

The Buhl Foundation



Annual Report by the President
July 1, 2017 to June 30, 2018



HENRY BUHL, JR.
1848-1927



By his will Henry Buhl Jr. created The Buhl Foundation
and dedicated it to “charitable, educational,
and public uses and purposes,” as a memorial
to his beloved wife, Louise C. Buhl.

Pittsburgh, Pennsylvania

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From the Desk of the President,

This has been a year of significant growth and evolution for the Buhl Foundation. We are in the midst shifting the Foundation's resources toward a geographic focus on the Northside of Pittsburgh. What is apparent, is that a place-based focus is not just about geography, but rather a methodology or grantmaking philosophy. One that is anchored in data and driven by the feedback and input of the residents whose lives we aspire to support.

The Buhl Foundation staff have aspired to work through an imbedded philanthropy model that is anchored in mutual respect and partnership among the residents of a community. Through this model, the Buhl foundation is working to leverage human and financial capital, connect a neighborhood to opportunity and shift from funding programs to investing in work that will be catalytic in creating change at the household, community and systemic level.

This ambitious goal, while a shift in Buhl's grantmaking, remains true to the community that Mr. Buhl loved. Buhl's entrepreneurial approach is consistent with Mr. Buhl's values and the deep tradition that is the Foundation. The Buhl Board has been historically identified as group innovators who recognize that risk is central to any ambitious agenda, and has been willing to enter uncharted territory knowing that it will drive greatness. The Board's bold shift to a more strategic, focused grantmaking approach allows the Foundation to continue to play a historically significant role in Pittsburgh.

It would be unimaginable to close this missive without taking a moment to recognize that Buhl can only accomplish its work through authentic partnerships with a community committed to embracing a new vision. We are grateful for the many partners who share our vision of insuring that all residents in Pittsburgh enjoy the many benefits of our changing economy and to creating a pathway that allows for equal access. I recognize that this bold approach would not exist were it not for a fearless Board who remains dedicated to preserving Mr. Buhl's legacy of innovation and to the Buhl staff who are willing engage with humility and compassion. I look forward to our continued progress in the coming year.

In service,
Diana Bucco
President

MISSION

It is the mission of the Buhl Foundation *to create community legacies by leveraging its resources to encourage people and organizations to dream, to innovate and to take action.*

OBJECTIVES

Henry Buhl, Jr. built his fortune in the retail industry and created the Buhl Foundation, the first multi-purpose foundation in Pittsburgh, as a memorial to his beloved wife, Louise C. Buhl. Mr. Buhl directed the Foundation to be especially concerned with the “well-being of the citizens of the City of Pittsburgh, and the County of Allegheny.” Remembering that Henry Buhl, Jr. lived and worked on the Northside of Pittsburgh, and knowing his love for Pittsburgh and its people, the Buhl Foundation has historically focused on four major areas:

- **Education** - Initiatives that foster learning environments critical to building a knowledgeable and talented population
- **Youth Development** - Projects that provide opportunities for our young people to thrive, to be safe and to live in a nurturing environment
- **Human Services** - Strategies where our resources make a difference in addressing persistent community challenges or unmet needs of at-risk neighborhoods
- **Economic and Community Development** - Efforts that encourage innovation and entrepreneurial solutions to improve quality of life

More recently, the Foundation has embarked on a revisioning effort to determine how these historic themes might be integrated into a more geographically focused effort on the Northside of Pittsburgh. In furtherance of that effort, Buhl has been engaged in an extensive planning effort with the Northside community to find consensus around key needs and the strategies to address them. The results of that undertaking will significantly impact Buhl’s granting priorities over the next decade or longer. Until that process is complete, grantees and prospective grantees are encouraged to learn more about this undertaking by visiting www.onenorthsidepgh.org or by contacting Buhl staff.

GUIDING PRINCIPLES

The Buhl Foundation’s current aspirations are integrated into our long-standing mission, making it relevant to contemporary times.

Dream

- Because today’s dreams become the realities of tomorrow, Mr. Buhl hoped the Foundation would be curious, accessible, unencumbered in vision and purpose, and structurally capable of adaptability and usefulness. We welcome discussion of wide ranging ideas and opportunities to make a difference.

- To advance its mission, the Foundation must do more than simply make grants. Acknowledging the finiteness of our resources, we seek to be informed by the community in order to best leverage our efforts and to be an active participant in finding solutions. We appreciate the need to give of our time and energy to help make dreams happen.

Innovate

- With a history of funding creative endeavors for nearly 90 years, the Foundation recognizes that any success is dependent on the vision and dedication of the many organizations that it is privileged to assist.
- The Foundation has been fortunate that great ideas and the leaders to implement them have emerged. We seek to partner with such leaders to stimulate and strengthen our community's ability to survive, adapt and thrive in a fast changing world. Our resources are focused on inventive and entrepreneurial solutions to expand tomorrow's possibilities.

Act

- The Foundation is often the first funder of a new idea, willing to venture when the possible benefits outweigh the attendant risks. We look for opportunities where a small amount of money wisely invested can lead to strategic action and improvements.
- In carrying out its mission the Foundation tries to find the balance between visibility and self-effacement; leadership and enablement.

APPROPRIATIONS

July 1, 2017 - June 30, 2018

BUHL FOUNDATION GRANTS

It is the mission of the Buhl Foundation *to create community legacies by leveraging its resources to encourage people and organizations to dream, to innovate and to take action.*

Community College of Allegheny County - \$500,000

To support CCAC's workforce development initiative by preparing faculty in the most advanced instructional practice that will prepare students for the workforce needs of the future.

Auberle - \$180,000

To provide a workforce solution for Northside residents, by launching the Northside Employment Institute, in collaboration with Buhl and the One Northside initiative.

New Sun Rising - \$175,000

To support the administration of the 2018 One Northside Neighbor-to-Neighbor Mini-Grant program.

ioby - \$150,000

To support a One Northside match funding and giving card program that maximizes resident leadership and resident decision-making.

Project Destiny – \$125,000

To improve the health of Northside residents by addressing the social determinates of community well-being.

United Way of Southwestern Pennsylvania - \$105,875

To support a stipend-based program to encourage community participation in One Northside education efforts.

Citizen Science Lab - \$75,000

To support Citizen Science Lab's new, year-long program designed to teach youth in grades 9-12 lessons to safely fly their own drones.

Foundation of HOPE - \$75,000

To implement a diversion program on the Northside for low- to medium-risk, nonviolent offenders intended to decrease the participant's likelihood of re-offending.

The Reinvestment Fund - \$75,000

To support the Reinvestment Fund’s work in developing a One Northside “Neighborhood Investment Strategy” that focuses on maintaining and growing workforce housing solutions for residents of Pittsburgh’s Northside.

Riverside Center for Innovation - \$75,000

To support CoLab18, a state-of-the-art digital learning and community problem-solving center, created in collaboration with One Northside.

Allegheny Conference on Community Development - \$62,000

To support the *Connecting People to Opportunity* campaign of the Allegheny Conference.

Pressley Ridge - \$50,000

To support children, adults and families from the Northside of Pittsburgh with comprehensive mental health services through a Northside community outpatient clinic.

Trying Together - \$50,000

To continue to support the One Northside Early Childhood Action Team work towards providing the opportunity for every young child on the Northside to thrive.

Urban League of Pittsburgh - \$50,000

To continue support of the Black Male Leadership Development Institute (BMLDI) as it seeks to develop young African American leaders in Western Pennsylvania.

Carnegie Institute / Carnegie Science Center – \$40,000

To collaboratively develop and deliver STEM programming to approximately 400 fourth-grade students on the Northside.

Carnegie Library of Pittsburgh - \$40,000

To support the Bringing Libraries and Schools Together on the Northside (BLAST Northside) project, which connects every third grade student on the Northside with educational programs grounded in the Carnegie Library to increase formal and informal learning opportunities.

Children’s Museum of Pittsburgh - \$40,000

To connect every first grader on the Northside with educational programs grounded in the Children’s Museum to increase formal and informal learning opportunities.

National Aviary Pittsburgh - \$40,000

To connect each second-grade student on the Northside with educational programs grounded in the Aviary to increase formal and informal learning opportunities.

Vibrant Pittsburgh - \$35,000

To continue Buhl’s support of a broad-based community collaborative to increase diversity in Western Pennsylvania.

Pittsburgh Parks Conservancy - \$32,000

To implement a semester-long program for each Northside fifth-grade student to experience parks and greenspaces in their neighborhoods, building off the successful initial pilot program that took place during the 2017 spring semester.

Carnegie Institute / Andy Warhol Museum - \$30,000

To support Northside youth participation to engage with artist-driven youth programs, leadership development opportunities and paid internships.

Northside Cultural Collaborative - \$30,000

To support executive transition and strategic planning.

Providence Connections, Inc. – \$30,000

To support a “community museum” by developing a dedicated professional development classroom for Northside parents and early childhood educators.

Carnegie Mellon University - \$25,000

To support the Girls of Steel program to empower women and girls in the pursuit of STEM by exemplifying female success in robotics.

The Door Campaign - \$25,000

To support an innovative STEM-based curriculum to advance Aquaponics on the Northside of Pittsburgh.

FUSE Corps – \$25,000

To support a FUSE Fellow stationed within the Pittsburgh Bureau of Police, Zone 1, to manage and implement community-policing initiatives in Pittsburgh’s Northside neighborhoods.

Hosanna House - \$25,000

To support Hosanna House in the sharing of resources and regional assets to positively impact roughly 2,000 children and families throughout the region in 2018-2019.

Landforce - \$25,000

To enable Landforce to assist in the stewardship of ongoing Northside environmental projects and hire at least one Northside resident for its 2018 Crew.

Latino Community Center - \$25,000

To support the initial start-up costs of the Center, along with other funders including the Heinz Endowments and the Allegheny County Department of Human Services.

New Hazlett Theater - \$25,000

To support expanded outreach efforts and enhanced community engagement strategies.

POISE Foundation - \$25,000

To support the launch of The Advanced Leadership Initiative (TALI) which aims to foster a pipeline of high performing African American leaders in the Greater Pittsburgh region.

Radiant Hall - \$25,000

To support continued prioritization of the Northside as a key location for arts incubation by developing a Radiant Hall “Real Estate Strategy” plan which will investigate long-term sites and engage partners to invest in a permanent Northside location.

South Hills Interfaith Movement - \$25,000

To provide a challenge grant to support donations to food pantry and community garden operations.

Strong Women Strong Girls - \$25,000

To build mentoring capacity for this afterschool program for girls in at-risk neighborhoods in grades three through five within Allegheny County.

Urban Impact Foundation - \$25,000

To support an urban missionary within Pittsburgh Perry High School who will support students as they transition to college or career opportunities.

Pennsylvania Resources Council - \$24,500

To lead a community-based effort to develop a Northside focused anti-litter and recycling campaign.

Fineview Citizens Council - \$20,000

To support the Hilltop Community Homes Community Land Trust (CLT) project, which will rehabilitate 15 or more units of permanently affordable housing.

Humane Animal Rescue - \$20,000

For revitalizing the entryway of the Northside location at 1101 Western Avenue to make a more welcoming, approachable and safer building for people and pets.

Never Fear Being Different - \$20,000

To support VlogU, a pilot summer program that aims to teach information literacy, career development, and effective online leadership skills to the next generation of online influencers.

YouthPlaces - \$18,000

To support a capacity building initiative for this Northside-based youth development program.

Carnegie Mellon University, Heinz College - \$15,000

To conduct a planning process to understand how United States Post Service (USPS) facilities and distribution infrastructure can support the One Northside initiative.

United Methodist Church Union - \$15,000

Two grants to support a 2018 summer meals program for underserved youth in the Northview Heights section of the Northside.

Pittsburgh Cultural Trust - \$12,500

To support festival activities undertaken by the Cultural Trust to make Pittsburgh a more vibrant and family-friendly community.

Pittsburgh Cultural Trust - \$12,500

To support the Cultural Trust's 4th Pittsburgh International Festival of Firsts, an ambitious and expanded showcase of never-before-seen performing and visual arts attractions.

Greater Pittsburgh Arts Council - \$10,000

To support public art in Northview Heights through a two-year artist residency with the United Somali Bantu of Greater Pittsburgh.

Northside Coalition for Fair Housing - \$10,000

To support Board development and strategic planning.

Northside Leadership Conference - \$10,000

To promote and enhance the vitality and quality of life in Pittsburgh's Northside through an art and music festival that serves races, genders and audiences of all ages.

The Mattress Factory - \$6,000

To support further development of their Succession Plan by capturing the core values that have driven the founding President and Co-Director Barbara Luderowski during the museum's 40-year history.

Allegheny City Society - \$5,000

To support educational programming focusing on the history of Pittsburgh's Northside walking tour, bus tours and a lecture series.

Carnegie Institute - \$5,000

To support a series of community conversations designed to learn more about the changing and diverse needs of residents, so that the museums can adapt and respond.

Filmmakers Collaborative - \$5,000

To support the completion of the feature-length documentary "From Liberty to Captivity" aimed at raising awareness of the pervasive reality of sex trafficking in Pennsylvania.

The Forbes Funds / Greater Pittsburgh Nonprofit Partnership - \$5,000

To support the Equity and Innovation Summit 2017.

Mentoring Partnership of Southwestern Pennsylvania - \$5,000

To support the Magic of Mentoring, a major fundraiser for the Mentoring Partnership.

Pittsburgh Cares - \$5,000

To expand staff leadership development and service-learning programming with middle school students who live in the Northside.

The Pittsburgh Project - \$5,000

To help build capacity in outreach to underserved youth on the Northside.

Pittsburgh Schiller STEAM Academy 6-8 - \$5,000

To support the Arts and Bots project.

Manchester Academic Charter School - \$4,500

To support the One Northside 8th grade Transition Conference held in October 2017.

FOCUS Pittsburgh - \$2,000

To support a One Northside cohort to attend a weeklong training on Trauma Informed Community Development (TICD).

YWCA Greater Pittsburgh - \$1,500

To support women's attendance at YWCA Greater Pittsburgh's 150th Anniversary Gala.

Sarah Heinz House - \$1,000

To support youth attendance at the Sarah Heinz House event.

HENRY C. FRICK EDUCATIONAL FUND

The fund was established in 1909 by Henry C. Frick for the support of "sound education and useful training...in connection with the public schools and for the improvement of work done therein." It includes the Frick Teachers Alumnae Fund which seeks to improve the teaching profession as well as the effectiveness of teachers. Today, the Frick Fund continues to provide funding for programs serving public schools from kindergarten to high school, especially with regard to schools serving disadvantaged and at-risk populations in Southwestern Pennsylvania.

The Consortium for Public Education - \$25,000

To provide professional development/teacher training in career preparation for teachers and career exploration/preparation opportunities for students.

ASSET – \$15,000

To provide scholarships to Northside teachers to participate in STEM professional development training.

Nine Mile Run Watershed Association - \$10,000

To pilot a reconfigured Environmental Education program that will enable young people to explore the role of the citizen scientist by applying concepts learned in the classroom to the study and care of the Nine Mile Run stream and watershed.

Society for Science and the Public - \$10,000

To support the Public Education Outreach Day to help enable thousands of local school children and teachers to attend the 2018 International Science and Engineering Fair (ISEF), the premier global pre-college science competition.

Venture Outdoors - \$10,000

To pilot an outdoor leadership program for 6th to 8th grade students in the Manchester Academic Charter School.

Allegheny Youth Development - \$5,000

To support the Summer Golf-with-Police class designed to develop positive image and good relationship among children, families and officers.

Pittsburgh New Music Ensemble - \$4,500

To provide children and families, targeting individuals who are unwell or under-resourced with a free matinee of The Gray Cat and the Flounder.

**WILLIAM AND ELIZABETH RODGERS McCREERY
MEMORIAL FUND**

The McCreery Fund was established by Emilie McCreery in honor of her parents and joined the Buhl family of funds in 1955. Grants are available to nonprofits that focus on furthering musical education and music awareness for young people in the Pittsburgh region.

Center of Life - \$10,000

To support Center of Life's KRUNK in Northview Heights in order to ease tensions and promote cross-cultural collaboration from all nationalities represented in that community.

CUMULATIVE SUMMARY OF APPROPRIATIONS
Ninety-one Year Period
to June 30, 2018

APPROPRIATIONS FROM 1927 TO JUNE 30, 2017

\$ 123,049,536

Appropriations from July 1, 2017 to June 30, 2018

Buhl Fund

Community College of Allegheny County	\$ 500,000
Auberle	180,000
New Sun Rising	175,000
ioby	150,000
Project Destiny	125,000
United Way of Southwestern Pennsylvania	105,875
Citizen Science Lab	75,000
Foundation of HOPE	75,000
The Reinvestment Fund	75,000
Riverside Center for Innovation	75,000
Allegheny Conference on Community Development	62,000
Pressley Ridge	50,000
Trying Together	50,000
Urban League of Pittsburgh	50,000
Carnegie Institute / Carnegie Science Center	40,000
Carnegie Library of Pittsburgh	40,000
Children's Museum of Pittsburgh	40,000
National Aviary Pittsburgh	40,000
Vibrant Pittsburgh	35,000
Pittsburgh Parks Conservancy	32,000
Carnegie Institute / Andy Warhol Museum	30,000
Northside Cultural Collaborative	30,000
Providence Connections	30,000
Carnegie Mellon University, Girls of Steel Program	25,000
The Door Campaign	25,000
FUSE Corps	25,000
Hosanna House	25,000
Landforce	25,000
Latino Community Center	25,000
New Hazlett Theater	25,000
POISE Foundation	25,000
Radiant Hall	25,000
South Hills Interfaith Movement	25,000
Strong Women Strong Girls	25,000
Urban Impact Foundation	25,000
Pennsylvania Resources Council	24,500
Fineview Citizens Council	20,000
Humane Animal Rescue	20,000
Never Fear Being Different	20,000
Youth Places	18,000
Carnegie Mellon University, Heinz College	15,000
United Methodist Church Union	15,000
Pittsburgh Cultural Trust	12,500
Pittsburgh Cultural Trust	12,500

Greater Pittsburgh Arts Council	10,000
Northside Coalition for Fair Housing	10,000
Northside Leadership Conference	10,000
The Mattress Factory	6,000
Allegheny City Society	5,000
Carnegie Institute	5,000
Filmmakers Collaborative	5,000
The Forbes Funds / Greater Pittsburgh Nonprofit Partnership	5,000
Mentoring Partnership of Southwestern Pennsylvania	5,000
Pittsburgh Cares	5,000
The Pittsburgh Project	5,000
Pittsburgh Schiller STEAM Academy 6-8	5,000
Manchester Academic Charter School	4,500
FOCUS Pittsburgh	2,000
YWCA Greater Pittsburgh	1,500
Sarah Heinz House	<u>1,000</u>
Total Buhl Fund Appropriations	\$ <u>2,607,375</u>
Henry C. Frick Educational Fund	
The Consortium for Public Education	\$25,000
ASSET	15,000
Nine Mile Run Watershed Association	10,000
Society for Science and the Public	10,000
Venture Outdoors	10,000
Allegheny Youth Development	5,000
Pittsburgh New Music Ensemble	<u>4,500</u>
Total Frick Appropriations	\$ <u>79,500</u>
William and Elizabeth Rodgers McCreery Memorial Fund	
Center of Life	<u>\$ 10,000</u>
Total McCreery Appropriations	\$ <u>10,000</u>
TOTAL FROM JULY 1, 2017 TO JUNE 30, 2018	\$ <u>2,696,875</u>
Cancellations/Refunds on Unrequired Commitment Balances	<u>(51,298)</u>
TOTAL APPROPRIATIONS OVER THE NINETY-ONE YEAR PERIOD	<u>\$125,695,113</u>

AREAS OF GIVING

Buhl's giving has historically been focused in Southwestern Pennsylvania with an emphasis on Allegheny County and the City of Pittsburgh and most recently, a revised focus on the Northside. The Foundation looks to find opportunities that best leverage our dollars and contribute to the sustainability and vitality of the community. The mission, objectives and guiding principles of the Foundation have traditionally been focused on the following areas of giving:

- **Education** – Initiatives that foster learning environments critical to building a knowledgeable and talented population.

Education has always been a cornerstone of our giving. Over the course of the Foundation's existence, our educational giving has adapted to the changing needs of our community. Most recently, the Foundation's education giving has been directed primarily for the benefit of K-12 public schools with the goal that students graduate prepared to meet the challenges of the 21st century. Areas of interest have included initiatives that improve quality of instruction, advance the professional development of teachers, develop effective curriculum with a particular emphasis on science and math, integrate arts and culture into curriculum in partnership with community groups, support environments in which youth can learn, encourage community and higher education partnerships that further science, technology, engineering or math education (STEM), and intermediary organizations that improve school quality, governance, leadership and accountability.

In its earliest years, the Foundation invested heavily in academic research and, at various times in its history, has endowed professional chairs at Carnegie Mellon University, the University of Pittsburgh, Allegheny College and Carnegie Science Center. Later, during the period from 1930 to 1970, prior to widespread institutional or government funded scholarship programs, the Foundation provided more than one thousand scholarships to aspiring students. In the advent of the computer age, the Foundation invested heavily in library technology and university distance learning centers. As discussed further below, the Foundation is again revisiting its funding priorities with an eye toward the Northside.

- **Youth Development** –Projects that provide opportunities for our young people to thrive, to be safe and to live in a nurturing environment.

The Pittsburgh region that Mr. Buhl loved will thrive when young people are able to learn and to assume the responsibilities of civic participation and leadership. The Buhl Foundation looks for initiatives, particularly in disadvantaged communities, that support young people in out-of-school time activities that develop leadership, enhance learning, encourage community service, provide recreational enjoyment or prevent violence. These priorities are currently being evaluated with specific focus on the Northside of Pittsburgh.

- **Human Services** – Strategies where our resources make a difference in addressing persistent community challenges or unmet needs of at-risk neighborhoods.

The Foundation has funded efforts that support a thriving and diverse community, encourage citizen volunteers or improve access to services. Support has also been provided for special projects that improve the effectiveness of such organizations to reach out and meet these human service needs.

- **Economic and Community Development** – Efforts that encourage innovation and entrepreneurial solutions to improve the quality of life.

The Northside

Commencing in 2013, the Foundation embarked on a revisioning effort to determine how these historic themes might be integrated into a more geographically focused effort on the Northside of Pittsburgh. In furtherance of that effort, Buhl has been engaged in an extensive planning effort with the Northside community to find consensus around key needs and the strategies to address them. The results of that undertaking will significantly impact Buhl's granting priorities over the next decade or longer. Until that process is completed, grantees and prospective grantees are encouraged to learn more about this undertaking by visiting www.onenorthsidepgh.org or by contacting Buhl staff.

Henry C. Frick Educational Fund

Grants are made from the Frick Fund with special concern for strengthening K-12 public school education. A sub fund of the Frick Fund, the Frick Teacher Alumnae Fund, supports efforts to improve the teaching profession and the effectiveness of teachers. These focus areas align well with the educational interests of the Buhl Foundation. Grant procedures for the Frick Fund are the same as the Buhl Foundation.

William and Elizabeth Rodger McCreery Memorial Fund

Grants are made from the McCreery Fund to nonprofits that focus on furthering musical education and music awareness for young people in the Pittsburgh region. Application procedures for the McCreery Fund are the same as the Buhl Foundation.

GRANT PROCEDURES

A written letter of inquiry, not to exceed three pages, should be sent to the President, to be followed by a formal proposal meeting Buhl guidelines, if invited. Electronic inquiries are not accepted.

Staff meets regularly to review letters of inquiry and either a phone call or a letter regarding the inquiry should be expected within 6 weeks, if not sooner. If taken under consideration, an inquiry may be acted upon immediately, followed by a request for a proposal or it may be allowed to percolate over time so as to evaluate its potential impact in relation to other funding options in the face of limited resources. Staff will often meet with potential applicants to discuss feasibility and may work with prospective grantees to develop a proposal that appears to have potential for community impact consistent with Buhl's giving priorities. Expression of interest in a proposal, or work with an applicant to assure best possible presentation, should not be construed as an indication of forthcoming grant approval.

If a proposal is invited, staff will work with the applicant to establish a specific time frame for submission of the proposal and consideration by the Board.

Interviews or site visits may be carried out by arrangement with the staff.

The Board of Directors of the Foundation usually meets five to six times a year to act on grant proposals.

When a grant has been awarded, the grantee and Foundation agree upon a schedule for grant payments. A report on program achievements, including accounting for dollars spent, is required at the conclusion of the program.

All letters of inquiry and proposals are reported to the Board of Directors.

PROPOSAL GUIDELINES

A formal proposal when invited should include all of the following:

- Cover Sheet from the Common Grant Application Format (www.gwpa.org)
- Mission of organization
- Short, concise information about the organization
- Purpose of grant request
 - Amount requested/total project need
 - Program description/need/schedule of implementation
 - Audience/population served
 - Impact
 - Evaluation
 - Collaborative partners
- Financials
 - Income/expenditure current year and forecast
 - Budget for project
 - Other funders
 - Most recent audited financials
- Leadership/Board of Directors
- IRS Determination Letter

Applicants may also use the Common Grant Application Form available from Grantmakers of Western Pennsylvania at www.gwpa.org.

Proposals are limited to 10 typewritten, double spaced pages. The cover sheet, director lists, evidence of tax status and financial documentation can be attachments and are not included in the ten page limitation.

The Buhl Foundation

Financial Statements and Supplementary Information

Years Ended June 30, 2018 and 2017
with Independent Auditor's Report

MaherDuessel

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THE BUHL FOUNDATION

YEARS ENDED JUNE 30, 2018 AND 2017

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Independent Auditor's Report

Board of Directors The Buhl Foundation

We have audited the accompanying financial statements of The Buhl Foundation (Foundation), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of appropriations authorized and administrative expenses by fund on page 19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Maier Duessel

Pittsburgh, Pennsylvania
January 15, 2019

THE BUHL FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 1,168,154	\$ 6,055,359
Receivables	4,953	11,260
Prepaid expenses	25,386	12,754
Investments	86,042,966	79,467,907
Office furniture and equipment, net of accumulated depreciation of \$128,891 and \$118,385, respectively	<u>15,613</u>	<u>26,119</u>
Total Assets	<u>\$ 87,257,072</u>	<u>\$ 85,573,399</u>
Liabilities and Unrestricted Net Assets		
Liabilities:		
Appropriation commitments:		
Payable by June 30 of subsequent year	\$ 764,750	\$ 2,057,600
Payable after June 30 of subsequent year	<u>400,000</u>	<u>25,000</u>
Total appropriation commitments	1,164,750	2,082,600
Accounts payable and accrued liabilities	<u>48,815</u>	<u>54,999</u>
Total Liabilities	<u>1,213,565</u>	<u>2,137,599</u>
Net Assets:		
Unrestricted	<u>86,043,507</u>	<u>83,435,800</u>
Total Liabilities and Unrestricted Net Assets	<u>\$ 87,257,072</u>	<u>\$ 85,573,399</u>

See accompanying notes to financial statements.

THE BUHL FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Unrestricted Net Assets:		
Income:		
Interest	\$ 27,723	\$ 28,743
Dividends	2,408,407	733,920
Realized gain (loss) on sale of investments	6,400,573	1,664,533
Unrealized (loss) gain on investments	(1,633,715)	6,692,667
Partnership net (loss) gain, net of management fees	(203,819)	(189,018)
Other income (loss)	(148,104)	(107,096)
Donations	5,000	-
Total income	<u>6,856,065</u>	<u>8,823,749</u>
Expenses:		
Program expenses:		
Appropriations authorized	2,806,653	2,607,615
Direct charitable expenses	486,185	402,740
Administrative expenses:		
Salaries and other employment costs	525,002	560,323
Investment management fees	210,369	198,213
General and administrative	110,889	96,097
Federal excise and unrelated business income taxes	80,714	34,286
Professional services	28,546	38,149
Total expenses	<u>4,248,358</u>	<u>3,937,423</u>
Change in Net Assets	<u>2,607,707</u>	<u>4,886,326</u>
Net Assets:		
Beginning of year	<u>83,435,800</u>	<u>78,549,474</u>
End of year	<u>\$ 86,043,507</u>	<u>\$ 83,435,800</u>

See accompanying notes to financial statements.

THE BUHL FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 2,607,707	\$ 4,886,326
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain) loss on investments	(6,400,573)	(1,664,533)
Net unrealized loss (gain) on investments	1,633,715	(6,692,667)
Partnership net loss (gains), net of management fees	203,819	189,018
Forgiven program-related investments	(100,000)	-
Depreciation	10,506	2,595
Change in:		
Receivables	6,307	3,399
Prepaid expenses	(12,632)	2,061
Appropriation commitments	(917,850)	(91,178)
Accounts payable and accrued liabilities	(6,184)	37,425
Net cash provided by (used in) operating activities	<u>(2,975,185)</u>	<u>(3,327,554)</u>
Cash Flows From Investing Activities:		
Proceeds from dispositions of investments	6,166,263	9,415,887
Purchases of investments	(8,078,283)	(2,000,463)
Purchases of office equipment	-	(23,822)
Net cash provided by (used in) investing activities	<u>(1,912,020)</u>	<u>7,391,602</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(4,887,205)</u>	<u>4,064,048</u>
Cash and Cash Equivalents:		
Beginning of year	<u>6,055,359</u>	<u>1,991,311</u>
End of year	<u>\$ 1,168,154</u>	<u>\$ 6,055,359</u>
Supplemental Information:		
Excise tax paid	<u>\$ 85,000</u>	<u>\$ 31,000</u>

See accompanying notes to financial statements.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

1. Organization

The Buhl Foundation (Foundation) was established in 1927 by the will of Henry Buhl, Jr. The Henry C. Frick Educational Fund and the William and Elizabeth Rodgers McCreery Memorial Fund are operated as separate funds within the Foundation. The Foundation is governed by a Board of Directors (Board) consisting of six voting members. Appropriations are authorized by the Board to tax-exempt, nonprofit institutions for charitable, educational, and public uses and purposes for specific programs.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. The Foundation's net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. At June 30, 2018 and 2017, the Foundation had no temporarily restricted net assets.

Permanently Restricted Net Assets - Net assets whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by the actions of the Foundation. At June 30, 2018 and 2017, the Foundation had no permanently restricted net assets.

Investments and Related Income

Investments are reported at fair values in the statements of financial position and changes in the fair values of such investments are included in net unrealized gain on investments in the statements of activities, as further described in Note 3. Realized gains or losses on these investments, if any, are reported separately in the statements of activities. Purchases and sales of investments are recorded on their trade date. Interest and dividends from

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

investment securities are recorded when received. This investment income would not have a significant effect on the financial statements if it were to be recorded on the accrual basis.

Distributions from private equity funds are recognized as income to the extent of the Foundation's share of undistributed income of such private equity funds. Management fees paid to private equity funds are included in partnership net gains/losses in the accompanying statements of activities.

Investments considered to be permanently impaired in value are written down to their fair value and the write-down is recorded as a realized loss on investments. Realized gains and losses on disposals of investments are determined by the specific identification method, except for mutual funds and certain equity investments for which the cost of shares sold is determined by the average cost method.

The Foundation's investments are exposed to various risks, including interest rate, currency, market, and credit. Due to these risks and the level of uncertainty related to changes in the value of individual investments, it is at least reasonably possible that significant changes can occur in fair value that may materially affect the amounts reported in the financial statements.

In accordance with Internal Revenue Service regulations, the Foundation is generally required to distribute at least 5% of its investable assets each year. After considering the long-term expected return on its investment assets and the possible effect of inflation, the Foundation's Board of Trustees has established a policy of spending only the required 5% of investable assets annually. The Foundation expects that spending policy to allow its investments to grow at a nominal average rate of 3% annually, which is consistent with the Foundation's objective to maintain the purchasing power of the investment assets as well as to provide additional real growth through investment return.

The Foundation's investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Funds are invested in a well-diversified asset mix, which includes primarily equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Foundation expects its investment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total investment portfolio; investment assets and allocation

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Cash and Cash Equivalents

The Foundation considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. The Foundation maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Foundation does not believe it is exposed to any significant credit risk related to cash and equivalents.

Office Furniture and Equipment

The Foundation carries office furniture and equipment at cost. Depreciation is provided over estimated useful lives on the straight-line method. Maintenance and repairs are expensed as incurred. Expenditures, which significantly increase asset values or extend useful lives, are capitalized. When an asset is sold or retired, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized in income. Depreciation expense for the years ended June 30, 2018 and 2017 was \$10,506 and \$2,595, respectively.

Appropriations

The Foundation recognizes a liability and corresponding expense for unconditional appropriations in the amount expected to be paid when the Board approves appropriations. Such liabilities are not recorded at their present values using a discount rate commensurate with the risks included, because the present value is not materially less than the amounts expected to be paid. Conditional grants approved by the Board are recorded when the conditions are met.

Direct Charitable Expense

The Foundation, through its regular staff and through a newly created position, the Henry Buhl Jr. Chair for Civic Leadership, performed various direct charitable activities during the year. Such included general community-wide charitable activities as well as activities related to building consensus and engaging in community education in order to address employment, education, health, safety, youth development and afterschool, parks, recreation, vacant lots, human services, and affordable housing concerns on the Northside of Pittsburgh.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

Direct charitable expenses included on the statements of activities include allocated salary for community-based direct charitable expenses and other employment costs totaling \$385,297 and \$328,021 in 2018 and 2017, respectively.

Use of Estimates

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

Adopted Pronouncement

The requirements of the following Financial Accounting Standards Board (FASB) Statement were adopted for the financial statements:

ASU 2015-07, *“Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value Per Share (or its Equivalent),”* removes the requirement to categorize, within the fair value hierarchy, all investments for which fair value is measured using the net asset value per share practical expedient. Instead, the amounts measured using the net asset value per share (or its equivalent) must be provided to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position. The guidance requires retrospective application. As a result of adopting this standard, prior period disclosures related to fair value measurement have been revised.

Pending Pronouncements

The FASB has issued statements that will become effective in future years as outlined below. Management has not yet determined the impact of these statements on the financial statements.

ASU 2016-14, *“Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,”* is effective for the financial statements for the year ending June 30, 2019. This amendment aims to improve how a nonprofit organization classifies its net assets and provides information in its financial statements and notes about its financial performance, cash flow, and liquidity. The ASU changes the net asset classification, requires

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

presentation of expenses both by nature and function, requires investment return reported net of investment expenses, requires placed-in-service approach for gifts of/for long-lived assets, and provides enhanced disclosures for: governing body restrictions; composition of net assets with donor restrictions; qualitative and quantitative information on liquidity; methods to allocate costs among program and support functions; and underwater donor-restricted endowment.

ASU 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*," is effective for the financial statements for the year ending June 30, 2021, as a resource provider. This amendment provides guidance for characterizing grants and similar contracts with government agencies and others as reciprocal transactions (exchanges) or nonreciprocal transactions (contributions) and distinguishing between conditional and unconditional contributions.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

3. Investments

Following is a summary of the cost and fair value of investments at June 30:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Fixed income bond and bond funds	\$ 10,657,575	\$ 10,367,333	\$ 5,890,102	\$ 5,805,624
Equity and mutual funds:				
Multi-asset	35,831,210	34,580,347	32,847,088	33,927,106
Commodity related	1,582,815	1,658,234	1,582,489	1,415,996
Emerging markets	2,879,795	3,095,504	2,806,120	3,055,708
Value	3,260,773	3,427,136	2,501,131	2,692,680
International	6,070,401	6,971,787	6,356,285	7,157,788
Small capitalization	551,019	749,685	547,345	692,670
Growth and income	3,520,888	4,295,622	3,202,633	3,535,587
Real estate	370,821	400,212	324,809	355,881
	<u>54,067,722</u>	<u>55,178,527</u>	<u>50,167,900</u>	<u>52,833,416</u>
Hedge funds	4,611,039	5,556,532	5,399,687	6,307,425
Private equity funds	10,941,477	14,143,192	10,588,460	13,624,060
Program-related investments	797,382	797,382	897,382	897,382
	<u>\$ 81,075,195</u>	<u>\$ 86,042,966</u>	<u>\$ 72,943,531</u>	<u>\$ 79,467,907</u>

Investments in the multi-asset fund accounts for approximately 40.2% and 42.7% of the fair value of the Foundation's investments at June 30, 2018 and 2017, respectively.

Determination of Fair Value

The Foundation reports investments at fair value in accordance with fair value accounting standards. Fair value is 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. These standards require an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. In addition, the organization reports hedge and private equity funds using the net asset value per share as determined by investment managers under the so-called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

method are met. Fair value measurement standards also require the organization to classify these financial instruments into a three-level hierarchy, based upon priority of inputs to the valuation technique.

The Foundation presents their investments in a fair value hierarchy based on the inputs used to measure fair value. Investments whose values are based on quoted market prices in active markets are classified within Level 1. Investments determined by reference to quoted prices for similar investments in active markets are classified within Level 2. Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all.

The following table summarizes investments by fair value measurement categories as of June 30, 2018:

	Total	Level 1	Level 2	Level 3
Fixed income bond and bond funds	\$ 10,367,333	\$ 10,367,333	\$ -	\$ -
Equity and mutual funds:				
Commodity related	1,658,234	1,658,234	-	-
Emerging markets	3,095,504	3,095,504	-	-
Value	3,427,136	3,427,136	-	-
International	6,971,787	6,971,787	-	-
Small capitalization	749,685	749,685	-	-
Growth and income	4,295,622	4,295,622	-	-
Real estate	400,212	400,212	-	-
Private equity funds	14,143,192	-	-	14,143,192
Program-related investments	797,382	-	-	797,382
Total investment in fair value hierarchy	<u>45,906,087</u>	<u>\$ 30,965,513</u>	<u>\$ -</u>	<u>\$ 14,940,574</u>
Investments measured at net asset value				
Multi-asset	34,580,347			
Hedge funds	5,556,532			
Total investments at fair value	<u>\$ 86,042,966</u>			

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

The following table summarizes investments by fair value measurement categories as of June 30, 2017:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income bond and bond funds	\$ 5,805,624	\$ 5,805,624	\$ -	\$ -
Equity and mutual funds:				
Commodity related	1,415,996	1,415,996	-	-
Emerging markets	3,055,708	3,055,708	-	-
Value	2,692,680	2,692,680	-	-
International	7,157,788	7,157,788	-	-
Small capitalization	692,670	692,670	-	-
Growth and income	3,535,587	3,535,587	-	-
Real estate	355,881	355,881	-	-
Private equity funds	13,624,060	-	-	13,624,060
Program-related investments	897,382	-	-	897,382
Total investments in fair value hierarchy	<u>39,233,376</u>	<u>\$ 24,711,934</u>	<u>\$ -</u>	<u>\$ 14,521,442</u>
Investments measured at net asset value				
Multi-asset	33,927,106			
Hedge funds	6,307,425			
Total investments at fair value	<u>\$ 79,467,907</u>			

Level 3 investments held by the Foundation include private equity funds and program-related investments.

The Foundation's investment in private equity funds is valued at fair value, which are the amounts reported in the statements of financial position, based on the Foundation's capital account balance at June 30, 2018 and 2017. Fair value of the private equity funds is determined by the fund manager, which generally represents the private equity fund's proportionate share of the net assets of the investee funds as reported. This amount is equal to the sum of capital accounts in the investment entities determined in accordance with accounting principles generally accepted in the United States of America or substantially similar accounting principles. The valuation of each fund is based upon the compilation of the prices from each underlying private equity investment. For the limited partnerships, fair value is based on the best information available and is determined by reference to information including, but not limited to, the following: projected sales, net earnings, earnings before interest, taxes, depreciation and amortization, balance sheets, public or private transactions, valuations for publicly-traded comparable companies, and/or

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YEARS ENDED JUNE 30, 2018 AND 2017

other measures, and consideration of any other pertinent information including the types of securities held and restrictions on disposition. Upon completion of the fund valuation, the Foundation's quarterly individual investor valuations are based upon their ownership share of each pool. Per the terms of the limited partnership agreements, the Foundation cannot withdraw funds or sell funds until the limited partnership liquidates. Capital calls and distributions occur upon the private equity fund management's determination. Liquidation is not expected in the near-term. The Foundation's investment in private equity funds are speculative and involve risks that would arise from changes in the value of these funds and the potential inability to liquidate all or a portion of them in a timely manner.

For Level 3 items, the Foundation's valuation is determined in good faith by the General Partner of the limited partnerships, as they have no significant observable inputs. Quantitative unobservable inputs of Level 3 items are not developed by the Foundation for measuring fair value.

The Foundation's interest in program-related investments is further described in Note 5. The fair market value of program-related investments is determined based upon the funds granted, less any repayments or amounts forgiven.

At June 30, 2018 and 2017, investments reported at net asset value (NAV) include the Foundation's funds held in The Investment Fund for Foundation (TIFF) multi-asset mutual fund and hedge funds.

The multi-asset mutual fund is reported at fair value as of June 30, 2018 and 2017 based upon a daily NAV as calculated by TIFF Investment Program, Inc. The NAV is calculated as assets of the fund less the fund's liabilities. The shares reported by the Foundation are proportionate to the Foundation's relative capital contribution. Shares are redeemable upon request and are available the next business day; however, TIFF reserves the right to hold payment up to seven days. Currently, the Foundation has no intention of liquidating the TIFF multi-asset mutual funds held at June 30, 2018.

The TIFF multi-asset fund discloses the levels of the underlying investments reported in their unaudited semi-annual report as of June 30, 2018 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
TIFF Multi-Asset Fund	54%	30%	16%

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

The TIFF multi-asset fund discloses the levels of the underlying investments reported in their unaudited semi-annual report as of June 30, 2017 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
TIFF Multi-Asset Fund	52%	30%	18%

At June 30, 2018 and 2017, the Foundation invested in hedge funds to further diversify its investment portfolio through a Hirtle Callaghan hedge fund. Investments in the hedge funds are speculative and involve risk. Risks arise from changes in the value of these funds and the potential inability to liquidate all or a portion of them in a timely manner. There are numerous factors that may significantly influence the market value of these funds, including interest rate volatility. These factors were considered by the Foundation prior to making this investment and it was determined the investment would be beneficial to leverage risk in other areas of the investment portfolio.

At June 30, 2018 and 2017, offshore hedge funds include investments in multi-fund pools that are commonly referred to as “fund of funds.” The underlying hedge fund manager invests in marketable securities that trade in well-established and highly-liquid markets (stocks, bonds, futures, options, etc.). The objective of these investments is to realize long-term total return by investing in a diversified group of pooled investment vehicles. The offshore hedge funds are valued at fair value, which are the amounts reported in the statements of financial position, based on the net asset value per share of the fund at June 30th. The valuation of each fund is based upon the compilation of the prices from each underlying hedge fund administrator. Upon completion of the fund valuation, the Foundation’s monthly individual investor valuations are based upon their ownership share of each pool. Individual hedge funds typically have provisions in their partnership agreements that restrict investors from liquidating their investments for some period of time. After this “lock-up” period has been satisfied, these funds offer quarterly liquidity with advance notice (anywhere from 30 to 90 days). Liquidation is not expected in the near-term.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

The following table summarizes the changes in fair values associated with Level 3 assets at June 30, 2018:

	Private Equity Funds	Program Related	Total Level 3 Assets
Balance as of June 30, 2017	\$ 13,624,060	\$ 897,382	\$ 14,521,442
Unrealized gains (losses)	166,115	-	166,115
Capital calls/purchases	3,904,939	-	3,904,939
Distributions/sales/expenses	(3,551,922)	(100,000)	(3,651,922)
Balance as of June 30, 2018	<u>\$ 14,143,192</u>	<u>\$ 797,382</u>	<u>\$ 14,940,574</u>

The following table summarizes the changes in fair values associated with Level 3 assets at June 30, 2017:

	Private Equity Funds	Program Related	Total Level 3 Assets
Balance as of June 30, 2016	\$ 14,173,988	\$ 897,382	\$ 15,071,370
Unrealized gains (losses)	29,407	-	29,407
Capital calls/purchases	2,733,033	-	2,733,033
Distributions/sales/expenses	(3,312,368)	-	(3,312,368)
Balance as of June 30, 2017	<u>\$ 13,624,060</u>	<u>\$ 897,382</u>	<u>\$ 14,521,442</u>

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NOTES TO FINANCIAL STATEMENTS

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4. Private Equity Capital Commitments

The Foundation has entered into agreements to commit capital into various private equity funds. The callable capital can be requested at any time by the fund. The remaining capital commitments as of June 30, 2018 are estimated as follows:

	Amount Committed	Amount Drawn	Remaining Capital Commitment
Axiom Asia Private Capital Fund II, L.P.	\$ 1,000,000	\$ 886,871	\$ 113,129
Aberdeen International Partners, L.P.	1,000,000	960,000	40,000
Aberdeen Private Equity II, L.P.	2,000,000	2,000,000	-
Aberdeen Private Equity III, L.P.	2,000,000	1,960,000	40,000
Aberdeen Private Equity VI, L.P.	2,000,000	1,320,000	680,000
Aberdeen Private Equity VII, L.P.	2,000,000	440,000	1,560,000
Aberdeen Venture Partners, V, L.P.	2,000,000	2,000,000	-
Aberdeen Venture Partners VI, L.P.	2,000,000	1,960,000	40,000
Aberdeen Venture Partners IX, L.P.	2,000,000	1,580,000	420,000
LODH Private Equity - EuroChoice IV (Scotland), L.P. ⁶ *	1,169,000	1,068,466	100,534
Park Street Capital Private Equity Fund IX, L.P.	1,000,000	975,000	25,000
Park Street Capital Private Equity Fund X, L.P.	1,000,000	915,000	85,000
RCP Fund VI, L.P.	1,000,000	1,118,900	(118,900)
RCP Fund VII, L.P.	500,000	509,054	(9,054)
RCP SOF Feeder, Ltd.	500,000	552,045	(52,045)
VCFA Private Equity Partners IV, L.P.	3,000,000	2,850,000	150,000
Venture Investment Associates VII, L.P.	1,000,000	870,000	130,000
	<u>\$ 25,169,000</u>	<u>\$ 21,965,336</u>	<u>\$ 3,203,664</u>

* - The Buhl Foundation has committed to € 1,000,000. For reporting purposes, investment is reported in U.S. dollars and will fluctuate according to the current quarter-end currency exchange rates.

5. Program-Related Investments

Starting in 1996 through 2002, the Foundation disbursed \$500,000 for commitments to the Strategic Investment Fund Partners, a limited partnership between the Strategic Investment Fund, Inc. I, and the Allegheny Conference on Community Development. Thereafter, proceeds of the Strategic Investment Fund, Inc. I were reinvested in a subsequent Strategic Investment Fund, Inc. II. The Strategic Investment Fund, Inc. I was fully liquidated during

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2015 and all remaining program related funds are invested in the Strategic Investment Fund, Inc. II. The purpose of the Funds is to provide private sector financing for projects that promote economic development and the creation of employment in the City of Pittsburgh and its environs. The balance of the Funds' program-related investment was \$497,382 at June 30, 2018 and 2017.

In fiscal year 2009, the Foundation distributed \$100,000 in the form of a low-interest loan to Hosanna House as a program-related investment that remains outstanding. Such loan was renewed during June 2013, at which point the Foundation excused the interest amounts due from Hosanna House. During the year ending June 30, 2018, the Foundation approved converting this loan to a donor restricted grant and forgiving the interest.

During the 2015 fiscal year, the Foundation contributed \$300,000 to the Historic Deutschtown Development Corporation to complete the renovations and re-use of two historic properties at 431-433 East Ohio Street in Pittsburgh's North Side region. The Foundation's balance in such program-related investment was \$300,000 at June 30, 2018 and 2017.

The Foundation has also recorded program-related investment income in the amount of \$7,619 and \$7,978 through June 30, 2018 and 2017, respectively.

6. Endowment Assets

The primary investment objective of the Foundation is to manage its investment portfolio so as to provide a permanent, reliable flow of funds to the grantmaking and operating budgets of the Foundation and to grow that flow of funds at least as rapidly as the rate of inflation in the cost of the goods and services used by the Foundation and its grantees. The Foundation's investment objective is achieved through a diversified asset allocation including growth/equity assets, hedging/yield assets, and operating assets. These assets include various bond, mutual, private equity, and off-shore hedge funds. The Foundation does not maintain a formal spending policy; however, they do approve, on an annual basis, the total budgeted grant expenses, which are based in part on the total return of the endowment investments.

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The endowment assets used by the Foundation to provide income for the maintenance and granting activities is comprised of the various investments held by the Foundation. During 2018 and 2017, the Foundation had the following endowment-related activities:

	<u>2018</u>	<u>2017</u>
Investment return on endowment assets:		
Interest and dividends	\$ 2,436,130	\$ 762,663
Partnership net (losses) gains	(203,819)	(189,018)
Realized (losses) gains	6,400,573	1,664,533
Unrealized gains (losses)	(1,633,715)	6,692,667
Investment fees	<u>(210,369)</u>	<u>(198,213)</u>
Total investment return on endowment assets	<u>6,788,800</u>	<u>8,732,632</u>
Net transfers out of endowment	<u>(213,741)</u>	<u>(7,979,874)</u>
Total change in endowment funds	6,575,059	752,758
Endowment investment funds:		
Beginning of year	<u>79,467,907</u>	<u>78,715,149</u>
End of year	<u>\$ 86,042,966</u>	<u>\$ 79,467,907</u>

7. Appropriation Commitments

Appropriation commitments at June 30, 2018 are due to be paid as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2019	\$ 764,750
2020	50,000
2021	<u>350,000</u>
	<u>\$ 1,164,750</u>

8. Taxes

The Foundation is qualified as a private, non-operating foundation under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income tax under Section 501(a)

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

of the Internal Revenue Code. The Foundation is obligated to pay income taxes on its unrelated business income (as defined), if any. In addition to a federal excise tax on net investment income, private foundations are subject to tax on the amount by which their minimum investment return exceeds distributions.

The Foundation has not provided deferred excise or unrelated business income taxes in these financial statements with respect to tax effects on differences between the basis of assets and liabilities for financial reporting and tax purposes, due to the insignificance of such deferred taxes relative to the financial statements as a whole. Further, the Foundation annually files a Form 990PF and a Form 990T.

9. Retirement Plans

The Foundation sponsors a defined contribution pension plan covering all eligible employees. Contributions are based on a percentage of each participant's compensation. Amounts charged to pension expense totaled \$97,795 and \$89,513 for the years ended June 30, 2018 and 2017, respectively.

The Foundation also sponsors a retirement plan under Section 403(b) of the Internal Revenue Code, which covers all eligible employees. The retirement plan is funded entirely with employee contributions.

10. Related Party Transactions

During 2018 and 2017, there were certain grant applicants with which Directors of the Foundation were affiliated. Pursuant to the practices of the Foundation, the related Directors abstained from voting in matters concerning affiliated applicants.

SUPPLEMENTARY INFORMATION

THE BUHL FOUNDATION

STATEMENT OF APPROPRIATIONS AUTHORIZED AND ADMINISTRATIVE EXPENSES BY FUND

YEAR ENDED JUNE 30, 2018

	Buhl Fund	Frick Fund	McCreery Fund	Total
Program expenses:				
Appropriations authorized	\$ 2,670,153	\$ 135,000	\$ 1,500	\$ 2,806,653
Direct charitable expenses	486,185	-	-	486,185
Administrative expenses:				
Salaries and other employment costs	459,015	62,538	3,449	525,002
Investment management fees	183,928	25,059	1,382	210,369
General and administrative	96,951	13,209	729	110,889
Federal excise tax	70,569	9,615	530	80,714
Professional services	24,958	3,400	188	28,546
Total appropriations authorized and administrative expenses	\$ 3,991,759	\$ 248,821	\$ 7,778	\$ 4,248,358