

**STONINGTON CEMETERY  
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS  
AS OF JUNE 30, 2021**

**TOGETHER WITH  
INDEPENDENT ACCOUNTANTS' REVIEW  
REPORT**



## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of  
Stonington Cemetery Association, Inc.  
Stonington, Connecticut

We have reviewed the accompanying financial statements of Stonington Cemetery Association, Inc. (the "Association"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Association's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### 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.

### Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Hoyt, Filippetti & Malaghan, LLC*

Groton, Connecticut  
October 13, 2021

**STONINGTON CEMETERY ASSOCIATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2021**  
*(See Independent Accountants' Review Report)*

**ASSETS**

|   |              |
|---|--------------|
| <b>CURRENT ASSETS</b>   |              |
| Cash  | \$ 63,035    |
| Total current assets  | 63,035       |
| <br><b>PROPERTY AND EQUIPMENT, at cost, net of<br/>accumulated depreciation</b> |              |
|   | 579,824      |
| <br><b>OTHER ASSETS</b>   |              |
| Investments   | 363,976      |
| Total other assets  | 363,976      |
| Total assets  | \$ 1,006,835 |

**NET ASSETS**

|                                  |              |
|----------------------------------|--------------|
| <b>NET ASSETS</b>                |              |
| Without donor restrictions       | 1,006,835    |
| Total liabilities and net assets | \$ 1,006,835 |

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

**STONINGTON CEMETERY ASSOCIATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
*(See Independent Accountants' Review Report)*

|                                   | Without Donor<br>Restrictions |
|-----------------------------------|-------------------------------|
| <b>SUPPORT AND REVENUE</b>        |                               |
| Sale of lots                      | \$ 74,750                     |
| Burial services                   | 28,500                        |
| Contributions and grants          | 53,203                        |
| Other income                      | 349                           |
| Investment income                 | 6,097                         |
| Gain on investments               | 77,307                        |
|                                   | 240,206                       |
| <br><b>EXPENSES</b>               |                               |
| Program services                  | 85,254                        |
| Management and general            | 10,973                        |
| Total expenses                    | 96,227                        |
| Change in net assets              | 143,979                       |
| <br>NET ASSETS, beginning of year | <br>862,856                   |
| <br>NET ASSETS, end of year       | <br>\$ 1,006,835              |

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

**STONINGTON CEMETERY ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
*(See Independent Accountants' Review Report)*

|                                    | Program<br>Services | Management<br>and<br>General | Total     |
|------------------------------------|---------------------|------------------------------|-----------|
| Grounds maintenance                | \$ 48,809           | \$ -                         | \$ 48,809 |
| Repairs and maintenance            | 16,424              | -                            | 16,424    |
| Burial services                    | 8,000               | -                            | 8,000     |
| Professional fees                  | -                   | 5,225                        | 5,225     |
| Office expense                     | -                   | 4,948                        | 4,948     |
| Insurance                          | 2,558               | 800                          | 3,358     |
| Utilities                          | 1,728               | -                            | 1,728     |
| Total expenses before depreciation | 77,519              | 10,973                       | 88,492    |
| Depreciation                       | 7,735               | -                            | 7,735     |
|                                    | \$ 85,254           | \$ 10,973                    | \$ 96,227 |

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

**STONINGTON CEMETERY ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
*(See Independent Accountants' Review Report)*

|   |                         |
|---|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES  |                         |
| Change in net assets  | \$ 143,979              |
| Adjustments to reconcile the change in net assets to net cash provided by operating activities: |                         |
| Gain on investments   | (77,307)                |
| Depreciation  | 7,735                   |
| Net cash provided by operating activities   | <u>74,407</u>           |
| CASH FLOWS FROM INVESTING ACTIVITIES  |                         |
| Purchases of investments  | (6,096)                 |
| Purchases of property and equipment   | <u>(37,577)</u>         |
| Net cash used in investing activities   | <u>(43,673)</u>         |
| NET INCREASE IN CASH  | 30,734                  |
| CASH, beginning of period   | <u>32,301</u>           |
| CASH, end of period   | <u><u>\$ 63,035</u></u> |

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

**STONINGTON CEMETERY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**PURPOSE OF ORGANIZATION**

The Stonington Cemetery Association, Inc. (the Association) was established in 1849 as a non-sectarian cemetery open to all. The Association sells and maintains plots as well as maintains the cemetery grounds and historic monuments. The Association is supported primarily through plot sales and burial fee services, as well as grants and donor contributions.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

**NET ASSET CATEGORIES**

To ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts of the Association are maintained in the following net asset categories:

**Without Donor Restrictions**

Net assets without donor restrictions consist of available resources other than donor restricted contributions. Included in net assets without donor restrictions are grants, which may be earmarked for specific purposes.

**With Donor Restrictions**

Net assets with donor restrictions represent contributions and investment earnings thereon that are restricted by the donor as to purpose, time of expenditure, or with the restriction that the principal be invested in perpetuity, and that only the earnings thereon be used for support of the Association's operations.

**STONINGTON CEMETERY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**RECOGNITION OF SUPPORT AND REVENUE**

**Grants and Contracts**

Grants and contracts are generally considered to be exchange transactions in which the grantor or contractor requires the performance of specific activities.

**Contributions**

Contributions are defined as voluntary, non-reciprocal transfers.

Unrestricted and unconditional contributions are recognized as support when received.

The Association recognizes contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of such assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Association's policy is to present net assets with donor restrictions received during the current period whose restrictions are also met during the current period with net assets without donor restrictions. Contributions received that are contingent on the occurrence of a future event are presented as deferred support until such conditions are substantially met, at which time they are recognized as support.

**Donated Assets**

Donated assets (including the usage of assets such as rent) are recognized at their estimated fair market value. The Association reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained; the Association reports expirations of donor restrictions in full when the donated or acquired long-lived assets are placed in service. During the year ended June 30, 2021, the Association did not receive any donated assets.

**Donated Services**

The Association recognizes contributions of services received if they create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. General volunteer services do not meet the criteria for recognition in the financial statements. No donated services have been recognized in the accompanying financial statements for the year ended June 30, 2021.

**CASH EQUIVALENTS**

The Association defines cash equivalents as liquid investments with an original maturity of three months or less, excluding cash investments held in the Association's investments. The Association had no cash equivalents as of June 30, 2021.



**STONINGTON CEMETERY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**INVESTMENTS**

Investments in marketable equity securities with readily determined fair values and investments in debt securities are carried at fair value, as further discussed in *Note 4*. Realized and unrealized gains and losses on these investments are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period in which the income and gains are recognized.

**PROPERTY AND EQUIPMENT**

Property and equipment acquisitions and improvements are recorded at cost, if purchased, or at market or assessed value on the date of gift or bequest. Depreciation is recorded on a straight-line basis over the estimated useful lives of the related assets. Repairs and maintenance are expensed as incurred. Historical cost was not available for certain property and equipment owned by the Association. The Association has chosen to carry these assets at the value reported on the town property tax appraisals as of October 1, 2020.

**EXPENSES BY FUNCTION**

The costs of providing various programs and activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**INCOME TAXES**

The Internal Revenue Service has determined that the Association is exempt from federal income taxes on exempt function income as a public charity under Section 501(c)(13) of the Internal Revenue Code. Consequently, no provision for income taxes has been made in the accompanying financial statements.

The Association did not recognize any liability for uncertain tax positions as defined by accounting principles generally accepted in the United States of America. The federal tax return of the Association for the year ended June 30, 2021 is subject to examination by the Internal Revenue Service, generally for three years after it has been filed.

**SUBSEQUENT EVENTS**

The Association has performed an evaluation of subsequent events through October 13, 2021, which is the date the financial statements were available to be issued. There are no subsequent events identified that require disclosure.

**STONINGTON CEMETERY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 – CONCENTRATIONS OF CREDIT RISK**

The Association’s financial instruments that are subject to concentrations of credit risk consist primarily of cash and investments.

- Cash – The Association places its cash with high credit-quality financial and brokerage institutions. At June 30, 2021, the Association’s deposits were covered by federal depository insurance.
- Investments – Management considers investments to be sufficiently diversified to minimize individual investment and industry concentration risk. However, all marketable securities are subject to fluctuations in market value.

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following reflects the Association’s financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include board designated amounts that could be utilized if approved.

|  |    |         |
|--|----|---------|
| Financial assets, at year-end  |    |         |
| Cash   | \$ | 63,035  |
| Investments  |    | 363,976 |
| Financial assets available to meet cash needs<br>for general expenditures within one year: | \$ | 427,011 |

**NOTE 4 – INVESTMENTS**

Generally accepted accounting principles establish 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 active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The levels of the fair value hierarchy are described below:

**Level 1**

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

**Level 2**

Inputs to the valuation method include: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**Level 3**

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**STONINGTON CEMETERY ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 – INVESTMENTS (Continued)**

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As a practical expedient, certain investments are measured at fair value on the basis of net asset value. The fair value of these investments is not included in the fair value hierarchy.

The following is a description of the valuation methodologies used for financial instruments measured at fair value:

**Mutual Funds (including Money Market Funds)**

Mutual Funds are valued at the quoted price of shares held at year end.

There have been no changes in the methodologies used at June 30, 2021.

The following is a summary of the source of fair value measurements for the Association's investments which are measured on a recurring basis as of June 30, 2021.

| Description         | Total      | Assets<br>(Level 1) |
|---------------------|------------|---------------------|
| Equity mutual funds | \$ 347,452 | \$ 347,452          |
| Money market funds  | 16,524     | 16,524              |
|                     | \$ 363,976 | \$ 363,976          |

The net gain on investments is comprised of the following:

|                  |           |
|------------------|-----------|
| Realized gains   | \$ -      |
| Unrealized gains | 77,307    |
|                  | \$ 77,307 |

**NOTE 5 – PROPERTY AND EQUIPMENT**

A summary of property and equipment is as follows:

|                                 |            |
|---------------------------------|------------|
| Land                            | \$ 522,500 |
| Building and improvements       | 158,775    |
| Furniture and fixtures          | 9,500      |
|                                 | 690,775    |
| Less – accumulated depreciation | 110,951    |
|                                 | \$ 579,824 |

Depreciation expense totaled \$7,735 for the year ended June 30, 2021.