

Connecting People Who Care With CAUSES THAT MATTER



ANNUAL REPORT 2015

A LETTER FROM THE PRESIDENT

Dear Friends,

We appreciate the opportunity to share our report for the year ended December 31, 2015.

To borrow a few words from Charles Dickens, 2015 was not “the best of times”; nor was it “the worst of times.” 2015 demonstrated that high oil prices cannot be sustained indefinitely, and the economy in West Texas communities has felt this reality – again. Accordingly, contributions for charitable causes suffered, including gifts to Permian Basin Area Foundation.

2015 also demonstrated the importance of endowments – permanent funds whose assets are invested to generate income for charitable causes such as empowering people with disabilities, sheltering the homeless, and extending opportunities for higher education. By creating or giving to an endowment at Permian Basin Area Foundation, you help sustain the good work of area nonprofits and support educational opportunities for generations to come.

The Foundation’s Board of Governors and staff are passionately committed to our mission: **Serving Donors and Communities of West Texas.**

Permian Basin Area Foundation is a publicly-supported community foundation, and strives to fulfill our mission by listening to our donors and helping them fulfill their charitable wishes. Whether you are inspired to “give back” or “give forward,” we want to make permanent charitable giving a simple process and a rewarding experience for our donors. Please call on our staff if you would like to discuss how we can be of service.

With sincere best wishes to all for a prosperous 2016,

Sincerely,



Guy McCrary
President and CEO



Guy McCrary, President & CEO

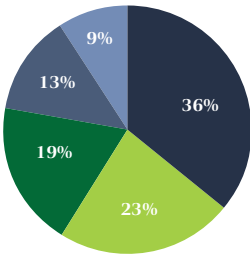
Permian Basin Area Foundation welcomes contributions and planned gifts:
Cash or receivable income • Securities, such as stocks and bonds • Retirement accounts
Real estate • Oil and gas interests • Life insurance • Charitable trusts

Certain non-traditional assets may be conveyed to the Foundation’s supporting organization, *West Texas Heritage Holdings, Inc.*

2015 GRANTS & SCHOLARSHIPS

In 2015, the Permian Basin Area Foundation and its donors invested over \$10.8 million in local communities through grants to nonprofits and scholarships to students. The funds support a wide range of programs and educational opportunities to improve the quality of life for West Texans. Grants were made possible through donor recommendations (donor-advised funds) and allocations from designated and undesignated funds, including the Foundation's semi-annual competitive grants process. Sixty-six nonprofits, representing a broad spectrum of services, received \$2,063,204 in competitive grants funding.

For more information about competitive grants, visit www.pbaf.org, or call Kenda Prather, grants and administration, at 432.617.3213.



Competitive Grants and Scholarship Allocations

- Education & Youth Programs
- Health
- Human Services
- Culture & the Arts
- Housing & Community Development

Education & Youth Programs



*Buffalo Trail Council,
Boy Scouts of America*



Midland Public Library Foundation



Unlock Ministries



*Chihuahuan Desert
Research Institute*



First 5 Permian Basin

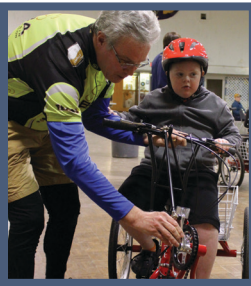


Big Bend Conservancy

Agency photos on Front Cover from top left clockwise: Unlock Ministries, Permian Basin Children's Rehab Center, Make-A-Wish, Midland African American Roots Council

COMMUNITY IMPACT

Health



Midland Downtown
Lions Club



Dawson Medical Foundation



Muscular Dystrophy
Association

Human Services



Special Olympics



Gladney Adoption Center



Family Promise

Culture & the Arts



Arts Council Of Midland



Midland Odessa Symphony & Chorale



Midland African American
Roots Council

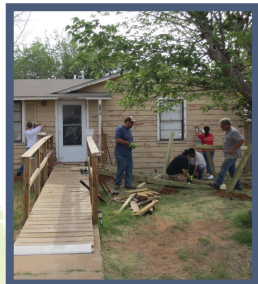
Housing & Community Development



Sunshine House, Inc.
Alpine

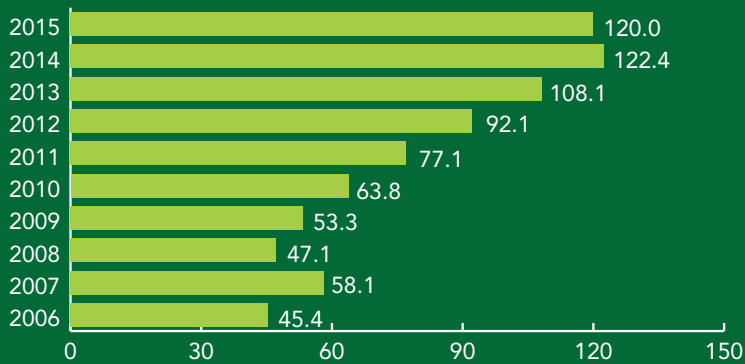


Catholic Charities of
Odessa

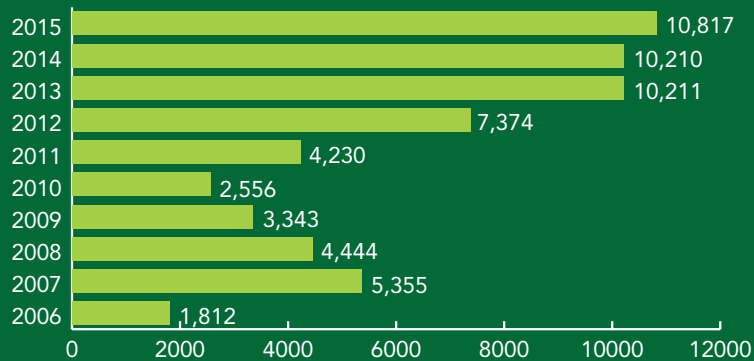


Christmas in Action
Odessa

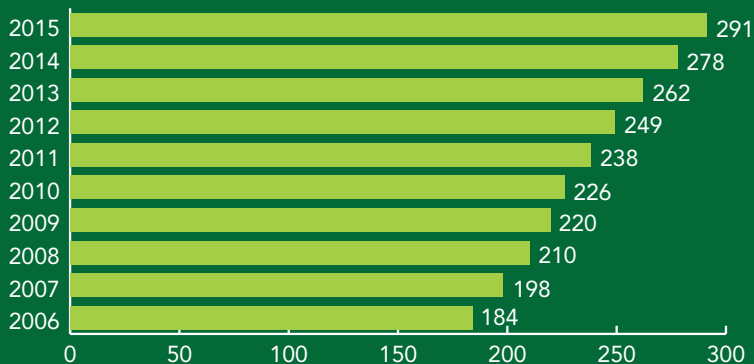
Assets (millions)



Grants, Scholarships and Distributions (thousands)



Number of Permanent Funds



FINANCIAL HIGHLIGHTS

Consolidated Statements of Financial Position

ASSETS	2015	2014
Cash and Cash Equivalents	\$3,259,916	\$3,447,404
Bequests Receivable	144,363	2,273,420
Beneficial Interest in Remainder Trust	1,055,097	1,629,754
Beneficial Interest in Lead Trust	1,084,738	1,084,738
Investments	98,315,820	101,519,226
Oil and Gas Royalties	15,398,043	12,076,840
Real Estate	329,813	-
Mineral Classified Properties	60,240	60,240
Limited Partnership Interest	34,950	34,950
Total Other Assets	354,701	314,162
TOTAL ASSETS	\$120,037,681	\$122,440,734
Grants and Scholarships Payable	\$95,000	\$385,022
Funds Held for Agencies	15,606,037	16,271,288
TOTAL LIABILITIES	15,701,037	16,656,310
Unrestricted Net Assets	94,463,250	92,793,496
Temporarily Restricted Net Assets	7,829,122	10,944,423
Permanently Restricted Net Asses	2,044,272	2,046,505
TOTAL NET ASSETS	\$104,336,644	\$105,784,424
TOTAL LIABILITIES AND NET ASSETS	\$120,037,681	\$122,440,734

Summarized Consolidated Statements of Activities

	2015	2014
Contributions	\$5,427,969	\$10,521,919
Less amounts received for agencies	(878,407)	(1,869,841)
Investment Income, net of agency transactions	2,168,078	1,880,665
Net Investment Gains (Losses), net of agency transactions	(5,123,072)	1,647,547
Royalty income	6,218,740	6,215,176
Change in Values of Royalties, Trusts and Bequests	2,529,654	5,139,128
Other Income	122,823	105,345
TOTAL REVENUES, GAINS AND SUPPORT	10,465,785	23,639,939
Grants and Scholarships	10,817,244	10,210,187
Less amounts granted to agencies	(545,477)	(568,272)
Program Services	316,503	196,725
Fundraising	151,657	215,858
General and Administrative Expenses, net	1,141,468	1,117,338
Other Expenses	32,170	29,891
INCREASE (DECREASE) IN NET ASSETS	\$(1,447,780)	\$12,438,212

Financial information on this page has been summarized from the audited financial statements of Permian Basin Area Foundation.

Auditors Report: Permian Basin Area Foundation financial statements for the years ended December 31, 2015 and 2014 were audited by Johnson & Sheldon, PC of Amarillo, Texas, an independent public accounting firm. Copies of the audited financial statements are available upon request at the Foundation office.

SCHOLARSHIP AWARDS

Over 80 Foundation scholarship funds help ensure the realization of academic dreams of deserving young people by providing critical financial resources. Scholarship awards totaling \$539,161 for the 2015-2016 academic year were announced at the Foundation's 19th Annual Scholarship Dinner in July 2015.

"I'll be graduating completely debt free from UTPB in May, thanks to the scholarships I've received. I never thought I'd be able to go to college, but thanks to the Foundation I will have a nursing degree and no debt. I'm very thankful and full of gratitude for this incredible gift I've received." – Melanie Pogue, Scholarship Recipient

To learn more about scholarships, visit www.pbaf.org or call Vicki Rice, scholarships and donor relations, at 432.617.3213.



Marie Hall with a few Hall Scholarship recipients

Board of Governors 2016

Mark Nicholas
Chairman

Cal Hendrick
Vice Chairman

Trey Grafa
Secretary

Scott Kidwell
Treasurer

Michael Canon
Immediate Past Chairman

Mara Barham

Kathy Clark

Cathy Eastham

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Stacey Gerig

Patty Herd

John Landgraf

Sandy Louder

Jerry Morales

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Guy McCrary
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Aaron Bedell, CFRE
Executive Associate

Cyndi Vara, CPA
Controller

Vicki Rice

*Scholarships & Donor
Relations*

Kenda Prather
Grants & Administration

Cari Whitaker
*Finance & Accounting
Associate*

Meagan Wayland
Scholarship Associate

Meagan Harris
Office Administrator



Permian Basin Area Foundation facilitates the creation of permanent charitable funds in partnership with many donors and provides grants to address community needs and enrich the quality of life in the Permian Basin.