

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

2010 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 2010

Allegheny Institute for Public Policy	\$ 125,000
America's Survival, Inc.	200,000
American Chestnut Foundation	10,000
Baltimore & Ohio Railroad Museum	20,000
Bethlehem Baptist Church	50,000
Bill of Rights Institute	25,000
Boys & Girls Clubs of Western Pennsylvania	25,000
Brownsville Area Revitalization Corporation	25,000
Career Connections Charter High School	4,500
Carnegie Library of Homestead	25,000
Carnegie Library of McKeesport	25,000
Center for Equal Opportunity	25,000
Center for Strategic and International Studies	100,000
Children Requiring a Caring Kommunity	75,000
City of McKeesport	100,000
Cleveland Police Historical Society, Inc.	35,000
Commonwealth Education Organization	40,000
Counterterrorism and Security Education and Research Foundation	125,000
David Horowitz Freedom Center	200,000
Extra Mile Education Foundation, Inc.	100,000
Extra Mile Education Foundation, Inc.	10,000
Family Guidance, Inc.	25,000
Fayette County Community Action Agency, Inc.	50,000
Foundation for Free Enterprise Education	10,000
Frick Art and Historical Center, Inc.	125,000
Friends of the Pittsburgh Urban Forest	25,000
Garden Club of McKeesport	15,000
Greater Pittsburgh Community Food Bank	150,000

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Grove City College	\$ 25,000
Heritage Foundation, The	1,250,000
Imani Christian Academy	490,000
Judicial Watch, Inc.	67,000
Light of Life Ministries, Inc.	25,000
Ligonier Township Volunteer Fire Company No.1	10,000
Ligonier Valley Rail Road Association	25,000
Lincoln Institute of Public Opinion Research, Inc.	65,000
Manchester Bidwell Corporation	100,000
Manchester Citizens Corporation, The	25,000
McKeesport Heritage Center	7,500
McKeesport Symphony Society, Inc.	25,000
Mon Yough Community Services, Inc.	150,000
Pennsylvania Right to Work Defense and Education Foundation, Inc.	25,000
Pennsylvania Trolley Museum, Inc.	250,000
Philanthropy Roundtable	15,000
Pittsburgh History & Landmarks Foundation	500,000
Pittsburgh Project, The	25,000
Pittsburgh Public Theater	25,000
Reading is FUNdamental Pittsburgh	10,000
River City Brass Band	50,000
Rosedale Block Cluster, Inc.	25,000
Veteran's Research Foundation of Pittsburgh	25,000
Westmoreland County Food Bank	75,000
Westmoreland Museum of Art	150,000
Young America's Foundation	<u>100,000</u>
	<u>\$ 5,284,000</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, 2010:

	<u>Cost</u>	<u>Market Value</u>
Common Stocks	\$22,250,099	\$46,636,383
Cash and Cash Equivalents	1,277,614	1,277,614
Mutual Funds	211,314	215,073
Other Assets	<u>913,979</u>	<u>1,334,940</u>
	<u>\$24,653,006</u>	<u>\$49,464,010</u>

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

2010

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

For calendar year 2010, or tax year beginning , 2010, and ending , 20

G Check all that apply: Initial return Initial return of a former public charity Final return
 Amended return Address change Name change

Name of foundation: **ALLEGHENY FOUNDATION**

Room/suite: **3900**

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

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**

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

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) ▶ \$ **49,479,642.**

J Accounting method: Cash Accrual
 Other (specify) _____

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) if the foundation is not required to attach Sch. B	2,088,879.	ATCH 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	1,519,170.	1,596,845.	0.	ATCH 2
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	-1,270,971.			ATCH 16
b Gross sales price for all assets on line 6a	2,328,691.			
7 Capital gain net income (from Part IV, line 2)		0.		
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)	-172,556.	-59,844.	0.	ATCH 3
12 Total. Add lines 1 through 11	2,164,522.	1,537,001.	0.	
13 Compensation of officers, directors, trustees, etc.	92,600.	13,235.	0.	79,365.
14 Other employee salaries and wages	138,777.	5,150.	0.	133,627.
15 Pension plans, employee benefits	75,210.	5,980.	0.	69,230.
16a Legal fees (attach schedule) ATCH 4	544.	0.	0.	544.
b Accounting fees (attach schedule) ATCH 5	46,653.	23,327.	0.	23,326.
c Other professional fees (attach schedule) *	47,588.	47,588.	0.	0.
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) *	25,939.	1,466.	0.	16,973.
19 Depreciation (attach schedule) and depletion. **	1,599.	0.	0.	0.
20 Occupancy	55,209.	4,389.	0.	50,820.
21 Travel, conferences, and meetings	5,592.	0.	0.	5,592.
22 Printing and publications				
23 Other expenses (attach schedule) ATCH 8	37,170.	2,964.	0.	32,473.
24 Total operating and administrative expenses. Add lines 13 through 23	526,881.	104,099.	0.	411,950.
25 Contributions, gifts, grants paid	4,829,000.			5,284,000.
26 Total expenses and disbursements. Add lines 24 and 25	5,355,881.	104,099.	0.	5,695,950.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-3,191,359.			
b Net investment income (if negative, enter -0-)		1,432,902.		
c Adjusted net income (if negative, enter -0-)			0.	

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	5,941.	5,753.	5,753.
	2	Savings and temporary cash investments	258,217.	769,939.	769,939.
	3	Accounts receivable ▶ 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 ATCH 9	2,556.	2,568.	2,568.
	10 a	Investments - U.S. and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) ATCH 10	23,231,409.	22,250,099.	46,636,383.
	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) ATCH 11	4,547,232.	1,360,396.	2,057,688.
	14	Land, buildings, and equipment: basis Less: accumulated depreciation (attach schedule) ▶	198,432. 191,121.	300. 7,311.	7,311.
15	Other assets (describe ▶)				
16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	28,045,655.	24,396,066.	49,479,642.	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable	1,055,000.	600,000.	
	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)	1,055,000.	600,000.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted	26,990,655.	23,796,066.	
	25	Temporarily restricted			
	26	Permanently restricted			
	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)	26,990,655.	23,796,066.		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	28,045,655.	24,396,066.		

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	26,990,655.
2	Enter amount from Part I, line 27a	2	-3,191,359.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	23,799,296.
5	Decreases not included in line 2 (itemize) ▶ ATTACHMENT 12	5	3,230.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	23,796,066.

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

	Yes	No
a Transfers from the reporting foundation to a noncharitable exempt organization of: <ul style="list-style-type: none"> (1) Cash 1a(1) (2) Other assets 1a(2) 		X
b Other transactions: <ul style="list-style-type: none"> (1) Sales of assets to a noncharitable exempt organization 1b(1) (2) Purchases of assets from a noncharitable exempt organization 1b(2) (3) Rental of facilities, equipment, or other assets 1b(3) (4) Reimbursement arrangements 1b(4) (5) Loans or loan guarantees 1b(5) (6) Performance of services or membership or fundraising solicitations 1b(6) 		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees 1c		X
- d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
	N/A		N/A

- 2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No
- b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee: _____ Date: 4/20/11 Title: Executive Director

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date 4/14/2011	Check <input type="checkbox"/> if self-employed	PTIN P00532355
	Firm's name ▶ GRANT THORNTON LLP	Firm's address ▶ 2001 MARKET STREET, SUITE 3100 PHILADELPHIA, PA 19103			Firm's EIN ▶ 36-6055558
Phone no. 215-561-4200					