

Form 990-PF

Return of Private Foundation

OMB No 1545-0052

Department of the Treasury Internal Revenue Service

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

2005

For calendar year 2005, or tax year beginning 2005, and ending

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

Name of organization THE CARTHAGE FOUNDATION
Employer identification number 25-6067979
Number and street (or P O box number if mail is not delivered to street address) 301 GRANT STREET
Room/suite 3900
ONE OXFORD CENTRE
Telephone number (see page 10 of the instructions) (412) 392-2900
City or town, state, and ZIP code PITTSBURGH, PA 15219-6401

H Check type of organization [X] Section 501(c)(3) exempt private foundation
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 27,623,535
J Accounting method [X] Cash [] Accrual [] Other (specify)

Part I Analysis of Revenue and Expenses
(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes (cash basis only). Rows include Contributions, Dividends, Total Add lines 1 through 11, Total operating and administrative expenses, and Net investment income.

SCANNED MAY 23 2006

RECEIVED MAY 15 2006 OGDEN, UT

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	11,177.	23,062.	23,062.	
	2	Savings and temporary cash investments	2,929,397.	2,077,183.	2,077,183.	
	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. 7.	2,590.	2,125.	2,125.	
	10 a	Investments - U S and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule) . STMT. 8.	11,991,058.	11,991,058.	25,499,473.	
	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 ▶ STMT. 12 - 196,075. Less accumulated depreciation ▶ (attach schedule) 174,383.	32,938.	21,692.	21,692.	
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)	14,967,160.	14,115,120.	27,623,535.		
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable	820,000.	547,000.		
	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)	820,000.	547,000.			
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	14,147,160.	13,568,120.		
	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, bidg, 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)	14,147,160.	13,568,120.			
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	14,967,160.	14,115,120.			

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)	14,147,160.
2	Enter amount from Part I, line 27a	-579,040.
3	Other increases not included in line 2 (itemize) ▶	
4	Add lines 1, 2, and 3	13,568,120.
5	Decreases not included in line 2 (itemize) ▶	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	13,568,120.

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						
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)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2			
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	}		3			

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

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

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

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

1 Enter the appropriate amount in each column for each year, see page 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))
2004	5,979,188.	24,353,652.	0.24551504637
2003	5,331,344.	20,929,999.	0.25472261131
2002	5,728,686.	23,886,804.	0.23982639117
2001	2,401,211.	24,088,184.	0.09968418541
2000	965,511.	19,918,811.	0.04847232096
2 Total of line 1, column (d)			2 0.88822055522
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 0.17764411104
4 Enter the net value of noncharitable-use assets for 2005 from Part X, line 5			4 26,502,469.
5 Multiply line 4 by line 3			5 4,708,008.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 8,218.
7 Add lines 5 and 6			7 4,716,226.
8 Enter qualifying distributions from Part XII, line 4			8 6,635,776.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

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

Table with 11 rows for excise tax calculations. Includes fields for exempt organizations, tax under section 511, add lines 1 and 2, subtitle A tax, tax based on investment income, credits/payments, total credits, penalty, tax due, overpayment, and amount credited to 2006 estimated tax.

Part VII-A Statements Regarding Activities

Table with 13 rows for statements regarding activities. Includes questions about influencing legislation, political purposes, Form 1120-POL filing, political expenditures, reimbursement, IRS reporting, changes in governing instruments, unrelated business income, liquidation, section 508(e) requirements, state registration, private operating foundation status, substantial contributors, public inspection requirements, and books in care.

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.

1a 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 20 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 2005?
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 2005, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2005?
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
3a 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 2005 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?
4a 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 2005?
5a 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?
6a 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

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 21 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		76,684.	11,525.	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
SEE STATEMENT 10		140,627.

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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 22 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>NONE</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	26,893,207.
b Average of monthly cash balances	1b	12,853.
c Fair market value of all other assets (see page 23 of the instructions)	1c	NONE
d Total (add lines 1a, b, and c)	1d	26,906,060.
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	26,906,060.
4 Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 23 of the instructions)	4	403,591.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	26,502,469.
6 Minimum investment return. Enter 5% of line 5	6	1,325,123.

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	1,325,123.
2a Tax on investment income for 2005 from Part VI, line 5	2a	8,218.
b Income tax for 2005 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	8,218.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	1,316,905.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	1,316,905.
6 Deduction from distributable amount (see page 24 of the instructions)	6	
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	1,316,905.

Part XII Qualifying Distributions (see page 24 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	6,635,776.
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	6,635,776.
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	8,218.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	6,627,558.

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 2004	(c) 2004	(d) 2005
1 Distributable amount for 2005 from Part XI, line 7				1,316,905.
2 Undistributed income, if any, as of the end of 2004				
a Enter amount for 2004 only				
b Total for prior years _____				
3 Excess distributions carryover, if any, to 2005				
a From 2000				
b From 2001				
c From 2002				
d From 2003				
e From 2004				
f Total of lines 3a through e				
4 Qualifying distributions for 2005 from Part XII, line 4: ▶ \$ <u>6,635,776.</u>				
a Applied to 2004, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see page 25 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 25 of the instructions)	5,318,871.	STMT. 14		
d Applied to 2005 distributable amount				1,316,905.
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2005 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5	5,318,871.			
b Prior years' undistributed income Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b Taxable amount - see page 25 of the instructions				
e Undistributed income for 2004 Subtract line 4a from line 2a Taxable amount - see page 25 of the instructions				
f Undistributed income for 2005 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2006				
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)	5,318,871.	STMT. 14		
8 Excess distributions carryover from 2000 not applied on line 5 or line 7 (see page 25 of the instructions)				
9 Excess distributions carryover to 2006. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2001	NONE			
b Excess from 2002	NONE			
c Excess from 2003	NONE			
d Excess from 2004	NONE			
e Excess from 2005	NONE			

Part XIV Private Operating Foundations (see page 26 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 2005, 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) 2005	(b) 2004	(c) 2003	(d) 2002	
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 11

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

SEE STATEMENT 11

c Any submission deadlines

SEE STATEMENT 11

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

SEE STATEMENT 11

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 Paid during the year SEE STATEMENT 13				6,128,500.
Total ► 3a				6,128,500.
b Approved for future payment SEE STATEMENT 13				547,000.
Total ► 3b				547,000.

Name of organization THE CARTHAGE FOUNDATION	Employer identification number 25-6067979
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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 boxes 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 under Regulations sections 1.509(a)-3/1.170A-9(e) 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 2 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)

Name of organization THE CARTHAGE FOUNDATION	Employer identification number 25-6067979
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Part I Contributors (See Specific Instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<u>RICHARD M. SCAIFE</u> <u>ONE OXFORD CENTRE, SUITE 3900</u> <u>PITTSBURGH, PA 15219</u>	<u>5,000,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____ _____ _____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____ _____ _____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____ _____ _____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____ _____ _____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____ _____ _____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	_____ _____ _____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

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

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DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----
INTEREST INCOME	58,228.	58,228.	NONE
DIVIDEND INCOME	827,550.	827,550.	NONE
	-----	-----	-----
TOTAL	885,778.	885,778.	NONE
	=====	=====	=====

FORM 990PF, PART I - LEGAL FEES

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DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
-----	-----	-----	-----	-----
LEGAL FEES	1,930.	NONE	NONE	1,930.
TOTALS	1,930.	NONE	NONE	1,930.
	=====	=====	=====	=====

FORM 990PF, PART I - ACCOUNTING FEES

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DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
AUDIT, COMPLIANCE AND TAX	39,235.	19,618.	NONE	19,617.
TOTALS	----- 39,235. =====	----- 19,618. =====	----- NONE =====	----- 19,617. =====

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
FISCAL AGENT FEES CONSULTING	13,706. 64,000.	13,706. NONE	NONE NONE	NONE 64,000.
TOTALS	----- 77,706. =====	----- 13,706. =====	----- NONE =====	----- 64,000. =====

FORM 990PF, PART I - TAXES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
FEDERAL EXCISE TAX	26,848.	NONE	NONE	NONE
PAYROLL TAX	17,253.	1,199.	NONE	16,054.
	-----	-----	-----	-----
TOTALS	44,101.	1,199.	NONE	16,054.
	=====	=====	=====	=====

FORM 990PF, PART I - OTHER EXPENSES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
INSURANCE	5,377.	374.	NONE	5,003.
OFFICE EXPENSES	9,957.	692.	NONE	9,265.
TELEPHONE	2,205.	153.	NONE	2,052.
SECURITY	33,479.	2,327.	NONE	31,152.
COMPUTER MAINTENANCE	978.	NONE	NONE	978.
OFFICE TEMP	6,351.	441.	NONE	5,910.
DUES & SUBSCRIPTIONS	333.	NONE	NONE	333.
TOTALS	----- 58,680. =====	----- 3,987. =====	----- NONE =====	----- 54,693. =====

FORM 990PF, PART II - PREPAID EXPENSES AND DEFERRED CHARGES

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
PREPAID INSURANCE	2,590.	2,125.	2,125.
TOTALS	2,590.	2,125.	2,125.

FORM 990PF, PART II - CORPORATE STOCK

=====

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
-----	-----	-----	---
INVESTMENTS- COMMON STOCK (SEE STATEMENT 15)	11,991,058.	11,991,058.	25,499,473.
TOTALS	----- 11,991,058. =====	----- 11,991,058. =====	----- 25,499,473. =====

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 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	CHAIRMAN/TRUSTEE 10 HRS/QTR	NONE	NONE	NONE
MICHAEL W. GLEBA 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	TREASURER/TRUSTEE 8 HRS/WK	48,917.	8,300.	NONE
R. DANIEL MCMICHAEL 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	SECRETARY/TRUSTEE 10 HRS/QTR	NONE	NONE	NONE
ALEXIS J. KONKOL 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	ASST. SECRETARY 8 HRS/WK	13,767.	3,225.	NONE
W. MCCOOK MILLER, JR. 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	TRUSTEE 10 HRS/QTR	7,000.	NONE	NONE
ROGER W. ROBINSON, JR. 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	ASST. TREAS./TRUSTEE 10 HRS/QTR	7,000.	NONE	NONE
GRAND TOTALS		76,684.	11,525.	NONE

990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALS
=====

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
OXFORD DEVELOPMENT CO./GRANT ST. ONE OXFORD CTR, PLAZA LEVEL 301 GRANT ST PITTSBURGH, PA 15219-6401	FACILITY RENTAL	76,627.
R. DANIEL MCMICHAEL ONE OXFORD CENTRE, 301 GRANT STREET PITTSBURGH, PA 15219-6401	CONSULTING	64,000.
	TOTAL COMPENSATION	----- 140,627. =====

The Carthage Foundation
Form 990-PF
EIN: 25-6067979
Year Ended: December 31, 2005

STATEMENT 11

Information Regarding Grants 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. Proposals for the following are usually declined: event sponsorship, endowments, capital campaigns, renovations, or governmental agencies.

Initial inquiries to the Foundation should be in letter form signed by the Organization's President, or authorized representative, and have the approval of the Organization's Board of Directors. The letter should include a concise description and budget for the specific purpose for which funds are requested. Additional information must include the organization's current annual budget, latest audited financial statement, and annual report. A copy of the Organization's current ruling letter evidencing 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

THE CARTHAGE FOUNDATION
EIN: 25-6067979
YEAR ENDED: DECEMBER 31, 2005

FORM 990-PF

STATEMENT 12

PART I, LINE 19 - DEPRECIATION
PART II, LINE 14a - LAND, BUILDINGS, AND EQUIPMENT
PART II, LINE 14b - ACCUMULATED DEPRECIATION

<u>DESCRIPTION</u>	<u>AMOUNT</u>
LEASEHOLD IMPROVEMENTS	69,484
FURNITURE AND FIXTURES	77,219
EQUIPMENT	<u>49,372</u>
SUBTOTAL FIXED ASSETS	196,075
LESS: ACCUMULATED DEPRECIATION	<u>(174,383)</u>
NET FIXED ASSETS	<u><u>21,692</u></u>

DEPRECIATION AND AMORTIZATION EXPENSE FOR 12/31/05 WAS \$11,246.

STATEMENT 12

The Carthage Foundation
Form 990-PF
EIN: 25-6067979
Year Ended: December 31, 2005

STATEMENT 13

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

As of and for the twelve months ended December 31, 2005

	Payable, December 31, 2004	January 1 to December 31, 2005		Payable, December 31, 2005
		Approved	Paid	
Allegheny Institute for Public Policy, Pittsburgh, Pennsylvania General operating support	\$ —	110,000	110,000	—
American Civil Rights Union, Alexandria, Virginia Project support	—	100,000	100,000	—
American Enterprise Institute for Public Policy Research, Washington, D.C. Project support	—	300,000	300,000	—
American Foreign Policy Council, Washington, D.C. General operating support	—	150,000	150,000	—
American Jewish Committee, New York, New York Publication support	60,000	—	60,000	—
America's Survival, Inc., Owings, Maryland Program support	—	70,000	70,000	—
Association of Literary Scholars and Critics, Boston, Massachusetts General operating support	—	30,000	30,000	—
Atlas Economic Research Foundation, Fairfax, Virginia Prague Security Studies Institute	—	50,000	50,000	—
Cato Institute, Washington, D.C. Project support	—	65,000	65,000	—
Center for Individual Freedom Foundation, Alexandria, Virginia Project support	—	125,000	125,000	—
Center for Individual Rights, Washington, D.C. General operating support	—	150,000	150,000	—
Center for Media and Public Affairs, Washington, D.C. General operating support	—	100,000	100,000	—
Center for Security Policy, Inc., Washington, D.C. Special project support	—	45,000	45,000	—
Cinema Foundation, Inc., Los Angeles, California General operating support	—	50,000	50,000	—
Claremont Institute for the Study of Statesmanship and Political Philosophy, Claremont, California Writing project	—	75,000	75,000	—
Collegiate Network, Inc., Wilmington, Delaware National Security and Geostrategic Training Program	—	100,000	100,000	—
Committee for a Constructive Tomorrow, Washington, D.C. General operating support	80,000	160,000	160,000	80,000
Counterterrorism & Security Education and Research Foundation, Washington, D.C. The Investigative Project	—	550,000	550,000	—

(Continued)

THE CARTHAGE FOUNDATION

Schedule of Grants

As of and for the twelve months ended December 31, 2005

	Payable, December 31, 2004	January 1 to December 31, 2005		Payable, December 31, 2005
		Approved	Paid	
Criminal Justice Legal Foundation, Sacramento, California General program support	\$ —	25,000	25,000	—
Defenders of Property Rights, Washington, D.C. General operating support	—	100,000	100,000	—
The Defense Forum Foundation, Inc., Falls Church, Virginia General program support	—	60,000	60,000	—
Diversity Alliance for a Sustainable America, Oakland, California General operating support	—	25,000	25,000	—
Evergreen Freedom Foundation, Olympia, Washington Project support	—	50,000	50,000	—
Federation for American Immigration Reform, Washington, D.C. General operating and project support	—	300,000	300,000	—
Foundation for Cultural Review, Inc., New York, New York Project support	—	30,000	30,000	—
Foundation for Research on Economics and the Environment, Bozeman, Montana General operating support	—	50,000	50,000	—
Free Congress Research and Education Foundation, Inc., Washington, D.C. General operating and program support	200,000	450,000	425,000	225,000
George C. Marshall Institute, Washington, D.C. Special project support	—	170,000	170,000	—
George Mason University Foundation, Inc., Center for Study of Public Choice, Fairfax, Virginia General operating support and Public Choice Outreach Conference	—	150,000	150,000	—
Hudson Institute, Inc., Indianapolis, Indiana Project for International Religious Liberty	—	50,000	50,000	—
Institute for Foreign Policy Analysis, Inc., Cambridge, Massachusetts Special projects fund	75,000	150,000	225,000	—
Institute for Health Freedom, Washington, D.C. General operating support	100,000	—	100,000	—
Institute for International Studies, Washington, D.C. Project support	—	60,000	60,000	—
Institute for Research on the Economics of Taxation, Washington, D.C. General operating and program support	—	150,000	150,000	—
The Institute of the North, Anchorage, Alaska Program support	—	200,000	200,000	—
The Institute on Religion and Democracy, Inc., Washington, D.C. General operating support	75,000	—	75,000	—
The Institute on Religion and Public Life, Inc., New York, New York General operating and publication support	—	75,000	75,000	—

(Continued)

THE CARTHAGE FOUNDATION

Schedule of Grants

As of and for the twelve months ended December 31, 2005

	Payable, December 31, 2004	January 1 to December 31, 2005		Payable, December 31, 2005
		Approved	Paid	
Issues and Views Open Forum Foundation, Inc , New York, New York Support of publication of <i>Issues and Views</i>	\$ —	5,000	5,000	—
Landmark Legal Foundation, Kansas City, Missouri General operating support	—	250,000	250,000	—
Louisiana Foundation for Excellence in Science, Technology and Education, Baton Rouge, Louisiana Mackinder Forum program support	—	66,500	66,500	—
The Maldon Institute, Baltimore, Maryland General operating support	230,000	484,000	472,000	242,000
Morley Publishing Group, Inc , Washington, D C General operating support	—	25,000	25,000	—
National Center for Public Policy Research, Inc , Washington, D C Program support	—	50,000	50,000	—
National Defense University Foundation, Inc , Washington, D C Program support	—	50,000	50,000	—
The National Legal and Policy Center, Falls Church, Virginia General operating support	—	125,000	125,000	—
Pacific Legal Foundation, Sacramento, California General operating support	—	175,000	175,000	—
Reason Foundation, Los Angeles, California General operating support	—	100,000	100,000	—
Society for the Education of Physicians and Patients, Pittsburgh, Pennsylvania General program support	—	35,000	35,000	—
Southeastern Legal Foundation, Inc , Atlanta, Georgia General operating support	—	100,000	100,000	—
University of Virginia Law School Foundation, Charlottesville, Virginia National Security Law Summer Institute	—	65,000	65,000	—
	<u>\$ 820,000</u>	<u>5,855,500</u>	<u>6,128,500</u>	<u>547,000</u>

The Carthage Foundation
Form 990-PF
EIN: 25-6067979
Year Ended: December 31, 2005

STATEMENT 14

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 \$5,318,871 of its 2005 qualifying distributions treated as distributions out of corpus. Attached to this election is a statement of grants and qualifying distributions (Statements 13, 14A, & 16).

In accordance with Regulations Sections 53.4942(a)-3(d)(2), this election is filed as an attachment to the 2005 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.

Mr. Michael W. Gleba, Treasurer

The Carthage Foundation
Form 990-PF
EIN: 25-6067979
Year Ended: December 31, 2005

STATEMENT 14A

The Foundation has made the following distributions during 2005 and 2006 so that all gifts received during 2005 and all distributable amounts were paid by March 15, 2006.

Distributable amount for calendar year 2005	1,316,905	
Gifts Received in 2005	<u>5,000,000</u>	
Amount to be Distributed	<u><u>6,316,905</u></u>	
Distributions during 2005	6,635,776	
Less: Amounts Paid by 3/15/05 and elected to be Treated as a 2004 Distribution	(2,660,034)	
Amounts paid by 3/15/06 and elected to be treated as 2005 distribution	<u>2,341,163</u>	STATEMENT 16
Distributions for 2005	<u><u>6,316,905</u></u>	

THE CARTHAGE FOUNDATION

Schedule of Investments

December 31, 2005

Investments	Shares or par value	Cost basis	Fair value
Money market:			
Fidelity Government Money Market	2,077.183	\$ 2,077,183	2,077,183
Common stocks:			
Abbott Laboratories Inc.	26,500	58,824	1,044,895
Altria Group Inc.	149,200	4,563,284	11,148,224
ASA, Ltd.	6,000	72,087	330,060
BP P.L.C	37,052	307,290	2,379,479
Bristol-Myers Squibb Co.	42,000	1,328,749	965,160
Clorox Co.	56,000	2,703,290	3,185,840
Coca-Cola Co.	45,000	2,103,986	1,813,950
El Paso Energy Corporation	426	4,050	5,180
Exxon Mobil Corp.	49,600	141,682	2,786,032
The Hershey Company	10,000	468,150	552,500
Hospira Inc.	2,650	4,057	113,367
Wyeth	25,500	235,609	1,174,785
Total common stocks		<u>11,991,058</u>	<u>25,499,472</u>
		<u>\$ 14,068,241</u>	<u>27,576,655</u>

The Carthage Foundation
Grants Paid January 1 - March 15, 2006

<u>Date Paid</u>	<u>Grantee</u>	<u>Amount Paid</u>
3/1	Committee for a Constructive Tomorrow	\$ 80,000
3/1	Free Congress Research and Education Foundation, Inc.	225,000
3/1	The Maldon Institute	242,000
3/9	American Civil Rights Union	100,000
3/9	American Foreign Policy Council	150,000
3/9	America's Survival, Inc.	100,000
3/9	Atlas Economic Research Foundation	70,000
3/9	Center for Security Policy, Inc.	40,000
3/9	Defenders of Property Rights	100,000
3/9	Federation for American Immigration Reform	300,000
3/9	George C. Marshall Institute	100,000
3/9	George Mason University Foundation, Inc.	150,000
3/9	The Institute on Religion and Democracy, Inc.	200,000
3/9	The Institute on Religion and Public Life, Inc.	75,000
3/9	Landmark Legal Foundation	250,000
3/9	National Institute for Public Policy	200,000
3/9	The National Legal and Policy Center	125,000
3/9	National Strategy Forum	10,000
3/9	Southwest Missouri State University Foundation	100,000
	Total	\$ 2,617,000

The taxpayer elects to apply \$2,341,163* of the above \$2,617,000 distribution to 2005 to satisfy the conduit election.

*STATEMENT 14A