

**RICHARD KING MELLON
FOUNDATION
1988 ANNUAL REPORT**



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RICHARD KING MELLON FOUNDATION

1988 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 received 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 are 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 principle 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 local 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 by local institutions and universities, such as the Pittsburgh Cancer Institute, will be looked at closely by the Trustees.

Civic affairs is another area of interest to the Trustees of the Foundation, but will be 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 this 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

During 1988, the Trustees of the Richard King Mellon Foundation authorized new charitable commitments totaling \$25,410,975, bringing the Foundation's total appropriations during its forty-one-year existence to more than \$335,000,000.

The Foundation made disbursements during the year totaling \$34,296,040. Since its inception in 1947, the Richard King Mellon Foundation has made total disbursements of \$324,610,399, exceeding the net income for the same period by \$28,184,822. Unpaid grants and appropriations at the end of 1988 amounted to \$16,748,650.

Again during 1988, the majority of the charitable appropriations were directed toward projects in Pittsburgh and other Western Pennsylvania communities. These commitments totaled over \$15,400,000, demonstrating the Trustees' concern with bettering the quality of life in the Pittsburgh region. Several large grants to Pittsburgh organizations were approved by the Trustees, including an \$8,000,000 award in support of the Pittsburgh Cancer Institute. Other significant commitments to local charities include grants of \$500,000 each to the Harmarville Foundation, Inc. and Pressley Ridge School, and \$300,000 awards to Allegheny Valley School, Goodwill Industries of Pittsburgh, The Whale's Tale, and Parent and Child Guidance Center.





Grants were awarded during 1988 in five broad categories: conservation, medicine, social services, civic affairs and cultural activities, and education. The Trustees' well-defined interest in the field of conservation was again demonstrated in 1988. Major commitments include awards of \$1,000,000 each to the World Wildlife Fund/The Conservation Foundation, The Conservation Fund, and The Nature Conservancy. The American Farmland Trust received a three-year grant of \$750,000 and the Audubon Society of Western Pennsylvania, Inc. received a capital grant of \$300,000. In addition, the Foundation made program-related investments approximating \$5.2 million for the acquisition of conservation-oriented real properties.

The major award in the area of medicine was an \$8,000,000 grant to the University of Pittsburgh/Presbyterian University Hospital in support of the Pittsburgh Cancer Institute, a successful cooperative undertaking that this Foundation has supported since the Institute's establishment in 1984.

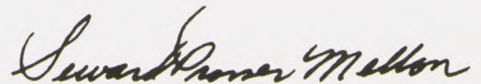
In addition to those listed earlier, significant social service grants include an award of \$250,000 to Family House, Inc. to help establish a second Family House, a grant of \$125,000 to the Pauline Auberle Foundation toward renovations at the Auberle Home, a three-year grant to the Pittsburgh Leadership Foundation, and grants to Christian Camps of Pittsburgh and the First Presbyterian

Church for capital improvements at their respective summer camps.

Cultural awards include numerous operating grants to local cultural and performing arts organizations, and a \$195,000 conditional grant to the Historical Society of Western Pennsylvania toward a feasibility and planning study for the proposed Pittsburgh History Center. In the area of civic affairs, the Trustees approved a grant of \$300,000 to the Urban Redevelopment Authority of Pittsburgh to help fund the Land Development Plan for the new Pittsburgh Technology Center along the Monongahela River.

Educational grants include a \$500,000 award to the National Merit Scholarship Corporation to underwrite the continuation of the Richard King Mellon Merit Scholarship Program, and a \$200,000 grant to Sewickley Academy to help conclude its capital campaign.

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 increased from \$681,306,978 to \$728,486,575 during 1988.



Seward Prosser Mellon
President

1988 APPROPRIATIONS

By Category

Conservation	\$ 9,869,475
Medicine	8,260,000
Social Services	4,279,000
Civic Affairs & Cultural Activities	1,907,500
Education	1,095,000
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	\$ 25,410,975
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By Area

Pittsburgh & Western Pennsylvania	\$ 15,436,500
Other	9,974,475
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	\$ 25,410,975
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1947-1988 NET INCOME

1947-1987	\$267,214,079
1988	29,211,498
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	\$296,425,577
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**1947-1988 GRANTS PAID AND
 PROGRAM-RELATED INVESTMENTS**

1947-1987	\$290,314,359
1988	34,296,040
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	\$324,610,399
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CONSERVATION

Land 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 areas, both to protect land from development and to assist in wildlife preservation.

During 1988, the Trustees of the Richard King Mellon Foundation continued to place major emphasis on conservation, representing the largest area of activity for the Foundation during the year. Charitable commitments totaling \$9,869,475, or 39 percent of the Foundation's 1988 appropriations, were made for conservation projects. Included in this number is \$5.2 million of program-related acquisitions of real properties for conservation purposes.



The American Farmland Trust was founded in 1980 and is the only private, national non-profit conservation organization concerned solely with preserving both the quality and quantity of our farmland. The Trust has become a respected voice in the field of resource conservation and has been instrumental in the success of countless farmland protection efforts on the federal, state and local level.

The riches produced by American agriculture extend far beyond food. The United States food and fiber system employs 18.5 percent of the work force and accounts for over \$700 billion of the nation's gross national product. An essential element of the international balance of trade, agriculture is also crucial to national security and to the quality of life. The fertile land upon which this system rests is also an integral part of the natural resource base, providing wildlife habitat, scenic open space and a buffer for fragile natural areas and waterways.

Yet farmland is in danger. Each day, thousands of acres of this precious resource are lost to commercial, industrial and residential sprawl. Millions of additional acres suffer from less visible threats, ranging from devastating soil erosion and water pollution to government policies which sacrifice the long-term health of the land for short-term economic gains.

The American Farmland Trust was founded in 1980 to serve as a catalyst for broad-based action to preserve both the quality and quantity of our farmland. It is the only private, national nonprofit conservation organization concerned solely with agricultural land. Throughout its nine-year history, the Trust has ambitiously promoted cooperation among the many groups who have an interest in the future of our farmland but who in the past have not seen eye to eye—from farm groups and conservation organizations to individual landowners and policy makers. By doing so, the Trust has become a respected voice in the field of resource conservation

and has been instrumental in the success of countless farmland protection efforts on the federal, state and local levels.

With three regional offices and a headquarters in Washington, D.C., the American Farmland Trust serves as a clearinghouse for information for those who wish to protect their farms but lack the tools and techniques to do so. Through its public education programs, policy development and model land conservation projects, the Trust assists private groups, public officials, and individuals in meeting their farmland protection goals.

On the community level, the Trust negotiates voluntary, private conservation real estate transactions, which not only protect vital pieces of agricultural land but demonstrate how communities can accommodate growth while maintaining a strong agricultural economy, scenic open space and wildlife habitat. The Trust's revolving fund allows the organization to step in and help save valuable land when local programs already in place cannot respond as quickly. By working to establish these model projects on individual farms, the fund demonstrates how farmland protection policy can be translated into practice.

At meetings and workshops across the country, the Trust promotes the benefits of preserving land and explains the many ways in which it can be accomplished. By providing technical expertise to state and local officials and private groups designing their own farmland protection programs, the Trust helps lay a solid foundation for farmland protection

at the grassroots level. During 1988 alone, the Trust assisted policy makers in 22 states. Often, it is responsible not only for designing and implementing these protection programs, but also for mobilizing support behind them. In 1988, this work helped establish the nation's largest farmland protection program in Pennsylvania.

To further protect agricultural land through statewide efforts, the Trust helped establish a nonprofit organization of Illinois farmers to test, evaluate and promote farming practices that reduce production costs and lower the use of potentially toxic agricultural chemicals. The American Farmland Trust is working with farmers and state officials to set up similar groups in other states. In addition, the Trust's own low-input demonstration project is in its second year, with plans to expand similar projects to as many as one hundred farms.

Recognizing that federal programs and policies offer some of the most far-reaching opportunities to safeguard America's agricultural land, the Trust balances its community and regional work with efforts to develop strong national farmland protection legislation. Last year, the Trust began preparation for the 1990 Farm Bill, a five-year framework for national farm policy that will affect virtually every aspect of agriculture. To develop viable federal policy options that reflect farmers' concerns, the Trust is sponsoring a nationwide series of workshops in preparation for this legislative effort. Each workshop brings together farmers and natural resource professionals to discuss pressing agricultural issues and how they can best be addressed through federal policy.

In 1988, the Trustees of the Richard King Mellon Foundation approved a grant of \$750,000 to the American Farmland Trust to provide three-year support for its activities.

The following is a list of appropriations approved in 1988 for conservation activities:

Academy of Natural Sciences Pittsburgh, Pennsylvania	
<i>Toward cost of the Pennsylvania Breeding Bird Atlas Project (Conditional)</i>	\$ 50,000
American Farmland Trust Washington, District of Columbia	
<i>Three-year project support</i>	750,000
Appalachian Mountain Club Boston, Massachusetts	
<i>Toward long range planning project</i>	10,000
Audubon Society of Western Pennsylvania, Inc. Pittsburgh, Pennsylvania	
<i>Toward capital campaign</i>	300,000

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The Chesapeake Bay Foundation, Inc. Annapolis, Maryland	
<i>Two-year operating support for Pennsylvania programs</i>	\$ 100,000
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The Conservation Fund Arlington, Virginia	
<i>Toward capital campaign</i>	1,000,000
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Environmental Policy Institute Washington, District of Columbia	
<i>Project 1988–Program for Conservation, the Environment and Public Health</i>	10,000
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Land Trust Exchange Alexandria, Virginia	
<i>Three-year operating support</i>	120,000
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Loyalhanna Watershed Association, Inc. Ligonier, Pennsylvania	
<i>Toward acquisition of real property</i>	20,000
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Maine Coast Heritage Trust Brunswick, Maine	
<i>Toward capital campaign</i>	100,000
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Richard King Mellon Foundation National Conservation Real Estate Program	
<i>Program appropriations for the acquisition of real properties</i>	5,184,475
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The Nature Conservancy Arlington, Virginia	
<i>Toward acquisition of national office headquarters building</i>	1,000,000
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Shelburne Farms Resources, Inc. Shelburne, Vermont	
<i>Unrestricted support</i>	100,000
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George Miksch Sutton Avian Research Center, Inc. Bartlesville, Oklahoma	
<i>Program support</i>	100,000
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Wildlife Management Institute, Inc. Washington, District of Columbia	
<i>To provide program support</i>	25,000
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World Wildlife Fund/The Conservation Foundation Washington, District of Columbia	
<i>Three-year discretionary support for The Conservation Foundation</i>	1,000,000
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Total	\$9,869,475

MEDICINE

During 1988, the Trustees of the Richard King Mellon Foundation approved grants in this category totaling \$8,260,000, or 32 percent of the Foundation's 1988 charitable commitments. 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. Total approvals in this category in 1988 were unusually large on an annual basis because of an \$8 million commitment to the University of Pittsburgh/Presbyterian University Hospital for the Pittsburgh Cancer Institute.



In 1988, the Trustees of the Foundation approved a grant of \$8,000,000 for the Pittsburgh Cancer Institute which was established in 1984. Under the leadership of nationally recognized basic and clinical scientists, the comprehensive center applies the latest knowledge to the diagnosis and treatment of all types of cancer.

The Pittsburgh Cancer Institute (PCI) was conceived in 1984 and formally established in 1985 with the recruitment of its first director, Dr. Ronald Herberman, from the National Cancer Institute. From the outset, PCI's stated mission was to strengthen and expand available cancer care resources in the Western Pennsylvania region. Since its inception, PCI has grown rapidly as an internationally recognized leader in cancer research and treatment. In August, 1988, the National Cancer Institute gave PCI its imprimatur of excellence by designating the Institute as a clinical cancer research center and providing a core grant of more than \$1 million a year for three years. PCI is one of only twenty-one such centers in the United States and the only one in Western Pennsylvania. Never before has the National Cancer Institute awarded a core grant to a cancer center less than three years old.

PCI was established through the efforts of a consortium composed of the University of Pittsburgh, Carnegie Mellon University, and the six hospitals affiliated with the Medical and Health Care Division of the University of Pittsburgh (Children's Hospital of Pittsburgh, Eye and Ear Hospital of Pittsburgh, Magee-Womens Hospital, Montefiore Hospital, Presbyterian University Hospital, and Western Psychiatric Institute and Clinic). To date, more than 250 faculty from these clinical and academic institutions have collaborated through the Institute to develop novel approaches to the etiology, prevention, diagnosis, and treatment of cancer. Projects developed by PCI scientists have attracted more than \$20 million in support from federal

and private sources since the Institute was established.

A strong emphasis of the Institute's research agenda is the exploration and use of naturally occurring, synthetic, or genetically engineered substances known as biological response modifiers, or BRMs, which help the human immune system fight cancer. One of PCI's primary objectives has been the rapid translation of what is learned about these biologicals in the laboratory setting into effective clinical applications. To implement this goal, PCI's strategy has been to recruit first-rate talent from prominent cancer research laboratories and clinics and to initiate collaborative relationships with biotechnology companies in this country and abroad. A number of these ties have led to agreements for preclinical development and evaluation of potential anticancer agents and for phase I and phase II clinical investigations in patients with cancer. In this way, the Institute's scientists have access to the latest products resulting from advances in gene cloning, protein chemistry, and monoclonal antibody technologies, all of which are vital to progress in immunotherapy.

PCI's achievements have already begun to exert ripple effects on the region as a whole. A 1988 report issued by Arthur Young and Company, developed in collaboration with biotechnology and urban development consultants, cites the Pittsburgh Cancer Institute as a leader in efforts to create a thriving center of biomedical and biotechnological activity in the Pittsburgh area. It also forecasts the Institute's potential to help give Pittsburgh a

commercial advantage over national competition in the biotechnology field.

While PCI is able to contribute to the revitalization of the region's economy, its core commitment is to patients with cancer. The Institute was founded out of the vision of a group of prominent community organizations which sought collectively to fulfill an identified regional health care need which no one body, acting alone, could satisfy. The early hope for PCI is well on the way to becoming a promise fulfilled. As the Cancer Institute moves from its gestational period into its next phase of development, growth continues in a number of key areas:

- Phase I clinical trials to test the effectiveness of BRMs such as interleukin-2 (IL-2) and various types of interferons are being initiated at the Institute regularly and with some success against advanced and otherwise untreatable cancer. For instance, a protocol was implemented last year to test the effectiveness of IL-2 against advanced-stage ovarian cancer, which is overwhelmingly fatal. This ongoing clinical trial has produced very promising results by eliminating all signs of malignancy for sustained periods in three out of twenty women. Other trials have been initiated to test the effects of IL-2 on melanoma and head and neck cancer, again with some clear reduction in tumor growth or even complete disappearance of detectable cancer.
- PCI scientists are conducting animal experiments with the aim of developing a vaccine against some forms of cancer and are exploring methods to increase the purity and potency of immunologic killer cells, which seek out and destroy cancer cells while sparing healthy cells.
- The National Institute of Allergy and Infectious Diseases has funded an Institute-sponsored project focusing on the biology of natural killer cells for \$1.7 million. This project should increase understanding of the nature, characteristics, and role of immunologic killer cells in preventing the development and spread of cancer.
- In 1988-89, the Institute's strong track record in its formative phase led to an increased appropriation from the Commonwealth of Pennsylvania from \$350,000 to \$500,000.
- The John D. and Catherine T. MacArthur Foundation awarded \$3.8 million to the University of Pittsburgh for a comprehensive program in the area of brain, behavior, and immunity, which will involve the study of central nervous system factors as biological response modifiers. The Pittsburgh Cancer Institute will provide program leadership and assume responsibility for the immunology core of this multi-institutional project, which includes Yale University, Duke University, Rockefeller University, and the University of Pennsylvania.
- PCI continues to increase its efforts aimed at the prevention and early detection of cancer, including the offering of public and professional educational programs about the nature of cancer and its treatment. The Pittsburgh Cancer Screening Program is a major initiative to detect breast and

cervical cancers early in high-risk populations within Pittsburgh and to offer smoking cessation programs in an attempt to lower the high rates of lung cancer in targeted areas of the city.

The Pittsburgh Cancer Institute's next phase of development will bring with it a vital challenge to maintain the steady momentum necessary to ensure long-term stability. The most important tangible indicator of the Institute's success in doing so will be its ability to sustain National Cancer Institute clinical cancer research center designation. PCI's strategy will continue to revolve around an active clinical research program emphasizing immunologic approaches to the diagnosis and treatment of cancer, supported by community-wide outreach, cancer prevention, and educational programs. Equally critical to PCI's long-range success will be the continued shaping of a multi-faceted basic research program using the tools of molecular and

cellular biology, experimental therapeutics, biochemistry, genetics, and immunology.

In 1983, recognizing the potential impact a successful cancer center could have on the quality of life in Pittsburgh and the surrounding region, the Trustees of the Richard King Mellon Foundation approved a \$3,000,000 grant to provide three-year support to launch the Pittsburgh Cancer Institute. A second \$3,000,000 grant was approved by the Trustees of the Foundation in 1986. In 1988, the Trustees of the Foundation approved further support in the amount of \$8,000,000 in support of the Pittsburgh Cancer Institute, bringing the Foundation's total funding in the past five years to \$14,000,000. It is the Trustees' hope that these grants will insure that the Pittsburgh Cancer Institute continues to become an internationally recognized cancer center and is able to generate diversified financial support from additional sources, both public and private.

The following is a list of grants approved in 1988 for medical programs:

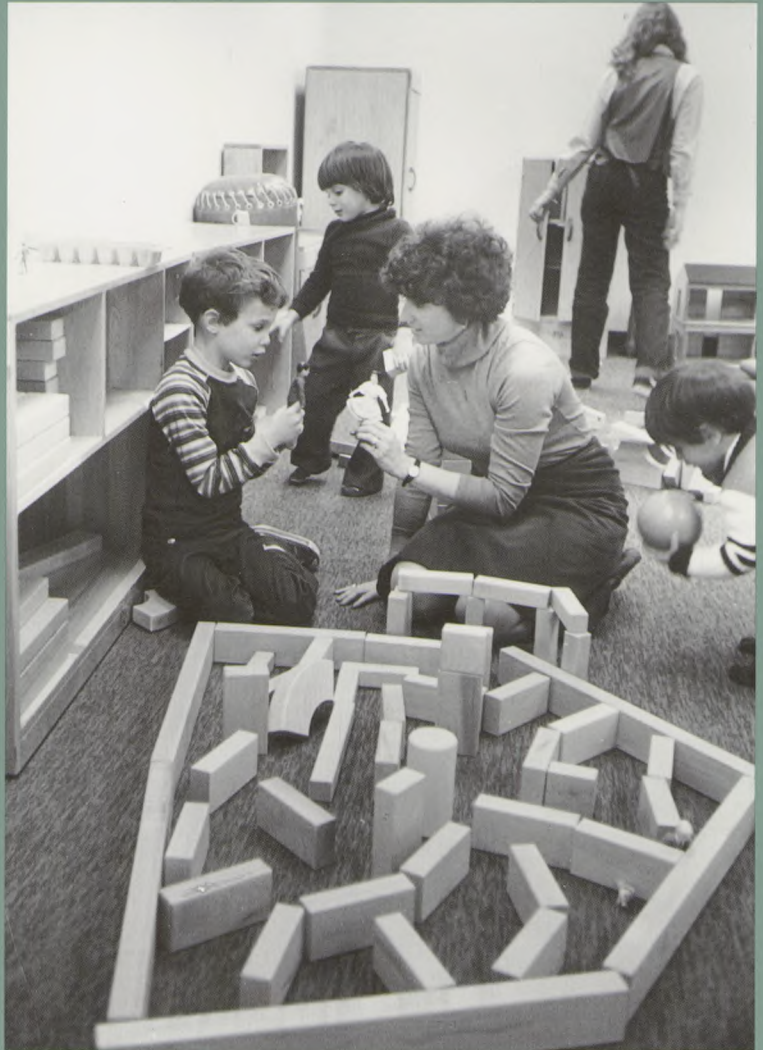
Johns Hopkins University Baltimore, Maryland	
<i>Three-year start-up funding for Mind/Brain Institute</i>	\$150,000
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University of Pittsburgh Pittsburgh, Pennsylvania	
<i>Department of Biological Sciences</i>	
<i>Two-year Otitis Media Research Project</i>	100,000
<i>School of Medicine</i>	
<i>Research study of adrenal medulla tumor</i>	10,000
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University of Pittsburgh Presbyterian University Hospital Pittsburgh, Pennsylvania	
<i>To support the Pittsburgh Cancer Institute</i>	8,000,000
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Total	\$8,260,000

SOCIAL SERVICES

Awards to various organizations in the social services field totaled \$4,279,000, or 17 percent of the Foundation's 1988 approvals. In accordance with the Foundation's geographic restrictions on grants in this program category, virtually all awards made during 1988 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 approved in 1988 include awards of \$500,000 each to Pressley Ridge School and Harmarville Foundation, Inc. Capital grants of \$300,000 each were awarded to Allegheny Valley School, Goodwill Industries of Pittsburgh, Parent and Child Guidance Center, and The Whale's Tale. Other social service grants provided program or capital support for agencies serving children and youth, the mentally or physically handicapped, and those seeking employment.

Parent and Child Guidance Center strives to create a firm foundation of family emotional health by serving emotionally disturbed and socially maladjusted children and their families. The Trustees of the Foundation approved a leadership grant of \$300,000 to the Center toward its capital campaign to purchase and renovate its new headquarters building.



Contemporary society takes a heavy toll on today's family. Unemployment, divorce, school and peer pressure can be enormous burdens for children and their parents. Symptoms such as aggression, withdrawal, school difficulties and depression may be pleas for help from children who feel overwhelmed by stress. Children cannot always talk about their emotional pain because they often do not recognize it. But their behavior reflects the confusion and conflict they are experiencing, and when a child's world is in turmoil, the parents are also.

Parent and Child Guidance Center, founded in 1956, helps serve emotionally disturbed and socially maladjusted children and their families. Originally starting as a psychiatric out-patient facility serving primarily South Hills residents, it now serves families throughout Allegheny County. It is the only comprehensive mental health facility in Allegheny County exclusively serving children and their families. The Center strives to create a firm foundation of family emotional health. It identifies and treats emotional difficulties in children from ages 2 to 18, and works diligently to prevent mental health concerns from becoming crises. The Center works to create a healing environment that is conducive to healthy emotional growth. Treatment always includes parents as well as the child because of the firm belief that the entire family functions best if it works together toward optimal health and well-being. Parent and Child Guidance Center offers a broad range of services with concentration in five primary areas:

Out-patient Services—provides parent coun-

seling and individual psychotherapy for children from ages 2 to 18. Therapy is preceded by a comprehensive diagnostic evaluation to determine the most appropriate treatment. The child is generally seen for therapy once a week and the parents either weekly or bi-weekly to discuss their problems and to help them work through their conflicts. Therapists also consult with teachers and others in the community to help each child function.

Therapeutic Pre-School—provides intensive therapy in an educational setting for children from ages 2 to 7 years with complex and long-term treatment needs. The program can accommodate children with autism and schizophrenia as well as non-psychotic children whose behavior precludes them from regular pre-school programs. Children attend the program five days a week and, upon completion of treatment, most go on to first grade in regular schools.

Families in Transition—provides services to parents, children and families who are dealing with the complex concerns of separation, divorce, remarriage, and family alcoholism. It also offers a wide range of informative programs to professionals in the fields of law, medicine, mental health, education, religion, health and child care.

Child Development Center—provides day care and development training for infants, toddlers, and pre-school children of parents undergoing educational and vocational training with the Pittsburgh Job Corps Center.

Consultation and Education—provides a

SOCIAL SERVICES
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diversity of programs for parents, professionals, schools, community and corporate groups. The major goal is to promote education of parents and professionals about child development, identification, and early intervention to prevent socio-issues from becoming serious problems.

In 1988, over 1,000 children and their families received services from Parent and Child Guidance Center. The demand for services continues to exceed capacity in most programs even though the number of families served has increased by over 20 percent during the past three years. To help alleviate

space problems and to accommodate program growth and enhancement, Parent and Child Guidance Center moved into a newly renovated headquarters building in the City of Pittsburgh. This facility was made available only because of a \$1.45 million charitable contribution by UNYSIS Corporation of its leasehold interest in the building. Parent and Child Guidance Center then undertook a \$1.7 million capital campaign to purchase the fee estate and to renovate its newly owned headquarters building. The Trustees of the Richard King Mellon Foundation approved a grant of \$300,000 to Parent and Child Guidance Center toward its capital campaign.

The following is a list of grants approved in 1988 for social services programs:

Adelphoi Village, Inc. Latrobe, Pennsylvania <i>Toward capital needs</i>	\$ 45,000
Allegheny Valley School Coraopolis, Pennsylvania <i>Toward capital campaign</i>	300,000
Allegheny Valley YMCA Natrona Heights, Pennsylvania <i>Toward capital campaign</i>	50,000
Pauline Auberle Foundation McKeesport, Pennsylvania <i>Toward renovation of the Auberle Home</i>	125,000
The Bethlen Home of the Hungarian Reformed Federation of America Ligonier, Pennsylvania <i>Toward purchase of a van</i>	20,000
Care Break Pittsburgh, Pennsylvania <i>Operating support</i>	25,000
Board of Trustees of Carnegie Library of Pittsburgh Pittsburgh, Pennsylvania <i>Two-year operating support for Beginning With Books</i>	30,000

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Christian Camps of Pittsburgh Pittsburgh, Pennsylvania <i>Toward capital needs at summer camp.</i>	\$ 100,000
Family House, Inc. Pittsburgh, Pennsylvania <i>To help establish a second Family House</i>	250,000
First Presbyterian Church Pittsburgh, Pennsylvania <i>Toward renovation and capital projects at First Presbyterian Church Camp.</i>	150,000
George Junior Republic School in Pennsylvania Grove City, Pennsylvania <i>Toward capital campaign</i>	75,000
Goodwill Industries of Pittsburgh Pittsburgh, Pennsylvania <i>Toward Program Fund</i>	300,000
Harmarville Foundation, Inc. Pittsburgh, Pennsylvania <i>Toward cost of additional Satellite Centers</i>	500,000
Hospital Authority of Albany-Dougherty County Georgia Albany, Georgia <i>Toward Indigent Care Fund at Phoebe Putney Memorial Hospital</i>	50,000
International Foundation for Education and Self-Help Philadelphia, Pennsylvania <i>Operating support</i>	200,000
Mary and Alexander Laughlin Children's Center Sewickley, Pennsylvania <i>Toward costs of implementing the Developmental School Readiness Program (Conditional)..</i>	100,000
Ligonier Valley Young Men's Christian Association of Pennsylvania, Inc. Ligonier, Pennsylvania <i>Toward endowment.....</i>	100,000
National Kidney Foundation of Western Pennsylvania Pittsburgh, Pennsylvania <i>Support of the Gift of Life Awards Dinner</i>	5,000
Neighborhood Centers Association Pittsburgh, Pennsylvania <i>Toward capital needs</i>	50,000

SOCIAL SERVICES

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Parent and Child Guidance Center Pittsburgh, Pennsylvania <i>Toward purchase of new facility</i>	\$ 300,000
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Pennsylvania Association for the Blind Pittsburgh Blind Association Pittsburgh, Pennsylvania <i>Two-year eye safety project</i>	62,000
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Persad Center, Inc. Pittsburgh, Pennsylvania <i>To implement Development Program.....</i>	25,000
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Pittsburgh Allegheny County PIC Pittsburgh, Pennsylvania <i>Operating support for Private Industry Council.....</i>	100,000
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Pittsburgh Leadership Foundation Pittsburgh, Pennsylvania <i>Three-year support to help underwrite the Department of Resource Development</i>	150,000
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Pressley Ridge School Pittsburgh, Pennsylvania <i>Toward construction and renovation at the Day School Campus</i>	500,000
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St. Peter's Child Development Centers, Inc. Pittsburgh, Pennsylvania <i>Support for Infant Stimulation Program</i>	30,000
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South Hills Family Hospice Pittsburgh, Pennsylvania <i>Three-year operating support</i>	30,000
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Three Rivers Youth, Inc. Pittsburgh, Pennsylvania <i>To purchase group home.</i>	87,000
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United States Olympic Committee Pittsburgh, Pennsylvania <i>Operating support</i>	25,000
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University of Pittsburgh University Center for Social and Urban Research Pittsburgh, Pennsylvania <i>To provide evaluation of the Unemployed Council of Southwestern Pennsylvania Program ..</i>	20,000
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Urban Youth Action, Inc. Pittsburgh, Pennsylvania <i>Three-year operating support</i>	45,000
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RICHARD KING MELLON FOUNDATION

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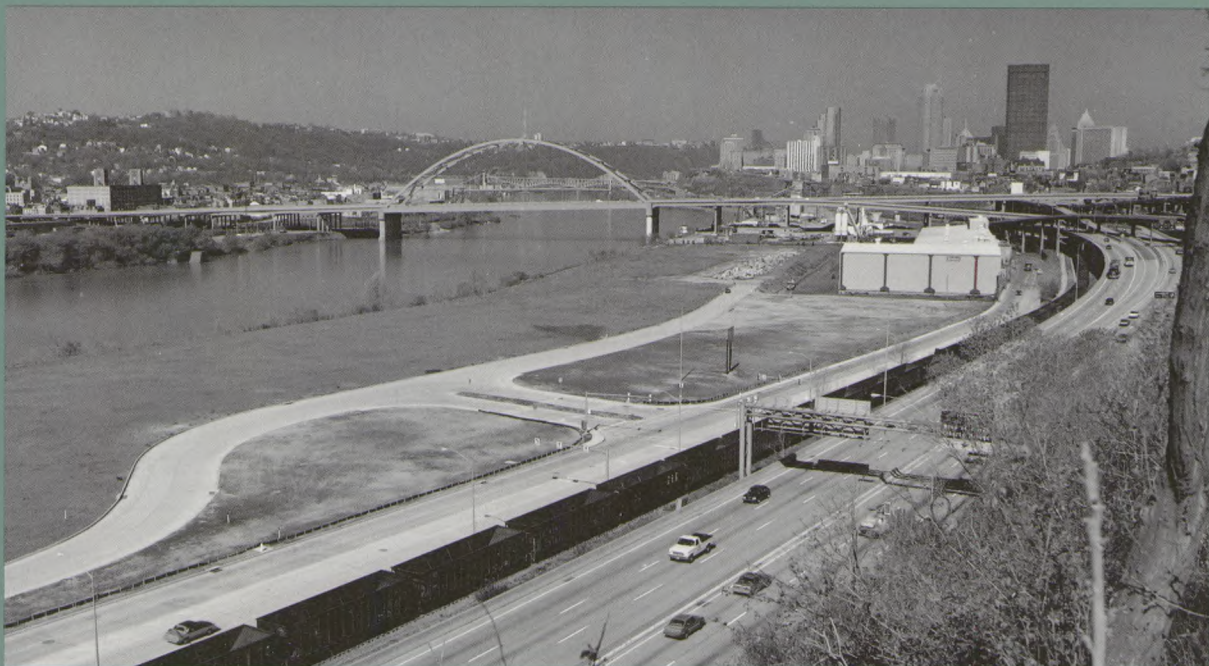
Vietnam Veterans Leadership Program of Western Pennsylvania, Inc. Pittsburgh, Pennsylvania <i>Two-year operating support</i>	\$ 30,000
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The Whale's Tale Pittsburgh, Pennsylvania <i>Toward capital campaign</i>	300,000
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Womansplace Pittsburgh, Pennsylvania <i>To retire debt</i>	25,000
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Young Men's Christian Association of Greensburg, Pennsylvania Greensburg, Pennsylvania <i>Toward expansion of Emergency Youth Shelter Program</i>	50,000
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Young Men's Christian Association of Pittsburgh, Pennsylvania Pittsburgh, Pennsylvania <i>To help furnish shelter for homeless men</i>	25,000
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Total	\$4,279,000

CIVIC AFFAIRS & CULTURAL ACTIVITIES

During 1988, the Trustees of the Richard King Mellon Foundation awarded twenty-four grants in this category amounting to \$1,907,500, or 8 percent of the 1988 charitable commitments.

The major portion of these funds was awarded for civic affairs, including three grants totaling \$330,000 to the Allegheny Conference on Community Development, a \$300,000 grant to the Urban Redevelopment Authority of Pittsburgh to help fund the Land Development Plan for the Pittsburgh Technology Center, a \$178,000 grant to the RIDC Regional Growth Fund toward the purchase and renovation of the Duquesne Innovation Center, and a \$150,000 grant to provide operating support for Penn's Southwest Association.

Thirteen grants totaling \$744,500 were awarded for cultural activities. In addition to a \$195,000 conditional grant to the Historical Society of Western Pennsylvania, operating grants were awarded to numerous performing arts organizations.



The Pittsburgh Technology Center is a significant redevelopment project to revitalize the 51-acre riverfront site of the former Jones & Laughlin Strip Mill. The Center constitutes a major reuse of a prominent riverfront industrial site for knowledge-based industry and public enjoyment.

Southwestern Pennsylvania is a mature industrial region that has largely been dependent on a declining industrial base.

Considerable effort has been expended to revitalize obsolete and vacant regional industrial properties to make them productive once again.

A significant revitalization project is the Pittsburgh Technology Center, located on the 51-acre riverfront site of the former Jones & Laughlin Pittsburgh Works Hot Strip Mill between Second Avenue and the Monongahela River. The site is located a short distance from downtown Pittsburgh, and outdated industrial buildings have been removed to help create one of the first advanced technology inner-city research and development centers in the nation. Being developed in conjunction with the Regional Industrial Development Corporation, Carnegie-Mellon University, and the University of Pittsburgh, the Pittsburgh Technology Center will be the premier planned employment center in the Pittsburgh region for research in biotechnology, prototype development, light manufacturing, and office use. By 1995, the Center is expected to create 4,400 jobs and \$70,000,000 in private investment.

The Center's potential role in helping to transform the local and regional economies offers opportunities to new and growing industries within the city of Pittsburgh and creates the relationship between technology and industry necessary to bring Pittsburgh's economy into the twenty-first century. The Center is also a prototype in that it constitutes the first major reuse of a prominent riverfront

industrial site for knowledge-based industry and public enjoyment. As such, it will transform the site more radically, both in use and appearance, than any other proposed riverfront development in the region. The site's location also makes it a highly visible landmark, as it can be seen from two major traffic arteries in Pittsburgh.

The Pittsburgh Technology Center is to be a leader both economically and aesthetically. Thus, site planning and building design will create surroundings that stimulate creative activity and present the opportunity for refreshment and contemplation as complements to work. In addition, the Center will allow for public access to the river for walking, viewing, and relaxation.

Considering the significance of this highly visible, prototype redevelopment, the Trustees of the Richard King Mellon Foundation awarded a \$300,000 grant to the Urban Redevelopment Authority of Pittsburgh for the purpose of site planning and the preparation of detailed plans for the landscape elements for this site. Plans call for attractive tree-lined pedestrian paths, hedgerows, shrubs, ground cover, and a natural riverside park extending the length of the site, providing public access to the views and natural setting of the riverfront.

CIVIC AFFAIRS & CULTURAL ACTIVITIES

The following is a list of grants approved in 1988 for civic affairs and cultural activities:

Civic Affairs

Allegheny Conference on Community Development	
Pittsburgh, Pennsylvania	
<i>Three-year operating support</i>	\$300,000
<i>Schenley Park Centennial Committee</i>	25,000
<i>Toward the Greater Pittsburgh Office of Promotion for Preliminary Lighting Design</i>	5,000
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Greater Pittsburgh Charitable Trust	
Pittsburgh, Pennsylvania	
<i>Two-year support for Leadership Pittsburgh</i>	10,000
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Ligonier Borough	
Ligonier, Pennsylvania	
<i>To help underwrite joint master plan</i>	3,500
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Ligonier Township	
Ligonier, Pennsylvania	
<i>To help underwrite joint master plan</i>	3,500
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Penn's Southwest Association	
Pittsburgh, Pennsylvania	
<i>Operating Support</i>	150,000
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Pennsylvania Economy League, Inc.	
Western Division	
Pittsburgh, Pennsylvania	
<i>Three-year operating support for Municipal Police Service Alternatives study</i>	63,000
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RIDC Regional Growth Fund	
Pittsburgh, Pennsylvania	
<i>Toward the purchase and renovation of Duquesne Innovation Center</i>	178,000
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Three Rivers Rowing Association	
Pittsburgh, Pennsylvania	
<i>Toward capital campaign (Conditional)</i>	125,000
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Urban Redevelopment Authority of Pittsburgh	
Pittsburgh, Pennsylvania	
<i>To help fund the Land Development Plan for Pittsburgh Technology Center site</i>	300,000
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Subtotal, Civic Affairs	\$1,163,000

Cultural Activities

AFS Intercultural Programs, Inc.	
New York, New York	
<i>Two-year operating support for Pittsburgh and Western Pennsylvania programs</i>	\$100,000

RICHARD KING MELLON FOUNDATION

American Wind Symphony Orchestra Pittsburgh, Pennsylvania <i>Toward European Tour</i>	25,000
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Fort Ligonier Association Ligonier, Pennsylvania <i>Toward endowment fund</i>	28,000
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Historical Society of Western Pennsylvania Pittsburgh, Pennsylvania <i>To help fund a feasibility and planning study for the Pittsburgh History Center (Conditional)</i>	195,000
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Phipps Friends Pittsburgh, Pennsylvania <i>Toward master plan for restoration and operation of Phipps Conservatory</i>	5,000
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Pittsburgh Ballet Theatre, Inc. Pittsburgh, Pennsylvania <i>Operating Support</i>	75,000
<i>To purchase stage equipment</i>	32,500
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Pittsburgh Chapter AIA Charitable Association Pittsburgh, Pennsylvania <i>Support for Remaking Cities Conference</i>	10,000
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Pittsburgh Opera, Inc. Pittsburgh, Pennsylvania <i>Operating Support</i>	75,000
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The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania <i>Operating Support</i>	85,000
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Pittsburgh Youth Symphony Orchestra Association Pittsburgh, Pennsylvania <i>Two-year operating support</i>	8,000
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Three Rivers Training Orchestra Association Pittsburgh, Pennsylvania <i>Two-year operating support</i>	6,000
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Woods-Marchand Foundation Greensburg, Pennsylvania <i>Toward capital campaign for Westmoreland County Museum of Art</i>	100,000
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Subtotal, Cultural Activities	\$744,500
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Total	\$1,907,500
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EDUCATION

During 1988, the Trustees of the Richard King Mellon Foundation approved eight grants in this category totaling \$1,095,000, or 4 percent of the Foundation's 1988 charitable commitments.

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.



Sewickley Academy, a coeducational day school for grades pre-kindergarten through twelve, is committed to preparing young people for a lifetime of learning. The Academy serves approximately six hundred students representing a diverse range of backgrounds and life experiences.

The largest education grant in 1988 was a \$500,000 commitment to the National Merit Scholarship Corporation to continue the Richard King Mellon Merit Scholarship Program for students from Allegheny and Westmoreland Counties. The Pittsburgh Public Schools received assistance through a \$50,000 grant for the Allegheny Conference Education Fund. Four grants totaling over \$300,000 were awarded for various programs at the University of Pittsburgh, and Sewickley Academy received a grant of \$200,000 to help conclude its capital campaign.

Sewickley Academy, a coeducational day school for grades pre-kindergarten through twelve, is committed to preparing young people for a lifetime of learning. The Academy was founded in 1838 and is located on a 27-acre campus, twelve miles northwest of Pittsburgh. The Academy serves approximately 600 students, many of whom come from the Pittsburgh metropolitan area, northern West Virginia and eastern Ohio. Students at the Academy represent a diverse range of backgrounds and life experiences.

A strong academic program along with extensive offerings in the arts encourages students to think independently and to be innovative and creative. Academic offerings are balanced with a comprehensive athletic program.

The faculty at Sewickley Academy includes over 80 dedicated professionals, of whom 60 percent hold advanced degrees. They are not only experienced in their respective academic fields, but are sensitive, caring individuals in their work with children. The average faculty member has taught at Sewickley Academy for 10 years, and has been in the teaching profession for 15 years. The Academy presently maintains a student faculty ratio of 10 to 1.

Historically, about 20 percent of the senior class are named National Merit Scholarship Finalists, Semi-finalists, or Commended Students. A similar number participate in the Westinghouse Science Program for Pittsburgh area students. Sewickley Academy students have placed in the finals of the National Forensic League Competitions and the senior school English Department has been recognized as a Center of Excellence by the prestigious National Council for Teachers of English.

A capital campaign and building program was completed in 1988. Slightly over \$4,000,000 was raised to construct a new education and science building with five state-of-the-art laboratories, eight classrooms, and a greenhouse. In addition, extensive renovations to the senior school building provided additional classrooms, a student publications center, an expanded library, a faculty resource center, and an appealing commons area. Also included in the building program is the senior school computer center which contains a lab with 35 computers, and a separate lab with monitors, stands, and power supply to accommodate portable computers carried back and forth from home. This facility supports the Academy's unique computer

EDUCATION
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program for every student in the senior school. The capital campaign also raised \$600,000 to increase the Academy's endowment.

In 1986, the Trustees of the Richard King Mellon Foundation approved a capital grant of \$250,000 to Sewickley Academy, and in 1988 the Trustees approved a second grant of \$200,000 to help conclude the campaign.

The following is a list of grants approved in 1988 for education programs:

Allegheny Conference on Community Development	
Pittsburgh, Pennsylvania	
<i>Two-year support for Allegheny Conference Education Fund</i>	\$ 50,000
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Carnegie-Mellon University	
Pittsburgh, Pennsylvania	
<i>Unrestricted support</i>	25,000
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National Merit Scholarship Corporation	
Evanston, Illinois	
<i>Scholarship Program</i>	500,000
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Sewickley Academy	
Sewickley, Pennsylvania	
<i>Toward capital campaign</i>	200,000
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University of Pittsburgh	
Pittsburgh, Pennsylvania	
<i>Three-year support for Discretionary Fund for Vice President for Public Affairs.....</i>	60,000
<i>Two-year operating support for Office of Continuing Education for Women</i>	130,000
<i>Three-year operating support for Center for Economic Education</i>	30,000
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University of Pittsburgh at Greensburg	
Greensburg, Pennsylvania	
<i>Toward athletic facilities component of capital campaign</i>	100,000
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Total	\$1,095,000

APPROPRIATIONS AND GRANTS

	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
CONSERVATION				
1000 Friends of Florida, Inc. Gainesville, Florida <i>Three-year funding</i>	\$100,000		\$100,000	
Academy of Natural Sciences Philadelphia, Pennsylvania <i>Toward cost of the Pennsylvania Breeding Bird Atlas Project (Conditional)</i>		\$ 50,000		\$ 50,000
American Farmland Trust Washington, District of Columbia <i>Three-year project support</i>		750,000	250,000	500,000
American Wilderness Alliance Englewood, Colorado <i>Operating support</i>	25,000		25,000	
Appalachian Mountain Club Boston, Massachusetts <i>Toward long-range planning project</i> ..		10,000	10,000	
Audubon Society of Western Pennsylvania, Inc. Pittsburgh, Pennsylvania <i>Toward capital campaign</i>		300,000	300,000	
The Chesapeake Bay Foundation, Inc. Annapolis, Maryland <i>Two-year operating support for Pennsylvania programs</i>		100,000	50,000	50,000
Commonwealth of Pennsylvania Harrisburg, Pennsylvania <i>Toward Pennsylvania Game Commission Bald Eagle Recovery Program</i>	36,000		36,000	
The Conservation Fund Arlington, Virginia <i>Toward capital campaign</i>		1,000,000	500,000	500,000
Ducks Unlimited, Inc. Long Grove, Illinois <i>Support for Saskatchewan Heritage Marshes project</i>	250,000		250,000	

APPROPRIATIONS AND GRANTS
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	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
Environmental Policy Institute Washington, District of Columbia <i>Project 1988—Program for Conservation, the Environment and Public Health</i>		\$ 10,000	\$ 10,000	
Hornocker Wildlife Research Institute, Inc. Moscow, Idaho <i>Two-year research support on threatened and endangered species ...</i>	\$100,000			\$100,000
Inform, Inc. New York, New York <i>Operating support.....</i>	100,000		100,000	
Land Trust Exchange Alexandria, Virginia <i>Three-year operating support.....</i>		120,000	50,000	70,000
Loyalhanna Watershed Association, Inc. Ligonier, Pennsylvania <i>Toward acquisition of real property ...</i>		20,000	20,000	
Maine Coast Heritage Trust Brunswick, Maine <i>Toward capital campaign.....</i>		100,000	100,000	
The Nature Conservancy Arlington, Virginia <i>Toward acquisition of national office headquarters building.....</i>		1,000,000		1,000,000
Pacific Tropical Botanical Garden Lawai, Kauai, Hawaii <i>Land acquisition</i>	475,000		475,000	
Richard King Mellon Foundation National Conservation Real Estate Program <i>Program appropriations</i>		5,184,475		5,184,475
Shelburne Farms Resources, Inc. Shelburne, Vermont <i>Unrestricted support.....</i>		100,000	100,000	

RICHARD KING MELLON FOUNDATION

	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
Southern Illinois University Cooperative Wildlife Research Laboratory Carbondale, Illinois <i>Research on Key deer.....</i>	\$ 60,000		\$ 40,000	\$ 20,000
George Miksch Sutton Avian Research Center, Inc. Bartlesville, Oklahoma <i>Program support.....</i>		\$100,000	100,000	
University of Vermont Department of Botany Burlington, Vermont <i>To continue research on the effect of acid precipitation on forest ecosystems.....</i>	200,000		100,000	100,000
The Izaak Walton League of America, Inc. Arlington, Virginia <i>Challenge grant for international outdoor ethics conference.....</i>	50,000		50,000	
The Wilderness Society Washington, District of Columbia <i>Operating support for Department of Resource Planning and Economics ...</i>	400,000		400,000	
The Wildlife Conservation Fund of America Columbus, Ohio <i>Two-year support.....</i>	50,000		50,000	
Wildlife Habitat Enhancement Council Wilmington, Delaware <i>Three-year operating support.....</i>	75,000		25,000	50,000
Wildlife Management Institute, Inc. Washington, District of Columbia <i>To provide program support.....</i>		25,000	25,000	
World Wildlife Fund/ The Conservation Foundation Washington, District of Columbia <i>Three-year discretionary support for The Conservation Foundation.....</i>		1,000,000	1,000,000	
TOTAL-CONSERVATION.....	\$1,921,000	\$9,869,475	\$4,166,000	\$7,624,475

APPROPRIATIONS AND GRANTS
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	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
EDUCATION				
Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Two-year support for Allegheny Conference Education Fund.....</i>	\$ 50,000	\$ 50,000	\$100,000	
Auburn University Foundation Auburn, Alabama <i>Research in aquaculture genetics</i>	719,000		384,000	\$335,000
Carnegie Mellon University Pittsburgh, Pennsylvania <i>Toward the President's Discretionary Fund.....</i>	1,700,000		1,700,000	
<i>Unrestricted support.....</i>		25,000	25,000	
Chatham College Pittsburgh, Pennsylvania <i>Bachelor of Science Nursing Program</i>	206,000		115,000	91,000
Enterprise & Education Foundation Pittsburgh, Pennsylvania <i>Two-year support for Allegheny County activities</i>	20,000		20,000	
National Merit Scholarship Corporation Evanston, Illinois <i>Scholarship program</i>	196,240	500,000	224,065	472,175
Negro Educational Emergency Drive Pittsburgh, Pennsylvania <i>Two-year operating support</i>	50,000		50,000	
The Pennsylvania State University University Park, Pennsylvania <i>Toward "The Campaign for Penn State"</i>	1,000,000		1,000,000	
Pittsburgh Public Schools Pittsburgh, Pennsylvania <i>To underwrite the Syllabus Driven Examination Project</i>	405,000		135,000	270,000
Sewickley Academy Sewickley, Pennsylvania <i>Toward capital campaign.....</i>		200,000	200,000	

RICHARD KING MELLON FOUNDATION

	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
United Negro College Fund, Inc. New York, New York <i>Three-year support</i>	\$ 80,000		\$ 40,000	\$ 40,000
University of Pittsburgh Pittsburgh, Pennsylvania <i>Two-year operating support for American Experience Program</i>	25,000		25,000	
<i>Three-year support for Discretionary Fund for Vice President for Public Affairs</i>		\$ 60,000	20,000	40,000
<i>Two-year operating support for Office of Continuing Education for Women</i> ..		130,000	65,000	65,000
<i>Three-year operating support for Center for Economic Education</i>		30,000	10,000	20,000
University of Pittsburgh at Greensburg Greensburg, Pennsylvania <i>Toward athletic facilities component of capital campaign</i>		100,000	100,000	
TOTAL-EDUCATION	\$4,451,240	\$1,095,000	\$4,213,065	\$1,333,175

SOCIAL SERVICES

Adelphoi Village, Inc. Latrobe, Pennsylvania <i>Toward capital needs</i>		\$ 45,000	\$ 45,000	
Allegheny Valley School Coraopolis, Pennsylvania <i>Toward capital campaign</i>		300,000	300,000	
Allegheny Valley YMCA Natrona Heights, Pennsylvania <i>Toward capital campaign</i>		50,000	50,000	
Pauline Auberle Foundation McKeesport, Pennsylvania <i>Toward renovation of the Auberle Home</i>		125,000	125,000	
The Bethlen Home of the Hungarian Reformed Federation of America Ligonier, Pennsylvania <i>Toward purchase of a van</i>		20,000	20,000	

APPROPRIATIONS AND GRANTS

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	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
Big Brothers and Sisters of Greater Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>Three-year operating support</i>	\$ 30,000		\$ 20,000	\$ 10,000
Care Break Pittsburgh, Pennsylvania <i>Operating support</i>		\$ 25,000	25,000	
Board of Trustees of Carnegie Library of Pittsburgh Pittsburgh, Pennsylvania <i>Two-year operating support for Beginning With Books</i>		30,000	15,000	15,000
Christian Camps of Pittsburgh Pittsburgh, Pennsylvania <i>Toward capital needs at summer camp</i>		100,000	100,000	
Community Human Services Corporation Pittsburgh, Pennsylvania <i>Endowment to underwrite activities at Wood Street Commons</i>	350,000		350,000	
Contact Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>Two-year operating support</i>	15,000		15,000	
The Enterprise Foundation, Inc. Columbia, Maryland <i>Affordable housing in low-income areas of Pittsburgh (Conditional)</i>	250,000			250,000
Family House, Inc. Pittsburgh, Pennsylvania <i>To help establish a second Family House</i>		250,000	250,000	
First Presbyterian Church Pittsburgh, Pennsylvania <i>Toward renovation and capital projects at First Presbyterian Church Camp</i> ...		150,000	150,000	
George Junior Republic School in Pennsylvania Grove City, Pennsylvania <i>Toward capital campaign</i>		75,000	75,000	

RICHARD KING MELLON FOUNDATION

	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
Goodwill Industries of Pittsburgh Pittsburgh, Pennsylvania <i>Toward Program Fund</i>		\$300,000	\$300,000	
Harmarville Foundation, Inc. Pittsburgh, Pennsylvania <i>Toward cost of additional Satellite Centers</i>		500,000		\$500,000
Hospital Authority of Albany-Dougherty County Georgia Albany, Georgia <i>Toward Indigent Care Fund at Phoebe Putney Memorial Hospital</i>		50,000	50,000	
International Foundation for Education and Self-Help Philadelphia, Pennsylvania <i>Operating support</i>		200,000	100,000	100,000
Mary and Alexander Laughlin Children's Center Sewickley, Pennsylvania <i>Toward costs of implementing the Developmental School Readiness Program (Conditional)</i>		100,000		100,000
Ligonier Valley Young Men's Christian Association of Pennsylvania, Inc. Ligonier, Pennsylvania <i>Toward endowment</i>		100,000	100,000	
National Committee for Adoption Washington, District of Columbia <i>Toward purchase and renovation of headquarters building</i>	\$ 50,000		50,000	
National Kidney Foundation of Western Pennsylvania Pittsburgh, Pennsylvania <i>Support of the Gift of Life Awards Dinner</i>		5,000	5,000	
Neighborhood Centers Association Pittsburgh, Pennsylvania <i>Toward capital needs</i>		50,000	50,000	

APPROPRIATIONS AND GRANTS
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	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
Oakland Planning and Development Corporation Pittsburgh, Pennsylvania <i>Three-year operating support</i>	\$100,000			\$100,000
Parent and Child Guidance Center Pittsburgh, Pennsylvania <i>Toward purchase of new facility</i>		\$300,000	\$300,000	
Pennsylvania Association for the Blind Pittsburgh Blind Association Pittsburgh, Pennsylvania <i>Two-year eye safety project</i>		62,000	62,000	
Persad Center, Inc. Pittsburgh, Pennsylvania <i>To implement Development Program ..</i>		25,000	25,000	
Pittsburgh Allegheny County PIC Pittsburgh, Pennsylvania <i>Operating support for Private Industry Council.....</i>		100,000	100,000	
The Pittsburgh Foundation Pittsburgh, Pennsylvania <i>Endowment support for Lemington Home for the Aged.....</i>	200,000		200,000	
Pittsburgh Leadership Foundation Pittsburgh, Pennsylvania <i>Three-year support to help underwrite the Department of Resource Development</i>		150,000	65,000	85,000
Pressley Ridge School Pittsburgh, Pennsylvania <i>Toward construction and renovation at the Day School Campus.....</i>		500,000		500,000
St. Peter's Child Development Centers, Inc. Pittsburgh, Pennsylvania <i>Support for Infant Stimulation Program</i>		30,000	30,000	

RICHARD KING MELLON FOUNDATION

	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
South Hills Family Hospice Pittsburgh, Pennsylvania <i>Three-year operating support</i>		\$ 30,000	\$ 10,000	\$ 20,000
Three Rivers Adoption Council Pittsburgh, Pennsylvania <i>Two-year operating support</i>	\$ 20,000		20,000	
Three Rivers Youth, Inc. Pittsburgh, Pennsylvania <i>To purchase group home</i>		87,000	87,000	
United States Olympic Committee Pittsburgh, Pennsylvania <i>Operating support</i>		25,000	25,000	
The United Way of Allegheny County Pittsburgh, Pennsylvania <i>Campaign support for 1988</i>	150,000		150,000	
<i>Two-year challenge grant</i>	300,000		150,000	150,000
University of Pittsburgh University Center for Social and Urban Research Pittsburgh, Pennsylvania <i>To provide evaluation of the Unemployed Council of Southwestern Pennsylvania Program</i>		20,000	20,000	
Urban Youth Action, Inc. Pittsburgh, Pennsylvania <i>Three-year operating support</i>		45,000	15,000	30,000
Vietnam Veterans Leadership Program of Western Pennsylvania, Inc. Pittsburgh, Pennsylvania <i>Two-year operating support</i>		30,000	15,000	15,000
Vintage Pittsburgh, Pennsylvania <i>To help establish downtown Adult Day Care Center</i>	75,000		75,000	

APPROPRIATIONS AND GRANTS
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	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
Western Pennsylvania Caring Foundation, Inc. Pittsburgh, Pennsylvania <i>To help provide insurance for children of the unemployed</i>	\$ 25,000		\$ 25,000	
The Whale's Tale Pittsburgh, Pennsylvania <i>Toward capital campaign.....</i>		\$300,000	300,000	
Womansplace Pittsburgh, Pennsylvania <i>To retire debt</i>		25,000	25,000	
Young Men's Christian Association of Greensburg, Pennsylvania Greensburg, Pennsylvania <i>Toward expansion of Emergency Youth Shelter Program</i>		50,000	50,000	
Young Men's Christian Association of Pittsburgh, Pennsylvania Pittsburgh, Pennsylvania <i>To help furnish shelter for homeless men.....</i>		25,000	25,000	
Young Women's Christian Association of Greater Pittsburgh Pittsburgh, Pennsylvania <i>Office skills job training program</i>	50,000		50,000	
TOTAL-SOCIAL SERVICES	\$1,615,000	\$4,279,000	\$4,019,000	\$1,875,000

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		63,000	\$ 62,000

RICHARD KING MELLON FOUNDATION

	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
Health Education Center Pittsburgh, Pennsylvania <i>Three-year support to improve health behavior of low-income families</i>	\$222,000		\$111,000	\$111,000
Johns Hopkins University Baltimore, Maryland <i>Three-year start-up funding for Mind/Brain Institute.....</i>		\$150,000	50,000	100,000
National Academy of Sciences Institute of Medicine Washington, District of Columbia <i>Operating support</i>	100,000		100,000	
University of Pittsburgh Pittsburgh, Pennsylvania <i>Operating support of Pittsburgh Cancer Institute</i>	2,000,000		2,000,000	
University of Pittsburgh Department of Biological Sciences Pittsburgh, Pennsylvania <i>Two-year Otitis Media Research Project</i>		100,000	100,000	
University of Pittsburgh Presbyterian University Hospital Pittsburgh, Pennsylvania <i>To support the Pittsburgh Cancer Institute</i>		8,000,000	8,000,000	
University of Pittsburgh School of Medicine Pittsburgh, Pennsylvania <i>Research study of adrenal medulla tumor.....</i>		10,000	10,000	
TOTAL—MEDICINE	\$2,507,000	\$8,260,000	\$10,494,000	\$273,000

APPROPRIATIONS AND GRANTS
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	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
CULTURAL				
AFS Intercultural Programs, Inc. New York, New York <i>Two-year operating support for Pittsburgh and Western Pennsylvania programs</i>				
		\$100,000	\$ 50,000	\$ 50,000
American Wind Symphony Orchestra Pittsburgh, Pennsylvania <i>Operating support</i>				
	\$ 30,000		15,000	15,000
<i>Toward European Tour</i>				
		25,000	25,000	
Buhl Science Center Pittsburgh, Pennsylvania <i>Construction of proposed Center of Science</i>				
	500,000		500,000	
Carnegie Institute Pittsburgh, Pennsylvania <i>Toward capital campaign</i>				
	7,900,000		2,900,000	5,000,000
Fort Ligonier Association Ligonier, Pennsylvania <i>Toward endowment fund</i>				
		28,000	28,000	
Historical Society of Western Pennsylvania Pittsburgh, Pennsylvania <i>To help fund a feasibility and planning study for the Pittsburgh History Center (Conditional)</i>				
		195,000	65,000	130,000
Phipps Friends Pittsburgh, Pennsylvania <i>Toward master plan for restoration and operation of Phipps Conservatory</i>				
		5,000	5,000	
Pittsburgh Ballet Theatre, Inc. Pittsburgh, Pennsylvania <i>Operating support</i>				
		75,000	75,000	
<i>To purchase stage equipment</i>				
		32,500	32,500	

RICHARD KING MELLON FOUNDATION

	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
Pittsburgh Chapter AIA Charitable Association Pittsburgh, Pennsylvania <i>Support for Remaking Cities Conference</i>		\$ 10,000	\$ 10,000	
Pittsburgh Opera, Inc. Pittsburgh, Pennsylvania <i>Operating support</i>		75,000	75,000	
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>	\$190,000		95,000	\$ 95,000
Pittsburgh Youth Symphony Orchestra Association, Inc. Pittsburgh, Pennsylvania <i>Two-year operating support</i>		8,000	4,000	4,000
Three Rivers Training Orchestra Association Pittsburgh, Pennsylvania <i>Two-year operating support</i>		6,000	3,000	3,000
Woods-Marchand Foundation Greensburg, Pennsylvania <i>Toward capital campaign for Westmoreland County Museum of Art</i>		100,000	100,000	
TOTAL-CULTURAL	\$8,620,000	\$744,500	\$4,067,500	\$5,297,000

APPROPRIATIONS AND GRANTS
.....

	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
CIVIC				
Allegheny Conference on Community Development Pittsburgh, Pennsylvania				
<i>Three-year operating support</i>		\$300,000	\$100,000	\$200,000
<i>Three-year support for economic development program</i>	\$ 58,000		58,000	
<i>Toward renovation of Mellon Square Park</i>	1,200,000		1,200,000	
<i>Schenley Park Centennial Committee</i>		25,000	25,000	
<i>Toward the Greater Pittsburgh Office of Promotion for Preliminary Lighting Design</i>		5,000	5,000	
Carnegie Mellon University Pittsburgh, Pennsylvania				
<i>Two-year support for the Coalition to Improve Management in State and Local Government</i>	15,000		15,000	
Greater Pittsburgh Charitable Trust Pittsburgh, Pennsylvania				
<i>Two-year support for Leadership Pittsburgh</i>		10,000	5,000	5,000
The Jefferson Foundation, Inc. Washington, District of Columbia				
<i>Two-year support for education activities regarding the Constitution</i>	30,000		30,000	
Ligonier Borough Ligonier, Pennsylvania				
<i>To help underwrite joint master plan</i>		3,500	3,500	
Ligonier Township Ligonier, Pennsylvania				
<i>To help underwrite joint master plan</i>		3,500	3,500	
Penn's Southwest Association Pittsburgh, Pennsylvania				
<i>Operating support</i>		150,000	150,000	

RICHARD KING MELLON FOUNDATION

	Unpaid At 12/31/87	Approved	Paid	Unpaid At 12/31/88
<hr/>				
Pennsylvania Economy League, Inc. Western Division Pittsburgh, Pennsylvania				
<i>Three-year operating support</i>	\$ 32,000		\$ 16,000	\$ 16,000
<i>Three-year operating support for Muncipal Police Service Alternatives Study.....</i>		\$ 63,000	63,000	
<hr/>				
RIDC Regional Growth Fund Pittsburgh, Pennsylvania				
<i>Toward the purchase and renovation of Duquesne Innovation Center.....</i>		178,000	178,000	
<hr/>				
Three Rivers Rowing Association Pittsburgh, Pennsylvania				
<i>Toward capital campaign (Conditional).....</i>		125,000		125,000
<hr/>				
Urban Redevelopment Authority of Pittsburgh Pittsburgh, Pennsylvania				
<i>To help fund the Land Development Plan for Pittsburgh Technology Center site.....</i>		300,000	300,000	
<hr/>				
TOTAL-CIVIC	\$1,335,000	\$1,163,000	\$2,152,000	\$346,000
<hr/>				
TOTALS	\$20,449,240	\$25,410,975	\$29,111,565	\$16,748,650
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STATEMENT OF NET ASSETS

December 31, 1988

Cash and receivables		\$1,957,998
Investments, at market quotations:		
Stocks	\$412,274,063	
Long-term debt instruments	133,096,313	
Temporary investments	73,294,535	
Other investments	102,656,860	721,321,771
Program-related investments		5,184,475
Other assets		22,331
Total assets		728,486,575
Less amounts reserved for:		
Grants and appropriations approved but not paid		16,748,650
Net assets		\$711,737,925

The notes on page 50 are an integral part of the financial statements.

STATEMENT OF CHANGES IN THE FUND

For the year ended December 31	1988		1987	
Income:				
Investment income		\$34,479,238		\$29,683,556
Expenses:				
Administrative and investment expenses	\$4,731,010		\$4,354,903	
Provision for federal taxes	536,730	5,267,740	2,355,000	6,709,903
Net income		29,211,498		22,973,653
Grants & appropriations approved		25,410,975		32,863,500
Excess of net income over approvals		3,800,523		(9,889,847)
Net realized gain from disposition of investments	12,935,794		91,738,587	
Unrealized appreciation (depreciation) on investments, at market quotations	34,143,870	47,079,664	(88,968,824)	2,769,763
Increase (Decrease) in fund		50,880,187		(7,120,084)
Fund balance:				
Beginning of year		660,857,738		667,977,822
End of year		\$711,737,925		\$660,857,738

The notes on page 50 are an integral part of the financial statements.

SUMMARY OF INVESTMENTS

December 31, 1988

	Amount at	
	Book Value	Market Quotations
STOCKS		
Aerospace	\$ 8,504,011	\$ 8,446,425
Airlines and air freight	2,005,329	2,316,975
Amusement	3,501,556	4,216,650
Automotive	8,580,899	10,112,075
Banking	30,865,187	24,645,498
Broadcasting and cable television	1,495,049	2,572,750
Building material	4,319,578	4,842,205
Business services	4,605,302	5,427,912
Chemical	12,835,848	14,067,491
Construction and material handling	2,052,912	2,042,877
Containers	1,837,480	2,379,837
Cosmetic and household products	1,176,253	1,226,325
Drug	9,314,616	12,422,734
Electrical equipment	5,335,424	5,540,750
Electronics	6,687,020	6,559,363
Farm Equipment	1,563,942	1,632,000
Finance	4,970,332	5,679,225
Food products	6,784,282	8,517,179
Hospital supply	6,619,909	7,379,660
Industrial machinery and materials	4,497,516	5,440,369
Insurance	11,163,830	66,363,662
Merchandising	6,891,647	7,479,206
Multi-industry	3,559,833	3,455,447
Non-ferrous metals and mining	5,558,678	6,246,429
Office equipment and photocopy	19,552,552	20,963,273
Oil and gas	21,886,847	23,933,050
Oil and gas servicing	2,907,091	2,857,912
Paper	3,232,025	3,180,663
Photographic	1,681,327	1,794,863
Public utility	18,592,350	20,528,588
Publishing and printing	2,270,058	2,610,900
Railroad and other surface transportation	3,495,878	3,905,163
Restaurants and lodgings	3,526,470	3,651,924
Steel	2,794,955	3,264,325
Tire and rubber	1,275,196	1,190,975
Trucking	1,228,584	1,026,250
Other industries	6,286,193	7,267,779
Collective trust funds	8,130,459	9,156,726
Foreign equities	78,973,861	87,928,628
TOTAL STOCKS	\$330,560,279	\$412,274,063

	Amount at	
	Book Value	Market Quotations
LONG-TERM DEBT INSTRUMENTS		
Corporate bonds.....	\$ 15,532,225	\$ 15,091,094
United States Government and Government Agencies obligations	96,051,839	96,240,699
Other long-term obligations	14,545,921	13,922,407
Foreign debt obligations	7,249,178	7,842,113
TOTAL LONG-TERM DEBT INSTRUMENTS.....	133,379,163	133,096,313
TEMPORARY INVESTMENTS		
Demand and interest-bearing notes.....	63,288,731	63,288,533
Foreign short-term investments	9,303,372	10,006,002
TOTAL TEMPORARY INVESTMENTS.....	72,592,103	73,294,535
OTHER INVESTMENTS		
Hedge Funds.....	45,587,126	47,026,084
Venture capital	20,468,872	20,957,998
Realty	17,873,883	28,662,778
Other	4,065,752	6,010,000
TOTAL OTHER INVESTMENTS	87,995,633	102,656,860
TOTAL INVESTMENTS.....	\$624,527,178	\$721,321,771

The notes on page 50 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 taxes and grants and appropriations 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 direct 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; investments in partnerships are accounted for under the equity method, except for venture capital partnerships which are at cost.

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 1987 financial statements have been reclassified for comparative purposes.

NOTE 2—Program-related Investments

During 1988, the Foundation invested in land, land rights and interests in land pursuant to the Foundation's National Conservation Real Estate Program. The purpose of the investment is land conservation, wildlife preservation and the protection of open and scenic spaces. The properties are stated at cost.

NOTE 3—Federal Taxes

The Foundation is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The Foundation is subject to a federal excise tax equal to two percent of net investment income, which consists of interest and dividend income, realized gains on sales of investments less realized losses to the extent that they can be offset against realized gains, less related investment expenses. For 1988, the Foundation met certain distribution requirements defined in Section 4940 of the Internal Revenue Code, resulting in a reduced tax of one percent of net investment income for the year ended December 31, 1988. In 1988, the Foundation was subject to a business income tax on certain activities of several of the partnerships in which the Foundation has invested.

NOTE 4—Commitments

The Foundation is a Limited Partner in several limited partnerships for investment purposes. At December 31, 1988 the Foundation had contractually committed to additional investments of \$13,566,876.

Independent Auditor's Report

To the Trustees of
Richard King Mellon Foundation:

We have audited the statement of net assets of Richard King Mellon Foundation as of December 31, 1988 and the related statement of changes in the fund for the years ended December 31, 1988 and 1987. We have also audited the supporting summary of investments as of December 31, 1988 and the schedule of appropriations and grants for the year ended December 31, 1988 (financial statement schedules). These financial statements and financial statement schedules are the responsibility of the Foundation's management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of Richard King Mellon Foundation at December 31, 1988 and the changes in the fund for the years ended December 31, 1988 and 1987 in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information included therein.

COOPERS & LYBRAND

Pittsburgh, Pennsylvania
May 15, 1989

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.

Cover Photo: Richmond, Virginia on the horizon

Design: Robert L. Bowden

**RICHARD KING MELLON
FOUNDATION**

1988 ANNUAL REPORT

