



Grant Thornton

Financial Statements and Report of Independent Certified
Public Accountants

Bradley Center Sports and Entertainment Corporation

June 30, 2009 and 2008

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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, 2009 and 2008, 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, 2009 and 2008, and the results of its operations 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
Milwaukee, Wisconsin
November 6, 2009

BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION

As of June 30,

ASSETS	2009			2008		
	Current Operations	Plant	Total	Current Operations	Plant	Total
CURRENT ASSETS:						
Cash and cash equivalents	\$ 2,494,696	\$ -	\$ 2,494,696	\$ 3,814,272	\$ -	\$ 3,814,272
Cash deposits held for others	978,725	-	978,725	1,073,337	-	1,073,337
Total cash and cash equivalents	3,473,421	-	3,473,421	4,887,609	-	4,887,609
Accounts and interest receivable, net	870,689	-	870,689	423,283	-	423,283
Prepaid expenses and other assets	175,221	-	175,221	207,163	-	207,163
Total current assets	4,519,331	-	4,519,331	5,518,055	-	5,518,055
PROPERTY AND EQUIPMENT - AT COST:						
Land	-	10,370,340	10,370,340	-	10,370,340	10,370,340
Buildings and improvements	-	73,050,626	73,050,626	-	72,735,550	72,735,550
Machinery and equipment	-	27,110,313	27,110,313	-	26,826,062	26,826,062
Construction in progress	-	-	-	-	138,467	138,467
	-	110,531,279	110,531,279	-	110,070,419	110,070,419
Less accumulated depreciation	-	(69,614,346)	(69,614,346)	-	(66,900,005)	(66,900,005)
Property and equipment, net	-	40,916,933	40,916,933	-	43,170,414	43,170,414
Assets designated for future property and equipment replacement	-	3,192,420	3,192,420	-	3,506,882	3,506,882
Total assets	\$ 4,519,331	\$ 44,109,353	\$ 48,628,684	\$ 5,518,055	\$ 46,677,296	\$ 52,195,351
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts and deposits payable	\$ 1,779,894	\$ -	\$ 1,779,894	\$ 1,853,946	\$ -	\$ 1,853,946
Other accrued liabilities	1,827,647	-	1,827,647	1,747,557	-	1,747,557
Deferred suite and other revenues	348,868	-	348,868	346,612	-	346,612
Current portion of capital lease obligations	77,421	-	77,421	154,376	-	154,376
Current maturities of long-term debt - Bank	357,736	-	357,736	333,633	-	333,633
Current maturities of long-term debt - Other	218,386	-	218,386	205,699	-	205,699
Total current liabilities	4,609,952	-	4,609,952	4,641,823	-	4,641,823
LONG-TERM LIABILITIES:						
Capital lease obligations, less current portion	145,582	-	145,582	88,963	-	88,963
Long-term debt - Bank	7,383,175	-	7,383,175	7,740,911	-	7,740,911
Long-term debt - Other	496,788	-	496,788	715,174	-	715,174
Other liabilities	6,500,000	-	6,500,000	5,500,000	-	5,500,000
Total liabilities	19,135,497	-	19,135,497	18,686,871	-	18,686,871
NET ASSETS:						
Unrestricted						
Undesignated	(14,616,166)	40,916,933	26,300,767	(13,168,816)	43,170,414	30,001,598
Designated plant	-	3,192,420	3,192,420	-	3,506,882	3,506,882
Total net (deficit) assets	(14,616,166)	44,109,353	29,493,187	(13,168,816)	46,677,296	33,508,480
Total liabilities and net assets	\$ 4,519,331	\$ 44,109,353	\$ 48,628,684	\$ 5,518,055	\$ 46,677,296	\$ 52,195,351

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,

	2009			2008		
	Current Operations	Plant	Total	Current Operations	Plant	Total
OPERATING:						
Changes in unrestricted net assets						
Revenues, gains and other						
Gross products and services	\$ 10,811,201	\$ -	\$ 10,811,201	\$ 11,567,488	\$ -	\$ 11,567,488
Tenant shared revenue	(4,805,279)	-	(4,805,279)	(4,889,435)	-	(4,889,435)
Net products and services	<u>6,005,922</u>	<u>-</u>	<u>6,005,922</u>	<u>6,678,053</u>	<u>-</u>	<u>6,678,053</u>
Tenant leases	1,574,043	-	1,574,043	2,121,067	-	2,121,067
Parking	1,702,395	-	1,702,395	1,573,802	-	1,573,802
Income on investments	74,219	-	74,219	244,580	-	244,580
Ticket service charges	2,080,716	-	2,080,716	2,265,738	-	2,265,738
Expense recovery	1,122,756	-	1,122,756	1,153,569	-	1,153,569
Other	674,337	-	674,337	1,049,100	-	1,049,100
Total revenues, gains and other	<u>13,234,388</u>	<u>-</u>	<u>13,234,388</u>	<u>15,085,909</u>	<u>-</u>	<u>15,085,909</u>
Expenses						
Salaries, wages and benefits	5,733,133	-	5,733,133	5,544,567	-	5,544,567
Direct product costs	3,359,317	-	3,359,317	3,470,352	-	3,470,352
Depreciation	2,939,397	-	2,939,397	2,892,197	-	2,892,197
Contracted services, maintenance and supplies	2,002,253	-	2,002,253	1,989,350	-	1,989,350
Professional fees and other administrative	1,050,673	-	1,050,673	1,204,654	-	1,204,654
Utilities, insurance and property taxes	1,284,984	-	1,284,984	1,313,495	-	1,313,495
Interest	961,162	-	961,162	943,326	-	943,326
Total expenses	<u>17,330,919</u>	<u>-</u>	<u>17,330,919</u>	<u>17,357,941</u>	<u>-</u>	<u>17,357,941</u>
Decrease in unrestricted net assets from operations	<u>(4,096,531)</u>	<u>-</u>	<u>(4,096,531)</u>	<u>(2,272,032)</u>	<u>-</u>	<u>(2,272,032)</u>
NONOPERATING:						
Income on assets designated for future property and equipment replacements						
Interest and dividend income	-	80,356	80,356	-	149,127	149,127
Realized gains and losses, net	-	5	5	-	1,714	1,714
Total investment income	<u>-</u>	<u>80,361</u>	<u>80,361</u>	<u>-</u>	<u>150,841</u>	<u>150,841</u>
Trustee fees	-	877	877	-	(877)	(877)
Transfer of depreciation expense	2,939,397	(2,939,397)	-	2,892,197	(2,892,197)	-
Transfer of net additions to property and equipment	(685,916)	685,916	-	(1,621,739)	1,621,739	-
Other transfers, net	395,700	(395,700)	-	256,499	(256,499)	-
Change in nonoperating net (deficit) assets	<u>2,649,181</u>	<u>(2,567,943)</u>	<u>81,238</u>	<u>1,526,957</u>	<u>(1,376,993)</u>	<u>149,964</u>
Total change in net (deficit) assets	<u>(1,447,350)</u>	<u>(2,567,943)</u>	<u>(4,015,293)</u>	<u>(745,075)</u>	<u>(1,376,993)</u>	<u>(2,122,068)</u>
Net (deficit) assets at beginning of year	<u>(13,168,816)</u>	<u>46,677,296</u>	<u>33,508,480</u>	<u>(12,423,741)</u>	<u>48,054,289</u>	<u>35,630,548</u>
Net (deficit) assets at end of year	<u>\$ (14,616,166)</u>	<u>\$ 44,109,353</u>	<u>\$ 29,493,187</u>	<u>\$ (13,168,816)</u>	<u>\$ 46,677,296</u>	<u>\$ 33,508,480</u>

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,

	2009			2008		
	Current Operations	Plant	Total	Current Operations	Plant	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Change in net (deficit) assets	\$ (1,447,350)	\$ (2,567,943)	\$ (4,015,293)	\$ (745,075)	\$ (1,376,993)	\$ (2,122,068)
Adjustments to reconcile change in net (deficit) assets to net cash from operating activities:						
Depreciation	-	2,939,397	2,939,397	-	2,892,197	2,892,197
Changes in operating assets and liabilities:						
Accounts and interest receivable	(447,406)	-	(447,406)	(280,754)	-	(280,754)
Prepaid expenses and other current assets	31,942	-	31,942	(53,545)	-	(53,545)
Accounts and deposits payable	(74,052)	-	(74,052)	208,712	-	208,712
Other accrued liabilities	80,090	-	80,090	(328,550)	-	(328,550)
Deferred suite and other revenues	2,256	-	2,256	(128,001)	-	(128,001)
Other liabilities	1,000,000	-	1,000,000	1,100,000	-	1,100,000
Net cash (used in) provided by operating activities	<u>(854,520)</u>	<u>371,454</u>	<u>(483,066)</u>	<u>(227,213)</u>	<u>1,515,204</u>	<u>1,287,991</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Net additions to property and equipment	-	(685,916)	(685,916)	-	(1,621,739)	(1,621,739)
Decrease in assets designated for future property and equipment replacement	-	314,462	314,462	-	106,535	106,535
Net cash used in investing activities	<u>-</u>	<u>(371,454)</u>	<u>(371,454)</u>	<u>-</u>	<u>(1,515,204)</u>	<u>(1,515,204)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:						
Borrowings on capital lease obligations	148,231	-	148,231	307,178	-	307,178
Payments on capital lease obligations	(168,567)	-	(168,567)	(113,632)	-	(113,632)
Payments on long-term debt - Bank	(333,633)	-	(333,633)	(309,665)	-	(309,665)
Payments on long-term debt - Other	(205,699)	-	(205,699)	(193,062)	-	(193,062)
Net cash used in financing activities	<u>(559,668)</u>	<u>-</u>	<u>(559,668)</u>	<u>(309,181)</u>	<u>-</u>	<u>(309,181)</u>
Net decrease in cash and cash equivalents	(1,414,188)	-	(1,414,188)	(536,394)	-	(536,394)
Cash and cash equivalents at beginning of year	4,887,609	-	4,887,609	5,424,003	-	5,424,003
Cash and cash equivalents at end of year	<u>\$ 3,473,421</u>	<u>\$ -</u>	<u>\$ 3,473,421</u>	<u>\$ 4,887,609</u>	<u>\$ -</u>	<u>\$ 4,887,609</u>
Supplemental disclosure of cash flow information:						
Cash paid for interest	<u>\$ 961,162</u>	<u>\$ -</u>	<u>\$ 961,162</u>	<u>\$ 943,326</u>	<u>\$ -</u>	<u>\$ 943,326</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, 2009 and 2008

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 income 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, 2009 and 2008

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, 2009 and 2008, 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, 2009 and 2008, 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, 2009 and 2008, 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, 2009 and 2008

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.

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 customers' 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 \$3,084 and \$6,561 as of June 30, 2009 and 2008, 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, 2009 and 2008

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Advertising Costs

The Corporation expenses advertising costs as they are incurred. Total advertising expense was \$61,716 and \$63,523 for fiscal years 2009 and 2008, 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 2009 or 2008.

11. New Accounting Pronouncements

In July 2006, the Financial Accounting Standards Board ("FASB") 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. In December 2008, the FASB issued FASB Staff Position ("FSP") FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. FSP FIN 48-3 permits an entity within its scope to defer the effective date of FIN 48 to its annual financial statements for fiscal years beginning after December 15, 2008. The Company has elected to defer the application of FIN 48 for the year ending June 30, 2009. The Company would evaluate its uncertain tax positions, if any, using the provisions of FASB Statement 5, *Accounting for Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. For FIN 48, uncertain tax positions are assessed for open tax years based on the likelihood of sustainability of the positions taken. Any exposure would be reflected and included in the amounts ultimately recognized on the tax filings. Management is currently determining the impact of this pronouncement on the Company's 2010 financial statements but believes there will be no significant impact.

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

June 30, 2009 and 2008

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued

11. New Accounting Pronouncements - continued

In May 2009, the FASB issued Statement of Financial Accounting Standards (“SFAS”) No. 165 (“SFAS No. 165”), *Subsequent Events*. SFAS No. 165 establishes the accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. The adoption of SFAS No. 165 did not have a material impact on the Corporation’s financial statements. For the year ended June 30, 2009, the Corporation evaluated subsequent events through November 6, 2009, the date the financial statements were available to be issued.

12. Reclassifications

Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 presentation.

NOTE C - INVESTMENTS AND FAIR VALUE MEASUREMENTS

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 is as follows:

	2009	2008
Certificates of deposit	\$ 1,600,000	\$ 1,600,000
Money market fund	1,586,205	1,893,830
	3,186,205	3,493,830
Accrued income on investments	6,215	13,052
Fair value of investments	\$ 3,192,420	\$ 3,506,882

Plant investment income for fiscal years 2009 and 2008 consists of interest 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, 2009 and 2008

NOTE C - INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

Effective July 1, 2008, the Corporation adopted FASB 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. The Corporation determines the fair value of its financial instruments and assets and liabilities recognized at fair value in the financial statements on a recurring basis in accordance with SFAS No. 157.

The Corporation's financial assets and liabilities are carried at fair value or amounts that approximate fair value. To differentiate between the approach to fair value measurements, SFAS No. 157 describes a hierarchy of three levels used to classify fair value measurements:

Level 1 - Quoted prices are available in active markets for identical assets and liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 - Securities that are priced using unobservable inputs as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimate.

Following is a description of the valuation methodologies used for financial assets and liabilities measured at fair value.

- Certificates of deposit and money market funds are valued at quoted market prices.
- Fixed rate debt obligations are valued at carrying amount which approximates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Corporation's financial assets and liabilities at fair value as of June 30, 2009:

BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009 and 2008

NOTE C - INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

	As of June 30, 2009			
	Level 1	Level 2	Level 3	Total
Assets				
Certificates of deposit	\$ 1,600,000	\$ -	\$ -	\$ 1,600,000
Money market funds	1,586,205	-	-	1,586,205
	\$ 3,186,205	\$ -	\$ -	\$ 3,186,205
Liabilities				
Fixed rate debt obligations	\$ -	\$ 8,456,085	\$ -	\$ 8,456,085
	\$ -	\$ 8,456,085	\$ -	\$ 8,456,085

NOTE D - LONG-TERM DEBT

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

	2009	2008
Consolidated note to bank, unsecured, payable in monthly installments of \$44,000, including interest at 6.90%, balance due April 10, 2011.	\$ 4,508,572	\$ 4,713,291
Note payable to bank, unsecured, payable in monthly installments of \$30,000, including interest at 6.90%, balance due April 10, 2011.	3,232,339	3,361,253
Third-party note, unsecured, face amount of \$1,500,000, payable in monthly installments of \$18,293, imputed interest at 6%, balance due June 30, 2012.	617,092	793,820
Third-party note, unsecured, face amount of \$275,000, payable in monthly installments of \$2,984, imputed interest at 6%, balance due June 30, 2012.	98,082	127,053
Total debt	8,456,085	8,995,417
Less current maturities	(576,122)	(539,332)
Long-term debt	\$ 7,879,963	\$ 8,456,085

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

June 30, 2009 and 2008

NOTE D - LONG-TERM DEBT - Continued

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

Year Ending June 30,	Amount
2010	\$ 576,122
2011	7,615,031
2012	264,932
Thereafter	-
	<hr/>
	\$ 8,456,085

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 was cancelled during fiscal 2009. There were no draws on the letter of credit.

The bank debt contains a financial covenant; the Corporation was in compliance with the covenant at June 30, 2009.

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, 2009 and 2008, the Corporation had \$978,725 and \$1,073,337, 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, 2009 and 2008

NOTE F - TENANT LEASE AGREEMENTS

The Corporation has entered into lease agreements with Milwaukee Bucks, Inc. (the “Bucks”), Milwaukee Admirals, LLC (the “Admirals”), Marquette University (“Marquette”), and Milwaukee Iron (the “Iron”) for use of the Center. The expiration dates of these agreements are September 30, 2009, August 31, 2010, March 15, 2011, and December 31, 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, 2009 and 2008, \$7.6 million and \$6.5 million was due under the agreement, respectively. Interest charged on these additional transfers ranged from 4.50% to 8.25%. As of June 30, 2009, under the terms of the agreement, minimum transfers of additional suite revenue are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2010	\$ 1,100,000
2011	1,100,000
2012	1,100,000
2013	1,100,000
2014	1,100,000
Thereafter	<u>2,100,000</u>
	<u><u>\$ 7,600,000</u></u>

BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009 and 2008

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 from the license agreements are as follows:

Year Ending June 30,	Amount
2010	\$ 3,885,333
2011	2,404,990
2012	1,416,731
2013	1,048,423
2014	115,000
Thereafter	-
	<u>\$ 8,870,477</u>

Under these agreements, deferred suite revenue of \$111,277 and \$112,357 is reflected in the accompanying Statements of Financial Position as of June 30, 2009 and 2008, 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 2009 and 2008, contributions of approximately \$151,900 and \$135,200, respectively, were made and expensed.

The Corporation also has a deferred compensation plan (the "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 under the Plan.

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

June 30, 2009 and 2008

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 \$108,089 and \$172,542 for fiscal 2009 and 2008, respectively. As of June 30, 2009 and 2008, the Corporation had an outstanding payable due to the law firm for \$20,007 and \$18,667, respectively.

NOTE J - CONTINGENCIES AND COMMITMENTS

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.

The Corporation leases certain assets under capital leases. The assets are classified as machinery and equipment in the accompanying Statements of Financial Position. Total cost and accumulated depreciation for these assets as of June 30, 2009 were \$455,404 and \$130,260, respectively, and \$409,678 and \$85,681 as of June 30, 2008, respectively. Depreciation expense related to the capital leases is included in depreciation in the accompanying Statements of Activities. As of June 30, 2009, the current and long-term obligations under the capital leases are \$77,421 and \$145,582, respectively. The current obligations are included in current liabilities and the long-term obligations are included in long-term liabilities in the accompanying Statements of Financial Position.

Future minimum obligations under the capital leases are as follows:

2010	\$ 90,700
2011	45,616
2012	45,616
2013	40,564
2014	35,520
Thereafter	-
Total future minimum lease payments	<u>258,016</u>
Less: amount representing interest	<u>(35,013)</u>
Present value of net minimum lease payments	223,003
Less: current portion	<u>(77,421)</u>
Long-term portion	<u><u>\$ 145,582</u></u>

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

June 30, 2009 and 2008

NOTE J - CONTINGENCIES AND COMMITMENTS - Continued

The Corporation leases equipment under an operating lease. Rental expense under this lease was \$8,100 and \$0 for the years ended June 30, 2009 and 2008, respectively. As of June 30, 2009, future minimum lease payments under this non-cancelable operating lease are as follows:

Year Ending June 30,	Amount
2010	\$ 9,720
2011	9,720
2012	8,910
Thereafter	-
	<u>\$ 28,350</u>

The Corporation has an agreement with a third-party provider to manage its parking structure. This agreement expired March 31, 2009 and contains an automatic one year renewal option. Net revenues received from the service provider were \$559,088 and \$689,773 for fiscal 2009 and 2008, 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.

NOTE K - CONCENTRATION OF CREDIT RISK

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

	<u>2009</u>	<u>2008</u>
Levy Restaurants	23%	28%
Marquette University	26%	24%
Milwaukee Bucks	23%	20%
Milwaukee Urban League	11%	-
Others	17%	28%
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.

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

June 30, 2009 and 2008

NOTE L - STATE FUNDING

In budget legislation enacted and published on June 29, 2009 (2009 Wisconsin Act 28), the Wisconsin State Legislature granted authorization to the Wisconsin State Building Commission to grant up to \$5,000,000 to the Corporation to aid in the capital maintenance and repair of the Center. The legislation further requires that before the grant is made, the Wisconsin Department of Administration must review and approve plans for the capital maintenance and repair project, and the Corporation must commit additional non-state funding to the project.