

**SARAH SCAIFE FOUNDATION**  
**Incorporated**  
**One Oxford Centre**  
**301 Grant Street, Suite 3900**  
**Pittsburgh, Pennsylvania 15219-6401**  
**412-392-2900**

**2008**

**ANNUAL REPORT**

The Sarah Scaife 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 meets in February, May, September, and November to consider grants. However, requests may be submitted at any time and will be acted upon as expeditiously as possible.

Requests should be addressed to:

Michael W. Gleba  
Executive Vice President  
Sarah Scaife Foundation  
One Oxford Centre  
301 Grant Street, Suite 3900  
Pittsburgh, PA 15219-6401

**SARAH SCAIFE FOUNDATION**  
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**Grants Paid in 2008**

Acton Institute for the Study of Religion and Liberty	\$ 50,000
American Bar Association Fund for Justice and Education	65,000
American Civil Rights Institute	200,000
American Council of Trustees and Alumni	50,000
American Enterprise Institute for Public Policy Research	475,000
American Foreign Policy Council	150,000
America's Future Foundation	50,000
America's Survival, Inc.	150,000
Atlantic Legal Foundation	100,000
Atlas Economic Research Foundation	200,000
Boston University	45,000
Capital Research Center	225,000
Carnegie Mellon University	240,000
Cato Institute	50,000
Center for Equal Opportunity	75,000
Center for Immigration Studies, Inc.	150,000
Center for Media and Public Affairs	100,000
Center for Security Policy, Inc.	300,000
Center for Strategic and International Studies, Inc.	250,000
Center for the Study of the Presidency	150,000
City of McKeesport	100,000
Claremont Institute for the Study of Statesmanship and Political Philosophy	475,000
Collegiate Network, Inc.	340,000
Committee for a Constructive Tomorrow	100,000
The Commonwealth Foundation for Public Policy Alternatives	140,000
Competitive Enterprise Institute	350,000
David Horowitz Freedom Center	250,000
Environmental Literacy Council	37,500
Ethics and Public Policy Center, Inc.	75,000
The Federalist Society for Law & Public Policy Studies	250,000
Federation for American Immigration Reform	300,000
Foreign Policy Research Institute	35,000
The Foundation Endowment	37,500
Foundation for California University of Pennsylvania	125,000
Foundation for Cultural Review, Inc.	260,000
Foundation for Individual Rights in Education, Inc.	62,500
Foundation for Research on Economics and the Environment	50,000
Foundation for Teaching Economics	30,000
Foundation for the Defense of Democracies, Inc.	250,000
Free Congress Research and Education Foundation, Inc.	225,000
FreedomWorks Foundation	70,000
Galen Institute, Inc.	50,000
George C. Marshall Institute	255,000

**Sarah Scaife Foundation**  
**Grants Paid in 2008**  
**Page Two**

George Mason University Foundation, Inc.	\$ 200,000
Heritage Foundation	600,000
High Frontier	125,000
Hudson Institute, Inc.	220,000
The Human Rights Foundation	50,000
Institute for Foreign Policy Analysis, Inc.	860,000
Institute for Health Freedom	100,000
Institute for Justice	115,000
The Institute of the North	155,000
The Institute on Religion and Public Life, Inc.	100,000
Intercollegiate Studies Institute, Inc.	275,000
International Policy Network US, Inc.	75,000
Jamestown Foundation	145,000
Johns Hopkins University	187,000
Judicial Watch, Inc.	125,000
Landmark Legal Foundation	475,000
Ligonier Valley School District	7,500
The Maldon Institute	242,000
Manhattan Institute for Policy Research, Inc.	200,000
Media Research Center	325,000
Mercatus Center, Inc.	80,000
Missouri State University Foundation	150,000
Mount Vernon Ladies' Association of the Union	75,000
National Association of Scholars, Inc.	250,000
National Center for Policy Analysis	62,500
National Institute for Public Policy	260,000
National Legal and Policy Center	125,000
National Taxpayers Union Foundation	75,000
New England Legal Foundation	60,000
NumbersUSA Education and Research Foundation	50,000
Pacific Research Institute for Public Policy	75,000
Philadelphia Society	10,000
Philanthropy Roundtable	10,000
Phipps Conservatory and Botanical Gardens, Inc.	250,000
Pittsburgh History and Landmarks Foundation	250,000
Princeton University	75,000
Reason Foundation	125,000
Saint Vincent College	35,000
Social Philosophy and Policy Foundation	625,000
Southeastern Legal Foundation, Inc.	37,500
Stanford University, Hoover Institution on War, Revolution and Peace	375,000
Statistical Assessment Service	100,000
StudentNewsDaily.com, Inc.	15,000

**Sarah Scaife Foundation**  
**Grants Paid in 2008**  
**Page Three**

Tax Foundation	\$ 100,000
Tufts University	250,000
The University of Chicago	200,000
University of Kentucky	500,000
University of Virginia Law School Foundation	350,000
World Affairs Council of Pittsburgh	<u>75,000</u>
<b>Total Grants Paid in 2008</b>	<b><u>\$16,169,000</u></b>

**SARAH SCAIFE FOUNDATION**  
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OFFICERS

Richard M. Scaife	-	Chairman
Michael W. Gleba	-	Executive Vice President
Barbara L. Slaney	-	Vice President and Treasurer
R. Daniel McMichael	-	Secretary
Yvonne Marie Bly	-	Assistant Treasurer

ADDRESS

One Oxford Centre  
301 Grant Street, Suite 3900  
Pittsburgh, PA 15219-6401

STATEMENTS OF INVESTMENTS - December 31, 2008

	<u>Book Value</u>	<u>Market Value</u>
Common Stocks	\$ 132,517,147	\$ 160,410,878
Corporate Bonds	2,030,536	2,066,817
Government Securities	40,357,572	41,961,139
Money Market	14,126,345	14,126,345
Mutual Funds	3,876,230	5,514,880
Other Investments	5,335,190	5,661,791
	<hr/>	<hr/>
	<u>\$ 198,243,020</u>	<u>\$ 229,741,850</u>

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

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

For calendar year **2008**, or tax year beginning **2008**, and ending **20**

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.

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

A Employer identification number  
**25-1113452**  
B Telephone number (see page 10 of the instructions)  
**(412) 392-2900**  
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

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) **\$ 229,797,663.**  
J Accounting method:  Cash  Accrual  
 Other (specify) \_\_\_\_\_  
(Part I, column (d) must be on cash basis.)

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).)		(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) . . . . .				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B. . . . .				
	3 Interest on savings and temporary cash investments . . . . .				
	4 Dividends and interest from securities . . . . .	8,147,056.	8,147,056.		STMT 1
	5a Gross rents . . . . .				
	b Net rental income or (loss) . . . . .				
	6a Net gain or (loss) from sale of assets not on line 10 . . . . .	-1,575,419.			
	b Gross sales price for all assets on line 6a . . . . .	65,676,024.			
	7 Capital gain net income (from Part IV, line 2) . . . . .	STMT 24			
	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) . . . . .	-168,355.	-168,355.	NONE	STMT 2	
12 Total. Add lines 1 through 11 . . . . .	6,403,282.	7,978,701.	NONE		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc. . . . .	612,467.	99,836.	NONE	512,631.
	14 Other employee salaries and wages . . . . .	374,551.	18,304.	NONE	356,247.
	15 Pension plans, employee benefits . . . . .	296,068.	30,791.	NONE	265,277.
	16a Legal fees (attach schedule) . . . . .	2,851.	NONE	NONE	2,851.
	b Accounting fees (attach schedule) . . . . .	59,948.	29,974.	NONE	29,974.
	c Other professional fees (attach schedule) . . . . .	509,541.	253,541.	NONE	256,000.
	17 Interest . . . . .				
	18 Taxes (attach schedule) (see page 14 of the instructions) * . . . .	173,902.	5,712.	NONE	49,190.
	19 Depreciation (attach schedule) and depletion . . . . .	2,284.	NONE	NONE	
	20 Occupancy . . . . .	218,790.	22,754.	NONE	196,036.
	21 Travel, conferences, and meetings . . . . .	40,928.	NONE	NONE	40,928.
	22 Printing and publications . . . . .				
	23 Other expenses (attach schedule) . . . . .	109,706.	5,207.	NONE	104,499.
	24 Total operating and administrative expenses. Add lines 13 through 23 . . . . .	2,401,036.	466,119.	NONE	1,813,633.
	25 Contributions, gifts, grants paid . . . . .	20,909,000.			16,169,000.
26 Total expenses and disbursements. Add lines 24 and 25 . . . . .	23,310,036.	466,119.	NONE	17,982,633.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements . . . . .	-16,906,754.				
b Net investment income (if negative, enter -0-) . . . . .		7,512,582.			
c Adjusted net income (if negative, enter -0-) . . . . .			NONE		

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	32,748.	46,680.	46,680.
	2 Savings and temporary cash investments	8,759,048.	14,126,345.	14,126,345.
	3 Accounts receivable	NONE		
	Less: allowance for doubtful accounts	NONE		
	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 9 6,840.	6,985.	6,985.
	10 a Investments - U.S. and state government obligations (attach schedule)*	50,470,075.	40,357,572.	41,961,139.
	b Investments - corporate stock (attach schedule)	STMT 11 141,184,334.	132,517,147.	160,410,878.
	c Investments - corporate bonds (attach schedule)	STMT 12 3,962,966.	2,030,536.	2,066,817.
	11 Investments - land, buildings, and equipment: basis			
Less: accumulated depreciation (attach schedule)				
12 Investments - mortgage loans				
13 Investments - other (attach schedule)	STMT 13 6,045,144.	9,211,420.	11,176,671.	
14 Land, buildings, and equipment: basis	STMT 19 825,051.			
Less: accumulated depreciation (attach schedule)	822,903.	4,432.	2,148.	
15 Other assets (describe)				
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	210,465,587.	198,298,833.	229,797,663.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable	4,442,000.	9,182,000.	
	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)	4,442,000.	9,182,000.		
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	206,023,587.	189,116,833.	
	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)	206,023,587.	189,116,833.		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	210,465,587.	198,298,833.		

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	206,023,587.
2 Enter amount from Part I, line 27a	2	-16,906,754.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	189,116,833.
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	189,116,833.

