

# Building on the Legacy Part Three



ГНЕ КЕNSICO СЕМЕТЕRУ • ANNUAL REPORT 2022

Since the first interment in 1891, every funeral procession for loved ones to final resting places at Kensico Cemetery/Sharon Gardens starts here at the Administration Building.

> Interments 2022: 2,243 Interments 1891 through 2022: 170,531

Front Cover Photo: The front of the Administration Building from the main parking lot. Inset photo circa 1903.

Back Cover Photo: The back of the Administration Building facing the Metro North railroad tracks. Inset photo circa 1903.

The background on the covers and each page of this annual report depicts a photograph of the stone that forms the exterior walls of the Administration Building.

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# Message from the President Introduction

Did you know that the Kensico Cemetery had its own train car that operated from and to Grand Central Terminal for private funerals? That the President's Office was at one time the Ladies Waiting Area? And that there was once a Flower Shop inside the building?

It is hard to believe that this is already my third annual report as president of The Kensico Cemetery. In this report, we will continue the historical journey we started two years ago exploring and describing the four buildings on our grounds that give Kensico its distinctive profile and character. I hope you will see in the following pages that I, along with Kensico's Board and employees, feel fortunate to play our part in continuing along the path created many years ago and are excited about Kensico's prospects going forward.

The 2020 Annual Report featured Kensico's iconic Water Tower and Entrance Gate. Last year's annual report focused on the story of the Community Mausoleum built in 1928 and the Garden Mausoleum at Montross Pond completed in 2021. This year, in the third and last report in this series, we turn our attention to the oldest structure on the Cemetery grounds----the Administration Building. Built in 1890 as an office and train station on the Harlem Line of New York Central Railroad, it serves as the hub for all of Kensico's activities and operations ...from burial requests and purchase orders to website upgrades and investment decisions, all while acting as the official repository for Kensico's 100-plus years of historical records.

We realize that our readers may only have been at the Front Office counter, in the Waiting Area, or in an office in the Sales Department---all on the first floor--- and have not had an opportunity to see what is on the second floor

Fact: Completed in 1890 and expanded in 1936, the Administration Building is in the Queen Anne style inspired by the work of architect Henry Edwards Ficken.

From the Archives: "The Cemetery Association erected this beautiful station for the exclusive benefit and use of their patrons. The style of the building is unique, and it has been constructed in a most substantial manner, the material used being carefully selected from the old stone fences on the property," (1889 Annual Report to Lot Proprietors) or know how the Administration Building has changed throughout the years. So, we included an "insider's guide" on the following four pages to walk you through and around the building that began as a train station many decades ago and serves so many functions today.

Starting on page six, this message details the events, developments, and decisions of 2022, accompanied by visuals of the Administration Building that symbolize the principles that continue to guide Kensico's decisionmaking 133 years after its founding: transition, practicality, permanence and perspective. We hope you enjoy this tour of Kensico's Administration Building.



New Station on the New York Central. New York, Dec. 15.-[Special].-The New York Central is about to open a new station on its Harlem division. to be known as Kansico Cennetery Station; it is situated about one mile north of Kenniko station proper, and will serve in about the same manner as does Woodhwu; the Harlem train service will be extended thereto, special tickets printed therefor and, in abort, it will be a regular station.



From the Files: The clipping above announcing the new Kensico Cemetery train station was published in the Buffalo Evening News on December 18, 1891.

Facts: Kensico Cemetery continued as a stop on the New York Central Harlem Division until 1983 when Metro North electrified the line north of White Plains. The Railroad Charges posted above, taken from a Kensico brochure dated in the early 1900's, describes the cost to arrange for the private Kensico Funeral Car.

# **Administration Building: First Floor**



# First Floor Activities Today:

Administrative/Executive: Collaborate with Board of Directors to refine and implement Kensico's strategic plan. Ensure that budget, staff, and priorities are aligned with Kensico's core mission of exceptional service and care. Provide leadership and direction to management team and all employees. Oversee all organizational operations, including, but not limited to, finance, marketing, human resources, sales, and community outreach. Establish policies, procedures, and effective decision-making processes that will enable Kensico to achieve long-andshort-term goals and objectives. Oversee the financial status of the organization, develop long-and-short range financial plans, monitor the budget, and ensure that sound financial controls are in place. Ensure compliance with complex statutory and regulatory requirements.



**Customer Service/Administrative Support:** Provide customer service and support to prospective and current lot owners, funeral home directors, monument dealers, and community members. Process interment orders, check in burials, provide directions, answer general annual care and foundation questions, and process foundation applications. Respond to lot owner inquiries. Coordinate with Sales, Grounds, and Accounting Departments to service lot owner and visitor needs. Update all sales books with new purchase information. Manage 30-40 burials a week and as many as 80 calls and 20 walk-ins daily. Perform all administrative duties associated with owner and deceased records, including preparing deeds.

**Sales:** Provide section development and surveying expertise. Update and maintain mapping of all 215 sections

in Kensico and 74 sections in Sharon Gardens. In customer service role, provide descriptions of all burial options for immediate and future needs. Escort families on the grounds for selections of available lot locations. Provide administrative coverage seven days a week. Offer after-sale support for lot owner questions about plantings, regulations, and additional interments.

Information Technology (IT): Identify Kensico's technology needs, manage and trouble-shoot all technology, computer, and software systems. Address hardware issues, update and upgrade system software, ensure firewall and security protocols and compliance, collaborate with other departments to address their IT requirements. Regularly scan and evaluate Kensico's current system to identify any risks or opportunities for improvement.



### Photos: Clockwise from top left:

Window: The arched windows are original to the building. Northbound and southbound Metro North trains still pass by Kensico Cemetery daily. The Valhalla Station is the closest to the Cemetery.

Maps: Front Office staff and members of the Maintenance Department refer to section maps to assist with lot locations; the Map Room now occupies a portion of the space where a Flower Shop appears on the floor plan. Interment Board: Scheduled interments for the week are posted in the Front Office once funeral directors contact Kensico to make the arrangements. During COVID, there were as many as 25 interments daily.

Kardex: In addition to digitized records, hard copy lot cards are filed alphabetically in this rotating cabinet.

Board Room: Committee meetings, training sessions, conference calls, employee interviews, lot owner meetings, and occasional retirement parties are held in this area which was once used as the President's Office.

# Administration Building: Second Floor



## Second Floor Activities Today:

Accounting Department: Responsible for financial reporting, accounts payable and receivables, endowment and care accounting, payroll and employee benefits administration for current and retired employees, budgeting and forecasting, tax compliance, and internal controls and audits. **Public Relations Coordinator:** Responsible for the Kensico employee newsletter, special event programming, tours, media and lot owner relations, website updates, and internship supervision for historical research and the development of virtual tours. Liaise with local organizations. Support and coordinate with The Friends of The Kensico Cemetery, Inc., and other charitable organizations.





Photo Opposite Page: Lounge: At one time called "The Cage" where employees received their wages in cash, it now serves as a break/lunchroom. Photos Above: Clockwise from top left:

Vault Dial/Blueprints: The back vault on the second floor stores and protects maps, floor plans, and architectural drawings of Kensico Cemetery buildings and many of the private mausoleums on the grounds. It is one of three vaults in the Administration Building (one on the first floor; two on the second floor) that house important burial, lot ownership, and historical records. Computer Network: Connecting Kensico information at all workstations, printers, and scanners, this network provides backup, firewalls, security, and storage. A separate cabinet houses Kensico's telephone system.

Postage Machine: It is estimated that as many as 62,000 pieces of mail, including annual meeting proxies, are processed each year as part of Kensico's communication with lot owners, funeral directors, vendors, and employees.

## Transition: Adjustment. Passage. Change.

As you enter the main parking lot off Lakeview Avenue, you may notice some small changes: the start of an Arbor Day Tree Grove opposite the Administration Building, new mats with a new logo at the entrance to the Administration Building and Waiting Area, and a Kensico Cemetery Arboretum Level I Certificate posted at the Administration Building door---all little details that reflect Kensico's future.

After two years of COVID-19 restrictions, we welcomed the re-opening of the Administration Building to the public in 2022. This increased access was consistent with Kensico's mission to continue to provide the highest levels of customer service to lot owners, their families, and the many visitors to these beautiful grounds.

We also re-imagined the Kensico logo, modernizing its appearance while codifying our commitment to providing the exceptional service and care that has been Kensico's brand for more than 130 years. Concurrently, we completed our transition to upgraded and refreshed Kensico Cemetery websites (www.kensico.org and www.sharongardens. org) with expanded informational offerings and easier navigation between sections.

But the most dramatic event that highlighted 2022 was the dedication in May of the Garden Mausoleum at Montross Pond in Dacotah Plot. Built roughly 100 years after the Community Mausoleum, the Garden Mausoleum represents the transition from a classic Gothic architectural style to a contemporary open-air design offering crypts and niches accessible and comfortable for families to visit regardless of the weather. Six years in the making---from planning to completion---the Garden Mausoleum is a response to changing consumer needs and lot owner requests for alternatives in burial options.

Two changes in our senior Sales Department staff occurred in 2022. Kensico Officer and Sales Manager Richard Weber retired after nearly 25 years at Kensico. Long-time Development Manager and Assistant Sales Manager Michael Farmer assumed the duties of Sales Manager and became a Kensico Officer in January 2023.

As noted in last year's annual report but made official in 2022, Chester S. Day retired as the Chairman of the Board of Kensico Cemetery after 40 years as an employee of Kensico, of which 17 were as Kensico's 12th President. We are fortunate that Chet will continue his guiding role in his new position as Chairman of the Board of the newly formed 501c(3) charitable organization The Friends of the Kensico Cemetery, Inc. We are equally fortunate that Mr. Day was succeeded as Chairman of Kensico by former Kensico President Raymond Planell, whose cemetery and law experience is unparalled.



Photo above: An undated photograph that hangs above the fireplace on the first floor of the Administration Building. Photos Opposite Page: The back cover of the 1972 Annual Report shows the Administration Building before the extension was built that connected the main building to the garage. The Administration Building transitions to night mode after a dusting of snow.





Quote: "What started out as a seemingly simple task to find a place in the Administration Building as an office for me ended up as a series of major projects. First, we commissioned an assessment to determine if the building complied with the latest codes for the safety of our employees and visitors. That assessment resulted in the replacement of all the windows (which made a huge difference in the winters), upgrades of the lighting throughout the building, and the creation of modern workstations and a lounge upstairs including significant technology upgrades. Con Ed was promoting an energy efficiency program at that time that rebated some of our expenditures. Ultimately, the original Ladies Waiting Room off the lobby became my office. So, you could say that all the pieces fell into place---the timing was right." (Henry Barrett III, Kensico Cemetery's 11th President 1991-1997).

# Practicality: Usefulness. Sensible. Pragmatic.

As a central location for all major activities at Kensico, the Administration Building and its surroundings provide comfortable, accessible accommodations for lot owners and visitors. Coordination from this majestic building ensures that all areas of the property are maintained in the lasting beauty and pastoral tradition of the rural cemetery.

As with any large property (460 acres), maintenance and upgrades are a constant priority. 2022 was no exception.

Some of the more visible projects were the replacement of benches in Minnewaska, the paving of portions of Tecumseh Avenue, Seneca Avenue, Mohegan Avenue, Sharon Gardens and Eastern Gardens, and the installation of a new generator at the Tower for use during power outages.

In the native woodlands area north of Montross Pond, cleanup continued with the removal of dead and fallen trees. Plans continue to restore and eventually dedicate this six-acres as a public garden with walking paths through a scenic, natural area with picturesque views.

Families holding funeral services in the Community Mausoleum will now find a completely renovated bathroom. And a new Snow-Moving Machine (Ventrac) has been added to Kensico's equipment inventory to assist in vital snow removal operations.

The most obvious outdoor project in 2022 was the upgrade at Mineola Lake. Old Bradford Pear trees, Birch trees, and metal fencing were removed. In their place are five new Tupelo trees, four Kousa Dogwood, and seven White Spire Birch trees. The old stone seat on the peninsula was replaced with a new wooden bench, the Swan House was renovated with a new roof and fresh coat of green paint, and stones along the lake's 1,000-yard perimeter were repositioned to maintain a more natural and consistent appearance, stabilize the lake edges, and prevent soil erosion.



We experienced an increase in visitors to the Kensico grounds as a result of the much-anticipated rollback of COVID-19 restrictions. We also added to our event, festival, and activity schedule with Qing Ming in the spring, the Veterans Remembrance Service, Walking Tours, and Salvation Army events in May, and annual commemorations such as Mother's Day, Father's Day, Christmas, and Easter throughout the year. It was a welcome sight to see so many visitors return to the grounds.

Completing all of these projects (as well as handling over 2,000 interments in 2022) required over 1,000 bales of hay and 5,500 pounds of grass seed, and over 100 tons of new asphalt for installation on Sharon Gardens pathways. In addition, over 2,000 yards of soil and rocks were screened as part of our recycling program.

2022 also saw the final touches on the new Garden Mausoleum at Montross Pond. The completion of this project included special training to move caskets safely and efficiently into locations within the various Garden Mausoleum levels, installation of hand-crafted wroughtiron flower cone holders, and the selection and placement of additional native plants around the building -- all in time for the May 24th Dedication Ceremony.



Backstory: The picnic area was created in the early 1990's as a result of a senior management official at Kensico spotting handconstructed teak tables and benches for sale at a farm in upstate New York.

Fact: The floor plan above shows details for the extension built onto the Administration Building in the late 1970's creating a waiting area with public restrooms.

Close-up: The stone wall in the Waiting Area is actually the exterior of the former attached garage/carriage house before the area was expanded.





Fact: the Waiting Area was re-dedicated as the Founders Room in a ceremony held in 2014 as part of Kensico Cemetery's 125th anniversary celebration. A plaque lists all the names of past presidents and board members.

Detail: All public areas of the first floor of the Administration Building and offices on the second floor are painted in Benjamin Moore Linen White with Decorator White for ceilings.

## Permanence: Lasting. Immovable. Set in Stone.

As you look around the perimeter of the Administration Building, you will find permanent reminders of Kensico's sacred commitment to honoring in perpetuity the burial of loved ones. With flags, memorial stones, and a time capsule, Kensico remembers and honors the lives that have gone before and the history that guides those they left behind.

Just as the Administration building is set in stone, so, too, is Kensico's mission to 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.

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. As you will see from the annual report that accompanies this message, these funds remain well positioned to ensure that the cemetery will remain in pristine condition forever.

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 in to the permanent maintenance fund." Since 1992, Kensico increased the percentage of sales deposited into its Permanent Maintenance Fund from 10% to 15% and will continue to do so in the future. As such, 15% of Kensico's 2022 sales were deposited into Kensico's Permanent Maintenance Fund, one of the two funds whose sole purpose is to accure monies to be used for the care and maintenance of Kensico's grounds. In 2022, the Kensico Board, with the guidance and assistance of investment managers from some of the area's leading financial institutions, continued its long-term investment strategy. This approach has been consistently successful for decades, building funds that provide each lot owner with the comfort of knowing that Kensico's commitment to service will never end. The large cobblestones that form the foundation and walls of the Administration Building are symbolic of the solid financial structure, process, and future of The Kensico Cemetery.





From the archives: In the lawn just outside the Administration Building, a plaque marks the location of a time capsule buried in 2015 as part of the 125th anniversary of Kensico Cemetery. The contents include the newspapers of the day, annual reports, an old horseshoe and railroad spike found on the Cemetery grounds, and handwritten messages from board members and staff topped by an unofficial interment order. The time capsule is registered with the International Time Capsule Society and marked for opening in 2139 for Kensico Cemetery's 250th anniversary.

Backstory: In 2007 local veterans groups led by White Plains Post 191 Jewish War Veterans of the United States and its Ladies Auxiliary joined Kensico Cemetery in establishing a Veterans Remembrance memorial from a stone found on the property with a bronze plaque honoring all military branches. The Veterans Remembrance Service continues to be held annually adjacent to the Administration Building on the Friday before Memorial Day weekend and honors the men and women who died in service to our country.

Fact: A Medal of Honor flag flies at Kensico Cemetery in recognition of the two Medal of Honor recipients buried at Kensico Cemetery who earned this distinction in combat during the Civil War: Luigi DiCesnola and Michael Murphy.

# Perspective: The Long View. Outlook. Vista.

At almost 70 feet in height, a Yellow Cucumber tree stands to the right of the Administration Building---not only as a significant feature of the Kensico Arboretum collection but a reminder that the trees on the Kensico grounds share our history as some may be as old as the Cemetery itself. These living things witnessed our past and now symbolize our future as a rural cemetery in the next century and beyond.

Our mission and designation as a rural cemetery was taken to the next level with Kensico Cemetery's accreditation as a Level I Arboretum in the spring of 2022. Our application for accreditation was approved by ArbNet---an interactive, collaborative, international community of arboreta. Significantly, the ArbNet Arboretum Accreditation Program is the only global initiative to officially recognize arboreta based on a set of professional standards.

Level I Accreditation was based on Kensico's collection of 44 different species of trees and woody plants that exist throughout the grounds, public access to the collection, and Kensico's continuing commitment to offer public education programs about the varieties of trees.



The rural cemetery concept which this arboretum accreditation underscores embraces not just the trees, shrubs, and water features that make up the natural terrain of the property but also the wildlife that shares that habitat. In 2022, Kensico established two bee colonies at the outer perimeter of the woodlands section to encourage these important pollinators. Additionally, a Monarch Butterfly Waystation was set up at the edge of Montross Pond with species of milkweed to help these endangered animals on their migratory path. The Kensico Waystation joins 38,000 other waystations that have been certified and registered with the worldwide Monarch Waystation Project.

In April, 2022, we held Kensico's first annual Arbor Day Tree-Planting Ceremony where a Franklina tree was planted on the ridge opposite the Administration Building. Every year another tree-planting will contribute to the creation of an Arbor Day Grove. This area will be a symbol of Kensico's continuing commitment to sound environmental stewardship of the 460 acres at which your loved ones perpetually rest.

The decision to apply to be a public garden builds on the vision of the founders of Kensico Cemetery 133 years ago, but we're not done yet in establishing our legacy. In 2023, Kensico will be applying to upgrade to a Level II accreditation at which time Kensico would become the only Level II cemetery in the county and one of only three cemeteries in New York State to hold that distinction.



From the Files: In the fall of 2016 a construction project expanded the main parking lot and created an additional parking area to accommodate more visitors, enhance lighting, and provide improved traffic flow.





From the Arboretum Map: The Yellow Cucumber Tree adjacent to the Administration Building and over 120 years old, is one of 44 tree species identified, labeled, and marked on the Kensico Arboretum map available online at www.kensico.org.

# Conclusion

Through photos, schematics, text, and a behind-thescenes look, we've shared some of the characteristics of the Administration Building, where many decisions were made and actions were taken during 2022. Along the way, I hope that we all learned a bit more about and increased our appreciation for this remarkable structure that continues to create a commanding presence at Kensico Cemetery and acts as the hub for all Kensico-related activities.

This concludes our three-part series highlighting the history and significance of four of the major structures on the Kensico Cemetery grounds. Starting with next year's annual report, we will move out onto the grounds with a different perspective and a view of Kensico's amazing landscape. I will join you there with the same goal of sharing items of practical importance, financial reports documenting our commitment to permanence, and any changes or transitions that impact lot owners and their families.

Many thanks to the following individuals for compiling information and visuals for this year's report:

Kathy Cauci, Customer Service Representative; interment numbers.

Direct2Marketing: drone footage.

Mike Farmer; Kensico Cemetery Sales/Development Manager: floor plans.

Paul Iorizzo: historical information.

Louis Palmerini, former Superintendent: historical research.

Sir Speedy, Pleasantville: floor plan scans.

And a special thanks to Chester S. Day, Kensico Cemetery's 12th President and former Chairman of the Board for sharing his extensive historical knowledge of the Administration Building construction, layout, functions, and renovations.

Matthew G. Parisi 11/2 Har / Par

Fact: There are 74 windows in the Administration Building, and during the 2014 celebration of Kensico Cemetery's 125th anniversary, one candle was placed in one window each week throughout the anniversary year until 52 windows had a candle lit at night.





Commentary: In many ways, this candle commemorative symbolizes the dedication and consistency of Kensico's service and care. Even on holidays, there is coverage. The lights don't go out at Kensico Cemetery.



# Building on the Legacy Part Three

# **Financial Statements 2022**

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THE KENSICO CEMETERY • ANNUAL REPORT 2022



### **INDEPENDENT AUDITORS' REPORT**

### Board of Directors The Kensico Cemetery

### **Report on the Audit of the Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of The Kensico Cemetery, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Kensico Cemetery as of December 31, 2022 and 2021, and the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

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PKF O'CONNOR DAVIES, LLP
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### **Board of Directors The Kensico Cemetery** Page 2

### Auditors' Responsibilities for the Audit of the Consolidated 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 consolidated 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 Davries LLP

May 26, 2023

# THE KENSICO CEMETERY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

# **DECEMBER 31, 2022**

	General Fund	Bequest and Endowment Principal Fund	Bequest and Endowment Surplus Income Fund	Permanent Maintenance Fund	Declaratory Maintenance Fund	Total Cemetery Funds	Friends of The Kensico Cemetery	Total
Assets								
Cash and cash equivalents Investments Accounts receivable Other receivables Other assets Interfund receivable (payable) Over funded pension benefit obligation Unrecovered development costs Buildings and equipment, net	\$ 7,475,873 60,160,837 1,832,592 672,349 5,860,588 (1,331,407) 4,296,131 134,447 1,798,290	\$ 363,103 56,459,149 - - (145,849)	\$ 105,554 3,662,788 - - (93,102 -	\$ 1,165,471 62,148,688 - - ) 99,735 - -	\$ 2,799,020 110,954,977 - - 1,473,214 -	\$ 11,909,021 293,386,439 1,822,592 672,349 5,860,588 2,591 134,447 1,798,290	\$ 10,008 	\$ 11,919,029 293,386,439 1,832,592 672,349 5,860,588 1,34,447 134,447 1,796,290
Total assets	\$80,899,700	\$ 56,676,403	\$ 3,675,240	\$ 63,413,894	\$ 115,227,211	\$ 319,892,448	\$ 7,417	\$ 319,899,865
Liabilities and Net Assets								
Liabilities Accounts payable and accrued expenses Other liabilities Unfunded other benefits Total liabilities	\$ 1,475,528 900,316 2,910,649 5,286,493	φ	φ	φ	φ	\$ 1,475,528 900,316 2,910,649 5,286,493	\$ 2,398  2,398	\$ 1,477,926 900,316 2,910,649 5,288,891
Net assets without donor restrictions Undesignated Restricted by law Total net assets without donor restrictions	75,613,207 - 75,613,207	- 56,676,403 56,676,403	- 3,675,240 3,675,240	- 63,413,894 63,413,894	- 115,227,211 115,227,211	75,613,207 238,992,748 314,605,955	5,019 - 5,019	75,618,226 238,992,748 314,610,974
Total liabilities and net assets	\$80,899,700	\$ 56,676,403	\$ 3,675,240	\$ 63,413,894	\$ 115,227,211	\$ 319,892,448	\$ 7,417	\$ 319,899,865

	POSITION	
CEMETERY	OF FINANCIAL	1000
<b>KENSICO</b>	STATEMENT	
THE	CONSOLIDATED	

# **DECEMBER 31, 2021**

	General Fund	Bequest and Endowment Principal Fund	Bequest Endowr Surplus In Func	and nent icome	Permanent Maintenance Fund	Declaratory Maintenance Fund	Total Cemetery Funds	Total
Assets								
Cash and cash equivalents Investments Accounts receivable Other receivables Other assets Other development costs Unrecovered development, net	<ul> <li>\$ 9,539,594</li> <li>\$58,513,689</li> <li>1,863,495</li> <li>619,083</li> <li>2,184,166</li> <li>(1,390,963)</li> <li>2,662,071</li> <li>4,926,486</li> <li>1,915,288</li> </ul>	\$ 582,328 68,002,181 - - (162,042) - -	\$ 14,014	0,851 0,300    	\$ 3,120,947 67,677,886 - - (132,508)	\$ 3,583,470 133,231,746 1,777,518 1,777,518	<pre>\$ 16,967,190 331,435,802 1,863,495 619,083 2,184,166 2,184,166 4,926,2071 1,915,288</pre>	<pre>\$ 16,967,190 331,435,802 1,863,495 619,083 2,184,166 2,662,071 4,926,486 1,915,288</pre>
Total assets	\$80,832,909	\$ 68,422,467	\$ 4,05	9,146	\$ 70,666,325	\$138,592,734	\$ 362,573,581	\$362,573,581
Liabilities and Net Assets								
Liabilities Accounts payable and accrued expenses Retainage payable Other liabilities Unfunded other benefits Total liabilities	\$ 1,634,167 10,822 907,499 3,787,718 6,340,206	φ	φ		φ	↔	\$ 1,634,167 10,822 907,499 3,787,718 6,340,206	\$ 1,634,167 10,822 907,499 3,787,718 6,340,206
Net assets without donor restrictions Undesignated Restricted by law Total net assets without donor restrictions	74,492,703 - 74,492,703	- 68,422,467 68,422,467	4,05	- 9,146 9,146	- 70,666,325 70,666,325	- 138,592,734 138,592,734	74,492,703 281,740,672 356,233,375	74,492,703 281,740,672 356,233,375
Total liabilities and net assets	\$80,832,909	\$ 68,422,467	\$ 4,05	9,146	\$ 70,666,325	\$138,592,734	\$ 362,573,581	\$362,573,581

# THE KENSICO CEMETERY CONSOLIDATED STATEMENT OF ACTIVITIES

# YEAR ENDED DECEMBER 31, 2022

			Bequest and						
		Bequest and Endowment	Endowment Suratus Income	Permanent	Declaratory	Total	Friends of The Kansico		
	General Fund	Principal Fund	Fund	Fund	Fund	Funds	Cemetery	Eliminations	Total
Support and revenue									
Lot, grave, crypt and niche sales	\$ 20,932,410	' \$	۔ ج	۔ ج	' چ	\$ 20,932,410	' \$	' \$	\$ 20,932,410
Transfers and reserves	(9,473,444)			3,144,947		(6,328,497)			(6,328,497)
Service department receipts	5,080,090	•				5,080,090			5,080,090
Investment return designated									
for current operations	(6,339,832)		1,130,180	1,221,349	364,100	(3,624,203)	'	'	(3,624,203)
Bequests and endowments received		177,359	•	'		177,359		'	177,359
Statutory contribution				78,295	•	78,295			78,295
Other	17,733			171	"	17,904	16,010	(15,000)	18,914
Total support and revenue from operations	10,216,957	177,359	1,130,180	4,444,762	364,100	16,333,358	16,010	(15,000)	16,334,368
Interfund transfers	2,716,726		(1,131,277)	(1,221,349)	(364,100)			'	'
Total support and revenue recognized	12,933,683	177,359	(1,097)	3,223,413		16,333,358	16,010	(15,000)	16,334,368
Expenses									
Program services	7,446,878	•				7,446,878	10,991		7,457,869
Supporting services	6,527,177	'				6,527,177	"	(15,000)	6,512,177
Total expenses from operations	13,974,055					13,974,055	10,991	(15,000)	13,970,046
Increase (decrease) in net assets without donor restrictions									
from operations before investment return and other changes	(1,040,372)	177,359	(1,097)	3,223,413		2,359,303	5,019		2,364,322
Investment return (deficit) in excess of amounts designated for current operations	1	(11,923,423)	(382,809)	(10,475,844)	(23,365,523)	(46,147,599)		1	(46,147,599)
Increase (decrease) in net assets without donor restrictions									
before other changes	(1,040,372)	(11,746,064)	(383,906)	(7,252,431)	(23,365,523)	(43,788,296)	5,019	I	(43,783,277)
Other changes									
Pension benefit liability adjustment	643,336	•	•	•		643,336	•		643,336
Other benefits liability adjustment	1,046,424	•	•		•	1,046,424	•		1,046,424
Other components of net periodic pension cost	675,149				•	675,149	•		675,149
Other components of net periodic postretirement cost	(204,033)					(204,033)			(204,033)
Change in net assets without donor restrictions	1,120,504	(11,746,064)	(383,906)	(7,252,431)	(23,365,523)	(41,627,420)	5,019		(41,622,401)
Net assets without donor restrictions at beginning of year	74,492,703	68,422,467	4,059,146	70,666,325	138,592,734	356,233,375		'	356,233,375
Net assets without donor restrictions at end of year	\$ 75,613,207	\$ 56,676,403	\$ 3,675,240	\$ 63,413,894	\$ 115,227,211	\$ 314,605,955	\$ 5,019	' ه	\$ 314,610,974

<b>EMETERY</b>	ENT OF ACTIVITIES
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# YEAR ENDED DECEMBER 31, 2021

	General Fund	Bequest and Endowment Principal Fund	Endowment Surplus Income Fund	Permanent Maintenance Fund	Declaratory Maintenance Fund	Total Cemetery Funds	Total
Support and revenue							
Lot, grave, crypt and niche sales	\$ 21,276,780	•	•	' ډ	' ج	\$ 21,276,780	\$ 21,276,780
Transfers and reserves	(9,936,447)	•		3,001,095	•	(6,935,352)	(6,935,352)
Service department receipts	5,017,285		•			5,017,285	5,017,285
Investment return designated							
for current operations	10,164,635	,	1,021,450	1,141,255	332,600	12,659,940	12,659,940
Bequests and endowments received		253,771		'		253,771	253,771
Statutory contribution	ı		ı	78,575		78,575	78,575
Other	45,229	'	'	505		45,734	45,734
Total support and revenue	26,567,482	253,771	1,021,450	4,221,430	332,600	32,396,733	32,396,733
Interfund transfers	2,550,088	'	(1,076,233)	(1,141,255)	(332,600)	'	'
Total support and revenue recognized	29,117,570	253,771	(54,783)	3,080,175		32,396,733	32,396,733
Expenses							
Program services	7,656,164	•	•	•		7,656,164	7,656,164
Supporting services	6,399,155		'			6,399,155	6,399,155
Total expenses	14,055,319	'			'	14,055,319	14,055,319
Increase (decrease) in net assets without donor restrictions							
from operations before investment return and other changes	15,062,251	253,771	(54,783)	3,080,175	I	18,341,414	18,341,414
investment return (tentuc) in excess of another 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 chances	15.062.251	6.225.558	(185.139)	9.579.027	26.901.394	57.583.091	57,583,091
Other changes Pension henefit liability adjustment	2 810 274					2 810 274	2810274
Other benefits liability adjustment	339,333					339.333	339.333
Other components of net periodic pension cost	211,865			'		211,865	211,865
Other components of net periodic postretirement cost	(231,932)					(231,932)	(231,932)
Change in net assets without donor restrictions	18,191,791	6,225,558	(185,139)	9,579,027	26,901,394	60,712,631	60,712,631
Net assets without donor restrictions at beginning of year	56,300,912	62,196,909	4,244,285	61,087,298	111,691,340	295,520,744	295,520,744
Net assets without donor restrictions at end of year	\$ 74,492,703	\$ 68,422,467	\$ 4,059,146	\$ 70,666,325	\$ 138,592,734	\$ 356,233,375	\$ 356,233,375
		See notes to conse	olidatd financial state	ements.			

THE KENSICO CEMETERY CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

# YEAR ENDED DECEMBER 31, 2022

			Ę	ogram Servic	Se					Supporting Servi	ces		Total
	Interments	Lot Care	Foundations	Cleaning and Pointing	Cemetery Total	Friends of The Kensico Cemetery	Total	Security	Mainte- nance	Admini- stration	Sales	Total	2022
Compensation Officers and directors Office Ground crew Salespersons	\$ 125,018 185,639 2,520,082	\$ 308,297 119,113 525,756	\$ 49,736 46,193 191,772 -	\$ - - 42,686 -	\$ 483,051 350,945 3,280,296	\$ 2,178 -	\$ 483,051 353,123 3,280,296	\$ - - 126,256 -	\$ - - 213,994	\$ 422,405 334,960 -	\$ 477,170 173,979 71,993 1,255,426	<pre>\$ 899,575 508,939 412,243 1,255,426</pre>	\$ 1,382,626 862,062 3,692,539 1,255,426
Payroll taxes and related expenses	1,243,120	391,505	131,235	18,444	1,784,304	403	1,784,707	56,251	87,420	237,283	766,430	1,147,384	2,932,091
Total salaries, wages and related expenses	4,073,859	1,344,671	418,936	61,130	5,898,596	2,581	5,901,177	182,507	301,414	994,648	2,744,998	4,223,567	10,124,744
Repairs and replacement	2,330 1 768	1,167	2,652		6,149 3 330		6,149 3 330		11,943	31 868	303 2 065	12,246 33 033	18,395 37 272
Telephone	2,838	2,554			5,392	- 1	5,402	220		21,000 2,848	3,165	5,233 6,233	31,212 11,635
Supplies	89,185	92,717	80,960	1,007	263,869	'	263,869	8,995	105,028	45,578	39,426	199,027	462,896
Automobile operations Professional fees	11.544	9,419 11,544			103,001 23,088		103,001 23,088	- 2,541	-	- 75.541	1,2/3	4,389 87.085	107,390
Dues and subscriptions	6,309		'	'	6,309	'	6,309	'	'	15,214		15,214	21,523
Depreciation and amortization	69,489	27,273	12,286	'	109,048	'	109,048	'	132,413	19,295	16,961	168,669	277,717
Outside services	22,909	786,523	222	'	809,654	'	809,654	'	319,595	119,193	108,500	547,288	1,356,942
Advertising costs Other	- 116.991	- 101 442			- 218 433	- 8 400	- 226,833	100		- 405 717	423,590	423,590 805 936	423,590 1 032 769
Total expenses	\$ 4,469,643	\$ 2,378,881	\$ 536,217	\$ 62,137	\$7,446,878	\$ 10,991	\$ 7,457,869	\$ 194,363	\$ 870,968	\$ 1,709,902	\$ 3,751,944	\$ 6,527,177	\$ 13,985,046

THE KENSICO CEMETERY CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

# YEAR ENDED DECEMBER 31, 2021

		Ē	ogram Services					Supporting Servi	ices		Total
	Interments	Lot Care	Foundations	Cleaning and Pointing	Total	Security	Mainte- nance	Admini- stration	Sales	Total	2021
Compensation Officers and directors Office Ground crew Salespersons	\$ 134,339 201,804 2,525,805	\$ 271,407 122,154 509,116	\$ 38,808 59,802 239,176	\$ - - 37,221	\$ 444,554 383,760 3,311,318	\$ - 116,448 	\$ - 126,933 -	\$ 388,140 306,543 -	<ul> <li>476,555</li> <li>167,195</li> <li>70,253</li> <li>1,312,977</li> </ul>	\$ 864,695 473,738 313,634 1,312,977	<ul> <li>\$ 1,309,249</li> <li>\$ 857,498</li> <li>3,624,952</li> <li>1,312,977</li> </ul>
Payroll taxes and related expenses	1,277,759	395,168	157,605	16,981	1,847,513	50,460	48,146	214,616	873,939	1,187,161	3,034,674
Total salaries, wages and related expenses	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	10,139,350
Repairs and replacement	5,020	2,659	2,199		9,878 4 035		21,395	31 681	553 4 143	21,948 35 824	31,826 40 750
Telephone	2,752	2,477			4, 933 5, 229	- 251		2,783	4, 145 3,076	53,024 6,110	40,739
Supplies	78,754	79,675	70,692	•	229,121	5,573	96,417	40,937	26,762	169,689	398,810
Automobile operations	44,190	9,792	5,735	'	59,717	518	'	,	1,132	1,650	61,367
Professional fees	11,459	11,459		'	22,918		'	72,511	11,459	83,970	106,888
Dues and subscriptions	7,041	•	•	•	7,041		•	14,875	•	14,875	21,916
Depreciation and amortization	80,216	35,538	9,179	'	124,933	2,387	128,587	22,964	19,058	172,996	297,929
Outside services	91,156	878,421	49,301	•	1,018,878		328,564	110,296	110,391	549,251	1,568,129
Advertising costs		•	•	•	•		•	•	382,379	382,379	382,379
Other	100,080	86,289			186,369	125		473,822	334,311	808,258	994,627
Total expenses	\$ 4,563,340	\$ 2,406,125	\$ 632,497	\$ 54,202	\$ 7,656,164	\$ 175,762	\$ 750,042	\$ 1,679,168	\$ 3,794,183	\$ 6,399,155	\$ 14,055,319

### CONSOLIDATED STATEMENTS OF CASH FLOWS

### YEARS ENDED DECEMBER 31, 2022 AND 2021

	 2022	 2021
Cash flows from operating activities		
Change in net assets	\$ (41,622,401)	\$ 60,712,631
Adjustments to reconcile change in net assets		
to net cash from operating activities		
Net realized gain on investments	(3,308,645)	(15,152,037)
Net unrealized loss (gain) on investments	60,677,779	(29,225,398)
Stock dividends	-	(11,200)
Realized (gain) loss on sale of equipment	(500)	9,704
Depreciation and amortization	277,717	297,929
Pension benefit liability adjustment	(643,336)	(2,810,274)
Other benefits liability adjustment	(1,046,424)	(339,333)
Change in operating assets and liabilities		
Accounts receivable	30,903	(1,063,282)
Other receivables	(53,266)	(57,983)
Other assets	(4,497,791)	(595,906)
Unrecovered development costs	4,792,039	468,763
Accounts payable and accrued expenses	(156,241)	218,064
Retainage payable	(10,822)	(397,255)
Other liabilities	 (7,183)	 259,403
Net cash from operating activities	 14,431,829	 12,313,826
Cash flows from investing activities		
Purchase of investments	(88,561,983)	(77,744,920)
Sale of investments	69,242,212	59,088,970
Sale of equipment	500	44,104
Purchase of building improvements and equipment	 (160,719)	 (186,566)
Net cash from investing activities	 (19,479,990)	 (18,798,412)
Net change in cash and cash equivalents	(5,048,161)	(6,484,586)
Cash and cash equivalents at beginning of year	 16,967,190	 23,451,776
Cash and cash equivalents at end of year	\$ 11,919,029	\$ 16,967,190
Supplementary Non-Cash Information		
Disposal of fully depreciated buildings and equipment	\$ 3,161	\$ 280,114

### NOTES TO CONSOLIDATED 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, grave, crypt and niche sales for the next 50 to 75 years.

Friends of The Kensico Cemetery, Inc. ("Friends") was formed as a New York not-for-profit membership corporation with the Cemetery as the sole member. Friends is qualified as a taxexempt organization under Section 501(c)(3) of the Internal Revenue Code. Friends' primary purpose is to promote and advance the welfare of the Cemetery. During 2021, there were no significant activities conducted by the Friends.

The accompanying consolidated financial statements include the accounts of the Cemetery and the Friends (collectively, "The Kensico Cemetery").

### Principles of Consolidation

Accounting principles generally accepted in the United States of America ("U.S. GAAP") require all organizations over which the Cemetery has both control and an economic interest to be accounted for as consolidated affiliates. All significant intercompany balances and transactions have been eliminated in consolidation.

### Basis of Accounting and Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Net Asset Presentation

Net assets that are not subject to donor-imposed restrictions or restricted by state law may be expended for any purpose in performing the primary objectives of The Kensico Cemetery. Net assets with donor restrictions are subject to stipulations imposed by the donors. Donor restrictions are temporary in nature, satisfied by the passage of time or may be held in perpetuity. The Kensico Cemetery does not have net assets with donor imposed restrictions.

### 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.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

### 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.

### 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 burial rights are sold.

### Income Taxes

The Cemetery's tax-exempt status was judicially determined by the United States Board of Tax Appeals in <u>The Kensico Cemetery v. Commissioner of the Internal Revenue</u> 35 B.T.A. 498 (1936). This decision was affirmed on appeal in <u>Commissioner of Internal Revenue v.</u> <u>Kensico Cemetery</u> 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.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

### **Revenue Recognition (continued)**

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.

### 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, crypts 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.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

**The Declaratory Maintenance Fund** - was established in 1934 as provided in the judgment in an action in the Supreme Court, Westchester County, entitled <u>The Kensico Cemetery</u>, <u>plaintiff against William H. Lyon, et al, defendants</u>. 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.

### 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 estimates 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 to the activity receiving the benefit.

### Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2022 and 2021, approximated \$424,000 and \$382,000.

### 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 May 26, 2023.

### 2. Buildings and Equipment

Buildings and equipment at December 31 consisted of the following:

	2022	2021
Maintenance building	\$ 1,104,463	\$ 1,089,287
Mausoleum building and land	428,975	414,734
Water tower	513,011	493,374
Administration building	998,062	987,787
Land improvements	839,058	839,058
Water system	161,246	154,588
Machinery and equipment	1,490,488	1,405,987
Office furniture and fixtures	471,903	464,833
Automobiles and trucks	531,801	531,801
	6,539,007	6,381,449
Accumulated depreciation	(4,740,717)	(4,466,161)
	\$ 1,798,290	<u>\$ 1,915,288</u>

### NOTES TO CONSOLIDATED 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). One family member of an officer of the Cemetery provided 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 for the years ended December 31:

	2022	2021
Landscaping and supplies	\$ 57,447	\$ 137,529
Legal services	2,369	2,275
COVID screening services	-	30,275
Investment management fees	303,432	307,769
	<u>\$ 363,248</u>	\$ 477,848

### 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, other than the General Fund account managed by Fenimore Asset Management, Inc. ("Fenimore") described below, 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. The General Fund account managed by Fenimore is an exclusively Small-Cap and Mid-Cap equity portfolio with the Investment Manager having the discretion to allocate portions of the portfolio between these two asset classes as it deems fit. 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.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 5. Investments (Continued)

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

	2022	2021
Level 1 (Quoted Prices in Active Markets		
for Identical Assets )		
Equities		
US common stock	\$161,863,261	\$198,541,709
US small cap funds	9,639,932	14,435,810
US mid cap funds	12,916,676	11,783,488
US large cap funds	-	525,292
Internationally developed	12,889,420	16,272,746
Emerging markets / growth	5,072,865	9,670,245
Select dividend funds	759,539	570,043
High dividend yield funds	2,277,820	571,761
Value funds	1,141,375	-
Commodities Index Trust	955,350	769,950
US Treasury bills and notes	35,292,448	27,316,147
	242,808,686	280,457,191
Level 2 (Other Observable Inputs)		
Corporate bonds	48,533,953	50,127,204
US government agency obligations	2,043,800	851,407
	50,577,753	50,978,611
	\$293,386,439	\$331,435,802

The Cemetery's investment return is summarized as follows:

Year ended December 31, 2022:

	General Fund	Bequest and Endow Principal Fund	Bequest and Endow Surplus Income Fund	Permanent Maintenance Fund	Declaratory Maintenance Fund	Total
Dividends and interest, net of fees Fees chargable to principal Net realized and unrealized losses	\$ 2,609,264 (8,949,096)	\$	\$ 1,130,180 (382,809)	\$ 1,221,349 (125,254) (10,350,590)	\$ 2,882,545 (25,883,968)	\$ 7,843,338 (246,006) (57,369,134)
Total Return on Investments	(6,339,832)	(11,923,423)	747,371	(9,254,495)	(23,001,423)	(49,771,802)
Investment return designated for current operations	(6,339,832)	<u> </u>	1,130,180	1,221,349	364,100	(3,624,203)
Investment Return in Excess of Amounts Designated for Current Operations	<u>\$</u>	<u>\$ (11,923,423</u> )	<u>\$ (382,809)</u>	<u>\$ (10,475,844</u> )	<u>\$ (23,365,523</u> )	<u>\$ (46,147,599)</u>

### THE KENSICO CEMETERY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

### 5. Investments (Continued)

Year ended December 31, 2021:

General Fund	Bequest and Endow Principal Fund	Bequest and Endow Surplus Income Fund	Permanent Maintenance Fund	Declaratory Maintenance Fund	Total
\$ 2,717,770	\$-	\$ 1,021,450	\$ 1,141,255	\$ 2,897,210	\$ 7,777,685
	(126,463)	-	(127,040)		(253,503)
7,446,865	6,098,250	(130,356)	6,625,892	24,336,784	44,377,435
10,164,635	5,971,787	891,094	7,640,107	27,233,994	51,901,617
10,164,635	<u> </u>	1,021,450	1,141,255	332,600	12,659,940
¢	¢ 5071787	¢ (120.256)	¢ 6 /08 852	¢ 26.001.30 <i>1</i>	¢ 30 2/1 677
	General Fund \$ 2,717,770 - 7,446,865 10,164,635 10,164,635 \$ -	Bequest and Endow Principal Fund         Endow Principal Fund           \$ 2,717,770         \$ - (126,463)           7,446,865         6,098,250           10,164,635         5,971,787           10,164,635         -           \$ -         \$ 5,971,787	Bequest and Fund         Bequest and Endow Principal Fund         Bequest and Endow Surplus Income Fund           \$ 2,717,770         \$ -         \$ 1,021,450           -         (126,463)         -           7,446,865         6,098,250         (130,356)           10,164,635         5,971,787         891,094           10,164,635         -         1,021,450           \$ 1,021,450         -         (130,356)           \$ 10,164,635         5,971,787         891,094           \$ 1,021,450         -         1,021,450           \$ 1,021,450         -         1,021,450	Bequest and Fund         Bequest and Endow Principal Fund         Bequest and Endow Surplus Income Fund         Permanent Maintenance Fund           \$ 2,717,770         \$ -         \$ 1,021,450         \$ 1,141,255           -         (126,463)         -         \$ 1,021,450         \$ 1,141,255           -         (126,463)         -         \$ 6,625,892           10,164,635         5,971,787         891,094         7,640,107           10,164,635         -         1,021,450         1,141,255           \$ -         \$ 5,971,787         891,094         7,640,107           \$ -         \$ 5,971,787         \$ (130,356)         \$ 6,498,852	Bequest and Fund         Bequest and Endow Principal Fund         Bequest and Endow Surplus Income Fund         Permanent Maintenance Fund         Declaratory Maintenance Fund           \$ 2,717,770         \$ -         \$ 1,021,450         \$ 1,141,255         \$ 2,897,210           -         (126,463)         -         (127,040)         -           -         6,098,250         (130,356)         6,625,892         24,336,784           10,164,635         5,971,787         891,094         7,640,107         27,233,994           10,164,635         -         1,021,450         1,141,255         332,600           \$         -         \$ 5,971,787         \$ (130,356)         \$ 6,498,852         \$ 26,901,394

The Bequest and Endowment Principal Fund earned dividends and interest, net of fees, totaling \$1,061,695 and \$954,883 that were transferred to the Bequest and Endowment Surplus Income Fund in 2022 and 2021.

Custodian and investment advisory fees of \$1,030,781 and \$1,015,590 were paid during 2022 and 2021, of which \$784,775 and \$762,087 were charged to income and \$246,006 and \$253,503 were charged to principal in 2022 and 2021. The percentage charged to principal in the Bequest and 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.

### NOTES TO CONSOLIDATED 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			
	2022	2021		2022		2021
Projected Benefit obligation at December 31 Fair value of plan assets at December 31	\$ 12,861,667 17,157,798	\$ 16,985,958 19,648,029	\$	2,910,649 -	\$	3,787,718
Funded status	\$ 4,296,131	\$ 2,662,071	\$	(2,910,649)	\$	(3,787,718)
Accrued benefit cost recognized in the statement of financial position	\$ 4,296,131	\$ 2,662,071	\$	(2,910,649)	\$	(3,787,718)
Accumulated benefit obligation	12,010,628	15,746,739		2,910,649		3,787,718
Net periodic benefit cost (credit) recognized in the statement of activities Amortization of amounts previously not	(290,724)	193,654		266,355		336,210
recognized as a component of net periodic benefit cost Employer contribution to plan during the year Benefits paid during the year	275,346 700,000 591,858	621,732 700,000 576,036		112,332 97,000 97,000		151,070 112,143 112,143
Expected employer contributions to plan in 2022	700,000	,		207,851		,
Weighted-average assumption of accumulated benefit obligation as of December 31	4.050/	0.550/				0.550/
Discount rate Expected return on plan assets Rate of compensation increase	4.95% 7.00% 3.00%	2.55% 7.00% 3.00%		4.94% N/A N/A		2.55% N/A N/A
Weighted-average assumption of net periodic cost 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

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

The table below reflects the amounts recognized within the General Fund's 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 Benefits		
	2022	2021	2022	2021	
Unrecognized actuarial (gain) loss Unrecognized prior service cost	\$ 3,448,882 5,933	\$ 4,067,506 30,645	\$ (425,083) <u>12,992</u>	\$ 531,698 102,635	
	\$ 3,454,815	\$ 4,098,151	<u>\$ (412,091</u> )	\$ 634,333	

The table below reflects the amounts recognized within the General Fund's net assets without donor restrictions arising from the Plans at December 31, 2022 that are expected to be recognized in net periodic benefit cost during the year ending December 31, 2023.

	F E	Pension Benefits	Other Benefits		
Unrecognized actuarial loss Unrecognized prior service cost	\$	219,103 5,933	\$	22,079 12,992	
	\$	225,036	\$	35,071	

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

Year	Pension Benefits	Other Benefits	
2023	\$ 848,017	\$ 207,851	
2024	848,800	205,563	
2025	862,647	203,658	
2026	862,118	199,052	
2027	853,443	196,130	
2028 - 2032	4,255,853	964,624	

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.

### NOTES TO CONSOLIDATED 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:

	2022	2021
Level 1 (Quoted Prices in Active Markets for Identical Assets )		
Cash equivalent	\$ 409,720	\$ 305,743
Equities - Exchange traded funds	9,345,000	11,481,987
US Treasury notes	4,489,559	4,473,921
Total Level 1 Assets	14,244,279	16,261,651
Level 2 (Other Observable Inputs)		
Corporate bonds	2,913,519	3,386,378
	\$ 17,157,798	\$ 19,648,029

### 7. Commitments and Contingencies

### The Garden Mausoleum at Montross Pond

In 2016, the Cemetery began construction of the Garden Mausoleum containing 732 crypt spaces and 2,028 niche spaces. Construction was completed in 2022 with a total cost of \$4,717,730 that will be recovered as the burial rights in crypts and niches are sold. The sale of the burial rights in crypts and niches within the Garden Mausoleum commenced in June 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.

### NOTES TO CONSOLIDATED 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 \$60 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 \$62 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:

	2022	2021
Cash and cash equivalents	\$ 7,475,873	\$ 9,539,594
Accounts and other receivables due within one year	1,050,000	664,000
Accrued investment income receivable	605,700	515,000
Investments	58,829,430	57,122,726
Financial assets at year end available to meet cash		
needs for general expenditures within one year	\$67,961,003	\$67,841,320

### 9. Risks and Uncertainties

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect investment balances and amounts reported in the consolidated statements of financial position.

The effects of economic and market conditions subsequent to December 31, 2022 are not reflected in these consolidated financial statements.

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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