# Richard King Mellon Foundation

2013 ANNUAL REPORT

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IBC Trustees, Officers, and Staff

## 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.

# THE IMPORTANCE OF LEADERSHIP

Message from the Chairman

#### In 2013,

the Trustees of the Richard King Mellon Foundation approved 196 grants totaling \$112,958,150 and paid out commitments of \$102,855,041. The Foundation's grant-making history and ongoing grants are intended to help develop, nurture, and strengthen institutional leaders whose endeavors play an essential role in shaping and supporting the quality of life in southwestern Pennsylvania—both now and into the future.

#### **Enhancing Education**

As exemplars of an abiding commitment to excellence, Carnegie Mellon University's (CMU) President Jared L. Cohon and the University of Pittsburgh's Chancellor Mark Nordenberg have proven themselves, time and time again, as leaders among their peers. The Foundation is privileged to have established longstanding, meaningful relationships with each of them and wants to recognize and honor each as he steps down from his post to pursue new opportunities.

Following 16 years in office, CMU President Jared Cohon ended his tenure as the University's eighth president in June 2013 to return to teaching engineering and public policy courses at CMU. Under his guidance, the University achieved notable success in several key areas, including international education, evidenced by CMU's participation in global partnerships in more than 20 countries around the world. Also during President Cohon's tenure, CMU saw increases in the size of its endowment and student body, as well as in the research dollars directed toward university initiatives. As a result of its work in academic technology transfer, CMU has created the most startup companies per research dollar spent since 2007 among all U.S. universities without a medical school. In energy innovation and usage, too, Carnegie Mellon is a proven leader. By purchasing all the power for its Pittsburgh campus from renewable energy sources, CMU ranks as one of the largest purchasers of green power among U.S. universities and colleges. Perhaps most notably, the University recently appointed Dr. Cohon the director of the Wilton E. Scott Institute for Energy Innovation, an initiative that is helping CMU advance research efforts focused on energy-related technology, public policy, and other cutting-edge areas.

In 2013, Chancellor Mark Nordenberg announced that he would relinquish his position as the University of Pittsburgh's 17th chancellor after 19 years of devoted service. In addition to experiencing dramatic increases in the size of its student body and average SAT scores of first-year students during Chancellor Nordenberg's tenure, the University which in 1995 ranked 24th in federal research support granted to its faculty members—now ranks fifth among all American universities. Pitt's research has helped transform the region's economy, attracting more than \$9 billion of sponsored research support during the last 18 years. In addition, a successful capital campaign during Chancellor Nordenberg's





tenure raised more than \$2 billion to support many of Pitt's educational and research initiatives.

The Wilton E. Scott Institute for Energy Innovation at CMU and the University of Pittsburgh's Center for Energy are two examples of the many innovative enterprises established during the tenures of President Cohon and Chancellor Nordenberg, and the Foundation is proud to be partners with both of these outstanding educational and research institutions. In total, the Foundation provided funding of more than \$70,000,000 to the University of Pittsburgh and a nearly equal amount to Carnegie Mellon University during the years that Chancellor Nordenberg and President Cohon led their respective schools.

In 2013, the Foundation supported numerous other worthy educational institutions and community organizations, awarding 31 grants totaling \$23,012,000. A grant of \$1,000,000 toward scholarships and renovations of buildings and classrooms was made to Oakland Catholic High School, and the Greater Latrobe Partners in Education Foundation, Inc. received a grant of \$1,000,000 toward renovations of the junior high and for the integration of state-ofthe-art technology in classrooms. The Ligonier Valley School District received a \$1,000,000 gift to migrate to technology-supported instructional practices and assessments. The Foundation's support of colleges and universities in the region includes, among others, Grove City College, which received \$4,000,000 toward construction of the science, engineering, and mathematics building, and Seton Hill University, which was the recipient of a \$7,000,000 grant toward renovation of the Lynch Hall Science Building and construction of a new health, science, and technology center.

#### **Enriching Life in the Region**

Like the University of Pittsburgh's Mark Nordenberg and CMU's Jared Cohon, the Allegheny Conference on Community Development's chief executive officer Dennis Yablonsky is a seasoned veteran and outstanding leader when it comes to managing and directing dynamic growth. Mr. Yablonsky brings a wide range of experiences as a private businessman, a nonprofit economic development professional, and a high-level appointed government official to his work with the Allegheny Conference.

In 2013, the Conference's role to help ensure sufficient state funding for transportation infrastructure and public transit illustrates Mr. Yablonsky's keen leadership abilities. By enlisting members of its Regional Investors Council and major business leadership organizations across the state to publicize the issue's importance to the governor and key lawmakers, as well as securing the support of an unusual, bipartisan, statewide coalition of social service nonprofit organizations, business, and organized labor entities, the Allegheny Conference helped pursue a lasting transportation solution that provides an annual \$2.3 billion in transportation infrastructure and stable funding for public transit for years to come.

Founded in 1944, the Conference originally focused on alleviating air pollution and regional transportation challenges. Today's Allegheny Conference and its affiliated organizations—the Greater Pittsburgh Chamber of Commerce, the Pennsylvania Economy League of Greater Pittsburgh, and the Pittsburgh Regional Alliance—promote public-private partnerships that enhance all aspects of life in southwestern Pennsylvania. In 2013, the Foundation awarded \$567,000 in grants to the Allegheny Conference to support the TechBelt Initiative and general operations, enabling the Conference to continue to promote industry research partnerships that help generate jobs and growth in the region.

Overall, the Foundation awarded 66 grants totaling \$55,764,000 in 2013 to many organizations whose admirable work supports regional economic development. Bridgeway Capital received a grant in the amount of \$1,700,000 toward the purchase of 7800 Susquehanna Street in Homewood (\$1,500,000) and to expand their micro-loan program (\$200,000). A grant of \$400,000 was awarded to the Brownsville Area Revitalization Corporation toward LEED certification aspects of the renovation of 27 Market Street in Brownsville. This support will fund infrastructure improvements and completion of retail space on the lower level of the building, which, when fully renovated, will house several businesses, apartments, and arts initiatives in this economically challenged community.

#### Serving Those in Need

Recently, Marc Cherna, director of the Allegheny County Department of Human Services, received the first-ever Casey Lifetime Achievement Award for Excellence in Child Welfare Leadership from Casey Family Programs, the nation's largest operating foundation focusing entirely on foster care and improving the child welfare system. Mr. Cherna was





Marc Cherna Director,

ALLEGHENY COUNTY DEPARTMENT OF HUMAN SERVICES

recognized for four decades of endeavors and commitment to ensuring safe, positive outcomes for children and families in the foster care system. He was a key player in consolidating and stabilizing the Allegheny County Department of Human Services and-together with his staff-transformed it into the award-winning, model agency it is today. During Mr. Cherna's tenure, he has presented opportunities for the Foundation to make \$8,500,000 in direct investments for projects to help improve the capacity of the agency. In 2013, the Foundation was honored to support Mr. Cherna's work in the Allegheny County Department of Human Services with a grant of \$41,000 to implement an evidence-based Crossover Youth Practice Model (CYPM) that seeks to reduce recidivism among "crossover youth" who are involved in both the child welfare and juvenile justice systems.

All told in 2013, the Foundation awarded 66 grants totaling \$19,692,500 to organizations whose work provides an array of human services to southwestern Pennsylvania's citizens. A grant of \$150,000 was awarded to the Greater Pittsburgh Community Food Bank toward start-up capital for Pittsburgh Community Kitchen, while Ligonier Valley Meals on Wheels received a grant of \$5,000 to purchase a commercial range. Shepherd's Heart Fellowship and Ministries was awarded \$375,000 toward a commercial kitchen renovation that will enhance its food service to the homeless, many of whom are veterans. A grant of \$100,000 toward support of operations and equipment was made to the Westmoreland County Food Bank.

#### **Safeguarding Nature**

Under the leadership of The Conservation Fund's (TCF) president and chief executive officer Lawrence Selzer, TCF has been one of the Foundation's key partners in ongoing efforts to preserve and protect land, water, and habitats in Pennsylvania and throughout the country. Mr. Selzer pioneered efforts utilizing economic models to achieve conservation objectives. In 2009, TCF launched the New Forest Fund, an innovative method of providing bridge capital to acquire and sustainably manage large tracts of working forests with high conservation value, while working with conservation partners to get these lands permanently protected. In 2013, the Foundation made grants totaling \$8,400,000 to the organization, including \$900,000 toward three-year support of operations.



Throughout the nearly three decades since the Foundation began supporting TCF, the organization has leveraged this funding—which totals more than \$100,000,000 to date—to protect 3.1 million acres of critical habitat. With Foundation support, TCF safeguarded iconic landscapes in all 50 states, including the Rocky Mountain Front, the Grand Canyon, the Adirondacks, the rivers of the South, the forests of New England, and 66,000 acres in Pennsylvania, as well as the Flight 93 Memorial.

In 2013, the Foundation made 33 grants totaling \$14,489,650 in support of its longtime land, water, and natural habitat conservation efforts throughout the country. A number of the Foundation's grants underscore efforts to engage citizens-students, farmers, landowners, and others-in outreach, education, and protection endeavors related to Pennsylvania's natural resources. For example, The Chesapeake Bay Foundation, Inc. received a grant of \$750,000 toward support of the Pennsylvania Watershed Restoration Program. A grant of \$150,000 was awarded to Land Trust Alliance, Inc. toward two-year support for technical assistance and training programs to serve land trusts in western Pennsylvania. The Foundation awarded a grant to the Ruffed Grouse Society in the amount of \$275,000 toward improvements to information systems and technology, private forest landowner outreach, and habitat management equipment. Finally,

the Western Pennsylvania Conservancy was awarded grants totaling \$680,000, including \$520,000 toward three-year support of the French Creek Collaborative for watershed restoration and public education in addition to \$160,000 for the protection of two properties in western Pennsylvania.

As always, I join together with my fellow trustees in expressing deep thanks and appreciation to each of the many outstanding organizational leaders with whom the Foundation has partnered in 2013 to further our mutual goals and enrich the region. This year, as previously noted, we are especially proud to recognize and honor several key individuals for their longtime and exceedingly steadfast commitment to their work-and to ours: Marc Cherna, Jerry Cohon, Mark Nordenberg, Larry Selzer, and Dennis Yablonsky. It is their exceptional leadership, inspiration, and innovation-in conservation, education, human services, and regional economic development-that are at the heart of improving life in southwestern Pennsylvania and protecting and preserving essential natural resources throughout our nation.

Sewarthomen Mellon

Seward Prosser Mellon Chairman



ECONOMIC VITALITY



The Foundation is proud to support a variety of hands-on organizations whose endeavors are dedicated to building, restoring, and enriching the economic vitality and quality of life in communities throughout southwestern Pennsylvania.



#### Reviving Communities BROWNSVILLE AREA REVITALIZATION CORPORATION

Located 35 miles south of Pittsburgh, Brownsville, Pennsylvania, was an industrial center and steamboat building hub throughout the 18th and 19th centuries. More recently, the borough served as a railroad yard and coking center until suburban development and changes in the steel industry drained the town of its economic vitality. Today, the Brownsville Area Revitalization Corporation (BARC) works to revive the area through historic preservation, heritage tourism, outdoor recreation, community stewardship, education, youth advancement, and the arts. Recently, BARC acquired and restored four buildings along Market Street—the main downtown thoroughfare—that currently are occupied by commercial and residential tenants. The Keystone Project will continue this restoration in two adjoining Market Street buildings which, when completed, will house Brownsville's sole pharmacy on the ground floor and seven residential apartments on the upper floors. The development also will include the location and opening of the Brownsville Community Cultural Arts Center. A Foundation grant in the amount of \$400,000 will support LEED certification aspects of the renovation of one of the buildings, including roof repairs, as well as improvements to the façade, utilities, and HVAC system. Once the building's infrastructure has been upgraded, work will proceed to complete the lower level retail space.



#### Supporting Regional Partnerships ALLEGHENY CONFERENCE ON COMMUNITY DEVELOPMENT

Funding from the Foundation in the amount of \$567,000 was awarded to the Allegheny Conference on Community Development for operating support (\$467,000) and toward the TechBelt Initiative (\$100,000), a three-state, strategic effort to reinvigorate the Cleveland-to-Pittsburgh-to-Morgantown corridor and the surrounding region. The Foundation is proud to support this initiative, which not only demonstrates visionary leadership, but also is successfully promoting industry research partnerships that are fostering the region's renewed growth and ongoing transition to a technology and knowledge-based economy. Improving the Quality of Life with Access to Trails and Rivers BIKE PITTSBURGH

Bike Pittsburgh, Inc. endeavors to make the city an increasingly safe, accessible, and friendly place to bike and walk. As a result of its ongoing work, Pittsburgh has seen bike usage increase nearly 300 percent in little more than a decade. Efforts include redesigned roadways that are safer for pedestrians and bicyclists, production of an award-winning map for walkers and bicyclists, and installation of bike racks on city buses and at sites throughout the city. Today, among the nation's 60 most populous cities, Pittsburgh ranks 16th in bike usage and fourth in the number of residents who commute on foot. A grant from the Foundation in the amount of \$300,000 will help establish a bike share program in Pittsburgh, as well as promote biking, walking, and associated safety programs around this initiative. Modeled on successful bike share programs in other cities, the first phase of the project will include 50 stations and 500 bikes across the East End, North Shore, and South Side. Future expansion will increase the system to 100 stations and 1,000 bikes.

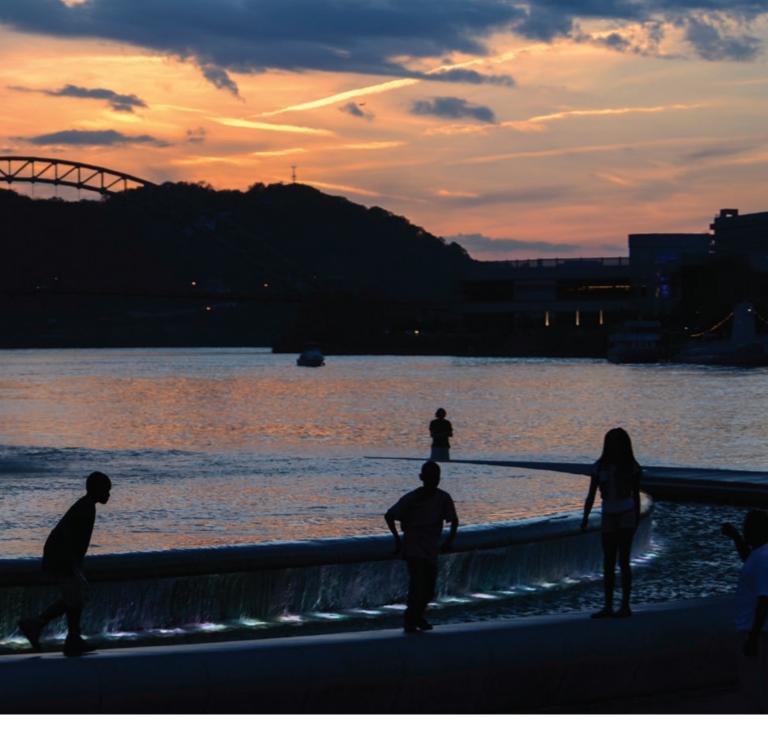


#### Mobilizing the Community OPERATION BETTER BLOCK

Operation Better Block (OBB) aims to strategize, organize, and mobilize—block by block—to benefit the residents of Homewood, a community characterized by low-performing schools, poverty, high crime rates, and blighted and abandoned properties. OBB began to address neighborhood blight and abandonment by undertaking community surveys to determine the most critical sites, assisting homeowners with services to clear tangled property titles, and planning and implementing a revitalization of the one-square-mile community through multiple phases of development. OBB also organized students to clean up overgrown vacant lots through its Junior Green Corps, a 2010 initiative that provides young people in Homewood with structured activities to improve their physical environment, equips them for leadership roles in the community, and provides them with opportunities to explore green-collar jobs and careers. A Foundation grant of \$400,000 enables OBB to continue these efforts, which focus on repurposing vacant property, constructing six new homes in the area, addressing the need to remodel some blighted properties, and exploring opportunities to incorporate parks, signage, lighting, and other safety improvements in the neighborhood. This support also will help OBB continue its block watch and youth development programs. As part of the Point State Park restoration, the fountain has been reopened and trails have been created to provide access all along the riverfront.

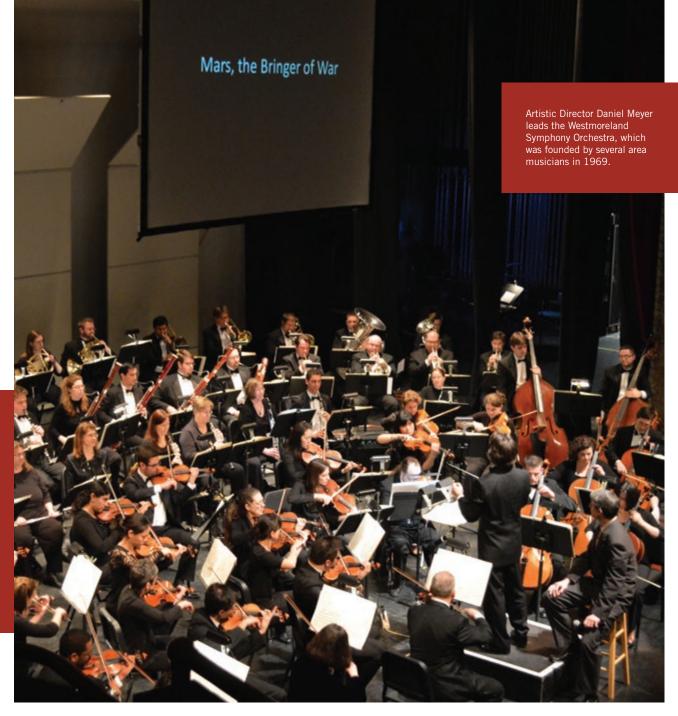
#### Building Quality Leadership THE PITTSBURGH FOUNDATION AND UNIVERSITY OF PITTSBURGH, INSTITUTE OF POLITICS

In an effort to provide city government with a professional hiring process and afford citizens opportunities to propose ideas about how the local government can be organized to best provide services, The Pittsburgh Foundation and the University of Pittsburgh, Institute of Politics established Talent City. This citywide initiative is designed to incorporate objectivity, transparency, and rigorous hiring practices into the process of assembling the best available senior leadership team for Pittsburgh. Support from the Foundation in the amount of \$105,000 helped establish a process to identify qualified applicants for key, senior-level positions in local government, as well as create a citizen oversight committee that will maintain the integrity of the hiring process.



#### Restoring Riverfronts RIVERLIFE

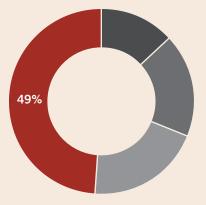
Dedicated to reclaiming, restoring and promoting Pittsburgh's riverfronts, Riverlife works to make these waterways the environmental, recreational, cultural, and economic hub of the city. Three Rivers Park, a 13-mile continuous loop of riverfront parks and trails along the Allegheny, Monongahela, and Ohio rivers, is the centerpiece of Riverlife's efforts and is currently 75 percent complete. Among the organization's completed projects are the trail and amphitheater at SouthSide Works, the restoration at Point State Park, and the partnership established with Pittsburgh's professional soccer team—the Riverhounds—that provides access to trails that run near the team's new stadium at Station Square. Ongoing projects include work on the Allegheny Riverfront to redesign Pittsburgh's Strip District, as well as participation in half a dozen other projects of similar scope. Riverlife received Foundation funding in the amount of \$975,000 toward two-year support of operations for continued work on Three Rivers Park.



#### A Community's Artistic Vitality WESTMORELAND SYMPHONY ORCHESTRA

For more than four decades, Westmoreland Symphony Orchestra (WSO) has provided classical and pops performances and music education opportunities for the citizens of the Westmoreland County area, contributing to the region's economic vitality not only by attracting thousands of patrons to the performances but also through the accompanying expenditures at local restaurants, parking facilities, and other venues. In 2013, the Foundation awarded WSO a grant in the amount of \$34,000 to complete the capital portion of its current "Legacy for the Future" campaign. The funds will support the purchase of instruments and the associated stage furnishings, such as a sound shield and cello chairs, as well as administrative equipment, including a copier and cameras for the marketing department.

#### REGIONAL ECONOMIC DEVELOPMENT GRANT SUMMARY



**GRANTS APPROVED** \$55,764,000 49% of total

#### NUMBER OF GRANTS 66

#### AIA Legacy, Inc.

WASHINGTON, DC \$50,000 toward the 2013 Remaking Cities Congress held in Pittsburgh, October 16-18, 2013

#### Allegheny Conference on Community Development

PITTSBURGH, PA \$100,000 toward the TechBelt Initiative to promote industry research partnerships that generate jobs and growth in the region

\$467,000 toward support of operations

#### Almono, LP

PITTSBURGH, PA \$1,703,000 of program-related investment toward capital projects for the Almono site

Aspinwall Riverfront Park, Inc. PITTSBURGH, PA \$750,000 toward development of a riverfront park in Aspinwall

#### Bike Pittsburgh, Inc.

PITTSBURGH, PA \$300,000 to establish a bike share program in Pittsburgh (\$200,000) and to promote biking, walking, and associated safety programs (\$100,000)

#### Bridgeway Capital

PITTSBURGH, PA \$1,700,000 toward purchase of 7800 Susquehanna Street in Homewood (\$1,500,000) and to expand the micro-loan program (\$200,000)

#### Brownsville Area Revitalization Corporation BROWNSVILLE, PA

\$400,000 toward LEED certification aspects of the renovation of 27 Market Street in Brownsville

#### Carnegie Mellon University PITTSBURGH, PA

\$30,000,000 toward five-year support to establish a world-class energy research institute that will enhance the region's reputation as an energy leader

\$150,000 to assist Green Building Alliance with efforts to encourage Pittsburgh's class A, B, and C office owners to invest in energy efficiency

#### City of Pittsburgh, Department of City Planning PITTSBURGH, PA

\$75,000 toward the Pro Walk/Pro Bike conference to be held in Pittsburgh in 2014 and to establish a scholarship for regional participants

#### Community Theater Project Corporation PITTSBURGH, PA

\$300,000 toward support of operations

#### **Conemaugh Township**

JOHNSTOWN, PA \$160,000 to match a grant from the Pennsylvania Department of Conservation and Natural Resources for enhancements to the Stonycreek Whitewater Park

#### East Liberty Development, Inc.

PITTSBURGH, PA \$350,000 toward two-year support for Thrill Mill to open an early-stage business incubator in East Liberty that will house at least 15 entrepreneurs annually

#### Flax Scutching Festival

STAHLSTOWN, PA \$15,000 toward two-year support of festival programs

#### Fort Ligonier Association

LIGONIER, PA \$9,000 toward participation in events commemorating the 250th anniversary of the signing of the 1763 Paris Treaty

\$250,000 toward support of operations

#### Frick Art & Historical Center

PITTSBURGH, PA \$3,000,000 toward three-year support of the renovation plan to expand educational capacities and enrich visitors' learning experience

#### Friends of the Riverfront

PITTSBURGH, PA \$75,000 toward support of land and water trail development and usage, and stewardship programs

#### Grantmakers of Western Pennsylvania

PITTSBURGH, PA \$23,000 toward support of operations

#### **Greensburg Community**

Development Corporation GREENSBURG, PA \$28,000 to move the Westmoreland County Veterans Monument to the Greensburg Courthouse

#### Grow Pittsburgh

PITTSBURGH, PA \$95,000 toward support of operations, including expansion of programs in Homewood

Hill House Association PITTSBURGH, PA \$250,000 toward support of operations

#### Historical Society of Western Pennsylvania PITTSBURGH, PA

\$700,000 toward two-year support of major exhibitions and related educational programs

#### **Kiva Microfunds**

SAN FRANCISCO, CA \$100,000 to expand access to micro-credit for small business owners and entrepreneurs in Pittsburgh and the surrounding areas

#### Ligonier Valley Historical Society

LAUGHLINTOWN, PA \$125,000 toward two-year support to implement a strategic development plan

#### The Mattress Factory, Ltd.

PITTSBURGH, PA \$500,000 toward two-year support of facilities improvements

#### Mountain Watershed

Association, Inc. MELCROFT, PA \$10,000 toward construction of a bridge in Donegal Township, along the Indian Creek Trail

### The National Road Heritage Corridor UNIONTOWN, PA

\$120,000 toward development of the Sheepskin Trail, a 34-mile bike trail through Fayette County that will link the Great Allegheny Passage to West Virginia's Mon River Trail system

#### New Hazlett Center for the Performing Arts PITTSBURGH, PA

\$410,000 toward two-year support of operations and a fund development challenge

#### **Operation Better Block, Inc.**

PITTSBURGH, PA \$400,000 toward economic development programs in Homewood

#### Passive House Institute US, Inc. URBANA, IL

\$35,000 toward costs associated with the 2013 North American Passive House Conference held in Pittsburgh

#### Pennsylvania Cross Country Skiers Association PITTSBURGH, PA

\$15,000 toward purchase of a storage shed and grooming equipment to maintain cross country skiing trails in Laurel Mountain State Park and Forbes State Forest

#### Pittsburgh Entertainment Project PITTSBURGH, PA

\$400,000 to develop a sustainable entertainment sector for southwestern Pennsylvania

#### **Pittsburgh Filmmakers**

PITTSBURGH, PA \$550,000 toward three-year support of education programs and the Flight School

\$150,000 toward one-year support of Public Source programming

#### The Pittsburgh Foundation

PITTSBURGH, PA \$105,000 to establish a process to identify qualified applicants for local government positions, and to establish a citizen oversight committee

#### Pittsburgh Middle East Institute, Inc.

PITTSBURGH, PA \$50,000 toward hosting conferences and events to promote Pittsburgh business and industry to Middle East delegates

#### Pittsburgh Musical Theater

PITTSBURGH, PA \$500,000 toward purchase and renovation of the James Centre in the West End

#### Pittsburgh Opera, Inc.

PITTSBURGH, PA \$350,000 toward support of operations

#### The Pittsburgh Public Theater Corporation PITTSBURGH, PA \$275,000 toward support of operations

**Pittsburgh Symphony, Inc.** PITTSBURGH, PA \$300,000 toward support of operations

#### The Pittsburgh Trust for

Cultural Resources PITTSBURGH, PA \$325,000 toward support of JazzLive 2013 and the International Festival of Firsts

#### Pittsburgh Water and Sewer Authority

PITTSBURGH, PA \$100,000 toward use of green infrastructure in Pittsburgh and nearby communities

#### Port of Pittsburgh Commission

PITTSBURGH, PA \$75,000 toward a feasibility study to launch the Clean Fuels/Clean Rivers

initiative to build a natural gas marine corridor extending from Morgantown through Pennsylvania and down the Ohio River to Huntington, West Virginia

#### The Progress Fund

GREENSBURG, PA \$300,000 toward purchase and restoration of an historical structure in Laughlintown

#### Renewable Manufacturing Gateway PITTSBURGH, PA

\$750,000 toward support of operations

#### **RIDC Fund for Economic Growth**

PITTSBURGH, PA \$750,000 toward operating costs to manage the Almono site

#### Riverlife

PITTSBURGH, PA \$975,000 toward two-year support of operations for Three Rivers Park

#### Service Corps of Retired Executives

LATROBE, PA \$10,000 toward support of a marketing program to target new businesses and improve existing businesses in Westmoreland County

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

GREENSBURG, PA \$85,000 toward support of operations

#### Southern Alleghenies Museum of Art

LORETTO, PA \$10,000 toward replacement of the HVAC unit at the Ligonier Valley Museum

#### Sustainable Pittsburgh

PITTSBURGH, PA

\$345,000 toward two-year support of programs to encourage municipalities and businesses to make measured reductions in resource consumption and emissions

#### ToonSeum

PITTSBURGH, PA \$10,000 toward support of events during the 2013 National Cartoonists Society Conference, held in Pittsburgh

\$10,000 toward planning efforts to bring the International Cartoon Art Museum Conference to Pittsburgh in 2014

#### University of Pittsburgh, Graduate School of Public and International Affairs

PITTSBURGH, PA

\$75,000 toward two-year support of CONNECT's ongoing work on shared infrastructure issues affecting the City of Pittsburgh and 36 neighboring communities

#### Urban Innovation21

PITTSBURGH, PA \$550,000 toward two-year support to expand economic growth in Pittsburgh's underserved communities

#### Valley School of Ligonier

LIGONIER, PA \$1,400,000 to Valley School's Real Estate Fund, which secures critical regional properties that help ensure the school's long-term sustainability

#### Venture Outdoors

PITTSBURGH, PA \$175,000 toward support of operations

#### Westmoreland County Parks & Recreation Citizens Advisory Board GREENSBURG, PA

\$250,000 to develop recreational opportunities at Twin Lakes Park

#### Westmoreland Symphony Orchestra

GREENSBURG, PA \$34,000 toward artistic and administrative equipment needs

#### WQED Multimedia

PITTSBURGH, PA \$550,000 to serve the community through multimedia civic journalism platforms and highlight issues of importance to the region

\$30,000 toward an implementation plan for the WQED Center for Innovation and Entrepreneurship in Public Media, Radio Futures, and Strategic Plan Scorecard

\$600,000 toward support of operations

#### Zoological Society of Pittsburgh PITTSBURGH, PA \$10,000 to develop a roadmap to enhance visitors' zoo experience



# Bill Generett, Jr. President and CEO URBAN INNOVATION21

**Bill Generett, Jr. has a lot of faith in Pittsburgh** and in the power of collaboration. This faith serves him well in his post as the inaugural president and CEO of Urban Innovation21, an umbrella organization of public-private partnerships that promotes economic development by connecting the region's underserved communities with successful institutions in the innovation economy. Mr. Generett has been guiding the organization since 2007, when it was founded as the Pittsburgh Central Keystone Innovation Zone (PCKIZ).

Using a range of skills he acquired and honed as a corporate attorney, entrepreneurial business owner, and legal staffing professional, Mr. Generett, a Pittsburgh native, provides broadbased leadership to the consortium of 16 institutions that are Urban Innovation21's partners. Among them are colleges and universities, business concerns, governmental entities, non-profit organizations, and philanthropic foundations—all dedicated to stimulating the growth of southwestern Pennsylvania's innovation economy.

Urban Innovation21's efforts focus on the North Side, Uptown, and the Hill District, where Generett uses a creative blend of tax incentives, entrepreneurial resources, educational and internship programs, networking events, and technology vehicles to help increase economic development activities, promote economic sustainability, and transform some of the city's most economically challenged neighborhoods. This work has attracted and supported 46 startup companies to these communities that are part of the Pittsburgh Central Keystone Innovation Zone and are benefiting from access to tax credits, business capital, paid internships, and networking opportunities.

Homewood is the first neighborhood in which Mr. Generett is attempting to replicate his efforts to build and strengthen the economy in a community that has been disconnected from Pittsburgh's economic transformation. Through business planning competitions and small grants to help local businesses grow, Urban Innovation21 has already begun to have an impact on helping new businesses emerge from within the Homewood community.

The Foundation is pleased to support Urban Innovation21, which, under Mr. Generett's leadership, is fostering inventive, effective collaborations and partnerships that are responsible for economic development and urban revitalization in areas that often do not benefit from the innovation economy that is a hallmark of the region.



# promoting excellence through LEADERSHIP



# With direction and guidance from talented and dedicated leaders, an array of academic institutions and community organizations throughout the region is providing vital knowledge, skills, services, and resources to students and citizens of all ages. Using these tools better enables students to tackle individual challenges, launch and sustain successful careers, and participate as leaders themselves in endeavors that promote civic engagement, quality of life, and economic development for the next generation.

### Restoring the Past, Building for the Future SETON HILL UNIVERSITY

In 2013, the Foundation awarded Seton Hill University a grant of \$7,000,000—the largest in the University's history—toward renovation of the Lynch Hall Science Building and construction of a new health, science, and technology center to be named the JoAnne Woodyard Boyle Health Sciences Center. The new facility will honor the memory of JoAnne Boyle, who died in November after retiring—just five months earlier—from a tremendously successful 25-year tenure as the University's president.



#### Redefining the Library BRADDOCK CARNEGIE LIBRARY ASSOCIATION

Housed in a building that has been declared a National Historic Landmark, the Braddock Carnegie Library Association, the first Carnegie Library in the United States, offers both traditional library services—books, audio and visual materials, publicuse computers, reading clubs, children's story time, and summer reading initiatives—as well as community programs, including a ceramic studio, a screen-printing shop, and a music program. With a \$100,000 grant toward two-year support of operations from the Foundation, the Braddock Carnegie Library Association, which recently completed a strategic planning process, will launch a multi-year fundraising campaign that will help set it on a path toward financial stability.

#### Transforming Education THE LIGONIER VALLEY SCHOOL DISTRICT

The Ligonier Valley School District received a grant of \$1,000,000 toward three-year support to migrate to technology-supported instructional practices and assessments. A portion of this funding is being used to provide every high school student with an iPad for use throughout the academic year, as well as to establish iPad labs in the district's elementary and middle schools. Using technology in this way will improve test scores, enhance opportunities for career exploration, and ensure that students have the skills necessary to succeed in today's technology-driven world. According to the district's superintendent, Christine Oldham, "this initiative will transform education."

# "This initiative will transform education."

Christine Oldham Superintendent, LIGONIER VALLEY SCHOOL DISTRICT



#### Reinventing Education THE NEIGHBORHOOD ACADEMY

A grant of \$350,000 toward two-year support to expand the individual and corporate giving programs was awarded to The Neighborhood Academy, a fully accredited independent school that seeks to break the cycle of generational poverty by preparing youth for higher education. A private school that evolved from an innovative summer school program for at-risk students founded by Josephine Moore and Reverend Thomas Johnson, The Neighborhood Academy provides students from families with demonstrated financial need with a holistic, college-preparatory education they otherwise would be unable to obtain. In addition to rigorous academics and extra-curricular activities, the school promotes students' success by providing counseling, transportation, three meals a day, and assistance with emergency needs such as medical care.



"The Neighborhood Academy is more than a school. The Academy is dedicated to developing the minds, bodies, and spirits of our students so that they become fully productive members of our society. By so doing, our students will break the cycle of generational poverty that has held them captive and deprived society of the value of their lives."

- Josephine B. Moore, President and Co-Founder, THE NEIGHBORHOOD ACADEMY



#### Changing Communities Through Information UNIVERSITY OF PITTSBURGH, INSTITUTE OF POLITICS

University of Pittsburgh, Institute of Politics received a \$250,000 grant toward three-year support of the Institute's education and public policy agenda, including a special project to address the combined sewage overflows affecting 83 different municipalities in Allegheny County. As a neutral, non-partisan entity, the Institute provides a unique forum in which elected officials, community leaders, and others can convene to discuss and develop educational seminars, legislative briefing sessions, and public forums focused on pressing public issues that affect the quality of life and economic vitality of the region. "Over the past five years, the Nonprofit Clinic at the University of Pittsburgh has provided management consulting services to nearly 50 charitable organizations in Pittsburgh. It has attracted the attention of practitioners and scholars here and abroad as evidenced by an article on the Clinic in the March 2014 edition of *Teaching Public Administration*, a leading journal published in Great Britain."

- Kevin Kearns, Professor and Director, JOHNSON INSTITUTE FOR RESPONSIBLE LEADERSHIP

#### Building Capacity of Others UNIVERSITY OF PITTSBURGH, GRADUATE SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS

A grant of \$150,000 toward three-year support of the Nonprofit Clinic and the Leadership Portfolio Program at the University of Pittsburgh Graduate School of Public and International Affairs is providing real-world consulting and nonprofit board service opportunities to graduate students training for careers in the nonprofit and social service sectors.

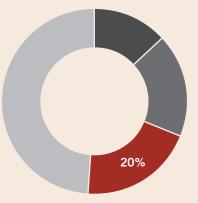
#### Training Students to Lead THE UNIVERSITY ECONOMIC DEVELOPMENT ASSOCIATION, INC.

The University Economic Development Association, Inc. (UEDA) received a \$5,000 grant toward registration costs for graduate and undergraduate students in southwestern Pennsylvania to attend its annual summit, which, in 2013, convened thought leaders in Pittsburgh to share ideas and best practices around university economic development. As the only organization with a specific charge to articulate the important role of higher education in America's competitiveness, UEDA plays a critical role in training and guiding students to lead the way in connecting major educational institutions with local economic development initiatives.

#### A Generation of New Leaders THE CORO CENTER FOR CIVIC LEADERS

The Coro Center for Civic Leaders received a grant of \$135,000 toward support of programs and operations. This funding will enable as many as 120 post-college students to participate in a range of civic and community engagement programs in Pittsburgh while they also develop individual strategic plans for their own growth as leaders. By nurturing these young professionals, the Coro Center is helping to build a cadre of ethical and effective leaders for the future.

#### EDUCATION GRANT SUMMARY



**GRANTS APPROVED** \$23,012,000 20% of total

#### NUMBER OF GRANTS 31

#### A+ Schools: Pittsburgh's Community Alliance for Public Education PITTSBURGH, PA \$300,000 toward two-year support of operations

Braddock Carnegie Library Association BRADDOCK, PA \$100,000 toward two-year support of operations

#### Carnegie Mellon University PITTSBURGH, PA

\$30,000 to engage Carnegie Mellon University students in a variety of outdoor recreation and service-based activities in Pittsburgh

#### Coro Center for Civic Leadership PITTSBURGH, PA

\$135,000 toward support of programs and operations

#### EDSYS, Inc.

PITTSBURGH, PA \$65,000 toward two-year support of outdoor recreational opportunities for students at the City Charter High School

Fox Chapel Country Day School, Inc. PITTSBURGH, PA \$100,000 toward three-year support to hire a marketing and development director

#### Greater Latrobe Partners in Education Foundation, Inc. LATROBE, PA

\$1,000,000 toward renovation of the junior high school to serve the arts program, and to purchase, install, and train for use of technology for the Global Classroom Initiative

#### **Grove City College**

GROVE CITY, PA \$4,000,000 toward construction of the science, engineering, and mathematics building

#### Higher Achievement

Program, Inc. PITTSBURGH, PA \$650,000 toward two-year support for the Bridge to College program and Higher Achievement's programs in Homewood

### Indian Creek Valley Christian Family & Children's Center

CHAMPION, PA \$200,000 toward improvements to roads and parking areas on the North Campus

#### Kiskiminetas Springs School

SALTSBURG, PA \$2,000,000 toward upgrade of campus facilities

#### Ligonier Valley School District LIGONIER, PA

\$1,000,000 toward three-year support to migrate to technology-supported instructional practices and assessments

#### Manchester Craftsmen's Guild

PITTSBURGH, PA \$300,000 toward production and distribution of a film celebrating Pittsburgh jazz

#### The Neighborhood Academy

PITTSBURGH, PA \$350,000 toward two-year support to expand the individual and corporate giving programs

#### Oakland Catholic High School PITTSBURGH, PA

\$1,000,000 toward scholarships and renovations of buildings and classrooms

#### The Pennsylvania State University UNIVERSITY PARK, PA

\$5,000 toward expenses associated with a conference focused on promoting the vitality, productivity, and enjoyment of Pennsylvania's nearly 12 million acres of private forests

\$50,000 toward construction costs of the outdoor pavilion for educational and meeting purposes for Penn State Extension and neighboring agencies in Westmoreland County **Pittsburgh Voyager** 

PITTSBURGH, PA \$255,000 toward support of operations, and development of a river robotics program

#### Planned Parenthood of

Western Pennsylvania, Inc. PITTSBURGH, PA \$165,000 toward three-year support of pregnancy prevention programs

#### **Robert Morris University**

MOON TOWNSHIP, PA \$170,000 toward production costs for a documentary, *America's Most Livable City* 

#### Seton Hill University

GREENSBURG, PA \$7,000,000 toward renovation of the Lynch Hall Science Building and construction of a new health, science, and technology center

#### Somerset County Campus Foundation for Allegany Community College SOMERSET, PA

\$250,000 toward campus upgrades, including renovation of the George S. Cook Founders Hall and installation of two distance learning labs

#### Storehouse for Teachers

PITTSBURGH, PA \$72,000 toward purchase of graphing calculators for 6th through 12th grade students

#### University Economic Development Association, Inc. PITTSBURGH, PA

\$5,000 toward registration costs for southwestern Pennsylvania students to attend the 2013 Summit that brings together thought leaders to share ideas and best practices in university economic development University of Pittsburgh, Graduate School of Public and International Affairs PITTSBURGH, PA \$150,000 toward three-year support of the Nonprofit Clinic and the Leadership Portfolio Program

#### University of Pittsburgh, Institute of Politics

PITTSBURGH, PA \$250,000 toward three-year support of the Institute's education and public policy agenda, including a special project focused on combined sewage overflows in Allegheny County

#### University of Pittsburgh,

School of Medicine PITTSBURGH, PA \$10,000 toward support of the 2013 Mellon Lecture

#### University of the Cumberlands

WILLIAMSBURG, KY \$100,000 to satisfy a challenge grant to meet the housing needs for students in the Physician Assistant program

#### Westmoreland County Community

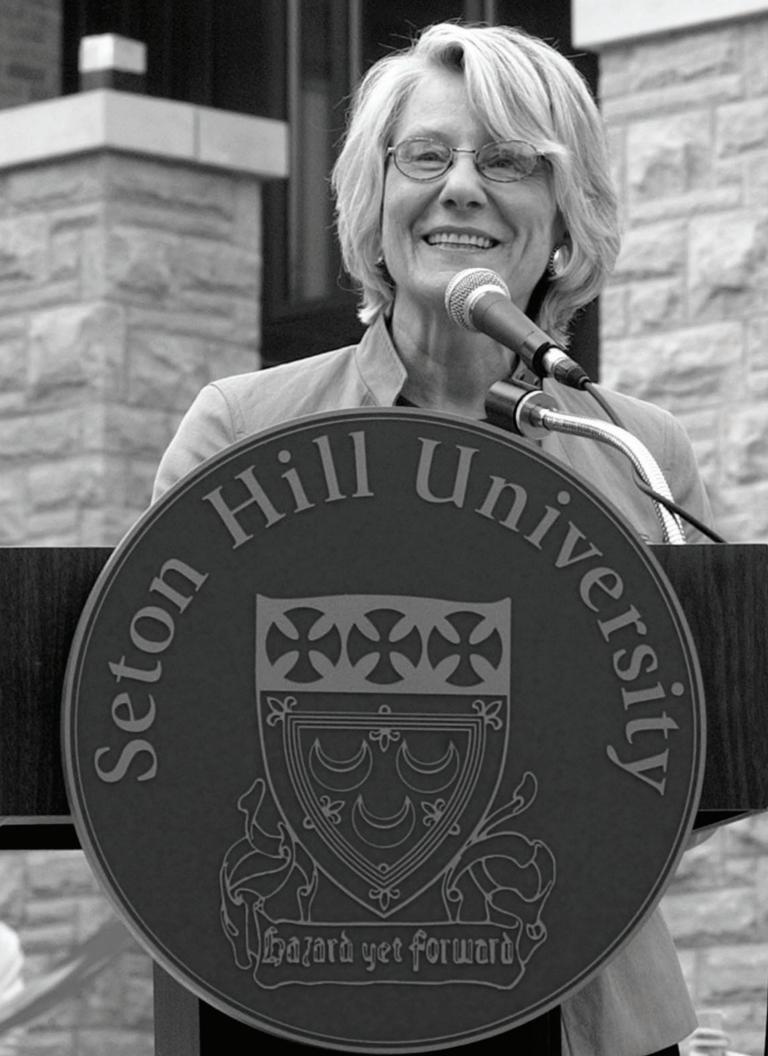
College Educational Foundation, Inc. YOUNGWOOD, PA \$2,000,000 toward the Advanced Technology Center

#### Winchester Thurston School

PITTSBURGH, PA \$1,000,000 toward renovation of facilities at City Campus

#### Wireless Neighborhoods PITTSBURGH, PA

\$300,000 toward two-year support to provide a credit recovery program to Pittsburgh Public School high school students at risk of not graduating



# JoAnne Boyle 1935-2013

**JoAnne Boyle's leadership of Seton Hill University** spanned a generation from 1987 to 2013—during which the school evolved from an 870-student liberal arts women's college into a thriving co-educational institution, offering 80 undergraduate and 12 graduate degree programs to more than 2,500 students. Under her direction, the endowment grew by more than 560 percent, the National Catholic Center for Holocaust Education was established, and a performing arts center (soon to be joined by a dance and visual arts center) was built, expanding the hilltop campus into downtown Greensburg and helping to bring jobs and economic growth to the cultural district.

Dr. Boyle further distinguished the University—and herself—as a leader in technology when, in 2010, Seton Hill became the first university to provide iPads and MacBooks to students and faculty members. Reflecting on this bold move, she noted at the time, "Seton Hill has become nationally recognized for leadership in the creative use of mobile technologies preparing our students for the future and for careers yet to be imagined!"

Indeed, as an alumna, a faculty member, chair of the English Department, and president of the University, JoAnne Boyle and her visionary leadership will benefit the entire Seton Hill community for generations to come. Through its support, the Foundation is proud to promote the university's academic excellence and the legacy of JoAnne Boyle.

# GUIDING OTHERS TO A BETTER LIFE



With the vision, guidance, and expertise of their dedicated leaders, many community-based organizations are working to enhance the quality of life for underserved citizens throughout southwestern Pennsylvania. They are devoted to alleviating hunger, crime, and illness, providing educational and cultural opportunities, lessening barriers to learning, and ensuring physical and emotional health, wellness, and safety for all.

#### Strengthening the Region COMMUNITY FOUNDATION OF GREATER JOHNSTOWN (D/B/A Community Foundation for the Alleghenies)

Under the leadership of Mike Kane, president and executive director, the Community Foundation for the Alleghenies (CFA) has, since 1990, distributed more than \$28 million in grants to more than 1,300 organizations in Johnstown and surrounding communities in Cambria, Bedford, and Somerset counties. CFA grants support initiatives from arts and humanities to children and youth, and from economic development to education, the environment, and health and human services. Because CFA staff members possess intimate knowledge of the three-county region, the Foundation has formed a partnership that enables CFA staff to assist in reviewing proposals for local projects submitted to RKMF. Although the Foundation reviews all proposals to determine their community impact, the collaboration with CFA provides the Foundation with local expertise for proposals in the Johnstown region and effectively targets Foundation funds, ensuring they have the greatest effect on local initiatives and revitalization efforts. In recent years, this partnership has provided funding to renovate a kitchen and restrooms in a facility that serves meals to the homeless, create a community garden, improve the local library and increase its revenue by adding a coffee shop, and complete a co-op to sell locally grown and other food in an economically challenged neighborhood. In 2013, CFA received a grant from the Foundation in the amount of \$450,000 toward joint grant-making interests in the Johnstown area. Leon Haynes directs an army of student volunteers from Carnegie Mellon University in an effort to clean up trash and landscape their Sherwood site in Wilkinsburg.

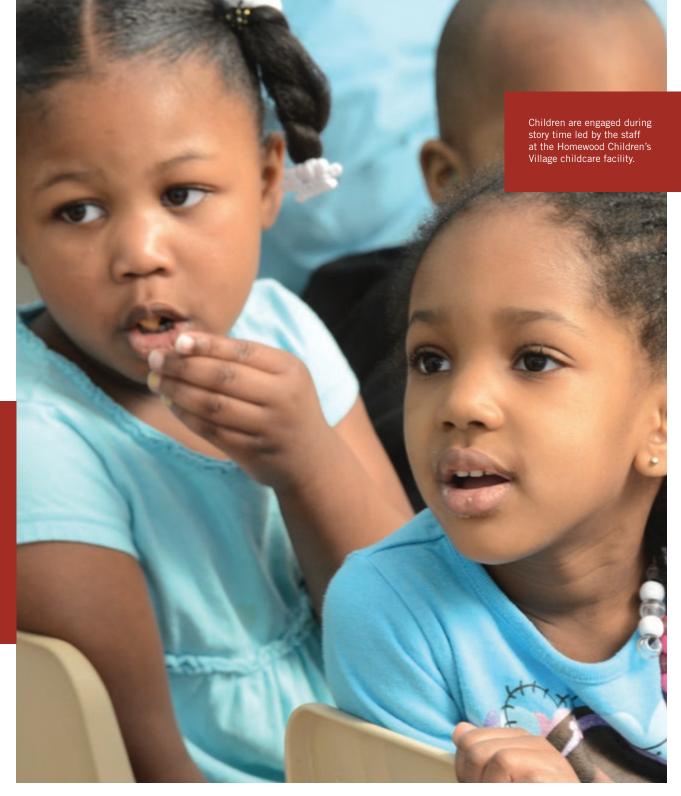
## Building Organizational Capacity HOSANNA HOUSE, INC.

A grant of \$500,000 was awarded to Hosanna House, Inc. (HHI) in 2013 to support increased capacity at Sherwood Recreational Facility, including enclosing part of the facility to make it available for year-round use and rentals, as well as completing an important water run-off project to make the entire 14-acre site, including new nature trails, usable. These improvements will aid in strengthening the financial viability of HHI, which was founded by executive director Leon Haynes, III. Haynes is a caring leader whose drive and determination to convene government, business, social service, education and religious leaders, and organizations in meaningful partnerships have resulted in the fulfillment of the community's vision—a comprehensive, multifaceted community center that brings health and human services to Wilkinsburg.



# "It's about a sense of community and being part of something bigger than yourself."

- Leon Haynes, Executive Director, HOSANNA HOUSE, INC.



# Communities Developing From Within HOMEWOOD CHILDREN'S VILLAGE

A grant to Homewood Children's Village (HCV) in the amount of \$750,000 toward support of operations will help the organization focus on reducing absenteeism and behavioral issues and improving grades in its existing school programs in Homewood. HCV staff members address attendance and suspension concerns, health and safety issues, and academic support as part of a comprehensive effort to improve the lives of Homewood's children and to reweave the fabric of the community in which they live.

# Supporting Community Health EAST LIBERTY FAMILY HEALTH CARE CENTER, INC

In 2013, the East Liberty Family Health Care Center, Inc. received a grant of \$500,000 toward two-year support of operations and capital needs. Under the leadership of two dedicated and longtime physicians—Dr. David Hall, the Center's founding and current medical director, and Dr. Eileen Boyle, CEO and assistant medical director—the Center provides whole-person, quality healthcare each year to more than 25,000 patients, the majority of whom are uninsured, underinsured, and underserved. As a result, more than \$2 million in unreimbursed medical, dental, and mental health services are provided annually. The Foundation's funding will assist the Center in increasing its efficiency in meeting an ever-increasing demand for service, and a challenge grant will add new donors to the Center's annual fund.





# HUMAN SERVICES Meetin

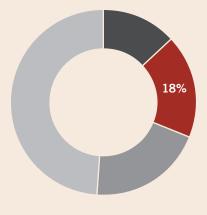
# Meeting Youth Development Needs MANCHESTER YOUTH DEVELOPMENT CENTER

The Manchester Youth Development Center (MYDC) received \$400,000 of Foundation funding toward two-year support of operations and programs. A neighborhood fixture for more than four decades, MYDC provides after-school programming, a summer camp, and a childcare center, and was instrumental in developing the high quality Manchester Academic Charter School. These initiatives promote academic, social, and emotional development, ensuring graduation from high school and preparedness for the future. Under the leadership of executive director Cheryl Walker, MYDC has, over the past several years, diversified its funding base and significantly strengthened its balance sheet.

# Building the Quality of Child Care THE PITTSBURGH ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN

The Pittsburgh Association for the Education of Young Children (PAEYC) received a grant of \$317,000 to build capacity of family childcare providers for high-quality care in a sustainable manner. Under the guidance of executive director Michelle Figlar, PAEYC created the Family Child Care Homes (FCCH) Alliance to address specific challenges faced by homebased, neighbor/relative providers who often possess a passion to care for children, but not the financial skills necessary to run a business. The FCCH Alliance aims to improve financial literacy, create avenues for shared services, provide a forum to build skills-particularly around early literacy-and share best practices. The Foundation's funding will support PAEYC's work with the FCCH Alliance currently operating in Homewood in conjunction with the Children's Village's Early Learning Network, as well as help PAEYC create new Alliances in the Hazelwood and Hilltop communities, improving the quality of child care and the financial management of the home businesses that offer this care.

# HUMAN SERVICES **GRANT SUMMARY**



**GRANTS APPROVED** \$19,692,500 18% of total

## NUMBER OF GRANTS 66

#### Achieva

PITTSBURGH, PA \$750,000 toward energy efficient facility upgrades

# Adonai Center for Black Males

PITTSBURGH, PA \$35,000 toward support of operations

# Allegheny Council to Improve Our Neighborhoods-Housing, Inc.

PITTSBURGH, PA

\$600,000 toward affordable housing projects that demonstrate energy conservation, making the homes sustainable for low-income individuals, and for housing for youth who age out of the foster care system

#### **Allegheny Youth Development**

PITTSBURGH, PA \$50,000 toward two-year support to increase enrollment and enhance services of after-school programs

# Angels' Place, Inc.

PITTSBURGH, PA \$300,000 toward support of operations

## Bethlehem Haven of Pittsburgh PITTSBURGH, PA

\$232,000 toward two-year support of operations, and to hire a consultant

#### Bible Center Church, Inc.

PITTSBURGH, PA \$400,000 toward two-year support of out-of-school time programs in Homewood, and for capacity building

# **Big Brothers Big Sisters of Greater** Pittsburgh

PITTSBURGH, PA \$125,000 to institute supportive services for early-stage matches in the community-based program

## Boy Scouts of America

PITTSBURGH, PA \$500,000 toward two-year support of operations and programs for youth development

## **CASA of Allegheny County**

PITTSBURGH, PA \$30,000 to recruit, screen, and train 10 new volunteers

# Center for Hope

AMBRIDGE, PA \$200,000 toward improvements to the facility to expand services

## The Center That C.A.R.E.S.

PITTSBURGH, PA \$150,000 toward building renovations for a community center that will house after-school programming for middle and high school students of Pittsburgh's Hill District

# Children's Institute of Pittsburgh

PITTSBURGH, PA

\$1,000,000 toward two-year support of capital costs associated with establishing a medical home and telemedicine program for children with special healthcare needs

## City Mission-Living Stones, Inc. UNIONTOWN, PA

\$300,000 as a challenge grant toward support of capital needs including increasing permanent supportive housing, renovation of the Gallatin School site, and increased services to youth

# **Community Foundation** of Greater Johnstown

JOHNSTOWN, PA \$450,000 toward a joint grant-making program with the Richard King Mellon Foundation's fields of interest in the Johnstown area and surrounding counties

# **County of Allegheny, Department** of Human Services

PITTSBURGH, PA \$41,000 to implement an evidence-based model for youth involved in both the child welfare and juvenile justice systems

# **Crisis Center North**

#### Incorporation PITTSBURGH, PA

\$75,000 toward support to increase financial and volunteer resources and awareness of agency services

# **DePaul School for Hearing** and Speech

## PITTSBURGH, PA

\$100,000 toward building renovations to create a speech therapy suite and an outreach and development office

East Liberty Family Health Care Center, Inc. PITTSBURGH, PA \$500,000 toward two-year support of operations and capital needs

# Family Services of Western

Pennsylvania PITTSBURGH, PA \$375,000 toward two-year support of technology improvements

# The Forbes Funds

PITTSBURGH, PA \$110,000 toward management assistance grants to human service agencies

# George Junior Republic GROVE CITY, PA \$700,000 to implement energy and water conservation projects on the George Junior campus

# Greater Pittsburgh Community Food Bank

DUQUESNE, PA \$150,000 toward startup capital for Pittsburgh Community Kitchen

Homewood Children's Village

PITTSBURGH, PA \$750,000 toward support of operations

#### Homewood Renaissance Association

PITTSBURGH, PA \$250,000 toward after-school and summer STEM-based learning activities, and support of operations

Hosanna House, Inc. WILKINSBURG, PA

\$500,000 toward increased capacity at Sherwood Recreational Facility

## Hosanna Industries, Inc.

ROCHESTER, PA \$150,000 toward two-year support to provide home repairs for low-income households in southwestern Pennsylvania

# Jeremiah's Place

PITTSBURGH, PA \$100,000 toward startup of a crisis nursery

# Jewish Healthcare Foundation of Pittsburgh

PITTSBURGH, PA \$10,000 toward a study on the fiscal and economic impacts of Medicaid expansion in Pennsylvania

# Laurel Area Interfaith Volunteer Caregivers, Inc.

LATROBE, PA \$75,000 toward three-year support to implement the succession plan Ligonier Valley Learning Center, Inc. LIGONIER, PA \$25,000 toward capital needs

# Ligonier Valley Meals On Wheels LIGONIER, PA \$5,000 toward purchase of a commercial range

# Ligonier Valley Young Men's Christian Association of Pa, Inc.

LIGONIER, PA \$2,500,000 toward construction of a health and wellness center

Manchester Youth Development Center, Inc. PITTSBURGH, PA \$400,000 toward two-year support of operations and programs

# National Council for Urban Peace and Justice

PITTSBURGH, PA \$5,000 toward a series of violence prevention and intervention forums being held throughout the Pittsburgh area

# Neighbors in the Strip, Inc.

PITTSBURGH, PA \$5,500 toward pedestrian safety enhancements on Smallman Street

Northside Coalition for Fair Housing PITTSBURGH, PA \$10,000 toward support of a summer youth work program

## **Ohio Valley General Hospital**

MCKEES ROCKS, PA \$400,000 toward two-year support to modernize the community hospital to provide care for residents of McKees Rocks, Stowe, and Kennedy Township

# Pennsylvania Organization for Women in Early Recovery

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

# Pittsburgh Association for the Education of Young Children

PITTSBURGH, PA \$317,000 to build capacity of family childcare providers for high-quality care in a sustainable manner The Pittsburgh Foundation PITTSBURGH, PA \$300,000 toward support of needs in Westmoreland County

\$400,000 toward support of the Human Service Integration Fund (\$300,000) and the Allegheny County Jail Collaborative (\$100,000)

# Pittsburgh Soccer in the Community

PITTSBURGH, PA \$50,000 toward lighting installation at the Shady Side Academy Senior School

## The Poise Foundation

PITTSBURGH, PA \$250,000 toward support of operations and a matching donation program

Providence Connections, Inc. PITTSBURGH, PA \$100,000 toward support of general operations

# Rebuilding Together Pittsburgh

PITTSBURGH, PA \$500,000 toward home renovations for low-income homeowners in the Homewood area

Rosedale Block Cluster, Inc. PITTSBURGH, PA \$50,000 toward support of operations

# Saint Margaret Memorial Hospital Foundation

PITTSBURGH, PA \$500,000 toward relocation of the Lawrenceville Family Health Center

## Shepherd's Heart Fellowship and Ministries

PITTSBURGH, PA \$375,000 toward installation of a commercial kitchen

## Sisters of Charity of Seton Hill

GREENSBURG, PA \$300,000 toward upgrades of security and alert systems, medical supplies and transport, and technology

# Small Seeds Development, Inc.

PITTSBURGH, PA \$100,000 toward improving employment outcomes for underserved individuals

#### Sojourner House Moms

PITTSBURGH, PA \$200,000 toward two-year support of program expansion with the acquisition of 21 housing units

# St. Paul of the Cross Monastery and Retreat Center

PITTSBURGH, PA \$40,000 toward services for men and women recovering from addictions

# Student Conservation

Association, Inc. ARLINGTON, VA \$300,000 toward internships for high school and college students

# Three Rivers Rowing

Association PITTSBURGH, PA \$57,000 to engage Pittsburgh's urban high school girls and other youth in a community rowing program

#### **Uniontown Hospital**

UNIONTOWN, PA \$150,000 toward renovation of the Family Beginnings Birthing Center

#### United Way of Allegheny County

PITTSBURGH, PA \$200,000 toward support of United for Women, and to increase corporate involvement in the fitUnited and WorkReady Pittsburgh initiatives

# University of Pittsburgh, Office of Child Development

PITTSBURGH, PA \$180,000 toward two-year support of the HealthyINFANTS initiative

#### **Urban Impact Foundation**

PITTSBURGH, PA \$300,000 toward three-year support of the Impact Urban Youth and Schools initiative

# Veterans Leadership Program of Western Pennsylvania, Inc. PITTSBURGH, PA \$400,000 toward support of operations

## The Western Pennsylvania Hospital Foundation PITTSBURGH, PA

\$350,000 toward two-year support of the expansion of the Simulation, Teaching, and Academic Research Center

# Westmoreland County Food Bank, Inc.

DELMONT, PA \$100,000 toward support of operations and equipment

#### Wilkinsburg Community Ministry

WILKINSBURG, PA \$15,000 to provide nutritious, hot meals year-round to at-risk and developmentally challenged youth

# Young Men's Christian Association of Pittsburgh

PITTSBURGH, PA \$1,500,000 toward two-year support to bridge a financial gap created by urban programs

## Young Men's Christian

Association of Uniontown UNIONTOWN, PA \$75,000 toward construction of an activity room for 8- to 13-year olds

# Young Women's Christian Association of Pittsburgh

PITTSBURGH, PA \$25,000 toward an energy audit and sustainability assessment for the Homewood Brushton Community Center



# David Hall, M.D.

Founding Medical Director EAST LIBERTY FAMILY HEALTH CARE CENTER

**From the time he entered medical school** at the University of Rochester in 1975, David Hall wanted a health center in Pittsburgh that would serve all who needed care, but especially those who were uninsured, underserved, and at risk of falling through the cracks of the health care system. Returning to the area soon after completing his medical training as a family practice physician, Dr. Hall, a Mt. Lebanon native, sought work that would demonstrate, particularly to those in greatest need, that every individual has value in the world. With encouragement and basement space in the Eastminster Presbyterian Church, both provided by Reverend Douglas Dunderdale, the church's senior pastor, Dr. Hall began his tenure as the medical director of the East Liberty Family Health Care Center when it opened in 1982. He's been there ever since.

In addition to making a difference in the lives of patients and their families by providing care that addresses their physical, emotional, and spiritual needs, Dr. Hall finds true joy in providing health care when none had existed previously, especially for the uninsured and young people, many of whom would not visit a doctor's office.

The East Liberty Family Health Care Center comprises two medical offices—one in East Liberty and one in Lincoln-Lemington—as well as a dental clinic. More than 25,000 patients each year receive care provided by a medical staff of 10 doctors and nurse practitioners. The Foundation is proud to support Dr. Hall and the staff of the Center in their efforts to provide whole-person, quality health care for all.

# LEADING THE WAY IN PROTECTING OUR LAND & WATER

CONSERVATION

The Foundation maintains a deep devotion to land preservation and watershed protection and restoration. Through its grantmaking activities, it supports organizations whose conservation initiatives highlight exceptional leadership and collaboration, as well as capacity and commitment to preserve and protect America's natural resources.



# Developing Conservation Strategies THE NATURE CONSERVANCY

The Nature Conservancy—whose mission is to preserve the plants, animals, and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive—is one such organization. With past support from the Foundation, The Nature Conservancy has successfully created GIS data layers that show landscape-level impacts of various types of energy development (unconventional natural gas, wind, and biomass) and developed a consolidated data set of best management practices. The Conservancy has also originated an impressive computer-based modeling and decision-making tool that uses GIS to reduce habitat impacts. Using the modeling tool on specific demonstration sites in Sullivan County, Pennsylvania, The Nature Conservancy is partnering with proactive energy companies to determine optimal locations for roads, gathering lines, and well sites, ensuring they have the least environmental impact. A grant in the amount of \$500,000 over two years to The Nature Conservancy will help the organization refine its modeling and decision-making tool as well as promote the improved software among companies, landowners, conservation organizations, and government entities seeking to minimize environmental impacts and maximize conservation outcomes in natural gas development.

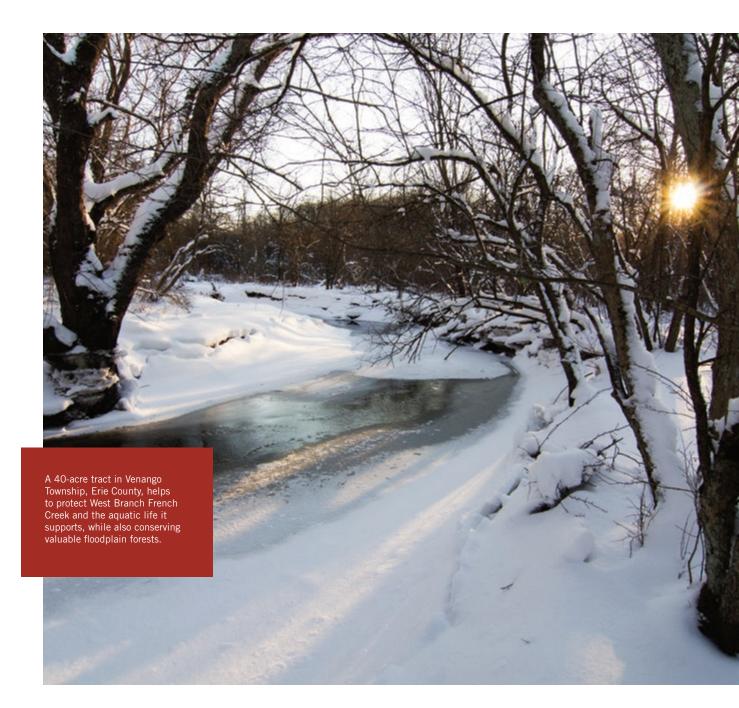


# Protecting Our Watersheds LOYALHANNA WATERSHED ASSOCIATION

Loyalhanna Watershed Association (LWA) seeks to conserve, protect, preserve, and restore the water, land, and other resources of the Loyalhanna Creek Watershed to perpetuate and enhance the region's quality of life. Abandoned mine drainage, sedimentation, and other forms of water pollution are among the challenges within the watershed. Following a comprehensive review of a portion of Loyalhanna Creek completed by Land Studies, a consulting firm that specializes in stream restoration, LWA, working systematically with several other organizations, is restoring 15 sites using natural stream design structures and stream bank improvements. A grant in the amount of \$180,000 from the Foundation will support Phase II of the restoration, helping LWA and its partners address erosion pollution concerns on five different sites in the upper Loyalhanna Creek Watershed, document water quality improvements that result from the restoration projects, and increase recreational tourism in the Ligonier Valley.

# Partnerships that Count WESTERN PENNSYLVANIA CONSERVANCY

A \$680,000 grant to the Western Pennsylvania Conservancy (WPC) includes \$520,000 toward support of a multi-organizational/public partnership to advance land and water conservation in the French Creek Watershed. The gift also will assist the partnership in creating a long-term development plan for ongoing work in the watershed. Known for its exceptionally high level of biodiversity, French Creek is home to more than 90 fish species and 28 freshwater mussel species, some of which are endangered. The first part of the two-pronged effort focuses on intensive public education and outreach to decision makers, including local government officials, landowners, economic development groups, and the general public. The second component involves collaborative land protection among several organizations within the partnership. The alliance also is intended to empower the local land trust to take the lead in future land protection and education efforts.





# Strategies for the Future CHESAPEAKE CONSERVANCY

A grant of \$50,000 will enable the Chesapeake Conservancy to develop geographic information system data sets and other intelligence to increase land protection in Pennsylvania's Susquehanna River Basin. Working in partnership with the Federal Energy Regulatory Commission, federal land management agencies, local citizens, and the Exelon Corporation, owner of the Susquehanna River's Conowingo Dam, the Conservancy will quantify the potential land to be protected, identify key habitats, and develop a conservation plan for these forested riparian lands.

# Emerging Conservation Leadership PENNSYLVANIA INSTITUTE OF CONSERVATION EDUCATION

Through a grant of \$100,000 to the Pennsylvania Institute for Conservation Education (PICE), the Foundation fulfilled a two-year pledge to support conservation leadership academy programs for middle and high school students. Using both hands-on field studies and classroom activities, PICE's Wildlife Leadership Academy trains 14- to 17-year-olds in wildlife biology and management, habitat, botany, public speaking, leadership, conservation of natural resources, history of wildlife, and Pennsylvania ecology.

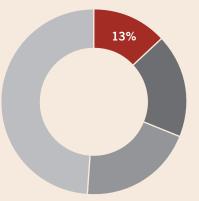
# Supporting Community Conservation CHESAPEAKE BAY FOUNDATION, INC.

Lastly, a \$750,000 grant from the Foundation to the Chesapeake Bay Foundation, Inc. (CBF) will support the Pennsylvania Watershed Restoration Program, which provides outreach and technical assistance to the state's farmers and landowners. This funding will enable CBF to implement best management practices on 40 farms, restore 70 acres of wetlands, and create 330 acres of forested buffers, all of which will reduce pollution in the Susquehanna River and its tributaries.

The Conservation Fund and its partners have protected nearly 114,000 acres along the Montana's Rocky Mountain Front and is the only place where grizzly bears still roam freely from the mountains to the Great Plains, as they have for centuries.

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# CONSERVATION **GRANT SUMMARY**



# **GRANTS APPROVED** \$14,489,650 13% of total

# NUMBER OF GRANTS 33

# Allegheny Land Trust

SEWICKLEY, PA \$110,000 toward land conservation efforts in Allegheny County

## American Chestnut Foundation

ASHEVILLE, NC \$50,000 to restore 1,500 chestnut trees to the Flight 93 National Memorial

#### Carnegie Institute

PITTSBURGH, PA \$650 toward costs associated with a forum on watershed and habitat restoration

# The Chesapeake Bay Foundation, Inc.

ANNAPOLIS, MD \$750,000 toward support of the Pennsylvania Watershed Restoration Program, which provides outreach and technical assistance to farmers and landowners in Pennsylvania

## Chesapeake Conservancy, Inc. ANNAPOLIS, MD

\$50,000 to develop GIS and other information to increase land protection in the southern Susquehanna River Basin in Pennsylvania and to engage key private and public decision makers in plans for the future

# The Conservation Fund

ARLINGTON, VA

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

\$3,000,000 grant and \$2,000,000 as a program-related investment toward purchase of property known as Success Pond in Coos County, New Hampshire

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

## Foundation for Pennsylvania Watersheds ALEXANDRIA, PA

\$400,000 to improve water quality within western Pennsylvania watersheds, to continue restoration objectives within the Kiski-Conemaugh basin, to complete a capacity-building program with watershed groups, and to update technology and the strategic plan

## Friends of the Pittsburgh **Urban Forest** PITTSBURGH, PA

\$290,000 toward two-year support to implement the 2012 Urban Forest Master Plan and for general operations

## **Health Effects Institute**

BOSTON, MA \$400,000 to apply sound science and research to impacts of unconventional natural gas development

#### Land Trust Alliance, Inc.

WASHINGTON, DC \$150,000 toward two-year support for technical assistance and training programs to serve land trusts in western Pennsylvania

## Loyalhanna Watershed Association, Inc. LIGONIER. PA

\$180,000 to address erosion pollution concerns in the upper Loyalhanna Creek Watershed, and increase recreational tourism in the Ligonier Valley

#### Mountain Watershed Association, Inc. MELCROFT. PA

\$300,000 toward two-year support to implement the Comprehensive Restoration Plan for Indian Creek and Jacob's Creek watersheds

# National Fish and Wildlife Foundation WASHINGTON, DC

\$300,000 toward two-year support to survey unassessed coldwater streams in Pennsylvania to determine if they are home to trout or other important or threatened species, and toward protection and restoration efforts

\$175.000 to assist in the development of a strategic approach for western Pennsylvania that establishes numeric goals for habitat improvement and populations of key species

# National Wildlife Federation

**RESTON, VA** 

\$480,000 toward two-year support to develop resources for parents to motivate children to connect with the outdoors

## Natural Lands Trust

MEDIA. PA

\$5,000 toward a forest regeneration conference to be held at The Pennsylvania State University in October 2014

# The Nature Conservancy, Inc.

## HARRISBURG, PA

\$500,000 toward two-year support to promote siting tools and standards for shale gas development in the Central Appalachians

# Nine Mile Run Watershed Association. Inc.

#### PITTSBURGH, PA

\$275,000 toward two-year support of the runoff mitigation project, watershed monitoring, and efforts to improve public programs and funding for green infrastructure

# Pennsylvania Environmental Council, Inc.

HARRISBURG, PA \$200,000 to support work on water resources, community development based on natural amenities, and energy programs in western Pennsylvania

# Pennsylvania Institute for Conservation Education

LEWISBURG, PA \$100,000 toward two-year support of conservation leadership academy programs

Pennsylvania Resources Council, Inc. PITTSBURGH, PA \$120,000 toward support of the Scenic Pittsburgh project, and to diversify funding

## Pittsburgh Community Broadcasting Corporation

PITTSBURGH, PA \$25,000 to develop a corporate sponsorship and marketing plan, and to develop a business plan for Allegheny Front's conservation and environmental

affairs radio series \$95,000 toward production of a radio series to cover issues regarding habitat,

conservation, and energy development in Pennsylvania, and to develop signature segments to help elevate the program's brand

## Pittsburgh Parks Conservancy

PITTSBURGH, PA \$29,000 toward a strategic alliance plan with the Allegheny Commons Initiative

# Ruffed Grouse Society

CORAOPOLIS, PA \$275,000 toward improvements to information systems and technology, private forest landowner outreach, and habitat management equipment

# Soldiers & Sailors Memorial Hall & Museum Trust, Inc. PITTSBURGH, PA

\$150,000 to place a green roof on the building

# Western Pennsylvania Conservancy

PITTSBURGH, PA

\$220,000 toward support of a multiorganizational/public partnership to advance land and water conservation in the French Creek watershed, and to assist the partnership in creating a longterm development plan for ongoing work in the watershed

\$90,000 toward purchase of property in Ligonier Township, Westmoreland County

\$70,000 toward costs associated with the transfer and stewardship of a conservation easement over approximately 724 acres located in Allegheny Township, Somerset County

\$300,000 toward three-year support of the French Creek Collaborative for watershed restoration, land protection, and public education, as well as for strengthening the local land trust, The French Creek Valley Conservancy



# Thomas D. Saunders

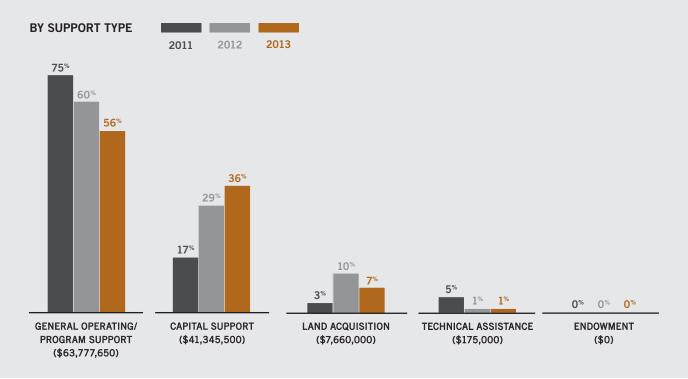
President and Chief Executive Officer WESTERN PENNSYLVANIA CONSERVANCY

**Quick with a quip and a smile,** Thomas D. Saunders has guided the Western Pennsylvania Conservancy (WPC) since 2007 as president and chief executive officer. Like many in the conservation community, his commitment to land protection is deeply rooted in a lifelong love of hiking, biking, and canoeing in settings from Point Reyes National Seashore in California, where he attended law school, to the mountains of New England, where he and a college friend take an annual hiking trip. In addition to his love of the outdoors, Mr. Saunders brings a clear vision, a well-defined strategy, and the ability to attract key staff to his work to advance WPC's commitment to protect and restore natural resources for present and future generations. Largescale land conservation, protection of tree canopies, and revitalization of public and open spaces are hallmarks of Mr. Saunders' work, helping to ensure clean water, healthy forests, ample wildlife, and natural areas throughout the region.

Mr. Saunders' professional experience prepared him well for his present role. Deeply committed to issues surrounding community development and design, he previously spearheaded these programs for the city of Gainesville, Florida. He also served as director of the Maryland Environmental Trust, which not only protects open space and supports the conservation work and capacity building of 40 local land trusts in Maryland, but also is one of the largest conservation easement-holding organizations in the country. Under Mr. Saunders' leadership, WPC, the state's first conservancy, continues its endeavors to create green spaces and gardens, as well as to preserve Fallingwater, a Frank Lloyd Wright masterwork that symbolizes the harmony between nature and humanity. During the more than eight decades since its founding, WPC has protected in excess of 235,000 acres of natural lands, restored watersheds, and saved natural habitats, preserving Pennsylvania's rich biodiversity. Through its support of WPC, the Foundation is proud to help its visionary leaders—past and present—sustain the organization's heritage of caring for water, land, and life in western Pennsylvania.

# **Appropriations 2013**

BY PROGRAM PRIORITY	NUMBER OF GRANTS	APPROVED GRANTS	% OF APPROVED GRANTS
Regional Economic Development	66	55,764,000	13%
Education	31	23,012,000	18%
Human Services	66	19,692,500	
Conservation	33	14,489,650	20*
Totals	196	112,958,150	



BY GEOGR	APHIC	AREA
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BY GEOGRAPHIC AREA		NET INVESTMENT INCOME	
Pittsburgh + Southwestern PA	\$ 102,873,150	1947 Thru 2011	\$1,346,734,974
Other	10,085,000	2013	70,422,315
Total	\$ 112,958,150	Total	\$1,417,157,289
		GRANTS PAID + PROGRAM-R	ELATED INVESTMENTS
		GRANTS PAID + PROGRAM-R 1947 Through 2012	ELATED INVESTMENTS \$1,978,632,750

# **Statements of Financial Position**

December 31,	2013	2012
ASSETS		
Cash	\$ 7,931	\$ 1,352,295
Other current assets	7,818,108	2,353,482
Investments:		
Equities	1,370,173,266	1,074,672,546
Fixed income	537,390,922	544,052,654
Temporary investments	96,667,845	99,500,323
Alternative investments	317,654,286	323,635,148
Subtotal	2,321,886,319	2,041,860,671
Payable from unsettled securities purchases, net	(4,709,743)	(3,081,006)
Total investments	2,317,176,576	2,038,779,665
Program-related assets	18,085,000	14,382,000
Total assets	\$2,343,087,615	\$2,056,867,442
LIABILITIES AND NET ASSETS		
Liabilities:		
Grants payable	\$ 26,980,124	\$ 16,957,015
Deferred federal excise taxes	5,177,227	2,928,730
Appropriations for program-related assets	18,085,000	14,382,000
Total liabilities	50,242,351	34,267,745
Unrestricted net assets	2,292,845,264	2,022,599,697
Total liabilities and net assets	\$2,343,087,615	\$2,056,867,442

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,	2013	2012
INCOME		
Investment income	\$ 85,250,614	\$ 84,114,314
Realized gains on investments	87,821,145	55,586,131
Unrealized gains on investments	224,849,695	107,854,289
Total income	397,921,454	247,554,734
EXPENSES		
Grants approved, net of rescissions	112,848,588	92,287,451
Administrative, investment, and program	11,330,199	10,975,403
Provision for taxes	1,249,603	4,219,510
Provision for deferred taxes	2,248,497	1,078,543
Total expenses	127,676,887	108,560,907
Change in unrestricted net assets	270,244,567	138,993,827
UNRESTRICTED NET ASSETS		
Beginning of period	2,022,599,697	1,883,605,870
End of period	\$2,292,844,264	\$2,022,599,697

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

# **Statements of Cash Flows**

For the year ended December 31,	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 270,244,567	\$ 138,993,827
Adjustments to reconcile change in unrestricted net assets		
to net cash used by operating activities:		
Accretion	(698,755)	(675,072)
Deferred federal excise taxes	2,248,497	1,078,543
Realized gains on investments	(87,821,145)	(55,586,131)
Unrealized gains on investments	(224,849,695)	(107,854,289)
Increase (decrease) in cash from changes in:		
Other current assets	(5,464,626)	5,097,385
Program-related assets	(3,703,000)	(5,500,000)
Grants payable	10,023,109	6,098,937
Appropriations for program-related assets	3,703,000	5,500,000
Net cash used by operating activities	(36,318,048)	(12,846,800)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(3,007,387,888)	(2,807,478,472)
Proceeds from sales of investments	3,042,361,572	2,821,577,373
Net cash provided by investing activities	34,973,684	14,098,901
Net change in cash	(1,344,364)	1,252,101
CASH		
Beginning of year	1,352,295	100,194
End of year	\$ 7,931	\$ 1,352,295

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

# **Summary of Investments**

December 31,	2	013		2012			
	Book Value	Fair Value	Book Value	Fair Value			
Equities	\$ 946,658,484	\$1,367,094,620	\$ 876,701,112	\$1,075,401,766			
Fixed income	545,854,299	536,677,248	541,162,499	541,350,845			
Temporary investments	96,653,641	96,667,845	99,656,415	99,500,323			
Alternative investments	210,287,424	316,736,863	228,386,606	322,526,731			
Total investments	\$1,799,453,848	\$2,317,176,576	\$1,745,906,632	\$2,038,779,665			

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 and Nonprofit Capacity Building. 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

# Notes to Financial Statements (Cont.)

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, interest rates, yield curves, volatilities, prepayment speeds, default rates, 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 gain (loss) 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 that 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, 2013 and 2012.

#### 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 2% 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 1% of net investment income for the year ended December 31, 2013.

At December 31, 2013 and 2012, deferred federal excise taxes are provided at 1%, 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, 2013 and 2012, the Foundation had contractually committed to additional investments of \$157.6 million and \$103.0 million, respectively.

At December 31, 2013, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2014 of \$5.6 million and \$0.9 million for a net payable of \$4.7 million. At December 31, 2012, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2013 of \$33.6 million and \$30.5 million for a net payable of \$3.1 million. These transactions are reflected within the financial statements on a net basis.

#### Note 4: Fair Value Measurements

The following tables present the investments carried on the Statements of Financial Position by level within the valuation hierarchy as of December 31, 2013 and 2012:

# Investments at Fair Value as of December 31, 2013

Investments	Level 1	Level 2	Level 3	Total
Equities	\$1,180,682,124	\$187,844,559	\$ 1,646,583	\$1,370,173,266
Fixed income	207,193,290	329,853,837	343,795	537,390,922
Temporary investments	96,517,845	150,000	0	96,667,845
Alternative investments	0	0	317,654,286	317,654,286
Total investments	\$1,484,393,259	\$517,848,396	\$319,644,664	\$2,321,886,319

#### Payables from unsettled securities purchases, net at Fair Value as of December 31, 2013

Payables, net		Level 1	L	_evel 2	L	evel 3	Total		
Equities	\$	(3,078,646)	\$	0	\$	0	\$	(3,078,646)	
Fixed income		0		(713,674)		0		(713,674)	
Alternative investments		0		0		(917,423)		(917,423)	
Total payables, net	\$	(3,078,646)	\$	(713,674)	\$	(917,423)	\$	(4,709,743)	

#### Investments at Fair Value as of December 31, 2012

Investments	Level 1	Level 2	Level 3	Total		
Equities	\$ 906,828,917	\$166,197,046	\$ 1,646,583	\$1,074,672,546		
Fixed income	187,141,863	356,413,407	497,384	544,052,654		
Temporary investments	99,500,323	0	0	99,500,323		
Alternative investments	0	0	323,635,148	323,635,148		
Total investments	\$1,193,471,103	\$522,610,453	\$325,779,115	\$2,041,860,671		

#### Payables from unsettled securities purchases, net at Fair Value as of December 31, 2012

ayables, net Level 1		L	.evel 2	Lev	vel 3	Total		
Equities	\$	729,220	\$	0	\$	0	\$ 729,220	
Fixed income		497,781		(3,199,590)		0	(2,701,809)	
Alternative investments		0		0	(1	,108,417)	(1,108,417)	
Total investments	\$	1,227,001	\$	(3,199,590)	\$ (1	,108,417)	\$ (3,081,006)	

There were no significant transfers among Levels 1, 2, and 3 during the years ended December 31, 2013 and 2012.

The following tables present a roll-forward of the amounts for the years ended December 31, 2013 and 2012 for investments classified within Level 3:

#### Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2013

Investments	_	alance at ember 31, 2012	Net Investment Income		Realized Gain/ (Loss)		Change in Unrealized Gain/(Loss)		(Sales)		Purchases		Balance at December 31, 2013	
Equities	\$	1,646,583	\$	0	\$	0	\$	0	\$	0	\$	0	\$	1,646,583
Fixed income		497,384		37,450		13,821		(64,432)	(21	0,421)		69,993		343,795
Alternative investments	3	323,635,148	31,	825,153	(	2,611,471)	12	2,309,314	(85,82	5,858)	38	,322,000	3	317,654,286
Total investments	\$3	25,779,115	\$31,	862,603	\$(	2,597,650)	\$12	2,244,882	\$(86,03	6,279)	\$38	,391,993	\$3	319,644,664

# Notes to Financial Statements (Cont.)

#### Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2012

Investments	Balance at December 31, 2011		Net Investment Income		Realized Gain/ (Loss)		Change in Unrealized Gain/(Loss)		(Sales)		Purchases		Balance at December 31, 2012	
Equities	\$	2,055,544	\$	0		\$ (172,107)	\$	96,142	\$	(377,549)	\$	44,533	\$	1,646,583
Fixed income		577,000		0		(3,702)		49,936		(220,350)		94,500		497,384
Alternative investments	3	48,687,045	34	,542,162		4,879,362	(9	9,549,325)	(	93,509,096)	38	,585,000	3	23,635,148
Total investments	\$3	51,319,589	\$34	,542,162		\$4,703,553	\$(9	9,403,247)	\$(	94,106,995)	\$38	,724,053	\$3	25,779,115

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 (NAV) 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 that 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		
Equities	Domestic	1	\$ 66,496,724	\$ O	(1)	n/a		
Equities	International & Emerging markets	4	115,461,100	0	(2)	n/a		
Fixed Income	Long-term debt, global, high yield	8	168,224,652	0	(3)	74% n/a, 24% 11 years, 2% 20 years		
Alternative investments	Buyouts, distress debt, energy, real estate and venture capital	204	317,654,286	157.6	(4)	(5)		
Totals		217	\$667,836,762	\$157.6				

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

(1) Subject to shareholder approval.

(2) All funds subject to 7-30 days prior notice, 80% subject to monthly redemptions, 20% subject to quarterly redemptions.

(3) 72% subject to monthly redemption with 10-30 days prior notice, 28% subject to quarterly redemptions.

(4) All redemptions, sales, or transfers subject to approval of general partner.

(5) 25% 1 year, 47% 2-5 years, 18% 6-10 years, 10% 11-15 years; all funds subject to extensions between 0-3 years.

There are no current plans to sell any of these investments.

#### Note 5: Subsequent Events

The Foundation evaluated all activity through May 29, 2014, 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.

# **Independent Auditor's Report**

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

We have audited the accompanying financial statements of the Richard King Mellon Foundation ("the Foundation"), which comprise the statements of financial position as of December 31, 2013 and December 31, 2012 and the related statements of activities and changes in net assets and cash flows for the years then ended.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Richard King Mellon Foundation at December 31, 2013 and December 31, 2012, and the results of its operations, changes in its net assets, and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

#### Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary summary of investments is presented for purposes of additional analysis and is not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Pricewaterhouse Coopers LAP

May 29, 2014

# Policy and Grant Guidelines

The following grant-making objectives and grant program priorities were approved by the Trustees in December 2009. They became effective in January 2010.

# 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

#### 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.

#### TRUSTEES

Seward Prosser Mellon

Alison M. Byers, Psy.D.

W. Russell G. Byers, Jr.

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