

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

**2009**  
**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, 2009:

	<u>Book Value</u>	<u>Market Value</u>
Investments	\$16,650,213	\$22,654,471
Money Market	<u>1,641,456</u>	<u>1,641,456</u>
	<u>\$18,291,669</u>	<u>\$24,295,927</u>

**The Carthage Foundation**  
**Grants Paid in 2009**

<b><u>Grantee</u></b>	<b><u>Amount Paid</u></b>
Atlas Economic Research Foundation	\$ 50,000
Center for Individual Rights	75,000
Committee for a Constructive Tomorrow	100,000
Independent Women's Forum	50,000
Institute for Research on the Economics of Taxation	75,000
The Institute on Religion and Democracy, Inc.	100,000
Pacific Legal Foundation	75,000
University of Virginia Law School Foundation	75,000
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	\$ 600,000

Form **990-PF**

Department of the Treasury  
Internal Revenue Service

**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.

OMB No. 1545-0052

**2009**

For calendar year 2009, or tax year beginning , 2009, 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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	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	Room/suite 3900	B Telephone number (see page 10 of the instructions) (412) 392-2900
	City or town, state, and ZIP code PITTSBURGH, PA 15219-6401		C If exemption application is pending, check here <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		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 24,309,711.		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.)	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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) . . . . .				
	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 . . . . .	793,716.	811,099.	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 . . . . .	2,728,221.			
	b Gross sales price for all assets on line 6a . . . . .	5,259,119.			
	7 Capital gain net income (from Part IV, line 2) . . . . .		4,341,424.	ATCH 16	
	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) . . . . .	-72,353.	-18,564.		ATCH 2	
12 Total. Add lines 1 through 11 . . . . .	3,449,584.	5,133,959.	0.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc. . . . .	99,800.	15,252.	0.	84,548.
	14 Other employee salaries and wages . . . . .	185,631.	5,037.	0.	180,594.
	15 Pension plans, employee benefits . . . . .	85,378.	6,069.	0.	79,309.
	16a Legal fees (attach schedule) ATCH 3 . . . . .	956.	0.	0.	956.
	b Accounting fees (attach schedule) ATCH 4 . . . . .	43,085.	21,543.	0.	21,542.
	c Other professional fees (attach schedule) * . . . .	79,176.	20,176.	0.	59,000.
	17 Interest . . . . .				
	18 Taxes (attach schedule) (see page 14 of the instructions) ** . . . . .	127,034.	1,566.	0.	20,468.
	19 Depreciation (attach schedule) and depletion *** . . . . .	109.	0.	0.	
	20 Occupancy . . . . .	76,379.	5,429.	0.	70,950.
	21 Travel, conferences, and meetings . . . . .	2,743.	0.	0.	2,743.
	22 Printing and publications . . . . .				
	23 Other expenses (attach schedule) ATCH 7 . . . . .	63,155.	4,444.	0.	58,098.
	24 Total operating and administrative expenses. Add lines 13 through 23 . . . . .	763,446.	79,516.	0.	578,208.
	25 Contributions, gifts, grants paid ATCH 8 . . . . .	240,000.			600,000.
26 Total expenses and disbursements. Add lines 24 and 25 . . . . .	1,003,446.	79,516.	0.	1,178,208.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements . . . . .	2,446,138.				
b Net investment income (if negative, enter -0-) . . . . .		5,054,443.			
c Adjusted net income (if negative, enter -0-) . . . . .			-00.		

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 . . . . .		11,365.	11,067.	11,067.
	2	Savings and temporary cash investments . . . . .		1,103,529.	1,641,456.	1,641,456.
	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 16 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 . . . . .		2,209.	2,455.	2,455.
	10 a	Investments - U.S. and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule) ATCH 10 . . . . .		15,011,491.	15,666,751.	21,517,194.
	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 . . . . .		0.	893,112.	1,137,277.	
14	Land, buildings, and equipment: basis ▶ ATCH 6A 196,619.					
	Less: accumulated depreciation (attach schedule) ▶ 196,357.		371.	262.	262.	
15	Other assets (describe ▶) . . . . .					
16	<b>Total assets</b> (to be completed by all filers - see the instructions. Also, see page 1, item I) . . . . .		16,128,965.	18,215,103.	24,309,711.	
Liabilities	17	Accounts payable and accrued expenses . . . . .				
	18	Grants payable . . . . .		675,000.	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	<b>Total liabilities</b> (add lines 17 through 22) . . . . .		675,000.	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 . . . . .		15,453,965.	17,900,103.	
	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	<b>Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .		15,453,965.	17,900,103.		
31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions) . . . . .		16,128,965.	18,215,103.		

**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	15,453,965.
2	Enter amount from Part I, line 27a	2	2,446,138.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	17,900,103.
5	Decreases not included in line 2 (itemize) ▶	5	
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) - Part II, column (b), line 30	6	17,900,103.

