UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 31, 2011

OR

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

For the transition period from to

Commission File Number 001-31558

BALLY TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

NEVADA	**88-0104066**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6601 S. Bermuda Rd.

Las Vegas, Nevada 89119

(Address of principal executive offices)

(702) 584-7700

(Registrant s telephone number, including area code)

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. x Yes o 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). x Yes o 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. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer x	Accelerated Filer o
Non-Accelerated Filer o (do not check if a smaller reporting company)	Smaller Reporting Company o

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

The number of shares of Common Stock, $0.10 par value, outstanding as of February 2, 2012, was 43,587,000 which do not include 18,545,000 shares held in treasury.

Table of Contents

TABLE OF CONTENTS

Table of Contents

PART I

ITEM 1. FINANCIAL STATEMENTS

BALLY TECHNOLOGIES, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2011	June 30, 2011
	(in 000s, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 44,922	$ 66,425
Restricted cash	9,768	8,419
Accounts and notes receivable, net of allowances for doubtful accounts of $13,293 and $11,059	231,121	235,246
Inventories	69,830	68,634
Prepaid and refundable income tax	13,258	36,332
Deferred income tax assets	29,043	29,318
Deferred cost of revenue	13,512	13,795
Prepaid assets	13,576	10,524
Other current assets	5,880	4,984
Total current assets	430,910	473,677
Restricted long-term investments	12,982	12,485
Long-term accounts and notes receivables, net of allowances for doubtful accounts of $1,267 and $507	51,729	46,659
Property, plant and equipment, net of accumulated depreciation of $54,843 and $51,570	30,532	33,266
Leased gaming equipment, net of accumulated depreciation of $186,375 and $176,137	115,375	96,691
Goodwill	168,609	162,110
Intangible assets, net	35,798	34,865
Deferred income tax assets	14,061	12,120
Income tax receivable	11,897	10,972
Deferred cost of revenue	20,334	23,193
Other assets, net	22,425	21,356
Total assets	$ 914,652	$ 927,394
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	$ 30,500	$ 38,411
Accrued and other liabilities	54,934	58,295
Customer deposits	9,130	4,930
Jackpot liabilities	9,832	11,894
Deferred revenue	35,192	28,900
Income tax payable	1,785	3,033
Current maturities of long-term debt	15,141	15,153
Total current liabilities	156,514	160,616
Long-term debt, net of current maturities	472,750	500,250
Deferred revenue	34,383	34,788
Other income tax liability	10,688	9,321

Other liabilities		17,110		7,827
Total liabilities		691,445		712,802
Commitments and contingencies (Note 8)				
Stockholders equity:				
Special stock, 10,000,000 shares authorized: Series E, $100 liquidation value; 115 shares issued and outstanding		12		12
Common stock, $.10 par value; 100,000,000 shares authorized; 61,925,000 and 61,541,000 shares issued and 43,380,000 and 44,397,000 outstanding		6,186		6,149
Treasury stock at cost, 18,545,000 and 17,144,000 shares		(676,030)		(634,268)
Additional paid-in capital		454,666		442,713
Accumulated other comprehensive loss		(11,666)		(3,064)
Retained earnings		448,407		401,363
Total Bally Technologies, Inc. stockholders equity		221,575		212,905
Noncontrolling interests		1,632		1,687
Total stockholders equity		223,207		214,592
Total liabilities and stockholders equity	$	914,652	$	927,394

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents

BALLY TECHNOLOGIES, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended December 31,				Six Months Ended December 31,			
	2011		2010		2011		2010	
	(in 000s, except per share amounts)							
Revenues:								
Gaming equipment and systems	$	124,217	$	105,639	$	234,230	$	197,227
Gaming operations		86,240		77,087		171,194		156,307
		210,457		182,726		405,424		353,534
Costs and expenses:								
Cost of gaming equipment and systems (1)		54,073		43,030		101,174		79,987
Cost of gaming operations		23,858		22,692		48,090		44,914
Selling, general and administrative		61,304		55,185		118,526		106,799
Research and development costs		22,377		21,360		45,763		42,744
Depreciation and amortization		5,806		4,744		11,441		9,371
		167,418		147,011		324,994		283,815
Operating income		43,039		35,715		80,430		69,719
Other income (expense):								
Interest income		1,146		1,221		2,470		2,340
Interest expense		(4,485)		(2,997)		(9,082)		(6,030)
Other, net		(728)		(323)		(2,584)		1,524
Income from continuing operations before income taxes		38,972		33,616		71,234		67,553
Income tax expense		(14,688)		(6,347)		(26,541)		(18,632)
Income from continuing operations		24,284		27,269		44,693		48,921
Loss on sale of discontinued operations, net of tax								(403)
Net income		24,284		27,269		44,693		48,518
Less net income (loss) attributable to noncontrolling interests		16		17		33		(523)
Net income attributable to Bally Technologies, Inc.	$	24,268	$	27,252	$	44,660	$	49,041
Basic earnings per share attributable to Bally Technologies, Inc.:								
Income from continuing operations	$	0.57	$	0.51	$	1.03	$	0.93
Loss on sale of discontinued operations								(0.01)
Basic earnings per share	$	0.57	$	0.51	$	1.03	$	0.92
Diluted earnings per share attributable to Bally Technologies, Inc.:								
Income from continuing operations	$	0.54	$	0.49	$	0.99	$	0.89
Loss on sale of discontinued operations								(0.01)
Diluted earnings per share	$	0.54	$	0.49	$	0.99	$	0.88
Weighted average shares outstanding:								
Basic		42,870		53,291		43,296		53,485
Diluted		44,771		55,943		45,176		55,990
Amounts attributable to Bally Technologies, Inc.:								
Income from continuing operations, net of tax	$	24,268	$	27,252	$	44,660	$	49,444
								(403)

Loss on sale of discontinued operations, net of tax								
Net income	$	24,268	$	27,252	$	44,660	$	49,041

(1) Cost of gaming equipment and systems exclude amortization related to certain intangibles, including core technology and license rights, which are included in depreciation and amortization.

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents

BALLY TECHNOLOGIES, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended December 31,		Six Months Ended December 31,	
	2011	2010	2011	2010
	(in 000s, except per share amounts)			
Net income	$ 24,284	$ 27,269	$ 44,693	$ 48,518
Other comprehensive income (loss):				
Foreign currency translation adjustment before income taxes	(1,174)	(277)	(3,184)	895
Income tax expense				
Foreign currency translation adjustment	(1,174)	(277)	(3,184)	895
Unrealized gain (loss) on derivative financial instruments before income taxes	(163)	685	(8,335)	38
Income tax (expense) benefit	57	(240)	2,917	(13)
Unrealized gain (loss) on derivative financial instruments	(106)	445	(5,418)	25
Total other comprehensive income (loss), net of income taxes	(1,280)	168	(8,602)	920
Comprehensive income	23,004	27,437	36,091	49,438
Less: comprehensive income (loss) attributable to noncontrolling interests	16	17	33	(523)
Comprehensive income attributable to Bally Technologies, Inc.	$ 22,988	$ 27,420	$ 36,058	$ 49,961

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents

BALLY TECHNOLOGIES, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

FOR THE SIX MONTHS ENDED DECEMBER 31, 2011 AND 2010

	Common Stock Shares	Common Stock Dollars	Series E Special Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss) (OCI)	Retained Earnings	Noncontrolling Interests	Total Stockholders Equity
					(in 000s)				
Balances at June 30, 2010	59,495	$ 5,943	$ 12	$ (157,053)	$ 392,853	$ (3,044)	$ 303,100	$ 2,381	$ 544,192
Net income from continuing operations, net of tax							49,444	(523)	48,921
Loss on sale of discontinued operations, net of tax							(403)		(403)
Foreign currency translation adjustment						895			895
Unrealized gain on derivative financial instruments, net of tax						25			25
Total comprehensive income									$ 49,438
Distributions to noncontrolling interests								(148)	(148)
Issuance and receipt of restricted stock, ESPP shares, stock options and related tax and tax benefit	368	32		(1,721)	5,072				3,383
Purchase of common stock for treasury				(40,584)					(40,584)
Share-based compensation					6,646				6,646
Balances at December 31, 2010	59,863	$ 5,975	$ 12	$ (199,358)	$ 404,571	$ (2,124)	$ 352,141	$ 1,710	$ 562,927
Balances at June 30, 2011	61,541	$ 6,149	$ 12	$ (634,268)	$ 442,713	$ (3,064)	$ 401,363	$ 1,687	$ 214,592
Net income from continuing operations, net of tax							44,660	33	44,693
Foreign currency translation adjustment						(3,184)			(3,184)
Unrealized loss on derivative financial instruments, net of tax						(5,418)			(5,418)
Total comprehensive income									$ 36,091
								(88)	(88)

Distributions to noncontrolling interests									
Cumulative effect of adoption of ASU 2010-16 for change in jackpot accounting							2,384		2,384
Issuance and receipt of restricted stock, ESPP shares, stock options and related tax and tax benefit	384	37		(831)	4,671				3,877
Purchase of common stock for treasury				(40,931)					(40,931)
Share-based compensation					7,282				7,282
Balances at December 31, 2011	61,925	$ 6,186	$ 12	$ (676,030)	$ 454,666	$ (11,666)	$ 448,407	$ 1,632	$ 223,207

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents

BALLY TECHNOLOGIES, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended December 31, 2011	2010
	(in 000s)	
Cash flows from operating activities:		
Net income	$ 44,693	$ 48,518
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on sale of discontinued operations, net of tax		403
Depreciation and amortization	41,193	36,605
Share-based compensation	7,282	6,646
Amortization of deferred debt issuance costs	880	1,947
Income tax (benefit) expense	1,212	2,723
Provision for doubtful accounts	5,211	1,694
Inventory write-downs	2,573	1,498
Excess tax benefit of stock option exercises	(692)	(1,268)
Other	(559)	(211)
Change in operating assets and liabilities:		
Accounts and notes receivable	(5,393)	(6,287)
Inventories	(52,738)	(46,817)
Prepaid and refundable income tax and income tax payable	21,588	(8,641)
Other current assets	(4,956)	(3,225)
Accounts payable	(7,844)	3,290
Accrued liabilities, customer deposits and jackpot liabilities	280	(4,916)
Deferred revenue and deferred cost of revenue	9,126	(2,921)
Net cash provided by operating activities	61,856	29,038
Cash flows from investing activities:		
Acquisition	(6,000)	
Capital expenditures	(3,881)	(5,222)
Restricted cash and investments	(1,846)	1,347
Financing arrangements with customers		(9,940)
Additions to other long-term assets	(4,777)	(4,360)
Net cash used in investing activities	(16,504)	(18,175)
Cash flows from financing activities:		
Proceeds from revolving credit facility		19,880
Payments on revolving credit facility	(20,000)	
Capitalized debt issuance costs		(158)
Reduction of long-term debt	(7,520)	(20,016)
Distributions to noncontrolling interests	(88)	(148)
Purchase of treasury stock	(41,762)	(42,305)
Excess tax benefit of stock option exercises	692	1,268
Proceeds from exercise of stock options and employee stock purchases	4,094	4,077
Net cash used in financing activities	(64,584)	(37,402)
Effect of exchange rate changes on cash	(2,271)	1,428
Net cash used in operating activities of discontinued operations		(403)
		(403)
Cash and cash equivalents:		

Decrease for period		(21,503)		(25,514)
Balance, beginning of period		66,425		145,089
Balance, end of period	$	44,922	$	119,575

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents

BALLY TECHNOLOGIES, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED SUPPLEMENTAL CASH FLOW INFORMATION

The following supplemental information is related to the unaudited condensed consolidated statements of cash flows:

	Six Months Ended December 31, 2011	2010
	(in 000s)	
Cash paid for interest	$ 8,807	$ 6,030
Cash paid for income taxes, net of refunds	14,666	22,673
Non-cash investing and financing transactions:		
Transfer of inventory to leased gaming equipment (1)	$ 58,200	$ 43,897
Reclassify property, plant and equipment to inventory (1)	7,705	8,138
Liabilities assumed in acquisition	2,830	

(1) As a result of the inability to separately identify the cash flows associated with the construction of leased gaming equipment, the Company has included all additions to leased gaming equipment as an increase in inventory under cash used in operating activities in the unaudited condensed consolidated statement of cash flows. In addition, cash generated from the sale of used gaming equipment classified as leased gaming equipment is also included in cash provided by operating activities in the unaudited condensed consolidated statement of cash flows. The Company has one process to procure raw materials for the assembly of both inventory and leased gaming equipment. The materials requisition planning process considers the number of devices the Company expects to build for sale and for use in its gaming operations division during a particular period, but it does not separately earmark purchases for leased gaming equipment. Without such an earmarking process, the Company is unable to determine whether the parts used to construct leased gaming equipment during a particular period came from inventory on hand at the beginning of the period or was constructed from inventory procured during the period of deployment, thus requiring the expenditure of cash.

Table of Contents

BALLY TECHNOLOGIES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bally Technologies, Inc. (Bally or the Company), a Nevada corporation, is a diversified, worldwide gaming company that innovates, designs, manufactures, operates and distributes advanced technology-based gaming devices, systems and server-based solutions, as well as interactive and mobile solutions. As a global gaming-systems provider, the Company offers technology solutions which provide gaming operators with a wide range of marketing, data management and analysis, accounting, player tracking, security and other software applications and tools to more effectively manage their operations. The Company s primary hardware technologies include spinning-reel and video gaming devices, specialty gaming devices and wide-area progressive systems for traditional land-based, riverboat and Native American casinos, video lottery and central determination markets and specialized system-based hardware products. In addition to selling its gaming devices, the Company also offers its customers a wide range of rental options.

Principles of presentation and consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim financial information and, pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC), include all adjustments necessary to fairly present the Company s consolidated financial position, results of operations and cash flows for each period presented. All adjustments are of a normal, recurring nature. Certain information and note disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to those rules and regulations. The results of operations for an interim period are not necessarily indicative of the results that may be expected for any other interim period or the year as a whole. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto in the Company s Annual Report on Form 10-K for the fiscal year ended June 30, 2011. References to specific U.S. GAAP within this report cite topics within the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

All intercompany accounts and transactions have been eliminated in consolidation.

Discontinued Operations

The Company was the general partner of Rainbow Casino Vicksburg Partnership (RCVP), which operated the Rainbow Casino, a dockside riverboat casino in Vicksburg, Mississippi. On April 5, 2010, the Company entered into a definitive purchase agreement to sell the Rainbow Casino which closed on June 8, 2010. Per the terms of the sale agreement, the Company had certain post-closing adjustments during fiscal 2011 which reduced its gain on the sale of the Rainbow Casino by approximately $0.4 million, net of income taxes.

Use of estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The carrying amounts reflected in the accompanying unaudited condensed consolidated balance sheets for cash equivalents, accounts and notes receivable, investment securities to fund jackpot liabilities, accounts payable, jackpot liabilities and long-term debt approximate their respective fair values.

All financial assets and liabilities are recognized or disclosed at fair value using a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. A financial instrument s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. There are three levels of inputs that may be used to measure fair value:

- Level 1: quoted prices in active markets for identical assets or liabilities;

Table of Contents

- Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

- Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company transacts business in various foreign currencies and has international sales and expenses denominated in foreign currencies, subjecting the Company to foreign currency risk. The Company may enter into foreign currency forward contracts, generally with maturities of twelve months or less, to hedge recognized foreign currency assets and liabilities to reduce the risk that earnings and cash flows will be adversely affected by changes in foreign currency exchange rates. The gains or losses resulting from changes in the fair value of these forward contracts, which are not designated as accounting hedges, are reported in other income (expense) in the unaudited condensed consolidated statements of operations, and generally offset the gains and losses associated with the underlying foreign-currency-denominated balances, which are also reported in other income (expense). As of December 31, 2011, total outstanding forward contracts consisted of three sell EUR forwards and one sell ZAR forward for a total value of $34.6 million, or the notional equivalent of 25 million and 18 million ZAR, respectively.

The Company may use interest rate derivatives to manage the interest expense generated by variable rate debt and foreign currency derivatives to manage foreign exchange risk. The Company s derivative financial instruments are measured at fair value on a recurring basis, and the balances were as follows:

	Level 1	Fair Value Measurements Using Input Type Level 2 (in 000s)	Level 3
As of December 31, 2011:			
Assets:			
Other current assets:			
Foreign currency derivative financial instrument	$	$ 2,930	$
Liabilities:			
Accrued and other liabilities:			
Foreign currency derivative financial instrument	$	$ 14	$
Interest rate derivative financial instruments	$	$ 4,350	$
Other liabilities:			
Interest rate derivative financial instrument	$	$ 7,888	$
As of June 30, 2011:			
Assets:			
Other assets, net:			
Foreign currency derivative financial instrument	$	$ 452	$
Interest rate derivative financial instruments	$	$ 1,231	$
Liabilities:			
Accrued and other liabilities:			
Foreign currency derivative financial instrument	$	$ 586	$
Interest rate derivative financial instruments	$	$ 5,133	$

The valuation techniques used to measure the fair value of the derivative financial instruments above in which the counterparties have high credit ratings, were derived from pricing models, such as discounted cash flow techniques, with all significant inputs derived from or corroborated by observable market data. The Company s discounted cash flow techniques use observable market inputs, such as LIBOR-based yield curves and foreign currency forward rates. See Note 4 to unaudited condensed consolidated financial statements, *Long-Term Debt*.

Table of Contents

Accounting for Derivative Instruments and Hedging Activity

The Company assesses, both at the inception of each designated hedge and on an on-going basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of the hedged items. Such highly effective derivatives are granted hedge accounting treatment. The interest rate derivative instruments meet these requirements and are accounted for as cash flow hedges.

The impact of the cash flow hedge and non-designated foreign currency derivatives on the unaudited condensed consolidated financial statements is depicted below:

Fiscal year 2012

Derivative in Cash Flow Hedging Relationship	Amount of Loss Recognized in OCI on Derivative (Effective Portion) Three Months Ended December 31, 2011	Six Months Ended December 31, 2011	Location of Loss Reclassified from Accumulated OCI into Income (Effective Portion) (in 000s)	Amount of Loss Reclassified from Accumulated OCI into Income (Effective Portion) Three Months Ended December 31, 2011	Six Months Ended December 31, 2011
Interest rate swap agreement	$ (1,440)	$ (10,961)	Interest expense	$ (1,276)	$ (2,625)

Fiscal year 2011

Derivative in Cash Flow Hedging Relationship	Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion) Three Months Ended December 31, 2010	Six Months Ended December 31, 2010	Location of Loss Reclassified from Accumulated OCI into Income (Effective Portion) (in 000s)	Amount of Loss Reclassified from Accumulated OCI into Income (Effective Portion) Three Months Ended December 31, 2010	Six Months Ended December 31, 2010
Interest rate swap agreement	$ 9	$ (1,240)	Interest expense	$ (675)	$ (1,277)

	Amount of Gain Recognized in Other Income (Expense)			
Non-Designated Derivative	Three Months Ended December 31, 2011	Six Months Ended December 31, 2011	Three Months Ended December 31, 2010	Six Months Ended December 31, 2010

Foreign Currency Forward Contract	$	1,361	$	2,915	$		$	

Accounts and Notes Receivable, Allowance for Doubtful Accounts and Credit Quality of Financing Receivables

Accounts and notes receivable are stated at face value less an allowance for doubtful accounts. The Company generally grants customers credit terms for periods of 30 to 120 days, but may also grant extended payment terms to some customers for periods up to three years, with interest generally at market rates.

Trade receivables with contract terms greater than one year relate to the sale of gaming equipment and systems transactions, and are generally collateralized by the related equipment sold, although the value of such equipment, if repossessed, may be less than the receivable balance outstanding. Sales-type leasing arrangements relate to gaming equipment and include options to purchase the equipment at the end of the lease term at established prices. Customers with sales-type leasing arrangements typically have a long-standing credit history with the Company. Revenue from these lease arrangements is not significant.

The Company has also provided development financing to certain customers in the form of notes receivable with repayment terms of three to ten years. These notes may also include accelerated payment terms based upon a percentage of net-win from gaming devices sold or leased to these customers.

The Company has one portfolio segment, the casino industry customer, and four classes of receivables including its trade receivables with a contract term less than one year, trade receivables with a contract term greater than one year, sales-type leasing arrangements, and notes receivable, which are for developmental financing loans.

Table of Contents

The Company s accounts and notes receivable were as follows:

	Accounts and Notes Receivable as of December 31, 2011			Accounts and Notes Receivable as of June 30, 2011		
	Ending Balance	Ending Balance Individually Evaluated for Impairment	Ending Balance Collectively Evaluated for Impairment	Ending Balance	Ending Balance Individually Evaluated for Impairment	Ending Balance Collectively Evaluated for Impairment
	(in 000s)					
Contract term less than one year:						
Trade and other receivables, current	$ 145,806	$ 4,811	$ 140,995	$ 162,202	$ 2,064	$ 160,138
Contract term greater than one year:						
Trade receivables, current	81,447	20,163	61,284	72,237	3,973	68,264
Trade receivables, noncurrent	24,350	978	23,372	15,111	213	14,898
	105,797	21,141	84,656	87,348	4,186	83,162
Lease receivables, current	12,913	12,913		10,245	10,245	
Lease receivables, noncurrent	14,155	14,155		13,490	13,490	
	27,068	27,068		23,735	23,735	
Notes receivable, current	4,248	4,248		1,621	1,621	
Notes receivable, noncurrent	14,491	14,491		18,565	18,565	
	18,739	18,739		20,186	20,186	
Total current	244,414	42,135	202,279	246,305	17,903	228,402
Total noncurrent	52,996	29,624	23,372	47,166	32,268	14,898
Total	$ 297,410	$ 71,759	$ 225,651	$ 293,471	$ 50,171	$ 243,300

The activity related to the allowance for doubtful accounts is summarized below:

	Allowance for Doubtful Accounts						
	Beginning Balance as of June 30, 2011	Charge-offs	Recoveries	Provision	Ending Balance as of December 31, 2011	Ending Balance Individually Evaluated for Impairment	Ending Balance Collectively Evaluated for Impairment
	(in 000s)						
Contract term less than one year:							
Trade and other receivables, current	$ (5,875)	$ 585	$ 229	$ (963)	$ (6,024)	$ (2,660)	$ (3,364)
Contract term greater than one							

year:							
Trade receivables, current	(5,184)	336	26	(2,447)	(7,269)	(4,530)	(2,739)
Trade receivables, noncurrent	(507)	1,041		(1,801)	(1,267)	(509)	(758)
	(5,691)	1,377	26	(4,248)	(8,536)	(5,039)	(3,497)
Lease receivables, current							
Lease receivables, noncurrent							