



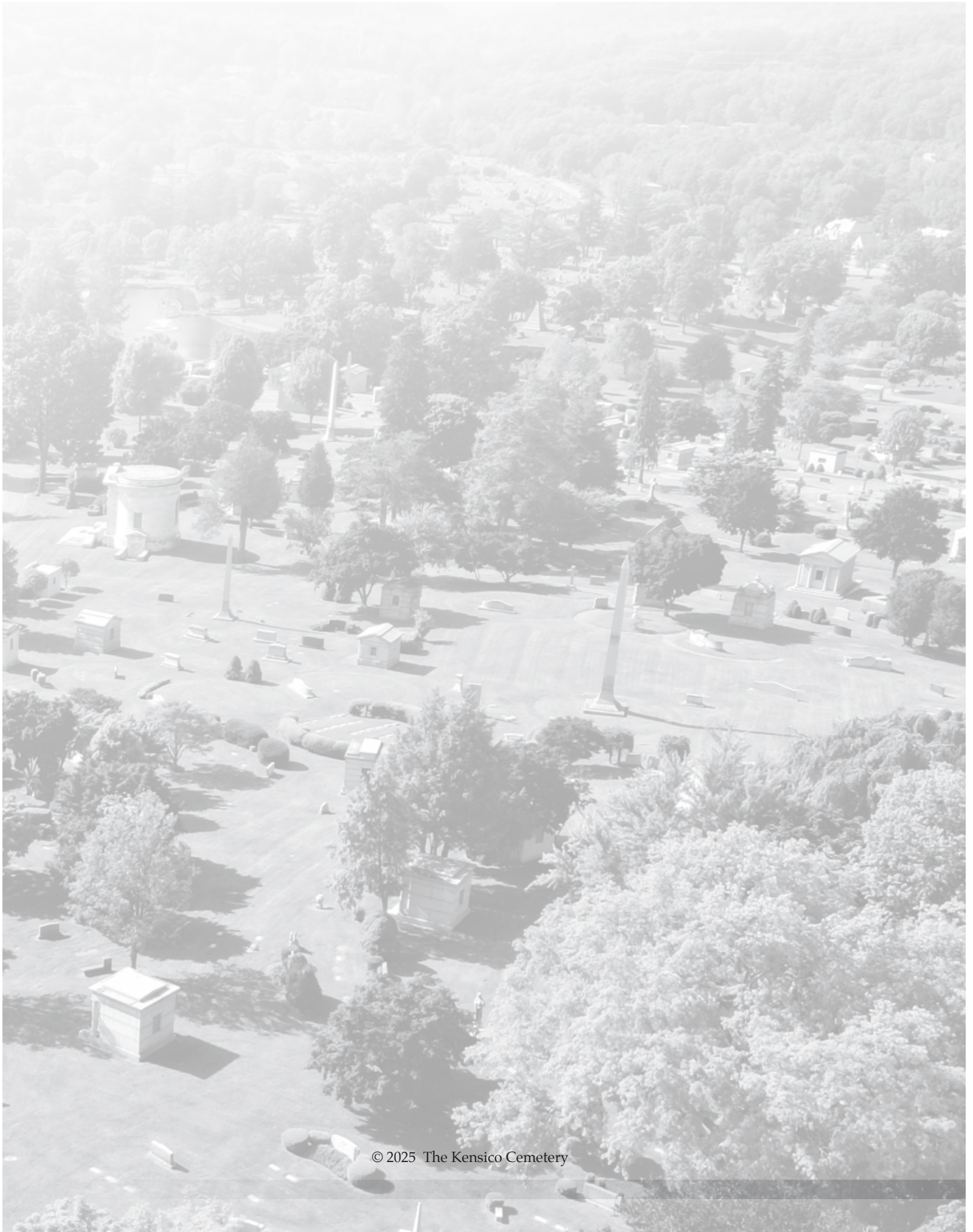
KENSICO

Service and Care Since 1889



The Kensico Cemetery Arboretum: An Invitation
Consolidated Financial Statements 2024

THE KENSICO CEMETERY · ANNUAL REPORT 2024



**THE KENSICO CEMETERY
AND AFFILIATE
CONSOLIDATED
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

**Board of Directors
The Kensico Cemetery and Affiliate**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Kensico Cemetery and Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, 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 Organization as of December 31, 2024 and 2023, 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 Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Organization's ability to continue as a going concern within one year after the date that the consolidated 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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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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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

May 28, 2025

THE KENSICO CEMETERY AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

Assets

	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
Cash and cash equivalents	\$ 11,930,658	\$ 1,047,204	\$ 25,282	\$ 1,464,771	\$ 3,322,215	\$ 17,790,130	\$ 36,850	\$ 17,826,980
Investments	87,227,822	67,997,118	3,826,118	84,976,511	158,424,099	402,451,668	-	402,451,668
Accounts receivable	2,273,682	-	-	-	-	2,273,682	-	2,273,682
Other receivables	1,667,965	-	-	-	-	1,667,965	-	1,667,965
Other assets	6,029,394	-	-	-	-	6,029,394	-	6,029,394
Interfund receivable (payable)	(3,068,195)	(414,294)	221,533	658,098	2,631,183	28,325	(28,325)	-
Over funded pension benefit obligation	8,628,900	-	-	-	-	8,628,900	-	8,628,900
Buildings and equipment, net	2,598,208	-	-	-	-	2,598,208	-	2,598,208
Total assets	\$ 117,288,434	\$ 68,630,028	\$ 4,072,933	\$ 87,099,380	\$ 164,377,497	\$ 441,468,272	\$ 8,525	\$ 441,476,797

Liabilities and Net Assets

Liabilities								
Accounts payable and accrued expenses	\$ 1,873,438	\$ -	\$ -	\$ -	\$ -	\$ 1,873,438	\$ 1,456	\$ 1,874,894
Other liabilities	1,043,651	-	-	-	-	1,043,651	-	1,043,651
Unfunded other benefits	2,750,825	-	-	-	-	2,750,825	-	2,750,825
Total liabilities	5,667,914	-	-	-	-	5,667,914	1,456	5,669,370
Net assets								
Undesignated, without donor restrictions	111,620,520	-	-	-	-	111,620,520	2,069	111,622,589
Restricted by law	-	68,630,028	4,072,933	87,099,380	164,377,497	324,179,838	-	324,179,838
With donor restrictions	-	-	-	-	-	-	5,000	5,000
Total net assets	111,620,520	68,630,028	4,072,933	87,099,380	164,377,497	435,800,358	7,069	435,807,427
Total liabilities and net assets	\$ 117,288,434	\$ 68,630,028	\$ 4,072,933	\$ 87,099,380	\$ 164,377,497	\$ 441,468,272	\$ 8,525	\$ 441,476,797

See notes to consolidated financial statements.

THE KENSICO CEMETERY AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	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
<u>Assets</u>								
Cash and cash equivalents	\$ 9,784,764	\$ 674,293	\$ 32,152	\$ 3,891,093	\$ 4,490,473	\$ 18,872,775	\$ 2,110	\$ 18,874,885
Investments	72,268,981	61,808,547	3,824,135	70,668,707	132,550,483	341,120,853	-	341,120,853
Accounts receivable	4,432,302	-	-	-	-	4,432,302	-	4,432,302
Other receivables	875,100	-	-	-	-	875,100	-	875,100
Other assets	5,816,410	-	-	-	-	5,816,410	-	5,816,410
Interfund receivable (payable)	(1,575,323)	(105,683)	63,374	(142,314)	1,762,544	2,598	(2,598)	-
Over funded pension benefit obligation	5,932,767	-	-	-	-	5,932,767	-	5,932,767
Unrecovered development costs	188,148	-	-	-	-	188,148	-	188,148
Buildings and equipment, net	2,356,953	-	-	-	-	2,356,953	-	2,356,953
Total assets	\$100,080,102	\$ 62,377,157	\$ 3,919,661	\$ 74,417,486	\$138,803,500	\$379,597,906	\$ (488)	\$379,597,418
<u>Liabilities and Net Assets</u>								
<u>Liabilities</u>								
Accounts payable and accrued expenses	\$ 1,720,539	\$ -	\$ -	\$ -	\$ -	\$ 1,720,539	\$ -	\$ 1,720,539
Other liabilities	1,611,763	-	-	-	-	1,611,763	-	1,611,763
Unfunded other benefits	2,427,276	-	-	-	-	2,427,276	-	2,427,276
Total liabilities	5,759,578	-	-	-	-	5,759,578	-	5,759,578
<u>Net assets (deficit)</u>								
Undesignated, without donor restrictions	94,320,524	-	-	-	-	94,320,524	(488)	94,320,036
Restricted by law	-	62,377,157	3,919,661	74,417,486	138,803,500	279,517,804	-	279,517,804
Total net assets (deficit)	94,320,524	62,377,157	3,919,661	74,417,486	138,803,500	373,838,328	(488)	373,837,840
Total liabilities and net assets (deficit)	\$100,080,102	\$ 62,377,157	\$ 3,919,661	\$ 74,417,486	\$138,803,500	\$379,597,906	\$ (488)	\$379,597,418

See notes to consolidated financial statements.

THE KENSICO CEMETERY AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions				Friends of The Kensico Cemetery, Inc.			
	Bequest and Endowment Principal Fund	Bequest and Endowment Surplus Income Fund	Permanent Maintenance Fund	Declaratory Maintenance Fund	Total Cemetery Funds	Without Donor Restrictions	With Donor Restrictions	Total Friends of The Kensico Cemetery, Inc.
Support and revenue								
Lot, grave, crypt and niche sales	\$ 20,350,340	\$ -	\$ -	\$ -	\$ 20,350,340	\$ -	\$ -	\$ 20,350,340
Transfers and reserves	(8,960,641)	-	3,460,173	-	(5,500,468)	-	-	(5,500,468)
Service department receipts	5,127,751	-	-	-	5,127,751	-	-	5,127,751
Investment return designated for current operations	10,648,762	-	1,439,641	449,500	14,211,347	-	-	14,211,347
Bequests and endowments received	-	539,992	-	-	539,992	-	-	539,992
Statutory contribution	-	-	-	-	70,560	-	-	70,560
Other	54,139	-	350	-	54,489	69,960	5,000	115,291
Total support and revenue from operations	27,220,351	539,992	1,439,641	449,500	34,854,011	69,960	5,000	74,960
Interfund transfers	3,405,769	-	(1,673,444)	(449,500)	-	-	-	-
Total support and revenue recognized	30,626,120	539,992	3,531,083	-	34,854,011	69,960	5,000	74,960
Expenses								
Program services	8,413,356	-	-	-	8,413,356	32,302	-	8,438,508
Supporting services	6,835,946	-	-	-	6,835,946	35,101	-	6,863,039
Total expenses from operations	15,249,302	-	-	-	15,249,302	67,403	-	15,302,547
Increase in net assets from operations before investment return and other changes	15,376,818	539,992	156,816	-	19,604,709	2,557	5,000	19,612,266
Investment return in excess (deficit) of amounts designated for current operations	-	5,712,879	(3,544)	25,573,997	40,434,143	-	-	40,434,143
Increase in net assets before other changes	15,376,818	6,252,871	153,272	25,573,997	60,038,852	2,557	5,000	60,046,409
Other changes								
Pension benefit liability adjustment	1,702,158	-	-	-	1,702,158	-	-	1,702,158
Other benefits liability adjustment	(340,350)	-	-	-	(340,350)	-	-	(340,350)
Other components of net periodic pension cost	574,521	-	-	-	574,521	-	-	574,521
Other components of net periodic postretirement cost	(13,151)	-	-	-	(13,151)	-	-	(13,151)
Change in net assets	17,299,996	6,252,871	153,272	25,573,997	61,962,030	2,557	5,000	61,969,587
Net assets (deficit) at beginning of year	94,320,524	62,377,157	3,919,661	138,803,500	373,838,328	(488)	-	373,837,840
Net assets at end of year	\$ 111,620,520	\$ 68,630,028	\$ 4,072,933	\$ 164,377,497	\$ 435,800,358	\$ 2,069	\$ 5,000	\$ 435,807,427

See notes to consolidated financial statements.

THE KENSICO CEMETERY AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	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	Eliminations	Total
Support and revenue									
Lot, grave, crypt and niche sales	\$ 21,712,040	\$ -	\$ -	\$ -	\$ -	\$ 21,712,040	\$ -	\$ -	\$ 21,712,040
Transfers and reserves	(9,735,476)	-	-	2,759,737	-	(6,975,739)	-	-	(6,975,739)
Service department receipts	4,756,719	-	-	-	-	4,756,719	-	-	4,756,719
Investment return designated for current operations	11,514,858	-	1,318,594	1,549,752	405,200	14,788,404	-	-	14,788,404
Bequests and endowments received	-	289,076	-	-	-	289,076	-	-	289,076
Statutory contribution	-	-	-	72,345	-	72,345	-	-	72,345
Other	15,762	-	-	100	-	15,862	1,235	-	17,097
Total support and revenue	28,263,903	289,076	1,318,594	4,381,934	405,200	34,658,707	1,235	-	34,659,942
Interfund transfers	3,114,661	-	(1,159,709)	(1,549,752)	(405,200)	-	-	-	-
Total support and revenue recognized	31,378,564	289,076	158,885	2,832,182	-	34,658,707	1,235	-	34,659,942
Expenses									
Program services	7,655,047	-	-	-	-	7,655,047	735	-	7,655,782
Supporting services	6,600,015	-	-	-	-	6,600,015	6,007	-	6,606,022
Total expenses	14,255,062	-	-	-	-	14,255,062	6,742	-	14,261,804
Increase (decrease) in net assets without donor restrictions from operations before investment return and other changes	17,123,502	289,076	158,885	2,832,182	-	20,403,645	(5,507)	-	20,398,138
Investment return in excess of amounts designated for current operations	-	5,411,678	85,536	8,171,410	23,576,289	37,244,913	-	-	37,244,913
Increase (decrease) in net assets without donor restrictions before other changes	17,123,502	5,700,754	244,421	11,003,592	23,576,289	57,648,558	(5,507)	-	57,643,051
Other changes									
Pension benefit liability adjustment	835,443	-	-	-	-	835,443	-	-	835,443
Other benefits liability adjustment	444,869	-	-	-	-	444,869	-	-	444,869
Other components of net periodic pension cost	326,001	-	-	-	-	326,001	-	-	326,001
Other components of net periodic postretirement cost	(22,498)	-	-	-	-	(22,498)	-	-	(22,498)
Change in net assets without donor restrictions	18,707,317	5,700,754	244,421	11,003,592	23,576,289	59,232,373	(5,507)	-	59,226,866
Net assets without donor restrictions at beginning of year	75,613,207	56,676,403	3,675,240	63,413,894	115,227,211	314,605,955	5,019	-	314,610,974
Net assets (deficit) without donor restrictions at end of year	\$ 94,320,524	\$ 62,377,157	\$ 3,919,661	\$ 74,417,486	\$ 138,803,500	\$ 373,838,328	\$ (488)	\$ -	\$ 373,837,840

See notes to consolidated financial statements.

THE KENSICO CEMETERY AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Program Services					Supporting Services					Total		
	Interments	Lot Care	Foundations	Friends of The Kensico Cemetery		Security & Maintenance	Administration	Cemetery					
				Cemetery Total	Total			Sales	Total				
Compensation	\$ 126,877	\$ 341,534	\$ 57,313	\$ 525,724	\$ -	\$ 525,724	\$ -	\$ 414,700	\$ 403,605	\$ 818,305	\$ -	\$ 818,305	\$ 1,344,029
Officers and directors	239,833	152,735	90,382	482,950	-	482,950	-	483,226	282,479	765,705	-	765,705	1,248,655
Office	2,726,396	575,432	251,263	3,553,091	-	3,553,091	472,509	-	79,962	552,471	-	552,471	4,105,562
Ground crew	-	-	-	-	-	-	-	-	984,821	984,821	-	984,821	984,821
Salespersons	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll taxes and related expenses	1,313,697	429,161	173,224	1,916,082	-	1,916,082	196,224	298,259	678,604	1,173,087	-	1,173,087	3,089,169
Total salaries, wages and related expenses	4,406,803	1,498,862	572,182	6,477,847	-	6,477,847	688,733	1,196,185	2,429,471	4,294,389	-	4,294,389	10,772,236
Repairs and replacement	8,745	3,073	2,408	14,226	-	14,226	13,693	-	959	14,652	-	14,652	28,878
Postage	1,314	1,183	-	2,497	-	2,497	-	32,272	1,932	34,204	-	34,204	36,701
Telephone	3,316	2,985	-	6,301	-	6,301	225	3,343	3,705	7,273	1	7,274	13,575
Supplies	107,718	102,313	86,988	297,019	60	297,079	124,654	62,452	31,146	218,252	-	218,252	515,331
Automobile operations	65,672	17,303	8,565	91,540	-	91,540	7,150	-	3,039	10,189	-	10,189	101,729
Professional fees	12,519	12,519	-	25,038	-	25,038	-	83,504	12,519	96,023	104	96,127	121,165
Dues and subscriptions	5,529	-	-	5,529	-	5,529	-	15,874	-	15,874	-	15,874	21,403
Depreciation and amortization	83,889	25,203	40,616	149,708	-	149,708	176,694	9,970	19,169	205,833	-	205,833	355,541
Outside services	22,946	810,510	249,478	1,082,934	6,540	1,089,474	297,993	202,518	112,282	612,793	7,629	620,422	1,709,896
Advertising costs	-	-	-	-	-	-	-	-	412,246	412,246	-	412,246	412,246
Other	140,391	120,326	-	260,717	25,702	286,419	100	430,981	483,137	914,218	27,367	941,585	1,228,004
Total functional expenses	4,858,842	2,594,277	960,237	8,413,356	32,302	8,445,658	1,289,242	2,037,099	3,509,605	6,835,946	35,101	6,871,047	15,316,705
Less inter-company eliminations	(455)	(455)	-	(910)	(5,240)	(6,150)	-	-	(2,500)	(2,500)	(5,508)	(8,008)	(14,158)
Total expenses	\$ 4,858,387	\$ 2,593,822	\$ 960,237	\$ 8,412,446	\$ 27,062	\$ 8,439,508	\$ 1,289,242	\$ 2,037,099	\$ 3,507,105	\$ 6,833,446	\$ 29,593	\$ 6,863,039	\$ 15,302,547

See notes to consolidated financial statements.

THE KENSICO CEMETERY AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services						Total		
	Interments	Lot Care	Foundations	Cemetery Total	Friends of The Kensico Cemetery	Total	Security & Maintenance	Admini- stration	Cemetery			Friends of The Kensico Cemetery	
									Sales	Total			
Compensation													
Officers and directors	\$ 110,353	\$ 310,511	\$ 49,128	\$ 469,992	\$ -	\$ 469,992	\$ -	\$ 410,501	\$ 642,816	\$ 1,053,317	\$ -	\$ 1,053,317	\$ 1,523,309
Office	244,271	126,840	66,779	437,890	-	437,890	-	414,396	223,924	638,320	-	638,320	1,076,210
Ground crew	2,626,593	535,752	209,188	3,371,533	-	3,371,533	450,988	-	66,026	517,014	-	517,014	3,888,547
Salespersons	-	-	-	-	-	-	-	-	890,000	890,000	-	890,000	890,000
Payroll taxes and related expenses	1,231,331	374,930	138,931	1,745,192	-	1,745,192	181,231	261,140	701,495	1,143,866	-	1,143,866	2,889,058
Total salaries, wages and related expenses	4,212,548	1,348,033	464,026	6,024,607	-	6,024,607	632,219	1,086,037	2,524,261	4,242,517	-	4,242,517	10,267,124
Repairs and replacement	3,668	2,958	5,054	11,680	-	11,680	22,776	-	1,098	23,874	-	23,874	35,554
Postage	5,179	4,661	-	9,840	-	9,840	-	33,691	5,909	39,600	-	39,600	49,440
Telephone	4,836	4,353	-	9,189	-	9,189	222	4,902	5,380	10,504	7	10,511	19,700
Supplies	122,872	88,293	86,747	297,912	735	298,647	123,226	58,958	26,525	208,709	-	208,709	507,356
Automobile operations	49,875	9,430	14,035	73,340	-	73,340	6,569	-	1,153	7,722	-	7,722	81,062
Professional fees	12,176	12,176	-	24,352	-	24,352	-	88,793	12,176	100,969	-	100,969	125,321
Dues and subscriptions	12,000	-	-	12,000	-	12,000	-	15,674	-	15,674	-	15,674	27,674
Depreciation and amortization	88,251	28,264	17,425	133,940	-	133,940	147,877	11,985	17,877	177,739	-	177,739	311,679
Outside services	19,891	810,337	275	830,503	-	830,503	314,189	259,930	110,611	684,730	6,000	690,730	1,521,233
Advertising costs	-	-	-	-	-	-	-	-	391,545	391,545	-	391,545	391,545
Other	121,635	106,049	-	227,684	-	227,684	100	316,864	379,468	696,432	-	696,432	924,116
Total expenses	\$ 4,652,931	\$ 2,414,554	\$ 587,562	\$ 7,655,047	\$ 735	\$ 7,655,782	\$ 1,247,178	\$ 1,876,834	\$ 3,476,003	\$ 6,600,015	\$ 6,007	\$ 6,606,022	\$ 14,261,804

See notes to consolidated financial statements.

THE KENSICO CEMETERY AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 61,969,587	\$ 59,226,866
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized gain on investments	(16,310,031)	(12,767,408)
Net unrealized gain on investments	(27,445,221)	(29,806,187)
Realized (gain) loss on disposal of assets	(296)	11,721
Depreciation and amortization	355,541	311,679
Pension benefit liability adjustment	(1,702,158)	(835,443)
Other benefits liability adjustment	340,350	(444,869)
Change in operating assets and liabilities		
Accounts receivable	2,158,620	(2,599,710)
Other receivables	(792,865)	(202,751)
Other assets	(1,223,760)	(795,519)
Unrecovered development costs	188,148	(53,701)
Accounts payable and accrued expenses	154,355	242,613
Other liabilities	(568,112)	711,447
Net cash from operating activities	<u>17,124,158</u>	<u>12,998,738</u>
Cash flows from investing activities		
Purchase of investments	(131,771,676)	(96,914,774)
Sale of investments	114,196,113	91,753,955
Sale of equipment	296	15,500
Purchase of building improvements and equipment	(596,796)	(897,563)
Net cash from investing activities	<u>(18,172,063)</u>	<u>(6,042,882)</u>
Net change in cash and cash equivalents	(1,047,905)	6,955,856
Cash and cash equivalents at beginning of year	<u>18,874,885</u>	<u>11,919,029</u>
Cash and cash equivalents at end of year	<u>\$ 17,826,980</u>	<u>\$ 18,874,885</u>

See notes to consolidated financial statements.

THE KENSICO CEMETERY AND AFFILIATE

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 35 to 60 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 tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Friends' primary purpose is to promote and advance the welfare of the Cemetery and to promote the programs and operations of tax-exempt organizations operating within Westchester County, New York.

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

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 Organization. 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. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

THE KENSICO CEMETERY AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

1. Statement of Purpose and Accounting Policies (Continued)

Cash and Cash Equivalents

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

Accounts Receivable and Allowance for Expected Credit Losses

An allowance for uncollectible receivables has not been established as the Cemetery has the requirement that all balances be paid in full before an interment can take place, no deed is issued until payment in full is received and the sale of burial rights can be cancelled and the burial rights resold if payment is not made when due. For this same reason, the Cemetery has not recognized an allowance for credit losses.

Fair Value of Measurements of Financial Instruments

The Organization 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. Pursuant to U.S. GAAP guidance, alternative investments where fair value is measured using the Net Asset Value ("NAV") as a practical expedient for fair value are not categorized within the fair value hierarchy.

Investments and Investment Income Recognition

Investments are carried at fair value. The fair value of alternative investments has been estimated using the NAV as reported by the management of the respective alternative investment fund. U.S. GAAP guidance provides for the use of NAV as a "Practical Expedient" for estimating fair value of alternative investments. 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

THE KENSICO CEMETERY AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

1. Statement of Purpose and Accounting Policies (Continued)

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 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. Friends' tax-exempt status was determined by the Internal Revenue Service to be effective September 21, 2020 under Internal Revenue Code Section 501 (c) (3). Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure.

Revenue Recognition

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

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

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

THE KENSICO CEMETERY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

1. Statement of Purpose and Accounting Policies (Continued)

Funds

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

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

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

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

The Permanent Maintenance Fund - was established in 1949 as provided by New York State law. Effective July 1, 1992, the fund receives 15% of the gross proceeds from the sale of all lots, graves, 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.

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 AND AFFILIATE

NOTES TO CONSOLIDATED 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 estimates of time and effort and other expenses that are allocated between program services which include interments, lot care, and foundations and supporting services which include security, maintenance, administration and sales to the activity receiving the benefit. Supporting services for Friends include administrative and fundraising expenses.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2024 and 2023, approximated \$412,000 and \$392,000.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is May 28, 2025.

2. Buildings and Equipment

Buildings and equipment at December 31 consisted of the following:

	2024	2023
Maintenance building	\$ 1,383,679	\$ 1,191,476
Mausoleum building and land	443,493	445,812
Water tower	513,011	513,011
Administration building	1,269,271	1,326,012
Land improvements	839,058	839,058
Water system	164,868	164,868
Machinery and equipment	1,867,271	1,745,196
Office furniture and fixtures	421,085	495,918
Automobiles and trucks	612,155	603,750
	<u>7,513,891</u>	<u>7,325,101</u>
Accumulated depreciation	<u>(4,915,683)</u>	<u>(4,968,148)</u>
	<u>\$ 2,598,208</u>	<u>\$ 2,356,953</u>

THE KENSICO CEMETERY AND AFFILIATE

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). 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:

	2024	2023
Landscaping and supplies	\$ 110,317	\$ 89,271
Legal services	4,389	4,135
Investment management fees	371,454	311,885
	<u>\$ 486,160</u>	<u>\$ 405,291</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 with no more than 10% of the total Declaratory Maintenance Fund committed to Private Equity Funds; 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 Investment 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.

THE KENSICO CEMETERY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

5. Investments (Continued)

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

	2024	2023
<i>Level 1 (Quoted Prices in Active Markets for Identical Assets)</i>		
Equities		
US common stock	\$245,028,865	\$195,393,944
US small cap funds	9,454,927	10,631,973
US mid cap funds	15,822,569	15,470,614
US large cap funds	4,805,897	-
Internationally developed	17,589,184	15,551,327
Emerging markets / growth	4,590,198	6,221,013
Select dividend funds	-	738,252
High dividend yield funds	-	2,349,812
Value funds	-	1,424,716
Commodities index trust	-	902,700
US Treasury bills and notes	46,557,288	37,756,386
	<u>343,848,928</u>	<u>286,440,737</u>
<i>Level 2 (Other Observable Inputs)</i>		
Corporate bonds	55,077,436	52,401,208
US government agency obligations	1,648,649	1,217,117
	<u>56,726,085</u>	<u>53,618,325</u>
Total by Levels	400,575,013	340,059,062
Alternative investments	<u>1,876,655</u>	<u>1,061,791</u>
Total Investments	<u>\$ 402,451,668</u>	<u>\$ 341,120,853</u>

As discussed in Note 2, alternative investments that are measured using the practical expedient are not classified within the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

During 2023, the Cemetery invested in private equity limited partnerships within its Declaratory Maintenance Fund. Private equity limited partnerships are closed investment vehicles which provide for no liquidity or redemption option and are not readily marketable. Information regarding alternative investments valued at NAV using the practical expedient at December 31, is as follows:

	2024		2023	
	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Private equity fund	(a) \$ 1,071,154	\$ 1,010,000	\$ 674,320	\$ 1,370,000
Private equity investments	(b) 805,501	1,200,000	387,471	1,600,000
	<u>\$ 1,876,655</u>	<u>\$ 2,210,000</u>	<u>\$ 1,061,791</u>	<u>\$ 2,970,000</u>

THE KENSICO CEMETERY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

5. Investments (Continued)

The investment objective of the alternative investments is as follows:

- (a) The investment objective is to acquire, manage and dispose of investments in private equity funds that are focused on primarily making buyout and growth capital investments.
- (b) The investment objective is to generate a superior risk-adjusted return with a diversified portfolio of quality private equity managers focused on acquiring and guiding high-growth, cash-flow positive companies.

The Cemetery's investment return is summarized as follows:

Year ended December 31, 2024:

	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	\$ 4,263,672	\$ -	\$ 1,439,641	\$ 1,673,443	\$ 3,770,837	\$ 11,147,593
Fees chargeable to principal	-	(115,291)	-	(151,670)	-	(266,961)
Net realized and unrealized gain (loss)	6,385,090	5,828,170	(3,544)	9,302,482	22,252,660	43,764,858
Total Return on Investments	10,648,762	5,712,879	1,436,097	10,824,255	26,023,497	54,645,490
Investment return designated for current operations	10,648,762	-	1,439,641	1,673,444	449,500	14,211,347
Investment Return in Excess (Deficit) of Amounts Designated for Current Operations	\$ -	\$ 5,712,879	\$ (3,544)	\$ 9,150,811	\$ 25,573,997	\$ 40,434,143

Year ended December 31, 2023:

	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	\$ 3,360,564	\$ -	\$ 1,318,594	\$ 1,549,752	\$ 3,469,317	\$ 9,698,227
Fees chargeable to principal	-	(110,022)	-	(128,483)	-	(238,505)
Net realized and unrealized gain	8,154,294	5,521,700	85,536	8,299,893	20,512,172	42,573,595
Total Return on Investments	11,514,858	5,411,678	1,404,130	9,721,162	23,981,489	52,033,317
Investment return designated for current operations	11,514,858	-	1,318,594	1,549,752	405,200	14,788,404
Investment Return in Excess of Amounts Designated for Current Operations	\$ -	\$ 5,411,678	\$ 85,536	\$ 8,171,410	\$ 23,576,289	\$ 37,244,913

THE KENSICO CEMETERY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

5. Investments (Continued)

The Bequest and Endowment Principal Fund earned dividends and interest, net of fees, totaling \$1,337,032 and \$1,230,200 that were transferred to the Bequest and Endowment Surplus Income Fund in 2024 and 2023.

Custodian and investment advisory fees of \$1,227,545 and \$1,056,047 were paid during 2024 and 2023, of which \$960,584 and \$817,542 were charged to income and \$266,961 and \$238,505 were charged to principal in 2024 and 2023. 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.

THE KENSICO CEMETERY AND AFFILIATE
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	
	2024	2023	2024	2023
Projected Benefit obligation at December 31	\$ 13,298,082	\$ 13,538,153	\$ 2,750,825	\$ 2,427,276
Fair value of plan assets at December 31	<u>21,926,982</u>	<u>19,470,920</u>	<u>-</u>	<u>-</u>
Funded status	<u>\$ 8,628,900</u>	<u>\$ 5,932,767</u>	<u>\$ (2,750,825)</u>	<u>\$ (2,427,276)</u>
Accrued benefit cost recognized in the statement of financial position	\$ 8,628,900	\$ 5,932,767	\$ (2,750,825)	\$ (2,427,276)
Accumulated benefit obligation	12,576,613	12,671,145	2,750,825	2,427,276
Net periodic benefit cost (credit) recognized in the consolidated statement of activities	(293,975)	(101,193)	85,625	69,836
Amortization of amounts previously not recognized as a component of net periodic benefit cost	141,036	245,850	(93,724)	(88,064)
Employer contribution to plan during the year	700,000	700,000	102,426	108,340
Benefits paid during the year	697,891	680,189	102,426	108,340
Expected employer contributions to plan in 2025	450,000		202,153	
Weighted-average assumption of accumulated benefit obligation as of December 31				
Discount rate	5.45%	4.75%	5.40%	4.74%
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	4.75%	4.95%	4.74%	4.94%
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 AND AFFILIATE
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	
	2024	2023	2024	2023
Unrecognized actuarial loss (gain)	\$ 917,214	\$ 2,619,372	\$ (1,035,452)	\$ (856,960)
Unrecognized prior service cost	-	-	518,842	-
	<u>\$ 917,214</u>	<u>\$ 2,619,372</u>	<u>\$ (516,610)</u>	<u>\$ (856,960)</u>

The table below reflects the amounts recognized within the General Fund's net assets without donor restrictions arising from the Plans at December 31, 2024 that are expected to be recognized in net periodic benefit cost during the year ending December 31, 2025.

	Pension Benefits	Other Benefits
Unrecognized actuarial (gain)	\$ -	\$ (132,750)
Unrecognized prior service cost	-	50,619
	<u>\$ -</u>	<u>\$ (82,131)</u>

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
2025	\$ 905,076	\$ 202,153
2026	918,946	210,390
2027	918,681	207,384
2028	931,230	207,435
2029	967,363	220,235
2030 - 2034	4,873,279	1,079,363

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

Pension Plan Assets

The investment guidelines for the Pension Plan provide that the pension assets are to be managed on a balanced portfolio basis with a target allocation of 50% equity securities and 50% fixed income securities.

THE KENSICO CEMETERY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

Pension Plan Assets (Continued)

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>2024</u>	<u>2023</u>
<i>Level 1 (Quoted Prices in Active Markets for Identical Assets)</i>		
Cash and Cash equivalent	\$ 406,741	\$ 1,117,699
Equities - Exchange traded funds	12,057,559	10,612,424
US Treasury notes	<u>4,781,934</u>	<u>4,999,915</u>
Total Level 1 Assets	17,246,234	16,730,038
<i>Level 2 (Other Observable Inputs)</i>		
Corporate bonds	4,096,382	2,740,882
<i>Add Other Assets</i>		
Due from Broker	<u>584,366</u>	<u>-</u>
	<u>\$ 21,926,982</u>	<u>\$ 19,470,920</u>

7. Commitments and Contingencies

Contract to Purchase 10-acre Parcel Adjoining the Cemetery

In 2024, the Cemetery signed a contract to purchase a 10-acre parcel adjoining the Cemetery for \$6,400,000. The contract was contingent upon environmental reviews of the property and required the approval of the Board and the seller clearing the property of tenants prior to closing. The environmental assessments were completed in late 2024 and the Board approved the purchase on April 8, 2025. The closing will be scheduled once the seller is able to deliver the property vacant and free of all tenants, which the contract requires to be completed within six months of Board approval. Payments related to this purchase totaled \$680,994 in 2024.

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 AND AFFILIATE

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 \$3 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 \$85 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 these consolidated financial statements were available for issuance. General Fund financial assets which can be liquidated within one year of the consolidated statement of financial position dates for general expenditure are as follows:

	2024	2023
Cash and cash equivalents	\$ 11,930,658	\$ 9,784,764
Accounts and other receivables due within one year	1,305,000	2,663,300
Accrued investment income receivable	854,000	726,400
Investments	<u>84,159,627</u>	<u>70,693,658</u>
Financial assets at year end available to meet cash		
needs for general expenditures within one year	<u>\$ 98,249,285</u>	<u>\$ 83,868,122</u>

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, 2024 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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and Counsel*
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Vice President and Superintendent
Michael H. Cook, Jr.

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and Treasurer*
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Superintendent
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Assistant Superintendents
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As of October 24, 2024



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