



Grant Thornton

Financial Statements and Report of Independent Certified  
Public Accountants

**Bradley Center Sports and Entertainment Corporation**

June 30, 2008 and 2007

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Report of Independent Certified Public Accountants

Board of Directors  
Bradley Center Sports and Entertainment Corporation

We have audited the accompanying statements of financial position of Bradley Center Sports and Entertainment Corporation (the "Corporation," a Wisconsin non-stock, not-for-profit corporation) as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes 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 Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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 a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bradley Center Sports and Entertainment Corporation as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

GRANT THORNTON LLP  
Milwaukee, Wisconsin  
November 14, 2008

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**

As of June 30,

ASSETS	2008			2007		
	Current Operations	Plant	Total	Current Operations	Plant	Total
<b>CURRENT ASSETS:</b>						
Cash and cash equivalents	\$ 3,814,272	\$ -	\$ 3,814,272	\$ 4,287,820	\$ -	\$ 4,287,820
Cash deposits held for others	1,073,337	-	1,073,337	1,136,183	-	1,136,183
Total cash and cash equivalents	4,887,609	-	4,887,609	5,424,003	-	5,424,003
Accounts and interest receivable, net	423,283	-	423,283	142,529	-	142,529
Prepaid expenses and other assets	207,163	-	207,163	153,618	-	153,618
Total current assets	5,518,055	-	5,518,055	5,720,150	-	5,720,150
<b>PROPERTY AND EQUIPMENT - AT COST:</b>						
Land	-	10,370,340	10,370,340	-	10,365,016	10,365,016
Buildings and improvements	-	72,735,550	72,735,550	-	72,177,657	72,177,657
Machinery and equipment	-	26,826,062	26,826,062	-	26,036,622	26,036,622
Construction in progress	-	138,467	138,467	-	13,665	13,665
	-	110,070,419	110,070,419	-	108,592,960	108,592,960
Less accumulated depreciation	-	(66,900,005)	(66,900,005)	-	(64,152,088)	(64,152,088)
Property and equipment, net	-	43,170,414	43,170,414	-	44,440,872	44,440,872
Assets designated for future property and equipment replacement	-	3,506,882	3,506,882	-	3,613,417	3,613,417
Total assets	\$ 5,518,055	\$ 46,677,296	\$ 52,195,351	\$ 5,720,150	\$ 48,054,289	\$ 53,774,439
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts and deposits payable	\$ 1,853,946	\$ -	\$ 1,853,946	\$ 1,645,234	\$ -	\$ 1,645,234
Other accrued liabilities	1,747,557	-	1,747,557	2,076,107	-	2,076,107
Deferred suite and other revenues	346,612	-	346,612	474,613	-	474,613
Current maturities of long-term debt - Bank	333,633	-	333,633	309,775	-	309,775
Current maturities of long-term debt - Other	360,075	-	360,075	229,206	-	229,206
Total current liabilities	4,641,823	-	4,641,823	4,734,935	-	4,734,935
<b>LONG-TERM LIABILITIES:</b>						
Long-term debt - Bank	7,740,911	-	7,740,911	8,074,434	-	8,074,434
Long-term debt - Other	804,137	-	804,137	934,522	-	934,522
Other liabilities	5,500,000	-	5,500,000	4,400,000	-	4,400,000
Total liabilities	18,686,871	-	18,686,871	18,143,891	-	18,143,891
<b>NET ASSETS:</b>						
Unrestricted						
Undesignated	(13,168,816)	43,170,414	30,001,598	(12,423,741)	44,440,872	32,017,131
Designated plant	-	3,506,882	3,506,882	-	3,613,417	3,613,417
Total net (deficit) assets	(13,168,816)	46,677,296	33,508,480	(12,423,741)	48,054,289	35,630,548
Total liabilities and net assets	\$ 5,518,055	\$ 46,677,296	\$ 52,195,351	\$ 5,720,150	\$ 48,054,289	\$ 53,774,439

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

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**STATEMENTS OF ACTIVITIES**  
Years Ended June 30,

	2008			2007		
	Current Operations	Plant	Total	Current Operations	Plant	Total
<b>OPERATING:</b>						
Changes in unrestricted net assets						
Revenues, gains and other						
Gross products and services	\$ 11,567,488	\$ -	\$ 11,567,488	\$ 10,886,757	\$ -	\$ 10,886,757
Tenant shared revenue	(4,889,435)	-	(4,889,435)	(4,879,297)	-	(4,879,297)
Net products and services	6,678,053	-	6,678,053	6,007,460	-	6,007,460
Tenant leases	2,121,067	-	2,121,067	1,867,616	-	1,867,616
Parking	1,573,802	-	1,573,802	1,510,992	-	1,510,992
Income on investments	244,580	-	244,580	243,628	-	243,628
Ticket service charges	2,265,738	-	2,265,738	1,141,439	-	1,141,439
Expense recovery	1,153,569	-	1,153,569	993,397	-	993,397
Other	1,049,100	-	1,049,100	490,574	-	490,574
Total revenues, gains and other	15,085,909	-	15,085,909	12,255,106	-	12,255,106
Expenses						
Salaries, wages and benefits	5,544,567	-	5,544,567	5,113,902	-	5,113,902
Direct product costs	3,470,352	-	3,470,352	3,384,887	-	3,384,887
Depreciation	2,892,197	-	2,892,197	2,678,088	-	2,678,088
Contracted services, maintenance and supplies	1,989,350	-	1,989,350	1,800,301	-	1,800,301
Professional fees and other administrative	1,204,654	-	1,204,654	1,208,552	-	1,208,552
Utilities, insurance and property taxes	1,313,495	-	1,313,495	1,286,039	-	1,286,039
Interest	943,326	-	943,326	639,474	-	639,474
Total expenses	17,357,941	-	17,357,941	16,111,243	-	16,111,243
Decrease in unrestricted net assets from operations	(2,272,032)	-	(2,272,032)	(3,856,137)	-	(3,856,137)
<b>NONOPERATING:</b>						
Income on assets designated for future property and equipment replacements						
Interest and dividend income	-	149,127	149,127	-	53,715	53,715
Realized gains and losses, net	-	1,714	1,714	-	185,313	185,313
Total investment income	-	150,841	150,841	-	239,028	239,028
Trustee fees	-	(877)	(877)	-	(1,940)	(1,940)
Transfer of depreciation expense	2,892,197	(2,892,197)	-	2,678,088	(2,678,088)	-
Transfer of net additions to property and equipment	(1,621,739)	1,621,739	-	(2,918,782)	2,918,782	-
Other transfers, net	256,499	(256,499)	-	1,417,500	(1,417,500)	-
Change in nonoperating net (deficit) assets	1,526,957	(1,376,993)	149,964	1,176,806	(939,718)	237,088
Total change in net (deficit) assets	(745,075)	(1,376,993)	(2,122,068)	(2,679,331)	(939,718)	(3,619,049)
Net (deficit) assets at beginning of year	(12,423,741)	48,054,289	35,630,548	(9,744,410)	48,994,007	39,249,597
Net (deficit) assets at end of year	\$ (13,168,816)	\$ 46,677,296	\$ 33,508,480	\$ (12,423,741)	\$ 48,054,289	\$ 35,630,548

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

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**

**STATEMENTS OF CASH FLOWS**

Years Ended June 30,

	2008			2007		
	Current Operations	Plant	Total	Current Operations	Plant	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Change in net deficit	\$ (745,075)	\$ (1,376,993)	\$ (2,122,068)	\$ (2,679,331)	\$ (939,718)	\$ (3,619,049)
Adjustments to reconcile change in net deficit to net cash from operating activities:						
Depreciation	-	2,892,197	2,892,197	-	2,678,088	2,678,088
Changes in operating assets and liabilities:						
Accounts and interest receivable	(280,754)	-	(280,754)	3,221	-	3,221
Prepaid expenses and other current assets	(53,545)	-	(53,545)	(6,921)	-	(6,921)
Inventories	-	-	-	1,644	-	1,644
Accounts and deposits payable	208,712	-	208,712	(1,403,837)	-	(1,403,837)
Other accrued liabilities	(328,550)	-	(328,550)	(1,743,337)	-	(1,743,337)
Deferred suite and other revenues	(128,001)	-	(128,001)	218,004	-	218,004
Other liabilities	1,100,000	-	1,100,000	1,100,000	-	1,100,000
Net cash (used in) provided by operating activities	<u>(227,213)</u>	<u>1,515,204</u>	<u>1,287,991</u>	<u>(4,510,557)</u>	<u>1,738,370</u>	<u>(2,772,187)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Net additions to property and equipment	-	(1,621,739)	(1,621,739)	-	(2,918,782)	(2,918,782)
Decrease in assets designated for future property and equipment replacement	-	106,535	106,535	-	1,180,412	1,180,412
Net cash used in investing activities	<u>-</u>	<u>(1,515,204)</u>	<u>(1,515,204)</u>	<u>-</u>	<u>(1,738,370)</u>	<u>(1,738,370)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>						
Proceeds from long-term debt - Bank	-	-	-	3,500,000	-	3,500,000
Proceeds from long-term debt - Other	307,178	-	307,178	125,000	-	125,000
Payments on long-term debt - Bank	(309,665)	-	(309,665)	(234,346)	-	(234,346)
Payments on long-term debt - Other	(306,694)	-	(306,694)	(256,925)	-	(256,925)
Net cash (used in) provided by financing activities	<u>(309,181)</u>	<u>-</u>	<u>(309,181)</u>	<u>3,133,729</u>	<u>-</u>	<u>3,133,729</u>
Net decrease in cash and cash equivalents	(536,394)	-	(536,394)	(1,376,828)	-	(1,376,828)
Cash and cash equivalents at beginning of year	5,424,003	-	5,424,003	6,800,831	-	6,800,831
Cash and cash equivalents at end of year	<u>\$ 4,887,609</u>	<u>\$ -</u>	<u>\$ 4,887,609</u>	<u>\$ 5,424,003</u>	<u>\$ -</u>	<u>\$ 5,424,003</u>
Supplemental data:						
Cash paid for interest	<u>\$ 943,326</u>	<u>\$ -</u>	<u>\$ 943,326</u>	<u>\$ 639,474</u>	<u>\$ -</u>	<u>\$ 639,474</u>

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

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2008 and 2007

**NOTE A - NATURE OF THE CORPORATION**

Bradley Center Corporation (“BCC”) was incorporated on March 13, 1985, as a Wisconsin non-stock, not-for-profit corporation. BCC had been formed for the purpose of constructing and operating the Bradley Center (the “Center”), a recreational and sports facility in Milwaukee, Wisconsin. The Center was opened and began operations October 1, 1988. All funding of the construction costs of the Center, a memorial to the late Harry L. Bradley, was provided by the late Mr. and Mrs. Lloyd H. Pettit.

The BCC had received a determination letter from the Internal Revenue Service (“IRS”) which exempted BCC from federal income taxes under Section 501(c)(3), of the Internal Revenue Code. BCC was also exempted from state income taxes.

In conjunction with obtaining its tax-exempt status, BCC represented that it would use its best efforts to transfer ownership of the Center to the State of Wisconsin (“State”), or a political subdivision or instrumentality of the State. The transfer of ownership of the Center to the Bradley Center Sports and Entertainment Corporation (“Corporation”), an entity established via State legislation, occurred effective June 30, 1993. BCC received a ruling from the IRS that the transfer of ownership would not adversely impact its tax-exempt status. The Corporation is exempt from taxes as an instrumentality of the State.

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed by the Corporation are described below to enhance the usefulness of the financial statements for the reader.

**1. Basis of Accounting**

The financial statements of the Corporation have been prepared on the accrual basis of accounting.

**2. Basis of Presentation**

The Corporation prepares the financial statements in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 117, “Financial Statements of Not-for-Profit Organizations.” Under this provision, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2008 and 2007

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued**

**2. Basis of Presentation - continued**

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that will be met by actions of the Corporation and/or the passage of time. As of June 30, 2008 and 2007, the Corporation had no temporarily restricted net assets.

Permanently Restricted Net Assets

Net assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Corporation's actions. As of June 30, 2008 and 2007, the Corporation had no permanently restricted net assets.

**3. Fund Accounting and Designated Net Assets**

The Corporation utilizes fund accounting for internal record keeping purposes. The assets, liabilities, and net assets of the Corporation are reported in two separate funds, as follows:

Current Operations

This fund accounts for the day-to-day operations of the Center. Depreciation expense is initially charged to this fund and then transferred annually to the plant fund.

Plant

This fund is used to account for the acquisition and disposal of property and equipment and to allocate the cost of fixed assets acquired over their estimated useful lives. The assets and liabilities resulting from this are recorded in this fund. Property and equipment acquisitions are initially financed by the current operations fund and then transferred annually to the plant fund.

Since the Corporation has the statutory responsibility to adequately provide for the long-term maintenance of the Center for the benefit of the citizens of the State, the Board of Directors has designated certain unrestricted net assets for the purpose of funding property and equipment replacements. As of June 30, 2008 and 2007, the specific assets designated for future property and equipment replacements, consisting primarily of investments (see Note C), have been classified as a noncurrent asset in the accompanying Statements of Financial Position.

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2008 and 2007

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued**

**4. Cash Equivalents**

Cash equivalents are defined as short-term investments with maturities generally of three months or less at time of purchase.

**5. Accounts Receivable**

The majority of the Corporation's accounts receivable is due from suite holders, tenants, service providers and other patrons. Credit is extended based on an evaluation of a customer's financial condition and past history and, generally, collateral is not required. Accounts receivable are payable upon receipt, and are stated at amounts due from customers net of an allowance for doubtful accounts. Accounts outstanding significantly longer than the contractual payment terms are considered past due. The Corporation determines its allowance by considering a number of factors, including the length of time trade accounts receivable are past due, the Corporation's previous loss history, the customer's current ability to pay its obligation to the Corporation, and the condition of the general economy and the industry as a whole. The allowance for doubtful accounts was \$6,561 and \$1,500 as of June 30, 2008 and 2007, respectively. The Corporation writes-off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts. Corporation write-offs have been minimal due to the continuity of the customer base.

**6. Property and Equipment**

Property and equipment are stated at cost. The Corporation provides for depreciation by use of the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Buildings and improvements	15-40 years
Machinery and equipment	3-15 years

Certain costs directly attributable to the development and construction of the Center have been capitalized. These include architectural and engineering fees as well as certain interest, construction administration and overhead costs. Land contributed by the City of Milwaukee (the "City") is recorded at the City's cost.

**7. Revenue**

A significant source of revenue relates to sporting and entertainment events held at the facility. Revenue is recognized when the respective event occurs. Income received in advance of the scheduled events is deferred and recognized as revenue in the period in which the event occurs.

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2008 and 2007

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued**

**8. Advertising Costs**

The Corporation expenses advertising costs as they are incurred. Total advertising expense was \$63,523 and \$41,984 for fiscal years 2008 and 2007, respectively.

**9. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**10. Derivative Financial Instruments**

The Corporation was not party to any derivative financial instrument contracts in fiscal years 2008 or 2007.

**11. New Accounting Pronouncements**

In September 2006, the FASB issued Statement of Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements”. SFAS No. 157 provides a common definition of fair value, establishes a framework for measuring fair value under GAAP and expands disclosures about fair value measurements. SFAS No. 157 applies to other accounting pronouncements that require or permit fair value measurements, but does not require any new fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Management believes that the initial application of SFAS No. 157 will not have a significant impact on the Corporation’s financial statements.

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 115”. SFAS No. 159 permits the choice of measuring financial instruments and certain other items at fair value. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Management believes that the initial application of SFAS No. 159 will not have a significant impact on the Corporation’s financial statements.

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2008 and 2007

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued**

**11. New Accounting Pronouncements - continued**

In July 2006, the Financial Accounting Standards Board issued FASB Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109". FIN 48, which clarifies Statement 109, "Accounting for Income Taxes", establishes the criterion that an individual tax position has to meet for some or all of the benefits of that position to be recognized in the Company's financial statements. On February 1, 2008, the FASB issued FASB Staff Position (FSP) FIN 48-2, "Effective Date of FASB Interpretation 48 for Certain Nonpublic Enterprises". The FSP defers the effective date of FIN 48 for an enterprise's annual financial statements to fiscal years beginning after December 15, 2007. Management is currently determining the impact of this pronouncement on the Corporation's 2009 financial statements.

**12. Reclassifications**

Certain reclassifications have been made to the 2007 financial statements to conform to the 2008 presentation.

**NOTE C - INVESTMENTS**

The Corporation carries investments at fair value as determined by quoted market prices.

Plant investments are designated for future property and equipment replacements as reflected in the accompanying Statements of Financial Position. The fair value of investments by type as of June 30 are as follows:

	2008	2007
Certificate of deposit	\$ 1,600,000	\$ 100,000
Money market fund	1,893,830	3,498,372
	3,493,830	3,598,372
Accrued income on investments	13,052	15,045
Fair value of investments	\$ 3,506,882	\$ 3,613,417

Plant investment income for fiscal years 2008 and 2007 consists of interest, dividends and realized gains (losses).

Current operations investments consist of cash and cash equivalents. Current operations investment income consists entirely of interest income.

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2008 and 2007

**NOTE D - LONG-TERM DEBT**

Long-term debt as of June 30 consists of the following:

	2008	2007
Consolidated note to bank, unsecured, payable in monthly installments of \$44,000, including interest at 6.90%, balance due April 10, 2010.	\$ 4,713,291	\$ 4,903,347
Note payable to bank, unsecured, payable in monthly installments of \$30,000, including interest at 6.90%, balance due April 10, 2010.	3,361,253	3,480,862
Third-party note, unsecured, payable in monthly installments of \$18,293, imputed interest at 6%, balance due June 30, 2012.	793,820	959,593
Third-party note, unsecured, payable in monthly installments of \$2,984, imputed interest at 6%, balance due June 30, 2012.	127,054	154,342
Third-party lease, unsecured, payable in monthly installments of \$3,207 and interest payable at 6.17%, balance due December 1, 2008.	14,337	49,793
Third-party lease, unsecured, payable in monthly installments of \$842 and interest payable at 7.96%, balance due December 17, 2012.	38,079	-
Third-party lease, unsecured, payable in monthly installments of \$11,855 and interest payable at 7.28%, balance due November 10, 2009.	190,922	-
Total debt	9,238,756	9,547,937
Less current maturities	(693,708)	(538,981)
Long-term debt	\$ 8,545,048	\$ 9,008,956

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2008 and 2007

**NOTE D - LONG-TERM DEBT - Continued**

Future principal payments required on long-term debt are as follows:

Year Ending June 30,	Amount
2009	\$ 693,708
2010	8,025,424
2011	240,447
2012	274,238
2013	4,939
	<hr/>
	\$ 9,238,756

On November 4, 2003, the Corporation provided a \$100,000 letter of credit to its liability insurance company. The letter of credit was reduced to \$50,000 during fiscal 2008 and will be cancelled subsequent to fiscal year-end. There were no draws on the letter of credit as of June 30, 2008 and 2007.

The Corporation leases certain equipment that are classified as capital leases, and are included in property, plant and equipment. The corresponding capital lease obligations are included in long-term debt. Total cost and accumulated depreciation for these assets as of June 30, 2008 were \$409,678 and \$85,681, respectively, and \$102,500 and \$28,472 as of June 30, 2007, respectively.

**NOTE E - CASH DEPOSITS HELD FOR OTHERS**

The Corporation maintains separate cash accounts, under various operating agreements for cash collections related to ticket sales through the Center box office. The cash collected for these ticket sales is to be remitted to the respective promoter or tenant at the settlement of the event. As of June 30, 2008 and 2007, the Corporation had \$1,073,337 and \$1,136,183, respectively, in cash that was held in a fiduciary capacity under the terms of the agreements. These amounts are shown as a corresponding current liability included in accounts and deposits payable in the accompanying Statements of Financial Position.

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2008 and 2007

**NOTE F - TENANT LEASE AGREEMENTS**

The Corporation has entered into lease agreements with Milwaukee Bucks, Inc. (the "Bucks"), Milwaukee Admirals, LLC (the "Admirals"), and Marquette University ("Marquette") for use of the Center. The expiration dates of these agreements are September 30, 2008, August 31, 2010, and March 15, 2011, respectively. While the Corporation is in negotiations with the Bucks on a lease amendment, no agreement has yet been reached so the Bucks continue under a holdover year-to-year tenancy by operation of law.

The Bucks receive a share of concessions, suites, catering, merchandise and program revenues which are reflected as tenant shared revenue in the accompanying Statements of Activities.

Under the lease agreement with the Bucks, the Corporation has agreed to transfer additional suite revenues to the Bucks. As of June 30, 2008 and 2007, \$6.5 million and \$5.4 million was due under the agreement, respectively. Interest charged on these additional transfers range from 4.50% to 8.25%. As of June 30, 2008, under the terms of the agreement, minimum transfers of additional suite revenue are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 1,000,000
2010	2,200,000
2011	2,200,000
2012	1,100,000
Thereafter	-
	<u>\$ 6,500,000</u>

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2008 and 2007

**NOTE G - SUITE LICENSE AND OTHER FEES**

The Corporation has entered into various license agreements ranging from three to five years for the use of the box suites at the Center. Minimum gross rental fees to be received primarily from the license agreements are as follows:

Year Ending June 30,	Amount
2009	\$ 5,046,802
2010	2,638,184
2011	1,811,434
2012	932,392
2013	592,487
Thereafter	-
	\$ 11,021,299

Under these agreements, deferred suite revenue of \$112,357 and \$176,315 is reflected in the accompanying Statements of Financial Position as of June 30, 2008 and 2007, respectively.

**NOTE H - EMPLOYEE BENEFIT PLAN**

The Corporation has a defined contribution retirement plan (the "Retirement Plan"). The Retirement Plan is a qualified noncontributory profit sharing plan which allows for annual contributions to be made at the discretion of the Board of Directors. Contributions are allocated to eligible employees based on employee compensation and vest over time, as described in the Retirement Plan. During fiscal 2008 and 2007, contributions of approximately \$135,200 and \$149,400, respectively, were made and expensed.

The Corporation also has a deferred compensation plan for the benefit of its employees. The plan was established under Section 457 of the Internal Revenue Code which is applicable to units of state or local governments and other tax-exempt organizations. Under the terms of the plan, employees are permitted to defer compensation within specified legal limits on a pretax basis. Corporation contributions are not permitted by the Section 457 Plan.

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2008 and 2007

**NOTE I - RELATED PARTY TRANSACTIONS**

An officer of the Corporation is a member of a law firm which provides legal services to the Corporation. The cost of services provided by the officer's law firm to the Corporation was \$172,542 and \$140,049 for fiscal 2008 and 2007, respectively. As of June 30, 2008 and 2007, the Corporation had an outstanding payable due to the law firm for \$18,667 and \$78,155, respectively.

**NOTE J - CONTINGENCIES**

The Corporation is involved in contract and other disputes in the ordinary course of business. While the results of these matters cannot be predicted with any certainty, based upon the information presently available, management is of the opinion that the final outcome of such proceedings should not have a materially adverse effect upon the financial statements of the Corporation.

**NOTE K - COMMITMENTS**

The Corporation has an agreement with a third-party provider to manage its parking structure. This agreement expires March 31, 2009 and contains an automatic one year renewal option. Net revenues received from the service provider were \$689,773 and \$633,911 for fiscal 2008 and 2007, respectively.

The Corporation has an agreement with a third-party provider to manage all the food and beverage concession services through June 30, 2012. The Corporation receives net revenues from the service provider, as defined in the agreement, for allowing the third-party provider to manage these services.

The Corporation has an agreement with a third-party provider to manage all merchandise sales through June 30, 2012. The Corporation receives commissions from the service provider, as defined in the agreement, for allowing the third-party service provider to manage these services.

**BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2008 and 2007

**NOTE L - CONCENTRATION OF CREDIT RISK**

The mix of receivables from tenants, service providers and others as of June 30 are as follows:

	<u>2008</u>	<u>2007</u>
Levy Restaurants	28%	16%
Marquette University	24%	0%
Milwaukee Bucks	20%	71%
Others	<u>28%</u>	<u>13%</u>
Totals	<u>100%</u>	<u>100%</u>

The Corporation has certain cash deposit accounts with financial institutions in which the balances occasionally exceed the federal government agency (FDIC) insured limit. The Corporation has not experienced any losses in such accounts and management believes it is not exposed to any significant risk.