

**Forest Lawn Heritage
Foundation, Inc.**

Financial Statements

March 31, 2025 and 2024

Forest Lawn Heritage Foundation, Inc.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	
Financial Statements	
Statements of Financial Position	1
Statements of Activities	2
Statements of Functional Expenses	3-4
Statements of Cash Flows	5
Notes to Financial Statements	6-13

Independent Auditors' Report

To the Board of Directors of
Forest Lawn Heritage Foundation, Inc.
Buffalo, New York

Opinion

We have audited the accompanying financial statements of Forest Lawn Heritage Foundation, Inc. (the "Foundation") (a nonprofit organization), which comprise the statements of financial position as of March 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forest Lawn Heritage Foundation, Inc. as of March 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation'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 audits.

Troncoi Segarra & Associates LLP

Williamsville, New York
July 29, 2025

Forest Lawn Heritage Foundation, Inc.

Statements of Financial Position

March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets		
Cash	\$ 96,784	\$ 114,374
Receivables:		
Grants	67,593	-
Pledges	56,635	1,635
Inventory	211,720	50,506
Prepaid expenses	164,159	266,419
	<u>596,891</u>	<u>432,934</u>
Total current assets	596,891	432,934
Investments	97,147	87,306
Artwork Collections	99,165	99,165
Property and Equipment, net	186,992	187,693
	<u>\$ 980,195</u>	<u>\$ 807,098</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and other liabilities	\$ 43	\$ 15,577
Due to Buffalo City Cemetery	154,009	-
Line of credit	-	121,309
	<u>154,052</u>	<u>136,886</u>
Total liabilities	154,052	136,886
Net Assets		
Without donor restrictions	593,774	570,292
With donor restrictions	232,369	99,920
	<u>826,143</u>	<u>670,212</u>
Total net assets	<u>\$ 980,195</u>	<u>\$ 807,098</u>

See independent auditors' report and notes to financial statements.

Forest Lawn Heritage Foundation, Inc.
Statements of Activities
for the years ended March 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Total	With Donor Restrictions	Total
Revenue						
Special events	\$ 54,477	\$ -	\$ 54,477	\$ -	\$ -	\$ -
Less cost of direct benefits to donors	30,965	-	30,965	-	-	-
	23,512	-	23,512	-	-	-
Contributions and pledges	123,211	273,046	396,257	182,765	4,200	186,965
Sales and services	19,280	-	19,280	2,973	-	2,973
Contributions of nonfinancial assets from Buffalo City Cemetery	26,439	-	26,439	22,360	-	22,360
Net assets released from restrictions	149,372	(149,372)	-	62,550	(62,550)	-
Total revenue	341,814	123,674	465,488	270,648	(58,350)	212,298
Investment Income, net						
Interest and dividend income	-	557	557	-	1,333	1,333
Capital gains distributions	-	12,798	12,798	-	465	465
Net unrealized gain (loss)	-	(4,580)	(4,580)	-	16,405	16,405
Total investment income, net	-	8,775	8,775	-	18,203	18,203
Total revenue and investment income, net	341,814	132,449	474,263	270,648	(40,147)	230,501
Expenses						
Program services	159,384	-	159,384	76,591	-	76,591
Supporting services						
Management and general	72,530	-	72,530	62,251	-	62,251
Fundraising	86,418	-	86,418	17,898	-	17,898
Total expenses	318,332	-	318,332	156,740	-	156,740
Increase (decrease) in net assets	23,482	132,449	155,931	113,908	(40,147)	73,761
Net Assets, beginning of year	570,292	99,920	670,212	456,384	140,067	596,451
Net Assets, end of year	\$ 593,774	\$ 232,369	\$ 826,143	\$ 570,292	\$ 99,920	\$ 670,212

See independent auditors' report and notes to financial statements.

Forest Lawn Heritage Foundation, Inc.

*Statement of Functional Expenses
for the year ended March 31, 2025
with comparative totals for 2024*

	Program Services	Supporting Services		Total	
		Management and General	Fundraising	2025	2024
Contributions to Buffalo City Cemetery	\$ 101,211	\$ -	\$ -	\$ 101,211	\$ 67,045
Cost of sales	58,173	-	-	58,173	9,546
Office expenses	-	7,104	34,075	41,179	18,292
Professional fees	-	15,036	18,500	33,536	19,843
Entertainment	-	-	31,292	31,292	-
Contributed services	-	26,439	-	26,439	22,360
Bank charges	-	11,081	-	11,081	8,569
Computer software	-	5,751	-	5,751	1,204
Interest	-	4,641	-	4,641	7,719
Depreciation	-	701	-	701	1,401
Advertising	-	335	-	335	-
Other	-	1,442	2,551	3,993	761
Total expenses	\$ 159,384	\$ 72,530	\$ 86,418	\$ 318,332	\$ 156,740

See independent auditors' report and notes to financial statements.

Forest Lawn Heritage Foundation, Inc.

Statement of Functional Expenses

for the year ended March 31, 2024

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Contributions to				
Buffalo City Cemetery	\$ 67,045	\$ -	\$ -	\$ 67,045
Contributed services	-	22,360	-	22,360
Professional fees	-	19,843	-	19,843
Bank charges	-	8,569	-	8,569
Office expenses	-	394	17,898	18,292
Interest	-	7,719	-	7,719
Depreciation	-	1,401	-	1,401
Cost of sales	9,546	-	-	9,546
Computer software	-	1,204	-	1,204
Other	-	761	-	761
Total expenses	\$ <u>76,591</u>	\$ <u>62,251</u>	\$ <u>17,898</u>	\$ <u>156,740</u>

See independent auditors' report and notes to financial statements.

Forest Lawn Heritage Foundation, Inc.

Statements of Cash Flows for the years ended March 31, 2025 and 2024

	2025	2024
<i>Cash Flows from Operating Activities</i>		
Increase in net assets	\$ 155,931	\$ 73,761
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	701	1,401
Net unrealized (gain) loss on investments	4,580	(16,405)
Capital gains distributions	(12,798)	(465)
(Increase) Decrease in Assets:		
Grants receivable	(67,593)	-
Pledges receivable	(55,000)	60,915
Inventory	(161,214)	27,281
Prepaid expenses	102,260	(89,476)
Increase (Decrease) in Liabilities:		
Accounts payable and other liabilities	(15,534)	1,391
Due to Buffalo City Cemetery	154,009	240
	105,342	58,643
<i>Cash Flows from Investing Activities</i>		
Purchases of investments	(1,623)	(1,529)
<i>Cash Flows from Financing Activities</i>		
Net proceeds (payments) on line of credit	(121,309)	22,638
	(17,590)	79,752
Net increase (decrease) in cash		
<i>Cash, beginning of year</i>	114,374	34,622
<i>Cash, end of year</i>	\$ 96,784	\$ 114,374
<i>Supplemental Disclosure of Cash Flow Information</i>		
Cash paid during the year for interest	\$ 4,641	\$ 7,719

See independent auditors' report and notes to financial statements.

Forest Lawn Heritage Foundation, Inc.

Notes to Financial Statements

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities – Forest Lawn Heritage Foundation, Inc. (the “Foundation”) is a 501(c)(3) not-for-profit corporation incorporated under the laws of the State of New York located in Buffalo, New York. The Foundation was originally established to preserve and restore the historically significant buildings, landmarks, arboretum, and landscape of Buffalo City Cemetery (“Forest Lawn”), as well as the Margaret L. Wendt Archive and Resource Center.

In 2024, the Foundation expanded its mission to support the preservation efforts of all fourteen cemeteries within the Forest Lawn Cemetery Group across Western New York.

The Foundation is also committed to public education, offering tours, workshops, lectures, theatrical performances, and exhibitions that highlight Forest Lawn’s rich history, art, architecture, landscapes, and ongoing preservation efforts. Additionally, it provides educational resources for lot holders, visitors, and the broader community to enhance engagement with the cultural and natural significance of the cemeteries.

The Foundation invests in the care and maintenance of landscapes, supports historical preservation, and fosters appreciation for the sacred grounds it maintains.

Management and administrative services for the Foundation are provided at no cost by officers and employees of Forest Lawn.

Basis of Accounting – The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Basis of Presentation – The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon existence or absence of restriction on use that are placed by its donors, or the passage of time. Net assets without donor restrictions represent resources available for the general support of the Foundation’s activities. Net assets with donor restrictions represent contributions and pledges and other inflows of assets for use towards a specific program or purpose, whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Contributions and pledges with donor restrictions whose restrictions are met in the same reporting period are recorded as an increase in net assets with donor restrictions and a satisfaction of program restrictions. The Foundation had net assets with donor restrictions of \$232,369 and \$99,920 at March 31, 2025 and 2024, respectively.

Forest Lawn Heritage Foundation, Inc.
Notes to Financial Statements (continued)

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Cash – The Foundation considers all highly liquid investments with original maturities of three months or less at date of purchase to be cash. The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Although the accounts exceed the federally insured deposit amounts, management does not anticipate nonperformance by their financial institution.

Grants Receivable – Receivables relate to grants entered prior to year-end and are recorded at net realizable value based upon contract arrangements and the amount the Foundation expects to be reimbursed based on contract stipulations that were in place at the time the service was provided.

Pledges Receivable – The Foundation recognizes all signed pledges received as revenue in the period the unconditional pledge is received. All pledges are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as an increase in net assets with donor restrictions.

Unconditional pledges and promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges and promises to give that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. Conditional pledges and promises to give are not included as revenue until conditions are substantially met. Interest is not charged or recorded on outstanding receivables.

Pledges receivable amounted to \$56,635 and \$1,635 at March 31, 2025 and 2024. All of the pledges for both years were due within one year of the financial statement date.

Allowance for Credit Losses – In fiscal year 2024, the Foundation adopted ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The standard replaces the incurred loss model with the current expect credit loss (“CECL”) model to estimate credit losses for financial assets measured at amortized cost. The allowance is determined by considering factors such as historical experience, current conditions, credit quality, age of the grants and pledges receivable, current economic conditions and reasonable forecasted financial information that may affect a customer’s or government agency’s ability to pay. All receivable accounts are considered by management to be fully collectible and accordingly, no allowance for credit losses was considered necessary at March 31, 2025 and 2024.

Inventory – Inventory, which consists primarily of Forest Lawn guidebooks and gift shop merchandise sold to the general public, is stated at the lower of cost or net realizable value. Cost is determined using a weighted-average approach, which approximates the first-in, first-out method.

Forest Lawn Heritage Foundation, Inc.
Notes to Financial Statements (continued)

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Tree Fund – Net assets with donor restrictions at March 31, 2025 and 2024 include donations received by the Foundation for a tree fund. The tree fund, together with investment earnings and appreciation, had a fair value of \$97,147 and \$87,306 at March 31, 2025 and 2024, respectively. Income from the tree fund is to be used to purchase trees, rhododendrons and azaleas, and the maintenance and replacement of those trees and plants only. The principal, and changes in value thereon, shall remain inviolate.

Investments – The Foundation’s investments consist of a mutual fund that is stated at fair value, based on a quoted market price. The difference between the fair value of the investment at the beginning of the year and the end of the year is recorded as an unrealized gain or loss in the statements of activities. Mutual funds are valued at the daily closing price as reported by the fund. The mutual fund held by the Foundation is an open-end mutual fund that is registered with the Securities and Exchange Commission. This fund is required to publish their daily net asset value and to transact at that price. The mutual fund held by the Foundation is deemed to be actively traded.

Interest and dividends are recognized when earned or declared. The Foundation had net investment income of \$8,775 and \$18,203 for the years ended March 31, 2025 and 2024, respectively.

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The investment held by the Foundation is classified as Level 1.

Artwork Collections – Artwork collections are comprised of donated and purchased items that are on display throughout Forest Lawn for the enjoyment of visitors. Donated collection items are carried at their estimated fair value on the date of donation and purchased collection items are carried at their cost.

Property and Equipment – Property and equipment is stated at cost, or in the instance of donated property, at the appraised or fair value on the date of the gift. Major renewals and betterments greater than \$2,000 are capitalized. Depreciation is computed using straight-line methods ranging from 5 - 39 years, which approximates the economic useful lives of the assets. The costs of maintenance and repairs are charged to expense as incurred; significant renewals and improvements are capitalized. Expenditures for minor equipment, maintenance and repairs are charged to expenses as incurred.

Forest Lawn Heritage Foundation, Inc.
Notes to Financial Statements (continued)

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Contributions – The Foundation considers contributions available for use without donor restrictions unless explicitly designated otherwise by the donor. Multi-year pledges are recognized as revenue in the year the unconditional pledge is made.

Net assets without donor restrictions are funds free from donor-imposed stipulations and may be used for the Foundation’s general purposes. Conversely, net assets with donor restrictions are subject to specific donor-imposed conditions, often fulfilled through actions taken by Forest Lawn. Upon meeting these conditions, the Foundation transfers the funds and records the transaction as a contribution.

Certain restricted net assets require the principal to remain intact, with only the income generated from these funds allocated for designated purposes. When donor restrictions expire, these assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Contracts with Customers – Revenue from customer contracts is recognized when promised goods or services are delivered, reflecting the consideration the Foundation expects to receive in exchange. For the Foundation, revenue is primarily generated from the sale of gift shop merchandise and guidebooks. Revenue is recognized upon satisfying the performance obligation, which occurs when the customer receives and pays for the merchandise. Several factors may influence the nature, amount, timing, and uncertainty of revenue or cash flow, including fluctuations in sales volume or changes in pricing. Billings, cash collections, and revenue recognition timing may lead to contract assets and liabilities on the statements of financial position.

Contributions of Nonfinancial Assets – Contributions of nonfinancial assets are gifts of goods or services received instead of cash. Donated services recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills and would otherwise be purchased by the Foundation. The Foundation pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation with programs, fundraising events, and various other assignments. These types of contributed services do not require specialized skills and are not included in the Foundation’s financial statements.

Forest Lawn provides personnel services to the Foundation at no cost to the Foundation. During the years ended March 31, 2025 and 2024, the Foundation recognized revenue and related contributed services of \$26,439 and \$22,360, respectively, for contributed services received from Forest Lawn. These amounts have been reported as contributed services and in management and general administration on the statements of activities and statements of functional expenses, respectively. The Foundation measured the services received at the cost incurred by Forest Lawn for the personnel providing those services.

Forest Lawn Heritage Foundation, Inc.
Notes to Financial Statements (continued)

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses – The costs of providing the Foundation’s program and supporting services have been summarized and allocated on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services that benefited.

Income Taxes – The Foundation is an exempt organization as defined under Section 501(c)(3) of the Internal Revenue Code and, as such, is exempt from federal income taxes. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

Management Estimates – The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Subsequent Events – Management of the Foundation has evaluated subsequent events, for recognition or disclosure, through July 29, 2025, the date the accompanying financial statements were available to be issued, and determined that no additional recognition or disclosure was required.

2. Liquidity and Availability of Financial Assets

The Foundation primarily generates financial assets through contributions, gift shop sales and investment income. As part of the Foundation’s liquidity management, it attempts to structure its financial assets to be available as its general expenditures.

Forest Lawn Heritage Foundation, Inc.
Notes to Financial Statements (continued)

2. Liquidity and Availability of Financial Assets (continued)

The following table presents the Foundation's financial assets available for general expenditures within one year of statement of financial position date:

	2025	2024
Current assets at March 31, 2025, excluding non-financial assets:		
Cash	\$ 96,784	\$ 114,374
Grants receivable	67,593	-
Pledges receivable	56,635	1,635
	221,012	116,009
Less amounts unavailable for general expenditures with one year:		
Restricted by donors for specific purpose	135,222	12,614
Financial assets available to meet cash needs for general expenditures within one year	\$ 85,790	\$ 103,395

For the liquidity presentation purposes, the pledges receivable has been included as current financial assets, as they were to be used to satisfy the donor-imposed restrictions upon receipt. As more fully described in Note 6, the Foundation has an available line of credit of \$600,000, which can be drawn upon in the event of unanticipated cash flow needs.

3. Inventory

Inventory at March 31, 2025 and 2024 consisted of the following:

	2025	2024
Pensive Beauty Books	\$ 164,078	\$ -
Other books	42,436	45,468
Other products	5,206	5,038
	\$ 211,720	\$ 50,506

Forest Lawn Heritage Foundation, Inc.
Notes to Financial Statements (continued)

4. Prepaid Expenses

Prepaid expenses at March 31, 2025 and 2024 consisted of the following:

	2025	2024
Shirley Chisholm statue and event	\$ 134,483	\$ 121,309
Tree canopy restoration project	24,809	10,559
Pensive Beauty Books	-	132,504
Other	4,867	2,047
	\$ 164,159	\$ 266,419

5. Property and Equipment, net

Property and equipment, net at March 31, 2025 and 2024 consisted of the following:

	2025	2024
Land	\$ 199,938	\$ 199,938
Office equipment	25,513	25,513
Furniture	7,380	7,380
Computers	6,516	6,516
	239,347	239,347
Less accumulated depreciation	52,355	51,654
	\$ 186,992	\$ 187,693

Depreciation expense for the years ended March 31, 2025 and 2024 amounted to \$701 and \$1,401, respectively.

6. Line of Credit

The Foundation maintains a available \$600,000 line of credit with a local bank, secured by substantially all its assets. The line of credit is due on demand, with interest based on the SOFR rate plus 2% (6.41% and 7.34% at March 31, 2025 and 2024, respectively). At March 31, 2024, the outstanding balance on the line of credit was \$121,309. There was no outstanding balance on the line of credit at March 31, 2025. The line of credit is subject to various affirmative and negative covenants, and the Foundation was in compliance with these covenants at March 31, 2025 and 2024.

Forest Lawn Heritage Foundation, Inc.
Notes to Financial Statements (continued)

7. Net Assets with Donor Restrictions

Net assets with donor restrictions at March 31, 2025 and 2024 consisted of the following:

	2025	2024
Tree Fund project	\$ 97,147	\$ 87,306
Trolley bus purchase	67,593	-
Carillon system enhancement	56,245	-
Arboretum	7,384	-
Keynote speakers	4,000	4,000
Pensive Beauty Book	-	8,614
	\$ 232,369	\$ 99,920

Net assets were released from donor restrictions by incurring expenses in satisfaction of program restriction for the years ended March 31, 2025 and 2024 as follows:

	2025	2024
Trolley bus purchase	\$ 57,407	\$ -
Carillon system enhancement	43,755	-
Pensive Beauty Book	43,610	-
Arboretum	4,600	-
Eternal flame	-	62,550
	\$ 149,372	\$ 62,550

8. Contributions Made by the Foundation

In January 2010, the Foundation commenced a \$4.75 million capital campaign on behalf of Forest Lawn. As a result, for the years ended March 31, 2025 and 2024, the Foundation contributed \$101,211 and \$67,045 respectively, to Forest Lawn. During the years ended March 31, 2025 and 2024, these funds were used to fund various Forest Lawn capital projects.