



**FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**ASSOCIATED GRANT MAKERS, INC.**

Contents  
December 31, 2016 and 2015

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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, 2016 and 2015, 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***

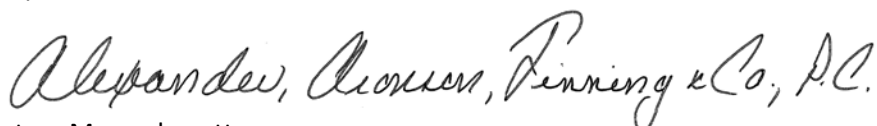
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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, 2016 and 2015, 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.



Boston, Massachusetts  
May 17, 2017

**ASSOCIATED GRANT MAKERS, INC.**

Statements of Financial Position  
December 31, 2016 and 2015

<u>Assets</u>	<u>2016</u>			<u>2015</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Current Assets:						
Cash	\$ 576,666	\$ 608,744	\$ 1,185,410	\$ 514,715	\$ 307,668	\$ 822,383
Membership support and pledges receivable	-	24,350	24,350	-	26,500	26,500
Prepaid expenses	9,155	-	9,155	6,374	-	6,374
Total current assets	<u>585,821</u>	<u>633,094</u>	<u>1,218,915</u>	<u>521,089</u>	<u>334,168</u>	<u>855,257</u>
Other Assets:						
Leasehold improvements, equipment and technology, net	52,256	-	52,256	51,076	-	51,076
Cash - fiscal sponsor	355,798	-	355,798	182,827	-	182,827
Security deposit	27,833	-	27,833	27,833	-	27,833
Total other assets	<u>435,887</u>	<u>-</u>	<u>435,887</u>	<u>261,736</u>	<u>-</u>	<u>261,736</u>
Total assets	<u>\$ 1,021,708</u>	<u>\$ 633,094</u>	<u>\$ 1,654,802</u>	<u>\$ 782,825</u>	<u>\$ 334,168</u>	<u>\$ 1,116,993</u>
<b>Liabilities and Net Assets</b>						
Current Liabilities:						
Accounts payable	\$ 17,816	\$ -	\$ 17,816	\$ 39,963	\$ -	\$ 39,963
Accrued expenses	12,537	-	12,537	13,211	-	13,211
Total current liabilities	<u>30,353</u>	<u>-</u>	<u>30,353</u>	<u>53,174</u>	<u>-</u>	<u>53,174</u>
Fiscal Sponsor Payable	<u>355,798</u>	<u>-</u>	<u>355,798</u>	<u>182,827</u>	<u>-</u>	<u>182,827</u>
Total liabilities	<u>386,151</u>	<u>-</u>	<u>386,151</u>	<u>236,001</u>	<u>-</u>	<u>236,001</u>
Net Assets:						
Unrestricted:						
Operating	583,301	-	583,301	495,748	-	495,748
Leasehold improvements, equipment and technology	52,256	-	52,256	51,076	-	51,076
Temporarily restricted:						
Program activities	-	505,894	505,894	-	201,668	201,668
Time	-	127,200	127,200	-	132,500	132,500
Total net assets	<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>
Total liabilities and net assets	<u>\$ 1,021,708</u>	<u>\$ 633,094</u>	<u>\$ 1,654,802</u>	<u>\$ 782,825</u>	<u>\$ 334,168</u>	<u>\$ 1,116,993</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, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Operating Support and Revenues:</b>						
Designated contributions:						
Summer Fund	\$ 830,645	\$ 582,697	\$ 1,413,342	\$ 821,519	\$ 115,895	\$ 937,414
Other	44,314	-	44,314	33,435	9,064	42,499
Membership support and contributions	401,611	127,200	528,811	371,650	132,500	504,150
Program fees and other income	231,110	-	231,110	243,707	-	243,707
Donated goods and services	7,694	-	7,694	7,694	-	7,694
Interest and dividends	3,797	-	3,797	1,612	-	1,612
Net assets released from restrictions:						
Satisfaction of time restrictions	132,500	(132,500)	-	139,300	(139,300)	-
Satisfaction of purpose restrictions:						
Summer Fund	268,157	(268,157)	-	178,254	(178,254)	-
Other	10,314	(10,314)	-	-	-	-
Total operating support and revenues	<u>1,930,142</u>	<u>298,926</u>	<u>2,229,068</u>	<u>1,797,171</u>	<u>(60,095)</u>	<u>1,737,076</u>
<b>Operating Expenses:</b>						
Summer Fund	1,098,802	-	1,098,802	1,013,795	-	1,013,795
Member and grantmaker services	477,900	-	477,900	435,868	-	435,868
Nonprofit partner services	264,707	-	264,707	236,170	-	236,170
Total operating expenses	<u>1,841,409</u>	<u>-</u>	<u>1,841,409</u>	<u>1,685,833</u>	<u>-</u>	<u>1,685,833</u>
Changes in net assets	88,733	298,926	387,659	111,338	(60,095)	51,243
<b>Net Assets:</b>						
Beginning of year	<u>546,824</u>	<u>334,168</u>	<u>880,992</u>	<u>435,486</u>	<u>394,263</u>	<u>829,749</u>
End 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>

The accompanying notes are an integral part of these statements.

**ASSOCIATED GRANT MAKERS, INC.**

## Statements of Cash Flows

For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 387,659	\$ 51,243
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	10,885	8,175
Changes in operating assets and liabilities:		
Membership support and pledges receivable	2,150	187,480
Prepaid expenses	(2,781)	1,432
Accounts payable	(22,147)	13,117
Accrued expenses	(674)	(9,261)
	<u>375,092</u>	<u>252,186</u>
Net cash provided by operating activities		
	375,092	252,186
<b>Cash Flows from Investing Activities:</b>		
Acquisition of leasehold improvements, equipment and technology	(12,065)	(28,595)
	<u>(12,065)</u>	<u>(28,595)</u>
<b>Net Change in Cash</b>	363,027	223,591
<b>Cash:</b>		
Beginning of year	822,383	598,792
	<u>822,383</u>	<u>598,792</u>
End of year	<u>\$ 1,185,410</u>	<u>\$ 822,383</u>

**ASSOCIATED GRANT MAKERS, INC.**

Statement of Functional Expenses

For the Year Ended December 31, 2016

(With Summarized Comparative Totals for the Year Ended December 31, 2015)

	2016								2015	
	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		
<b>Grants Awarded</b>	\$ 875,298	\$ -	\$ -	\$ 875,298	\$ -	\$ -	\$ -	\$ -	\$ 875,298	\$ 785,527
<b>Payroll and Related:</b>										
Salaries	114,382	129,132	88,526	332,040	86,280	39,256	50,865	176,401	508,441	494,926
Fringe benefits	17,888	11,788	9,992	39,668	11,712	4,888	4,669	21,269	60,937	53,740
Payroll taxes	9,061	10,525	7,270	26,856	6,879	3,156	4,137	14,172	41,028	39,257
Total payroll and related	141,331	151,445	105,788	398,564	104,871	47,300	59,671	211,842	610,406	587,923
<b>Other:</b>										
Rent	15,631	16,874	29,825	62,330	24,955	10,524	16,884	52,363	114,693	103,431
Meetings and conferences	476	48,461	10,200	59,137	111	-	-	111	59,248	29,706
Leadership training	47,573	-	-	47,573	-	-	-	-	47,573	47,578
Website and database	-	-	-	-	17,405	-	-	17,405	17,405	13,349
Professional fees	4,076	-	-	4,076	12,906	-	-	12,906	16,982	16,731
Telephone	3,310	3,720	3,139	10,169	2,327	1,169	778	4,274	14,443	14,358
Miscellaneous	-	3,847	3,847	7,694	5,736	-	-	5,736	13,430	14,294
Equipment rental and repair	4,751	-	1,185	5,936	4,920	630	-	5,550	11,486	10,039
Depreciation	-	3,537	2,447	5,984	2,642	1,065	1,194	4,901	10,885	8,175
Registration fees, dues and subscriptions	1,188	-	150	1,338	8,464	-	150	8,614	9,952	10,708
Utilities and insurance	1,583	765	1,258	3,606	3,797	440	685	4,922	8,528	8,390
Outside services	1,776	-	-	1,776	2,774	3,800	-	6,574	8,350	8,730
Supplies	618	2,512	2,809	5,939	1,566	521	122	2,209	8,148	12,592
Food and travel	25	4,290	1,773	6,088	-	1,803	-	1,803	7,891	8,118
Printing and graphics	1,076	-	-	1,076	-	3,692	-	3,692	4,768	4,390
Postage and delivery	90	224	617	931	970	-	22	992	1,923	1,794
Total other	82,173	84,230	57,250	223,653	88,573	23,644	19,835	132,052	355,705	312,383
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	1,685,833
<b>Allocation of Program Support</b>	-	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	\$ 1,685,833

**ASSOCIATED GRANT MAKERS, INC.**

Statement of Functional Expenses  
For the Year Ended December 31, 2015

	Program			Program Support					Total
	Summer Fund	Member and Grantmaker Services	Nonprofit Partner Services	Total Program	General and Administration	Marketing	Member Development	Total Program Support	
<b>Grants Awarded</b>	\$ 785,527	\$ -	\$ -	\$ 785,527	\$ -	\$ -	\$ -	\$ -	\$ 785,527
<b>Payroll and Related:</b>									
Salaries	111,018	114,827	84,032	309,877	89,093	36,638	59,318	185,049	494,926
Fringe benefits	17,943	11,118	9,113	38,174	9,904	1,645	4,017	15,566	53,740
Payroll taxes	8,383	9,424	6,000	23,807	7,115	3,883	4,452	15,450	39,257
Total payroll and related	137,344	135,369	99,145	371,858	106,112	42,166	67,787	216,065	587,923
<b>Other</b>									
Rent	14,173	29,679	22,850	66,702	21,812	6,876	8,041	36,729	103,431
Meetings and conferences	2,573	19,198	7,935	29,706	-	-	-	-	29,706
Leadership training	47,578	-	-	47,578	-	-	-	-	47,578
Website and database	-	-	-	-	13,349	-	-	13,349	13,349
Professional fees	-	-	-	-	16,731	-	-	16,731	16,731
Telephone	1,547	4,185	3,786	9,518	2,686	1,196	958	4,840	14,358
Miscellaneous	610	4,296	3,847	8,753	5,541	-	-	5,541	14,294
Equipment rental and repair	3,736	-	-	3,736	5,131	1,172	-	6,303	10,039
Depreciation	-	2,530	1,731	4,261	2,184	785	945	3,914	8,175
Registration fees, dues and subscriptions	-	-	-	-	10,608	-	100	10,708	10,708
Utilities and insurance	906	1,093	1,148	3,147	4,382	510	351	5,243	8,390
Outside services	408	-	-	408	3,027	5,295	-	8,322	8,730
Supplies	215	7,587	2,149	9,951	1,882	606	153	2,641	12,592
Food and travel	-	5,607	439	6,046	-	2,072	-	2,072	8,118
Printing and graphics	-	-	-	-	-	4,390	-	4,390	4,390
Postage and delivery	42	219	513	774	999	3	18	1,020	1,794
Total other	71,788	74,394	44,398	190,580	88,332	22,905	10,566	121,803	312,383
Total expenses before allocation of program support	994,659	209,763	143,543	1,347,965	194,444	65,071	78,353	337,868	1,685,833
<b>Allocation of Program Support</b>	19,136	226,105	92,627	337,868	(194,444)	(65,071)	(78,353)	(337,868)	-
Total expenses	\$ 1,013,795	\$ 435,868	\$ 236,170	\$ 1,685,833	\$ -	\$ -	\$ -	\$ -	\$ 1,685,833



## **ASSOCIATED GRANT MAKERS, INC.**

Notes to Financial Statements  
December 31, 2016 and 2015

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### **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. GAAP in these footnotes 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 and 2015, 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.

## ASSOCIATED GRANT MAKERS, INC.

Notes to Financial Statements  
December 31, 2016 and 2015

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### 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, 2016 and 2015

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

#### SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Subsequent Events

Subsequent events have been evaluated through May 17, 2017 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 statement 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, 2016 and 2015. 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>2016</u>	<u>2015</u>
Summer Fund (see Note 4)	\$ 485,526	\$ 170,986
Membership support (see page 7)	127,200	132,500
Other programs	<u>20,368</u>	<u>30,682</u>
	<u>\$ 633,094</u>	<u>\$ 334,168</u>

## ASSOCIATED GRANT MAKERS, INC.

Notes to Financial Statements  
December 31, 2016 and 2015

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

#### SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Membership Support and Pledges Receivable

Membership support and pledges receivable at December 31, 2016 and 2015, consist of membership support, contributions and other unconditionally pledged support. As of December 31, 2016 and 2015, 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 \$8,500 and \$8,000, respectively, during 2016 and 2015. 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 \$114,693 and \$103,431 for 2016 and 2015, respectively.

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

Future minimum payments over the lease terms are as follows:

	<u>Facility</u>	<u>Equipment</u>
2017	\$ 108,328	\$ 5,020
2018	\$ 83,502	\$ 3,347

### 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 \$16,159 and \$15,164 to the plan in 2016 and 2015, respectively, which is included in fringe benefits in the accompanying statements of functional expenses.

### 4. COLLABORATIVE PROGRAMS AND FISCAL SPONSOR ACCOUNTS

As of July 2015 the Summer Fund (the Fund), an unincorporated collaborative of private funders in Greater Boston, is a program of AGM. 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 \$875,298 and \$785,527 in 2016 and 2015, respectively.

## ASSOCIATED GRANT MAKERS, INC.

Notes to Financial Statements  
December 31, 2016 and 2015

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### 4. COLLABORATIVE PROGRAMS AND FISCAL SPONSOR ACCOUNTS (Continued)

Prior to July 2015, AGM and the Fund's Advisory Board (the Board) operated according to a Memorandum of Understanding (MOU), which set forth the general principles to guide the parties' fiscal sponsorship relationship. Per the terms of the MOU, AGM was designated as a fiscal sponsor for the Fund. The Fund reimbursed AGM for the use of facilities and various administrative services. During 2015, the Board voted to terminate the MOU and incorporate the Fund into AGM as a program. During 2015, there was \$14,022 of program support allocation not charged against the Fund's restricted net assets. During 2016, there was no support allocation against the Fund's restricted net assets.

Activity in the Fund is as follows:

Net Assets, December 31, 2014	\$ 233,345
Contributions	937,414
Expenditures	<u>(999,773)</u>
Net Assets, December 31, 2015	170,986
Contributions	1,413,342
Expenditures	<u>(1,098,802)</u>
Net Assets, December 31, 2016	<u>\$ 485,526</u>

AGM has been designated as a fiscal sponsor for various other collaboratives. The combined balances on hand for these fiscal sponsor arrangements of \$355,798 and \$182,827 are included in cash - fiscal sponsor and fiscal sponsor payable in the accompanying statements of financial position at December 31, 2016 and 2015, 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>2016</u>	<u>2015</u>
Technology	\$ 40,660	\$ 28,595
Leasehold improvements	39,785	39,785
Equipment	<u>1,089</u>	<u>1,089</u>
	81,534	69,469
Less - accumulated depreciation	<u>29,278</u>	<u>18,393</u>
	<u>\$ 52,256</u>	<u>\$ 51,076</u>

## **ASSOCIATED GRANT MAKERS, INC.**

Notes to Financial Statements  
December 31, 2016 and 2015

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### **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, 2016, 68% of outstanding pledges receivable were from three donors. At December 31, 2015, outstanding pledges receivable from one donor represented approximately 94% of the membership support and pledges receivable balance.

### **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 3.75% and 3.5% at December 31, 2016 and 2015, 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 2017. There are no amounts outstanding as of December 31, 2016 and 2015.