



**RICHARD
KING
MELLON
FOUNDATION**

•
1987 Annual Report
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Richard King Mellon Foundation

1987 Annual Report

Three Mellon Bank Center
525 William Penn Place
39th Floor
Pittsburgh, Pennsylvania 15219

(412) 392-2800

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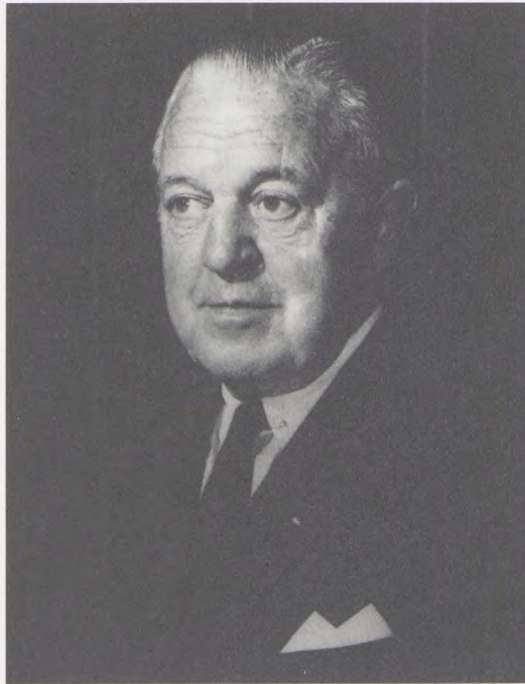
Richard King Mellon Foundation

1987 Annual Report

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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, Founder, 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, an architectural, civic, social, and educational masterpiece.

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.

Richard King Mellon Foundation

The Richard King Mellon Foundation, a private grantmaking foundation located in Pittsburgh, Pennsylvania, was created on November 14, 1947, by Lieutenant General Richard King Mellon of Pittsburgh and Ligonier, Pennsylvania. The sole purpose of the Foundation is to make grants for such philanthropic purposes as, in the best judgment of the Trustees, are in the public interest.

Periodically the Trustees and Officers of the Richard King Mellon Foundation make a concerted effort to examine their goals, objectives, and priorities in an attempt to insure the most efficient use of the resources under their stewardship. The most recent review was conducted in 1988, at which time the Trustees reaffirmed that the maintenance and improvement of the quality of life in Pittsburgh and western Pennsylvania is the Foundation's foremost priority. This conviction to concentrate the Foundation's philanthropic resources on the betterment of this geographic area is an overriding consideration in evaluating grant requests in all program categories with the exception of conservation, which remains both a local and national effort.

The Trustees' well-established interest in conservation remains specifically in the areas of land acquisition, wetlands protection, and wildlife preservation. It is intended that conservation will be the Foundation's primary program thrust and, in addition to being pursued on a local basis, it will remain the Foundation's primary interest outside of Pittsburgh and western Pennsylvania.

The field of education, an area of major interest to the Trustees throughout the years, will continue to be emphasized in the future. Support for undergraduate higher education will be restricted to selected institutions in the Pittsburgh vicinity. Certain programs at leading graduate schools nationwide may be of interest, and undertakings in primary and secondary education continue to be reviewed on a selective basis.

Significant emphasis will be placed on organizations operating in the social services field, a sector comprised of many agencies confronted with significant program and budget curtailments. The Trustees will continue to concentrate on organizations working to improve the quality of life in Pittsburgh and western Pennsylvania.

The Trustees of the Foundation continue to maintain an interest in medicine and health care in Pittsburgh, particularly efforts to make the delivery of health care more cost efficient in this geographic area. Successful cooperative undertakings, such as the Pittsburgh Cancer Institute, by local institutions and universities will be looked at closely by the Trustees.

Civic affairs is another area of interest to the Trustees of the Foundation, but one limited to activities concentrated in Pittsburgh and western Pennsylvania. Projects consistent with the physical, community, and economic development of this geographic area will be considered as the region continues a transition to reduce its dependence upon an industrial economy.

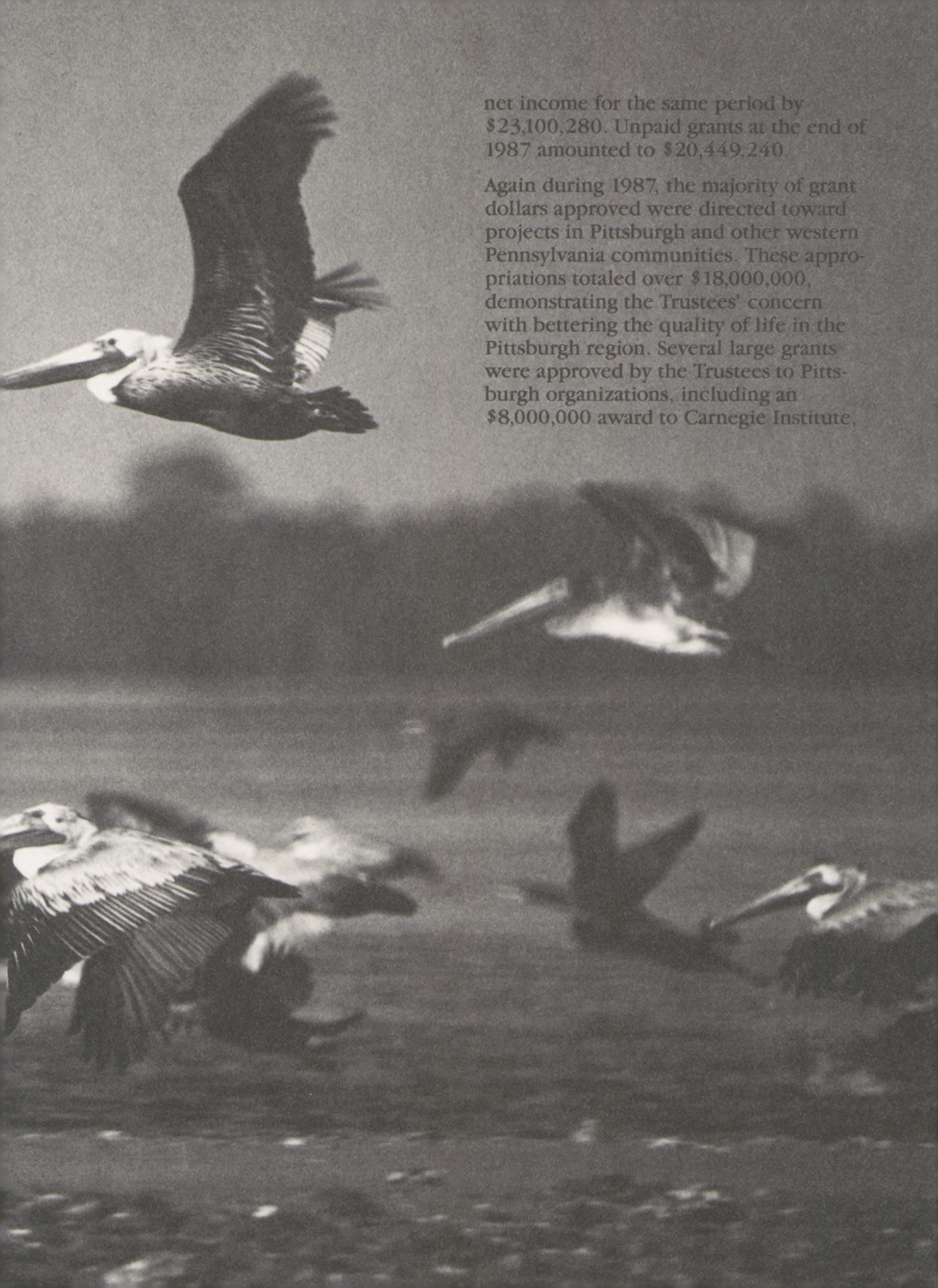
Cultural activities are recognized as essential to the quality of life in Pittsburgh, but are considered to be a secondary priority of the Foundation.

TRUSTEES, RICHARD KING MELLON FOUNDATION

President's Report

On November 14, 1987, the Richard King Mellon Foundation observed its fortieth anniversary. From its founding through 1987, the Trustees of the Foundation have approved over 22,000 grants totaling more than \$310,000,000. During 1987, the Trustees of the Richard King Mellon Foundation authorized sixty-six new grants totaling \$32,965,500. Grant disbursements made during the year totaled \$26,000,940. Since its inception in 1947, the Richard King Mellon Foundation has made grant payments of \$290,314,359, exceeding the





net income for the same period by \$23,100,280. Unpaid grants at the end of 1987 amounted to \$20,449,240.

Again during 1987, the majority of grant dollars approved were directed toward projects in Pittsburgh and other western Pennsylvania communities. These appropriations totaled over \$18,000,000, demonstrating the Trustees' concern with bettering the quality of life in the Pittsburgh region. Several large grants were approved by the Trustees to Pittsburgh organizations, including an \$8,000,000 award to Carnegie Institute,

President's Report

a \$2,000,000 award to Carnegie-Mellon University, and a \$1,000,000 award to The Enterprise Corporation of Pittsburgh.

Grants were awarded during 1987 in five broad categories: conservation, cultural activities, education, social services, and civic affairs and medicine. The Trustees' well-defined interest in the field of land conservation was again demonstrated in 1987. Major awards include two grants totaling \$11,000,000 to The Nature Conservancy for land acquisition on Molokai Island, Hawaii and along the Big Bend Coast of Florida. Other significant grants include a \$250,000 award to Tall Timbers Research Station for a study of major game birds, a \$200,000 award to the Hornocker Wildlife Research Institute, Inc. to provide research support involving threatened and endangered species, and a \$100,000 grant representing two-year support for The Wildlife Conservation Fund of America.

Major awards in the area of cultural activities include an \$8,000,000 grant to Carnegie Institute for the installation of an air-conditioning and climate control system as part of its Second Century Fund campaign. Operating support was provided for the Pittsburgh Ballet Theatre, Inc. and The Pittsburgh Public Theater Corporation and a capital grant was awarded to The Pittsburgh Children's Museum.

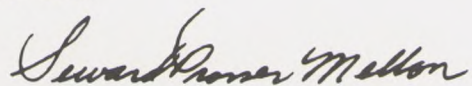
Significant grants to educational institutions in 1987 include a \$2,000,000 grant to Carnegie-Mellon University toward the President's Discretionary Fund, a \$234,000 grant to Chatham College to initiate a Bachelor of Science Nursing Program, and a \$200,000 grant to the University of Pittsburgh toward the endowment of

the Ahlbrandt Chair in the Joseph M. Katz Graduate School of Business. The Pittsburgh Public Schools received an award of \$540,000 to underwrite the Syllabus Driven Examination Project and several independent schools in the area also received awards.

Social service grants in 1987 include a \$500,000 award to the Protestant Episcopal Diocese of Pittsburgh for two programs, a \$500,000 award to the Western Pennsylvania School for Blind Children toward its campus construction project, and a \$300,000 award to the Women's Center and Shelter of Greater Pittsburgh for its capital campaign. The United Way of Allegheny County received a \$300,000 two-year challenge grant, and Action-Housing and The Enterprise Foundation, Inc. each received \$250,000 to initiate housing programs for low-income individuals and other special segments of the population.

The largest civic affairs grant was a \$1,000,000 award to The Enterprise Corporation of Pittsburgh to provide multiple-year funding for its entrepreneurial activities. Operating support was also provided for Penn's Southwest Association and the Pennsylvania Economy League, Western Division.

The ability of the Foundation to continue its grant programs as further described in the chapters of this Report is in great measure related to the Foundation's asset base which totaled \$681,306,978 at year-end 1987.



Seward Prosser Mellon
President

Richard King Mellon Foundation

*1987 Grants Approved
By Category*

Conservation	\$12,962,500
Cultural Activities	8,373,000
Education	5,799,000
Social Services	3,860,000
Civic Affairs & Medicine	1,971,000
	<hr/>
	\$32,965,500

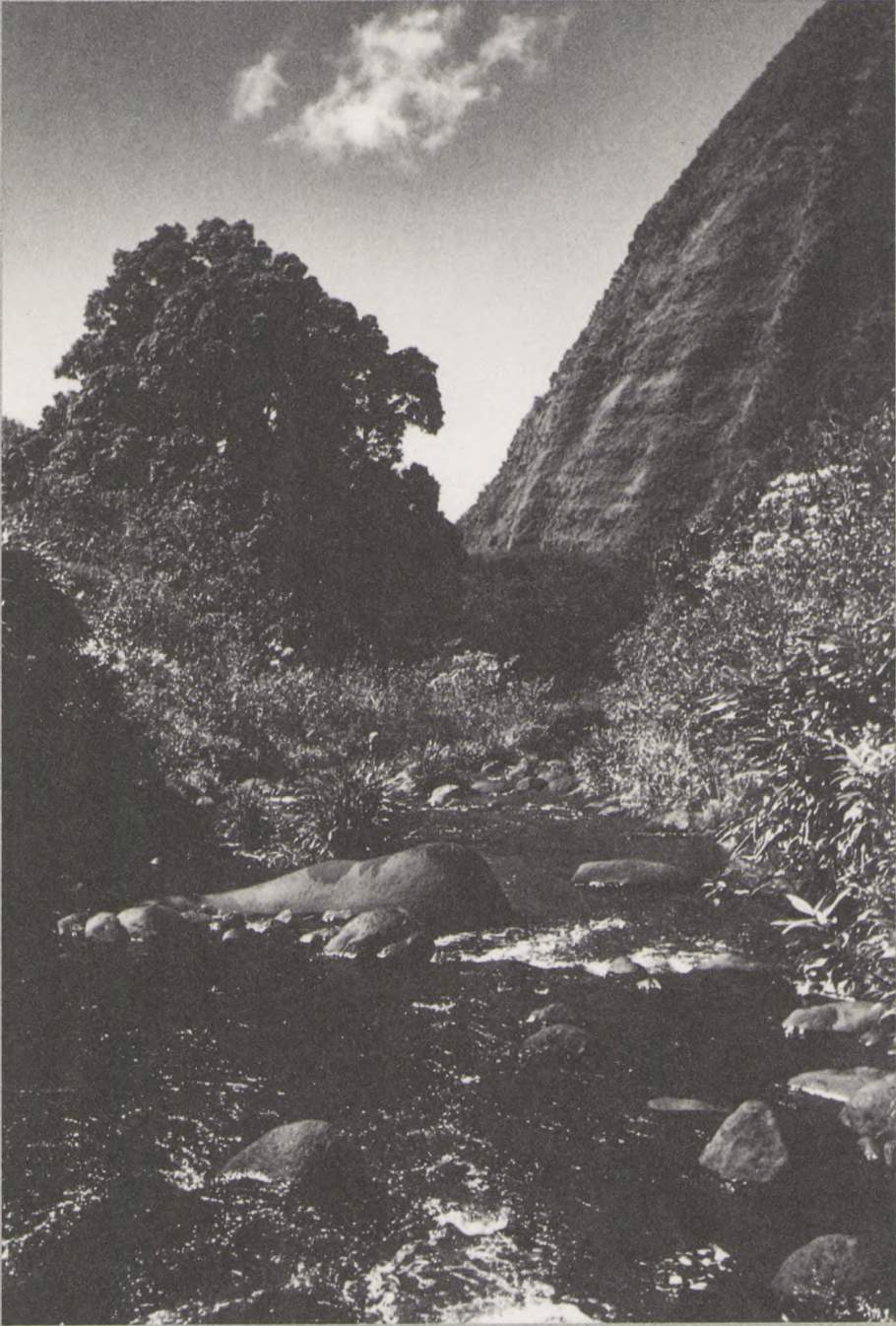
By Area

Pittsburgh & Western Pennsylvania	\$18,003,000
Other	14,962,500
	<hr/>
	\$32,965,500

1947-1987 Net Income and Grants Paid

Net Income		Grants Paid	
1947-1986	\$244,240,426	1947-1986	\$264,313,419
1987	22,973,653	1987	26,000,940
	<hr/>		<hr/>
	\$267,214,079		\$290,314,359

Conservation



For more than thirty-five years, The Nature Conservancy has worked with conservationists, industry, government, and private philanthropy to preserve approximately 2.6 million acres of American wilderness.

Richard King Mellon Foundation

During 1987, the Trustees of the Richard King Mellon Foundation continued to place major emphasis on conservation. Grants totaling \$12,962,500 were awarded for thirteen projects. Conservation represents the largest area of activity for the Foundation for the year.

Conservation and the resulting wildlife preservation represent the Foundation's foremost priority. It is being pursued on both a local and national basis and is the Foundation's primary interest outside of western Pennsylvania. The immediate concern of the Foundation's efforts in conservation focuses on funding acquisitions of significant natural wilderness and wetland areas, both to protect land from development and to assist in wildlife preservation.

The Nature Conservancy is a national organization dedicated to the preservation of lands with ecological or environmental value. For more than thirty-five years, the Conservancy has worked with conservationists, industry, local government, and private philanthropy to preserve approximately 2,600,000 acres of American wilderness. The majority of the Conservancy's resources and energies are devoted to activities of identification, acquisition, and stewardship of natural areas. The Conservancy currently owns and manages more than 900 areas that together make up the largest system of private nature sanctuaries in the world.

In 1987, the Trustees of the Richard King Mellon Foundation approved a grant of \$10,000,000 to The Nature Conservancy to help expedite the acquisition by the State of Florida of sixty miles of Florida's Big Bend Coastline. The Big Bend is that part of Florida where the panhandle meets the peninsula and is the largest privately held stretch of United States coastline. With Tampa to the south, Panama City to the west, and Tallahassee to the north, the Big Bend Coastline was threatened with development.

Conservationists have long been aware of the great natural significance of this 65,000 acre area. The land is intersected by several major rivers and fresh water streams and includes a

broad expanse of tidal salt marsh and woodlands interspersed with numerous ponds, sawgrass sloughs, hardwood hammocks, upland pine forest, swamp, and islands. The rich diversity of habitat stems from the fact that the property lies in the transition area between north Florida's temperate and South Florida's subtropical zones. Threatened and endangered wildlife inhabiting the area include bald eagles, ospreys, manatees, Florida black bears, Ridley's sea turtles, Peregrine falcons, and rare salt marsh minks.

The Big Bend Coastline was owned by a subsidiary of Proctor and Gamble. Following a recent re-evaluation of all its land holdings, it was determined that this property was no longer critical to its operations; however, the company felt a strong obligation to the sportsmen of the area to make sure that the land would continue to be managed in an environmentally sensitive manner. The State of Florida and The Nature Conservancy offered Proctor and Gamble the opportunity to sell the land to a conservation-minded buyer. The State hoped to acquire the property by using funds from its Save Our Coast Program; however, these funds would not be available in time to close on the property as required by the seller. The Trustees of the Richard King Mellon Foundation approved and paid a grant of \$10 million to The Nature Conservancy to enable it to close on the

Conservation

property and hold it until such time as the State of Florida secured its own funding. In July, 1987, the State of Florida re-purchased the property from The Nature Conservancy and the \$10 million grant funds were returned to the Conservancy and rolled into the Richard King Mellon Land Preservation Fund where they will be used on a revolving basis to preserve other critical properties.

This transaction is the largest single purchase in the thirty-five year history of The Nature

Conservancy and also involves the transfer of the largest privately held stretch of United States coastline. Encompassing over 100 square miles of land, it is more than four times larger than the island of Manhattan, New York. This vital Big Bend Coastline property will preserve a coastal habitat corridor that is critical to the future of migratory wildlife and will help link more than 200 miles of protected public lands stretching from the Suwannee to the Apalachicola Rivers.

The following is a list of grants approved in 1987 for conservation activities:

1000 Friends of Florida, Inc. Gainesville, Florida <i>Three-year funding (Conditional)</i>	\$250,000
The Alliance to Save Energy Washington, District of Columbia <i>Operating support</i>	7,500
American Rivers Washington, District of Columbia <i>Toward a book on the Snake River</i>	15,000
The Chesapeake Bay Foundation, Inc. Annapolis, Maryland <i>Operating funds</i>	50,000
Hornocker Wildlife Research Institute, Inc. Moscow, Idaho <i>Two-year research support on threatened and endangered species</i>	200,000
Maine Coast Heritage Trust Northeast Harbor, Maine <i>Planning grant</i>	15,000
The Nature Conservancy Arlington, Virginia <i>Acquisition of natural areas on Molokai Island, Hawaii</i>	1,000,000
<i>Acquisition of Big Bend Coast of Florida</i>	10,000,000
Pacific Tropical Botanical Garden Lawai, Kauai, Hawaii <i>Land acquisition</i>	950,000

Richard King Mellon Foundation

Tall Timbers Research Station, Inc. Tallahassee, Florida <i>Toward endowment for the long-term study of major game birds</i>	\$250,000
The Izaak Walton League of America, Inc. Arlington, Virginia <i>Challenge grant for international outdoor ethics conference</i>	50,000
The Wildlife Conservation Fund of America Columbus, Ohio <i>Two-year support</i>	100,000
Wildlife Habitat Enhancement Council Wilmington, Delaware <i>Three-year operating support</i>	75,000
Total	\$12,962,500

Cultural Activities



The Museum of Natural History at The Carnegie ranks among the six largest natural history museums in the United States. Among its notable holdings is the world's finest collection of dinosaurs.



Richard King Mellon Foundation

During 1987, the Trustees of the Richard King Mellon Foundation approved four grants in this category totaling \$8,373,000, or 25 percent of the Foundation's 1987 grant approvals.

The Trustees of the Foundation awarded a major grant of \$8,000,000 to Carnegie Institute toward its Second Century Fund capital campaign. Operating grants were awarded to the Pittsburgh Ballet Theatre, Inc. and The Pittsburgh Public Theater Corporation. The Pittsburgh Children's Museum was awarded a grant of \$213,000 to help adapt the main floor of the Museum into a major exhibition and performance area.

Few institutions can offer the broad range of programs and activities available at The Carnegie. The Carnegie is the familiar name for two major Pittsburgh institutions: Carnegie Institute—a privately funded entity composed of the Museum of Art, Museum of Natural History, Music Hall, and Buhl Science Center; and The Carnegie Library of Pittsburgh—the City's publicly funded library system. The Carnegie's main facility in Oakland contains seventeen acres of floor space, and its Museums, Music Hall and Science Center host over one million visitors annually.

The Museum of Natural History ranks among the six largest natural history museums in the United States. Research plays a major role in the Museum's activities and staff members are currently engaged in over 75 research projects in the United States and around the world. With a collection of nearly 16 million specimens and artifacts, the Museum displays 15,000 objects representing ten fields of natural history and anthropology.

Cultural Activities

The Museum of Art is one of the ten outstanding contemporary art museums in the country and has comprehensive holdings in French Impressionist and Post-Impressionist paintings, 19th- and early 20th-century American paintings, contemporary American and European paintings, and sculpture. The Museum's triennial *Carnegie International* is the oldest and largest exhibition of contemporary art in the United States.

Buhl Science Center became a component of The Carnegie in 1987. Its hands-on exhibits and learning programs for children and adults make the Science Center a leading resource for informal science education. Visitors can take advantage of the planetarium, computer learning lab, observatory, and the Discovery Lab for physical sciences.

The Music Hall, a 2,000-seat theater, attracts audiences to concerts, dance performances, poetry readings, films and lectures, and is known for the quality of its sound.

The Carnegie has played an important role in enriching the quality of life in Pittsburgh, but critical issues and needs must be addressed in order to ensure that the resources of The Carnegie will be available for future generations. Strategies for ensuring that these needs will be met have evolved into a \$125.5 million capital campaign, the Second Century Fund. The campaign encompasses both critical capital improvement and endowment needs.

Crucial areas addressed by the campaign include alleviating one of the greatest dangers to the collections, lack of air conditioning and sophisticated climate control in most of the original building. Without the installation of such a system, valuable paintings, furniture, books and specimens are at serious risk.

Constraints to increased service, membership and attendance exist as a result of a shortage of parking. To remedy this situation, a 500-space parking facility is planned.

The Oakland building's stained facade has suffered damage from freezing and thawing cycles. The building will be cleaned, repaired and invitingly lighted.

The campaign will also include funding for the new Science Center to be built near Three Rivers Stadium. With its Omnimax theater, the Center will become a major regional tourist attraction.

The endowment component will focus on two critical areas, establishing a permanent art acquisition fund and ensuring the quality of professional staff and education activities.

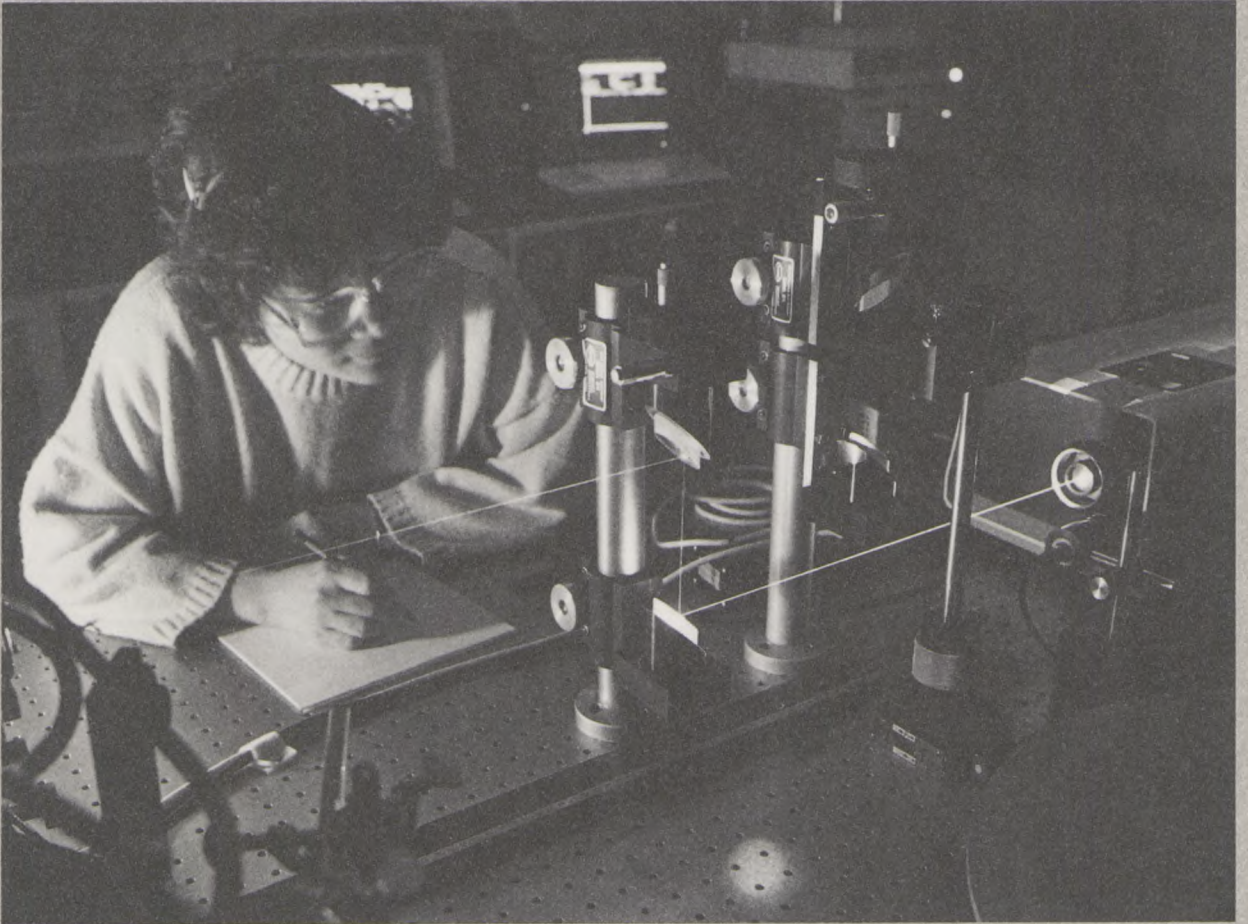
In 1987, the Trustees of the Richard King Mellon Foundation approved a grant of \$8 million to Carnegie Institute for the installation of an air conditioning and climate control system, one of the highest priorities of the Second Century Fund.

Richard King Mellon Foundation

The following is a list of grants approved in 1987 for cultural activities:

Carnegie Institute Pittsburgh, Pennsylvania <i>Toward capital campaign</i>	\$8,000,000
Pittsburgh Ballet Theatre, Inc. Pittsburgh, Pennsylvania <i>Operating support</i>	75,000
The Pittsburgh Children's Museum Pittsburgh, Pennsylvania <i>To adapt main floor into a major exhibition and performance area</i>	213,000
The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania <i>Operating support</i>	85,000
Total	\$8,373,000

Education



Carnegie-Mellon University was the recipient of a grant of \$2,000,000 to be applied toward the President's Discretionary Fund to stimulate productivity and improve teaching and research quality.

Richard King Mellon Foundation

During 1987, the Trustees of the Richard King Mellon Foundation approved thirteen grants in this category totaling \$5,799,000, or 18 percent of the Foundation's 1987 grant approvals.

The Trustees maintain a major interest in the field of education, with higher education remaining the primary focus. Support for undergraduate higher education will continue to be restricted to selected institutions in the Pittsburgh vicinity. Certain programs at leading graduate schools nationwide may also be of interest. The Foundation continues to maintain an interest in local public, primary and secondary education where private funding seems appropriate.

Grant activity in 1987 emphasized the Trustees' primary interest in this category, the advancement of higher education. Carnegie-Mellon University received a grant of \$2,000,000 toward the President's Discretionary Fund. Chatham College received a three-year grant of \$234,000 to initiate a Bachelor of Science Nursing Program, and the University of Pittsburgh received an award of \$200,000 toward the endowment of the Ahlbrandt Chair in the Joseph M. Katz Graduate School of Business. Primary and secondary education, both public and independent, also benefited significantly during 1987.

A major grant was awarded to Carnegie-Mellon University, known especially for its excellence in engineering, science, and the fine arts. A private institution, Carnegie-Mellon emphasizes high quality education and research for undergraduate and graduate students.

The Trustees of the Richard King Mellon Foundation approved a grant of \$2,000,000 to Carnegie-Mellon University toward the President's Discretionary Fund to stimulate productivity and to improve teaching and research quality. Increasing productivity without sacrificing educational and research quality is a vital goal of the University. When new and interesting opportunities arise, the existence of the President's Discretionary Fund provides the University with the flexibility to develop new programs or to strengthen departmental offerings so that the University can solve particularly pressing problems and move to meet the needs of the future.

Since 1972, the Richard King Mellon Foundation has provided \$11,250,000 toward the President's Discretionary Fund at Carnegie-Mellon University, and this flexibility has contributed considerably to the University's increased stature as a premier institution of higher education. During the past 15 years, the Departments of Psychology, Computer Science, Biology, and English have all benefited significantly from the President's Discretionary Fund, as have the Department of Statistics, the Pittsburgh Cancer Institute, the Software Engineering Institute, and the Graduate School of Industrial Administration.

A portion of the President's Discretionary Fund has been used for Richard King Mellon Fellowships, awarded to the University's most outstanding incoming graduate students. As a research-oriented university, Carnegie-Mellon depends heavily on attracting and nurturing the outstanding students in the country. The Mellon Fellowships

Education

are the most distinguished at the University and their prestige has resulted in the University's admitting some of the best scholars in the world. The Fellows come from a wide range of colleges and disciplines, from engineering and science to business, the humanities, and fine arts.

Carnegie-Mellon University is a partner in the Pittsburgh Cancer Institute, established three years ago to promote interactions among cancer researchers in Pittsburgh. It is a collaborative effort between Carnegie-Mellon University and the University of Pittsburgh and the six University affiliated hospitals. The Nuclear Magnetic Resonance Center for Biomedical Research is a significant part of the Cancer Institute. President's Discretionary Funds were applied toward the renovations of the Center and its magnet is in place and operative. The Center is operated by the head of the Department of Biological Sciences and the President's Discretionary Fund established a Chair for that position.

Enrollment pressures were felt in the University's Department of Electrical and Computer Engineering. Undergraduate class size had increased in each of the last four years and had to be capped. The continued demand for this Department made it necessary for the University to expand the number of faculty members as the size of the student body increased. The availability of the President's Discretionary Fund permitted the addition of three faculty members to the Department.

The remaining resources in the President's Discretionary Fund will be used to improve the quality of the University, primarily to reinforce those areas which are already strong and to provide support for new ideas and for departments which will benefit from additional assistance. The Fund also serves as an incentive for departments to improve in order to receive further support.

The following is a list of grants approved in 1987 for education programs:

Auburn University Foundation Auburn, Alabama	
<i>Research in aquaculture genetics</i>	\$1,270,000
Carnegie-Mellon University Pittsburgh, Pennsylvania	
<i>Toward the President's Discretionary Fund</i>	2,000,000
Chatham College Pittsburgh, Pennsylvania	
<i>Bachelor of Science Nursing Program</i>	234,000
Enterprise and Education Foundation Pittsburgh, Pennsylvania	
<i>Two-year support for Allegheny County activities</i>	40,000

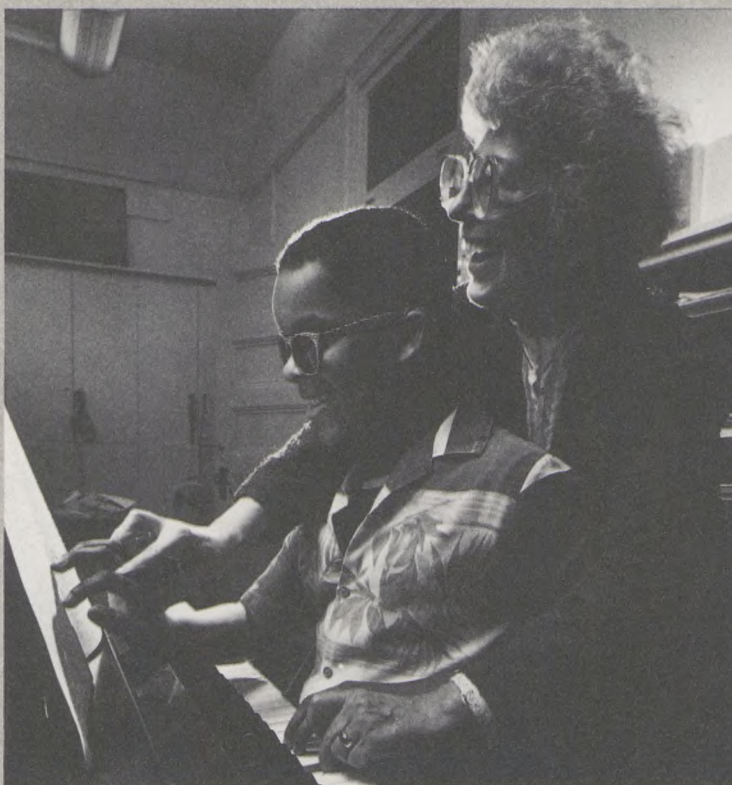
Richard King Mellon Foundation

Fox Chapel Country Day School, Inc. Pittsburgh, Pennsylvania <i>Renovation and expansion program</i>	\$75,000
Holy Rosary School Pittsburgh, Pennsylvania <i>Early Childhood Program</i>	20,000
Negro Education Emergency Drive Pittsburgh, Pennsylvania <i>Two-year operating support</i>	100,000
The Pennsylvania State University University Park, Pennsylvania <i>Operating support for the Health Education Athletic Training Program</i>	100,000
<i>Toward "The Campaign for Penn State"</i>	1,000,000
Pittsburgh Public Schools Pittsburgh, Pennsylvania <i>To underwrite the Syllabus Driven Examination Project</i>	540,000
United Negro College Fund, Inc. New York, New York <i>Three-year support</i>	120,000
University of Pittsburgh Pittsburgh, Pennsylvania <i>Endow Ahlbrandt Chair in the Joseph M. Katz Graduate School of Business</i>	200,000
Valley School of Ligonier Ligonier, Pennsylvania <i>Faculty housing</i>	100,000
Total	\$5,799,000

Social Services

Awards to various organizations in the social services field totaled \$3,860,000, or 12 percent of the Foundation's 1987 grant approvals. In accordance with the Foundation's geographic restrictions on grants in this program category, virtually all awards made during 1987 were directed toward support for improvement in the provision and delivery of social services to citizens of Allegheny County and southwestern Pennsylvania.

Significant social service grants were approved in 1987 to Oakland Planning and Development Corporation, Allegheny Council to Improve Our Neighborhoods-Housing, Inc., and The Enterprise Foundation, Inc. for the development of housing stock for low income and other segments of the population in this geographic area. The Women's Center and Shelter of Greater Pittsburgh was the recipient of a \$300,000 grant toward its capital campaign. Other social service grants provided program or capital support for agencies serving children and youth, the mentally or physically handicapped, those seeking employment, and individuals with alcohol or drug addiction.



Since its inception, the Western Pennsylvania School for Blind Children has trained more than 3,000 individuals and has established a national reputation as a leading force in the movement to improve training for visually impaired individuals.

Richard King Mellon Foundation

The Western Pennsylvania School for Blind Children was established in 1887 and provides room, board, and educational facilities without charge to blind children whose families reside in western Pennsylvania. It serves legally blind and blind multi-handicapped children, ages 2 to 21 years of age. Currently, the School enrolls approximately 180 pupils, the majority of whom evidence physical and mental handicaps in addition to blindness. Approximately 75 percent of the students reside at the School during the week.

The five-acre campus, located in the Oakland section of Pittsburgh, consists of nursery, kindergarten, and elementary and high schools. The School employs over 200 staff members and also contracts with various medical consultants.

The youngsters at the School have different abilities, interests, and academic or vocational potentials. The overall goal is to provide each student with the skills that he or she will need to be able to function independently in all areas, educationally, socially, and vocationally. Since its inception, the School has trained more than 3,000 individuals and has established a national reputation as a leading force in the movement to improve training for the visually impaired.

Although the School was founded as a facility for the blind, in the past ten years the characteristics of the student body have changed significantly. At one time, all students demonstrated the potential for academic growth. However, because of several factors, today the majority of students evidence concomitant sensory, physical, or

intellectual handicaps. Strongly influenced by the demographics of blindness, the School has been imaginative in tailoring its programs and services to be appropriate for the needs, interests, and abilities of blind children with multiple handicaps. Although the primary focus of the School is on training blind multi-handicapped children, a collateral commitment has been made to pursuing research for the purpose of improving opportunities for the blind.

As part of the School's long range planning process, its physical plant was closely examined and it was determined that the campus was sorely outdated. Seven separate buildings have been constructed during the life of the School and the uses for most had been changed many times over the past 100 years. None of the buildings was accessible to the handicapped, and movement for children using wheel chairs was extremely difficult since adequate vertical transportation routes were unavailable. The School for Blind Children has undertaken an \$11 million construction and renovation project to totally revitalize its campus.

The project provides for new classrooms with adapted facilities. Highlights of the educational complex are the addition of a swimming pool and therapy tank for use by physically impaired children. A major feature of the revitalization is the improvement in traffic patterns. All buildings on campus will be internally connected and five elevators will ease the movement of children from floor to floor. The Trustees of the Richard King Mellon Foundation approved a grant of \$500,000 to the Western Pennsylvania School for Blind Children toward its \$11 million campus construction.

Social Services

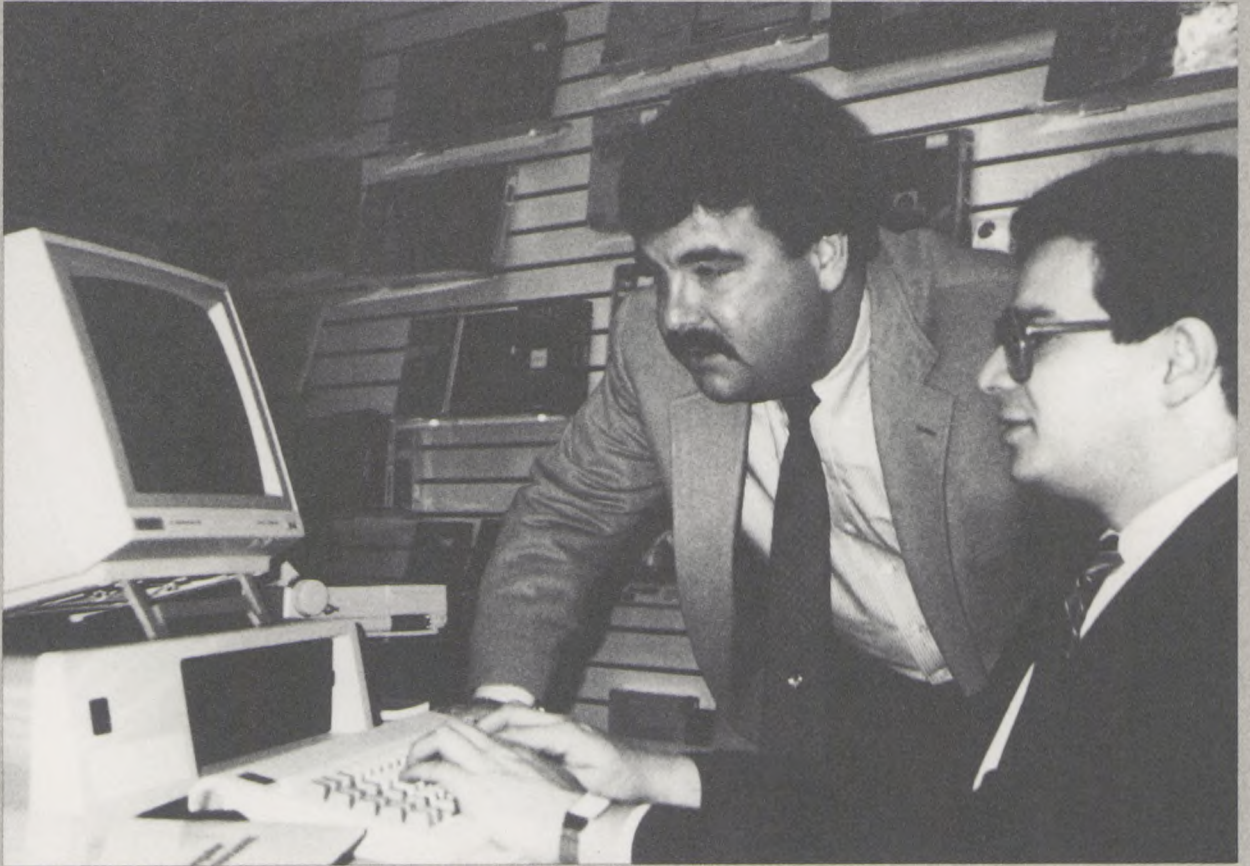
The following is a list of grants approved in 1987 for social services programs:

Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Operating support for Project Strive, Three Rivers Employment Service.</i>	\$ 60,000
Allegheny Council to Improve Our Neighborhoods-Housing, Inc. Pittsburgh, Pennsylvania <i>Toward Revolving Development Fund.</i> <i>Operating support for The Marketing Place.</i>	250,000 40,000
Bidwell Cultural and Training Center, Inc. Pittsburgh, Pennsylvania <i>Toward capital campaign</i>	200,000
Big Brothers and Sisters of Greater Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>Three-year operating support</i>	60,000
Boys' Club of Western Pennsylvania Pittsburgh, Pennsylvania <i>Toward renovations at Lawrenceville Club</i>	40,000
Contact Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>Two-year operating support.</i>	30,000
The DePaul Institute Pittsburgh, Pennsylvania <i>To help underwrite Early Intervention Program for Infants.</i>	75,000
Easter Seal Society of Allegheny County Pittsburgh, Pennsylvania <i>Toward renovations of new headquarters building.</i>	200,000
The Enterprise Foundation, Inc. Columbia, Maryland <i>Affordable housing in low-income areas of Pittsburgh (Conditional)</i>	250,000
Idlewood Children's Center Pittsburgh, Pennsylvania <i>To retire mortgages on group homes.</i>	140,000
National Committee for Adoption Washington, District of Columbia <i>Toward purchase and renovation of headquarters building</i>	50,000
Oakland Planning and Development Corporation Pittsburgh, Pennsylvania <i>Holmes Place project development</i> <i>Three-year operating support</i>	200,000 150,000

Richard King Mellon Foundation

Onala Club Pittsburgh, Pennsylvania <i>To retire mortgage</i>	\$10,000
Parents' League for Emotional Adjustment Pittsburgh, Pennsylvania <i>Staff support</i>	15,000
The Pittsburgh Foundation Pittsburgh, Pennsylvania <i>Endowment support for Lemington Home for the Aged (Conditional)</i>	200,000
Protestant Episcopal Diocese of Pittsburgh Pittsburgh, Pennsylvania <i>Programs for Canterbury Place and Sheldon Calvary Camp</i>	500,000
Three Rivers Adoption Council Pittsburgh, Pennsylvania <i>Two-year operating support</i>	40,000
Three Rivers Center for Independent Living, Inc. Pittsburgh, Pennsylvania <i>Toward purchase and renovation of a new facility</i>	100,000
The United Way of Allegheny County Pittsburgh, Pennsylvania <i>Two-year challenge grant</i>	300,000
Vintage Pittsburgh, Pennsylvania <i>To help establish downtown Adult Day Care Center (Conditional)</i>	75,000
Western Pennsylvania School for Blind Children Pittsburgh, Pennsylvania <i>Toward campus construction project</i>	500,000
Women's Center and Shelter of Greater Pittsburgh Pittsburgh, Pennsylvania <i>Toward capital campaign</i>	300,000
Young Women's Christian Association of Greater Pittsburgh Pittsburgh, Pennsylvania <i>Office skills job training program</i>	50,000
Youth Opportunities Unlimited, Inc. Pittsburgh, Pennsylvania <i>Christmas dinner for destitute citizens</i>	10,000
<i>Operating support</i>	15,000
Total	\$3,860,000

Civic Affairs & Medicine



During the past five years, the Trustees of the Richard King Mellon Foundation have approved three grants totaling more than \$2,000,000 for the establishment of The Enterprise Corporation of Pittsburgh, founded in 1982 to assist entrepreneurs in the Pittsburgh area in developing new businesses with high growth potential.

Richard King Mellon Foundation

During 1987, the Trustees of the Richard King Mellon Foundation approved nine grants in this category totaling \$1,971,000, or 6 percent of the Foundation's 1987 grant approvals.

Six grants totaling \$1,338,000 were approved for civic affairs activities, including a \$1,000,000 grant to provide multi-year operating support for The Enterprise Corporation of Pittsburgh. Operating support was also provided for the Pennsylvania Economy League and Penn's Southwest Association.

In the medicine category, three grants amounting to \$633,000 were approved. The Health Education Center received a grant of \$333,000, representing three-year support to help improve health behavior habits of low-income families, and the Transplant Organ Procurement Foundation of Western Pennsylvania received an award of \$50,000 toward an in-house processing laboratory and a tissue bank.

From the 1930's through the 1960's, large corporations and governments provided almost all of the new employment positions in the United States. However, since the early 1970's, the government has stopped expanding its employment base and large corporations have actually lost jobs. During the past five years alone, the country's largest manufacturing companies have permanently lost approximately three million jobs.

The economic base of Pittsburgh was built and thrived on heavy industries. By the late 1970's, however, Pittsburgh was suffering noticeably from high unemployment, low productivity, and a decreasing tax base. To reverse this unfavorable trend, new employment positions had to be created.

Most jobs in the United States are being created today by very young, small firms. They are typically less than four years old, have fewer than fifty employees, and generally are in innovative and entrepreneurial businesses. Pittsburgh has the capacity to develop a variety of new manufacturing and service businesses, and it also has the technical, educational, and financial resources to become an important center of high technology business. To capitalize on these assets and to diversify the economic

base of western Pennsylvania, a new nonprofit corporation, The Enterprise Corporation of Pittsburgh, was established in 1982 with a \$100,000 grant from the Richard King Mellon Foundation. The Corporation was established to help entrepreneurs form new companies and to assist emerging businesses with technical and management services. The Corporation works cooperatively with Carnegie-Mellon University, the University of Pittsburgh and other institutions and individuals in the community.

Based on its initial success, the Foundation awarded the Corporation additional support in 1983 of \$1,000,000 to enable it to continue its activities.

While assisting entrepreneurs with the establishment of new businesses, The Enterprise Corporation also helps generate employment growth in the Pittsburgh area. Prospective companies are not confined to the high-technology area, and may be involved in new manufacturing or service-related businesses. The Corporation gives new and existing growth companies assistance by assessing product ideas, assisting in developing realistic business plans, arranging financing, and setting up management and marketing programs. Educational

Civic Affairs

Medicine

programs for entrepreneurs, including community seminars and classes at local universities, are also provided by the Corporation.

The Enterprise Corporation acts as a resource network by developing and maintaining contacts with industry, screening new developments for potential commercialization, assisting new ventures in obtaining seed money and financing, and acting as a clearing house for potential projects, entrepreneurs, and sources of funding.

During its first four years of operation, The Enterprise Corporation has worked with over 530 individual entrepreneurs. It has helped them raise almost \$25,000,000 of new capital and has created over 250 employment positions during that period.

The Enterprise Corporation of Pittsburgh provides an experienced professional consulting team to assist individuals in developing new businesses with high growth potential in the Pittsburgh area. Through its activities, The Enterprise Corporation has helped foster a new climate in southwestern Pennsylvania for entrepreneurs. The Trustees of the Richard King Mellon Foundation have monitored the development of the Corporation since its inception and continue to be impressed with its progress and success to date. Accordingly, in 1987, the Trustees of the Foundation approved a second grant of \$1,000,000 to provide further multi-year operating support as the Corporation continues to broaden its base of both public and private financial support. The Corporation has been asked to raise \$500,000 to match the grant.

The following is a list of grants approved in 1987 for civic affairs and medicine:

Civic Affairs

Carnegie-Mellon University
Pittsburgh, Pennsylvania

Two-year support for the Coalition to Improve Management in State and Local Government \$ 30,000

The Enterprise Corporation of Pittsburgh
Pittsburgh, Pennsylvania

Multi-year operating support (Challenge Grant) 1,000,000

The Jefferson Foundation, Inc.
Washington, District of Columbia

Two-year support for education activities regarding the Constitution. 60,000

Penn's Southwest Association
Pittsburgh, Pennsylvania

Operating support. 150,000

Pennsylvania Economy League, Inc., Western Division
Pittsburgh, Pennsylvania

Three-year operating support 48,000

Richard King Mellon Foundation

The Pittsburgh-Allegheny County Vietnam Veterans Monument Fund
Charitable Trust
Pittsburgh, Pennsylvania
Toward monument honoring Vietnam Veterans \$ 50,000

Medicine

Harvard University–Medical School
Cambridge, Massachusetts
Toward the Dean’s Discretionary Fund 250,000

Health Education Center
Pittsburgh, Pennsylvania
Three-year support to improve health behavior of low-income families 333,000

Transplant Organ Procurement Foundation of Western Pennsylvania
Pittsburgh, Pennsylvania
Toward an in-house processing laboratory and a tissue bank 50,000

Total \$1,971,000

Appropriations and Grants Paid

RICHARD KING MELLON FOUNDATION

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
Conservation				
1000 Friends of Florida, Inc. Gainesville, Florida <i>Three-year funding (Conditional)</i>		\$250,000	\$150,000	\$100,000
The Alliance to Save Energy Washington, District of Columbia <i>Operating support</i>		7,500	7,500	
American Farmland Trust Washington, District of Columbia <i>Farmland protection revolving fund</i>	\$150,000		150,000	
American Rivers Washington, District of Columbia <i>Toward a book on the Snake River</i>		15,000	15,000	
American Wilderness Alliance Englewood, Colorado <i>Operating support</i>	75,000		50,000	25,000
Appalachian Mountain Club Boston, Massachusetts <i>Three-year support for program to strengthen role of volunteers</i>	100,000		100,000	
Auburn University School of Veterinary Medicine Auburn, Alabama <i>Three-year research support .</i>	65,000		65,000	
The Chesapeake Bay Foundation, Inc. Annapolis, Maryland <i>Operating funds</i>		50,000	50,000	
Commonwealth of Pennsylvania Harrisburg, Pennsylvania <i>Toward Pennsylvania Game Commission Bald Eagle Recovery Program</i>	72,000		36,000	36,000

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
The Conservation Foundation, Inc. Washington, District of Columbia <i>Five-year discretionary funding</i>	\$300,000		\$300,000	
Craighead Wildlife-Wildlands Institute Inc. Missoula, Montana <i>Operating support</i>	650,000		650,000	
Ducks Unlimited, Inc. Long Grove, Illinois <i>Support for Saskatchewan Heritage Marshes project</i>	500,000		250,000	\$250,000
Hornocker Wildlife Research Institute, Inc. Moscow, Idaho <i>Two-year research support on threatened and endangered species</i>		\$200,000	100,000	100,000
Inform, Inc. New York, New York <i>Operating support</i>	200,000		100,000	100,000
Land Trust Exchange Alexandria, Virginia <i>Three-year operating support</i>	25,000		25,000	
Maine Coast Heritage Trust Northeast Harbor, Maine <i>Planning grant</i>		15,000	15,000	
National Audubon Society New York, New York <i>Toward land acquisition</i>	150,000		150,000	
The Nature Conservancy Arlington, Virginia <i>Acquisition of natural areas on Molokai Island, Hawaii</i> . .		1,000,000	1,000,000	
<i>Acquisition of Big Bend Coast of Florida</i>		10,000,000	10,000,000	

Appropriations and Grants Paid

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
Pacific Tropical Botanical Garden Lawai, Kauai, Hawaii <i>Land acquisition</i>		\$950,000	\$475,000	\$475,000
Southern Illinois University Cooperative Wildlife Research Laboratory Carbondale, Illinois <i>Research on Key deer</i>	\$100,000		40,000	60,000
Tall Timbers Research Station, Inc. Tallahassee, Florida <i>Toward endowment for the long term study of major game birds</i>		250,000	250,000	
University of Vermont Department of Botany Burlington, Vermont <i>To continue research on the effect of acid precipitation on forest ecosystems.</i>	300,000		100,000	200,000
The Izaak Walton League of America, Inc. Arlington, Virginia <i>Two-year support for national hunter ethics program</i> <i>Challenge grant for international outdoor ethics conference</i>	50,000		50,000	
		50,000		50,000
The Wilderness Society Washington, District of Columbia <i>Operating support for Department of Resource Planning and Economics . . .</i>	800,000		400,000	400,000
The Wildlife Conservation Fund of America Columbus, Ohio <i>Toward Project What's Right campaign</i> <i>Two-year support</i>	250,000		250,000	
		100,000	50,000	50,000

Richard King Mellon Foundation

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
Wildlife Habitat Enhancement Council Wilmington, Delaware <i>Three-year operating support.....</i>		\$ 75,000		\$ 75,000
TOTAL – CONSERVATION ...	\$3,787,000	\$12,962,500	\$14,828,500	\$1,921,000
Education				
Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Two-year support for Allegheny Conference Education Fund.....</i>	\$ 50,000			\$ 50,000
Auburn University Foundation Auburn, Alabama <i>Research in aquaculture genetics.....</i>		\$1,270,000	\$551,000	719,000
Carnegie Mellon University Pittsburgh, Pennsylvania <i>Toward the President's Discretionary Fund.....</i>		2,000,000	300,000	1,700,000
Chatham College Pittsburgh, Pennsylvania <i>Bachelor of Science Nursing Program.....</i>		234,000	28,000	206,000
The Ellis School Pittsburgh, Pennsylvania <i>Capital campaign.....</i>	500,000		500,000	
Enterprise and Education Foundation Pittsburgh, Pennsylvania <i>Two-year support for Allegheny County activities. .</i>		40,000	20,000	20,000
Fox Chapel Country Day School, Inc. Pittsburgh, Pennsylvania <i>Renovation and expansion program.....</i>		75,000	75,000	

Appropriations and Grants Paid

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
Holy Rosary School Pittsburgh, Pennsylvania <i>Early Childhood program . . .</i>		\$ 20,000	\$ 20,000	
National Merit Scholarship Corporation Evanston, Illinois <i>Scholarship program</i>	\$ 435,680		239,440	\$ 196,240
Negro Educational Emergency Drive Pittsburgh, Pennsylvania <i>Two-year operating support .</i>		100,000	50,000	50,000
The Pennsylvania State University University Park, Pennsylvania <i>Operating support for the Health Education Athletic Training Program</i> <i>Toward "The Campaign for Penn State"</i>		100,000 1,000,000	100,000	1,000,000
Pittsburgh Public Schools Pittsburgh, Pennsylvania <i>To underwrite the Syllabus Driven Examination Project</i>		540,000	135,000	405,000
United Negro College Fund, Inc. New York, New York <i>Three-year support.</i>		120,000	40,000	80,000
The University of Georgia College of Agriculture Experiment Stations Athens, Georgia <i>Three-year support for research project, Irrigated Multiple-Cropping Production System</i>	100,000		100,000	

Richard King Mellon Foundation

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
<hr/>				
University of Pittsburgh Pittsburgh, Pennsylvania <i>Two-year operating support for American Experience Program (Conditional)</i>	\$ 50,000		\$ 25,000	\$ 25,000
<i>Endow Ahlbrandt Chair in the Joseph M. Katz Graduate School of Business.</i>		\$200,000	200,000	
<hr/>				
Valley School of Ligonier Ligonier, Pennsylvania <i>Modernization program.</i>	350,000		350,000	
<i>Faculty housing.</i>		100,000	100,000	
<hr/>				
TOTAL – EDUCATION	\$1,485,680	\$5,799,000	\$2,833,440	\$4,451,240
<hr/>				
Social Services				
Adelphoi Latrobe, Pennsylvania <i>Toward capital campaign</i>	\$175,000		\$175,000	
<hr/>				
Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Operating support for Project Strive, Three Rivers Employment Service</i>		\$ 60,000	60,000	
<hr/>				
Allegheny Council to Improve Our Neighborhoods- Housing, Inc. Pittsburgh, Pennsylvania <i>Toward Revolving Development Fund</i>		250,000	250,000	
<i>Operating support for The Marketing Place</i>		40,000	40,000	
<hr/>				
Allegheny County Association for Children with Learning Disabilities Pittsburgh, Pennsylvania <i>Toward purchase of school building</i>	100,000		100,000	
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Appropriations and Grants Paid

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
American Cancer Society Greater Pittsburgh Unit Pittsburgh, Pennsylvania <i>To produce video tapes regarding childhood cancer</i>	\$ 50,000		\$ 50,000	
Bidwell Cultural and Training Center, Inc. Pittsburgh, Pennsylvania <i>Toward capital campaign . . .</i>		\$200,000	200,000	
Big Brothers and Sisters of Greater Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>Three-year operating support</i>		60,000	30,000	\$ 30,000
Boys' Club of Western Pennsylvania Pittsburgh, Pennsylvania <i>Toward renovation at Lawrenceville Club</i>		40,000	40,000	
Community Human Services Corporation Pittsburgh, Pennsylvania <i>Endowment to underwrite activities at Wood Street Commons (Conditional)</i>	350,000			350,000
Contact Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>Two-year operating support .</i>		30,000	15,000	15,000
The DePaul Institute Pittsburgh, Pennsylvania <i>To help underwrite Early Intervention Program for Infants</i>		75,000	75,000	
Easter Seal Society of Allegheny County Pittsburgh, Pennsylvania <i>Toward renovation of new headquarters building</i>		200,000	200,000	

Richard King Mellon Foundation

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
The Enterprise Foundation, Inc. Columbia, Maryland <i>Affordable housing in low- income areas of Pittsburgh (Conditional)</i>		\$250,000		\$250,000
Health Research and Services Foundation Pittsburgh, Pennsylvania <i>Toward purchase of a mobile health testing van.</i>	\$ 30,000		\$ 30,000	
Home for Crippled Children Pittsburgh, Pennsylvania <i>Five-year operating support .</i>	100,000		100,000	
Idlewood Children's Center Pittsburgh, Pennsylvania <i>To retire mortgages on group homes.</i>		140,000	140,000	
National Committee for Adoption Washington, District of Columbia <i>Toward purchase and renovation of headquarters building.</i>		50,000		50,000
Oakland Planning and Development Corporation Pittsburgh, Pennsylvania <i>Holmes Place project development</i>		200,000	200,000	
<i>Three-year operating support</i>		150,000	50,000	100,000
Onala Club Pittsburgh, Pennsylvania <i>To retire mortgage</i>		10,000	10,000	
Parents' League for Emotional Adjustment Pittsburgh, Pennsylvania <i>Staff support</i>		15,000	15,000	

Appropriations and Grants Paid

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
The Pittsburgh Foundation Pittsburgh, Pennsylvania <i>Endowment support for Lemington Home for the Aged (Conditional)</i>		\$ 200,000		\$ 200,000
Protestant Episcopal Diocese of Pittsburgh Pittsburgh, Pennsylvania <i>Programs for Canterbury Place and Sheldon Calvary Camp</i>		500,000	\$ 500,000	
Three Rivers Adoption Council Pittsburgh, Pennsylvania <i>Two-year operating support .</i>		40,000	20,000	20,000
Three Rivers Center for Independent Living, Inc. Pittsburgh, Pennsylvania <i>Toward purchase and renovation of a new facility .</i>		100,000	100,000	
The United Way of Allegheny County Pittsburgh, Pennsylvania <i>Campaign support for 1988 .</i>	\$ 400,000		250,000	150,000
<i>Two-year challenge grant . . .</i>		300,000		300,000
Vintage Pittsburgh, Pennsylvania <i>To help establish downtown Adult Day Care Center (Conditional)</i>		75,000		75,000
The Wesley Institute, Inc. Pittsburgh, Pennsylvania <i>Toward acquisition and renovation of facilities</i>	250,000		250,000	
Western Pennsylvania Caring Foundation, Inc. Pittsburgh, Pennsylvania <i>To help provide insurance for children of the unemployed .</i>	50,000		25,000	25,000

Richard King Mellon Foundation

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
Western Pennsylvania School for Blind Children Pittsburgh, Pennsylvania <i>Toward campus construction project</i>		\$500,000	\$500,000	
Women's Center and Shelter of Greater Pittsburgh Pittsburgh, Pennsylvania <i>Toward capital campaign . . .</i>		300,000	300,000	
Young Women's Christian Association of Greater Pittsburgh Pittsburgh, Pennsylvania <i>Office skills job training program</i>		50,000		\$ 50,000
Youth Opportunities Unlimited, Inc. Pittsburgh, Pennsylvania <i>Christmas dinner for destitute citizens.</i> <i>Operating support</i>		10,000 15,000	10,000 15,000	
TOTAL - SOCIAL SERVICES	\$1,505,000	\$3,860,000	\$3,750,000	\$1,615,000

Medicine

Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Three-year support for Health Policy Institute.</i>	\$ 60,000			\$ 60,000
Association of Professors of Medicine Philadelphia, Pennsylvania <i>Operating support for Task Force on Internal Medicine Manpower.</i>	125,000			125,000
Harvard University- Medical School Cambridge, Massachusetts <i>Toward the Dean's Discretionary Fund.</i>		\$250,000	\$250,000	

Appropriations and Grants Paid

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
Health Education Center Pittsburgh, Pennsylvania <i>Three-year support to improve health behavior of low-income families</i>		\$333,000	\$111,000	\$222,000
Latrobe Area Hospital Latrobe, Pennsylvania <i>To assist physician recruitment</i>	\$250,000		250,000	
National Academy of Sciences Institute of Medicine Washington, District of Columbia <i>Operating support</i>	200,000		100,000	100,000
Transplant Organ Procurement Foundation of Western Pennsylvania Pittsburgh, Pennsylvania <i>Toward an in-house processing laboratory and a tissue bank</i>		50,000	50,000	
University of Pittsburgh Pittsburgh, Pennsylvania <i>Operating support of Pittsburgh Cancer Institute . .</i>	3,000,000		1,000,000	2,000,000
<i>Toward research program for middle-ear infection vaccine in Department of Biological Sciences.</i>	300,000		300,000	
TOTAL – MEDICINE	\$3,935,000	\$633,000	\$2,061,000	\$2,507,000
<i>Cultural</i>				
American Wind Symphony Orchestra Pittsburgh, Pennsylvania <i>Operating support</i>	\$ 45,000		\$ 15,000	\$ 30,000

Richard King Mellon Foundation

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
Buhl Science Center Pittsburgh, Pennsylvania <i>Construction of proposed Center of Science (Conditional)</i>	\$ 500,000			\$ 500,000
Carnegie Institute Pittsburgh, Pennsylvania <i>Toward capital campaign . . .</i>		\$8,000,000	\$ 100,000	7,900,000
Duquesne University of the Holy Ghost Pittsburgh, Pennsylvania <i>Support for international tour of Tamburitzans Institute of Folk Arts (Rescission)</i>	100,000	(100,000)		
Metropolitan Pittsburgh Public Broadcasting, Inc. Pittsburgh, Pennsylvania <i>Capital campaign</i>	500,000		500,000	
Pittsburgh Ballet Theatre, Inc. Pittsburgh, Pennsylvania <i>Operating support</i>		75,000	75,000	
The Pittsburgh Children's Museum Pittsburgh, Pennsylvania <i>To adapt main floor into a major exhibition and performance area</i>		213,000	213,000	
The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania <i>Operating support</i>		85,000	85,000	
The Pittsburgh Symphony Society Pittsburgh, Pennsylvania <i>Three-year operating support</i>	285,000		95,000	190,000
TOTAL - CULTURAL	\$1,430,000	\$8,273,000	\$1,083,000	\$8,620,000

Appropriations and Grants Paid

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
<i>Civic</i>				
Allegheny Conference on Community Development Pittsburgh, Pennsylvania				
<i>Operating support</i>	\$ 24,000		\$ 24,000	
<i>Three-year support for economic development program</i>	58,000			\$ 58,000
<i>Toward renovation of Mellon Square Park (Conditional)</i> . .	1,200,000			1,200,000
Carnegie Mellon University Pittsburgh, Pennsylvania				
<i>Two-year support for the Coalition to Improve Management in State and Local Government</i>		\$ 30,000	15,000	15,000
The Enterprise Corporation of Pittsburgh Pittsburgh, Pennsylvania				
<i>Multi-year operating support (Challenge Grant)</i>		1,000,000	1,000,000	
The Grantmakers of Western Pennsylvania Pittsburgh, Pennsylvania				
<i>Two-year operating support . (Rescission)</i>	2,000	(2,000)		
Greater Pittsburgh Charitable Trust Pittsburgh, Pennsylvania				
<i>Two-year support for Leadership Pittsburgh</i>	5,000		5,000	
The Jefferson Foundation, Inc. Washington, District of Columbia				
<i>Two-year support for education activities regarding the Constitution</i> . .		60,000	30,000	30,000

Richard King Mellon Foundation

	Unpaid at 12/31/86	Approved (Rescinded)	Paid	Unpaid at 12/31/87
National Charities Information Bureau, Inc. New York, New York <i>Three-year operating support</i>	\$ 5,000		\$ 5,000	
Penn's Southwest Association Pittsburgh, Pennsylvania <i>Operating support</i>	150,000	\$150,000	300,000	
Pennsylvania Economy League, Inc., Western Division Pittsburgh, Pennsylvania <i>Three-year operating support</i>		48,000	16,000	\$ 32,000
The Pittsburgh-Allegheny County Vietnam Veterans Monument Fund Charitable Trust Pittsburgh, Pennsylvania <i>Toward monument honoring Vietnam Veterans.</i>		50,000	50,000	
TOTAL - CIVIC	\$1,444,000	\$1,336,000	\$1,445,000	\$1,335,000
TOTALS	\$13,586,680	\$32,863,500	\$26,000,940	\$20,449,240

Statement of Net Assets

RICHARD KING MELLON FOUNDATION

December 31, 1987

Cash and receivables		\$11,970,073
Investments, at market quotations:		
Stocks	\$351,004,908	
Long-term debt instruments	229,138,851	
Temporary investments	44,196,130	
Other investments	43,974,685	668,314,574
Program-related loan		1,000,000
Other assets		22,331
Total assets		681,306,978
Less amounts reserved for:		
Grants approved but not paid		20,449,240
Net assets		\$660,857,738

The notes on page 48 are an integral part of the financial statements.

Statement of Changes in the Fund

RICHARD KING MELLON FOUNDATION

	For the year ended December 31			
	1987		1986	
Income:				
Investment income		\$30,596,242		\$24,670,338
Expenses:				
Administrative and investment expenses	\$5,267,589		\$4,819,327	
Provision for federal excise tax	2,355,000	7,622,589	2,800,000	7,619,327
Net income		22,973,653		17,051,011
Grants approved		32,863,500		17,932,350
Excess of grants approved over net income		(9,889,847)		(881,339)
Net realized gain from disposition of investments	91,738,587		120,690,891	
Unrealized depreciation on investments, at market quotations	(88,968,824)	2,769,763	(16,658,530)	104,032,361
(Decrease) Increase in fund		(7,120,084)		103,151,022
Fund balance:				
Beginning of year		667,977,822		564,826,800
End of year		\$660,857,738		\$667,977,822

The notes on page 48 are an integral part of the financial statements.

Summary of Investments

RICHARD KING MELLON FOUNDATION

December 31, 1987

	Amount at	
	Book Value	Market Quotations
STOCKS		
Aerospace	\$5,626,639	\$4,536,725
Airlines and air freight	3,070,565	2,474,825
Amusement	2,361,238	2,465,513
Apparel and textiles	1,402,257	1,654,150
Automotive	5,271,554	5,916,631
Banking	30,470,723	23,971,107
Broadcasting and cable television	2,990,373	4,047,750
Building material	4,918,750	5,336,884
Business services	2,706,176	3,500,138
Chemical	7,050,435	7,865,388
Construction and material handling	1,170,046	1,043,950
Containers	1,508,998	1,995,100
Cosmetic and household products	1,407,926	1,674,800
Drug	10,365,883	13,386,150
Electrical equipment	6,481,000	6,805,525
Electronics	7,402,896	6,949,125
Finance	2,839,356	2,986,275
Food products	7,316,636	8,277,889
Home furnishings	2,076,841	1,694,425
Hospital supply	4,329,296	4,532,644
Industrial machinery and materials	5,528,630	6,091,711
Insurance	7,512,111	62,052,338
Merchandising	8,986,883	7,683,188
Multi-industry	4,456,236	4,185,336
Non-ferrous metals and mining	3,235,598	4,351,963
Office equipment and photocopy	24,539,156	24,439,013
Oil and gas	24,097,023	23,264,088
Oil and gas servicing	1,602,775	1,720,700
Paper	3,520,152	3,372,075
Photographic	3,349,664	3,333,050
Public utility—electric	6,177,044	5,970,475
Public utility—gas	1,801,809	1,704,588
Public utility—telephone	10,532,054	10,298,275

	Amount at	
	Book Value	Market Quotations
Publishing and printing	\$ 3,098,584	\$ 3,534,188
Railroad and other surface transportation	3,559,317	3,359,000
Restaurants and lodgings	1,622,191	1,671,976
Steel	2,727,430	2,779,838
Tire and rubber	1,107,442	1,049,788
Tobacco	1,321,429	1,639,200
Other industries	10,981,404	11,106,796
Collective trust funds	7,534,089	7,576,369
Foreign equities	47,635,776	48,705,959
TOTAL STOCKS	295,694,385	351,004,908
LONG-TERM DEBT INSTRUMENTS		
Corporate bonds	17,737,891	17,209,314
United States Government and Government Agencies obligations	158,639,460	156,964,676
Other long-term obligations	17,423,012	16,270,405
Foreign debt obligations	36,683,959	38,694,456
TOTAL LONG-TERM DEBT INSTRUMENTS	230,484,322	229,138,851
TEMPORARY INVESTMENTS		
Demand and interest-bearing notes	40,344,780	40,344,780
Foreign short-term investments	3,746,768	3,851,350
TOTAL TEMPORARY INVESTMENTS	44,091,548	44,196,130
OTHER INVESTMENTS		
Venture capital	16,251,138	15,766,347
Realty	15,347,577	24,217,616
Other	3,669,809	3,990,722
TOTAL OTHER INVESTMENTS	35,268,524	43,974,685
TOTAL INVESTMENTS	\$605,538,779	\$668,314,574

The notes on page 48 are an integral part of the financial statements.

A complete list of investments may be obtained by writing to:

Richard King Mellon Foundation
Office of the Controller
525 William Penn Place
Pittsburgh, Pennsylvania 15219

Notes to Financial Statements

NOTE 1—Significant Accounting Policies

Basis of Accounting

The accounts of the Foundation, except for federal excise taxes and grants approved but not paid, are maintained on the cash basis, the result of which is not materially different from the accrual basis of accounting.

Investments

For financial reporting purposes, investments are stated primarily at market quotations which, in the case of large holdings, do not necessarily represent realizable values. Market quotations of foreign investments include the effect of the conversion into U.S. dollars at the foreign currency exchange rate in effect at year end. Investments for which market quotations are not available are stated at appraised value as determined by investment managers. The book value of investments shown on the summary of investments is cost, except for donated assets which are valued at the market quotations at the date of receipt by the Foundation, and for investments in partnerships which are accounted for under the equity method.

Realized gain or loss from dispositions of investments is determined by specific cost identification, except that average cost is used for dispositions of donated investments. Unrealized appreciation or depreciation of investments represents the change in the difference between market quotations and the total book value of investments held at the beginning and end of the year.

Reclassifications

Certain amounts in the 1986 financial statements have been reclassified for comparative purposes.

NOTE 2—Provision for Federal Excise Tax

Federal excise tax represents a tax on net investment income as defined in Section 4940 of the Internal Revenue Code. The current rate is two percent.

NOTE 3—Commitments

The Foundation is a Limited Partner in several limited partnerships for investment purposes. At December 31, 1987 the Foundation had contractually committed to additional investments of \$11,286,559.

To the Trustees of Richard King Mellon Foundation:

We have examined the statement of net assets of Richard King Mellon Foundation as of December 31, 1987 and the related statement of changes in the fund for the years ended December 31, 1987 and 1986. We have also examined the supporting summary of investments as of December 31, 1987 and the schedule of appropriations and grants paid for the year ended December 31, 1987. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the net assets of Richard King Mellon Foundation at December 31, 1987 and the changes in the fund for the years ended December 31, 1987 and 1986 in conformity with generally accepted accounting principles applied on a consistent basis. In addition, the supporting summary of investments and schedule of appropriations and grants paid when considered in relation to the basic financial statements taken as a whole, present fairly the information included therein.

COOPERS & LYBRAND

Pittsburgh, Pennsylvania
May 9, 1988

Information for Applicants

All inquiries and applications for grants should be addressed to:

Mr. George H. Taber
Vice President and Director
Richard King Mellon Foundation
525 William Penn Place
Pittsburgh, Pennsylvania 15219

Although there are no special forms for applying for a grant, applications should take the form of a letter or formal statement from the senior administrative officer of the organization and include the following elements:

1. A two-page executive summary providing an overview of the sponsoring organization, the proposed project, and the problem it seeks to address.
 2. Background on the organization, including its history, purpose and goals, and the types of programs it offers, and the names and affiliations of the Board of Directors or Trustees.
 3. Information on the proposed project:
 - The specific purpose and objective for which the funds are sought.
 - A clear description of how the project will be operated.
 - An indication of the population it will serve.
 - The qualifications of the individuals who will conduct the proposed undertaking.
 - An explanation of the plan, criteria, and indicators that will be used in evaluating the success of the program.
 - The project budget and timetable.
 - A statement of other sources of support for the project.
 - An explanation of how it will be financed at the expiration of the proposed grant.
4. A current operating budget for the sponsoring organization and a projected operating budget for the year(s) in which funding is requested.
 5. Audited financial statements for the most recent two years.
 6. Any readily available printed material such as annual reports, pamphlets, or catalogs.
 7. A copy of the latest Internal Revenue Service determination letter indicating tax-exempt status under Sections 501(c)(3) and 509(a).

Proposals will not be given consideration unless they are accompanied by a copy of the applicant's classification ruling under current Internal Revenue Service regulations.

The Foundation will not consider requests on behalf of individuals, and normally does not consider requests for grants to conduit organizations which pass on funds to other organizations.

The full Board of Trustees meets formally twice a year, usually in June and November. Proposals should be submitted to the Foundation prior to April 1 and October 1, respectively, to allow adequate time for review before the meetings.

PHOTO CREDITS

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RICHARD
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REPORT



Mo'omomi Dunes
on the Island of
Molokai, Hawaii.