



**Community Fund
Management Foundation**

2 **CFMF**TH

ANNIVERSARY

Annual Report
2015



\$68MM
in assets

ABOUT COMMUNITY FUND MANAGEMENT FOUNDATION

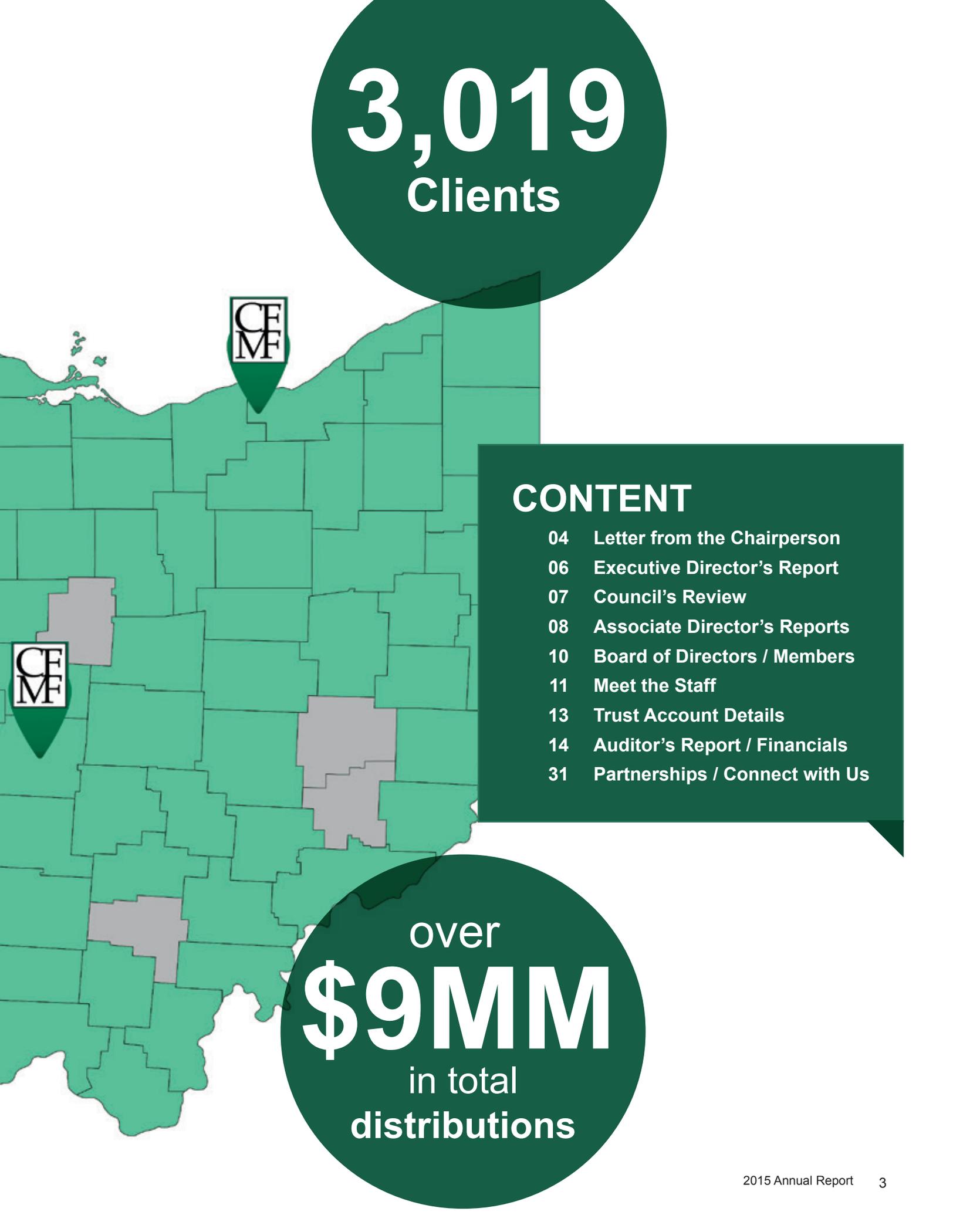
Community Fund Management Foundation (“CFMF”) is a nonprofit, tax-exempt (501(c)(3)) foundation that develops and makes available several types of trusts that benefit individuals who are disabled (as defined by the Social Security Administration). The purpose of these trusts is to use private funds to 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 reviews 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.

304
new trusts
established this
year



**CFMF has established accounts for beneficiaries
residing in 81 of Ohio’s 88 counties.**



3,019
Clients

CONTENT

- 04 Letter from the Chairperson
- 06 Executive Director's Report
- 07 Council's Review
- 08 Associate Director's Reports
- 10 Board of Directors / Members
- 11 Meet the Staff
- 13 Trust Account Details
- 14 Auditor's Report / Financials
- 31 Partnerships / Connect with Us

over
\$9MM
in total
distributions

LETTER FROM THE CHAIRPERSON

A year ago Chairperson Lou Geneva was pleased to report that we had successfully moved our entire trust portfolio from our previous trustee to the Equity Trust Company and embarked upon a new business model involving a third party administrator and a national investment advisor. We looked forward to consolidating our relationships and increasing our portfolio. We could not have anticipated that our respected Executive Director, the only person to hold the post, would announce her retirement for medical reasons. The Board named a search committee to find her replacement. This is not a quick and easy process in the twenty first century America. There are protocols and standards that must be observed. Fortunately, our two newest board members, Kelly Petty and Blain Brockman, have ample experience in this area.

So, with profound regret and fond wishes for her retirement we say Au Revoir to Karen Ausprunk. Karen, your mark on this organization is indelible. At the same time, we extend a warm welcome to our new Director, Amanda Buzo. The Committee and the Board were justifiably impressed with her experience as a special needs trust attorney at Hickman & Lowder but also mightily impressed with the demeanor, character, and enthusiasm she brings to the task. Amanda, we are delighted to have you with us.

While this considerable undertaking was underway the Foundation was nonetheless growing. Our trust portfolio is now consistently valued at more than \$70,000,000 (subject to variations in market prices). More attorneys are becoming acquainted with the services a pooled trust can provide. It is becoming increasingly clear to special needs

attorneys that individual trustees are rarely equipped to manage special needs trusts. Even banks are reluctant to accept them. The continually changing regulations emanating from the Social Security Administration and Ohio Medicaid authorities dictate the necessity of appointing a collaborating foundation and professional trustee, that is, a pooled trust, to manage investments and disbursements for a person with disabilities.

The Foundation and its Trustees are poised for continuing, expanded growth. Our collaboration with Equity Trust and Vantage Financial is solid. The Foundation's Board and its new Executive Director are committed to efficiency, growth, and prompt congenial service to the people who depend upon us. We have the obligation and opportunity to enrich and dignify the lives of people who depend upon us for those objectives. It is a honor for all of us to be in service to that cause.



Richard B. Dusterberg, Esq., Ph.D.
Chairperson

There are
One is as
the other i
miracle. -



only 2 ways to live your life.
though *nothing* is a miracle;
as though everything is a
-Albert Einstein

EXECUTIVE DIRECTOR'S REPORT



Much of the focus of last year's Annual Meeting was on transition; namely, the transition of trustee services to Equity Trust Company effective January 1, 2014, with Vantage Financial Group serving as the third-party administrator and portfolio investment manager. This Annual Report allows us to

understand the success of that partnership in a very tangible way.

The attention of the current Annual Meeting will also be on transition. I am pleased to have joined Community Fund Management Foundation ("CFMF") as Executive Director on August 3, 2015. As a special needs and elder law attorney, I enjoyed utilizing CFMF's unparalleled services for my clients for over a decade. Now, as Executive Director, I am excited to continue building upon the strong foundation developed by CFMF's first Executive Director, Karen Ausprunk, Esq.

We cannot transition into the future without appreciating our past. CFMF is celebrating its twentieth anniversary this year. It is incredible to see how CFMF has grown from a spark ignited by a group of progressive leaders to a thriving organization that serves as trust advisor to over 2,200 master and pooled trusts in 81 of Ohio's 88 counties.

CFMF would not be where it is today without Karen Ausprunk's vision. She was CFMF's first employee and grew that part-time position into a nonprofit employing multiple employees with representatives in Northern, Central, and Southern Ohio. There are no words to adequately share Karen's contribution to CFMF over the past two decades, but it is abundantly clear that CFMF would not be where it is today without her dedication, leadership, and love.

We also bid a fond farewell to David Zwyer, Esq. As our Central Ohio Associate Director, David shared his passion for helping people with disabilities access information and retain the vital

benefits they deserve. But beyond his association with CFMF, David has served as a guiding force and sage advisor for many of us in the special needs community through his publications, advocacy, and availability.

CFMF's present outlook is strong. I will be close to celebrating my two month anniversary as Executive Director when we meet for our Annual Meeting on September 29, 2015. I feel that my entire career has been preparing me to serve CFMF. It is an incredible place to work; our employees have the pleasure of experiencing how CFMF can help people with disabilities achieve autonomy, follow their dreams, and secure much-needed medical care every single day.

I am fortunate that CFMF's present includes several dedicated employees: Executive Manager Evelyn Porter, Senior Client Liaison Svetlana "Lana" Ellis, Administrative Assistant Lenna "L" Pauley, Client Liaison Jean Bayer, and training Client Liaison Joseph Bennett. And our state-wide trust administration owes much of its success to Laura Drake, Esq., Associate Director of the Southern Ohio office.

CFMF would not be what it is today without the support of the community. CFMF has an incredible Board of Directors who are willing to share their time and talents despite each of them maintaining busy careers. We enjoy our partnerships with Jewish Federation of Cleveland, Hattie Larlham, The Arc of Ohio, and Association for the Developmentally Disabled, and look forward to continuing to build our relationships.

Despite a solid past and a successful present, what really excites me is CFMF's future. There are many opportunities and possibilities available to this organization as we continue to grow. We will release our ongoing efforts via our newly redesigned website and mobile site, www.cfmf.org, and encourage you to check it frequently.

CFMF's future is strong and we look forward to continuing to address the needs of Ohio's residents.

Amanda M. Buzo, Esq.
Executive Director

COUNCIL'S REVIEW



The past year has been filled with many exciting changes at CFMF. The new relationship with Equity Trust Company and Vantage Financial Group continues to grow, there was a change in CFMF leadership and more individuals sought to establish new trust accounts. There were also changes at the Social Security Administration (SSA). The most significant was SSA's creation of a Regional Trust Review Team (RTRT) which reviews all trusts. This means that regardless which local SSA office reviews a beneficiary's application or redetermination for SSI benefits, the beneficiary's CFMF trust is also reviewed by the RTRT, which is part of the Chicago Regional Office. While we believe that the intent of the RTRT is to provide consistency to its trust review process, experience to date has been to the contrary. A number of CFMF's beneficiaries applying for SSI benefits have been denied eligibility because SSA has decided that their CFMF trust is a countable resource. In addition, a couple of beneficiaries who were already receiving SSI and were going through redetermination were found to no longer be eligible because SSA decided that the previously exempt trust was now countable. This is contrary to prior decisions where the CFMF trust had been reviewed by SSA and found to meet SSA's requirements for being considered exempt and not a countable resource.

We want to share this information with beneficiaries and their advocates not to scare them but to alert them that if they are applying for or receiving SSI, they may receive a notice of denial or overpayment because SSA is counting the trust. If this should occur, it does not mean that SSA is correct or that they can't get SSI benefits. Anyone being denied SSI benefits is entitled to due process including an appeal of SSA's decision. It is important however, that beneficiaries notify CFMF right away if they receive such a notice. If CFMF determines that the denial of SSI is due to the trust language, CFMF will appeal such a decision on behalf of the beneficiary. If the appeal is filed within ten days of the initial notice, the beneficiary may be able to continue receiving his or her SSI benefits while the matter is under appeal.



Janet Lowder, Esq.

*Hickman & Lowder Co., L.P.A.
(left photo)*

Elena Lidrbauch, Esq.

*Hickman & Lowder Co., L.P.A.
(right photo)*

We thank Karen Ausprunk for her years of service and commitment to CFMF. This year is not only our twentieth anniversary, but an opportunity to recognize her legacy.





ASSOCIATE DIRECTOR'S REPORT

Central Ohio Region



Although I am retiring after nearly six years with CFMF, the work of enabling people with disabilities and their families to plan their estates goes on. More people in Ohio than ever before turn to CFMF can help them bring dignity, optimism and joy to people with disabilities by helping them set aside assets in a way that preserves eligibility for all-important governmental benefits.

CFMF accomplished this by becoming a presence in disability communities throughout Ohio through presentations to families, providers and other professionals, and by attendance and display tables at conferences. We have shared information with attorneys and with organizations that work on behalf of people with disabilities. We have responded to phone calls and emails, and met with people individually and in groups.

As gratified as I am by the success of CFMF and as optimistic as I am about the future, changes are coming that will give people with disabilities and their families more options -- but will also cause additional confusion, at least for an interim. One of the new options is the highly-touted federal ABLE legislation, which however, will not accomplish many desired future-planning goals nearly as well as trusts such as those offered by CFMF. Also, with the passage of the new state budget, the Medicaid asset limit will rise to \$2,000 (the same as SSI), and a previously little-used income trust option will become increasingly important as the result of other changes in Ohio's Medicaid law.

It is my expectation that the team of professionals and board members at CFMF will continue to provide guidance as people with disabilities, families and advocates face both new opportunities and new challenges.

ASSOCIATE DIRECTOR'S REPORT

Southern Ohio Region



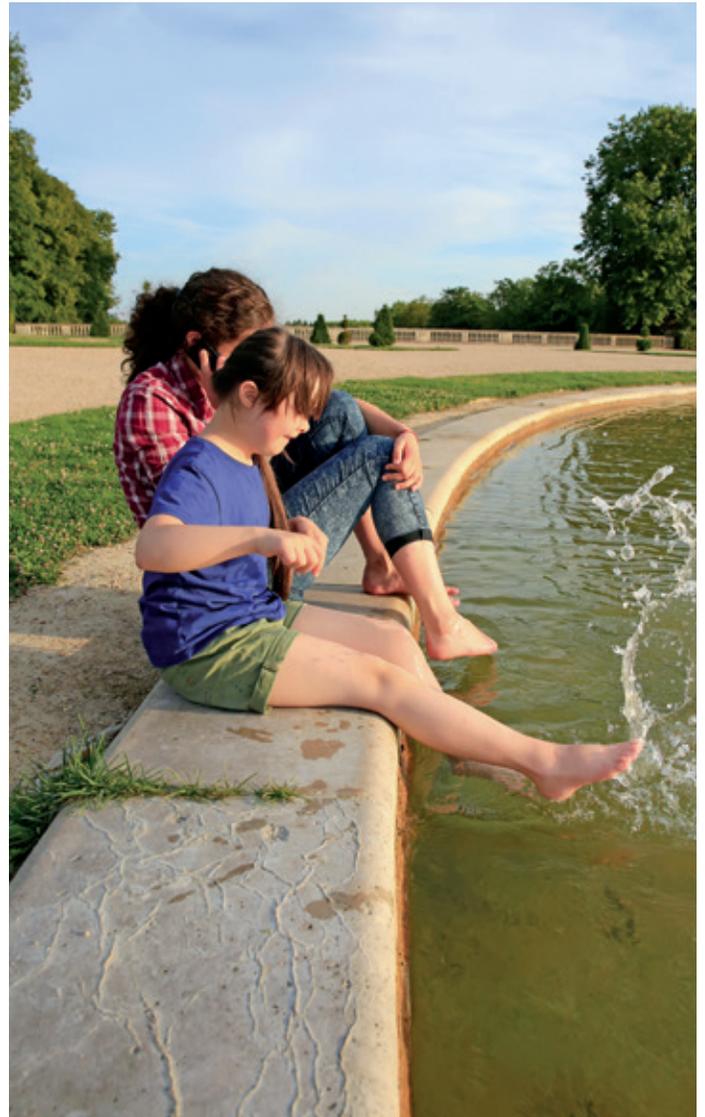
As I approach the end of my fifth year at Community Fund Management Foundation, I am grateful that we are recognized as an organization with knowledge on Medicaid and how our trusts work with Medicaid. I personally appreciate the support of the legal community, as well as the long standing support of the various county DD employees. Community Fund is well represented at walks, provider fairs and I am invited to speak at parent's groups and the various organizations' events to their members and the community.

When I first started in this realm, I was told (by none other than Richard Dusterberg) that in the special needs trust realm, people will often reach out to you long after they originally met you. I am seeing that come true. Families who heard me speak in my first or second year contact me to learn more about Community Fund. It is great to reconnect with individuals, and to know that Community Fund will do everything we can to assist them.

As a representative from Community Fund, I am continuing my work on the Design Team for 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 enacted bylaws (which I was able to help draft), is converting to a more formal organization with an Executive Committee and various sub committees, all the while continuing to hold large events. This past July 28, 2015, Common Threads hosted a ten county event with speakers from around the State of Ohio discussing the changes to Ohio's Developmental Disability Service System. The event was expecting hundreds of interested attendees.

Finally, I am so thankful to have been able to work with Karen Ausprunk and David Zwyer. David was so instrumental in helping me learn the ropes at Community Fund and our conversations have made working here a joy. I know that

David is moving on to be able to spend more time with his family, but I will feel such a loss in having a wonderful, knowledgeable coworker leave Community Fund. Karen is always a source of laughter whenever we speak. I will miss our conversations regarding animal medical emergencies; which is better: poodles or golden retrievers; and of course how can we best help our clients. It will be rough without the two of them as resources, but, after twenty five years, the Community Fund staff knows its way around pooled trusts, and we all wish them a wonderful retirement, and hope to see them at the 2016 Annual Meeting!



BOARD OF DIRECTORS, OFFICERS



Richard B. Dusterberg, Esq., Ph.D.
Chairperson
Chair: Executive
Member: All Committees



Kevin A. Craine, Esq.
Vice-Chairperson
Chair: Planning
Member: Executive, Legal



Philip S. Kaufmann, Esq.
Treasurer
Chair: Legal
Member: Executive, Finance, Investment



Laura Mathews
Secretary
Member: Executive, Planning

BOARD OF DIRECTORS, MEMBERS



(from left to right) **Norman Bresky** (*Member: Corporate Rules & Governance, Review, NORC*), **Blaine P. Brockman, Esq.** (*Chair: Review; Member: Executive, Legal*), **Louis B. Geneva, Esq.** (*Chair: Finance & Investment; Member: Planning*), **Kelly Petty, MPA** (*Member: Finance & Investment, Planning, NORC*), **Nirakar "Nic" Thakur, Esq., MBA** (*Chair: Corporate Rules & Governance; Member: Legal, Review*), **Frances Elliott Ulrich, M.Ed., Ed.D.** (*Member: Corporate Rules & Governance, Review*)

COMMITTEE MEMBERS



(from left to right) **Eric Hammer, CPA, MBA, CPFO** (*Member: NORC*), **Elena A. Lidrbach, Esq., M.Ed.** (*Member: Legal*), **Janet L. Lowder, Esq.** (*Member: Legal, NORC*), **Janet E. Pecquet, Esq.** (*Member: Legal*), **Loma L. Swett, Esq.** (*Member: SORC*)

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

We extend our
 to **David Z...**
 support and
 best in his

COMMITTEE HIGHLIGHTS

Review Committee	2015	2014	2013	2012
Requested for Distribution	\$5,171,925	\$6,437,932	\$6,008,432	\$6,764,378
Approved Distributions	\$4,961,272	\$5,150,298	\$5,137,526	\$5,983,211
Denied Distributions	\$210,653	\$1,287,634	\$870,896	\$781,160
Percentage Approved	95	80	85.57	88.5



MEET THE CFMF STAFF



Evelyn A. Porter
Executive Manager



Svetlana "Lana" Ellis
Senior Client Liaison

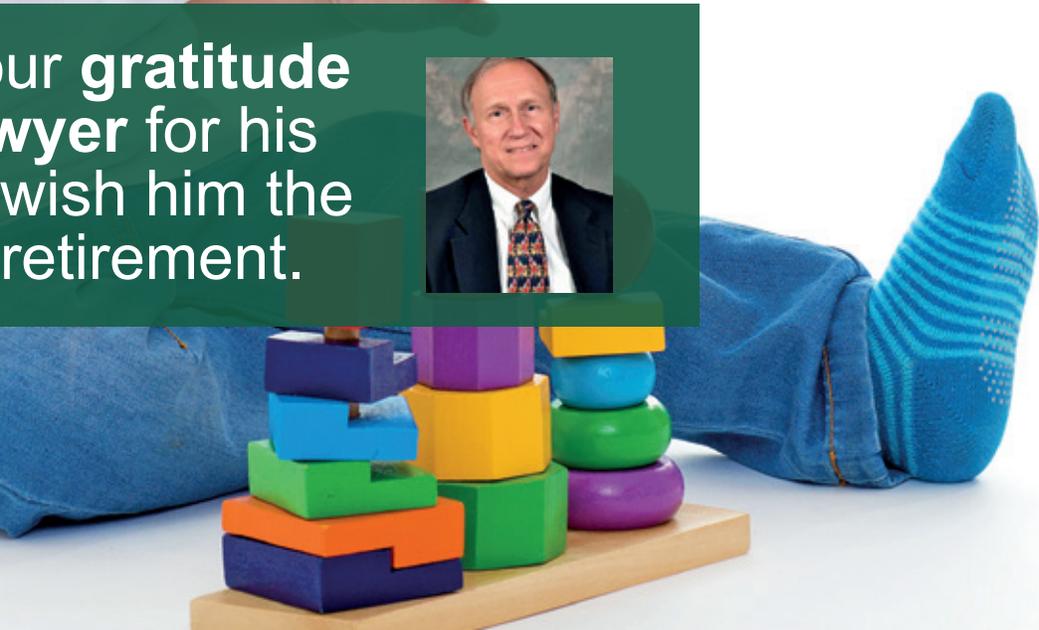


Lenna "L" Pauley
Administrative Assistant



Jean Bayer
Client Liaison

our gratitude
wyer for his
wish him the
retirement.



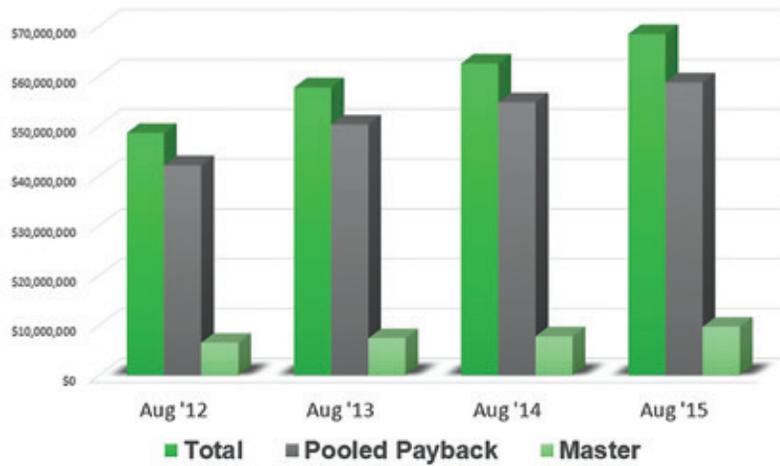


Strength does not come from *physical capacity*. It comes from an **indomitable will**. --Mohandas Gandhi



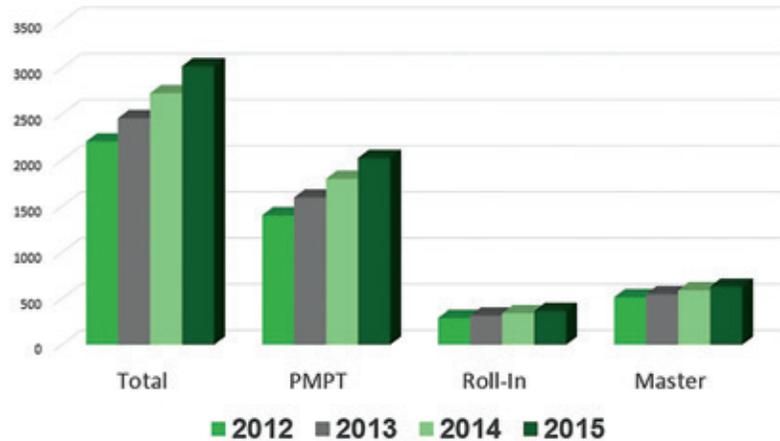
TRUST ACCOUNT DETAILS

Assets in Trust Accounts



	Total	Pooled Payback	Master
Aug '12	\$48,591,593	\$42,081,965	\$6,509,628
Aug '13	\$57,703,798	\$50,275,120	\$7,428,678
Aug '14	\$62,519,816	\$54,727,147	\$7,792,669
Aug '15	\$68,435,631	\$58,709,991	\$9,725,639

Trust Accounts by Type



	Total	PMPT	Roll-In	Master
2012	2202	1401	288	513
2013	2454	1594	314	546
2014	2726	1797	340	589
2015	3014	2023	363	628



Start by doing what is *necessary*, then do **what is possible** and suddenly you're doing the *impossible*. --St. Francis Assisi

INDEPENDENT AUDITOR'S REPORT

Laura J. MacDonald, CPA, Inc.
135 North Broadway
Medina, Ohio 44256

August 4, 2015

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

I have audited the accompanying financial statements of the Community Fund Management Foundation, Inc. (a non-profit organization) which comprise the Statements of Financial Position as of December 31, 2014 and 2013, and the related Statements of Activities, Functional Expenses 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Fund Management Foundation, Inc. as of December 31, 2014 and 2013, 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.

Laura J. MacDonald, CPA

STATEMENTS OF FINANCIAL POSITION

YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013	CHANGE
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	288,042	224,810	(63,232)
Short term investments	339,954	331,106	(8,848)
Accounts receivable:			
Trade	5,650	15,150	9,500
Client trust reimbursements	10,082	77,812	67,730
Prepaid expenses	2,109	1,903	(206)
TOTAL CURRENT ASSETS	645,837	650,781	
PROPERTY AND EQUIPMENT			
Equipment	43,229	44,440	1,211
Furniture	40,153	37,563	(2,590)
	83,382	82,003	
Less accumulated depreciation	(51,600)	(40,457)	11,143
NET PROPERTY AND EQUIPMENT	31,782	41,546	
OTHER ASSETS			
Investments:			
Perpetual trust, restricted by the Board of Directors	2,172,962	1,963,659	(209,303)
Endowment account, restricted by the Board of Directors	413,522	370,703	(42,819)
	2,586,484	2,334,362	
DEPOSITS	3,051	3,051	0
TOTAL OTHER ASSETS	2,589,535	2,337,413	
TOTAL ASSETS	3,267,154	3,029,740	(237,414)

*Please refer to accompanying notes

STATEMENTS OF FINANCIAL POSITION

YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013	CHANGE
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	11,241	5,309	5,932
Client trust deposits		34,914	(34,914)
Accrued expenses:			
Client tax preparation fees	-	66,981	(66,981)
Transition fees	-	28,019	(28,019)
Payroll expenses and related liabilities	11,282	11,021	261
TOTAL CURRENT LIABILITIES	22,523	146,244	
NET ASSETS			
Unrestricted net assets	658,147	549,134	109,013
Unrestricted net assets - Board Designated	2,586,484	2,334,362	252,122
Temporarily restricted net assets	-	-	0
Permanently restricted net assets	-	-	
TOTAL NET ASSETS	3,244,631	2,883,496	
TOTAL LIABILITIES AND NET ASSETS	3,267,154	3,029,740	237,414

*Please refer to accompanying notes

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2014 AND 2013

Assets	2014	2013
CHANGES IN NET ASSETS		
UNRESTRICTED SUPPORT AND REVENUE		
Set-up fees	258,250	251,250
Annual trust fees	374,762	331,584
Investment income		
Net realized and unrealized appreciation (depreciation) of investments, net of fees	37,197	190,552
Interest and dividend income	54,008	43,576
Contributions	246,472	195,437
Loss on disposal of property	(572)	-
Other income	402	3,378
	970,519	1,015,777
UNRESTRICTED EXPENSES		
Program services	521,940	674,799
Management and general	87,444	84,502
	609,384	759,301
INCREASE IN		
UNRESTRICTED NET ASSETS	361,135	256,476
UNRESTRICTED NET ASSETS		
AT BEGINNING OF YEAR	2,883,496	2,627,020
UNRESTRICTED NET ASSETS		
AT END OF YEAR	3,244,631	2,883,496

*Please refer to accompanying notes

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2014

	Program Services	Management and General	Totals
EXPENSES			
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

*Please refer to accompanying notes

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2013

	Program Services	Management and General	Totals
EXPENSES			
Personnel	317,072	41,111	358,183
Office expenses	44,403	6,055	50,458
Professional fees	12,419	22,427	34,846
Rent	36,921	5,035	41,956
Travel and meetings	26,000	3,545	29,545
Client assistance:			
Trust fees	75,000	-	75,000
Tax preparation services	66,981	-	66,981
Transition fees	59,682	-	59,682
Insurance	1,593	1,593	3,186
Depreciation	9,694	1,322	11,016
Other expenses	25,034	3,414	28,448
	674,799	84,502	759,301

*Please refer to accompanying notes

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2014 AND 2013

2014

2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	361,135	256,476
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net (appreciation) depreciation investments	(37,197)	(190,552)
Depreciation of property and equipment	11,781	11,016
Loss on disposal of property	572	-
(Increase) decrease in:		
Accounts receivable	77,230	(84,312)
Prepaid expenses	(205)	(345)
Increase (decrease) in:		
Accounts payable	5,932	(12,327)
Client trust deposits	(34,914)	34,914
Accrued expenses	(94,739)	91,481
NET CASH PROVIDED BY OPERATING ACTIVITIES	289,595	106,351
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of furniture and equipment	(2,590)	(4,844)
Purchases of short-term investments	(7,352)	(6,386)
Additions to endowment account	(109,800)	(98,361)
Withdrawals from endowment account	66,981	75,000
Additions to perpetual trust	(288,382)	(229,312)
Withdrawals from perpetual trust	114,780	102,529
NET CASH USED BY INVESTING ACTIVITIES	(226,363)	(161,374)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	63,232	(55,023)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	224,810	279,833
CASH AND CASH EQUIVALENTS AT END OF YEAR	288,042	224,810

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Accounting Basis

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, 2014 and 2013, 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, 2014 and 2013, 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 a five-year estimated useful life.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statements of Cash Flows

The Statements of Cash Flows are presented in accordance with FASB ASC 230. The Foundation considers all highly liquid investments purchased with a maturity 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, 2014 and 2013.

Investments

Investments in debt and equity securities with readily determinable fair values, are reported at fair value in accordance with FASB ASC 958-320. Realized and unrealized gains and losses associated with such securities are recorded in the Statements of Activities.

Fair Value of Financial Instruments

The Community Fund Management Foundation, Inc. provides disclosures of its financial instruments in accordance with the requirements of FASB ASC 820 which requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Revenue Recognition

Trust set-up fees are recognized as revenue during the fiscal year the trust is originally established. Annual fees are recognized as revenue in the period covered by the billing.

The Community Fund Management Foundation, Inc. reports promises to give in accordance with Financial Accounting Standards Board (FASB) ASC 958-605-25, *Not-for-Profit Entities: Revenue Recognition – Contributions*. 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.

Contributed Services

Contributed services are recorded in the financial statements if such services meet the recognition guidelines outlined in FASB ASC 958-605-2. There were no such services contributed to the Foundation during the years ended December 31, 2014 and 2013.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Accounting Estimates

The preparation of financial statements in accordance with 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.

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.

The Foundation has adopted the provisions of FASB ASC 740-10-25 that requires the disclosure of uncertain tax positions. 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 three years after they are filed.

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 is required to disclose the date through which subsequent events have been evaluated, in accordance with the requirements of FASB ASC Paragraph 855-10-50-1. The Foundation has evaluated all subsequent events through the date the accompanying financial statements were available to be issued (August 4, 2015) for proper accounting and disclosure in the accompanying financial statements.

Reclassifications

Certain balances in the December 31, 2013 financial statements have been reclassified to conform with the 2014 presentation.

NOTE 2 – FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, 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. FASB ASC 820 establishes a three-tier hierarchy 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

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – FAIR VALUE MEASUREMENTS (Continued)

classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Foundation's investments.

The inputs are summarized in the three levels required by FASB ASC 820, and listed below:

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, 2014 and 2013 in valuing the Foundation's investments carried at fair value:

Investment Category	Fair Value	---Fair Value Measurement---		
		Level 1	Level 2	Level 3
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	413,522	413,522	-	-
Investments held in perpetual trust	2,172,962	-	2,172,962	-
	2,586,484	413,522	2,172,962	-
December 31, 2013				
Short-Term Investments				
Cash Equivalents	6,913	6,913	-	-
Bond Funds	324,193	-	324,193	-
	331,106	6,913	324,193	-
December 31, 2013				
Long-Term Investments				
Cash Equivalents	370,703	370,703	-	-
Investments held in perpetual trust	1,963,659	-	1,963,659	-
	2,334,362	370,703	1,963,659	-

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – FAIR VALUE MEASUREMENTS (Continued)

All Level 2 investments have been valued using the market approach. Transfers from Level 2 investments to Level 1 investments totaled \$109,501 in 2014 and \$97,878 in 2013.

NOTE 3 – CONCENTRATIONS

At various times during the years ended December 31, 2014 and 2013, cash balances exceeded federally insured limits. As of December 31, 2014, cash balances exceeded federally insured limits by \$355,978.

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, 2014 and 2013 consist primarily of common stocks, bond funds and equity funds. Original cost, fair value, unrealized appreciation and investment income at December 31, 2014 and 2013 is summarized below:

	Original Cost	Fair Value	Unrealized Ap- prec. (Deprec.)	Interest and Dividend Income
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
December 31, 2013				
Short-Term Investments				
Cash Equivalents	6,913	6,913	-	8,469
Fixed Income Securities	332,234	324,193	(8,041)	-
	339,147	331,106	(8,041)	8,469
Long-Term Investments				
Perpetual Trust	1,972,209	1,963,659	(8,550)	33,642
Endowment Account: Cash Equivalents	370,703	370,703	-	483
	2,342,912	2,334,362	(8,550)	34,125

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – INVESTMENTS (Continued)

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 \$1,862 and (\$12,266) for the years ended December 31, 2014 and 2013, respectively. Realized losses on these short-term investments totaled \$366 for the year ended December 31, 2014, and (-0-) for the year ended December 31, 2013.

Unrealized holding gains (losses) on perpetual trust securities totaled \$75,422 and \$187,957 for the years ended December 31, 2014 and 2013, respectively. Realized gains (losses) on these securities totaled (\$12,439) for the year ended December 31, 2014 and \$390,775 for the year ended December 31, 2013.

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 \$245,222 and \$195,187 during the years ended December 31, 2014 and 2013, 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 \$109,501 for the year ended December 31, 2014 and \$97,878 for the year ended December 31, 2013.

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 as detailed in ASC 958-205. These disclosures are presented below.

Net Asset Classification

As of December 31, 2014 and 2013, all investments held in the Perpetual Trust and in the Endowment Account originated from unrestricted net assets of the Foundation, and in accordance with ASC 958-205, these funds 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 FINANCIAL STATEMENTS

NOTE 6 – UPMIFA AND RESTRICTED ENDOWMENT FUNDS (Continued)

Changes in the perpetual trust and in the endowment funds account balances during each of the years ended December 31, 2014 and 2013 are as follows:

	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

	Year Ended December 31, 2013	
	Perpetual Trust	Endowment Account
Balance at Beginning of Year	\$1,634,058	\$347,342
Annual 5% transfer from Perpetual Trust to Endowment Account	(97,878)	97,878
Elective Deposits from individual trusts	195,187	-
Withdrawals	-	(75,000)
Investment Return		
Interest and dividend income	34,125	483
Investment fees	(4,651)	-
Unrealized gains (losses)	(187,957)	-
Realized gains	390,775	-
Total investment return	232,292	483
BALANCE AT END OF YEAR	\$1,963,659	\$ 370,703

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – OPERATING LEASE AGREEMENT

The Foundation leases office space under an operating lease agreement. Rent expense totaled \$37,467 and \$39,297 for the years ended December 31, 2014 and 2013, respectively. At December 31, 2014 the remaining future annual rents under this agreement were as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2015	41,006
2016	42,470

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, 2014 and 2013, the Foundation matched voluntary employee contributions up to 3% of each eligible employee's salary. Retirement expense totaled \$8,338 for the year ended December 31, 2014, and \$8,039 for the year ended December 31, 2013, and has been included in personnel expenses in the accompanying Statements of Activities.

NOTE 9 – TRANSITION EXPENSES AND CLIENT ASSISTANCE EXPENSES ASSOCIATED WITH CHANGE OF TRUSTEE

Effective on January 1, 2014, the Trustee responsible for servicing client trust accounts was changed from US Bank to Equity Trust. Equity Trust is partnering with Vantage Financial Group, who provides portfolio investment management services and third party administrative services to the Foundation's individual client trusts (totaling approximately 2,784 trusts as of December 31, 2014). Community Fund Management Foundation will continue as Trust Advisor.

Transition expenses associated with restructuring the Trustee relationship and preparing all related legal documents totaled \$59,682 during the year ended December 31, 2013 and have been included in transition expenses in the accompanying Statement of Functional Expenses for the year ended December 31, 2013.

In addition to these expenses, US Bank charged the Foundation's clients additional trust fees during the year ended December 31, 2013 totaling \$75,000 and the Foundation also arranged for another party to prepare client trust tax returns for 2013 (previously prepared by US Bank) at a cost of \$66,981. The Foundation's Board of Directors elected to pay these additional fees on behalf of the Foundation's clients and these fees have been included in client assistance expenses in the accompanying Statement of Functional Expenses for 2013.



A hero is an ordinary individual who finds the *strength to persevere* in spite of overwhelming obstacles.
--Christopher Reeve



OUR 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.



CONNECT WITH US

The best way to learn about Community Fund Management Foundation and our partners is to connect with us and our friends on the social networking sites below. Not only will you be the first to know about relevant CFMF information, but you will also have an opportunity to share that information with your friends via social sharing.

LinkedIn - <https://www.linkedin.com/company/community-fund-management-foundation>



Connect to us on LinkedIn to view the latest up-to-date information regarding CFMF events, benefits, press releases, and more.

Facebook - <https://www.facebook.com/cfmforg>



“Like us” on Facebook to engage with us and stay informed of news and information about our programs, benefits, and events.

Twitter - <https://twitter.com/cfmforg>



Follow us on Twitter to see brief updates. We tweet press releases and information about CFMF benefits and programs. We follow other non-profit agencies and people who follow us.



News Feeds (RSS) - <http://cfmf.org/feed/>

Subscribe to our RSS feeds to have blog updates sent you as soon as we post them.

While we welcome your comments through our social media channels, for your safety and security please do not post confidential or sensitive information. Please proceed to the Contact Us page if you wish to contact us in private.



WHERE QUALITY OF LIFE MATTERS

ADMINISTRATIVE OFFICE
AMANDA M. BUZO, ESQ.
EXECUTIVE DIRECTOR
PHONE: 216-736-4540
FAX: 216-867-9783
CFMF@CFMF.ORG

SOUTHERN OHIO
LAURA DRAKE, ESQ.
ASSOCIATE DIRECTOR
PHONE: 513-559-6701
FAX: 513-559-6603
CFMFSOUTHERNOHIO@CFMF.ORG

CENTRAL OHIO
PHONE: 614-309-7117
CFMFCENTRALOHIO@CFMF.ORG



VISIT OUR WEBSITE AT
[HTTP://WWW.CFMF.ORG](http://www.cfmf.org)