Community Fund Management Foundation
2016 Annual Report

About
Community Fund Management Foundation

Community Fund Management Foundation ("CFMF") is a non-profit, tax-exempt (501(c)(3)) foundation that develops and makes available several types of trusts that benefit individuals who are disabled (as defined by the Social Security Administration). The purpose of these trusts is to use private funds to enhance the beneficiary's quality of life while attempting to safeguard eligibility for government benefits. Equity Trust serves as the trustee. CFMF serves as trust advisor and is responsible for administering the trust accounts. CFMF receives and review the requests for distributions from trust accounts with the assistance of its review committee.

CFMF is pleased to offer services throughout the State of Ohio and currently administers trusts in almost all of Ohio's eighty-eight counties. Our administrative office is in Northeast Ohio and our associate directors are located in Central and Southern Ohio. CFMF routinely provides educational support to disability organizations, professional groups, and families. Through the use of our endowment, perpetual trust, and partnerships with Jewish Federation of Cleveland, Hattie Larlham Foundation, The Arc of Ohio, and Association for the Developmentally Disabled, CFMF is an active contributor to our disability communities.

Amanda M. Buzo, Esq.

Executive Director's Report

I have served as Executive Director for one year and I am proud to share that this past year has been busy in the best way possible. CFMF has encountered a record number of new trust applications in the first half of 2016, surpassing our projections and allowing us a level of comfort for the remainder of the calendar year despite the ongoing changes in Ohio.

And what changes there have been! Ohio's ABLE program, STABLE, was the first in the country and became available in June 2016. I have been asked if I am concerned that STABLE could negatively impact CFMF. First and foremost, CFMF exists to assist people with disabilities. I strongly believe that if there is an option that is more advantageous to the individual than CFMF, then it should be explored and I will gladly support it. Because STABLE Accounts limit annual contributions to the annual gift tax exclusion (currently $14,000 per year) and also requires Medicaid payback to the state at the death of the beneficiary, I believe there is plenty of room in Ohio for both STABLE and CFMF.

I am also frequently asked about CFMF's role in the administration of QITs, also known as Qualified Income Trusts or Miller Trusts. Our existing Master and Pooled Medicaid Payback Trusts are not QITs. At the current time, CFMF is not serving as administrator of QITs, but interested parties should watch our website in the event CFMF's Board elects to offer this service.

Our commitment to community education and outreach continues to be a significant priority. CFMF renewed its membership in NAMI for the eighth consecutive year. Our Southern Ohio Associate Director, Attorney Laura Drake, has had numerous speaking engagements and exhibitor opportunities focused primarily in the counties south of Franklin County. I had the pleasure of speaking at The City Mission, the Cuyahoga County Board of Developmental Disabilities' annual Planting the Seeds seminar, multiple Developmental Disability Boards, Jewish Federation Services Association (JFSA), and the Jewish Federation of Cleveland's Annual Tax Institute. I look forward to speaking at the Cuyahoga Metropolitan Bar Association's annual Estate Planning Institute in October. Our Administrative Office has also participated in multiple exhibitor opportunities, such as OPRA, Milestones, and transitional fairs throughout Ohio.

I attended the national PLAN conference this year, which was an exciting opportunity to meet pooled trust administrators from other states and learn what works, and sometimes what doesn't work, in their programs. It was a great warm-up to attending the annual Stetson Conference in October. I will attend an entire day devoted to pooled trust administration, as well as two additional days discussing public benefits and special needs trust administration in general. I am excited to hear if the speakers from the Social Security Administration will state what many of us advocates are waiting for; namely, that special needs trusts can distribute assets to an ABLE account without penalty to an SSI recipient. If that occurs, many new planning opportunities will be available to SSI recipients and their loved ones.

CFMF is pleased that Joseph Bennett accepted the position of Client Liaison after his training period concluded and has joined our Administrative Office team that includes Executive Manager Evelyn Porter, Senior Client Liaison Lana Ellis, and Administrative Assistant L. Pauley. We wish former Client Liaison Jean Bayer well as she uses her degree in social work to help children suspected of being neglected or abused.

I have enjoyed this last year immensely and look forward to improving our services for our current clients, potential clients, and the attorneys who recommend CFMF to their clients. One of my favorite quotes is from Winston Churchill, who said "To improve is to change; to be perfect is to change often." While our core mission and goals remain the same, we strive to implement positive change. We may never be perfect, but it won't hurt us to try. I am working with our team and outside consultants to embrace available technology and even, in some instances, develop our own in order to allow trust establishment, information, and distribution requests to be even more accessible. We've come a long way since CFMF was first formed and accepted its first Joinder Agreements, and the possibilities for CFMF's future are endless.

> "While our core mission and goals remain the same, we strive to implement positive change."

Richard B. Dusterberg, Esq.
Letter from the Chairperson

This is a milestone year. In January, 1996, the Foundation accepted its first application for participation in the Master Trust. In June of that year it accepted an application to the pooled Medicaid Payback Trust. Ten years later the Foundation held a portfolio of some 850 trusts.

Now at the end of its second decade our Foundation has a portfolio of nearly 2,500 trusts without considering those additional trusts that have terminated or have been depleted to zero. This is extraordinary progress but only a precursor of things to come. We now consistently open 30-40 new trust accounts per month. The Community Fund Management Foundation is one of the largest pooled trust organizations in the United States.

"Our Foundation is organized and structured for the future."

This has been accomplished in an environment increasingly complex. In June your Board devoted two days of deliberations to new developments in the world of special needs financial planning and to the demands placed upon our Executive Director and her staff as we discharge increasing responsibilities and consider new opportunities. There are broad questions of policy and direction as well as management issues that require constant reappraisal.

Several highlights of the year deserve mention. As Chairman of the Board's planning committee, Kevin Crane, brought to the Board a program for distributing our excess funds, established as an endowment, to individuals with disabilities and to charitable organizations that support the disabilities community. We have made 8 grants so far this year totaling $ 70,170.50. In another major undertaking Lou Geneva leads our team in negotiations to secure longer, more mutually satisfying arrangements with our trustee, investment advisor and third party administrator. Gentlemen, I thank you for your devotion to these important undertakings.

Further, we welcomed attorney Maggie Sutton of Columbus to our Board. Maggie is singularly conversant with emerging directions in special needs and elder care planning. Through her the Foundation will be abreast of developments in our State capitol.

Reflecting on my two years as Chairman, I remember my remarks at the annual meeting last September. I observed that our organization has grown from infancy to maturity and that we must be sure that policies, protocols and systems sufficient to support a mature organization are in place. Staff personnel should not be expected to remember prior decisions; they should be recorded and accessible so that policies are consistent. I am pleased to report that our new Executive Director, Amanda Buzo, responded enthusiastically to this charge. Our Foundation is organized and structured for the future.

Looking to that future, I see the need to broaden our contacts and exposure. We serve only Ohio clients but the world of special needs planning is national. There are now numerous organizations with similar objectives in other states, some narrowly focused on financial assistance, others with broader perspectives. It will be useful to become acquainted with these companion organizations and to participate in conferences and dialog with others so engaged. I am pleased that our Executive Director shares these convictions. She is establishing relationships that will serve her and our Foundation well.

Finally, I want to declare to all my respect for and thanks to our Executive Director, Amanda Buzo. She has taken the reins of the Foundation with enthusiasm and a breadth of knowledge beyond our expectations. I am confident that Amanda will lead the Foundation to new and unanticipated achievements.

I vacate the Board's Chair with thanks to my colleagues who allowed me to occupy it. It has been a privilege to serve here.

Laura L. Drake, Esq.

Associate Director's Report

I am so amazed and happy that I am about to finish my sixth year at Community Fund Management Foundation! This past year has seen a lot of changes at Community Fund, and it's wonderful to see the organization grow and prosper.

I always feel like a big part of my job is attending provider fairs, walks and outreach events, and even after all these years, I keep discovering new events where I can let people know about Community Fund. Oftentimes I discover an event because someone who heard me speak at one location invites me to their walk or provider fair. The community involved with individuals with special needs is constantly growing as more and more people want to give back and be involved. It is an amazing network of individuals and groups and I feel very grateful to be a part of it.

As a representative from Community Fund, I am continuing my work with the Common Threads Network, which does outreach to the Developmental Disability communities in the four counties of Hamilton, Warren, Butler and Clermont. Common Threads has taken the bylaws enacted over a year ago and started to move forward. It has registered its name with the Secretary of State, has its first slate of officers. During this time, the group has scaled back on events. Though we held four last year (I was one of the featured speakers at the event in Clermont County), we have only scheduled one this year so far. We are planning an event to discuss the ABLE Act, Ohio's STABLE account, and how it can be used in conjunction with an existing or future special needs trust.

Finally, it has been a great year working with our new fearless leader, Amanda Buzo. Amanda is a wonderful colleague. Kudos to the Board for a wonderful choice! With so many changes in 2015, I had been worried that I would miss the quick response to a question that I always had from Dave Zwyer, but Amanda is so proactive and responsive, that I only get to miss Dave Zwyer as a person. I will also miss Dave as a former Buckeye as he and his wife have relocated to Colorado (I do receive the occasional updates from him). All the staff in Strongsville is so supportive and allow me to ask questions, bounce off ideas, and help me and the organization as a whole grow.

> "This past year has seen a lot of changes at Community Fund, and it's wonderful to see the organization grow and prosper."

Janet L. Lowder, Esq. | Elena A. Lidrbauch, Esq.
Hickman & Lowder Co., LPA

Letter from Legal Counsel

Last year CFMF celebrated 20 years of existence. That same year, the first CFMF Master Trust Agreement was signed with Fifth Third Bank to serve as the initial trustee. The following year, the first CFMF Pooled Medicaid Payback Trust was adopted also with Fifth Third Bank serving as trustee.

A recent discussion about CFMF's history got me thinking about the number of times we have revised these two trust agreements since 1995. Well it turns out that while the first born Master Trust has been amended or restated four times, the later born Pooled Medicaid Payback Trust has been amended or revised twelve times. One may wonder why there is the need to revise the documents and why one trust requires more frequent revisions than the other. So far, there have been three reasons that necessitated the trust language be revised. 1) A change in trustees. Any time a trustee resigns or CFMF removes a trustee and appoints a successor, the trust document must be amended. This has occurred twice in CFMF's history. 2) A change in either federal or state law that impacts either public benefits such as SSI or Medicaid, or changes to Ohio's laws regarding trusts may require that the trusts be amended. 3) Social Security Administration's interpretation of its own guidelines or changes to such guidelines. This last category impacts trust beneficiaries receiving Supplemental Security Income or SSI.

It is these last two reasons that are behind the multiple revisions to the Pooled Medicaid Payback Trust. But why only one trust and not the other? The simple answer is that the two trusts are very different and are subject to different rules.

The Master Trust may be established by anyone, except the beneficiary. It may be funded with anyone's funds, except the beneficiary's. Upon the death of the beneficiary, the funds remaining in the trust go wherever the grantor (person who established the trust sub-account) directs.

In contrast, the Pooled Medicaid Payback Trust may be established by the beneficiary, a parent, grandparent, guardian or court. It is funded with the beneficiary's funds, or funds that the beneficiary is legally entitled to. Think of an inheritance, an existing bank account in the beneficiary's name, a settlement or an award from a lawsuit, excess SSI or SSDI benefits, etc. Upon the death of the beneficiary, if the beneficiary does not elect to leave remaining funds with CFMF (to be used in furtherance of its charitable purposes), the state has priority over anyone else to be reimbursed for the Medicaid it paid on behalf of the beneficiary.

So is it because the Pooled Medicaid Payback Trust is funded with the beneficiary's own funds that there is higher scrutiny by state agencies and the Social Security Administration? Probably. In our experience the highest scrutiny seems to fall on those beneficiaries who are receiving or applying for SSI benefits.

There are a number of steps a beneficiary or prospective beneficiary (or their legal representative) can take to minimize either denial or disruption of their benefits in the future.

- Provide notice to the public benefit agencies (Social Security Administration for SSI benefits, Ohio Department of Medicaid for Medicaid recipients) that a trust has been established and funded. Provide copies of the trust agreement, joinder and any deposits. It is important to provide timely notice.
- Provide notice to the same public agencies anytime there are additional deposits made to the trust or any other change in the beneficiary's circumstances (i.e., income, resources, change of address, institutionalization).
- At annual redeterminations, cooperate with the agency's request for information about the trust. They are entitled to see statements regarding trust activity. CFMF is available to provide this information upon request.
- Notify CFMF if the beneficiary receives a denial or termination notice. If CFMF determines that the denial is due to the trust language, CFMF will take corrective action and will appeal such a decision on behalf of the beneficiary.

Finally, it is important that every beneficiary (or legal representative) consult with legal counsel experienced in special needs trusts and public benefits requirements and who can assist the beneficiary with meeting notice and other requirements imposed by SSA and Medicaid. While CFMF may answer basic questions, the staff cannot provide legal advice and will encourage the beneficiary to consult with an attorney. In addition, CFMF requires that any joinder application be prepared and submitted by an attorney.

Kemper Arnold, Esq., of Vantage Financial Group

Report from Third Party Administrator

Since January 1, 2014, Vantage Financial Group has had the privilege of serving as the Third Party Administrator and Investment Advisor Representative for the Investment Portfolio to the Community Fund Management Foundation. Vantage has a strong and meaningful partnership with the special needs community and has gratefully served this group for more than 30 years.

Vantage is a nationally recognized provider of Specialized Third Party Administration Services. A brief summary of administration services provided to the Community Fund includes the coordination and oversight of all transaction activity of each of the individual trust accounts in the pooled trust. The Third Party Administrator responsibilities include the tracking of daily account balances, coordination of account transaction activity including the tracking of approved distribution checks as directed by Community Fund and issued by Equity Trust Company, Trustee, 24 hour check processing of approved distribution requests and 24/7 website access for individuals to view daily and monthly activity, to print monthly statements and to view historical documents. All of these services are provided by utilizing sophisticated, customized software and proprietary systems designed by Vantage to address all administrative services required by the Community Fund.

By way of example, working directly with Equity Trust Company, Trustee, in the first seven months of 2016, the Community Fund has approved a total of 4,643 contribution and distribution transactions, averaging 663 transactions per month. Contributions in that same period increased 13.5% over 2015 contributions for the same period. Approved distributions during that same seven month period in 2016, increased by 14.2%.

The Community Fund, Equity Trust and Vantage Financial Group have assembled a special team of individuals who work together with discipline and unparalleled efficiency. For the past three years, Vantage Financial Group has been honored to work as Third Party Administrator with each of these dedicated team members and the Board of Directors of the Community Fund Management Foundation. We look forward to continuing this productive relationship in the coming years.

"The Community Fund, Equity Trust and Vantage Financial Group have assembled a special team of individuals who work together with discipline and unparalleled efficiency."

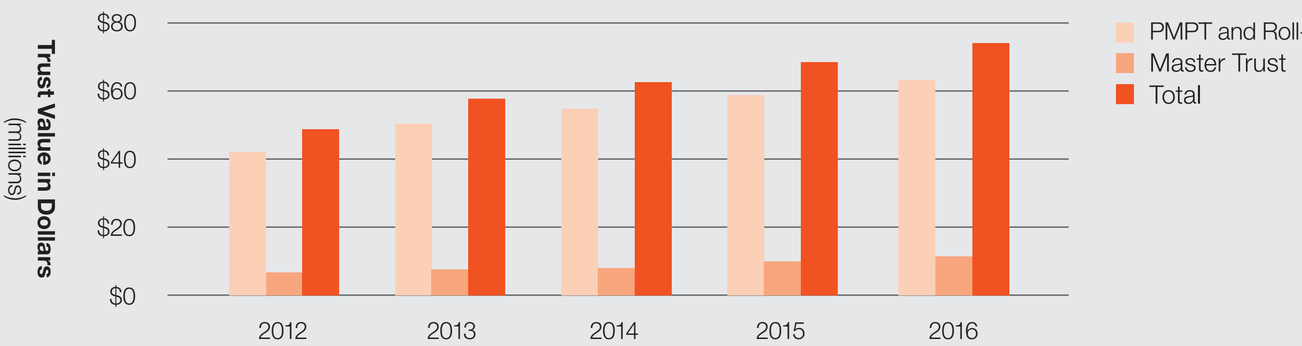
Community Fund Management Foundation Figures

Distribution Highlights

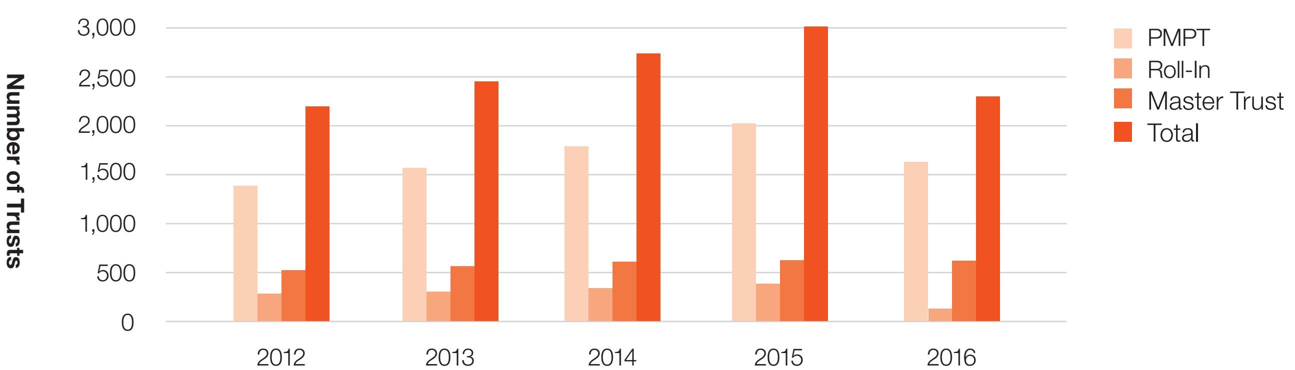
	2016	2015	2014	2013	2012
Distributions Submitted	$6,571,483.99	$5,171,925	$6,437,932	$6,008,432	$6,764,378
Distributions Approved	$6,366,831.65	$4,961,272	$5,150,298	$5,137,526	$5,983,211
Distributions Denied	$204,652.34	$210,653	$1,287,634	$870,896	$781,160
Percentage Approved	96.89%	95%	80%	85.57%	88.5%

Trust Account Details

Trust Value in Dollars	2016	2015	2014	2013	2012
PMPT and Roll-In	$62,558,197	$58,709,991	$54,727,147	$50,275,120	$42,081,965
Master Trust	$10,676,692	$9,725,639	$7,792,669	$7,428,678	$6,509,628
Total	$73,234,889	$68,435,630	$62,519,816	$57,703,798	$48,591,593



Number of Trusts by Type	2016	2015	2014	2013	2012
PMPT	1639	2023	1797	1594	1401
Roll-In	100	363	340	314	288
Master Trust	600	628	589	546	513
Total	2339	3014	2726	2454	2202



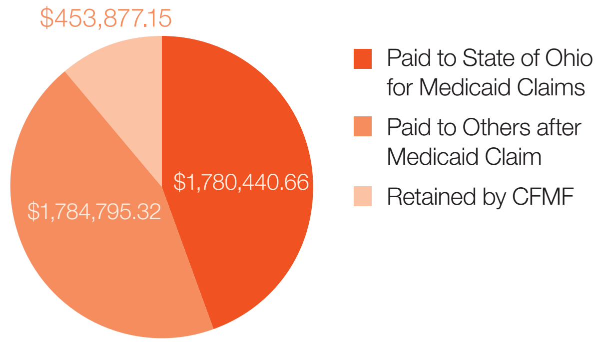
Community Fund Management Foundation

Figures (continued)

Misc. Facts and Figures

Value of Trust Assets at the Death of a Beneficiary
for the period of 9/1/15-8/31/16

Paid to State of Ohio for Medicaid claims	$1,780,440.66
Paid to Others after Medicaid claim	$1,784,795.32
Retained by CFMF	$453,877.15
Retained by Jewish Federation of Cleveland	$-
Retained by Hattie Larlham	$-
Retained by ADD	$-
Retained by The Arc of Ohio	$-
Total	$4,019,113.13



New Trusts Established
as of 08/26/16

PMPT and Roll-In	335
Master	44
Total	379

Number of New Trusts Naming One of Our Partners
during the period of 9/1/15-8/31/16

PMPT and Roll-In	15
Master Trust	0
Total	15

Assets Under Management
as of 08/26/16
$77,661,354.56

Number of Active Trusts
as of 08/31/16
1897

Approved Grant Requests
for the period of
1/1/16 - 08/31/16
$70,170.50

"...the possibilities for CFMF's future are endless."

Community Fund Management Foundation
Notable People

Board of Directors

Richard B. Dusterberg, Esq.
Chairperson
Hamilton County

Kevin A. Craine, Esq.
Vice-Chairperson
Franklin County

Philip S. Kaufmann, Esq.
Treasurer
Summit County

Laura Mathews
Secretary
Stark County

Norman Bresky
Cuyahoga County

Blaine P. Brockman, Esq.*
Franklin County

Louis B. Geneva, Esq.
Cuyahoga County

Kelly Petty, MPA
Cuyahoga County

Maggie L. Sutton, Esq.**
Franklin County

Nirakar "Nic" Thakur, Esq., MBA
Lucas County

Frances Elliott Ulrich, M.Ed., Ed.D.
Cuyahoga County

NORC/SORC Committee Members***

Eric Hammer, CPA, MBA, CPFO

Janet L. Lowder, Esq.

Loma L. Swett, Esq.

CFMF Staff

Amanda M. Buzo, Esq.
Executive Director

Laura L. Drake, Esq.
Associate Director, Southern Ohio

Evelyn A. Porter
Executive Manager

Svetlana "Lana" Ellis
Senior Client Liaison

Joseph Bennett
Client Liaison

Lenna "L" Pauley
Administrative Assistant

Alyssa K. LaPlaca
Trust Development Coordinator

Trustee

Equity Trust Company

Third-Party Administrator

Vantage Financial Group

* Resigned due to a conflict in 2016

** Joined the Board in 2016

*** NORC = Northern Ohio Review Committee/
SORC = Southern Ohio Review Committee

CFMF is pleased to offer services

throughout the State of Ohio

379
New Trusts Established

$6,366,832
Total Distributions

$77,661,355
in Assets

3
Locations

81
Counties served

Hobe & Lucas | Certified Public Accountants. Inc.
Independent Auditors' Report

To the Board of Directors
Community Fund Management Foundation, Inc.
Strongsville, Ohio

We have audited the accompanying financial statements of the Community Fund Management Foundation, Inc. (a nonprofit corporation) which comprise the Statement of Financial Position as of December 31, 2015, and the related Statements of Activities, Functional Expenses and Cash Flows for the year 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 the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 Fund Management Foundation as of December 31, 2015 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Community Fund Management Foundation, Inc. as of December 31, 2014, were audited by other auditors whose report dated August 4, 2015, expressed an unmodified opinion on those statements.

Hobe & Lucas
Certified Public Accountants. Inc.

4807 Rockside Road
Suite 510
Independence, Ohio 44131

July 28, 2016

December 31, 2015 and 2014

Statements of Financial Position

Assets

Current Assets	2015	2014
Cash and cash equivalents	$351,084	$288,042
Short term investments	338,905	339,954
Accounts receivable:		
Trade	6,750	5,650
Client trust reimbursements	8,719	10,082
Prepaid expenses	2,265	2,109
Total Current Assets	707,723	645,837
Property and Equipment		
Equipment	53,445	43,229
Furniture	40,153	40,153
	93,598	83,382
Less: Accumulated depreciation	(61,475)	(51,600)
Net Property and Equipment	32,123	31,782
Other Assets		
Investments:		
Perpetual trust, restricted by the Board of Directors	2,481,782	2,172,962
Endowment account, restricted by the Board of Directors	575,985	413,522
	3,057,767	2,586,484
Deposits	3,051	3,051
Total Other Assets	3,060,818	2,589,535
Total Assets	**$3,800,664**	**$3,267,154**

Liabilities and Net Assets

Current Liabilities	2015	2014
Accounts payable	1,876	11,241
Accrued expenses:		
Payroll expenses and related liabilities	7,945	11,282
Total Current Liabilities	9,821	22,523
Net Assets (Deficit)		
Unrestricted net assets	733,076	658,147
Unrestricted net assets - Board Designated	3,057,767	2,586,484
Total Net Assets (Deficit)	3,790,843	3,244,631
Total Liabilities and Net Assets	**$3,800,664**	**$3,267,154**

The accompanying notes are an integral part of these financial statements.

Years Ended December 31, 2015 and 2014

Statements of Activities

Changes in Net Assets

Unrestricted Support and Revenue	2015	2014
Set-up fees	$317,105	$258,250
Annual trust fees	409,802	374,762
Net realized and unrealized appreciation (depreciation) of investments, net of fees of $28,999 in 2015 and $27,282 in 2014	(45,354)	37,197
Interest and dividend income	64,108	54,008
Contributions	424,435	246,472
Loss on disposal of property	-	(572)
Other income	75	402
	1,170,171	970,519
Unrestricted Expenses		
Program services	535,879	521,940
Management and general	88,080	87,444
	623,959	609,384
Increase in Unrestricted Net Assets	546,212	361,135
Unrestricted Net Assets - Beginning of Year	3,244,631	2,883,496
Unrestricted Net Assets - End of Year	$3,790,843	$3,244,631

The accompanying notes are an integral part of these financial statements.

Year Ended December 31, 2015

Statement of Functional Expenses

Expenses

	Program Services	Management and General	Totals
Personnel	$336,121	$44,185	$380,306
Office expenses	48,161	6,567	54,728
Professional fees	63,116	24,173	87,289
Rent	42,247	5,761	48,008
Travel and meetings	21,287	2,903	24,190
Trustee fees	3,414	-	3,414
Insurance	1,800	1,800	3,600
Depreciation	8,690	1,185	9,875
Other expenses	11,043	1,506	12,549
	$535,879	**$88,080**	**$623,959**

Year Ended December 31, 2014

Expenses

	Program Services	Management and General	Totals
Personnel	$324,324	$41,241	$365,565
Office expenses	61,786	8,425	70,211
Professional fees	25,284	23,770	49,054
Rent	35,641	4,860	40,501
Travel and meetings	31,068	4,237	35,305
Trustee fees	19,336	-	19,336
Insurance	1,818	1,818	3,636
Depreciation	10,367	1,414	11,781
Other expenses	12,316	1,679	13,995
	$521,940	**$87,444**	**$609,384**

The accompanying notes are an integral part of these financial statements.

Years Ended December 31, 2015 and 2014

Statements of Cash Flow

Cash Flows From Operating Activities	**2015**	**2014**
Increase in net assets	$546,212	$361,135
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net (appreciation) depreciation investments	45,354	(37,197)
Depreciation of property and equipment	9,875	11,781
Loss on disposal of property	-	572
(Increase) decrease in:		
Accounts receivable	263	77,230
Prepaid expenses	(156)	(205)
Increase (decrease) in:		
Accounts payable	(9,365)	5,932
Client trust deposits	-	(34,914)
Accrued expenses	(3,337)	(94,739)
Net Cash Provided by Operating Activities	588,846	289,595

Cash Flows From Investing Activities		
Purchase of furniture and equipment	(10,216)	(2,590)
Purchases of short-term investments	(5,243)	(7,352)
Additions to endowment account	(162,463)	(109,800)
Withdrawals from endowment account	-	66,981
Additions to perpetual trust	(479,009)	(288,382)
Withdrawals from perpetual trust	131,127	114,780
Net Cash Used by Investing Activities	(525,804)	(226,363)
Net Increase in Cash and Cash Equivalents	63,042	63,232
Cash and Cash Equivalents - Beginning of Year	288,042	224,810
Cash and Cash Equivalents - Ending of Year	$351,084	$288,042

The accompanying notes are an integral part of these financial statements.

Notes to
The Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

The Community Fund Management Foundation, Inc. (the Foundation) is a non-profit organization, established in 1993, to develop and make available trust vehicles, education, and related services that help enable individuals with disabilities to use private funds to enhance their quality of life while attempting to safeguard their eligibility for governmental benefits. Revenues consist primarily of set up fees and annual fees associated with these trusts, investment income and contributions.

Basis of Accounting

The accompanying financial statements have been prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America, as prescribed in the American Institute of Certified Public Accountants' Audit and Accounting Guide: Not-For-Profit Entities. The following information summarizes the accounting basis:

Financial Statement Presentation

The Foundation classifies net assets, revenues, gains and other support and expenses based on the existence or absence of donor imposed restrictions. Accordingly, net assets and the changes therein are classified and reported in three categories, as follows:

Unrestricted Net Assets

Unrestricted net assets are either not subject to donor-imposed stipulations or are subject to such restrictions but those restrictions have been met in the same fiscal period that the revenue is recorded.

Temporarily Restricted Net Assets

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. As of December 31, 2015 and 2014, the Foundation had no temporarily restricted net assets.

Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor-imposed stipulations that must be maintained permanently by the Foundation. As of December 31, 2015 and 2014, the Foundation had no permanently restricted net assets.

Accounts Receivable

Accounts receivable are considered to be fully collectible. Management believes no allowance for doubtful accounts is required.

Property and Equipment

Property and equipment are stated at cost. Renewals and betterments are capitalized. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over various estimated useful lives consisting of periods from three to ten years.

Statements of Cash Flows

The Foundation considers all highly liquid investments at time of purchase with an original maturity date of three months or less to be cash equivalents. There were no cash payments for interest or income taxes during the years ended December 31, 2015 and 2014.

Investments

Investments are carried at fair value and consist of marketable equity, bond funds, and money market funds. Investments with readily determinable fair values are reported at quoted market values. Realized and unrealized gains and losses are recognized in the accompanying statements of activities.

Revenue Recognition

Trust set-up fees are recognized as revenue during the fiscal year the trust is originally established. Annual fees are billed in advance and are recognized as revenue in the period in which the fees are billed.

Contributions are recognized at fair value when a donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by a donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Unconditional promises to give are considered to be fully collectible; accordingly, no allowance for uncollectible promises to give is required.

Notes to The Financial Statements (continued)

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Compensated Absences

Employees of the Foundation are entitled to paid vacation, sick and personal days off, depending on their job classifications. None of these benefits vest and vacation leave is expensed as incurred.

Income Taxes

The Foundation is a private, non-profit organization, and is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. None of the Foundation's present or anticipated future activities are subject to taxation as unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

There have been no interest or penalties recognized in the Statements of Financial Position or the Statements of Activities relating to uncertain tax positions. Additionally, no tax positions exist for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease during the next 12 months. The Foundation evaluates uncertain tax positions, if any, on a continual basis. The Foundation's Federal tax returns are generally subject to examination by the IRS for the years 2013 and after.

Functional Allocation of Expenses

The costs of administering trusts and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated between program expenses and management and general expenses using various allocation methods which attempt to allocate the costs equitably in relation to the benefits provided.

Disclosure of Subsequent Events

The Foundation has evaluated all subsequent events through the date the accompanying financial statements were available to be issued (July 28, 2016) for proper accounting and disclosure in the accompanying financial statements.

Reclassifications

Certain balances in the December 31, 2014 financial statements have been reclassified to conform with the 2015 presentation.

Use of Accounting Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make certain estimates that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. Actual results could differ from those estimates.

Note 2 - Fair Value Measurements

Fair value is defined as the price that the Foundation would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in a principal market, or in the absence of a principal market the most advantageous market for the investment or liability. A three tier hierarchy has been established to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Foundation's investments.

The various inputs that may be used to determine the fair value of the Foundation's assets are summarized in the three broad levels:

Level 1 - Inputs represent unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access as of the measurement date.

Level 2 - Represents observable inputs other than quoted prices in active markets for identical assets.

Level 3 - Represents unobservable inputs supported by little or no market activity significant to the fair value measurements.

The following is a summary of the inputs used as of December 31, 2015 and 2014 in valuing the Foundation's investments carried at fair value:

Fair Value Measurements

Investment Category	Fair Value	Level 1	Level 2	Level 3
December 31, 2015 Short-Term Investments:				
Cash Equivalents	$2,253	$2,253	-	-
Bond Funds	336,652	-	336,652	-
	338,905	$2,253	$336,652	-
December 31, 2015 Long-Term Investments:				
Cash Equivalents	$710,001	$710,001	-	-
Fixed Income Bonds	940,595	-	940,595	-
Equities	1,407,171	-	1,407,171	-
	$3,057,767	$ 710,001	$ 2,347,766	-
December 31, 2014 Short-Term Investments:				
Cash Equivalents	$22,702	22,702	-	-
Bond Funds	317,252	-	317,252	-
	339,954	22,702	$317,252	-
December 31, 2014 Long-Term Investments:				
Cash Equivalents	$543,900	$543,900	-	-
Fixed Income Bonds	814,861	-	814,861	-
Equities	1,227,723	-	1,227,723	-
	$2,586,484	$543,900	$2,042,584	-

All Level 2 investments have been valued using the market approach. Transfers from Level 2 investments to Level 1 investments totaled $259,309 in 2015 and $239,863 in 2014.

Notes to
The Financial Statements (continued)

Note 3 - Concentrations

At various times during the years ended December 31, 2015 and 2014, cash balances exceeded federally insured limits.

Note 4 - Unrestricted Net Assets - Board Designated

Unrestricted Net Assets - Board Designated consists of investments held in the Perpetual Trust and in the Endowment Account, which are internally restricted by the Foundation's Board of Directors. Because these investments and the related net assets are free of external restrictions, they have been classified as "unrestricted" in the accompanying Statements of Financial Position.

Note 5 - Investments

Investments as of December 31, 2015 and 2014 consist primarily of common stocks, bond funds and equity funds. Original cost, fair value, unrealized appreciation and investment income at December 31, 2015 and 2014 is summarized to the right:

Investments

December 31, 2015	Original Cost	Fair Value	Unrealized Apprec. (Deprec.)	Interest and Dividend Income
Short-Term Investments:				
Cash Equivalents	$2,253	$2,253	-	$961
Fixed Income Securities	347,524	336,652	(10,872)	8,655
	$349,777	$338,905	$(10,872)	$9,116
Long-Term Investments:				
Perpetual Trust	$2,381,423	$2,481,782	$100,359	$54,574
Endowment Account:				
Cash Equivalents	575,985	575,985	-	418
	$2,957,408	$3,057,767	$100,359	$54,992
December 31, 2014				
Short-Term Investments:				
Cash Equivalents	$22,702	$22,702	-	$733
Fixed Income Securities	323,431	317,252	(6,179)	9,517
	$346,133	$339,954	$(6,179)	$10,250
Long-Term Investments:				
Perpetual Trust	$2,106,090	$2,172,962	$66,872	$43,160
Endowment Account:				
Cash Equivalents	413,522	413,522	-	300
	$2,519,612	$2,586,484	$66,872	$43,460

The Foundation invests excess funds on hand in short-term investments, consisting of money market funds and various bond funds. Unrealized holding gains (losses) on these investments totaled ($4,693) and $1,862 for the years ended December 31, 2015 and 2014, respectively. Realized gains (losses) on these short-term investments totaled ($1,597) for the year ended December 31, 2015, and ($366) for the year ended December 31, 2014.

Note 5 - Investments (Continued)

Unrealized holding gains (losses) on perpetual trust securities totaled $33,487 and $75,422 for the years ended December 31, 2015 and 2014, respectively. Realized gains (losses) on these securities totaled ($43,552) for the year ended December 31, 2015 and ($12,439) for the year ended December 31, 2014.

The perpetual trust is funded exclusively by elections received by the Foundation from the various individual trust accounts that the Foundation administers. Contributions received by the Foundation from these elections totaled $424,435 and $245,222 during the years ended December 31, 2015 and 2014, respectively, and have been included in "Contributions" in the accompanying Statements of Activities.

The Foundation's Board of Directors has designated the funds in the perpetual trust as restricted, except for an annual transfer of 5% of the average balance in the perpetual trust for the preceding year to the Foundation's endowment account. This transfer totaled $125,293 for the year ended December 31, 2015 and $109,501 for the year ended December 31, 2014.

NOTE 6 - UPMIFA and Restricted Endowment Funds

The State of Ohio's Uniform Prudent Management of Institutional Funds Act ("UPMIFA") requires the prudent expenditure of endowment funds. The Foundation's Board of Directors has determined that all Board-restricted investments meet the definition of endowment funds under UPMIFA. Additionally, the Financial Accounting Standards (FAS) Board has issued guidance on the net asset classification of Board-restricted endowment funds and also requires enhanced disclosures for all endowment funds. These disclosures are presented below.

Net Asset Classification

As of December 31, 2015 and 2014, all investments held in the Perpetual Trust and in the Endowment Account originated from unrestricted net assets of the Foundation and have been reflected as unrestricted, Board-designated net assets in the accompanying Statements of Financial Position.

Investment and Spending Policy

Funds held in the perpetual trust are invested in the same securities as the individual trust accounts that the Foundation administers. These funds are restricted except for an annual transfer of 5% of the average balance in the preceding year to the Foundation's endowment account.

Funds held in the endowment account are held in a bank account and are restricted for the purpose of providing special assistance to disabled clients of the Foundation, as authorized by the Foundation's Board of Directors.

Notes to
The Financial Statements (continued)

NOTE 6 - UPMIFA and Restricted Endowment Funds (continued)

Changes in the perpetual trust and in the endowment fund account balances during each of the years ended December 31, 2015 and 2014 are as follows:

	Year Ended December 31, 2015	
	Perpetual Trust	**Endowment Account**
Balance at Beginning of Year	$2,172,962	$413,522
Annual 5% transfer from Perpetual Trust to Endowment Account	(125,293)	125,293
Elective deposits from individual trusts	424,435	-
Board discretionary transfer from operating to Endowment Account	-	36,752
Investment return:		
Interest and dividend income, net	54,574	418
Trustee fees	(34,831)	-
Unrealized gains	33,487	-
Realized gains (losses)	(43,552)	-
Total investment return	9,678	418
Balance at End of Year	**$2,481,782**	**$575,985**

	Year Ended December 31, 2014	
	Perpetual Trust	**Endowment Account**
Balance at Beginning of Year	$1,963,659	$370,703
Annual 5% transfer from Perpetual Trust to Endowment Account	(109,501)	109,501
Elective deposits from individual trusts	245,222	-
Withdrawals	-	(66,981)
Investment return:		
Interest and dividend income, net	43,160	299
Trustee fees	(32,561)	-
Unrealized gains	75,422	-
Realized gains (losses)	(12,439)	-
Total investment return	73,582	299
Balance at End of Year	**$2,172,962**	**$413,522**

Note 7 - Operating Lease Agreement

The Foundation leases office space under an operating lease agreement. Rent expense totaled $44,423 and $37,467 for the years ended December 31, 2015 and 2014, respectively. At December 31, 2015 the remaining future annual rents under this agreement were as follows:

Year Ended December 31	
2016	$40,457
2017	$41,616
2018	$43,081
2019	$3,600

Note 8 - Retirement Benefits

The Foundation has a defined contribution retirement plan, which covers eligible employees, as defined in the Plan Document. During the years ended December 31, 2015 and 2014, the Foundation matched voluntary employee contributions up to 3% of each eligible employee's salary. Retirement expense totaled $6,758 for the year ended December 31, 2015, and $8,338 for the year ended December 31, 2014, and has been included in personnel expenses in the accompanying Statements of Activities.

Community Fund Management Foundation's Partnerships

Community Fund Management Foundation (CFMF) works in partnership with other organizations in Ohio that provide support and services to individuals with disabilities. By working together, CFMF and its partnership organizations are able to educate individuals within these organizations about the potential of trust accounts to improve their quality of life and protect their future. Trust accounts established through a CFMF partnership organization help other individuals served by the partnership organization. Funds remaining in the trust account upon the death of the beneficiary allow the partnership organization to provide supplemental services to others in need.

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