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.

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.

Mr. Mellon died on June 3, 1970.

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) diversify Pittsburgh’s economy in the 1990s, attract high-tech manufacturing to the region. An 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.
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.

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. 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.
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.

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.

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.
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 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.
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.
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 Pennsylvania 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.
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  
$180,000 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  
$180,000 to increase air transportation service to Pittsburgh

August Wilson Center for African American Culture  
Pittsburgh, PA  
$5,000,000 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

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 interpretive 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  
Laughterstown, 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

The Mountain Playhouse, Inc.  
Jennersville, PA  
$200,000 toward two-year support of operations

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.
Neighbors in the Strip, Inc.  
$100,000 toward the retail workforce development training program

Northside Industrial Development Corp.  
$25,000 to upgrade lighting using an energy-efficient product

Pittsburgh Arts & Lectures  
$10,000 toward support of programs

Pittsburgh Ballet Theatre, Inc.  
$250,000 toward support of operations  
$450,000: $250,000 toward support of operations and $200,000 toward school expansion

Pittsburgh Community Broadcasting Corporation  
$3,290 to engage a consultant to formulate and draft editorial guidelines

Pittsburgh Entertainment Project  
$10,000 toward support of programs

Pittsburgh Glass Center, Inc.  
$200,000 toward support of operations and to rebuild a glassblowing furnace

Pittsburgh Life Sciences Greenhouse  
$250,000 toward support of operations

Pittsburgh Middle East Institute, Inc.  
$10,000 toward costs associated with the Health Innovation Conference held in Pittsburgh on October 30, 2012

Pittsburgh Opera, Inc.  
$250,000 toward support of operations

Pittsburgh Parks Conservancy  
$1,500,000 toward restoration of Mellon Square Park

The Pittsburgh Public Theater Corporation  
$250,000 toward support of operations and a matching grant for individual donations

The Pittsburgh Trust for Cultural Resources  
$150,000 toward support of JazzLive International, part of the Three Rivers Arts Festival

Pittsburgh Water and Sewer Authority  
$25,000 to incorporate green infrastructure into the final Wet Weather Plan for the City of Pittsburgh

Renewable Manufacturing Gateway  
$1,500,000 toward support of operations and program-related investments

RIDC Fund For Economic Growth  
$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  
$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  
$250,000 toward two-year support of operations

Three Rivers Workforce Investment Board  
$1,000 toward costs associated with the annual meeting

University of Pittsburgh  
$22,800,000 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  
$250,000 toward two-year support of the Pittsburgh Regional Indicators project and the journalism program

University of Pittsburgh, Institute of Politics  
$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  
$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.  
$15,000 to support community day activities in the West End neighborhoods

Westmoreland Human Opportunities, Inc.  
$250,000 toward capital and operating needs of the ShopDemo Depot

Westmoreland Museum of American Art  
$8,000,000 toward capital and endowment support

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).
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).
Richard King Mellon Foundation 2012 Annual Report

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 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.

**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 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

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 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.

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

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

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

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.

Grant Summary

EDUCATION

13%
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.
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.
**Grant Summary**

**HUMAN SERVICES**

**15% of Total**

**59 Number of Grants**

**$14,166,250 Grants Approved**

### 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
$380,000 toward construction of the Wellness Center

### Bible Center Church, Inc.
Pittsburgh, PA
$550,000 toward renovations of the worship, arts, recreation, and ministry complex

### 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

### Bradnock 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

### 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

### 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.
Bexel, PA
$400,000 toward two-year support for expansion of the number of urban youth in Critikids

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

### Friends of the Pittsburgh Urban Forest
Pittsburgh, PA
$97,000 to provide four environmental organizations with high-level strategic and operational financial expertise

### 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
$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.
Wheeling, WV
$100,000 toward the Shellon Trade program, housed at Hosanna House

### Jefferson Awards for Public Service
Wilmingon, 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

### 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).

### 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

### George Junior Republic
Greens City, PA
$33,000 toward an energy audit

### Holy Family Institute
Pittsburgh, PA
$450,000 toward a joint grant-making program with the Richard King Mellon Foundation's field of interest in the Johnstown area
Manchester Craftsmen's Guild
Pittsburgh, PA
$500,000 toward two-year support of jazz and youth 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
$1,000 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 expense to dissolve the organization

Operation Better Block, Inc.
Pittsburgh, PA
$380,000 toward community and economic development in Homewood

Pennsylvania Partnerships for Children
Harrisburg, PA
$100,000 toward support of operations

Pittsburgh Association for the Education of Young Children
Pittsburgh, PA
$280,000 to support family child-care providers using the Homeword Alliance model, including $10,000 for renovation to the Homewood Childcare Center

Pittsburgh Chapter National Tooling and Machining Foundation, Inc.
Moon Township, PA
$250,000 toward two-year support to expand the BoniQ program

The Pittsburgh Foundation
Pittsburgh, PA
$250,000 toward support of human service and capacity-building needs in Westmoreland County

$300,000 toward support of the Human Services Integration Fund

Pittsburgh Gateways Corporation
Pittsburgh, PA
$500,000 toward the Energy Innovation Center corporate-led training program

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.
Charlottesville, VA
$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

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
$30,000 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
$10,000 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
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 barrens habitat where Blanding’s turtles, a species classified as threatened, thrive (right).

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.
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.

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.

Reports of Asian Carp

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.
The Conservation Fund

- **The Conservation Fund**
  - Pittsburgh, PA
  - $700,000 toward protection of land in northwestern Wisconsin
  - $3,000,000 for a program-related investment toward protection of land in Mendocino County, California

Foundation for California University of Pennsylvania

- **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

The Nature Conservancy, Inc.

- **The Nature Conservancy, Inc.**
  - Harrisonburg, 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

- **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

The Pennsylvania State University

- **The Pennsylvania State University**
  - University Park, 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

Carnegie Mellon University

- **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

Terrafirma Risk Retention Group LLC

- **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

American Chestnut Foundation

- **American Chestnut Foundation**
  - Ashville, NC
  - $5,000,000 toward support for protection and restoration of the American chestnut, which once comprised one-quarter of the hardwood timber in the eastern United States and succumbed to a fungal disease in the first half of the 20th century.

Trout Unlimited

- **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

- **Western Pennsylvania Conservancy**
  - Pittsburgh, PA
  - $5,000 toward support of general operations

Wildlife for Everyone Endowment Foundation

- **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

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. 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.
Statements of Financial Position

December 31, 2012 2011

<table>
<thead>
<tr>
<th>Assets</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$1,352,295</td>
<td>$100,194</td>
</tr>
<tr>
<td>Other current assets</td>
<td>2,353,482</td>
<td>7,450,867</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equities</td>
<td>1,074,672,546</td>
<td>968,220,458</td>
</tr>
<tr>
<td>Fixed income</td>
<td>544,052,654</td>
<td>497,106,156</td>
</tr>
<tr>
<td>Temporary investments</td>
<td>99,500,323</td>
<td>82,315,215</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>323,635,148</td>
<td>348,687,045</td>
</tr>
<tr>
<td>Subtotal</td>
<td>2,041,860,671</td>
<td>1,896,328,874</td>
</tr>
<tr>
<td>Payable from unsettled securities purchases, net</td>
<td>(3,081,006)</td>
<td>(7,565,800)</td>
</tr>
<tr>
<td>Total investments</td>
<td>2,038,779,665</td>
<td>1,888,763,074</td>
</tr>
<tr>
<td>Program-related assets</td>
<td>14,382,000</td>
<td>8,882,000</td>
</tr>
<tr>
<td>Total</td>
<td>$2,056,867,442</td>
<td>$1,905,196,135</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants payable</td>
<td>$16,957,015</td>
<td>$10,858,078</td>
</tr>
<tr>
<td>Deferred federal excise taxes</td>
<td>2,928,730</td>
<td>1,850,187</td>
</tr>
<tr>
<td>Appropriations for program-related assets</td>
<td>14,382,000</td>
<td>8,882,000</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>34,267,745</td>
<td>21,590,265</td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>$2,022,599,697</td>
<td>$1,883,605,870</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$2,056,867,442</td>
<td>$1,905,196,135</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Income</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>$84,114,314</td>
<td>$73,803,618</td>
</tr>
<tr>
<td>Realized gains on investments</td>
<td>55,586,181</td>
<td>65,736,234</td>
</tr>
<tr>
<td>Unrealized gains (losses) on investments</td>
<td>107,854,289</td>
<td>(118,803,908)</td>
</tr>
<tr>
<td>Total income</td>
<td>$247,554,734</td>
<td>$20,775,944</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants approved, net of recissions</td>
<td>92,287,451</td>
<td>83,593,022</td>
</tr>
<tr>
<td>Administrative, investment, and program</td>
<td>56,586,181</td>
<td>65,736,234</td>
</tr>
<tr>
<td>Provision for taxes</td>
<td>14,382,000</td>
<td>8,882,000</td>
</tr>
<tr>
<td>Provision for (benefit from) deferred taxes</td>
<td>4,219,510</td>
<td>4,121,234</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$183,490,040</td>
<td>$152,033,649</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Investment Income</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947 through 2011</td>
<td>$1,278,894,116</td>
<td>$73,803,618</td>
</tr>
<tr>
<td>2012</td>
<td>67,840,856</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$1,346,734,974</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grants Paid and Program-Related Investments</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947 through 2011</td>
<td>$1,891,605,209</td>
</tr>
<tr>
<td>2012</td>
<td>87,027,541</td>
</tr>
<tr>
<td>Total</td>
<td>$1,978,632,750</td>
</tr>
</tbody>
</table>

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

### Summary of Investments

<table>
<thead>
<tr>
<th>December 31, 2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Book Value</strong></td>
<td><strong>Fair Value</strong></td>
</tr>
<tr>
<td><strong>Equities</strong></td>
<td>$876,701,112</td>
</tr>
<tr>
<td><strong>Fixed income</strong></td>
<td>541,162,499</td>
</tr>
<tr>
<td><strong>Temporary investments</strong></td>
<td>99,858,418</td>
</tr>
<tr>
<td><strong>Alternative investments</strong></td>
<td>228,386,606</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>$1,454,908,632</td>
</tr>
</tbody>
</table>

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 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 measurement). 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 un活跃.
- **Level 3**: Inputs that are unobservable.

#### Note 2: Taxes

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 concerning 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 reviewed 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 contracted to make additional investments of $103.0 million and $98.7 million, respectively.

At December 31, 2012, the Foundation had outstanding trades to purchase real estate investments with a settlement date in 2013 of $336.0 million and $30.5 million for a net payable of $31.1 million. At December 31, 2011, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2012 of $274.7 million and $671.1 million for a net payable of $7.6 million. These transactions are reflected within the financial statements on a net basis.

#### Note 4: Fair Value Measurements

The following table presents the investments carried on the Statements of Financial Position by level within the hierarchy of the fair value measurements as of December 31, 2012 and 2011.

**Investments at Fair Value as of December 31, 2012**

<table>
<thead>
<tr>
<th>Level</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equities</strong></td>
<td>$906,828,917</td>
</tr>
<tr>
<td><strong>Fixed income</strong></td>
<td>187,849,383</td>
</tr>
<tr>
<td><strong>Temporary investments</strong></td>
<td>99,500,323</td>
</tr>
<tr>
<td><strong>Alternative investments</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>$1,193,471,103</td>
</tr>
</tbody>
</table>

**Investments at Fair Value as of December 31, 2011**

<table>
<thead>
<tr>
<th>Level</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equities</strong></td>
<td>$1,186,197,546</td>
</tr>
<tr>
<td><strong>Fixed income</strong></td>
<td>497,364</td>
</tr>
<tr>
<td><strong>Temporary investments</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Alternative investments</strong></td>
<td>323,635,148</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>$1,522,610,453</td>
</tr>
</tbody>
</table>

### 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 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 5: 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.
Notes to Financial Statements (continued)

Payables from unsettled securities purchases, net at Fair Value as of December 31, 2012

<table>
<thead>
<tr>
<th>Category of Investment</th>
<th>Investment</th>
<th>Number of</th>
<th>Determined</th>
<th>Commitments</th>
<th>Redemption</th>
<th>Remaining Life</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strategy</td>
<td>Funds</td>
<td>Using NAV</td>
<td>(Millions)</td>
<td>Terms</td>
<td></td>
</tr>
<tr>
<td>Equities</td>
<td>Private placement</td>
<td>1</td>
<td>$79,951</td>
<td>$0</td>
<td>(1)</td>
<td>n/a</td>
</tr>
<tr>
<td>Fixed income</td>
<td>International and emerging markets</td>
<td>4</td>
<td>16,786</td>
<td>$0</td>
<td>(2)</td>
<td>n/a</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>Buyouts, distress debt, energy, real estate, and venture capital</td>
<td>7</td>
<td>12,153</td>
<td>$0</td>
<td>(3)</td>
<td>64% n/a, 32% 12 years, 4% 21 years</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$93,035,963</td>
</tr>
</tbody>
</table>

Notes to Financial Statements (continued)

Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2012

<table>
<thead>
<tr>
<th>Category of Investment</th>
<th>Investment</th>
<th>Balance at December 31, 2011</th>
<th>Net Investment Income</th>
<th>Realized Gain/(Loss)</th>
<th>Unrealized Gain/(Loss) (Saled)</th>
<th>Purchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity investments</td>
<td></td>
<td>$2,055,544</td>
<td>0</td>
<td>$172,107</td>
<td>96,142</td>
<td>$44,553</td>
</tr>
<tr>
<td>Fixed income</td>
<td></td>
<td>0</td>
<td>(3,702)</td>
<td>49,916</td>
<td>(2,203,350)</td>
<td>94,500</td>
</tr>
<tr>
<td>Alternative investments</td>
<td></td>
<td>348,687,045</td>
<td>34,542,162</td>
<td>4,879,266</td>
<td>9,549,325</td>
<td>39,059,080</td>
</tr>
<tr>
<td>Total investments</td>
<td></td>
<td>$351,319,589</td>
<td>$34,542,162</td>
<td>$4,703,553</td>
<td>$(9,403,247)</td>
<td>38,724,053</td>
</tr>
</tbody>
</table>

Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2011

<table>
<thead>
<tr>
<th>Category of Investment</th>
<th>Investment</th>
<th>Balance at December 31, 2010</th>
<th>Net Investment Income</th>
<th>Realized Gain/(Loss)</th>
<th>Unrealized Gain/(Loss) (Saled)</th>
<th>Purchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity investments</td>
<td></td>
<td>$1,646,583</td>
<td>32,547</td>
<td>(4,770)</td>
<td>$(106,819)</td>
<td>(114,205)</td>
</tr>
<tr>
<td>Fixed income</td>
<td></td>
<td>1,780,703</td>
<td>40,245</td>
<td>79,903</td>
<td>(183,791)</td>
<td>(1,260,960)</td>
</tr>
<tr>
<td>Alternative investments</td>
<td></td>
<td>381,375,635</td>
<td>3,444,815</td>
<td>2,422,497</td>
<td>(102,619,000)</td>
<td>36,212,816</td>
</tr>
<tr>
<td>Total investments</td>
<td></td>
<td>$384,802,921</td>
<td>$27,923,074</td>
<td>$3,519,948</td>
<td>$2,031,887</td>
<td>$103,994,210</td>
</tr>
</tbody>
</table>

Notes to Financial Statements (continued)

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.

Our 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 2011, and the results of its operations, 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.

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 2011, and for the year then ended. These financial statements are the responsibility of the Foundation’s management.

Management’s Responsibility

Management is responsible to the Board of Trustees of the Richard King Mellon Foundation, as well as the various donors, for the preparation and fair presentation of these financial statements. Management is also responsible for establishing and maintaining internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) for the Foundation, and for maintaining such internal control so that it is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Management’s objectives in internal control are (1) to ensure the accuracy and reliability of the financial reporting process; (2) to protect the Foundation’s assets from material loss due to theft, waste, misuse, or unauthorized disposition; and (3) to provide an environment in which recommendations to improve internal controls can be made and acted upon. The Foundation has performed an assessment of the risk of material misstatement of the financial statements and 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.

Our 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 2011, and the results of its operations, 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
• Regional community revitalization
• Regional cultural and recreational tourism
• Colleges and universities integral to University research and technology initiatives

Southwestern Pennsylvania
Program Priorities
Regional Economic Development
• Capacity-building initiatives
• Career-focused, after-school programs
• Readiness
• Early childhood programs focused on school-wide outcomes

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/ 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.
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.