

Return of Private Foundation

2002

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

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

ENVELOPE POSTMARK DATE MAY 14 2003

Name of organization: **SCAIFE FAMILY FOUNDATION**

Number and street (or P O box number if mail is not delivered to street address): **PHILLIPS POINT, 777 SOUTH FLAGLER DRIVE**

Room/suite: **WEST TOWER, SUITE 903**

City or town, state, and ZIP code: **WEST PALM BEACH, FL 33401**

A Employer identification number: **25-1427015**

B Telephone number (see page 10 of the instructions): **(561) 659-1188**

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): **75,293,495**

J Accounting method: Cash Accrual Other (specify) _____
 (Part I, column (d) must be on cash basis)

C If exemption application is pending check here

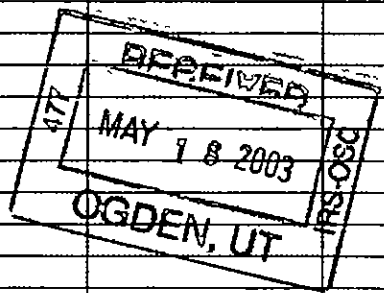
D 1 Foreign organizations check here
 2 Foreign organizations meeting the 85% test, check here and attach computation

E If private foundation status was terminated under section 507(b)(1)(A) check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B) check here

FILMED Revenue MAY 22 2003

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	2,041,044	1,856,486	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	-1,098,581			
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)				
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)	540	540	NONE	STMT 2
12	Total. Add lines 1 through 11	943,003	1,857,026	NONE	
13	Compensation of officers, directors, trustees, etc.	154,855	17,908	NONE	136,947
14	Other employee salaries and wages	43,418	4,837	NONE	38,581
15	Pension plans, employee benefits	60,701	6,762	NONE	53,939
16a	Legal fees (attach schedule) STMT 3	6,521	NONE	NONE	6,521
b	Accounting fees (attach schedule) STMT 4	38,855	19,428	NONE	19,428
c	Other professional fees (attach schedule) STMT 5	76,768	76,768	NONE	NONE
17	Interest				
18	Taxes (attach schedule) (see page 13 of instructions) STMT 6	31,897	1,653	NONE	13,187
19	Depreciation (attach schedule) and depletion	29,908	NONE	NONE	
20	Occupancy	80,172	8,931	NONE	71,241
21	Travel, conferences, and meetings	11,804	NONE	NONE	11,804
22	Printing and publications	825	NONE	NONE	825
23	Other expenses (attach schedule) STMT 7	166,687	2,765	NONE	40,761
24	Total operating and administrative expenses. Add lines 13 through 23	702,411	139,052	NONE	393,234
25	Contributions, gifts, grants paid	2,514,000			3,982,000
26	Total expenses and disbursements. Add lines 24 and 25	3,216,411	139,052	NONE	4,375,234
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-2,273,408			
b	Net investment income (if negative, enter -0-)		1,717,974		
c	Adjusted net income (if negative, enter -0-)			NONE	



Operating and Administrative Expenses

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		6,423	6,541	6,541
	2	Savings and temporary cash investments		6,757,992	8,311,684	8,311,684
	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		57,980	51,780	51,780
	10 a	Investments - U.S. and state government obligations (attach schedule)		13,809,322	12,976,410	13,893,784
	b	Investments - corporate stock (attach schedule) . STMT 10		30,164,971	35,025,586	38,460,361
	c	Investments - corporate bonds (attach schedule) STMT 11		9,248,148	9,552,832	10,504,327
	11	Investments - land buildings and equipment basis Less accumulated depreciation (attach schedule) ▶				
	12	Investments - mortgage loans				
	13	Investments - other (attach schedule) STMT 12		13,736,299	4,243,773	4,041,520
	14	Land buildings and equipment basis Less accumulated depreciation (attach schedule) ▶	24,190	152,377	23,498	23,498
15	Other assets (describe ▶)	692				
16	Total assets (to be completed by all filers - see page 16 of the instructions. Also, see page 1, item I)		73,933,512	70,192,104	75,293,495	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable		8,129,000	6,661,000	
	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)		8,129,000	6,661,000		
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		65,804,512	63,531,104	
	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)		65,804,512	63,531,104		
31	Total liabilities and net assets/fund balances (see page 16 of the instructions)		73,933,512	70,192,104		

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	65,804,512
2	Enter amount from Part I, line 27a	2	-2,273,408
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	63,531,104
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	63,531,104

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 P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE PART IV SCHEDULE					
b					
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			(l) 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	-1,098,581	
{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }					
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			3		
{ 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 }					

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	4,422,087	94,809,476	0.04664182513
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
2 Total of line 1, column (d)			0.22641614931
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			0.04528322986
4 Enter the net value of noncharitable-use assets for 2002 from Part X, line 5			80,337,660
5 Multiply line 4 by line 3			3,637,949
6 Enter 1% of net investment income (1% of Part I, line 27b)			17,180
7 Add lines 5 and 6			3,655,129
8 Enter qualifying distributions from Part XII, line 4			4,399,424

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)

1 a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary - see instructions)		
b	Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	17,180
c	All other domestic organizations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	17,180
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	NONE
5	Tax based on investment income Subtract line 4 from line 3 If zero or less, enter -0-	5	17,180
6	Credits/Payments		
a	2002 estimated tax payments and 2001 overpayment credited to 2002	6a	65,911
b	Exempt foreign organizations - tax withheld at source	6b	NONE
c	Tax paid with application for extension of time to file (Form 8868)	6c	NONE
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	65,911
8	Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	NONE
9	Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	48,731
11	Enter the amount of line 10 to be Credited to 2003 estimated tax <input type="checkbox"/> 48,731 Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a		X
1 a		X
1 b		X
1 c		X
2		X
3		X
4 a		X
4 b	N/A	
5		X
6	X	
7	X	
8 a		
8 b	X	
9		X
10		X
11	X	
12		
13		

1 a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

1 b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 18 of the instructions for definition)?
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities

1 c Did the organization file Form 1120-POL for this year?

2 Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year
(1) On the organization ▶ \$ _____ (2) On organization managers ▶ \$ _____

3 Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers ▶ \$ _____

2 Has the organization engaged in any activities that have not previously been reported to the IRS?
If "Yes," attach a detailed description of the activities

3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes

4 a Did the organization have unrelated business gross income of \$1,000 or more during the year?

4 b If "Yes," has it filed a tax return on Form 990-T for this year?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?
If "Yes" attach the statement required by General Instruction T

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either
• By language in the governing instrument or
• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

7 Did the organization have at least \$5,000 in assets at any time during the year? If "Yes" complete Part II, col (c) and Part XV

8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ PENNSYLVANIA

8 b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation

9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2002 or the taxable year beginning in 2002 (see instructions for Part XIV on page 25)? If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

11 Did the organization comply with the public inspection requirements for its annual returns and exemption application?
Web site address ▶ _____

12 The books are in care of ▶ KPMG LLP Telephone no ▶ 412-391-9710
Located at ▶ ONE MELLON CTR, PGH, PA ZIP+4 ▶ 15219

13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here
and enter the amount of tax-exempt interest received or accrued during the year ▶ 13

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

- 1 a During the year did the organization (either directly or indirectly)
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?
(6) Agree to pay money or property to a government official?
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 19 of the instructions)?
c Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2002?
2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))
a At the end of tax year 2002, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2002?
b Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income?
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here
3 a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
b If "Yes," did it have excess business holdings in 2002 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period?
4 a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?
b Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2002?
5 a During the year did the organization pay or incur any amount to
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?
(3) Provide a grant to an individual for travel, study, or other similar purposes?
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 20 of the instructions)?
c If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant?
6 a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?
b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?
If you answered "Yes" to 6b, also file Form 8870

Table with 3 columns: Question ID, Yes, No. Rows include 1a, 1b, 1c, 2a, 2b, 2c, 3a, 3b, 4a, 4b, 5a, 5b, 5c, 6a, 6b with corresponding Yes/No/X/N/A entries.

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 13		154,855	23,000	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
PNC BANK PITTSBURGH, PENNSYLVANIA	FISCAL AGENT	76,768

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 21 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 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	81,554,935.
b Average of monthly cash balances	1b	6,141
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	81,561,076
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	81,561,076.
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 22 of the instructions)	4	1,223,416
5 Net value of noncharitable-use assets Subtract line 4 from line 3 Enter here and on Part V, line 4	5	80,337,660
6 Minimum investment return Enter 5% of line 5	6	4,016,883

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	4,016,883
2a Tax on investment income for 2002 from Part VI, line 5	2a	17,180
b Income tax for 2002 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	17,180
3 Distributable amount before adjustments Subtract line 2c from line 1	3	3,999,703
4a Recoveries of amounts treated as qualifying distributions	4a	NONE
b Income distributions from section 4947(a)(2) trusts	4b	
c Add lines 4a and 4b	4c	NONE
5 Add lines 3 and 4c	5	3,999,703
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	3,999,703

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	4,375,234
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	24,190
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	4,399,424
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	17,180
6 Adjusted qualifying distributions Subtract line 5 from line 4	6	4,382,244

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				3,999,703
2 Undistributed income, if any, as of the end of 2001				
a Enter amount for 2001 only			NONE	
b Total for prior years 2000		NONE		
3 Excess distributions carryover, if any, to 2002				
a From 1997		NONE		
b From 1998		NONE		
c From 1999		NONE		
d From 2000		408,220		
e From 2001		NONE		
f Total of lines 3a through e	408,220			
4 Qualifying distributions for 2002 from Part XII, line 4 ▶ \$ 4,399,424				
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				3,999,703
e Remaining amount distributed out of corpus	399,721			
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	807,941			
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)	NONE			
9 Excess distributions carryover to 2003 Subtract lines 7 and 8 from line 6a	807,941			
10 Analysis of line 9				
a Excess from 1998		NONE		
b Excess from 1999		NONE		
c Excess from 2000		408,220		
d Excess from 2001		NONE		
e Excess from 2002		399,721		

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 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)(iii)					
(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))

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 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 14

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

SEE STATEMENT 14

c Any submission deadlines

SEE STATEMENT 14

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

SEE STATEMENT 14

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 17				3,982,000
Total				3,982,000
b <i>Approved for future payment</i> SEE STATEMENT 17				6,661,000
Total				6,661,000

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... 1a(1) Cash X 1a(2) Other assets X 1b(1) Sales of assets to a noncharitable exempt organization X 1b(2) Purchases of assets from a noncharitable exempt organization X 1b(3) Rental of facilities, equipment, or other assets X 1b(4) Reimbursement arrangements X 1b(5) Loans or loan guarantees X 1b(6) Performance of services or membership or fundraising solicitations X 1c Sharing of facilities, equipment, mailing lists, other assets, or paid employees X

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 [X]

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: Signature of officer or trustee (Barbara D. Sloan), Preparer's signature (Thomas D. Bone CPA), Firm's name (KPMG LLP), address (ONE MELLON CENTER, PITTSBURGH, PA).

Underpayment of Estimated Tax by Corporations

2002

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

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 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	17,180.		
5 a	Personal holding company tax (Schedule PH (Form 1120) line 26) included on line 4	5 a				
	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				
	c Credit for Federal tax paid on fuels (see instructions)	5 c				
	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	17,180.		
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	84,089.		
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	17,180.		
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	(a)	(b)	(c)	(d)	
		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	4,295.	4,295.	4,295.	4,295.
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	55,911.		10,000.	
12	Enter amount, if any, from line 18 of the preceding column	12		51,616.	47,321.	43,026.
13	Add lines 11 and 12	13		51,616.	47,321.	53,026.
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	55,911.	51,616.	47,321.	53,026.
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	51,616.	47,321.	43,026.	

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)
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) (Form 990-PF and Form 990-T filers Use 5th month instead of 3rd month)	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 4/15/2002 and before 1/1/2003	21			
22 Underpayment on line 17 x <u>Number of days on line 21</u> x 6% 365	22			
23 Number of days on line 20 after 12/31/2002 and before 4/1/2003	23			
24 Underpayment on line 17 x <u>Number of days on line 23</u> x 5% 365	24			
25 Number of days on line 20 after 3/31/2003 and before 7/1/2003	25			
26 Underpayment on line 17 x <u>Number of days on line 25</u> x *% 365	26			
27 Number of days on line 20 after 6/30/2003 and before 10/1/2003	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 9/30/2003 and before 1/1/2004	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 12/31/2003 and before 2/16/2004	31			
32 Underpayment on line 17 x <u>Number of days on line 31</u> x *% 366	32			
33 Add lines 22, 24 26 28 30, and 32	33			
34 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	34			NONE,

*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. You can also call 1-800-829-1040 to get interest rate information.

Schedule A Annualized Income Installment Method and/or the Adjusted Seasonal Installment Method Under Section 6855(e)
(see instructions)

Form 1120S filers For lines 2, 14, 15, and 16, below, "taxable income" refers to excess net passive income or the amount on which tax is imposed under section 1374(a) (or the corresponding provisions of prior law), whichever applies

Part I - Annualized Income Installment Method		(a)	(b)	(c)	(d)	
		First <u>2</u> months	First <u>3</u> months	First <u>6</u> months	First <u>9</u> months	
1	Annualization periods (see instructions)	1				
2	Enter taxable income for each annualization period (see instructions)	2	897,458.	1,346,187.	4,053,171.	4,535,480.
3	Annualization amounts (see instructions)	3	6.00000	4.00000	2.00000	1.33333
4	Annualized taxable income Multiply line 2 by line 3	4	5,384,748.	5,384,748.	8,106,342.	6,047,292.
5	Figure the tax on the amount in each column on line 4 using the instructions for Form 1120, Schedule J, line 3 (or the comparable line of the tax return)	5	53,847.	53,847.	81,063.	60,473.
6	Enter any alternative minimum tax and other taxes for each payment period (see instructions)	6				
7	Total tax Add lines 5 and 6	7	53,847.	53,847.	81,063.	60,473.
8	For each period, enter the same type of credits as allowed on Form 2220, lines 4 and 5c (see instructions)	8				
9	Total tax after credits Subtract line 8 from line 7. If zero or less, enter -0-	9	53,847.	53,847.	81,063.	60,473.
10	Applicable percentage	10	25%	50%	75%	100%
11	Multiply line 9 by line 10	11	13,462.	26,924.	60,797.	60,473.
12	Add the amounts in all preceding columns of line 40 (see instructions)	12		4,295.	8,590.	12,885.
13	Annualized income installments Subtract line 12 from line 11. If zero or less, enter -0-	13	13,462.	22,629.	52,207.	47,588.

Part II - Adjusted Seasonal Installment Method (Caution: Use this method only if the base period percentage for any 6 consecutive months is at least 70% See instructions for more information)

		(a)	(b)	(c)	(d)
		First 3 months	First 5 months	First 8 months	First 11 months
14	Enter taxable income for the following periods				
	a Tax year beginning in 1999	14a			
	b Tax year beginning in 2000	14b			
	c Tax year beginning in 2001	14c			
15	Enter taxable income for each period for the tax year beginning in 2002	15			
		First 4 months	First 6 months	First 9 months	Entire year
16	Enter taxable income for the following periods				
	a Tax year beginning in 1999	16a			
	b Tax year beginning in 2000	16b			
	c Tax year beginning in 2001	16c			
17	Divide the amount in each column on line 14a by the amount in column (d) on line 16a	17			
18	Divide the amount in each column on line 14b by the amount in column (d) on line 16b	18			
19	Divide the amount in each column on line 14c by the amount in column (d) on line 16c	19			

		(a)	(b)	(c)	(d)
		First 4 months	First 6 months	First 9 months	Entire year
20	Add lines 17 through 19				
21	Divide line 20 by 3				
22	Divide line 15 by line 21				
23	Figure the tax on the amount on line 22 using the instructions for Form 1120, Schedule J line 3 (or the comparable line of the return)				
24	Divide the amount in columns (a) through (c) on line 16a by the amount in column (d) on line 16a				
25	Divide the amount in columns (a) through (c) on line 16b by the amount in column (d) on line 16b				
26	Divide the amount in columns (a) through (c) on line 16c by the amount in column (d) on line 16c				
27	Add lines 24 through 26				
28	Divide line 27 by 3				
29	Multiply the amount in columns (a) through (c) of line 23 by columns (a) through (c) of line 28. In column (d) enter the amount from line 23, column (d)				
30	Enter any alternative minimum tax and other taxes for each payment period (see instructions)				
31	Total tax. Add lines 29 and 30				
32	For each period, enter the same type of credits as allowed on Form 2220, lines 4 and 5c (see instructions)				
33	Total tax after credits. Subtract line 32 from line 31. If zero or less, enter -0-				
34	Add the amounts in all preceding columns of line 40 (see instructions)				
35	Adjusted seasonal installments. Subtract line 34 from line 33. If zero or less, enter -0-				

Part III - Required Installments

		1st installment	2nd installment	3rd installment	4th installment
36	If only one of the above parts is completed, enter the amount in each column from line 13 or line 35. If both parts are completed, enter the smaller of the amounts in each column from line 13 or line 35	13,462.	22,629.	52,207.	47,588.
37	Enter 25% of line 8 on page 1 of Form 2220 in each column. (Note: "Large corporations," see the instructions for line 10 for the amounts to enter.)	4,295.	4,295.	4,295.	4,295.
38	Subtract line 40 of the preceding column from line 39 of the preceding column				
39	Add lines 37 and 38	4,295.	4,295.	4,295.	4,295.
40	Required installments. Enter the smaller of line 36 or line 39 here and on page 1 of Form 2220, line 10	4,295.	4,295.	4,295.	4,295.

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.

**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) .							----- -1098581 =====	
		<i>see statement 15 for supporting 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	1,404,003.	1,219,445.	NONE
DIVIDEND INCOME	637,041.	637,041.	NONE
	-----	-----	-----
TOTAL	2,041,044.	1,856,486.	NONE
	=====	=====	=====

FORM 990PF, PART I - OTHER INCOME

=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
-----	-----	-----	-----
MISCELLANEOUS INCOME	540.	540.	NONE
GRANT REFUND	NONE	NONE	NONE
	-----	-----	-----
TOTALS	540.	540.	NONE
	=====	=====	=====

FORM 990PF, PART I - LEGAL FEES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
LEGAL FEES	6,521.	NONE	NONE	6,521.
TOTALS	6,521.	NONE	NONE	6,521.

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	38,855.	19,428.	19,428.	19,428.
TOTALS	38,855.	19,428.	19,428.	19,428.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
-----	-----	-----	-----	-----
FISCAL AGENTS FEES	76,768.	76,768.	76,768.	NONE
TOTALS	76,768.	76,768.	76,768.	NONE

FORM 990PF, PART I - TAXES

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
FEDERAL EXCISE TAX	17,057.	NONE	NONE	NONE
PAYROLL TAXES	14,840.	1,653.	1,653.	13,187.
	-----	-----	-----	-----
TOTALS	31,897.	1,653.	1,653.	13,187.
	=====	=====	=====	=====

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
INSURANCE	6,408.	714.	714.	5,694.
OFFICE EXPENSES	14,065.	1,567.	1,567.	12,498.
TELEPHONE	3,949.	440.	440.	3,509.
UTILITIES	394.	44.	44.	350.
COMPUTER MAINTENANCE	6,910.	NONE	NONE	6,910.
CONSULTING	11,800.	NONE	NONE	11,800.
ASSETS ABANDONED	123,161.	NONE	NONE	NONE
TOTALS	----- 166,687. =====	----- 2,765. =====	----- 2,765. =====	----- 40,761. =====

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

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
PREPAID INSURANCE	2,198.	3,055.	3,055.
PREPAID EXCISE TAX	55,782.	48,725.	48,725.
	-----	-----	-----
TOTALS	57,980.	51,780.	51,780.
	=====	=====	=====

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

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
U.S. TREASURY & AGENCY SECUR.- (SEE STATEMENT 19)	13,809,322.	12,976,410.	13,893,784.
TOTALS	----- 13,809,322. =====	----- 12,976,410. =====	----- 13,893,784. =====

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
(SEE STATEMENT 19)	30,164,971.	35,025,586.	38,460,361.
TOTALS	<u>30,164,971.</u>	<u>35,025,586.</u>	<u>38,460,361.</u>

FORM 990PF, PART II - CORPORATE BONDS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
(SEE STATEMENT 19)	9,248,148.	9,552,832.	10,504,327.
TOTALS	9,248,148.	9,552,832.	10,504,327.

FORM 990PF, PART II - OTHER INVESTMENTS

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
PNC MUTUAL FUNDS - (SEE STATEMENT 19)	13,711,299.	4,243,773.	4,041,520.
CREDIT UNIONS - (SEE STATEMENT 19)	25,000.	NONE	NONE
TOTALS	----- 13,736,299. =====	----- 4,243,773. =====	----- 4,041,520. =====

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 -----
BARBARA SLOAN FOUNDATION ADDRESS	PRES/SEC/TREAS	66,667.	8,000.	NONE
JENNIE K. SCAIFE 1015 SOUTH OCEAN BOULEVARD PALM BEACH, FL 33480	CHRMN/TRUSTEE	7,000.	NONE	NONE
MARY WALTON 510 PALM TRAIL DELRAY BEACH, FL 33483	VP/ TRUSTEE	7,000.	NONE	NONE
BETH H. GENTER 206 CHURCH LANE SEWICKLEY, PA 15143	VP/TRUSTEE	7,000.	NONE	NONE
JOANNE B. BEYER 206 NAVAJO RD PITTSBURGH, PA 15241	* PRES/SEC/TREAS	67,188.	15,000.	NONE
	GRAND TOTALS	154,855.	23,000.	NONE

* Note-Ms Beyer retired as an officer of the Foundation during 2002

SCAIFE FAMILY FOUNDATION
Form 990-PF
EIN: 25-1427015
Year Ended December 31, 2002

STATEMENT 14

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 Barbara Sloan
President
Scaife Family Foundation
Phillips Point
777 South Flagler Drive
West Tower
Suite 903
West Palm Beach, FL 33401

STATEMENT 14

SCAIFE FAMILY FOUNDATION
Schedule of Gains (Losses) for Tax on Investment Income
Twelve months ended December 31 2002

(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	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 (l))
Security	3 600	Carnival Corporation	P		12/27/01	\$ 100 080	112,839	N/A	N/A	N/A	\$ (12,759)
Security	250 000	USA Treasury Notes	P	08/06/97	01/11/02	273 141	254 147	N/A	N/A	N/A	18,994
Security	13 700	AOL Time Warner Inc	P	10/02/01, 12/27/01	02/22/02	318 525	624 297	N/A	N/A	N/A	(305,772)
Security	9 940	Alcoa Inc	P	06/08/01, 12/27/01,	02/22/02	376 328	424,203	N/A	N/A	N/A	(47 875)
Security	10 000	Amgen Inc	P	06/08/01				N/A	N/A	N/A	
Security	8 000	Amgen Inc	P	03/05/93	02/22/02	572 200	42,473	N/A	N/A	N/A	529 727
Security	18 400	Colgate-Palmolive Co	P	05/08/95	02/22/02	450 960	145 057	N/A	N/A	N/A	305 903
Security		Fleet Boston Financial Corp	P	06/23/95, 12/27/01	02/22/02	588 800	514 470	N/A	N/A	N/A	74,330
Security	18 750	Nasource Inc	P	06/17/98, 12/27/01	02/22/02	387 187	537 338	N/A	N/A	N/A	(150 151)
Security	10 890	Royal Dutch Petroleum Co	P	06/08/01				N/A	N/A	N/A	
Security		Royal Dutch Petroleum Co	P	10/26/92, 03/05/93, 12/27/01	02/22/02	551,252	253,076	N/A	N/A	N/A	298 176
Security	93 033	Blackrock Funds, Small Cap Value Equity Portfolio	P	06/29/95, 12/27/96, 03/10/97	02/22/02	1 430 845	1,383 659	N/A	N/A	N/A	47 186
Security	112 502	Blackrock Funds, Mid Cap Value Equity Portfolio	P	12/30/96, 09/26/97	02/22/02	1 410,775	1 285,397	N/A	N/A	N/A	125,378
Security	250 000	Pfizer Inc	P	05/11/01	03/05/02	258 765	251 307	N/A	N/A	N/A	7 458
Security	500 000	USA Treasury Notes	P	09/15/98, 12/31/98	03/15/02	515 391	516 094	N/A	N/A	N/A	(703)
Security	250 000	Atlantic Richfield Co	P	05/11/01	04/17/02	256,180	253,742	N/A	N/A	N/A	2,438
Security	125 000	Eastman Kodak Co	P	12/03/01	04/17/02	125 625	122,969	N/A	N/A	N/A	2,656
Security	1 000,000	Federal Home Loan Bank	P	03/30/00	04/18/02	1,037,240	998,730	N/A	N/A	N/A	38,490
Security	50 000	Ford Motor Co	P	10/17/01	04/17/02	50 047	50 429	N/A	N/A	N/A	(382)
Security	250 000	Ford Motor Credit Co	P	06/02/99	04/17/02	229 972	229 742	N/A	N/A	N/A	230
Security	250 000	Motorola Inc	P	10/30/01	04/17/02	246 670	251 594	N/A	N/A	N/A	(4 924)
Security	16 010	Tyco International Ltd	P	12/23/98, 12/27/01	04/25/02	343,414	733 368	N/A	N/A	N/A	(389 954)
Security	21,070	Vodafone Group PLC	P	01/26/01, 11/30/01, 12/27/01	03/27/02	388,952	534,325	N/A	N/A	N/A	(145 373)
Security	76,376	T Rowe Price Value Fund Inc	P	12/13/01, 02/14/01	04/29/02	1,441 210	1 542,243	N/A	N/A	N/A	(101 033)
Security	8 800	American International Group Inc	P	12/13/94	04/25/02	605 894	132,259	N/A	N/A	N/A	473 635
Security	9 900	Automatic Data Processing Inc	P	02/14/01, 12/27/01	04/29/02	499,158	587,396	N/A	N/A	N/A	(88,238)
Security	16,300	Bank of New York Co Inc	P	04/06/93, 03/24/93, 03/25/93	04/29/02	593 149	116 096	N/A	N/A	N/A	477 053
Security	9 500	ChevronTexaco Corp	P	02/01/93, 02/02/93, 02/03/93, 02/04/93, 02/05/93, 02/08/93	04/29/02	819 877	403 079	N/A	N/A	N/A	416,798
Security	27,350	Cisco Systems Inc	P	02/22/02, 12/27/01, 11/30/01	04/29/02	382,079	547,552	N/A	N/A	N/A	(165 473)
Security	8 230	Colgate-Palmolive Co	P	05/08/95, 12/23/98, 12/27/01	04/29/02	448 535	335 625	N/A	N/A	N/A	112,910

SCAIFE FAMILY 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	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) ((i) 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	8,930	Guidant Corp	P	11/30/01, 12/27/01	04/29/02	\$ 336,393	436,264	(99,871)	N/A	N/A	N/A	\$ (99,871)
Security	11,700	Lowes Companies	P	06/17/98, 12/23/98	04/29/02	500,402	247,338	253,064	N/A	N/A	N/A	253,064
Security	23,740	Nokia Corp	P	11/30/01, 12/27/01	04/29/02	366,308	553,779	(187,471)	N/A	N/A	N/A	(187,471)
Security	76,100	Oracle Corp	P	12/23/98, 12/27/01	04/29/02	782,308	635,006	147,302	N/A	N/A	N/A	147,302
Security	54,280	Sun Microsystems Inc	P	08/11/94, 12/27/01	04/29/02	437,497	93,319	344,178	N/A	N/A	N/A	344,178
Security	6,900	Unilever NV New York	P	02/22/02	04/29/02	428,052	406,837	21,215	N/A	N/A	N/A	21,215
Security	14,631	United Technologies Corp	P	02/07/95, 06/03/96	04/29/02	1,011,549	289,274	722,275	N/A	N/A	N/A	722,275
Security	8,961	Wal-Mart Stores Inc	P	02/07/95	04/29/02	511,046	107,875	403,171	N/A	N/A	N/A	403,171
Security	10,000	Abbott Laboratories Inc	P	02/14/01	06/24/02	370,200	477,111	(106,911)	N/A	N/A	N/A	(106,911)
Security	1,730	Agmen Inc	P	12/27/01	06/24/02	73,006	101,041	(28,035)	N/A	N/A	N/A	(28,035)
Security	250,000	Anheuser Busch Cos Inc	P	05/08/01	06/24/02	250,000	255,130	(5,130)	N/A	N/A	N/A	(5,130)
Security	4,300	Electronic Data Systems Corp	P	02/14/01	06/24/02	203,335	280,839	(77,504)	N/A	N/A	N/A	(77,504)
Security	24,450	Home Depot Inc	P	06/17/98, 12/23/98	06/24/02	900,154	808,253	91,901	N/A	N/A	N/A	91,901
Security	32,390	MBNA Corp	P	12/27/01, 07/20/01, 10/11/00	06/24/02	1,069,861	1,157,233	(87,372)	N/A	N/A	N/A	(87,372)
Security	5,440	Omnicom Group Inc	P	12/23/98, 12/27/01	06/24/02	283,603	319,487	(35,884)	N/A	N/A	N/A	(35,884)
Security	47,733	RS Investment Management	P	12/21/01	06/24/02	797,613	1,000,000	(202,387)	N/A	N/A	N/A	(202,387)
Security	11,756	Siebel Systems Inc	P	02/22/02	06/24/02	165,054	334,816	(169,762)	N/A	N/A	N/A	(169,762)
Security	—	JM Smucker Co	P	11/30/01	06/10/02	7	6	1	N/A	N/A	N/A	1
Security	112	JM Smucker Co	P	11/30/01, 12/27/01	06/24/02	3,876	3,408	468	N/A	N/A	N/A	468
Security	21,700	State Street Corp	P	06/26/95, 12/27/01	06/24/02	943,735	271,850	671,885	N/A	N/A	N/A	671,885
Security	6	Unilever NV New York	P	02/22/02	06/24/02	369	354	15	N/A	N/A	N/A	15
Security	200,000	USA Treasury Notes	P	09/15/98, 12/31/98	06/06/02	206,281	206,687	(406)	N/A	N/A	N/A	(406)
Security	—	Monanto Co	P	04/29/02	08/20/02	10	9	1	N/A	N/A	N/A	1
Security	—	Travelers Property Casualty-A	P	11/30/01	08/29/02	5	9	(4)	N/A	N/A	N/A	(4)
Security	—	Travelers Property Casualty Corp	P	11/30/01	08/29/02	7	13	(6)	N/A	N/A	N/A	(6)
Security	250,000	Wal-Mart Stores, Inc	P	05/11/01	07/30/02	259,015	258,410	605	N/A	N/A	N/A	605
Security	25,000	Aliquippa Regional Credit Union	P	08/15/02	08/15/02	25,000	25,000	—	N/A	N/A	N/A	—
Security	1,000,000	Federal Home Loan Mortgage C.	P	05/01/01	09/16/02	1,001,875	998,437	3,438	N/A	N/A	N/A	3,438
Security	500,000	Federal National Mortgage Asso.	P	05/20/01	09/16/01	520,938	500,000	20,938	N/A	N/A	N/A	20,938
Security	50,000	Federal National Mortgage Asso.	P	03/01/02	09/16/01	506,250	496,875	9,375	N/A	N/A	N/A	9,375

SCARFE FAMILY 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	Shares/par value	Description	How acquired Purchase D-Deferred	Date acquired	Date sold/ measured	Gross sales price	Cost and expense of sale	Gain (loss) (f)	Fair market value as of December 31, 1969	Adjusted cost basis	Excess of (l) over (k)	Less: Tax on costs (n) and sales (o) excess (l)
Security	500,000	Federal Farm Credit Bank	P	05/03/01	10/23/02	\$ 534,800	494,645	40,155	N/A	N/A	N/A	40,155
Security	500,000	Federal National Mortgage Assoc	P	04/07/98	10/22/02	543,281	497,175	46,106	N/A	N/A	N/A	46,106
Security	83,973	Bear Stearns Mortgage Fund	P	02/22/02	11/13/02	1,190,148	1,400,000	(209,852)	N/A	N/A	N/A	(209,852)
Security	84,634	Olden Fund	P	04/29/02	11/13/02	1,039,604	1,400,000	(360,396)	N/A	N/A	N/A	(360,396)
Security	95,037	State Str Research Capital Trust	P	07/18/01	11/13/02	2,417,300	3,000,000	(582,700)	N/A	N/A	N/A	(582,700)
Security	73,227	Turner Small Cap Value Fund	P	10/01/02	11/12/02	1,080,094	1,403,036	(322,942)	N/A	N/A	N/A	(322,942)
Security	6,830	American Electric Power Inc	P	04/01/02	11/05/02	192,671	328,440	(135,769)	N/A	N/A	N/A	(135,769)
Security	7,227	Boeing Co	P	12/27/01	11/05/02	223,786	315,517	(91,731)	N/A	N/A	N/A	(91,731)
Security	38,042	Calamos Growth Fund	P	04/29/02	11/13/02	1,219,630	1,500,000	(280,370)	N/A	N/A	N/A	(280,370)
Security	109,218	Calamos Small Cap Fund, Inc	P	07/18/01	11/12/02	1,771,516	2,500,000	(728,484)	N/A	N/A	N/A	(728,484)
Security	20,360	Electronic Data Systems Corp	P	02/14/01	11/05/02	326,967	1,342,900	(1,015,933)	N/A	N/A	N/A	(1,015,933)
Security	6,148	Kimberly-Clark Corp	P	12/27/01	11/05/02	314,962	396,474	(81,512)	N/A	N/A	N/A	(81,512)
Security	10,943	Manager Fund	P	04/29/02	11/13/02	594,404	700,000	(105,596)	N/A	N/A	N/A	(105,596)
Security	123,558	RBC Funds, Inc	P	03/19/01	11/13/02	1,140,445	1,500,000	(359,555)	N/A	N/A	N/A	(359,555)
Security	967	Travelers Property Casualty A	P	11/20/01	11/05/02	13,625	22,299	(11,665)	N/A	N/A	N/A	(11,665)
Security	1,987	Travelers Property Casualty Corp	P	12/27/01	11/05/02	28,136	58,040	(29,884)	N/A	N/A	N/A	(29,884)
Security	18,741	Wyeth	P	11/20/01	11/05/02	651,230	737,642	(86,392)	N/A	N/A	N/A	(86,392)
Security	230,000	Walt Disney Company	P	02/22/02	12/03/02	269,905	269,760	145	N/A	N/A	N/A	145
						\$ 40,212,564	41,311,145	(1,098,581)	N/A	N/A	N/A	(1,098,581)

Note: Column (g) is not applicable.

See accompanying accounts compilation report.

FEDERAL FOOTNOTES

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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, 2001	January 1 to December 31, 2002		Payable, December 31, 2002
		Approved	Paid	
All Creatures Sanctuary, Inc Palm Beach Gardens, Florida General support	\$ —	130,000	25,000	105,000
Allegheny County Court Appointed Special Advocate Program, Pittsburgh, Pennsylvania General support	—	50,000	—	50,000
American Society of Addiction Medicine, Inc , Chevy Chase, Maryland Project support	—	75,000	50,000	25,000
The Animal Rescue League of Western Pennsylvania, Inc , Pittsburgh, Pennsylvania Capital support	—	15,000	15,000	—
General support	—	15,000	—	15,000
Assistance Dogs of America, Inc , Swanton, Ohio Program support	—	30,000	—	30,000
Beginning with Books, Inc Pittsburgh, Pennsylvania Program support	—	50,000	—	50,000
Bethlehem Haven of Pittsburgh, Pittsburgh, Pennsylvania Program support	—	20,000	—	20,000
Big Brothers - Big Sisters of Greater Pittsburgh, Pittsburgh, Pennsylvania Program support	—	20,000	—	20,000
Boynton Beach Tigers Youth Soccer Club, Boynton Beach, Florida Program support	—	1,000	—	1,000
Boys and Girls Clubs of Palm Beach County, Inc , West Palm Beach, Florida Program support	—	50,000	—	50,000
Center for Immigration Studies, Inc , Washington, D C General support	75,000	—	75,000	—
Chartiers Nature Conservancy, Inc , Pittsburgh, Pennsylvania Robinson Run land acquisition	100,000	—	100,000	—
Colorado Boys Ranch Foundation La Junta, Colorado Project support	—	5,000	—	5,000
CONTACT Pittsburgh, Inc , Pittsburgh, Pennsylvania Volunteer training classes	—	36,000	36,000	—
The Corporate Collection, Pittsburgh, Pennsylvania General support	—	15,000	15,000	—
Delta Society, Renton, Washington Project support	75,000	—	75,000	—
Extra Mile Education Foundation, Inc Pittsburgh, Pennsylvania Operating support	—	50,000	—	50,000

(Continued)

SCAIFE FAMILY FOUNDATION
Schedule of Grants

	Payable, December 31, 2001	January 1 to December 31, 2002		Payable, December 31, 2002
		Approved	Paid	
Federation for American Immigration Reform, Washington, D C Program support	\$ —	25,000	25,000	—
FosterCat, Inc , Pittsburgh, Pennsylvania General support	—	2,000	2,000	—
The Friends of Green Chimneys Brewster, New York Program support	—	25,000	—	25,000
Golden Triangle Radio Information Center, Pittsburgh, Pennsylvania General support	—	15,000	—	15,000
Good Grief Center Pittsburgh, Pennsylvania General support	—	5,000	—	5,000
Greater Pittsburgh Literacy Council, Pittsburgh, Pennsylvania Program support	50,000	—	50,000	—
Helping to Organize the Placement of Equine, Inc , Dunedin, Florida General operating support	5,000	—	5,000	—
Housing Opportunities, Inc , McKeesport, Pennsylvania Operational support	—	50,000	—	50,000
Independent Women's Forum, Arlington, Virginia Infant Care Project	—	100,000	100,000	—
The Institute for Research, Education and Training in Addictions, Pittsburgh, Pennsylvania Project support	75,000	—	75,000	—
Keystone Oaks School District, Pittsburgh, Pennsylvania Project support	—	15,000	15,000	—
Magee-Women's Health Foundation, Pittsburgh, Pennsylvania Project support	1,000,000	—	1,000,000	—
Make-A-Wish Foundation of Western Pennsylvania and Southern West Virginia, Inc , Pittsburgh, Pennsylvania Wishes	—	34,000	—	34,000

(Continued)

SCAIFE FAMILY FOUNDATION

Schedule of Grants

	Payable, December 31, 2001	January 1 to December 31, 2002		Payable, December 31, 2002
		Approved	Paid	
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	45,000	40,000	45,000
Rutgers University, Piscataway, New Jersey	60,000	—	60,000	—
The Institute for Research, Education and Training in Addictions, Pittsburgh, Pennsylvania	35,000	35,000	35,000	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	25,000	5,000	25,000	5,000
National Fatherhood Initiative, Gaithersburg, Maryland				
General operating support/public message campaign	100,000	30,000	100,000	30,000
National Foundation for Teaching Entrepreneurship, New York, New York				
Pittsburgh program	100,000	100,000	100,000	100,000
National Center for Victims of Crime, Inc , Washington, D C				
General support	—	25,000	25,000	—
National Police Bloodhound Association, Neptune, New Jersey				
Training program	—	15,000	15,000	—
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	239,000	50,000	168,000	121,000
North County Humane Society, Safe Harbor Animal Rescue and Clinic, Jupiter, Florida				
Capital support	625,000	150,000	775,000	—
General support	—	300,000	300,000	—

(Continued)

SCAIFE FAMILY FOUNDATION

Schedule of Grants

	Payable, December 31, 2001	January 1 to December 31, 2002		Payable, December 31, 2002
		Approved	Paid	
Norton Museum of Art, West Palm Beach, Florida Operating support	\$ —	100,000	—	100,000
NumbersUSA Education & Research Foundation, Artington, Virginia General support	—	50,000	—	50,000
One to One Citizen Advocacy, Inc , Beaver, Pennsylvania Operating support	—	15,000	—	15,000
Palm Beach Zoo at Dreher Park, West Palm Beach, Florida Project support	—	100,000	—	100,000
Pals for Preemies, Inc Jamestown, New York Program support	—	5,200	—	5,200
Pets for the Elderly Foundation, Beachwood, Ohio General support	—	20,000	20,000	—
Philanthropy Roundtable, Washington, D C General support	—	10,000	—	10,000
Puppies Behind Bars, Inc , New York, New York General support	—	100,000	—	100,000
The Reason Foundation, Los Angeles, California Project support	30,000	—	30,000	—
St Luke's Roosevelt Hospital Center, New York, New York Program support	—	56,000	56,000	—
Susan G Komen Foundation, Dallas, Texas Collaboration Program with Cancer Care, Inc US, Petoskey, Michigan Proenglish	—	150,000	—	150,000
University of Pittsburgh, School of Medicine, Department of Neurology, Pittsburgh, Pennsylvania Capital support	5,000,000	—	—	5,000,000
Western Pennsylvania Family Center, Pittsburgh, Pennsylvania Program and capital support	65,000	—	65,000	—
Program support	200,000	—	200,000	—
Western Pennsylvania Humane Society, Pittsburgh, Pennsylvania Capital support	—	50,000	50,000	—
Whispering Springs Rescue & Research Center, Bradford, Pennsylvania General support	—	14,800	—	14,800
	\$ 8,129,000	2,514,000	3,982,000	6,661,000

See accompanying accountants' compilation report

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 Investments

December 31, 2002

Investments	Shares or par value	Cost	Market value
Money market funds			
Blackrock Money Market	799,482	\$ 799,482	\$ 799,482
Blackrock Money Market	4,436,152	4,436,152	4,436,152
Blackrock Money Market	3,075,450	3,075,450	3,075,450
Blackrock Money Market	600	600	600
Total money market funds		<u>8,311,684</u>	<u>8,311,684</u>
U.S. Treasury and agency securities			
USA Treasury Notes	1,325,000	1,403,879	1,485,656
Federal Home Loan Mortgage Corp	500,000	558,773	560,940
Federal Home Loan Bank	500,000	504,765	515,155
USA Treasury Notes	1,000,000	1,039,844	1,109,060
Federal Home Loan Bank	500,000	497,500	500,470
USA Treasury Notes	675,000	653,379	747,563
USA Treasury Notes	1,000,000	1,084,609	1,150,630
USA Treasury Notes	250,000	254,141	287,188
Federal Home Loan Bank	750,000	799,935	808,125
Federal National Mortgage Association	1,000,000	1,046,160	1,150,520
USA Treasury Notes	500,000	501,016	564,220
Federal Farm Credit Bank	500,000	494,645	556,250
Federal National Mortgage Association	250,000	262,918	263,595
USA Treasury Bond	2,000,000	2,105,101	2,287,029
Federal National Mortgage Association	500,000	500,000	525,145
Federal National Mortgage Association	250,000	249,219	265,860
USA Treasury Notes	1,000,000	1,020,526	1,116,378
Total U S Treasury and agency securities		<u>12,976,410</u>	<u>13,893,784</u>
Corporate and municipal obligations			
Coca-Cola Enterprises Inc	250,000	259,195	268,248
Citigroup Inc	250,000	258,285	275,643
General Electric Capital Corp	250,000	262,035	278,123
Caterpillar Financial Service Corp	250,000	249,700	270,333
Pitney Bowes Inc	250,000	251,200	271,225
Sysco Corp	250,000	262,533	282,550
Campbell Soup Co	250,000	267,440	283,298
Allentown PA	250,000	250,902	279,580
Boeing Co	250,000	275,948	288,863
Merrill Lynch Co	500,000	496,245	561,710
Rollins Truck Leasing Corp	250,000	278,410	294,048
Pittsburgh PA	450,000	448,299	509,828
General Motors Accept Corp	250,000	240,228	254,350
Westmoreland County PA	250,000	248,748	279,213
GTE Calif Inc	250,000	252,693	284,573

(Continued)

SCAIFE FAMILY FOUNDATION

Schedule of Investments

December 31, 2002

<u>Investments</u>	<u>Shares or par value</u>	<u>Cost</u>	<u>Market value</u>
Corporate and municipal obligations, continued			
McDonalds Corp	250,000	\$ 242,835	\$ 272,998
Target Corp	250,000	263,878	270,118
Tennessee Valley Auth	425,000	425,807	467,436
Boeing Capital Corp	250,000	252,500	272,543
Pharmacia Corporation	250,000	251,485	278,048
York PA	5,000	4,877	5,712
York PA	245,000	238,995	267,288
Wal-Mart	250,000	278,888	294,493
Proctor & Gamble Co	250,000	259,375	294,885
E I Du Pont De Nemours	250,000	257,008	294,118
Anheuser Busch Cos Inc	250,000	301,843	323,458
Hudson County NJ	500,000	493,715	591,660
Unilever Capital Corp	250,000	266,283	295,075
Credit Suisse	250,000	248,723	267,190
Eli Lilly & Co	250,000	251,100	279,353
Colgate-Palmolive Co	200,000	204,320	222,824
Pittsburgh PA	500,000	492,875	566,900
New Castle PA	250,000	248,664	287,973
Union Tex Pete Holdings Inc	250,000	267,800	270,670
Total corporate and municipal obligations		<u>9,552,832</u>	<u>10,504,327</u>
Common stocks			
Abbott Laboratories Inc	11,670	591,189	466,800
Alltel Corp	13,570	430,618	692,070
American International Group Inc	8,350	211,853	483,048
Amgen Inc	10,000	42,465	483,400
Anheuser-Busch Companies Inc	11,260	460,339	544,984
Applied Materials Inc	31,980	821,932	416,699
Automatic Data Processing Inc	10,020	649,971	393,285
Bank of America Corp	16,260	1,024,231	1,131,208
Bank New York Co Inc	16,290	203,648	390,308
Cardinal Health Inc	13,390	972,009	792,554
ChevronTexaco Corp	8,619	732,690	572,991
Cintas Corp	19,510	288,889	892,583
Citigroup Inc	22,390	990,494	787,904
Concord EFS Inc	22,832	504,092	359,376
Dell Computer Corp	25,819	690,980	690,400
Dominion Resources Inc	9,015	554,614	494,924
Exxon Mobil Corp	39,990	693,012	1,397,251
FPL Group Inc	6,470	405,833	389,041
Fannie Mae	13,520	531,666	869,742
Fifth Third Bancorp	9,808	603,682	574,258
Fortune Brands Inc	10,000	561,400	465,100

(Continued)

SCAIFE FAMILY FOUNDATION
Schedule of Investments
December 31, 2002

<u>Investments</u>	<u>Shares or par value</u>	<u>Cost</u>	<u>Market value</u>
Common stocks, continued			
Gannett Inc	5,289	\$ 376,025	\$ 379,750
General Electric Co	29,870	282,322	727,335
Gillette Co	13,360	438,023	405,610
HCA Inc	8,000	391,440	332,000
Intel Corp	54,270	345,146	844,984
International Business Machines Corp	14,211	1,496,699	1,101,353
International Paper Co	10,000	436,300	349,700
Johnson & Johnson	21,890	653,901	1,175,712
Kohls Corp	8,040	543,750	449,838
Kraft Foods Inc	31,930	1,090,323	1,243,024
Kroger Co	37,110	835,692	573,350
Liz Claiborne Inc	29,478	928,445	874,023
Lockheed Martin Corp	24,910	940,351	1,438,547
Lowes Companies Inc	15,450	431,191	579,375
Merck & Co. Inc	11,000	596,970	622,710
Microsoft Corp	19,500	269,440	1,008,150
Monsanto Co	2,423	33,643	46,643
Newell Rubbermaid Inc	24,703	798,791	749,242
Pepsico Inc	23,020	937,547	971,904
Pfizer Inc	34,400	739,749	1,051,608
Pharmacia Corporation	14,207	551,392	593,853
Proctor & Gamble Co	5,610	435,093	482,123
Progressive Corp	10,000	588,050	496,300
Raytheon Company	7,498	305,394	230,564
Royal Dutch Pete Co	15,396	805,023	677,732
Stryker Corp	17,680	980,218	1,186,682
Sungard Data Systems Inc	24,945	745,989	587,704
Target Corp	18,100	727,204	543,000
US Bancorp	17,000	389,390	360,740
United Technologies Corp	16,239	719,060	1,005,844
Verizon Communications Inc	24,430	959,973	946,663
Wachovia Corp	21,268	796,739	775,006
Wal-Mart Stores Inc	19,439	930,347	981,864
Walgreen Co	10,626	399,214	310,173
Washington Mutual Inc	15,000	566,711	517,950
Wells Fargo & Company	11,764	594,434	551,379
Total common stocks		<u>35,025,586</u>	<u>38,460,361</u>
Mutual funds			
Ishares Tr	17,000	1,372,488	1,288,770
Midcap Spdr Tr	35,000	2,871,285	2,752,750
Total mutual funds		<u>4,243,773</u>	<u>4,041,520</u>
Total investments		<u>\$ 70,110,285</u>	<u>\$ 75,211,676</u>

See accompanying independent auditors' report