Consolidated Financial Statements and
Supplementary Information Together with
Report of Independent Certified Public Accountants

**DORIS DUKE CHARITABLE FOUNDATION
AND RELATED ENTITIES**

For the years ended December 31, 2010 and 2009

DORIS DUKE CHARITABLE FOUNDATION
AND RELATED ENTITIES

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of the
Doris Duke Charitable Foundation:

We have audited the accompanying consolidated balance sheets of the Doris Duke Charitable Foundation and Related Entities including Duke Farms Foundation, Doris Duke Foundation for Islamic Art, Doris Duke Management Foundation, and Doris Duke Foundation (collectively, the "Foundation") as of December 31, 2010 and 2009 and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Doris Duke Charitable Foundation and Related Entities as of December 31, 2010 and 2009 and the consolidated changes in their net assets and their consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information included on Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Grant Thornton LLP

New York, New York
June 22, 2011

DORIS DUKE CHARITABLE FOUNDATION
AND RELATED ENTITIES
Consolidated Balance Sheets
As of December 31, 2010 and 2009

ASSETS	2010	2009
Cash and cash equivalents	$ 15,710,634	$ 31,779,021
Prepaid expenses, deferred charges and other receivables	1,338,394	1,676,281
Distribution receivable from Estate of Doris Duke (Note 4)	-	2,459,430
Deposits held with bond trustee (Note 13)	31,669,020	50,353,140
Investments (Note 3)	1,613,455,188	1,489,798,986
Beneficial interest in trusts held by others	2,410,557	5,183,167
Personalty (Note 5)	395,232	405,732
Property and equipment, net (Notes 6 and 14)	105,565,898	88,884,044
Total assets	$1,770,544,923	$1,670,539,801
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 7,422,499	$ 6,646,529
Accrued interest payable	631,008	744,622
Grants payable, net (Note 8)	67,343,295	79,740,272
Deferred federal and state excise taxes payable (Note 9)	6,170,576	3,448,481
Post-retirement health benefit obligation (Note 7)	6,709,441	5,473,484
Interest rate swap agreement (Note 13)	657,476	2,129,769
Bonds payable (Note 13)	55,653,326	55,693,546
Total liabilities	144,587,621	153,876,703
COMMITMENTS (Note 11)		
NET ASSETS - unrestricted	1,625,957,302	1,516,663,098
Total liabilities and net assets	$1,770,544,923	$1,670,539,801

The accompanying notes are an integral part of these consolidated financial statements.

DORIS DUKE CHARITABLE FOUNDATION
AND RELATED ENTITIES
Consolidated Statements of Activities
For the years ended December 31, 2010 and 2009

	2010	2009
REVENUES		
Investment income:		
Dividends	$ 5,274,209	$ 6,578,008
Interest	12,740,009	13,283,167
	18,014,218	19,861,175
Less:		
Investment expenses	(6,292,855)	(4,842,737)
(Provision for) refund of federal and state excise taxes (Note 9)	(292,281)	1,970,640
Net investment income	11,429,082	16,989,078
Change in value of beneficial interest in trusts held by others and related distribution (Note 2)	6,288,256	1,480,895
Residual interest in Estate of Doris Duke (Note 4)	25,017	2,459,430
Other revenues	132,092	750,624
Total revenues	17,874,447	21,680,027
EXPENSES		
Grants, net	51,744,586	76,495,748
Program	21,319,693	22,109,217
Administration	4,755,758	5,247,771
Total expenses	77,820,037	103,852,736
Decrease in net assets before investment gains and change in value of interest rate swap agreement	(59,945,590)	(82,172,709)
INVESTMENT GAINS		
Net realized gains (losses)	33,976,332	(13,702,609)
Net unrealized gains (Note 9)	133,791,169	233,871,402
Net investment gains	167,767,501	220,168,793
Change in value of interest rate swap agreement (Note 13)	1,472,293	(2,129,769)
Change in net assets	109,294,204	135,866,315
Net assets - unrestricted, beginning of year	1,516,663,098	1,380,796,783
Net assets - unrestricted, end of year	$ 1,625,957,302	$ 1,516,663,098

The accompanying notes are an integral part of these consolidated financial statements.

DORIS DUKE CHARITABLE FOUNDATION
AND RELATED ENTITIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 109,294,204	$ 135,866,315
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Change in value of interest rate swap agreement	(1,472,293)	2,129,769
Depreciation	2,729,786	2,971,246
Amortization of deferred bond issuance costs	21,477	1,966
Amortization of bond premium	(40,220)	(3,704)
Change in present value discount on grants payable	(932,711)	372,293
Discount allowance on grants payable	210,297	(1,826,655)
Gifted collectibles	500	55,983
Net proceeds from sales of personalty	12,380	1,467,668
Gain from disposition of personalty	(2,380)	(642,609)
Gain from disposition of property and equipment	(84,980)	-
Net realized and unrealized gains on investments	(170,489,596)	(222,326,808)
Change in value of beneficial interest in trusts held by others	(6,288,075)	(1,480,895)
Changes in assets and liabilities:		
Increase in interest, dividend and other receivables	(123,344)	(638,740)
(Increase) decrease in due from brokers	(35,860,707)	27,593,125
Decrease (increase) in prepaid expenses, deferred charges and other receivables	316,410	(11,947)
Increase in receivable from the Estate of Doris Duke	(25,017)	(2,459,430)
Increase (decrease) in due to brokers	56,212,392	(71,184,733)
(Decrease) increase in accounts payable and accrued expenses	(303,754)	813,303
Increase in accrued interest – bonds payable	(113,614)	744,622
Increase in post-retirement health benefit obligation	1,235,957	733,712
(Decrease) increase in grants payable	(11,674,563)	15,461,174
Increase in deferred federal and state excise taxes payable	2,722,095	3,448,481
Net cash used in operating activities	(54,655,756)	(108,915,864)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,950,435,460)	(1,890,544,343)
Proceeds from sale of investments	2,977,040,513	1,939,166,997
Purchase of property and equipment	(20,965,432)	(4,852,711)
Proceeds from sale of property and equipment	2,718,496	-
Net cash provided by investing activities	8,358,117	43,769,943
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received from charitable remainder trusts	9,060,685	-
Amounts received from Estate of Doris Duke	2,484,447	-
Proceeds from bond issuance	-	55,697,250
Change in deposits with bond trustee	18,684,120	(50,353,140)
Cost of bond issuance	-	(838,383)
Net cash provided by financing activities	30,229,252	4,505,727
Net decrease in cash and cash equivalents	(16,068,387)	(60,640,194)
Cash and cash equivalents, beginning of year	31,779,021	92,419,215
Cash and cash equivalents, end of year	$ 15,710,634	$ 31,779,021
Supplemental cash flow information:		
Cash paid for federal and state excise taxes	$ 290,000	$ -
Cash paid for interest	$ 2,038,906	$ 1,140,284
Retainage for construction projects	$ 1,079,724	$ 189,387

The accompanying notes are an integral part of these consolidated financial statements.

1. DESCRIPTION OF ORGANIZATION AND RELATED ENTITIES

Doris Duke Charitable Foundation ("DDCF") is a private foundation established by the Last Will and Testament of Doris Duke in 1996. DDCF was formed as a trust under the laws of the State of New York and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the "Code") as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code.

The mission of DDCF's grants program is to improve the quality of people's lives by nurturing the arts, protecting and restoring the environment, seeking cures for diseases, and helping to protect children from abuse and neglect. The mission and the strategy of DDCF are guided by Doris Duke's Last Will and Testament, which reflects the interests she pursued during her life. Doris Duke bequeathed DDCF significant resources to support those interests in addition to a legacy of properties and collections. Further, DDCF supports three operating foundations that own Doris Duke's properties in New Jersey, Hawaii, and Rhode Island, and a fourth that provides services to the other foundations.

The Doris Duke Foundation which was established in Delaware in 1934 by Doris Duke during her lifetime, the Doris Duke Charitable Foundation, and three operating foundations which were established through a Plan of Reorganization, effectuated in January 1999, are collectively referred to as the "Foundation." The following summarizes the entities which, in addition to DDCF, comprise the Foundation. All material inter-organizational balances and transactions have been eliminated in consolidation.

Duke Farms Foundation

Duke Farms Foundation ("DFF") was incorporated under the laws of the State of New York for the purpose of receiving title to real property located in Somerville, Hillsborough, Raritan, and Readington, New Jersey. The property comprises 2,700 acres, and includes designed landscapes, working farms, and supporting infrastructure. It is used for environmental, agricultural, and horticultural purposes. During 2006, the DFF Board of Directors approved a resolution to develop a master plan to fulfill DFF's mission of environmental stewardship. The thrust of this plan is leading to restoration of the property, consistent with sound environmental practices, as a resource for public education and enjoyment. The design process for the property and buildings was completed in 2009 and renovation of existing structures, for both public education and administrative use, commenced in 2009 with completion anticipated in the fall of 2011.

Duke Farms Foundation is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code and qualifies as a private operating foundation described in Section 4942(j)(3) of the Code.

Doris Duke Foundation for Islamic Art

Doris Duke Foundation for Islamic Art ("DDFIA") was incorporated under the laws of the State of New York for the purpose of receiving title to real property located in Honolulu, HI, which includes a collection of Islamic art. It is used to promote the study and understanding of Islamic art and culture. DDFIA also awards grants to promote the use of arts and media to improve Americans' understanding of Muslim societies.

DDFIA is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code and qualifies as a private operating foundation described in Section 4942(j)(3) of the Code.

Additionally, DDFIA was specifically prohibited in its charter from operating a museum. In order to carry out the purposes mandated for DDFIA, the kinds of educational and historic house activities to take place at the Hawaiian property, Shangri La, required the formation of a new entity under the jurisdiction of the Board of Regents of the State of New York. Accordingly, in 2002, a new entity named the Doris Duke Foundation for Islamic Art was chartered by the Board of Regents of the State of New York as a museum. The Board of Regents then approved the consolidation of the not-for-profit corporation known as Doris Duke Foundation for Islamic Art with the new organization by the same name, as chartered by the Board of Regents.

Doris Duke Management Foundation

Doris Duke Management Foundation ("DDMF") was incorporated under the laws of the State of New York for the purpose of creating a centralized source of personnel to provide various services, including management, clerical, financial, and operational services, to the Foundation. Doris Duke Management Foundation also serves as a centralized source of certain facilities and equipment, both shared and separate.

DDMF is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code and it qualifies as a private operating foundation described in Section 4942(j)(3) of the Code.

All appropriate expenses are assigned to each foundation pursuant to an Operating Agreement created at the inception of DDMF for the services performed by DDMF on their behalf.

Doris Duke Foundation

Doris Duke Foundation ("DDF") is a private grant-making entity, organized under the laws of the State of Delaware in 1934, exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code. DDF owns the remaining Southeast Asian Art and Culture ("SEAAC") Foundation assets, with the intent to dispose. The SEAAC assets were transferred to DDF upon the dissolution of the SEAAC Foundation, effective December 31, 2002.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

The Foundation's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed stipulations. At December 31, 2010 and 2009, the net assets of the Foundation were unrestricted in nature and represent resources that are not subject to donor-imposed stipulations, and are, therefore, available for the general operations of the Foundation.

In the event the Foundation receives contributions or other assets which are restricted in nature due to specific time or use restrictions, such resources would be classified as temporarily restricted or permanently restricted net assets accordingly, based on the nature of such restrictions. Temporarily restricted net assets represent net assets which are subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. Permanently restricted net assets represent net assets that are subject to donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or removed by actions of the Foundation.

Personalty

Personal property transferred to the Foundation from the Estate of Doris Duke was recorded at fair value based upon independent appraisals. Since an initial auction in 2004, the Foundation has examined its remaining personalty to determine which items would ultimately be gifted to other nonprofit organizations, kept as part of the Foundation's archives or sold. In 2010 and 2009, a number of items of personalty were sold through auctions and gifted to various museums. The remaining items of personalty will continue to be examined for possible sale or additional gifting to other nonprofit organizations, or otherwise disposed. (See Note 5 for additional details.)

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant management estimates and assumptions relate to the valuation of nonmarketable alternative investments; the determination of the Foundation's postretirement health benefit obligation; the fair value assigned to its interest rate swap agreement; and its remainderman interest under split-interest agreements. Actual results could differ from those estimates.

Fair Value Measurements

Effective January 1, 2009, the Foundation adopted "Fair Value Measurements and Disclosures," which defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. This standard maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed. Also included in Level 2 are investments measured using a net asset value ("NAV") per share, or its equivalent, that may be redeemed at that NAV at the date of the statement of financial position or in the near term, which the Foundation has generally considered to be within 90 days.

Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation. Also included in Level 3 are investments measured using a NAV per share, or its equivalent, that can never be redeemed at NAV or for which redemption at NAV is uncertain due to lockup periods or other investment restrictions.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Foundation. The Foundation considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorization of a financial instrument within the fair value hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Foundation's perceived risk of that instrument.

Valuation of Investments

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities, certain U.S. government and sovereign obligations, and certain money market securities. The Foundation does not adjust the quoted price for such instruments, even in situations where the Foundation holds a large position and a sale could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include certain U.S. government and sovereign obligations, not included in Level 1, most government agency securities, investment-grade corporate bonds, certain mortgage products, certain bank loans and bridge loans, less liquid listed equities, state, municipal and provincial obligations, most physical commodities and certain loan commitments. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or nontransferability, which are generally based on available market information.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 instruments include private equity and real estate investments, certain bank loans and bridge loans, less liquid corporate debt securities (including distressed debt instruments), collateralized debt obligations, and less liquid mortgage securities (backed by either commercial or residential real estate). When observable prices are not available for these securities, the Foundation uses one or more valuation techniques (e.g., the market approach, the income approach or the cost approach) for which sufficient and reliable data is available. Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted, as appropriate, for liquidity, credit, market and/or other risk factors.

The inputs used by the Foundation in estimating the value of Level 3 investments include the original transaction price, recent transactions for the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. Level 3 investments may also be adjusted to reflect illiquidity and/or nontransferability, with the amount of such discount estimated by the Foundation in the absence of market information. The fair value measurement of Level 3 investments does not include transaction costs that may have been capitalized as part of the security’s cost basis. Assumptions used by the Foundation, due to the lack of observable inputs, may significantly impact the resulting fair value for such assets categorized as Level 3 and therefore the Foundation’s changes in net assets.

Concentrations of Credit Risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash and cash equivalents, equity and fixed-income securities and alternative investments. The Foundation maintains its cash and cash equivalents in various bank deposit accounts which, at times, may exceed federally insured limits. The Foundation’s cash accounts were placed with high credit quality financial institutions. The Foundation has not experienced, nor does it anticipate, any losses in such accounts. The Foundation has a significant investment in equities, bonds, and alternative investments, both marketable and nonmarketable, and is therefore subject to concentrations of credit risk. Investment decisions are made by the DDCF Investment Committee of the Board of Trustees in conformity with the investment strategy approved by and under the direction of the Board of Trustees, in consultation with management and independent investment managers engaged by the Foundation.

Property and Equipment

Property and equipment are stated at cost, or at appraised values if received from the Estate of Doris Duke. Property and equipment are depreciated on the straight-line basis over the estimated useful lives of the respective assets, which range from 3 to 30 years. Leasehold improvements are amortized on the straight-line basis over the life of the lease or their estimated useful life, whichever is shorter. The Foundation capitalizes computers with a unit price of $5,000 or greater and property and equipment costing more than $2,500.

Beneficial Interest in Trusts Held by Others

In accordance with Doris Duke's Last Will and Testament, DDCF is the remainderman beneficiary of several split-interest agreements - specifically, irrevocable charitable remainder annuity trusts held by others. The Foundation initially valued these deferred gifts at the fair value of the underlying investments which are then actuarially discounted to reflect the Foundation's remainderman interest upon death of the respective life beneficiaries. Published IRS discount rates are employed to determine the net present value of both contributions and liabilities pertaining to these split-interest agreements. Annually, DDCF revalues its remainderman interest in these split-interest agreements and reflects this change in value in the consolidated statement of activities.

In February 2010, the death of a beneficiary of a significant charitable remainder annuity trust was reported to U.S. Trust, the trustee. The Foundation received a distribution of the fair value of the underlying investments in the annuity trust of $9,000,000 in June 2010 and a final distribution of $316,964 in February 2011.

Grants

Grant awards by the Foundation to recipients are recorded as an expense and a liability when approved by the appropriate boards and the grantee has been selected and notified. Such grant commitments are typically made to a recipient over multiple fiscal years and are therefore recognized and measured at the present value of the amounts to be paid. The present value discount is determined when the grant is initially recognized using an appropriate discount rate which is not subsequently revised. The Foundation amortizes grant discounts, which are recorded as additional grant expense, over the payment period of the respective grant using the effective interest method. Rescinded grants are recorded as a reduction to grant expense.

Functional Allocation of Expenses

The costs of operating the Foundation have been allocated among program-related and administrative expenses. Program-related expenses pertain principally to the general grant-making activities of the Foundation, such as reviewing proposals and awarding, monitoring, and evaluating grants. Administrative expenses include all other non-program related expenses of the Foundation.

Consolidated Statements of Cash Flows

For purposes of preparing the consolidated statement of cash flows, the Foundation considers investments with original maturities of three months or less at the time of purchase and all investments in money market funds, with immediate liquidity, to be cash equivalents. Short-term investments held by investment managers as part of the Foundation's long-term investment strategy are, however, classified as investments. At December 31, 2010 and 2009, the Foundation had $11,385,343 and $27,214,086, respectively, in money market funds which have been classified as cash equivalents.

Financial Instruments

The carrying amount of the Foundation's financial instruments approximate fair value.

3. INVESTMENTS

Investments at December 31, 2010 and 2009 consist of the following:

	2010		2009	
	Cost	Fair Value	Cost	Fair Value
Equity investments	$ 312,780,474	$ 311,746,346	$ 323,694,492	$ 289,698,337
Marketable alternative investments	505,562,868	771,295,797	541,421,723	740,357,325
Non-marketable alternative investments	255,262,619	291,642,065	247,186,971	245,993,307
Fixed-income investments	221,452,301	229,036,126	175,383,796	183,786,821
Subtotal	1,295,058,262	1,603,720,334	1,287,686,982	1,459,835,790
Interest, dividend and other receivables, ne	2,151,271	2,151,271	2,027,928	2,027,928
Due to brokers	(89,863,341)	(89,863,341)	(33,650,950)	(33,650,950)
Due from brokers	97,446,924	97,446,924	61,586,218	61,586,218
Total	$ 1,304,793,116	$ 1,613,455,188	$ 1,317,650,178	$ 1,489,798,986

Marketable and non-marketable alternative investments at December 31, 2010 and 2009 consist of the following:

	2010			2009		
	Number of Funds	Cost	Fair Value	Number of Funds	Cost	Fair Value
ALTERNATIVE INVESTMENT STRATEGY:						
Marketable alternative investments:						
Multi-Strategy	12	$ 238,183,106	$ 435,706,493	12	$ 253,380,555	$ 396,714,560
Equity Long/Short	15	215,340,892	275,032,140	15	217,001,487	275,941,862
Distressed/High Yield	3	50,984,880	60,331,696	3	60,110,708	64,701,407
Fund of Funds	1	1,053,990	225,468	1	10,928,973	2,999,496
Total marketable alternative investments	31	505,562,868	771,295,797	31	541,421,723	740,357,325
Non-marketable alternative investments:						
Fund of Funds	7	84,874,125	89,112,989	7	80,686,822	76,135,337
Buy-outs/Growth	14	77,741,848	101,783,602	14	82,330,812	88,519,269
Venture Capital	18	43,718,053	46,404,469	17	33,644,885	30,595,495
Distressed	4	20,333,544	20,867,940	4	22,069,015	18,548,311
Real Assets	4	28,595,049	33,473,065	4	28,455,437	32,194,895
Total non-marketable alternative investments	47	255,262,619	291,642,065	46	247,186,971	245,993,307
Total alternative investments	78	$ 760,825,487	$ 1,062,937,862	77	$ 788,608,694	$ 986,350,632

Equity investments include U.S. large and small-capitalization companies, real estate investment trusts, non-U.S. developed and emerging markets, and global equities (U.S. and non-U.S. developed market securities).

Fixed-income investments represent the broad U.S. bond market, including government, corporate, treasury, and mortgage-backed securities.

Cash and cash equivalents include short-term investments. Cash and cash equivalents held by investment managers, as part of the long-term investment strategy of the Foundation, have been classified into the investment categories in which they are intended to ultimately be invested in and amounted to $16,442,004 and $10,200,536 at December 31, 2010 and 2009, respectively.

Because of the uncertainty associated with the valuations of certain of the alternative investments, which are not readily marketable or do not have quoted market prices, the carrying values of such investments could differ had a ready market for such investments existed. Such difference could be material. The realization of the Foundation's investment in limited partnership interests is dependent upon the general partners' distributions and operating performance during the life of each partnership.

The following table summarizes investments within the fair value hierarchy as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Equity investments	$ 61,993,999	$ 249,752,347	$ -	$ 311,746,346
Marketable alternative investments	-	274,861,784	496,434,013	771,295,797
Non-marketable alternative investments	-	-	291,642,065	291,642,065
Fixed-income investments	-	229,036,126	-	229,036,126
	$ 61,993,999	$ 753,650,257	$ 788,076,078	$ 1,603,720,334

The following table summarizes investments within the fair value hierarchy as of December 31, 2009:

	Level 1	Level 2	Level 3	Total
Equity investments	$ 74,388,750	$ 215,309,587	$ -	$ 289,698,337
Marketable alternative investments	-	248,084,461	492,272,864	740,357,325
Non-marketable alternative investments	-	-	245,993,307	245,993,307
Fixed-income investments	-	183,786,821	-	183,786,821
	$ 74,388,750	$ 647,180,869	$ 738,266,171	$ 1,459,835,790

The following table summarizes the changes in fair values associated with Level 3 investments for the years ended December 31, 2010 and 2009:

	2010	2009
Balance, beginning of year	$ 738,266,171	$ 911,912,142
Sales	(72,722,103)	(141,716,639)
Purchases	29,660,132	105,834,144
Realized gains	2,662,251	18,679,116
Unrealized gains	90,209,627	91,641,869
Transfers out	-	(248,084,461)
Balance, end of year	$ 788,076,078	$ 738,266,171

All net realized and unrealized gains (losses) in the table above are reflected in the accompanying consolidated statements of activities.

The Foundation uses NAV, or its equivalent, to determine the fair value of all the underlying investments which: (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following table lists such investments by major category:

	Number of Funds	NAV in Funds	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions
Multi-Strategy	12	$ 435,706,493	N/A	$ N/A	N/A	Monthly to annually with 14 to 90 days notice	1 fund with a rolling two year lockup
Equity Long/Short	15	275,032,140	N/A	N/A	N/A	Monthly to quaterly with 30 to 90 days notice	3 funds with a rolling three year lockup
Distressed/High Yield	3	60,331,696	N/A	N/A	N/A	Monthly to semi-annually with 60 to 90 days notice	1 fund limiting redemptions to 50% of remaining balance
Fund of Funds	8	89,338,457	Varying through 2017	25,392,000	Over the life of the fund	1 fund in liquidation, the remaining funds are illiquid	N/A
Buy-outs/Growth	14	101,783,602	Varying through 2041	13,697,000	Over the life of the fund	Illiquid	N/A
Venture Capital	18	46,404,469	Varying through 2018	25,446,000	Over the life of the fund	Illiquid	N/A
Distressed	4	20,867,940	Varying through 2018	2,209,000	Over the life of the fund	Illiquid	N/A
Real Assets	4	33,473,065	Varying through 2017	1,890,000	Over the life of the fund	Illiquid	N/A
	78	$ 1,062,937,862		$ 68,634,000			

4. DISTRIBUTION RECEIVABLE FROM THE ESTATE OF DORIS DUKE

In accordance with the provisions of the Last Will and Testament of Doris Duke, the Foundation was named as the beneficiary of (i) certain specific bequests and (ii) the balance of the estate after making certain specific gifts to named beneficiaries and paying the debts, claims, and expenses associated with the administration of the estate as well as all estate or death taxes.

In March and September 2010, the Foundation received final distributions from the Estate of Doris Duke of $2,459,430 and $25,017, respectively, in accordance with the Decree on Accounting approved by the Surrogate's Court dated January 12, 2010.

5. PERSONALTY

Doris Duke's personal assets, which were bequeathed to the Foundation, have been gradually sold through auctions held primarily in 2004 by Christie's. The total cumulative proceeds from the sales of such personalty in the 2004 auction approximated $34,000,000 and resulted in an approximate net gain of $19,000,000. In 2010 and 2009, a number of personalty items were sold through auctions with total proceeds from such sales aggregating $12,380 and $1,467,668 and resulting in net gains of approximately $2,400 and $643,000, respectively. During 2010 and 2009, the Foundation gifted personalty in the amount of $500 and $55,983, respectively, to several museums and a university. The remaining personalty held for sale or gift from the Estate of Doris Duke as of December 31, 2010 and 2009, totaled $395,232 and $405,732, respectively.

6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, at December 31, 2010 and 2009, consists of the following:

	2010	2009
Buildings and improvements	$ 71,756,754	$ 50,188,826
Furniture and equipment	13,316,984	13,709,513
Leasehold improvements	3,819,989	3,819,989
	88,893,727	67,718,328
Less: accumulated depreciation	(33,025,509)	(31,157,164)
	55,868,218	36,561,164
Land	49,697,680	52,322,880
	$ 105,565,898	$ 88,884,044

Depreciation expense for the years ended December 31, 2010 and 2009 totaled $2,729,786 and $2,971,246, respectively.

7. POST-RETIREMENT HEALTH BENEFIT OBLIGATION

The Foundation provides health benefits to all its full-time employees. Upon retirement, employees may be eligible for continuation of some of these benefits. Amounts are accrued for such benefits during the years in which employees provide services to the Foundation.

The actuarial present value of the benefit obligation and the amounts recognized in the accompanying consolidated balance sheets as of December 31, 2010 and 2009 are as follows:

	2010	2009
Change in benefit obligation:		
Benefit obligation, beginning of year	$ 5,473,484	$ 4,739,772
Service cost	365,192	325,340
Interest cost	313,017	274,374
Plan participants’ contributions	13,314	7,537
Amendments	419,754	-
Actuarial loss	296,740	265,200
Benefits paid	(172,060)	(138,739)
Benefit obligation, end of year	$ 6,709,441	$ 5,473,484
Change in plan assets:		
Fair value of plan assets, beginning of year	$ -	$ -
Employer contributions	158,746	131,202
Plan participants’ contributions	13,314	7,537
Benefits paid	(172,060)	(138,739)
Fair value of plan assets, end of year	$ -	$ -
Components of accrued benefit cost:		
Funded status	$ (6,709,441)	$ (5,473,484)
Unamortized prior service cost	(502,310)	(957,556)
Unamortized actuarial net gain	(1,846,572)	(2,306,464)
Accrued benefit cost	$ (9,058,323)	$ (8,737,504)
Components of net periodic benefit cost:		
Service cost	$ 365,192	$ 325,340
Interest cost	313,017	274,374
Amortization of unrecognized prior service costs	(198,644)	(243,860)
Net periodic post-retirement benefit cost	$ 479,565	$ 355,854
Discount rate for benefit obligation, end of year	5.54%	5.96%

The Patient Protection and Affordable Care Act ("PPACA") was signed into law on March 23, 2010. On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 ("HCERA"), which amends certain aspects of PPACA was signed into law. The new laws have a financial impact on employers who sponsor post-employment health care benefits. The impact of this law on the Foundation is reflected above as an amendment in the post-retirement health benefit obligation as of December 31, 2010.

Future benefit payments to participants are expected to be paid as follows:

Year ending December 31:	**Amount**
2011	$ 173,433
2012	195,561
2013	220,475
2014	233,897
2015	291,566
2016-2020	1,991,830
	$ 3,106,762

	2010	**2009**
Assumed pre-65 medical trend rates at December 31:		
Health care cost trend rate assumed next year	10.0%	9.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0%	5.0%
Year rate reaches the ultimate trend rate	2019	2017
Assumed post-65 medical trend rates at December 31:		
Health care cost trend rate assumed next year	8.0%	7.5%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0%	5.0%
Year rate reaches the ultimate trend rate	2019	2017
Assumed prescription drug trend rates at December 31:		
Health care cost trend rate assumed next year	10.0%	9.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0%	5.0%
Year rate reaches the ultimate trend rate	2019	2017

The Foundation does not anticipate applying for the Medicare Part D prescription drug federal subsidy; therefore, the above disclosures do not reflect the impact of Medicare Part D. The Foundation's expense associated with this plan totaled $1,235,957 and $733,712 for 2010 and 2009, respectively.

	2010	2009
Amounts recognized in the consolidated balance sheets consist of:		
Accrued benefit liability	$ 6,709,441	$ 5,473,484
Amounts recognized in unrestricted net assets consist of:		
Prior service cost	$ 502,310	$ 957,556
Actuarial net gain	1,846,572	2,306,464
	$ 2,348,882	$ 3,264,020
Amounts expected to be amortized from unrestricted net assets next fiscal year:		
Prior service cost	$ 35,492	$ 79,901
Net actuarial gain	163,152	127,528
	$ 198,644	$ 207,429

The assumed health care trend rates have a significant effect on the amounts reported for health care plans. A one-percentage-point change in the health care cost trend rates would have the following effects:

	One-Percentage Point Increase	One-Percentage Point Decrease
Effect on total of service and interest cost components	$ 141,216	$ (117,812)
Effect on post-retirement benefit obligation	$ 1,234,147	$ (1,047,676)

8. GRANTS PAYABLE, NET

The following summarizes the changes in grants payable during 2010 and 2009:

	2010	2009
Balance, beginning of year:		
DDCF	$ 81,360,173	$ 64,442,399
DDFIA	542,831	1,999,430
Present value discount	(2,162,732)	(708,369)
	79,740,272	65,733,460

	2010	2009
Grants authorized:		
DDCF	$ 49,872,917	$ 78,801,056
DDF	-	-
DDFIA	1,503,522	54,400
Present value discount	(210,297)	(1,826,655)
	51,166,142	77,028,801
Deductions:		
Payments made:		
DDCF	(62,989,952)	(61,580,312)
DDF	-	-
DDFIA	(1,505,878)	(1,510,999)
Amortization of present value discount	932,711	372,292
	(63,563,119)	(62,719,019)
Net rescinded grants:		
DDCF	-	(302,970)
	-	(302,970)
Balance, end of year:		
DDCF	68,243,138	81,360,173
DDFIA	540,475	542,831
Present value discount	(1,440,318)	(2,162,732)
	$ 67,343,295	$ 79,740,272

The Foundation's grant commitments at December 31, 2010 and 2009 were discounted to present value by applying interest rate factors of .9825 % and 1.5%, respectively.

In 2010 and 2009, grants in the amount of $354,267 and $602,375, respectively, were refunded and netted with grants expense in the consolidated statements of activities.

As of December 31, 2010, the Foundation's Board of Trustees approved grants of $7,937,665 for which grantees had not been selected and notified. Accordingly, such grants are not accrued in the accompanying consolidated balance sheet as of December 31, 2010.

Grants authorized but unpaid at December 31, 2010 are payable as follows:

Year payable	Amount
2011	$ 30,459,957
2012	22,526,005
2013	9,276,436
2014	4,810,649
2015	1,227,236
2016	483,330
	68,783,613
Less: present value discount	(1,440,318)
	$ 67,343,295

9. INCOME TAXES

DDCF, DFF, DDMF, DDFIA and DDF are organizations exempt from federal income taxation under §501(c)(3) of the Internal Revenue Code and are private foundations as described in §509(a). The Foundations, however, are generally subject to a federal excise tax of 2% on their net investment income under §4940(a) and to federal and state income tax on their unrelated business taxable income at regular corporate rates. Historically, DDMF, DFF and DFIA have not generated net investment income and have not been subject to any excise taxes.

Section 4940(e) provides for a reduction of the federal excise tax to 1% if the foundations make sufficient qualifying distributions. Based on projected cash spending, DDCF qualified for the reduced 1% tax for 2010 and 2009. DDF is, likewise, likely to qualify for the reduced 1% tax; however, because its projected qualifying distributions marginally exceed the required threshold, DDF has opted to calculate its current tax provision at 2%. DDCF and DDF are projecting a current excise tax expense that is below materiality.

For the years ending December 31, 2010 and 2009, DDCF and DDF reported unrelated business income tax, for federal and state purposes, that is, likewise, immaterial due to the creation of federal and state net operating losses. Accordingly, the Foundations are reporting a current unrelated business income tax provision of $0.

The foundations are required to book a deferred income tax provision based on cumulative unrealized gains on investments. The deferred excise tax provision is calculated assuming a 2% excise tax rate and is based on projected gains that assume complete liquidation of all assets. The deferred federal excise tax liability at December 31, 2010 and 2009 was $6,170,576 and 3,448,481, respectively. The net change in unrealized gains and losses for the current period is $308,528,786; accordingly, the Foundations have recorded a deferred tax provision of $2,722,095.

The provision for current federal excise tax is comprised of the following:

	2010	2009
Current federal excise tax	$ 465,357	$ 149,955
Federal excise tax overpayments	(583,272)	(1,971,552)
Provision for unrelated business income taxes	2,281	909
Total current provision for income taxes	$ (115,634)	$ (1,820,688)

DDCF has generated a net operating loss carryforward of approximately $1 million dollars. The projected deferred tax asset based on these net operating losses is approximately $335,000; however, the Foundation has opted not to record a deferred tax asset as immaterial to the accompanying consolidated financial statements. The Foundation anticipates utilizing these net operating losses within the next few years.

ASC 740, Income Taxes, addresses financial accounting and reporting for income taxes with the objective to increase relevance and comparability in financial reporting of income taxes. ASC 740 requires a new approach that changes how an organization recognizes, measures and discloses in its financial statements tax benefits associated with related uncertain income tax positions. Only tax positions meeting the more-likely-than-not recognition threshold at the effective date may be recognized or continue to be recognized upon adoption of this interpretation. ASC's 740 scope excludes guidance on other taxes such as value-added tax, sales and property taxes. The tax years ending 2007, 2008, 2009 and 2010 are still open to audit for both federal and state purposes.

The Foundation adopted ASC 740 in the prior year and determined that the adoption of ASC 740 did not have an impact on the accompanying consolidated financial statements.

10. RELATED PARTY

Newport Restoration Foundation ("NRF") was established as a not-for-profit foundation in 1968 in order to preserve and restore historic architecture of the eighteenth and early nineteenth centuries in Newport, RI. In accordance with the Last Will and Testament of Doris Duke, in 1999, NRF received certain real and personal property located in Newport, RI, known as Rough Point, and certain real property located in Middletown, Rhode Island, valued at Doris Duke's date of death at approximately $22 million. Annually, DDCF's Board of Trustees approves a grant to fund the operations of Rough Point. During 2010 and 2009, NRF was awarded $2,310,000 and $2,000,000, respectively, from DDCF.

11. LEASE COMMITMENT

DDMF leases its office space located on the 18th and 19th floors of 650 Fifth Avenue, New York, NY. The existing 19th floor lease agreement was amended in 2005 (the "2005 Amendment") to include the rental of a portion of the 18th floor and to extend the expiration date of the original lease for the 19th floor. The 2005 Amendment expires on June 30, 2016.

Certain of the Foundation's operating leases contain annual escalations. In accordance with US GAAP, rent expense is recognized on a straight-line basis, including future rent escalations, over the life of the lease rather than in accordance with the actual lease payments. Deferred rent expense represents the adjustment to future rents as a result of applying the straight-line method.

Future minimum rental commitments under this operating lease are as follows:

Year ending December 31:		Amount
2011	$	754,980
2012		797,909
2013		806,495
2014		806,495
2015-2016		1,209,742
	$	4,375,621

Rent expense for 2010 and 2009 totaled approximately $746,000.

12. PENSION PLANS

DDMF sponsors a 401(a) profit sharing plan with a 401(k) feature. Employees may elect to have pretax employee contributions made to their accounts not to exceed federal allowable limits. The Foundation plans to make discretionary contributions to the 401(k) plan. Total pension expense under this 401(k) plan for 2010 and 2009 totaled $1,184,517 and $1,205,744, respectively. Participants are immediately vested in their employee contributed account balance and in the employer's contribution portion, if actively employed on December 31st, and all earnings thereon. Effective January 1, 2010, the Foundation converted to a non-elective contribution safe harbor 401(k) plan design. Under this new design, participants are immediately vested in their employee contributed account balance and in the employer's contribution portion and all earnings thereon, regardless of whether the employee is actively employed on December 31st. Further, under the new plan design, the Foundation is required to make a contribution equal to at least 3% of compensation of all eligible non-highly compensated employees, and highly compensated employees if desired, regardless of whether an employee makes employee contributions.

DDMF also sponsors a Supplemental Employee Retirement Plan (the "Supplemental Plan") to provide certain employees of the Foundation with retirement benefits that are otherwise unavailable from the 401(k) qualified retirement plan established by DDMF. The Supplemental Plan is an unfunded (nonqualified) retirement plan which permits the employer to defer 15% of compensation, at the employees' direction, in excess of the Code's 401(a)(17) limitation for eligible employees. Pension expense relative to the Supplemental Plan was approximately $71,000 and $67,000 in 2010 and 2009, respectively. The annual limitation used in calculating the 2010 and 2009 pension expense was $245,000. As of December 31, 2010 and 2009, DDMF has accrued approximately $628,000 and $645,000, respectively, relating to the Supplemental Plan.

In 2006, DDMF adopted a 457(b) deferred compensation plan to provide certain employees of the Foundation with the benefit of additional tax-deferred retirement savings opportunities. The annual 457(b) deferral limitation for 2010 and 2009 was $16,500. This plan is entirely funded by employee salary deferrals.

13. BONDS PAYABLE

New Jersey Economic Development Authority, Economic Development Bonds (Duke Farms Foundation Project) – Series 2009A and 2009B

On May 28, 2009, DFF borrowed $55,000,000, guaranteed by DDCF, to finance the renovation of numerous existing buildings, the acquisition of machinery and equipment and the construction of landscaping improvements, on approximately 500 acres of land, for a visitor orientation center, offices, greenhouses and related facilities to be used for ecological, agricultural and horticultural education, restoration, preservation and enjoyment, located in the municipality of Hillsborough, County of Somerset in the State of New Jersey.

The $30,000,000 Series 2009A bonds were initially issued at a daily rate of interest with a standby letter of credit from Northern Trust Bank providing a liquidity facility. The interest rate on the Series 2009A variable rate bonds ranged between 0.05% and 0.36% during fiscal 2010 and .08% and .28% during fiscal 2009. Concurrent with the issuance of the Series 2009A bonds, DFF entered into an interest rate swap agreement for the notional amount of $30,000,000 with Deutsche Bank in order to synthetically fix its variable rate issuance as a hedge against interest rate volatility. Under the terms of the agreement, DFF agreed to pay Deutsche Bank a fixed rate of interest equal to 2.665% on the Series 2009A bonds, and to receive from Deutsche Bank a payment equal to 68% of the 3-month LIBOR (0.206% at December 31, 2010). The interest rate received by DFF is reset on a daily basis.

The swap agreement expires coincident with the maturity of the bonds on July 1, 2048. The estimated fair value of the swap at December 31, 2010 was $657,476, and has been reflected as a liability on the accompanying 2010 consolidated balance sheet. The unrealized gain due to the change in value of the swap agreement amounted to $1,472,293 for the year ended December 31, 2010, and was included on the 2010 consolidated statement of activities.

The $25,000,000 Series 2009B bonds were issued at a 5.00% coupon rate priced at 102.789% to yield 4.84% on May 14, 2009. The Series 2009B bonds were issued at a premium of $697,250, resulting in net proceeds from the Series 2009A and 2009B bonds to DFF of $55,697,250. The bond premium is being amortized using the effective interest method over the term of the bonds. Amortization of the bond premium totaled $40,220 and $3,704 for the years ended December 31, 2010 and 2009, respectively.

In conjunction with the bond financing, DDCF received underlying ratings of “AAA” from Standard & Poor’s and “Aaa” from Moody’s.

During fiscal 2010, interest expense relating to the Series 2009 A and B bonds, including interest rate swap payments, totaled $2,038,906, of which $1,245,729 (net of interest earned) was capitalized. During fiscal 2009, interest expense relating to Series 2009 A and B bonds, including interest rate swap payments, totaled $770,059, of which $69,066 was capitalized.

As described above, DFF entered into an interest rate swap agreement relating to its variable rate bond issuance, wherein DFF agreed to pay the counterparty (Deutsche Bank) a fixed interest rate and the counterparty agreed to pay DFF a variable interest rate intended to approximate the variable rate on DFF's bonds. DFF's swap is considered a Level 2 instrument within the fair value hierarchy. The fair value of the swap, as described above, is based upon the expected future cash flows discounted at a current market rate.

As of and for the years ended December 30, 2010 and 2009, amounts included within the consolidated financial statements relating to interest rate swap agreements are as follows:

Fair Value at December 31, 2010	Fair Value at December 31, 2009	Consolidated Statements of Financial Postion Location	Change in Value of Interest Rate Swap Agreement for the year ended December 31, 2010	Change in Value of Interest Rate Swap Agreement for the year ended December 31, 2009	Consolidated Statements of Activities Location	Level within the Fair Value Hierarchy
$ 657,476	$ 2,129,769	Interest rate swap agreement (liabilities)	$ 1,472,293	$ (2,129,769)	Change in value of interest rate swap agreement	Level 2

Deposits held with bond trustee are invested in government fixed income securities, are recorded at fair value, and are classified as Level 1 within the fair value hierarchy at December 31, 2010 and 2009. The Foundation had no lifetime to date excess investment return, based on IRS arbitrage bond yield limitations, as of December 31, 2010.

14. SUBSEQUENT EVENTS

The Foundation evaluated its December 31, 2010 consolidated financial statements for subsequent events through June 22, 2011, the date the consolidated financial statements were issued. Except as disclosed below, the Foundation is not aware of any other subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.

In March 2011, DFF received $687,000 from Public Service Electric and Gas (PSE&G) for an easement (encompassing approximately 55 acres along a 120-foot tract of land) for the purpose of operating and maintaining lines for transmitting electrical energy and telecommunications. This easement payment will be been reflected as a reduction in the cost basis of the land in fiscal 2011.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidating Balance Sheet Information
As of December 31, 2010

ASSETS	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Consolidating Entries	Total
Cash and cash equivalents	$ 15,595,355	$ 189,991	$ (34,243)	$ (25,056)	$ (15,413)	$ 15,710,634	$ -	$ 15,710,634
Prepaid expenses, deferred charges and other receivables	32,083	-	1,044,738	346,146	606,700	2,029,667	(691,273)	1,338,394
Deposits held with bond trustee	-	-	31,669,020	-	-	31,669,020	-	31,669,020
Investments	1,608,179,862	5,223,138	52,188	-	-	1,613,455,188	-	1,613,455,188
Beneficial interest in trusts held by others	2,410,557	-	-	-	-	2,410,557	-	2,410,557
Due from related entities	26,266	-	259,972	5,649,941	-	5,936,179	(5,936,179)	-
Personalty	380,970	13,262	1,000	-	-	395,232	-	395,232
Property and equipment, net	-	-	72,082,233	1,605,889	31,877,776	105,565,898	-	105,565,898
Total assets	$ 1,626,625,093	$ 5,426,391	$ 105,074,908	$ 7,576,920	$ 32,469,063	$ 1,777,172,375	$ (6,627,452)	$ 1,770,544,923
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts payable and accrued expenses	$ 1,248,964	$ 32,646	$ 3,572,132	$ 2,120,008	$ 448,749	$ 7,422,499	$ -	$ 7,422,499
Accrued interest payable	-	-	631,008	-	-	631,008	-	631,008
Grants payable, net	67,349,055	150,798	-	-	534,715	68,034,568	(691,273)	67,343,295
Due to related entities	4,342,166	198,156	1,158,049	-	237,808	5,936,179	(5,936,179)	-
Deferred federal and state excise taxes payable	6,170,576	-	-	-	-	6,170,576	-	6,170,576
Interest rate swap agreement	-	-	657,476	-	-	657,476		657,476
Post-retirement benefit obligation	-	-	3,689,995	1,777,199	1,242,247	6,709,441	-	6,709,441
Bonds payable	-	-	55,653,326	-	-	55,653,326	-	55,653,326
Total liabilities	79,110,761	381,600	65,361,986	3,897,207	2,463,519	151,215,073	(6,627,452)	144,587,621
COMMITMENTS								
NET ASSETS - unrestricted	1,547,514,332	5,044,791	39,712,922	3,679,713	30,005,544	1,625,957,302	-	1,625,957,302
Total liabilities and net assets	$ 1,626,625,093	$ 5,426,391	$ 105,074,908	$ 7,576,920	$ 32,469,063	$ 1,777,172,375	$ (6,627,452)	$ 1,770,544,923

The accompanying consolidated financial statements and notes thereto are an integral part of this consolidating schedule.

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidating Balance Sheet Information
As of December 31, 2009

ASSETS	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Consolidating Entries	Total
Cash and cash equivalents	$ 31,982,483	$ 164,144	$ (237,456)	$ (54,930)	$ (75,220)	$ 31,779,021	$ -	$ 31,779,021
Prepaid expenses, deferred charges and other receivables	136,462	28,990	1,114,936	476,228	605,353	2,361,969	(685,688)	1,676,281
Contributions receivable from Estate of Doris Duke	2,459,430	-	-	-	-	2,459,430	-	2,459,430
Deposits held with bond trustee	-	-	50,353,140	-	-	50,353,140	-	50,353,140
Investments	1,484,844,833	4,873,241	80,912	-	-	1,489,798,986	-	1,489,798,986
Beneficial interest in trusts held by others	5,183,167	-	-	-	-	5,183,167	-	5,183,167
Due from related entities	26,266	-	259,972	5,220,925	-	5,507,163	(5,507,163)	-
Personalty	381,470	23,262	1,000	-	-	405,732	-	405,732
Property and equipment, net	-	-	55,294,695	1,902,254	31,687,095	88,884,044	-	88,884,044
Total assets	$ 1,525,014,111	$ 5,089,637	$ 106,867,199	$ 7,544,477	$ 32,217,228	$ 1,676,732,652	$ (6,192,851)	$ 1,670,539,801
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts payable and accrued expenses	$ 1,277,384	$ 38,569	$ 2,119,865	$ 2,657,218	$ 553,493	$ 6,646,529	$ -	$ 6,646,529
Accrued interest payable	-	-	744,622	-	-	744,622	-	744,622
Grants payable, net	79,740,272	142,857	-	-	542,831	80,425,960	(685,688)	79,740,272
Due to related entities	3,913,149	198,156	1,158,050	-	237,808	5,507,163	(5,507,163)	-
Deferred federal and state excise taxes payable	3,448,481	-	-	-	-	3,448,481	-	3,448,481
Interest rate swap agreement	-	-	2,129,769	-	-	2,129,769	-	2,129,769
Post-retirement benefit obligation	-	-	3,158,133	1,207,546	1,107,805	5,473,484	-	5,473,484
Bonds payable	-	-	55,693,546	-	-	55,693,546	-	55,693,546
Total liabilities	88,379,286	379,582	65,003,985	3,864,764	2,441,937	160,069,554	(6,192,851)	153,876,703
COMMITMENTS								
NET ASSETS - unrestricted	1,436,634,825	4,710,055	41,863,214	3,679,713	29,775,291	1,516,663,098	-	1,516,663,098
Total liabilities and net assets	$ 1,525,014,111	$ 5,089,637	$ 106,867,199	$ 7,544,477	$ 32,217,228	$ 1,676,732,652	$ (6,192,851)	$ 1,670,539,801

The accompanying consolidated financial statements and notes thereto are an integral part of this consolidating schedule.

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidating Schedule of Activities
For the year ended December 31, 2010

	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Foundation for Islamic Art	Subtotal	Consolidating Entries	Total
REVENUES								
Investment income:								
Dividends	$ 5,190,889	$ 83,320	$ -	$ -	$ -	$ 5,274,209	$ -	$ 5,274,209
Interest	11,908,358	38,474	793,177	-	-	12,740,009	-	12,740,009
	17,099,247	121,794	793,177	-	-	18,014,218	-	18,014,218
Less:								
Investment expenses	(6,271,245)	(21,610)	-	-	-	(6,292,855)	-	(6,292,855)
(Provision for) federal and state excise taxes	(292,281)	-	-	-	-	(292,281)	-	(292,281)
Net investment income	10,535,721	100,184	793,177	-	-	11,429,082	-	11,429,082
Change in value of beneficial interest in trusts held by others and related distribution	6,288,256	-	-	-	-	6,288,256	-	6,288,256
Residual interest in Estate of Doris Duke	25,017	-	-	-	-	25,017	-	25,017
Contributions from related organizations	-	-	7,263,194	-	6,316,880	13,580,074	(13,580,074)	-
Management fees	-	-	-	11,844,704	-	11,844,704	(11,844,704)	-
Other revenues	1,358	12,382	104,637	-	13,715	132,092	-	132,092
Total revenues	16,850,352	112,566	8,161,008	11,844,704	6,330,595	43,299,225	(25,424,778)	17,874,447
EXPENSES								
Grants, net	63,832,774	-	-	-	1,491,886	65,324,660	(13,580,074)	51,744,586
Program	843,446	75,254	9,773,437	7,088,946	3,538,610	21,319,693	-	21,319,693
Administration	-	-	-	4,755,758	-	4,755,758	-	4,755,758
Management fees	8,633,624	131,078	2,010,156	-	1,069,846	11,844,704	(11,844,704)	-
Total expenses	73,309,844	206,332	11,783,593	11,844,704	6,100,342	103,244,815	(25,424,778)	77,820,037
Decrease in net assets before investment gains and change in value of interest rate swap agreement	(56,459,492)	(93,766)	(3,622,585)	-	230,253	(59,945,590)	-	(59,945,590)
Investment gains:								
Net realized gains	33,956,333	19,999	-	-	-	33,976,332	-	33,976,332
Net unrealized gains	133,382,666	408,503	-	-	-	133,791,169	-	133,791,169
Net investment gains	167,338,999	428,502	-	-	-	167,767,501	-	167,767,501
Change in value of interest rate swap agreement	-	-	1,472,293	-	-	1,472,293	-	1,472,293
Increase (decrease) in net assets	110,879,507	334,736	(2,150,292)	-	230,253	109,294,204	-	109,294,204
Net assets - unrestricted, beginning of year	1,436,634,825	4,710,055	41,863,214	3,679,713	29,775,291	1,516,663,098	-	1,516,663,098
Net assets - unrestricted, end of year	$ 1,547,514,332	$ 5,044,791	$ 39,712,922	$ 3,679,713	$ 30,005,544	$ 1,625,957,302	$ -	$ 1,625,957,302

The accompanying consolidated financial statements and notes thereto are an integral part of this consolidating schedule.

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidating Schedule of Activities
For the year ended December 31, 2009

	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Consolidating Entries	Total
REVENUES								
Investment income:								
Dividends	$ 6,497,025	$ 80,983	$ -	$ -	$ -	$ 6,578,008	$ -	$ 6,578,008
Interest	12,696,767	40,029	546,371	-	-	13,283,167	-	13,283,167
	19,193,792	121,012	546,371	-	-	19,861,175	-	19,861,175
Less:								
Investment expenses	(4,821,882)	(20,855)	-	-		(4,842,737)	-	(4,842,737)
Refund of federal and state excise taxes	1,970,643	-	-	(3)	-	1,970,640	-	1,970,640
Net investment income	16,342,553	100,157	546,371	(3)	-	16,989,078	-	16,989,078
Change in value of beneficial interest in trusts held by others	1,480,895	-	-	-	-	1,480,895	-	1,480,895
Residual interest in Estate of Doris Duke	2,459,430	-	-	-	-	2,459,430	-	2,459,430
Contributions from related organizations	-	-	8,096,678	-	4,141,361	12,238,039	(12,238,039)	-
Management fees	-	-	-	12,962,921	-	12,962,921	(12,962,921)	-
Other revenues	659,139	25,397	46,792	2	19,294	750,624	-	750,624
Total revenues	20,942,017	125,554	8,689,841	12,962,920	4,160,655	46,880,987	(25,200,960)	21,680,027
EXPENSES								
Grants, net	88,663,024	-	-	-	70,763	88,733,787	(12,238,039)	76,495,748
Program	904,536	119,918	10,088,842	7,715,151	3,280,770	22,109,217	-	22,109,217
Administration	-	-	-	5,247,771	-	5,247,771	-	5,247,771
Management fees	9,634,114	126,294	2,192,890	-	1,009,623	12,962,921	(12,962,921)	-
Total expenses	99,201,674	246,212	12,281,732	12,962,922	4,361,156	129,053,696	(25,200,960)	103,852,736
Decrease in net assets before investment gains and change in value of interest rate swap agreement	(78,259,657)	(120,658)	(3,591,891)	(2)	(200,501)	(82,172,709)	-	(82,172,709)
Investment gains (losses):								
Net realized losses	(13,140,096)	(562,513)	-	-	-	(13,702,609)	-	(13,702,609)
Net unrealized gains	232,548,898	1,322,504	-	-	-	233,871,402	-	233,871,402
Net investment gains	219,408,802	759,991	-	-	-	220,168,793	-	220,168,793
Change in value of interest rate swap agreement	-	-	(2,129,769)	-	-	(2,129,769)	-	(2,129,769)
Increase (decrease) in net assets	141,149,145	639,333	(5,721,660)	(2)	(200,501)	135,866,315	-	135,866,315
Net assets - unrestricted, beginning of year	1,295,485,680	4,070,722	47,584,874	3,679,715	29,975,792	1,380,796,783	-	1,380,796,783
Net assets - unrestricted, end of year	$ 1,436,634,825	$ 4,710,055	$ 41,863,214	$ 3,679,713	$ 29,775,291	$ 1,516,663,098	$ -	$ 1,516,663,098

The accompanying consolidated financial statements and notes thereto are an integral part of this consolidating schedule.