

SARAH SCAIFE FOUNDATION
Incorporated
One Oxford Centre
301 Grant Street, Suite 3900
Pittsburgh, Pennsylvania 15219-6401
412-392-2900

2009

ANNUAL REPORT

The Sarah Scaife 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 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 meets in February, May, September, and November to consider grants. However, requests may be submitted at any time and will be acted upon as expeditiously as possible.

Requests should be addressed to:

Michael W. Gleba
President
Sarah Scaife Foundation
One Oxford Centre
301 Grant Street, Suite 3900
Pittsburgh, PA 15219-6401

SARAH SCAIFE FOUNDATION
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Grants Paid in 2009

Acton Institute for the Study of Religion and Liberty	\$ 40,000
Allegheny Institute for Public Policy	240,000
American Bar Association Fund for Justice and Education	130,000
American Civil Rights Institute	50,000
American Enterprise Institute for Public Policy Research	550,000
American Foreign Policy Council	125,000
America's Future Foundation	37,500
America's Survival, Inc.	150,000
Atlantic Legal Foundation	75,000
Atlas Economic Research Foundation	150,000
Boston University	44,500
Capital Research Center	175,000
Carnegie Mellon University	200,000
Cato Institute	40,000
Center for Equal Opportunity	50,000
Center for Immigration Studies, Inc.	125,000
Center for Individual Rights	55,000
Center for Media and Public Affairs	75,000
Center for Security Policy, Inc.	175,000
Center for Strategic and International Studies, Inc.	350,000
Center for the Study of the Presidency	140,000
Claremont Institute for the Study of Statesmanship and Political Philosophy	375,000
Collegiate Network, Inc.	240,000
Commentary, Inc.	40,000
Committee for a Constructive Tomorrow	60,000
The Commonwealth Foundation for Public Policy Alternatives	130,000
Competitive Enterprise Institute	275,000
David Horowitz Freedom Center	300,000
The Defense Forum Foundation, Inc.	50,000
Environmental Literacy Council	37,500
Ethics and Public Policy Center, Inc.	150,000
The Federalist Society for Law & Public Policy Studies	300,000
Federation for American Immigration Reform	100,000
The Foundation Endowment	37,500
Foundation for California University of Pennsylvania	100,000
Foundation for Cultural Review, Inc.	215,000
Foundation for Individual Rights in Education, Inc.	112,500
Foundation for Research on Economics and the Environment	30,000
Foundation for the Defense of Democracies, Inc.	150,000
FreedomWorks Foundation	132,500
Galen Institute, Inc.	35,000
George C. Marshall Institute	230,000
George Mason University Foundation, Inc.	200,000

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Heritage Foundation	\$ 600,000
High Frontier	110,000
Hudson Institute, Inc.	210,000
The Human Rights Foundation	90,000
Institute for Foreign Policy Analysis, Inc.	710,000
Institute for Health Freedom	75,000
Institute for Humane Studies	35,000
Institute for International Studies	45,000
Institute for Justice	85,000
Institute on Religion and Public Life, Inc.	60,000
Institute for Research on the Economics of Taxation	50,000
Intercollegiate Studies Institute, Inc.	350,000
International Policy Network US, Inc.	50,000
Jamestown Foundation	132,500
Johns Hopkins University	120,000
Judicial Watch, Inc.	50,000
Landmark Legal Foundation	300,000
Ligonier Valley School District	7,500
The Maldon Institute	450,000
Manhattan Institute for Policy Research, Inc.	150,000
Media Research Center	250,000
Mercatus Center, Inc.	50,000
Missouri State University Foundation	140,000
National Association of Scholars, Inc.	200,000
National Center for Policy Analysis	112,500
National Center for Public Policy Research, Inc.	35,000
National Institute for Public Policy	240,000
National Legal and Policy Center	100,000
National Taxpayers Union Foundation	50,000
New England Legal Foundation	30,000
NumbersUSA Education and Research Foundation	37,500
Pacific Legal Foundation	50,000
Pacific Research Institute for Public Policy	175,000
Philadelphia Society	5,000
Pittsburgh History and Landmarks Foundation	250,000
Princeton University	75,000
Reason Foundation	100,000
Saint Vincent College	30,000
Social Philosophy and Policy Foundation	470,000
Southeastern Legal Foundation, Inc.	87,500
Stanford University, Hoover Institution on War, Revolution and Peace	250,000
StudentNewsDaily.com, Inc.	10,000
Tax Foundation	75,000
Tufts University	300,000

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Grants Paid in 2009
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The University of Chicago	\$ 125,000
University of Kentucky	500,000
University of Virginia Law School Foundation	325,000
World Affairs Council of Pittsburgh	<u>70,000</u>
Total Grants Paid in 2009	<u>\$14,099,500</u>

**SARAH SCAIFE FOUNDATION
Incorporated**

OFFICERS

Richard M. Scaife	-	Chairman
Michael W. Gleba	-	President
Barbara L. Slaney	-	Vice President and Treasurer
R. Daniel McMichael	-	Secretary
Yvonne Marie Bly	-	Assistant Treasurer

ADDRESS

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STATEMENTS OF INVESTMENTS - December 31, 2009

	<u>Book Value</u>	<u>Market Value</u>
Common Stocks	\$ 126,231,683	\$ 181,994,070
Corporate Bonds	2,844,574	2,956,624
Government Securities	30,829,545	32,532,342
Money Market	7,857,299	7,857,299
Mutual Funds	3,791,753	7,320,170
Other Investments	11,062,476	11,285,321
	<hr/>	<hr/>
	<u>\$ 182,617,330</u>	<u>\$ 243,945,826</u>

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

2009

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

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 SARAH SCAIFE FOUNDATION INCORPORATED		A Employer identification number 25-1113452
	Number and street (or P.O. box number if mail is not delivered to street address) 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900	Room/suite	B Telephone number (see page 10 of the instructions) (412) 392-2900
	City or town, state, and ZIP code PITTSBURGH, PA 15219		C If exemption application is pending, check here <input type="checkbox"/> 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: 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) ▶ \$ 243,990,427.

J Accounting method: Cash Accrual
 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
 F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

Part 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)
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	(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 Check <input checked="" 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	7,696,265.	7,696,265.	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		ATCH 21		
b Gross sales price for all assets on line 6a	38,046,055.			
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)	-97,198.	-97,198.	0.	ATCH 2
12 Total. Add lines 1 through 11	711,936.	7,599,067.	0.	
13 Compensation of officers, directors, trustees, etc.	630,315.	103,040.	0.	527,275.
14 Other employee salaries and wages	359,263.	19,305.	0.	339,958.
15 Pension plans, employee benefits	294,963.	31,547.	0.	263,416.
16a Legal fees (attach schedule) [ATCH 3]	1,594.	0.	0.	1,594.
b Accounting fees (attach schedule) [4]	67,290.	33,645.	0.	33,645.
c Other professional fees (attach schedule) [5]	440,941.	204,941.	0.	236,000.
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) *	71,843.	5,836.	0.	48,731.
19 Depreciation (attach schedule) and depletion *	1,363.	0.	0.	
20 Occupancy	219,318.	23,456.	0.	195,862.
21 Travel, conferences, and meetings	46,834.	0.	0.	46,834.
22 Printing and publications				
23 Other expenses (attach schedule) [7]	115,614.	6,840.	0.	108,774.
24 Total operating and administrative expenses. Add lines 13 through 23	2,249,338.	428,610.	0.	1,802,089.
25 Contributions, gifts, grants paid [ATCH 8]	13,447,500.			14,099,500.
26 Total expenses and disbursements. Add lines 24 and 25	15,696,838.	428,610.	0.	15,901,589.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-14,984,902.			
b Net investment income (if negative, enter -0-)		7,170,457.		
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	46,680.	36,023.	36,023.
	2 Savings and temporary cash investments	14,126,345.	7,857,299.	7,857,299.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶	0.		
	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	6,985.	7,793.	7,793.
	10 a Investments - U.S. and state government obligations (attach schedule) **	40,357,572.	30,829,545.	32,532,342.
	b Investments - corporate stock (attach schedule) ATCH 11	132,517,147.	126,231,683.	181,994,070.
	c Investments - corporate bonds (attach schedule) ATCH 12	2,030,536.	2,844,574.	2,956,624.
	11 Investments - land, buildings, and equipment: basis ▶			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments - mortgage loans				
13 Investments - other (attach schedule) ATCH 13	9,211,420.	14,854,229.	18,605,491.	
14 Land, buildings, and equipment: basis ▶ ATCH 6A 825,051.				
Less: accumulated depreciation (attach schedule) ▶ 824,266.	2,148.	785.	785.	
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	198,298,833.	182,661,931.	243,990,427.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable	9,182,000.	8,530,000.	
	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)	9,182,000.	8,530,000.		
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	189,116,833.	174,131,931.	
	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)	189,116,833.	174,131,931.		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	198,298,833.	182,661,931.		

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	189,116,833.
2 Enter amount from Part I, line 27a	2	-14,984,902.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	174,131,931.
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	174,131,931.

** ATCH 10

