

CLARE BOOTHE LUCE POLICY INSTITUTE

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION**

YEARS ENDED DECEMBER 31, 2009 AND 2008



**CLARE BOOTHE LUCE
POLICY INSTITUTE**

Preparing and Promoting Conservative Women Leaders

Clare Boothe Luce Policy Institute

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Independent Auditor's Report

Board of Directors
Clare Boothe Luce Policy Institute
Herndon, Virginia

We have audited the accompanying Statements of Financial Position of **Clare Boothe Luce Policy Institute** (the "Institute") as of December 31, 2009 and 2008, and the related Statements of Activities and Changes in Net Assets, and Cash Flows for the years then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Clare Boothe Luce Policy Institute** as of December 31, 2009 and 2008, and the change in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Aronson & Company

Rockville, Maryland
April 22, 2010

Clare Boothe Luce Policy Institute

Statements of Financial Position

<i>December 31,</i>	2009	2008
Assets		
Current assets		
Cash and cash equivalents	\$ 330,021	\$ 157,278
Investments	152,830	138,774
Current portion of receivables	52,000	60,000
Total current assets	534,851	356,052
Receivables, net of current portion	43,324	128,964
Property, building and equipment, net	659,048	707,696
Other assets	742	2,132
Investments	120,000	40,000
Total assets	\$ 1,357,965	\$ 1,234,844
Liabilities and Net Assets		
Current liabilities		
Current portion of notes payable	\$ 10,088	\$ 9,478
Accounts payable and accrued expenses	16,874	2,448
Current portion of gift annuities payable	12,489	12,038
Total current liabilities	39,451	23,964
Gift annuities payable, net of current portion	45,321	57,812
Notes payable, net of current portion	187,592	197,542
Total liabilities	272,364	279,318
Net assets		
Unrestricted	808,020	643,954
Temporarily restricted	82,257	127,993
Permanently restricted	195,324	183,579
Total net assets	1,085,601	955,526
Total liabilities and net assets	\$ 1,357,965	\$ 1,234,844

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Clare Boothe Luce Policy Institute

Statements of Activities and Changes in Net Assets

Years Ended December 31,	2009				2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue								
Contributions	\$ 2,012,659	\$ 8,205	\$ 11,745	\$ 2,032,609	\$ 1,100,879	\$ 114,343	\$ -	\$ 1,215,222
Grants	52,000	45,000	-	97,000	101,500	10,000	-	111,500
Gift annuities	-	-	-	-	35,898	-	-	35,898
Contributed investments	27,693	-	-	27,693	19,890	-	-	19,890
List rental income	17,488	-	-	17,488	25,989	-	-	25,989
Honorarium contributions	-	15,050	-	15,050	-	23,210	-	23,210
Interest income	2,414	912	-	3,326	7,046	1,611	-	8,657
Net gain (loss) on marketable securities	22,657	-	-	22,657	(28,867)	-	-	(28,867)
Other income	2,792	-	-	2,792	12,843	-	-	12,843
Net assets released from restrictions	114,903	(114,903)	-	-	99,478	(99,478)	-	-
Total support and revenue	2,252,606	(45,736)	11,745	2,218,615	1,374,656	49,686	-	1,424,342
Expenses								
Program services								
Public information	1,076,723	-	-	1,076,723	780,095	-	-	780,095
Special projects	371,049	-	-	371,049	533,083	-	-	533,083
Total program services	1,447,772	-	-	1,447,772	1,313,178	-	-	1,313,178
Supporting services								
Fundraising	461,150	-	-	461,150	295,811	-	-	295,811
Management and general	177,063	-	-	177,063	181,760	-	-	181,760
Total expenses	2,085,985	-	-	2,085,985	1,790,749	-	-	1,790,749
Change in net assets from operations	166,621	(45,736)	11,745	132,630	(416,093)	49,686	-	(366,407)
Change in value of annuities	(2,555)	-	-	(2,555)	1,552	-	-	1,552
Change in net assets	164,066	(45,736)	11,745	130,075	(414,541)	49,686	-	(364,855)
Net assets, beginning of year	643,954	127,993	183,579	955,526	1,058,495	78,307	183,579	1,320,381
Net assets, end of year	\$ 808,020	\$ 82,257	\$ 195,324	\$ 1,085,601	\$ 643,954	\$ 127,993	\$ 183,579	\$ 955,526

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Clare Boothe Luce Policy Institute

Statements of Cash Flows

<i>Years Ended December 31,</i>	2009	2008
Cash flows from operating activities		
Change in net assets	\$ 130,075	\$ (364,855)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	53,712	56,049
Contributed investments	(27,693)	(19,890)
Unrealized and realized (gains) losses on marketable securities	(22,657)	28,867
Change in value of annuity liability	2,555	(1,552)
Change in unamortized discount on contributions receivable	(14,360)	2,615
(Increase) decrease in		
Receivables	28,000	(46,128)
Other assets	1,390	(1,390)
(Decrease) increase in		
Accounts payable and accrued expenses	14,426	(17,117)
Net cash provided (used) by operating activities	165,448	(363,401)
Cash flows from investing activities		
Sale of investments	80,168	26,957
Purchase of investments	(123,874)	(82,221)
Purchase of property, building and equipment	(5,064)	(3,023)
Net cash used by investing activities	(48,770)	(58,287)
Cash flows from financing activities		
Payments on notes payable	(9,340)	(7,941)
Receipt of permanently restricted receivables	80,000	-
Proceeds from gift annuities received	-	39,102
Payments on gift annuities	(14,595)	(10,334)
Net cash provided by financing activities	56,065	20,827
Net change in cash and cash equivalents	172,743	(400,861)
Cash and cash equivalents, beginning of year	157,278	558,139
Cash and cash equivalents, end of year	\$ 330,021	\$ 157,278
Supplemental disclosures		
Interest paid during the year	\$ 12,848	\$ 13,696

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Clare Boothe Luce Policy Institute

Notes to Financial Statements

1. Organization and summary of significant accounting policies

Organization: Clare Boothe Luce Policy Institute (the "Institute") is a not-for-profit organization established in May 1993. The Institute prepares young women for effective conservative leadership and promotes school choice opportunities for all kindergarten through twelfth grade children in America. The Institute is located in Herndon, Virginia.

The Institute's two main programs are public information and special projects. The public information program focuses on the Institute's media and communication activities such as the Institute's web site, radio and TV appearances, policy papers, articles, publication of *Great American Conservative Women*, media directories, periodicals and quarterly mailings. The special projects program focuses on lectures and other research activities including the college campus speaker program, seminars, conferences, mentoring lunches, Conservative Women's Network lunches and the Institute's internship program.

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations.

Financial statement presentation: Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions and reported as follows:

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

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that will be met either by actions of the Institute and/or the passage of time.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Institute. The Institute may use all or part of the income earned on these assets for general or specific purpose. At December 31, 2009 and 2008, the Institute had \$195,324 and \$183,579, respectively, in permanently restricted net assets of which the proceeds earned are restricted for the internship program. This donation was a pledge given in 2007 to be paid over six years. Only \$120,000 of the pledge has been paid. The remaining pledge has been discounted to net present value.

Cash and cash equivalents: For purposes of financial statement presentation, the Institute considers all highly liquid debt instruments purchased with an original maturity of ninety days or less to be cash equivalents. The Institute maintains cash balances which may exceed Federally insured limits. Management does not believe that this results in any significant credit risk.

Clare Boothe Luce Policy Institute

Notes to Financial Statements

1. Organization and summary of significant accounting policies (continued)

Investments: Investments consist of certificates of deposit issued by financial institutions and equity securities. The equity securities are stated at fair value as determined by quoted market prices. For the certificates of deposit, the carrying amount represents estimated fair value developed by discounting the future payments using current interest rates for similar maturity dates.

Property and equipment: Property and equipment are recorded at the original cost and are being depreciated on a straight-line basis over estimated lives of three to forty years. Property and equipment additions and improvements acquired at a cost greater than \$500 are capitalized. Costs incurred for maintenance and repairs are charged to expense as incurred.

Gift annuities: Gift annuities are contracts between the Institute and a donor in which the Institute agrees to pay the donor (or other person named by the donor) a lifetime annuity in return for a gift of cash or marketable securities. The assets received by the Institute are recorded at fair market value at the date of the donation. A liability is recorded for the amount due to an income beneficiary of a gift annuity based on the present value of the estimated future payments to be distributed during the income beneficiary's expected life. Each year, the liability is re-measured and changes in the liability due to factors other than cash payments, such as changing life expectancies, are recorded as an increase or decrease to revenue and support. The discount rate ranges from 3% to 6% depending on the discount rate in effect at the time of the gift.

Revenue recognition:

Contributions and grants: The Institute recognizes all contributions and grants received as income in the period received or pledged. Contributions and grants are reported as unrestricted, temporarily restricted, or permanently restricted depending on the absence or existence of donor stipulations that limit the use of the contributions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

Contributed investments: Contributions of marketable securities are recorded at their fair market value at the date of donation.

List rental income: The Institute recognizes list rental income as income when the list is delivered.

Clare Boothe Luce Policy Institute

Notes to Financial Statements

1. Organization and summary of significant accounting policies (continued)

Advertising costs: The Institute expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2009 and 2008, was \$10,072 and \$63,966, respectively.

Allocation of functional expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Costs of joint activities: The Institute accounts for costs of joint activities which are part fundraising and have elements of one or more other functions, such as program or management and general according to certain criteria of purpose, audience and content in order to allocate any portion of the costs of joint activities to a functional area other than fundraising.

Income taxes: The Institute is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and therefore has made no provision for Federal income taxes. The Organization has no unrelated business income.

The Institute evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard, effective January 1, 2009. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. Prior to January 1, 2009, the Institute evaluated uncertain tax positions such that the effects of tax positions were generally recognized in the financial statements consistent with amounts reflected in returns filed, or expected to be filed, with taxing authorities. There was no impact on the financial statements caused by the adoption of the revised standard for uncertain tax positions. As of December 31, 2009, there are no accruals for uncertain tax positions. If applicable, the Institute records interest and penalty as a component of income tax expense. Tax years from 2006 through the current year remain open for examination by tax authorities.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events: Management has evaluated subsequent events for disclosure in these financial statements through April 22, 2010, which is the date the financial statements are available to be issued.

Clare Boothe Luce Policy Institute

Notes to Financial Statements

2. Investments

Investments at December 31, 2009 and 2008, consisted of the following:

	2009	2008
Certificate of deposit	\$ 124,093	\$ 43,182
Equity securities	148,737	135,592
Total	\$ 272,830	\$ 178,774

For the years ended December 31, 2009 and 2008, net realized and unrealized gains and (losses) related to investment activity were \$22,657 and (\$28,867), respectively.

3. Fair value

The Institute values certain investments at fair value in accordance with a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1. Observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The fair value of investments is as follows:

		Fair Value Measurements at Reporting Data Using	
		Quoted Prices in Active Markets for Identical Asset (Level 1)	Significant Other Observable Inputs (Level 2)
December 31, 2009	Total		
Certificates of deposit	\$ 124,093	\$ -	\$ 124,093
Equity securities	148,737	148,737	-
Total	\$ 272,830	\$ 148,737	\$ 124,093

Clare Boothe Luce Policy Institute

Notes to Financial Statements

3. Fair value (continued)

December 31, 2008	Total	Quoted Prices in Active Markets for Identical Asset (Level 1)	Significant Other Observable Inputs (Level 2)
Certificates of deposit	\$ 43,182	\$ -	\$ 43,182
Equity securities	135,592	135,592	-
Total	\$ 178,774	\$ 135,592	\$ 43,182

4. Receivables

Receivables at December 31, 2009 and 2008, consisted of the following:

	2009	2008
Contributions receivable	\$ 100,000	\$ 208,000
Less: Discount on contributions receivable	(4,676)	(19,036)
Total receivables	\$ 95,324	\$ 188,964

Contributions receivable as of December 31, 2009, are as follows:

Due in less than one year	\$ 52,000
Due in one to five years	48,000
	100,000
Less: Discount on contributions receivable	(4,676)
Total	\$ 95,324

The discount on contributions receivable has been calculated using discount rates of 2.31% to 4.5%. Since uncollectible contributions receivable are considered to be insignificant, an allowance is not considered necessary.

Clare Boothe Luce Policy Institute

Notes to Financial Statements

5. **Property, building and equipment** The following is a summary of property, building and equipment, and accumulated depreciation as of December 31:

	2009	2008
Land	\$ 87,085	\$ 87,085
Buildings and improvements	709,286	706,286
Equipment	102,642	100,578
Furniture and fixtures	145,192	145,192
Software	12,653	12,653
Total	1,056,858	1,051,794
Less: Accumulated depreciation	(397,810)	(344,098)
Total	\$ 659,048	\$ 707,696

Depreciation and amortization expense for the years ended December 31, 2009 and 2008, was \$53,712 and \$56,049, respectively.

6. **Notes payable** Outstanding notes payable are as follows at December 31:

	2009	2008
\$250,000 construction note payable commencing on September 6, 2002. The note was refinanced on March 4, 2008, for \$214,304. The new terms are monthly installments of principal and interest of \$1,849 for 180 months at an interest rate of 6.25%. The note matures on March 6, 2023.	\$ 197,680	\$ 207,020
Less: Current portion	(10,088)	(9,478)
Total	\$ 187,592	\$ 197,542

The following are maturities of the note payable for the next five years:

Year ending December 31:

2009	\$ 10,088
2010	10,737
2011	11,427
2012	12,162
2013	12,945
Thereafter	140,321
Total	\$ 197,680

Clare Boothe Luce Policy Institute

Notes to Financial Statements

7. Temporarily restricted net assets

As of December 31, temporarily restricted net assets were as follows:

	2009	2008
Internships	\$ 14,336	\$ 22,045
Mentoring	34,724	46,988
Mid-America conference	8,636	8,636
Schlaflly luncheon	2,817	-
Sense and sexuality printing	1,744	2,324
Time restricted	20,000	48,000
Total	\$ 82,257	\$ 127,993

Net assets are released from donor restrictions when expenses are incurred that satisfy the donor restricted purpose or through the occurrence of donor specified events. The net assets released from restrictions are as follows for the years ended December 31:

	2009	2008
Choice scholarships/school choice	\$ 35	\$ -
Honorariums	15,050	24,938
Internships	8,621	19,566
Journalism Scholar	-	15,000
Mentoring	17,264	25,934
Mid-America conference	-	6,364
Schlaflly luncheon	4,683	-
Sense and sexuality printing	1,250	7,676
Technology	40,000	-
Time restricted	28,000	-
Total	\$ 114,903	\$ 99,478

Clare Boothe Luce Policy Institute

Notes to Financial Statements

8. Endowment funds

The Institute's endowment consists of one fund established to provide funding for an annual internship. The endowment consists of donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

Management of the Institute has interpreted the Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Institute classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization.

Endowment Net Assets Composition by Type of Fund as of December 31:

	2009	2008
	Permanently Restricted	Permanently Restricted
Donor-restricted endowment funds	\$ 195,324	\$ 183,579

Clare Boothe Luce Policy Institute

Notes to Financial Statements

8. Endowment funds (continued)	Changes in Endowment Net Assets For the Year Ended December 31, 2009:			
		Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$	-	\$ 183,579	\$ 183,579
Change in present value discount on pledge		-	11,745	11,745
Investment income		912	-	912
Appropriation of endowment assets for expenditure		(912)	-	(912)
Endowment net assets, end of year	\$	-	\$ 195,324	\$ 195,324

Changes in Endowment Net Assets For the Year Ended December 31, 2008:

		Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$	-	\$ 183,579	\$ 183,579
Investment income		1,611	-	1,611
Appropriation of endowment assets for expenditure		(1,611)	-	(1,611)
Endowment net assets, end of year	\$	-	\$ 183,579	\$ 183,579

Description of Amounts Classified as Permanently Restricted Net Assets (Endowment Only)

	2009	2008
Permanently restricted net assets		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	\$ 195,324	\$ 183,579

Clare Boothe Luce Policy Institute

Notes to Financial Statements

8. Endowment funds (continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2009 and 2008.

Return Objectives and Risk Parameters

The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to preserve the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold for a donor-specified period. Under this policy, as approved by Management, the endowment assets are invested in a manner that is intended to protect the principal investment while at the same time attaining a competitive rate of return. The Institute expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Institute relies on a return strategy in which investment returns are achieved through current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Institute has a policy of appropriating for distribution each year the income earned on the endowment funds. In establishing this policy, the Institute considered the long-term expected return on its endowment. Accordingly, over the long term, Institute expects the current spending policy to remain consistent. This is consistent with Institute's objective to preserve the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

9. Pension plan

The Institute offers a tax-sheltered Section 403(b) annuity plan to its employees, allowing them to defer a portion of their compensation on a pre-tax basis. All full-time employees are eligible for participation six months after employment begins. No contributions are made by the Institute to the plan.

Clare Boothe Luce Policy Institute

Notes to Financial Statements

- 10. Allocation of joint costs** During 2009 and 2008, the Institute incurred joint costs of \$1,063,885 and \$424,972, respectively for informational materials primarily related to direct mail, house file mailings and newsletters that included fundraising appeals. Pursuant to the joint cost rules (see Note 1), these costs were allocated to the functional areas as follows for the years ended December 31:

	2009	2008
Program	\$ 697,656	\$ 287,941
Fundraising	366,229	137,031
Total	\$ 1,063,885	\$ 424,972

- 11. Concentration of credit risk** Receivables at December 31, 2009, are comprised of two receivables totaling 100% of total receivables. Two receivables comprised 96% of the total at December 31, 2008.

- 12. Commitments** The Institute has entered into agreements to lease office equipment. These leases are treated as operating leases in the financial statements. The future minimum lease payments required under these leases as of December 31, 2009, are as follows:

2010	\$ 14,028
2011	14,028
2012	7,352
Total	\$ 35,408

Rent expense for 2009 and 2008 was \$7,203 and zero, respectively.

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Independent Auditor's Report on Other Financial Information

Board of Directors
Clare Boothe Luce Policy Institute
Herndon, Virginia

Our audits of the financial statements of **Clare Boothe Luce Policy Institute** for the years ended December 31, 2009 and 2008, were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of functional expenses are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Aronson & Company

Rockville, Maryland
April 22, 2010

Clare Boothe Luce Policy Institute

Schedule of Functional Expenses

Year Ended December 31, 2009

	Program Services			Supporting Services			
	Public	Special	Total	Management	Total	Total	
	Information	Projects	Program	Fundraising	and General	Supporting	Expenses
	\$	\$	\$	\$	\$	\$	\$
Accounting and legal	-	-	-	-	34,339	34,339	34,339
Advertising and marketing	4,294	9,060	13,354	3,166	-	3,166	16,520
Bank charges	-	-	-	-	8,889	8,889	8,889
Board meetings	-	-	-	-	991	991	991
Computer and website services	23,587	2,032	25,619	1,823	2,630	4,453	30,072
Conferences	597	72,686	73,283	-	-	-	73,283
Consultants	872	510	1,382	90	808	898	2,280
Depreciation and amortization	22,022	16,114	38,136	6,445	9,131	15,576	53,712
Direct mail	635,084	-	635,084	334,806	-	334,806	969,890
Dues and subscriptions	747	30	777	-	185	185	962
Equipment	990	-	990	-	259	259	1,249
Fees	858	88	946	88	1,680	1,768	2,714
Films, books and literature	25,355	1,281	26,636	-	-	-	26,636
Honorariums	-	25,600	25,600	-	-	-	25,600
House file mailings	29,375	17,985	47,360	27,576	-	27,576	74,936
Insurance	5,937	4,344	10,281	1,738	2,462	4,200	14,481
Interest	5,268	3,854	9,122	1,542	2,184	3,726	12,848
Internships	144	2,293	2,437	-	-	-	2,437
Newsletters	15,247	-	15,247	3,812	-	3,812	19,059
Payroll	224,022	163,919	387,941	65,567	92,887	158,454	546,395
Payroll taxes	15,150	11,085	26,235	4,434	6,282	10,716	36,951
Personal property tax	1,092	799	1,891	320	453	773	2,664
Photography	59	6,225	6,284	53	-	53	6,337
Postage	27,420	191	27,611	1,255	880	2,135	29,746
Printing	12,835	1,102	13,937	(101)	141	40	13,977
Public relations	-	1,170	1,170	599	657	1,256	2,426
Real estate tax	4,476	3,275	7,751	1,310	1,856	3,166	10,917
Rent and occupancy	10,704	7,832	18,536	3,133	4,438	7,571	26,107
Scholarships	-	5,000	5,000	-	-	-	5,000
Shipping and delivery	1,393	199	1,592	13	-	13	1,605
Software	229	168	397	67	95	162	559
Supplies and miscellaneous	3,317	1,052	4,369	115	3,534	3,649	8,018
Telecommunications	4,557	-	4,557	-	-	-	4,557
Travel	1,092	13,155	14,247	3,299	2,282	5,581	19,828
Total	\$ 1,076,723	\$ 371,049	\$ 1,447,772	\$ 461,150	\$ 177,063	\$ 638,213	\$ 2,085,985

Refer to Independent Auditor's Report on Other Financial Information.

Clare Boothe Luce Policy Institute

Schedule of Functional Expenses

Year Ended December 31, 2008

	Program Services			Supporting Services			Total Supporting Services	Total Expenses
	Public Information	Special Projects	Total Program Services	Fundraising	Management and General			
Accounting and legal	\$ -	\$ -	\$ -	\$ -	\$ 26,142	\$ 26,142	\$ 26,142	
Advertising	53,646	10,320	63,966	-	-	-	63,966	
Bank charges	-	-	-	-	7,376	7,376	7,376	
Board meetings	-	-	-	-	13,136	13,136	13,136	
Computer and website services	10,756	1,925	12,681	1,579	2,778	4,357	17,038	
Conferences	2,722	95,856	98,578	7,294	-	7,294	105,872	
Consultants	61,698	44,151	105,849	235	1,136	1,371	107,220	
Depreciation and amortization	20,738	17,936	38,674	8,968	8,407	17,375	56,049	
Direct mail	207,136	-	207,136	97,476	-	97,476	304,612	
Dues and subscriptions	1,775	585	2,360	109	299	408	2,768	
Equipment	1,118	909	2,027	105	472	577	2,604	
Fees	403	268	671	313	2,586	2,899	3,570	
Films, books and literature	5,382	808	6,190	22	86	108	6,298	
Honorariums	-	32,575	32,575	-	-	-	32,575	
House file mailings	21,220	35,981	57,201	35,059	-	35,059	92,260	
Insurance	6,291	5,441	11,732	2,720	2,550	5,270	17,002	
Interest	5,068	4,383	9,451	2,191	2,054	4,245	13,696	
Internships	435	2,045	2,480	-	-	-	2,480	
Newsletters	23,604	-	23,604	4,496	-	4,496	28,100	
Payroll	238,173	205,987	444,160	102,994	96,556	199,550	643,710	
Payroll taxes	16,978	14,684	31,662	7,342	6,882	14,224	45,886	
Personal property tax	1,344	1,162	2,506	581	545	1,126	3,632	
Photography	1,776	5,244	7,020	124	153	277	7,297	
Postage	24,279	2,797	27,076	475	1,700	2,175	29,251	
Printing	34,699	10,873	45,572	97	44	141	45,713	
Public relations	2,649	5	2,654	1,926	450	2,376	5,030	
Real estate tax	3,715	3,213	6,928	1,606	1,506	3,112	10,040	
Rent and occupancy	11,642	10,069	21,711	5,035	4,720	9,755	31,466	
Scholarships	-	5,000	5,000	-	-	-	5,000	
Shipping and delivery	2,180	5,265	7,445	34	-	34	7,479	
Software	198	171	369	85	80	165	534	
Supplies and miscellaneous	5,927	1,082	7,009	791	444	1,235	8,244	
Telecommunications	5,284	125	5,409	125	125	250	5,659	
Travel	9,259	14,223	23,482	14,029	1,533	15,562	39,044	
Total	\$ 780,095	\$ 533,083	\$ 1,313,178	\$ 295,811	\$ 181,760	\$ 477,571	\$ 1,790,749	

Refer to Independent Auditor's Report on Other Financial Information.