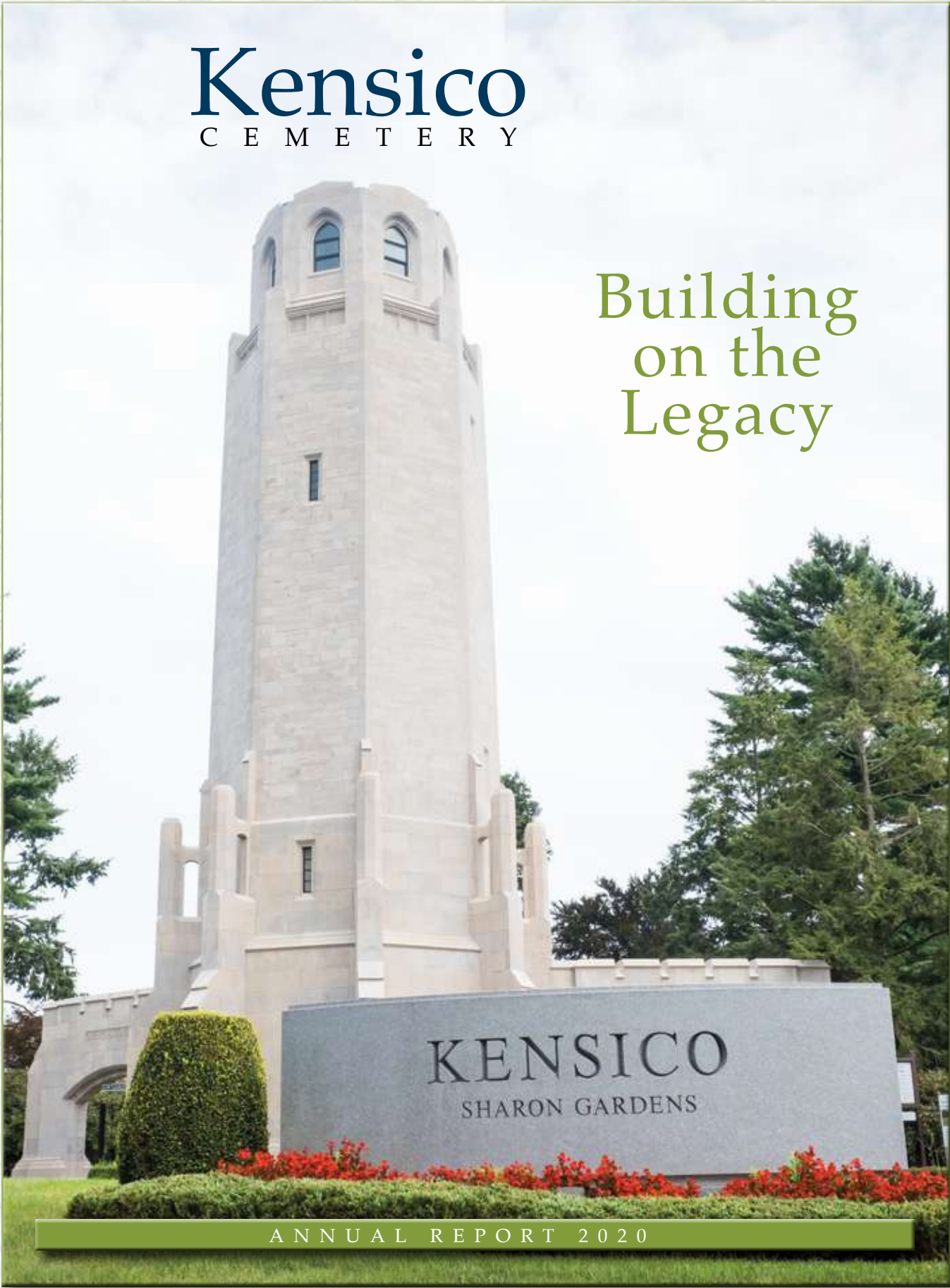


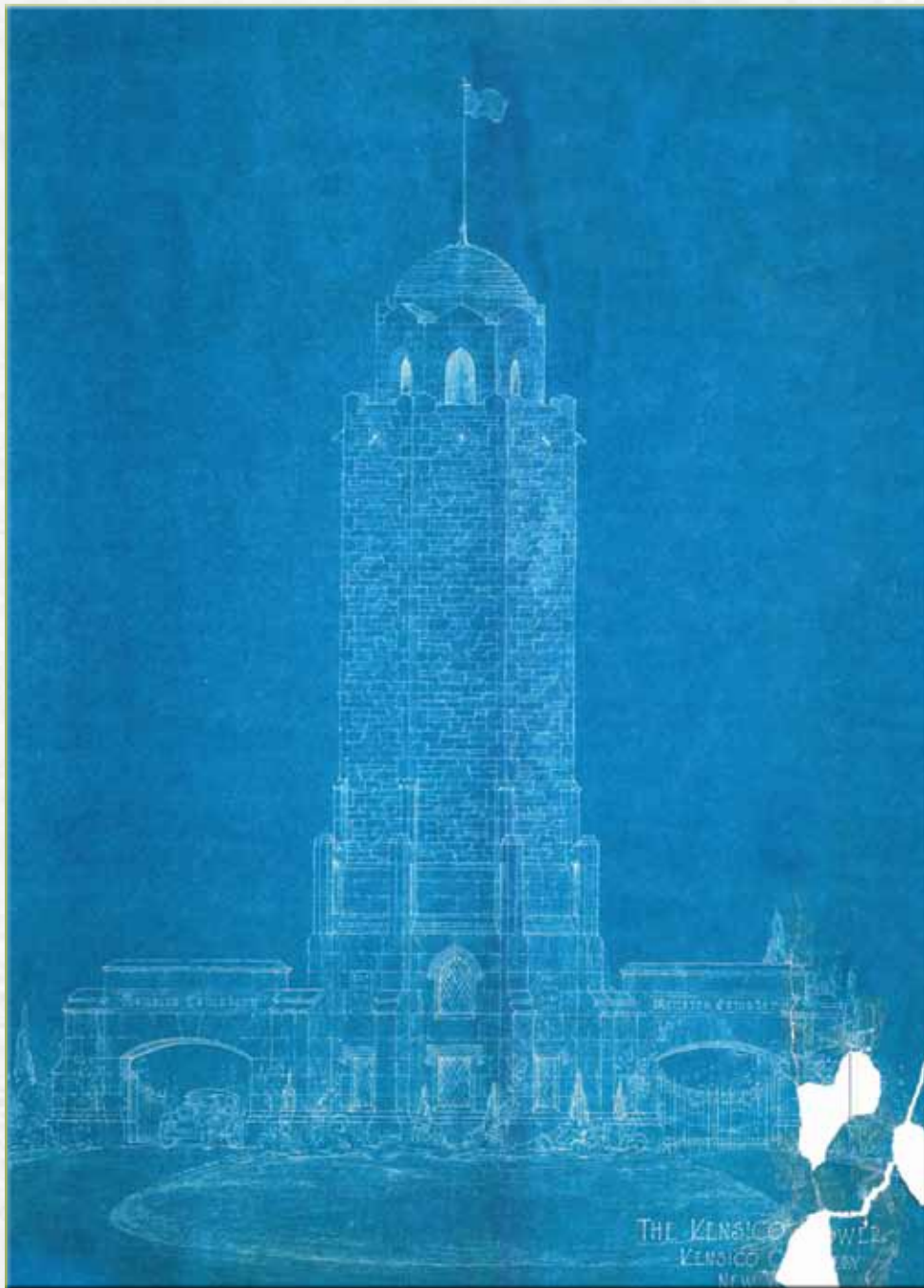
# Kensico

C E M E T E R Y

Building  
on the  
Legacy



ANNUAL REPORT 2020



*Fact: Pictured above is the blueprint of the Tower as envisioned by the architect Sidney Lovell.*

*Backstory: Sidney Lovell began his career designing theatres and opera houses in the Western United States. His most famous work is the Rosehill Mausoleum on Chicago's North Side, the first large-scale public mausoleum in the nation.*

*From the Files: Early Kensico publications referred to the Tower as the "Ornamental Entrance Tower".*

# Message from the President

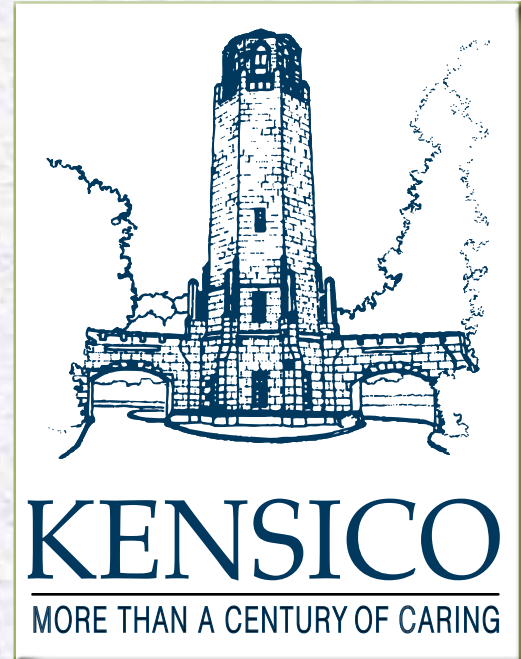
## Introduction

*Did you know that the Kensico Tower located off Route 100 is, in fact, a 100,000-gallon water tank? Or that it's just steps away from the highest point in the cemetery with views of the Kensico Reservoir and the New York City skyline?*

This is my first annual report as President of Kensico Cemetery, and I would like to invite you to take an historical journey with me in this and the next few annual reports as we both come to know more about the buildings on our grounds that help give Kensico its distinctive character.

We're starting with the Kensico Tower, not only because it serves as our logo on our correspondence, uniforms, print material, and advertisements, but also because, in my mind, it's a wonderful symbol for the concepts of transition, practicality, permanence and perspective that have and will continue to guide policies and decision-making by leadership at Kensico Cemetery.

In the next few pages, we'll talk about some of the significant events of 2020 against the commanding backdrop of this 98-foot structure. I'm confident you will be as surprised and impressed with the Kensico Tower as I am.



*Fact: The Kensico Tower was built in 1928 in the Gothic architectural style.*

*Fact: The granite Kensico Cemetery/Sharon Gardens signs at the Cemetery entrances replaced wooden signs in 2017.*

*Tip: Be sure to pause at the bronze marker placed to the right of the Tower commemorating two nearby Red Oaks—a symbol of strength and endurance—planted twenty years ago in remembrance of the victims of September 11, 2001, by resolution of the lot owners at the 112th Annual Meeting on October 25, 2001.*

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## Transition: Adjustment. Passage. Change.

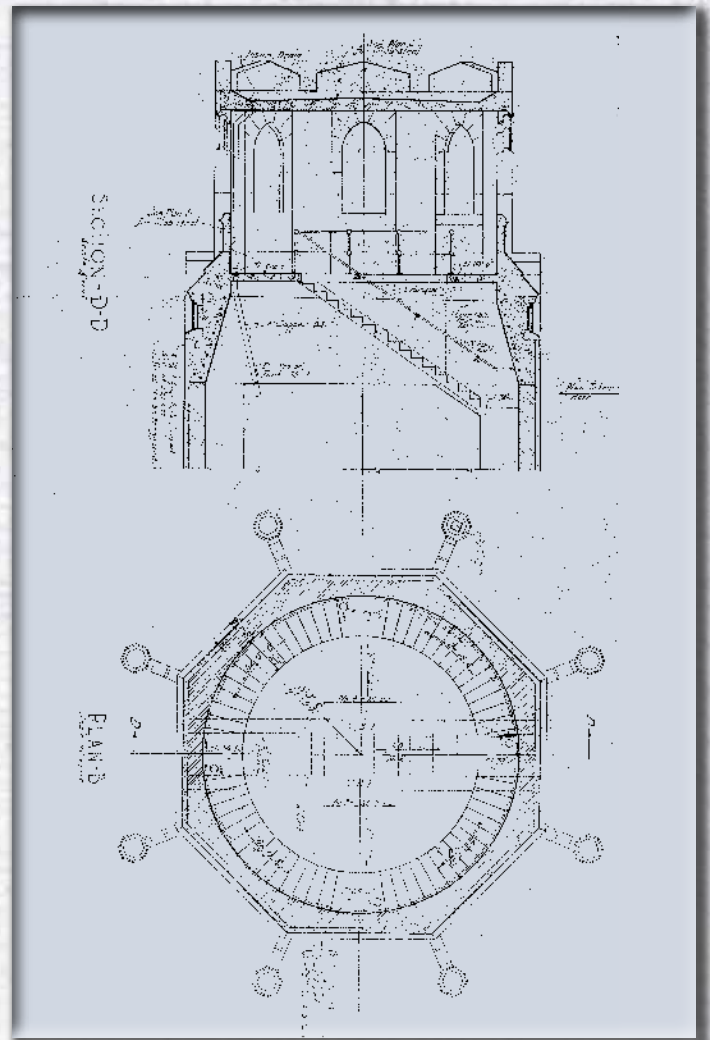
*Located at the entrance to the grounds, the Kensico Tower marks the point where visitors transition from the turmoil of everyday life to the tranquility and peace of Kensico, where our singular focus is to respectfully remember and mourn our most cherished loved ones.*

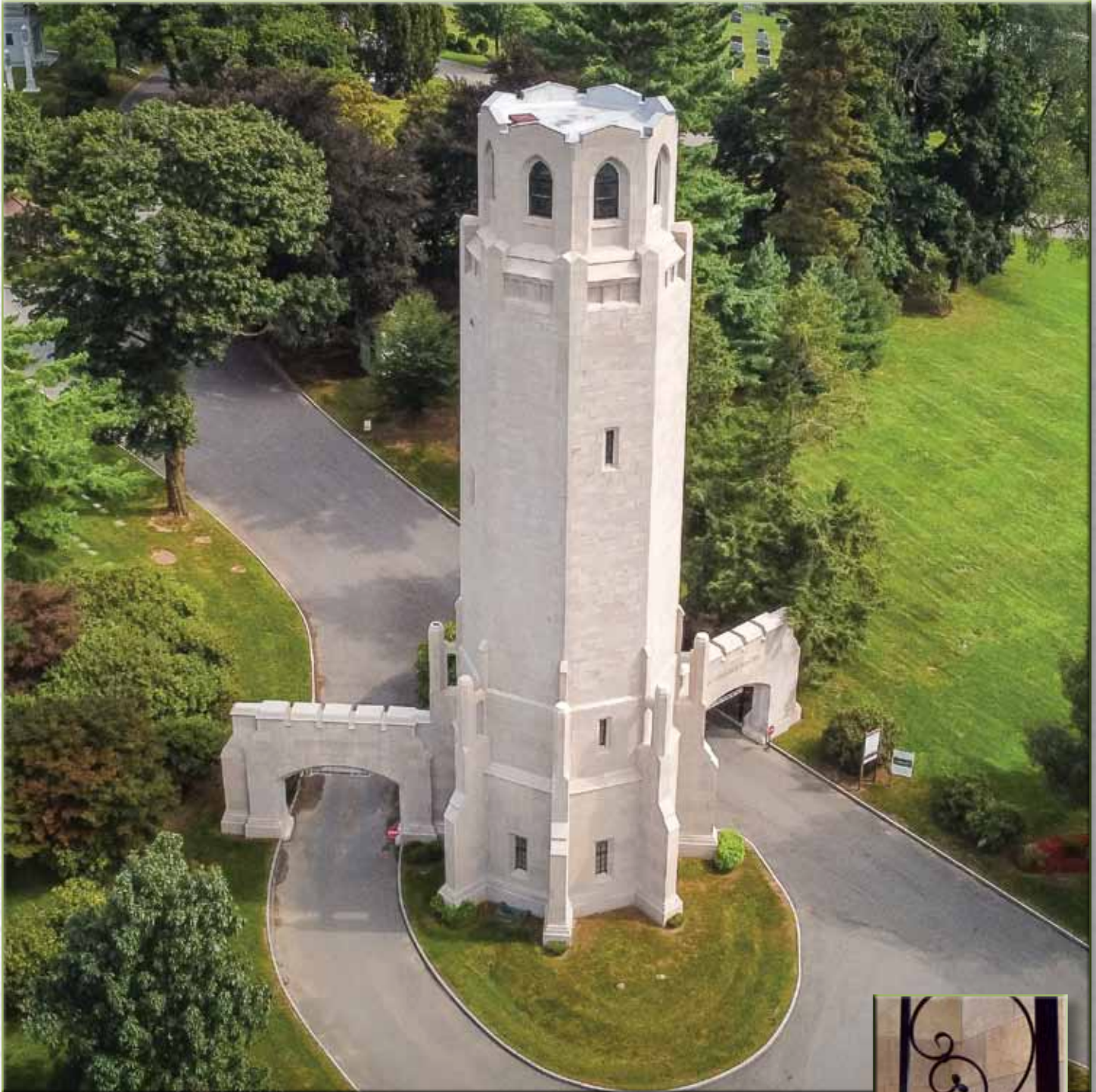
There's probably no more accurate word than "transition" to describe what Kensico Cemetery (and the nation at large) experienced during the 2020 COVID-19 pandemic. We adjusted to New York State Department of Health protocols regarding mask-wearing, limited funeral attendance, provided personal protective equipment for our staff, and created an outside enclosure to the Administration Building's main entrance, all while accommodating an unprecedented increase in immediate-need interments. We cancelled or postponed all regularly scheduled employee and public events, and, as you may recall, we moved from an in-person Annual Meeting of Lot Owners to the first-in-our-history virtual Annual Meeting over Zoom. Nearly every aspect of Cemetery operations---from the incoming calls from funeral directors to the social-distancing at the gravesite---had to be re-thought with the safety of employees, vendors, visitors, lot owners, funeral directors, and families in mind.

Another transition in 2020 involved a change in the presidency of Kensico. Raymond M. Planell retired as President, Chief Executive Officer, and Counsel at the end of the year, and I came on board mid-year as Senior Vice President and was subsequently elected as President, Chief Executive Officer, and Counsel effective January 1, 2021. So, I am writing this just six months into my presidency, and I already have enormous respect for the presidential legacy that preceded me. Lucky for me, Mr. Planell remains on the Kensico Board of Directors and his predecessor, Chester S. Day is Chairman of the Board. Their guidance and wisdom have been invaluable to me as I adjust to my new role, and I can't thank them enough for their time and devotion to the Cemetery.

We also saw a change in property management leadership in 2020. Long-time Vice President and Superintendent Larry Massaro retired at the end of the year, while Mike Cook joined the Management Team as our new Superintendent in September of 2020, and became a Kensico Vice President on January 1, 2021. As a certified arborist and a member of the International Society of Arboriculture, Mike's touch is apparent: the Cemetery is as beautiful as ever.

Throughout these many transitions, the entire leadership team remained committed to continuing Kensico Cemetery's tradition of excellent customer service to lot owners.





*Fact: The Tower "anchors" Tecumseh Avenue which travels for .8 miles to the other Cemetery entrance off Commerce Street.*

*From the files: The Kensico Tower has not always been the Cemetery logo. In the 1920's the Kensico logo was a pair of pyramids with the slogan, "Like the pyramids, Kensico Cemetery will last forever."*

*Fact: The custom-designed black wrought-iron gates were installed in 1996.*

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## Practicality: Usefulness. Sensible. Pragmatic.

*While the Kensico Tower is without a doubt a commanding and impressive structure, its heart and soul is a water tank that is critical to the beauty of the grounds and many cemetery operations.*

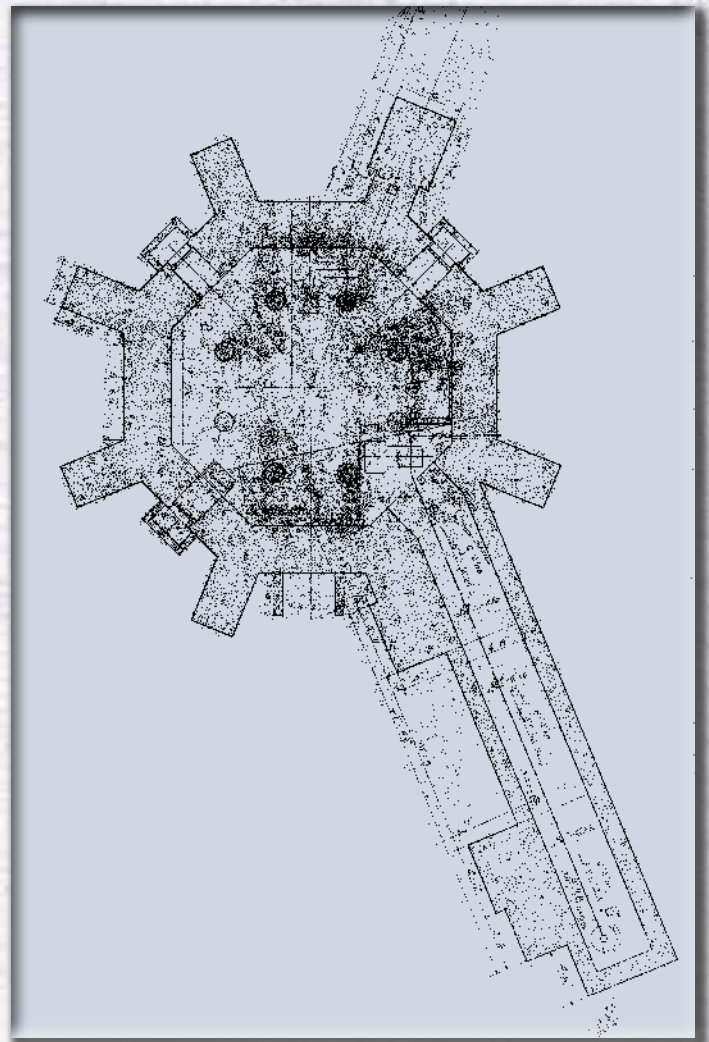
Managing 460 acres of property is no easy task, especially when combined with the responsibility of handling as many as 11 interments in a single day. But as a practical consideration, roads must be paved, lawns mowed, areas prepped for development, and damaged trees removed in the aftermath of severe weather.

Much was accomplished in 2020. The development of Dacotah Plot was completed, as were Onondaga and Highland Gardens Extension. The access road behind the Community Mausoleum was widened, and Ossipee and Uncas Avenues were paved. Minnewaska Slant Stone Area and Sections 230/190 were prepared and made available for sale. Land along Lakeside Drive off Tecumseh Avenue was levelled for future woodlands development. And damaged trees and debris caused by Hurricane Isaias required removal, followed by strategic replanting to maintain the beauty of the Cemetery.

In 2020 we continued construction on the Garden Mausoleum at Montross Pond---a crypt/columbarium that will provide outside above-ground entombments. The Garden Mausoleum is the first publicly available structure constructed on the Kensico grounds in almost 100 years and is built to accommodate 732 crypts and 2,028 niches.

All of this was accomplished in the midst of a pandemic that upended normal operations. I want to publicly thank all Kensico employees for making the hard adjustments COVID-19 demanded of everyone. There was much talk during 2020 of essential workers, and none were more essential than the Kensico employees who managed a difficult year filled with health concerns, evolving safety protocols and restrictions, and increased interments with the highest levels of service and professionalism.

Franklin Montross, Jr., Kensico's President from 1941-1991, stated in his 1959 annual report that the first obligation of management is "in the normal daily operations of the Cemetery, including interments, foundations, planting and care – to render satisfactory service to its lot owners at as low cost as possible." I am proud to say that we attended to that obligation in the best traditions of Kensico Cemetery.





*Fact: The Tower contains a 100,000-gallon water tank fed by a natural spring well that provides for all the water needs of the Cemetery grounds and buildings, distributed through 16 miles of pipes.*

*Fact: There are 125 water spigots throughout the Cemetery for lot owners and visitors who want to attend to flowers or plantings at gravesites.*

*Backstory: It was Kensico President Henry R. Barrett, III who spearheaded upgrades and major renovations to the interior and exterior of the Tower in the 1990s including the design and installation of the iron gates.*

*Recent Updates: 2017: interior tank rehabbed and cleaned; 2018: well deepened to 700' and new well pump installed; 2020: exterior pressure washed, repointed and sealed, windows painted and new roofing system installed.*

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## Permanence: Lasting. Immoveable. Set in stone.

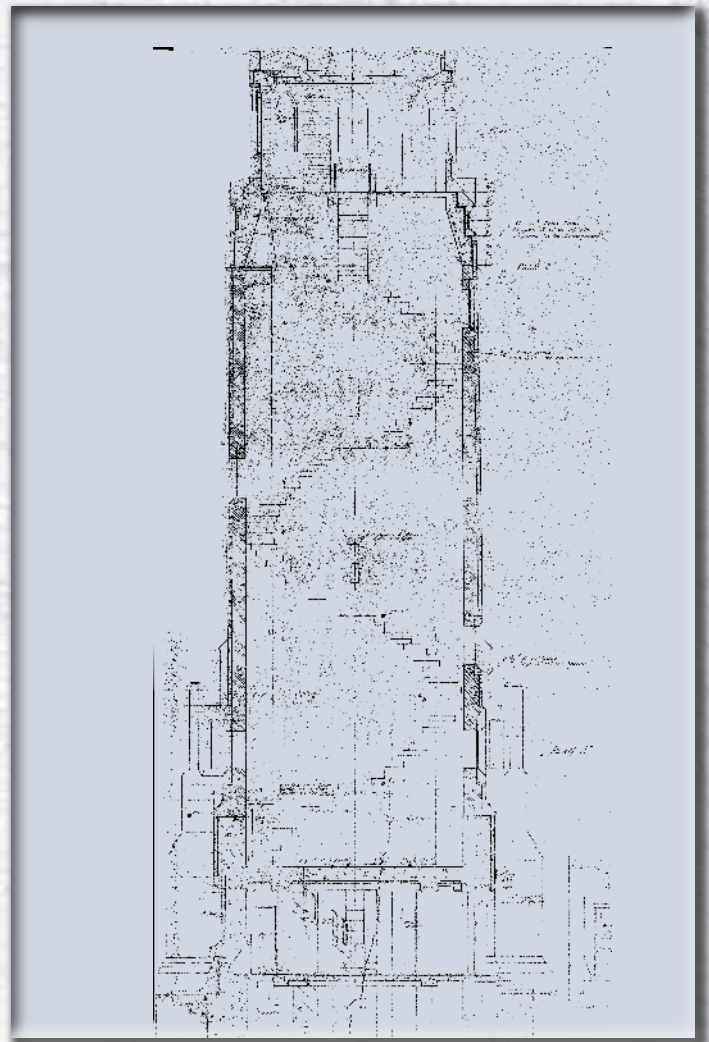
*The Kensico Tower is an enduring symbol of the eternal nature of the Cemetery.*

Kensico Cemetery adjusts when necessary to important social, cultural, or financial conditions, but there are elements of the Kensico mission that will never change. Not many companies have the word “forever” in their communications, yet, in fact, our commitment to provide and maintain the final resting places of loved ones entrusted to our care in perpetuity is the core mission of Kensico Cemetery.

For example, if you turn to page 14 of this report (Statement of Financial Position), you will note four funds that have been set in stone for decades: The Bequest and Endowment Principal Fund, The Bequest and Endowment Surplus Income Fund, The Permanent Maintenance Fund, and the Declaratory Maintenance Fund. Their sole purpose is to accrue monies to be used for the care and

maintenance of the Kensico grounds long after all lots have been sold. These accounts are substantial and will continue to grow while lot sales continue for decades to come, thus providing the financial means for property maintenance in perpetuity.

Sixty-one years ago Mr. Montross wrote that the second obligation of management is to provide the long-range planning essential to build the permanent funds required to maintain Kensico forever. That legacy continues to this day as well, and it will continue to be our focus in the coming years.







*Fact: The Tower is a steel, iron, and brick structure with quarry-run Indiana Oolitic limestone—known for its durability—as the external facing.*

*From the files: The Tower is reported to have cost \$175,000 to build.*

*Fact: A small metal triangulation station disc with longitude and latitude coordinates was placed atop the Tower in 1966 to facilitate National Geodetic Survey projects. It also records the elevation above sea level as 588 feet.*

*Fact: The Tower illustration on the left was done by artist Al Lorenz and hangs in the Kensico Board Room. The oil painting of the Tower shown above was commissioned by Kensico and painted by employee Alberto Silva; that painting is on display in the Family Waiting Area. The inset, also drawn by Al Lorenz, is taken from the original drawing of the Kensico Cemetery Cell Phone Tour Map.*



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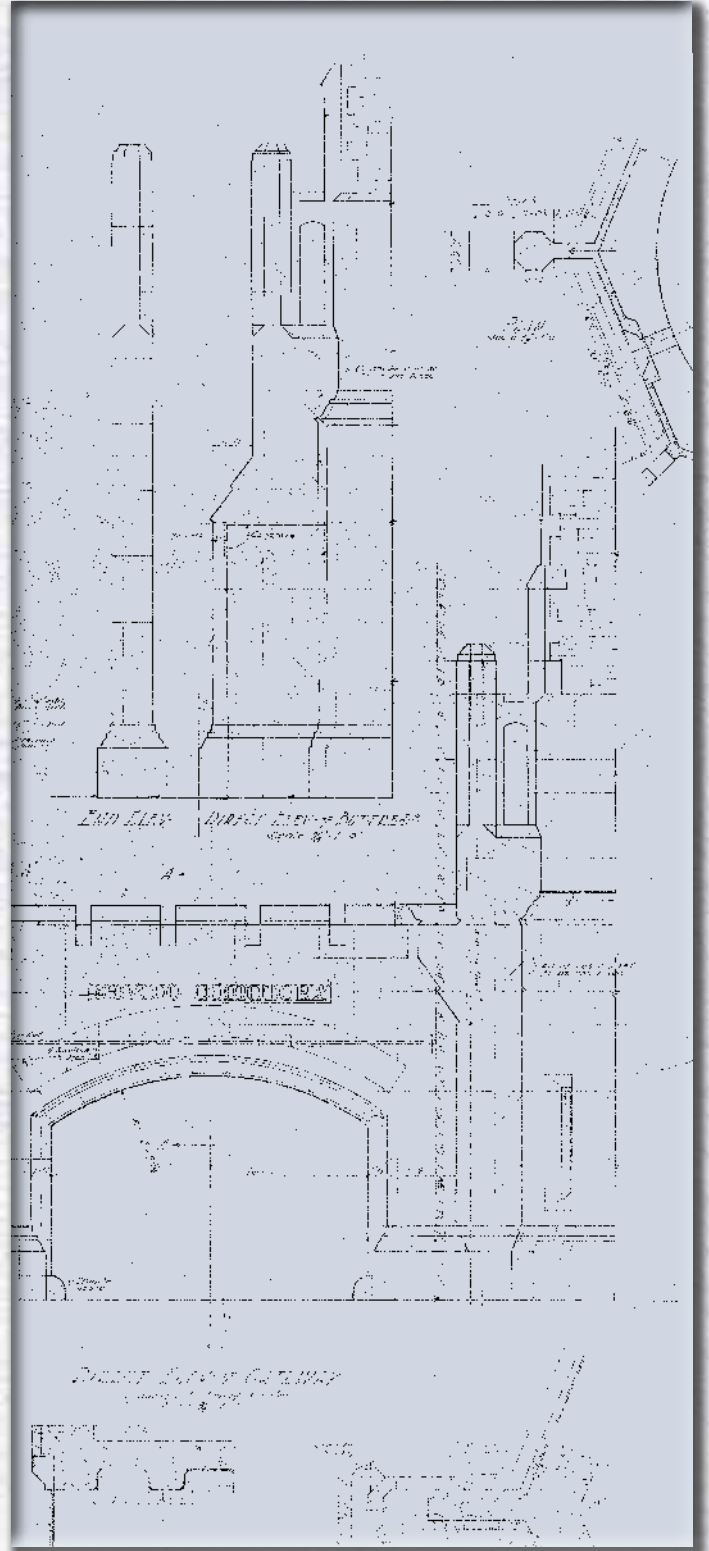
## Perspective: The Long View. Outlook. Vista.

*The observation platform of the Kensico Tower provides a vantage point to assess the true impact of all operations and decisions that affect the Cemetery and its lot owners.*

In last year's annual report, Kensico President Raymond M. Planell shared the news that the Cemetery had applied for and was expecting Internal Revenue Service approval of the creation of a 501(c) (3) not-for-profit entity —Friends of The Kensico Cemetery, Inc.— for the purpose of advancing and promoting the welfare of Kensico Cemetery.

I'm pleased to report that we did receive I.R.S. approval, and that the Board of Directors of Friends of Kensico are developing plans to accomplish the following goals: preserving monuments and buildings of historic, cultural, and architectural significance; preserving and maintaining Kensico's natural habitat, including trees, plants, and shrubs; encouraging and advancing public knowledge and appreciation of the historic, cultural, architectural, and horticultural significance of Kensico through educational programs; and raising the funds necessary to accomplish these goals. You will be hearing more about Friends of Kensico in the future, and as lot owners, your thoughts and perspective on this new entity are welcomed and will be valuable as we move forward.

One question you might have, though, is "why now"? As Kensico ends its 132nd year, we would be remiss if we did not look ahead to determine how best to position Kensico Cemetery for the future.... for the perpetuity I mentioned earlier. While the four funds discussed above will underwrite maintenance expenses in years to come, the need remains to take special care of what makes Kensico unique. We all treasure the rural landscape of the property, the collection of monuments and mausoleums that give Kensico its distinctive profile, and the extensive variety of woody plants cultivated for scientific, educational, and ornamental purposes that led each of you to choose this beautiful place to memorialize your loved ones. Friends of Kensico will be the vehicle to ensure the preservation of all that we have come to enjoy, respect, and appreciate about Kensico Cemetery.





*Fact: There are 8 small windows in the Tower's "Observation Platform" giving a 360' view including that of the Kensico Reservoir and New York City.*

*Tip: When leaving Kensico Cemetery through the Tower gate, notice the Kentucky Bottlebrush plant that flanks the back of the building especially in summer when its white blossoms form.*

# Conclusion

Through photos, schematics, and text, we've shared in these few pages some of the characteristics of the Kensico Tower that serve as metaphors for the decisions that were made and the actions that were taken during 2020. Along the way, I'm hoping that we all learned a little bit more about the grand structure that welcomes us every day to Kensico Cemetery.

Assistance in compiling information and visuals for this report came from a variety of sources, and I want to thank them for helping us:

Alberto Silva; Kensico employee and artist: Tower oil painting, page 7.

Al Lorenz; artist: Tower illustrations, pages 6 and 7.

Direct2Marketing; Drone footage.

Jack Cunha, Mark Powell, Rosendo Campos; Kensico employees: Tower lighting.

The Library of Congress: Background on Lovell architectural firm.

Louis Palmerini; Kensico Superintendent, Retired: History of Tower gates.

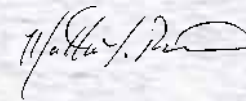
Mike Farmer; Kensico Cemetery Development Manager / Assistant Sales Manager: Tower schematics retrieval.

Rick Martini; R&G Iron Works, Cold Spring: Tower gates design and fabrication.

Sir Speedy, Pleasantville: Large-scale blueprint scanning.

The Westchester County Archives: Retrieval and copies of vintage Kensico materials.

Timothy Wilson; Kensico Deputy Superintendent, Retired: Water system description.



Matthew G. Parisi  
*President*

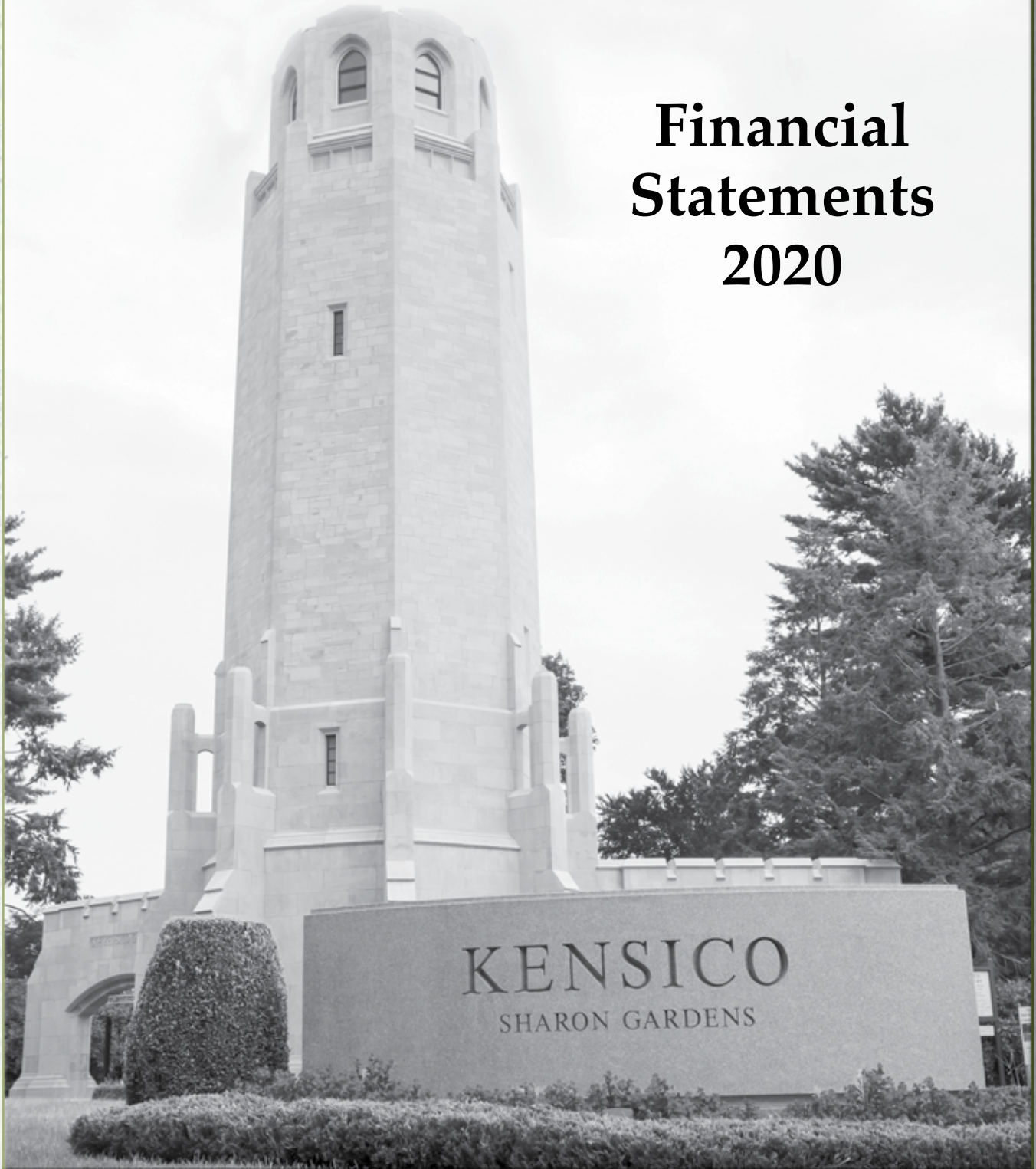


*Postscript: Our next annual report will look at two similar (yet in many ways distinctly different) buildings constructed on the grounds here at Kensico almost a century apart: the the Community Mausoleum, which was designed by the same architect as the Tower, and the new Garden Mausoleum at Montross Pond, which is pictured above as seen from the Tower.*

# Kensico

C E M E T E R Y

## Financial Statements 2020



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## Financial Statements 2020

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Statements of Activities	page 16
Statements of Functional Expenses	page 18
Statements of Cash Flows	page 20
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## INDEPENDENT AUDITORS' REPORT

**The Board of Directors of  
The Kensico Cemetery**

### ***Report on Financial Statement***

We have audited the accompanying financial statements of The Kensico Cemetery ("the Cemetery"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cemetery as of December 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.

*PKF O'Connor Davies, LLP*  
April 21, 2021

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**THE KENSICO CEMETERY**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

	Bequest and Endowment Principal Fund	Bequest and Endowment Surplus Income Fund	Permanent Maintenance Fund	Declaratory Maintenance Fund	Total Other Funds	General Fund	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 412,566	\$ 74,917	\$ 3,270,327	\$ 3,446,051	\$ 7,203,861	\$ 16,247,915	\$ 23,451,776
Investments	61,790,094	4,207,050	57,868,898	107,345,526	231,211,568	37,179,649	268,391,217
Accounts receivable	-	-	-	-	-	800,213	800,213
Other receivables	-	-	-	-	-	561,100	561,100
Other assets	-	-	-	-	-	1,870,539	1,870,539
Interfund receivable (payable)	(5,751)	(37,682)	(51,927)	899,763	804,403	(804,403)	-
Unrecovered development costs	-	-	-	-	-	5,395,249	5,395,249
Buildings and equipment, net	-	-	-	-	-	2,080,459	2,080,459
Total assets	<u>\$ 62,196,909</u>	<u>\$ 4,244,285</u>	<u>\$ 61,087,298</u>	<u>\$ 111,691,340</u>	<u>\$ 239,219,832</u>	<u>\$ 63,330,721</u>	<u>\$ 302,550,553</u>
<b>Liabilities and net assets</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenses	-	-	-	-	-	\$ 1,416,103	\$ 1,416,103
Retainage payable	-	-	-	-	-	408,077	408,077
Other liabilities	-	-	-	-	-	648,096	648,096
Underfunded pension benefit obligation	-	-	-	-	-	654,549	654,549
Unfunded other benefits	-	-	-	-	-	3,902,984	3,902,984
Total liabilities	-	-	-	-	-	7,029,809	7,029,809
<b>Net assets without donor restrictions</b>							
Undesignated	-	-	-	-	-	56,300,912	56,300,912
Restricted by law	62,196,909	4,244,285	61,087,298	111,691,340	239,219,832	-	239,219,832
Total net assets without donor restrictions	<u>62,196,909</u>	<u>4,244,285</u>	<u>61,087,298</u>	<u>111,691,340</u>	<u>239,219,832</u>	<u>56,300,912</u>	<u>295,520,744</u>
Total liabilities and net assets	<u>\$ 62,196,909</u>	<u>\$ 4,244,285</u>	<u>\$ 61,087,298</u>	<u>\$ 111,691,340</u>	<u>\$ 239,219,832</u>	<u>\$ 63,330,721</u>	<u>\$ 302,550,553</u>

See notes to financial statements.



**THE KENSICO CEMETERY**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**

	Bequest and Endowment Principal Fund	Bequest and Endowment Surplus Income Fund	Permanent Maintenance Fund	Declaratory Maintenance Fund	Total Other Funds	General Fund	Total
<u>Assets</u>							
Cash and cash equivalents	\$ (63,502)	\$ 19,495	\$ 2,848,338	\$ 2,944,160	\$ 5,748,491	\$ 12,006,049	\$ 17,754,540
Investments	54,874,951	4,084,180	51,069,516	90,935,053	200,963,700	35,078,376	236,042,076
Accounts receivable	-	-	-	-	-	1,011,982	1,011,982
Other receivables	-	-	-	-	-	464,460	464,460
Other assets	-	-	-	-	-	1,802,123	1,802,123
Interfund receivable (payable)	(100,481)	24,691	(154,526)	720,483	490,167	(490,167)	-
Unrecovered development costs	-	-	-	-	-	3,666,618	3,666,618
Buildings and equipment, net	-	-	-	-	-	2,125,668	2,125,668
Total assets	<u>\$ 54,710,968</u>	<u>\$ 4,128,366</u>	<u>\$ 53,763,328</u>	<u>\$ 94,599,696</u>	<u>\$ 207,202,358</u>	<u>\$ 55,665,109</u>	<u>\$ 262,867,467</u>
<u>Liabilities and net assets</u>							
<u>Liabilities</u>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,080,208	\$ 1,080,208
Retainage payable	-	-	-	-	-	216,048	216,048
Other liabilities	-	-	-	-	-	694,670	694,670
Underfunded pension benefit obligation	-	-	-	-	-	119,802	119,802
Unfunded other benefits	-	-	-	-	-	3,399,740	3,399,740
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,510,468</u>	<u>5,510,468</u>
<u>Net assets without donor restrictions</u>							
Undesignated	-	-	-	-	-	50,154,641	50,154,641
Restricted by law	54,710,968	4,128,366	53,763,328	94,599,696	207,202,358	-	207,202,358
Total net assets without donor restrictions	<u>54,710,968</u>	<u>4,128,366</u>	<u>53,763,328</u>	<u>94,599,696</u>	<u>207,202,358</u>	<u>50,154,641</u>	<u>257,356,999</u>
Total liabilities and net assets	<u>\$ 54,710,968</u>	<u>\$ 4,128,366</u>	<u>\$ 53,763,328</u>	<u>\$ 94,599,696</u>	<u>\$ 207,202,358</u>	<u>\$ 55,665,109</u>	<u>\$ 262,867,467</u>

See notes to financial statements.

**THE KENSICO CEMETERY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

	Bequest and Endowment Principal Fund	Bequest and Endowment Surplus Income Fund	Permanent Maintenance Fund	Declaratory Maintenance Fund	Total Other Funds	General Fund	Total
Support and revenue							
Lot and grave sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,780,581	\$ 11,780,581
Transfers and reserves	-	-	1,812,003	-	1,812,003	(5,564,497)	(3,752,494)
Service department receipts	-	-	-	-	-	5,253,239	5,253,239
Investment return designated for current operations	-	1,014,244	1,084,562	301,400	2,400,206	6,203,463	8,603,669
Bequests and endowments received	460,138	-	-	-	460,138	-	460,138
Statutory contribution	-	-	85,785	-	85,785	-	85,785
Other	-	-	2,505	-	2,505	9,504	12,009
Total support and revenue from operations	460,138	1,014,244	2,984,855	301,400	4,760,637	17,682,290	22,442,927
Interfund transfers	-	(1,076,158)	(1,084,562)	(301,400)	(2,462,120)	2,462,120	-
Total support and revenue recognized	460,138	(61,914)	1,900,293	-	2,298,517	20,144,410	22,442,927
Expenses							
Program services	-	-	-	-	-	7,776,790	7,776,790
Supporting services	-	-	-	-	-	4,824,951	4,824,951
Total expenses from operations	-	-	-	-	-	12,601,741	12,601,741
Increase (decrease) in net assets without donor restrictions from operations before investment return and other changes	460,138	(61,914)	1,900,293	-	2,298,517	7,542,669	9,841,186
Investment return in excess of amounts designated for current operations	7,025,803	177,833	5,423,677	17,091,644	29,718,957	-	29,718,957
Increase in net assets without donor restrictions before other changes	7,485,941	115,919	7,323,970	17,091,644	32,017,474	7,542,669	39,560,143
Other changes							
Pension benefit liability adjustment	-	-	-	-	-	(957,624)	(957,624)
Other benefits liability adjustment	-	-	-	-	-	(312,649)	(312,649)
Other components of net periodic pension cost	-	-	-	-	-	69,220	69,220
Other components of net periodic postretirement cost	-	-	-	-	-	(195,345)	(195,345)
Change in net assets without donor restrictions	7,485,941	115,919	7,323,970	17,091,644	32,017,474	6,146,271	38,163,745
Net assets without donor restrictions at beginning of year	54,710,968	4,128,366	53,763,328	94,599,696	207,202,358	50,154,641	257,356,999
Net assets without donor restrictions at end of year	\$ 62,196,909	\$ 4,244,285	\$ 61,087,298	\$ 111,691,340	\$ 239,219,832	\$ 56,300,912	\$ 295,520,744

See notes to financial statements.

**THE KENSICO CEMETERY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2019**

	Bequest and Endowment Principal Fund	Bequest and Endowment Surplus Income Fund	Permanent Maintenance Fund	Declaratory Maintenance Fund	Total Other Funds	General Fund	Total
Support and revenue							
Lot and grave sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,372,562	\$ 10,372,562
Transfers and reserves	-	-	1,536,003	-	1,536,003	(4,816,828)	(3,280,825)
Service department receipts	-	-	-	-	-	4,055,677	4,055,677
Investment return designated for current operations	-	1,159,060	1,087,141	288,000	2,534,201	7,865,432	10,399,633
Bequests and endowments received	282,905	-	-	-	282,905	-	282,905
Statutory contribution	-	-	66,150	-	66,150	-	66,150
Other	-	-	2,525	-	2,525	13,684	16,209
Total support and revenue from operations	282,905	1,159,060	2,691,819	288,000	4,421,784	17,490,527	21,912,311
Interfund transfers	-	(1,076,332)	(1,087,141)	(288,000)	(2,451,473)	2,451,473	-
Total support and revenue recognized	282,905	82,728	1,604,678	-	1,970,311	19,942,000	21,912,311
Expenses							
Program services	-	-	-	-	-	7,121,459	7,121,459
Supporting services	-	-	-	-	-	4,415,455	4,415,455
Total expenses from operations	-	-	-	-	-	11,536,914	11,536,914
Increase in net assets without donor restrictions from operations before investment return and other changes	282,905	82,728	1,604,678	-	1,970,311	8,405,086	10,375,397
Investment return in excess of amounts designated for current operations	6,773,810	169,706	7,719,113	21,163,847	35,826,476	-	35,826,476
Increase in net assets without donor restrictions before other changes	7,056,715	252,434	9,323,791	21,163,847	37,796,787	8,405,086	46,201,873
Other changes							
Pension benefit liability adjustment	-	-	-	-	-	(280,484)	(280,484)
Other benefits liability adjustment	-	-	-	-	-	(384,246)	(384,246)
Other components of net periodic pension cost	-	-	-	-	-	(185,903)	(185,903)
Other components of net periodic postretirement cost	-	-	-	-	-	(203,169)	(203,169)
Change in net assets without donor restrictions	7,056,715	252,434	9,323,791	21,163,847	37,796,787	7,351,284	45,148,071
Net assets without donor restrictions at beginning of year	47,654,253	3,875,932	44,439,537	73,435,849	169,405,571	42,803,357	212,208,928
Net assets without donor restrictions at end of year	\$ 54,710,968	\$ 4,128,366	\$ 53,763,328	\$ 94,599,696	\$ 207,202,358	\$ 50,154,641	\$ 257,356,999

See notes to financial statements.

**THE KENSICO CEMETERY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	Program Services						Supporting Services					Total
	Interments	Lot Care	Foundations	Cleaning and Pointing	Planting	Total	Security	Maintenance	Administration	Sales	Total	
Compensation	\$ 219,037	\$ 219,037	\$ 71,035	\$ -	\$ -	\$ 509,109	\$ -	\$ -	\$ 401,543	\$ 375,030	\$ 776,573	\$ 1,285,682
Officers and directors	212,435	137,434	52,597	-	-	402,466	-	-	303,148	172,421	475,569	878,035
Office	2,393,991	828,401	222,589	51,552	-	3,496,533	121,049	72,678	-	104,497	298,224	3,794,757
Ground crew	-	-	-	-	-	-	-	-	-	592,111	592,111	592,111
Salespersons	-	-	-	-	-	-	-	-	-	-	-	-
Payroll taxes and fringe benefits	1,243,013	528,273	157,116	23,162	-	1,951,564	55,964	34,492	218,153	523,516	832,125	2,783,689
Total compensation	4,068,476	1,713,145	503,337	74,714	-	6,359,672	177,013	107,170	922,844	1,767,575	2,974,602	9,334,274
Repairs and replacement	3,974	5,669	805	-	-	10,448	-	5,127	-	935	6,062	16,510
Postage	5,600	5,040	-	-	-	10,640	-	-	32,342	6,183	38,525	49,165
Telephone	2,372	2,134	-	-	-	4,506	287	-	2,372	2,609	5,268	9,774
Supplies	76,377	82,986	51,547	13	-	210,923	4,581	77,689	29,157	24,346	135,773	346,696
Automobile operations	58,046	16,652	3,818	-	-	78,516	960	-	-	2,294	3,254	81,770
Professional fees	11,677	11,677	-	-	-	23,354	-	-	92,345	11,677	104,022	127,376
Dues and subscriptions	5,295	-	-	-	-	5,295	-	-	12,936	-	12,936	18,231
Depreciation and amortization	55,669	49,159	6,071	-	-	110,899	4,774	133,605	23,407	20,390	182,176	293,075
Outside services	76,685	689,070	51,653	25	2,349	819,782	-	396,370	47,533	99,649	543,552	1,363,334
Advertising costs	-	-	-	-	-	-	-	-	-	347,381	347,381	347,381
Other	76,413	66,342	-	-	-	142,755	100	-	195,053	276,247	471,400	614,155
Total expenses	\$ 4,440,584	\$ 2,641,874	\$ 617,231	\$ 74,752	\$ 2,349	\$ 7,776,790	\$ 187,715	\$ 719,961	\$ 1,357,989	\$ 2,559,286	\$ 4,824,951	\$ 12,601,741

See notes to financial statements.

**THE KENSICO CEMETERY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**

	Program Services					Supporting Services					Total	
	Interments	Lot Care	Foundations	Cleaning and Pointing	Planting	Total	Security	Maintenance	Administration	Sales		Total
Compensation												
Officers and directors	\$ 178,514	\$ 178,514	\$ 50,727	\$ -	\$ -	\$ 407,755	\$ -	\$ -	\$ 355,950	\$ 317,473	\$ 673,423	\$ 1,081,178
Office	199,402	126,316	46,721	-	-	372,439	-	-	278,360	163,729	442,089	814,528
Ground crew	2,194,144	839,083	204,592	47,319	-	3,285,138	109,454	118,020	-	104,799	332,273	3,617,411
Salespersons	-	-	-	-	-	-	-	-	-	485,931	485,931	485,931
Payroll taxes and fringe benefits	1,213,370	540,091	140,854	22,159	-	1,916,474	53,187	49,663	209,319	472,997	785,166	2,701,640
Total compensation	3,785,430	1,684,004	442,894	69,478	-	5,981,806	162,641	167,683	843,629	1,544,929	2,718,882	8,700,688
Repairs and replacement	3,009	4,048	3,410	-	-	10,467	-	41,088	-	464	41,552	52,019
Postage	5,400	4,951	-	-	-	10,351	-	-	31,654	5,849	37,503	47,854
Telephone	2,246	2,037	-	-	-	4,283	356	-	2,246	2,455	5,057	9,340
Supplies	69,788	99,162	65,645	3	455	235,053	5,993	82,897	37,122	28,804	154,816	389,869
Automobile operations	70,967	29,848	1,760	-	-	102,575	931	-	-	3,353	4,284	106,859
Professional fees	11,350	11,350	-	-	-	22,700	-	-	79,703	11,350	91,053	113,753
Dues and subscriptions	5,439	-	-	-	-	5,439	-	-	9,793	-	9,793	15,232
Depreciation and amortization	42,039	42,184	3,036	-	-	87,259	4,774	117,538	20,325	18,118	160,755	248,014
Outside services	21,822	480,886	5,474	-	3,167	511,349	173	348,288	41,172	57,656	447,289	958,638
Advertising costs	-	-	-	-	-	-	-	-	-	368,801	368,801	368,801
Other	79,311	70,866	-	-	-	150,177	125	-	160,190	215,355	375,670	525,847
Total expenses	\$ 4,096,801	\$ 2,429,336	\$ 522,219	\$ 69,481	\$ 3,622	\$ 7,121,459	\$ 174,993	\$ 757,494	\$ 1,225,834	\$ 2,257,134	\$ 4,415,455	\$ 11,536,914

See notes to financial statements.

# THE KENSICO CEMETERY

## STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 38,163,745	\$ 45,148,071
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized gain on investments	(4,775,068)	(5,020,667)
Net unrealized gain on investments	(28,331,400)	(35,828,997)
Stock dividends	(17,339)	-
Loss on disposal of equipment	13,884	-
Realized gain on sale of equipment	(6,000)	(1,500)
Depreciation and amortization	293,075	248,014
Pension benefit liability adjustment	957,624	280,484
Other benefits liability adjustment	312,649	384,246
Change in operating assets and liabilities		
Accounts receivable	211,769	(94,119)
Other receivables	(96,640)	188,075
Other assets	(300,698)	(270,359)
Unrecovered development costs	(1,728,631)	(1,679,273)
Accounts payable and accrued expenses	335,895	55,882
Retainage payable	192,029	162,920
Other liabilities	(46,574)	24,737
Net cash from operating activities	5,178,320	3,597,514
Cash flows from investing activities		
Purchase of investments	(67,811,998)	(59,135,042)
Sale of investments	68,586,664	60,645,933
Sale of equipment	6,000	1,500
Purchase of building and equipment	(261,750)	(342,309)
Net cash from investing activities	518,916	1,170,082
Net change in cash and cash equivalents	5,697,236	4,767,596
Cash and cash equivalents at beginning of year	17,754,540	12,986,944
Cash and cash equivalents at end of year	\$ 23,451,776	\$ 17,754,540
<b>Supplementary Non-Cash Information</b>		
Disposal of fully depreciated buildings and equipment	\$ 175,487	\$ 24,673

See notes to financial statements.

# THE KENSICO CEMETERY

## NOTES TO FINANCIAL STATEMENTS

### 1. Statement of Purpose and Accounting Policies

#### ***General***

The Kensico Cemetery (the "Cemetery"), located in Valhalla, New York, is a not-for-profit, public cemetery, membership corporation which is regulated under New York State law. Prices for the sale of burial rights are posted in the Cemetery office and filed with the Division of Cemeteries of the State of New York. Charges for services rendered to lot owners are subject to approval by the State Cemetery Board and cannot be increased until an order is issued by the Board permitting such increase. The Cemetery estimates that based on historical sales and available developed and undeveloped property, it will generate revenue from lot and grave sales for the next 75 to 100 years.

#### ***Basis of Accounting and Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the 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.

#### ***Fair Value of Measurements of Financial Instruments***

The Cemetery follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of highly liquid debt instruments with maturities of three months or less, at time of purchase.

#### ***Investments and Investment Income Recognition***

Investments are carried at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

# THE KENSICO CEMETERY

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 1. Statement of Purpose and Accounting Policies (Continued)

#### ***Buildings and Equipment***

Buildings and equipment are carried at cost and depreciated using the straight-line method over their estimated useful lives as follows:

Buildings and water system	5-50 years
Land improvements	20 years
Machinery and equipment	3-10 years
Office furniture and fixtures	3-10 years
Automobiles and trucks	2- 7 years

#### ***Development Costs***

Costs incurred to develop land are capitalized. Such amounts are recovered as land is sold.

#### ***Income Taxes***

The Cemetery's tax-exempt status was judicially determined by the United States Board of Tax Appeals in The Kensico Cemetery v. Commissioner of the Internal Revenue 35 B.T.A. 498 (1936). This decision was affirmed on appeal in Commissioner of Internal Revenue v. Kensico Cemetery 96 F. 2d 594 (Second Cir. 1938) and in addition, the Cemetery, as a not-for-profit organization, as described in Internal Revenue Code Section 501 (c) (13), is exempt from federal income taxes under section 501 (a) of the Internal Revenue Code. Management has determined that the Cemetery had no uncertain tax positions that would require financial statement recognition or disclosure.

#### ***Revenue Recognition***

The Cemetery follows U.S. GAAP revenue recognition guidance which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of the guidance is that an entity should recognize revenue from the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to receive for those promised goods or services to customers. The guidance includes a five-step framework to determine the timing and amount of revenue to recognize related to contracts with customers.

The Cemetery has several revenue sources. The Cemetery recognizes revenue for sales of burial rights when an agreement is executed and recognizes revenue with respect to interment, foundation, special care or endowment services when the services are provided. Consequently, all performance obligations are satisfied at a point in time or over time within the Cemetery's year end.

The Cemetery does not recognize revenue until it is probable of collection and, based on the Cemetery's strong collection experience, the Cemetery has concluded that all revenue recognized is probable of collection. The Cemetery has applied a portfolio approach to evaluating the customer's ability to pay, rather than evaluating each customers' ability to pay separately.



**THE KENSICO CEMETERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**1. Statement of Purpose and Accounting Policies (Continued)**

***Funds***

The Cemetery has a General Fund and four non-donor restricted Endowment Funds:

**The General Fund** – includes all non-Endowment Fund activities.

**The Bequest and Endowment Principal Fund** - consists of funds received from lot owners for the care of their lots. Pursuant to New York State law, the principal of this fund is kept invested and the income (interest and dividends) from these investments is deposited in the Bequest and Endowment Surplus Income Fund to be used for the care of the endowed lots. Capital gains and losses from investments are added to or reduce the principal of the fund.

**The Bequest and Endowment Surplus Income Fund** – receives the income of The Bequest and Endowment Principal Fund, which income, together with income earned from the investments of the Bequest and Endowment Surplus Income Fund is used for the care of the endowed lots. Income not required to be expended in a given year is retained and carried forward for use in future years.

**The Permanent Maintenance Fund** - was established in 1949 as provided by New York State law. Effective July 1, 1992, the fund receives 15% of the gross proceeds from the sale of all lots, graves and niches. As also required by New York State law, effective, January 1, 2001, the fund receives an additional \$35 for each interment. New York State law also provides that the principal of this fund shall remain inviolate except under limited circumstances, as set forth in the law. Income (interest and dividends) from the investments of this fund is deposited in the General Fund to be used for current maintenance of the Cemetery. Capital gains and losses from investments are added to or reduce the principal of the fund.

**The Declaratory Maintenance Fund** - was established in 1934 as provided in the judgment in an action in the Supreme Court, Westchester County, entitled The Kensico Cemetery, plaintiff against William H. Lyon, et al, defendants. Pursuant to the judgment, investments of the General Fund having a book value of \$147,551 were transferred to this fund. The judgment provides that the principal and income of this fund shall not be used for the general purposes of the Cemetery until the fund, including accumulated income, is in an amount sufficient to produce income to maintain in perpetuity the grounds of the Cemetery. This fund has been administered in accordance with the provisions of the judgment.

**THE KENSICO CEMETERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**1. Statement of Purpose and Accounting Policies (Continued)**

***Functional Expenses***

The financial statements report certain categories of expenses that are attributable to more than one operating or supporting service. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation expenses, which are allocated on the basis of estimate of time and effort and other expenses that are allocated between program services which include interments, lot care, foundations, cleaning and pointing and planting and supporting services which include security, maintenance, administration and sales.

***Advertising Costs***

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2020 and 2019, approximated \$347,000 and \$369,000.

***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 21, 2021.

**2. Buildings and Equipment**

Buildings and equipment at December 31 consisted of the following:

	<u>2020</u>	<u>2019</u>
Maintenance building	\$ 1,091,387	\$ 1,091,387
Mausoleum building and land	430,369	421,419
Water tower	494,834	482,784
Administration building	1,029,641	998,246
Land improvements	839,058	839,058
Water system	149,525	149,525
Machinery and equipment	1,585,963	1,612,529
Office furniture and fixtures	471,264	469,377
Automobiles and trucks	<u>560,992</u>	<u>525,332</u>
	6,653,033	6,589,657
Accumulated depreciation	<u>(4,572,574)</u>	<u>(4,463,989)</u>
	<u>\$ 2,080,459</u>	<u>\$ 2,125,668</u>

**THE KENSICO CEMETERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**3. Interested Persons**

Two members of the Board of Directors are officers of companies which provide services to the Cemetery and two members of the Board of Directors have relationships with a firm which provides legal services to the Cemetery (one as a firm member and the other as of counsel). Two family members of an officer of the Cemetery provide COVID screening services. Transactions with these entities have been reviewed and approved by the Audit Committee in accordance with the Cemetery's Conflicts of Interest Policy. The following services were provided by such entities as of December 31:

	2020	2019
Landscaping and supplies	\$ 110,231	\$ 84,323
Legal services	5,530	1,782
COVID screening services	45,825	-
Investment management fees	257,038	238,546
	\$ 418,624	\$ 324,651

**4. Concentrations of Credit Risk**

Financial instruments that potentially subject the Cemetery to concentrations of credit risk consist principally of cash and investments. The Cemetery places its cash with various financial institutions and limits the amount of credit exposure by any one financial institution. At times, the cash balance may be in excess of the Federal Deposit Insurance Corporation insurance limit. Investments are diversified to reduce concentrations so that there is no significant concentration of credit risk.

**5. Investments**

The objective of the investment program is to produce ordinary income and capital appreciation sufficient to maintain the Cemetery currently and in perpetuity. The Cemetery's investment guidelines are as follows: for the Bequest and Endowment Surplus Income Fund, the account is managed with a target allocation of fixed income securities representing 100% of the total portfolio value; for the Declaratory Maintenance Fund the accounts are managed with a target allocation of equity securities representing between 95% and 100% of the total portfolio value; and for the remaining funds the accounts are managed as a balanced portfolio with a target asset allocation of 50% in equity securities and 50% in fixed income securities and the Investment Manager has the discretion to vary the allocations to each of these asset classes between a maximum of 60% and a minimum of 40% of the total portfolio value based on the Manager's view of relative attractiveness of these two asset classes. Investments in foreign equities may not exceed 25% of a fund's equity portfolio value and investments in non-US bonds may not exceed 25% of a fund's fixed income portfolio value. The Cemetery periodically reviews these guidelines within each fund, taking into account the current and future needs of the Cemetery and changing market conditions. The values of the investments will fluctuate as market conditions and asset allocations change and the amount of gain or loss in any subsequent period cannot be determined.

**THE KENSICO CEMETERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**5. Investments (Continued)**

Investments at December 31, categorized by the fair value hierarchy, are as follows:

	2020	2019
<i>Level 1 (Quoted Prices in Active Markets for Identical Assets )</i>		
Equities		
US common stock	\$162,922,488	\$135,046,963
US small cap funds	9,688,688	5,090,420
US mid cap funds	11,023,327	9,184,615
US small-mid cap funds	-	1,614,912
Internationally developed	9,761,937	17,053,994
Emerging markets / growth	13,561,532	8,520,776
Select dividend funds	447,237	-
High dividend yield funds	466,701	-
Commodities Trust	271,950	-
Equity real estate investment trusts	-	284,262
US Treasury bills and notes	23,668,851	24,390,931
	<u>231,812,711</u>	<u>201,186,873</u>
<i>Level 2 (Other Observable Inputs)</i>		
Corporate bonds - A or better	35,740,626	34,855,203
US government agency obligations	837,880	-
	<u>36,578,506</u>	<u>34,855,203</u>
	<u>\$268,391,217</u>	<u>\$236,042,076</u>

The Cemetery's investment return is summarized as follows:

Year ended December 31, 2020

	Bequest & Endow Principal Fund	Bequest & Endow Surp Inc Fund	Permanent Maint Fund	Declaratory Maint Fund	General Fund	Total
Dividends and interest, net of fees	\$ -	\$ 1,014,244	\$ 1,084,562	\$ 1,865,612	\$ 1,470,160	\$ 5,434,578
Fees chargeable to principal	(109,290)	-	(109,130)	-	-	(218,420)
Net realized and unrealized gains	7,135,093	177,833	5,532,807	15,527,432	4,733,303	33,106,468
Total Return on Investments	7,025,803	1,192,077	6,508,239	17,393,044	6,203,463	38,322,626
Investment return designated for current operations	-	1,014,244	1,084,562	301,400	6,203,463	8,603,669
Investment Return in Excess of Amounts Designated for Current Operations	<u>\$ 7,025,803</u>	<u>\$ 177,833</u>	<u>\$ 5,423,677</u>	<u>\$ 17,091,644</u>	<u>\$ -</u>	<u>\$ 29,718,957</u>

**THE KENSICO CEMETERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**5. Investments (Continued)**

Year ended December 31, 2019

	Bequest & Endow Principal Fund	Bequest & Endow Surp Inc Fund	Permanent Maint Fund	Declaratory Maint Fund	General Fund	Total
Dividends and interest, net of fees	\$ -	\$ 1,159,060	\$ 1,087,140	\$ 1,844,864	\$ 1,489,836	\$ 5,580,900
Fees chargeable to principal	(103,352)	-	(101,103)	-	-	(204,455)
Net realized and unrealized gains	<u>6,877,162</u>	<u>169,706</u>	<u>7,820,217</u>	<u>19,606,983</u>	<u>6,375,596</u>	<u>40,849,664</u>
Total Return on Investments	6,773,810	1,328,766	8,806,254	21,451,847	7,865,432	46,226,109
Investment return designated for current operations	<u>-</u>	<u>1,159,060</u>	<u>1,087,141</u>	<u>288,000</u>	<u>7,865,432</u>	<u>10,399,633</u>
Investment Return in Excess of Amounts Designated for Current Operations	<u>\$ 6,773,810</u>	<u>\$ 169,706</u>	<u>\$ 7,719,113</u>	<u>\$ 21,163,847</u>	<u>\$ -</u>	<u>\$ 35,826,476</u>

The Bequest and Endowment Principal Fund earned dividends and interest, net of fees, totaling \$932,581 and \$1,069,421 that were transferred to the Bequest and Endowment Surplus Income Fund in 2020 and 2019.

Custodian and investment advisory fees of \$845,565 and \$796,575 were paid during 2020 and 2019, of which \$627,145 and \$592,120 were charged to income and \$218,420 and \$204,455 were charged to principal in 2020 and 2019. The percentage charged to principal in the Bequest & Endowment Principal Fund and the Permanent Maintenance Fund is in accordance with the applicable laws of the State of New York covering estates and trusts.

**6. Defined Benefit Pension and Postretirement Benefit Plans (the "Plans")**

The Cemetery has a formal noncontributory defined benefit pension plan (the "Pension Plan") covering all eligible employees. The Cemetery funds at least the minimum amount required by applicable regulations based on funding requirements determined by consulting actuaries.

The Cemetery currently reimburses eligible retirees and their spouses who elect to participate for the cost of comprehensive medical insurance, not to exceed \$200 per month per participant. The Cemetery expects to continue this reimbursement program in the future although it is under no obligation to do so. For measurement purposes, no annual health care cost trend rates are used for pre-age and post-age 65 benefits because covered medical expenses are not assumed to increase.

The Cemetery also provides a death benefit of \$5,000 for eligible retirees who retired after December 31, 1994.

**THE KENSICO CEMETERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**6. Defined Benefit Pension and Postretirement Benefit Plans (the “Plans”) (Continued)**

The following table provides information about the Plans as of and for the years ended December 31:

	Pension Benefits		Other Postretirement Benefits	
	2020	2019	2020	2019
Projected Benefit obligation at December 31	\$ 17,956,485	\$ 15,493,101	\$ 3,902,984	\$ 3,399,740
Fair value of plan assets at December 31	<u>17,301,936</u>	<u>15,373,299</u>	-	-
Funded status	<u>\$ (654,549)</u>	<u>\$ (119,802)</u>	<u>\$ (3,902,984)</u>	<u>\$ (3,399,740)</u>
Accrued benefit cost recognized in the statement of financial position	\$ (654,549)	\$ (119,802)	\$ (3,902,984)	\$ (3,399,740)
Accumulated benefit obligation	16,373,381	14,090,013	3,902,984	3,399,740
Net periodic benefit cost recognized in the statement of activities	277,123	481,062	286,084	279,344
Amortization of amounts previously not recognized as a component of net periodic benefit cost	543,653	570,266	89,643	89,643
Employer contribution to plan during the year	700,000	700,000	95,489	114,099
Benefits paid during the year	510,123	518,783	95,489	114,099
Expected employer contributions to plan in 2021	700,000		162,065	
Weighted-average assumption of accumulated benefit obligation as of December 31				
Discount rate	2.11%	2.98%	2.11%	2.93%
Expected return on plan assets	7.00%	7.00%	N/A	N/A
Rate of compensation increase	3.00%	3.00%	N/A	N/A
Weighted-average assumption of net periodic cost as of December 31				
Discount rate	2.98%	3.83%	2.93%	4.04%
Expected return on plan assets	7.00%	7.50%	N/A	N/A
Rate of compensation increase	3.00%	3.00%	N/A	N/A

The table below reflects the amounts recognized within net assets without donor restrictions arising from the Plans at December 31 that have not yet been recognized in net periodic benefit cost.

	Pension Benefits		Other Postretirement Benefits	
	2020	2019	2020	2019
Unrecognized actuarial loss	\$ 6,853,068	\$ 5,870,732	\$ 781,388	\$ 379,096
Unrecognized prior service cost	<u>55,357</u>	<u>80,069</u>	<u>192,278</u>	<u>281,921</u>
	<u>\$ 6,908,425</u>	<u>\$ 5,950,801</u>	<u>\$ 973,666</u>	<u>\$ 661,017</u>

**THE KENSICO CEMETERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**6. Defined Benefit Pension and Postretirement Benefit Plans (the “Plans”) (Continued)**

The table below reflects the amounts recognized within unrestricted net assets arising from the Plans at December 31, 2020 that are expected to be recognized in net periodic benefit cost during the year ending December 31, 2021.

	Pension Benefits	Other Postretirement Benefits
Unrecognized actuarial loss	\$ 615,258	\$ 62,275
Unrecognized prior service cost	24,712	89,643
	<u>\$ 639,970</u>	<u>\$ 151,918</u>

The following table shows estimated future benefit payments expected to be paid from the Plans for the next ten years in the period ended December 31:

Year	Pension Benefits	Other Postretirement Benefits
2021	\$ 746,179	\$ 162,065
2022	807,174	170,775
2023	839,054	190,132
2024	835,139	191,833
2025	842,662	190,077
2026 - 2030	4,182,282	880,179

The Cemetery’s overall expected long-term rate of return on Pension Plan assets is 7.00%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of returns on individual asset categories. The return is based exclusively on historical returns, without adjustments and expected future returns of the various asset classes using the target allocations.

***Pension Plan Assets***

The investment guidelines for the Pension Plan provide that the pension assets are to be managed on a balanced portfolio basis with a target allocation of 50% equity securities and 50% fixed income securities. The Trustee has the discretion to vary the allocations to each of these asset classes between a maximum of 60% and a minimum of 40% of the total portfolio value based on the Trustee’s view of relative attractiveness of these two asset classes. The guidelines limit investment in foreign equities to 25% of the equity portfolio value and non U.S. bonds to 25% of the fixed income portfolio value. The investment allocation is reviewed periodically and revisions may be made from time to time to reflect changing market conditions and performance results.

**THE KENSICO CEMETERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**6. Defined Benefit Pension and Postretirement Benefit Plans (the “Plan”) (Continued)**

The Pension Plan’s assets at December 31, categorized by the fair value hierarchy, are as follows:

	2020	2019
<i>Level 1 (Quoted Prices in Active Markets for Identical Assets )</i>		
Cash equivalent	\$ 718,723	\$ 248,771
Equities - Exchange traded funds	9,255,021	9,045,644
US Treasury bills and notes	4,315,290	3,049,561
Total Level 1 Assets	14,289,034	12,343,976
 <i>Level 2 (Other Observable Inputs)</i>		
Corporate bonds - A or better	3,012,902	3,029,323
	\$ 17,301,936	\$ 15,373,299

**7. Commitments, Contingencies**

***Open-Air Garden Mausoleum and Columbarium***

In 2016, the Cemetery entered into a construction contract in the amount of approximately \$4,000,000, for the construction of an open-air garden mausoleum and columbarium that will contain 694 crypts and 1,404 niches. The contract was later revised to include additional items, thus raising the total cost to approximately \$4,326,000. At December 31, 2020 and 2019, the costs incurred totaled approximately \$4,288,000 and \$2,256,000, respectively. The project was approved by the New York State Department of State, Division of Cemeteries on March 21, 2017 and by the Planning Board of the Town of Mt. Pleasant on June 19, 2017. A building permit was issued on October 17, 2018. Construction work began soon thereafter. It is expected to be completed in Spring 2021.

***New York State Sales Tax***

In 2016, issues related to the application of the New York Sales Tax to sales by cemeteries were raised as a result of a random audit of a cemetery. The New York State Association of Cemeteries is engaged in an effort to clarify the issues and to advocate for the enactment of special legislation to exempt sales by cemeteries. Management is considering the impact of the matter on the Cemetery and is awaiting clarification and further developments before proceeding.



**THE KENSICO CEMETERY**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**8. Liquidity and Availability of Financial Assets**

As described in Note 1, the General Fund assets of the Cemetery are available for operations. Additionally, included in the Cemetery's operating budget is the estimated income and dividends net of fees of approximately \$2 million to be earned on approximately \$66 million of investments in the Bequest and Endowment Principal and Surplus Income Funds which is to be used for the care of endowed lots and on approximately \$58 million of investments in the Permanent Maintenance Fund which is to be used for the current care and maintenance of the Cemetery. As part of liquidity management, the Cemetery invests cash in the General Fund in excess of one month's requirement in short term investments. Although the Cemetery does not intend to spend from the net assets of its General Fund other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts could be made available if necessary. General Fund financial assets which can be liquidated within one year of the statement of financial position date for general expenditure are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 16,247,915	\$ 11,862,815
Accounts and other receivables due within one year	266,000	337,600
Accrued investment income receivable	461,200	513,800
Investments	<u>36,375,246</u>	<u>34,588,209</u>
Financial assets at year end available to meet cash needs for general expenditures within one year	<u>\$ 53,350,361</u>	<u>\$ 47,302,424</u>

**9. Subsequent Events**

In September 2020, a new entity known as "Friends of The Kensico Cemetery, Inc." was formed as a New York Not-for-Profit membership corporation. The Cemetery is the sole member. On October 22, 2020 an application was filed with the Internal Revenue Service ("IRS") seeking recognition of the new entity's tax exempt status. The application was approved by the IRS by letter dated March 19, 2021. The new entity's primary purpose is to promote and advance the welfare of the Cemetery.

**10. Risks and Uncertainties**

During 2020, the ongoing coronavirus pandemic has resulted in substantial volatility in the global financial markets. Although markets have rebounded, the Cemetery's investment portfolio may continue to fluctuate in response to changing market conditions. The amount of losses, if any, that will be recognized in subsequent periods, cannot be determined.

As a result of the deadly effects resulting from the pandemic, the Cemetery continues to experience an increase over normal operations in 2021.

The value of the Pension Plan's investments has a direct impact on its funded status. The actual impact on the Pension Plan's funded status and future required contributions cannot be determined at this time.

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