

PROPRIETORS OF THE CEMETERY OF
MOUNT AUBURN AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended March 31, 2020 and 2019

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, 2020 and 2019, 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, 2020 and 2019, 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
December 2, 2020

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 4 827 678	\$ 5 078 892
Accounts receivable - employees	6 880	12 978
Accounts receivable - interment space	2 142 504	2 109 307
Prepaid expenses	571 634	257 067
Supplies inventory	17 769	25 497
Pledges receivable - net	26 304	21 039
Long-term investments - at market value	168 408 929	187 019 042
Prepaid pension	76 533	68 299
Property and equipment - net	43 293 085	40 447 990
Interment space inventory	3 846 209	3 573 237
TOTAL ASSETS	<u>\$ 223 217 525</u>	<u>\$ 238 613 348</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 709 275	\$ 1 862 593
Accrued expenses	527 128	469 341
Deferred revenue	59 705	57 572
External financing obligation	19 768 329	18 377 053
Pension liability	7 022 760	5 084 934
TOTAL LIABILITIES	<u>28 087 197</u>	<u>25 851 493</u>
NET ASSETS :		
Without donor restrictions:		
Undesignated	2 029 206	2 452 430
Invested in property and equipment, net of related debt	23 524 756	22 070 937
Total undesignated	25 553 962	24 523 367
Board designated	138 029 557	157 899 964
Restricted by contract or law	30 605 615	29 342 264
Total without donor restrictions	194 189 134	211 765 595
With donor restrictions:		
For time or purpose:		
Specific Purposes	790 693	849 105
Preservation Fund	150 501	147 155
Total for time or purpose	941 194	996 260
Total with donor restrictions	941 194	996 260
TOTAL NET ASSETS	<u>195 130 328</u>	<u>212 761 855</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 223 217 525</u>	<u>\$ 238 613 348</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, 2020

	WITHOUT DONOR RESTRICTIONS				WITH DONOR RESTRICTIONS	TOTAL
	Undesignated	Board Designated	Restricted by Contract or Law	TOTAL	For Time or Purpose	
REVENUE :						
Gross sales	\$ 4 959 992	\$ - -	\$ - -	\$ 4 959 992	\$ - -	\$ 4 959 992
Returns	(188 300)	- -	- -	(188 300)	- -	(188 300)
Interment space development cost	(314 110)	- -	- -	(314 110)	- -	(314 110)
Appropriation for costs of sales	(1 046 408)	- -	- -	(1 046 408)	- -	(1 046 408)
Net sales	3 411 174	- -	- -	3 411 174	- -	3 411 174
Earned revenue	3 390 361	- -	- -	3 390 361	- -	3 390 361
Investment return designated for current operations, net of investment fees	10 286 073	- -	- -	10 286 073	- -	10 286 073
TOTAL REVENUE	17 087 608	- -	- -	17 087 608	- -	17 087 608
SUPPORT :						
Contributions and grants						
Other	71 708	- -	- -	71 708	402 142	473 850
Membership and annual fund gifts	180	- -	- -	180	411 737	411 917
TOTAL SUPPORT	71 888	- -	- -	71 888	813 879	885 767
NET ASSETS RELEASED FROM RESTRICTIONS	872 854	- -	- -	872 854	(872 854)	- -
TOTAL REVENUE AND SUPPORT	18 032 350	- -	- -	18 032 350	(58 975)	17 973 375
EXPENSES :						
Program expenses	6 701 274	- -	- -	6 701 274	- -	6 701 274
Management and general	5 070 035	- -	- -	5 070 035	- -	5 070 035
Fundraising and development	336 760	- -	- -	336 760	- -	336 760
TOTAL EXPENSES	12 108 069	- -	- -	12 108 069	- -	12 108 069
EXCESS OF REVENUE AND SUPPORT OVER EXPENSES	5 924 281	- -	- -	5 924 281	(58 975)	5 865 306
NONOPERATING ACTIVITIES :						
Change in pension liability	(1 929 592)	- -	- -	(1 929 592)	- -	(1 929 592)
Funds transferred for completed sales	(2 969 468)	1 706 117	1 263 351	- -	- -	- -
Investment return in excess of amount designated for current operations	5 374	(21 576 524)	- -	(21 571 150)	3 909	(21 567 241)
TOTAL NONOPERATING ACTIVITIES	(4 893 686)	(19 870 407)	1 263 351	(23 500 742)	3 909	(23 496 833)
INCREASE (DECREASE) IN NET ASSETS	1 030 595	(19 870 407)	1 263 351	(17 576 461)	(55 066)	(17 631 527)
NET ASSETS, BEGINNING	24 523 367	157 899 964	29 342 264	211 765 595	996 260	212 761 855
NET ASSETS, ENDING	\$ 25 553 962	\$ 138 029 557	\$ 30 605 615	\$ 194 189 134	\$ 941 194	\$ 195 130 328

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 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 FUNCTIONAL EXPENSES

For the Year Ended March 31, 2020

	Program Services	Management and General	Fundraising and Development	Total
Salaries and wages	\$ 3 649 909	\$ 1 123 745	\$ 201 091	\$ 4 974 745
Grants to others	- -	2 800	- -	2 800
Retirement plan contributions	168 516	725 480	11 973	905 969
Employee benefits	584 475	132 814	25 452	742 741
Payroll taxes	414 034	88 549	20 340	522 923
Fees for services:				
Legal	- -	13 799	- -	13 799
Accounting	- -	52 000	- -	52 000
Investment fees	- -	291 727	- -	291 727
Other	- -	42 456	- -	42 456
Advertising and promotion	46 879	638	100	47 617
Office expenses	322 954	157 231	25 809	505 994
Information technology	- -	104 251	- -	104 251
Occupancy	196 486	312 262	- -	508 748
Travel	14 655	9 741	1 472	25 868
Conference, conventions and meetings	42 567	27 439	2 484	72 490
Interest	- -	736 331	- -	736 331
Depreciation, depletion and amortization	- -	1 425 490	- -	1 425 490
Other expenses:				
Non-capitalized major projects	642 144	2 179	- -	644 323
Plants	48 076	- -	- -	48 076
Donor events	- -	- -	22 337	22 337
Contracted work	525 390	65 866	23 250	614 506
Other	45 189	46 964	2 452	94 605
SUB-TOTAL EXPENSES BY FUNCTION	6 701 274	5 361 762	336 760	12 399 796
Less expenses included in revenues on the Consolidated Statement of Activities:				
Investment fees	- -	(291 727)	- -	(291 727)
TOTAL EXPENSES BY FUNCTION	\$ 6 701 274	\$ 5 070 035	\$ 336 760	\$ 12 108 069

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended March 31, 2019

	Program Services	Management and General	Fundraising and Development	Total
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	6 528 836	4 655 285	437 916	11 622 037
Less expenses included in revenues on the Consolidated Statement of Activities:				
Investment fees	- -	(267 432)	(3 000)	(270 432)
TOTAL EXPENSES BY FUNCTION	<u>\$ 6 528 836</u>	<u>\$ 4 387 853</u>	<u>\$ 434 916</u>	<u>\$ 11 351 605</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended March 31,

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (17 631 527)	\$ 756 773
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities :		
Depreciation and amortization	1 425 490	1 101 078
Change in pension liability	1 929 592	142 634
Gain on sale of property and equipment	(20 000)	(374)
Net realized and unrealized (gain) loss on investments	14 006 647	(3 576 561)
Changes in operating assets and liabilities :		
(Increase) decrease in assets :		
Accounts receivable - employees	6 098	(3 882)
Accounts receivable - interment space	(33 197)	140 741
Prepaid expenses	(314 567)	774
Supplies inventory	7 728	(4 438)
Pledges receivable - net	(5 265)	35 891
Interment space inventory	(272 972)	(1 167 509)
Increase (decrease) in liabilities :		
Accounts payable	(1 153 318)	162 519
Accrued expenses	57 787	(168 817)
Deferred revenue	2 133	10 766
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	<u>(1 995 371)</u>	<u>(2 570 405)</u>
CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of property and equipment	(4 270 585)	(7 857 083)
Proceeds from sale of property and equipment	20 000	18 800
Purchase of investments	(33 163 125)	(92 399 696)
Proceeds from sale of investments	37 766 591	95 958 976
NET CASH PROVIDED (REQUIRED) BY INVESTING ACTIVITIES	<u>352 881</u>	<u>(4 279 003)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds from external financing obligation	1 391 276	6 403 288
NET CASH PROVIDED (REQUIRED) BY FINANCING ACTIVITIES	<u>1 391 276</u>	<u>6 403 288</u>
NET INCREASE (DECREASE) IN CASH	(251 214)	(446 120)
CASH AND CASH EQUIVALENTS, BEGINNING	5 078 892	5 525 012
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 4 827 678</u>	<u>\$ 5 078 892</u>
Cash paid for interest expense	\$ 736 331	\$ 627 866

See accompanying notes.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

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, 2020 and 2019

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, 2020 and 2019, 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 2020 and 2019.

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, 2020 and 2019

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, 2020 and 2019

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>2020</u>	<u>2019</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, 2020 and 2019

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, 2019, 2018, and 2017.

Use of Estimates

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

Risks and Uncertainties – Pandemic

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

The Organization's finances, which are in large part dependent on the endowment's performance, were adversely affected by the downturn in the financial markets. In addition, in April 2020, the Organization restricted public access to its grounds, which resulted in a marked decrease in sales revenues. Although the Organization incurred certain incremental costs due to the pandemic, including transitioning to online work environments, it also took certain steps resulting in reductions in costs, including postponing pay increases.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties – Pandemic (Continued)

The pandemic could impact the Organization's future cost of its operations, and the generation of revenue, most notably from its endowment, sales and fundraising. As of the date of publication of the Organization's financial statements, the endowment's market value has recovered to pre-pandemic valuations. Although the full extent of the impact of COVID-19 on the Organization will depend on the length and extent of the pandemic, which is dependent on emerging medical treatments and any health and safety regulations the Organization is required to follow, we have no concern about the Organization's ability to continue as an ongoing concern.

NOTE B – LIQUIDITY AND AVAILABILITY

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

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2 043 830	\$ 2 991 682
Accounts receivable - employees	6 880	12 977
Accounts receivable - interment space	1 379 728	1 322 009
Pledges receivable - net	23 148	17 160
Investment return designated for current operations	11 513 698	10 291 458
	<u>\$ 14 967 284</u>	<u>\$ 14 635 286</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 \$194,189,134, 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.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

NOTE C – PLEDGES RECEIVABLE

Pledges receivable as of March 31, included the following:

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

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.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

NOTE D - INVESTMENTS (Continued)

The Organization's assets at March 31, 2020 that are reported at fair value are summarized in the following table by their fair value hierarchy classification:

	Level 1	Level 2	Level 3	Fair Value
Long-Term Investments (Market)				
U.S. Common Stock	\$ 20 654 558	\$ - -	\$ - -	\$ 20 654 558
Global Common Stock	57 622 694	- -	- -	57 622 694
Non-U.S. Common Stock	14 983 399	- -	- -	14 983 399
Real Estate	2 151 532	- -	- -	2 151 532
Fixed Income	24 427 742	- -	- -	24 427 742
Treasury Inflation-Protected Securities	8 034 034	- -	- -	8 034 034
Total Long-Term Investments	127 873 959	- -	- -	127 873 959
Long-Term Investments (Est Fair)				
Private Equity	- -	- -	9 858 214	9 858 214
Opportunistic	- -	- -	3 724 472	3 724 472
Real Estate	- -	- -	15 244 384	15 244 384
Bank Loan	- -	- -	7 405 774	7 405 774
Total Long-Term Investments	- -	- -	36 232 844	36 232 844
Other Investments				
Cash Equivalents	4 302 126	- -	- -	4 302 126
Total Other Investments	4 302 126	- -	- -	4 302 126
TOTALS	\$ 132 176 085	\$ - -	\$ 36 232 844	\$ 168 408 929

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, 2020 (Level 3):

Level 3 Activity	Private Equity	Opportunistic	Real Estate	Bank Loan	Total
Beginning Balance	\$ 10 816 710	\$ 3 396 165	\$ 16 089 021	\$ 8 073 283	\$ 38 375 179
Purchases & Sales					
Purchases	716 700	500 000	173 669	195 767	1 586 136
Sales (Gross Proceeds)	(1 269 388)	(266 323)	(929 374)	- -	(2 465 085)
Total Purchases & Sales	(552 688)	233 677	(755 705)	195 767	(878 949)
Realized & Unrealized Gains					
Realized	193 537	- -	67 580	- -	261 117
Unrealized	(599 345)	94 630	(156 512)	(863 276)	(1 524 503)
Total Long-Term Investments	(405 808)	94 630	(88 932)	(863 276)	(1 263 386)
TOTALS	\$ 9 858 214	\$ 3 724 472	\$ 15 244 384	\$ 7 405 774	\$ 36 232 844

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

NOTE D – INVESTMENTS (Continued)

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:

	Level 1	Level 2	Level 3	Fair Value
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	146 965 461	- -	- -	146 965 461
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	- -	- -	38 375 179	38 375 179
Other Investments				
Cash Equivalents	1 678 402	- -	- -	1 678 402
Total Other Investments	1 678 402	- -	- -	1 678 402
TOTALS	\$ 148 643 863	\$ - -	\$ 38 375 179	\$ 187 019 042

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):

Level 3 Activity	Private Equity	Opportunistic	Real Estate	Bank Loan	Total
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	\$ 10 816 710	\$ 3 396 165	\$ 16 089 021	\$ 8 073 283	\$ 38 375 179

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 \$2,820,821 at March 31, 2020 and \$4,020,822 at March 31, 2019.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

NOTE D – INVESTMENTS (Continued)

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>2020</u>	<u>2019</u>
Investment Return on Marketable Securities:		
Investment income	\$ 2 452 701	\$ 2 465 537
Realized gains (losses)	4 029 770	6 522 462
Unrealized gains (losses)	<u>(16 773 030)</u>	<u>(4 776 366)</u>
Gross Investment Return	(10 290 559)	4 211 633
Less: Investment fees	<u>(247 295)</u>	<u>(246 810)</u>
Net Investment Return on Marketable Securities	(10 537 854)	3 964 823
Investment Return on Alternative Investments:		
Investment income	553 490	526 919
Realized gains (losses)	261 117	355 404
Unrealized gains (losses)	<u>(1 524 504)</u>	<u>1 475 062</u>
Gross Investment Return	(709 897)	2 357 385
Less: Investment fees	<u>(44 432)</u>	<u>(23 622)</u>
Net Investment Return on Alternative Investments	<u>(754 329)</u>	<u>2 333 763</u>
Total Investment Return	(11 292 183)	6 298 586
Less: Investment return designated for current operations	<u>(10 286 073)</u>	<u>(8 443 205)</u>
Investment return in excess of amounts designated for current operations	<u>\$ (21 578 256)</u>	<u>\$ (2 144 619)</u>

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>2020</u>	<u>2019</u>
Investment return designated for current operations	<u>\$ 10 286 073</u>	<u>\$ 8 443 205</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 \$11,470,000 as of March 31, 2020 and \$10,673,000 as of March 31, 2019.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

NOTE E - PROPERTY AND EQUIPMENT (Continued)

The components of the property and equipment for the years ended March 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Land, building and improvements	\$ 46 269 469	\$ 45 749 217
Master plans	702 676	702 676
Vehicles and equipment	3 808 840	3 567 609
Furniture and fixtures	203 084	203 084
Project in progress	<u>7 053 271</u>	<u>3 698 496</u>
Total property and equipment	58 037 340	53 921 082
Less accumulated depreciation and amortization	<u>(14 744 255)</u>	<u>(13 473 092)</u>
Net property and equipment	<u>\$ 43 293 085</u>	<u>\$ 40 447 990</u>

Depreciation and amortization for the years ended March 31, 2020 and 2019 were \$1,425,490 and \$1,101,078, respectively.

NOTE F – EXTERNAL FINANCING OBLIGATION

The Organization has an interest only note payable to Cambridge Savings Bank for \$4,800,000 due in April 2020, as well as a \$15,000,000 non-revolving line of credit open with Cambridge Savings Bank. An investment account valued at \$31,227,370 and \$31,581,157 as of March 31, 2020 and 2019 respectively, has been pledged as collateral for the notes payable.

The terms of the external financing obligations of the Organization as of March 31, 2020 are as follows:

3.2530% interest only note payable, monthly interest payments of \$12,868, through April 2020, secured by investment account	\$ 4 800 000
Line of Credit of \$15 million, monthly interest payments, at a rate of 3.2534%, vary depending on loan balance through October 2027, secured by investment account	<u>14 968 329</u>
Total external financing obligation	<u>\$ 19 768 329</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	\$14 968 329

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

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, 2020 and 2019, 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>2020</u>	<u>2019</u>
Pension plan obligations and funded status:		
Projected benefit obligation	\$ 18 465 947	\$ 17 278 623
Fair value of plan assets	<u>11 519 720</u>	<u>12 261 988</u>
Funded status	<u>\$ (6 946 227)</u>	<u>\$ (5 016 635)</u>
Benefit cost	\$ 105 603	\$ 105 740
Employer contribution	632 836	633 668
Benefits paid	806 944	814 943
Accumulated benefit obligation	18 465 947	17 278 623
Pension (liability) asset recognized in the Consolidated Statement of Financial Position	\$ (6 946 227)	\$ (5 016 635)

	<u>2020</u>	<u>2019</u>
Components of net periodic benefit cost are as follows for the year ended March 31:		
Service cost	\$ - -	\$ - -
Interest cost	611 866	636 517
Expected return on assets	(855 738)	(843 218)
Net amortization and deferral	<u>349 475</u>	<u>312 441</u>
Net periodic benefit cost	<u>\$ 105 603</u>	<u>\$ 105 740</u>
Other changes in plan assets and benefit recognized and unrestricted net assets of March		
Unrecognized net actuarial (gain) loss	<u>\$ 8 351 753</u>	<u>\$ 5 894 928</u>
Total unamortized items	<u>\$ 8 351 753</u>	<u>\$ 5 894 928</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)

	<u>2020</u>	<u>2019</u>
Weighted-average assumptions		
Discount rate - net periodic benefit cost	3.64%	3.83%
Discount rate - funded status	2.95%	3.64%
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, 2020 and 2019, grouped by the valuation hierarchy defined in Note C:

	<u>2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Cash & equivalents	\$ 257 250	\$ - -	\$ - -	\$ 257 250
Fixed Income	3 314 805	- -	- -	3 314 805
Domestic equities	4 764 051	- -	- -	4 764 051
International equities	<u>3 183 615</u>	<u>- -</u>	<u>- -</u>	<u>3 183 615</u>
TOTALS	<u>\$ 11 519 721</u>	<u>\$ - -</u>	<u>\$ - -</u>	<u>\$ 11 519 721</u>
	<u>2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>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	<u>3 368 074</u>	<u>- -</u>	<u>- -</u>	<u>3 368 074</u>
TOTALS	<u>\$ 12 261 988</u>	<u>\$ - -</u>	<u>\$ - -</u>	<u>\$ 12 261 988</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.

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)

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 \$349,273 to the Pension Plan in 2021 and contributed \$632,836 in 2020. No plan assets are expected to be returned to the Cemetery during 2020.

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

<u>Year Beginning</u>	<u>Expected Payments</u>
2021	\$ 841 000
2022	836 000
2023	839 000
2024	869 000
2025	931 000
2026 through 2030	4 853 000
	<u>\$ 9 169 000</u>

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>2020</u>	<u>2019</u>
Core contribution	\$ 79 381	\$ 121 266
Organization match	164 019	137 088
Total contributions	<u>\$ 243 400</u>	<u>\$ 258 354</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

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 \$76,533 and \$68,299 at March 31, 2020 and 2019, 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 People's United Bank, N.A., 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 \$941,194 and \$996,260 as of March 31, 2020 and 2019, respectively, represent donor-restricted contributions and grants that are yet to be expended for their designated purposes.

These donor restricted contributions and grants are as follows:

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

NOTE K - DONOR RESTRICTED NET ASSETS (Continued)

Description	3/31/2019 Beginning Balance	Contributions Received / Other Additions	Restrictions Met	3/31/2020 Ending Balance
Specific Projects				
Annual Fund: General	\$ 505 226	\$ 411 737	\$ (411 737)	\$ 505 226
Annual Fund: Historical Collections	24 784	- -	- -	24 784
Annual Fund: Horticultural Collections	2 936	- -	- -	2 936
Alice Fountain	- -	22 305	(20 000)	2 305
Artist-in-Residence	6 900	11 711	(18 611)	- -
Asa Gray Garden Landscaping	17 499	15 813	(30 312)	3 000
Education Collaboration and Biodiversity Studie	- -	9 215	(5 025)	4 190
Horticulture Apprentice	41 447	78 606	(80 212)	39 841
Gatehouse Restoration	2 000	- -	- -	2 000
Historical Collections	- -	15 500	- -	15 500
Horticulture Interns	58 525	(58 525)	- -	- -
Indian Ridge Habitat Restoration	- -	162 165	(25 900)	136 265
Monument Preservation	40 911	12 900	(35 167)	18 644
North Dell Meadows	92 970	13 450	(106 420)	- -
Plant Collections Interns	7 500	340	(7 840)	- -
Public Programming	3 000	22 520	(25 520)	- -
Rose Window	- -	75	(75)	- -
Ruggiero: Annual	- -	60 000	(60 000)	- -
Significant Monument Conservation	- -	3 875	- -	3 875
Significant Monument Documentation	20 516	- -	- -	20 516
Special Plantings	21 428	22 975	(44 403)	- -
Other:				
Various Projects	3 463	9 780	(1 632)	11 611
Total Specific Purposes	849 105	814 442	(872 854)	790 693
Named Funds				
Preservation Fund	147 155	3 346	-	150 501
Total Named Funds	147 155	3 346	-	150 501
Total Donor Restricted	\$ 996 260	\$ 817 788	\$ (872 854)	\$ 941 194

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020 and 2019

NOTE K - DONOR RESTRICTED NET ASSETS (Continued)

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	<u>\$ 1 016 775</u>	<u>\$ 1 061 964</u>	<u>\$ (1 082 479)</u>	<u>\$ 996 260</u>

NOTE L – SUBSEQUENT EVENTS

In accordance with the guidance for subsequent events, the Organization evaluated all subsequent events for recognition or disclosure through December 2, 2020, 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, 2020 and 2019

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

As of March 31, 2020

	CEMETERY	FRIENDS	ELIMINATIONS	ORGANIZATION
ASSETS				
Cash and cash equivalents	\$ 2 572 504	\$ 2 255 174	\$ - -	\$ 4 827 678
Accounts receivable - employees	6 880	- -	- -	6 880
Accounts receivable - interment space	2 142 504	- -	- -	2 142 504
Due from Friends of Mount Auburn Cemetery	758 970	- -	(758 970)	- -
Prepaid expenses	571 634	- -	- -	571 634
Supplies inventory	17 769	- -	- -	17 769
Pledges receivable - net	- -	26 304	- -	26 304
Long-term investments - at market value	168 405 785	3 144	- -	168 408 929
Prepaid pension	76 533	- -	- -	76 533
Property and equipment - net	43 293 085	- -	- -	43 293 085
Interment space inventory	3 846 209	- -	- -	3 846 209
TOTAL ASSETS	\$ 221 691 873	\$ 2 284 622	\$ (758 970)	\$ 223 217 525
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 707 813	\$ 1 462	\$ - -	\$ 709 275
Accrued expenses	527 128	- -	- -	527 128
Due to Mount Auburn Cemetery	- -	758 970	(758 970)	- -
Deferred revenue	59 705	- -	- -	59 705
External financing obligation	19 768 329	- -	- -	19 768 329
Pension liability	7 022 760	- -	- -	7 022 760
TOTAL LIABILITIES	28 085 735	760 432	(758 970)	28 087 197
NET ASSETS :				
Without donor restrictions:				
Undesignated	1 675 597	353 609	- -	2 029 206
Invested in property and equipment, net of related debt	23 524 756	- -	- -	23 524 756
Total undesignated	25 200 353	353 609	- -	25 553 962
Board designated	137 825 170	204 387	- -	138 029 557
Restricted by contract or law	30 580 615	25 000	- -	30 605 615
Total without donor restrictions	193 606 138	582 996	- -	194 189 134
With donor restrictions:				
For time or purpose:				
Specific Purposes	- -	790 693	- -	790 693
Preservation Fund	- -	150 501	- -	150 501
Total for time or purpose	- -	941 194	- -	941 194
Total with donor restrictions	- -	941 194	- -	941 194
TOTAL NET ASSETS	193 606 138	1 524 190	- -	195 130 328
TOTAL LIABILITIES AND NET ASSETS	\$ 221 691 873	\$ 2 284 622	\$ (758 970)	\$ 223 217 525

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATING STATEMENT 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 Purposes	- -	849 105	- -	849 105
Preservation Fund	- -	147 155	- -	147 155
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 ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended March 31, 2020

	<u>CEMETERY</u>	<u>FRIENDS</u>	<u>ELIMINATIONS</u>	<u>ORGANIZATION</u>
REVENUE :				
Gross sales	\$ 4 959 992	\$ - -	\$ - -	\$ 4 959 992
Returns	(188 300)	- -	- -	(188 300)
Interment space development cost	(314 110)	- -	- -	(314 110)
Appropriation for costs of sales	(1 046 408)	- -	- -	(1 046 408)
Net sales	3 411 174	- -	- -	3 411 174
Earned revenue	3 347 091	43 270	- -	3 390 361
Investment return designated for current operations, net of investment fees	10 286 073	- -	- -	10 286 073
TOTAL REVENUE	17 044 338	43 270	- -	17 087 608
SUPPORT:				
Contributions and grants				
from Friends of Mount Auburn	713 519	- -	(713 519)	- -
from Mount Auburn Cemetery	- -	453 689	(453 689)	- -
Other	14 350	459 500	- -	473 850
Membership and annual fund gifts	- -	411 917	- -	411 917
TOTAL SUPPORT	727 869	1 325 106	(1 167 208)	885 767
NET ASSETS RELEASED FROM RESTRICTIONS	- -	- -	- -	- -
TOTAL REVENUE AND SUPPORT	17 772 207	1 368 376	(1 167 208)	17 973 375
EXPENSES :				
Program expenses	6 544 044	1 057 442	(900 212)	6 701 274
Management and general	5 051 811	42 516	(24 292)	5 070 035
Fundraising and development	286 299	293 165	(242 704)	336 760
TOTAL EXPENSES	11 882 154	1 393 123	(1 167 208)	12 108 069
EXCESS OF REVENUE AND SUPPORT OVER EXPENSES	5 890 053	(24 747)	- -	5 865 306
NONOPERATING ACTIVITIES :				
Change in pension liability	(1 929 592)	- -	- -	(1 929 592)
Investment return in excess of amount designated for current operations	(21 577 340)	10 099	- -	(21 567 241)
TOTAL NONOPERATING ACTIVITIES	(23 506 932)	10 099	- -	(23 496 833)
INCREASE (DECREASE) IN NET ASSETS	(17 616 879)	(14 648)	- -	(17 631 527)
NET ASSETS, BEGINNING	211 223 017	1 538 838	- -	212 761 855
NET ASSETS, ENDING	\$ 193 606 138	\$ 1 524 190	\$ - -	\$ 195 130 328

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 SUPPORT AND REVENUE 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	<u>\$ 211 223 017</u>	<u>\$ 1 538 838</u>	<u>\$ - -</u>	<u>\$ 212 761 855</u>

PROPRIETORS OF THE CEMETERY OF MOUNT AUBURN AND AFFILIATE

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended March 31, 2020

	<u>CEMETERY</u>	<u>FRIENDS</u>	<u>ELIMINATIONS</u>	<u>ORGANIZATION</u>
Salaries and wages	\$ 4 974 745	\$ 354 621	\$ (354 621)	\$ 4 974 745
Grants to Mount Auburn Cemetery	- -	713 519	(713 519)	- -
Grants to others	2 800	- -	- -	2 800
Retirement plan contributions	905 969	- -	- -	905 969
Employee benefits	742 741	62 296	(62 296)	742 741
Payroll taxes	522 923	36 772	(36 772)	522 923
Fees for services:				
Legal	13 799	- -	- -	13 799
Accounting	40 000	12 000	- -	52 000
Investment fees	291 727	- -	- -	291 727
Other	42 456	- -	- -	42 456
Advertising and promotion	47 517	100	- -	47 617
Office expenses	451 516	54 478	- -	505 994
Information technology	104 251	- -	- -	104 251
Occupancy	508 748	- -	- -	508 748
Travel	23 771	2 097	- -	25 868
Conference, conventions and meetings	69 276	3 214	- -	72 490
Interest	736 331	- -	- -	736 331
Depreciation, depletion and amortization	1 425 490	- -	- -	1 425 490
Other expenses:				
Non-capitalized major projects	644 323	- -	- -	644 323
Plants	48 076	- -	- -	48 076
Donor events	- -	22 337	- -	22 337
Contracted work	497 126	117 380	- -	614 506
Other	80 296	14 309	- -	94 605
SUB-TOTAL EXPENSES BY FUNCTION	<u>12 173 881</u>	<u>1 393 123</u>	<u>(1 167 208)</u>	<u>12 399 796</u>
Less expenses included in revenues on the Consolidated Statement of Activities:				
Investment fees	(291 727)	- -	- -	(291 727)
TOTAL EXPENSES BY FUNCTION	<u>\$ 11 882 154</u>	<u>\$ 1 393 123</u>	<u>\$ (1 167 208)</u>	<u>\$ 12 108 069</u>

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 CASH FLOWS

For the Year Ended March 31, 2020

	<u>CEMETERY</u>	<u>FRIENDS</u>	<u>ELIMINATIONS</u>	<u>ORGANIZATION</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Increase (decrease) in net assets	\$ (17 616 879)	\$ (14 648)	\$ - -	\$ (17 631 527)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities :				
Depreciation and amortization	1 425 490	- -	- -	1 425 490
Change in pension liability	1 929 592	- -	- -	1 929 592
Gain on sale of property and equipment	(20 000)	- -	- -	(20 000)
Net realized and unrealized (gain) loss on investments	14 005 731	916	- -	14 006 647
Changes in operating assets and liabilities :				
(Increase) decrease in assets :				
Accounts receivable - employees	6 098	- -	- -	6 098
Accounts receivable - interment space	(33 197)	- -	- -	(33 197)
Accounts receivable - other	- -	- -	- -	- -
Due from Friends of Mount Auburn Cemetery	(758 730)	- -	758 730	- -
Prepaid expenses	(314 567)	- -	- -	(314 567)
Supplies inventory	7 728	- -	- -	7 728
Pledges receivable - net	- -	(5 265)	- -	(5 265)
Pledges receivable from Friends of Mount Auburn Cemetery	- -	- -	- -	- -
Interment space inventory	(272 972)	- -	- -	(272 972)
Increase (decrease) in liabilities :				
Accounts payable	(1 141 801)	(11 517)	- -	(1 153 318)
Accrued expenses	57 787	- -	- -	57 787
Due to Mount Auburn Cemetery	- -	758 730	(758 730)	- -
Pledges payable to Mount Auburn Cemetery	- -	- -	- -	- -
Deferred revenue	2 133	- -	- -	2 133
NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES	(2 723 587)	728 216	- -	(1 995 371)
CASH FLOWS FROM INVESTING ACTIVITIES :				
Purchase of property and equipment	(4 270 585)	- -	- -	(4 270 585)
Proceeds from sale of property and equipment	20 000	- -	- -	20 000
Purchase of investments	(33 154 857)	(8 268)	- -	(33 163 125)
Proceeds from sale of investments	37 756 998	9 593	- -	37 766 591
NET CASH PROVIDED (REQUIRED) BY INVESTING ACTIVITIES	351 556	1 325	- -	352 881
CASH FLOWS FROM FINANCING ACTIVITIES :				
Proceeds from external financing obligation	1 391 276	- -	- -	1 391 276
NET CASH PROVIDED (REQUIRED) BY FINANCING ACTIVITIES	1 391 276	- -	- -	1 391 276
NET INCREASE (DECREASE) IN CASH	(980 755)	729 541	- -	(251 214)
CASH AND CASH EQUIVALENTS, BEGINNING	3 553 259	1 525 633	- -	5 078 892
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 2 572 504</u>	<u>\$ 2 255 174</u>	<u>\$ - -</u>	<u>\$ 4 827 678</u>
Cash paid for interest expense	\$ 736 331	\$ - -	- -	\$ 736 331

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	<u>\$ 3 553 259</u>	<u>\$ 1 525 633</u>	<u>\$ - -</u>	<u>\$ 5 078 892</u>
Cash paid for interest expense	\$ 627 866	\$ - -	- -	\$ 627 866