

Lions Clubs International Foundation

Consolidated Financial Report
June 30, 2025

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Independent Auditor's Report

Board of Trustees
Lions Clubs International Foundation

Opinion

We have audited the consolidated financial statements of the Lions Clubs International Foundation (the Foundation), which comprise the consolidated statement of financial position as of June 30, 2025, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

The financial statements of the Foundation, as of and for the year ended June 30, 2024, were audited by other auditors, whose report, dated November 6, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 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 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 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 audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating statements of financial position and activities is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Chicago, Illinois
November 12, 2025

Lions Clubs International Foundation

**Consolidated Statements of Financial Position
June 30, 2025 and 2024**

	2025	2024
Assets		
Cash and cash equivalents	\$ 5,180,181	\$ 10,696,788
Accrued investment income receivable	596,895	652,881
Accounts receivable, net	43,206	10,541
Due from non-United States Lions Clubs districts	2,781,644	2,648,269
Due from the International Association of Lions Clubs	1,471,511	4,224,543
Prepaid expenses	2,361,013	1,960,502
Promises to give, net	20,339,618	17,370,132
Investments	424,130,068	380,903,736
Other non-current assets	183,267	-
Property and equipment, net	259,955	309,041
	\$ 457,347,358	\$ 418,776,433
Liabilities and Net Assets		
Accounts payable	\$ 262,287	\$ 318,565
Accrued expenses	466,562	460,681
Deferred revenue	401,370	433,483
Grants payable	15,251,094	18,828,170
Charitable gift annuities	58,460	61,348
Total liabilities	16,439,773	20,102,247
Net assets:		
Without donor restrictions	378,948,198	344,171,065
With donor restrictions	61,959,387	54,503,121
Total net assets	440,907,585	398,674,186
	\$ 457,347,358	\$ 418,776,433

See notes to consolidated financial statements.

Lions Clubs International Foundation

Consolidated Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Revenue and gains:			
Contributions	\$ 37,576,418	\$ 25,632,598	\$ 63,209,016
Program revenue, net	86,032	-	86,032
Investment return, net	17,495,840	61,484	17,557,324
Net assets released from restrictions, satisfaction of purpose restrictions	18,302,456	(18,302,456)	-
Total operating revenue and gains	73,460,746	7,391,626	80,852,372
Expenses and losses:			
Program services:			
Grants	41,974,810	-	41,974,810
Lions Quest	2,306,229	-	2,306,229
Global grants division	3,949,393	-	3,949,393
Total program services	48,230,432	-	48,230,432
Administrative	5,148,325	-	5,148,325
Development	11,592,122	-	11,592,122
Total operating expenses	64,970,879	-	64,970,879
Operating revenue and gains in excess of operating expenses and losses	8,489,867	7,391,626	15,881,493
Nonoperating revenue and losses:			
Revenue and gains (losses):			
Investment return, net	26,308,833	64,640	26,373,473
Net loss on currency exchange	(20,181)	-	(20,181)
Change in value of charitable gift annuities	(6,751)	-	(6,751)
Other income	5,365	-	5,365
Total nonoperating revenue and losses	26,287,266	64,640	26,351,906
Changes in net assets	34,777,133	7,456,266	42,233,399
Net assets:			
Beginning	344,171,065	54,503,121	398,674,186
Ending	\$ 378,948,198	\$ 61,959,387	\$ 440,907,585

See notes to consolidated financial statements.

Lions Clubs International Foundation

**Consolidated Statement of Activities
Year Ended June 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Revenue and gains:			
Contributions	\$ 37,633,702	\$ 26,320,759	\$ 63,954,461
Program revenue, net	154,403	-	154,403
Investment return, net	17,084,520	47,379	17,131,899
Net assets released from restrictions, satisfaction of purpose restrictions	25,789,315	(25,789,315)	-
Total operating revenue and gains	80,661,940	578,823	81,240,763
Expenses and losses:			
Program services:			
Grants	42,855,604	-	42,855,604
Lions Quest	2,486,727	-	2,486,727
Global grants division	3,699,450	-	3,699,450
Total program services	49,041,781	-	49,041,781
Administrative	4,918,955	-	4,918,955
Development	11,284,692	-	11,284,692
Total operating expenses	65,245,428	-	65,245,428
Operating revenue and gains in excess of operating expenses and losses	15,416,512	578,823	15,995,335
Nonoperating revenue and losses:			
Revenue and gains (losses):			
Investment return, net	20,031,662	71,852	20,103,514
Net loss on currency exchange	(87,752)	-	(87,752)
Change in value of charitable gift annuities	(6,678)	-	(6,678)
Other income	6,116	-	6,116
Total nonoperating revenue and losses	19,943,348	71,852	20,015,200
Changes in net assets	35,359,860	650,675	36,010,535
Net assets:			
Beginning	308,811,205	53,852,446	362,663,651
Ending	\$ 344,171,065	\$ 54,503,121	\$ 398,674,186

See notes to consolidated financial statements.

Lions Clubs International Foundation

**Statement of Functional Expenses
Year Ended June 30, 2025**

	Program Services			Administrative	Development	Total
	Lions Quest	Global Grants Division	Total			
Grants	\$ 2,409,182	\$ 39,565,628	\$ 41,974,810	\$ -	\$ -	\$ 41,974,810
Salaries and related costs	877,527	1,980,853	2,858,380	2,235,494	2,907,594	8,001,468
Donor recognition	-	-	-	-	4,798,480	4,798,480
Allocation of headquarters costs	418,887	1,049,986	1,468,873	1,729,227	1,036,134	4,234,234
Travel	283,277	295,449	578,726	477,381	2,006,234	3,062,341
Advertising and promotion	259,479	254,790	514,269	-	317,772	832,041
Professional services	88,287	300,890	389,177	266,639	174,947	830,763
Convention and meetings	18,080	2,353	20,433	52,251	292,767	365,451
Program development	287,529	-	287,529	-	-	287,529
Credit card fees	779	-	779	208,316	-	209,095
Office expense	8,657	17,037	25,694	76,907	22,474	125,075
Fulfillment warehouse	54,178	-	54,178	45,286	-	99,464
Subscription and membership fees	-	42,888	42,888	-	12,814	55,702
Depreciation	3,412	5,117	8,529	35,440	5,117	49,086
Other	6,137	30	6,167	21,384	17,789	45,340
	<u>\$ 4,715,411</u>	<u>\$ 43,515,021</u>	<u>\$ 48,230,432</u>	<u>\$ 5,148,325</u>	<u>\$ 11,592,122</u>	<u>\$ 64,970,879</u>

See notes to consolidated financial statements.

Lions Clubs International Foundation

**Statement of Functional Expenses
Year Ended June 30, 2024**

	Program Services					
	Lions Quest	Global Grants Division	Total	Administrative	Development	Total
Grants	\$ 1,253,636	\$ 41,601,968	\$ 42,855,604	\$ -	\$ -	\$ 42,855,604
Salaries and related costs	814,354	1,844,445	2,658,799	2,076,053	2,801,723	7,536,575
Donor recognition	-	-	-	-	4,843,215	4,843,215
Allocation of headquarters costs	376,526	981,228	1,357,754	1,697,720	911,903	3,967,377
Travel	290,077	285,365	575,442	543,798	1,764,741	2,883,981
Professional services	159,466	273,476	432,942	119,142	282,439	834,523
Advertising and promotion	223,425	222,106	445,531	-	280,643	726,174
Program development	512,018	-	512,018	-	-	512,018
Convention and meetings	22,447	23,993	46,440	67,452	353,263	467,155
Credit card fees	648	-	648	190,128	-	190,776
Office expense	6,905	25,550	32,455	79,853	17,141	129,449
Fulfillment warehouse	60,302	-	60,302	38,508	-	98,810
Depreciation	3,412	5,117	8,529	62,023	5,117	75,669
Subscription and membership fees	-	37,016	37,016	-	-	37,016
Other	17,147	1,154	18,301	44,278	24,507	87,086
	<u>\$ 3,740,363</u>	<u>\$ 45,301,418</u>	<u>\$ 49,041,781</u>	<u>\$ 4,918,955</u>	<u>\$ 11,284,692</u>	<u>\$ 65,245,428</u>

See notes to consolidated financial statements.

Lions Clubs International Foundation

Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 42,233,399	\$ 36,010,535
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	49,086	75,669
Net realized and unrealized gains on investments	(35,094,652)	(29,144,924)
Changes in operating assets and liabilities:		
Accrued investment income receivable	55,986	(91,080)
Accounts receivable	(32,665)	(6,022)
Due from non-United States Lions Clubs districts	(133,375)	(278,176)
Due from The International Association of Lions Clubs	2,753,032	(566,141)
Prepaid expenses	(400,511)	(411,517)
Promises to give, net	(2,969,486)	(4,252,748)
Other non-current assets	(183,267)	-
Accounts payable and accrued expenses	(50,397)	(221,364)
Deferred revenue	(32,113)	(44,196)
Grants payable	(3,577,076)	1,193,670
Charitable gift annuities	(2,888)	(2,962)
Net cash provided by operating activities	2,615,073	2,260,744
Cash flows from investing activities:		
Purchases of investments	(94,240,778)	(99,373,131)
Proceeds from sale of investments	86,109,098	96,533,588
Net cash used in investing activities	(8,131,680)	(2,839,543)
Change in cash and cash equivalents	(5,516,607)	(578,799)
Cash and cash equivalents:		
Beginning of year	10,696,788	11,275,587
Ending	\$ 5,180,181	\$ 10,696,788

See notes to consolidated financial statements.

Lions Clubs International Foundation

Notes to Consolidated Financial Statements

Note 1. Organization and Related Party Data

The Lions Clubs International Foundation (the Foundation) was incorporated in the state of Illinois on June 13, 1968. The purpose of the Foundation is to support the efforts of Lions Clubs and partners in serving communities locally and globally, giving hope and impacting lives through humanitarian service and grants. The Foundation is administered by a Board of Trustees consisting of 22 voting members, which includes seven (five voting and two non-voting) members from the Board of Directors of The International Association of Lions Clubs (the Association), an affiliated not-for-profit corporation.

The Association and the Foundation administer transactions on behalf of each other. The balances resulting from these transactions are settled periodically. As of June 30, 2025 and 2024, the Foundation had a receivable of \$1,471,511 and \$4,224,543, respectively, for such transactions. In addition, the Association allocates costs to the Foundation for operating and maintaining facilities, general administration and general expenses, such as salaries and expenses of employees. These allocations are reviewed periodically for reasonableness. The Association charged the Foundation \$4,234,234 and \$3,967,377 in fiscal years 2025 and 2024, respectively, for such costs and services.

The consolidated financial statements include the Foundation and its related organization, Lions Clubs International Foundation India. As used herein, the Foundation includes all organizations. All inter-organizational balances have been eliminated in the consolidated financial statements.

Note 2. Summary of Significant Accounting Policies

Use of estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial consolidated statements and accompanying notes. Actual results could differ from those estimates.

Net assets: Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue recognition: Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Realized and unrealized gains and losses on investments are reported as increases or decreases in net assets without donor restrictions in the statements of activities unless their use is restricted by explicit donor stipulations or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets in the statement of activities as net assets released from restrictions.

Lions Clubs International Foundation

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Contributions: All unconditional contributions are considered to be available for the general programs of the Foundation unless specifically restricted by the donor. Conditional gifts, with a barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor. Unconditional contributions are recorded at fair value at the date of the donation.

Donor-restricted gifts: Contributions, including unconditional promises to give cash and other assets, are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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. Donor-restricted gifts and restricted investment return are reported as restricted even if the restrictions expire during the fiscal year in which the gift was received and are then reclassified to without donor restrictions.

Promises to give: The Foundation records unconditional promises to give at the present value of estimated cash flows. The discounts on those amounts are computed using a risk-adjusted discount rate applicable to the year in which the promise is received. An allowance for uncollectable promises to give is based on historical experience and a review of subsequent collections. Promises to give are written off when deemed uncollectable. On June 30, 2025 and 2024, the allowance was \$5,310,000 and \$6,120,000, respectively.

Program revenue: Program revenue consists of the sales of curricula, products, training, and services associated with the Foundation's Lions Quest program. This program's curricula teach positive life skills to children in grades kindergarten through 12th grade, such as character development, social and emotional learning, civic values, violence and substance abuse prevention, and service learning.

The Lions Quest program is delivered primarily through three or five-year licenses to an online platform, which are paid for in advance. The initial payment is included in deferred revenue and recognized as revenue over the licensing period. Revenue from the sales of printed program materials is recognized upon shipment of printed materials representing the point in time control, title, and risks of ownership of the merchandise transfers to the customer. Returns are netted against revenue. Amounts received in advance of shipment of program materials are recorded as deferred revenue. The opening balance of deferred revenue was \$477,679 at July 1, 2023.

Lions Quest revenue is reported net of the cost of sales for the goods and services provided. Cost of goods sold associated with the program-related revenue for the years ended June 30, 2025 and 2024, are as follows:

	2025	2024
Program revenue	\$ 213,756	\$ 223,132
Cost of sales	(127,724)	(68,729)
Program revenue, net	<u>\$ 86,032</u>	<u>\$ 154,403</u>

Lions Clubs International Foundation

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Receivables: Accounts receivable represents merchandise and workshop sales for the Lions Quest program, net of allowance for credit losses. The carrying value of accounts receivable approximates management's estimate of the amount that will ultimately be collected. The allowance for credit losses represents the Foundation's best estimate of probable losses in the receivable balance as determined from a review of past due balances, other specific account data and a loss rate based on management's expectations about current and future economic conditions. Accounts that are outstanding longer than 90 days are considered past due. All accounts over 90 days old are reviewed regularly and any accounts considered uncollectible are written off. The allowance for credit losses balance was approximately \$0 and \$1,500 as of June 30, 2025 and 2024, respectively. The opening balance of accounts receivable was \$4,519 at July 1, 2023.

Grants: The Foundation records grant expense as an unconditional promise to give upon approval of the grant. Conditional grants, with a barrier and right of return, are not recognized until the conditions on which they depend are substantially met. Upon completion of a grant project, the Foundation recognizes any remaining liability as an adjustment of current year grants expense in the consolidated statements of activities.

Multi-year grants: Periodically, the Foundation enters multi-year grant commitments. All unconditional grants are recorded as grants payable based on the expected commitment in the year in which they are approved, and no conditions exist.

Cash and cash equivalents: Cash and cash equivalents consist of demand deposits with banks, short-term investments, and other securities with original maturities not in excess of three months when purchased. Due to its short-term nature, the carrying value of cash and cash equivalents approximates fair value. The Foundation maintains foreign and domestic cash accounts, the majority of which exceed the Federal Deposit Insurance Corporation's insured limitations. The Foundation believes it is not exposed to significant credit risk on cash and cash equivalents.

Property and equipment: Property and equipment is recorded at cost. The Foundation capitalizes all expenditures for property and equipment in excess of \$3,000. Depreciation of property and equipment are determined using the straight-line method over the estimated useful lives of the related assets ranging between three and 10 years.

Investments: Investments consist of cash held for investment purposes, fixed deposits, money market funds, mutual funds, equity securities, corporate, government and mortgage-backed bonds, hedge funds, gold index funds, real estate, and private equity funds. Investments are reported at fair value. Fixed income deposits are reported at their carrying amount which approximates fair value because of the short maturity of the instrument. Fair value is based on quoted market prices when available. For investments in limited partnerships and other similar investments (alternative investments), the fair value is based on valuations provided by external investment managers, which are reviewed by management for reasonableness. The Foundation believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and may differ from the value that would have been used had a ready market for such investments existed. Gains and losses on investment assets are included in the consolidated statement of activities.

Lions Clubs International Foundation

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Fair value of financial instruments: The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1:** Quoted prices for identical instruments in active markets, which includes listed money market funds, mutual funds and equity securities. The Foundation does not adjust the quoted price for such instruments, even in situations where the Foundation holds a large position, and a sale could reasonably impact the quoted price.
- Level 2:** Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; or derived from inputs that are observable.
- Level 3:** Significant unobservable inputs that reflect assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. Investments using Net Asset Value (NAV) per share (or its equivalent) as a fair value expedient have not been classified in the fair value hierarchy. These investments are presented as NAV in the following tables to permit reconciliation of the fair value hierarchy table to the total investments at fair value presented in the consolidated statement of financial position.

The levels for financial instruments are evaluated on an annual basis and transfers between levels are recognized as of the end of each fiscal year.

Operations: The Foundation's operating revenue in excess of (less than) operating expenses include all revenue and expenses that are an integral part of its programs and supporting activities and net assets released from donor restrictions to support operating expenditures. Net investment return included in operating revenue and gains has a goal to generate total return sufficient to cover administrative and development expenses; the remaining investment return is included in non-operating revenue and gains.

Foreign currency exchange: The Foundation operates throughout the globe, and recognizes revenue and incurs expenses in foreign currency and converts it to U.S. dollar using exchange rates as of the date of the transaction. Foreign currency denominated cash deposits are translated into U.S. dollars using the exchange rates in effect at the statement of financial position date. The Foundation records its foreign currency net gain or net loss in the statements of activities.

Functional allocation of expenses: The costs of program and supporting service activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Most expenses are directly charged to the department/function incurring the expense. The expenses that are allocated include allocation of headquarters costs which are allocated based on number of staff in each department as well as estimates of time and effort. Advertising and promotional costs and the salaries of certain individuals in the Foundation are based on estimates of time and effort.

Lions Clubs International Foundation

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Income taxes: The Foundation has received a favorable determination letter from the Internal Revenue Service, stating that it is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) of 1986, as amended, except for income taxes pertaining to unrelated business income. The Financial Accounting Standards Board (FASB) issued guidance that requires tax effects from uncertain tax positions to be recognized in the consolidated financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority.

Management has determined that there are no material uncertain positions that require recognition in the consolidated financial statements. Additionally, there is no interest or penalties recognized in the consolidated financial statements.

Subsequent events: The Foundation evaluated its June 30, 2025, financial statements for subsequent events through November 12, 2025, the date the financial statements were available to be issued.

Note 3. Liquidity and Availability

As of June 30, 2025 and 2024, financial assets available within one year of the consolidated statements of financial position date for general expenditure were as follows:

	2025	2024
Cash and cash equivalents	\$ 5,180,181	\$ 10,696,788
Accrued investment and dividend income	596,895	652,881
Accounts receivable	43,206	10,541
Due from the International Association of Lions Clubs	1,471,511	4,224,543
Promises to give, net	11,403,038	12,410,165
Investments	388,575,584	350,766,061
	<u>407,270,415</u>	<u>378,760,979</u>
Less amounts committed for grants payable within one year	(14,552,299)	(17,512,224)
Total financial assets available	<u>\$ 392,718,116</u>	<u>\$ 361,248,755</u>

The Foundation regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities to be general expenditures. The Foundation considers donor-restricted net assets designated for specific grant purpose activities to be available for use.

A portion of the Foundation's portfolio is invested in certain alternative investments where long-term lock-up provisions are in effect. Additional amounts are set aside in a permanent endowment per donor restrictions and to meet contractual obligations under charitable gift annuity agreements. These investments in the amount of approximately \$36,600,000 and \$30,100,000 as of June 30, 2025 and 2024, respectively, have been excluded from the schedule above.

The portion of grants payable of which the Foundation expects to distribute within one year is shown as a reduction of financial assets available in the schedule above.

Promises to give include the portion of the receivables that are expected to be received within one year and did not include approximately \$8,940,000 and \$4,960,000 of promises to give that are expected to be received beyond one year as of June 30, 2025 and 2024, respectively.

Lions Clubs International Foundation

Notes to Consolidated Financial Statements

Note 3. Liquidity and Availability (Continued)

The investment amount listed above represents assets, which could be converted to cash on a short-term basis and thus are available to support cash flow needs and operations. However, the Foundation has adopted a policy of funding administrative expenses from the total return from its investments over the long-term, and in practice also seeks to fund development expenses from these returns. This policy requires the Foundation to maintain investment portfolios that generate sufficient returns to fund these expenses. Accordingly, the Foundation has no immediate plans to liquidate investments beyond what is needed for current operations, which includes grants approved within one year based on the respective spending policy and the operating budget approved by the Board of Trustees.

Note 4. Promises to Give

Unconditional promises to give are estimated to be collected as follows on June 30, 2025 and 2024:

	2025	2024
Within one year	\$ 14,253,038	\$ 16,751,815
In one to five years	11,971,657	7,372,270
Over five years	315,729	350,000
	<u>26,540,424</u>	<u>24,474,085</u>
Less allowance for uncollectable promises to give	(5,310,000)	(6,120,000)
Less discount to net present value at a rates ranging from 0.24% to 4.43%	(890,806)	(983,953)
Total promises to give, net	<u>\$ 20,339,618</u>	<u>\$ 17,370,132</u>

At June 30, 2025, eight donors accounted for 26% of total promises to give.

Note 5. Investments and Fair Value

The following table summarizes the fair value measurements of investments as of June 30, 2025 and 2024:

	2025				Total
	Level 1	Level 2	Level 3	NAV	
Cash and cash equivalents	\$ 4,854,219	\$ -	\$ -	\$ -	\$ 4,854,219
Equity investments/securities	201,780,726	-	-	-	201,780,726
Fixed income investments/ securities	67,334,080	69,028,809	-	-	136,362,889
Hedge funds	88,148	-	-	44,673,415	44,761,563
Gold index funds	-	-	-	-	-
Private equity funds	-	-	-	25,828,080	25,828,080
Real estate	37,712	-	-	8,289,726	8,327,438
	<u>\$ 274,094,885</u>	<u>\$ 69,028,809</u>	<u>\$ -</u>	<u>\$ 78,791,221</u>	421,914,915
Fixed deposits, at cost					2,215,153
Total investments					<u>\$ 424,130,068</u>

Lions Clubs International Foundation

Notes to Consolidated Financial Statements

Note 5. Investments and Fair Value (Continued)

	2024			NAV	Total
	Level 1	Level 2	Level 3		
Cash and cash equivalents	\$ 6,659,197	\$ -	\$ -	\$ -	\$ 6,659,197
Equity investments/securities	174,263,035	-	-	-	174,263,035
Fixed income investments/ securities	63,721,549	70,174,598	-	-	133,896,147
Hedge funds	76,223	-	-	35,515,631	35,591,854
Gold index funds	3,295	-	-	-	3,295
Private equity funds	-	-	-	20,227,463	20,227,463
Real estate	1,739,441	-	-	8,523,304	10,262,745
	<u>\$ 246,462,740</u>	<u>\$ 70,174,598</u>	<u>\$ -</u>	<u>\$ 64,266,398</u>	<u>\$ 380,903,736</u>

Management believes the investment portfolio is diversified to minimize the concentration of risk of any single security, class of security, or asset class.

Inputs and valuation techniques: Level 1 financial instruments consist primarily of common stocks, mutual funds, gold index funds and other securities whose fair values are determined by obtaining quoted prices on nationally recognized security exchanges. The mutual funds have a daily redemption frequency with no redemption notice required.

Level 2 financial instruments consist of corporate, government and mortgage-backed bonds. The bonds have been measured at fair value which is estimated using quoted market prices of similar securities with similar due dates.

Investments recorded at NAV consist of the following.

Hedge funds: Hedge funds consist of a globally diversified, multi-strategy, fund of hedge funds. The NAV of the fund is calculated by the investment manager of the fund and has quarterly liquidity with a 70-day notice.

Private equity and real estate funds: Private equity and real estate funds consist of limited partnerships. These funds generally cannot be redeemed and are subject to the terms of the individual funds. The funds typically have lives of up to 10 years, and distributions are at the discretion of the general partners and are usually only after the realization of investments within the fund.

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at June 30, 2025:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds	\$ 44,673,415	\$ -	Quarterly	70 days
Private equity funds	25,828,080	26,966,092	None	None
Real estate	8,289,726	-	None	None
	<u>\$ 78,791,221</u>	<u>\$ 26,966,092</u>		

Lions Clubs International Foundation

Notes to Consolidated Financial Statements

Note 5. Investments and Fair Value (Continued)

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at June 30, 2024:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Hedge funds	\$ 35,515,631	\$ -	Quarterly	70 days
Private equity funds	20,227,463	19,693,114	None	None
Real estate	8,523,304	-	None	None
	<u>\$ 64,266,398</u>	<u>\$ 19,693,114</u>		

Total investment return is summarized as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 9,621,818	\$ 8,758,537
Net realized and unrealized gains	35,094,652	29,144,924
Management fees	(785,673)	(668,048)
Total investment return	<u>\$ 43,930,797</u>	<u>\$ 37,235,413</u>

All net realized and unrealized gains in the table above are reflected in investment return in the accompanying consolidated statements of activities. Net unrealized gains relate to those investments held by the Foundation at year-end.

Note 6. Property and Equipment

Property and equipment were comprised of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Furniture and equipment	\$ 5,487,739	\$ 5,487,739
Less accumulated depreciation	(5,227,784)	(5,178,698)
	<u>\$ 259,955</u>	<u>\$ 309,041</u>

Lions Clubs International Foundation

Notes to Consolidated Financial Statements

Note 7. Net Assets With Donor Restrictions

Net assets with donor restriction include gifts of cash and other assets for which donor-imposed restrictions have not yet been met. Also included in this category for the years ended June 30, 2025 and 2024, are gifts that require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

	2025	2024
Subject to expenditure for specified purpose or time restricted:		
General Disaster Relief	\$ 22,834,912	\$ 18,063,994
Refugees and Displaced Persons	2,842,129	3,476,786
Prevent Blindness/Treat Vision Impairment - US	2,682,505	2,755,948
Measles Initiative	2,531,909	2,531,909
Campaign SightFirst II	2,240,718	1,637,511
Other restricted	7,471,721	7,650,966
Promises to give, net balance	20,339,618	17,370,132
	<u>\$ 60,943,512</u>	<u>\$ 53,487,246</u>
Endowments:		
Restricted by donors for benefit of the blind	\$ 515,875	\$ 515,875
Restricted by donors to support sight-related activities in Louisiana	500,000	500,000
Total net assets with donor restriction	<u>\$ 61,959,387</u>	<u>\$ 54,503,121</u>

Note 8. Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows for the years ended June 30, 2025 and 2024:

	2025	2024
General Disaster Relief	\$ 3,823,951	\$ 7,915,223
Refugees and Displaced Persons	2,501,422	2,509,002
Payments on pledges	5,971,089	6,167,526
Other restricted	6,005,994	9,197,564
	<u>\$ 18,302,456</u>	<u>\$ 25,789,315</u>

Lions Clubs International Foundation

Notes to Consolidated Financial Statements

Note 9. Donor-Restricted Endowments

The Foundation's endowment consists of donor-restricted funds to provide annual funding for specific activities.

The Board of Trustees has interpreted the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Investment and spending policies: The Foundation has adopted investment and spending policies for endowment assets that aim to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. As of June 30, 2025 and 2024, endowment assets only include those assets of donor-restricted funds that the Foundation must hold in perpetuity and the undistributed income to be made available for program expenses in accordance with donor restrictions. Investment guidelines are based upon a perpetual investment horizon and the endowments strategic asset allocation is based on this perspective.

Subject to the intent of the donor as expressed in the gift instrument, endowment funds available for annual distribution will be determined by using a total return principle, i.e., return derived from dividends and interest as well as realized and unrealized capital gains, less management fees. The funds available for distribution during any one year will be limited to 5% of the market value of the endowment that is based on a five-year rolling average, with measures taken at the end of each of the preceding 20 quarters.

If the fair value of a donor-designated endowment is at or below the account's historic gift value as of December 31, the endowment will not distribute funds for the next calendar year. Instead, any and all return on the investments will be reinvested into the fund. Funds will be reinvested regardless of the amount by which fair value is below historic gift value to ensure the principal of the fund is intact as desired by the donor.

As of June 30, 2025 and 2024, endowment net asset composition by type is as follows:

	2025	2024
Donor-restricted Endowment Funds:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 1,015,875	\$ 1,015,875
Accumulated investment gains	161,894	97,254
	<u>\$ 1,177,769</u>	<u>\$ 1,113,129</u>

Lions Clubs International Foundation

Notes to Consolidated Financial Statements

Note 9. Donor-Restricted Endowments (Continued)

Changes in the endowment net assets for the years ending June 30, 2025 and 2024, are as follows:

	2025	2024
Endowment net assets, beginning of the year	\$ 1,113,129	\$ 1,041,278
Investment return, net	126,124	119,230
Appropriation of endowment assets for expenditures	(61,484)	(47,379)
Endowment net assets, beginning of the year	<u>\$ 1,177,769</u>	<u>\$ 1,113,129</u>

Note 10. Grants

Grant expense for the years ended June 30, 2025 and 2024, consisted of the following:

	2025	2024
Vision, net of grant adjustments of 2025—\$1,085,108; 2024—\$726,632	\$ 6,582,663	\$ 7,575,237
Youth, net of grant adjustments of 2025—\$237,235; 2024—\$475,368	5,682,811	2,445,419
Disaster, net of grant adjustments of 2025—\$624,157; 2024—\$213,840	5,206,195	9,412,376
Hunger, net of grant adjustments of 2025—\$284,099; 2024—\$12,717	3,506,725	2,811,283
Refugees and Displaced Persons, net of grant adjustments 2025—\$1,029; 2024—\$3,721	2,501,155	2,537,545
Childhood Cancer, net of grant adjustments of 2025—\$2,639; 2024—\$3,653	1,129,431	2,313,969
Diabetes, net of grant adjustments of 2025— \$148,333; 2024—\$99,837	632,256	924,104
Other grants, net of grant adjustments of 2025—\$648,003; 2024—\$400,235	16,733,574	14,835,671
Total grants approved	<u>\$ 41,974,810</u>	<u>\$ 42,855,604</u>

Unconditional grants payable of approximately \$14.55 million and \$17.51 million on June 30, 2025 and 2024, respectively, are contractually obligated to be paid within one year. Unconditional grants payable of approximately \$0.7 million and \$1.32 million on June 30, 2025 and 2024, respectively, are contractually obligated to be paid between one to two years.

At June 30, 2025 and 2024, the Foundation had approved approximately \$5.83 million and \$6.41 million of grants, respectively, for which the conditions, which generally represent raising matching funds, have not yet been met and therefore, grant expenses have not yet been recognized.

Lions Clubs International Foundation

**Consolidated Statement of Financial Position
June 30, 2025**

	Lions Clubs International Foundation	Lions Clubs International Foundation India	Eliminations	Total
Assets				
Cash and cash equivalents	\$ 4,043,493	\$ 1,136,688	\$ -	\$ 5,180,181
Accrued investment income receivable	596,895	-	-	596,895
Accounts receivable, net	43,206	-	-	43,206
Due from non-United States Lions Clubs districts	2,781,644	-	-	2,781,644
Due from the International Association of Lions Clubs	1,471,511	-	-	1,471,511
Prepaid expenses	2,361,013	-	-	2,361,013
Promises to give, net	14,802,943	5,536,675	-	20,339,618
Investments	421,914,915	2,215,153	-	424,130,068
Other non-current assets	231,240	-	(47,973)	183,267
Property and equipment, net	259,955	-	-	259,955
	<u>\$ 448,506,815</u>	<u>\$ 8,888,516</u>	<u>\$ (47,973)</u>	<u>\$ 457,347,358</u>
Liabilities and Net Assets				
Accounts payable	\$ 257,980	\$ 4,307	\$ -	\$ 262,287
Accrued expenses	426,483	40,079	-	466,562
Deferred revenue	401,370	-	-	401,370
Grants payable	11,991,224	3,259,870	-	15,251,094
Charitable gift annuities	58,460	-	-	58,460
Total liabilities	<u>13,135,517</u>	<u>3,304,256</u>	<u>-</u>	<u>16,439,773</u>
Net assets				
Without donor restrictions	379,716,661	(768,463)	-	378,948,198
With donor restrictions	55,654,637	6,304,750	-	61,959,387
Paid-in capital	-	47,973	(47,973)	-
Total net assets	<u>435,371,298</u>	<u>5,584,260</u>	<u>(47,973)</u>	<u>440,907,585</u>
	<u>\$ 448,506,815</u>	<u>\$ 8,888,516</u>	<u>\$ (47,973)</u>	<u>\$ 457,347,358</u>

Lions Clubs International Foundation

**Consolidated Statement of Financial Position
June 30, 2024**

	Lions Clubs International Foundation	Lions Clubs International Foundation India	Eliminations	Total
Assets				
Cash and cash equivalents	\$ 7,065,050	\$ 3,631,738	\$ -	\$ 10,696,788
Accrued investment income receivable	652,881	-	-	652,881
Accounts receivable, net	10,541	-	-	10,541
Due from non-United States Lions Clubs districts	2,648,269	-	-	2,648,269
Due from the International Association of Lions Clubs	4,224,543	-	-	4,224,543
Prepaid expenses	1,960,502	-	-	1,960,502
Promises to give, net	13,738,783	3,631,349	-	17,370,132
Investments	380,903,736	-	-	380,903,736
Property and equipment, net	309,041	-	-	309,041
Other assets	47,973	-	(47,973)	-
	<u>\$ 411,561,319</u>	<u>\$ 7,263,087</u>	<u>\$ (47,973)</u>	<u>\$ 418,776,433</u>
Liabilities and Net Assets				
Accounts payable	\$ 310,311	\$ 8,254	\$ -	\$ 318,565
Accrued expenses	440,297	20,384	-	460,681
Deferred revenue	433,483	-	-	433,483
Grants payable	17,660,966	1,167,204	-	18,828,170
Charitable gift annuities	61,348	-	-	61,348
Total liabilities	<u>18,906,405</u>	<u>1,195,842</u>	<u>-</u>	<u>20,102,247</u>
Net assets				
Without donor restrictions	342,493,750	1,677,315	-	344,171,065
With donor restrictions	50,161,164	4,341,957	-	54,503,121
Paid-in capital	-	47,973	(47,973)	-
Total net assets	<u>392,654,914</u>	<u>6,067,245</u>	<u>(47,973)</u>	<u>398,674,186</u>
	<u>\$ 411,561,319</u>	<u>\$ 7,263,087</u>	<u>\$ (47,973)</u>	<u>\$ 418,776,433</u>

Lions Clubs International Foundation

Consolidated Statement of Activities
Year Ended June 30, 2025

	Lions Clubs International Foundation	Lions Clubs International Foundation India	Eliminations	Total
Operating revenue:				
Revenue and gains:				
Contributions	\$ 56,356,119	\$ 6,852,897	\$ -	\$ 63,209,016
Program revenue, net	86,032	-	-	86,032
Investment return, net	17,353,810	203,514	-	17,557,324
Total operating revenue and gains	73,795,961	7,056,411	-	80,852,372
Expenses and losses:				
Program services:				
Grants	34,994,208	6,980,602	-	41,974,810
Lions Quest	2,306,229	-	-	2,306,229
Global grants division	3,884,522	64,871	-	3,949,393
Total program services	41,184,959	7,045,473	-	48,230,432
Administrative	4,903,495	244,830	-	5,148,325
Development	11,334,234	257,888	-	11,592,122
Total operating expenses	57,422,688	7,548,191	-	64,970,879
Operating revenue and gains in excess of operating expenses and losses	16,373,273	(491,780)	-	15,881,493
Nonoperating revenue:				
Revenue and gains (losses):				
Investment return, net	26,373,473	-	-	26,373,473
Net loss on currency exchange	(28,976)	8,795	-	(20,181)
Change in value of charitable gift annuities	(6,751)	-	-	(6,751)
Other income	5,365	-	-	5,365
Total nonoperating revenue and losses	26,343,111	8,795	-	26,351,906
Changes in net assets	42,716,384	(482,985)	-	42,233,399
Net assets:				
Beginning	392,654,914	6,067,245	(47,973)	398,674,186
Ending	\$ 435,371,298	\$ 5,584,260	\$ (47,973)	\$ 440,907,585

Lions Clubs International Foundation

**Consolidated Statement of Activities
Year Ended June 30, 2024**

	Lions Clubs International Foundation	Lions Clubs International Foundation India	Eliminations	Total
Operating revenue:				
Revenue and gains:				
Contributions	\$ 58,361,657	\$ 5,592,804	\$ -	\$ 63,954,461
Program revenue, net	154,403	-	-	154,403
Investment return, net	16,918,920	212,979	-	17,131,899
Total operating revenue and gains	75,434,980	5,805,783	-	81,240,763
Expenses and losses:				
Program services:				
Grants	38,743,073	4,112,531	-	42,855,604
Lions Quest	2,486,727	-	-	2,486,727
Global grants division	3,680,809	18,641	-	3,699,450
Total program services	44,910,609	4,131,172	-	49,041,781
Administrative	4,781,676	137,279	-	4,918,955
Development	11,047,653	237,039	-	11,284,692
Total operating expenses	60,739,938	4,505,490	-	65,245,428
Operating revenue and gains in excess of operating expenses and losses	14,695,042	1,300,293	-	15,995,335
Nonoperating revenue:				
Revenue and gains (losses):				
Investment return, net	20,103,514	-	-	20,103,514
Net loss on currency exchange	(102,171)	14,419	-	(87,752)
Change in value of charitable gift annuities	(6,678)	-	-	(6,678)
Other income	6,116	-	-	6,116
Total nonoperating revenue and losses	20,000,781	14,419	-	20,015,200
Changes in net assets	34,695,823	1,314,712	-	36,010,535
Net assets:				
Beginning	357,959,091	4,752,533	(47,973)	362,663,651
Ending	\$ 392,654,914	\$ 6,067,245	\$ (47,973)	\$ 398,674,186