

**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

Name of organization **THE CARTHAGE FOUNDATION**
 Number and street (or P O box number if mail is not delivered to street address) **301 GRANT STREET**
 Room/suite
ONE OXFORD CENTRE, SUITE 3900
 City or town, state, and ZIP code **PITTSBURGH, PA 15219-6401**

A Employer identification number **25-6067979**
 B Telephone number (see page 10 of the instructions) **(412) 392-2900**

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) **23,705,949**

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

C If exemption application is pending check here
 D 1 Foreign organizations check here
 2 Foreign organizations meeting the 85% test, check here and attach computation
 E If private foundation status was terminated under section 507(b)(1)(A) check here
 F If the foundation is in a 60-month termination under section 507(b)(1)(B) check here

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 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)
Revenue	1 Contributions, gifts, grants etc received (attach schedule) Check <input type="checkbox"/> if the foundation is not required to attach Sch B	3,499,415.			STMT 1
	2 Distributions from split-interest trusts				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	630,054	630,054.	630,054	STMT 2
	5a Gross rents				
	b (Net rental income or (loss) _____)				
	6a Net gain or (loss) from sale of assets not on line 10	1,488,972			
	b Gross sales price for all assets on line 6a 2,215,850				
	7 Capital gain net income (from Part IV, line 2)		1,996,097		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total Add lines 1 through 11	5,618,441	2,626,151	630,054		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	110,525.	3,415	3,415	107,110
	14 Other employee salaries and wages	40,041	3,215.	3,215	36,826
	15 Pension plans, employee benefits	32,697	2,626.	2,626	30,071.
	16a Legal fees (attach schedule) STMT 3	2,340	NONE	NONE	2,340
	b Accounting fees (attach schedule) STMT 4	30,150	15,075	15,075	15,075
	c Other professional fees (attach schedule) STMT 5	10,368	10,368	10,368	
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) STMT 6	58,742.	567	567	6,491
	19 Depreciation (attach schedule) and depletion	20,992	NONE	NONE	
	20 Occupancy	41,342	3,320.	3,320	38,022
	21 Travel, conferences, and meetings	2,111	NONE	NONE	2,111
	22 Printing and publications				
	23 Other expenses (attach schedule) STMT 7	52,371.	4,206	4,206	48,165
	24 Total operating and administrative expenses Add lines 13 through 23	401,679	42,792.	42,792	286,211
	25 Contributions, gifts, grants paid	3,452,000			2,115,000
26 Total expenses or disbursements. Add lines 24 and 25	3,853,679	42,792	42,792	2,401,211	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	1,764,762				
b Net investment income (if negative, enter -0-)		2,583,359.			
c Adjusted net income (if negative, enter -0-).			587,262.		

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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	8,752	10,938	10,938	
	2	Savings and temporary cash investments	31,784	416,484	416,484	
	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	21,081	990	990	
	10	a Investments - U.S. and state government obligations (attach schedule)				
		b Investments - corporate stock (attach schedule) STMT B.	6,775,818	9,548,355	23,195,100	
		c Investments - corporate bonds (attach schedule)				
	11	Investments - land, buildings, and equipment basis				
	Less accumulated depreciation (attach schedule)					
12	Investments - mortgage loans					
13	Investments - other (attach schedule)					
14	Land, buildings and equipment basis	178,739				
	Less accumulated depreciation (attach schedule)	96,302	103,429	82,437		
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)	6,940,864	10,059,204	23,705,949		
Liabilities	17	Accounts payable and accrued expenses		16,578		
	18	Grants payable	120,000	1,457,000		
	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)	120,000	1,473,578			
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	6,820,864	8,585,626		
	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 17 of the instructions)	6,820,864	8,585,626			
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	6,940,864	10,059,204			

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	6,820,864
2	Enter amount from Part I, line 27a	2	1,764,762
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	8,585,626
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	8,585,626

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			(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	1,996,097.	
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	965,511.	19,918,811	0.04847232096
1999	3,693,443.	23,096,859	0.15991105111
1998	6,235,653.	24,929,487	0.25013162124
1997	5,166,985	21,218,785.	0.24350993707
1996	4,093,293	15,897,704	0.25747699165
2 Total of line 1, column (d)			2 0.95950192203
3 Average distribution ratio for the 5-year base period-divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.19190038441
4 Enter the net value of noncharitable-use assets for 2001 from Part X, line 5			4 24,088,184
5 Multiply line 4 by line 3			5 4,622,532
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 25,834
7 Add lines 5 and 6			7 4,648,366
8 Enter qualifying distributions from Part XII, line 4			8 2,401,211

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 categories like 'Exempt operating foundations', 'Domestic organizations', 'Tax under section 511', 'Credits/Payments', and 'Total credits and payments'. Values range from 51,667 to 16,576.

Part VII-A Statements Regarding Activities

Table with 11 rows for activity statements. Includes questions about political influence, tax on political expenditures, and state registration. Includes a section for 'The books are in care of' with details for KPMG LLP in Pittsburgh, PA.

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 2001?
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 2001, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2001?
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 2001 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 2001?
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?

Table with 3 columns: Question ID, Yes, No. Rows include 1a, 1b, 1c, 2a, 2b, 3a, 3b, 4a, 4b, 5a, 5b, 6a, 6b.

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 9		110,525.	8,887	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
NONE		

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 NOT APPLICABLE	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 <u>NOT APPLICABLE</u>	
2	
All other program-related investments See page 22 of the instructions	
3 <u>NONE</u>	
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	24,445,405
b Average of monthly cash balances	1b	9,604
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	24,455,009
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	NONE
2 Acquisition indebtedness applicable to line 1 assets	2	NONE
3 Subtract line 2 from line 1d	3	24,455,009
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 23 of the instructions)	4	366,825
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	24,088,184.
6 Minimum investment return. Enter 5% of line 5	6	1,204,409.

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

1 Minimum investment return from Part X, line 6	1	1,204,409
2 a Tax on investment income for 2001 from Part VI, line 5	2a	51,667
b Income tax for 2001 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	51,667
3 Distributable amount before adjustments Subtract line 2c from line 1	3	1,152,742
4 a 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	1,152,742
6 Deduction from distributable amount (see page 23 of the instructions)	6	NONE
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	1,152,742.

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	2,401,211
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	2,401,211
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	N/A
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,401,211

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				1,152,742
2 Undistributed income if any as of the end of 2000				
a Enter amount for 2000 only			NONE	
b Total for prior years 1999		NONE		
3 Excess distributions carryover, if any, to 2001				
a From 1996	743,071			
b From 1997	NONE			
c From 1998	282,473			
d From 1999	1,621,087			
e From 2000	NONE			
f Total of lines 3a through e	2,646,631			
4 Qualifying distributions for 2001 from Part XII, line 4	2,401,211			
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)	STMT 13 852,784			
d Applied to 2001 distributable amount				1,152,742
e Remaining amount distributed out of corpus	395,685			
5 Excess distributions carryover applied to 2001 (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	3,895,100			
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				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 25 of the instructions)	STMT 13 3,499,415			
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	395,685			
10 Analysis of line 9				
a Excess from 1997	NONE			
b Excess from 1998	NONE			
c Excess from 1999	NONE			
d Excess from 2000	NONE			
e Excess from 2001	395,685			

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 10

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

SEE STATEMENT 10

c Any submission deadlines

SEE STATEMENT 10

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

SEE STATEMENT 10

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> SEE STATEMENT 12				2,115,000
Total				2,115,000
b <i>Approved for future payment</i> SEE STATEMENT 12				1,457,000.
Total				1,457,000.

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. The table is currently empty.

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] Yes [] No

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. The table is currently empty.

Under penalties of perjury, I declare that I have examined this return including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge. Signature of officer or trustee: Michael W. Gleser. Preparer's signature: Thomas D. Bone CPA. Firm's name (or yours if self-employed), address, and ZIP code: KPMG LLP, ONE MELLON CENTER, PITTSBURGH, PA.

Schedule of Contributors

2001

Supplementary Information for
 line 1 of Form 990, 990-EZ and 990-PF (see instructions)

Name of organization

Employer identification number

THE CARTHAGE FOUNDATION

25-6067979

Organization type (check one)

Filers of:

Section

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General rule** or a **Special rule**. (Note Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule - see instructions)

General Rule -

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

Special Rules -

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year) ▶ \$ _____

Caution Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

If a section 501(c)(7), (8), or (10) organization received contributions or bequests for use exclusively for religious, charitable, etc., purposes (sections 170(c)(4), 2055(a)(3), or 2522(a)(3)) -

List in Part I each contributor whose contributions total more than \$1,000 during the year that were for a religious, charitable, etc., purpose. To determine the \$1,000, aggregate all of a contributor's gifts for the year (regardless of amount). For a noncash contribution, complete Part II.

All section 501(c)(7), (8), or (10) organizations that received any charitable contributions and listed any charitable contributors on Part I must also complete Part III.

If a section 501(c)(7), (8), or (10) organization received charitable gifts, but is not required to list any charitable contributors on Part I, check the box on line A at the top of Schedule B (Form 990 or 990-EZ) and enter the amount of charitable contributions received in the space provided. The organization need not complete and attach Part III.

Specific Instructions

Note. You may duplicate Parts I, II, and III if more copies are needed. Number each page of each Part.

Part I. In column (a), identify the first contributor listed as no. 1 and the second contributor as no. 2, etc. Number consecutively. Show the contributor's name, address, aggregate contributions for the year, and the type of contribution (e.g., whether an individual, payroll, or noncash contribution). Report payroll contributions by listing the employer's name, address, and total amount given (unless an employee gave enough to be listed individually).

Part II. In column (a), show the number that corresponds to the contributor's number in Part I. Describe the noncash contribution fully. Report on property with readily determinable market value (i.e., market quotations for securities) by listing its fair market value (FMV). For marketable securities registered and listed on a recognized securities exchange, measure market value by the average of the highest and lowest quoted selling prices (or the average between the bona fide bid and asked prices) on the contribution date. See Regulations section 20.2031-2 to determine the value of contributed stocks and bonds. When market value cannot be readily determined, use an appraised or estimated value. To determine the amount of a noncash contribution that is subject to an outstanding debt, subtract the debt from the property's fair market value.

Part III. Section 501(c)(7), (8), or (10) organizations that received contributions or bequests for use exclusively for religious, charitable, etc., purposes must complete Parts I through III for those persons whose gifts totaled more than \$1,000 during the year. Show also, in the heading of Part III, total gifts that were \$1,000 or less and were for a religious, charitable, etc., purpose. Complete this information only on the first Part III page.

If an amount is set aside for a religious, charitable, etc., purpose, show in column (d) how the amount is held (e.g., whether it is mingled with amounts held for other purposes). If the organization transferred the gift to another organization, show the name and address of the transferee organization in column (e) and explain the relationship between the two organizations.

Name of organization

Employer identification number

THE CARTHAGE FOUNDATION

25-6067979

Part I Contributors (See Specific Instructions)

(a) No.	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<p>RICHARD M. SCAIFE</p> <p>ONE OXFORD CENTRE, SUITE 3900</p> <p>PITTSBURGH, PA 15219</p>	<p>3,499,415</p>	<p>Person <input checked="" type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input checked="" type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution)</p>
			<p>Person <input type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution)</p>
			<p>Person <input type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution)</p>
			<p>Person <input type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution)</p>
			<p>Person <input type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution)</p>
			<p>Person <input type="checkbox"/></p> <p>Payroll <input type="checkbox"/></p> <p>Noncash <input type="checkbox"/></p> <p>(Complete Part II if there is a noncash contribution)</p>

Name of organization THE CARTHAGE FOUNDATION	Employer identification number 25-6067979
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Part II Noncash Property (See Specific Instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	<u>INVESTMENT SECURITIES</u> <hr/> <hr/> <hr/>	<hr/> <u>3,499,415</u>	<hr/> <u>VARIOUS 2001</u>
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
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	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

Underpayment of Estimated Tax by Corporations

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

2001

Name **THE CARTHAGE FOUNDATION** Employer identification number **25-6067979**

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	51,667.
5a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4	5a	
5b	Look back interest included on line 4 under section 460(b)(2) for completed long term contracts or section 167(g) for depreciation under the income forecast method	5b	
5c	Credit for Federal tax paid on fuels (see instructions)	5c	
5d	Total Add lines 5a through 5c	5d	
6	Subtract line 5d from line 4 If the result is less than \$500, do not complete or file this form The corporation does not owe the penalty	6	51,667.
7	Enter the tax shown on the corporation's 2000 income tax return Caution See instructions before completing this line	7	10,118.
8	Enter the smaller of line 6 or line 7 If the corporation must skip line 7, enter the amount from line 6	8	10,118.

9	Installment due dates	(a)	(b)	(c)	(d)
9	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	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	2,530.	2,395.	2,664.	2,529.
11	Estimated tax paid or credited for each period (see instructions) For column (a) only, enter the amount from line 11 on line 15	20,091.	NONE	NONE	15,000.
12	Enter amount, if any, from line 18 of the preceding column		17,561.	15,166.	12,502.
13	Add lines 11 and 12		17,561.	15,166.	27,502.
14	Add amounts on lines 16 and 17 of the preceding column				
15	Subtract line 14 from line 13 If zero or less, enter -0-	20,091.	17,561.	15,166.	27,502.
16	If the amount on line 15 is zero, subtract line 13 from line 14 Otherwise, enter -0-				
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				
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	17,561.	15,166.	12,502.	24,973.

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) (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 4/15/2001 and before 7/1/2001	21			
22 Underpayment on line 17 x Number of days on line 21 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 Number of days on line 23 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 Number of days on line 25 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 Number of days on line 27 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 Number of days on line 29 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 Number of days on line 31 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 Number of days on line 33 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

Schedule A Annualized Income Installment Method and/or the Adjusted Seasonal Installment Method Under Section 6655(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	85,492.	123,121.	578,299.
3	Annualization amounts (see instructions)	3	6.00000	4.00000	2.00000
4	Annualized taxable income Multiply line 2 by line 3	4	512,952.	492,484.	1,156,598.
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	10,259.	9,850.	23,132.
6	Enter other taxes for each payment period (see instructions)	6			
7	Total tax Add lines 5 and 6	7	10,259.	9,850.	23,132.
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	10,259.	9,850.	23,132.
10	Applicable percentage	10	25%	50%	75%
11	Multiply line 9 by line 10	11	2,565.	4,925.	17,349.
12	Add the amounts in all preceding columns of line 40 (see instructions)	12		2,530.	4,925.
13	Annualized income installments Subtract line 12 from line 11 If zero or less, enter -0-	13	2,565.	2,395.	12,424.

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 1998	14a			
	b Tax year beginning in 1999	14b			
	c Tax year beginning in 2000	14c			
15	Enter taxable income for each period for the tax year beginning in 2001	15			
			First 4 months	First 6 months	First 9 months
16	Enter taxable income for the following periods				Entire year
	a Tax year beginning in 1998	16a			
	b Tax year beginning in 1999	16b			
	c Tax year beginning in 2000	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	20			
21	Divide line 20 by 3	21			
22	Divide line 15 by line 21	22			
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)	23			
24	Divide the amount in columns (a) through (c) on line 16a by the amount in column (d) on line 16a	24			
25	Divide the amount in columns (a) through (c) on line 16b by the amount in column (d) on line 16b	25			
26	Divide the amount in columns (a) through (c) on line 16c by the amount in column (d) on line 16c	26			
27	Add lines 24 through 26	27			
28	Divide line 27 by 3	28			
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).	29			
30	Enter other taxes for each payment period (see instructions)	30			
31	Total tax. Add lines 29 and 30	31			
32	For each period enter the same type of credits as allowed on Form 2220, lines 4 and 5c (see instructions)	32			
33	Total tax after credits. Subtract line 32 from line 31. If zero or less enter -0-	33			
34	Add the amounts in all preceding columns of line 40 (see instructions)	34			
35	Adjusted seasonal installments. Subtract line 34 from line 33. If zero or less, enter -0-	35			

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	2,565.	2,395.
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)	2,530.	2,530.	2,529.	2,529.
38	Subtract line 40 of the preceding column from line 39 of the preceding column			135.	
39	Add lines 37 and 38	2,530.	2,530.	2,664.	2,529.
40	Required installments. Enter the smaller of line 36 or line 39 here and on page 1 of Form 2220 line 10	2,530.	2,395.	2,664.	2,529.

FORM 990PF, PART I - CONTRIBUTIONS, GIFTS AND GRANTS RECEIVED

NAME AND ADDRESS -----	DATE ----	DIRECT PUBLIC SUPPORT -----
RICHARD M. SCAIFE ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219	VARIOUS 2001	3,499,415.
TOTAL CONTRIBUTION AMOUNTS		----- 3,499,415. =====

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

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----
INTEREST INCOME	619,026.	619,026.	619,026.
DIVIDEND INCOME	11,028.	11,028.	11,028.
	-----	-----	-----
TOTAL	630,054.	630,054.	630,054.
	=====	=====	=====

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
LEGAL FEES	2,340.	NONE	NONE	2,340
TOTALS	2,340.	NONE	NONE	2,340

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
AUDIT, COMPLIANCE AND TAX	30,150.	15,075.	15,075.	15,075
TOTALS	30,150.	15,075.	15,075.	15,075

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----
FISCAL AGENT FEES	10,368.	10,368.	10,368.
TOTALS	<u>10,368.</u>	<u>10,368.</u>	<u>10,368.</u>

FORM 990PF, PART I - TAXES

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
FEDERAL EXCISE TAX	51,684.	NONE	NONE	NONE
PAYROLL TAX	7,058.	567.	567.	6,491
	-----	-----	-----	-----
TOTALS	58,742.	567.	567.	6,491
	=====	=====	=====	=====

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
INSURANCE	2,360.	190.	190.	2,170.
OFFICE EXPENSES	5,464.	439.	439.	5,025.
TELEPHONE	1,679.	135.	135.	1,544.
SECURITY	42,868.	3,442.	3,442.	39,426.
COMPUTER MAINTENANCE				
TOTALS	<u>52,371.</u>	<u>4,206.</u>	<u>4,206.</u>	<u>48,165.</u>

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
INVESTMENTS- COMMON STOCK	6,775,818.	9,548,355.	23,195,100.
TOTALS	6,775,818.	9,548,355.	23,195,100.

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 -----
RICHARD M. SCAIFE FOUNDATION ADDRESS	CHAIRMAN/PART	NONE	NONE	NONE
MICHAEL W. GLEBA FOUNDATION ADDRESS	TREASURER/PART	30,000.	6,000.	NONE
R. DANIEL MCMICHAEL FOUNDATION ADDRESS	SECR/TRUST/PART	54,000.	NONE	NONE
ROGER W. ROBINSON, JR. 5400 TUSCARAWASS ROAD BETHESDA, MD 20816	ASST. TREA/PART	7,000.	NONE	NONE
ALEXIS J. KONKOL FOUNDATION ADDRESS	ASST. SEC/PART	12,525.	2,887.	NONE
W. MCCOOK MILLER, JR. 631 PITCAIRN PLACE PITTSBURGH, PA 15232	TRUSTEE/PART	7,000.	NONE	NONE
	GRAND TOTALS	110,525.	8,887.	NONE

CARTHAGE FOUNDATION
Form 990-PF
EIN: 25-6067979
Year Ended December 31, 2001

STATEMENT 10

Information Regarding Grant and Loan Program

The Carthage Foundation confines most of its grant awards to programs that will address public policy questions concerned with national and international issues. There are no geographical restrictions. The Foundation does not make grants to individuals.

Initial inquiries to the Foundation should be in letter form signed by the Organization's President, or authorized representative, and have the approval of the Organization's Board of Directors. The letter should include a concise description of the specific program for which funds are requested. Additional information must include a budget for the program and for the organization, the latest audited financial statement and annual report. A copy of the Organization's current ruling letter evidence tax exemption under Section 501(c)(3) and 509(a) of the Internal Revenue Code is required. Additional information may be requested, if needed, for further evaluation.

The Foundation normally considers grants at meetings held in the first and fourth quarters of each year. However, requests may be submitted at any time and will be acted upon as expeditiously as possible.

Grant applications should be addressed to

Mr. Michael W. Gleba, Treasurer

The Carthage Foundation
301 Grant Street
One Oxford Centre
Suite 3900
Pittsburgh, Pennsylvania 15219-6401

STATEMENT 10

THE CARTHAGE FOUNDATION
 EIN 25-6067979
 FORM 990-PF
 DECEMBER 31, 2001

STATEMENT 11

PART I, LINE 19 DEPRECIATION

	<u>METHOD/ LIFE</u>	<u>COST</u>	<u>12/31/2001 Accumulated Depreciatlon</u>	<u>C/Y Depreciatlon</u>
ASSETS ACQUIRED IN 1992	5 YR/SL	11,794	11,794	0
ASSETS ACQUIRED IN 1995	5 YR/SL	7,471	7,471	0
ASSETS ACQUIRED IN 1997	7 YR/SL	83,749	47,857	11,965
ASSETS ACQUIRED IN 1997	5 YR/SL	2,215	1,773	443
LEASEHOLD IMPR ACQ IN 1997	10 YR/SL	50,102	20,041	5,010
ASSETS ACQUIRED IN 1999	5 YR/SL	3,525	2,035	705
ASSETS ACQUIRED IN 1999	5 YR/SL	500	200	100
LEASEHOLD IMPR ACQ IN 2000	7 YR/SL	19,383	5,131	2,769
TOTAL ASSETS		<u>178,739</u>	<u>96,302</u>	<u>20,992</u>

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).

COMPENSATION OF OFFICERS, TRUSTEES AND OTHER EMPLOYEES, 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 ARE ALLOCATED BASED ON SERVICES PERFORMED FOR THE FOUNDATION. ALL OTHER EXPENSES ARE PRORATED BASED ON THE SALARY EXPENSE CHARGED TO EACH CATEGORY AS DESCRIBED ABOVE.

THE CARTHAGE FOUNDATION

Schedule of Grants

	Payable, December 31, 2000	January 1 to December 31, 2001		Payable, December 31, 2001
		Approved	Paid	
Allegheny Institute for Public Policy, Pittsburgh, Pennsylvania General operating support	\$ —	100,000	50,000	50,000
America's Survival, Inc , Owings, Maryland Program support	—	35,000	35,000	—
Atlas Economic Research Foundation, Fairfax, Virginia Prague Institute of National Security	—	50,000	50,000	—
Center for Immigration Studies, Inc , Washington, D C General operating support	—	50,000	50,000	—
Cinema Foundation, Inc , Los Angeles, California General operating support	—	50,000	50,000	—
Clare Booth Luce Policy Institute, Herndon, Virginia General operating support	35,000	—	35,000	—
Claremont Institute for the Study of Statesmanship and Political Philosophy, Claremont, California Program support	—	200,000	100,000	100,000
Coalition for Local Sovereignty, Washington, D C Program support	30,000	—	30,000	—
Collegiate Network, Inc , Wilmington, Delaware National security program support	—	100,000	100,000	—
Committee for a Constructive Tomorrow, Washington, D C General operating support	—	100,000	50,000	50,000
Counterterrorism & Security Education and Research Foundation, Washington, D C The Investigative Project	—	200,000	100,000	100,000
Criminal Justice Legal Foundation, Sacramento, California General operating support	25,000	25,000	50,000	—
Critical Review Foundation, Inc , New Haven, Connecticut General operating support for "Critical Review" magazine	—	15,000	15,000	—

THE CARTHAGE FOUNDATION

Schedule of Grants

	Payable, December 31, 2000	January 1 to December 31, 2001		Payable, December 31, 2001
		Approved	Paid	
The Defense Forum Foundation, Inc., Falls Church, Virginia General program support	\$ —	30,000	30,000	—
The Federalist Society for Law & Public Policy, Washington, D C Project support	—	50,000	25,000	25,000
Foreign Policy Research Institute, Philadelphia, Pennsylvania General operating support	—	45,000	45,000	—
Foundation for Advancement of Monetary Education Ltd , New York, New York General operating support	—	25,000	25,000	—
Free Congress Research and Education Foundation, Inc , Washington, D C General operating support and program support	—	500,000	250,000	250,000
Institute for Foreign Policy Analysis, Inc , Cambridge, Massachusetts Special projects fund	—	125,000	125,000	—
Institute for Policy Innovation, Lewisville, Texas General operating and project support	—	25,000	25,000	—
Johns Hopkins University, The Paul H Nitze School of Advanced International Studies, Washington, D C History of terrorism	—	117,000	60,000	57,000
Judicial Watch, Inc , Washington, D C General operating support	—	1,100,000	500,000	600,000
The Maldon Institute, Baltimore, Maryland General operating support	—	375,000	150,000	225,000
Manhattan Institute for Policy Research, New York, New York Policy research	30,000	30,000	60,000	—
The Mont Pelerin Society, Alexandria, Virginia Fellowship and meeting support	—	15,000	15,000	—

THE CARTHAGE FOUNDATION

Schedule of Grants

	Payable, December 31, 2000	January 1 to December 31, 2001		Payable, December 31, 2001
		Approved	Paid	
Mountain States Legal Foundation Denver, Colorado General operating support	\$ —	25,000	25,000	—
National Institute for Public Policy, Fairfax, Virginia Special projects	—	50,000	50,000	—
Society for the Education of Physicians and Patients, Belle Vernon, Pennsylvania General program support	—	15,000	15,000	—
	<u>\$ 120,000</u>	<u>3,452,000</u>	<u>2,115,000</u>	<u>1,457,000</u>

THE CARTHAGE FOUNDATION
EIN 25-6067979
FORM 990-PF
YE DECEMBER 31, 2001

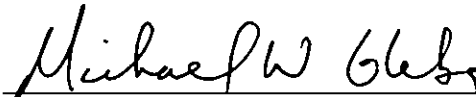
STATEMENT 13

Qualifying Distribution Election

Pursuant to authority contained in Internal Revenue Code Section 4942(g)(3) and Regulations Section 53.4942(a)-3(d)(2), The Carthage Foundation hereby elects to have \$3,499,415 of its 2001 qualifying distributions treated as a distribution out of corpus. Attached to this election is a statement of grants and qualifying distributions.

In accordance with Regulations Section 53.4942(a)-3(d)(2), this election is filed as an attachment to the 2001 Form 990-PF of the Carthage Foundation.

The person making this declaration is a foundation manager with the meaning of Section 4946(b)(1) of the Internal Revenue Code.



Michael W Gleba, Treasurer

THE CARTHAGE FOUNDATION

Schedule of Grants

	January 1 to December 31, 2001 Paid
Allegheny Institute for Public Policy	50,000
America's Survival, Inc	35,000
Atlas Economic Research Foundation	50,000
Center for Immigration Studies, Inc	50,000
Cinema Foundation, Inc	50,000
Clare Booth Luce Policy Institute	35,000
Claremont Institute for the Study of Statesmanship and Political Philosophy	100,000
Coalition for Local Sovereignty	30,000
Collegiate Network, Inc	100,000
Committee for a Constructive Tomorrow	50,000
Counterterrorism & Security Education and Research Foundation	100,000
Criminal Justice Legal Foundation	50,000
Critical Review Foundation, Inc	15,000

THE CARTHAGE FOUNDATION

Schedule of Grants

	January 1 to December 31, 2001 Paid
The Defense Forum Foundation, Inc	30,000
The Federalist Society for Law & Public Policy	25,000
Foreign Policy Research Institute	45,000
Foundation for the Advancement of Monetary Education Ltd	25,000
Free Congress Research and Education Foundation, Inc	250,000
Institute for Foreign Policy Analysis, Inc	125,000
Institute for Policy Innovation	25,000
Johns Hopkins University, The Paul H Nitze School of Advanced International Studies	60,000
Judicial Watch, Inc	500,000
The Maldon Institute	150,000
Manhattan Institute for Policy Research	60,000
The Mont Pelerin Society	15,000

THE CARTHAGE FOUNDATION

Schedule of Grants

	January 1 to December 31, 2001 Paid
Mountain States Legal Foundation	25,000
National Institute for Public Policy	50,000
Society for the Education of Physicians and Patients	<u>15,000</u>
Subtotal	\$ 2,115,000
Add expenses attributable to exempt purposes, January 1, 2001 to December 31, 2001	<u>286,211</u>
Subtotal	\$ 2,401,211
Add 2000 excess distribution carryover to calendar 2001	<u>2,646,631</u>
Total	<u><u>\$ 5,047,842</u></u>
Less 2001 qualifying distributions applied to to 2001 distributable amount	(1,152,742)
Less 2001 qualifying distributions treated as distributions out of corpus	(852,784)
Less 2000 excess distribution carryover treated as a distribution out of corpus	<u>(2,646,631)</u>
Excess distribution carryover to 2002	<u><u>\$ 395,685</u></u>

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)						----- 1,996,097 =====	