Richard King Mellon

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 Prosseer, 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.
Regional Economic Development
Gifts totaling $41 million for Regional Economic Development reflected southwestern Pennsylvania’s emergence as a center of education, biomedical research and technology, medical care, environmental quality, and livability. We work with public and private partners to enhance Pittsburgh’s assets in order to attract and keep a new generation of talented workers and community builders.

The success of “Pittsburgh Roars,” a regional arts-marketing initiative supported by the Richard King Mellon Foundation in 2005, and serve as seven years of supporting $50 million in continuing support in 2006.

Additional grant making enhanced regional quality of life by assisting in the development of parks, the installation of a wireless network throughout Downtown Pittsburgh, and the protection of our rich urban architectural fabric, the stewardship of shade trees, and the promotion of rural tourism in historic southwestern Pennsylvania.

Conservation
The Foundation has been a leader in the protection, preservation, and restoration of green and natural infrastructure throughout the United States, and these initiatives continued with gifts of $16 million in 2006. Our policy has been to form key partnerships with public and private agencies to identify, acquire, and safeguard strategically targeted sites. The Conservation Fund, for example, received $4,380,000 to help acquire conservation easements on approximately 257,000 acres of working forests of the Adirondack Region’s conservation projects in New York’s Forest Preserve.

The result is a significant number of critical and strategic service providers. The trustees approved contributions of $1,300,000 to the Orange Police Foundation toward the housing needs of first responders. The trusteed approved a gift of $800,000 toward Goodwill Industries of Southwestern Pennsylvania, and gifts of $600,000 to the African American Cultural Center of Greater Pittsburgh and $1,750,000 to the African American Cultural Center of Greater Pittsburgh.

The Children’s Institute of Pittsburgh, committed to children with special needs and their families, received $1,500,000 for a capital campaign.

The Ligonier Valley Young Men’s Christian Association will use a grant of $1,000,000 as matching funds in a campaign to complete facility improvements and endowment expansion. A gift of $30,000 for “Silk Screen,” Pittsburgh’s first Asian American Film Festival.

Among the Foundation’s $8 million in giving in this priority was a contribution of $300,000 to Boys and Girls Club of Western Pennsylvania toward a capital campaign to upgrade facilities and enhance programming.

The resulting changes will enable the club to significantly increase the number of youth served over the next three years.

The successes of the Foundation’s policy of encouraging and facilitating resource sharing, the trustees approved a gift of $400,000 to Goodwill Institutions of Southwestern Pennsylvania, and this program will conserve sensitive wildlife habitat, provide critical services.

In 2004, approximately 25% of the nation’s waterways were impaired by pollution, with combined costs to the nation estimated at $42 billion per year. The Ligonier Valley Young Men’s Christian Association will use a grant of $1,000,000 as matching funds in a campaign to complete facility improvements and endowment expansion.

The Lehigh Valley Young Men’s Christian Association, a model for other youth programs, Outside-In helps and guides troubled youth and their families.

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Wonder

With 30,000 miles of brooks and streams, 6,000 miles of rivers, and nearly 3,000 lakes and ponds, Adirondack State Park offers some of the best canoeing and kayaking in the world. Partnering with The Conservation Fund in one of the largest land conservation projects in New York State history, the Richard King Mellon Foundation helped to preserve 257,000 acres of working forests in the park. The newly conserved forestland will be managed according to Sustainable Forestry Initiative standards. The agreement restricts future development and subdivision on the property and provides for certain defined public access rights on specific portions. In addition, the project will maintain open space in the park, create new public recreation opportunities, protect major river corridors, and conserve critical wildlife habitat for spruce grouse, endangered bats, and several rare plant bogs.

Serenity in Adirondack State Park
Thanks to land conservation that started in the 1920s, Allegheny County residents enjoy one of the nation’s outstanding county parks systems. In 2006 this regional treasure expanded by 65 acres, with the acquisition of a brownfield adjacent to 3,010-acre North Park. The site will be reclaimed for recreation—but first it will play an important part in the North Park Lake Aquatic Ecosystem Restoration Project by serving as a collection site for sediment dredged from the lake.

The Richard King Mellon Foundation donated half the cost to purchase the land; funds from Growing Greener II, a voter-approved bond issue, covered the other half. The Foundation valued the guidance and partnership of The Western Pennsylvania Conservancy in helping to facilitate this land purchase.
Purpose

The life of a high-risk teen can turn on the availability of quality after-school activities. YouthPlaces operates daily after-school programs year-round at 17 sites in metropolitan Pittsburgh—programs focusing on academics, life skills, and career development. Parents and community and youth leaders shape these activities in order to develop young people’s skills, increase their opportunity for success, and provide them with safe places to play and discover their talents.

Lori Schaller, executive director of YouthPlaces, stated that their programs “create opportunities for change, learning, and growth for many youth in communities without needed resources and services.”

After-school African drumming workshop in the Hill District
Strength Outside In School of Experiential Education began as wilderness excursions for troubled teenagers—and has evolved into comprehensive services for restoring family relations, reducing harmful behavior and substance abuse, and better managing the pressures of home, school, and community.

"Outside In is all about personal growth opportunities. We challenge each student, each family, to live life to the fullest. We love to tell our boys on expedition who are struggling under the weight of their backpack that ‘it’s all about becoming a better man.’ Before long, they see it in each other and they see it in themselves—they are stronger, wiser, more patient, more capable. They like the changes they see."

— Michael C. Henkel, founder and executive director, Outside In School of Experiential Education

On the trail with Outside In School of Experiential Education
Play

When it’s Free Play time at Riverview Children’s Center, a treehouse can become a magic forest and a stuffed rabbit may have an important secret to share. Childhood is a special place and time, and play is how children discover their world, learn to communicate with others, and gain independence. Play can help children cope with both the triumphs and challenges of their lives.

In a nurturing and creative environment, Riverview focuses on children’s care, social and cognitive development, educational needs, and interests, with careful attention to the individual needs of each child.
At the Greater Pittsburgh Literacy Council, adults whose native language is not English soon feel more at home in a new culture as they improve their English listening, reading, and writing skills. English as a Second Language (ESL) now serves approximately half the Literacy Council’s student enrollment. Beyond gaining conversational fluency, students also have the opportunity to work with tutors who can help with cultural concerns and issues of daily life.

“The success of this program is remarkable as we witness these students becoming more comfortable with our language and culture and communicating more effectively in their everyday activities,” says Don Block, executive director of the Greater Pittsburgh Literacy Council.
The Children’s Institute is all about “amazing kids.” Comprising Pennsylvania’s only free-standing pediatric rehabilitation specialty hospital, a day school for children who are challenged by complex and severe disabilities, and an adoption service, The Children’s Institute is dedicated to the well-being of children, young people, and their families. The goal of the physicians, nurses, therapists, permanency planning specialists, and teachers in this “amazing place” is to enable each child to reach his or her fullest potential.

“Our ‘amazing kids’ want the same thing every other child wants—to be happy,” says David Miles, president and CEO. “Through dedicated medical, educational and family strengthening programs, we help children with special needs to do more. And they help us to understand the true meaning of courage.”

A day at The Children’s Institute
Commitment

The Sprout Fund supports innovative ideas and grassroots community projects that are catalyzing change in the Pittsburgh region. Advancing community-led solutions to regional challenges, Sprout empowers young and creative people to become more involved and active in their communities.

Since 2003, through Sprout’s public art program, communities have collaborated with local artists to create 31 colorful, enduring murals. Each work in this “museum without walls” engages neighbors and residents in civic dialogue and visually represents the community’s people, history, and vision for the future.

“Murals transform the urban landscape and raise awareness about the important role that local artists can have in shaping communities,” says Sprout’s founding executive director Cathy Lewis Long.

Jonathan Laidacker at work on Interpretations of Oakland, a 2006 Sprout Public Art community mural.
“When I was five years old,” Pulitzer Prize-winning playwright August Wilson told a Pittsburgh audience, “I got my first library card from the Carnegie Library Hill District branch on Wylie Avenue. Andrew Carnegie will forever be for me that man who made it all possible for me to be standing here today. I wore out my library card and cried when I lost it.” Wilson said that when he became a teenager, “I would leave the house each morning and go to the main branch of the Carnegie Library in Oakland where they had all the books in the world. I felt suddenly liberated.”

“Carnegie Library of Pittsburgh remains an important force for our region,” says Dr. Barbara Mastic, Director of Carnegie Library of Pittsburgh. “As the region’s most visited asset, the library provides more than books. We are the cornerstone of every neighborhood we serve, providing valuable economic and educational support to the community.”
# 2006 Appropriations

## By Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tr>
<td>Conservation</td>
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<tr>
<td>Regional Economic Development</td>
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<tr>
<td>Children, Youth, and Young Adults</td>
<td>$8,017,500</td>
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<tr>
<td>Education</td>
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<td>Human Services and Nonprofit Capacity Building</td>
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Total: $86,995,705

## By Area

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<td>Pittsburgh &amp; Southwestern Pennsylvania</td>
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<tr>
<td>Other</td>
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Total: $86,995,705

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## 1947-2006 Net Investment Income

### 1947-2005

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<td>2006</td>
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Total: $991,937,427

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## 1947-2006 Grants Paid and Program-Related Investments

### 1947-2005

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<tr>
<td>2006</td>
<td>$3,486,648</td>
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Total: $1,368,372,758

The following sections provide brief reports on the Richard King Mellon Foundation’s grant activities in 2006, as well as descriptions of the organizations the Foundation has assisted.

### Conservation

1. **Beringia South**
   - Kelly, WV
   - $30,000 to support the efforts of this environmental research and education organization to develop a scientifically based conservation plan for large carnivores in anticipation of land development.

2. **Chesapeake Bay Foundation**
   - Annapolis, MD
   - $1,500,000 to improve the water quality and wildlife habitat of Pennsylvania watersheds through significant and targeted restoration of forested riparian buffers and wetlands, payable over 3 years.

3. **Community Foundation of Greater Johnstown**
   - Johnstown, PA
   - $50,000 to support education and outreach on the deer population as part of the Ecosystem Management Project in Pennsylvania.

4. **Conservation Fund**
   - Hockhocking, PA
   - $500,000 to assist with engineering and design of the Quehanna Watershed Whitewater Release Project.

5. **Ducks Unlimited, Inc.**
   - Memphis, TN
   - $260,000 to help restore wetlands in southwestern Pennsylvania.

6. **Friends of the Royal River**
   - Yarmouth, ME
   - $32,000 to help purchase and protect land on Little John Island.

7. **The Conservation Fund**
   - Arlington, VA
   - $490,000 to acquire conservation easements on approximately 270,000 acres of working forestland in Adirondack State Park. The newly protected lands will conserve sensitive wildlife habitat, protect water quality, and serve as sustainably managed, working forests to benefit the Adirondack Region’s economy.

8. **Mt. Washington Community Development Corporation**
   - Pittsburgh, PA
   - $500,000 to support the Grandview Scenic Byway project, an effort that fulfills both conservation and economic development objectives of the Foundation.

9. **National Audubon Society**
   - Harrisburg, PA
   - $330,000 to support the conservation of important bird areas in western Pennsylvania, payable over 3 years.

10. **Nine Mile Run Watershed Association, Inc.**
    - Pittsburgh, PA
    - $100,000 to support the Nine Mile Run Rain Barrel Initiative, designed to further the restoration and protection of the Nine Mile Run Watershed through citizen engagement, demonstration projects, and advocacy.

11. **Green Building Alliance**
    - Pittsburgh, PA
    - $400,000 to support the integration of environmentally responsible and high-performance design, construction, and operating practices in the Greater Pittsburgh building market, payable over 2 years.
Conservation

C O N T I N U E D

PA Cleanways of Pittsburgh, PA
$40,000 to support efforts to prevent dumping and littering, promote proper disposal of materials, change attitudes and behavior about illegal dumping, and decrease the number of illegal dumps.

Pennsylvania Resources Council, Inc.
$100,000 to support the South Cut Budweiser project, designed to promote the use and production of biofuels and their benefits.

The Pennsylvania State University University Park, PA
$980,000 to support a research project on the combined effects of acidity and temperature on trout distribution, payable over 3 years.

Renaissance Partner St. Paul, MN
$40,000 to support a wild pheasant restoration project in central Pennsylvania.

Pittsburgh Community Broadcasting Corporation Pittsburgh, PA
$90,000 to support a series related to environmental protection and restoration by The Allegheny Front. western Pennsylvania’s only local environmental affairs radio program.

Rocky Mountain Elk Foundation Missoula, MT
$844,000 to help purchase and protect Pennsylvania land to ensure the future of elk, other wildlife, and their habitat.

Ruffed Grouse Society of America Coraopolis, PA
$250,000 as a 2-to-1 matching grant to encourage board donations and 2-year funding for a new CEO.

Safelock Minute Bellefonte, PA
$30,000 toward publishing results of a 5-year study on coyote interaction with ruffed grouse in Glacial National Park and Yellowstone National Park.

TEAM Pennsylvania Foundation Harrisburg, PA
$10,000 to support the Governor’s Outdoor Conference designed to better engage the public with the outdoors.

Verti-Mark Research Foundation College Station, TX
$50,000 to support quail research.

Total Conservation $16,401,500

Children, Youth, and Young Adults

A Second Chance, Inc.
$25,000 toward a building addition and renovations to better accommodate kids and families in need of services.

The Education Group Morgantown, WV
$250,000 toward an initiative to advance the academic improvements of students in after-school programs.

Every Child, Inc.
$10,000 to support the merger of the Latrobe Little League park and playing field.

Gateway Rehabilitation Center Altoona, PA
$75,000 to develop the Youth Service Center for drug and alcohol rehabilitation.

Girl Scouts of Beaver and Lawrence Counties, Inc.
$40,000 to support the merger of 5 local Girl Scout councils in western Pennsylvania.

Hill House Association Pittsburgh, PA
$250,000 toward summer programs that provide safe environments for children.

Indian Creek Valley Christian Family & Children’s Center Champion, PA
$150,000 to support a transitional living program for homeless men ages 17 to 21.

Keystoneville Community and Youth Center, Inc.
$40,000 to help build a community center, partially payable as a matching grant.

Manchester Youth Development Center, Inc.
$100,000 toward transitional operating support to promote the positive development of 10 children in a corrective, educational, and learning environment.

The National Foundation for Teaching Entrepreneurship Pittsburgh, PA
$50,000 to support the NFTE Alumni Academy, designed to help program graduates achieve business success.

Total Conservation $16,401,500

PA Cleanways of Pittsburgh, PA
$40,000 to support the West Branch of the Pennsylvania restoration initiatives, payable over 2 years.

Western Pennsylvania Conservancy Pittsburgh, PA
$62,500 toward the purchase and conservation of 244 acres of scenic land in Westmoreland County, Pennsylvania.

Western Pennsylvania Conservancy Pittsburgh, PA
$21,000 toward the conservation of North Park Lake, located in a 1,000-acre county park in northern Allegheny County.

Westmoreland County Park & Recreation Citizens Advisory Board Greensburg, PA
$26,000 to expand and develop an active recreation area at Seven Lakes County Park, a popular and heavily used facility located in central Westmoreland County.

To enhance wildlife habitat in Ohio and West Virginia.

$286,000 toward the restoration of North Park Lake, located in a 3,000-acre county park in northern Allegheny County.

$40,000 to support a wild pheasant restoration project in central Pennsylvania.

$30,000 to support the Steel City Biofuels project, designed to promote the use and production of biofuels and their benefits.

$250,000 as a 2-to-1 matching grant to encourage board donations and 2-year funding for a new CEO.

$100,000 toward transitional operating support to promote the positive development of 10 children in a corrective, educational, and learning environment.

$40,000 to support efforts to prevent dumping and littering, promote proper disposal of materials, change attitudes and behavior about illegal dumping, and decrease the number of illegal dumps.

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Pennsylvania's values as teamwork, conflict resolution, and tolerance, payable over 2 years.

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Pennsylvania's values as teamwork, conflict resolution, and tolerance, payable over 2 years.
Human Services and Nonprofit Capacity Building

Allegheny Mountain Rescue Group, Inc. Pittsburgh, PA $30,000 to support search and rescue services.

Baton Rouge Area Foundation Baton Rouge, LA $1,000,000 toward recovery planning costs as a result of Hurricane Katrina.

Bethlehem Home of the Hungarian Reformed Church of America Ligonier, PA $47,000 toward installation of an emergency generator at Bethlehem Home’s Ligonier Gardens, a personal care home.

The Children’s Institute of Pittsburgh Pittsburgh, PA $150,000 to support a capital campaign for building acquisition and renovations.

The Community Foundation of Westmoreland County Greensburg, PA $60,000 to strengthen the foundation’s grant-making capacity through unrestricted support ($30,000), payables over 3 years, and an endowment challenge grant ($30,000).

Goodwill Industries of Pittsburgh Pittsburgh, PA $40,000 to support a merger between Northside Common Ministries and Goodwill Industries, including building renovations.

Greater Pittsburgh Community Food Bank Duquesne, PA $22,000 to support a 3-year plan to build capacity among the Food Bank’s Secondary Distribution Organizations in 10 surrounding counties.

Hosanna House, Inc. Wilkinsburg, PA $10,000 operating support while the agency develops a plan for long-term sustainability.

Hosanna Industries, Inc. Rochester, PA $52,000 to support Hurricane Katrina relief efforts.

Independent Sector Washington, DC $12,200 toward operating support.

Peaceful Living Network, Inc. Lancaster, PA $9,000 toward operating support.

Pittsburgh Urban Leadership Service Experience Pittsburgh, PA $20,000 to support operations while the board implements a fund-raising plan.

Pittsburgh Vision Services Pittsburgh, PA $75,000 to rebuild essential technology infrastructure.

Program for Female Offenders Renewal, Inc. Pittsburgh, PA $75,000 toward operating support and engagement of a consultant.

Rainbow Christian Center Rankin, PA $10,000 to implement a community service program for clients referred by district magistrates and the courts.

Southwestern Pennsylvania Human Services, Inc. Chartiers, PA $27,000 to build organizational capacity through renovations of the Community Health Services building.

Strength Incorporated Pittsburgh, PA $25,000 to support operations while the board diversifies the earned and contributed revenue base.

United Way of Westmoreland County Greensburg, PA $25,000 to help rebuild the capacity of the United Way of South Fayette.

Total Education $15,035,000

Total Human Services and Nonprofit Capacity Building $6,580,400
Regional Economic Development

**Community Development Society, Inc.**

$364,000 to support improvements to sidewalks, and installing light fixtures.

**Pittsburgh, PA**

$250,000 toward stabilization of Calvary United Methodist Church, a historically significant church on the North Side of Pittsburgh, PA.

$1,750,000 to support a capital campaign to promote awareness and appreciation of the Asian and Asian American experience through cultural events.

$225,000 to support transportation and engineering studies designed to enhance access into and out of Oakland, the third busiest business center of Pennsylvania.

$90,000 to promote and support the participation of more young people with the Regional Investors Council.

$500,000 continued support for the "Pittsburgh Rovars" project.

$300,000 to support initiatives designed to build the audience and the donor base, payable equally over 3 years.

**Allegheny Historic Preservation Society, Inc.**

$10,000 toward a community outreach campaign to promote awareness and support for cycling in Pittsburgh.

$550,000 to support the Minority and Women Educational Labor Agency by providing a corporation’s training program and facilitating access to lending.

$125,000 to support a plan to increase the funding base through support from individuals and small businesses, partially payable as a challenge grant.

$3,000,000 to support programs at Carnegie Library of Pittsburgh, Goodwill Industries, and Allegheny Summit.

$200,000 to support the 2006 Nonprofit Summit.

**Oakland Planning and Development Corporation**

$210,000 toward landscape design related to the Western Portal Bridge leading into Oakland.

**Pennsylvania for Sustainable Agriculture**

$61,500 toward operational support for 2006.

**Pittsburgh Chapter AIA Charitable Trust**

$250,000 toward a business plan to determine the feasibility of establishing an American Music Center in Pittsburgh.
The Pittsburgh Trust for Cultural Resources
Pittsburgh, PA
$1,700,000 to help purchase and restore property in the Cultural District.

The Progress Fund
Dawson, PA
$2,300,000 to help build the rural economy by providing entrepreneurial coaching and capital. The grant supports rural tourism loan programs and also provides infrastructure grants along the Great Allegheny Passage.

Riverlife Task Force
Pittsburgh, PA
$2,000,000 to support development of the South Shore Riverfront Park, including completion of riverfront trails.

The Roberto’s Foundation and Digital Greenhouse, Inc.
Pittsburgh, PA
$600,000 to support a technology commercialization competition designed to identify and support the development of start-up organizations with economic development potential.

Scobit Field Free Library
Scottsdale, PA
$50,000 toward a capital campaign to build a new library serving Scottsdale, East Huntington Township, Upper Tyrone, and Everson.

Southwestern Pennsylvania Corporation
Pittsburgh, PA
$250,000 to support the Farmers’ Market Alliance of Western Pennsylvania, a membership organization designed to enhance the capacity and visibility of the region’s farmers’ markets.

Sustainable Pittsburgh
Pittsburgh, PA
$500,000 to support Sustainable Pittsburgh’s 2007 Pittsburgh Basics community renewal program.

Three Rivers Arts Festival of Carnegie Institute
Pittsburgh, PA
$170,000 toward the sustainability of FLLUX, a multidisciplinary, community-based arts and music series that celebrates the region’s artists and communities, to cover 3 years.

Titan Connect
Pittsburgh, PA
$650,000 toward program support to further advance the Information Commons database to promote more effective community planning.

Trees Center/Western Pennsylvania
Pittsburgh, PA
$40,000 to support the Sprout Fund, created to help address the regionally recognized issue of talent attraction and retention.

The Union Project
Pittsburgh, PA
$290,000 to provide transitional operating support while they strengthen capacity for earned income, and to match a state historic preservation grant for roof repair and restoration.

United Pix Companies of Ligonier
Ligonier, PA
$100,000 toward capital equipment needs.

University of Pittsburgh Center for Social & Urban Research
Pittsburgh, PA
$50,000 to support the Signature Bird Feeder Program, designed both to provide income to the hospice and to bring comfort to those with terminal illness.

University of Pittsburgh Institute of Politics
Pittsburgh, PA
$90,000 to support a documentary on southwestern Pennsylvania issues, payable equally over 3 years.

War for Empire, Inc.
Pittsburgh, PA
$50,000 toward program support for Fort Necessity.

Washington County Community Foundation
Washington, PA
$200,000 to provide consulting work on an energy program.

Total Regional Economic Development
$40,961,305

Regional Economic Development
CONT I N U E D

Pittsburgh Life Sciences Greenhouse
Pittsburgh, PA
$450,000 to support initiatives designed to create jobs and companion by establishing southwestern Pennsylvania as a world leader in the life sciences industry, paid in 2 separate grants.

Pittsburgh Parks Conservancy
Pittsburgh, PA
$50,000 to support the Urban Parks Summit for 2008 in Pittsburgh.

Pittsburgh Partnership for Neighborhood Development
Pittsburgh, PA
$300,000 to support the partnership’s community development activities for 2007.

Pittsburgh Regional Healthcare Initiative
Pittsburgh, PA
$250,000 to support programs to promote patient safety and quality care, payable over 3 years.

Pittsburgh Shade Tree Commission
Pittsburgh, PA
$450,000 to implement a shade tree renovation and maintenance plan to ensure the effective stewardship of trees in the City of Pittsburgh, payable over 3 years.

The Pittsburgh Trust for Cultural Resources
Pittsburgh, PA
$1,200,000 to support programs to promote patient safety and quality care, payable over 3 years.

The Progress Fund
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Total Regional Economic Development
$40,961,305

Young Women’s Christian Association of Greater Pittsburgh
Pittsburgh, PA
$50,000 to support a 3-year pilot of YW Empowering Women, a business development program for low- and moderate-income women.

West Virginia University Foundation
Morgantown, WV
$13,950 to support consulting work on an energy program.

Westmoreland Museum of Art
Greenwood, PA
$10,000 to support the Barn of Fire traveling exhibition.

Windber Hospital Palliative Care Foundation
Windber, PA
$50,000 to support the Signature Bird Feeder Program, designed both to provide income to the hospice and to bring comfort to those with terminal illness.

WQED Pittsburgh
Pittsburgh, PA
$1,000,000 to support technology upgrades that will enable WQED to remain competitive.

$900,000 to support On Q Magazine, a nightly television program that focuses on southwestern Pennsylvania issues, payable equally over 3 years.

$100,000 to support a documentary on renowned environmentalist Peter Matthiessen as a promotional vehicle for WQED.

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## Statements of Financial Position

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$52,589</td>
<td>$213,083</td>
</tr>
<tr>
<td>Other current assets</td>
<td>415,417</td>
<td>280,206</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>1,154,149,152</td>
<td>1,054,477,390</td>
</tr>
<tr>
<td>Long-term debt instruments</td>
<td>454,367,292</td>
<td>474,014,503</td>
</tr>
<tr>
<td>Temporary investments</td>
<td>164,127,198</td>
<td>84,120,227</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>312,037,977</td>
<td>301,687,562</td>
</tr>
<tr>
<td>Total</td>
<td>2,085,152,019</td>
<td>1,878,316,680</td>
</tr>
<tr>
<td>Program-related assets</td>
<td>3,000,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>85,655</td>
<td>178,192</td>
</tr>
<tr>
<td>Total assets</td>
<td>$2,088,703,700</td>
<td>$1,882,028,161</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants approved but not paid</td>
<td>$17,089,845</td>
<td>$25,702,345</td>
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<tr>
<td>Accounts payable and accrued liabilities</td>
<td>9,534,252</td>
<td>714,266</td>
</tr>
<tr>
<td>Deferred federal excise taxes</td>
<td>4,740,587</td>
<td>4,206,615</td>
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<tr>
<td>Appropriations for program-related assets</td>
<td>3,000,000</td>
<td>3,000,000</td>
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<tr>
<td>Total</td>
<td>34,414,684</td>
<td>33,623,226</td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>2,054,289,016</td>
<td>1,848,404,935</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$2,088,703,700</td>
<td>$1,882,028,161</td>
</tr>
</tbody>
</table>

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

## Statements of Activities and Changes in Net Assets

<table>
<thead>
<tr>
<th>For the year ended December 31,</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>$106,734,342</td>
<td>$74,369,963</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative and investment expenses</td>
<td>$10,152,204</td>
<td>10,012,825</td>
</tr>
<tr>
<td>Provision for federal excise taxes</td>
<td>4,171,455</td>
<td>3,038,885</td>
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<tr>
<td>Provision for deferred federal excise taxes</td>
<td>531,972</td>
<td>4,206,615</td>
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<tr>
<td>Total expenses</td>
<td>15,662,631</td>
<td>17,238,125</td>
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<tr>
<td>Net investment income</td>
<td>93,671,511</td>
<td>57,131,838</td>
</tr>
<tr>
<td>Grants and appropriations approved</td>
<td>84,674,348</td>
<td>82,505,019</td>
</tr>
<tr>
<td>Excess (deficiency) of net investment income over approvals</td>
<td>6,797,163</td>
<td>(24,373,181)</td>
</tr>
<tr>
<td>Net realized gains from investments</td>
<td>145,695,514</td>
<td>67,523,604</td>
</tr>
<tr>
<td>Unrealized appreciation on investments</td>
<td>51,397,204</td>
<td>82,273,591</td>
</tr>
<tr>
<td>Total realizations and appreciation</td>
<td>297,092,728</td>
<td>135,047,295</td>
</tr>
<tr>
<td>Increase in unrestricted net assets</td>
<td>205,884,081</td>
<td>124,423,814</td>
</tr>
<tr>
<td>Unrestricted net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>1,848,404,935</td>
<td>1,723,981,121</td>
</tr>
<tr>
<td>End of year</td>
<td>$2,054,289,016</td>
<td>$1,848,404,935</td>
</tr>
</tbody>
</table>

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

For the year ended December 31, 2006 2005

Cash flows from operating activities:

Increase in net assets $205,884,081 $124,423,814

Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:

Depreciation 94,537 94,538
Amortization (930,801) (54,489)
Deferred federal excise taxes 533,972 4,206,615
Realized gains on investments (145,689,514) (67,523,604)
Uncalculated appreciation on investments (54,397,204) (81,273,391)
Increase (decrease) in cash from changes in:

Other current assets (135,231) 3,425,083
Grants approved but not paid (8,612,500) 7,204,130
Accounts payable and accrued liabilities 8,869,986 714,266

Net cash provided by (used in) operating activities 6,617,326 (8,783,038)

Cash flows from investing activities:

Purchases of investments (6,174,805,549) (10,279,689,086)
Proceeds from sales of investments (6,147,987,229) 10,289,491,213

Net cash (used in) provided by investing activities (6,817,820) 8,802,127

Net (increase) decrease in cash (200,494) 19,089

Cash, beginning of year 253,083 233,994

Cash, end of year $52,589 $253,083

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

Summary of Investments

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2006</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book Value</td>
<td>Market Quotations</td>
</tr>
<tr>
<td>STOCKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic equities</td>
<td>$341,106,219</td>
<td>$743,866,715</td>
</tr>
<tr>
<td></td>
<td>$472,449,172</td>
<td>$660,373,562</td>
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<tr>
<td>Foreign equities</td>
<td>267,725,810</td>
<td>410,552,457</td>
</tr>
<tr>
<td></td>
<td>271,407,122</td>
<td>396,103,828</td>
</tr>
<tr>
<td>TOTAL STOCKS</td>
<td>801,379,040</td>
<td>1,154,419,152</td>
</tr>
<tr>
<td></td>
<td>743,866,715</td>
<td>1,056,477,390</td>
</tr>
<tr>
<td>LONG-TERM DEBT INSTRUMENTS</td>
<td>451,625,008</td>
<td>414,367,292</td>
</tr>
<tr>
<td></td>
<td>478,814,176</td>
<td>473,014,505</td>
</tr>
<tr>
<td>TEMPORARY INVESTMENTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand and interest-bearing notes</td>
<td>163,635,215</td>
<td>161,640,053</td>
</tr>
<tr>
<td></td>
<td>39,297,980</td>
<td>39,301,597</td>
</tr>
<tr>
<td>Foreign short-term investments</td>
<td>2,688,415</td>
<td>2,687,541</td>
</tr>
<tr>
<td></td>
<td>4,829,157</td>
<td>8,838,628</td>
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<tr>
<td>TOTAL TEMORARY INVESTMENTS</td>
<td>164,323,680</td>
<td>164,327,398</td>
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<tr>
<td></td>
<td>44,127,137</td>
<td>44,120,225</td>
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<td>191,785,997</td>
<td>312,017,977</td>
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<tr>
<td></td>
<td>190,858,991</td>
<td>103,687,542</td>
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<tr>
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<td>$1,611,093,333</td>
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Net cash (used in) provided by investing activities 6,817,820 8,802,127

Net (increase) in cash (617,594) 19,089
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Cash, end of year $ 52,589 $ 253,083

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<td>TOTAL STOCKS</td>
<td>801,559,020</td>
<td>1,154,399,172</td>
</tr>
<tr>
<td>LONG-TERM DEBT INSTRUMENTS</td>
<td>451,625,000</td>
<td>474,367,292</td>
</tr>
<tr>
<td>TEMPORARY INVESTMENTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demand and interest-bearing notes</td>
<td>163,655,213</td>
<td>164,600,005</td>
</tr>
<tr>
<td>Foreign short-term investments</td>
<td>2,688,415</td>
<td>2,687,541</td>
</tr>
<tr>
<td>TOTAL TEMPORARY INVESTMENTS</td>
<td>166,343,628</td>
<td>167,287,546</td>
</tr>
<tr>
<td>ALTERNATIVE INVESTMENTS</td>
<td>193,785,597</td>
<td>312,037,977</td>
</tr>
<tr>
<td>TOTAL INVESTMENTS</td>
<td>$1,611,093,333</td>
<td>$2,085,152,019</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 Pennsylvania and Southwestern Pennsylvania, primarily in the areas of Regional Economic Development, Education, Children, Youth, and Human Services and Development, Education, Children, Youth, and Human Services, as well as the areas of Conservation in national and international settings.

CASH
Cash consists of operating accounts plus domestic income-cash held in bank custody accounts.

Investments
The Foundation expects capital gains and losses on its investments, which are realized as market value changes resulting from investments or exchanges of investments. Market value changes are recognized in the financial statements, with gains and losses realized from investments held at the beginning and end of the year.

Use of Estimates
The preparation of financial statements in conformity with the financial accounting and reporting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Reclassifications
Certain reclassifications of the 2005 financial statements have been made to conform to the 2006 classifications. These changes had no impact on previously reported results.

NOTE 2—Federal Excise Taxes
The Foundation exempts from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation is subject to federal income tax on two percent of net investment income, which consists of interest and dividend income, realized gains on sales of investments less realized losses less net unrealized appreciation. It is not always possible to determine whether realized gains have been realized and realized losses have been incurred with certainty. The Internal Revenue Code specifies that the taxable year of the Foundation is December 31, 2006 and 2005, respectively.

For the year ended December 31, 2005, the Foundation provided for federal excise tax of two percent. At December 31, 2005 and 2006, respectively, deferred federal excise taxes were provided at one percent, which is the rate expected to be paid on unrealized gains on investments.

NOTE 1—Commitments
The Foundation is a Limited Partner of limited partnerships for investment purposes. At December 31, 2005 and 2006, the Foundation had contractually committed to additional investments of $571.9 million and $454.8 million, respectively. The Foundation is required to purchase fixed income obligations with an investment date of January 1, 2006 and 2005, respectively. The obligations of $1.6 million and $584 million at December 31, 2006 and 2005, respectively. The obligations include $20.2 million and $3.3 million of fixed income obligations at December 31, 2006 and 2005, respectively.

The total unrealized gain (loss) from dispositions of investments held at the beginning and end of the year was $173.9 million, the changes in the net assets and in cash flows for the foundation which are attributable to accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Richard King Mellon Foundation and Richard King Mellon Foundation Trustee based in good faith by the Board of Trustees of the Richard King Mellon Foundation.

Beginning and Ending Dates of Project/Campaign

March 4, 2007

Richard King Mellon Grant Foundation Application

The Foundation accepts the Grant Application Form.

Date of Application: $1,100,000

Legal Name of Organization: The Mellon Foundation

Purpose of Grant: (one line)

Total Project Cost: $1,100,000

Signature, Board of Directors Chairperson:

Typename and Title:

Typename and Title:

Required Attachments:
Copy of current IRS determination letter indicating 501(c)(3) tax-exempt status. Executive Summary providing an overview of the organization, and describing the organization’s capacity and plan to operate the project. Description of the plan to document project progress and outcomes. Project budget. Organization’s history, including goals, current programs and activities, and accomplishments. List of Board of Directors and officers, with affiliations, addresses and telephone numbers. Audited financial statements for the current and prior two years with corresponding operating budgets. Other sources of funding and financial plan to sustain the project.
Approved in December 2004 and effective January 1, 2005, the trustees established the following program priorities:

REGIONAL FOCUS FOR PENNSYLVANIA

Conservation
- Land preservation
- Watershed protection and restoration
- Sustainable environments

SOUTHWESTERN PENNSYLVANIA
Regional Economic Development
- Quality of urban life
- Talent attraction and retention
- Business stimulus initiatives
- Rural economic development
- Arts and culture, emphasizing economic impact

Children, Youth, and Young Adults
- Early childhood education
- After-school programs

Education
- Charter schools, parochial schools, and independent schools
- Higher educational institutions
- Workforce training

Human Services and Nonprofit Capacity Building
- Critical and strategic service providers

The Foundation gives priority to projects and programs that have clearly defined outcomes and an evaluation component. It does not consider requests on behalf of individuals or from outside the United States. The Foundation does not encourage requests from outside Pennsylvania.

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

Richard King Mellon Foundation
One Mellon Center
500 Grant Street, Suite 4106
Pittsburgh, PA 15219-2502

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*As of November 20, 2006

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Michael Watson, Program Officer
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Lisa Kazma, Program Officer
Lisa Reed, Information and Grants Manager (As of March 12, 2007)
Bernadette Brasco, Executive Assistant
Roseann Farkasovsky, Administrative Assistant
Brook Noel, Executive Assistant
Candace Jiles, Clerical Secretary/Receptionist
Andrew Zezza, Receptionist/Messenger

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