

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

2008 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 2008

Allegheny Institute for Public Policy	\$ 125,000
Alliance for School Choice	10,000
American Chestnut Foundation	20,000
American Legislative Exchange Council	50,000
Animal Rescue League of Western Pennsylvania	25,000
Archdiocese of Washington	250,000
Auberle	25,000
Bach Choir of Pittsburgh, Inc.	10,000
Baltimore & Ohio Railroad Museum	5,000
Beginning with Books	25,000
Bill of Rights Institute	30,000
Boy Scouts of America, Greater Pittsburgh Council	100,000
Boys & Girls Clubs of Western Pennsylvania	40,000
Brandywine Conservancy, Inc.	100,000
Brother's Brother Foundation	25,000
Brownsville Area Revitalization Corporation	12,000
Andrew Carnegie Free Library	100,000
Carnegie Library of Homestead	50,000
Children Requiring a Caring Kommunity	100,000
Cleveland Police Historical Society, Inc.	38,400
Commonwealth Education Organization	15,000
Crossroads Foundation	50,000
Doctors Without Borders USA, Inc.	10,000
East Liberty Development, Inc.	10,000
Extra Mile Education Foundation, Inc.	250,000
Family Guidance, Inc.	50,000
Family House, Inc.	50,000
Fayette County Community Action Agency, Inc.	50,000
Garden Club of McKeesport	20,000

ALLEGHENY FOUNDATION - GRANTS PAID 2008 - PAGE TWO

Gilda's Club Western Pennsylvania, Inc.	\$ 100,000
Goodwill Industries of Pittsburgh	25,000
Greater Pittsburgh Community Food Bank	225,000
Grow Pittsburgh	10,000
Guiding Eyes for the Blind, Inc.	10,000
Hill House Association	100,000
David Horowitz Freedom Center	150,000
Hosanna House, Inc.	50,000
Imani Christian Academy	365,000
Light of Life Rescue Mission, Inc.	50,000
Ligonier Borough Volunteer Hose Company No. 1	25,000
Ligonier Township Volunteer Fire Company No. 1	25,000
Ligonier Valley Rail Road Association	125,000
Lincoln Institute of Public Opinion Research, Inc.	65,000
Manchester Bidwell Corporation	150,000
Manchester Craftsmen's Guild	150,000
McKeesport Heritage Center	5,000
McKeesport Hospital Foundation	25,000
McKeesport Housing Corporation	50,000
McKeesport Symphony Society, Inc.	25,000
Mon Yough Community Services, Inc.	20,000
Mountain Watershed Association	25,000
National Flag Foundation	5,000
North Side Christian Health Center	25,000
Penn Hills Library	10,000
Pennsylvania Right to Work Defense and Education Fdn., Inc.	25,000
Pennsylvania Trolley Museum, Inc.	250,000
Philanthropy Roundtable	20,000
Pittsburgh History & Landmarks Foundation	707,000

ALLEGHENY FOUNDATION - GRANTS PAID 2008 - PAGE THREE

Pittsburgh Opera	\$ 25,000
Pittsburgh Project, The	100,000
Pittsburgh Public Theater	25,000
Railroaders Memorial Museum	25,000
Remote Area Medical Foundation	50,000
River City Brass Band	50,000
Rosedale Block Cluster, Inc.	25,000
Saint Vincent College	35,000
Salvation Army	75,000
Scottdale Public Library	60,000
Seton Hill University	300,000
University of Pittsburgh	60,000
Urban League of Greater Pittsburgh	100,000
Vandergrift Improvement Program, Inc.	100,000
West Pittsburgh Partnership for Regional Development, Inc.	25,000
Westmoreland County Food Bank	85,000
Westmoreland County Historical Society	250,000
Womanspace East, Inc.	5,000
Woodlawn Foundation	<u>20,000</u>
	<u>\$ 5,877,400</u>

ALLEGHENY FOUNDATION

OFFICERS:

Richard M. Scaife
Matthew A. Groll

Chairman
Executive Director

ADDRESS:

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

STATEMENT OF INVESTMENTS - DECEMBER 31, 2008:

	<u>Cost</u>	<u>Market Value</u>
Money Market	\$ 445,904	\$ 445,904
Common Stocks	<u>20,918,632</u>	<u>38,921,670</u>
	<u>\$21,364,536</u>	<u>\$39,367,574</u>

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

Department of the Treasury
Internal Revenue Service

Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2008, or tax year beginning , 2008, and ending , 20

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

Name of foundation: **ALLEGHENY FOUNDATION**

Number and street (or P.O. box number if mail is not delivered to street address): **301 GRANT STREET**

Room/suite: **3900**

City or town, state, and ZIP code: **PITTSBURGH, PA 15219-6402**

A Employer identification number: **25-6012303**

B Telephone number (see page 10 of the instructions): **(412) 392-2900**

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) ▶ \$ **39,377,657.**

J Accounting method: Cash Accrual
 Other (specify) _____ (Part I, column (d) must be on cash basis.)

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)
1 Contributions, gifts, grants, etc., received (attach schedule)	2,000,000.	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	1,666,108.	1,666,108.		STMT 2
5 a Gross rents				
b Net rental income or (loss)				
6 a Net gain or (loss) from sale of assets not on line 10	1,252,794.			
b Gross sales price for all assets on line 6a 1,781,891.				
7 Capital gain net income (from Part IV, line 2)		1,342,053.	STMT 13	
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)	2,501.	2,501.		STMT 3
12 Total. Add lines 1 through 11	4,921,403.	3,010,662.		
13 Compensation of officers, directors, trustees, etc.	84,200.	11,969.	NONE	72,231.
14 Other employee salaries and wages	136,892.	4,962.	NONE	131,930.
15 Pension plans, employee benefits	69,777.	5,344.	NONE	64,433.
16 a Legal fees (attach schedule) STMT 4	1,193.	NONE	NONE	1,193.
b Accounting fees (attach schedule) STMT 5	54,084.	27,042.	NONE	27,042.
c Other professional fees (attach schedule) STMT 6	51,522.	51,522.	NONE	NONE
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) *	17,364.	1,330.	NONE	16,034.
19 Depreciation (attach schedule) and depletion	1,375.	NONE	NONE	STMT 8A
20 Occupancy	56,219.	4,305.	NONE	51,914.
21 Travel, conferences, and meetings	11,954.	NONE	NONE	11,954.
22 Printing and publications				
23 Other expenses (attach schedule) STMT 8	37,720.	2,754.	NONE	34,966.
24 Total operating and administrative expenses. Add lines 13 through 23	522,300.	109,228.	NONE	411,697.
25 Contributions, gifts, grants paid STMT 9	5,212,400.			5,877,400.
26 Total expenses and disbursements. Add lines 24 and 25	5,734,700.	109,228.	NONE	6,289,097.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-813,297.			
b Net investment income (if negative, enter -0-)		2,901,434.		
c Adjusted net income (if negative, enter -0-)			-0-	

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions. ** STMT 7

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	10,777.	7,023.	7,023.
	2 Savings and temporary cash investments	188,477.	46,507.	46,507.
	3 Accounts receivable ▶	NONE	NONE	NONE
	Less: allowance for doubtful accounts ▶			
	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	2,110.	2,106.	2,106.
	10 a Investments - U.S. and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule)	19,662,941.	20,918,631.	38,921,670.
	c Investments - corporate bonds (attach schedule)			
	11 Investments - land, buildings, and equipment: basis			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments - mortgage loans				
13 Investments - other (attach schedule)	2,986,294.	399,398.	399,398.	
14 Land, buildings, and equipment: basis				
Less: accumulated depreciation (attach schedule) ▶	190,022.			
15 Other assets (describe ▶)	8A 189,069.	953.	953.	
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	22,852,915.	21,374,618.	39,377,657.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable	925,000.	260,000.	
	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)	925,000.	260,000.		
Net Assets or Fund Balances	24 Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	25 Unrestricted	21,927,915.	21,114,618.	
	26 Temporarily restricted			
	26 Permanently restricted			
	27 Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	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)	21,927,915.	21,114,618.		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	22,852,915.	21,374,618.		

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	21,927,915.
2 Enter amount from Part I, line 27a	2	-813,297.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	21,114,618.
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	21,114,618.

