

People Who Care, CAUSES THAT MATTER



ANNUAL REPORT 2017

Printed on recycled paper

A LETTER FROM THE PRESIDENT

Dear Friends,

We appreciate the opportunity to share with you our 2017 annual report. Last year was a significant year of growth for Permian Basin Area Foundation.

Clear indicators of growth would be through the increase in contributions and gain of overall assets. Gifts to the Foundation totaled more than nine million dollars in 2017. We are grateful for the boundless generosity of our donors. Due to the boost in contributions, sound investment strategies, and the sale of a small portion of mineral interests, the Foundation ended the year with just over \$175 million in total assets.

With this growth comes the tremendous responsibility to continue investing into our communities and improving the lives of our West Texas neighbors. To that end, grants and scholarships totaled more than \$7.5 million in 2017.

We are honored to steward the charitable assets of our donors, both now and with their charitable legacy. We hope you will continue to remember Permian Basin Area Foundation as your partner in philanthropy to help achieve all your charitable objectives.

We look forward to another very exciting year with new opportunities and adventures. Wishing you the very best in 2018.

Sincerely,



Guy McCrary
President and CEO

Permian Basin Area Foundation welcomes contributions and planned gifts:

- Cash or receivable income
- Appreciated stock
- 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.*, and still enjoy maximum tax savings.



Permian Basin Area Foundation staff at the newly completed building site. We've moved and look forward to seeing you at 3312 Andrews Hwy.

COMMUNITY IMPACT



Gladney Adoption Center



Sibley Nature Center



Special Olympics



St. Andrews
Presbyterian Mission



Aphasia Center of West Texas



Mountain Medics



Big Bend Conservancy



Muscular Dystrophy Association Summer Camp

FINANCIAL HIGHLIGHTS

Consolidated Statements of Financial Position

	2017	2016
Cash and Cash Equivalents	10,146,063	4,454,158
Beneficial Interest in Remainder Trust	1,522,048	1,075,856
Beneficial Interest in Lead Trust	1,127,778	1,235,277
Investments	142,070,428	104,348,330
Oil and Gas Royalties	16,171,597	16,152,787
Land	302,813	302,813
Building development costs	2,288,093	125,335
Real Estate - held for sale	1,125,000	-
Total Other Assets	497,385	353,138
TOTAL ASSETS	\$175,251,205	\$128,047,694
Grants and Scholarships Payable	45,000	641,600
Funds Held for Agencies	19,334,706	17,108,496
TOTAL LIABILITIES	\$19,379,706	\$17,750,096
Unrestricted Net Assets	144,815,435	100,042,537
Temporarily Restricted Net Assets	9,006,439	8,209,853
Permanently Restricted Net Assets	2,049,625	2,045,208
TOTAL NET ASSETS	\$155,871,499	\$110,297,598
TOTAL LIABILITIES AND NET ASSETS	\$175,251,205	\$128,047,694



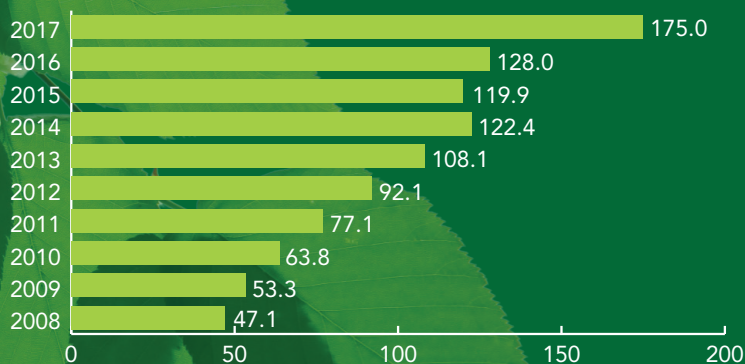
Consolidated Statements of Activities

	2017	2016
Contributions	10,305,439	4,239,023
Less Amounts Received for Agencies	(802,148)	(1,223,302)
Investment Income, Net of Agency Transactions	2,657,151	2,233,124
Net Investment Gains (Losses), Net of Agency Transactions	10,416,772	4,951,274
Royalty Income	3,927,128	3,766,233
Change in Value of Royalties, Trusts and Bequests	487,308	1,073,269
Gain on sale of royalty interests	27,439,760	-
Other Income	135,689	237,826
TOTAL REVENUES, GAINS AND SUPPORT	\$54,567,099	\$15,277,447
Grants and Scholarships	7,555,732	8,093,083
Less Amounts Granted to Agencies	(614,070)	(799,867)
Program Services	347,061	378,516
Fundraising	174,414	183,360
General and Administrative Expenses, Net	1,496,413	1,271,436
Other Expenses	33,648	29,678
INCREASE (DECREASE) IN NET ASSETS	\$45,573,901	\$6,121,241

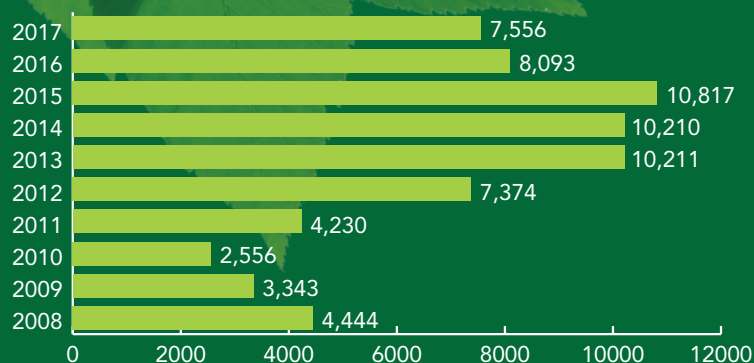
Financial information on this page has been summarized from the audited financial statements of Permian Basin Area Foundation.

Auditors Report: Permian Basin Area Foundation financial statements for the years ended December 31, 2017 and 2016 were audited by Johnson & Sheldon, PLLC of Amarillo, Texas, an independent public accounting firm. Copies of the audited financial statements are available upon request at the Foundation office.

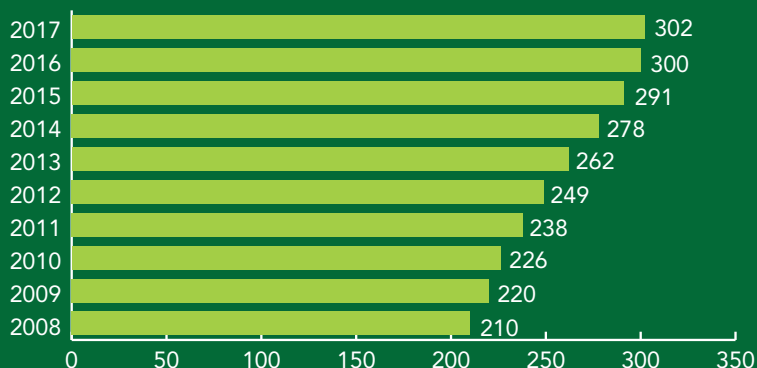
Assets (millions)



Grants, Scholarships and Distributions (thousands)



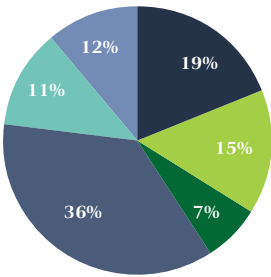
Number of Permanent Funds



2017 GRANTS

With the generous support of donors, Permian Basin Area Foundation awarded more than \$7.5 million in grants and scholarships during 2017 to worthwhile community projects and nonprofit organizations. The Foundation awarded \$3,764,412 during the competitive grants processes.

Grants were awarded through donor recommendations, allocations from designated funds, agency endowments, and the Foundation's semi-annual competitive grants process. To learn more about grants, visit www.pbaf.org/grants or contact Meagan Harris, Grants Administrator, at 432.617.3213.



Competitive Grants and Scholarship Allocations

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



Girl Scouts of the Desert Southwest



Junior Achievement of the Permian Basin



Marfa Education Foundation



CASA of West Texas

2017 SCHOLARSHIPS

In 2017 Permian Basin Area Foundation awarded more than \$500,000 in scholarships to 235 students attending 50 different institutions of higher education. Each year the Foundation receives numerous letters of thanks from students achieving their collegiate dreams thanks in part to our Foundation scholarship donors.



Scholarship Recipients

"This opportunity you are giving me is truly a blessing. I wouldn't be able to continue my studies at the University of Texas without your help." – Maria

"I know I am extremely fortunate to have the opportunity to go to school to study what I love. It is an opportunity made possible by the support of the Mashburn Legacy Scholarship. Their philanthropy motivates me to study harder, longer and even when it seems inconvenient... It is my dream to give back to the community... Until such time, I hope my character, actions and day to day achievements show my appreciation." – Levi

"This could not have been done without the support you have provided me through your words of encouragement and your scholarship. I can truly say that I would not have been able to do it without all your support. I hope to one day make an impact in someone's life just as you all have made an impact in mine." – Jessica

To learn more about PBAF scholarships, contact Sherri Heiting, Scholarships Administrator, at 432.617.3213.

2017 Board of Governors:

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Cal Hendrick
Vice-Chair
Mara Barham
Secretary
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Treasurer
James Flatt
Stacey Gerig
Bryan Heffin
Patty Herd

John Landgraf
Sandy Louder
Todd Meade
Sande Melton
Jerry Morales

2018 Member- elect:

April Marshall

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President &
Chief Executive Officer
Aaron Bedell, CFRE
Chief Operating Officer

Cyndi Vara, CPA
Chief Financial Officer

Meagan Harris
Grants Administrator

Sherri Heiting
Scholarships Administrator

Jennifer Steadman
Donor & Community Relations
Associate

Cari Whitaker
Finance & Accounting
Administrator

Raymond Williams
Administrative Associate



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.