

Richard King Mellon Foundation 2009 Annual Report



Richard King Mellon, 1899–1970

Contents

- 1** Chairman's Letter
- 6** Regional Economic Development
- 16** Education
- 20** Human Services and Nonprofit Capacity Building
- 24** Children, Youth, and Young Adults
- 28** Conservation
- 34** Appropriations
- 35** Financial Statements
- 37** Notes to Financial Statements
- 39** Report of Independent Auditors
- 40** Policy and Grant Guidelines
- IBC** Trustees, Officers, and Staff



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.

Chairman's Letter

One of the worst recessions in the nation's history profoundly affected the Pittsburgh region's nonprofit community in 2009, and area nonprofits responded with commendable flexibility to preserve core services by cutting budgets, merging and consolidating activities, and reducing staff. The Richard King Mellon Foundation, although working with fewer resources, increased its support for organizations serving fundamental needs and provided additional grants for general operating support during this difficult time. The Trustees awarded 218 grants totaling more than \$58 million to 174 organizations as compared to \$66 million to 121 organizations in 2008. In addition to expanding basic program and operating support, the Foundation, in some instances, provided gap funding for organizations heavily reliant upon delayed government sources.

Regional Economic Development

For many years, the Richard King Mellon Foundation has been committed to helping the region strengthen its economy through innovation, diversification, and a prepared workforce. Pittsburgh's comparative resiliency during the recession validates these strategies, and the Foundation sustained its support in 2009 with 84 grants totaling \$16,770,500.

The Foundation invested \$500,000 in the Idea Foundry, which nurtures young technology companies and entrepreneurs—because historically, much of net job creation occurs in businesses in existence for less than five years. The Trustees approved gifts totaling \$600,000 to the Minority and Women Educational Labor Agency toward support of its building trades apprenticeship and sheltered-bond programs and a \$100,000 grant to the National Center for Defense Manufacturing & Machining to assist smaller manufacturers in obtaining the certification required to bid on government contracts.



The Youghiogheny River, just below the Borough of Ohioopyle. Plans are underway to modernize and expand its water treatment plant.



The Pittsburgh Downtown Partnership celebrated Pittsburgh's 89th neighborhood with the first-ever Downtown Neighborhood Block Party in October. More than one thousand residents and guests turned out for the street celebration on Penn Avenue.

A strong urban core is a tenet of Pittsburgh's continuing improvement, and several grants were made to support revitalization in Downtown and the Hill District. The August Wilson Center for African American Culture received gifts of \$810,000, in addition to a previous year's capital campaign gift of \$2 million; \$1,500,000 went toward the restoration and long-term maintenance of Mellon Square; and a grant of \$500,000 will assist the Hill House Economic Development Corporation in attracting a full-service grocery store. A \$25,000 grant to Duquesne University will support the Pittsburgh Central Keystone Innovation Zone, which is working on a comprehensive economic strategy that includes Downtown and the Hill District.

In a time of economic hardship, cultural assets and recreational attractions need to be sustained not only for the contribution they make to the quality of life but also for their role in attracting tourism now and in the future. The Trustees approved grants to the Westmoreland Museum of American Art (\$150,000), the Frick Art & Historical Center (\$75,000), and Sustainable Pittsburgh (\$1,250,000).

Efforts to improve government efficiency and services continue to be a priority. The University of Pittsburgh's Institute of Politics received support of \$400,000 for regional planning coordination. Two nonprofits



Byers Hall at Community College of Allegheny County's North Side campus

working to improve western Pennsylvania's storm and sewage treatment infrastructure, 3 Rivers Wet Weather, Inc., and the Community Foundation of Fayette County, received \$600,000 and \$45,000, respectively.

To help philanthropic dollars stretch further, the Trustees supported The Pittsburgh Foundation and the Community Foundation of Westmoreland County in their exploration of shared back-office functions. Ultimately, this has led to a formal merger of the two organizations.

Education

A priority throughout the 62-year history of the Foundation, broad-based education is crucial for functioning successfully in the 21st century economy. The Foundation made 30 grants totaling \$15,467,000. Several local institutions of higher education received support including the Community College of Allegheny County Educational Foundation—\$75,000 for the nursing program.

Other gifts were made to parochial and independent schools, and the Foundation's college scholarship program, funded through the Negro Educational Emergency Drive (NEED), received support of \$2 million. The largest grant, \$9 million, was for The Pittsburgh Promise, a scholarship program available to Pittsburgh Public Schools' graduates for attendance at accredited post-secondary institutions within the Commonwealth of Pennsylvania.

Human Services and Nonprofit Capacity Building

The Foundation made 29 grants totaling \$6,408,000 to intermediary organizations and direct service providers addressing basic needs—food, shelter, and clothing—as well as toward efforts to redesign or improve service delivery. NeighborWorks® Western Pennsylvania was provided a grant of \$320,000. The Greater Pittsburgh Community Food Bank received \$150,000, and the United Way of Westmoreland County received \$180,000 to support the merger of the Chestnut Ridge and Westmoreland Chapters of the American Red Cross.

Greater Pittsburgh Community Food Bank People served per month

2008

43,529 Regional counties	57,202 Allegheny County	100,731 Total
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2009

43,873 Regional counties	64,333 Allegheny County	108,206 Total
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Regional counties include: Armstrong, Beaver, Butler, Cambria, Fayette, Greene, Indiana, Lawrence, Somerset, and Washington



On May 2, 2009, Children's Hospital of Pittsburgh officially opened its new 10-acre campus in Lawrenceville.

Children, Youth, and Young Adults

The Foundation supports institutions and programs that address the physical and emotional needs of children and help them prepare for adulthood. The Foundation made 31 grants totaling \$5,413,030 for initiatives ranging from after-school programs, vocational and job training, and children's health initiatives. The Pittsburgh Project, serving North Side families, received \$1 million. The Challenge Program, Inc., in Johnstown, received \$130,000 to introduce high school students to job opportunities in the energy sector. Children's Hospital of Pittsburgh Foundation received a gift of \$100,000, and The Children's Institute of Pittsburgh was provided \$600,000 toward autism research.

44 grants totaling \$14,289,280 to protect and restore watersheds, natural habitats, and land in western Pennsylvania and to protect property of national significance in other states. Among the twelve grants made to improve watershed quality were three totaling \$313,000 to Mountain Watershed Association, Inc., for remediating acid mine drainage in Westmoreland and Fayette Counties. The National Audubon Society received \$150,000 in support of its Important Bird Areas Program. A grant of \$3,750,600 was made to the Western Pennsylvania Conservancy for the acquisition of land in Clearfield County. Through a grant of \$2,500,000 to The Conservation Fund, the Foundation continued its multiyear pledge, begun in 2007, to preserve the habitat and ranching tradition of 220,000 acres of the Rocky Mountain Front in Montana.

Conservation

The Trustees believe that the protection of land and natural resources is fundamental to the health and livelihood of western Pennsylvanians and the nation and that investment in sustainable practices of natural-resources management will provide long-term economic benefits. In 2009 the Foundation made

Transitions

Over the course of the year, the Trustees engaged in a comprehensive review of the Foundation's grant making priorities. Recent and long-term grant making was reviewed, and experts from a cross section of specialties were consulted. We emerged from these sessions with policies that will, beginning January 1, 2010, guide the Foundation's grant making over the next five years.

After serving as a Trustee since 1965 and as Chairman since 1981, my brother, Richard P. Mellon, retired in 2009. He was only the second Chairman in

the Foundation's history, succeeding our mother, Constance Prosser Mellon, who chaired the Foundation since its inception in 1947 until her death in 1980. I am honored to succeed my brother as Chairman, and I am pleased to announce that the Trustees have elected his son, Richard A. Mellon, the oldest of the next generation of the Mellon family Trustees, as President of the Foundation.

In recognition of Richard P. Mellon's service, he has been named a Trustee Emeritus. As Chairman, he guided grant making that helped transform Pittsburgh into an important center of research, education, and healthcare, through strategic gifts to Carnegie Mellon University, the University of Pittsburgh, and the University of Pittsburgh Medical Center and for such programs as the Pittsburgh Life Sciences Greenhouse.

The Trustees also salute his bold commitment to conservation, particularly through the American Land Conservation Program, which provided over \$410 million in grants to preserve 190 remarkable properties in all 50 states.

It has been extremely gratifying to work alongside him and our other Trustees in efforts to improve the lives of people throughout western Pennsylvania.

Seward Prosser Mellon
Chairman



Seward Prosser Mellon (seated), Chairman effective July 1, 2009, and Chief Executive Officer; and Richard P. Mellon, Chairman until June 30, 2009



A great blue heron's nest located in Beaver County's Raccoon Creek State Park. The park has been designated an Important Bird Area by the National Audubon Society.

The Urban Core: Downtown and Hill District

Many civic agencies contribute to strengthening Pittsburgh's urban core. The **Pittsburgh Downtown Partnership** and the **Hill House Economic Development Corporation**, affiliated with the Hill House Association, have taken on multiple planning, marketing, and development initiatives for Downtown and the Hill, respectively. The Pittsburgh Central Keystone Innovation Zone, established in 2007 by **Duquesne University**, is working to attract new companies to designated commercial corridors in the Hill District, Uptown, Downtown, Southside, and the North Shore by providing tax incentives, grants, and business development services. Today 26 companies with 142 employees and gross revenues of \$11 million collectively occupy this zone, which ranks second in tax credits issued among 29 zones across the state.

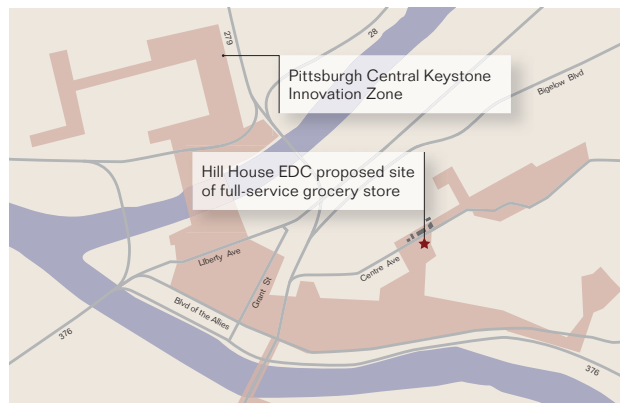
Public open spaces are an integral part of all great urban centers, and constant use over time necessitates a periodic overhaul. The **Pittsburgh Parks Conservancy** has taken on the task of restoring Downtown's heavily trafficked Mellon Square, along with creating a long-term maintenance fund for this architecturally significant Modernist structure.

A new and exciting Downtown landmark that honors Pittsburgh's diverse history and achievement is the **August Wilson Center for African American Culture**. Named for the Pittsburgh-born, two-time Pulitzer Prize winning playwright, the LEED-certified complex opened in September 2009. The world-class cultural center celebrates the contributions of African Americans within the region through visual arts, performing arts, community, and education programs.



Named in 2008 one of ten Great Public Spaces in America by the American Planning Association, Mellon Square, completed in 1955, is the oldest surviving public space above a parking garage. The square's use of tree and bush planters are a forerunner of today's green roof designs, providing pervious surfaces to absorb water and decrease polluted runoff. (above)

The Pittsburgh Downtown Partnership has led an initiative to encourage downtown living with a long-term goal of having approximately 15,000 residents. Since 2001 residency has grown from 3,300 to more than 5,300. Including students, the population is over 8,000. (left)



The Pittsburgh Urban Core

The Hill House Economic Development Corporation is leading an effort to bring a full-service grocery store to the Hill District. In addition to providing \$1 million in tax credits and grants in 2009 to zone businesses, the Pittsburgh Central Keystone Innovation Zone placed 25 college interns with companies in the zone.



The August Wilson Center, designed by Allison Williams, FAIA, of Perkins+Will, makes use of the solar orientation of its triangular urban site. The facility includes a 486-seat theater, galleries, classrooms, gift shop, and cafe.

Wombat Security Technologies, Inc., trains companies' employees to identify fraudulent Uniform Resource Locators (URLs). (far right)

ClearCount Medical Solutions also has received support from the Pittsburgh Life Sciences Greenhouse. Today the company has 22 full-time employees, annual gross sales of \$1 million, and its systems can be found in several leading hospitals nationwide. (right and below)



Creating New and Expanding Existing Businesses

Pittsburgh's progress in growing and diversifying its economy has been facilitated by initiatives to develop new companies arising out of institutional and industrial innovation and research, and programs designed to help existing companies expand.

The **Idea Foundry** helps create new companies by working with over one hundred new business concepts and from among those, identifying eight to ten each year to receive business development assistance and financial resources. Since its inception in 2002, the Idea Foundry has invested in 60 start-ups with a combined employee roster of over 400. Many now generate revenues in the \$1 million to \$5 million range. Some examples include the following.

Fossil Free Fuel, LLC, designs and manufactures fuel systems that enable diesel engines to operate on clean burning, renewable, plant-based fuels. The company is working with a number of commercial clients to implement its technology.

Wombat Security Technologies, Inc., a spinout of Carnegie Mellon University, provides cyber security training and filtering products to government and private sector organizations internationally.

ClearCount Medical Solutions produces SmartSponge and SmartWand-DTX systems for counting and detecting surgical sponges before, during, and after medical operations.



The NCDMM helped Shorts Tool and Manufacturing obtain its HUB Zone certification and is now working with this Crawford County tooling and machining manufacturer to expand its customer base.

One of the core programs of the **National Center for Defense Manufacturing & Machining (NCDMM)** is its small shop initiative, which is designed to help smaller manufacturers compete for United States Department of Defense contracts. The NCDMM works closely with the federal Small Business Administration and small manufacturing firms to promote the Historically Underutilized Business (HUB) Zone program and guide small businesses through the HUB Zone certification process. Only 3.5 percent of the almost 14,000 certified companies are located in Pennsylvania, but since this project received funding, three Pennsylvania companies have been certified, four more are being reviewed and 37 are potential candidates.

Fossil Free Fuel's FFF-G2 is a bolt-on, modular fuel conversion system built specifically for agricultural, commercial, and industrial users. It is capable of operating with algae oil, vegetable oils, and all blends of biodiesel. (left)



Cultural and Recreational Tourism

Vital to fostering creativity and healthy living, cultural amenities and outdoor recreation need to be sustained through economically challenging times. Even in a financial downturn, these quality-of-life advantages remain a stable draw for tourism and are an important resource for workforce retention and recruitment.

At **Carnegie Institute's** Art and Natural History Museums, 300,000 visitors each year enjoy world-class art objects and one of the nation's finest dinosaur collections. The **Frick Art & Historical Center**, located in a picturesque five-acre setting of lawns and gardens in Pittsburgh's East End, offers its 125,000 annual visitors a glimpse into the lifestyle of industrialist and art collector Henry Clay Frick. The **Westmoreland Museum of American Art** in Greensburg welcomes 21,000 visitors annually to its collections and exhibitions depicting American heritage (1750–1950), particularly that of southwestern Pennsylvania. Entrusted to the **Western Pennsylvania Conservancy** by the Kaufmann family in 1963, Frank Lloyd Wright's world-famous Fallingwater, in Fayette County, draws over 160,000 visitors per year.

Western Pennsylvania's rivers, trails, parks, and forests have become the focus of a campaign led by **Sustainable Pittsburgh** to encourage more of the region's young people to take part in activities such as hiking and cycling. To highlight the region's many outdoor amenities, Sustainable Pittsburgh, together with groups including **Venture Outdoors** and the **Student Conservation Association, Inc.**, sponsor Great Outdoors Week, which includes a variety of sports and recreational activities designed to encourage healthy living and environmental stewardship and *Walls Are Bad*, an ongoing media campaign and website that connects people to the many ways they can engage in the outdoors. Annually this effort attracts close to 15,000 participants, 5,000 of whom are high school, college, and university students.

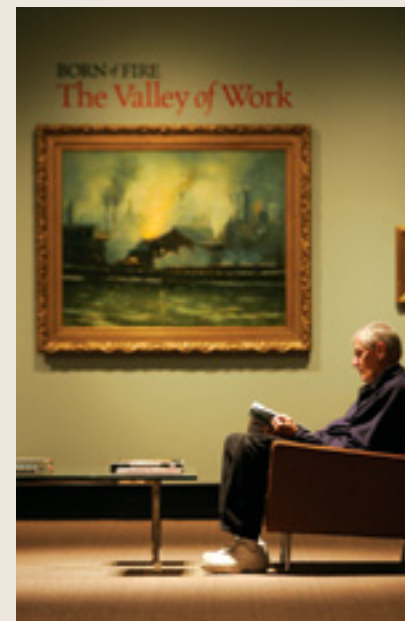
Most of the region's cultural assets draw between 15 and 50 percent of their visitation from out of state; Fallingwater's exceeds 70 percent.



The Carnegie Museum of Art has created an online archive of more than 60,000 works of acclaimed photographer Charles "Teenie" Harris (1909–1998) who photographed the daily lives of African-Americans for The Pittsburgh Courier for over 40 years. To publicize the archive, a retrospective exhibition of his original photographs will open here in 2011 and then travel to several museums nationwide. (above)



The Frick Art & Historical Center offers many interdisciplinary learning experiences for children, families, and teachers.



Promoted through Sustainable Pittsburgh's Walls Are Bad campaign, Venture Outdoors organizes many bike tours around the region including the one shown here of Downtown's and the North Shore's history and architecture.

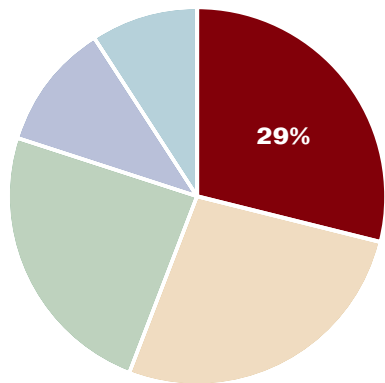
Born of Fire: The Valley of Work. This exhibition, portraying southwestern Pennsylvania's industrial heritage, opened at the Westmoreland Museum of American Art in 2006, and when it closes in Germany in November 2010, it will have been seen by 33,000 visitors at four European venues.

Regional Economic Development Grant Summary

Grants approved **\$16,770,500**

Number of grants **84**

Percent of grants approved



3 Rivers Wet Weather, Inc.
Pittsburgh, PA
\$600,000 toward two-year support of the development of a cost-effective management model for the Allegheny County sewer system

African American Chamber Foundation of Western Pennsylvania
Pittsburgh, PA
\$200,000 toward two years of general operations

Allegheny Conference on Community Development
Pittsburgh, PA
\$390,000 toward general operations

\$75,000 toward costs associated with the G-20 Summit

Allegheny-Singer Research Institute
Pittsburgh, PA
\$280,000 toward costs associated with testing the removal of toxic heavy metals from fluid emanating from use of the hydraulic-fracturing drilling method for natural gas

Asian American Film Festival of Pittsburgh
Pittsburgh, PA
\$50,000 toward the 2009 Film Festival to be held May 8–17

Associated Artists of Pittsburgh
Pittsburgh, PA
\$50,000 to stimulate an influx of artists, collectors, and cultural tourists to Pittsburgh

August Wilson Center for African American Culture
Pittsburgh, PA
\$60,000 toward the search for a new executive director

\$750,000 to provide working capital to support start-up of the August Wilson Center

Bluroof Technologies, Inc.
McKeesport, PA
\$150,000 to establish a proving ground for quality-of-life and green technology

Borough of Smethport
Smethport, PA
\$50,000 to develop a comprehensive business plan and engineering feasibility assessment for the woody biomass, renewable energy, combined heat, and power project

Bridgeway Capital
Pittsburgh, PA
\$185,000 toward expansion of the Beyond Bricks and Mortar Program to educate nonprofits about real estate strategies and options



In September of 2009, Pittsburgh hosted officials from the “Group of 20” leading international economies—19 countries and the European Union. The Allegheny Conference on Community Development was one of the principal local organizers for the G-20 Summit, whose meetings and events took place throughout the city at venues such as Phipps Conservatory and Botanical Gardens.

Carnegie Institute
Pittsburgh, PA
\$50,000 toward an educational exhibition of man’s relationship with the horse

\$250,000 toward Carnegie Museum of Art’s exhibition *Teenie Harris, Photographer: An American Story* (November 2011–February 2012)

Carnegie Mellon University
Pittsburgh, PA
\$28,500 for an analysis of Pittsburgh’s city neighborhoods, performed by Carnegie Mellon University’s Remaking Cities Institute

Children’s Museum of Pittsburgh
Pittsburgh, PA
\$350,000 toward support of general operations

City of Asylum Pittsburgh
Pittsburgh, PA
\$100,000 toward operating costs associated with the pre-construction phase of renovations to the Center for the Literary Arts

City Theatre Company, Inc.
Pittsburgh, PA
\$100,000 toward general operations

Community Foundation of Fayette County
Uniontown, PA
\$20,000 toward assessment of Ohiopyle’s sewage system

\$25,000 to update Ohiopyle Borough’s sewage facilities plan, as required by Pennsylvania’s Department of Environmental Protection

Community Theater Project Corporation
Pittsburgh, PA
\$225,000 toward general operations and the resident artist program

Duquesne University of the Holy Ghost
Pittsburgh, PA
\$25,000 to support the 2008–2009 activities of the Pittsburgh Central Keystone Innovation Zone

East Liberty Development Incorporated
Pittsburgh, PA
\$10,000 toward construction of the Ellsworth Avenue pedestrian bridge in East Liberty

Fay-Penn Economic Development Council
Uniontown, PA
\$125,000 toward community and economic development programs in Fayette County

First United Methodist Church of Pittsburgh
Pittsburgh, PA
\$10,000 toward renovation of the First United Methodist Church of Pittsburgh

Frick Art & Historical Center
Pittsburgh, PA
\$75,000 toward general operations

The Georgia Trust for Historic Preservation
Atlanta, GA
\$50,000 toward interior renovation of the Fort Benning Roundhouse

Grantmakers for Effective Organizations
Washington, DC
\$8,000 toward 2009 membership

Grantmakers of Western Pennsylvania
Pittsburgh, PA
\$20,000 toward 2009 membership

Grow Pittsburgh
Pittsburgh, PA
\$50,000 toward the development and staffing of Braddock Farm

Hill House Economic Development Corporation
Pittsburgh, PA
\$500,000 toward construction of a new, full-service grocery store in Pittsburgh’s Hill District

Historical Society of Western Pennsylvania
Pittsburgh, PA
\$350,000 toward general operations

\$4,500 toward general operations

\$500 toward general operations

Idea Foundry
Pittsburgh, PA
\$500,000 toward programs and a self-sustaining model development

Independent Sector
Washington, DC
\$17,500 toward 2009 membership

Leadership Pittsburgh
Pittsburgh, PA
\$17,500 toward development of a professional, interactive human service experience DVD

Ligonier Valley Rail Road Association
Ligonier, PA
\$30,000 toward support of operations

City of Asylum Pittsburgh’s fifth annual Jazz Poetry Concert featured performances by jazz masters, Trio 3 + Geri Allen, and poets from seven countries. The audience stretched hundreds of feet down this narrow North Side alley, past a series of houses developed by City of Asylum Pittsburgh as homes for writers exiled under threat of persecution.



Regional Economic Development

Kayak Pittsburgh is a project of Venture Outdoors. Located under the Roberto Clemente Bridge, the group rents flat-water kayaks and organizes excursions on Pittsburgh's three rivers.



Manchester Craftsmen's Guild
Pittsburgh, PA
\$325,000 toward support of general operations and critical equipment upgrades

The Mattress Factory, Ltd.
Pittsburgh, PA
\$250,000 toward support of general operations and to help achieve financial stability

Minority and Women Educational Labor Agency
Pittsburgh, PA
\$350,000: \$300,000 toward general operations and \$50,000 for ongoing consulting and mentoring services through Bridgeway Capital
\$250,000 toward general operations

Mount Airy Baptist Church
Newton, GA
\$700,000 toward construction of a new church

National Center for Defense Manufacturing & Machining
Latrobe, PA
\$100,000 to assist manufacturers in obtaining government contracts

Neighbors in the Strip
Pittsburgh, PA
\$150,000 toward two-year support of construction of a public market in the Strip District's historic produce buildings

Northside Leadership Conference
Pittsburgh, PA
\$250,000 toward restoration of the farmers' market section of Allegheny Commons Park including lighting, trees, paths, and pedestrian amenities

Oakland Planning and Development Corporation
Pittsburgh, PA
\$85,000 toward Innovation Oakland, a program that includes pedestrian signage, historical markers, and a digital kiosk system

The Pennsylvania State University
University Park, PA
\$40,000 to conduct an engineering analysis and the redesign of facilities for the Southwest Regional Renewable Energy Incubator

\$40,000 to develop a business plan for BioEnergy Bridge, a university and industry partnership formed to address the need for integrated research and technology development in the area of bioenergy research, development, and deployment

\$600,000 toward two-year support of operations and research and development of BioEnergy Bridge

Philanthropy Roundtable
Washington, DC
\$24,000 toward philanthropic efforts in Pennsylvania

Pittsburgh Ballet Theatre, Inc.
Pittsburgh, PA
\$300,000 toward support of general operations

Pittsburgh Council for International Visitors
Pittsburgh, PA
\$100,000 toward three-year support of efforts to develop a self-sustaining and expanded promotional and visitor program for Global Pittsburgh

Pittsburgh Downtown Partnership
Pittsburgh, PA
\$10,000 to launch a program to activate 28 to 32 vacant storefronts in Downtown Pittsburgh

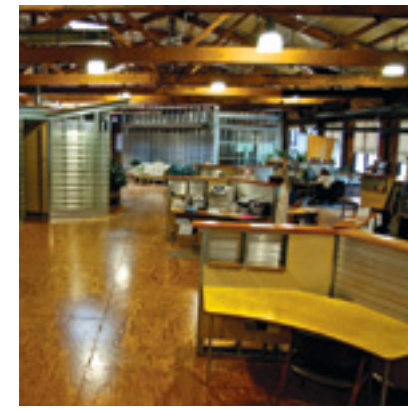
\$200,000 toward the 2010 Downtown Living Initiative

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

\$5,000 toward promotional and educational materials for the film *Rachel Is...*



In 2009 the Pennsylvania Department of Environmental Protection issued 1,984 permits for Marcellus Shale wells. Each well requires between two and nine million gallons of water for hydrofracturing to facilitate gas extraction. The Allegheny-Singer Research Institute is investigating ways to purify this water after its use.



The Pittsburgh Foundation
Pittsburgh, PA
\$100,000 toward a public education campaign on the City-County consolidation efforts

\$60,000 toward an integrated strategic alliance between the Community Foundation of Westmoreland County and The Pittsburgh Foundation

Pittsburgh Gateways Corporation
Pittsburgh, PA
\$273,000 toward support of programming for America's Music Crossroads Center

\$332,000 program-related investment in the Energy and Carbon Credit Aggregation Program

Pittsburgh Glass Center, Inc.
Pittsburgh, PA
\$75,000 toward general operations and a new boiler

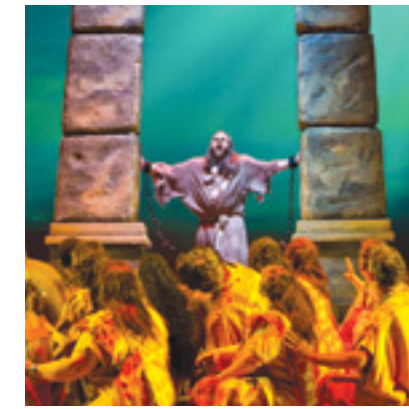
Pittsburgh Opera, Inc.
Pittsburgh, PA
\$300,000 toward general operations

Pittsburgh Parks Conservancy
Pittsburgh, PA
\$1,500,000 toward the restoration and maintenance of Mellon Square in Downtown Pittsburgh

Pittsburgh Partnership for Neighborhood Development
Pittsburgh, PA
\$150,000 toward community development activities in Pittsburgh neighborhoods

The Pittsburgh Public Theater Corporation
Pittsburgh, PA
\$150,000 toward audience development and general operations

Pittsburgh Symphony, Inc.
Pittsburgh, PA
\$350,000 toward general operations



The Pittsburgh Trust for Cultural Resources
Pittsburgh, PA
\$50,000 toward support of events marking The Pittsburgh Cultural Trust's 25th anniversary

\$50,000 toward support of the Festival of Lights to coincide with the G-20 Summit
\$20,000 toward support of First Night 2010

The Poise Foundation
Pittsburgh, PA
\$325,000 toward three years of general operations and the development of a strategy to grow the endowment

\$200,000 to assist Dwelling House Savings & Loan in reaching the asset minimum requirement set by the Office of Thrift Supervision

RIDC Fund for Economic Growth
Pittsburgh, PA
\$75,000 toward costs associated with updating the strategic plan and website

Riverlife
Pittsburgh, PA
\$500,000 toward two years of general operations

Robert Morris University
Moon Township, PA
\$25,000 for the Bayer Center for Nonprofit Management to complete a study on the impact of the economic crisis on nonprofit organizations

The Sprout Fund
Pittsburgh, PA
\$200,000 toward support of general operations

Pittsburgh Opera's home in the Strip District includes a 3,600-square-foot "black box" performance space, rehearsal, wardrobe, and costume space, a library, individual studios for vocal and instrument practice, and administrative offices. (far left)

Frank Porretta portrays Sampson in Pittsburgh Opera's production of Samson & Dalila by Camille Saint-Saëns. (left)

Sustainable Pittsburgh
Pittsburgh, PA
\$600,000 to support the policy and practice of sustainability in southwestern Pennsylvania and to enhance outdoor recreational opportunities in the region

\$650,000 toward support of the Outdoor Recreation Partnership, Sustainable Business and Communities Programs, and overseeing projects and activities associated with Pittsburgh's designation as the North American host of World Environment Day

The Union Project
Pittsburgh, PA
\$150,000 toward execution of the transformation business plan

University of Pittsburgh, Institute of Politics
Pittsburgh, PA
\$400,000 toward two-year support of the Power of 32 (counties) regional visioning process

Venture Outdoors
Pittsburgh, PA
\$150,000 toward programs and general operations

Western Pennsylvania Conservancy
Pittsburgh, PA
\$175,000 toward design, engineering, cost estimating, and permitting for on-site parking upgrades at Fallingwater

Westmoreland Museum of Art d/b/a Westmoreland Museum of American Art
Greensburg, PA
\$150,000 toward the planning phase of an upcoming capital expansion project

WQED Pittsburgh
Pittsburgh, PA
\$50,000 toward development of a business plan



High school students from the Pittsburgh Public Schools. In the first full year of The Pittsburgh Promise initiative, 1,376 of the 2,017 Pittsburgh Public Schools' 2008 graduates applied for Promise scholarships. Of those applicants, 1,172 were eligible, and 901 accepted scholarships and enrolled at Promise-approved, post-secondary institutions.



Creating Opportunity

More than ever, education is essential for successful lifetime employment. For students whose families lack the financial resources to pay for education a number of programs and institutions are working to make it possible.

The Pittsburgh Promise, a supporting organization of **The Pittsburgh Foundation**, has set out to raise \$250 million toward scholarships for graduates of the Pittsburgh Public Schools. A partnership among the schools, the University of Pittsburgh Medical Center, and local foundations and corporations, The Pittsburgh Promise coincides with reform efforts underway in the city school system and serves as an incentive for families to live in the city. To be eligible in 2009, students needed to have a cumulative grade point average of 2.25 and an attendance record of 85 percent for their senior year. Students can use their Promise scholarships at nearly all two- or four-year degree programs offered by public and private colleges, universities, and career and technical schools in Pennsylvania.

For the past 47 years, the **Negro Emergency Educational Drive (NEED)** has helped 20,000 students throughout Allegheny County attend 700 colleges and universities all over the country by providing over \$18 million in scholarships and assistance with living costs.

Tuition for all students at **Our Mother of Sorrows School** in Johnstown, Pennsylvania is highly subsidized by the local parish, and the school offers many need-based scholarships for the 276 preschoolers through eighth graders enrolled. Students from seven different school districts in four counties—Cambria, Indiana, Somerset, and Westmoreland—attend the parochial school.

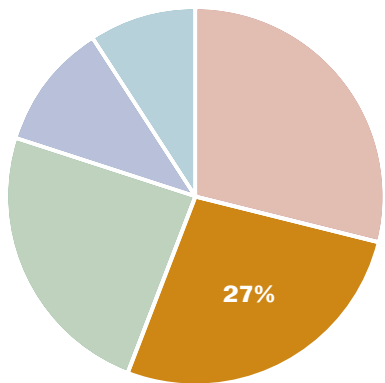


Our Mother of Sorrows School in Johnstown consistently scores among the top ten percent of elementary schools in national standardized tests. (top)

Janai Michelle Williams (seated) received her BA and Masters in Urban Planning from the University of Pennsylvania through a 1999–2003 Richard King Mellon Foundation NEED scholarship. Today she is a principal with Ebony Holdings, a public relations and strategic planning firm located in the Hill District. She is shown here with five of her 15 employees. (bottom)

Education Grant Summary

Grants approved	\$15,467,000
Number of grants	30
Percent of grants approved	



Allegheny College
Meadville, PA
\$75,000 toward support of Creek Connections' Pittsburgh Science Program

Carnegie Institute
Pittsburgh, PA
\$30,000 to develop fifth-, sixth-, and seventh-grade curriculum on conservation and ecosystems for the Pittsburgh Public Schools

\$67,000 toward final design and bidding for a trail and southern entry for the Carnegie Science Center

Carnegie Library of Pittsburgh
Pittsburgh, PA
\$25,000 toward development of a communication plan for the library's restructuring efforts

Chatham University
Pittsburgh, PA
\$750,000 to create a master plan for the development of the Eden Hall Campus and to hire essential leadership for the School of Sustainability and the Environment



The Fund for Advancement of Minorities through Education (FAME) provides need-based financial assistance for African-American students, fourth through twelfth grades, to attend five Pittsburgh independent schools: Winchester Thurston School and The Ellis School and Sewickley, St. Edmund's (shown here), and Shady Side Academies. Since FAME began in 1994, the program has grown from offering five scholarships to 56 annually.

Child Development Centers
Franklin, PA
\$150,000 to complete the expansion of the Hasson Heights Child Development Center

Community College of Allegheny County Educational Foundation
Pittsburgh, PA
\$75,000 toward hiring full-time faculty for the nursing program and curriculum revisions

Coro Center for Civic Leadership
Pittsburgh, PA
\$45,000 toward Running for Public Office 2009, an experiential learning program

Crossroads Foundation
Pittsburgh, PA
\$50,000 toward general operations

Derry Area School District Foundation
Derry, PA
\$40,000 toward construction of an outdoor amphitheater and art center

The Community College of Westmoreland County, which operates in seven locations in Westmoreland, Fayette, Greene, and Indiana Counties, provides affordable access to credit and noncredit education for 19,000 students whose average age is 27. The school offers associate degrees in arts and applied science as well as diploma and certificate programs.

Family Communications, Inc.
Pittsburgh, PA
\$250,000 toward development of a pilot episode of an animated children's television program, *Daniel's Neighborhood*, for PBS

Family Tyes, Inc.
Pittsburgh, PA
\$250,000 toward general operations

Fund for Advancement of Minorities through Education
Pittsburgh, PA
\$250,000 toward three years of general operations

Imani Christian Academy
Pittsburgh, PA
\$135,000 toward a construction-trades mentoring program

Ligonier Valley School District
Ligonier, PA
\$50,000 toward preparation of a long-range strategic facility plan

National Geographic Society
Washington, DC
\$70,000 toward the planning process to design a collaborative project around conservation and environmental awareness with Pittsburgh educational institutions

Negro Educational Emergency Drive
Pittsburgh, PA
\$2,000,000 toward the College Access Program Campaign

The Neighborhood Academy
Pittsburgh, PA
\$500,000 toward two years of general operations and toward the Forging Futures Campaign

Our Mother of Sorrows School
Johnstown, PA
\$50,000 toward repairs for the roof of the school building



Pennsylvania Institute for Conservation Education
Bloomsburg, PA
\$201,000 toward three years of general operations for PA Wildlife Leadership Adventures

The Pennsylvania State University
University Park, PA
\$70,000 to establish The Center for Specialty Crop Evaluation and Improvement to be housed in the Department of Horticulture

The Pittsburgh Foundation
Pittsburgh, PA
\$9,000,000: a three-year grant toward support of The Pittsburgh Promise

Pittsburgh Voyager
Pittsburgh, PA
\$49,000 to support a joint public program with Carnegie Science Center

Robert Morris University
Moon Township, PA
\$300,000 toward two years general operations of the Bayer Center for Nonprofit Management

Saint Vincent College
Latrobe, PA
\$500,000 toward two-year support of the development of an online community for early learning teachers, caregivers, and families for the Fred Rogers Center Learning Network

University of Pittsburgh, Institute of Politics
Pittsburgh, PA
\$150,000 toward three years of general operations

University of Pittsburgh, School of Medicine
Pittsburgh, PA
\$10,000 toward support of the 2009 Mellon Lecture

University of Pittsburgh, School of Social Work
Pittsburgh, PA
\$50,000 toward support of a June 2010 conference on racial equity

Westmoreland County Community College Educational Foundation, Inc.
Youngwood, PA
\$200,000 to establish a diagnostic medical sonography program

World Affairs Council of Pittsburgh
Pittsburgh, PA
\$75,000 to create and implement a young professionals group focused on those with international backgrounds or interest

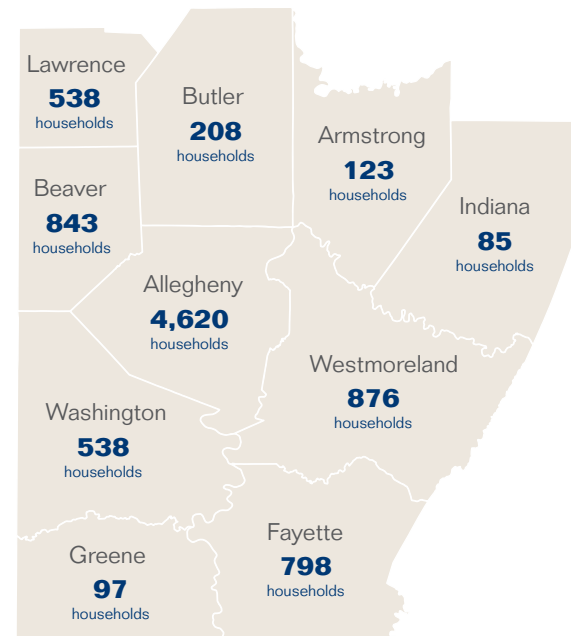
Addressing Basic Needs

Among the many organizations responding to the increased demand for assistance in 2009 was the **Greater Pittsburgh Community Food Bank, Inc.**, that visited companies, job fairs, churches, and other human service agencies to make them aware of the many different ways it could help people severely affected by the economic downturn. Its program, Produce to People, which supplies fresh fruits and vegetables directly to families, expanded to more neighborhoods, serving between 500 and 700 families at every distribution. More than 108,000 individuals were helped by this agency and its partner agencies each month in Allegheny County and ten adjacent counties.

To help low-income families and senior citizens restore or maintain household gas, electric, and/or water service, the **Dollar Energy Fund** provides financial assistance as well as payment counseling, consumer education, and suggestions for energy conservation.

While southwestern Pennsylvania did not experience the dramatic increase in home foreclosures suffered in other parts of the country, the recession did bring an additional need for assistance. **NeighborWorks® Western Pennsylvania** took action through a coalition with four other agencies—Mon Valley Initiative; ACTION Housing, Inc.; Fair Housing Partnership; and the Urban League—by delivering to clients in crisis more efficient and effective credit counseling and homebuyer and loan product education. Working together as the Housing Counseling Collaborative, these organizations also found that they were able to expand the number of clients they served individually.

Dollar Energy Fund Households served by county



More than three million dollars in financial assistance was provided to 8,726 western Pennsylvania households in 2008–2009, an increase of 21 percent over the previous year.



Sycamore Street on Mount Washington. Dollar Energy Fund partners with local community-based organizations like the Mount Washington Community Development Corporation where families can apply for assistance with utility bills.

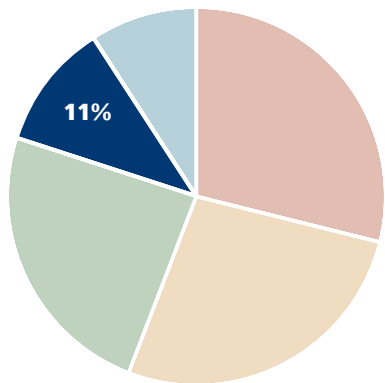
The Greater Pittsburgh Community Food Bank enjoys the support of 10,000 volunteers of all ages including children, like those shown here, who have organized a bake sale.



The Housing Counseling Collaborative helped the families who purchased these newly constructed residences in North Braddock (above) and this fully renovated residence in Turtle Creek (left) obtain affordable loans and budget for ongoing maintenance and other costs associated with home ownership.

Human Services and Nonprofit Capacity Building Grant Summary

Grants approved	\$6,408,000
Number of grants	29
Percent of grants approved	



Catholic Charities of the Diocese of Pittsburgh, Inc., works with churches such as Saint Raphael's in Pittsburgh's Morningside neighborhood where this parish operates a food pantry.

The Albert Schweitzer Fellowship
Pittsburgh, PA
\$50,000 to aid the Pittsburgh Schweitzer Fellows Program in continuing its role in developing leaders in service for underserved communities in southwestern Pennsylvania

American Red Cross, Southwestern Pennsylvania Chapter
Pittsburgh, PA
\$100,000 toward disaster relief for families in Allegheny and Westmoreland Counties affected by the June 17, 2009, floods

Catholic Charities of the Diocese of Pittsburgh, Inc.
Pittsburgh, PA
\$50,000 toward basic needs assistance and a mapping project

Connect, Inc.
Charleroi, PA
\$50,000 to renovate a portion of the building at 218 South Maple Avenue in Greensburg to accommodate a program to serve the chronically homeless and mentally ill

Dollar Energy Fund
Pittsburgh, PA
\$250,000 to provide utility assistance to low-income families in southwestern Pennsylvania

Family Resources
Pittsburgh, PA
\$75,000 to provide highly secure supervised visitation with noncustodial parents through the Parental Stress Center

Focus on Renewal Sto-Rox Neighborhood Corporation
McKees Rocks, PA
\$260,000 toward general operations, including \$10,000 for the Mooncrest Children's Program

Greater Pittsburgh Community Food Bank
Duquesne, PA
\$150,000 toward general operations and food purchases to meet increased demand

Hosanna House, Inc.
Wilkesburg, PA
\$300,000 toward upgrades to the summer camp property and for general operations



In 2009 the United Way of Allegheny County's Impact Fund distributed grants to 64 direct human service providers throughout Allegheny County. Shown here is a volunteer from one of these agencies, North Hills Community Outreach, Inc., which operates a free winter coat shop and provides other assistance to struggling families.



Light of Life Rescue Mission, Inc.
Pittsburgh, PA
\$125,000 toward general operations

Ligonier Township Police Department
Ligonier, PA
\$30,000 toward expenses of the K-9 program

The Midwife Center for Birth and Women's Health
Pittsburgh, PA
\$100,000 to provide care to uninsured and underinsured women and infants, as part of the Midwife Center's Beginning Campaign

Mutual Aid Ambulance Service, Inc.
Greensburg, PA
\$123,000 to purchase new equipment and training manuals to modernize public access to the automated external defibrillator system in Westmoreland County

National Brain Tumor Society, Inc.
Watertown, MA
\$5,000 to provide general support for educational and research efforts

Neighborhood Housing Services, Inc., d/b/a NeighborWorks® Western Pennsylvania
Pittsburgh, PA
\$320,000 toward enhanced services for a wider population of new and struggling homeowners

North Hills Community Outreach, Inc.
Allison Park, PA
\$10,000 toward parking lot paving

North Side Christian Health Center
Pittsburgh, PA
\$260,000 toward general operations and a Kresge Foundation match

The Salvation Army
Carnegie, PA
\$10,000 toward the Red Shield Campaign

Sisters of Charity of Seton Hill
Greensburg, PA
\$300,000 toward construction of a water pumping facility

United Way of Allegheny County
Pittsburgh, PA
\$300,000 toward the 2008 Annual Campaign programs

\$400,000 to help at-risk children and struggling families

United Way of Westmoreland County
Greensburg, PA
\$25,000 toward disaster relief for families in Westmoreland County affected by the June 17, 2009, floods

\$180,000 toward three-year support of the July 2009 merger of the Chestnut Ridge and Westmoreland Chapters of the American Red Cross

Urban League of Greater Pittsburgh
Pittsburgh, PA
\$750,000 toward necessary relocation of corporate offices

Mutual Aid Ambulance Service, Inc., answers 80,000 emergency calls per year in Fayette, Somerset, and Westmoreland Counties. Shown here, an ambulance prepares to transfer a patient to a helicopter for transport to an area hospital.



Wesley Spectrum Services
Pittsburgh, PA
\$1,500,000 program-related investment at 0% interest for six months to re-establish cash reserve depleted by the 101-day state budget approval delay

Western Pennsylvania School for the Deaf
Pittsburgh, PA
\$85,000 to renovate the printing and graphics shop

Westmoreland County Food Bank, Inc.
Delmont, PA
\$100,000 toward support of operations for food and staffing to meet increased demand

Westmoreland Human Opportunities, Inc.
Greensburg, PA
\$300,000 toward three-year support of the Circles Initiative in western Pennsylvania using a strategy to empower people to permanently transition out of poverty

Young Women's Christian Association of Westmoreland County
Greensburg, PA
\$200,000 toward general operations



Each year approximately 8,000 parents, children, and teenagers visit Family Resources' Retreat Center where they are provided therapeutic treatment in a wooded setting of 185 acres in Cranberry Township.



Safety Net Programs

The well-being of children has been a focus of the Foundation since its inception in 1947. Today many effective organizations support the needs of children in western Pennsylvania, particularly those in difficult home environments or without a home at all. Among the most significant threats to children are violence and abuse.

Located on the North Side in one of the most challenged Pittsburgh neighborhoods, where 42 percent of the children live in poverty, **The Pittsburgh Project** serves children and the elderly and fosters community revitalization. Kindergarteners through twelfth graders attend its after-school and summer programs, which include an academic curriculum. Its summer service camps attract several thousand students from across the country to help the elderly repair their homes.

Family Resources and **Parental Stress Center** are among the organizations helping families and communities prevent and treat child abuse. Family Resources, a licensed mental health outpatient facility, is the largest child abuse prevention and treatment agency in the region, while Parental Stress Center offers safe family visitation programs, in child custody cases, and family reunification services. Recognizing the opportunity to build upon one another's core strengths and at the same time eliminate redundant overhead costs, the two organizations merged. Family Resources acquired Parental Stress Center's services and facilities, enabling the joined organization to continue all services previously offered by both and to increase the number of families assisted.

The Pittsburgh Project's Leaders in Training Program prepares high school students for higher education and the work environment. Students also are given college preparatory classes and jobs such as working at the Charles Street Farmers' Market on the North Side.



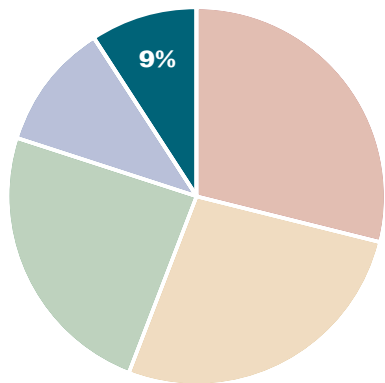
Throughout the summer, students from around the country come to Pittsburgh and donate a week of their time repairing houses of low-income elderly homeowners.

Children, Youth, and Young Adults Grant Summary

Grants approved **\$5,413,030**

Number of grants **31**

Percent of grants approved



3 Rivers Connect

Pittsburgh, PA
\$30,000 to design a community-oriented, data-gathering initiative for the community of Homewood

Allegheny Council To Improve Our Neighborhoods, ACTION-Housing, Inc.

Pittsburgh, PA
\$100,000 to establish a masonry pre-apprenticeship program

Big Brothers Big Sisters of Greater Pittsburgh

Pittsburgh, PA
\$50,000 toward support of 1,000 mentoring partnerships

Boys Hope Girls Hope

Baden, PA
\$100,000 toward the construction of a permanent second home for disadvantaged girls

The Challenge Program, Inc.

Johnstown, PA
\$130,000 to introduce high school students to careers in the energy sector

Children's Hospital of Pittsburgh Foundation

Pittsburgh, PA
\$100,000 toward the establishment of the Arnold Palmer Family Fund

The Children's Institute of Pittsburgh

Pittsburgh, PA
\$600,000 toward two-year support for pediatric research related to autism

Coal Country Hang-Out

Northern Cambria, PA
\$10,000 to expand the experiential education program for the arts, environmental studies, and contemporary issues

Coro Center for Civic Leadership

Pittsburgh, PA
\$350,000 toward two-year support of the Regional Internship Program and the Young Leaders for Green Communities Program

East End Cooperative Ministry, Inc.

Pittsburgh, PA
\$250,000 toward general operations and planning for the Community House project



Through leading-edge treatment in spinal cord injury rehabilitation and research in areas like autism, The Children's Institute of Pittsburgh provides expert care that helps children with special needs reach their maximum potential.

Family Resources

Pittsburgh, PA
\$421,000 toward costs associated with merging with the Parental Stress Center

Garfield Jubilee Association, Inc.

Pittsburgh, PA
\$95,000 toward capacity building and general operations

Gateway Rehabilitation Center

Moon Township, PA
\$175,000 toward start-up costs of a new youth halfway house

Leadership Pittsburgh

Pittsburgh, PA
\$3,500 toward the production of a DVD on the work of One Vision One Life, Inc.

Lifesteps

Butler, PA
\$400,000 toward support for organizational infrastructure, facilities, and technology

Manchester Craftsmen's Guild

Pittsburgh, PA
\$250,000 toward support of the Youth and Arts Program

Manchester Youth Development Center, Inc.

Pittsburgh, PA
\$300,000 toward two-year support of general operations and programs

The Mentoring Partnership of Southwestern PA

Pittsburgh, PA
\$10,000 toward the Mentoring Partnership program

One Vision One Life, Inc.

Pittsburgh, PA
\$305,000 toward two-year support of violence intervention and prevention programs

Pennsylvania Partnerships for Children

Harrisburg, PA
\$150,000 to build a diverse, statewide coalition to create an agenda around providing appropriate education and training programs for high school students and dropouts

Pittsburgh Entertainment Project

Pittsburgh, PA
\$200,000 toward the Youth and Media Initiative and nonprofit capacity building

The Pittsburgh Project

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

Scottdale Free Public Library

Scottdale, PA
\$30,000 toward development of an outdoor area to hold children's programs

Sisters of St. Francis of the Neumann Communities

Pittsburgh, PA
\$50,000 toward two-year support of general operations

Smithsonian Institution

Washington, DC
\$5,000 toward Ability Pittsburgh, a daylong program for students with disabilities, co-sponsored with the Senator John Heinz History Center

Sports Heroes and Humanitarians Museum of Pittsburgh

Pittsburgh, PA
\$55,000 to establish the Clemente Society, a contributor-supported initiative that will generate funds to help sustain the Clemente Museum and to continue Roberto Clemente's lifelong commitment to helping at-risk youth

Urban Youth Action, Inc.

Pittsburgh, PA
\$100,000 toward the youth development program

Young Men's Christian Association of Pittsburgh

Pittsburgh, PA
\$8,530 toward costs associated with establishing the Homewood Children's Village as a nonprofit corporation

Young Women's Christian Association of Greater Pittsburgh

Pittsburgh, PA
\$25,000 toward summer camp tuition for low-income, school-age children on the subsidy waiting list

YouthPlaces

Pittsburgh, PA
\$100,000 toward support of the 2009 Summer Youth Violence Prevention Project

Students from Bethel Park Middle School are being given a tour of the Sports Heroes and Humanitarians Museum of Pittsburgh by museum founder Duane Rieder.



Rural and Urban Watershed Protection

The Indian Creek watershed, much of which originates in Forbes State Forest and joins the Youghiogheny River at Connellsville, Pennsylvania, is the site of numerous abandoned mine discharges. Dedicated to remediating this acid mine drainage in Westmoreland and Fayette Counties is the **Mountain Watershed Association, Inc.** To date, four remediation projects have been completed, resulting in a reduction of acidic flows by 60 percent, and the Association has several more remediation efforts planned. Because strip-mining in the watershed continues, post-cleanup monitoring and testing for iron and aluminum will be ongoing.

Nine Mile Run is a stream that runs through Pittsburgh's East End, and in 2006, with assistance from the Army Corps of Engineers and the City of Pittsburgh, **Nine Mile Run Watershed Association, Inc.**, completed the restoration of its aquatic ecosystem. The improvements involved stream channel reconfiguration, wetland reconstruction, and native wildlife habitat enhancement. Today one of the 6.5-square-mile watershed's challenges is that impermeable surfaces account for more than 25 percent of its footprint, allowing runoff to flow directly into storm drains instead of being absorbed into the ground. During wet weather, Nine Mile Run quickly floods, causing stream bank erosion, sewage overflows, and damage to the habitat. The Association projects that it can reduce the amount of rain water from flowing over hard surfaces by 11 percent through the installation of 4,000 rain barrels, each holding 133 gallons of storm water, which can be released into the soil after a storm. To date over 1,400 barrels have been installed and are being monitored by staff and volunteers to determine the effectiveness of this process.



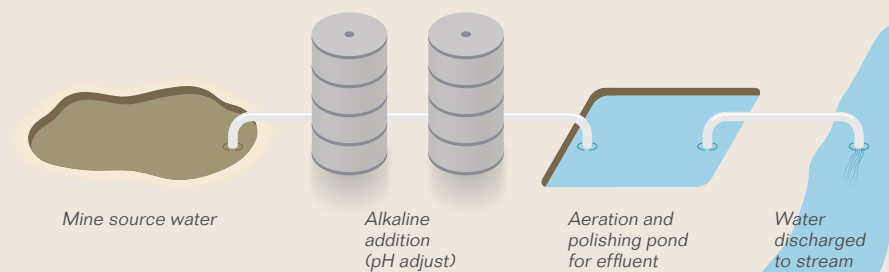
On June 17, 2009, the East End of Pittsburgh was struck by a major storm. Gauges in the Nine Mile Watershed recorded almost five inches of rain falling between six p.m. and midnight, which caused several of Nine Mile Run's engineered rock riffles to be blown out and boulders anchored into its banks to be dislodged. The area has been restored utilizing larger stones with better placement to ensure that future storms do not cause the same level of damage. (above and right)



One of the 1,400 rain barrels that can be found at homes in the Nine Mile Run Watershed (left)

Abandoned Mine Drainage Active Treatment Process

Mountain Watershed Association, Inc., completed active treatment of the former Kalp Mine discharge as an emergency measure prior to constructing a passive system in Melcroft, Pennsylvania. Shown here is a diagram of the active process.





In 2009, as part of its working lands program, The Conservation Fund secured conservation easements for two ranches totaling almost 11,000 acres along the Rocky Mountain Front in Montana. The Young Ranch (above) is comprised of 4,723 acres of pristine native prairie that provides critical habitat for a population of 700 grizzly bears. The property also has five miles of riparian habitat along Willow Creek, a tributary of the Missouri River. The Hoon Ranch (right) is a 6,024-acre, virtually untouched, year-round habitat for wolves, wolverine, and lynx and in winter, for elk.



Land Protection and Urban Stewardship

“We will be known forever by the tracks we leave.”
Proverb of the Dakota Native Americans

In Montana’s spectacular Rocky Mountain Front, a public/private partnership led by **The Conservation Fund** is working to protect 220,000 acres of privately owned lands and to preserve the area’s traditional ranching heritage in lieu of vacation home development. In 2007 the Richard King Mellon Foundation became a partner in this effort to leverage \$100 million in public and philanthropic resources for the purchase of conservation easements and outright donations of land. Already, 15 projects have protected more than 55,000 acres of critical migratory habitat for grizzly bears and a wide variety of other species that depend on the Front’s rich ecosystem.

TreeVitalize uses guidelines developed by the Pittsburgh Shade Tree Commission. The trees planted on Parkview Avenue in Pittsburgh’s Central Oakland neighborhood, Red Jewel flowering crabapples, were selected to accommodate overhead utility lines.

Here, the **Western Pennsylvania Conservancy**, which has protected 225,000 acres of natural lands and waterways since its founding in 1932, acquired 2,400 acres of land adjacent to Moshannon State Forest and State Game Lands #331 in Clearfield County. The property will be managed for recreation and sustainable forestry.

The Conservancy also has become the local lead on “TreeVitalize,” a statewide effort sponsored by the Pennsylvania Department of Conservation and Natural Resources to plant tens of thousands of trees primarily in urban areas throughout Pennsylvania. Working with local public and private agencies and 44 community groups, more than 4,000 trees have been planted in the last three years, and another 16,000 are scheduled to be planted by 2012. TreeVitalize has recruited nearly 500 “Tree Tenders,” citizens who are helping to plant the trees and are being trained to take care of them.



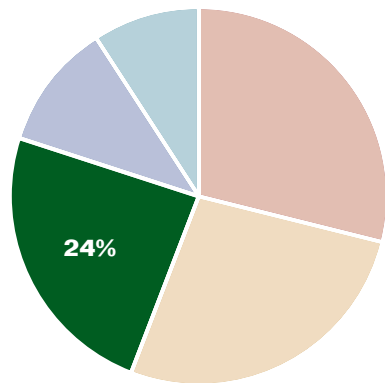
Tree Tenders plant trees in Pittsburgh’s Lawrenceville neighborhood.



Conservation Grant Summary

Grants approved	\$14,289,280
Number of grants	44

Percent of grants approved



Allegheny Land Trust

Sewickley, PA
\$75,000 toward implementation of conservation priorities identified in the Green Print Plan

American Fisheries Society, Inc.

Bethesda, MD
\$10,000 toward the National American Fisheries Society's annual conference to be held in Pittsburgh on September 12–16, 2010

Community Foundation of Greater Johnstown

Johnstown, PA
\$50,000 toward Riverwalk, a green space venue around the perimeter of the Greater Johnstown Regional Technology Complex

Conservation Consultants, Inc.

Pittsburgh, PA
\$130,000 toward the creation of an energy-related public education and outreach program to be offered by the Pennsylvania Departments of Environmental Protection and Community and Economic Development and other entities

The Conservation Fund

Arlington, VA
\$2,500,000 to help implement a strategy to protect and preserve the Rocky Mountain Front ecosystem

\$2,000,000 toward the purchase of an easement on 187,597 acres of working forestland

County of Allegheny

Pittsburgh, PA
\$100,000 toward two-year support of the sustainability manager position for the Allegheny Green Program

Foundation for California University of Pennsylvania

California, PA
\$900,000 toward three-year support of operations for Farmland Habitat Restoration and Watershed Conservation in Pennsylvania

\$40,000 to reintroduce wild pheasants into Somerset County

Foundation for Pennsylvania Watersheds

Alexandria, PA
\$300,000 toward conservation planning and capacity building

\$600,000 toward two-year support of programs to assist in abandoned mine drainage restoration, environmental planning and design, stream restoration, riparian buffer plantings, and education

Friends of the Riverfront

Pittsburgh, PA
\$40,000 toward stewardship of the Three Rivers Heritage Trail and Three Rivers Water Trail

Grove City College

Grove City, PA
\$50,000 toward restoration of Wolf Creek and to establish a nature trail and parklet for school and public use

Land Trust Alliance, Inc.

Washington, DC
\$150,000 to develop and pilot a new assessment tool focused on fee land stewardship in western Pennsylvania and to protect conservation easements

Looking Glass Institute

Pittsburgh, PA
\$15,000 toward encouraging greater collaboration to enhance impact and sustainability of environmentally concerned organizations

\$59,000 to assess and assist eight Pittsburgh-based environmental and conservation organizations with shared services

Loyalhanna Watershed Association, Inc.

Ligonier, PA
\$50,000 toward the cost of a feasibility study for the Ligonier Valley Trail System and/or the construction of the Mill Creek Bridge

\$40,000 toward the purchase of property in Westmoreland County

\$40,000 toward general operations

The Foundation for California University of Pennsylvania is a member of Partners for Fish and Wildlife, a consortium of public and private agencies that promotes comprehensive water, habitat, and wildlife conservation solutions in farming areas of central and western Pennsylvania. Since 1995 the coalition has fenced 375 miles of stream banks, protected over 4,000 acres of wetlands, and created over 5,800 acres of grassland and border edge cuts.



Mount Washington Community Development Corporation

Pittsburgh, PA
\$250,000 toward restoration and management efforts of the Grand View Scenic Byway Park

Mountain Watershed Association, Inc.

Melcroft, PA
\$250,000 toward two-year support of restoration efforts of the Indian Creek and Jacob's Creek watersheds

\$15,000 to engage Rhiza Labs to perform an assessment of data modeling and design services for a portal website

\$48,000 toward Phase II of a Rhiza Insight-powered website for the Indian Creek Watershed

National Audubon Society

Audubon, PA
\$150,000 toward two-year support of the Important Bird Areas Program in western Pennsylvania and to promote citizen engagement in conservation

National Park Foundation

Washington, DC
\$3,930 toward the Flight 93 Memorial Campaign 9/11 event

The Nature Conservancy, Inc.

Harrisburg, PA
\$50,000 toward development of new data layers relevant to land protection strategies in western Pennsylvania

Nine Mile Run Watershed Association, Inc.

Pittsburgh, PA
\$29,000 to complete repairs to Nine Mile Run, which suffered significant storm damage on June 17, 2009

Penn's Corner Conservancy Charitable Trust

Greensburg, PA
\$100,000 toward public education for storm-water management projects currently being planned for Westmoreland County

Pennsylvania Environmental Council, Inc.

Harrisburg, PA
\$75,000 to support planning to determine whether the Susquehanna River should be added to the Captain John Smith Chesapeake National Historic Trail

Pennsylvania Parks and Forests Foundation

Harrisburg, PA
\$75,000 toward restoration of Stewart Place on the Green in Ohiopyle, PA

Pittsburgh Community Broadcasting Corporation

Pittsburgh, PA
\$50,000 toward radio programming for three new Allegheny Front programs: Overcoming Nature Deficit Disorder, Creating a Sustainable City, and Water Management in Pennsylvania

Rachel Carson Homestead Association

Springdale, PA
\$25,000 to develop Pittsburgh as a model of sustainable policies and practices and toward the preservation of Rachel Carson's homestead

Resources Legacy Fund

Sacramento, CA
\$24,750 toward costs associated with the Wingspread Conference and the development of a summary of funder information to support the Department of Interior's Treasured Landscapes Initiative

Ruffed Grouse Society of America

Coraopolis, PA
\$132,000 for purchase of equipment to manage grouse and woodcock habitat in the state of Michigan

\$250,000 toward general operations and local and state habitat projects

Steel City Rowing Corporation

Verona, PA
\$150,000 toward purchase of property to expand the park space for the Verona Riverfront Project

Student Conservation Association, Inc.

Charlestown, NH
\$300,000 toward the Pittsburgh Community Programs and Green Cities Intern Corps

\$325,000 to improve Pittsburgh's quality of life through the conservation service efforts of high school members and Green Cities interns

\$500,000 program-related investment to bridge timing differences in government grants for the summer employment programs

Touchstone Center for Crafts

Farmington, PA
\$55,000 toward sewage facility planning to upgrade the sewage treatment system

Western Pennsylvania Conservancy

Pittsburgh, PA
\$150,000 toward support of tree plantings and community education

\$3,750,600 toward acquisition of property in Clearfield County

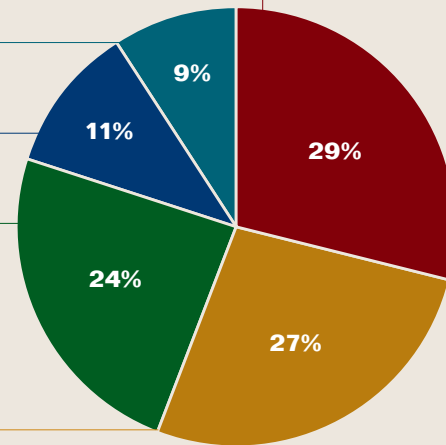
\$7,000 toward travel costs associated with sending Pittsburgh stakeholders to Philadelphia to view that city's vacant property program

Zoological Society of Pittsburgh

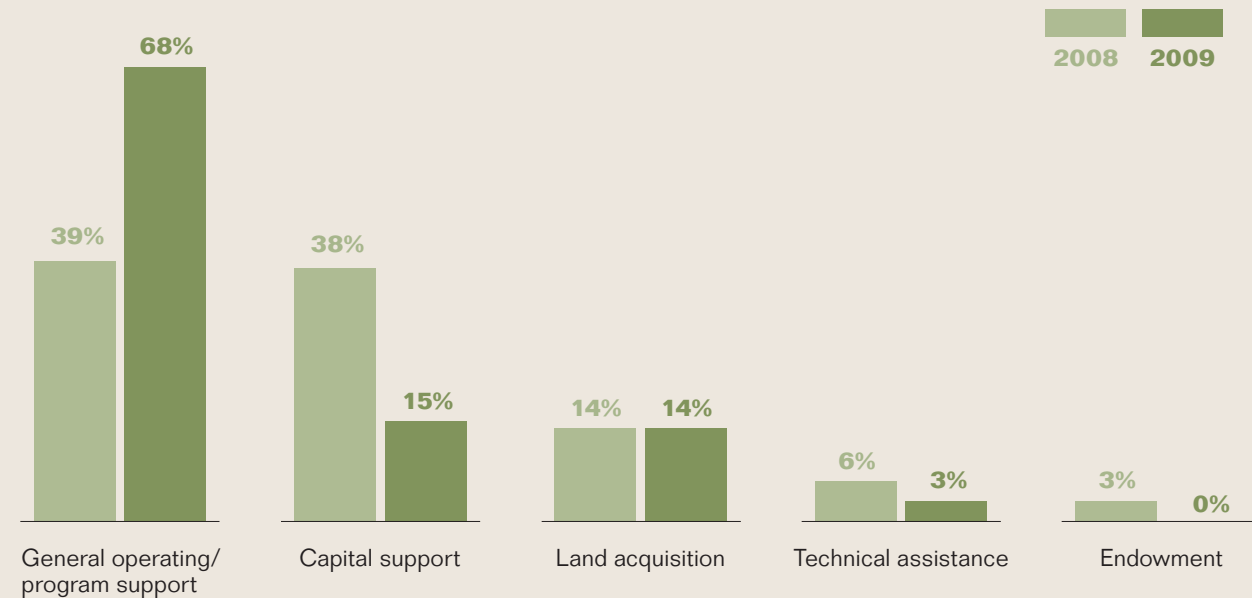
Pittsburgh, PA
\$375,000 toward purchase and installation of a biomass burner

Appropriations

By Program Priority	Number of grants	Grants approved	Percent of grants approved
Regional Economic Development	84	\$16,770,500	29%
Children, Youth, and Young Adults	31	\$5,413,030	9%
Human Services and Nonprofit Capacity Building	29	\$6,408,000	11%
Conservation	44	\$14,289,280	24%
Education	30	\$15,467,000	27%
Totals	218	\$58,347,810	



By Support Type



By Geographic Area

Geographic Area	2008	2009
Pittsburgh and southwestern Pennsylvania	\$51,645,560	\$1,137,148,606
Other	6,702,250	32,645,697
Total	\$58,347,810	\$1,169,794,303

Net Investment Income

Year	Amount
1947 through 2008	\$1,137,148,606
2009	32,645,697
Total	\$1,169,794,303

Grants Paid and Program-Related Investments

Year	Amount
1947 through 2008	\$1,631,424,928
2009	76,737,445
Total	\$1,708,162,373

Statements of Financial Position

December 31,	2009	2008
Assets		
Cash	\$ 1,542,895	\$ 47,576
Other current assets	2,406,775	2,471,595
Investments:		
Stocks	925,346,652	700,655,072
Long-term debt instruments	431,719,934	391,622,316
Temporary investments	128,299,116	140,580,578
Alternative investments	345,721,099	287,453,454
Subtotal	1,831,086,801	1,520,311,420
Payable from unsettled securities purchases, net	(16,295,280)	(5,398,030)
Total investments	1,814,791,521	1,514,913,390
Program-related assets	3,332,000	3,000,000
Total assets	\$1,822,073,191	\$1,520,432,561
Liabilities and Net Assets		
Liabilities:		
Grants approved but not paid	\$ 16,222,532	\$ 36,676,667
Deferred federal excise taxes	1,587,489	0
Appropriations for program-related assets	5,332,000	3,000,000
Total liabilities	23,142,021	39,676,667
Unrestricted net assets	1,798,931,170	1,480,755,894
Total liabilities and net assets	\$1,822,073,191	\$1,520,432,561

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,	2009	2008
Investment income	\$ 44,577,064	\$ 63,051,985
Expenses:		
Administrative and investment expenses	9,309,630	10,528,968
Provision for federal excise taxes	1,034,248	73,645
Provision for (benefit from) deferred federal excise taxes	1,587,489	(3,661,139)
	11,931,367	6,941,474
Net investment income	32,645,697	56,110,511
Grants and appropriations approved	58,091,204	65,002,741
Deficiency of net investment income over approvals	(25,445,507)	(8,892,230)
Net realized losses from investments	(52,877,517)	(86,170,013)
Unrealized appreciation (depreciation) on investments	396,498,300	(603,863,311)
Gains (losses) on investments, net	343,620,783	(690,033,324)
Increase (decrease) in unrestricted net assets	318,175,276	(698,925,554)
Unrestricted net assets:		
Beginning of year	1,480,755,894	2,179,681,448
End of year	\$1,798,931,170	\$1,480,755,894

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

Statements of Cash Flows

For the year ended December 31,	2009	2008
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 318,175,276	\$(698,925,554)
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) provided by operating activities:		
Accretion	(1,115,563)	(823,593)
Deferred federal excise taxes	1,587,489	(3,661,139)
Realized losses on investments	52,877,517	86,170,013
Unrealized (appreciation) depreciation on investments	(396,498,300)	603,863,311
Increase (decrease) in cash from changes in:		
Other current assets	64,820	12,468,770
Program-related assets	(332,000)	0
Grants approved but not paid	(20,454,135)	2,252,602
Appropriations for program-related assets	2,332,000	0
Net cash (used in) provided by operating activities	(43,362,896)	1,344,410
Cash flows from investing activities:		
Purchases of investments	(1,977,097,130)	(4,154,990,122)
Proceeds from sales of investments	2,021,955,345	4,153,691,728
Net cash provided by (used in) investing activities	44,858,215	(1,298,394)
Net increase in cash	1,495,319	46,016
Cash, beginning of year	47,576	1,560
Cash, end of year	\$ 1,542,895	\$ 47,576

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

Summary of Investments

December 31,	2009		2008	
	Book Value	Fair Value	Book Value	Fair Value
Stocks:				
Domestic equities	\$ 573,253,093	\$ 636,477,627	\$ 616,515,520	\$ 474,582,593
Foreign equities	247,225,069	287,675,492	277,447,334	218,733,449
Total stocks	820,478,162	924,153,119	893,962,854	693,316,042
Long-term debt instruments	423,255,538	416,618,187	451,227,897	393,563,316
Temporary investments:				
Demand and interest-bearing notes	120,915,509	120,915,360	133,875,061	133,875,361
Foreign short-term investments	7,393,602	7,383,756	6,707,420	6,705,217
Total temporary investments	128,309,111	128,299,116	140,582,481	140,580,578
Alternative investments	283,999,817	345,721,099	266,889,565	287,453,454
Total investments	\$1,656,042,628	\$1,814,791,521	\$1,752,662,797	\$1,514,913,390

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; Children, Youth, and Young Adults; 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, and other factors. A financial instrument's level, within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Foundation considers observable data to be that market data which is readily available and reliable and provided by independent sources. The categorization of a financial instrument within the hierarchy is therefore based upon the pricing transparency of the instrument and does not necessarily correspond to the Foundation's perceived risk of that instrument.

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

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

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

under agreements to participate in limited partnerships and are generally subject to certain withdrawal restrictions. Values for these partnerships, which may include investments in both nonmarketable and market-traded securities, are provided by the general partner and may be based on recent transactions, cash flow forecasts, appraisals, and other factors. Market values may be discounted for concentration of ownership. Because of the inherent uncertainty of valuing the investments in such partnerships and certain of the underlying investments held by the partnerships, the Foundation's estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed. The financial statements of the limited partnerships are audited annually by independent auditing firms. Investments in these partnerships may be illiquid, and thus there can be no assurance that the Foundation will be able to realize the value of such investments in a timely manner.

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

Realized gain (loss) from dispositions of investments is determined by specific cost identification. Unrealized appreciation (depreciation) of investments represents the change in the difference between market 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.

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 a loan made to an organization and an investment in a private equity fund, earn below risk-adjusted market rates of return. Management has reviewed the program-related assets and believes no allowance is necessary as of December 31, 2009 and 2008. Additional program-related assets have been approved but not paid as of December 31, 2009, and are recorded within appropriations for program-related assets

Reclassifications

Certain reclassifications of the 2008 financial statements have been made to conform to the 2009 classifications. These changes had no impact on previously reported results.

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 two percent 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 one percent of net investment income for the year ended December 31, 2009. For the year ended December 31, 2008, the Foundation provided for federal excise tax of two percent.

At December 31, 2009, deferred federal excise taxes are provided at one percent, which is the rate expected to be paid on unrealized gains on investments. There were no deferred federal excise taxes at December 31, 2008, as the Foundation had a cumulative net unrealized loss at that date.

Notes to Financial Statements (continued)

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, 2009 and 2008, the Foundation had contractually committed to additional investments of \$126.4 million and \$151.9 million, respectively.

At December 31, 2009, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2010 of \$25.8 million and \$9.5 million for a net payable of \$16.3 million. At December 31, 2008, the Foundation had outstanding trades to purchase and sell investments with a settlement date in 2009 of \$69.0 million and \$63.6 million for a net payable of \$5.4 million. These transactions are reflected within the financial statements on a net basis.

Note 4: Fair Value Measurements

The following table presents the investments carried on the Statements of Financial Position by level within the valuation hierarchy as of December 31, 2009 and 2008:

Investments at Fair Value as of December 31, 2009

Investments	Level 1	Level 2	Level 3	Total
Domestic stocks	\$ 602,646,164	\$ 32,431,710	\$ 1,548,658	\$ 636,626,532
Foreign stocks	164,938,697	123,781,423	0	288,720,120
Long-term debt instruments	57,451,632	373,258,744	1,009,558	431,719,934
Temporary investments	128,039,264	259,852	0	128,299,116
Alternative investments	0	0	345,721,099	345,721,099
Total investments	\$ 953,075,757	\$ 529,731,729	\$ 348,279,315	\$ 1,831,086,801

Payables from unsettled securities purchases, net at Fair Value as of December 31, 2009

Payables, net	Level 1	Level 2	Level 3	Total
Domestic stocks	\$ (148,905)	\$ 0	\$ 0	\$ (148,905)
Foreign stocks	(1,044,628)	0	0	(1,044,628)
Long-term debt instruments	0	(15,058,322)	(43,425)	(15,101,747)
Total investments	\$ (1,193,533)	\$ (15,058,322)	\$ (43,425)	\$ (16,295,280)

Investments and Payables from unsettled securities purchases, net at Fair Value as of December 31, 2008

	Level 1	Level 2	Level 3	Total
Investments	\$913,749,822	\$ 316,795,807	\$289,765,791	\$1,520,311,420
Payables, net	\$ (5,398,030)	\$ 0	\$ 0	\$ (5,398,030)

The following tables present a roll-forward of the amounts for the years ended December 31, 2009 and 2008 for investments classified within Level 3.

Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2009

Investments	Balance at December 31, 2008	Net Investment Income	Realized Gain/(Loss)	Change in Unrealized Appreciation/Depreciation	Net Purchases	Balance at December 31, 2009
Domestic stocks	\$ 2,164,606	\$ 0	\$ (107,656)	\$ (556,950)	\$ 48,658	\$ 1,548,658
Long-term debt instruments	147,731	0	(39,070)	211,618	689,279	1,009,558
Alternative investments	287,453,454	7,492,696	16,436	41,157,393	9,601,120	345,721,099
Total investments	\$289,765,791	\$ 7,492,696	\$ (130,290)	\$ 40,812,061	\$10,339,057	\$ 348,279,315

Fair Value Measurements using Level 3 Inputs for the year ended December 31, 2008

Investments	Balance at December 31, 2007	Net Investment Income	Realized Gain/(Loss)	Change in Unrealized Depreciation	Net Purchases	Balance at December 31, 2008
Total investments	\$ 347,491,742	\$14,940,297	\$ 5,874,962	\$(114,824,163)	\$36,282,953	\$ 289,765,791

Notes to Financial Statements (continued)

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.

Category of Investment	Investment Strategy	Number of Funds	Fair Value Determined Using NAV	Unfunded Commitments (\$millions)	Redemption Terms	Remaining Life
Domestic stocks	Private placement stock	1	\$ 32,391,316	\$ 0	(1)	n/a
Foreign stocks	International and emerging markets	6	122,740,909	0	(2)	n/a
Long-term debt instruments	Fixed income, global, high yield	4	67,635,914	0	(3)	Either n/a or between 2–24 years
Alternative investments	Buyouts, distress debt, energy, real estate, & venture capital	195	345,721,099	126.4	(4)	(5)
Totals		206	\$568,489,238	\$126.4		

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

(1) Subject to shareholder approval with 1/3 of the stock redeemable once every year over the next 3 years.

(2) All funds subject to 7–30 days prior notice, 84% subject to monthly redemptions, 16% subject to quarterly redemptions.

(3) 93% subject to monthly redemption with 10–20 days prior notice, 7% subject to approval of general partner.

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

(5) 22% 1 year, 28% 2–5 years, 41% 6–10 years, 9% 11–14 years; all funds subject to extensions between 0–3 years.

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

Note 5: Subsequent Events

The Foundation evaluated all activity through May 27, 2010, 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:

In our opinion, the accompanying statements of financial position and the related statements of activities and changes in net assets and of cash flows present fairly, in all material respects, the financial position of Richard King Mellon Foundation at December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Richard King Mellon Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,

assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The summary of investments as of December 31, 2009 and 2008 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



May 27, 2010

Policy and Grant Guidelines

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

Objectives

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

Program Priorities

Southwestern Pennsylvania

Regional Economic Development

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

Education

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

Human Services and Nonprofit Capacity Building

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

Program Priorities (continued)

Western Pennsylvania

Conservation

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

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

Attention:

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Richard King Mellon Foundation
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fax 412 392 2837

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

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A peregrine falcon, photographed from the top of the University of Pittsburgh's Cathedral of Learning, soars above Carnegie Mellon University's campus. (cover: top left)

Ohio pyle Borough in Fayette County is a central gathering place for trail and river recreational activities. (cover: bottom left)

More than 35,000 people attended The Pittsburgh Cultural Trust's First Night 2010 celebration in Downtown Pittsburgh. (cover: right and back)

Richard
King
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