

The background of the entire page is a photograph of two men in suits standing in a field of tall grass. To the left is a large, rusted metal structure, possibly a silo or a shed. In the background, a city skyline is visible under a blue sky with scattered white clouds. The text 'Richard King Mellon Foundation' is in the top right, and '2016 Annual Report' is in the bottom left.

Richard
King
Mellon
Foundation

2016 Annual Report

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FRONT COVER
The future success of the Almono development, the former LTV Steel site situated on Hazelwood’s riverbank, is dependent upon several factors including a strong partnership among nonprofits, corporations, universities, foundations, and political leadership. Shown in front of Almono’s Mill Building are County Executive Rich Fitzgerald (l) and Pittsburgh Mayor Bill Peduto.

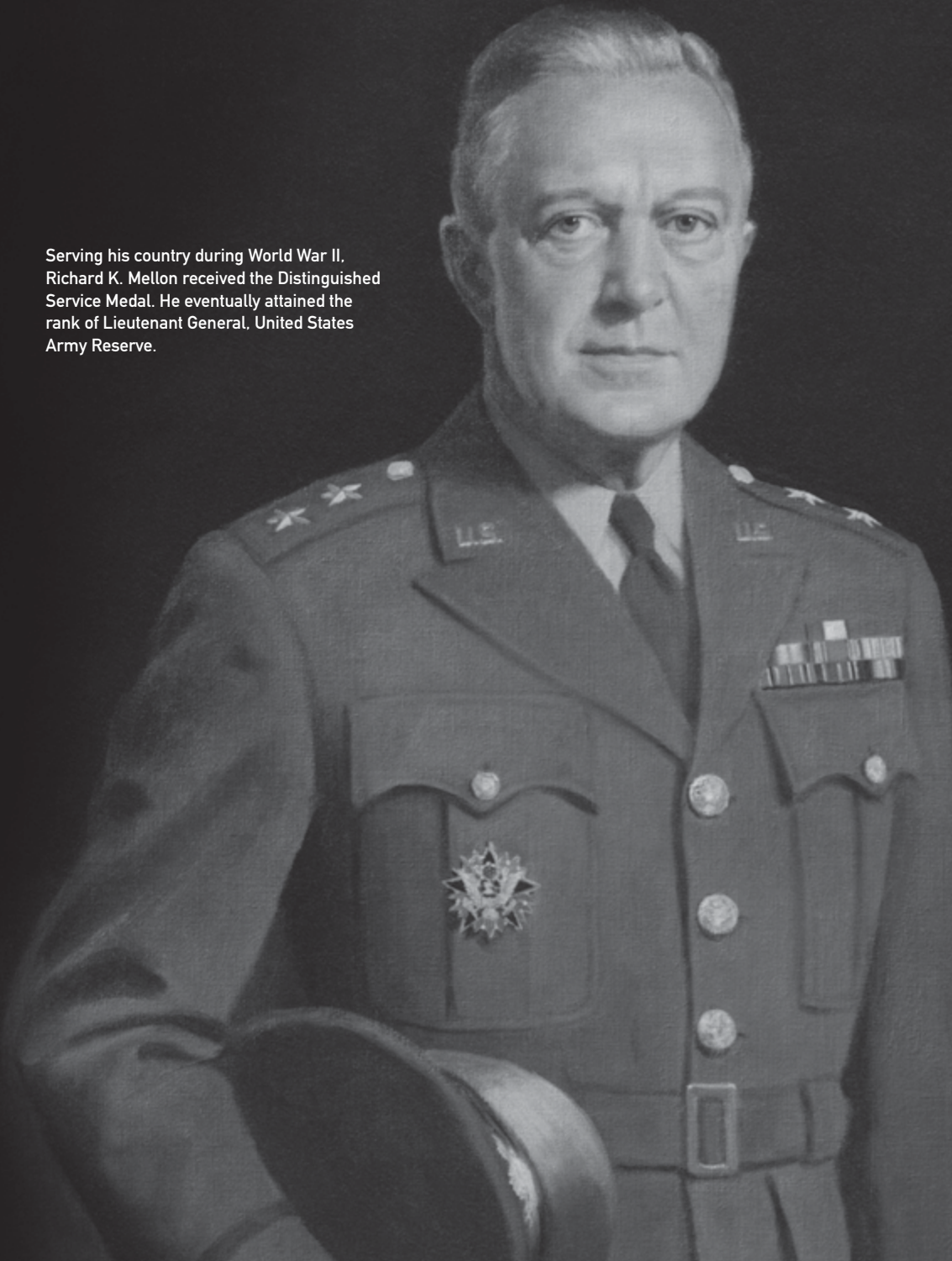
RICHARD KING MELLON 1899–1970

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.



Chairman's Letter

Trustees of the Richard King Mellon Foundation approved 177 grants and program-related investments in 2016 totaling \$114,524,987. In addition, the Foundation paid out commitments totaling \$107,990,972. A significant number of these awards were made to organizations engaged in public-private partnerships that enrich all facets of life in southwestern Pennsylvania. In this letter and throughout this report, we are pleased to highlight some of the relationships that make such innovative, effective endeavors possible.

THE EXTENSIVE SYSTEM MAINTAINED by Pittsburgh's Parks Department (Citiparks) makes Pittsburgh among the nation's most livable cities. Annually more than six million people use the city's 146 parks, which range from small neighborhood parklets to the 644-acre Frick Park in the East End. In 2015, Citiparks began a pilot collaboration with the Student Conservation Association (SCA) in Schenley Park, one of the system's most utilized outdoor spaces, placing rangers to educate visitors, enhance safety, assist with code enforcement, collect data, and respond to emergencies. In addition to serving as park ambassadors, the rangers gain useful skills that further their development, provide valuable work experience, and offer insights into career choices. In 2016, a Foundation grant of \$700,000 payable over two years enabled Citiparks to expand the ranger program into eight additional parks. SCA, with six decades' experience providing seasonal ranger interns to national parks and forests nationwide, will recruit the seasonal rangers and project leaders, ensuring that strong candidates fill the positions. A second \$700,000 Foundation grant supports a similar initiative in the Allegheny County park system.

A photograph showing two men at a podium. The man on the left, George Greer, is wearing a dark suit and glasses, and is smiling while presenting a medal. The man on the right, Prosser Mellon, is also wearing a dark suit and glasses, and is looking down at the medal. The podium has a logo for the Pittsburgh Parks Conservancy, which includes a stylized tree and the words "PARKS CONSERVANCY".

The Pittsburgh Parks Conservancy celebrated 20 years of parks restoration. George Greer (l), on behalf of the Conservancy, presented the Mary Schenley Medal for Parks Stewardship to Prosser Mellon, one of five recipients of the award.

PHOTO: DEBBIE NORRELL

Public-private partnerships are a vehicle for maximizing outcomes and leveraging resources.

In addition to its grant to Citiparks, the Foundation awarded a second grant to the city in 2016. This grant will expand and implement the Pittsburgh Roadmap for Inclusive Innovation, which highlights six broad categories to enhance government and enrich residents' lives: addressing the digital divide, empowering city-to-city engagement, providing open data to Pittsburgh, improving the city's internal operations and capacity, advancing the clean tech sector, and promoting the local business environment.

Lack of internet access is one example of the digital divide, putting 23 percent of families in Pittsburgh's neighborhoods at a disadvantage in finding jobs, pursuing online education, tracking their children's school progress, and paying bills. With a \$325,000 Foundation grant, the city will hire four staff members to implement some of the Roadmap's basic activities and work with consultants to prioritize and plan for implementing and funding more complex activities. City partnerships with corporate, educational, and community organizations will help provide internet access to low-income neighborhoods.

With \$1.5 million in support from the Foundation and in partnership with numerous community and corporate entities, the Allegheny County Health Department (ACHD) continues efforts to improve overall health of the region's residents by increasing access to fresh, healthy foods and opportunities for physical activity, both of which, over time, aspire to reduce obesity rates. Initiatives include delivering healthy foods to low-income communities, allowing consumers to use food stamps at farmers' markets and produce stands, promoting healthy eating and physical activity among children, especially during out-of-school time, and building bike paths, improving pedestrian walkways, and creating walking maps in low-income neighborhoods. ACHD also is working with the RAND Corporation to conduct a multi-partner, multi-sector evaluation of these efforts.

Created in 1978, the Connellsville Redevelopment Authority (CRA) endeavors to improve the quality of life for the city's 7,500 residents by encouraging community and economic development. Since its inception, CRA has successfully managed more than \$45 million in funding for such projects as sidewalk construction, storm sewers, park renovations, housing rehabilitation, and downtown revitalization. The downtown district has more than 20 new businesses, including an Amtrak station, a bank, and a 54-room hotel that is still under construction. The Great Allegheny Passage Trail, which connects Pittsburgh and Washington, D.C., runs directly through the downtown corridor. Nonetheless, Connellsville has a vacancy rate of more than 25 percent, including many blighted properties. A \$250,000 Foundation grant will assist CRA in acquiring sites for restoration and reuse, new development, and demolition of vacant and blighted properties that are impeding the community's positive, forward momentum.

The Allegheny Conference on Community Development seeks to improve the economy and quality of life throughout a 10-county region of southwestern Pennsylvania, much of which is challenged by a declining population and tax

base, as well as increasing poverty, blight, and crime caused by the collapse of the region's industrial economy and the flight of residents to the suburbs. By partnering with local municipalities, the Conference develops and implements strategic three-year plans to attract new residents, employers, investors, and other job-creating entities. A \$530,000 Foundation grant will support the Conference's operations and fund a study to develop financial analytics to determine whether four specific Allegheny County communities have the potential to be viable independent government municipalities, given the region's challenges and opportunities. Findings from a similar study in Wilkesburg provided incentives for that municipality to merge its high school into the Pittsburgh Public Schools system.

For more than four decades, the University Center for Social and Urban Research (UCSUR) at the University of Pittsburgh has served as a resource for researchers and educators interested in the basic and

applied social and behavioral sciences. Housed at UCSUR, Pittsburgh Today (PittsburghToday.org) uses demographic, economic, educational, and other benchmark indicators that enable researchers to compare the region with other parts of the country. Pittsburgh Today measures progress in three ways: tracking visits to the website, assessing the degree to which local and external media partners use information from the site, and the quality of its journalistic offerings based on the number of Golden Quills awarded to the site annually by the Press Club of Western Pennsylvania. With a Foundation grant of \$150,000, PittsburghToday.org will continue to produce material related to economic development, demographics, the environment, education, health, transportation, and the arts, as well as develop an interactive exhibit for the airport to share this information with the public.

One of America's leading land trusts, Maine Coast Heritage Trust (MCHT) has been conserving Maine's coastal lands, including some of the

nation's most scenic landscapes, and protecting valuable habitats for nearly 50 years. Since 1987, the Foundation has supported several strategic acquisitions by MCHT, including two grants to protect land along the state's "Bold Coast." A Foundation grant of \$250,000 will support MCHT's efforts to protect 2,352 acres of contiguous forestland in eastern Washington County, ME, that connect a national wildlife refuge to a state preserve, resulting in a seamless 23,000 acres of protected habitat. The land includes six miles of lake and river frontage in the Orange River watershed, which is undergoing a restoration that will help reestablish passage for 12 species of fish, including salmon, sturgeon, herring, and alewife, that live in saltwater but return to fresh water to breed.

My fellow trustees and I are honored to support the public-private partnerships of so many organizations throughout the region. We are proud of the creative, meaningful contributions these collaborations are making to enhance the quality

of life in southwestern Pennsylvania, as well as to protect threatened and endangered species and their natural habitats in the region and throughout our country.



Seward Prosser Mellon

Chairman

CONSERVATION

Safeguarding Our Precious Natural Resources

In 2016, the Foundation approved 26 grants and program-related investments totaling \$19,652,357 in support of its strategic priorities to protect land and other natural resources and habitats in southwestern Pennsylvania and across the country. The projects described in this section assess and protect streams containing trout populations, conserve more than 14,000 acres of forestland, helped acquire land for a new park in Pittsburgh, and provide funding to field seasonal rangers to Allegheny County's nine parks.

PROTECTING EXCEPTIONAL PLACES

THE WESTERN PENNSYLVANIA CONSERVANCY (WPC), dedicated to protecting the region's exceptional natural places, received a grant of \$287,500 to support preservation of land and watershed on the 184-acre Penn's Scenic View, adjacent to Laurel Hill State Park in Somerset County and with spectacular views of the Laurel Highlands. The acreage includes a mix of forest, ponds, and fields, as well as frontage on Laurel Hill Creek, which flows to the town of Confluence where it joins the Casselman River.

Also with support of the Foundation, WPC is working with several partners, including the Urban Redevelopment Authority of Pittsburgh, to create a new park on the city's largest privately owned, undeveloped land parcel. Located in the Hays neighborhood, the woodlands include six streams, a waterfall, and a nesting site for American bald eagles, which can be seen via a webcam sponsored by the Audubon Society.

The Western Pennsylvania Conservancy transferred the Penn's Scenic View property, along with buildings and facilities, to the Department of Conservation and Natural Resources' Bureau of State Parks to become a permanent addition to Laurel Hill State Park.

PHOTO: SAM MENCHYK FOR WPC

PROVIDING SEASONAL RANGERS TO LOCAL PARKS

IN ADDITION TO BURGEONING TECHNOLOGY and medical industries, a premier airport, and a world-renowned cultural district, Allegheny County boasts renewed commitment to the environment, including endeavors to reclaim and redevelop former industrial sites, returning them to active economic and recreational use. In 2015, with Foundation support, the Allegheny County Parks Department (ACPD) successfully partnered with the Student Conservation Association (SCA) to pilot a park ranger program in which teams of rangers and project leaders recruited by SCA served as ambassadors within the county’s nine parks, enhancing visitors’ safety and protecting and preserving the parks’ natural environments. A \$700,000 Foundation grant in 2016, payable over two years, will enable the ACPD to expand its partnership with SCA, which has more than six decades’ experience recruiting and fielding seasonal ranger interns to parks and forests nationwide. The ACPD will increase the number of rangers from six to 18, all of whom will serve in the county’s parks, providing support and services to an estimated 11 million visitors annually.

The City of Pittsburgh has 146 parks encompassing nearly 3,000 acres, ranging from small neighborhood parklets to the 644-acre Frick Park in the East End. More than six million people use Pittsburgh’s parks each year. In 2015, Pittsburgh’s Parks Department (Citiparks) began a collaborative program with the Student Conservation Association to place park rangers in one of the city’s most utilized parks, Schenley Park. As ambassadors for Citiparks, rangers helped with education, provided safety, assisted with code enforcement, collected data, and responded to emergency situations. The rangers were well received by the public, and the pilot program was considered successful. A \$700,000 grant to the city is supporting a two-year program involving at least 12 SCA rangers who, working in six city parks, provide support to visitors and residents.

PROTECTING GEORGIA FORESTLAND

THE CONSERVATION FUND (TCF), which focuses on the intersection of conservation and community, believes that environmental protection and economic vitality are inseparable. With support from the Foundation during the last three decades, TCF has protected more than three million acres of critical habitat in all 50 states, including Civil War battlefields, expansive ecosystems, and working forests.

Foundation funding of \$7 million, demonstrating a public-private partnership with the federal government, will help TCF protect 14,225 acres of land in Georgia, more than 7,000 acres of which abut and are leased as part of the Bullard Creek Wildlife Management Area. The Georgia Department of Natural Resources will purchase an easement on these lands, using the parcel as a recreational area and to enhance gopher tortoise habitat on sandy sites. The remaining 7,154 acres comprise two separate sections near or adjacent to Fort Stewart. The Army, through its Compatible Use Buffer program, will buy a conservation easement from TCF to stop the encroachment of residential development.



ALLEGHENY COUNTY PARKS DEPARTMENT

1

1. An Allegheny County park ranger talks about the flora and fauna with students from Propel School who participated in a geocaching and nature trip at Allegheny Commons Park West.



THE CONSERVATION FUND

2

2. A mix of Altamaha River bottomland hardwood and forested pine uplands provides habitat for one of Georgia’s largest populations of gopher tortoise, a candidate for listing under the Endangered Species Act.

PHOTO: STACY FUNDERBURKE FOR TCF

PRESERVING STREAMS AND THEIR WILD TROUT POPULATIONS

CREATED BY CONGRESS IN 1984, the National Fish and Wildlife Foundation (NFWF) directs public conservation dollars to pressing environmental needs, matching those investments with private funds. A \$500,000 Foundation grant to NFWF in 2016 is supporting ongoing efforts to survey coldwater streams in Pennsylvania to determine if they contain trout or other important or threatened species. The funding also supports developing plans for future conservation and monitoring in 11 key western Pennsylvania landscapes that, with assistance from NFWF, the trustees identified as priorities for the Foundation.

A premier example of a public-private partnership, this grant helps continue work that began in 2011 and has been significantly enhanced by involvement of the Pennsylvania Fish and Boat Commission (PFBC). The PFBC trains college and university students studying biology, as well

as volunteers with qualified nonprofit organizations, to conduct stream assessments, beginning with watersheds whose headwater streams are the most at-risk and likely to contain trout. Of the nearly 5,000 streams assessed to date, 48 percent support wild trout populations, qualifying them for a higher level of protection under Pennsylvania’s Clean Stream Law and adding 1,741 miles of flowing water to the state’s Class A stream category.

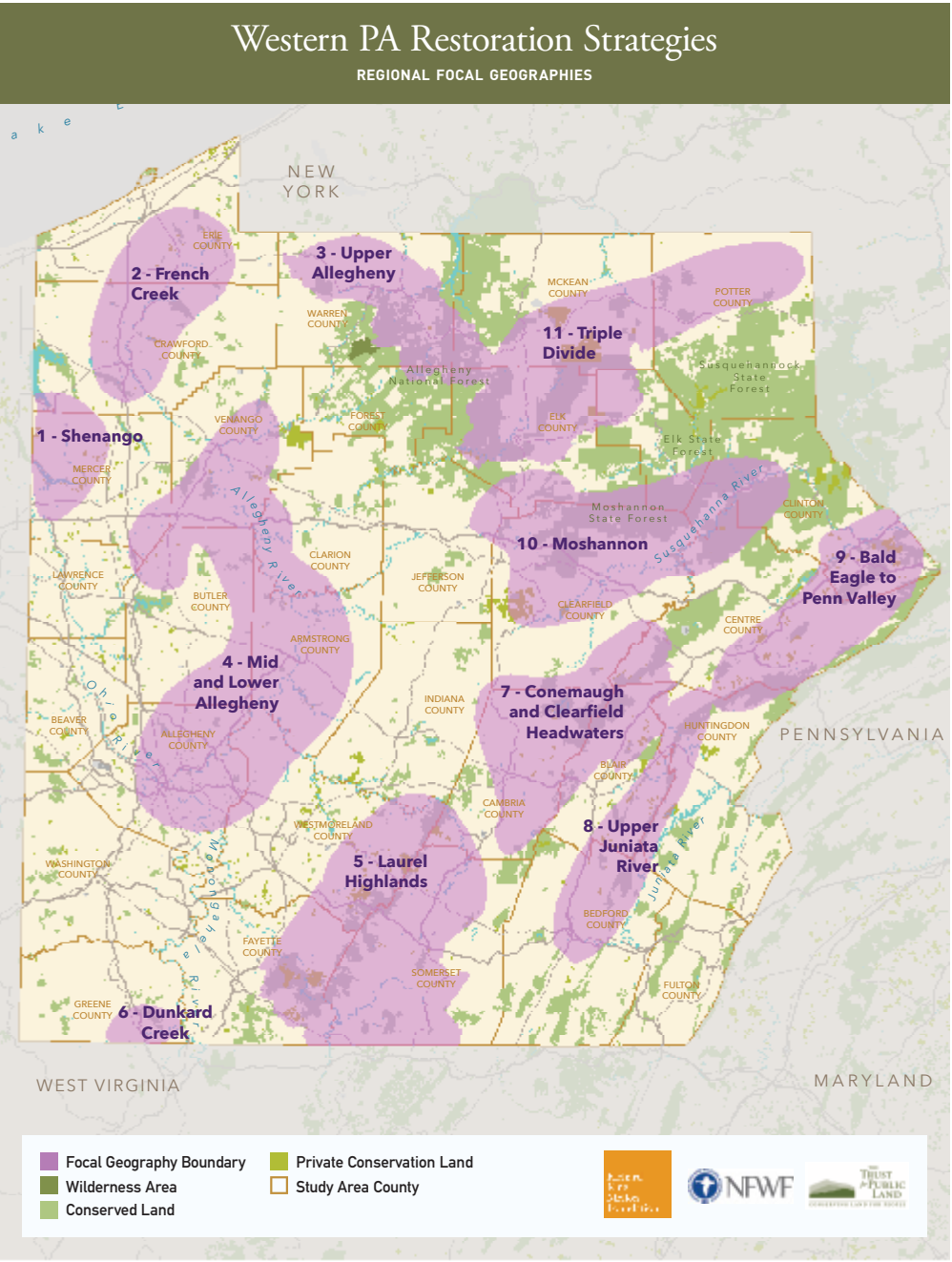


Amanda Bassow
NATIONAL FISH AND WILDLIFE FOUNDATION
Director, Northeastern Regional Office

Leading Strategies to Protect Critical Landscapes

Amanda Bassow, director of the National Fish and Wildlife Foundation’s (NFWF) 24-state Northeastern Regional Office, is a key player in the organization’s endeavors to sustain, restore, and enhance the nation’s fish, wildlife, plants, and habitats for current and future generations. Overseeing the public-private partnership between NFWF and the Foundation, she not only advances NFWF’s mission but also plays a critical role in preserving and protecting some of Pennsylvania’s most endangered landscapes, including thousands of streams and the trout and other species the waters support.

Ms. Bassow previously managed NFWF’s Chesapeake Bay Stewardship Fund, awarding \$8 to \$12 million per year in grant funding through strategic partnerships with federal agencies and private funders. Under her leadership, the Stewardship Fund doubled its annual grant making and established NFWF as a thought leader on crosscutting issues affecting the Chesapeake Bay’s restoration. Before joining NFWF, Ms. Bassow was a policy analyst with the U.S. Environmental Protection Agency’s Office of Policy, Economics, and Innovation, promoting community-based environmental management and advances. She holds a master’s degree in public policy from Duke University and a bachelor’s degree from the University of Washington.



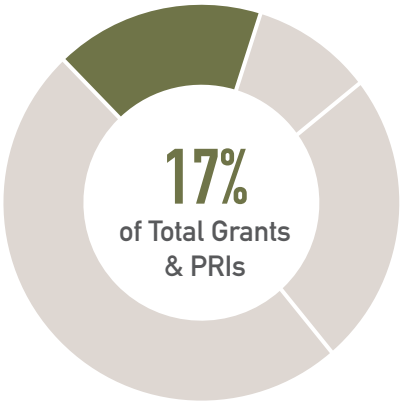
NFWF assisted the Foundation in identifying 11 key landscapes in western Pennsylvania for future conservation investments. That led to a broad set of metrics to be accomplished over the next five years—increasing Eastern Brook Trout habitat in 10 watersheds, opening 170 miles of upstream habitat now blocked by dams or culverts, restoring 3,700 acres of riparian habitat, 5,000 acres of Cerulean Warbler habitat, 2,500 acres of Golden-winged Warbler habitat, 2,500 acres of American Woodcock habitat, and reducing sediment pollution by four million pounds annually. Shown above is the Cerulean Warbler.

PHOTO: U.S. FISH AND WILDLIFE SERVICE — MIDWEST REGION

PROTECTING
NATURAL ASSETS

To ensure greater impact from its investments, the Foundation produced a well-defined set of conservation priorities that include national, regional, and local goals. At the national level, the Foundation will work with its long-standing conservation partners to protect 250,000 acres of habitat, while at the regional level the Foundation is collaborating with the National Fish and Wildlife Foundation and others in 11 focal areas in western Pennsylvania to protect and restore terrestrial and aquatic habitat for key indicator species such as the Cerulean Warbler, Golden-winged Warbler, Eastern Brook Trout, and Eastern Hellbender. Locally, the Foundation will continue to support efforts to create trails, enhance public parks, and install green infrastructure to mitigate storm water flows to improve water quality.

Conservation Summary of Grants
and Program-Related Investments



\$19,652,357

Grants and PRIs Approved

26

Total Grants and PRIs

Allegheny Land Trust
SEWICKLEY, PA
\$225,000 toward two-year support of land conservation in Allegheny County

Brandywine Conservancy & Museum of Art
CHADDS FORD, PA
\$100,000 toward support of conservation initiatives

Carnegie Institute
PITTSBURGH, PA
\$700,000 toward two-year support to implement a series of research projects focused on the Appalachian ecosystem, to incorporate emerging technologies as tools for research and education, and to enhance the profile of Powdermill as the premier research center in the Appalachians

City of Pittsburgh
PITTSBURGH, PA
\$700,000 toward two-year support of a collaborative effort with Student Conservation Association to add a seasonal park ranger team

The Conservation Fund
ARLINGTON, VA
\$2,000,000 toward purchase of property in Appling, Bryan, Bulloch, and Jeff Davis counties, Georgia

\$4,000,000 as a program-related investment toward purchase of property in Appling, Bryan, Bulloch, and Jeff Davis counties, Georgia

\$1,000,000 toward purchase of property in Appling, Bryan, Bulloch, and Jeff Davis counties, Georgia

County of Allegheny
PITTSBURGH, PA
\$700,000 toward two-year support of a collaborative effort with Student Conservation Association to increase the seasonal park ranger team

Foundation for California University of Pennsylvania
CALIFORNIA, PA
\$700,000 toward two-year support to restore and enhance fish and wildlife habitat on agricultural and forest lands in western Pennsylvania in the 11 priority landscapes that have been identified by the Foundation and the National Fish and Wildlife Foundation

Foundation for Pennsylvania Watersheds
ALEXANDRIA, PA
\$375,000 to improve water quality within western Pennsylvania's watersheds in the 11 priority landscapes that have been identified by the Foundation and the National Fish and Wildlife Foundation

Grow Pittsburgh
PITTSBURGH, PA
\$500,000 toward two-year support to expand the Edible Schoolyard program to 50 underserved Pittsburgh public schools and communities by 2020

Loyalhanna Watershed Association, Inc.
LIGONIER, PA
\$600,000 toward two-year support of operations (\$100,000) and to build a shared storage facility (\$500,000)

Maine Coast Heritage Trust
TOPSHAM, ME
\$250,000 toward acquisition of property known as Rocky Lake in Washington County, Maine

National Fish and Wildlife Foundation
WASHINGTON, DC
\$500,000 toward two-year support to survey unassessed coldwater streams in Pennsylvania to determine if they house trout or other important or threatened species, and toward developing conservation plans for each of the 11 landscapes in western Pennsylvania that are conservation priority areas for the Richard King Mellon Foundation

Pennsylvania Environmental Council, Inc.
PITTSBURGH, PA
\$550,000 toward two-year support of land and water conservation efforts in western Pennsylvania

Pennsylvania Resources Council, Inc.
PITTSBURGH, PA
\$250,000 toward three-year support of a collaboration among five conservation nonprofits to share financial services

Pennsylvania State University Philanthropic Fund
UNIVERSITY PARK, PA
\$25,000 toward development of new tools to enhance the identification and outreach to landowners likely to install riparian buffers

Pennsylvania State University
UNIVERSITY PARK, PA
\$5,000 toward expenses associated with the Private Forest Landowners Conference

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

Rivers of Steel Heritage Corporation
HOMESTEAD, PA
\$250,000 toward support of the acquisition and merger of RiverQuest

Trout Unlimited
ARLINGTON, VA
\$625,000 toward two-year support of watershed restoration in the West Branch Susquehanna River basin and to begin a new focus on conservation priority areas identified by the Richard King Mellon Foundation

Western Pennsylvania Conservancy
PITTSBURGH, PA
\$5,494,357 toward two-year support of land and watershed protection programs, operations, Treevitalize, and habitat and water quality monitoring; purchase of the Younkin property in Fayette County and the Penn Scenic View property in Somerset County; purchase of conservation easements on properties in Somerset and Beaver counties; purchase of property in the City of Pittsburgh for creation of Hays Park; and due diligence efforts to explore acquisition of conservation easements on four properties owned by the YMCA of Greater Pittsburgh

Women for a Healthy Environment
PITTSBURGH, PA
\$28,000 toward support of strategic planning efforts

EDUCATION

Improving Infrastructures, Outcomes, and Capacities in Educational Institutions

The Foundation awarded 22 education grants totaling \$11,885,000 in 2016, focusing on its strategic priorities to improve the capacity of educational and workforce programs through community-based organizations; support and enhance the infrastructure of higher education institutions and educational and workforce programs; and improve institutional and educational outcomes for children in private and charter schools, as well as in the lowest-performing public schools. The grants featured here will help update a college's library technology and resources, create a new science and engineering center for a well-established boys school, and support operations in inner-city, private, and parochial schools.

STRENGTHENING ELEMENTARY PAROCHIAL EDUCATION IN PITTSBURGH

IN AN OUTSTANDING EXAMPLE of a public-private partnership, the Extra Mile Education Foundation supports 457 students in eight elementary parochial schools in economically disadvantaged neighborhoods through direct school subsidies, limited scholarship support, and facility renovations. Ninety-six percent of Extra Mile's students graduate from high school and 88 percent continue to college, trade school, or the military.

As part of its 25th anniversary, Extra Mile launched a \$3 million capital campaign to fund programmatic initiatives, subsidies and scholarships, and capital improvements. With a \$250,000 Foundation grant for operations, the Extra Mile Education Foundation will implement new school-based programs and support scholarships and capital improvements.

The Sister Thea Bowman Catholic Academy in Wilkinsburg educates children from pre-kindergarten through eighth grade. Here students perform for visitors to the school.

CREATING AN INFORMATION COMMONS AT WASHINGTON AND JEFFERSON COLLEGE

FOUNDED IN 1781 AS TWO SEPARATE SCHOOLS, Washington and Jefferson College (W&J), the 11th-oldest liberal arts college in the country, provides postsecondary education to more than 1,300 undergraduates. W&J President Dr. Tori Haring-Smith has been instrumental in increasing student enrollment, educational initiatives, and campus facilities, and under her leadership, W&J launched a \$100 million campaign, \$30 million of which is committed to improving living and learning spaces on the historic campus. A major overhaul of the U. Miller Grant Library is a priority of the campaign.

To fully meet the needs and expectations of today’s students, W&J is converting the library to an information commons, allowing 24/7 access to digital materials and support services, and offering collaborative work spaces, flexible learning environments, and food and drink.

A Foundation grant of \$2 million will support a floor-by-floor revamping of the library’s interior space to create state-of-the-art study spaces, increase interactions between librarians and students, allow natural light to enter the library, and address energy efficiency and ADA compliance issues.



Dr. Tori Haring-Smith
WASHINGTON & JEFFERSON COLLEGE
President

A Legacy of Transformation in Higher Education

During her 12-year tenure as Washington & Jefferson College’s 12th president, Dr. Tori Haring-Smith enriched every facet of the institution in meaningful and significant ways. A seasoned fundraiser, she successfully led a \$100 million campaign to support faculty and students and update campus facilities. Under her leadership, enrollment increased by 20 percent, the college’s study abroad programs grew, and new opportunities for international students to study at W&J were created.

Prior to her post at W&J, Dr. Haring-Smith held leadership positions at Willamette University in Salem, OR, and was executive director of the Thomas J. Watson Foundation. With an academic background in theatre and writing, she is a noted director, author, and speaker. She previously taught at Brown University for 16 years and chaired the Department of Performing and Visual Arts at the American University in Cairo, Egypt. Active in numerous academic professional associations, Haring-Smith holds doctoral and master’s degrees from the University of Illinois at Urbana-Champaign and a bachelor’s degree from Swarthmore College.

A NEW SCIENCE AND ENGINEERING CENTER FOR THE KISKI SCHOOL

SINCE 1888, Kiskiminetas Springs School (the Kiski School) has been preparing young men to succeed in college—and in life. Founded by Andrew W. Wilson “to provide boys with special preparation for college in a beautiful rural setting,” Kiski enrolls 206 students in grades nine through 12, from 11 countries and 20 states. All Kiski graduates are accepted into four-year colleges or universities, 85 percent of which are among *U.S. News & World Report’s* top 100 institutions.

A \$2 million Foundation grant will enable the Kiski School to complete capital projects on its campus. Projects include conversion of Kalnow Hall into a science and engineering center, which will feature movable walls and fluid laboratory spaces, and restoration of Vlahos Hall, the last remaining pre-1960s dorm on campus, which will house students and faculty.

SUPPORTING THE OPERATION OF IMANI CHRISTIAN ACADEMY

IMANI CHRISTIAN ACADEMY believes that all children deserve highly holistic care. The pre-K through 12th-grade private school serves approximately 250 mostly African-American children from city neighborhoods who face the many challenges associated with poverty and lack of opportunity. Nonetheless, 100 percent of students graduate, and SAT and other standardized test scores are on the rise.

In 2010, Imani reshaped its board and purchased a building from the Pittsburgh Public Schools. Two years later, the school implemented a new operating model focused on academic excellence, student outcomes, professional development, and operational transparency.

In 2016, a \$500,000 Foundation grant supported Imani’s operations, as it continues its fundraising efforts among individuals, corporations, and other foundations.



KISKIMINETAS SPRINGS SCHOOL

1



IMANI CHRISTIAN ACADEMY

2

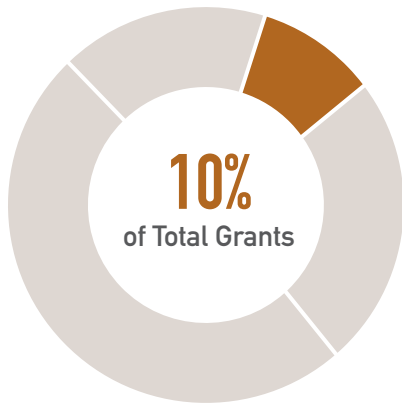
1. A centrally located common area in Vlahos Hall creates a dynamic space for students. The building will ultimately provide 38 beds for the school and two faculty apartments.

2. Fifth-grade students at Imani Christian Academy use a Promethean ActivTable for an interactive science lesson, part of their comprehensive science, technology, engineering, and math curriculum.

STRENGTHENING
EDUCATIONAL
INSTITUTIONS

Pittsburgh and the region are home to some of the best public, private, charter, and parochial K-12 schools, colleges, and research universities in the country. Building upon the importance of these educational institutions to the regional community and economy, the Foundation’s educational priorities include strengthening K-12 schools, colleges, and universities through investments in capital facilities, advanced curriculum, and workforce training that prepares students to participate in the new economy. The Foundation also looks to support projects that leverage federally-funded research to support economic development in both urban and rural communities. At the same time, the Foundation’s priorities include exploring new initiatives for improving educational outcomes for those students attending Pittsburgh’s lowest-performing K-12 schools.

Education Grant Summary



\$11,885,000

Grants Approved

22

Total Grants

50CAN, Inc.
WASHINGTON, DC
\$75,000 to produce a report identifying the lowest-performing high schools serving at-risk students in Allegheny County

Allegheny College
MEADVILLE, PA
\$1,600,000 toward renovation of Carnegie Hall and two-year support of Creek Connections

Common Sense Media
SAN FRANCISCO, CA
\$40,000 to provide professional development services to Greater Latrobe and Ligonier Valley school districts as they integrate technology devices and digital media learning products in the classroom

Coro Center for Civic Leadership
PITTSBURGH, PA
\$300,000 to position Coro participants to revitalize communities in southwestern Pennsylvania with an emphasis on Wilkinsburg, Sto-Rox, and Homewood

The Extra Mile Education Foundation, Inc.
PITTSBURGH, PA
\$250,000 to support the 25th Anniversary Initiative

The Fred Rogers Company
PITTSBURGH, PA
\$250,000 toward two-year support to develop a strategic plan and conduct a fundraising campaign

Imani Christian Academy
PITTSBURGH, PA
\$500,000 toward support of operations

Kiskiminetas Springs School
SALTSBURG, PA
\$2,000,000 toward renovations to Vlahos or Kalnow Hall, creation of a new science and engineering center, and completion of other small capital projects

Manchester Citizens Corporation
PITTSBURGH, PA
\$10,000 toward production and distribution of a book chronicling the life of Reverend James J. Robinson

Negro Educational Emergency Drive
PITTSBURGH, PA
\$300,000 toward two-year support of operations and enhancement of the ACE program

The Neighborhood Academy
PITTSBURGH, PA
\$500,000 toward five-year support to expand the academic facility to serve boys in the sixth and seventh grades starting in fall 2017

Pittsburgh Community Broadcasting Corporation
PITTSBURGH, PA
\$450,000 toward support of staff salaries and technology upgrades

Robert Morris University
MOON TOWNSHIP, PA
\$225,000 toward research on human resource management in nonprofit organizations

Seton Hill University
GREENSBURG, PA
\$500,000 toward three-year support to establish an Office of Academic Innovation and Planning

Sewickley Academy
SEWICKLEY, PA
\$750,000 toward construction of the Event Center

Shady Side Academy
PITTSBURGH, PA
\$1,000,000 toward two-year support of construction of the Center for Science and Innovation

University of Pittsburgh
PITTSBURGH, PA
\$10,000 toward support of programs and activities of the Dick Thornburgh Forum for Law & Public Policy

University of Pittsburgh, Graduate School of Public and International Affairs
PITTSBURGH, PA
\$375,000 toward two-year support of the Nonprofit Clinic; the Leadership Portfolio Program; the Leadership and Governance Training Program for Public Service Executives; and the Emerging Leader Award and Case Studies Program

University of Pittsburgh, Institute of Politics
PITTSBURGH, PA
\$200,000 toward two-year support of programs

Washington and Jefferson College
WASHINGTON, PA
\$2,000,000 toward renovation of the U. Grant Miller Library

Western Pennsylvania School for Blind Children
PITTSBURGH, PA
\$100,000 to construct a pedestrian bridge across Bellefield Avenue to link campus buildings

Westmoreland County Federated Library System
GREENSBURG, PA
\$450,000 toward two-year support of technology infrastructure upgrades for public libraries in Westmoreland County

Achieving Holistic and Broad-Scale Outcomes

In 2016, the Foundation awarded 54 grants totaling \$26,926,000 that reflect its strategic commitment to invest in human services programs designed to achieve holistic and broad-scale outcomes. Of interest to the Foundation are initiatives that serve at-risk and foster youth, as well as those that improve childcare, enhance and align workforce training programs with market demand, and address growing violence. The endeavors highlighted in this section, recent strategic priorities for the Foundation, demonstrate outstanding efforts by health centers, public agencies, and hospitals to develop innovative means to reduce chronic diseases and obesity, as well as to explore interventions for community-wide issues, such as infant mortality.

USING FRESH PRODUCE, PHYSICAL ACTIVITY, AND DATA TO FIGHT OBESITY

LAST YEAR, the Allegheny County Health Department released *A Plan for a Healthier Allegheny*, which focuses on five high health priorities—maternal and child health, chronic disease health risk behaviors, mental health and substance abuse disorders, the environment, and access to services—to protect, promote, and preserve the health and well-being of all Allegheny County residents, particularly the most vulnerable. A Foundation grant of \$1.5 million over two years is supporting a set of initiatives aimed at reducing obesity rates, including a Green Grocer program that delivers healthy food to communities weekly; one that provides farm-stand vendors with technology to accept electronic payments; and a third that promotes healthy snacks and 60 minutes of play during out-of-school hours to organizations that serve a total of 50,000 children. Additionally, three neighborhoods received planning grants from the Allegheny County Department of Economic Development for bike paths, pedestrian improvements, pop-up physical activities, and other incentives to boost residents' physical activity.

The Green Grocer program, managed by the Greater Pittsburgh Community Food Bank, is a mobile farmers market designed to travel into food desert communities to provide fresh food options.

MAGEE-WOMENS RESEARCH INSTITUTE AND FIGHTING INFANT MORTALITY

FOUNDED IN 1992, Magee-Womens Research Institute (MWRI) is the nation's first and largest independent research institute exclusively devoted to health conditions affecting women and their infants. Under the leadership of Yoel Sadosky, M.D., scientific director of MWRI, Magee's 9-90 campaign seeks to raise \$100 million to sponsor research focusing on human life in the first nine months as a tool to predict and change the course of illnesses that can occur over a lifetime.

A \$10 million Foundation grant over five years will support three separate projects around infant mortality: launch of the Magee Summit and Prize, a competition and international summit to identify and support the world's most promising reproductive science researchers with a \$1 million research prize; a commitment to basic research, data analysis, and clinical care expertise related to infant mortality; and the Magee Obstetrical Maternal Infant (MOMI) databank, which enables predictive modeling—using data mining and probability—to forecast outcomes. Because the MOMI database contains information collected at the time of birth for about all 190,000 deliveries at Magee-Womens since 1995, it is in a singularly unique position to address the region's high rates of infant mortality, particularly among African-American women. MOMI provides critical tools to identify mothers of infants at risk throughout the region, and offers them proven interventions based on that risk.

A leader in biomedical research and clinical care using informatics, associate professor Dr. Rich Tsui heads the Tsui lab which is affiliated with the department of biomedical informatics at the University of Pittsburgh. In collaboration with the RAND Corporation, which has a long history of working to improve the maternal and child healthcare system, the Tsui lab seeks to develop a real-time, adaptive predictive model of infant mortality and a model to evaluate the efficacy of various interventions. A Foundation grant of \$725,000 over two years to the Tsui lab and another grant of \$640,000 over two years to the RAND Corporation are supporting the creation of a database to predict individual risk of infant mortality and a plan to optimize referrals to promising or proven interventions.

OFFERING HEALTHCARE FOR WOMEN AND FAMILIES

FOUNDED IN 1971, Adagio Health, Inc. serves more than 150,000 women and their families annually, promoting reproductive health and overall well-being of patients of all ages, their families, and their communities by providing an array of healthcare services and creative educational programs at more than 70 medical offices throughout western Pennsylvania. Adagio's five-county women, infants, and children nutrition program serves 11,000 families a month, offering pregnant women and small children a healthier start at life. A two-year Foundation grant of \$1 million will help address funding constraints and support women's health and addiction services.

Using research and data to create better outcomes for families



MAGEE-WOMENS RESEARCH INSTITUTE

1

1. Leaders in work to reduce infant mortality are (l to r) Dr. Rich Tsui, associate professor, department of biomedical informatics, University of Pittsburgh; Susan Everingham, director, Pittsburgh Office, RAND Corporation; and Dr. Janet Catov, associate professor, department of obstetrics, gynecology & reproductive sciences and the department of epidemiology, University of Pittsburgh



ADAGIO HEALTH, INC

2

2. Adagio Health offers an array of services, including education sessions on nutrition, family planning, and other health-related issues.



Moving Basic Research from Lab to Bedside

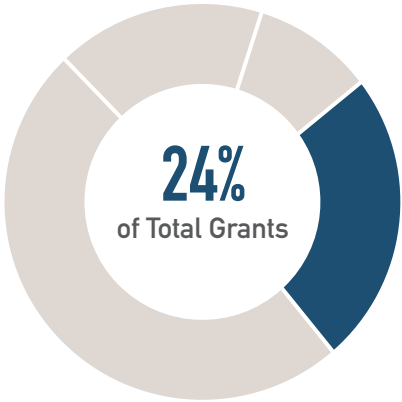
Executive director of Magee-Womens Research Institute, Dr. Yoel Sadovsky earned a medical degree from Jerusalem’s Hebrew University-Hadassah Medical School before completing additional training at Washington University in St. Louis and the University of California, San Francisco. He is the Elsie Hilliard Hillman Professor of Womens and Infants Health Research in the department of obstetrics, gynecology and reproductive sciences at the University of Pittsburgh School of Medicine.

A well-known physician-scientist, he is highly respected as an educator and mentor of students, residents, post-doctoral fellows and fellow faculty. Dr. Sadovsky’s research focuses on reproductive development and function, particularly the mechanisms that determine placental cell formation during human pregnancy. He has received several National Institutes of Health grants, and his work has resulted in the publication of more than 125 peer-reviewed scientific articles and 20 book chapters and invited publications.

IMPROVING THE HEALTH AND WELL-BEING OF THE REGION

Based on analysis of the issues facing Pittsburgh communities by the Foundation’s staff and trustees, our human service funding will focus on engaging regional partners to reduce infant mortality rates, an issue that is considered a marker of population health and one in which some groups continue to experience rates that are significantly higher than local or national averages. In addition, the Foundation will continue to make grants to evidence-based initiatives that help individuals and families thrive, including programs that emphasize high-quality early childhood education, workforce development, violence prevention, and basic needs such as food and shelter. Across these human service efforts, the Foundation will rely on data to help target support to areas with the greatest need and in which success can be measured by academic achievement, economic stability, and safe neighborhoods with healthy residents.

Human Services Grant Summary



\$26,926,000
Grants Approved

54
Total Grants

Adagio Health, Inc.
PITTSBURGH, PA
\$1,000,000 toward two-year support of operations and program expansion (\$800,000) and to launch the Opioid Addiction and Outreach Program (\$200,000)

Adonai Center for Black Males
PITTSBURGH, PA
\$75,000 toward support of operations

Best of the Batch Foundation
MUNHALL, PA
\$1,500,000 toward facility expansion of the Clubhouse and programs

Bethlen Home of the Hungarian Reformed Federation of America
LIGONIER, PA
\$90,000 toward two-year support of development of the Intergenerational Lifelong Learning Project

Boy Scouts of America
PITTSBURGH, PA
\$500,000 toward two-year support to reach out to the area’s most at-risk and disadvantaged youth to participate in scouting’s character-building, values-based, and experiential-learning programs

Brother’s Brother Foundation
PITTSBURGH, PA
\$54,000 to purchase two forklifts for use at the Pittsburgh warehouse facilities

C. R. Jrs. Chip, Inc.
PITTSBURGH, PA
\$200,000 toward two-year support of sustainability efforts for the First Tee Chapter

The Challenge Program, Inc.
JOHNSTOWN, PA
\$220,000 toward two-year support of connections between schools and businesses focusing on 11th- and 12th-grade students

Children’s Hospital of Pittsburgh Foundation
PITTSBURGH, PA
\$10,000 toward replacement of the fish tanks in the lobby of Children’s Hospital

Community Empowerment Association, Inc.
PITTSBURGH, PA
\$400,000 toward a pilot work-readiness and training program in partnership with Community College of Allegheny County for credit/certificate courses

County of Allegheny, Department of Health
PITTSBURGH, PA
\$1,500,000 toward two-year support to improve health in the Pittsburgh region

Dress for Success Pittsburgh
PITTSBURGH, PA
\$10,000 toward development of a strategic plan

East End Cooperative Ministry
PITTSBURGH, PA
\$550,000 toward support of operations and to provide sewing instruction to individuals with barriers to employment

HUMAN SERVICES

Family Guidance, Inc.

SEWICKLEY, PA
\$300,000 toward two-year support of the Learning and Mentoring Partnership program

FOR Sto-Rox
Neighborhood Corporation

MCKEES ROCKS, PA
\$275,000 toward support of operations

Garfield Jubilee Association, Inc.

PITTSBURGH, PA
\$125,000 to provide 70 at-risk youth the opportunity to earn marketable credentials and engage in further education and employment opportunities

Guardian Angels Medical
Service Dogs, Inc.

WILLISTON, FL
\$10,000 to provide companion dogs to veterans in the Pittsburgh region who are experiencing PTSD, traumatic brain injury, and mobility issues

Gwen's Girls

PITTSBURGH, PA
\$75,000 to upgrade outdated and unsupported technology infrastructure

Heritage United Methodist Church

LIGONIER, PA
\$200,000 toward three-year support to renovate the church's community building

Homewood Children's Village

PITTSBURGH, PA
\$750,000 toward support of operations

Hosanna House, Inc.

WILKINSBURG, PA
\$550,000 toward capital improvements to enhance summer youth programming and facilitate the merger of the Wilkinsburg Boys and Girls Club youth into Hosanna House

Human Services Center Corporation

TURTLE CREEK, PA
\$100,000 toward two-year support of programs designed to help women at risk of substance abuse and their children develop a path out of poverty

Latrobe Presbyterian Church

LATROBE, PA
\$200,000 toward repairs and renovations to the Latrobe Presbyterian Church

Ligonier Valley Fire Companies

LIGONIER, PA
\$50,000 toward purchase of dress uniforms

Ligonier Valley Learning Center, Inc.

LIGONIER, PA
\$75,000 to replace a porch at the counseling center

Magee-Womens Research Institute
and Foundation

PITTSBURGH, PA
\$10,000,000 toward five-year support of enhancements to the Magee Obstetrical Maternal Infant Databank, basic research relating to infant mortality, and launch of the Magee Summit and Prize

Midwife Center for Birth
and Women's Health

PITTSBURGH, PA
\$600,000 toward expansion of the Midwife Center facility and to increase comprehensive programs

Neighborhood Legal
Services Association

PITTSBURGH, PA
\$116,000 toward purchase of a new case management system

Northside Industrial
Development Company

PITTSBURGH, PA
\$500,000 toward two-year support of operations

Pittsburgh Association for the
Education of Young Children

PITTSBURGH, PA
\$400,000 toward support of the Child Care Home Alliances program

Pittsburgh Community Kitchen

PITTSBURGH, PA
\$250,000 toward two-year support of operations

The Pittsburgh Foundation

PITTSBURGH, PA
\$300,000 toward support of the Community Foundation of Westmoreland County's Healthy Communities and Effective Organizations programs, and to leverage match pool funding for the Westmoreland Gives Day of Giving 2017

\$100,000 toward support of the Allegheny County Jail Collaborative

\$150,000 toward support of the Human Service Integration Fund

Providence Connections, Inc.

PITTSBURGH, PA
\$175,000 toward repair, replacement, and upgrades to mechanical and other systems and structures to improve operations

RAND Corporation

PITTSBURGH, PA
\$640,000 toward two-year support to identify appropriate and effective interventions for families with a high risk of infant mortality

Rebuilding Together Pittsburgh

PITTSBURGH, PA
\$650,000 to pilot the Homewood Housing Preservation Partnership

Regional Opportunity Center

PITTSBURGH, PA
\$200,000 toward two-year support to develop best practices for retention of a diverse workforce

Riding for the Handicapped
of Western Pennsylvania, Inc.

ALLISON PARK, PA
\$10,000 toward therapeutic horseback riding lessons for children with physical, mental, and emotional disabilities

Seton Hill Child Services, Inc.

GREENSBURG, PA
\$200,000 toward teacher training, family communications, improved security, and facility repairs

Shepherd's Heart Fellowship
and Ministries

PITTSBURGH, PA
\$112,500 to purchase 15 sets of specialized shelter furniture for homeless men

Small Seeds Development, Inc.

PITTSBURGH, PA
\$175,000 toward support of the Teen Discovery Program

Sto-Rox Neighborhood
Health Council, Inc.

MCKEES ROCKS, PA
\$379,000 toward leadership transition with the retirement of Father Regis Ryan

Student Conservation Association, Inc.

ARLINGTON, VA
\$350,000 toward development of two new business models to increase earned revenue

Three Rivers Adoption Council

PITTSBURGH, PA
\$7,500 toward an analysis of real estate leasing options

Three Rivers Rowing Association

PITTSBURGH, PA
\$30,000 to engage urban high school girls in a community rowing program

Township of Ligonier

LIGONIER, PA
\$77,000 to purchase new radios for local police departments

Trade Institute of Pittsburgh

PITTSBURGH, PA
\$250,000 toward two-year support to expand the masonry training program for the underemployed

United Way of
Southwestern Pennsylvania

PITTSBURGH, PA
\$400,000 toward support of human service needs in Westmoreland County

University of Pittsburgh

PITTSBURGH, PA
\$725,000 toward two-year support to develop a tool to estimate infant mortality risk and survival time based on an infant's risk profile

University of Pittsburgh.

Graduate School of Public Health

PITTSBURGH, PA
\$450,000 toward two-year support of the Pittsburgh Violence Prevention Initiative

Young Women's Christian

Association of Westmoreland County

GREENSBURG, PA
\$235,000 toward two-year support of operations

YouthPlaces

PITTSBURGH, PA
\$300,000 to provide bridge funding during executive leadership transition and organization restructuring to align with 2016-2019 strategic initiatives

REGIONAL ECONOMIC DEVELOPMENT

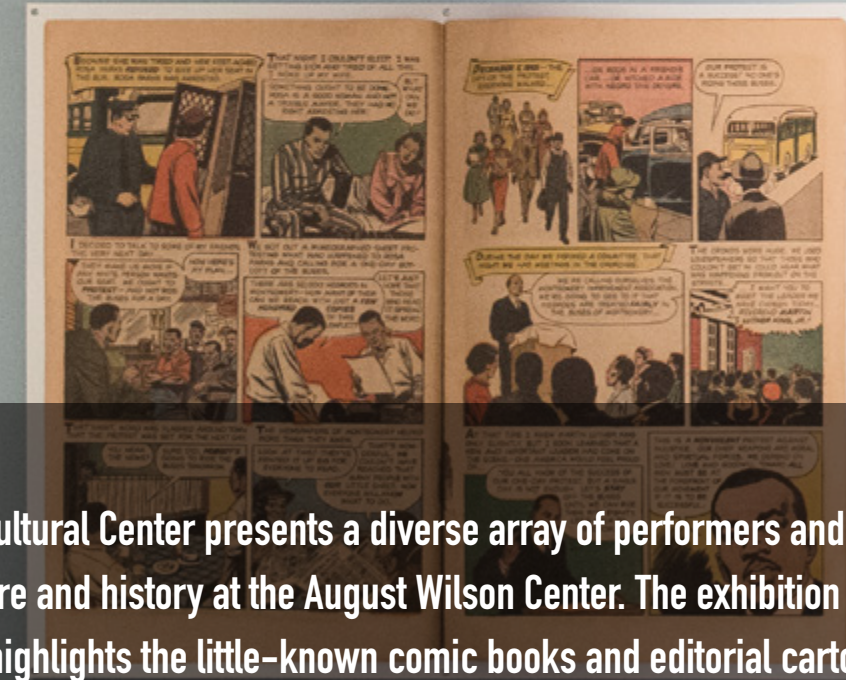
Investing in Economic Development Enriches the Region for All

This year, the Foundation awarded 75 grants and program-related investments totaling \$56,061,630 that reflect its strategic commitment to invest in initiatives and programming that support economic development throughout southwestern Pennsylvania. Specifically, the Foundation seeks to support projects that increase economic opportunities, housing, and safety; strengthen the capacity of arts organizations to attract visitors and improve quality of life; promote community development and improve regional infrastructure; cultivate and back the link between innovation and manufacturing; and enhance Pittsburgh's national reputation as a destination city that attracts, retains, and creates start-up companies and entrepreneurial talent.

PRESENTING AFRICAN-AMERICAN ARTS AND CULTURE IN PITTSBURGH

THE AFRICAN AMERICAN CULTURAL CENTER (AACC), formerly known as the August Wilson Center, is a newly created 501(c)(3) organization whose sole mission is to own, operate, and preserve the building in which it is housed as a vibrant community asset. The AACC produces and presents African-American arts and cultural programming, including visual art exhibits, theatrical, musical, and dance performances, classes, lectures, hands-on learning, and community events. The Pittsburgh Cultural Trust is under agreement to “operate the Center as a first-class multi-venue, multi-use public entertainment and performance and visual arts facility with a primary focus on the art, culture, and history of African Americans.”

Nearly 250 activities were held at the AACC in 2016, with more than 70 representing African-American cultural interests. Many of the scheduled activities were space rentals, generating income for the facility. A \$600,000 Foundation grant in 2016 is supporting the AACC's building operations.



The African American Cultural Center presents a diverse array of performers and exhibits to interpret African-American culture and history at the August Wilson Center. The exhibition shown here—*From MLK to March*—highlights the little-known comic books and editorial cartoons of the civil rights era.



Janis Burley Wilson
PITTSBURGH CULTURAL TRUST
Vice President

Showcasing the Best of International, National, and Local Arts

Vice president of strategic partnerships and community engagement at the Pittsburgh Cultural Trust, Janis Burley Wilson creates programs that give both local and internationally renowned artists opportunities to showcase their talents. One such initiative is the Black Bottom Film Festival (BBFF), which features films ranging from classic to contemporary, an independent cinema that celebrates the contribution of Black filmmakers. Held at the August Wilson Center, owned by the non-profit African American Cultural Center, the first annual BBFF showcased films that parallel the themes of spirituality, family conflict, race, and working-class struggle that are seen repeatedly in August Wilson's award-winning works. Says Ms. Wilson, "The films we selected parallel these distinctions...while celebrating classics that helped shape African-American culture."

A Pittsburgh native, Ms. Wilson earned a bachelor's degree from the University of Pittsburgh and a master's degree from Duquesne University. She attended American University for post-graduate studies. She designs hand-blocked millinery, and her creations have been featured in numerous fashion publications, including *French Vogue*, *Essence*, and *The New Yorker*, among others.

CREATING THE COUNTRY'S LEADING MANUFACTURING HUB

CARNEGIE MELLON UNIVERSITY (CMU) seeks to launch the Manufacturing Futures Initiative (MFI) and the Advanced Robotics Manufacturing (ARM) Institute to serve as the underpinning for all university manufacturing research projects and build the initiative into the country's leading manufacturing hub, driving job growth throughout greater Pittsburgh. As a manufacturing hub across industries, MFI will attract and collaborate with industry, as well as public, private, and academic partners, focusing on materials, product design, robotics, machine learning, workforce training, and education.

To help revitalize American manufacturing by investing in research in new technology development, the Department of Defense awarded CMU a grant of \$80 million as part of a \$253 million project to establish the ARM Institute, whose goal is to help industry adopt new technologies that will lead to the creation of over 500,000 manufacturing and related service jobs across the United States by 2025. The ARM Institute is slated to serve as the anchor tenant in the RIDC Mill Building on the Almono site. A Foundation grant of \$20 million over three years will support CMU's launch of MRI, as well as locating and outfitting the ARM Institute's facilities at Almono.



Gary Fedder & Erica R.H. Fuchs
MANUFACTURING FUTURES INITIATIVE
& ADVANCED ROBOTICS MANUFACTURING INSTITUTE

Bringing the Future of Manufacturing Back to Pittsburgh

Two key players in launching CMU's Manufacturing Futures Initiative (MFI) and Advanced Robotics Manufacturing Institute are Gary Fedder and Erica R.H. Fuchs. Dr. Fedder is the university's vice provost for research, director of the Institute for Complex Engineered Systems, the Howard M. Wilkoff Professor of Electrical and Computer Engineering, and Professor of the Robotics Institute. He earned bachelor's and master's degrees from M.I.T., and a Ph.D. from the University of California, Berkeley. Dr. Fedder holds 13 patents related to microelectromechanical systems, the technology of microscopic devices with moving parts.

Dr. Fuchs, a professor in the department of engineering and public policy, focuses in her research on the development, commercialization, and global manufacturing of emerging technologies as they relate to national policy. An expert on the future of advanced manufacturing, she advises government and scientific policy makers worldwide. She holds a bachelor's degree in materials science and engineering, a master's degree in technology policy, and a Ph.D. degree in engineering systems, all from M.I.T. A former fellow at the United Nations in Beijing, China, Dr. Fuchs was selected as one of the "40 under 40" World Economic Forum Young Scientists in 2012.

In 2016, the August Wilson Center hosted approximately 35,000 visitors, attending 250 different events.

PHOTO: JAMES STEINKAMP





John Schombert
3 RIVERS WET WEATHER
Retired Executive Director

A Lifetime Commitment to Water Quality

Newly retired after nearly two decades as the inaugural executive director of 3 Rivers Wet Weather, Inc. (3RWW), John W. Schombert has had a long and distinguished career devoted to controlling and managing storm water. Prior to his role with 3RWW, Schombert spent almost 30 years dedicated to water quality, public drinking water, and waste management programs for the Allegheny County Health Department. His avocation, too, is ensuring clean water for the region's residents and visitors. He serves as chairman of the Coraopolis Water and Sewer Authority and as a member of the Riverview Sanitary Authority, the Pennsylvania State Board for the Certification of Sewage Treatment Plant and Waterworks Operators, and the Pennsylvania Water Resource Advisory Board.

In recognition of Schombert's environmental excellence and leadership achievements in his field, he recently was presented with a western Pennsylvania lifetime achievement award from the Pennsylvania Environmental Council. A registered environmental health specialist, he holds a bachelor's degree in physics from Thiel College in Greenville, Pennsylvania.

CLEAN WATER PARTNERS

3 RIVERS WET WEATHER, INC. (3RWW) helps communities reduce untreated sewage and storm water overflows in the region's waterways—thereby protecting the water source for drinking, fishing, boating, and swimming for one million people in greater Pittsburgh. To promote cost-effective, long-term, sustainable solutions, 3RWW evaluates sewer technology, provides financial grants, educates the public, encourages municipalities to adopt green infrastructure and source reduction strategies, and through its work with ALCOSAN, the region's major wastewater authority, advocates inter-municipal partnerships. 3RWW facilitated the consensus-based stakeholder committee, which created a process for municipalities to transfer much of their underground infrastructure to ALCOSAN, which will accept the trunk lines from Pittsburgh and 82 other municipalities.

A \$600,000 grant from the Foundation will provide two-year support of operations and enable 3RWW to develop a web-based resource to help local governments meet obligations and enact common, defensible ordinances whose language meets the requirements of state law, helping to implement green infrastructure effectively on private and public lands.

CREATING AND RETAINING QUALITY JOBS IN WESTMORELAND COUNTY

FORMED IN 2000 BY THE MERGER of three locally-focused Westmoreland County economic development organizations, the Economic Growth Connection of Westmoreland (EGC) provides private-sector leadership to develop business opportunities and financing that create and retain quality jobs, primarily in the manufacturing and energy sectors, throughout the county and the region. To date, EGC has helped finance projects totaling more than \$190 million, creating more than 7,000 new positions and retaining nearly 20,000 existing ones.

In Ligonier, EGC purchased the former Armory site and is transforming it to support the needs of the community for housing. The design and construction of homes are being done in a way that models the characteristics of the neighborhood.

A \$400,000 Foundation grant over two years will support EGC operations, which have been negatively affected by the loss of fees generated by state and federal funding it previously administered, helping to ensure successful completion of new homes in Ligonier and support for business development in Westmoreland County.



3 RIVERS WET WEATHER, INC.

1

1. John Schombert was the former board vice president of Nine Mile Run Watershed Association, a national leader in urban stream restoration. Above is a photo of restoration efforts of Nine Mile Run in Frick Park.

PHOTO: JOHN MOYER FOR 3RWW



ECONOMIC GROWTH CONNECTION OF WESTMORELAND

2

2. The site of the former Ligonier Armory now offers attractive homes designed in an architectural style to fit the community.

REGIONAL ECONOMIC DEVELOPMENT

SHOWCASING REGIONAL
SUCCESS AT THE AIRPORT

AS PART OF AN OVERALL STRATEGY to make Pittsburgh International Airport more competitive by expanding airline and destination options for travelers, the airport seeks to share successes of the greater Pittsburgh region through exhibits, live performances, and interactive activities with the more than 8 million individuals—visitors and residents—who pass through the airport annually. Promoting these assets strengthens the case for adding new routes and highlights the positive features of Pittsburgh and southwestern Pennsylvania. The airport is partnering with the Children’s Museum of Pittsburgh, the Carnegie Institute, Carnegie Mellon University, and Pittsburgh Today, among others, to assist in this initiative.

CHILDREN’S MUSEUM KIDSPORT

The Children’s Museum of Pittsburgh, which encourages interactive experiences that facilitate children’s growth and intellectual development, is ideally suited to provide such exhibits for Kidsport, an existing children’s play area in Terminal C. A \$200,000 Foundation grant will support the design, construction, installation, and signage for five high-quality, kid-friendly, interactive exhibits that will refresh Kidsport and engage children and their families during their time in the airport.

Pittsburgh International Airport
Named 2017 Airport of the Year

CARNEGIE MUSEUMS EXHIBITS

The Carnegie Museums of Pittsburgh, operated by the Carnegie Institute, is the region’s largest culture organization and encompasses five places of exploration: Carnegie Museum of Art, Carnegie Museum of Natural History, Carnegie Science Center, The Andy Warhol Museum, and Powdermill Nature Reserve. A Foundation grant of \$190,000 will support six different airport exhibits. For example, *How Do I Measure Up?* will let visitors create human selfies measured against baby elephants, brown bears, velociraptors, albatross, and other animals from the past and present. The *Art & Science Vending Machine*, located in the terminal-side atrium hub, will contain elegantly designed gift boxes, available by providing an email address, whose contents entice travelers to visit the Carnegie Museums.

CARNEGIE MELLON UNIVERSITY DISPLAYS

Carnegie Mellon University, one of Pittsburgh’s outstanding academic and research institutions, will conceptualize 12 exhibits that highlight its leadership in science, technology, and innovation, all of which contribute to Pittsburgh’s ongoing renaissance. A \$500,000 grant from the Foundation will support installation of as many as six displays at the airport, ranging from basic to complex and space-intensive.



To promote the region’s arts to visitors of the Pittsburgh International Airport, Carnegie Museums installed an exhibit featuring photographer Charles “Teenie” Harris, who captured the life of Pittsburgh’s African-American communities in the middle of the 20th century.



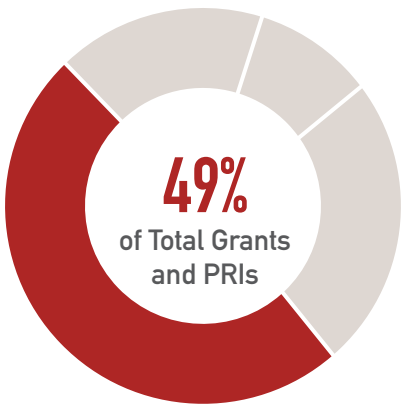
Bringing the World to Pittsburgh

Christina Cassotis was recruited to Pittsburgh as CEO for the Allegheny County Airport Authority to attract new air service to western Pennsylvania. The transformation at the airport includes efforts to highlight the region’s art, technology, education, and innovation with interactive exhibits that represent some of the successes of the region. Carnegie Museums, Innovation Works, Carnegie Mellon University, The Frick Art and Historical Center, and others are creatively exhibiting their work at various areas of the airport. The airport is experiencing growth and its own success and recently became the first U.S. airport to be named Airport of the Year by *Air Transport World* magazine.

A NEW ECONOMY

Pittsburgh and the region have a rich history of making products for the world. Building upon those traditions, the Foundation’s regional economic development priorities are now focused on opportunities in advanced and additive manufacturing, robotics, and the economics of growth in rural and urban communities. Recognizing that a region’s economy can not be truly successful if all communities do not participate, the Foundation will also collaborate and invest in several underserved communities to support affordable housing, business infrastructure, workforce training, and entrepreneurship programs designed to help residents gain access to the new economy.

Regional Economic Development Summary of Grants and Program-Related Investments



\$56,061,630

Grants and PRIs Approved

75

Total Grants and PRIs

3 Rivers Wet Weather, Inc.
PITTSBURGH, PA
\$600,000 toward two-year support of operations and to develop a web-based resource to help local governments meet obligations and enact ordinances that effectively implement green infrastructure on private and public lands

Action for Animals, Inc.
LATROBE, PA
\$200,000 to start a low-cost, walk-in clinic and to purchase a new rescue transport vehicle

African American Chamber Foundation of Western Pennsylvania
PITTSBURGH, PA
\$250,000 toward two-year support of salary for a new VP position and a member survey update

African American Cultural Center
PITTSBURGH, PA
\$600,000 to support building operations for the African American Cultural Center

Alan I W Frank House Foundation
PITTSBURGH, PA
\$10,000 toward production of a book documenting the architecture and history of the Alan I W Frank House

Allegheny Conference on Community Development
PITTSBURGH, PA
\$530,000 toward support of operations and a study on the financial stress of four municipalities

\$20,000 to secure a six-page profile on the Pittsburgh region to run in the Dec 2016/Jan 2017 issue of *fDi Magazine*

ALMONO, LP
PITTSBURGH, PA
\$10,000,000 as a program-related investment to complete Phase I infrastructure in order to activate the site for development

Alumni Theater Company
PITTSBURGH, PA
\$45,000 toward operating costs of the Bill Nunn Theater Project

\$150,000 toward two-year support of operations, and construction of a new educational, rehearsal, and performance space

American Middle East Institute, Inc.
PITTSBURGH, PA
\$10,000 toward costs associated with the Business Conference held in Pittsburgh October 17, 2016

American Wind Symphony Orchestra
MARS, PA
\$10,000 to underwrite a commissioned new work for the 60th anniversary season

Bridgeway Capital
PITTSBURGH, PA
\$175,000 to develop a strategic vision and framework to grow the maker manufacturing movement in Pittsburgh

\$10,000 toward a loan program to link craft businesses with manufacturers

Carnegie Institute
PITTSBURGH, PA
\$190,000 to exhibit and promote the Pittsburgh region’s economic, arts, and sciences success within the Pittsburgh International Airport

Carnegie Mellon University
PITTSBURGH, PA
\$20,000,000 toward three-year support to launch the Manufacturing Futures Initiative and locate the Advanced Robotics Manufacturing Institute at the Almono Mill Building

\$500,000 toward installation of exhibits at the Pittsburgh International Airport highlighting Pittsburgh’s science, technology, and innovation renaissance

Children’s Museum of Pittsburgh
PITTSBURGH, PA
\$200,000 to provide a selection of interactive experiences for installation in Kidsport at the Pittsburgh International Airport

\$600,000 toward two-year support to create interactive exhibits

City of Pittsburgh
PITTSBURGH, PA
\$325,000 toward implementation of the Pittsburgh Roadmap for Inclusive Innovation

City Theatre Company, Inc.
PITTSBURGH, PA
\$260,000 toward support of operations (\$200,000) and capacity building efforts (\$60,000)

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, and Lift Johnstown

Economic Growth Connection of Westmoreland
GREENSBURG, PA
\$400,000 toward two-year support of operations

Frick Art & Historical Center
PITTSBURGH, PA
\$1,000,000 toward two-year support to present three significant exhibitions

Friends of the Riverfront
PITTSBURGH, PA
\$75,000 toward support of operations

Green Building Alliance
PITTSBURGH, PA
\$900,000 toward two-year support to expand the 2030 district and green school academy, of education and outreach efforts, and to provide a platform to highlight Pittsburgh’s transformation to a world-class sustainable city

Grow Pittsburgh
PITTSBURGH, PA
\$100,000 toward support of operations and programs associated with community gardens in Pittsburgh, with a focus on Homewood

Growth Through Energy & Community Health, Inc.
PITTSBURGH, PA
\$250,000 toward two-year support to develop and apply a comprehensive green storm water infrastructure strategy in Pittsburgh neighborhoods

Hazelwood Initiative, Inc.

PITTSBURGH, PA
\$1,425,000 toward acquisition and renovation of key properties within the Second Avenue business district

Health Effects Institute

BOSTON, MA
\$225,000 to implement actions from its research agenda on unconventional gas development for the Appalachian basin

Historical Society of Western Pennsylvania

PITTSBURGH, PA
\$1,000,000 toward two-year support of Smithsonian-quality exhibitions and innovative programs

Ligonier Borough

LIGONIER, PA
\$154,000 to complete the engineering, design, and preparation of the bid documents for the Ligonier Diamond Reconstruction Project

\$50,000 toward the public outreach and communications plan for the Diamond Park renovation

Lincoln Highway Heritage Corridor

LATROBE, PA
\$550,000 toward two-year support of building construction to house museum artifacts

Manchester Craftsmen's Guild

PITTSBURGH, PA
\$300,000 toward three-year support to catalog, preserve, and disseminate the jazz archival collection

The Mountain Playhouse, Inc.

JENNERSTOWN, PA
\$200,000 toward support of operations

Moving Lives of Kids Arts Center

PITTSBURGH, PA
\$10,000 toward support of the Homewood mural project

Northside Coalition for Fair Housing

PITTSBURGH, PA
\$10,000 toward the Workforce Greening Initiative

Operation Better Block, Inc.

PITTSBURGH, PA
\$800,000 toward economic development programs in Homewood

PA Cleanways

GREENSBURG, PA
\$130,000 to build management capacity, support and develop western Pennsylvania affiliates, and reduce illegal dumping

The Pennsylvania State University

UNIVERSITY PARK, PA
\$150,000 toward three-year support to facilitate the placement of renewable generation in up to five qualifying municipal water treatment or other public authorities located in the counties of Washington, Greene, Fayette, Westmoreland, Armstrong, and Indiana

Pittsburgh Ballet Theatre, Inc.

PITTSBURGH, PA
\$350,000 toward support of operations (\$300,000) and a new data analyst position (\$50,000)

Pittsburgh Bike Share

PITTSBURGH, PA
\$50,000 toward expansion of the bike share program by 25 stations and 250 bikes

Pittsburgh Entertainment Project

PITTSBURGH, PA
\$400,000 toward support of operations

Pittsburgh Gateways Corporation

PITTSBURGH, PA
\$10,000 toward support of a Choice Neighborhoods Planning and Action Grant Application for the Hill District

Pittsburgh Glass Center, Inc.

PITTSBURGH, PA
\$280,000 toward support of operations (\$232,000), capital improvements (\$23,000), and a partnership with Brew House Association to create a pipeline for glass apprentices (\$25,000)

Pittsburgh Opera, Inc.

PITTSBURGH, PA
\$330,000 toward support of operations (\$300,000) and a pilot program to equip low-income individuals with sewing skills (\$30,000)

Pittsburgh Playwrights Theatre Company

PITTSBURGH, PA
\$10,000 toward support of the August Wilson birthday celebration held in April 2016

\$25,000 toward the August Wilson International Theatre Festival 2016

The Pittsburgh Public Theater Corporation

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

Pittsburgh Symphony, Inc.

PITTSBURGH, PA
\$400,000 toward support of operations (\$300,000) and audience development (\$100,000)

Pittsburgh Trust for Cultural Resources

PITTSBURGH, PA
\$750,000 toward programming for the African American Cultural Center and the purchase of three sculptural, artistic desks for the gallery

\$400,000 toward two-year support of JazzLive International

\$150,000 to hire a consultant to develop an institution-wide technology plan and implement technology upgrades

Program to Aid Citizen Enterprise

PITTSBURGH, PA
\$894,000 toward three-year support of operations, the Strategic Action Planning Program, and the African-American arts and culture study

The Progress Fund

GREENSBURG, PA
\$1,600,000 toward lending and investments in economic opportunities for rural communities and small towns in southwestern Pennsylvania

\$500,000 as a program-related investment toward lending opportunities in rural communities and small towns in southwestern Pennsylvania

\$113,000 toward rehabilitation of the Burgettstown train station on the Panhandle Trail

Redevelopment Authority of the City of Connellsville

CONNELLSVILLE, PA
\$250,000 to assist in site acquisition and demolition of vacant and blighted properties

Regents of the University of California

DAVIS, CA
\$15,000 to scan Pittsburgh's local food system to identify opportunities for specialty crops, food manufacturing, food hubs, and providing healthy food to urban areas

Regional Trail Corporation

WEST NEWTON, PA
\$10,000 toward purchase of an excavator and trailer

Rotary Club of Ligonier Charitable Foundation

LIGONIER, PA
\$165,000 toward renovation of Ligonier Friendship Park (Phase I)

Scenic Pittsburgh

PITTSBURGH, PA
\$120,000 toward support of operations and programs to protect, preserve, and promote southwestern Pennsylvania's scenic resources

University of Pittsburgh

PITTSBURGH, PA
\$50,000 to conduct a benchmarking and gap analysis of the regional life sciences enterprise

\$10,000 to assist manufacturers in creating a web presence in order to develop new lines of business

University of Pittsburgh, Center for Social & Urban Research

PITTSBURGH, PA
\$150,000 toward support of the Pittsburgh Regional Indicators project

University of Pittsburgh, Graduate School of Public and International Affairs

PITTSBURGH, PA
\$75,000 toward two-year support of CONNECT's ongoing work on shared policy issues affecting the City of Pittsburgh and 36 neighboring communities

Urban Innovation 21

PITTSBURGH, PA
\$300,000 toward support of operations for Kiva City Pittsburgh

Venture Outdoors

PITTSBURGH, PA
\$400,000 toward two-year support of programming and operations and to integrate the Paddle Without Pollution program

Washington County Community Foundation

EIGHTY FOUR, PA
\$500,000 toward restoration of the heritage museum space

Westmoreland County Historical Society

GREENSBURG, PA
\$500,000 toward construction of the Westmoreland History Education Center at Hanna's Town

Westmoreland Cultural Trust

GREENSBURG, PA
\$750,000 to reduce the debt incurred to preserve The Palace

Westmoreland Museum of Art

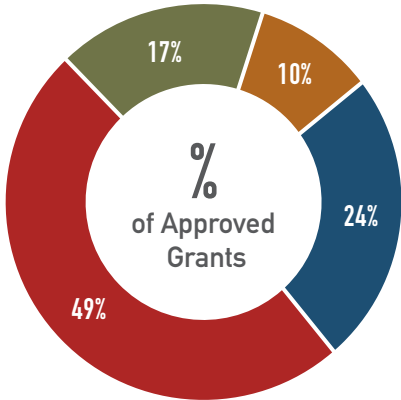
GREENSBURG, PA
\$1,000,000 toward two-year support of operations

Westmoreland Symphony Orchestra

GREENSBURG, PA
\$50,000 toward two-year support to identify future audiences and potential donors in outlying communities

Appropriations 2016

BY PROGRAM PRIORITY	NUMBER OF GRANTS	APPROVED GRANTS
Regional Economic Development	75	\$ 56,061,630
Education	22	\$ 11,885,000
Human Services	54	\$ 26,926,000
Conservation	26	\$ 19,652,357
Totals	177	\$ 114,524,987

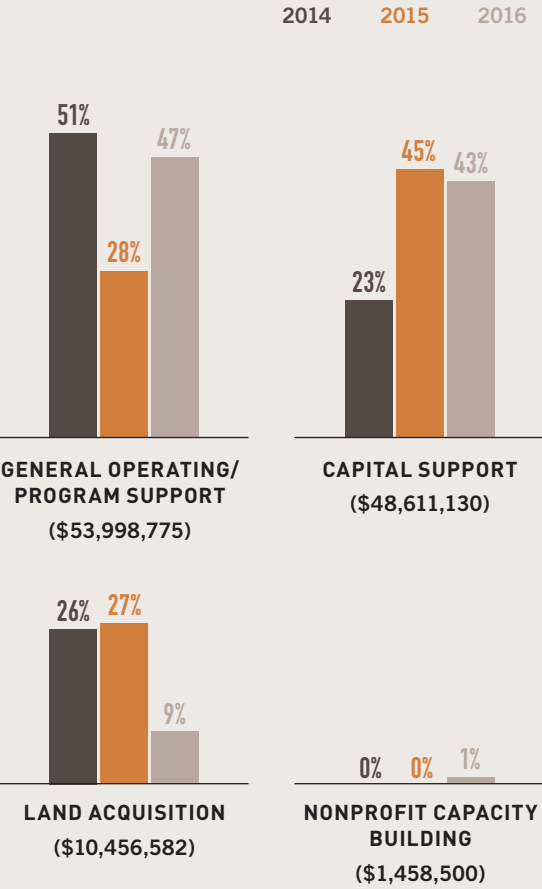


BY GEOGRAPHIC AREA	
Pittsburgh + Southwestern PA	\$106,145,987
Other	\$8,379,000
Total	\$114,524,987

NET INVESTMENT INCOME	
1947 through 2015	\$1,540,050,274
2016	\$51,380,094
Total	\$1,591,430,368

GRANTS PAID + PROGRAM-RELATED INVESTMENTS	
1947 through 2015	\$2,310,474,901
2016	\$107,990,972
Total	\$2,418,465,873

BY SUPPORT TYPE



STATEMENTS OF FINANCIAL POSITION

December 31,	2016	2015
ASSETS		
Cash	\$ 857,367	\$ 232,897
Other current assets	4,345,875	6,080,557
Investments:		
Equities	1,278,232,655	1,330,476,061
Fixed income	554,204,892	526,848,634
Temporary investments	89,666,199	42,257,538
Alternative investments	333,289,589	315,195,018
Subtotal	2,255,393,335	2,214,777,251
Payable from unsettled securities purchases, net	(6,573,917)	(5,250,948)
Total investments	2,248,819,418	2,209,526,303
Program-related assets	63,100,000	53,100,000
Total assets	\$2,317,122,660	\$2,268,939,757
LIABILITIES AND NET ASSETS		
Liabilities:		
Grants payable	\$ 39,337,029	\$ 32,303,014
Deferred federal excise taxes	2,823,143	2,293,031
Appropriations for program-related assets	63,100,000	53,600,000
Total liabilities	105,260,172	88,196,045
Unrestricted net assets	2,211,862,488	2,180,743,712
Total liabilities and net assets	\$2,317,122,660	\$2,268,939,757

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,	2016	2015
INCOME		
Investment income	\$ 67,766,468	\$ 67,729,146
Realized gains on investments	36,103,627	84,066,258
Unrealized gains (losses) on investments	53,011,194	(147,056,277)
Total income	156,881,289	4,739,127
EXPENSES		
Grants approved, net of rescissions	109,376,139	126,757,037
Administrative, investment, and program	13,486,241	13,301,711
Provision for taxes	2,370,021	1,903,928
Provision for (benefit from) deferred taxes	530,112	(1,470,563)
Total expenses	125,762,513	140,492,113
Change in unrestricted net assets	31,118,776	(135,752,986)
UNRESTRICTED NET ASSETS		
Beginning of period	2,180,743,712	2,316,496,698
End of period	\$2,211,862,488	\$2,180,743,712

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

STATEMENTS OF CASH FLOWS

For the year ended December 31.	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 31,118,776	\$ (135,752,986)
Adjustments to reconcile change in unrestricted net assets to net cash used by operating activities:		
Accretion	(481,744)	(309,750)
Deferred federal excise taxes	530,112	(1,470,563)
Realized gains on investments	(36,103,627)	(84,066,258)
Unrealized (gains) losses on investments	(53,011,194)	147,056,277
Increase (decrease) in cash from changes in:		
Other current assets	1,734,682	(714,411)
Program-related assets	(10,000,000)	(22,597,000)
Grants payable	7,034,015	17,536,572
Appropriations for program-related assets	9,500,000	21,597,000
Net cash used by operating activities	(49,678,980)	(58,721,119)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,053,763,810)	(917,415,601)
Proceeds from sales of investments	1,104,067,260	976,285,812
Net cash provided by investing activities	50,303,450	58,870,211
Net change in cash	624,470	149,092
CASH		
Beginning of year	232,897	83,805
End of year	\$ 857,367	\$ 232,897

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

2016 SUMMARY OF INVESTMENTS

	December 31, 2016	
	Book Value	Fair Value
Equities	\$1,067,013,224	\$1,276,592,302
Fixed income	578,032,485	551,244,914
Temporary investments	89,686,557	89,666,199
Alternative investments	231,772,898	331,316,003
Total investments	\$1,966,505,164	\$2,248,819,418

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.

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 a 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, 2016 and 2015.

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, 2016 and 2015.

NOTE 2: TAXES

The Foundation is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The Foundation is subject to a federal excise tax equal to 2% of net investment income, which consists of interest and dividend income, realized gains on sales of investments less realized losses to the extent that they can be offset against realized gains, less related investment expenses. The Foundation met certain distribution requirements defined in Section 4940 of the Internal Revenue Code, resulting in a reduced tax of 1% of net investment income for the year ended December 31, 2015.

At December 31, 2016 and 2015, 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, 2016 and 2015, the Foundation had contractually committed to additional investments of \$349.9 million and \$286.1 million, respectively.

At December 31, 2016, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2017 of \$7.0 million and \$0.4 million for a net payable of \$6.6 million. 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 \$0.1 million for a net payable of \$5.3 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, 2016 and 2015.

There were no significant transfers between Levels 1, 2, and 3 during the years ended December 31, 2016 and 2015.

Investments at Fair Value as of December 31, 2016

Investments	Level 1	Level 2	Level 3	NAV	Total
Equities	\$ 850,735,361	\$ 2,438,990	\$10,678,466	\$414,379,838	\$1,278,232,655
Fixed income	225,827,613	155,124,837	1,049,309	172,203,133	554,204,892
Temporary investments	89,666,199	0	0	0	89,666,199
Alternative investments	0	0	0	333,289,589	333,289,589
Total investments	\$1,166,229,173	\$157,563,827	\$11,727,775	\$919,872,560	\$2,255,393,335

Payables from unsettled securities purchases, net at Fair Value as of December 31, 2016

Payables, net	Level 1	Level 2	Level 3	NAV	Total
Equities	\$ (1,640,354)	\$ 0	\$ 0	\$ 0	\$ (1,640,354)
Fixed income	0	(2,959,977)	0	0	(2,959,977)
Alternative investments	0	0	0	(1,973,586)	(1,973,586)
Total payables, net	\$ (1,640,354)	(2,959,977)	\$ 0	\$ (1,973,586)	\$ (6,573,917)

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)

The following tables present a roll-forward of the amounts for the years ended December 31, 2016 and 2015 for investments classified within Level 3:

Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2016

Investments	Balance at December 31, 2015	Net Investment Income	Realized Gain/(Loss)	Change in Unrealized Gain/(Loss)	(Sales)	Purchases	Balance at December 31, 2016
Equities	\$7,680,472	\$ 0	\$ 5,298	\$ 49,842	\$ (59,593)	\$3,002,447	\$10,678,466
Fixed income	563,562	5,086	(63,237)	79,592	(181,840)	646,146	1,049,309
Total investments	\$8,244,034	\$5,086	\$(57,939)	\$129,434	\$(241,433)	\$3,648,593	\$11,727,775

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

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.

Category of Investment	Investment Strategy	Number of Funds	Fair Value Determined Using NAV	Unfunded Commitments (\$ millions)	Redemption Terms	Remaining Life
Equities	Domestic	1	\$ 40,013,845	\$ 0	(1)	n/a
Equities	Domestic, international & emerging markets	5	374,365,993	0	(2)	n/a
Fixed Income	Long-term debt, global, high yield	7	172,203,133	0	(3)	77% n/a, 22% 8 years, 1% 17 years
Alternative investments	Buyouts, distressed debt, energy, real estate and venture capital	213	333,289,589	349.9	(4)	(5)
Totals		226	\$919,872,560	\$ 349.9		

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, 68% subject to daily redemptions, 26% subject to monthly redemptions, 6% subject to quarterly redemptions.
- (3) 72% subject to monthly redemption with 10-30 days prior notice, 28% subject to quarterly redemptions.
- (4) All redemptions, sales, or transfers subject to approval of general partner.
- (5) 21% 1 year, 20% 2-5 years, 47% 6-10 years, 12% 11-15 years; all funds subject to extensions between 0-3 years.

NOTE 5: SUBSEQUENT EVENTS

The Foundation evaluated all activity through May 25, 2017, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the Notes to Financial Statements.

Report of Independent Auditors

TO THE TRUSTEES OF RICHARD KING MELLON FOUNDATION:

We have audited the accompanying financial statements of the Richard King Mellon Foundation (“the Foundation”), which comprise the statements of financial position as of December 31, 2016 and December 31, 2015 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.

Auditors’ 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 as of December 31, 2016 and December 31, 2015, 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.

PricewaterhouseCoopers LLP

Pittsburgh, PA
May 25, 2017

Policy and Grant Guidelines

The following grantmaking objectives and grant program priorities were approved by the Trustees in April 2016 for the five-year period ending December 31, 2021.

Program Priorities Southwestern Pennsylvania

Regional Economic Development

- Strengthen the capacity of arts organizations to attract visitors to the region and improve quality of life
- Improve housing, crime and safety, and economic opportunities in distressed communities
- Support development and improvement of regional infrastructure
- Cultivate and support the link between innovation and manufacturing
- Increase economic opportunities in rural communities
- Enhance Pittsburgh’s national reputation as a destination city for creating, attracting, and retaining start-up companies and entrepreneurial talent

Education

- Improve capacity of educational and workforce programs via community-based organizations
- Improve infrastructure of higher education institutions and educational and workforce programs
- Improve institutional infrastructure and educational outcomes for children in the lowest-performing public schools

Mission

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.

Human Services

- Invest in programs designed to achieve holistic and broadscale outcomes
- Capitalize on innovations by the Department of Human Services and others to serve at-risk children and foster youth, and improve early childcare quality
- Support efforts by hospitals, health centers, and public agencies to develop innovative means to reduce chronic diseases and obesity; explore interventions for community-wide epidemics; and support the community’s efforts to reduce the growing violence problems
- Encourage and improve alignment of workforce training programs with market demand

Western Pennsylvania

Conservation

- Protect critical forested ecosystems and provide sustainable economic development for communities
- Leverage partnerships and data to conduct habitat restoration in 11 key western Pennsylvania landscapes
- Protect regional natural assets such as rivers, trails, and parks

The Foundation gives priority to projects and programs that have clearly defined output, outcomes and an evaluation component, and has a preference for partnering with donors on initiatives. The Foundation accepts applications throughout the year. Please visit the Foundation’s website at www.fdnweb.org/rkmf/ for information on how to apply. For questions, please contact the Foundation’s office at:

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