

Registrant's telephone number, including area code: (702) 685-1000

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

Title of each class	<u>Name of each exchange on which registered</u>
Common stock, \$0.12 par value	New York Stock Exchange Market

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 and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding twelve months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. "

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 definition 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.)

Yes No

As of October 31, 2016, the last business day of the registrant’s most recently completed second fiscal quarter, the aggregate market value of the voting stock held by non-affiliates of the registrant based on the closing price per share of \$1.71, as reported on the NYSE MKT Stock Exchange, was \$29,378,000.

As of July 15, 2017, the registrant had 16,836,210 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for the registrant’s 2017 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A within 120 days after the registrant’s fiscal year end of April 30, 2017 are incorporated by reference into Part III of this report.

NEVADA GOLD & CASINOS, INC.

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FORWARD-LOOKING STATEMENTS

Factors that May Affect Future Results

(Cautionary Statements Under the Private Securities Litigation Reform Act of 1995)

Certain information included in this Form 10-K and other materials filed or to be filed by us with the Securities and Exchange Commission (as well as information included in oral statements or other written statements made or to be made by the Company or its representatives) contains or may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Statements that include the words “may,” “could,” “should,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “other words or expressions of similar meaning, may identify forward-looking statements. We have based these forward-looking statements on our current expectations about future events. Forward-looking statements include statements that reflect management’s beliefs, plans, objectives, goals, expectations, anticipations, intentions with respect to our financial condition, results of operations, future performance and the business, including statements relating to our business strategy and our current and future development plans.

Although we believe that the assumptions underlying these forward-looking statements are reasonable, any or all of the forward-looking statements in this report and in any other public statements that are made may prove to be incorrect. This may occur as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties. Many factors discussed in this report, such as the competitive environment and government regulation, will be important in determining our future performance. Consequently, actual results may differ materially from those that might be anticipated from forward-looking statements. In light of these and other uncertainties, you should not regard the inclusion of a forward-looking statement in this report or other public communications that we might make as a representation by us that our plans and objectives will be achieved, and you should not place undue reliance on such forward-looking statements.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Any further disclosures made on related subjects in our subsequent reports filed with the Securities and Exchange Commission should be consulted.

Part I

Item 1. Business

Overview

Nevada Gold & Casinos, Inc., a Nevada corporation (the “Company,” “we” or “us”), was formed in 1977 and, since 1994, has been primarily a gaming company involved in financing, developing, owning and operating gaming properties and projects.

Our current gaming facility operations are located in the United States of America (the “U.S.”), specifically in the states of Nevada, Washington and South Dakota.

We operate a portfolio of nine mini-casinos in Washington State (“Washington”) which include restaurants, bars and approximately 120 table games. We acquired these operations in three separate transactions between 2009 and 2011. In 2012, we acquired all of the shares of A.G. Trucano, Son and Grandsons, Inc. (“South Dakota”), a slot machine route operation in Deadwood, South Dakota currently consisting of approximately 658 slot machines in 16 locations. In December 2015, we acquired Club Fortune Casino in Henderson, Nevada. It has approximately 475 slot machines, seven table games and a poker room, two bars, an entertainment lounge, a William Hill sports book, a café, a snack bar, and a gift shop.

We sold the Colorado Grande Casino in 2012 for \$3.1 million and have a note receivable from the buyer with a balance of \$0.4 million as of April 30, 2017.

We have three business segments and Corporate: Washington, South Dakota, and Nevada. For a summary of financial information concerning these segments, please refer to the information provided in Segment Reporting footnote in our consolidated financial statements.

Objective and Strategies

Our primary business objective is to increase returns to shareholders through appreciation in the value of our common shares. To achieve this objective, we intend to grow our assets and our earnings by following three business strategies:

- enhancing the return from, and the value of, the gaming properties in which we own interests;
- acquiring or developing additional gaming properties; and
- assisting in finding financing, developing and/or managing of, or providing consulting services to, gaming projects and operating properties.

Current Casino Operations

Washington

On May 12, 2009, we acquired three mini-casinos in the state of Washington for \$15.75 million. The transaction was funded with available cash and \$4.0 million note issued to the sellers. The three mini-casinos are Crazy Moose Casino in Pasco, Coyote Bob's Casino in Kennewick, and Crazy Moose Casino in Mountlake Terrace. We believe that Crazy Moose Casino in Mountlake Terrace attracts customers from the greater Seattle area whereas Crazy Moose Casino in Pasco and Coyote Bob's Casino, located in the southeast region of Washington State, attract customers from Walla Walla, southeastern Washington and northeastern Oregon.

On July 23, 2010, we acquired six additional mini-casinos and a related administrative center, for \$11.07 million, which was funded with \$6.0 million in cash and \$5.07 million financed by the prior owner's senior debt holder. These locations were acquired through bankruptcy proceedings. The six mini-casinos are Silver Dollar Casinos in SeaTac, Renton, and Bothell, Golden Nugget Casino in Tukwila (which was subsequently sold in 2015), Club Hollywood Casino in Shoreline, and Royal Casino in Everett. The properties are located in the Seattle area, and we believe that these casinos attract customers from the greater Seattle area and western Washington.

On July 18, 2011, we acquired the Red Dragon in Mountlake Terrace, Washington for \$1.25 million. This transaction was financed with \$400,000 in cash, \$500,000 in our common stock and \$350,000 in two promissory notes payable to the seller. We believe that this location attracts customers from the Seattle area and western Washington.

With these three acquisitions we have become the largest operator of mini-casinos in the state of Washington with nine such facilities, which represents approximately 18% of the state's active mini-casinos. Each location includes a full service restaurant, a bar and a maximum of 15 table games. In addition to Player Banked Poker, the table games offered include Pai Gow poker, Baccarat, Spanish 21, Blackjack-Double Action, Ultimate Hold'em, Player's Edge, Three and Four Card Poker and High Card Flush. New games are frequently introduced and traditional "pull tabs" are also allowed. Our combined Washington operations provide approximately 120 table games and employ approximately 1,050 people.

We own the land and building at Crazy Moose in Pasco, and Coyote Bob's in Kennewick. Our other seven locations are operated in leased facilities.

South Dakota

On January 27, 2012, we completed the acquisition of all shares of A.G. Trucano, Son & Grandsons, Inc. for \$5.1 million. The transaction was financed by \$3.2 million in cash, \$25,000 in our common stock, and \$1.9 million in three promissory notes payable to the sellers.

The South Dakota operations consist of a slot machine route operator that has been in business since the legalization of gaming in South Dakota in 1989. As of April 30, 2017, we operate approximately 658 slot machines in approximately 16 locations in Deadwood, South Dakota, which represents about 20% of the total number of slot machines in that market. Deadwood is a town of 1,300 residents located in Black Hills, in the southwest corner of South Dakota. Deadwood attracts over a million visitors each year and is a one hour drive from Mount Rushmore and 40-minute drive from Rapid City, South Dakota. Initiated in 1989, Deadwood was the third jurisdiction in the United States to host legalized gambling. Our South Dakota operations employ approximately 26 people.

Club Fortune Casino

In December 2015, we acquired Club Fortune Casino in Henderson, Nevada. It has approximately 475 slot machines, seven table games and a poker room, two bars, an entertainment lounge, a William Hill sports book, a café, a snack bar, and a gift shop. Henderson's population is approximately 278,000 and is part of the Las Vegas metropolitan area. The purchase price for the acquisition, exclusive of working capital, was \$14,159,623 and 1,190,476 shares of common stock of the Company for a total purchase price of \$16,362,004. The acquisition was financed pursuant to an expansion of the Company's existing Credit Agreement with Mutual of Omaha Bank. Club Fortune employs approximately 196 people.

Colorado Land

Through our wholly-owned subsidiary, Gold Mountain Development, LLC, we owned approximately 268 acres of undeveloped land in the vicinity of Black Hawk and Central City, Colorado. On April 8, 2013, we signed a one year option agreement, with two one year extensions to sell the land for an initial sale price of \$1.1 million plus \$118 per day after April 8, 2013. On April 22, 2016, we executed an amendment to the option agreement for the sale of the

vacant land for a purchase price of \$750,000. In connection with the transaction, we recorded a non-cash impairment of \$350,000 in the fourth quarter of fiscal 2016. We received a \$75,000 down payment, which is included in other long-term liabilities on our balance sheet, and financed the balance at 5% interest only, with interest payable monthly, and a balloon payment of \$675,000 due April 30, 2019. The transaction was accounted for under the deposit method, recording the down payment as a liability and deferring the recognition of the sale until the buyer's investment is at least 20% of the initial purchase price.

Colorado Grande Casino – Cripple Creek, Colorado

On May 25, 2012, we sold substantially all assets, including any rights in the Colorado Grande name and gaming-related liabilities, of the Colorado Grande Casino to G Investments, LLC ("GI"). Under the terms of the agreement, the buyer agreed to pay us \$3.1 million, of which \$800,000 was paid in cash and \$2.3 million will be paid through a five year, 6% interest rate promissory note (the "GI Note"). Please see Note 4 of our consolidated financial statements.

Previous Projects

On an annual basis, we review each of our notes receivable to evaluate whether collection is still probable. In our analysis, we review the economic feasibility and the current financial, legislative and development status of the project. If our analysis indicates that the project is no longer economically feasible, the note receivable will be written down to its estimated fair value.

Buena Vista Rancheria of Me-Wuk Indians; Ione, Amador County, California

We have a note receivable for \$4.6 million from B. V. Oro, LLC from the 2008 sale of our 40% interest in Buena Vista Development Company, LLC. The receivable was fully reserved in 2012.

Big City Capital, LLC

In 2004, we advanced \$3.2 million to Big City Capital, LLC for the development of gaming/entertainment projects. The receivable was fully reserved as of 2012 and \$1.6 million was written off in 2017.

Regulation and Licensing

Washington

The gaming legislation in Washington State is codified in chapter 9.46 of the Revised Code of Washington (“RCW”) which stipulates the Washington State Gambling Commission (the “WA Gambling Commission”) to be the regulator of gambling activities in this state. The WA Gambling Commission enforces its authority through an extensive set of rules and regulations promulgated in Title 230 of the Washington Administrative Code. The state of Washington allows certain gambling activities, such as amusement games, bingo, raffles, punch boards, pull-tabs, card-rooms, and public card games. In order to be considered legal, these activities must be operated by either non-profit organizations or by commercial food and drink establishments. Some activities may be operated solely by non-profit organizations, such as raffles. Some traditional casino games, such as craps, roulette and keno, are prohibited. House-banked card-rooms have been authorized in Washington State since 1997 and, under current law, each establishment is allowed to have up to 15 tables offering games, such as Blackjack, Ultimate Texas Hold’em, Three Card Poker, Four Card Poker, Spanish Poker, Baccarat, Texas Shootout, Spanish 21, Pai Gow Poker, and others. The law allows both player-sponsored and house-banked card-rooms. The Washington Gambling Commission allows a maximum \$300 table game wager for house-banked card-rooms. In addition, these establishments are allowed to be open 24 hours per day, seven days per week.

To operate our nine “mini-casinos” in Washington State, each of them is required to maintain a Public Card-room and Punch Board/Pull-Tab Commercial Stimulant license. These licenses are renewable annually, subject to continued compliance with applicable gaming regulations. In addition, the WA Gambling Commission requires, prior to the licenses being issued, each substantial interest holder in the licensees (including our officers, directors and owners of 5% percent or more of any class of our stock) to submit to the WA Gambling Commission certain disclosure forms and be subject to background investigations. The failure or inability of our “mini-casinos” to maintain their respective licenses would have a material adverse effect on our operations.

Revised Code of Washington (“RCW”) 9.46.110 allows local governments (including cities, counties and towns) to prohibit any or all gambling activities for which licenses are required as well as tax such activities. The maximum tax limitations imposed by law include 20% of gross receipts for public card-room games and either 5% of gross receipts

or 10% of net receipt (as chosen by a local authority) for pull-tabs activities. The current gaming tax rate for public card-room games in the cities of Pasco, Mountlake Terrace, Kennewick, SeaTac, Renton, Tukwila and Shoreline, as well as in Snohomish County, is 10% of table games gross receipts. The current gaming tax rate for pull-tabs in the city of Kennewick is 10% of pull-tabs net receipts, while in the cities of Pasco, Mountlake Terrace, SeaTac, Renton, Tukwila and Shoreline, as well as in Snohomish County, the tax rate is 5% of pull-tabs gross receipts. In addition, Washington State charges a business and occupational tax in the amount of 1.63% of all gaming activities' net receipts in order to promote responsible gaming.

South Dakota

Gaming in South Dakota began in November 1989 and is presently authorized within the city of Deadwood. The gaming legislation is codified in Chapter 42-7B of the South Dakota Codified Laws as well as Article 20:18 of the South Dakota Legislature Administrative Rules (collectively, the "SD Regulations") and is regulated by the South Dakota Commission on Gaming (the "SD Gaming Commission"). The SD Regulations allow gambling activities to be conducted at bars and taverns, including slot machines and limited card games, such as Blackjack and Poker and beginning in July 2015, Roulette, Craps and Keno. The SD Regulations limit each licensed location to have a maximum of 30 slot machines. The current tax rate is 9% of the adjusted gross gaming revenues in addition to an annual fee of \$2,000 for each licensed gaming device located in a licensed location. In order to operate our slot route business in this state, we are required to hold Operator and Route Operator licenses issued by the SD Gaming Commission.

The SD Regulations require that every officer and director, as well as any stockholder holding 5% or greater ownership in a company involved with the conduct of gaming in the state to be a person of good moral character and must submit to a full background investigation conducted by the SD Gaming Commission. Our gaming licenses may be suspended or revoked for any cause which may have prevented their issuance, or for violation by us, or any of our officers, directors, agents, members or employees, of the SD Regulations or for conviction of a crime of moral turpitude or a felony. In addition to the revocation or suspension or in lieu of revocation or suspension, the SD Gaming Commission may impose a reprimand or a monetary penalty.

Nevada

On November 19, 2015, the Nevada Gaming Commission approved the Company's application for a non-restricted gaming license in conjunction with the acquisition of Club Fortune Casino.

The ownership and operation of gaming establishments in Nevada are subject to the Nevada Gaming Control Act and the regulations promulgated thereunder (collectively, the “NGCA”). A finding of suitability is comparable to licensing and it requires submission of detailed personal and financial information followed by a thorough investigation. A finding of unsuitability with respect to any officer, director, employee, associate, lender or beneficial owner of a licensee or applicant may jeopardize an already issued license or applicant’s license application. Licenses may be conditioned upon termination of any relationship with unsuitable persons.

Although any beneficial holder of our voting securities, regardless of the number of shares owned, may be required to file an application for a finding of suitability, the general rule provides that beneficial owners of more than 10% of any class of our voting securities must apply to the NV Gaming Authorities for a finding of suitability. Under certain circumstances, an “institutional investor” (as defined in the NGCA) who acquires more than 10% but not more than 25% of any class of our voting securities, may apply to the NV Gaming Authorities for a waiver of such finding of suitability if such institutional investor holds the voting securities for investment purposes only. An institutional investor that has obtained a waiver may, in certain circumstances, own up to 29% of the voting securities of a registered company for a limited period of time and maintain the waiver. Any person who fails or refuses to apply for a finding of suitability or a license within 30 days after being ordered to do so by the NV Gaming Authorities, or who refuses or fails to pay the investigative costs in connection with investigation of its application, may be found unsuitable. The same restrictions apply to a record owner if the record owner, after request, fails to identify the beneficial owner. Any shareholder found unsuitable and who holds, directly or indirectly, any beneficial ownership of our common stock beyond such period of time as may be prescribed by the NV Gaming Authorities may be guilty of a criminal offense. We would be subject to disciplinary action if, after receipt of notice that a person is unsuitable, we:

- pay such a person any dividend or interest upon any of our voting securities;
- allow such a person to exercise, directly or indirectly, any voting right conferred through securities held by that person;
- pay remuneration in any form to such a person for services rendered or otherwise; or
- fail to pursue all lawful efforts to require such unsuitable person to relinquish his or her voting securities including, if necessary, the immediate purchase of the voting securities for cash at fair market value.

Corporations registered with the NV Gaming Commission may not make a public offering of any securities without the prior approval of the NV Gaming Authorities if the securities or the proceeds therefrom are intended to be used to construct, acquire, or finance gaming facilities in Nevada, or to retire or extend obligations incurred for those purposes or for similar purposes. An approval, if given, does not constitute a finding, recommendation, or approval by the NV Gaming Authorities as to the accuracy or adequacy of the prospectus or the investment merits of the securities, and any representation to the contrary is unlawful.

Because we are involved in gaming activities outside Nevada, we are required to deposit with the NV Gaming Board, and thereafter maintain, a revolving fund in the amount of \$10,000 to pay for the expenses of investigation by the NV Gaming Board of our participation in gaming in other jurisdictions. The revolving fund is subject to increase or decrease at the discretion of the NV Gaming Commission. Upon our registration and finding of suitability, we are also

required to comply with certain other requirements imposed by the NGCA, including reporting requirements.

The laws, regulations and supervisory procedures of the Nevada gaming authorities are based upon declarations of public policy which are concerned with, among other things:

the character of persons having any direct or indirect involvement with gaming to prevent unsavory or unsuitable persons from having a direct or indirect involvement with gaming at any time or in any capacity;

establishment and application of responsible accounting practices and procedures;

maintenance of effective control over the financial practices and financial stability of licensees, including procedures for internal controls and the safeguarding of assets and revenues;

recordkeeping and reporting to the Nevada gaming authorities;

fair operation of games; and

the raising of revenues through taxation and licensing fees.

Any person who is licensed, required to be licensed, registered, required to be registered, or who is under common control with those persons, collectively, “licensees,” and who proposes to become involved in a gaming venture outside of Nevada, is required to deposit with the Nevada Gaming Control Board, and thereafter maintain, a revolving fund in the amount of \$0.03 million to pay the expenses of investigation by the Nevada Gaming Control Board of the licensee’s participation in foreign gaming. We comply with this requirement. The revolving fund is subject to increase or decrease at the discretion of the Nevada Gaming Commission. Licensees are required to comply with the reporting requirements imposed by the Nevada Gaming Control Act. A licensee is also subject to disciplinary action by the Nevada Gaming Commission if it:

knowingly violates any laws of the foreign jurisdiction pertaining to the foreign gaming operation;

fails to conduct the foreign gaming operation in accordance with the standards of honesty and integrity required of Nevada gaming operations;

engages in any activity or enters into any association that is unsuitable because it poses an unreasonable threat to the control of gaming in Nevada, reflects or tends to reflect, discredit or disrepute upon the State of Nevada or gaming in Nevada, or is contrary to the gaming policies of Nevada;

engages in activities or enters into associations that are harmful to the State of Nevada or its ability to collect gaming taxes and fees; or

employs, contracts with or associates with a person in the foreign operation who has been denied a license or a finding of suitability in Nevada on the ground of unsuitability.

We have adopted a compliance plan and appointed a compliance committee which currently consists of Company directors and officers, in accordance with Nevada Gaming Commission requirements. Our compliance committee meets quarterly and is responsible for implementing and monitoring our compliance with Nevada regulatory matters. This committee will also review information and reports regarding the suitability of potential key employees or other parties who may be involved in material transactions or relationships with us.

General Gaming Regulations in Other Jurisdictions

If we become involved in gaming operations in any other jurisdictions, such gaming operations will subject us and certain of our officers, directors, key employees, stockholders and other affiliates to strict legal and regulatory requirements, including mandatory licensing and approval requirements, suitability requirements, and ongoing regulatory oversight with respect to such gaming operations. There can be no assurance that we will obtain all of the necessary licenses, approvals and findings of suitability or that our officers, directors, key employees, other affiliates and certain other stockholders will satisfy the suitability requirements in one or more jurisdictions, or that such licenses, approvals and findings of suitability, if obtained, will not be revoked, limited, suspended or not renewed in the future.

Failure by us to obtain, or the loss or suspension of, any necessary licenses, approval or findings of suitability would prevent us from conducting gaming operations in such jurisdiction and possibly in other jurisdictions.

Employees

As of April 30, 2017, we employed approximately 1,280 people.

Available Information

We make available on our website (www.nevadagold.com) under “Investor Relations - SEC Filings,” free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish to, the Securities and Exchange Commission (the “SEC”). These reports are also available at the SEC’s website www.sec.gov.

Item 1A. Risk Factors

The following is a description of those factors that we consider our key challenges and risks:

Financing future acquisitions may be difficult.

Our principal challenge is the necessity to obtain financing in order to expand gaming operations. There can be no assurance that such financing will be obtained.

If our key personnel leave us, our business could be adversely affected.

Our success is largely dependent upon the efforts and skills of our key executive officers. The loss of the services of any key executive officer could have a material adverse effect on us. There can be no assurance that we would be able to attract and hire suitable replacements in the event of any such loss of services. We currently have employment agreements with our President/Chief Executive Officer, our Vice President/Chief Financial Officer, our Vice President/Chief Compliance Officer and our Vice President/Washington Operations.

Indebtedness could adversely affect our financial health.

On December 1, 2015, the Company and certain of its subsidiaries entered into a new \$23,000,000 Reducing Revolving Credit Agreement with Mutual of Omaha Bank (the "Credit Facility"). The maturity date of the Credit Facility is November 30, 2020, and is secured by liens on substantially all of the real and personal property of the Company and its subsidiaries. At April 30, 2017, outstanding indebtedness was \$12,300,000.

As of April 30, 2017, scheduled principal payments on the Credit Facility are as follows:

May 1, 2017 – April 30, 2018	\$-
May 1, 2018 – April 30, 2019	-
May 1, 2019 – April 30, 2020	617,223
May 1, 2020 – November 30, 2020	11,682,777
	\$12,300,000

The Credit Facility contains customary covenants for a facility of this nature, including, but not limited to, covenants requiring the preservation and maintenance of the Company's assets and covenants restricting our ability to merge, transfer ownership, incur additional indebtedness, encumber assets and make certain investments. The Credit Facility also contains covenants requiring the Company to maintain certain financial ratios including a maximum total

leverage ratio ranging from 3.00 to 1.00 through January 31, 2017, 2.75 to 1.00 from February 1, 2017 through January 31, 2018, and 2.50 to 1.00 from February 1, 2018 until maturity; and lease adjusted fixed charge coverage ratio of no less than 1.15 to 1.00. We are in compliance with the covenant requirements of the Credit Facility as of April 30, 2017.

As we increase our debt, our indebtedness could have important consequences and significant effects on our business and future operations. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions or a downturn in our business;
- limit our ability to fund future working capital, capital expenditures and other general operating requirements;
- place us at a competitive disadvantage compared to our competitors that have less debt or greater resources; and
· limit our ability to borrow additional funds.

The occurrence of any one of these events or conditions could have a material adverse effect on our business, financial condition, results of operations, prospects, ability to service or otherwise satisfy our obligations.

We will require cash to service our indebtedness and fund our gaming operations. Our ability to generate cash depends on many factors beyond our control.

Our success in funding our gaming operations will depend on our ability to generate cash flow from our gaming operations. Our ability to generate sufficient cash flow to satisfy our debt obligations will depend on our future operating performance that is subject to many economic, competitive, regulatory and business factors that are beyond our control. If we are unable to generate sufficient cash flow to service our debt obligations, we will need to refinance or restructure our debt, sell assets, reduce or delay capital investments or seek to raise additional capital. These measures may not be available to us or, if available, they may not be sufficient to enable us to satisfy our obligations and may restrict our ability to pay operating expenses. If our cash flow is insufficient and we are unable to implement one or more of these alternatives, we may not be able to service our debt obligations or fund our gaming operations.

We face significant competition from other gaming operations that could have a material adverse effect on our future operations.

There is intense competition among companies in the gaming industry, many of which have significantly greater resources than we do. We compete with numerous casinos of varying quality and size in market areas where our properties are located. The gaming business is characterized by competitors that vary considerably by 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. In most markets, we compete directly with other casino facilities in the immediate and surrounding market areas. If our competitors operate more successfully, if competitors' properties are enhanced or expanded, or if additional casinos are established in and around locations in which we conduct business, we may lose market share. 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 could have a significant adverse effect on our business, financial condition and results of operations.

We are subject to extensive governmental gaming regulation that could adversely affect us. We could be prevented from pursuing future development projects caused by changes in the laws, regulations and ordinances (including tribal or local laws) that apply to gaming facilities or the inability of us or our key personnel, significant shareholders or joint venture partners to obtain or retain gaming regulatory licenses.

The gaming industry is highly regulated and we must maintain our licenses in order to continue our operations. Each of our gaming operations is subject to extensive regulation under the laws, rules and regulations of the jurisdiction where located. These laws, rules and regulations generally concern the responsibility, financial stability and character of the owners, managers, and persons with financial interests in the gaming operations. Certain jurisdictions empower their regulators to investigate participation by licensees in gaming outside their jurisdiction and require access to and periodic reports concerning the gaming activities. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. Regulatory authorities have broad powers with respect to the licensing of casino operations and may revoke, suspend, condition or limit our gaming or other licenses, impose substantial fines and take other actions, any one of which could have a significant adverse effect on our business, financial condition and results of operations.

The rapidly changing political and regulatory environment governing the gaming industry (including gaming operations which are conducted on Indian land) makes it impossible for us to accurately predict the effects that an adoption of or changes in the gaming laws, regulations and ordinances will have on us. However, the failure of us, or any of our key personnel, significant shareholders or joint venture partners, to obtain or retain required gaming regulatory licenses could prevent us from expanding into new markets, prohibit us from generating revenues in certain jurisdictions, and subject us to sanctions and fines.

Our business is subject to various federal, state and local laws and regulations in addition to gaming regulations. 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. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our results of operations and financial condition. Legislative changes beyond our control such as minimum wage and tax rates, among others, may impact our profitability. We cannot ensure that we will be able to comply with or conduct business in accordance with applicable regulations.

We could fail to monetize recorded assets.

We have receivables that are expected to be collected. If we are not able to collect or monetize these assets timely, the lack of such collection may have a negative impact on our projected cash flow. Failure to monetize our recorded assets could have adverse effects on our business, financial condition, results of operations, prospects, ability to service or otherwise satisfy our obligations.

Our information technology and other systems are subject to cyber security risk including misappropriation of customer information or other breaches of information security.

We rely on information technology and other systems to maintain and transmit customers' personal and financial information, credit card settlements, credit card funds transmissions, and mailing lists. We have taken steps designed to safeguard our customers' confidential personal information. However, our information and processes are subject to the ever-changing threat of compromised security, in the form of a risk of potential breach, system failure, computer virus, or unauthorized or fraudulent use by customers, company employees, or employees of third party vendors. The steps we take to deter and mitigate these risks may not be successful, and any resulting compromise or loss of data or systems could adversely impact operations or regulatory compliance and could result in remedial expenses, fines, litigation, disclosures, and loss of reputation, potentially impacting our financial results. Further, as cyber-attacks continue to evolve, we may incur significant costs in our attempts to modify or enhance our protective measures or investigate or remediate any vulnerability.

There are significant risks in the development and management of casinos that could adversely affect our financial results.

The development and management of casinos require the satisfaction of various conditions, many of which are beyond our control. The failure to satisfy any of such conditions may significantly delay the completion of a project or prevent a project's completion altogether. In addition, the regulatory approvals necessary for the construction and operation of casinos are often challenged in litigation brought by government entities, citizens groups and other organizations and individuals. Such litigation can significantly delay the construction and opening of casinos.

With each project, we are subject to the risk that our investment may be lost if the project cannot obtain adequate financing to complete development and open the casino successfully. In some cases, we may be forced to provide more financing than originally planned in order to complete development, thereby increasing our risk.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As a result of acquiring facilities in Washington, we own the buildings for the Crazy Moose Casino in Pasco and Coyote Bob Casino's in Kennewick. In addition we have real property leases as follows:

Washington Casinos.

Crazy Moose Casino in Mountlake Terrace has a building lease which expires in May of 2019 with an option to renew for an additional term of five years.

Crazy Moose Casino in Pasco has a parking lot lease which is leased on a monthly basis.

Silver Dollar Casino in SeaTac has a building lease which expires in May of 2022 with an option to renew for an additional term of 10 years.

Silver Dollar Casino in Renton has a building lease which expires in April of 2019 with an option to renew for up to two additional terms of 10 years each.

Silver Dollar Casino in Bothell has a building lease which expires in April of 2022 with an option to renew for two additional terms of 5 years.

Club Hollywood Casino in Shoreline has casino building and parking lot leases which expire in March of 2022 with options to renew for up to three additional five-year terms.

Royal Casino in Everett has a building lease which expires in January of 2021 with an option to renew for up to three additional five-year terms.

Administrative offices lease in Renton expires in October of 2018.

Red Dragon Casino in Mountlake Terrace has a building lease which expires in October of 2021 with an option to renew for up to two additional five-year terms.

South Dakota. We have an administrative center lease which expires in January of 2022 with an option to renew for an additional five-year term.

Gold Mountain Development. Through our wholly-owned subsidiary, Gold Mountain Development, LLC, we sold approximately 268 acres of undeveloped land in the vicinity of Black Hawk, Colorado. However, the transaction is accounted for under the deposit method, recording the down payment as a liability and effectively deferring the recognition of the sale until the buyer's investment is at least 20% of the initial purchase price. We continue to recognize the land on our balance sheet, classified as real estate held for sale, and valued at the selling price of \$750,000.

Colorado Grande Casino. Through our wholly-owned subsidiary, CGE Assets, Inc. (formerly, Colorado Grande Enterprises, Inc.), we leased a portion of a building in Cripple Creek, Colorado, and an adjacent parking lot, for use in connection with the Colorado Grande Casino and hotel facilities. Although this lease was assigned to G Investments, LLC as a result of the sale of the Colorado Grande Casino on May 25, 2012, we retained contingent liability of the tenant's obligations under this lease through May 24, 2017.

Club Fortune Casino. In December 2015, we acquired Club Fortune Casino in Henderson, Nevada, which includes the 35,000 square foot building and 8.1 acres of land. We rent land and administrative buildings adjacent to our property.

Office Lease. We currently lease 3,131 square feet of office space for our corporate headquarters in Las Vegas, Nevada. The lease expires on January 31, 2018.

Item 3. Legal Proceedings

We are currently not involved in any material legal proceedings.

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

Market Information

Our common stock is traded on the NYSE MKT Stock Exchange (formerly, the NYSE Amex) under the symbol "UWN." The following table sets forth the high and low sales prices per share of the common stock for the last two fiscal years.

Fiscal Year Ended			
April 30, 2017		April 30, 2016	
High	Low	High	Low

First Quarter	\$2.06	\$1.80	\$2.19	\$1.50
Second Quarter	\$2.13	\$1.68	\$1.81	\$1.50
Third Quarter	\$2.02	\$1.64	\$2.40	\$1.74
Fourth Quarter	\$2.23	\$2.00	\$2.19	\$1.98

Holder of Common Stock

As of June 30, 2017, we had approximately 3,760 holders of our common stock, which includes the number of record holders and participants in security position listings.

Dividends

We have not paid any dividends and our current policy is to retain earnings to provide for our growth and repayment of debt. Consequently, no cash dividends are expected to be paid on our common stock in the foreseeable future.

Equity Compensation Plan

The following table gives information about our shares of common stock that may be issued upon the exercise of options, warrants, and rights under all of our existing equity compensation plans as of April 30, 2017 including the 2009 Equity Incentive Plan and the 2010 Employee Stock Purchase Plan, as amended, as well as shares of our common stock that may be issued under individual compensation arrangements that were not approved by our stockholders.

Plan Category	Number of Securities To be Issued Upon Exercise of Outstanding Options, Warrants and Rights (A)	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 Column (A)
Equity Compensation Plans Approved by Security Holders	693,500	\$ 1.10	591,041

Recent Sales of Unregistered Securities

During the year ended April 30, 2016, we issued 1,190,476 shares in connection with our purchase of the Club Fortune Casino. During the year ended April 30, 2017, we did not sell any shares.

Issuer Purchases of Equity Securities

In July 2016, our board of directors approved a \$2.0 million stock repurchase program to purchase our common stock in the open market or in privately negotiated transactions from time to time, in compliance with Rule 10b-18 of the Securities and Exchange Act of 1934, subject to market conditions, applicable legal requirements, loan covenants and other factors. During the year ended April 30, 2017, the Company repurchased 296,665 shares at a weighted average price per share of \$1.89, costing \$573,474 (including commissions). The repurchase plan does not obligate the Company to acquire any specified number or value of common stock. During the year ended April 30, 2016, we did not repurchase any shares. On July 12, 2017, we purchased 755,644 shares of the Company's common stock for \$2.15 per share from a longtime shareholder of the Company.

Item 6. Selected Financial Data

Not required for smaller reporting companies.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis (“MD&A”) should be read in conjunction with our consolidated financial statements and Notes thereto contained in Item 8 herein. Management is of the opinion that inflation and changing prices will have little, if any, effect on our consolidated financial position or results of our operations.

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates involve the use of assumptions, estimates and/or judgments in the preparation of our consolidated financial statements. An accounting estimate is an approximation made by management of a financial statement element, item or account in the consolidated financial statements. Accounting estimates in our historical consolidated financial statements measure the effects of past business transactions or events, or the present status of an asset or liability. The accounting estimates described below require us to make assumptions about matters that are uncertain at the time the estimate is made. Additionally, different estimates that we could have used or changes in an accounting estimate that are reasonably likely to occur could have a material impact on the presentation of our consolidated financial condition or results of operations. We base our estimates on historical experience and on various other assumptions that we believe are reasonable in the circumstances, the results of which form the basis for making judgments. These estimates may change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. Our significant accounting policies are discussed in Note 2 to our consolidated financial statements included in Item 8 of this report. We have discussed the development and selection of our critical accounting policies and related disclosures with the Audit Committee of the Board of Directors and have identified the following critical accounting policies for the current fiscal year.

Principles of Consolidation

We consolidate entities when we have the ability to control the operating and financial decisions and policies of that entity and record the portion we do not own as non-controlling interest. The determination of our ability to control, or exert significant influence over, an entity involves the use of judgment. We apply the equity method of accounting if we can exert significant influence over, but do not control the policies and decisions of an entity. We use the cost method of accounting if we are unable to exert significant influence over the entity.

Goodwill, Other Intangible Assets, and Other Long-Lived Assets

In connection with our acquisitions of the nine Washington mini-casinos from May 12, 2009 to July 18, 2011, the acquisition of the South Dakota slot route operation in South Dakota on January 27, 2012, and the acquisition of Club Fortune Casino on December 1, 2015, we have goodwill and identifiable intangible assets of \$21.0 million, net of amortization. Goodwill represents a significant portion of our total assets. We review goodwill for impairment annually or more frequently if certain impairment indicators arise under the provisions of authoritative guidance. We review goodwill at the reporting unit level, which is the same as our operating segments. We compare the carrying value of the net assets of each reporting unit to the estimated fair value of the reporting unit, based upon a multiple of estimated earnings and on a discounted cash flow method. If the carrying value exceeds the estimated fair value of the reporting unit, an impairment indicator exists and an estimate of the impairment loss is calculated. The fair value calculation includes multiple assumptions and estimates, including the projected cash flows and discount rates. Changes in these assumptions and estimates could result in goodwill impairment that could materially adversely impact our financial position or results of operations. All of our goodwill is attributable to reporting units within our gaming operations.

Goodwill represents the excess of the purchase price over the fair market value of net assets acquired. The Company acquired the South Dakota route in January of 2012 for approximately \$5.1 million. Goodwill for our South Dakota operations was \$0 and \$1.1 million as of April 30, 2017 and 2016, respectively. Based on interim indicators of impairment, the Company's review of goodwill associated with the South Dakota operations as of January 31, 2017, resulted in a \$1.1 million impairment of goodwill using market and income valuations. The calculations and key assumptions contemplate changes for both current year and future year estimates in earnings and the impact of these changes to the fair value of the route.

Long-lived assets, including property, plant and equipment and amortizable intangible assets also comprise a significant portion of our total assets. We evaluate the carrying value of long-lived assets if impairment indicators are present or if other circumstances indicate that impairment may exist under authoritative guidance. When management believes impairment indicators may exist, projections of the undiscounted future cash flows associated with the use of and eventual disposition of long-lived assets held for use are prepared. If the projections indicate that the carrying value of the long-lived assets are not recoverable, we reduce the carrying values to fair value. For property held for sale, we compare the carrying values to an estimate of fair value less selling costs to determine potential impairment. We test for impairment of long-lived assets at the lowest level for which cash flows are measurable. These impairment tests are heavily influenced by assumptions and estimates that are subject to change as additional information becomes available.

Allowance for Doubtful Accounts

We establish provisions for losses on accounts and notes receivable if we determine that we will not collect all or part of the outstanding balance. We regularly review collectability and establish or adjust our allowance as necessary using the specific identification method. We make advances to third parties under executed promissory notes for project costs related to the development of gaming and entertainment properties. Due diligence is conducted by our management with the assistance of legal counsel prior to entering into arrangements with third parties to provide financing in connection with their efforts to secure and develop the properties. Repayment terms are largely dependent upon the operating performance of each opportunity for which the funds have been loaned. Interest income is not accrued until it is reasonably assured that the project will be completed and that there will be sufficient profits from the facility to cover the interest to be earned under the respective note. If projected cash flows are not sufficient to recover amounts due, the note is evaluated to determine the appropriate discount to be recorded on the note for it to be considered a performing note. If the note is performing, interest is recorded using the effective interest method based on the value of the discounted note balance. See the Notes Receivable footnote in our consolidated financial statements.

We review on an annual basis, or more frequently, each of our notes receivable to evaluate whether the collection of such note receivable is still probable. In our analysis, we review the economic feasibility and the current financial, legislative and development status of the project. If our analysis indicates that the project is no longer economically feasible, the note receivable would be written down to its estimated fair value.

Revenue Recognition

We record revenues from casino operations. The retail value of food and beverage and other services furnished to guests without charge is included in gross revenue and deducted as promotional allowances. Net revenues do not include the retail amount of food, beverage and other items provided gratuitously to customers. These amounts are included in promotional allowances in the accompanying consolidated statements of operations. We record the redemption of coupons and points for cash as a reduction of revenue. The estimated retail value of providing such promotional allowances is as follows:

	Fiscal Year Ended	
	April 30, 2017	April 30, 2016
Food and beverage	\$6,722,157	\$ 5,509,186
Other	236,909	219,283
Promotional allowances	\$6,959,066	\$ 5,728,469

The estimated cost of providing such complimentary services that is included in casino expense in the consolidated statements of operations was as follows:

	Fiscal Year Ended	
	April 30, 2017	April 30, 2016
Food and beverage	\$6,112,343	\$ 4,477,148
Other	222,886	171,187
Total cost of complimentary services	\$6,335,229	\$ 4,648,335

Accrued Jackpot Liability

We accrue slot jackpot liability as games are played under a matching concept of coin-in. In addition, as of April 30, 2017 and 2016, we also maintained \$1.9 million and \$1.5 million, respectively, in player-supported jackpot accrued liability. Player-supported jackpot is a progressive game of chance directly related to the play or outcome of an authorized non-house-banked card game separately funded by our patrons. Any jackpots hit in these card games are paid from such reserved funds.

Income Taxes

Income taxes are accounted for using an asset and liability approach for financial accounting and reporting for income taxes. Under this approach, deferred tax assets and liabilities are recognized based on anticipated future tax consequences, using currently enacted tax laws, attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax basis. We record current income taxes based on our current taxable income, and we provide for deferred income taxes to reflect estimated future tax payments and receipts. We account for tax credits under the flow-through method, which reduces the provision for income taxes in the year the tax credits first become available. We reduce deferred tax assets by a valuation allowance when, based on our estimates, it is more likely than not that a portion of those assets will not be realized in a future period.

We recognize the impact of uncertain tax positions in our financial statements only if that position is more likely than not of not being sustained upon examination by the taxing authority. Should interest and penalty be incurred as a result of a review of our income tax returns, we will record the interest and penalty in accordance with applicable guidance.

Accrued Contingent Liability

We assess our exposure to loss contingencies including legal matters. If a potential loss is justified, probable, and able to be quantified, we will provide for the exposure. If the actual loss from a contingency differs from management's estimate, operating results could be impacted. As of April 30, 2017 and 2016, we did not record any accrued contingent liability.

Fair Value

United States generally accepted accounting principles defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy categorizes assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement. The three levels are as follows:

Level 1 – Observable inputs such as quoted prices in active markets at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Other inputs that are observable directly or indirectly such as quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs for which there is little or no market data and which we make our own assumptions about how market participants would price the assets and liabilities.

The following describes the valuation methodologies used by us to measure fair value:

Real estate held for sale is recorded at fair value less selling costs.

Goodwill and indefinite lived intangible assets are recorded at carrying value and tested for impairment annually, or more frequently, using projections of undiscounted future cash flows.

Interest rate swaps are adjusted on a recurring basis pursuant to accounting standards for fair value measurements. We categorize our interest rate swap as Level 2 for fair value measurement.

The recorded value of cash, accounts receivable, notes receivable and payable approximate carrying value based on their short term nature. The recorded value of long term debt approximates carrying value as interest rates approximate market rates.

Financial instruments that potentially subject us to concentrations of credit risk are primarily notes receivable, cash and cash equivalents, accounts receivable and payable, and long term debt. As of April 30, 2017, we had three notes receivable outstanding. Two of these notes were issued in connection with a potential gaming project and one is for the sale of the Colorado Grande Casino. Management performs periodic evaluations of the collectability of these notes. Our cash deposits are held with large, well-known financial institutions, and, at times, such deposits may be in excess of the federally insured limit. The recorded value of cash, accounts receivable and payable, approximate fair value based on their short term nature; the recorded value of long term debt approximates fair value as interest rates approximate current market rates.

Stock-Based Compensation

Compensation cost for stock options granted are based on the fair value of each award, measured by applying the Black-Scholes model on the date of grant and using the weighted-average assumptions of (i) expected volatility, (ii) expected term, (iii) expected dividend yield, (iv) risk-free interest rate and (v) forfeiture rate. Expected volatility is based on historical volatility of our stock. The expected term considers the contractual term of the option as well as historical exercise and forfeiture behavior. The risk-free interest rate is based on the rates in effect on the grant date for U.S. Treasury instruments with maturities matching the relevant expected term of the award. Compensation cost for grants of the Company's stock are based on the shares granted and the market price at the date of the grant.

The compensation cost related to these share-based awards is recognized over the requisite service period. The requisite service period is generally the period during which an employee is required to provide service in exchange for the award.

Executive Overview

We were formed in 1977 and, since 1994, have primarily been a gaming company involved in financing, developing, owning and operating gaming facilities. Our gaming facility operations are located in the United States of America (the "U.S."), specifically in the states of Nevada, Washington and South Dakota. We own nine mini-casinos in Washington State, which were acquired in three separate purchases between May of 2009 and July of 2011. On January 27, 2012, we acquired all of the shares of A.G. Trucano, Son & Grandsons, Inc., a slot machine route operation in Deadwood, South Dakota. On December 1, 2015, we acquired the assets of Club Fortune Casino in Henderson, NV. Our business strategy will continue to focus on gaming projects with a continued emphasis on owning and operating gaming establishments. If we are successful, both our future revenues and profitability can be expected to increase.

Comparison of Fiscal Years Ended April 30, 2017 and April 30, 2016

Net revenues. Net revenues increased 6.3% to \$74.6 million from \$70.2 million for the fiscal year ended April 30, 2017, compared to the fiscal year ended April 30, 2016. The increase was primarily due to Club Fortune which contributed \$13.5 million of net revenues in its first full year of operations compared to fiscal year ended April 30, 2016, with \$6.0 million of net revenues since its acquisition in December 2015. Washington net revenues decreased 4.1% to \$54.4 million this year from \$56.7 million in the prior year. Total casino revenues increased 6.3%, or \$3.9 million, due to Club Fortune's \$6.8 million increase in casino revenue from a partial prior year, partially offset by Washington's and South Dakota's \$2.2 million and 0.7 million decreases, respectively. Washington's casino revenue was impacted by \$0.8 million of lower than expected table games hold percentage and \$1.0 million of reduced poker play compared to prior year. South Dakota revenues decreased due to 47 fewer units in operation compared to the prior year. Food and beverage revenues, net of promotional allowances, increased by \$0.4 million, or 6.8%, due to the addition of Club Fortune as Washington's net food and beverage revenue was unchanged from prior year.

Total operating expenses. Total operating expenses increased 9.0% to \$72.9 million from \$66.9 million for the fiscal year ended April 30, 2017, compared to the fiscal year ended April 30, 2016. The increase was primarily due to Club Fortune's \$7.7 million increase in its first full year of operating expenses. Excluding Club Fortune's expenses, casino expenses decreased \$0.8 million, or 2.6%, primarily resulting from lower revenue driven commissions and gaming taxes at our South Dakota slot route, and food and beverage expenses decreased \$0.2 million, or 3.8%, in Washington. Marketing and administrative expenses increased \$2.3 million over the prior year primarily due to Club Fortune. Corporate expenses decreased \$0.5 million mainly due to \$0.6 million of acquisition related expenses in the prior year. Facilities and other expenses remained relatively steady compared to the prior fiscal year on a same property basis. Depreciation and amortization expenses increased by \$0.4 million due to Club Fortune's \$0.9 million increase over prior year, partially offset by a \$0.4 million decrease in Washington because certain customer relationship intangibles are now fully amortized.

Non-operating expenses. Total non-operating expenses decreased \$0.4 million for the fiscal year ended April 30, 2017, due to the increase in the swap fair value compared to last year's decrease in value.

Income taxes. The effective tax rates for the years ended April 30, 2017 and 2016, were 58.4% and 48.4%, respectively. The increase in the tax rates for each year is primarily due to non-deductible goodwill impairment.

Non-GAAP Financial Measures

The term "adjusted EBITDA" is used by us in presentations, quarterly earnings calls, and other instances as appropriate. Adjusted EBITDA is defined as net income before interest, income taxes, depreciation and amortization, non-cash goodwill and other long-lived asset impairment charges, write-offs of project development costs, acquisition costs, litigation charges, non-cash stock grants, non-cash employee stock purchase plan discounts, exclusion of income or loss from assets held for sale, and net losses/gains from asset dispositions. Adjusted EBITDA is presented because it is a required component of financial ratios reported by us to our lenders, and it is also frequently used by securities analysts, investors, and other interested parties, in addition to and not in lieu of GAAP results, to compare to the performance of other companies that also publicize this information.

Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered as an alternative to net income or cash flow as an indicator of our operating performance or any other measure of performance derived in accordance with GAAP.

The following table shows adjusted EBITDA by operating unit:

For the fiscal year ended:	Adjusted EBITDA			Corporate - Other	Total
	Washington	South Dakota	Nevada		
April 30, 2017	\$7,037,344	\$ 162,939	\$1,537,922	\$(2,493,072)	\$6,245,133
April 30, 2016	\$9,091,898	\$ 374,025	\$832,006	\$(2,447,344)	\$7,850,585

Net income reconciliation to Adjusted EBITDA:

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	Fiscal year ended	
	April 30, 2017	April 30, 2016
Net income	\$563,964	\$ 1,301,046
Adjustments:		
Net interest expense	666,543	628,315
Income tax expense	790,829	1,221,497
Depreciation and amortization	3,021,280	2,608,616
Club Fortune acquisition expenses	113,900	641,472
Write downs and other charges	1,101,472	1,185,000
Deferred rent amortization	36,068	35,900
Stock compensation amortization	124,279	164,698
Employee stock purchase discount	-	4,671
(Increase) decrease in swap fair value	(250,385)	217,781
Loss (gain) on disposal of assets	77,183	(158,411)
Adjusted EBITDA	\$6,245,133	\$ 7,850,585

Liquidity and Capital Resources

Historical Cash Flows

The following table sets forth our consolidated net cash provided by (used in) operating, investing and financing activities for the fiscal years ended April 30, 2017 and April 30, 2016:

	Fiscal Year Ended	
	April 30,	April 30,
	2017	2016
Cash provided by (used in):		
Operating activities	\$4,754,488	\$6,371,227
Investing activities	\$(287,489)	\$(13,059,923)
Financing activities	\$(5,418,203)	\$9,730,133

Operating activities. Net cash provided by operating activities during the fiscal year ended April 30, 2017 decreased \$1.6 million compared to the same period in the fiscal year ended April 30, 2016. This decrease resulted primarily from the \$1.6 million decrease in operating income.

Investing activities. Net cash used in investing activities during the fiscal year ended April 30, 2017 decreased \$12.8 million compared to the same period in the fiscal year ended April 30, 2016. The decrease primarily resulted from \$13.3 million used to acquire Club Fortune in fiscal 2016, partially offset by the \$0.4 million of increased purchases of equipment.

Financing activities. Financing activities used \$5.4 million and provided \$9.7 million for fiscal years ended April 30, 2017 and 2016, respectively. The activity for the year ended April 30, 2017 is primarily attributable to the repayments of our credit facility and purchases of treasury stock. The activity for fiscal 2016 is primarily attributable to the increase in our credit facility, partially offset by principal payments.

Future Sources and Uses of Cash

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On April 30, 2017, excluding restricted cash of \$1,994,312, we had cash and cash equivalents of \$10,631,903. The restricted cash consists of progressive liabilities and player supported jackpots. We expect that our future liquidity and capital requirements will be affected by:

-	capital requirements related to future acquisitions;
-	cash flow from operations;
-	working capital requirements;
-	treasury stock purchases
-	obtaining debt financing; and
-	debt service requirements.

On June 29, 2015, the Company sold its Golden Nugget casino in Tukwila, Washington for \$0.3 million in cash. A gain on the sale of assets of \$0.2 million was recorded in the first quarter of fiscal year ending April 30, 2016. Net proceeds from the sale were used to further reduce the Company's debt. The Golden Nugget generated a \$0.3 million operating loss for the year ended April 30, 2015.

As of April 30, 2017, scheduled principal payments on the Credit Facility are as follows:

May 1, 2017 – April 30, 2018	\$-
May 1, 2018 – April 30, 2019	-
May 1, 2019 – April 30, 2020	617,223
May 1, 2020 – November 30, 2020	11,682,777
	\$12,300,000

Please see note 8 of our Consolidated Financial Statements.

In July 2016, our board of directors approved a \$2.0 million stock repurchase program to purchase our common stock in the open market or in privately negotiated transactions from time to time, subject to market conditions, applicable legal requirements, loan covenants and other factors. The repurchase plan does not obligate the Company to acquire any specified number or value of common stock. During the year ended April 30, 2017, the Company repurchased 296,665 shares at a weighted average price per share of \$1.89, costing \$573,474 (including commissions). On July 12, 2017, the Company purchased 755,644 shares of the Company's common stock for \$2.15 per share from a longtime shareholder of the Company. Concurrent with the July 2017 stock purchase, the board of directors authorized an additional \$2.0 million for future stock purchases, either in the open market or in private transactions.

Our consolidated financial statements have been prepared assuming that we will have adequate availability of cash resources to satisfy our liabilities in the normal course of business. We have made arrangements to ensure that we have sufficient working capital to fund our obligations as they come due. We believe that funds from operations will provide sufficient working capital for us to meet our obligations as they come due; however, there can be no assurance

that we will be successful. Should cash resources not be sufficient to meet our current obligations as they come due, repay or refinance our long-term debt, and acquire operations that generate positive cash flow, we would be required to curtail our activities and maintain, or grow, at a pace that cash resources could support.

Liquidity

The current ratio is an indication of a company's market liquidity and ability to meet creditor's demands. Acceptable current ratios vary from industry to industry and are generally between 1.25 and 3 for healthy businesses. If a company's current ratio is in this range, then it generally indicates good short-term financial strength. If current liabilities exceed current assets (the current ratio is below 1), then a company may have problems meeting its short-term obligations. As of April 30, 2017, we have a 2.77 current ratio, sufficient to service debt and maintain operations.

Indebtedness

On November 30, 2015, the Company amended its existing credit agreement with Mutual of Omaha Bank (“MOOB”) to increase the lending commitment to \$23 million. The Amended and Restated Credit Agreement (“Credit Facility”) matures on November 30, 2020, and is secured by liens on substantially all of the real and personal property of the Company and its subsidiaries. The interest rate on the borrowing is based on LIBOR plus an Applicable Margin, determined quarterly beginning April 1, 2016, based on the total leverage ratio for the trailing twelve month period. The initial Applicable Margin was 4.00% until April 1, 2016, when the first quarterly pricing change took effect, and decreased to 3.00%. As of July 1, 2017, the Applicable Margin is 2.50%. In addition, the Company was required to fix the interest rate on at least 50% of the credit facility through a swap agreement.

The Credit Facility contains customary covenants for a facility of this nature, including, but not limited to, covenants requiring the preservation and maintenance of the Company’s assets and covenants restricting our ability to merge, transfer ownership, incur additional indebtedness, encumber assets and make certain investments. The Credit Facility also contains covenants requiring the Company to maintain certain financial ratios including a maximum total leverage ratio ranging from 3.00 to 1.00 through January 31, 2017, 2.75 to 1.00 from February 1, 2017 through January 31, 2018, and 2.50 to 1.00 from February 1, 2018 until maturity; and lease adjusted fixed charge coverage ratio of no less than 1.15 to 1.00. We are in compliance with the covenant requirements of the Credit Facility as of April 30, 2017.

We are required by the Credit Facility to have a secured interest rate swap for at least 50% of the Credit Facility commitment. On December 28, 2015, the Company entered into a swap transaction with Mutual of Omaha Bank, which has a calculation period as of the tenth day of each month through the maturity date of the Credit Facility. As of April 30, 2017, the Company had one outstanding interest rate swap with MOOB with a notional amount of \$9,625,000 at a swap rate of 1.77%, which as of April 30, 2017, effectively converts \$9,625,000 of our floating-rate debt to a synthetic fixed rate of 4.27%. Under the terms of the swap agreement, the Company pays a fixed rate of 1.77% and receives variable rate based on one-month LIBOR as of the first day of each floating-rate calculation period. Under the International Swap Dealers Association, Inc. (“ISDA”) confirmation, the floating index as of April 30,

2017 is set at 0.990%.

The Company did not designate the interest rate swap as a cash flow hedge and the interest rate swap did not qualify for hedge accounting under ASC Topic 815. Changes in our interest rate swap fair value are recorded in our consolidated statements of operations. Each quarter, the Company receives fair value statements from the counterparty, MOOB. The fair value of the interest rate swap is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including forward interest rate curves. To comply with the provisions of ASC Topic 820, Fair Value Measurements and Disclosures, the Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. As a result of our evaluation of our interest rate swap, we recorded a \$250,385 increase in our interest rate swap fair value for the year ended April 30, 2017. As of April 30, 2017, our interest rate swap fair value is a \$36,346 liability which is included in other long-term liabilities on the consolidated balance sheet.

Off-Balance Sheet Arrangements

None.

New Accounting Pronouncements and Legislation Issued

In February 2016, the Financial Accounting Standards Board ("FASB") issued amended accounting guidance that changes the accounting for leases and requires expanded disclosures about leasing activities. Under the new guidance, lessees will be required to recognize a right-of-use asset and a lease liability, measured on a discounted basis, at the commencement date for all leases with terms greater than twelve months. Lessor accounting will remain largely unchanged, other than certain targeted improvements intended to align lessor accounting with the lessee accounting model and with the updated revenue recognition guidance issued in 2014. Lessees and lessors must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The amended guidance is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2018, and early application is permitted. The Company is currently evaluating the impact this guidance will have on its financial position and results of operations.

In May 2014, the FASB issued a new accounting standard for revenue recognition which requires entities to recognize revenue when it transfers promised goods or services to customers, in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard supersedes the existing accounting guidance for revenue recognition, including industry-specific guidance, and amends certain accounting guidance for recognition of gains and losses on the transfer of non-financial assets. For public companies, the new guidance is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2017. Early application is permitted for annual reporting periods beginning after December 15, 2016 (including interim periods within those periods). Upon adoption, financial statement issuers may elect to apply the new standard either retrospectively to each prior reporting period presented, or using a modified retrospective approach by recognizing the cumulative effect of initial application and providing certain additional disclosures. The Company will adopt this guidance in the first quarter of 2019. The Company is currently evaluating the impact this guidance will have on its financial position and results of operations, and has not yet determined which adoption method it will elect.

In August 2014, the FASB issued amended accounting guidance that defines management's responsibility to evaluate a company's ability to continue as a going concern and to provide related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued. The amendments are effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2016. The Company will adopt this guidance in the first quarter of fiscal 2018 and does not expect the adoption to have a material impact on its financial position or results of operations.

A variety of proposed or otherwise potential accounting guidance is currently under study by standard-setting organizations and certain regulatory agencies. Due to the tentative and preliminary nature of such proposed accounting guidance, the Company has not yet determined the effect, if any, that the implementation of such proposed accounting guidance would have on its consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not required for smaller reporting companies.

Item 8. Financial Statements and Supplementary Data

The information required under Item 310(a) of Regulation S-K is included in this report as set forth in the "Index to Consolidated Financial Statements." See Index to consolidated financial statements.

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 that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit to the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified by the SEC’s rules and forms, and that information is accumulated and communicated to our management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), as appropriate to allow timely decisions regarding required disclosure.

In accordance with Exchange Act Rules 13a-15 and 15d-15, we carried out an evaluation, under the supervision and with the participation of management, including our CEO and CFO, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. As described below under Management’s Annual Report on Internal Control over Financial Reporting, our CEO and CFO have concluded that, as of the end of the period covered by this Annual Report on Form 10-K, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

(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, as amended. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Our 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 our assets;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of management and directors; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of the 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.

Management assessed the effectiveness of our internal control over financial reporting as of April 30, 2017. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control-Integrated Framework 2013*. Management, including our CEO and CFO, has concluded that the internal control over financial reporting was effective as of April 30, 2017.

(c) Changes in Internal Control Over Financial Reporting.

There were no changes in our internal control over financial reporting that occurred during the fourth quarter of the fiscal year covered by this Annual Report on Form 10-K that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(d) Report of Independent Registered Public Accounting Firm.

This annual report does not include an attestations report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to the rules of the SEC that permit us to provide only Management's report in this annual report.

Item 9B. Other Information

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

We have adopted a Code of Ethics that applies to directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. Our Code of Ethics is posted on our website at <http://www.nevadagold.com>, under Investor Relations – Investor Info. Changes to and waivers granted with respect to this Code of Ethics related to our officers, other executive officers and directors are required to be disclosed pursuant to applicable rules and regulations of the SEC, will also be posted on our website, and a Current Report on Form 8-K will be filed within four business days of the change or waiver.

The other information required by this item is incorporated by reference to our definitive proxy statement for our next Annual Stockholders Meeting to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this report.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to our definitive proxy statement for our next Annual Stockholders Meeting to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated by reference to our definitive proxy statement for our next Annual Stockholders Meeting to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this report.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this item is incorporated by reference to our definitive proxy statement for our next Annual Stockholders Meeting to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this report.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference to our definitive proxy statement for our next Annual Stockholder Meeting to be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this report.

Part IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) Financial Statements.

Included in Part II, Item 8 of this Report:

Consolidated Financial Statements of Nevada Gold & Casinos, Inc.

Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheets as of April 30, 2017 and April 30, 2016
Consolidated Statements of Operations for fiscal years ended April 30, 2017 and April 30, 2016
Consolidated Statements of Stockholders' Equity for fiscal years ended April 30, 2017 and April 30, 2016
Consolidated Statements of Cash Flows for fiscal years ended April 30, 2017 and April 30, 2016
Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules.

We have omitted all 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.

(a)(3) Exhibits

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
3.1A	Amended and Restated Articles of Incorporation of Nevada Gold & Casinos, Inc. (filed previously as Exhibit A to the Company's definitive proxy statement filed on Schedule 14A on July 30, 2001 and incorporated herein by reference).
3.1B	Certificate of Amendment to the Articles of Incorporation of Nevada Gold & Casinos, Inc. (filed previously as Exhibit 4.2 to the Company's Form S-8 filed October 11, 2002 and incorporated herein by reference).
3.1C	Certificate of Amendment to the Articles of Incorporation of Nevada Gold & Casinos, Inc. (filed previously as Exhibit 3.3 to the Company's Form 10-Q filed November 9, 2004 and incorporated herein by reference).
3.1D	Certificate of Amendment to the Articles of Incorporation of Nevada Gold & Casinos, Inc. (filed previously as Exhibit 3.1 to the Company's Form 8-K filed October 17, 2007 and incorporated herein by reference).
3.2	Amended and Restated Bylaws of Nevada Gold & Casinos, Inc., effective July 24, 2007 (filed previously as Exhibit 3.2 to the Company's Form 8-K filed July 27, 2007 and incorporated herein by reference).
4.1	Common Stock Certificate of Nevada Gold & Casinos, Inc. (filed previously as Exhibit 4.1 to the Company's Form S-8/A filed June 4, 1999, file no. 333-79867, and incorporated herein by reference).
4.2	Second Amended and Restated Nevada Gold & Casinos, Inc. 1999 Stock Option Plan (filed previously as Exhibit 4.6 to the Company's Form S-8 filed June 22, 2005, file no. 333-126027, and incorporated herein by reference).

- 4.3 Nevada Gold & Casinos, Inc.'s 2009 Equity Incentive Plan (filed previously as Exhibit 10.1 to the Company's Form S-8 filed on April 14, 2009, file no. 333-158576, and incorporated herein by reference).
- 4.4 Nevada Gold & Casinos, Inc.'s 2010 Employee Stock Purchase Plan (filed previously as Exhibit 10.1 to the Company's Form S-8 filed on October 12, 2010, file no. 333-169892, and incorporated herein by reference).
- 10.1 First Amendment to Asset Purchase Agreement between Colorado Grande Enterprises, Inc., as seller, and G Investments, LLC, as purchaser (filed previously as Exhibits 10.1 to the Company's Form 8-K filed May 29, 2012).
- 10.2 Credit Agreement dated December 10, 2013 by and among Mutual of Omaha Bank, as the Lender, Nevada Gold & Casinos, Inc., as parent, and Restricted Subsidiaries, as borrower (filed previously as Exhibits 10.9 to the Company's Form 10-Q filed December 23, 2013).
- 10.3 Amended and Restated Credit Agreement dated November 30, 2015 by and among Mutual of Omaha Bank, as the Lender, Nevada Gold & Casinos, Inc., as parent, and Restricted Subsidiaries, as borrower (filed previously as Exhibit 10.1 to the Company's Form 8-K filed December 3, 2015).
- 10.4 Asset Purchase Agreement between Gaming Ventures of Las Vegas, Inc., as seller, and Nevada Gold & Casinos LV, LLC, as buyer (filed previously as Exhibit 10.1 to the Company's Form 8-K filed May 22, 2015).
- 10.5 First Amendment to Option Agreement dated April 22, 2016 between the Company and Clear Creek Development Company (filed previously as Exhibit 10.2 to the Company's Form 8-K filed April 25, 2016).
- 10.6(+)
- 10.6(+)
- 10.7(+)
- 10.8(+)
- 10.9(+)
- 21.1(*)
- 23.1(*)
- 31.1(*)
- Amended Employment Agreement dated July 19, 2016 by and between Michael P. Shaunnessy and Nevada Gold & Casinos, Inc. (filed previously as Exhibit 10.1 to the Company's Form 8-K filed July 19, 2016 and incorporated herein by reference).
- Employment Agreement dated July 19, 2016 by and between James Meier and Nevada Gold & Casinos, Inc. (filed previously as Exhibit 10.1 to the Company's Form 8-K filed July 19, 2016 and incorporated herein by reference).
- Amended Employment Agreement dated February 1, 2017 by and between Victor H. Mena and Nevada Gold & Casinos, Inc. (filed previously as Exhibit 10.1 to the Company's Form 8-K filed February 1, 2017 and incorporated herein by reference).
- Employment Agreement dated April 14, 2011 by and between Ernest E. East and Nevada Gold & Casinos, Inc. (filed previously as Exhibit 10.1 to the Company's Form 8-K filed April 14, 2011 and incorporated herein by reference).
- Subsidiaries of Nevada Gold & Casinos, Inc.
- Consent of Independent Registered Public Accounting Firm.
- Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

- 31.2(*) Certification of Principal Financial and Accounting Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1(*) Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2(*) Certification Principal Financial and Accounting Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Schema
- 101.CAL XBRL Taxonomy Calculation Linkbase
- 101.DEF XBRL Taxonomy Definition Linkbase
- 101.LAB XBRL Taxonomy Label Linkbase
- 101.PRE XBRL Taxonomy Presentation Linkbase

+ Management contract or compensatory plan, or arrangement.

* Filed herewith.

In accordance with SEC Release 33-8238, Exhibits 32.1 and 32.2 are being furnished and not filed.

SIGNATURES

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

Nevada Gold &
Casinos, Inc.

By: /s/ James Meier
James Meier
Chief Financial
Officer

(Duly Authorized
officer and
Principal Financial
and Accounting
Officer)

Date: July 27, 2017

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 in the capacities and on the dates indicated.

Signature	Title	Date
/s/ WILLIAM J. SHERLOCK William J. Sherlock	Chairman of the Board of Directors	July 27, 2017
/s/ WILLIAM G. JAYROE William G. Jayroe	Director	July 27, 2017
/s/ FRANK CATANIA Frank Catania	Director	July 27, 2017
/s/ FRANCIS M. RICCI Francis M. Ricci	Director	July 27, 2017
/s/ WAYNE H. WHITE Wayne H. White	Director	July 27, 2017
/s/ SHAWN KRAVETZ Shawn Kravetz	Director	July 27, 2017
/s/ RUDOLPH KLUIBER Rudolph Kluber	Director	July 27, 2017
/s/ MICHAEL P. SHAUNNESSY Michael P. Shaunnessy	President and Chief Executive Officer (Principal Executive Officer)	July 27, 2017
/s/ JAMES MEIER James Meier	VP and Chief Financial Officer (Principal Financial and Accounting Officer)	July 27, 2017

Index to Consolidated Financial Statements

Consolidated Financial Statements of Nevada Gold & Casinos, Inc.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of

Nevada Gold & Casinos, Inc.:

We have audited the accompanying consolidated balance sheets of Nevada Gold & Casinos, Inc. as of April 30, 2017 and 2016, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the two years in the period ended April 30, 2017. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide for a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nevada Gold & Casinos, Inc. at April 30, 2017 and 2016, and the consolidated results of its operations and its cash flows for each of the two years in the period ended April 30, 2017, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Las Vegas, Nevada

July 27, 2017

Nevada Gold & Casinos, Inc.

Consolidated Balance Sheets

	April 30, 2017	April 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,631,903	\$ 11,583,107
Restricted cash	1,994,312	1,433,728
Accounts receivable, net of allowances	808,484	665,549
Prepaid expenses	1,209,507	1,206,825
Notes receivable, current portion	383,093	208,294
Inventory and other current assets	423,113	416,022
Total current assets	15,450,412	15,513,525
Real estate held for sale	750,000	750,000
Notes receivable, net of current portion	-	900,775
Goodwill	16,923,588	18,025,059
Identifiable intangible assets, net of accumulated amortization of \$8,869,497 and \$7,997,790 at April 30, 2017 and April 30, 2016, respectively	4,107,328	5,003,981
Property and equipment, net of accumulated depreciation of \$7,635,620 and \$5,641,733 at April 30, 2017 and April 30, 2016, respectively	13,958,715	15,147,061
Deferred tax asset	1,557,470	2,348,299
Other assets	70,000	70,000
Total assets	\$52,817,513	\$57,758,700
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,303,571	\$ 1,702,366
Accrued payroll and related	1,925,592	2,094,250
Accrued player's club points and progressive jackpots	2,348,068	1,872,566
Total current liabilities	5,577,231	5,669,182
Long-term debt	12,061,411	16,839,148
Other long-term liabilities	667,110	881,426
Total liabilities	18,305,752	23,389,756
Stockholders' equity:		
Common stock, \$0.12 par value per share; 50,000,000 shares authorized; 18,627,167 and 18,571,693 shares issued and 17,547,665 and 17,788,856 shares outstanding at April 30, 2017, and April 30, 2016, respectively	2,235,269	2,228,612
Additional paid-in capital	27,449,319	27,315,517
Retained earnings	12,320,814	11,756,850
	(7,493,641)	(6,932,035)

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Treasury stock, 1,079,502 and 782,837 shares at April 30, 2017 and April 30, 2016, at cost

Total stockholders' equity	34,511,761	34,368,944
Total liabilities and stockholders' equity	\$52,817,513	\$57,758,700

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

Nevada Gold & Casinos, Inc.

Consolidated Statements of Operations

	Year Ended	
	April 30, 2017	April 30, 2016
Revenues:		
Casino	\$66,006,576	\$62,122,367
Food and beverage	13,439,326	11,797,939
Other	2,140,113	2,042,519
Gross revenues	81,586,015	75,962,825
Less promotional allowances	(6,959,066)	(5,728,469)
Net revenues	74,626,949	70,234,356
Expenses:		
Casino	36,404,244	33,421,887
Food and beverage	6,195,203	5,671,376
Other	291,360	238,794
Marketing and administrative	20,920,103	18,615,262
Facility	2,126,150	2,025,007
Corporate	2,719,003	3,258,187
Depreciation and amortization	3,021,280	2,608,616
Loss (gain) on disposal of assets	77,183	(158,411)
Write downs and other charges	1,101,472	1,185,000
Total operating expenses	72,855,998	66,865,718
Operating income	1,770,951	3,368,638
Non-operating income (expenses):		
Interest income	81,011	94,589
Interest expense and amortization of loan issue costs	(747,554)	(722,903)
Change in swap fair value	250,385	(217,781)
Income before income tax	1,354,793	2,522,543
Income tax expense	(790,829)	(1,221,497)
Net income	\$563,964	\$1,301,046
Per share information:		
Net income per common share - basic and diluted	\$0.03	\$0.08
Basic weighted average number of common shares outstanding	17,688,229	17,002,728
Diluted weighted average number of common shares outstanding	17,990,524	17,298,373

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

Nevada Gold & Casinos, Inc.

Consolidated Statements of Stockholders' Equity

	Common Stock		Additional	Retained	Treasury	Total
	Shares	Amount	Paid-in Capital	Earnings	Stock	Stockholders' Equity
Balance at April 30, 2015	17,134,928	\$2,056,200	\$24,845,094	\$10,455,804	\$(6,932,035)	\$30,425,063
Net Income	-	-	-	1,301,046	-	1,301,046
Issuance of common stock	1,190,476	142,857	2,059,523	-	-	2,202,380
Stock compensation	29,585	3,550	161,148	-	-	164,698
Stock options exercised	190,000	22,800	206,500	-	-	229,300
Employee stock plan purchases	26,704	3,205	43,252	-	-	46,457
Balance at April 30, 2016	18,571,693	\$2,228,612	\$27,315,517	\$11,756,850	\$(6,932,035)	\$34,368,944
Net Income	-	-	-	563,964	-	563,964
Stock compensation	43,974	5,277	119,002	-	-	124,279
Stock options exercised	11,500	1,380	14,800	-	-	16,180
Treasury stock purchased	-	-	-	-	(561,606)	(561,606)
Balance at April 30, 2017	18,627,167	\$2,235,269	\$27,449,319	\$12,320,814	\$(7,493,641)	\$34,511,761

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

Nevada Gold & Casinos, Inc.

Consolidated Statements of Cash Flows

	Year Ended	
	April 30, 2017	April 30, 2016
Cash flows from operating activities:		
Net income	\$563,964	\$1,301,046
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,021,280	2,608,616
Stock compensation	124,279	164,698
Write off of licensing costs	-	54,729
Amortization of deferred loan issuance costs	95,040	125,704
Change in deferred rent	36,069	38,933
Write downs and other charges	1,101,472	1,185,000
Changes to restricted cash	(560,584)	290,711
Change in swap fair value	(250,385)	217,781
Other	-	5,022
Loss (gain) on disposal of assets	77,183	(158,411)
Changes in deferred income taxes	790,829	1,221,497
Changes in operating assets and liabilities:		
Receivables and other assets	(152,708)	(638,511)
Accounts payable and accrued liabilities	(91,951)	(45,588)
Net cash provided by operating activities	4,754,488	6,371,227
Cash flows from investing activities:		
Club Fortune acquisition, net of cash acquired	-	(13,255,314)
Collections on notes receivable	725,976	589,863
Purchase of property and equipment	(1,044,297)	(674,795)
Capitalized licensing costs	24,946	(103,324)
Deposit received on land held for sale	-	75,000
Proceeds from the sale of assets	5,886	308,647
Net cash used in investing activities	(287,489)	(13,059,923)
Cash flows from financing activities:		
Employee stock plan purchases	-	46,457
Proceeds from credit facilities	-	15,500,000
Repayment of credit facilities	(4,872,777)	(5,677,223)
Repayment of capital lease	-	(170,391)
Deferred loan issuance costs	-	(198,010)
Purchase of treasury stock	(561,606)	-
Cash proceeds from exercise of stock options	16,180	229,300
Net cash (used in) provided by financing activities	(5,418,203)	9,730,133
Net (decrease) increase in cash and cash equivalents	(951,204)	3,041,437
Cash and cash equivalents at beginning of period	11,583,107	8,541,670

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Cash and cash equivalents at end of period	\$ 10,631,903	\$ 11,583,107
Supplemental cash flow information:		
Cash paid for interest	\$ 676,715	\$ 565,598
Non-cash investing and financing activities:		
Issuance of stock to finance Club Fortune acquisition	\$-	\$ 2,202,382

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

Nevada Gold & Casinos, Inc.

Notes to Consolidated Financial Statements

Note 1. Background and Basis of Presentation

Background

Nevada Gold & Casinos, Inc. (“we”), a Nevada corporation, was formed in 1977 and, since 1994, has primarily been a gaming company involved in gaming projects and gaming operations. Our gaming operations are located in the United States of America (the “U.S.”), specifically in the states of Nevada, Washington and South Dakota. Our business strategy will continue to focus on gaming projects.

Basis of Presentation

Our consolidated financial statements include the accounts of all majority-owned and controlled subsidiaries after the elimination of all significant intercompany accounts and transactions.

Certain reclassifications from casino revenue to casino expense, and between the operating expenses of casino, food and beverage, other and marketing and administrative have been made to conform prior year financial information to the current period presentation. Those reclassifications did not impact working capital, operating income, net income or stockholders’ equity.

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation

We consolidate entities when we have the ability to control the operating and financial decisions and policies of that entity and record the portion we do not own as non-controlling interest. The determination of our ability to control, or exert significant influence over, an entity involves the use of judgment. We apply the equity method of accounting if we can exert significant influence over, but do not control the policies and decisions of an entity. We use the cost

method of accounting if we are unable to exert significant influence over the entity.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period and disclosure of contingent liabilities. On an ongoing basis, we evaluate our estimates, including those related to bad debts, investments, intangible assets and goodwill, property, plant and equipment, income taxes, employment benefits and contingent liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Fair Value

U. S. generally accepted accounting principles defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy categorizes assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement. The three levels are as follows:

Level 1 – Observable inputs such as quoted prices in active markets at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Other inputs that are observable directly or indirectly such as quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs for which there is little or no market data and which we make our own assumptions about how market participants would price the assets and liabilities.

The following describes the valuation methodologies used by us to measure fair value:

Real estate held for sale is recorded at fair value less selling costs.

Goodwill and indefinite lived intangible assets are recorded at carrying value and tested for impairment annually, or more frequently, using projections of undiscounted future cash flows.

Interest rate swaps are adjusted on a recurring basis pursuant to accounting standards for fair value measurements. We categorize our interest rate swap as Level 2 for fair value measurement.

Long-lived assets, including property and equipment and amortizable intangible assets, comprise a significant portion of our total assets. We evaluate the carrying value of long-lived assets if impairment indicators are present or if other circumstances indicate that impairment may exist under authoritative guidance. When management believes impairment indicators may exist, projections of the undiscounted future cash flows associated with the use of and eventual disposition of long-lived assets held for use are prepared. If the projections indicate that the carrying values of the long-lived assets are not recoverable, we reduce the carrying values to fair value. For long-lived assets held for sale, we compare the carrying values to an estimate of fair value less selling costs to determine potential impairment. We test for impairment of long-lived assets at the lowest level for which cash flows are measurable. These impairment tests are heavily influenced by assumptions and estimates that are subject to change as additional information becomes available.

Cash and Cash Equivalents

We consider short-term investments with an original maturity of less than three months to be cash equivalents.

We maintain cash accounts in major U.S. financial institutions. The terms of these deposits are on demand to minimize risk. The balances of these accounts occasionally exceed the federally insured limits, although no losses have been incurred in connection with such cash balances.

Allowance for Doubtful Accounts

We establish provisions for losses on accounts and notes receivable if we determine that we will not collect all or part of the outstanding balance. We regularly review collectability and establish or adjust our allowance as necessary using the specific identification method. We make advances to third parties under executed promissory notes for project costs related to the development of gaming and entertainment properties. Due diligence is conducted by our management with the assistance of legal counsel prior to entering into arrangements with third parties to provide financing in connection with their efforts to secure and develop the properties. Repayment terms are largely dependent

upon the operating performance of each opportunity for which the funds have been loaned. Interest income is not accrued until it is reasonably assured that the project will be completed and that there will be sufficient profits from the facility to cover the interest to be earned under the respective note. If projected cash flows are not sufficient to recover amounts due, the note is evaluated to determine the appropriate discount to be recorded on the note for it to be considered a performing loan. If the note is performing, interest is recorded using the effective interest method based on the value of the discounted note balance.

Each reporting period we review each of our receivables to evaluate whether the collection of such receivable is still probable. In our analysis, we review the economic feasibility and the current financial, legislative and development status of the project. If our analysis indicates that the project is no longer economically feasible then the receivable would be written down to its estimated fair value.

Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk are primarily notes receivable, cash and cash equivalents, accounts receivable and payable, and long term debt. Management performs periodic evaluations of the collectability of these notes. Our cash deposits are held with large, well-known financial institutions, and, at times, such deposits may be in excess of the federally insured limit. The recorded value of cash, accounts receivable and payable, approximate fair value based on their short term nature; the recorded value of long term debt approximates fair value as interest rates approximate current market rates.

Real Estate Held for Sale

Real estate held for sale consists of undeveloped land located in and around Black Hawk, Colorado. Property held for sale is carried at the lower of cost or net realizable value. On April 8, 2013, we signed a one year option agreement, with two one year extensions to sell the land for an initial sale price of \$1.1 million plus \$118 per day after April 8, 2013. On April 22, 2016, we executed an amendment to the option agreement for the sale of the vacant land for a purchase price of \$750,000. In connection with the transaction, we recorded a non-cash impairment of \$350,000 in the fourth quarter of fiscal 2016 within write downs and other changes on the consolidated statement of operations. We received a \$75,000 down payment, which is included in other long-term liabilities on our balance sheet, and financed the balance at 5% interest only, with interest payable monthly, and a balloon payment of \$675,000 due April 30, 2019. The transaction was accounted for under the deposit method, recording the down payment as a liability and deferring the recognition of the sale until the buyer's investment is at least 20% of the initial purchase price.

Property and Equipment

Expenditures for property and equipment are capitalized at cost. We depreciate property and equipment over their respective estimated useful lives, ranging from three to thirty years, using the straight-line method. When items are retired or otherwise disposed of, a gain or loss is recorded for the difference between net book value and proceeds realized. Ordinary maintenance and repairs are charged to earnings, and replacements and improvements are capitalized.

Goodwill and Other Intangible Assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually (on April 30) or more frequently if an event occurs or circumstances change that may reduce the fair value of our goodwill below its carrying value.

We review goodwill at the reporting level unit, which is the same as our operating segments. We compare the carrying value of the net assets of each reporting unit to the estimated fair value of the reporting unit, based upon a multiple of estimated earnings and on a discounted cash flow method. If the carrying value exceeds the estimated fair value of the reporting unit, an impairment indicator exists and an estimate of the impairment loss is calculated. The fair value calculation uses level 3 inputs and includes multiple assumptions and estimates, including the projected cash flows and discount rates. Changes in these assumptions and estimates could result in goodwill impairment that could materially adversely impact our financial position or results of operations. All of our goodwill is attributable to reporting units as disclosed in Note 5.

Long-lived assets, including property, plant and equipment and amortizable intangible assets also comprise a significant portion of our total assets. We evaluate the carrying value of long-lived assets if impairment indicators are present or if circumstances indicate that impairment may exist under authoritative guidance. When management believes impairment indicators may exist, projections of the undiscounted future cash flows associated with the use of and eventual disposition of long-lived assets held for use are prepared. If the projections indicate that the carrying value of the long-lived assets are not recoverable, we reduce the carrying values to fair value. For property held for sale, we compare the carrying values to an estimate of fair value less selling costs to determine potential impairment. We test for impairment of long-lived assets at the lowest level for which cash flows are measurable. These impairment tests are heavily influenced by assumptions and estimates that are subject to change as additional information becomes available.

Slot Club Awards

We reward our slot customers for their loyalty based on the dollar amount of play on slot machines. We accrue for these slot club awards based on an estimate of the value of the outstanding awards utilizing the age and prior history of redemptions. Future events such as a change in our marketing strategy or new competition could result in a change in the value of the awards.

Advertising Costs

We expense advertising costs as incurred. Advertising expense related primarily to our casino operations and for the years ended April 30, 2017 and 2016, was \$4.2 million and \$3.1 million, respectively. These costs are included in marketing and administrative on our consolidated statements of operations.

Revenue Recognition

We record revenues from casino operations. The retail value of food and beverage and other services furnished to guests without charge is included in gross revenue and deducted as promotional allowances. Net revenues do not include the retail amount of food, beverage and other items provided gratuitously to customers. These amounts are included in promotional allowances in the accompanying consolidated statements of operations. We record the redemption of coupons and points for cash as a reduction of revenue. The estimated retail value of providing such promotional allowances is as follows:

	Fiscal Year Ended	
	April 30, 2017	April 30, 2016
Food and beverage	\$6,722,157	\$ 5,509,186
Other	236,909	219,283
Promotional allowances	\$6,959,066	\$ 5,728,469

The estimated cost of providing such complimentary services that is included in casino expense in the consolidated statements of operations was as follows:

	Fiscal Year Ended	
	April 30, 2017	April 30, 2016
Food and beverage	\$6,112,343	\$ 4,477,148
Other	222,886	171,187
Total cost of complimentary services	\$6,335,229	\$ 4,648,335

Accrued Jackpot Liability

We accrue slot jackpot liability as games are played under a matching concept of coin-in. We also maintain accrued player-supported jackpot liabilities. Player-supported jackpot is a progressive game of chance, allowed in Washington State, directly related to the play or outcome of an authorized non-house-banked card game separately funded by our patrons. Any jackpots hit in these card games are paid from such reserved funds.

Income Taxes

Income taxes are accounted for using an asset and liability approach for financial accounting and reporting for income taxes. Under this approach, deferred tax assets and liabilities are recognized based on anticipated future tax consequences, using currently enacted tax laws, attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax basis. We record current income taxes based on our current taxable income, and we provide for deferred income taxes to reflect estimated future tax payments and receipts. We account for tax credits under the flow-through method, which reduces the provision for income taxes in the year the tax credits first become available. We reduce deferred tax assets by a valuation allowance when, based on our estimates, it is more likely than not that a portion of those assets will not be realized in a future period.

We recognize the impact of uncertain tax positions in our financial statements only if that position is more likely than not of being sustained upon examination by the taxing authority. Should interest and penalty be incurred as a result of a review of our income tax returns, we will record the interest and penalty in accordance with applicable guidance.

Stock-Based Compensation

Under ASC Topic 718, “*Compensation - Stock Compensation*,” the fair value and compensation expense of each option award is estimated as of the date of grant using a Black-Scholes option pricing formula. Expected volatility is based on historical volatility of our stock over a preceding period commensurate with the expected term of the option. The expected term of the option is an estimate of the time that the option is expected to be outstanding and is based on our historical experience. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant. Expected dividend yield was not considered in the option pricing formula since we historically have not paid dividends and have no current plans to do so in the future. Compensation cost for grants of the Company’s stock are based on the shares granted and the market price at the date of the grant.

The compensation cost related to these share-based awards is recognized over the requisite service period. The requisite service period is generally the period during which an employee is required to provide service in exchange for the award. Total stock-based compensation for the years ended April 30, 2017 and 2016, was \$124,279 and \$164,698, respectively.

Earnings Per Share

Earnings per share, both basic and diluted, are presented on the consolidated statement of operations. Basic earnings per common share amounts are calculated using the weighted average number of common shares outstanding during each period. Diluted earnings per share assumes the exercise of all stock options having exercise prices less than the average market price of the common stock using the “treasury stock method” and for convertible debt securities using the “if converted method”.

Accrued Contingent Liabilities

We assess our exposure to loss contingencies including legal matters. If a potential loss is justified, probable and able to be quantified, we will provide for the exposure. If the actual loss from a contingency differs from management’s estimate, operating results could be impacted. As of April 30, 2017 and 2016, we did not record any accrued contingent liabilities.

Derivative Financial Instruments

We have managed our market risk, including interest rate risk associated with variable rate borrowings, through balancing fixed-rate and variable-rate borrowings with the use of derivative financial instruments. The fair value of derivative financial instruments are recognized as assets or liabilities at each balance sheet date, with changes in fair value affecting net income. The Company’s interest rate swap did not qualify for hedge accounting. Accordingly,

change in the fair value of the interest rate swap is presented as a change in fair value of swaps in the accompanying consolidated statements of operations.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (“FASB”) issued amended accounting guidance that changes the accounting for leases and requires expanded disclosures about leasing activities. Under the new guidance, lessees will be required to recognize a right-of-use asset and a lease liability, measured on a discounted basis, at the commencement date for all leases with terms greater than twelve months. Lessor accounting will remain largely unchanged, other than certain targeted improvements intended to align lessor accounting with the lessee accounting model and with the updated revenue recognition guidance issued in 2014. Lessees and lessors must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The amended guidance is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2018, and early application is permitted. The Company is currently evaluating the impact this guidance will have on its financial position and results of operations.

In May 2014, the FASB issued a new accounting standard for revenue recognition which requires entities to recognize revenue when it transfers promised goods or services to customers, in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard supersedes the existing accounting guidance for revenue recognition, including industry-specific guidance, and amends certain accounting guidance for recognition of gains and losses on the transfer of non-financial assets. For public companies, the new guidance is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2017. Early application is permitted for annual reporting periods beginning after December 15, 2016 (including interim periods within those periods). Upon adoption, financial statement issuers may elect to apply the new standard either retrospectively to each prior reporting period presented, or using a modified retrospective approach by recognizing the cumulative effect of initial application and providing certain additional disclosures. The Company will adopt this guidance in the first quarter of 2019. The Company is currently evaluating the impact this guidance will have on its financial position and results of operations, and has not yet determined which adoption method it will elect.

In August 2014, the FASB issued amended accounting guidance that defines management’s responsibility to evaluate a company’s ability to continue as a going concern and to provide related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a company’s ability to continue as a going concern within one year from the date the financial statements are issued. The amendments are effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2016. The Company will adopt this guidance in the first quarter of fiscal 2018 and does not expect the adoption to have a material impact on its financial position or results of operations.

A variety of proposed or otherwise potential accounting guidance is currently under study by standard-setting organizations and certain regulatory agencies. Due to the tentative and preliminary nature of such proposed accounting guidance, the Company has not yet determined the effect, if any, that the implementation of such proposed accounting

guidance would have on its condensed consolidated financial statements.

**Note 3. Restricted
Cash**

As of April 30, 2017 and 2016, we maintained \$2.0 million and \$1.4 million respectively, in restricted cash, which consists of progressive and player-supported jackpot funds for our Washington operations.

**Note 4. Notes
Receivable**

G Investments, LLC

As of April 30, 2017 and 2016, we had a note receivable of \$390,368 and \$1,109,069, respectively, with no valuation allowance, due from G Investments, LLC resulting from the sale of the Colorado Grande Casino on May 25, 2012. The initial amount was \$2,300,000, bearing interest at 6% per annum through the maturity date of June 1, 2017, and is secured with the assets of the Colorado Grande Casino, pledge of membership interest in G Investments, LLC ("GI"), and a personal guaranty by GI's principal.

On May 5, 2017, the note was amended to extend the due date to February of 2018 with essentially the same terms of 6% annual interest and \$40,000 monthly payments.

Other notes receivable

We have a note from 2004 for \$1.7 million to Big City Capital, LLC for the development of gaming/entertainment projects. We also have a note receivable for \$4.6 million from B. V. Oro, LLC from the 2008 sale of our 40% interest in Buena Vista Development Company, LLC. Both receivables were fully reserved as of 2012.

Note 5. Goodwill and Intangible Assets

In connection with our acquisitions of the Washington mini-casinos on May 12, 2009, July 23, 2010 and July 18, 2011, the South Dakota slot route on January 27, 2012, and the Club Fortune Casino in Nevada on December 1, 2015, we have goodwill and intangible assets of \$21,030,916, net of amortization for intangible assets with finite lives.

The change in the carrying amount of goodwill and other intangibles for the fiscal year ended April 30, 2017, is as follows:

	Total	Goodwill	Other Intangibles, net
Balance as of April 30, 2016	\$23,029,040	\$18,025,059	\$ 5,003,981
Current year amortization	(871,707)	-	(871,707)
State gaming registration refund	(24,946)	-	(24,946)
Impairment of South Dakota	(1,101,471)	(1,101,471)	-
Balance as of April 30, 2017	\$21,030,916	\$16,923,588	\$ 4,107,328

Goodwill and net intangibles assets by segment as of April 30, 2017, are as follows:

	Total	Goodwill	Other Intangibles, net
Washington	\$16,149,876	\$14,092,154	\$ 2,057,722
South Dakota	275,000	-	275,000
Nevada	4,193,536	2,831,434	1,362,102
Corporate	412,504	-	412,504
Total	\$21,030,916	\$16,923,588	\$ 4,107,328

Intangible assets are generally amortized on a straight line basis over the useful lives of the assets. State gaming registration and trade names are not amortizable. A summary of intangible assets and accumulated amortization as of April 30, 2017, are as follows:

Gross Carrying	Accumulated Amortization	Net
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	Amount		
Customer relationships	\$8,673,321	\$ (7,548,552)	\$ 1,124,769
Non-compete agreements	1,379,000	(1,320,945)	58,055
State gaming registration	412,504	-	412,504
Trade names	2,512,000	-	2,512,000
Total	\$12,976,825	\$ (8,869,497)	\$ 4,107,328

A summary of intangible assets and accumulated amortization as of April 30, 2016, are as follows:

	Gross		
	Carrying	Accumulated	Net
	Amount	Amortization	
Customer relationships	\$8,673,321	\$ (6,713,512)	\$ 1,959,809
Non-compete agreements	1,379,000	(1,284,278)	94,722
State gaming registration	437,450	-	437,450
Trade names	2,512,000	-	2,512,000
Total	\$13,001,771	\$ (7,997,790)	\$ 5,003,981

The weighted average useful lives of acquired intangibles related to customer relationships is 7.0 years and non-compete agreements is 3.0 years. Amortization expense for the years ended April 30, 2017 and 2016 was \$871,707 and \$1,185,991, respectively. The estimated future annual amortization of intangible assets, which excludes trade names and State gaming registration, is as follows:

Fiscal year	Amount
2018	\$491,693
2019	271,370
2020	117,143
2021	117,143
Thereafter	185,475
Total	\$1,182,824

Goodwill represents the excess of the purchase price over the fair market value of net assets acquired. Goodwill for our South Dakota operations was \$1.1 million as of April 30, 2016. In the third quarter of fiscal 2017, we experienced a third consecutive quarterly decline in the Deadwood, South Dakota market that is not expected to reverse in the near future without a significant catalyst. In view of the downturn, we determined sufficient indication existed to require performance of a goodwill impairment analysis for the South Dakota reporting unit. The Company performed a preliminary impairment assessment of goodwill associated with the South Dakota operations as of January 31, 2017. As a result, we recognized a non-cash \$1.1 million impairment of goodwill using both income and market approaches. The calculations and key assumptions, which represented our best estimate based on the work that has been performed as of the date of the third quarter filing, contemplated changes for both current year and future year estimates in earnings and the impact of these changes to the fair value of the reporting unit. We completed the preliminary impairment assessment of goodwill during the fourth quarter of fiscal 2017 using certain unobservable inputs, primarily a 12% discount rate and long-term revenue and EBITDA growth rates of 0% to 2%. Following completion of the analysis, we made no adjustment to our third quarter preliminary estimate in our Consolidated Financial Statements for the year ended April 30, 2017.

Note 6. Property and Equipment

Property and equipment at April 30, 2017 and April 30, 2016 consist of the following:

	April 30, 2017	April 30, 2016	Estimated Service Life in Years
Leasehold improvements	\$ 1,556,824	\$ 1,439,720	7-20
Gaming equipment	5,300,898	5,247,574	3-5
Furniture and office equipment	4,506,639	4,190,901	3-7
Building and improvements	7,762,201	7,440,577	15-30
Land	2,387,750	2,387,750	
Construction in Progress	80,023	82,272	
	21,594,335	20,788,794	
Less accumulated depreciation	(7,635,620)	(5,641,733)	
Property and equipment, net	\$ 13,958,715	\$ 15,147,061	

Depreciation expense for the years ended April 30, 2017 and 2016 was \$2.1 million and \$1.4 million, respectively.

Note 7. Income Taxes

Income taxes are accounted for using an asset and liability approach for financial accounting and reporting for income taxes. Under this approach, deferred tax assets and liabilities are recognized based on anticipated future tax consequences, using currently enacted tax laws, attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax basis. We record current income taxes based on our current taxable income, and we provide for deferred income taxes to reflect estimated future tax payments and receipts. We account for tax credits under the flow-through method, which reduces the provision for income taxes in the year the tax credits first become available. We reduce deferred tax assets by a valuation allowance when, based on our estimates, it is more likely than not that a portion of those assets will not be realized in a future period.

We recognize the impact of uncertain tax positions in our financial statements only if that position is more likely than not of not being sustained upon examination by the taxing authority. Should interest and penalty be incurred as a result of a review of our income tax returns, we will record the interest and penalty in accordance with applicable guidance.

Deferred tax assets and liabilities presented on the balance sheet are as follows:

	April 30, 2017	April 30, 2016
Deferred tax asset	\$ 1,557,470	\$ 2,348,299

A summary of our deferred tax assets and liabilities is presented in the table below:

	April 30, 2017	April 30, 2016
Deferred tax assets:		
Net operating loss carryforwards	\$ 345,678	\$ 5,284
Tax credit carryforwards	437,896	352,709
Stock options	246,726	237,937
Impairment of notes receivable and land	2,101,288	2,644,330
Revenue not recognized for tax reporting and other	187,770	172,135
Accrued expenses	104,580	198,273
Other	15,396	100,138
Total deferred tax assets	3,439,334	3,710,806
Deferred tax liabilities:		
Amortization of intangibles	(1,404,551)	(1,024,020)
Fixed assets	(263,072)	(127,956)
Prepaid expenses	(214,241)	(210,531)
Total deferred tax liabilities	(1,881,864)	(1,362,507)
Net deferred tax assets	\$ 1,557,470	\$ 2,348,299

At April 30, 2017, we have \$6.3 million in note receivables that have been fully reserved for book purposes, but not yet deducted on the tax return. We also have deferred tax assets of approximately \$0.4 million related to general business credits and \$0.1 million related to Alternative Minimum Tax credits. The net operating losses and general business credits can be carried forward and applied to offset taxable income for 20 years; they will begin to expire in 2032. The Alternative Minimum Tax credit can be carried forward indefinitely and will offset future regular tax liabilities.

We have analyzed our income tax filing positions in all jurisdictions and believe our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments which will result in a material change to our financial position. As of the time of this filing, no income tax examinations are currently being undertaken by any jurisdiction.

Reconciliations between the statutory federal income tax expense rate of 34.0% in the fiscal years ended April 30, 2017 and 2016, and our effective income tax rate as a percentage of pre-tax book income, is as follows:

Year Ended	
April 30, 2017	April 30, 2016
PercentDollars	PercentDollars

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Income tax expense at statutory federal rate	34.0	\$460,630	34.0	\$857,664
Impairment of nondeductible goodwill	27.6	374,500	11.3	283,900
Non-deductible expenses	2.8	37,933	2.3	59,006
Utilization of general business credits	(6.3)	(85,187)	(2.8)	(71,051)
Adjustment to deferred balances	-	-	3.0	76,157
Tax return to provision adjustments	0.2	2,953	0.6	15,821
Income tax expense at effective income tax rate	58.3	\$790,829	48.4	\$1,221,497

Note 8. Long-Term Debt

Our long-term financing obligations for the fiscal years ended April 30, 2017 and 2016, are as follows:

	April 30, 2017	April 30, 2016
\$23.0 million reducing revolving credit agreement, LIBOR plus an applicable margin (3.49% at April 30, 2017), \$625,000 quarterly reductions beginning January 31, 2016 through November 30, 2020, and the remaining \$11,057,777 principal due on the maturity date of November 30, 2020.	\$12,061,411	\$16,839,148
Less: current portion	-	-
Total long-term financing obligations	\$12,061,411	\$16,839,148

On November 30, 2015, the Company amended its existing credit agreement with Mutual of Omaha Bank (“MOOB”) to increase the lending commitment to \$23.0 million. The Amended and Restated Credit Agreement (“Credit Facility”) matures on November 30, 2020, and is secured by liens on substantially all of the real and personal property of the Company and its subsidiaries. The interest rate on the borrowing is based on LIBOR plus an Applicable Margin, determined quarterly beginning April 1, 2016, based on the total leverage ratio for the trailing twelve month period. The initial Applicable Margin was 4.00% until April 1, 2016, when the first quarterly pricing change took effect, and decreased to 3.00%. The Applicable Margin at April 30, 2017 was 2.50%. In addition, the Company was required to fix the interest rate on at least 50% of the credit facility through a swap agreement.

As of April 30, 2017, scheduled principal payments on the Credit Facility are as follows:

May 1, 2017 – April 30, 2018	\$-
May 1, 2018 – April 30, 2019	-
May 1, 2019 – April 30, 2020	617,223
May 1, 2020 – November 30, 2020	11,682,777
Total payments	12,300,000
Unamortized debt discount	(238,589)
Total long-term debt	\$12,061,411

During the first quarter of fiscal 2016, the \$276,054 net proceeds from the sale of the Golden Nugget permanently reduced the Credit Facility when the funds were paid directly to Mutual of Omaha Bank and the maximum borrowing was reduced by \$276,054. Also, during the fourth quarter of fiscal 2016, the \$67,223 net proceeds from the sale of the Colorado land permanently reduced the Credit Facility. As of April 30, 2017, the Company had \$6,882,777 available to borrow on the reducing revolving credit agreement. On July 12, 2017, the Company borrowed \$700,000 on the credit line.

The Credit Facility contains customary covenants for a facility of this nature, including, but not limited to, covenants requiring the preservation and maintenance of the Company’s assets and covenants restricting our ability to merge, transfer ownership, incur additional indebtedness, encumber assets and make certain investments. The Credit Facility also contains covenants requiring the Company to maintain certain financial ratios including a maximum total leverage ratio ranging from 3.00 to 1.00 through January 31, 2017, 2.75 to 1.00 from February 1, 2017 through January 31, 2018, and 2.50 to 1.00 from February 1, 2018 until maturity; and lease adjusted fixed charge coverage ratio of no less than 1.15 to 1.00. We are in compliance with the covenant requirements of the Credit Facility as of April 30, 2017.

The unamortized debt discount above consists of debt issuance costs paid directly to the lender. The discount is amortized using the effective interest rate method over the period of the Credit Facility through interest expense.

Note 9. Interest Rate Swap

We are required by the Credit Facility to have a secured interest rate swap for at least 50% of the Credit Facility commitment. On December 28, 2015, the Company entered into a swap transaction with Mutual of Omaha Bank, which has a calculation period as of the tenth day of each month through the maturity date of the Credit Facility. As of April 30, 2017, the Company had one outstanding interest rate swap with MOOB with a notional amount of \$9,625,000 at a swap rate of 1.77%, which as of April 30, 2017, effectively converts \$9,625,000 of our floating-rate debt to a synthetic fixed rate of 4.27%. Under the terms of the swap agreement, the Company pays a fixed rate of 1.77% and receives variable rate based on one-month LIBOR as of the first day of each floating-rate calculation period. Under the International Swap Dealers Association, Inc. (“ISDA”) confirmation, the floating index as of April 30, 2017 is set at 0.990%.

The Company did not designate the interest rate swap as a cash flow hedge and the interest rate swap did not qualify for hedge accounting under ASC Topic 815. Changes in our interest rate swap fair value are recorded in our consolidated statements of operations. Each quarter, the Company receives fair value statements from the counterparty, MOOB. The fair value of the interest rate swap is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including forward interest rate curves. To comply with the provisions of ASC Topic 820, Fair Value Measurements and Disclosures, the Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty’s nonperformance risk in the fair value measurements. As a result of our evaluation of our interest rate swap, we recorded a \$250,385 increase in our interest rate swap fair value for the year ended April 30, 2017. As of April 30, 2017 and 2016, our interest rate swap fair value was a liability of \$36,346 and \$286,731, respectively, which is included in other long-term liabilities on the consolidated balance sheets.

Note 10. Equity Transactions and Stock Option Plans

We have obligations under two employee stock plans: (1) the 2009 Equity Incentive Plan (the “2009 Plan”), and (2) the 2010 Employee Stock Purchase Plan, as amended (the “2010 Plan”).

The 2009 Plan

On April 14, 2009, our shareholders approved the 2009 Plan providing for the granting of awards to our directors, officers, employees and independent contractors. The number of common stock shares reserved for issuance under the 2009 Plan is 1,750,000 shares. The plan is administered by the Compensation Committee (the “Committee”) of the Board of Directors. The Committee has complete discretion under the 2009 Plan regarding the vesting and service requirements, exercise price and other conditions. Under the 2009 Plan, the Committee is authorized to grant the following types of awards:

Stock Options including Incentive Stock Options (“ISO”),
Options not intended to qualify as ISOs,
Stock Appreciation Rights, and
Restricted Stock Grants.

Our practice has been to issue new or treasury shares upon the exercise of stock options. Stock option rights granted under the 2009 Plan generally have 5 or 10 year terms and vest in two or three equal annual installments, with some options grants providing for immediate vesting for a portion of the grant.

In October of 2015 and 2016, the Committee granted stock to the board of directors as \$10,000 per director in annual compensation paid in the form of a stock grant. The Committee also granted 12,600 and 12,000 shares of restricted stock in October 2015 and April 2017, respectively, to certain management, both to vest over three years. A summary of stock grant activity under our share-based payment plans for the years ended April 30, 2017 and 2016, is presented below:

For the year ended April 30, 2016		
Grants	Shares	Weighted Average Grant Date Value (per share)
Unvested at beginning of year	-	
Issued	42,185	\$ 1.69
Vested	(29,585)	\$ 1.69
Forfeited	-	
Unvested at end of year	12,600	\$ 1.69

For the year ended April 30, 2017	
Grants	Shares

		Weighted Average Grant Date Value (per share)
Unvested at beginning of year	12,600	\$ 1.69
Issued	51,774	\$ 1.86
Vested	(43,974)	\$ 1.75
Forfeited	-	
Unvested at end of year	20,400	\$ 1.98

As of April 30, 2017, there was \$35,326 of unamortized compensation cost related to stock grants, which is expected to be recognized over approximately 2.5 years.

A summary of stock option activity under our share-based payment plans for the years ended April 30, 2017 and 2016 is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Year)	Aggregate Intrinsic Value
Outstanding at April 30, 2015	895,000	\$ 1.08		
Granted	-	-		
Exercised	(190,000)	\$ 1.03		
Forfeited or expired	-	-		
Outstanding at April 30, 2016	705,000	\$ 1.10	6.25	\$ 668,800
Exercisable at April 30, 2016	605,000	\$ 1.08	5.90	\$ 586,800
Outstanding at April 30, 2016	705,000	\$ 1.08		
Granted	-	-		
Exercised	(11,500)	\$ 1.41		
Forfeited or expired	-	-		
Outstanding at April 30, 2017	693,500	\$ 1.10	5.26	\$ 779,300
Exercisable at April 30, 2017	693,500	\$ 1.10	5.26	\$ 779,300
Available for grant at April 30, 2017	591,041			

As of April 30, 2017, there was no unamortized compensation cost related to stock options.

Compensation cost for stock options granted is based on the fair value of each award, measured by applying the Black-Scholes model on the date of grant and using the weighted-average assumptions of (i) expected volatility, (ii) expected term, (iii) expected dividend yield, (iv) risk-free interest rate and (v) forfeiture rate. Expected volatility is based on historical volatility of our stock. The expected term considers the contractual term of the option as well as historical exercise and forfeiture behavior. The risk-free interest rate is based on the rates in effect on the grant date for U.S. Treasury instruments with maturities matching the relevant expected term of the award.

The 2010 Plan

On October 11, 2010, our shareholders approved the 2010 Plan which permits all our eligible employees, including employees of certain of our subsidiaries, to purchase shares of our common stock through payroll deductions at a purchase price not to be less than 90% of the fair market value of the shares on each purchase date. There was a total of 500,000 shares available for issuance under the 2010 Plan. The 2010 Plan had a term of 5 years and expired on January 1, 2016. Therefore, no further stock will be issued under the plan.

Treasury Stock

In July 2016, our board of directors approved a \$2.0 million stock repurchase program to purchase our common stock in the open market or in privately negotiated transactions from time to time, in compliance with Rule 10b-18 of the Securities and Exchange Act of 1934, subject to market conditions, applicable legal requirements, loan covenants and other factors. The repurchase plan does not obligate the Company to acquire any specified number or value of common stock. During the year ended April 30, 2017, the Company repurchased 296,665 shares at a weighted average price per share of \$1.89, costing \$573,474 (including commissions). During the year ended April 30, 2016, we did not repurchase any shares. On July 12, 2017, we purchased 755,644 shares of the Company's common stock for \$2.15 per share from a longtime shareholder of the Company. Concurrent with the July 2017 stock purchase, the board of directors authorized an additional \$2.0 million for future stock purchases, either in the open market or in private transactions.

Note 11. Stock Offering and Warrants

On November 7, 2011, we closed on the sale of 2,625,652 shares of our common stock at a price of \$1.65 per share to certain investors through a registered direct offering for the total proceeds of approximately \$4.3 million, net of offering costs of approximately \$444,000. The proceeds of the offering were used to assist us in the \$5.1 million acquisition of the South Dakota route operations. In addition, for each share of our common stock purchased by an investor, we issued to such investor a warrant to purchase 0.75 shares of our common stock. The warrants had an exercise price of \$2.18 per share and were exercisable for five years from the initial exercise date. During the first week of May 2017, warrants were exercised in cashless transactions and the Company issued 36,689 shares as a result. The remaining warrants expired on May 7, 2017.

Note 12. Commitments and Contingencies

We are party to contracts in the ordinary course of business, including leases for real property and operating leases for equipment.

The expected remaining future annual minimum lease payments as of April 30, 2017 are as follows:

Fiscal Year	Total
2018	\$3,147,882
2019	3,133,416
2020	2,431,304
2021	2,378,132
2022	1,588,148
Thereafter	30,549
	\$12,709,431

Total rent expense for the years ended April 30, 2017 and 2016 was \$3,404,302 and \$3,361,606, respectively.

We indemnified our officers and directors for certain events or occurrences while the director or officer is or was serving at our request in such capacity. The maximum potential amount of future payments we could be required to make under these indemnification obligations is unlimited; however, we have a Directors and Officers Liability Insurance policy that limits our exposure and enables us to recover a portion of any future amounts paid, provided that such insurance policy provides coverage.

Colorado Grande Casino. Through our wholly-owned subsidiary, CGE Assets, Inc. (formerly, Colorado Grande Enterprises, Inc.), we leased a portion of a building in Cripple Creek, Colorado, and an adjacent parking lot, for use in connection with the Colorado Grande Casino and hotel facilities. Although this lease was assigned to G Investments, LLC as a result of the sale of the Colorado Grande Casino on May 25, 2012, we retained contingent liability of the tenant's obligations under this lease through May 24, 2017.

Note 13. Earnings Per Share

The following is presented as a reconciliation of the numerators and denominators of basic and diluted earnings per share computations:

	Fiscal Year Ended	
	April 30, 2017	April 30, 2016
Numerator:		
Basic and diluted:		
Net income	\$563,964	\$1,301,046
Denominator:		
Basic weighted average number of common shares outstanding	17,688,229	17,002,728
Diluted weighted average number of common shares outstanding	17,990,524	17,298,373
Income per share for continuing operations:		
Net income per common share – basic and diluted	\$0.03	\$0.08

Note 14. Segment Reporting

We have three business segments: (i) Washington, (ii) South Dakota, and (iii) Nevada, as well as the Company's corporate location. For the year ended April 30, 2017 and 2016, the Washington segment consists of the Washington mini-casinos, the South Dakota segment consists of our slot route operation in South Dakota, the Nevada segment consists of Club Fortune casino (see Acquisition of Club Fortune Casino footnote) and Corporate includes the vacant land in Colorado and its taxes and maintenance expenses. Corporate also includes corporate-related items, results of insignificant operations, and income and expenses not allocated to other reportable segments.

Summarized financial information for our reportable segments is shown in the following table.

	As of, and for the Year Ended, April 30, 2017					Totals
	Washington	South Dakota	Nevada	Corporate		
Net revenue	\$54,427,258	\$ 6,728,808	\$13,470,883	\$-		\$74,626,949
Casino and food and beverage expense	28,797,652	5,980,534	7,821,261	-		42,599,447
Marketing and administrative and corporate expense	16,680,236	458,629	3,781,238	2,719,003		23,639,106
Facility and other expenses	1,959,091	126,706	331,713	-		2,417,510
Depreciation and amortization	951,960	552,373	1,491,521	25,426		3,021,280
Operating income (loss)	6,031,378	(1,502,353)	(13,645)	(2,744,429)		1,770,951
Assets	28,303,228	1,751,461	17,337,408	5,425,416		52,817,513
Purchase of property and equipment	344,963	37,474	606,672	55,188		1,044,297

	As of, and for the Year Ended, April 30, 2016					Totals
	Washington	South Dakota	Nevada	Corporate		
Net revenue	\$56,741,215	\$ 7,482,666	\$6,010,475	\$-		\$70,234,356
Casino and food and beverage expense	29,275,121	6,509,075	3,309,067	-		39,093,263
Marketing and administrative and corporate expense	16,399,648	465,848	1,749,766	3,258,187		21,873,449
Facility and other expenses	2,010,446	133,718	119,637	-		2,263,801
Depreciation and amortization	1,374,111	618,260	603,935	12,310		2,608,616
Operating income (loss)	7,844,131	(1,088,366)	233,370	(3,620,497)		3,368,638
Assets	29,223,770	3,247,015	17,860,387	7,427,528		57,758,700
Purchase of property and equipment	458,304	152,108	43,667	20,716		674,795

Note 15. Related Party Transactions

The Company paid \$10,200 and \$4,250 during the fiscal years ended April 30, 2017 and 2016, respectively, in accordance with Club Fortune entering into a ground lease agreement with Gaming Ventures Las Vegas, Inc., the previous owner of Club Fortune, which is owned by a shareholder who owns over 5% of the Company. The Company paid \$200,715 and \$85,322 during the fiscal years ended April 30, 2017 and 2016, respectively, in accordance with a consulting agreement with the same shareholder.

We are required to obtain approval from the Audit Committee of the Board of Directors for any related party transactions. The Audit Committee is comprised of independent directors.

Note 16. Acquisition of Club Fortune Casino

On December 1, 2015, the Company completed the acquisition of the Club Fortune casino in Henderson, Nevada pursuant to an Asset Purchase Agreement dated May 22, 2015 between Gaming Ventures of Las Vegas, Inc., as Seller and Nevada Gold & Casinos LV, LLC, a wholly owned subsidiary of the Company, as Buyer. The purchase price for the acquisition, exclusive of working capital, was \$14,159,623 and 1,190,476 shares of common stock of the Company for a total purchase price of \$16,362,004. The acquisition was financed pursuant to an expansion of the Company's existing Credit Agreement with Mutual of Omaha Bank (see Long-Term Debt footnote). We incurred \$0.6 million of acquisition related expenses through April 30, 2016, which are included in corporate expense in our consolidated statement of operations.

The allocation of the purchase price to the estimated fair values of the assets acquired and liabilities assumed was as follows (in millions):

Building	\$5.8
Equipment	3.9
Land	2.1
Land improvements	0.2
Customer relationships	0.8
Tradenname	0.7
Non-compete agreement	0.1
Goodwill	2.8
Working capital ⁽¹⁾	0.8
	\$17.2

(1) Working capital includes \$1.5 million of cash acquired.

The following unaudited pro forma data gives effect to the Club Fortune acquisition as if it had been completed on May 1, 2014. The unaudited pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of what the operating results actually would have been during the periods presented had the acquisition been completed on May 1, 2014. In addition, the unaudited pro forma financial information does not purport to project future operating results. The pro forma information does not reflect any anticipated synergies or the impact of non-recurring items directly related to the Club Fortune acquisition.

	Twelve months ended
	April 30, 2016
Net revenues	\$ 79,084,320
Net income	\$ 1,271,202