



Richard
King
Mellon
Foundation

2014 ANNUAL REPORT

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IBC TRUSTEES, OFFICERS, & 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.



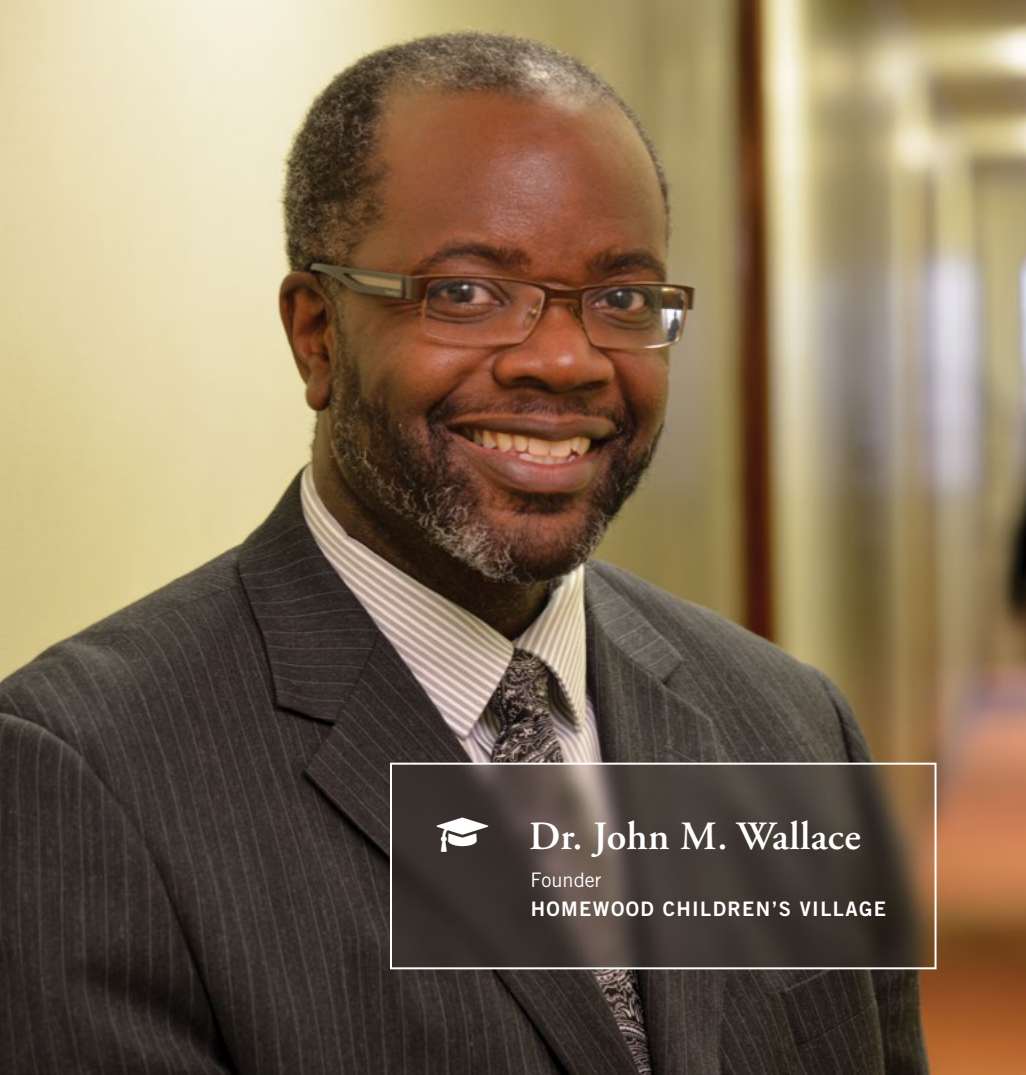



The IMPORTANCE of COMMUNITIES

In 2014, the Richard King Mellon Foundation approved 190 grants totaling \$104,578,500, and paid out commitments totaling \$115,292,182. A significant portion of this funding was directed to organizations that enrich local communities, enhance the quality of life in southwestern Pennsylvania and promote the promise of a bright future for generations to come. Such efforts represent the essence of the Foundation's priorities, and we are especially grateful to the professionals who devote energy and expertise to these vital endeavors. Several individuals' work, in particular, exemplifies their dedication to communities and neighborhoods within the Foundation's areas of interest, and we are pleased to highlight them and their organizations.



THE CHAIRMAN AND KEY PARTNERS IN THE DEVELOPMENT OF MELLON SQUARE PARK CELEBRATE THE REOPENING IN SPRING OF 2014. PICTURED LEFT TO RIGHT ARE KEVIN ACKLIN, CHIEF OF STAFF, CITY OF PITTSBURGH; GEORGE GREER, CHAIRMAN AND PRESIDENT, EDEN HALL FOUNDATION, AND MELLON SQUARE RESTORATION FUND COMMITTEE CO-CHAIR; VINCE SANDS, CHAIRMAN OF BNY/MELLON PENNSYLVANIA (RECENTLY RETIRED); PROSSER MELLON, CHAIRMAN AND CEO, RICHARD KING MELLON FOUNDATION; SANDY MELLON, COMMUNITY LEADER; DAN BOOKER, CHAIRMAN, PITTSBURGH PARKS CONSERVANCY, AND MELLON SQUARE RESTORATION FUND COMMITTEE CO-CHAIR; MEG CHEEVER, PRESIDENT AND CEO, PITTSBURGH PARKS CONSERVANCY; AND RICH FITZGERALD, ALLEGHENY COUNTY CHIEF EXECUTIVE.



 **Dr. John M. Wallace**
Founder
HOMEWOOD CHILDREN'S VILLAGE

NURTURING STUDENTS' SUCCESS

As a founder of Homewood Children's Village (HCV) and president of its board of trustees, John M. Wallace has been instrumental in leading the change that is happening throughout Homewood. Working in partnership with nearly 50 local and national organizations, HCV operates social service programs designed to help children from Homewood and surrounding underserved neighborhoods achieve success as adults. Among its services, HCV provides the community's children with early childhood education, coordinated offerings in their schools, including tutoring and mentoring initiatives, as well as nutritional meals, transportation to attend extended school-day and summer programs, and access to campus tours and other college and career preparation support. A Foundation grant of \$750,000 enables HCV to reduce suspensions, improve grades, and promote academic and social development for 1,000 students.

In addition to his leadership role in HCV, Dr. Wallace is the Philip Hallen Professor of Community Health and Social Justice at the University of Pittsburgh's School of Social Work, where he researches social issues that disproportionately impact economically disadvantaged children, families, and communities.

He also is president of Operation Better Block's board of trustees, and the senior pastor and a member of the board of Bible Center Church, which was founded by his grandparents, Ralph and Bernice Groce, nearly six decades ago. In both his personal and professional endeavors, Dr. Wallace has been instrumental in improving the quality of life for Homewood's students and all those who call the community home.

A Foundation grant of \$750,000 enables HCV to reduce suspensions, improve grades, and promote academic and social development for 1,000 students.

SAFEGUARDING CLEAN WATER FOR THE FUTURE

A longtime leader in the region's watershed repair and conservation efforts, John Dawes is executive director of the Foundation for Pennsylvania Watersheds (FPW). FPW provides seed money—mostly for abandoned mine reclamation—to environmental and watershed organizations, enabling them to access matching funds through local, state, and federal agencies. These agencies have provided more than \$110 million to clean and restore contaminated and degraded waters in western Pennsylvania that drain from abandoned coal mines or carry pollutants from eroding stream banks and urban areas. A \$725,000 grant from the Foundation in 2014 aided FPW's efforts to help watershed groups enhance their operations and improve water quality within the region.

In addition to his leadership of FPW, Mr. Dawes is a gubernatorial appointee to and chairman of the Citizens Advisory Council for the Chesapeake Bay Commission, and a member of the Sustainable Water Resources Roundtable. In 2007, in recognition of his efforts to promote the reauthorization of the Pennsylvania Abandoned Mine Lands Campaign Fund, which will bring more than \$1 billion to abandoned mine reclamation efforts, Mr. Dawes received a Conservation Leadership Award from the Pennsylvania Conservation Commission. More recently, his work garnered awards from the Pennsylvania Association of Environmental Professionals and the U.S. Department of the Interior. His efforts to preserve, protect, and restore the state's watersheds help ensure clean water for future generations of citizens and wildlife.



 **John Dawes**
Executive Director
THE FOUNDATION FOR
PENNSYLVANIA WATERSHEDS

A MESSAGE FROM
THE CHAIRMAN



 **Lisa Schroeder**
Former CEO & President
RIVERLIFE

RESTORING PITTSBURGH'S RIVERFRONTS

Equally committed to water reclamation and restoration in the region is Lisa Schroeder, the former CEO and president of Riverlife. From its founding in 1999 until she left at the end of 2014 to return to her native Baltimore, she led Riverlife in advocating for riverfront development projects including trails, parks, and public spaces. Under her direction, Riverlife has successfully transformed Pittsburgh's riverfronts into an environmental, recreational, cultural, and economic hub for the region. A grant of \$250,000 awarded late in 2014 will enable Riverlife to continue these endeavors as it searches for Ms. Schroeder's successor.

The centerpiece of this development is Three Rivers Park, a 13-mile continuous loop of riverfront parks and trails along the Allegheny, Monongahela, and Ohio rivers in downtown Pittsburgh. Once fully complete, this urban waterfront park will provide access to new outdoor space, trails, water landings, fountains, and marinas, as well as hotels, businesses, and entertainment and cultural venues. The value of these accomplishments has been recognized by an American Institute of Architects (AIA) Honor Award in Urban Planning and Design and the Merit Award in Planning from the International Downtown Association for Riverlife's Vision Plan for Pittsburgh's riverfronts in 2002. Additionally, in 2012, Ms. Schroeder received a Gold Medal award from AIA Pittsburgh.

A grant of \$250,000 awarded late in 2014 will enable Riverlife to continue its endeavors as it searches for Ms. Schroeder's successor.



 **Bill Isler**
Producer
DANIEL TIGER'S NEIGHBORHOOD
2014 Pittsburgher of the Year
PITTSBURGH MAGAZINE

ENSURING FRED ROGERS' LEGACY

A consummate educator and longtime children's advocate, Bill Isler has taught in both elementary school and day-care settings, administered a multi-service program for children, and held several high-level posts in the Pennsylvania Department of Education. He is an award-winning civic leader, chairman of the American Academy of Pediatrics Partnership for Children, and a board member of the Pittsburgh Public Schools, as well as the Fred Rogers Center for Early Learning and Children's Media at St. Vincent College, where he also is the Center's former executive director.

For the last three decades, Mr. Isler has been committed to carrying on Fred Rogers' philosophy, values, and endeavors to promote social and emotional learning and development for children, as well as meaningful interactions and nurturing relationships between children and adults. Developing *Daniel Tiger's Neighborhood*, which features the next generation of family members from the original *Mr. Rogers' Neighborhood* characters, is one way the company ensures Fred Rogers' legacy. Producing *Daniel Tiger's Neighborhood*, together with two other programs—*Peg + Cat* and *Odd Squad*—has enabled the company to become PBS's top producer of children's programming. A \$750,000 Foundation grant will help the Fred Rogers Company develop the second season of *Daniel Tiger's Neighborhood* and several mobile apps, as well as maintain an online presence featuring the Neighborhood's newest characters. With Mr. Isler's expertise and leadership, the Fred Rogers Company is, indeed, continuing its founder's legacy, reaching ever-growing audiences on many platforms.

A MESSAGE FROM
THE CHAIRMAN



J. Kevin McMahon

President & CEO

PITTSBURGH CULTURAL TRUST



COLLABORATING FOR ECONOMIC STRENGTH

A powerful change agent for the last 30 years, the Pittsburgh Cultural Trust has transformed a 14-block area of downtown into one of the nation's most vibrant cultural districts, attracting more than two million visitors each year and generating an economic impact that is estimated to exceed \$300 million annually. Under the leadership of J. Kevin McMahon, president and CEO since 2001, the Trust has grown to be among the largest of Pittsburgh's downtown property owners, managing one million square feet of property, including several restored historic theaters, newly constructed performance venues, public art projects, urban green space, riverfront recreation sites, restaurants, and parking garages. The Trust is the driving force that brings drama and musical performances, contemporary dance productions, family events, visual arts exhibits, and education and community engagement programs to the district's theaters, galleries, and outdoor spaces throughout the year.

A \$250,000 grant from the Foundation enabled the Trust to market the three-day JazzLive International Festival through jazz publications and social media, as well as promote the event to jazz followers nationwide, using established and respected media.

Along with anchor cultural partners such as the Pittsburgh Symphony Orchestra, Pittsburgh Ballet Theatre, Pittsburgh Opera, Pittsburgh Public Theater, and Pittsburgh Civic Light Opera, a variety of free, open-to-the-public outdoor festivals—the International Children's Festival, the Three Rivers Arts Festival, the JazzLive International Festival, and "Gallery Crawls"—are helping the Trust attract an increasingly wide and continually growing audience to the district. A \$250,000 grant from the Foundation enabled the Trust to market the three-day JazzLive International Festival through jazz publications and social media, as well as promote the event to jazz followers nationwide, using established and respected media. With Foundation funding, the Trust also secured popular jazz groups as Festival performers and provided value-added features—jazz history materials, visual arts, and jazz music sales—that enriched the event and continue to bolster Pittsburgh's economy and its profile as a "jazz city." With Mr. McMahon at the helm, the Trust effectively nurtures meaningful collaborations that enhance the city's art, entertainment, and cultural offerings, as well as promote Pittsburgh's economic growth and vitality in significant ways.

Indeed, Messrs. McMahon, Isler, and Dawes, together with Dr. Wallace and Ms. Schroeder, bring a wealth of professional expertise, training, and proficiency to their endeavors, all of which benefit individuals, communities, and neighborhoods throughout Pittsburgh and the region. My fellow trustees and I are proud to count them—and the many other community-builders with whom we work—as partners and friends, and we look forward to continued collaboration and investment with their institutions and others that, like the Foundation, are dedicated to cultivating meaningful improvements to life in southwestern Pennsylvania and to protecting and preserving natural resources throughout our country.

Seward Prosser Mellon

Chairman

A MESSAGE FROM THE CHAIRMAN

A RANGE of ENDEAVORS ENHANCES the REGION

Strengthening the region's economic standing is among the Foundation's highest priorities. In 2014, 78 grants from the Foundation provided \$42,334,500 of support to numerous organizations whose leaders use their considerable expertise and vision to attract and retain arts and cultural entities, build and sustain business infrastructures, and encourage sustainable growth. These efforts enhance the quality of life throughout southwestern Pennsylvania.



(LEFT) BRIDGEWAY CAPITAL IS REDEVELOPING THE WESTINGHOUSE FOUNDRY IN HOMEWOOD, WHICH WILL HOUSE MANUFACTURING TENANTS INTERESTED IN CONNECTING WITH THE COMMUNITY. PICTURED LEFT TO RIGHT ARE T. RASHAD BYRDSONG, PRESIDENT AND CEO, COMMUNITY EMPOWERMENT ASSOCIATION; MARK PETERSON, PRESIDENT AND CEO, BRIDGEWAY CAPITAL; AND BILL KRAHE, PRESIDENT, GRAND VIEW DEVELOPMENT CO.

RETROFITTING A FOUNDRY

Built in 1925, the five-story Westinghouse foundry at 7800 Susquehanna Street not only served as a longtime employer of industrial, warehouse, and office workers, but also was instrumental in turning Homewood into one of Pittsburgh's most popular and thriving neighborhoods. By 1960, more than 38,000 people lived in the community, but the area, once a beacon of economic vitality, began a downward spiral when the foundry closed. With the flight of wealthier residents to the outer suburbs and the turbulence of the times taking its toll, Homewood's business district quickly became distressed.

In June 2013, with assistance from the Foundation, Bridgeway Capital, a community development finance agency, purchased the building on Susquehanna Street. The agency began marketing tenancy to manufacturing businesses, particularly those willing to collaborate with other tenants and the community.

To date, approximately half of the building's square footage has been leased to a mix of tenants, including cabinetmakers, woodworkers, artists, and a semi-custom automation supplier. Construction trainers in masonry, welding, carpentry, and roofing also occupy the building. Space also is being allocated for the Homewood Business Center, a shared meeting space and resource for local entrepreneurs, and for a showroom for products made in the building. Because leasing has occurred more quickly than anticipated, a Foundation grant of \$2,500,000 will support electrical, plumbing, mechanical, and architectural improvements, ensuring that the building meets zoning requirements necessary to acquire new tenants. The grant also will cover some of the operating costs necessary to implement Bridgeway's resident ownership model.



DEVELOPING A TRANSIT HUB

The East Liberty Transit Revitalization Investment District Revitalization Authority (ELTRIDRA) is a public entity formed to support a mixed-use development and transit center in Pittsburgh's East Liberty neighborhood. The site includes Eastside III, which comprises 357 apartments, 40,000 square feet of retail and office space, and 566 parking spots built around a new transit center at the busiest stop on the East Busway. Once completed, the transit center will enhance residents' public transportation options and provide access to other amenities not available to them in their own communities.

Collectively, investment in Eastside III will total more than \$133 million, primarily funded through private debt and equity. The \$44 million devoted to public infrastructure will be anchored by a \$15 million federal grant and supported by a host of public and private grant and loan programs. The Foundation has provided a \$1.5 million Program Related Investment toward the project.

In addition to Eastside III, the TRID includes four other projects, all of which are underway: Bakery Square 2, a residential and office development that will be anchored by Google; Walnut on Highland, an apartment complex; ACE Hotel, a boutique hotel that has seen great success in the New York and San Francisco markets; and East Liberty Place South, an affordable housing community. Overall, the project is expected to generate 3,000 new jobs and more than \$500 million in new development in the region.



(LEFT) WHEN COMPLETED, THIS TRANSIT HUB WILL ENHANCE RESIDENTS' TRANSPORTATION OPTIONS AND PROVIDE ACCESS TO OTHER AMENITIES NOT AVAILABLE IN THEIR OWN COMMUNITIES.



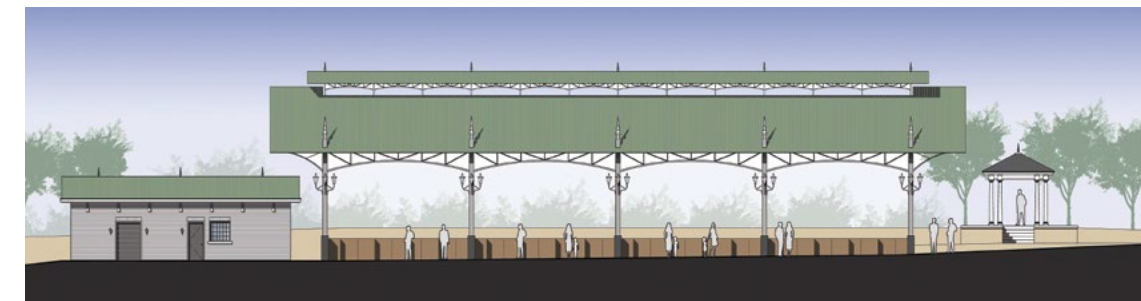
(RIGHT) THIS PAVILION WILL ACCOMMODATE THE MAIN STREET FARMERS MARKET AND SERVE AS A COMMUNITY SPACE FOR SEASONAL FESTIVALS, AND GATHERINGS, CONCERTS, AND PERFORMANCES. WHEN NOT IN USE, IT WILL PROVIDE COVERED PARKING.

ENRICHING WASHINGTON'S BUSINESS DISTRICT

Located in Washington, Pennsylvania, the Main Street Farmers Market (MSFM) offers the freshest locally grown and organic produce, choice meats, eggs, dairy products, and excellent prepared foods. Together with community partners, MSFM, which has been a presence in Washington for nearly 12 years, seeks construction of a community pavilion to serve as a multi-function venue in the heart of the business district. In addition to enhancing the appearance of Main Street and complementing the city's historical architecture, the permanent, open-air roof structure will support the ongoing revitalization of the city's troubled downtown area.

The Community Pavilion Project will include construction of ADA-compliant ramps and restroom facilities, as well as a utility infrastructure and office and storage facilities in two existing municipal parking lots near the county courthouse. Seasonal festivals, community gatherings, and public concerts and performances, as well as the MSFM, are among the activities the pavilion will accommodate. When not in use, it will provide covered and lighted public parking for visitors to area businesses, including the courthouse and county offices.

A \$300,000 Foundation grant will provide a portion of the funding necessary to construct a community pavilion in Washington's business district.



COLLABORATIONS SUPPORT RESEARCH, TRAINING, AND ECONOMIC DEVELOPMENT

Pittsburgh Gateways, a non-profit economic development support organization, has been instrumental in acquiring and converting the Connelley Trade School, a former public school vocational education complex, into the Pittsburgh Energy Innovation Center (EIC). Sitting on 6.5 acres in the Lower Hill District, the EIC contains approximately 250,000 square feet of space that will be fully renovated as a LEED-Platinum building to house collaborative research initiatives among businesses and academic institutions, as well as workforce development and job training programs for organizations in the energy industry.

To date, the Bayer and Eaton corporations, Peoples Gas, Burns & Scalo, Jones Lang LaSalle, and Duquesne Light will use space at the EIC for activities related to research, manufacturing, and provision of energy services. Several academic institutions—the University of Pittsburgh, Carnegie Mellon University, Penn State University, Duquesne University, and Community College of Allegheny County—also will occupy space at the EIC to collaborate with businesses in energy, manufacturing, and technology-related research. The EIC will provide innovative workforce development, job training, and employee certification initiatives to train and certify several hundred individuals annually. HVAC, geothermal, solar, and other advanced technologies will be installed in the building for teaching purposes, as well as to demonstrate sound energy management techniques and to pilot new energy products.

The EIC's initial renovations were completed at a cost of \$40 million. The next phase—totaling \$30 million—will support constructing space for specific tenants, adapting the building to meet code regulations, and adding advanced technologies. A \$5 million grant from the Foundation to Pittsburgh Gateways will ensure continued building renovation, launch of the training and education initiatives, and ongoing efforts to secure tenants, leases, and additional funding to support the EIC's mission.

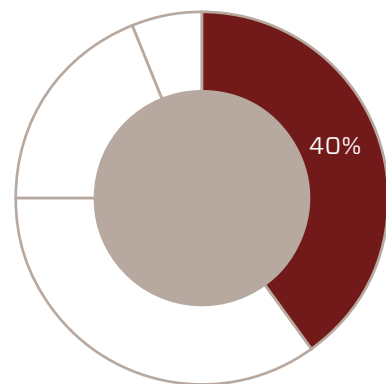
A \$5 million grant from the Foundation to Pittsburgh Gateways will ensure continued building renovation, launch of the training and education initiatives, and ongoing efforts to secure tenants, leases, and additional funding to support the EIC's mission.



(RIGHT) PITTSBURGH GATEWAYS HAS CONVERTED A FORMER EDUCATION COMPLEX INTO THE PITTSBURGH ENERGY INNOVATION CENTER. A TOTAL OF 250,000 SQUARE FEET OF SPACE WILL BE FULLY RENOVATED AS A LEED-PLATINUM BUILDING. PICTURED HERE ARE BOB MEEDER (LEFT), PRESIDENT AND CEO, AND BILL MILLER (RIGHT), VICE PRESIDENT AND COO, OF PITTSBURGH GATEWAYS CORPORATION.



Regional Economic Development Grant Summary



GRANTS APPROVED

\$42,334,500

40% of total

NUMBER OF GRANTS

78

3 Rivers Wet Weather, Inc.

PITTSBURGH, PA
\$600,000 toward two-year support to promote sustainable municipal compliance with governmental consent orders for the region's sewer system

Allegheny Conference on Community Development

PITTSBURGH, PA
\$10,000 toward the PowerUp Pittsburgh program

Allegheny Conference on Community Development

PITTSBURGH, PA
\$492,000 toward support of operations and the 2014 Leadership Conference

Animal Rescue League of Western Pennsylvania

PITTSBURGH, PA
\$750,000 toward two-year support to design and construct a new, state-of-the-art animal resource center

Bike Pittsburgh, Inc.

PITTSBURGH, PA
\$200,000 to promote walking and biking in Pittsburgh and to enhance safety

Bricolage

PITTSBURGH, PA
\$150,000 toward two-year support of a shared development officer position

Bridgeway Capital

PITTSBURGH, PA
\$2,500,000 toward renovation of a light industrial building

Carnegie Institute

PITTSBURGH, PA
\$25,000 toward 24 concerts at the Warhol Museum and in Oakland in 2015

Carnegie Mellon University

PITTSBURGH, PA
\$150,000 to extend the Traffic21 technology along Penn Avenue to Braddock Avenue and along Centre Avenue to Baum Boulevard

Carnegie Mellon University

PITTSBURGH, PA
\$250,000 toward the research and technology phase of the Lunar X competition

Center for Regional Economic Competitiveness

ARLINGTON, VA
\$10,000 toward costs associated with the 2014 Council for Community and Economic Research conference to be held in Pittsburgh from June 2–6

Center for Sustainable Shale Development, Inc.

PITTSBURGH, PA
\$150,000 toward two-year support of a third-party certification program for shale gas drillers, and implementation of a public engagement plan

Children's Museum of Pittsburgh

PITTSBURGH, PA
\$400,000 toward two-year support of operations

City of Pittsburgh

PITTSBURGH, PA
\$150,000 toward two-year support of the Bureau of Neighborhood Empowerment and to improve internal operations

City of Pittsburgh

PITTSBURGH, PA
\$400,000 toward three-year support to create a Regional Data Resource Center and to improve internal operations

City Theatre Company, Inc.

PITTSBURGH, PA
\$1,700,000 toward capital improvements to the City Theatre building, a facilities reserve fund, and operations

The Clemente Collection at Engine House 25

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

Community Design Center of Pittsburgh, Inc.

PITTSBURGH, PA
\$125,000 to assess housing stock, develop a renovation plan, and establish design standards for a seven-block area in Pittsburgh's Homewood neighborhood

Community Theater Project Corporation

PITTSBURGH, PA
\$10,000 toward support of a roundtable discussion to generate ideas on restructuring programming for the August Wilson Center

Construction Junction

PITTSBURGH, PA
\$75,000 for energy-efficient lighting upgrades

County of Allegheny

PITTSBURGH, PA
\$1,400,000 toward three-year support to create a Regional Data Resource Center and to improve internal operations

East Liberty Development Incorporated

PITTSBURGH, PA
\$50,000 to complete mapping of crime hot spots and to design a strategy to address crime in Homewood

East Liberty TRID Revitalization Authority

PITTSBURGH, PA
\$1,500,000 toward transit-oriented development projects in East Liberty

Economic Growth Connection of Westmoreland

GREENSBURG, PA
\$400,000 toward two-year support of operations

Essential Public Media, Inc.

PITTSBURGH, PA
\$1,000,000 toward two-year support of efforts to generate revenue by increasing memberships, corporate underwriting, and major gifts leading to financial sustainability

Grantmakers of Western Pennsylvania

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

Greater Pittsburgh Convention and Visitors Bureau Education Foundation, Inc.

PITTSBURGH, PA
\$80,000 toward two-year support of customer service training

Green Building Alliance

PITTSBURGH, PA
\$600,000 toward two-year support of operations

Green Building Alliance

PITTSBURGH, PA
\$30,000 to determine feasibility of a variety of energy and storm water strategies for Northside Coalition for Fair Housing's planned revitalization project

Grow Pittsburgh

PITTSBURGH, PA
\$100,000 toward support of operations and programs in Homewood

Historical Society of Western Pennsylvania

PITTSBURGH, PA
\$1,000,000 toward two-year support of exhibitions, programs, and capital needs of the Heinz History Center

Idea Foundry

PITTSBURGH, PA
\$300,000 toward the Accelerators and Transformation Fellowship Program and social enterprise efforts in Homewood

Johnstown Area Heritage Association

JOHNSTOWN, PA
\$750,000 toward two-year support to renovate the Johnstown Flood Museum and to promote cultural tourism in the Johnstown area

Ligonier Township Municipal Authority

LIGONIER, PA
\$500,000 to expand water service to Ligonier Township's Red Rock and Darlington Road areas

Main Street Farmers Market, Inc.

WASHINGTON, PA
\$300,000 toward construction of a pavilion for a farmers market and community events in Washington, PA

Montour Trail Council

BRIDGEVILLE, PA
\$250,000 to restore the Library viaduct in South Park Township, closing the last significant gap on the Montour Trail in Allegheny and Washington counties

Mount Washington Community Development Corporation

PITTSBURGH, PA
\$400,000 toward two-year support of slope restoration and trail construction in Emerald View Park

The Mountain Playhouse, Inc.

JENNERSTOWN, PA
\$135,000 toward support of operations and to hire a financial consultant

National Aviary in Pittsburgh, Inc.

PITTSBURGH, PA
\$275,000 toward enhancing avian medical programs and facilities

The National Road Heritage Corridor

UNIONTOWN, PA
\$510,000 toward design, construction, and installation of interpretive displays at the Laurel Highlands Falls Area Visitor Center

Operation Better Block, Inc.

PITTSBURGH, PA
\$450,000 toward economic development programs in Homewood

PA Cleanways of Allegheny County, Inc.

PITTSBURGH, PA
\$95,000 toward two-year support of operations

Phoebe Foundation Inc.

ALBANY, GA
\$1,000,000 toward a housing facility for medical and pharmacy students

Pittsburgh Ballet Theatre, Inc.

PITTSBURGH, PA
\$800,000 toward support of operations and school expansion

Pittsburgh Council for International Visitors

PITTSBURGH, PA
\$10,000 toward the Global Great Lakes Network, held in Pittsburgh in June 2014, to advance immigrant-related economic development initiatives

Pittsburgh Council for International Visitors

PITTSBURGH, PA
\$100,000 toward two-year support of operations and to expand corporate memberships

Pittsburgh Downtown Partnership

PITTSBURGH, PA
\$250,000 toward two-year support of the Downtown Activation and Placemaking Initiative

Pittsburgh Entertainment Project

PITTSBURGH, PA
\$750,000 to develop a sustainable entertainment sector for southwestern Pennsylvania and to develop incubator projects

Pittsburgh Filmmakers

PITTSBURGH, PA
\$75,000 toward support of the 2014 Biennial

Pittsburgh Filmmakers

PITTSBURGH, PA
\$10,000 toward video production that highlights development of the Rough Diamond Trail

The Pittsburgh Foundation

PITTSBURGH, PA
\$10,000 to develop a land banking approach for the City of Pittsburgh

Pittsburgh Gateways Corporation

PITTSBURGH, PA
\$5,000,000 toward two-year support of operations and capital support for the Energy Innovation Center

Pittsburgh Glass Center, Inc.

PITTSBURGH, PA
\$200,000 toward support of operations

Pittsburgh Life Sciences Greenhouse

PITTSBURGH, PA
\$250,000 toward support of the Executive-in-Residence program

Pittsburgh Life Sciences Greenhouse

PITTSBURGH, PA
\$2,500,000 toward three-year support of operations

Pittsburgh Opera, Inc.

PITTSBURGH, PA
\$300,000 toward support of operations and as a match for a building reserve

The Pittsburgh Public Theater Corporation

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

Pittsburgh Symphony, Inc.

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

The Pittsburgh Trust for Cultural Resources

PITTSBURGH, PA
\$250,000 toward JazzLive International 2014

The Pittsburgh Trust for Cultural Resources

PITTSBURGH, PA
\$1,000,000 toward two-year support to build the membership base in order to reach 10,000 members by 2015

Power of 32 Site Development Fund Partners, LP

PITTSBURGH, PA
\$5,000,000 to create a regional fund to spur development of high priority regional sites

Program to Aid Citizen Enterprise

PITTSBURGH, PA
\$550,000 toward three-year support of operations and strategic plan implementation

The Progress Fund

GREENSBURG, PA
\$1,187,000 toward the small business lending program, as well as real estate strategy and trail town projects along the Great Allegheny Passage

Quantum Theatre

PITTSBURGH, PA
\$10,000 toward neighborhood initiative programs in Homewood

Regional Trail Corporation

WEST NEWTON, PA
\$10,000 toward purchase of a tractor with mowing and snow plowing capabilities for use in maintaining a 10-mile stretch of the Great Allegheny Passage in Westmoreland County

Renewable Manufacturing Gateway

PITTSBURGH, PA
\$785,000 toward support of operations for the six-month period April through September 2014 and for consulting services

RIDC Fund For Economic Growth

PITTSBURGH, PA
\$190,000 toward operating costs to manage the Almono site

Riverlife

PITTSBURGH, PA
\$250,000 toward six-month support of operations for the restoration of the riverfronts and creation of trails along Three Rivers Park

Southern Alleghenies Museum of Art

LORETTO, PA
\$10,000 toward support of operations for the Ligonier Valley Museum

Touchstone Center for Crafts

FARMINGTON, PA
\$170,000 toward capital improvements and promotional programming

The Union Project

PITTSBURGH, PA
\$100,000 toward support of operations and capital improvements

University of Pittsburgh, Center for Social and Urban Research

PITTSBURGH, PA
\$250,000 toward two-year support of the Pittsburgh Regional Indicators project

Venture Outdoors

PITTSBURGH, PA
\$400,000 toward two-year support to provide outdoor activities to local university students, to purchase a passenger van, and to support operations

Western Pennsylvania Conservancy

PITTSBURGH, PA
\$500,000 toward upgrades to Fallingwater's maintenance facility and visitor center

Westmoreland County

GREENSBURG, PA
\$22,500 to update New Stanton's comprehensive plan in anticipation of upcoming highway interchange replacement

Westmoreland County Parks and Recreation Citizens Advisory Board

GREENSBURG, PA
\$250,000 to acquire 9.5 miles of the Turtle Creek Industrial Railroad to extend the Westmoreland Heritage Bike Trail through Turtle Creek

WQED Multimedia

PITTSBURGH, PA
\$600,000 to support strategic initiatives including education programs in Westmoreland County

Zoological Society of Pittsburgh

PITTSBURGH, PA
\$500,000 toward two-year support to design and implement an innovative visitor experience



A FOUNDATION GRANT OF \$400,000 WILL SUPPORT THE OPERATIONS OF THE CHILDREN'S MUSEUM OF PITTSBURGH.

REGIONAL ECONOMIC DEVELOPMENT

EDUCATING CITIZENS COMMUNITY WIDE

In 2014, the Foundation approved 19 grants totaling \$5,372,000 to invest in capital and infrastructure initiatives that enrich individual institutions and support organizations whose endeavors strengthen the community by leading others in strategic efforts that advance educational issues in today's world. Promoting best practices, technology, and professional development, as well as targeting and expanding resources for families and educators in underserved communities, are among the initiatives of the organizations profiled here.



(LEFT) ONE OF A+ SCHOOLS' MORE THAN 100 TRAINED COMMUNITY VOLUNTEERS HELPS PARENTS ENSURE THEIR CHILDREN ARE PERFORMING AT LEVELS COMMENSURATE WITH STUDENTS IN OTHER DISTRICTS.

IMPROVING PITTSBURGH'S SCHOOLS

A+ Schools: Pittsburgh's Community Alliance for Public Education promotes high standards, quality teaching, leadership accountability, financial responsibility, and community involvement in an effort to improve the performance of Pittsburgh Public Schools (PPS) and the students within them. A+ Schools seeks to ensure a high quality education for all PPS students, and to evaluate schools' performance objectively.

To achieve these goals, A+ Schools has trained more than 100 community volunteers to observe and evaluate the school board, changed teacher evaluation policies and pay rates, and made certain that statewide policy modifications do not undermine its efforts in PPS. Each year, A+ Schools publishes a Report to the Community that is distributed in print and online to more than 32,000 people. This resource enables parents and others to evaluate schools' performance relative to other schools, both within and beyond the district, and against state and national math and reading standards. The report also allows the school district and the community to evaluate PPS student performance against that of students in schools with similar demographics outside the district.

A \$300,000 Foundation grant over two years will support A+ Schools' ongoing initiatives, and help the organization expand its role as a critical player in endeavors to improve student performance. With this funding, A+ Schools plans to distribute 65,000 reports on school performance, release eight report cards on board performance, produce annual reports on teacher effectiveness to be circulated to 10,000 people annually, and engage 600 volunteers in its school improvement endeavors.

INTEGRATING TECHNOLOGY INTO THE CLASSROOM

Common Sense Media (CSM), a San Francisco-based non-profit organization, provides trustworthy information and education about today's media and technology, an area that greatly affects young people's social, emotional, and physical development, as well as their learning, both in the classroom and beyond. CSM's education programs help teachers bring digital literacy and citizenship to students, enabling them to think critically, behave safely, and participate responsibly online and with mobile devices. Graphite, CSM's new platform, guides teachers in integrating technology—devices, websites, apps, and games—into the classroom. CSM also offers online professional development and certification for teachers and comprehensive family education programs, which allow schools and after-school programs to take a “whole community” approach to raising a generation of responsible digital citizens.

Since early 2013, a CSM education program manager in greater Pittsburgh has been providing professional development and support to educators in Allegheny County schools as they integrate technology devices and digital media learning products into the classroom. In October 2013, the education program manager met with school leaders from the Greater Latrobe and Ligonier Valley school districts. More recently, this CSM professional introduced the organization's programs and resources to librarians and

guidance counselors in the two districts, and will offer four professional development sessions to help them understand content and best practices for implementation. Beginning this summer, the librarians and counselors, with support from CSM, will implement the digital literacy and citizenship curriculum with students, and conduct “train-the-trainer” sessions for classroom teachers as part of their in-service training. A \$30,000 Foundation grant will support these educators' use of CSM programs to integrate technology effectively into the classroom as a way to enrich and enhance students' learning.



COMMON SENSE MEDIA

UNDERSTANDING OUR RATINGS

FOR EACH TITLE, WE INDICATE THE AGE FOR WHICH A TITLE IS EITHER APPROPRIATE OR MOST RELEVANT (AS IN, MOST LIKELY YOUR KIDS WILL SEE IT) AND ASSIGN AN **ON** (AGE APPROPRIATE), **PAUSE** (SOMEWHAT EDGY FOR THE AGE), OR **OFF** (NOT AGE APPROPRIATE) RATING.

ON: CONTENT IS AGE-APPROPRIATE FOR KIDS THIS AGE.

PAUSE: KNOW YOUR CHILD; SOME CONTENT MAY NOT BE RIGHT FOR SOME KIDS.

OFF: NOT AGE-APPROPRIATE FOR KIDS THIS AGE.

NOT FOR KIDS: NOT APPROPRIATE FOR KIDS ANY AGE.

AGE 2 4 6 8 **10** 12 14 16 17

WE HELP YOU DECIDE: WHAT'S APPROPRIATE AT EVERY AGE. OUR AGE-RATING BAR QUICKLY TELLS YOU WHETHER SOMETHING IS RIGHT FOR A GIVEN AGE. THIS IS GREAT IF YOU HAVE MORE THAN ONE CHILD.



(RIGHT) **SCHOLARSHIPS FROM NEED MADE IT POSSIBLE FOR THESE STUDENTS TO ATTEND COLLEGE.**

MAKING A COLLEGE EDUCATION POSSIBLE

Established in 1963, Negro Educational Emergency Drive (NEED) is the oldest community-based, nonprofit, higher education assistance program in Pennsylvania. During the last five decades, NEED has provided \$23.6 million in last-dollar scholarships to nearly 20,000 students, 26 percent of whom are the first generation in their family to attend college, and 85 percent of whom remain in Pennsylvania after graduation. Former NEED recipients include members of the Allegheny County Council, attorneys, nonprofit executives, members of the media, judges, professors, and business leaders.

During the 2012–13 school year, nine advisors in its Access to College initiative helped nearly 4,800 high school students in Pittsburgh Public Schools and several low-income high schools in Allegheny County explore careers, write college essays and resumes, prepare for tests, search for schools, and navigate admissions and financial aid procedures. Another initiative offers tours of 11 Historically Black Colleges and Universities, including Morehouse College, Spelman College, Howard University, and Cheyney University of Pennsylvania, while a third program offers mentors to African-American males. A Foundation grant of \$200,000 will provide funding to enable students in the region to attend college.



ANIMATORS FOR DANIEL TIGER'S NEIGHBORHOOD DISCUSS THE CHARACTER'S APPEARANCE.

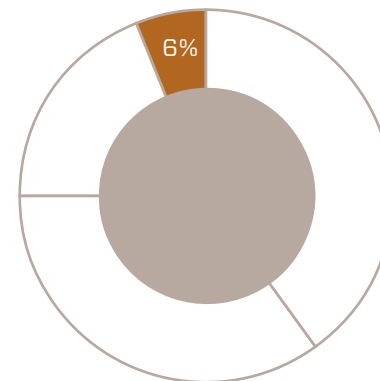
In 2011, with support from the Foundation, TFRC developed a new program, *Daniel Tiger's Neighborhood*, which features the next generation of family members from the original *Mr. Rogers' Neighborhood*. Together with two other programs, *Peg + Cat* and *Odd Squad*, *Daniel Tiger's Neighborhood* has positioned TFRC as PBS's top producer of children's programming, and is generating revenue for both TFRC and its Pittsburgh-based partners.

Building on the success of *Daniel Tiger's Neighborhood*, TFRC is currently producing a second season of 25 new episodes. To keep Daniel's online presence strong, the company intends to develop a number of related games and apps, providing children with innovative and interactive ways to learn using multi-media platforms. A \$750,000 grant from the Foundation will support production of the second season of *Daniel Tiger's Neighborhood* and contribute to a strong online presence that includes games and apps across media platforms.

APPEALING TO THE YOUNGEST LEARNERS

The Fred Rogers Company (TFRC) was established in 1971 by Fred Rogers to produce *Mister Rogers' Neighborhood* and related media for children and families. Today, the company produces children's television programs, educational games and apps, resources for parents, and online and face-to-face professional development programs that reach new generations. The company's work continues to advance and extend Fred Rogers' philosophy and values, which build on solid child development research to focus on social and emotional development, and strengthening the relationships through which children learn and grow best.

Education Grant Summary



GRANTS APPROVED

\$5,372,000

6% of total

NUMBER OF GRANTS

19

A+ Schools: Pittsburgh's Community Alliance for Public Education
PITTSBURGH, PA
\$40,000 to engage the public in efforts to improve the performance of Pittsburgh Public Schools

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

Allegheny County Library Association
PITTSBURGH, PA
\$300,000 toward three-year support of countywide youth services staffing and technology, and training for library staff

Central Catholic High School, Inc.
PITTSBURGH, PA
\$750,000 toward construction of a new science, technology, engineering, and math facility

Common Sense Media
SAN FRANCISCO, CA
\$30,000 to provide professional development to Greater Latrobe and Ligonier Valley school districts to integrate technology devices and digital media learning products in the classroom

Coro Center for Civic Leadership
PITTSBURGH, PA
\$225,000 toward support of operations

The Fred Rogers Company
PITTSBURGH, PA
\$750,000 toward production of *Daniel Tiger's Neighborhood* and other programming

Jonas Salk Legacy Foundation
LA JOLLA, CA
\$10,000 toward the Jonas Salk Symposium on Sustainability held at the University of Pittsburgh in October 2014

Linsly School Incorporated
WHEELING, WV
\$300,000 toward expansion of Banes Hall

Negro Educational Emergency Drive
PITTSBURGH, PA
\$200,000 toward support of operations

The Pennsylvania State University
UNIVERSITY PARK, PA
\$5,000 toward expenses associated with the Private Forest Landowners Conference

The Pittsburgh Promise Foundation
PITTSBURGH, PA
\$600,000 toward two-year support of college credits or recognized industry credentials earned by Pittsburgh Public School students

Pittsburgh Voyager
PITTSBURGH, PA
\$50,000 toward the fall 2014 environmental science program

Seamen's Church Institute of New York and New Jersey
NEW YORK, NY
\$450,000 to upgrade the computer simulator database with Pittsburgh geographical and other information for maritime education and training facilities

University of Pittsburgh
PITTSBURGH, PA
\$10,000 toward support of the Dick Thornburgh Forum on Law and Public Policy's Discussions on Governance series

University of Pittsburgh at Greensburg
GREENSBURG, PA
\$700,000 toward technology infrastructure upgrades

University of Pittsburgh, School of Medicine
PITTSBURGH, PA
\$20,000 toward two-year support of the Mellon Lecture

Washington and Jefferson College
WASHINGTON, PA
\$600,000 toward two-year support to create a resource center that provides access to and interpretation of shale development data

Westmoreland County Federated Library System
GREENSBURG, PA
\$32,000 toward technology upgrades

CREATING STRONG, FULFILLING LIVES

Initiatives that improve conditions of southwestern Pennsylvania's underserved populations strengthen lives, families, and neighborhoods. Foundation grants in 2014 funded investments in capital, infrastructure, capacity building, and support services. These entities, a few of which are highlighted here, improved access to affordable housing and healthcare, offered youth development and job training services, and provided educational and out-of-school time activities to students. In 2014, the Foundation made 65 grants totaling \$20,227,000 in support of this critically important work, ensuring that generations to come will lead strong, productive, and fulfilling lives.



(LEFT) THESE YOUNG PEOPLE ARE THE FIRST RESIDENTS IN UPTOWN LOFTS, AN ACTION-HOUSING FACILITY DESIGNED TO EMPOWER PEOPLE TO BUILD SECURE AND SELF-SUFFICIENT LIVES.

AFFORDABLE HOUSING: THE FOUNDATION OF SELF-SUFFICIENCY

Allegheny Council to Improve Our Neighborhoods (ACTION)-Housing, Inc. empowers people to build more secure and self-sufficient lives by providing affordable housing and essential support services. Using a portion of a Foundation grant of \$675,000, ACTION-Housing will support predevelopment of abandoned buildings in the Bloomfield/Garfield and Squirrel Hill neighborhoods. With its focus on energy conservation and neighborhood impact, ACTION-Housing will build two prototypical, mixed-use buildings as part of community redevelopment efforts, and employ passive house standards to significantly reduce energy costs. Construction will combine factory-built efficiencies with finish work such as flooring, tiling, and painting done in the field to create affordable, energy efficient housing within existing neighborhoods to meet the needs of seniors, veterans, young people aging out of foster care, and families. When complete, these buildings not only will provide housing and office and commercial space, but also will serve as attractive gateways to the neighborhoods. Jewish Residential Services, which will provide support services, will occupy some of the newly developed space in Squirrel Hill.

USING TECHNOLOGY TO SERVE CLIENTS WITH SPECIAL NEEDS

Goodwill Industries, among the best known diversified human service agencies and networks of not-for-profit businesses, helps people with special needs overcome barriers to employment so that they can enjoy the dignity and benefits of work. Certified by the Commission on Accreditation of Rehabilitation Facilities, its employment services often provide Goodwill clients with their first real employment, allowing them to gain important on-the-job training and demonstrate the quality of Goodwill's job training programs. Goodwill's 31 retail stores and other businesses provide earned income to support these vital services.

Today's changing workforce system—replete with technological advances, demographic changes, and reduced public funding—suggests the need for a new delivery approach, shifting from sheltered workshop employment models to innovative, community-based opportunities.

To implement these new service models effectively, Goodwill has created a three-year strategic plan that will be funded by a Foundation grant of \$800,000. Technology, including web application platforms, tablets, teleconferencing, and wireless capabilities, will play an essential role in all aspects of the service models. In-store kiosks will enable customers to register and monitor loyalty cards, not only increasing sales but also aiding management in hiring, orienting, and training new employees for additional stores. A new website with enhanced search engine and mobile app functions will position Goodwill Industries as not only a place to drop off donations of clothing and household goods, but also as an innovative service agency for individuals with barriers to employment.



A FOUNDATION GRANT OF \$800,000 WILL HELP GOODWILL INDUSTRIES INTEGRATE TECHNOLOGY INTO ITS OPERATIONS THAT SERVE SPECIAL NEEDS POPULATIONS.



FOSTERING PARTNERSHIPS BENEFITS STUDENTS

Homewood Children's Village (HCV), a place-based, child-centered, comprehensive community initiative, seeks to improve the lives of Homewood's children and to reweave the fabric of the community in which they live. Serving more than 1,000 students, staff members take a three-pronged approach to meeting these goals: building relationships with school administrators to provide direct services to children during the school day; creating partnerships with community organizations that serve students who face challenges outside of school; and fostering connections between schools and community organizations to best meet students' and families' needs.



STORY TIME AT HOMEWOOD CHILDREN'S VILLAGE

HCV professionals in various Pittsburgh schools collaborate with teachers, school administrators, and parents to curb student absenteeism and disruptive classroom behavior, as well as to address the issues at the root of these problems. The HCV staff members also monitor students' well-being throughout the day, work one-on-one with them in the classroom, and, in conjunction with parents, link them to appropriate out-of-school programs and activities that will improve their academic standings. In an effort to alleviate hunger, HCV staff members ensure that students eat breakfast at school during the week and that they receive nutritious, non-perishable food items on Fridays to combat weekend hunger. Lastly, HCV arranges round-trip transportation for students who wish to attend extended school-day activities but do not qualify for transportation through the school.

A grant of \$750,000 from the Foundation will enable HCV to expand and enhance partnerships with numerous community organizations. They include the YMCA Lighthouse Project, the HCV Bridge to College program, Higher Achievement, the Allegheny Conference Diversity Committee, and the Pittsburgh International Airport, where eighth graders can explore careers in aviation.

A grant of \$750,000 from the Foundation will enable HCV to expand and enhance partnerships with numerous community organizations.

ENHANCING QUALITY OF LIFE FOR TROUBLED TEENS

Launched by Pastor Michael C. Henkel as a wilderness excursion program for troubled teens, Outside-In School of Experiential Education, Inc. (OI) currently serves 600 young people annually, offering a continuum of state-licensed programs, including those with a focus on substance abuse and after-care management, on its 140-acre Ligonier campus and through countywide, community-based programs. OI's award-winning residential program has grown from 12 beds in 1990 to 60 beds today, and it continues to operate near full capacity. The campus also includes a licensed, private academic school as well as centers for counseling, family support, recreation, and occupational skills development.

A \$500,000 Foundation grant will support the addition of two 12-bed cabins. This expansion will enable OI to meet current referral demand, develop new referral sources, and accept insurance from self-paying clients.



(RIGHT) OUTSIDE-IN STUDENTS AND TEACHERS ON THE SCHOOL'S 140-ACRE CAMPUS



PREPARING MOTHERS AND CHILDREN TO SUCCEED

As part of its mission to improve lives by mobilizing the caring power of communities, the United Way of Westmoreland County (UWWC) operates two programs that benefit families.

The first, Mothers Making More (M3), is an initiative to address the significant percentage of single, female-headed households that exist at or below the federal poverty level in Westmoreland and Fayette counties. M3 recruits single mothers who work at least part-time and supports their participation in course work leading to jobs that will pay them a living wage. M3 also provides case management, transportation, and childcare assistance, as well as access to technology and other learning support services. To date, a total of 61 women—three of whom have graduated—have taken part in some aspect of M3. Seventeen others currently are enrolled, preparing for jobs as nurses and allied health professionals, IT technicians, mechanical drafting technologists, and paralegals.

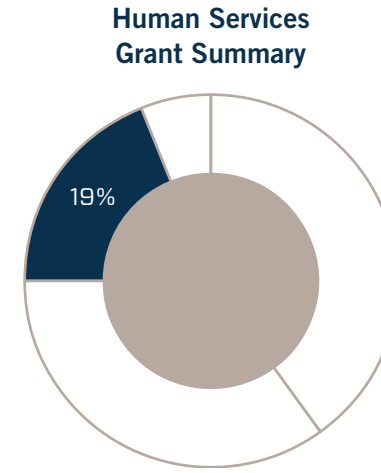
M3

MOTHERS MAKING MORE HELPED THIS SINGLE MOM PURSUE A COLLEGE EDUCATION.



The second initiative seeks to provide quality early childhood programs, which are proven to set children on a course for continued academic success. In Pennsylvania, only 20% of children attend quality pre-kindergarten programs and in Uniontown, a low income, rural community in the UWWC service area, only 65% of third graders read at a proficient or advanced level. To ameliorate this deficiency, UWWC has partnered with early childcare providers and educators, creating transition teams for the 24 school districts in its service area in an effort to provide appropriate support and interventions to ensure that children are academically and socially prepared to enter kindergarten.

A Foundation grant of \$500,000 will support UWWC's M3 program and the array of services it provides to ensure that working mothers stay in school in an effort to increase their wages, support their families, and break the cycle of poverty. The grant also will support UWWC's early childhood initiative, which will continue its broad focus and, in addition, also work more intensely with students in three specific school districts in which more than 18% of the third graders lack basic reading proficiency. The students will be tracked through third grade to assess whether or not increased services improve their academic standing.



GRANTS APPROVED

\$20,227,000

19% of total

NUMBER OF GRANTS

65

Allegheny Council to Improve Our Neighborhoods-Housing, Inc.

PITTSBURGH, PA
\$675,000 toward affordable housing and new energy conservation initiatives

Arc Human Services, Inc.

HOUSTON, PA
\$30,000 toward renovation of the sheltered employee facility

Blind and Vision Rehabilitation Services of Pittsburgh

HOMESTEAD, PA
\$500,000 to consolidate operations into a more accessible building in Pittsburgh's Uptown area

Boys Hope Girls Hope

CORAOPOLIS, PA
\$25,000 to purchase a vehicle to transport children who attend Girls Hope

Catholic Charities of the Diocese of Pittsburgh, Inc.

PITTSBURGH, PA
\$150,000 toward Team HOPE, a program addressing generational poverty

Center for Victims

PITTSBURGH, PA
\$170,000 toward two-year support to provide legal advocacy services and toward implementation of a victim's rights awareness plan

The Challenge Program, Inc.

JOHNSTOWN, PA
\$200,000 toward 18-month support of operations in Allegheny and Westmoreland counties

Community Foundation of Greater Johnstown

JOHNSTOWN, PA
\$600,000 toward a joint grant-making program with the Richard King Mellon Foundation's fields of interest in the Johnstown area and surrounding counties as well as support for renovations to the Johnstown YMCA

County of Allegheny, Department of Human Services

PITTSBURGH, PA
\$1,500,000 toward three-year support to upgrade the technology infrastructure

Crisis Center North Incorporation

PITTSBURGH, PA
\$150,000 toward two-year support of capacity building efforts

East End Cooperative Ministry, Inc.

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

Family Guidance, Inc.

SEWICKLEY, PA
\$200,000 toward support of the Learning and Mentoring Partnership

Family Tyes, Inc.

PITTSBURGH, PA
\$25,000 toward support of operations

FamilyLinks, Inc.

PITTSBURGH, PA
\$350,000 to establish a federally certified, electronic health records system

FOR Sto-Rox Neighborhood Corp.

MCKEES ROCKS, PA
\$475,000 toward two-year support of operations

The Forbes Funds

PITTSBURGH, PA
\$150,000 toward management assistance grants for nonprofits experiencing a financial crisis

Foundation Center

NEW YORK, NY
\$250,000 toward nonprofit capacity building efforts and access to grant information for Pittsburgh-area public schools, students, and the nonprofit community

Girl Scouts Western Pennsylvania

PITTSBURGH, PA
\$100,000 toward two-year support of the urban scouting program in McKees Rocks at the Father Ryan Arts Center

Goodwill of Southwestern Pennsylvania

PITTSBURGH, PA
\$800,000 toward implementation of the strategic plan

Grant Foundation

PITTSBURGH, PA
\$150,000 to strengthen Hôpital Albert Schweitzer Haiti's community outreach capacity in Pittsburgh

Greater Pittsburgh Community Food Bank

DUQUESNE, PA
\$150,000 toward efforts to reduce dependence on food assistance and toward a client record management program

Hill House Association

PITTSBURGH, PA
\$900,000 toward 18-month support of the youth workforce development program and debt reduction of the Kaufmann Center

Homewood Children's Village

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

Hosanna House, Inc.

WILKINSBURG, PA
\$300,000 toward two-year support of the Child Development Center

Hosanna Industries, Inc.

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

Hunters Sharing the Harvest, Inc.

HARRISBURG, PA
\$60,000 toward three-year support of the food bank program

Lifesteps

BUTLER, PA
\$500,000 toward two-year support to enhance the agency's technology and communications system

Ligonier Camp and Conference Center

LIGONIER, PA
\$100,000 toward two-year support of renovations to the Lamont Lodge

Mary and Alexander Laughlin Children's Center

SEWICKLEY, PA
\$200,000 toward expansion to support two new services, dyslexia tutoring and occupational therapy

McGuire Memorial Foundation

NEW BRIGHTON, PA
\$250,000 toward construction of an early intervention center

Milestone Centers, Inc.

PITTSBURGH, PA
\$360,000 toward technology upgrades

North Side Christian Health Center

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

Northside Coalition for Fair Housing

PITTSBURGH, PA
\$85,000 toward an innovative collaboration with law enforcement and a summer youth employment program

Outside-In School of Experiential Education, Inc.

GREENSBURG, PA
\$500,000 to build two 12-bed cabins to meet demand for services

Parnassus Area Preservation Partnership

NEW KENSINGTON, PA
\$85,000 toward upgrades to meet Americans with Disabilities Act requirements at the historic Logans Ferry Presbyterian Church in New Kensington

Pennsylvania Partnerships for Children

HARRISBURG, PA
\$100,000 toward support of operations

Pittsburgh Association for the Education of Young Children

PITTSBURGH, PA
\$405,000 toward support of the Building Family Childcare Homes Alliance

The Pittsburgh Foundation

PITTSBURGH, PA
\$300,000 to support a grant-making program for Westmoreland County and to leverage match pool funding for the Westmoreland Gives Day of Giving in May 2015

The Pittsburgh Foundation

PITTSBURGH, PA
\$200,000 toward support of the Allegheny County Jail Collaborative

Pittsburgh Mercy Health System

PITTSBURGH, PA
\$156,000 toward two-year support of a registered nurse care manager to help patients, especially those with barriers, navigate the health care system

Pittsburgh Soccer in the Community

PITTSBURGH, PA
\$50,000 toward support of youth soccer programs for Pittsburgh's inner city neighborhoods

The Poise Foundation

PITTSBURGH, PA
\$350,000 toward two-year support as a matching grant to diversify sources of contributed support

The Poise Foundation

PITTSBURGH, PA
\$300,000 toward two-year support of programs and capacity-building efforts for Amachi Pittsburgh

Pressley Ridge

PITTSBURGH, PA
\$320,000 to provide education and training to agency staff and families with the ultimate goal of empowering families to become part of the treatment team

Primary Care Health Services

PITTSBURGH, PA
\$750,000 toward capacity-building efforts and upgrades to the electronic medical records system

Private Industry Council of Westmoreland/Fayette County, Inc.

GREENSBURG, PA
\$300,000 toward construction of a new facility in Fayette County to house five Head Start classrooms and other programs that support low-income families

Regional Family YMCA of Laurel Highlands

MOUNT PLEASANT, PA
\$300,000 toward expansion and renovation of the fitness center and to build an addition for childcare and programming

Riverview Children's Center

VERONA, PA
\$400,000 toward two-year support to upgrade and expand the center

Sarah Heinz House

PITTSBURGH, PA
\$125,000 toward support of operations and capacity building

Sisters of Charity of Seton Hill

GREENSBURG, PA
\$241,000 to replace outdated chiller equipment for Caritas Christi

Slippery Rock University Foundation, Inc.

SLIPPERY ROCK, PA
\$250,000 toward two-year support to prepare undergraduate students to deliver transition services to young adults with disabilities

Squirrel Hill Health Center

PITTSBURGH, PA
\$200,000 toward two-year support to build administrative capacity

Student Conservation Association, Inc.

ARLINGTON, VA
\$35,000 to adapt the member application and management system, making it accessible and usable across all web-enabled devices

Three Rivers Workforce Investment Board

PITTSBURGH, PA
\$250,000 toward Pittsburgh Works and its collective impact agenda

Three Rivers Youth

PITTSBURGH, PA
\$400,000 toward two-year support of capacity building for long-range institutional advancement

Tri-City Life Center, Inc.

LOWER BURRELL, PA
\$150,000 toward support of operations for the parent-baby program (\$60,000) and to relocate the childcare center (\$90,000)

United Way of Allegheny County

PITTSBURGH, PA
\$300,000 toward three-year support of the United Way Forward campaign

United Way of Westmoreland County

GREENSBURG, PA
\$500,000 toward early learning programs and the Mothers Making More initiative

University of Pittsburgh, Graduate School of Public Health

PITTSBURGH, PA
\$450,000 toward two-year support of the Pittsburgh Violence Prevention Initiative

Urban League of Greater Pittsburgh

PITTSBURGH, PA
\$10,000 to establish a cash reserve fund

Veterans Leadership Program of Western Pennsylvania, Inc.

PITTSBURGH, PA
\$500,000 toward two-year support of employment programs and capital needs

Western Pennsylvania School for the Deaf

PITTSBURGH, PA
\$200,000 toward two-year support to construct a new residence hall

Westmoreland County Department of Human Services

GREENSBURG, PA
\$10,000 toward plans to create an integrated human services agency

YMCA of Greater Pittsburgh

PITTSBURGH, PA
\$750,000 toward two-year support to bridge a financial gap for urban programs

Young Women's Christian Association of Westmoreland County

GREENSBURG, PA
\$235,000 toward two-year support of operations and capital needs

SUSTAINING the ENVIRONMENT

With its creation in 1947, the founders of the Richard King Mellon Foundation recognized that conserving critical natural resources—clean air and water, and viable habitats—not only supports wildlife but also sustains people both physically and spiritually. Nearly seven decades later, the Foundation proudly supports the ongoing efforts of organizations devoted to preserving, protecting, and restoring America's land, water, and natural habitats. In 2014, the Foundation made 28 grants totaling \$36,645,000 in support of this critically important work, ensuring that generations to come will inherit a healthy, sustainable environment.



(LEFT) MORE THAN 500 INDIVIDUALS VOLUNTEERING AT THE FLIGHT 93 MEMORIAL PLANTED 21,050 SEEDLINGS ON THE 30-ACRE SITE.

CREATING BLIGHT-RESISTANT CHESTNUT TREES

By the middle of the last century, an imported fungus nearly extirpated this country's American chestnut trees, which numbered four billion when Europeans first settled North America. Native to the woodlands of the eastern United States from Maine to Georgia, the trees' timber and nuts were critical economic resources for humans, and a primary food source for wildlife. Employing a breeding program developed by the founders of the American Chestnut Foundation (ACF) during nearly three decades of research, the organization is using gene insertion and backcross breeding techniques to create potentially blight-resistant American chestnut trees, restoring this all-American tree to its native habitat. Funding of \$50,000 from the Foundation will enable the ACF to engage volunteers to plant 1,500 chestnut trees, adding to the original 1,500 trees that were planted previously at the site of the Flight 93 Memorial. To date, more than one million people have visited the memorial, and with an estimated 400,000 visitors each year, the site's annual economic impact to the region is approximately \$19 million.



AMERICAN RIVERS WORKED WITH THE PENNSYLVANIA FISH AND BOAT COMMISSION AND THE U.S. FISH AND WILDLIFE SERVICE TO CONDUCT A SALVAGE OPERATION FOR FEDERALLY ENDANGERED FRESHWATER MUSSELS AT THE SITE OF THE CONEWANGO CREEK DAM REMOVAL.



CONSERVATION

PROTECTING AND RESTORING OUR RIVERS

Like ACF, American Rivers (AR) is dedicated to protecting and restoring healthy natural rivers and the variety of life they sustain for people, fish, and wildlife. Many of AR's restoration efforts in southwestern Pennsylvania focus on selective and systematic removal of dams that impede rivers and streams, causing severe ecological damage in the Upper Allegheny and Laurel Highlands watersheds. In Georgia, AR is working to protect the Flint River watershed, and has engaged a diverse set of stakeholders and partners in this endeavor.

A Foundation grant of \$675,000 over two years will support the continuation of this work. Locally, AR has identified 10 dams to be removed, as well as sites where properly placing culverts will help open additional miles of free flowing streams. The US Army Corps of Engineers and the Pennsylvania Fish and Boat Commission will assist AR with these projects. In Georgia, AR and its partners will implement a water conservation program focusing on four stream segments—Flat Creek, Line Creek, White Oak Creek, and the main stem of the Flint River—that suffer during droughts. The organization will use public education and outreach efforts to achieve water system reforms and new management protocols. It also will promote land protection, green infrastructure, and other restoration strategies to maintain and enhance natural flows.

PRESERVING HIGH-QUALITY FOREST LAND

In 2009, The Conservation Fund (TCF), the nation's foremost environmental nonprofit dedicated to protecting America's most important landscapes and waterways for the future, launched the New Forest Fund, an innovative economic model designed to enable TCF to acquire, sustainably manage, and permanently protect large tracts of working forests with high conservation value. In 2014, a grant from the Foundation in the amount of \$14,300,000 to The Conservation Fund will protect nearly 77,000 acres of high-quality habitat in two separate land parcels, all of which will become part of the New Forest Fund.



SUPPORT FROM THE FOUNDATION WILL HELP THE CONSERVATION FUND PROTECT AMERICA'S FORESTLAND.



(LEFT) LAND IN THE LOWER SUWANNEE NATIONAL WILDLIFE REFUGE IS PROTECTED BY THE CONSERVATION FUND.

COLLABORATING FOR WATERSHED IMPROVEMENTS

The Foundation for Pennsylvania Watersheds (FPW) invests in local efforts to protect healthy streams, clean polluted waters, and restore degraded wildlife habitats. Since its founding two decades ago, FPW has spent \$10 million and attracted another \$144 million from state, federal, and other funding sources—most notably through the reauthorization of the federal surface mining reclamation program and the state’s Growing Greener programs. FPW focuses on projects in western Pennsylvania that advance new technologies, facilitate multi-group watershed collaborations, and make measurable improvements in water quality. FPW also provides technical assistance to local watershed groups by offering capacity-building grants. With a Foundation grant of \$725,000 over two years, FPW will continue to assist local watershed improvement organizations that address acid mine drainage, eliminate non-point pollution from farms, create stream buffers, improve cold water fisheries, and conduct educational programs to raise public awareness about Pennsylvania’s valuable natural resources.



(RIGHT) THE FOUNDATION FOR PENNSYLVANIA WATERSHEDS HELPED CONSERVE 477 ACRES OF CRITICALLY IMPORTANT LAND IN AND ADJACENT TO THE SPRING CREEK CANYON. NEARLY 1,500 ACRES HAVE BEEN PROTECTED WITHIN SPRING CREEK.

CONSERVATION

The first parcel, Cross Creek Tree Farm, comprises more than 46,000 acres in the Suwannee River Watershed in northwest Florida. Preservation of this land, which includes natural hardwood hammocks and pine uplands, will protect water quality in the Gulf of Mexico’s fragile sea-grass ecosystem, as well as habitats of the swallow-tale kite, Florida black bear, gulf sturgeon, and wood stork. Simultaneously, the land will continue to be managed for wood products that support local communities. Yankee Northeast, the second land parcel, includes 30,250 acres, spanning four states from Maine to upstate New York. These lands are critical to the local economies as working forests and for outdoor recreation, and TCF will ensure they are sustainably managed and permanently protected.



CONNECTING STATE LANDS TO THE ALLEGHENY NATIONAL FOREST

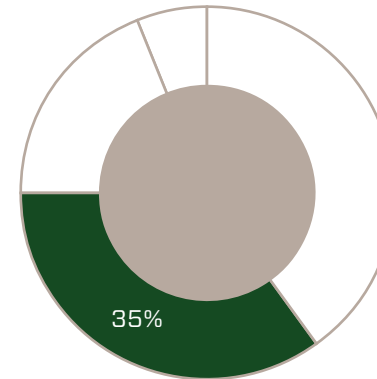
For more than eight decades, the Western Pennsylvania Conservancy (WPC) has used scientific expertise and best management practices to protect natural resources with ecological and recreational value. To date, WPC has conserved more than 235,000 acres, restored watersheds, and saved wildlife habitats. Among the country's strongest regional land trusts, WPC, during the last three years, has protected nearly 7,000 acres of land, restored 10 miles of streams, and planted more than 21,000 trees.

In 2014, WPC received a grant of \$700,000 from the Foundation to support best practices in its land and water protection efforts. During the next two years, WPC will use the funds to stabilize stream banks and dirt roads, reconnect aquatic habitats, and protect more than 5,000 acres of land. WPC will also continue its land and stream habitat studies to help inform decisions regarding future land and watershed protection endeavors.



IN 2014, WPC ACQUIRED 466 ACRES ON THE WEST BRANCH OF THE SUSQUEHANNA RIVER. THE PROPERTY INCLUDES FLOOD PLAINS, SLOPING RIDGES, AND TWO STREAMS THAT FLOW OFF THE RIDGES ON THEIR WAY TO THE RIVER.

Conservation Grant Summary



GRANTS APPROVED

\$36,645,000

35% of total

NUMBER OF GRANTS

28

Allegheny Land Trust

SEWICKLEY, PA
\$115,000 toward support of land conservation efforts in Allegheny County

American Chestnut Foundation

ASHEVILLE, NC
\$50,000 to plant 1,500 chestnut trees at the Flight 93 National Memorial as part of ongoing improvements to the site

American Rivers

WASHINGTON, DC
\$675,000 toward two-year support to restore rivers in western Pennsylvania and the Flint River in Georgia

The ClearWater Conservancy of Central Pennsylvania, Inc.

STATE COLLEGE, PA
\$250,000 toward two-year support of watershed restoration efforts

The Conservation Fund

ARLINGTON, VA
\$13,300,000 toward purchase of properties in Florida and the Northeast U.S.

The Conservation Fund

ARLINGTON, VA
\$1,000,000 toward purchase of property in Florida

The Conservation Fund

ARLINGTON, VA
\$4,000,000 toward purchase of property in Iron County, Wisconsin

The Conservation Fund

ARLINGTON, VA
\$2,000,000 toward purchase of property in Lackawanna and Luzerne counties, Pennsylvania

The Conservation Fund

ARLINGTON, VA
\$3,000,000 toward purchase of property in Wayne and Glynn counties, Georgia

The Conservation Fund

ARLINGTON, VA
\$668,000 toward purchase of property in Wayne and Glynn counties, Georgia

The Conservation Fund

ARLINGTON, VA
\$3,332,000 toward purchase of property in Wayne and Glynn counties, Georgia

Foundation for California University of Pennsylvania

CALIFORNIA, PA
\$725,000 toward two-year support to restore and enhance fish and wildlife habitat on agricultural and forest lands in Pennsylvania, and to replace equipment

Foundation for Pennsylvania Watersheds

ALEXANDRIA, PA
\$725,000 toward two-year support to improve water quality within western Pennsylvania watersheds

Friends of Hôpital Albert Schweitzer Haiti

PITTSBURGH, PA
\$300,000 toward two-year support to restore the environment through reforestation combined with agro-forestry initiatives in the Artibonite region of Haiti

Loyalhanna Watershed Association, Inc.

LIGONIER, PA
\$675,000 toward two-year support of operations and to restore a landmark property in the Ligonier Valley

National Audubon Society

AUDUBON, PA
\$125,000 toward two-year support to improve forest songbird populations on private forest lands in the upper Allegheny River watershed

PA Cleanways

GREENSBURG, PA
\$10,000 to reuse waste plastic bottles to create fence and other products in Pennsylvania

Pennsylvania Environmental Council, Inc.

PITTSBURGH, PA
\$475,000 toward two-year support of conservation efforts involving water resources, sustainable communities, and energy programs

Pennsylvania Land Trust Association

HARRISBURG, PA
\$10,000 toward educational opportunities for western Pennsylvania conservation leaders

Pennsylvania Parks and Forests Foundation

CAMP HILL, PA
 \$95,000 toward connecting communities with state parks and forests, to support gateway towns as part of a community development strategy, and to document Pennsylvania's conservation history

Pennsylvania Resources Council, Inc.

PITTSBURGH, PA
 \$100,000 toward support of operations and programs to protect, preserve, and promote southwestern Pennsylvania's scenic resources

Pittsburgh Community Broadcasting Corporation

PITTSBURGH, PA
 \$75,000 toward production of a radio series to address habitat, conservation, and energy development issues in Pennsylvania

Pittsburgh Community Services, Inc.

PITTSBURGH, PA
 \$80,000 to implement green infrastructure projects throughout Pittsburgh's 15206 zip code

Pittsburgh Parks Conservancy

PITTSBURGH, PA
 \$1,060,000 toward three-year support of parks' management and maintenance, and the Watershed Restoration Fund

Susquehanna University

SELINGSGROVE, PA
 \$2,250,000 toward three-year support of aquatic ecology research on the Susquehanna River and watershed, and to create a freshwater institute at the university

Trout Unlimited

ARLINGTON, VA
 \$600,000 toward two-year support to continue the abandoned mine clean-up and stream restoration efforts across the West Branch Susquehanna watershed

Washington County Watershed Alliance

WASHINGTON, PA
 \$250,000 toward restoration and preservation of Canonsburg Lake

Western Pennsylvania Conservancy

PITTSBURGH, PA
 \$700,000 toward two-year support of operations for land and watershed conservation programs

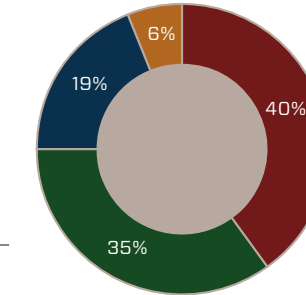


LITTLE MAHONING WATERSHED RIPARIAN PLANTING
WESTERN PENNSYLVANIA CONSERVANCY WATERSHED CONSERVATION STAFF AND VOLUNTEERS PLANT RIPARIAN TREES ALONG A STREAM IN THE LITTLE MAHONING WATERSHED IN NORTHERN INDIANA COUNTY. THIS TWO-YEAR PROJECT PLANTED MORE THAN 23,000 RIPARIAN TREES IN PRIORITY WATERSHEDS THROUGHOUT WESTERN PENNSYLVANIA.

Appropriations 2014

BY PROGRAM PRIORITY	NUMBER OF GRANTS	APPROVED GRANTS
Regional Economic Development	78	\$ 42,334,500
Education	19	\$ 5,372,000
Human Services	65	\$ 20,227,000
Conservation	28	\$ 36,645,000
Totals	190	\$104,578,500

% OF APPROVED GRANTS



BY GEOGRAPHIC AREA

Pittsburgh + Southwestern PA	\$ 74,838,500
Other	\$ 29,740,000
Total	\$104,578,500

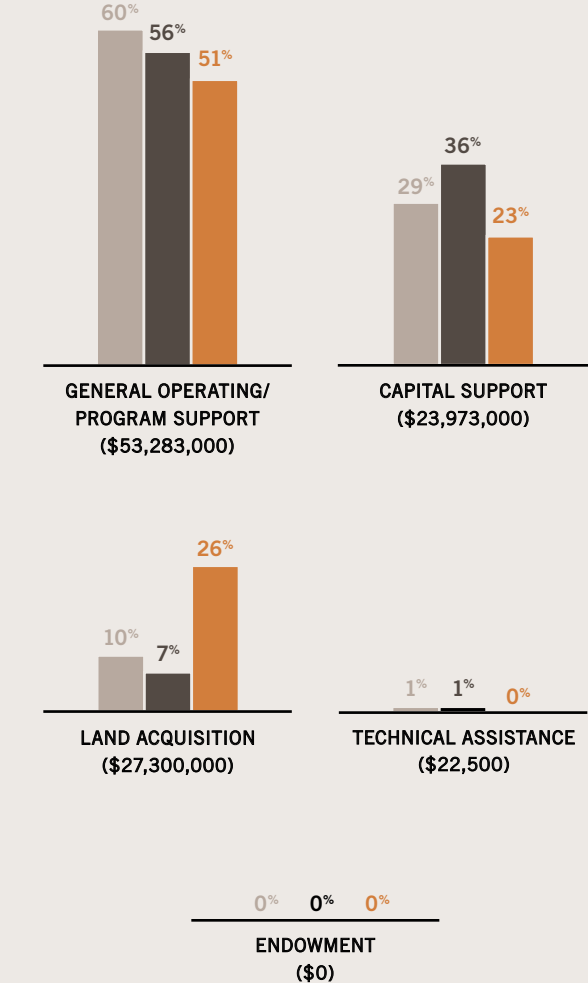
NET INVESTMENT INCOME

1947 Thru 2013	\$ 1,417,157,289
2014	\$ 68,898,915
Total	\$1,486,056,204

GRANTS PAID + PROGRAM-RELATED INVESTMENTS

1947 Through 2013	\$ 2,081,487,791
2014	\$ 115,292,182
Total	\$2,196,779,973

BY SUPPORT TYPE



Statements of Financial Position

December 31,	2014	2013
ASSETS		
Cash	\$ 83,805	\$ 7,931
Other current assets	5,366,146	7,818,108
Investments:		
Equities	1,334,078,338	1,370,173,266
Fixed income	590,043,637	537,390,922
Temporary investments	91,623,810	96,667,845
Alternative investments	316,731,613	317,654,286
Subtotal	2,332,477,398	2,321,886,319
Payable from unsettled securities purchases, net	(1,400,616)	(4,709,743)
Total investments	2,331,076,782	2,317,176,576
Program-related assets	30,503,000	18,085,000
Total assets	\$2,367,029,733	\$ 2,343,087,615
LIABILITIES AND NET ASSETS		
Liabilities:		
Grants payable	\$ 14,766,442	\$ 26,981,124
Deferred federal excise taxes	3,763,593	5,177,227
Appropriations for program-related assets	32,003,000	18,085,000
Total liabilities	50,533,035	50,243,351
Unrestricted net assets	2,316,496,698	2,292,844,264
Total liabilities and net assets	\$2,367,029,733	\$ 2,343,087,615

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,	2014	2013
INCOME		
Investment income	\$ 82,720,856	\$ 85,250,614
Realized gains on investments	197,241,159	87,821,145
Unrealized (losses) gains on investments	(141,363,391)	224,849,695
Total income	138,598,624	397,921,454
EXPENSES		
Grants approved, net of rescissions	101,124,249	112,848,588
Administrative, investment, and program	12,012,535	11,330,199
Provision for taxes	3,223,040	1,249,603
(Benefit from) provision for deferred taxes	(1,413,634)	2,248,497
Total expenses	114,946,190	127,676,887
Change in unrestricted net assets	23,652,434	270,244,567
UNRESTRICTED NET ASSETS		
Beginning of period	2,292,844,264	2,022,599,697
End of period	\$ 2,316,496,698	\$2,292,844,264

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

Statements of Cash Flows

For the year ended December 31,	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 23,652,434	\$ 270,244,567
Adjustments to reconcile change in unrestricted net assets to net cash used by operating activities:		
Accretion	(537,188)	(698,755)
Deferred federal excise taxes	(1,413,634)	2,248,497
Realized gains on investments	(197,241,159)	(87,821,145)
Unrealized losses (gains) on investments	141,363,391	(224,849,695)
Increase (decrease) in cash from changes in:		
Other current assets	2,451,962	(5,464,626)
Program-related assets	(12,418,000)	(3,703,000)
Grants payable	(12,214,682)	10,023,109
Appropriations for program-related assets	13,918,000	3,703,000
Net cash used by operating activities	(42,438,876)	(36,318,048)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,512,078,368)	(3,007,387,888)
Proceeds from sales of investments	1,554,593,118	3,042,361,572
Net cash provided by investing activities	42,514,750	34,973,684
Net change in cash	75,874	(1,344,364)
CASH		
Beginning of year	7,931	1,352,295
End of year	\$ 83,805	\$ 7,931

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

2014 Summary of Investments

December 31,	2014	
	Book Value	Fair Value
Equities	\$ 1,042,427,954	\$ 1,334,105,721
Fixed income	612,072,627	590,043,637
Temporary investments	91,644,461	91,623,810
Alternative investments	208,572,403	315,303,614
Total investments	\$1,954,717,445	\$2,331,076,782

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

2013 Summary of Investments

December 31,	2013	
	Book Value	Fair Value
Equities	\$ 946,658,484	\$ 1,367,094,620
Fixed income	545,854,299	536,677,248
Temporary investments	96,653,641	96,667,845
Alternative investments	210,287,424	316,736,863
Total investments	\$1,799,453,848	\$2,317,176,576

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 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 which advance its charitable mission and qualify as charitable distributions by the Internal Revenue Service. Such investments, which include loans made to various organizations and an investment in a private equity fund, earn below risk-adjusted market rates of return. Management has reviewed the program-related assets and believes no allowance is necessary as of December 31, 2014 and 2013.

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 years ended December 31, 2014 and 2013.

At December 31, 2014 and 2013, 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, 2014 and 2013, the Foundation had contractually committed to additional investments of \$203.8 million and \$157.6 million, respectively.

At December 31, 2014, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2015 of \$1.7 million and \$0.3 million for a net payable of \$1.4 million. 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. These transactions are reflected within the financial statements on a net basis.

Note 4: Fair Value Measurements

The following table presents the investments carried on the Statements of Financial Position by level within the valuation hierarchy as of December 31, 2014 and 2013:

Investments at Fair Value as of December 31, 2014

Investments	Level 1	Level 2	Level 3	Total
Equities	\$ 928,800,586	\$403,433,335	\$ 1,844,417	\$1,334,078,338
Fixed income	220,223,781	368,818,000	1,001,856	590,043,637
Temporary investments	91,623,810	0	0	91,623,810
Alternative investments	0	0	316,731,613	316,731,613
Total investments	\$ 1,240,648,177	\$ 772,251,335	\$ 319,577,886	\$2,332,477,398

Payables from unsettled securities purchases, net at Fair Value as of December 31, 2014

Payables, net	Level 1	Level 2	Level 3	Total
Equities	\$ 27,383	\$ 0	\$ 0	\$ 27,383
Fixed income	0	0	0	-
Alternative investments	0	0	(1,427,999)	(1,427,999)
Total payables, net	\$ 27,383	\$ 0	\$ (1,427,999)	\$ (1,400,616)

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	Level 2	Level 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 investments	\$ (3,078,646)	\$ (713,674)	\$ (917,423)	\$ (4,709,743)

There were no significant transfers between Levels 1, 2, and 3 during the years ended December 31, 2014 and 2013.

Notes to Financial Statements (Cont.)

The following tables present a roll-forward of the amounts for the years ended December 31, 2014 and 2013 for investments classified within Level 3:

Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2014

Investments	Balance at December 31, 2013	Net Investment Income	Realized Gain/(Loss)	Change in Unrealized Gain/(Loss)	(Sales)	Purchases	Balance at December 31, 2014
Equities	\$ 1,646,583	\$ 0	\$ 0	\$ 156,396	\$ (1,646,583)	\$ 1,688,021	\$ 1,844,417
Fixed income	343,795	0	349,030	(348,351)	(349,030)	1,006,412	1,001,856
Alternative investments	317,654,286	25,160,272	442,051	281,772	(87,191,768)	60,385,000	316,731,613
Total investments	\$319,644,664	\$ 25,160,272	\$ 791,081	\$ 89,817	\$ (89,187,381)	\$ 63,079,433	\$ 319,577,886

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

Investments	Balance at December 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)	(210,421)	69,993	343,795
Alternative investments	323,635,148	31,825,153	(2,611,471)	12,309,314	(85,825,858)	38,322,000	317,654,286
Total investments	\$ 325,779,115	\$ 31,862,603	\$(2,597,650)	\$ 12,244,882	\$(86,036,279)	\$ 38,391,993	\$ 319,644,664

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 which may impact the ultimate value realized.

Category of Investment	Investment Strategy	Number of Funds	Fair Value Determined Using NAV	Unfunded Commitments (\$ millions)	Redemption Terms	Remaining Life
Equities	Domestic	1	\$ 54,451,042	\$ 0	(1)	n/a
Equities	Domestic, international & emerging markets	5	346,667,074	0	(2)	n/a
Fixed Income	Long-term debt, global, high yield	9	208,511,821	0	(3)	80% n/a, 19% 10 years, 1% 19 years
Alternative investments	Buyouts, distress debt, energy, real estate and venture capital	209	316,731,613	203.8	(4)	(5)
Totals		224	\$ 926,361,550	\$ 203.8		

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 0-30 days prior notice, 67% subject to daily redemptions, 26% subject to monthly redemptions, 7% subject to quarterly redemptions.

(3) – 78% subject to monthly redemption with 10-30 days prior notice, 22% subject to quarterly redemptions.

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

(5) – 24% 1 year, 41% 2-5 years, 27% 6-10 years, 8% 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 28, 2015, 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, 2014 and December 31, 2013 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, 2014 and December 31, 2013, and its changes in net assets and 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.



May 28, 2015

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.

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

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.

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.

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

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