The Lynde and Harry Bradley Foundation, Inc.

Audit Committee Update
September 26, 2012

AUDIT COMMITTEE
September 26, 2012

Audit Committee Meeting Schedule
- June -- Approve audited financial statements
- November -- Audit planning
- Other meetings as necessary

Audit Schedule
- Initial fieldwork – middle/end of December
- Final fieldwork -- last week in April and middle week in May
- Concurring partner review
- Draft statements ready for June meeting
- Timing –- Potential effect of alternative asset valuations

Attendees
- All board members are welcome
- Richard Gallagher, Foley & Lardner, or his Representative (Lyn Zigman) attend

June meeting
- Audit committee has a private session with the auditors

Special Issues 1

Fee schedule 2

Audit Committee Agenda 3
Draft for November

Engagement Letter (example) 4
Signed by Audit Committee chairman

Representation Letter (example) 5
Signed by management

Audit Committee Checklist (example) 6
Completed after June meeting and presented to Committee at November meeting

Special Issues

I. Fair Value Measurement
   a. Additional disclosures required in 2012

II. Private Equity
   a. Valuation allowance
   b. No current valuation allowances

III. Policies
   a. Foundation adopted whistleblower and document destruction policies in 2005
   b. Updated conflict of interest in 2005

Bradley Foundation Fee Quote

	Audit	Tax
2012	$48,000	$5,400
2013	49,000	5,500
2014	50,000	5,600

Bradley Foundation Current Fees

	Audit	Tax
2009	$44,000	$5,000
2010	45,500	5,150
2011	47,000	5,300

Administrative Costs Survey Section 3: Annual Report and Audit/Tax Fees

Focus Foundation: The Lynde & Harry Bradley Foundation
Year Reported On: 2010
Comparison Group: 2010 Administrative Cost Survey

	Focus Foundation	Comparison Group					
D. Annual Report		Yes	%	No	%	Total	
1. Is an annual (or biennial, etc) report published?	Yes	24	71%	10	29%	34	
				N	%		
2. How frequently is the report published?	Every year	Annually		23	92%		
		Biennially		2	8%		
		Every 3 years		0	0%		

E. Audit and Tax-Related Fees (new question in 2009)		Mean	5	25	50	75	95	N
1. Audit fees	45,500	49,723	21,770	36,100	42,000	54,750	104,500	35
2. Tax prep fees	0	18,780	4,950	8,850	13,800	20,765	51,263	20
3. Tax review fees	5,150	15,558	271	4,000	7,000	14,000	66,000	21
4. Fees for other services by audit/tax firms	0	11,997	1,164	3,345	10,000	17,405	27,566	11
5. Fees that cannot be allocated in a. - d. above	0	14,709	1,058	2,588	4,500	21,725	35,505	3
6. Total audit, tax-related, and other fees paid to audit/tax firms	50,650	74,820	27,303	47,414	64,000	101,015	149,638	35

THE LYNDE AND HARRY BRADLEY FOUNDATION, INC.
Audit Committee Meeting
Rader Conference Room
November 12, 2012
2:00 p.m.
Agenda
"DRAFT"

		Tab
I.	Approval of Minutes - June 22, 2012	1
II.	Deloitte & Touche Report	2
	A. Discussion of audit plan for year ended December 31, 2012	
III.	Deloitte & Touche Fee Proposal	
	A. Discussion	3
IV.	General Matters	
	A. Summary of travel and business expenses	4
	B. Approval of travel and business expenses	
	1. Michael W. Grebe May 1, 2012 to September 30, 2012	5
	2. Board of Directors May 1, 2012 to September 30, 2012	6
	3. Audit Committee checklist	7
V.	General Discussion	
VI.	Next Meeting - June 2013	

Deloitte.

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December 1, 2011

San Orr
The Audit Committee of
The Lynde and Harry Bradley Foundation
1241 North Franklin Place
Milwaukee, WI 53202-2901

Cynthia Friauf
The Lynde and Harry Bradley Foundation
1241 North Franklin Place
Milwaukee, WI 53202-2901

Dear Sir / Madam:

Deloitte & Touche LLP ("D&T" or "we" or "us") is pleased to serve as independent auditors for the Lynde and Harry Bradley Foundation (the "Company" or "you" or "your"). Mr. James Stuart will be responsible for the services that we perform for the Company hereunder.

In addition to the audit services we are engaged to provide under this engagement letter, we would also be pleased to assist the Company on issues as they arise throughout the year. Hence, we hope that you will call Mr. Stuart whenever you believe D&T can be of assistance.

The services to be performed by D&T pursuant to this engagement are subject to the terms and conditions set forth herein and in the accompanying appendices. Such terms and conditions shall be effective as of the date of the commencement of such services.

Audit of Financial Statements

Our engagement is to perform an audit in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards"). The objective of an audit conducted in accordance with generally accepted auditing standards is to express an opinion on the fairness of the presentation of the Company's financial statements for the year ending December 31, 2011, in conformity with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"), in all material respects.

Appendix A contains a description of our responsibilities and an audit under generally accepted auditing standards.

Our ability to express an opinion and the wording thereof will, of course, be dependent on the facts and circumstances at the date of our report. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of this engagement. If we are unable to complete our audit or if the report to be issued by D&T as a result of this engagement requires modification, the reasons therefor will be discussed with the Audit Committee and the Company's management.

Management's Responsibilities

Appendix B describes management's responsibilities for (1) the financial statements, (2) representation letters, (3) the process for obtaining preapproval of services, (4) independence matters relating to providing certain services, and (5) independence matters relating to hiring.

Responsibility of the Audit Committee

As independent auditors of the Company, we acknowledge that the Audit Committee is directly responsible for the appointment, compensation, and oversight of our work, and accordingly, except as otherwise specifically noted, we will report directly to the Audit Committee. You have advised us that the services to be performed under this engagement letter, including, where applicable, the use by D&T of affiliates or related entities as subcontractors in connection with this engagement, have been approved by the Audit Committee in accordance with the Audit Committee's established preapproval policies and procedures.

Communications with the Audit Committee

Appendix C describes various matters that we are required by generally accepted auditing standards to communicate with the Audit Committee and management.

Fees

We estimate that our fees for the audit of the Company's financial statements will be $47,000, plus expenses. Based on the anticipated timing of the work, our fees will be billed approximately as follows:

Invoice Date	Amount
December 15, 2011	$10,000
April 15, 2012	20,000
May 15, 2012	17,000

We anticipate sending invoices according to the above schedule, and payments are due upon receipt of the invoice. Engagement-related expenses will be billed in addition to the fees and will be stated separately on the invoices.

Our continued service on this engagement is dependent upon payment of our invoices in accordance with these terms. To the extent that certain circumstances, as listed in Appendix D arise during this engagement, our fee estimate also may be significantly affected, and additional fees may be necessary. We will notify you promptly of any circumstances we encounter that could significantly affect our estimate and discuss with you any additional fees, as necessary. Additional services provided beyond the scope of services described herein will be billed separately.

Inclusion of D&T Reports or References to D&T in Other Documents or Electronic Sites

If the Company intends to publish or otherwise reproduce in any document our report on the Company's financial statements, or otherwise make reference to D&T in a document that contains other information in addition to the audited financial statements (e.g., in a periodic filing with a regulator, in a debt or equity offering circular, or in a private placement memorandum), thereby associating D&T with such document, the Company agrees that its management will provide D&T with a draft of the document to read and obtain our approval for the inclusion or incorporation by reference of our report, or the reference to D&T, in such document before the document is printed and distributed. The inclusion or incorporation by reference of our report in any such document would constitute the reissuance of our report. The Company also agrees that its management will notify us and obtain our approval prior to including our report on an electronic site.

Our engagement to perform the services described herein does not constitute our agreement to be associated with any such documents published or reproduced by or on behalf of the Company. Any request by the Company to reissue our report, to consent to its inclusion or incorporation by reference in an offering or other document, or to agree to its inclusion on an electronic site will be considered based on the facts and circumstances existing at the time of such request. The estimated fees outlined herein do not include any services that would need to be performed in connection with any such request; fees for such services (and their scope) would be subject to the mutual agreement of the Company and D&T at such time as D&T is engaged to perform the services and would be described in a separate engagement letter.

Other Services

The engagement to prepare the Company's 2011 federal and state income tax returns will be described in a separate engagement letter.

* * * * * *

This engagement letter, including Appendices A through F attached hereto and made a part hereof, constitutes the entire agreement between the parties with respect to this engagement and supersedes any other prior or contemporaneous agreements or understandings between the parties, whether written or oral, relating to this engagement.

If the above terms are acceptable and the services described are in accordance with your understanding, please sign the copy of this engagement letter in the space provided and return it to us.

Yours truly,

Deloitte & Touche LLP

Acknowledged and approved by
The Audit Committee of
The Lynde and Harry Bradley Foundation:

By: _____

Title: Chairman, Audit Committee

Date: 12/8/11

Accepted and agreed to by
The Lynde and Harry Bradley Foundation

By: _____

Title: President & CEO

Date: 12/8/11

APPENDIX A

DESCRIPTION OF OUR RESPONSIBILITIES AND AN AUDIT UNDER GENERALLY ACCEPTED AUDITING STANDARDS

This Appendix A is part of the engagement letter dated ~~November~~ December 1, 2011 between Deloitte & Touche LLP and the Lynde and Harry Bradley Foundation and approved by the Audit Committee of the Lynde and Harry Bradley Foundation.

Our Responsibilities

Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Audit Committee are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit of the financial statements does not relieve management or the Audit Committee of their responsibilities.

Components of an Audit

An audit includes the following:

- Obtaining an understanding of the Company and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures
- 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 Company's internal control over financial reporting
- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements
- Inquiring directly of the Audit Committee regarding its views about the risks of fraud and whether the Audit Committee has knowledge of any fraud or suspected fraud affecting the Company
- Assessing the accounting principles used and significant estimates made by management
- Evaluating the overall financial statement presentation

Reasonable Assurance

We will plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. However, because of the characteristics of fraud, a properly planned and performed audit may not detect a material misstatement. Therefore, an audit conducted in accordance with generally accepted auditing standards is designed to obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. An audit is not designed to detect error or fraud that is immaterial to the financial statements, nor is it designed to provide assurance on internal control or to identify deficiencies in internal control.

APPENDIX B

MANAGEMENT'S RESPONSIBILITIES

This Appendix B is part of the engagement letter dated ~~November~~ December 1, 2011 between Deloitte & Touche LLP and the Lynde and Harry Bradley Foundation and approved by the Audit Committee of the Lynde and Harry Bradley Foundation.

Financial Statements

The overall accuracy of the financial statements and their conformity with generally accepted accounting principles are the responsibility of the Company's management. In this regard, management has the responsibility for, among other things:

- Selecting and applying the accounting policies
- Establishing and maintaining effective internal control over financial reporting
- Designing and implementing programs and controls to prevent and detect fraud
- Identifying and ensuring that the Company complies with the laws and regulations applicable to its activities and informing us of any known material violations of such laws or regulations
- Adjusting the financial statements to correct material misstatements
- Making all financial records and related information available to us

Representation Letters

We will make specific inquiries of the Company's management about the representations embodied in the financial statements. Additionally, we will request that management provide to us the written representations the Company is required to provide to its independent auditors under generally accepted auditing standards. As part of our audit procedures, we will request that management provide us with a representation letter that includes, among other things:

- Acknowledgment of management's responsibility for the preparation of the financial statements
- Affirmation of management's belief that the effects of any uncorrected financial statement misstatements aggregated by us during the current audit engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

We will also request that management confirm certain representations made to us during our audit. The responses to those inquiries and related written representations of management required by generally accepted auditing standards are part of the evidential matter that D&T will rely on in forming its opinion on the Company's financial statements. Because of the importance of management's representations, the Company agrees to release and indemnify D&T, its subcontractors, and their respective personnel from all claims, liabilities, and expenses relating to our services under this engagement letter attributable to any misrepresentation by management.

Process for Obtaining Preapproval of Services

Management is responsible for the coordination of obtaining the preapproval of the Audit Committee, in accordance with the Audit Committee's preapproval process, for any services to be provided by D&T to the Company.

Independence Matters Relating to Providing Certain Services

In connection with our engagement, D&T, management, and the Audit Committee will assume certain roles and responsibilities in an effort to assist D&T in maintaining independence. Management of the Company will ensure that the Company has policies and procedures in place for the purpose of ensuring that the Company will not act to engage D&T or accept from D&T any service that under American Institute of Certified Public Accountants (AICPA) or other applicable rules would impair D&T's independence. All potential services are to be discussed with Mr. Stuart.

Independence Matters Relating to Hiring

Management will coordinate with D&T to ensure that D&T's independence is not impaired by hiring former or current D&T partners, principals, or professional employees in a key position, as defined in the AICPA *Code of Professional Conduct*, that would cause a violation of the AICPA *Code of Professional Conduct* or other applicable independence rules. Any employment opportunities with the Company for a former or current D&T partner, principal, or professional employee should be discussed with Mr. Stuart before entering into substantive employment conversations with the former or current D&T partner, principal, or professional employee.

For purposes of the preceding three paragraphs, "D&T" shall mean Deloitte & Touche LLP and its subsidiaries; Deloitte Touche Tohmatsu Limited, its member firms, the affiliates of Deloitte & Touche LLP, Deloitte Touche Tohmatsu Limited, and its member firms; and, in all cases, any successor or assignee.

APPENDIX C

COMMUNICATIONS WITH THE AUDIT COMMITTEE

This Appendix C is part of the engagement letter dated ~~November~~ December 1, 2011 between Deloitte & Touche LLP and the Lynde and Harry Bradley Foundation and approved by the Audit Committee of the Lynde and Harry Bradley Foundation.

Significant Matters

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to the responsibilities of the Audit Committee in overseeing the financial reporting process.

Fraud and Illegal Acts

We will report directly to the Audit Committee any fraud of which we become aware that involves senior management and any fraud (whether caused by senior management or other employees) of which we become aware that causes a material misstatement of the financial statements. We will report to senior management any fraud perpetrated by lower-level employees of which we become aware that does not cause a material misstatement of the financial statements; however, we will not report such matters directly to the Audit Committee, unless otherwise directed by the Audit Committee.

We will inform the appropriate level of management of the Company and determine that the Audit Committee is adequately informed with respect to illegal acts that have been detected or have otherwise come to our attention in the course of our audit, unless the illegal acts are clearly inconsequential.

Internal Control Matters

We will communicate, in writing, to management and the Audit Committee all significant deficiencies and material weaknesses identified during the audit as required by AICPA AU 325, *Communicating Internal Control Related Matters Identified in an Audit*. Our written communication will identify those matters considered by D&T to be significant deficiencies and those that are considered by D&T to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented, or detected and corrected on a timely basis.

Other Matters

Generally accepted auditing standards do not require us to design procedures for the purpose of identifying other matters to communicate with the Audit Committee. However, we will communicate to the Audit Committee matters required by AICPA AU 380, *The Auditor's Communication with Those Charged with Governance*.

APPENDIX D

CIRCUMSTANCES AFFECTING TIMING AND FEE ESTIMATE

This Appendix D is part of the engagement letter dated ~~November~~ December 1, 2011 between Deloitte & Touche LLP and the Lynde and Harry Bradley Foundation and approved by the Audit Committee of the Lynde and Harry Bradley Foundation.

The fees quoted for the audit are based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates or our fee estimate. As a result, changes to the fees may be necessary. Such circumstances include but are not limited to the following:

Audit Facilitation

1. Changes to the timing of the engagement at the Company's request. Changes to the timing of the engagement usually require reassignment of personnel used by D&T in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, D&T may incur significant unanticipated costs.

2. All audit schedules are not (a) provided by the Company on the date requested, (b) completed in a format acceptable to D&T, (c) mathematically correct, or (d) in agreement with the appropriate Company records (e.g., general ledger accounts). D&T will provide the Company with a separate listing of required schedules, information requests, and the dates such items are needed.

3. Significant delays in responding to our requests for information, such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents).

4. Deterioration in the quality of the Company's accounting records during the current-year engagement in comparison with the prior-year engagement.

5. A completed trial balance, referenced to the supporting analyses and schedules and financial statements, is not provided timely by the Company's personnel.

6. Draft financial statements with appropriate supporting documentation are not prepared accurately and timely by the Company's personnel.

7. Electronic files in an appropriate format and containing the information requested are not provided by the Company on the date requested for our use in performing file interrogation. D&T will provide the Company with a separate listing of the required files and the dates the files are needed.

8. The engagement team, while performing work on the Company's premises, is not provided with high-speed access to the Internet via the Company's existing network or through a T1, DSL, or cable connection for purposes of conducting the engagement.

Significant Issues or Changes

9. Significant deficiencies or material weaknesses in the design or operating effectiveness of the Company's internal control over financial reporting are identified during our audit that result in the expansion of our audit procedures.

10. A significant level of proposed audit adjustments is identified during our audit.

11. A significant number of drafts of the financial statements are submitted for our review, or we identify a significant level of deficiencies in the draft financial statements.

12. Significant new issues or changes as follows:

    a. Significant new accounting issues.

    b. Significant changes in accounting policies or practices from those used in prior years

    c. Significant events or transactions not contemplated in our budgets.

    d. Significant changes in the Company's financial reporting process or Information Technology systems.

    e. Significant changes in the Company's accounting personnel, their responsibilities, or their availability.

    f. Significant changes in auditing standards.

    g. Significant changes in the Company's use of specialists, or the specialists or their work product does not meet the qualifications required by generally accepted auditing standards for our reliance upon their work.

13. Changes in audit scope caused by events that are beyond our control.

Payment for Services Rendered

14. Without limiting its rights or remedies, D&T may halt or terminate its services entirely if payment is not received within 30 days of the date of the invoice.

APPENDIX E

GENERAL BUSINESS TERMS

This Appendix E is part of the engagement letter to which these terms are attached (the engagement letter, including its appendices, the "engagement letter") dated ~~November~~ December 1, 2011 between Deloitte & Touche LLP and the Lynde and Harry Bradley Foundation and approved by the Audit Committee of the Lynde and Harry Bradley Foundation.

1. Independent Contractor. D&T is an independent contractor and D&T is not, and will not be considered to be, an agent, partner, fiduciary, or representative of the Company or the Audit Committee.

2. Survival. The agreements and undertakings of the Company and the Audit Committee contained in the engagement letter will survive the completion or termination of this engagement.

3. Assignment and Subcontracting. Except as provided below, no party may assign any of its rights or obligations hereunder (including, without limitation, interests or claims relating to this engagement) without the prior written consent of the other parties. The Company and the Audit Committee hereby consent to D&T subcontracting a portion of its services under this engagement to any affiliate or related entity, whether located within or outside of the United States. Professional services performed hereunder by any of D&T's affiliates or related entities shall be invoiced as professional fees, and any related expenses shall be invoiced as expenses, unless otherwise agreed.

4. Severability. If any term of the engagement letter is unenforceable, such term shall not affect the other terms, but such unenforceable term shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein.

5. Force Majeure. No party shall be deemed to be in breach of the engagement letter as a result of any delays or nonperformance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire, epidemic or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.

6. Dispute Resolution. Any controversy or claim between the parties arising out of or relating to the engagement letter or this engagement (a "Dispute") shall be resolved by mediation or binding arbitration as set forth in the Dispute Resolution Provision attached hereto as Appendix F and made a part hereof.

APPENDIX F

DISPUTE RESOLUTION PROVISION

This Appendix F is part of the engagement letter dated ~~November~~ December 1, 2011 between Deloitte & Touche LLP and the Lynde and Harry Bradley Foundation and approved by the Audit Committee of the Lynde and Harry Bradley Foundation.

This Dispute Resolution Provision sets forth the dispute resolution process and procedures applicable to the resolution of Disputes and shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

Mediation: All Disputes shall be first submitted to nonbinding confidential mediation by written notice to the parties, and shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution ("CPR"), at the written request of a party, shall designate a mediator.

Arbitration Procedures: If a Dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the Dispute shall be settled by binding arbitration to be held in New York, New York. The arbitration shall be solely between the parties and shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the "Rules").

The arbitration shall be conducted before a panel of three arbitrators. Each of the Company and Deloitte & Touche LLP shall designate one arbitrator in accordance with the "screened" appointment procedure provided in the Rules and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce the terms of the engagement letter (including its appendices) to which this Dispute Resolution Provision is attached and to abide by the terms of this Dispute Resolution Provision. Except with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the laws of the State of New York (without giving effect to its choice of law principles) in connection with the Dispute. The arbitrators shall have no power to award punitive, exemplary or other damages not based on a party's actual damages (and the parties expressly waive their right to receive such damages). The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Discovery shall be conducted in accordance with the Rules.

All aspects of the arbitration shall be treated as confidential, as provided in the Rules. Before making any disclosure permitted by the Rules, a party shall give written notice to all other parties and afford such parties a reasonable opportunity to protect their interests. Further, judgment on the arbitrators' award may be entered in any court having jurisdiction.

Costs: Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

The Lynde and Harry
BRADLEY FOUNDATION

The Lion House ◆ 1241 North Franklin Place ◆ Milwaukee, Wisconsin 53202-2901
(414) 291-9915 ◆ Fax (414) 291-9991 ◆ www.bradleyfdn.org

June 13, 2012

Deloitte & Touche LLP
555 East Wells Street, Suite 1400
Milwaukee, WI 53202

We are providing this letter in connection with your audits of the statements of financial position and related statements of activities and cash flows of the Lynde and Harry Bradley Foundation, Inc. (the "Foundation") as of and for the years ended December 31, 2011 and 2010 for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Foundation in conformity with accounting principles generally accepted in the United States of America.

We confirm that we are responsible for the following:

a. The fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America (GAAP)

b. The design, implementation, and maintenance of programs and controls to prevent and detect fraud

c. Establishing and maintaining effective internal control over financial reporting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits.

1. The financial statements referred to above are fairly presented in conformity with GAAP.

2. The Foundation has provided to you all relevant information and access as agreed in the terms of the audit engagement letter.

3. The Foundation has provided you:

    a. Financial records and related data

    b. Minutes of the meetings of stockholders, directors, and committees of directors or summaries of actions of recent meetings for which minutes have not yet been

prepared.

4. There has been no:

   a. Action taken by Foundation management that contravenes the provisions of federal laws and Wisconsin laws and regulations, or of contracts and grants applicable to the Foundation

   b. Communication from other regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices or other matters that could have a material effect on the financial statements.

5. The Foundation has provided to you the results of management's risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud.

6. We have no knowledge of any fraud or suspected fraud affecting the Foundation involving:

   a. Management.

   b. Employees who have significant roles in the Foundation's internal control over financial reporting.

   c. Others, if the fraud could have a material effect on the financial statements.

7. We have no knowledge of any allegations of fraud or suspected fraud affecting the Foundation received in communications from employees, former employees, analysts, regulators, short sellers, or others.

8. With regard to the Foundation's investments, no events have occurred and no facts have been discovered with respect to such investments that would indicate an other-than-temporary impairment of the investment's value.

   Specifically, with regard to each of the Foundation's investments in equity securities with a decline in fair value at December 31, 2011 below the amortized cost of the investment, the decline is deemed to be temporary, because the Foundation has the intent and ability to hold the investment until recovery. The Foundation considered all available evidence to evaluate the realizable value of its investments including the following factors listed in SEC Staff Accounting Bulletin Topic 5.M, *Other-Than-Temporary Impairment of Certain Investments in Debt and Equity Securities*:

   a. The length of the time and the extent to which the market value has been less than cost

   b. The financial condition and near-term prospects of the issuer, including any specific events which may influence the operations of the issuer

   c. The intent and ability of the holder to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market value.

   With regard to each of the Foundation's investments in debt securities in which the fair value is less than its amortized cost basis at December 31, 2011, the Foundation deemed the

impairment temporary because:

(1) The Foundation does not intend to sell the security

(2) It is not more likely than not that it will be required to sell the security before recovery of the entire amortized cost basis of the security.

9. There are no unasserted claims or assessments that legal counsel has advised us are probable of assertion and must be disclosed in accordance Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 450, *Contingencies*.

10. Significant assumptions used by us in making accounting estimates are reasonable.

11. We have disclosed to you all deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately disclosing to you all such deficiencies that are significant deficiencies or material weaknesses in internal control over financial reporting.

12. Management has identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.

13. We believe that internal control over the receipt and recording of contributions is adequate.

14. We have included in the financial statements all assets and liabilities under the Foundation's control.

15. The Foundation has maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.

16. The Foundation has considered any potential unrelated business income tax items.

17. The Foundation is in compliance with provisions of Internal Revenue Code Sec. 501(C)(3) as evidenced by determination letter dated February 23, 1943, and all information returns have been filed on a timely basis.

Except where otherwise stated below, immaterial matters less than $3,500,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the financial statements.

18. There are no transactions that have not been properly recorded in the accounting records underlying the financial statements.

19. The Foundation has no plans or intentions that may affect the carrying value or classification of assets and liabilities.

20. The following, to the extent applicable, have been appropriately identified, properly recorded, and disclosed in the financial statements:

    a. Related-party transactions and associated amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or

oral)

b. Guarantees, whether written or oral, under which the Foundation is contingently liable.

21. In preparing the financial statements in conformity with GAAP, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:

    a. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events.

    b. The effect of the change would be material to the financial statements.

22. Risks associated with concentrations, based on information known to management, that meet all of the following criteria have been disclosed in the financial statements:

    a. The concentration exists at the date of the financial statements.

    b. The concentration makes the enterprise vulnerable to the risk of a near-term severe impact.

    c. It is at least reasonably possible that the events that could cause the severe impact will occur in the near term.

23. There are no:

    a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

    b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC 450, Contingencies.

24. The Foundation has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

25. The Foundation has complied with all aspects of contractual agreements that may have an effect on the financial statements in the event of noncompliance.

26. The Foundation's net assets are properly classified as to permanently restricted, temporarily restricted, and/or unrestricted based on the existence or absence of donor-imposed restrictions. Also, the Foundation has maintained an appropriate composition of net assets in amounts needed to comply with all donor restrictions.

27. The Foundation is in compliance with contractual agreements, grants and donor restrictions.

28. The Foundation has recorded all contributions received during the year and has maintained

an appropriate composition of assets in amounts needed to comply with all donor restrictions.

29. No events have occurred subsequent to December 31, 2011 but before June 13, 2012, the date the financial statements were available to be issued, that require consideration as adjustments to or disclosures in the financial statements.

30. Management has disclosed whether, subsequent to December 31, 2011, there have been any changes in internal control or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses that have occurred.

31. With regard to the fair value measurements and disclosures of certain assets, liabilities, and specific components of equity, such as investments, including foreign exchange contracts, we believe that:

    a. The measurement methods, including the related assumptions, used in determining fair value were appropriate, consistent with market participant assumptions where available without undue cost and effort, and were consistently applied

    b. The completeness and adequacy of the disclosures related to fair values are in conformity with accounting principles generally accepted in the United States of America

    c. No events have occurred after December 31, 2011 but before June 13, 2012, the date the financial statements were available to be issued, that require adjustment to the fair value measurements and disclosures included in the financial statements.

    d. The limited partnerships and hedge funds were valued using prices supplied by fund managers. Due to lack of availability of market quotations from other pricing sources and the lack of publicly available information pertinent to each security, management of the Foundation has determined that the value provided by the fund managers is the most reliable indication of the value of this security. The Foundation has exercised due diligence by retaining Morgan Stanley and Cambridge Associates to monitor for events that might necessitate use of fair value prices other than those provided by the fund managers.

32. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed in the financial statements.

33. We have identified the significant assumptions and factors influencing the measurement of fair value as follows: quoted market prices and good faith procedures approved by the Board of Directors. The significant assumptions used in measuring fair value, taken individually and as a whole, provide a reasonable basis for the fair value measurements and disclosures in the financial statements. The assumptions are reflective of management's intent and ability to carry out specific courses of action and the significant assumptions used are consistent with the Foundation's plans and past experience.

34. Financial instruments with significant individual or group concentration of credit risk have been appropriately identified, properly recorded, and disclosed in the financial statements.

35. The Foundation has properly identified all derivative instruments and any financial instruments that contain embedded derivatives. The Foundation's hedging activities, if any, are in accordance with its documented and approved hedging and risk management policies, and all appropriate hedge documentation was in place at the inception of the hedge in accordance with FASB ASC 815, *Derivatives and Hedging*. Specifically, we have appropriately designated all hedging instruments as either fair value or cash flow hedges or hedges of the foreign currency exposure of a net investment in a foreign operation. The timing, nature, and amounts of all forecasted transactions are probable of occurring. The fair values of all derivatives, embedded derivatives that have been bifurcated, financial instruments that contain embedded derivatives for which the Foundation has elected to measure the financial instruments at fair value in their entirety (pursuant to the provisions of FASB ASC 815), and hedged items have been determined based on GAAP using prevailing market prices or by using financial models that are the most appropriate models for valuing such instruments and that incorporate market data and other assumptions that we have determined to be reasonable and appropriate at December 31, 2011.

36. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.

37. We have identified all uncertain tax positions.

38. The units of account selected for uncertain tax positions are consistent with the manner in which the Foundation prepares and supports its income tax return and the approach the Foundation anticipates that the tax authorities will take during examinations.

39. The recognition of tax benefits is limited to only those tax positions that are more likely than not, based solely on the technical merits of the tax positions, of being sustained upon examination.

40. The measurement of those tax positions that meet the more-likely-than-not recognition threshold has been determined as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon settlement with a taxing authority that would have full knowledge of all relevant information.

41. The recognition and measurement of tax positions is based upon the facts, circumstances, and information available as of the reporting date.

42. The recording of interest and penalties is in accordance with FASB ASC 740 and has been determined according to the provisions of the relevant tax law.

43. The disclosures related to the accounting for uncertain tax positions are complete and in accordance with FASB ASC 740.

44. We have disclosed to you all communications with tax authorities and/or communications with outside tax advisors.

45. We have no intention of terminating any of our retirement plans or taking any other action that could result in an effective termination or reportable event for any of the plans. We are not aware of any occurrences that could result in the termination of any of our retirement plans to which we contribute.

46. Provision has been made for losses to be sustained in the fulfillment of, or from the inability to fulfill, any commitments to purchase or sell securities under forward-placement, financial futures contracts, and standby commitments.

Michael W. Grebe, President & CEO

Cynthia K. Friauf, Vice President of Finance

Mandy L. Hess, Controller

AUDIT COMMITTEE CHECKLIST
Calendar Year 2011 Audit

(To Be Completed Post Audit)

A.	REVIEW WITH OUTSIDE AUDITORS	COMPLETED	COMMENTS
1.	The annual financial statements and related footnotes and financial information to be included in the annual report to members.	6/22/2012	
2.	The scope and general extent of the outside auditor's annual audit. The Committee's review should include an explanation from the outside auditors of the factors considered by the accountants in determining the audit scope, including the major risk factors. The outside auditors should confirm to the Committee that no limitations have been placed on the scope or nature of their audit procedures.	6/22/2012	
3.	Results of the audit of the financial statements and the related report thereon and, if applicable, a report on changes during the year in accounting principles and their application.	6/22/2012	
4.	Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit. Inquire about the cooperation received by the outside auditors during their audit, including access to all requested records, data and information. Inquire of the outside auditors whether there have been any disagreements with staff which, if not satisfactorily resolved, would have caused them to issue a nonstandard report on the organization's financial statements.	6/22/2012	

A.	REVIEW WITH OUTSIDE AUDITORS, cont.	COMPLETED	COMMENTS
5.	Receive a written communication provided by the outside auditors concerning their judgment about the quality of the staff's accounting principles and that they concur with management's representation concerning audit adjustments.	6/22/2012	
6.	Obtain annually in writing from the outside auditors their letter as to the adequacy of internal controls. Meet with the President and CFO and the outside auditors to discuss any relevant significant recommendations that the independent accountants may have, particularly those characterized as "material" or "serious". The Committee should review responses of staff to the "Letters of Comments and Recommendations" from the independent accountants and receive follow-up reports on action taken to resolve the aforementioned recommendations.	6/22/2012	No management letter issued
7.	Inquire as to the independence of the outside auditors and obtain from the outside auditors, at least annually, a written communication delineating all relationships between the outside auditors and the organization.	6/22/2012	
8.	Review significant accounting and reporting principles, practices and procedures applied by the organization in preparing its financial statements. Discuss with the outside auditors their judgments about the quality, not just the acceptability, of the organization's accounting principles used in financial reporting.	6/22/2012	
9.	Private session with outside auditors.	6/22/2012	

B.	PRESIDENT AND CFO		
1.	Review with the President and CFO and the outside auditors the methods used to establish and monitor the organization's policies with respect to unethical or illegal activities by organization employees that may have a material impact on the financial statements.	6/22/2012	
2.	Generally, as part of the review of the annual financial statements, receive an oral report(s), at last annually, from the organization's general counsel concerning legal and regulatory matters that may have a material impact on the financial statements.	6/22/2012	
C.	AUDIT COMMITTEE ACTIONS		
1.	Recommend to the Board the selection, retention or termination of the organization's outside auditors.	6/2/2003 2/21/2006 11/9/2009	Retained D&T Retained D&T Retained D&T
2.	Reassess the adequacy of the committee charter and recommend any proposed changes to the board for approval.	11/2002	Adopted Chapter
3.	Discuss with the outside auditors the quality of the organization's financial and accounting personnel. Also, elicit the comments of the President and CFO regarding the responsiveness of the independent accountants to the organization's needs.	6/22/2012	
4.	Subject to the prior approval of the Board, arrange for and monitor the special investigations as the need may arise.	N/A	