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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to *www.irs.gov/Form990PF* for instructions and the latest information.

OMB No 1545-0052

2018

Open to Public Inspection

For calendar year 2018, or tax year beginning 01-01-2018 , and ending 12-31-2018

Name of foundation
SCHARBAUER FOUNDATION INC

A Employer identification number
26-2527362

Number and street (or P O box number if mail is not delivered to street address) Room/suite
300 N MARIENFELD SUITE 850

B Telephone number (see instructions)
(432) 683-2222

City or town, state or province, country, and ZIP or foreign postal code
MIDLAND, TX 797014387

C If exemption application is pending, check here ▶ ☐

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

D 1. Foreign organizations, check here ▶ ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization ☑ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year (from Part II, col (c), *line 16)* ▶$ 284,480,486

J Accounting method ☑ Cash ☐ Accrual ☐ Other (specify)
(Part I, column (d) must be on cash basis)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I Analysis of Revenue and Expenses *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	784,090	784,090		
	4	Dividends and interest from securities	3,503,187	3,503,187		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	1,739,692			
	b	Gross sales price for all assets on line 6a 26,825,843				
	7	Capital gain net income (from Part IV, line 2)		1,739,692		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)	33,908,350	33,908,061		
	12	**Total.** Add lines 1 through 11	39,935,319	39,935,030		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	349,500	262,125		87,375
	14	Other employee salaries and wages	256,600	134,150		122,450
	15	Pension plans, employee benefits	124,635	79,161		45,474
	16a	Legal fees (attach schedule)	10,621	8,390		2,231
	b	Accounting fees (attach schedule)	13,830	10,373		3,458
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	52,825	52,825		0
	19	Depreciation (attach schedule) and depletion	4,769	4,769		
	20	Occupancy	74,646	55,804		18,842
	21	Travel, conferences, and meetings	15,927	11,946		3,982
	22	Printing and publications	666	499		167
	23	Other expenses (attach schedule)	672,626	638,654		33,972
	24	**Total operating and administrative expenses.** Add lines 13 through 23	1,576,645	1,258,696		317,951
	25	Contributions, gifts, grants paid	15,840,670			15,840,670
	26	**Total expenses and disbursements.** Add lines 24 and 25	17,417,315	1,258,696		16,158,621
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	22,518,004			
	b	**Net investment income** (if negative, enter -0-)		38,676,334		
	c	**Adjusted net income** (if negative, enter -0-)				

Part II **Balance Sheets**	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	7,998,471	2,788,209	2,790,721
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	81,268,315	98,690,038	105,125,496
	c Investments—corporate bonds (attach schedule)	59,242,706	67,757,370	66,286,787
	11 Investments—land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment basis ▶ 145,976			
	Less accumulated depreciation (attach schedule) ▶ 87,914	59,436	58,062	109,482
	15 Other assets (describe ▶)	2,916,275	4,016,987	110,168,000
	16 **Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	151,485,203	173,310,666	284,480,486
Liabilities	17 Accounts payable and accrued expenses	1,670	2,222	
	18 Grants payable	5,550,000	5,678,500	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities**(add lines 17 through 22)	5,551,670	5,680,722	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶** ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☑ **and complete lines 27 through 31.**			
	27 Capital stock, trust principal, or current funds	48,279,709	48,279,709	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund	0	0	
	29 Retained earnings, accumulated income, endowment, or other funds	97,653,824	119,350,235	
	30 **Total net assets or fund balances** (see instructions)	145,933,533	167,629,944	
	31 **Total liabilities and net assets/fund balances** (see instructions)	151,485,203	173,310,666	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	145,933,533
2	Enter amount from Part I, line 27a	2	22,518,004
3	Other increases not included in line 2 (itemize) ▶	3	0
4	Add lines 1, 2, and 3	4	168,451,537
5	Decreases not included in line 2 (itemize) ▶	5	821,593
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	167,629,944

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a See Additional Data Table			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a See Additional Data Table			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a See Additional Data Table			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	1,739,692
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2017	8,763,950	259,921,149	0 033718
2016	11,805,340	169,963,837	0 069458
2015	7,604,374	159,617,934	0 047641
2014	8,754,930	143,784,175	0 060889
2013	6,740,007	131,679,904	0 051185

2 Total of line 1, column (d)	2	0 262891
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5 0, or by the number of years the foundation has been in existence if less than 5 years	3	0 052578
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	286,991,072
5 Multiply line 4 by line 3	5	15,089,417
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	386,763
7 Add lines 5 and 6	7	15,476,180
8 Enter qualifying distributions from Part XII, line 4	8	16,158,621

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

Part VI **Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)**

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter ________ **(attach copy of letter if necessary–see instructions)**				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b			1	386,763
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	0
3	Add lines 1 and 2			3	386,763
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	386,763
6	Credits/Payments				
a	2018 estimated tax payments and 2017 overpayment credited to 2018	6a	383,000		
b	Exempt foreign organizations—tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c	78,000		
d	Backup withholding erroneously withheld	6d	0		
7	Total credits and payments Add lines 6a through 6d			7	461,000
8	Enter any **penalty** for underpayment of estimated tax Check here ☑ if Form 2220 is attached			8	0
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	74,237
11	Enter the amount of line 10 to be **Credited to 2019 estimated tax** ▶ 74,237	**Refunded** ▶		11	0

Part VII-A **Statements Regarding Activities**

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes? (see Instructions for definition)	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ 0 **(2)** On foundation managers ▶ $ 0			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶TX			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2018 or the taxable year beginning in 2018? See the instructions for Part XIV If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule See instructions.	11		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement See instructions	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶WWW SCHARBAUERFOUNDATION ORG

14 The books are in care of ▶JOANN PRICE CONTROLLER Telephone no ▶(432) 683-2222

Located at ▶300 N MARIENFELD SUITE 850 MIDLAND TX ZIP+4 ▶797014387

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —check here . . . ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year . . . ▶ 15

			Yes	No
16	At any time during calendar year 2018, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No
	See the instructions for exceptions and filing requirements for FinCEN Form 114 If "Yes", enter the name of the foreign country ▶			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies. Yes No

1a During the year did the foundation (either directly or indirectly)

(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No

(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?. ☐ Yes ☑ No

(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No

(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No

(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?. ☐ Yes ☑ No

(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☑ No

			Yes	No
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance? See instructions	1b		
	Organizations relying on a current notice regarding disaster assistance check here. ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2018?.	1c		No

2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))

a At the end of tax year 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018?. ☐ Yes ☑ No
If "Yes," list the years ▶ 20____, 20____, 20____, 20____

			Yes	No
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	2b		

c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here
▶ 20____, 20____, 20____, 20____

3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?. ☐ Yes ☑ No

			Yes	No
b	If "Yes," did it have excess business holdings in 2018 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2018).*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2018?	4b		No

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

			Yes	No
5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 4945(d)(4)(A)? See instructions. ☐ Yes ☑ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance? See instructions	5b		
	Organizations relying on a current notice regarding disaster assistance check here. ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53 4945–5(d)			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		No
	If "Yes" to 6b, file Form 8870			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	7b		
8	Is the foundation subject to the section 4960 tax on payment(s) of more than $1,000,000 in remuneration or excess parachute payment during the year? ☐ Yes ☑ No			

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation. See instructions

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
See Additional Data Table				

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
JOANN PRICE 300 N MARIENFELD SUITE 850 MIDLAND, TX 797014387	CONTROLLER 40 00	115,500	10,763	0
SARAH A SCOTT 300 N MARIENFELD SUITE 850 MIDLAND, TX 797014387	SPHR PROGRAM DIRECTO 40 00	116,600	6,996	0

Total number of other employees paid over $50,000. ▶ 0

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
NONE		

Total number of others receiving over $50,000 for professional services. . . . . ▶	0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3 . . . . ▶	0

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations,see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes				
a	Average monthly fair market value of securities.			1a	172,209,137
b	Average of monthly cash balances.			1b	8,874,875
c	Fair market value of all other assets (see instructions).			1c	110,277,482
d	**Total** (add lines 1a, b, and c).			1d	291,361,494
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	0		
2	Acquisition indebtedness applicable to line 1 assets.			2	0
3	Subtract line 2 from line 1d.			3	291,361,494
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).			4	4,370,422
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4			5	286,991,072
6	**Minimum investment return.** Enter 5% of line 5.			6	14,349,554

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6.			1	14,349,554
2a	Tax on investment income for 2018 from Part VI, line 5.	2a	386,763		
b	Income tax for 2018 (This does not include the tax from Part VI).	2b			
c	Add lines 2a and 2b.			2c	386,763
3	Distributable amount before adjustments Subtract line 2c from line 1.			3	13,962,791
4	Recoveries of amounts treated as qualifying distributions.			4	0
5	Add lines 3 and 4.			5	13,962,791
6	Deduction from distributable amount (see instructions).			6	0
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.			7	13,962,791

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26.	1a	16,158,621
b	Program-related investments—total from Part IX-B.	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	
b	Cash distribution test (attach the required schedule).	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	16,158,621
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b See instructions.	5	386,763
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4.	6	15,771,858

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2017	(c) 2017	(d) 2018
1 Distributable amount for 2018 from Part XI, line 7				13,962,791
2 Undistributed income, if any, as of the end of 2018				
a Enter amount for 2017 only.			2,452,871	
b Total for prior years 20___ , 20___ , 20___		0		
3 Excess distributions carryover, if any, to 2018				
a From 2013.				
b From 2014.				
c From 2015.				
d From 2016.				
e From 2017.				
f **Total** of lines 3a through e.	0			
4 Qualifying distributions for 2018 from Part XII, line 4 ▶ $ 16,158,621				
a Applied to 2017, but not more than line 2a			2,452,871	
b Applied to undistributed income of prior years (Election required—see instructions).		0		
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2018 distributable amount.				13,705,750
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2018 *(If an amount appears in column (d), the same amount must be shown in column (a))*	0			0
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.		0		
d Subtract line 6c from line 6b Taxable amount —see instructions		0		
e Undistributed income for 2017 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2018 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2019				257,041
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0			
8 Excess distributions carryover from 2013 not applied on line 5 or line 7 (see instructions)	0			
9 **Excess distributions carryover to 2019.** Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 2014.				
b Excess from 2015.				
c Excess from 2016.				
d Excess from 2017.				
e Excess from 2018.				

Part XIV **Private Operating Foundations** (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2018, enter the date of the ruling. . . . . . . ▶

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2018	**(b)** 2017	**(c)** 2016	**(d)** 2015	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV **Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see instructions.)**

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

CLARENCE SCHARBAUER III

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc to individuals or organizations under other conditions, complete items 2a, b, c, and d See instructions

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed

SCHARBAUER FOUNDATION INC
300 N MARIENFELD ST STE 850
MIDLAND, TX 797014387
(432) 683-2222

b The form in which applications should be submitted and information and materials they should include

ORGANIZATIONS REQUESTING FUNDING FILL OUT AND SUBMIT AN ONLINE PRE-APPLICATION THROUGH THE FOUNDATIONS WEBSITE AT WWW SCHARBAUERFOUNDATION ORG BY DUE DATES LISTED ON THE HOME PAGE THE FOUNDATION WILL INVITE SELECTED PRE-APPLICANTS TO SUBMIT AN ONLINE FULL GRANT REQUEST INSTRUCTIONS AND ATTACHMENTS ARE INCLUDED IN THE ONLINE REQUEST PROCESS

c Any submission deadlines

SPRING AND FALL CYCLE, DATES CHANGE EACH YEAR AND ARE POSTED ON THE ORGANIZATION'S WEBSITE

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

GRANTS ARE CONSIDERED FOR ACTIVITIES INVOLVING ARTS/CULTURE, EDUCATION, HEALTH, HUMAN/SOCIAL SERVICES, PUBLIC/CIVIC BENEFIT, AND FAITH-BASED ACTIVITIES PREFERENCE IS GIVEN TO REQUESTS FOR ASSISTANCE WITH CAPITAL IMPROVEMENTS, CONSTRUCTION, OR EXPANSION OF PROGRAM CAPACITY AS COMPARED TO REQUESTS INVOLVING ONGOING OR ANNUAL OPERATING, ADMINISTRATION OR SCHOLARSHIP EXPENSES GENERALLY, APPLICANTS RECEIVING GRANTS FOR NON-CAPITAL TYPE REQUESTS MAY NOT RECEIVE SIMILAR GRANTS IN CONSECUTIVE YEARS PREFERENCE IS GIVEN TO APPLICATIONS FROM QUALIFIED ORGANIZATIONS IN THE FOLLOWING GEOGRAPHIC PRIORITY MIDLAND, TEXAS PERMIAN BASIN REGION OF TEXAS PANHANDLE REGION OF TEXAS OTHER REGIONS OF TEXAS

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year* See Additional Data Table				
Total . . . . ▶ **3a**				
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	784,090	
4 Dividends and interest from securities			14	3,503,187	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			15	33,908,061	
8 Gain or (loss) from sales of assets other than inventory			18	1,739,692	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a FINANCIAL INCOME			14	289	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		39,935,319	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 39,935,319

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)
1	N/A

Part XVII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501 (c) (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash.	**1a(1)**		No
(2) Other assets.	**1a(2)**		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization.	**1b(1)**		No
(2) Purchases of assets from a noncharitable exempt organization.	**1b(2)**		No
(3) Rental of facilities, equipment, or other assets.	**1b(3)**		No
(4) Reimbursement arrangements.	**1b(4)**		No
(5) Loans or loan guarantees.	**1b(5)**		No
(6) Performance of services or membership or fundraising solicitations.	**1b(6)**		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	**1c**		No

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line No	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) (other than section 501(c)(3)) or in section 527? ☐ Yes ☑ No

b If "Yes," complete the following schedule

(a) Name of organization	**(b)** Type of organization	**(c)** Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

****** | 2019-03-24 | ******

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instr)? ☑ **Yes** ☐ **No**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ▶ ☐	PTIN
LAURA ROMAN				P00358823

Firm's name ▶ WEAVER AND TIDWELL LLP — Firm's EIN ▶75-0786316

Firm's address ▶ 400 W ILLINOIS AVE MIDLAND, TX 79701 — Phone no (432) 683-5226

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1	VANGUARD LTCG DISTRIBUTIONS			2018-12-31
1	VANGUARD REAL ESTATE INDEX FUND			2018-08-10
	VANGUARD TOTAL BOND MKT			2018-01-23
	VANGUARD ST CORP BOND INX			2018-10-24
	VANGUARD ST CORP BOND INX			2018-05-08
	NORTHERN TRUST 23-77479			2018-12-31
	NORTHERN TRUST 23-77479			2018-12-31
	NORTHERN TRUST LTCG DISTRIBUTIONS			2018-12-31
	GS DYNAMIC			2018-12-31
	GS DYNAMIC			2018-12-31

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
1,492			1,492
13,084		12,114	970
12,986		13,125	-139
13,381		13,668	-287
12,933		13,232	-299
468,813		469,203	-390
4,242,017		4,093,354	148,663
672,410			672,410
412,035		313,829	98,206
930,806		804,970	125,836

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			1,492
			970
			-139
			-287
			-299
			-390
			148,663
			672,410
			98,206
			125,836

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
GS YACHTMAN			2018-12-31
1 GS YACHTMAN			2018-12-31
GS ADVISORY			2018-12-31
GS ADVISORY			2018-12-31
GS GANNETT			2018-12-31
GS GANNETT			2018-12-31
GS GOV/CORP FI			2018-12-31
GS CAP PCS NON-US			2018-12-31
GS CAP PCS NON-US			2018-12-31
GS SFI			2018-12-31

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
55,072		52,212	2,860
320,135		158,147	161,988
40,838		42,292	-1,454
895,005		969,063	-74,058
23,001		21,904	1,097
413,737		218,301	195,436
1,670,708		1,679,604	-8,896
253,279		284,056	-30,777
668,273		619,367	48,906
5,691,186		5,694,281	-3,095

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			2,860
			161,988
			-1,454
			-74,058
			1,097
			195,436
			-8,896
			-30,777
			48,906
			-3,095

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
	GS SFI			2018-12-31
1	GS US EQUITY BUFFERED			2018-12-31
	GS INTL DEV EQUITY			2018-12-31
	GS LTCG DISTRIBUTION			2018-12-31
	OTHER			2018-12-31

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
6,960,309		6,978,579	-18,270
898,160		725,000	173,160
2,127,075		1,712,000	415,075
29,108			29,108
		197,850	-197,850

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			-18,270
			173,160
			415,075
			29,108
			-197,850

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
CLARENCE SCHARBAUER III 300 N MARIENFELD SUITE 850 MIDLAND, TX 797014387	DIRECTOR 0 00	0	0	0
JAMES M ALSUP 300 N MARIENFELD SUITE 850 MIDLAND, TX 797014387	PRESIDENT 0 00	0	0	0
ALLEN MCGUIRE 300 N MARIENFELD SUITE 850 MIDLAND, TX 797014387	TREASURER/ASST SECRETARY 0 00	0	0	0
GRANT BILLINGSLEY 300 N MARIENFELD SUITE 850 MIDLAND, TX 797014387	EXEC VP/SEC 40 00	349,500	24,500	0
TIM LEACH 300 N MARIENFELD SUITE 850 MIDLAND, TX 797014387	VICE PRESIDENT 0 00	0	0	0
CINDY BLACK 300 N MARIENFELD SUITE 850 MIDLAND, TX 797014387	DIRECTOR 0 00	0	0	0
DAN HORD 300 N MARIENFELD SUITE 850 MIDLAND, TX 797014387	DIRECTOR 0 00	0	0	0
SCOTT RYBURN 300 N MARIENFELD SUITE 850 MIDLAND, TX 797014387	DIRECTOR 0 00	0	0	0

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
AGAPE CHRISTIAN SERVICES DBA AGAPE COUNSELING SERVICES OF WEST TEXAS 3500 N A ST STE 2400 MIDLAND, TX 79705	NONE	PC	THERAPY INTERN TRAINING PROGRAM	85,000
AMERICAN RED CROSS - PERMIAN BASIN CHAPTER 9601 WRIGHT DRIVE MIDLAND, TX 79711	NONE	PC	NEXT GENERATION EMERGENCY RESPONSE VEHICLE	125,000
BOY SCOUTS OF AMERICA BUFFALO TRAIL COUNCIL 1101 W TEXAS AVE MIDLAND, TX 797016171	NONE	PC	OPERATIONS / VOCATIONAL TRAINING & EQUESTRIAN CENTER	150,000
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
BOYS AND GIRLS CLUB OF ODESSA INC 800 E 13TH ST ODESSA, TX 79761	NONE	PC	NEW CLUB FACILITIES IN WEST ODESSA	200,000
BUCKNER CHILDREN AND FAMILY SERVICES INC 421 W PECAN AVE MIDLAND, TX 79705	NONE	PC	BUCKNER MIDLAND FAMILY PATHWAYS APARTMENT RENOVATION	100,000
CENTERS FOR CHILDREN AND FAMILIES INC 3701 ANDREWS HWY MIDLAND, TX 79703	NONE	PC	CAPITAL IMPROVEMENTS FOR NEW ODESSA OFFICE	30,000
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
COMMUNITIES IN SCHOOLS OF THE PERMIAN BASIN INC PO BOX 10532 MIDLAND, TX 79702	NONE	PC	DROP OUT PREVENTION PROGRAM	20,000
COMMUNITY CHILDREN'S MINISTRY DBA COMMUNITY CHILDREN'S CLINIC PO BOX 3328 MIDLAND, TX 797023328	NONE	PC	DIGITAL SIGN	24,405
EDUCATE MIDLAND 3500 N A ST SUITE 2700 MIDLAND, TX 79705	NONE	PC	EXCELLENCE IN EDUCATION AWARDS & GENERAL OPERATING SUPPORT	136,500
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
FAMILY PROMISE OF ODESSA INC PO BOX 12781 ODESSA, TX 79768	NONE	PC	NEW VEHICLE FOR CLIENT TRANSPORTATION	10,000
GIRL SCOUTS OF THE DESERT SOUTHWEST SOUTHERN NEW MEXICO & WEST TEXAS INC 5217 N DIXIE BLVD ODESSA, TX 79762	NONE	PC	GREENSCAPING, SECURITY AND SAFETY PROJECT, MIDLAND CENTER	31,640
HEALTHY NATION (DBA HEALTHY CITY) PO BOX 4532 MIDLAND, TX 79704	NONE	PC	2019 FOOD IS MEDICINE EVENT	10,000
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
HIGH SKY CHILDREN'S RANCH 8613 W COUNTY RD 60 MIDLAND, TX 797071307	NONE	PC	CAMPUS CAPITAL CAMPAIGN & 2018 BOARD DIRECTED GIFT	1,505,000
HISPANIC CULTURAL CENTER OF MIDLAND PO BOX 51404 MIDLAND, TX 79710	NONE	PC	TUTORING PROGRAM	7,500
JUNIOR ACHIEVEMENT OF THE CHISHOLM TRAIL PERMIAN BASIN CHAPTER 306 W WALL ST STE 827 MIDLAND, TX 79701	NONE	PC	2018 BOARD DIRECTED GIFT	5,000
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
MANOR PARK INC2208 N LOOP 250 W MIDLAND, TX 797076011	NONE	PC	VILLAGE SOUTH ACTIVITY CENTER	500,000
MARFA PUBLIC RADIO CORPORATION PO BOX 238 MARFA, TX 798430238	NONE	PC	WEST TX INFRASTRUCTURE REPLACEMENT & UPGRADE	50,000
MIDLAND CHAMBER OF COMMERCE FOUNDATION INC 303 W WALL ST SUITE 200 MIDLAND, TX 79701	NONE	PC	MIDLAND DOWNTOWN CENTENNIAL PARK	8,000,000
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
MIDLAND CHILDREN'S REHABILITATION CENTER INC 802 VENTURA AVE MIDLAND, TX 79705	NONE	PC	2018 BOARD DIRECTED GIFT	5,000
MIDLAND COLLEGE FOUNDATION INC 3600 N GARFIELD ST MIDLAND, TX 79705	NONE	PC	EARLY COLLEGE HIGH SCHOOL / LEGACY SCHOLARSHIP PROGRAM 2018-2019	150,000
MIDLAND FAIR HAVENS INC 2400 WHITMIRE BLVD STE 100 MIDLAND, TX 79705	NONE	PC	2018 BOARD DIRECTED GIFT	5,000
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
MIDLAND ISD EDUCATIONAL FOUNDATION PO BOX 73 MIDLAND, TX 79702	NONE	PC	KITAMBA CONTINUED ENGAGEMENT	250,000
MIDLAND MEMORIAL FOUNDATION 400 ROSALIND REDFERN GROVER PARKWAY MIDLAND, TX 79701	NONE	PC	68NURSE CALL CENTER EXPANSION, PHARMACY REPLACEMENT, BEHAVIORAL HEALTH INITIATIVE AND 2018 BOARD DIRECTED GIFT	1,675,000
MIDLAND RAPE CRISIS CENTER INC PO BOX 10881 MIDLAND, TX 79702	NONE	PC	PARKING LOT REPAIR	15,925
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
MIDLAND SHARED SPACES 3500 NORTH A ST SUITE 1100 MIDLAND, TX 79705	NONE	PC	STATE OF NON-PROFITS LUNCHEON	1,200
MIDLAND TEEN COURT INC 615 W MISSOURI AVE 226 MIDLAND, TX 79701	NONE	PC	OPERATIONS SUPPORT	10,000
MISC GRANTS 5000 C/O SFI 300 MARIENFELD 850 MIDLAND, TX 79701	NONE	PC	PROGRAM SUPPORT & PHIL ROUNDTABLE SOUTHWEST	5,000
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
NONPROFIT MANAGEMENT CENTER OF THE PERMIAN BASIN 3500 N A ST STE 2300 MIDLAND, TX 79701	NONE	PC	GENERAL PROGRAM & OPERATING SUPPORT/BEACON AWARDS LUNCHEON	51,500
PERMIAN BASIN WOMEN'S RESOURCE CENTER - THE LIFE CENTER FOUNDATION 2101 W WALL ST MIDLAND, TX 79701	NONE	PC	2018 BOARD DIRECTED GIFT	25,000
PINK THE BASIN INCPO BOX 7406 ODESSA, TX 79760	NONE	PC	MAMMOGRAPHY AND DIAGNOSTIC SERVICES	30,000
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
REASONING MIND 2000 BERING DR SUITE 300 HOUSTON, TX 77057	NONE	PC	PROGRAMS FOR BURNET ELEMENTARY MIDLAND	10,000
RECORDING LIBRARY OF WEST TEXAS 3500 N A ST STE 2800 MIDLAND, TX 797053602	NONE	PC	NEW EQUIPMENT FOR 2018	32,000
SAMARITAN COUNSELING CENTER OF WEST TEXAS INC PO BOX 60312 MIDLAND, TX 79711	NONE	PC	GENERAL OPERATING SUPPORT	55,000
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SENIOR LINK MILDANDPO BOX 80519 MIDLAND, TX 797080519	NONE	PC	HANDYMAN PROGRAM	40,000
SIBLEY ENVIRONMENTAL LEARNING CENTER FOUNDATION 1307 E WADLEY AVE MIDLAND, TX 79705	NONE	PC	2018 BOARD DIRECTED GIFT	5,000
SPRINGBOARD CENTER 200 CORPORATE DR MIDLAND, TX 797054621	NONE	PC	EXTENDED CARE PROJECT - CAPITAL CAMPAIGN	400,000
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
TEEN FLOWPO BOX 733 MIDLAND, TX 79702	NONE	PC	2018 BOARD DIRECTED GIFT	25,000
THE UNIVERSITY OF TEXAS MD ANDERSON CANCER CENTER PO BOX 4486 HOUSTON, TX 77210	NONE	PC	2018 BOARD DIRECTED GIFT	10,000
THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN 4901 UNIVERSITY BLVD ODESSA, TX 79762	NONE	PC	UTPB ENGINEERING BUILDING	1,500,000
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
UNITED WAY OF MIDLAND 1209 W WALL ST MIDLAND, TX 79701	NONE	PC	2018 ANNUAL CAMPAIGN EDUCATION INITIATIVES & BOARD DIRECTED GIFT	165,000
W I COOK FOUNDATION INC (COOK CHILDREN'S MIDLAND SPECIALTY CLINIC) 801 7TH AVENUE FORT WORTH, TX 76104	NONE	PC	SPECIALIZED MEDICAL EQUIPMENT FOR THE MIDLAND CLINIC	90,000
WEST TEXAS FOOD BANKPO BOX 4242 ODESSA, TX 79760	NONE	PC	SECURE PARKING LOT FOR MIDLAND FACILITY	250,000
Total . . . . ▶ **3a**				15,840,670

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
YOUNG LIFE MIDLANDPO BOX 520 COLORADO SPRINGS, CO 80901	NONE	PC	GENERAL OPERATIONS SUPPORT	20,000
YOUNG LIFE TEXAS C/O SFI 300 MARIENFELD 850 MIDLAND, TX 797014387	NONE	PC	2018 BOARD DIRECTED GIFT	25,000
Total . . . . ▶ **3a**				15,840,670

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TY 2018 Accounting Fees Schedule

Name: SCHARBAUER FOUNDATION INC

EIN: 26-2527362

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING	13,830	10,373		3,458

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2018 Depreciation Schedule

Name: SCHARBAUER FOUNDATION INC

EIN: 26-2527362

Depreciation Schedule

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
COMPUTER EQUIPMENT	2011-06-30	568	487	200DB	7 000000000000	25	0		
COMPUTER EQUIPMENT MONDOPAD	2011-06-30	4,710	4,172	200DB	5 000000000000	0	0		
4 HP WIDESCREEN MONITORS	2011-06-27	1,180		200DB	5 000000000000	0	0		
COMPUTER TABLE	2011-06-27	95		200DB	7 000000000000	0	0		
2 HP COMPUTERS	2011-06-27	1,620		200DB	5 000000000000	0	0		
WRITING TABLE	2011-06-27	150		200DB	7 000000000000	0	0		
HP COLOR LASER PRINTER	2011-08-22	395		200DB	5 000000000000	0	0		
HP LASERJET PRINTER	2011-08-22	1,515		200DB	5 000000000000	0	0		
OFFICE PRINT/PICTURE	2011-09-13	129		200DB	7 000000000000	0	0		
OFFICE PRINT/PICTURE	2011-09-13	141		200DB	7 000000000000	0	0		
SCHARBAUER PORTRAIT	2011-11-18	460			0 %	0	0		
BOOKCASES	2011-12-12	2,947		200DB	7 000000000000	0	0		
OFFICE CHAIRS	2011-12-12	3,228		200DB	7 000000000000	0	0		
CHEST	2011-12-12	750		200DB	7 000000000000	0	0		
COFFEE TABLE 1945-93	2011-12-12	493		200DB	7 000000000000	0	0		
END TABLE	2011-12-12	391		200DB	7 000000000000	0	0		
LATERAL FILE CABINET	2011-12-12	1,350		200DB	7 000000000000	0	0		
SIDE TABLE	2011-12-12	295		200DB	7 000000000000	0	0		
SOFA	2011-12-12	5,569		200DB	7 000000000000	0	0		
REFRIGERATOR	2011-12-20	822		200DB	5 000000000000	0	0		

Depreciation Schedule

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
COMPUTER TABLE	2011-12-12	669		200DB	7 000000000000	0	0		
CONFERENCE TABLE	2011-12-12	8,008		200DB	7 000000000000	0	0		
CONFERENCE TABLE CHAIRS (10)	2011-12-11	4,195		200DB	7 000000000000	0	0		
CREDENZA (5)	2011-12-12	11,881		200DB	7 000000000000	0	0		
CORNER TABLE	2011-12-12	337		200DB	7 000000000000	0	0		
EXECUTIVE DESK (4)	2011-12-12	9,961		200DB	7 000000000000	0	0		
SIDE CHAIRS	2011-12-12	4,690		200DB	7 000000000000	0	0		
SOFA	2011-12-12	2,437		200DB	7 000000000000	0	0		
TABLE	2011-12-12	299		200DB	7 000000000000	0	0		
KEURIG COFFEE MAKER	2011-12-23	144		200DB	5 000000000000	0	0		
MICROWAVE	2011-12-23	79		200DB	5 000000000000	0	0		
TEA GLASSES	2012-01-02	74	31	200DB	7 000000000000	3	0		
ALYSHEBA PRINT	2012-02-21	45	19	200DB	7 000000000000	2	0		
BOOKENDS	2012-02-21	65	29	200DB	7 000000000000	3	0		
FLOOR MAT	2012-02-21	278	119	200DB	7 000000000000	12	0		
G HARVEY PAINTING	2012-02-21	940			0 %	0	0		
OFFICE LAMPS	2012-02-21	1,079	466	200DB	7 000000000000	48	0		
PORTRAIT FRAME	2012-02-21	272	117	200DB	7 000000000000	12	0		
SILK OFFICE PLANTS	2012-02-21	745	321	200DB	7 000000000000	33	0		
TABLETOP GLASS FOR 17 TOPS	2012-02-21	1,902	824	200DB	7 000000000000	85	0		

Depreciation Schedule

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
FLOOR MAT	2012-03-30	489	212	200DB	7 000000000000	22	0		
FRAMED JOCKEY SILK	2012-04-04	383	165	200DB	7 000000000000	17	0		
HISTORIC SCHARBAUER PICTURES	2012-06-01	658		NC	0 %	0	0		
BOBWHITE BURST BRONZE	2014-12-31	3,450		NC	0 %	0	0		
HALL TABLE & MIRROR	2014-12-31	400		200DB	7 000000000000	0	0		
FRAMED RENAISSANCE NEEDLEPOINT TAPESTRY	2014-12-31	50,000		NC	0 %	0	0		
2 AOC 27" LED HD MONITORS	2016-06-16	347	90	200DB	5 000000000000	33	0		
HP ELITE DESKTOP COMP	2016-07-12	1,578	410	200DB	5 000000000000	151	0		
HP ELITE DESK 800 DESKTOP	2016-07-12	1,578	410	200DB	5 000000000000	151	0		
HP ELITE DESK 800 DESKTOP	2016-07-12	1,578	410	200DB	5 000000000000	151	0		
BOOKCASE	2016-07-13	1,917	372	200DB	7 000000000000	168	0		
LATERAL FILE CABINET	2016-07-13	1,425	276	200DB	7 000000000000	125	0		
HOOKER CREDENZA	2017-07-10	2,722	194	200DB	7 000000000000	333	0		
COMPUTER EQUIPMENT	2017-12-31	418		200DB	5 000000000000	0	0		
NETGEAR READY NAS DEVICE (785 00)	2011-12-12	730		200DB	5 000000000000	0	0		
HP ELITE X2 TABLET	2018-08-31	3,395		200DB	5 000000000000	3,395	0		

TY 2018 Investments Corporate Bonds Schedule

Name: SCHARBAUER FOUNDATION INC

EIN: 26-2527362

Investments Corporate Bonds Schedule

Name of Bond	End of Year Book Value	End of Year Fair Market Value
INVESTMENTS IN CORPORATE BONDS	67,757,370	66,286,787

TY 2018 Investments Corporate Stock Schedule

Name: SCHARBAUER FOUNDATION INC

EIN: 26-2527362

Investments Corporation Stock Schedule

Name of Stock	End of Year Book Value	End of Year Fair Market Value
INVESTMENTS IN CORPORATE STOCK	98,690,038	105,125,496

TY 2018 Land, Etc. Schedule

Name: SCHARBAUER FOUNDATION INC

EIN: 26-2527362

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
COMPUTER EQUIPMENT	568	512	56	
COMPUTER EQUIPMENT:MONDOPAD	4,710	4,172	538	
4 HP WIDESCREEN MONITORS	1,180	1,180	0	
COMPUTER TABLE	95	95	0	
2 HP COMPUTERS	1,620	1,620	0	
WRITING TABLE	150	150	0	
HP COLOR LASER PRINTER	395	395	0	
HP LASERJET PRINTER	1,515	1,515	0	
OFFICE PRINT/PICTURE	129	129	0	
OFFICE PRINT/PICTURE	141	141	0	
SCHARBAUER PORTRAIT	460	460	0	
BOOKCASES	2,947	2,947	0	
OFFICE CHAIRS	3,228	3,228	0	
CHEST	750	750	0	
COFFEE TABLE 1945-93	493	493	0	
END TABLE	391	391	0	
LATERAL FILE CABINET	1,350	1,350	0	
SIDE TABLE	295	295	0	
SOFA	5,569	5,569	0	
REFRIGERATOR	822	822	0	
COMPUTER TABLE	669	669	0	
CONFERENCE TABLE	8,008	8,008	0	
CONFERENCE TABLE CHAIRS (10)	4,195	4,195	0	
CREDENZA (5)	11,881	11,881	0	
CORNER TABLE	337	337	0	
EXECUTIVE DESK (4)	9,961	9,961	0	
SIDE CHAIRS	4,690	4,690	0	
SOFA	2,437	2,437	0	
TABLE	299	299	0	
KEURIG COFFEE MAKER	144	144	0	

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
MICROWAVE	79	79	0	
TEA GLASSES	74	71	3	
ALYSHEBA PRINT	45	44	1	
BOOKENDS	65	65	0	
FLOOR MAT	278	270	8	
G. HARVEY PAINTING	940	0	940	
OFFICE LAMPS	1,079	1,054	25	
PORTRAIT FRAME	272	265	7	
SILK OFFICE PLANTS	745	727	18	
TABLETOP GLASS FOR 17 TOPS	1,902	1,860	42	
FLOOR MAT	489	479	10	
FRAMED JOCKEY SILK	383	374	9	
HISTORIC SCHARBAUER PICTURES	658	0	658	
BOBWHITE BURST BRONZE	3,450	0	3,450	
HALL TABLE & MIRROR	400	400	0	
FRAMED RENAISSANCE NEEDLEPOINT TAPESTRY	50,000	0	50,000	
2 AOC 27" LED HD MONITORS	347	297	50	
HP ELITE DESKTOP COMP	1,578	1,350	228	
HP ELITE DESK 800 DESKTOP	1,578	1,350	228	
HP ELITE DESK 800 DESKTOP	1,578	1,350	228	
BOOKCASE	1,917	1,499	418	
LATERAL FILE CABINET	1,425	1,114	311	
HOOKER CREDENZA	2,722	1,888	834	
COMPUTER EQUIPMENT	418	418	0	
NETGEAR READY NAS DEVICE (785.00)	730	730	0	
HP ELITE X2 TABLET	3,395	3,395	0	

TY 2018 Legal Fees Schedule

Name: SCHARBAUER FOUNDATION INC

EIN: 26-2527362

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ATTORNEY	10,621	8,390		2,231

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TY 2018 Other Assets Schedule

Name: SCHARBAUER FOUNDATION INC

EIN: 26-2527362

Other Assets Schedule

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
SCHARBAUER MINERALS LP	2,916,275	4,016,987	110,168,000

TY 2018 Other Decreases Schedule

Name: SCHARBAUER FOUNDATION INC

EIN: 26-2527362

Description	Amount
EXCISE TAX ADJUSTMENT	693,093
ACCRUAL TO CASH CONVERSION	128,500

TY 2018 Other Expenses Schedule

Name: SCHARBAUER FOUNDATION INC

EIN: 26-2527362

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BANK & PAYROLL FEES	140	105		35
MISCELLANEOUS	200	200		0
BUSINESS MEALS	2,925	1,912		1,013
IT/COMPUTER EXPENSES	3,455	2,591		864
PENSION PLAN FEES	3,581	2,685		896
TELEPHONE & UTILITIES	4,231	3,178		1,053
SUPPLIES	5,676	4,257		1,419
SUBSCRIPTIONS	17,180	0		17,180
INSURANCE	21,362	16,022		5,340
DUES	24,687	18,515		6,172

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
CONSULTING	36,205	36,205		0
BOND PREMIUM AMORTIZATION	81,609	81,609		0
INVESTMENT EXPENSES	471,375	471,375		0

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TY 2018 Other Income Schedule

Name: SCHARBAUER FOUNDATION INC

EIN: 26-2527362

Other Income Schedule

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
SCHARBAUER MINERALS	33,908,061	33,908,061	33,908,061
FINANCIAL INCOME	289		289

TY 2018 Taxes Schedule

Name: SCHARBAUER FOUNDATION INC

EIN: 26-2527362

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAX WITHHELD	52,825	52,825		0