

Richard King Mellon Foundation  
2010 Annual Report

## Richard King Mellon, 1899–1970



Richard King Mellon was born in Pittsburgh, Pennsylvania, on June 19, 1899, the son of Richard Beatty Mellon and Jennie King Mellon. Mr. Mellon served his country in both World Wars and in peacetime, attaining the rank of Lieutenant General, United States Army Reserve, and receiving the Distinguished Service Medal.

Mr. Mellon was the dominant figure in the financial, industrial, and civic life of his community for many years. He was President of Mellon National Bank and for twenty years Chairman of the Board of Mellon National

Bank and Trust Company; as a director, he aided the growth of many of the nation's leading enterprises, particularly Gulf Oil Corporation and Aluminum Company of America. Mr. Mellon, President and Governor of T. Mellon and Sons, inspired and led the rebirth of a great American city. His creative energies forged the Pittsburgh Renaissance, a nationally recognized architectural, civic, social, and educational venture.

In 1936 Mr. Mellon married the former Constance Mary Prosser, who served as Chairman of the Board of Trustees of the Richard King Mellon Foundation from its inception in 1947 until her death in 1980.

A renowned sportsman, Mr. Mellon generously endeavored to preserve the quality of the natural environment and to protect its wildlife.

Mr. Mellon died on June 3, 1970.

## Chairman's Letter

The Trustees of the Richard King Mellon Foundation in 2010 approved 216 grants totaling \$87,556,842 and paid out grants in the amount of \$87,871,252. These gifts reflect our commitment to strengthening southwestern Pennsylvania's vitality and economic competitiveness and to safeguarding natural resources and land in western Pennsylvania.

### Regional Economic Development

Although the strength of Pittsburgh's higher education and health care sectors enabled our economy to rank among the ten strongest-performing metropolitan areas throughout the recent recession, expansion must continue in other fields. Gifts totaling \$26,765,779 for 88 grants reflect the Foundation's support of proven strategies and new tactics that offer opportunities for growth and diversification.

Significant philanthropic investment in technology-based economic development agencies has had a strong, positive impact on this region.



*Renewable Manufacturing Gateway is a nonprofit that assists the Pittsburgh region's clean-tech and renewable manufacturing companies in achieving their commercialization goals. One of its clients, Epiphany Solar Water Systems of New Castle, Pennsylvania, has developed a solar-powered water-purification technology.*

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Companies in which these agencies invest provide 2,000 full-time jobs and generate \$272 million in revenues, and 97 percent are headquartered in Pennsylvania. Grants to the **Pittsburgh Life Sciences Greenhouse** (\$2 million), **Innovation Works, Inc.**, (\$2.4 million), and the **Idea Foundry** (\$400,000) continued the Foundation's support of such productivity.

Through its educational, research, manufacturing, and natural resource development sectors, Greater Pittsburgh is uniquely positioned to capture an important share of the emerging new paradigm for the energy economy. Part of the grant to Innovation Works, Inc., for example, includes the establishment of an energy center, which will help facilitate the



*The City of Pittsburgh, Department of City Planning's comprehensive planning process will establish new urban design standards and procedures to improve the efficiency of real estate development project review.*

commercialization of research from the United States Department of Energy's National Energy Technology Laboratory. **Carnegie Mellon University** received \$600,000 toward a multidisciplinary program designed to make the nation's electrical power grid more reliable, less costly, and less reliant on fossil fuels. A \$500,000 gift to **Renewable Manufacturing Gateway** will support efforts to attract capital and talent and to launch renewable energy and energy conservation businesses for the Pittsburgh region.

Further opportunities for economic expansion include the multimedia news and entertainment production industry. **WQED Pittsburgh**, the nation's first public television station, received \$1.8 million for local programming and the establishment of a digital media incubation center that will help attract and retain local media producers, and a \$10,000 grant to **The Pittsburgh Foundation** will help explore options for the restructuring of public radio station WDUQ.

The quality of living in Pittsburgh's neighborhoods is a key indicator of the region's vitality. To promote the integration of sustainable-development principles throughout the city, the Trustees approved a grant of \$100,000 to the **City of Pittsburgh, Department of City Planning** for comprehensive master planning. A program-related investment of \$1.5 million to **Bridgeway Capital** will provide loans to nonprofits offering neighborhood-based services such as day care and meals on wheels; and **Garfield Jubilee Association, Inc.**, which provides community and housing support services to the Pittsburgh neighborhood of Garfield, received \$125,000.

Southwestern Pennsylvania is enjoying the economic benefits of expanding cultural and recreational tourism. To help sustain this momentum, the Foundation provided a total of \$5.6 million to such attractions as the **Children's Museum of Pittsburgh** (\$250,000), the **Pittsburgh Glass Center, Inc.**, (\$150,000), the



*Carnegie Mellon University students test solar arrays on the Lunar X-Prize rover at Robot City.*

**Westmoreland Cultural Trust** (\$500,000), and **Fort Ligonier Association** (\$150,000). A grant of \$2.1 million to **The Progress Fund** will encourage local business development in towns adjacent to the Great Allegheny Passage, a 150-mile hiking and cycling trail connecting Pittsburgh to Cumberland, Maryland.

## Education

Understanding the crucial importance of education for a prepared workforce in an increasingly competitive global economy, the Foundation contributed \$15,877,000 to 20 institutions and initiatives. Much of this funding — \$10 million — supported capital and endowment projects for universities and colleges that, in addition to their academic missions, serve as economic generators for their communities.

A world-class region also is measured by its ability to offer high-quality private, parochial, and public primary and secondary education. Grants in 2010 included \$217,000 to **Valley School of Ligonier**, \$4 million to the **Diocese of Greensburg** for improvements to school facilities, and \$350,000 to **A+ Schools: Pittsburgh's Community Alliance for Public Education** for school-readiness initiatives. To help build knowledge of American history, the Trustees approved a \$300,000 gift to the **World War II Veterans of Allegheny County Memorial Fund** for a monument that will be located along Pittsburgh's North Shore.



*Agency officials execute the documents formalizing the 2010 merger of the United Way of South Fayette into the United Way of Westmoreland County, which came about in order to sustain and strengthen the services provided by each.*

## Human Services

Although the economy began to show signs of recovery in 2010, human services agencies continued to experience an increased demand for services and a reduction in public sector funding. Accordingly, the Foundation made 70 grants, allocating \$20,920,201 — 24 percent of its grant resources, an increase from a 15 percent share in 2007 — to human services agencies that provide fundamental care such as food, shelter, and medicine to the region's underserved and disadvantaged populations. Among these gifts were



\$300,000 to **County of Allegheny, Department of Human Services** for a single-unit housing facility, \$1.3 million to the **United Way of Westmoreland County**, and \$2 million to the **Young Men's Christian Association of Pittsburgh** to build a full-service Y in the Hill District. Contributions to enhance health care included \$295,000 to the **Center for Emergency Medicine of Western Pennsylvania, Inc.**, and \$500,000 to **East Liberty Family Health Care Center, Inc.** Also, **Friends of Hôpital Albert Schweitzer Haiti** received \$500,000 to assist the victims of Haiti's January 12, 2010, earthquake.

Grants to holistic, community-based programs included \$1.5 million to **Homewood Children's Village** to address school readiness and \$2 million to **Goodwill of Southwestern Pennsylvania** for career skill-building.

The Foundation continued to encourage initiatives designed to improve the sustainability and delivery of human services programs. **KidsVoice** received \$1,386,000 to help expand its national software licensing program. **Pennsylvania Partnerships for Children** received \$200,000 toward creating systematic approaches to career training aligned with job market opportunities.

### Conservation

With 38 gifts amounting to \$23,993,862 in 2010, the Foundation invested in the protection of land, the improvement of water quality, and the preservation of natural habitat and wildlife. **The Conservation Fund**, marking its twenty-fifth anniversary, received \$8,250,000, including \$4.1 million for property acquisition in Elk, McKean, and Potter Counties for

the Pennsylvania Wilds. The need to preserve both water quality and Pennsylvania's agriculture is reflected in the Foundation's ongoing support of sustainable farming and forestry efforts. **The Chesapeake Bay Foundation, Inc.**, will use \$750,000 to expand the adoption of sustainable-farming practices that will reduce stream pollution from runoff. The **Western Pennsylvania Conservancy** received \$700,000 in support of its land and watershed programs and \$254,000 toward agricultural easements. A gift of \$350,000 to the **Foundation for Pennsylvania Watersheds** will strengthen scientific approaches to watershed restoration and management.

### Transitions

My fellow Trustees and I express our gratitude to Mike Watson who retired in June of 2010 after more than 20 years with the Foundation, serving as Program Officer, Director, Senior Vice President, and Trustee. Under his guidance, the Foundation made many important contributions to conservation, economic and cultural development, the growth of the region's medical research and information technology, and the consolidation of redundant nonprofit programs and services. The protection of several hundred thousand acres of Montana's Rocky Mountain Front; the support of sustainable forestry and land management practices that have enabled bald eagle, ruffed grouse, and elk populations to proliferate in Pennsylvania; the development of the Pittsburgh Cultural District; the creation of the Human Services Integration Fund, which has helped Allegheny County implement several nationally recognized human services programs, all took place during his eventful and deeply appreciated tenure.



*Mike Watson has served the Foundation for more than 20 years as Program Officer, Director, Senior Vice President, and Trustee.*

New Trustees elected in June 2010 are Scott D. Izzo, Director of the Foundation, and John J. Turcik, Controller. As we welcome these new Trustees, we look forward to working with them and to partnering with many dynamic institutions to improve the quality of life for our fellow citizens.

Seward Prosser Mellon  
Chairman



*One of The Conservation Fund's most significant achievements in its 25-year history has been its purchase of the Kane and Two Mile ranches in Arizona's Grand Canyon in 2005.*



## The Energy Economy

The Pittsburgh region has a number of academic and industry strengths that enable it to respond to the need for more reliable, cleaner, and renewable sources of energy and efficient energy consumption in buildings and transportation. With significant involvement across seven major energy sectors including coal, natural gas, nuclear, solar and wind technologies, energy transmission and distribution components, and intelligent building systems, Pittsburgh's research and educational institutions and economic development agencies are seizing ways to strengthen the region's role in the global energy economy.

Legislation enacted by more than half of the United States soon will require renewable energy, like wind and solar, to provide between 10 and 33 percent of electric power generation. **Carnegie Mellon University's** RenewElec program brings together the university's leadership in economics, engineering, and public policy to educate national policy makers and industry on ways to accommodate increases in renewable sources of energy to produce electricity, while at the same time ensuring a reliable, secure electric grid. When entrepreneurs and companies formulating alternative energy and clean-energy technologies need to get their products to market,

**Renewable Manufacturing Gateway (RMG)** helps them structure partnerships and access capital that will generate new jobs for the region.

**The Allegheny Conference on Community Development (ACCD)** is promoting the opportunities afforded by local energy industry sectors through the launch of a public awareness campaign and through a career awareness program, initiated in partnership with the Pittsburgh Penguins for college students. **Innovation Works (IW)**, one of the region's very successful technology-based economic development

**MG22D**  
Diesel Fuel Treatment



*RMG facilitates capitalization by helping companies such as PT Brands, LLC, with financial and market competitiveness analyses.*

agencies, is partnering with the United States Department of Energy's National Energy Technology Laboratory (NETL) to help NETL commercialize its coal, natural gas, and oil technologies, creating the potential to spin out new products and companies.



*With support from IW, newly formed Pyrochem Catalyst Corporation has executed an exclusive licensing agreement for two NETL-developed technologies related to pyrochlore-type catalysts, formulated to make the use of hydrogen-powered fuel cells more efficient and economical. Above are NETL scientists and Pyrochem inventors David Berry, Ph.D., (left) and Dushyant Shekhawat, Ph.D., (right).*



*Shown above is Carnegie Mellon University RenewElec professor Jay Whitacre, Ph.D., (far right) with four employees of the company he founded, Aquion Energy, Inc. Aquion, a portfolio company of IW, manufactures the kind of utility-scale batteries that will be needed to reliably increase the amount of electrical power generated from renewable sources.*



*The ACCD has embarked on a program to familiarize regional college students with the many different kinds of career opportunities that are available in our region, such as those in several energy-related fields like natural gas production.*



## Leveraging Regional Strengths

Investing in expanding sectors such as the life sciences, supporting neighborhood-based enterprises, and jump-starting artistic ventures all bolster employment and economic diversification.

**The Pittsburgh Life Sciences Greenhouse (PLSG)**, founded in 2002 by the Commonwealth and Pittsburgh's research universities and foundations, provides business assistance to and invests in nascent medical-related companies and also helps entrepreneurs attract venture capital and federal

research dollars. To date, PLSG's investments of \$16.4 million in 61 companies have leveraged over \$600 million in additional capital, attracted 15 life sciences companies to the region, and accelerated the number of life sciences companies created each year from 1–2 to 15–20.

**Bridgeway Capital**, a nonprofit lending institution, creates opportunities in underserved communities by providing loans for projects that otherwise might not meet commercial lending standards. Bridgeway's



This rendering depicts Café 524 that will be located in a former post office along North Homewood Avenue and will serve as a catalyst for other local development.



Bridgeway Capital has assisted many organizations along the Hill District's commercial corridor.



PLSG has invested \$310,000 in Flexicath, Inc., a United States subsidiary of an Israeli company that makes sterile catheter insertion systems targeted to address catheter-related bloodstream infection issues — the most prevalent cause of hospital-acquired infections.

nonprofit clients provide a variety of services — health care, welfare, education, banking, and economic development — in Pittsburgh neighborhoods such as the Hill District and East Liberty and towns such as Wilkinsburg. To encourage reinvestment in one of Pittsburgh's most challenged neighborhoods, Homewood, **Carnegie Mellon University's** School of Architecture and the **Urban Redevelopment Authority of Pittsburgh** are building a two-story, mixed-use venue that will house a café, business incubator, and community meeting space.

With the goal of attracting new and retaining existing film production and artistic talent, **WQED Pittsburgh** is making available its state-of-the-art technology and studio space and has created a fund to support a multimedia production incubation center.



WQED Pittsburgh has three studios with high-definition cameras and equipment, state-of-the-art editing suites, audio suites, a control room, and a green room that will be made available for the multimedia production incubation initiative.



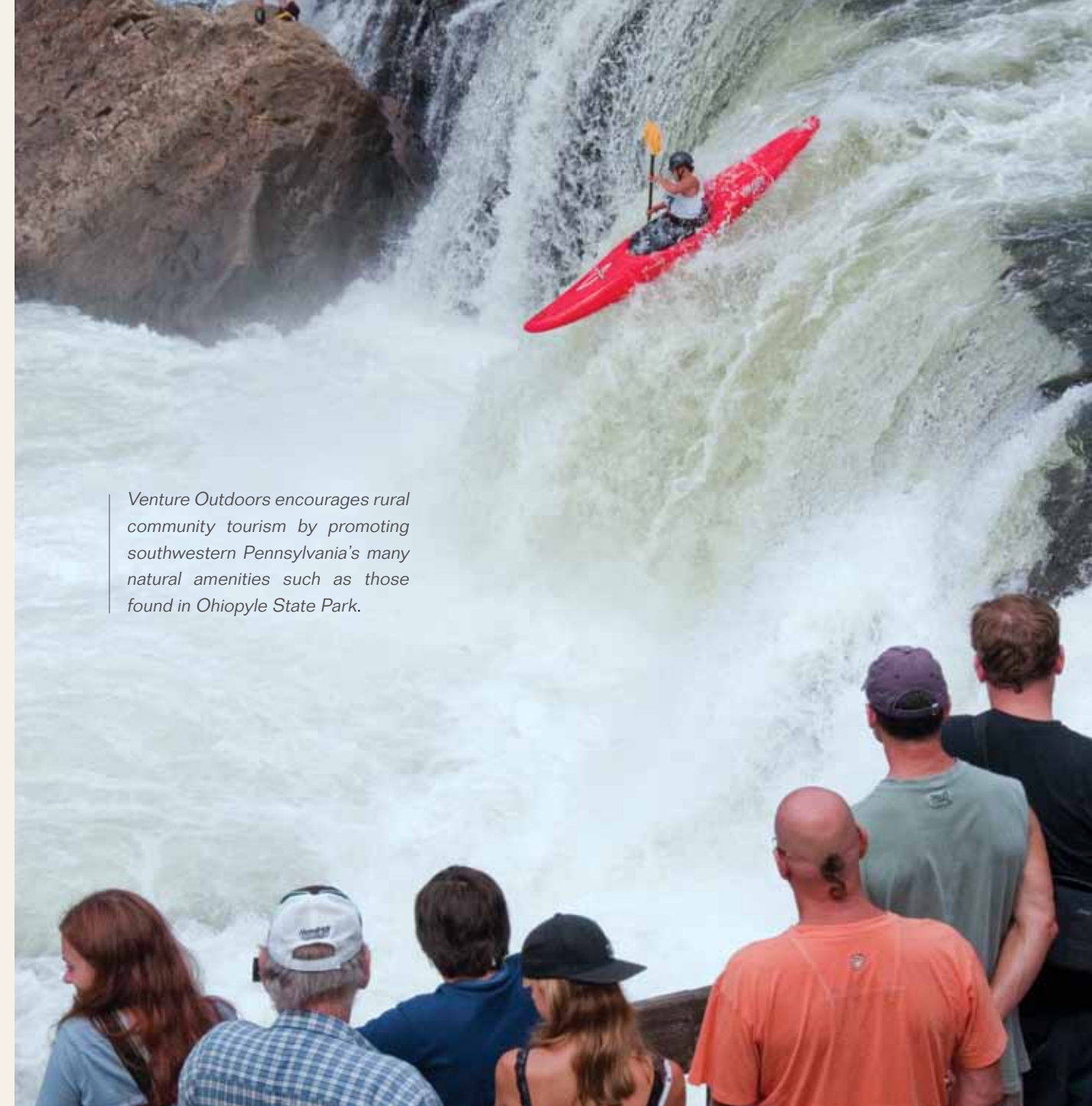
## Rural Community Revitalization

The quality of life in Greater Pittsburgh's satellite communities is integral to the region's health and competitiveness. Located 70 miles east of Pittsburgh in Johnstown, the **Community Foundation for the Alleghenies (CFA)** serves Cambria, Bedford, and Somerset Counties by supporting initiatives to enhance economic development, education, the environment, civic affairs, and health and human services. While the Richard King Mellon Foundation directly supports organizations in Greater Johnstown, CFA and the Foundation have established a pilot program whereby CFA will review and recommend projects to be supported with a Foundation block grant. One example of a project that aligns with these priorities is Lift Johnstown, an effort to meld three separate community plans and create a comprehensive strategy to encourage sustainable economic development and promote tourism.

Recreational tourism has grown substantially in the twenty-first century, thanks to public-private partnership investments in initiatives such as the creation of the 150-mile-long Great Allegheny Passage trail and the treatment of acid mine drainage and restoration of stream banks, which improve the health of cold water fisheries. Among the organizations helping small businesses capitalize on this growth, attract tourism revenues, and increase employment opportunities are **Venture Outdoors** and **The Progress Fund**. Venture Outdoors draws visitors to the towns along the trail by organizing a variety of sporting activities and promoting the region's recreational assets. The Progress Fund provides loans for building and façade improvements, signage, and marketing in rural communities such as Rockwood and Confluence in Somerset County, Pennsylvania.



*In Rockwood, adjacent to the Rockwood Trail Bed & Breakfast, The Progress Fund is making safety and signage improvements to the Great Allegheny Passage trailhead, including building a sidewalk that will provide safer travel into the town's center.*



*Venture Outdoors encourages rural community tourism by promoting southwestern Pennsylvania's many natural amenities such as those found in Ohiopyle State Park.*



*The 240-square-foot Central Park is situated in the center of Johnstown, Pennsylvania.*

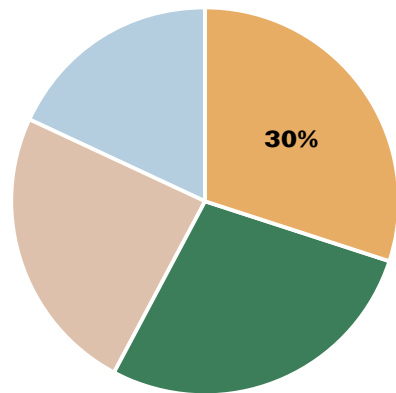


## Regional Economic Development Grant Summary

**Grants approved** **\$26,765,779**

**Number of grants** **88**

**Percent of grants approved**



### 3 Rivers Connect

Pittsburgh, PA  
\$230,000: \$200,000 toward support of the PittsburghTODAY and Enterprise Journalism initiatives of The Regional Indicator Program and \$30,000 for completion of the Homewood Community Insight Project

### Allegheny Conference on Community Development

Pittsburgh, PA  
\$425,000 toward support of operations  
\$50,000 toward a program undertaken with the Pittsburgh Penguins to apprise students of career opportunities and to launch a public awareness campaign about Pittsburgh's expanding energy sectors

### Allegheny-Singer Research Institute

Pittsburgh, PA  
\$160,000 to conduct a phase 2 evaluation of a bioremediation process for the cleaning of fluids associated with the fracturing process for natural gas development

### Asian-American Film Festival of Pittsburgh

Pittsburgh, PA  
\$50,000 toward the 2010 film festival to be held May 7th–16th

### Battelle Memorial Institute

Columbus, OH  
\$50,000 toward an assessment of Pittsburgh's potential in alternative energy generation manufacturing arenas

### Bridgeway Capital (PRI redeployment)

Pittsburgh, PA  
\$1,500,000 toward a loan program to meet the needs of nonprofit organizations

### Carnegie Mellon University

Pittsburgh, PA  
\$600,000 to facilitate the large-scale adoption of variable and intermittent sources of renewable electricity and position our region as a leader in research and technology

\$6,000 toward the Mayors' Institute on City Design symposium at the Remaking Cities Institute at Carnegie Mellon University to be held February 10th–12th



Audience members of City of Asylum Pittsburgh's Writers in the Garden event visit Randyland, a privately owned home and garden on Pittsburgh's North Side.

### Garfield Jubilee Association, Inc.

Pittsburgh, PA  
\$125,000 toward financial management, capacity building, and operations

### Grantmakers for Effective Organizations

Washington, DC  
\$9,200 toward 2010 membership dues

### Grantmakers of Western Pennsylvania

Pittsburgh, PA  
\$20,000 toward 2010 membership dues

### Green Building Alliance

Pittsburgh, PA  
\$700,000 toward two-year support of operations, the development of a LEED-ND-certified project in Larimer, the Green Building Products Initiative, and technical assistance program

### Grow Pittsburgh

Pittsburgh, PA  
\$75,000 toward operations and the Braddock Farms project

### Hill House Association

Pittsburgh, PA  
\$100,000 to support the Ujamaa Collective, an initiative in the Hill District for African-American women entrepreneurs

### Historical Society of Western Pennsylvania

Pittsburgh, PA  
\$85,000 to increase visibility and promote the Fort Pitt Museum

\$500,000 toward support of the archives of the Historical Society of Western Pennsylvania

### Idea Foundry

Pittsburgh, PA  
\$400,000 toward support of operations

### Innovation Works, Inc.

Pittsburgh, PA  
\$2,400,000 toward support of operations, Alpha Lab, and two-year support of the Energy Innovation Center

### Children's Museum of Pittsburgh

Pittsburgh, PA  
\$250,000 toward support of operations

### City of Asylum Pittsburgh

Pittsburgh, PA  
\$750,000 toward two-year support of the conversion of a central North Side nuisance bar into a literary center

### City of Pittsburgh, Department of City Planning

Pittsburgh, PA  
\$100,000 toward development of a comprehensive plan

### Cleveland Development Foundation

Cleveland, OH  
\$30,000 to develop and facilitate partnership and funding opportunities to support the Cleveland-to-Pittsburgh Tech-Belt initiative

### Community Design Center of Pittsburgh, Inc.

Pittsburgh, PA  
\$400,000 toward two-year support of operations and to develop a civic agenda on the City of Pittsburgh's comprehensive planning process

### Community Foundation of Greater Johnstown d/b/a Community Foundation for the Alleghenies

Johnstown, PA  
\$450,000 toward a program to assist the Richard King Mellon Foundation with grant making in the Johnstown area and to engage citizens in an effort to integrate and implement three community plans

### The Community Foundation of Westmoreland County

Greensburg, PA  
\$400,000 to finalize the merger process with The Pittsburgh Foundation and for grant-making support

### Community Theater Project Corporation

Pittsburgh, PA  
\$225,000 toward support of operations

### County of Allegheny

Pittsburgh, PA  
\$22,500 to develop a plan for sustainable redevelopment of the South Park fairgrounds

### Fort Ligonier Association

Ligonier, PA  
\$150,000 to acquire historically significant paintings for the Fort Ligonier Museum

### Foundation to Advance Public Health through Certification

Pittsburgh, PA  
\$100,000 toward two-year support for strengthening Pittsburgh's role in administering national public health standards

### Frick Art & Historical Center

Pittsburgh, PA  
\$10,000 toward support of Artists' Day at the Frick

\$75,000 toward support of operations and to build capacity within the fund-raising program

### Fund for Advancement of Minorities Through Education

Pittsburgh, PA  
\$2,500 toward costs associated with the African-American Nonprofit Leadership Conversation series

One aspect of the Pittsburgh Entertainment Project's mission is to engage filmmakers to create projects with Pittsburgh-inspired content such as The Shot Felt Round The World: The Untold Pittsburgh Polio Story, which was undertaken in partnership with WQED Pittsburgh, 1905 Productions, and the University of Pittsburgh and premiered at the university on April 14, 2010.





**Johnstown Area Heritage Association**

Johnstown, PA  
\$525,000 to renovate the Johnstown Flood Museum, purchase fund-raising software, and two-year support of operations

**Latrobe Presbyterian Church**

Latrobe, PA  
\$150,000 toward the Unity Cemetery archaeological project, the restoration of eighteenth-century headstones, and endowment

**Laurel Arts**

Somerset, PA  
\$150,000 toward expansion of the Laurel Arts Education and Dance Center, the Laurel Arts Endowment, and to create a general operating reserve fund

**Leadership Pittsburgh**

Pittsburgh, PA  
\$150,000 toward two-year support of operations

**Lincoln Highway Heritage Corridor**

Ligonier, PA  
\$500,000 to acquire the Johnson House as a location for the Lincoln Highway Experience

**Looking Glass Institute**

Pittsburgh, PA  
\$50,000 to provide technical assistance to community groups in Homewood working to promote economic revitalization through a concerted effort with the Homewood Children's Village and Café 524

**Manchester Citizens Corporation**

Pittsburgh, PA  
\$250,000 toward support of the Manchester Community Revitalization Plan

**The Mattress Factory, Ltd.**

Pittsburgh, PA  
\$250,000 toward support of operations and to purchase and install a security system

**Mid-Atlantic Arts Foundation, Inc.**

Baltimore, MD  
\$10,000 toward costs associated with the opening reception for Pennsylvania Performing Arts on Tour to be held in Pittsburgh on September 29th

**The Mountain Playhouse, Inc.**

Jennerstown, PA  
\$80,000 toward support of the 2010 theater season

**New Hope for Neighborhood Renewal, Inc.**

Pittsburgh, PA  
\$69,000 toward two-year support of operations and energy conservation efforts for the Café 'n Creamery, a social enterprise in the Marshall-Shadeland community of the North Side

**Northside Leadership Conference**

Pittsburgh, PA  
\$20,000 to develop a fund-raising and development plan for the Allegheny Commons initiative

**Pittsburgh Arts & Lectures**

Pittsburgh, PA  
\$5,000 toward support of author Kadir Nelson's appearance at the August Wilson Center

**Pittsburgh Ballet Theatre, Inc.**

Pittsburgh, PA  
\$500,000 toward support of operations and school expansion

**Pittsburgh Central Keystone Innovation Zone**

Pittsburgh, PA  
\$25,000 toward support of 2009–2010 activities

**Pittsburgh Downtown Partnership**

Pittsburgh, PA  
\$7,500 toward costs associated with the International Downtown Association's assessment of parking in Downtown Pittsburgh

**Pittsburgh Entertainment Project**

Pittsburgh, PA  
\$25,000 toward strategic planning and marketing of a documentary film, *My Tale of Two Cities*

\$250,000 to create a vibrant and sustainable film and digital media sector in Pittsburgh

**Pittsburgh Filmmakers**

Pittsburgh, PA  
\$200,000 toward two-year support of operations

**The Pittsburgh Foundation**

Pittsburgh, PA  
\$10,000 to study the restructuring of WDUQ as part of a larger effort around journalism and community engagement

**Pittsburgh Glass Center, Inc.**

Pittsburgh, PA  
\$150,000 toward support of operations

**Pittsburgh Life Sciences Greenhouse**

Pittsburgh, PA  
\$2,000,000 toward support of operations

**Pittsburgh Opera, Inc.**

Pittsburgh, PA  
\$500,000 toward support of operations

**Pittsburgh Partnership for Neighborhood Development**

Pittsburgh, PA  
\$120,000 to provide real estate and financial technical assistance to neighborhood development organizations

**The Pittsburgh Public Theater Corporation**

Pittsburgh, PA  
\$300,000: \$150,000 toward operations and \$150,000 toward capital improvements



*The Pittsburgh Public Theater generates annual attendance of 80,000 for its eight productions at the O'Reilly Theater in Downtown. Shown here are Craig Baldwin and Tami Dixon in Metamorphoses.*

**Pittsburgh Symphony, Inc.**

Pittsburgh, PA  
\$500,000 toward support of operations

**The Pittsburgh Trust for Cultural Resources**

Pittsburgh, PA  
\$100,000 toward support of Pittsburgh's First Night and the International Children's Theater and Three Rivers Arts Festivals

\$1,680,000 toward capital projects

**The Poise Foundation**

Pittsburgh, PA  
\$150,000 to create opportunities and remove barriers to new business development

\$250,000 toward two-year support to promote business growth and to encourage investment in low- and moderate-income communities



*Fort Ligonier Association recently acquired a rare group of five paintings depicting significant sites of the French and Indian War. Shown above is a painting of the Blockhouse at Fort Pitt by Russell Smith, dated 1832.*

**Pro Musicis Foundation**

New York, NY  
\$20,000 toward production of a documentary on Pittsburgh native, concert pianist Byron Janis

**Program to Aid Citizen Enterprise**

Pittsburgh, PA  
\$55,000 to explore and define the concept of equitable funding for Greater Pittsburgh and to provide funding to develop and implement plans for up to ten organizations

**The Progress Fund**

Greensburg, PA  
\$2,100,000 to support the small business lending program and spur investment along the Great Allegheny Passage

**Renewable Manufacturing Gateway**

Pittsburgh, PA  
\$500,000 toward support of operations

**Renewed Promise Thoroughbred Rescue, Inc.**

Ligonier, PA  
\$25,000 toward a feasibility study

**Research Triangle Institute**

Research Triangle Park, NC  
\$130,000 toward phase 1 of an evaluation of Pittsburgh's economic development organizations

\$11,200 toward phase 2 of an evaluation of Pittsburgh's economic development organizations

**Riverlife**

Pittsburgh, PA  
\$22,500 to conduct a review of Pittsburgh's zoning and signage codes in partnership with the Department of City Planning

**Smart Growth Partnership of Westmoreland County, Inc.**

Greensburg, PA  
\$185,000 for two-year support to enable communities to enhance their quality of life and long-term sustainability

**The Society for Art in Crafts d/b/a Society for Contemporary Craft**

Pittsburgh, PA  
\$200,000 toward two-year support of a marketing plan and operating reserve

**The Sprout Fund**

Pittsburgh, PA  
\$300,000 toward support of operations and capacity building

**State Science and Technology Institute**

Westerville, OH  
\$50,000 to support a technology-based economic development conference to be held in Pittsburgh September 14th–16th

**University of Pittsburgh, Graduate School of Public & International Affairs**

Pittsburgh, PA  
\$50,000 to identify a sustainable central public funding source for emergency management service delivery across all 36 CONNECT municipalities

**University of Pittsburgh, School of Social Work**

Pittsburgh, PA  
\$6,379 toward an environmental scan of Pittsburgh's African-American-led nonprofit organizations

**University of Pittsburgh, Swanson School of Engineering**

Pittsburgh, PA  
\$100,000 toward support for a consulting firm to recommend ways to strengthen the school's Center for Energy

**Urban Redevelopment Authority of Pittsburgh\***

Pittsburgh, PA  
\$400,000 toward construction of Café 524 that will house a café and business incubator in Homewood

**Valley Players of Ligonier**

Ligonier, PA  
\$54,000 toward repairs to the roof of the historic Ligonier Theater

**Venture Outdoors**

Pittsburgh, PA  
\$200,000 toward support of programs and operations

**Westmoreland County Airport Authority**

Latrobe, PA  
\$130,000 toward purchase of a municipal tractor and associated attachments for snow removal at the Arnold Palmer Regional Airport

**Westmoreland Cultural Trust**

Greensburg, PA  
\$500,000 toward repairs to the Palace Theatre in Greensburg

**Westmoreland Museum of Art d/b/a Westmoreland Museum of American Art**

Greensburg, PA  
\$25,000 toward a design competition for an addition to the museum and development of a business plan

**World Affairs Council of Pittsburgh**

Pittsburgh, PA  
\$75,000 toward support of a young professionals' forum

**WQED Pittsburgh**

Pittsburgh, PA  
\$450,000 toward support of local programming and capacity building

\$1,350,000 toward three-year support of a multimedia production incubation fund

\*Grant was awarded originally to Carnegie Mellon University and subsequently was granted to the Urban Redevelopment Authority of Pittsburgh.



## Keeping Schools Competitive

Universities and colleges in western Pennsylvania not only are the crucible for educating minds and developing workforce skills but also are a stable source of economic activity for their communities. Enhancements to academic programs as well as to facilities contribute to local economies and provide distinct advantages to these schools, now facing a diminishing state population pool and competing for a larger proportion of out-of-state students.

**Point Park University** has been a significant contributor to the vitality and growth of Downtown Pittsburgh. A gift of \$4 million will help Point Park convert the former Downtown YMCA building into a student and convocation center, especially welcome to the one-fourth of the school's 4,000 students who live Downtown.

**Robert Morris University** will apply a grant of \$5 million toward the construction of a new business school and endowment of the Bayer Center for Nonprofit Management. Of the 5,000 students at Robert Morris, 75 percent are from Pennsylvania and the balance from around the United States and several foreign countries. With a 92 percent job placement rate, the university offers 60 undergraduate and 20 master- and doctoral-degree programs that particularly serve the needs of regional companies.

Founded in 1815, **Allegheny College** ranks as the seventh largest employer in Meadville, Pennsylvania. The school draws 55 percent of its student body of over 2,000 from Pennsylvania and 45 percent from out of state. A gift of \$1 million will help renovate Carr Hall for environmental science and physics education.



*Robert Morris University, named after the financier of the American Revolution, is comprised of five nationally accredited academic schools and is located on 230 acres in Moon Township, Pennsylvania.*



*Allegheny College students, along with environmental science professor Richard Bowden, collect switchgrass samples from a field near Meadville, Pennsylvania, in order to examine the plant's potential to provide carbon offsets through the long-term storage of carbon in its roots.*

*Point Park University offers 85 undergraduate programs and 11 graduate programs through its Arts and Sciences, Business, and Communication Schools, and the Conservatory of Performing Arts.*

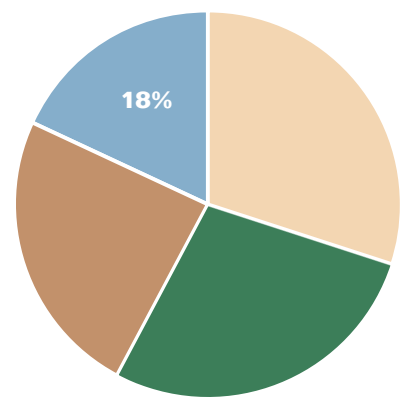


## Education Grant Summary

**Grants approved** **\$15,877,000**

**Number of grants** **20**

**Percent of grants approved**



**A+ Schools: Pittsburgh's Community Alliance for Public Education**

Pittsburgh, PA  
\$7,500 toward production of the *2010 Report to the Community* on school progress in the Pittsburgh Public Schools and city charter schools

\$350,000 toward two-year support of operations and programs to inform and engage families, youth, and the community on educational excellence and equity

**Allegheny College**

Meadville, PA  
\$1,000,000 toward a LEED-standard renovation of Carr Hall that will house the physics department and the new Cook Environmental Center

**Carnegie Mellon University**

Pittsburgh, PA  
\$50,000 toward the Lunar X Competition, an international competition involving landing a robot safely on the surface of the moon, traveling 5,000 meters over the lunar surface, and sending data back to the earth

**Chatham University**

Pittsburgh, PA  
\$50,000 toward support of the Pittsburgh Teachers Institute for the 2010–2011 school year

**Coro Center for Civic Leadership**

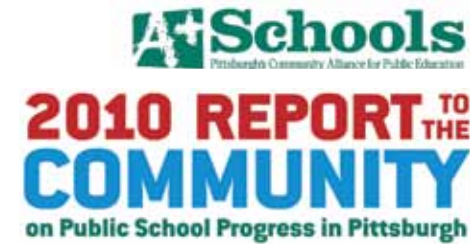
Pittsburgh, PA  
\$50,000 toward Running for Public Office 2010, an experiential learning program

**Diocese of Greensburg**

Greensburg, PA  
\$4,000,000 toward capital improvements of Catholic schools located in the Greensburg Diocese

**East Liberty Presbyterian Church**

Pittsburgh, PA  
\$75,000 toward two-year support to provide over 300 students with after-school and weekend arts education at the Hope Academy of Music and the Arts



*A+ Schools' mission is to improve student achievement in Pittsburgh's Public Schools. Each year it publishes a report card on student performance that is used as a benchmark for the community to assess the school system's effectiveness.*

**Grantmakers of Western Pennsylvania**

Pittsburgh, PA  
\$2,500 to provide professional development on racial equity in grant making

**Ligonier Valley Library Association**

Ligonier, PA  
\$200,000 toward renovation of the library basement into a multifunctional community room

**Pittsburgh Filmmakers**

Pittsburgh, PA  
\$50,000 toward production of a feature-length documentary on the history and scientific achievement of the Allegheny Observatory

**Pittsburgh Public Schools**

Pittsburgh, PA  
\$10,000 toward support of the superintendent's contract

**Pittsburgh Voyager**

Pittsburgh, PA  
\$450,000 toward two-year support of operations

**Point Park University**

Pittsburgh, PA  
\$4,000,000 toward renovations of the YMCA building that will become Point Park University's student and convocation center

**Robert Morris University**

Moon Township, PA  
\$5,000,000 toward construction of the new business school complex and an endowed fund for the Bayer Center for Nonprofit Management

**University of Pittsburgh at Greensburg**

Greensburg, PA  
\$5,000 to support the St. Clair Lecture Series featuring author Sir David Cannadine

**University of Pittsburgh, Graduate School of Public & International Affairs**

Pittsburgh, PA  
\$50,000 toward two-year support for documenting oral histories of those involved in Pittsburgh philanthropy

**University of Pittsburgh, School of Medicine**

Pittsburgh, PA  
\$10,000 toward support of the 2010 Mellon Lecture

**Valley School of Ligonier**

Ligonier, PA  
\$217,000 toward strategic planning and creation of a development office

**World War II Veterans of Allegheny County Memorial Fund**

Pittsburgh, PA  
\$300,000 toward design, fabrication, and construction of the World War II Memorial to be located on Pittsburgh's North Shore



*Robert Morris University's Bayer Center for Nonprofit Management helps charitable entities across the region become more effective operationally by offering programs and consulting services in the areas of strategic planning, board development, financial and succession planning, and technology development.*



*The Catholic schools of the Diocese of Greensburg serve more than 3,000 students in Armstrong, Fayette, Indiana, and Westmoreland Counties. Shown here, Greensburg Bishop Lawrence E. Brandt greets first graders from the Mary Queen of Apostles School in New Kensington, Pennsylvania.*



## Serving Basic Needs

The **County of Allegheny, Department of Human Services (DHS)** is an award-winning, nationally recognized model for delivering child welfare, behavioral-health, homeless, and aging services. Pittsburgh's philanthropic community has supported DHS through the Human Services Integration Fund since 1997, providing the resources to merge and integrate five separate human services departments. The centralization of administrative functions and development of financial- and client-software systems has led to a comprehensive approach to helping people in need and vastly improved fiscal and qualitative

accountability. DHS has been lauded for its work in improving the well-being of children, increasing housing options for the homeless, and spearheading the Jail Collaborative program that has reduced recidivism and saved the county \$5.3 million annually.

Another merger that increased efficiency in service delivery to 50,000 children, families, senior citizens, and other vulnerable residents was that of the United Way of South Fayette into the **United Way of Westmoreland County (UWWC)**. Among UWWC's strengths are its ability to raise funds for

its 80 partner agencies and 375 donor-option agencies and to recruit and organize volunteers to take on tasks ranging from tutoring to driving the elderly to building accessibility ramps.

The Hill District branch of the **Young Men's Christian Association of Pittsburgh (YMCA)**, which has provided a variety of basic services for over 100 years, is building a new home: a 44,000-square-foot facility that will include classrooms, meeting rooms, a gym, track, swimming pool, and fitness center and offer child care, career awareness, and disease prevention programs.



The Hill District's Thelma Lovette YMCA will open in 2012 and include a green rooftop garden with views of the Pittsburgh skyline.



In 2010 DHS partnered with ACTION-Housing and the YMCA of Pittsburgh to keep open a low-income, 86 single-room-occupancy residential facility at the McKeesport YMCA.



The Hill District's Thelma Lovette YMCA is named for a 92-year-old community leader, social worker, and Y volunteer since the 1950s, who is shown fourth from the right at the August 9, 2010, groundbreaking.



Over 40 companies participated in 65 volunteer projects in UWWC's September 15, 2010, Day of Caring.



## Life Skill-Building

Two agencies helping people improve the quality of their lives by overcoming personal and socioeconomic challenges are the long-established **Goodwill of Southwestern Pennsylvania** and the newly formed **Homewood Children's Village (HCV)**.

Goodwill, which has been part of the community since 1919 and one of the region's largest human service agencies, serves 70,000 clients annually in southwestern Pennsylvania and West Virginia. At its Lawrenceville training center in Pittsburgh, teenagers and adults facing physical, emotional, and intellectual disabilities and economic challenges engage in hands-on and classroom training for work in food service, medical office administration, and housekeeping. Goodwill has established a strong network program with employers, each year helping 1,400 clients successfully transition to paying jobs. Through its

exemplary operational model, Goodwill generates over 95 percent of its revenues through government contracts, other fees, and retail sales.

The HCV is a child-centered, comprehensive community-based initiative whose goal is to change the course of children's lives in a Pittsburgh neighborhood challenged by high levels of poverty and crime, low levels of educational achievement, and a majority of single-parent households. Designed to replicate the internationally acclaimed Harlem Children's Zone, the HCV pilot has been crafted by a broad coalition of Homewood residents and community and civic groups and leaders. Along with addressing academic performance, the pilot focuses on improving health and economic conditions and strengthening family units, all through an evidence-based, service-delivery model. Ultimately, HCV will grow to serve a majority of the Homewood community.



The Homewood-Brushton YMCA, which is a partner of the HCV initiative, provides after-school care to many families in the neighborhood.



Through its Disability Services Program, Goodwill provides facility-based work and training opportunities to over 100 clients with physical, emotional, and/or intellectual disabilities.

Goodwill's Computer Recycling Center provides paid work experience and community service opportunities for 225 clients a year who are transitioning from welfare to work.



In addition to its efforts to address youth education and development, HCV is working to improve the neighborhood's quality of life by organizing ReddUp (cleanup) events for which Victoria Smith and her children volunteered.



The HCV program stresses that for children to grow up healthy, issues of safety and housing blight must be addressed.

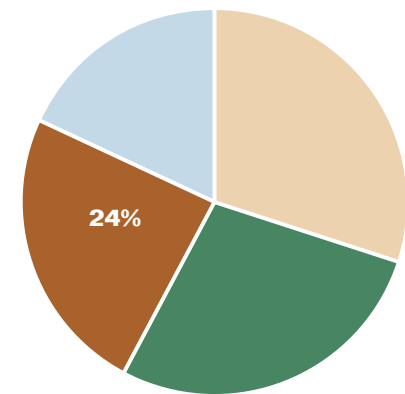


## Human Services Grant Summary

**Grants approved** **\$20,920,201**

**Number of grants** **70**

**Percent of grants approved**



**Addison Behavioral Care, Inc.**  
Pittsburgh, PA  
\$80,000 to increase capacity of operations

**The Albert Schweitzer Fellowship**  
Pittsburgh, PA  
\$100,000 toward two-year support of operations and programs that engage graduate students in work with human service and other agencies in the region

**Allegheny County Center for Victims of Violent Crime**  
Pittsburgh, PA  
\$4,500 toward a program to educate staff on managing secondary stress

**Allegheny County Court-Appointed Special Advocates**  
Pittsburgh, PA  
\$40,000 toward support of operations

**American Heart Association**  
Pittsburgh, PA  
\$500,000 toward support of Mission: Lifeline, a program to improve the STEMI system of care for Pittsburgh and the surrounding region

**American Red Cross, Southwestern Pennsylvania Chapter**  
Pittsburgh, PA  
\$10,000 to support the mission of the Red Cross

**Angels' Place, Inc.**  
Pittsburgh, PA  
\$472,000 toward two-year support to provide child care, social work, and other services to low-income, single parents

**ASSET, Inc.**  
Pittsburgh, PA  
\$250,000 to build capacity for continued growth and sustainability

**Bethlehem Haven of Pittsburgh**  
Pittsburgh, PA  
\$200,000 toward two-year support of operations

**Big Brothers Big Sisters of Greater Pittsburgh**  
Pittsburgh, PA  
\$100,000 toward two-year support of the mentoring program for children facing educational, financial, and social barriers

**Bloomfield-Garfield Corporation**  
Pittsburgh, PA  
\$200,000 to build 12 new homes for low- and moderate-income families

**Boy Scouts of America, Greater Pittsburgh Council**  
Pittsburgh, PA  
\$275,000 toward facility improvements at Ligonier Valley's Camp Twin Echo



After the devastating earthquake that struck Haiti on January 12, 2010, the 130-bed Hôpital Albert Schweitzer Haiti, located 40 miles outside of Port-au-Prince, provided medical services to thousands, such as those in need of prosthetic limbs.

**Boys and Girls Clubs of Western Pennsylvania**  
Pittsburgh, PA  
\$190,000 to equip the food service facility within the new training center

**C R Jrs. Chip, Inc.**  
Pittsburgh, PA  
\$225,000 toward support of operations and capacity building

**Center for Emergency Medicine of Western Pennsylvania, Inc.**  
Pittsburgh, PA  
\$295,000 to expand Emed Health's capacity to train southwestern Pennsylvania EMS agencies in its community and home-based programs

**The Children's Home of Pittsburgh**  
Pittsburgh, PA  
\$70,000 toward development of a respiratory therapy program

**Christian Camps of Pittsburgh, Inc.**  
Boswell, PA  
\$30,000 to contract a consulting firm to evaluate, plan, and potentially implement a capital campaign for Summer's Best Two Weeks' expansion of its Citikidz Camp

**Coal Country Hang-Out**  
Northern Cambria, PA  
\$50,000 to renovate the first floor of a former synagogue for use as a satellite social services office

**Community Human Services Corporation**  
Pittsburgh, PA  
\$7,500 toward support of operations

**County of Allegheny, Department of Human Services**  
Pittsburgh, PA  
\$300,000 toward two-year support of operations for 86 single-room-occupancy units at the McKeesport YMCA

**East Liberty Family Health Care Center, Inc.**  
Pittsburgh, PA  
\$500,000 toward two-year support of operations

**Family House, Inc.**  
Pittsburgh, PA  
\$500,000 toward two-year support of operations

**Family Tyes, Inc.**  
Pittsburgh, PA  
\$450,000 toward two-year support of operations

**Friends of Hôpital Albert Schweitzer Haiti**  
Pittsburgh, PA  
\$500,000 toward disaster relief for victims of the Haiti earthquake

**Girl Scouts, Western Pennsylvania**  
Pittsburgh, PA  
\$40,000 toward the Strategic Learning Initiative planning process

**Good Grief Center for Bereavement**  
Pittsburgh, PA  
\$200,000 toward two-year support of operations

**Goodwill of Southwestern Pennsylvania**  
Pittsburgh, PA  
\$2,000,000 toward the capital campaign and to establish an internal line of credit

**Holy Family Institute**  
Pittsburgh, PA  
\$250,000 toward operating costs increased as a result of receiving orphans from Haiti after its earthquake

**Homewood Children's Village**  
Pittsburgh, PA  
\$1,500,000 toward two-year support of operations

**Hosanna House, Inc.**  
Wilkinsburg, PA  
\$250,000 toward support of operations

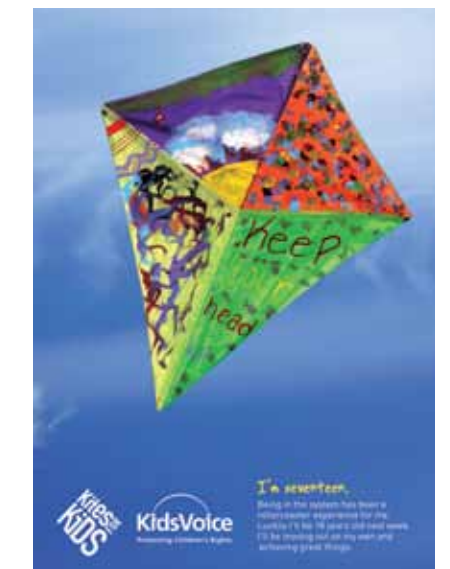
**Hosanna Industries, Inc.**  
Rochester, PA  
\$100,000 toward the home rehabilitation program in Allegheny County and surrounding area

**Housing Alliance of Pennsylvania**  
Glenside, PA  
\$150,000 toward two-year support of the City of Pittsburgh's efforts to address vacant property issues

**Jefferson Awards for Public Service**  
Wilmington, DE  
\$110,000 toward technology to translate significant elements of the Youth Service Initiative into websites and virtual, interactive formats, including how-to videos



The Center for Emergency Medicine of Western Pennsylvania's Emed Health program, which trains EMS agencies in disease prevention and management, is working to expand its training to rural areas of southwestern Pennsylvania.



KidsVoice teams attorneys with social work professionals to advocate for abused, neglected, and at-risk children in order to place them in safe, permanent homes.



## Human Services

### KidsVoice

Pittsburgh, PA  
\$1,386,000 toward three-year support to expand the software licensing business

### Latrobe Area Hospital Charitable Foundation

Latrobe, PA  
\$500,000 as a challenge grant for digital mammography and ambulance equipment

### Ligonier Camp and Conference Center

Ligonier, PA  
\$420,000 to conserve and restore the former ice pond

### Ligonier Township Volunteer Fire Department #1

Ligonier, PA  
\$200,000 for purchase of a rescue truck for the Waterford Fire Company that also will serve the Darlington, Ligonier, and Wilpen companies

### The Mon Valley Initiative

Homestead, PA  
\$200,000 toward support of the employment program

### National Center for Non-Profit Excellence, Inc.

Pittsburgh, PA  
\$50,000 toward support of operations

### Neighborhood Housing Services, Inc.

Pittsburgh, PA  
\$320,000 to meet the growing demand for prepurchase and mortgage default counseling services

### North Hills Community Outreach, Inc.

Allison Park, PA  
\$100,000 toward two-year support to increase individual and corporate donations

### North Side Christian Health Center

Pittsburgh, PA  
\$300,000 toward medical services for underserved patients

### NorthShore Community Alliance

Pittsburgh, PA  
\$200,000 toward support of programs to help youth and families in need in Allegheny County



*The Westmoreland County Food Bank serves 18,000 adults and children each month through meal programs, soup kitchens, food pantries, emergency shelters, and child care programs.*

### One Vision One Life, Inc.

Pittsburgh, PA  
\$375,000 toward violence intervention programs and database upgrades

### Pennsylvania Organization for Women in Early Recovery

Pittsburgh, PA  
\$125,000 toward two-year support of operations

### Pennsylvania Partnerships for Children

Harrisburg, PA  
\$200,000 to develop a systematic approach to career awareness and exploration of activities

### Pennsylvanians for Responsible Use of Animals

Harrisburg, PA  
\$10,000 toward support of operations for Hunters Sharing the Harvest

### Pittsburgh Chapter of the National Tooling and Machining Foundation, Inc.

Moon Township, PA  
\$130,000 toward two-year support of the pipeline program to attract students to manufacturing

### The Pittsburgh Foundation

Pittsburgh, PA  
\$375,000 toward three-year support of the Allegheny County Jail Collaborative, an initiative to reduce recidivism in the Allegheny County Jail

### Pittsburgh Psychoanalytic Institute

Pittsburgh, PA  
\$10,000 toward a symposium on violence, co-sponsored with Manchester Bidwell Corporation, to be held in spring 2011

### Port Authority of Allegheny County

Pittsburgh, PA  
\$32,500 to equip Port Authority buses with bicycle racks

### Private Industry Council of Westmoreland/Fayette, Inc.

Greensburg, PA  
\$175,000 toward new classrooms for workforce training

### Providence Connections, Inc.

Pittsburgh, PA  
\$40,000 toward renovations to the kitchen at the North Side facility

### RAND Corporation

Pittsburgh, PA  
\$8,000 toward costs associated with a planning grant application to the Department of Education to benefit the Homewood Children's Village program

### Rosedale Block Cluster, Inc.

Pittsburgh, PA  
\$150,000 toward two-year support of operations and employment training and landscaping programs

### Small Seeds Development, Inc.

Pittsburgh, PA  
\$100,000 to assist families with financial planning and introduce middle school youth to entrepreneurship

### United Way of Allegheny County

Pittsburgh, PA  
\$5,000 to support the mission of the United Way

### United Way of Westmoreland County

Greensburg, PA  
\$1,300,000 toward two-year support of operations

### University of Pittsburgh, School of Social Work

Pittsburgh, PA  
\$75,000 to complete the implementation of phase 2 of the Homewood Children's Village Community-Based Participatory Demonstration

### Urban Impact Foundation

Pittsburgh, PA  
\$100,000 toward two-year support to provide career paths for students graduating from high school

### Urban Youth Action, Inc.

Pittsburgh, PA  
\$50,000 toward implementation of a sustainability plan

### Washington County Habitat for Humanity

Washington, PA  
\$300,000 toward expansion of the ReStore facility, Renovation Station

### Westmoreland County Food Bank, Inc.

Delmont, PA  
\$600,000 toward two-year support of operations, including equipment upgrades and staff augmentation

### Women's Center and Shelter of Greater Pittsburgh

Pittsburgh, PA  
\$400,000 to create a comprehensive hotline



### Young Men's Christian Association of Pittsburgh

Pittsburgh, PA  
\$2,000,000 to build a full-service family YMCA in the Hill District

\$9,701 toward consultant-management services provided to the Homewood Children's Village

### Young Men's Christian Association of Uniontown

Uniontown, PA  
\$200,000 toward the child care center portion of the Building for Tomorrow campaign

### Young Women's Christian Association of Greater Pittsburgh

Pittsburgh, PA  
\$175,000 to replace the 48-year-old roof of the YWCA's Downtown Pittsburgh facility with a sustainable green roof

### Youngstown Volunteer Fire Department and Relief Association

Youngstown, PA  
\$100,000 toward purchase of a rescue service truck

### YouthPlaces

Pittsburgh, PA  
\$250,000 toward support of operations

*As part of its mission to improve the health, education, and well-being of youth statewide, Pennsylvania Partnerships for Children promotes the value of connecting high school students directly with industry job opportunities through events such as Construction Career Day. (left and below)*





## Land Conservation

Caring for the biological health and diversity and economic viability of western Pennsylvania's forests and farmlands is a duty this generation owes to the future. The conservation of natural habitat and the promotion of sustainable natural resource extraction, farming, and development are priorities for the Richard King Mellon Foundation.

An effort to preserve Pennsylvania's farming heritage is underway in Westmoreland County, where farmers face pressure to sell their land for development. The **Western Pennsylvania Conservancy (WPC)** is utilizing philanthropic dollars to leverage United States Department of Agriculture funding for the purchase of agricultural easements. These easements provide much-needed revenue for the farmer and at the same time reserve the agricultural use of the land for future generations.

**The Conservation Fund (TCF)**, which marked its twenty-fifth anniversary in 2010, works nationally and in Pennsylvania to protect landscapes valued for recreation, wildlife habitat, and history. In this year, TCF assisted with habitat and land conservation through the protection of 7,500 acres within the Pennsylvania Wilds, which crosses 12 counties and includes more than 2 million acres of state forest and game lands, 29 state parks, and the Allegheny National Forest. Since its inception, TCF has protected through purchase and/or easements 6.7 million acres in all 50 states for projects such as the Rocky Mountain Front, the Grand Canyon, Gettysburg, and the Flight 93 Memorial. The Foundation has been a long-term supporter of TCF's endeavors, providing grants that in whole or in part have protected and preserved nearly 3 million of this acreage.



*In addition to helping establish ten state parks and conserving nearly 230,000 acres of natural lands and waterways, WPC has embarked on an effort to protect farms facing pressure from development by obtaining agricultural easements. The Marker Farm (above) and the McVicker Farm (right) are two early successes of this initiative.*



*In 2010 TCF protected this 7,500 acre tract in the heart of the Pennsylvania Wilds, abundant with black cherry trees. Since its work began in 1985, TCF has conserved in the Commonwealth nearly 85,000 acres of forest, park, and farm lands; watersheds; and historic sites.*





## Watershed Protection and Restoration

Pennsylvania has over 83,000 miles of streams and more than 100 species of fish in its lakes and waterways. Industrial development, natural resource extraction, suburban expansion, and agriculture all compromise the watersheds that drain into the Commonwealth's streams. The most effective measures for water protection are land-use practices that prevent damage and remedial efforts that address contamination such as acid mine drainage.

The **Foundation for Pennsylvania Watersheds (FPW)** has worked with 150 of the Commonwealth's approximately 300 watershed organizations, providing grants and technical assistance for more than 750 preventative and remedial projects since 1990. FPW encourages applications for projects that include a comprehensive watershed assessment plan of upstream and downstream conditions. FPW's local matching grants of \$5 million have leveraged over \$80 million in

funding from federal and state agencies including the Department of the Interior, Office of Surface Mining and the Pennsylvania Fish & Boat Commission.

While fertilizers, manure, and tilled soil are beneficial to crops, these become pollutants when water from irrigation and precipitation washes them into local waterways. With 27 percent of Pennsylvania's land utilized for farming, addressing this nonpoint source pollution — runoff — is a priority for **The Chesapeake Bay Foundation, Inc., (CBF)**. CBF helps farmers implement agricultural best-management practices such as establishing forested streamside buffers that act as filters and prevent livestock from getting into streams. CBF's investments, which are typically matched four-to-one with government grants, also address runoff issues by helping farmers build barnyard manure management and milk house waste storage facilities.



FPW has contributed nearly \$600,000 and leveraged an additional \$13 million for restoration projects in the Youghiogheny River Watershed, which has helped to significantly improve aquatic life.



Shown above is a "before" image of the CBF's first riparian buffer project on Lititz Run in Lancaster County, Pennsylvania.



Shown above is the same area 12 years "after," where brown trout can now be found spawning.

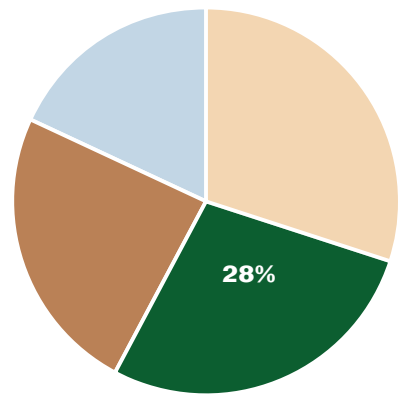


## Conservation Grant Summary

**Grants approved** **\$23,993,862**

**Number of grants** **38**

**Percent of grants approved**



**10,000 Friends of Pennsylvania**  
Harrisburg, PA  
\$10,000 toward development of a strategic plan

**Allegheny College**  
Meadville, PA  
\$7,500 toward funding for teachers and students to attend a global water conference presented by the Pittsburgh World Environment Day Partnership to be held on June 3rd

**Allegheny County Parks Foundation**  
Pittsburgh, PA  
\$375,000: \$350,000 toward design of a trail around North Park Lake and \$25,000 to build community outreach capacity

**American Chestnut Foundation**  
Asheville, NC  
\$50,000 to develop and conduct a training program for western Pennsylvania's volunteers who will assist in a regional restoration effort

**The Chesapeake Bay Foundation, Inc.**  
Annapolis, MD  
\$750,000 toward two-year support to improve the water quality of Pennsylvania's rivers and streams by implementing agricultural best-management practices

**The Conservation Fund**  
Arlington, VA  
\$4,100,000 toward purchase of property located in McKean, Elk, and Potter Counties

\$900,000 toward three-year support of operations

\$2,500,000 to help implement a strategy to protect and preserve the Rocky Mountain Front ecosystem

**Foundation for Pennsylvania Watersheds**  
Alexandria, PA  
\$350,000 to strengthen the scientific approach of watershed groups in western Pennsylvania and to build their organizational capacity

**Friends of Blackwater, Inc.**  
Charleston, WV  
\$100,000 to support an educational outreach campaign to promote the creation of a new national park in West Virginia

**Keystone Elk Country Alliance**  
Weedville, PA  
\$650,000 toward two-year support of operations of the Pennsylvania Elk Visitors' Center

**Ligonier Township Municipal Authority**  
Ligonier, PA  
\$1,000,000 toward costs associated with Ligonier Township's sewage project

**Looking Glass Institute**  
Pittsburgh, PA  
\$10,000 to assist eight Pittsburgh-based environmental and conservation organizations with shared services

**Loyalhanna Watershed Association, Inc.**  
Ligonier, PA  
\$80,000 toward two-year support of operations

**Mount Washington Community Development Corporation**  
Pittsburgh, PA  
\$200,000 to undertake a sustainable restoration of the view shed and habitat of the Grandview Scenic Byway Park's steep northern face

**National Park Foundation**  
Washington, DC  
\$4,000 toward the Flight 93 Memorial campaign

**The Nature Conservancy, Inc.**  
Harrisburg, PA  
\$2,000,000 toward the purchase of a conservation easement in Elk County

\$150,000 toward the development of best-management practices that protect conservation values for public and private landowners who are considering energy projects

**Nine Mile Run Watershed Association, Inc.**  
Pittsburgh, PA  
\$20,000 to develop a business plan that will help identify a long-term funding strategy for the organization

\$260,000 toward two-year support of education and outreach programs and development of a storm water management service

**PA Cleanways**  
Greensburg, PA  
\$100,000 to support the cost of a merger of PA Cleanways and Keep PA Beautiful

**PA Cleanways of Allegheny County, Inc.**  
Pittsburgh, PA  
\$70,000 toward two-year support of operations with a goal to clean at least 20 dump sites in Allegheny County with an emphasis on Homewood

**Pennsylvania Environmental Council, Inc.**  
Harrisburg, PA  
\$25,000 toward scholarships associated with the Marcellus Shale symposium to be held at Duquesne University on May 3rd-4th

\$700,000 toward two-year support of land and water conservation efforts in western Pennsylvania

**Pennsylvania Land Trust Association**  
Harrisburg, PA  
\$10,000 toward the 2010 Conservation Leaders' Summit to be held in Valley Forge on June 17th-18th



Since the 1930s families have been coming to South Park, one of the nine parks in the 12,000-acre Allegheny County park system. The Allegheny County Parks Foundation has been recently established to support the parks by engaging volunteers, fund-raising, and undertaking park capital improvements.

**Pennsylvania Parks and Forests Foundation**  
Harrisburg, PA  
\$21,500 to support a documentary and symposium honoring the legacy of Maurice K. Goddard and to create a summary of the impact of the recently published *Pennsylvania Conservation Landscape Initiative*

**Pennsylvania Resources Council, Inc.**  
Pittsburgh, PA  
\$75,000 to establish an office for Scenic Pittsburgh, a new affiliate of Scenic America

**Pittsburgh Parks Conservancy**  
Pittsburgh, PA  
\$1,000,000 toward three-year support of the management and maintenance of the parks and for the creation of a watershed management plan for Panther Hollow

**Rolling Plains Quail Research Foundation**  
San Angelo, TX  
\$1,000,000 as a dollar-to-dollar match toward endowment support

**Soldiers & Sailors Memorial Hall & Museum Trust, Inc.**  
Pittsburgh, PA  
\$10,000 to study the feasibility of a green roof conducted by the University of Pittsburgh

**Stonycreek Quemahoning Initiative, Inc.**  
Hollisopple, PA  
\$225,000 toward three-year support of operations

**Trout Unlimited**  
Arlington, VA  
\$600,000 toward two-year support of phase 4 restoration of the West Branch Susquehanna River

**University of Pittsburgh, Graduate School of Public Health**  
Pittsburgh, PA  
\$10,000 toward costs associated with the National Conference on Shale Gas Extraction and Public Health, hosted by the University of Pittsburgh, to be held on November 19th

**West Virginia University Foundation**  
Morgantown, WV  
\$60,000 toward three-year support of the efforts of Dr. John Edwards to preserve the hunting heritage and promote the future of recreational hunting

**Western Pennsylvania Conservancy**  
Pittsburgh, PA  
\$254,000 toward acquisition of agricultural easements in Westmoreland County

\$700,000 toward two-year support of land and watershed conservation operations and to identify strategic partnerships in southwestern Pennsylvania

\$5,116,862 toward purchase of property in Bedford and Fayette Counties and toward purchase of agricultural easements in Westmoreland County

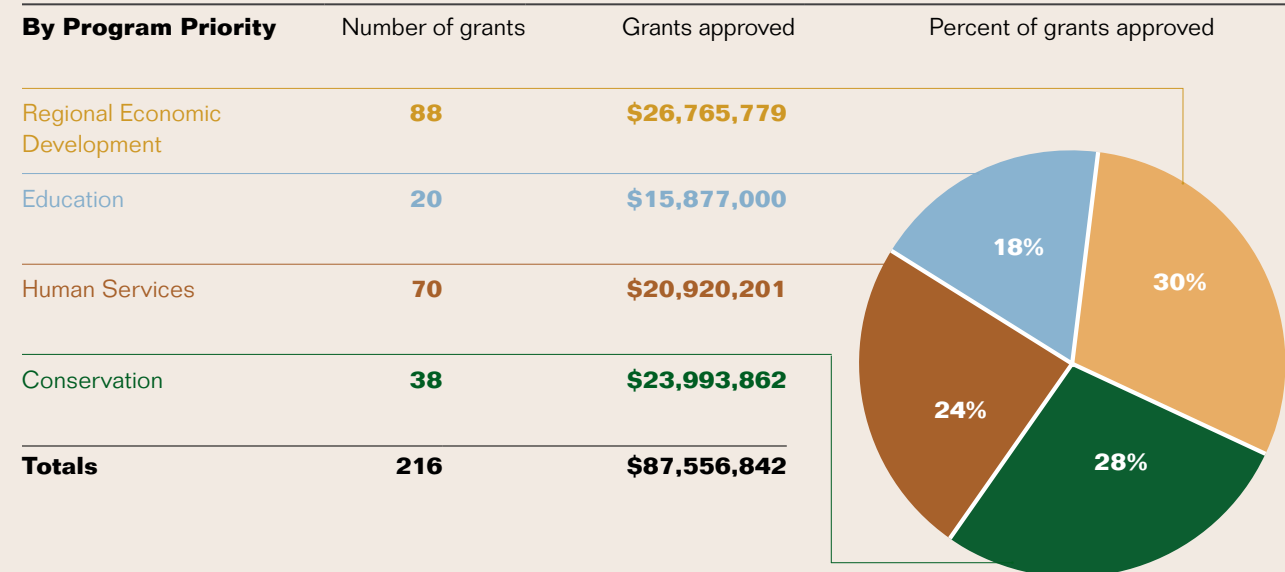
**Westmoreland County Parks & Recreation Citizens Advisory Board**  
Greensburg, PA  
\$500,000 toward support of the phase 2 development at Twin Lakes Park



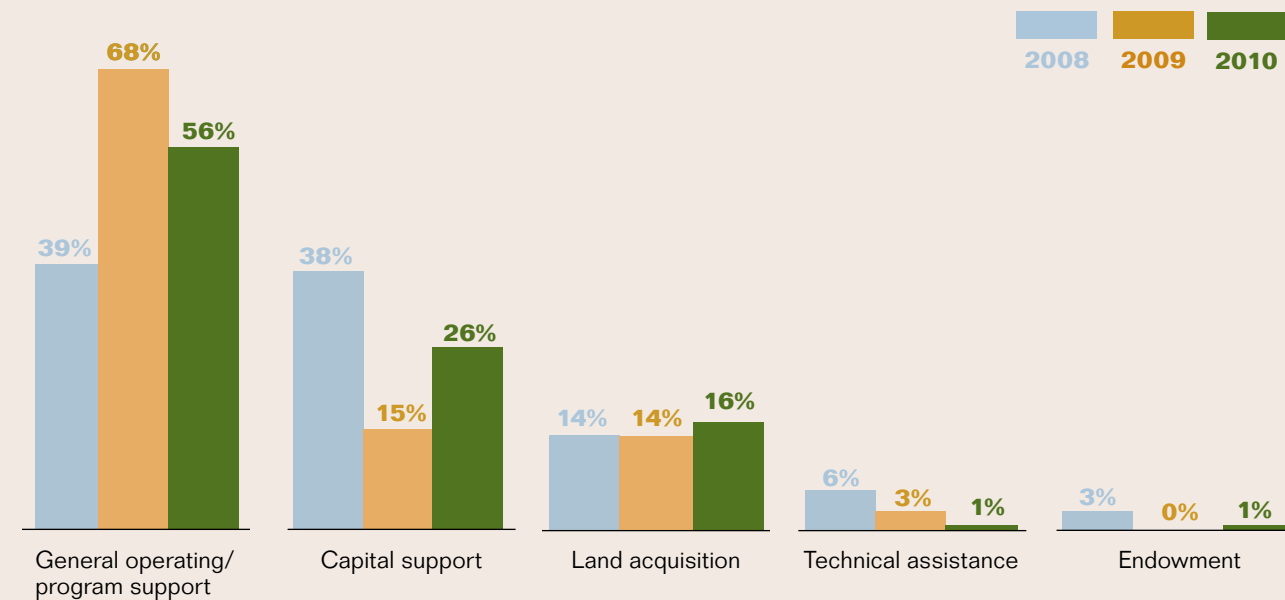
Rolling Plains Quail Research Foundation provides data and management strategies for enhancing quail populations in the Rolling Plains of Texas in order to sustain the heritage of wild quail hunting. After being fitted with leg bands and radio telemeters, this covey of quail is being released.



# Appropriations



## By Support Type



## By Geographic Area

Pittsburgh and southwestern Pennsylvania	\$78,627,642	1947 through 2009	\$1,169,794,303
Other	8,929,200	2010	49,230,293
<b>Total</b>	<b>\$87,556,842</b>	<b>Total</b>	<b>\$1,219,024,596</b>

## Net Investment Income

1947 through 2009	\$1,169,794,303
2010	49,230,293
<b>Total</b>	<b>\$1,219,024,596</b>

## Grants Paid and Program-Related Investments

1947 through 2009	\$1,708,162,373
2010	87,871,252
<b>Total</b>	<b>\$1,796,033,625</b>

# Statements of Financial Position

December 31,	2010	2009
<b>Assets</b>		
Cash	\$ 121,501	\$ 1,542,895
Other current assets	5,267,131	2,406,775
Investments:		
Stocks	1,073,638,524	925,346,652
Long-term debt instruments	427,723,342	431,719,934
Temporary investments	129,214,467	128,299,116
Alternative investments	381,375,635	345,721,099
Subtotal	2,011,951,968	1,831,086,801
Payable from unsettled securities purchases, net	(39,352,458)	(16,295,280)
Total investments	1,972,599,510	1,814,791,521
Program-related assets	3,832,000	3,332,000
<b>Total assets</b>	<b>\$1,981,820,142</b>	<b>\$1,822,073,191</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Grants approved but not paid	\$ 17,900,079	\$ 16,222,532
Deferred federal excise taxes	3,038,227	1,587,489
Appropriations for program-related assets	3,832,000	5,332,000
Total liabilities	24,770,306	23,142,021
Unrestricted net assets	1,957,049,836	1,798,931,170
<b>Total liabilities and net assets</b>	<b>\$1,981,820,142</b>	<b>\$1,822,073,191</b>

The accompanying notes are an integral part of these financial statements.

# Statements of Activities and Changes in Net Assets

For the year ended December 31,	2010	2009
Investment income	\$ 61,373,489	\$ 44,577,064
Expenses:		
Administrative and investment expenses	10,862,413	9,309,630
Provision for federal excise taxes	3,137,255	1,034,248
Provision for deferred federal excise taxes	1,450,738	1,587,489
	15,450,406	11,931,367
Net investment income	45,923,083	32,645,697
Grants and appropriations approved	85,547,258	58,091,204
Deficiency of net investment income over approvals	(39,624,175)	(25,445,507)
Net realized gains (losses) from investments	52,669,082	(52,877,517)
Unrealized appreciation on investments	145,073,759	396,498,300
Gains on investments, net	197,742,841	343,620,783
Increase in unrestricted net assets	158,118,666	318,175,276
Unrestricted net assets:		
Beginning of year	1,798,931,170	1,480,755,894
End of year	\$1,957,049,836	\$1,798,931,170

The accompanying notes are an integral part of these financial statements.



## Statements of Cash Flows

For the year ended December 31,	2010	2009
Cash flows from operating activities:		
Increase in net assets	\$ 158,118,666	\$ 318,175,276
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Accretion	(1,221,718)	(1,115,563)
Deferred federal excise taxes	1,450,738	1,587,489
Realized (gains) losses on investments	(52,669,082)	52,877,517
Unrealized appreciation on investments	(145,073,759)	(396,498,300)
Increase (decrease) in cash from changes in:		
Other current assets	(2,860,356)	64,820
Program-related assets	(500,000)	(332,000)
Grants approved but not paid	1,677,547	(20,454,135)
Appropriations for program-related assets	(1,500,000)	2,332,000
Net cash used in operating activities	(42,577,964)	(43,362,896)
Cash flows from investing activities:		
Purchases of investments	(2,111,504,300)	(1,977,097,130)
Proceeds from sales of investments	2,152,660,870	2,021,955,345
Net cash provided by investing activities	41,156,570	44,858,215
Net (decrease) increase in cash	(1,421,394)	1,495,319
Cash, beginning of year	1,542,895	47,576
Cash, end of year	\$ 121,501	\$ 1,542,895

The accompanying notes are an integral part of these financial statements.

## Summary of Investments

December 31,	2010		2009	
	Book Value	Fair Value	Book Value	Fair Value
Stocks:				
Domestic equities	\$ 602,840,549	\$ 751,902,171	\$ 573,253,093	\$ 636,477,627
Foreign equities	267,469,800	321,160,751	247,225,069	287,675,492
Total stocks	870,310,349	1,073,062,922	820,478,162	924,153,119
Long-term debt instruments	392,543,360	392,346,486	423,255,538	416,618,187
Temporary investments:				
Demand and interest-bearing notes	124,510,873	124,510,873	120,915,509	120,915,360
Foreign short-term investments	4,703,594	4,703,594	7,393,602	7,383,756
Total temporary investments	129,214,467	129,214,467	128,309,111	128,299,116
Alternative investments	276,708,682	377,975,635	283,999,817	345,721,099
Total investments	\$1,668,776,858	\$1,972,599,510	\$1,656,042,628	\$1,814,791,521

The accompanying notes are an integral part of these financial statements.

## Notes to Financial Statements

### Note 1: Significant Accounting Policies

#### Basis of Accounting

The accompanying financial statements of the Richard King Mellon Foundation (Foundation) are prepared on the accrual basis of accounting.

#### Nature of Operations

The purpose of the Foundation is to provide grants to organizations in Pittsburgh and southwestern Pennsylvania, primarily in the areas of Regional Economic Development, Education, and Human Services. Its interest in the area of Conservation is national.

#### Cash

Cash includes operating accounts plus domestic income cash held in bank custody accounts.

#### Investments

In accordance with the authoritative guidance on fair value measurements and disclosures under Generally Accepted Accounting Principles (GAAP), the Foundation discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are as follows.

**Level 1:** Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.

**Level 2:** Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

**Level 3:** Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and refer to the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics, and other factors. A financial instrument's level, within the fair value hierarchy, is based on the lowest level of any input that is significant to the fair value measurement. The Foundation considers observable data to be that market data which is readily available and reliable and provided by independent sources. The categorization of a financial instrument within the hierarchy is therefore based upon the pricing transparency of the instrument and does not necessarily correspond to the Foundation's perceived risk of that instrument.

Investments whose values are based on quoted market prices in active markets are classified as Level 1 and include active listed equities and certain short-term fixed income investments. The Foundation does not adjust the quoted price for such instruments, even in situations where the Foundation holds a large position and a sale of all its holdings could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources, are classified as Level 2. These include certain U.S. government and sovereign obligations, government agency obligations, investment grade corporate bonds, and less liquid equity securities.

Investments classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value are based upon the best information in the circumstance and may require significant management judgment. Certain of the Foundation's investments in stocks and long-term debt instruments are classified as Level 3 because they do not have an active market. Also, all of the Foundation's alternative investments are classified as Level 3. These investments are primarily made under agreements to participate in limited partnerships and are generally subject to certain withdrawal restrictions. Values for these partnerships, which may include investments in both nonmarketable and market-traded securities, are provided by the general partner and may be based on

recent transactions, cash flow forecasts, appraisals, and other factors. Market values may be discounted for concentration of ownership. Because of the inherent uncertainty of valuing the investments in such partnerships and certain of the underlying investments held by the partnerships, the Foundation's estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed. The financial statements of the limited partnerships are audited annually by independent auditing firms. Investments in these partnerships may be illiquid, and thus there can be no assurance that the Foundation will be able to realize the value of such investments in a timely manner.

The Foundation's investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that significant changes in risks in the near term may materially affect the amounts reported in the financial statements.

Realized gain (loss) from dispositions of investments is determined by specific cost identification. Unrealized appreciation (depreciation) of investments represents the change in the difference between fair value quotations and the total book value of investments held at the beginning and end of the year.

#### Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Program-Related Assets

The Foundation makes investments which advance its charitable mission and qualify as charitable distributions by the Internal Revenue Service. Such investments, which include loans made to various organizations and an investment in a private equity fund, earn below risk-adjusted market rates of return. Management has reviewed the program-related assets and believes no allowance is necessary as of December 31, 2010 and 2009.

### Note 2: Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is subject to a federal excise tax equal to two percent of net investment income, which consists of interest and dividend income, realized gains on sales of investments less realized losses to the extent that they can be offset against realized gains, less related investment expenses. The Foundation met certain distribution requirements defined in Section 4940 of the Internal Revenue Code, resulting in a reduced tax of one percent of net investment income for the years ended December 31, 2010 and 2009.

At December 31, 2010 and 2009, deferred federal excise taxes are provided at one percent, which is the rate expected to be paid on unrealized gains on investments.

The Foundation is subject to the authoritative guidance on accounting for uncertainty in income taxes issued under Generally Accepted Accounting Principles. This guidance establishes a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. The Foundation has recorded no uncertain tax liabilities pursuant to this guidance. The Foundation continually reviews its tax positions and such conclusions under the guidance based on factors including, but not limited to, ongoing analyses of tax laws and regulations.

### Note 3: Commitments

The Foundation is a Limited Partner in limited partnerships for investment purposes. At December 31, 2010 and 2009, the Foundation had contractually committed to additional investments of \$113.0 million and \$126.4 million, respectively.



## Notes to Financial Statements (continued)

At December 31, 2010, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2011 of \$53.9 million and \$14.6 million for a net payable of \$39.3 million. At December 31, 2009, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2010 of \$25.8 million and \$9.5 million for a net payable of \$16.3 million. These transactions are reflected within the financial statements on a net basis.

### Note 4: Fair Value Measurements

The following table presents the investments carried on the Statements of Financial Position by level within the valuation hierarchy as of December 31, 2010 and 2009:

#### Investments at Fair Value as of December 31, 2010

Investments	Level 1	Level 2	Level 3	Total
Domestic stocks	\$ 714,209,439	\$ 36,559,468	\$ 1,646,583	\$ 752,415,490
Foreign stocks	180,675,183	140,547,851	0	321,223,034
Long-term debt instruments	59,742,421	366,200,218	1,780,703	427,723,342
Temporary investments	129,064,212	150,255	0	129,214,467
Alternative investments	0	0	381,375,635	381,375,635
Total investments	\$ 1,083,691,255	\$ 543,457,792	\$ 384,802,921	\$ 2,011,951,968

#### Payables from unsettled securities purchases, net at Fair Value as of December 31, 2010

Payables, net	Level 1	Level 2	Level 3	Total
Domestic stocks	\$ (513,319)	\$ 0	\$ 0	\$ (513,319)
Foreign stocks	(62,283)	0	0	(62,283)
Long-term debt instruments	0	(35,652,856)	276,000	(35,376,856)
Alternative investments	0	0	(3,400,000)	(3,400,000)
Total payables, net	\$ (575,602)	\$ (35,652,856)	\$ (3,124,000)	\$ (39,352,458)

#### Investments at Fair Value as of December 31, 2009

Investments	Level 1	Level 2	Level 3	Total
Domestic stocks	\$ 602,646,164	\$ 32,431,710	\$ 1,548,658	\$ 636,626,532
Foreign stocks	164,938,697	123,781,423	0	288,720,120
Long-term debt instruments	57,451,632	373,258,744	1,009,558	431,719,934
Temporary investments	128,039,264	259,852	0	128,299,116
Alternative investments	0	0	345,721,099	345,721,099
Total investments	\$ 953,075,757	\$ 529,731,729	\$ 348,279,315	\$ 1,831,086,801

#### Payables from unsettled securities purchases, net at Fair Value as of December 31, 2009

Payables, net	Level 1	Level 2	Level 3	Total
Domestic stocks	\$ (148,905)	\$ 0	\$ 0	\$ (148,905)
Foreign stocks	(1,044,628)	0	0	(1,044,628)
Long-term debt instruments	0	(15,058,322)	(43,425)	(15,101,747)
Total payables, net	\$ (1,193,533)	\$ (15,058,322)	\$ (43,425)	\$ (16,295,280)

There were no significant transfers between Levels 1 and 2 during the year ended December 31, 2010.

The following tables present a roll-forward of the amounts for the years ended December 31, 2010 and 2009, for investments classified within Level 3:

#### Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2010

Investments	Balance at December 31, 2009	Net Investment Income	Realized Gain/(Loss)	Change in Unrealized Appreciation/(Depreciation)	Net (Sales) Purchases	Balance at December 31, 2010
Domestic stocks	\$ 1,548,658	\$ 0	\$ (1,761,793)	\$ 1,761,793	\$ 97,925	\$ 1,646,583
Long-term debt instruments	1,009,558	0	73,764	615,242	82,139	1,780,703
Alternative investments	345,721,099	21,182,077	(720,441)	39,545,671	(24,352,771)	381,375,635
Total investments	\$ 348,279,315	\$ 21,182,077	\$ (2,408,470)	\$ 41,922,706	\$ (24,172,707)	\$ 384,802,921

## Notes to Financial Statements (continued)

#### Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2009

Investments	Balance at December 31, 2008	Net Investment Income	Realized Gain/(Loss)	Change in Unrealized Appreciation/(Depreciation)	Net Purchases	Balance at December 31, 2009
Domestic stocks	\$ 2,164,606	\$ 0	\$ (107,656)	\$ (556,950)	\$ 48,658	\$ 1,548,658
Long-term debt instruments	147,731	0	(39,070)	211,618	689,279	1,009,558
Alternative investments	287,453,454	7,492,696	16,436	41,157,393	9,601,120	345,721,099
Total investments	\$ 289,765,791	\$ 7,492,696	\$ (130,290)	\$ 40,812,061	\$ 10,339,057	\$ 348,279,315

The Foundation has certain investments that do not have readily determinable fair values but permit direct redemption or distributions at times specified under the governing documents. As a practical expedient, the Foundation relies on the net asset value of these investments as their fair value. The net asset values that have been provided by the investees have been derived from the fair values of the underlying investments as of the reporting date. The following table summarizes the nature of these investments and any related liquidation restrictions or other factors which may impact the ultimate value realized.

Category of Investment	Investment Strategy	Number of Funds	Fair Value Determined Using NAV	Unfunded Commitments (\$millions)	Redemption Terms	Remaining Life
Domestic stocks	Private placement stock	1	\$ 36,559,468	\$ 0	(1)	n/a
Foreign stocks	International and emerging markets	5	140,547,851	0	(2)	n/a
Long-term debt instruments	Fixed income, global, high yield	3	39,888,170	0	(3)	Either n/a or between 2 and 24 years
Alternative investments	Buyouts, distress debt, energy, real estate, and venture capital	206	381,375,635	113.0	(4)	(5)
Totals		215	\$ 598,371,124	\$ 113.0		

All percentages below based on percent of total fair value of investments determined using NAV:

- (1) Subject to shareholder approval 60% stock redeemable now and 40% redeemable over the next 1.5 years.
- (2) All funds subject to 7–30 days prior notice, 84% subject to monthly redemptions, 16% subject to quarterly redemptions.
- (3) 82% subject to monthly redemption with 10–20 days prior notice, 18% subject to approval of general partner.
- (4) All redemptions, sales, or transfers subject to approval of general partner.
- (5) 19% 1 year, 32% 2–5 years, 40% 6–10 years, 9% 11–15 years; all funds subject to extensions between 0 and 3 years. There are no current plans to sell any of these investments.

### Note 5: Subsequent Events

The Foundation evaluated all activity through May 26, 2011, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the Notes to Financial Statements.

## Report of Independent Auditors

### To the Trustees of Richard King Mellon Foundation:

In our opinion, the accompanying statements of financial position and the related statements of activities and changes in net assets and of cash flows present fairly, in all material respects, the financial position of the Richard King Mellon Foundation at December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Richard King Mellon Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting

principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The summary of investments as of December 31, 2010 and 2009, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Princeton House Cooper LLP*

May 26, 2011



# Policy and Grant Guidelines

Approved in December 2009 and effective January 1, 2010, the Trustees established the following grant-making objectives and grant program priorities.

## Objectives

The Foundation seeks to improve the competitive position of the region; strengthen the vitality of southwestern Pennsylvania, particularly the city of Pittsburgh and its neighborhoods; and protect precious green and natural infrastructure, particularly in western Pennsylvania.

## Program Priorities

### Southwestern Pennsylvania

#### Regional Economic Development

- University research and technology initiatives
- Initiatives promoting innovation, business diversification, local agriculture, and workforce excellence
- Urban community revitalization
- Regional cultural and recreational tourism

#### Education

- Colleges and universities integral to local communities
- Programs responsive to workforce market demands
- Programs designed to improve the quality of education performance
- Independent schools

#### Human Services

- Programs designed to achieve holistic and broadscale outcomes
- Early childhood programs focused on school readiness
- Career-focused, after-school programs
- Capacity-building initiatives

Program Priorities (continued)

### Western Pennsylvania

#### Conservation

- Land conservation with an emphasis on habitat protection and sustainable timber management
- Watershed protection and restoration with an emphasis on projects that are strategic
- Sustainable environments

The Foundation gives priority to projects and programs that have clearly defined outcomes and an evaluation component and has a preference for partnering with other donors on initiatives. The Foundation accepts applications throughout the year. The Foundation uses the Common Grant Application format, developed by Grantmakers of Western Pennsylvania, which may be obtained at the website address [foundationcenter.org/grantmaker/rkmellon/](http://foundationcenter.org/grantmaker/rkmellon/) or by contacting the Foundation offices.

#### Attention:

Information and Grants Manager  
Richard King Mellon Foundation  
BNY Mellon Center  
Suite 4106, 500 Grant Street  
Pittsburgh, PA 15219-2502

**telephone** 412 392 2800

**fax** 412 392 2837

The Foundation does not consider requests on behalf of individuals or from outside the United States. The Foundation does not encourage requests from outside Pennsylvania.

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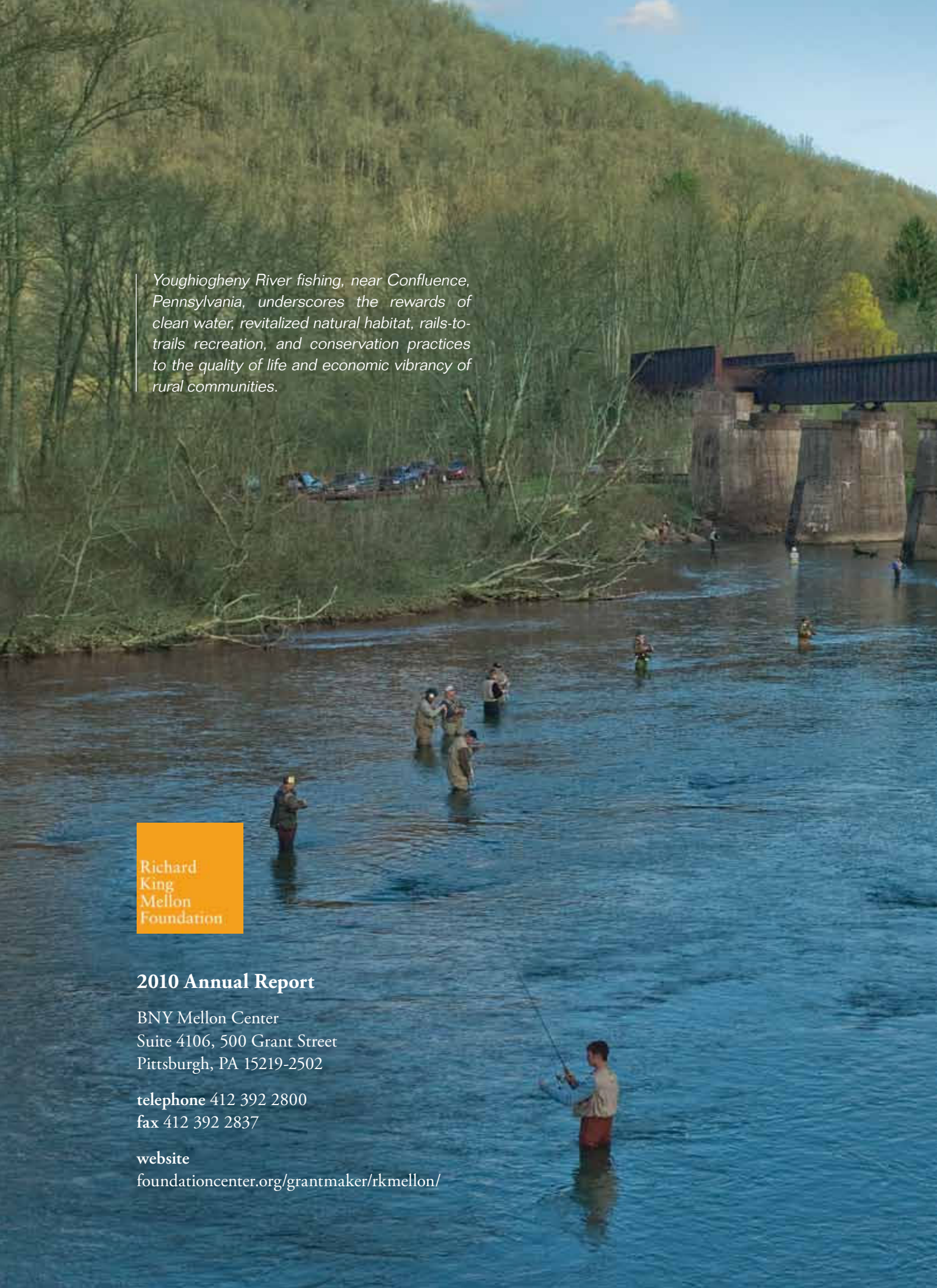
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*Youghiogheny River fishing, near Confluence, Pennsylvania, underscores the rewards of clean water, revitalized natural habitat, rails-to-trails recreation, and conservation practices to the quality of life and economic vibrancy of rural communities.*

Richard  
King  
Mellon  
Foundation

## **2010 Annual Report**

BNY Mellon Center  
Suite 4106, 500 Grant Street  
Pittsburgh, PA 15219-2502

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