

PROPRIETORS OF THE CEMETERY OF

MOUNT AUBURN AND AFFILIATE

FINANCIAL STATEMENTS

For the Years Ended March 31, 2019 and 2018

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of the
Proprietors of the Cemetery of Mount Auburn and Affiliate
Cambridge, Massachusetts

We have audited the accompanying consolidated financial statements of the Proprietors of the Cemetery of Mount Auburn and Affiliate (nonprofit organizations), which comprise the *consolidated statements of financial position* as of March 31, 2019 and 2018, and the related *consolidated statements of activities and changes in net assets, functional expenses and cash flows* for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Proprietors of the Cemetery of Mount Auburn and Affiliate as of March 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of detail statements of financial position, consolidating statements of activities and changes in net assets, consolidating statements of functional expenses and consolidating statements of cash flows on pages 26-33 are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Morgan + Morgan, P.C.

Hingham, Massachusetts

August 29, 2019

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 5 078 892	\$ 5 525 012
Accounts receivable - employees	12 978	9 096
Accounts receivable - interment space	2 109 307	2 250 048
Prepaid expenses	257 067	257 841
Supplies inventory	25 497	21 059
Pledges receivable - net	21 039	56 931
Long-term investments - at market value	187 019 042	187 001 761
Prepaid pension	68 299	42 384
Property and equipment - net	40 447 990	33 710 410
Interment space inventory	3 573 237	2 405 728
TOTAL ASSETS	<u>\$ 238 613 348</u>	<u>\$ 231 280 270</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 1 862 593	\$ 1 700 074
Accrued expenses	469 341	638 158
Deferred revenue	57 572	46 806
External financing obligation	18 377 053	11 973 765
Pension liability	5 084 934	4 916 385
TOTAL LIABILITIES	<u>25 851 493</u>	<u>19 275 188</u>
NET ASSETS :		
Without donor restrictions:		
Undesignated	2 452 430	2 027 689
Invested in property and equipment, net of related debt	22 070 937	21 736 645
Total undesignated	<u>24 523 367</u>	<u>23 764 334</u>
Board designated	157 899 964	158 836 899
Restricted by contract or law	29 342 264	28 387 074
Total without donor restrictions	<u>211 765 595</u>	<u>210 988 307</u>
With donor restrictions:		
For time or purpose:		
Specific Purpose	849 105	815 064
Horticulture Fund	-	112
Preservation Fund	147 155	188 726
Greenhouse (Phase 1A)	-	12 873
Total for time or purpose	<u>996 260</u>	<u>1 016 775</u>
Total with donor restrictions	<u>996 260</u>	<u>1 016 775</u>
TOTAL NET ASSETS	<u>212 761 855</u>	<u>212 005 082</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 238 613 348</u>	<u>\$ 231 280 270</u>

See accompanying notes.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended March 31, 2019

	WITHOUT DONOR RESTRICTIONS			TOTAL	WITH DONOR RESTRICTIONS	
	Undesignated	Board Designated	Restricted by Contract or Law		For Time or Purpose	TOTAL
REVENUE :						
Gross sales	\$ 3 597 101	\$ --	\$ --	\$ 3 597 101	\$ --	\$ 3 597 101
Returns	(287 985)	--	--	(287 985)	--	(287 985)
Interment space development cost	(328 494)	--	--	(328 494)	--	(328 494)
Appropriation for costs of sales	(722 439)	--	--	(722 439)	--	(722 439)
Net sales	2 258 183	--	--	2 258 183	--	2 258 183
Earned revenue	2 483 936	--	--	2 483 936	--	2 483 936
Investment return designated for current operations, net of investment fees	8 443 205	--	--	8 443 205	--	8 443 205
TOTAL REVENUE	13 185 324	--	--	13 185 324	--	13 185 324
SUPPORT :						
Contributions and grants						
Other	114 957	--	--	114 957	674 923	789 880
Membership and annual fund gifts	28 170	--	--	28 170	382 728	410 898
TOTAL SUPPORT	143 127	--	--	143 127	1 057 651	1 200 778
NET ASSETS RELEASED FROM RESTRICTIONS	1 082 479	--	--	1 082 479	(1 082 479)	--
TOTAL REVENUE AND SUPPORT	14 410 930	--	--	14 410 930	(24 828)	14 386 102
EXPENSES :						
Program expenses	6 528 836	--	--	6 528 836	--	6 528 836
Management and general	4 387 853	--	--	4 387 853	--	4 387 853
Fundraising and development	434 916	--	--	434 916	--	434 916
TOTAL EXPENSES	11 351 605	--	--	11 351 605	--	11 351 605
EXCESS OF REVENUE AND SUPPORT OVER EXPENSES	3 059 325	--	--	3 059 325	(24 828)	3 034 497
NONOPERATING ACTIVITIES :						
Change in pension liability	(142 634)	--	--	(142 634)	--	(142 634)
Funds transferred for completed sales	(2 160 080)	1 204 890	955 190	--	--	--
Investment return in excess of amount designated for current operations	2 422	(2 141 825)	--	(2 139 403)	4 313	(2 135 090)
TOTAL NONOPERATING ACTIVITIES	(2 300 292)	(936 935)	955 190	(2 282 037)	4 313	(2 277 724)
INCREASE (DECREASE) IN NET ASSETS	759 033	(936 935)	955 190	777 288	(20 515)	756 773
NET ASSETS, BEGINNING	23 764 334	158 836 899	28 387 074	210 988 307	1 016 775	212 005 082
NET ASSETS, ENDING	\$ 24 523 367	\$ 157 899 964	\$ 29 342 264	\$ 211 765 595	\$ 996 260	\$ 212 761 855

See accompanying notes.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended March 31, 2018

	WITHOUT DONOR RESTRICTIONS			TOTAL	WITH DONOR RESTRICTIONS	
	Undesignated	Board Designated	Restricted by Contract or Law		For Time or Purpose	TOTAL
REVENUE :						
Gross sales	\$ 4 138 776	\$ - -	\$ - -	\$ 4 138 776	\$ - -	\$ 4 138 776
Returns	(94 300)	- -	- -	(94 300)	- -	(94 300)
Interment space development cost	(193 993)	- -	- -	(193 993)	- -	(193 993)
Appropriation for costs of sales	(883 453)	- -	- -	(883 453)	- -	(883 453)
Net sales	2 967 030	- -	- -	2 967 030	- -	2 967 030
Earned revenue	2 714 576	- -	- -	2 714 576	- -	2 714 576
Investment return designated current operations, net of investment fees	8 444 743	- -	- -	8 444 743	- -	8 444 743
TOTAL REVENUE	14 126 349	- -	- -	14 126 349	- -	14 126 349
SUPPORT :						
Contributions and grants						
Other	22 704	- -	- -	22 704	973 751	996 455
Membership and annual fund gifts	43 790	- -	- -	43 790	350 453	394 243
TOTAL SUPPORT	66 494	- -	- -	66 494	1 324 204	1 390 698
NET ASSETS RELEASED FROM RESTRICTIONS	1 875 109	- -	- -	1 875 109	(1 875 109)	- -
TOTAL REVENUE AND SUPPORT	16 067 952	- -	- -	16 067 952	(550 905)	15 517 047
EXPENSES :						
Program expenses	7 393 074	- -	- -	7 393 074	- -	7 393 074
Management and general	3 611 969	- -	- -	3 611 969	- -	3 611 969
Fundraising and development	497 662	- -	- -	497 662	- -	497 662
TOTAL EXPENSES	11 502 705	- -	- -	11 502 705	- -	11 502 705
EXCESS OF REVENUE AND SUPPORT OVER EXPENSES	4 565 247	- -	- -	4 565 247	(550 905)	4 014 342
NONOPERATING ACTIVITIES :						
Change in pension liability	344 130	- -	- -	344 130	- -	344 130
Funds transferred for completed sales	(1 755 260)	975 754	779 506	- -	- -	- -
Investment return in excess of amount designated for current operations	(2 394)	11 085 626	- -	11 083 232	4 273	11 087 505
TOTAL NONOPERATING ACTIVITIES	(1 413 524)	12 061 380	779 506	11 427 362	4 273	11 431 635
INCREASE (DECREASE) IN NET ASSETS	3 151 723	12 061 380	779 506	15 992 609	(546 632)	15 445 977
NET ASSETS, BEGINNING	20 612 611	146 775 519	27 607 568	194 995 698	1 563 407	196 559 105
NET ASSETS, ENDING	\$ 23 764 334	\$ 158 836 899	\$ 28 387 074	\$ 210 988 307	\$ 1 016 775	\$ 212 005 082

See accompanying notes.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended March 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
Salaries and wages	\$ 3 236 903	\$ 1 111 963	\$ 254 700	\$ 4 603 566
Grants to others	--	2 100	--	2 100
Retirement plan contributions	181 581	571 189	16 445	769 215
Employee benefits	558 079	125 629	33 872	717 580
Payroll taxes	363 534	88 561	24 900	476 995
Fees for services:				
Legal	--	1 413	1 088	2 501
Accounting	--	37 700	--	37 700
Investment fees	--	267 432	3 000	270 432
Other	--	40 719	--	40 719
Advertising and promotion	19 884	1 000	--	20 884
Office expenses	290 814	144 331	39 304	474 449
Information technology	--	84 672	--	84 672
Occupancy	200 426	288 228	--	488 654
Travel	12 621	5 747	2 979	21 347
Conference, conventions and meetings	45 799	31 567	2 390	79 756
Interest	--	627 866	--	627 866
Depreciation, depletion and amortization	--	1 101 078	--	1 101 078
Other expenses:				
Non-capitalized major projects	1 157 734	14 043	--	1 171 777
Plants	37 294	--	--	37 294
Donor events	2 700	--	39 734	42 434
Contracted work	386 508	53 650	14 699	454 857
Other	34 959	56 397	4 805	96 161
SUB-TOTAL EXPENSES BY FUNCTION	<u>6 528 836</u>	<u>4 655 285</u>	<u>437 916</u>	<u>11 622 037</u>
Less expenses included in revenues on the Consolidated Statement of Activities:				
Investment fees	<u>--</u>	<u>(267 432)</u>	<u>(3 000)</u>	<u>(270 432)</u>
TOTAL EXPENSES BY FUNCTION	<u>\$ 6 528 836</u>	<u>\$ 4 387 853</u>	<u>\$ 434 916</u>	<u>\$ 11 351 605</u>

See accompanying notes.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended March 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
Salaries and wages	\$ 3 223 839	\$ 918 694	\$ 297 862	\$ 4 440 395
Grants to others	- -	5 700	- -	5 700
Retirement plan contributions	172 171	556 492	15 851	744 514
Employee benefits	541 649	98 175	31 411	671 235
Payroll taxes	333 452	73 644	28 724	435 820
Fees for services:				
Legal	- -	17 589	- -	17 589
Accounting	- -	36 400	- -	36 400
Investment fees	- -	277 436	3 750	281 186
Other	- -	44 095	- -	44 095
Advertising and promotion	32 528	349	170	33 047
Office expenses	290 902	138 761	35 214	464 877
Information technology	- -	102 019	- -	102 019
Occupancy	201 270	246 877	- -	448 147
Travel	10 136	6 473	3 016	19 625
Conference, conventions and meetings	35 130	22 162	404	57 696
Interest	- -	219 291	- -	219 291
Depreciation, depletion and amortization	- -	988 591	- -	988 591
Other expenses:				- -
Non-capitalized major projects	2 064 117	49 806	- -	2 113 923
Plants	48 580	- -	- -	48 580
Donor events	- -	- -	8 422	8 422
Contracted work	395 138	47 961	70 101	513 200
Other	44 162	38 890	6 487	89 539
SUB-TOTAL EXPENSES BY FUNCTION	7 393 074	3 889 405	501 412	11 783 891
Less expenses included in revenues on the Consolidated Statement of Activities:				
Investment fees	- -	(277 436)	(3 750)	(281 186)
TOTAL EXPENSES BY FUNCTION	<u>\$ 7 393 074</u>	<u>\$ 3 611 969</u>	<u>\$ 497 662</u>	<u>\$ 11 502 705</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended March 31,

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 756 773	\$ 15 445 977
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities :		
Depreciation and amortization	1 101 078	988 591
Change in pension liability	142 634	(344 130)
Gain on sale of property and equipment	(374)	(16 650)
Net realized and unrealized (gain) loss on investments	(3 576 561)	(16 901 401)
Changes in operating assets and liabilities :		
(Increase) decrease in assets :		
Accounts receivable - employees	(3 882)	(3 840)
Accounts receivable - interment space	140 741	(852 148)
Accounts receivable - other	-	17 100
Prepaid expenses	774	(25 360)
Supplies inventory	(4 438)	680
Pledges receivable - net	35 891	(39 584)
Interment space inventory	(1 167 509)	(75 669)
Increase (decrease) in liabilities :		
Accounts payable	162 519	1 148 012
Accrued expenses	(168 817)	193 888
Deferred revenue	10 766	14 816
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	<u>(2 570 405)</u>	<u>(449 718)</u>
CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of property and equipment	(7 857 083)	(9 115 463)
Proceeds from sale of property and equipment	18 800	36 650
Purchase of investments	(92 399 696)	(38 748 603)
Proceeds from sale of investments	<u>95 958 976</u>	<u>42 814 685</u>
NET CASH PROVIDED (REQUIRED) BY INVESTING ACTIVITIES	<u>(4 279 003)</u>	<u>(5 012 731)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds from external financing obligation	<u>6 403 288</u>	<u>7 173 765</u>
NET CASH PROVIDED (REQUIRED) BY FINANCING ACTIVITIES	<u>6 403 288</u>	<u>7 173 765</u>
NET INCREASE (DECREASE) IN CASH	(446 120)	1 711 316
CASH AND CASH EQUIVALENTS, BEGINNING	<u>5 525 012</u>	<u>3 813 696</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 5 078 892</u>	<u>\$ 5 525 012</u>
Cash paid for interest expense	\$ 627 866	\$ 219 291

See accompanying notes.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Proprietors of the Cemetery of Mount Auburn

The Proprietors of the Cemetery of Mount Auburn (the Cemetery) is organized under Chapter 96 of the Acts of 1835 of the Massachusetts legislature as a non-profit corporation governed by the Trustees elected by the Proprietors. The Cemetery was the nation's first garden cemetery and is engaged in the development, sale and maintenance of graves, crypts, niches, and accessories and provides cemetery services, such as interments and cremations. Listed on the National Register of Historic Places and designated as a National Historic Landmark, the Cemetery is actively preserving and rehabilitating its historic buildings, monuments and collections.

Friends of Mount Auburn Cemetery (the Affiliate)

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.

Principles of Consolidation

The consolidated financial statements of the Proprietors of the Cemetery of Mount Auburn and Affiliate (the Organization) include the accounts of the Cemetery and the Friends because the Cemetery has both control and an economic interest in the Friends. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Basis of Accounting

The Organization 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 Consolidated Statements of Cash Flows, the Organization considers all short-term debt securities purchased with a maturity of one year or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Accounts are charged to bad debt expense as they are deemed uncollectible based upon a periodic review of aging and collections. The Organization considers accounts receivable to be fully collectible. Credit losses, when realized, have been within the range of the Organization's expectations and, historically, have not been significant.

Supplies Inventory

Inventories, which consist largely of materials and supplies consumed in the day to day operations of the Organization, are stated at lower of cost or market by the first-in, first-out method.

Pledges Receivable

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

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Consolidated Statement of Financial Position. The Organization also invests in real estate limited partnerships and a venture capital fund for which a quoted market value is not readily available. The fair values of these investments are based upon the most recent estimates provided by the respective investment managers. Because alternative investments are not readily marketable, the estimated value is subject to uncertainty, and therefore, may differ from the value that would have been used had a ready market for the investment existed and the differences could be material. The Organization reviewed and evaluated the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. The Organization believes that the carrying value of its alternative investments are a reasonable estimate of fair value as of March 31, 2019 and 2018, respectively.

Endowment

The Organization's endowment includes both donor-restricted funds and 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 donor-imposed restrictions.

The Board of Trustees of the Cemetery 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 Organization classifies as perpetually restricted net assets with donor restrictions (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 with donor restrictions are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization 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 Organization, and (7) the Organization's investment policies.

The Organization's spending policy as approved by the Board of Trustees, is based on a calculation of the average of long-term investments for a 60-month average for 2019 and 2018.

Property and Equipment

All acquisitions of property and equipment in excess of \$10,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost, or if donated, at the fair market value at the date of the donation. Depreciation is computed using the straight-line method over their estimated useful lives. Maintenance, repairs and landscaping expenses are charged to operations when incurred.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

Estimated useful lives are as follows:

Building and improvements	5 - 40 years
Master plans	30 years
Vehicles and equipment	3 - 10 years
Furniture and fixtures	5 - 7 years

Interment Space

Costs of lots, graves, crypts, niches, benches and their development and improvement are capitalized when they are incurred and reported as projects in progress. Once the developed lots, graves, crypts, niches or benches have been completed, the costs are transferred to the appropriate category and reported as interment space inventory. Upon sale of the rights of interment, the costs are charged on a pro-rata basis to the cost of goods sold.

Deferred Revenue

Revenue from annual care contracts is deferred and recognized over the period to which the service is provided.

Net Assets

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

Net Assets Without Donor Restrictions

- Undesignated - Net assets available for use in general operations and not subject to donor or grantor imposed restrictions. It is the policy of the Trustees to review the Organization's plans for the future property improvements and acquisitions from time to time and to designate appropriate sums of undesignated net assets to assure adequate financing of such improvements. 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 Organization holds and invests funds which are a quasi-endowment fund, the income of which is utilized for the care, preservation, improvement and enlargement of the Cemetery, including the payment of salaries, and for the general purposes of the Friends. While quasi-endowment funds have been established by the Trustees for the same purpose as endowment funds, any portion of quasi-endowment funds may be expended. This is known as the Permanent Fund.

These net assets also include the appreciated value of the net assets restricted by contract or law.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Restricted By Contract or Law – This endowment Trust Fund restricted for the perpetual care of individual lots and graves in the Cemetery. The principal of the Trust Fund shall not be used for any of the general purposes of the Cemetery.

Net Assets With Donor Restrictions

Net assets subject to donor or certain grantor restrictions.

- For Time or Purpose - Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events or purpose specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues

Sales of interment space are recorded at the inception of the contract. The funds are transferred when payments are received in full and the rights of interment have been transferred. The funds generated by these sales, less development cost, are transferred as follows:

	<u>2019</u>	<u>2018</u>
To Undesignated Funds for cost of sales	22%	22%
To Restricted by Contract or Law	30%	30%
To Board Designated Funds Endowment	Remainder	Remainder

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 Consolidated 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 Consolidated Statements of Activities and Changes in Net Assets. The Consolidated 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, plant material, repairs supplies, office expense, vehicle expense, depreciation, 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.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

Advertising costs are expensed as they are incurred.

Environmental Remediation Costs

Future costs under environmental remediation obligations are not discounted to present value.

Income taxes

The Cemetery and Friends are exempt from income taxes as a non-profit organization's operating under Section's 501(c)(13) and 501(c)(3), of the Internal Revenue Code respectively. In addition Friends qualifies for the charitable contribution deduction under Section 170(b)(1)(A). Both the Cemetery and the Friends have been determined not to be private foundations under Section 509(a)(1). The Organization is required to assess uncertain tax positions and has determined that there were no such positions that are material to the consolidated financial statements. Any changes in tax positions will be recorded when the ultimate outcome becomes known. The Cemetery's and Friends tax returns are subject to examination by the Internal Revenue Service for the years ended March 31, 2018, 2017, and 2016.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

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

Change in Accounting Principle

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, in information about liquidity and availability of resources, and the direction for consistency about the information provided about expenses and investment return. The Organization implemented ASU 2016-14 and have adjusted the presentation in these consolidated financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle (Continued)

A summary of the net asset reclassifications by the adoption of ASU 2016-14 as of March 31, 2017 is presented below:

	WITHOUT DONOR RESTRICTIONS			WITH DONOR RESTRICTIONS	
	Undesignated	Board Designated	Restricted by Contract or Law	TOTAL	For Time or Purpose
Net Asset Classification					
As previously presented:					
Unrestricted: operations	\$ 20 612 611	\$ - -	\$ - -	\$ 20 612 611	\$ - -
Unrestricted: endowment	- -	27 987 262	- -	27 987 262	- -
Temporarily restricted	- -	- -	- -	- -	1 563 407
Permanently restricted	- -	- -	146 395 825	146 395 825	- -
Net assets as previously reported	20 612 611	27 987 262	146 395 825	194 995 698	1 563 407
Reclassification to implement ASU 2016-14					
Appreciation of investments	- -	118 788 257	(118 788 257)	- -	- -
Net assets, As Reclassified, at year end	<u>\$ 20 612 611</u>	<u>\$ 146 775 519</u>	<u>\$ 27 607 568</u>	<u>\$ 194 995 698</u>	<u>\$ 1 563 407</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

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>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 2 991 682	\$ 3 367 619
Accounts receivable - employees	12 977	9 095
Accounts receivable - interment space	1 322 009	1 401 770
Pledges receivable - net	17 160	39 160
Long-term investments - at market value	7 213 451	6 919 908
	<u>\$ 11 557 279</u>	<u>\$ 11 737 552</u>

The Cemetery's operating budget is drawn from the income generated from earned revenue: interments, cremations, memorial care, inscriptions, chapel rentals and sales of flowers and plants. The operating budget also contains the monthly 4.2% of an adjusted 60-month-average market value of the endowment at calendar year-end (December 31). The Cemetery contributes 48% of the sales revenue of completed transactions to the endowment as the sales are completed.

The Net Assets Without Donor Restrictions of \$211,765,595, is subject to annual spending rate of 4.2% as described above. Although the Organization does not intend to spend from this board-designated endowment (other than the Board's approved budget amounts), these amounts could be made available if necessary.

NOTE C – PLEDGES RECEIVABLE

Pledges receivable as of March 31, included the following:

	<u>2019</u>	<u>2018</u>
Amounts due in:		
Less than one year	\$ 19 500	\$ 44 500
One to five years	5 000	22 500
	<u>24 500</u>	<u>67 000</u>
Less:		
Unamortized discount	592	2 306
Allowance for uncollectible amounts	<u>2 869</u>	<u>7 763</u>
Total pledges receivable - net	<u>\$ 21 039</u>	<u>\$ 56 931</u>

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).

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE D – INVESTMENTS (Continued)

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.

The Organization's assets at March 31, 2019 that are reported at fair value are summarized in the following table by their fair value hierarchy classification:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Long-Term Investments (Market)				
U.S. Common Stock	\$ 23 155 444	\$ --	\$ --	\$ 23 155 444
Global Common Stock	67 924 357	--	--	67 924 357
Non-U.S. Common Stock	18 165 292	--	--	18 165 292
Real Estate	3 884 071	--	--	3 884 071
Fixed Income	25 835 883	--	--	25 835 883
Treasury Inflation-Protected Securities	8 000 414	--	--	8 000 414
Total Long-Term Investments	<u>146 965 461</u>	<u>--</u>	<u>--</u>	<u>146 965 461</u>
Long-Term Investments (Est Fair)				
Private Equity	--	--	10 816 710	10 816 710
Opportunistic	--	--	3 396 165	3 396 165
Real Estate	--	--	16 089 021	16 089 021
Bank Loan	--	--	8 073 283	8 073 283
Total Long-Term Investments	<u>--</u>	<u>--</u>	<u>38 375 179</u>	<u>38 375 179</u>
Other Investments				
Cash Equivalents	<u>1 678 402</u>	<u>--</u>	<u>--</u>	<u>1 678 402</u>
Total Other Investments	<u>1 678 402</u>	<u>--</u>	<u>--</u>	<u>1 678 402</u>
TOTALS	<u>\$ 148 643 863</u>	<u>\$ --</u>	<u>\$ 38 375 179</u>	<u>\$ 187 019 042</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE D – INVESTMENTS (Continued)

The following table presents the Organization's assets measured at fair value on a recurring basis using significant unobservable inputs for fiscal year ended March 31, 2019 (Level 3):

<u>Level 3 Activity</u>	<u>Private Equity</u>	<u>Opportunistic</u>	<u>Real Estate</u>	<u>Bank Loan</u>	<u>Total</u>
Beginning Balance	\$ 10 198 199	\$ 840 180	\$ 15 272 089	\$ 7 852 035	\$ 34 162 503
Purchases & Sales					
Purchases	925 000	2 380 007	164 014	189 264	3 658 285
Sales (Gross Proceeds)	(1 088 345)	(93)	(187 637)	- -	(1 276 075)
Total Purchases & Sales	(163 345)	2 379 914	(23 623)	189 264	2 382 210
Realized & Unrealized Gains					
Realized	297 542	- -	57 862	- -	355 404
Unrealized	484 314	176 071	782 693	31 984	1 475 062
Total Long-Term Investments	781 856	176 071	840 555	31 984	1 830 466
TOTALS	<u>\$ 10 816 710</u>	<u>\$ 3 396 165</u>	<u>\$ 16 089 021</u>	<u>\$ 8 073 283</u>	<u>\$ 38 375 179</u>

The Organization's assets at March 31, 2018 that are reported at fair value are summarized in the following table by their fair value hierarchy classification:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Long-Term Investments (Market)				
U.S. Common Stock	\$ 21 706 370	\$ - -	\$ - -	\$ 21 706 370
Global Common Stock	76 003 386	- -	- -	76 003 386
Non-U.S. Common Stock	20 818 118	- -	- -	20 818 118
Real Estate	3 694 066	- -	- -	3 694 066
Fixed Income	22 723 220	- -	- -	22 723 220
Treasury Inflation-Protected Securities	7 789 223	- -	- -	7 789 223
Total Long-Term Investments	152 734 383	- -	- -	152 734 383
Long-Term Investments (Est Fair)				
Private Equity	- -	- -	10 198 199	10 198 199
Opportunistic	- -	- -	840 180	840 180
Real Estate	- -	- -	15 272 089	15 272 089
Bank Loan	- -	- -	7 852 035	7 852 035
Total Long-Term Investments	- -	- -	34 162 503	34 162 503
Other Investments				
Cash Equivalents	104 875	- -	- -	104 875
Total Other Investments	104 875	- -	- -	104 875
TOTALS	<u>\$ 152 839 258</u>	<u>\$ - -</u>	<u>\$ 34 162 503</u>	<u>\$ 187 001 761</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE D – INVESTMENTS (Continued)

The following table presents the Organization's assets measured at fair value on a recurring basis using significant unobservable inputs for fiscal year ended March 31, 2018 (Level 3):

<u>Level 3 Activity</u>	<u>Private Equity</u>	<u>Opportunistic</u>	<u>Real Estate</u>	<u>Bank Loan</u>	<u>Total</u>
Beginning Balance	\$ 9 477 496	\$ - -	\$ 14 270 285	\$ 7 520 083	\$ 31 267 864
Purchases & Sales					
Purchases	1 578 344	764 259	174 462	153 319	2 670 384
Sales (Gross Proceeds)	(1 231 721)	(8 488)	(196 483)	- -	(1 436 692)
Total Purchases & Sales	346 623	755 771	(22 021)	153 319	1 233 692
Realized & Unrealized Gains					
Realized	- -	- -	51 969	- -	51 969
Unrealized	374 080	84 409	971 856	178 633	1 608 978
Total Long-Term Investments	374 080	84 409	1 023 825	178 633	1 660 947
TOTALS	<u>\$ 10 198 199</u>	<u>\$ 840 180</u>	<u>\$ 15 272 089</u>	<u>\$ 7 852 035</u>	<u>\$ 34 162 503</u>

The Organization has committed to invest in limited partnerships that diversify in the types of alternative investments generally over a period of one to five years pursuant to provisions of the individual partnership agreements. The aggregate amount of unfunded commitments associated with these investments was \$4,020,822 at March 31, 2019 and \$5,237,053 at March 31, 2018.

The following schedule summarizes the investment return and its classification in the Consolidated Statement of Activities and Changes in Net Assets for the years ended March 31:

	<u>2019</u>	<u>2018</u>
Investment Return on Marketable Securities:		
Investment income	\$ 2 475 067	\$ 2 503 331
Realized gains (losses)	6 523 120	10 682 348
Unrealized gains (losses)	<u>(4 777 025)</u>	<u>4 558 106</u>
Gross Investment Return	4 221 162	17 743 785
Less: Investment fees	<u>(246 810)</u>	<u>(260 806)</u>
Net Investment Return on Marketable Securities	3 974 352	17 482 979
Investment Return on Alternative Investments:		
Investment income	526 919	408 702
Realized gains (losses)	355 404	51 969
Unrealized gains (losses)	<u>1 475 062</u>	<u>1 608 978</u>
Gross Investment Return	2 357 385	2 069 649
Less: Investment fees	<u>(23 622)</u>	<u>(20 380)</u>
Net Investment Return on Alternative Investments	2 333 763	2 049 269
Total Investment Return	6 308 115	19 532 248
Less: Investment return designated for current	<u>(8 443 205)</u>	<u>(8 444 743)</u>
Investment return in excess of amounts designated for current operations	<u>\$ (2 135 090)</u>	<u>\$ 11 087 505</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE D – INVESTMENTS (Continued)

The Organization's endowment distribution policy is designed to preserve the value of the endowment and to generate a predictable stream of available income. Investment return designated for current operations is determined annually by the Trustees during the budgeting process and is computed as follows:

	<u>2019</u>	<u>2018</u>
Investment return designated for current operations	<u>\$ 8 443 205</u>	<u>\$ 8 444 743</u>

NOTE E - PROPERTY AND EQUIPMENT

The Cemetery's master plans are long range studies of its grounds, including mapping, maintenance requirements and landscape design; development of additional interment space; the condition of the existing buildings, horticultural collections, selected monuments; and the future location and size of possible additional facilities.

Projects in progress include major building repairs, landscaping improvements, land acquisition and master planning. The total estimated cost of these projects is \$10,673,000 as of March 31, 2019 and \$23,450,000 as of March 31, 2018.

The components of the property and equipment for the years ended March 31, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Land, building and improvements	\$ 45 749 217	\$ 31 020 246
Master plans	702 676	702 676
Vehicles and equipment	3 567 609	3 852 953
Furniture and fixtures	203 084	210 317
Project in progress	<u>3 698 496</u>	<u>11 438 939</u>
Total property and equipment	53 921 082	47 225 131
Less accumulated depreciation and amortization	<u>(13 473 092)</u>	<u>(13 514 721)</u>
Net property and equipment	<u>\$ 40 447 990</u>	<u>\$ 33 710 410</u>

Depreciation and amortization for the years ended March 31, 2019 and 2018 were \$1,101,078 and \$988,591, respectively.

NOTE F – EXTERNAL FINANCING OBLIGATION

The Organization has an interest only note payable to Cambridge Savings Bank for \$4,800,000 due in January 2020, as well as a \$15,000,000 non-revolving line of credit open with Cambridge Savings Bank. An investment account valued at \$31,581,157 and \$29,862,740 as of March 31, 2019 and 2018 respectively, has been pledged as collateral for the notes payable.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE F – EXTERNAL FINANCING OBLIGATION (Continued)

The terms of the external financing obligations of the Organization as of March 31, 2019 are as follows:

3.298% interest only note payable, monthly interest payments of \$12,868, through January 2020, secured by investment account	\$ 4 800 000
Line of Credit of \$15 million, monthly interest payments, at a rate of 3.537%, vary depending on loan balance through October 2027, secured by investment account	13 577 053
Total external financing obligation	<u><u>\$ 18 377 053</u></u>

The future scheduled maturities of long-term debt are as follows:

Year ending March 31, 2020	\$ 4 800 000
Year ending March 31, 2028	\$13 577 053

NOTE G - DEFINED BENEFIT PENSION PLAN

The Cemetery sponsors a defined benefit pension plan (the Plan) covering substantially all of its employees. Pension benefits are based on years of service and an employee's highest average compensation during 36 consecutive months. The Cemetery's plan has been funded by an initial reserve and, subsequently, by annual contributions as recommended by enrolled actuaries. The actuarial valuation method used for the plan periods ended March 31, 2019 and 2018, is the Unit Credit Service Pro Rate Method.

The Plan benefits were frozen effective January 31, 2012, which eliminates defined benefit accruals for present employees' future services. A curtailment was recognized due to the plan freeze and measured as of March 31, 2012.

	<u>2019</u>	<u>2018</u>
Pension plan obligations and funded status:		
Projected benefit obligation	\$ 17 278 623	\$ 17 076 364
Fair value of plan assets	12 261 988	12 202 365
Funded status	<u><u>\$ (5 016 635)</u></u>	<u><u>\$ (4 873 999)</u></u>
Benefit cost	\$ 105 740	\$ 182 562
Employer contribution	633 668	493 850
Benefits paid	814 943	753 729
Accumulated benefit obligation	17 278 623	17 076 364
Pension (liability) asset recognized in the Consolidated Statement of Financial Position	\$ (5 016 635)	\$ (4 873 999)

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)

	<u>2019</u>	<u>2018</u>
Components of net periodic benefit cost are as follows for the year ended March 31:		
Service cost	\$ - -	\$ - -
Interest cost	636 517	628 131
Expected return on assets	(843 218)	(784 589)
Net amortization and deferral	312 441	339 020
Net periodic benefit cost	<u>\$ 105 740</u>	<u>\$ 182 562</u>
Other changes in plan assets and benefit recognized and unrestricted net assets of March		
Unrecognized net actuarial (gain) loss	<u>\$ 5 894 928</u>	<u>\$ 5 372 275</u>
Total unamortized items	<u>\$ 5 894 928</u>	<u>\$ 5 372 275</u>
	<u>2019</u>	<u>2018</u>
Weighted-average assumptions		
Discount rate - net periodic benefit cost	3.83%	3.90%
Discount rate - funded status	3.64%	3.83%
Expected return on plan assets	7.00%	7.00%
Rate of compensation increase	0.00%	0.00%

The table below presents the Organization's plan assets at fair value as of March 31. Investments, carried at the quoted market value of the securities as of March 31, 2019 and 2018, grouped by the valuation hierarchy defined in Note C:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2019 Fair Value</u>
Cash & equivalents	\$ 107 145	\$ - -	\$ - -	\$ 107 145
Fixed Income	3 724 096	- -	- -	3 724 096
Domestic equities	5 062 673	- -	- -	5 062 673
International equities	3 368 074	- -	- -	3 368 074
TOTALS	<u>\$ 12 261 988</u>	<u>\$ - -</u>	<u>\$ - -</u>	<u>\$ 12 261 988</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)

				2018
	Level 1	Level 2	Level 3	Fair Value
Cash & equivalents	\$ 124 405	\$ - -	\$ - -	\$ 124 405
Fixed Income	3 698 591	- -	- -	3 698 591
Domestic equities	4 983 540	- -	- -	4 983 540
International equities	3 395 827	- -	- -	3 395 827
TOTALS	<u>\$ 12 202 363</u>	<u>\$ - -</u>	<u>\$ - -</u>	<u>\$ 12 202 363</u>

The Plan is invested in cash equivalent securities, other high-grade fixed income securities and equities. The Trustees make decisions regarding asset allocation between cash equivalents, other fixed income securities and equities, providing, however, that the proportion of U.S. common stocks and securities convertible into common stocks held by the Plan shall be within 37% to 47% of the Plan's total market value. Non-U.S. common stocks shall be within 23% to 33% of the Plan's total market value. Fixed income securities shall be within 25% to 35% of the Plan's total market value. When acquired, no one holding of stock in any corporation shall amount to 5% or more of the market value of the Plan.

The Plan's overall rate of return objective, defined as capital appreciation plus income, is to approximate a total return, net of fees, equal to a hypothetical index created by blending the return of the DJ US Total Stock Index (42%), the MSCI All-Country World ex-US Stock Index (28%) and the Barclay's Capital Long-Term Gov/Credit Bond Index (30%).

In the selection of the expected long-term rate of return on plan assets, consideration is given to the plan's historical return and expected future returns. This rate is expected to reflect the average rate of return of funds currently invested and expected to be invested in the future to provide for plan benefits.

The Organization expects to contribute approximately \$632,836 to the Pension Plan in 2020 and contributed \$485,759 in 2019. No plan assets are expected to be returned to the Cemetery during 2019.

Estimated Future Benefit Payments – The following benefit payments are expected to be paid:

<u>Year Beginning</u>	<u>Expected Payments</u>
2020	\$ 866 000
2021	851 000
2022	841 000
2023	840 000
2024	868 000
2025 through 2029	4 777 000
	<u>\$ 9 043 000</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE H - DEFINED CONTRIBUTION PLAN

The Organization converted the existing Defined Contribution Program (401k) to a Safe Harbor plan with a 3% core contribution to all eligible employees plus a 4% company match (100% on the first 3% and 50% on the next 2%) effective January 1, 2012. All employees are eligible with at least 1 year of service, 1,000 hours of service and at least 21 years old. Prior to January 1, 2012, the Organization adopted a 401(k) retirement plan (the Retirement Plan) effective January 1, 1998, which covered all employees with at least one year of service and the Organization's matching contributions were discretionary.

The following table provides the contribution breakdown for the years ended March 31;

	<u>2019</u>	<u>2018</u>
Core contribution	\$ 121 266	\$ 113 495
Organization match	137 088	128 056
Total contributions	<u>\$ 258 354</u>	<u>\$ 241 551</u>

NOTE I – SECTION 457(b) DEFERRED COMPENSATION PLAN

The Organization has an executive retirement plan that is designed in accordance with Section 457(b) of the Internal Revenue Code. Participants are designated by the Board of Trustees. The Organization generally makes non-elective annual contributions to the plan on behalf of each participant. The participants are responsible for making investment selections within their designated accounts. However, the funds remain assets of the Organization until such time as the participant withdraws the funds in accordance with the plan provisions. Assets held for this plan were \$68,299 and \$42,384 at March 31, 2019 and 2018, respectively. A corresponding liability to plan participants is reported in pension liability.

NOTE J - CONCENTRATION OF CREDIT RISK

Bank balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's cash is held at Cambridge Savings Bank and Belmont Savings Bank, Massachusetts chartered savings banks and Charles Schwab. Deposits at Cambridge Savings Bank are fully insured by the Depositors Insurance Fund (DIF) for funds exceeding \$250,000.

NOTE K - DONOR RESTRICTED NET ASSETS

The donor-restricted net assets of \$996,260 and \$1,016,775 as of March 31, 2019 and 2018, respectively, represent donor-restricted contributions and grants that are yet to be expended for their designated purposes.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE K - DONOR RESTRICTED NET ASSETS (Continued)

These donor-restricted contributions and grants are as follows:

Description	3/31/2018 Beginning Balance	Contributions Received / Other Additions	Restrictions Met	3/31/2019 Ending Balance
<u>Specific Purposes</u>				
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
Total Specific Purposes	815 064	1 058 137	(1 024 096)	849 105
<u>Named Funds</u>				
Horticulture Fund	112	130	(242)	- -
Preservation Fund	188 726	3 697	(45 268)	147 155
Total Named Funds	188 838	3 827	(45 510)	147 155
<u>Horticulture Center</u>				
Greenhouse (Phase 1A)	12 873	- -	(12 873)	- -
Total Donor Restricted	\$ 1 016 775	\$ 1 061 964	\$ (1 082 479)	\$ 996 260

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE K - DONOR RESTRICTED NET ASSETS (Continued)

Description	3/31/2017 Beginning Balance	Contributions Received / Other Additions	Restrictions Met	3/31/2018 Ending Balance
<u>Specific Purposes</u>				
Annual Fund: General	\$ 195 973	\$ 306 668	\$ (122 555)	\$ 380 086
Annual Fund: Historical Collections	22 589	10 795	- -	33 384
Annual Fund: Horticultural Collections	47 810	31 800	(79 610)	- -
Annual Fund: Preservation	516	920	- -	1 436
Annual Fund: Public Programs	- -	271	(271)	- -
Asa Gray Garden Landscaping	750 102	524 379	(1 218 482)	55 999
Bigelow Chapel Renovation	5 000	- -	(5 000)	- -
Consecration Dell	- -	86 500	- -	86 500
Education and Ecology Collaboration	85 000	- -	(53 077)	31 923
ESRI/BG Base	32 500	- -	(32 500)	- -
Gardener Education Programs	- -	56 413	- -	56 413
Gatehouse Restoration	8 000	- -	(6 000)	2 000
Horticulture Interns	33 525	15 000	- -	48 525
Mobile Application	16 894	500	(17 394)	- -
Monument Preservation	7 838	46 100	- -	53 938
North Dell Meadows	- -	5 000	- -	5 000
Public Programming	- -	23 220	(23 220)	- -
Rose Window	- -	106 250	(99 977)	6 273
Ruggiero: Annual	- -	60 000	(60 000)	- -
Significant Monument Conservation	- -	10 445	(10 445)	- -
Significant Monument Documentation	20 516	- -	- -	20 516
Special Plantings	- -	3 746	(3 128)	618
Wildlife Habitat Plan Implementation	200	20 905	(13 431)	7 674
Other:				
Various Projects	11 500	15 604	(2 325)	24 779
Total Specific Purposes	1 237 963	1 324 516	(1 747 415)	815 064
<u>Named Funds</u>				
Horticulture Fund	99 732	1 319	(100 939)	112
Preservation Fund	212 839	2 642	(26 755)	188 726
Total Named Funds	312 571	3 961	(127 694)	188 838
<u>Horticulture Center</u>				
Greenhouse (Phase 1A)	12 873	- -	- -	12 873
Total Donor Restricted	\$ 1 563 407	\$ 1 328 477	\$ (1 875 109)	\$ 1 016 775

NOTE L – SUBSEQUENT EVENTS

In accordance with the guidance for subsequent events, the Organization evaluated all subsequent events for recognition or disclosure through August 29, 2019, the date the financial statements were available to be issued.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

SUPPLEMENTARY INFORMATION

For the Years Ended March 31, 2019 and 2018

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

As of March 31, 2019

	CEMETERY	FRIENDS	ELIMINATIONS	ORGANIZATION
ASSETS				
Cash and cash equivalents	\$ 3 553 259	\$ 1 525 633	\$ - -	\$ 5 078 892
Accounts receivable - employees	12 978	- -	- -	12 978
Accounts receivable - interment space	2 109 307	- -	- -	2 109 307
Due from Friends of Mount Auburn Cemetery	240	- -	(240)	- -
Prepaid expenses	257 067	- -	- -	257 067
Supplies inventory	25 497	- -	- -	25 497
Pledges receivable - net	- -	21 039	- -	21 039
Long-term investments - at market value	187 013 657	5 385	- -	187 019 042
Prepaid pension	68 299	- -	- -	68 299
Property and equipment - net	40 447 990	- -	- -	40 447 990
Interment space inventory	3 573 237	- -	- -	3 573 237
TOTAL ASSETS	\$ 237 061 531	\$ 1 552 057	\$ (240)	\$ 238 613 348
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 1 849 614	\$ 12 979	\$ - -	\$ 1 862 593
Accrued expenses	469 341	- -	- -	469 341
Due to Mount Auburn Cemetery	- -	240	(240)	- -
Deferred revenue	57 572	- -	- -	57 572
External financing obligation	18 377 053	- -	- -	18 377 053
Pension liability	5 084 934	- -	- -	5 084 934
TOTAL LIABILITIES	25 838 514	13 219	(240)	25 851 493
NET ASSETS :				
Without donor restrictions:				
Undesignated	2 138 423	314 007	- -	2 452 430
Invested in property and equipment, net of related debt	22 070 937	- -	- -	22 070 937
Total undesignated	24 209 360	314 007	- -	24 523 367
Board designated	157 696 393	203 571	- -	157 899 964
Restricted by contract or law	29 317 264	25 000	- -	29 342 264
Total without donor restrictions	211 223 017	542 578	- -	211 765 595
With donor restrictions:				
For time or purpose:				
Specific Purpose	- -	849 105	- -	849 105
Horticulture Fund	- -	- -	- -	- -
Preservation Fund	- -	147 155	- -	147 155
Greenhouse (Phase 1A)	- -	- -	- -	- -
Total for time or purpose	- -	996 260	- -	996 260
Total with donor restrictions	- -	996 260	- -	996 260
TOTAL NET ASSETS	211 223 017	1 538 838	- -	212 761 855
TOTAL LIABILITIES AND NET ASSETS	\$ 237 061 531	\$ 1 552 057	\$ (240)	\$ 238 613 348

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

As of March 31, 2018

	CEMETERY	FRIENDS	ELIMINATIONS	ORGANIZATION
ASSETS				
Cash and cash equivalents	\$ 4 045 642	\$ 1 479 370	\$ - -	\$ 5 525 012
Accounts receivable - employees	9 096	- -	- -	9 096
Accounts receivable - interment space	2 250 048	- -	- -	2 250 048
Due from Friends of Mount Auburn Cemetery	2 860	- -	(2 860)	- -
Prepaid expenses	257 841	- -	- -	257 841
Supplies inventory	21 059	- -	- -	21 059
Pledges receivable - net	- -	56 931	- -	56 931
Long-term investments - at market value	186 996 062	5 699	- -	187 001 761
Prepaid pension	42 384	- -	- -	42 384
Property and equipment - net	33 710 410	- -	- -	33 710 410
Interment space inventory	2 405 728	- -	- -	2 405 728
TOTAL ASSETS	\$ 229 741 130	\$ 1 542 000	\$ (2 860)	\$ 231 280 270
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 1 691 194	\$ 8 880	\$ - -	\$ 1 700 074
Accrued expenses	638 158	- -	- -	638 158
Due to Mount Auburn Cemetery	- -	2 860	(2 860)	- -
Deferred revenue	46 806	- -	- -	46 806
External financing obligation	11 973 765	- -	- -	11 973 765
Pension liability	4 916 385	- -	- -	4 916 385
TOTAL LIABILITIES	19 266 308	11 740	(2 860)	19 275 188
NET ASSETS :				
Without donor restrictions:				
Undesignated	1 742 115	285 574	- -	2 027 689
Invested in property and equipment, net of related debt	21 736 645	- -	- -	21 736 645
Total undesignated	23 478 760	285 574	- -	23 764 334
Board designated	158 633 988	202 911	- -	158 836 899
Restricted by contract or law	28 362 074	25 000	- -	28 387 074
Total without donor restrictions	210 474 822	513 485	- -	210 988 307
With donor restrictions:				
For time or purpose:				
Specific Purpose	- -	815 064	- -	815 064
Horticulture Fund	- -	112	- -	112
Preservation Fund	- -	188 726	- -	188 726
Greenhouse (Phase I A)	- -	12 873	- -	12 873
Total for time or purpose	- -	1 016 775	- -	1 016 775
Total with donor restrictions	- -	1 016 775	- -	1 016 775
TOTAL NET ASSETS	210 474 822	1 530 260	- -	212 005 082
TOTAL LIABILITIES AND NET ASSETS	\$ 229 741 130	\$ 1 542 000	\$ (2 860)	\$ 231 280 270

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended March 31, 2019

	<u>CEMETERY</u>	<u>FRIENDS</u>	<u>ELIMINATIONS</u>	<u>ORGANIZATION</u>
REVENUE :				
Gross sales	\$ 3 597 101	\$ - -	\$ - -	\$ 3 597 101
Returns	(287 985)	- -	- -	(287 985)
Interment space development cost	(328 494)	- -	- -	(328 494)
Appropriation for costs of sales	(722 439)	- -	- -	(722 439)
Net sales	2 258 183	- -	- -	2 258 183
Earned revenue	2 449 459	34 477	- -	2 483 936
Investment return designated for current operations, net of investment fees	8 443 205	- -	- -	8 443 205
TOTAL REVENUE	13 150 847	34 477	- -	13 185 324
SUPPORT:				
Contributions and grants				
from Friends of Mount Auburn	1 015 318	- -	(1 015 318)	- -
from Mount Auburn Cemetery	- -	515 500	(515 500)	- -
Other	7 986	781 894	- -	789 880
Membership and annual fund gifts	- -	410 898	- -	410 898
TOTAL SUPPORT	1 023 304	1 708 292	(1 530 818)	1 200 778
NET ASSETS RELEASED FROM RESTRICTIONS	- -	- -	- -	- -
TOTAL REVENUE AND SUPPORT	14 174 151	1 742 769	(1 530 818)	14 386 102
EXPENSES :				
Program expenses	6 419 805	1 302 311	(1 193 280)	6 528 836
Management and general	4 372 568	39 123	(23 838)	4 387 853
Fundraising and development	348 464	400 152	(313 700)	434 916
TOTAL EXPENSES	11 140 837	1 741 586	(1 530 818)	11 351 605
EXCESS OF REVENUE AND SUPPORT OVER EXPENSES	3 033 314	1 183	- -	3 034 497
NONOPERATING ACTIVITIES :				
Change in pension liability	(142 634)	- -	- -	(142 634)
Investment return in excess of amount designated for current operations	(2 142 485)	7 395	- -	(2 135 090)
TOTAL NONOPERATING ACTIVITIES	(2 285 119)	7 395	- -	(2 277 724)
INCREASE (DECREASE) IN NET ASSETS	748 195	8 578	- -	756 773
NET ASSETS, BEGINNING	210 474 822	1 530 260	- -	212 005 082
NET ASSETS, ENDING	\$ 211 223 017	\$ 1 538 838	\$ - -	\$ 212 761 855

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended March 31, 2018

	<u>CEMETERY</u>	<u>FRIENDS</u>	<u>ELIMINATIONS</u>	<u>ORGANIZATION</u>
REVENUE :				
Gross sales	\$ 4 138 776	\$ - -	\$ - -	\$ 4 138 776
Returns	(94 300)	- -	- -	(94 300)
Interment space development cost	(193 993)	- -	- -	(193 993)
Appropriation for costs of sales	(883 453)	- -	- -	(883 453)
Net sales	2 967 030	- -	- -	2 967 030
Earned revenue	2 674 640	39 936	- -	2 714 576
Investment return designated for current operations, net of investment fees	8 444 743	- -	- -	8 444 743
TOTAL REVENUE	14 086 413	39 936	- -	14 126 349
SUPPORT:				
Contributions and grants				
from Friends of Mount Auburn	1 769 446	- -	(1 769 446)	- -
from Mount Auburn Cemetery	- -	549 586	(549 586)	- -
Other	15 061	981 394		996 455
Membership and annual fund gifts	- -	394 243	- -	394 243
TOTAL SUPPORT	1 784 507	1 925 223	(2 319 032)	1 390 698
NET ASSETS RELEASED FROM RESTRICTIONS	- -	- -	- -	- -
TOTAL REVENUE AND SUPPORT	15 870 920	1 965 159	(2 319 032)	15 517 047
EXPENSES :				
Program expenses	7 232 447	2 098 883	(1 938 256)	7 393 074
Management and general	3 596 250	40 606	(24 887)	3 611 969
Fundraising and development	460 573	392 978	(355 889)	497 662
TOTAL EXPENSES	11 289 270	2 532 467	(2 319 032)	11 502 705
EXCESS OF SUPPORT AND REVENUE OVER EXPENSES	4 581 650	(567 308)	- -	4 014 342
NONOPERATING ACTIVITIES :				
Change in pension liability	344 130	- -	- -	344 130
Investment return in excess of amount designated for current operations	11 085 195	2 310	- -	11 087 505
TOTAL NONOPERATING ACTIVITIES	11 429 325	2 310	- -	11 431 635
INCREASE (DECREASE) IN NET ASSETS	16 010 975	(564 998)	- -	15 445 977
NET ASSETS, BEGINNING	194 463 847	2 095 258	- -	196 559 105
NET ASSETS, ENDING	\$ 210 474 822	\$ 1 530 260	\$ - -	\$ 212 005 082

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended March 31, 2019

	<u>CEMETERY</u>	<u>FRIENDS</u>	<u>ELIMINATIONS</u>	<u>ORGANIZATION</u>
Salaries and wages	\$ 4 603 566	\$ 401 534	\$ (401 534)	\$ 4 603 566
Grants to Mount Auburn Cemetery	- -	1 015 318	(1 015 318)	- -
Grants to others	2 100	- -	- -	2 100
Retirement plan contributions	769 215	- -	- -	769 215
Employee benefits	717 580	73 697	(73 697)	717 580
Payroll taxes	476 995	40 269	(40 269)	476 995
Fees for services:				
Legal	1 413	1 088	- -	2 501
Accounting	28 000	9 700	- -	37 700
Investment fees	267 292	3 140	- -	270 432
Other	40 719	- -	- -	40 719
Advertising and promotion	20 884	- -	- -	20 884
Office expenses	402 637	71 812	- -	474 449
Information technology	84 672	- -	- -	84 672
Occupancy	488 654	- -	- -	488 654
Travel	18 242	3 105	- -	21 347
Conference, conventions and meetings	77 366	2 390	- -	79 756
Interest	627 866	- -	- -	627 866
Depreciation, depletion and amortization	1 101 078	- -	- -	1 101 078
Other expenses:				
Non-capitalized major projects	1 171 777	- -	- -	1 171 777
Plants	37 294	- -	- -	37 294
Donor events	- -	42 434	- -	42 434
Contracted work	395 701	59 156	- -	454 857
Other	75 078	21 083	- -	96 161
SUB-TOTAL EXPENSES BY FUNCTION	<u>11 408 129</u>	<u>1 744 726</u>	<u>(1 530 818)</u>	<u>11 622 037</u>
Less expenses included in revenues on the Consolidated Statement of Activities:				
Investment fees	(267 292)	(3 140)	- -	(270 432)
TOTAL EXPENSES BY FUNCTION	<u>\$ 11 140 837</u>	<u>\$ 1 741 586</u>	<u>\$ (1 530 818)</u>	<u>\$ 11 351 605</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended March 31, 2018

	<u>CEMETERY</u>	<u>FRIENDS</u>	<u>ELIMINATIONS</u>	<u>ORGANIZATION</u>
Salaries and wages	\$ 4 440 395	\$ 438 580	\$ (438 580)	\$ 4 440 395
Grants to Mount Auburn Cemetery	- -	1 769 446	(1 769 446)	- -
Grants to others	5 700	- -	- -	5 700
Retirement plan contributions	744 514	- -	- -	744 514
Employee benefits	671 235	67 306	(67 306)	671 235
Payroll taxes	435 820	43 700	(43 700)	435 820
Fees for services:				
Legal	17 589	- -	- -	17 589
Accounting	27 000	9 400	- -	36 400
Investment fees	277 275	3 911	- -	281 186
Other	44 095	- -	- -	44 095
Advertising and promotion	33 047	- -	- -	33 047
Office expenses	403 183	61 694	- -	464 877
Information technology	102 019	- -	- -	102 019
Occupancy	448 147	- -	- -	448 147
Travel	16 441	3 184	- -	19 625
Conference, conventions and meetings	57 140	556	- -	57 696
Interest	219 291	- -	- -	219 291
Depreciation, depletion and amortization	988 591	- -	- -	988 591
Other expenses:				
Non-capitalized major projects	2 113 923	- -	- -	2 113 923
Plants	48 580	- -	- -	48 580
Donor events	- -	8 422	- -	8 422
Contracted work	406 719	106 481	- -	513 200
Other	65 841	23 698	- -	89 539
SUB-TOTAL EXPENSES BY FUNCTION	<u>11 566 545</u>	<u>2 536 378</u>	<u>(2 319 032)</u>	<u>11 783 891</u>
Less expenses included in revenues on the Consolidated Statement of Activities:				
Investment fees	(277 275)	(3 911)	- -	(281 186)
TOTAL EXPENSES BY FUNCTION	<u>\$ 11 289 270</u>	<u>\$ 2 532 467</u>	<u>\$ (2 319 032)</u>	<u>\$ 11 502 705</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATING STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2019

	<u>CEMETERY</u>	<u>FRIENDS</u>	<u>ELIMINATIONS</u>	<u>ORGANIZATION</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Increase (decrease) in net assets	\$ 748 195	\$ 8 578	\$ - -	\$ 756 773
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities :				
Depreciation and amortization	1 101 078	- -	- -	1 101 078
Change in pension liability	142 634	- -	- -	142 634
Gain on sale of property and equipment	(374)	- -	- -	(374)
Net realized and unrealized (gain) loss on investments	(3 575 841)	(720)	- -	(3 576 561)
Changes in operating assets and liabilities :				
(Increase) decrease in assets :				
Accounts receivable - employees	(3 882)	- -	- -	(3 882)
Accounts receivable - interment space	140 741	- -	- -	140 741
Accounts receivable - other	- -	- -	- -	- -
Due from Friends of Mount Auburn Cemetery	2 620	- -	(2 620)	- -
Prepaid expenses	774	- -	- -	774
Supplies inventory	(4 438)	- -	- -	(4 438)
Pledges receivable - net	- -	35 891	- -	35 891
Pledges receivable from Friends of Mount Auburn Cemetery	- -	- -	- -	- -
Interment space inventory	(1 167 509)	- -	- -	(1 167 509)
Increase (decrease) in liabilities :				
Accounts payable	158 420	4 099	- -	162 519
Accrued expenses	(168 817)	- -	- -	(168 817)
Due to Mount Auburn Cemetery	- -	(2 620)	2 620	- -
Pledges payable to Mount Auburn Cemetery	- -	- -	- -	- -
Deferred revenue	10 766	- -	- -	10 766
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	(2 615 633)	45 228	- -	(2 570 405)
CASH FLOWS FROM INVESTING ACTIVITIES :				
Purchase of property and equipment	(7 857 083)	- -	- -	(7 857 083)
Proceeds from sale of property and equipment	18 800	- -	- -	18 800
Purchase of investments	(92 326 613)	(73 083)	- -	(92 399 696)
Proceeds from sale of investments	95 884 858	74 118	- -	95 958 976
NET CASH PROVIDED (REQUIRED) BY INVESTING ACTIVITIES	(4 280 038)	1 035	- -	(4 279 003)
CASH FLOWS FROM FINANCING ACTIVITIES :				
Proceeds from external financing obligation	6 403 288	- -	- -	6 403 288
NET CASH PROVIDED (REQUIRED) BY FINANCING ACTIVITIES	6 403 288	- -	- -	6 403 288
NET INCREASE (DECREASE) IN CASH	(492 383)	46 263	- -	(446 120)
CASH AND CASH EQUIVALENTS, BEGINNING	4 045 642	1 479 370	- -	5 525 012
CASH AND CASH EQUIVALENTS, ENDING	\$ 3 553 259	\$ 1 525 633	\$ - -	\$ 5 078 892
Cash paid for interest expense	\$ 627 866	\$ - -	- -	\$ 627 866

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATING STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2018

	<u>CEMETERY</u>	<u>FRIENDS</u>	<u>ELIMINATIONS</u>	<u>ORGANIZATION</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Increase (decrease) in net assets	\$ 16 010 975	\$ (564 998)	\$ - -	\$ 15 445 977
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities :				
Depreciation and amortization	988 591	- -	- -	988 591
Change in pension liability	(344 130)	- -	- -	(344 130)
Gain on sale of property and equipment	(16 650)	- -	- -	(16 650)
Net realized and unrealized (gain) loss on investments	(16 902 809)	1 408	- -	(16 901 401)
Changes in operating assets and liabilities :				
(Increase) decrease in assets :				
Accounts receivable - employees	(3 840)	- -	- -	(3 840)
Accounts receivable - interment space	(852 148)	- -	- -	(852 148)
Accounts receivable - other	- -	17 100	- -	17 100
Due from Friends of Mount Auburn Cemetery	25 236	- -	(25 236)	- -
Prepaid expenses	(25 360)	- -	- -	(25 360)
Supplies inventory	680	- -	- -	680
Pledges receivable - net	- -	(39 584)	- -	(39 584)
Pledges receivable from Friends of Mount Auburn Cemetery	2 860	- -	(2 860)	- -
Interment space inventory	(75 669)	- -	- -	(75 669)
Increase (decrease) in liabilities :				
Accounts payable	1 142 111	5 901	- -	1 148 012
Accrued expenses	193 888	- -	- -	193 888
Due to Mount Auburn Cemetery	- -	(25 236)	25 236	- -
Pledges payable to Mount Auburn Cemetery	- -	(2 860)	2 860	- -
Deferred revenue	14 816	- -	- -	14 816
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	158 551	(608 269)	- -	(449 718)
CASH FLOWS FROM INVESTING ACTIVITIES :				
Purchase of property and equipment	(9 115 463)	- -	- -	(9 115 463)
Proceeds from sale of property and equipment	36 650	- -	- -	36 650
Purchase of investments	(38 655 042)	(93 561)	- -	(38 748 603)
Proceeds from sale of investments	42 717 395	97 290	- -	42 814 685
NET CASH PROVIDED (REQUIRED) BY INVESTING ACTIVITIES	(5 016 460)	3 729	- -	(5 012 731)
CASH FLOWS FROM FINANCING ACTIVITIES :				
Proceeds from external financing obligation	7 173 765	- -	- -	7 173 765
NET CASH PROVIDED (REQUIRED) BY FINANCING ACTIVITIES	7 173 765	- -	- -	7 173 765
NET INCREASE (DECREASE) IN CASH	2 315 856	(604 540)	- -	1 711 316
CASH AND CASH EQUIVALENTS, BEGINNING	1 729 786	2 083 910	- -	3 813 696
CASH AND CASH EQUIVALENTS, ENDING	\$ 4 045 642	\$ 1 479 370	\$ - -	\$ 5 525 012
Cash paid for interest expense	\$ 219 291	\$ - -	- -	\$ 219 291