

Richard King Mellon Foundation

1999 Annual Report





RICHARD KING MELLON

1899–1970

Richard King Mellon was born in Pittsburgh, Pennsylvania on June 19, 1899, the son of Richard Beatty Mellon and Jennie King Mellon. Mr. Mellon served his country in both World Wars and in peacetime, attaining the rank of Lieutenant General, United States Army Reserve, and receiving the Distinguished Service Medal. Mr. Mellon was the dominant figure in the financial, industrial, and civic life of his community for many years. He was President of Mellon National Bank and for twenty years Chairman of the Board of Mellon National Bank and Trust Company; as a director, he aided the growth of many of the nation's leading enterprises, particularly Gulf Oil Corporation and Aluminum Company of America.

Mr. Mellon, Founder, President and Governor of T. Mellon and Sons, inspired and led the rebirth of a great American city. His creative energies forged the Pittsburgh Renaissance, an architectural, civic, social and educational masterpiece.

In 1936, Mr. Mellon married the former Constance Mary Prosser, who served as Chairman of the Board of Trustees of the Richard King Mellon Foundation from its inception in 1947 until her death in 1980.

A renowned sportsman, Mr. Mellon generously endeavored to preserve the quality of the natural environment and to protect its wildlife.

Mr. Mellon died on June 3, 1970.

RICHARD KING MELLON
FOUNDATION

1999 ANNUAL REPORT

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*Cover photo:
Against the backdrop of Pittsburgh's downtown skyline, members
of the Three Rivers Rowing Club enjoy the day with an excursion
on the Allegheny River.*

PRESIDENT'S LETTER

During 1999 the Trustees of the Richard King Mellon Foundation approved new grants totaling \$74,063,939 and paid out \$87,310,739 toward new and continuing grants. As in prior years, the majority of these grants supported initiatives that enhance the quality of life for the citizens of southwestern Pennsylvania or emphasize conservation and the environment. The Foundation's American Land Conservation Program, for example, was able to acquire and protect key tracts of land for the purpose of preserving unspoiled acreage from urban sprawl and environmentally insensitive development. Through the American Land Conservation Program, the Foundation is creating a land legacy for all Americans.

Additional Conservation gifts included \$1 million in unrestricted support to the World Wildlife Fund. Through this gift, the World Wildlife Fund will apply the expertise gained from its international projects toward preserving North America's natural resources. Another significant gift of \$600,000 to American Rivers provides three-year support to create an on-line Resource Center that will enable river activists, community groups, and local governments to access, easily and quickly, the most successful approaches to improving river health and accomplishing community objectives.

Ever since Richard King Mellon established the Foundation in 1947, the Trustees have made the quality of life in southwestern Pennsylvania a priority. This focus continued in 1999 with support of initiatives in the categories of Cultural Activities, Human Services, Education, and Civic Affairs.

A grant of \$3 million to the National Gallery of Art in Washington, D.C. raised total grant making in Cultural Activities to \$6,795,000. This gift honored Paul Mellon, former chairman of the board and lifelong patron of the National Gallery, which was founded by his father, Andrew W. Mellon. It will support expansion and renovation of galleries in the original West Building. Another major gift of \$2.5 million to the Zoological Society of Pittsburgh will support the renovation and expansion of the aquarium at the zoo, Pittsburgh's most attended attraction.

Significant grants in Human Services reflected both the increasingly pivotal role of technology in the region's progress and the Foundation's interest in collaborative projects that promote efficiency and effectiveness through resource sharing. An \$800,000 gift made through The Pittsburgh Foundation will support an Information Systems Integration Project for the Department of Human Services for Allegheny County. The Holy Family Institute received \$450,000 largely to help develop and implement a computer network. A grant of \$250,000 to Family Resources will support a two-year demonstration project with the Women's Center and Shelter. This project will promote cross training between the two agencies as they collaborate to divert children from the child welfare system and reduce costs to the Department of Human Services.

The Trustees demonstrated their long-term commitment to Education in 1999 with grants totaling \$1,958,500. The largest was an award of a \$500,000 challenge grant to the University of Pittsburgh at Greensburg. This will support a capital campaign to update and expand the severely crowded student center; the renovations will enhance the university's ability to attract the most qualified students. The Trustees also approved a grant of \$300,000 to Carnegie Library of Pittsburgh for three-year support of Project BEACON, a program of Beginning with Books. Project BEACON is designed to enrich the literacy of young children in day-care homes and centers in low-income Pittsburgh neighborhoods.

Civic Affairs grants focused primarily on projects that reflected the Foundation's intensifying focus on strengthening the region's economic health. A \$500,000 gift to the Pittsburgh Partnership for Neighborhood Development is targeted toward improving outcomes for the residents of our more distressed communities. Grants of \$300,000 each to the Allegheny Conference on Community Development and the Pittsburgh Regional Alliance are intended to support, respectively, an initiative to develop a more skilled workforce to meet employer needs and efforts to streamline and improve the economic conditions in the region.

In 1999 the Trustees looked to a new century as we engaged in a comprehensive review of the Foundation's priorities. Over the course of many months, we collected and considered information

from experts representing a broad cross section of specialties. We emerged from these sessions with policies that will, beginning January 1, 2000, guide the Foundation's grant making over the next five years.

We will maintain our historic focus on southwestern Pennsylvania, looking for ways to bolster regional economic development by stimulating downtown redevelopment, supporting the new economy, strengthening the recruitment and retention of young talent, marketing the region's amenities and cultural attractions, and assuring that the entire region participates in improved economic status.

In Education, the Foundation will support charter, parochial, and independent schools. We will support projects ensuring that our colleges and universities remain globally competitive. We will strengthen workforce training in southwestern Pennsylvania.

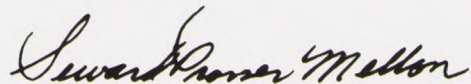
In a new priority, System Reform, we will encourage efforts to redesign and/or improve the delivery of human services. We will work to strengthen leadership in the nonprofit sector, establish standards and best practices for youth programs, and continue to encourage collaboration among providers.

The emphasis on Families and Youth will be early child development, effective parenting, and youth programs.

Beyond southwestern Pennsylvania, our American Land Conservation Program will continue to acquire and preserve key tracts of United States land that are in danger of being lost to urban sprawl and environmentally insensitive development. We will also place a new focus on helping to protect natural resources, contain sprawl, better manage our forests, and acquire critical pieces of land.

These grant-making policies do not reflect new departures for the Richard King Mellon Foundation. They do reflect refinements in our long-term focus on southwestern Pennsylvania and on conservation . . . concerns that have mattered to this Foundation since its founding in 1947.

As always, the Trustees feel privileged to share in the efforts of many people and organizations who are working together to strengthen the Pittsburgh region and enhance the quality of life. We are proud of the unique contributions of the Richard King Mellon Foundation toward creating a lasting natural heritage for the people of the United States. We take seriously our responsibility to manage the Foundation's assets, which at the end of 1999 total more than \$1.9 billion, so that its income and capital will service people in perpetuity.



Seward Prosser Mellon
President

1999 APPROPRIATIONS*By Category*

Conservation	\$52,703,039
Human Services	4,907,700
Education	7,768,200
Civic Affairs	1,890,000
Cultural Activities	6,795,000
	<hr/>
	\$74,063,939

By Area

Pittsburgh & Southwestern Pennsylvania	\$12,559,700
Other	61,504,239
	<hr/>
	\$74,063,939

1947-1999 NET INVESTMENT INCOME

1947-1998	\$603,498,091
1999	51,663,034
	<hr/>
	\$655,161,125

1947-1999 GRANTS PAID AND PROGRAM-RELATED INVESTMENTS

1947-1998	\$821,399,509
1999	87,310,739
	<hr/>
	\$908,710,248

The following sections provide brief reports on the Richard King Mellon Foundation's grant activities in 1999, as well as descriptions of the organizations the Foundation has assisted.



CONSERVATION

AMERICAN LAND CONSERVATION PROGRAM

As the nation's population increases, unplanned development of open spaces threatens to deprive future generations of the natural beauty and grandeur we have come to take for granted. The American Land Conservation Program was initiated in 1988 to acquire and preserve key tracts of land which were in danger of being lost to urban sprawl and environmentally insensitive development. The tracts described below are examples of some of the more significant projects acquired during 1999.



Maps of Alaska and Hawaii not to scale

LEGEND:
 Boxed figures represent American Land Conservation Program purchases between 1988 and 1998; black dots represent purchases during 1999.



1988-1998 Project Locations

- 1 Bon Secour National Wildlife Refuge, *Alabama*
- 2 Redwood National Park, *California*
- 3 Rocky Mountain National Park, *Colorado*
- 4 Deer Haven Ranch, *Colorado*
- 5 Archie Carr National Wildlife Refuge, *Florida*
- 6 Hillman Ranch, *Idaho*
- 7 Mammoth Cave National Park, *Kentucky*
- 8 Bold Coast, *Maine*
- 9 Rachel Carson National Wildlife Refuge, *Maine*
- 10 Martin National Wildlife Refuge, *Virginia*
- 11 Deal Island Wildlife Management Area, *Maryland*
- 12 Fishing Bay Wildlife Management Area, *Maryland*
- 13 Chesapeake Bay Environmental Education Center at Bishop's Head, *Maryland*
- 14 Antietam National Battlefield, *Maryland*
- 15 High Rocks Gorge State Park, *Massachusetts*
- 16 Rydell National Wildlife Refuge, *Minnesota*
- 17 Champion Hill, *Mississippi*
- 18 Johnson's Shut-Ins State Park, *Missouri*
- 19 Thompson Chain of Lakes, *Montana*
- 20 Bowman Island, *New Hampshire*
- 21 Pecos National Historical Park, *New Mexico*
- 22 Adirondack Forest Preserve, *New York*
- 23 Salmon River, *New York*
- 24 Pocosin Lakes National Wildlife Refuge, *North Carolina*
- 25 Mackay Island National Wildlife Refuge, *North Carolina*
- 26 Pettigrew State Park, *North Carolina*
- 27 Schnell Ranch, *North Dakota*
- 28 Ferry Canyon, Deschutes River, *Oregon* (National Wild and Scenic River)

- 29 David M. Roderick Wildlife Reserve, *Pennsylvania*
- 30 Gettysburg National Military Park, *Pennsylvania*
- 31 Block Island, *Rhode Island*
- 32 Christmas Mountains Ranch, *Texas*
- 33 Glen Canyon National Recreation Area, *Utah*
- 34 Appomattox Court House National Historical Park, *Virginia*
- 35 Fredericksburg and Spotsylvania National Military Park, *Virginia*
- 36 Fredericksburg and Spotsylvania National Military Park, Chancellorsville Battlefield Unit, *Virginia*
- 37 Petersburg National Battlefield, Five Forks Unit, *Virginia*
- 38 Manassas National Battlefield Park, *Virginia*
- 39 Rapidan Wildlife Management Area, *Virginia*
- 40 Shenandoah National Park, *Virginia*
- 41 North Branch Potomac River, *West Virginia*
- 42 Shoshone National Forest, *Wyoming*
- 43 Sunshine Ranch, *Wyoming*
- 44 Big Branch Marsh National Wildlife Refuge, *Louisiana*
- 45 Copperas Range, *New Jersey*
- 46 Kings Mountain, *North Carolina*
- 47 Pickett State Forest, *Tennessee*
- 48 Sheldon National Wildlife Refuge, *Nevada*
- 49 Book Cliffs, *Utah*
- 50 Cossatot National Wildlife Refuge, *Arkansas*
- 51 Douglas Creek Management Area, *Washington*
- 52 Hakalau Forest National Wildlife Refuge, *Hawaiian Islands*
- 53 Kings Mountain State Park, *South Carolina*
- 54 Kodiak National Wildlife Refuge, *Alaska*
- 55 Muhlenberg and Ohio Counties, *Kentucky*
- 56 Chinati Mountain Preserve, *Texas*
- 57 Ryan Farm Big Sioux River, *South Dakota*
- 58 Chariton River, *Iowa*
- 59 Crown City Wildlife Area, *Ohio*
- 60 Menominee River, *Michigan & Wisconsin*
- 61 Ouachita National Forest, *Oklahoma*
- 62 Stewart B. McKinney National Wildlife Refuge, *Connecticut*
- 63 Washita Battlefield National Historic Site, *Oklahoma*
- 64 Chapman's Landing, *Maryland*
- 65 Department of Wildlife and Fisheries, *Louisiana*
- 66 Jocassee Gorges, *South Carolina*
- 67 Quivira National Wildlife Refuge, *Kansas*



**Archie Carr National
Wildlife Refuge**

Florida

Thirty-five percent of all green sea turtle and twenty-five percent of loggerhead sea turtle nests in the United States are found on less than twenty miles of beach front in Brevard County, Florida. Protecting this stretch of beach, one of the two most important nesting areas in the world, is essential for the survival of both species and has been a high priority for the Foundation. This year the Foundation purchased two new properties in this critical area. The land where the turtles nest was originally slated for residential and commercial development. To date the Foundation, in close cooperation with local, state, and federal agencies, has acquired approximately 60 parcels of vital turtle habitat.

Chesapeake Forest Legacy

Maryland

With an innovative acquisition on the Eastern Shore of Maryland, the Foundation purchased 30,000 acres, which allowed the state of Maryland to acquire 28,000 acres. The purchases were part of a larger acquisition of 76,000 acres in three states by The Conservation Fund comprising timberlands and wetlands owned by the Chesapeake Corporation. On the Eastern Shore, forestry is a major source of jobs and income for residents and their communities. Consequently, the Foundation's land is the subject of a yearlong study focusing on sustainable forestry, protection of wildlife and wetland resources, and public access for outdoor recreation. Once the management plan is in place within the coming year, the property will be given to Maryland as an addition to the state forest system and as a continuing contributor to the region's economy.

Chugach State Park

Alaska

With its purchase of a privately owned inholding, the Foundation ended plans for development of a 368-unit subdivision on 717 acres within Chugach State Park. The park, which is less than half an hour from downtown Anchorage, is home to wolves, bears, moose, and Dall sheep. Often called Anchorage's "backyard," because of its nearness and many campgrounds, wilderness camp sites, and hiking trails, the integrity of the park was threatened by the subdivision. The developers had planned a Swiss-motif village of 1,350 residents in Peter's Creek Valley within the boundaries of the park. Acquiring the Peter's Creek property had long been the top priority for the Alaska Division of Parks and Recreation, but the agency lacked funds to purchase the land. The Foundation's gift to the residents of Anchorage will ensure that the natural beauty of spectacular Peter's Creek Valley becomes a legacy for all Alaskans now and in the future.

Jocassee Gorges

South Carolina

Termed the "crown jewel" of South Carolina's system of parks, refuges, and wildlife lands, Jocassee Gorges, in the state's western mountains, draws visitors from around the world. Home to native wildlife from black bears and bobcats to white tail deer, Jocassee Gorges is crossed by miles of trails and graced by spectacular waterfalls. The Foundation's gifts, now totaling 17,000 acres, to the people of South Carolina complement acquisitions by the state of South Carolina and the U.S. Forest Service. Together, the

Foundation's gifts and acquisitions by public agencies create a 44,000-acre outdoor recreation area which is a major contributor to the nature-based economy of South Carolina's southern Appalachian communities.

Northeast Kingdom

Vermont

Through its initial commitment, purchase, and gift of 16,935 acres in the Northeast Kingdom, Vermont, the Foundation was the linchpin in protection of 132,000 acres within the Green Mountain state, part of 300,000 acres purchased from Champion International Corporation in three states. Playing a leading role, and in partnership with The Conservation Fund in what was the largest multistate conservation land purchase in U.S. history, the Foundation's acquisition of forest, streams, and habitat for native wildlife triggered purchases by the state of Vermont and the U.S. Fish and Wildlife Service that together protect endangered species, increase outdoor recreation opportunities, and insure long term, sustainable forestry. The Foundation's gift, near the New Hampshire border, created a new state Wildlife Management Area and increased opportunities for outdoor recreation for residents and visitors.

Sulphur Springs

Montana

In early celebration of the bicentennial of the Lewis and Clark Expedition in 2003, the Foundation donated 434 acres to the Department of Fish, Wildlife and Parks for the State of Montana. This parcel is scheduled for preservation of the land, water resources, and wildlife habitat surrounding the Lewis and Clark Expedition historic trail, in Cascade County, Montana.

OTHER CONSERVATION

American Rivers

Washington, District of Columbia

American Rivers is a national conservation organization dedicated to protecting and restoring America's rivers and to fostering a river stewardship ethic.

\$600,000 payable over three years to help develop an on-line American Rivers Resource Center.

Craighead Wildlife-Wildlands Institute

Missoula, Montana

The institute is a multidisciplinary research center in the northern Rockies devoted to field-based ecological discovery and scientific activism.

\$50,000 to help defray costs of publishing journals as part of the Archives on American Falconry's *Heritage Series*.

Land Trust Alliance

Washington, District of Columbia

The alliance is a national organization that promotes expansion of the land trust community and helps land trusts reach their full potential by providing services and programs, fostering supportive public policies, and building public awareness of land trusts and their goals.

\$300,000 toward three-year support of training programs for land trust practitioners.

The Mountain Watershed Association

Melcroft, Pennsylvania

The association is concerned with the preservation and remediation of the Indian Creek Watershed from Jones Mills, Westmoreland County, to the Youghiogheny River, Fayette County.

\$3,500 to support a land survey of an abandoned railroad bed in Donegal Township.

National Fish and Wildlife Foundation

Washington, District of Columbia

In 1984 the U.S. Congress passed the National Fish and Wildlife Foundation Act, which provides for creation of an organization modeled on the public trust attributes of federal land management agencies and the flexibility and responsiveness of the private sector.

\$250,000 toward three-year program support.

Oglebay Institute

Wheeling, West Virginia

The mission of Oglebay Institute is to be a leader in its disciplines by improving quality of life through education, recreation, culture, and creative outlets for personal and professional growth and enrichment.

\$250,000 to support construction of the Schrader Environmental Education Center.

The Penn's Corner Conservancy Charitable Trust

Greensburg, Pennsylvania

The Westmoreland Conservation District is dedicated to the conservation, restoration, and proper use of our natural resources. The district works to build partnerships and share information to achieve voluntary compliance with environmental organizations and create a culture of responsible stewardship.

\$100,000 to help establish an education/resource center for the Westmoreland Conservation District.

Pennsylvania Environmental Council

Pittsburgh, Pennsylvania

The council is a statewide environmental education and advocacy organization that works to develop sensible and sustainable resolutions to environmental and conservation issues facing the Commonwealth and its citizens.

\$35,000 toward general operating support.

\$25,000 to support an outdoor youth program.

Other Conservation

CONTINUED

Scenic America

Washington, District of Columbia

Scenic America is dedicated to preserving and enhancing the scenic character of America's communities and countryside.

\$250,000 payable over three years toward operating and program support.

World Wildlife Fund

Washington, District of Columbia

The fund is the leading private United States organization working worldwide to protect endangered wildlife and wildlands. While its top priority is conservation of the tropical forests of Latin America, Asia, and Africa, the fund has extensive experience with U.S. environmental policy.

\$1,000,000 toward unrestricted support to enable the WWF to apply the expertise gained from its international projects toward preserving North America's natural resources.

American Land Conservation Program	\$49,839,539
Other Conservation Grants	2,863,500
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Total Conservation	\$52,703,039

Alice Paul House *Indiana, Pennsylvania*

Alice Paul House is a center for domestic and rape crises and is one of four members of the Outcomes Collaborative of Western Pennsylvania. The collaborative is developing standard outcome measures for utilization by victim services agencies throughout Pennsylvania.

\$25,000 toward a project to develop standards and outcomes for victims services.

Allegheny County Commission for Workforce Excellence *Pittsburgh, Pennsylvania*

The mission of the Allegheny County Commission for Workforce Excellence is to foster the development of a world-class workforce to stimulate regional economic growth.

\$75,000 toward operating and program support.

Bethel Church of God in Christ *Pittsburgh, Pennsylvania*

Bethel Community Center is an outreach center of the Christian Church which seeks to identify and help meet the needs of children, youth, and their families in the Lincoln-Lemington community.

\$10,000 to support an after-school program at the community center.

Bloomfield-Garfield Corporation *Pittsburgh, Pennsylvania*

Garfield Youth Sports provides structured programming and develops positive relationships with youth living in Garfield and its surrounding neighborhoods through athletics, mentoring, and advocacy.

\$25,000 payable as a matching grant for program support.

Community Human Services Corporation *Pittsburgh, Pennsylvania*

Community Human Services Corporation seeks to build communities by working with people to identify their strengths and needs and collaborating with them to find ways to use those strengths and accomplish their goals.

\$150,000 for three-year operating support of the community building project in the Borough of Wilkinsburg.

CONTACT Pittsburgh *Pittsburgh, Pennsylvania*

Organized in 1971 as an ecumenical telephone ministry by nearly 100 volunteers from 12 local churches, CONTACT Pittsburgh is a volunteer-based organization providing multiple telephone support services, training services, and community education.

\$30,000 to support a teen hotline.

Crime Victims Services *Butler, Pennsylvania*

Crime Victims Services provides confidential, comprehensive services to individuals, families, and significant others who are victims of sexual assault and other violent crimes. It also offers preventive education to schools, professionals, and the community at large.

\$22,000 toward program support for Children's Services.

Ecumenical Institute on Racism *Pittsburgh, Pennsylvania*

The institute is an interfaith organization which strives to create inclusive environments that are theologically grounded and responsive to the needs of communities. It seeks opportunities for unity in diversity, demonstrates inclusiveness, and encourages actions aimed at the elimination of racism.

\$5,000 to support a conference on multicultural education.

Family Resources *Pittsburgh, Pennsylvania*

The mission of Family Resources is to prevent and treat child abuse by strengthening families and neighborhoods. Women's Center and Shelter offers emergency shelter and support services for women and children experiencing domestic violence.

\$250,000 to support a two-year collaborative demonstration project between these two organizations toward a more systemic, coordinated approach to delivery of their services.

Focus on Renewal

McKees Rocks, Pennsylvania

The mission of Focus on Renewal is to improve the quality and dignity of life for the people in the McKees Rocks/Stowe Township communities, especially for those who are in most need.

\$30,000 for facility improvements to house a welfare-to-work project.

Friendship Ministries

Pittsburgh, Pennsylvania

The New Beginnings Learning Center grew out of Friendship Community Church's outreach to neighborhood youth. It is an education program designed to enhance the academic and social skills of neighborhood residents through equal access to learning resources such as computers, tutoring, and the library. The center provides a critical link in the network of youth programs in the West Oakland community.

\$48,000 payable over three years to support programs and to hire a computer technician.

Girl Scouts of Southwestern Pennsylvania

Pittsburgh, Pennsylvania

The Girl Scouts strives to inspire girls with the highest ideals of character, conduct, patriotism, and service so that they may become happy and resourceful citizens.

\$65,000 to provide six-month operating support to the Eberly Family Learning Center located in West Virginia.

The Greater Pittsburgh Community Food Bank

McKeesport, Pennsylvania

The Food Bank is committed to eliminating hunger in a twelve-county area of southwestern Pennsylvania. It collects grocery products and prepared foods for distribution to over 350 member agencies, and encourages self-reliance by providing learning opportunities and better access to nutritious foods in low income communities.

\$50,000 to replace an outdated computer information system.

Greater Pittsburgh Literacy Council

Pittsburgh, Pennsylvania

The council's mission is to ensure that youth and adults have basic reading, writing, and math skills so that they may participate to their fullest potential in their communities. The council provides direct instruction to youth and adult learners, and leadership and resources to other agencies to maximize the effectiveness of all people who address these issues.

\$250,000 to help implement a plan to build organizational capacity.

Holy Family Institute

Pittsburgh, Pennsylvania

The Holy Family Institute provides a variety of services to emotionally and socially disadvantaged children and their families.

\$450,000 to support a computer network and development of early childhood programs.

Hosanna House

Wilkinsburg, Pennsylvania

Random Acts of Kindness is an in-school and after-school community-based ethics program that promotes community service for elementary school students. Participants are encouraged, trained, and assisted in carrying out good deeds in the form of "random acts of kindness," and in developing such qualities as leadership and conflict-resolution skills.

\$100,000 to support programming and evaluation of the Random Acts of Kindness program.

In the Beginnings Creation

The WALL

Butler, Pennsylvania

The WALL, a program of In the Beginning Creation, Inc., is a Christian Teen Center whose mission is to provide a safe, positive, educational environment for open interaction and expression of teenage moral and social issues through creative and artistic activities.

\$150,000 toward operating support.

Interfaith Volunteer Caregivers of Southwestern Pennsylvania

Pittsburgh, Pennsylvania

This organization consists of a growing coalition of churches and synagogues directed by an interfaith board of directors. Together, their congregations recruit, train, and mobilize volunteers to provide assistance to the frail elderly.

\$10,000 given in honor of Mrs. Frieda Shapira toward endowment.

The Latrobe Foundation

Latrobe, Pennsylvania

The Latrobe Foundation is operated exclusively for the benefit of the people of the Borough of Latrobe and the surrounding vicinity.

\$75,000 to purchase field lighting in support of the Latrobe/Derry Area Teener League's Field of Dreams campaign. The baseball league serves children ages 13–15.

\$60,000 to support a collaborative effort among nine organizations in Westmoreland County in their development of a child sexual abuse prevention strategy.

Neighborhood Legal Services Association

Pittsburgh, Pennsylvania

Through effective legal representation of eligible individuals and groups, Neighborhood Legal Services seeks to meet the civil legal needs of poor and vulnerable individuals by securing the rights and obtaining the benefits to which they are entitled.

\$200,000 to help purchase and renovate the organization's Pittsburgh office space.

North Hills Affordable Housing Task Force

Pittsburgh, Pennsylvania

The organization, which operates as HEARTH, creates a continuum of care that enables families to become independent, self-sufficient, and adequately housed.

\$20,000 to replace damaged furniture in the transitional housing units.

One Small Step

Pittsburgh, Pennsylvania

One Small Step is a school-based intervention program whose mission is to provide ongoing, high quality, and standards-based support services to young people to ensure their future success.

\$75,000 to support the Extended School Program.

PBA, Inc.

The Second Step

Pittsburgh, Pennsylvania

The Second Step is a comprehensive drug rehabilitation program for heroin addiction. The Playroom is the agency's on-site, drop-in center serving between 50 to 70 children, ages six months to six years, during the times their parents are involved in treatment. The Playroom provides a safe, nurturing, and developmentally stimulating environment for children as they learn through play.

\$8,700 to provide a computer learning station, music, motor component, and replacement toys.

Pennsylvania Partnerships for Children

Harrisburg, Pennsylvania

Founded in 1990, Pennsylvania Partnerships for Children works with individuals and organizations in public and private sectors to develop common strategies that promote the well-being of Pennsylvania's children. PPC advocates for children and their families through government relations, research and analysis, community organizing, public awareness, and training and technical assistance.

\$100,000 toward operating support.

Pittsburgh Cares

Pittsburgh, Pennsylvania

Pittsburgh Cares creates flexible and meaningful project-based volunteer opportunities throughout Greater Pittsburgh.

\$30,000 toward program support to develop group volunteer opportunities.

Pittsburgh Council on Public Education

Pittsburgh, Pennsylvania

YouthWorks is a communitywide, multi-institutional effort that provides pre-employment training and job opportunities to youth.

\$275,000 to support the placement of 3,400 at-risk youth in summer and year-round jobs.

The Pittsburgh Foundation

Pittsburgh, Pennsylvania

The primary goal of the County Department of Human Services is to ensure and promote integrated human services to residents of Allegheny County and, in particular, to the county's vulnerable populations.

\$800,000 to support an Information Systems Integration Project for the Department of Human Services for Allegheny County.

**The Pittsburgh Harlequins
Rugby Football Association**

Pittsburgh, Pennsylvania

The association promotes youth rugby in Pittsburgh, primarily to coach, train, and provide mentor relationships to underprivileged, at-risk youth in the context of the sport of rugby. It also provides a facility for clinics, camps, competitions, and tournaments in order to generate revenues for the continued support of youth rugby programs.

\$170,000 to complete site work on two regulation playing fields in Indiana Township.

Pittsburgh Urban Magnet Project

Pittsburgh, Pennsylvania

Pittsburgh Urban Magnet Project provides a forum for issues affecting young and young-thinking people in Pittsburgh. Through communication and education PUMP works to make the Pittsburgh region a more dynamic and engaging place in which to live.

\$50,000 to support PUMP's Retain and Regain Initiative, a program designed to expose college students and recent graduates to the region's amenities and to involve them in community activity.

**St. Mary's Lawrenceville
Arts Program**

Pittsburgh, Pennsylvania

The program comprises both after-school and summer programs that enhance the healthy development of children ages 5–15 years living in the Garfield/Lawrenceville community. While programs in drama, music, dance, and visual arts allow the children to develop artistic skills, the program's underlying intent is personal growth through participation in the arts.

\$30,000 toward operating support for the summer program.

**Today's Children
Tomorrow's Leaders**

New Kensington, Pennsylvania

Today's Children Tomorrow's Leaders joins hands with parents to overcome today's parenting dilemma of meshing work, home, family, and education. The program operates out of two facilities to deliver the best in reputable and progressive child care within creative learning environments. The program recently added a senior day care component within its newer facility in Greensburg.

\$15,000 to support a park and play area at the Greensburg facility.

Urban Youth Action

Pittsburgh, Pennsylvania

Urban Youth Action provides a range of activities that encourage young people to prepare themselves for taking advantage of the opportunities available in education, employment, business, economics, and government.

\$100,000 to sponsor 25 students over two years.

**Western Pennsylvania
Family Center**

Pittsburgh, Pennsylvania

The center offers courses, training, and consultation, based on family systems theory, to professionals and the general community about family relationships and responsible ways to solve relationship problems.

\$54,000 to develop the resources and services of the library.

Westmoreland ARC Foundation

Greensburg, Pennsylvania

The Westmoreland ARC Foundation is the fiscal agent for The Westmoreland County Chapter of the Pennsylvania Association for Retarded Citizens. The Association for Retarded Citizens is dedicated to protecting the rights and promoting the independence of all persons with mental retardation.

\$100,000 toward a capital campaign for a new facility.

Westmoreland Human Opportunities

Greensburg, Pennsylvania

Westmoreland Human Opportunities works as a catalyst for the people of Westmoreland County to provide community and economic development to eliminate poverty and assist individuals, families, and neighborhoods in need.

\$200,000 to support a community organizing program.

\$50,000 to help meet federal funding match requirement.

The Whale's Tale Foundation

Pittsburgh, Pennsylvania

The Whale's Tale assists troubled youth and families by providing a safe place for them to work through their problems and by helping them find direction and harmony in their lives.

\$300,000 to install a computer network that will coordinate 15 program sites.

Womanspace East

Pittsburgh, Pennsylvania

Womanspace East provides temporary emergency services for homeless women and their dependent children who are in crisis.

\$200,000 toward a capital project to develop transitional housing.

Young Men's Christian Association

Albany, Georgia

The mission of the YMCA is to put Christian principles into practice through programs that build healthy spirit, mind, and body for all.

\$100,000 toward a capital campaign to expand and renovate the central facility and sports park.

Youth Enrichment Services

Pittsburgh, Pennsylvania

Youth Enrichment Services was formed in 1994 specifically to implement educational programs for minority children living in public housing and in economically disadvantaged communities.

\$150,000 payable equally over three years to support an In-Home Mentoring Program.

Total Human Services

\$4,907,700

EDUCATION

Allegheny Intermediate Unit *Pittsburgh, Pennsylvania*

The mission of the Allegheny Intermediate Unit is to produce globally competitive learners in Allegheny County through leadership and collaboration with local school districts and Pennsylvania state government agencies.

\$100,000 to create a regional clearinghouse to promote and facilitate teacher hiring practices.

The Carnegie Institute Regional Math/Science Collaborative *Pittsburgh, Pennsylvania*

The Regional/Math Science Collaborative was founded in 1994 by a regional congress to strengthen math and science instruction for grades K-12 through regional planning and action.

\$50,000 to support a benchmarking project to determine progress made by students in math and science.

Carnegie Library of Pittsburgh *Pittsburgh, Pennsylvania*

Beginning with Books was founded in 1984 to increase the number of children who become capable and enthusiastic lifelong readers. Its model programs offer information, materials, skill development, and encouragement that enable parents and other caregivers to promote literacy development of the children in their care.

\$300,000 toward three years of program support for Project BEACON, an outreach component of Beginning with Books.

Carnegie Mellon University *Pittsburgh, Pennsylvania*

The InfoLink Program of Southwestern Pennsylvania provides underprivileged urban students with information technology and professional development skills to better prepare them for future education and employment opportunities. The program also works within the InfoLink students' school districts to help foster change.

\$150,000 to help the university operate and evaluate the InfoLink Program over three years.

Carnegie Mellon University *Pittsburgh, Pennsylvania*

The university is one of 12 partner organizations of the Working Partners Network Initiative, which is a broad-based scaffold for community learning. The program focuses primarily on the personal development of teenagers and their problem-solving and technological skills, and on building the capacity of youth workers to deliver more effective youth programs.

\$75,000 to support the Community Initiative of the Working Partners Network.

\$9,500 to support a study on youth retention in Pittsburgh.

Derry Christian Academy *Derry, Pennsylvania*

Derry Christian Academy is a non-denominational Christian school that seeks to educate the entire student — mentally, emotionally, socially, intellectually, and spiritually.

\$25,000 to provide professional consultation to develop a strategic plan.

Diocese of Greensburg *Greensburg, Pennsylvania*

The Greensburg Diocese operates the Queen of Angels school, whose mission is to prepare young men and women to be responsible, active members and leaders of the church and community.

\$85,000 to support a strategic plan for the establishment of a new school and community center.

Duquesne University Charter Schools Project *Pittsburgh, Pennsylvania*

The Charter Schools Project serves as the source of information for and about the charter school movement and nurtures the development of charter schools in western Pennsylvania.

\$50,000 to support efforts to facilitate collaboration among charter schools.

Duquesne University
Division of Continuing Education
Pittsburgh, Pennsylvania

The Division of Continuing Education is a training and education organization whose mission is to extend the university's resources to the community.

\$15,000 to support a needs assessment for a Leadership Institute for school board members.

Keystone Oaks High School
Pittsburgh, Pennsylvania

In 1990 Keystone Oaks High School implemented Project Succeed, an alternative education program for persons who, regardless of age, had dropped out and now want to earn a high school diploma.

\$45,000 toward three years of program support for Project Succeed.

National Environmental Education and Training Foundation
Washington, District of Columbia

The National Environmental Education and Training Foundation sponsors the Funders Forum on Environmental Education. This forum provides an opportunity to identify and share information regarding best practices in environmental education, to collect the views of funders, and to articulate the needs of environmental education teachers.

\$5,000 to support the Funders Forum on Environmental Education.

Negro Educational
Emergency Drive
Pittsburgh, Pennsylvania

NEED provides higher education counseling and financial assistance to talented young people in the Pittsburgh area who want to pursue higher education.

\$105,000 payable over four years toward scholarship support for five minority students.

Northside Urban Pathways
Pittsburgh, Pennsylvania

Northside Urban Pathways is a charter school whose mission is to help every child find a pathway that leads toward a successful adult life. It pledges to guide every child toward acquiring the academic competencies, attitudes, and network of support relationships that will allow him or her to continue on the path after graduation.

\$150,000 toward operating and program support.

Operation Better Block
Pittsburgh, Pennsylvania

Operation Better Block is a community development service and planning agency whose purpose is to improve the living conditions of the residents.

\$150,000 payable over two years toward the creation of a virtual learning and training center to serve the residents of Homewood-Brushton and East Liberty.

Pennsylvania State University
University Park, Pennsylvania

Founded in 1855, Penn State is Pennsylvania's only land-grant university and has a broad mission of teaching, research, and public service. It enrolls more than 80,000 students at 24 campus locations statewide, and offers instruction in more than 160 baccalaureate and 150 graduate programs.

\$5,809,700 comprising an in-kind gift of properties to Penn State.

Penn West Conference
Greensburg, Pennsylvania

The Penn West Conference, in collaboration with the founding board of The Neighborhood Academy, is studying the feasibility of a neighborhood and faith-based independent school for at-risk inner-city youth in grades K-8.

\$30,000 toward a feasibility study for a year-round school.

Robert Morris College
Moon Township, Pennsylvania

The Center for Nonprofit Management at Robert Morris College is hosting a project designed to help youth-serving programs develop a set of operating standards. The objectives are to enhance the quality and consistency of operations among youth programs, which will enable more effective measurement of their outcomes.

\$25,000 to support the development of operating standards for youth-serving programs.

**University of Pittsburgh
at Greensburg**
Greensburg, Pennsylvania

The University of Pittsburgh at Greensburg provides undergraduate education as well as preprofessional preparation and continuing education to traditional and nontraditional students from southwestern Pennsylvania.

\$500,000 toward a capital campaign to expand the student center.

**University of Pittsburgh
School of Medicine**
Pittsburgh, Pennsylvania

Recognizing that the high cost of obtaining a medical degree can be particularly difficult for African American students, the School of Medicine seeks to raise scholarship funds.

\$89,000 to support scholarships for minority students.

Total Education

\$7,768,200

Allegheny Conference on Community Development

Pittsburgh, Pennsylvania

The Allegheny Conference entered into an affiliation with the Pennsylvania Economy League in order to maximize common activities and agenda. The Economy League supports the business, civic, and governmental leadership of western Pennsylvania in their efforts to make our region a better place in which to live, work, and do business.

\$300,000 payable over three years to support a Regional Workforce Development Initiative spearheaded by the Pennsylvania Economy League.

\$150,000 to support the Agenda Development Fund.

Borough of Ligonier

Ligonier, Pennsylvania

\$70,000 to purchase and landscape property for a community improvement project.

Braddock's Field Historical Society

Braddock, Pennsylvania

As caretaker of Andrew Carnegie's first American public library, the society is dedicated to continuing his vision of the Library-Community Center as a "center of light and learning."

\$125,000 toward operating support and development of a business plan.

Eastern Westmoreland Development Corporation

Latrobe, Pennsylvania

The corporation works to retain and expand existing business and industry and also to attract and form new business and industry to enhance job opportunities in the eastern region of Westmoreland County.

\$30,000 to fund a study to improve cooperation among economic development corporations in Westmoreland County.

Grantmakers of Western Pennsylvania

Pittsburgh, Pennsylvania

Grantmakers is a professional society of member grant-making organizations dedicated to promoting effective philanthropy in western Pennsylvania.

\$14,500 toward operating support.

New Florence Community Library

New Florence, Pennsylvania

The library's mission is to fill the informational, recreational, educational, and cultural needs of the community with a well-organized collection of materials and services in an accessible, functional, and attractive setting.

\$48,000 to provide three-year support to hire a certified librarian who will develop and direct a multifaceted library program.

The Pittsburgh Foundation

Pittsburgh, Pennsylvania

The City of Pittsburgh has announced a Mayor's Greening Initiative to develop and enhance green spaces, parks, trails, and the riverfront over the next ten years. Local foundations established a fund to cover consulting fees associated with reviewing projects that arise from this initiative.

\$10,000 toward consulting costs for a Greening Initiative in Pittsburgh.

Pittsburgh Parks Conservancy

Pittsburgh, Pennsylvania

The Pittsburgh Parks Conservancy works in partnership with the City of Pittsburgh to restore, revitalize, and preserve the four great parks of Pittsburgh—Frick, Highland, River-view, and Schenley.

\$20,000 to broaden the scope of the Four Parks Master Planning process.

Pittsburgh Partnership for Neighborhood Development

Pittsburgh, Pennsylvania

The mission of the Pittsburgh Partnership for Neighborhood Development is to increase the number of self-sustaining households living in Pittsburgh's distressed neighborhoods.

\$500,000 toward operating support.

Pittsburgh Regional Alliance
Pittsburgh, Pennsylvania

The Pittsburgh Regional Alliance was established to coordinate, focus, and strategically implement economic development activities in the Greater Pittsburgh region.

\$300,000 toward operating support.

Pittsburgh Urban Magnet Project
Pittsburgh, Pennsylvania

The organization provides a forum for issues affecting young and young-thinking people in Pittsburgh. Through communication and education PUMP works to make the Pittsburgh region a more dynamic and engaging place in which to live.

\$2,500 to help fund the organization's first board retreat.

3 Rivers Connect
Pittsburgh, Pennsylvania

The mission of 3 Rivers Connect is to create for the Pittsburgh region a single distributed Information Commons that will be used by every citizen and visitor to learn, work, and interact.

\$75,000 to develop a Geographic Information System and Internet-based, searchable map of our region's natural amenities, recreation areas, and environmental resources.

**University of Pittsburgh
Center for Social and
Urban Research**
Pittsburgh, Pennsylvania

One of the committees formed by the Working Together Consortium in its effort to revitalize the economy of southwestern Pennsylvania was the Building One Economy Committee. This committee's mission is to ensure that needs of the African-American community are considered in the defining of issues of economic revitalization.

\$90,000 payable over three years to fund an analysis and research project for the Building One Economy Committee.

**University of Pittsburgh
Institute of Politics**
Pittsburgh, Pennsylvania

The institute's mission is to provide elected officials, university academics and administrators, community, civic and business executives, and foundation leaders with resources and a setting in which they can freely examine issues that are politically relevant to Greater Pittsburgh and western Pennsylvania.

\$50,000 toward two-year operating support.

Urban Redevelopment Authority
Pittsburgh, Pennsylvania

The Urban Redevelopment Authority of Pittsburgh helps generate, stimulate, and manage growth and development in the City of Pittsburgh. Created in 1946 to fight blight through urban renewal, the authority now carries out the city's major development projects, programs, and activities.

\$25,000 toward planning support for the establishment of an African-American Cultural Facility.

**Western Pennsylvania
Conservancy**
Pittsburgh, Pennsylvania

The Western Pennsylvania Conservancy is a land conservation organization with a mission to conserve water, land, and life through the permanent protection of some of the region's rural and urban places with exceptional scientific, recreational, or scenic value.

\$80,000 for a Historic Landscape Maintenance Management Plan for Mellon Park in Shadyside.

Total Civic Affairs

\$1,890,000

Allegheny Historic Preservation Society, Inc. *Pittsburgh, Pennsylvania*

The primary goal of the Allegheny Historic Preservation Society is to restore, preserve, and maintain historic structures of architectural significance owned by religious or nonprofit organizations.

\$400,000 toward restoration of the Calvary United Methodist Church, one of the city's finest architectural attractions.

ARCHITRAVE *Pittsburgh, Pennsylvania*

ARCHITRAVE is the charitable arm of AIA Pittsburgh. Its mission is to advocate for the value of good design in the built environment through educational projects, the conduct of studies, and the presentation of seminars.

\$15,000 to support an architectural tourism program for Pittsburgh called "Living Architecture . . . Alive in Pittsburgh."

Chatham Baroque *Pittsburgh, Pennsylvania*

Chatham Baroque promotes the music of the seventeenth and eighteenth centuries through performances on authentic instruments of the period. It performs a 12-concert subscription series, engages in outreach programs, touring, and recording.

\$20,000 toward operating support.

City Theatre Company *Pittsburgh, Pennsylvania*

From its inception, City Theatre has been dedicated to presenting contemporary works and has produced new plays each season, building its reputation on quality productions of work by contemporary playwrights.

\$50,000 for operating support.

\$150,000 to support the Greater Pittsburgh Arts Alliance, which is a public outreach effort designed to build awareness of the arts among Allegheny County residents.

Elizabeth Glass Workshop *McMurray, Pennsylvania*

The Elizabeth Glass Workshop, d/b/a the Pittsburgh Glass Center, plans to establish the region's preeminent facility for the creation of studio art glass. Its mission is to provide the public and artists-in-training from the region and beyond with instruction from a variety of national and international glass artists while concurrently providing studio space for a broad spectrum of studio art glass students.

\$25,000 to support planning and development of a studio art glass center.

Greater Pittsburgh Convention & Visitors Bureau Educational Foundation *Pittsburgh, Pennsylvania*

The Greater Pittsburgh Convention & Visitors Bureau Educational Foundation is a supportive agency for the Greater Pittsburgh Convention & Visitors Bureau. The bureau is responsible for tourist promotion for Allegheny County, and, in this capacity, it will operate the Office of Cultural Tourism.

\$250,000 toward operating support for an Office of Cultural Tourism.

Johnstown Area Heritage Association *Johnstown, Pennsylvania*

The Johnstown Area Heritage Association is an educational organization responsible for maintaining the Johnstown Flood Museum and promoting Johnstown's identity as an industrial and transportation center.

\$15,000 to support an art exhibition at the Johnstown Flood Museum on the works of George Hetzel.

National Gallery of Art *Washington, District of Columbia*

The gallery's mission is to serve, inspire, and educate through a great national collection of art.

\$3,000,000 given in honor of Paul Mellon to support expansion and renovation of galleries in the original West Building.

Pittsburgh Children's Museum
Pittsburgh, Pennsylvania

The museum's mission is to enrich the lives of children. It engages children of diverse backgrounds—with their family, school, and community groups—in hands-on experiences that foster creativity, discovery, learning, and understanding.

\$30,000 toward operating support.

Sweetwater Center for the Arts
Sewickley, Pennsylvania

The center is a full-service educational facility offering classes in traditional crafts, as well as visual, performing, production, design, and literary art forms, and general interest classes.

\$40,000 toward three-year operating support.

Touchstone Center for Crafts
Farmington, Pennsylvania

Established 27 years ago, Touchstone Center for Crafts is an arts facility located on 150 wooded acres in the Laurel Highlands, approximately 60 miles southeast of Pittsburgh. It is Pennsylvania's only residential arts and crafts facility, and serves as a local, regional, and national arts center committed to advancing excellence in arts and crafts through quality educational programming for people of all ages and abilities.

\$250,000 toward a capital campaign.

WTF, Inc.
Harrisburg, Pennsylvania

Established in 1964, WTF is a public television station that provides educational and cultural experiences through television and radio programming, publishing, and community outreach. It is an affiliate of PBS and showcases locally produced programs.

\$50,000 to support a film documentary on Stephen Foster.

Zoological Society of Pittsburgh
Pittsburgh, Pennsylvania

The Pittsburgh Zoo is involved with the conservation of endangered species, provides family entertainment, offers a variety of educational programs, and conducts scientific research.

\$2,500,000 toward a capital campaign to renovate and expand the aquarium.

Total Cultural Activities

\$6,795,000

RICHARD KING MELLON FOUNDATION
STATEMENTS OF FINANCIAL POSITION

	December 31,	
ASSETS	1999	1998
Cash	\$ 4,467,174	\$ 5,677,143
Other current assets	2,280,278	1,695,269
Investments at market:		
Stocks	1,131,761,192	994,602,372
Long-term debt instruments	394,266,748	320,859,301
Temporary investments	104,814,187	196,634,745
Other investments	284,605,450	151,156,715
Total	1,915,447,577	1,663,253,133
Program-related investments	49,955,749	28,877,839
Other assets	745,416	830,060
Total assets	\$1,972,896,194	\$1,700,333,444
LIABILITIES AND NET ASSETS		
Liabilities:		
Grants approved but not paid	\$ 15,991,127	\$ 29,287,927
Appropriations for program-related investments	49,955,749	28,877,839
Total	65,946,876	58,165,766
Unrestricted net assets	1,906,949,318	1,642,167,678
Total liabilities and net assets	\$1,972,896,194	\$1,700,333,444

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

RICHARD KING MELLON FOUNDATION
**STATEMENTS OF ACTIVITIES AND
 CHANGES IN NET ASSETS**

For the year ended December 31,	1999	1998
Investment income	\$ 63,143,227	\$ 52,462,147
Expenses		
Administrative and investment expenses	9,421,576	9,393,485
Provision for federal excise taxes	2,058,617	2,337,158
	<u>11,480,193</u>	<u>11,730,643</u>
Net investment income	51,663,034	40,731,504
Grants and appropriations approved	73,990,308	88,124,218
Deficiency of net investment income over approvals	(22,327,274)	(47,392,714)
Net realized gains from investments	154,637,293	200,972,542
Unrealized appreciation (depreciation) on investments	132,471,621	(5,105,710)
	<u>287,108,914</u>	<u>195,866,832</u>
Increase in unrestricted net assets	264,781,640	148,474,118
Unrestricted net assets:		
Beginning of year	1,642,167,678	1,493,693,560
End of year	<u>\$1,906,949,318</u>	<u>\$1,642,167,678</u>

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

RICHARD KING MELLON FOUNDATION
STATEMENTS OF CASH FLOWS

For the year ended December 31,	1999	1998
Cash flows from operating activities:		
Increase in net assets	\$ 264,781,640	\$ 148,474,118
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	84,644	122,234
Accretion	(851,050)	(563,990)
Equity in earnings of partnership investments	2,128,742	723,014
Realized gains on investments	(136,833,722)	(182,783,834)
Unrealized (appreciation) depreciation on investments	(132,471,621)	5,105,710
Increase (decrease) in cash from changes in:		
Other current assets	(585,009)	(1,045,896)
Grants approved but not paid	13,296,800	11,801,045
Net cash provided (used) by operating activities	<u>9,550,424</u>	<u>(18,167,599)</u>
Cash flows from investing activities:		
Purchases of investments	(3,372,655,375)	(2,394,519,770)
Proceeds from sales of investments	3,361,894,982	2,415,968,625
Net cash (used) provided by investing activities	<u>(10,760,393)</u>	<u>21,448,855</u>
Net (decrease) increase in cash	(1,209,969)	3,281,256
Cash, beginning of year	5,677,143	2,395,887
Cash, end of year	<u>\$ 4,467,174</u>	<u>\$ 5,677,143</u>

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

RICHARD KING MELLON FOUNDATION
SUMMARY OF INVESTMENTS

	December 31, 1999		December 31, 1998	
	Book Value	Market Quotations	Book Value	Market Quotations
STOCKS				
Domestic equities	\$ 540,065,007	\$ 788,006,700	\$ 459,265,062	\$ 680,302,562
Foreign equities	241,452,798	343,754,492	252,800,369	314,299,810
TOTAL STOCKS	<u>781,517,805</u>	<u>1,131,761,192</u>	<u>712,065,431</u>	<u>994,602,372</u>
LONG-TERM DEBT INSTRUMENTS				
Corporate bonds	128,923,344	123,439,942	113,770,838	114,322,333
United States Government and Government Agencies obligations	278,199,230	265,135,646	193,433,250	201,172,285
Other long-term obligations	5,467,823	5,359,081	5,247,556	5,364,683
Foreign debt obligations	283,146	332,079	0	0
TOTAL LONG-TERM DEBT INSTRUMENTS	<u>412,873,543</u>	<u>394,266,748</u>	<u>312,451,644</u>	<u>320,859,301</u>
TEMPORARY INVESTMENTS				
Demand and interest-bearing notes	97,076,335	97,201,952	187,985,726	188,065,210
Foreign short-term investments	7,576,683	7,612,235	8,602,729	8,569,535
TOTAL TEMPORARY INVESTMENTS	<u>104,653,018</u>	<u>104,814,187</u>	<u>196,588,455</u>	<u>196,634,745</u>
ALTERNATIVE INVESTMENTS				
Venture capital	96,929,609	208,268,043	62,289,394	92,798,215
Realty	56,579,075	76,337,407	49,435,303	58,358,500
TOTAL ALTERNATIVE INVESTMENTS	<u>153,508,684</u>	<u>284,605,450</u>	<u>111,724,697</u>	<u>151,156,715</u>
TOTAL INVESTMENTS	<u>\$1,452,553,050</u>	<u>\$1,915,447,577</u>	<u>\$1,332,830,227</u>	<u>\$1,663,253,133</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1—Significant Accounting Policies

Basis of Accounting

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

Nature of Operations

The purpose of the Foundation is to provide grants to organizations in Pittsburgh and southwestern Pennsylvania, primarily in the areas of Human Services, Education, Health Care, Civic Affairs, and Cultural Activities. Its interest in the area of Conservation is a national program.

Cash

Cash includes operating accounts plus domestic income cash held in bank custody accounts.

Investments

For financial reporting purposes, investments are stated primarily at market quotations which may 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 estimated values 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 venture capital partnerships are accounted for under the cost method.

The Foundation's investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that significant changes in risks in the near term may materially affect the amounts reported in the financial statements.

Realized gain (loss) from dispositions of investments is determined by specific cost identification. Unrealized appreciation (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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 remaining in the program at December 31, 1999 and 1998 are stated at cost. The properties donated to conservation organizations during 1999 and 1998 were distributed at fair market value.

NOTE 3—Federal Excise 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.

Notes

C O N T I N U E D

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, 1999 and 1998.

NOTE 4 — Commitments

The Foundation is a Limited Partner in several limited partnerships for investment purposes. At December 31, 1999 and 1998, the Foundation had contractually committed to additional investments of \$103,572,545 and \$86,634,745, respectively.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Trustees of
Richard King Mellon Foundation:

In our opinion, the accompanying statements of financial position and the related statements of activities and changes in net assets and of cash flows present fairly, in all material respects, the financial position of Richard King Mellon Foundation at December 31, 1999 and 1998, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States. We have also audited the supporting summary of investments as of December 31, 1999 and 1998. These financial statements and summary of investments are the responsibility of the Richard King Mellon Foundation's management; our responsibility is to express an opinion on these financial statements and summary of investments based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above. In addition, in our opinion, the summary of investments referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information included therein.

PricewaterhouseCoopers LLP

May 12, 2000

TRUSTEES

Richard P. Mellon
Seward Prosser Mellon
Mason Walsh, Jr.
Robert B. Burr, Jr.
Lawrence S. Busch
Michael Watson

TRUSTEES EMERITUS

Andrew W. Mathieson
Arthur M. Scully, Jr.
George H. Taber

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Chairman of the Executive
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Assistant Secretary

John J. Turcik
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Michael Watson, *Director*
Scott D. Izzo, *Program Officer*
Ann Marie Helms, *Program Associate*
Bernadette Braszo, *Executive Assistant*
Roseann Farkasovsky, *Administrative Assistant*
Brook Noel, *Administrative Assistant*
Candace Jiles, *Clerical Secretary/Receptionist*
Andrew Zezza, *Receptionist/Messenger*

RICHARD KING MELLON FOUNDATION

Pittsburgh, Pennsylvania

POLICY: Effective January 1, 2000, the Trustees established the following program priorities:

- 1) Southwestern Pennsylvania
 - a) Regional Economic Development
 - Stimulate downtown redevelopment
 - Support development of new economy
 - Strengthen recruitment and retention of young talent
 - Market the amenities and cultural attractions present in the region
 - Assure entire region participates in improved economic status
 - b) Education
 - Support charter schools, parochial schools and independent schools
 - Insure that higher educational institutions remain globally competitive
 - Strengthen workforce training
 - c) System Reform
 - Support efforts to redesign/improve human service delivery
 - Strengthen leadership in the nonprofit sector
 - Establish standards and best practices for youth programs
 - Encourage collaboration
 - d) Families, Youth & Child Development
 - Support early childhood development
 - Promote effective parenting
 - Expand and strengthen youth programs
- 2) Conservation
 - a) American Land Conservation Program
 - Acquire and preserve key tracts of land within the United States that are in danger of being lost to urban sprawl and environmentally insensitive development
 - b) Regional Focus for Pennsylvania
 - Protection and preservation of natural resources
 - Containment of sprawl
 - Forest management
 - Land conservation

The Foundation gives priority to projects and programs that have a clearly defined evaluation component. It does not consider requests on behalf of individuals, does not normally consider grants to conduit organizations, and does not make grants outside the United States.

All proposals must be accompanied by a completed application (see following page) and be addressed to:

Mr. Michael Watson
Vice President
Richard King Mellon Foundation
One Mellon Bank Center
500 Grant Street, Suite 4106
Pittsburgh, PA 15219-2502
www.fdncenter.org/grantmaker/rkmellon

Richard King Mellon Foundation
GRANT APPLICATION

(The Foundation accepts the *Common Grant Application Format*)

Legal Name of Organization: **Date:**

Annual Operating Budget:

Address:

Administrative Officer/Title:

Telephone Number:

Amount Requested: \$ **Total Project Cost: \$**

Mission Statement of Organization:

.....
.....
.....
.....

Brief Description of Project:

(Please limit to space provided below)

.....
.....
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.....

Required Attachments:

- Copy of current IRS determination letter indicating 501(c)(3) tax-exempt status.
- A cover letter co-signed by the board president or chairperson *and* the executive director.
- Executive Summary providing an overview of the organization, and describing the proposed program or project, how it will benefit the community, and the organization's capacity and plan to operate the project.
- Description of the plan to document progress and results.
- Project budget.
- Organization's history, including goals, current programs and activities, and accomplishments.
- List of Board of Directors and officers, with affiliations, addresses and telephone numbers.
- Audited financial statements for the last two years with corresponding operating budgets.
- Other sources of funding and financial plan to sustain the project.

READER NOTES

Cover Photo Credits:
Rowers on River photograph by Rob Long
Water photograph by Robert Bowden

Richard King Mellon Foundation 1999 Annual Report