

CLARE BOOTHE LUCE POLICY INSTITUTE

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION**

YEARS ENDED DECEMBER 31, 2008 AND 2007



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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 Statement of Financial Position of **Clare Boothe Luce Policy Institute** (the "Institute") as of December 31, 2008, and the related Statements of Activities and Changes in Net Assets, and Cash Flows for the year 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 audit. The financial statements of **Clare Boothe Luce Policy Institute** as of December 31, 2007, were audited by other auditors whose report dated June 5, 2008, expressed an unqualified opinion on those statements. As discussed in Note 13 to the financial statements, the Institute has adjusted its 2007 financial statements to account for the correction of an error. The other auditors reported on the financial statements before the restatement.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

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

We also audited the adjustments described in Note 13 that were applied to restate the 2007 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the Institute's 2007 financial statements other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2007 financial statements taken as a whole.

Aronson & Company

Rockville, Maryland
April 28, 2009

Clare Boothe Luce Policy Institute

Statements of Financial Position

<i>December 31,</i>	2008	Restated 2007
Assets		
Current assets		
Cash and cash equivalents	\$ 157,278	\$ 558,139
Investments	138,774	92,487
Current portion of receivables	60,000	33,872
Total current assets	356,052	684,498
Receivables, net of current portion	128,964	111,579
Property, building and equipment, net	707,696	760,722
Other assets	2,132	742
Investments	40,000	40,000
Total assets	\$ 1,234,844	\$ 1,597,541
 Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,448	\$ 19,565
Current portion of gift annuities payable	12,038	1,811
Current portion of notes payable	9,478	214,961
Total current liabilities	23,964	236,337
Gift annuities payable, net of current portion	57,812	40,823
Notes payable, net of current portion	197,542	-
Total liabilities	279,318	277,160
Net assets		
Unrestricted	643,954	1,058,495
Temporarily restricted	127,993	78,307
Permanently restricted	183,579	183,579
Total net assets	955,526	1,320,381
Total liabilities and net assets	\$ 1,234,844	\$ 1,597,541

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

<i>Years Ended December 31,</i>	2008				Restated 2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue								
Contributions	\$ 1,100,879	\$ 114,343	\$ -	\$ 1,215,222	\$ 1,355,797	\$ 40,000	\$ -	\$ 1,395,797
Grants	101,500	10,000	-	111,500	152,500	65,000	183,579	401,079
Gift annuities	35,898	-	-	35,898	26,548	-	-	26,548
Contributed investments	19,890	-	-	19,890	9,445	-	-	9,445
List rental income	25,989	-	-	25,989	34,546	-	-	34,546
Honorarium contributions	-	23,210	-	23,210	-	12,465	-	12,465
Interest income	7,046	1,611	-	8,657	13,251	1,571	-	14,822
Net loss on marketable securities	(28,867)	-	-	(28,867)	(2,032)	-	-	(2,032)
Other income	12,843	-	-	12,843	(47)	-	-	(47)
Net assets released from restrictions	99,478	(99,478)	-	-	182,320	(182,320)	-	-
Total support and revenue	1,374,656	49,686	-	1,424,342	1,772,328	(63,284)	183,579	1,892,623
Expenses								
Program services								
Public information	780,095	-	-	780,095	720,311	-	-	720,311
Special projects	533,083	-	-	533,083	437,923	-	-	437,923
Total program services	1,313,178	-	-	1,313,178	1,158,234	-	-	1,158,234
Supporting services								
Fundraising	295,811	-	-	295,811	214,293	-	-	214,293
Management and general	181,760	-	-	181,760	167,006	-	-	167,006
Total expenses	1,790,749	-	-	1,790,749	1,539,533	-	-	1,539,533
Change in net assets from operations	(416,093)	49,686	-	(366,407)	232,795	(63,284)	183,579	353,090
Change in value of annuities	1,552	-	-	1,552	(5,602)	-	-	(5,602)
Change in net assets	(414,541)	49,686	-	(364,855)	227,193	(63,284)	183,579	347,488
Net assets, beginning of year	1,058,495	78,307	183,579	1,320,381	831,302	141,591	-	972,893
Net assets, end of year	\$ 643,954	\$ 127,993	\$ 183,579	\$ 955,526	\$ 1,058,495	\$ 78,307	\$ 183,579	\$ 1,320,381

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>	2008	Restated 2007
Cash flows from operating activities		
Change in net assets	\$ (364,855)	\$ 347,488
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation and amortization	56,049	55,294
Loss on disposal of assets	-	509
Contributed investments	(19,890)	(9,445)
Unrealized and realized losses on marketable securities	28,867	2,032
Change in value of annuity liability	(1,552)	5,602
Change in unamortized discount on contributions receivable	2,615	16,421
Permanently restricted contributions	-	(200,000)
(Increase) decrease in		
Receivables	(46,128)	(82,154)
Other assets	(1,390)	10,518
(Decrease) increase in		
Accounts payable and accrued expenses	(17,117)	14,728
Net cash (used) provided by operating activities	(363,401)	160,993
Cash flows from investing activities		
Sale of investments	26,957	24,247
Purchase of investments	(82,221)	(95,611)
Purchase of property, building and equipment	(3,023)	(46,379)
Net cash used by investing activities	(58,287)	(117,743)
Cash flows from financing activities		
Payments on notes payable	(7,941)	(7,873)
Permanently restricted contributions	-	200,000
Proceeds from gift annuities received	39,102	23,452
Payments on gift annuities	(10,334)	(6,272)
Net cash provided by financing activities	20,827	209,307
Net change in cash and cash equivalents	(400,861)	252,557
Cash and cash equivalents, beginning of year	558,139	305,582
Cash and cash equivalents, end of year	\$ 157,278	\$ 558,139
Supplemental disclosures		
Interest paid during the year	\$ 13,696	\$ 13,766

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, 2008 and 2007, the Institute had \$183,579 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 \$40,000 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, 2008 and 2007 was \$63,966 and \$551, 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 in accordance with Statement of Position 98-2, *Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities That Include Fundraising*. This pronouncement establishes accounting standards for recording costs associated with joint activities (activities which are part fundraising and have elements of one or more other functions, such as program or management and general). The pronouncement requires that the criteria of purpose, audience and content be met 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.

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.

Reclassifications: Certain 2007 balances have been reclassified to conform to the 2008 presentation.

2. Investments

Investments at December 31, 2008 and 2007, consisted of the following:

	2008	2007
Equity securities	\$ 135,592	\$ 92,487
Certificate of deposit	43,182	40,000
Total	\$ 178,774	\$ 132,487

Clare Boothe Luce Policy Institute

Notes to Financial Statements

2. Investments (continued) For the years ended December 31, 2008 and 2007, investment loss consisted of \$28,867 and \$2,032, respectively, of net realized and unrealized losses related to investment activity.

3. Fair value The Institute values certain assets in accordance with the Statement of Financial Accounting Standards No. 157 (SFAS 157), *Fair Value Measurements*. SFAS 157 establishes 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 assets as of December 31, 2008, 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)	Significant Unobservable Inputs (Level 3)
	Total			
Certificates of deposit	\$ 43,182	\$ -	\$ 43,182	\$ -
Equity securities	135,592	135,592	-	-
Total	\$ 178,774	\$ 135,592	\$ 43,182	\$ -

Level 2 values were developed by discounting the future payments to present value at December 31, 2008, using current interest rates for similar maturity dates.

Clare Boothe Luce Policy Institute

Notes to Financial Statements

4. Receivables Receivables at December 31, 2008 and 2007, consisted of the following:

	2008	2007
Contributions receivable	\$ 208,000	\$ 160,000
Interest receivable	-	1,872
Total	208,000	161,872
Less: Discount on contributions receivable	(19,036)	(16,421)
Total receivables	\$ 188,964	\$ 145,451

Contributions receivable as of December 31, 2008, are as follows:

Due in less than one year	\$ 60,000
Due in one to five years	148,000
	208,000
Less: Discount on contributions receivable	(19,036)
Total	\$ 188,964

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.

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

	2008	2007
Land	\$ 87,085	\$ 87,085
Buildings and improvements	706,286	706,286
Equipment	100,578	99,779
Furniture and fixtures	145,192	142,968
Software	12,653	12,653
Total	1,051,794	1,048,771
Less: Accumulated depreciation	(344,098)	(288,049)
Total	\$ 707,696	\$ 760,722

Depreciation and amortization expense for the years ended December 31, 2008 and 2007 was \$56,049 and \$55,294, respectively.

Clare Boothe Luce Policy Institute

Notes to Financial Statements

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

	2008	2007
\$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.	\$ 207,020	\$ 214,961
Less: Current portion	(9,478)	(214,961)
Total	\$ 197,542	\$ -

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

Year ending December 31:

2009	\$ 9,478
2010	10,088
2011	10,737
2012	11,427
2013	12,162
Thereafter	153,128
Total	\$ 207,020

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

	2008	2007
Honorariums	\$ -	\$ 465
Internships/time restricted	22,045	-
Mentoring	46,988	62,842
Mid-America conference	8,636	15,000
Sense and sexuality printing	2,324	-
Time restricted	48,000	-
Total	\$ 127,993	\$ 78,307

Clare Boothe Luce Policy Institute

Notes to Financial Statements

7. Temporarily restricted net assets (continued)

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:

	2008	2007
Calendar	\$ -	\$ 6,833
Choice scholarships/school choice	-	30,000
Honorariums	24,938	21,500
Internships	19,566	26,571
Journalism Scholar	15,000	-
Mentoring	25,934	10,172
Mid-America conference	6,364	-
Sense and sexuality printing	7,676	-
Technology	-	7,526
Time restricted	-	79,718
Total	\$ 99,478	\$ 182,320

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. As required by generally accepted accounting principles (GAAP), 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:

Clare Boothe Luce Policy Institute

Notes to Financial Statements

8. Endowment funds (continued)

- (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:

	2008 Permanently Restricted	2007 Permanently Restricted
Donor-restricted endowment funds	\$ 183,579	\$ 183,579

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

	2008 Permanently Restricted	2007 Permanently Restricted
Endowment net assets, beginning of year	\$ 183,579	\$ -
Contributions	-	183,579
Endowment net assets, end of year	\$ 183,579	\$ 183,579

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

	2008	2007
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	\$ 183,579	\$ 183,579

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, 2008 and 2007.

Clare Boothe Luce Policy Institute

Notes to Financial Statements

8. Endowment funds (continued)

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 equity securities and certificates of deposit to assume a low level of investment risk. 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.

10. Allocation of joint costs

During 2008 and 2007, the Institute incurred joint costs of \$424,972 and \$483,448, respectively for informational materials primarily related to direct mail, house file mailings and newsletters that included fundraising appeals. Pursuant to SOP 98-2 (see Note 1) these costs were allocated to the functional areas as follows for the years ended December 31:

	2008	2007
Program	\$ 287,941	\$ 356,279
Fundraising	137,031	127,169
Total	\$ 424,972	\$ 483,448



Independent Auditor's Report on Other Financial Information

Board of Directors
Clare Boothe Luce Policy Institute
Herndon, Virginia

Our audit was conducted for the purpose of forming an opinion on the basic 2008 financial statements taken as a whole. The accompanying other financial information included on pages 16 and 17 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information on page 16 has been subjected to the auditing procedures applied in the audit of the basic 2008 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic 2008 financial statements taken as a whole. The comparative information on page 17 is derived from the financial statements of the **Clare Boothe Luce Policy Institute** as of December 31, 2007, which were audited by other auditors whose report dated June 5, 2008, expressed an unqualified opinion on those statements.

Aronson & Company

Rockville, Maryland
April 28, 2009

Clare Boothe Luce Policy Institute

Schedule of Functional Expenses

Year Ended December 31, 2008

	Program Services			Supporting Services			
	Public Information	Special Projects	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total Expenses
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.

Clare Boothe Luce Policy Institute

Schedule of Functional Expenses

Year Ended December 31, 2007

	Program Services			Supporting Services			Total Expenses
	Public Information	Special Projects	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Accounting and legal	\$ -	\$ -	\$ -	\$ -	\$ 20,476	\$ 20,476	\$ 20,476
Advertising	209	193	402	55	94	149	551
Bank charges	-	-	-	-	6,744	6,744	6,744
Board meetings	-	-	-	-	4,889	4,889	4,889
Computer and website services	17,024	2,617	19,641	748	1,271	2,019	21,660
Conferences	-	45,849	45,849	-	-	-	45,849
Consultants	21,081	51,510	72,591	533	2,075	2,608	75,199
Depreciation and amortization	21,012	19,353	40,365	5,529	9,400	14,929	55,294
Direct mail	255,703	-	255,703	99,145	-	99,145	354,848
Dues and subscriptions	2,594	-	2,594	-	-	-	2,594
Equipment	1,574	1,450	3,024	414	704	1,118	4,142
Fees	2,150	1,980	4,130	566	962	1,528	5,658
Films, books and literature	22,901	94	22,995	-	-	-	22,995
Honorariums	-	21,500	21,500	-	-	-	21,500
House file mailings	59,274	-	59,274	26,880	-	26,880	86,154
Insurance	5,507	5,072	10,579	1,449	2,463	3,912	14,491
Interest	5,231	4,818	10,049	1,377	2,340	3,717	13,766
Newsletters	41,308	-	41,308	1,138	-	1,138	42,446
Payroll	196,716	181,186	377,902	51,767	88,004	139,771	517,673
Payroll taxes	13,513	12,446	25,959	3,556	6,045	9,601	35,560
Photography	-	8,158	8,158	-	-	-	8,158
Postage	11,623	22	11,645	2,295	3,057	5,352	16,997
Printing	-	20,517	20,517	-	-	-	20,517
Public relations	2,700	2,487	5,187	711	1,208	1,919	7,106
Real estate tax	4,765	4,389	9,154	1,254	2,132	3,386	12,540
Rent and occupancy	8,653	7,970	16,623	2,277	3,871	6,148	22,771
Scholarships	-	16,000	16,000	-	-	-	16,000
Shipping and delivery	1,903	63	1,966	22	127	149	2,115
Software	806	743	1,549	212	361	573	2,122
Supplies and miscellaneous	5,763	5,308	11,071	1,517	7,235	8,752	19,823
Telecommunications	13,828	184	14,012	231	730	961	14,973
Transcriptions	-	-	-	-	715	715	715
Travel	4,473	24,014	28,487	12,617	2,103	14,720	43,207
Total	\$ 720,311	\$ 437,923	\$ 1,158,234	\$ 214,293	\$ 167,006	\$ 381,299	\$ 1,539,533

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