

Department of the Treasury Internal Revenue Service

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

For calendar year 2010, or tax year beginning , 2010, and ending , 20

G Check all that apply Initial return Amended return Initial return of a former public charity Address change Final return Name change

Name of foundation THE CARTHAGE FOUNDATION A Employer identification number 25-6067979

Number and street (or P O box number if mail is not delivered to street address) 301 GRANT STREET ONE OXFORD CENTRE Room/suite 3900 B Telephone number (see page 10 of the instructions) (412) 392-2900

City or town, state, and ZIP code PITTSBURGH, PA 15219-6401 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

H Check type of organization: X 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) \$ 26,390,356 J Accounting method: X Cash Accrual Other (specify) (Part I, column (d) must be on cash basis) E If private foundation status was terminated under section 507(b)(1)(A), check here 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 11 of the instructions))

Table with 4 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, interest, dividends, rents, net gain, sales, capital gain, income modifications, gross sales, other income, total operating and administrative expenses, and net investment income.

PAGE 15

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	11,067.	8,824.	8,824.
	2 Savings and temporary cash investments	1,641,456.	1,115,980.	1,115,980.
	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 ATCH 8	2,455.	2,497.	2,497.
	10 a Investments - U S and state government obligations (attach schedule),			
	b Investments - corporate stock (attach schedule) ATCH 9	15,666,751.	14,593,054.	23,945,506.
	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) ATCH 10	893,112.	629,908.	1,310,349.
	14 Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶ ATCH 10A 205,029. ▶ ATCH 10A 197,829.	262.	7,200.	7,200.
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	18,215,103.	16,357,463.	26,390,356.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable	315,000.	315,000.	
	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)	315,000.	315,000.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	17,900,103.	16,042,463.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations 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)	17,900,103.	16,042,463.		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	18,215,103.	16,357,463.		

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	17,900,103.
2 Enter amount from Part I, line 27a	2	-1,857,640.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	16,042,463.
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	16,042,463.

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	1,129,118.		
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 foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
 If "Yes," the foundation 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))
2009	1,178,208.	21,206,993.	0.055558
2008	3,619,435.	27,971,809.	0.129396
2007	2,647,253.	29,971,857.	0.088325
2006	4,816,647.	27,132,237.	0.177525
2005	6,627,558.	26,502,469.	0.250073
2 Total of line 1, column (d)			2 0.700877
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 0.140175
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 23,996,799.
5 Multiply line 4 by line 3			5 3,363,751.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 6,521.
7 Add lines 5 and 6			7 3,370,272.
8 Enter qualifying distributions from Part XII, line 4 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			8 1,164,566.

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 sub-rows 6a-6d for credits/payments. Total tax due is 39,006, with 39,006 refunded.

Part VII-A Statements Regarding Activities

Table with 10 rows of activity statements. Includes questions about political campaigns, unrelated business income, and substantial contributors. Includes 'Yes' and 'No' columns for responses.

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions) 11 X
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? 12 X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? 13 X
14 The books are in care of THE CARTHAGE FOUNDATION Telephone no. 412-392-2900
Located at 301 GRANT STREET, SUITE 3900, PITTSBURGH, PA ZIP + 4 15219
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here 15
16 At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? 16 Yes No

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 foundation (either directly or indirectly):
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes X No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes X No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes X No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ATCH 11 & 13 X Yes No
(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)? Yes X No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) Yes X No
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 22 of the instructions)? 1b X
Organizations relying on a current notice regarding disaster assistance check here.
c Did the foundation 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 2010? 1c X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):
a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? Yes X No
If "Yes," list the years
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see page 22 of the instructions) 2b
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 foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes X No
b If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation 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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010) 3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a X
b Did the foundation 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 2010? 4b X

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(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)? (see page 22 of the instructions). Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

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 22 of the instructions)? **5b**

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No **6b** X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No **7b** X

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 22 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
ATTACHMENT 11		102,000.	13,125.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 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
ATTACHMENT 12		62,700.	3,894.	0.

Total number of other employees paid over \$50,000

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see page 23 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
ATTACHMENT 13		129,701.

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 24 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 NONE	

2	

All other program-related investments See page 24 of the instructions	
3 NONE	

Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 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	24,352,465.
b	Average of monthly cash balances	1b	9,767.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0.
d	Total (add lines 1a, b, and c)	1d	24,362,232.
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	0.
3	Subtract line 2 from line 1d	3	24,362,232.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	365,433.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	23,996,799.
6	Minimum investment return. Enter 5% of line 5	6	1,199,840.

Part XI Distributable Amount (see page 25 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	1,199,840.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	13,041.
b	Income tax for 2010 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	13,041.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,186,799.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,186,799.
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,186,799.

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	1,164,566.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0.
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,164,566.
5	Foundations 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 26 of the instructions)	5	N/A
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,164,566.

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 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				1,186,799.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only				
b Total for prior years 20 08, 20 07, 20 06				
3 Excess distributions carryover, if any, to 2010:				
a From 2005				0.
b From 2006				3,598,353.
c From 2007				1,290,500.
d From 2008				2,238,183.
e From 2009				218,947.
f Total of lines 3a through e	7,345,983.			
4 Qualifying distributions for 2010 from Part XII, line 4. ▶ \$ 1,164,566.				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2010 distributable amount				1,164,566.
e Remaining amount distributed out of corpus				0.
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	22,233.			22,233.
6 Enter the net total of each column as indicated below:	7,323,750.			
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5				
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 27 of the instructions				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	7,323,750.			
10 Analysis of line 9				
a Excess from 2006				3,576,120.
b Excess from 2007				1,290,500.
c Excess from 2008				2,238,183.
d Excess from 2009				218,947.
e Excess from 2010				0

Part XIV Private Operating Foundations (see page 27 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 2010, enter the date of the ruling

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

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see page 28 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 foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 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:

ATTACHMENT 14

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

ATTACHMENT 14

c Any submission deadlines

ATTACHMENT 14

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

ATTACHMENT 14

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> SEE ATTACHMENT 16 & 17				602,500.
Total ► 3a				602,500.
b <i>Approved for future payment</i> SEE ATTACHMENT 16 & 17				315,000.
Total ► 3b				315,000.

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... a. Transfers from the reporting foundation to a noncharitable exempt organization of (1) Cash (2) Other assets b. Other transactions: (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization (3) Rental of facilities, equipment, or other assets (4) Reimbursement arrangements (5) Loans or loan guarantees (6) Performance of services or membership or fundraising solicitations c. Sharing of facilities, equipment, mailing lists, other assets, or paid employees d. If the answer to any of the above is "Yes," complete the following schedule

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A' for both (b) and (d).

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No [X]

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. All cells are currently empty.

Sign Here 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. Glebo

Paid Preparer Use Only Print/Type preparer's name: FRANK D. GRANDHI Preparer's signature: [Signature] Firm's name: GRANT THORNTON LLP Firm's address: 2001 MARKET STREET, SUITE PHILADELPHIA, PA

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

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>
INTEREST INCOME	3,242.	149.	0.
DIVIDEND INCOME	733,046.	812,374.	0.
TOTAL	<u>736,288.</u>	<u>812,523.</u>	<u>0.</u>

FORM 990PF, PART I - OTHER INCOME

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	-
INCOME FROM PARTNERSHIPS	-189,428.	-78,783.	-
MISCELLANEOUS INCOME	2,056.	2,056.	
TOTALS	<u>-187,372.</u>	<u>-76,727.</u>	

ATTACHMENT 3

FORM 990PF, PART I - LEGAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
LEGAL FEES	817.	0.	0.	817.
TOTALS	<u>817.</u>	<u>0.</u>	<u>0.</u>	<u>817.</u>

ATTACHMENT 4

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
AUDIT, COMPLIANCE AND TAX	46,062.	23,031.	0.	23,031.
TOTALS	<u>46,062.</u>	<u>23,031.</u>	<u>0.</u>	<u>23,031.</u>

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
FISCAL AGENT FEES	22,616.	22,616.	0.	0.
CONSULTING	56,000.	0.	0.	56,000.
TOTALS	<u>78,616.</u>	<u>22,616.</u>	<u>0.</u>	<u>56,000.</u>

ATTACHMENT 6

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
FEDERAL EXCISE TAX	30,000.	0.	0.	0.
TOTALS	<u>30,000.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>

ATTACHMENT 7FORM 990PF, PART I - OTHER EXPENSES

<u>DESCRIPTION</u>	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
INSURANCE	6,576.	489.	0.	6,087.
OFFICE EXPENSES	8,639.	665.	0.	7,974.
TELEPHONE	2,438.	181.	0.	2,257.
SECURITY	32,985.	2,451.	0.	30,534.
COMPUTER MAINTENANCE	2,000.	0.	0.	2,000.
OFFICE TEMP	2,656.	197.	0.	2,459.
DUES & SUBSCRIPTIONS	333.	0.	0.	333.
MISCELLANEOUS	1,699.	0.	0.	0.
TOTALS	<u>57,326.</u>	<u>3,983.</u>	<u>0.</u>	<u>51,644.</u>

ATTACHMENT 8

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

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
PREPAID INSURANCE	2,455.	2,497.	2,497.
TOTALS	<u>2,455.</u>	<u>2,497.</u>	<u>2,497.</u>

ATTACHMENT 9

FORM 990PF, PART II - CORPORATE STOCK

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
INVESTMENTS- COMMON STOCK SEE ATTACHMENT 18	15,666,751.	14,593,054.	23,945,506.
TOTALS	<u>15,666,751.</u>	<u>14,593,054.</u>	<u>23,945,506.</u>

ATTACHMENT 10

FORM 990PF, PART II - OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
INVESTMENTS - PARTNERSHIP SEE ATTACHMENT 18	893,112.	629,908.	1,310,349.
TOTALS	<u>893,112.</u>	<u>629,908.</u>	<u>1,310,349.</u>

THE CARTHAGE FOUNDATION
EIN: 25-6067979
YEAR ENDED: DECEMBER 31, 2010

FORM 990-PF

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
OFFICE EQUIPMENT	<u>135,545</u>
SUBTOTAL FIXED ASSETS	205,029
LESS: ACCUMULATED DEPRECIATION	<u>(197,829)</u>
NET FIXED ASSETS	<u><u>7,200</u></u>

DEPRECIATION AND AMORTIZATION EXPENSE FOR 12/31/10 WAS \$1,473.

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

ATTACHMENT 11

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
RICHARD M. SCAIFE 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	CHAIRMAN/TRUSTEE 1.00	0.	0.	0.
MICHAEL W. GLEBA 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	TREASURER/TRUSTEE 8.00	67,600.	9,800.	0.
R. DANIEL MCMICHAEL 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	SECRETARY/TRUSTEE 1.00	0.	0.	0.
ALEXIS J. KONKOL 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	ASST. SECRETARY 8.00	14,400.	3,325.	0.
W. MCCOOK MILLER, JR. 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	TRUSTEE 1.00	10,000.	0.	0.

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

ATTACHMENT 11 (CONT'D)

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
ROGER W. ROBINSON, JR. 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	ASST. TREAS./TRUSTEE 1.00	10,000.	0.	0.
	GRAND TOTALS	<u>102,000.</u>	<u>13,125.</u>	<u>0.</u>

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

ATTACHMENT 12

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
MATTHEW GROLL 301 GRANT STREET ONE OXFORD CENTRE, SUITE 3900 PITTSBURGH, PA 15219-6401	8.00	62,700.	3,894.	0.
	TOTAL COMPENSATION	<u>62,700.</u>	<u>3,894.</u>	<u>0.</u>

990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALSATTACHMENT 13

<u>NAME AND ADDRESS</u>	<u>TYPE OF SERVICE</u>	<u>COMPENSATION</u>
R. DANIEL MCMICHAEL 825 MOREWOOD AVE., APT. H-1 PITTSBURGH, PA 15213	CONSULTING	56,000.
OXFORD DEVELOPMENT CO./GRANT ST. ONE OXFORD CENTRE, 301 GRANT STREET PITTSBURGH, PA 15219-6401	FACILITY RENTAL	73,701.
	TOTAL COMPENSATION	<u>129,701.</u>

Information Regarding Grants and Loan Program

The Carthage Foundation's grant program is primarily directed toward public policy programs that address major domestic and international issues. There are no geographical restrictions. The Foundation does not make grants to individuals for any purpose or to nationally-organized fundraising groups. Proposals for the following are usually declined: event sponsorships, endowments, capital campaigns, renovations, or government 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 of the specific program for which funds are requested, and a program budget and timetable. Accompanying information should include a copy of the latest audited financial statements (or Form 990); annual report; current budget; list of officers and directors and their major affiliations; and a copy of the current determination letter from the Internal Revenue Service evidencing tax-exempt status under Sections 501 (c)(3) of the IRS Code. Additional information may be requested, if needed, for further evaluation.

The Foundation normally considers grants at quarterly meetings. 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

SCHEDULE OF GAINS (LOSSES) FOR TAX ON INVESTMENT INCOME
YEAR ENDED DECEMBER 31, 2010

(a)	(b)	(c)	(d)	(e)	(f)	(h)	(i)	(j)	(k)	(l)	(m)
Kind of Property	Description	How Acquired (P-Purchase; D-Donated)	Date Acquired	Date Sold/ Matured	Gross Sales Price Less Expense of Sale	Cost or Other Basis	Gain (loss) (f) less (h)	Fair Market Value as of December 31, 1969	Adjusted Cost Basis	Excess of (j) over (k)	Losses from Column (j) and Gains (Excess (i) over (l))
Security	Bank of America	P	03/03/06	03/30/10	\$ 77,963	\$ 395,762	\$ (317,799)	N/A	N/A	N/A	\$ (317,799)
Security	Citigroup, Inc.	P	05/24/06 05/18/07	03/30/10	39,035	497,379	(458,344)	N/A	N/A	N/A	(458,344)
Security	State Street Corp.	P	05/18/07	03/30/10	416,860	622,764	(205,904)	N/A	N/A	N/A	(205,904)
Security	Medtronic, Inc.	P	03/03/06	08/26/10	<u>218,610</u>	<u>365,681</u>	<u>(147,071)</u>	N/A	N/A	N/A	<u>(147,071)</u>
					<u>\$ 752,468</u>	<u>\$ 1,881,586</u>	<u>\$ (1,129,118)</u>				<u>\$ (1,129,118)</u>

See accompanying independent accountants' compilation report.

The Carthage Foundation
Form 990-PF
EIN: 25-6067979
Year Ended: December 31, 2010

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) or (2).

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 YEAR ENDED DECEMBER 31, 2010**

	<u>Payable, 12/31/09</u>	<u>01/01/10 - 12/31/10</u>		<u>Payable, 12/31/10</u>
		<u>Approved</u>	<u>Paid</u>	
Allegheny Institute for Public Policy, Pittsburgh, Pennsylvania General operating support	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
Atlas Economic Research Foundation, Arlington, Virginia Prague Security Studies Institute	-	50,000	50,000	-
High Frontier, Alexandria, Virginia Program support	-	100,000	100,000	-
The Institute on Religion and Democracy, Inc., Washington, D.C. General operating support	-	100,000	100,000	-
The Maldon Institute, Baltimore, Maryland General operating support	200,000	200,000	200,000	200,000
NumbersUSA Education and Research Foundation, Arlington, Virginia Project support	-	37,500	37,500	-
	<u>\$ 315,000</u>	<u>\$ 602,500</u>	<u>\$ 602,500</u>	<u>\$ 315,000</u>

THE CARTHAGE FOUNDATION

**SCHEDULE OF INVESTMENTS
DECEMBER 31, 2010**

<u>Investments</u>	<u>Shares or Par Value</u>	<u>Cost</u>	<u>Market Value</u>
Money Market:			
FifthThird	136,658	\$ 136,658	\$ 136,658
Schwab Adv. Cash Reserve Premium	248,072	248,072	248,072
Schwab Value Advantage	731,250	<u>731,250</u>	<u>731,250</u>
Total money markets		<u>1,115,980</u>	<u>1,115,980</u>
Common stocks:			
Abbott Laboratories, Inc.	13,000	28,848	622,830
Accenture Ltd.	15,500	597,014	751,595
Altria Group Inc.	70,000	324,098	1,723,400
American Electric Power Co., Inc.	12,775	500,630	459,645
Becton Dickinson & Co.	4,750	385,938	401,470
Bristol-Myers Squibb Co.	22,000	591,362	582,560
Coca-Cola Co.	10,900	530,782	716,893
Entergy Corp.	2,800	306,693	198,324
Erie Indemnity Co.	10,000	515,361	654,700
Exelon Corporation	10,000	446,686	416,400
Exxon Mobil Corp.	28,800	86,967	2,105,856
General Dynamics Corp.	5,700	460,079	404,472
General Electric Company	41,050	1,186,850	750,805
General Mills, Inc.	20,000	500,746	711,800
Hospira	10,000	302,745	556,900
Illinois Tool Works, Inc.	7,600	379,596	405,840
International Business Machines	5,800	620,898	851,208
Kimberly-Clark Corp.	10,000	674,937	630,400
Lockheed Martin Corp.	2,200	238,989	153,802
McDonalds Corp.	7,200	301,176	552,672
McKesson Corporation	10,000	359,384	703,800
Medcohealth Solutions	10,000	393,247	612,700
Northrop Grumman Corp.	4,300	342,477	278,554
Pfizer, Inc.	29,000	487,378	507,790
Philip Morris Int'l, Inc.	90,000	1,262,400	5,267,700
Proctor & Gamble	10,000	469,080	643,300
Prudential Financial, Inc.	5,800	532,601	340,518
Raytheon Company	5,000	304,916	231,700
Teva Pharm Inds Ltd ADRF	10,000	443,409	521,300

THE CARTHAGE FOUNDATION

SCHEDULE OF INVESTMENTS
DECEMBER 31, 2010

<u>Investments</u>	<u>Shares or Par Value</u>	<u>Cost</u>	<u>Market Value</u>
3M Company	3,000	\$ 244,350	\$ 258,900
United Technologies Corp.	6,700	465,985	527,424
Wisconsin Energy Corp.	6,800	<u>307,432</u>	<u>400,248</u>
Total common stocks		<u>14,593,054</u>	<u>23,945,506</u>
Partnership:			
Kinder Morgan Energy LP	18,650	<u>893,112</u>	<u>1,310,349</u>
TOTAL INVESTMENTS		<u>\$ 16,602,146</u>	<u>\$ 26,371,835</u>