

For additional information related to our long-term obligations, refer to the maturities of long-term debt table in Note 9 and the lease liability maturity table in Note 11.

#### *Principal Debt Arrangements*

See Note 9 to the accompanying consolidated financial statements for information regarding our debt agreements as of December 31, 2022.

#### **Critical Accounting Policies and Estimates**

Management's discussion and analysis of our results of operations and liquidity and capital resources are based on our consolidated financial statements. To prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, we must make estimates and assumptions that affect the amounts reported in the consolidated financial statements. We regularly evaluate these estimates and assumptions, particularly in areas we consider to be critical accounting estimates, where the estimates and assumptions involve both a significant level of estimation uncertainty due to the levels of subjectivity and judgment necessary to account for the matters or the susceptibility of such matters to change is high and also have had or are reasonably likely to have a material effect on our financial condition or results of operations. However, by their nature, judgments are subject to an inherent degree of uncertainty and therefore actual results can differ from our estimates.

#### *Loss Reserve for Casino Receivables*

Marker play represents a significant portion of the table games volume at certain of our Las Vegas resorts. Our other casinos do not emphasize marker play to the same extent, although we offer markers to customers at those casinos as well. MGM China extends credit to certain in-house VIP gaming customers. We maintain strict controls over the issuance of markers and aggressively pursue collection from our customers who fail to pay their marker balances timely. These collection efforts are similar to those used by most large corporations when dealing with overdue customer accounts, including the mailing of statements and delinquency notices, personal contacts, the use of outside collection agencies and civil litigation. Markers are generally legally enforceable instruments in the United States and Macau. Markers are not legally enforceable instruments in some foreign countries, but the United States assets of foreign customers may be reached to satisfy judgments entered in the United States. We consider the likelihood and difficulty of enforceability, among other factors, when we issue credit to customers at our domestic resorts who are not residents of the United States. MGM China performs background checks and investigates credit worthiness prior to issuing credit.

We maintain a loss reserve for casino accounts at all of our operating casino resorts. Expected credit losses, an operating expense, increases the loss reserve. We regularly evaluate the loss reserve for casino accounts, which involves judgments and assumptions about realizability, current and expected future economic conditions in various geographies, and business conditions. At domestic resorts where marker play is not significant, the loss reserve is generally established by applying standard reserve percentages to aged account balances, which is supported by ongoing evaluation of relevant historical analysis and any other known information such as the current economic conditions that could drive losses. At domestic resorts where marker play is significant, we apply standard reserve percentages to aged account balances under a specified dollar amount and specifically analyze the collectability of each account with a balance over the specified dollar amount, based on the age of the account, the customer's current and expected future financial condition, collection history, and current and expected future economic conditions. MGM China specifically analyzes the collectability of casino receivables on an individual basis taking into account the age of the account, the financial condition and the collection history of the customer. Approximately \$54 million and \$63 million of casino receivables and \$25 million and \$31 million of the loss reserve for casino receivables relate to MGM China at December 31, 2022 and 2021, respectively.

The following table shows key statistics related to our casino receivables:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(In thousands)</i>	
Casino receivables	\$ 500,986	\$ 380,907
Loss reserve for casino accounts receivable	97,929	117,539
Loss reserve as a percentage of casino accounts receivable	20 %	31 %

The loss reserve as a percentage of casino accounts receivable decreased in the current year primarily due to a decrease in the age of outstanding receivables. Because individual customer account balances can be significant, the loss reserve and credit losses can change significantly between periods, as information about a certain customer becomes