

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

2011
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. 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 organization's Board of Directors. The letter should include a concise description of the specific program for which funds are being requested, a program budget, and a 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, 2011:

	<u>Book Value</u>	<u>Market Value</u>
Investments	\$14,382,240	\$28,409,640
Money Market	<u>1,455,889</u>	<u>1,455,889</u>
	<u>\$15,838,129</u>	<u>\$29,865,529</u>

The Carthage Foundation
- Grants Paid in 2011 -

<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.	<u>200,000</u>
	<u>\$ 565,000</u>

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**2011**

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

For calendar year 2011 or tax year beginning , 2011, and ending , 20

Name of foundation THE CARTHAGE FOUNDATION		A Employer identification number 25-6067979
Number and street (or P.O. box number if mail is not delivered to street address) 301 GRANT STREET ONE OXFORD CENTRE		B Telephone number (see instructions) (412) 392-2900
Room/suite 3900		
City or town, state, and ZIP code PITTSBURGH, PA 15219-6401		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change </div> <div> <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change </div> </div>		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 29,879,716.		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 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)				
	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	828,386.	909,887.		ATCH 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-261,101.			ATCH 14
	b Gross sales price for all assets on line 6a	916,722.			
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	-169,900.	-79,132.		ATCH 2
	12 Total. Add lines 1 through 11	397,385.	830,755.		
	13 Compensation of officers, directors, trustees, etc.	98,467.	16,266.		82,201.
	14 Other employee salaries and wages	173,729.	5,412.		168,317.
	15 Pension plans, employee benefits	97,936.	7,800.		90,136.
	16a Legal fees (attach schedule) ATCH 3	3,399.			3,399.
	b Accounting fees (attach schedule) ATCH 4	44,914.	22,457.		22,457.
	c Other professional fees (attach schedule) *	79,694.	25,694.		54,000.
	17 Interest				
	18 Taxes (attach schedule) (see instructions)				
	19 Depreciation (attach schedule) and depletion	1,813.			
	20 Occupancy	62,694.	4,993.		57,700.
	21 Travel, conferences, and meetings	2,168.			2,168.
	22 Printing and publications				
	23 Other expenses (attach schedule) ATCH 6	20,975.	1,518.		17,231.
	24 Total operating and administrative expenses. Add lines 13 through 23	585,789.	84,140.		497,609.
	25 Contributions, gifts, grants paid	365,000.			565,000.
	26 Total expenses and disbursements. Add lines 24 and 25	950,789.	84,140.	0	1,062,609.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-553,404.			
	b Net investment income (if negative, enter -0-)		746,615.		
	c Adjusted net income (if negative, enter -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		8,824.	6,899.	6,899.
	2	Savings and temporary cash investments		1,115,980.	1,455,889.	1,455,889.
	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 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 7		2,497.	4,762.	
	10 a	Investments - U.S. and state government obligations (attach schedule) .				
	b	Investments - corporate stock (attach schedule) ATCH 8		14,593,054.	13,756,676.	26,825,323.
	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 9		629,908.	372,545.	1,584,317.
	14	Land, buildings, and equipment: basis Less: accumulated depreciation (attach schedule) ▶ ATCH 9A		206,931.		
			199,643.	7,288.	7,288.	
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		16,357,463.	15,604,059.	29,879,716.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable		315,000.	115,000.	
	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.	115,000.		
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		16,042,463.	15,489,059.	
	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 instructions)		16,042,463.	15,489,059.	
31	Total liabilities and net assets/fund balances (see instructions)		16,357,463.	15,604,059.		

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	16,042,463.
2	Enter amount from Part I, line 27a	2	-553,404.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	15,489,059.
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	15,489,059.

Form 990-PF (2011)

[illegible]

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

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) is based on all information of which preparer has any knowledge.

Signature of officer or trustee: /s/ MICHAEL W. GLIBBA
 Date: 5/4/12
 Title: TREASURER

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name <i>Frank D. Gaudin</i>	Preparer's signature <i>Frank D. Gaudin</i>	Date <i>5/1/12</i>	Check <input type="checkbox"/> if self-employed	PTIN P00532355
	Firm's name ▶ GRANT THORNTON LLP			Firm's EIN ▶ 36-6055558	
	Firm's address ▶ 2001 MARKET STREET, SUITE 3100 PHILADELPHIA, PA 19103			Phone no. 215-561-4200	