

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

2010

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

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Grants Paid in 2010

Acton Institute for the Study of Religion and Liberty	\$ 40,000
Allegheny Institute for Public Policy	115,000
American Bar Association Fund for Justice and Education	115,000
American Civil Rights Institute	200,000
American Enterprise Institute for Public Policy Research	500,000
American Foreign Policy Council	125,000
America's Future Foundation	37,500
America's Survival, Inc.	200,000
Atlantic Legal Foundation	75,000
Atlas Economic Research Foundation	150,000
Capital Research Center	175,000
Carnegie Mellon University	212,500
Cato Institute	40,000
Center for Equal Opportunity	50,000
Center for Immigration Studies, Inc.	125,000
Center for Individual Rights	110,000
Center for Media and Public Affairs	75,000
Center for Security Policy, Inc.	175,000
Center for Strategic and International Studies, Inc.	335,000
Center for the Study of the Presidency	135,000
Citizens' Council on Health Care	75,000
Claremont Institute for the Study of Statesmanship and Political Philosophy	325,000
Collegiate Network, Inc.	240,000
Commentary, Inc.	25,000
Committee for a Constructive Tomorrow	160,000
The Commonwealth Foundation for Public Policy Alternatives	130,000
Competitive Enterprise Institute	300,000
Counterterrorism & Security Education and Research Foundation	100,000
David Horowitz Freedom Center	250,000
The Defense Forum Foundation, Inc.	50,000
Ethics and Public Policy Center, Inc.	125,000
The Federalist Society for Law & Public Policy Studies	300,000
Federation for American Immigration Reform	250,000
Foundation for California University of Pennsylvania	100,000
Foundation for Cultural Review, Inc.	231,500
Foundation for Individual Rights in Education, Inc.	100,000
Foundation for Research on Economics and the Environment	30,000
Foundation for the Defense of Democracies, Inc.	200,000
FreedomWorks Foundation	125,000
Galen Institute, Inc.	35,000
George C. Marshall Institute	230,000
George Mason University Foundation, Inc.	250,000
Heritage Foundation	600,000
High Frontier	50,000
Hudson Institute, Inc.	240,000
Human Rights Foundation, Inc.	75,000

Sarah Scaife Foundation
Grants Paid in 2010
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Institute for Foreign Policy Analysis, Inc.	\$ 760,000
Institute for Health Freedom	75,000
Institute for Humane Studies	35,000
Institute for International Studies	45,000
Institute for Justice	85,000
Institute for Research on the Economics of Taxation	100,000
The Institute on Religion and Public Life, Inc.	60,000
Intercollegiate Studies Institute, Inc.	300,000
International Policy Network US, Inc.	50,000
Jamestown Foundation	125,000
Johns Hopkins University	120,000
Judicial Watch, Inc.	175,000
Landmark Legal Foundation	250,000
Ligonier Valley School District	7,500
Maldon Institute, Inc.	200,000
Manhattan Institute for Policy Research, Inc.	150,000
Media Research Center, Inc.	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	100,000
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
Pacific Legal Foundation	125,000
Pacific Research Institute for Public Policy	150,000
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.	50,000
Special Operations Warrior Foundation	50,000
Stanford University, Hoover Institution on War, Revolution and Peace	300,000
Tax Foundation	75,000
Tufts University	280,000
University of Chicago	100,000
University of Kentucky	500,000
University of Virginia Law School Foundation	225,000
World Affairs Council of Pittsburgh	<u>70,000</u>

Total Grants Paid in 2010

\$14,174,000

SARAH SCAIFE FOUNDATION
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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, 2010

	<u>Book Value</u>	<u>Market Value</u>
Common Stocks	\$ 131,029,569	\$ 202,878,084
Corporate Bonds	5,091,690	5,125,466
Government Securities	23,803,598	24,231,537
Money Market	8,484,523	8,484,523
Mutual Funds	1,005,712	2,425,000
Other Investments	11,527,445	12,345,085
	<hr/>	<hr/>
	<u>\$ 180,942,537</u>	<u>\$ 255,489,695</u>

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 **2010**, 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: **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** Room/suite: **3900** B Telephone number (see page 10 of the instructions): **(412) 392-2900**
ONE OXFORD CENTRE

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

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) **\$ 255,540,386.** 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 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		7,528,231.	7,528,231.		
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		6,967,719.			
b Gross sales price for all assets on line 6a		49,699,544.			
7 Capital gain net income (from Part IV, line 2)			6,967,719.		
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)		321,893.	321,893.	0.	
12 Total. Add lines 1 through 11		14,817,843.	14,817,843.	0.	
13 Compensation of officers, directors, trustees, etc.***		643,967.	105,664.	0.	538,303.
14 Other employee salaries and wages ***		323,628.	19,852.	0.	303,776.
15 Pension plans, employee benefits ***		367,760.	41,257.	0.	326,503.
16a Legal fees (attach schedule) ATCH 3		1,946.	0.	0.	1,946.
b Accounting fees (attach schedule) ATCH 4		56,744.	28,372.	0.	28,372.
c Other professional fees (attach schedule). *		438,529.	214,529.	0.	224,000.
17 Interest					
18 Taxes (attach schedule) (see page 14 of the instructions) *		133,000.	0.	0.	0.
19 Depreciation (attach schedule) and depletion		1,996.	0.	0.	
20 Occupancy		227,278.	25,497.	0.	201,781.
21 Travel, conferences, and meetings		48,711.	0.	0.	48,711.
22 Printing and publications					
23 Other expenses (attach schedule) ATCH 7		109,716.	12,233.	0.	97,483.
24 Total operating and administrative expenses. Add lines 13 through 23		2,353,275.	447,404.	0.	1,770,875.
25 Contributions, gifts, grants paid ATCH 18 & 19		13,601,500.			14,174,000.
26 Total expenses and disbursements. Add lines 24 and 25		15,954,775.	447,404.	0.	15,944,875.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-1,136,932.			
b Net investment income (if negative, enter -0-)			14,370,439.		
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		36,023.	35,605.	35,605.
	2	Savings and temporary cash investments		7,857,299.	8,484,523.	8,484,523.
	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	7,793.	7,886.	7,886.
	10 a	Investments - U.S. and state government obligations (attach schedule)	**	30,829,545.	23,803,598.	24,231,537.
	b	Investments - corporate stock (attach schedule)	ATCH 10	126,231,683.	131,029,569.	202,878,084.
	c	Investments - corporate bonds (attach schedule)	ATCH 11	2,844,574.	5,091,690.	5,125,466.
	11	Investments - land, buildings, and equipment: basis				
	Less: accumulated depreciation (attach schedule)					
12	Investments - mortgage loans					
13	Investments - other (attach schedule)	ATCH 12	14,854,229.	12,533,157.	14,770,085.	
14	Land, buildings, and equipment: basis	ATCH 12A 833,461.				
	Less: accumulated depreciation (attach schedule)	ATCH 12A 826,261.	785.	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)		182,661,931.	180,993,228.	255,540,386.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable		8,530,000.	7,957,500.	
	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)		8,530,000.	7,957,500.		
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		174,131,931.	173,035,728.	
	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)		174,131,931.	173,035,728.		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)		182,661,931.	180,993,228.		

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)	174,131,931.
2	Enter amount from Part I, line 27a	-1,136,932.
3	Other increases not included in line 2 (itemize) ATTACHMENT 13	40,729.
4	Add lines 1, 2, and 3	173,035,728.
5	Decreases not included in line 2 (itemize)	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	173,035,728.

** ATCH 9

