

FRIENDS OF MOUNT AUBURN CEMETERY

FINANCIAL STATEMENTS

For the Years Ended March 31, 2021 and 2020

FRIENDS OF MOUNT AUBURN CEMETERY

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT.....1

FINANCIAL STATEMENTS

 Statements of Financial Position.....2

 Statements of Activities and Changes in Net Assets.....3-4

 Statement of Functional Expenses.....5-6

 Statements of Cash Flows.....7

 Notes to Financial Statements.....8-17

INDEPENDENT AUDITOR'S REPORT

To the Trustees of the
Friends of Mount Auburn Cemetery
Cambridge, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the Friends of Mount Auburn Cemetery (a nonprofit organization), which comprise the *statements of financial position* as of March 31, 2021 and 2020, and the related *statements of activities and changes in net assets, functional expenses and cash flows* for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

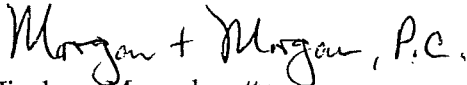
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 the Friends of Mount Auburn Cemetery as of March 31, 2021 and 2020, and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Hingham, Massachusetts
November 22, 2021

FRIENDS OF MOUNT AUBURN CEMETERY

STATEMENTS OF FINANCIAL POSITION

As of March 31,

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 2 980 976 | \$ 2 255 174 |
| Pledges receivable - net | 2 558 | 26 304 |
| Long-term investments - at market value | - - | 3 144 |
| TOTAL ASSETS | <u>\$ 2 983 534</u> | <u>\$ 2 284 622</u> |
| LIABILITIES AND NET ASSETS | | |
| Accounts payable | \$ 27 026 | \$ 1 462 |
| Due to Mount Auburn Cemetery | <u>953 620</u> | <u>758 970</u> |
| TOTAL LIABILITIES | 980 646 | 760 432 |
| NET ASSETS : | | |
| Without donor restrictions: | | |
| Undesignated | 474 955 | 353 609 |
| Board designated | 204 760 | 204 387 |
| Restricted by contract or law | <u>25 000</u> | <u>25 000</u> |
| Total without donor restrictions | 704 715 | 582 996 |
| With donor restrictions: | | |
| For time or purpose: | | |
| Specific Purposes | 658 555 | 790 693 |
| The David P. Barnett Fund for Horticulture & Urban Ecology | 510 589 | - - |
| Preservation Fund | <u>129 029</u> | <u>150 501</u> |
| Total for time or purpose | <u>1 298 173</u> | <u>941 194</u> |
| Total with donor restrictions | <u>1 298 173</u> | <u>941 194</u> |
| TOTAL NET ASSETS | <u>2 002 888</u> | <u>1 524 190</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 2 983 534</u> | <u>\$ 2 284 622</u> |

See accompanying notes.

FRIENDS OF MOUNT AUBURN CEMETERY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended March 31, 2021

| | WITHOUT DONOR RESTRICTION | | | WITH DONOR RESTRICTION | | |
|--|---------------------------|-------------------|-------------------------------|------------------------|---------------------|---------------------|
| | Undesignated | Board Designated | Restricted by Contract or Law | TOTAL | Time or Purpose | TOTAL |
| REVENUE : | | | | | | |
| Public program receipts | \$ 3 425 | \$ - - | \$ - - | \$ 3 425 | \$ - - | \$ 3 425 |
| Tours | 50 | - - | - - | 50 | - - | 50 |
| Interpretive materials - sales and rentals | 3 410 | - - | - - | 3 410 | - - | 3 410 |
| TOTAL REVENUE | <u>6 885</u> | <u>- -</u> | <u>- -</u> | <u>6 885</u> | <u>- -</u> | <u>6 885</u> |
| SUPPORT : | | | | | | |
| Annual fund gifts | - - | - - | - - | - - | 444 609 | 444 609 |
| Other contributions and grants | 152 830 | - - | - - | 152 830 | 946 718 | 1 099 548 |
| Contributions from Mount Auburn Cemetery for salaries and benefits | 458 979 | - - | - - | 458 979 | - - | 458 979 |
| TOTAL SUPPORT | <u>611 809</u> | <u>- -</u> | <u>- -</u> | <u>611 809</u> | <u>1 391 327</u> | <u>2 003 136</u> |
| NET ASSETS RELEASED FROM RESTRICTIONS | <u>1 035 397</u> | <u>- -</u> | <u>- -</u> | <u>1 035 397</u> | <u>(1 035 397)</u> | <u>- -</u> |
| TOTAL REVENUE AND SUPPORT | <u>1 654 091</u> | <u>- -</u> | <u>- -</u> | <u>1 654 091</u> | <u>355 930</u> | <u>2 010 021</u> |
| EXPENSES : | | | | | | |
| Program services | 1 213 252 | - - | - - | 1 213 252 | - - | 1 213 252 |
| Management and general | 39 252 | - - | - - | 39 252 | - - | 39 252 |
| Fundraising and development | 295 553 | - - | - - | 295 553 | - - | 295 553 |
| TOTAL EXPENSES | <u>1 548 057</u> | <u>- -</u> | <u>- -</u> | <u>1 548 057</u> | <u>- -</u> | <u>1 548 057</u> |
| EXCESS OF REVENUE AND SUPPORT OVER EXPENSES | <u>106 034</u> | <u>- -</u> | <u>- -</u> | <u>106 034</u> | <u>355 930</u> | <u>461 964</u> |
| NONOPERATING ACTIVITIES : | | | | | | |
| Investment net change during the year | <u>15 312</u> | <u>373</u> | <u>- -</u> | <u>15 685</u> | <u>1 049</u> | <u>16 734</u> |
| TOTAL NONOPERATING ACTIVITIES | <u>15 312</u> | <u>373</u> | <u>- -</u> | <u>15 685</u> | <u>1 049</u> | <u>16 734</u> |
| INCREASE (DECREASE) IN NET ASSETS | <u>121 346</u> | <u>373</u> | <u>- -</u> | <u>121 719</u> | <u>356 979</u> | <u>478 698</u> |
| NET ASSETS, BEGINNING | <u>353 609</u> | <u>204 387</u> | <u>25 000</u> | <u>582 996</u> | <u>941 194</u> | <u>1 524 190</u> |
| NET ASSETS, ENDING | <u>\$ 474 955</u> | <u>\$ 204 760</u> | <u>\$ 25 000</u> | <u>\$ 704 715</u> | <u>\$ 1 298 173</u> | <u>\$ 2 002 888</u> |

See accompanying notes.

FRIENDS OF MOUNT AUBURN CEMETERY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended March 31, 2020

| | WITHOUT DONOR RESTRICTION | | | WITH DONOR RESTRICTION | | |
|--|---------------------------|------------------|-------------------------------|------------------------|-----------------|--------------|
| | Undesignated | Board Designated | Restricted by Contract or Law | TOTAL | Time or Purpose | TOTAL |
| REVENUE : | | | | | | |
| Public program receipts | \$ 29 583 | \$ - - | \$ - - | \$ 29 583 | \$ - - | \$ 29 583 |
| Tours | 6 354 | - - | - - | 6 354 | - - | 6 354 |
| Interpretive materials - sales and rentals | 7 333 | - - | - - | 7 333 | - - | 7 333 |
| TOTAL REVENUE | 43 270 | - - | - - | 43 270 | - - | 43 270 |
| SUPPORT : | | | | | | |
| Membership contributions | 180 | - - | - - | 180 | - - | 180 |
| Annual fund gifts | - - | - - | - - | - - | 411 737 | 411 737 |
| Other contributions and grants | 57 358 | - - | - - | 57 358 | 402 142 | 459 500 |
| Contributions from Mount Auburn Cemetery for salaries and benefits | 453 689 | - - | - - | 453 689 | - - | 453 689 |
| TOTAL SUPPORT | 511 227 | - - | - - | 511 227 | 813 879 | 1 325 106 |
| NET ASSETS RELEASED FROM RESTRICTIONS | 872 854 | - - | - - | 872 854 | (872 854) | - - |
| TOTAL REVENUE AND SUPPORT | 1 427 351 | - - | - - | 1 427 351 | (58 975) | 1 368 376 |
| EXPENSES : | | | | | | |
| Program services | 1 057 442 | - - | - - | 1 057 442 | - - | 1 057 442 |
| Management and general | 42 516 | - - | - - | 42 516 | - - | 42 516 |
| Fundraising and development | 293 165 | - - | - - | 293 165 | - - | 293 165 |
| TOTAL EXPENSES | 1 393 123 | - - | - - | 1 393 123 | - - | 1 393 123 |
| EXCESS OF REVENUE AND SUPPORT OVER EXPENSES | 34 228 | - - | - - | 34 228 | (58 975) | (24 747) |
| NONOPERATING ACTIVITIES : | | | | | | |
| Investment net change during the year | 5 374 | 816 | - - | 6 190 | 3 909 | 10 099 |
| TOTAL NONOPERATING ACTIVITIES | 5 374 | 816 | - - | 6 190 | 3 909 | 10 099 |
| INCREASE (DECREASE) IN NET ASSETS | 39 602 | 816 | - - | 40 418 | (55 066) | (14 648) |
| NET ASSETS, BEGINNING | 314 007 | 203 571 | 25 000 | 542 578 | 996 260 | 1 538 838 |
| NET ASSETS, ENDING | \$ 353 609 | \$ 204 387 | \$ 25 000 | \$ 582 996 | \$ 941 194 | \$ 1 524 190 |

See accompanying notes.

FRIENDS OF MOUNT AUBURN CEMETERY

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended March 31, 2021

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising and Development</u> | <u>Total</u> |
|--------------------------------------|-----------------------------|-----------------------------------|--|---------------------|
| Salaries and wages | \$ 146 063 | \$ 19 157 | \$ 195 092 | \$ 360 312 |
| Grants to Mount Auburn Cemetery | 920 523 | - - | - - | 920 523 |
| Employee benefits | 23 369 | 3 777 | 32 807 | 59 953 |
| Payroll taxes | 16 218 | 1 942 | 20 554 | 38 714 |
| Fees for services: | | | | |
| Accounting | - - | 10 000 | - - | 10 000 |
| Office expenses | 36 840 | - - | 18 308 | 55 148 |
| Travel | 195 | - - | 188 | 383 |
| Conference, conventions and meetings | 353 | - - | 974 | 1 327 |
| Other expenses: | | | | |
| Donor events | - - | - - | 2 331 | 2 331 |
| Contracted work | 64 062 | - - | 23 340 | 87 402 |
| Other | 5 629 | 4 376 | 1 959 | 11 964 |
| TOTAL EXPENSES BY FUNCTION | <u>\$ 1 213 252</u> | <u>\$ 39 252</u> | <u>\$ 295 553</u> | <u>\$ 1 548 057</u> |

FRIENDS OF MOUNT AUBURN CEMETERY

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended March 31, 2020

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising and Development</u> | <u>Total</u> |
|--------------------------------------|-----------------------------|-----------------------------------|--|---------------------|
| Salaries and wages | \$ 147 518 | \$ 18 560 | \$ 188 543 | \$ 354 621 |
| Grants to Mount Auburn Cemetery | 713 519 | - - | - - | 713 519 |
| Employee benefits | 23 283 | 3 923 | 35 090 | 62 296 |
| Payroll taxes | 15 892 | 1 809 | 19 071 | 36 772 |
| Fees for services: | | | | |
| Accounting | - - | 12 000 | - - | 12 000 |
| Advertising and promotion | - - | - - | 100 | 100 |
| Office expenses | 35 112 | - - | 19 365 | 54 477 |
| Travel | 625 | - - | 1 472 | 2 097 |
| Conference, conventions and meetings | 730 | - - | 2 484 | 3 214 |
| Other expenses: | | | | |
| Donor events | - - | - - | 22 337 | 22 337 |
| Contracted work | 115 130 | - - | 2 250 | 117 380 |
| Other | 5 633 | 6 224 | 2 453 | 14 310 |
| TOTAL EXPENSES BY FUNCTION | <u>\$ 1 057 442</u> | <u>\$ 42 516</u> | <u>\$ 293 165</u> | <u>\$ 1 393 123</u> |

FRIENDS OF MOUNT AUBURN CEMETERY

STATEMENTS OF CASH FLOWS

For the Years Ended March 31,

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Increase (decrease) in net assets | \$ 478 698 | \$ (14 648) |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided (required) by operating activities : | | |
| Net realized and unrealized (gain) loss on investments | (11 701) | 916 |
| Changes in operating assets and liabilities : | | |
| (Increase) decrease in assets: | | |
| Pledges receivable - net | 23 746 | (5 265) |
| Increase (decrease) in liabilities : | | |
| Accounts payable | 25 564 | (11 517) |
| Due to Mount Auburn Cemetery | <u>194 650</u> | <u>758 730</u> |
| NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES | 710 957 | 728 216 |
| CASH FLOWS FROM INVESTING ACTIVITIES : | | |
| Purchase of investments | (130 057) | (8 268) |
| Proceeds from sale of investments | <u>144 902</u> | <u>9 593</u> |
| NET CASH PROVIDED (REQUIRED) BY INVESTING ACTIVITIES | <u>14 845</u> | <u>1 325</u> |
| NET INCREASE (DECREASE) IN CASH | 725 802 | 729 541 |
| CASH AND CASH EQUIVALENTS, BEGINNING | <u>2 255 174</u> | <u>1 525 633</u> |
| CASH AND CASH EQUIVALENTS, ENDING | <u>\$ 2 980 976</u> | <u>\$ 2 255 174</u> |

See accompanying notes.

FRIENDS OF MOUNT AUBURN CEMETERY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizational purpose

The Friends of Mount Auburn Cemetery (the Friends) was organized in 1990 under the laws of the Commonwealth of Massachusetts as a non-profit charitable trust promoting the appreciation and preservation of the cultural, historic and natural resources of Mount Auburn Cemetery.

Basis of accounting

The Friends prepares its financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Cash and cash equivalents

For purposes of the Statement of Cash Flows, the Friends considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Pledges Receivable

Pledges receivable represents the amount due to Friends of Mount Auburn from donors who pledge future cash contributions to the Friends.

Fair Value of Investments

The Friends carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. The Friends believes that the carrying value of its investments is a reasonable estimate of fair value as of March 31, 2021.

Endowment

The Friends' endowment includes funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of board-imposed restrictions.

The Board of Trustees of the Friends has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Friends classifies as perpetually restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as net assets with donor restrictions for purpose until those amounts are appropriated for expenditure by the Friends in a

FRIENDS OF MOUNT AUBURN CEMETERY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Endowment (continued)

manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Friends considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Friends, and (7) the Friends' investment policies.

Net Assets

The Friends is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Accordingly, the Friend's net assets and change therein are classified and reported as follows:

Net Assets Without Donor Restrictions

- **Undesignated:** Net assets available for use in the general operations and not subject to donor or grantor imposed restrictions. The Trustees have designated, from net assets without donor restrictions undesignated, net assets which comprise a board designated quasi-endowment fund. The board designated funds are described further as follows:

- **Board Designated Funds Functioning As Endowment** – The Friends holds and invests funds which are a quasi-endowment fund, the income of which is utilized for the general purposes of the Friends. While the Board of Trustees has established quasi-endowment funds for the same purpose as endowment funds, any portion of quasi-endowment funds may be expended.

- **Restricted by Contract or Law** - This is an endowment fund, the income of which is restricted for the maintenance and preservation of the grounds of Mount Auburn Cemetery, including structures. The principal of this fund shall not be used for any of the general purposes of the Friends.

Net Assets With Donor Restrictions

- **Restricted for Time or Purpose** – This fund represents donor-restricted contributions and grants that are yet to be expended for their designated purpose.

FRIENDS OF MOUNT AUBURN CEMETERY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

All contributions are considered to be available for undesignated use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions restricted for time or purpose or net assets with donor restrictions perpetually restricted support that increases those net asset classes. When a qualifying expenditure occurs or a time restriction expires, net assets with donor restrictions are recognized in undesignated net assets as “net assets released from restriction” in the Statement of Activities and Changes in Net Assets. However, if a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as an undesignated contribution.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. The Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefitted. Expenses requiring allocation are done so on a reasonable and consistent basis. The expenses that are allocated include salaries and wages, taxes and benefits, office expense, contracted work, utilities and marketing. These expenses are allocated based upon various methods including time and effort spent, specific use and square footage, as applicable.

Income tax status

The Friends is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Friends qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1). The Friends is required to assess uncertain tax positions and has determined that there were no such positions that are material to the financial statements. Any changes in tax positions will be recorded when the ultimate outcome becomes known. The Friends tax returns are subject to examination by the Internal Revenue service for the years ended March 31, 2020, 2019, and 2018.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

FRIENDS OF MOUNT AUBURN CEMETERY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Facilities

The Friends receives free use of office space and equipment at Mount Auburn Cemetery. The market value of these facilities has not been quantified, so there is no contributions-in-kind or donated facilities expense currently recorded.

Risks and Uncertainties – Pandemic

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a pandemic. Although it is not possible to determine the pandemic’s ultimate length, severity, or impacts on the economy or the Friends’ finances, the Friends could experience adverse effects posed by the risks related to COVID-19.

The Friends’ finances and its success in fundraising are both adversely affected by downturns and uncertainty in the financial markets. As a large portion of the Friends’ operating budget is contributed by the Cemetery, any decline in the market value of the endowment has a direct impact on the Friends’ finances. In light of this uncertainty, and to reduce unnecessary expenses, the Friends cancelled all public events and programs. They also successfully transitioned their employees to remote working to comply with state mandated building occupancy requirements. While fundraising slumped in the spring, strong individual and foundational support over the summer and fall carried total fundraising over the amounts raised in the prior fiscal year.

Although the full extent of the impact of COVID-19 on the Friends will depend on the length and extent of the pandemic, which is dependent on emerging medical treatments and any health and safety regulations the Cemetery is required to follow, we have no concern about the Friends’ ability to continue as an ongoing concern. This situation is still ongoing at March 31, 2021. No adjustments have been made to these financial statements.

NOTE B – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Cash and cash equivalents | \$ 1 483 883 | \$ 1 119 223 |
| Pledges receivable - net | 2 000 | 23 148 |
| Long-term investments - at market value | - - | 3 144 |
| | <u>\$ 1 485 883</u> | <u>\$ 1 145 515</u> |

The fixed overhead costs of the Friends of Mount Auburn Cemetery are donated by Mount Auburn Cemetery. The Friends of Mount Auburn Cemetery has the ability to manage its variable costs based upon the level of income received.

Annual fundraising efforts are designed to raise a targeted amount in order to fund the budgeted support given to Mount Auburn Cemetery to fund identified major projects.

FRIENDS OF MOUNT AUBURN CEMETERY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE C – PLEDGES RECEIVABLE

Pledges receivable as of March 31, included the following:

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|-----------------|------------------|
| Amounts due in: | | |
| Less than one year | \$ 2 000 | \$ 26 305 |
| One to five years | <u>1 000</u> | <u>4 000</u> |
| | 3 000 | 30 305 |
| Less: | | |
| Unamortized discount | 93 | 415 |
| Allowance for uncollectible amounts | <u>349</u> | <u>3 586</u> |
| Total pledges receivable - net | <u>\$ 2 558</u> | <u>\$ 26 304</u> |

Future pledges receivable have been discounted to present value using a discount rate of 5%. An allowance for uncollectible pledges of 12% is used.

NOTE D – INVESTMENTS

The FASB, issued FASB ASC 820 *Fair Value Measurements and Disclosure*, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in an active market for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities.

Level 2

Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

FRIENDS OF MOUNT AUBURN CEMETERY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE D – INVESTMENTS (continued)

The Friend's assets that are reported at fair value are summarized in the following tables by their fair value hierarchy classification, as of the years ended March 31:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>2021 Fair Value</u> |
|----------------------------------|----------------------|----------------------|----------------------|----------------------------|
| Cash & Equivalents | \$ - - | \$ - - | \$ - - | \$ - - |
| Bonds & mutual fund equivalents | - - | - - | - - | - - |
| Stocks & mutual fund equivalents | - - | - - | - - | - - |
| TOTALS | <u>\$ - -</u> | <u>\$ - -</u> | <u>\$ - -</u> | <u>\$ - -</u> |

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>2020 Fair Value</u> |
|----------------------------------|------------------------|----------------------|----------------------|----------------------------|
| Cash & Equivalents | \$ - - | \$ - - | \$ - - | \$ - - |
| Bonds & mutual fund equivalents | - - | - - | - - | - - |
| Stocks & mutual fund equivalents | 3 144 | - - | - - | 3 144 |
| TOTALS | <u>\$ 3 144</u> | <u>\$ - -</u> | <u>\$ - -</u> | <u>\$ 3 144</u> |

The following summarizes the investment return as follows on March 31:

| | <u>2021</u> | <u>2020</u> |
|---|-------------------------|-------------------------|
| Interest & dividends | \$ 5 033 | \$ 11 015 |
| Net realized and unrealized gains (losses) | 11 701 | (916) |
| Less: Investment fees | <u>- -</u> | <u>- -</u> |
| Total return(deficit) on investments | <u>\$ 16 734</u> | <u>\$ 10 099</u> |

FRIENDS OF MOUNT AUBURN CEMETERY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE E – FUNDS FUNCTIONING AS ENDOWMENT

The following represents required disclosure relative to the composition of endowment assets and those functioning as endowment assets as of March 31,

| | Without Donor Restrictions: Board Designated | |
|--|--|-------------------|
| | <u>2021</u> | <u>2020</u> |
| Endowment assets & those functioning as endowment assets, beginning | \$ 204 387 | \$ 203 571 |
| Investment returns: | | |
| Interest & dividends | <u>373</u> | <u>816</u> |
| Total investment returns | <u>373</u> | <u>816</u> |
| Endowment assets & those functioning as endowment assets, ending | <u>\$ 204 760</u> | <u>\$ 204 387</u> |

NOTE F - DONOR RESTRICTED NET ASSETS

The donor restricted net assets of \$1,298,173 and \$941,194 as of March 31, 2021 and 2020, respectively, represent donor-restricted contributions and grants that are yet to be expended for their designated purposes.

These donor restricted contributions and grants are as follows:

FRIENDS OF MOUNT AUBURN CEMETERY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE F - DONOR RESTRICTED NET ASSETS (Continued)

| <u>Description</u> | <u>3/31/2020</u> <u>Beginning</u> <u>Balance</u> | <u>Contributions</u> <u>Received</u> | <u>Transfers</u> | <u>Restrictions</u> <u>Met</u> | <u>3/31/2021</u> <u>Ending</u> <u>Balance</u> |
|--|--|---|------------------|-----------------------------------|---|
| <u>Specific Projects</u> | | | | | |
| Annual Fund: General | \$ 505 226 | \$ 444 609 | \$ (400 000) | \$ (541 524) | \$ 8 311 |
| Annual Fund: Historical Collections | 24 784 | - | (20 000) | - | 4 784 |
| Annual Fund: Horticultural Collections | 2 936 | - | - | - | 2 936 |
| Alice Fountain | 2 305 | 1 000 | - | (3 305) | - |
| Artist-in-Residence | - | 2 100 | - | - | 2 100 |
| Asa Gray Garden Landscaping | 3 000 | 65 665 | - | (66 665) | 2 000 |
| Education Collaboration and Biodiversity Studies | 4 190 | 9 274 | - | (9 275) | 4 189 |
| Gatehouse Restoration | 2 000 | - | - | (2 000) | - |
| Historical Collections | 15 500 | 57 839 | - | (42 839) | 30 500 |
| Horticulture Apprentice | 39 841 | 10 000 | - | - | 49 841 |
| Indian Ridge Habitat Restoration | 136 265 | 297 650 | - | (218 573) | 215 342 |
| Monument Preservation | 18 644 | - | - | (18 644) | - |
| North Dell Meadows | - | 6 500 | - | (6 500) | - |
| Public Programming | - | 28 630 | - | (6 630) | 22 000 |
| Ruggiero: Annual | - | 60 000 | - | (60 000) | - |
| Significant Monument Conservation | 3 875 | - | - | (3 875) | - |
| Significant Monument Documentation | 20 516 | - | - | - | 20 516 |
| Special Plantings | - | 16 540 | - | (16 540) | - |
| Washington Tower Planning Study | - | 6 655 | 10 000 | (16 655) | - |
| Other: | | | | | |
| Various Projects | 11 611 | 274 425 | 10 000 | - | 296 036 |
| Total Projects | 790 693 | 1 280 887 | (400 000) | (1 013 025) | 658 555 |
| <u>Named Funds</u> | | | | | |
| The David P. Barnett Fund for Horticulture & Urban Ecology | - | 110 589 | 400 000 | - | 510 589 |
| Preservation Fund | 150 501 | 900 | - | (22 372) | 129 029 |
| Total Named Funds | 150 501 | 111 489 | 400 000 | (22 372) | 639 618 |
| Total Donor Restricted | <u>\$ 941 194</u> | <u>\$ 1 392 376</u> | <u>\$ - -</u> | <u>\$ (1 035 397)</u> | <u>\$ 1 298 173</u> |

FRIENDS OF MOUNT AUBURN CEMETERY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE F - DONOR RESTRICTED NET ASSETS (Continued)

| Description | 3/31/2019 Beginning Balance | Contributions Received | Transfers | Restrictions Met | 3/31/2020 Ending Balance |
|--|-----------------------------------|---------------------------|---------------|---------------------|--------------------------------|
| <u>Specific Projects</u> | | | | | |
| Annual Fund: General | \$ 505 226 | \$ 411 737 | \$ - - | \$ (411 737) | \$ 505 226 |
| Annual Fund: Historical Collections | 24 784 | - - | - - | - - | 24 784 |
| Annual Fund: Horticultural Collections | 2 936 | - - | - - | - - | 2 936 |
| Alice Fountain | - - | 22 305 | - - | (20 000) | 2 305 |
| Artist-in-Residence | 6 900 | 11 711 | - - | (18 611) | - - |
| Asa Gray Garden Landscaping | 17 499 | 15 813 | - - | (30 312) | 3 000 |
| Education Collaboration and Biodiversity Studies | - - | 9 215 | - - | (5 025) | 4 190 |
| Horticulture Apprentice | 41 447 | 20 081 | 58 525 | (80 212) | 39 841 |
| Gatehouse Restoration | 2 000 | - - | - - | - - | 2 000 |
| Historical Collections | - - | 15 500 | - - | - - | 15 500 |
| Horticulture Interns | 58 525 | - - | (58 525) | - - | - - |
| Indian Ridge Habitat Restoration | - - | 1 250 | 160 915 | (25 900) | 136 265 |
| Monument Preservation | 40 911 | 12 900 | - - | (35 167) | 18 644 |
| North Dell Meadows | 92 970 | 13 450 | - - | (106 420) | - - |
| Plant Collections Interns | 7 500 | 340 | - - | (7 840) | - - |
| Public Programming | 3 000 | 22 520 | - - | (25 520) | - - |
| Rose Window | - - | 75 | - - | (75) | - - |
| Ruggiero: Annual | - - | 60 000 | - - | (60 000) | - - |
| Significant Monument Conservation | - - | 3 875 | - - | - - | 3 875 |
| Significant Monument Documentation | 20 516 | - - | - - | - - | 20 516 |
| Special Plantings | 21 428 | 181 975 | (159 000) | (44 403) | - - |
| Other: | | | | | |
| Various Projects | 3 463 | 11 695 | (1 915) | (1 632) | 11 611 |
| Total Projects | 849 105 | 814 442 | - - | (872 854) | 790 693 |
| <u>Named Funds</u> | | | | | |
| Preservation Fund | 147 155 | 3 346 | - - | - - | 150 501 |
| Total Named Funds | 147 155 | 3 346 | - - | - - | 150 501 |
| Total Donor Restricted | <u>\$ 996 260</u> | <u>\$ 817 788</u> | <u>\$ - -</u> | <u>\$ (872 854)</u> | <u>\$ 941 194</u> |

NOTE G - CONCENTRATION OF CREDIT RISK

Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Friends' cash is held at Cambridge Savings Bank and People's United Bank, N.A. At times, amounts on deposit may exceed insured limits. Deposits at Cambridge Savings Bank are fully insured by the Depositors Insurance Fund (DIF) for funds exceeding \$250,000. Deposits at People's United Bank are insured by FDIC only, to date we have not experienced losses in any of these accounts.

FRIENDS OF MOUNT AUBURN CEMETERY

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE H – PROGRAM SERVICES

The Friends assists in the conservation of the natural beauty and historic integrity of Mount Auburn Cemetery and works to increase public knowledge and appreciation of the unique cultural, historic and natural resources of the Cemetery. A Section 501(c)(3) organization, the Friends plan and provide public programming and activities; interpretive displays, publications and materials; and visitor's services. It engages in public outreach, education and fundraising.

NOTE I – FUND-RAISING EXPENSE

Total fund-raising expense for the years ended March 31, 2021 and 2020, was \$295,553 and \$293,165 respectively.

NOTE J - RELATED PARTY TRANSACTIONS

The Friends and the Proprietors of the Cemetery of Mount Auburn (Cemetery) have some common Trustees.

The Cemetery is a corporation organized under the laws of the Commonwealth of Massachusetts in 1835 and is a tax-exempt organization under Section 501(c)(13) of the Internal Revenue Code. For the years ended March 31, 2021 and 2020, the Cemetery contributed \$458,979 and \$453,689 respectively, to the Friends' payroll costs, shared by program services and support services development and management & general.

During the periods ended March 31, 2021 and 2020, the Friends made grants to the Cemetery of \$920,523 and \$713,519, respectively to preserve, improve and interpret its horticultural and historic resources. In addition, the Friends, using its own funds, provided the Cemetery with a wide variety of publications and a large number of public interpretive programs.

As of March 31, 2021 and 2020, amounts due to the Cemetery were \$953,620 and \$758,970, respectively.

NOTE K – SUBSEQUENT EVENTS

In accordance with the guidance for subsequent events, the Friends evaluated all subsequent events for recognition or disclosure through November 22, 2021, the date the financial statements were available to be issued.