

**ALLEGHENY FOUNDATION
One Oxford Centre
301 Grant Street, Suite 3900
Pittsburgh, Pennsylvania 15219-6401
Telephone (412) 392-2900**

2004 ANNUAL REPORT

The Allegheny Foundation concentrates its giving in the Western Pennsylvania area and confines most of its grant awards to programs for historic preservation, civic development and education. The Foundation does not make grants to individuals. Proposals for the following are usually declined: event sponsorships, endowments, capital campaigns, renovations or government agencies.

Initial inquiries to the Foundation should be in letter form signed by the organization's President, or authorized representative, and have the approval of the Board of Directors. The letter should include a concise description of the specific program for which funds are requested. Additional information must include a budget for the program and for the organization, the latest audited financial statement and annual report. A copy of the organization's current ruling letter evidencing tax exemption under Section 501(c)(3) of the Internal Revenue Service Code is required. Additional information may be requested if needed for further evaluation.

The Foundation normally considers grants at an Annual Meeting held in November. However, requests may be submitted at any time and will be acted upon as expeditiously as possible.

Grant application letters should be addressed to:

Mr. Matthew A. Groll
Executive Director
Allegheny Foundation
One Oxford Centre
301 Grant Street, Suite 3900
Pittsburgh, Pennsylvania 15219-6401

ALLEGHENY FOUNDATION - GRANTS PAID 2004

Allegheny Institute for Public Policy	\$ 50,000
American Legislative Exchange Council	35,000
Baltimore & Ohio Railroad Museum	5,000
Boys & Girls Clubs of Western Pennsylvania	40,000
Brownsville Area Revitalization Corporation	27,000
Center for the Study of Popular Culture	225,000
Children Requiring a Caring Kommunity	50,000
Cleveland Police Historical Society, Inc.	5,000
Commonwealth Education Organization	25,000
Cornerstone Church of Muskegon	1,000
Crime Prevention Offices of Western Pennsylvania	5,000
Crossroads Foundation	50,000
Extra Mile Education Foundation, Inc., The	100,000
Frick Art and Historical Center, Inc., The	75,000
Garden Club of McKeesport, The	1,000
Greater Pittsburgh Community Food Bank	25,000
Guiding Eyes for the Blind, Inc.	10,000
Historic Red Clay Valley, Inc.	25,000
Historical Society of Carnegie Pennsylvania	10,000
Humane Society of Westmoreland County	5,000
Institute for Functional Medicine	25,000
Intercollegiate Studies Institute, Inc.	25,000
Ladew Topiary Gardens, Inc.	10,000
Latrobe Area Chamber of Commerce Educational Foundation	10,000
Lincoln Highway Heritage Corridor	48,000
Lincoln Institute of Public Opinion Research, Inc.	50,000
Loyalhanna Watershed and Environmental Association, Inc.	15,000

ALLEGHENY FOUNDATION - GRANTS PAID 2004 - PAGE TWO

Maldon Institute, The	\$ 20,000
Mount Vernon Ladies' Association of the Union, The	150,000
Mountain Watershed Association	5,000
National Association for Olmsted Parks	10,000
Northside Leadership Conference	25,000
Pennsylvania Trolley Museum, Inc.	100,000
Philanthropy Roundtable	10,000
Pittsburgh History and Landmarks Foundation	12,000
Pittsburgh Parks Conservancy, The	25,000
River City Brass Band	25,000
Rosedale Block Cluster, Inc.	25,000
Salvation Army	50,000
Tutwiler Community Education Center, Inc.	10,000
Union Project, The	25,000
United Service Organizations, Inc.	5,000
Veterans of Foreign Wars Foundation	5,000
West Chester Railroad Heritage Association	5,000
Westmoreland County Food Bank	20,000
Westmoreland Trust	<u>25,000</u>
	<u>\$ 1,504,000</u>

ALLEGHENY FOUNDATION

OFFICERS:

Richard M. Scaife	Chairman
Matthew A. Groll	Executive Director

ADDRESS:

One Oxford Centre
301 Grant Street, Suite 3900
Pittsburgh, PA 15219-6401

STATEMENT OF INVESTMENTS - DECEMBER 31, 2004:

	<u>Cost</u>	<u>Market Value</u>
Mutual Funds	\$ 507,197	\$ 507,197
Money Market	102,173	102,173
Common Stocks	<u>12,262,182</u>	<u>42,459,202</u>
	<u>\$12,871,552</u>	<u>\$43,068,572</u>

Department of the Treasury
Internal Revenue Service

or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation
Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

2004

For calendar year 2004, or tax year beginning , 2004, and ending

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of organization ALLEGHENY FOUNDATION		A Employer identification number 25-6012303
	Number and street (or P.O. box number if mail is not delivered to street address) 301 GRANT STREET		Room/suite
	City or town, state, and ZIP code PITTSBURGH, PA 15219-6401		B Telephone number (see page 10 of the instructions) (412) 392-2900
	ONE OXFORD CENTRE, SUITE 3900		

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ **43,156,164.**

J Accounting method: Cash Accrual
 Other (specify) _____

(Part I, column (d) must be on cash basis.)

C If exemption application is pending, check here

D 1. Foreign organizations, check here
 2. Foreign organizations meeting the 85% test, check here and attach computation

E If private foundation status was terminated under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	1,000,000.	STMT 1		
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	1,283,896.	1,283,896.	NONE	STMT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	868,881.			
	b Gross sales price for all assets on line 6a	1,282,135.			
	7 Capital gain net income (from Part IV, line 2)		994,687.		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)	3,590.	NONE	NONE	STMT 3	
12 Total. Add lines 1 through 11	3,156,367.	2,278,583.	NONE		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	51,400.	6,922.	NONE	44,478.
	14 Other employee salaries and wages	59,519.	NONE	NONE	59,519.
	15 Pension plans, employee benefits	54,326.	3,390.	NONE	50,936.
	16a Legal fees (attach schedule) STMT 4	638.	NONE	NONE	638.
	b Accounting fees (attach schedule) STMT 5	31,800.	15,900.	NONE	15,900.
	c Other professional fees (attach schedule) STMT 6	38,869.	38,869.	NONE	NONE
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) **	30,632.	532.	NONE	30,100.
	19 Depreciation (attach schedule) and depletion	22,263.	NONE	NONE	
	20 Occupancy	57,300.	3,576.	NONE	53,724.
	21 Travel, conferences, and meetings	153.	NONE	NONE	153.
	22 Printing and publications				
	23 Other expenses (attach schedule) STMT 8	40,062.	2,249.	NONE	37,813.
	24 Total operating and administrative expenses. Add lines 13 through 23	386,962.	71,438.	NONE	293,261.
	25 Contributions, gifts, grants paid . STMT 9	1,364,000.			1,504,000.
26 Total expenses and disbursements. Add lines 24 and 25	1,750,962.	71,438.	NONE	1,797,261.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	1,405,405.				
b Net investment income (if negative, enter -0-)		2,207,145.			
c Adjusted net income (if negative, enter -0-)			NONE		

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		Beginning of year	End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value			
Assets	1	Cash - non-interest-bearing		10,489.	14,575.	14,575.	
	2	Savings and temporary cash investments		205,994.	102,173.	102,173.	
	3	Accounts receivable	10,000.				
		Less: allowance for doubtful accounts			10,000.	10,000.	
	4	Pledges receivable					
		Less: allowance for doubtful accounts					
	5	Grants receivable					
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)					
	7	Other notes and loans receivable (attach schedule)					
		Less: allowance for doubtful accounts					
	8	Inventories for sale or use					
	9	Prepaid expenses and deferred charges	STMT 10.		23,901.	32,191.	32,191.
	10 a	Investments - U.S. and state government obligations (attach schedule)					
	b	Investments - corporate stock (attach schedule)	STMT 11.		11,400,266.	12,262,182.	42,459,202.
	c	Investments - corporate bonds (attach schedule)					
	11	Investments - land, buildings, and equipment: basis					
	Less: accumulated depreciation (attach schedule)						
12	Investments - mortgage loans				507,197.	507,197.	
13	Investments - other (attach schedule)	STMT 12.					
14	Land, buildings, and equipment: basis			189,478.			
	Less: accumulated depreciation (attach schedule)			53,089.	30,826.	30,826.	
15	Other assets (describe)						
16	Total assets (to be completed by all filers - see page 16 of the instructions. Also, see page 1, item I)			11,693,739.	12,959,144.	43,156,164.	
Liabilities	17	Accounts payable and accrued expenses		597,000.	457,000.		
	18	Grants payable					
	19	Deferred revenue					
	20	Loans from officers, directors, trustees, and other disqualified persons					
	21	Mortgages and other notes payable (attach schedule)					
	22	Other liabilities (describe)					
23	Total liabilities (add lines 17 through 22)			597,000.	457,000.		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.						
	24	Unrestricted		11,096,739.	12,502,144.		
	25	Temporarily restricted					
	26	Permanently restricted					
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.						
	27	Capital stock, trust principal, or current funds					
	28	Paid-in or capital surplus, or land, bldg., and equipment fund					
	29	Retained earnings, accumulated income, endowment, or other funds					
30	Total net assets or fund balances (see page 17 of the instructions)			11,096,739.	12,502,144.		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)			11,693,739.	12,959,144.		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	11,096,739.
2	Enter amount from Part I, line 27a	2	1,405,405.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	12,502,144.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	12,502,144.

