

**LAVELLE FUND FOR THE BLIND, INC.**

**Financial Statements  
for the year ended  
December 31, 2024  
(Modified Cash Basis)**

## **Independent Auditor's Report**

To the Board of Directors of  
Lavelle Fund for the Blind, Inc.

### ***Opinion***

We have audited the accompanying financial statements of Lavelle Fund for the Blind, Inc. (the "Fund"), which comprise the statement of assets and net assets (modified cash basis) as of December 31, 2024 and December 31, 2023, and the related statements of revenue and expenses (modified cash basis), cash flows (modified cash basis) and functional expenses (modified cash basis) 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 assets and net assets (modified cash basis) of the Fund as of December 31, 2024 and December 31, 2023, and the result of its revenue and expenses (modified cash basis) and cash flows (modified cash basis) for the years then ended in accordance with the modified cash basis of accounting as described in note 2.

### ***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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund 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.

### ***Basis of Accounting***

We draw your attention to note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in note 2 and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

***Auditor's 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 auditor's 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 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 generally accepted auditing standards, we:

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

*Carole O'Leary Sullivan & Donnelly LLP*

**LAVELLE FUND FOR THE BLIND, INC.**

**Statement of Assets and Net Assets  
(Modified Cash Basis)**

**Assets**

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Cash	\$ 45,897	\$ 198,702
Investments, at fair value	<u>153,640,778</u>	<u>143,453,372</u>
<b>Total assets</b>	<b><u>\$ 153,686,675</u></b>	<b><u>\$ 143,652,074</u></b>

**Net Assets**

Net assets	<b><u>\$ 153,686,675</u></b>	<b><u>\$ 143,652,074</u></b>
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See notes to financial statements.

**LAVELLE FUND FOR THE BLIND, INC.**

**Statement of Revenue and Expenses  
(Modified Cash Basis)**

	<b>Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Net investment return	<u>\$ 17,245,359</u>	<u>\$ 21,710,180</u>
<b>Expenses</b>		
Grants and programs	6,677,169	6,381,965
General and administrative	362,872	333,156
Indirect investment expenses and taxes	<u>170,717</u>	<u>144,225</u>
Total expenses	<u>7,210,758</u>	<u>6,859,346</u>
<b>Increase in net assets</b>	<b>10,034,601</b>	<b>14,850,834</b>
<b>Net assets, beginning of year</b>	<u><b>143,652,074</b></u>	<u><b>128,801,240</b></u>
<b>Net assets, end of year</b>	<u><b>\$ 153,686,675</b></u>	<u><b>\$ 143,652,074</b></u>

See notes to financial statements.

## LAVELLE FUND FOR THE BLIND, INC.

Statement of Cash Flows  
(Modified Cash Basis)

	<b>Year Ended</b>	
	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 10,034,601	\$ 14,850,834
Adjustments to reconcile increase in net assets to net cash (used in) operating activities		
Forgiveness of program-related investment	-	52,185
Realized (gains) losses on sales of investments	1,150,615	(2,532,772)
Change in unrealized value of investments	(15,033,372)	(16,039,893)
Proceeds from repayment of program-related investment	-	279,815
Net cash (used in) operating activities	<u>(3,848,156)</u>	<u>(3,389,831)</u>
<b>Cash flows from investing activities</b>		
Purchases of investments	(41,472,213)	(18,487,031)
Proceeds from sales of investments	<u>45,167,564</u>	<u>21,679,303</u>
Net cash provided by investing activities	<u>3,695,351</u>	<u>3,192,272</u>
<b>Net (decrease) in cash</b>	<b>(152,805)</b>	<b>(197,559)</b>
<b>Cash, beginning of year</b>	<b><u>198,702</u></b>	<b><u>396,261</u></b>
<b>Cash, end of year</b>	<b><u>\$ 45,897</u></b>	<b><u>\$ 198,702</u></b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for federal excise taxes	<u>\$ 70,499</u>	<u>\$ 50,000</u>

See notes to financial statements.

## LAVELLE FUND FOR THE BLIND, INC.

**Statement of Functional Expenses**  
**(Modified Cash Basis)**  
**For the Year Ended December 31, 2024**  
**(with Summarized Comparative Information**  
**For the Year Ended December 31, 2023)**

	<u>2024</u>			<u>2023</u>	
	<u>Supporting Activities</u>			<u>Total</u>	<u>Total</u>
	<u>Grants and Programs</u>	<u>General and Administrative</u>	<u>Indirect Investment Expenses And Taxes</u>		
Grants paid (net of rescissions)	\$ 5,885,884	\$ -	\$ -	\$ 5,885,884	\$ 5,669,109
Other expenses					
Salaries	473,133	196,620	52,770	722,523	679,904
Employee benefits	99,343	53,411	13,246	166,000	163,185
Payroll taxes	32,078	14,485	3,781	50,344	47,136
Rent	110,624	20,742	6,914	138,280	134,489
Business insurance	-	7,554	-	7,554	4,259
Computer and technology expenses	35,431	6,643	2,214	44,288	32,462
Dues and subscriptions	15,380	1,709	-	17,089	17,057
Travel, conference and meetings	11,127	16,013	-	27,140	9,351
Office expenses	7,134	1,780	446	9,360	3,833
Professional fees	4,077	38,286	20,847	63,210	40,691
Taxes and filing fees	-	1,877	-	1,877	1,534
Other	2,958	3,752	-	6,710	6,336
Total other expenses	<u>791,285</u>	<u>362,872</u>	<u>100,218</u>	<u>1,254,375</u>	<u>1,140,237</u>
Excise tax	-	-	70,499	70,499	50,000
<b>Total</b>	<b><u>\$ 6,677,169</u></b>	<b><u>\$ 362,872</u></b>	<b><u>\$ 170,717</u></b>	<b><u>\$ 7,210,758</u></b>	<b><u>\$ 6,859,346</u></b>

See notes to financial statements.

## LAVELLE FUND FOR THE BLIND, INC.

**Statement of Functional Expenses**  
**(Modified Cash Basis)**  
**For the Year Ended December 31, 2023**

	<u>Supporting Activities</u>			<u>Total</u>
	<u>Grants and Programs</u>	<u>General and Administrative</u>	<u>Indirect Investment Expenses And Taxes</u>	
Grants paid (net of rescissions)	\$ 5,669,109	\$ -	\$ -	\$ 5,669,109
Other expenses				
Salaries	431,350	199,429	49,125	679,904
Employee benefits	88,474	62,276	12,435	163,185
Payroll taxes	28,873	14,764	3,499	47,136
Rent	107,591	20,173	6,725	134,489
Business insurance	-	4,259	-	4,259
Computer and technology expenses	25,970	4,869	1,623	32,462
Dues and subscriptions	15,351	1,706	-	17,057
Travel, conference and meetings	7,574	1,777	-	9,351
Office expenses	2,831	829	173	3,833
Professional fees	1,516	18,530	20,645	40,691
Taxes and filing fees	-	1,534	-	1,534
Other	3,326	3,010	-	6,336
Total other expenses	<u>712,856</u>	<u>333,156</u>	<u>94,225</u>	<u>1,140,237</u>
Excise tax	-	-	50,000	50,000
<b>Total</b>	<b><u>\$ 6,381,965</u></b>	<b><u>\$ 333,156</u></b>	<b><u>\$ 144,225</u></b>	<b><u>\$ 6,859,346</u></b>

See notes to financial statements.



**LAVELLE FUND FOR THE BLIND, INC.****Notes to Financial Statements  
December 31, 2024  
(Modified Cash Basis)****Note 1 – Nature of organization**

The Lavelle Fund for the Blind, Inc. (the “Fund”) is a charitable grant-making foundation dedicated primarily to supporting programs that help individuals who are blind or visually-impaired live independent and productive lives. While priority for direct service is grants generally given to programs in the greater New York metropolitan area, the Fund also considers grant requests with wider impact both nationally and internationally.

The Fund was a beneficiary and successor of the Lavelle School of the Blind (the “School”), which was founded in 1904 and incorporated in 1909. In 1947, the School became a state-funded and-chartered 4201 school dedicated to serving children with multiple disabilities, including visual impairment. In 1999, the assets used to operate the School were transferred to a separate corporation, called the Lavelle School for the Blind. Nearly all of the Lavelle School’s endowment was retained by the original corporation, which was renamed the Lavelle Fund for the Blind, Inc. and rededicated to benefit the larger community of people who are blind or visually impaired. The School and the Fund are distinct and separate legal entities, with the School focusing on services for children and the Fund supporting the broader community of individuals who are blind or visually impaired. While there is some overlap in board membership, the composition is not sufficient to exert control over either organization.

**Note 2 – Summary of significant accounting policies****Basis of accounting**

The Fund’s policy is to prepare its financial statements on the basis of cash receipts and cash disbursements modified to record investments at fair value and program-related investments. Accordingly, certain revenue and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

**Net assets**

The Fund’s net assets are without donor restrictions and its resources are available to support operations.

**Cash equivalents**

The Fund considers highly liquid investments with original maturities of 90 days or less to be cash equivalents other than the short-term investments included in the investment portfolio.

**Investments**

Investments are recorded at fair value. The fair values of the short-term investments, mutual funds, and fixed income are based on publicly quoted prices. The cost of these investments when sold is determined using the specific identification method.

**LAVELLE FUND FOR THE BLIND, INC.****Notes to Financial Statements (continued)  
December 31, 2024  
(Modified Cash Basis)****Note 2 – Summary of significant accounting policies (continued)****Fair value measurements**

The fair value hierarchy prioritizes inputs used to measure fair value into three broad levels. Level 1 inputs are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date. As of December 31, 2024 and December 31, 2023, all of the Fund's investments are deemed to be Level 1 assets.

**Concentrations of credit risk**

The Fund's financial instruments that are potentially exposed to concentrations of credit risk consist of cash and investments. The Fund places its cash with what it believes to be quality financial institutions. At times during the year, the Fund's bank balances exceeded the FDIC insurance limit. The Fund has not experienced any losses in such accounts to date. The Fund's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of assets and net assets as of December 31, 2024. The Fund routinely assesses the financial strength of its cash and investment portfolio. As a consequence, the Fund believes no significant concentrations of credit risk exist with respect to its cash and investments.

**Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

**Reclassifications**

Certain items in the 2023 financial statements have been reclassified for comparative purposes only.

**Subsequent events**

The Fund has evaluated events and transactions for potential recognition or disclosure through April 21, 2025, which is the date the financial statements were available to be issued.

**Note 3 – Functional expenses**

Certain categories of expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated based on estimates of time and effort; rent and utilities are based on the compensation allocation; professional services are based on type of services rendered. All other expenses are considered routine operating expenses.

## LAVELLE FUND FOR THE BLIND, INC.

**Notes to Financial Statements (continued)**  
**December 31, 2024**  
**(Modified Cash Basis)**

**Note 4 – Grant commitments**

Grant commitments as of December 31, 2024 amounted to \$4,346,394. Included in the future grant commitments is the Brother Kearney Scholarship program, which has a current maximum commitment of \$392,166. Actual annual payout is a function of the numbers of eligible students recruited by partner colleges and the extent of each student's last-dollar scholarship need. The commitment to the Brother Kearney Scholarship program ends in 2028.

Payments are scheduled for future years as follows:

<u>Year</u>	<u>Grants</u>	<u>Scholarships</u>	<u>Total</u>
2025	\$ 2,704,476	\$ 227,642	\$ 2,932,118
2026	943,193	122,641	1,065,834
2027 and thereafter	306,559	41,883	348,442
Total	<u>\$ 3,954,228</u>	<u>\$ 392,166</u>	<u>\$ 4,346,394</u>

**Note 5 – Grants and scholarships expense**

Total grants and scholarships paid in the years ended December 31, 2024 and December 31, 2023 for the Fund's top four program areas amounted to \$5,455,254 and \$5,250,721, respectively.

<u>Primary Program Focus</u>	<u>2024</u>	<u>2023</u>
Medical eye care	\$ 1,286,017	\$ 1,374,143
Vision rehabilitation	1,046,909	1,471,763
Education (other than scholarships)	2,854,261	2,179,330
Education: Brother Kearney Scholarship program	268,067	225,485
Other	430,630	418,388
Total	<u>\$ 5,885,884</u>	<u>\$ 5,669,109</u>

Grants and scholarships paid in 2024 and 2023 by geography served were as follows:

<u>Geography served:</u> <u>Grants and Scholarships</u>	<u>2024</u>	<u>2023</u>
Domestic	\$ 3,790,306	\$ 3,217,598
International	2,095,578	2,451,511
Total	<u>\$ 5,885,884</u>	<u>\$ 5,669,109</u>

## LAVELLE FUND FOR THE BLIND, INC.

**Notes to Financial Statements (continued)**  
**December 31, 2024**  
**(Modified Cash Basis)**

**Note 6 – Investments, at fair value**

As of December 31, 2024 and December 31, 2023, the investments consist of the following:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Short-term investments	\$ 9,161,292	\$ 9,161,292	\$ 9,960,895	\$ 9,960,895
Mutual funds				
U.S. equities	67,534,427	84,049,513	56,345,815	65,078,879
International equities	32,985,582	34,165,946	49,087,590	42,516,013
Fixed income	28,755,424	26,264,027	27,838,375	25,847,792
Fixed income	-	-	50,016	49,793
Total	<u>\$ 138,436,725</u>	<u>\$ 153,640,778</u>	<u>\$ 143,282,691</u>	<u>\$ 143,453,372</u>

Investment return for the years ended December 31, 2024 and December 31, 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 3,528,568	\$ 3,289,609
Realized gains (losses) on sales of investments	(1,150,615)	2,532,772
Change in unrealized value of investments	15,033,372	16,039,893
Investment management fees	(165,966)	(152,094)
Net investment return	<u>\$ 17,245,359</u>	<u>\$ 21,710,180</u>

Recent tariff developments and market volatility have affected the Fund's asset values. Management is closely monitoring the situation and will adjust strategies as necessary to address potential risks and evolving economic conditions. As of April 21, 2025, the value of the Fund's assets is \$144,489,388.

**Note 7 – Lease agreement**

Commencing July 1, 2016, the Fund entered into a lease for office space which expires July 31, 2026. The monthly rent payments were initially \$8,700 and are subject to a 3% increase annually. Rent expense totaled \$129,683 for the year ended December 31, 2024 and \$125,906 for the year ended December 31, 2023.

The following is a summary of the required minimum annual lease payments:

<u>Year</u>	<u>Amount</u>
2025	\$ 133,904
2026	79,461
Total	<u>\$ 213,365</u>

**LAVELLE FUND FOR THE BLIND, INC.**

**Notes to Financial Statements (continued)**  
**December 31, 2024**  
**(Modified Cash Basis)**

**Note 8 – Retirement plan**

The Fund has a Safe Harbor 401(k) profit sharing plan (the “Plan”). Under the provisions of the Plan, all eligible employees will receive a 4% safe harbor match. The Fund will also make an 8% discretionary employer contribution of salary for all eligible employees. The total expense for the years ended December 31, 2024 and December 31, 2023 totaled \$70,733 and \$70,938, respectively.

**Note 9 – Program-related investments**

In 2021, the Fund’s Board approved a \$332,000 program-related investment loan to the Lavelle School for the Blind (the “School”). The loan had a 0% interest rate. All principal payments were due by July 31, 2023, and the funds were to be used for any of the School’s general corporate purposes or operating expenses. The Fund’s Board voted in its July 2023 Board meeting to partially forgive \$52,185 and the School repaid the remaining balance of \$279,815.

**Note 10 – Liquidity and availability of financial assets**

The Fund’s financial assets available within one year of December 31, 2024 and December 31, 2023 for grant payments and general expenditures are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 45,897	\$ 198,702
Investments appropriate for current use	<u>153,640,778</u>	<u>143,453,372</u>
Total	<u>\$ 153,686,675</u>	<u>\$ 143,652,074</u>

As part of the Fund’s liquidity management, the Fund: (1) has structured its financial assets to be invested in highly liquid investments – that are without lockup provisions – to meet its general expenditures and other obligations as they come due, (2) maintains cash and short-term investments on hand to meet a minimum of one year and up to three years of normal operating expenses, and (3) invests cash in excess of daily requirements in various short-term investments, including money market funds, mutual funds and bonds.

**Note 11 – Legal action**

The Fund is currently involved in a legal matter arising in the ordinary course of business. The Fund is being defended in this matter by legal counsel appointed by its insurance carrier and in the opinion of the Fund’s management, the resolution of this matter will not have a material effect, if any, on the Fund’s financial statements.

**LAVELLE FUND FOR THE BLIND, INC.****Notes to Financial Statements (continued)  
December 31, 2024  
(Modified Cash Basis)****Note 12 – Tax status**

The Fund is exempt from Federal income tax under Section 501(c)(3) and is classified as a private foundation under Section 509(a) of the Internal Revenue Code.

The Fund is required to pay a Federal excise tax on net investment income (interest, dividends and realized capital gains less direct investment expenses and allocated administrative expenses) at a 1.39% tax rate.

The Fund's federal excise tax for 2024 is \$45,347. The Fund's 2024 estimated excise tax payments and credits totaled \$50,000 resulting in an overpayment of \$4,653.