

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

2001

Department of the Treasury
Internal Revenue Service

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

For calendar year 2001, or tax year beginning _____, **2001, and ending** _____

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

Use the IRS label Otherwise, print or type See Specific Instructions	Name of organization SCAIFE FAMILY FOUNDATION		A Employer identification number 25-1427015
	Number and street (or P O box number if mail is not delivered to street address) 301 GRANT STREET		B Telephone number (see page 10 of the instructions) (412) 392-2900
	Room/suite ONE OXFORD CENTRE, SUITE 3900		
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) 91,422,569	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 <i>(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))</i>	(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 if the foundation is not required to attach Sch. B) <input checked="" type="checkbox"/>				
2 Distributions from split-interest trusts				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	2,195,017	2,043,979	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	6,508,339			
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)		6,508,339		
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)	15,861	6,361		STMT 2
12 Total Add lines 1 through 11	8,719,217	8,558,679	NONE	
13 Compensation of officers, directors, trustees, etc	215,250	25,206		190,044
14 Other employee salaries and wages	51,577	6,040		45,537
15 Pension plans, employee benefits	54,287	6,358		47,929
16a Legal fees (attach schedule) STMT 3	1,260	NONE	NONE	1,260
b Accounting fees (attach schedule) STMT 4	42,665	21,333	NONE	21,333
c Other professional fees (attach schedule) STMT 5	79,714	79,714	NONE	NONE
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) STMT 6	95,576	1,333	NONE	10,048
19 Depreciation (attach schedule) and depletion	38,958			
20 Occupancy	67,624	7,918		59,706
21 Travel, conferences, and meetings	12,659			12,659
22 Printing and publications				
23 Other expenses (attach schedule) STMT 7	15,295	1,835	NONE	13,460
24 Total operating and administrative expenses Add lines 13 through 23	674,865	149,737	NONE	401,976
25 Contributions, gifts, grants paid	3,429,400			4,104,200
26 Total expenses and disbursements. Add lines 24 and 25	4,104,265	149,737	NONE	4,506,176
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	4,614,952			
b Net investment income (if negative, enter -0-)		8,408,942		
c Adjusted net income (if negative, enter -0-)			NONE	

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 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 Cash - non-interest-bearing	6,479	6,423	6,423
	2 Savings and temporary cash investments	6,379,576	6,757,992	6,757,992
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	6 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	2,170	57,980	57,980
	10 a Investments - U.S. and state government obligations (attach schedule)	13,292,495	13,809,322	14,079,029
	b Investments - corporate stock (attach schedule) STMT 9	22,481,408	30,164,971	47,186,109
	c Investments - corporate bonds (attach schedule) STMT 10	8,334,819	9,248,148	9,473,426
	11 Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule)			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule) STMT 11	19,314,470	13,736,299	13,709,233
	14 Land, buildings, and equipment basis Less accumulated depreciation (attach schedule)	318,525	152,377	152,377
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)	70,002,752	73,933,512	91,422,569	
Liabilities	17 Accounts payable and accrued expenses	9,392		
	18 Grants payable	8,803,800	8,129,000	
	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)	8,813,192	8,129,000	
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	61,189,560	65,804,512	
	26 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 17 of the instructions)	61,189,560	65,804,512	
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	70,002,752	73,933,512		

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	61,189,560
2 Enter amount from Part I, line 27a	2	4,614,952
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	65,804,512
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	65,804,512

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 shares MLC Co)			(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a					
b SEE STMT 18					
c					
d					
e					
(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)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)			2	6,508,339	
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 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8					

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 18 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))
2000	8,037,090	154,052,900	0.05217097504
1999	9,636,741	203,160,724	0.04743407491
1998	7,722,966	177,052,569	0.04361962124
1997	5,710,932	156,251,333	0.03654965299
1996	5,954,544	135,082,029	0.04408094877
2 Total of line 1, column (d)			0.22385527295
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			0.04477105459
4 Enter the net value of noncharitable-use assets for 2001 from Part X, line 5			94,809,476
5 Multiply line 4 by line 3			4,244,720
6 Enter 1% of net investment income (1% of Part I, line 27b)			84,089
7 Add lines 5 and 6			4,328,809
8 Enter qualifying distributions from Part XII, line 4			4,506,176

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 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)

Table with 11 rows for excise tax calculations. Includes fields for exempt operating foundations, domestic organizations, tax under section 511, and credits/payments. Total tax due is 55,911.

Part VII-A Statements Regarding Activities

Table with 11 rows for activity statements. Includes questions about political influence, unrelated business income, and state registration. Includes 'Yes/No' columns and a 'Refunded' field.

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, taxes, and investments.

Part VII

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 12		215,250	25,608.	NONE

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 21 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 21 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
OXFORD DEVELOPMENT COMPANY / GRANT STREET PITTSBURGH, PENNSYLVANIA	FACILITY RENTAL	65,896.
PNC BANK PITTSBURGH, PENNSYLVANIA	FISCAL AGENT	79,714

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 NOT APPLICABLE	
2	
All other program related investments See page 22 of the instructions	
3 NONE	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see page 22 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	96,247,204
b Average of monthly cash balances	1b	6,071.
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	96,253,275.
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	96,253,275
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 23 of the instructions)	4	1,443,799
5 Net value of noncharitable-use assets Subtract line 4 from line 3 Enter here and on Part V, line 4	5	94,809,476.
6 Minimum investment return Enter 5% of line 5	6	4,740,474

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	4,740,474.
2a Tax on investment income for 2001 from Part VI, line 5	2a	84,089
b Income tax for 2001 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	84,089
3 Distributable amount before adjustments Subtract line 2c from line 1	3	4,656,385.
4a Recoveries of amounts treated as qualifying distributions	4a	9,500
b Income distributions from section 4947(a)(2) trusts	4b	
c Add lines 4a and 4b	4c	9,500
5 Add lines 3 and 4c	5	4,665,885.
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	4,665,885.

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	4,506,176
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	4,506,176
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	84,089.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	4,422,087

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 2000	(c) 2000	(d) 2001
1 Distributable amount for 2001 from Part XI, line 7				4,665,885
2 Undistributed income, if any, as of the end of 2000				
a Enter amount for 2000 only			NONE	
b Total for prior years <u>1999</u>		NONE		
3 Excess distributions carryover, if any, to 2001				
a From 1996	NONE			
b From 1997	NONE			
c From 1998	NONE			
d From 1999	NONE			
e From 2000	567,929			
f Total of lines 3a through e	567,929			
4 Qualifying distributions for 2001 from Part XII, line 4 ▶ <u>4,506,176</u>				
a Applied to 2000, 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 2001 distributable amount,				4,506,176
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2001 (If an amount appears in column (d), the same amount must be shown in column (a))	159,709			159,709
6 Enter the net total of each column as indicated below.				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	408,220			
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 25 of the instructions		NONE		
e Undistributed income for 2000 Subtract line 4a from line 2a Taxable amount - see page 25 of the instructions			NONE	
f Undistributed income for 2001 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2002				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 25 of the instructions)	NONE			
8 Excess distributions carryover from 1996 not applied on line 5 or line 7 (see page 25 of the instructions)	NONE			
9 Excess distributions carryover to 2002 Subtract lines 7 and 8 from line 6a	408,220			
10 Analysis of line 9				
a Excess from 1997	NONE			
b Excess from 1998	NONE			
c Excess from 1999	NONE			
d Excess from 2000	408,220			
e Excess from 2001	NONE			

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 2001, 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) 2001	(b) 2000	(c) 1999	(d) 1998	
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 4 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 4942(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 4942(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 26 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))

N/A

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

N/A

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 26 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 15				4,104,200.
Total ▶ 3a				4,104,200
b <i>Approved for future payment</i> SEE STATEMENT 15				3,429,400
Total ▶ 3b				3,429,400.

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?
a Transfers from the reporting organization to a noncharitable exempt organization of
(1) Cash
(2) Other assets
b Other Transactions
(1) Sales of assets to a noncharitable exempt organization
(2) Purchases of assets from a noncharitable exempt organization
(3) Rental of facilities, equipment, or other assets
(4) Reimbursement arrangements
(5) Loans or loan guarantees
(6) Performance of services or membership or fundraising solicitations
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees
d If the answer to any of the above is "Yes," complete the following schedule

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

b If "Yes," complete the following schedule
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

Sign Here
Paid Preparer's Use Only
Signature of officer or trustee: [Signature]
Preparer's signature: Thomas D. Bone
Firm's name (or yours if self-employed), address, and ZIP code: KPMG LLP, ONE MELLON CENTER, PITTSBURGH, PA

Underpayment of Estimated Tax by Corporations

▶ See separate instructions

▶ Attach to the corporation's tax return

2001

Name **SCAIFE FAMILY FOUNDATION** Employer identification number **25-1427015**

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 36 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

Note. The corporation also must file Form 2220 if it has a suspended research credit allowed for the current year (see the instructions for line 4) or it is an indirectly affected taxpayer (see instructions).

Part II Figuring the Underpayment

4	Total tax (see instructions)	4	84,089.			
5 a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4	5 a				
5 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	5 b				
5 c	Credit for Federal tax paid on fuels (see instructions)	5 c				
5 d	Total. Add lines 5a through 5c	5 d				
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	84,089.			
7	Enter the tax shown on the corporation's 2000 income tax return. Caution: See instructions before completing this line.	7	116,742.			
8	Enter the smaller of line 6 or line 7. If the corporation must skip line 7, enter the amount from line 6.	8	84,089.			
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. Exception: Enter October 1, 2001, instead of September 15, 2001.		(a)	(b)	(c)	(d)
9			05/15/2001	06/15/2001	10/01/2001	12/15/2001
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	21,022.	21,022.	21,022.	21,022.
11	Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15. Complete lines 12 through 18 of one column before going to the next column.	11	30,000.	100,000.	10,000.	
12	Enter amount, if any, from line 18 of the preceding column.	12		8,978.	87,956.	76,934.
13	Add lines 11 and 12.	13		108,978.	97,956.	76,934.
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	30,000.	108,978.	97,956.	76,934.
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	8,978.	87,956.	76,934.	55,912.

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

Part III Figuring the Penalty

	(a)	(b)	(c)	(d)
19 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>	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2001 and before 7/1/2001	21			
22 Underpayment on line 17 x <u>Number of days on line 21</u> x 8% 365	22			
23 Number of days on line 20 after 6/30/2001 and before 1/1/2002	23			
24 Underpayment on line 17 x <u>Number of days on line 23</u> x 7% 365	24			
25 Number of days on line 20 after 12/31/2001 and before 4/1/2002	25			
26 Underpayment on line 17 x <u>Number of days on line 25</u> x 6% 365	26			
27 Number of days on line 20 after 3/31/2002 and before 7/1/2002	27			
28 Underpayment on line 17 x <u>Number of days on line 27</u> x % 365	28			
29 Number of days on line 20 after 6/30/2002 and before 10/1/2002	29			
30 Underpayment on line 17 x <u>Number of days on line 29</u> x % 365	30			
31 Number of days on line 20 after 9/30/2002 and before 1/1/2003	31			
32 Underpayment on line 17 x <u>Number of days on line 31</u> x % 365	32			
33 Number of days on line 20 after 12/31/2002 and before 2/16/2003	33			
34 Underpayment on line 17 x <u>Number of days on line 33</u> x % 365	34			
35 Add lines 22, 24 26 28, 30 32, and 34	35			
36 Penalty Add columns (a) through (d), of line 35 Enter the total here and on Form 1120, line 33, Form 1120-A, line 29, or the comparable line for other income tax returns	36			NONE.

*For underpayments paid after March 31, 2002 For lines 28, 30, 32, and 34, 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 You can also call 1-800-829-1040 to get interest rate information

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

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----
INTEREST INCOME	1,550,896.	1,399,858.	NONE
DIVIDEND INCOME	644,121.	644,121.	NONE
TOTAL	<u>2,195,017.</u>	<u>2,043,979.</u>	<u>NONE</u>

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
MISCELLANEOUS INCOME	6,361.	6,361.
GRANT REFUND	9,500.	NONE
TOTALS	<u>15,861.</u>	<u>6,361.</u>

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
LEGAL FEES	1,260.	NONE	NONE	1,260
TOTALS	1,260.	NONE	NONE	1,260

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
AUDIT, COMPLIANCE AND TAX SERV	42,665.	21,333.	NONE	21,333
TOTALS	42,665.	21,333.	NONE	21,333

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
FISCAL AGENTS FEES	79,714.	79,714.	NONE	NONE
TOTALS	79,714.	79,714.	NONE	NONE

FORM 990PF, PART I - TAXES

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
FEDERAL EXCISE TAX	84,195.	NONE	NONE	NONE
PAYROLL TAXES	11,381.	1,333.	NONE	10,048
TOTALS	<u>95,576.</u>	<u>1,333.</u>	<u>NONE</u>	<u>10,048</u>

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
INSURANCE	5,248.	615.	NONE	4,633.
OFFICE EXPENSES	7,498.	922.	NONE	6,576.
TELEPHONE	2,549.	298.	NONE	2,251.
DUES & SUBSCRIPTIONS	NONE	NONE	NONE	NONE
COMPUTER MAINTENANCE	NONE	NONE	NONE	NONE
TOTALS	15,295.	1,835.	NONE	13,460.

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
U.S. TREASURY & AGENCY SECUR. - (SEE STATEMENT 14)	13,292,495.	13,809,322.	14,079,029.
TOTALS	13,292,495.	13,809,322.	14,079,029.

SEE STATEMENT 14)

TOTALS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
	22,481,408.	30,164,971.	47,186,109.
	22,481,408.	30,164,971.	47,186,109.

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
(SEE STATEMENT 14)	8,334,819.	9,248,148.	9,473,426.
TOTALS	8,334,819.	9,248,148.	9,473,426.

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
PNC MUTUAL FUNDS - (SEE STATEMENT 14)	19,289,470.	13,711,299.	13,684,233.
CREDIT UNIONS - (SEE STATEMENT 14)	25,000.	25,000.	25,000.
TOTALS	19,314,470.	13,736,299.	13,709,233.

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

CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS AND OTHER ALLOWANCES	EXPENSE ACCT	NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS AND OTHER ALLOWANCES	EXPENSE ACCT
NONE	NONE	JOANNE B. BEYER FOUNDATION ADDRESS	PRES/SEC/T	183,750.	25,608.	NONE
NONE	NONE	JENNIE K. SCAIFE 1015 SOUTH OCEAN BOULEVARD PALM BEACH, FL 33480	CHRMN/TRUS	10,500.	NONE	NONE
NONE	NONE	MARY WALTON 510 PALM TRAIL DELRAY BEACH, FL 33483	VP/ TRUSTE	10,500.	NONE	NONE
NONE	NONE	BETH H. GENTER 206 CHURCH LANE SEWICKLEY, PA 15143	VP/TRUSTEE	10,500.	NONE	NONE
GRAND TOTALS				215,250.	25,608.	NONE

SCAIFE FAMILY FOUNDATION
Form 990-PF
EIN: 25-1427015
Year Ended December 31, 2001

STATEMENT 13

Information Regarding Grant and Loan Program

The Scaife Family Foundation grant awards will support and develop programs that address the well-being of the family and its members and that enhance traditional values. The Foundation will remain flexible in order to offer support in areas of importance as determined by the Trustees. Grant awards are not limited to a particular geographic area, but organizations and projects in the Pittsburgh and Western Pennsylvania area will be given special consideration. The Foundation does not make loans and will not consider 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 in June and December. However, requests may be submitted at any time and will be acted upon as expeditiously as possible.

Grant applications should be addressed to

Mrs. Joanne B. Beyer
Vice President
Scaife Family Foundation
301 Grant Street
One Oxford Centre
Suite 3900
Pittsburgh, Pennsylvania 15219-6401

STATEMENT 13

SCAIFE FAMILY FOUNDATION

Schedule of Investments

December 31, 2001

Investments	Shares or par value	Cost	Market value
Money market funds:			
Blackrock Money Market	539,321	\$ 539,321	\$ 539,321
Blackrock Money Market	6,206,485	6,206,485	6,206,485
Blackrock Money Market	12,186	12,186	12,186
		6,757,992	6,757,992
Total money market funds			
U.S. Treasury and Agency Securities:			
Federal Home Loan Bank	1,000,000	998,750	1,049,840
USA Treasury Notes	700,000	722,781	729,309
USA Treasury Notes	1,325,000	1,403,879	1,465,569
USA Treasury Notes	1,000,000	1,039,844	1,061,410
USA Treasury Notes	675,000	653,379	711,173
USA Treasury Notes	1,000,000	1,084,609	1,100,000
Federal Home Loan Mortgage Corp	1,000,000	998,438	1,014,220
USA Treasury Notes	500,000	508,281	543,750
Federal National Mortgage Association	1,000,000	1,046,160	1,072,660
Federal National Mortgage Association	500,000	497,175	514,295
USA Treasury Notes	500,000	501,016	521,485
Federal Farm Credit Bank	1,000,000	989,290	1,009,690
Federal National Mortgage Association	250,000	262,918	254,648
USA Treasury Bond	2,000,000	2,102,802	2,035,200
Federal National Mortgage Association	1,000,000	1,000,000	995,780
		13,809,321	14,079,029
Total government obligations			
Corporate and municipal obligations:			
Atlantic Richfield Co	250,000	253,743	258,690
Wal-Mart Stores Inc	250,000	258,410	262,890
Coca-Cola Enterprises Inc	250,000	259,195	265,200
Disney Walt Company	250,000	263,760	266,490
Anheuser Busch Cos Inc	250,000	255,130	254,935
Citigroup Inc	250,000	258,285	265,795
General Electric Capital Corp	250,000	262,035	269,208
Pfizer Inc	250,000	251,308	255,380
Caterpillar Financial Service Corp	250,000	249,700	256,740
Pitney Bowes Inc	250,000	251,200	255,635
Sysco Corp	250,000	262,533	269,480
Eastman Kodak Co	125,000	122,969	120,518
Allentown PA	250,000	251,134	259,423
Boeing Co	250,000	275,948	274,810
Merrill Lynch Co,	500,000	496,245	536,835
Rollins Truck Leasing Corp	250,000	278,410	279,565
Pittsburgh PA	450,000	448,299	467,541
General Motors Accept Corp	250,000	240,228	244,320

(Continued)

SCAIFE FAMILY FOUNDATION

Schedule of Investments

December 31, 2001

Investments	Shares or par value	Cost	Market value
Corporate and municipal obligations, continued:			
Westmoreland County PA	250,000	\$ 248,748	\$ 255,638
GTE Calif Inc	250,000	252,693	261,518
McDonalds Corp	250,000	242,835	247,883
Ford Motor Co	50,000	50,430	49,779
Boeing Capital Corp	250,000	252,500	252,393
Pharmacia Corporation	250,000	251,485	250,743
Ford Motor Credit Co	250,000	229,743	226,598
York PA	5,000	4,877	5,309
York PA	245,000	238,995	248,913
Proctor & Gamble Co	250,000	259,375	267,410
E I Du Pont De Nemours	250,000	257,008	267,560
Hudson County	500,000	493,715	529,975
Unilever Capital Corp	250,000	266,283	270,430
Motorola Inc	250,000	251,594	248,150
Pittsburgh PA	500,000	492,875	501,875
New Castle PA	250,000	248,665	262,703
Union Tex Pete Holdings	250,000	267,800	263,100
		9,248,148	9,473,426
Total corporate and municipal obligations			
Common stocks:			
AOL Time Warner Inc	12,671	590,655	406,739
Abbott Laboratories Inc	20,000	973,350	1,115,000
Alcoa Inc	9,189	397,149	326,669
Alltel Corp	12,500	363,813	771,625
American Electric Power Inc	6,289	304,847	273,760
American Home Products Corp	10,000	181,325	613,600
American International Group Inc	15,819	237,243	1,256,029
Amgen Inc	20,000	84,930	1,128,800
Anheuser-Busch Companies Inc	10,400	421,373	470,184
Applied Materials Inc	8,925	492,482	357,893
Automatic Data Processing Inc	18,400	1,146,159	1,083,760
Bank of America Corp	15,000	944,700	944,250
Bank New York Co Inc	30,000	213,147	1,224,000
Cardinal Health Inc	12,331	904,900	797,322
Carnival Corporation	3,600	112,728	101,088
ChevronTexaco Corp	11,100	542,908	994,671
Cisco Systems Inc	25,138	506,531	455,249
Cintas Corp	18,000	214,250	864,000
Citigroup Inc	20,678	986,862	1,043,825
Colgate-Palmolive Co	15,000	408,872	866,250
Electronic Data Systems Corp	22,723	1,488,677	1,557,662
Exxon Mobil Corp	36,858	568,076	1,448,519
Fannie Mae	12,439	446,203	988,901

(Continued)

SCAIFE FAMILY FOUNDATION

Schedule of Investments

December 31, 2001

Investments	Shares or par value	Cost	Market value
Common stocks, continued:			
Fleet Boston Financial Corp	17,000	\$ 463,005	\$ 620,500
Gannett Inc	1,840	120,344	123,703
General Electric Co	27,500	185,887	1,102,200
Gillette Co	12,345	403,747	412,323
Guidant Corp	8,238	401,026	410,252
Home Depot Inc	22,500	707,613	1,147,725
Intel Corp	50,000	204,663	1,572,500
International Business Machines Corp	8,738	1,006,443	1,056,948
Johnson & Johnson	20,192	552,038	1,193,347
Kohls Corp	7,403	499,554	521,467
Kraft Foods Inc	29,481	1,007,596	1,003,238
Kroger Co.	23,051	565,261	481,074
Lockheed Martin Corp	22,922	848,802	1,069,770
Lowes Companies Inc	25,000	578,425	1,160,250
MBNA Corp	30,000	1,065,684	1,056,000
Microsoft Corp	18,000	167,313	1,192,500
Nisource Inc	17,259	502,318	397,993
Omnicom Group Inc	5,000	280,150	446,750
Oracle Corp	70,000	548,789	966,700
Pepsico Inc	15,000	577,547	730,350
Pfizer Inc	31,699	630,710	1,263,205
Proctor & Gamble Co	5,165	402,767	408,706
Royal Dutch Pete Co	10,000	208,838	490,200
State Street Corp	20,000	182,720	1,045,000
Stryker Corp	16,287	899,430	950,672
Sun Microsystems Inc	50,000	38,778	615,000
Target Corp	8,298	303,458	340,633
Tyco International Ltd	14,800	661,439	871,720
United Technologies Corp	28,465	850,313	1,839,693
Verizon Communications Inc	22,504	867,039	1,068,040
Wal-Mart Stores Inc	26,149	907,065	1,504,875
Nokia Corp	21,862	506,068	536,275
Vodafone Group PLC	19,342	488,966	496,702
Total common stocks		30,164,971	47,186,109

(Continued)

SCAIFE FAMILY FOUNDATION

Schedule of Investments

December 31, 2001

Investments	Shares or par value	Cost	Market value
Mutual funds:			
Calamos Growth Fund	38,042	\$ 1,500,000	\$ 1,422,775
Centura Mid Cap Equity	123,558	1,500,000	1,408,567
Columbia Small Cap Fund Inc	109,218	2,500,000	2,424,640
RS Investment Management Microcap Growth Fund	47,733	1,000,000	1,040,095
T Rowe Price	76,375	1,542,243	1,441,974
State Street Research Cap Trust	95,057	3,000,000	3,075,095
Blackrock Funds	205,535	2,669,056	2,871,088
Total mutual funds		13,711,299	13,684,233
Credit union debt:			
Non-member share deposit Aliquippa Regional Credit Union	25,000	25,000	25,000
Total investments		\$ 73,716,731	\$ 91,205,789

(Continued)

FEDERAL FOOTNOTES

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

SCAIFE FAMILY FOUNDATION

Schedule of Grants

	Payable, December 31, 2000	January 1 to December 31, 2001		Payable, December 31, 2001
		Approved	Paid	
All Creatures Sanctuary, Palm Beach Gardens, Florida General support	\$ 161,800	—	161,800	—
Allegheny County Court Appointed Special Advocate Program, Pittsburgh, Pennsylvania General support	—	50,000	50,000	—
Allegheny Land Trust, Pittsburgh, Pennsylvania General support	—	10,000	10,000	—
Animal Rescue Force, Inc , Palm Beach Gardens, Florida General support	—	20,000	20,000	—
The Animal Rescue League of Western Pennsylvania, Inc Pittsburgh, Pennsylvania Pennsylvania Wildlife Center	—	35,000	35,000	—
Assistance Dogs of America, Inc , Swanton, Ohio Program support	—	30,000	30,000	—
Beanies for Preemies, Inc , Jamestown, New York Program support	—	5,000	5,000	—
Beginning With Books, Inc . Pittsburgh, Pennsylvania Program and capital support	125,000	—	125,000	—
Bethlehem Haven of Pittsburgh, Pittsburgh, Pennsylvania General support	—	15,000	15,000	—
Big Brothers Big Sisters of Greater Pittsburgh, Pittsburgh, Pennsylvania Program support	—	25,000	25,000	—
Center for Immigration Studies, Inc , Washington, D C General support	—	75,000	—	75,000
Center for the Study of Popular Culture, Los Angeles, California Project support	50,000	—	50,000	—
Chartiers Nature Conservancy, Inc , Pittsburgh, Pennsylvania Robinson Run land acquisition	—	100,000	—	100,000

(Continued)

SCAIFE FAMILY FOUNDATION

Schedule of Grants

	Payable, December 31, 2000	January 1 to December 31, 2001		Payable, December 31, 2001
		Approved	Paid	
Children of Alcoholics Foundation, Inc , New York, New York Project and general support	\$ 250,000	—	250,000	—
Children's Educational Opportunity Foundation America, Bentonville, Arkansas Project support	—	50,000	50,000	—
Children's Home of Pittsburgh, Pittsburgh, Pennsylvania General support	—	10,000	10,000	—
The Commonwealth Foundation for Public Policy Alternatives, Harrisburg, Pennsylvania Education reform	50,000	—	50,000	—
Christmas in April Pittsburgh, Inc , Pittsburgh, Pennsylvania General support	—	48,000	48,000	—
CONTACT Pittsburgh, Inc , Pittsburgh, Pennsylvania Volunteer training classes	—	36,000	36,000	—
Delta Society, Renton, Washington Project support	—	75,000	—	75,000
Duquesne University, Pittsburgh, Pennsylvania Computer Academy	—	15,000	15,000	—
Family Institute	200,000	—	200,000	—
Federation for American Immigration Reform, Washington, D C General support	—	75,000	75,000	—
First Step Recovery Homes, Inc , McKeesport, Pennsylvania Capital support	50,000	—	50,000	—
Gilda's Club Western Pennsylvania, Library, Pennsylvania General support	—	20,000	20,000	—
The Glen Montessori School, Emsworth, Pennsylvania Mathematics program and additional classroom	—	95,000	95,000	—

(Continued)

SCAIFE FAMILY FOUNDATION

Schedule of Grants

	Payable, December 31, 2000	January 1 to December 31, 2001		Payable, December 31, 2001
		Approved	Paid	
Golden Triangle Radio Information Center, Pittsburgh, Pennsylvania General support	\$ —	20,000	20,000	—
Gratitude Guild, Inc , West Palm Beach, Florida Program support	—	25,000	25,000	—
Greater Pittsburgh Literacy Council, Pittsburgh, Pennsylvania Program support	—	50,000	—	50,000
Greyhound Welfare Foundation, Penn Valley, California Project support	—	5,000	5,000	—
Gwen's Montessori School, Inc , Washington, Pennsylvania Capital support	—	30,000	30,000	—
Helping to Organize the Placement of Equine, Inc , Dunedin, Florida General operating support	—	5,000	—	5,000
Housing Opportunities, Inc , McKeesport, Pennsylvania General support	—	100,000	100,000	—
Independence Dogs, Inc , Chadds Ford, Pennsylvania Capital support	—	100,000	100,000	—
		50,000	50,000	—
The Institute for Research, Education and Training in Addictions, Pittsburgh, Pennsylvania Project support	—	75,000	—	75,000
Johns Hopkins University, School of Advanced International Studies, Washington, D C Project support	—	25,000	25,000	—
Landmark Legal Foundation, Kansas City, Missouri Barbara K Olson Legal Chair	—	10,000	10,000	—
Magee-Women's Health Foundation, Pittsburgh, Pennsylvania Project support	1,000,000	—	—	1,000,000

(Continued)

SCAIFE FAMILY FOUNDATION

Schedule of Grants

	Payable, December 31, 2000	January 1 to December 31, 2001		Payable, December 31, 2001
		Approved	Paid	
Make-A-Wish Foundation of Western Pennsylvania and Southern West Virginia, Inc , Pittsburgh, Pennsylvania Wishes and Newsletter	\$ —	34,400	34,400	—
Medical Student Program in Alcohol and Other Drug Dependencies Program support				
The Betty Ford Center, Rancho Mirage, California	75,000	75,000	75,000	75,000
Caron Foundation, Wernersville, Pennsylvania	50,000	50,000	50,000	50,000
Hazelden Foundation, Center City, Minnesota	75,000	75,000	75,000	75,000
National Rural Alcohol and Drug Abuse Network, Inc , Tony, Wisconsin	40,000	40,000	40,000	40,000
Rutgers University, Piscataway, New Jersey	60,000	60,000	60,000	60,000
The Institute for Research, Education and Training in Addictions, Pittsburgh, Pennsylvania	40,000	35,000	40,000	35,000
University of California, San Diego La Jolla, California	30,000	30,000	30,000	30,000
University of Utah, School on Alcoholism, Salt Lake City, Utah	30,000	25,000	30,000	25,000
Mercy Hospital Foundation, Operation Safety Net, Pittsburgh, Pennsylvania Research project	—	25,000	25,000	—
National Fatherhood Initiative, Gaithersburg, Maryland General operating support/public message campaign	200,000	100,000	200,000	100,000
National Foundation for Teaching Entrepreneurship, New York, New York Pittsburgh program	150,000	100,000	150,000	100,000
National Ovarian Cancer Coalition, Inc , Boca Raton, Florida Pittsburgh division	—	20,000	20,000	—

(Continued)

SCAIFE FAMILY FOUNDATION

Schedule of Grants

	Payable, December 31, 2000	January 1 to December 31, 2001		Payable, December 31, 2001
		Approved	Paid	
New York University, School of Medicine, Division of Alcohol and Drug Abuse, New York, New York Center for Medical Fellowships in Alcoholism and Drug Abuse	\$ 357,000	—	118,000	239,000
Research project	—	50,000	50,000	—
North County Humane Society, Safe Harbor Animal Rescue and Clinic Jupiter, Florida Capital support	—	650,000	25,000	625,000
General support	—	200,000	200,000	—
NumbersUSA, Arlington, Virginia, General support	—	50,000	50,000	—
Ocean Impact Foundation, West Palm Beach, Florida General and capital support	—	30,000	30,000	—
One to One Citizen Advocacy, Inc., Beaver, Pennsylvania General support	—	30,000	30,000	—
William and Mildred Orr Compassionate Care Center, Pittsburgh, Pennsylvania Operating support	25,000	—	25,000	—
Palm Beach Cat Rescue and Humane Society, Inc., Palm Beach, Florida General support	—	5,000	5,000	—
Philanthropy Roundtable, Washington, D C General support	—	15,000	15,000	—
Pittsburgh Leadership Foundation, Coalition for Leadership, Education and Advocacy for Recovery, Pittsburgh, Pennsylvania Project support	—	20,000	20,000	—
The Pittsburgh Project, Pittsburgh, Pennsylvania Program support	50,000	—	50,000	—
Puppies Behind Bars, Inc., New York, New York General support	—	150,000	150,000	—
The Reason Foundation, Los Angeles, California Project support	—	30,000	—	30,000

(Continued)

SCAIFE FAMILY FOUNDATION

Schedule of Grants

	Payable, December 31, 2000	January 1 to December 31, 2001		Payable, December 31, 2001
		Approved	Paid	
Riding for the Handicapped of Western Pennsylvania, Inc , Allison Park, Pennsylvania Capital support	\$ —	11,000	11,000	—
The Safe Xchange/Supervised Visitation Center, Darlington, Pennsylvania General support	—	25,000	25,000	—
St Luke's Roosevelt Hospital Center, New York, New York Crime Victims Treatment Center	—	60,000	60,000	—
St Paul's Episcopal Church, Delray Beach, Florida Paul's Place	—	50,000	50,000	—
Strength Incorporated, Pittsburgh, Pennsylvania Program support	—	30,000	30,000	—
Student Conservation Association, Inc , Charlestown, New Hampshire Three Rivers Region program	—	25,000	25,000	—
Three Rivers Employment Services, Pittsburgh, Pennsylvania Satellite Child Care	200,000	—	200,000	—
US, Petoskey, Michigan Project support	—	20,000	20,000	—
University of Pittsburgh, School of Medicine, Department of Neurology, Pittsburgh, Pennsylvania Capital support	5,000,000	—	—	5,000,000
Program support	310,000	—	110,000	200,000
University of Pittsburgh, School of Social Work, Pittsburgh, Pennsylvania Research project	—	25,000	25,000	—
Western Pennsylvania Conservancy, Pittsburgh, Pennsylvania Project support	125,000	—	125,000	—
Western Pennsylvania Family Center, Pittsburgh, Pennsylvania Program and capital support	100,000	—	35,000	65,000
	<u>\$ 8,803,800</u>	<u>3,429,400</u>	<u>4,104,200</u>	<u>8,129,000</u>

FEDERAL FOOTNOTES

COMPENSATION OF OFFICERS AND EMPLOYEES SALARIES AS WELL AS THE RELATED EMPLOYEE BENEFITS ARE ALLOCATED BASED ON TIME SPENT IN CARRYING OUT THE FOUNDATION'S EXEMPT PURPOSE VERSUS TIME SPENT IN THE PRODUCTION OF INCOME. PROFESSIONAL FEES AND OTHER COSTS WHICH CAN BE DIRECTLY ALLOCATED TO A SPECIFIC CATEGORY ARE CLASSIFIED AS SUCH. OTHER COSTS SUCH AS OCCUPANCY EXPENSE ARE ALLOCATED BASED ON THE PERCENTAGE OF TIME SPENT ON EXEMPT FUNCTIONS BY ALL EMPLOYEES VERSUS TOTAL TIME SPENT. FINALLY, COSTS SUCH AS ACCOUNTING FEES ARE PRORATED BASED ON ESTIMATES MADE BY FOUNDATION EMPLOYEES.

SCAIFE FAMILY FOUNDATION

Schedule of Gains (Losses) for Tax on Investment Income

Twelve Months Ended December 31, 2001

(a) Kind of property	(b) Shares/ par value	(c) Description	(d) How acquired P-purchase D-donated	(e) Date acquired	(f) Date sold/ matured	(g) Gross sales price	(h) Cost other basis and expense of sale	(i) Gain (loss) ((f) less (h))	(j) Fair market value as of December 31, 1969	(k) Adjusted cost basis	(l) Excess of (j) over (k)	(m) Losses from column (i) and gains (excess (i) over (j))
Security	73,087	Ford Credit Auto Owner Trust	P	11/01/99	01/15/01	\$ 73,087	72,585	502	N/A	N/A	N/A	\$ 502
Security	182,078	Blackrock Funds International Equity Portfolio	P	08/23/94, 09/14/94	01/26/01	2,052,019	2,480,283	(428,264)	N/A	N/A	N/A	(428,264)
Security	26,800	Gillette Co	P	03/05/93, 12/14/92, 12/21/93	01/26/01	876,025	402,431	473,594	N/A	N/A	N/A	473,594
Security	30,000	Hewlett-Packard Co	P	12/15/92	01/26/01	1,021,875	195,918	825,957	N/A	N/A	N/A	825,957
Security	15,000	Motorola Inc	P	12/23/98	01/26/01	341,250	297,486	43,764	N/A	N/A	N/A	43,764
Security	20,000	Sun Microsystems Inc	P	08/11/94	01/26/01	627,500	15,532	611,968	N/A	N/A	N/A	611,968
Security	18,658	Worldcom Inc	P	08/25/93, 08/24/93	01/26/01	398,815	276,256	122,559	N/A	N/A	N/A	122,559
Security	190,000	USA Treasury Notes	P	01/09/98	01/31/01	190,000	189,718	282	N/A	N/A	N/A	282
Security	169,558	BT Instl Fds International Equity Fund	P	02/26/98, 12/10/98, 12/16/98, 12/05/00, 06/23/00	02/14/01	2,275,471	2,159,535	115,936	N/A	N/A	N/A	115,936
Security	20,000	Amgen Inc.	P	03/05/93	02/14/01	1,422,500	84,977	1,337,523	N/A	N/A	N/A	1,337,523
Security	30,000	Cisco Systems Inc	P	06/17/98	02/14/01	853,125	404,873	448,252	N/A	N/A	N/A	448,252
Security	50,000	Sun Microsystems Inc.	P	08/11/94	02/14/01	1,259,375	38,820	1,220,555	N/A	N/A	N/A	1,220,555
Security	7,500	HJ Heinz	P	01/24/95, 05/05/95	02/14/01	330,000	201,949	128,051	N/A	N/A	N/A	128,051
Security	8,000	Microsoft Corp	P	01/24/95	02/14/01	459,000	62,265	396,735	N/A	N/A	N/A	396,735
Security	10,000	Sprint Corp	P	06/17/98	02/14/01	252,550	146,474	106,076	N/A	N/A	N/A	106,076
Security	500,000	First UN Master CR Card TR	P	02/26/98	02/15/01	500,000	500,898	(898)	N/A	N/A	N/A	(898)
Security	94,967	Ford Credit Auto Owner Trust	P	11/10/99	02/15/01	94,968	94,315	653	N/A	N/A	N/A	653
Security	750,000	USA Treasury Notes	P	06/18/98	02/15/01	750,000	747,012	2,988	N/A	N/A	N/A	2,988
Security	—	McData Corporation	P	12/23/98	02/23/01	2	1	1	N/A	N/A	N/A	1

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SCAIFE FAMILY FOUNDATION

Schedule of Gains (Losses) for Tax on Investment Income

Twelve Months Ended December 31, 2001

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Kind of property	Shares/ par value	Description	How acquired P-purchase D-donated	Date acquired	Date sold/ matured	Gross sales price	Cost other basis and expense of sale	Gain (loss) ((f) less (h))	Fair market value as of December 31, 1969	Adjusted cost basis	Excess of (j) over (k)	Losses from column (i) and gains (excess (i) over (j))
Security	85,380	Ford Credit Auto Owner Trust	P	11/10/99	03/15/01	\$ 85,380	84,793	587	N/A	N/A	N/A	\$ 587
Security	95,576	Ford Credit Auto Owner Trust	P	11/10/99	04/15/01	95,576	94,919	657	N/A	N/A	N/A	657
Security	1,925,000	USA Treasury Notes	P	09/24/96	05/01/01	1,940,039	1,923,496	16,543	N/A	N/A	N/A	16,543
Security	1,300,000	Federal Home Loan Bank Bonds	P	03/30/00	05/01/01	1,351,831	1,298,375	53,456	N/A	N/A	N/A	53,456
Security	400,989	Ford Credit Auto Owner Trust	P	11/10/99	05/01/01	400,738	398,232	2,506	N/A	N/A	N/A	2,506
Security	750,000	Providian Master Trust	P	11/12/99	05/01/01	767,578	750,586	16,992	N/A	N/A	N/A	16,992
Security	121,265	Janus Investment Fund	P	02/26/97 12/28/98 06/26/98 12/10/99 12/19/00	05/03/01	2,930,966	2,434,846	496,120	N/A	N/A	N/A	496,120
Security	30,000	Intel Corp	P	01/03/94 12/31/93 12/30/93	05/03/01	904,800	117,849	786,951	N/A	N/A	N/A	786,951
Security	736	McData Corporation	P	12/23/98	05/03/01	21,153	8,788	12,365	N/A	N/A	N/A	12,365
Security	500,000	Ford Motor Credit	P	06/02/99	05/29/01	462,780	459,485	3,295	N/A	N/A	N/A	3,295
Security	750,000	GTE California, Inc	P	06/02/99	05/29/01	756,960	758,078	(1,118)	N/A	N/A	N/A	(1,118)

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(Continued)

SCAIFE FAMILY FOUNDATION

Schedule of Gains (Losses) for Tax on Investment Income

Twelve Months Ended December 31, 2001

(a)	(b)	(c)	(d)	(e)	(f)	(h)	(i)	(j)	(k)	(l)	(m)	
Kind of property	Shares/ par value	Description	How acquired P-purchase D-donated	Date acquired	Date sold/ matured	Gross sales price	Cost other basis and expense of sale	Gain (loss) ((f) less (h))	Fair market value as of December 31, 1969	Adjusted cost basis	Excess of (j) over (k)	Losses from column (l) and gains (excess (i) over (l))
Security	500,000	General Motors Acceptance Corp	P	06/01/99	05/29/01	\$ 490,080	480,455	9,625	N/A	N/A	N/A	\$ 9,625
Security	500,000	MCI Communications Corp	P	06/19/96	05/29/01	505,000	499,475	5,525	N/A	N/A	N/A	5,525
Security	500,000	USA Treasury Notes	P	07/07/97	05/31/01	500,000	507,148	(7,148)	N/A	N/A	N/A	(7,148)
Security	7,435	AES Corp	P	05/26/99	06/08/01	306,842	194,956	111,886	N/A	N/A	N/A	111,886
Security	25,000	AT&T Corp	P	12/23/93 03/05/93 05/26/99 10/11/00	06/08/01	552,500	878,415	(325,915)	N/A	N/A	N/A	(325,915)
Security	7,500	Anadarko Petroleum Corp	P	10/11/00	06/08/01	444,525	546,815	(102,290)	N/A	N/A	N/A	(102,290)
Security	10,700	Bristol Myers Squibb Co	P	02/14/01	06/08/01	601,875	671,484	(69,609)	N/A	N/A	N/A	(69,609)
Security	3,150	CIGNA Corp	P	05/26/99	06/08/01	298,998	290,033	8,965	N/A	N/A	N/A	8,965
Security	2,300	Costco Wholesale Corp	P	02/14/01	06/08/01	93,311	99,191	(5,880)	N/A	N/A	N/A	(5,880)
Security	10,000	DuPont EI De Nemours & Co	P	07/05/94	06/08/01	469,000	289,841	179,159	N/A	N/A	N/A	179,159
Security	9,898	Enron Corp	P	05/26/99 10/11/00	06/08/01	501,828	450,443	51,385	N/A	N/A	N/A	51,385

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SCAIFE FAMILY FOUNDATION

Schedule of Gains (Losses) for Tax on Investment Income

Twelve Months Ended December 31, 2001

(a)	(b)	(c)	(d)	(e)	(f)	(h)	(i)	(j)	(k)	(l)	(m)	
Kind of property	Shares/ par value	Description	How acquired P-purchase D-donated	Date acquired	Date sold/ matured	Gross sales price	Cost other basis and expense of sale	Gain (loss) ((f) less (h))	Fair market value as of December 31, 1969	Adjusted cost basis	Excess of (j) over (k)	Losses from column (i) and gains (excess (l) over (j))
Security	24,000	Qudant Corp	P	08/23/94 06/03/96 02/14/01	06/08/01	\$ 880,800	573,194	307,606	N/A	N/A	N/A	\$ 307,606
Security	11,978	HCA Inc	P	02/14/01	06/08/01	500,200	497,223	2,977	N/A	N/A	N/A	2,977
Security	4,626	Illinois Tool Works, Inc	P	02/14/01	06/08/01	314,105	301,034	13,071	N/A	N/A	N/A	13,071
Security	10,000	Eli Lilly & Co	P	08/24/94	06/08/01	868,130	140,716	727,414	N/A	N/A	N/A	727,414
Security	4,347	Marsh & McLennan Companies, Inc	P	02/14/01	06/08/01	457,522	492,574	(35,052)	N/A	N/A	N/A	(35,052)
Security	5,947	Newell Rubbermaid, Inc.	P	02/14/01	06/08/01	157,000	161,228	(4,228)	N/A	N/A	N/A	(4,228)
Security	10,700	Procter & Gamble Co	P	07/27/93 12/22/93	06/08/01	686,940	268,209	418,731	N/A	N/A	N/A	418,731
Security	20,316	Sprint Corp	P	02/14/01	06/08/01	425,214	468,325	(43,111)	N/A	N/A	N/A	(43,111)
Security	12,565	AES Corp	P	05/26/99, 10/11/00	07/20/01	454,242	757,244	(303,002)	N/A	N/A	N/A	(303,002)
Security	166,889	Blackrock Funds	P	06/27/95	07/18/01	2,500,000	1,588,242	911,758	N/A	N/A	N/A	911,758
Security	287,753	Blackrock Funds	P	12/30/96, 09/26/97, 12/22/98, 02/14/01	07/18/01	2,658,840	3,249,992	(591,152)	N/A	N/A	N/A	(591,152)

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SCAIFE FAMILY FOUNDATION

Schedule of Gains (Losses) for Tax on Investment Income

Twelve Months Ended December 31, 2001

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Kind of property	Shares/ par value	Description	How acquired P-purchase D-donated	Date acquired	Date sold/ matured	Gross sales price	Cost other basis and expense of sale	Gain (loss) ((f) less (h))	Fair market value as of December 31, 1969	Adjusted cost basis	Excess of (l) over (k)	Losses from column (i) and gains (excess (l) over (j))
Security	8,000	Boeing Co	P	02/14/01	07/20/01	\$ 454,640	492,763	(38,123)	N/A	N/A	N/A	\$ (38,123)
Security	20,000	EMC Corp	P	12/23/98	07/20/01	360,000	400,080	(40,080)	N/A	N/A	N/A	(40,080)
Security	20,000	Merrill Lynch & Company Inc	P	12/23/98, 06/14/98	07/20/01	1,085,940	751,911	334,029	N/A	N/A	N/A	334,029
Security	16,066	Nokia Corp	P	06/08/01	07/20/01	306,379	486,167	(179,788)	N/A	N/A	N/A	(179,788)
Security	3,322	Veritas Software Corp	P	06/08/01	07/20/01	122,801	236,873	(114,072)	N/A	N/A	N/A	(114,072)
Security	163,132	Blackrock Funds	P	07/27/94, 08/23/94, 09/14/94, 06/29/95	07/18/01	3,000,000	2,194,190	805,810	N/A	N/A	N/A	805,810
Security	1,000,000	USA Treasury Notes	P	12/28/98	08/16/001	1,028,906	1,026,094	2,812	N/A	N/A	N/A	2,812
Security	28,625	American Express Co	P	12/23/98, 01/26/01, 10/11/00	10/02/01	822,777	1,199,976	(377,199)	N/A	N/A	N/A	(377,199)
Security	19,000	Cintas Corp	P	07/20/01	10/02/01	737,310	982,894	(245,584)	N/A	N/A	N/A	(245,584)
Security	17,400	Walt Disney Co	P	12/15/92, 03/24/93	10/02/01	327,914	244,275	83,639	N/A	N/A	N/A	83,639
Security	11,256	Halliburton Co	P	06/08/01	10/02/01	240,378	504,590	(264,212)	N/A	N/A	N/A	(264,212)
Security	10,883	Marront International, Inc	P	06/08/01	10/02/01	339,548	495,841	(156,293)	N/A	N/A	N/A	(156,293)

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SCAIFE FAMILY FOUNDATION

Schedule of Gains (Losses) for Tax on Investment Income

Twelve Months Ended December 31, 2001

(a) Kind of property	(b) Shares/ par value	(c) Description	(d) How acquired P-purchase D-donated	(e) Date acquired	(f) Date sold/ matured	(g) Gross sales price	(h) Cost other basis and expense of sale	(i) Gain (loss) ((f) less (h))	(j) Fair market value as of December 31, 1969	(k) Adjusted cost basis	(l) Excess of (j) over (k)	(m) Losses from column (i) and gains (excess (i) over (j))
Security	94,240	Artisan International Funds, Inc	P	11/15/01, 02/14/01	11/30/01	\$ 1,695,376	2,006,112	(310,736)	N/A	N/A	N/A	\$ (310,736)
Security	78,183	Blackrock Funds, Small Cap Growth Equity Portfolio	P	06/27/95, 06/29/95, 12/22/98	12/21/01	1,026,540	1,148,988	(122,448)	N/A	N/A	N/A	(122,448)
Security	8,900	Boeing Co	P	02/24/01	12/21/01	310,966	548,192	(237,226)	N/A	N/A	N/A	(237,226)
Security	13,700	Emerson Electric Co	P	08/23/94, 01/26/01	11/30/01	743,225	539,832	203,393	N/A	N/A	N/A	203,393
Security	132,878	Fidelity Investment Trust	P	12/07/98, 02/26/97, 12/17/01, 12/11/00, 12/06/99	12/21/01	2,486,152	2,365,680	120,472	N/A	N/A	N/A	120,472
Security	30,674	Hewlett-Packard Co	P	02/14/01	11/30/01	667,160	1,014,105	(346,945)	N/A	N/A	N/A	(346,945)
Security	13,000	Merck & Co, Inc	P	12/13/94, 02/07/95	11/30/01	884,000	251,927	632,073	N/A	N/A	N/A	632,073
Security	10,000	Pharmacia Corporation	P	8/24/93, 08/27/93	11/30/01	442,000	119,595	322,405	N/A	N/A	N/A	322,405
Security	15,000	SBC Communications, Inc	P	11/27/93, 11/21/93	11/30/01	562,200	368,665	193,535	N/A	N/A	N/A	193,535

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SCAIFE FAMILY FOUNDATION

Schedule of Gains (Losses) for Tax on Investment Income

Twelve Months Ended December 31, 2001

(a) Kind of property	(b) Shares/ par value	(c) Description	(d) How acquired P-purchase D-donated	(e) Date acquired	(f) Date sold/ matured	(g) Gross sales price	(h) Cost other basis and expense of sale	(i) Gain (loss) ((f) less (h))	(j) Fair market value as of December 31, 1969	(k) Adjusted cost basis	(l) Excess of (j) over (k)	(m) Losses from column (i) and gains (excess (i) over (l))
Security	10,000	Schlumberger Ltd.	P	10/11/00	11/30/01	\$ 481,780	854,991	(373,211)	N/A	N/A	N/A	\$ (373,211)
Security	33,592	SYSCO Corp	P	07/20/01, 06/08/01	11/30/01	826,541	991,969	(165,428)	N/A	N/A	N/A	(165,428)
Security		Centra Mid Cap Equity	P		12/12/01	112,405	—	112,405	N/A	N/A	N/A	112,405
Security		T Rowe Price Value Fund	P		12/13/01	29,644	—	29,644	N/A	N/A	N/A	29,644
Security	13,940	Blackrock Funda, Micro Cap Equity Portfolio	P	12/21/99	12/21/01	291,150	499,988	(208,838)	N/A	N/A	N/A	(208,838)
						<u>\$ 62,288,758</u>	<u>55,780,419</u>	<u>6,508,339</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 6,508,339</u>

Note Column (g) is not applicable

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