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.
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 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

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.

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...
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.

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.

**Chairman’s Letter**

Chairman's Letter

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, 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 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.

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

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.

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.

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).
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 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.

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.
Regional Economic Development

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

<table>
<thead>
<tr>
<th>Grants approved</th>
<th>$26,765,779</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of grants</td>
<td>88</td>
</tr>
<tr>
<td>Percent of grants approved</td>
<td>30%</td>
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</tbody>
</table>

3 Rivers Connect
Pittsburgh, PA
$250,000: $200,000 toward support of the Pittsburgh/TODAY and Enterprise Journalism initiatives of The Regional Indicators Program and $50,000 for completion of the Homewood Community Insight Project

Allegeny Conference on Community Development
Pittsburgh, PA
$425,000 toward support of operations

Asian-American Film Festival of Pittsburgh
Pittsburgh, PA
$50,000 toward the 2010 film festival to be held May 7th–16th

Batelle Memorial Institute
Columbus, OH
$50,000 toward an assessment of Pittsburgh’s potential in alternative energy generation manufacturing arenas

Bridgeway Capital (PRI redeploymen)
Pittsburgh, PA
$1,500,000 toward a loan program to meet the needs of nonprofit organizations

Carnegie Mellon University
Pittsburgh, PA
$60,000 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

Children’s Museum of Pittsburgh
Pittsburgh, PA
$250,000 toward support of operations

City of Asylum Pittsburgh
Pittsburgh, PA
$225,000 toward support of operations

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
$2,500 to develop a plan for sustainable redevelopment of the South Park fairgrounds

Fort Ligonier Association
Ligonier, PA
$100,000 to support the Ujamaa House Association

Fort Pitt Museum
Pittsburgh, PA
$75,000 toward operations and the Green Building Products Initiative, LEED-ND-certified project in Larimer, the Green Building Projects Initiative, and technical assistance program

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

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

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

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

Idea Foundry
Pittsburgh, PA
$500,000 toward support of the archives of the Historical Society of Western Pennsylvania

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

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.

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.
**Regional Economic Development**

**Johnstown Area Heritage Association**
Johnstown, PA
$52,000 to renovate the Johnstown Flood Museum, purchase fund-raising software, and two-year support of operations.

**Latrobe Presbyterian Church**
Latrobe, PA
$150,000 toward 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**
Latrobe, 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 Cafe ’z 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 Kadit 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.

**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 Threes Rivers Arts Festivals.

**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.

**Pro Musica 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
$2,000,000 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.

**Riverside**
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 Craft 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.

**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.

**WQED Pittsburgh**
Pittsburgh, PA
$1,350,000 toward three-year support of a multimedia production incubation fund.

*Grant was awarded on a residency to Carnegie Mellon University and subsequently was granted to the Urban Redevelopment Authority of Pittsburgh.*
 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.
Education

Education Grant Summary

Grants approved $15,877,000
Number of grants 20  
Percent of grants approved 18%

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

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

Carnegie Mellon University
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

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.

As 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.

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.
Human Services

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.

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

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.
Human Services

Human Services Grant Summary

Grants approved: $20,920,201

Number of grants: 70

Percent of grants approved: 24%

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

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

Allegeny 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
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

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
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

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 McKeever YMCA

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

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

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

Families of Greater Pittsburgh
Pittsburgh, PA
$70,000 toward development of a respiratory therapy program

Christian Camps of Pittsburgh, Inc.
Breezewood, PA
$30,000 to contract a consulting firm to evaluate, plan, and potentially implement a capital campaign for Summer’s Box Two Weeks’ expansion of its Cizikidz 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
$200,000 toward two-year support of operations

Friends of Hôpital Albert Schweitzer Haiti
Pittsburgh, PA
$300,000 toward two-year support of operations

Friends of the Haiti Earthquake
Pittsburgh, PA
$40,000 toward the Strategic Planning Initiative

Good Grief Center for Bereavement
Pittsburgh, PA
$500,000 toward two-year support of operations

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

Hosanna Industries, Inc.
Pittsburgh, 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 Children’s Home of Pittsburgh
Pittsburgh, PA
$250,000 toward operating costs

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

Friends of Hôpital Albert Schweitzer Haiti
Pittsburgh, PA
$130,000 toward support of the Haiti Earthquake

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.

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.

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.
Human Services

**KidsVoice**

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

**Latribe Area Hospital Charitable Foundation**

Lakewood, 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
$20,000 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

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**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.**

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

**Urban Impact Foundation**

Pittsburgh, PA
$600,000 toward two-year support of operations and employment training

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**Washington County Habitat for Humanity**

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

**Westmoreland County Food Bank, Inc.**

Dunmore, 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

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**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

**YoungWomen'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

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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)
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 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.

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.
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.
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.
Harrision, 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

Pennsylvania Parks and Forests Foundation
Harrision, 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

Stony Creek Quemahoning Initiative, Inc.
Hollisbopple, 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

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 recently established to support the parks by engaging volunteers, fund-raising, and undertaking park capital improvements.

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
$324,000 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 the phase 2 development at Twin Lakes Park
Appropriations

By Program Priority | Number of grants | Grants approved | Percent of grants approved
---|---|---|---
Regional Economic Development | 88 | $26,765,779 | 18%
Education | 20 | $15,877,000 | 18%
Human Services | 70 | $20,920,201 | 24%
Conservation | 38 | $23,993,862 | 30%
Totals | 216 | $87,556,842 | 28%

By Support Type

By Geographic Area

<table>
<thead>
<tr>
<th>Region</th>
<th>General operating/program support</th>
<th>Capital support</th>
<th>Land acquisition</th>
<th>Technical assistance</th>
<th>Endowment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pittsburgh and southwestern Pennsylvania</td>
<td>39%</td>
<td>14%</td>
<td>14%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>38%</td>
<td>15%</td>
<td>14%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>38%</td>
<td>14%</td>
<td>14%</td>
<td>3%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Net Investment Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Net unrealized appreciation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947 through 2009</td>
<td>$1,169,704,303</td>
<td>$1,219,024,596</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>$1,219,024,596</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Grants Paid and Program-Related Investments

<table>
<thead>
<tr>
<th>Year</th>
<th>Grants approved</th>
<th>Program-related investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947 through 2009</td>
<td>$1,708,162,373</td>
<td>$1,798,931,170</td>
</tr>
<tr>
<td>2010</td>
<td>87,871,252</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$1,796,033,625</td>
<td></td>
</tr>
</tbody>
</table>

Statements of Financial Position

December 31, 2010

<table>
<thead>
<tr>
<th>Assets</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$121,501</td>
<td>$1,542,896</td>
</tr>
<tr>
<td>Other current assets</td>
<td>5,267,131</td>
<td>2,406,175</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>1,073,688,524</td>
<td>925,346,852</td>
</tr>
<tr>
<td>Long-term debt instruments</td>
<td>427,723,342</td>
<td>431,719,934</td>
</tr>
<tr>
<td>Temporary investments</td>
<td>120,214,467</td>
<td>128,299,118</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>381,375,655</td>
<td>345,721,099</td>
</tr>
<tr>
<td>Subtotal</td>
<td>2,011,951,968</td>
<td>1,831,086,801</td>
</tr>
<tr>
<td>Payable from unsettled securities purchases, net</td>
<td>($39,352,458)</td>
<td>($16,295,280)</td>
</tr>
<tr>
<td>Total investments</td>
<td>1,972,599,510</td>
<td>1,814,791,521</td>
</tr>
<tr>
<td>Program-related assets</td>
<td>3,832,000</td>
<td>3,332,000</td>
</tr>
<tr>
<td>Total assets</td>
<td>$1,981,820,142</td>
<td>$1,822,073,191</td>
</tr>
</tbody>
</table>

Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants approved but not paid</td>
<td>$17,900,079</td>
<td>$16,222,532</td>
</tr>
<tr>
<td>Deferred federal excise taxes</td>
<td>3,038,227</td>
<td>1,587,469</td>
</tr>
<tr>
<td>Appropriations for program-related assets</td>
<td>3,832,000</td>
<td>5,332,000</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>24,770,306</td>
<td>23,142,021</td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>1,967,049,856</td>
<td>1,798,931,170</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$1,981,820,142</td>
<td>$1,822,073,191</td>
</tr>
</tbody>
</table>

Statements of Activities and Changes in Net Assets

For the year ended December 31, 2010

<table>
<thead>
<tr>
<th>Income</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>$61,373,489</td>
<td>$44,577,064</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative and investment expenses</td>
<td>10,862,413</td>
<td>9,309,630</td>
</tr>
<tr>
<td>Provision for federal excise taxes</td>
<td>3,137,255</td>
<td>1,054,248</td>
</tr>
<tr>
<td>Provision for deferred federal excise taxes</td>
<td>1,450,738</td>
<td>1,587,469</td>
</tr>
<tr>
<td>Total expenses</td>
<td>15,450,406</td>
<td>11,931,367</td>
</tr>
<tr>
<td>Net investment income</td>
<td>45,923,083</td>
<td>32,645,697</td>
</tr>
<tr>
<td>Grants and appropriations approved</td>
<td>85,547,258</td>
<td>58,091,204</td>
</tr>
<tr>
<td>Deficiency of net investment income over approvals</td>
<td>($39,624,175)</td>
<td>($25,445,507)</td>
</tr>
<tr>
<td>Net realized gains (losses) from investments</td>
<td>52,669,082</td>
<td>($52,877,517)</td>
</tr>
<tr>
<td>Unrealized appreciation on investments</td>
<td>145,073,759</td>
<td>396,498,300</td>
</tr>
<tr>
<td>Gains on investments, net</td>
<td>197,742,841</td>
<td>343,620,783</td>
</tr>
<tr>
<td>Increase in unrestricted net assets</td>
<td>158,118,666</td>
<td>318,175,276</td>
</tr>
<tr>
<td>Unrealized net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>$1,798,931,170</td>
<td></td>
</tr>
<tr>
<td>End of year</td>
<td>$1,957,049,836</td>
<td>$1,798,931,170</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
### Statements of Cash Flows

#### For the year ended December 31, 2010

<table>
<thead>
<tr>
<th>Activity</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash provided by operating activities</td>
<td>$47,576</td>
<td>45,362,886</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of investments</td>
<td>$2,111,504,300</td>
<td>$1,977,097,130</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>$(2,860,356)</td>
<td>64,820</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td>$1,542,895</td>
<td>47,576</td>
</tr>
<tr>
<td>Cash flows from financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net (decrease) increase in cash</td>
<td>$(1,677,547)</td>
<td>47,576</td>
</tr>
</tbody>
</table>

### 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 compliance 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 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). 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 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 information, 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 judgment and assessment. 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. 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 variability 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 by independent auditing firms. Investments in these partnerships may be illiquid, and 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 risk 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.

**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 the 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 the income can be offset against realized gains, less related investment expenses. The Foundation met certain distribution requirements defined in Section 4946 of the Internal Revenue Code with respect to the Foundation’s 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 income 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 is not aware of any matters that could impact the 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 committed to additional investments of $113.0 million and $126.4 million, respectively.

### Summary of Investments

#### December 31,

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Book Value</strong></td>
<td><strong>Fair Value</strong></td>
<td><strong>Book Value</strong></td>
</tr>
<tr>
<td><strong>Domestic equities</strong></td>
<td>$602,840,549</td>
<td>$781,902,171</td>
</tr>
<tr>
<td><strong>Foreign equities</strong></td>
<td>$870,310,349</td>
<td>$1,073,662,052</td>
</tr>
<tr>
<td><strong>Total stock</strong></td>
<td>$392,543,360</td>
<td>$392,346,486</td>
</tr>
<tr>
<td><strong>Long-term debt instruments</strong></td>
<td>$724,530,873</td>
<td>$724,530,873</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>$1,219,214,673</td>
<td>$1,219,214,673</td>
</tr>
<tr>
<td><strong>Alternative investments</strong></td>
<td>$276,708,682</td>
<td>$377,975,635</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>$1,496,023,355</td>
<td>$1,597,190,308</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
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 $59.3 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.

<table>
<thead>
<tr>
<th>Investments at Fair Value as of December 31, 2010</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic stocks</td>
<td>$714,209,439</td>
<td>$36,559,468</td>
<td>$1,646,583</td>
<td>$752,415,490</td>
</tr>
<tr>
<td>Foreign stocks</td>
<td>180,675,163</td>
<td>140,547,851</td>
<td>0</td>
<td>321,223,014</td>
</tr>
<tr>
<td>Long-term debt instruments</td>
<td>59,742,427</td>
<td>360,200,218</td>
<td>1,780,703</td>
<td>427,723,342</td>
</tr>
<tr>
<td>Temporary investments</td>
<td>129,064,213</td>
<td>150,255</td>
<td>0</td>
<td>299,319,468</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>0</td>
<td>0</td>
<td>381,375,835</td>
<td>381,375,835</td>
</tr>
<tr>
<td>Total investments</td>
<td>$1,083,691,256</td>
<td>$543,457,792</td>
<td>$384,802,921</td>
<td>$2,011,951,969</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments at Fair Value as of December 31, 2009</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic stocks</td>
<td>$513,319</td>
<td>0</td>
<td>0</td>
<td>513,319</td>
</tr>
<tr>
<td>Foreign stocks</td>
<td>(82,283)</td>
<td>0</td>
<td>0</td>
<td>(82,283)</td>
</tr>
<tr>
<td>Long-term debt instruments</td>
<td>0</td>
<td>(135,652,856)</td>
<td>276,000</td>
<td>(35,385,866)</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>0</td>
<td>0</td>
<td>(3,400,000)</td>
<td>(3,400,000)</td>
</tr>
<tr>
<td>Total payables, net</td>
<td>$(575,620)</td>
<td>$(135,652,856)</td>
<td>$(3,124,000)</td>
<td>$(393,525,486)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payables from unsettled securities purchases, net at Fair Value as of December 31, 2009</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic stocks</td>
<td>$9,455,406</td>
<td>0</td>
<td>0</td>
<td>9,455,406</td>
</tr>
<tr>
<td>Foreign stocks</td>
<td>(4,536,255)</td>
<td>0</td>
<td>0</td>
<td>(4,536,255)</td>
</tr>
<tr>
<td>Long-term debt instruments</td>
<td>0</td>
<td>(15,058,522)</td>
<td>(43,425)</td>
<td>(15,101,947)</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>0</td>
<td>(1,193,531)</td>
<td>(43,425)</td>
<td>(1,196,956)</td>
</tr>
<tr>
<td>Total payables, net</td>
<td>$(13,400,000)</td>
<td>$(15,058,522)</td>
<td>$(43,425)</td>
<td>$(16,196,956)</td>
</tr>
</tbody>
</table>

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.

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.

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

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/ 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.
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.