

Richard King Mellon Foundation  
2012 Annual Report

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## Richard King Mellon, 1899–1970



Richard King Mellon was born in Pittsburgh, Pennsylvania, on June 19, 1899, the son of Richard Beatty Mellon and Jennie King Mellon. Mr. Mellon served his country in both World Wars and in peacetime, attaining the rank of Lieutenant General, United States Army Reserve, and receiving the Distinguished Service Medal.

Mr. Mellon was the dominant figure in the financial, industrial, and civic life of his community for many years. He was President of Mellon National Bank and for twenty years Chairman of the Board of Mellon National

Bank and Trust Company; as a director, he aided the growth of many of the nation's leading enterprises, particularly Gulf Oil Corporation and Aluminum Company of America. Mr. Mellon, President and Governor of T. Mellon and Sons, inspired and led the rebirth of a great American city. His creative energies forged the Pittsburgh Renaissance, a nationally recognized architectural, civic, social, and educational venture.

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

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

Mr. Mellon died on June 3, 1970.

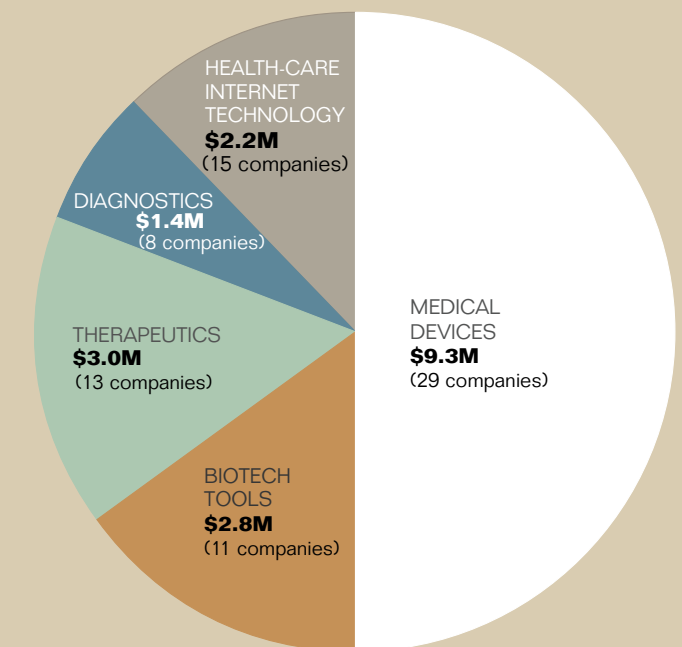
In 2012 the Trustees of the Richard King Mellon Foundation approved 164 grants totaling \$93,490,040 and paid out commitments in the amount of \$87,027,541. These gifts reflect not only efforts to strengthen our region's families and neighborhoods but also the Trustees' emphasis on propelling economic growth in southwestern Pennsylvania and on protecting land, water, and natural habitats for the future.

### Regional Economic Development

Just as the growth of "eds and meds" helped diversify Pittsburgh's economy in the 1990s, today technological advances in the energy sector provide opportunities to further the region's prosperity. To develop more efficient, sustainable, and cleaner energy, the Trustees approved important grants for fundamental and applied research. These investments include \$22 million to the **University of Pittsburgh** to endow new faculty positions and graduate fellowships as well as to upgrade the Center for Energy housed in the Swanson School of Engineering, and \$30 million to **Carnegie Mellon University** (awarded in early 2013) toward the new Wilton E. Scott Institute for Energy Innovation.

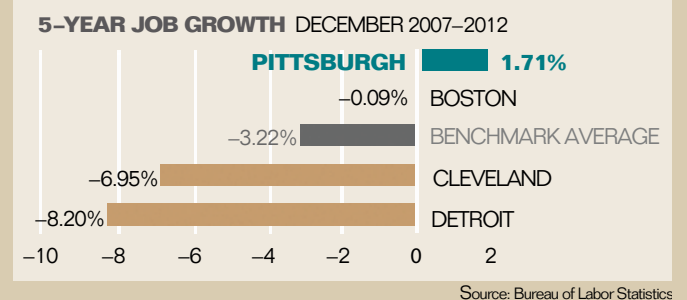
A capstone grant of \$250,000 to the **Pittsburgh Life Sciences Greenhouse (PLSG)** will enable this public-private partnership, founded in 2001, to continue launching bioscience start-ups as it attains financial maturity. A \$2.5 million gift will help the **Regional Industrial Development Corporation of Southwestern Pennsylvania (RIDC)** attract high-tech manufacturing to the region. One example of its recent successes is Aquion Energy, a Carnegie Mellon spinout that will employ 100 people at the Westmoreland RIDC Park. At the **University of Pittsburgh Center for Social & Urban Research**, a \$250,000 two-year grant will extend the consistent tracking of indicators measuring economic and social well-being.

### Pittsburgh Life Sciences Greenhouse Investments



The Foundation's support of \$43.25 million over 11 years has helped PLSG invest \$18.7 million in 76 companies and leveraged \$838 million in additional capital.

### Pittsburgh Today | Regional Indicators

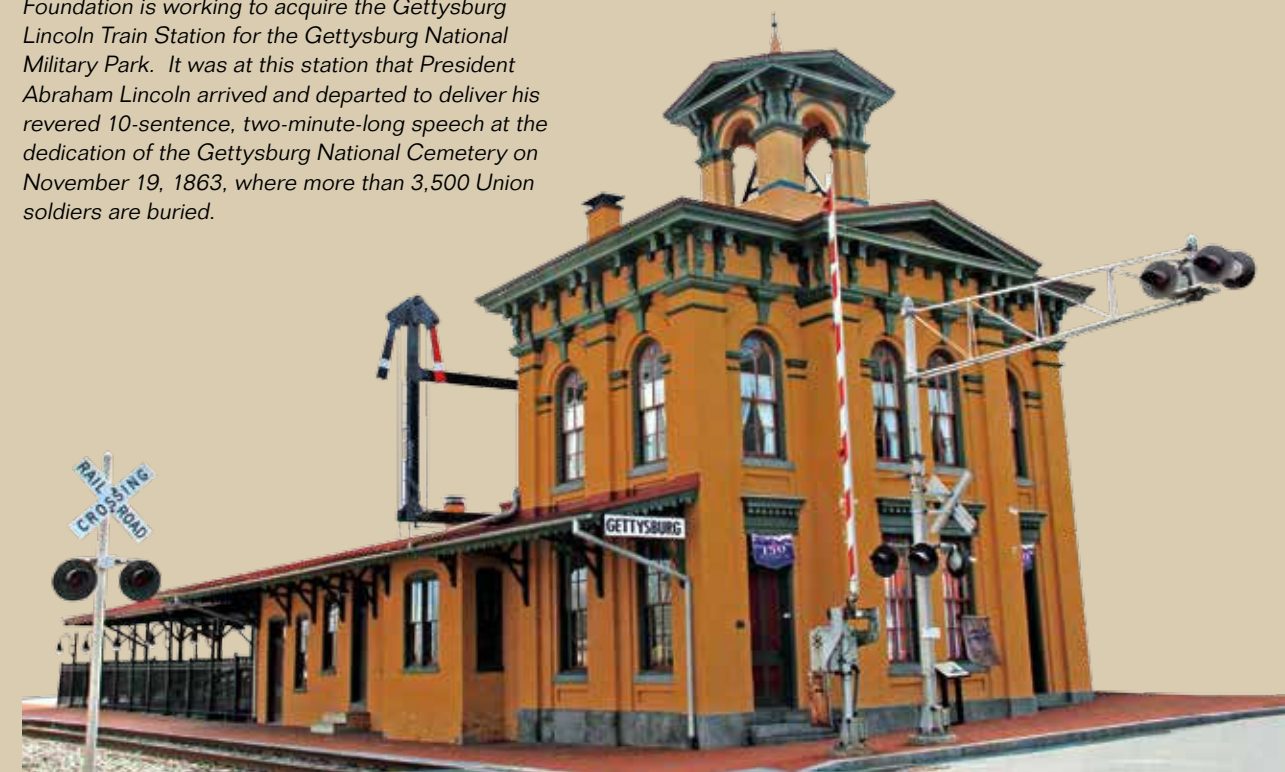


The Pittsburgh Today/Regional Indicators project, begun in 2004, tracks statistics about Greater Pittsburgh and compares them to similarly sized regions across the country, measuring 11 separate indices such as employment (above), education, housing, and public safety.

*In October 2012 Chatham University broke ground on the development of the School of Sustainability and the Environment at its Eden Hall Farm Campus in Richland Township, Allegheny County. The campus will be a living and learning laboratory for environmental best practices and experimental innovation.*



*In honor of the 150th anniversary of the Battle of Gettysburg (July 1–3, 1863), the Gettysburg Foundation is working to acquire the Gettysburg Lincoln Train Station for the Gettysburg National Military Park. It was at this station that President Abraham Lincoln arrived and departed to deliver his revered 10-sentence, two-minute-long speech at the dedication of the Gettysburg National Cemetery on November 19, 1863, where more than 3,500 Union soldiers are buried.*



The Foundation continues to focus on the arts and historic preservation as catalysts for creativity, tourism, and quality of life. The **Westmoreland Museum of American Art** received \$8 million for extensive alterations and expansion, and the **Westmoreland Cultural Trust** will apply \$1.5 million toward operational improvements and audience development. The Trustees approved a gift of \$500,000 to the **Gettysburg Foundation** toward the preservation of the entire setting of President Lincoln's Gettysburg Address of November 1863.

### Education

Educational institutions face challenges to adapt their curricula and facilities for teaching and learning in high-tech and energy-efficient environments. **Chatham University** will apply a \$7.5 million gift to its recently established School of Sustainability and the Environment at the Eden Hall Farm Campus. The Foundation's support of independent primary and secondary education includes \$75,000 to **Winchester Thurston School** toward an energy conservation audit to guide future campus renovations, and \$300,000 to **Crossroads Foundation** for student scholarships at Pittsburgh-area Catholic schools.

### Human Services

Twenty-first-century workers need both adaptive skills and technical knowledge for a variety of industrial applications. A \$500,000 grant will support **Pittsburgh Gateways Corporation's** implementation of training and certification programs in energy, engineering, and environmental specialties at the Energy Innovation Center, opening in 2014. The **Pittsburgh Chapter National Tooling and Machining Foundation, Inc.**, will use a \$250,000 gift to support BotsIQ, a program that motivates high school students to learn and apply math, science, and engineering by building robots.



*The objective of the Allegheny County Jail Collaborative's Re-Entry Program is to reduce recidivism by providing services to inmates designed to improve their family connections, bring about attitudinal changes, and build skills for gainful employment. Amy McNicholas Kroll (far left) is the Administrator of Re-Entry Services for the program, and (near left) Cecily D. Davis of Family Services of Western Pennsylvania teaches classes for inmates based on the National Fatherhood Initiative curriculum.*

The adoption of performance metrics and the use of information technology can improve the process, speed, and outcomes of human services organizations. A grant of \$300,000 to the **University of Pittsburgh Graduate School of Public Health**, for example, will help support an evidence-based approach to preventing violent deaths among adolescents and young adults. A grant of \$300,000 to **The Pittsburgh Foundation's** Human Services Integration Fund, established to provide flexible funding to spur innovations that are otherwise difficult to fund, supports the Allegheny County Jail Collaborative and the Department of Human Services' creation of an interagency database that serves as a central repository for 27 local and state agencies. **South Hills Interfaith Ministries** will use a gift of \$250,000 to help address an increase in "suburban poverty" now experienced by over 5,000 local families as well as for assistance to an increasing number of refugee families.

## Conservation

Providing future generations with opportunities to enjoy and benefit from nature are special rewards of land protection — which often is achieved over many years, parcel by parcel. Such is the case with a portion of a \$5 million gift to the **Western Pennsylvania Conservancy** for the acquisition of 529 acres along the Clarion River. Surrounded on three sides by the Allegheny National Forest, this tract will become part of the Conservancy's Clarion River Greenway, where more than 12,700 acres have been protected over the last 36 years. The Conservancy also was successful in protecting land in another long-term assemblage effort, Erie County's Elk Creek Greenway, a prime steelhead fishing location. With support of \$10 million, the Foundation assisted **The Conservation Fund** in protecting 44,000 acres of Wisconsin's Brule-St. Croix Legacy Forest and in adding 13,900 acres in the Gualala River Forest to previously conserved acreage of 90,000 in Mendocino County, California.

Restoration of habitat and improvement of water quality are achieved through the work of organizations like the **Foundation for Pennsylvania Watersheds** (\$300,000), which provides technical assistance and grants to more than 100 local watershed groups. The focus by **Trout Unlimited** (\$600,000) on acid mine drainage remediation for the West Branch Susquehanna River has resulted in the reemergence of various species of fish and aquatic insect populations, reductions of dissolved metals, and a nearly neutral pH level. The **Foundation for California University of Pennsylvania** (\$600,000) collaborates with agricultural landowners on an award-winning stream and habitat restoration initiative that has reduced sediment, phosphates, and nitrates in local streams.



*Trout Unlimited has been working with local watershed groups since 2004 to address the acid mine drainage that flows into the 243-mile-long West Branch Susquehanna River as seen from Hyner View State Park in Clinton County, Pennsylvania.*



*Robert B. Burr, Jr., has worked for the Foundation since 1975, serving with great distinction as Program Officer, Treasurer, Chief Investment Officer, and Trustee. Mr. Burr retired December 31, 2012.*

## Transition

My fellow Trustees and I express our deep appreciation to Robert B. Burr, Jr., who retired in December of 2012 after 37 years of working for the family and the Foundation in a variety of roles, serving as Program Officer, Treasurer, Chief Investment Officer, and Trustee. His keen stewardship of the Foundation's investments has led to the growth of a \$2 billion endowment, and his dedication to the pursuit of Foundation objectives has enabled us to help care for those in need, strengthen the economy, and conserve some of the nation's most exceptional landscapes.

The Trustees and I, further, are grateful for the ingenuity, discipline, and compassion that our community partners apply in building a truly Greater Pittsburgh region.

*Seward Prosser Mellon*  
Seward Prosser Mellon  
Chairman

# Driving Growth and Innovation in the Energy Sector

Growing worldwide demand for cleaner, more sustainable energy and cost-reducing energy efficiency provides special opportunities for economic growth in the Greater Pittsburgh region, home to nearly 1,000 energy-related companies as well as the National Energy Technology Laboratory-Regional University Alliance (NETL-RUA), which stimulates more than \$1 billion annually in energy-related research and development.

The Foundation is supporting this research momentum with major gifts to the **University of Pittsburgh (Pitt)** and **Carnegie Mellon University (CMU)\***, NETL-RUA partners.

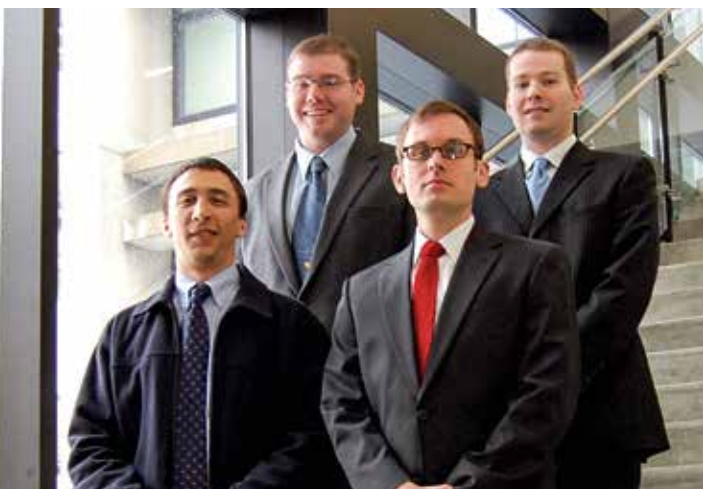
At Pitt's Center for Energy, the grant creates four new endowed faculty positions and eight new endowed graduate fellowships in Advanced Materials for Energy Applications and Energy Delivery & Reliability. Research will include creating materials and coatings that allow more efficient energy production at extremely high pressures and temperatures and in corrosive environments. Researchers also will focus on improving electric power transmission and distribution and diversifying power sources to include renewables such as wind and solar power. The gift also helps equip the new Power Engineering Laboratory in Benedum Hall and supports technology commercialization activities.

The gift to CMU will support the new Wilton E. Scott Institute for Energy Innovation, an interdisciplinary collaboration among more than 100 university experts in energy, technology, public policy, and integrated systems. Funding will provide for much-needed infrastructure; endowment to recruit talent including a director, senior and junior faculty, and graduate fellows; and will seed transformational energy projects, public policy outreach, and technology transfer.

\*CMU's grant was approved in 2013.



CMU's Institute for Energy Innovation will be located in the Sherman and Joyce Bowie Scott Hall, providing laboratory space for computer simulations of energy systems, energy science, and energy technology. Scheduled to open in 2015, the 100,000-square-foot Scott Hall also will house the Department of Biomedical Engineering and a 10,000-square-foot clean room facility designed for nanofabrication (above).



Pitt has recruited four of eight doctoral students and Richard King Mellon Foundation Fellows (clockwise from top right): Brian Bloom, Department of Chemistry; Matthew Barry, Department of Mechanical Engineering and Materials Science; Erich Zorn, Department of Geology and Planetary Science; and Brandon Grainger, Department of Electrical and Computer Engineering.



Pitt's Center for Energy researches ways to improve the thermal efficiency of advanced turbine systems in order to enable turbine blades inside large generators to operate at higher temperatures with greater resiliency and improved power generation. Shown (left to right) are Center for Energy Director and Professor of Advanced Turbine Technologies Brian Gleeson and Minking Chyu, Chair of the Department of Mechanical Engineering and Materials Science, and postdoctoral student Sin Chien Siw.



Harvesting energy from thermoelectric materials and converting it into electricity is one priority of Pitt's Center for Energy. Applications of this research range from (small-scale) redirecting the heat produced by computers into thermoelectric generators to (large-scale) harnessing excess heat from nuclear reactors and redeploying it to power their own sensors and other monitoring equipment (above).



CMU's Robotics Institute's CREATE Lab has developed the "ChargeCar," a battery-powered commuter (short-range) vehicle — stripped of its internal combustion engine, radiator and cooling system, fuel tank, and exhaust system. With the goal of licensing the technology for third-party commercial production, scientists in the Institute for Energy Innovation will study the consumer market for the car and its life cycle and the recharging infrastructure needed to make its use widespread (left).



CMU's Center for Water Quality in Urban Environmental Systems intersects with the new Institute for Energy Innovation through its investigation of the effects of shale gas drilling wastewater on drinking water (left).



In 2002 The Heinz Endowments and the Benedum, McCune, and Richard King Mellon Foundations underwrote the \$10 million acquisition of the former LTV Steel manufacturing site in Pittsburgh's Hazelwood neighborhood. Now known as the Almono property, RIDC has created a mixed-use development plan for this strategically located brownfield that takes advantage of its Monongahela riverfront location, access to the I-376 Parkway, and proximity to both Downtown Pittsburgh and Oakland (above).

### Renewable Manufacturing Gateway Targeted Industries, Clients, and Services Provided

Industry	Business Development	Financial Strategy	Modeling	Plan Assistance	Business Capital Raising	Speed Capital
Oil Re-refining						
Renewables						
Software						
Recycling						
Petro Chemicals						
Building Construction						

RMG identifies companies that can capitalize on the region's natural resources, labor force, and industrial base and provides them assistance with the goal of drawing new manufacturing enterprises to the region.

## REGIONAL ECONOMIC DEVELOPMENT

### Catalyzing Business Expansion

Among the reasons why *Site Selection* magazine ranked Pittsburgh third nationally in new or expanded corporate facilities in 2012 are the region's vigorous economic development agencies, which facilitate and catalyze business expansion in a variety of ways.

The **Regional Industrial Development Corporation of Southwestern Pennsylvania (RIDC)**, which operates 12 industrial and commercial office parks, also offers a low-interest loan fund for high-tech firms transitioning to scale-up production. Among those benefiting from RIDC's assistance is Aquion Energy, a Carnegie Mellon University spinout. Aquion is both a loan recipient and a tenant at RIDC Westmoreland (a former Sony plant site) where it will employ 100 workers in the manufacture of environmentally friendly energy storage batteries. RIDC also is leading the conversion of the 178-acre LTV Hazelwood site, a former Pittsburgh steelmaking facility, into a new 2-million-square-foot development area that can accommodate office, research, and light industrial development, along with housing. RIDC's achievements here include environmental remediation, land-use planning, and securing local tax increment financing for utility and road infrastructure.

Similar to a venture capital model, **Renewable Manufacturing Gateway (RMG)** identifies and facilitates investments in renewable and alternative energy and clean technology, aiming to grow manufacturing businesses in the Tri-State area.

The **African American Chamber Foundation of Western Pennsylvania** has collaborated with the Institute for Entrepreneurial Excellence at the University of Pittsburgh's Katz Graduate School of Business to create Power to Prosper, a program to strengthen smaller businesses through monthly seminars on finance, marketing, customer relations, and employee recruitment.



Two participants of the Power to Prosper program are Philip Greene (far left) and Helen Davis, MD (near left). In 2005 Philip Greene launched the graphic design and marketing firm Expanding Minds, and in 2010 he opened Emprint, a complementary full-service digital print shop in Pittsburgh's Brighton Heights. In 1989 Dr. Davis opened her ophthalmology practice in Wilkinsburg, Pennsylvania, and now sees patients in an East Liberty office as well.

## Investing in Cultural Assets

Cultural amenities continue to be one of western Pennsylvania's greatest strengths, essential to quality of life as well as to economic competitiveness. In order to build and sustain audiences, institutions must invest continually in creative programs and also in facilities.

Two significant cultural institutions that vitalize historic Greensburg are the **Westmoreland Museum of American Art** and the **Westmoreland Cultural Trust**. The museum attracts thousands of annual visitors to its acclaimed permanent collection and to nationally touring and museum-curated exhibitions and juried regional shows. With a growing donor base, the museum is renovating and expanding — enhancing visitor amenities and providing new gallery space for a promised gift of 100 post-1950s American artworks. The Trust manages several historic buildings as well as programming and rentals for the Greensburg Garden & Civic Center and the Palace Theatre — attracting audiences of more than 100,000 annually. Hoping to achieve economies of scale, the Trust is forging partnerships with several facility renters around marketing, ticketing, and other patron services.

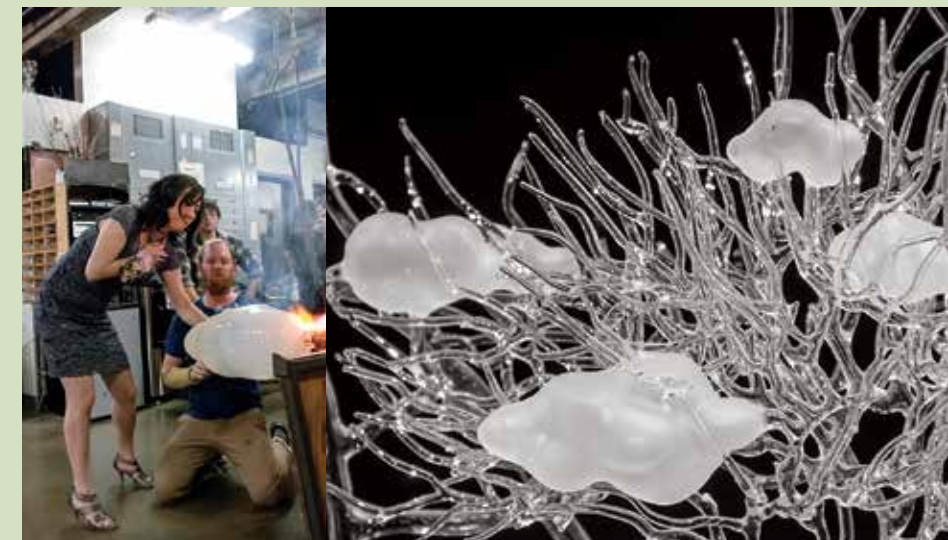
The **Pittsburgh Glass Center, Inc.**, opened in 2001, continues progress toward stabilizing expenses, increasing individual donations, growing earned income by more than 30 percent, and attracting visitors to modestly priced workshops on glassmaking. The **August Wilson Center for African American Culture**, which opened in 2009 in Pittsburgh's Downtown Cultural District, celebrates the contributions of Western Pennsylvanian African-American visual and performing artists and sports and literary figures. In addition to its permanent collection, it has presented live performers such as trumpet player Sean Jones and traveling exhibitions including *From Process to Print: Graphic Works by Romare Bearden*.



The 65,000-square-foot LEED-certified August Wilson Center for African American Culture is equipped with multiple exhibition galleries, a 486-seat theater, and an education center (above).



Among the cultural and historical facilities that the Westmoreland Cultural Trust owns and manages in Downtown Greensburg is the William Cookman-designed Greensburg Train Station, which celebrated its 100th anniversary in 2012. This nationally historic building is now used for commercial offices, a popular restaurant, and an Amtrak train stop (above).



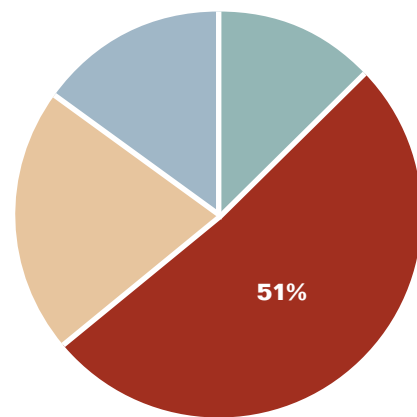
Pittsburgh Glass Center's (PGC) state-of-the-art glassmaking equipment is one of the attractions for internationally known artists such as Eunsuh Choi to be artists-in-residence and higher educational institutions like Carnegie Mellon and Robert Morris Universities to utilize PGC for academic credit programs (left).



The Westmoreland Museum of American Art is reconfiguring its 50-plus-year-old building (above) and adding a new LEED-certified wing of 13,287 square feet designed by Ennead Architects of New York City that will transform the Greensburg cityscape (right).



# Grant Summary



**Grants Approved**  
\$47,475,290  
51% of Total

**Number of Grants**  
57

## Action For Animals, Inc.

Latrobe, PA  
\$192,500 toward shelter improvements to enhance the quality of life for shelter animals and to improve the quality of the shelter experience for the public

## African American Chamber Foundation of Western Pennsylvania

Pittsburgh, PA  
\$100,000 toward two-year support of entrepreneurship through the Urban Power to Prosper program

## Allegheny Conference on Community Development

Pittsburgh, PA  
\$467,000 toward support of general operations  
\$25,000 to provide expert analysis of Pittsburgh's health-care market  
\$100,000 to increase air transportation service to Pittsburgh

## August Wilson Center for African American Culture

Pittsburgh, PA  
\$3,000,000 toward reduction of principal on the outstanding construction note held by Dollar Bank

## Bike Pittsburgh, Inc.

Pittsburgh, PA  
\$100,000 toward support of operations and a bike infrastructure initiative

## Bricolage Production Company

Pittsburgh, PA  
\$30,000 toward costs associated with production and launch of the STRATA program

## Carnegie Mellon University

Pittsburgh, PA  
\$100,000 toward technological solutions for Pittsburgh's transportation challenges

## City Theatre Company, Inc.

Pittsburgh, PA  
\$187,500 toward support of artistic, production, and operating expenses

## The Clemente Collection at Engine House 25

Pittsburgh, PA  
\$200,000 toward two-year support to accelerate the development of 30 business plan activities

## Community Theater Project Corporation

Pittsburgh, PA  
\$250,000 toward support of operations and toward support of two new positions

## East Liberty Development Incorporated

Pittsburgh, PA  
\$325,000 toward two-year support of revitalization efforts in East Liberty and the Larimer Avenue corridor, and to implement a storm water management project for the East Liberty Presbyterian Church



*The Clemente Collection at Engine House 25 is dedicated to preserving the legacy of Pittsburgh Pirate and National Baseball Hall of Fame member Roberto Clemente (1934–1972). The museum, which is located in a former firehouse in Pittsburgh's Lawrenceville neighborhood, has been focused on developing more engaging experiences for children, families, and adults that have resulted in an 18 percent increase in attendance (above).*

## Fort Ligonier Association

Ligonier, PA  
\$18,500 toward a feasibility study



## Frick Art & Historical Center

Pittsburgh, PA  
\$75,000 toward support of operations

## Friends of the Riverfront

Pittsburgh, PA  
\$25,000 toward the purchase of property in Etna along the Allegheny River

## Gettysburg Foundation

Gettysburg, PA  
\$500,000 toward the purchase of the Gettysburg Lincoln Train Station and development of an interpretative program

## Grantmakers of Western Pennsylvania

Pittsburgh, PA  
\$23,000 toward 2012 membership

## Grow Pittsburgh

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

## International Living Future Institute

Portland, OR  
\$5,000 to evaluate the potential to establish a living building challenge hub in Pittsburgh to serve the eastern United States

## The Jannetta Neuroscience Foundation, Inc.

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



## Ligonier Valley Historical Society

Laughlintown, PA  
\$10,000 to create a strategic and development plan

## Mount Washington Community Development Corporation

Pittsburgh, PA  
\$400,000 toward two-year support of hillside restoration on Mount Washington and trail construction in Emerald View Park

\$10,000 toward search and selection of a new executive director

*Grow Pittsburgh's mission is to teach people how to grow chemical-free fruits and vegetables in an urban environment. Along with starting 16 community gardens and overseeing 6 Edible Schoolyard programs, Grow Pittsburgh has three large urban agricultural locations it uses as teaching platforms and revenue generators. Braddock Farm (above), Shiloh Garden, and the Frick Art and Historical Center greenhouse sell a large percentage of their produce to local residents and restaurants.*

## The Mountain Playhouse, Inc.

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



## Grant Summary

### Neighbors in the Strip, Inc.

Pittsburgh, PA  
\$100,000 toward the retail workforce development training program

### Northside Industrial Development Corp.

Pittsburgh, PA  
\$25,000 to upgrade lighting using an energy-efficient product

### Pittsburgh Arts & Lectures

Pittsburgh, PA  
\$10,000 toward support of programs

### Pittsburgh Ballet Theatre, Inc.

Pittsburgh, PA  
\$250,000 toward support of operations  
\$450,000: \$250,000 toward support of operations and \$200,000 toward school expansion

### Pittsburgh Community Broadcasting Corporation

Pittsburgh, PA  
\$3,290 to engage a consultant to formulate and draft editorial guidelines and related policy documents for WESA programming

### Pittsburgh Entertainment Project

Pittsburgh, PA  
\$300,000 toward support of programming and operations  
\$10,000 to hire a consultant to develop a fund-raising strategy

### Pittsburgh Glass Center, Inc.

Pittsburgh, PA  
\$200,000 toward support of operations and to rebuild a glassblowing furnace

### Pittsburgh Life Sciences Greenhouse

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

### Pittsburgh Middle East Institute, Inc.

Pittsburgh, PA  
\$10,000 toward costs associated with the Health Innovation Conference held in Pittsburgh on October 30, 2012

### Pittsburgh Opera, Inc.

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

### Pittsburgh Parks Conservancy

Pittsburgh, PA  
\$1,500,000 toward restoration of Mellon Square Park

### The Pittsburgh Public Theater Corporation

Pittsburgh, PA  
\$250,000 toward support of operations and a matching grant for individual donations

### The Pittsburgh Trust for Cultural Resources

Pittsburgh, PA  
\$150,000 toward support of JazzLive International, part of the Three Rivers Arts Festival

### Pittsburgh Water and Sewer Authority

Pittsburgh, PA  
\$25,000 to incorporate green infrastructure into the final Wet Weather Plan for the City of Pittsburgh

### Renewable Manufacturing Gateway

Pittsburgh, PA  
\$1,500,000 toward support of operations and program-related investments

### RIDC Fund For Economic Growth

Pittsburgh, PA  
\$2,500,000 toward development or expansion of production facilities for manufacturing companies  
\$312,500 toward operational costs to manage the LTV site

### Robert Morris University

Moon Township, PA  
\$10,000 toward Phase I to develop a strategy to address the social and environmental impacts associated with unconventional gas development  
\$20,000 toward Phase II to develop a strategy to address the social and environmental impacts associated with unconventional gas development

### Society For Arts in Crafts

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

### Three Rivers Workforce Investment Board

Pittsburgh, PA  
\$1,000 toward costs associated with the annual meeting

### University of Pittsburgh

Pittsburgh, PA  
\$22,000,000 toward support of the Center for Energy at the University of Pittsburgh, with a particular focus on advanced materials and energy delivery and reliability, for the recruitment of talented faculty and researchers, to expand existing and stimulate new commercial activities, and to help make western Pennsylvania a national center for energy research and education

\$10,000 toward costs related to From Its Birthplace: A Symposium on the Future of Nuclear Power held on March 27–28, 2012

### University of Pittsburgh, Center for Social & Urban Research

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

### University of Pittsburgh, Institute of Politics

Pittsburgh, PA  
\$60,000 toward support of a roundtable created to discuss how best to respond to the economic opportunities and environmental challenges associated with unconventional gas development

### Venture Outdoors

Pittsburgh, PA  
\$220,000 toward support of operations, improving website and technology for member and donor access, and developing a program targeted at corporations and young professionals

### West Pittsburgh Partnership for Regional Development, Inc.

Pittsburgh, PA  
\$15,000 to support community day activities in the West End neighborhoods

### Westmoreland Cultural Trust

Greensburg, PA  
\$1,500,000 toward three-year support of audience development, ticketing service outreach and enhancement, operations, and a facility fund



A popular destination for shoppers of produce, meats, flowers, and locally made wares, Pittsburgh's "Strip" District name comes from its geographic location: a one-mile-long piece of land located just northeast of Downtown Pittsburgh, sandwiched between the Allegheny River and a steep hill. Neighbors in the Strip, Inc., works to promote this lively district, and as part of its work, the organization has developed a program to help individuals with low income learn retail skills. The agency uses its General Store in the Produce Terminal Building as a hands-on classroom for teaching inventorying, bookkeeping, and retail sales skills (right).



### Westmoreland Human Opportunities, Inc.

Greensburg, PA  
\$250,000 toward capital and operating needs of the Shop Demo Depot

### Westmoreland Museum of American Art

Greensburg, PA  
\$8,000,000 toward capital and endowment support

In 2012 the Pittsburgh Ballet Theatre (PBT) completed its 43rd season, performing five main stage productions with attendance of 47,800 in Pittsburgh's Downtown's Cultural District. The PBT's Ballet School (above), with enrollment of 900, trains preprofessional dancers as well as instructing students ranging from preschoolers to adults.

## Building Sustainability in Curricula and Campuses

Educational institutions throughout the region are incorporating principles of sustainability into their curricula and campuses, infusing teaching methods with technology that provides virtual connectedness with the larger community, and retrofitting facilities and property to be more energy efficient and ecologically sound.

**Chatham University** broke ground in 2012 for its School of Sustainability and the Environment (SSE). Providing sustainable alternatives to today's social, economic, and environmental concerns, SSE is located on a new satellite campus at the former Eden Hall Farm in northern Allegheny County. Its interdisciplinary curriculum and campus will serve as a living laboratory to explore different approaches to land use, building and mechanical systems design, and community interaction.

In order to better accommodate twenty-first century learning needs, **Carlow University** is retrofitting its Grace Library into the University Learning Commons, a multi-purpose facility designed to improve interaction among Carlow's diverse population of 2,400 students, primarily women. The Commons will provide tutoring pods; labs for science, math, and engineering; a global studies area; and a location for students to work on their community service projects, part of Carlow's core educational values.

Providing 600 students from pre-K through high school with rigorous academics, **Winchester Thurston School** is one of the region's most competitive independent schools. The course work recently expanded to include an environmental audit, engaging students at all levels in analyzing how the school's two campuses can conserve energy, incorporate renewable sources of power, and introduce other engineering solutions to reduce environmental impacts.

*Founded in 1929 by the Sisters of Mercy, one of Carlow University's distinct attributes is its accommodation of older students who comprise 40 percent of its undergraduate student body, and almost 70 percent of these students enroll in the evening and weekend program (left).*



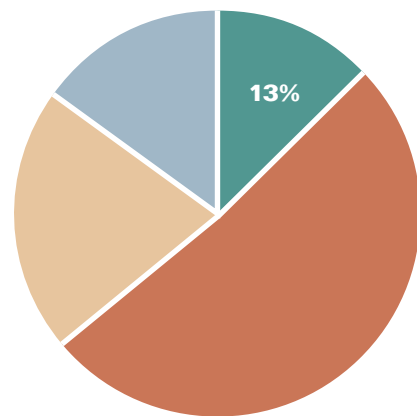
*Phase I of the development of Chatham's School of Sustainability and the Environment includes construction of a field lab, production-scale greenhouse, and outdoor amphitheater, and reconstruction of a dairy barn and limited rehab of an existing lodge building. Renewable energy sources such as solar and highly efficient systems such as geothermal heating and cooling are specified for many areas of the project (above).*

*At its Shadyside location in Pittsburgh, Winchester Thurston School (founded in 1887) enrolls students pre-K through twelfth grade. In 1998 the school opened a second campus for students pre-K through fifth grade in Pittsburgh's North Hills on a seven-acre site equipped with amenities such as a butterfly garden, outdoor science center, and pond (left and below).*



# EDUCATION

## Grant Summary



**Grants Approved**  
**\$12,274,000**  
**13% of Total**

**Number of Grants**  
**19**

### Carlow University

Pittsburgh, PA  
 \$2,000,000 toward development of the University Learning Commons project

### Carnegie Free Library

Connellsville, PA  
 \$300,000 to implement a strategic plan to strengthen operations, expand programming, and make significant building improvements

### Carnegie Mellon University

Pittsburgh, PA  
 \$10,000 toward an independent study of Allegheny County property reassessments in order to build a website for interested taxpayers to obtain tax estimates

### Chatham University

Pittsburgh, PA  
 \$7,500,000 toward three-year support of infrastructure development of the Eden Hall Campus Sustainability Project

### Colorado Uplift

Denver, CO  
 \$100,000 toward a matching grant to replicate the Colorado Uplift model in other cities

### Coro Center for Civic Leadership

Pittsburgh, PA  
 \$160,000 toward support of programs and operations

### Crossroads Foundation

Pittsburgh, PA  
 \$300,000 toward two-year support of enrollment expansion and academic programs

### Falmouth Academy, Inc.

Falmouth, MA  
 \$500,000 toward the capital campaign

### Fund for Advancement of Minorities Through Education

Pittsburgh, PA  
 \$400,000 toward two-year support of Phase II to expand The Fame Academy

### Imani Christian Academy

Pittsburgh, PA  
 \$100,000 toward support of the career paths program

### Pittsburgh Voyager

Pittsburgh, PA  
 \$500,000 toward support of operations and science education programs

### Robert Morris University

Moon Township, PA  
 \$1,500 to perform a technical assessment

\$20,000 toward preliminary consultant work on the documentary *America's Most Livable City*

### University of Pittsburgh, School of Medicine

Pittsburgh, PA  
 \$10,000 toward support of the 2012 Mellon Lecture

### Waldorf School of Pittsburgh

Pittsburgh, PA  
 \$75,000 to build governance, leadership, and fund-raising capacities; to finalize facilities master planning; and to assure advancements toward accreditation

### Western Pennsylvania School for Blind Children

Pittsburgh, PA  
 \$50,000 toward development of an on-campus urban trail that will educate blind and visually impaired children to navigate outdoors

### Winchester Thurston School

Pittsburgh, PA  
 \$75,000 to conduct an investment-grade energy audit

### Wireless Neighborhoods

Pittsburgh, PA  
 \$7,500 toward purchase of 10 NovaNet licenses for use at Westinghouse High School

### Woods Hole Oceanographic Institution

Woods Hole, MA  
 \$165,000 toward preservation of imaging data from surveys of the RMS Titanic



Each year on board the laboratory-equipped "green" science vessel Explorer, Pittsburgh Voyager/RiverQuest educates more than 8,100 kindergarten through twelfth-grade students from the ten-county area about the ecology of Pittsburgh's rivers. In 2012 RiverQuest was a recipient of the Pennsylvania Governor's Award for Environmental Excellence for its STEM- (science, technology, engineering, and mathematics) based program on Marcellus Shale drilling. (above and right)



Underwater image (left) shows the deck railing and bow of the shipwrecked RMS Titanic, first discovered and photographed by the Woods Hole Oceanographic Institution (WHOI) in 1985 and revisited in 2010. The imaging system used by WHOI on the 2010 expedition is part of a long-term imaging program funded in part by the Foundation in 2000. The Foundation's 2012 grant helps reformat the 1985 analog pictures into digital imagery, which will provide a new perspective on what temporal changes occur with deep-sea shipwrecks and new insights for managing and preserving maritime heritage sites like RMS Titanic.



Each year Crossroads Foundation provides full-tuition scholarships to over 90 youth to attend Catholic high schools in Allegheny County. In its ten years of operations, more than 95 percent of Crossroads scholarship recipients (71 percent of whom are African-American) matriculated to two- or four-year colleges. Above are 2013 graduates of Oakland Catholic High School.

# Training the New Workforce

Although southwestern Pennsylvania's diverse economy is creating many new job opportunities, positions in some fields cannot be filled because applicants lack requisite skills. This problem has galvanized businesses and educators to work together to design curricula and initiatives that prepare students more effectively for the workforce.

At the Energy Innovation Center (EIC), scheduled to open in 2014, **Pittsburgh Gateways Corporation** has partnered with more than 20 companies, schools, and universities to develop a training center and applied research facility. EIC will offer several technical certificate programs geared toward students with GEDs/ high school diplomas as well as undergraduate and graduate degrees.

The newly established Trade Institute of Pittsburgh teaches masonry skills to young adults aged 18–24 years. Local contractor Steve Shelton founded the Institute, located at **Hosanna House, Inc.**, and recruits the students, many of whom have criminal records, and helps them take on the responsibility for obtaining a driver's license, meeting child support payments, and complying with parole requirements.

Through its BotsIQ program, the **Pittsburgh Chapter National Tooling and Machining Foundation Inc.**, encourages high school students to learn math and science through the design, construction, and competition of robots. This popular course, now in 43 schools, is based on National Curriculum Standards and Massachusetts Institute of Technology's mechanical engineering methodology.

Started in Johnstown, Pennsylvania, in 2003 and now in 100 high schools, **The Challenge Program, Inc.**, motivates students academically, instills characteristics employers value in workers, and builds awareness of career path options.



*BotsIQ was started in 2005 by the Pittsburgh Chapter National Tooling and Machining Foundation, Inc., in order to stimulate interest in careers in machining. The program has grown from 6 schools to 43 with 56 teams and 65 local companies involved as technical advisors to the teams (above and right).*



## Energy Innovation Center

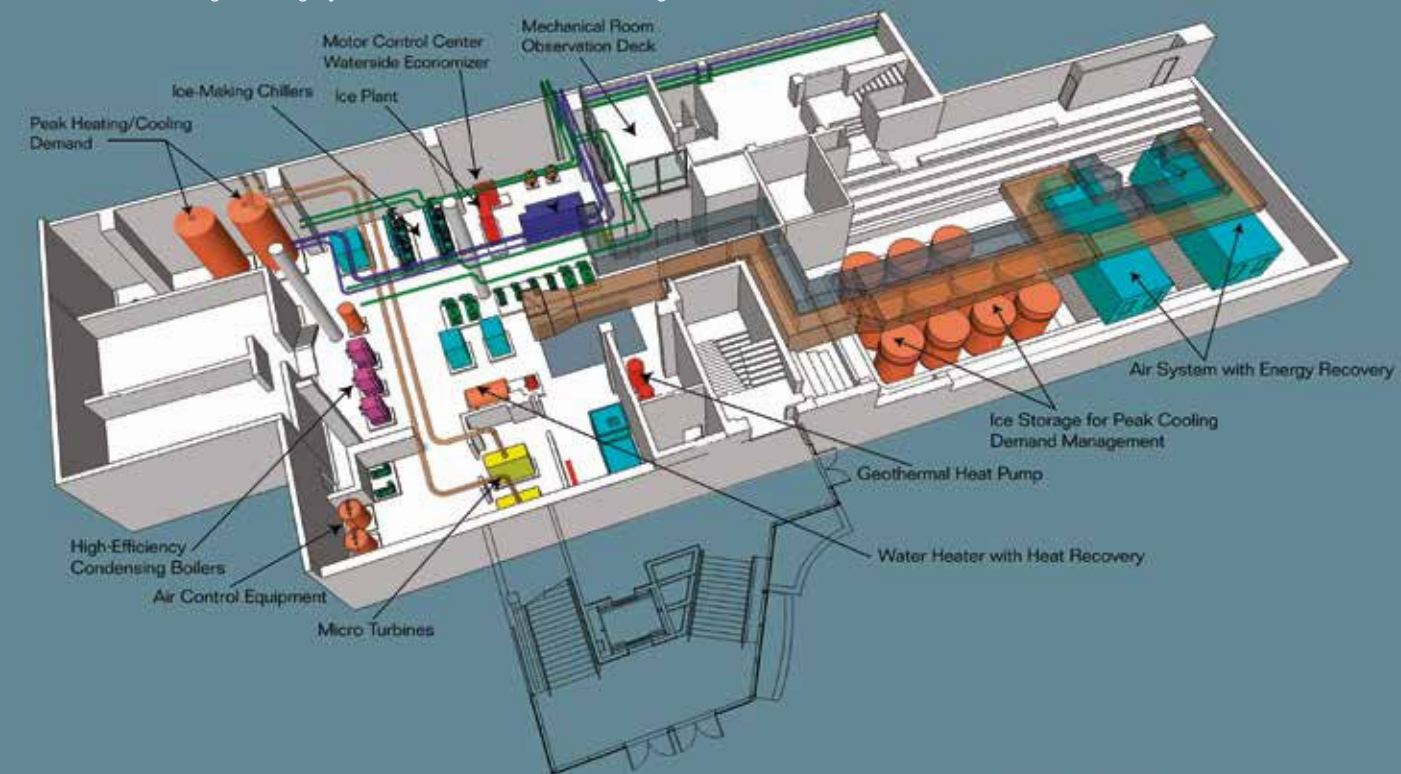
### Mechanical Systems Lab and Training Facility

Heating Ventilation Air Conditioning

- Combined Heat and Power
- Geothermal
- Ice Storage Cooling System

Certificate Programs

- Measurement and Verification
- Energy Auditing
- Commissioning



*Pittsburgh Gateways Corporation's \$43 million Energy Innovation Center will open in 2014 in the Lower Hill District. The 180,000-square-foot vocational and corporate training and research facility that will be LEED-certified will offer certificate programs in Basic Environmental Studies, Energy Engineering Technology, and Energy Services Management (above and left).*



*Maynes Associates Architects, LLC sponsored the 2012 Challenge Program for Pittsburgh Alderdice High School. The firm's principal Paula Maynes is shown fourth from left with students who each won \$250 awards for academic excellence, academic improvement, community service, and attendance.*



*The Trade Institute of Pittsburgh at Hosanna House, Inc., in Wilksburg teaches masonry skills to 18- to 30-year-olds (above).*

## Applying Data to Improve Lives

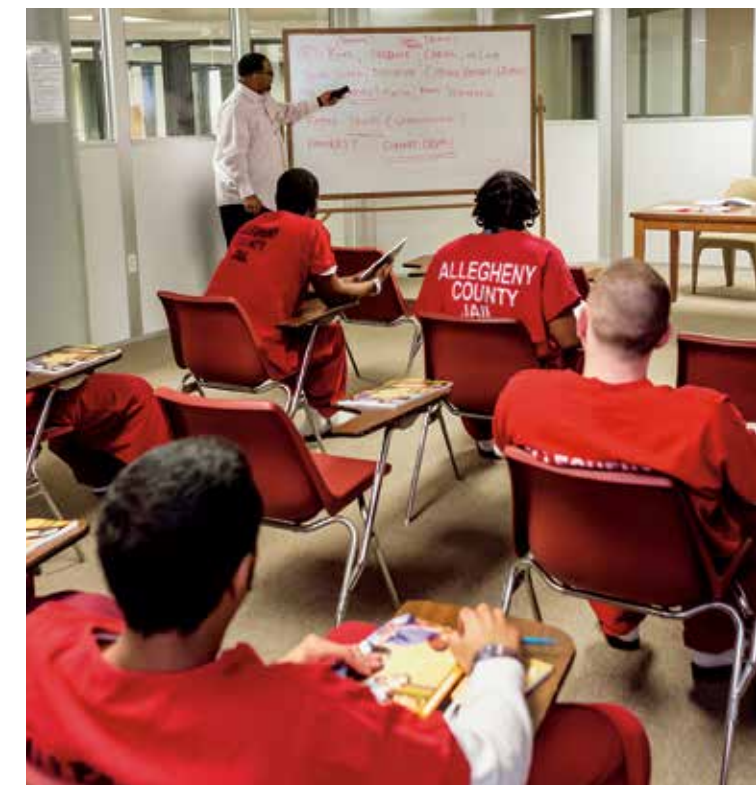


Members of VPI, a new strategy designed to reverse the increasing trend in local violent deaths, are (above left to right): Reginald Young and Erin Dalton of DHS, Alan Murdock of UPMC, Richard Garland of the University of Pittsburgh Graduate School of Public Health, Michael Yonas of the University of Pittsburgh Department of Family Medicine, Leigh Frederick of UPMC, and Steven M. Albert of the University of Pittsburgh Graduate School of Public Health.

The Allegheny County Department of Human Services (DHS), which receives grants through a pooled fund administered and supported by **The Pittsburgh Foundation**, has been lauded nationally for compiling interagency data to inform, analyze, and measure outcomes for clients. Among its successes is the Jail Collaborative Re-Entry Program, designed to reduce recidivism and co-administered with the county jail, court system, and health department. DHS mines its comprehensive client database to identify actual barriers to successful societal re-entry. Inmates are provided mental health and family counseling, drug and alcohol addiction rehabilitation, and high school and vocational training. Recidivism has been reduced by 46 percent.

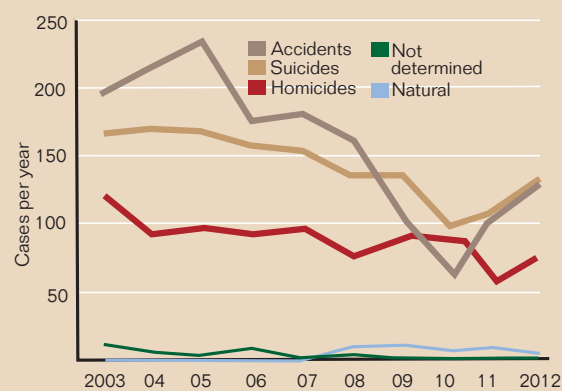
More than two-thirds of violent crime victims in Pittsburgh are under the age of 30, and many can in turn become perpetrators of violence themselves. Trying to break this cycle, DHS, the **University of Pittsburgh Graduate School of Public Health**, and local medical trauma care providers have formed the Violence Prevention Initiative (VPI) to assist victims proactively with long-term, comprehensive social services. Applying public health research protocols similar to those used for tracking and preventing the spread of infectious diseases, VPI will collect data to construct a model that can predict violence-provoking circumstances as well as the effectiveness of prevention strategies.

In Butler County the **Center for Community Resources, Inc. (CCR)**, is employing system-wide data collection to help it improve communications among 50 local social service agencies and to standardize reporting. CCR's goals are better client service and management of complex multimillion-dollar public funding contracts.



The 200-plus participants in the Allegheny County Jail Collaborative's Re-Entry Program, which are about half of the jail's sentenced inmates, are considered to be at moderate- to high-risk of reoffending — based on age at their first arrest and their number of offenses. Participants live in a separate quadrant (lower left) where they are able to have more frequent phone contact with family and attend classes daily to help build life and work skills. Elio Wade of Family Service of Southwestern Pennsylvania teaches about healthy parenting (top). Karen Cordaro of Pittsburgh Mercy Health System teaches "Thinking for Change" (lower right). The program also connects participants with housing and employment opportunities at the end of their sentence, and comprehensive case management continues for months after release for both the inmate and his/her family.

### Rising Homicides Rates in Allegheny County

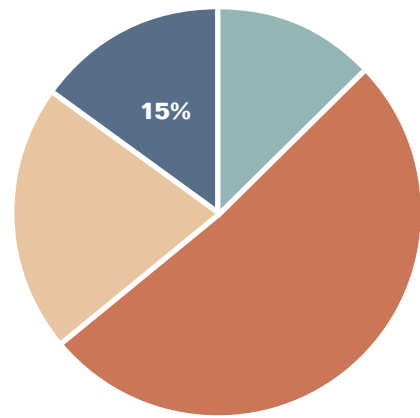


Source: Unadjusted data, Allegheny County Medical Examiner's Office and Department of Human Services

E-System database helps CCR, established in 2002, more efficiently coordinate support services for 10,000 individuals and families in and around Butler County (right).



# Grant Summary



**Grants Approved**  
**\$14,166,250**  
**15% of Total**

**Number of Grants**  
**59**

## The Albert Schweitzer Fellowship

Pittsburgh, PA  
 \$100,000 toward two-year support of operations

## Allegheny Council to Improve Our Neighborhoods-Housing, Inc.

Pittsburgh, PA  
 \$400,000 to produce affordable housing that is sustainable and meets the housing needs of veterans and youth who have aged out of foster care

## Bethlen Home of the Hungarian Reformed Federation of America

Ligonier, PA  
 \$300,000 toward construction of the Wellness Center

## Bible Center Church, Inc.

Pittsburgh, PA  
 \$350,000 toward renovations of the worship, arts, recreation, and ministry complex

*Girl Scouts Western Pennsylvania (GSWP) is forming troops and recruiting and training scout leaders in 16 subsidized housing communities in Allegheny, Beaver, Butler, and Westmoreland Counties. Performing a flag ceremony are girl scouts from Pittsburgh's North Side and GSWP's CEO Patricia Burkart (right).*

## Boulder Crest Retreat Foundation

Bluemont, VA  
 \$500,000 toward two-year support to build a retreat to provide therapeutic activities for wounded warriors and their families

## Braddock Carnegie Library Association

Braddock, PA  
 \$30,000 to develop a strategic plan

## Catholic Youth Association of Pittsburgh, Inc.

Pittsburgh, PA  
 \$100,000 toward capital improvements to enhance the child-care center

## Center for Community Resources, Inc.

Butler, PA  
 \$200,000 to implement Phase II of the E-System Integrated Client Information Database

## Center of Life

Pittsburgh, PA  
 \$100,000 toward two-year support of academic after-school programming

## The Challenge Program, Inc.

Johnstown, PA  
 \$250,000 toward two-year support to create and expand partnerships with businesses in growth markets

## Chapin Hall Center for Children

Chicago, IL  
 \$7,500 to support a feasibility study on the creation of a unified database of workforce development data in Allegheny County

## Child Watch of Pittsburgh, Inc.

Pittsburgh, PA  
 \$80,000 toward two-year support of the Child Well-Being Indicator Project

## Christian Camps of Pittsburgh, Inc.

Boswell, PA  
 \$400,000 toward two-year support for expansion of the number of urban youth in Citikidz

## Community Center and Library Association

Pittsburgh, PA  
 \$200,000 toward a capital campaign to construct a new community center in O'Hara Township to serve area residents

## Community Empowerment Association, Inc.

Pittsburgh, PA  
 \$10,000 to establish the Commission on African-American Affairs

## Community Foundation of Greater Johnstown

Johnstown, PA  
 \$450,000 toward a joint grant-making program with the Richard King Mellon Foundation's field of interest in the Johnstown area



*Members of Brownsville Area High School Students In Action initiative received the Jefferson Award for Public Service in 2012 for designing and raising funds toward the development of a park on a blighted property in Downtown Brownsville, Fayette County (above).*

*Founded in 1900 by the Sisters of the Holy Family of Nazareth as an orphanage, Holy Family Institute now helps 11,000 children and families in southwestern Pennsylvania — providing services such as family counseling, therapeutic schooling and housing for behaviorally challenged children, and pre-school and after-school programs (left).*



## Every Child, Inc.

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

## Family Resources

Pittsburgh, PA  
 \$365,000 toward two-year support of capacity-building initiatives

## Focus on Renewal Sto-Rox Neighborhood Corporation

McKees Rocks, PA  
 \$5,750 toward costs associated with a search for an executive director

## Friends of the Pittsburgh Urban Forest

Pittsburgh, PA  
 \$97,000 to provide four environmental organizations with high-level strategic and operational financial expertise

## George Junior Republic

Grove City, PA  
 \$33,000 toward an energy audit

## Girl Scouts Western Pennsylvania

Pittsburgh, PA  
 \$125,000 toward urban scouting and technology upgrades

## Greater Pittsburgh Community Food Bank

Duquesne, PA  
 \$200,000 toward the summer food program and to purchase a refrigerated truck

## Heritage Community Initiatives

Braddock, PA  
 \$180,000 toward renovations of the Heritage 4 Kids Early Learning Center and for the Heritage Out of School Time program

## Higher Achievement Program, Inc.

Pittsburgh, PA  
 \$150,000 toward the launch and operation of the Homewood Achievement Center

## Holy Family Institute

Pittsburgh, PA  
 \$750,000 toward two-year support of general operations

## Hosanna House, Inc.

Wilkesburg, PA  
 \$100,000 toward the Shelton Trade program, housed at Hosanna House

## Jefferson Awards for Public Service

Wilmington, DE  
 \$195,000 toward three-year support to expand the Pittsburgh Youth initiative

## Kingsley Association

Pittsburgh, PA  
 \$400,000 toward support of operations and to increase revenue generation

## Light of Life Rescue Mission, Inc.

Pittsburgh, PA  
 \$150,000 toward support of operations

## Luminari, Inc.

Pittsburgh, PA  
 \$10,000 toward support of Ambassador Camp 2012



## Grant Summary

### Manchester Craftsmen's Guild

Pittsburgh, PA  
\$500,000 toward two-year support of jazz and youth and arts programming

### Mon Yough Community Services

McKeesport, PA  
\$500,000 toward support of organizational development, technology enhancement, and facility improvements

### North Side Christian Health Center

Pittsburgh, PA  
\$500,000 toward two-year support of revenue enhancement activities

### NorthShore Community Alliance

Pittsburgh, PA  
\$400,000 toward two-year support of programs to help youth and families in need in Allegheny County

### Northside Coalition for Fair Housing

Pittsburgh, PA  
\$200,000 toward two-year support of programs

### Oakland Service Ministries

Pittsburgh, PA  
\$200,000 toward youth and workforce development efforts in the Homewood-Brushton area

### One Vision One Life, Inc.

Pittsburgh, PA  
\$10,000 toward expenses to dissolve the organization

### Operation Better Block, Inc.

Pittsburgh, PA  
\$300,000 toward community and economic development in Homewood

*Each year South Hills Interfaith Ministries assists 1,800 low-income suburban families, including 350 refugee families, by providing support services such as utility assistance, financial literacy and employment counseling, two food pantries, and a clothing room. Shown here are a refugee mother and child from Myanmar.*



*Manchester Craftmen's Guild Youth & Arts after-school program, which offers instruction in curating, graphic design, ceramics, videography, photography, and fashion design, not only helps students explore their creativity but also exposes students to potential future career options in the arts (above).*

### Robert Morris University

Moon Township, PA  
\$6,000 to perform an assessment of the E-System concept and proposal development for Center for Community Resources, Inc.

### Schenley Heights Community Development Program

Pittsburgh, PA  
\$175,000 toward two-year support of the A-STEP and Weil Elementary after-school programs

### South Hills Interfaith Ministries

Bethel Park, PA  
\$250,000 to hire a volunteer coordinator and a case manager

### Student Conservation Association, Inc.

Charlestown, NH  
\$300,000 toward high school programs and college internships

### Three Rivers Adoption Council

Pittsburgh, PA  
\$165,000 toward three-year support to provide therapeutic, supervised visitation between parents and children

### United Way of Allegheny County

Pittsburgh, PA  
\$400,000 toward support of the Women's Initiative, work on obesity, and volunteer recruitment



*As a 2012 participant in the Student Conservation Association's Green Cities Corps, John Jameson (above right) worked on solar science and installation projects as part of his internship with Higher Education Climate Consortium, acquiring experience for eventual job placement.*

### United Way of Westmoreland County

Greensburg, PA  
\$25,000 toward strategic and business planning for accessAbilities, Inc.  
\$1,000,000 toward two-year support of direct services

### University of Pittsburgh, Graduate School of Public Health

Pittsburgh, PA  
\$300,000 toward two-year support of the Center for the Prevention of Community Violence

### The Way, A Ministry of Jesus Christ

Latrobe, PA  
\$25,000 to hire a consultant to develop a business plan

### Wellspring Church

Scottdale, PA  
\$32,000 to purchase two vans to transport at-risk children to the Reaching Our Communities Kids program and to deliver blankets and food to the homeless and those in need

### Wilkinsburg Community Ministry

Wilkinsburg, PA  
\$10,000 toward providing meals to at-risk youth and youth with developmental challenges in special needs, summer, and after-school programs

### Young Men and Women's African Heritage Association, Inc.

Pittsburgh, PA  
\$100,000 toward preparing at-risk youth for college or entry into the workforce

### Young Men's Christian Association of the Sewickley Valley

Sewickley, PA  
\$600,000: \$500,000 toward renovations of the child-care center and \$100,000 as a challenge grant



# Protecting Land in Pennsylvania and Across the Nation

In Pennsylvania and across America, the **Western Pennsylvania Conservancy (WPC)** and **The Conservation Fund (TCF)** enhance the quality of life by protecting land for recreational, ecological, aesthetic, and sustainable uses.

WPC has been working since the 1970s in Clarion, Elk, Forest, and Jefferson Counties to create the Clarion River Greenway. Now, with the acquisition of a 529-acre parcel adjacent to the Allegheny National Forest, the 12,700-acre scenic and recreational corridor is nearly complete. To ensure the long-term stewardship of this protected land, WPC has deeded 10,300 acres to state and federal forestry agencies. Similarly, the organization has acquired land to connect historic Fort Necessity National Battlefield to the Forbes State Forest, a nearly 59,000-acre tract the WPC has long been instrumental in conserving.

Founded in 1985, TCF has protected over 7 million acres of wilderness, historic places, working farms and ranches, forests, watersheds, and open space in urban areas across America. Recently TCF was able to conserve through an easement 44,000 acres of Wisconsin's scenic Brule-St. Croix Legacy Forest, which supports diverse wildlife including the federally endangered Kirtland's warbler. Also counteracting widespread forest loss, TCF acquired 13,900 acres of the Gualala River Forest in Mendocino County, California, adding to 90,000 acres of redwood forestland that they protected previously, including the Garcia River Forest acquired in 2004. Under the recent California carbon credit program, the newly acquired land becomes a nonprofit-owned sustainable working forest, expected to generate \$1 million annually.



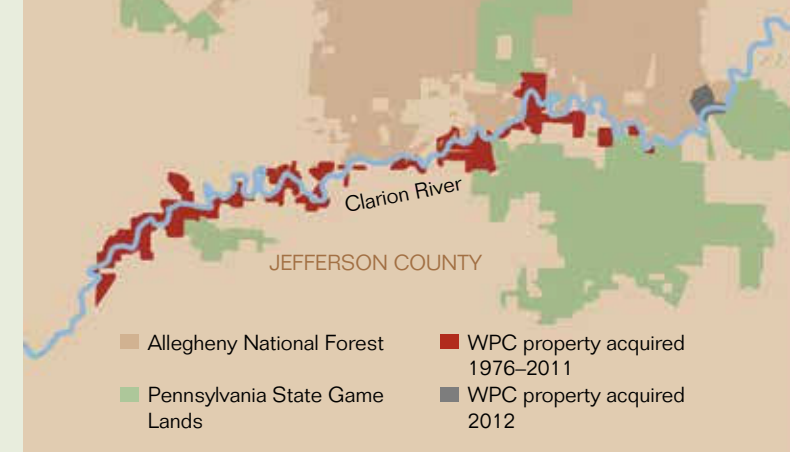
*In partnership with the State of Wisconsin, TCF acquired a conservation easement on 44,000 acres of the Brule-St. Croix Legacy Forest, which will be augmented by 23,000 acres in a next phase. This easement allows the forest, located in northwest Wisconsin, to be sustainably managed for timber production, while being protected for public use (above).*

*The Brule-St. Croix Legacy Forest contains a globally significant pine barren habitat where Blanding's turtles, a species classified as threatened, thrive (right).*

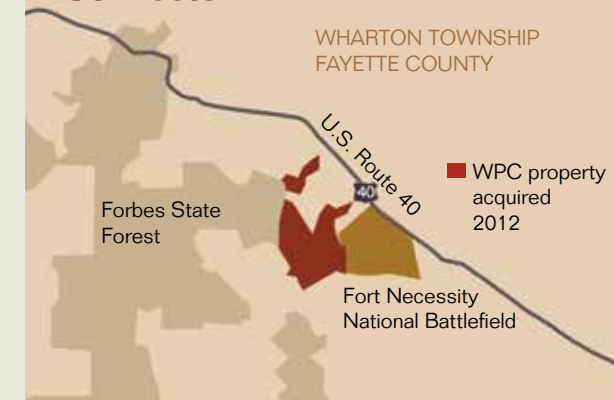


## Western Pennsylvania Conservancy

### Clarion River Conserved Corridor



### Forbes State Forest – Fort Necessity National Battlefield Connector



*In addition to WPC's acquisition of 862 acres that connects Fort Necessity National Battlefield with Forbes State Forest, WPC also acquired a 115-acre tract that adds to the forest (top and left bottom).*

*TCF's acquisition of the redwood and Douglas fir Gualala River Forest in California's Mendocino County averts clear-cutting for vineyards and other development, which would harm coho salmon (above right) and steelhead trout spawning habitat.*

## Protecting and Restoring Pennsylvania Watersheds



Huling Branch (above) and Middle Branch are both part of the tributary system of Kettle Creek that flows into the West Branch Susquehanna River. Trout Unlimited is working with the Pennsylvania Department of Environmental Protection to secure funding for a series of passive treatment projects for the Huling Branch watershed that will be similar to the Middle Branch passive treatment system (below) where mine drainage flows through a series of ponds containing limestone and organic compost, then through a wetland and settling pond designed to neutralize the stream's pH and remove toxic metals such as aluminum and iron.



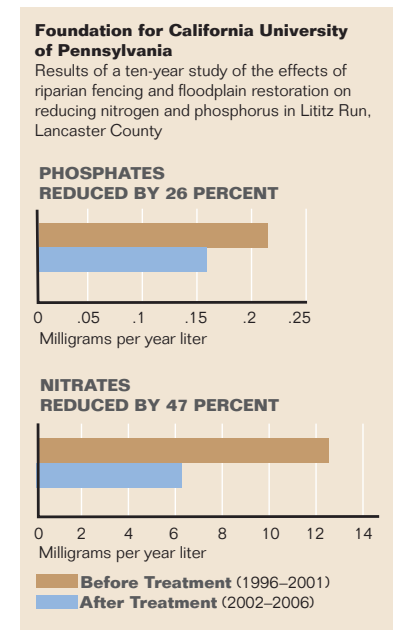
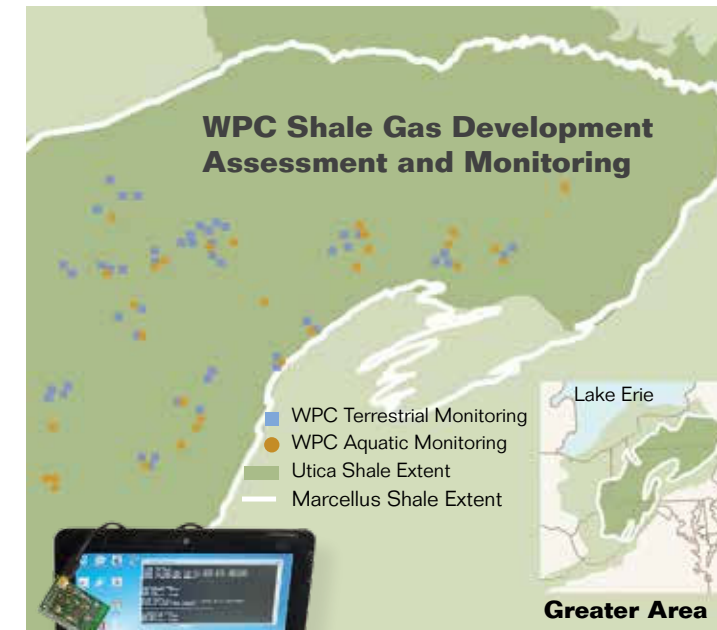
FPW is helping the Pennsylvania Fish & Boat Commission avert an invasion of Asian carp into Pennsylvania's waterways. Asian carp were introduced to the United States in the 1960s to address plankton blooms in catfish ponds, hyper-fertility in municipal water treatment ponds, and to provide a new aquaculture product. During flooding in the 1980s, the carp — a threat to all native fish — began to escape, travelling up the Mississippi River, and have reached the Ohio River.

Pennsylvanians can feel gratified that a comprehensive and collaborative effort among many organizations to rehabilitate and protect watersheds is improving the quality of the state's streams and river tributaries, health of fish, and diversity of flora and fauna.

**Trout Unlimited** has made significant progress in reducing acid mine drainage into the West Branch Susquehanna River. The acidity of the 243-mile-long river has improved to near neutral pH. The waterway supports 16 species of fish compared with only 3 species in the mid-1990s; and two restored tributaries, Babb Creek and Sterling Run, are now classified as wild trout fisheries.

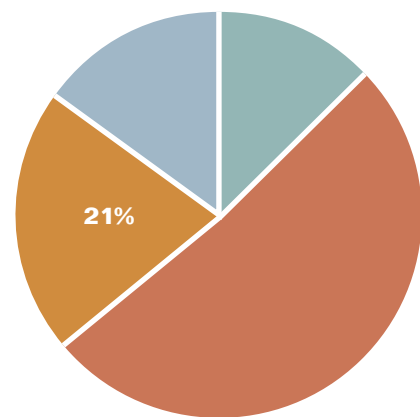
The **Foundation for California University of Pennsylvania's** agricultural watershed restoration program, begun in 1996, has fenced 430 miles of stream banks, restored over 3,500 acres of wetlands, and planted 6,000 acres of warm season grasses. The **Foundation for Pennsylvania Watersheds (FPW)** is addressing the threat to Pennsylvania's aquatic life posed by the migration of the quickly proliferating Asian carp from the lower Ohio River into Pennsylvania's rivers and streams.

However, much environmental repair and scientific assessment remains to be done. In order to address current and future potential impacts on water and habitat, particularly those from shale gas hydrofracturing, the **Western Pennsylvania Conservancy (WPC)** is monitoring approximately 80 high-value conservation areas across the state. For this project, **Carnegie Mellon University (CMU)** is contributing "waterbots," new technology that cost-effectively and accurately measures temperature, conductivity, and acidity.



WPC plans to use CMU's "waterbots" in many of the locations it is monitoring for impacts of shale gas drilling. Waterbots are real-time conductivity sensors and data loggers designed to monitor total dissolved solids, a key indicator of water quality.

# CONSERVATION Grant Summary



**Grants Approved**  
**\$19,574,500**  
**21% of total**

**Number of Grants**  
**29**

**3 Rivers Wet Weather, Inc.**  
Pittsburgh, PA  
\$350,000 toward two-year support to formulate a green infrastructure strategic plan for key municipalities and watersheds within the ALCOSAN service area

**Allegheny Land Trust**  
Sewickley, PA  
\$110,000 toward support of general operations and to develop an innovative storm water management system at Lowries Run Slopes Conservation Area

**American Chestnut Foundation**  
Asheville, NC  
\$50,000 toward restoration of mine land along Bennett Branch Creek in Elk and Clearfield Counties and for support of operations for work in Pennsylvania

**Carnegie Mellon University**  
Pittsburgh, PA  
\$20,000 to develop a protocol to include creation of low-cost water quality monitoring devices and evaluation of water quality changes in western Pennsylvania's streams and rivers  
\$42,000 toward a three-year effort to assist in research and development of a water management strategy in the upper Ohio River system

\$100,000 to develop and deploy water quality monitoring devices in sensitive streams and in rural homes in western Pennsylvania

**The Conservation Fund**  
Arlington, VA  
\$7,000,000 toward protection of land in northern Wisconsin  
\$3,000,000 for a program-related investment toward protection of land in Mendocino County, California

**Foundation for California University of Pennsylvania**  
California, PA  
\$600,000 toward two-year support to restore and enhance fish and wildlife habitat on agricultural lands in Pennsylvania

**Foundation for Pennsylvania Watersheds**  
Alexandria, PA  
\$300,000 toward capacity-building programs for watershed organizations in western Pennsylvania  
\$25,000 toward costs associated with a forum on infiltration of the Ohio River by Asian carp held in Pittsburgh on June 27–28, 2012

\$50,000 to provide analysis on the impact of conservation spending in Pennsylvania and to encourage ongoing support for farmland, watershed, and open space protection

**Friends of Hôpital Albert Schweitzer Haiti**  
Pittsburgh, PA  
\$150,000 to help restore the environment through reforestation combined with agro-forestry initiatives in Haiti's Artibonite region



*PA Cleanways encompasses 27 county and local affiliate groups statewide. In a survey of nine southwestern Pennsylvania counties more than 1,000 illegal dumping sites exist holding an estimated 4,000 tons of trash. More than 80 percent of the sites are in rural areas with a majority adjacent to or partially immersed in water and streambeds. Motion-activated cameras are now being installed in some locations to prevent renewed illegal dumping after a site has been cleaned.*



*In partnership with the Pennsylvania Department of Conservation and Natural Resources, the Keystone Elk Country Alliance opened the Elk Country Visitor Center at Benezette in Elk County in 2010 as an ecotourism attraction. The center welcomes 200,000 visitors annually.*

**Keystone Elk Country Alliance**  
Benezette, PA  
\$200,000 toward two-year support of operations, to expand marketing efforts, and to diversify funding

**Loyalhanna Watershed Association, Inc.**  
Ligonier, PA  
\$90,000 toward two-year support of operations

**National Audubon Society**  
Audubon, PA  
\$75,000 toward development of the Forestry for the Birds program

**The Nature Conservancy, Inc.**  
Harrisburg, PA  
\$25,000 to provide ecologically based goals and standards for river flow management in the upper Ohio River basin, including the Monongahela and Allegheny Rivers and their tributaries

**PA Cleanways**  
Greensburg, PA  
\$125,000 to develop and implement an integrated community-based education campaign and enforcement plan on illegal dumping for southwestern Pennsylvania

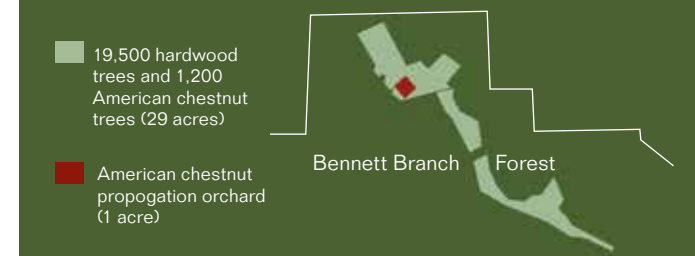
**PA Cleanways of Allegheny County, Inc.**  
Pittsburgh, PA  
\$85,000 toward two-year support of operations



*The Pennsylvania elk herd numbers 700–800 animals, and limited hunting is permitted to stabilize the size of the herd in the 835-square-mile elk management area.*



**American Chestnut Foundation**  
Reforestation of a 30-acre mine reclamation site in the 1,400-acre Bennett Branch Forest, Elk and Clearfield Counties, Pennsylvania



**Pennsylvania Environmental Council, Inc.**  
Harrisburg, PA  
\$10,000 to support research and public survey work as a means of evaluating the Monongahela River Towns program  
\$410,000 toward support of land and water conservation efforts in western Pennsylvania and toward costs associated with the Conservation Landscape Summit held in Harrisburg on October 29–30, 2012

**The Pennsylvania State University**  
University Park, PA  
\$125,000 toward three-year support to evaluate the effectiveness of stream habitat improvements in western Pennsylvania

**Pittsburgh Community Broadcasting Corporation**  
Pittsburgh, PA  
\$75,000 toward coverage of habitat, conservation, and energy development issues in Pennsylvania

**Terrafirma Risk Retention Group LLC**  
Washington, DC  
\$700,000 to fund costs to defend conserved lands from legal challenges and provide early, effective, and expert assistance to minimize disputes

**Touchstone Center for Crafts**  
Farmington, PA  
\$250,000 to construct a wastewater treatment system

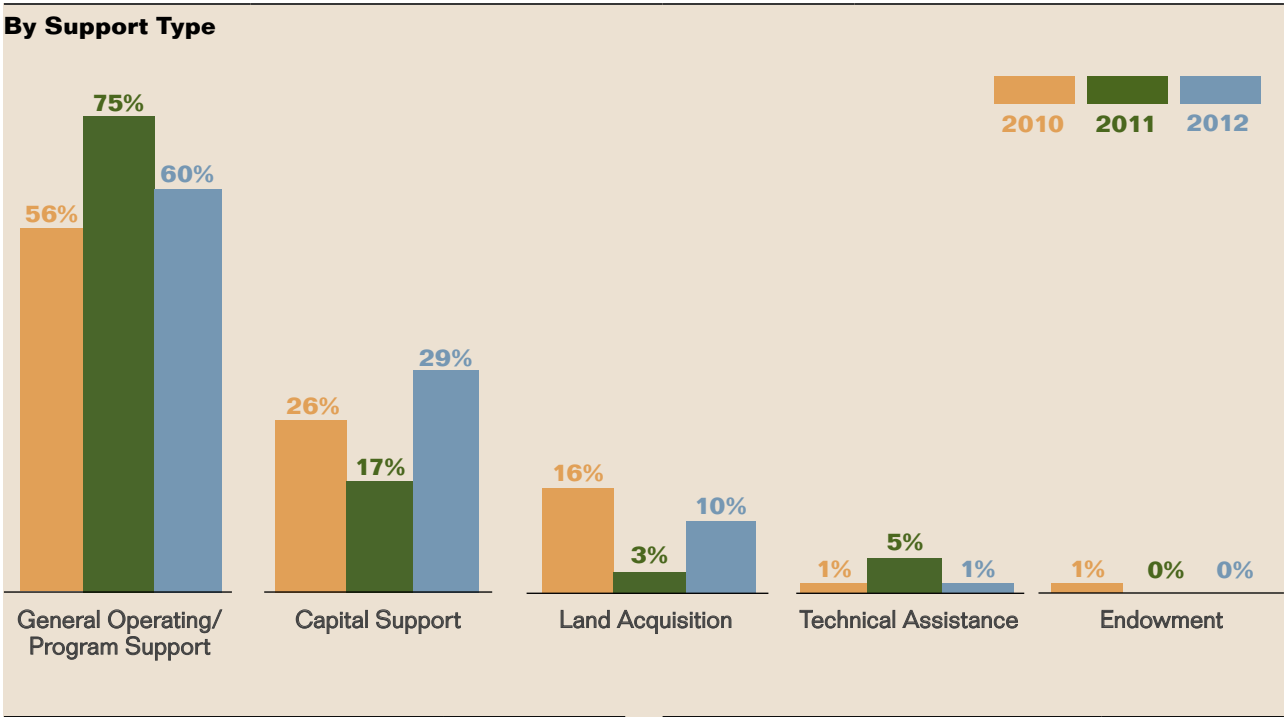
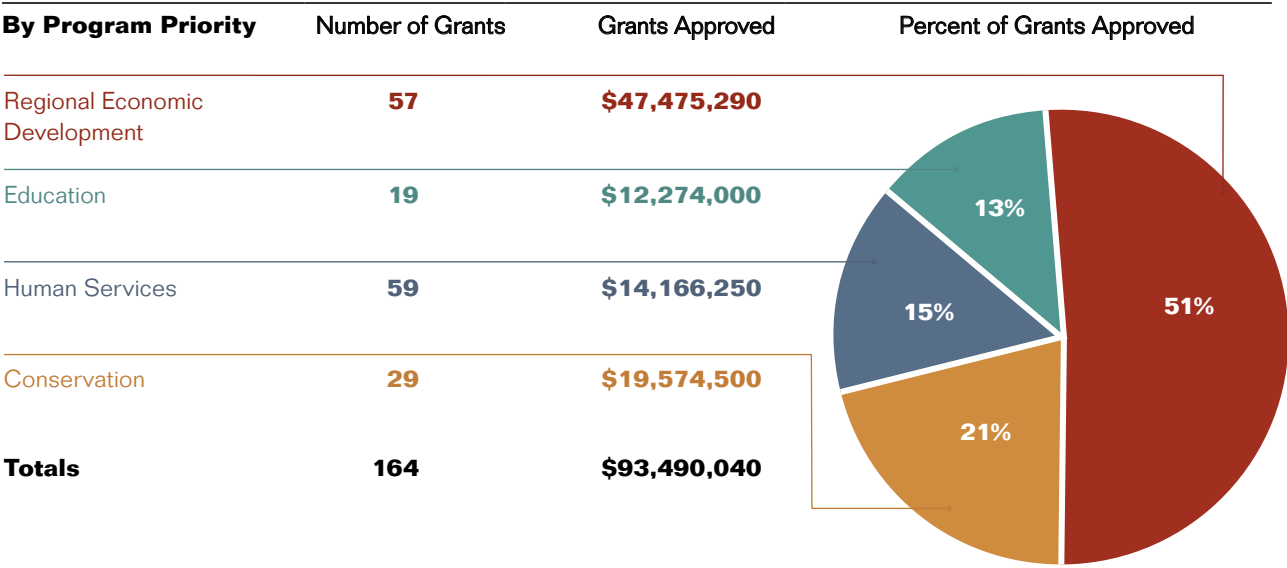
*The American Chestnut Foundation (ACF) is restoring the American chestnut tree, which once comprised one-quarter of the hardwood timber in the eastern United States and succumbed to a fungus disease in the first half of the 20th century. Through extensive back-crossing hybridizing with the fungus-resistant Chinese chestnut, the new American chestnut (top middle) also is now resistant. ACF is planting the new American chestnut along with several other hardwoods including the red oak (top left) and the yellow poplar (top right) on reclaimed mining sites such as this 30-acre site in Western Pennsylvania Conservancy's Bennett Branch Forest (top right).*

**Trout Unlimited**  
Arlington, VA  
\$600,000 toward two-year support to continue the abandoned mine cleanup and stream restoration efforts across the West Branch Susquehanna River

**Western Pennsylvania Conservancy**  
Pittsburgh, PA  
\$5,000 toward support of general operations  
\$5,000,000 toward support for protection of land and water in western Pennsylvania

**Wildlife for Everyone Endowment Foundation**  
State College, PA  
\$2,500 toward the Wildlife Diversity Forum held on June 28–29, 2012, in State College, Pennsylvania

Appropriations 2012



By Geographic Area		Net Investment Income	
Pittsburgh and southwestern Pennsylvania	\$80,775,040	1947 through 2011	\$1,278,894,116
Other	12,715,000	2012	67,840,858
Total	\$93,490,040	Total	\$1,346,734,974

Grants Paid and Program-Related Investments	
1947 through 2011	\$1,891,605,209
2012	87,027,541
Total	\$1,978,632,750

Statements of Financial Position

December 31,	2012	2011
<b>Assets</b>		
Cash	\$ 1,352,295	\$ 100,194
Other current assets	2,353,482	7,450,867
Investments:		
Equities	1,074,672,546	968,220,458
Fixed income	544,052,654	497,106,156
Temporary investments	99,500,323	82,315,215
Alternative investments	323,635,148	348,687,045
Subtotal	2,041,860,671	1,896,328,874
Payable from unsettled securities purchases, net	(3,081,006)	(7,565,800)
Total investments	2,038,779,665	1,888,763,074
Program-related assets	14,382,000	8,882,000
Total assets	\$2,056,867,442	\$1,905,196,135
<b>Liabilities and Net Assets</b>		
Liabilities:		
Grants payable	\$ 16,957,015	\$ 10,858,078
Deferred federal excise taxes	2,928,730	1,850,187
Appropriations for program-related assets	14,382,000	8,882,000
Total liabilities	34,267,745	21,590,265
Unrestricted net assets	2,022,599,697	1,883,605,870
Total liabilities and net assets	\$2,056,867,442	\$1,905,196,135

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

Statements of Activities and Changes in Net Assets

For the year ended December 31,	2012	2011
<b>Income</b>		
Investment income	\$ 84,114,314	\$ 73,803,618
Realized gains on investments	55,586,131	65,776,234
Unrealized gains (losses) on investments	107,854,289	(118,803,908)
Total income	247,554,734	20,775,944
<b>Expenses</b>		
Grants approved, net of recissions	92,287,451	83,593,022
Administrative, investment, and program	10,975,403	11,407,361
Provision for taxes	4,219,510	407,566
Provision for (benefit from) deferred taxes	1,078,543	(1,188,039)
Total expenses	108,560,907	94,219,910
Change in unrestricted net assets	138,993,827	(73,443,966)
<b>Unrestricted net assets</b>		
Beginning of period	1,883,605,870	1,957,049,836
End of period	\$2,022,599,697	\$1,883,605,870

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

Statements of Cash Flows			
For the year ended December 31,		2012	2011
<b>Cash flows from operating activities</b>			
Change in unrestricted net assets	\$	138,993,827	\$ (73,443,966)
Adjustments to reconcile change in unrestricted net assets to net cash used by operating activities:			
Accretion		(675,072)	(958,291)
Deferred federal excise taxes		1,078,543	(1,188,039)
Realized gains on investments		(55,586,131)	(65,776,234)
Unrealized (gains) losses on investments		(107,854,289)	118,803,908
Increase (decrease) in cash from changes in:			
Other current assets		5,097,385	(2,183,736)
Program-related assets		(5,500,000)	(5,050,000)
Grants payable		6,098,937	(7,042,001)
Appropriations for program-related assets		5,500,000	5,050,000
Net cash used by operating activities		(12,846,800)	(31,788,359)
<b>Cash flows from investing activities</b>			
Purchases of investments		(2,807,478,472)	(3,460,088,287)
Proceeds from sales of investments		2,821,577,373	3,491,855,339
Net cash provided by investing activities		14,098,901	31,767,052
Net change in cash		1,252,101	(21,307)
<b>Cash</b>			
Beginning of year		100,194	121,501
End of year	\$	1,352,295	\$ 100,194

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

Summary of Investments				
December 31,	2012		2011	
	Book Value	Fair Value	Book Value	Fair Value
Equities	\$ 876,701,112	\$1,075,401,766	\$ 878,079,747	\$ 966,802,749
Fixed income	541,162,499	541,350,845	499,445,674	492,052,065
Temporary investments	99,656,415	99,500,323	82,315,314	82,315,215
Alternative investments	228,386,606	322,526,731	243,903,595	347,593,045
Total investments	\$1,745,906,632	\$2,038,779,665	\$1,703,744,330	\$1,888,763,074

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

## Notes to Financial Statements

### Note 1: Significant Accounting Policies

#### Basis of Accounting

The accompanying financial statements of the Richard King Mellon Foundation (Foundation) are prepared on the accrual basis of accounting.

#### Nature of Operations

The purpose of the Foundation is to provide grants to organizations in Pittsburgh and southwestern Pennsylvania, primarily in the areas of Regional Economic Development, Education, Human Services, and Nonprofit Capacity Building. Its interest in the area of Conservation is national.

#### Cash

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

#### Investments

In accordance with the authoritative guidance on fair value measurements and disclosures under Generally Accepted

Accounting Principles (GAAP), the Foundation discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are as follows:

**Level 1:** Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.

**Level 2:** Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

**Level 3:** Inputs that are unobservable.

## Notes to Financial Statements (continued)

Inputs are used in applying the various valuation techniques and refer to the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics, interest rates, yield curves, volatilities, prepayment speeds, default rates, and other factors. A financial instrument's level, within the fair value hierarchy, is based on the lowest level of any input that is significant to the fair value measurement. The Foundation considers observable data to be that market data which is readily available and reliable and provided by independent sources. The categorization of a financial instrument within the hierarchy is therefore based upon the pricing transparency of the instrument and does not necessarily correspond to the Foundation's perceived risk of that instrument.

Investments whose values are based on quoted market prices in active markets are classified as Level 1 and include active listed equities and certain short-term fixed income investments. The Foundation does not adjust the quoted price for such instruments, even in situations where the Foundation holds a large position and a sale of all its holdings could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources, are classified as Level 2. These include certain U.S. government and sovereign obligations, government agency obligations, investment grade corporate bonds, and less liquid equity securities.

Investments classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value are based upon the best information in the circumstance and may require significant management judgment. Certain of the Foundation's investments in stocks and long-term debt instruments are classified as Level 3 because they do not have an active market. Also, all of the Foundation's alternative investments are classified as Level 3. These investments are primarily made under agreements to participate in limited partnerships and are generally subject to certain withdrawal restrictions. Values for these partnerships, which may include investments in both nonmarketable and market-traded securities, are provided by the general partner and may be based on recent transactions, cash flow forecasts, appraisals and other factors. Market values may be discounted for concentration of ownership. Because of the inherent uncertainty of valuing the investments in such partnerships and certain of the underlying investments held by the partnerships, the Foundation's estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed. The financial statements of the limited partnerships are audited annually by independent auditing firms. Investments in these partnerships may be illiquid, and thus there can be no assurance that the Foundation will be able to realize the value of such investments in a timely manner.

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

Realized gain (loss) from dispositions of investments is determined by specific cost identification. Unrealized gain (loss) of investments represents the change in the difference between fair value quotations and the total book value of investments held at the beginning and end of the year.

### Note 4: Fair Value Measurements

The following table presents the investments carried on the Statements of Financial Position by level within the valuation hierarchy as of December 31, 2012 and 2011:

Investments at Fair Value as of December 31, 2012				
Investments	Level 1	Level 2	Level 3	Total
Equities	\$ 906,828,917	\$ 166,197,046	\$ 1,646,583	\$ 1,074,672,546
Fixed income	187,141,863	356,413,407	497,384	544,052,654
Temporary investments	99,500,323	0	0	99,500,323
Alternative investments	0	0	323,635,148	323,635,148
Total investments	\$1,193,471,103	\$522,610,453	\$325,779,115	\$2,041,860,671

#### Use of Estimates

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

#### Program-Related Assets

The Foundation makes investments which advance its charitable mission and qualify as charitable distributions by the Internal Revenue Service. Such investments, which include loans made to various organizations and an investment in a private equity fund, earn below risk-adjusted market rates of return. Management has reviewed the program-related assets and believes no allowance is necessary as of December 31, 2012 and 2011.

### Note 2: Taxes

The Foundation is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The Foundation is subject to a federal excise tax equal to 2% of net investment income, which consists of interest and dividend income, realized gains on sales of investments less realized losses to the extent that they can be offset against realized gains, less related investment expenses. The Foundation met certain distribution requirements defined in Section 4940 of the Internal Revenue Code, resulting in a reduced tax of 1% of net investment income for the year ended December 31, 2011.

At December 31, 2012 and 2011, deferred federal excise taxes are provided at 1%, which is the rate expected to be paid on unrealized gains on investments.

The Foundation is subject to the authoritative guidance on accounting for uncertainty in income taxes issued under GAAP. This guidance establishes a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction) and requires certain expanded tax disclosures. The Foundation has recorded no uncertain tax liabilities pursuant to this guidance. The Foundation continually reviews its tax positions and such conclusions under the guidance based on factors including, but not limited to, ongoing analyses of tax laws and regulations.

### Note 3: Commitments

The Foundation is a Limited Partner in limited partnerships for investment purposes. At December 31, 2012 and 2011, the Foundation had contractually committed to additional investments of \$103.0 million and \$98.7 million, respectively.

At December 31, 2012, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2013 of \$33.6 million and \$30.5 million for a net payable of \$3.1 million. At December 31, 2011, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2012 of \$74.7 million and \$67.1 million for a net payable of \$7.6 million. These transactions are reflected within the financial statements on a net basis.

Notes to Financial Statements (continued)

Payables from unsettled securities purchases, net at Fair Value as of December 31, 2012				
Payables, net	Level 1	Level 2	Level 3	Total
Equities	\$ 729,220	\$ 0	\$ 0	\$ 729,220
Fixed income	497,781	(3,199,590)	0	(2,701,809)
Alternative investments	0	0	(1,108,417)	(1,108,417)
Total payables, net	\$ 1,227,001	\$ (3,199,590)	\$ (1,108,417)	\$ (3,081,006)

Investments at Fair Value as of December 31, 2011				
Investments	Level 1	Level 2	Level 3	Total
Equities	\$ 805,770,556	\$ 160,394,358	\$ 2,055,544	\$ 968,220,458
Fixed income	145,624,669	350,904,487	577,000	497,106,156
Temporary investments	82,173,734	141,481	0	82,315,215
Alternative investments	0	0	348,687,045	348,687,045
Total investments	\$1,033,568,959	\$ 511,440,326	\$351,319,589	\$1,896,328,874

Payables from unsettled securities purchases, net at Fair Value as of December 31, 2011				
Payables, net	Level 1	Level 2	Level 3	Total
Equities	\$(1,417,709)	\$ 0	\$ 0	\$(1,417,709)
Fixed income	0	(5,054,091)	0	(5,054,091)
Alternative investments	0	0	(1,094,000)	(1,094,000)
Total payables, net	\$(1,417,709)	\$(5,054,091)	\$(1,094,000)	\$(7,565,800)

There were no significant transfers between Levels 1, 2, and 3 during the years ended December 31, 2012 and 2011.

The following tables present a roll-forward of the amounts for the years ended December 31, 2012 and 2011, for investments classified within Level 3:

Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2012							
Investments	Balance at December 31, 2011	Net Investment Income	Realized Gain/(Loss)	Change in Unrealized Gain/(Loss)	(Sales)	Purchases	Balance at December 31, 2012
Equities	\$ 2,055,544	\$ 0	\$ (172,107)	\$ 96,142	\$ (377,549)	\$ 44,553	\$ 1,646,583
Fixed income	577,000	0	(3,702)	49,936	(220,350)	94,500	497,384
Alternative investments	348,687,045	34,542,162	4,879,362	(9,549,325)	(93,509,096)	38,585,000	323,635,148
Total investments	\$351,319,589	\$34,542,162	\$4,703,553	\$(9,403,247)	\$ (94,106,995)	\$38,724,053	\$325,779,115

Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2011							
Investments	Balance at December 31, 2010	Net Investment Income	Realized Gain/(Loss)	Change in Unrealized Gain/(Loss)	(Sales)	Purchases	Balance at December 31, 2011
Equities	\$ 1,646,583	\$ 32,547	\$ (4,770)	\$ (206,819)	\$ (114,250)	\$ 702,253	\$ 2,055,544
Fixed income	1,780,703	40,245	79,903	(183,791)	(1,260,960)	120,900	577,000
Alternative investments	381,375,635	27,850,282	3,444,815	2,422,497	(102,619,000)	36,212,816	348,687,045
Total investments	\$384,802,921	\$27,923,074	\$3,519,948	\$2,031,887	\$(103,994,210)	\$37,035,969	\$351,319,589

The Foundation has certain investments that do not have readily determinable fair values but permit direct redemption or distributions at times specified under the governing documents. As a practical expedient, the Foundation relies on the net asset value (NAV) of these investments as their fair value. The net asset values that have been provided by the investees have been derived from the fair values of the underlying investments as of the reporting date. The following table summarizes the nature of these investments and any related liquidation restrictions or other factors which may impact the ultimate value realized:

Notes to Financial Statements (continued)

Category of Investment	Investment Strategy	Number of Funds	Determined Using NAV	Commitments (\$millions)	Redemption Terms	Remaining Life
Equities	Private placement stock	1	\$ 57,151,511	\$ 0	(1)	n/a
Equities	International and emerging markets	4	106,785,963	0	(2)	n/a
Fixed income	Long-term debt, global, high yield	7	124,713,002	0	(3)	64% n/a, 32% 12 years, 4% 21 years
Alternative investments	Buyouts, distress debt, energy, real estate, and venture capital	203	323,635,148	103.0	(4)	(5)
Totals		215	\$ 612,285,624	\$ 103.0		

All percentages below based on percent of total fair value of investments determined using NAV:

- (1) Subject to shareholder approval  
(2) All funds subject to 7–30 days prior notice, 77% subject to monthly redemptions, 23% subject to quarterly redemptions  
(3) 63% subject to monthly redemption with 10–30 days prior notice, 37% subject to quarterly redemptions  
(4) All redemptions, sales, or transfers subject to approval of general partner  
(5) 19% 1 year, 46% 2–5 years, 26% 6–10 years, 9% 11–15 years; all funds subject to extensions between 0–3 years

There are no current plans to sell any of these investments.

Note 5: Subsequent Events

The Foundation evaluated all activity through May 23, 2013, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the Notes to Financial Statements.

Report of Independent Auditors

To the Trustees of Richard King Mellon Foundation:

We have audited the accompanying financial statements of the Richard King Mellon Foundation (“the Foundation”), which comprise the statements of financial position and the related statements of activities and changes in net assets and of cash flows as of December 31, 2012 and December 31, 2011.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by

management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Richard King Mellon Foundation at December 31, 2012 and December 31, 2011, and the results of its operations, changes in its net assets, and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary summary of investments is presented for purposes of additional analysis and is not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

  
May 23, 2013

Policy and Grant Guidelines

Approved in December 2009 and effective January 1, 2010, the Trustees established the following grant-making objectives and grant program priorities.

Objectives

The Foundation seeks to improve the competitive position of the region; strengthen the vitality of southwestern Pennsylvania, particularly the city of Pittsburgh and its neighborhoods; and protect precious green and natural infrastructure, particularly in western Pennsylvania.

Program Priorities

Southwestern Pennsylvania

Regional Economic Development

- University research and technology initiatives
- Initiatives promoting innovation, business diversification, local agriculture, and workforce excellence
- Urban community revitalization
- Regional cultural and recreational tourism

Education

- Colleges and universities integral to local communities
- Programs responsive to workforce market demands
- Programs designed to improve the quality of education performance
- Independent schools

Human Services

- Programs designed to achieve holistic and broadscale outcomes
- Early childhood programs focused on school readiness
- Career-focused, after-school programs
- Capacity-building initiatives

Program Priorities (continued)

Western Pennsylvania

Conservation

- Land conservation with an emphasis on habitat protection and sustainable timber management
- Watershed protection and restoration with an emphasis on projects that are strategic
- Sustainable environments

The Foundation gives priority to projects and programs that have clearly defined outcomes and an evaluation component and has a preference for partnering with other donors on initiatives. The Foundation accepts applications throughout the year. The Foundation uses the Common Grant Application format, developed by Grantmakers of Western Pennsylvania, which may be obtained at the website address [foundationcenter.org/grantmaker/rkmellon/](http://foundationcenter.org/grantmaker/rkmellon/) or by contacting the Foundation offices.

Attention:

Information and Grants Manager  
Richard King Mellon Foundation  
BNY Mellon Center  
Suite 4106, 500 Grant Street  
Pittsburgh, PA 15219-2502

telephone 412 392 2800  
fax 412 392 2837

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



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**Cover:** Carnegie Mellon University's Hamerschlag Hall (left) was designed by Henry Hornbostel and constructed between 1906–1912, and the University of Pittsburgh's Cathedral of Learning (right) was designed by Charles Z. Klauder and constructed between 1926–1937.

Richard  
King  
Mellon  
Foundation

## 2012 Annual Report

BNY Mellon Center  
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