

The Buhl Foundation



Annual Report by the President
July 1, 2018 to June 30, 2019



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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¹ Appointed July 1, 2018

From the Desk of the President

July 1, 2018 – June 30, 2019

The Buhl Foundation has undergone a significant change shifting its resources toward a geographic focus on the Northside of Pittsburgh. From the first conversation with residents of the Northside, we understood that it is indeed a special place, and through support and partnership, the residents would drive the change they want in their lives and community. Equally as compelling was that recognition that this amazing community, through size, diversity, passion, and commitment, is uniquely poised to innovate change that will be a model for other communities.

After years of planning and building trust, we have settled on the One Northside Consensus plan, a comprehensive vision and strategy that will allow the quality of life for all Northside residents to improve. We fundamentally believe that the success of this approach is driven by change. Change at the resident and systems level. We also recognize that lasting change that takes time, which is why we have made a long-term (10 to 20 year) commitment to the Northside. We know that the hard work accomplished by Northside residents will demonstrate to our system partners a better way to work with existing resources to provide improved outcomes. We are grateful for the early signs of success demonstrated by improved student attendance in schools, lower crime in highly vulnerable communities, and the strengthening of our early learning system.

While we have made a shift in Buhl's grantmaking, we remain 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 Board's bold shift to a strategic, focused grantmaking approach allows the Foundation to continue to play a historically significant role in Pittsburgh that remains true to Mr. Buhl's legacy. We are grateful for the critical partnerships we have built, for we know that success requires fellow collaborators and a community willing to embrace a new vision of insuring that all residents enjoy the many benefits of our changing economy and to creating a pathway that allows for equal access.

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 to engage with humility and compassion. I look forward to our continued progress in the coming year.

In service,

Diana A. 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.*

VISION

It was Mr. Buhl's desire that the Foundation be especially concerned with the "well-being of the citizens of the City of Pittsburgh, and the County of Allegheny." He gave the Board the freedom to distribute the Foundation resources in a way that was "responsive to the needs of the time" with particular focus on the community of Pittsburgh, creating the first multipurpose foundation in the city. These values remain constant in our vision for the Foundation.

Leverage

We invest our human capital and financial resources with innovative methods and in strategic places.

Catalyze

We embrace Henry Buhl, Jr.'s entrepreneurial mindset to develop transformational ideas and enact positive change.

Connect

We are an effective convener of people and organizations, connecting ideas, opportunities and resources to inspire our community.

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, 2018 - June 30, 2019

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.*

The Pittsburgh Promise Foundation- \$1,500,000

For five-year support to the Pittsburgh Promise capital campaign which aims to secure financial sustainability of the organization through 2028.

Fred Rogers Productions - \$200,000

To support the Legacy Lives On Campaign.

Manchester Academic Charter School - \$200,000

To support the middle school move into Museum Lab as a national model for innovative, experiential learning.

Urban Impact Foundation - \$200,000

To support a capital campaign that will allow Urban Impact to purchase facilities on Pittsburgh's Northside.

New Sun Rising - \$175,000

To support the continuation of the popular One Northside Mini-Grant Program 2019.

In Our Backyards Inc. - \$150,000

To support the continuation of ioby's One Northside Crowdfunding Challenge for 2019-2020.

United Way of Southwestern Pennsylvania - \$150,000

To support the One Northside Attendance Corps to reduce chronic absenteeism and improve attendance.

United Way of Southwestern Pennsylvania - \$150,000

To support a joint effort of Northside youth service providers and community partners that focuses on building a system that engages low-income, sixth to twelfth grade youth in college and career opportunities to prepare them to successfully transition into adulthood, ready to work.

Pittsburgh Parks Conservancy - \$100,000

To support the next design phase for the ongoing redevelopment of Allegheny Commons Park.

Leading to Movement - \$90,000

To support School Readiness building the supply of quality programs and support family access to high quality Pre-K child care by leveraging community assets and local, state and federal resources.

The Citizen Science Lab - \$75,000

To support the second year of Citizen Science Lab's successful Northside Drone Academy designed to teach youth how to safely fly their own drones.

Fineview Citizens Council - \$75,000

To develop a comprehensive housing and commercial plan for Fineview and Perry Hilltop.

Foundation of HOPE - \$75,000

To support the continuation of the Northside-based Diversion Program for low- to medium-risk, nonviolent offenders intended to decrease the participant's likelihood of re-offending.

PA Women Work - \$75,000

To support the new 3 Cups of Coffee-GRAD Program in preparing 100 pending female CCAC graduates for the job search by connecting them with mentors, training, and counseling services.

Sarah Heinz House - \$75,000

To outfit their facility for STEAM programming with a focus on experiential and creative learning.

YouthPlaces - \$75,000

To support the implementation of holistic afterschool enrichment programs, to more effectively bridge both the opportunity gap and the digital divide of youth living in impoverished, vulnerable communities.

Project Destiny - \$65,000

To support a Community Safety Coordinator position in Northview Heights to integrate One Northside efforts in both public safety and community health.

Allegheny Conference on Community Development - \$63,800

To support the "Creating a Next Generation Economy for All" campaign.

A+ Schools - \$50,000

To support the development of a comprehensive plan for a redesigned Perry High School using principals of human-centered design that engages key community stakeholders in its creation.

August Wilson African American Cultural Center - \$50,000

To support the August Wilson African American Cultural Center's AW Community Days

and efforts to reach more diverse audiences, including residents from Pittsburgh's Northside.

The Pittsburgh Foundation for the Public Health Improvement Fund - \$50,000

To support the partnership between Allegheny County Health Department and the philanthropic community in addressing human service needs county-wide, over two years.

Riverlife - \$50,000

To support efforts to implement a new vision plan, hire a new executive leader and fill key leadership staff.

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 PA.

National Aviary - \$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.

Providence Connections - \$40,000

To support Providence Connection's work to establish a Community Hub for Northside early childhood educators and families.

Vibrant Pittsburgh - \$35,000

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

Pittsburgh Parks Conservancy / CitiParks - \$34,500

To support "Naturally Northside" where Northside fifth-grade students can experience parks and greenspaces in their neighborhoods.

Friends of Riverview Park - \$30,000

To support the implementation of 2 priority projects in Riverview Park that help revitalize the park for Northside residents.

The Mattress Factory - \$30,000

To support the Mattress Factory and its interim leadership team as they transition from a founder-run organization to one positioned for long-term stability and success, after the passing of inspirational leader Barbara Luderowski.

Never Fear Being Different - \$30,000

To support the CoLab18-based summer program VlogU, which engages Northside youth to develop their skills in social media and marketing.

The Pittsburgh Foundation for the Human Service Integration Fund - \$30,000

To support the partnership between the Allegheny County Department of Human Services and the philanthropic community in addressing human service needs county-wide.

Pennsylvania Resources Council - \$30,000

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

Bethany House Academy - \$25,000

To support Bethany House in the development of a quality improvement plan for their preschool program.

Carnegie Mellon University, CREATE Lab - \$25,000

To enable CREATE Lab to develop sophisticated visualizations and narratives that explain the changes in the housing and real estate markets in Pittsburgh's Northside.

Carnegie Mellon University, Girls of Steel Robotics - \$25,000

To support the Girls of Steel Summer Camp to empower Northside women and girls in the pursuit of STEM education and careers by exemplifying female success in robotics.

Elizabeth Seton Center - \$25,000

To support increased fundraising capacity to support low-income families in the region.

Forbes Funds - \$25,000

To provide support for efforts to build strong, diverse pool of future executive directors for a broad range of nonprofit agencies.

Gwen's Girls - \$25,000

To support their efforts to address the unmet therapeutic and mental health needs of Northside girls, including residents of Northview Heights and members of the Somali Bantu community.

The Mentoring Partnership of Southwestern PA - \$25,000

To support the growth of their Everyday Mentoring initiative through the development of an app that allows for mentor training and mentees to receive advice and support.

Pittsburgh History and Landmarks Foundation - \$25,000

To support the architectural and engineering analysis of the historic McNaugher School on behalf of the Northside Partnership Project.

Radiant Hall - \$25,000

To support continued prioritization of the Northside as a key location for arts incubation while exploring long-term sites for a permanent Northside location.

Rebuilding Together Pittsburgh - \$25,000

To support a pilot project in the Fineview and Perry Hilltop neighborhoods to provide between six and eight eligible homeowners with comprehensive housing rehabilitation services focused on health, safety and code compliance.

Landforce - \$21,720

To support a community-supported Allegheny Dwellings environmental restoration project and hire Northside residents for its 2019 crew.

Grow Pittsburgh - \$20,000

To support efforts to move the United Somali Bantu of Greater Pittsburgh's Mwana Kuche Market Garden towards long-term sustainability at their location on North Charles Street.

Community Foundation of the Alleghenies / Breathe Project - \$18,000

To support Northside residents as they work to track air quality data resulting from the expansion of Norfolk Southern railroad lines through Allegheny Commons.

Pittsburgh Urban Leadership Service Experience (PULSE) - \$17,600

To utilize a PULSE Fellow to support the One Northside initiative.

Grounded Strategies - \$15,500

To support a Northside-wide event series to be hosted at CoLab18 to focus on empowering residents to take on greenspace and land use projects.

Sister Cities Association of Pittsburgh - \$15,000

To support the capacity building of the newly formed Sister Cities Association of Pittsburgh.

Student Conservation Association - \$15,000

To support a 10-member crew of primarily at-risk, Northside-based youth in Riverview Park in the summer of 2019.

Amachi Pittsburgh - \$13,500

To support the implementation of The Sanctuary Model at Amachi Pittsburgh.

Pittsburgh Cultural Trust - \$12,500

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

Zelienople Historical Society - \$12,500

To support the efforts to complete the Nomination to the National Register of Historic Places for the Christian and Fredericka Buhl House.

United Methodist Church Union - \$10,000

To support Kids Meal Network program for underserved youth in Northview Heights neighborhood in 2019.

Pittsburgh Community Reinvestment Group - \$7,500

To support the placement of an AmeriCorps VISTA at the Buhl Foundation to focus on a workforce housing strategy.

Allegheny Youth Development - \$5,000

To support a second year of the Summer Golf-with-Police class designed to develop positive image and good relationships among children, families and officers.

Doors Open Pittsburgh - \$5,000

To support the exploration and appreciation of Pittsburgh's history and architectural heritage by providing access to significant buildings across the city, including the Northside.

Pittsburgh Cares - \$5,000

To support Summer in Service service-learning program with middle school students who live in the Pittsburgh's Northside neighborhoods.

The Pittsburgh Project - \$5,000

To support Northside resident participation in the Servant Leader Celebration roasting Heinz Endowment President Grant Oliphant.

Remake Learning Council / Grantmakers of Western PA - \$5,000

To support Remake Learning Days 2019 as an effort to stimulate learning innovation in the Northside and all of Western Pennsylvania.

San Francisco Film Society - \$5,000

To support the completion of Episode 1 of the documentary series "Saving the City" in which the evolution of the City of Pittsburgh plays a major role.

United Methodist Church Union - \$5,000

To support the second year of an arts component for the Northview Heights-based Kids Meal Network program, the Northview Heights Arts Project.

POISE Foundation - \$2,500

To support the second year of the USSIE Summer Games designed to build positive relations between police and community in Pittsburgh through family friendly sporting activities.

City of Asylum, Sharing Our Story - \$2,300

To support Sharing Our Story's Digital Storytelling project in Northview Heights.

Gwen's Girls - \$2,000

To provide support for 15-16 Northside girls to attend the two-day Village in Action to Advance Equity for Black Girls Summit in Downtown Pittsburgh.

Pittsburgh Community Reinvestment Group - \$1,560

To support scholarships for three Northside individuals to attend the Rail~Volution Pittsburgh Conference.

HENRY C. FRICK EDUCATIONAL FUND

Henry C. Frick established the fund in 1909 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.

Pittsburgh Opera - \$100,000

To support the 80th Anniversary Campaign, a \$50 million initiative focused on achieving long-term financial stability and securing the company's future in the community.

A+ Schools - \$75,000

To continue growing an active and engaged network of parent and student leaders across the Northside, over three years.

The Mentoring Partnership - \$75,000

To support efforts toward training and technical assistance to incorporate formal mentoring programs in Western PA area schools, over three years.

ASSET, Inc. - \$45,000

To support the STEM from Square One program for Northside youth, over three years.

Carnegie Science Center - \$45,000

To support STEM programs including SciTech Days, Covestro Pittsburgh Regional Science and Engineering Fair, the Future City Competition and Engineer the Future, over three years.

Manchester Youth Development Center - \$45,000

To support After-School academic and enrichment activities to Northside children.

SLB Radio Productions - \$45,000

To support efforts to amplify voices of youth through partnerships with Northside schools and community centers, over three years.

Advancing Academics - \$30,000

To support on-going efforts to improve the economic opportunities for low-income, high-achieving high school students by enabling them to successfully pursue higher education, over three years.

Allegheny College -Creek Connections - \$30,000

To support strong science education, particularly environmental education in Pittsburgh-area middle and high schools, over three years.

Attack Theatre - \$30,000

To support a partnership with Pittsburgh Allegheny K-5 to develop a new, innovative dance curriculum for grades 4 and 5, over three years.

Artists Image Resource - \$30,000

To support K-12 Educational Partnership Programs with area schools, over three years.

City Theatre Company - \$30,000

To support the Theatre's education work with two classrooms in PPS as part of Young Playwrights Program, over three years.

Consortium for Public Education - \$30,000

To support the creation and coordination experiences and partnerships at Perry High School, over three years.

The Education Partnership - \$30,000

To support the provision of school and classroom supplies in schools throughout the region, over three years.

Frick Art & Historical Center - \$30,000

To support The Frick's presentation of Act 48 continuing education programs, over three years.

Higher Achievement - \$30,000

To support efforts to close the opportunity gap during the pivotal middle school years by providing at least 160 low-income scholars with year-round out-of-school time programming, over three years

Nine Mile Run Watershed Association - \$30,000

To support the provision of environmental education services through field trips to the living laboratory of the Nine Mile Run Aquatic Ecosystem Restoration in Frick Park and to green stormwater infrastructure sites in upper watershed communities, over three years.

Pittsburgh Ballet Theatre - \$30,000

To support arts education initiatives that seek to build appreciation of performing arts in children, over three years.

Pittsburgh Musical Theater - \$30,000

To support the Student Matinee Program for school-age children during school hours, over three years.

Pittsburgh Opera - \$30,000

To support Workshops for Educators and Opera Academy professional development programs, over three years.

Pittsburgh Public Theater - \$30,000

To support free attendance of students and teachers from underserved public schools, over three years.

Pittsburgh Symphony - \$30,000

To support the annual Pittsburgh Public Schools "Schooltime" concerts, over three years.

Quantum Theatre - \$30,000

To support in-school residencies for Quantum teaching artist in PPS classrooms, over three years.

River City Brass - \$30,000

To support the River City Brass School of Brass music enrichment program for students, over three years.

Saltworks Theatre Company - \$30,000

To support the performance of social issue-themed dramas for students, over three years.

Squonk Opera - \$30,000

To support an annual free public school program with new original STEAM workshops for grades K-6, over three years.

Venture Outdoors - \$30,000

To support three middle schools on the Northside to run a Youth Outdoor Leadership program, over three years.

Prime Stage - \$18,000

To support educational outreach programs, over three years.

Associated Artists of Pittsburgh - \$15,000

To support the Visual Arts Career Orientation Program for high school students, over three years.

Bricolage Production Company - \$15,000

To support outreach to schools through the Midnight Radio Jr. Education Program, over three years.

Carnegie Mellon University, School of Music - \$15,000

To support the Urban Music Education Project, over three years.

Film Pittsburgh - \$15,000

To support the Teen Screen Program, over three years.

Moving the Lives of Kids - \$15,000

To support the engagement of young people in the transformation of their communities by teaching them the art of mural production, over three years.

New Hazlett Theater - \$15,000

To support a performance series of emerging artists, over three years.

Pittsburgh Irish and Classical Theatre - \$15,000

To support youth in exploring the classic theatre, over three years.

Pittsburgh Festival Opera - \$15,000

To provide early childhood music education to students in underserved schools, over three years.

Pittsburgh New Music Ensemble - \$15,000

To support a new concert series focused on exposing young people to contemporary music, over three years.

Tickets for Kids - \$15,000

To support the Northside Cultural Access Program which distributes no-cost tickets to agency partners serving children on Pittsburgh's Northside, over three years.

The Pittsburgh Chess Club - \$15,000

To support the Chess for Pittsburgh Youth Program, over three years.

World Affairs Council of Pittsburgh - \$15,000

To support the Summer Institute for Teachers, over three years.

Mendelssohn Choir of Pittsburgh - \$2,500

To support Pittsburgh premiere of Donald McCullough's Let My People Go: A Spiritual Journey Along the Underground Railroad.

**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.

Chatham Baroque - \$12,000

To support the Peanut Butter and Jam Sessions, informal concerts for pre-school children and their parents, over three years.

Pittsburgh School for the Choral Arts- \$12,000

To provide and maintain choral education and outreach programs for girls regardless of their family's ability to pay, over three years.

Pittsburgh Youth Chorus - \$9,000

To support the Neighborhood Training choir program, over three years.

Allegheny Historic Preservation Society - \$6,000

To support the Tiffany Concert Series performances in the historic Calvary United Methodist Church on Pittsburgh's Northside, over three years.

Pittsburgh Youth Symphony Orchestra - \$6,000

To support the continuation and continued growth of chamber music ensembles in the Youth Chamber Connection, over three years.

Three Rivers Young Peoples Orchestra - \$6,000

To support the continuation and continued growth of chamber music ensembles in the Youth Chamber Connection, over three years.

Westmoreland Symphony Orchestra - \$6,000

To support the annual Young People's Concerts offered each fall to Westmorland County 3-5 graders, over three years.

Woodlands Foundation - \$6,000

To support the Notes from the Heart music program, over three years.

Pittsburgh Youth Concert Orchestra - \$4,500

To support scholarships for students in grades 4 to 12 to be trained in string, woodwind, brass, percussion, piano or harp performances, over three years.

CUMULATIVE SUMMARY OF APPROPRIATIONS
Ninety-two Year Period
to June 30, 2019

APPROPRIATIONS FROM 1927 TO JUNE 30, 2018

\$ 125,695,113

Appropriations from July 1, 2018 to June 30, 2019

Buhl Fund

The Pittsburgh Promise Foundation	\$1,500,000
Fred Rogers Productions	200,000
Manchester Academic Charter School	200,000
Urban Impact Foundation	200,000
New Sun Rising	175,000
In Our Backyards Inc.	150,000
United Way of Southwestern Pennsylvania	150,000
United Way of Southwestern Pennsylvania	150,000
Pittsburgh Parks Conservancy	100,000
Leading to Movement	90,000
The Citizen Science Lab	75,000
Fineview Citizens Council	75,000
Foundation of HOPE	75,000
PA Women Work	75,000
Sarah Heinz House	75,000
YouthPlaces	75,000
Project Destiny	65,000
Allegheny Conference on Community Development	63,800
A+ Schools	50,000
August Wilson African American Cultural Center	50,000
The Pittsburgh Foundation for the Public Health Improvement Fund	50,000
Riverlife	50,000
Urban League of Pittsburgh	50,000
National Aviary	40,000
Providence Connections	40,000
Vibrant Pittsburgh	35,000
Pittsburgh Parks Conservancy / CitiParks	34,500
Friends of Riverview Park	30,000
The Mattress Factory	30,000
Never Fear Being Different	30,000
The Pittsburgh Foundation for the Human Service Integration Fund	30,000
Pennsylvania Resources Council	30,000
Bethany House Academy	25,000
Carnegie Mellon University, CREATE Lab	25,000
Carnegie Mellon University, Girls of Steel Robotics	25,000
Elizabeth Seton Center	25,000
Forbes Funds	25,000
Gwen's Girls	25,000
The Mentoring Partnership of Southwestern PA	25,000
Pittsburgh History and Landmarks Foundation	25,000
Radiant Hall	25,000
Rebuilding Together Pittsburgh	25,000

Landforce	21,720
Grow Pittsburgh	20,000
Community Foundation of the Alleghenies / Breathe Project	18,000
Pittsburgh Urban Leadership Service Experience (PULSE)	17,600
Grounded Strategies	15,500
Sister Cities Association of Pittsburgh	15,000
Student Conservation Association	15,000
Amachi Pittsburgh	13,500
Pittsburgh Cultural Trust	12,500
Zelienople Historical Society	12,500
United Methodist Church Union	10,000
Pittsburgh Community Reinvestment Group	7,500
Allegheny Youth Development	5,000
Doors Open Pittsburgh	5,000
Pittsburgh Cares	5,000
The Pittsburgh Project	5,000
Remake Learning Council / Grantmakers of Western PA	5,000
San Francisco Film Society	5,000
United Methodist Church Union	5,000
POISE Foundation	2,500
City of Asylum, Sharing Our Story	2,300
Gwen's Girls	2,000
Pittsburgh Community Reinvestment Group	<u>\$1,560</u>
Total Buhl Fund Appropriations	<u>\$4,515,480</u>

Henry C. Frick Educational Fund

Pittsburgh Opera	\$100,000
A+ Schools	75,000
The Mentoring Partnership	75,000
ASSET, Inc.	45,000
Carnegie Science Center	45,000
Manchester Youth Development Center	45,000
SLB Radio Productions	45,000
Advancing Academics	30,000
Allegheny College -Creek Connections	30,000
Attack Theatre	30,000
Artists Image Resource	30,000
City Theatre Company	30,000
Consortium for Public Education	30,000
The Education Partnership	30,000
Frick Art & Historical Center	30,000
Higher Achievement	30,000
Nine Mile Run Watershed Association	30,000
Pittsburgh Ballet Theatre	30,000
Pittsburgh Musical Theater	30,000
Pittsburgh Opera	30,000
Pittsburgh Public Theater	30,000
Pittsburgh Symphony	30,000

Quantum Theatre	30,000
River City Brass	30,000
Saltworks Theatre Company	30,000
Squonk Opera	30,000
Venture Outdoors	30,000
Prime Stage	18,000
Associated Artists of Pittsburgh	15,000
Bricolage Production Company	15,000
Carnegie Mellon University, School of Music	15,000
Film Pittsburgh	15,000
Moving the Lives of Kids	15,000
New Hazlett Theater	15,000
Pittsburgh Irish and Classical Theatre	15,000
Pittsburgh Festival Opera	15,000
Pittsburgh New Music Ensemble	15,000
Tickets for Kids	15,000
The Pittsburgh Chess Club	15,000
World Affairs Council of Pittsburgh	15,000
Mendelssohn Choir of Pittsburgh	<u>2,500</u>
Total Frick Appropriations	<u>\$1,230,500</u>

William and Elizabeth Rodgers McCreery Memorial Fund

Chatham Baroque	\$12,000
Pittsburgh School for the Choral Arts	12,000
Pittsburgh Youth Chorus	9,000
Allegheny Historic Preservation Society	6,000
Pittsburgh Youth Symphony Orchestra	6,000
Three Rivers Young Peoples Orchestra	6,000
Westmoreland Symphony Orchestra	6,000
Woodlands Foundation	6,000
Pittsburgh Youth Concert Orchestra	<u>4,500</u>
Total McCreery Appropriations	<u>\$67,500</u>

TOTAL FROM JULY 1, 2018 TO JUNE 30, 2019	<u>\$5,813,480</u>
Cancellations/Refunds on Unrequired Commitment Balances	<u>(19,375)</u>
TOTAL APPROPRIATIONS OVER THE NINETY-TWO YEAR PERIOD	<u>\$131,489,218</u>

AREAS OF GIVING

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, Youth Development, Human Services, and Economic and Community Development. Although the Foundation has embarked on a place-based strategy on the Northside of Pittsburgh, it continues to find historic grantees focused on these priority areas and Buhl continues to look for opportunities to maintain this regional presence.

More recently, the Board of the Buhl Foundation has committed to a place-based strategy on Pittsburgh’s Northside where the majority of funding will be directed for at least the next decade. One Northside is a resident driven initiative that catalyzes and supports long-term sustainable change for Pittsburgh’s eighteen Northside neighborhoods that some 40,000 residents call home. Begun in 2014, One Northside is a long-term commitment to invest in the lives and futures of Northside residents and with particular emphasis on resourcing community members, young and old, to lead from within. In this strategy, Buhl is dedicated to working with and for the Northside community to improve upon and build the structure needed to connect residents and businesses to the resources that will create a thriving community. Working with thousands of Northside residents and community members, the One Northside strategy is grounded in five key pillars: Education, Employment, Place, Health and Safety. Learn more about this undertaking by visiting www.onenorthsidepgh.org.

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, 2019 and 2018
with Independent Auditor's Report

MaherDuessel

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THE BUHL FOUNDATION

YEARS ENDED JUNE 30, 2019 AND 2018

TABLE OF CONTENTS

Independent Auditor's Report

Financial Statements:

Statements of Financial Position	1
Statements of Activities	2
Statements of Cash Flows	3
Notes to Financial Statements	4

Supplementary Information:

Statement of Appropriations Authorized and Administrative Expenses by Fund	20
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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, 2019 and 2018, 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, 2019 and 2018, 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.

Emphasis of Matter

As described in Note 2 to the financial statements, the Foundation adopted ASU 2016-14, “*Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*,” which amends the requirements for financial statements for nonprofit entities. The amendment changes 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, among other requirements. Our opinion is not modified with respect to this matter.

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 20 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.

Maher Duessel

Pittsburgh, Pennsylvania
February 10, 2020

THE BUHL FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 938,017	\$ 1,168,154
Prepaid expenses	73,626	30,339
Investments	85,537,587	86,042,966
Office furniture and equipment, net of accumulated depreciation of \$133,936 and \$128,891, respectively	72,620	15,613
Total Assets	\$ 86,621,850	\$ 87,257,072
Liabilities and Net Assets Without Donor Restrictions		
Liabilities:		
Appropriation commitments:		
Payable by June 30 of subsequent year	\$ 1,530,475	\$ 764,750
Payable after June 30 of subsequent year	1,948,500	400,000
Total appropriation commitments	3,478,975	1,164,750
Accounts payable and accrued liabilities	73,149	48,815
Total Liabilities	3,552,124	1,213,565
Net Assets:		
Without Donor Restrictions	83,069,726	86,043,507
Total Liabilities and Net Assets Without Donor Restrictions	\$ 86,621,850	\$ 87,257,072

See accompanying notes to financial statements.

THE BUHL FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Net Assets Without Donor Restrictions:		
Income:		
Interest	\$ 16,661	\$ 27,723
Dividends	1,571,692	2,408,407
Realized gain (loss) on sale of investments, net of fees	4,395,066	6,190,204
Unrealized (loss) gain on investments	(1,240,104)	(1,633,715)
Partnership net (loss) gain, net of management fees	(487,921)	(203,819)
Other income (loss)	(21,380)	(148,104)
Donations	-	5,000
Total income	<u>4,234,014</u>	<u>6,645,696</u>
Expenses:		
Program expenses:		
Appropriations authorized	5,853,275	2,806,653
Direct charitable expenses		
Salaries and other employment costs	397,924	385,297
Other	132,374	100,888
Total program expenses	<u>6,383,573</u>	<u>3,292,838</u>
Management and General Expenses:		
Salaries and other employment costs	558,003	525,002
General and administrative	117,692	110,889
Federal excise and unrelated business income taxes	63,937	80,714
Professional services	84,590	28,546
Total management and general expenses	<u>824,222</u>	<u>745,151</u>
Total expenses	<u>7,207,795</u>	<u>4,037,989</u>
Change in Net Assets Without Donor Restrictions	(2,973,781)	2,607,707
Net Assets Without Donor Restrictions:		
Beginning of year	<u>86,043,507</u>	<u>83,435,800</u>
End of year	<u>\$ 83,069,726</u>	<u>\$ 86,043,507</u>

See accompanying notes to financial statements.

THE BUHL FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ (2,973,781)	\$ 2,607,707
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain) loss on investments, net of fees	(4,395,066)	(6,190,204)
Net unrealized loss (gain) on investments	1,240,104	1,633,715
Partnership net loss (gains), net of management fees	487,921	203,819
Forgiven program-related investments	-	(100,000)
Depreciation	10,016	10,506
Change in:		
Receivables	-	6,307
Prepaid expenses	(43,287)	(12,632)
Appropriation commitments	2,314,225	(917,850)
Accounts payable and accrued liabilities	24,334	(6,184)
Net cash provided by (used in) operating activities	<u>(3,335,534)</u>	<u>(2,764,816)</u>
Cash Flows From Investing Activities:		
Proceeds from dispositions of investments	5,778,725	6,166,263
Purchases of investments	(2,606,305)	(8,288,652)
Purchases of office equipment	(67,023)	-
Net cash provided by (used in) investing activities	<u>3,105,397</u>	<u>(2,122,389)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(230,137)	(4,887,205)
Cash and Cash Equivalents:		
Beginning of year	<u>1,168,154</u>	<u>6,055,359</u>
End of year	<u>\$ 938,017</u>	<u>\$ 1,168,154</u>
Supplemental Information:		
Excise tax paid	<u>\$ 103,049</u>	<u>\$ 85,000</u>
Unrelated business income tax paid	<u>\$ 2,500</u>	<u>\$ -</u>

See accompanying notes to financial statements.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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 seven 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:

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

Time/Purpose Restrictions – Net assets that are subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. When a restriction expires, net assets with donor restrictions with time/purpose restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Foundation does not currently have net assets with donor restrictions for time/purpose restrictions for the years ended June 30, 2019 and 2018.

Perpetual in Nature – Net assets that are subject to donor-imposed stipulations that must be maintained permanently by the Foundation. Generally, the donors of these assets permit the use of all or part of the income earned and capital gains, if any, on related investments for general or specific purposes. The Foundation does not currently have net assets with donor restrictions that are perpetual in nature for the years ended June 30, 2019 and 2018.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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 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 BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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 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, 2019 and 2018 was \$10,016 and \$10,506, 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.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

Expense Allocation

Expenses directly related to a specific program are charged to that program. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Allocation is based on the estimated time and effort spent related to each function.

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.

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 Accounting Standards

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

For the year ended June 30, 2019, the Foundation adopted ASU 2016-14, *“Not for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,”* which 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 implementation of this standard was applied retrospectively to the comparative amounts presented for the year ended June 30, 2018.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

Beginning net assets for 2019 and 2018 that were previously reported as unrestricted have been reflected as net assets without donor restrictions.

Pending Accounting Standards

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

ASU 2016-02, *“Leases (Topic 842),”* is effective for the financial statements for the year ending June 30, 2022. This standard will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

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 standard 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.

ASU 2018-13, *“Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820),”* is effective for the financial statements for the year ending June 30, 2021. This standard removes and modifies certain fair value hierarchy leveling disclosures.

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.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

3. Investments

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

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Fixed income bond and bond funds	\$ 10,266,467	\$ 10,368,891	\$ 10,657,575	\$ 10,367,333
Equity and mutual funds:				
Multi-asset	36,495,783	33,721,523	35,831,210	34,580,347
Commodity related	-	-	1,582,815	1,658,234
Emerging markets	2,699,656	3,003,799	2,879,795	3,095,504
Value	5,229,792	5,492,354	3,260,773	3,427,136
International	5,704,626	6,058,313	6,070,401	6,971,787
Small capitalization	716,640	780,795	551,019	749,685
Growth and income	4,403,925	5,453,573	3,520,888	4,295,622
Real estate	383,237	450,407	370,821	400,212
	<u>55,633,659</u>	<u>54,960,764</u>	<u>54,067,722</u>	<u>55,178,527</u>
Hedge funds	4,611,043	5,579,374	4,611,039	5,556,532
Private equity funds	10,481,197	13,831,176	10,941,477	14,143,192
Program-related investments	797,382	797,382	797,382	797,382
	<u>\$ 81,789,748</u>	<u>\$ 85,537,587</u>	<u>\$ 81,075,195</u>	<u>\$ 86,042,966</u>

Investments in the multi-asset fund accounts for approximately 39.4% and 40.2% of the fair value of the Foundation's investments at June 30, 2019 and 2018, 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 method are met. Fair value measurement standards also require the organization to

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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, 2019:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income bond and bond funds	\$ 10,368,891	\$ 10,368,891	\$ -	\$ -
Equity and mutual funds:				
Commodity related	-	-	-	-
Emerging markets	3,003,799	3,003,799	-	-
Value	5,492,354	5,492,354	-	-
International	6,058,313	6,058,313	-	-
Small capitalization	780,795	780,795	-	-
Growth and income	5,453,573	5,453,573	-	-
Real estate	450,407	450,407	-	-
Private equity funds	13,831,176	-	-	13,831,176
Program-related investments	797,382	-	-	797,382
Total investment in fair value hierarchy	<u>46,236,690</u>	<u>\$ 31,608,132</u>	<u>\$ -</u>	<u>\$ 14,628,558</u>
Investments measured at net asset value				
Multi-asset	33,721,523			
Hedge funds	<u>5,579,374</u>			
Total investments at fair value	<u>\$ 85,537,587</u>			

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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 investments 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	<u>5,556,532</u>			
Total investments at fair value	<u>\$ 86,042,966</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, 2019 and 2018. 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 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

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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, 2019 and 2018, 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, 2019 and 2018 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, 2019.

The TIFF multi-asset fund discloses the levels of the underlying investments reported in their unaudited semi-annual report as of June 30, 2019 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
TIFF Multi-Asset Fund	35%	52%	13%

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 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	30%	54%	16%

At June 30, 2019 and 2018, 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, 2019 or 2018, 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.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

The following table summarizes the changes in fair values associated with Level 3 assets at June 30, 2019:

	Private Equity Funds	Program Related	Total Level 3 Assets
Balance as of June 30, 2018	\$ 14,143,192	\$ 797,382	\$ 14,940,574
Unrealized gains (losses)	148,264	-	148,264
Capital calls/purchases	3,257,148	-	3,257,148
Distributions/sales/expenses	(3,717,428)	-	(3,717,428)
Balance as of June 30, 2019	<u>\$ 13,831,176</u>	<u>\$ 797,382</u>	<u>\$ 14,628,558</u>

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 BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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, 2019 are estimated as follows:

	Amount Committed	Amount Drawn	Remaining Capital Commitment
Axiom Asia Private Capital Fund II, L.P.	\$ 1,000,000	\$ 900,000	\$ 100,000
Aberdeen International Partners, L.P.	1,000,000	980,000	20,000
Aberdeen Private Equity II, L.P.	2,000,000	2,000,000	-
Aberdeen Private Equity III, L.P.	2,000,000	2,000,000	-
Aberdeen Private Equity VI, L.P.	2,000,000	1,640,000	360,000
Aberdeen Private Equity VII, L.P.	2,000,000	880,000	1,120,000
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	1,920,000	80,000
Aberdeen Venture Partners XI, L.P.	2,000,000	100,000	1,900,000
LODH Private Equity - EuroChoice IV (Scotland), L.P.6 *	1,136,700	1,038,944	97,756
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	960,000	40,000
RCP Fund VI, L.P.	1,000,000	1,120,657	(120,657)
RCP Fund VII, L.P.	500,000	530,720	(30,720)
RCP SOF Feeder, Ltd.	500,000	557,045	(57,045)
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>\$ 27,136,700</u>	<u>\$ 23,282,366</u>	<u>\$ 3,854,334</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

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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, 2019 and 2018.

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, 2019 and 2018.

The Foundation has also recorded program-related investment income in the amount of \$10,936 and \$7,619 through June 30, 2019 and 2018, 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.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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 2019 and 2018, the Foundation had the following endowment-related activities:

	<u>2019</u>	<u>2018</u>
Investment return on endowment assets:		
Interest and dividends	\$ 1,588,353	\$ 2,436,130
Partnership net (losses) gains	(487,921)	(203,819)
Realized (losses) gains	4,604,019	6,400,573
Unrealized gains (losses)	(1,240,104)	(1,633,715)
Investment fees	<u>(208,953)</u>	<u>(210,369)</u>
Total investment return on endowment assets	<u>4,255,394</u>	<u>6,788,800</u>
Net transfers out of endowment	<u>(4,760,773)</u>	<u>(213,741)</u>
Total change in endowment funds	(505,379)	6,575,059
Endowment investment funds:		
Beginning of year	<u>86,042,966</u>	<u>79,467,907</u>
End of year	<u>\$ 85,537,587</u>	<u>\$ 86,042,966</u>

7. Appropriation Commitments

Appropriation commitments at June 30, 2019 are due to be paid as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ 1,530,475
2021	1,048,500
2022	300,000
2023	300,000
2024	<u>300,000</u>
	<u>\$ 3,478,975</u>

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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) 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 \$104,046 and \$97,795 for the years ended June 30, 2019 and 2018, 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 2019 and 2018, 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.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

11. Liquidity and Availability

The Foundation manages its liquid resources by focusing on investment efforts, through an endowment fund, to ensure the entity has adequate investment returns to cover the grants that are being distributed and direct charitable efforts of the Foundation. In accordance with the Foundation's spending policy, as described in Note 2, they have established a policy of spending only the required 5% of investment assets annually. However, investments are available to be spent, if necessary. The Foundation prepares detailed budgets and has been very active in fiscal management to ensure the entity remains liquid.

Financial assets (cash, investments, accounts receivable) available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, total \$86,475,604 for the year ended June 30, 2019.

SUPPLEMENTARY INFORMATION

THE BUHL FOUNDATION

STATEMENT OF APPROPRIATIONS AUTHORIZED AND ADMINISTRATIVE EXPENSES BY FUND

YEAR ENDED JUNE 30, 2019

	<u>Buhl Fund</u>	<u>Frick Fund</u>	<u>McCreery Fund</u>	<u>Total</u>
Program expenses:				
Appropriations authorized	\$ 4,680,275	\$ 1,105,500	\$ 67,500	\$ 5,853,275
Direct charitable expenses				
Salaries and other employment costs	397,924	-	-	397,924
Other	132,374	-	-	132,374
Administrative expenses:				
Salaries and other employment costs	486,071	68,138	3,794	558,003
General and administrative	102,521	14,371	800	117,692
Federal excise tax	55,695	7,807	435	63,937
Professional services	73,686	10,329	575	84,590
Total appropriations authorized and administrative expenses	<u>\$ 5,928,546</u>	<u>\$ 1,206,145</u>	<u>\$ 73,104</u>	<u>\$ 7,207,795</u>