

Washington, D.C. 20549

FORM 10-Q

For the quarterly period ended June 30, 2017

For the transition period from to

Galaxy Gaming, Inc.

(Exact name of small business issuer as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

20-8143439
(IRS Employer
Identification No.)

6767 Spencer Street, Las Vegas, NV 89119
(Address of principal executive offices)

(702) 939-3254

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(Issuer's telephone number)

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

Indicate by check mark whether the issuer (1) 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 issuer 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 issuer 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 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

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 Exchange Act).

Yes No

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period

for complying with any new or revised financial accounting standard provided pursuant to Section 13(a) of the Exchange Act.

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
39,365,591 common shares as of August 4, 2017.

GALAXY GAMING, INC.

QUARTERLY REPORT ON FORM 10-Q FOR THE THREE MONTHS ENDED JUNE 30, 2017

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Our financial statements included in this Form 10-Q are as follows:

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GALAXY GAMING, INC.

CONDENSED BALANCE SHEETS

	June 30, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$2,934,880	\$2,304,761
Restricted cash	93,270	84,577
Accounts receivable, net of allowance for bad debts of \$38,015 and \$31,125, respectively	2,395,061	2,137,245
Inventory, net	466,446	427,105
Prepaid expense and other	233,093	194,747
Total current assets	6,122,750	5,148,435
Property and equipment, net	307,045	356,253
Products leased and held for lease, net	294,496	212,131
Goodwill and other intangible assets, net	12,198,354	12,846,019
Deferred tax assets, net	367,057	367,057
Other assets, net	23,000	82,050
Total assets	\$19,312,702	\$19,011,945
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$505,044	\$461,913
Accrued expenses	1,344,382	1,109,428
Income taxes payable	717,841	786,430
Deferred revenue	1,008,592	1,014,731
Jackpot liabilities	78,125	90,960
Deferred rent, current portion	19,309	14,938
Current portion of long-term debt and capital lease obligations	1,207,629	1,230,285
Total current liabilities	4,880,922	4,708,685
Deferred rent, net	28,050	