

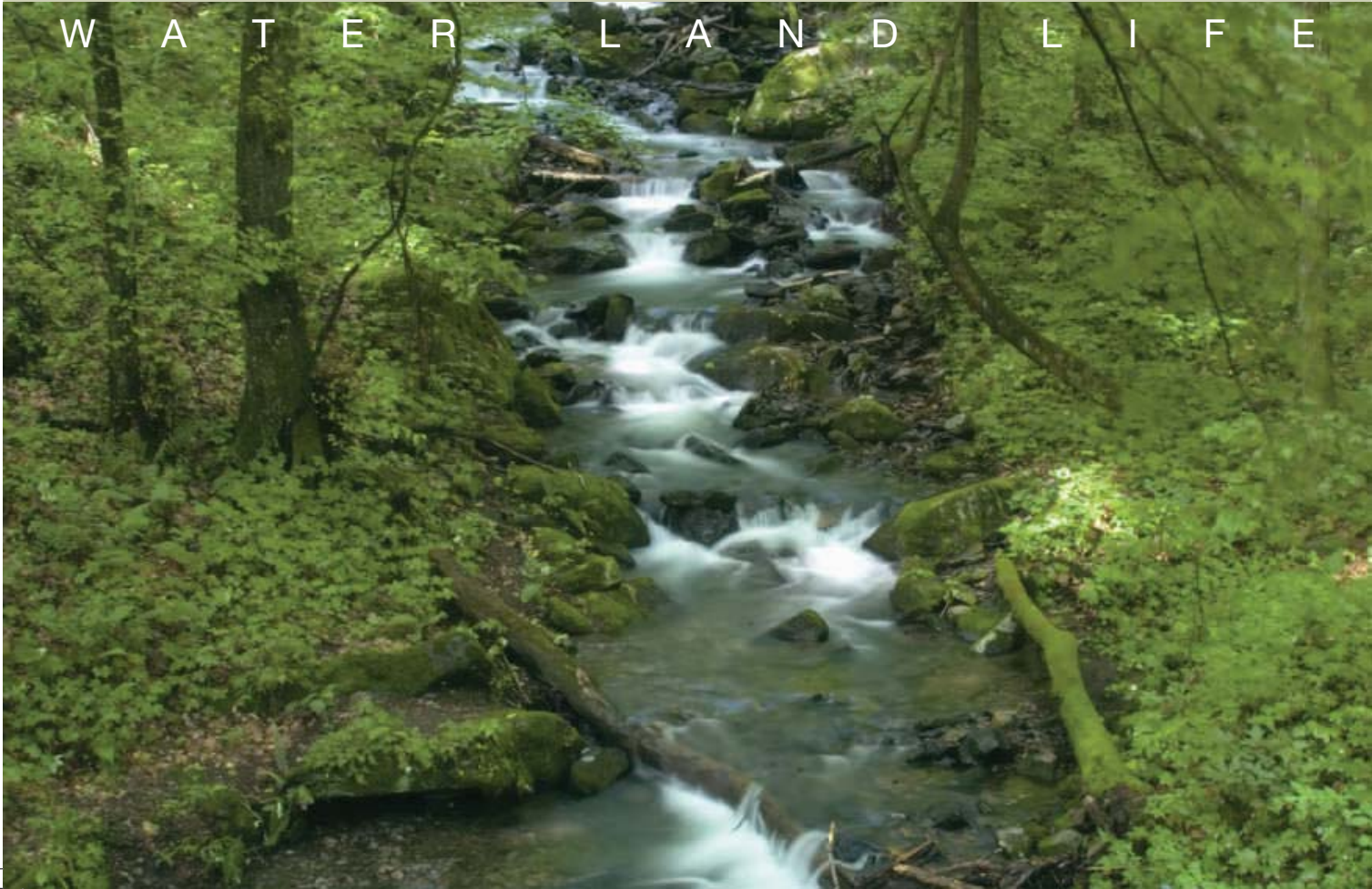
Western Pennsylvania Conservancy



75 years
caring for our water, land, life.

2 0 0 7 A N N U A L R E P O R T

W A T E R L A N D L I F E



Message from the President

The theme of our 2007 Annual Report is “Water, Land, Life,” the Western Pennsylvania Conservancy’s tagline in the 1950s. We return to it not only because it communicates our core values as much today as it did then, but because it serves as a reminder of the inseparable connection between these three elements of nature.

By returning to this tagline, we underscore that protecting natural resources takes on many forms. The Western Pennsylvania Conservancy protects and enhances natural areas by acquiring land — vast, natural areas that are important to our region and to our communities. We conserve and restore rivers, streams and watersheds. We study and protect special habitats. We beautify our communities with plantings. We protect Fallingwater. We enhance the quality of life in our extraordinary region.

The year 2007 was a landmark for the Western Pennsylvania Conservancy beyond the fact that as an organization we turned 75. Here are just a few examples of the strides we have made in the past year:

Our reorganized land conservation team conserved special properties across the region and laid the groundwork for the 75th Anniversary Acquisitions — the largest land conservation purchases by WPC in more than a decade.

WPC strengthened valuable partnerships with community groups, schools, local conservation organizations and businesses that helped us achieve ambitious watershed conservation and restoration goals in our Freshwater Conservation Program.

Our Gardens and Greenspaces Program developed new community greening initiatives and had a record number of partners for its garden-planting efforts.

The U.S. Department of the Interior nominated Fallingwater to the United States Tentative List for inclusion on the United Nations’ World Heritage Site list, and Fallingwater welcomed a record number of visitors.

Your indispensable support allows us to do these things. Thank you for your commitment to the Western Pennsylvania Conservancy and to the future of the Western Pennsylvania region.



Thomas D. Saunders
President and CEO

A handwritten signature in black ink, appearing to read "Thomas D. Saunders". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

A N N U A L R E P O R T



Little Mahoning Creek Mahoning Watershed Indiana County

While most neighboring streams suffered significant damage from abandoned mine drainage in the early 20th century, Little Mahoning Creek escaped this fate and today is home to fish, aquatic insects, numerous freshwater mussel species and the eastern hellbender salamander.

WPC and our project partners worked throughout 2007 to protect this unique watershed from the impacts of erosion and sedimentation, which result from sources such as agriculture, dirt and gravel roads and gas well drilling. We worked directly with landowners and municipalities, consulted with non-profit private landowner groups, supplied consultation and provided funding to help other organizations and

community groups complete restoration projects.

In August 2007, WPC began restoration work on two eroding streambanks along Little Mahoning Creek. The projects, which are within 500 yards of each other, will prevent further erosion and reduce the amount of sediment going into the creek.

In addition, WPC staff partnered with the Pennsylvania Game Commission to remove autumn olive, an invasive shrub, from 15 acres within the headwaters of Little Mahoning Creek.

A major grant from the Pittsburgh-based Colcom Foundation, and additional funding from the Mellon Family Foundation, allowed WPC to conduct a watershed assessment and begin restoration activities to repair damaged stream segments within the Little Mahoning Creek watershed.

When the Western Pennsylvania Conservancy launched its Watershed Assistance Center seven years ago, the organization understood the need to engage the support of local communities in order to have lasting success in improving local water conservation practices. In 2007, WPC partnered with numerous grassroots organizations as it took significant steps to improve and protect Western Pennsylvania's precious streams, rivers and watersheds.

WPC's Freshwater Conservation staff members worked throughout 2007 to improve watersheds through a range of proven methods. Many of these techniques focus on improving land use methods in order to reduce or eliminate negative impacts to watersheds.



Little Mahoning Creek

WPC WATER MILESTONES IN 2007

- Planted more than 1,000 acres of warm season grasses to stabilize lands that are at risk for erosion
- Installed more than 52,000 feet of streambank fencing
- Worked with 97 organizations to fill 156 technical assistance requests
- Developed strategies with more than 40 farmers to address water pollution sources on their properties
- Worked with more than 50 landowners to develop a comprehensive plan for fertilizing farmland without harming watersheds
- Installed 25 erosion control and fish habitat devices to protect streambanks and reduce erosion

Tubmill Creek Conemaugh Watershed Westmoreland County

Tubmill Creek is a trout-stocked fishery that winds through a rural landscape, flowing through farms and forests on its way to the Conemaugh River. This valuable stream faces threats from agricultural runoff, improperly designed dirt and gravel roads and severely eroding streambanks. In 2007, WPC staff members assessed the entire 54-square-mile waterway in order to better understand its water quality and overall health. As part of their work, staff members prepared surveys on the chemical composition of Tubmill Creek's water, catalogued the fish and other aquatic life found there and studied the rare eastern hellbender salamander. In addition, WPC:

- Conducted outreach and education for agricultural landowners, enrolling nine landowners who agreed to adopt sound conservation practices on their properties
- Installed three miles of streambank fencing and two alternative watering systems
- Worked with Fairfield township to prevent sediment erosion from dirt and gravel roads
- Delivered public presentations on the importance of Tubmill Creek to the community
- Designed agricultural stream crossings and streambank erosion control devices for installation in 2008

Also in 2007, WPC protected 150 acres along Tubmill Creek through conservation easements. More than 80 of these acres have stream frontage on Tubmill Run itself. By conserving these lands, WPC and our partners can implement measures to curb erosion and sediment runoff into the creek.

Mill Creek Loyalhanna Watershed Westmoreland County

Originating just north of Ligonier in a predominantly forested area, Mill Creek stands out as a gem in the Laurel Highlands. The headwaters of the stream, a popular fishing destination, hold wild and native trout. WPC has, through the years, taken steps to protect and restore this watershed. In 2007, WPC and partner organizations including Loyalhanna Watershed Association, United States Department of Agriculture, Forbes Trail Trout Unlimited and Westmoreland County Conservation District took several additional actions to continue their restoration and protection of this watershed:

- Stabilized the streambank by planting vegetation in three locations along the creek to stop erosion and stormwater runoff
- Identified additional sites for streambank stabilization in 2008
- Monitored previously installed agricultural conservation devices

WPC permanently protected the 255-acre Marker farm, which plays an important role in stabilizing and protecting Mill Creek due to its location in the watershed.



Before, during and after — WPC stabilizes a streambank along Mill Creek.

In 2007, WPC staff helped to enroll more than 6,500 acres of private land in the Conservation Reserve Enhancement Program (CREP), a voluntary program that helps agricultural producers protect environmentally sensitive land along streams. By providing outreach and program assistance to landowners and conservation partners, WPC helped increase the total enrolled acres under contract for CREP along the Ohio River basin to 20,155 acres.



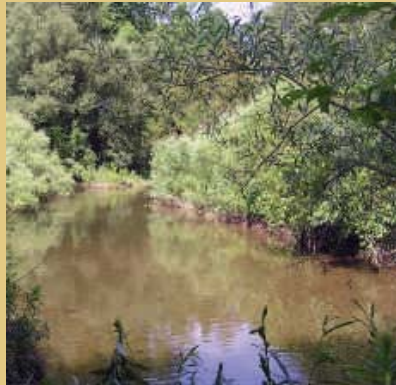
f all the statistics one could cite to mark the occasion of WPC's 75th anniversary in 2007, perhaps the most impressive is that WPC had protected almost half of all the land protected by land trust organizations in Pennsylvania. This remarkable achievement is the legacy of our dedicated members, like-minded partners and grassroots organizations that have shared the desire to protect our region's natural resources and way of life.

In 2007, WPC conserved ecologically significant natural places in six Western Pennsylvania counties. Here, we highlight a few notable 2007 accomplishments.

Venango Township Erie County

For nearly 40 years, the Western Pennsylvania Conservancy has worked to conserve French Creek and its watershed, one of the most diverse streams in the northeastern U.S. and a globally significant watershed. Since 1969, WPC has protected more than 3,200 acres in this watershed, with more than 300 of those acres protected in the last two years. WPC accomplished this through purchases and voluntary conservation easements with private landowners along the creek.

Two families' generous financial support enabled WPC to conserve ecologically significant properties in Venango Township, Erie County in 2007.



West Branch of French Creek

47.8 Acre Easement Fronting the West Branch of French Creek

Ron Zdrojkowski and Mary Ann Colbaugh helped the Conservancy to permanently protect this privately-owned property through the acquisition of a voluntary conservation easement. This parcel has almost a mile of frontage along the West Branch of French Creek. The easement protects bottomland and floodplain forests along the creek. It also maintains a 300-foot riparian buffer along the West Branch of French Creek and adds to the larger conservation landscape, as it is adjacent to another WPC-protected property (see map).

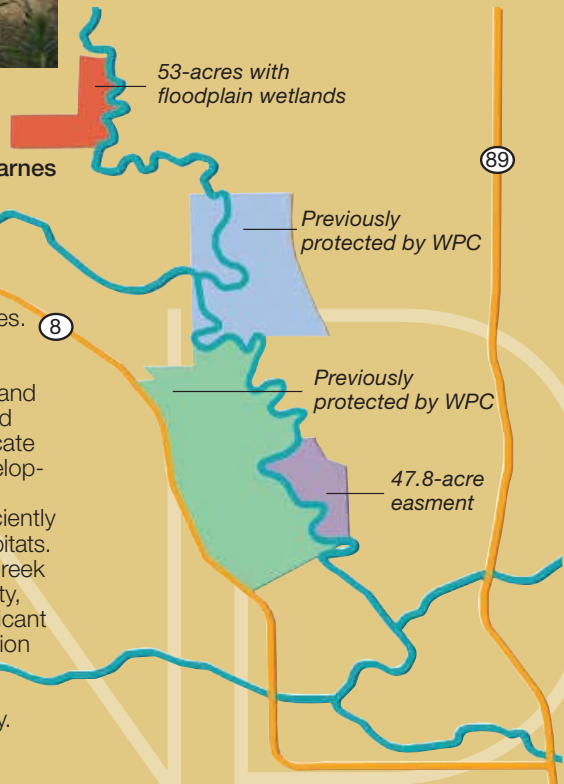
WPC received additional funding from The Nature Conservancy as well as federal funding through the Landowner Incentive Program (LIP) to complete the acquisition. LIP provides federal cost share to acquire conservation easements on land that provides habitat to federally listed endangered species, in particular the endangered mussels found within French Creek. This program is administered by the PA Game Commission and PA Fish and Boat Commission.

West Branch of French Creek

53 Acres With Floodplain Wetlands in Memory of Brad Barnes

This was the second land acquisition that one family has supported in northwestern Pennsylvania in memory of their son and brother, Brad Barnes. Brad, who lived in that area, was dedicated to preserving the diversity of regional ecosystems and protecting endangered plants and animals. He understood the delicate balance between economic development and conservation, and he advocated for setting aside sufficiently large tracts of land to maintain habitats.

The West Branch of French Creek runs through this 53-acre property, which includes 28 acres of significant floodplain wetlands. The acquisition was also made possible through a partnership with the French Creek Valley Conservancy.





WPC acquired White Rocks in 2007. The 875-acre tract is home to the endangered green salamander.

Forbes State Forest Fayette County

In 2007, WPC acquired two land tracts in Fayette County that are today a part of the Forbes State Forest and open to the public for recreational use: an 875-acre property in Georges Township known locally as “White Rocks,” and a 255-acre property between Laurel and Chestnut ridges in Wharton Township.

WPC has been interested in conserving the White Rocks property and its forestland along the southern Chestnut Ridge since the early 1960s, when logging and mining activity were negatively impacting the area. In the early 1980s, WPC staff discovered green salamanders on the site, a species listed as Endangered in Pennsylvania. Elevation at the face climbs from 1400 to 2100 feet. An array of flora and fauna exist due to

this elevational change. Pine Knob Trail, a favorite destination for hikers, is found on the site as well.

The Wharton Township property lies within an area identified by the Pennsylvania Department of Conservation and Natural Resources as a Priority Conservation Area in the Laurel Highlands.

WPC staff discovered two species of plants on the property that were designated by the state to be of “special concern,” meaning they are uncommon in Pennsylvania and in need of conservation attention: mountain pepper-bush and the American bugbane. Stony Fork, a stream that bisects the property, is designated by the state as a High-Quality Coldwater Fishery. To date, WPC has protected more than 13,700 acres in the Forbes State Forest.

WPC Protects 7,000 acres in the Ligonier Valley Through Voluntary Conservation Easements

In 2007, the Western Pennsylvania Conservancy reached a land-protection milestone in the Ligonier Valley, surpassing 7,000 acres under voluntary conservation easements (legal agreements that permanently limit uses of land). Since the Ligonier Valley program’s inception in 1980, WPC has protected 67 parcels of land, encompassing 7,112 acres through easements. WPC also owns 78 acres in the Ligonier Valley.

Voluntary conservation easement agreements are made between a landowner and a nonprofit land trust like WPC, keeping the land on the tax rolls, preserving private property rights and maintaining the owner’s ability to sell land or pass it on to heirs. WPC’s earliest conservation easements, dating back to the late 1970s, were made with landowners in the Ligonier Valley. They were some of the first conservation easements in Pennsylvania and the nation.

Easements in 2007 included Barry and Kitty Tuscano’s donation of an 81-acre easement of forested land in Fairfield Township, Westmoreland County. The property features 1,200 feet of frontage on Tubmill Creek, a priority watershed in WPC’s Laurel Highlands area.



This forested property along Tubmill Creek is among more than 7,000 acres of private land in the Ligonier Valley protected through voluntary conservation easements.

Supporting Downtown Pittsburgh's Green Transformation

For 75 years, the Western Pennsylvania Conservancy has worked to protect the quality of life that residents of this great region have inherited and hope to pass on to future generations.

In 2007, WPC continued to build on this legacy, enriching lives by connecting people to the natural world. We conserved wild, natural places for recreation and wildlife habitat, protected trout-filled streams across the region and maintained more than 20 miles of hiking trails within the 5,061-acre Bear Run Nature Reserve. WPC also created welcoming community gardens and shared Frank Lloyd Wright's masterwork, Fallingwater, with local residents and visitors from around the world.

Our members appreciate not only the recreational opportunities offered by our beautiful Western Pennsylvania landscape, but also the relationship between natural places and a healthy way of life for people. For example, in 2007 WPC continued its efforts to protect local rivers and creeks that harbor freshwater mussels, fish, and other aquatic life including many rare species. These river dwellers may seem to have little impact on people – but they have a hand in filtering and cleaning Western Pennsylvania's drinking water in streams where these unseen species thrive.

In 2007, WPC's Community Garden and Greenspace program not only continued a thriving community gardens program with support of a record number of partners, but also launched exciting new greenspace initiatives.

WPC staff members developed "Greening Pittsburgh's Golden Triangle," an assessment of opportunities for downtown greening that will attract and retain people and businesses by enhancing the livability of downtown Pittsburgh. The assessment identifies the many prospects that are available downtown, the costs involved and potential partners to make the vision a reality. WPC staff members have already begun developing partnerships

to pursue these opportunities and help transform Pittsburgh into a memorable green destination.

The assessment was funded by a grant from the Heinz Endowments and focuses on five key areas of downtown: Gateway, Firstside, Fifth and Forbes/Market Square, the Cultural District and Grant Street.

Examples of the possible greening opportunities identified include street trees, planters and hanging baskets, as well as roof gardens, green walls alive with plant material and even parking lots brightened with greenery.

This greening strategy will play an important role in the continuing revitalization of downtown Pittsburgh.

The Slippery Rock community garden, one of 140 gardens WPC and its 5,300 volunteers planted in 2007.



Conservation cannot be achieved without accurate scientific information. County Inventories, performed by the Pennsylvania Natural Heritage Program (PNHP) provide detailed information about plants and animals living in a particular area. This gives residents information to use in planning the future of their communities. PNHP is housed at WPC and is a cooperative effort between WPC, the Pennsylvania Department of Conservation and Natural Resources, the Pennsylvania Fish and Boat Commission and the Pennsylvania Game Commission. By the end of 2007, PNHP had completed 56 County Inventories across the state. These inventories also guide the direction of WPC's work to protect habitat for wildlife in our six priority conservation areas.



A five-lined skink

Worldwide Acclaim and a Record-Breaking Year at Fallingwater

In 2007 the U.S. Department of the Interior nominated Fallingwater to its United States Tentative List, which will be submitted to the United Nations for inclusion on UNESCO's World Heritage Site List. The list recognizes the world's most significant cultural and natural treasures, including such wonders as the Great Pyramids of Giza and the Taj Mahal. To date, World Heritage sites in the United States are mainly natural sites like the Grand Canyon and Yellowstone National Parks. The only U.S. cultural sites designated for their architectural significance are Monticello and the Jefferson-designed buildings at the University of Virginia in Charlottesville.

A total of 145,470 people from around the world visited Fallingwater in 2007 - the most visitors to tour the house in its 43-year history of welcoming the public.

Educational Programming

Through the Wright in Our Backyard school program, local student visitation at Fallingwater quadrupled from approximately 500 in 2005 to 2,000 in 2007. More than 1,400 students participated in hands-on workshops that met the Pennsylvania Department of Education's academic standards in Mathematics, Science and Technology, and Environment and Ecology. The American Architectural Foundation recognized "The Architecture of Frank Lloyd Wright Through the Eyes of a Child," Fallingwater's collaborative photography project with Unity Temple, the Westcott House and Eyes Wide Open Worldwide as one of the top programs in the country for Best Practices in Architectural Education.

Residency programs for teachers, high school students and college students allowed participants to stay on site and examine first-hand the ecology of Western Pennsylvania landscapes, explore the value of sustainable building and contextually derived building methods, pursue the poetry of light and sound which is so palpable in Wright's work and integrate it with their classroom experiences and studies.

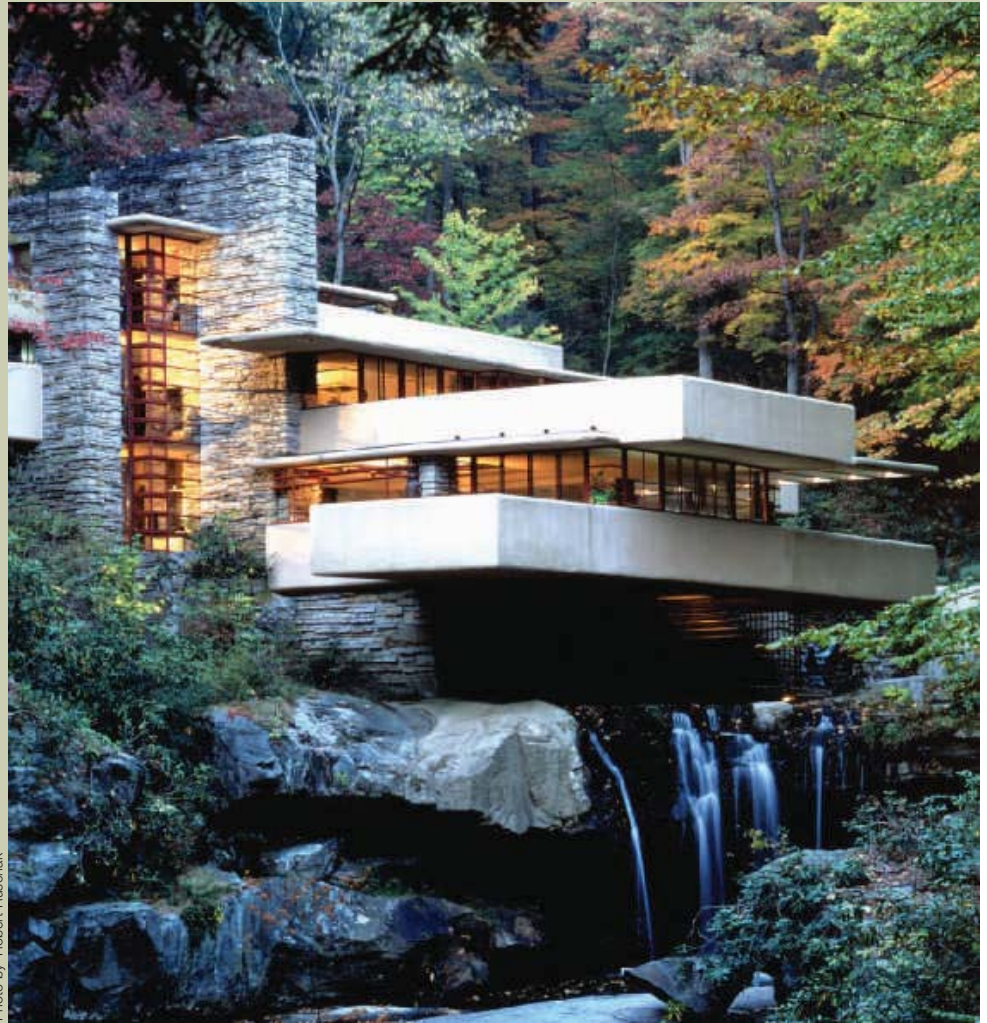


Photo by Robert Ruschak

Fallingwater drew record crowds in 2007.

Several new ways to experience the famous house were also provided including:

The Fallingwater Landscape Tour, which offered unique views of the house and its setting, and the Sunday Brunch Tour, an expanded in-depth tour which included brunch on the covered terrace of the main house.

The new "Insider's Look at Fallingwater" program, launched in 2007, enabled architects to receive a continuing education credit from the American Institute of Architects.

The 2007 season was an active year for preservation. The exterior of Fallingwater was repainted, returning the house to its historic ochre color. PPG Industries developed the paint system, which was the result of four years of research and testing. In

addition, extensive mortar deterioration was repaired in the stone walls of the bridge over Bear Run and the plunge pool.

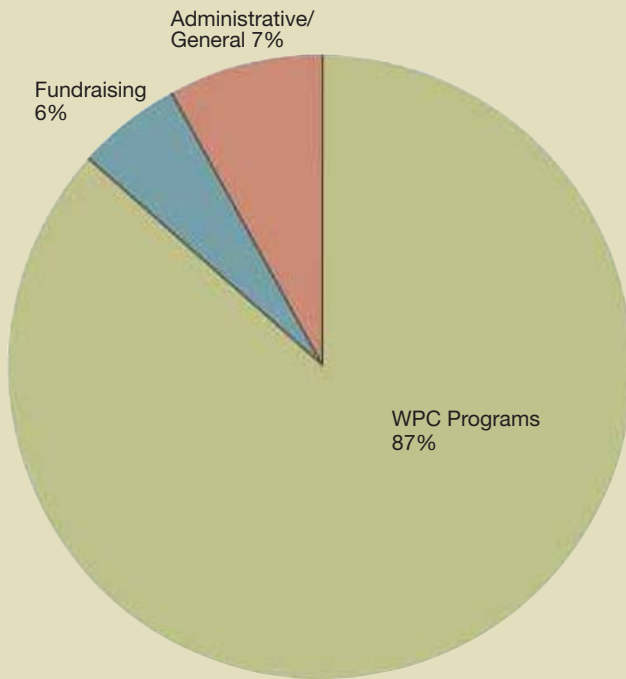
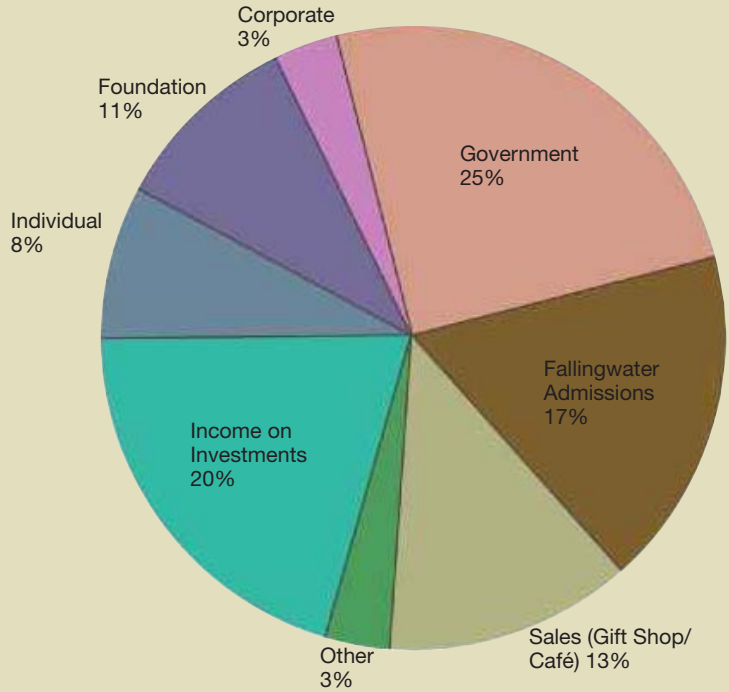
Two exhibitions were held at the Barn at Fallingwater. Photographer Stephen Lai and Woodturner Tom Obourn created a unique show for an exhibition that offered tangible reminders that Fallingwater, an architectural intermingling of nature and art, is a dynamic place that continuously renews itself.

Artist Felix de la Concha spent more than a year at Fallingwater creating "Fallingwater in Perspective." His exhibition, which debuted at the Barn in 2007, invites visitors to view the Kaufmann's weekend home from his perspective.

Western Pennsylvania Conservancy 2007 Financial Summary

OPERATING SUPPORT

Contributions/Grants & Memberships	Millions	%
Individual	\$ 1.1	8%
Foundation	1.5	11%
Corporate	0.4	3%
Government	3.5	25%
	<u>6.5</u>	<u>47%</u>
Earned Income		
Fallingwater Admissions	2.5	17%
Sales (Gift Shop/Café)	1.8	13%
Other	0.5	3%
	<u>4.8</u>	<u>33%</u>
Internal Income		
Income on Investments	2.9	20%
	<u>\$ 14.2</u>	<u>100%</u>



OPERATING EXPENSES

Programs	Millions	%
Conservation	\$ 5.1	36%
Fallingwater	4.5	32%
Community Gardens & Greenspaces	1.0	7%
Constituent Programs and Outreach	1.0	7%
Depreciation (principally programs)	0.7	5%
	<u>12.3</u>	<u>87%</u>
Program Support		
Fundraising	0.8	6%
Administrative/General	1.1	7%
	<u>\$14.2</u>	<u>100%</u>

This report highlights the 2007 financial activity for the Western Pennsylvania Conservancy. This report is based on WPC's audited financial statements, of which a clean opinion is provided by Schneider Downs & Company, CPA's.

Thanks to all Benefactors

With the support of our loyal members, the Western Pennsylvania Conservancy has achieved significant outcomes for the benefit of the entire Western Pennsylvania region. More than 9,327 generous individuals, corporations and foundations contributed \$17,730,389 in private support in 2007 to make these accomplishments possible.

Thank you for entrusting your financial resources to WPC. We are committed to maintaining your confidence in us by being excellent stewards of these gifts. Gifts of \$100 and above are listed on the following pages. Members of our Evergreen Circle, who have loyally supported the Conservancy for 15 years or more and who have made gifts of \$100 and above during 2007, are noted with an asterisk throughout the donor report.

We also thank the 6,825 donors who made gifts under \$100, which together totaled \$263,571. Due to space limitations, we are unable to list each of you individually in this report. Nevertheless, we are extremely grateful for each member's support!

Every effort has been made to assure our donor lists are accurate and reflect gifts made from January 1, 2007 through December 31, 2007. However, should you find an error or omission, please contact Daphne Mayer in the Development Department at 412-586-2336, toll-free 1-866-564-6972 ext. 2336 or via email at dmayer@paconserve.org.