

**FRIENDS OF MOUNT AUBURN CEMETERY**

**FINANCIAL STATEMENTS**

**For the Years Ended March 31, 2020 and 2019**

**FRIENDS OF MOUNT AUBURN CEMETERY**

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**INDEPENDENT AUDITOR'S REPORT**

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

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, 2020 and 2019, 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**

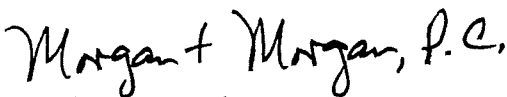
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2020 and 2019, 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  
December 2, 2020

**FRIENDS OF MOUNT AUBURN CEMETERY**

**STATEMENTS OF FINANCIAL POSITION**

**As of March 31,**

|   | <u>2020</u>         | <u>2019</u>         |
|---|---------------------|---------------------|
| <b>ASSETS</b>                           |                     |                     |
| Cash and cash equivalents               | \$ 2 255 174        | \$ 1 525 633        |
| Pledges receivable - net                | 26 304              | 21 039              |
| Long-term investments - at market value | 3 144               | 5 385               |
|   | <hr/>               | <hr/>               |
| TOTAL ASSETS                            | <u>\$ 2 284 622</u> | <u>\$ 1 552 057</u> |
| <br><b>LIABILITIES AND NET ASSETS</b>   |                     |                     |
| Accounts payable                        | \$ 1 462            | \$ 12 979           |
| Due to Mount Auburn Cemetery            | 758 970             | 240                 |
|   | <hr/>               | <hr/>               |
| TOTAL LIABILITIES                       | 760 432             | 13 219              |
| <br><b>NET ASSETS :</b>                 |                     |                     |
| Without donor restrictions:             |                     |                     |
| Undesignated                            | 353 609             | 314 007             |
| Board designated                        | 204 387             | 203 571             |
| Restricted by contract or law           | 25 000              | 25 000              |
|   | <hr/>               | <hr/>               |
| Total without donor restrictions        | 582 996             | 542 578             |
| With donor restrictions:                |                     |                     |
| For time or purpose:                    |                     |                     |
| Specific Purposes                       | 790 693             | 849 105             |
| Preservation Fund                       | 150 501             | 147 155             |
|   | <hr/>               | <hr/>               |
| Total for time or purpose               | 941 194             | 996 260             |
|   | <hr/>               | <hr/>               |
| Total with donor restrictions           | 941 194             | 996 260             |
|   | <hr/>               | <hr/>               |
| TOTAL NET ASSETS                        | <u>1 524 190</u>    | <u>1 538 838</u>    |
| TOTAL LIABILITIES AND NET ASSETS        | <u>\$ 2 284 622</u> | <u>\$ 1 552 057</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 |            | TOTAL        |
|--|---------------------------|------------------|-------------------------------|------------|------------------------|------------|--------------|
|  | 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    | 411 737      |
| Other contributions and grants                                     | 57 358                    | --               | --                            | 57 358     | 402 142                | 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                | 813 879    | 1 325 106    |
| NET ASSETS RELEASED FROM RESTRICTIONS                              | 872 854                   | --               | --                            | 872 854    | ( 872 854)             | ( 872 854) | --           |
| TOTAL REVENUE AND SUPPORT  | 1 427 351                 | --               | --                            | 1 427 351  | ( 58 975)              | ( 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)              | ( 58 975)  | ( 24 747)    |
| NONOPERATING ACTIVITIES :  |                           |                  |                               |            |                        |            |              |
| Investment net change during the year                              | 5 374                     | 816              | --                            | 6 190      | 3 909                  | 3 909      | 10 099       |
| TOTAL NONOPERATING ACTIVITIES                                      | 5 374                     | 816              | --                            | 6 190      | 3 909                  | 3 909      | 10 099       |
| INCREASE (DECREASE) IN NET ASSETS                                  | 39 602                    | 816              | --                            | 40 418     | ( 55 066)              | ( 55 066)  | ( 14 648)    |
| NET ASSETS, BEGINNING  | 314 007                   | 203 571          | 25 000                        | 542 578    | 996 260                | 996 260    | 1 538 838    |
| NET ASSETS, ENDING   | \$ 353 609                | \$ 204 387       | \$ 25 000                     | \$ 582 996 | \$ 941 194             | \$ 941 194 | \$ 1 524 190 |

See accompanying notes.

**FRIENDS OF MOUNT AUBURN CEMETERY**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**For the Year Ended March 31, 2019**

|  | WITHOUT DONOR RESTRICTION |                  |                               | WITH DONOR RESTRICTION |                 |             | TOTAL        |
|--|---------------------------|------------------|-------------------------------|------------------------|-----------------|-------------|--------------|
|  | Undesignated              | Board Designated | Restricted by Contract or Law | TOTAL                  | Time or Purpose | TOTAL       |              |
| REVENUE :  |                           |                  |                               |                        |                 |             |              |
| Public program receipts  | \$ 17 700                 | \$ - -           | \$ - -                        | \$ 17 700              | \$ - -          | \$ - -      | \$ 17 700    |
| Tours  | 7 696                     | - -              | - -                           | 7 696                  | - -             | - -         | 7 696        |
| Interpretive materials - sales and rentals                         | 9 081                     | - -              | - -                           | 9 081                  | - -             | - -         | 9 081        |
| TOTAL REVENUE  | 34 477                    | - -              | - -                           | 34 477                 | - -             | - -         | 34 477       |
| SUPPORT :  |                           |                  |                               |                        |                 |             |              |
| Membership contributions   | 28 170                    | - -              | - -                           | 28 170                 | - -             | - -         | 28 170       |
| Annual fund gifts  | - -                       | - -              | - -                           | - -                    | 382 728         | 382 728     | 382 728      |
| Other contributions and grants                                     | 106 971                   | - -              | - -                           | 106 971                | 674 923         | 674 923     | 781 894      |
| Contributions from Mount Auburn Cemetery for salaries and benefits | 515 500                   | - -              | - -                           | 515 500                | - -             | - -         | 515 500      |
| TOTAL SUPPORT  | 650 641                   | - -              | - -                           | 650 641                | 1 057 651       | 1 057 651   | 1 708 292    |
| NET ASSETS RELEASED FROM RESTRICTIONS                              | 1 082 479                 | - -              | - -                           | 1 082 479              | (1 082 479)     | (1 082 479) | - -          |
| TOTAL REVENUE AND SUPPORT  | 1 767 597                 | - -              | - -                           | 1 767 597              | (24 828)        | (24 828)    | 1 742 769    |
| EXPENSES :   |                           |                  |                               |                        |                 |             |              |
| Program services   | 1 302 311                 | - -              | - -                           | 1 302 311              | - -             | - -         | 1 302 311    |
| Management and general   | 39 123                    | - -              | - -                           | 39 123                 | - -             | - -         | 39 123       |
| Fundraising and development  | 400 152                   | - -              | - -                           | 400 152                | - -             | - -         | 400 152      |
| TOTAL EXPENSES   | 1 741 586                 | - -              | - -                           | 1 741 586              | - -             | - -         | 1 741 586    |
| EXCESS OF REVENUE AND SUPPORT OVER EXPENSES                        | 26 011                    | - -              | - -                           | 26 011                 | (24 828)        | (24 828)    | 1 183        |
| NONOPERATING ACTIVITIES :  |                           |                  |                               |                        |                 |             |              |
| Investment net change during the year                              | 2 422                     | 660              | - -                           | 3 082                  | 4 313           | 4 313       | 7 395        |
| TOTAL NONOPERATING ACTIVITIES                                      | 2 422                     | 660              | - -                           | 3 082                  | 4 313           | 4 313       | 7 395        |
| INCREASE (DECREASE) IN NET ASSETS                                  | 28 433                    | 660              | - -                           | 29 093                 | (20 515)        | (20 515)    | 8 578        |
| NET ASSETS, BEGINNING  | 285 574                   | 202 911          | 25 000                        | 513 485                | 1 016 775       | 1 016 775   | 1 530 260    |
| NET ASSETS, ENDING   | \$ 314 007                | \$ 203 571       | \$ 25 000                     | \$ 542 578             | \$ 996 260      | \$ 996 260  | \$ 1 538 838 |

See accompanying notes.

**FRIENDS OF MOUNT AUBURN CEMETERY**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended March 31, 2020**

|   | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Fundraising and<br/>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:  |                             |                                   |  |                     |
| Legal   | - -                         | - -                               | - -                                    | - -                 |
| Accounting  | - -                         | 12 000                            | - -                                    | 12 000              |
| Investment fees   | - -                         | - -                               | - -                                    | - -                 |
| 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              |
| SUB-TOTAL EXPENSES BY FUNCTION  | <u>1 057 442</u>            | <u>42 516</u>                     | <u>293 165</u>                         | <u>1 393 123</u>    |
| Less expenses included in revenues on<br>the Statement of Activities: |                             |                                   |  |                     |
| Investment fees   | - -                         | - -                               | - -                                    | - -                 |
| 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**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended March 31, 2019**

|   | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Fundraising and<br/>Development</u> | <u>Total</u>        |
|---|-----------------------------|-----------------------------------|--|---------------------|
| Salaries and wages  | \$ 141 128                  | \$ 18 226                         | \$ 242 180                             | \$ 401 534          |
| Grants to Mount Auburn Cemetery                                       | 1 015 318                   | - -                               | - -                                    | 1 015 318           |
| Employee benefits   | 21 966                      | 3 887                             | 47 844                                 | 73 697              |
| Payroll taxes   | 14 868                      | 1 725                             | 23 676                                 | 40 269              |
| Fees for services:  |                             |                                   |  |                     |
| Legal   | - -                         | - -                               | 1 088                                  | 1 088               |
| Accounting  | - -                         | 9 700                             | - -                                    | 9 700               |
| Investment fees   | - -                         | 140                               | 3 000                                  | 3 140               |
| Advertising and promotion   | - -                         | - -                               | - -                                    | - -                 |
| Office expenses   | 39 969                      | 37                                | 31 806                                 | 71 812              |
| Travel  | 126                         | - -                               | 2 979                                  | 3 105               |
| Conference, conventions and meetings                                  | - -                         | - -                               | 2 390                                  | 2 390               |
| Other expenses:   |                             |                                   |  |                     |
| Donor events  | 2 700                       | - -                               | 39 734                                 | 42 434              |
| Contracted work   | 55 506                      | - -                               | 3 650                                  | 59 156              |
| Other   | 10 730                      | 5 548                             | 4 805                                  | 21 083              |
| SUB-TOTAL EXPENSES BY FUNCTION  | <u>1 302 311</u>            | <u>39 263</u>                     | <u>403 152</u>                         | <u>1 744 726</u>    |
| Less expenses included in revenues on<br>the Statement of Activities: |                             |                                   |  |                     |
| Investment fees   | <u>- -</u>                  | <u>( 140)</u>                     | <u>( 3 000)</u>                        | <u>( 3 140)</u>     |
| TOTAL EXPENSES BY FUNCTION  | <u>\$ 1 302 311</u>         | <u>\$ 39 123</u>                  | <u>\$ 400 152</u>                      | <u>\$ 1 741 586</u> |



**FRIENDS OF MOUNT AUBURN CEMETERY**

**STATEMENTS OF CASH FLOWS**

**For the Years Ended March 31,**

|  | <u>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:  |                     |                     |
| Increase (decrease) in net assets  | \$ (14 648)         | \$ 8 578            |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided (required) by operating activities : |                     |                     |
| Net realized and unrealized (gain) loss on investments   | 916                 | ( 720)              |
| Changes in operating assets and liabilities :  |                     |                     |
| (Increase) decrease in assets:   |                     |                     |
| Pledges receivable - net   | ( 5 265)            | 35 891              |
| Increase (decrease) in liabilities :   |                     |                     |
| Accounts payable   | ( 11 517)           | 4 099               |
| Due to Mount Auburn Cemetery   | <u>758 730</u>      | <u>( 2 620)</u>     |
| NET CASH PROVIDED (REQUIRED)<br>BY OPERATING ACTIVITIES  | <u>728 216</u>      | 45 228              |
| CASH FLOWS FROM INVESTING ACTIVITIES :   |                     |                     |
| Purchase of investments  | ( 8 268)            | ( 73 083)           |
| Proceeds from sale of investments  | <u>9 593</u>        | <u>74 118</u>       |
| NET CASH PROVIDED (REQUIRED)<br>BY INVESTING ACTIVITIES  | <u>1 325</u>        | <u>1 035</u>        |
| NET INCREASE (DECREASE) IN CASH  | 729 541             | 46 263              |
| CASH AND CASH EQUIVALENTS, BEGINNING   | <u>1 525 633</u>    | <u>1 479 370</u>    |
| CASH AND CASH EQUIVALENTS, ENDING  | <u>\$ 2 255 174</u> | <u>\$ 1 525 633</u> |

See accompanying notes.

**FRIENDS OF MOUNT AUBURN CEMETERY**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020 and 2019**

**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, 2020.

**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, 2020 and 2019**

**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, 2020 and 2019**

**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, 2019, 2018, and 2017.

**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, 2020 and 2019**

**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.

**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>2020</u>         | <u>2019</u>       |
|---|---------------------|-------------------|
| Cash and cash equivalents               | \$ 1 263 980        | \$ 479 372        |
| Pledges receivable - net                | 23 148              | 14 160            |
| Long-term investments - at market value | 3 144               | 5 385             |
|   | <u>\$ 1 290 272</u> | <u>\$ 498 917</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, 2020 and 2019**

**NOTE C – PLEDGES RECEIVABLE**

Pledges receivable as of March 31, included the following:

|                                     | <u>2020</u>                 | <u>2019</u>                 |
|-------------------------------------|-----------------------------|-----------------------------|
| Amounts due in:                     |                             |                             |
| Less than one year                  | \$ 26 305                   | \$ 19 500                   |
| One to five years                   | 4 000                       | 5 000                       |
|                                     | <u>30 305</u>               | <u>24 500</u>               |
| Less:                               |                             |                             |
| Unamortized discount                | 415                         | 592                         |
| Allowance for uncollectible amounts | 3 586                       | 2 869                       |
|                                     | <u>                    </u> | <u>                    </u> |
| Total pledges receivable - net      | <u>\$ 26 304</u>            | <u>\$ 21 039</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, 2020 and 2019**

**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>2020<br/>Fair Value</u> |
|----------------------------------|------------------------|----------------------|----------------------|----------------------------|
| Cash & Equivalents               | \$ - -                 | \$ - -               | \$ - -               | \$ - -                     |
| Bonds & mutual fund equivalents  | - -                    | - -                  | - -                  | - -                        |
| Stocks & mutual fund equivalents | 3 144                  | - -                  | - -                  | 3 144                      |
| <b>TOTALS</b>                    | <b><u>\$ 3 144</u></b> | <b><u>\$ - -</u></b> | <b><u>\$ - -</u></b> | <b><u>\$ 3 144</u></b>     |

|                                  | <u>Level 1</u>         | <u>Level 2</u>       | <u>Level 3</u>       | <u>2019<br/>Fair Value</u> |
|----------------------------------|------------------------|----------------------|----------------------|----------------------------|
| Cash & Equivalents               | \$ - -                 | \$ - -               | \$ - -               | \$ - -                     |
| Bonds & mutual fund equivalents  | - -                    | - -                  | - -                  | - -                        |
| Stocks & mutual fund equivalents | 5 385                  | - -                  | - -                  | 5 385                      |
| <b>TOTALS</b>                    | <b><u>\$ 5 385</u></b> | <b><u>\$ - -</u></b> | <b><u>\$ - -</u></b> | <b><u>\$ 5 385</u></b>     |

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

|   | <u>2020</u>             | <u>2019</u>               |
|---|-------------------------|---------------------------|
| Interest & dividends                        | \$ - -                  | \$ 286                    |
| Net realized and unrealized gains (losses)  | ( 916)                  | 720                       |
| Less: Investment fees                       | - -                     | ( 3 140)                  |
| <b>Total return(deficit) on investments</b> | <b><u>\$ ( 916)</u></b> | <b><u>\$ ( 2 134)</u></b> |

**FRIENDS OF MOUNT AUBURN CEMETERY**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020 and 2019**

**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>2020</u>                                  | <u>2019</u>       |
| Endowment assets & those functioning<br>as endowment assets, beginning | \$ 203 571                                   | \$ 202 911        |
| Investment returns:  |  |                   |
| Interest & dividends   | <u>816</u>                                   | <u>660</u>        |
| Total investment returns   | <u>816</u>                                   | <u>660</u>        |
| Endowment assets & those functioning<br>as endowment assets, ending    | <u>\$ 204 387</u>                            | <u>\$ 203 571</u> |

**NOTE F - DONOR RESTRICTED NET ASSETS**

The donor restricted net assets of \$941,194 and \$996,260 as of March 31, 2020 and 2019, 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, 2020 and 2019**

**NOTE F - DONOR RESTRICTED NET ASSETS (Continued)**

| Description                                    | 3/31/2019<br>Beginning<br>Balance | Contributions<br>Received /<br>Other Additions | Restrictions<br>Met | 3/31/2020<br>Ending<br>Balance |
|--|-----------------------------------|--|---------------------|--------------------------------|
| <b><u>Specific Projects</u></b>                |                                   |  |                     |                                |
| 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 & Biodiversity Studies | -                                 | 9 215  | (5 025)             | 4 190                          |
| Horticulture Apprentice                        | 41 447                            | 78 606   | (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               | -                                 | 162 165  | (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                            | 22 975   | (44 403)            | -                              |
| Other:   |                                   |  |                     |                                |
| Various Projects                               | 3 463                             | 9 780  | (1 632)             | 11 611                         |
| Total Specific Projects                        | <u>849 105</u>                    | <u>814 442</u>                                 | <u>(872 854)</u>    | <u>790 693</u>                 |
| <b><u>Named Funds</u></b>                      |                                   |  |                     |                                |
| 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>\$ (872 854)</u> | <u>\$ 941 194</u>              |

**FRIENDS OF MOUNT AUBURN CEMETERY**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020 and 2019**

**NOTE F - DONOR RESTRICTED NET ASSETS (Continued)**

| Description                            | 3/31/2018<br>Beginning<br>Balance | Contributions<br>Received /<br>Other Additions | Restrictions<br>Met   | 3/31/2019<br>Ending<br>Balance |
|--|-----------------------------------|--|-----------------------|--------------------------------|
| <b>Specific Purposes</b>               |                                   |  |                       |                                |
| Annual Fund: General                   | \$ 380 086                        | \$ 361 420                                     | \$ (236 280)          | \$ 505 226                     |
| Annual Fund: Historical Collections    | 33 384                            | 16 400   | (25 000)              | 24 784                         |
| Annual Fund: Horticultural Collections | - -                               | 3 783  | (847)                 | 2 936                          |
| Annual Fund: Preservation              | 1 436                             | 974  | (2 410)               | - -                            |
| Annual Fund: Public Programs           | - -                               | 151  | (151)                 | - -                            |
| Artist-in-Residence                    | - -                               | 6 900  | - -                   | 6 900                          |
| Asa Gray Garden Landscaping            | 55 999                            | 282 045  | (320 545)             | 17 499                         |
| Consecration Dell                      | 86 500                            | - -  | (86 500)              | - -                            |
| Education and Ecology Collaboration    | 31 923                            | - -  | (31 923)              | - -                            |
| ESRI/BG Base                           | - -                               | 123 978  | (123 978)             | - -                            |
| Gardener Education Programs            | 56 413                            | 25 015   | (39 981)              | 41 447                         |
| Gatehouse Restoration                  | 2 000                             | - -  | - -                   | 2 000                          |
| Horticulture Interns                   | 48 525                            | 10 000   | - -                   | 58 525                         |
| Monument Preservation                  | 53 938                            | 2 400  | (15 427)              | 40 911                         |
| North Dell Meadows                     | 5 000                             | 87 970   | - -                   | 92 970                         |
| Plant Collection Interns               | - -                               | 7 500  | - -                   | 7 500                          |
| Public Programming                     | - -                               | 18 900   | (15 900)              | 3 000                          |
| Rose Window                            | 6 273                             | 2 100  | (8 373)               | - -                            |
| Ruggiero: Annual                       | - -                               | 60 000   | (60 000)              | - -                            |
| Significant Monument Conservation      | - -                               | 3 500  | (3 500)               | - -                            |
| Significant Monument Documentation     | 20 516                            | - -  | - -                   | 20 516                         |
| Special Plantings                      | 618                               | 36 505   | (15 695)              | 21 428                         |
| Wildlife Habitat Plan Implementation   | 7 674                             | 7 910  | (15 584)              | - -                            |
| Other:                                 |                                   |  |                       |                                |
| Various Projects                       | 24 779                            | 686  | (22 002)              | 3 463                          |
| <b>Total Specific Purposes</b>         | <b>815 064</b>                    | <b>1 058 137</b>                               | <b>(1 024 096)</b>    | <b>849 105</b>                 |
| <b>Named Funds</b>                     |                                   |  |                       |                                |
| Horticulture Fund                      | 112                               | 130  | (242)                 | - -                            |
| Preservation Fund                      | 188 726                           | 3 697  | (45 268)              | 147 155                        |
| <b>Total Named Funds</b>               | <b>188 838</b>                    | <b>3 827</b>                                   | <b>(45 510)</b>       | <b>147 155</b>                 |
| <b>Horticulture Center</b>             |                                   |  |                       |                                |
| Greenhouse (Phase 1A)                  | 12 873                            | - -  | (12 873)              | - -                            |
| <b>Total Donor Restricted</b>          | <b>\$ 1 016 775</b>               | <b>\$ 1 061 964</b>                            | <b>\$ (1 082 479)</b> | <b>\$ 996 260</b>              |

**FRIENDS OF MOUNT AUBURN CEMETERY**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020 and 2019**

**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.

**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, 2020 and 2019, was \$293,165 and \$400,152 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, 2020 and 2019, the Cemetery contributed \$453,689 and \$515,500, respectively, to the Friends' payroll costs, shared by program services and support services development and management & general.

During the periods ended March 31, 2020 and 2019, the Friends made grants to the Cemetery of \$713,519 and \$1,015,318, 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, 2020 and 2019, amounts due to the Cemetery were \$758,970 and \$240, respectively.

Pledges Payable of \$ - 0 - and \$ - 0 - for the years ended March 31, 2020 and 2019 are payable to the Cemetery. These funds were raised by the Friends for the building of the Greenhouse.

**NOTE K – SUBSEQUENT EVENTS**

In accordance with the guidance for subsequent events, the Friends evaluated all subsequent events for recognition or disclosure through December 2, 2020, the date the financial statements were available to be issued.