

## **Process for Preparing Form 990PF**

The Foundation is a private foundation and is required to file Form 990PF on an annual basis. The Form 990PF is due on May 15<sup>th</sup> after the end of its tax year. Entities may request an automatic 3-month extension of time to file using Form 8868, Application for Extension of Time to File an Exempt Organization Return. If more time is needed, Form 8868 is also used to request an additional extension of up to 3 months. However, these extensions are not automatically granted. To obtain this additional extension of time to file, entities must show reasonable cause for the additional time requested. The Foundation files a double extension since most of the Schedule K-1s are received after May 15<sup>th</sup> and some Schedule K-1s and tax information are not received until August and September.

During the tax year, the Foundation prepares quarterly estimates based on income received and expenses incurred to determine if estimated tax payments are required. Estimated tax payments are due May 15<sup>th</sup>, June 15<sup>th</sup>, September 15<sup>th</sup>, and December 15<sup>th</sup>. Tax estimate calculations are prepared by the Accountant and reviewed by the Controller and Vice President for Finance. Payments are made through the BNY Mellon TreasuryEdge tax payment system.

The Foundation maintains a permanent file to assist with preparing the Form 990PF. See the listing of perm file contents.

The following explains the steps taken to prepare the Form 990PF:

### **Preparation of Balance Sheet and Statement of Operations on a Cash Basis**

The Foundation's audited financial statements are reported on an accrual basis however the Form 990PF is reported on a cash basis. The starting point for preparing the tax return is taking the audited financial statement amounts and converting them to cash basis. This is accomplished by using the Trial Balance – Balance Sheet and Statement of Operations spreadsheet. See Exhibit A for an example. This spreadsheet has many purposes. It is used to record entries for the following: accrual to cash, recording investments at cost, necessary reclassification entries, K-1 adjustments, and any book to tax adjustments. This spreadsheet is also used to show the net investment income and distributions for charitable purposes, and to calculate the excise tax.

Accrual to cash – accrual to cash entries are posted to convert audited financial statements to the cash basis.

Recording investments at cost – the investments are recorded at market value on the audited financial statements and are recorded at cost on the tax return. The unrealized gain/loss on investments is reversed.

Reclassification entries – at times income and expense items need to be reclassified. For example, commission recapture income is reclassified from a contra-expense account to an income account.

K-1/1099 adjustments – This will be discussed in more detail below.

Book to tax adjustments – adjustments are needed to either include activity not reported on the audited financial statements (taxable items) or exclude activity reported on the audited financial statements (nontaxable items).

#### K-1/1099 Adjustments

The Foundation receives K-1s from alternative investments and from some regular investments formed as partnerships, such as commingled funds. Each year the Foundation reviews the Schedule K-1s and tax information received from the limited partnerships to determine the amount of taxable ordinary income/loss, net investment income, and realized gains/losses incurred by these funds. During the year these funds report estimated amounts to the Foundation. See Appendix A. K-1 Process for Preparation of Federal Forms 990-PF and 990-T for a detailed explanation of this process. The estimated amounts recorded on the books during the year from the funds are reversed and the aggregated amount of the income/loss and realized gains/losses per the K-1s are included. The net of these entries are included in the K-1 adjustments column of the Trial Balance – Balance Sheet and Statement of Operations spreadsheet. The unrelated business taxable income reported on the Form 990T is also included in this column.

#### Net Investment Income

Net investment income includes all investment related income/loss and net realized gains/losses less any investment related expenses. Realized losses are limited to the amount of realized gains. See Net Investment Expense Allocation Process for an explanation of how the investment related expenses are determined.

#### Realized Gains/Losses

The Foundation's custodian, BNY Mellon, provides reports detailing sale transactions, including realized gains and losses. Foundation staff prepares a spreadsheet to show all realized gains/losses and income from the separately managed accounts and from funds that generate a Schedule K-1. This spreadsheet also includes realized gains/losses and income from hedge funds and timber accounts. As of 12/31/11, the Foundation holds two timber accounts that are organized as corporations and issue Form 1099. The amount of realized gains/losses and income from this spreadsheet is included in the Form 990PF. See Exhibit B for an example of this spreadsheet. The realized gain/loss report is attached to the Form 990PF.

#### Average Fair Market Value of Assets

The average fair market value of assets is calculated by adding the average monthly fair market value of investments and the average monthly cash balances. The average monthly fair market value is calculated by averaging the monthly investment values and any net gains from the alternative investments. The average fair market value of assets is used to compute the minimum investment return and the average distribution ratio for the 5-year base period. See Exhibit C for an example of the spreadsheet used to compute the average fair market value of assets.

### Salary and Benefits

The Salary and Benefits Summary spreadsheet prepared by the Vice President for Administration is used to complete Part VIII. See Exhibit D for an example of this spreadsheet.

### Contributions

Schedule B, Schedule of Contributors, needs to be completed if the Foundation receives any contributions during the year. The information needed to complete Schedule B can be found on the acknowledgement letter.

### Grants

A listing of grants paid and grants approved for future payment is requested in Part XV of Form 990PF. The Grants Administrator prepares these listings. Finance staff ensures that the totals agree to Part XV, all grantees are showing an address (city and state), and that all grantees subject to expenditure accounting responsibility are footnoted. It is then reviewed by the Vice President for Finance and attached to the Form 990PF.

### Expenditure Accounting Report

The Foundation is required to maintain expenditure accounting for all foreign grantees and grantees that are private foundations or private operating foundations. Part VII-B Question 5a of the 990-PF asks if the Foundation has paid grants to these types of organizations and must attach the tracking reports of expenditure accounting to the return if an entity answers “Yes”. The tracking reports/logs are prepared by the Grants Administrator. This report/log includes the grantee name, grant id number, date of award, grant amount, paid amount and date paid. This information is obtained from the Gifts database. Also included on the report/log are the date on the status report received, amount expended according to the report, comments including if all funds have been expended, and completion of the requirement is completed. This information is received from the grantee when they submit their reporting.

The Form 990PF is prepared by the Accountant using Intelliforms, CCH tax software, and reviewed by the Controller and Vice President for Finance. After Foundation staff reviews the draft return it is then reviewed by Deloitte Tax LLP. The draft return (excluding the additional forms and realized gain/loss detail) is reviewed by Foley and Lardner. It is signed by the Foundation’s President and CEO and a representative of Deloitte Tax LLP. An original is sent to the IRS and the State of Wisconsin Attorney General by certified mail/return receipt. Another original is sent to Deloitte Tax LLP and two copies are kept at the Foundation offices. The return is scanned and saved as a .pdf file on the Foundation’s network at H:\Finance\IRS-Tax\Tax Year\Form 990PF.

The Lynde and Harry Bradley Foundation

Trial Balance - Balance Sheet  
December 31, 2011

Exhibit A

A-1

Acct. No.	Account Name	12/31/10	Pre-audit f/s 12/31/11	Closing entries	Reclass Adjustments	A-1 Workpaper	Accrual to Cash Adjustments	Accrual Ad. for Cash Balance Sheet	Unrealized G/L Def Inc/Loss	Reclass		K-1/1099 Adjustment		Book to Tax Adjustments		Prior Year Basis Adj.	Final 12/31/11
ASSETS																	
	Cash and cash equivalents:																
10000-000	Cash - Operating Checking	73,094.68	0.00			0.00											0.00
10010-000	Admin Checking - BNY	0.00	(49,948.62)			(49,948.62)											(49,948.62)
10100-000	Cash - Grant Checking	59,000.00	0.00			0.00											0.00
10110-000	Grant Checking - BNY	0.00	(239,750.00)			(239,750.00)											(239,750.00)
10800-000	Petty Cash	149.65	126.34			126.34											126.34
10500-000	Deposit Account	5,503.48	21,254.34			21,254.34											21,254.34
	Cash equivalents and ST - Investments	18,294,333.45	0.00		17,119,308.08	17,119,308.08								(8,818.35)	(552,224.02)		16,558,265.71
	Total cash and cash equivalents	\$18,432,081.26	(268,317.94)	0.00	17,119,308.08	\$16,850,990.14	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		(\$8,818.35)	(\$552,224.02)		\$16,289,947.77
12000-12400	Accrued Investment Income Receivable	493,612.75	465,582.34	1,180.56		466,762.90	26,849.85	(493,612.75)									0.00
12900-000	Accrued Interest Income - PRI	68,750.00	68,750.00			68,750.00	0.00	(68,750.00)									0.00
	Due from brokers for securities sold	(7,148.94)			6,194,639.20	6,194,639.20											6,194,639.20
	Pending trade receivable	70,024,191.24	0.00		0.00	0.00											0.00
	Total accrued income	\$70,579,405.05	\$534,332.34	\$1,180.56	\$6,194,639.20	\$6,730,152.10	\$26,849.85	(\$562,362.75)	\$0.00	\$0.00		\$0.00		\$0.00	\$0.00	\$0.00	\$6,194,639.20
	Prepaid expenses and other assets:																
	Tax Refund Receivable	0.00	0.00		9,737.96	9,737.96	(9,737.96)	0.00									0.00
	Payroll Taxes Receivable	0.00	26.88			26.88	(26.88)	0.00									0.00
	Note Receivable	12,019.25	12,019.25			12,019.25	0.00	(12,019.25)									0.00
	Total prepaid expenses and other assets	\$12,019.25	\$12,046.13	\$0.00	\$9,737.96	\$21,784.09	(\$9,764.84)	(\$12,019.25)	\$0.00	\$0.00		\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
	Investments:																
	Fixed Income Mutual Funds	0.00	76,309,588.04		(71,152,039.87)	5,157,548.17			(147,418.45)								5,010,129.72
	U.S. Government Obligations	37,924,972.15	0.00		38,189,780.50	38,189,780.50			(4,007,454.97)			1,494,652.00	2,4		759,980.00		36,436,957.53
	Corporate Bonds	8,762,329.00	0.00		8,855,419.68	8,855,419.68			(376,040.78)						(960,810.00)		7,518,568.90
	Mortgage Backed Securities	9,835,692.41	0.00		11,781,569.29	11,781,569.29			(331,715.40)								11,449,853.89
	Other Asset Backed Securities	4,279,832.17	0.00		3,114,156.81	3,114,156.81			751,346.51								3,865,503.32
	Equity Mutual Funds	0.00	0.00			0.00											0.00
	Common & Preferred Stock	257,022,207.86	263,949,192.61		(7,161,204.73)	256,787,987.88			(21,527,655.13)	1,556,352.35	1	3,584,437.00	2,4	496.06	8,846,883.45		249,248,501.61
	Alternative Investments	217,629,441.44	224,363,276.66		(645,990.45)	223,717,286.21			6,129,271.83			(3,146,102.00)	1,3,4,5,6		41,190,903.32		267,891,359.36
	Other Alternative Investments	1,193,979.00	1,207,381.09			1,207,381.09			348,971.26	(1,556,352.35)	1	12,954.00	2,4		211,126.00		224,080.00
	Other	794,765.91	0.00		575,474.19	575,474.19			3,269.08					(6,185.16)	(28,226.29)		544,331.82
						0.00											0.00
16000-16500	Combined Investment Portfolio	0.00				0.00											0.00
																	0.00
16620-000	I Biquity		239,785.75		(239,785.75)	0.00											0.00
16600-000	Legacy Bank CD	0.00	0.00			0.00											0.00
16610-000	Legacy Bank Equity	0.00	0.00			0.00											0.00
16700-000	Fidelity-SERP-MWG	0.00	182,164.28		(182,164.28)	0.00											0.00
16710-000	Fidelity - SERP - DS	0.00	153,524.16		(153,524.16)	0.00											0.00
16950-000	Program Related Investment	2,500,000.00	2,500,000.00			2,500,000.00											2,500,000.00
18000-000	Land - Lion House	818,818.41	818,818.41		(556,318.41)	262,500.00											262,500.00
18010-000	Building & Building Improvements - LH	2,019,827.35	2,019,827.35		274,717.15	2,294,544.50											2,294,544.50
18020-000	Accum. Depreciation - B&I - LH	(1,464,583.32)	(1,536,731.54)		281,601.26	(1,255,130.28)											(1,255,130.28)
18030-000	Furniture and Fixtures - Lion House	0.00			281,601.26	281,601.26											281,601.26
18040-000	Accum. Depreciation - F&F - LH	0.00			(281,601.26)	(281,601.26)											(281,601.26)
18100-000	Land - Hawley House	529,447.56	529,447.56		(464,447.56)	65,000.00											65,000.00
18110-000	Building & Building Improvements - HH	2,639,357.93	2,639,357.93		95,254.91	2,734,612.84											2,734,612.84
18120-000	Accum. Depreciation - B&I - HH	(1,330,142.26)	(1,421,314.14)		337,382.99	(1,083,931.15)											(1,083,931.15)
18130-000	Furniture and Fixtures - Hawley House	0.00			369,192.65	369,192.65											369,192.65
18140-000	Accum. Depreciation - F&F - HH	0.00	(31,809.66)		(337,382.99)	(369,192.65)											(369,192.65)

The Lynde and Harry Bradley Foundation

Trial Balance - Balance Sheet  
December 31, 2011

Exhibit A

A-2

Acct. No.	Account Name	12/31/10	Pre-audit f/s 12/31/11	Closing entries	Reclass Adjustments	A-1 Workpaper	Accrual to Cash Adjustments	Accrual Ad. for Cash Balance Sheet	Unrealized G/L Def Inc/Loss	Reclass	K-1/1099 Adjustment	Book to Tax Adjustments	Prior Year Basis Adj.	Final 12/31/11
18200-000	Bradley Prize Assets	440,100.25	440,100.25			440,100.25								440,100.25
18220-000	Reserve for Depreciation-Bradley Prizes	(404,464.92)	(429,619.92)			(429,619.92)								(429,619.92)
18999-000	Fixed Asset Clearing Account	0.00	815,191.61			815,191.61								815,191.61
	<b>Total Investments</b>	<b>\$543,191,580.94</b>	<b>\$572,748,180.44</b>	<b>\$0.00</b>	<b>(\$17,018,308.77)</b>	<b>\$555,729,871.67</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$19,157,426.05)</b>	<b>\$0.00</b>	<b>\$1,945,941.00</b>	<b>(\$5,689.10)</b>	<b>\$50,019,856.48</b>	<b>\$588,532,554.00</b>
	<b>Total Assets</b>	<b>\$632,215,086.50</b>	<b>\$573,026,240.97</b>	<b>\$1,180.56</b>	<b>\$6,305,376.47</b>	<b>\$579,332,798.00</b>	<b>\$17,085.01</b>	<b>(\$574,382.00)</b>	<b>(\$19,157,426.05)</b>	<b>\$0.00</b>	<b>\$1,945,941.00</b>	<b>(\$14,507.45)</b>	<b>\$49,467,632.46</b>	<b>\$611,017,140.97</b>
<b>LIABILITIES</b>														
20000-000	Grants Payable	7,878,550.67	6,937,472.67			6,937,472.67	941,078.00	(7,878,550.67)						0.00
20100-000	Grants Payable - Appreciated Stock	0.00	0.00			0.00								0.00
	<b>Accrued Expenses:</b>													
21000-000	Accounts Payable	0.00	0.00			0.00	0.00	0.00						0.00
22000-000	Salaries Payable	0.00	0.00			0.00	0.00	0.00						0.00
22001-000	Accrued Contact Bonus (M.G.)	0.00	0.00			0.00	0.00	0.00						0.00
22120-000	Accrued Retiree Medical	0.00	0.00			0.00	0.00	0.00						0.00
22200-000	Simplified Employer Pension	65,177.21	65,820.04			65,820.04	(642.83)	(65,177.21)						0.00
22210-000	Accrued Retention Bonus (M.G.)	134,358.00	142,632.00			142,632.00	(8,274.00)	(134,358.00)						0.00
22220-000	SERP - MWG	162,708.53	181,430.03			181,430.03	(18,721.50)	(162,708.53)						0.00
22230-000	SERP - DS	140,573.46	152,464.18			152,464.18	(11,890.72)	(140,573.46)						0.00
22240-000	403(b) Contribution	0.00	0.00			0.00	0.00	0.00						0.00
22500-000	Vacation and Holidays	114,162.12	114,551.42			114,551.42	(389.30)	(114,162.12)						0.00
22600-000	Accrued Director Retainer Fees	53,750.00	53,750.00			53,750.00	0.00	(53,750.00)						0.00
22610-000	Accrued Director Attendance Fees	41,000.00	38,000.00			38,000.00	3,000.00	(41,000.00)						0.00
23000-000	Excise Taxes	158,500.00	(9,737.96)		9,737.96	0.00	158,500.00	(158,500.00)						0.00
23100-001&2	Accrued Income Tax	29,223.44	54,934.78			54,934.78	(25,711.34)	(29,223.44)						0.00
24000-000	Investment Manager Fees	390,068.49	458,964.42			458,964.42	(68,895.93)	(390,068.49)						0.00
24100-000	Trustee Custodian Fees	59,454.35	71,696.18			71,696.18	(12,241.83)	(59,454.35)						0.00
24200-000	Northern Trust Securities Lending Program	0.00	0.00			0.00	0.00	0.00						0.00
	Due to brokers for securities purchased	471,695.42			6,847,230.51	6,847,230.51								6,847,230.51
	Long-term Grants Payable	0.00			0.00	0.00	0.00	0.00						0.00
25000-000	Notes Payable - Bank (Hawley)	0.00	0.00			0.00								0.00
	<b>Subtotal Accrued Expenses</b>	<b>\$1,820,671.02</b>	<b>\$1,324,505.09</b>	<b>\$0.00</b>	<b>\$6,856,968.47</b>	<b>\$8,181,473.56</b>	<b>\$14,732.55</b>	<b>(\$1,348,975.60)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,847,230.51</b>
	<b>Total Accrued Expenses and Grants Payable</b>	<b>\$9,699,221.69</b>	<b>\$8,261,977.76</b>	<b>\$0.00</b>	<b>\$6,856,968.47</b>	<b>\$15,118,946.23</b>	<b>\$955,810.55</b>	<b>(\$9,227,526.27)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,847,230.51</b>
<b>FUND BALANCE</b>														
	Beginning of the year	557,401,405.89	591,835,086.81			591,835,086.81		8,653,144.27	(68,760,433.01)		47,973,102.21		1,494,530.25	581,195,430.53
30000-000	Unrestricted	32,929,252.92	(57,751,601.56)	1,180.56	115,758.00	(57,634,663.00)	(938,725.54)		49,603,007.26		1,945,941.00	(14,507.45)		(7,038,947.73)
	Charter Growth not on books		-		0.00	0.00								0.00
30100-000	Unrestricted - Caroline & Lynde Bradley Fund	1,000.00	1,000.00			1,000.00								1,000.00
	Temporarily Restricted - Sarah Barder	32,184,206.00	30,679,778.00	0.00	(667,350.00)	30,012,428.00								30,012,428.00
	<b>Total Fund Balance</b>	<b>\$622,515,864.81</b>	<b>\$564,764,263.25</b>	<b>\$1,180.56</b>	<b>(\$551,592.00)</b>	<b>\$564,213,851.81</b>	<b>(\$938,725.54)</b>	<b>\$8,653,144.27</b>	<b>(\$19,157,425.75)</b>	<b>\$0.00</b>	<b>\$49,919,043.21</b>	<b>(\$14,507.45)</b>	<b>\$1,494,530.25</b>	<b>\$604,169,910.80</b>
	<b>Total Liabilities and Fund Balance</b>	<b>\$632,215,086.50</b>	<b>\$573,026,241.01</b>	<b>\$1,180.56</b>	<b>\$6,305,376.47</b>	<b>\$579,332,798.04</b>	<b>\$17,085.01</b>	<b>(\$574,382.00)</b>	<b>(\$19,157,425.75)</b>	<b>\$0.00</b>	<b>\$49,919,043.21</b>	<b>(\$14,507.45)</b>	<b>\$1,494,530.25</b>	<b>\$611,017,141.31</b>
		\$0.00	(\$0.04)	\$0.00	(\$0.00)	\$0.04								\$0.34

The Lynde and Harry Bradley Foundation

Trial Balance - Statement of Operations  
December 31, 2011

Acct. No.	Account Name	12/31/10	Pre-audit f/s 12/31/11	Closing entries	Reclass Adjustments	A-2 Workpaper	Accrual to Cash Adjustments	Reclass for Trial Balance	Unrealized G/L Def Inc/Loss	Reclass	K-1/1099 Adjustments	Book to Tax Adjustments	Basis Adjustment	Cash Basis 12/31/11	Tax Return Adjustments	Allocation to Net Income	Eliminations	Distributions for Charity
REVENUE - INTEREST AND DIVIDENDS:																		
40000-40500	Interest Income - portfolio	3,133,475.51	2,528,492.31		27.00	2,528,519.31					(632,666.00)	1,2		1,895,853.31		1,895,853.31		
	Interest Income - IRS	0.00	0.00			0.00								0.00		0.00		
40600-000	Interest - Deposit Account	38.07	117.44			117.44								117.44		117.44		
40710-000	Securities Litigation Income	11,415.27	2,677.07			2,677.07								2,677.07		2,677.07		
40700-000	Securities Lending	52,690.53	21.40			21.40								21.40		21.40		
40950-000	Interest - Program Related Investment	75,000.00	75,000.00			75,000.00								75,000.00		75,000.00		
43000-43500	Change in accrued income	90,175.51	0.00			0.00	26,849.85	1						26,849.85		26,849.85		
43550-000	Temp. Restricted Interest and Dividends	461,694.00	376,137.00		(27.00)	376,110.00								376,110.00		376,110.00		
42000-42500	Other income - portfolio	2,414,433.10	1,600,522.78			1,600,522.78				19,118.25	1	1,020,575.00	1,3,4,5,6	2,640,216.03		2,640,216.03		
40650-000	CD Interest	2,502.61	0.00			0.00								0.00		0.00		
40660-000	Interest - Other	5.88	299.69			299.69								299.69		299.69		
	Interest Income - Alternative Investments	0.00	0.00			0.00								0.00		0.00		
41000	Dividends	3,087,671.07	3,544,418.85			3,544,418.85						(6,185.16)	5	3,538,233.69		3,538,233.69		
53000-000	Other	0.13	38.08			38.08								38.08		38.08		
55000-000	Net Assets Released from Restrictions - Temp Rest	(1,677,014.00)	(852,347.00)		(667,392.00)	(1,519,739.00)								(1,519,739.00)		(1,519,739.00)		
55010-000	Net Assets Released from Restrictions	1,677,014.00	852,347.00		667,392.00	1,519,739.00								1,519,739.00		1,519,739.00		
50000-000	Donor Intent Contribution	1,266,000.00	1,267,000.00			1,267,000.00								1,267,000.00	1,267,000.00	0.00		
51000-000	Bradley Legacy Book - Revenue	0.00	0.00			0.00								0.00		0.00		
52000	Gain(Loss)-Retirement Fund	0.00	0.00			0.00								0.00		0.00		
	Interest/Dividend Combined	0.00	0.00			0.00								0.00		0.00		
	UBTI					0.00					(23,265.00)	3		(23,265.00)	(23,265.00)	0.00		
	Total Interest and Dividends	10,595,101.68	9,394,724.62	0.00	0.00	9,394,724.62	26,849.85	0.00	0.00	19,118.25	364,644.00	(6,185.16)	0.00	9,799,151.56	1,243,735.00	8,555,416.56	0.00	0.00
GRANTS APPROVED - NET:																		
60000-000	Regular Grants	39,913,150.00	34,007,444.00			34,007,444.00	941,078.00	3						34,948,522.00		0.00		34,948,522.00
	Reserve for Loss-P.R.I.	0.00	0.00			0.00								0.00		0.00		0.00
60010-000	Grant Cancellations/Adjustments-PY	0.00	0.00			0.00								0.00		0.00		0.00
60020-000	Grant Refunds-CY	0.00	0.00			0.00								0.00		0.00		0.00
60025-000	Grant Refunds-PY	(5,434.54)	(8,322.29)			(8,322.29)						8,322.29	3	0.00		0.00		0.00
60200-000	Grant Related Expenses	0.00	13,712.08			13,712.08				(13,712.08)	3			0.00		0.00		0.00
	Total of Grants Approved - Net	39,907,715.46	34,012,833.79	0.00	0.00	34,012,833.79	941,078.00	0.00	0.00	(13,712.08)	0.00	8,322.29	0.00	34,948,522.00		0.00	0.00	34,948,522.00
OPERATING EXPENSES: (A-5)		10,200,737.00	10,619,771.35	0.00	0.00	10,619,771.35	24,497.39	0.00	0.00	32,830.33	0.00	496.06	0.00	10,677,595.13	0.00	4,080,742.46	1,101,335.50	5,495,517.17
	Total Approved Grants and Expenses	50,108,452.46	44,632,605.14	0.00	0.00	44,632,605.14	965,575.39	0.00	0.00	19,118.25	0.00	8,818.35	0.00	45,626,117.13	0.00	4,080,742.46	1,101,335.50	40,444,039.17
	Revenue Over (Under) approved Grants and Expenses Before Net Gain (Loss) on investments	(39,513,350.78)	(35,237,880.52)	0.00	0.00	(35,237,880.52)	(938,725.54)	0.00	0.00	0.00	364,644.00	(15,003.51)	0.00	(35,826,965.57)	1,243,735.00	4,474,674.10		

The Lynde and Harry Bradley Foundation

Trial Balance - Statement of Operations  
December 31, 2011

Acct.																				
No.	Account Name	12/31/10	Pre-audit f/s 12/31/11	Closing entries	Reclass Adjustments	A-2 Workpaper	Accrual to Cash Adjustments	Reclass for Trial Balance	Unrealized G/L Def Inc/Loss	Reclass	K-1/1099 Adjustments	Book to Tax Adjustments		Basis Adjustment	Cash Basis 12/31/11	Tax Return Adjustments	Allocation to Net Income	Eliminations	Distributions for Charity	
NET GAIN (LOSS) ON INVESTMENTS:																				
44000-44400, 47000	Realized Gain (Loss) - Base portfolio	18,884,574.99	17,249,022.09		254,078.49	17,503,100.58					1,581,297.00	1,2,3,4,5	496.06	1,2	19,084,893.64		19,084,893.64			
	Realized Gain (Loss) - Equity	0.00	0.00			0.00									0.00		0.00			
	Realized Gain (Loss) - Combined					0.00									0.00		0.00			
44600	Realized Gain (Loss) - Appreciated Stock	0.00	0.00			0.00									0.00	0.00	0.00			
	Realized Gain (Loss) - Alternative Investments	0.00	0.00			0.00									0.00	0.00	0.00			
44950-000	Realized Gain (Loss) - PRI	0.00	(250,000.00)			(250,000.00)									(250,000.00)		(250,000.00)			
44500-000	Realized Gain (Loss) - Acacia	40,814,725.44	8,069,477.20			8,069,477.20					0.00	2,4			8,069,477.20		8,069,477.20			
44700	Realized Gain (Loss) - SERP	70.91	0.00			0.00									0.00		0.00			
44550-000	Temp. Rest. Realized Gains/Losses	3,073,486.00	1,216,288.00		9.00	1,216,297.00									1,216,297.00		1,216,297.00			
45000-45400	Unrealized Gain (Loss) - Base portfolio	33,612,902.94	(35,319,887.47)	1,180.56	(805,739.49)	(36,124,446.40)			36,124,446.40	1					0.00		0.00			
	Unrealized Gain (Loss) - Equity	0.00	0.00			0.00			0.00						0.00		0.00			
	Unrealized Gain - Alternative Investments	0.00	0.00			0.00			0.00						0.00		0.00			
	Alternative Investment Valuation Reserve	0.00	0.00			0.00			0.00						0.00		0.00			
45500-000	Unrealized Gains - Acacia	(25,298,891.44)	(11,232,732.90)			(11,232,732.90)			11,232,732.90	1					0.00		0.00			
45700-000	Unrealized G/L - SERP	29,694.86	(1,381.96)			(1,381.96)			1,381.96	1					0.00		0.00			
45550-000	Temp. Rest. Unrealized Gains/Losses	326,040.00	(2,244,506.00)		60.00	(2,244,446.00)			2,244,446.00	1					0.00		0.00			
	Net Gain (Loss) on Investments	71,442,603.70	(22,513,721.04)	1,180.56	(551,592.00)	(23,064,132.48)	0.00	0.00	49,603,007.26	0.00	1,581,297.00	496.06	0.00	0.00	28,120,667.84	0.00	28,120,667.84	0.00	0.00	
	Revenue and Net Gain (Loss) on investments over approved grants and expenses	31,929,252.92	(57,751,601.56)	1,180.56	(551,592.00)	(58,302,013.00)	(938,725.54)	0.00	49,603,007.26	1	0.00	1,945,941.00	(14,507.45)	0.00	(7,706,297.73)	1,243,735.00	32,595,341.94	0.00	0.00	
	Fund Balances, Beginning of Year	590,586,611.89	622,515,864.81			622,515,864.81			(68,760,433.01)		47,973,102.21	10,147,674.52			611,876,208.53					
	Charter Growth not on books		0.00			0.00									0.00					
	Fund Balances, End of Year	622,515,864.81	564,764,263.25	1,180.56	(551,592.00)	564,213,851.81	(938,725.54)	0.00	(19,157,425.75)	0.00	49,919,043.21	10,133,167.07	0.00	0.00	604,169,910.80	1,243,735.00	32,595,341.94			
	Fund Balance, End of Year (2010)		622,515,864.81													Tax estimate	651,906.84	2%		
	Fund Balance, Beginning of Year (2011)		622,515,864.81						(19,157,425.75)											
	Difference - SFAS 116 - unconditional grants recorded for audit purposes only - not recorded on books		0.00						0.00							Payments:				
																P/y overpymt	205,597.00			
																5/15/11	0.00			
																6/15/11	200,000.00			
																9/15/11	450,000.00			
																12/15/11	125,000.00			
																5/15/12 ext.	0.00			
																Total payments	980,597.00			
																Payable/(Rec)	(328,690.16)	2%		

The Lynde and Harry Bradley Foundation

Trial Balance - Statement of Operations  
December 31, 2011

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Acct. No.	Account Name	12/31/10	Pre-audit f/s 12/31/11	Closing entries	Reclass Adjustments	A-2 Workpaper	Accrual to Cash Adjustments		Reclass for Trial Balance	Unrealized G/L Def Inc/Loss	Reclass	K-1/1099 Adjustments		Book to Tax Adjustments		Basis Adjustment	Cash Basis 12/31/11	Tax Return Adjustments	Allocation to Net Income	Eliminations	Distributions for Charity
OPERATING EXPENSES:																					
64000-64500	Investment Management Fees	2,460,395.08	2,311,862.83			2,311,862.83	(68,895.93)	10									2,242,966.90	I	J	2,242,966.90	0.00
64900-000	Trustee Custodian Fees	233,031.74	287,789.18			287,789.18	(12,241.83)	11									275,547.35	I	J	275,547.35	0.00
66000-66300	Investment Expenses	-21,354.28	137,969.82			137,969.82								496.06	4		138,465.88	Q	R	138,465.88	0.00
66600-000	Investment Expenses- Apprec. Stock	0.00	0.00			0.00											0.00	Q	R	0.00	0.00
66700-000	Investment Interest Expense	0.00	0.00			0.00											0.00			0.00	0.00
68000-000	Commission Recapture Revenue	(16,365.65)	(19,118.25)			(19,118.25)			19,118.25	1							0.00			0.00	0.00
68500	Consulting - Financial	614,950.42	830,801.62			830,801.62											830,801.62	I	J	830,801.62	0.00
62000-000	Excise Tax Expense	858,500.00	800,000.04			800,000.04	168,237.96	8									968,238.00				968,238.00
62500	Income Taxes	(80,000.00)	(61,475.92)			(61,475.92)	(25,711.34)	9									(87,187.26)				-87,187.26
70000-000	Salaries	2,395,955.15	2,440,287.39			2,440,287.39					230,332.00	2					2,670,619.39			378,716.44	2,291,902.95
70000-001	Salaries - Contract Bonus	0.00	0.00			0.00											0.00				0.00
70010-000	Employer Payroll Taxes	128,820.94	130,679.99			130,679.99	26.88	2									130,706.87	C	D	19,114.36	111,592.51
70100-000	Unemployment Insurance	158.96	569.12			569.12											569.12	C	D		569.12
70110-000	Worker's Compensation Insurance	8,802.00	6,817.00			6,817.00											6,817.00	C	D	831.37	5,985.63
70120-000	Insurance - Medical	180,293.31	197,015.08			197,015.08											197,015.08	C	D	17,062.48	179,952.60
70130-000	Insurance - Dental	12,067.46	16,774.88			16,774.88											16,774.88	C	D		16,774.88
70140-000	Insurance - Vision 125	1,311.82	1,375.12			1,375.12											1,375.12	C	D		1,375.12
70150-000	Insurance - Disability	24,817.32	26,302.62			26,302.62											26,302.62	C	D	2,260.79	24,041.83
70160-000	Insurance - Travel and Accident	6,132.00	0.00			0.00											0.00	C	D		0.00
70170-000	Insurance - Life	74,826.25	79,940.10			79,940.10											79,940.10		D	11,407.68	68,532.42
70180-000	EAP Insurance	0.00	0.00			0.00											0.00	C	D	0.00	0.00
70190-000	Long Term Care Insurance - MG	11,409.00	11,296.20			11,296.20											11,296.20	C	D	1,694.43	9,601.77
70200-000	Simplified Employer Pension Plan	305,354.19	313,510.36			313,510.36	(642.83)	4									312,867.53	C	D	44,753.99	268,113.54
70210-000	Retention Bonus	224,703.00	238,606.00			238,606.00	(8,274.00)	5			(230,332.00)	2					0.00	C	D		0.00
70220-000	SERP - MWG	35,381.13	18,721.50			18,721.50	(18,721.50)	5									0.00	C	D		0.00
70230-000	SERP - DS	24,365.88	11,890.72			11,890.72	(11,890.72)	5									0.00	C	D		0.00
70300	Flexible Spending	910.00	601.40			601.40											601.40	C	D	198.46	402.94
70310	Health Savings Accounts	27,333.24	28,333.32			28,333.32											28,333.32	C	D	1,750.00	26,583.32
70320	Health Reimbursement Account	0.00	0.00			0.00											0.00	C	D		0.00
70400-000	Other Benefits	0.00	0.00			0.00											0.00	C	D		0.00
70410-000	Relocation	-1,037.35	0.00			0.00											0.00				0.00
70500-000	Vacation	28,588.89	389.30			389.30	(389.30)	6									0.00	C	D		0.00
71000-000	Directors Annual Retainer Fees	218,000.00	215,000.00			215,000.00											215,000.00	A	B	12,750.00	202,250.00
71010-000	Directors Meeting Attendance Fees	144,000.00	139,000.00			139,000.00	3,000.00	7									142,000.00	A	B	8,000.00	134,000.00
71100-000	Travel and Accident Insurance	3,062.00	0.00			0.00											0.00	C	D	0.00	0.00
71110-000	Directors Liability Insurance	14,403.00	14,403.00			14,403.00											14,403.00	C	D	2,160.45	12,242.55
72010-72600	Meeting and Travel Expenses - General	233,593.65	281,317.91			281,317.91											281,317.91			7,610.00	273,707.91
73010-000	Foundation Auto Expenses	2,519.06	19,417.16			19,417.16											19,417.16	Q	R		19,417.16
73020-000	Parking Lot Lease	12,305.59	21,792.21			21,792.21											21,792.21	M	N		21,792.21
73030-000	Utilities	43,139.93	44,879.88			44,879.88											44,879.88	M	N		44,879.88
73040-000	Insurance	30,457.00	30,914.90			30,914.90											30,914.90	M	N		30,914.90
73050-000	Waste Removal	1,875.85	2,063.22			2,063.22											2,063.22	M	N		2,063.22
73060-000	Snowplowing	5,996.40	8,053.80			8,053.80											8,053.80	M	N		8,053.80
73070-000	Contract Cleaning	22,060.86	25,825.58			25,825.58											25,825.58	M	N		25,825.58
73080-000	HVAC Maint/Repairs	19,589.35	11,795.70			11,795.70											11,795.70	M	N		11,795.70
73090-000	Security Cont./Maint.	2,873.30	588.00			588.00											588.00	M	N		588.00
73100-000	Plant Rental	0.00	0.00			0.00											0.00	M	N		0.00
73110-000	Landscaping supplies and service	3,859.72	3,939.00			3,939.00											3,939.00	M	N		3,939.00
73120-000	Supplies	785.37	878.77			878.77											878.77	M	N		878.77
73130-000	Gen Repairs/Maint.	24,429.67	23,015.47			23,015.47											23,015.47	M	N		23,015.47
73140-000	Pest Control	784.00	738.00			738.00											738.00	M	N		738.00
73150-000	Memorials	470.48	677.94			677.94											677.94	M	N		677.94
73160-000	Awards	0.00	0.00			0.00											0.00	M	N		0.00
74010-000	Interest Expense	0.00	250.00			250.00											250.00				250.00
74100-000	Depreciation - B&I - Lion House	72,148.22	72,148.22			72,148.22											72,148.22	K	L		72,148.22
74110-000	Depreciation - B&I - Hawley House	95,727.36	91,171.88			91,171.88											91,171.88	K	L		91,171.88
74115-000	Depreciation - F&F - Hawley House	0.00	31,809.66			31,809.66											31,809.66	K	L		31,809.66
75000-75015	General Office Supplies Expense	24,999.48	21,300.32			21,300.32											21,300.32	Q	R	3,728.00	17,572.32
75020	Postage and Delivery Expense	11,996.56	15,982.61			15,982.61											15,982.61	Q	R		15,982.61
75040-000	Miscellaneous Petty Cash Expense	0.00	0.00			0.00											0.00	Q	R		0.00
76000-76008	Computer Equipment	34,474.06	12,372.25			12,372.25											12,372.25	Q	R	904.00	11,468.25



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[illegible]

**The Lynde and Harry Bradley Foundation, Inc.**  
**Tax Return Adjustments (TRA)**  
**December 31, 2011**

A/C #		DESCRIPTION	DR	CR	
<b>Accrual to Cash</b>					
12000-12400	1	Accrued investment income receivable	26,849.85		
43000-43500		Change in accrued income		26,849.85	26,849.85
70010-000	2	Employer Payroll Taxes	26.88		
12000-12400		Payroll Taxes Receivable		26.88	(26.88)
60000-000	3	Grants Expense	941,078.00		
20000-000		Grants Payable		941,078.00	(941,078.00)
22200-000	4	Accrued Simplified Employee Pension Plan	642.83		
70200-000		Simplified Employee Pension Plan		642.83	642.83
22210-000	5	Accrued Retention Bonus MG	8,274.00		
22230-000		Accrued Retirement DS	11,890.72		
22220-000		Accrued Retirement MG	18,721.50		
70210-000		Other Pension Benefits		8,274.00	8,274.00
70230-000		SERP-DS		11,890.72	11,890.72
70220-000		SERP-MWG		18,721.50	18,721.50
22500-000	6	Vacation and Holidays	389.30		
70500		Vacation		389.30	389.30
71010-000	7	Directors Meeting Attendance Fees	3,000.00		
22610-000		Accrued Director Attendance fees		3,000.00	(3,000.00)
62000-000	8	Excise Tax Expense	168,237.96		
		Tax Refund Receivable		9,737.96	
23000-000		Excise Taxes		158,500.00	(168,237.96)
23100	9	Accrued Income Tax	25,711.34		
62500		Income Tax Expense		25,711.34	25,711.34
24000-000	10	Accrued Investment manager fees	68,895.93		
64000-64500		Investment manager fees		68,895.93	68,895.93
24100-000	11	Trustee Custodian Fees	12,241.83		
64900-000		Trustee Custodian Fees		12,241.83	12,241.83
			1,285,960.14	1,285,960.14	(938,725.54)
					(941,078.00)
					2,352.46

**Balance Sheet Deferred Inc/Loss**

Cash & Cash Equivalents	0.00	
U.S. Government Obligations		4,007,454.97
Mortgage Backed Securities		331,715.40
Corporate Bonds		376,040.78
Other Asset Backed Securities	751,346.51	
Fixed Income Mutual Funds		147,418.45
Alternative Investments	6,129,271.83	
Other Alternative Investments	348,971.26	
Common and Preferred Stock		21,527,655.13
Other	3,269.08	
Adjust investments to cost basis at 12/31/11	19,157,426.05	
	<u>26,390,284.73</u>	<u>26,390,284.73</u>

**Balance Sheet Reclass**

1 Common & Preferred Stock	1,556,352.35	
1 Other Alternative Investments		1,556,352.35
Reclassify Acacia Inst. Partners to corporate stock for 990-PF presentation (cost basis)	1,556,352.35	1,556,352.35

**Statement of Operations Deferred Income**

45000-45400	1	Unrealized Gain (Loss) - Base portfolio	36,124,446.40
45500-000	1	Unrealized Gain (Loss) - Acacia	11,232,732.90
45700-000	1	Unrealized Gain (Loss) - SERP	1,381.96
45550-000	1	Temp. Rest. Unrealized Gain (Loss)	2,244,446.00
		Remove unrealized gain (loss) for year ended 12/31/11	49,603,007.26
			<u>49,603,007.26</u>

**Statement of Operations Reclass**

68000-000	1	Commission recapture	19,118.25
42000-42500	1	Other income - portfolio	19,118.25
70000-000	2	Salaries	230,332.00
70210-000	2	Retention Bonus	230,332.00
	3	Grant Related Expenses	13,712.08
60200-000	3	Grant Related Expenses	13,712.08
			<u>249,450.25</u>

**Statement of Operations and Balance Sheet K-1 Adjustments**

40000-40500	1	Interest Income - portfolio	563.00		
42000-42500	1	Other Income - portfolio	1,600,523.00		
44000-44400	1	Realized Gain (Loss) - base portfolio	5,785,923.00		
	1	Alternative Investments		7,387,009.00	
		Remove alternative investment income recorded in books via BNY statements (incl. hedge, PE, timber, OFI - RA, Urdang Global)			
40000-40500	2	Interest Income - portfolio	632,103.00		
42000-42500	2	Other Income - portfolio	0.00		
44000-44400	2	Realized Gain (Loss) - base portfolio	399,199.00		
44500-000	2	Realized Gain (Loss) - Acacia	8,069,477.00		
	2	US Government Bonds		1,036,153.00	
	2	Common and Preferred Stock	7,605.00	0.00	
	2	Other Alternative Investments		8,072,231.00	
		Remove investment income recorded on books via BNY statements for Acacia, OFI-EM, Wellington			
42000-42500	3	Other Income - portfolio		84,902.00	
44000-44400	3	Realized Gain (Loss) - base portfolio		3,349,667.00	
	3	UBTI	23,265.00		
	3	Alternative Investments	3,434,569.00		
		Recognize private equity income reported via 2011 K-1 statements and other adjustments			
42000-42500	4	Other Income - portfolio		2,527,201.00	
44000-44400	4	Realized Gain (Loss) - base portfolio		4,559,095.00	
44500-000	4	Realized Gain (Loss) - Acacia		8,069,477.00	
	4	US Government Bonds	2,530,805.00		
	4	Common and Preferred Stock	3,576,832.00		
	4	Alternative Investments	962,951.00		
	4	Other Alternative Investments	8,085,185.00		
		Recognize investment income via 2011 K-1 stmts and other adjustments for Acacia, OFI - EM, OFI - RA, Wellington, Urdang Global			
42000-42500	5	Other Income - portfolio	7,780.00	0.00	
44000-44400	5	Realized Gain (Loss) - base portfolio	142,343.00	0.00	
	5	Alternative Investments		150,123.00	
		Recognize investment income for 2011 K-1 stmts and other adjustments for hedge funds (Man-AHL, Farallon, Pequot)			
42000-42500	6	Other Income - portfolio		16,775.00	
44000-44400	6	Realized Gain (Loss) - base portfolio		0.00	
	6	Alternative Investments	16,775.00		
		Recognize investment income for 2011 1099's and other adjustments for timber funds (Hancock and Heartwood)			
Total K-1 Difference			35,275,898.00	(1,945,942.00) 33,306,691.00	1,969,207.00
			Int	387,909.00	
			RGL	1,581,297.00	
			UBTI	(23,265.00)	
				1,945,941.00	

Statement of Operations Book to Tax Adjustments

44000-44400	1	Realized Gain (Loss) - base portfolio Difference between Foundation and Northern Trust		16,903.57	
44000-44400	2	Realized Gain (Loss) - base portfolio Record realized loss due to conversion of FX trades	16,407.51		
60020-000	3	Grant Refunds Included in separate part of return	8,322.29		
66000-000	4	Investment Expenses Adjustment to agree Trial Balance to Tax Return	496.06		
41600-000	5	Dividends	6,185.16		
40000-000		Interest - Equity SERP not taxable			
		Total Adjustments	31,411.02	16,903.57	(14,507.45)
					1,954,699.55
			Int	381,723.84	
			RGL	1,598,200.57	
			UBTI	(23,265.00)	

Exhibit B

INVESTMENT MANAGER	Realized Gains/Losses			Income Received			
	Per Foundation	Per BNY	Difference	Per Foundation	Per BNY	Difference	Total Difference
	Books			Books*			
ALLIANCE BERNSTEIN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ARTISAN PARTNERS	42,733.53	59,141.04	16,407.51	1,067,976.04	1,067,976.04	0.00	16,407.51
BAILLIE GIFFORD	0.00	0.00	0.00	875,018.08	875,018.08	0.00	0.00
BAIRD ADVISORS	168,563.22	168,563.22	0.00	1,369,578.53	1,369,578.53	0.00	0.00
CAPITAL GUARDIAN U.S. EQUITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COLUMBIA MANAGEMENT	(434,492.18)	(434,492.18)	0.00	132,550.21	132,550.21	0.00	0.00
CASH ACCOUNT	62,275.04	62,771.10	496.06	(45,814.50)	(45,814.50)	0.00	496.06
GARDNER LEWIS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ALLIANZ	3,374,010.34	3,374,010.34	0.00	0.00	0.00	0.00	0.00
ALPHAONE ASSET MANAGEMENT	3,073,982.77	3,073,982.77	0.00	164,553.93	164,553.93	0.00	0.00
PIMCO ADVISORS	631,360.94	631,360.94	0.00	729,278.50	729,278.50	0.00	0.00
ROTHSCHILD ASSET MANAGEMENT	2,583,176.63	2,583,176.63	0.00	216,424.02	216,424.02	0.00	0.00
FIDUCIARY MANAGEMENT	3,404,171.23	3,404,171.23	0.00	706,745.53	706,745.53	0.00	0.00
BNY BOND INDEX FUND	305,221.47	305,221.47	0.00	220,472.61	220,472.61	0.00	0.00
BNY STOCK INDEX FUND	(676,727.16)	(676,727.16)	0.00	373,414.46	373,414.46	0.00	0.00
	12,534,275.83	12,551,179.40	16,903.57	5,810,197.41	5,810,197.41	0.00	16,903.57

Per BNY accounting reports											
Sales	Foreign Currency	Total	Capital Gain Dividend/Other	Taxable Interest	Taxable Dividend	Payment in lieu	Foreign taxes	Foreign Income	Nontaxable Distributions	IM Fees	Other Expenses/ Deductions
0.00	0.00	0.00		0.00	0.00						
(230,397.40)	289,538.44	59,141.04		163.01	1,067,813.03		(88,629.88)	935,633.52		(342,088.47)	(2,027.09)
		0.00			875,018.08						
168,563.22	0.00	168,563.22		1,369,578.53	0.00					(86,051.80)	
0.00	0.00	0.00		0.00	0.00						
(434,492.18)	0.00	(434,492.18)		(37.67)	132,587.88					(165,321.00)	(203.14)
62,771.10	0.00	62,771.10		(47,644.89)	1,830.39					(579,297.62)	(73.91)
0.00	0.00	0.00									
3,374,010.34	0.00	3,374,010.34									
3,073,982.77	0.00	3,073,982.77		63.23	164,490.70					(253,068.65)	
631,360.94	0.00	631,360.94		6,366.85	722,911.65						
2,583,176.63	0.00	2,583,176.63		18.17	216,405.85					(202,601.00)	
3,404,171.23	0.00	3,404,171.23		72.23	706,673.30					(202,259.00)	(94.94)
305,221.47		305,221.47			220,472.61					(4,734.94)	
(676,727.16)		(676,727.16)			373,414.46					(8,360.56)	
12,261,640.96	289,538.44	12,551,179.40	0.00	1,328,579.46	4,481,617.95	0.00	(88,629.88)	935,633.52	0.00	(1,843,783.04)	(2,399.08)

Book to Tax  
Adjustments

(496.06)

K-1 Information	Per K-1 and			Per K-1 and			
	Per Fdn Books	addtl adjustments	Difference	Per Fdn Books	addtl adjustments	Difference	Total Difference
Acacia	8,069,477.20	8,069,477.20	0.00	2,754.28	15,708.28	12,954.00	12,954.00
OFI Emerging Markets	(7,605.05)	2,342,777.00	2,350,382.05	0.00	1,234,055.00	1,234,055.00	3,584,437.05
Wellington	406,804.35	1,023,138.00	616,333.65	629,348.80	1,507,667.00	878,318.20	1,494,651.85
OFI Real Assets	(1,299,881.38)	(222,483.00)	1,077,398.38	0.03	70,000.03	70,000.00	1,147,398.38
Urdang Global	1,772,973.00	1,415,663.00	(357,310.00)	966,551.00	(300,229.00)	(1,266,780.00)	(1,624,090.00)
Alternative Investments - Legacy	1,664,170.74	1,118,853.87	(545,316.87)	26,452.62	(81,153.92)	(107,606.54)	(652,923.41)
Alternative Investments - Cambridge	3,749,130.02	2,230,813.00	(1,518,317.02)	591,269.93	166,055.70	(425,214.23)	(1,943,531.25)
Morgan Stanley Hedge	(120,245.70)	(120,685.70)	(440.00)	(0.25)	(3,977.25)	(3,977.00)	(4,417.00)
Cambridge Hedge	19,775.77	(21,657.00)	(41,432.77)	37.09	(3,802.91)	(3,840.00)	(45,272.77)
Hancock	0.00	0.00	0.00	1.05	0.00	0.00	0.00
Heartwood	0.00		0.00	16,773.82	16,773.82	0.00	0.00
Total Mgrs with K-1s	14,254,598.95	15,835,896.37	1,581,297.42	2,233,188.37	2,621,097.80	387,909.43	1,969,206.85
Total Mgrs (including K-1s)	26,788,874.78	28,387,075.77	1,598,200.99	8,043,385.78	8,431,295.21	387,909.43	1,986,110.42

(496.06)

Appreciated Stock - not taxable	0.00		0.00
SERP entries - not taxable	0.00		6,185.16
SL income - on separate line of financials	0.00		21.40
Legacy Bancorp write-off	(250,000.00)		0.00
PE income outside the partnership	0.00		0.00
PE expense outside the partnership-netted w/inc	0.00		0.00
Total	26,538,874.78		8,049,592.34
Per G/L	26,538,874.78	Accts. 44000-44950	8,049,592.34 Accts. 40000-40500, 41000-41610, 42000-42500, 40700,43550
Difference	0.00		0.00

\*Excludes accrued income.

**The Lynde and Harry Bradley Foundation Inc.**  
**Tax Return Information**  
**Year Ended December 31, 2011**  
**Form 990-PF Part X**

**Exhibit C**

**Average Monthly Fair Market Value of Securities/Cash Balances**

	<u>Total Investments At Market Value*</u> (A)	<u>Alternative Investments Net Gains</u> (B)	<u>Net Market Value Securities</u> (A)-(B)	<u>Average Monthly Securities Balance</u>	<u>Cash Balance</u>	<u>Average Monthly Cash Balance</u>
Dec. 10	626,388,000	3,731,569	630,119,569		6,000	
Jan.	621,373,000		621,373,000	625,746,285	6,000	6,000
Feb.	632,477,000		632,477,000	627,989,856	126,000	46,000
Mar.	642,824,000		642,824,000	631,698,392	127,000	66,250
Apr.	657,627,000		657,627,000	636,884,114	127,000	78,400
May	651,265,000		651,265,000	639,280,928	127,000	86,500
June	639,816,000		639,816,000	639,357,367	167,000	98,000
July	632,820,000		632,820,000	638,540,196	168,000	106,750
Aug.	606,011,000		606,011,000	634,925,841	213,000	118,556
Sept.	559,290,000		559,290,000	627,362,257	215,000	128,200
Oct.	594,183,000		594,183,000	624,345,961	15,000	117,909
Nov.	585,883,000		585,883,000	621,140,714	15,000	109,333
Dec.	566,684,000	8,305,480	574,989,480	617,590,619	21,000	102,538

\* Amounts taken from monthly investment manager summary except for December amount which was taken from the audited financials noted below.

Total Investments	549,387,000
Add: Cash and Cash Equiv.	16,851,000
Add: Accrued investment income	467,000
Less: Deposit Account	(21,000)
	<u>566,684,000</u>

Exhibit D

20 = 553,156.73 MWB compensation

For The Year Ended December 31, 2011															Health & Vision Insurance										Health & Dental Insurance										Life Insurance										Disability Insurance										Workers Compensation Insurance										TOTAL									
Employee	Gross Wages	OPEN	Table HSA ER Cost	Imputed Income		Medicare Premiums	Relocation	LT Disability	Total Gross Wages	STD	Group Life Insurance	Vision 125	Flex MSP	Flex DC	Pre-Tax HSA	OPEN TAB	Total W-2 Wages	Employer FICA		Post FICA		SEP Pension	Nonreimbursable Education Assistance	SEP	Health Savings ER Portion	Health Insurance		All Disability Insurance	Group Dep Life Insurance	Travel/Account Insurance	Workers Compensation Insurance	TOTAL																																										
				Term Insurance	Term Insurance													FECA	FECA-MH	A/C 70120-000	A/C 70140-000					A/C 70130-000	A/C 70150-000						A/C 70160-000	A/C 70110-000																																								
Karen Pacioni	\$45,712.55							\$0.00	\$45,712.55		\$0.00	(\$26.40)	\$0.00		\$0.00		\$0.00	\$45,686.15	\$2,832.54	\$662.45		6,856.88	0.00		2,000.00		14,686.62	\$722.64	\$248.94	\$103.49	\$363.44	\$74,136.76	\$28,424.21																																									
William Bergeron	\$43,400.00							\$0.00	\$43,400.00		\$0.00	(\$26.40)	\$0.00		(\$600.00)		(\$2,400.00)	\$40,373.60	\$2,651.96	\$620.22		6,510.00	0.00		2,000.00		13,789.78	\$694.08	\$248.04	\$103.49	\$354.44	\$70,381.02	\$26,861.02																																									
Gary Cavender	\$15,216.44							\$0.00	\$15,216.44		\$0.00	\$0.00	\$0.00		\$0.00		\$0.00	\$15,216.44	\$943.42	\$220.64		2,282.47	0.00		0.00	0.00	\$0.00	\$0.00	\$0.00	\$51.75	\$181.72	\$18,896.44	\$3,680.00																																									
Dianne Kinn	\$58,411.25							\$0.00	\$58,411.25		\$4.08	(\$26.40)	\$0.00		(\$2,100.00)		\$0.00	\$56,288.93	\$3,489.91	\$816.19		8,761.99	0.00		2,000.00		14,233.68	\$879.12	\$320.64	\$103.49	\$363.44	\$89,379.42	\$30,968.17																																									
Yvonne Enzel	\$68,999.96							\$927.00	\$69,926.96	415.00	\$134.64	(\$26.40)	\$0.00		(\$4,200.00)		\$0.00	\$66,250.20	\$4,081.78	\$954.61		10,349.99	0.00		2,000.00	13,090.48	\$1,050.00	\$387.80	\$103.49	\$363.44	\$101,381.36	\$32,361.48																																										
Terri Farmer	\$77,300.00							\$939.64	\$78,239.64		\$129.00	(\$13.20)	\$0.00		\$0.00		\$0.00	\$76,355.64	\$4,858.05	\$1,136.16		11,595.00	0.00		2,000.00	11,595.00	\$1,164.00	\$418.56	\$103.49	\$363.44	\$104,357.23	\$27,057.23																																										
Cynthia Frauf	\$206,000.04							\$2,563.20	\$208,563.24		\$516.00	(\$26.40)	(\$1,920.00)		(\$5,150.00)		(\$1,200.00)	\$200,782.84	\$8,621.50	\$2,928.75		30,900.01	0.00		2,000.00	12,335.64	\$2,644.08	\$850.56	\$103.49	\$363.44	\$268,547.88	\$67,547.94																																										
Michael Grebe	\$730,332.04		\$2,000.00					\$2,848.08	\$606,576.85		\$618.00	(\$26.40)	\$0.00				(\$21,999.96)	\$785,168.49	\$6,821.60	\$11,943.20		36,750.00	0.00		0.00	0.00	\$2,944.08	\$606.54	\$103.49	\$363.44	\$693,221.41	\$167,889.37																																										
Dennis Grueneberg	\$30,845.14							\$0.00	\$30,845.14		\$0.00	\$0.00	\$0.00		(\$800.00)		\$0.00	\$30,245.14	\$1,875.20	\$438.55		4,626.77	0.00		1,000.00	5,512.70	\$153.36	\$81.75	\$103.49	\$363.44	\$45,010.41	\$14,165.27																																										
Michael Hartmann	\$129,000.04							\$0.00	\$129,000.04		\$90.00	(\$13.20)	\$0.00		(\$1,000.00)		(\$6,000.00)	\$122,076.84	\$6,621.60	\$1,857.11		19,350.01	0.00		1,000.00	6,487.59	\$1,876.08	\$697.56	\$103.49	\$363.44	\$167,356.86	\$38,356.82																																										
Mindy Hess	\$111,700.00							\$1,352.88	\$113,052.88		\$69.60	(\$35.04)	(\$1,020.00)	(\$2,040.00)	(\$4,140.00)		\$0.00	\$105,887.44	\$6,585.02	\$1,535.37		16,755.00	0.00		2,000.00	20,163.19	\$1,633.92	\$616.32	\$103.49	\$363.44	\$161,455.73	\$48,755.73																																										
Robert Norton	\$265,800.00							\$2,848.08	\$268,648.08		\$180.00	(\$35.04)	\$0.00		(\$4,150.00)		(\$16,500.00)	\$246,143.04	\$6,621.60	\$3,837.32		36,750.00	0.00		2,000.00	20,791.76	\$2,944.08	\$850.56	\$103.49	\$363.44	\$339,862.38	\$73,762.38																																										
Diane Lack	\$36,100.00							\$0.00	\$36,100.00		\$0.00	\$0.00	\$0.00		(\$600.00)		\$0.00	\$34,900.00	\$2,201.00	\$514.75		5,415.00	0.00		1,000.00	7,236.52	\$595.80	\$200.88	\$103.49	\$363.44	\$53,230.89	\$17,130.89																																										
R. Michael Lemke	\$133,999.96							\$0.00	\$133,999.96		\$0.00	\$0.00	(\$6,286.76)		(\$6,000.00)		\$0.00	\$121,703.20	\$6,621.60	\$1,764.70		20,089.99	0.00		0.00	0.00	\$0.00	\$0.00	\$103.49	\$363.44	\$162,853.19	\$28,953.23																																										
Alejo Mannino	\$70,300.04							\$0.00	\$70,300.04	500.00	\$19.44	(\$26.40)	\$0.00	(\$2,800.00)	(\$4,150.00)		\$0.00	\$63,843.08	\$3,927.27	\$918.47		10,545.01	0.00		2,000.00	19,025.56	\$1,004.40	\$393.12	\$103.49	\$363.44	\$109,140.81	\$38,840.77																																										
Laura Platt	\$12,633.32							\$0.00	\$12,633.32		\$1.60	(\$4.40)	\$0.00		\$0.00		\$0.00	\$12,630.72	\$783.10	\$183.15		0.00	0.00		0.00	0.00	\$0.00	\$0.00	\$0.00	\$62.74	\$193.45	\$90.88	\$16,234.24	\$3,690.92																																								
Janet Riordan	\$93,000.00							\$0.00	\$93,000.00		\$110.40	(\$13.20)	(\$3,000.00)		(\$2,049.96)		(\$9,900.00)	\$78,447.24	\$5,458.93	\$1,276.68		13,950.00	0.00		1,000.00	6,278.52	\$1,377.60	\$515.68	\$103.49	\$363.44	\$123,324.55	\$30,324.55																																										
Daniel Schmitt	\$307,700.00							\$0.00	\$307,700.00		\$792.00	(\$26.40)	\$0.00		\$0.00		\$0.00	\$308,465.80	\$6,621.60	\$4,609.72		36,750.00	0.00		2,000.00	13,622.08	\$2,537.18	\$820.68	\$103.49	\$363.44	\$384,562.58	\$76,862.58																																										
Dianne Sehler	\$151,460.00							\$1,993.68	\$153,393.68		\$768.24	\$0.00	(\$200.00)		(\$3,050.00)		(\$21,999.96)	\$128,911.96	\$6,621.60	\$2,188.22		22,710.00	0.00		1,000.00	15,072.08	\$2,188.28	\$824.02	\$103.49	\$363.44	\$193,891.56	\$42,291.56																																										
Judith Peters	\$54,800.00							\$712.08	\$55,512.08		\$31.68	(\$13.20)	\$0.00		(\$2,650.00)		(\$5,500.00)	\$47,380.58	\$3,278.99	\$766.77		8,220.00	0.00		1,000.00	9,671.72	\$304.96	\$301.32	\$103.49	\$363.44	\$76,270.30	\$21,470.30																																										
Stephanie Rohr	\$28,863.61							\$0.00	\$28,863.61		\$0.00	\$0.00	\$0.00		\$0.00		\$0.00	\$28,863.61	\$1,790.78	\$418.81		4,332.54	0.00		1,000.00	6,346.52	\$494.64	\$196.24	\$103.49	\$363.44	\$43,890.06	\$15,006.47																																										
	\$2,671,534.39	\$0.00	\$2,000.00	\$71,396.73	\$0.00	\$0.00	\$14,184.84	\$2,759,115.96	\$315.00	\$3,464.88	(\$328.48)	(\$17,436.76)	(\$4,640.00)	(\$40,439.96)	\$0.00	(\$45,799.92)	\$2,619,640.72	\$91,088.25	\$39,591.24	\$313,510.34	\$0.00	\$35,905.00	\$0.00	\$25,905.00	\$0.00	26,233.32	\$211,174.70	\$26,129.28	\$4,602.17	\$2,044.00	\$7,118.00	\$3,499,565.14	\$425,450.78																																									

ACCOUNT RECONCILIATION:

Balance from above  
RN Relocation Expense  
M. Grebe Relocation Bonus 22210-000  
MG HSA 70310-002  
MG Ins 70170-000  
MG Ins 70170-000  
LTD - imputed income only  
Balance per General Ledger A/C #70000-000

\$2,759,115.96  
\$0.00  
(230,332.00)  
(2,000.00)  
(18,240.00)  
(53,156.73)  
(14,184.84)  
\$2,441,202.39

(\$338.48) (\$17,276.76) \$0.00 (\$40,439.96)

EMPLOYER PAID:  
FICA - Soc. Sec.  
FICA - Medicare  
Total Taxes Paid  
A/C #70000-000

\$81,068.75  
39,591.24  
\$120,659.99 (D)

SEP SUMMARY

\$2,671,534.39 (A)  
\$0.00  
(581,466.36) Ineligible Amount (J)  
\$2,090,068.03  
X 15% Rate  
\$313,510.35  
Adjustment  
\$313,510.35 (E)  
A/C # 70300-000

INELIGIBLE AMOUNTS FOR SEP  
\$69,832.04 Excess Wages (MWGRNDP)  
12,633.32 New Employees (LP)  
\$581,465.36 (J)

Less: 1/11 inv. paid in 12/11

Add: 1/12 inv. paid in 12/11

MG - Insurance/Medicare share  
Worker's comp refund  
Life insurance dividend  
Vision air deduction

\$214,245.12

\$26,302.67

\$19,940.10

\$2,044.00

\$5,817.00

15,964.63

2,002.77

896.41

803.11

\$71,396.73

(\$213.50)

Group/Dependent Life Insurance

Imputed Income \$3,464.88 (B)

Direct Employee Allocation 79,940.10 (F)

\$83,404.98

20 = 1,002,500

+ 230,332.00 MWB Bonus-cash

1,832,832 OFFICER SALARIES

Officer allocation to investment exp

ML 100% 133,999.96  
CF 25% 51,500.01  
MCH 40% 44,680.00  
MWB 15% 109,549.81  
DS 5% 15,385.00  
355,114.78