UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2021
or

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

For the transition period from ______to ______
Commission File No. 000-24993

GOLDEN ENTERTAINMENT, INC.

(Exact name of registrant as specified in its charter)

Minnesota	**41-1913991**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

6595 S Jones Boulevard - Las Vegas, Nevada 89118
(Address of principal executive offices)
(702) 893-7777
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	**GDEN**	**The Nasdaq Stock Market LLC**

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has 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) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Based upon the last sale price of the registrant's common stock, $0.01 par value, as reported on the Nasdaq Global Market on June 30, 2021, the aggregate market value of the common stock held by non-affiliates of the registrant as of such date was $891,439,405. For purposes of these computations only, all of the Registrant's executive officers and directors and entities affiliated with them have been deemed to be affiliates.

As of February 21, 2022, 28,842,572 shares of the registrant's common stock, $0.01 par value, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the registrant's 2022 annual meeting of shareholders, to be filed with the Securities and Exchange Commission within 120 days after the registrant's year ended December 31, 2021, are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. Except with respect to information specifically incorporated by reference in this Annual Report on Form 10-K, the Proxy Statement is not deemed to be filed as part hereof.

GOLDEN ENTERTAINMENT, INC.

ANNUAL REPORT ON FORM 10-K
FOR FISCAL YEAR ENDED DECEMBER 31, 2021

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PART I

As used in this Annual Report on Form 10-K ("Annual Report"), unless the context suggests otherwise, the terms "Golden," "we," "our" and "us" refer to Golden Entertainment, Inc. and its subsidiaries.

Forward-Looking Statements

This Annual Report, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements can generally be identified by the use of words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "project," "potential," "seek," "should," "think," "will," "would" and similar expressions, or they may use future dates. In addition, forward-looking statements include statements regarding the impact of the 2019 novel coronavirus ("COVID-19") pandemic on our business; our strategies, objectives, business opportunities and plans for future expansion, developments or acquisitions; anticipated future growth and trends in our business or key markets; projections of future financial condition, operating results, income, capital expenditures, costs or other financial items; anticipated regulatory and legislative changes; and other characterizations of future events or circumstances as well as other statements that are not statements of historical fact. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. These forward-looking statements are subject to assumptions, risks and uncertainties that may change at any time, and readers are therefore cautioned that actual results could differ materially from those expressed in any forward-looking statements. Factors that could cause our actual results to differ materially include: the uncertainty of the extent, duration and effects of the COVID-19 pandemic and the response of governments; changes in national, regional and local economic and market conditions; legislative and regulatory matters (including the cost of compliance or failure to comply with applicable laws and regulations); increases in gaming taxes and fees in the jurisdictions in which we operate; our ability to realize the anticipated cost savings, synergies and other benefits of our casino and other acquisitions; litigation; increased competition; our ability to renew our distributed gaming contracts; reliance on key personnel (including our Chief Executive Officer, President and Chief Financial Officer, and Chief Operating Officer); the level of our indebtedness and our ability to comply with covenants in our debt instruments; terrorist incidents; natural disasters; severe weather conditions (including weather or road conditions that limit access to our properties); the effects of environmental and structural building conditions; the effects of disruptions to our information technology and other systems and infrastructure; factors affecting the gaming, entertainment and hospitality industries generally; and other factors identified under the heading "Risk Factors" in Part I, Item 1A of this Annual Report, or appearing elsewhere in this report and in our other filings with the Securities and Exchange Commission ("SEC"). Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the filing date of this report. We undertake no obligation to revise or update any forward-looking statements for any reason.

ITEM 1. *BUSINESS*

Corporate Information

We were incorporated in Minnesota in 1998 under the name of GCI Lakes, Inc., which name was subsequently changed to Lakes Gaming, Inc. in August 1998, to Lakes Entertainment, Inc. in June 2002 and to Golden Entertainment, Inc. in July 2015. Our shares began trading publicly in January 1999. The mailing address of our headquarters is 6595 S. Jones Boulevard, Las Vegas, Nevada 89118, and our telephone number at that location is (702) 893-7777.

Overview

We own and operate a diversified entertainment platform, consisting of a portfolio of gaming assets that focus on casino and distributed gaming operations (including gaming in our branded taverns). Our portfolio includes ten casino properties located in Nevada and Maryland. Our distributed gaming operations involve the installation, maintenance and operation of slot machines and amusement devices in non-casino locations such as restaurants, bars, taverns, convenience stores, liquor stores and grocery stores in Nevada and Montana, as well as the operation of branded taverns targeting local patrons located primarily in the greater Las Vegas, Nevada metropolitan area.

Acquisitions

On January 14, 2019, we completed the acquisition of Edgewater Gaming, LLC and Colorado Belle Gaming, LLC (the "Laughlin Entities") from Marnell Gaming, LLC ("Marnell") for $156.2 million in cash (after giving effect to the post-closing adjustment provisions in the purchase agreement) and the issuance by us of 911,002 shares of our common stock to certain assignees of Marnell (the "Laughlin Acquisition"). The Laughlin Acquisition added two casino resort properties in Laughlin, Nevada to our casino portfolio: the Edgewater Hotel & Casino Resort (“Edgewater”) and the Colorado Belle Hotel & Casino Resort (“Colorado Belle”), whose operations are currently suspended due to COVID-19. The results of operations of the Laughlin Entities are included in our results subsequent to the acquisition date.

Impact of COVID-19

The disruptions arising from the COVID-19 pandemic continue to impact our business, financial condition, results of operations, and cash flows. It is unknown when the pandemic will be fully contained and how the uncertainties associated with the pandemic will continue to impact our operations and the willingness of customers to spend on travel and entertainment. Following emergency executive orders issued by the Governors of Nevada, Maryland and Montana in the week of March 16, 2020, all of our properties were temporarily closed to the public and distributed gaming operations at third-party locations were suspended. While we re-opened our casino properties and resumed our distributed gaming operations during the second and third quarters of 2020, the implementation of protocols intended to protect team members, gaming patrons and guests from potential COVID-19 exposure, including enhanced sanitization, public gathering limitations on casino, tavern and venue capacity, patron social distancing requirements, restrictions on permitted hours of operations, limitations on casino operations, which include disabling electronic gaming machines, and face mask requirements for patrons, has continued to limit our operations in 2021. While some of these restrictions were eased during 2021, our properties and distributed gaming operations may be subject to temporary, complete or partial closures in the future. Further, as a result of the impact of the pandemic, the operations of the Colorado Belle property remain suspended.

In response to the COVID-19 pandemic and the resulting disruptions on our business, we implemented various mitigating actions to preserve liquidity, including delaying material capital expenditures, reducing operating expenses and implementing a cost reduction program with respect to discretionary expenditures. Such measures remained in effect throughout 2021. To further enhance our liquidity position or to finance any future acquisition or other business investment initiatives, we may obtain additional financing, which could consist of debt, convertible debt or equity financing from public or private credit and capital markets.

Operations

We conduct our business through four reportable segments: Nevada Casino Resorts, Nevada Locals Casinos, Maryland Casino Resort and Distributed Gaming.

The following table sets forth certain information regarding our operations by reportable segment as of December 31, 2021. In light of COVID-19, certain amenities at our casino properties (including restaurants, bars, and other food and beverage outlets, and certain non-food and beverage areas such as table games, spas and pools) may remain closed or operate in a limited capacity.

	Location	Casino Space (Sq. ft.)	Slot Machines	Table Games	Hotel Rooms
Nevada Casino Resorts					
The STRAT Hotel, Casino & SkyPod (“The STRAT”)	Las Vegas, NV	80,000	708	45	2,429
Aquarius Casino Resort (“Aquarius”)	Laughlin, NV	57,000	1,082	29	1,906
Edgewater Hotel & Casino Resort (“Edgewater”)	Laughlin, NV	52,864	638	20	1,052
Colorado Belle Hotel & Casino Resort (“Colorado Belle”) (1)	Laughlin, NV	—	—	—	—
Nevada Locals Casinos					
Arizona Charlie’s Boulder	Las Vegas, NV	55,200	643	—	303
Arizona Charlie’s Decatur	Las Vegas, NV	47,500	731	10	259
Gold Town Casino	Pahrump, NV	10,000	186	—	—
Lakeside Casino & RV Park	Pahrump, NV	10,000	154	—	—
Pahrump Nugget Hotel Casino (“Pahrump Nugget”)	Pahrump, NV	19,875	326	9	69
Maryland Casino Resort					
Rocky Gap Casino Resort (“Rocky Gap”)	Flintstone, MD	25,447	630	16	198
Distributed Gaming					
Nevada distributed gaming	Nevada	—	7,344	–	–
Nevada taverns	Nevada	—	1,048	–	–
Montana distributed gaming	Montana	—	3,453	–	–
Totals		357,886	16,943	129	6,216

(1) The operations of the Colorado Belle remain suspended.

Nevada Casino Resorts

Our Nevada Casino Resorts segment is comprised of destination casino resort properties offering a variety of food and beverage outlets, entertainment venues and other amenities. The casino resort properties in this segment cater primarily to a regional drive-in customer base seeking a value-oriented vacation experience, with guests typically traveling from Southern California or Arizona. Our casino resort properties in Nevada have a significantly larger number of hotel rooms compared to the other casino properties in our portfolio. While hotel stays at these casino resorts are typically longer, the overall frequency of visitation from guests is lower when compared to our Nevada Locals Casinos.

The STRAT: The STRAT is our premier casino resort property, located on Las Vegas Boulevard on the north end of the Las Vegas Strip. The STRAT comprises a casino, a hotel, a retail center and the iconic SkyPod, which includes indoor and outdoor observation decks, thrill rides and the SkyJump attraction. In addition to hotel rooms, gaming and sportsbook facilities in an 80,000 square foot casino, The STRAT offers nine restaurants, two rooftop pools, a fitness center, retail shops and entertainment facilities.

Laughlin casinos: We own and operate three casino resorts in Laughlin, Nevada, which is located approximately 90 miles from Las Vegas on the western bank of the Colorado River. Our Laughlin casinos are situated on 56 adjacent acres along the heart of the Laughlin Riverwalk and cater primarily to patrons traveling from Arizona and Southern California, and customers from Nevada seeking an alternative to the Las Vegas experience. In addition to hotel rooms, gaming and sportsbook facilities, the Aquarius has eight restaurants, the Edgewater offers five restaurants, and the Colorado Belle offered three restaurants. As noted above, as a result of the impact of the COVID-19 pandemic, the operations of the Colorado Belle remain suspended. The Edgewater also offers dedicated entertainment venues, including the Laughlin Event Center. The Laughlin Event Center, which is situated within walking distance from the Edgewater and in close proximity to our other Laughlin properties, is an outdoor arena that can seat up to 12,000 guests and hosts various entertainment programs throughout the year, such as concerts, festivals, bull riding, rodeo, off-road racing and extreme sports events.

Nevada Locals Casinos

Our Nevada Locals Casinos segment is comprised of casino properties that cater to local customers who generally live within a five-mile radius. Our locals casino properties typically experience a higher frequency of customer visits compared to our casino resort properties in Nevada and Maryland, with many of our customers visiting our Nevada Locals Casinos on a weekly basis. The casino properties within this reportable segment have no or a limited number of hotel rooms and offer fewer food and beverage outlets or other amenities, with revenues primarily generated from slot machine play.

Arizona Charlie's casinos: Our Arizona Charlie's Boulder and Arizona Charlie's Decatur casino properties primarily serve local Las Vegas gaming patrons, and provide an alternative experience to the Las Vegas Strip. Arizona Charlie's Boulder is located on Boulder Highway, in an established retail and residential neighborhood in the eastern metropolitan area of Las Vegas. The property is easily accessible from I-515, the primary east/west highway in Las Vegas. Arizona Charlie's Decatur is located four miles west of the Las Vegas Strip in the heavily populated west Las Vegas area, and is easily accessible from US Route 95, a major highway in Las Vegas. In addition to hotel rooms, gaming, sportsbook and bingo facilities, Arizona Charlie's Boulder offers five restaurants and an RV park with 221 RV hook-up sites and Arizona Charlie's Decatur offers five restaurants.

Pahrump casinos: We own and operate three casino properties in Pahrump, Nevada, which is located approximately 60 miles from Las Vegas and is a gateway to Death Valley National Park. In addition to gaming, sportsbook and bingo facilities at our Pahrump casino properties, Pahrump Nugget offers 69 hotel rooms, a bowling center and a 5,200 square foot banquet and event center and Lakeside Casino & RV Park offers 159 RV hook-up sites.

Maryland Casino Resort

Our Maryland Casino Resort segment is comprised of our Rocky Gap casino resort, which is geographically disparate from our Nevada properties, operates in a separate regulatory jurisdiction and has only a limited number of hotel rooms compared to our Nevada Casino Resorts. Rocky Gap caters to a regional drive-in customer base traveling from mid-Atlantic areas (Maryland, Virginia, Washington DC, Pennsylvania, West Virginia) and offers a full range of amenities, including various food and beverage outlets, signature golf course, spa and pool.

Rocky Gap: Rocky Gap is situated on approximately 270 acres in the Rocky Gap State Park in Maryland, which we lease from the Maryland Department of Natural Resources (the "Maryland DNR") under a 40-year ground lease expiring in 2052 (plus a 20-year renewal option). In addition to hotel rooms and gaming, Rocky Gap offers three restaurants, a spa and the only Jack Nicklaus signature golf course in Maryland. Rocky Gap is a AAA Four Diamond Award® winning resort and includes an event and conference center.

Distributed Gaming

Our Distributed Gaming segment is comprised of the operation of slot machines and amusement devices in approximately 1,100 non-casino locations, such as restaurants, bars, taverns, convenience stores, liquor stores and grocery stores, across Nevada and Montana, with a limited number of slot machines in each location. We own and operate over 11,800 slot machines and amusement devices as part of our Distributed Gaming segment, with the majority of gaming devices offered at these locations being video poker machines. Distributed Gaming operations cater to local residents with high frequency visitation to these locations. We place our slot machines and amusement devices in locations where we believe they will receive maximum customer traffic.

As part of our Distributed Gaming segment, we own and operate a limited number of branded tavern locations, where we control the food and beverage operations as well as the slot machines located within the tavern. Our branded taverns offer a casual, upscale environment catering to local patrons offering superior food, craft beer and other alcoholic beverages, and are typically limited to 15 slot machines. Most of our taverns are located in the greater Las Vegas, Nevada metropolitan area and cater to local patrons seeking more convenient entertainment establishments than traditional casino properties. Our tavern patrons are typically younger than traditional casino customers, which diversifies our customer demographic. Our tavern brands include PT's Pub, PT's Gold, PT's Ranch, Sean Patrick's, Sierra Gold and SG Bar. As of December 31, 2021, we owned and operated 66 branded taverns, which offered a total of over 1,000 onsite slot machines. We continue to look for opportunistic and accretive opportunities to pursue additional tavern openings and acquisitions.

In August 2017, we became licensed as a video gaming terminal operator in Illinois and in October 2018, we received a conditional license to operate in Pennsylvania, providing for potential expansion into new jurisdictions.

Nevada law limits distributed gaming operations (also known as "restricted gaming" operations) to certain types of non-casino locations, including grocery stores, drug stores, convenience stores, restaurants, bars, taverns and liquor stores, where gaming is incidental to the primary business being conducted at the location and games are generally limited to 15 or fewer slot machines and no other forms of gaming activity. The gaming area in these business locations is typically small, and in many instances, segregated from the primary business area, including the use of alcoves in grocery stores and drug stores and installation of slot machines into the physical bar (also known as "bar top" slot machines) in bars and taverns. Such segregation provides greater oversight and supervision of the slot machines. Under Montana law, distributed gaming operations are limited to business locations licensed to sell alcoholic beverages for on-premises consumption only, with such locations generally restricted to offering a maximum of 20 slot machines.

In Nevada, we generally enter into two types of slot placement contracts as part of our distributed gaming business: space lease agreements and participation agreements. Under space lease agreements, we pay a fixed monthly rental fee for the right to install, maintain and operate our slot machines at a business location and we are the sole holder of the applicable gaming license that allows us to operate such slot machines. Under participation agreements, the business location retains a percentage of the gaming revenue generated from our slot machines, and as a result both the business location and Golden are required to hold a state issued gaming license. In Montana, our slot and amusement device placement contracts are all participation agreements.

Sales and Marketing

We market our Nevada Casino Resorts through both local and regional advertising, with a focus on offering a more complete resort destination experience that may include rooms, entertainment, dining and attractions. We advertise through various media channels, including television, radio, outdoor, digital, social media and public relations.

Marketing for our Nevada Locals Casinos targets the local communities in which these properties operate with an emphasis on the gaming experience, casino promotions and dining. The advertising is geared towards a local audience and typically includes radio, outdoor, digital and social media with television used occasionally for promotional messaging and brand campaigns when appropriate.

Rocky Gap is located in western Maryland in close proximity to the affluent and heavily populated metropolitan areas of Pittsburgh, Pennsylvania, Baltimore, Maryland and Washington, D.C., as well as two major interstate freeways. Rocky Gap serves as a premier destination for both local and out-of-market patrons. Our marketing efforts for Rocky Gap are primarily focused on attracting patrons through local and regional campaigns promoting both the amenities of Rocky Gap and the vast array of outdoor activities available in the Rocky Gap State Park.

Our Distributed Gaming customer base is comprised of the primarily local patrons that use our slot machines and amusement devices in contracted third-party locations and the primarily local patrons of our branded taverns. We seek to place our slot machines and amusement devices in strategic, high-traffic areas, including our branded taverns, and the majority of our marketing efforts are focused on maximizing profitability from a high-frequency, convenience-driven customer base.

Our sales and marketing efforts include our consolidated loyalty program, True Rewards®, designed to encourage repeat business at our properties, branded taverns and other participating distributed gaming locations, as discussed below.

True Rewards Loyalty Program

Our marketing efforts seek to capitalize on repeat visitation through the use of our True Rewards loyalty program. We offer our True Rewards loyalty program at all ten of our casino properties, as well as at all of our branded taverns and other participating distributed gaming locations. Members of our True Rewards loyalty program earn points based on gaming activity and food and beverage purchases at our casino properties, taverns and participating distributed gaming locations. Loyalty points are redeemable for complimentary slot play, promotional table game chips, food and beverages and grocery gift cards. All points earned in the loyalty program roll up into a single account balance which is redeemable at over 140 participating locations.

Our rewards technology is designed to track customer behavior indicators such as visitation, customer spend and customer engagement. As of December 31, 2021, we had over 637,000 active players in our marketing database, providing us with an avenue to drive customer engagement and cross-marketing opportunities across our casino and distributed gaming platform.

Intellectual Property

We pursue registration of our important trademarks and service marks in the states where we do business and with the United States Patent and Trademark Office. We have registered and/or have pending as trademarks with the United States Patent and Trademark Office, among other trademarks and service marks, "Golden Entertainment" and "Golden Gaming," as well as various names, brands and logos relating to our casino properties, customer loyalty programs and branded taverns. In addition, we have also registered or applied to register numerous other trademarks in various jurisdictions in the United States in connection with our properties, facilities and development projects. We also hold a patent in the United States related to player tracking systems.

Competition

The casino and distributed gaming industries are highly competitive. Our casino business competes with numerous casinos and casino-hotels of varying quality and size in our markets. We also compete with other non-gaming resorts and vacation destinations, and with various other casino and other entertainment businesses. The casino entertainment business is characterized by competitors that vary considerably in their size, quality of facilities, number of operations, brand identities, marketing and growth strategies, financial strength and capabilities, level of amenities, management talent and geographic diversity. Many of our regional and national competitors have greater brand recognition and significantly greater resources than we have. Their greater resources may also provide them with the ability to expand operations in the future.

Furthermore, several states are currently considering legalizing casino gaming in designated areas, and Native American tribes may develop or expand gaming properties in markets located more closely to our customer base (particularly Native American casinos located in California and Arizona). The expansion of casino gaming in or near any geographic area from which we attract or expect to attract a significant number of our customers, including legalized casino gaming in neighboring states and on Native American land, could have a significant adverse effect on our business, financial condition, results of operations and prospects.

With respect to our distributed gaming operations, we face direct competition from others involved in the distributed gaming business, as well as substantial competition for customers from other operators of casinos, hotels, taverns and other entertainment venues. Many of our regional and national competitors have greater brand recognition and significantly greater resources than we have. Their greater resources may also provide them with the ability to expand operations in the future.

In addition, we face ever-increasing competition from online gaming, including mobile gaming applications for smart phones and tablet computers, state-sponsored lotteries, card clubs, sports books, fantasy sports websites and other forms of legalized gaming. Various forms of internet gaming have been approved in Nevada, and legislation permitting internet gaming has been proposed by the federal government and other states. The expansion of internet gaming in Nevada and other jurisdictions could result in significant additional competition for our operations.

Regulation

Gaming Regulation

We are subject to extensive federal, state, and local regulation. State and local government authorities in the jurisdictions in which we operate require us to obtain gaming licenses and require our officers, key employees and business entity affiliates to demonstrate suitability to be involved in gaming operations. These are privileged licenses or approvals which are not guaranteed by statute or regulation. State and local government authorities may limit, condition, suspend or revoke a license, impose substantial fines, and take other actions, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects. We cannot assure you that we will be able to obtain and maintain the gaming licenses and related approvals necessary to conduct our gaming operations. Any failure to maintain or renew our existing licenses, registrations, permits or approvals could have a material adverse effect on our business, financial condition, results of operations and prospects. Furthermore, if additional gaming laws or regulations are adopted, these regulations could impose additional restrictions or costs that could have a significant adverse effect on us and our business. For additional information, refer to the risk factor entitled *"Our business is subject to extensive gaming regulation, which is costly to comply with, and gaming authorities have significant control over our operations"* in "Part I, Item 1A: Risk Factors" of this Annual Report.

Gaming authorities may, in their sole and absolute discretion, require the holder of any securities issued by us to file applications, be investigated, and be found suitable to own our securities if they have reason to believe that the security ownership would be inconsistent with the declared policies of their respective states. Further, the costs of any investigation conducted by any gaming authority under these circumstances is typically required to be paid by the applicant, and refusal or failure to pay these charges may constitute grounds for a finding that the applicant is unsuitable to own the securities. Our articles of incorporation require our shareholders to cooperate with gaming authorities in such investigations and permit us to redeem the securities held by any shareholder whose holding of shares of our capital stock may result, in the judgment of our Board of Directors, in our failure to obtain or our loss of any license or franchise from any governmental agency held by us to conduct any portion of our business. If any gaming authority determines that a person is unsuitable to own our securities, then, under the applicable gaming laws and regulations, we can be sanctioned, including the loss of our privileged licenses or approvals, if, without the prior approval of the applicable gaming authority, we conduct certain business with the unsuitable person. For additional information, refer to the risk factor entitled *"Our shareholders are subject to extensive governmental regulation and, if a shareholder is found unsuitable by a gaming authority, that shareholder would not be able to beneficially own our common stock directly or indirectly. Our shareholders may also be required to provide information that is requested by gaming authorities and we have the right, under certain circumstances, to redeem a shareholder's securities; we may be forced to use our cash or incur debt to fund redemption of our securities"* in "Part I, Item 1A: Risk Factors" of this Annual Report.

Our directors, officers and key employees are also subject to a variety of regulatory requirements and various privileged licensing and related approval procedures in the various jurisdictions in which we operate gaming facilities. If any gaming authority with jurisdiction over our business were to find any of our directors, officers or key employees unsuitable for licensing or unsuitable to continue having a relationship with us, we would have to sever our relationship with that person. Furthermore, such gaming authorities may require us to terminate the employment of any person who refuses to file appropriate applications. Either result could have a material adverse effect on our business, operations and prospects.

Applicable gaming laws and regulations also restrict our ability to issue securities, incur debt, and undertake other financing activities. Such transactions would generally require approval of gaming authorities, and our financing counterparties, including lenders, might be subject to various licensing and related approval procedures in the various jurisdictions in which we operate gaming facilities. If state regulatory authorities were to find any person unsuitable with regard to his, her or its relationship to us or any of our subsidiaries, we would be required to sever our relationship with that person, which could materially adversely affect our business.

The gaming industry also represents a significant source of tax revenue, particularly to the State of Nevada and its counties and municipalities. From time to time, various federal, state and local legislators and other government officials have proposed and adopted changes in tax laws, or in the administration or interpretation of such laws, affecting the gaming industry. It is not possible to determine the likelihood of possible changes in tax laws or in the administration or interpretation of such laws. Such changes, if adopted, could have a material adverse effect on our future financial position, results of operations, cash flows and prospects. For additional information, refer to the risk factor entitled *"Changes to gaming tax laws could increase our cost of doing business and have a material adverse effect on our financial condition"* in "Part I, Item 1A: Risk Factors" of this Annual Report.

From time to time, local and state lawmakers, as well as special interest groups, have proposed legislation that would expand, restrict or prevent gaming operations in the jurisdictions in which we operate. Any such change to the regulatory environment or the adoption of new federal, state or local government legislation could have a material adverse effect on our business, financial condition, results of operations and prospects.

Other Regulation

Our business is subject to a variety of other federal, state and local laws, rules, regulations and ordinances. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, environmental matters, employees, currency transactions, taxation, zoning and building codes, and marketing and advertising. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Changes to any of the laws, rules, regulations or ordinances to which we are subject, new laws or regulations, or material differences in interpretations by courts or governmental authorities could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our operations are subject to various environmental laws and regulations relating to emissions and discharges into the environment, and the storage, handling and disposal of hazardous and non-hazardous substances and wastes. These laws and regulations are complex, and subject to change, and violations can lead to significant costs for corrective action and remediation, fines and penalties. Under certain of these laws and regulations, a current or previous owner or operator of property may be liable for the costs of remediating contamination on its property, without regard to whether the owner or operator knew of, or caused, the presence of the contaminants, and regardless of whether the practices that resulted in the contamination were legal at the time that they occurred, as well as incur liability to third parties impacted by such contamination. The presence of contamination, or failure to remediate it properly, may adversely affect our ability to use, sell or rent property. As we acquire additional casino, resort and tavern properties, such as the casino properties we acquired in the Laughlin Acquisition, we may not know the full level of exposure that we may have undertaken despite appropriate due diligence. We endeavor to maintain compliance with environmental laws, but from time to time, current or historical operations on or adjacent to, our properties may have resulted or may result in noncompliance with environmental laws or liability for cleanup pursuant to environmental laws. In that regard, we may incur costs for cleaning up contamination relating to historical uses of certain properties.

Many of our employees, especially those that interact with our customers, receive a base salary or wage that is established by applicable state and federal laws that establish a minimum hourly wage that is, in turn, supplemented through tips and gratuities from customers. From time to time, state and federal lawmakers have increased the minimum wage. It is difficult to predict when such increases may take place. Any such change to the minimum wage could have a material adverse effect on our business, financial condition, results of operations and prospects.

Alcoholic beverage control regulations require each of our branded taverns and casino properties to apply to a state authority and, in certain locations, county or municipal authority for a license or permit to sell alcoholic beverages. In addition, each restaurant we operate must obtain a food service license from local authorities. Failure to comply with such regulations could cause our licenses to be revoked or our related business or businesses to be forced to cease operations. Moreover, state liquor laws may prevent the expansion of restaurant operations into certain markets.

Seasonality

We believe that our businesses are affected by seasonal factors, including holidays, weather and travel conditions. Our casino properties and distributed gaming businesses in Nevada have historically experienced lower revenues during the summer as a result of fewer tourists due to higher temperatures, as well as increased vacation activity by local residents. Rocky Gap typically experiences higher revenues during summer months and may be significantly adversely impacted by inclement weather during winter months. Our Nevada distributed gaming operations typically experience higher revenues during the fall which corresponds with several professional sports seasons. Our Montana distributed gaming operations typically experience higher revenues during the winter due to the inclement weather in the state and less opportunity for outdoor activities, in addition to the impact from professional sports seasons during the fall. While other factors like unemployment levels, market competition and the diversification of our business may either offset or magnify seasonal effects, some seasonality is likely to continue, which could result in significant fluctuation in our quarterly operating results.

Human Capital

We are committed to recruiting, developing and retaining a superior workforce. We have a long history and deep cultural commitment to service and authenticity. As of December 31, 2021, we employed approximately 6,300 team members, which is a 6% decrease from December 31, 2020 when we had over 6,700 employees. The decrease in the number of our team members in 2021 was primarily driven by labor shortages. As of December 31, 2019, we had approximately 8,000 employees. We reduced headcount significantly during 2020 as a result of the impact of the COVID-19 pandemic on our operations, including the mandatory temporary property closures and suspension of our distributed gaming operations discussed above.

Mission and Values

In 2021, we continued to emphasize our organizational mission and values, as well as our "I CARE" guest service initiative. Our mission is to create authentic entertainment experiences where premium service is delivered at an exceptional value.

Our core mission is:

- To provide exceptional service to our guests
- To be accountable to each other
- To have integrity in all interactions
- To be urgent with purpose in our efforts

Our human capital initiatives reflect our commitment to aligning our workforce with our mission and values.

Recruitment

In 2021, we offered employment to 5,584 candidates from a total pool of 31,785 applications, or 17.6% of total applications. As compared to 2020, we hired 3,541 more team members and received 9,785 more applications than in 2020. We recruit applicants by utilizing various recruitment platforms and sources in an effort to secure a diverse pool of applicants and ensure sustainability of our talent pipeline. We offer referral and retention incentives to remain competitive in a limited labor market. We also made wage adjustments throughout Golden to remain competitive with market conditions and to improve retention in line level positions.

In 2021, we established relationships with various local non-profit organizations to connect job seekers with employment opportunities within Golden and attended numerous career fairs throughout the year. Further, we enhanced job skills training initiatives so that those with a skills gap or no prior experience could receive training enabling them to perform job duties.

Team Member Benefits

We engage with a nationally recognized compensation and benefits consulting firm to independently evaluate the effectiveness and competitiveness of our benefits program within the industry. As a diverse organization, we offer our team members several options for annual benefits enrollment, including enrollment by telephone, online or through an app, and we support multi-lingual options. Our comprehensive benefits program provides our team members with the flexibility to choose their preferred medical, dental and vision plans. In addition, we offer telemedicine, flexible spending and health savings accounts, life insurance and a retirement plan that provides an annual discretionary match. We also offer a variety of optional benefits to promote the health and security of our employees and their families, including disability insurance and expanded life insurance coverage, critical illness and accident insurance, legal, identity theft, auto and home insurance, and pet insurance. We view mental health services as a fundamental part of our benefits program and offer a comprehensive suite of related benefits, including online mental health counseling through our team member assistance program. Additionally, we offer extended benefits to employees with disabilities and chronic health conditions, including no cost Medicare and Medicaid assistance programs and prescription savings solutions for team members with chronic health conditions.

Training and Development

In 2021, we enhanced our learning management system, internally branded as “GEMS,” by adding 41 learning opportunities. New leader orientation and tavern leadership training has been facilitated through a monthly virtual classroom in the learning management system. Additionally, all safety and compliance training, except certain required hands-on certifications, has been added to the online curriculum. Certifications have been assigned to manage reoccurring safety and compliance requirements, including COVID-19 safety protocols. We also invested in equipment and resources to make online training more accessible to the team members, which resulted in the completion by team members of over 68,000 training courses in 2021.

Diversity and Gender Equity

As of December 31, 2021, the organizational makeup was 50.3% female and 49.7% male with approximately 39.0% of management roles held by women. Average rate of pay for female salaried employees falls within 10% of the overall average pay for male employees in the same category.

As of December 31, 2021, the ethnic distribution of the overall workforce was 53% Caucasian and 47% non-Caucasian (all other races). The breakdown for salaried team members was 69.8% Caucasian and 30.2% non-Caucasian (all other races) with 25.8% of management roles held by non-Caucasian team members.

Among the overall workforce, as of December 31, 2021, 67% were over the age of 40 and 33% were under the age of 40. Of those over the age of 40, 16% were over the age of 65. Individuals over the age of 40 represented 71% of the salaried workforce.

Employees and Collective Bargaining Agreements

As of December 31, 2021, approximately 1,600 of our employees were covered by various collective bargaining agreements. Other unions may seek to organize the workers of our casino properties from time to time. We believe we have good relationships with our employees, including those represented by unions.

At The STRAT, our employees are covered by three collective bargaining agreements. Our collective bargaining agreement with the International Union of Operating Engineers, Local 501, AFL-CIO, as extended, expires on March 31, 2022. Our collective bargaining agreement with the Professional, Clerical and Miscellaneous Employees, Teamsters Local Union 986

(Valet and Warehouse) expires on March 31, 2024. Our collective bargaining agreement with the Culinary Workers Union, Local 226 and Bartenders Union, Local 165 expires on May 31, 2023.

At the Aquarius, our employees are covered by four collective bargaining agreements. Our collective bargaining agreement with the International Union of Operating Engineers, Local 501, AFL-CIO, as extended, expires on March 31, 2022. Our collective bargaining agreement with the International Union of Security, Police, and Fire Professionals of America, as extended, expired on February 28, 2022, and we are in the process of negotiating an extension of the agreement. Our collective bargaining agreement with the United Steelworkers of America, as extended, expires on March 31, 2022. Our collective bargaining agreement with the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, Its Territories and Canada, Local 720, Las Vegas, Nevada expires on November 30, 2022.

At Edgewater, our collective bargaining agreement with the United Brotherhood of Carpenters and Joiner of America, Local 1780, as extended, expires on July 31, 2023.

At Rocky Gap, our collective bargaining agreement with the United Food and Commercial Workers Union, Local 27 expires on November 1, 2023.

Website and Available Information

Our website is located at www.goldenent.com. Through a link on the Investors section of our website, we make the following filings available free of charge and as soon as reasonably practicable after they are electronically filed or furnished with the SEC: our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and any amendments to such reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, and the rules and regulations promulgated thereunder. Copies of these documents are also available to our shareholders upon written request to our Chief Financial Officer at 6595 S. Jones Boulevard, Las Vegas, Nevada 89118. Information on the website does not constitute part of this Annual Report.

These filings are also available free of charge on the SEC's website at www.sec.gov.

ITEM 1A. *RISK FACTORS*

You should consider each of the following factors as well as the other information in this Annual Report in evaluating our business and prospects. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also materially adversely impact our business, financial condition, results of operations or prospects. If any of the following risks actually occur, our business, financial condition, results of operations or prospects could be materially harmed and the trading price of our common stock could decline. You should also refer to the other information set forth in this Annual Report, including the information in Part II, Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations, as well as our consolidated financial statements and the related notes included in Part II, Item 8.

Risks Related to our Business and Operations

The COVID-19 pandemic continues to impact our operations.

The COVID-19 pandemic has had and may continue to have an adverse effect on our results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the COVID-19 pandemic and the imposition or relaxation of protocols and other protective measures, we cannot reasonably estimate the impact of the pandemic on our future results of operations, cash flows, or financial condition, particularly over the near to medium term. Our businesses would also be impacted should the disruptions from the pandemic lead to prolonged changes in consumer behavior. For example, even once travel advisories and restrictions on our business are eased or cease to be necessary, demand for gaming and hotels may remain weak for a significant length of time and we cannot predict if and when the gaming and non-gaming activities of our properties will return to pre-outbreak levels of volume or pricing. In particular, future demand may be negatively impacted by the adverse changes in the perceived or actual economic climate, including higher unemployment rates, declines in income levels and loss of personal wealth or reduced business spending for meetings, incentives, conventions and exhibitions resulting from the impact of the pandemic. The extent of changes in customer demand resulting from the economic downturn, widespread unemployment, reduced consumer confidence and consumer fears on the performance of our properties cannot reasonably be determined, but the impact of such factors may be significant and protracted.

Our business may be adversely affected by economic conditions, acts of terrorism, natural disasters, severe weather, contagious diseases and other factors affecting discretionary consumer spending, any of which could have a material adverse effect on our business.

The demand for gaming, entertainment and leisure activities is highly sensitive to downturns in the economy and the corresponding impact on discretionary consumer spending. Any actual or perceived deterioration or weakness in general, regional or local economic conditions, unemployment levels, the job or housing markets, consumer debt levels or consumer confidence, as well as any increase in gasoline prices, tax rates, interest rates, inflation rates or other adverse economic or market conditions, may lead to our customers having less discretionary income to spend on gaming, entertainment and discretionary travel, any of which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Acts of terrorism, natural disasters, severe weather conditions and actual or perceived outbreaks of public health threats and pandemics could also significantly affect demand for gaming, entertainment and leisure activities and discretionary travel, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Furthermore, our properties are subject to the risk that operations could be halted for a temporary or extended period of time, as a result of casualty, forces of nature, adverse weather conditions, flooding, mechanical failure, or extended or extraordinary maintenance, among other causes. If there is a prolonged disruption at any of our casino properties due to natural disasters, terrorist attacks or other catastrophic events, our business, financial condition, results of operations and prospects could be materially adversely affected. Additionally, if extreme weather adversely impacts general economic or other conditions in the areas in which our properties are located or from which we draw our patrons or prevents patrons from easily coming to our properties, our business, financial condition, results of operations and prospects could be materially adversely affected.

We face substantial competition in our business segments and may lose market share.

The casino and distributed gaming industries are highly competitive. Our casino properties compete with numerous casinos and casino-hotels of varying quality and size in our markets. We also compete with other non-gaming resorts and vacation destinations, and with various other casino and other entertainment businesses. The casino entertainment business is characterized by competitors that vary considerably in their size, quality of facilities, number of operations, brand identities, marketing and growth strategies, financial strength and capabilities, level of amenities, management talent and geographic diversity. Many of our regional and national competitors have greater brand recognition and significantly greater resources than we have. Their greater resources may also provide them with the ability to expand operations in the future.

If our competitors operate more successfully than we do, if they attract customers away from us as a result of aggressive pricing and promotion, if they are more successful than us in attracting and retaining employees, if their properties are enhanced or expanded, if they operate in jurisdictions that give them operating advantages due to differences or changes in gaming regulations or taxes, or if additional hotels and casinos are established in and around our markets, we may lose market share or the ability to attract or retain employees. Furthermore, several states are currently considering legalizing casino gaming in designated areas, and Native American tribes may develop or expand gaming properties in markets located more closely to our customer base (particularly Native American casinos located in California and Arizona). The expansion of casino gaming in or near any geographic area from which we attract or expect to attract a significant number of our customers, including legalized casino gaming in neighboring states and on Native American land, could have a significant adverse effect on our business, financial condition, results of operations, and prospects.

With respect to our distributed gaming operations, we face direct competition from others involved in the distributed gaming business, as well as substantial competition for customers from other operators of casinos, hotels, taverns and other entertainment venues.

In addition, we face ever-increasing competition from online gaming, including mobile gaming applications for smart phones and tablet computers, state-sponsored lotteries, card clubs, sports books, fantasy sports websites and other forms of legalized gaming. Various forms of internet gaming have been approved in Nevada, and legislation permitting internet gaming has been proposed by the federal government and other states. The expansion of internet gaming in Nevada and other jurisdictions could result in significant additional competition for our operations.

The casino, hotel and hospitality industry is capital intensive and we may not be able to finance development, expansion and renovation projects, which could put us at a competitive disadvantage.

Our casino and tavern properties have an ongoing need for renovations and other capital improvements to remain competitive, including room refurbishments, amenity upgrades and, from time to time, replacement of furniture, fixtures and equipment. We may also need to make capital expenditures to comply with applicable laws and regulations. Construction projects entail significant risks, which can substantially increase costs or delay completion of a project. Such risks include shortages of materials or skilled labor, unforeseen engineering, environmental or geological problems, work stoppages, weather interference and unanticipated cost increases. Most of these factors are beyond our control. In addition, difficulties or delays in obtaining any of the requisite licenses, permits or authorizations from regulatory authorities can increase the cost or delay the completion of an expansion or development. Significant budget overruns or delays with respect to expansion and development projects could materially adversely affect our results of operations.

Renovations and other capital improvements of casino properties in particular require significant capital expenditures. For example, between May 2018 and December 31, 2021 we invested approximately $109 million in strategic renovations of The STRAT. Any such renovations and capital improvements usually generate little or no cash flow until the projects are completed. We may not be able to fund such projects solely from cash provided from operating activities. Consequently, we may have to rely upon the availability of debt or equity capital to fund renovations and capital improvements, and our ability to carry them out will be limited if we cannot obtain satisfactory debt or equity financing, which will depend on, among other things, market conditions. We cannot assure you that we will be able to obtain additional equity or debt financing on favorable terms or at all. Our failure to renovate and maintain our casino and tavern properties from time to time may put us at a competitive disadvantage to casinos or taverns offering more modern and better maintained facilities, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Changes to gaming tax laws could increase our cost of doing business and have a material adverse effect on our financial condition.

The gaming industry represents a significant source of tax revenue, particularly to the State of Nevada and its counties and municipalities. Gaming companies are currently subject to significant state and local taxes and fees in addition to normal federal and state corporate income taxes, and such taxes and fees are subject to increase at any time. From time to time, various federal, state and local legislators and other government officials have proposed and adopted changes in tax laws, or in the administration or interpretation of such laws, affecting the gaming industry. In addition, any worsening of economic conditions and the large number of state and local governments with significant current or projected budget deficits could intensify the efforts of state and local governments to raise revenues through increases in gaming taxes and/or property taxes. It is not possible to determine with certainty the likelihood of changes in tax laws or in the administration or interpretation of such laws. Any material increase, or the adoption of additional taxes or fees, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our business is subject to extensive gaming regulation, which is costly to comply with, and gaming authorities have significant control over our operations.

We are subject to a variety of gaming regulations in the jurisdictions in which we operate, including the extensive gaming laws and regulations of the State of Nevada. Compliance with these regulations is costly and time-consuming. Regulatory authorities at the federal, state and local levels have broad powers with respect to the regulation and licensing of casino and gaming operations and may revoke, suspend, condition or limit our gaming or other licenses, impose substantial fines on us and take other actions, any one of which could have a material adverse effect on our business, financial condition, results of operations and prospects. We cannot assure you that we will be able to obtain and maintain the gaming licenses and related approvals necessary to conduct our gaming operations. Any failure to maintain or renew our existing licenses, registrations, permits or approvals could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our directors, officers and key employees are also subject to a variety of regulatory requirements and must be approved by certain gaming authorities. If any gaming authority with jurisdiction over our business were to find an officer, director or key employee of ours unsuitable for licensing or unsuitable to continue having a relationship with us, we would be required to sever our relationship with that person. Furthermore, such gaming authorities may require us to terminate the employment of any person who refuses to file appropriate applications. Either result could have a material adverse effect on our business, operations and prospects.

Applicable gaming laws and regulations also restrict our ability to issue securities, incur debt and undertake other financing activities. Such transactions would generally require approval of gaming authorities, and our financing counterparties, including lenders, might be subject to various licensing and related approval procedures in the various jurisdictions in which we operate gaming facilities. Further, our gaming regulators can require us to disassociate ourselves from suppliers or business partners found unsuitable by the regulators. If any gaming authorities were to find any person unsuitable with regard to his, her or its relationship to us or any of our subsidiaries, we would be required to sever our relationship with that person, which could have a material adverse effect on our business, operations and prospects.

If additional gaming regulations are adopted in a jurisdiction in which we operate, such regulations could impose restrictions on us that would prevent us from operating our business as it is currently operated, or the increased costs associated with compliance with such regulations could lower our profitability. From time to time, various proposals are introduced in the legislatures of the jurisdictions in which we have operations that, if enacted, could adversely affect the tax, regulatory, operational or other aspects of the gaming industry and our company. Any such change to the regulatory environment or the adoption of new federal, state or local government legislation could impose additional restrictions or costs or could otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

Any violation of applicable anti-money laundering laws or regulations or the Foreign Corrupt Practices Act could adversely affect our business, financial condition, results of operations and prospects.

We handle significant amounts of cash in our operations and are subject to various reporting and anti-money laundering laws and regulations. U.S. governmental authorities have evidenced an increased focus on compliance with anti-money laundering laws and regulations in the gaming industry. Any violation of anti-money laundering laws or regulations could have a material adverse effect on our business, financial condition, results of operations and prospects. Internal control policies and procedures and employee training and compliance programs that we have implemented to deter prohibited practices may not be effective in prohibiting our employees, contractors or agents from violating or circumventing our policies and the law. If we or our employees or agents fail to comply with applicable laws or our policies governing our operations, we may face investigations, prosecutions and other legal proceedings and actions which could result in civil penalties, administrative remedies and criminal sanctions. Any such government investigations, prosecutions or other legal proceedings or actions could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to numerous other federal, state and local laws that may expose us to liabilities or have a significant adverse impact on our operations. Changes to any such laws could have a material adverse effect on our operations and financial condition.

Our business is subject to a variety of other federal, state and local laws, rules, regulations and ordinances. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, environmental matters, employees, currency transactions, taxation, zoning and building codes, and marketing and advertising. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Changes to any of the laws, rules, regulations or ordinances to which we are subject, new laws or regulations, or material differences in interpretations by courts or governmental authorities could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our operations are subject to various environmental laws and regulations relating to emissions and discharges into the environment, and the storage, handling and disposal of hazardous and non-hazardous substances and wastes. These laws and regulations are complex, and subject to change, and violations can lead to significant costs for corrective action and remediation, fines and penalties.

Under certain of these laws and regulations, a current or previous owner or operator of property may be liable for the costs of remediating contamination on its property, without regard to whether the owner or operator knew of, or caused, the presence of the contaminants, and regardless of whether the practices that resulted in the contamination were legal at the time that they occurred, as well as incur liability to third parties impacted by such contamination. The presence of contamination, or failure to remediate it properly, may adversely affect our ability to use, sell or rent property. As we acquire additional casino, resort and tavern properties, we may not know the full level of exposure that we may have undertaken despite appropriate due diligence. We endeavor to maintain compliance with environmental laws, but from time to time, current or historical operations on or adjacent to, our properties may have resulted or may result in noncompliance with environmental laws or liability for cleanup pursuant to environmental laws. In that regard, we may incur costs for cleaning up contamination relating to historical uses of certain of our properties.

Many of our employees, especially those that interact with our customers, receive a base salary or wage that is established by applicable state and federal laws that establish a minimum hourly wage that is, in turn, supplemented through tips and gratuities from customers. From time to time, state and federal lawmakers have increased the minimum wage. It is difficult to predict when such increases may take place. Any such change to the minimum wage could have a material adverse effect on our business, financial condition, results of operations and prospects.

Alcoholic beverage control regulations require each of our branded taverns and casino properties to apply to a state authority and, in certain locations, county or municipal authority for a license or permit to sell alcoholic beverages. In addition, each restaurant we operate must obtain a food service license from local authorities. Failure to comply with such regulations could cause our licenses to be revoked or our related business or businesses to be forced to cease operations. Moreover, state liquor laws may prevent the expansion of restaurant operations into certain markets. The loss or suspension of any liquor or food service license could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our insurance coverage may not be adequate to cover all possible losses that our properties could suffer. In addition, our insurance costs may increase and we may not be able to obtain the same insurance coverage in the future.

Although we have comprehensive property and liability insurance policies for our properties in operation, with coverage features and insured limits that we believe are customary in their breadth and scope, each such policy has certain exclusions. Certain types of losses, generally of a catastrophic nature, such as earthquakes, hurricanes, floods or terrorist acts, or certain liabilities may be uninsurable or too expensive to justify obtaining insurance. Market forces beyond our control may also limit the scope of the insurance coverage we can obtain or our ability to obtain coverage at reasonable rates. As a result, we may not be successful in obtaining insurance without increases in cost or decreases in coverage levels. In addition, in the event of a major casualty, the insurance coverage we carry may not be sufficient to pay the full market value or replacement cost of our lost investment or in some cases could result in certain losses being totally uninsured. As a result, we could lose some or all of the capital we have invested in a property, as well as the anticipated future revenue from the property, and we could remain obligated for debt or other financial obligations related to the property, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition to the damage caused to our property by a casualty loss (such as fire, natural disasters, acts of war or terrorism), we may suffer business disruption as a result of these events or be subject to claims by third parties injured or harmed. While we carry business interruption insurance and general liability insurance, this insurance may not be adequate to cover all losses in such event.

We renew our insurance policies on an annual basis. The cost of coverage may become so high that we may need to reduce our policy limits or agree to certain exclusions from our coverage. Among other factors, it is possible that regional political tensions, homeland security concerns, other catastrophic events or any change in government legislation governing insurance coverage for acts of terrorism could materially adversely affect available insurance coverage and result in increased premiums on available coverage (which may cause us to elect to reduce our policy limits), additional exclusions from coverage or higher deductibles.

Increasing prices or shortages of energy and water may increase our cost of operations.

Our properties use significant amounts of water, electricity, natural gas and other forms of energy. Our Nevada properties in particular are located in a desert where water is scarce and the hot temperatures require heavy use of air conditioning. While we have not experienced any shortages of energy or water in the past, we cannot guarantee you that we will not in the future. Other states have suffered from electricity shortages. For example, California and Texas have experienced rolling blackouts due to excessive air conditioner use because of unexpectedly high temperatures in the past. We expect that potable water in Nevada, where the majority of our facilities are located, will become an increasingly scarce commodity at an increasing price.

Work stoppages, labor problems and unexpected shutdowns may limit our operational flexibility and negatively impact our future profits.

A number of employees at our casino properties are covered by collective bargaining agreements, which have staggered expirations over the next several years, including several that are scheduled to expire during the first quarter of 2022. We cannot ensure that, upon the expiration of existing collective bargaining agreements, new agreements will be reached without union action or that any such new agreements will be on terms satisfactory to us. The inability to negotiate and enter into new collective bargaining agreements on favorable terms could result in an increase in our operating expenses or covered employees could strike or engage in other collective behaviors. Any renegotiation of these and other labor agreements could significantly increase our costs for wages, healthcare, pension plans and other benefits, and could have a material adverse effect on the business of our casino properties and our financial condition, results of operations and prospects.

Any work stoppage at one or more of our casino properties could cause significant disruption of our operations or require us to expend significant funds to hire replacement workers, and qualified replacement labor may not be available at reasonable costs, if at all. Strikes and work stoppages could also result in adverse media attention or otherwise discourage customers from visiting our casino properties. As a result, a strike or other work stoppage at one of our casino properties could have a material adverse effect on the business of our casino properties and our financial condition, results of operations and prospects.

Any unexpected shutdown of one of our casino properties could have an adverse effect on the business of our casino properties and our results of operations. There can be no assurance that we will be adequately prepared for unexpected events, including political or regulatory actions, which may lead to a temporary or permanent shutdown of any of our casino properties.

Our reputation and business could be materially harmed as a result of data breaches, data theft, unauthorized access or hacking.

Our success depends, in part, on the secure and uninterrupted performance of our information technology and other systems and infrastructure, including systems to maintain and transmit customers' personal and financial information, credit card settlements, credit card funds transmissions and mailing lists. We could encounter difficulties in developing new systems, maintaining and upgrading current systems and preventing security breaches. Among other things, our systems are susceptible to outages due to fire, floods, power loss, break-ins, cyber-attacks, network penetration, denial of service attacks and similar events. An increasing number of companies like us have experienced breaches of their security, some of which have involved sophisticated and highly targeted attacks on their computer networks. While we have and will continue to implement network security measures and data protection safeguards, our servers and other computer systems are vulnerable to viruses, malicious software, hacking, break-ins or theft, data privacy or security breaches, third-party security breaches, employee error or malfeasance and similar events. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems, change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. For example, in January 2021, we were affected by a ransomware cyber-attack that temporarily disrupted our access to certain information located on our network. Although we incurred some expenses with respect thereto, our financial information and business operations were not materially affected. We implemented a variety of measures to further enhance our cybersecurity protections and minimize the impact of any future cyber incidents. Nonetheless, if unauthorized parties gain access to our information technology and other systems, they may be able to misappropriate assets or sensitive information (such as personally identifiable information of our customers, business partners and employees), cause interruption in our operations, corruption of data or computers, or otherwise damage our reputation and business. In such circumstances, we may incur expenses to retrieve such data, could be held liable to our customers or other parties, or could be subject to regulatory or other actions for breaching privacy rules. Any compromise of our security could result in a loss of confidence in our security measures, and subject us to litigation, civil or criminal penalties, and negative publicity, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Further, if we are unable to comply with the security standards established by banks and the payment card industry, we may be subject to fines, restrictions, and expulsion from card acceptance programs, which could materially adversely affect our operations.

Our revenues may be negatively impacted by volatility in our hold percentage, and we also face the risk of fraud or cheating.

Casino revenue is recorded as the difference between gaming wins and losses or net win from gaming activities. Net win is impacted by variations in the hold percentage (the ratio of net win to total amount wagered), or actual outcome, on our slot machines, table games, and all other games we provide to our customers. We use the hold percentage as an indicator of a game's performance against its expected outcome. Although each game generally performs within a defined statistical range of outcomes, actual outcomes may vary for any given period. The hold percentage and actual outcome on our games can be impacted by the level of a customer's skill in a given game, errors made by our employees, the number of games played, faults within the computer programs that operate our slot machines and the random nature of slot payouts. If our games perform below their expected range of outcomes, our cash flow, financial condition and results of operations may suffer.

In addition, gaming customers may attempt or commit fraud or otherwise cheat in order to increase their winnings. Acts of fraud or cheating could involve the use of counterfeit chips or other tactics and could include collusion with our employees. Internal acts of cheating could also be conducted by employees through collusion with dealers, surveillance staff, floor managers or other casino or gaming area staff. Failure to discover such acts or schemes in a timely manner could result in losses in our gaming operations, which could be substantial. In addition, negative publicity related to such schemes could have an adverse effect on our reputation, thereby materially adversely affecting our business, financial condition, results of operations, and prospects.

Our business is geographically concentrated, which subjects us to greater risks from changes in local or regional conditions.

We currently operate casino properties solely in Nevada and in Flintstone, Maryland, and conduct our distributed gaming (including gaming in our branded taverns) business solely in Nevada and Montana. Due to this geographic concentration, our results of operations and financial condition are subject to greater risks from changes in local and regional conditions, such as:

- changes in local or regional economic conditions and unemployment rates;
- changes in local and state laws and regulations, including gaming laws and regulations;
- a decline in the number of residents in or near, or visitors to, our properties;
- changes in the local or regional competitive environment; and

- adverse weather conditions and natural disasters (including weather or road conditions that limit access to our properties).

Our Nevada Locals Casinos and distributed gaming operations largely depend on the locals market for customers. Competition for local customers in Las Vegas in particular is intense. Local competitive risks and our failure to attract a sufficient number of guests, gaming customers and other visitors in these locations could adversely affect our business. In addition, the number of visitors to our Nevada casino properties may be adversely affected by increased transportation costs, the number and frequency of flights into or out of Las Vegas, and capacity constraints of the interstate highways that connect our casino properties with the metropolitan areas in which our customers reside.

As a result of the geographic concentration of our businesses, we face a greater risk of a negative impact on our business, financial condition, results of operations and prospects in the event that any of the geographic areas in which we operate is more severely impacted by any such adverse condition, as compared to other areas in the United States.

We may experience seasonal fluctuations that could significantly impact our quarterly operating results.

We may experience seasonal fluctuations that could significantly impact our quarterly operating results. Our casino properties and distributed gaming businesses in Nevada have historically experienced lower revenues during the summer as a result of fewer tourists due to higher temperatures, as well as increased vacation activity by local residents. Rocky Gap typically experiences higher revenues during summer months and may be significantly adversely impacted by inclement weather during winter months. Our Nevada distributed gaming operations typically experience higher revenues during the fall which corresponds with several professional sports seasons. Our Montana distributed gaming operations typically experience higher revenues during the winter due to the inclement weather in the state and less opportunity for outdoor activities, in addition to the impact from professional sports seasons during the fall. While other factors like unemployment levels, market competition and the diversification of our business may either offset or magnify seasonal effects, some seasonality is likely to continue, which could result in significant fluctuation in our quarterly operating results.

The success of our distributed gaming operations is dependent on our ability to renew our agreements.

We conduct the majority of our distributed gaming business under space lease and participation agreements with third parties. Agreements with chain store and other third-party customers are renewable at the option of the owner of the applicable chain store or a third party. As our distributed gaming agreements expire, we are required to compete for renewals. If we are unable to renew a material portion of our space lease and participation agreements, this could have a material adverse effect on our business, financial condition, results of operations and prospects. We cannot assure you that our existing agreements will be renewed on reasonable or comparable terms, or at all.

We may be subject to litigation which, even if without merit, can be expensive to defend and could expose us to significant liabilities, damage our reputation and result in substantial losses.

From time to time, we are involved in a variety of lawsuits, claims, investigations and other legal proceedings arising in the ordinary course of business, including proceedings concerning labor and employment matters, personal injury claims, breach of contract claims, commercial disputes, business practices, intellectual property, tax and other matters. Refer to “Note 12 — Commitments and Contingencies” in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report for additional information. Certain litigation claims may not be covered entirely or at all by our insurance policies, or our insurance carriers may seek to deny coverage. In addition, litigation claims can be expensive to defend and may divert our attention from the operations of our businesses. Further, litigation involving visitors to our properties, even if without merit, can attract adverse media attention.

We evaluate all litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we establish reserves and/or disclose the relevant litigation claims or legal proceedings, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. We caution you that actual outcomes or losses may differ materially from those envisioned by our current assessments and estimates. As a result, litigation can have a significant adverse effect on our businesses and, because we cannot predict the outcome of any action, it is possible that adverse judgments or settlements could have a material adverse effect on our business, financial condition, results of operations and prospects.

We depend on a limited number of key employees who would be difficult to replace.

We depend on a limited number of key personnel to manage and operate our business, including our Chief Executive Officer, our President and Chief Financial Officer, and our Chief Operating Officer. We believe our success depends to a significant degree on our ability to attract and retain highly skilled personnel. The competition for these types of personnel is intense and we compete with other potential employers for the services of our employees. As a result, we may not succeed in hiring and retaining the executives and other employees that we need. An inability to hire quality employees or the loss of key employees could have a material adverse effect on our business, financial condition, results of operations and prospects.

From time to time we may make strategic acquisitions; any failure to successfully integrate our businesses and businesses we acquire could materially adversely affect our business, and we may not realize the full benefits of our strategic acquisitions.

Our ability to realize the anticipated benefits of our strategic acquisitions will depend, to a large extent, on our ability to successfully integrate our businesses with the businesses we acquire. Integrating and coordinating the operations and personnel of multiple businesses and managing the expansion in the scope of our operations and financial systems involves complex operational, technological and personnel-related challenges. The potential difficulties, and resulting costs and delays, relating to the integration of our business with our strategic acquisitions include:

- the difficulty in integrating newly acquired businesses and operations in an efficient and effective manner;
- the challenges in achieving strategic objectives, cost savings and other benefits expected from acquisitions;
- the diversion of management's attention from day-to-day operations and additional demands on management relating to an increase in size or scope of our company following a significant acquisition;
- the assimilation of employees and the integration of different business cultures and challenges in retaining key personnel;
- the need to integrate information, accounting, finance, sales, billing, payroll and regulatory compliance systems; and
- challenges in combining product offerings and sales and marketing activities.

There is no assurance that we will successfully or cost-effectively integrate our businesses with the businesses we acquire, and the costs of achieving systems integration may substantially exceed the levels originally projected. Integration of recently acquired businesses into our own operations in particular can be time consuming and present financial, managerial and operational challenges. Issues that arise during this process may divert management's attention away from our day-to-day operations, and any difficulties encountered in the integration process could cause internal disruption in general, which could adversely impact our relationships with customers, suppliers, employees and other constituencies. Combining our different systems, technology, networks and business practices could be more difficult and time consuming than we anticipated, and could result in additional unanticipated expenses. In addition, bringing the legacy systems for acquired businesses into compliance with the requirements of the Sarbanes-Oxley Act of 2002 may cause us to incur substantial additional expense.

Risks Related to our Indebtedness

Our significant indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations.

We have a significant amount of indebtedness. As of December 31, 2021, our senior indebtedness, excluding unamortized debt issuance costs, was approximately $1 billion, which was comprised of $650 million in principal amount of outstanding term loan borrowings under our senior secured credit facility with JPMorgan Chase Bank, N.A. (as administrative agent and collateral agent) (the "Credit Facility") and $375 million of 7.625% Senior Notes due 2026 ("2026 Unsecured Notes"). Our level of debt could, among other things:

- require us to dedicate a larger portion of our cash flow from operations to the servicing and repayment of our debt, thereby reducing funds available for working capital, capital expenditures and acquisitions, and other general corporate requirements;
- limit our ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;
- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- restrict our ability to make strategic acquisitions or dispositions or to exploit business opportunities;

- increase our vulnerability to general adverse economic and industry conditions and increases in interest rates;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- adversely affect our credit rating or the market price of our common stock.

Any of these risks could impact our ability to fund our operations or limit our ability to expand our business, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our ability to service all of our indebtedness will depend on our future operating performance and ability to generate cash flow in the future, both of which are subject to general economic, financial, business, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations to enable us to pay our indebtedness, which may result in substantial liquidity problems that force us to take measures such as reducing or delaying investment and capital expenditures, disposing of material assets or operations, seeking additional debt or equity capital, or restructuring or refinancing our indebtedness. There can be no assurance that we are able to take any such measures, if necessary, on commercially reasonable terms or at all. If we cannot make scheduled payments on our debt, we will be in default and, as a result, our lenders could declare all outstanding amounts to be due and payable, terminate or suspend their commitments to loan money and foreclose against the assets securing such debt, and we could be forced into bankruptcy or liquidation, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may incur additional indebtedness, which could further increase the risks associated with our leverage.

We may incur significant additional indebtedness in the future, which may include financing relating to capital expenditures, potential acquisitions or business expansion, working capital or general corporate purposes. Our Credit Facility includes a $240 million revolving credit facility (the “Revolving Credit Facility”), which was undrawn at December 31, 2021. In addition, our Credit Facility and the indenture governing the 2026 Unsecured Notes (the “Indenture”) permit us, subject to specific limitations, to incur additional indebtedness. If new indebtedness is added to our current level of indebtedness, the related risks that we now face could intensify.

Covenants in our debt instruments restrict our business and could limit our ability to implement our business plan.

Our Credit Facility and Indenture contain, and any future debt instruments likely will contain, covenants that may restrict our ability to implement our business plan, finance future operations, respond to changing business and economic conditions, secure additional financing, and engage in opportunistic transactions, such as strategic acquisitions. Our Credit Facility and Indenture include covenants restricting, among other things, our ability to incur indebtedness, issue redeemable or preferred stock, grant liens, sell assets (including capital stock of subsidiaries), pay dividends, redeem or repurchase capital stock, enter into affiliate transactions and merge or consolidate with another person.

In addition, our Credit Facility contains a financial covenant applying a maximum net leverage ratio when borrowings under our Revolving Credit Facility exceed 30% of the total revolving commitment. Our Credit Facility is secured by liens on substantially all of our and the subsidiary guarantors’ present and future assets (subject to certain exceptions).

If we default under the Credit Facility or Indenture because of a covenant breach or otherwise, all outstanding amounts thereunder could become immediately due and payable. We cannot assure you that we will be able to comply with the covenants in our Credit Facility or Indenture or that any covenant violations will be waived. Any violation that is not waived could result in an event of default and, as a result, our lenders could declare all outstanding amounts to be due and payable, terminate or suspend their commitments to loan money and foreclose against the assets securing such debt, and we could be forced into bankruptcy or liquidation, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

The borrowings under our Credit Facility are subject to variable rates of interest and expose us to interest rate risk. Increases in the interest rate generally, and particularly when coupled with any significant variable rate indebtedness, could materially adversely impact our interest expenses. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. Each quarter point change in interest rates would result in a $1.6 million change in annual interest expense on our indebtedness under our Credit Facility. We are not required to enter into interest rate swaps to hedge such indebtedness. If we decide not to enter into hedges on such indebtedness, our interest expense on such indebtedness will fluctuate based on variable interest rates. Consequently, we may have difficulties servicing such unhedged indebtedness and funding our other fixed costs, and our available cash flow for general corporate requirements may be materially adversely affected. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

Risks Related to Share Ownership and Shareholder Matters

Our executive officers and directors own or control a large percentage of our common stock, which permits them to exercise significant control over us.

As of December 31, 2021, our executive officers and directors and entities affiliated with them owned, in the aggregate, approximately 26% of the outstanding shares of our common stock. Accordingly, these shareholders will be able to substantially influence all matters requiring approval by our shareholders, including the approval of mergers or other business combination transactions and the composition of our Board of Directors. This concentration of ownership may also delay, defer or even prevent a change in control of our company and would make some transactions more difficult or impossible without their support. Circumstances may arise in which the interests of these shareholders could conflict with the interests of our other shareholders.

Our shareholders are subject to extensive governmental regulation and, if a shareholder is found unsuitable by a gaming authority, that shareholder would not be able to beneficially own our common stock directly or indirectly. Our shareholders may also be required to provide information that is requested by gaming authorities and we have the right, under certain circumstances, to redeem a shareholder's securities; we may be forced to use our cash or incur debt to fund redemption of our securities.

Gaming authorities may, in their sole and absolute discretion, require the holder of any securities issued by us to file applications, be investigated, and be found suitable to own our securities if they have reason to believe that the security ownership would be inconsistent with the declared policies of their respective states. Gaming authorities have very broad discretion in determining whether an applicant should be deemed suitable. Subject to certain administrative proceeding requirements, gaming authorities have the authority to deny any application or limit, condition, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities. The applicant must pay all costs of investigation incurred by the gaming authorities in conducting any such investigation. In evaluating individual applicants, gaming authorities typically consider the individual's reputation for good character and criminal and financial history, and the character of those with whom the individual associates. If any gaming authority determines that a person is unsuitable to own our securities, then, under the applicable gaming laws and regulations, we can be sanctioned, including the loss of our privileged licenses or approvals, if, without the prior approval of the applicable gaming authority, we conduct certain business with the unsuitable person or fail to redeem the unsuitable person's interest in our securities or take such other action with respect to the securities held by the unsuitable person as the applicable gaming authority requires.

For example, under Nevada gaming laws, each person who acquires, directly or indirectly, beneficial ownership of any voting security, or beneficial or record ownership of any non-voting security or any debt security, in a public corporation which is registered with the Nevada Gaming Commission (the "Gaming Commission") may be required to be found suitable if the Gaming Commission has reason to believe that his or her acquisition of that ownership, or his or her continued ownership in general, would be inconsistent with the declared public policy of Nevada, in the sole discretion of the Gaming Commission. Any person required by the Gaming Commission to be found suitable shall apply for a finding of suitability within 30 days after the Gaming Commission's request that he or she should do so and, together with his or her application for suitability, deposit with the Nevada Gaming Control Board, or the Control Board, a sum of money which, in the sole discretion of the Control Board, will be adequate to pay the anticipated costs and charges incurred in the investigation and processing of that application for suitability, and deposit such additional sums as are required by the Control Board to pay final costs and charges.

Furthermore, any person required by a gaming authority to be found suitable, who is found unsuitable by the gaming authority, may not hold directly or indirectly the beneficial ownership of any voting security or the beneficial or record ownership of any nonvoting security or any debt security of any public corporation which is registered with the gaming authority beyond the time prescribed by the gaming authority. A violation of the foregoing may constitute a criminal offense. A finding of unsuitability by a particular gaming authority impacts that person's ability to associate or affiliate with gaming licensees in that particular jurisdiction and could impact the person's ability to associate or affiliate with gaming licensees in other jurisdictions.

Many jurisdictions also require any person who acquires beneficial ownership of more than a certain percentage of voting securities of a gaming company and, in some jurisdictions, non-voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability, subject to limited exceptions for "institutional investors" that hold a company's voting securities for investment purposes only. Under Nevada gaming laws, any person who acquires or holds more than 5% of our voting power must report the acquisition or holding to the Gaming Commission. Except for certain pension or employee benefit plans, each person who acquires or holds the beneficial ownership of any amount of any class of voting power and who has the intent to engage in any "proscribed activity" shall (a) within 2 days after possession of such intent, notify the Chair of the Nevada Board in the manner prescribed by the Chair; (b) apply to the Gaming Commission for a finding of suitability within 30 days after notifying the Chair pursuant to paragraph (a); and (c) deposit with the Nevada Board the sum of money required by the Nevada Board to pay the anticipated costs and charges incurred in the investigation and processing of the application. "Proscribed activity" means: 1. An activity that necessitates a change or amendment to our corporate charter, bylaws, management, policies or operation of the Company; 2. An activity that materially influences or affects the affairs of the Company; or 3. Any other activity determined by the Gaming Commission to be inconsistent with holding voting securities for investment purposes. Nevada gaming regulations also require that beneficial owners of more than 10% of our voting power apply to the Gaming Commission for a finding of suitability within 30 days after the Chairman of the Nevada Board mails written notice requiring such filing. Further, an "institutional investor," as defined in the Nevada gaming regulations, that acquires more than 10%, but not more than 25%, of our voting power may apply to the Gaming Commission for a waiver of such finding of suitability if such institutional investor holds our voting securities for investment purposes only.

Similarly, under Maryland gaming laws, as interpreted by the Maryland Lottery and Gaming Control Commission, or the Maryland Commission, any person who acquires 5% or more of our voting securities must report the acquisition to the Maryland Commission and apply for a "Principal Employee" (if an individual) or "Principal Entity" (if an entity) license, both of which require a finding of qualification, or seek an institutional investor waiver. The granting of a waiver rests with the discretion of the Maryland Commission. Further, we may not sell or otherwise transfer in an issuer transaction more than 5% of the legal or beneficial interest in Rocky Gap without the approval of the Maryland Commission, after the Maryland Commission determines that the transferee is qualified or grants the transferee an institutional investor waiver.

Our Articles of Incorporation require our shareholders to provide information that is requested by authorities that regulate our current or proposed gaming operations. Our Articles of Incorporation also permit us to redeem the securities held by persons whose status as a security holder, in the opinion of our Board of Directors, jeopardizes our existing gaming licenses or approvals. The price paid for these securities is, in general, the average closing price for the 30 trading days prior to giving notice of redemption.

In the event a shareholder's background or status jeopardizes our current or proposed gaming licensure, we may be required to redeem such shareholder's securities in order to continue gaming operations or obtain a gaming license. This redemption may divert our cash resources from other productive uses and require us to obtain additional financing which, if in the form of equity financing, would be dilutive to our shareholders. Further, any debt financing may involve additional restrictive covenants and further leveraging of our fixed assets. The inability to obtain additional financing to redeem a disqualified shareholder's securities may result in the loss of a current or potential gaming license.

We expect our stock price to be volatile.

The market price of our common stock has been, and is likely to continue to be, volatile. During 2021, the market price of our common stock has ranged from $16.51 to $54.86. The market price of our common stock may be significantly affected by many factors, including:

- changes in general or local economic or market conditions;
- quarterly variations in operating results;
- strategic developments by us or our competitors;
- developments in our relationships with our customers, distributors and suppliers;
- regulatory developments or any breach, revocation or loss of any gaming license;
- changes in our revenues, expense levels or profitability;
- changes in financial estimates and recommendations by securities analysts; and
- failure to meet the expectations of securities analysts.

Any of these events may cause the market price of our common stock to fall. In addition, the stock market in general has experienced significant volatility, which may adversely affect the market price of our common stock regardless of our operating performance.

Future sales of our common stock could lower our stock price and dilute existing shareholders.

We may from time to time file universal shelf registration statements for the future sale of common stock, preferred stock, debt securities and other securities, pursuant to which we may offer securities for sale from time to time. We may also issue additional shares of common stock to finance future acquisitions through the use of equity. For example, we issued approximately 0.9 million shares of our common stock in connection with the Laughlin Acquisitions in January 2019, and approximately 4.0 million shares of our common stock in connection with our acquisition of American Casino and Entertainment Properties LLC in 2017. In addition, a substantial number of shares of our common stock is reserved for issuance upon the exercise of stock options and other equity awards pursuant to our employee benefit plans. We cannot predict the size of future issuances of our common stock or the effect, if any, that future sales and issuances of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including upon the exercise of stock options and warrants or in connection with acquisition financing), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock. In addition, these sales may be dilutive to existing shareholders.

Provisions in our Articles of Incorporation and Bylaws or our debt facilities may discourage, delay or prevent a change in control or prevent an acquisition of our business at a premium price.

Some of the provisions of our Articles of Incorporation and our Bylaws and Minnesota law could discourage, delay or prevent an acquisition of our business, even if a change in control would be beneficial to the interests of our shareholders and was made at a premium price. These provisions:

- permit our Board of Directors to increase its own size and fill the resulting vacancies;
- authorize the issuance of “blank check” preferred stock that our Board of Directors could issue to increase the number of outstanding shares to discourage a takeover attempt; and
- permit shareholder action by written consent only if the consent is signed by all shareholders entitled to notice of a meeting.

Although we have amended our Bylaws to provide that Section 302A.671 (Control Share Acquisitions) of the Minnesota Business Corporation Act does not apply to or govern us, we remain subject to 302A.673 (Business Combinations) of the Minnesota Business Corporation Act, which generally prohibits us from engaging in business combinations with any “interested” shareholder for a period of four years following the shareholder’s share acquisition date, which may discourage, delay or prevent a change in control of our company. Under the Indenture, if certain specified change of control events occur, each holder of the 2026 Unsecured Notes may require us to repurchase all of such holder’s 2026 Unsecured Notes at a purchase price equal to 101% of the principal amount of such notes. In addition, our Credit Facility provides for an event of default upon the occurrence of certain specified change of control events.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

Not applicable.

ITEM 2. *PROPERTIES*

The location and characteristics of our properties are provided in Part I, Item 1: Business of this Annual Report.

The following table provides further information on our properties and identifies the properties subject to leases of the underlying real estate assets as of December 31, 2021:

Name and Location	Approximate Acres	Notes
Nevada Casino Resorts		
The STRAT (Las Vegas, NV)	34	Approximately 17 acres are undeveloped and reserved for future development, approximately 7 acres of which have been leased to a third party for development.
Aquarius (Laughlin, NV)	18	Approximately 1.6 acres are undeveloped and reserved for future development.
Edgewater (Laughlin, NV)	16	In addition, we lease approximately 20 acres of land for the Laughlin Event Center for our Laughlin casino properties. The lease is with an unrelated party and expires in 2027.
Colorado Belle (Laughlin, NV)	22	Due to the impact of the COVID-19 pandemic, we suspended operations of this casino resort.
Nevada Locals Casinos		
Arizona Charlie's Boulder (Las Vegas, NV)	24	
Arizona Charlie's Decatur (Las Vegas, NV)	17	We lease office, storage and laundry space for our Arizona Charlie's Decatur in an adjacent shopping center. The lease is with an unrelated party and expires in 2097.
Gold Town Casino (Pahrump, NV)	9	The casino property is located on four leased parcels of land. The leases are with unrelated third parties and have various expiration dates beginning in 2026 (for the parcel on which our main casino building is located, which we lease from a competitor), and we sublease approximately two of the acres to an unrelated third party.
Lakeside Casino & RV Park (Pahrump, NV)	35	
Pahrump Nugget (Pahrump, NV)	40	Approximately 20 acres are undeveloped and reserved for future development.
Maryland Casino Resort		
Rocky Gap (Flintstone, MD)	270	Approximately 270 acres in the Rocky Gap State Park on which Rocky Gap is situated is leased from the Maryland DNR pursuant to a 40-year ground lease. The lease expires in 2052, with an option to renew for an additional 20 years.
Distributed Gaming		
Taverns (Las Vegas, NV and Reno, NV)	—	All tavern locations are leased with lease terms ranging from 5 to 20 years, with various renewal options from 5 to 25 years.
Corporate and Other		
Company headquarters (Las Vegas, NV)	—	
Office and warehouse space (NV)	—	
Office and warehouse space (MT)	—	

ITEM 3. *LEGAL PROCEEDINGS*

A discussion of our legal proceedings is contained in “Note 12 — Commitments and Contingencies” in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report.

ITEM 4. *MINE SAFETY DISCLOSURES*

Not applicable.

PART II

ITEM 5. ***MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES***

Our common stock is traded on the Nasdaq Global Market under the ticker symbol "GDEN." As of February 21, 2022, there were 266 shareholders of record of our common stock.

Dividends

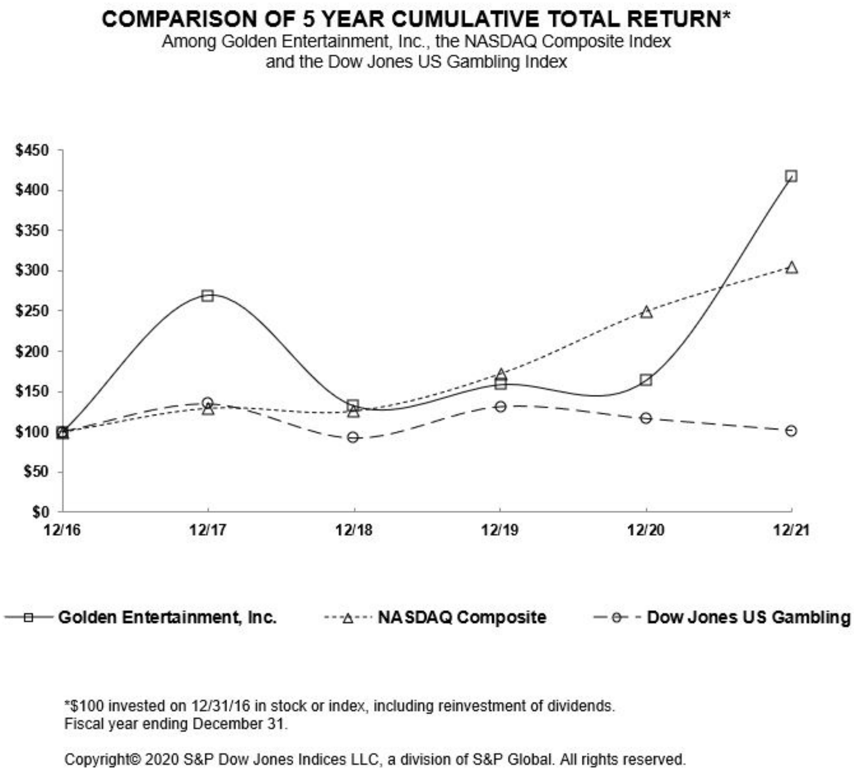
Other than the special cash dividend that was made in July 2016 pursuant to the terms of the Sartini Gaming merger agreement, we have neither declared nor paid any cash dividends with respect to our common stock. The current policy of our Board of Directors is to retain all future earnings, if any, for use in the operation and development of our business. The payment of any cash dividends in the future will be at the discretion of our Board of Directors and will depend upon such factors as our financial condition, results of operations, capital requirements, our general business condition, restrictions under our Credit Facility and Indenture and any other factors deemed relevant by our Board of Directors.

Share Repurchase Program

Our Board of Directors has authorized us to repurchase up to $50 million worth of shares of common stock, subject to available liquidity, general market and economic conditions, alternate uses for the capital and other factors. Refer to "Note 7 — Equity Transactions and Stock Incentive Plans" in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report for information regarding current year activity under our share repurchase program.

Stock Performance Graph

The following performance graph compares the cumulative five-year shareholders' returns (based on appreciation of the market price of our common stock) on an indexed basis with Nasdaq Composite Index and the Dow Jones US Gambling index, during the five years ended December 31, 2021. The graph plots the changes in value of an initial $100 investment over the indicated time period, assuming all dividends are reinvested. The stock price performance in this graph is not necessarily indicative of future stock price performance.



	Cumulative Total Returns - Year Ending December 31,					
	2016	2017	2018	2019	2020	2021
Golden Entertainment, Inc.	$ 100.00	$ 269.61	$ 132.29	$ 158.71	$ 164.24	$ 417.26
NASDAQ Composite	100.00	129.64	125.96	172.18	249.51	304.85
Dow Jones US Gambling	100.00	134.81	91.67	131.40	116.35	101.41

The performance graph and the related chart and text should not be deemed filed or incorporated by reference into any other filing by us under the Securities Act of 1933, as amended or the Exchange Act of 1934, as amended except to the extent we specifically incorporate the performance graph by reference herein.

ITEM 6. [*RESERVED]*

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

The following discussion should be read in conjunction with our consolidated financial statements and the related notes thereto and other financial information included in this Annual Report. In addition to the historical information, certain statements in this discussion are forward-looking statements based on current expectations that involve risks and uncertainties. Actual results and the timing of certain events may differ significantly from those projected in such forward-looking statements. Refer to "Forward-Looking Statements" in Part I of this Annual Report for additional information regarding forward-looking statements.

Overview

We own and operate a diversified entertainment platform, consisting of a portfolio of gaming assets that focus on casino and distributed gaming operations (including gaming in our branded taverns). We conduct our business through four reportable segments: Nevada Casino Resorts, Nevada Locals Casinos, Maryland Casino Resort and Distributed Gaming.

Our Nevada Casino Resorts segment is comprised of destination casino resort properties offering a variety of food and beverage outlets, entertainment venues and other amenities. Our Nevada Locals Casinos segment is comprised of casino properties that cater to local customers who generally live within a five-mile radius, and typically have no or a limited number of hotel rooms and offer fewer food and beverage outlets or other amenities, with revenues primarily generated from slot machine play. Our Maryland Casino Resort segment is comprised of our Rocky Gap casino resort. Our Distributed Gaming segment is comprised of the operation of slot machines and amusement devices in approximately 1,100 non-casino locations, such as restaurants, bars, taverns, convenience stores, liquor stores and grocery stores, across Nevada and Montana, with a limited number of slot machines in each location, as well as the operation of branded taverns targeting local patrons located primarily in the greater Las Vegas, Nevada metropolitan area.

Results of Operations

The following discussion and analysis should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report for the year ended December 31, 2021.

	Year Ended December 31,		
(In thousands)	2021	2020	2019
Revenues			
Gaming	$ 766,307	$ 476,753	$ 578,803
Food and beverage	167,815	112,081	202,933
Rooms	109,802	71,411	132,193
Other	52,619	33,910	59,481
Total revenues	1,096,543	694,155	973,410
Expenses			
Gaming	416,197	275,041	334,941
Food and beverage	118,541	92,202	159,728
Rooms	48,632	39,935	62,510
Other operating	16,968	11,789	21,333
Selling, general and administrative	221,967	183,122	229,336
Depreciation and amortization	106,692	124,430	116,592
Loss on disposal of assets	1,260	803	919
Preopening expenses	246	308	1,934
Impairment of goodwill and intangible assets	—	33,964	—
Total expenses	930,503	761,594	927,293
Operating income (loss)	166,040	(67,439)	46,117
Non-operating expense			
Other non-operating income	60,000	—	—
Interest expense, net	(62,853)	(69,110)	(74,220)
Loss on debt extinguishment and modification	(975)	—	(9,150)
Change in fair value of derivative	—	(1)	(4,168)
Total non-operating expense, net	(3,828)	(69,111)	(87,538)
Income (loss) before income tax (provision) benefit	162,212	(136,550)	(41,421)
Income tax (provision) benefit	(436)	(61)	1,876
Net income (loss)	$ 161,776	$ (136,611)	$ (39,545)

Revenues

The $402.4 million, or 58%, increase in revenues for the year ended December 31, 2021 compared to the prior year resulted from increases of $289.6 million, $55.7 million, $38.4 million and $18.7 million in gaming, food and beverage, room, and other revenues, respectively. The increase in revenues for the year ended December 31, 2021 was primarily due to a full year of operations, an increase in occupancy of our hotel rooms for certain of our casino properties and the easing of the COVID-19 mitigation measures, whereas in the prior year our operations were subject to mandatory property closure requirements commencing in March 2020. Our Distributed Gaming operations in Montana and Nevada resumed on May 4, 2020 and June 4, 2020, respectively (although our tavern locations became subject to subsequent closure orders in the third quarter of 2020), and our casino properties in Nevada and Maryland reopened on June 4, 2020 and June 19, 2020, respectively.

The $279.3 million, or 29%, decrease in revenues for the year ended December 31, 2020 compared to 2019 resulted from decreases of $102.1 million, $90.9 million, $60.8 million and $25.5 million in gaming, food and beverage, room, and other revenues, respectively, primarily due to mandated temporary property closures and suspension of our Distributed Gaming operations, and the limitations placed on our operations following re-opening arising from our implementation of protocols and public health orders intended to protect our team members, gaming patrons and guests from potential COVID-19 exposure.

Operating Expenses

The $181.4 million, or 43%, increase in operating expenses for the year ended December 31, 2021 compared to the prior year resulted from increases of $141.2 million, $26.3 million, $8.7 million and $5.2 million in gaming, food and beverage, room, and other expenses, respectively. The increase in operating expenses for the year ended December 31, 2021 was primarily driven by an increase in occupancy due to a full year of operations coupled with the easing of COVID-19 mitigation measures. In the prior year, our operations were subject to mandatory property closure requirements commencing in March 2020, as discussed above.

The $159.5 million, or 28%, decrease in operating expenses for the year ended December 31, 2020 compared to 2019 resulted from decreases of $59.9 million, $67.5 million, $22.6 million and $9.5 million in gaming, food and beverage, room, and other expenses, respectively. These operating expense decreases primarily reflect the impact of mandated temporary property closures and suspension of our Distributed Gaming operations as a result of the COVID-19 pandemic and the various mitigating actions we took to preserve liquidity, including delaying material capital expenditures, reducing operating expenses and implementing a cost reduction program with respect to discretionary expenditures.

Selling, General and Administrative Expenses

The $38.8 million, or 21%, increase in selling, general and administrative ("SG&A") expenses for the year ended December 31, 2021 compared to the prior year was primarily due to a full year of operations. In the prior year, our operations were subject to mandatory property closure requirements commencing in March 2020, as discussed above, which resulted in a lower payroll and other expenses. SG&A expenses are comprised of marketing and advertising, utilities, building rent, maintenance contracts, corporate office overhead, information technology, legal, accounting, third-party service providers, executive compensation, share-based compensation, payroll expenses and payroll taxes.

The $46.2 million, or 20%, decrease in SG&A for the year ended December 31, 2020 compared to 2019 was primarily due to the impact of mandated temporary property closures and suspension of our Distributed Gaming operations as a result of the COVID-19 pandemic, which resulted in a decrease in payroll, rent and other expenses.

Depreciation and Amortization

The decrease in depreciation and amortization expenses of $17.7 million, or 14%, for the year ended December 31, 2021 compared to the prior year was primarily related to long-lived assets acquired in connection with the American Casino and Entertainment Properties LLC acquisition being fully depreciated and amortized. During the year ended December 31, 2021, we did not acquire any amortizable intangible assets and our property and equipment additions were not significant.

The increase in depreciation and amortization expenses of $7.8 million, or 7%, for the year ended December 31, 2020 compared to 2019 was primarily due to the depreciation of the assets related to the remodel of The STRAT and the amortization of intangible assets related to the Laughlin Acquisition.

Loss on Disposal of Assets

Loss on disposal of assets in the amount of $1.3 million for the year ended December 31, 2021 was primarily related to disposals of property and equipment by our Distributed Gaming segment and sales of used equipment by our Maryland Casino Resort.

Loss on disposal of assets in the amount of $0.8 million for the year ended December 31, 2020 was primarily driven by disposals of property and equipment by our Nevada Casino Resorts segment.

Preopening Expenses

Preopening expenses consist of labor, food, utilities, training, initial licensing, rent and organizational costs incurred in connection with the opening of tavern and casino locations. Preopening expenses for the years ended December 31, 2021 and 2020 were primarily related to our planned expansion into new markets for our Distributed Gaming segment. For the year ended December 31, 2019, preopening expenses were primarily related to costs incurred in the opening of new taverns in the Las Vegas Valley.

Non-Operating Expense, Net

Non-operating expense, net decreased by $65.3 million, or 94%, for the year ended December 31, 2021 compared to the prior year primarily due to the recognition of non-operating income of $60.0 million in connection with the execution of an amendment to our agreement with William Hill providing for certain payments arising from the acquisition of William Hill PLC by Caesars Entertainment, Inc. discussed in "Note 12 — Commitments and Contingencies" in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report. In addition, interest expense, net, decreased by $6.3 million, or 9%, for the year ended December 31, 2021 due to the $122.0 million prepayment of our term loan borrowings, offset by a non-cash charge in the amount of $1.0 million discussed in "Note 6 — Debt" in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report.

Non-operating expense, net decreased by $18.4 million, or 21%, for the year ended December 31, 2020 compared to 2019 primarily due to a $9.2 million decrease in loss on extinguishment and modification of debt, $5.1 million decrease in interest expense and $4.1 million decrease in loss related to change in fair value of derivative.

Income Taxes

Income tax provision for the years ended December 31, 2021 and 2020 in the amounts of $0.4 million and $0.1 million, respectively, and income tax benefit in the amount of $1.9 million for the year ended December 31, 2019 resulted primarily from the change in valuation allowance. The effective tax rates were 0.27%, (0.04)% and 4.50% for the years ended December 31, 2021, 2020 and 2019, respectively, which differed from the federal tax rate of 21% due primarily to the change in valuation allowance.

We evaluated all available positive and negative evidence related to our ability to utilize our deferred tax assets as of December 31, 2021. We considered the expected future taxable income (and losses) and deductions from existing deferred tax assets and liabilities, net operating loss carryforwards, tax credit carryforwards, and other factors in reaching the conclusion that the deferred tax assets are not currently expected to be realized, and that therefore, the valuation allowance against the deferred tax assets required adjustment.

We recognize penalties and interest related to uncertain tax benefits in the provision for income taxes.

Revenues and Adjusted EBITDA by Reportable Segment

To supplement our consolidated financial statements presented in accordance with United States generally accepted accounting principles ("GAAP"), we use Adjusted EBITDA because it is the primary metric used by our chief operating decision makers and investors in measuring both our past and future expectations of performance. Adjusted EBITDA provides useful information to the users of our financial statements by excluding specific expenses and gains that we believe are not indicative of our core operating results. Furthermore, our annual performance plan used to determine compensation for our executive officers and employees is tied to the Adjusted EBITDA metric. It is also a measure of operating performance widely used in the gaming industry. The presentation of this additional information is not meant to be considered in isolation or as a substitute for measures of financial performance prepared in accordance with GAAP. In addition, other companies in our industry may calculate Adjusted EBITDA differently than we do.

We define "Adjusted EBITDA" as earnings before interest and other non-operating income (expense), income taxes, depreciation and amortization, impairment of goodwill and intangible assets, acquisition and severance expenses, preopening and related expenses, gain or loss on disposal of assets, share-based compensation expenses, change in non-cash lease expense, change in fair value of derivative, and other non-cash charges that are deemed to be not indicative of our core operating results, calculated before corporate overhead (which is not allocated to each reportable segment).

The following table presents our total revenues and Adjusted EBITDA by reportable segment and a reconciliation of net income (loss) to Adjusted EBITDA:

(In thousands)	Year Ended December 31, 2021	2020	2019
Revenues			
Nevada Casino Resorts	$ 389,712	$ 250,643	$ 409,545
Nevada Locals Casinos	159,855	113,031	135,686
Maryland Casino Resort	78,155	51,636	70,170
Distributed Gaming	467,584	278,256	357,239
Corporate and other	1,237	589	770
Total Revenues	$ 1,096,543	$ 694,155	$ 973,410
Adjusted EBITDA			
Nevada Casino Resorts	$ 149,077	$ 57,462	$ 115,198
Nevada Locals Casinos	80,005	45,610	43,264
Maryland Casino Resort	26,697	15,094	20,372
Distributed Gaming	87,276	26,952	50,687
Corporate and other	(51,337)	(34,861)	(45,838)
Total Adjusted EBITDA	$ 291,718	$ 110,257	$ 183,683
Net income (loss)	$ 161,776	$ (136,611)	$ (39,545)
Adjustments			
Other non-operating income	(60,000)	—	—
Depreciation and amortization	106,692	124,430	116,592
Change in non-cash lease expense	762	1,344	(711)
Share-based compensation	14,401	9,637	10,124
Loss on disposal of assets	1,260	803	1,309
Loss on debt extinguishment and modification	975	—	9,150
Preopening and related expenses [(1)]	246	533	4,548
Acquisition and severance expenses	228	3,710	3,488
Impairment of goodwill and intangible assets	—	33,964	—
Other, net	2,089	3,275	2,216
Interest expense, net	62,853	69,110	74,220
Change in fair value of derivative	—	1	4,168
Income tax provision (benefit)	436	61	(1,876)
Adjusted EBITDA	$ 291,718	$ 110,257	$ 183,683

(1) Preopening and related expenses consist of labor, food, utilities, training, initial licensing, rent and organizational costs incurred in connection with the opening of tavern and casino locations.

Nevada Casino Resorts

Revenues and Adjusted EBITDA increased by $139.1 million, or 55%, and $91.6 million, or 159%, respectively, for the year ended December 31, 2021 compared to the prior year primarily due to a full year of operations, an increase in occupancy of our hotel rooms and the easing of the COVID-19 mitigation measures, whereas in the prior year our operations were subject to mandatory property closure requirements commencing in March 2020 which lasted until June 4, 2020.

The $158.9 million, or 39%, decrease in revenues and $57.7 million, or 50%, decrease in Adjusted EBITDA for the year ended December 31, 2020 compared to 2019 resulted primarily from mandated temporary property closures and the limitations placed on our operations following re-opening arising from our implementation of protocols and public health orders intended to protect our team members, gaming patrons and guests from potential COVID-19 exposure.

Nevada Locals Casinos

Revenues and Adjusted EBITDA increased by $46.8 million, or 41%, and $34.4 million, or 75%, respectively, for the year ended December 31, 2021 compared to the prior year primarily due to a full year of operations, an increase in demand for gaming and a related increase in occupancy of our hotel rooms, and the easing of the COVID-19 mitigation measures, whereas in the prior year our operations were subject to mandatory property closure requirements commencing in March 2020 which lasted until June 4, 2020.

The $22.7 million, or 17%, decrease in revenues for the year ended December 31, 2020 compared to 2019 resulted primarily from mandated temporary property closures and the limitations on our operations following re-opening arising from our implementation of protocols and public health orders intended to protect our team members, gaming patrons and guests from potential COVID-19 exposure. Adjusted EBITDA for the year ended December 31, 2020 increased by $2.3 million, or 5%, primarily due to cost saving measures implemented in 2020 in response to the COVID-19 pandemic.

Maryland Casino Resort

Revenues and Adjusted EBITDA increased by $26.5 million, or 51%, and $11.6 million, or 77%, respectively, for the year ended December 31, 2021 compared to the prior year primarily due to a full year of operations, an increase in demand for gaming and a related increase in occupancy of our hotel rooms, and the easing of the COVID-19 mitigation measures, whereas in the prior year our operations were subject to mandatory property closure requirements commencing in March 2020 which lasted until June 19, 2020.

The $18.5 million, or 26%, decrease in revenues and $5.3 million, or 26%, decrease in Adjusted EBITDA for the year ended December 31, 2020 compared to 2019 resulted primarily from mandated temporary property closures and the limitations on our operations following re-opening arising from our implementation of protocols and public health orders intended to protect our team members, gaming patrons and guests from potential COVID-19 exposure.

Distributed Gaming

Revenues and Adjusted EBITDA increased by $189.3 million, or 68%, and $60.3 million, or 224%, respectively, for the year ended December 31, 2021 compared to the prior year primarily due to a full year of operations and the easing of the COVID-19 mitigation measures, whereas in the prior year our operations were subject to mandatory property closure requirements commencing in March 2020. Our Distributed Gaming operations in Montana and Nevada resumed on May 4, 2020 and June 4, 2020, respectively (although our tavern locations became subject to subsequent closure orders in the third quarter of 2020).

The $79.0 million, or 22%, decrease in revenues and $23.7 million, or 47%, decrease in Adjusted EBITDA for the year ended December 31, 2020 compared to 2019 resulted primarily from mandated temporary property closures and the limitations on our operations following re-opening arising from our implementation of protocols and public health orders intended to protect our team members, gaming patrons and guests from potential COVID-19 exposure.

Adjusted EBITDA Margin

For the year ended December 31, 2021, Adjusted EBITDA as a percentage of segment revenues (or Adjusted EBITDA margin) was 38%, 50%, 34% and 19% for Nevada Casino Resorts, Nevada Locals Casinos, Maryland Casino and Distributed Gaming, respectively, as compared to Adjusted EBITDA margins of 23%, 40%, 29% and 10%, and Adjusted EBITDA margins of 28%, 32%, 29% and 14% for the years ended December 31, 2020 and 2019, respectively. Our Adjusted EBITDA margins for the years ended December 31, 2021 and 2020 were significantly impacted by the COVID-19 pandemic. In the event our Adjusted EBITDA margins demonstrate new trends and developments in future periods, we may be required to identify additional reportable segments in future filings. In addition, the lower Adjusted EBITDA margins in our Distributed Gaming segment reflect the fixed and variable amounts paid to third parties under our space lease and participation agreements as expenses.

Refer to “Overview — Operations” in Part I, Item 1: Business and “Note 14 — Segment Information” in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report for additional discussion on our segments.

Liquidity and Capital Resources

As of December 31, 2021, we had $220.5 million in cash and cash equivalents. We believe that our cash and cash equivalents, cash flows from operations and borrowing availability under our Revolving Credit Facility will be sufficient to meet our capital requirements during the next 12 months.

Our operating results and performance depend significantly on national, regional and local economic conditions and their effect on consumer spending. Declines in consumer spending would cause revenues generated by our operations to be adversely affected.

To further enhance our liquidity position or to finance any future acquisition or other business investment initiatives, we may obtain additional financing, which could consist of debt, convertible debt or equity financing from public and/or private credit and capital markets.

Cash Flows

Net cash provided by operating activities was $295.8 million, $36.7 million and $113.9 million for the years ended December 31, 2021, 2020 and 2019, respectively. The $259.1 million, or 706%, increase in operating cash flows in 2021 compared to 2020 primarily related to a full year of operations in 2021, whereas in the prior year our operations were subject to mandatory property closure requirements commencing in March 2020 as discussed under "Overview — Impact of COVID-19" in Part I, Item 1: Business and the timing of working capital spending. In addition, net cash provided by operating activities reflects a $60 million payment received in the third quarter of 2021 from Caesars Entertainment, Inc. pursuant to our agreement with William Hill discussed in "Note 12 — Commitments and Contingencies" in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report. The $77.2 million, or 68%, decrease in operating cash flows for the year ended December 31, 2020 as compared to 2019 was attributable primarily to the impact of the COVID-19 pandemic discussed above.

Net cash used in investing activities was $28.9 million, $35.9 million and $256.1 million for the years ended December 31, 2021, 2020 and 2019, respectively. The $7.0 million, or 20%, decrease in net cash used in investing activities in 2021 over 2020 reflects management's continued focus on preservation of liquidity and deferral of material capital expenditures in light of the ongoing COVID-19 pandemic. The $220.2 million, or 86%, decrease in net cash used in investing activities for the year ended December 31, 2020 as compared to 2019 was attributable to the closing of the Laughlin Acquisition and related capital expenditures made in 2019, and the deferral of material capital expenditures in light of the COVID-19 pandemic in 2020.

Net cash used in financing activities was $149.9 million and $9.0 million for the years ended December 31, 2021 and 2020, respectively, and net cash provided by financing activities was $137.8 million for the year ended December 31, 2019. The $140.9 million, or 1,566%, increase in net cash used in financing activities in 2021 over 2020 primarily related to the repayment of outstanding term loan borrowings with a principal amount of $122.0 million (refer to "Note 6 — Debt" in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report), $10.6 million in open market repurchases of our common stock pursuant to the share repurchase program, repayments of notes payable and finance leases, and tax withholding on option exercises and the vesting of RSUs. We also paid $0.7 million for debt modification costs and fees in connection with the increase of the size and extension of the maturity date for our Revolving Credit Facility discussed in "Note 6 — Debt" in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report. The $146.8 million, or 107%, change in cash flows from financing activities for the year ended December 31, 2020 as compared to 2019 primarily related to cash spent on repayments of notes payable and finance leases, and a repurchase of shares of common stock under our share repurchase program in 2020. Net cash provided by financing activities for the year ended December 31, 2019 primarily related to $375.0 million of proceeds from the issuance of the 2026 Unsecured Notes offset by $220.0 million of repayments under our Credit Facility.

Long-Term Debt

For information regarding our Credit Facility and Indenture refer to "Note 6 — Debt" in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report.

Share Repurchase Program

On March 12, 2019, the Board of Directors authorized the repurchase of up to $25.0 million worth of shares of common stock, subject to available liquidity, general market and economic conditions, alternate uses for the capital and other factors, and on August 3, 2021, our Board of Directors increased the March 12, 2019 authorization to $50.0 million. Share repurchases may be made from time to time in open market transactions, block trades or in private transactions in accordance with applicable securities laws and regulations and other legal requirements, including compliance with our finance agreements. There is no minimum number of shares that we are required to repurchase and the repurchase program may be suspended or discontinued at any time without prior notice.

On December 22, 2020, we repurchased 50,000 shares of our common stock from Lyle A. Berman, a former independent non-employee member of our Board of Directors, pursuant to our share repurchase program at a price of $19.00 per share, resulting in a charge to accumulated deficit for $1.0 million. This transaction was approved by the Audit Committee of the Board of Directors prior to being executed.

In December 2021, we repurchased 226,485 shares of our common stock pursuant to the share repurchase program in open market transactions at an average price of $46.87 per share, resulting in a charge to accumulated deficit of $10.6 million. As of December 31, 2021, we had $39.4 million of remaining share repurchase availability under our August 3, 2021 authorization.

Other Items Affecting Liquidity

The outcome of the following specific matters, including our commitments and contingencies, may also affect our liquidity.

Commitments, Capital Spending and Development

We perform on-going refurbishment and maintenance at our facilities, of which certain maintenance costs are capitalized if such improvement or refurbishment extends the life of the related asset, while other maintenance costs that do not so qualify are expensed as incurred. The commitment of capital and the related timing thereof are contingent upon, among other things, negotiation of final agreements and receipt of approvals from the appropriate regulatory bodies. We intend to fund such capital expenditures through our operating cash flows and Revolving Credit Facility.

Refer to "Note 12 — Commitments and Contingencies" in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report for additional information regarding commitments and contingencies that may also affect our liquidity.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2021:

	2022	2023	2024	2025	2026	Thereafter	Total
(In thousands)							
Term Loan	$ —	$ —	$ 650,000	$ —	$ —	$ —	$ 650,000
2026 Unsecured Notes	—	—	—	—	375,000	—	375,000
Notes payable	512	90	—	—	—	—	602
Interest on long-term debt [1]	52,977	52,971	46,875	28,594	9,531	—	190,948
Operating leases [2]	49,570	43,477	41,081	24,594	15,948	75,650	250,320
Finance lease obligations [3]	629	632	338	306	200	3,410	5,515
Purchase obligations [4]	1,332	922	500	500	500	4,234	7,988
	$ 105,020	$ 98,092	$ 738,794	$ 53,994	$ 401,179	$ 83,294	$ 1,480,373

(1) Represents estimated interest payments on our outstanding term loan borrowings under our Credit Facility based on interest rates as of December 31, 2021 until maturity, as well as interest on our 2026 Unsecured Notes and notes payable.

(2) Includes total operating lease interest obligations of $55.1 million.

(3) Includes total finance lease interest obligations of $2.5 million.

(4) Represents obligations related to license agreements.

Other Opportunities

We may investigate and pursue expansion opportunities in our existing or new markets from time to time. Such expansions will be influenced and determined by a number of factors, which may include licensing availability and approval, suitable investment opportunities and availability of acceptable financing. Investigation and pursuit of such opportunities may require us to make substantial investments or incur substantial costs, which we may fund through cash flows from operations or borrowing availability under our Revolving Credit Facility. To the extent such sources of funds are not sufficient, we may also seek to raise such additional funds through public or private equity or debt financings or from other sources. No assurance can be given that additional financing will be available or that, if available, such financing will be obtainable on terms favorable to us. Moreover, we can provide no assurances that the investigation or pursuit of an opportunity will result in a completed transaction.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our results of operations and liquidity and capital resources are based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenue and expenses during the reporting period. The SEC has defined critical accounting policies as those that are most important to the presentation of the financial position and results of operations, and which require management to make its most difficult and subjective judgments, often as a result of the need to make estimates about matters that are inherently uncertain. We have identified our critical accounting policies that meet this definition below. Other key accounting policies that involve the use of estimates, judgments, and assumptions are discussed in "Note 2 — Summary of Significant Accounting Policies" in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report. We believe that our estimates and assumptions are reasonable, based upon information presently available; however, actual results may differ from these estimates under different assumptions or conditions.

Valuation of Goodwill and Indefinite-Lived Intangible Assets

As of December 31, 2021, the value of our goodwill and indefinite-lived intangible assets was $158.4 million and $46.8 million, respectively. As discussed in "Note 4 — Goodwill and Intangible Assets" in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report, we concluded that there was no impairment of our goodwill and intangible assets as of December 31, 2021. For the year ended December 31, 2020, we recorded impairment charges to our goodwill and indefinite-lived intangible assets of $27.1 million and $6.9 million, respectively.

We test our goodwill and indefinite-lived intangible assets comprised of trade names for impairment annually during the fourth quarter of each year, and whenever events or circumstances indicate that it is more likely than not that impairment may have occurred. When performing testing for impairment, we either conduct a qualitative assessment to determine whether it is more likely than not that the asset is impaired, or elect to bypass this qualitative assessment and perform a quantitative test. Under the qualitative assessment, we consider both positive and negative factors, including macroeconomic conditions, industry events, financial performance and other changes, and make a determination of whether it is more likely than not that the fair value of goodwill is less than its carrying amount. If, after assessing the qualitative factors, we determine that it is more likely than not the asset is impaired, we then perform a quantitative test in which the estimated fair value of the reporting unit is compared with its carrying amount, including goodwill. The fair value of our trade names is estimated using the income approach to valuation at each of our reporting units.

The estimation of fair value for both goodwill and indefinite-lived intangible assets requires management to make critical estimates, judgments and assumptions, such as: the valuation methodology, the estimated future cash flows for each of our reporting units, the discount rate used to calculate the present value of such cash flows, our current valuation multiple and multiples of comparable publicly traded companies, and royalty rate to be applied to valuation of our trade names. Application of alternative estimates and assumptions could produce significantly different results, especially with regards to estimated future cash flows, as they are, by their nature, subjective and actual results may differ materially from such estimates. Cash flow estimates are unpredictable and inherently uncertain, since they are based on the current regulatory, political and economic climates, recent operating information and projections. Such estimates could be negatively impacted by changes in federal, state or local regulations, economic downturns, competition, events affecting various forms of travel and access to our properties, and other factors. If our estimates of future cash flows are not met or if there are changes in significant assumptions and judgments used in the estimation process, including the discount rate and market multiple, we may have to record impairment charges in the future.

Valuation of Long-Lived Assets at Colorado Belle

As of December 31, 2021, the balance of long-lived assets at Colorado Belle was $32.5 million. As discussed elsewhere in this Annual Report, as a result of the impact of the COVID-19 pandemic, the operations of the Colorado Belle remain suspended. Since we review the carrying amounts of our long-lived assets, other than goodwill and indefinite-lived intangible assets, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable, suspension of this casino resort property's operations qualified as an indicator that impairment may exist related to our long-lived assets at Colorado Belle. As discussed in "Note 3 — Property and Equipment" in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report, the results of interim and annual assessments conducted during the year did not indicate an impairment of the long-lived assets at Colorado Belle as of and for the years ended December 31, 2021 and 2020.

Recoverability of a long-lived asset is evaluated by comparing the estimated future cash flows of the asset, on an undiscounted basis, to its carrying amount. If the undiscounted estimated future cash flows exceed the carrying amount, no impairment is indicated. If the undiscounted estimated future cash flows do not exceed the carrying amount, impairment is recorded based on the difference between the asset's estimated fair value and its carrying amount. To estimate fair values, we generally use market comparables, when available, or a discounted cash flow model. The estimation of fair value utilizing a discounted cash flow model requires management to make critical estimates, judgments and assumptions with regards to estimated future cash flows, as they are, by their nature, subjective and actual results may differ materially from such estimates. Cash flow estimates are unpredictable and inherently uncertain, since they are based on the current regulatory, political and economic climates, recent operating information and projections. Such estimates could be negatively impacted by changes in federal, state or local regulations, economic downturns, competition, events affecting various forms of travel and access to our properties, and other factors. If our estimates of future cash flows are not met or if there are changes in significant assumptions and judgments used in the estimation process, we may have to record impairment charges in the future.

Recently Issued Accounting Pronouncements

Refer to "Note 2 — Summary of Significant Accounting Policies" in Part II, Item 8: Financial Statements and Supplemental Data of this Annual Report for information regarding recently issued accounting pronouncements.

Regulation and Taxes

The casino and distributed gaming industries are subject to extensive regulation by state gaming authorities. Changes in applicable laws or regulations could have a material adverse effect on us.

The gaming industry represents a significant source of tax revenues to regulators. From time to time, various federal and state legislators and officials have proposed changes in tax law, or in the administration of such law, affecting the gaming industry. It is not possible to determine the likelihood of possible changes in tax law or in the administration of such law. Such changes, if adopted, could have a material adverse effect on our future financial position, results of operations, cash flows and prospects. Refer to the "Regulation" section included in Part I, Item 1: Business of this Annual Report for further discussion of applicable regulations.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Our primary exposure to market risk is interest rate risk associated with our variable rate long-term debt. As of December 31, 2021, our variable rate long-term debt primarily comprised our indebtedness under the Credit Facility.

As of December 31, 2021, we had $650 million in principal amount of outstanding term loan borrowings under the Credit Facility with no outstanding borrowings under our $240 million Revolving Credit Facility. Our primary interest rate under the Credit Facility is the Eurodollar rate plus an applicable margin. The weighted-average effective interest rate on our outstanding borrowings under the Credit Facility was approximately 3.75% for the year ended December 31, 2021. Assuming the outstanding balance under our Credit Facility remained constant over a year, a 50 basis point increase in the applicable interest rate would increase interest incurred, prior to effects of capitalized interest, by $3.3 million over a twelve-month period.

As of December 31, 2021, our investment portfolio included $220.5 million in cash and cash equivalents and we did not hold any short-term investments.

We continue to evaluate the potential impact of the eventual replacement of the LIBOR benchmark interest rate, which was set to begin transitioning out at the end of 2021. While some LIBOR rates will now be extended through June 2023, or 18 months beyond the original 2021 deadline, lenders are not allowed to issue new loans and other financial instruments that are linked to LIBOR beyond 2021. Although we are not able to predict what will become a widely accepted benchmark in place of LIBOR, or the exact impact such a transition may have, our current expectation is that this transition will not have a material impact on our business, financial condition or results of operations.

ITEM 8. *FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA*

GOLDEN ENTERTAINMENT, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Golden Entertainment, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Golden Entertainment, Inc. and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15 (a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 1, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

	Valuation of long-lived assets at Colorado Belle
Description of the Matter	At December 31, 2021, the Company's long-lived assets at Colorado Belle totaled $33.7 million. As discussed in Note 3, the Company reviews the carrying amounts of its long-lived assets, other than goodwill and indefinite-lived intangible assets, for indicators of impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. As a result of the impact of the COVID-19 pandemic discussed in Note 1, the operations of the Colorado Belle remained suspended as of December 31, 2021. Management identified an indicator of impairment related to the Colorado Belle reporting unit and performed an impairment test. No indicators of impairment for any other long-lived asset groups were identified. Auditing the Company's Colorado Belle long-lived assets impairment assessment was challenging due to the highly judgmental nature of certain assumptions used in the estimate of future cash flows including, among others, the reopening date of the property, future market conditions, including industry and economic trends, consumer preferences and changes to the Company's operations specific to the Colorado Belle which impacted the Company's estimated revenue growth rates, EBITDA Margin and forecasted capital expenditures. These assumptions are forward-looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over the Company's impairment assessment of its long-lived assets. For example, we tested controls over the completeness and accuracy of the data and assumptions used in management's impairment assessment. Our testing of the Company's impairment assessment for Colorado Belle's long-lived assets, included, among other procedures, assessing the prospective financial information utilized in the valuation, considering factors such as future market conditions, industry and economic trends, consumer preferences and changes to the Company's operations specific to the Colorado Belle. We also evaluated other assumptions used in preparing estimated future cash flows including the reopening date of the property, revenue growth rates, EBITDA Margin and forecasted capital expenditures. We inquired of management as to their future operating plans for the Colorado Belle, comparing the results of our inquiries with the assumptions used in preparing their estimated future cash flows, as well as historical Company results, changes to the Company's business model, customer base or revenue mix and other relevant factors. We evaluated the Company's internal and external communications as well as third party industry and analyst reports to identify any corroboratory or contrary evidence. We assessed the historical accuracy of management's estimates and evaluated management's sensitivity analyses of the subjective assumptions to evaluate the changes in the analysis that would result from changes in these assumptions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2018.

Las Vegas, Nevada
March 1, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Golden Entertainment, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Golden Entertainment, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Golden Entertainment, Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15 (a)(2), and our report dated March 1, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Las Vegas, Nevada
March 1, 2022

GOLDEN ENTERTAINMENT, INC.
Consolidated Balance Sheets
(In thousands, except per share data)

	December 31,	
	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 220,540	$ 103,558
Accounts receivable, net of allowance for credit losses of $481 and $1,034 at December 31, 2021 and 2020, respectively	18,720	13,708
Prepaid expenses	15,108	14,920
Inventories	6,637	5,639
Other	2,933	2,906
Total current assets	263,938	140,731
Property and equipment, net	904,220	975,750
Operating lease right-of-use assets, net	179,251	180,553
Goodwill	158,396	158,396
Intangible assets, net	98,058	106,109
Other assets	11,701	9,410
Total assets	$ 1,615,564	$ 1,570,949
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Current portion of long-term debt and finance leases	$ 1,057	$ 11,142
Current portion of operating leases	40,151	35,725
Accounts payable	19,102	20,179
Accrued payroll and related	31,309	21,362
Accrued liabilities	35,347	30,305
Total current liabilities	126,966	118,713
Long-term debt, net and non-current finance leases	1,010,469	1,126,970
Non-current operating leases	155,098	160,248
Deferred income taxes	1,861	1,520
Other long-term obligations	1,629	2,236
Total liabilities	1,296,023	1,409,687
Commitments and contingencies (Note 12)		
Shareholders' equity		
Common stock, $.01 par value; authorized 100,000 shares; 28,830 and 28,159 common shares issued and outstanding at December 31, 2021 and 2020, respectively	288	282
Additional paid-in capital	477,829	470,719
Accumulated deficit	(158,576)	(309,739)
Total shareholders' equity	319,541	161,262
Total liabilities and shareholders' equity	$ 1,615,564	$ 1,570,949

The accompanying notes are an integral part of these consolidated financial statements.

GOLDEN ENTERTAINMENT, INC.
Consolidated Statements of Operations
(In thousands, except per share data)

	Year Ended December 31,		
	2021	**2020**	**2019**
Revenues			
Gaming	$ 766,307	$ 476,753	$ 578,803
Food and beverage	167,815	112,081	202,933
Rooms	109,802	71,411	132,193
Other	52,619	33,910	59,481
Total revenues	1,096,543	694,155	973,410
Expenses			
Gaming	416,197	275,041	334,941
Food and beverage	118,541	92,202	159,728
Rooms	48,632	39,935	62,510
Other operating	16,968	11,789	21,333
Selling, general and administrative	221,967	183,122	229,336
Depreciation and amortization	106,692	124,430	116,592
Loss on disposal of assets	1,260	803	919
Preopening expenses	246	308	1,934
Impairment of goodwill and intangible assets	—	33,964	—
Total expenses	930,503	761,594	927,293
Operating income (loss)	166,040	(67,439)	46,117
Non-operating expense			
Other non-operating income	60,000	—	—
Interest expense, net	(62,853)	(69,110)	(74,220)
Loss on debt extinguishment and modification	(975)	—	(9,150)
Change in fair value of derivative	—	(1)	(4,168)
Total non-operating expense, net	(3,828)	(69,111)	(87,538)
Income (loss) before income tax (provision) benefit	162,212	(136,550)	(41,421)
Income tax (provision) benefit	(436)	(61)	1,876
Net income (loss)	$ 161,776	$ (136,611)	$ (39,545)
Weighted-average common shares outstanding			
Basic	28,709	28,080	27,746
Diluted	32,123	28,080	27,746
Net income (loss) per share			
Basic	$ 5.64	$ (4.87)	$ (1.43)
Diluted	$ 5.04	$ (4.87)	$ (1.43)

The accompanying notes are an integral part of these consolidated financial statements.

GOLDEN ENTERTAINMENT, INC.
Consolidated Statements of Shareholders' Equity
(In thousands)

	Common stock		Additional Paid-In	Accumulated	Total Shareholders'
	Shares	Amount	Capital	Deficit	Equity
Balance, January 1, 2019	26,779	$ 268	$ 435,245	$ (120,361)	$ 315,152
Cumulative effect, change in accounting for leases, net of tax	—	—	—	(12,272)	(12,272)
Issuance of stock on options exercised and restricted stock units vested	189	2	55	—	57
Share-based compensation	—	—	10,045	—	10,045
Tax benefit from share-based compensation	—	—	(301)	—	(301)
Issuance of common stock, net of offering costs	911	9	16,599	—	16,608
Net loss	—	—	—	(39,545)	(39,545)
Balance, December 31, 2019	27,879	$ 279	$ 461,643	$ (172,178)	$ 289,744
Issuance of stock on options exercised and restricted stock units vested	330	3	—	—	3
Repurchases of common stock	(50)	—	—	(950)	(950)
Share-based compensation	—	—	9,525	—	9,525
Tax benefit from share-based compensation	—	—	(449)	—	(449)
Net loss	—	—	—	(136,611)	(136,611)
Balance, December 31, 2020	28,159	$ 282	$ 470,719	$ (309,739)	$ 161,262
Issuance of stock on options exercised and restricted stock units vested	898	9	98	—	107
Repurchases of common stock	(227)	(3)	—	(10,613)	(10,616)
Share-based compensation	—	—	13,844	—	13,844
Tax benefit from share-based compensation	—	—	(6,832)	—	(6,832)
Net income	—	—	—	161,776	161,776
Balance, December 31, 2021	28,830	$ 288	$ 477,829	$ (158,576)	$ 319,541

The accompanying notes are an integral part of these consolidated financial statements.

GOLDEN ENTERTAINMENT, INC.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2021	2020	2019
Cash flows from operating activities			
Net income (loss)	$ 161,776	$ (136,611)	$ (39,545)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	106,692	124,430	116,592
Change in non-cash lease expense	762	1,344	(711)
Share-based compensation	13,844	9,525	10,045
Amortization of debt issuance costs and discounts on debt	4,343	4,519	4,532
Loss on disposal of assets	1,260	803	919
Provision for credit losses	631	940	598
Deferred income taxes	341	432	(1,505)
Loss on debt extinguishment and modification	975	—	9,150
Impairment of goodwill and intangible assets	—	33,964	—
Change in fair value of derivative	—	1	4,168
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(5,643)	1,599	(2,450)
Prepaid expenses, inventories and other current assets	(1,213)	8,999	(1,037)
Other assets	(1,595)	174	976
Accounts payable and other accrued expenses	14,393	(13,740)	11,753
Other liabilities	(791)	356	420
Net cash provided by operating activities	295,775	36,735	113,905
Cash flows from investing activities			
Purchase of property and equipment, net of change in construction payables	(29,259)	(36,502)	(107,267)
Acquisition of businesses, net of cash acquired	—	—	(148,953)
Proceeds from disposal of property and equipment	374	648	247
Other investing activities	—	—	(77)
Net cash used in investing activities	(28,885)	(35,854)	(256,050)
Cash flows from financing activities			
Repayments of revolving credit facility	—	(200,000)	(145,000)
Borrowings under revolving credit facility	—	200,000	145,000
Repayments of term loan	(122,000)	—	(220,000)
Proceeds from issuance of senior notes	—	—	375,000
Repayments of notes payable	(3,737)	(5,017)	(3,070)
Principal payments under finance leases	(6,179)	(2,588)	(2,485)
Payments for debt issuance costs	—	—	(6,686)
Payment for debt extinguishment and modification costs	(651)	—	(4,763)
Tax withholding on share-based payments	(6,832)	(449)	(301)
Proceeds from issuance of common stock, net of costs	6	3	57
Proceeds from exercise of stock options	98	—	—
Repurchases of common stock	(10,613)	(950)	—
Net cash (used in) provided by financing activities	(149,908)	(9,001)	137,752
Cash and cash equivalents			
Change in cash and cash equivalents	116,982	(8,120)	(4,393)
Balance, beginning of period	103,558	111,678	116,071
Balance, end of period	$ 220,540	$ 103,558	$ 111,678

GOLDEN ENTERTAINMENT, INC.
Consolidated Statements of Cash Flows – (Continued)
(In thousands)

	Year Ended December 31,		
	2021	**2020**	**2019**
Supplemental cash flow disclosures			
Cash paid for interest	$ 57,619	$ 64,422	$ 63,735
Cash received for income taxes, net	—	(1,483)	(193)
Non-cash investing and financing activities			
Payables incurred for capital expenditures	$ 1,933	$ 3,585	$ 15,075
Assets acquired under finance lease obligations	—	559	7,559
Loss on debt extinguishment and modification	975	—	4,388
Impairment of right-of-use asset	—	—	12,272
Operating lease right-of-use assets obtained in exchange for lease obligations (1)	41,259	11,153	97,790
Common stock issued in connection with acquisitions	—	—	16,608

(1) For 2019, the amount includes operating lease right-of-use assets obtained in exchange for existing lease obligations due to the adoption of Accounting Standards Codification ("ASC") 842 — Leases.

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 – Nature of Business

Golden Entertainment, Inc. and its wholly-owned subsidiaries own and operate a diversified entertainment platform, consisting of a portfolio of gaming assets that focus on casino and distributed gaming operations (including gaming in the Company's branded taverns). The Company's portfolio includes ten casino properties located in Nevada and Maryland. The Company's distributed gaming operations involve the installation, maintenance and operation of slot machines and amusement devices in non-casino locations such as restaurants, bars, taverns, convenience stores, liquor stores and grocery stores in Nevada and Montana, as well as the operation of branded taverns targeting local patrons located primarily in the greater Las Vegas, Nevada metropolitan area. Unless otherwise indicated, the terms "Golden" and the "Company," refer to Golden Entertainment, Inc. together with its subsidiaries.

The Company conducts its business through four reportable segments: Nevada Casino Resorts, Nevada Locals Casinos, Maryland Casino Resort, and Distributed Gaming. Each reportable segment is comprised of the following properties and operations:

Reportable Segment	Location
Nevada Casino Resorts	
The STRAT Hotel, Casino & SkyPod ("The STRAT")	Las Vegas, Nevada
Aquarius Casino Resort ("Aquarius")	Laughlin, Nevada
Edgewater Hotel & Casino Resort ("Edgewater")	Laughlin, Nevada
Colorado Belle Hotel & Casino Resort ("Colorado Belle") (1)	Laughlin, Nevada
Nevada Locals Casinos	
Arizona Charlie's Boulder	Las Vegas, Nevada
Arizona Charlie's Decatur	Las Vegas, Nevada
Gold Town Casino	Pahrump, Nevada
Lakeside Casino & RV Park	Pahrump, Nevada
Pahrump Nugget Hotel Casino ("Pahrump Nugget")	Pahrump, Nevada
Maryland Casino Resort	
Rocky Gap Casino Resort ("Rocky Gap")	Flintstone, Maryland
Distributed Gaming	
Nevada distributed gaming	Nevada
Nevada taverns	Nevada
Montana distributed gaming	Montana

(1) As a result of the impact of the 2019 novel coronavirus ("COVID-19") pandemic, the operations of the Colorado Belle remain suspended.

Acquisitions

On January 14, 2019, the Company completed the acquisition of Edgewater Gaming, LLC and Colorado Belle Gaming, LLC (the "Laughlin Entities") from Marnell Gaming, LLC ("Marnell") for $156.2 million in cash (after giving effect to the post-closing adjustment provisions in the purchase agreement) and the issuance of 911,002 shares of the Company's common stock to certain assignees of Marnell. The results of operations of the Laughlin Entities are included in the Company's results subsequent to the acquisition date.

Impact of COVID-19

The disruptions arising from the COVID-19 pandemic continue to impact the Company's business, financial condition, results of operations, and cash flows. It is unknown when the pandemic will be fully contained and how the uncertainties associated with the pandemic will continue to impact Golden's operations and the willingness of customers to spend on travel and entertainment. Following emergency executive orders issued by the Governors of Nevada, Maryland and Montana in the week of March 16, 2020, all of the Company's properties were temporarily closed to the public and distributed gaming operations at third-party locations were suspended. While the Company re-opened its casino properties and resumed its distributed gaming operations during the second and third quarters of 2020, the implementation of protocols intended to protect team members, gaming patrons and guests from potential COVID-19 exposure, including enhanced sanitization, public gathering limitations on casino, tavern and venue capacity, patron social distancing requirements, restrictions on permitted hours of operations, limitations on casino operations, which include disabling electronic gaming machines, and face mask requirements for patrons, continued to limit the Company's operations in 2021. While some of these restrictions were eased during 2021, the Company's properties and distributed gaming operations may be subject to temporary, complete or partial closures in the future. Further, as a result of the impact of the pandemic, the operations of the Colorado Belle property remain suspended.

Temporary closures of the Company's operations due to the COVID-19 pandemic resulted in lease concessions for certain of the Company's taverns and route locations. Such concessions provided for deferral and, in some instances, forgiveness of rent payments with no substantive amendments to the consideration due per the terms of the original contract and did not result in substantial changes in the Company's obligations under such leases. The Company elected to account for the deferred rent as variable lease payments, which resulted in a reduction of the rent expense of $2.3 million and $11.9 million for the years ended December 31, 2021 and 2020, respectively. Rent expense that was not forgiven will be recorded in future periods as these deferred payments are paid to the Company's lessors.

In response to the COVID-19 pandemic and the resulting impact on the Company's business, the Company has implemented various mitigating actions to preserve liquidity, including delaying material capital expenditures, reducing operating expenses and implementing a cost reduction program with respect to discretionary expenditures. Such measures remained in effect throughout 2021. To further enhance its liquidity position or to finance any future acquisition or other business investment initiatives, the Company may obtain additional financing, which could consist of debt, convertible debt or equity financing from public or private credit and capital markets.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation. Reclassifications were made to the Company's prior period consolidated financial statements to conform to the current period presentation, where applicable. These reclassifications had no effect on previously reported net income.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks and highly-liquid investments with original maturities of three months or less. Although these balances may at times exceed the federal insured deposit limit, the Company believes such risk is mitigated by the quality of the institutions holding such deposits.

Accounts Receivable

Accounts receivable consist primarily of gaming, hotel and other receivables, net of allowance for credit losses. Accounts receivable are non-interest bearing and are initially recorded at cost. An estimated allowance for credit losses is maintained to reduce the Company's accounts receivable to their expected net realizable value based on specific reviews of customer accounts, the age of such accounts, management's assessment of the customer's financial condition, historical and current collection experience and management's expectations of future collection trends based on the current and forecasted economic and business conditions. Accounts are written off when management deems them to be uncollectible. Recoveries of accounts previously written off are recorded when received. Historically, the Company's estimated allowance for credit losses has been consistent with such losses.

Inventories

Inventories consist primarily of food and beverage and retail items and are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out and the average cost inventory methods.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Assets held under finance lease agreements are stated at the lower of the present value of the future minimum lease payments or fair value at the inception of the lease. Expenditures for major additions, renewals and improvements are capitalized while costs of routine repairs and maintenance are expensed when incurred. A significant amount of the Company's property and equipment was acquired through business acquisitions and therefore, was initially recognized at fair value on the effective date of the applicable acquisition transaction. Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

Building and improvements	10 - 40 years
Furniture and equipment	3 - 15 years
Leasehold improvements	2 - 15 years

The Company reviews the carrying amounts of its long-lived assets, other than goodwill and indefinite-lived intangible assets, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability is evaluated by comparing the estimated future cash flows of the asset, on an undiscounted basis, to its carrying amount. If the undiscounted estimated future cash flows exceed the carrying amount, no impairment is indicated. If the undiscounted estimated future cash flows do not exceed the carrying amount, impairment is recorded based on the difference between the asset's estimated fair value and its carrying amount. To estimate fair values, the Company generally uses market comparables, when available, or a discounted cash flow model. The estimation of fair value requires significant judgment and is based on assumptions about future cash flows, including future growth rates, operating margins, economic and business conditions, all of which are unpredictable and inherently uncertain. The Company's long-lived asset impairment tests are performed at the reporting unit level.

Assets to be disposed of are carried at the lower of their carrying amount or fair value less costs of disposal. The fair value of assets to be disposed of is generally estimated based on comparable asset sales, solicited offers or a discounted cash flow model. Sales and other disposals of property and equipment are recorded by removing the related cost and accumulated depreciation from the accounts with gains or losses on sales and other disposals recorded in the Company's consolidated statements of operations.

Goodwill

The Company tests its goodwill for impairment annually during the fourth quarter of each year, and whenever events or circumstances indicate that it is more likely than not that impairment may have occurred. Impairment testing for goodwill is performed at the reporting unit level.

When performing testing for impairment, the Company either conducts a qualitative assessment to determine whether it is more likely than not that the asset is impaired, or elects to bypass this qualitative assessment and perform a quantitative test. Under the qualitative assessment, the Company considers both positive and negative factors, including macroeconomic conditions, industry events, financial performance and other changes, and makes a determination of whether it is more likely than not that the fair value of goodwill is less than its carrying amount. If, after assessing the qualitative factors, the Company determines that it is more likely than not the asset is impaired, it then performs a quantitative test in which the estimated fair value of the reporting unit is compared to its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its estimated fair value, an impairment loss is recognized in an amount equal to the excess, limited to the amount of goodwill allocated to the reporting unit.

When performing the quantitative test, the Company estimates the fair value of each reporting unit using the expected present value of future cash flows along with value indications based on current valuation multiples of the Company and comparable publicly traded companies. The estimation of fair value requires significant judgment and is based on assumptions about future cash flows, including future growth rates, operating margins, economic and business conditions, all of which are unpredictable and inherently uncertain. Cash flow estimates are based on the current regulatory, political and economic climates, recent operating information and projections. Such estimates could be negatively impacted by changes in federal, state or local regulations, economic downturns, competition, events affecting various forms of travel and access to the Company's properties, and other factors, such that the actual results may differ materially from such estimates. If the Company's estimates of future cash flows are not met, it may be required to record goodwill impairment charges in the future.

Indefinite-Lived Intangible Assets

The Company’s indefinite-lived intangible assets are comprised of trade names. The fair value of the Company’s trade names is estimated using the income approach to valuation at each of its reporting units. The Company tests its indefinite-lived intangible assets for impairment annually during the fourth quarter of each year, and whenever events or circumstances indicate that it is more likely than not that an asset is impaired. Indefinite-lived intangible assets are not amortized unless it is determined that an asset’s useful life is no longer indefinite. The Company periodically reviews its indefinite-lived assets to determine whether events and circumstances continue to support an indefinite useful life. If an indefinite-lived intangible asset no longer has an indefinite life, the asset is tested for impairment and is subsequently accounted for as a finite-lived intangible asset.

Finite-Lived Intangible Assets

The Company’s finite-lived intangible assets primarily represent assets related to its customer relationships, player relationships, non-compete agreements, leasehold interest and licenses, which are amortized over their estimated useful lives using the straight-line method. The Company periodically evaluates the remaining useful lives of its finite-lived intangible assets to determine whether events and circumstances warrant a revision to the remaining period of amortization.

The Company’s customer relationship assets represent the value associated with space lease agreements and participation agreements with its distributed gaming customers acquired in an asset purchase or a business acquisition. The Company’s player relationships represent the value associated with its rated casino guests. The initial fair value of these intangible assets was determined using the income approach. The recoverability of the finite-lived intangible assets could be affected by, among other things, increased competition within the gaming industry, a downturn in the economy, declines in customer spending which could impact the expected future cash flows associated with the rated casino guests, declines in the number of customer visits which could impact the expected attrition rate of the rated casino guests, and erosion of operating margins associated with rated casino guests. Should events or changes in circumstances cause the carrying amount of a customer relationship intangible asset to exceed its estimated fair value, the Company will recognize an impairment charge in the amount of the excess of the carrying amount over its estimated fair value.

Business Combinations

The Company allocates the business combination purchase price to tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over those fair values is recorded as goodwill. The fair value allocation methodology requires management to make assumptions and apply judgment to estimate the fair value of assets acquired and liabilities assumed. Management estimates the fair values of assets and liabilities primarily using discounted cash flows and replacement cost analysis. Provisional fair value measurements of assets acquired and liabilities assumed may be retrospectively adjusted with the corresponding offset to goodwill during the measurement period, which does not extend beyond one year from the acquisition date. The measurement period ends once the Company is able to determine it has obtained all necessary information that existed as of the acquisition date or once the Company determines that such information is unavailable.

Long-Term Debt

Long-term debt is reported as the outstanding debt amount, net of unamortized debt issuance costs and debt discount. These include legal and other direct costs related to the issuance of debt and discounts granted to the initial purchasers or lenders of the Company’s debt instruments, and are recorded as a direct reduction to the face amount of the Company’s outstanding long-term debt on the consolidated balance sheets. The debt discount and debt issuance costs are accreted to interest expense using the effective interest method or, if the amounts approximate the effective interest method, on a straight-line basis over the contractual term of the underlying debt. The amount amortized to interest expense was $4.3 million for the year ended December 31, 2021 and $4.5 million for each of the years ended December 31, 2020 and 2019.

Derivative Instruments

The Company uses derivative financial instruments to manage interest rate exposure. The fair value of derivative financial instruments is recognized as an asset or liability at each balance sheet date, with changes in fair value recorded in earnings as the Company’s derivative financial instruments do not qualify for hedge accounting. The fair value approximates the amount the Company would pay if these contracts were settled at the respective valuation dates.

Leases

The Company determines whether an arrangement is or contains a lease at inception or modification of a contract. An arrangement is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use of the identified asset means the lessee has both the right to obtain substantially all economic benefits from the use of the asset and the right to direct the use of the asset.

Operating lease right-of-use ("ROU") assets and liabilities are recognized at the commencement date for the arrangements with a term of 12 months or longer and are initially measured based on the present value of lease payments over the defined lease term. The measurement of the operating lease ROU assets also includes any prepaid lease payments made and is net of lease incentives. If the implicit interest rate to be applied to the determination of the present value of lease payments over the lease term is not readily determinable, the Company estimates the incremental borrowing rate based on the information available at the commencement date. The Company's lease terms may include options to extend or terminate the lease. The Company assesses these options using a threshold of reasonably certain. For leases the Company is reasonably certain to renew, those option periods are included within the lease term and, therefore, the measurement of the ROU asset and lease liability. For operating leases, lease expense for lease payments is recognized on a straight-line basis over the lease term. For finance leases, the ROU asset depreciates on a straight-line basis over the shorter of the lease term or useful life of the ROU asset and the lease liability accretes interest based on the interest method using the discount rate determined at lease commencement.

The Company is the lessor under non-cancelable operating leases for retail and food and beverage outlet space within its casino properties. The Company also enters into operating lease agreements with certain equipment providers for placement of amusement devices and automated teller machines within its casino properties and taverns. The lease arrangements generally include minimum base rent and/or contingent rental clauses based on a percentage of net sales exceeding minimum base rent. Revenue is recorded on a straight-line basis over the term of the lease. The Company recognizes revenue for contingent rentals when the contingency has been resolved.

Revenue Recognition

Revenue from contracts with customers primarily consists of casino wagers, room sales, food and beverage transactions, rental income from the Company's retail tenants, and entertainment sales.

Casino gaming revenues are the aggregate of gaming wins and losses. The commissions rebated to premium players for cash discounts and other cash incentives to patrons related to gaming play are recorded as a reduction to casino gaming revenues. Gaming contracts include a performance obligation to honor the patron's wager and typically include a performance obligation to provide a product or service to the patron on a complimentary basis to incentivize gaming or in exchange for points earned under the Company's True Rewards® loyalty program.

The Company generally enters into two types of slot and amusement device placement contracts as part of its distributed gaming business: space lease agreements and participation agreements. Under space lease agreements, the Company pays a fixed monthly rental fee for the right to install, maintain and operate its slot machines at a business location and the Company is the sole holder of the applicable gaming license that allows it to operate such slot machines. Under these agreements, the Company recognizes all gaming revenue and records fixed monthly rental fees as gaming expense. Under participation agreements, the business location retains a percentage of the gaming revenue generated from the Company's slot machines, and as a result both the business location and Golden are required to hold a state issued gaming license. In Montana, the Company's slot and amusement device placement contracts are all participation agreements.

In its distributed gaming business, the Company concluded it maintains control of the services directly before they are transferred to its customer and it considers its customer to be the gaming player since the Company controls all aspects of the slot machines. The Company retains control over the slot machines placed at the business location's premises by controlling the hold percentage, types of slot machines and games made available on such machines, physical access to the contents of the gaming devices, and the repair and servicing of the slot machines. Therefore, these agreements do not contain a lease under ASC 842 and are accounted for under ASC 606. The Company is considered to be the principal in these arrangements and records its share of revenue generated under participation agreements on a gross basis with the business location's share of revenue recorded as gaming expenses.

Wagering contracts that include complimentary products and services provided by the Company to incentivize gaming, such as complimentary food, beverage, rooms, entertainment, merchandise and other discretionary complimentaries, and wagering contracts that include products and services provided to a patron in exchange for points earned under the Company's loyalty program contain more than one performance obligation. The transaction price is allocated to each performance obligation in the gaming wagering contract. The amount allocated to loyalty points earned is based on an estimate of the standalone selling price of the loyalty points, which is determined by the redemption value less an estimate for points not expected to be redeemed. The amount allocated to discretionary complimentaries is the standalone selling price of the underlying goods or services, which is determined using the retail price at which those goods or services would be sold separately in similar transactions. The remaining amount of the transaction price is allocated to wagering activity using the residual approach as the standalone selling price for gaming wagers is highly variable due to wide disparity of wagering options available to the Company's patrons. The amount wagered, frequency of wagering, patron betting habits, and outcomes of the games of chance are unpredictable. As a result, no stand-alone selling price of a gaming transaction is determinable and the residual approach is utilized to represent the net revenue ascribed to the gaming wager.

For wagering contracts that include discretionary complimentaries, the Company allocates the stand-alone selling price of each product and service to the respective revenue type. Complimentary products or services provided under the Company's control and discretion that are supplied by third parties are recorded as an operating expense in the consolidated statements of operations. For wagering contracts that include products and services provided to a patron in exchange for points earned under the Company's loyalty program, the Company allocates the estimated stand-alone selling price of the points earned to the loyalty program liability. The loyalty program liability is a deferral of revenue until redemption occurs under ASC 606, Revenue from Contracts with Customers. Upon redemption of loyalty program points for Company-owned products and services, the stand-alone selling price of each product or service is allocated to the respective revenue type. For redemptions of points with third parties, the redemption amount is deducted from the loyalty program liability and paid directly to the third party. Any discounts received by the Company from the third party in connection with this transaction are recorded to other revenue in the Company's consolidated statements of operations. The Company's performance obligation related to its loyalty program is generally completed within one year, as participants' points expire after thirteen months of no activity.

After allocation to the other revenue types for products and services provided to patrons as part of a wagering contract, the residual amount is recorded to casino gaming revenue as soon as the wager is settled. As all wagers have similar characteristics, the Company accounts for its gaming contracts collectively on a portfolio basis. Gaming contracts are typically completed daily based on the outcome of the wagering transaction and include a distinct performance obligation to provide gaming activities.

Revenue from leases is recorded to other revenue in the Company's consolidated statements of operations and is generated from base rents through long-term leases with retail tenants. Base rent, adjusted for contractual escalations as applicable, is recognized on a straight-lined basis over the term of the related lease. Overage rent is paid by a tenant when its sales exceed an agreed upon minimum amount and is not recognized by the Company until the threshold is met.

Food, beverage, and retail revenues are recorded at the time of sale. Room revenue is recorded at the time of occupancy. Sales taxes and surcharges collected from customers and remitted to governmental authorities are presented on a net basis.

Contract and Contract Related Liabilities

The Company provides numerous products and services to its customers. There is often a timing difference between the cash payment by the customers and recognition of revenue for each of the associated performance obligations. The Company generally has three types of liabilities related to contracts with customers:

- *Outstanding Chip Liability* — The outstanding chip liability represents the collective amounts owed to customers in exchange for gaming chips in their possession. Outstanding chips are expected to be recognized as revenue or redeemed for cash within one year of being purchased.
- *Loyalty Program* — The Company offers its consolidated True Rewards loyalty program at all of its casino properties, as well as at all of its branded taverns and other participating distributed gaming locations. Members of the Company's True Rewards loyalty program earn points based on gaming activity and food and beverage purchases at the Company's casino properties, taverns and participating distributed gaming locations. Loyalty points are redeemable for complimentary slot play, promotional table game chips, food and beverages and grocery gift cards. All points earned in the loyalty program roll up into a single account balance which is redeemable at over 140 participating locations.

  The Company records a liability based on the value of points earned, less an estimate for points not expected to be redeemed. This liability represents a deferral of revenue until such time as the participant redeems the points earned. Redemption history at the Company's casinos and taverns is used to assist in the determination of the estimated accruals. Loyalty program points are expected to be redeemed and recognized as revenue within one year of being earned, since participants' points expire after thirteen months of no activity. The True Rewards points accruals are included in current liabilities on the Company's consolidated balance sheets. Changes in the program, increases in membership and changes in the redemption patterns of the participants can impact this liability.
- *Customer Deposits and Other* — Customer deposits and other deferred revenue represent cash deposits made by customers for future non-gaming services to be provided by the Company. With the exception of tenant deposits, which are tied to the terms of the lease and typically extend beyond a year, the majority of these customer deposits and

other deferred revenue are expected to be recognized as revenue or refunded to the customer within one year of the date the deposit was recorded.

The following table summarizes the Company's activity for contract and contract related liabilities:

	Outstanding Chip Liability		Loyalty Program		Customer Deposits and Other	
(In thousands)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Balance at January 1	$ 997	$ 756	$ 3,969	$ 4,696	$ 3,497	$ 5,015
Balance at December 31	1,308	997	3,250	3,969	5,656	3,497
Increase (decrease)	$ 311	$ 241	$ (719)	$ (727)	$ 2,159	$ (1,518)

Costs to Acquire a Contract with a Customer

As part of the Company's distributed gaming business, the Company incurs incremental costs to acquire customer contracts in the form of up-front fully recoverable consideration provided to a customer upon execution of the agreement. Such costs are recorded as other current and non-current assets in the Company's consolidated balance sheets and are amortized over the term of the contract. The amount of costs to acquire customer contracts recorded by the Company as of December 31, 2021 and 2020 was $7.3 million and $5.5 million, respectively.

Gaming Taxes

The Company's casinos located in Nevada are subject to taxes based on gross gaming revenues and pay annual fees based on the number of slot machines and table games licensed during the year. Rocky Gap is subject to gaming taxes based on gross gaming revenues and also pays an annual flat tax based on the number of table games and video lottery terminals in operation during the year. The Company's distributed gaming operations in Nevada are subject to taxes based on the Company's share of non-restricted gross gaming revenue for those locations that have grandfathered rights to more than 15 slot machines for play, and/or annual and quarterly fees at all tavern and third-party distributed gaming locations. The Company's distributed gaming operations in Montana are subject to taxes based on the Company's share of gross gaming revenue. These gaming taxes are recorded as gaming expenses in the consolidated statements of operations. Total gaming taxes and licenses were $72.2 million, $51.8 million and $62.1 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Advertising Expenses

The Company expenses advertising, marketing and promotional costs as incurred. Advertising costs included in selling, general and administrative expenses in the Company's consolidated statements of operations were $9.9 million, $6.9 million and $13.1 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Share-Based Compensation Expense

The Company has various share-based compensation programs, which provide for equity awards including stock options, time-based restricted stock units ("RSUs") and performance-based restricted stock units ("PSUs"). Share-based compensation expense is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense, net of forfeitures, over the employee's requisite service period. Compensation costs related to stock option awards are calculated based on the fair value of the award on the date of grant using the Black-Scholes option pricing model. For RSUs and PSUs, compensation expense is calculated based on the fair market value of the Company's common stock on the date of grant. All of the Company's share-based compensation expense is recorded in selling, general and administrative expenses in the consolidated statements of operations.

Income Taxes

The Company is subject to income taxes in the United States. Accounting standards require the recognition of deferred tax assets, net of applicable reserves, and liabilities for the estimated future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on the income tax provision and deferred tax assets and liabilities generally is recognized in the results of operations in the period that includes the enactment date. Accounting standards also require recognition of a future tax benefit to the extent that realization of such benefit is more likely than not; otherwise, a valuation allowance is applied.

The Company's income tax returns are subject to examination by the Internal Revenue Service and other tax authorities in the locations where it operates. The Company assesses potentially unfavorable outcomes of such examinations based on accounting standards for uncertain income taxes. The accounting standards prescribe a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements.

Uncertain tax position accounting standards apply to all tax positions related to income taxes. These accounting standards utilize a two-step approach for evaluating tax positions. If a tax position, based on its technical merits, is deemed more likely than not to be sustained, then the tax benefit is measured as the largest amount of benefit that is more likely than not to be realized upon settlement.

The Company records estimated penalties and interest related to income tax matters, including uncertain tax positions, if any, as a component of income tax expense.

Net Income (Loss) per Share

Basic net income (loss) per share is calculated by dividing net income (loss) by the weighted-average common shares outstanding. Diluted net income per share in profitable periods reflects the effect of all potentially dilutive common shares outstanding by dividing net income by the weighted-average of all common and potentially dilutive shares outstanding. In the event of a net loss, diluted shares are not considered because of their anti-dilutive effect. For the years ended December 31, 2020 and 2019, the effect of all potential common share equivalents was anti-dilutive due to the Company being in a net loss position, and therefore, all such shares were excluded from the computation of diluted weighted average shares outstanding. The amount of potential common share equivalents excluded from the computation was 915,025 and 916,907 for the years ended December 31, 2020 and 2019, respectively.

Recent Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board ("FASB"), in the form of ASUs, to the FASB's ASC. The Company considers the applicability and impact of all ASUs. While management continues to assess the possible impact of the adoption of new accounting standards and the future adoption of the new accounting standards that are not yet effective on the Company's financial statements, management currently believes that the following new standards have or may have an impact on the Company's consolidated financial statements and disclosures:

Accounting Standards Issued and Adopted

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The ASU was intended to simplify the accounting for income taxes by removing certain exceptions for investments, intraperiod allocations, and interim calculations, and added guidance to reduce the complexity of applying Topic 740. The Company adopted the standard effective January 1, 2021, and the adoption did not have a material impact on the Company's financial statements or disclosures.

Accounting Standards Issued But Not Yet Adopted

In July 2021, the FASB issued ASU No. 2021-05, *Leases (Topic 842): Lessors — Certain Leases with Variable Lease Payments*. The ASU addresses an issue related to a lessor's accounting for lease contracts that have variable lease payments that do not depend on a reference index or a rate and would have resulted in the recognition of a selling loss at lease commencement if classified as sales-type or direct financing. The amendment allows the lessor to classify and account for such lease contracts as operating. The standard is effective for fiscal years beginning after December 15, 2021 and interim periods within those fiscal years with early adoption permitted. The Company does not expect the impact of the adoption of this ASU to be material to its financial statements or disclosures.

In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805) - Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. The ASU improves the accounting for revenue contracts with customers acquired in a business combination by addressing diversity in practice and inconsistency related to recognition of contract assets and liabilities acquired in a business combination. The provisions of this ASU require that an acquiring entity accounts for the related revenue contracts in accordance with ASC 606 as if it had originated the contracts. The standard is effective for fiscal years beginning after December 15, 2022 and interim periods within those fiscal years with early adoption permitted. The Company does not expect the impact of the adoption of this ASU to be material to its financial statements or disclosures.

Management does not believe that any other recently issued accounting standards that are not yet effective are likely to have a material impact on the Company's financial statements.

Note 3 – Property and Equipment

Property and equipment, net, consisted of the following:

	At December 31,	
(In thousands)	2021	2020
Land	$ 125,240	$ 125,240
Building and improvements	937,759	928,641
Furniture and equipment	246,323	246,292
Construction in process	16,347	6,714
Property and equipment	1,325,669	1,306,887
Accumulated depreciation	(421,449)	(331,137)
Property and equipment, net	$ 904,220	$ 975,750

Depreciation expense for property and equipment, including finance leases, totaled $98.6 million, $103.4 million and $93.9 million for the years ended December 31, 2021, 2020 and 2019, respectively.

The Company reviews the carrying amounts of its long-lived assets, other than goodwill and indefinite-lived intangible assets, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Due to the significant impact of the COVID-19 pandemic on the Company's operations for the year ended December 31, 2020, the Company revised its cash flow projections throughout the year ended December 31, 2020 to reflect the then-current economic environment, including the uncertainty around the nature, timing and extent of elimination or easing of the restrictions on its operations, and utilized such projections in performing interim and annual qualitative and quantitative assessments of its property and equipment for potential impairment. The revised cash flow projections also reflected the Company's decision to keep operations of its Colorado Belle property suspended. Based on the results of interim and annual assessments conducted during the year, the Company concluded that there was no impairment of the Company's long-lived assets as of and for the year ended December 31, 2020. While the impact of the COVID-19 pandemic on the Company's operations is ongoing, management determined that for the year ended December 31, 2021, there were no new indicators of impairment of the Company's long-lived assets aside from the Colorado Belle, the operations of which remain suspended. Based on the qualitative and quantitative assessments conducted during the year, including specific procedures on the Colorado Belle property, the Company concluded that there was no impairment of the Company's long-lived assets as of December 31, 2021.

To the extent the Company becomes aware of new facts and circumstances arising from the COVID-19 pandemic or other matters that would result in a triggering event, the Company will revise its cash flow projections accordingly, as its estimates of future cash flows are highly dependent upon certain assumptions, including, but not limited to, the nature, timing, and extent of elimination or change of the restrictions on the Company's operations and the extent and timing of the economic recovery globally, nationally, and specifically within the gaming industry. If such assumptions are not accurate, the Company may be required to record impairment charges in future periods, whether in connection with its regular review procedures, or earlier, if an indicator of an impairment is present prior to such evaluation.

Note 4 – Goodwill and Intangible Assets

The Company tests goodwill and indefinite-lived intangible assets for impairment annually during the fourth quarter of each year, and whenever events or circumstances indicate that it is more likely than not that the carrying value of a reporting unit exceeds its fair value. Finite-lived intangible assets are evaluated for potential impairment whenever there is an indicator that the carrying value of an asset group may not be recoverable. Refer to "Note 2 — Summary of Significant Accounting Policies" for further information on the Company's accounting policies related to its goodwill and intangible assets.

Mandatory shut-down of the Company's properties commencing in March 2020 that lasted for a majority of the second quarter of 2020 resulted in a deterioration in the performance of the Company's casino properties in particular, which required the Company to revise its cash flow projections to reflect the then-current economic environment, including the uncertainty surrounding the nature, timing, and extent of elimination of or change to the restrictions on the Company's operations. As a result, the Company conducted an interim qualitative and quantitative assessment of its goodwill and intangible assets for potential impairment in each quarter of 2020 and performed its annual quantitative test of goodwill and indefinite-lived intangible assets for potential impairment during the fourth quarter of 2020. The analyses performed by the Company throughout 2020 resulted in non-cash impairment charges recorded to the Company's Nevada Casino Resorts goodwill and indefinite-lived trade names in the amount of $27.1 million and $6.9 million, respectively.

While the impact of the COVID-19 pandemic on the Company's operations is ongoing, management determined that there were no new indicators of impairment for the year ended December 31, 2021 and the Company concluded that there was no impairment of the Company's goodwill and intangible assets as of December 31, 2021.

The estimated fair value of goodwill during the interim periods in 2020 and for the annual quantitative test in 2021 was determined using an income valuation approach utilizing discounted cash flow models. The annual quantitative test in 2020 was conducted using a combination of an income valuation approach utilizing discounted cash flow models and a market valuation approach. The market valuation approach considers comparable market data based on multiples of revenue or earnings before interest, taxes, depreciation and amortization. The income valuation approach conducted in 2020 utilized the following Level 3 inputs: discount rate of 12.0% - 13.5%; long-term revenue growth rate of 2.0% - 3.0%. The income valuation approach conducted in 2021 utilized a discount rate of 13% and long-term revenue growth rate of 2.5%.

The estimated fair value of indefinite-lived intangible assets in both 2020 and 2021 was determined using the income approach by applying the relief from royalty methodology using Level 3 inputs. For 2020, the Company applied a royalty rate of 0.75% to 2.0%, a discount rate of 12.0% to 13.5% and long-term revenue growth rate of 2.0% to 3.0%. For 2021, the Company utilized a royalty rate of 1.0% to 2.0%, a discount rate of 13.0% and long-term revenue growth rate of 2.5%.

The following table summarizes goodwill activity by reportable segment:

(In thousands)	Nevada Casino Resorts	Nevada Locals Casinos	Maryland Casino Resort	Distributed Gaming	Total Goodwill
Balance, January 1, 2020	$ 49,179	$ 38,187	$ —	$ 98,104	$ 185,470
Goodwill impairment	(27,074)	—	—	—	(27,074)
Balance, December 31, 2020 and 2021	$ 22,105	$ 38,187	$ —	$ 98,104	$ 158,396

Intangible assets, net, consisted of the following:

	At December 31, 2021				
(In thousands)	Useful Life (Years)	Gross Carrying Value	Cumulative Amortization	Cumulative Impairment	Intangible Assets, Net
Indefinite-lived intangible assets					
Trade names	Indefinite	$ 53,690	$ —	$ (6,890)	$ 46,800
		53,690	—	(6,890)	46,800
Amortizing intangible assets					
Customer relationships	4-16	81,105	(35,879)	—	45,226
Player relationships	2-14	42,990	(39,812)	—	3,178
Non-compete agreements	2-5	9,840	(8,349)	—	1,491
Gaming license [(1)]	15	2,100	(1,210)	—	890
In-place lease value	4	1,170	(1,155)	—	15
Leasehold interest	4	570	(570)	—	—
Other	4-25	1,814	(1,356)	—	458
		139,589	(88,331)	—	51,258
Balance, December 31, 2021		$ 193,279	$ (88,331)	$ (6,890)	$ 98,058

(1) Relates to Rocky Gap.

(In thousands)	Useful Life (Years)	Gross Carrying Value	Cumulative Amortization	Cumulative Impairment	Intangible Assets, Net
	At December 31, 2020				
Indefinite-lived intangible assets					
Trade names	Indefinite	$ 53,690	$ —	$ (6,890)	$ 46,800
		53,690	—	(6,890)	46,800
Amortizing intangible assets					
Customer relationships	4-16	81,105	(30,012)	—	51,093
Player relationships	2-14	42,990	(39,116)	—	3,874
Non-compete agreements	2-5	9,840	(7,385)	—	2,455
Gaming license (1)	15	2,100	(1,070)	—	1,030
In-place lease value	4	1,170	(918)	—	252
Leasehold interest	4	570	(504)	—	66
Other	4-25	1,814	(1,275)	—	539
		139,589	(80,280)	—	59,309
Balance, December 31, 2020		$ 193,279	$ (80,280)	$ (6,890)	$ 106,109

(1) Relates to Rocky Gap.

Total amortization expense related to intangible assets was $8.1 million, $21.0 million and $22.7 million for the years ended December 31, 2021, 2020 and 2019, respectively. Estimated future amortization expense related to intangible assets is as follows:

(In thousands)	2022	2023	2024	2025	2026	Thereafter	Total (1)
Estimated amortization expense	$ 7,496	$ 7,367	$ 6,472	$ 6,132	$ 6,027	$ 17,764	$ 51,258

(1) The Company did not have intangible assets that were not placed in service as of December 31, 2021.

To the extent the Company becomes aware of new facts and circumstances arising from the COVID-19 pandemic or other matters that would result in a triggering event, the Company will revise its cash flow projections accordingly, as its estimates of future cash flows are highly dependent upon certain assumptions, including, but not limited to, the nature, timing, and extent of elimination or change of the restrictions on the Company's operations and the extent and timing of the economic recovery globally, nationally, and specifically within the gaming industry. If such assumptions are not accurate, the Company may be required to record impairment charges in future periods, whether in connection with its regular review procedures, or earlier, if an indicator of an impairment is present prior to such evaluation.

Note 5 – Accrued Liabilities

Accrued liabilities consisted of the following:

(In thousands)	At December 31, 2021	At December 31, 2020
Gaming liabilities	$ 12,311	$ 12,073
Accrued taxes, other than income taxes	9,035	6,152
Interest	6,168	6,118
Other accrued liabilities	5,549	4,751
Deposits	2,284	1,211
Total current accrued liabilities	$ 35,347	$ 30,305

Note 6 – Debt

Long-term debt, net, consisted of the following:

	At December 31,	
(In thousands)	**2021**	**2020**
Term Loan	$ 650,000	$ 772,000
2026 Unsecured Notes	375,000	375,000
Finance lease liabilities	3,005	9,182
Notes payable	602	4,373
Total long-term debt and finance leases	1,028,607	1,160,555
Unamortized discount	(11,689)	(15,570)
Unamortized debt issuance costs	(5,392)	(6,873)
Total long-term debt and finance leases after debt issuance costs and discount	1,011,526	1,138,112
Current portion of long-term debt and finance leases	(1,057)	(11,142)
Long-term debt, net and finance leases	$ 1,010,469	$ 1,126,970

Senior Secured Credit Facility

In October 2017, the Company entered into a senior secured credit facility consisting of a $900 million senior secured first lien credit facility (consisting of an $800 million term loan (the "Term Loan") maturing on October 20, 2024 and a $100 million revolving credit facility (the "Revolving Credit Facility")) with JPMorgan Chase Bank, N.A. (as administrative agent and collateral agent), the lenders party thereto and the other entities party thereto (the "Credit Facility"). The Revolving Credit Facility was subsequently increased from $100 million to $200 million in 2018, increasing the total Credit Facility capacity to $1.0 billion. On October 12, 2021, the Company further modified the terms of the Revolving Credit Facility by increasing its size to $240 million and extending the maturity date from October 20, 2022 to April 20, 2024. During 2021, the Company incurred $0.7 million in debt modification costs and fees that have been deferred and are being amortized over the term of the Revolving Credit Facility using the straight-line method.

As of December 31, 2021, the Company had $650 million in principal amount of outstanding Term Loan borrowings under its Credit Facility, no outstanding letters of credit and no borrowings under the Revolving Credit Facility, such that full borrowing availability of $240 million under the Revolving Credit Facility was available to the Company for re-borrowing.

Interest and Fees

Borrowings under the Credit Facility bear interest, at the Company's option, at either (1) a base rate equal to the greatest of the federal funds rate plus 0.50%, the applicable administrative agent's prime rate as announced from time to time, or the LIBOR rate for a one-month interest period plus 1.00%, subject to a floor of 1.75% (with respect to the term loan) or 1.00% (with respect to borrowings under the Revolving Credit Facility) or (2) the LIBOR rate for the applicable interest period, subject to a floor of 0.75% (with respect to the term loan only), plus in each case, an applicable margin. The applicable margin for the term loan under the Credit Facility is 2.00% for base rate loans and 3.00% for LIBOR rate loans. The applicable margin for borrowings under the Revolving Credit Facility ranges from 1.50% to 2.00% for base rate loans and 2.50% to 3.00% for LIBOR rate loans, based on the Company's net leverage ratio. The commitment fee for the Revolving Credit Facility is payable quarterly at a rate of 0.375% or 0.50%, depending on the Company's net leverage ratio, and is accrued based on the average daily unused amount of the available revolving commitment. The weighted-average effective interest rate on the Company's outstanding borrowings under the Credit Facility was approximately 3.75% for the year ended December 31, 2021.

Optional and Mandatory Prepayments and Related Loss on Debt Extinguishment and Modification

The Term Loan is repayable in 27 quarterly installments of $2 million each, which commenced in March 2018, followed by a final installment of $746 million at maturity. In April 2019, the Company made a $18 million prepayment of the Term Loan under the Credit Facility with the proceeds from the issuance of the Company's 7.625% Senior Notes due 2026 (the "2026 Unsecured Notes"). During 2019, the Company recognized a $5.5 million loss on extinguishment of debt and $3.7 million of expense related to modification of debt, related to the repayment of the Company's former second lien term loan discussed below and $18 million prepayment.

During the year ended December 31, 2021, the Company prepaid $122 million of principal under the Term Loan, thereby eliminating the requirement to make any further quarterly installment payments and reducing the final installment payment due at the maturity date of October 20, 2024 to $650 million. During 2021, the Company recorded a non-cash charge in the amount of $1 million for the accelerated amortization of the debt issuance costs and discount related to the prepayment of the Term Loan.

Guarantees and Collateral

Borrowings under the Credit Facility are guaranteed by each of the Company's existing and future wholly-owned domestic subsidiaries (other than certain insignificant or unrestricted subsidiaries) and are secured by substantially all of the present and future assets of the Company and its subsidiary guarantors (subject to of certain exceptions).

Financial and Other Covenants

Under the Credit Facility, the Company and its restricted subsidiaries are subject to certain limitations, including limitations on their respective ability to: incur additional debt, grant liens, sell assets, make certain investments, pay dividends and make certain other restricted payments. In addition, the Company will be required to pay down the term loan under the Credit Facility under certain circumstances if the Company or its restricted subsidiaries issue debt, sell assets, receive certain extraordinary receipts or generate excess cash flow (subject to exceptions). The Credit Facility contains a financial covenant regarding a maximum net leverage ratio that applies when borrowings under the Revolving Credit Facility exceed 30% of the total revolving commitment. The Credit Facility also prohibits the occurrence of a change of control, which includes the acquisition of beneficial ownership of 50% or more of the Company's capital stock (other than by certain permitted holders, which include, among others, Blake L. Sartini, Lyle A. Berman, and certain affiliated entities). If the Company defaults under the Credit Facility due to a covenant breach or otherwise, the lenders may be entitled to, among other things, require the immediate repayment of all outstanding amounts and sell the Company's assets to satisfy the obligations thereunder. The Company was in compliance with its financial covenants under the Credit Facility as of December 31, 2021.

Senior Unsecured Notes

On April 15, 2019, the Company issued $375 million in principal amount of 2026 Unsecured Notes in a private placement to institutional buyers at face value. The 2026 Unsecured Notes bear interest at 7.625%, payable semi-annually on April 15th and October 15th of each year.

In connection with the issuance of the 2026 Unsecured Notes, the Company incurred $6.7 million in debt financing costs and fees that have been deferred and are being amortized over the term of the 2026 Unsecured Notes using the effective interest method.

The net proceeds of the 2026 Unsecured Notes were used to (i) repay the Company's former $200 million second lien term loan, (ii) repay outstanding borrowings under the Revolving Credit Facility, (iii) repay $18 million of the outstanding Term Loan indebtedness under the Credit Facility, and (iv) pay accrued interest, fees and expenses related to each of the foregoing.

Optional Prepayments

The 2026 Unsecured Notes may be redeemed, in whole or in part, at any time during the 12 months beginning on April 15, 2022 at a redemption price of 103.813%, during the 12 months beginning on April 15, 2023 at a redemption price of 101.906%, and at any time on or after April 15, 2024 at a redemption price of 100%, in each case plus accrued and unpaid interest, if any, thereon to the redemption date. Prior to April 15, 2022, the Company may redeem up to 40% of the 2026 Unsecured Notes at a redemption price of 107.625% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the redemption date, from the net cash proceeds of specified equity offerings. Prior to April 15, 2022, the Company may also redeem the 2026 Unsecured Notes, in whole or in part, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and an Applicable Premium (as defined in the indenture governing the 2026 Unsecured Notes (the "Indenture")), if any, thereon to the redemption date.

Financial and Other Covenants

The 2026 Unsecured Notes are guaranteed on a senior unsecured basis by each of the Company's existing and future wholly-owned domestic subsidiaries that guarantees the Credit Facility. The 2026 Unsecured Notes are the Company and its subsidiary guarantors' general senior unsecured obligations and rank equally in right of payment with all of the Company's respective existing and future unsecured unsubordinated debt. The 2026 Unsecured Notes are effectively junior in right of payment to the Company and its subsidiary guarantors' existing and future secured debt, including under the Credit Facility (to the extent of the value of the assets securing such debt), are structurally subordinated to all existing and future liabilities (including trade payables) of any of the Company's subsidiaries that do not guarantee the 2026 Unsecured Notes, and are senior in right of payment to all of the Company and its subsidiary guarantors' existing and future subordinated indebtedness.

Under the Indenture, the Company and its restricted subsidiaries are subject to certain limitations, including limitations on their respective ability to: incur additional debt. grant liens, sell assets, make certain investments, pay dividends and make certain other restricted payments. In the event of a change of control (which includes the acquisition of more than 50% of the Company's capital stock, other than by certain permitted holders, which include, among others, Blake L. Sartini, Lyle A. Berman, and certain affiliated entities), each holder will have the right to require the Company to repurchase all or any part of such holder's 2026 Unsecured Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the 2026 Unsecured Notes repurchased, plus accrued and unpaid interest, if any, to the date of purchase.

Derivative Instruments

In November 2017, the Company entered into an interest rate cap agreement (the "Interest Rate Cap") with a notional value of $650 million for a cash payment of $3.1 million. The Interest Rate Cap established a range whereby the counterparty would pay the Company if one-month LIBOR exceeds the ceiling rate of 2.25%. The Interest Rate Cap settled monthly commencing in January 2018 through its expiration on December 31, 2020. No payments or receipts were required to be exchanged on the Interest Rate Cap unless interest rates rose above the pre-determined ceiling rate. The estimated fair value of the Company's Interest Rate Cap was derived from a market price obtained from a dealer quote. Such quote represents the estimated amount the Company would receive to terminate the contract. The fair value of the Company's Interest Rate Cap was zero as of December 31, 2020.

Scheduled Principal Payments of Long-Term Debt

The scheduled principal payments due on long-term debt are as follows (in thousands):

Year Ending December 31,	**Amount**
2022	$ 1,057
2023	659
2024	650,266
2025	225
2026	375,137
Thereafter	1,263
Total outstanding principal of long-term debt	$ 1,028,607

Note 7 – Shareholders' Equity and Stock Incentive Plans

Share Repurchase Program

On March 12, 2019, the Board of Directors authorized the repurchase of up to $25 million worth of shares of common stock, subject to available liquidity, general market and economic conditions, alternate uses for the capital and other factors, and on August 3, 2021, the Company's Board of Directors increased the March 12, 2019 authorization to $50 million. Share repurchases may be made from time to time in open market transactions, block trades or in private transactions in accordance with applicable securities laws and regulations and other legal requirements, including compliance with the Company's finance agreements. There is no minimum number of shares that the Company is required to repurchase and the repurchase program may be suspended or discontinued at any time without prior notice.

On December 22, 2020, the Company repurchased 50,000 shares of its common stock from Lyle A. Berman, a former independent non-employee member of the Company's Board of Directors, pursuant to its share repurchase program at a price of $19.00 per share, resulting in a charge to accumulated deficit of $1.0 million. This transaction was approved by the Audit Committee of the Board of Directors prior to being executed.

In December 2021, the Company repurchased 226,485 shares of its common stock pursuant to its share repurchase program in open market transactions at an average price of $46.87 per share, resulting in a charge to accumulated deficit of $10.6 million. As of December 31, 2021, the Company had $39.4 million of remaining share repurchase availability under its August 3, 2021 authorization.

Overview of Stock Incentive Plans

On August 27, 2015, the Board of Directors of the Company approved the Golden Entertainment, Inc. 2015 Incentive Award Plan (the "2015 Plan"), which was approved by the Company's shareholders at the Company's 2016 annual meeting. The 2015 Plan authorizes the issuance of stock options, restricted stock, restricted stock units, dividend equivalents, stock payment awards, stock appreciation rights, performance bonus awards and other incentive awards. The 2015 Plan authorizes the grant of awards to employees, non-employee directors and consultants of the Company and its subsidiaries. Options generally have a ten-year term. Except as provided in any employment agreement between the Company and the employee, if an employee is terminated, any unvested options will be forfeited.

The maximum number of shares of the Company's common stock for which grants may be made under the 2015 Plan is 2.25 million shares, plus an annual increase on January 1st of each year during the ten-year term of the 2015 Plan equal to the lesser of 1.8 million shares, 4% of the total shares of the Company's common stock outstanding (on an as-converted basis) and such smaller amount as may be determined by the Board of Directors in its sole discretion. The annual increase on January 1, 2021 was 1,126,361 shares. In addition, the maximum aggregate number of shares of common stock that may be subject to awards granted to any one participant during a calendar year is 2.0 million shares. As of December 31, 2021, a total of 2,199,632 shares of the Company's common stock remained available for grants of awards under the 2015 Plan.

Stock Options

The following table summarizes the Company's stock option activity:

	Stock Options Outstanding	Weighted-Average Remaining Term *(in years)*	Weighted-Average Exercise Price	Aggregate Intrinsic Value *(in thousands)*
Outstanding at January 1, 2021	2,891,341	5.5	$ 11.07	
Granted	—		$ —	
Exercised	(749,847)		$ 10.39	
Cancelled	—		$ —	
Expired	—		$ —	
Outstanding at December 31, 2021	2,141,494	4.5	$ 11.31	$ 83,992
Exercisable at December 31, 2021	2,141,494	4.5	$ 11.31	$ 83,992

The total intrinsic value of stock options exercised was $26.1 million, $1.3 million and $1.6 million for the years ended December 31, 2021, 2020 and 2019, respectively. The Company has not granted any stock options since 2017 and the cash received from stock options exercised during the year ended December 31, 2021 was $0.1 million.

The Company issues new shares of common stock upon exercise of stock options.

The Company uses the Black-Scholes option pricing model to estimate the fair value and compensation cost associated with employee incentive stock options, which requires the consideration of historical employee exercise behavior data and the use of a number of assumptions including volatility of the Company's stock price, the weighted-average risk-free interest rate and the weighted-average expected life of the options. The Company's determination of fair value of share-based option awards on the date of grant using the Black-Scholes option pricing model is affected by the following assumptions regarding complex and subjective variables. Any changes in these assumptions may materially affect the estimated fair value of the share-based award.

- Expected dividend yield — As the Company has not historically paid dividends, with the exception of the Special Dividend, the dividend rate variable used in the Black-Scholes model is zero.
- Risk-free interest rate — The risk-free interest rate assumption is based on the U.S. Treasury yield curve in effect at the time of grant and with maturities consistent with the expected term of options.
- Expected term — The expected term of employee stock options represents the weighted-average period that the stock options are expected to remain outstanding. It is based upon the Company's experience as to the average historical term of option grants that were exercised, canceled or forfeited. Management believes historical data is reasonably representative of future exercise behavior.
- Expected volatility — The volatility assumption is based on the historical actual volatility of the Company's stock. Management concluded there were no factors identified which were unusual and which would distort the volatility figure if used to estimate future volatility. Future volatility may be substantially less or greater than expected volatility.

RSUs and PSUs

On March 14, 2018, the Compensation Committee of the Board of Directors of the Company approved a new long-term incentive structure for equity awards to be granted to the executive officers of the Company under the 2015 Plan. Under this new structure, commencing in the first quarter of 2018, the executive officers of the Company receive long-term equity awards in a combination of RSUs and PSUs. The number of PSUs that will be eligible to vest with respect to these PSU awards will be determined based on the Company's attainment of performance goals set by the Compensation Committee. Following the one- or two-year performance periods, the number of "vesting eligible" PSUs will then be subject to two- or one- additional years of time-based vesting, respectively. Share-based compensation costs related to RSU and PSU awards are calculated based on the market price on the date of the grant. The Company periodically reviews the estimates of performance against the defined criteria to assess the expected payout of each outstanding PSU grant and adjusts the stock compensation expense accordingly.

The following table summarizes the Company's RSU activity:

	RSUs		
	Shares	**Weighted-Average Grant Date Fair Value**	**Total Fair Value of Shares Vested *(in thousands)***
Outstanding at January 1, 2019	232,299	$ 29.10	
Granted	564,805	$ 13.88	
Vested	(103,224)	$ 29.61	$ 1,596
Cancelled	(32,622)	$ 20.77	
Outstanding at December 31, 2019	661,258	$ 16.44	
Granted	624,415	$ 9.65	
Vested	(308,222)	$ 16.06	$ 3,336
Cancelled	(33,494)	$ 16.58	
Outstanding at December 31, 2020	943,957	$ 12.06	
Granted	318,356	$ 31.46	
Vested	(426,770)	$ 14.20	$ 14,203
Cancelled	(20,123)	$ 26.08	
Outstanding at December 31, 2021	815,420	$ 18.17	

The following table summarizes the Company's PSU activity:

	PSUs		
	Shares [1]	**Weighted-Average Grant Date Fair Value**	**Total Fair Value of Shares Vested *(in thousands)***
Outstanding at January 1, 2019	171,748	$ 28.41	
Granted	204,580	$ 14.13	
Vested	—		$ —
Cancelled	—		
Outstanding at December 31, 2019	376,328	$ 20.65	
Granted	404,880	$ 8.86	
Vested	(5,254) [2]	$ 28.72	$ 47
Cancelled	(32,235) [2]	$ 28.72	
Outstanding at December 31, 2020	743,719	$ 13.82	
Granted	129,503	$ 29.00	
Vested	(89,920) [2][3]	$ 25.73	$ 2,608
Cancelled	(77,725) [2][3]	$ 25.23	
Outstanding at December 31, 2021	705,577	$ 13.84	

(1) The number of shares for the PSUs listed as granted represents the "target" number of PSUs granted to each recipient eligible to vest if the Company meets its "target" performance goals for the applicable period. The actual number of PSUs eligible to vest for those PSUs will vary depending on whether or not the Company meets or exceeds the

applicable threshold, target, or maximum performance goals for the PSUs, with 200% of the "target" number of PSUs eligible to vest at "maximum" performance levels.

(2) During the first quarter of 2020, the Company's financial results for the performance goals applicable to the PSUs granted in March 2018 were certified, which resulted in the reduction of the PSUs granted in 2018 to the number of PSUs eligible to vest from 108,957 to 76,722 shares (with the 32,235 share adjustment shown in the table above as "Cancelled"), 5,254 of which shares vested in March 2020 and 71,468 of which shares vested in March 2021.

(3) 62,791 of the 77,725 PSUs cancelled during the year ended December 31, 2021 related to PSUs granted in November 2017, for which applicable performance goals were not met. 14,934 of the 77,725 PSUs cancelled during the period related to PSUs granted in March 2019 (the "2019 PSU Awards"). The Company's financial results for the applicable performance goals were certified in March 2021, which resulted in the reduction of the shares subject to the 2019 PSU Awards from 204,580 to 189,646. In addition, 18,452 of the shares under the 2019 PSU Awards vested during the first quarter of 2021.

The number of outstanding PSUs for the remainder of the PSUs included in the outstanding balance at December 31, 2021 represents the "target" number of PSUs granted to each recipient eligible to vest if the Company meets its "target" performance goals for the applicable period. The actual number of PSUs eligible to vest for those PSUs will vary depending on whether or not the Company meets or exceeds the applicable threshold, target, or maximum performance goals for the PSUs, with 200% of the "target" number of PSUs eligible to vest at "maximum" performance levels.

Share-Based Compensation

The following table summarizes share-based compensation costs by award type:

	Year Ended December 31,		
(In thousands)	**2021**	**2020**	**2019**
Stock options	$ 191	$ 1,919	$ 4,850
RSUs	6,867	5,264	4,284
PSUs	6,786	2,342	911
Total share-based compensation costs	$ 13,844	$ 9,525	$ 10,045

As of December 31, 2021, the Company's unrecognized share-based compensation expense related to RSUs and PSUs was $9.2 million and $8.2 million, respectively, which is expected to be recognized over a weighted-average period of 1.9 years for both RSUs and PSUs. The Company did not have any remaining unrecognized share-based compensation expense related to stock options as of December 31, 2021.

Note 8 – Income Taxes

Income tax provision (benefit) is summarized as follows:

	Year Ended December 31,		
(In thousands)	**2021**	**2020**	**2019**
Current:			
Federal	$ —	$ (371)	$ (371)
State	95	—	—
Total current tax benefit	$ 95	$ (371)	$ (371)
Deferred:			
Federal	$ 325	$ 430	$ (1,475)
State	16	2	(30)
Total deferred tax provision (benefit)	341	432	(1,505)
Income tax provision (benefit)	$ 436	$ 61	$ (1,876)

Reconciliation of the statutory federal income tax rate to the Company's actual rate based on income (loss) before income tax provision (benefit) is summarized below:

	Year Ended December 31,		
	2021	2020	2019
Statutory federal tax rate	21.00 %	21.00 %	21.00 %
State income taxes, net of federal income taxes	1.41	0.89	1.20
Permanent tax differences – stock compensation	(3.93)	(0.43)	(0.70)
Permanent tax differences – business meals	0.23	(0.07)	(0.90)
Permanent tax differences – executive compensation and other	2.13	(0.86)	—
Purchase price allocation adjustment – merger	—	—	5.90
Change in valuation allowance	(19.69)	(19.09)	(32.30)
FICA credit generated	(0.28)	0.33	2.80
Impact of ASC 842	—	—	7.70
Change in tax rate and apportionment	(0.03)	0.11	(0.30)
Deferred only adjustment to beginning deferred balances	(0.57)	(1.92)	0.10
Effective tax rate	0.27 %	(0.04)%	4.50 %

The Company's current and non-current deferred tax assets (liabilities) are comprised of the following:

	December 31,	
(In thousands)	2021	2020
Deferred tax assets:		
Accruals and reserves	$ 7,688	$ 4,315
Share-based compensation expense	5,781	5,469
General business credit carryforward	489	4,500
State tax credits	4,192	5,500
Net operating loss carryforwards	6,076	42,146
Operating lease obligation	41,877	42,039
Amortization of intangible assets	—	1,073
Depreciation of fixed assets	4,875	—
Other	545	647
	71,523	105,689
Valuation allowances	(30,783)	(62,724)
	$ 40,740	$ 42,965
Deferred tax liabilities:		
Prepaid services	$ (3,282)	$ (715)
Amortization of intangible assets	(941)	—
Depreciation of fixed assets	—	(5,104)
Right-of-use assets	(38,378)	(38,666)
	(42,601)	(44,485)
Net deferred tax liabilities	$ (1,861)	$ (1,520)

Deferred tax assets are evaluated by considering historical levels of income, estimates of future taxable income and the impact of tax planning strategies. The Company's financial results for the year ended December 31, 2021 include a net decrease in valuation allowance of $31.9 million. The Company has performed a continuing evaluation of its deferred tax asset valuation allowance on a quarterly basis. The Company concluded that, as of December 31, 2021, negative evidence outweighs positive evidence for the realization of deferred tax assets and as a result has provided a full valuation allowance against its net deferred tax assets. The Company may reverse some or all of its valuation allowance against its net deferred tax assets in future periods to the extent it becomes more likely than not that the deferred tax assets will be realized.

As of December 31, 2021, the Company had $25.7 million of federal net operating loss carryforwards, which do not expire. These net operating losses have the potential to be used to offset future ordinary taxable income and reduce future cash tax liabilities. However, in connection with the acquisition of American Casino and Entertainment Properties LLC ("American"), the Company issued 4,046,494 shares of its common stock to a former American equity holder, which resulted in an “ownership change” under Section 382 that will generally limit the amount of net operating losses the Company can utilize annually. As of December 31, 2021, the Company has concluded that the acquisition of American will not result in a loss of net operating loss nor credit carryforwards.

Additionally, the Company had deferred tax assets of $0.5 million related to general business credits. The general business credit carryforward begins to expire in 2041.

As of December 31, 2021, the Company’s 2017 and 2018 federal tax returns were under audit by the IRS.

As of December 31, 2021, the Company had no material uncertain tax positions.

Note 9 – Employee Retirement and Benefit Plans

Defined contribution employee savings plans

The Company’s qualified defined contribution employee savings plan allows eligible participants to defer, within prescribed limits, up to 75% of their income on a pre-tax basis through a portion of their salary and accumulate tax-deferred earnings as a retirement fund. The Company contributed $0.4 million for the year ended December 31, 2021 and $0.6 million for each of the years ended December 31, 2020 and 2019 to its defined contribution employee savings plan. The Company’s contributions vest over a five-year period.

Pension plans

As of December 31, 2021, approximately 1,600 of the Company’s employees were members of various unions and covered by union-sponsored, collectively bargained, multiemployer health and welfare and defined benefit pension plans. The Company recorded $9.1 million, $7.1 million and $11.8 million in expenses for these plans for the years ended December 31, 2021, 2020 and 2019, respectively. The Company has no obligation to fund the plans beyond payments made based upon hours worked. The risks of participating in multiemployer plans are different from single-employer plans, including in the following aspects:

- Assets contributed to multiemployer plans by one employer may be used to provide benefits to employees of other participating employers;
- If a participating employer stops contributing to a multiemployer plan, the unfunded obligations of the multiemployer plan may be required to be borne by the remaining participating employers; and
- If an entity chooses to stop participating in some of its multiemployer plans, the entity may be required to pay those plans an amount based on the underfunded status of those plans, referred to as a “withdrawal liability.”

The Company considers the following multiemployer pension plans to be significant:

		Pension Protection Zone Status [1]				Expiration Date Of Collective-Bargaining Agreement
Multiemployer Pension Plans	**EIN/Plan Number**	**2020**	**2019**	**FIR/RP Status Pending/Implemented**	**Surcharge Imposed**	
Central Pension Fund of the IUOE and Participating Employers	36-6052390-001	Green	Green	No	No	3/31/2022
Southern Nevada Culinary and Bartenders Pension Plan	88-6016617-001	Green	Green	No	No	5/31/2023

(1) The Pension Protection Act of 2006 requires plans that are certified as endangered (yellow) or critical (red) to develop and implement a funding improvement plan.

The Company’s cash contributions to each multiemployer pension and benefit plans are as follows:

	December 31,		
(In thousands)	2021	2020	2019
Multiemployer pension plans			
Central Pension Fund of the IUOE and Participating Employers	$ 637	$ 545	$ 704
Southern Nevada Culinary and Bartenders Pension Plan	1,645	1,356	2,130
Other pension plans	146	142	198
Total contributions	$ 2,428	$ 2,043	$ 3,032
Multiemployer benefit plans (excluding pension plans)			
HEREIU Welfare Fund	$ 6,353	$ 5,216	$ 8,757
All other	—	3	4
Total contributions	$ 6,353	$ 5,219	$ 8,761

For the 2020 plan year, the latest period for which plan data is available, the Company made less than 5% of total contributions for all multiemployer pension plans to which the Company contributes.

Note 10 – Financial Instruments and Fair Value Measurements

Estimates of fair value for financial assets and liabilities are based on the framework established in the accounting guidance for fair value measurements. The framework defines fair value, provides guidance for measuring fair value and requires certain disclosures. The framework discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost). The framework utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the reporting entity’s own assumptions.

Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. Thus, assets and liabilities categorized as Level 3 may be measured at fair value using inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Management’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

Financial Instruments

The carrying values of the Company’s cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short duration of these financial instruments.

The following table summarizes the fair value measurement of the Company’s long-term debt:

	December 31, 2021		
(In thousands)	Carrying Amount	Fair Value	Fair Value Hierarchy
Term Loan	$ 650,000	$ 650,813	Level 2
2026 Unsecured Notes	375,000	390,938	Level 2
Finance lease liabilities	3,005	3,005	Level 3
Notes payable	602	602	Level 3
Total debt	$ 1,028,607	$ 1,045,358	

	December 31, 2020		
(In thousands)	Carrying Amount	Fair Value	Fair Value Hierarchy
Term Loan	$ 772,000	$ 758,490	Level 2
2026 Unsecured Notes	375,000	402,638	Level 2
Finance lease liabilities	9,182	9,182	Level 3
Notes payable	4,373	4,373	Level 3
Total debt	$ 1,160,555	$ 1,174,683	

The estimated fair value of the Company's Term Loan and 2026 Unsecured Notes is based on a relative value analysis performed as of December 31, 2021 and 2020. The finance lease liabilities and notes payable are fixed-rate debt, are not traded and do not have observable market inputs, therefore, the fair value is estimated to be equal to the carrying value.

The Company's Interest Rate Cap with a notional amount of $650 million entered into for a cash payment of $3.1 million expired on December 31, 2020. During the life of the agreement, the Company used Level 2 inputs to adjust the carrying value of the Interest Rate Cap to estimated fair value quarterly based upon observable market-based inputs that reflected the present values of the difference between estimated future fixed rate payments and future variable receipts. The fair value of the Company's Interest Rate Cap was zero as of December 31, 2020.

Business Combinations and Long-lived Assets

In connection with business combinations, the Company recognizes assets acquired and liabilities assumed at estimated fair value and adjusts liabilities for contingent consideration to estimates of fair value quarterly.

Fair value estimates for land, land improvements, building and leasehold improvements, and other property and equipment are calculated with primary reliance on the cost approach, with secondary consideration being placed on the market/sales comparison approach. Significant inputs include consideration of highest and best use, replacement costs, sales comparisons (recent transactions of comparable properties), and market approaches (and the properties' ability to generate future benefits).

Fair value estimates for intangible assets are determined using a variety of methods depending on the asset type. Valuation methods generally used by the Company include: a relief-from-royalty method under the income approach that includes an estimate for a reasonable royalty rate; an excess earnings method under the income approach and/or a cost-to-replace approach; and a lost profits method under the income approach using the with and without methodology.

Note 11 – Leases

Company as Lessee

The Company is a lessee under non-cancelable operating and finance leases for offices, taverns, land, vehicles, slot machines and equipment. In addition, slot placement contracts in the form of space lease agreements at chain stores are accounted for as operating leases. Under chain store space lease agreements, the Company pays fixed monthly rental fees for the right to install, maintain and operate its slot machines at business locations, which are recorded in gaming expenses. The Company's slot machine lease agreements with gaming equipment manufacturers are short-term in nature with the majority of such leases being under variable rent structure, with amounts determined based on the performance of the leased machines. Certain other short-term slot machine lease agreements are under fixed fee payment structure.

The leases have remaining lease terms of less than 1 year to 76 years, some of which include options to extend the leases for an additional 1 to 25 years. Some equipment leases and space lease agreements include options to terminate the lease with 60 days to 1 year notice. The Company assesses the options to extend or terminate the lease using a threshold of reasonably certain. For leases the Company is reasonably certain to renew, those option periods are included within the lease term and, therefore, the measurement of the ROU asset and lease liability.

The Company's lease agreements for land, buildings and taverns with lease and non-lease components are accounted for separately. The lease and non-lease components of certain vehicle and equipment leases are accounted for as a single lease component. The Company's lease agreements do not contain any material residual value guarantees, restrictions or covenants.

Lease expense for arrangements with a fixed fee payment structure is recognized on a straight-line basis over the lease term. Lease expense for arrangements under a variable rent structure is recognized in the period in which the obligation for the payment is incurred.

The Company leases approximately 4.5 acres of undeveloped land in Carson City. Upon the adoption of ASC 842, the Company wrote off the associated ROU asset for this land lease of $9.4 million with a charge to its beginning balance of retained earnings as of January 1, 2019. The Company is also lessee for several taverns and locations subject to space lease agreements that it does not plan to develop, operate, or sub-lease. The Company wrote off the associated ROU asset for these leases of $2.9 million with a charge to its beginning balance of retained earnings as of January 1, 2019.

The Company historically leased its office headquarters building and leases the office space in a building adjacent to the Company's office headquarters building from a related party. Refer to "Note 13 — Related Party Transactions" for more detail.

The current and non-current obligations under finance leases are included in "Current portion of long-term debt and finance leases" and "Long-term debt, net and finance leases" in the Company's consolidated balance sheets, respectively. The finance leases relate to equipment for the Company's casino properties and buildings for certain casino and tavern locations.

The components of lease expense were as follows:

		Year Ended December 31,	
(In thousands)	**Classification**	**2021**	**2020**
Operating lease cost			
Operating lease cost	Operating and SG&A expenses	$ 54,131	$ 46,082
Variable lease cost	Operating and SG&A expenses	20,449	12,095
Short-term lease cost	Operating and SG&A expenses	4,862	4,964
Total operating lease cost		$ 79,442	$ 63,141
Finance lease cost			
Amortization of leased assets	Depreciation and amortization	$ 1,693	$ 2,376
Interest on lease liabilities	Interest expense, net	300	627
Total finance lease cost		$ 1,993	$ 3,003

Supplemental cash flow information related to leases was as follows:

	Year Ended December 31,	
(In thousands)	**2021**	**2020**
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 53,527	$ 44,774
Operating cash flows from finance leases	293	491
Financing cash flows from finance leases	6,179	2,588

Supplemental balance sheet information related to leases was as follows:

	December 31,	
(In thousands)	2021	2020
Operating leases		
Operating lease right-of-use assets, gross	$ 221,732	$ 214,548
Accumulated amortization	(42,481)	(33,995)
Operating lease right-of-use assets, net	$ 179,251	$ 180,553
Current portion of operating leases	$ 40,151	$ 35,725
Non-current operating leases	155,098	160,248
Total operating lease liabilities	$ 195,249	$ 195,973
Finance leases		
Property and equipment, gross	$ 6,278	$ 16,404
Accumulated depreciation	(2,407)	(3,807)
Property and equipment, net	$ 3,871	$ 12,597
Current portion of finance leases	$ 546	$ 3,507
Non-current finance leases	2,459	5,675
Total finance lease liabilities	$ 3,005	$ 9,182

The following presents additional information related to the Company's leases as of December 31, 2021:

	December 31,	
	2021	2020
Weighted Average Remaining Lease Term		
Operating leases	7.8 years	8.6 years
Finance leases	16.4 years	7.0 years
Weighted Average Discount Rate		
Operating leases	5.7 %	6.0 %
Finance leases	6.1 %	6.5 %

Maturities of Lease Liabilities

As of December 31, 2021, maturities of lease liabilities were as follows:

(In thousands)	Operating Leases	Finance Leases	Total
2022	$ 49,570	$ 629	$ 50,199
2023	43,477	632	44,109
2024	41,081	338	41,419
2025	24,594	306	24,900
2026	15,948	200	16,148
Thereafter	75,650	3,410	79,060
Total lease payments	250,320	5,515	255,835
Amount of interest	(55,071)	(2,510)	(57,581)
Present value of lease liabilities	$ 195,249	$ 3,005	$ 198,254

As of December 31, 2021, the Company did not have any leases that have not yet commenced but that create significant rights and obligations.

Company as Lessor

The Company leases space to third-party tenants under non-cancelable operating leases primarily for retail and food and beverage outlets within its casino properties. Golden also enters into operating lease agreements with certain equipment providers for placement of amusement devices and automated teller machines within its casino properties and taverns. The leases have remaining lease terms of 1 to 10 years, some of which include options to extend the leases for an additional 1 to 15 years.

Lease payments from tenants generally include minimum base rent, adjusted for contractual escalations as applicable, and/or contingent rental clauses based on a percentage of net sales exceeding minimum base rent. The Company records revenue on a straight-line basis over the term of the lease and recognizes revenue for contingent rentals when the contingency has been resolved. The Company combines lease and non-lease components for the purpose of measuring lease revenue, which is recorded in “Other revenue” in the Company’s consolidated statements of operations.

Minimum and contingent operating lease income was as follows:

	Year Ended December 31,		
(In thousands)	**2021**	**2020**	**2019**
Minimum rental income	$ 6,041	$ 3,913	$ 7,479
Contingent rental income	3,169	1,840	1,527
Total rental income	$ 9,210	$ 5,753	$ 9,006

Future minimum rent payments to be received under operating leases are as follows (in thousands):

Year Ending December 31,	**Amount**
2022	$ 4,932
2023	4,235
2024	3,298
2025	3,292
2026	2,470
Thereafter	1,601
Total future minimum rent payments	$ 19,828

Note 12 – Commitments and Contingencies

Participation Agreements

In addition to the space lease agreements described in “Note 11 — Leases” and “Note 2 — Summary of Significant Accounting Policies,” the Company enters into slot placement contracts in the form of participation agreements. Under participation agreements, the Company and the business location each hold a state issued gaming license in order to be able to receive a percentage of gaming revenue earned on the Company’s slot machines. The business location retains a percentage of the gaming revenue generated from the Company’s slot machines. The Company is considered to be the principal in these arrangements and therefore, records its share of revenue generated under participation agreements on a gross basis with the business location’s share of revenue recorded as gaming expenses.

The aggregate contingent payments recognized by the Company as gaming expenses under participation agreements were $211.5 million, $133.2 million and $158.6 million for the years ended December 31, 2021, 2020 and 2019, respectively. For the years ended December 31, 2020 and 2019, such contingent payments also included $0.7 million and $0.9 million, respectively, incurred in related party agreements described in “Note 13 — Related Party Transactions.”

Collective Bargaining Agreements

As of December 31, 2021 the Company had approximately 6,300 employees, of which approximately 1,600 were covered by various collective bargaining agreements. The Company’s collective bargaining agreements expire between 2022 and 2024. There can be no assurance that, upon the expiration of existing collective bargaining agreements, new agreements will be reached without union action or that any such new agreements will be on terms satisfactory to the Company.

Employment Agreements

The Company has entered into at-will employment agreements with certain of the Company's executive officers. Under each employment agreement, in addition to the executive's annual base salary, the executive is entitled to participate in the Company's incentive compensation programs applicable to executive officers of the Company. The executive officers are also eligible to participate in all health benefits, insurance programs, pension and retirement plans and other employee benefit and compensation arrangements. Each executive officer is also provided with other benefits as set forth in his employment agreement. In the event of a termination without "cause" or a "constructive termination" of the Company's executive officers (as defined in their respective employment agreements), the Company could be liable for estimated severance payments of up to $4.5 million for Blake L. Sartini, $3.0 million for Charles H. Protell, $2.4 million for Stephen A. Arcana, and $0.9 million for Blake L. Sartini II (assuming each officer's respective annual salary and health benefit costs as of December 31, 2021, subject to amounts in effect at the time of termination and excluding potential expense related to acceleration of stock options, RSUs and PSUs).

Legal Matters and Other

From time to time, the Company is involved in a variety of lawsuits, claims, investigations and other legal proceedings arising in the ordinary course of business, including proceedings concerning labor and employment matters, personal injury claims, breach of contract claims, commercial disputes, business practices, intellectual property, tax and other matters for which the Company records reserves. Although lawsuits, claims, investigations and other legal proceedings are inherently uncertain and their results cannot be predicted with certainty, the Company believes that the resolution of its currently pending matters should not have a material adverse effect on its business, financial condition, results of operations or liquidity. Regardless of the outcome, legal proceedings can have an adverse impact on the Company because of defense costs, diversion of management resources and other factors. In addition, it is possible that an unfavorable resolution of one or more such proceedings could in the future materially and adversely affect the Company's business, financial condition, results of operations or liquidity in a particular period.

In January 2021, the Company was affected by a ransomware cyber-attack that temporarily disrupted the Company's access to certain information located on the Company's network and incurred expenses relating thereto. The Company's financial information and business operations were not materially affected. The Company implemented a variety of measures to further enhance its cybersecurity protections and minimize the impact of any future cyber incidents. The Company has insurance related to this event and has recovered a portion of the costs it incurred to remediate this matter, which was received and recorded in 2021.

In September 2018, the Company entered into an agreement with American Wagering, Inc. and William Hill U.S. HoldCo, Inc. (collectively, "William Hill"), which contemplated that William Hill would be obligated to make a one-time payment to the Company in the event of a change of control transaction with respect to William Hill. Under this agreement, as amended, the April 22, 2021 acquisition of William Hill PLC by Caesars Entertainment, Inc. ("Caesars") constituted the change of control event triggering this payment. On May 26, 2021, the Company, William Hill and Caesars executed an amendment to the agreement requiring William Hill and Caesars, as the acquiring party, to make an initial payment in the amount of $60 million by July 15, 2021 and to provide for a second contingent payment in the event of a sale of the William Hill business in the United Kingdom, as discussed below. The Company received this initial payment in July 2021 and recognized $60 million in non-operating income for the year ended December 31, 2021.

The May 26, 2021 amendment also provided for a contingent payment to be paid by Caesars to the Company of up to $15 million in the event Caesars completes a sale of the William Hill business in the United Kingdom. The amount of this contingent payment is calculated in accordance with the terms set forth in the amendment and will depend on the amount of proceeds Caesars would receive from the sale, if any. In September 2021, Caesars announced that it executed an agreement to sell the non-US assets of William Hill to 888 Holdings Plc. Based upon the announced sales price, the Company does not expect to receive any additional payments related to the contingency. Accordingly, as of December 31, 2021, the Company does not expect to realize any of the remaining contingent payment related to the purchase of William Hill by Caesars.

Note 13 – Related Party Transactions

The Company historically leased its office headquarters building from a company 33% beneficially owned by Blake L. Sartini, 5% owned by a trust for the benefit of Mr. Sartini's immediate family members (including Blake L. Sartini, II) for which Mr. Sartini serves as trustee, and 3% beneficially owned by Stephen A. Arcana. On May 24, 2021 the building was sold to an independent third party, and therefore as of December 31, 2021, this lease was no longer with a related party. The rent expense for the office headquarters building prior to its sale to an independent third party was $0.5 million for the year ended December 31, 2021, and $1.6 million and $1.3 million for the years ended December 31, 2020 and 2019, respectively. No amount was owed to the Company, and no amount was due and payable by the Company, under this lease arrangement as of December 31, 2020. Additionally, a portion of the office headquarters building was sublet to Sartini Enterprises, Inc., a company controlled by Mr. Sartini. Rental income during each of the years ended December 31, 2021, 2020 and 2019 for the sublet portion of the office headquarters building was insignificant. No amount was owed to the Company under such sublease as of December 31, 2021 and 2020. In addition, the Company and Sartini Enterprises, Inc. participate in certain cost-sharing arrangements. No amount was owed by the Company under such arrangements as of December 31, 2021 and the amount due and payable by the Company under such arrangements as of December 31, 2020 was less than $0.1 million. Mr. Sartini serves as the Chairman of the Board and Chief Executive Officer of the Company and is co-trustee of The Blake L. Sartini and Delise F. Sartini Family Trust, which is a significant shareholder of the Company. Mr. Arcana serves as the Executive Vice President and Chief Operating Officer of the Company.

In November 2018, the Company entered into a lease agreement for office space in a building adjacent to the Company's office headquarters building to be constructed and owned by a company 33% beneficially owned by Mr. Sartini, 5% owned by a trust for the benefit of Mr. Sartini's immediate family members (including Blake L. Sartini, II) for which Mr. Sartini serves as trustee, and 3% beneficially owned by Mr. Arcana. The lease commenced in August 2020 and expires on December 31, 2030. The rent expense for the space was $0.3 million and $0.1 million for the years ended December 31, 2021 and 2020, respectively. Additionally, the lease agreement includes a right of first refusal for additional space on the second floor of the building.

The Company previously leased one tavern location from a related party. The location was sold in the second quarter of 2019 to an unrelated third party. As a result, the Company did not incur any rent expense for such tavern location for the years ended December 31, 2021 and 2020. For the year ended December 31, 2019, for the period in which the location was leased by a related party, the rent expense for such tavern was $0.2 million. No tavern locations were leased from related parties as of December 31, 2021 and 2020.

From time to time, the Company's executive officers and employees use a private aircraft for Company business purposes. The aircraft is owned by or leased to Sartini Enterprises, Inc., pursuant to aircraft time-sharing, co-user and cost-sharing agreements between the Company and Sartini Enterprises, Inc., all of which have been approved by the Audit Committee of the Board of Directors. The aircraft time-sharing, co-user and cost-sharing agreements specify the maximum expense reimbursement that Sartini Enterprises, Inc. can charge the Company under the applicable regulations of the Federal Aviation Administration for the use of the aircraft and the flight crew. Such costs include fuel, landing fees, hangar and tie-down costs away from the aircraft's operating base, flight planning and weather contract services, crew costs and other related expenses. The Company's compliance department regularly reviews these reimbursements. The Company incurred $0.8 million, $0.5 million and $0.6 million in costs under these arrangements for the years ended December 31, 2021, 2020 and 2019, respectively. The Company owed $0.2 million at December 31, 2021 and no amount was due and payable by the Company under these agreements as of December 31, 2020. No amount was owed to the Company under these agreements as of December 31, 2021 and 2020.

One of the distributed gaming locations at which the Company's slot machines are located was owned in part by Sean T. Higgins, who previously served as Executive Vice President of Government Affairs of the Company. This agreement was in place prior to Mr. Higgins's joining the Company on March 28, 2016 and terminated in 2020. Net revenues recorded by the Company from the use of the Company's slot machines at this location were $0.8 million and $1.0 million for the years ended December 31, 2020 and 2019, respectively, for the period in which the location was leased from a related party. Gaming expenses related to this location were $0.7 million and $0.9 million for the years ended December 31, 2020 and 2019, respectively, for the period in which the location was leased by a related party. An insignificant amount was owed to the Company and due and payable by the Company related to this arrangement as of December 31, 2020 and collected in 2021.

On December 22, 2020, the Company repurchased 50,000 shares of its common stock from Lyle A. Berman, then an independent non-employee member of the Company's Board of Directors, pursuant to its share repurchase program at a price of $19.00 per share, resulting in a charge to accumulated deficit for $1.0 million. This transaction was approved by the Audit Committee of the Board of Directors prior to being executed.

Note 14 – Segment Information

The Company conducts its business through four reportable segments: Nevada Casino Resorts, Nevada Locals Casinos, Maryland Casino Resort and Distributed Gaming.

The Nevada Casino Resorts segment is comprised of destination casino resort properties offering a variety of food and beverage outlets, entertainment venues and other amenities. The casino resort properties in this segment cater primarily to a regional drive-in customer base seeking a value-oriented vacation experience, with guests typically traveling from Southern California or Arizona. The Company's casino resort properties in Nevada have a significantly larger number of hotel rooms compared to the other casino properties in its portfolio. While hotel stays at these casino resorts are typically longer, the overall frequency of visitation from guests is lower when compared to the Nevada Locals Casinos.

The Nevada Locals Casinos segment is comprised of casino properties that cater to local customers who generally live within a five-mile radius. The Company's locals casino properties typically experience a higher frequency of customer visits compared to its casino resort properties in Nevada and Maryland, with many of the customers visiting the Company's Nevada Locals Casinos on a weekly basis. The casino properties within this reportable segment have no or a limited number of hotel rooms and offer fewer food and beverage outlets or other amenities, with revenues primarily generated from slot machine play.

The Maryland Casino Resort segment is comprised of the Rocky Gap casino resort, which is geographically disparate from the Company's Nevada properties, operates in a separate regulatory jurisdiction and has only a limited number of hotel rooms compared to the Nevada Casino Resorts. Rocky Gap caters to a regional drive-in customer base traveling from mid-Atlantic areas (Maryland, Virginia, Washington DC, Pennsylvania, West Virginia) and offers a full range of amenities, including various food and beverage outlets, signature golf course, spa and pool.

The Distributed Gaming segment is comprised of the operation of slot machines and amusement devices in approximately 1,100 non-casino locations, such as restaurants, bars, taverns, convenience stores, liquor stores and grocery stores, across Nevada and Montana with a limited number of slot machines in each location. Distributed Gaming operations cater to local residents with high frequency visitation to these locations. The Company places its slot machines and amusement devices in locations where it believes they will receive maximum customer traffic. As part of the Distributed Gaming segment, the Company owns and operates a limited number of branded tavern locations, where it controls the food and beverage operations as well as the slot machines located within the tavern. The Company's branded taverns offer a casual, upscale environment catering to local patrons offering superior food, craft beer and other alcoholic beverages, and are typically limited to 15 slot machines.

The Corporate and Other segment includes the Company's cash and cash equivalents, miscellaneous receivables and corporate overhead. Costs recorded in the Corporate and Other segment have not been allocated to the Company's reportable segments because these costs are not easily allocable and to do so would not be practical.

The Company presents Adjusted EBITDA in its segment disclosures because it is the primary metric used by the Company's chief operating decision makers in measuring both the Company's past and future expectations of performance. Further, the Company's annual performance plan used to determine compensation of its executive officers and employees is tied to the Adjusted EBITDA metric. Adjusted EBITDA represents each segment's earnings before interest and other non-operating income (expense), income taxes, depreciation and amortization, impairment of goodwill and intangible assets, acquisition and severance expenses, preopening and related expenses, gain or loss on disposal of assets, share-based compensation expenses, change in fair value of derivative, and other non-cash charges, that are deemed to be not indicative of the Company's core operating results, calculated before corporate overhead (which is not allocated to each reportable segment).

In light of the Company's use of Adjusted EBITDA in its measure of profit for its reportable segments, the Company includes a reconciliation of the total of the Company's consolidated Adjusted EBITDA to the Company's consolidated net income (loss) determined in accordance with GAAP. The Company also discloses Adjusted EBITDA at the reportable segment level, as set forth in the table below:

	Year Ended December 31,		
(In thousands)	2021	2020	2019
Revenues			
Nevada Casino Resorts			
Gaming	$ 179,793	$ 114,571	$ 143,785
Food and beverage	83,092	55,588	111,491
Rooms	94,952	61,070	115,006
Other [(1)]	31,875	19,414	39,263
Nevada Casino Resorts revenue	$ 389,712	$ 250,643	$ 409,545
Nevada Locals Casinos			
Gaming	$ 120,537	$ 82,522	$ 86,877
Food and beverage	24,036	18,406	30,193
Rooms	7,626	5,598	10,493
Other [(1)]	7,656	6,505	8,123
Nevada Locals Casinos revenues	$ 159,855	$ 113,031	$ 135,686
Maryland Casino Resort			
Gaming	$ 60,797	$ 40,505	$ 53,364
Food and beverage	7,932	4,669	7,286
Rooms	7,224	4,743	6,694
Other	2,202	1,719	2,826
Maryland Casino Resort revenues	$ 78,155	$ 51,636	$ 70,170
Distributed Gaming			
Gaming	$ 405,183	$ 239,154	$ 294,776
Food and beverage	52,755	33,418	53,963
Other [(1)]	9,646	5,684	8,500
Distributed Gaming revenues	$ 467,584	$ 278,256	$ 357,239
Corporate and other	1,237	589	770
Total Revenues	$ 1,096,543	$ 694,155	$ 973,410

(1) Includes lease revenue accounted for under ASC 842 for the arrangements in which the Company is a lessor. Refer to "Note 2 — Summary of Significant Accounting Policies" and "Note 11 — Leases" for details.

(In thousands)	Year Ended December 31, 2021	2020	2019
Adjusted EBITDA			
Nevada Casino Resorts	$ 149,077	$ 57,462	$ 115,198
Nevada Locals Casinos	80,005	45,610	43,264
Maryland Casino Resort	26,697	15,094	20,372
Distributed Gaming	87,276	26,952	50,687
Corporate and other	(51,337)	(34,861)	(45,838)
Total Adjusted EBITDA	291,718	110,257	183,683
Adjustments			
Other non-operating income	60,000	—	—
Depreciation and amortization	(106,692)	(124,430)	(116,592)
Change in non-cash lease expense	(762)	(1,344)	711
Share-based compensation	(14,401)	(9,637)	(10,124)
Loss on disposal of assets	(1,260)	(803)	(1,309)
Loss on debt extinguishment and modification	(975)	—	(9,150)
Preopening and related expenses [(1)]	(246)	(533)	(4,548)
Acquisition and severance expenses	(228)	(3,710)	(3,488)
Impairment of goodwill and intangible assets	—	(33,964)	—
Other, net	(2,089)	(3,275)	(2,216)
Interest expense, net	(62,853)	(69,110)	(74,220)
Change in fair value of derivative	—	(1)	(4,168)
Income tax (provision) benefit	(436)	(61)	1,876
Net income (loss)	$ 161,776	$ (136,611)	$ (39,545)

(1) Preopening and related expenses consist of labor, food, utilities, training, initial licensing, rent and organizational costs incurred in connection with the opening of tavern and casino locations.

Assets

The Company's assets by segment consisted of the following amounts:

(In thousands)	Nevada Casino Resorts	Nevada Locals Casinos	Maryland Casino Resort	Distributed Gaming	Corporate and Other	Consolidated
Balance at December 31, 2021	$ 811,016	$ 165,362	$ 41,403	$ 411,342	$ 186,441	$ 1,615,564
Balance at December 31, 2020	$ 872,849	$ 170,373	$ 42,288	$ 430,791	$ 54,648	$ 1,570,949

Capital Expenditures

The Company's capital expenditures by segment consisted of the following amounts:

(In thousands)	Nevada Casino Resorts [(1)]	Nevada Locals Casinos [(2)]	Maryland Casino Resort [(3)]	Distributed Gaming [(4)]	Corporate and Other [(5)]	Consolidated
For the year ended December 31, 2021	$ 7,859	$ 2,813	$ 1,447	$ 11,485	$ 5,655	$ 29,259
For the year ended December 31, 2020	$ 23,649	$ 911	$ 2,531	$ 6,886	$ 2,525	$ 36,502
For the year ended December 31, 2019	$ 77,427	$ 4,270	$ 1,685	$ 19,185	$ 4,700	$ 107,267

(1) Capital expenditures in the Nevada Casino Resorts segment exclude non-cash purchases of property and equipment of $0.6 million, $1.1 million and $15.9 million as of December 31, 2021, 2020 and 2019, respectively.

(2) Capital expenditures in the Nevada Locals Casinos segment exclude non-cash purchases of property and equipment of $0.2 million and $3.2 million as of December 31, 2021 and 2019, respectively.

(3) Capital expenditures in the Maryland Casino Resort segment exclude non-cash purchases of property and equipment of $0.5 million as of December 31, 2020.

(4) Capital expenditures in the Distributed Gaming segment exclude non-cash purchases of property and equipment of $0.6 million, $2.5 million and $3.5 million as of December 31, 2021, 2020 and 2019, respectively.

(5) Capital expenditures for Corporate and Other exclude non-cash purchases of property and equipment of $0.5 million as of December 31, 2021.

Note 15 – Subsequent Events

The Company’s management evaluates subsequent events through the date of issuance of the consolidated financial statements. There have been no subsequent events that occurred during such period that would require adjustment to or disclosure in the consolidated financial statements as of and for the year ended December 31, 2021.

ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

None.

ITEM 9A. *CONTROLS AND PROCEDURES*

a. Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance of achieving the objective that information in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified and pursuant to the requirements of the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), we carried out an evaluation, with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of December 31, 2021, the end of the period covered by this Annual Report on Form 10-K. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2021.

b. Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2021.

The effectiveness of our internal control over financial reporting as of December 31, 2021 has been audited by Ernst & Young LLP, our independent registered public accounting firm, as stated in their report in Part II, Item 8 of this Annual Report on Form 10-K.

c. Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. *OTHER INFORMATION*

None.

ITEM 9C. *DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS*

Not applicable.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE*

The information required by this item regarding the members of our Board of Directors and our audit committee, including our audit committee financial expert, will be included in our definitive Proxy Statement to be filed with the SEC in connection with our 2022 annual meeting of shareholders (the "2022 Proxy Statement") under the headings "Corporate Governance," "Executive Officers," "Election of Directors" and "Ownership of Securities," and is incorporated herein by reference.

We have adopted a code of ethics applicable to all of our employees (including our principal executive officer, principal financial officer and principal accounting officer). The code of ethics is designed to deter wrongdoing and to promote honest and ethical conduct and compliance with applicable laws and regulations. The full text of our code of ethics is published in the "Investors — Governance" section of our website at www.goldenent.com.

ITEM 11. *EXECUTIVE COMPENSATION*

The information required by this item will be included in the 2022 Proxy Statement under the headings "Director Compensation" and "Executive Compensation," and is incorporated herein by reference.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS*

The information required by this item with respect to security ownership of certain beneficial owners will be included in the 2022 Proxy Statement under the heading "Ownership of Securities," and is incorporated herein by reference.

The following table provides certain information as of December 31, 2021 with respect to our equity compensation plans:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column)
Golden Entertainment, Inc. 2015 Incentive Award Plan (1)	2,116,494	$ 11.28	2,199,632
2007 Lakes Stock Option and Compensation Plan	25,000	$ 13.50	—
Total	2,141,494	$ 11.31	2,199,632

(1) As of December 31, 2021, we had 815,420 time-based restricted stock units and 705,577 performance-based restricted stock units outstanding that do not have an exercise price; therefore, the weighted-average exercise price per share only relates to outstanding stock options.

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE*

The information required by this item will be included in the 2022 Proxy Statement under the headings "Certain Relationships and Related Transactions" and "Corporate Governance," and is incorporated herein by reference.

ITEM 14. *PRINCIPAL ACCOUNTING FEES AND SERVICES*

The information required by this item will be included in the 2022 Proxy Statement under the heading "Independent Registered Public Accounting Firm" and is incorporated herein by reference.

PART IV

ITEM 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

(a)(1) Golden Entertainment, Inc. Consolidated Financial Statements (including related notes to Consolidated Financial Statements) filed in Part II of this report are listed below:

(a)(2) Schedule II – Valuation and Qualifying Accounts

We have omitted all other financial statement schedules because they are not required or are not applicable, or the required information is shown in the consolidated financial statements or notes to the consolidated financial statements.

GOLDEN ENTERTAINMENT, INC.
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

	Balance at Beginning of Period	Increase	Decrease	Balance at End of Period
Deferred income tax valuation allowance:				
Year Ended December 31, 2021	$ 62,724	$ —	$ (31,941)	$ 30,783
Year Ended December 31, 2020	36,652	26,072	—	62,724
Year Ended December 31, 2019	23,276	13,376	—	36,652

(a)(3) Exhibits:

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	File No.	Exhibit	Filing Date	Filed or Furnished Herewith
2.1	Purchase Agreement, dated as of July 14, 2018, by and between Golden Entertainment, Inc. and Marnell Gaming, LLC.	8-K	000-24993	2.1	7/16/2018	
3.1	Amended and Restated Articles of Incorporation of Golden Entertainment, Inc.	8-K	000-24993	3.1	8/4/2015	
3.2	Seventh Amended and Restated Bylaws of Golden Entertainment, Inc.	10-Q	000-24993	3.1	11/6/2020	
4.1	Indenture, dated as of April 15, 2019, between Golden Entertainment, Inc., the Guarantors party thereto and Wilmington Trust, National Association, as trustee	10-Q	000-24993	4.1	5/10/2019	
4.2	Form of 7.625% Senior Note due 2026 of Golden Entertainment, Inc. (attached as Exhibit A to the Indenture incorporated by reference to Exhibit 4.1 to Golden Entertainment, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 filed on May 10, 2019)	10-Q	000-24993	4.1	5/10/2019	
4.3	Description of Registered Securities	10-K	000-24993	4.3	3/13/2020	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or FurnishedHerewith
		Form	File No.	Exhibit	Filing Date	
10.1	First Lien Credit Agreement, dated as of October 20, 2017, by and among Golden Entertainment, Inc. (as borrower), the subsidiaries of Golden Entertainment, Inc. party thereto, JPMorgan Chase Bank, N.A. (as administrative agent and collateral agent) and the other lenders party thereto.	8-K	000-24993	10.3	10/23/2017	
10.1.1	Incremental Joinder Agreement No. 1, dated as of June 11, 2018, by and among Golden Entertainment, Inc. (as borrower), the subsidiaries of Golden Entertainment, Inc. party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A. (as administrative agent)	8-K	000-24993	10.1	6/12/2018	
10.1.2	Incremental Joinder Agreement No. 2, dated as of November 8, 2018, by and among Golden Entertainment, Inc. (as borrower), the subsidiaries of Golden Entertainment, Inc. party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A. (as administrative agent).	10-Q	000-24993	10.1	11/9/2018	
10.1.3	Incremental Joinder Agreement No. 3 and First Amendment to First Lien Credit Agreement, dated as of October 12, 2021, by and among Golden Entertainment, Inc. (as the borrower), the subsidiaries of Golden Entertainment, Inc. party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A. (as administrative agent).	8-K	000-24993	10.1	10/14/2021	
10.2	Amended and Restated Ground Lease by and between Evitts Resort, LLC and the State of Maryland to the use of the Department of Natural Resources, effective August 3, 2012.	8-K	000-24993	10.2	8/9/2012	
10.3	Registration Rights Agreement, dated as of July 31, 2015, by and between Golden Entertainment, Inc. and The Blake L. Sartini and Delise F. Sartini Family Trust	8-K	000-24993	10.2	8/4/2015	
10.4	Noncompetition agreement, dated as of July 31, 2015, between Golden Entertainment, Inc. and Blake L. Sartini	8-K	000-24993	10.4	8/4/2015	
10.5#	Employment Agreement, dated as of October 1, 2015, by and between Golden Entertainment, Inc. and Blake Sartini	8-K	000-24993	10.1	10/5/2015	
10.5.1#	First Amendment to Employment Agreement, dated as of February 9, 2016, by and between Golden Entertainment, Inc. and Blake L. Sartini	10-K	000-24993	10.11.1	3/14/2016	
10.5.2#	Second Amendment to Employment Agreement, dated as of March 14, 2018, by and between Golden Entertainment, Inc. and Blake L. Sartini	10-Q	000-24993	10.1	5/10/2018	
10.6#	Employment Agreement, dated as of November 15, 2016, by and between Golden Entertainment, Inc. and Charles Protell	8-K	000-24993	10.2	11/17/2016	
10.6.1#	First Amendment to Employment Agreement, dated as of March 10, 2017, by and between Golden Entertainment, Inc. and Charles Protell	10-K	000-24993	10.12.1	3/16/2017	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or FurnishedHerewith
		Form	File No.	Exhibit	Filing Date	
10.6.2#	Second Amendment to Employment Agreement, dated as of March 14, 2018, by and between Golden Entertainment, Inc. and Charles Protell	10-Q	000-24993	10.3	5/10/2018	
10.6.3#	Third Amendment to Employment Agreement, dated as of August 5, 2019, by and between Golden Entertainment, Inc. and Charles Protell	10-Q	000-24993	10.1	11/8/2019	
10.7#	Employment Agreement, dated as of October 1, 2015, by and between Golden Entertainment, Inc. and Stephen Arcana	8-K	000-24993	10.2	10/5/2015	
10.7.1#	First Amendment to Employment Agreement, dated as of February 9, 2016, by and between Golden Entertainment, Inc. and Stephen Arcana	10-K	000-24993	10.12.1	3/14/2016	
10.7.2#	Second Amendment to Employment Agreement, dated as of March 10, 2017, by and between Golden Entertainment, Inc. and Stephen Arcana	10-K	000-24993	10.11.2	3/16/2017	
10.7.3#	Third Amendment to Employment Agreement, dated as of March 14, 2018, by and between Golden Entertainment, Inc. and Stephen Arcana	10-Q	000-24993	10.2	5/10/2018	
10.8#	Amended and Restated Employment Agreement, dated as of March 10, 2017, by and between Golden Entertainment, Inc. and Blake L. Sartini II	10-K	000-24993	10.15	3/16/2017	
10.8.1#	First Amendment to Amended and Restated Employment Agreement, dated as of March 14, 2018, by and between Golden Entertainment, Inc. and Blake L. Sartini II	10-Q	000-24993	10.4	5/10/2018	
10.9#	2007 Amended and Restated Stock Option and Compensation Plan	DEF 14A	000-24993	Appendix D	6/24/2009	
10.9.1#	Form of Lakes Entertainment, Inc. Non-Qualified Stock Option Agreement (Employees)	10-K	000-24993	10.16.1	3/14/2016	
10.9.2#	Form of Lakes Entertainment, Inc. Option Agreement (Directors)	10-K	000-24993	10.16.2	3/14/2016	
10.9.3#	Form of Stock Option Grant Notice and Stock Option Award Agreement	8-K	000-24993	10.5	11/17/2016	
10.10#	Golden Entertainment, Inc. 2015 Incentive Award Plan	8-K	000-24993	10.1	9/2/2015	
10.10.1#	Form of Stock Option Grant Notice and Stock Option Agreement	8-K	000-24993	10.2	9/2/2015	
10.10.2#	Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement	8-K	000-24993	10.4	11/17/2016	
10.10.3#	Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement (time-based awards)	10-Q	000-24993	10.5	5/10/2018	
10.10.4#	Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement (LTIP awards)	10-Q	000-24993	10.6	5/10/2018	
10.11#	Golden Entertainment, Inc. Non-Employee Director Compensation Program	10-Q	000-24993	10.2	8/9/2018	
21.1	Subsidiaries of Golden Entertainment, Inc.					√

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or FurnishedHerewith
		Form	File No.	Exhibit	Filing Date	
23.1	Consent of Independent Registered Public Accounting Firm					√
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					√
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					√
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					√
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the inline XBRL document					√
101.SCH	Inline XBRL Taxonomy Extension Schema					√
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					√
101.DEF	Inline XBRL Taxonomy Extension Calculation Definition Document					√
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					√
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					√
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					√

Management contract or compensatory plan or arrangement in which one or more executive officers or directors participates

ITEM 16. ***FORM 10-K SUMMARY***

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 1, 2022	**GOLDEN ENTERTAINMENT, INC.**
	Registrant
	By: /s/ BLAKE L. SARTINI
	Blake L. Sartini
	Chairman of the Board and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of March 1, 2022.

Name	Title
/s/ BLAKE L. SARTINI Blake L. Sartini	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)
/s/ CHARLES H. PROTELL Charles H. Protell	President and Chief Financial Officer (Principal Financial Officer)
/s/ THOMAS E. HAAS Thomas E. Haas	Senior Vice President of Accounting (Principal Accounting Officer)
/s/ ANN DOZIER Ann Dozier	Director
/s/ MARK A. LIPPARELLI Mark A. Lipparelli	Director
/s/ ANTHONY A. MARNELL III Anthony A. Marnell III	Director
/s/ TERRENCE L. WRIGHT Terrence L. Wright	Director

EXHIBIT 21.1

SUBSIDIARIES OF GOLDEN ENTERTAINMENT, INC.

No.	Subsidiary	Jurisdiction of Incorporation
1.	Golden Holdings, Inc.	Nevada
2.	77 Golden Gaming, LLC	Nevada
3.	Golden Route Operations-Montana LLC	Nevada
4.	Big Sky Gaming Management, LLC	Nevada
5.	Sartini Synergy Online, LLC	Nevada
6.	Golden Gaming, LLC	Nevada
7.	Golden Aviation, LLC	Nevada
8.	Golden Pahrump Nugget, LLC	Nevada
9.	Golden Pahrump Town, LLC	Nevada
10.	Golden Pahrump Lakeside, LLC	Nevada
11.	Golden Route Operations LLC	Nevada
12.	Golden Tavern Group, LLC	Nevada
13.	Sartini Gaming, LLC	Nevada
14.	Market Gaming, LLC	Nevada
15.	Cardivan, LLC	Nevada
16.	Corral Country Coin, LLC	Nevada
17.	Golden – PT's Pub Stewart-Nellis 2, LLC	Nevada
18.	Golden – PT's Pub East Sahara 3, LLC	Nevada
19.	Golden – PT's Pub Summerlin 6, LLC	Nevada
20.	Golden – PT's Pub Vegas Valley 7, LLC	Nevada
21.	Golden – PT's Pub West Sahara 8, LLC	Nevada
22.	Golden – PT's Pub Spring Mountain 9, LLC	Nevada
23.	Golden – PT's Pub Flamingo 10, LLC	Nevada
24.	Golden – PT's Pub Rainbow 11, LLC	Nevada
25.	Golden – PT's Pub Durango 12, LLC	Nevada
26.	Golden – PT's Pub Warm Springs 13, LLC	Nevada
27.	Golden – PT's Pub Winterwood 16, LLC	Nevada
28.	Golden – PT's Pub Sunset-Pecos 17, LLC	Nevada
29.	Golden – PT's Pub MLK 18, LLC	Nevada
30.	Golden – PT's Pub Tunes 19, LLC	Nevada
31.	Golden – PT's Pub Decatur-Hacienda 20, LLC	Nevada
32.	Golden – PT's Pub Decatur-Sobb 21, LLC	Nevada
33.	Golden – PT's Pub Silverado-Maryland 22, LLC	Nevada
34.	Golden – PT's Pub Silverado-Bermuda 23, LLC	Nevada
35.	Golden – PT's Pub Sunrise 24, LLC	Nevada
36.	Golden – PT's Pub Hualapai 25, LLC	Nevada
37.	Golden – PT's Pub Big Game 26, LLC	Nevada
38.	Golden – PT's Pub Cantina 27, LLC	Nevada
39.	Golden – PT's Pub Fort Apache 29, LLC	Nevada
40.	Golden – PT's Pub Ann 30, LLC	Nevada

No.	Subsidiary	Jurisdiction of Incorporation
41.	Golden – PT’s Pub Russell 31, LLC	Nevada
42.	Golden – PT’s Pub Centennial 32, LLC	Nevada
43.	Golden – PT’s Pub Horizon 33, LLC	Nevada
44.	Golden – PT’s Pub St. Rose 35, LLC	Nevada
45.	Golden – PT’s Pub Eastern 36, LLC	Nevada
46.	Golden – PT’s Pub Racetrack 37, LLC	Nevada
47.	Golden – PT’s Pub Anthem 38, LLC	Nevada
48.	Golden – PT’s Pub Sunset-Buffalo 39, LLC	Nevada
49.	Golden – PT’s Pub Triple Bar 40, LLC	Nevada
50.	Golden – PT’s Pub Desert Inn 42, LLC	Nevada
51.	Golden – PT’s Pub Spring Valley 44, LLC	Nevada
52.	Golden – O’Aces Bar Post 47, LLC	Nevada
53.	Golden – PT’s Pub Foothills 48, LLC	Nevada
54.	Golden – PT’s Pub Whitney Ranch 51, LLC	Nevada
55.	Golden – PT’s Pub Molly Malone’s 53 LLC	Nevada
56.	Golden – PT’s Pub Kavanaugh’s 54 LLC	Nevada
57.	Golden – PT’s Pub Sean Patrick’s 55 LLC	Nevada
58.	Golden – PT’s Pub Morrissey’s 56 LLC	Nevada
59.	Golden – PT’s Pub GB’s 57 LLC	Nevada
60.	Golden – PT’s Pub Fireside 59 LLC	Nevada
61.	Golden – PT’s Pub Mountainside 60 LLC	Nevada
62.	Golden – PT’s Pub Oyster 61 LLC	Nevada
63.	Golden – PT’s Pub Beano’s 62 LLC	Nevada
64.	Golden – PT’s Pub Brew 63 LLC	Nevada
65.	Golden – PT’s Pub Ranch 64 LLC	Nevada
66.	Golden – PT’s BWS 65, LLC	Nevada
67.	Golden – PT’s SRD 66 LLC	Nevada
68.	Golden – PT’s Oso Blanca 67 LLC	Nevada
69.	Golden – PT’s El Capitan 68 LLC	Nevada
70.	Golden – PT’s West Martin 69 LLC	Nevada
71.	Golden – PT’s Huntington Cove 70 LLC	Nevada
72.	Golden – PT’s GVHR 71, LLC	Nevada
73.	Golden – PT’s Peccole Sahara 72, LLC	Nevada
74.	Golden – PT’s Decatur 73 LLC	Nevada
75.	Golden – PT’s Buffalo-Blue Diamond 74 LLC	Nevada
76.	Golden – PT’s LV Cactus 75 LLC	Nevada
77.	Golden – PT’s Maule 76 LLC	Nevada
78.	Golden – PT’s Ann 77 LLC	Nevada
79.	Golden – PT’s Lindell-Blue Diamond 78 LLC	Nevada
80.	Golden – PT’s Warm Springs 79 LLC	Nevada
81.	Golden – Sierra Gold Double R 1, LLC	Nevada
82.	Golden – Sierra Junction Double R 2, LLC	Nevada
83.	Golden RR Eastern 3, LLC	Nevada

No.	Subsidiary	Jurisdiction of Incorporation
84.	Sierra Gold Jones 3, LLC	Nevada
85.	Sierra Gold Buffalo 4, LLC	Nevada
86.	Sierra Gold Stephanie 5, LLC	Nevada
87.	Sierra Gold Aliante 6, LLC	Nevada
88.	Sierra Gold Flamingo 7 LLC	Nevada
89.	Bonnie’s 1 LLC	Nevada
90.	Lakes Gaming and Resorts, LLC	Nevada
91.	Lakes Game Development, LLC	Nevada
92.	Lakes Nipmuc, LLC	Nevada
93.	Lakes Jamul, Inc.	Nevada
94.	Lakes Shingle Springs, Inc.	Nevada
95.	Lakes Pawnee Consulting, LLC	Nevada
96.	Lakes Maryland Development, LLC	Nevada
97.	Lakes Kean Argovitz Resorts - California, L.L.C.	Nevada
98.	Lakes KAR Shingle Springs, L.L.C.	Nevada
99.	Evitts Resort, LLC	Minnesota
100.	Golden Casinos Nevada LLC	Minnesota
101.	ACEP Advertising Agency LLC	Minnesota
102.	Stratosphere Leasing, LLC	Minnesota
103.	ACEP Interactive, LLC	Minnesota
104.	Stratosphere Gaming LLC	Minnesota
105.	Aquarius Gaming LLC	Minnesota
106.	Arizona Charlie’s LLC	Delaware
107.	Fresca, LLC	Delaware
108.	Colorado Belle Gaming, LLC	Maryland
109.	Edgewater Gaming, LLC	Nevada
110.	Stratosphere Entertainment LLC	Delaware
111.	W2007 Stratosphere Land Propco, LLC	Delaware
112.	Golden Route Operations – Illinois LLC	Nevada
113.	Golden Route Operations – Pennsylvania LLC	Nevada
114.	Golden Route Operations – Missouri, LLC	Nevada
115.	Padres Land 2017, LLC	Nevada
116.	Sierra Gold Eastern 8 LLC	Nevada

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-221590) of Golden Entertainment, Inc.,
(2) Registration Statement (Form S-8 No. 333-77247) of Golden Entertainment, Inc. (formerly known as Lakes Gaming, Inc.) pertaining to the Company’s 1998 Director Stock Option Plan,
(3) Registration Statement (Form S-8 No. 333-77249) of Golden Entertainment, Inc. (formerly known as Lakes Gaming, Inc.) pertaining to the Company’s 1998 Stock Option and Compensation Plan,
(4) Registration Statement (Form S-8 No. 333-77591) of Golden Entertainment, Inc. (formerly known as Lakes Gaming, Inc.) pertaining to the Company’s Assumed Stock Option Plan,
(5) Registration Statement (Form S-8 No. 333-116674) of Golden Entertainment, Inc. (formerly known as Lakes Entertainment, Inc.) pertaining to the Company’s 1998 Stock Option and Compensation and 1998 Director Stock Option Plans,
(6) Registration Statement (Form S-8 No. 333-143985) of Golden Entertainment, Inc. (formerly known as Lakes Entertainment, Inc.) pertaining to the Company’s 2007 Stock Option and Compensation Plan,
(7) Registration Statement (Form S-8 No. 333-162259) of Golden Entertainment, Inc. (formerly known as Lakes Entertainment, Inc.) pertaining to the Company’s 2007 Stock Option and Compensation Plan, and
(8) Registration Statement (Form S-8 No. 333-214497) of Golden Entertainment, Inc. pertaining to the Company’s 2015 Incentive Award Plan, and
(9) Registration Statement (Form S-3 ASR No. 333-258587) of Golden Entertainment, Inc.

of our reports dated March 1, 2022 with respect to the consolidated financial statements of Golden Entertainment, Inc. and the effectiveness of internal control over financial reporting of Golden Entertainment, Inc. included in this Annual Report (Form 10-K) of Golden Entertainment, Inc. for the year ended December 31, 2021.

/s/ Ernst & Young LLP

Las Vegas, Nevada
March 1, 2022

EXHIBIT 31.1

**CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF
2002**

I, Blake L. Sartini, certify that:

1. I have reviewed this Annual Report on Form 10-K of Golden Entertainment, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant, and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
   c)

Dated: March 1, 2022

By: /s/ BLAKE L. SARTINI
Blake L. Sartini
Chairman of the Board and Chief Executive Officer

EXHIBIT 31.2

**CERTIFICATION OF
CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF
2002**

I, Charles H. Protell, certify that:

1. I have reviewed this Annual Report on Form 10-K of Golden Entertainment, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant, and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 1, 2022

By: /s/ CHARLES H. PROTELL
Charles H. Protell
President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATIONS OF
CHIEF EXECUTIVE OFFICER AND CHIEF
FINANCIAL OFFICER PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Golden Entertainment, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

1. The Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2021 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 1, 2022

By: /s/ BLAKE L. SARTINI
Blake L. Sartini
Chairman of the Board and Chief Executive Officer

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Golden Entertainment, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

1. The Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2021 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 1, 2022

By: /s/ CHARLES H. PROTELL
Charles H. Protell
President and Chief Financial Officer

The foregoing certifications are being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350 and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. The foregoing certifications are not to be incorporated by reference into any filing of Golden Entertainment, Inc., whether made before or after the date hereof, regardless of any general incorporation language in such filing.