

The Buhl Foundation



Annual Report by the President
July 1, 2019 to June 30, 2020



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

July 1, 2019 – June 30, 2020

A time of upheaval in our world has left us forever changed. A global pandemic has taken millions of lives and has fundamentally altered the way we live. Our Country has suffered through tragedies that have reminded us that racism is a national epidemic. These unprecedented challenges have revealed the hardships of food insecurity, a digital divide, health disparities, substandard housing and un- or under employment. Despite the painful reality, we have all found great hope and inspiration in the power of the human spirit, as we have all experienced unconditional acts of kindness and love - bearing witness to millions of Americans mobilized in support of one another.

We at the Buhl Foundation have been humbled and inspired by the unwavering human spirit. Hope is a great gift that enables us all to respond and adapt to new realities and to the unknown. After years of planning and building trust in the Northside, we have built a community that is dedicated to strengthening a social fabric that will improve the quality of life for all residents. In the wake of the pandemic and epidemic, this community did not delay or hesitate, but rather quickly pivoted to the needs of their neighbors to ensure that people are safe and have access to the basic needs that will enable the endurance of this crisis. It harkens to the hope of our founder, Henry Buhl, Jr, when he created the Foundation to be “responsive to the needs of our times.”

Buhl has sought to meet our partners by also adapting and responding to the challenges of the pandemic and of the systemic racism that we must all work to overcome. While the heart of our work has always focused on pursuing equity, access and inclusion, we continue to challenge our own assumptions. We have worked internally to strengthen policies and practices that advance diversity, equity and inclusion at all levels. We have adjusted our grantmaking to create additional opportunities and experiences that further serve marginalized populations.

When we reimagined the Foundation, launching the One Northside movement, we shifted to an embedded philanthropy model, building deep and meaningful relationships with residents and allowing that insight to shape our grantmaking. We walk beside our neighbors, we work together as peers, and we are staying until we collectively achieve our agreed upon goals.

This is not the time for the faint of heart; it is the time for bravery and innovation. The Board and Staff of the Buhl Foundation are grateful to engage with humility and compassion as we all continue to move forward. While we cannot predict what will be, we know that unity creates strength, and that we are united with our community and committed to forging ahead for the betterment of all.

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 over 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, 2019 - June 30, 2020

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.*

Carnegie Science Center - \$1,000,000

To support important upgrades to the historic Buhl Planetarium, ensuring adventurous and exciting engagement with the Planetarium for years to come.

Auberle - \$180,000

To support the continued operation and refinement of the One Northside Employment Institute.

Project Destiny - \$135,000

To support the continued refinement of Thrive18, and to begin the new Hello Baby pilot program.

United Way of Southwestern Pennsylvania - \$103,000

To support the continued implementation of the One Northside Youth eXcel (ONYX) initiative.

Fineview Citizens Council - \$100,000

To support the initial implementation of Fineview & Perry Hilltop Citizens' Councils' 5-year affordable housing plan.

New Sun Rising - \$100,000

To support the continuation of the popular One Northside Mini-Grant Program through 2020.

The Pittsburgh Foundation - \$100,000

To support The Pittsburgh Foundation's Emergency Action Fund developed in response to the COVID-19 pandemic.

Foundation of HOPE - \$85,000

To support their Northside-based Diversion Program, as well as a COVID-19 related effort to assist Northsiders recently released from jail in successfully reintegrating, finding gainful employment, and safe housing.

Allegheny Conference on Community Development - \$77,500

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

Project Destiny - \$76,000

To support a Thrive18 Community Coordinator position in Northview Heights.

Riverlife - \$75,000

To support Riverlife's recent executive search and implementation of a new vision plan.

Riverside Center for Innovation - \$75,000

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

YMCA of Greater Pittsburgh - \$75,000

To support on-going efforts towards research and preservation of the Allegheny YMCA single resident occupancy rooms and COVID-19 related support for general operating losses.

Rising Tide Partners - \$55,000

To support Rising Tide Partners efforts to implement the ambitious One Northside housing goals in collaboration with the Fineview & Perry Hilltop Citizens' Councils.

A+ Schools - \$50,000

To support the continued development of a comprehensive redesign of Perry High School that engages key community stakeholders in its creation.

Trying Together - \$50,000

To support the One Northside Early Childhood Action Team work towards training and raising the standard of care for childcare providers on the Northside.

Urban League of Pittsburgh - \$50,000

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

Neighborhood Allies - \$45,000

To support a Northside-focus of the "Beyond the Laptops" initiative in response to COVID-19.

412 Food Rescue - \$42,000

To support innovative food distribution programs for youth, including Northsiders, during the on-going COVID-19 pandemic.

North Side Partnership Project - \$35,000

To support North Side Partnership Project's effort to retire mortgage and loan debt, in a joint effort with Dollar Bank, the POISE Foundation, and the Urban Redevelopment Authority.

Catholic Charities of the Diocese of Pittsburgh - \$30,000

To support a pilot of the "First Available Appointment" initiative for low-income residents with dental emergencies, such as pain or abscess.

Goodwill of Southwestern Pennsylvania - \$30,000

To support COVID-19 Emergency Funding for Northside Common Ministries.

Neighborworks Western Pennsylvania - \$30,000

To support Northside residents in growing the skills and knowledge necessary to make sound financial decisions, build personal wealth, and pursue homeownership.

POISE Foundation - \$30,000

To support The Advanced Leadership Initiative to dramatically improve the regional presence of African Americans in corporate and nonprofit leadership roles.

New Sun Rising - \$28,100

To support a mediation process between Light of Life Mission & community members.

Amachi Pittsburgh - \$25,000

To support the continued efforts to empower children and families with a challenge grant to increase individual and corporate donations.

Infinite Lifestyle Solutions - \$25,000

To support the “Saving Our Sons and Daughters Restorative Practice” program in Pittsburgh Morrow School.

Manchester Citizens Corporation - \$25,000

To engage the residents of Allegheny Dwellings in a productive fitness program and mentoring based activities designed to enhance community relations.

Manchester Citizens Corporation - \$25,000

To support direct outreach to individual households and education sessions to create awareness of real estate market changes and tools to avoid displacement.

Never Fear Being Different - \$25,000

To support the expansion of the successful VlogU into a full-scale Youth Creative Agency.

Northside Leadership Conference - \$25,000

To support the connection and enhancement of Riverview Park to the surrounding neighborhoods of the Northside.

Pittsburgh Community Reinvestment Group - \$25,000

To support PCRG’s AmeriCorps VISTA program for the 2019-20 year, including its important impact on the community-based organization in Pittsburgh’s Northside.

Pittsburgh Parks Conservancy - \$25,000

To support the activation of Allegheny Commons Park through public programming aimed at diverse Northside populations.

Pittsburgh Project - \$25,000

To support organizational restructuring and general operating needs brought on by the COVID-19 crisis.

The National Aviary - \$25,000

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

Tree Pittsburgh - \$25,000

To support all fifth-grade students in Northside schools to connect with their public parks.

Women and Girls Foundation - \$25,000

To support the Femisphere initiative aimed at decreasing poverty rates and increasing economic security of single mothers living and working in the Pittsburgh region.

North Side Christian Health Center - \$20,000

To support their “QUIET Care Campaign” in Northview Heights to formalize social distancing guidelines, distribute personal protective equipment, and facilitate COVID-19 self-testing.

United Methodist Church Union - \$20,000

To support the 2020 Summer Meals Network and Northview Arts programs for underserved youth in the Northview Heights section of the Northside.

Urban Impact Foundation - \$20,000

To design an Urban Impact Attendance Missionary model based on Pittsburgh Schiller’s Attendance Program.

YouthPlaces - \$20,000

To support the improved and increasingly successful operations for YouthPlaces sites at Northview Heights and the Central Northside.

Center for Victims - \$18,850

To support training that raise awareness of trauma and its impacts within all Northside schools.

Grantmakers of Western Pennsylvania - \$15,000

To support local efforts to ensure an accurate, equitable United States Census data collection process in 2020.

Light of Life Ministries - \$15,000

To support Light of Life’s COVID-19 emergency response in the Northside via their Street Outreach Team efforts.

The Forbes Funds - \$15,000

To support the 2019 Greater Pittsburgh Nonprofit Partnership (GPNP) Summit.

Pittsburgh Cultural Trust - \$12,500

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

A+ Schools - \$10,000

To support staff and student identified projects within Perry High School with the goal of improving morale and engagement.

Islamic Center of Pittsburgh - \$7,500

To support the Islamic Center of Pittsburgh and a large coalition of partners in distributing food and sanitation supplies to the Northview Heights refugee community.

Duquesne University, School of Nursing - \$5,000

To support the 2019 McGinley-Rice Symposium: The Face of the Person Who is Homeless.

Grantmakers of Western Pennsylvania - \$5,000

To support Remake Learning Days 2020 in offering Northside students and their families to innovative education experiences in their own communities.

Pittsburgh Project - \$5,000

To support the Pittsburgh Project's Servant Leader Celebration.

Vibrant Pittsburgh - \$5,000

To support the 2019 Vibrant Pittsburgh Regional Economic Inclusion Summit.

Northside Partnership Project - \$4,500

To support the purchase of freezers for a PCSI-supported food pantry serving Northside residents.

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.

Society for Contemporary Craft - \$10,000

To support efforts to offer valuable professional development opportunities to teachers, focusing on the art form of American contemporary craft, over two years.

CUMULATIVE SUMMARY OF APPROPRIATIONS
Ninety-two Year Period
to June 30, 2020

APPROPRIATIONS FROM 1927 TO JUNE 30, 2019 \$131,489,218

Appropriations from July 1, 2019 to June 30, 2020

Buhl Fund

| | |
|-------------------------------------------------|-------------|
| Carnegie Science Center | \$1,000,000 |
| Auberle | \$180,000 |
| Project Destiny | \$135,000 |
| United Way of Southwestern Pennsylvania | \$103,000 |
| Fineview Citizens Council | \$100,000 |
| New Sun Rising | \$100,000 |
| The Pittsburgh Foundation | \$100,000 |
| Foundation of HOPE | \$85,000 |
| Allegheny Conference on Community Development | \$77,500 |
| Project Destiny | \$76,000 |
| Riverlife | \$75,000 |
| Riverside Center for Innovation | \$75,000 |
| YMCA of Greater Pittsburgh | \$75,000 |
| Rising Tide Partners | \$55,000 |
| A+ Schools | \$50,000 |
| Trying Together | \$50,000 |
| Urban League of Pittsburgh | \$50,000 |
| Neighborhood Allies | \$45,000 |
| 412 Food Rescue | \$42,000 |
| North Side Partnership Project | \$35,000 |
| Catholic Charities of the Diocese of Pittsburgh | \$30,000 |
| Goodwill of Southwestern Pennsylvania | \$30,000 |
| Neighborworks Western Pennsylvania | \$30,000 |
| POISE Foundation | \$30,000 |
| New Sun Rising | \$28,100 |
| Amachi Pittsburgh | \$25,000 |
| Infinite Lifestyle Solutions | \$25,000 |
| Manchester Citizens Corporation | \$25,000 |

| | |
|-----------------------------------------|--------------------|
| Manchester Citizens Corporation | \$25,000 |
| Never Fear Being Different | \$25,000 |
| Northside Leadership Conference | \$25,000 |
| Pittsburgh Community Reinvestment Group | \$25,000 |
| Pittsburgh Parks Conservancy | \$25,000 |
| Pittsburgh Project | \$25,000 |
| The National Aviary | \$25,000 |
| Tree Pittsburgh | \$25,000 |
| Women and Girls Foundation | \$25,000 |
| North Side Christian Health Center | \$20,000 |
| United Methodist Church Union | \$20,000 |
| Urban Impact Foundation | \$20,000 |
| YouthPlaces | \$20,000 |
| Center for Victims | \$18,850 |
| Grantmakers of Western Pennsylvania | \$15,000 |
| Light of Life Ministries | \$15,000 |
| The Forbes Funds | \$15,000 |
| Pittsburgh Cultural Trust | \$12,500 |
| A+ Schools | \$10,000 |
| Islamic Center of Pittsburgh | \$7,500 |
| Duquesne University, School of Nursing | \$5,000 |
| Grantmakers of Western Pennsylvania | \$5,000 |
| Pittsburgh Project | \$5,000 |
| Vibrant Pittsburgh | \$5,000 |
| Northside Partnership Project | \$4,500 |
| Total Buhl Fund Appropriations | \$3,154,950 |

Henry C. Frick Educational Fund

| | |
|-----------------------------------|-----------------|
| Society for Contemporary Craft | \$10,000 |
| Total Frick Appropriations | \$10,000 |

| | |
|--------------------------------------------------------------------|----------------------|
| TOTAL FROM JULY 1, 2019 TO JUNE 30, 2020 | \$3,164,950 |
| Cancellations/Refunds on Unrequired Commitment Balances | (22,500) |
| <u>TOTAL APPROPRIATIONS OVER THE NINETY-TWO YEAR PERIOD</u> | \$134,631,668 |

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

The Buhl Foundation has transitioned to a digital grantmaking process with the launch of new online grants software in 2019 and a new website in 2020. Interested applicants can review the steps of the application process, confirm eligibility, complete Letters of Inquiry (LOI), and submit proposals online. Interested organizations have the ability to first review Buhl grant priority areas followed by eligibility requirement. Prospective grantees may create an account and compose a LOI online. Staff meet regularly to review submissions, and will reach out to organizations informally to discuss when additional information is required. Applicants receive a formal declination or invitation into the full grant application process within six to twelve weeks of the submission.

Buhl staff meet with potential applicants to discuss feasibility and work with prospective grantees to develop a proposal that has the potential for community impact that is consistent with giving priorities. Expression of interest in a proposal, or work with an applicant to assure best possible presentation is not a guarantee of forthcoming grant approval. If a proposal is invited, staff will work with the applicant to establish a specific timeframe for submission of the proposal and consideration by the Board.

The Buhl Foundation Board of Directors convenes five to six times a year to act on grant proposals. Once approved by the Board, the grantee and Buhl staff agree upon a schedule for grant payments. A final report on program achievements, including accounting for dollars spent, is required at the conclusion of the program, and, in some cases, grantees are asked to provide quarterly or interim reports for data collection and communications purposes.

The Buhl Foundation Board of Directors are presented with all LOIs and grant proposals.

PROPOSAL GUIDELINES

An electronic grant proposal submission must include all of the following:

- Organization Information:
 - Mission of the Organization
 - History of the Organization
 - History of Buhl Funding

- Project Information:
 - Purpose of Grant
 - Neighborhood/Geographic Area
 - Alignment to Buhl Strategic Priorities
 - Project Outcomes
 - Project Start / End Date

- Financial Information:
 - Amount of Grant Request
 - Total Project Budget
 - Annual Operating Budget
 - Most Recent Financial Audit

- Leadership/Board of Directors

- IRS Determination Letter

Applicants may access The Buhl Foundation's online grants portal to create an account here:

[Logon Page - Grant Lifecycle Manager \(grantinterface.com\)](http://grantinterface.com)

The Buhl Foundation

Financial Statements and Supplementary Information

Years Ended June 30, 2020 and 2019
with Independent Auditor's Report

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THE BUHL FOUNDATION

YEARS ENDED JUNE 30, 2020 AND 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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 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 22, 2021

THE BUHL FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|---------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 658,296 | \$ 938,017 |
| Prepaid expenses | 38,186 | 73,626 |
| Investments | 84,352,939 | 85,537,587 |
| Office furniture and equipment, net of accumulated depreciation of \$31,215 and \$133,936, respectively | <u>45,046</u> | <u>72,620</u> |
| Total Assets | <u>\$ 85,094,467</u> | <u>\$ 86,621,850</u> |
| Liabilities and Net Assets Without Donor Restrictions | | |
| Liabilities: | | |
| Appropriation commitments: | | |
| Payable by June 30 of subsequent year | \$ 1,569,980 | \$ 1,530,475 |
| Payable after June 30 of subsequent year | <u>900,000</u> | <u>1,948,500</u> |
| Total appropriation commitments | 2,469,980 | 3,478,975 |
| Accounts payable and accrued liabilities | <u>24,369</u> | <u>73,149</u> |
| Total Liabilities | <u>2,494,349</u> | <u>3,552,124</u> |
| Net Assets: | | |
| Without Donor Restrictions | <u>82,600,118</u> | <u>83,069,726</u> |
| Total Liabilities and Net Assets Without Donor Restrictions | <u>\$ 85,094,467</u> | <u>\$ 86,621,850</u> |

See accompanying notes to financial statements.

THE BUHL FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2020 AND 2019

| | 2020 | 2019 |
|----------------------------------------------------------|----------------------|----------------------|
| Net Assets Without Donor Restrictions: | | |
| Income: | | |
| Interest | \$ 16,074 | \$ 16,661 |
| Dividends | 713,084 | 1,571,692 |
| Realized gain (loss) on sale of investments, net of fees | 4,382,022 | 4,395,066 |
| Unrealized (loss) gain on investments | (616,672) | (1,240,104) |
| Partnership net (loss) gain, net of management fees | (407,881) | (487,921) |
| Other income (loss) | (2,757) | (21,380) |
| Total income | <u>4,083,870</u> | <u>4,234,014</u> |
| Expenses: | | |
| Program expenses: | | |
| Appropriations authorized | 3,197,641 | 5,853,275 |
| Direct charitable expenses | | |
| Salaries and other employment costs | 404,800 | 397,924 |
| Other | 162,686 | 132,374 |
| Total program expenses | <u>3,765,127</u> | <u>6,383,573</u> |
| Management and General Expenses: | | |
| Salaries and other employment costs | 543,759 | 558,003 |
| General and administrative | 162,227 | 117,692 |
| Federal excise and unrelated business income taxes | 45,678 | 63,937 |
| Professional services | 36,687 | 84,590 |
| Total management and general expenses | <u>788,351</u> | <u>824,222</u> |
| Total expenses | <u>4,553,478</u> | <u>7,207,795</u> |
| Change in Net Assets Without Donor Restrictions | (469,608) | (2,973,781) |
| Net Assets Without Donor Restrictions: | | |
| Beginning of year | <u>83,069,726</u> | <u>86,043,507</u> |
| End of year | <u>\$ 82,600,118</u> | <u>\$ 83,069,726</u> |

See accompanying notes to financial statements.

THE BUHL FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|-------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Cash Flows From Operating Activities: | | |
| Change in net assets | \$ (469,608) | \$ (2,973,781) |
| 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 | (4,382,022) | (4,395,066) |
| Net unrealized loss (gain) on investments | 616,672 | 1,240,104 |
| Partnership net loss (gains), net of management fees | 407,881 | 487,921 |
| Loss on fixed assets | 30,119 | - |
| Depreciation | 12,630 | 10,016 |
| Change in: | | |
| Prepaid expenses | 35,440 | (43,287) |
| Appropriation commitments | (1,008,995) | 2,314,225 |
| Accounts payable and accrued liabilities | (48,780) | 24,334 |
| Net cash provided by (used in) operating activities | <u>(4,806,663)</u> | <u>(3,335,534)</u> |
| Cash Flows From Investing Activities: | | |
| Proceeds from dispositions of investments | 5,732,631 | 5,778,725 |
| Purchases of investments | (1,190,514) | (2,606,305) |
| Purchases of office furniture and equipment | (15,175) | (67,023) |
| Net cash provided by (used in) investing activities | <u>4,526,942</u> | <u>3,105,397</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>(279,721)</u> | <u>(230,137)</u> |
| Cash and Cash Equivalents: | | |
| Beginning of year | <u>938,017</u> | <u>1,168,154</u> |
| End of year | <u>\$ 658,296</u> | <u>\$ 938,017</u> |
| Supplemental Information: | | |
| Excise tax paid | <u>\$ 18,000</u> | <u>\$ 103,049</u> |
| Unrelated business income tax paid | <u>\$ -</u> | <u>\$ 2,500</u> |

See accompanying notes to financial statements.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 and 2019.

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, 2020 and 2019.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 AND 2019

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.

Particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID 19 pandemic and the COVID 19 control responses, changes in values of investment securities can occur in the near term and it is reasonably possible that such changes could materially affect the amounts reported in the statements of financial position.

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, 2020 and 2019 was \$12,630 and \$10,016, respectively.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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. Conditional grants are those with a measurable performance-related or other measurable barrier that must be overcome and either a right of return of assets transferred or a right of release of the Foundation's obligation to transfer assets.

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 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, such differences may be material.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

Adopted Accounting Standard

The provisions of this Standards Update have been adopted and incorporated into these financial statements:

ASU 2018-08, *“Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958).”* The amendments provide 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. Implementation of these amendments had no impact on the financial statements.

Pending Accounting Standards Updates

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of these updates on the financial statements.

ASU 2016-02, *“Leases (Topic 842),”* is effective, as delayed, for the financial statements for the year beginning after December 15, 2021. These amendments and related amendments 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 2018-13, *“Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820),”* is effective for the financial statements for the year beginning after December 15, 2019. The amendments remove and modify 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.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

3. Investments

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

| | 2020 | | 2019 | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| | Cost | Fair Value | Cost | Fair Value |
| Fixed income bond and bond funds | \$ 12,246,848 | \$ 12,894,843 | \$ 10,266,467 | \$ 10,368,891 |
| Equity and mutual funds: | | | | |
| Multi-asset | 34,833,428 | 33,874,718 | 36,495,783 | 33,721,523 |
| Emerging markets | 2,293,224 | 2,421,524 | 2,699,656 | 3,003,799 |
| Value | - | - | 5,229,792 | 5,492,354 |
| International | 5,820,808 | 5,602,835 | 5,704,626 | 6,058,313 |
| Small capitalization | - | - | 716,640 | 780,795 |
| Growth and income | 9,654,913 | 10,323,579 | 4,403,925 | 5,453,573 |
| Real estate | - | - | 383,237 | 450,407 |
| | <u>52,602,373</u> | <u>52,222,656</u> | <u>55,633,659</u> | <u>54,960,764</u> |
| Hedge funds | 4,575,000 | 4,366,185 | 4,611,043 | 5,579,374 |
| Private equity funds | 11,004,805 | 14,071,873 | 10,481,197 | 13,831,176 |
| Program-related investments | <u>797,382</u> | <u>797,382</u> | <u>797,382</u> | <u>797,382</u> |
| | <u>\$ 81,226,408</u> | <u>\$ 84,352,939</u> | <u>\$ 81,789,748</u> | <u>\$ 85,537,587</u> |

Investments in the multi-asset fund accounts for approximately 40.2% and 39.4% of the fair value of the Foundation's investments at June 30, 2020 and 2019, 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 classify these financial instruments into a three-level hierarchy, based upon priority of inputs to the valuation technique.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020:

| | Total | Level 1 | Level 2 | Level 3 |
|------------------------------------------|----------------------|----------------------|-------------|----------------------|
| Fixed income bond and bond funds | \$ 12,894,843 | \$ 12,894,843 | \$ - | \$ - |
| Equity and mutual funds: | | | | |
| Emerging markets | 2,421,524 | 2,421,524 | - | - |
| Value | - | - | - | - |
| International | 5,602,835 | 5,602,835 | - | - |
| Small capitalization | - | - | - | - |
| Growth and income | 10,323,579 | 10,323,579 | - | - |
| Real estate | - | - | - | - |
| Private equity funds | 14,071,873 | - | - | 14,071,873 |
| Program-related investments | 797,382 | - | - | 797,382 |
| Total investment in fair value hierarchy | <u>46,112,036</u> | <u>\$ 31,242,781</u> | <u>\$ -</u> | <u>\$ 14,869,255</u> |
| Investments measured at net asset value | | | | |
| Multi-asset | 33,874,718 | | | |
| Hedge funds | <u>4,366,185</u> | | | |
| Total investments at fair value | <u>\$ 84,352,939</u> | | | |

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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: | | | | |
| 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 investments 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> | | | |

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, 2020 and 2019. 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, 2020 AND 2019

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, 2020 and 2019, 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, 2020 and 2019 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, 2020.

The TIFF multi-asset fund discloses the levels of the underlying investments reported in their unaudited semi-annual report as of June 30, 2020 as follows:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|-----------------------|----------------|----------------|----------------|
| TIFF Multi-Asset Fund | 42% | 46% | 12% |

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 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% |

At June 30, 2020 and 2019, 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, 2020 or 2019, 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, 2020 AND 2019

The following table summarizes the changes in fair values associated with Level 3 assets at June 30, 2020:

| | Private Equity Funds | Program Related | Total Level 3 Assets |
|------------------------------|-------------------------|--------------------|-------------------------|
| Balance as of June 30, 2019 | \$ 13,831,176 | \$ 797,382 | \$ 14,628,558 |
| Unrealized gains (losses) | (282,911) | - | (282,911) |
| Capital calls/purchases | 3,188,910 | - | 3,188,910 |
| Distributions/sales/expenses | (2,665,302) | - | (2,665,302) |
| Balance as of June 30, 2020 | <u>\$ 14,071,873</u> | <u>\$ 797,382</u> | <u>\$ 14,869,255</u> |

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> |

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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, 2020 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 | 1,870,000 | 130,000 |
| Aberdeen Private Equity VII, L.P. | 2,000,000 | 1,220,000 | 780,000 |
| Aberdeen Private Equity VIII, L.P. | 2,000,000 | 180,000 | 1,820,000 |
| 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 | 2,000,000 | - |
| Aberdeen Venture Partners XI, L.P. | 2,000,000 | 430,000 | 1,570,000 |
| Aberdeen Venture Partners XII, L.P. | 2,000,000 | - | 2,000,000 |
| LODH Private Equity - EuroChoice IV (Scotland), L.P.6 * | 1,123,500 | 1,034,583 | 88,917 |
| 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 | 1,139,349 | (139,349) |
| RCP Fund VII, L.P. | 500,000 | 550,180 | (50,180) |
| 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>\$ 31,123,500</u> | <u>\$ 24,476,157</u> | <u>\$ 6,647,343</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.

In response to the maturing of the current private equity portfolio, the Foundation is committing increased capital into private equity and venture fund of funds with Aberdeen Standard Investments. Subsequent to year-end, Buhl entered into new private equity commitment, Aberdeen Private Equity IX (APE IX), for a total of \$2 million.

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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 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, 2020 and 2019.

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, 2020 and 2019.

The Foundation has also recorded program-related investment income in the amount of \$11,139 and \$10,936 through June 30, 2020 and 2019, 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 2020 and 2019, the Foundation had the following endowment-related activities:

| | <u>2020</u> | <u>2019</u> |
|---------------------------------------------|----------------------|----------------------|
| Investment return on endowment assets: | | |
| Interest and dividends | \$ 729,158 | \$ 1,588,353 |
| Partnership net (losses) gains | (407,881) | (487,921) |
| Realized (losses) gains | 4,592,351 | 4,604,019 |
| Unrealized gains (losses) | (616,672) | (1,240,104) |
| Investment fees | (210,329) | (208,953) |
| Total investment return on endowment assets | <u>4,086,627</u> | <u>4,255,394</u> |
| Net transfers out of endowment | <u>(5,271,275)</u> | <u>(4,760,773)</u> |
| Total change in endowment funds | (1,184,648) | (505,379) |
| Endowment investment funds: | | |
| Beginning of year | <u>85,537,587</u> | <u>86,042,966</u> |
| End of year | <u>\$ 84,352,939</u> | <u>\$ 85,537,587</u> |

7. Appropriation Commitments

Appropriation commitments at June 30, 2020 are due to be paid as follows:

| <u>Fiscal Year</u> | <u>Amount</u> |
|--------------------|---------------------|
| 2021 | \$ 1,569,980 |
| 2022 | 300,000 |
| 2023 | 300,000 |
| 2024 | 300,000 |
| | <u>\$ 2,469,980</u> |

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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 \$106,923 and \$104,046 for the years ended June 30, 2020 and 2019, 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 2020 and 2019, 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.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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 and investments) available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, total \$85,043,939 and \$86,475,604 for the years ended June 30, 2020 and 2019, respectively.

SUPPLEMENTARY INFORMATION

THE BUHL FOUNDATION

STATEMENT OF APPROPRIATIONS AUTHORIZED AND ADMINISTRATIVE EXPENSES BY FUND

YEAR ENDED JUNE 30, 2020

| | <u>Buhl Fund</u> | <u>Frick Fund</u> | <u>McCreery Fund</u> | <u>Total</u> |
|--------------------------------------------------------------------|----------------------|-----------------------|--------------------------|---------------------|
| Program expenses: | | | | |
| Appropriations authorized (returned) | \$ 3,207,641 | \$ (10,000) | \$ - | \$ 3,197,641 |
| Direct charitable expenses | | | | |
| Salaries and other employment costs | 404,800 | - | - | 404,800 |
| Other | 162,686 | - | - | 162,686 |
| Administrative expenses: | | | | |
| Salaries and other employment costs | 475,952 | 64,267 | 3,540 | 543,759 |
| General and administrative | 141,997 | 19,174 | 1,056 | 162,227 |
| Federal excise tax | 39,982 | 5,399 | 297 | 45,678 |
| Professional services | <u>32,112</u> | <u>4,336</u> | <u>239</u> | <u>36,687</u> |
| Total appropriations authorized and administrative expenses | <u>\$ 4,465,170</u> | <u>\$ 83,176</u> | <u>\$ 5,132</u> | <u>\$ 4,553,478</u> |