

The Henry Luce Foundation, Inc.

Financial Statements

December 31, 2010

The Henry Luce Foundation, Inc.

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December 31, 2010

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DONALD F. SCHERER

Report of Independent Auditors

To the Board of Directors of
The Henry Luce Foundation, Inc.

We have audited the statement of financial position of The Henry Luce Foundation, Inc. (the "Foundation") as of December 31, 2010 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 financial statements referred to above present fairly, in all material respects, the financial position of The Henry Luce Foundation, Inc. as of December 31, 2010 and its changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purposes of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of program and administrative expenses is presented for additional analysis and is not a required part of the basic financial statements. This schedule has been subjected to the auditing 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.

June 6, 2011



The Henry Luce Foundation, Inc.

Statement of Financial Position

December 31, 2010

Assets

Cash	\$ 559,116
Dividends and interest receivable	754,061
Investments	759,899,189
Furniture, fixtures and leasehold improvements, net of accumulated depreciation and amortization of \$503,650	1,029,827
Other assets	<u>361,349</u>
Total assets	<u>\$762,603,542</u>

Liabilities and net assets

Accounts payable and accrued expenses	\$ 355,330
Grants payable	20,741,441
Postretirement medical benefits	2,277,434
Unfunded supplemental pension	866,076
Deferred federal excise tax	<u>1,406,257</u>
Total liabilities	<u>25,646,538</u>

Net assets

Unrestricted - Principal Fund	600,272,693
Temporarily restricted - Clare Boothe Luce Fund	68,338,947
Permanently restricted - Clare Boothe Luce Fund	<u>68,345,364</u>
Total net assets	<u>736,957,004</u>
Total liabilities and net assets	<u>\$762,603,542</u>

See notes to financial statements.

The Henry Luce Foundation, Inc.

Statement of Activities

Year Ended December 31, 2010

	Unrestricted			Temporarily Restricted	Permanently Restricted	Total
	Principal Fund	Clare Boothe Luce Fund	Total	Clare Boothe Luce Fund	Clare Boothe Luce Fund	
Revenues, gains and other support						
Dividends and interest	\$ 6,738,546	\$ -	\$ 6,738,546	\$ 1,678,314	\$ -	\$ 8,416,860
Securities lending income	20,469	-	20,469	5,010	-	25,479
Unrealized appreciation on investments	45,634,602	-	45,634,602	11,882,430	-	57,517,032
Net realized gain on sale of investments	13,664,948	-	13,664,948	2,799,743	-	16,464,691
Less:						
Directly reported investment counseling and custody fees	(1,699,142)	-	(1,699,142)	(409,064)	-	(2,108,206)
Excise tax	(1,105,449)	-	(1,105,449)	(273,791)	-	(1,379,240)
Net assets released from restrictions:						
Satisfaction of Clare Boothe Luce Fund restrictions	-	6,147,312	6,147,312	(6,147,312)	-	-
Total revenues, gains and other support	<u>63,253,974</u>	<u>6,147,312</u>	<u>69,401,286</u>	<u>9,535,330</u>	<u>-</u>	<u>78,936,616</u>
Expenses						
Program:						
Grants	23,033,815	5,498,342	28,532,157	-	-	28,532,157
Other	376,994	111,881	488,875	-	-	488,875
	<u>23,410,809</u>	<u>5,610,223</u>	<u>29,021,032</u>	<u>-</u>	<u>-</u>	<u>29,021,032</u>
Administrative	4,766,143	537,089	5,303,232	-	-	5,303,232
Total expenses	<u>28,176,952</u>	<u>6,147,312</u>	<u>34,324,264</u>	<u>-</u>	<u>-</u>	<u>34,324,264</u>
Change in net assets	35,077,022	-	35,077,022	9,535,330	-	44,612,352
Net assets, beginning of year	<u>565,195,671</u>	<u>-</u>	<u>565,195,671</u>	<u>58,803,617</u>	<u>68,345,364</u>	<u>692,344,652</u>
Net assets, end of year	<u>\$600,272,693</u>	<u>\$ -</u>	<u>\$600,272,693</u>	<u>\$68,338,947</u>	<u>\$68,345,364</u>	<u>\$736,957,004</u>

See notes to financial statements.

The Henry Luce Foundation, Inc.

Statement of Cash Flows

Year Ended December 31, 2010

Cash flows from operating activities:	
Change in net assets	\$ 44,612,352
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation and amortization	115,551
Net realized gain on sale of investments	(16,464,691)
Unrealized appreciation on investments	(57,517,032)
Changes in operating assets and liabilities:	
Increase in dividends and interest receivable	(325,915)
Decrease in other assets	544,372
Increase in accounts payable and accrued expenses	89,720
Increase in postretirement medical benefits	76,067
Decrease in unfunded supplemental pension	(37,208)
Decrease in grants payable	(996,654)
Increase in deferred federal excise tax	<u>1,150,341</u>
Net cash used by operating activities	<u>(28,753,097)</u>
Cash flows from investing activities:	
Purchases of investments	(112,695,238)
Proceeds from sales and maturities of investments	137,335,656
Net changes in cash equivalents	<u>4,313,069</u>
Net cash provided by investing activities	<u>28,953,487</u>
Net increase in cash	200,390
Cash, beginning of year	<u>358,726</u>
Cash, end of year	<u>\$ 559,116</u>
Supplemental disclosure:	
Cash refund from federal excise tax	<u>\$ 300,000</u>

See notes to financial statements.

The Henry Luce Foundation, Inc.

Notes to Financial Statements

December 31, 2010

1. Organization

The Henry Luce Foundation, Inc. (the "Foundation") is a private, nonprofit organization incorporated under the Not-for-Profit Corporation Law of New York. The Foundation was formed in 1936 exclusively for charitable, religious, educational, scientific, literary and cultural purposes, as specified in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), including making contributions to organizations which qualify as exempt organizations under Section 501(c)(3) of the Code. The primary source of the Foundation's revenue is investment income.

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Code. For 2010, federal excise taxes have been provided at the rate of 1% of net investment income in accordance with provisions of the Tax Reform Act of 1984. Net investment income for tax purposes includes dividends, interest and net realized gains on security transactions less related expenses. The Foundation's deferred excise tax liability at December 31, 2010, computed in accordance with current regulations, has been recorded at 2% of the unrealized appreciation on investments.

The Internal Revenue Code provides that each year the Foundation must make certain minimum qualifying distributions equal to approximately 5% of the average fair value of its assets. The minimum distribution requirements for 2010 have been met.

2. Summary of Significant Accounting Policies

Basis of Presentation

To comply with the terms of the last will and testament of Clare Boothe Luce, the Foundation established the Clare Boothe Luce Fund, which is dedicated exclusively to the funding of scholarships, fellowships and professorships in the areas of the sciences and engineering for women students and professors at educational institutions.

The last will and testament of Clare Boothe Luce provides that amounts paid in furtherance of the purposes of the Clare Boothe Luce Fund, set forth above, be paid solely from the income of such fund and that the entire income of such fund be expended in each annual fiscal period. Under section 513 of the Not-for-Profit Corporation Law of New York (N-PCL), a direction in a gift instrument that "only income" of an endowment fund may be expended - such as the direction in the last will and testament of Clare Boothe Luce - does not restrict the governing board of a not-for-profit corporation from appropriating the realized and unrealized net appreciation of such fund for expenditure in respect of the purposes for which an endowment fund is established.

The Henry Luce Foundation, Inc.

Notes to Financial Statements

December 31, 2010

2. Summary of Significant Accounting Policies (continued)

Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- Unrestricted net assets are utilized to account for revenues and gains that are unrestricted in nature.
- Temporarily restricted net assets consist of the Clare Boothe Luce Fund's investment appreciation (realized and unrealized) which have not yet been expended in accordance with the Fund's purpose.
- Permanently restricted net assets consist of the amount of the bequest from Clare Boothe Luce, which must be kept intact in perpetuity.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Management's Use of 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Concentration of Credit Risk

Cash in financial institutions at times may be in excess of the Federal Deposit Insurance Corporation insurance limit. Management of the Foundation does not consider any such amounts to be at serious risk.

The Henry Luce Foundation, Inc.

Notes to Financial Statements

December 31, 2010

2. Summary of Significant Accounting Policies (continued)

Investments

The Foundation invests using a total return approach with the primary objective being to preserve and, if possible, enhance its real (inflation-adjusted) value while providing a relatively stable (in real terms) stream of earnings for grant payments and expenses.

Investments in marketable equity securities, fixed income securities and mutual funds are carried at market value, which is generally based on the closing sales price on the last trading date in each year. The fair value of interest in limited partnerships ordinarily is the value determined by the general partner and agents based upon the valuation reported by the Fund Administrators in accordance with policies established by relevant limited partnerships. As a general matter, the fair value of the Foundation's interest in limited partnerships will represent the amount that the Foundation could reasonably expect to receive from the limited partnerships if the Foundation's interest were redeemed at the time of valuation, based upon information reasonably available at the time the valuation was made.

Valuations provided to the Foundation by a limited partnership may be based upon estimated or unaudited reports, and may be subject to later adjustment or revision. Any such adjustment or revision will either increase or decrease the net asset value of the Foundation at the time the Foundation is provided with information regarding the adjustment. The Foundation does not expect to restate its previous net asset values to reflect an adjustment or revision by a limited partnership.

Realized and unrealized gains and losses are determined by a comparison of cost, determined by average cost method, with proceeds or market value, respectively.

Securities Lending

The Foundation previously loaned its securities to broker/dealers that had completed the Foundation's investment custodian's (State Street Bank) formal credit approval and review process. The loans were collateralized at all times with cash or securities with a market value at least equal to 102% of the market value of the securities on loan. The Foundation received compensation, net of related expenses, for lending its securities which was included in the Statement of Activities. The Foundation has terminated its securities lending program and currently is winding down the process. At December 31, 2010, securities loaned by the Foundation had a total market value of \$2,955,389.

The Henry Luce Foundation, Inc.

Notes to Financial Statements

December 31, 2010

2. Summary of Significant Accounting Policies (continued)

Income and Expenses

Income is recorded when earned and expenses when incurred. For financial reporting purposes, grants are recorded at the time of approval by the Board of Directors.

Cash

For purposes of cash flows, the Foundation defines cash as cash held in checking accounts and operating money market accounts.

Fixed Assets

The Foundation capitalizes the cost of leasehold improvements and acquisitions of furniture and fixtures and depreciates and amortizes these costs using the straight-line method over the estimated useful lives or the life of the lease, whichever is shorter.

3. Federal Excise Tax

Deferred federal excise taxes are the result of unrealized appreciation on investments being reported for financial reporting purposes in different periods than for excise tax purposes.

The excise tax expense for the year ended December 31, 2010 is comprised of the following:

Current year provision	\$ 228,899
Deferred excise tax	<u>1,150,341</u>
	<u>\$1,379,240</u>

Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition. The Foundation is no longer subject to audits by the applicable taxing jurisdictions for the periods prior to 2007.

The Henry Luce Foundation, Inc.

Notes to Financial Statements

December 31, 2010

4. Investments

The fair value, cost and unrealized appreciation (depreciation) of investments at December 31, 2010 were as follows:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>
Money market funds and cash held for investment	\$ 7,111,155	\$ 7,111,155	\$ -
Equity securities:			
Managed accounts			
Large cap	131,029,700	106,349,811	24,679,889
Small/Mid cap	10,160,675	7,864,285	2,296,390
Commingled or mutual funds			
Large cap	52,714,128	58,529,235	(5,815,107)
Emerging markets	52,375,659	27,984,911	24,390,748
International	132,423,189	131,567,434	855,755
Other	1,700,000	1,100,000	600,000
Fixed income securities:			
Managed accounts			
U.S. government	5,787,227	5,663,134	124,093
U.S. government agency	6,873,390	6,522,874	350,516
Corporate	11,560,552	10,763,156	797,396
Commingled or mutual funds			
U.S. Treasury	17,354,411	18,739,607	(1,385,196)
Total return	23,285,130	22,925,586	359,544
Global	31,320,758	24,738,445	6,582,313
Real asset mutual funds	76,465,618	59,379,544	17,086,074
Marketable alternative partnerships	136,430,286	131,358,407	5,071,879
Non marketable limited partnerships			
Global distressed	11,009,659	9,518,026	1,491,633
Private equity	5,312,132	5,330,500	(18,368)
Venture	3,858,255	3,540,000	318,255
Natural resources	2,259,662	1,581,945	677,717
Liquidating	<u>40,738,646</u>	<u>48,889,323</u>	<u>(8,150,677)</u>
	759,770,232	689,457,378	70,312,854
Net pending trades	<u>128,957</u>	<u>128,957</u>	<u>-</u>
Total Investments	<u>\$759,899,189</u>	<u>\$689,586,335</u>	<u>\$ 70,312,854</u>

The Henry Luce Foundation, Inc.

Notes to Financial Statements

December 31, 2010

4. Investments (continued)

The investments, other than those in non marketable limited partnerships, are co-investments of the Henry Luce Fund and the Clare Boothe Luce Fund, which hold approximately 80% and 20% of these co-investments, respectively.

The commingled or mutual fund under equity securities is an interest in royalties. There is only a limited secondary market for this investment.

The marketable alternative partnerships consist of numerous hedge fund partnership investments overseen and managed by one investment advisor. At December 31, 2010, the fair value shown above consisted of the following:

Partnership investments	\$124,641,704
Cash held by the advisor for future investment	92,103
Funds transferred to partnerships for investment effective January, 2011	5,050,000
Receivables for partnership withdrawals	6,998,868
Investment fees payable	<u>(352,389)</u>
	<u>\$136,430,286</u>

The partnership investments can be further classified as follows:

Absolute return	\$ 16,520,227
Event driven	46,155,212
Equity hedge	48,216,851
Equity market neutral	2,786,186
Tactical trading	10,738,488
Other	<u>224,740</u>
	<u>\$124,641,704</u>

These investments are managed to allow approximately 1/3 of the investments to be liquidated on a quarterly basis and the remaining on a floating two year lock-up basis. The two year lockup is scheduled for renewal in June 2011.

The Henry Luce Foundation, Inc.

Notes to Financial Statements

December 31, 2010

4. Investments (continued)

The non marketable limited investment partnerships consist of two types of investments. The liquidating partnerships represent primarily private equity investments entered into in the late 1990's and early 2000's. They are currently winding down their affairs. The Foundation estimates they will be fully redeemed by 2013.

The remaining non marketable limited partnership interests are investments made within the most recent three years. The term of these investments will expire in approximately seven to nine years.

The unfunded commitments to these funds are as follows:

Global distressed	\$ 7,027,850
Private equity	30,169,500
Venture	8,460,000
Natural resources	<u>8,325,000</u>
	<u>\$53,982,350</u>

The Foundation follows Financial Accounting Standards Board (FASB) guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based on input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The fair value of some funds has been estimated using the Net Asset Value ("NAV") as reported by the management of the fund. FASB guidance provides for the use of the NAV as a "practical expedient" for estimating the fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Foundation's interest in the fund. Its classification within level 2 or 3 is based on the Foundation's ability to redeem its interest in the near term.

The Henry Luce Foundation, Inc.

Notes to Financial Statements

December 31, 2010

4. Investments (continued)

Investments are categorized as follows:

	Level 1	Level 2	Level 3	TOTAL
Money market funds and cash held for investment	\$ 7,111,155	\$ -	\$ -	\$ 7,111,155
Equity securities:				
Managed accounts				
Large cap	131,029,700	-	-	131,029,700
Small/Mid cap	10,160,675	-	-	10,160,675
Commingled or mutual funds				
Large cap	52,714,128	-	-	52,714,128
Emerging markets	-	52,375,659	-	52,375,659
International	33,233,999	99,189,190	-	132,423,189
Other	-	-	1,700,000	1,700,000
Fixed income securities:				
Managed accounts				
U.S. government	5,787,227	-	-	5,787,227
U.S. government agency	-	6,873,390	-	6,873,390
Corporate	-	11,560,552	-	11,560,552
Commingled or mutual funds				
U.S. Treasury	-	17,354,411	-	17,354,411
Total return	23,285,130	-	-	23,285,130
Global	-	31,320,758	-	31,320,758
Real asset mutual funds	26,549,689	49,915,929	-	76,465,618
Marketable alternative partnerships	-	-	136,430,286	136,430,286
Non marketable limited partnerships				
Global distressed	-	-	11,009,659	11,009,659
Private equity	-	-	5,312,132	5,312,132
Venture	-	-	3,858,255	3,858,255
Natural resources	-	-	2,259,662	2,259,662
Liquidating	-	-	40,738,646	40,738,646
	289,871,703	268,589,889	201,308,640	759,770,232
Net pending trades	128,957	-	-	128,957
Total Investments	\$290,000,660	\$268,589,889	\$201,308,640	\$759,899,189

The Henry Luce Foundation, Inc.

Notes to Financial Statements

December 31, 2010

4. Investments (continued)

The change in Level 3 investments is as follows:

	Beginning of Year	Capital Additions	Realized Gains	Unrealized Appreciation (Depreciation)	Capital Withdrawals	End of Year
Equity securities						
Commingled						
Other	\$ 1,700,000					\$ 1,700,000
Marketable alternative partnerships	120,889,478	\$ 7,000,000		\$8,540,808		136,430,286
Non marketable limited partnerships						
Global distressed	5,512,470	3,780,150		1,717,039		11,009,659
Private equity	2,324,453	2,503,000		484,679		5,312,132
Venture	1,960,248	1,480,000		418,007		3,858,255
Natural resources	419,342	1,225,000	\$ 45,783	662,499	(92,962)	2,259,662
Liquidating	<u>44,941,479</u>	<u>-</u>	<u>2,467,103</u>	<u>(1,889,363)</u>	<u>(4,780,573)</u>	<u>40,738,646</u>
Total	<u>\$177,747,470</u>	<u>\$15,988,150</u>	<u>\$2,512,886</u>	<u>\$ 9,933,669</u>	<u>\$(4,873,535)</u>	<u>\$201,308,640</u>

Investment fees of certain mutual funds, commingled funds and alternative investments are not reported separately. They are included in the net income or appreciation of the investment. The approximate amount of these fees was \$6.9 million in 2010.

5. Furniture, Fixtures and Leasehold Improvements

Furniture, fixtures and leasehold improvements are as follows:

Furniture and fixtures	\$ 309,814
Leasehold improvements	<u>1,223,663</u>
	1,533,477
Less: accumulated depreciation and amortization	<u>(503,650)</u>
	<u>\$1,029,827</u>

The Henry Luce Foundation, Inc.

Notes to Financial Statements

December 31, 2010

6. Grants Approved and Grants Payable

The grants approved during 2010, before the change in discount of \$82,965 and grants payable at December 31, 2010 consisted of the following:

	<u>Grants Approved</u>	<u>Grants Payable</u>
Principal Fund		
American Art	\$ 4,829,000	\$ 1,875,000
Asian Affairs	4,090,426	2,594,000
East and Southeast Asian Archeology Initiative	840,000	1,640,000
Luce Scholars	3,038,770	1,460,000
Higher Education	900,000	400,000
Henry R. Luce Professors	-	1,048,000
HRL Initiative on Religion & International Affairs	3,792,000	2,591,500
Theology	4,461,000	3,462,625
Environment	150,000	125,000
Public Policy	197,450	150,000
Special Projects	30,000	-
Matching	442,986	153,755
Directors' Discretionary	<u>240,000</u>	<u>-</u>
Total Principal Fund	<u>23,011,632</u>	<u>15,499,880</u>
Clare Boothe Luce Program for Women in Science and Engineering	<u>5,437,560</u>	<u>5,406,850</u>
Total	<u>\$28,449,192</u>	<u>\$20,906,730</u>

At December 31, 2010, the unpaid grant liability is expected to be paid as follows:

Years Ending December 31,	
2011	\$12,042,329
2012	6,365,831
2013	2,058,204
2014	384,880
2015	<u>55,486</u>
	20,906,730
Less: Discount to present value	<u>(165,289)</u>
	<u>\$20,741,441</u>

The Henry Luce Foundation, Inc.

Notes to Financial Statements

December 31, 2010

6. Grants Approved and Grants Payable (continued)

Unpaid grants are recorded at the present value of future cash flows. The discount rate is determined during the year in which the grant is approved. At December 31, 2010, the Foundation has discounted the amount of unpaid grant liability by applying interest rate factors for grants from 2.01% to 0.56%.

7. Pensions

The Foundation has a qualified defined contribution pension plan with Diversified Investment Advisors, Inc. This plan covers all full-time employees with a two-year vesting provision. Pension costs, representing 15% of compensation, are charged to expense currently and funded by monthly contributions. Pension expense under this plan was \$355,059.

Supplemental pension payments for former employees were \$121,000.

8. Postretirement Medical Benefits

The Foundation provides retiree medical insurance to employees retiring from the Foundation after attaining at least age 55 (age 65 if hired after January 1, 2009.) The percentage of insurance premiums paid varies with age at retirement and years of service to the Foundation.

The present value of the estimated accrued benefits at December 31, 2010 was \$2,277,434. This amount has not been separately funded by the Foundation. Health insurance costs have been projected to increase at rates of 8.5% next year and decreasing to 5% over the next seven years. A discount rate of 6.00% was applied.

Actual cash paid during 2010 was \$22,352.

The actual cash costs of this plan over the next ten years are estimated to be as follows:

2011	\$ 45,902
2012	60,147
2013	64,659
2014	69,185
2015	102,788
2016-2020	<u>745,829</u>
	<u>\$1,088,510</u>

The Henry Luce Foundation, Inc.

Notes to Financial Statements

December 31, 2010

9. Lease Commitments

The Foundation has a lease for primary office space for a term of fifteen years which began on October 23, 2006 and will expire on October 22, 2021. Under the terms of the lease, the Foundation maintains a letter of credit in the amount of \$186,692 in lieu of a security deposit. Rent expense for this lease during 2010 was \$621,879.

The minimum lease commitment under this lease is as follows:

2011	\$ 605,863
2012	656,142
2013	665,968
2014	677,174
2015	687,382
2016-2021	<u>4,455,999</u>
	<u>\$7,748,528</u>

10. Subsequent Events

In connection with the preparation of the financial statements and in accordance with recently issued guidance, the Foundation evaluated subsequent events after the statement of financial position date of December 31, 2010 through June 6, 2011 which was the date the financial statements were available to be issued.

The Henry Luce Foundation, Inc.
Supplemental Schedule of Program and Administrative Expenses
Year Ended December 31, 2010

	Unrestricted Principal Fund	Clare Boothe Luce Fund	Total
Program expenses			
Grants	<u>\$23,033,815</u>	<u>\$5,498,342</u>	<u>\$28,532,157</u>
Other program expenses			
Luce Scholars	313,301	-	313,301
Asian Affairs	20,403	-	20,403
American Art	14,634	-	14,634
HRL Initiative on Religion and International Affairs	16,368	-	16,368
Theology	11,949	-	11,949
Other programs	<u>339</u>	<u>111,881</u>	<u>112,220</u>
Total other program expenses	<u>376,994</u>	<u>111,881</u>	<u>488,875</u>
Total program expenses	<u>23,410,809</u>	<u>5,610,223</u>	<u>29,021,032</u>
Administrative expenses			
Salaries	2,216,756	315,332	2,532,088
Pensions and related benefits	487,793	49,475	537,268
Insurance - employees' benefits	567,151	84,921	652,072
Payroll taxes	129,518	16,768	146,286
Rent	561,286	60,593	621,879
Professional fees	61,791	-	61,791
Directors' fees	290,000	10,000	300,000
Registration fees and dues	19,117	-	19,117
Travel and meetings	91,886	-	91,886
Computer, office supplies and maintenance	192,682	-	192,682
Depreciation and amortization	115,551	-	115,551
Insurance and sundry	<u>32,612</u>	<u>-</u>	<u>32,612</u>
Total administrative expenses	<u>4,766,143</u>	<u>537,089</u>	<u>5,303,232</u>
Total expenses	<u>\$28,176,952</u>	<u>\$6,147,312</u>	<u>\$34,324,264</u>