

RICHARD

KING

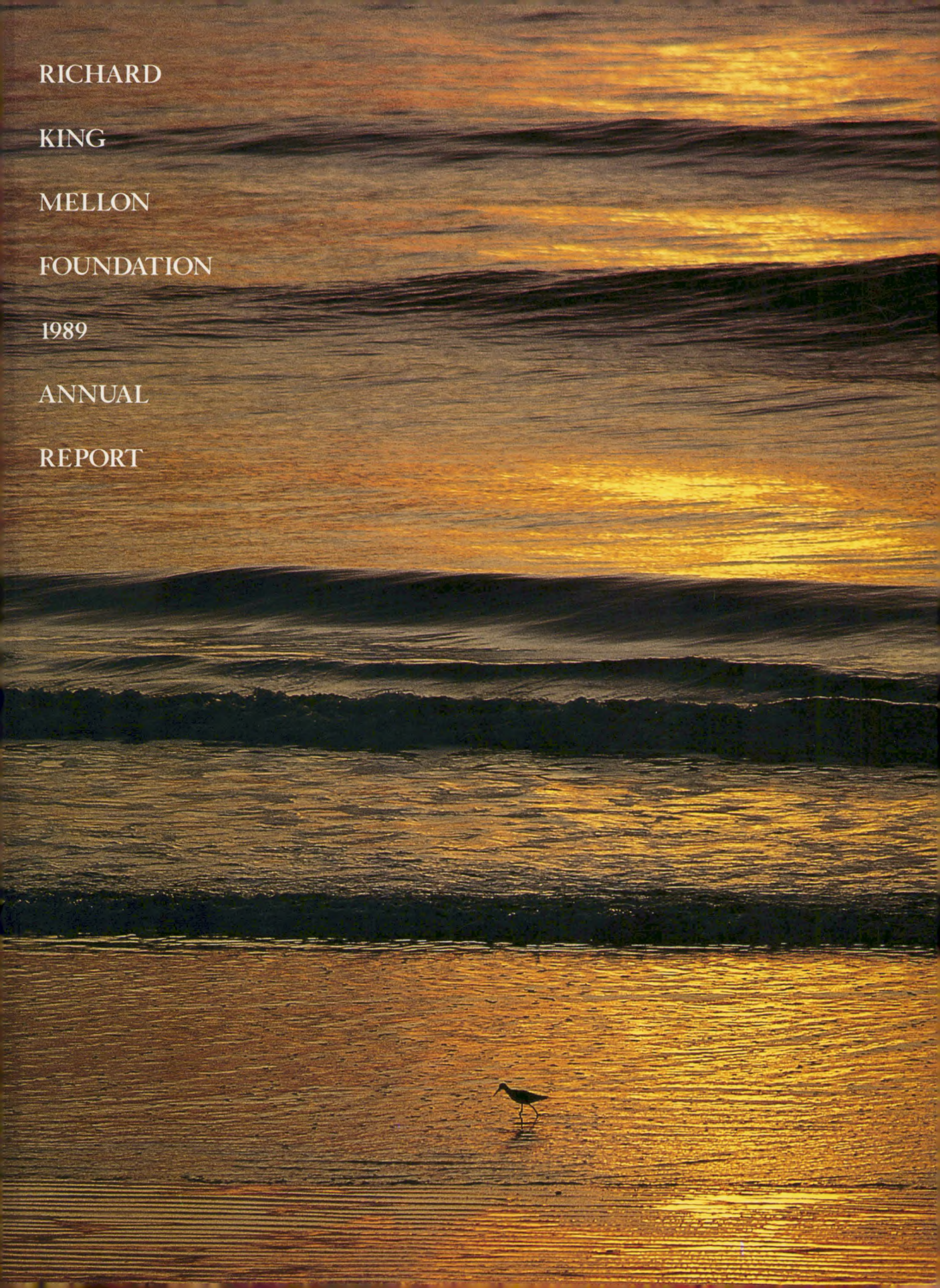
MELLON

FOUNDATION

1989

ANNUAL

REPORT



Richard King Mellon Foundation 1989 Annual Report

Three Mellon Bank Center

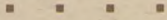
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Richard King Mellon Foundation 1989 Annual Report

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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 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 principal 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 improving 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 1989, the Trustees of the Richard King Mellon Foundation authorized charitable commitments totaling \$42,408,166, bringing the Foundation's total appropriations during its forty-two-year existence to more than \$375,000,000.

The Foundation made disbursements during the year totaling \$39,505,778. Since its inception in 1947, the Richard King Mellon Foundation has made total disbursements of \$364,116,177, exceeding the net income for the same period by \$36,972,012.

During 1989, significant charitable appropriations were directed toward projects in Pittsburgh and other western Pennsylvania communities. These commitments totaled over \$14,500,000, 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 a \$6,000,000 award to Carnegie Mellon University. Other significant commitments to local charities include \$450,000 to the Pittsburgh Public Schools, \$400,000 to the Boys Club of Western Pennsylvania, \$300,000 each to The Abraxas Foundation, Inc. and the Pittsburgh Center for the Arts, and awards of \$250,000 each to Seton Hill College, St. Vincent College, the Presbyterian Association on Aging, and The Pittsburgh Trust for Cultural Resources.

Grants were awarded during 1989 in five broad categories: conservation, education, social services, cultural activities, and civic affairs and medicine. The Trustees' well-defined interest in the field of conservation was again demonstrated in 1989. Major commitments include awards of \$900,000 to The Wildlife Conservation Fund of America, \$500,000 to the University of Vermont, \$300,000 to The Ruffed Grouse Society, and \$200,000 to Rails-To-Trails Conservancy. In addition, the Foundation made program-related investments approximating \$24 million for the acquisition of conservation-related real properties.

The major award in the area of education was a \$6,000,000 grant to Carnegie Mellon University to help finance an addition to the building that houses the Graduate School of Industrial Administration. Additionally, public primary and secondary education benefitted in 1989 as did several local colleges.

In addition to those listed earlier, significant social service grants include a \$225,000 award to Bidwell Cultural and Training Center, Inc. to provide three-year program support, a \$300,000 grant to the Protestant Episcopal Diocese of Pittsburgh toward its capital campaign, \$250,000 to the Young Men's Christian Association of Sewickley Valley, and a \$252,000 grant to Focus On Renewal-Sto Rox Neighborhood Corporation

to provide three-year support for its child development program for at-risk youth.

The major award in the cultural activities category was a \$900,000 grant to the National Gallery of Art to help underwrite the exhibit, *Matisse in Morocco*. Awards also included numerous operating grants to local cultural and performing arts organizations and a \$250,000 grant to The Pittsburgh Trust for Cultural Resources to underwrite a strategic implementation plan for the Cultural District.

In the area of civic affairs, numerous grants were approved including two totaling \$250,000 to Penn's Southwest Association. In the area of medicine, the Trustees approved a grant of \$425,000 to the University of Pittsburgh School of Medicine to provide multi-year program support for the Department of Ophthalmology.

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 \$728,000,000 to \$879,000,000 during 1989.



Seward Prosser Mellon
President

1989 APPROPRIATIONS

By Category

Conservation	\$27,134,066
Education	7,241,000
Social Services	4,647,600
Cultural Activities	1,975,000
Civic Affairs & Medicine	1,410,500
	<hr/>
	\$42,408,166

By Area

Pittsburgh & Western Pennsylvania	\$14,520,100
Other	27,888,066
	<hr/>
	\$42,408,166

1947-1989 NET INCOME

1947-1988	\$296,425,577
1989	30,718,588
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	\$327,144,165

1947-1989 GRANTS PAID AND PROGRAM-RELATED INVESTMENTS

1947-1988	\$324,610,399
1989	39,505,778
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	\$364,116,177

Conservation

During 1989, the Trustees of the Richard King Mellon Foundation continued to place major emphasis on conservation. Charitable commitments totaling \$27,134,066, or 64 percent of the Foundation's 1989 appropriations, were made for conservation projects. Included in this number is \$24 million of program-related acquisitions of real properties for conservation purposes.

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.



The Ruffed Grouse Society was established in 1961 to help forest owners and supervisors maximize the value of the timber resource and improve the habitat for ruffed grouse, American woodcock and many other wildlife.

The Ruffed Grouse Society, established in 1961, was founded by individuals who saw woodlands disappearing due to urban sprawl or growing too old to sustain forest wildlife species. With more than 110 chapters in the United States and Canada, the Society works in numerous ways to help forest owners and supervisors bring about changes in the woodlands under their management. These changes are designed both to maximize the value of the timber resource and improve the habitat for ruffed grouse, American woodcock, and many other wildlife.

Forests have value both for the worth of their wood fiber and for their usefulness as food and cover for forest wildlife species. The vast percentage of woodlands would be of greater value as producers of forest products and as wildlife habitat if integrated timber management and habitat improvement plans were introduced.

In the earlier years of the Society, after the combined concept of timber harvesting and wildlife habitat maintenance had been proven effective, it was important to disseminate this information to forest managers. Toward that end, the Society began a modest education program of holding seminars for landowners and professional foresters, emphasizing the compatibility of forest management methods that would enhance wildlife

habitat while utilizing the timber resource.

One education project, successfully adopted in several states, utilizes habitat improvement demonstration areas and a core of interested landowners who have been schooled in habitat improvement techniques. These landowners return to their neighborhoods and instruct other landowners as well.

Another education program with significant potential for accomplishing habitat improvement is the Society's new initiative to take a cooperative, direct role in forest management of public lands. Forested areas on national, state or county land may be enjoyed by all. In addition, these projects not only provide actual upgrading of forest habitat but place in strategic locations the examples of how habitat can be managed, whether the acreage is public or private.

Because the quality of habitat for some wildlife species can improve dramatically after a timber harvest, the Society's new program is designed to help public managers realize more timber harvesting activity. If wood fiber is not harvested at the proper time, the forest stand declines in value as a source of wood fiber and certainly as habitat for many wildlife species. A timber sale should be conducted in small plots taken from various sections of the overall forest to create

varied ages and sizes of trees that are most advantageous to a diversity of wildlife. If access roads to a timber stand have already been developed, a commercial logger can harvest the timber in a manner dictated by the property manager and in a fashion that can be of the greatest benefit to most species of forest wildlife. Access is critical for the sale of timber that may be below market in value but is, particularly in its younger stages, high quality wildlife habitat. Among the Society's commitments to the cooperative projects have been the financing of new logging roads to facilitate timber harvesting, seeding of access roads, and assistance in setting up timber sales.

In this new program, the Society's professional staff works closely with public land managers to identify forested locations that would benefit from management techniques. The Society may fund work that is generally beyond the financing ability of the public agencies, however, in-kind contributions by the cooperating public agency are often substantial.

In 1989, the Trustees of the Richard King Mellon Foundation approved a grant of \$300,000 to The Ruffed Grouse Society to provide three-year support for this program of assistance to land managers on public lands.

The following is a list of appropriations approved in 1989 for conservation activities:

The Conservation Foundation, Inc. Washington, District of Columbia <i>Toward the National Celebration of the Outdoors</i>	\$ 50,000
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Environmental Defense Fund Washington, District of Columbia <i>To underwrite project, Analysis of Factors Affecting Wetlands Regulation and Development of a Policy for Their Protection</i>	150,000
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The Garden Club of Allegheny County Pittsburgh, Pennsylvania <i>To help underwrite Global Environmental Perspective Conference</i>	50,000
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Harvard University John F. Kennedy School of Government Cambridge, Massachusetts <i>To help underwrite Project 1988 Conference</i>	40,000
<i>To help underwrite Project 1988 Conference</i>	20,000
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Inform, Inc. New York, New York <i>Four-year program support</i>	375,000
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Richard King Mellon Foundation American Land Conservation Program	
<i>Program appropriations</i>	\$24,074,066
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Pennsylvania Environmental Council, Inc. Philadelphia, Pennsylvania	
<i>Two-year operating support for education program</i>	150,000
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Rails-To-Trails Conservancy Washington, District of Columbia	
<i>Toward challenge grant to help establish new state-wide chapters</i>	200,000
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The Ruffed Grouse Society Coraopolis, Pennsylvania	
<i>To help underwrite project, Providing Support to Land Managers for More Effective Forest Wildlife Habitat Management on Public Lands</i>	300,000
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School for Field Studies, Inc. Beverly, Massachusetts	
<i>Program and capital support</i>	100,000
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University of Vermont Burlington, Vermont	
<i>Three-year support for the Field Naturalist Program</i>	500,000
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The Izaak Walton League of America Arlington, Virginia	
<i>Three-year support for continuation of the Hunter Ethics Program</i>	225,000
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The Wildlife Conservation Fund of America Columbus, Ohio	
<i>Five-year program support</i>	900,000
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Total	\$27,134,066
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Education

During 1989, the Trustees of the Richard King Mellon Foundation approved ten grants in this category totaling \$7,241,000, or 17 percent of the Foundation's 1989 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



The Trustees of the Richard King Mellon Foundation approved a \$6 million grant to Carnegie Mellon University for an addition to the Graduate School of Industrial Administration building. The 39,000 square foot expansion will provide additional, classroom, study and office space and will house some of GSIA's exciting new initiatives which address fundamental issues for the future of management.

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 1989 emphasized the Trustees' primary interest in this category, the advancement of higher education. Carnegie Mellon University received a grant of \$6,000,000 toward an addition to the Graduate School of Industrial Administration building. St. Vincent College and Seton Hill College each received grants of \$250,000 toward capital campaigns. Primary and secondary education benefitted in 1989 through grants to the Pittsburgh Public Schools, the Enterprise and Education Foundation, and the Pennsylvania Council on Economic Education.

Carnegie Mellon University is one of the Nation's top research universities, encompassing four undergraduate colleges, three graduate schools, and a total enrollment of approximately 7,000 students. A private institution, Carnegie Mellon emphasizes high quality education and research for undergraduate and graduate students. Its nationally recognized programs encompass the areas of engineering, technology, science, liberal arts, fine arts, and public and private management. The University's intradisciplinary approach provides graduates with professional and technical skills and a strong science and liberal arts background.

The Trustees of the Foundation approved a \$6,000,000 grant to Carnegie Mellon University toward the cost of constructing an addition to the Graduate School

of Industrial Administration building. GSIA was founded in 1949 through the generosity of William Larimer Mellon, the former chairman of Gulf Oil Corporation. It quickly emerged as a leader in management education and research. The School offers doctoral and master's degrees, supports the University's undergraduate and other degree programs, delivers executive education programs and maintains one of the most productive research facilities in the country. The School has embraced a dedication to innovation in teaching which has resulted in the proliferation of such approaches as the use of computer-based business games in the classroom and the teaching of ethics and crisis management in MBA programs.

GSIA is considered to be one of the most

rigorous MBA programs in the country. This arises partly from the design of the curriculum and partly because GSIA is a leading center for research in management. Students work closely with faculty members whose standards for research are demanding and whose expectations in the classroom are equally high.

The GSIA program integrates heavy demands on its students with an emphasis on a team approach to learning. In almost all cases, students are required or strongly encouraged to pursue their study in groups. Within the context of a team, students quickly learn that it is not sufficient to provide the right answer to a problem. One must also move the organization forward by persuasion, insight, cooperation, and leadership. Students must be comfortable in identifying and structuring ambiguous problems and in implementing solutions.

Since 1983, GSIA has pursued a three-part plan to further improve its master's program. First, the number of faculty was increased to help address the widening sphere of thought in management study. Among other benefits, this growth allowed a doubling in the number of electives to seventy, with offerings ranging from product design to computer integrated manufacturing.

The second element of the plan focused on carefully increasing the number of students in the master's program to an

optimal class size. As a result, GSIA is now building a substantial alumni body for the first time while remaining among the most intimate of the major business schools. Additionally, a three-year option in the master's program has been introduced for working professionals in the Pittsburgh area. This demanding year-round program is the only part-time MBA program in the country which is fully integrated into a regular master's program.

The growth in the number of faculty and students in GSIA resulted in a strain on the School's facilities. Accordingly, the third step in the plan is an addition to the School's existing building. A 39,000 square foot addition will be ready for occupancy in 1992 and will provide additional classroom, study and office space. The structure will also provide space to support some of GSIA's exciting new initiatives which address fundamental issues for the future of management. These issues and related initiatives include globalization and the Carnegie Bosch Institute for Applied Studies in International Management, innovation and the Donald H. Jones Center for Entrepreneurship, and technological change and the Information Networking Institute.

The following is a list of grants approved in 1989 for education programs:

Carnegie Mellon University Pittsburgh, Pennsylvania <i>Toward cost of an addition to the Graduate School of Industrial Administration building</i>	\$6,000,000
Enterprise and Education Foundation Pittsburgh, Pennsylvania <i>To help underwrite Allegheny County activities</i>	20,000
Greater Pittsburgh Literacy Council Pittsburgh, Pennsylvania <i>Toward capital campaign</i>	50,000
Negro Educational Emergency Drive Pittsburgh, Pennsylvania <i>Three-year operating support</i>	150,000
Pennsylvania Council on Economic Education Reading, Pennsylvania <i>To assess economic education in Pennsylvania</i>	25,000
Pittsburgh Public Schools Pittsburgh, Pennsylvania <i>Two-year support for Summer Environmental Camp</i> <i>Three-year support to establish the Multiracial, Multiethnic, Multicultural Program</i>	6,000 450,000
St. Vincent College Latrobe, Pennsylvania <i>Toward capital campaign</i>	250,000
Seton Hill College Greensburg, Pennsylvania <i>Toward capital campaign</i>	250,000
The Western Pennsylvania Golf Association Scholarship Trust Fund Pittsburgh, Pennsylvania <i>Scholarship Fund</i>	40,000
Total	\$7,241,000

Social Services

Awards to various organizations in the social services field totaled \$4,647,600, or 11 percent of the Foundation's 1989 approvals. In accordance with the Foundation's geographic restrictions on grants in this program category, virtually all awards made during 1989 were directed toward support for improvement in the delivery of social services to citizens of Allegheny County and southwestern Pennsylvania.

Significant social service grants approved in 1989 include awards of \$465,000 grant to The United Way of Southwestern Pennsylvania to provide three-year campaign support, a \$400,000 award to the Boys Club of Western Pennsylvania toward its capital campaign, \$300,000 awards to The Abraxas Foundation, Inc. and the Protestant Episcopal Diocese of Pittsburgh toward capital campaigns, \$100,000 to the Pittsburgh Community Food Bank, Inc. and \$120,000 to The Rehabilitation Institute of Pittsburgh to provide three-year operating support for Project STAR.



The Abraxas Foundation provides, residential and therapeutic treatment for some of today's most troubled youth, those who suffer from drug and alcohol abuse and who exhibit delinquent behavior.

The Abraxas Foundation provides residential and therapeutic treatment for some of today's most troubled youth, those who suffer from drug and alcohol abuse and who exhibit delinquent behavior. By the time these youths have been referred to Abraxas by the courts or child welfare agencies, most have already experienced many major failures in life and have had repeated incidents involving the police and juvenile justice system. These youth come from all economic and social backgrounds, and from both healthy and dysfunctional families. Many have been abused, neglected, and exposed to addiction at home and almost all suffer from serious emotional and behavioral problems.

Established in 1973 as a pilot project of the Pennsylvania Governor's Council on Drug and Alcohol Abuse, Abraxas has become a nationally recognized model program for the treatment of young people suffering from drug and alcohol addiction. Its primary center is in the Allegheny National Forest near Marienville, Pennsylvania, although it has grown rapidly over the years and now has eight locations across the Commonwealth of Pennsylvania.

The Marienville campus of Abraxas was originally built in the 1930's as a Civilian Conservation Corp camp and seriously deteriorated over the next fifty years. The campus was struck by two fires and a tornado in the 1980's, and Abraxas undertook a five-year, \$4.7 million capital campaign to rebuild its facilities. Today, the Marienville campus has been redesigned and contains new home-like dormitories to provide a comfortable environment for the 165 residents. A new, fully equipped high school with laboratories, a greenhouse, an art room, and a library has been constructed and a new administration building has been added. The gymnasium has been enlarged and renovated and a new dining and kitchen facility is under construction.

The Trustees of the Richard King Mellon Foundation approved two grants of \$300,000 each during the past four years to The Abraxas Foundation, Inc., toward the reconstruction of the Marienville Campus. The most recent \$300,000 award in 1989 helped match a Kresge Foundation Challenge Grant.

The following is a list of grants approved in 1989 for social services programs:

The Abraxas Foundation, Inc.
Pittsburgh, Inc.

Toward capital campaign \$ 300,000

SOCIAL SERVICES

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The Addison Terrace Learning Center of Pittsburgh, Inc. Pittsburgh, Pennsylvania	
<i>Two-year operating support</i>	\$ 110,000
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Allegheny County Children and Youth Services Pittsburgh, Pennsylvania	
<i>To fund a joint venture with HelpLine</i>	75,000
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American National Red Cross Pittsburgh-Allegheny County Chapter Pittsburgh, Pennsylvania	
<i>To expand the AIDS awareness program</i>	40,000
<i>Hurricane Hugo Relief Fund for South Carolina</i>	25,000
<i>Bay Area Earthquake Relief Fund for San Francisco</i>	50,000
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American National Red Cross Chestnut Ridge Chapter Latrobe, Pennsylvania	
<i>Toward endowment</i>	50,000
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Arsenal Family and Children's Center Pittsburgh, Pennsylvania	
<i>To help underwrite programs for at-risk children in Clairton</i>	65,000
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Bethesda Center, Inc. Pittsburgh, Pennsylvania	
<i>To expand the Early Childhood Development Program</i>	43,000
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Bethlen Home of the Hungarian Reformed Federation of America Ligonier, Pennsylvania	
<i>Two-year operating support</i>	25,000
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Bidwell Cultural and Training Center, Inc. Pittsburgh, Pennsylvania	
<i>Three-year operating support</i>	225,000
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Boys Club of Western Pennsylvania Pittsburgh, Pennsylvania	
<i>Toward capital campaign</i>	400,000
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Children's Oncology Services of Pittsburgh, Inc. Pittsburgh, Pennsylvania	
<i>Toward renovations to the Ronald McDonald House</i>	20,000
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The Coalition for Christian Outreach Pittsburgh, Pennsylvania	
<i>To establish donor development program</i>	50,000
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Family and Children's Service Pittsburgh, Pennsylvania <i>Support for Project STRIDE, a joint venture with the Boys and Girls Club of Western Pennsylvania</i>	\$ 59,000
Family Health Council of Western Pennsylvania, Inc. Pittsburgh, Pennsylvania <i>To provide support for the Adolescent Resource Network.</i>	50,000
Family Resources Pittsburgh, Pennsylvania <i>To undertake a new parenting program.</i>	75,000
Focus on Renewal—Sto Rox Neighborhood Corporation McKees Rocks, Pennsylvania <i>Three-year support for child development program for at-risk youth</i>	252,000
Human Service Center Corporation Turtle Creek, Pennsylvania <i>To establish a community outreach job center</i>	30,000
Hunger Services Network Pittsburgh, Pennsylvania <i>Operating support</i>	30,000
Legal Advocacy for Women Pittsburgh, Pennsylvania <i>Toward operating costs of SUPPORT Program</i>	50,000
Methodist Union of Social Agencies, Inc. Homestead, Pennsylvania <i>Two-year support to establish a resource center for single parents in the Steel Valley . .</i>	41,600
Monessen House, Inc. Greensburg, Pennsylvania <i>Toward purchase and renovation of low-income elderly housing project (Conditional) .</i>	50,000
The National Hemophilia Foundation Pittsburgh, Pennsylvania <i>To develop a public education program regarding hemophilia, AIDS, and HIV infection.</i>	25,000
Parent and Child Guidance Center Pittsburgh, Pennsylvania <i>Two-year support to expand Teen Parent Support Services Program</i>	64,000
Pittsburgh-Allegheny County Private Industry Council Pittsburgh, Pennsylvania <i>To implement the Youth Volunteer Corps of America national model in local junior and senior high schools.</i>	49,000

SOCIAL SERVICES

Pittsburgh Alliance for Employment of the Handicapped Pittsburgh, Pennsylvania <i>To establish a computerized job matching system</i>	\$ 25,000
City of Pittsburgh Department of Public Safety Pittsburgh, Pennsylvania <i>Support for cost of materials for Project DARE (Drug Abuse Resistance Education)</i>	25,000
Pittsburgh Community Food Bank, Inc. McKeesport, Pennsylvania <i>Toward capital campaign</i>	100,000
Presbyterian Association on Aging Oakmont, Pennsylvania <i>Toward construction of Residential Alzheimer Facility (Conditional)</i>	250,000
Protestant Episcopal Diocese of Pittsburgh Pittsburgh, Pennsylvania <i>Toward capital campaign</i>	300,000
The Rehabilitation Institute of Pittsburgh Pittsburgh, Pennsylvania <i>Three-year operating support for Project STAR (Specialized Training for Adoption Readiness)</i>	120,000
Renaissance Center Pittsburgh, Pennsylvania <i>Operating support for FreeWheelers</i>	31,000
The Salvation Army Pittsburgh, Pennsylvania <i>Hurricane Hugo Relief Fund for South Carolina</i> <i>Bay Area Earthquake Relief Fund for San Francisco</i>	25,000 50,000
Sickle Cell Society Pittsburgh, Pennsylvania <i>Fund-raising support</i>	1,000
Talus Rock Girl Scout Council, Inc. Johnstown, Pennsylvania <i>Toward the purchase and renovation of new headquarters building.</i>	200,000
Three Rivers Center for Independent Living Pittsburgh, Pennsylvania <i>To establish library</i>	10,000

Travelers Aid Society of Pittsburgh Pittsburgh, Pennsylvania <i>Two-year transportation assistance funding</i>	\$ 45,000
United Mental Health, Inc. Pittsburgh, Pennsylvania <i>Operating and capital expenses for Drop-In Center</i>	82,000
The United Way of Southwestern Pennsylvania Pittsburgh, Pennsylvania <i>Three-year campaign support</i>	465,000
Urban League of Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>To help underwrite Tackle the Future</i>	42,000
Visiting Nurse Association Pittsburgh, Pennsylvania <i>To expand Stroke Rehabilitation Program</i>	32,000
Robert Boyd Ward Home for Children Pittsburgh, Pennsylvania <i>To replace windows</i>	39,000
Young Men's Christian Association of McKeesport McKeesport, Pennsylvania <i>Two-year operating support for the McKeesport Youth Service Corps</i>	100,000
Young Men's Christian Association of Sewickley Valley Sewickley, Pennsylvania <i>Toward capital campaign</i>	250,000
The Young Women's Christian Association of Greater Pittsburgh Pittsburgh, Pennsylvania <i>Toward the renovation of the Bridge Housing Program</i>	80,000
Youth Guidance, Inc. Sewickley, Pennsylvania <i>To purchase new vehicles</i>	40,000
Youth Opportunities Unlimited, Inc. Pittsburgh, Pennsylvania <i>Two-year operating support</i>	40,000
Zoar Home for Mothers, Babies and Convalescents Allison Park, Pennsylvania <i>Operating and capital support</i>	42,000
Total	\$4,647,600

Cultural Activities

During 1989, the Trustees of the Richard King Mellon Foundation approved nine grants in this category totaling \$1,975,000, or 5 percent of the Foundation's 1989 charitable commitments.

The largest grant in this category was a \$900,000 award to the National Gallery of Art to help underwrite the exhibit, *Matisse in Morocco*. Numerous operating grants were made to performing arts organizations, a \$300,000 capital grant was awarded to the Pittsburgh Center for the Arts, and \$250,000 was granted to The Pittsburgh Trust for Cultural Resources.



The Pittsburgh Trust for Cultural Resources is responsible for carrying out a major urban revitalization which will enrich the cultural life of the city, the development of an arts and entertainment district in the twelve-block section known as the Cultural District.

The Pittsburgh Trust for Cultural Resources is responsible for carrying out a major urban revitalization which will enrich the cultural life of the city, the development of an arts and entertainment district in the twelve-block section known as the Cultural District. It is strategically located and contains Heinz Hall, Benedum Center for the Performing Arts, and the Fulton Theater. It will soon see the arrival of other cultural facilities and urban amenities.

The concept of an arts and entertainment district was first proposed in 1979, when the Allegheny Conference on Community Development and the City of Pittsburgh focused attention on the Penn-Liberty area. Marketing studies showed that Pittsburgh could support many more downtown theater seats, and the presence of more theaters, plus streetscape improvements, would in turn create an opportunity for economic growth in the area.

In 1984, The Pittsburgh Trust for Cultural Resources was formed by the Conference, the City, Allegheny County and the Howard Heinz Endowment to support and encourage the growth of the arts in Pittsburgh as a catalyst for economic growth and revitalization of the Cultural District.

The Trust performs four functions critical to the growth of the Cultural District: 1) developing and operating cultural facilities, 2) presenting arts programming,

3) providing services to other arts organizations, and 4) facilitating real estate development. The underlying goal is to stimulate a critical mass of performing arts events and supporting commercial and retail activities that will establish the Cultural District as a lively, attractive destination.

The Trust oversaw the development and restoration of Benedum Center, and now manages its day-to-day operations. With the recent purchase of the Fulton Theater, the Trust has assumed additional development, renovation and operating responsibilities. The Fulton will be used for smaller productions, including legitimate touring theater and local presentations. Plans will soon begin to return the Art Cinema, acquired in 1989, to its original use as a venue for foreign films or experimental theater.

With the goal of attracting a wide variety of audiences to the District, the Trust presents a lively mix of popular and classical concerts, Broadway shows, and special events for minority communities. The Pittsburgh Symphony Society and the Trust have jointly sponsored a new Programming Office, which will be responsible for future booking in Heinz Hall, Benedum Center, the Fulton and other locations. The new Programming Office will increase the number of Cultural District performances, working outside the traditional performing seasons of the Pittsburgh Symphony, the

Pittsburgh Opera, Civic Light Opera, Ballet Theatre and Dance Council.

The Trust is the sponsor of a new cultural tourism marketing campaign aimed at increasing the audience base outside the city, generating more business for the local hospitality industry, and building an image for Pittsburgh as a cultural destination. The new “Lively Arts Getaway Planner” combines weekend tickets to major arts events with breakfast packages from hotels. The program, positioning Pittsburgh as “The Show Place”, will be advertised throughout 1990 in over 20 regional markets within a 4-hour drive of the city.

The Trust also provides many services to other cultural organizations throughout Allegheny County, including opportunities for joint advertising, educational workshops, and a special ticket outlet, the TIX Booth. TIX provides additional exposure and increased revenues to a wide variety of arts organizations.

In order to focus its mission for the Cultural District, the Trust has retained a multi-disciplinary consultant team to produce a strategic implementation plan recommending specific steps both public and private sectors must take over the next five to ten years to make the vision of a Cultural District a reality. The team is working with a management committee which includes representatives of the Allegheny Conference on Community

Development, the Urban Redevelopment Authority, the Department of City Planning, and the Trust.

The consultants have re-examined previous studies and will make the following specific proposals regarding the District:

- Planning and development guidelines for Trust land,
- Strategies to attract a critical mass of arts and entertainment activities,
- Incentives to encourage investment in historic building restoration,
- An urban design plan to provide a special character through streetscape improvements,
- A plan for a central public open space and a riverfront park,
- Programs to encourage uses, particularly residential, that will attract people to the District,
- Recommendations concerning additional parking facilities and public safety conditions.

The consultants have made preliminary recommendations that they view as important first steps in revitalizing the District. Among these is a strong recommendation to eliminate adult-oriented uses and problem bars from the District which have given the area a negative image. The consultants have also recommended that the Trust encourage

residential uses by being prepared to participate in financial incentive programs. To increase the attractiveness of residential development, the consultants have also recommended initiation of a long-term program of riverfront open space development.

The Trustees of the Richard King Mellon Foundation approved a grant of \$250,000 to The Pittsburgh Trust for Cultural Resources to help underwrite the costs of the strategic implementation plan.

The following is a list of grants approved in 1989 for cultural activities:

National Gallery of Art Washington, District of Columbia <i>To help underwrite the exhibit, Matisse in Morocco</i>	\$ 900,000
<hr/>	
Pittsburgh Ballet Theatre, Inc. Pittsburgh, Pennsylvania <i>Operating support</i> <i>Operating support</i>	75,000 85,000
<hr/>	
Pittsburgh Center for the Arts Pittsburgh, Pennsylvania <i>Toward capital campaign</i>	300,000
<hr/>	
Pittsburgh Opera, Inc. Pittsburgh, Pennsylvania <i>Operating support</i> <i>Operating support</i>	75,000 75,000
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The Pittsburgh Public Theater Pittsburgh, Pennsylvania <i>Operating support</i>	95,000
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The Pittsburgh Symphony Society Pittsburgh, Pennsylvania <i>Operating support</i>	120,000
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The Pittsburgh Trust for Cultural Resources Pittsburgh, Pennsylvania <i>To underwrite development of a Strategic Implementation Plan for the Cultural District</i>	250,000
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Total	\$1,975,000

Civic Affairs & Medicine

During 1989, the Trustees of the Mellon Foundation approved twelve grants in this category totaling \$1,410,500, or 3 percent of the Foundation's 1989 charitable commitments. Nine grants totaling \$736,500 were approved for civic affairs.

In the medicine category, three grants amounting to \$674,000 were approved. The University of Pittsburgh School of Medicine received a grant of \$425,000 representing five-year program support for the Department of Ophthalmology and the Allegheny Conference on Community Development received a three-year operating grant of \$180,000 for the Health Policy Institute.



Penn's Southwest Association performs a specialized economic development role as a marketing organization representing the nine counties of southwestern Pennsylvania. In nearly 18 years of operation, the Association has located 369 companies in southwestern Pennsylvania, producing over 25,000 new jobs and approximately \$450 million in new annual payroll for the region.

Penn's Southwest Association is a regional economic development organization formed in 1972 as a result of a study performed by the Allegheny Conference on Community Development. The Association performs a specialized economic development role as a marketing organization representing the nine counties of southwestern Pennsylvania.

Prior to the Association's formation, prominent business, government, and civic leaders recognized the need for improving the economic vitality of the region. Southwestern Pennsylvania, in the midst of a national recession, was disproportionately affected because of its reliance on heavy manufacturing and the steel industry. The region needed a marketing strategy for developing a more diversified economy which would be less vulnerable to recessionary forces.

Penn's Southwest Association was established to fulfill this mission with three primary objectives: 1) Encourage selected businesses to locate or expand their facilities in southwestern Pennsylvania and thereby increase regional employment opportunities, 2) Inform people in other areas of the country and the world of the positive aspects of the quality of life in southwestern Pennsylvania, and 3) Stimulate among citizens of the nine-county region an increased awareness of and commitment to the region as a whole.

In nearly 18 years of operation, the

Association has located 369 companies in southwestern Pennsylvania, producing 25,189 new jobs and over \$448 million in new annual payroll for the region. The combined efforts of overseas and domestic marketing operations have resulted in 155 foreign-owned firms establishing locations in southwestern Pennsylvania. The Association's commitment to diversifying the region's economy has brought new industries such as plastics, advanced materials, computer software, industrial automation, and biotechnology.

During the past year, the Foundation awarded Penn's Southwest Association two grants totaling \$250,000. The first grant of \$100,000 was applied toward the construction of a headquarters building for the Association of Theological Schools, the accreditation organization for 209 theological seminaries in North America. Its 10,000 square foot, single-story office building should be completed by December 1990, bringing 30 new jobs to the region with an annual payroll in excess of \$700,000.

The second grant of \$150,000 provided operating support for Penn's Southwest's budget. During 1989, Penn's Southwest attracted 21 companies, adding 977 new jobs and more than \$23 million in annual payroll.

The following is a list of grants approved in 1989 for civic affairs and medicine:

Civic Affairs

Allegheny Conference on Community Development Pittsburgh, Pennsylvania	
<i>Study of the Pittsburgh Zoo, Aviary and Conservatory</i>	\$ 20,000
<i>Challenge grant for video production of The Facts of Life in Pittsburgh</i>	40,000

The American Ireland Fund Boston, Massachusetts	
<i>Program Support</i>	100,000

GO Greensburg Community Development Corporation Greensburg, Pennsylvania	
<i>Challenge grant to develop parklet</i>	16,500

Independent Sector Washington, District of Columbia	
<i>Support of Annual Membership meeting in Pittsburgh</i>	10,000

Borough of Ligonier Ligonier, Pennsylvania	
<i>To purchase real property for parking lot</i>	100,000

Penn's Southwest Association Pittsburgh, Pennsylvania	
<i>Operating support</i>	150,000
<i>Toward construction of headquarters for the Association of Theological Schools</i>	100,000

Stackhouse Park, Inc. Johnstown, Pennsylvania	
<i>Matching grant for improvements to Stackhouse Park</i>	200,000

Medicine

Allegheny Conference on Community Development Pittsburgh, Pennsylvania	
<i>Three-year operating support for the Health Policy Institute</i>	180,000

Association of Professors of Medicine Washington, District of Columbia	
<i>Operating support for Task Force on Internal Medicine Manpower</i>	69,000

University of Pittsburgh School of Medicine Pittsburgh, Pennsylvania	
<i>Five-year program support for the Department of Ophthalmology</i>	425,000

Total	\$1,410,500
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Appropriations and Grants

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
Conservation				
Academy of Natural Sciences Philadelphia, Pennsylvania				
<i>Toward cost of the Pennsylvania Breeding Bird Atlas Project</i>				
	\$ 50,000		\$ 50,000	
American Farmland Trust Washington, District of Columbia				
<i>Three-year project support</i>				
	500,000		250,000	\$250,000
The Chesapeake Bay Foundation, Inc. Annapolis, Maryland				
<i>Two-year operating support for Pennsylvania programs</i>				
	50,000		50,000	
The Conservation Foundation, Inc. Washington, District of Columbia				
<i>Toward the National Celebration of the Outdoors</i>				
		\$ 50,000	50,000	
The Conservation Fund Arlington, Virginia				
<i>Toward capital campaign</i>				
	500,000		500,000	
Environmental Defense Fund Washington, District of Columbia				
<i>To underwrite project, Analysis of Factors Affecting Wetlands Regulation and Development of a Policy for Their Protection</i>				
		150,000	150,000	
The Garden Club of Allegheny County Pittsburgh, Pennsylvania				
<i>To help underwrite Global Environmental Perspective Conference</i>				
		50,000	50,000	
Harvard University John F. Kennedy School of Government Cambridge, Massachusetts				
<i>To help underwrite Project 1988 Conference</i>				
		40,000	40,000	
<i>To help underwrite Project 1988 Conference</i>				
		20,000	20,000	

APPROPRIATIONS AND GRANTS

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
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>Four-year program support</i>		\$375,000		\$375,000
Land Trust Exchange Alexandria, Virginia <i>Three-year operating support</i>	70,000		40,000	30,000
The Nature Conservancy Arlington, Virginia <i>Toward acquisition of national office headquarters building</i>	1,000,000		350,000	650,000
Richard King Mellon Foundation American Land Conservation Program <i>Program appropriations (See Financial Statements—Note 2)</i>		24,074,066	24,074,066	
Pennsylvania Environmental Council, Inc. Philadelphia, Pennsylvania <i>Two-year operating support for education program</i>		150,000	75,000	75,000
Rails-To-Trails Conservancy Washington, District of Columbia <i>Toward challenge grant to help establish new statewide chapters</i>		200,000	200,000	
The Ruffed Grouse Society Coraopolis, Pennsylvania <i>To help underwrite project, Providing Support to Land Managers for More Effective Forest Wildlife Habitat Management on Public Lands</i>		300,000		300,000
School for Field Studies, Inc. Beverly, Massachusetts <i>Program and capital support</i>		100,000	100,000	

RICHARD KING MELLON FOUNDATION

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
Southern Illinois University Cooperative Wildlife Research Laboratory Carbondale, Illinois <i>Research on Key deer</i>	\$ 20,000		\$ 20,000	
University of Vermont Burlington, Vermont <i>Three-year support for the Field Naturalist Program</i>		\$ 500,000	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>	100,000		100,000	
The Izaak Walton League of America Arlington, Virginia <i>Three-year support for continuation of the Hunter Ethics Program</i>		225,000	75,000	150,000
The Wildlife Conservation Fund of America Columbus, Ohio <i>Five-year program support</i>		900,000		900,000
Wildlife Habitat Enhancement Council Wilmington, Delaware <i>Three-year operating support</i>	50,000		25,000	25,000
TOTAL-CONSERVATION	\$2,440,000	\$27,134,066	\$26,569,066	\$3,005,000

Education

Auburn University Foundation Auburn, Alabama <i>Research in aquaculture genetics</i>	\$335,000		\$192,000	\$143,000
Carnegie Mellon University Pittsburgh, Pennsylvania <i>Toward cost of an addition to the Graduate School of Industrial Administration building</i>		\$6,000,000		6,000,000

APPROPRIATIONS AND GRANTS

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
Chatham College Pittsburgh, Pennsylvania <i>Bachelor of Science Nursing Program ..</i>	\$ 91,000			\$ 91,000
Enterprise & Education Foundation Pittsburgh, Pennsylvania <i>To help underwrite Allegheny County activities.....</i>		\$ 20,000	\$ 20,000	
Greater Pittsburgh Literacy Council Pittsburgh, Pennsylvania <i>Toward capital campaign</i>		50,000	50,000	
National Merit Scholarship Corp. Evanston, Illinois <i>Scholarship program</i>	472,175		230,412	241,763
Negro Educational Emergency Drive Pittsburgh, Pennsylvania <i>Three-year operating support</i>		150,000	50,000	100,000
Pennsylvania Council on Economic Education Reading, Pennsylvania <i>To assess economic education in Pennsylvania</i>		25,000	25,000	
Pittsburgh Public Schools Pittsburgh, Pennsylvania <i>To underwrite the Syllabus Driven Examination Project.....</i>	270,000		135,000	135,000
<i>Two-year support for Summer Environmental Camp</i>		6,000	6,000	
<i>Three-year support to establish the Multiracial, Multiethnic, Multicultural Program</i>		450,000	150,000	300,000
St. Vincent College Latrobe, Pennsylvania <i>Toward capital campaign</i>		250,000	250,000	
Seton Hill College Greensburg, Pennsylvania <i>Toward capital campaign</i>		250,000	250,000	
United Negro College Fund, Inc. New York, New York <i>Three-year support</i>	40,000		40,000	

RICHARD KING MELLON FOUNDATION

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
University of Pittsburgh Pittsburgh, Pennsylvania <i>Three-year support for Discretionary Fund for Vice President for Public Affairs</i>	\$ 40,000		\$ 20,000	\$ 20,000
<i>Two-year operating support for Office of Continuing Education for Women</i> ...	65,000		65,000	
<i>Three-year operating support for Center for Economic Education</i>	20,000		10,000	10,000
The Western Pennsylvania Golf Association Scholarship Trust Fund Pittsburgh, Pennsylvania <i>Scholarship Fund</i>		\$ 40,000	40,000	
TOTAL-EDUCATION	\$1,333,175	\$7,241,000	\$1,533,412	\$7,040,763

Social Services

The Abraxas Foundation, Inc. Pittsburgh, Pennsylvania <i>Toward capital campaign</i>		\$300,000	\$300,000	
The Addison Terrace Learning Center of Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>Two-year operating support</i>		110,000	55,000	\$ 55,000
Allegheny County Children and Youth Services Pittsburgh, Pennsylvania <i>To fund a joint venture with Helpline</i> ..		75,000	75,000	
American National Red Cross Pittsburgh-Allegheny County Chapter Pittsburgh, Pennsylvania <i>To expand the AIDS awareness program Hurricane Hugo Relief Fund for South Carolina</i>		40,000	40,000	
<i>Bay Area Earthquake Relief Fund</i>		25,000	25,000	
American National Red Cross Chestnut Ridge Chapter Latrobe, Pennsylvania <i>Toward endowment</i>		50,000	50,000	

APPROPRIATIONS AND GRANTS

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
Arsenal Family and Children's Center Pittsburgh, Pennsylvania <i>To help underwrite programs for at-risk children in Clairton</i>		\$ 65,000	\$ 65,000	
Bethesda Center, Inc. Pittsburgh, Pennsylvania <i>To expand the Early Childhood Development Program</i>		43,000	43,000	
Bethlen Home of the Hungarian Reformed Federation of America Ligonier, Pennsylvania <i>Two-year operating support</i>		25,000	25,000	
Bidwell Cultural and Training Center, Inc. Pittsburgh, Pennsylvania <i>Three-year operating support</i>		225,000	100,000	\$125,000
Big Brothers and Sisters of Greater Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>Three-year operating support</i>	\$ 10,000		10,000	
Board of Trustees of Carnegie Library of Pittsburgh Pittsburgh, Pennsylvania <i>Two-year operating support for Beginning With Books</i>	15,000		15,000	
Boys Club of Western Pennsylvania Pittsburgh, Pennsylvania <i>Toward capital campaign</i>		400,000	400,000	
Children's Oncology Services of Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>Toward renovations to the Ronald McDonald House</i>		20,000	20,000	
The Coalition for Christian Outreach Pittsburgh, Pennsylvania <i>To establish donor development program</i>		50,000	50,000	

RICHARD KING MELLON FOUNDATION

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
The Enterprise Foundation, Inc. Columbia, Maryland <i>Affordable housing in low-income areas of Pittsburgh (Conditional).....</i>	\$ 250,000			\$ 250,000
Family and Children's Service Pittsburgh, Pennsylvania <i>Support for Project STRIDE, a joint venture with the Boys and Girls Club of Western Pennsylvania</i>		\$ 59,000	\$ 59,000	
Family Health Council of Western Pennsylvania, Inc. Pittsburgh, Pennsylvania <i>To provide support for the Adolescent Resource Network</i>		50,000	50,000	
Family Resources Pittsburgh, Pennsylvania <i>To undertake a new parenting program</i>		75,000	75,000	
Focus on Renewal-StoRox Neighborhood Corporation McKees Rocks, Pennsylvania <i>Three-year support for child development program for at-risk youth</i>		252,000	85,000	167,000
Harmarville Foundation, Inc. Pittsburgh, Pennsylvania <i>Toward cost of additional Satellite Centers</i>	500,000		500,000	
Human Service Center Corporation Turtle Creek, Pennsylvania <i>To establish a community outreach job center</i>		30,000	30,000	
Hunger Services Network Pittsburgh, Pennsylvania <i>Operating support</i>		30,000	30,000	
International Foundation for Education and Self-Help Philadelphia, Pennsylvania <i>Operating support</i>	100,000		100,000	

APPROPRIATIONS AND GRANTS

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
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
Legal Advocacy for Women Pittsburgh, Pennsylvania <i>Toward operating costs of SUPPORT Program</i>		\$ 50,000	\$ 50,000	
Methodist Union of Social Agencies, Inc. Homestead, Pennsylvania <i>Two-year support to establish a resource center for single parents in the Steel Valley</i>		41,600	20,800	20,800
Monessen House, Inc. Greensburg, Pennsylvania <i>Toward purchase and renovation of low-income elderly housing project (Conditional).....</i>		50,000		50,000
The National Hemophilia Foundation Pittsburgh, Pennsylvania <i>To develop a public education program regarding hemophilia, AIDS, and HIV infection</i>		25,000	25,000	
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>Two-year support to expand Teen Parent Support Services Program</i>		64,000	32,000	32,000
Pittsburgh-Allegheny County Private Industry Council Pittsburgh, Pennsylvania <i>To implement the Youth Volunteer Corps of America national model in local junior and senior high schools.....</i>		49,000	49,000	

RICHARD KING MELLON FOUNDATION

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
Pittsburgh Alliance for Employment of the Handicapped Pittsburgh, Pennsylvania <i>To establish a computerized job matching system</i>		\$ 25,000	\$ 25,000	
City of Pittsburgh Department of Public Safety Pittsburgh, Pennsylvania <i>Support for cost of materials for Project DARE (Drug Abuse Resistance Education).</i>		25,000	25,000	
Pittsburgh Community Food Bank, Inc. McKeesport, Pennsylvania <i>Toward capital campaign</i>		100,000	100,000	
Pittsburgh Leadership Foundation Pittsburgh, Pennsylvania <i>Three-year support to help underwrite the Department of Resource Development</i>	\$ 85,000		50,000	\$ 35,000
Presbyterian Association on Aging Oakmont, Pennsylvania <i>Toward construction of Residential Alzheimer Facility (Conditional).</i>		250,000		250,000
Pressley Ridge School Pittsburgh, Pennsylvania <i>Toward construction and renovation at the Day School Campus</i>	500,000		500,000	
Protestant Episcopal Diocese of Pittsburgh Pittsburgh, Pennsylvania <i>Toward capital campaign</i>		300,000	300,000	
The Rehabilitation Institute of Pittsburgh Pittsburgh, Pennsylvania <i>Three-year operating support for Project STAR (Specialized Training for Adoption Readiness)</i>		120,000	50,000	70,000

APPROPRIATIONS AND GRANTS

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
Renaissance Center Pittsburgh, Pennsylvania <i>Operating support for FreeWheeler's . . .</i>		\$ 31,000	\$ 31,000	
The Salvation Army Pittsburgh, Pennsylvania <i>Hurricane Hugo Relief Fund for South Carolina</i>		25,000	25,000	
<i>Bay Area Earthquake Relief Fund.</i>		50,000	50,000	
Sickle Cell Society Pittsburgh, Pennsylvania <i>Fund-raising support</i>		1,000	1,000	
South Hills Family Hospice Pittsburgh, Pennsylvania <i>Three-year operating support</i>	\$ 20,000		10,000	\$ 10,000
Talus Rock Girl Scout Council, Inc. Johnstown, Pennsylvania <i>Toward the purchase and renovation of new headquarters building</i>		200,000	200,000	
Three Rivers Center for Independent Living Pittsburgh, Pennsylvania <i>To establish library</i>		10,000	10,000	
Travelers Aid Society of Pittsburgh Pittsburgh, Pennsylvania <i>Two-year transportation assistance funding</i>		45,000	22,500	22,500
United Mental Health, Inc. Pittsburgh, Pennsylvania <i>Operating and capital expenses for Drop-In Center</i>		82,000	47,500	34,500
The United Way of Allegheny County Pittsburgh, Pennsylvania <i>Two-year challenge grant</i>	150,000		150,000	
The United Way of Southwestern Pennsylvania Pittsburgh, Pennsylvania <i>Three-year campaign support</i>		465,000	150,000	315,000

RICHARD KING MELLON FOUNDATION

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
Urban League of Pittsburgh, Inc. Pittsburgh, Pennsylvania <i>To help underwrite Tackle the Future ..</i>		\$ 42,000	\$ 42,000	
Urban Youth Action, Inc. Pittsburgh, Pennsylvania <i>Three-year operating support</i>	\$ 30,000			\$ 30,000
Vietnam Veterans Leadership Program of Western Pennsylvania, Inc. Pittsburgh, Pennsylvania <i>Two-year operating support</i>	15,000		15,000	
Visiting Nurse Association Pittsburgh, Pennsylvania <i>To expand Stroke Rehabilitation Program</i>		32,000	32,000	
Robert Boyd Ward Home for Children Pittsburgh, Pennsylvania <i>To replace windows</i>		39,000	39,000	
Young Men's Christian Association of McKeesport McKeesport, Pennsylvania <i>Two-year operating support for the McKeesport Youth Service Corps</i>		100,000	50,000	50,000
Young Men's Christian Association of Sewickley Valley Sewickley, Pennsylvania <i>Toward capital campaign</i>		250,000	250,000	
The Young Women's Christian Association of Greater Pittsburgh Pittsburgh, Pennsylvania <i>Toward the renovation of the Bridge Housing Program</i>		80,000	80,000	
Youth Guidance, Inc. Sewickley, Pennsylvania <i>To purchase new vehicles</i>		40,000	40,000	
Youth Opportunities Unlimited, Inc. Pittsburgh, Pennsylvania <i>Two-year operating support</i>		40,000	20,000	20,000

APPROPRIATIONS AND GRANTS

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
Zoar Home for Mothers, Babies and Convalescents Allison Park, Pennsylvania <i>Operating and capital support</i>		\$ 42,000	\$ 42,000	
TOTAL-SOCIAL SERVICES	\$1,875,000	\$4,647,600	\$4,885,800	\$1,636,800

Medicine

Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Three-year operating support for the Health Policy Institute</i>		\$180,000	\$ 60,000	\$120,000
Association of Professors of Medicine Washington, District of Columbia <i>Operating support for Task Force on Internal Medicine Manpower</i>	\$ 62,000	69,000	62,000	69,000
Health Education Center Pittsburgh, Pennsylvania <i>Three-year support to improve health behavior of low-income families</i>	111,000		111,000	
Johns Hopkins University Baltimore, Maryland <i>Three-year start-up funding for Mind/Brain Institute</i>	100,000		50,000	50,000
University of Pittsburgh School of Medicine Pittsburgh, Pennsylvania <i>Five-year program support for the Department of Ophthalmology</i>		425,000	85,000	340,000
TOTAL-MEDICINE	\$273,000	\$674,000	\$368,000	\$579,000

RICHARD KING MELLON FOUNDATION

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
Cultural				
AFS Intercultural Programs, Inc. New York, New York				
<i>Two-year operating support for Pittsburgh and Western Pennsylvania programs</i>				
	\$ 50,000		\$ 50,000	
American Wind Symphony Orchestra Pittsburgh, Pennsylvania				
<i>Operating support</i>				
	15,000		15,000	
Carnegie Institute Pittsburgh, Pennsylvania				
<i>Toward capital campaign</i>				
	5,000,000		3,000,000	\$2,000,000
Historical Society of Western Pennsylvania Pittsburgh, Pennsylvania				
<i>To help fund a feasibility and planning study for the Pittsburgh History Center (Conditional).....</i>				
	130,000		65,000	65,000
National Gallery of Art Washington, District of Columbia				
<i>To help underwrite the exhibit, Matisse in Morocco.....</i>				
		\$900,000	900,000	
Pittsburgh Ballet Theatre, Inc. Pittsburgh, Pennsylvania				
<i>Operating support</i>				
		75,000	75,000	
<i>Operating support</i>				
		85,000	85,000	
Pittsburgh Center for the Arts Pittsburgh, Pennsylvania				
<i>Toward capital campaign</i>				
		300,000	300,000	
Pittsburgh Opera, Inc. Pittsburgh, Pennsylvania				
<i>Operating support</i>				
		75,000	75,000	
<i>Operating support</i>				
		75,000	75,000	
The Pittsburgh Public Theater Pittsburgh, Pennsylvania				
<i>Operating support</i>				
		95,000	95,000	

APPROPRIATIONS AND GRANTS

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
The Pittsburgh Symphony Society Pittsburgh, Pennsylvania				
<i>Three-year operating support</i>	\$ 95,000		\$ 95,000	
<i>Operating support</i>		\$ 120,000	120,000	
The Pittsburgh Trust for Cultural Resources Pittsburgh, Pennsylvania				
<i>To underwrite development of a Strategic Implementation Plan for the Cultural District</i>		250,000	250,000	
Pittsburgh Youth Symphony Orchestra Association, Inc. Pittsburgh, Pennsylvania				
<i>Two-year operating support</i>	4,000		4,000	
Three Rivers Training Orchestra Association Pittsburgh, Pennsylvania				
<i>Two-year operating support</i>	3,000		3,000	
TOTAL-CULTURAL	\$5,297,000	\$1,975,000	\$5,207,000	\$2,065,000
Civic				
Allegheny Conference on Community Development Pittsburgh, Pennsylvania				
<i>Three-year operating support</i>	\$200,000		\$100,000	\$100,000
<i>Study of the Pittsburgh Zoo, Aviary and Conservatory</i>		\$ 20,000	20,000	
<i>Challenge grant for video production of The Facts of Life in Pittsburgh</i>		40,000		40,000
The American Ireland Fund Boston, Massachusetts				
<i>Program support</i>		100,000	100,000	
GO Greensburg Community Development Corporation Greensburg, Pennsylvania				
<i>Challenge grant to develop parklet</i>		16,500	16,500	

RICHARD KING MELLON FOUNDATION

	Balance 12/31/88	1989		Balance 12/31/89
		Approved	Disbursed	
Greater Pittsburgh Charitable Trust Pittsburgh, Pennsylvania <i>Two-year support for Leadership Pittsburgh.....</i>	\$ 5,000		\$ 5,000	
Independent Sector Washington, District of Columbia <i>Support of Annual Membership meeting in Pittsburgh</i>		\$ 10,000	10,000	
Borough of Ligonier Ligonier, Pennsylvania <i>To purchase real property for parking lot.....</i>		100,000	100,000	
Penn's Southwest Association Pittsburgh, Pennsylvania <i>Operating support.....</i>		150,000	150,000	
<i>Toward construction of headquarters for the Association of Theological Schools...</i>		100,000	100,000	
Pennsylvania Economy League, Inc. Western Division Pittsburgh, Pennsylvania <i>Three-year operating support</i>	16,000		16,000	
Stackhouse Park, Inc. Johnstown, Pennsylvania <i>Matching grant for improvements to Stackhouse Park</i>		200,000	200,000	
Three Rivers Rowing Association Pittsburgh, Pennsylvania <i>Toward capital campaign</i>	125,000		125,000	
TOTAL-CIVIC	\$346,000	\$736,500	\$942,500	\$140,000
TOTALS.....	\$11,564,175	\$42,408,166	\$39,505,778	\$14,466,563

*Statement of Net Assets**December 31, 1989*

Cash and receivables		\$3,282,062
Investments, at market quotations:		
Stocks	\$499,465,568	
Long-term debt instruments	162,915,324	
Temporary investments	67,358,179	
Other investments	116,995,064	846,734,135
Program-related investments		29,258,541
Other assets		22,331
Total assets		879,297,069
Less amounts reserved:		
For grants approved but not paid	14,466,563	
For federal taxes	419,379	
As program-related investments	29,258,541	44,144,483
Net assets		\$835,152,586

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	1989		1988	
Income:				
Investment income		\$37,375,286		\$34,479,238
Expenses:				
Administrative and investment expenses	\$5,248,311		\$4,731,010	
Provision for federal taxes . .	1,408,387	6,656,698	536,730	5,267,740
Net income		30,718,588		29,211,498
Grants & appropriations approved		42,408,166		25,410,975
Excess (deficiency) of net income over approvals . . .		(11,689,578)		3,800,523
Net realized gain from disposition of investments	73,033,603		12,935,794	
Unrealized appreciation on investments, at market quotations	62,070,636	135,104,239	34,143,870	47,079,664
Increase in fund		123,414,661		50,880,187
Fund balance:				
Beginning of year		711,737,925		660,857,738
End of year		\$835,152,586		\$711,737,925

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

Summary of Investments

December 31, 1989

	Amount at	
	Book Value	Market Quotations
STOCKS		
Aerospace	\$ 7,073,697	\$ 7,678,106
Airlines and air freight	4,612,615	4,477,938
Amusement	3,259,454	3,582,562
Automotive	4,985,339	5,005,212
Banking	36,877,779	32,753,551
Broadcasting and cable television	2,393,415	4,933,212
Building material	2,300,252	3,527,400
Business services	5,466,989	7,706,487
Chemical	10,542,358	12,374,243
Cosmetic and household products	1,763,119	1,860,250
Drug	10,619,620	18,348,350
Electrical equipment	5,286,964	7,507,717
Electronics	11,604,743	12,678,687
Farm Equipment	2,301,521	2,829,000
Finance	6,353,530	7,852,113
Food products	7,780,615	11,125,525
Hospital supply	7,551,356	10,668,493
Industrial machinery and materials	2,252,459	2,639,229
Insurance	10,786,423	73,910,912
Merchandising	10,452,904	13,337,600
Multi-industry	4,032,262	4,547,312
Non-ferrous metals and mining	5,925,502	7,874,112
Office equipment and photocopy	14,258,793	14,990,552
Oil and gas	19,727,954	24,040,166
Oil and gas servicing	1,272,015	1,511,800
Paper	1,979,957	1,984,562
Photographic	1,265,412	1,729,183
Public utility—electric	5,633,926	7,411,875
Public utility—gas	1,131,883	1,174,350
Public utility—telephone, etc.	14,294,839	19,975,500
Publishing and printing	5,993,842	6,088,600
Railroad and other surface transportation	3,172,548	3,848,350
Restaurants and lodgings	5,510,330	8,555,362
Tobacco	1,548,952	1,849,825
Other industries	9,050,658	9,538,262
Collective trust funds	14,365,817	16,298,687
Foreign equities	102,351,443	123,250,483
TOTAL STOCKS	\$365,781,285	\$499,465,568

	Amount at	
	Book Value	Market Quotations
LONG-TERM DEBT INSTRUMENTS		
Corporate bonds	\$ 9,135,131	\$ 9,322,955
United States Government and Government Agencies obligations	132,143,264	136,639,747
Other long-term obligations	12,421,767	12,582,918
Foreign debt obligations	3,226,690	4,369,704
TOTAL LONG-TERM DEBT INSTRUMENTS . . .	156,926,852	162,915,324
TEMPORARY INVESTMENTS		
Demand and interest-bearing notes	62,382,393	62,499,359
Foreign short-term investments	4,814,895	4,858,820
TOTAL TEMPORARY INVESTMENTS	67,197,288	67,358,179
OTHER INVESTMENTS		
Hedge Funds	42,076,447	45,139,889
Venture capital	30,709,914	30,736,482
Realty	18,902,494	31,486,693
Other	6,595,942	9,632,000
TOTAL OTHER INVESTMENTS	98,284,797	116,995,064
TOTAL INVESTMENTS	\$688,190,222	\$846,734,135

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

Independent Auditor's Report

NOTE 1—Significant Accounting Policies

Basis of Accounting

The accounts of the Foundation, except for federal 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 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 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.

NOTE 2—Program-related Investments

Beginning in 1988, the Foundation has invested in land, land rights and interests in land pursuant to the Foundation's American Land Conservation 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 1989 and 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 years ended December 31, 1989 and 1988. In both 1989 and 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, 1989 the Foundation had contractually committed to additional investments of \$13,707,195.

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, 1989 and the related statement of changes in the fund for the years ended December 31, 1989 and 1988. We have also audited the supporting summary of investments as of December 31, 1989 and the schedule of appropriations and grants paid for the year ended December 31, 1989 (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, 1989 and the changes in the fund for the years ended December 31, 1989 and 1988 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 21, 1990

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 December. 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:

Sandpiper at Virginia Coast Reserve
By John M. Hall

Design:

Robert L. Bowden

RICHARD

KING

MELLON

FOUNDATION

1989

ANNUAL

REPORT