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Charter School Growth Fund
Helping public education thrive.

November 17, 2011

Ms. Cynthia Friauf
The Lynde and Harry Bradley Foundation
The Lion House
1241 North Franklin Place
Milwaukee, WI 53202

RE: Expenditures from January 1, 2010 through December 31, 2010

Dear Ms. Friauf,

The Lynde and Harry Bradley Foundation ("LHBF") has requested a reporting of the expenditures made by the Charter Fund, Inc., a private operating foundation, (the "Fund") during 2010 on the \$13,500,000 grant originally made in 2005.

Funding activity from LHBF during the year includes:

- The reported balance remaining of funds awarded to the Fund as of December 31, 2009 of \$5,451,897
- There were no draws in 2010.
- For a total available during 2010 of \$5,451,897.

Expenditures during the year by the Fund were as follows:

- The total amount expended by the Fund for the period from January 1, 2010 through December 31, 2010 was \$2,854,455, comprised of the following:
 1. Grants and loans made to the Fund's grantees to cover their management organizations' net operating expenses so that the grantees can support all of the non-profit charter schools that they operate in carrying out their charitable, tax-exempt purposes in the amount of \$2,608,500.
 2. Support to the Fund's net ongoing operating costs of \$249,955.
- Therefore, the remaining balance as of December 31, 2010 was \$2,597,442

This document reports on the Fund's use of the LHBF grant funds in 2010. Previously, in the first quarter of 2011, the Fund sent LHBF the Fund's 2010 Annual Report and 2010 Performance Scorecard. The Annual Report describes in detail the Fund's operations during the period from January 1 through December 31, 2010. It also contains a full account and status update of the portfolio members in which we have allocated LHBF's investments in 2010.



As you are aware, the Fund receives funding under commitments made by various foundations, including, among others, the Walton Family Foundation, the Doris & Donald Fisher Foundation and the Lynde and Harry Bradley Foundation. The Fund allocates its operating expenses and its grants/loans based upon the contributions received from its donors. Based upon this method of accounting for expenditures, LHBF's share of funds expended during the reporting period is included in the attached Exhibit I.

Any remaining balance as of December 31, 2010 has been allocated as part of our outstanding commitments to our portfolio members and will be reported in 2011 expenditure reporting.

I, Kevin Hall, President and CEO of the Fund, confirm that all grant funds were expended for educational purposes and that grant funds were not used to attempt to influence legislation or the outcome of any specific public election; to carry on, directly or indirectly, any voter registration drive; to make grants to individuals or to other non-charitable organizations or undertake any activities for a non-charitable purpose.

I have attached a copy of the Fund's 2010 audited financial statements as Exhibit II.

Sincerely,

Kevin Hall
Chief Executive Officer

cc: Michael C. Grebe
Dan Schmidt

Attachment:

- I. Annual Expenditure Report Detail for The Lynde and Harry Bradley Foundation
- II. Charter Fund, Inc. 2010 Audited Financial Statements

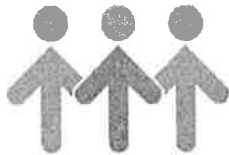


Exhibit I: Annual Expenditure Report Detail
January 1, 2010 through December 31, 2010
The Lynde and Harry Bradley Foundation
Fund I "The 2005 Grant"
Original Commitment of \$13.5 million

Lynde and Harry Bradley Foundation			
Fund I			
		Total Commitment:	\$ 13,500,000
		% Drawn:	100%
		2010	Inception-to-Date
Beginning Balance		\$ 5,451,897	\$ -
Draws		-	13,500,000
LEARN	Feb-10 Grant	400,000	
IDEA	Feb-10 Grant	700,000	
Dreambox	Apr-10 Grant	333,500	
Achievement First	Apr-10 Grant	500,000	
Project YES, Inc.	Dec-10 Grant	325,000	
Brighter Choice Foundation, Inc.	Dec-10 Grant	350,000	
		-	
		-	
		-	
		-	
		-	
		-	
Total Grants and Loans		2,608,500	9,265,396
Operating Expense		245,955	1,637,162
Total Expenditures		2,854,455	10,902,558
		-	-
Ending Balance		\$ 2,597,442	\$ 2,597,442