

The Buhl Foundation



Annual Report by the President
July 1, 2008 to June 30, 2009



HENRY BUHL, JR.
1848-1927



By his will he 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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INTRODUCTION

The current worldwide financial crisis – unprecedented since at least World War II – has taken its toll on national wealth. There has been little safe harbor. Foundation endowments, which have experienced years of double-digit appreciation have been severely impacted. Tax revenues are dramatically down and Pennsylvania and most states are in budgetary crisis. And the nonprofit world – while facing the double-edge sword of reduced foundation resources and governmental funding – has seen dramatic growth in the demand for services as the unemployment rates continue to escalate.

Juxtaposed against the plethora of bad news, however, has been the singularly impressive manner in which caring people have responded to the crisis. With grace in the face of calamity, ingenuity in the face of obstacles, and resiliency in the face of setbacks, the not-for-profit community has proven its importance to this region and the country. The creativity and determination exhibited each day by these dedicated individuals and organizations has been invigorating and inspiring. Here at Buhl, we are honored to partner with the remarkable efforts of so many remarkable people.

While maintaining our focus on education, youth development, human services, and economic and community development, Buhl has sought to encourage efforts that build capacity within organizations to weather these difficult times. With grants to organizations ranging from the Hill House Association and the Pittsburgh Project to United Way, the North Side Christian Health Center, Regional Opportunity Center and the Women's Center and Shelter of Greater Pittsburgh, we have sought to support particularly those organizations that serve vulnerable populations. Likewise, we have done our best to seek out innovation and creativity, whether by larger grants such as those to WQED or Robert Morris University, or by more modest grants to organizations such as Pace School, Verland, ACLD and the Western Pennsylvania School for the Deaf to support those with disabilities. With our education grants, including those from the Frick and McCreery Funds, we support the important role that K-12 public school education plays in creating an economically strong region. A gift of three million dollars, as large a grant as Buhl has ever given, went to the Pittsburgh Promise to assure the viability of our City and the role of the Pittsburgh Public Schools in educating students for jobs of the future. Other public school K-12 grants that enrich the fabric of our region went to initiatives in math, science and arts education, or for tools that empower teachers or improve governance. And finally, through grants to organizations such as Venture Outdoors, Steel City Rowing and Family Tyes, we have sought to strengthen both body and mind.

As we reflect over the past year, we are excited about the multifaceted organizations with which we have been able to partner and, at the same time, we agonize over the difficult decisions that have been made to balance

the tremendous community need against our limited ability to help organizations, and the populations they serve, confront these difficult times.

We realize the circumstances that we all currently confront will not change overnight and that the months and likely years ahead will continue to present significant challenges. The best we can do is pledge to remain true to our mission: to be curious and accessible, unencumbered in vision and purpose, structurally capable of adaptability and usefulness. That's the Buhl Foundation's definition of dreaming, about a better today and about a better future. We will stand beside our foundation partners with our time and our energy to help make dreams happen and to be part of a better community.

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 North Side of Pittsburgh, and knowing his love for Pittsburgh and its people, the Buhl Foundation is particularly sensitive to 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

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 more than 80 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, 2008 - June 30, 2009

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.*

Pittsburgh Promise (Pittsburgh Foundation) - \$1,335,000

Up to ten-years of support for the Pittsburgh Promise to ensure that Pittsburgh Public Schools students are “Promise Ready” and that scholarship funds help students prepare to succeed in post-secondary educational choices. The first five-year commitment is \$1.5 million consisting of this \$1,335,000 and \$165,000 from the Frick Fund. An additional appropriation of \$1.5 million is expected in 2012 as the remainder of the total commitment of \$3 million to the Pittsburgh Promise.

WQED Multimedia - \$190,000

For Rick Sebak’s production of *Right Beside the River* and in recognition of the partnership that has provided a revenue source for an important nonprofit while contributing to the favorable image and economic development of Greater Pittsburgh.

Hill House Association - \$175,000

To support the creation of a dynamic website through which the Hill House presents itself to the world and services the Hill District community with its programmatic outreach in early learning and child development, youth services, family and workforce development, senior services and neighborhood development.

The Pittsburgh Project - \$150,000

To assist with the purchase of a warehouse as part of a longer-term vision to expand impact and stabilize funding for this organization’s efforts to reach young people in its North Side neighborhood while providing housing repair and support for disadvantaged homeowners.

Robert Morris University - \$150,000

For the purchase of sophisticated scientific equipment for the dual purpose of improving the University’s Science Department while expanding outreach to area youth, especially women and minorities, and encouraging interest in science, technology and engineering.

Carnegie Institute/Carnegie Science Center - \$100,000

To install the original Buhl Planetarium Zeiss projector as an exhibit at the Carnegie Science Center as part of its expansion of RoboWorld and as an historical reminder of the importance of science education.

August Wilson Center for African American Culture - \$75,000

Funding to deliver educational and public programming celebrating African American culture in Pittsburgh area schools and to provide excitement for and transition into the new Center opening in 2009. This appropriation is part of a total commitment of \$100,000; the balance of \$25,000 is an appropriation of the Frick Fund.

Beginning with Books - \$50,000

For two-year support to expand the delivery of the Read Together mentoring program to four underserved Pittsburgh city neighborhoods in an effort to increase the number of children who become capable and enthusiastic lifelong readers.

North Side Christian Health Center - \$50,000

For completion of a challenge grant to assist NSCHC in completing its move into a new building in the heart of the North Side where it provides much needed medical services to under-served populations.

United Way of Allegheny County - \$50,000

To support young people's development through the Youth Future Commission Summer Community Service Project in identified high risk neighborhoods (\$25,000) and for the "Be A 6th Grade Mentor" mentoring initiative (\$25,000).

RiverQuest - \$40,000

To provide support for business planning and marketing consulting services to ensure the viability of this important educational asset for Western Pennsylvania and its science outreach to young people.

Gateway to the Arts - \$35,000

To celebrate this organization's 50th anniversary and to support an evaluation and research program seeking to identify, document and analyze the specific outcomes of teacher practice, artist practice and school culture resulting from participation in arts education activities. This appropriation is part of a total commitment of \$50,000; the balance of \$15,000 is an appropriation of the Frick Fund.

Regional Opportunity Center - \$35,000

To support a broad-based community collaborative to increase diversity in Western Pennsylvania while seeking to insure that local disadvantaged communities participate in economic development opportunities.

Women's Center & Shelter of Greater Pittsburgh - \$35,000

To support the Women's Center & Shelter in its exploration of viable options for the future of the agency and the creation of a five-year strategic business plan and branding/marketing campaign all in an effort to improve the myriad of services provided to women and children.

Family Resources - \$34,130

To support an innovative program of using the arts as part of Family Resources' mission of preventing and treating child abuse by strengthening families and neighborhoods.

Carnegie Institute/Carnegie Science Center - \$30,000

For upgrades to the Carnegie Science Center's innovative Girls, Math & Science Partnership website that gives young girls the motivation and resources to pursue science and math degrees.

Pittsburgh Foundation - \$30,000

For participation in a pooled fund continuing the partnership between Allegheny County Department of Human Services and the foundation community to address human services needs in Allegheny County.

Sustainable Pittsburgh - \$28,450

To carry out a study to help address the potential for vacant lot reclamation in distressed Western Pennsylvania neighborhoods as a strategy for economic development and neighborhood revitalization.

American Red Cross, Southwestern Pennsylvania Chapter - \$26,500

To purchase a new and cost-effective software package to assist the organization's humanitarian and disaster relief services.

Children's Museum of Pittsburgh - \$25,000

To support planning efforts for an innovative new concept probing the intersection of art and science to excite young children.

Goodwill Industries of Southwestern Pennsylvania - \$25,000

To support a new content management system that will enable Goodwill to increase use of its website and allow more interactive functions for clients, customers, donors and staff in an effort to improve Goodwill's outreach to communities in need.

North Side Cultural Collaborative - \$25,000

To support website design for a new and creative collaborative of organizations and institutions focused on increasing tourism for the North Side.

Robert Morris University, Bayer Center for Nonprofit Management - \$25,000

To support the Technology Initiative that provides assistance to nonprofits as part of a mission to improve support services for regional entities and their constituents.

Steel City Rowing - \$25,000

To expand the impact of an afterschool and summer pilot program focused on children in at-risk situations by development of a curriculum wedding science and the environment with the discipline of rowing and water sports.

Venture Outdoors - \$25,000

To support innovative recreational activities targeting underserved populations on the North Side while developing leadership in minority populations.

Jewish Healthcare Foundation - \$23,500

To support a study to determine whether touting Pittsburgh as a destination for "baby boomers" is an economically viable and sustainable strategy.

Carnegie Institute/Andy Warhol Museum - \$21,902

For the purchase of sophisticated computer equipment and software to support the Andy Warhol Museum's outreach effort to youth in at-risk situations including creation of publications and utilization of blogging and social networking to interest young people in art.

Braddock Redux - \$20,000

To support an innovative transformation of Braddock property to an urban flower farm tended by young people in a summer employment program.

Communities in Schools Pittsburgh-Allegheny County - \$20,000

To support the 2009-2011 strategic plan and its focus on reducing student drop-out rates that identifies key improvements needed for efficiency and effectiveness of the following systems: fundraising and development, communications and public awareness, human resources and administration of services.

East Liberty Family Health Care Center - \$20,000

To support a comprehensive strategic plan to further ELFHCC's mission to provide much needed medical services for under-served populations.

Extra Mile Education Foundation - \$20,000

To support a pilot project designed to gauge the impact of focused summer learning on achievement for targeted students from underserved neighborhoods that includes morning classroom activities and afternoon field trips to area attractions.

Family Tyes - \$20,000

To support technology upgrades to make this youth serving organization, and its focus on fly fishing as a leadership development tool, more efficient and effective.

Women and Girls Foundation of Southwest Pennsylvania - \$20,000

To support a program where teams of women and girls in five counties learn to become Regional Change Agents by developing leadership skills while addressing community problems.

Zelienople Historical Society - \$19,000

To support the efforts of the Society and its renovation of the original Buhl homestead and the Society's educational outreach.

Community Center and Library Association - \$15,000

To help the Sharpsburg Branch Library establish a permanent home for its library to address the economic, social and logistical issues confronting the community.

Forbes Funds - \$15,000

To support an outreach to nonprofit organizations to build capacity and encourage collaboration or merger in these difficult economic times.

Glade Run Foundation - \$15,000

To support technology upgrades for St. Stephen's Lutheran Academy that help it provide special education services for students in communities to the north of Allegheny County.

University of Pittsburgh, Department of Theatre Arts - \$15,000

To support the production of a new show celebrating the 150th anniversary of Charles Darwin's *On the Origin of Species* for public school science students, especially in disadvantaged communities, while integrating science and technology into middle-school curriculum.

Western Pennsylvania School for the Deaf - \$15,000

To provide support for a pilot program assisting hearing-impaired students to learn life skills necessary for career or college experiences.

Chatham University - \$12,500

To support the Pittsburgh Teachers Institute which provides professional development for Pittsburgh Public School teachers wishing in-depth graduate level content knowledge for curriculum enhancements as required in their classrooms. This appropriation is part of a total commitment of \$20,000; the balance of \$7,500 is an appropriation of the Frick Fund.

Reading is Fundamental Pittsburgh - \$11,000

To support strategic planning efforts for RIF as it revisits its role in the community and its historic mission to encourage reading among children in neighborhoods at risk.

Association for Children and Adults with Learning Disabilities (ACLD) - \$10,000

For a public outreach campaign to encourage early detection of specific learning disabilities in order to improve educational outcomes.

Carnegie Library of Pittsburgh - \$10,000

To support community convening as Carnegie Library seeks to assess options as this important institution confronts the implications of a decline in government funding sources.

Earthen Vessels Outreach - \$10,000

For the purchase of equipment for a computer lab to support this organization's outreach to young children in at-risk neighborhoods.

Goodwill Industries of Southwestern Pennsylvania - \$10,000

For continued support of a program to provide reconditioned computers to students and other low-income individuals with disabilities.

Pace School - \$10,000

To help pilot a creative arts infused academic program for students with severe emotional disturbance or autism in collaboration with Gateway to the Arts.

Saint Francis University - \$10,000

To support the Rural Outreach Chemistry for Kids (ROCK) program and Outreach Days in Science and Mathematics in furtherance of Buhl's interest to stimulate interest in math and science in partnership with area colleges.

Verland - \$7,474

To enhance education and communication skills of young people with intellectual and physical disabilities using a teaching model based upon an adaptive communication device known as Dynavox.

Family Communications - \$5,000

For support of *Won't You Be My Neighbor?* Days and the design of a toolkit to encourage replication of the event in future years, in other communities, in an effort to expand the importance of being good neighbors.

Hill House Association - \$5,000

To support young people from low income neighborhoods as they research, design and create murals in communities in Allegheny County.

Pittsburgh Filmmakers - \$5,000

To support the multimedia exhibit *In Sisterhood: The Women's Movement in Pittsburgh* honoring those who have led the struggle for women's rights in Pittsburgh in the latter part of the 1900's.

Pittsburgh Foundation - \$5,000

As part of a pooled fund to meet emergency and human services needs as the community struggles with the current financial crisis and recession.

Salvation Army - \$5,000

To participate in the Salvation Army's Red Shield Campaign to help the organization meet the growing demand for social and emergency services among disadvantaged populations for the 2009 fiscal year.

Sarah Heinz House - \$5,000

To support children's outreach programming efforts targeting underserved youth and connecting them to the history of the North Side.

Society of St. Vincent de Paul - \$5,000

To purchase computer equipment for the program *Faces/The Children of Manchester Arts Collaborative* in support of its efforts to help children develop artistic and expressive capacities, learn computer skills and develop a positive self-image.

University of Pittsburgh, Office of Child Development - \$2,500

To support the 2009 Family Support Conference for training to enhance partnerships between families, schools, services and communities so that children can be successful.

Mount Washington Community Development Corporation - \$2,000

To support a pilot program to engage youth from at-risk communities in leadership development activities while revitalizing the Mt. Washington Grand View Scenic Byway Park.

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.

Pittsburgh Promise (Pittsburgh Foundation) - \$165,000

An initial appropriation as part of the Buhl Foundation’s three million dollar, ten-year support for the Pittsburgh Promise to ensure that Pittsburgh Public Schools students are “Promise Ready” and that scholarship funds help students prepare to succeed in post-secondary educational choices.

Carnegie Institute/Carnegie Science Center - \$35,000

To support the SciTech Initiative and its annual outreach to nearly 20,000 students and teachers by: developing new high school and middle school programs; launching an outreach initiative for underserved students; and creating special programming for the 70th year of the Pittsburgh Regional Science and Engineering Fair.

August Wilson Center for African American Culture - \$25,000

Funding to deliver educational and public programming celebrating African American culture in Pittsburgh area schools and to provide excitement for and transition into the new Center opening in 2009. This appropriation is part of a total commitment of \$100,000; the balance of \$75,000 is an appropriation of the Buhl Fund.

Gateway to the Arts - \$15,000

To celebrate this organization’s 50th anniversary and to support an evaluation and research program seeking to identify, document and analyze the specific outcomes of teacher practice, artist practice and school culture resulting from participation in arts education activities. This appropriation is part of a total commitment of \$50,000; the balance of \$35,000 is an appropriation of the Buhl Fund.

Opera Theater of Pittsburgh - \$15,000

For support of educational outreach for the production of *Porgy and Bess* in partnership with Pittsburgh Public School students, including participation in oral and photographic histories of African American culture and attendance at opera rehearsals in a neighborhood setting.

Pittsburgh Civic Light Opera - \$15,000

To support ten performances of *Innovators* at Pittsburgh Public Schools as part of the 9th Grade Nation curriculum and in celebration of Pittsburgh’s 250th anniversary while highlighting Pittsburgh’s science and robotics leadership.

Pittsburgh Symphony Society - \$15,000

To support the cost of teacher materials for the Schooltime and TinyTots programs for the 2008-2009 program year that integrate music with other disciplines including science, technology, mathematics, language arts and social studies.

Carnegie Mellon University, School of Music - \$10,000

To improve appreciation of music for at-risk students in school districts such as Pittsburgh and Wilkinsburg Public Schools while providing workshops for teachers to enrich school curriculum.

Dance Alloy Theater - \$10,000

To support artistic residencies and artist performances for students in Pittsburgh Public Schools that incorporate goals of fitness and creative movement into classroom instruction.

Pittsburgh Opera - \$10,000

To support the Opera Academy's efforts to help teachers integrate arts into school curriculum while providing students from challenged communities the opportunity to attend matinees for the 2008-2009 season.

Quantum Theatre - \$10,000

To support an educational program in three public schools that stimulates imagination in students through an interactive workshop with Quantum artists culminating in attendance at a performance.

Saltworks Theatre Company - \$10,000

To support educational plays and materials for the Pittsburgh Public Schools in 2008-2009 that address risky situations in which students might find themselves and how to cope.

Carnegie Mellon University - \$8,500

To support a pilot program for a Pittsburgh Supercomputing Center multidisciplinary bioinformatics course for local high school teachers, including curriculum and lessons aligned with PA standards.

Pittsburgh Ballet Theatre - \$8,000

To support arts education curriculum materials for area teachers and their students for 2008-2009 as part of an ongoing effort to integrate ballet into elementary and secondary school curriculums.

Chatham University - \$7,500

To support the Pittsburgh Teachers Institute which provides professional development for Pittsburgh Public School teachers wishing in-depth graduate level content knowledge for curriculum enhancements as required in their classrooms. This appropriation is part of a total commitment of \$20,000; the balance of \$12,500 is an appropriation of the Buhl Fund.

Pittsburgh Public Theater - \$7,500

Funding to enable underserved students in public high schools to attend matinee productions of *The World Goes Round* and *A Moon for the Misbegotten* including post show discussions as part of educational outreach.

Audubon Society of Western Pennsylvania - \$5,000

For support of the environmental education newsletter *Seasonings* for 2008-2009 as part of an effort to encourage greater interest in biological diversity.

The Consortium for Public Education - \$5,000

For strategic planning to reposition The Consortium regionally as an intermediary education organization that implements programs and convenes leadership around efforts to achieve academic success.

Frick Art & Historical Center - \$5,000

To support teacher workshops providing ACT 48 credits addressing cross-disciplinary learning to assist teachers in integrating writing, history, art and science into lessons on Pittsburgh's rich past.

Pittsburgh Chess Club - \$5,000

To support the 2008-2009 Chess for Pittsburgh Youth Program and its impact on young people's skills in concentration, logical thinking and creativity.

World Affairs Council of Pittsburgh - \$5,000

To support the Summer Institute for Teachers: Teaching Contemporary Global Issues and professional development efforts for teachers interested in international affairs.

Pittsburgh New Music Ensemble - \$3,000

To support the design and implementation of a workshop for public school music teachers called "Focus on Music" in cooperation with the Arts Education Collaborative.

Westmoreland Symphony Orchestra - \$3,000

For support of the Visiting Artists Program and its outreach to students in communities to the south and east of Allegheny County.

United Jewish Federation - \$1,500

To support the Pittsburgh Jewish-Israeli Film Festival outreach to public high schools with the goal of promoting dialogue and cultural understanding.

Pittsburgh Public Schools - \$360

For support of the Science and Technology Academy's efforts to recognize community support and participation in design and development of this new Pittsburgh Public School.

**WILLIAM AND ELIZABETH RODGERS McCREERY
MEMORIAL FUND**

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

Pittsburgh Musical Theater - \$10,000

To provide support for student matinees and educational programs.

Chatham Baroque - \$7,500

To underwrite Peanut Butter & Jam sessions that provide informal concerts for preschool children and their parents to enrich arts and cultural experiences.

Pittsburgh Opera - \$5,000

To provide support for “mock auditions” for high school students as part of an educational outreach program to provide musically gifted students with resources and preparation for real-life audition scenarios for college.

Pittsburgh Cultural Trust - \$4,500

To support the Three Rivers Arts Festival and its collaboration with several human service organizations in partnership with musical arts youth development organizations.

Pittsburgh Cultural Trust - \$2,500

To develop teacher study guides for the 2009 Pittsburgh International Children’s Festival and to support attendance by students of disadvantaged schools.

Children’s Festival Chorus - \$1,500

To underwrite the purchase of new sheet music and a rebranding campaign in recognition of a commitment to outreach and to enrich the chorus experience by serving minority and disadvantaged students.

CUMULATIVE SUMMARY OF APPROPRIATIONS
Eighty-two Year Period
to June 30, 2009

APPROPRIATIONS FROM 1927 TO JUNE 30, 2008

\$ 93,995,753

Appropriations from July 1, 2008 to June 30, 2009

Buhl Fund

Pittsburgh Promise (Pittsburgh Foundation)	\$ 1,335,000
WQED Multimedia	190,000
Hill House Association	175,000
The Pittsburgh Project	150,000
Robert Morris University	150,000
Carnegie Institute/Carnegie Science Center	100,000
August Wilson Center for African American Culture	75,000
Beginning with Books	50,000
North Side Christian Health Center	50,000
United Way of Allegheny County	50,000
RiverQuest	40,000
Gateway to the Arts	35,000
Regional Opportunity Center	35,000
Women's Center & Shelter of Greater Pittsburgh	35,000
Family Resources	34,130
Carnegie Institute/Carnegie Science Center	30,000
Pittsburgh Foundation	30,000
Sustainable Pittsburgh	28,450
American Red Cross, Southwestern Pennsylvania Chapter	26,500
Children's Museum of Pittsburgh	25,000
Goodwill Industries of Southwestern Pennsylvania	25,000
North Side Cultural Collaborative	25,000
Robert Morris University/Bayer Center for Nonprofit Management	25,000
Steel City Rowing	25,000
Venture Outdoors	25,000
Jewish Healthcare Foundation	23,500
Carnegie Institute/Andy Warhol Museum	21,902
Braddock Redux	20,000
Communities in Schools Pittsburgh-Allegheny County	20,000
East Liberty Family Health Care Center	20,000
Extra Mile Education Foundation	20,000
Family Tyes	20,000
Women and Girls Foundation of Southwest Pennsylvania	20,000
Zelienople Historical Society	19,000
Community Center and Library Association	15,000
Forbes Funds	15,000
Glade Run Foundation	15,000
University of Pittsburgh, Department of Theatre Arts	15,000
Western Pennsylvania School for the Deaf	15,000
Chatham University/Pittsburgh Teachers Institute	12,500
Reading is FUNdamental	11,000
Association of Children and Adults with Learning Disabilities (ACLD)	10,000
Carnegie Library of Pittsburgh	10,000
Earthen Vessels Outreach	10,000
Goodwill Industries of Southwestern Pennsylvania	10,000
Pace School	10,000

Saint Francis University	10,000
Verland	7,474
Family Communications	5,000
Hill House Association	5,000
Pittsburgh Filmmakers	5,000
Pittsburgh Foundation	5,000
Salvation Army	5,000
Sarah Heinz House	5,000
Society of St. Vincent de Paul	5,000
University of Pittsburgh, Office of Child Development	2,500
Mount Washington Community Development Corporation	2,000
Total Buhl Fund Appropriations	\$ 3,158,956

Henry C. Frick Educational Fund

Pittsburgh Promise (Pittsburgh Foundation).....	\$ 165,000
Carnegie Institute/Carnegie Science Center	35,000
August Wilson Center for African American Culture	25,000
Gateway to the Arts	15,000
Opera Theater of Pittsburgh	15,000
Pittsburgh Civic Light Opera	15,000
Pittsburgh Symphony Society	15,000
Carnegie Mellon University, School of Music	10,000
Dance Alloy Theater	10,000
Pittsburgh Opera	10,000
Quantum Theatre	10,000
Saltworks Theatre Company	10,000
Carnegie Mellon University/Pittsburgh Supercomputing Center ..	8,500
Pittsburgh Ballet Theatre	8,000
Chatham University/Pittsburgh Teachers Institute	7,500
Pittsburgh Public Theater	7,500
Audubon Society of Western Pennsylvania	5,000
The Consortium for Public Education	5,000
Frick Art & Historical Center	5,000
Pittsburgh Chess Club	5,000
World Affairs Council of Pittsburgh	5,000
Pittsburgh New Music Ensemble	3,000
Westmoreland Symphony Orchestra	3,000
United Jewish Federation	1,500
Pittsburgh Public Schools	360
Total Frick Appropriations	\$ 399,360

William and Elizabeth Rodgers McCreery Memorial Fund

Pittsburgh Musical Theater	\$ 10,000
Chatham Baroque	7,500
Pittsburgh Opera	5,000
Pittsburgh Cultural Trust	4,500
Pittsburgh Cultural Trust	2,500
Children's Festival Chorus.....	1,500
Total McCreery Appropriations	\$ 31,000

TOTAL FROM JULY 1, 2008 TO JUNE 30, 2009 **\$ 3,589,316**

Cancellations on Unrequired Commitment Balances **(51)**

TOTAL APPROPRIATIONS OVER THE EIGHTY-TWO YEAR PERIOD **\$ 97,585,018**

AREAS OF GIVING

Buhl's giving is focused in Southwestern Pennsylvania with an emphasis on Allegheny County and, in particular, upon the City of Pittsburgh and its North Side. The Foundation looks to find opportunities that best leverage our dollars and contribute to the sustainability and vitality of the community. We carry out the mission, objectives and guiding principles of the Foundation by focusing 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. Current areas of interest include 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.

- **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.

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

The Foundation funds efforts that support a thriving and diverse community, encourage citizen volunteers or improve access to services. Support is also 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.

Preference is given to undertakings that support Downtown and North Side revitalization, enhance neighborhood vitality, or encourage use of our parks and recreational opportunities.

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

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

FUNDING CONSIDERATIONS

A proposal should demonstrate the intersection of all or many of the following considerations which are important to the Buhl Foundation:

- Leadership in education, economic and civic improvement, human services and youth development
- Unique, innovative, timely and creative solutions to meeting community needs
- Collaboration with community partners
- Outreach to diverse populations, especially those who are economically disadvantaged or at-risk
- Preventive solutions that are enduring

The greatest volume of Buhl grants, both in total dollars and in number of proposals funded, fall in the range of \$2,500 to \$25,000. Buhl's largest grants tend to focus on sustaining regional institutions that play a unique role in our community based on historic relationships with the Foundation and its mission.

The Henry C. Frick Educational Fund supports K-12 public school initiatives and the McCreery Fund focuses on programs that encourage musically gifted and interested students. Grant requests to both follow the same mission, guidelines and procedures 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 six or seven 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

**Years Ended June 30, 2009 and 2008 with
Independent Auditor's Report**

THE BUHL FOUNDATION

YEARS ENDED JUNE 30, 2009 AND 2008

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Independent Auditor's Report

Board of Directors
The Buhl Foundation

We have audited the accompanying statements of financial position of The Buhl Foundation (Foundation) as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Maher Duessel

Pittsburgh, Pennsylvania
December 14, 2009

THE BUHL FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2009 AND 2008

	2009	2008
Assets		
Cash and cash equivalents	\$ 2,185,367	\$ 2,986,379
Receivables	4,058	22,383
Prepaid expenses	5,974	1,347
Investments	68,144,042	82,318,305
Office furniture and equipment, net of accumulated depreciation of \$106,985 and \$98,037, respectively	19,925	13,013
Total Assets	\$ 70,359,366	\$ 85,341,427
Liabilities and Unrestricted Net Assets		
Liabilities:		
Appropriation commitments:		
Payable by June 30 of subsequent year	\$ 2,019,474	\$ 1,265,294
Payable after June 30 of subsequent year	903,000	44,166
Total appropriation commitments	2,922,474	1,309,460
Accounts payable and accrued liabilities	172,306	123,727
Total Liabilities	3,094,780	1,433,187
Net Assets:		
Unrestricted	67,264,586	83,908,240
Total Liabilities and Unrestricted Net Assets	\$ 70,359,366	\$ 85,341,427

See accompanying notes to financial statements.

THE BUHL FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Unrestricted Net Assets:		
Income, appropriations authorized, and administrative expenses:		
Income:		
Interest	\$ 893,373	\$ 1,038,200
Dividends	870,200	1,093,491
Realized gain (loss) on sale of investments	(911,398)	7,930,861
Unrealized (loss) gain on investments	(12,669,218)	(14,039,310)
Partnership net (loss) gain, net of management fees	(411,923)	(157,895)
Donations	-	61,742
Total income	(12,228,966)	(4,072,911)
Appropriations authorized and administrative expenses:		
Appropriations authorized	3,524,072	3,067,765
Administrative expenses:		
Salaries and other employment costs	618,854	576,406
Investment management fees	126,189	109,820
General and administrative	84,264	78,570
Federal excise tax	23,368	97,119
Professional services	37,941	13,063
Total appropriations authorized and administrative expenses	4,414,688	3,942,743
Change in Net Assets	(16,643,654)	(8,015,654)
Net Assets:		
Beginning of year	83,908,240	91,923,894
End of year	\$ 67,264,586	\$ 83,908,240

See accompanying notes to financial statements.

THE BUHL FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Cash Flows From Operating Activities:		
Change in net assets	\$ (16,643,654)	\$ (8,015,654)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain) loss on investments	911,398	(7,930,861)
Net unrealized loss (gain) on investments	12,669,218	14,039,310
Partnership net (loss) gains, net of management fees	411,923	157,895
Amortization of premiums on bonds	13,907	8,944
Depreciation	8,948	4,215
Change in:		
Accounts receivable	18,325	(22,053)
Prepaid expenses	(4,627)	33,729
Appropriation commitments	1,613,014	(1,059,893)
Payable to broker	-	(250,000)
Accounts payable and accrued liabilities	48,579	(12,104)
Net cash provided by (used in) operating activities	(952,969)	(3,046,472)
Cash Flows From Investing Activities:		
Proceeds from dispositions of investments	10,815,343	47,726,113
Purchases of investments	(10,747,526)	(46,413,492)
Change in program-related investments	100,000	100,370
Purchases of office equipment	(15,860)	(9,202)
Net cash provided by (used in) investing activities	151,957	1,403,789
Net Increase (Decrease) in Cash and Cash Equivalents	(801,012)	(1,642,683)
Cash and Cash Equivalents:		
Beginning of year	2,986,379	4,629,062
End of year	\$ 2,185,367	\$ 2,986,379
Supplemental Information:		
Excise tax paid	\$ 27,000	\$ 97,119

See accompanying notes to financial statements.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

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 four 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, 2009 and 2008, the Foundation had no permanently 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, 2009 and 2008, 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 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

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

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.

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, 2009 and 2008 was \$8,948 and \$4,215, respectively.

Appropriations

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

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

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.

Adoption of Pronouncements

During fiscal year 2009, the Foundation adopted the provisions of Financial Accounting Standards Board Statement No. 157, *"Fair Value Measurements,"* for its financial instruments. This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurement. Please refer to Note 3.

During fiscal year 2009, the Foundation also adopted the provisions of Financial Staff Position (FSP) No. FAS 117-1, *"Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds."* This FSP requires additional disclosures regarding endowment funds. Please refer to Note 5.

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.

3. INVESTMENTS

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

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

	2009		2008	
	Cost	Fair Value	Cost	Fair Value
U.S. Treasury bonds and other				
U.S. government and agency obligations	\$ 1,279,650	\$ 1,268,551	\$ 5,026,984	\$ 5,009,596
Corporate and municipal bonds	10,975,344	11,238,303	9,350,237	9,512,285
Inflation adjusted mutual funds	4,504,493	3,794,989	4,504,493	4,340,125
International stocks and mutual funds	3,968,043	3,592,245	3,910,576	5,096,713
Small capitalization stocks and mutual funds	3,731,052	3,544,522	4,769,538	4,112,049
Large capitalization mutual funds	25,202,408	19,732,339	25,065,440	25,648,341
Growth and income mutual funds	8,050,789	7,028,604	8,050,789	9,973,804
Hedge funds	8,675,693	8,935,108	8,675,693	10,197,267
Private equity funds	8,249,696	8,403,183	6,888,462	7,921,927
Program-related investments	606,198	606,198	506,198	506,198
	<u>\$ 75,243,366</u>	<u>\$ 68,144,042</u>	<u>\$ 76,748,410</u>	<u>\$ 82,318,305</u>

Investments in the Vanguard Institutional Index Fund Institutional Shares and the Osterweis Fund, large capitalization mutual funds, and the Capital World Growth and Income Fund, a growth and income mutual fund, account for approximately 15.8% and 13.2%, respectively, of the fair value of the Foundation's investments at June 30, 2009.

During the fiscal year ended June 30, 2009, the Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 157, "*Fair Value Measurements*." SFAS No. 157 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value, and enhances disclosure requirements for fair value measurements. SFAS No. 157 maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

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 SFAS No. 157 fair value measurement categories as of June 30, 2009:

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

	Level 1	Level 2	Level 3	Total
U.S. Treasury bonds and other				
U.S. government and agency obligations	\$ 1,268,551	\$ -	\$ -	\$ 1,268,551
Corporate and municipal bonds	11,238,303	-	-	11,238,303
Inflation adjusted mutual funds	3,794,989	-	-	3,794,989
International stocks and mutual funds	1,812,592	-	1,779,653	3,592,245
Small capitalization stocks and mutual funds	3,544,522	-	-	3,544,522
Large capitalization mutual funds	19,732,339	-	-	19,732,339
Growth and income mutual funds	7,028,604	-	-	7,028,604
Hedge funds	-	-	8,935,108	8,935,108
Private equity funds	-	-	8,403,183	8,403,183
Program-related investments	-	-	606,198	606,198
Total investments	<u>\$ 48,419,900</u>	<u>\$ -</u>	<u>\$ 19,724,142</u>	<u>\$ 68,144,042</u>

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

The Foundation invests in hedge funds to further diversify its investment portfolio through the following funds: Aurora Fund operated by Harris Associates and Lighthouse Diversified Fund operated by Butterfield Fund Services. 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 entries determined in accordance with accounting principles generally accepted in the United States of America or substantially similar accounting principles.

The fair values of hedge funds and private equity funds are determined in good faith by management due to the absence of market quoted fair values. Fair values are made by (a) considering general factors such as financial information relating to the investments and the

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

industry and economic environment in which the investees operate and (b) using valuation techniques considered relevant to the particular investment, including methods based on cost, net cash invested, discounted cash flows, appraisals, or the Foundation's proportionate share of the overall value of the investee provided by the general partners. However, because of the inherent uncertainty of valuation, those fair values might differ significantly from the values that would have been used had a ready market for those investments existed. In addition, each partnership specifies the terms by which an investor may liquidate its holdings. Currently, the Foundation has no intentions on liquidating the investments in private equity or hedge funds held at June 30, 2009.

As such, certain partnership investments may not be readily liquidated and are, thus, of a more long-term nature. In addition, redemption of the Foundation's investments in hedge funds and private equity funds may require liquidation of the underlying partnership investments.

The Foundation also invests in international funds to diversify their investment portfolio. The fair market value of the Foundation's international investment trust funds, categorized with level 3 inputs, are calculated based on the net asset value price per unit time the percentage of the fund held by the Foundation.

The Foundation's interest in program-related investments is further described in Note 4. The fair market value of program related investments is determined based upon the funds granted, less any repayments or amounts forgiven.

The following table summarizes the changes in fair values associated with SFAS No. 157 level 3 assets:

	Private Equity Funds	Hedge Funds	International Funds	Program Related	Total Level 3 Assets
Balance as of June 30, 2008	\$ 7,921,927	\$ 10,197,267	\$ 2,369,106	\$ 506,198	\$ 20,994,498
Unrealized gains (losses)	(892,936)	(1,262,159)	(573,352)	-	(2,728,447)
Purchases	1,809,726	-	-	100,000	1,909,726
Sales	(435,534)	-	(16,101)	-	(451,635)
Balance as of June 30, 2009	<u>\$ 8,403,183</u>	<u>\$ 8,935,108</u>	<u>\$ 1,779,653</u>	<u>\$ 606,198</u>	<u>\$ 19,724,142</u>

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

4. PROGRAM-RELATED INVESTMENTS

During the fiscal year 1996, the Foundation made a \$250,000 commitment to the Strategic Investment Fund Partners (the Fund), a limited partnership between the Strategic Investment Fund, Inc. and the Allegheny Conference on Community Development. The purpose of the Fund 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 Foundation disbursed the \$250,000 in years prior to fiscal year 2005. During fiscal year 2002, the Foundation committed to an additional investment of \$250,000 to allow the Fund to continue operation toward its mission. During fiscal year 2008, \$100,370 was returned from the Fund, and \$43,370 was returned from the Fund and subsequently reinvested.

In fiscal year 1999, the Foundation approved a loan over ten years in the amount of \$100,000 to Carnegie Mellon University, which was disbursed in full in fiscal year 1999. The principal amount of the loan and any unpaid interest was repaid in its entirety to the Foundation during 2008. The purpose of the loan was to enhance math achievement through advanced cognitive tutor technology.

During the 2009 fiscal year, the Foundation distributed \$100,000 in the form of a low-interest loan to Hosanna House as a program related investment.

The Foundation has also recorded program-related investment income in the amount of \$18,630 and \$54,773 through June 30, 2009 and 2008, respectively. As of June 30, 2009 and 2008, \$606,198 and \$506,198, respectively, was invested in the Fund by the Foundation.

5. 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 2009 and 2008, the Foundation had the following endowment-related activities:

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Investment return on endowment assets:		
Interest and dividends	\$ 1,763,573	\$ 2,131,691
Partnership net losses	(411,923)	(157,895)
Unrealized losses	(12,669,218)	(14,039,310)
Realized (losses) gains	(911,398)	7,930,861
Investment fees	<u>(126,189)</u>	<u>(109,820)</u>
Total investment return on endowment assets	(12,355,155)	(4,244,473)
Transfers out of endowment	<u>(1,819,108)</u>	<u>(3,443,806)</u>
Total change in endowment funds	(14,174,263)	(7,688,279)
Endowment investment funds:		
Beginning of year	<u>82,318,305</u>	<u>90,006,584</u>
End of year	<u><u>\$ 68,144,042</u></u>	<u><u>\$ 82,318,305</u></u>

6. APPROPRIATION COMMITMENTS

Appropriation commitments at June 30, 2009 are due to be paid as follows:

2010	\$ 2,019,474
2011	303,000
2012	300,000
2013	<u>300,000</u>
	<u><u>\$ 2,922,474</u></u>

7. 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, 2009 AND 2008

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 bases 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.

8. 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 \$64,255 and \$54,561 for the years ended June 30, 2009 and 2008, 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.

9. RELATED PARTY TRANSACTIONS

During 2009 and 2008, 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.