



Richard
King
Mellon
Foundation

2015 ANNUAL REPORT

Richard King Mellon

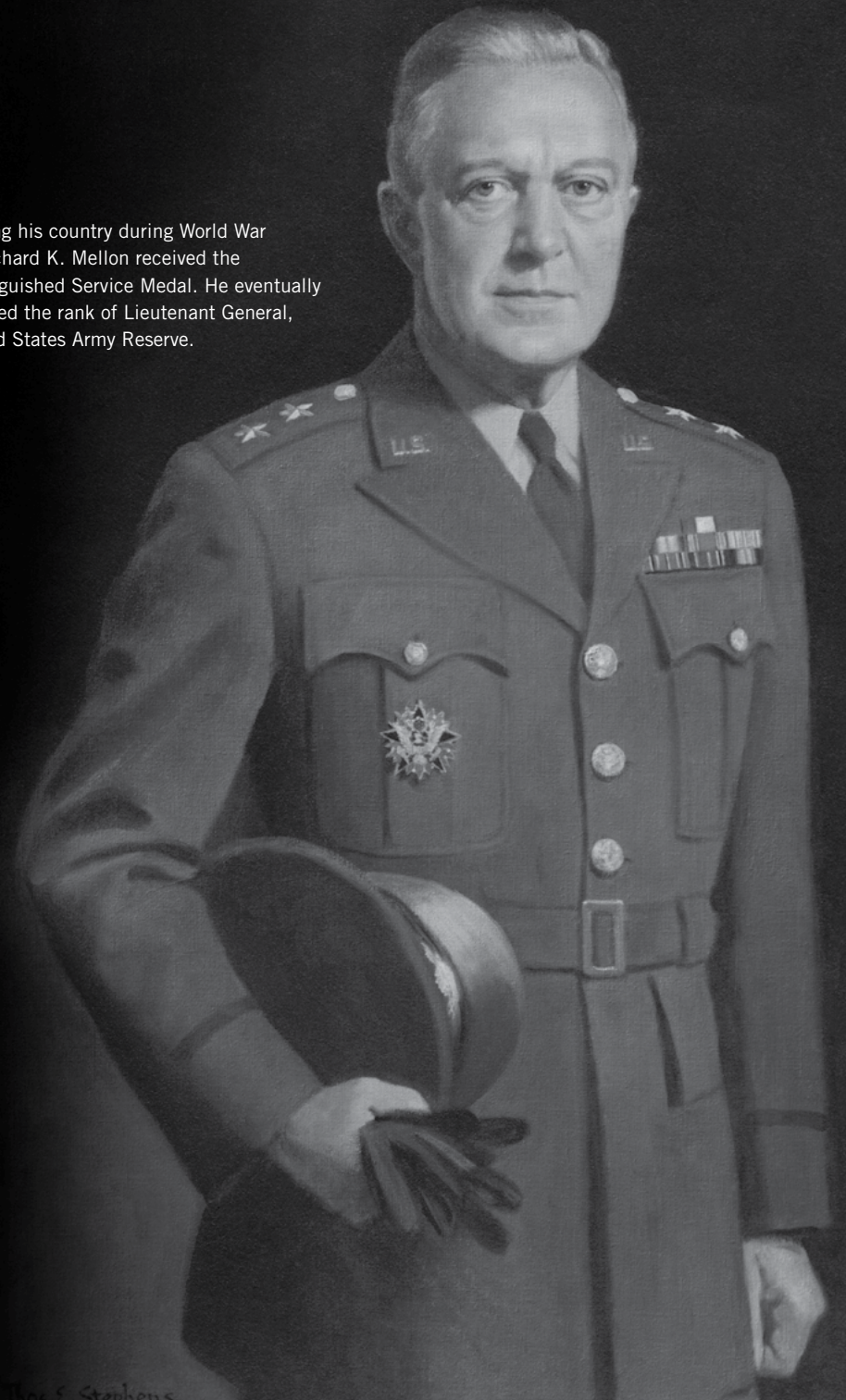
1899–1970

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

Mr. Mellon was the dominant figure in the financial, industrial, and civic life of his community for many years. He was president of Mellon National Bank and for twenty years Chairman of the Board of Mellon National Bank and Trust Company; as a director, he aided the growth of many of the nation's leading enterprises, particularly Gulf Oil Corporation and Aluminum Company of America. Mr. Mellon, President and Governor of T. Mellon and Sons, inspired and led the rebirth of a great American city. His creative energies forged the Pittsburgh Renaissance, a nationally recognized architectural, civic, social, and educational venture.

In 1936 Mr. Mellon married the former Constance Mary Prosser, who served as Chairman of the Board of Trustees of the Richard King Mellon Foundation from its inception in 1947 until her death in 1980. A renowned sportsman, Mr. Mellon generously endeavored to preserve the quality of the natural environment and to protect its wildlife. Mr. Mellon died on June 3, 1970.

Serving his country during World War II, Richard K. Mellon received the Distinguished Service Medal. He eventually attained the rank of Lieutenant General, United States Army Reserve.



A scenic landscape at sunset. The sky is a clear, deep blue, transitioning to a warm orange glow near the horizon where the sun is setting behind a dense forest of evergreen trees. The trees are silhouetted against the bright light, with some catching the golden light. In the foreground, a calm body of water reflects the sky and the trees, creating a mirror-like effect. The overall mood is peaceful and serene.

A Letter *from the* Chairman

The trustees of the Richard King Mellon Foundation approved 178 grants totaling \$130,057,418 and paid out commitments totaling \$113,694,928 during 2015. These grants reflect the Foundation's longstanding commitment and focus on our priorities—including conservation, education, human services, and regional economic development—in an effort to help improve the overall quality of life for citizens throughout Pittsburgh and western Pennsylvania.

178
GRANTS APPROVED

Throughout the pages of this report, you will find examples of the outstanding and meaningful work of many different nonprofit organizations. These accomplishments are possible largely because of the talented, devoted leaders and staff members they employ. The Foundation is proud to work with each of these strategic thinkers and visionaries, all of whom are dedicated to enhancing the region in innumerable and important ways.

Conservation: The Foundation is proud to support the Audubon Society of Western Pennsylvania (ASWP), a leading conservation organization that has been connecting the people of the region to birds and natural habitats, as well as encouraging lifelong environmental learning for nearly 100 years. Indicative of its impact during the last century, the ASWP's reach includes 737 combined acres of protected habitat, 12 miles of hiking trails, and an annual offering of 350 well-respected educational and outreach programs, including those at the Audubon Center for Native Plants, located in the Beechwood Farms Nature Reserve.

The ASWP recently kicked off a centennial capital campaign designed to raise \$7 million to improve its three campuses—Beechwood Farms Nature Reserve, Succop Nature Park, and Todd Nature Reserve—and invest in key conservation programs, ranging from citizen science programs to storm water and habitat improvement projects. A Foundation grant of \$1,000,000 to the ASWP, with \$500,000 contingent upon the organization raising \$2.5 million from other sources, will support improvements to trails and facilities, including picnic shelters and stream access, habitat development and enhancement, and creation and expansion of new wildlife habitat and green storm water sites.

Education: Long devoted to education, the Foundation committed \$450,000 in 2015 to provide an array of support services to children enrolled in the Homewood schools, a community whose population has fallen by nearly 80% during the last five decades. Today, with a population that is 94% African-American, Homewood is among Pittsburgh's most

Homewood is among Pittsburgh’s most economically impoverished communities, comprising relatively large proportions of children, senior citizens, and single-parent households.

economically impoverished communities, comprising relatively large proportions of children, senior citizens, and single-parent households. Its schools, part of the Pittsburgh Public School (PPS) system, rank among the lowest-performing in western Pennsylvania, although two schools, Faison and Lincoln, are improving as a result of previous investments in community programs. A third school, Westinghouse Academy, also is improving because of recent developments in leadership and programming.

To address the Homewood schools’ shortcomings, faculty from the University of Pittsburgh School of Social Work will leverage existing relationships with the Homewood Children’s Village, Pittsburgh Public Schools, and a variety of other private, nonprofit, and government entities to design, implement, and evaluate a feeder network of University-Assisted Community Schools (UACS) that will transform Homewood schools into comprehensive community centers that more effectively educate its 1,500 children, remove non-academic barriers to academic success, and revitalize the neighborhoods within Homewood.

This initiative will include tiered support services to recognize and match student needs with appropriate university or community resources, advancing the development of all students in a given locale, as well as those with severe or urgent challenges at home or at school. Faculty members also

will collect and analyze diagnostic data—at the community, school, classroom, and individual levels—enabling them to monitor and assess the services received and the progress of individual students across the feeder network. By leveraging existing school, community, private, government, and individual investments and resources, the UACS model will increase sustainability and augment the efficacy of individual programs. In addition, the model’s data systems will allow close monitoring of individual students in light of the interventions tailored to meet their specific needs. Overall, the model’s enhanced coordination of services will improve students’ school readiness, academic performance, and attendance, as well as decrease detentions and disciplinary actions.

Regional Economic Development: Created in 2010, Aspinwall Riverfront Park (ARP) occupies eight acres of urban riverfront property that reconnects Aspinwall and other nearby communities to the Allegheny River’s north shore, which for decades was cut off by roads, railroads, and commercial property. Today, ARP offers a fabulous play sculpture, a mile-long walking trail, birdwatching, concerts, an ice skating rink, a sledding hill, and colorful native gardens—all just six miles from Pittsburgh. Adjacent property owned by the Pittsburgh Water and Sewer Authority and used for trail expansion adds four miles of riverfront that connects to another nine miles of trail on a tributary of the Allegheny River. A Foundation grant of \$500,000 will support the next phase of ARP’s development,

\$1M

**GRANT APPROVED FOR
PEDIATRIC SPECIALTY
HOSPITAL**

including construction of ADA-accessible restrooms, improvements to an existing building for receptions and other events, and creation of a welcome center with a pavilion to accommodate outdoor activities and events.

Human Services: Building on its longtime association with the Children’s Home of Pittsburgh, the Foundation is pleased to support expansion of the Pediatric Specialty Hospital with a grant of \$1,000,000. The 16-bed Pediatric Specialty Hospital helps patients—from infancy to age 21—with a wide variety of diagnoses transition from hospital to home by teaching family members to be skilled and confident caregivers, reducing hospital readmissions and secondary complications for their children. Welcoming parents and family members to visit 24/7 encourages them to be an integral part of their children’s round-the-clock care, and gives them opportunities to practice their new caregiving skills and assess the practical aspects of home care while still in a medically safe environment.

The hospital’s expansion project will help meet demand—which has grown dramatically during the last two years—by adding 14 private patient rooms that include the ability for families to room-in and participate in the round-the-clock care of their child. This expansion will allow the hospital to serve 450 children within the first year of opening the new rooms, up from 418 last year. Ultimately, the hospital’s capacity will expand by nearly 80%, from an average daily census of 15

patients to more than 27, and staff will be able to report on admissions, length of stay, diagnoses, transfers to tertiary care hospitals or emergency rooms, and outcomes from patient satisfaction surveys.

In 2015, the Foundation also took a comprehensive look at the impact of our endeavors within the community from 2010 to 2014, the five-year period during which we implemented our most recent strategic plan. The results of these investments over the past five years are highlighted throughout this report.

My fellow trustees and I are honored to work in partnership with organizations and institutions whose endeavors address the needs of southwest Pennsylvania and advance the Foundation’s priorities. We are proud of the contributions they make to diverse and important initiatives that enrich and enhance life for citizens throughout the region, as well as help to preserve and protect land, water, habitats, and other natural resources here and throughout our country.



SEWARD PROSSER MELLON
Chairman



CONSERVATION

Protecting Land, Water, & Habitats



The Foundation approved 31 grants and program-related investments totaling \$41,068,918 in 2015. This funding advanced the work of organizations successfully devoted to protecting open space, offering meaningful outdoor experiences, restoring waterways and natural habitats, and preserving valuable forest land that promotes economic and environmental viability—today and for future generations.

\$41,068,918
IN APPROVED GRANTS

(Left)

Having received a gift of a 120-acre farm just outside of Ligonier, Loyalhanna Watershed Association has restored an old farmhouse into new offices and an old barn into meeting and event space.

LOYALHANNA WATERSHED ASSOCIATION:
A True Community Partner

Long dedicated to conserving, protecting, preserving, and restoring water, land, and other resources to enhance the quality of life throughout the region, the Loyalhanna Watershed Association (LWA) has amassed an impressive record of success built upon an increasing array of collaborative endeavors. From recycling projects, conservation education, stream restoration, and habitat preservation, among other initiatives, LWA projects benefit residents, landowners, and the regional economy. In particular, LWA is exceptionally adept at stream restoration,

often accomplished in partnership with key state agencies and nonprofit organizations.

A grant of \$50,000 from the Foundation will support LWA's work on these eight stream bank stabilization and habitat improvement projects during the next 18 months: Laughlintown Run, Zimmerman Run, Mack Run, two projects on Mill Run, and three on Loyalhanna Creek.



For the last 15 years, LWA has been headquartered in an 11,240-square-foot facility in Ligonier that includes staff offices, a conference room, three garage bays, and a metal pole office. Several local entities, including the Ligonier Borough, Ligonier Chamber of Commerce, and Fort Ligonier Days share one of the 2,800-square-foot garage bays to store items for various community events throughout the year. In addition, the Laurel Highlands Visitors Bureau uses the metal pole office as its brochure distribution center.

This summer, LWA will move its entire operation to a new office facility and educational center on the former McConnaughey Family Farm, and the building that now houses LWA will be demolished. A Foundation grant of \$50,000 will allow LWA to retain Michael Graybrook Architect to provide architectural design and project oversight for a new 4,500-square-foot community storage building. With additional funding, anticipated to be provided by the Foundation, the building is expected to be ready for use in the spring of 2017.

THE CONSERVATION FUND: Protecting Vital Land for Three Decades

For 30 years, Foundation support of The Conservation Fund (TCF) has preserved more than three million acres of critical land in all 50 states, much of it through The Working Forest Fund (WFF), a TCF strategy that attracts numerous funding sources and protects working forests, related jobs, and the local economy.

Foundation support of \$12 million will enable TCF to purchase nearly 11,400 acres of land in upstate New York. The first parcel, 8,162 acres in Cranberry Lake Forest, will complete the conservation easements surrounding the Adirondacks' Cranberry Lake, where traditional recreational pursuits support the local economy. The state seeks to ensure this historically well-managed forestland remains open for recreational use in perpetuity. TCF will retain the property for four years, during which a local forestry consultant will manage the timber and recreation sustainably. Once New York purchases the perpetual conservation easement, TCF will resell the land on the private market. Kendall Forest, the second parcel, receives the most annual snowfall in the eastern United States. Acquiring this 3,236-acre property will connect existing state lands and provide economic vitality through hunting, fishing, birding,

The Conservation Fund acquired the 8,162-acre Cranberry Lake forest in New York's iconic Adirondack region for the state to place a working forest conservation easement on it, protecting jobs and recreational opportunities.



(Above left)

Protection of this 3,236-acre forest, acquired by The Conservation Fund in partnership with New York State, will support working forests, community needs, and water quality for renowned salmon fishing in the Tug Hill region.

(Above right)

The Conservation Fund purchased 32,396 acres of working forestland in southern West Virginia that will create the state's largest, conserved block of habitat for elk restoration—supporting forestry-based jobs and increasing tourism opportunities.

snowmobiling, and cross-country skiing, as well as protect the working forest aspects of this timber resource and benefit the nearby Salmon River Reservoir.

West Virginia leases a 32,000-acre land tract near Logan from The Forestland Group, using it as a wildlife management area for bow hunting. With the property on the market, West Virginia fears losing access to the site, which is critical to its planned reintroduction of elk. In addition to grasslands—ideal for elk—the land provides hunting and wildlife-watching opportunities and access to the Hatfield and McCoy Trail System, a recreational area that attracts all-terrain vehicle users from several states. Foundation funding of \$15.3 million will enable TCF to sell easements and at least one parcel of land to the state. Within five years, TCF plans to sell all the land to the state or a private forest land company with an easement requiring the forest be sustainably managed. The property will remain open to the public, supporting the economy through ecotourism and sustainable forestry practices.



The Working Forest Fund addresses an urgent conservation challenge: the loss of America's last big, intact, privately-held forests. Nearly 45 million acres of working forests are at risk of being lost to development. Out of the approximately 750 million acres of U.S. forests, more than 420 million acres are “working “ forests, which provide timber for construction, as well as pulp for paper and packaging. Using a system pioneered in 1998, the WFF acquires and permanently protects ecologically significant forestland, applying expert management and restoration. Through the WFF model, The Conservation Fund buys the land, protects it with a conservation easement, sustainably manages it, sells it with the protections in place, and buys the next high priority working forest. Through the Working Forest Fund, more than 400,000 acres have been protected in 14 states.

227,000

ACRES OF LAND PROTECTED

Between 2010 and 2014, the Foundation made 160 grants totaling \$115 million to preserve and protect land, water, and natural habitats, as well as to build capacity, educate the public, and ensure smart growth. During this period, 16 species of fish and 10 species of freshwater mussels in the Ohio River are being removed from the state's list of rare and endangered species. Foundation funding also helped reclaim 55,000 acres of abandoned mine lands and restore 729 miles of stream in the region, as well as remove 50 dams, which opened an additional 200 miles of free-flowing streams. Foundation grants to protect land across the country focused on projects in 10 states, involving 227,000 acres. An additional 1.2 million acres are being protected through revolving loans and other initiatives.



Caren Glotfelty

Executive Director

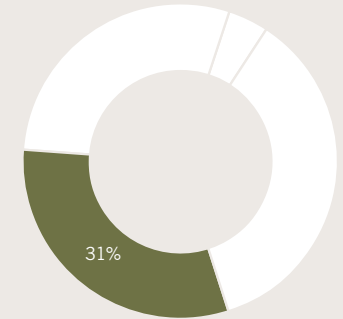
ALLEGHENY COUNTY PARKS FOUNDATION

Strengthening Allegheny County's Park System

The Allegheny County Parks Foundation (ACPF), formed in 2007, promotes the park system and provides support through resource development, community planning, and advocacy. In 2014, ACPF hired Caren Glotfelty as its executive director. A longtime environmental advocate, she was first deputy secretary of water management under Governor Robert Casey, held the Maurice K. Goddard Chair in Forestry and Environmental Resources at Penn State University, and served as senior director of the Heinz Endowments Environmental Program.

Her knowledge and experience make Ms. Glotfelty well-suited to strengthen the relationship between ACPF and Allegheny County, attract additional funding, and ensure completion of several signature projects, demonstrating ACPF's critical role in the county park system. A \$625,000 Foundation grant over two years will support design and implementation of a robust annual giving program of corporate, major individual, and member donors to increase fundraising capacity. This grant also will support a marketing and communications strategy for the county park system and completion of the Ingomar Road trail around North Park Lake.

CONSERVATION



GRANT SUMMARY

GRANTS APPROVED

\$41,068,918
31% of total

NUMBER OF GRANTS

31

Allegheny County Parks Foundation
PITTSBURGH, PA

\$625,000 toward two-year support to increase fundraising capacity and toward improvements to the trail system around North Park Lake

Allegheny Land Trust
SEWICKLEY, PA

\$175,000 toward implementation of the GreenPrint and costs associated with the Hays Woods project

American Chestnut Foundation
ASHEVILLE, NC

\$100,000 to establish small populations of blight-resistant American chestnuts on reclaimed minelands in western Pennsylvania

Atlantic Salmon Federation, Inc.
CALAIS, ME

\$250,000 toward restoration of salmon and other sea-run fish habitat on the Penobscot River in Maine

Audubon Society of Western Pennsylvania, Inc.
PITTSBURGH, PA

\$1,000,000 toward two-year support of education and conservation efforts, and facility enhancements

Brentwood Economic Development Corporation
PITTSBURGH, PA

\$50,000 to develop a Watershed Stewards Program for the Saw Mill Run Watershed

Chesapeake Conservancy, Inc.
ANNAPOLIS, MD

\$100,000 to support community engagement and conservation innovations for the Susquehanna initiative, with \$50,000 contingent upon matching funds from other funders

The Conservation Fund
ARLINGTON, VA

\$8,000,000 toward purchase of properties in St. Lawrence and Oswego counties, NY

\$4,000,000 as a program-related investment toward purchase of properties in St. Lawrence and Oswego counties, NY

\$15,300,000 as a program-related investment made toward purchase of property near Logan, West Virginia with the goal of helping the state create elk habitat and promote a sustainable working forest

Friends of the Pittsburgh Urban Forest
PITTSBURGH, PA

\$700,000 toward two-year support of operations (\$200,000) and development of a nursery and offices along the Allegheny River (\$500,000)

The Headwaters Charitable Trust
DUBOIS, PA

\$650,000 toward purchase of the Knox Kane Railroad Corridor for conversion into a recreational trail

Health Effects Institute
BOSTON, MA

\$275,000 to build broad-based support for a science-driven approach to unconventional gas development in the Appalachian region

Loyalhanna Watershed Association, Inc.
LIGONIER, PA

\$50,000 toward eight streambank stabilization and habitat projects in Ligonier Township, PA

\$65,000 toward construction of a storage facility for a summer market

\$50,000 toward architectural design services and project oversight for the Community Storage Building Project

Mountain Watershed Association, Inc.
MELCROFT, PA

\$275,000 toward two-year support to restore and maintain the Indian Creek and Jacobs Creek watersheds, plus development of a watershed app

National Academy of Sciences
WASHINGTON, DC

\$88,000 to assist the Pennsylvania Department of Environmental Protection in enhancing scientific and technical capabilities as to provide a science-based approach for its programs

Nine Mile Run Watershed Association, Inc.
WILKINSBURG, PA

\$375,000 toward two-year support of restoration efforts of Nine Mile Run Watershed, including storm water management projects in Homewood

PA Cleanways
GREENSBURG, PA

\$130,000 to expand the affiliate network in western Pennsylvania and to build a community outreach campaign to reduce littering and illegal waste disposal

Pennsylvania Institute for Conservation Education
LEWISBURG, PA

\$125,000 toward two-year support of the Wildlife Leadership Academy

Pennsylvania Land Trust Association
HARRISBURG, PA

\$20,000 to assist local land trusts in western Pennsylvania by researching ways to expand memberships and diversify support

Pennsylvania Resources Council, Inc.
PITTSBURGH, PA

\$140,000 toward support of operations and programs to protect, preserve, and promote southwestern Pennsylvania's scenic resources

Pittsburgh Community Broadcasting Corporation
PITTSBURGH, PA

\$75,000 toward production of a radio series to cover issues regarding habitat, conservation, and energy development in Pennsylvania

Ruffed Grouse Society
CORAOPOLIS, PA

\$600,000 toward two-year support to create a strategic plan, to enhance communication and marketing capabilities, and to purchase equipment for habitat restoration work

Western Pennsylvania Conservancy
PITTSBURGH, PA

\$6,735,918 toward purchase of property located in McKean County, PA

\$150,000 to establish a street tree program in Ligonier, PA

\$100,000 toward purchase of property located in Cook and Donegal townships, Westmoreland County, PA

\$500,000 as a program-related investment toward purchase of property located in Cook and Donegal townships, Westmoreland County, PA

Westmoreland Conservation District
GREENSBURG, PA

\$350,000 toward two-year support to develop a plan for managing local water resources, obtain measureable scientific data concerning storm water management, and install a green parking lot at the St. James Lutheran Church in Ligonier, PA

Wildlife Management Institute, Inc.
GARDNERS, PA

\$15,000 toward scholarships and other costs associated with the Wildlife Management Institute's annual North American conference in Pittsburgh in March 2016



EDUCATION

Promoting Education *to* Benefit
Individuals *&* *the* Region



In 2015, the Foundation approved \$4,596,000 in grants, supporting 15 different education initiatives. These grants will improve prospects for students in the foster care system, offer state-of-the-art job training, foster collaborations in underserved communities, and promote forward-thinking solutions to improve life for the disabled, reduce pollution and crime, and assess sustainability of the Almono development site.

\$4,596,000 IN APPROVED GRANTS

(Left)
Dr. Quintin Bullock welcomes the crowd including Pittsburgh Mayor Bill Peduto, Allegheny County Councilman Robert Macey, and Allegheny County Executive Rich Fitzgerald, for Community College of Allegheny County's 50th Anniversary Kickoff Celebration at the Energy Innovation Center on February 4, 2016. The reception provided CCAC with an opportunity to showcase the college's new HVAC facility.

COMMUNITY COLLEGE OF ALLEGHENY COUNTY: Educating High-Tech Tradespeople for the Region

The Community College of Allegheny County (CCAC) offers 19 applied science and skilled trade technology degree or certificate programs at its West Hills campus. Because the campus lacks access to public transportation, CCAC provides transportation for students pursuing mechatronics and plumbing studies.

A Foundation grant of \$300,000 will enable CCAC to expand this successful program to the Hill District, where the college will use the state-of-the-art heating, ventilation and air conditioning (HVAC) systems in Pittsburgh's Energy Innovation Center as teaching tools. The program will offer a certificate in HVAC, which will fulfill the first-year study requirements for CCAC's HVAC associate degree.

This expansion will provide skilled tradespeople—and jobs to economically-disadvantaged minorities historically denied such opportunities—to the Hill District, a need fueled by ongoing growth and development in the region. Tuition and worker training will sustain the certificate program, which expects to enroll 30 students in its first year. CCAC anticipates an 85% graduation rate, with 90% of graduates finding employment within six months.

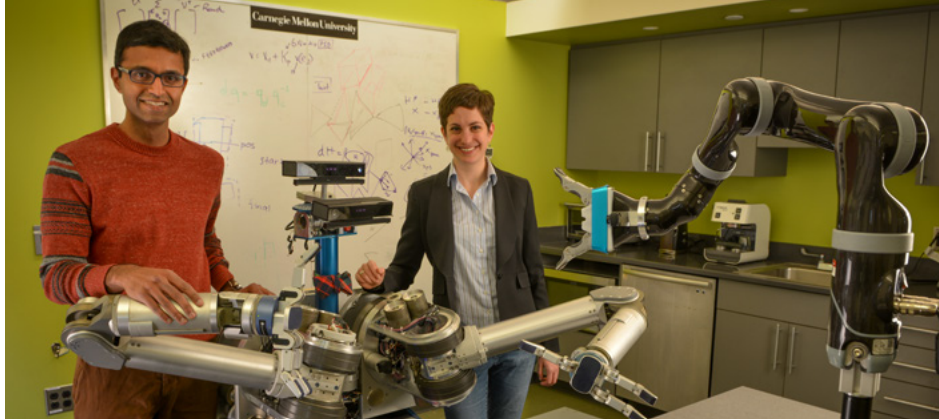
Precision manufacturing is the crossroads where modern production technologies and unparalleled quality standards meet. At the Manufacturing Assistance Center, students train on the same high-tech equipment that is used by local manufacturers.

UNIVERSITY OF PITTSBURGH: Moving to Benefit All

In efforts to increase the economic and social impact of the University of Pittsburgh's (Pitt) work in local communities, Pitt plans to relocate its Swanson School of Engineering's Manufacturing Assistance Center (MAC), to Bridgeway Capital's facility at 7800 Susquehanna Street in Homewood. A Foundation grant of \$500,000 will fund the move and first-year operating costs as the MAC rebuilds its student base.

The move will enable Homewood residents to avail themselves of state-of-the-art machining training, computer programming, and career assistance, leading to family-sustaining-wage jobs. The more functional and centralized location, which includes public transportation access, also will strengthen National Science Foundation manufacturing-based proposals, help turn research concepts into training opportunities, and promote corporate partnerships, as well as faculty- and student-based research collaborations among Pitt's Swanson School, Katz Graduate School of Business, and the School of Social Work. Locating the MAC in Homewood will also promote collaborations among students from Pitt, the MAC, and Westinghouse grades 6–12. Lastly, it will allow engineering students to explore processes and technologies across industry sectors, and serve as role models to Homewood's young people.





Professor Siddhartha Srinivasa of Carnegie Mellon University, with postdoctoral fellow Henny Admoni, develops algorithms and intelligent robots like HERB and ADA that help improve quality of life for people with physical disabilities.

CARNEGIE MELLON UNIVERSITY: Improving Quality of Life with a Multi-Faceted Approach

During the last five decades, the Foundation has helped fund some of the most promising initiatives of CMU's Robotics Institute, including driverless cars and developing a robot that may one day land on the moon. Though commendable, such projects are not directly applicable today to the nearly one in every five Americans with a physical disability that makes them dependent on physical assistance in daily life. And, although assistive devices—book-holders, walkers, powered wheelchairs, and prosthetic arms, for example—are widely used, they depend on human effort and intelligence, limiting their functionality to basic tasks.

A Foundation grant of \$250,000 will support the Robotics Institute's Center for Assistive Care Robotics for Everyday Living in developing intelligent robotics for assistive devices for individuals with disabilities, and moving this basic research toward commercialization. Initially, a team of four CMU researchers will focus on developing a prototype, including new hardware and artificial intelligence algorithms, enabling individuals with upper-arm disabilities to eat unassisted in homes, restaurants, and other settings. The prototype will support CMU's federal funding application in an upcoming grant competition for assistive robotics research.

Another CMU initiative launched last year, Metro21, will explore the connections among sensors, analytics, evaluation methods, and sustainable design to devise solutions that address social challenges, improve infrastructure, enhance city services, and foster civic engagement. A Foundation grant of \$600,000 over two years will support two Metro21 projects.

The first will connect “big data”—311 calls relating to quality of life issues, 211 calls related to health and human services issues, and 911 calls alerting authorities to criminal activity and life-threatening emergencies—forging a comprehensive predictive model that will help reduce crime and improve the region's quality of life. The model is based on “Crimescan,” a pilot project in Chicago, that by linking call data, helped anticipate areas of trouble in advance and pinpoint their specific locations.

In the second project, researchers will use advanced monitoring systems to estimate the performance of buildings, roads, public sewers, storm water facilities, and other infrastructures, as well as energy and water usage, to test the sustainability of Almono, Pittsburgh's urban riverfront development site.

\$73 Million

GRANTED TO THE REGION'S EDUCATIONAL INSTITUTIONS

Between 2010 and 2014, the Foundation infused \$73 million into the region's educational institutions. More than half of this funding was designated for higher education; the balance helped to sustain K-12 education, community-based organizations, and general education projects in the region. The Foundation's aim is to align education, workforce, and the vocational needs of employers. For example, Google hired 6% of the total undergraduates from Carnegie Mellon University in 2014, more than Stanford University and the Massachusetts Institute of Technology combined. Similarly, a \$7 million grant to support Seton Hill University's new health sciences building increased student enrollment by 32% over the previous four years.



Sister Linda Yankoski

President

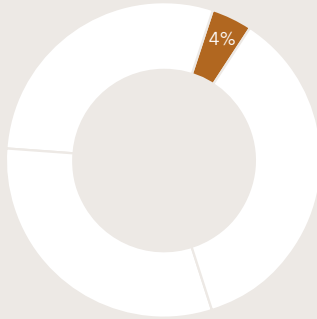
HOLY FAMILY INSTITUTE

Offering a Promising Future for Foster Care Students

Holy Family Academy (HFA) provides academic and workplace experiences to nearly 1,600 foster care students, increasing their chances of finishing high school and finding career success. HFA's keystone is a work-study program with entry-level employment in professional settings. "The focus of this program is not on college; it's getting kids on an appropriate pathway for a career. There are good jobs here in the region in sectors like manufacturing, but our kids aren't prepared to fill those jobs," says Sister Linda Yankoski, CEO of Holy Family Institute (HFI), the organization she has served for four decades. In addition to her leadership of HFI, Sister Linda chairs the Catholic Charities USA board of trustees and participates in other professional and community organizations' activities. She holds degrees in social work, administration, and education, counts nonprofit governance, leadership, and organizational development among her research interests, and has been honored repeatedly for her work.

A \$1,000,000 Foundation grant will help HFA accommodate 300 to 400 students over the next several years, intending to graduate students who are work-ready, college-ready, or seeking post-secondary credentials.

EDUCATION



GRANT SUMMARY

GRANTS APPROVED

\$4,596,000
4% of total

NUMBER OF GRANTS

15

50CAN, Inc.
PHILADELPHIA, PA

\$96,000 to produce a report identifying top-performing K-12 public and charter schools serving at-risk students in Allegheny County, PA

Carnegie Mellon University
PITTSBURGH, PA

\$10,000 toward expenses to send the CMU Girls of Steel team to the FIRST Championships

\$250,000 to create intelligent assistive technology for individuals with physical disabilities

\$600,000 toward two-year support to conduct projects that use urban predictive analytics to improve quality of life and reduce crime in Pittsburgh, and to develop a monitoring program to evaluate the energy and infrastructure systems for the Almono site

Community College of Allegheny County Educational Foundation
PITTSBURGH, PA

\$300,000 to establish an HVAC classroom at Pittsburgh's Energy Innovation Center

Coro Center for Civic Leadership
PITTSBURGH, PA

\$350,000 to position Coro participants to revitalize communities in southwestern Pennsylvania with an emphasis on Wilkinsburg, Sto-Rox, and Homewood

EDSYS, Inc.
PITTSBURGH, PA

\$65,000 toward two-year support of outdoor recreational opportunities for students at City Charter High School

Holy Family Institute
PITTSBURGH, PA

\$1,000,000 toward two-year support of start-up costs for Holy Family Academy

Indian Creek Valley Christian Family & Children's Center
CHAMPION, PA

\$400,000 toward two-year support to build an addition at the North Campus facility

Island Academy, Inc.
ST. JOHNS, ANTIGUA,
WEST INDIES

\$250,000 toward information technology upgrades and facility enhancements

Ligonier Valley Library Association
LIGONIER, PA

\$200,000 toward a feasibility study to identify major program, facility, and financial needs

Saint Francis University
LORETTO, PA

\$25,000 toward strategic planning around energy programs

University of Pittsburgh
PITTSBURGH, PA

\$500,000 to relocate the Swanson School of Engineering's Manufacturing Assistance Center to Homewood, PA

University of Pittsburgh, Institute of Politics
PITTSBURGH, PA

\$100,000 toward support of the Criminal Justice System Review in Allegheny County and Voluntary Municipal Disincorporation in the Commonwealth of Pennsylvania

University of Pittsburgh, School of Social Work
PITTSBURGH, PA

\$450,000 toward two-year support to provide an array of support services to children enrolled in the Homewood schools



HUMAN SERVICES

Ensuring Health & Wellness *for All*

In 2015, the Foundation made 68 grants totaling \$ 37,805,000 to an array of human service entities. Many of these organizations have met with tremendous success in efforts to provide western Pennsylvanians with services to improve their physical and mental health, alleviate hunger and homelessness, diminish obstacles to obtaining health care and education, increase the number of general practitioners and internists available to patients throughout the region, and more.

\$37,805,000

IN APPROVED GRANTS

(Left)

The Diabetes Institute, a multi-state, community-based program, works to reduce hospital admissions and improve health by certifying primary care physicians to better care for diabetic patients. Pictured from left at the Institute's first of seven sites, the Wexford Health + Wellness Pavilion, are Certified Diabetes Educator Susan Zitelli; Dietician Teresa Spirk; and Patricia Bononi, MD, Medical Director.

FIGHTING THE DIABETES EPIDEMIC

The Allegheny Health Network's (AHN) Diabetes Institute seeks to combat Type II diabetes, which affects more than 300,000 people in the region. It will be headquartered at West Penn Hospital, whose successful diabetes program includes a 25-year relationship with Harvard Medical School's Joslin Diabetes Center. Building upon this partnership, the Institute will expand best practices and deliver integrated clinical care, services, and education in diabetes centers where patients live, reducing the need for hospital care, empowering them to care for themselves, and promoting earlier and more cost-effective diagnosis, treatment, and prevention.

The Institute also is compiling patient data to assess baseline statistics and identify key metrics to track as the Institute's model is established and advanced. Pilot programs focused on delivery of patient care as well as training and education methods will help to demonstrate the model's effectiveness and to seek insurance coverage for patients. A Foundation grant of \$6,000,000 over three years will support the AHN Diabetes Institute, contributing to significant fiscal savings and dramatic improvements in the lives of local diabetes patients.



COMMUNITY HUMAN SERVICES:

Expanding Social Services for the Homeless and Hungry

Community Human Services (CHS) serves more than 7,250 people from eight different locations through the region, providing a wide range of social services to underserved populations each year. Purchasing the 31,200-square-foot building at 2525 Liberty Avenue in the Strip District will allow CHS to consolidate services from five of its eight facilities into one central location. As the result of lower energy costs, reduced staff travel time, operating efficiencies, and elimination of redundant technology and equipment, CHS anticipates more than \$140,000 in annual cost savings. In addition, clinical staff will be able to offer clients holistic care and expanded services from a single site that provides access to public transportation. A Foundation grant of \$1,000,000 will provide funding toward the \$3,250,000 purchase price of the building.



LATROBE AREA HOSPITAL CHARITABLE FOUNDATION:

Training Primary Care Physicians for Western Pennsylvania

With only 10% of medical school graduates choosing primary care as a specialty, a shortage of general practitioners is on the horizon. Helping to offset this shortage is the Latrobe Hospital Family Medicine Residency program, the only primary care medical resident education program in Westmoreland County. Begun more than 40 years ago, the program has produced 190 graduates, nearly 60% of whom practice in underserved communities in Pennsylvania. According to Dr. Tom Gessner, president of the Latrobe Area Hospital Charitable Foundation, which supports the residents' training, "We need to solve manpower issues in new ways, and this program is an educated way to meet the needs of the community."

Excelsa Health, which includes Latrobe Hospital, recently purchased land and developed plans for a Patient-Centered Medical Home, allowing patients to access primary and specialty care, diagnostic testing, and physical therapy under one roof. A Foundation grant of \$5,000,000 will contribute to the state-of-the-art facility. When completed, the building will house 24 specially selected Latrobe Hospital Family Medicine residents working under seasoned family physicians, specialty physician practices, and diagnostic testing facilities.

(Above left)

Conveniently located in the Strip District with access to public transportation, Community Human Service's new office space provides a welcoming and comfortable space for staff and clients to work together.

(Above right)

Excelsa's residency program will increase the number of physicians admitted to the program from 18 to 24 over the next three years. Residents will participate in various clinical rotations and office-based practices, while supporting the 24/7 coverage at Excelsa Health hospitals.



Nancy Kukovich

CEO
ADELPHOI USA

A Passionate Leader for Adelphoi Village

With a correlation between managing and listening, it's not surprising that Nancy Kukovich, Adelphoi USA's CEO, started blogging for its 650 employees in 2014. "There is a lot going on," she said, "and I'll do a better job for this organization if I tell you what I'm thinking and learn from what you have to say." With Adelphoi's 20-acre campus and sites in more than 30 counties providing mental health and other services to 1,200 troubled youth and their families, Kukovich is right—there is a lot going on. Currently in Phase II of its Campaign for Excellence, Adelphoi is seeking \$4 million to provide holistic therapy in a safe setting for young people and their families. A Foundation grant of \$1,400,000 will support this effort.

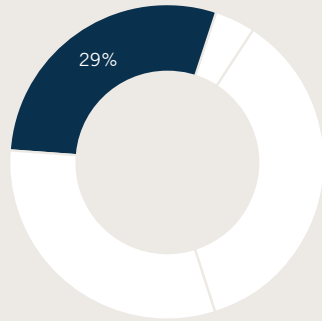
As she oversees the campaign and the rest of Adelphoi's operations, Kukovich's past experience as its executive vice president and a board member, as well as in positions with the Department of Public Welfare, the County Commissioners Association of Pennsylvania, and the United Way of Pennsylvania, and, most recently, of Westmoreland County, serve her well. She remains passionate about Adelphoi and her commitment to it, telling her staff in that first blog post, "This feels like the place I belong."

\$90 Million

IN SUPPORT OF HUMAN SERVICES

The Foundation's support of human services initiatives totaled \$90 million between 2010 and 2014. This funding focused on programs that helped communities enhance access to healthcare, housing, employment, and safe, supportive environments in which children can live and learn. Investments in high quality childcare have increased the number of Allegheny County children who can participate in such programs from approximately 2,600 in 2010 to more than 4,000 in 2014. In addition, during the past five years, 518 new, energy efficient housing units have been created with support from the Foundation.

HUMAN SERVICES



GRANT SUMMARY

GRANTS APPROVED

\$37,805,000
29% of total

NUMBER OF GRANTS

68

Adelphoi Foundation LATROBE, PA

\$1,400,000 to complete the goals of Phase II of the Campaign for Excellence

Albert Schweitzer Fellowship - Pittsburgh PITTSBURGH, PA

\$150,000 toward two-year support of costs associated with establishing a stand-alone office

Allegheny Council to Improve Our Neighborhoods-Housing, Inc. PITTSBURGH, PA

\$1,000,000 toward affordable housing projects, energy conservation efforts, and operating support

Allegheny Health Network PITTSBURGH, PA

\$6,000,000 to create a comprehensive diabetes institute aimed at combating Type II diabetes

American National Red Cross PITTSBURGH, PA

\$1,000,000 toward three-year support to engage residents in preparing for catastrophic and everyday disasters

Arsenal Family and Children's Center PITTSBURGH, PA

\$100,000 toward two-year support of supervised parent visits and mentoring programs

Bible Center Church, Inc. PITTSBURGH, PA

\$300,000 toward two-year support of the out-of-school time programs of the Oasis Project

Center of Life PITTSBURGH, PA

\$200,000 toward two-year support of operations and programs

The Center That C.A.R.E.S. PITTSBURGH, PA

\$200,000 toward costs associated with the renovation of the community center (\$150,000) and as matching funds to establish a building maintenance reserve fund (\$50,000)

The Children's Home of Pittsburgh PITTSBURGH, PA

\$1,000,000 toward expansion of the Pediatric Specialty Hospital

Community Health Clinic, Inc. NEW KENSINGTON, PA

\$125,000 toward purchase of equipment and renovations for the dental lab, and to hire a medical case manager

Community Human Services Corporation PITTSBURGH, PA

\$1,000,000 toward purchase of a building in the Strip District to consolidate operations and expand services

Computer Reach CRANBERRY TOWNSHIP, PA

\$50,000 toward capacity-building efforts to increase the organization's reach, output, and earned revenue

Conservation Consultants, Inc. PITTSBURGH, PA

\$275,000 toward three-year support to improve energy efficiency for low-income homeowners in two Pittsburgh neighborhoods

County of Allegheny PITTSBURGH, PA

\$410,000 toward a collaboration with Student Conservation Association to increase the seasonal park ranger team

County of Allegheny, Department of Health PITTSBURGH, PA

\$750,000 toward Live Well Allegheny initiatives to improve health of residents in the region

County of Allegheny, Department of Human Services PITTSBURGH, PA

\$750,000 to build the analytic capacity of the Pittsburgh Bureau of Police

Crossroads Foundation PITTSBURGH, PA

\$350,000 toward summer programming to transition scholars to college and allow them to explore career interests

East End Cooperative Ministry, Inc. PITTSBURGH, PA

\$600,000 toward support of operations

East Liberty Family Health Care Center, Inc. PITTSBURGH, PA

\$750,000 toward two-year support of renovations, equipment, technology, and operating support

East Liberty Presbyterian Church PITTSBURGH, PA

\$1,000,000 toward two-year support of capital improvements to East Liberty Presbyterian Church

Fairfield Township Volunteer Fire Company NEW FLORENCE, PA

\$300,000 to complete construction of the community meeting space in the new fire hall

Family House, Inc. PITTSBURGH, PA

\$350,000 toward capital needs, family assistance, and operations

FamilyLinks, Inc. PITTSBURGH, PA

\$400,000 toward renovation and consolidation of facilities

The Forbes Funds PITTSBURGH, PA

\$100,000 to support consultations to organizations facing significant challenges

Girl Scouts USA NEW YORK, NY

\$1,000,000 toward two-year support to establish a partnership with Student Conservation Association to pilot the Outdoor Internship and All Girl Crew Destination programs

Girl Scouts Western Pennsylvania PITTSBURGH, PA

\$465,000 toward two-year support to implement the Customer Engagement Initiative

Higher Achievement Program, Inc. PITTSBURGH, PA

\$600,000 toward two-year support for the Bridge to College program and Higher Achievement's programs in Homewood

Homewood Children's Village PITTSBURGH, PA

\$750,000 to support academic, social, health and wellness, and college readiness programs

Jeremiah's Place - Pittsburgh Relief Nursery PITTSBURGH, PA

\$300,000 toward two-year support of operations

Jewish Residential Services PITTSBURGH, PA

\$300,000 toward three-year support to purchase and build-out the clubhouse and offices

KidsVoice
PITTSBURGH, PA
\$750,000 toward two-year support of the Bootstrap Project

Kingsley Association
PITTSBURGH, PA
\$125,000 toward support of operations and programs, for technological improvements, and to assist with the federal Choice Neighborhood program

Latrobe Area Hospital Charitable Foundation
LATROBE, PA
\$200,000 to refurbish two ambulances
\$5,000,000 toward construction of new facilities for Latrobe Area Hospital's Family Medicine Residency program

Laurel Area Interfaith Volunteer Caregivers, Inc.
LATROBE, PA
\$75,000 toward three-year support of operations

Life's Work of Western PA
PITTSBURGH, PA
\$700,000 toward 18-month transitional support of operations resulting from a merger, the Pennsylvania State budget impasse, and a leadership transition

Mainstay Life Services
PITTSBURGH, PA
\$300,000 toward two-year support to upgrade technology capabilities

Manchester Youth Development Center, Inc.
PITTSBURGH, PA
\$525,000 toward two-year support of operations and programs

The Mentoring Partnership of Southwestern PA
PITTSBURGH, PA
\$275,000 toward two-year support for general operations and to conduct a technology audit

The Moyer Foundation
PHILADELPHIA, PA
\$25,000 toward a weekend bereavement camp in Pittsburgh for children and teens from six through 17

North Side Christian Health Center
PITTSBURGH, PA
\$500,000 toward support of operations

Northside Coalition for Fair Housing
PITTSBURGH, PA
\$400,000 toward two-year support of operations

Pennsylvania Organization for Women in Early Recovery
PITTSBURGH, PA
\$250,000 toward two-year support of operations

Pennsylvania Partnerships for Children
HARRISBURG, PA
\$125,000 toward the use of data around the well-being of children in Pennsylvania

Pennsylvania Women Work
PITTSBURGH, PA
\$150,000 toward support of career training for young, low-income parents

Pittsburgh Association for the Education of Young Children
PITTSBURGH, PA
\$400,000 toward the ALLIANCE model of supporting home childcare providers

Pittsburgh Chapter National Tooling and Machining Foundation, Inc.
MOON TOWNSHIP, PA
\$290,000 toward two-year support to build the capacity of the BotsIQ program

Pittsburgh Community Kitchen
PITTSBURGH, PA
\$150,000 toward support of operations

The Pittsburgh Foundation
PITTSBURGH, PA
\$130,000 toward the Allegheny County Jail Collaborative

\$100,000 toward support of the Human Service Integration Fund

Sisters of St. Francis of the Neumann Communities
PITTSBURGH, PA
\$150,000 to replace the central elevator at the Mt. Alvernia Convent in Millvale

Small Seeds Development, Inc.
PITTSBURGH, PA
\$75,000 toward transitional support while developing a viable financial structure

Sojourner House
PITTSBURGH, PA
\$200,000 toward two-year support of operations as the organization builds infrastructure to support its housing program

Student Conservation Association, Inc.
ARLINGTON, VA
\$35,000 toward developing a plan to identify and implement earned revenue ventures

Three Rivers Adoption Council
PITTSBURGH, PA
\$100,000 to employ an additional therapist for six months and purchase and customize electronic records software

Three Rivers Workforce Investment Board
PITTSBURGH, PA
\$75,000 toward Phase I of the Construction Employment Assessment and Training Program

\$500,000 toward efforts to strengthen the workforce development system

Trade Institute of Pittsburgh
PITTSBURGH, PA
\$125,000 to expand the masonry training program for the underemployed

United Way of Westmoreland County
GREENSBURG, PA
\$600,000 toward early education, Mothers Making More, and Faith in Action programs

Washington City Mission
WASHINGTON, PA
\$100,000 toward construction of a new men's shelter, kitchen, and dining hall

Wesley Spectrum Services
PITTSBURGH, PA
\$1,000,000 toward two-year support to upgrade communications technology across the agency and to update emergency response plans at all facilities, including the schools

Westmoreland County Food Bank, Inc.
DELMONT, PA
\$175,000 toward purchase of a box truck to transport food to 44 pantries

Women's Center and Shelter of Greater Pittsburgh
PITTSBURGH, PA
\$1,500,000 toward facility renovations
\$200,000 toward three-year support of operations

YMCA of Greater Pittsburgh
PITTSBURGH, PA
\$50,000 toward two-year support for transition of the Family TYES program to the YMCA

Young Men's Christian Association of Greensburg, PA
GREENSBURG, PA
\$300,000 to complete renovations to both indoor pools

Young Women's Christian Association of Pittsburgh
PITTSBURGH, PA
\$175,000 toward two-year support to implement energy and water conservation upgrades to the Homewood-Brushton Community Center



REGIONAL ECONOMIC DEVELOPMENT

Business, Education, Technology, &
Culture All Enrich *the* Region's Economy

The Foundation approved 64 grants totaling \$46,587,500 in 2015. These funds directly support capital campaigns, entrepreneurs and start-up businesses, community assets, and more, all of which strengthen and enrich the economy of southwestern Pennsylvania.

\$46,587,500
IN APPROVED GRANTS

(Left)
Pittsburgh Civic Light Opera
2016 Summer Season Auditions

CIVIC LIGHT OPERA:
Bringing a New Genre of Theater
to Pittsburgh

Because of increasing restrictions on performance rights to the classical musical theater catalog in recent years, the Civic Light Opera Association's (CLO) ability to bring new and older shows to local audiences has become quite limited. Its continued success, therefore, will depend on developing, producing or co-producing, and investing in new musicals, which will enable CLO to present the shows as part of its local summer series.

A Foundation grant of \$2 million—as part of CLO's \$10 million capital campaign—will help create First Notes, a unique small musical theater festival exclusively focused on musicals

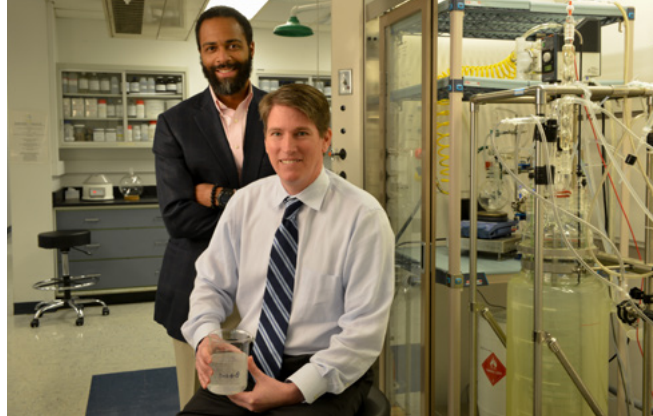
with five or fewer actors. The festival, which will be held in Pittsburgh three times over 10 years, will complement the city's other successful festival offerings—the Three Rivers Arts Festival, First Night, the Pittsburgh International Children's Festival, and the Pittsburgh Jazz Festival, drawing new audiences and theater professionals to the cultural district, and expanding the CLO's summer series repertoire.



FORT LIGONIER: Upgrading and Enhancing an Historic Asset

Built by the British during the French and Indian War, Fort Ligonier, which was reconstructed with support from the Foundation in the 1950s, today strives to collect, preserve, research, interpret, exhibit, and advocate the history and culture of the 1758-66 British-American fort and settlement for more than 25,000 visitors annually. The museum houses an extensive fine arts collection and approximately 125,000 historic objects, including George Washington's saddle pistols, presented to him by the Marquis de Lafayette and purchased for the fort by the Foundation to commemorate the 250th anniversary of the French and Indian War.

An \$11.5 million capital campaign is underway to secure Fort Ligonier as a vital community and regional asset and as a world-class education and interpretive center for the French and Indian War. A Foundation grant of \$3.5 million supports fort restoration, maintenance, and educational upgrades, including museum renovations, a comprehensive interpretive plan for the site, and a director of history and collections to curate and expand programming and use of the collections.



INNOVATION WORKS: Providing Early-Stage Investments Strengthens Regional Businesses

As the region's largest seed stage investor and part of a collaborative network that supports startup companies, Innovation Works (IW) has—during the last 30-plus years—provided direct investment and strategic business services to companies that employ more than 18,000 people in the region and generate more than \$3.3 billion in annual revenues.

A one-year Foundation grant of \$500,000 will help IW invest in very early-stage companies, doubling the number of businesses from 10 to 20 that receive IW funding this year. Seed investment in particularly promising early-stage companies helps anchor new businesses in the region, making it less likely that they will be lured away by other communities. Based on IW's historical performance, 10 additional investments could yield 60 new jobs for the region, increase a company's revenue by \$5 million, and attract significant follow-on funding from larger investors within five years.

(Above left)

Matt Gault, Fort Ligonier's assistant director of education, captivates his elementary-school audience while talking about the French and Indian War as part of a birthday party for George Washington.

(Above right)

Patrick McCarthy, CEO of ATRP Solutions, holds a beaker of one of the company's specially-designed formulas that reduces the environmental impacts of gas recovery. Innovation Works' executive-in-residence Jeff McDaniel stands behind Patrick—literally. IW has supported ATRP's growth since 2008.



(Above left)

Urban Innovation21 grant winner Nisha Blackwell, owner of Knotzland, showcases her artisan, upcycled bow ties in the newly renovated Homewood Senior Station.

(Above right)

Thrill Mill works to attract the most talented individuals from a variety of industries to Pittsburgh, making it the region's prime destination for the next generation of entrepreneurial, innovative, and creative leadership. Shown above is one of Thrill Mill's founders, along with staff members and current start-up cohort founders.



URBAN INNOVATION21: Ensuring Economic Development in Distressed Communities

Founded to draw science and technology start-ups to distressed communities to promote economic growth and prevent college graduates from leaving the region, Urban Innovation21 (UI21) currently supports 55 high-growth companies, many of which are located in Pittsburgh's Hill District and Uptown communities. More recently, as part of its Inclusive Innovation program, UI21 has placed 422 college interns—54% of whom are women and 39% of whom are minorities—with nearly 100 innovation economy companies, resulting in 50 permanent hires.

A Foundation grant of \$1,600,000 over two years will support UI21's operations, and enable it to expand the investments in start-up companies in Homewood by adding staffing to mentor Homewood-based entrepreneurs, research best practices for supporting businesses in low-income communities, and hire a grant writer to secure philanthropic funding and manage in-kind requests for legal, accounting, and marketing services.

THRILL MILL: Building and Promoting Pittsburgh's Innovation Economy

Thrill Mill, the region's only start-up accelerator branded to appeal to millennials, provides financial and programmatic support together with collaborative office space to start-up entrepreneurs across all industries, and this year, its third, it has accepted 23 computer science, environmental solutions, and manufacturing companies. It also recently held an innovation and music festival that attracted 7,500 attendees, national music acts, and press coverage from *USA Today*.

Foundation funding of \$400,000 over two years will allow Thrill Mill to hire three full-time staff members: a chief financial officer, a program officer, and a Venture for America Fellow to respond to local demand, and compete with other cities nationally for the same talented, highly mobile entrepreneur pool. The Foundation's grant also will enable the organization to support up to 40 new and 10 existing entrepreneurial teams, purchase additional furniture and equipment for the East Liberty communal working space, expand relationships with colleges, universities, and other accelerators, and promote Pittsburgh's innovation economy on a national scale.



Michael M. Matesic

President & CEO
IDEA FOUNDRY

Supporting Start-Ups and Social Enterprises

Idea Foundry's president and CEO, Michael M. Matesic, knows businesses—especially start-up businesses. A Duquesne University alumnus with a degree in business administration and the former CEO of two start-ups, he approves the six to 10 investments Idea Foundry makes annually—with two-thirds of the approximately 100 requests coming from Carnegie Mellon University and the University of Pittsburgh. Since its beginnings in 2002, Idea Foundry has offered funding to a total of about 170 different innovation-based start-ups in the life sciences, global enterprise, and social enterprise, all with high potential for creating regional jobs.

A Foundation grant of \$950,000 will help fund ongoing operations, enabling Idea Foundry to support the creation of eight to 10 new companies and offer transformation fellowships to up to 10 existing companies, creating as many as 90 jobs within five years. With Foundation support, Idea Foundry will create a fund that invests through loans in food-based social enterprises with the greatest potential to increase revenue and generate jobs, including PittMoss, an organic compost company, and Farm Food Truck, a mobile food truck company that bridges the gap between farmers and underserved communities—such as Homewood—that lack healthy food options.



Barbara Baker

President & CEO
ZOOLOGICAL SOCIETY OF PITTSBURGH

Protecting Endangered Species

Dr. Barbara Baker is President & CEO of the Pittsburgh Zoo & PPG Aquarium, a facility housing over 6,000 animals and ranked in the top five zoos for families nationwide, with over 1 million visitors each year. During her 28-year career, she was a veterinarian at numerous facilities housing African and Asian elephants, including the Bronx Zoo, the Lincoln Park Zoo, and the Riverbanks Zoo.

To highlight the plight of endangered and threatened species and the ecosystems they depend upon, the zoo is undertaking a \$36 million expansion that will include development of six acres with living biomes that will incorporate hands-on education opportunities and technology innovations. The expansion also will include a new maternal health center at the zoo's International Conservation Center, North America's premier facility for African elephant conservation, education, breeding, training, and research. In addition, a series of innovative technologies will be designed that will link the zoo with conservation education information and connect visitors with the animals and their habitats. A \$9 million Foundation grant will support state-of-the-art exhibits that help visitors cultivate meaningful connections between animals at the zoo and species and habitats in the wild.



Don Smith

President

REGIONAL INDUSTRIAL DEVELOPMENT CORPORATION

Leveraging Innovative Projects to Benefit the Region

Don Smith is a well qualified and widely recognized economic development expert with a wide variety of work experience at the local, regional, state, and national levels. As president of the Regional Industrial Development Corporation (RIDC), he has worked since 2009 to structure RIDC real estate projects to promote the interests of citizens and attract new business to the region. A longtime professional in the community, he previously held the first-ever collaborative post of vice president of economic development for both Carnegie Mellon University and the University of Pittsburgh, and specializes in strategically leveraging innovation institutions.

In 2002, the Heinz Endowments, Claude Worthington Benedum Foundation, McCune Foundation, and Richard King Mellon Foundation formed Almono (an acronym of Allegheny, Monongahela, and Ohio) to purchase and maintain for mixed use development—commercial, residential, and recreational—the 178-acre site in Pittsburgh’s Hazelwood neighborhood that formerly housed the LTV Works. Managed by RIDC, the partnership has invested \$10 million—which was matched by the state, and garnered \$80 million in tax increment financing from the city—in basic infrastructure improvements and developed a long-term master plan that will meet or exceed national benchmarks for market-based green development. To date, Almono has raised sufficient funds to begin Phase I infrastructure development, and in October 2015, the city and county held a ribbon cutting ceremony to announce the site is open for development.

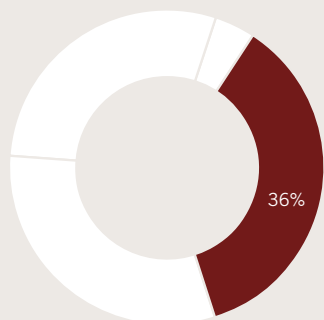
In 2015, the foundation invested nearly \$6 million in the Almono project, including \$4 million to Almono LP to acquire the McCune Foundation’s 20 percent ownership interest.

\$200 Million

INVESTED IN REGION’S ECONOMIC DEVELOPMENT

Over the past five years, the Foundation has invested more than \$200 million in initiatives to advance the region’s economic development, funding projects designed to promote arts and culture, rural development, and smart growth. Foundation support has contributed to increased start-up companies, venture capital investments, residential development, and improvements to the riverfronts and downtown environment, particularly as a center for arts and culture. The Foundation’s support of energy centers at the University of Pittsburgh and Carnegie Mellon University, as well as investments in workforce development related to the shale industry, are helping to attract high quality talent and make these institutions more competitive in the energy arena.

REGIONAL ECONOMIC DEVELOPMENT



GRANT SUMMARY

GRANTS APPROVED

\$46,587,500
36% of total

NUMBER OF GRANTS

64

Allegheny Conference on Community Development PITTSBURGH, PA

\$480,000 toward support of operations

\$25,000 toward implementation of the Pittsburgh Roadmap for Inclusive Innovation

Almono, LP PITTSBURGH, PA

\$4,000,000 as a program-related investment toward purchasing 20 percent ownership of the Almono Limited Partnership

\$797,000 as a program-related investment toward capital projects for the Almono site

Animal Friends, Inc. PITTSBURGH, PA

\$500,000 toward a new Animal Wellness Center to expand spay/neuter and vaccine services

Aspinwall Riverfront Park, Inc. PITTSBURGH, PA

\$500,000 toward enhancements to Aspinwall Riverfront Park, including river access and addition of a pavilion and ADA bathrooms

Bible Center Church, Inc. PITTSBURGH, PA

\$300,000 toward acquisition of abandoned and blighted properties in Homewood, PA

Bike Pittsburgh, Inc. PITTSBURGH, PA

\$35,500 toward production of a bike and pedestrian safety video and a scholarship program to inform key decision makers about bike safety and infrastructure

Bloomfield-Garfield Corporation PITTSBURGH, PA

\$350,000 toward two-year support of a mixed-use project replacing a blighted property at the western portal of the Bloomfield Garfield business district

Carnegie Institute PITTSBURGH, PA

\$375,000 toward three-year support to sustain the Teenie Harris collection

Carnegie Mellon University PITTSBURGH, PA

\$100,000 to perform an assessment of alternative fuel possibilities for Port Authority buses that would improve performance and reduce air emissions

City of Asylum Pittsburgh PITTSBURGH, PA

\$600,000 toward purchase and rehabilitation of the historic Masonic Building

City Theatre Company, Inc. PITTSBURGH, PA

\$300,000 toward support of operations and to launch new engagement strategies

Civic Light Opera Association PITTSBURGH, PA

\$2,000,000 toward the capital campaign, specifically the creation of a new musical theater festival

Community Foundation of Greater Johnstown JOHNSTOWN, PA

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

Community Theater Project Corporation PITTSBURGH, PA

\$350,000 toward the Centennial Campaign initiative and leadership support

\$8,000 to support August Wilson's Women: A look at the playwriting genius of August Wilson

Conemaugh Valley Conservancy JOHNSTOWN, PA

\$300,000 toward two-year support of construction of a pedestrian bridge over US Route 22 in Blairsville, closing a gap in the 135-mile Trans Allegheny Trail system

East Liberty Development Incorporated PITTSBURGH, PA

\$400,000 toward two-year support to hire three staff members for Thrill Mill to support 50 start-ups annually

Economic Growth Connection of Westmoreland GREENSBURG, PA

\$10,000 to develop a Request for Proposal to aid in selecting a consultant for Westmoreland demographic and economic issues

Fort Ligonier Association LIGONIER, PA

\$3,500,000 to enhance interpretation of Fort Ligonier and its museum

Friends of the Pittsburgh Urban Forest PITTSBURGH, PA

\$36,000 to replace and maintain trees outside the African-American Cultural Center

Grantmakers of Western Pennsylvania PITTSBURGH, PA

\$46,000 toward two-year support of operations

Grow Pittsburgh PITTSBURGH, PA

\$150,000 toward support of operations with a focus on work in Homewood (\$100,000) and a special project in conjunction with the Bible Center of Homewood (\$50,000)

Idea Foundry PITTSBURGH, PA

\$950,000 toward the Accelerator, Transformation Fellowship, and Revolving Loan Fund programs

Innovation Works, Inc. PITTSBURGH, PA

\$500,000 toward support of operations

Ligonier Borough LIGONIER, PA

\$30,000 toward the Ligonier Diamond renovation plan

The Mon Valley Initiative HOMESTEAD, PA

\$250,000 toward two-year support to build a public park in Braddock, PA

The Mountain Playhouse, Inc. JENNERSTOWN, PA

\$160,000 toward support of operations and to hire a financial consultant

National Gallery of Art
LANDOVER, MD

\$2,000,000 toward acquisition of the Thomas Walther Collection of 19th-century photographs

\$3,000,000 toward restoration of the Andrew W. Mellon Memorial Fountain

New Hazlett Center for the Performing Arts
PITTSBURGH, PA

\$365,000 toward two-year support of operations (\$350,000) and the 2015 season of Front Porch Theatricals (\$15,000)

Operation Better Block, Inc.
PITTSBURGH, PA

\$425,000 toward economic development programs in Homewood, PA

Pittsburgh Ballet Theatre, Inc.
PITTSBURGH, PA

\$300,000 toward support of operations

\$100,000 toward a joint program with the Dance Theatre of Harlem for presentation at the African-American Cultural Center

Pittsburgh Entertainment Project
PITTSBURGH, PA

\$500,000 toward support of operations

Pittsburgh Filmmakers
PITTSBURGH, PA

\$250,000 toward support of Public Source's general operations

\$10,000 to hire a financial consultant to develop a stabilization plan

The Pittsburgh Foundation
PITTSBURGH, PA

\$500,000 toward programming at the African-American Cultural Center

Pittsburgh Gateways Corporation
PITTSBURGH, PA

\$3,590,000 toward start-up working capital and build-out of spaces critical to establishing the Energy Innovation Center as the hub of cutting-edge energy-related research and education

Pittsburgh Glass Center, Inc.
PITTSBURGH, PA

\$5,000 toward design charettes and expenses related to the Buy Local Campaign designed to attract and keep local artists and craftspeople in the region

Pittsburgh Hispanic Development Corporation
PITTSBURGH, PA

\$125,000 toward two-year support of operations helping to develop immigrant housing and a business incubator, among other initiatives

Pittsburgh Opera, Inc.
PITTSBURGH, PA

\$300,000 toward support of operations

Pittsburgh Playwrights Theatre Company
PITTSBURGH, PA

\$10,000 toward production of *The Piano Lesson*

The Pittsburgh Public Theater Corporation
PITTSBURGH, PA

\$350,000 toward programming (\$300,000) and patron development initiatives (\$50,000)

Pittsburgh Symphony, Inc.
PITTSBURGH, PA

\$300,000 toward support of operations

Pittsburgh Trust for Cultural Resources
PITTSBURGH, PA

\$250,000 toward JazzLive International 2015

\$250,000 toward two-year support to implement the Disaster Recovery Plan

\$250,000 toward support of African-American arts programming at the African-American Arts Center

Research Triangle Institute
RESEARCH TRIANGLE PARK, NC

\$120,000 toward completion of a study on manufacturing in southwestern Pennsylvania

\$10,000 toward completion of a study on manufacturing in southwestern Pennsylvania

RIDC Fund for Economic Growth
PITTSBURGH, PA

\$1,122,500 toward support of operations of the Almono site

Riverlife
PITTSBURGH, PA

\$10,000 toward a search for an executive director

\$1,000,000 toward two-year support of operations

Society for Arts in Crafts
PITTSBURGH, PA

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

Sports and Exhibition Authority
PITTSBURGH, PA

\$1,000,000 to create a public green space connecting downtown Pittsburgh and the Lower Hill District

Sustainable Pittsburgh
PITTSBURGH, PA

\$385,000 toward two-year support of programs for communities and businesses to make measured reductions in resource consumption and emissions, and planning for bus rapid transit

Thrill Mill, Inc.
PITTSBURGH, PA

\$5,000 toward the Thrival Music and Innovation Festival

Tides Center
SAN FRANCISCO, CA

\$2,500 toward costs associated with a conference to bring together farm and food practitioners across the 12-state Northeast region to learn, debate, collaborate, and innovate solutions to critical food systems issues

University of Pittsburgh
PITTSBURGH, PA

\$500,000 toward two-year support of outreach and research activities associated with the City of Pittsburgh's District Energy Plan

Urban Innovation21
PITTSBURGH, PA

\$1,600,000 toward two-year support to expand economic development programs in the Homewood and Hill District communities

Westmoreland Human Opportunities, Inc.
GREENSBURG, PA

\$250,000 toward expansion and improvement to the Shop Demo Depot's retail space

Wilksburg Community Development Corporation
WILKINSBURG, PA

\$1,000,000 toward renovation of the Wilksburg Train Station

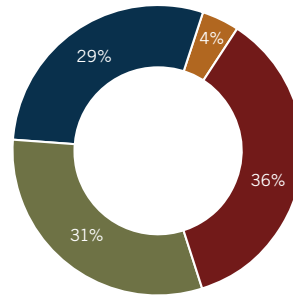
Zoological Society of Pittsburgh
PITTSBURGH, PA

\$9,000,000 to plan and implement an innovative visitor experience that incorporates state-of-the-art exhibits, and creates active and meaningful connections among visitors, the animals featured at the zoo, and species and habitats in the wild

APPROPRIATIONS 2015

BY PROGRAM PRIORITY	NUMBER OF GRANTS	APPROVED GRANTS
Regional Economic Development	64	\$ 46,587,500
Education	15	\$ 4,596,000
Human Services	68	\$ 37,805,000
Conservation	31	\$ 41,068,918
Totals	178	\$130,057,418

% OF APPROVED GRANTS



BY GEOGRAPHIC AREA

Pittsburgh + Southwestern PA	\$ 95,931,918
Other	\$ 34,125,500
Total	\$130,057,418

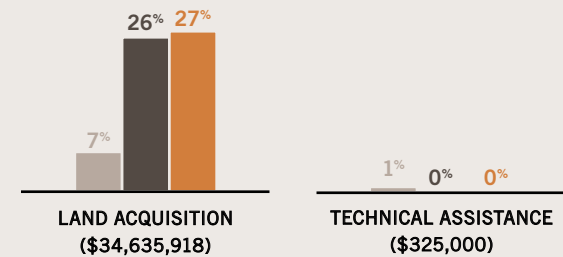
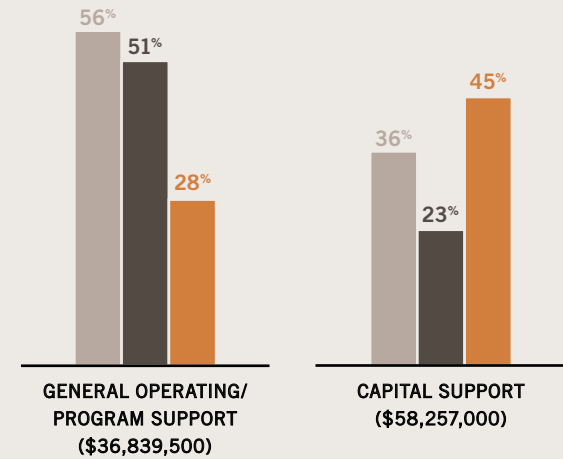
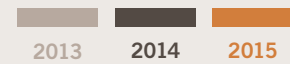
NET INVESTMENT INCOME

1947 Through 2014	\$1,486,056,204
2015	\$ 53,994,070
Total	\$ 1,540,050,274

GRANTS PAID + PROGRAM-RELATED INVESTMENTS

1947 Through 2014	\$2,196,779,973
2015	\$ 113,694,928
Total	\$ 2,310,474,901

BY SUPPORT TYPE



Statements of Financial Position

December 31,	2015	2014
ASSETS		
Cash	\$ 232,897	\$ 83,805
Other current assets	6,080,557	5,366,146
Investments:		
Equities	1,330,476,061	1,334,078,338
Fixed income	526,848,634	590,043,637
Temporary investments	42,257,538	91,623,810
Alternative investments	315,195,018	316,731,613
Subtotal	2,214,777,251	2,332,477,398
Payable from unsettled securities purchases, net	(5,250,948)	(1,400,616)
Total investments	2,209,526,303	2,331,076,782
Program-related assets	53,100,000	30,503,000
Total assets	\$2,268,939,757	\$2,367,029,733
LIABILITIES AND NET ASSETS		
Liabilities:		
Grants payable	\$ 32,303,014	\$ 14,766,442
Deferred federal excise taxes	2,293,031	3,763,593
Appropriations for program-related assets	53,600,000	32,003,000
Total liabilities	88,196,045	50,533,035
Unrestricted net assets	2,180,743,712	2,316,496,698
Total liabilities and net assets	\$2,268,939,757	\$2,367,029,733

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,	2015	2014
INCOME		
Investment income	\$ 67,729,146	\$ 82,720,856
Realized gains on investments	84,066,258	197,241,159
Unrealized losses on investments	(147,056,277)	(141,363,391)
Total income	4,739,127	138,598,624
EXPENSES		
Grants approved, net of rescissions	126,757,037	101,124,249
Administrative, investment, and program	13,301,711	12,012,535
Provision for taxes	1,903,928	3,223,040
Benefit from deferred taxes	(1,470,563)	(1,413,634)
Total expenses	140,492,113	114,946,190
Change in unrestricted net assets	(135,752,986)	23,652,434
UNRESTRICTED NET ASSETS		
Beginning of period	2,316,496,698	2,292,844,264
End of period	\$2,180,743,712	\$2,316,496,698

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

Statements of Cash Flows

For the year ended December 31,	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$(135,752,986)	\$ 23,652,434
Adjustments to reconcile change in unrestricted net assets to net cash used by operating activities:		
Accretion	(309,750)	(537,188)
Deferred federal excise taxes	(1,470,563)	(1,413,634)
Realized gains on investments	(84,066,258)	(197,241,159)
Unrealized losses on investments	147,056,277	141,363,391
Increase (decrease) in cash from changes in:		
Other current assets	(714,411)	2,451,962
Program-related assets	(22,597,000)	(12,418,000)
Grants payable	17,536,572	(12,214,682)
Appropriations for program-related assets	21,597,000	13,918,000
Net cash used by operating activities	(58,721,119)	(42,438,876)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(917,415,601)	(1,512,078,368)
Proceeds from sales of investments	976,285,812	1,554,593,118
Net cash provided by investing activities	58,870,211	42,514,750
Net change in cash	149,092	75,874
CASH		
Beginning of year	83,805	7,931
End of year	\$ 232,897	\$ 83,805

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

2015 Summary of Investments

December 31,	2015	
	Book Value	Fair Value
Equities	\$1,139,714,269	\$1,327,535,285
Fixed income	578,927,783	526,191,600
Temporary investments	42,272,520	42,257,538
Alternative investments	219,308,671	313,541,880
Total investments	\$1,980,223,243	\$2,209,526,303

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

2014 Summary of Investments

December 31,	2014	
	Book Value	Fair Value
Equities	\$1,042,427,954	\$1,334,105,721
Fixed income	612,072,627	590,043,637
Temporary investments	91,644,461	91,623,810
Alternative investments	208,572,403	315,303,614
Total investments	\$1,954,717,445	\$2,331,076,782

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, and Human Services and Nonprofit Capacity Building. Its interest in the area of Conservation is national.

Cash

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

Investments

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

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

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

Level 3: Inputs that are unobservable.

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

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

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

Investments classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value are based upon the best information in the circumstance and may require significant management judgment. Certain of the Foundation's investments in stocks, equity positions in private companies, and long-term debt instruments are classified as Level 3 because they do not have an active market.

The fair value of the Foundation's alternative investments are measured using the net asset value (NAV) per share, or its equivalent, as practical expedient. The practical expedient is an acceptable method under GAAP to determine the fair value of certain NAV investments that (a) do not have a readily determinable fair value predicated upon a public market and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company under GAAP. These investments are primarily made under agreements to participate in limited partnerships and are generally subject to certain withdrawal restrictions. Values for these partnerships, which may include investments in both nonmarketable and market-traded securities, are provided by the general partner and may be based on recent transactions, cash flow forecasts, appraisals and other factors. Market values may be discounted for concentration of ownership. Because of the inherent uncertainty of valuing the investments in such partnerships and certain of the underlying investments held by the partnerships, the Foundation's estimate of fair value may differ significantly from the values that would

have been used had a ready market for the investments existed. The financial statements of the limited partnerships are audited annually by independent auditing firms. Investments in these partnerships may be illiquid, and thus there can be no assurance that the Foundation will be able to realize the value of such investments in a timely manner. The Foundation believes that the use of the practical expedient for its alternative investments is a reasonable estimate of fair value as of December 31, 2015 and December 31, 2014.

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

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

Use of Estimates

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

Grants

Grants approved, net of rescissions, are recognized at the time of approval provided the grant is not subject to significant future conditions.

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 equity investments in limited partnerships, earn below risk-adjusted market rates of return. Management has reviewed the program-related assets and believes no allowance is necessary as of December 31, 2015 and 2014.

Recently Issued Accounting Standards

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, “Fair Value Measurement (Topic 820)—Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent). ASU No. 2015-07 requires that investments for which the fair value is measured at NAV using the practical expedient (investments in funds measured at NAV) under “Fair Value Measurements and Disclosures” (Topic 820) be excluded from the fair value hierarchy. ASU No. 2015-07 is effective for annual reporting periods beginning after December 15, 2016, or January 1, 2017 for the Foundation. Early adoption is permitted. The Foundation elected to “early adopt” the disclosure changes required by ASU 2015-07. Investments that are measured using net asset value will no longer be categorized in the fair-value hierarchy. The changes are reflected in Note 4.

NOTE 2: Taxes

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

defined in Section 4940 of the Internal Revenue Code, resulting in a reduced tax of 1% of net investment income for the years ended December 31, 2015 and 2014.

At December 31, 2015 and 2014, deferred federal excise taxes are provided at 1%, which is the rate expected to be paid on unrealized gains on investments.

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

NOTE 3: Commitments

The Foundation is a Limited Partner in limited partnerships for investment purposes. At December 31, 2015 and 2014, the Foundation had contractually committed to additional investments of \$286.1 million and \$203.8 million, respectively.

At December 31, 2015, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2016 of \$5.4 million and \$.1 million for a net payable of \$5.3 million. At December 31, 2014, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2015 of \$1.7 million and \$0.3 million for a net payable of \$1.4 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 valuation hierarchy as of December 31, 2015 and 2014.

There were no significant transfers between Levels 1, 2, and 3 during the years ended December 31, 2015 and 2014.

Investments at Fair Value as of December 31, 2015

Investments	Level 1	Level 2	Level 3	NAV	Total
Equities	\$ 922,728,044	\$ 2,973,209	\$7,680,472	\$397,094,336	\$1,330,476,061
Fixed income	210,634,068	152,517,601	563,562	163,133,403	526,848,634
Temporary investments	42,257,538	0	0	0	42,257,538
Alternative investments	0	0	0	315,195,018	315,195,018
Total investments	\$1,175,619,650	\$155,490,810	\$8,244,034	\$875,422,757	\$2,214,777,251

Payables from unsettled securities purchases, net at Fair Value as of December 31, 2015

Payables, net	Level 1	Level 2	Level 3	NAV	Total
Equities	\$ (2,940,776)	\$ 0	\$ 0	\$ 0	\$ (2,940,776)
Fixed income	0	(657,034)	0	0	(657,034)
Alternative investments	0	0	0	(1,653,138)	(1,653,138)
Total payables, net	\$ (2,940,776)	\$ (657,034)	\$ 0	\$ (1,653,138)	\$ (5,250,948)

Investments at Fair Value as of December 31, 2014

Investments	Level 1	Level 2	Level 3	NAV	Total
Equities	\$ 928,800,586	\$ 2,315,219	\$1,844,417	\$401,118,116	\$1,334,078,338
Fixed income	220,223,781	160,266,178	1,001,856	208,551,822	590,043,637
Temporary investments	91,623,810	0	0	0	91,623,810
Alternative investments	0	0	0	316,731,613	316,731,613
Total investments	\$1,240,648,177	\$162,581,397	\$2,846,273	\$926,401,551	\$2,332,477,398

Payables from unsettled securities purchases, net at Fair Value as of December 31, 2014

Payables, net	Level 1	Level 2	Level 3	NAV	Total
Equities	\$ 27,383	\$ 0	\$ 0	\$ 0	\$ 27,383
Alternative investments	0	0	0	(1,427,999)	(1,427,999)
Total payables, net	\$ 27,383	\$ 0	\$ 0	\$ (1,427,999)	\$ (1,400,616)

The following tables present a roll-forward of the amounts for the years ended December 31, 2015 and 2014 for investments classified within Level 3:

Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2015

Investments	Balance at December 31, 2014	Net Investment Income	Realized Gain/(Loss)	Change in Unrealized Gain/(Loss)	(Sales)	Purchases	Balance at December 31, 2015
Equities	\$1,844,417	\$ 0	\$ 80,631	\$(153,570)	\$(1,768,652)	\$7,677,646	\$7,680,472
Fixed income	1,001,856	47,452	(988)	4,003	(694,935)	206,174	563,562
Total investments	\$2,846,273	\$47,452	\$ 79,643	\$(149,567)	\$(2,463,587)	\$7,883,820	\$8,244,034

Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2014

Investments	Balance at December 31, 2013	Net Investment Income	Realized Gain/(Loss)	Change in Unrealized Gain/(Loss)	(Sales)	Purchases	Balance at December 31, 2014
Equities	\$1,646,583	\$ 0	\$ 0	\$ 156,396	\$(1,646,583)	\$1,688,021	\$1,844,417
Fixed income	343,795	-	349,030	(348,351)	(349,030)	1,006,412	1,001,856
Total investments	\$1,990,378	\$ 0	\$349,030	\$(191,955)	\$(1,995,613)	\$2,694,433	\$2,846,273

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

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

NOTE 5: Subsequent Events

The Foundation evaluated all activity through May 26, 2016, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the Notes to Financial Statements.

Category of Investment	Investment Strategy	Number of Funds	Fair Value Determined Using NAV	Unfunded Commitments (\$ millions)	Redemption Terms	Remaining Life
Equities	Domestic	1	\$ 50,164,164	\$ 0	(1)	n/a
Equities	Domestic, international & emerging markets	5	346,930,172	0	(2)	n/a
Fixed Income	Long-term debt, global, high yield	8	163,133,403	0	(3)	77% n/a, 22% 9 years, 1% 18 years
Alternative investments	Buyouts, distress debt, energy, real estate and venture capital	211	315,195,018	286.1	(4)	(5)
Totals		225	\$875,422,757	\$286.1		

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

(1) Subject to shareholder approval.

(2) All funds subject to 0-30 days prior notice, 67% subject to daily redemptions, 27% subject to monthly redemptions, 6% subject to quarterly redemptions.

(3) 73% subject to monthly redemption with 10-30 days prior notice, 27% subject to quarterly redemptions.

(4) All redemptions, sales, or transfers subject to approval of general partner.

(5) 24% 1 year, 31% 2-5 years, 36% 6-10 years, 10% 11-15 years; all funds subject to extensions between 0-3 years.

INDEPENDENT AUDITOR'S REPORT

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 as of December 31, 2015 and December 31, 2014 and the related statements of activities and changes in net assets and of cash flows for the years then ended.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Richard King Mellon Foundation at December 31, 2015 and December 31, 2014, and the changes in its net assets and its cash flows for the years 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.



Pittsburgh, PA
May 26, 2016

POLICY AND GRANT GUIDELINES

The following grantmaking objectives and grant program priorities were approved by the Trustees in December 2009. They became effective in January 2010.

PROGRAM PRIORITIES

SOUTHWESTERN PENNSYLVANIA

Regional Economic Development

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

Education

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

Human Services

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

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.

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 <http://fdnweb.org/rkmf/apply> 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.

TRUSTEES

Seward Prosser Mellon
Alison M. Byers, Ph.D.
W. Russell G. Byers, Jr.
Catharine Mellon Cathey
Bruce King Mellon Henderson
Constance Elizabeth Mellon Kapp
Armour N. Mellon
Richard A. Mellon
Lawrence S. Busch
Scott D. Izzo
Douglas L. Sisson
John J. Turcik

TRUSTEE EMERITUS

Richard P. Mellon

OFFICERS

Seward Prosser Mellon
Chairman and Chief Executive Officer

Catharine Mellon Cathey
President

Scott D. Izzo
Director

Sam Reiman
Associate Director

Douglas L. Sisson
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Lisa M. Kuzma
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STAFF

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Director

Sam Reiman
Associate Director

Lisa M. Kuzma
Senior Program Officer

Brian J. Hill
Senior Program Officer

Lisa Reed
Information and Grants Manager

Brook Noel
Executive Assistant

Candace Jiles
Receptionist/Secretary

Design

Wall-to-Wall Studios

Writing/Editing

Jane E. Herman

Editing

Mary Brignano

Printing

Broudy Printing

Photography

All photos by Jim Judkis except for the following: cover photo Dave Dicello, portrait of General Mellon used with permission of Valley Forge Military Academy & College, photos page 2, 8 & 9 Carl Heilman for The Conservation Fund, Elk photo page 9 John Hast for The Conservation Fund.



Richard
King
Mellon
Foundation

BNY Mellon Center
Suite 4106, 500 Grant Street
Pittsburgh, PA 15219-2502

TELEPHONE 412 392 2800

FAX 412 392 2837

fdnweb.org/rkmf/

