

# Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation  
 Note The organization may be able to use a copy of this return to satisfy state reporting requirements

**2002**

For calendar year 2002, or tax year beginning , 2002, and ending

G Check all that apply Initial return Final return Amended return Address change Name change

Name of organization: **ALLEGHENY FOUNDATION**  
 Room/suite: **29 IG FI 25-6012303 200312**  
**ALLEGHENY FOUNDATION**  
**301 GRANT ST STE 3900**  
**PITTSBURGH PA 15219-8409 P-10 P21**  
**PITTSBURGH, PA 15219-8401**

A Employer identification number: **25-6012303**  
 B Telephone number (see page 10 of the instructions): **(412) 392-2900**

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

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) **32,189,890**

J Accounting method  Cash  Accrual  
 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 page 10 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). Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
2	Distributions from split-interest trusts				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	1,141,568	1,141,568	NONE	STMT 1
5a	Gross rents				
	b (Net rental income or (loss))				
6a	Net gain or (loss) from sale of assets not on line 10	596,522			
	b Gross sales price for all assets on line 6a	1,579,090			
7	Capital gain net income (from Part IV, line 2)		596,522		
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)				
12	Total. Add lines 1 through 11	1,738,090	1,738,090	NONE	
13	Compensation of officers, directors, trustees, etc.	52,037	3,882	NONE	48,155
14	Other employee salaries and wages	43,486	3,244	NONE	40,242
15	Pension plans, employee benefits	34,489	2,573	NONE	31,916
16a	Legal fees (attach schedule) STMT 2	2,643	NONE	NONE	2,643
	b Accounting fees (attach schedule) STMT 3	32,535	16,268	NONE	16,268
	c Other professional fees (attach schedule) STMT 4	36,574	36,574	NONE	NONE
17	Interest				
18	Taxes (attach schedule) (see page 13 of instructions) STMT 5	23,902	540	NONE	6,694
19	Depreciation (attach schedule) and depletion	20,190			
20	Occupancy	43,939	3,277	NONE	40,662
21	Travel, conferences, and meetings	6,124	NONE	NONE	6,124
22	Printing and publications				
23	Other expenses (attach schedule) STMT 6	32,340	2,208	NONE	30,132
24	Total operating and administrative expenses. Add lines 13 through 23	328,259	68,566	NONE	222,836
25	Contributions, gifts, grants, and other income STMT 7	963,100			1,594,600
26	Total expenses and disbursements. Add lines 24 and 25	1,291,359	68,566	NONE	1,817,436
27	Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	446,731			
	b Net investment income (if negative, enter -0-)		1,669,524		
	c Adjusted net income (if negative, enter -0-)			NONE	

SCANNED MAY 28 2003

Operating and Administrative Expenses

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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	Car h - non-interest-bearing	8,333	7,409	7,409
	2	Savings and temporary cash investments	887,008	237,663	237,663
	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 STMT 8	50,645	34,094	34,094
	10 a	Investments - U.S. and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) STMT 9	11,998,697	12,500,938	31,852,283
	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)				
14	Land, buildings, and equipment basis				
	Less: accumulated depreciation (attach schedule)	173,020			
		114,579			
15	Other assets (describe)				
16	Total assets (to be completed by all filers - see page 16 of the instructions. Also, see page 1, item I)	13,023,314	12,838,545	32,189,890	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable	1,106,500	475,000	
	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)	1,106,500	475,000		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31				
	24	Unrestricted	11,916,814	12,363,545	
	25	Temporarily restricted			
	26	Permanently restricted			
	Organizations 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 16 of the instructions)	11,916,814	12,363,545		
31	Total liabilities and net assets/fund balances (see page 16 of the instructions)	13,023,314	12,838,545		

**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	11,916,814
2	Enter amount from Part I, line 27a	2	446,731
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	12,363,545
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	12,363,545

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)

(b) How acquired R-Purchase D-Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)

1a SEE PART IV SCHEDULE - Statement 14

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j) if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j) if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))

2 Capital gain net income or (net capital loss) .	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	596,522
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 12 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No  
If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see page 17 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable use assets	(d) Distribution ratio (col (b) divided by col (c))
2001	1,670,245	40,204,630	0.04154359834
2000	1,807,960	36,857,033	0.04905332450
1999	1,530,436	41,285,474	0.03706959983
1998	1,528,727	39,864,204	0.03834836386
1997	1,990,932	35,903,090	0.05545294291

2 Total of line 1, column (d)	2	0.22146782944
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5 or by the number of years the foundation has been in existence if less than 5 years	3	0.04429356589
4 Enter the net value of noncharitable-use assets for 2002 from Part X, line 5	4	36,647,655
5 Multiply line 4 by line 3	5	1,623,255
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	16,695
7 Add lines 5 and 6	7	1,639,950
8 Enter qualifying distributions from Part XII, line 4	8	1,817,436

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 17.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 17 of the instructions)

Table with 11 rows for excise tax calculations. Includes fields for exempt organizations, tax under section 511, total credits, and overpayment. Total tax due is 33,046.

Part VII-A Statements Regarding Activities

Table with 11 rows for activity statements. Includes questions about political campaigns, unrelated business income, and state registration. Includes a table for Yes/No responses.

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies

Table with columns for question descriptions, Yes/No checkboxes, and a summary table with Yes/No columns. Includes questions 1a through 6b regarding disqualifying activities, disaster assistance, and charitable investments.

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

**1 List all officers, directors, trustees, foundation managers and their compensation (see page 20 of the instructions):**

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account other allowances
SEE STATEMENT 11		52,037	9,423	NONE

**2 Compensation of five highest-paid employees (other than those included on line 1 - see page 20 of the instructions). If none, enter "NONE"**

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 . . . . . **NONE**

**3 Five highest-paid independent contractors for professional services - (see page 20 of the instructions) if none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services **NONE**

**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 NOT APPLICABLE	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments** (see page 21 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 <u>NOT APPLICABLE</u>	
2	
All other program-related investments See page 21 of the instructions	
3 <u>NONE</u>	
<b>Total.</b> Add lines 1 through 3	

**Part X Minimum Investment Return** (All domestic foundations must complete this part Foreign foundations, see page 21 of the instructions)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a Average monthly fair market value of securities	1a	37,197,155.
b Average of monthly cash balances	1b	8,586.
c Fair market value of all other assets (see page 22 of the instructions)	1c	NONE
d Total (add lines 1a, b, and c)	1d	37,205,741.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	NONE
3 Subtract line 2 from line 1d	3	37,205,741
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 22 of the instructions)	4	558,086.
5 Net value of noncharitable-use assets Subtract line 4 from line 3 Enter here and on Part V, line 4	5	36,647,655
6 Minimum investment return Enter 5% of line 5	6	1,832,383

**Part XI Distributable Amount** (see page 23 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part)

1 Minimum investment return from Part X, line 6	1	1,832,383
2a Tax on investment income for 2002 from Part VI, line 5	2a	16,695
2b Income tax for 2002 (This does not include the tax from Part VI)	2b	
2c Add lines 2a and 2b	2c	16,695.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	1,815,688.
4a Recoveries of amounts treated as qualifying distributions	4a	NONE
4b Income distributions from section 4947(a)(2) trusts	4b	
4c Add lines 4a and 4b	4c	NONE
5 Add lines 3 and 4c	5	1,815,688.
6 Deduction from distributable amount (see page 23 of the instructions)	6	NONE
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	1,815,688

**Part XII Qualifying Distributions** (see page 23 of the instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,817,436
b Program-related investments - Total from Part IX-B	1b	NONE
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	NONE
b Cash distribution test (attach the required schedule)	3b	NONE
4 Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	1,817,436
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 24 of the instructions)	5	16,695
6 Adjusted qualifying distributions Subtract line 5 from line 4	6	1,800,741

Note The amount on line 6 will be used in Part V column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

**Part XIII Undistributed Income** (see page 24 of the instructions)

	(a) Corpus	(b) Years prior to 2001	(c) 2001	(d) 2002
1 Distributable amount for 2002 from Part XI, line 7				1,815,688
2 Undistributed income, if any, as of the end of 2001				
a Enter a amount for 2001 only			NONE	
b Total for prior years 2000		NONE		
3 Excess distributions carryover, if any, to 2002				
a From 1997	142,017			
b From 1998	NONE			
c From 1999	NONE			
d From 2000	60,690			
e From 2001	NONE			
f Total of lines 3a through e	202,707			
4 Qualifying distributions for 2002 from Part XII, line 4 ▶ \$ 1,817,436				
a Applied to 2001, but not more than line 2a			NONE	
b Applied to undistributed income of prior years (Election required - see page 24 of the instructions)		NONE		
c Treated as distributions out of corpus (Election required - see page 24 of the instructions)	NONE			
d Applied to 2002 distributable amount				1,815,688
e Remaining amount distributed out of corpus	1,748			
5 Excess distributions carryover applied to 2002 (If an amount appears in column (d), the same amount must be shown in column (a))	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	204,455			
b Prior years' undistributed income Subtract line 4b from line 2b		NONE		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		NONE		
d Subtract line 6c from line 6b Taxable amount - see page 24 of the instructions		NONE		
e Undistributed income for 2001 Subtract line 4a from line 2a Taxable amount - see page 24 of the instructions			NONE	
f Undistributed income for 2002 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2003				NONE
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 24 of the instructions)	NONE			
8 Excess distributions carryover from 1997 not applied on line 5 or line 7 (see page 25 of the instructions)	142,017			
9 Excess distributions carryover to 2003 Subtract lines 7 and 8 from line 6a	62,438			
10 Analysis of line 9				
a Excess from 1998	NONE			
b Excess from 1999	NONE			
c Excess from 2000	60,690			
d Excess from 2001	NONE			
e Excess from 2002	1,748			



**Part XIV Private Operating Foundations** (see page 25 of the instructions and Part VII-A, question 9) **NOT APPLICABLE**

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2002, enter the date of the ruling ▶

b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year		Prior 3 years		(e) Total
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . .					
b 85% of line 2a					
c Qualifying distributions from Part XII line 1 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities . . .					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets . . .					
(2) Value of assets qualifying under section 4912(j)(3)(B)(i)					
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X line 6 for each year listed . . .					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)) or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4642(j)(3)(B)(ii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

**Part XV Supplementary Information** (Complete this part only if the organization had \$5,000 or more in assets at any time during the year - see page 25 of the instructions.)

1 Information Regarding Foundation Managers

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

**NOT APPLICABLE**

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

**NOT APPLICABLE**

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs

Check here  if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see page 25 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

**SEE STATEMENT 13**

b The form in which applications should be submitted and information and materials they should include

**SEE STATEMENT 13**

c Any submission deadlines

**SEE STATEMENT 13**

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

**SEE STATEMENT 13**

**Part XV** Supplementary Information (continued)

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> SEE STATEMENT 12				1,594,600
<b>Total</b> ▶ 3a				<b>1,594,600</b>
b <i>Approved for future payment</i> SEE STATEMENT 12				475,000
<b>Total</b> ▶ 3b				<b>475,000</b>

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Table with 5 columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include Program service revenue, Membership dues, Interest on savings, Dividends, Net rental income, Gain or loss from sales, and Subtotal.

(See worksheet in line 13 instructions on page 26 to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Table with 2 columns: Line No, Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes.

Part XVI Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

Table with 3 columns: Question, Yes, No. Rows include questions about transfers of cash/assets, other transactions, and sharing of facilities.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers transactions and sharing arrangements.

2 a Is the organization 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

Table with 3 columns: (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 or fiduciary) is based on all information of which preparer has any knowledge

Signature and name of officer/trustee, Preparer's signature (Thomas D. Bonn CA), and firm's name (KPMG LLP) with address (ONE MELLON CENTER, PITTSBURGH, PA).

# Underpayment of Estimated Tax by Corporations

## 2002

▶ See separate instructions.  
▶ Attach to the corporation's tax return

Name **ALLEGHENY FOUNDATION**

Employer identification number  
**25-6012303**

Note *In most cases, the corporation does not need to file Form 2220 (See Part I below for exceptions) The IRS will figure any penalty owed and bill the corporation If the corporation does not need to file Form 2220, it may still use it to figure the penalty Enter the amount from line 34 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220*

### Part I Reasons for Filing - Check the boxes below that apply to the corporation If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty

- 1  The corporation is using the annualized income installment method
- 2  The corporation is using the adjusted seasonal installment method
- 3  The corporation is a "large corporation" figuring its first required installment based on the prior year's tax

### Part II Figuring the Underpayment

4 Total tax (see instructions)				4	16,695.
5 a Personal holding company tax (Schedule PH (Form 1120) line 26) included on line 4	5a				
b Look-back interest included on line 4 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	5b				
c Credit for Federal tax paid on fuels (see instructions)	5c				
d Total Add lines 5a through 5c				5d	
6 Subtract line 5d from line 4 If the result is less than \$500, do not complete or file this form The corporation does not owe the penalty				6	16,695.
7 Enter the tax shown on the corporation's 2001 income tax return (see instructions) Caution If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 6 on line 8				7	20,677.
8 Enter the smaller of line 6 or line 7 If the corporation is required to skip line 7, enter the amount from line 6				8	16,695.
9	(a)	(b)	(c)	(d)	
9 Installment due dates Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers Use 5th month) 6th 9th and 12th months of the corporation's tax year	9	05/15/2002	06/15/2002	09/15/2002	12/15/2002
10 Required installments If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 40 if the box on line 3 (but not 1 or 2) is checked, see instructions for the amounts to enter If none of these boxes are checked, enter 25% of line 8 above in each column	10	4,174.	4,174.	4,174.	4,174.
11 Estimated tax paid or credited for each period (see instructions) For column (a) only, enter the amount from line 11 on line 15 <i>Complete lines 12 through 18 of one column before going to the next column</i>	11	49,741.			
12 Enter amount, if any, from line 18 of the preceding column	12		45,567.	41,393.	37,219.
13 Add lines 11 and 12	13		45,567.	41,393.	37,219.
14 Add amounts on lines 16 and 17 of the preceding column	14				
15 Subtract line 14 from line 13 If zero or less, enter -0-	15	49,741.	45,567.	41,393.	37,219.
16 If the amount on line 15 is zero, subtract line 13 from line 14 Otherwise, enter -0-	16				
17 Underpayment If line 15 is less than or equal to line 10 subtract line 15 from line 10 Then go to line 12 of the next column Otherwise go to line 18	17				
18 Overpayment If line 10 is less than line 15, subtract line 10 from line 15 Then go to line 12 of the next column	18	45,567.	41,393.	37,219.	<b>33,045</b>

Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed

For Paperwork Reduction Act Notice, see separate instructions

**Part III Figuring the Penalty**

	(a)	(b)	(c)	(d)
<b>19</b> Enter the date of payment or the 15th day of the 3rd month after the close of the tax year whichever is earlier (see instructions) <i>(Form 990-PF and Form 990-T filers Use 5th month instead of 3rd month)</i>				
<b>20</b> Number of days from due date of installment on line 9 to the date shown on line 19				
<b>21</b> Number of days on line 20 after 4/15/2002 and before 1/1/2003				
<b>22</b> Underpayment on line 17 x $\frac{\text{Number of days on line 21}}{365}$ x 6%				
<b>23</b> Number of days on line 20 after 12/31/2002 and before 4/1/2003				
<b>24</b> Underpayment on line 17 x $\frac{\text{Number of days on line 23}}{365}$ x 5%				
<b>25</b> Number of days on line 20 after 3/31/2003 and before 7/1/2003				
<b>26</b> Underpayment on line 17 x $\frac{\text{Number of days on line 25}}{365}$ x **%				
<b>27</b> Number of days on line 20 after 6/30/2003 and before 10/1/2003				
<b>28</b> Underpayment on line 17 x $\frac{\text{Number of days on line 27}}{365}$ x **%				
<b>29</b> Number of days on line 20 after 9/30/2003 and before 1/1/2004				
<b>30</b> Underpayment on line 17 x $\frac{\text{Number of days on line 29}}{365}$ x **%				
<b>31</b> Number of days on line 20 after 12/31/2003 and before 2/16/2004				
<b>32</b> Underpayment on line 17 x $\frac{\text{Number of days on line 31}}{366}$ x **%				
<b>33</b> Add lines 2, 24, 26, 28, 30 and 32				
<b>34</b> Penalty Add columns (a) through (d), of line 33 Enter the total here and on Form 1120, line 33, Form 1120-A, line 29, or the comparable line for other income tax returns				<b>34</b> <i>NONE.</i>

\*For underpayments paid after March 31, 2003 For lines 26, 28, 30, and 32, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin To obtain this information on the Internet, access the IRS Web Site at [www.irs.gov](http://www.irs.gov) You can also call 1-800-829-1040 to get interest rate information

**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
TOTAL GAIN (LOSS)		.. .					----- 596,522 =====	
		<i>see statement 14 for detail</i>						

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
INTEREST INCOME	12,100.	12,100.	NONE
DIVIDEND INCOME	1,129,468.	1,129,468.	NONE
	-----	-----	-----
TOTAL	1,141,568.	1,141,568.	NONE
	=====	=====	=====



FORM 990PF, PART I - LEGAL FEES  
 =====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
LEGAL FEES	2,643.	NONE	NONE	2,643.
TOTALS	2,643.	NONE	NONE	2,643.
	=====	=====	=====	=====

FORM 990PF, PART I - ACCOUNTING FEES  
 =====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
AUDIT, COMPILATION AND TAX	32,535.	16,268.	NONE	16,268.
TOTALS	----- 32,535. =====	----- 16,268. =====	----- NONE =====	----- 16,268. =====

FORM 990PF, PART I - OTHER PROFESSIONAL FEES  
 =====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
FISCAL AGENTS	36,574.	36,574.	NONE	NONE
TOTALS	36,574.	36,574.	NONE	NONE

FORM 990PF, PART I - TAXES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
PAYROLL TAXES	7,234.	540.	NONE	6,694.
FEDERAL EXCISE TAX	16,668.	NONE	NONE	NONE
	-----	-----	-----	-----
TOTALS	23,902.	540.	NONE	6,694.
	=====	=====	=====	=====

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
INSURANCE	2,523.	188.	NONE	2,335.
OFFICE EXPENSES	5,892.	440.	NONE	5,452.
SECURITY	19,271.	1,438.	NONE	17,833.
TELEPHONE	1,170.	87.	NONE	1,083.
DUES AND SUBSCRIPTIONS	2,267.	NONE	NONE	2,267.
COMPUTER MAINTENANCE	475.	NONE	NONE	475.
OFFICE TEMP	742.	55.	NONE	687.
TOTALS	32,340.	2,208.	NONE	30,132.

FORM 990PF, PART I - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
-----	-----	-----	-----
<u>GRANTS PAID</u>			
SEE STATEMENT 12			1,594,600
		TOTAL CONTRIBUTIONS PAID	1,594,600
<u>GRANTS ACCRUED</u>			
SEE STATEMENT 12			475,000
		TOTAL APPROVED CONTRIBUTIONS ACCRUED	475,000
		TOTAL CONTRIBUTIONS PAID AND ACCRUED	2,069,600

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONS

DESCRIPTION

PREPAID INSURANCE	955.	1,072.	1,072.
ACCRUED FEDERAL EXCISE TAX	49,690.	33,022.	33,022.
	-----	-----	-----
TOTALS	50,645.	34,094.	34,094.
	=====	=====	=====

FORM 990PF, PART II - CORPORATE STOCK

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
SEE STATEMENT	11,998,697.	12,500,938.	31,852,283.
TOTALS	11,998,697.	12,500,938.	31,852,283.



## ALLEGHENY FOUNDATION

## Schedule of Investments

December 31, 2002

Investments	Shares or par value	Cost	Market value
Common stocks			
AT&T Corp New	5,000	82,742	26,110
Abbott Laboratories Inc	26,000	362,186	1,040,000
Advanced Medical Optics	2,222	2,755	26,597
Allergan, Inc	10,000	75,828	576,200
BP Amoco PLC	100,572	763,649	4,088,252
Eeckman Coulter, Inc	3,664	21,057	108,161
Eristol-Myers Squibb Co	12,000	225,928	277,800
Chevron-Texaco Corp	2,000	186,520	132,960
Coca-Cola Co	20,000	332,693	876,800
Comcast Corporation CLA	1,617	138,333	38,113
Darden Restaurants Inc	42,000	29,245	858,900
Dominion Resources, Inc	3,683	105,753	202,197
Duke Power Co	68,000	810,068	1,328,720
Exxon Mobil Corp	14,700	618,017	513,618
FPL Group, Inc	25,000	862,881	1,503,250
Fortune Brands Inc	50,500	842,816	2,348,755
General Electric Co	9,000	456,022	219,150
General Mills, Inc	20,000	49,791	939,000
Glaxo SmithKline ADR	45,520	149,176	1,705,179
Hershey Foods Corp	10,000	195,312	674,400
International Business Machines Corp	16,000	436,903	1,240,000
Kraft Foods Inc	1,200	39,696	46,716
Meadwestvaco Corp	51,560	218,010	1,274,048
Merck & Co, Inc	10,000	681,250	566,100
Pfizer Inc	10,000	407,900	305,700
Philip Morris Companies, Inc	177,100	2,791,823	7,177,863
Progress Energy Inc	20,000	375,707	867,000
Wal-Mart Stores, Inc	17,000	1,064,710	858,670
Wyeth	53,000	162,720	1,982,200
Zimmer Holdings Inc	1,200	11,447	49,824
		12,500,938	31,852,283

## FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
JOANNE B. BEYER 206 NAVAJO ROAD PITTSBURGH, PA 15241	TRUSTEE	23,896.	5,000.	NONE
RICHARD M. SCAIFE FOUNDATION ADDRESS	CHAIRMAN	1,500.	NONE	NONE
RALPH H. GOETTLER GOETTLER ASSOCIATES, INC. 580 SOUTH HIGH ST. COLUMBUS, OHIO 43215	TRUSTEE	1,500.	NONE	NONE
NATHAN J. STARK 4000 CATHEDRAL AVENUE, N.W. WASHINGTON, D C. 20016	TRUSTEE	NONE	NONE	NONE
DORIS O'DONNELL 220 WEST HINES HILL ROAD BOSTON HEIGHTS, OH 44236	TRUSTEE	1,500.	NONE	NONE
ARTHUR P. ZIEGLER, JR. PGH HISTORY & LANDMARKS FDTN ONE STATION SQUARE, SUITE 450 PITTSBURGH, PA 15219-1170	TRUSTEE	1,500.	NONE	NONE
MARGARET R. SCAIFE 613 PITCAIRN PLACE PITTSBURGH, PA 15232	TRUSTEE	1,500.	NONE	NONE
GEORGE A. WEYMOUTH BRANDYWINE CONSERVANCY, INC.	TRUSTEE	NONE	NONE	NONE

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
P.O. BOX 141 CHADDS FORD, PA 19317	PRESIDENT	20,641.	4,423.	NONE
MATTHEW A. GROLL FOUNDATION ADDRESS				
	GRAND TOTALS	52,037. =====	9,423. =====	NONE =====

FEDERAL FOOTNOTES

## GRANTS PAID

ALL OF THE GRANTEES SHOWN ON THE ATTACHED STATEMENT OF GRANTS ARE EXEMPT UNDER INTERNAL REVENUE CODE SECTION 501(C)(3) AND HAVE THE STATUS OF PUBLIC CHARITIES WITHIN THE MEANING OF INTERNAL REVENUE CODE SECTION 509(A)(1), (2), OR (3).

## ALLEGHENY FOUNDATION

## Schedule of Grants

	Payable, December 31, 2001	January 1 to December 31, 2002		Payable, December 31, 2002
		Approved	Paid	
Action for Animals, Inc , Latrobe, Pennsylvania Expansion project	\$ —	10,000	10,000	—
Allegheny Institute for Public Policy, Pittsburgh, Pennsylvania General support	50,000	50,000	100,000	—
American Legislative Exchange Council, Washington, D C Education Task Force	35,000	—	35,000	—
Report Card on American Education	—	35,000	35,000	—
Boys and Girls Clubs of Western Pennsylvania, Pittsburgh, Pennsylvania Summer Program	40,000	40,000	80,000	—
Braddock's Field Historical Society, Braddock, Pennsylvania Archive project and capital support	25,000	33,500	58,500	—
Brownsville Area Revitalization Corporation, Brownsville, Pennsylvania Newspapers in Education and capital support	21,500	11,800	33,300	—
Center for the Study of Popular Culture, Los Angeles, California Project support	50,000	—	50,000	—
Children Requiring A Caring Kommunity, Garden Grove, California General support	25,000	30,000	55,000	—
Church of the Good Shepherd, Hazelwood, Pennsylvania Capital Campaign	—	35,000	35,000	—
Crime Prevention Officers of Western Pennsylvania, Gibsonia, Pennsylvania 9-1-1 Education project	—	5,000	5,000	—
The Extra Mile Education Foundation, Inc , Pittsburgh, Pennsylvania Crossroads Scholarship Fund	50,000	—	50,000	—
Program support	25,000	—	25,000	—
Operations support	—	50,000	50,000	—
Fund for Animals, Inc New York, New York Have-A-Heart Clinic	—	25,000	25,000	—
The Garden Club of McKeesport, McKeesport, Pennsylvania Capital support	—	1,000	1,000	—
Golden Triangle Radio Information Center, Pittsburgh, Pennsylvania General support	—	10,000	10,000	—

(Continued)

## ALLEGHENY FOUNDATION

## Schedule of Grants

	Payable, December 31, 2001	January 1 to December 31, 2002		Payable, December 31, 2002
		Approved	Paid	
Greater Pittsburgh Community Food Bank, Duquesne, Pennsylvania General support	\$ —	25,000	25,000	—
Historic Red Clay Valley, Inc , Wilmington, Delaware Capital support	15,000	25,000	40,000	—
The Homestead Inc of Nantucket, Nantucket, Massachusetts Capital support	20,000	10,000	30,000	—
Housing Opportunities, Inc , McKeesport, Pennsylvania Revitalization Initiative	—	25,000	25,000	—
Humane Society of Westmoreland County, Greensburg, Pennsylvania General support	5,000	5,000	10,000	—
Intercollegiate Studies Institute, Inc , Wilmington, Delaware Preparatory School Lecture Program	50,000	50,000	50,000	50,000
Kiskiminetas Springs School, Saltsburg, Pennsylvania General support	—	100,000	50,000	50,000
Ladew Topiary Gardens, Inc , Monkton, Maryland General support	15,000	15,000	30,000	—
Ligonier Valley Historical Society, Laughlintown, Pennsylvania Interpretive Plan	—	9,300	9,300	—
Lincoln Institute of Public Opinion Research, Inc , Harrisburg, Pennsylvania General support	40,000	50,000	90,000	—
Loyalhanna Watershed and Environmental Association, Inc , Ligonier, Pennsylvania General support	—	2,500	2,500	—
Manchester-Bidwell Corporation, Pittsburgh, Pennsylvania Program support	—	100,000	50,000	50,000
Mars Area History and Landmark Society, Mars, Pennsylvania Capital support	5,000	—	5,000	—
Midway Boys Club, Scottsdale, Pennsylvania Capital support	—	20,000	20,000	—
Nantucket Atheneum, Nantucket, Massachusetts General support	75,000	—	75,000	—
National Association for Olmsted Parks, Framingham, Massachusetts Project support	5,000	10,000	15,000	—

(Continued)

## ALLEGHENY FOUNDATION

## Schedule of Grants

	Payable, December 31, 2001	January 1 to December 31, 2002		Payable, December 31, 2002
		Approved	Paid	
Pennsylvania Trolley Museum, Inc , Washington, Pennsylvania Capital support	\$ 300,000	—	—	300,000
Philanthropy Roundtable, Washington, D C General support	10,000	10,000	20,000	—
Pittsburgh History and Landmarks Foundation, Pittsburgh, Pennsylvania Homestead Borough Building Allegheny County Courthouse Restoration Fund	60,000 —	— 10,000	60,000 10,000	— —
The Pittsburgh Parks Conservancy, Pittsburgh, Pennsylvania General support	50,000	75,000	100,000	25,000
Point Park College, Pittsburgh, Pennsylvania Downtown renovation	—	25,000	25,000	—
Railroaders Memorial Museum, Inc , Altoona, Pennsylvania General support	25,000	—	25,000	—
River City Brass Band, Pittsburgh, Pennsylvania General support	50,000	50,000	100,000	—
Tutwiler Community Education Center, Inc , Tutwiler, Mississippi General support	10,000	10,000	20,000	—
University of Pittsburgh, Pittsburgh, Pennsylvania The McGowan Institute for Regenerative Medicine	15,000	—	15,000	—
Western Pennsylvania Humane Society, Pittsburgh, Pennsylvania Capital support	15,000	—	15,000	—
Western Pennsylvania Model Railroad Museum, Gibsonia, Pennsylvania Capital support	5,000	—	5,000	—
Westmoreland Museum of Art, Greensburg, Pennsylvania Purchase Lynch Tiffany window	15,000	—	15,000	—
	<u>\$ 1,106,500</u>	<u>963,100</u>	<u>1,594,600</u>	<u>475,000</u>

**ALLEGHENY FOUNDATION**  
**Form 990-PF**  
**EIN: 25-6012303**  
**Year Ended December 31, 2002**

**STATEMENT 13**

**Information Regarding Grant and Loan Program**

The Allegheny Foundation concentrates its giving in the Western Pennsylvania area and confines most of its grant awards to programs for historic preservation, civic development, education youth development, and animal welfare. The Foundation does not make grants to individuals

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. Additional information must include a budget for the program and for the organization, the latest audited financial statement and annual report. A copy of the Organization's current ruling letter evidence tax exemption under Section 501(c)(3) and 509(a) of the Internal Revenue Code is required. Additional information may be requested, if needed, for further evaluation

The Foundation normally considers grants at an annual meeting held in December. However, requests may be submitted at any time and will be acted upon as expeditiously as possible

Grant applications should be addressed to

Mr Matthew A Groll  
President  
Allegheny Foundation  
301 Grant Street  
One Oxford Centre  
Suite 3900  
Pittsburgh, Pennsylvania 15219-6401



**THE ALLEGHENY FOUNDATION**  
 Schedule of Gains (Losses) for Tax on Investment Income  
 Twelve months ended December 31, 2002

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Kind of property	Description	How acquired P-purchase D-donated	Date acquired	Date sold/ matured	Gross sale price	Cost or other basis and expense of sale	Gain (loss) ((f) less (g))	Fair market value as of December 31, 1969	Adjusted cost basis	Excess of (l) over (k)	Losses from column (i) and gains (excess (i) over (l))	
Security	Meadwestvac Corp	P		01/31/02	\$ 11	1	10	N/A	N/A	N/A	\$ 10	
Security	AOL Time Warner, Inc	P	03/23/00	03/01/02	128,000	356,902	(228,902)	N/A	N/A	N/A	(228,902)	
Security	AT&T Wireless Group	P	03/23/00	03/01/02	14,014	63,704	(49,690)	N/A	N/A	N/A	(49,690)	
Security	Halliburton Co	P	05/01/74	03/01/02	134,240	42,354	91,886	N/A	N/A	N/A	91,886	
Security	JP Morgan Chase & Co	P	12/11/86	03/01/02	1,306,377	523,130	783,247	N/A	N/A	N/A	783,247	
Security	Advanced Medical Optics	P	02/05/81	07/15/02	2	—	2	N/A	N/A	N/A	2	
Security	Comcast Corporation CLA	P	03/23/02	11/27/02	12	43	(31)	N/A	N/A	N/A	(31)	
					<u>\$ 1,582,656</u>	<u>986,134</u>	<u>596,522</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 596,522</u>	

Note Column (g) is not applicable

See accompanying compilation report of KPMG LLP

Statement 14

FEDERAL FOOTNOTES

## EXPENSE ALLOCATION

COMPENSATION OF OFFICERS, TRUSTEES, AND OTHER EMPLOYEES AS WELL AS THE RELATED EMPLOYEE BENEFITS ARE ALLOCATED BASED ON TIME SPENT IN CARRYING OUT THE FOUNDATIONS EXEMPT PURPOSE VERSUS TIME SPENT IN THE PRODUCTION OF INCOME. PROFESSIONAL FEES ARE ALLOCATED BASED ON SERVICES PERFORMED FOR THE FOUNDATION. DEPRECIATION IS TAKEN ON PROPERTY USED IN PRODUCING INCOME. THE REMAINING EXPENSES ARE CLASSIFIED BASED ON THE SALARY ALLOCATION DESCRIBED ABOVE.