



**FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

ASSOCIATED GRANT MAKERS, INC.

Contents
December 31, 2017 and 2016

	<u>Pages</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 12

Independent Auditor's Report

To the Board of Directors of
Associated Grant Makers, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Associated Grant Makers, Inc. (a Massachusetts corporation, not for profit) which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

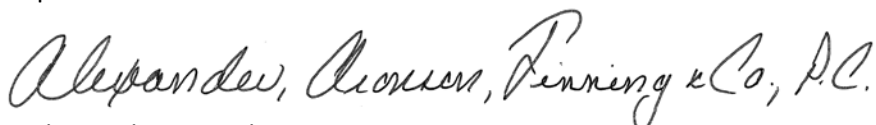
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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, 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 Associated Grant Makers, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Westborough, Massachusetts
May 16, 2018

ASSOCIATED GRANT MAKERS, INC.

Statements of Financial Position
December 31, 2017 and 2016

Assets	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Current Assets:						
Cash	\$ 678,382	\$ 393,588	\$ 1,071,970	\$ 576,666	\$ 608,744	\$ 1,185,410
Current portion of membership support and pledges receivable	-	322,000	322,000	-	24,350	24,350
Prepaid expenses	8,153	-	8,153	9,155	-	9,155
Total current assets	<u>686,535</u>	<u>715,588</u>	<u>1,402,123</u>	<u>585,821</u>	<u>633,094</u>	<u>1,218,915</u>
Other Assets:						
Membership support and pledges receivable, net of current portion	-	300,000	300,000	-	-	-
Leasehold improvements, equipment and technology, net	35,949	-	35,949	52,256	-	52,256
Cash - fiscal sponsor	711,025	-	711,025	355,798	-	355,798
Security deposit	27,833	-	27,833	27,833	-	27,833
Total other assets	<u>774,807</u>	<u>300,000</u>	<u>1,074,807</u>	<u>435,887</u>	<u>-</u>	<u>435,887</u>
Total assets	<u>\$ 1,461,342</u>	<u>\$ 1,015,588</u>	<u>\$ 2,476,930</u>	<u>\$ 1,021,708</u>	<u>\$ 633,094</u>	<u>\$ 1,654,802</u>
Liabilities and Net Assets						
Current Liabilities:						
Accounts payable	\$ 42,761	\$ -	\$ 42,761	\$ 17,816	\$ -	\$ 17,816
Accrued expenses	14,712	-	14,712	12,537	-	12,537
Total current liabilities	<u>57,473</u>	<u>-</u>	<u>57,473</u>	<u>30,353</u>	<u>-</u>	<u>30,353</u>
Fiscal Sponsor Payable	<u>711,025</u>	<u>-</u>	<u>711,025</u>	<u>355,798</u>	<u>-</u>	<u>355,798</u>
Total liabilities	<u>768,498</u>	<u>-</u>	<u>768,498</u>	<u>386,151</u>	<u>-</u>	<u>386,151</u>
Net Assets:						
Unrestricted:						
Operating	656,895	-	656,895	583,301	-	583,301
Leasehold improvements, equipment and technology	35,949	-	35,949	52,256	-	52,256
Temporarily restricted:						
Program activities	-	886,738	886,738	-	505,894	505,894
Time	-	128,850	128,850	-	127,200	127,200
Total net assets	<u>692,844</u>	<u>1,015,588</u>	<u>1,708,432</u>	<u>635,557</u>	<u>633,094</u>	<u>1,268,651</u>
Total liabilities and net assets	<u>\$ 1,461,342</u>	<u>\$ 1,015,588</u>	<u>\$ 2,476,930</u>	<u>\$ 1,021,708</u>	<u>\$ 633,094</u>	<u>\$ 1,654,802</u>

The accompanying notes are an integral part of these statements.

ASSOCIATED GRANT MAKERS, INC.

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Operating Support and Revenues:						
Designated contributions:						
Summer Fund	\$ 885,794	\$ 621,742	\$ 1,507,536	\$ 830,645	\$ 582,697	\$ 1,413,342
Other	72,012	5,988	78,000	44,314	-	44,314
Membership support and contributions	416,435	128,850	545,285	401,611	127,200	528,811
Program fees and other income	232,448	-	232,448	231,110	-	231,110
Interest and dividends	4,211	-	4,211	3,797	-	3,797
Donated goods and services	-	-	-	7,694	-	7,694
Net assets released from restrictions:						
Satisfaction of time restrictions	127,200	(127,200)	-	132,500	(132,500)	-
Satisfaction of purpose restrictions:						
Summer Fund	244,838	(244,838)	-	268,157	(268,157)	-
Other	2,048	(2,048)	-	10,314	(10,314)	-
Total operating support and revenues	<u>1,984,986</u>	<u>382,494</u>	<u>2,367,480</u>	<u>1,930,142</u>	<u>298,926</u>	<u>2,229,068</u>
Operating Expenses:						
Summer Fund	1,130,632	-	1,130,632	1,098,802	-	1,098,802
Member and grantmaker services	492,874	-	492,874	477,900	-	477,900
Nonprofit partner services	304,193	-	304,193	264,707	-	264,707
Total operating expenses	<u>1,927,699</u>	<u>-</u>	<u>1,927,699</u>	<u>1,841,409</u>	<u>-</u>	<u>1,841,409</u>
Changes in net assets	57,287	382,494	439,781	88,733	298,926	387,659
Net Assets:						
Beginning of year	<u>635,557</u>	<u>633,094</u>	<u>1,268,651</u>	<u>546,824</u>	<u>334,168</u>	<u>880,992</u>
End of year	<u>\$ 692,844</u>	<u>\$ 1,015,588</u>	<u>\$ 1,708,432</u>	<u>\$ 635,557</u>	<u>\$ 633,094</u>	<u>\$ 1,268,651</u>

The accompanying notes are an integral part of these statements.

ASSOCIATED GRANT MAKERS, INC.

Statements of Cash Flows

For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 439,781	\$ 387,659
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	16,307	10,885
Changes in operating assets and liabilities:		
Membership support and pledges receivable	(597,650)	2,150
Prepaid expenses	1,002	(2,781)
Accounts payable	24,945	(22,147)
Accrued expenses	2,175	(674)
Net cash provided by (used in) operating activities	(113,440)	375,092
Cash Flows from Investing Activities:		
Acquisition of leasehold improvements, equipment and technology	-	(12,065)
Net Change in Cash	(113,440)	363,027
Cash:		
Beginning of year	<u>1,185,410</u>	<u>822,383</u>
End of year	<u><u>\$ 1,071,970</u></u>	<u><u>\$ 1,185,410</u></u>

ASSOCIATED GRANT MAKERS, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2017

(With Summarized Comparative Totals for the Year Ended December 31, 2016)

	2017								2016	
	Program				Program Support				Total	Total
	Summer Fund	Member and Grantmaker Services	Nonprofit Partner Services	Total Program	General and Administration	Marketing	Member Development	Total Program Support		
Grants Awarded	\$ 932,526	\$ -	\$ -	\$ 932,526	\$ -	\$ -	\$ -	\$ -	\$ 932,526	\$ 875,298
Payroll and Related:										
Salaries	89,509	129,366	87,980	306,855	87,318	40,564	48,033	175,915	482,770	508,441
Fringe benefits	9,693	12,327	11,055	33,075	12,021	2,436	4,752	19,209	52,284	60,937
Payroll taxes	9,953	12,428	8,680	31,061	8,592	3,901	4,724	17,217	48,278	41,028
Total payroll and related	109,155	154,121	107,715	370,991	107,931	46,901	57,509	212,341	583,332	610,406
Other:										
Rent	15,897	17,131	30,280	63,308	25,335	10,657	17,141	53,133	116,441	114,693
Outside services	11,960	-	-	11,960	48,560	5,410	-	53,970	65,930	8,350
Leadership training	44,648	-	-	44,648	-	-	-	-	44,648	47,573
Meetings and conferences	1,622	27,607	12,258	41,487	1,508	-	-	1,508	42,995	59,248
Website and database	-	-	-	-	30,816	-	-	30,816	30,816	17,405
Supplies	920	5,524	7,512	13,956	1,690	2,407	204	4,301	18,257	8,148
Professional fees	4,015	-	-	4,015	12,716	-	-	12,716	16,731	16,982
Depreciation	-	4,685	3,602	8,287	4,860	1,500	1,660	8,020	16,307	10,885
Telephone	3,520	3,859	3,335	10,714	2,226	1,029	811	4,066	14,780	14,443
Food and travel	-	4,682	2,116	6,798	2,034	-	-	2,034	8,832	7,891
Miscellaneous	-	1,517	-	1,517	7,304	-	-	7,304	8,821	13,430
Registration fees, dues and subscriptions	-	-	500	500	8,290	-	-	8,290	8,790	9,952
Utilities and insurance	1,489	753	1,252	3,494	3,884	432	683	4,999	8,493	8,528
Equipment rental and repair	4,795	-	395	5,190	740	-	-	740	5,930	11,486
Printing and graphics	-	-	-	-	-	2,119	-	2,119	2,119	4,768
Postage and delivery	85	251	292	628	1,289	17	17	1,323	1,951	1,923
Total other	88,951	66,009	61,542	216,502	151,252	23,571	20,516	195,339	411,841	355,705
Total expenses before allocation of program support	1,130,632	220,130	169,257	1,520,019	259,183	70,472	78,025	407,680	1,927,699	1,841,409
Allocation of Program Support	-	272,744	134,936	407,680	(259,183)	(70,472)	(78,025)	(407,680)	-	-
Total expenses	\$ 1,130,632	\$ 492,874	\$ 304,193	\$ 1,927,699	\$ -	\$ -	\$ -	\$ -	\$ 1,927,699	\$ 1,841,409

ASSOCIATED GRANT MAKERS, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2016

	Program			Program Support				Total	
	Summer Fund	Member and Grantmaker Services	Nonprofit Partner Services	Total Program	General and Administration	Marketing	Member Development		Total Program Support
Grants Awarded	\$ 875,298	\$ -	\$ -	\$ 875,298	\$ -	\$ -	\$ -	\$ -	\$ 875,298
Payroll and Related:									
Salaries	114,382	129,132	88,526	332,040	86,280	39,256	50,865	176,401	508,441
Fringe benefits	17,888	11,788	9,992	39,668	11,712	4,888	4,669	21,269	60,937
Payroll taxes	9,061	10,525	7,270	26,856	6,879	3,156	4,137	14,172	41,028
Total payroll and related	141,331	151,445	105,788	398,564	104,871	47,300	59,671	211,842	610,406
Other									
Rent	15,631	16,874	29,825	62,330	24,955	10,524	16,884	52,363	114,693
Outside services	1,776	-	-	1,776	2,774	3,800	-	6,574	8,350
Leadership training	47,573	-	-	47,573	-	-	-	-	47,573
Meetings and conferences	476	48,461	10,200	59,137	111	-	-	111	59,248
Website and database	-	-	-	-	17,405	-	-	17,405	17,405
Supplies	618	2,512	2,809	5,939	1,566	521	122	2,209	8,148
Professional fees	4,076	-	-	4,076	12,906	-	-	12,906	16,982
Depreciation	-	3,537	2,447	5,984	2,642	1,065	1,194	4,901	10,885
Telephone	3,310	3,720	3,139	10,169	2,327	1,169	778	4,274	14,443
Food and travel	25	4,290	1,773	6,088	-	1,803	-	1,803	7,891
Miscellaneous	-	3,847	3,847	7,694	5,736	-	-	5,736	13,430
Registration fees, dues and subscriptions	1,188	-	150	1,338	8,464	-	150	8,614	9,952
Utilities and insurance	1,583	765	1,258	3,606	3,797	440	685	4,922	8,528
Equipment rental and repair	4,751	-	1,185	5,936	4,920	630	-	5,550	11,486
Printing and graphics	1,076	-	-	1,076	-	3,692	-	3,692	4,768
Postage and delivery	90	224	617	931	970	-	22	992	1,923
Total other	82,173	84,230	57,250	223,653	88,573	23,644	19,835	132,052	355,705
Total expenses before allocation of program support	1,098,802	235,675	163,038	1,497,515	193,444	70,944	79,506	343,894	1,841,409
Allocation of Program Support	-	242,225	101,669	343,894	(193,444)	(70,944)	(79,506)	(343,894)	-
Total expenses	\$ 1,098,802	\$ 477,900	\$ 264,707	\$ 1,841,409	\$ -	\$ -	\$ -	\$ -	\$ 1,841,409

The accompanying notes are an integral part of these statements.

ASSOCIATED GRANT MAKERS, INC.

Notes to Financial Statements
December 31, 2017 and 2016

1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS

Associated Grant Makers, Inc. (AGM) is a regional professional association of leading grantmakers and their partners in the nonprofit community, primarily servicing Massachusetts and surrounding areas. AGM was incorporated in Massachusetts in 1969 to support the practice and expansion of philanthropic giving. AGM also acts as fiscal agent for and collaborates with several other organizations and programs (see Note 4).

NONPROFIT STATUS

AGM is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). AGM is also exempt from state income taxes. Donors may deduct contributions made to AGM within the requirements of the IRC and applicable regulations.

SIGNIFICANT ACCOUNTING POLICIES

AGM's financial statements have been prepared in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standard Board (FASB). References to U.S. Generally Accepted Accounting Principles (U.S. GAAP) in these notes are to the FASB Accounting Standards Codification (ASC).

Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

Revenue Recognition

AGM recognizes designated contributions as temporarily restricted revenue and net assets when received or unconditionally committed by the donor. Unrestricted contributions are recognized as revenue when received or unconditionally pledged. Net assets released from restrictions represent transfers to unrestricted net assets as costs are incurred, time restrictions have lapsed, or services are provided satisfying the restricted purposes specified by donors. Donor restricted grants and contributions received and satisfied in the same period are included in unrestricted net assets. Membership support is recognized as unrestricted support and revenue and net assets during the membership period. Membership support received or committed in advance of the membership period is recognized as temporarily restricted revenue and net assets (see page 9). Program fees, other income and interest and dividends are recognized as earned.

Donated Goods and Services

During 2016, AGM received donated software and related services with a fair value of \$7,694, as determined by the donor. This amount has been recorded as donated goods and services and professional fees in the accompanying financial statements. AGM did not receive donated goods and services during 2017.

ASSOCIATED GRANT MAKERS, INC.

Notes to Financial Statements
December 31, 2017 and 2016

1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recognition of Grants Awarded

AGM generally pays grants at the time of the awards. When AGM awards unconditional grants for a multiple-year period or for a future year, the entire obligation is recognized in the year the grants are awarded.

Cash - Fiscal Sponsor and Fiscal Sponsor Payable

Cash - fiscal sponsor and fiscal sponsor payable represent funds held by AGM on behalf of other organizations (see Note 4).

Leasehold Improvements, Equipment, Technology and Depreciation

Purchased leasehold improvements, equipment and technology are recorded at cost or fair value at the date of purchase. Renewals and betterments are recorded as additions to the related asset accounts, while repairs and maintenance costs are expensed as incurred. Depreciation is computed using the straight-line method over estimated useful lives of three to five years.

Fair Value Measurements

AGM follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that AGM would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

AGM uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of AGM. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All assets and liabilities are considered Level 1 within the fair value hierarchy.

ASSOCIATED GRANT MAKERS, INC.

Notes to Financial Statements
December 31, 2017 and 2016

1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been evaluated through May 16, 2018, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

Income Taxes

AGM accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. AGM has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2017 and 2016. AGM's information returns are subject to examination by the Federal and state jurisdictions.

Functional Allocation of Expenses

Management allocates specific expenses directly to each function. Other expenses are allocated to functions based on management's estimate of the percentage attributable to each function.

Net Assets

Unrestricted:

Unrestricted net assets bear no external restrictions and include the following components:

- *Operating* - Funds available for AGM's operations.
- *Leasehold improvements, equipment and technology* - Net book value of leasehold improvements, equipment and technology used in carrying out AGM's services.

Temporarily Restricted:

Temporarily restricted net assets include donor-restricted funds for which AGM has not yet incurred the expenses or carried out the donor-designated purpose or the time period for use of the funds has not expired. These funds include amounts AGM holds in connection with program collaborations (see Note 4). Also included is membership support received or committed in advance for the following program year. Temporarily restricted net assets are restricted for the following purposes at December 31:

	<u>2017</u>	<u>2016</u>
Summer Fund (see Note 4)	\$ 862,430	\$ 485,526
Membership support (see page 7)	128,850	127,200
Other programs	<u>24,308</u>	<u>20,368</u>
	<u>\$ 1,015,588</u>	<u>\$ 633,094</u>

ASSOCIATED GRANT MAKERS, INC.

Notes to Financial Statements
December 31, 2017 and 2016

1. OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Membership Support and Pledges Receivable and Allowance for Doubtful Accounts

Membership support and pledges receivable at December 31, 2017 and 2016, consist of membership support, contributions and other unconditionally pledged support. As of December 31, 2017 and 2016, all amounts were deemed collectible and there was no allowance for doubtful accounts.

2. LEASE AGREEMENTS

AGM leases office space under an agreement expiring in September 2018. Rent is payable in equal monthly installments of approximately \$8,900 and \$8,500 during 2017 and 2016, respectively. The monthly lease payments increase annually each September as defined in the lease agreement. AGM must maintain certain insurance coverage and pay its proportionate share of common area maintenance costs. AGM records rent expense under this agreement based on the monthly lease payments, which approximates the straight-line rent computed, in accordance with the *Accounting for Leases* standards under U.S. GAAP. Total rent expense was \$116,441 and \$114,693 for 2017 and 2016, respectively.

AGM leases office equipment with monthly payments of \$418 through August 2018.

Future minimum payments over the lease terms for facility and office equipment through their expirations in 2018 are \$83,502 and \$3,344, respectively.

3. RETIREMENT PLAN

AGM offers an elective deferred retirement plan pursuant to IRC Section 401(k) which covers all eligible employees with greater than 1,000 hours of service. Employees may elect to defer their salary within IRC limits. The Board of Directors approved an employer contribution of 4% of eligible employees' salaries. AGM's contributions vest after employees have been employed at AGM for three years. AGM contributed \$13,995 and \$16,159 to the plan in 2017 and 2016, respectively, which is included in fringe benefits in the accompanying statements of functional expenses.

4. COLLABORATIVE PROGRAMS AND FISCAL SPONSOR ACCOUNTS

The Summer Fund (the Fund) is an unincorporated collaborative of private funders in Greater Boston. The Fund generates resources to support and strengthen summer camps serving the low-income neighborhoods of Boston, Cambridge, Chelsea, and Somerville, Massachusetts. The Fund contributes to summer camps that provide youth with opportunities for skill development, personal growth and new experiences. The Fund raises funds from corporations, foundations and individuals to provide operational support to summer camps. The Fund directly raised and granted funds to various summer programs of \$932,526 and \$875,298 in 2017 and 2016, respectively.

ASSOCIATED GRANT MAKERS, INC.Notes to Financial Statements
December 31, 2017 and 2016

4. COLLABORATIVE PROGRAMS AND FISCAL SPONSOR ACCOUNTS (Continued)

Activity in the Fund is as follows:

Net Assets , December 31, 2015	\$ 170,986
Contributions	1,413,342
Expenditures	<u>(1,098,802)</u>
Net Assets , December 31, 2016	485,526
Contributions	1,507,536
Expenditures	<u>(1,130,632)</u>
Net Assets , December 31, 2017	<u>\$ 862,430</u>

AGM has been designated as a fiscal sponsor for various other collaboratives. The combined balances on hand for these fiscal sponsor arrangements of \$711,025 and \$355,798 are included in cash - fiscal sponsor and fiscal sponsor payable in the accompanying statements of financial position at December 31, 2017 and 2016, respectively. AGM has no variance power over the disbursement of these funds, and accordingly, the revenues and expenses for these collaboratives are not reflected in the accompanying financial statements.

5. LEASEHOLD IMPROVEMENTS, EQUIPMENT AND TECHNOLOGY

Leasehold improvements, equipment and technology consist of the following as of December 31:

	<u>2017</u>	<u>2016</u>
Technology	\$ 40,660	\$ 40,660
Leasehold improvements	39,785	39,785
Equipment	<u>1,089</u>	<u>1,089</u>
	81,534	81,534
Less - accumulated depreciation	<u>45,585</u>	<u>29,278</u>
	<u>\$ 35,949</u>	<u>\$ 52,256</u>

6. CONCENTRATIONS

AGM maintains its cash balances in one bank in Massachusetts. Cash balances maintained in the bank are insured within the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year, cash balances exceeded the insured amounts. Cash balances maintained in the brokerage firm are not insured. AGM has not experienced any losses in these accounts. AGM believes it is not exposed to any significant credit risk on cash.

At December 31, 2017, 99% of the outstanding pledges receivable were from two donors. At December 31, 2016, outstanding pledges receivable from three donors represented approximately 68% of the membership support and pledges receivable balance.

ASSOCIATED GRANT MAKERS, INC.Notes to Financial Statements
December 31, 2017 and 2016

7. LINE OF CREDIT

AGM has a \$100,000 working capital line of credit agreement with a bank. Borrowings are due on demand and interest is payable monthly at the bank's index rate of 4.5% and 3.75% at December 31, 2017 and 2016, respectively, plus 1%; subject to a minimum interest rate of 4.5%. All borrowings are secured by AGM's business property. The agreement expires in June 2018. There are no amounts outstanding as of December 31, 2017 and 2016.

8. PLEDGES RECEIVABLE

AGM receives pledges from various donors. As of December 31, 2017 and 2016, pledges receivable are expected to be collected as follows:

	<u>2017</u>	<u>2016</u>
Amounts due in:		
Less than one year	\$ 322,000	\$ 24,350
Over one year	<u>300,000</u>	<u>-</u>
	622,000	24,350
Less - current portion	<u>322,000</u>	<u>24,350</u>
	\$ 300,000	\$ -

There was no discount on pledges receivable at December 31, 2017 and 2016, as the amount would be immaterial to the accompanying financial statements.