

The Buhl Foundation



Annual Report by the President
July 1, 2011 to June 30, 2012



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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ALLISON G. MOLLENKOF, *Administrative Assistant*

Centre City Tower, Suite 2300
650 Smithfield Street
Pittsburgh, Pennsylvania 15222
Phone: (412) 566-2711
Fax: (412) 566-2714
Email: buhl@buhlfoundation.org

¹ Resigned as of September 21, 2011

² Retired June 30, 2012

INTRODUCTION

From the Desk of the President

The Buhl Foundation prides itself on a history of funding successful and creative endeavors. We recognize that success can be measured only by improvement to our community, which in turn, is dependent on the vision and dedication of the many organizations that we are privileged to assist. Indeed, we have been fortunate that great ideas and the leaders to implement them have so often arisen in this community. The Buhl Foundation's mission can only be pursued by partnering with these innovative leaders, past and present, to stimulate and strengthen our ability to survive, adapt and thrive in this fast changing world. As such, even while new social entrepreneurs and innovative organizations emerge, we are fortunate to have so many other organizations that have not only survived but thrived.

Since our creation in 1927 by Mr. Buhl, the Buhl Foundation has granted nearly \$108 million to our non-profit partners. It's the continued impact of such opportunities, past and present, that we find so encouraging. A number of grants in 2011 and 2012 underscore that connection between new endeavors and enduring legacies. A recent gift to the Western Pennsylvania Conservancy to endow community flower gardens on the North Side harkens back to our grant in the 1930's that helped to first create the Conservancy. Our \$1 million gift to Buhl Community Park livens a plot of land where the Boggs and Buhl Department Store once stood, where the former Buhl Planetarium still stands, and where our strong partnership with the Children's Museum continues. A recent gift to Carnegie Mellon University for an inventive use of technology to improve school transportation continues a partnership with Carnegie Mellon University that began in the 1940's with professorships that Buhl endowed in electrical engineering and, later, in physics. Our grant for an innovative STEM program at Allegheny College continues a relationship that started back in the 1950's with an endowed professorship. Such grants are but a few examples of the opportunity to renew and the capacity to begin anew in this most amazing community.

It is the mission of the Buhl Foundation to create community legacies by leveraging its resources to encourage people and organizations to dream, innovate and to take action. It is only through the creative genius of new partners, and the enduring creativity of our enduring partners, that the Buhl Foundation is able to carry out its mission to benefit the citizens of this most unique 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, 2011 - June 30, 2012

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.*

Riverlife - \$250,000

To provide support for feasibility, environmental, engineering, design and development studies for the North Side-based Ohio Headwaters Lagoon project.

August Wilson Center for African American Culture - \$100,000

For continued support of the Center's educational programs for Pittsburgh and its young people (\$75,000 from the Buhl Fund and \$25,000 from the Frick Fund).

Goodwill Industries of Pittsburgh - \$100,000

To support a capital campaign to improve outreach to at-risk and underserved populations.

National Aviary Pittsburgh - \$100,000

To explore and create new revenue sources for this North Side-based regional amenity.

Western Pennsylvania Conservancy - \$100,000

To support the Western Pennsylvania Conservancy with funds to endow community flower gardens on Pittsburgh's North Side.

WQED - \$100,000

To support a second year of the WQED series *It's Pittsburgh and a Lot of Other Stuff* produced by Rick Sebak.

Allegheny Conference on Community Development - \$50,000

To support the Agenda Development Fund of the Allegheny Conference.

ASSET - \$50,000

To support research-based science teacher training for elementary classrooms having low socio-economic status in Western Pennsylvania (\$25,000 from the Buhl Fund and \$25,000 from the Frick Fund).

Auberle - \$50,000

To support outreach to girls and young women in at-risk situations.

The Consortium for Public Education - \$50,000

To support the design and pilot of "My Action Plan for Success" (MAPS), a program to help teachers motivate and coach students in creating a personalized map to achievement in and out of school (\$25,000 from the Buhl Fund and \$25,000 from the Frick Fund).

New Hazlett Center for the Performing Arts - \$50,000 / 2 Years

To support capacity building as this North Side institution seeks long-term stability.

One Vision One Life - \$50,000

To assist with strategic planning and outreach in neighborhoods at risk of violence.

The Sprout Fund - \$50,000

Start-up costs for developing infrastructure to empower children and youth by creating relevant learning opportunities through the compelling use of technology, media and the arts.

United Way of Allegheny County - \$50,000

To support outreach to at-risk communities through advocacy, violence prevention and motivating young people to succeed in school.

Urban League of Pittsburgh - \$45,000

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

Hearth - \$35,000

To provide youth friendly space in Hearth's new facilities to assist in outreach to women and families in at-risk situations.

Vibrant Pittsburgh - \$35,000

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

Advancing Academics - \$30,000 / 3 Years

To improve economic opportunities for low income, high achieving students by enabling them to successfully pursue higher education.

Allegheny College - \$30,000 / 3 Years

To support Creek Connections, a creative partnership between Allegheny College and area high schools to advance hands-on, inquiry-based, natural science education.

Allegheny County Court Appointed Special Advocate Program (CASA) - \$30,000

For capacity building expenditures to further CASA's outreach to at-risk children and families.

Center of Life – \$30,000 / 3 Years

To build capacity and expand youth outreach programs to children at risk in underserved neighborhoods.

Higher Achievement Pittsburgh - \$30,000 / 3 Years

To provide start-up expenses in Pittsburgh for an innovative afterschool program with a proven track record of raising the academic proficiency of underserved middle school students.

WYEP - \$30,000

To support the creation of WYEP's teen center, an innovative, student led organization to develop leadership skills while giving youth a voice in media.

YouthPlaces - \$30,000

To support strategic planning initiatives involving co-location with Gwen's Girls on Pittsburgh's North Side.

Grow Pittsburgh - \$26,000

To establish an apprentice and internship program to assist in educational outreach.

Allegheny County Library Association - \$25,000

To support a project for increasing the efficiency and effectiveness of Allegheny County libraries.

Amachi Pittsburgh - \$25,000

To build capacity for outreach to children of incarcerated parents.

Carnegie Mellon University - \$25,000

To support an innovative social media tool to assist families in their use of school buses.

Christian Evangelistic Economic Development (CEED) - \$25,000

To promote the entrepreneurial skills of underserved and disadvantaged immigrant and minority populations.

Communities in Schools of Pittsburgh-Allegheny County - \$25,000

To improve organizational effectiveness and enhance technological capabilities in this organization's outreach to students in at-risk situations.

Community Design Center of Pittsburgh - \$25,000

To support efforts on the North Side of Pittsburgh to encourage effective and attractive design and development.

Greater Pittsburgh Community Food Bank - \$25,000

For strategic planning and staff development as the Food Bank seeks to increase impact.

Grove City College - \$25,000

To support the College's BEST robotics program to enhance science, technology, engineering and mathematics understanding in 24 teams of middle and high school students.

Heinz History Center - \$25,000

To archive Buhl records regarding the nonprofit community as a resource for Western Pennsylvania.

Heritage Community Initiatives - \$25,000

To encourage volunteerism and youth development as the economically challenged Braddock community seeks to develop resources for its young people.

Neighborhood Business, Inc. - \$25,000

To support efforts for development of entrepreneurship in at-risk communities.

Pittsburgh Botanic Gardens - \$25,000

To support this regional amenity with funds for a “Family Moment” Garden.

Pittsburgh Cares - \$25,000

To support an outreach within the local nonprofit sector and low income communities to improve technology use.

Pittsburgh Foundation - \$25,000

To support human service organizations through the Day of Giving initiative coordinated by the Pittsburgh Foundation.

Pittsburgh Gateways - \$25,000

To assist in strategic planning efforts regarding how at-risk youth might be better connected to career pathway opportunities.

Providence Connections - \$25,000

To improve science and technology education for children attending this North Side family resource center.

South Hills Interfaith Ministries – \$25,000

To support the development of a new mentoring program for teenaged refugee children.

Student Conservation Association - \$25,000

To support professional training and cultural competencies that will increase the skills and effectiveness of staff members in working with young people.

University of Pittsburgh, Office of Child Development - \$25,000

To support school readiness activities for North Side kindergarten students.

Braddock Redux - \$20,000

To support the Braddock Youth Project as this young service corps seeks to revitalize Braddock.

New Hope for Neighborhood Renewal - \$20,000

To assist this North Side-based organization in its neighborhood outreach to at-risk elementary, middle school and high school students.

Northern Area Multi Service Center - \$20,000

To assist collaborative efforts by four nonprofits to reduce costs, increase efficiency and share resources.

Pennsylvania State University, New Kensington Campus - \$20,000

To support STEM awareness and interest in area middle school students.

World Affairs Council of Pittsburgh - \$20,000

To bring thought leaders from around the world to Pittsburgh to discuss creative solutions for regional challenges.

YouthPlaces - \$20,000

To support a summer violence prevention program in Allegheny County's most at-risk neighborhoods.

YouthWorks - \$20,000

For support as YouthWorks seeks to expand its impact on youth in at-risk situations.

Adonai Center for Black Males - \$19,000

To support the development of a mentoring program for African American males on Pittsburgh's North Side.

Community Empowerment Association - \$15,000

To help expand outreach to African American children, youth and families exposed to violence.

Coro Center for Civic Leadership - \$15,000

To support Coro Fellows in a CAPSTONE project to encourage greater citizen voice in local governance.

Delta Foundation - \$15,000

To support capacity building in Delta's programmatic effort to promote equality and diversity in the Pittsburgh region.

Focus on Renewal - \$15,000 / 2 years

For support of restructuring efforts as Focus on Renewal seeks financial stability in its outreach to at-risk populations in McKees Rocks.

Greater Pittsburgh Arts Council - \$15,000

To support educational outreach regarding Romare Bearden's ceramic mural permanently housed at the new Gateway Center Subway Station.

Homewood Renaissance Association - \$15,000

To build capacity in this STEM focused outreach to at-risk youth.

Saturday Light Brigade - \$15,000

To expand partnerships with North Side schools to use radio and audio programs to develop communication skills in young people.

Three Rivers Rowing Association - \$15,000

To support efforts to increase the number of minority girls participating in high school rowing programs.

University of Pittsburgh, Institute of Politics - \$15,000

To support the Institute's work to improve regional planning efforts while addressing complex problems.

Allegheny Youth Development - \$13,000

To assist this North Side organization in providing outreach to at-risk students in grades 6 through 8.

Allegheny County Parks Foundation - \$12,500

For support to protect and restore County parks, an important regional amenity.

Pittsburgh Cultural Trust - \$12,500

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

Earthen Vessels Outreach - \$10,000

To support outreach to young children and teens in at-risk neighborhoods.

Fort Pitt Society of the Daughters of the American Revolution of Allegheny County - \$10,000

To support the development of a website that is linked to a sustainability plan in celebration of the 250th anniversary of the Fort Pitt Block House.

Mentoring Partnership of Southwestern Pennsylvania - \$10,000

To support youth development activities through mentoring support, training and outreach in public schools.

Pittsburgh Foundation - \$10,000

To support a new outreach to seed creative thinking on social challenges in order to advance the Pittsburgh region.

Spina Bifida Association - \$10,000

To support the Family School Partnership and its educational advocacy addressing the cognitive issues related to a range of physical disabilities.

Western Pennsylvania School for Blind Children - \$10,000

To assist with construction of the Urban Trail, an instructional component for blind and visually impaired children, as the School celebrates its 125th Anniversary.

Leadership Pittsburgh - \$7,500

Additional support of the Experienced Dreamers project to experiment how Pittsburgh's amenities might be utilized as an economic development tool while benefitting the not-for-profit community.

Reformed Presbyterian Home - \$7,500

To support a therapeutic garden at this North Side institution.

Girls Coalition of Southwestern Pennsylvania - \$5,000

To support training in agencies that serve girls with negotiation skills using a research-based curriculum designed and implemented by staff at Carnegie Mellon University.

Grantmakers for Education - \$5,000

To support a professional development seminar for regional Grantmakers in education, entitled “Creativity and Digital Learning,” to be held in Pittsburgh.

Pittsburgh Social Venture Partners - \$5,000

To support the PSVP in building capacity in nonprofit leaders by encouraging individuals to effectively message their organization.

The Thomas Merton Center - \$5,000

To support educational materials for the exhibit Bridge Builders that explores the civil rights and womens movements in Pittsburgh, highlighting African American women.

Transitional Services, Inc. - \$5,000

To help build fundraising capacity in this organization as it seeks to stabilize its outreach to those with mental disabilities.

Allegheny City Society - \$3,500

To sponsor a series of summer concerts at the new Buhl Community Park on Pittsburgh’s North Side.

Carnegie Mellon University, Studio for Creative Inquiry - \$2,500

To provide support for further development of a unique and innovative demonstration concept for a roof top park.

University of Pittsburgh, University Center for Social and Urban Research - \$2,500

To support the “Rethinking the Future of Urbanism” conference showcasing the post industrial transformation of Pittsburgh.

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 Musical Theater - \$45,000 / 3 Years

To support matinees for public schools serving economically disadvantaged students and for a special one-time challenge grant of \$5,000 to be matched by the board.

Carnegie Mellon University - \$20,000

For a teacher training program entitled “Computation and Science for Teachers” (CAST), to improve the use of modeling and computation to prepare students with real world problem solving strategies.

Pittsburgh Symphony Society - \$20,000 / 2 Years

For support of teacher materials for the *Schooltime* and *TinyTots* programs in program years 2011-2012 and 2012-2013.

Pittsburgh Opera - \$16,000 / 2 Years

To support K-12 education programs which include a rigorous year-long workshop for teachers.

Society for Contemporary Craft - \$16,000 / 3 Years

To support Studio Enrichment for Educators (SEED), a program to enable teachers of any content area to explore various craft media for integration into classroom instruction.

Associated Artists of Pittsburgh - \$15,000

For “Taking a Closer Look,” an outreach program for middle school children of the Pittsburgh Public Schools who will learn about artists in the region whose work is displayed in their schools.

Attack Theatre - \$15,000

To support an interactive matinee of *Traveling*, a live dance and music experience, for North Side Pittsburgh Public School students in 3rd to 5th grades.

Carnegie Institute / Carnegie Science Center - \$15,000

To support programs for students in grades 5-12 including SciTech Days, Pittsburgh Regional Science and Engineering Fair, Future City Competition and National Engineers Week.

Squonk Opera - \$15,000

To support *The Go Roadshow* educational activities for Pittsburgh Public School students attending the 2012 “Summer Dreamers Literacy Academy” and school year classes to enhance creativity and music appreciation.

Prime Stage - \$12,000

To support technology enhancements for the theater production of “A Wrinkle in Time” in order to help engage students more effectively in the literary and theatrical experience.

Gateway to the Arts - \$10,000

To support a strategic planning process to assess the current role of Gateway to the Arts in the community and set a course for the future.

Opera Theater of Pittsburgh - \$10,000

To support educational outreach and matinees for the production of Bizet’s *Carmen* which will benefit Pittsburgh Public School students.

River City Brass - \$10,000

To support “Bridge the Gap 2011: Collaboration Between River City Brass and Pittsburgh Public Schools” to provide an instrumental and vocal enrichment program to Pittsburgh Public School students.

Quantum Theatre – \$10,000

To support an educational theater program in economically disadvantaged public schools.

Saltworks Theatre Company - \$10,000

To support educational plays and related materials on bullying and drug and alcohol abuse prevention presented to Pittsburgh Public School elementary students.

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

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

University of Pittsburgh, Department of Theatre Arts - \$8,000

To support matinees of two science-focused productions for students in economically disadvantaged communities: *Darwin and the Kid* and *Lessons from Birds*.

Pittsburgh Ballet Theatre - \$7,500

To support arts education curriculum and training for area teachers and the student matinee series for the 2012-2013 season.

City Theatre Company - \$5,000

To support the expansion of City Theatre’s Playwright’s Program to Arsenal Middle School and other Pittsburgh Public Schools.

Frick Art & Historical Center - \$5,000

To support teacher workshops providing new ways to integrate art, history and science into the K-12 curriculum.

Pittsburgh Chess Club - \$5,000

For chess activities in the Pittsburgh Public Schools as a methodology to develop critical thinking.

Pittsburgh Public Theater - \$5,000

To enable underserved public school students to attend the Open Stage productions with the goal of improving critical thinking and discussion skills.

Upper St. Clair School District - \$5,000

To support its program for underserved school districts in Allegheny and Washington counties and enable teachers from those districts to attend a summer STEM Professional Development/Student Workshop Series in collaboration with Carnegie Science Center.

World Affairs Council of Pittsburgh - \$5,000

To support the Summer Institute for Teachers: Teaching Contemporary Global Issues.

World Federalist Association of Pittsburgh d/b/a Global Solutions Education Fund - \$5,000

To support the “Learn Locally-Think Globally” high school teacher training workshops in Western Pennsylvania.

Mount Pleasant Area School District - \$4,739

To support technology innovations to motivate students to read by piloting new technologies and library tools for special needs students in a rural economically challenged district.

Bricolage - \$3,600

Support for high school students to see the play Dutchman and participate in the educational program “Walk the Talk” in partnership with the August Wilson Center for African American Culture.

Westmoreland Symphony Orchestra - \$3,000

To support the Visiting Artists Program in Westmoreland County public schools.

Jewish Federation of Greater Pittsburgh - \$2,000

To support Teen Screen, a program presenting films encouraging cultural diversity and tolerance to public middle and high school students.

International Dyslexia Association/Western Pennsylvania Group - \$1,500

To support a professional training conference for teachers and parents of children with dyslexia.

WILLIAM AND ELIZABETH RODGERS McCREERY MEMORIAL FUND

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

Chatham Baroque - \$6,000

To support the Peanut Butter & Jam sessions, informal concerts for pre-school children and their parents.

Mendelssohn Choir of Pittsburgh - \$6,000

To provide start-up support for urban high school outreach efforts in celebration of the Junior Mendelssohn Choir’s 25th anniversary.

Three Rivers Young Peoples Orchestras - \$5,000

To support the Youth Chamber Music Program and its outreach to young people.

Jazz Workshop - \$4,396

To support music education for underserved students in at-risk communities.

Pittsburgh School for the Choral Arts - \$2,000

To provide musical exploration and performance opportunities to students in afterschool programs in Wilkinsburg and the North Side.

CUMULATIVE SUMMARY OF APPROPRIATIONS
Eighty-five Year Period
to June 30, 2012

APPROPRIATIONS FROM 1927 TO JUNE 30, 2011

\$ 104,328,269

Appropriations from July 1, 2011 to June 30, 2012

Buhl Fund

Riverlife	\$ 250,000
Goodwill Industries of Pittsburgh	100,000
National Aviary Pittsburgh	100,000
Western Pennsylvania Conservancy	100,000
WQED	100,000
August Wilson Center for African American Culture	75,000
Allegheny Conference on Community Development	50,000
Auberle	50,000
New Hazlett Center for the Performing Arts	50,000
One Vision One Life	50,000
The Sprout Fund	50,000
United Way of Allegheny County	50,000
Urban League of Pittsburgh	45,000
Hearth	35,000
Vibrant Pittsburgh	35,000
Advancing Academics	30,000
Allegheny College	30,000
Allegheny County Court Appointed Special Advocate Program ..	30,000
Center of Life	30,000
Higher Achievement Pittsburgh	30,000
WYEP	30,000
YouthPlaces (co-location activities)	30,000
Grow Pittsburgh	26,000
Allegheny County Library Association	25,000
Amachi Pittsburgh	25,000
ASSET.....	25,000
Carnegie Mellon University.....	25,000
Christian Evangelistic Economic Development (CEED)	25,000
Communities in Schools Pittsburgh-Allegheny County	25,000
Community Design Center of Pittsburgh	25,000
The Consortium for Public Education	25,000
Greater Pittsburgh Community Food Bank	25,000
Grove City College	25,000
Heinz History Center	25,000
Heritage Community Initiatives	25,000
Neighborhood Business, Inc.	25,000
Pittsburgh Botanic Garden	25,000
Pittsburgh Cares	25,000
Pittsburgh Foundation (Day of Giving).....	25,000
Pittsburgh Gateways	25,000
Providence Connections	25,000
South Hills Interfaith Ministries	25,000
Student Conservation Association	25,000
University of Pittsburgh, Office of Child Development	25,000
Braddock Redux	20,000

New Hope for Neighborhood Renewal	20,000
Northern Area Multi Service Center	20,000
Pennsylvania State University, New Kensington Campus	20,000
World Affairs Council of Pittsburgh	20,000
YouthPlaces (violence reduction).....	20,000
YouthWorks	20,000
Adonai Center for Black Males	19,000
Community Empowerment Association	15,000
Coro Center for Civic Leadership	15,000
Delta Foundation	15,000
Focus on Renewal	15,000
Greater Pittsburgh Arts Council	15,000
Homewood Renaissance Association	15,000
Saturday Light Brigade	15,000
Three Rivers Rowing Association	15,000
University of Pittsburgh, Institute of Politics	15,000
Allegheny Youth Development	13,000
Allegheny County Parks Foundation	12,500
Pittsburgh Cultural Trust	12,500
Earthen Vessels Outreach	10,000
Fort Pitt Society of the Daughters of the American Revolution ...	10,000
Mentoring Partnership of Southwestern Pennsylvania	10,000
Pittsburgh Foundation (seed funds).....	10,000
Spina Bifida Association	10,000
Western Pennsylvania School for Blind Children	10,000
Leadership Pittsburgh	7,500
Reformed Presbyterian Home	7,500
Girls Coalition of Southwestern Pennsylvania	5,000
Gantmakers for Education	5,000
Pittsburgh Social Venture Partners	5,000
The Thomas Merton Center	5,000
Transitional Services, Inc.	5,000
Allegheny City Society	3,500
Carnegie Mellon University, Studio for Creative Inquiry	2,500
University of Pittsburgh, UCSUR	2,500
Total Buhl Fund Appropriations	\$ 2,341,500

Henry C. Frick Educational Fund

Pittsburgh Musical Theater	\$ 45,000
ASSET.....	25,000
August Wilson Center for African American Culture	25,000
The Consortium for Public Education	25,000
Carnegie Mellon University	20,000
Pittsburgh Symphony Society	20,000
Pittsburgh Opera	16,000
Society for Contemporary Craft	16,000
Associated Artists of Pittsburgh	15,000
Attack Theatre	15,000
Carnegie Institute/Carnegie Science Center	15,000
Squonk Opera	15,000
Prime Stage	12,000
Gateway to the Arts	10,000
Opera Theater of Pittsburgh	10,000

River City Brass	10,000	
Quantum Theatre	10,000	
Saltworks Theatre Company	10,000	
Society for Science and the Public	10,000	
University of Pittsburgh, Department of Theatre Arts	8,000	
Pittsburgh Ballet Theatre	7,500	
City Theatre Company	5,000	
Frick Art & Historical Center	5,000	
Pittsburgh Chess Club	5,000	
Pittsburgh Public Theater	5,000	
Upper St. Clair School District	5,000	
World Affairs Council of Pittsburgh	5,000	
World Federalist Association/Global Solutions Education Fund ..	5,000	
Mount Pleasant Area School District	4,739	
Bricolage	3,600	
Westmoreland Symphony Orchestra	3,000	
Jewish Federation of Greater Pittsburgh	2,000	
International Dyslexia Association/Western Pennsylvania	1,500	
Total Frick Appropriations	\$	<u>389,339</u>
William and Elizabeth Rodgers McCreery Memorial Fund		
Chatham Baroque	\$	6,000
Mendelssohn Choir of Pittsburgh		6,000
Three Rivers Young Peoples Orchestras		5,000
Jazz Workshop		4,396
Pittsburgh School for the Choral Arts.....		<u>2,000</u>
Total McCreery Appropriations	\$	<u>23,396</u>
TOTAL FROM JULY 1, 2011 TO JUNE 30, 2012		\$ <u>2,754,235</u>
Cancellations on Unrequired Commitment Balances		<u>(871)</u>
TOTAL APPROPRIATIONS OVER THE EIGHTY-FIVE YEAR PERIOD		<u>\$107,081,633</u>

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

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.

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 or 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 submission 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 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, 2012 and 2011
with Independent Auditor's Report**

MaherDuessel
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

Pursuing the profession while promoting the public good*
www.md-cpas.com

THE BUHL FOUNDATION

YEARS ENDED JUNE 30, 2012 AND 2011

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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, 2012 and 2011, 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, 2012 and 2011, 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.

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 15 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.

Pittsburgh, Pennsylvania
February 13, 2013

THE BUHL FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2012 AND 2011

	2012	2011
Assets		
Cash and cash equivalents	\$ 11,449,487	\$ 1,665,049
Receivables	9,139	5,575
Prepaid expenses	19,952	29,234
Investments	68,982,647	82,579,440
Office furniture and equipment, net of accumulated depreciation of \$130,315 and \$126,357, respectively	3,258	6,151
Total Assets	\$ 80,464,483	\$ 84,285,449
Liabilities and Unrestricted Net Assets		
Liabilities:		
Appropriation commitments:		
Payable by June 30 of subsequent year	\$ 1,927,345	\$ 1,735,950
Payable after June 30 of subsequent year	325,000	1,207,000
Total appropriation commitments	2,252,345	2,942,950
Accounts payable and accrued liabilities	53,277	61,960
Total Liabilities	2,305,622	3,004,910
Net Assets:		
Unrestricted	78,158,861	81,280,539
Total Liabilities and Unrestricted Net Assets	\$ 80,464,483	\$ 84,285,449

See accompanying notes to financial statements.

THE BUHL FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
Unrestricted Net Assets:		
Income, appropriations authorized, and administrative expenses:		
Income:		
Interest	\$ 641,569	\$ 644,078
Dividends	950,323	1,148,482
Realized gain (loss) on sale of investments	318,256	758,280
Unrealized (loss) gain on investments	(1,145,031)	12,169,676
Partnership net (loss) gain, net of management fees	(305,169)	(347,000)
Other	78,498	34,225
Total income	538,446	14,407,741
Appropriations authorized and administrative expenses:		
Appropriations authorized	2,795,502	3,661,286
Administrative expenses:		
Salaries and other employment costs	557,463	527,604
Investment management fees	180,300	129,525
General and administrative	85,485	77,351
Federal excise tax	12,986	19,690
Professional services	28,388	34,667
Total appropriations authorized and administrative expenses	3,660,124	4,450,123
Change in Net Assets	(3,121,678)	9,957,618
Net Assets:		
Beginning of year	81,280,539	71,322,921
End of year	\$ 78,158,861	\$ 81,280,539

See accompanying notes to financial statements.

THE BUHL FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
Cash Flows From Operating Activities:		
Change in net assets	\$ (3,121,678)	\$ 9,957,618
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain) loss on investments	(318,256)	(758,280)
Net unrealized loss (gain) on investments	1,145,031	(12,169,676)
Partnership net (loss) gains, net of management fees	305,169	347,000
Depreciation	3,957	10,152
Change in:		
Accounts receivable	(3,564)	(3,523)
Prepaid expenses	9,282	19,690
Appropriation commitments	(690,605)	131,248
Accounts payable and accrued liabilities	(8,683)	(3,906)
Net cash provided by (used in) operating activities	(2,679,347)	(2,469,677)
Cash Flows From Investing Activities:		
Proceeds from dispositions of investments	28,695,770	7,679,204
Purchases of investments	(16,230,921)	(5,903,027)
Purchases of office equipment	(1,064)	(4,298)
Net cash provided by (used in) investing activities	12,463,785	1,771,879
Net Increase (Decrease) in Cash and Cash Equivalents	9,784,438	(697,798)
Cash and Cash Equivalents:		
Beginning of year	1,665,049	2,362,847
End of year	\$ 11,449,487	\$ 1,665,049

See accompanying notes to financial statements.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

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 five 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, 2012 and 2011, 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, 2012 and 2011, 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, 2012 AND 2011

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, 2012 and 2011 was \$3,957 and \$10,152, 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, 2012 AND 2011

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.

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:

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Fixed income bonds	\$ 5,497,123	\$ 5,763,707	\$ 10,171,297	\$ 10,649,016
Inflation adjusted mutual funds	3,623,031	3,642,624	4,936,454	5,054,533
International stocks and mutual funds	1,868,501	1,820,366	3,434,494	4,433,563
Equity funds	4,250,288	4,440,070	-	-
Small capitalization stocks and mutual funds	2,984,625	4,656,880	3,730,223	5,440,130
Large capitalization mutual funds	16,733,121	19,607,665	22,992,964	25,232,137
Growth and income mutual funds	6,103,333	6,368,385	6,740,749	7,750,123
Hedge funds	7,175,693	8,877,923	8,675,693	10,649,135
Private equity funds	10,417,208	13,200,108	9,725,523	12,765,192
Program-related investments	605,611	604,919	605,611	605,611
	<u>\$ 59,258,534</u>	<u>\$ 68,982,647</u>	<u>\$ 71,013,008</u>	<u>\$ 82,579,440</u>

At June 30, 2012, the Foundation was in the process of changing investment managers. This change will result in the movement of investments within the categories noted above. Such movement began prior to June 30, 2012 and resulted in the liquidation of various investments and an increase in cash holdings at year-end. Cash totaling \$11.3 million was included in money market accounts at June 30, 2012 as compared to \$1.6 million at June 30, 2011.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

Investments in the Vanguard Institutional Index Fund Institutional Shares, a large capitalization mutual fund, accounts for approximately 28.4% of the fair value of the Foundation's investments at June 30, 2012. Investments in the Vanguard Institutional Index Fund Institutional Shares and the Osterweis Fund, large capitalization mutual funds, account for approximately 30.6% of the fair value of the Foundation's investments at June 30, 2011.

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 Foundation reports investments at fair value in accordance with fair value accounting standards. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. In addition, the organization reports hedge and private equity funds using the net asset value per share as determined by investment managers under the so-called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. Fair value measurement standards also require the organization to classify these financial instruments into a three-level hierarchy, based upon priority of inputs to the valuation technique 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 following table summarizes investments by fair value measurement categories as of June 30, 2012:

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

	Level 1	Level 2	Level 3	Total
Fixed income bonds	\$ 5,763,707	\$ -	\$ -	\$ 5,763,707
Inflation adjusted mutual funds	3,642,624	-	-	3,642,624
International stocks and mutual funds	1,820,366	-	-	1,820,366
Equity funds	4,440,070	-	-	4,440,070
Small capitalization stocks and mutual funds	4,656,880	-	-	4,656,880
Large capitalization mutual funds	19,607,665	-	-	19,607,665
Growth and income mutual funds	6,368,385	-	-	6,368,385
Hedge funds	-	-	8,877,923	8,877,923
Private equity funds	-	-	13,200,108	13,200,108
Program-related investments	-	-	604,919	604,919
Total investments	<u>\$ 46,299,697</u>	<u>\$ -</u>	<u>\$ 22,682,950</u>	<u>\$ 68,982,647</u>

The following table summarizes investments by fair value measurement categories as of June 30, 2011:

	Level 1	Level 2	Level 3	Total
Fixed income bonds	\$ 10,649,016	\$ -	\$ -	\$ 10,649,016
Inflation adjusted mutual funds	5,054,533	-	-	5,054,533
International stocks and mutual funds	1,919,326	-	2,514,237	4,433,563
Small capitalization stocks and mutual funds	5,440,130	-	-	5,440,130
Large capitalization mutual funds	25,232,137	-	-	25,232,137
Growth and income mutual funds	7,750,123	-	-	7,750,123
Hedge funds	-	-	10,649,135	10,649,135
Private equity funds	-	-	12,765,192	12,765,192
Program-related investments	-	-	605,611	605,611
Total investments	<u>\$ 56,045,265</u>	<u>\$ -</u>	<u>\$ 26,534,175</u>	<u>\$ 82,579,440</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

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

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 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 held at June 30, 2012.

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 times the percentage of the fund held by the Foundation.

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.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

The following table summarizes the changes in fair values associated with level 3 assets at June 30, 2012:

	Private Equity Funds	Hedge Funds	International Funds	Program Related	Total Level 3 Assets
Balance as of June 30, 2011	\$ 12,765,192	\$ 10,649,135	\$ 2,514,237	\$ 605,611	\$ 26,534,175
Unrealized gains (losses)	112,334	(271,212)	(948,243)	(692)	(1,107,813)
Purchases	3,038,640	-	-	-	3,038,640
Sales	(2,716,058)	(1,500,000)	(1,565,994)	-	(5,782,052)
Balance as of June 30, 2012	<u>\$ 13,200,108</u>	<u>\$ 8,877,923</u>	<u>\$ -</u>	<u>\$ 604,919</u>	<u>\$ 22,682,950</u>

The following table summarizes the changes in fair values associated with level 3 assets at June 30, 2011:

	Private Equity Funds	Hedge Funds	International Funds	Program Related	Total Level 3 Assets
Balance as of June 30, 2010	\$ 9,915,067	\$ 9,827,876	\$ 1,972,063	\$ 605,611	\$ 22,320,617
Unrealized gains (losses)	2,117,913	821,259	517,289	-	3,456,461
Purchases	1,656,225	-	24,885	-	1,681,110
Sales	(924,013)	-	-	-	(924,013)
Balance as of June 30, 2011	<u>\$ 12,765,192</u>	<u>\$ 10,649,135</u>	<u>\$ 2,514,237</u>	<u>\$ 605,611</u>	<u>\$ 26,534,175</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, 2012 are estimated as follows:

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

	Amount Committed	Amount Drawn	Remaining Capital Commitment
Axiom Asia Private Capital Fund II, L.P.	\$ 1,000,000	\$ 377,942	\$ 622,058
Flag International Partners, L.P.	1,000,000	845,000	155,000
Flag Private Equity II, L.P.	2,000,000	1,880,000	120,000
Flag Private Equity III, L.P.	2,000,000	1,630,000	370,000
Flag Venture Partners, V, L.P.	2,000,000	1,900,000	100,000
Flag Venture Partners VI, L.P.	2,000,000	1,590,000	410,000
LODH Private Equity - EuroChoice IV (Scotland), L.P. 6 *	1,257,650	514,127	743,523
Park Street Capital Private Equity Fund IX, L.P.	1,000,000	645,000	355,000
Park Street Capital Private Equity Fund X, L.P.	1,000,000	100,000	900,000
RCP Fund VI, L.P.	1,000,000	411,000	589,000
RCP Fund VII, L.P.	500,000	90,000	410,000
RCP SOF Feeder, Ltd.	500,000	399,153	100,847
Tucker Anthony Private Equity Fund IV, L.P.	3,000,000	2,895,000	105,000
VCFA Private Equity Partners IV, L.P.	3,000,000	2,850,000	150,000
Venture Investment Associates VII, L.P.	1,000,000	100,000	900,000
	<u>\$ 22,257,650</u>	<u>\$ 16,227,222</u>	<u>\$ 6,030,428</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 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 \$504,919 and \$505,611 at June 30, 2012 and 2011, respectively.

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.

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

The Foundation has also recorded program-related investment income in the amount of \$11,989 and \$12,282 through June 30, 2012 and 2011, 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 2012 and 2011, the Foundation had the following endowment-related activities:

	2012	2011
Investment return on endowment assets:		
Interest and dividends	\$ 1,591,892	\$ 1,792,560
Partnership net (losses) gains	(305,169)	(347,000)
Unrealized gains (losses)	(1,145,031)	12,169,676
Realized (losses) gains	318,256	758,280
Investment fees	(180,300)	(129,525)
Total investment return on endowment assets	279,648	14,243,991
Transfers out of endowment	(13,876,441)	(3,439,212)
Total change in endowment funds	(13,596,793)	10,804,779
Endowment investment funds:		
Beginning of year	82,579,440	71,774,661
End of year	<u>\$ 68,982,647</u>	<u>\$ 82,579,440</u>

7. APPROPRIATION COMMITMENTS

Appropriation commitments at June 30, 2012 are due to be paid as follows:

THE BUHL FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

<u>Fiscal Year</u>	<u>Amount</u>
2013	\$ 1,927,345
2014	310,000
2015	<u>15,000</u>
	<u>\$ 2,252,345</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 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. The forms filed are subject to examination by the IRS generally for three years after they are filed.

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 \$58,164 and \$54,433 for the years ended June 30, 2012 and 2011, 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 2012 and 2011, 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, 2012

	<u>Buhl Fund</u>	<u>Frick Fund</u>	<u>McCreery Fund</u>	<u>Total</u>
Appropriations authorized	\$ 2,383,267	\$ 388,839	\$ 23,396	\$ 2,795,502
Administrative expenses:				
Salaries and other employment costs	488,672	65,006	3,785	557,463
Investment management fees	158,051	21,025	1,224	180,300
General and administrative	74,936	9,968	581	85,485
Federal excise tax	11,384	1,514	88	12,986
Professional services	<u>24,885</u>	<u>3,310</u>	<u>193</u>	<u>28,388</u>
 Total appropriations authorized and administrative expenses	 <u>\$ 3,141,195</u>	 <u>\$ 489,663</u>	 <u>\$ 29,267</u>	 <u>\$ 3,660,124</u>