

Galaxy Gaming, Inc.
Form 8-K/A
August 04, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of

The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 2, 2017

GALAXY GAMING, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

000-30653 20-8143439
(Commission File Number) (I.R.S. Employer Identification No.)

6767 Spencer Street

Edgar Filing: Galaxy Gaming, Inc. - Form 8-K/A

Las Vegas, Nevada 89119

(Address of principal executive offices)

(702) 939-3254

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

4852-0529-9276.v1

Item 2.02 Results of Operations and Financial Condition

On April 3, 2017, Galaxy Gaming, Inc., (the "Company") filed a Current Report on Form 8-K to provide disclosures required under Item 4.02, Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review, related to the Company's financial statements previously issued for the fiscal year ended December 31, 2015, and for the quarters ended March 31, June 30, and September 30, 2016, due to two accounting errors noted during the preparation of the financial statements for the year ended December 31, 2016. This Amended Current Report on Form 8-K/A is filed to provide updated information about the Company's providing restated financial information as discussed below.

On April 17, 2017, the Company filed its annual report on Form 10-K for the fiscal year ended December 31, 2016, and on May 15, 2017, the Company filed its quarterly report on Form 10-Q for the period ended March 31, 2017, in which the accounting errors were corrected in the comparative 2016 periods. The restatements to reflect the correction of both errors are referred to herein collectively as the "Restatement."

In the original Current Report on Form 8-K, the Company disclosed its intention to amend its previously filed quarterly reports on Form 10-Q for the periods ended June 30 and September 30, 2016. However, after careful consideration, the Company's management and the Board of Directors have determined that amending the quarterly reports for the periods ended June 30 and September 30, 2016, is not necessary because the Company will provide the corrected comparative 2016 financial information in the reports to be filed for the corresponding periods in 2017. Accordingly, the Company will restate the financial statements for the three and six months ended June 30, 2016, in its quarterly report on Form 10-Q for the period ended June 30, 2017, to be filed on or before August 14, 2017. Similarly, the Company will restate the financial statements for the three and nine months ended September 30, 2016, in its quarterly report on Form 10-Q for the period ended September 30, 2017, to be filed on or before November 14, 2017.

Notwithstanding the foregoing, the tables below set forth the amounts as originally reported for the categories presented in the Company's financial statements that were affected by the Restatement, the effect of the Restatement and the restated amounts for the periods presented.

As of and for the quarterly period ended June 30, 2016

| | As originally reported | Impact of restatement | As restated |
|---|---------------------------|--------------------------|-------------|
| Balance Sheet | | | |
| Deferred tax asset - current | \$- | \$ 43,017 | \$ 43,017 |
| Deferred tax asset - net of current portion | - | 393,321 | 393,321 |
| Total assets | 17,140,459 | 436,338 | 17,576,797 |
| Income taxes payable | 519,781 | 156,586 | 676,367 |
| Accrued expenses | 1,158,864 | 26,928 | 1,185,792 |

Edgar Filing: Galaxy Gaming, Inc. - Form 8-K/A

| | | | |
|--|------------|------------|------------|
| Deferred tax liability | 75,358 | (75,358) | - |
| Total current liabilities | 7,925,536 | 108,156 | 8,033,692 |
| (Accumulated deficit) retained earnings | (35,552) | 738,646 | 703,094 |
| Accumulated other comprehensive income | 410,464 | (410,464) | - |
| Total stockholders' equity | 3,428,000 | 328,182 | 3,756,182 |
| Total liabilities and stockholders' equity | 17,140,459 | 436,338 | 17,576,797 |

4852-0529-9276.v1

Edgar Filing: Galaxy Gaming, Inc. - Form 8-K/A

| | Three Months Ended | | | Six Months Ended | | |
|-------------------------------------|------------------------|-----------------------|--------------|------------------------|-----------------------|--------------|
| | June 30,2016 | | | June 30,2016 | | |
| | As originally reported | Impact of restatement | As restated | As originally reported | Impact of restatement | As restated |
| Statements of Income | | | | | | |
| Selling, general and administrative | \$ 1,622,105 | \$ 10,479 | \$ 1,632,584 | \$ 3,274,304 | \$ (8,489) | \$ 3,265,815 |
| Provision for income taxes | (231,057) | (51,273) | (282,330) | (388,020) | (134,335) | (522,355) |
| Foreign currency exchange gain | - | 247,664 | 247,664 | - | 360,226 | 360,226 |
| Net income | 377,527 | 185,912 | 563,439 | 756,894 | 234,380 | 991,274 |

| Statement of Cash Flow | As originally reported | Impact of restatement | As restated |
|---|------------------------|-----------------------|-------------|
| | Net income | \$ 756,894 | \$ 234,380 |
| Deferred income tax provision | 388,020 | (388,020) | - |
| Decrease in accounts receivable | 71,287 | 2,784 | 74,071 |
| Decrease in accounts payable | (241,190) | 556 | (240,634) |
| Increase in income taxes payable | 349,450 | 166,807 | 516,257 |
| Increase in accrued expenses | 327,090 | 7,811 | 334,901 |
| Net cash provided by operating activities | 2,654,343 | 24,318 | 2,678,661 |
| Principal payments on notes payable | (2,488,778) | (24,318) | (2,513,096) |
| Net cash used in financing activities | (2,524,011) | (24,318) | (2,548,329) |

As of and for the quarterly period ended September 30, 2016

| Balance Sheet | As originally reported | Impact of restatement | As restated |
|---|------------------------------|-----------------------|-------------|
| | Deferred tax asset - current | \$ - | \$ 43,017 |
| Deferred tax asset - net of current portion | - | 393,321 | 393,321 |
| Total assets | 18,418,176 | 436,338 | 18,854,514 |
| Income taxes payable | 1,106,600 | (94,623) | 1,011,977 |
| Accrued expenses | 976,834 | 26,928 | 1,003,762 |
| Deferred tax liabilities | 75,358 | (75,358) | - |
| Total current liabilities | 4,606,229 | (143,053) | 4,463,176 |
| Retained earnings | 785,421 | 579,391 | 1,364,812 |
| Total stockholders' equity | 3,879,584 | 579,391 | 4,458,975 |
| Total liabilities and stockholders' equity | 18,418,176 | 436,338 | 18,854,514 |

Edgar Filing: Galaxy Gaming, Inc. - Form 8-K/A

| | Three Months Ended | | | Nine Months Ended | | |
|---------------------------------------|------------------------|-----------------------|-------------|------------------------|-----------------------|-------------|
| | September 30,2016 | | | September 30,2016 | | |
| | As originally reported | Impact of restatement | As restated | As originally reported | Impact of restatement | As restated |
| Statements of Income | | | | | | |
| Selling, general and administrative | \$1,576,480 | \$(22,924) | \$1,553,556 | \$4,850,785 | \$(31,412) | \$4,819,373 |
| Provision for income taxes | (602,619) | 251,207 | (351,412) | (990,639) | 116,871 | (873,768) |
| Foreign currency exchange (loss) gain | - | (5,926) | (5,926) | - | 354,301 | 354,301 |
| Loss on extinguishment of debt | (87,578) | (427,459) | (515,037) | (87,578) | (427,459) | (515,037) |
| Net income | 820,972 | (159,254) | 661,718 | 1,577,867 | 75,125 | 1,652,992 |

| | As originally reported | Impact of restatement | As restated |
|---|------------------------|-----------------------|-------------|
| Statement of Cash Flow | | | |
| Net income | \$1,577,867 | \$75,125 | \$1,652,992 |
| Loss on extinguishment of debt | 87,578 | 427,459 | 515,037 |
| Deferred income tax provision | 54,370 | (54,370) | - |
| Increase in accounts receivable | (107,969) | (705) | (108,674) |
| Decrease in other current assets | 43,017 | (43,017) | - |
| Decrease in prepaid expenses and other current assets | 6,608 | 2,314 | 8,922 |
| Decrease in accounts payable | (858,954) | 550 | (858,404) |
| Increase in income taxes payable | 936,269 | (81,901) | 854,368 |
| Increase in accrued expenses | 141,841 | 11,030 | 152,871 |
| Net cash provided by operating activities | 3,321,274 | 336,485 | 3,657,759 |
| Principal payments on long-term debt | (2,873,437) | (336,485) | (3,209,922) |
| Net cash used in financing activities | (1,993,009) | (336,485) | (2,329,494) |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 4, 2017

GALAXY GAMING, INC.

By: /s/ Harry C. Hagerty
Harry C. Hagerty
Chief Financial Officer

4852-0529-9276.v1