



THE WHITLOCK CO.

CPAs and Consultants

Community Foundation of the Ozarks, Inc.

**Financial Statements
and
Independent Auditor's Report**

Years ended June 30, 2015 and 2014



Independent Auditor's Report

Board of Directors
Community Foundation of the Ozarks, Inc.
Springfield, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of **Community Foundation of the Ozarks, Inc.**, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Community Foundation of the Ozarks, Inc.**, as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on page 18 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.

THE WHITLOCK CO., LLP

Springfield, Missouri
October 12, 2015

Statements of Financial Position

Community Foundation of the Ozarks, Inc.

Statements Of Financial Position

Assets

	<u>June 30,</u>	
	<u>2015</u>	<u>2014</u>
Current assets		
Cash and temporary cash investments	\$ 45,960,007	\$ 45,336,891
Current portion of notes receivable	<u>141,790</u>	<u>108,076</u>
Total current assets	<u>46,101,797</u>	<u>45,444,967</u>
Investments		
Diversified investment pool	171,699,804	172,546,742
Other investments	23,829,757	23,056,428
Supporting organization	<u>9,091,861</u>	<u>9,086,091</u>
Total investments	<u>204,621,422</u>	<u>204,689,261</u>
Other assets		
Contributions receivable	765,866	761,447
Notes receivable	1,321,103	752,668
Property and equipment, net of accumulated depreciation of \$492,395 at 2015 and \$451,563 at 2014	1,199,515	1,226,477
Cash surrender value of life insurance policies	1,883,980	1,879,627
Other	<u>1,100</u>	<u>1,100</u>
Total other assets	<u>5,171,564</u>	<u>4,621,319</u>
Total assets	<u>\$ 255,894,783</u>	<u>\$ 254,755,547</u>

Liabilities and Net Assets

	<u>June 30,</u>	
	<u>2015</u>	<u>2014</u>
Current liabilities		
Current portion of annuities payable	\$ 51,016	\$ 51,542
Current portion of notes payable	<u>135,638</u>	<u>112,046</u>
Total current liabilities	<u>186,654</u>	<u>163,588</u>
Other liabilities		
Annuities payable	350,260	420,352
Notes payable	684,183	753,676
Agency funds	<u>84,409,277</u>	<u>85,698,497</u>
Total other liabilities	<u>85,443,720</u>	<u>86,872,525</u>
Net assets		
Unrestricted	8,490,126	9,054,691
Temporarily restricted	93,152,720	90,910,274
Permanently restricted	<u>68,621,563</u>	<u>67,754,469</u>
Total net assets	<u>170,264,409</u>	<u>167,719,434</u>
Total liabilities and net assets	<u>\$ 255,894,783</u>	<u>\$ 254,755,547</u>

The accompanying notes are an integral part of the financial statements

Statements of Activities

Community Foundation of the Ozarks, Inc.

Statements of Activities

	Year Ended June 30, 2015			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Support and revenue				
Contributions	\$ 1,431,095	\$ 15,394,072	\$ 1,976,460	\$ 18,801,627
Investment income	618,441	1,918,585	-	2,537,026
Management fee revenue	2,203,117	17,954	-	2,221,071
Net realized gain on investment transactions	1,124,759	1,610,446	-	2,735,205
Net unrealized loss on investments	(1,857,965)	(3,424,254)	-	(5,282,219)
Annuity actuarial adjustments	-	23,981	-	23,981
Other revenues	6,766	-	-	6,766
Net assets released from restrictions	12,974,938	(12,974,938)	-	-
Total support and revenue	<u>16,501,151</u>	<u>2,565,846</u>	<u>1,976,460</u>	<u>21,043,457</u>
Expenses				
Grants	14,431,497	-	-	14,431,497
Fund administrative fees	1,765,632	-	-	1,765,632
Cash value life insurance premium expense	76,862	-	-	76,862
Interest expense	14,891	-	-	14,891
Other fund expenses	419,787	-	-	419,787
Management and general	1,977,945	-	-	1,977,945
Total expenses	<u>18,686,614</u>	<u>-</u>	<u>-</u>	<u>18,686,614</u>
Increase (decrease) in net assets	(2,185,463)	2,565,846	1,976,460	2,356,843
Reclassifications	1,620,898	(323,400)	(1,109,366)	188,132
Net assets at beginning of year	<u>9,054,691</u>	<u>90,910,274</u>	<u>67,754,469</u>	<u>167,719,434</u>
Net assets at end of year	<u>\$ 8,490,126</u>	<u>\$ 93,152,720</u>	<u>\$ 68,621,563</u>	<u>\$ 170,264,409</u>

	Year Ended June 30, 2014			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Support and revenue				
Contributions	\$ 817,792	\$ 10,918,930	\$ 3,766,844	\$ 15,503,566
Investment income	589,580	1,498,375	-	2,087,955
Management fee revenue	1,791,377	9,736	-	1,801,113
Net realized gain on investment transactions	332,054	833,971	-	1,166,025
Net unrealized gain on investments	4,176,883	11,109,719	-	15,286,602
Annuity actuarial adjustments	-	(15,743)	-	(15,743)
Other revenues	7,499	-	-	7,499
Net assets released from restrictions	<u>12,277,517</u>	<u>(12,277,517)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>19,992,702</u>	<u>12,077,471</u>	<u>3,766,844</u>	<u>35,837,017</u>
Expenses				
Grants	14,271,450	-	-	14,271,450
Fund administrative fees	1,467,474	-	-	1,467,474
Cash value life insurance premium expense	70,605	-	-	70,605
Interest expense	16,588	-	-	16,588
Other fund expenses	436,319	-	-	436,319
Management and general	<u>1,853,671</u>	<u>-</u>	<u>-</u>	<u>1,853,671</u>
Total expenses	<u>18,116,107</u>	<u>-</u>	<u>-</u>	<u>18,116,107</u>
Increase in net assets	1,876,595	12,077,471	3,766,844	17,720,910
Reclassifications	-	-	-	-
Net assets at beginning of year	<u>7,178,096</u>	<u>78,832,803</u>	<u>63,987,625</u>	<u>149,998,524</u>
Net assets at end of year	<u>\$ 9,054,691</u>	<u>\$ 90,910,274</u>	<u>\$ 67,754,469</u>	<u>\$ 167,719,434</u>

The accompanying notes are an integral part of the financial statements

Community Foundation of the Ozarks, Inc.

Statements of Cash Flows

	Years Ended June 30,	
	2015	2014
Cash flows from operating activities		
Cash received from contributors	\$ 18,680,340	\$ 13,607,202
Interest and dividends received	2,537,026	2,087,955
Net change in agency fund cash	(1,289,220)	13,944,437
Cash paid to grant recipients	(14,431,497)	(14,271,450)
Cash paid to employees and suppliers	(4,226,967)	(3,816,499)
Interest paid	(14,891)	(16,588)
Net cash provided by operating activities	1,254,791	11,535,057
Cash flows from investing activities		
Purchase of property and equipment	(27,105)	(37,220)
Issuance of note receivable	(5,829)	(5,829)
Purchases of investments in diversified pool	(39,154,166)	(15,973,654)
Purchases of other investments	(3,913,463)	(50,346)
Proceeds from sales of commingled investment pools	37,912,487	2,994,118
Proceeds from sales of other investments	2,677,384	2,301,504
Net cash used in investing activities	(2,510,692)	(10,771,427)
Cash flows from financing activities		
Payments on annuity obligations	(51,542)	(58,639)
Issuance of loans payable	(45,901)	(15,231)
Proceeds from contributions restricted for investment in permanent endowment	1,976,460	3,766,844
Net cash provided by financing activities	1,879,017	3,692,974
Net increase in cash and temporary cash investments	623,116	4,456,604
Cash and temporary cash investments at beginning of year	45,336,891	40,880,287
Cash and temporary cash investments at end of year	\$ 45,960,007	\$ 45,336,891

(Continued)

Community Foundation of the Ozarks, Inc.

Statements of Cash Flows

(Continued)

	<u>Years Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
<u>Reconciliation of increase in net assets to net cash provided by operating activities</u>		
Increase in net assets (including reclassifications)	\$ 2,544,975	\$ 17,720,910
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	53,888	50,972
Adjustment in actuarial liabilities	(70,618)	(38,573)
Contributions restricted for long-term investments	(1,976,460)	(3,766,844)
Net realized and unrealized losses gains on investments	2,547,014	(16,452,627)
Net change in investment in supporting organization	(5,770)	7,803
Loss on sale of fixed assets	179	9,085
Decrease (increase) in:		
Contributions receivable	(4,419)	(4,574)
Notes receivable	(602,149)	-
Other assets	5,829	5,829
Increase (decrease) in:		
Annuity obligations	51,542	58,639
Agency funds	<u>(1,289,220)</u>	<u>13,944,437</u>
Net cash provided by operating activities	<u>\$ 1,254,791</u>	<u>\$ 11,535,057</u>

The accompanying notes are an integral part of the financial statements

Community Foundation of the Ozarks, Inc.

Notes to Financial Statements

June 30, 2015 AND 2014

1. Summary of significant accounting policies

This summary of significant accounting policies is presented to assist in understanding the Foundation's financial statements. The financial statements and notes are representations of the Foundation's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America. In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

History and purpose

The Foundation was incorporated in 1973 by a group of Greene County, Missouri citizens who were interested in providing a way for the charitable desires of people to be given permanent, useful expression in furthering the welfare of the community. The Foundation receives, distributes and administers funds for charitable and public purposes for the Springfield Metropolitan area, and 46 regional community foundations serving the southern tier of Missouri.

Basis of presentation

The Foundation prepares its financial statements in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, "Not-for-Profit Entities." Under ASC 958, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Investments

Investments are carried at market value. Most funds participate in either a diversified investment pool or a cash pool using the market value unit method to determine the number of shares to be issued. Realized gains and losses from the diversified investment pool are allocated based on each participating fund's pro-rata share. Funds that don't participate in the Foundation's investment pools are invested individually at other financial institutions and reviewed monthly by CFO staff.

The CFO Board of Directors in 2009 approved committing up to 2% of assets to community investment through low-interest loans when conventional financing sources are not available. This Mission-Related Investment Program and Cultural Investment Fund represents the CFO's commitment to the "double-bottom line" of investing in enterprises that produce both financial and social returns for Ozarks communities, instead of investing assets solely in financial markets.

Restricted and unrestricted support and revenue

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Promises to give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met and the promises become unconditional.

Income taxes

The Foundation is exempt from income taxes under the provisions of the Internal Revenue Code Section 501(a). For the year ended June 30, 2015, the Foundation had no taxable income as a result of unrelated business activities. Accordingly, the financial statements contain no provision for income tax.

Effective July 1, 2009, the Foundation adopted the Financial Accounting Standards Board (FASB) Interpretation, "Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement 109", which was issued in July 2006 and now a part of ASC 740. The interpretation prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as the position the Foundation has taken that the organization is exempt from income taxes.

The Foundation's income tax filings are subject to audit by various taxing authorities. The Foundation's open tax audit periods are 2012 through 2015. In evaluating the Foundation's tax positions, interpretations and tax planning strategies are considered. The Foundation believes their estimates are appropriate based on current facts and circumstances.

Cash equivalents

Cash equivalents represent short-term investments with original maturities of three months or less.

2. Investments

The Foundation holds most of its investments in a diversified investment pool which consists of various mutual fund companies. The remainder of its investments are held in separate accounts at various financial institutions.

Investments are composed of the following classes of securities at June 30:

	2015			
	Diversified investment pool	Other investments	Supporting Organization	Total
Mutual funds and similar investments	\$ 114,825,168	\$ 13,697,405	\$ -	\$ 128,522,573
Bonds and bond funds	14,996,602	2,003,208	-	16,999,810
Common stocks	-	2,421,258	-	2,421,258
Real Estate & other	41,878,034	5,707,886	9,091,861	56,677,781
	<u>\$ 171,699,804</u>	<u>\$ 23,829,757</u>	<u>\$ 9,091,861</u>	<u>\$ 204,621,422</u>
	2014			
	Diversified investment pool	Other investments	Supporting Organization	Total
Mutual funds and similar investments	\$ 120,577,652	\$ 10,486,534	\$ -	\$ 131,064,186
Bonds and bond funds	12,424,826	3,680,776	-	16,105,602
Common stocks	-	796,422	-	796,422
Real Estate & other	39,544,264	8,092,696	9,086,091	56,723,051
	<u>\$ 172,546,742</u>	<u>\$ 23,056,428</u>	<u>\$ 9,086,091</u>	<u>\$ 204,689,261</u>

3. Notes receivable

Notes receivable at June 30, consists of the following:

	<u>2015</u>	<u>2014</u>
Note receivable from Gainsville Biomass dated April 8, 2011 in the original amount of \$1,064,894 to assist the school district with the purchase of a Biomass HVAC Unit. Note is paid in monthly installments of \$9,682, including interest at 1%. Note is scheduled to mature on March 1, 2022.	\$ 752,668	\$ 860,744
Note receivable from Chadwick school district dated April 23, 2015 in the original amount of \$65,250 to assist the school district with the purchase of ground source heat pumps. Note is paid in monthly installments of \$862, including interest at 1%. Note is scheduled to mature on March 23, 2022.	64,553	-
Note receivable from Licking school district dated June 5, 2015 in the original amount of \$205,672 to assist the school district with the purchase of ground source heat pumps. Note is paid in monthly installments of \$1,802, including interest at 1%. Note is scheduled to mature on June 5, 2025.	205,672	-
Note receivable from History Museum dated October 15, 2014 in the original amount of \$440,000 to provide the museum with funds to help with construction costs. Note is paid on maturity date with one payment of \$440,000, including interest at 0.85%. Note is scheduled to mature on April 1, 2017.	440,000	-
Note receivable from History Museum dated October 15, 2014 in the original amount of \$790,000 for the purchase of the museum building. Note is expected to be forgiven on the completion of the history museum which is expected for October 2015. An allowance for the entire amount has been established as management believes that this loan will be forgiven.	-	-
	1,462,893	860,744
Less current portion	141,790	108,076
	<u>\$ 1,321,103</u>	<u>\$ 752,668</u>

4. Supporting organizations

The Foundation is the beneficiary of assets consisting primarily of real estate held by a supporting organization. Under the terms of the supporting organization, the Foundation has the irrevocable right to receive all of the income earned on the assets. The Foundation has recorded its interest in these assets based on the fair value of assets held by the supporting organization. Net gain/(loss) on assets held by the supporting organization of \$5,770 and \$(7,803) were recognized in 2015 and 2014, respectively.

5. Notes payable

Notes payable at June 30, consist of the following:

	<u>2015</u>	<u>2014</u>
Note payable to White River Valley Electric Cooperative, Inc. dated August 18, 2011, in the original amount of \$740,000 with funds used assist the Gainsville school district with the purchase of a Biomass HVAC unit. Note is payable in monthly installments of \$6,852, including interest at 0%. Note is scheduled to mature on July 31, 2021.	\$ 507,032	\$ 582,404
Note payable to White River Valley Electric Cooperative, Inc. dated August 18, 2011, in the original amount of \$360,000 with funds used assist the Gainsville school district with the purchase of a Biomass HVAC unit. Note is payable in monthly installments of \$3,334, including interest at 0%. Note is scheduled to mature on July 31, 2021.	246,644	283,318
Note payable to White River Valley Electric Cooperative, Inc. dated March 23, 2015, in the original amount of \$65,250 with funds used assist the Chadwick school district with the purchase of ground source heat pumps. Note is payable in monthly installments of \$833, including interest at 2%. Note is scheduled to mature on May 23, 2022.	<u>66,145</u>	<u>-</u>
	819,821	865,722
Less current portion	<u>135,638</u>	<u>112,046</u>
	<u>\$ 684,183</u>	<u>\$ 753,676</u>

The maturities of the notes payable during the future fiscal years are as follows:

2016	\$	135,638
2017		131,196
2018		131,377
2019		131,562
2020		131,750
Thereafter		<u>158,298</u>
Total notes payable maturities	\$	<u>819,821</u>

6. Agency funds

Agency funds represent funds held by the Foundation on behalf of other entities that have retained the right to designate the recipients of the earnings and principal of funds. See the accompanying supplemental information for changes in agency funds for the years ended June 30, 2015 and 2014.

7. Net assets

At June 30, 2015, temporarily restricted net assets consisting of gifts and other unexpended revenue and gains totaling \$93,152,720 are available for grants in the areas of human services, education, arts and culture, health, and community betterment. Permanently restricted net assets consist of \$68,621,563 of endowment funds, the earnings from which are spendable for human services, education, arts and culture, health, and community betterment.

Due to investment performance, some of the individual donor restricted endowment funds have fair values that are less than the amount of the corpus by approximately \$749,000. Corpus includes the aggregate of gift additions to the funds and investment return required to be retained. Such endowments are commonly referred to as “underwater” endowments. The Foundation intends to continue to invest its endowment funds prudently so that these funds are restored to their historical corpus amounts and subsequently produce positive earnings that can be used consistent with the purpose of the funds.

8. Pension plans

The Foundation has a defined contribution plan covering the participating employees who make contributions to the Plan. The Foundation makes a contribution to the Plan each month equal to the amount of the participants’ contributions, not to exceed an annual contribution of 5% of the participants’ annual salaries. Total expense for the years ended June 30, 2015 and 2014, were approximately \$45,691 and \$46,415, respectively.

9. Disclosure about fair value of assets and liabilities

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, "Fair Value Measurements and Disclosures", establishes a framework for measuring fair value and expands disclosures about fair value measurements.

ASC 820 defines fair value as 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. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices for identical or similar assets in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying balance sheet, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Available-for-sale securities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange traded equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include investments in hedge funds and real estate investment trusts. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy and include other less liquid securities.

The following tables presents the fair value measurements of assets and liabilities recognized in the accompanying balance sheet measured at fair value on a recurring basis and the level within the ASC 820 fair value hierarchy in which the fair value measurements fall at June 30, 2015 and 2014:

	Fair Value Measurements Using			
	06/30/15 Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Diversified Pool:				
Cash and cash equivalents	\$ 2,798,048	\$ 2,798,048	\$ -	\$ -
Mission related investments	1,367,583	-	-	1,367,583
Vanguard 500 Inst'l Index Fund	10,403,046	10,403,046	-	-
Vanguard Value Index Fund	5,114,984	5,114,984	-	-
Vanguard Total Bond Fund	13,220,410	13,220,410	-	-
Vanguard Energy Fund	4,921,289	4,921,289	-	-
Vanguard Inflation Protected Fund	5,106,296	5,106,296	-	-
Vanguard Dividend Growth Fund	5,118,392	5,118,392	-	-
Vanguard Extended Index Fund	10,491,512	10,491,512	-	-
Artisan Mid Cap Value Fund	5,268,270	5,268,270	-	-
Westfield HSBC	5,209,720	5,209,720	-	-
Artisan International	11,717,117	11,717,117	-	-
Dodge & Cox	5,843,862	5,843,862	-	-
Parametric Emerging Markets	11,654,962	11,654,962	-	-
Met West Total Return	12,836,860	12,836,860	-	-
Voya Real Estate Fund	5,120,400	5,120,400	-	-
Polaris	6,513,396	-	6,513,396	-
Colchester	4,201,626	-	4,201,626	-
Mondrian	4,281,580	-	4,281,580	-
Archstone Equity Strategies Fund	18,589,404	-	-	18,589,404
TAPS Fund	5,071,771	-	-	5,071,771
Blackstone Partners Invest. Fund	16,849,276	-	-	16,849,276
Other investment portfolios:				
Mutual Funds and common stock	16,118,663	16,118,663	-	-
Bonds	2,003,208	-	2,003,208	-
Real Estate and other investment property	5,707,886	-	-	5,707,886
Supporting Organization	<u>9,091,861</u>	<u>-</u>	<u>-</u>	<u>9,091,861</u>
	<u>\$ 204,621,422</u>	<u>\$ 130,943,831</u>	<u>\$ 16,999,810</u>	<u>\$ 56,677,781</u>

	Fair Value Measurements Using			
	06/30/14	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Diversified Pool:				
Cash and cash equivalents	\$ 1,221,357	\$ 1,221,357	\$ -	\$ -
Mission related investments	1,464,624	-	-	1,464,624
Vanguard 500 Inst'l Index Fund	11,692,226	11,692,226	-	-
Vanguard Value Index Fund	6,063,719	6,063,719	-	-
Vanguard Total Bond Fund	12,424,826	12,424,826	-	-
Vanguard Energy Fund	5,626,339	5,626,339	-	-
Vanguard Inflation PS Fund	5,025,625	5,025,625	-	-
Vanguard Dividend Growth Fund	5,591,061	5,591,061	-	-
ING Global Real Estate Fund	5,202,410	5,202,410	-	-
Artisan Mid Cap Value Fund	11,555,829	11,555,829	-	-
Artisan International	12,300,857	12,300,857	-	-
Dodge & Cox	6,613,258	6,613,258	-	-
Parametric Emerging Markets	12,406,626	12,406,626	-	-
PIMCO Total Return	12,436,737	12,436,737	-	-
Nationwide - Geneva	10,794,799	10,794,799	-	-
Polaris	6,606,077	-	6,606,077	-
Colchester	3,781,040	-	3,781,040	-
Mondrian	3,659,692	-	3,659,692	-
Archstone Equity Strategies Fund	17,490,430	-	-	17,490,430
TAPS Fund	4,552,382	-	-	4,552,382
Blackstone Partners Invest. Fund	16,036,828	-	-	16,036,828
Other investment portfolios:				
Mutual Funds and				
common stock	11,282,956	11,282,956	-	-
Bonds	3,680,776	3,680,476	300	-
Real Estate and other				
investment property	8,092,696	1,021,664	-	7,071,032
Supporting Organization	<u>9,086,091</u>	<u>-</u>	<u>-</u>	<u>9,086,091</u>
	<u>\$ 204,689,261</u>	<u>\$ 134,940,765</u>	<u>\$ 14,047,109</u>	<u>\$ 55,701,387</u>

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying Statement of Financial Position using significant unobservable (Level 3) inputs:

	<u>Hedge Funds</u>	<u>Real estate and other</u>	<u>Total</u>
Balance, beginning of year	\$ 39,544,264	\$ 16,157,123	\$ 55,701,387
Transfers in and out of Level 3	-	9,295	9,295
Total realized and unrealized gains and losses included in change in net assets	782,673	(112,808)	669,865
Purchases, issues, sales, and settlements:			
Purchases	1,675,000	539,696	2,214,696
Sales	<u>(123,903)</u>	<u>(1,793,559)</u>	<u>(1,917,462)</u>
Balance, end of year	<u>\$ 41,878,034</u>	<u>\$ 14,799,747</u>	<u>\$ 56,677,781</u>
Change in unrealized gains or losses for the period included in changes in net assets for assets held at the end of the reporting period	\$ 755,810	\$ (18,749)	\$ 737,061

Quantitative information about significant unobservable inputs used in the measurement of fair value for Level 3 investments is not developed by the Foundation and is not considered reasonably available. Therefore, the Foundation is not subject to the disclosure requirements under FASB Codification Topic 820 Fair Value Measurement regarding quantitative information about significant unobservable inputs used in Level 3 fair value measurement.

Additional disclosures as required per FASB Codification Topic 820 set forth in the following table are certain private equity funds' redemption frequency and redemption notice periods:

	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
The TAP Fund, Ltd (Class USD T-Bill)	\$ 5,071,771	monthly	5 days
Blackstone Partners Offshore Fund Ltd.	16,849,276	semi-annual	95 days
Archstone Equity Strategies Fund, Ltd.	18,589,404	quarterly	90 days

10. Reclassifications

From time to time, the Foundation reviews its classifications of temporarily and permanently restricted net assets. As part of the review process, funds are analyzed and reclassified if needed. This year, the Foundation noted funds whose restrictions had expired in prior years and where therefore transferred to unrestricted fund balance.

11. Litigation

The Foundation is currently involved in litigation with a nonprofit organization concerning a dispute of a charitable funds transfer of \$500,000.00 which occurred in 2004. Because the Foundation has not formed a conclusion on the outcome, they express no opinion on the outcome or the range of potential loss.

The Foundation is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material effect on the financial position of the Foundation.

12. Subsequent events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 12, 2015, the date the financial statements were available to be issued.

Supplemental Information

Community Foundation of the Ozarks, Inc.
Schedule of Combined Foundation and Agency Funds Activity

	<u>Year Ended June 30, 2015</u>			<u>Year Ended June 30, 2014</u>		
	Foundation Funds	Agency Funds	Total	Foundation Funds	Agency Funds	Total
Support and revenue						
Contributions	\$ 18,801,627	\$ 19,257,559	\$ 38,059,186	\$ 15,503,566	\$ 31,042,315	\$ 46,545,881
Investment income	2,537,026	965,064	3,502,090	2,087,955	960,177	3,048,132
Management fee revenue	2,221,071	-	2,221,071	1,801,113	-	1,801,113
Net realized gain on investment transactions	2,735,205	601,865	3,337,070	1,166,025	275,895	1,441,920
Net unrealized gain (loss) on investments	(5,282,219)	(1,293,097)	(6,575,316)	15,286,602	4,747,196	20,033,798
Other revenues	6,766	-	6,766	7,499	-	7,499
Annuity actuarial adjustments	23,981	-	23,981	(15,743)	-	(15,743)
Total support and revenue	<u>21,043,457</u>	<u>19,531,391</u>	<u>40,574,848</u>	<u>35,837,017</u>	<u>37,025,583</u>	<u>72,862,600</u>
Expenses						
Grants	14,431,497	19,839,366	34,270,863	14,271,450	22,334,024	36,605,474
Fund administrative fees	1,765,632	642,419	2,408,051	1,467,474	573,067	2,040,541
Cash value life insurance premium expense	76,862	-	76,862	70,605	-	70,605
Interest expense	14,891	829	15,720	16,588	3,705	20,293
Other fund expenses	419,787	149,865	569,652	436,319	170,350	606,669
Management and general	1,977,945	-	1,977,945	1,853,671	-	1,853,671
Total expenses	<u>18,686,614</u>	<u>20,632,479</u>	<u>39,319,093</u>	<u>18,116,107</u>	<u>23,081,146</u>	<u>41,197,253</u>
Increase in available funds	2,356,843	(1,101,088)	1,255,755	17,720,910	13,944,437	31,665,347
Reclassifications	188,132	(188,132)	-	-	-	-
Total - beginning of year	<u>167,719,434</u>	<u>85,698,497</u>	<u>253,417,931</u>	<u>149,998,524</u>	<u>71,754,060</u>	<u>221,752,584</u>
Total - end of year	<u>\$ 170,264,409</u>	<u>\$ 84,409,277</u>	<u>\$ 254,673,686</u>	<u>\$ 167,719,434</u>	<u>\$ 85,698,497</u>	<u>\$ 253,417,931</u>

See independent auditor's report.