

The Buhl Foundation



Annual Report by the President

July 1, 2016 to June 30, 2017



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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FREDERICK W. THIEMAN

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¹ Appointed July 1, 2016

² Resigned June 30, 2017

Introduction

The privilege of serving as the Chair of the Buhl Foundation has been among my most rewarding professional experiences. While you may rightfully think that I am referring to the grants and countless lives that have been impacted, equally rewarding has been my fellow Board members and staff with whom I've shared this great honor. In many ways, we have become family, constantly examining our motives and ensuring that the decisions and investments remain true to Mr. Buhl's deepest concerns, "the well-being of the citizens of the city of Pittsburgh, and the County of Allegheny."

This is a bittersweet moment for the Buhl Foundation as we thank Jean Robinson, a Board member who has served near three decades with a relentless dedication to the Foundation's goal of enabling people *to dream, to innovate and to act*. Jean Robinson has guided the Foundation brilliantly through two successions and has been my mentor as I followed her as Board Chair. She has instilled in all of us a bold and fearless determination to preserve Mr. Buhl's legacy of innovation. Throughout our shared tenure, there has never been a meeting in which Jean Robinson hasn't reflected on the work and asserted that, "Mr. Buhl would be proud." This vigilant reminder of our obligation is woven into the culture of the Buhl Foundation, and in turn, has become an enduring legacy of the contributions of Jean Robinson. In her kindness and grace, she has taught all of us an inner strength that is a pillar of the Buhl Foundation.

We go into the future with gratitude for her leadership and impact on this foundation. Buhl will continue to significantly improve the lives of the many people it is privileged to serve, building on the foundation laid first by Henry and Louise Buhl, by our predecessors, and by our dear friend and colleague.

In closing, I speak on behalf of the Buhl Board and staff in thanking Jean Robinson for her significant contribution to our work. As with our community, we have all been touched by Jean.

Peter Mathieson
Chair, Board of Directors

From the Desk of the President

As I reflect on my first year as President of the Buhl Foundation, I am inspired by the great legacy left by Henry and Louise Buhl and by the leadership that has guided the Foundation for more than 90 years. At this moment, however, I am compelled to recognize and thank my predecessor, Frederick Thieman, for his friendship and guidance. I must also thank him for reinforcing Mr. Buhl's commitment to innovation by working in partnership with the Board to re-imagine a Buhl Foundation to more accurately meet the changing needs of those whose lives we seek to improve.

Change and adaptation is central to Buhl. It is clearly emphasized as we make a concerted decision to remain regional, but dedicate significant resources to a place-based strategy on the Northside of Pittsburgh. Our belief is that by working in partnership with residents of the Northside we can innovate creative solutions to complex problems and share in ways that can be replicated in any community. Our opportunity is to leverage our resources, find connections to individuals and growth, and invest in catalytic efforts that can be scaled city-wide, regionally and nationally.

To accomplish this ambitious goal, we are remaining true to the community that Mr. Buhl loved and pursuing a new approach to an enduring legacy. This entrepreneurial approach is consistent with Mr. Buhl's values and the deep heritage that is the Buhl Foundation. For historically, the Buhl Board has identified risk as a central element of innovation and has been willing to enter uncharted territory knowing that it will drive greatness. The Board's investment in a 21st Century vision for the Foundation continues a tradition of bold investment that is the central to Buhl.

In closing, I am compelled to thank the many individuals in our community for embracing this new vision. I recognize that this bold approach would not exist were it not for a fearless Board who remains dedicated to preserving Mr. Buhl's legacy of innovation and to the Buhl staff who are willing to proceed with humility and compassion. I look forward to continuing to serve through this amazing Foundation.

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.*

OBJECTIVES

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

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

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

GUIDING PRINCIPLES

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

Dream

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

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

Innovate

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

Act

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

APPROPRIATIONS

July 1, 2016 - June 30, 2017

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.*

Children's Museum of Pittsburgh - \$250,000

To support the Museum Lab Capital Campaign expanding the Cultural campus by creating a National Center for Excellence and Design.

Greater Pittsburgh Community Food Bank - \$150,000

For continued support of a Northside-wide feeding program to alleviate hunger in school-aged children.

United Way of Southwestern Pennsylvania - \$130,000

To continue supporting a coordinated system of school-based and afterschool activities on the Northside that enables young people to successfully transition into productive careers.

Sprout Fund - \$125,000

To implement a grant program on the Northside to encourage neighborhood and citizen participation in community projects.

Design Center Pittsburgh - \$100,000

To undertake a real estate market study to inform partners in the community around place-based investing while protecting affordable housing.

Pittsburgh Parks Conservancy - \$90,000

To develop a master plan for Allegheny Commons.

Foundation of HOPE - \$75,000

To implement a diversion program on the Northside for nonviolent offenders, providing support and partnerships to decrease the participant's likelihood of reoffending.

New Sun Rising - \$75,000

To support outreach to community members exploring business and entrepreneurial opportunities as part of an innovation strategy on Pittsburgh's Northside.

Pennsylvania Resources Council - \$75,000

To continue leading a community-based effort to develop a Northside-focused anti-litter and recycling campaign in partnership with Allegheny Cleanways.

Allegheny Conference on Community Development - \$62,000

To support the Agenda Development Fund designed to advance the economic prosperity of Western Pennsylvania.

GTECH - \$50,000

To further develop a trail system connecting the neighborhoods of Pittsburgh's Northside.

The Mattress Factory - \$50,000

To support the early planning of a capital campaign to provide funding for a permanent Skyspace by James Turrell, increased visitor parking, and increased museum staff to serve a growing audience.

The Pittsburgh Foundation / Allegheny County Health Department - \$50,000

For Buhl's continued participation in a pooled fund supporting the partnership between Allegheny County Health Department and the foundation community for addressing public health needs in Allegheny County, over two years.

Steel Rivers Council of Governments - \$50,000

Two-year support for the creation of the Tri County Council of Governments (Tri-COG) Land Bank designed to address blight by transitioning abandoned properties to beneficial reuse, initially in the Mon Valley and eastern suburbs.

Urban League of Pittsburgh - \$50,000

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

WQED - \$50,000

To support a new six-part broadcast series entitled *Rick Sebak's Pittsburgh Stories*.

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

To connect every fourth-grade student on the Northside with educational programs grounded in the Science Center to increase formal and informal learning opportunities.

Carnegie Library of Pittsburgh - \$40,000

To connect every third-grade student on the Northside with educational programs in the Carnegie Library to increase formal and informal learning opportunities.

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

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

National Aviary Pittsburgh - \$40,000

To connect every second-grade student attending a Northside school with educational programs grounded in the Aviary to increase formal and informal learning opportunities.

Northside Community Development Fund - \$40,000

To expand the façade enhancement program as a business revitalization strategy in the Northside.

Grow Pittsburgh - \$35,000

To support a community gardening program in the Northview Heights neighborhood.

Vibrant Pittsburgh – \$35,000

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

Holy Family Institute - \$33,800

For support to expand the Stop Now and Plan (SNAP) program to the Northside.

Bike Pittsburgh - \$30,000

To support "Open Streets" on Pittsburgh's Northside to further tourism and fun, healthy activities for Northside residents and visitors.

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

To connect middle school students on the Northside with educational programs grounded in the Warhol Museum to increase formal and informal learning opportunities.

The Pittsburgh Foundation – \$30,000

To continue Buhl's participation in a pooled fund supporting the partnership between Allegheny County Department of Human Services and the foundation community for addressing human service needs in Allegheny County.

University of Pittsburgh, Institute of Politics - \$30,000

To improve regional planning efforts that address complex problems and to continue the work of the Criminal Justice Task Force.

Pittsburgh Parks Conservancy - \$29,276

To provide opportunities for each Northside fifth-grade student to experience parks and greenspaces in their neighborhoods.

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

To empower women and girls in the pursuit of STEM by exemplifying female success in robotics.

City of Asylum - \$25,000

To present cultural programming at Alphabet City to Northside families and youth.

Forbes Funds / Greater Pittsburgh Nonprofit Partnership (GPNP) - \$25,000

To provide support for advocacy on issues impacting the nonprofit community and provide seed funding for the Catalyst Fund.

Manchester Youth Development Center – \$25,000

To offer Northside youth the opportunity to learn, create, exercise and socialize in a safe, familiar and convenient location.

Neighborhood Allies - \$25,000

To assist struggling individuals and families through support of a Financial Opportunity Center on the Northside.

Pittsburgh Botanic Garden - \$25,000

To support educational programming for Northside children to visit the Garden in 2017 and 2018.

Radiant Hall - \$25,000

To support Radiant Hall's operating capacity while building the foundation for their continued success on the Northside.

Steeltown Entertainment Project - \$25,000

To develop and implement a Northside Television Learning Lab.

Western Pennsylvania Conservancy - \$25,000

To support efforts to adapt to the needs of next generation donors.

Women and Girls Foundation of Southwest Pennsylvania - \$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 metro area.

Pittsburgh Association for the Education of Young Children (PAEYC) - \$24,800

To support the coordination and leveraging of resources in order to develop quality early learning experiences for Northside children.

Lawrenceville Corporation - \$21,000

To support the first Community Land Trust in the City of Pittsburgh.

Friends of the Riverfront - \$20,000

To support strategic trail improvement of a vegetative swale along the Chateau section of the Three Rivers Heritage Trail on the Northside of Pittsburgh.

NeighborWorks Western Pennsylvania - \$20,000

To expand Fund My Future, an established student savings program, to Northside schools.

Northside Leadership Conference - \$20,000

To support neighborhood outreach activities that are entertaining, family-friendly, and foster economic and community development.

YouthPlaces – \$20,000

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

Landforce - \$15,000

To enable the stewardship of ongoing Northside environmental projects and Northside resident participation on 2017 crews.

Student Conservation Association - \$15,000

To recruit a Riverview Park Crew to construct a trail from Brighton Heights into Riverview Park.

University of Pittsburgh, University Center for Social and Urban Research - \$14,236
To provide Northside residents with training that will demonstrate the many uses of Southwestern Pennsylvania Community Profiles.

Pittsburgh Leadership Foundation - \$13,000
To support leadership development for Northside executives by encouraging both personal and organizational capacity development.

Pittsburgh Cultural Trust - \$12,500
To support festival activities that make Pittsburgh a more vibrant and family-friendly community.

All Star Code – \$10,000
To support a one-year expansion pilot to the Pittsburgh area.

Brother's Brother Foundation – \$10,000
To assist this Northside-based humanitarian aid organization in building capacity and identifying development opportunities.

Center for Public Justice - \$10,000
To support Northside resident participation in the Community Institute for Education.

United Methodist Church Union - \$10,000
To support a summer meals program for underserved youth in the Northview Heights section of the Northside.

University of Pittsburgh, University Center for Social and Urban Research - \$10,000
To support a sustainability plan for the Western Pennsylvania Regional Data Center.

University of Pittsburgh, Office of Child Development (OCD) - \$6,000
To conduct a transition planning process to inform the future direction of OCD and to prepare for significant senior leadership changes likely to take place in the next few years.

Carnegie Institute / Carnegie Science Center - \$5,000
To support the One Northside Parent Support Action Team in launching Parent University and Job Fair.

Doors Open Pittsburgh – \$5,000
To educate and stimulate the exploration and appreciation of Pittsburgh's architecture, history and design heritage by providing behind-the-scenes access to significant buildings across the City's diverse neighborhoods and business districts.

Grantmakers for Effective Organizations (GEO) - \$5,000
To support the 2017 Leading Change Conference held in Pittsburgh.

Pennsylvania Downtown Center - \$5,000
To support scholarships for Northside residents to attend the 2017 National *Main Street Now!* Conference.

Pittsburgh Cares - \$5,000

To provide leadership development, serving learning, and community engagement opportunities to underserved middle school students on the Northside.

Pittsburgh Perry High School - \$5,000

To support a community day and positive behavior program at Perry High School.

University of Pittsburgh, White House Frontiers Conference - \$5,000

To support a White House Summit held in Pittsburgh and hosted jointly by the University of Pittsburgh and Carnegie Mellon University.

Manchester Citizens Corporation - \$2,500

For development of a book chronicling the life of civil rights activist Reverend James J. Robinson.

POISE Foundation - \$2,500

To support Northside police and residents in participating in the Ussie Summer Games, a community and police field day event.

Remake Learning Council / Grantmakers of Western Pennsylvania – \$2,500

To support Remake Learning Days as an effort to stimulate learning innovation in Western Pennsylvania.

HENRY C. FRICK EDUCATIONAL FUND

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

A+ Schools - \$50,000

To provide parents and students with resources and opportunities to become involved in school improvement efforts, over two years.

Historical Society of Western Pennsylvania – \$50,000

For two-year support of educational programming that complements exhibits focusing on the history of Western Pennsylvania.

World Affairs Council of Pittsburgh - \$25,000

To support a Global Leadership Certificate Program at Perry High School.

CUMULATIVE SUMMARY OF APPROPRIATIONS

Ninety Year Period
to June 30, 2017

APPROPRIATIONS FROM 1927 TO JUNE 30, 2016

\$ 120,509,053

Appropriations from July 1, 2016 to June 30, 2017

Buhl Fund

Children's Museum of Pittsburgh	\$ 250,000
Greater Pittsburgh Community Food Bank	150,000
United Way of Southwestern Pennsylvania	130,000
Sprout Fund	125,000
Design Center Pittsburgh	100,000
Pittsburgh Parks Conservancy	90,000
Foundation of HOPE	75,000
New Sun Rising	75,000
Pennsylvania Resources Council	75,000
Allegheny Conference on Community Development	62,000
GTECH	50,000
The Mattress Factory	50,000
The Pittsburgh Foundation/ Allegheny County Health Dept.	50,000
Steel Rivers Council of Governments	50,000
Urban League of Pittsburgh	50,000
WQED	50,000
Carnegie Institute / Carnegie Science Center	40,000
Carnegie Library of Pittsburgh	40,000
Children's Museum of Pittsburgh	40,000
National Aviary Pittsburgh	40,000
Northside Community Development Fund	40,000
Grow Pittsburgh.....	35,000
Vibrant Pittsburgh	35,000
Holy Family Institute	33,800
Bike Pittsburgh	30,000
Carnegie Institute / Andy Warhol Museum	30,000
The Pittsburgh Foundation	30,000
University of Pittsburgh, Institute of Politics	30,000
Pittsburgh Parks Conservancy	29,276
Carnegie Mellon University, Girls of Steel	25,000
City of Asylum	25,000
Forbes Funds / GPNP	25,000
Manchester Youth Development Center	25,000
Neighborhood Allies	25,000
Radiant Hall	25,000
Steeltown Entertainment Project	25,000
Western Pennsylvania Conservancy	25,000
Women and Girls Foundation of Southwest Pennsylvania	25,000
Pittsburgh Association for the Education of Young Children.....	24,800
Lawrenceville Corporation	21,000
Friends of the Riverfront	20,000
NeighborWorks Western Pennsylvania	20,000
Northside Leadership Conference	20,000
YouthPlaces	20,000
Landforce	15,000

Student Conservation Association	15,000	
University of Pittsburgh, UCSUR	14,236	
Pittsburgh Leadership Foundation	13,000	
Pittsburgh Cultural Trust	12,500	
All Star Code	10,000	
Brother's Brother Foundation	10,000	
Center for Public Justice	10,000	
United Methodist Church Union	10,000	
University of Pittsburgh, UCSUR	10,000	
University of Pittsburgh, Office of Child Development	6,000	
Carnegie Institute / Carnegie Science Center	5,000	
Doors Open Pittsburgh	5,000	
Grantmakers for Effective Organizations	5,000	
Pennsylvania Downtown Center	5,000	
Pittsburgh Cares	5,000	
Pittsburgh Perry High School	5,000	
University of Pittsburgh, White House Frontiers Conference	5,000	
Manchester Citizens Corporation	2,500	
POISE Foundation	2,500	
Remake Learning Council	2,500	
Total Buhl Fund Appropriations		\$ <u>2,429,112</u>
Henry C. Frick Educational Fund		
A+ Schools	\$50,000	
Historical Society of Western Pennsylvania	50,000	
World Affairs Council of Pittsburgh	<u>25,000</u>	
Total Frick Appropriations		\$ <u>125,000</u>
 TOTAL FROM JULY 1, 2016 TO JUNE 30, 2017		 \$ <u>2,554,112</u>
Cancellations/Refunds on Unrequired Commitment Balances		<u>(13,629)</u>
TOTAL APPROPRIATIONS OVER THE NINETY YEAR PERIOD		\$<u>123,049,536</u>

AREAS OF GIVING

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

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

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

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

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

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

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

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

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

The Northside

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

Henry C. Frick Educational Fund

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

William and Elizabeth Rodger McCreery Memorial Fund

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

GRANT PROCEDURES

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

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

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

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

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

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

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

PROPOSAL GUIDELINES

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

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

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

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

The Buhl Foundation

Financial Statements and Supplementary Information

**Years Ended June 30, 2017 and 2016
with Independent Auditor's Report**

MaherDuessel

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THE BUHL FOUNDATION

YEARS ENDED JUNE 30, 2017 AND 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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 18 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
March 12, 2018

THE BUHL FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

	2017	2016
Assets		
Cash and cash equivalents	\$ 6,055,359	\$ 1,991,311
Receivables	11,260	14,659
Prepaid expenses	12,754	14,815
Investments	79,467,907	78,715,149
Office furniture and equipment, net of accumulated depreciation of \$118,385 and \$115,790, respectively	26,119	4,892
Total Assets	\$ 85,573,399	\$ 80,740,826
Liabilities and Unrestricted Net Assets		
Liabilities:		
Appropriation commitments:		
Payable by June 30 of subsequent year	\$ 2,057,600	\$ 1,476,778
Payable after June 30 of subsequent year	25,000	697,000
Total appropriation commitments	2,082,600	2,173,778
Accounts payable and accrued liabilities	54,999	17,574
Total Liabilities	2,137,599	2,191,352
Net Assets:		
Unrestricted	83,435,800	78,549,474
Total Liabilities and Unrestricted Net Assets	\$ 85,573,399	\$ 80,740,826

See accompanying notes to financial statements.

THE BUHL FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Unrestricted Net Assets:		
Income:		
Interest	\$ 28,743	\$ 20,727
Dividends	733,920	1,041,134
Realized gain (loss) on sale of investments	1,664,533	3,722,135
Unrealized (loss) gain on investments	6,692,667	(6,054,619)
Partnership net (loss) gain, net of management fees	(189,018)	(197,754)
Other income (loss)	(107,096)	(143,773)
Total income	8,823,749	(1,612,150)
Expenses:		
Program expenses:		
Appropriations authorized	2,607,615	3,167,681
Direct charitable expenses	402,740	238,061
Administrative expenses:		
Salaries and other employment costs	560,323	657,949
Investment management fees	198,213	177,736
General and administrative	96,097	95,889
Federal excise and unrelated business income taxes	34,286	46,105
Professional services	38,149	30,777
Total expenses	3,937,423	4,414,198
Change in Net Assets	4,886,326	(6,026,348)
Net Assets:		
Beginning of year	78,549,474	84,575,822
End of year	\$ 83,435,800	\$ 78,549,474

See accompanying notes to financial statements.

THE BUHL FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Cash Flows From Operating Activities:		
Change in net assets	\$ 4,886,326	\$ (6,026,348)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain) loss on investments	(1,664,533)	(3,722,135)
Net unrealized loss (gain) on investments	(6,692,667)	6,054,619
Partnership net loss (gains), net of management fees	189,018	197,754
Depreciation	2,595	5,287
Change in:		
Receivables	3,399	(3,192)
Prepaid expenses	2,061	(4,356)
Appropriation commitments	(91,178)	(1,063,309)
Accounts payable and accrued liabilities	37,425	(16,350)
Net cash provided by (used in) operating activities	(3,327,554)	(4,578,030)
Cash Flows From Investing Activities:		
Proceeds from dispositions of investments	9,415,887	3,751,004
Purchases of investments	(2,000,463)	(444,068)
Purchases of office equipment	(23,822)	(3,329)
Net cash provided by (used in) investing activities	7,391,602	3,303,607
Net Increase (Decrease) in Cash and Cash Equivalents	4,064,048	(1,274,423)
Cash and Cash Equivalents:		
Beginning of year	1,991,311	3,265,734
End of year	\$ 6,055,359	\$ 1,991,311
Supplemental Information:		
Excise tax paid	\$ 31,000	\$ 44,000
Unrelated business income tax paid	\$ -	\$ 5,018

See accompanying notes to financial statements.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

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:

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

Temporarily Restricted Net Assets - Net assets whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. At June 30, 2017 and 2016, the Foundation had no temporarily restricted net assets.

Permanently Restricted Net Assets - Net assets whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by the actions of the Foundation. At June 30, 2017 and 2016, the Foundation had no permanently restricted net assets.

Investments and Related Income

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

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

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

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

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

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

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

The Foundation's investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Funds are invested in a well-diversified asset mix, which includes primarily equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Foundation expects its investment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total investment portfolio; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

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, 2017 and 2016 was \$2,595 and \$5,287, respectively.

Appropriations

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

Direct Charitable Expense

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

Direct charitable expenses included on the statements of activities include allocated salary for community-based direct charitable expenses and other employment costs totaling \$328,021 and \$174,973 in 2017 and 2016, respectively.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

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.

Pending Pronouncements

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

ASU 2015-07, *"Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value Per Share (or its Equivalent)"*, is effective for the year ending June 30, 2018. This amendment removes the requirement to categorize investments within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient.

ASU 2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities"*, is effective for the financial statements for the year ending June 30, 2019. This amendment aims to improve how a nonprofit organization classifies its net assets and provides information in its financial statements and notes about its financial performance, cash flow, and liquidity. The ASU changes the net asset classification, requires presentation of expenses both by nature and function, requires investment return reported net of investment expenses, requires placed-in-service approach for gifts of/for long-lived assets, and provides enhanced disclosures for: governing body restrictions; composition of net assets with donor restrictions; qualitative and quantitative information on liquidity; methods to allocate costs among program and support functions; and underwater donor-restricted endowment.

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, 2017 AND 2016

3. Investments

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

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Fixed income bond and bond funds	\$ 5,890,102	\$ 5,805,624	\$ 4,963,869	\$ 4,871,509
Equity and mutual funds:				
Multi-asset	32,847,088	33,927,106	35,110,251	32,517,905
Commodity related	1,582,489	1,415,996	2,739,453	2,178,935
Emerging markets	2,806,120	3,055,708	3,304,529	2,984,125
Value	2,501,131	2,692,680	2,705,486	2,677,857
International	6,356,285	7,157,788	6,733,616	6,470,983
Small capitalization	547,345	692,670	612,099	657,699
Growth and income	3,202,633	3,535,587	3,297,532	3,333,082
Real estate	324,809	355,881	437,006	522,755
	<u>50,167,900</u>	<u>52,833,416</u>	<u>54,939,972</u>	<u>51,343,341</u>
Hedge funds	5,399,687	6,307,425	6,805,000	7,428,929
Private equity funds	10,588,460	13,624,060	11,167,795	14,173,988
Program-related investments	897,382	897,382	897,382	897,382
	<u>\$ 72,943,531</u>	<u>\$ 79,467,907</u>	<u>\$ 78,774,018</u>	<u>\$ 78,715,149</u>

Investments in the multi-asset fund accounts for approximately 42.7% and 41.3% of the fair value of the Foundation's investments at June 30, 2017 and 2016, 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, 2017 AND 2016

classify these financial instruments into a three-level hierarchy, based upon priority of inputs to the valuation technique or in accordance with the net asset value practical expedient rule, which allow for either Level 2 or Level 3 reporting depending upon lock-up and notice periods associated with the underlying funds.

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, 2017:

	Level 1	Level 2	Level 3	Total
Fixed income bond and bond funds	\$ 5,805,624	\$ -	\$ -	\$ 5,805,624
Equity and mutual funds:				
Multi-asset	-	33,927,106	-	33,927,106
Commodity related	1,415,996	-	-	1,415,996
Emerging markets	3,055,708	-	-	3,055,708
Value	2,692,680	-	-	2,692,680
International	7,157,788	-	-	7,157,788
Small capitalization	692,670	-	-	692,670
Growth and income	3,535,587	-	-	3,535,587
Real estate	355,881	-	-	355,881
Hedge funds	-	-	6,307,425	6,307,425
Private equity funds	-	-	13,624,060	13,624,060
Program-related investments	-	-	897,382	897,382
Total investments	<u>\$ 24,711,934</u>	<u>\$ 33,927,106</u>	<u>\$ 20,828,867</u>	<u>\$ 79,467,907</u>

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

The following table summarizes investments by fair value measurement categories as of June 30, 2016:

	Level 1	Level 2	Level 3	Total
Fixed income bond and bond funds	\$ 4,871,509	\$ -	\$ -	\$ 4,871,509
Equity and mutual funds:				
Multi-asset	-	32,517,905	-	32,517,905
Commodity related	2,178,935	-	-	2,178,935
Emerging markets	2,984,125	-	-	2,984,125
Value	2,677,857	-	-	2,677,857
International	6,470,983	-	-	6,470,983
Small capitalization	657,699	-	-	657,699
Growth and income	3,333,082	-	-	3,333,082
Real estate	522,755	-	-	522,755
Hedge funds	-	-	7,428,929	7,428,929
Private equity funds	-	-	14,173,988	14,173,988
Program-related investments	-	-	897,382	897,382
Total investments	<u>\$ 23,696,945</u>	<u>\$ 32,517,905</u>	<u>\$ 22,500,299</u>	<u>\$ 78,715,149</u>

At June 30, 2017 and 2016, Level 2 investments include the Foundation's funds held in The Investment Fund for Foundation (TIFF) multi-asset mutual fund.

The multi-asset mutual fund is reported at market value as of June 30, 2017 and 2016 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, 2017.

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

	Level 1	Level 2	Level 3
TIFF Multi-Asset Fund	52%	30%	18%

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

The TIFF multi-asset fund discloses the levels of the underlying investments reported in their unaudited semi-annual report as of June 30, 2016 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
TIFF Multi-Asset Fund	54%	33%	13%

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

At June 30, 2017 and 2016, the Foundation invested in hedge funds to further diversify its investment portfolio through various Hirtle Callaghan hedge funds. 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.

In addition, the Foundation invests in private equity funds that are also 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. 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.

At June 30, 2017 and 2016, 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

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

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 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 net asset value per share of the fund at June 30, 2017 and 2016. 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 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.

For Level 3 items, the Foundation’s valuation is determined in good faith by the General Partner of the limited partnerships and hedge fund administrators as provided by the custodian and information from 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.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

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

	Private Equity Funds	Hedge Funds	Program Related	Total Level 3 Assets
Balance as of June 30, 2016	\$ 14,173,988	\$ 7,428,929	\$ 897,382	\$ 22,500,299
Unrealized gains (losses)	29,407	283,809	-	313,216
Capital calls/purchases	2,733,033	-	-	2,733,033
Distributions/sales	(3,312,368)	(1,405,313)	-	(4,717,681)
Balance as of June 30, 2017	<u>\$ 13,624,060</u>	<u>\$ 6,307,425</u>	<u>\$ 897,382</u>	<u>\$ 20,828,867</u>

The following table summarizes the changes in fair values associated with Level 3 assets at June 30, 2016:

	Private Equity Funds	Hedge Funds	Program Related	Total Level 3 Assets
Balance as of June 30, 2015	\$ 14,694,187	\$ 7,634,636	\$ 897,382	\$ 23,226,205
Unrealized gains (losses)	(978,993)	(205,707)	-	(1,184,700)
Capital calls/purchases	3,218,187	-	-	3,218,187
Distributions/sales	(2,759,393)	-	-	(2,759,393)
Balance as of June 30, 2016	<u>\$ 14,173,988</u>	<u>\$ 7,428,929</u>	<u>\$ 897,382</u>	<u>\$ 22,500,299</u>

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, 2017 are estimated as follows:

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

	Amount Committed	Amount Drawn	Remaining Capital Commitment
Axiom Asia Private Capital Fund II, L.P.	\$ 1,000,000	\$ 886,871	\$ 113,129
Aberdeen International Partners, L.P.	1,000,000	960,000	40,000
Aberdeen Private Equity II, L.P.	2,000,000	1,980,000	20,000
Aberdeen Private Equity III, L.P.	2,000,000	1,960,000	40,000
Aberdeen Private Equity VI, L.P.	2,000,000	900,000	1,100,000
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	1,160,000	840,000
LODH Private Equity - EuroChoice IV (Scotland), L.P.6 *	1,142,500	992,017	150,483
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	855,000	145,000
RCP Fund VI, L.P.	1,000,000	1,088,900	(88,900)
RCP Fund VII, L.P.	500,000	470,930	29,070
RCP SOF Feeder, Ltd.	500,000	543,536	(43,536)
VCFA Private Equity Partners IV, L.P.	3,000,000	2,850,000	150,000
Venture Investment Associates VII, L.P.	1,000,000	830,000	170,000
	<u>\$ 23,142,500</u>	<u>\$ 20,412,254</u>	<u>\$ 2,730,246</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 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, 2017 and 2016.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

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. Subsequent to year-end, 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 Deutchtown 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, 2017 and 2016.

The Foundation has also recorded program-related investment income in the amount of \$7,978 and \$8,594 through June 30, 2017 and 2016, 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 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 2017 and 2016, the Foundation had the following endowment-related activities:

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NOTES TO FINANCIAL STATEMENTS

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	2017	2016
Investment return on endowment assets:		
Interest and dividends	\$ 762,663	\$ 1,061,861
Partnership net (losses) gains	(189,018)	(197,754)
Realized (losses) gains	1,664,533	3,722,135
Unrealized gains (losses)	6,692,667	(6,054,619)
Investment fees	(198,213)	(177,736)
Total investment return on endowment assets	8,732,632	(1,646,113)
Transfers out of endowment	(7,979,874)	(4,191,061)
Total change in endowment funds	752,758	(5,837,174)
Endowment investment funds:		
Beginning of year	78,715,149	84,552,323
End of year	<u>\$ 79,467,907</u>	<u>\$ 78,715,149</u>

7. Appropriation Commitments

Appropriation commitments at June 30, 2017 are due to be paid as follows:

Fiscal Year	Amount
2018	\$ 2,057,600
2019	20,000
2020	5,000
	<u>\$ 2,082,600</u>

8. Taxes

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

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

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 \$89,513 and \$89,043 for the years ended June 30, 2017 and 2016, 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 2017 and 2016, there were certain grant applicants with which Directors of the Foundation were affiliated. Pursuant to the practices of the Foundation, the related Directors abstained from voting in matters concerning affiliated applicants.

SUPPLEMENTARY INFORMATION

THE BUHL FOUNDATION

STATEMENT OF APPROPRIATIONS AUTHORIZED AND ADMINISTRATIVE EXPENSES BY FUND

YEAR ENDED JUNE 30, 2017

	Buhl Fund	Frick Fund	McCreery Fund	Total
Program expenses:				
Appropriations authorized	\$ 2,471,115	\$ 135,000	\$ 1,500	\$ 2,607,615
Direct charitable expenses	402,740	- #	-	402,740
Administrative expenses:				
Salaries and other employment costs	491,465	65,300	3,558	560,323
Investment management fees	173,854	23,100	1,259	198,213
General and administrative	84,288	11,199	610	96,097
Federal excise tax	30,072	3,996	218	34,286
Professional services	33,461	4,446	242	38,149
Total appropriations authorized and administrative expenses	<u>\$ 3,686,995</u>	<u>\$ 243,041</u>	<u>\$ 7,387</u>	<u>\$ 3,937,423</u>