 31, 2006, respectively	31	31
Class B Common stock, \$.001 par value; 1,000 shares authorized, 900 shares issued and outstanding		
Additional paid-in capital	459,335	457,772
Accumulated deficit	(66,622)	(45,035)
Total stockholders' equity	392,744	412,768
Total liabilities and stockholders' equity	\$ 2,421,845	\$ 2,260,496

See accompanying notes to condensed consolidated financial statements

TRUMP ENTERTAINMENT RESORTS, INC.**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(unaudited)

(dollars in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Revenues:				
Gaming	\$ 249,142	\$ 272,915	\$ 493,261	\$ 520,859
Rooms	21,613	19,058	39,889	36,066
Food and beverage	29,566	30,487	55,035	57,014
Other	9,748	10,276	17,170	18,238
	310,069	332,736	605,355	632,177
Less promotional allowances	(65,829)	(76,695)	(126,836)	(138,484)
Net revenues	244,240	256,041	478,519	493,693
Costs and expenses:				
Gaming	119,313	120,448	231,541	233,656
Rooms	4,522	3,338	8,091	6,510
Food and beverage	12,227	10,869	21,265	20,159
General and administrative	68,485	70,842	135,616	139,920
Corporate and development	9,660	8,146	16,474	15,476
Corporate-related party	607	658	1,215	1,320
Depreciation and amortization	16,316	17,322	31,582	33,932
	231,130	231,623	445,784	450,973
Income from operations	13,110	24,418	32,735	42,720
Non-operating income (expense):				
Interest income	1,834	2,855	3,217	5,814
Interest expense	(32,534)	(32,536)	(63,976)	(65,015)
	(30,700)	(29,681)	(60,759)	(59,201)
Loss before income taxes and minority interests	(17,590)	(5,263)	(28,024)	(16,481)
Provision for income taxes		(1,339)	(200)	(2,831)
Minority interest	4,136	1,668	6,637	4,655
Net loss	\$ (13,454)	\$ (4,934)	\$ (21,587)	\$ (14,657)
Net loss per share - basic and diluted	\$ (0.43)	\$ (0.16)	\$ (0.69)	\$ (0.48)
Weighted average shares outstanding:				
Basic and diluted	31,102,062	30,986,181	31,076,674	30,857,259

See accompanying notes to condensed consolidated financial statements

TRUMP ENTERTAINMENT RESORTS, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY

(unaudited)

(in thousands, except share data)

	Shares	Common Stock	Shares	Class B Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders Equity
Balance, December 31, 2006	30,990,902	\$ 31	900	\$	\$ 457,772	\$ (45,035)	\$ 412,768
Stock-based compensation expense, net of minority interest of \$480					1,563		1,563
Issuance of restricted stock, net	138,784						
Other	67						
Net loss						(21,587)	(21,587)
Balance, June 30, 2007	31,129,753	\$ 31	900	\$	\$ 459,335	\$ (66,622)	\$ 392,744

See accompanying notes to condensed consolidated financial statements

TRUMP ENTERTAINMENT RESORTS, INC.**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(dollars in thousands)

	Six Months	
	Ended	
	June 30,	
	2007	2006
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (21,587)	\$ (14,657)
Adjustments to reconcile net loss to net cash flows provided by operating activities:		
Deferred and non-cash charge in lieu of income taxes	200	475
Minority interest in net loss	(6,637)	(4,655)
Depreciation and amortization	31,582	33,932
Amortization of deferred financing costs	1,346	1,311
Provisions for losses on receivables	3,584	2,214
Stock-based compensation expense	2,043	3,002
Valuation allowance CRDA investments	1,952	2,084
Gain on sale of assets	(366)	
Other	(120)	(55)