

THE CARTHAGE FOUNDATION
ONE OXFORD CENTRE - 301 GRANT STREET - SUITE 3900
PITTSBURGH, PENNSYLVANIA 15219-6401
(412) 392-2900

2010
ANNUAL REPORT

The Carthage Foundation's grant program is primarily directed toward public policy programs that address major domestic and international issues. There are no geographical restrictions. The Foundation does not make grants to individuals for any purpose or to nationally-organized fundraising groups. Proposal 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 organization's Board of Directors. The letter should include a concise description of the specific program for which funds are requested, and a program budget and timetable. Accompanying information should include a copy of the latest audited financial statements (or Form 990); annual report; current budget; list of officers and directors and their major affiliations; and a copy of the current determination letter from the Internal Revenue Service evidencing tax-exempt status under Sections 501(c)(3) of the IRS Code. Additional information may be requested, if needed, for further evaluation.

The Foundation normally considers grants at quarterly meetings. However, requests may be submitted at any time and will be acted upon as expeditiously as possible.

Grant applications should be addressed to:

Michael W. Gleba, Treasurer
The Carthage Foundation
One Oxford Centre
301 Grant Street, Suite 3900
Pittsburgh, PA 15219-6401

The Carthage Foundation

Officers:

Richard M. Scaife Chairman
R. Daniel McMichael Secretary
Michael W. Gleba Treasurer
Alexis J. Konkol Assistant Secretary
Roger W. Robinson, Jr. Assistant Treasurer

Address:

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

Statement of Investments -- December 31, 2010:

	<u>Book Value</u>	<u>Market Value</u>
Investments	\$15,486,166	\$25,255,855
Money Market	<u>1,115,980</u>	<u>1,115,980</u>
	<u>\$16,602,146</u>	<u>\$26,371,835</u>

The Carthage Foundation
Grants Paid in 2010

<u>Grantee</u>	<u>Amount Paid</u>
Allegheny Institute for Public Policy	\$ 115,000
Atlas Economic Research Foundation	50,000
High Frontier	100,000
The Institute on Religion and Democracy, Inc.	100,000
Maldon Institute, Inc.	200,000
NumbersUSA Education and Research Foundation	<u>37,500</u>
	\$ 602,500

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

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: **THE CARTHAGE FOUNDATION**

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

Room/suite: **3900**

City or town, state, and ZIP code: **PITTSBURGH, PA 15219-6401**

A Employer identification number: **25-6067979**

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) ▶ \$ **26,390,356.**

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)
1 Contributions, gifts, grants, etc., received (attach schedule)		0			
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		736,288.	812,523.	0.	ATCH 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-1,129,118.			
b Gross sales price for all assets on line 6a		752,468.			
7 Capital gain net income (from Part IV, line 2)					
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)		-187,372.	-76,727.		ATCH 2
12 Total. Add lines 1 through 11		-580,202.	735,796.	0.	
Revenue	13 Compensation of officers, directors, trustees, etc.	102,000.	15,726.	0.	86,274.
	14 Other employee salaries and wages	178,960.	5,149.	0.	173,811.
	15 Pension plans, employee benefits	103,104.	7,661.	0.	95,443.
	16a Legal fees (attach schedule) ATCH 3	817.	0.	0.	817.
	b Accounting fees (attach schedule) ATCH 4	46,062.	23,031.	0.	23,031.
	c Other professional fees (attach schedule) *	78,616.	22,616.	0.	56,000.
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) *	30,000.	0.	0.	0.
	19 Depreciation (attach schedule) and depletion	1,473.	0.	0.	
	20 Occupancy	74,803.	5,558.	0.	69,245.
	21 Travel, conferences, and meetings	1,777.	0.	0.	1,777.
	22 Printing and publications				
23 Other expenses (attach schedule) ATCH 7	57,326.	3,983.	0.	51,644.	
24 Total operating and administrative expenses. Add lines 13 through 23	674,938.	83,724.	0.	562,066.	
25 Contributions, gifts, grants paid ATCH 16 & 17	602,500.			602,500.	
26 Total expenses and disbursements. Add lines 24 and 25	1,277,438.	83,724.	0.	1,164,566.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-1,857,640.				
b Net investment income (if negative, enter -0-)		652,072.			
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		11,067.	8,824.	8,824.	
	2	Savings and temporary cash investments		1,641,456.	1,115,980.	1,115,980.	
	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 8		2,455.	2,497.	2,497.	
	10 a	Investments - U.S. and state government obligations (attach schedule),					
	b	Investments - corporate stock (attach schedule) ATCH 9		15,666,751.	14,593,054.	23,945,506.	
	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 10		893,112.	629,908.	1,310,349.	
	14	Land, buildings, and equipment: basis Less: accumulated depreciation (attach schedule) ▶ ATCH 10A	205,029.	262.	7,200.	7,200.	
15	Other assets (describe ▶)						
16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		18,215,103.	16,357,463.	26,390,356.		
Liabilities	17	Accounts payable and accrued expenses					
	18	Grants payable		315,000.	315,000.		
	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)		315,000.	315,000.			
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		17,900,103.	16,042,463.		
	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)		17,900,103.	16,042,463.			
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)		18,215,103.	16,357,463.			

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	17,900,103.
2	Enter amount from Part I, line 27a	2	-1,857,640.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	16,042,463.
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	16,042,463.

