



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: March 31, 2016
Estimated average burden
hours per response... 12.00

Handwritten: 3/9/15

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC
Mail Processing
Section
MAR 02 2015

SEC FILE NUMBER
8- 53730

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/14 AND ENDING 12/31/14
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: CASCADE FINANCIAL MANAGEMENT, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

950 17TH STREET, SUITE 950

(No. and Street)

DENVER

CO

80202

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JOHN VAN SANT

303-292-1121

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

WJB & Co., P.C.

1720 Epps Bridge Parkway

(Name - if individual, state last, first, middle name)

Suite 108-381

Athens

GA

30606

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

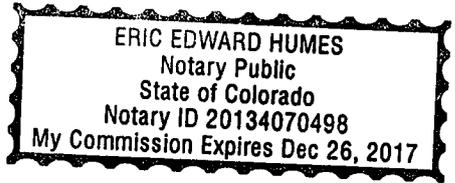
Handwritten: 3/10/15

OATH OR AFFIRMATION

I, John Van Sant, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Cascade Financial Management Inc., as of December 31, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

John Van Sant
Signature
President
Title

Eric Edward Humes
Notary Public



This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**CASCADE FINANCIAL MANAGEMENT, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY,
CFMI INSURANCE AGENCY, LLC**

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2014
AND REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**CASCADE FINANCIAL MANAGEMENT, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY,
CFMI INSURANCE AGENCY, LLC**

Table of Contents

Report of Independent Registered Public Accounting Firm.....	1
Financial Statements:	
Consolidated Statement of Financial Condition.....	2
Consolidated Statement of Operations.....	3
Consolidated Statement of Changes in Stockholders' Equity.....	4
Consolidated Statement of Cash Flows.....	5
Notes to Financial Statements.....	6
Supplementary Schedule I - Computation of Net Capital.....	11
Supplementary Schedules II & III.....	12
Independent Accountant's Report on Exemption.....	13
Exemption Report.....	14
Independent Accountants' Report on Applying Agreed-Upon Procedures Related to SIPC Assessment Reconciliation.....	15
SIPC General Assessment Reconciliation Form SIPC-7.....	16

WJB & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Cascade Financial Management, Inc. and its
Wholly-Owned Subsidiary, CFMI Insurance Agency, LLC

We have audited the accompanying consolidated financial statements of Cascade Financial Management, Inc. and its Wholly-Owned Subsidiary, CFMI Insurance Agency, LLC, which comprise the consolidated statement of financial condition as of December 31, 2014, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. These financial statements are the responsibility of Cascade Financial Management, Inc. and its Wholly-Owned Subsidiary, CFMI Insurance Agency, LLC's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial condition of Cascade Financial Management, Inc. and its Wholly-Owned Subsidiary, CFMI Insurance Agency, LLC as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplemental information contained in Schedules I, II and III has been subjected to audit procedures performed in conjunction with the audit of Cascade Financial Management, Inc. and its Wholly-Owned Subsidiary, CFMI Insurance Agency, LLC's financial statements. The supplemental information is the responsibility of Cascade Financial Management, Inc. and its Wholly-Owned Subsidiary, CFMI Insurance Agency, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

WJB & Co., P.C.

Athens, Georgia
February 26, 2015

1720 EPPS BRIDGE PARKWAY, SUITE 108-381
ATHENS, GEORGIA 30606
PH 770-508-9798
FAX 678-868-1411
WBOWDEN@VOLCPA.COM

**CASCADE FINANCIAL MANAGEMENT, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY,
CFMI INSURANCE AGENCY, LLC**

**CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2014**

ASSETS

CURRENT ASSETS	
Cash	\$ 265,922
Cash deposits with clearing organization	50,000
Commissions receivable	136,268
Accounts receivable	10,100
Employee advances	97,018
Prepaid expenses	35,240
Total current assets	<u>594,548</u>
FURNITURE AND EQUIPMENT	
	132,586
Less: Accumulated depreciation	(91,165)
Furniture and equipment, net	<u>41,421</u>
OTHER ASSETS	
Cash surrender value of life insurance policy	56,682
Security deposits	31,106
Goodwill	1,633
Total other assets	<u>89,421</u>
TOTAL ASSETS	<u>\$ 725,390</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Accounts payable	\$ 102,262
Commissions payable	195,632
Capital lease obligation	4,673
Deferred revenue	1,313
Total current liabilities	<u>303,880</u>
LONG TERM LIABILITIES	
Deferred rent payable	51,868
Total long term liabilities	<u>51,868</u>
Total liabilities	<u>355,748</u>
STOCKHOLDERS' EQUITY	
Common stock, no par value; 50,000 shares authorized, 310 shares issued and outstanding	170,678
Additional paid-in capital	148,507
Retained earnings	50,457
Total stockholders' equity	<u>369,642</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 725,390</u>

The accompanying notes are an integral part of these financial statements

**CASCADE FINANCIAL MANAGEMENT, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY,
CFMI INSURANCE AGENCY, LLC**

**CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

REVENUE	
Investment advisory fees	\$ 2,089,539
Commissions	837,051
Alternative investment fees	539,413
Overrides and rebates	135,536
Insurance fees	70,193
Total revenue:	3,671,732
OPERATING EXPENSES	
Investment consulting expenses	1,286,672
Commissions	777,228
Employee compensation and benefits	709,146
Rent	222,418
Legal and professional fees	103,988
Technology services	98,201
Marketing and business development	77,979
Licensing and registration fees	32,276
Office	31,217
Travel	29,497
Telephone and internet	28,738
Insurance	26,835
Parking	20,329
Meals	13,814
Depreciation	10,801
Dues and subscriptions	8,773
Other operating expenses	2,756
Total expenses:	3,480,668
NET OPERATING INCOME	\$ 191,064
OTHER INCOME (EXPENSE)	
Other income	6,532
Interest income	1,823
Charitable contributions	(3,600)
Interest expense	(744)
Total other income, net	4,011
NET INCOME	\$ 195,075

The accompanying notes are an integral part of these financial statements

**CASCADE FINANCIAL MANAGEMENT, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY,
CFMI INSURANCE AGENCY, LLC**

**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Common Stock</u>		Additional paid- in capital	Retained earnings	Total
	No. Shares	Amount			
Balance, DECEMBER 31, 2013	285	\$ 170,678	\$ 120,814	\$ 24,208	\$ 315,700
Prior period adjustment (see Note 2)				6,174	\$ 6,174
Distribution to Stockholders				(175,000)	(175,000)
Net Income				195,075	195,075
Common stock issuance	25	-	27,693	-	27,693
Balance, DECEMBER 31, 2014	310	170,678	148,507	50,457	369,642

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

**CASCADE FINANCIAL MANAGEMENT, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY,
CFMI INSURANCE AGENCY, LLC**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

OPERATING ACTIVITIES	
Net income	\$ 195,075
Adjustments to reconcile net income to net cash provided by operating activities	
Prior period adjustment (see Note 2)	6,174
Depreciation	10,801
Decrease in commissions receivable	25,643
Increase in accounts receivable	(8,577)
Increase in employee advances	(23,911)
Decrease in prepaid expenses	6,861
Increase in cash surrender value of life insurance policy	(2,351)
Increase in security deposits	(5,603)
Decrease in accounts payable	(19,113)
Increase in commissions payable	78,086
Increase in deferred revenue	1,313
Decrease in capital lease obligation	(4,673)
Increase in deferred rent payable	488
Net cash provided by operating activities	260,213
INVESTING ACTIVITIES	
Purchases of furniture and equipment	(20,200)
Net cash used in investing activities	(20,200)
FINANCING ACTIVITIES	
Issuance of common stock	27,693
Distribution to shareholders	(175,000)
Net cash used in financing activities	(147,307)
NET DECREASE IN CASH	92,706
CASH AT BEGINNING OF YEAR	173,216
CASH AT END OF YEAR	\$ 265,922
SUPPLEMENTAL DISCLOSURE	
Interest paid	744

The accompanying notes are an integral part of these financial statements

CASCADE FINANCIAL MANAGEMENT, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY,
CFMI INSURANCE AGENCY, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

1. ORGANIZATION AND NATURE OF BUSINESS

Cascade Financial Management, Inc. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and is a member of various exchanges and the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company received its approval for membership on April 19, 2002. The Company has offices in Colorado, Florida, Idaho, Missouri, Montana, and Texas and was incorporated as a Colorado corporation in 2002.

The Company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services, including agency transactions, investment advisory and financial and insurance planning.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned, single member limited liability company ("LLC") subsidiary, CFMI Insurance Agency, LLC. All material intercompany balances and transactions are eliminated in consolidation. See Note 8 for further discussion.

Basis of Accounting

The Company maintains its books and records on the accrual basis of accounting for financial reporting purposes, which is in accordance with U.S. generally accepted accounting principles and is required by the SEC and FINRA.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company defines cash equivalents as highly liquid investments with original maturity dates of less than ninety days that are not held for sale in the ordinary course of business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Investment advisory fees are received quarterly but are recognized as earned on a pro-rata basis over the terms of the agreements.

Commissions and related clearing expenses are recorded on a settlement date basis as securities transactions occur. The transactions recorded on a trade-date basis will not be materially different from the settlement-date basis.

Alternative investment fees is brokerage revenue derived from private placement commissions, primarily from non-publicly traded real estate investment trusts, business development corporations, limited partnerships and managed futures funds. These fees are received as the placement is made and are recognized at the time of placement.

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (generally five to seven years). The Company follows the policy of capitalizing all major additions, renewals and betterments. Upon sale or retirement of property or equipment, the related cost of accumulated depreciation for such items are removed for balance sheet and any gain or loss is included in the results of operations.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash.

Income Taxes

The company elected and was granted S Corporation status effective January 1, 2014 and as such, is not required to file its own tax return. Accordingly, no provision for income taxes is provided in the financial statements as it is the responsibility of the Company's stockholders.

The Company has adopted the provisions of FASB Accounting Standards Codification 740-10, Accounting for Uncertainty in Income Taxes. Under FASB ASC 740-10, the Company is required to evaluate each of its tax positions to determine if they are more likely than not to be sustained if the taxing authority examines the respective position. A tax position includes an entity's status and decision not to file a return. The Company has evaluated each of its tax positions and has determined that it has not uncertain tax positions for which a provision or liability for income taxes is necessary.

The Company's stockholders file income tax returns in the U.S. in both federal and state jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state or local tax examinations by taxing authorities for years before 2011.

Prior Period Adjustment

In the current period, the company reversed a top side entry posted in the prior period that recorded an estimate tax liability on its books. Effective January 1, 2014 the company elected and was granted S Corporation status and as such, is not required to file its own tax return.

3. COMMISSIONS RECEIVABLE AND PAYABLE

Commission revenue is derived when the Company, acting as an agent, buys and sells securities on behalf of its customers. In return for such services, the Company charges a commission. Each time a customer enters into a buy or sell transaction, a commission is earned by the Company for its selling and administrative efforts. For securities purchased, the commission is recorded as a receivable from customers; for securities sold, it is recorded as a reduction in the payable to customers. As of December 31, 2014, the Company had commissions receivable of \$136,268 and commissions payable of \$195,632.

4. CASH DEPOSITS WITH CLEARING ORGANIZATION

The Company clears its customer transactions through a broker-dealer that is independent of the Company. The Company is contractually obligated to maintain deposits with the clearing organization. As of December 31, 2014, the Company had cash deposits of \$50,000 with the clearing organization.

5. EMPLOYEE BENEFIT PLANS

Effective 2002, the Company implemented a 401(k) pension plan for all eligible employees. Employees are eligible to participate in the plan if they meet certain age limits, annual hours worked and length of employment requirements. Generally, employees could defer up to \$17,500 for the year ended December 31, 2014.

The Company also has a profit sharing plan for employees meeting certain service and age requirements. The Company's unpaid obligation as of December 31, 2014 was \$39,562, which is to be paid before the Company's files its 2014 U.S. income tax return. The liability is reflected in accounts payable on the Consolidated Statement of Financial Condition. The expense is reflected in employee compensation and benefits on the Consolidated Statement of Operations.

6. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2014, the Company had net capital of \$96,341, which was \$46,341 in excess of its required net capital of \$50,000. The Company's percentage of aggregate indebtedness to net capital was 369.26% at December 31, 2014.

7. COMMITMENTS

The Company has obligations under operating leases with initial non-cancelable terms in excess of one year. Future aggregate annual rentals for office space and equipment at December 31, 2014 are listed below:

<u>Year ending December 31:</u>	<u>Amount</u>
2015	117,528
2016	121,514
2017	124,943
2018	122,769
2019	15,888
Total	<u>\$502,642</u>

In June 2011, the Company moved its headquarters to new facilities, signing a 90 month lease. As incentive for the Company to relocate, the landlord provided free rent for the first eight months of occupancy. Beginning in June 2011, rent expense was recorded based on the total rental term of 90 months. Due to the free rent term, however, there was a difference in the expense recorded and the actual rent remitted. The difference between the expense and the rent remitted is recorded as deferred rent payable on the Statement of Financial Condition. As of December 31, 2014, deferred rent payable was \$51,868.

Rent expense for the year ended December 31, 2014 was \$222,418.

8. CONSOLIDATED SUBSIDIARY

CFMI Insurance Agency, LLC (the "Subsidiary") is a wholly-owned subsidiary of the Company. The Subsidiary was formed on May 10, 2002 in order to sell insurance policies.

The Subsidiary did not earn any revenue or incur any expenses during the year ended December 31, 2014. In addition, the subsidiary did not have any assets or liabilities as of December 31, 2014.

The Subsidiary is not a broker-dealer, thus, the Company is exempt from Appendix C of SEC Rule 15c3-1. There is no flow-through opinion of counsel included in this report. The Company does not guarantee, endorse nor assume direct or indirect obligations or liabilities of the Subsidiary. At December 31, 2014, the Subsidiary did not have any direct or indirect obligations or liabilities.

9. RELATED PARTY TRANSACTIONS

Total stockholders' compensation was \$762,274 for the year ended December 31, 2014. This amount is included within employee compensation and benefits on the Consolidated Statement of Operations.

The Company has a broker-dealer relationship with Holmes and Turner Financial Services ("HTFS"), a company that is owned in part by the Company's CEO. The Company incurred \$82,115 of investment consulting expense to HTFS for the year ended December 31, 2014. This amount is included within investment consulting expenses on the Consolidated Statement

**CASCADE FINANCIAL MANAGEMENT, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY,
CFMI INSURANCE AGENCY, LLC**

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2014**

SCHEDULE I	
TOTAL STOCKHOLDERS' EQUITY QUALIFIED FOR NET CAPITAL	\$ 369,642
DEDUCTIONS AND/OR CHARGES	
Non-allowable assets:	
Accounts receivable	(10,100)
Employee advances	(97,018)
Prepaid expenses	(35,240)
Furniture and equipment, net	(41,421)
Cash surrender value of life insurance policy	(56,682)
Security deposits	(31,106)
Goodwill	(1,633)
Haircut on securities computed pursuant to 15c3-1(f)	(101)
NET CAPITAL	\$ 96,341
AGGREGATE INDEBTEDNESS	
Accounts payable	102,262
Commissions payable	195,632
Deferred revenue	1,313
Capital lease obligation	4,673
Deferred rent payable	51,868
Total aggregate indebtedness	\$ 355,748
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT	
Minimum net capital required	\$ 50,000
Excess net capital	46,341
Net capital in excess of the greater of 10% of aggregate indebtedness or 120% of minimum net capital requirement	36,341
Percentage of aggregate indebtedness to net capital	369.26%

There is no material difference in the above computation and the company's net capital as reported in the company's Part IIA (unaudited) FOCUS report as of December 31, 2014

The accompanying notes are an integral part of these financial statements

of Operations. As of December 31, 2014, the Company owed HTFS \$6,660, which is included within accounts payable on the Consolidated Statement of Financial Condition.

For the year ended December 31, 2014, the Company incurred \$36,000 of rent expense to Holmes and Turner, P.C. This amount is included within rent expense on the Consolidated Statement of Operations.

10. SUBSEQUENT EVENTS

The Company evaluated subsequent events through February 26, 2015, the date its financial statements were issued. The Company did not identify any material subsequent events requiring adjustment to or disclosure in its financial statements.

**CASCADE FINANCIAL MANAGEMENT, INC.
AND ITS WHOLLY-OWNED SUBSIDIARY,
CFMI INSURANCE AGENCY, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

SCHEDULE II

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE
15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**

The Company is exempt from the provisions of Rule 15c3-3 under the Security Exchange Act of 1934 pursuant to paragraph (k)(2)(ii) of the rule.

SCHEDULE III

**INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER
RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**

The Company is exempt from the provisions of Rule 15c3-3 under the Security Exchange Act of 1934 pursuant to paragraph (k)(2)(ii) of the rule.

WJB & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Cascade Financial Management, Inc. an its
Wholly-Owned Subsidiary, CFMI Insurance Agency, LLC.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Cascade Financial Management, Inc. and its Wholly-Owned Subsidiary, CFMI Insurance Agency, LLC, identified the following provisions of 17 C.F.R. §15c3-3(k) under which Cascade Financial Management, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(ii) (the "exemption provisions") and (2) Cascade Financial Management, Inc. stated that Cascade Financial Management, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Cascade Financial Management, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

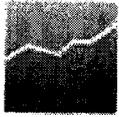
Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Cascade Financial Management, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

WJB & Co., P.C.

Athens, Georgia
February 26, 2015

1720 EPES BRIDGE PARKWAY, SUITE 108-381
ATHENS, GEORGIA 30606
PH 770-500-9798
FAX 678-868-1411
WBOWDEN@VOLCPA.COM



CASCADE
FINANCIAL MANAGEMENT, INC.

Cascade Financial Management Inc.

EXEMPTION REPORT

YEAR ENDED DECEMBER 31, 2014

We, as members of management of Cascade Financial Management Inc. (the Company) are responsible for complying with 17 C.F.R §240.17a-5, "Reports to be made by certain brokers and dealers". We have performed an evaluation of the Company's compliance with the requirements of 17 C.F.R §240.17a-5 and the exemption provisions in 17 C.F.R §240.15c3-3(k) (the "exemption provisions"). Based on this evaluation we make the following statements to the best knowledge and belief of the Company:

1. We identified the following provisions of 17 C.F.R §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R §240.15c3-3: (k)(2)(ii).
2. We met the identified exemption provisions throughout the most recent fiscal year ended December 31, 2014 without exception.

The Company is exempt from the provisions of 17 C.F.R §240.15c3-3 of the Securities Exchange Act of 1934 (pursuant to paragraph (k)(2)(ii) of such Rule) as the Company is an introducing broker or dealer that clears all transactions with and for customers on a fully disclosed basis with a clearing broker, and who promptly transmits all customer funds and securities to the clearing broker.

Cascade Financial Management Inc.

John Van Sant

President

WJB & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT

ON SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)

To the Board of Directors and Shareholders of
Cascade Financial Management, Inc. and its
Wholly-Owned Subsidiary, CFMI Insurance Agency, LLC.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2014, which were agreed to by Cascade Financial Management, Inc. and its Wholly-Owned Subsidiary, CFMI Insurance Agency, LLC (the Company), and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of Form SIPC-7. The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries in the general ledger, noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2014, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2014, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

WJB & Co., P.C.

Athens, Georgia
February 26, 2015

1729 EPPS BRIDGE PARKWAY, SUITE 108-381
ATHENS, GEORGIA 30606
PH 770-500-9798
FAX 678-868-1411
W.BOWDEN@VOI.CPA.COM

SIPC-7

(93-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation

For the fiscal year ended 12/31/2014

(Read carefully the instructions in your Working Copy before completing this Form)

SIPC-7

(93-REV 7/10)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

21*21*****3081*****MIXED AADC 220
053730 FINRA DEC
CASCADE FINANCIAL MANAGEMENT INC
950 17TH ST STE 950
DENVER CO 80202-2807

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form:

John Van Sant 303-292-1121

2. A. General Assessment (Item 2e from page 2)

\$ 2,593

B. Less payment made with SIPC-6 filed (exclude interest)

(1,057)

8.28.14
Date Paid

C. Less prior overpayment applied

(842)

D. Assessment balance due or (overpayment)

694

E. Interest computed on late payment (see instruction E) for 0 days at 20% per annum

0

F. Total assessment balance and interest due (or overpayment carried forward)

\$ 694

G. PAID WITH THIS FORM:
Check enclosed, payable to SIPC
Total (must be same as F above)

\$ 694

H. Overpayment carried forward

\$()

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Cascade Financial Management
(Name of Corporation, Partnership or other organization)

John Van Sant
(Authorized Signatory)

President
(Title)

Dated the 30 day of January, 2015.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked Received Reviewed

Calculations Documentation Forward Copy

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning 1/1/2014
and ending 12/31/2014

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents
\$ 3,678,897

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining Item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C).

(Deductions in excess of \$100,000 require documentation)

2,611,003

30,000

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 744

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ 494

Enter the greater of line (i) or (ii)

Total deductions

744

2,641,747

\$ 1,037,150

\$ 2,593

d. SIPC Net Operating Revenues

e. General Assessment @ .0025

(to page 1, line 2.A.)