



Building on the Legacy

Part Two

THE KENSICO CEMETERY • ANNUAL REPORT 2021

Front Cover Photo: The Community Mausoleum in the foreground with the new Garden Mausoleum at Montross Pond in the background.

Back Cover Photo: The new Garden Mausoleum at Montross Pond in the foreground with the Community Mausoleum in the background.

The background on the covers and each page of this annual report is a photograph of the Indiana limestone which was fashioned into Ashlar blocks to form the exterior walls and archways of the new Garden Mausoleum at Montross Pond. This stone was selected to resemble and complement the nearby Kensico Tower.

Message from the President

Introduction

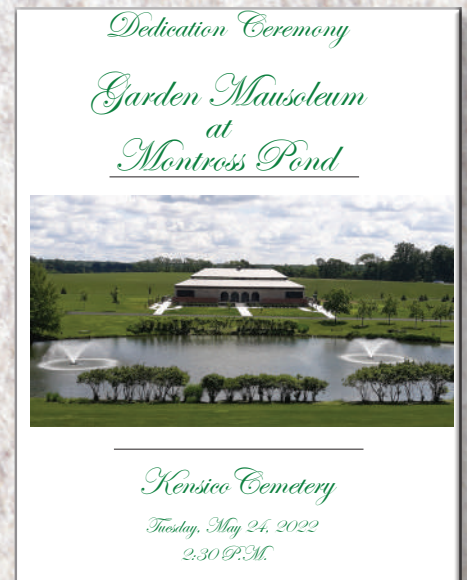
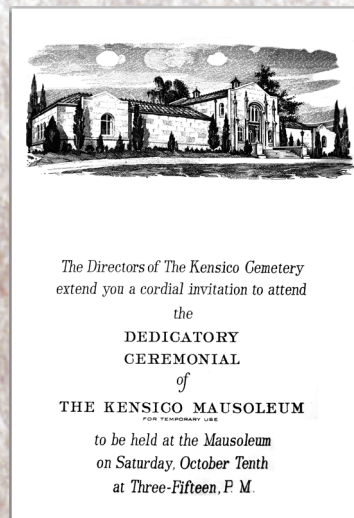
Did you know that the Community Mausoleum built almost 100 years ago is still used to host funeral services? And that the new Garden Mausoleum completed in 2021 is designed to be open to the surrounding countryside, with no doors or windows?

For my second annual report as President of The Kensico Cemetery, I invite you to continue the historical journey we started last year as we learn more about the buildings on our grounds that help give Kensico its distinctive and unique character.

Last year, we focused on the iconic Kensico Tower, which not only houses a very useful water tank, but is also the majestic entrance to the Cemetery grounds and the symbol of our Cemetery. This year, we turn our attention to Kensico's two public mausoleums: the Community Mausoleum, opened in 1925, and the Garden Mausoleum at Montross Pond which was opened just a few months ago.

Both buildings were designed to address community interest in above-ground burial options. However, their styles, locations, and layouts are very different. I realize that many of you have not been inside the Community Mausoleum nor had an opportunity yet to visit the Garden Mausoleum. So, we have included a brief "tour" on the following four pages to help you become more familiar with these beautiful and distinctly different structures.

My message detailing the events, development, and decisions of 2021 starts on page six where you will discover how these two amazing buildings reflect the principles that continue to guide Kensico's decision-making more than 130 years after its founding: transition, practicality, permanence, and perspective.



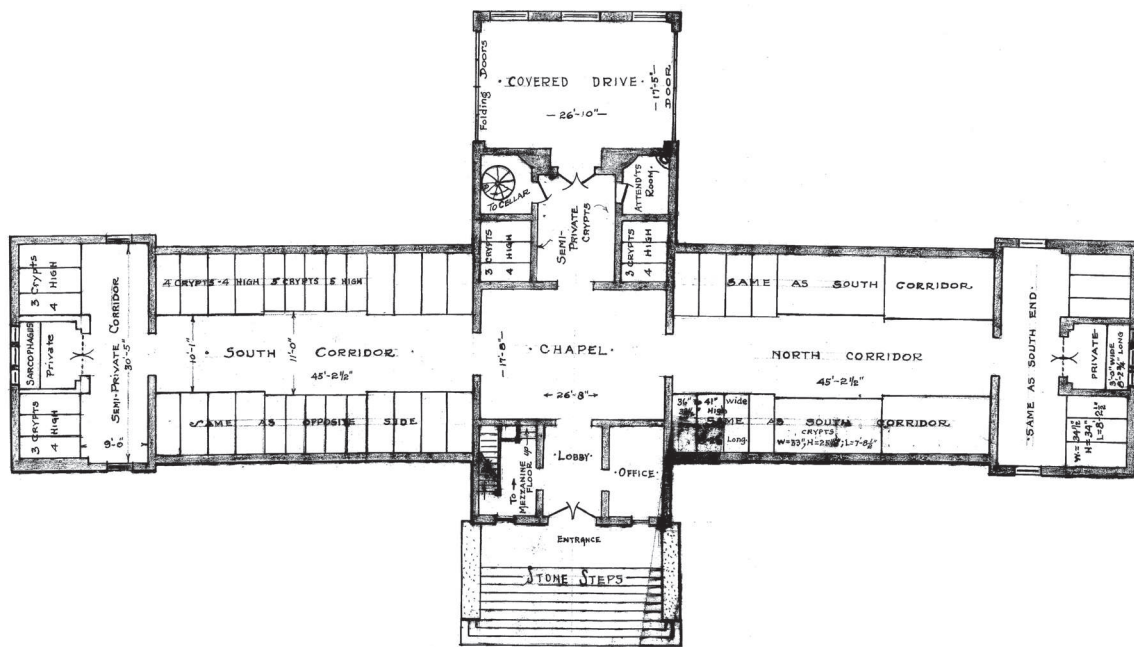
Fact: Architect Sidney Lovell designed both the Community Mausoleum and the Kensico Tower.

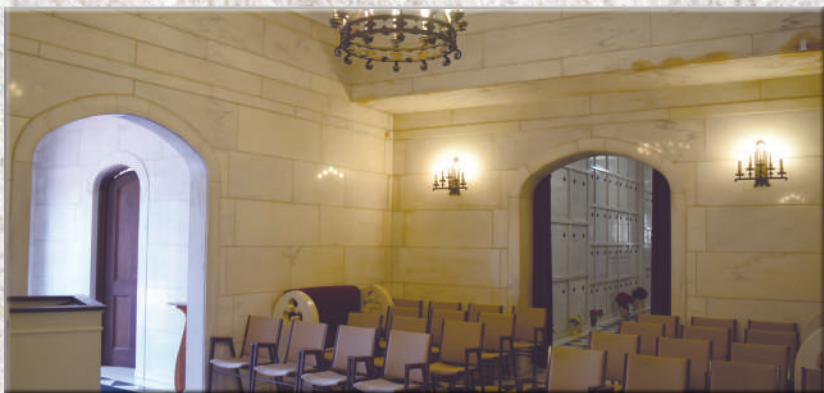
Quote: An article in American Cemetery magazine in 1931 stated that "Lovell and Lovell was in a class of architecture that has provided services to fifteen states in the Union, with the result being that they have designed forty-three of the finest, largest and most successful mausoleums to be found anywhere."

Backstory: Kensico's 11th President Henry R. Barrett III, sent a message to be read at the Garden Mausoleum dedication ceremony in part as a tribute to his grandfather Henry R. Barrett who officiated at the dedication ceremony of the Community Mausoleum in 1925.

From the Files: It's unclear when the Kensico Mausoleum became known as the Community Mausoleum. The undated brochure pictured here is the only printed piece in the Kensico archives describing the Mausoleum after its dedication in 1925.

Community Mausoleum: A Guided Tour





Photos: Clockwise from top left:

The Chapel: After almost 100 years, the Chapel still functions as a location for funeral services. The bronze light fixtures are original and reflect the Gothic architecture of the building which the Community Mausoleum booklet describes as “creating a reverent atmosphere of deep peace as in a cathedral.”

Corridor: Twin wings of polished Alabama marble with black-and-white “tessellated” floors form north and south corridors for crypts.

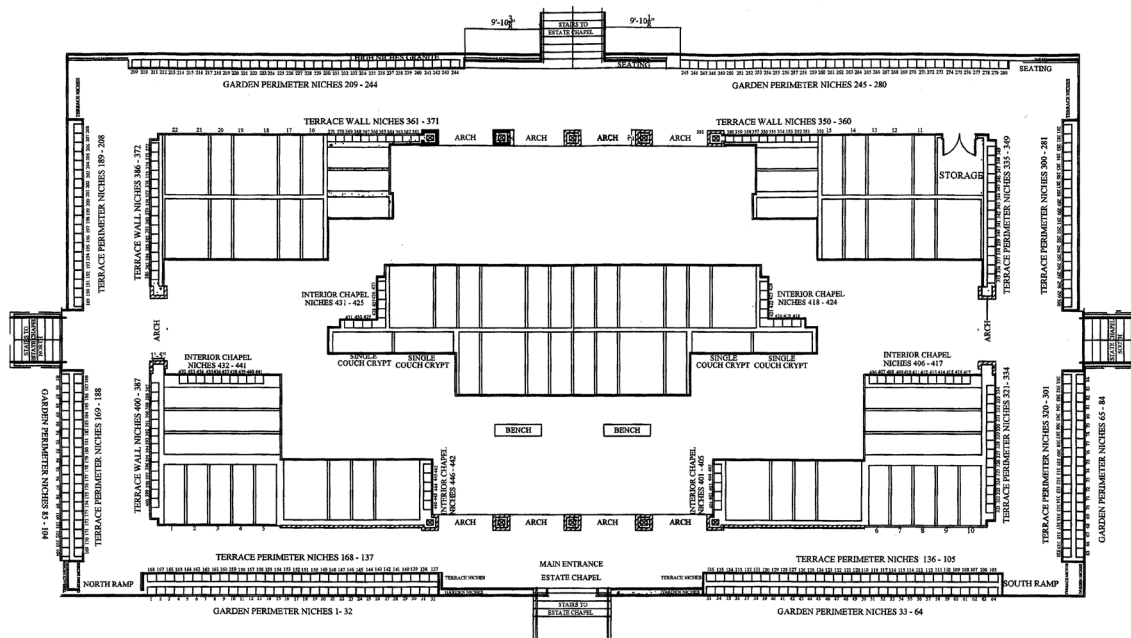
The Niche Room: Dedicated in 2001 and occupying the space noted on the original floor plan as “The Office”, the Niche Room provides an above-ground burial option for cremains in private, locked bronze or glass-front compartments.

Bathroom: Completely redone in 2022, the bathroom is now located in the space on the floor plan marked as “Attendant’s Room”.

Stained Glass: All windows in the Community Mausoleum feature artist-designed medallions etched in cathedral glass.

Red Chair: One of two that anchor the end of each corridor. Red velvet drapery and upholstery were used throughout the Community Mausoleum: “No ornate details detract from the noble architectural lines—only the soft folds of velvet and the natural loveliness of fine, time-enduring marble.”

Garden Mausoleum: A Guided Tour





Photos: Clockwise from top left:

Archways: Stone archways provide access to the Garden Mausoleum from all four sides.

Flowers: Visitors are invited to bring flowers and place them in the flower cone holders available throughout the Garden Mausoleum.

Interiors/Roof: The design of the gabled roof allows for

maximum natural light which plays off the reflective surfaces of the marble.

Bench: Custom-designed wrought-iron flower cone holders also serve as benches throughout the Garden Mausoleum.

Tower View: Built across from Montross Pond, the Garden Mausoleum affords picturesque views of the surrounding landscape and the Kensico Tower—the Cemetery's landmark and logo.

Transition: Adjustment. Passage. Change.

Entering the Kensico Cemetery grounds off Legion Drive, a visitor immediately notices the pink Georgian marble Community Mausoleum to the left, flanked in front by a row of crabapple trees, and is transported to the pastoral and picturesque setting characteristic of our rural cemetery. The Garden Mausoleum, with its majestic granite roof chosen to resemble Kensico's Tower, provides a serene atmosphere with a view of beautiful hillsides and the fountains of Montross Pond.

The COVID-19 pandemic continued to impact Kensico's operations during 2021. Although we were able to ease restrictions on funeral attendance, the main entrance to the Administration Building remained closed, and varying mask-wearing protocols remained in place. We successfully reconfigured three annual Kensico events to permit in-person attendance. Our annual trolley tours were converted to walking tours of the Cherokee Plot section of the Cemetery, with a focus on the architectural and human-interest stories associated with those memorialized in that section. Our annual 5K Run/Walk to support the Alzheimer's Association returned as an outdoor event with food service handled from behind protective plexiglass. The Annual Meeting of Lot Owners was held in person, with a video posted shortly thereafter for those who could not attend. Using New York State Health Department recommendations as our guide throughout 2021, we continued to adjust various aspects of our daily routine with the goal of providing a safe place for employees, lot owners and their families, visitors, vendors, and funeral directors, while maintaining our high standard of excellent service and care.

Discussions also began on the transition to a new online "look" for Kensico. It became clear that the needs of the Cemetery and the expectations of our visitors required a new vision for www.kensico.org. We researched and compared other websites, interviewed Kensico staff regarding their online needs, and developed a starting point for conversations with vendors. As I write this, we are anticipating the launching of the new website during 2022, with a goal of creating a space that is easier to navigate, more visually pleasing, and offers more opportunities for us to keep in touch with lot owners, families, and visitors.

In addition, we upgraded the Kensico logo, giving it a more modern and contemporary look. We hope you like these modifications.

Out on the grounds, there were various new areas and extensions of existing areas that were opened in 2021. The Dacotah Plot, the final phase of the Onondaga Plot, and the Minnewaska Slant Stone area are just a few examples. In each area, we continue to make sections available for sale in response to community interest in additional in-ground burial space. In the area adjacent to Ossipee Avenue, grading and development work were performed to create an ideal area for future interments.

Staff changes underscored another aspect of transition at Kensico in 2021. Deputy Superintendent Tim Wilson retired in June after 45 years of service. One of the many long-time employees here at Kensico, Tim's service began in 1976, and he had been a Deputy Superintendent since 2018. Continuing the tradition of service are two former seasonal employees who were elevated to leadership positions: Deputy Superintendent Jack Cunha, a Kensico employee since 1994 and Assistant Superintendent Carlos Lopes, a Kensico employee since 1992. Long-term employees succeeding long-term employees is a tradition here at Kensico, one that results in the continuation of excellent customer service to lot owners and families.

2021 also marked the final full year of Chester S. Day's stewardship of Kensico, as he will be retiring as Chairman of Kensico's Board of Directors in October of 2022. Chet began working at Kensico as Comptroller in 1974 and has devoted his time and considerable talents to Kensico ever since. He was elected to Kensico's Board in 1977, served as Kensico's twelfth President from 1998 through 2014, and has been Chairman of the Kensico Board since October of 2013. Kensico is fortunate that Chet will remain as Chairman of the Board of the newly-formed charitable organization, Friends of The Kensico Cemetery, Inc., and will remain an important voice here at Kensico. This is another example of Kensico transitioning to the future while maintaining a vital, critical connection to what makes Kensico so special.



Fact: The trees that form the perimeter of the Garden Mausoleum are a form of Arborvitae called *Thuja occidentalis* "North Pole" and are anchored at each end by Eastern Red Cedar called *Juniperus virginiana* "Taylor", named after Taylor, Nebraska where the first seedlings were discovered.

Fact: "Spring Snow" crabapple trees form a line in front of the Community Mausoleum giving off a sweet smell. Once summer arrives, the flowers fall and make way for shiny green leaves that remain for the entire season, turning yellow in the autumn.

Practicality: Usefulness. Sensible. Pragmatic.

The Community Mausoleum's creamy Alabama marble walls and benches and tessellated marble floor provide a peaceful, quiet, accessible setting for visiting the resting place of deceased family members. The Garden Mausoleum's outdoor open-air design invites nature to participate in the honoring of loved ones while its majestic granite roof provides a new and useful solution for lot owners and family members wanting to visit in all seasons.

As with any large property, maintenance and upgrades are a constant priority. 2021 was no exception. Drain repair work in Section 180-Seneca Avenue was completed to help prevent future icing of the roadway during the winter months. A main line water break at Uncas Avenue by Mineola Lake was repaired and replaced. Over 350 catch basins were inspected and cleaned. The roadways from Dacotah /Community Mausoleum to the Garden Mausoleum and at the east side of Mineola Lake to the Mohegan Plot were paved. Numerous walking paths and roads in Sharon Gardens were repaired and replaced with new drainage and asphalt. Approximately 20 section signs in Sharon Gardens were refurbished and /or replaced. Benches were installed in Sharon Gardens Sections 5 and C, as well as Onondaga North, while other wooden benches throughout the grounds were power-washed and restained. The cement steps in Section 14 were repaired, fire hydrants were painted red / yellow, and new signage was installed at the Administration Office.

Plantings and landscaping were attended to as well. Over 3,000 Begonias on endowment lots and Cemetery grounds were installed. Over 750 bales of hay were utilized for spring seeding of graves, and the new Garden Mausoleum and thousands of yards of topsoil were screened for use in development projects and interments. In the fall seeding season, we used over 600 bales of hay and 3,000 pounds of grass seed!

The key to proper maintenance of the grounds is experienced people using proper equipment. To assist in their work in 2021, Kensico purchased a new John Deere Pro-gator, a cement buggy for our grounds and monument foundation work, and a snow-moving machine (Ventrac) with a heated cab as well as a brush and other snow-

thrower attachments. This snow-moving equipment is vital to our operations in inclement weather. In early 2021 alone, there were more than six major snowstorms that required all-hands-on-deck action to clear the roadways, parking lots, and pathways for memorial services and interments.

Special events also draw increased visitors to the grounds. The Kensico employees responded to these challenges, by preparing the property and arranging for set-up and traffic control for our annual events, such as the Annual Meeting of Lot Owners, the 5K Run /Walk, and Veterans Remembrance Service, as well as the tours, seasonal holidays, traditional festivals, and recognition days.

2021 also saw the continued construction of the Garden Mausoleum. Unfortunately, the pandemic delayed the delivery of materials from Italy for much of 2021, but the dedication ceremony was able to take place in May, 2022, and sales commenced shortly thereafter. The unique granite roof gable system allows for year-round protection from the elements, while its open-air, door-less design maximizes the natural light. The Garden Mausoleum offers 732 crypts and 2,028 niches, providing much-sought-after options for the burial needs of lot owners.





"In early 2016, after months of discussion, the Kensico Board concluded that the Dacotah Plot location and the timing were best suited for a garden mausoleum and columbarium. ---different from the Community Mausoleum---"open-air", no doors, no windows, not enclosed, but designed to fit with other Cemetery structures, particularly the Tower and to include plantings consistent with those found throughout the Cemetery. In early 2017, we began working obtaining approvals, construction commenced in 2018, but the pandemic caused delays particularly in the acquisition of materials being shipped from Italy.

Construction was ultimately completed, and a Certificate of Occupancy was issued by the Town on April 7, 2022. So, the process from the discussion/analysis phase through completion covered approximately six years, but we consider this project, this building, to be a continuation of the plans developed by our predecessors over decades and we are delighted that you are here to celebrate this occasion with us." (Former Kensico President Raymond M. Planell described the Garden Mausoleum project process in his speech given at the dedication ceremony on May 24, 2022.)

Fact: Granite materials to create the crypt and niche fronts originated in different countries but were fabricated in and imported from Italy: Colonial White/India, Impala Black/South Africa, Ross Vanga/Sweden, Verde Bahia/Brazil, replicating to

a large extent the color palette of red, white, and black in the Community Mausoleum interior and the exterior stone of the Kensico Tower.

Permanence: Lasting. Immoveable. Set in stone.

Even when the Community Mausoleum and the Garden Mausoleum have completed all sales, these buildings, vastly different in style and design, will stand as permanent sacred monuments honoring the loved ones buried there. Likewise, conservative investment decisions made with long-term goals in mind will assure that service and care will be the hallmark of Kensico Cemetery forever.

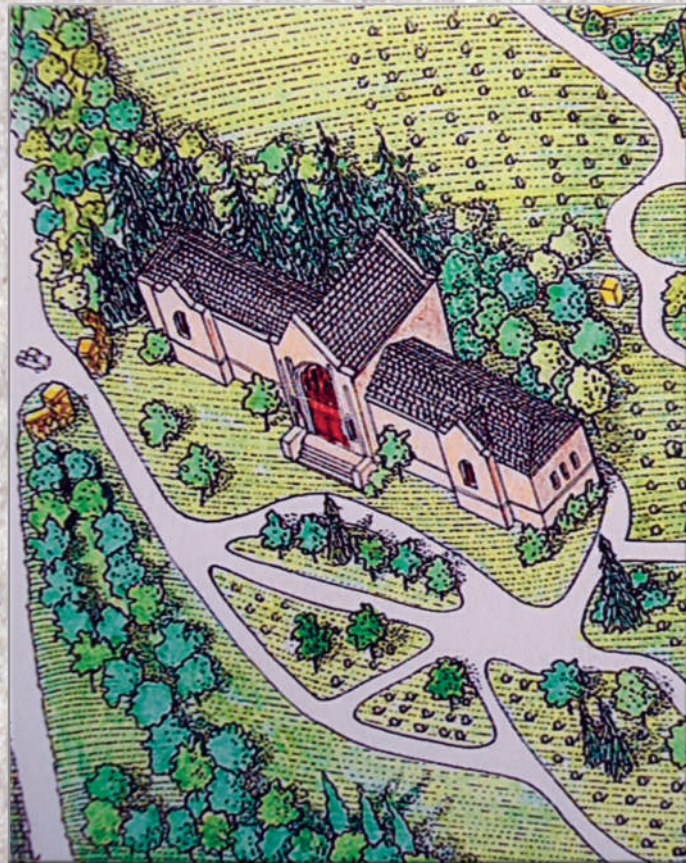
Kensico Cemetery adjusts when necessary to conditions and situations as needed, but the mission of Kensico does not change---it is set in stone: to provide and maintain the final resting place of loved ones entrusted to our care in perpetuity. This commitment requires an approach that can outlast market fluctuations, employment trends, inflation, and any other factor that can reduce or threaten the long-term financial stability of the Cemetery.

2021 saw an unprecedented increase in cemetery lot sales, with the increase primarily in the number of pre-need sales. As you will note in the financial report that follows, proceeds from lot sales exceeded \$21,000,000. This figure nearly doubles the average annual sales totals of the last decade. Of course, Kensico was up to the challenge. As has been the case for more than 130 years, Kensico's Board authorized additional development of land and sales in these highly desired areas, our sales team met with scores of potential lot owners, our accounting staff efficiently processed purchase contracts and deeds, our customer service staff diligently addressed the needs of increasingly high numbers of visitors, and our grounds crew kept the Cemetery looking as beautiful as ever.

As mentioned over the years in our prior annual reports, the four funds that make this commitment in perpetuity possible are: 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. Through continued sound long-term investment strategies, financial support for property maintenance in perpetuity will be provided to all lot owners.

New York's Not-for-Profit Corporation Law requires that cemeteries, such as Kensico, at the time of the sale of a

lot, "shall deposit not less than ten per centum of the gross proceeds of the sale into the permanent maintenance fund." In 1992, Kensico's then president Henry Barrett III notified the New York State Division of Cemeteries that Kensico's Board had resolved to increase the percentage of sales deposited into its Permanent Maintenance Fund from 10% to 15%. The Director of the Division responded: "You and your board are to be congratulated on a beautiful cemetery sustained by a rock-solid financial foundation and an abiding comfort to the families of those who, therein, lie in peace." Kensico has followed this policy for the past 30 years and will continue to do so in the future. As such, 15% of Kensico's record 2021 sales were deposited into Kensico's Permanent Maintenance Fund. The marble of the Community Mausoleum and the granite of the Garden Mausoleum are designed to last forever. In much the same way, Kensico remains committed to building funds to ensure the perpetual care of these hallowed grounds.





Fact: The road that connects the Community Mausoleum to the new Garden Mausoleum over the hillside was completed in 2015.

From the Files: The earliest Kensico Cemetery maps (circa 1900) that show locations Kensico's founders designated for future development already identified the area where the Garden Mausoleum now stands as the Dacotah Plot---one of the

many Native American names given to sections and avenues throughout the grounds. The Community Mausoleum is in the Napanoch Plot.

Illustration: Designed by artist Al Lorenz, the Kensico Cell Phone Tour map narration describes the Community Mausoleum at Stop #58.

Perspective: The Long View. Outlook. Vista.

One of the first of its kind in New York State, the Community Mausoleum at Kensico was built in response to community interest in above-ground burial. With the opening of the unique Garden Mausoleum, Kensico Cemetery comes full-circle 100 years later in answering a community need. Kensico will continue to honor and learn from the past while making decisions that will affect lot owners today and will preserve their interests in the coming century and beyond.

The Woodland Restoration Project, located in the native woodlands north of Montross Pond, is a testament to Kensico taking the long view. We reported at earlier Lot Owner meetings about the use of goats to help clear the area for this project, and in 2021 the project moved ahead as we continue to prepare this section of the Cemetery property for the introduction of native plants. The long process of restoring this area while being sensitive to environmental concerns and the area's wildlife continues. The grounds of Kensico are blessed with natural beauty, but that beauty has been and will continue to be enhanced through careful planning and preservation.

2021 saw Friends of the Kensico Cemetery Inc. come to fruition, providing a vehicle to help ensure the preservation of all that we have come to enjoy, respect, and appreciate about Kensico Cemetery. Friends of Kensico will likely play a key role in raising funds for this significant landscape development, which ultimately will not only showcase native plants, but will also contribute to Kensico's recent designation as a certified arboretum (there will be more on that exciting development in the upcoming years). Friends of Kensico continues to organize and prepare to preserve and maintain monuments, buildings and edifices of historic, cultural, and architectural significance; preserve Kensico's natural habitat and environment; encourage and advance public knowledge and appreciation of the Cemetery; and sponsor and host future educational programs.

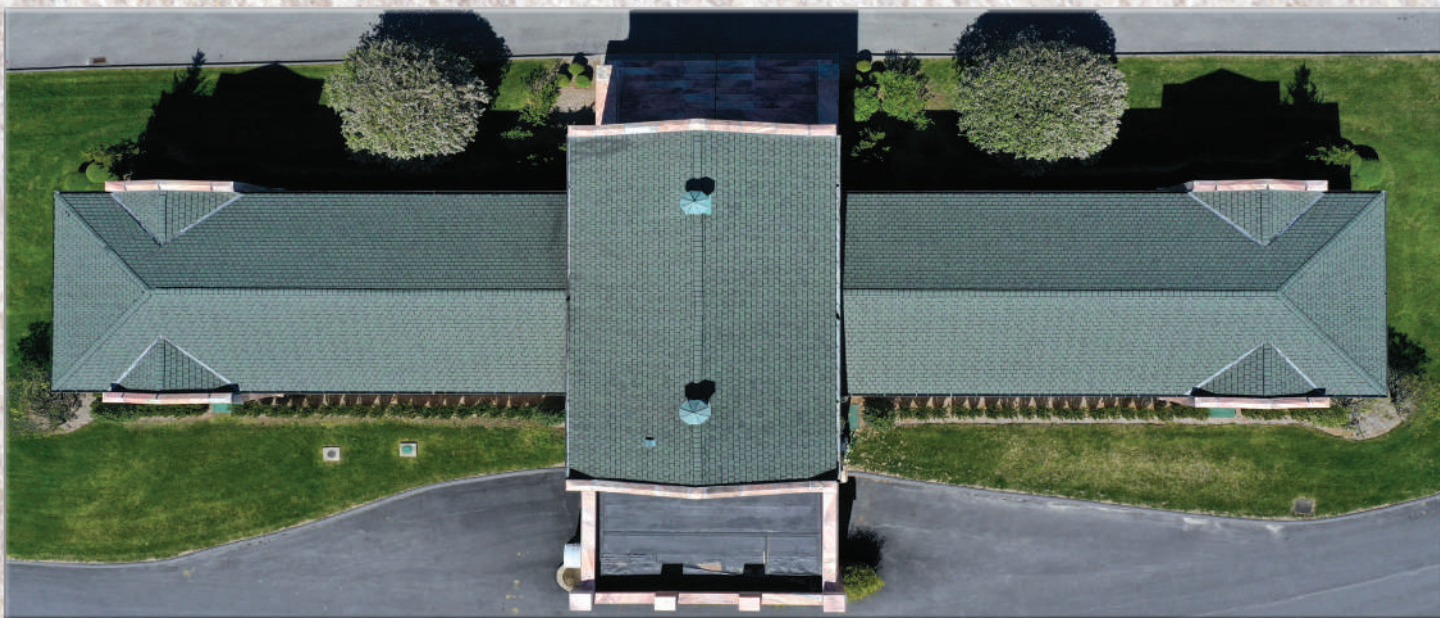
Kensico remains a good neighbor. For example, in 2021, Kensico nominated nearby Blythedale Children's Hospital to be a part of Matthews Children's Foundation annual giving. Ultimately, Blythedale was awarded a Matthews Children's Foundation Grant, and at the presentation

ceremony, Kensico contributed the same amount, in order to double the amount awarded to our neighbor. Kensico is a proud long-time supporter of many other area charitable organizations.

Perspective speaks of looking backward as well as forward. As I mentioned previously, Chet Day is retiring as Chairman of the Board in October of 2022. Viewing his tenure at Kensico reveals insight into the decision-making that drove Kensico's success over the last five decades. The results speak for themselves. When Chet joined Kensico in 1974, net fund balance for Kensico's funds totaled approximately \$8.5 million dollars. In the intervening years, more than 70 acres of the cemetery have been developed and prepared for sale, and, as of the end of 2021, the net fund balance for Kensico's funds exceeded \$350 million dollars.

Without a doubt, these incredible achievements are a testament to Chet and his contemporaries' wisdom and expertise. Looking back, we see the decisions our predecessors made that led to Kensico's esteemed status as a well-respected, financially sound, community-oriented Cemetery. On behalf of the Board, Management, and employees of Kensico, I thank Chet for his many contributions to the success of Kensico. Just as importantly, the Board, Management, and employees of Kensico commit to be guided by his example of leadership, dedication, and excellence as we shepherd Kensico's future.





Quote: "These two buildings a century apart---remind us that Kensico Cemetery is dedicated to generations yet to come. Decades from now, centuries from now, the families of loved ones buried here may return to honor their ancestors. But even when families are not around to visit, Kensico Cemetery is here to

stand in their stead, maintaining and protecting their gravesites in respect for the memories they hold." (Excerpt from former Kensico President Henry R. Barrett's message to the audience at the Garden Mausoleum dedication on Tuesday, May 24, 2022.)

Conclusion

Kensico's one hundred thirty-third year was my first as President of Kensico. The challenges and opportunities the Kensico team faced during the year, while daunting and unexpected at times, were invigorating. I'm proud of the manner in which the entire team here at Kensico responded and continues to respond to these tests, adapting and modernizing when necessary, while continuing the legacy of Kensico. That heritage is reflected in the two commanding structures highlighted in these pages, the Community Mausoleum and the Garden Mausoleum. I hope you enjoyed learning more about these two grand memorials as well as our experiences in 2021.

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

Jack Cunha, Deputy Superintendent: Community Mausoleum and Garden Mausoleum access and descriptions.

Al Lorenz, artist: Community Mausoleum illustration.

Direct2Marketing: Drone footage.

Mike Farmer, Kensico Cemetery Development Manager / Assistant Sales Manager: mausoleum statistics.

Kerry Ann Mullen, Mullen Construction: Garden Mausoleum specifications.

Rick Weber, Vice President, Sales; Kensico Cemetery: mausoleum statistics.

Sir Speedy, Pleasantville: floor plan scans.



Matthew G. Parisi
President



Postscript: Our next and final annual report in the "Building on the Legacy" series will look at the historic Kensico Administration Building which also served as a private train station until the 1980's.

Kensico

C E M E T E R Y

Financial Statements 2021

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of The Kensico Cemetery

Opinion

We have audited the accompanying financial statements of The Kensico Cemetery, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Kensico Cemetery as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Kensico Cemetery and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Kensico Cemetery's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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Auditors' Responsibilities for the Audit of the Financial Statements (*continued*)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Kensico Cemetery's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Kensico Cemetery's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

PKF O'Connor Davies, LLP

April 21, 2022

THE KENSICO CEMETERY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

	Bequest and Endowment Principal Fund	Bequest and Endowment Surplus Income Fund	Permanent Maintenance Fund	Declaratory Maintenance Fund	Total Other Funds	General Fund	Total
Assets							
Cash and cash equivalents	\$ 582,328	\$ 140,851	\$ 3,120,947	\$ 3,583,470	\$ 7,427,596	\$ 9,539,594	\$ 16,967,190
Investments	68,002,181	4,010,300	67,677,886	133,231,746	272,922,113	58,513,689	331,435,802
Accounts receivable	-	-	-	-	-	1,863,495	1,863,495
Other receivables	-	-	-	-	-	619,083	619,083
Other assets	-	-	-	-	-	2,184,166	2,184,166
Interfund receivable (payable)	(162,042)	(92,005)	(132,508)	1,777,518	1,390,963	(1,390,963)	-
Over funded pension benefit obligation	-	-	-	-	-	2,662,071	2,662,071
Unrecovered development benefit costs	-	-	-	-	-	4,926,486	4,926,486
Buildings and equipment, net	-	-	-	-	-	1,915,288	1,915,288
Total assets	\$ 68,422,467	\$ 4,059,146	\$ 70,666,325	\$ 138,592,734	\$ 281,740,672	\$ 80,832,909	\$ 362,573,581
Liabilities and net assets							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,634,167	\$ 1,634,167
Retainage payable	-	-	-	-	-	10,822	10,822
Other liabilities	-	-	-	-	-	907,499	907,499
Unfunded other benefits	-	-	-	-	-	3,787,718	3,787,718
Total liabilities	-	-	-	-	-	6,340,206	6,340,206
Net assets without donor restrictions							
Undesignated	-	-	-	-	-	74,492,703	74,492,703
Restricted by law	68,422,467	4,059,146	70,666,325	138,592,734	281,740,672	-	281,740,672
Total net assets without donor restrictions	68,422,467	4,059,146	70,666,325	138,592,734	281,740,672	74,492,703	356,233,375
Total liabilities and net assets	\$ 68,422,467	\$ 4,059,146	\$ 70,666,325	\$ 138,592,734	\$ 281,740,672	\$ 80,832,909	\$ 362,573,581

See notes to financial statements.

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
<u>Assets</u>							
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	\$ 62,196,909	\$ 4,244,285	\$ 61,087,298	\$ 111,691,340	\$ 239,219,832	\$ 63,330,721	\$ 302,550,553
<u>Liabilities and net assets</u>							
<u>Liabilities</u>							
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
<u>Net assets without donor restrictions</u>							
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	62,196,909	4,244,285	61,087,298	111,691,340	239,219,832	56,300,912	295,520,744
Total liabilities and net assets	\$ 62,196,909	\$ 4,244,285	\$ 61,087,298	\$ 111,691,340	\$ 239,219,832	\$ 63,330,721	\$ 302,550,553

See notes to financial statements.

THE KENSICO CEMETERY

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,276,780	\$ 21,276,780
Transfers and reserves	-	-	3,001,095	-	3,001,095	(9,936,447)	(6,935,352)
Service department receipts	-	-	-	-	-	5,017,285	5,017,285
Investment return designated for current operations	-	1,021,450	1,141,255	332,600	2,495,305	10,164,635	12,659,940
Bequests and endowments received	253,771	-	-	-	253,771	-	253,771
Statutory contribution	-	-	78,575	-	78,575	-	78,575
Other	-	-	505	-	505	45,229	45,734
Total support and revenue from operations	253,771	1,021,450	4,221,430	332,600	5,829,251	26,567,482	32,396,733
Interfund transfers	-	(1,076,233)	(1,141,255)	(332,600)	(2,550,088)	2,550,088	-
Total support and revenue recognized	253,771	(54,783)	3,080,175	-	3,279,163	29,117,570	32,396,733
Expenses							
Program services	-	-	-	-	-	7,656,164	7,656,164
Supporting services	-	-	-	-	-	6,399,155	6,399,155
Total expenses from operations	-	-	-	-	-	14,055,319	14,055,319
Increase (decrease) in net assets without donor restrictions from operations before investment return and other changes	253,771	(54,783)	3,080,175	-	3,279,163	15,062,251	18,341,414
Investment return in excess of amounts designated for current operations	5,971,787	(130,356)	6,498,852	26,901,394	39,241,677	-	39,241,677
Increase (decrease) in net assets without donor restrictions before other changes	6,225,558	(185,139)	9,579,027	26,901,394	42,520,840	15,062,251	57,583,091
Other changes							
Pension benefit liability adjustment	-	-	-	-	-	2,810,274	2,810,274
Other benefits liability adjustment	-	-	-	-	-	339,333	339,333
Other components of net periodic pension cost	-	-	-	-	-	211,865	211,865
Other components of net periodic postretirement cost	-	-	-	-	-	(231,932)	(231,932)
Change in net assets without donor restrictions	6,225,558	(185,139)	9,579,027	26,901,394	42,520,840	18,191,791	60,712,631
Net assets without donor restrictions at beginning of year	62,196,909	4,244,285	61,087,298	111,691,340	239,219,832	56,300,912	295,520,744
Net assets without donor restrictions at end of year	\$ 68,422,467	\$ 4,059,146	\$ 70,666,325	\$ 138,592,734	\$ 281,740,672	\$ 74,492,703	\$ 356,233,375

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 FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Program Services					Supporting Services					Total
	Interments	Lot Care	Foundations	Cleaning and Pointing	Planting	Total	Security	Maintenance	Administration	Sales	Total
Compensation	\$ 134,339	\$ 271,407	\$ 38,808	\$ -	\$ -	\$ 444,554	\$ -	\$ -	\$ 388,140	\$ 476,555	\$ 864,695
Officers and directors	201,804	122,154	59,802	-	-	383,760	-	-	306,543	167,195	473,738
Office	2,525,805	509,116	239,176	37,221	-	3,311,318	116,448	128,933	-	70,253	313,634
Ground crew	-	-	-	-	-	-	-	-	-	1,312,977	1,312,977
Salespersons	-	-	-	-	-	-	-	-	-	-	-
Payroll taxes and fringe benefits	1,277,759	395,168	157,605	16,981	-	1,847,513	50,460	48,146	214,616	873,939	1,187,161
Total compensation	4,139,707	1,297,845	495,391	54,202	-	5,987,145	166,908	175,079	909,299	2,900,919	4,152,205
Repairs and replacement	5,020	2,659	2,199	-	-	9,878	-	21,395	-	553	21,948
Postage	2,965	1,970	-	-	-	4,935	-	-	31,681	4,143	35,824
Telephone	2,752	2,477	-	-	-	5,229	251	-	2,783	3,076	6,110
Supplies	78,754	79,675	70,692	-	-	229,121	5,573	96,417	40,937	26,762	169,689
Automobile operations	44,190	9,792	5,735	-	-	59,717	518	-	-	1,132	61,367
Professional fees	11,459	11,459	-	-	-	22,918	-	-	72,511	11,459	83,970
Dues and subscriptions	7,041	-	-	-	-	7,041	-	-	14,875	-	14,875
Depreciation and amortization	80,216	35,538	9,179	-	-	124,933	2,387	128,587	22,964	19,058	172,996
Outside services	91,156	875,631	49,301	-	2,790	1,018,878	-	328,564	110,296	110,391	1,568,129
Advertising costs	-	-	-	-	-	-	-	-	-	382,379	382,379
Other	100,080	86,289	-	-	-	186,369	125	-	473,822	334,311	994,627
Total expenses	\$ 4,563,340	\$ 2,403,335	\$ 632,497	\$ 54,202	\$ 2,790	\$ 7,656,164	\$ 175,762	\$ 750,042	\$ 1,679,168	\$ 3,794,183	\$ 6,399,155
											\$ 14,055,319

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												
Officers and directors	\$ 219,037	\$ 219,037	\$ 71,035	\$ -	\$ -	\$ 509,109	\$ -	\$ -	\$ 401,543	\$ 375,030	\$ 776,573	\$ 1,285,682
Office	212,435	137,434	52,597	-	-	402,466	-	-	303,148	172,421	475,569	878,035
Ground crew	2,393,991	828,401	222,589	51,552	-	3,496,533	121,049	72,678	-	104,497	298,224	3,794,757
Salespersons	-	-	-	-	-	-	-	-	-	592,111	592,111	592,111
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												
Postage	3,974	5,669	805	-	-	10,448	-	5,127	-	935	6,062	16,510
Telephone	5,600	5,040	-	-	-	10,640	-	-	32,342	6,183	38,525	49,165
Supplies	2,372	2,134	-	-	-	4,506	287	-	2,372	2,609	5,268	9,774
Automobile operations	76,377	82,986	51,547	13	-	210,923	4,581	77,689	29,157	24,346	135,773	346,696
Professional fees	58,046	16,652	3,818	-	-	78,516	960	-	-	3,254	81,770	81,770
Dues and subscriptions	11,677	11,677	-	-	-	23,354	-	-	92,345	11,677	104,022	127,376
Depreciation and amortization	5,295	-	-	-	-	5,295	-	-	12,936	-	12,936	18,231
Outside services	55,669	49,159	6,071	-	-	110,899	4,774	133,605	23,407	20,390	182,176	293,075
Advertising costs	76,685	689,070	51,653	25	2,349	819,782	-	396,370	47,533	99,649	543,552	1,363,334
Other	-	-	-	-	-	-	-	-	-	347,381	347,381	347,381
	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
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 60,712,631	\$ 38,163,745
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized gain on investments	(15,152,037)	(4,775,068)
Net unrealized gain on investments	(29,225,398)	(28,331,400)
Stock dividends	(11,200)	(17,339)
Loss on disposal of equipment	-	13,884
Realized (gain) loss on sale of equipment	9,704	(6,000)
Depreciation and amortization	297,929	293,075
Pension benefit liability adjustment	(2,810,274)	957,624
Other benefits liability adjustment	(339,333)	312,649
Change in operating assets and liabilities		
Accounts receivable	(1,063,282)	211,769
Other receivables	(57,983)	(96,640)
Other assets	(595,906)	(300,698)
Unrecovered development costs	468,763	(1,728,631)
Accounts payable and accrued expenses	218,064	335,895
Retainage payable	(397,255)	192,029
Other liabilities	<u>259,403</u>	<u>(46,574)</u>
Net cash from operating activities	<u>12,313,826</u>	<u>5,178,320</u>
Cash flows from investing activities		
Purchase of investments	(77,744,920)	(67,811,998)
Sale of investments	59,088,970	68,586,664
Sale of equipment	44,104	6,000
Purchase of building and equipment	<u>(186,566)</u>	<u>(261,750)</u>
Net cash from investing activities	<u>(18,798,412)</u>	<u>518,916</u>
Net change in cash and cash equivalents	(6,484,586)	5,697,236
Cash and cash equivalents at beginning of year	<u>23,451,776</u>	<u>17,754,540</u>
Cash and cash equivalents at end of year	<u>\$ 16,967,190</u>	<u>\$ 23,451,776</u>
Supplementary Non-Cash Information		
Disposal of fully depreciated buildings and equipment	\$ 280,114	\$ 175,487

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 (the "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 50 to 75 years.

Controlled Entity

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. During 2021, no significant activities were conducted by this new entity.

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.

THE KENSICO CEMETERY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Statement of Purpose and Accounting Policies (Continued)

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.

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 KENSICO CEMETERY

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Statement of Purpose and Accounting Policies (Continued)

Revenue Recognition (continued)

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.

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, 2021 and 2020, approximated \$382,000 and \$347,000.

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, 2022.

2. **Buildings and Equipment**

Buildings and equipment at December 31 consisted of the following:

	2021	2020
Maintenance building	\$ 1,089,287	\$ 1,091,387
Mausoleum building and land	414,734	430,369
Water tower	493,374	494,834
Administration building	987,787	1,029,641
Land improvements	839,058	839,058
Water system	154,588	149,525
Machinery and equipment	1,405,987	1,585,963
Office furniture and fixtures	464,833	471,264
Automobiles and trucks	531,801	560,992
	6,381,449	6,653,033
Accumulated depreciation	(4,466,161)	(4,572,574)
	<u>\$ 1,915,288</u>	<u>\$ 2,080,459</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:

	2021	2020
Landscaping and supplies	\$ 137,529	\$ 110,231
Legal services	2,275	5,530
COVID screening services	30,275	45,825
Investment management fees	<u>307,769</u>	<u>257,038</u>
	<u>\$ 477,848</u>	<u>\$ 418,624</u>

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:

	2021	2020
<i>Level 1 (Quoted Prices in Active Markets for Identical Assets)</i>		
Equities		
US common stock	\$ 198,541,709	\$ 162,922,488
US small cap funds	14,435,810	9,688,688
US mid cap funds	11,783,488	11,023,327
US large cap funds	525,292	-
Internationally developed	16,272,746	9,761,937
Emerging markets / growth	9,670,245	13,561,532
Select dividend funds	570,043	447,237
High dividend yield funds	571,761	466,701
Commodities Trust	769,950	271,950
US Treasury bills and notes	27,316,147	23,668,851
	<u>280,457,191</u>	<u>231,812,711</u>
<i>Level 2 (Other Observable Inputs)</i>		
Corporate bonds - A or better	50,127,204	35,740,626
US government agency obligations	851,407	837,880
	<u>50,978,611</u>	<u>36,578,506</u>
	<u>\$ 331,435,802</u>	<u>\$ 268,391,217</u>

The Cemetery's investment return is summarized as follows:

Year ended December 31, 2021

	Bequest & Endow Principal Fund	Bequest & Endow Surp Inc Fund	Permanent Maint Fund	Declaratory Maint Fund	General Fund	Total
Dividends and interest, net of fees	\$ -	\$ 1,021,450	\$ 1,141,255	\$ 2,897,210	\$ 2,717,770	\$ 7,777,685
Fees chargeable to principal	(126,463)	-	(127,040)	-	-	(253,503)
Net realized and unrealized gains (losses)	6,098,250	(130,356)	6,625,892	24,336,784	7,446,865	44,377,435
Total Return on Investments	5,971,787	891,094	7,640,107	27,233,994	10,164,635	51,901,617
Investment return designated for current operations	-	1,021,450	1,141,255	332,600	10,164,635	12,659,940
Investment Return in Excess of Amounts Designated for Current Operations	<u>\$ 5,971,787</u>	<u>\$ (130,356)</u>	<u>\$ 6,498,852</u>	<u>\$ 26,901,394</u>	<u>\$ -</u>	<u>\$ 39,241,677</u>

THE KENSICO CEMETERY

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. Investments (Continued)

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	<u>7,135,093</u>	<u>177,833</u>	<u>5,532,807</u>	<u>15,527,432</u>	<u>4,733,303</u>	<u>33,106,468</u>
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	<u>-</u>	<u>1,014,244</u>	<u>1,084,562</u>	<u>301,400</u>	<u>6,203,463</u>	<u>8,603,669</u>
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 Bequest and Endowment Principal Fund earned dividends and interest, net of fees, totaling \$954,883 and \$932,581 that were transferred to the Bequest and Endowment Surplus Income Fund in 2021 and 2020.

Custodian and investment advisory fees of \$1,015,590 and \$845,565 were paid during 2021 and 2020, of which \$762,087 and \$627,145 were charged to income and \$253,503 and \$218,420 were charged to principal in 2021 and 2020. 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	
	2021	2020	2021	2020
Projected Benefit obligation at December 31	\$ 16,985,958	\$ 17,956,485	\$ 3,787,718	\$ 3,902,984
Fair value of plan assets at December 31	<u>19,648,029</u>	<u>17,301,936</u>	<u>-</u>	<u>-</u>
Funded status	<u>\$ 2,662,071</u>	<u>\$ (654,549)</u>	<u>\$ (3,787,718)</u>	<u>\$ (3,902,984)</u>
Accrued benefit cost recognized in the statement of financial position	\$ 2,662,071	\$ (654,549)	\$ (3,787,718)	\$ (3,902,984)
Accumulated benefit obligation	15,746,739	16,373,381	3,787,718	3,902,984
Net periodic benefit cost recognized in the statement of activities	193,654	277,123	336,210	286,084
Amortization of amounts previously not recognized as a component of net periodic benefit cost	621,732	543,653	151,070	97,732
Employer contribution to plan during the year	700,000	700,000	112,143	95,489
Benefits paid during the year	576,036	510,123	112,143	95,489
Expected employer contributions to plan in 2022	700,000		177,493	
Weighted-average assumption of accumulated benefit obligation as of December 31				
Discount rate	2.55%	2.11%	2.55%	2.11%
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	2.11%	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

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 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	
	2021	2020	2021	2020
Unrecognized actuarial loss	\$ 4,067,506	\$ 6,853,068	\$ 531,698	\$ 781,388
Unrecognized prior service cost	30,645	55,357	102,635	192,278
	<u>\$ 4,098,151</u>	<u>\$ 6,908,425</u>	<u>\$ 634,333</u>	<u>\$ 973,666</u>

The table below reflects the amounts recognized within unrestricted net assets arising from the Plans at December 31, 2021 that are expected to be recognized in net periodic benefit cost during the year ending December 31, 2022.

	Pension Benefits	Other Postretirement Benefits
Unrecognized actuarial loss	\$ 254,257	\$ 22,689
Unrecognized prior service cost	24,712	89,643
	<u>\$ 278,969</u>	<u>\$ 112,332</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
2022	\$ 806,129	\$ 177,493
2023	850,313	199,274
2024	848,509	202,453
2025	859,229	200,458
2026	856,498	199,203
2027 - 2031	4,266,573	963,569

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.

THE KENSICO CEMETERY

NOTES TO FINANCIAL STATEMENTS

(Continued)

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

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

	<u>2021</u>	<u>2020</u>
<i>Level 1 (Quoted Prices in Active Markets for Identical Assets)</i>		
Cash equivalent	\$ 305,743	\$ 718,723
Equities - Exchange traded funds	11,481,987	9,255,021
US Treasury bills and notes	<u>4,473,921</u>	<u>4,315,290</u>
Total Level 1 Assets	16,261,651	14,289,034
<i>Level 2 (Other Observable Inputs)</i>		
Corporate bonds - A or better	<u>3,386,378</u>	<u>3,012,902</u>
	<u>\$ 19,648,029</u>	<u>\$ 17,301,936</u>

7. Commitments and Contingencies

Open-Air Garden Mausoleum and Columbarium

In 2016, the Cemetery entered into a construction contract for the construction of an open-air garden mausoleum and columbarium that will contain 732 crypts and 2,028 niches. At December 31, 2021 and 2020, the costs incurred totaled approximately \$4,718,000 and \$4,288,000, respectively. At December 31, 2021 the construction was substantially complete and is expected to be completed in the Spring 2022.

New York State Sales Tax

In 2016, issues related to the application of the New York State 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 \$72 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 \$68 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. In addition, management has determined that there are no conditions or events, considered in the aggregate, that raise substantial doubt about the Cemetery's ability to continue its operations within one year from the date of this report and beyond. General Fund financial assets which can be liquidated within one year of the statement of financial position dates for general expenditure are as follows:

	2021	2020
Cash and cash equivalents	\$ 9,539,594	\$16,247,915
Accounts and other receivables due within one year	664,000	266,000
Accrued investment income receivable	515,000	461,200
Investments	<u>57,122,726</u>	<u>36,375,246</u>
Financial assets at year end available to meet cash needs for general expenditures within one year	<u>\$67,841,320</u>	<u>\$53,350,361</u>

9. Risks and Uncertainties

The global economic uncertainty associated with the COVID-19 pandemic has resulted in significant volatility in global financial markets. This volatility has affected, and may continue to affect, the value of the Cemetery's investments. The effects of economic, political and market conditions subsequent to December 31, 2021 are not reflected in these financial statements, and future effects on the Cemetery's financial position and change in net assets cannot be predicted due to the uncertainty regarding the duration and scope of the pandemic and other changing market conditions.

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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and Counsel*

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Michael H. Cook, Jr.

*Vice President, Chief Financial Officer,
and Treasurer*

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Vice President and Sales Manager

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