

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
LIONS CLUBS INTERNATIONAL FOUNDATION
JUNE 30, 2007 AND 2006**

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Lions Clubs International Foundation

We have audited the accompanying statements of financial position of Lions Clubs International Foundation (the "Foundation") as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lions Clubs International Foundation as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Chicago, Illinois
October 15, 2007

Lions Clubs International Foundation
STATEMENTS OF FINANCIAL POSITION
June 30,

ASSETS	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$ 12,977,052	\$ 9,586,835
Accounts receivable	263,937	269,018
Pledges receivable, net	5,027,711	2,576,906
Due from non-United States Lions Clubs districts	1,042,997	398,609
Due from The International Association of Lions Clubs	3,392,528	1,336,465
Accrued interest receivable	1,206,788	1,105,624
Inventory, net of reserve of \$388,048 in 2007 and \$742,861 in 2006	922,477	596,780
Investments	308,497,467	265,474,218
Property and equipment, net	2,756,188	3,626,365
Goodwill	982,755	1,021,671
Other assets	494,214	560,062
TOTAL ASSETS	<u><u>\$337,564,114</u></u>	<u><u>\$286,552,553</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ -	\$ 21,678
Accrued expenses	14,972	6,119
Grants payable, net	49,730,943	48,465,144
Charitable gift annuities	250,307	232,013
Total liabilities	49,996,222	48,724,954
Net assets		
Unrestricted	215,042,603	197,688,964
Temporarily restricted	70,881,847	38,495,193
Permanently restricted	1,643,442	1,643,442
Total net assets	<u>287,567,892</u>	<u>237,827,599</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$337,564,114</u></u>	<u><u>\$286,552,553</u></u>

The accompanying notes are an integral part of these statements.

Lions Clubs International Foundation
STATEMENT OF ACTIVITIES
Year ended June 30, 2007

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenue, gains and other support				
Contributions				
General	\$ 3,895,861	\$ 589,396	\$ -	\$ 4,485,257
Campaign Sight First II	-	49,961,091	-	49,961,091
Charitable gift annuity, net	-	23,728	-	23,728
Lions Quest, net	863,559	-	-	863,559
Investment return	44,607,822	-	-	44,607,822
Net gain on currency exchange	27,767	-	-	27,767
Net assets released from restrictions	18,187,561	(18,187,561)	-	-
Total revenue, gains and other support	67,582,570	32,386,654	-	99,969,224
Expenses and losses				
Program-related expenses				
Grants				
SightFirst, net of grants adjustments of \$971,638 and discount of \$1,408,032	15,217,110	-	-	15,217,110
Standard, net of grants adjustments of \$208,059	8,583,181	-	-	8,583,181
Core 4, net of grants adjustments of \$220,276 and discount of \$50,878	1,555,933	-	-	1,555,933
Emergency, net of grants adjustments of \$72,630	1,493,869	-	-	1,493,869
International assistance, net of grants adjustments of \$14,183	659,511	-	-	659,511
Designated, net of grants adjustments of \$15,721	4,506,052	-	-	4,506,052
Major catastrophe	100,000	-	-	100,000
Humanitarian	200,000	-	-	200,000
Major international service	209,500	-	-	209,500
Program services				
SightFirst	2,164,979	-	-	2,164,979
Lions Quest	1,366,974	-	-	1,366,974
Other	519,021	-	-	519,021
Total program-related expenses	36,576,130	-	-	36,576,130
Non-program-related expenses				
Administrative costs	4,681,728	-	-	4,681,728
Promotional costs	8,971,073	-	-	8,971,073
Total non-program-related expenses	13,652,801	-	-	13,652,801
Total expenses and losses	50,228,931	-	-	50,228,931
CHANGE IN NET ASSETS	17,353,639	32,386,654	-	49,740,293
Net assets at beginning of year	197,688,964	38,495,193	1,643,442	237,827,599
Net assets at end of year	\$ 215,042,603	\$70,881,847	\$1,643,442	\$287,567,892

The accompanying notes are an integral part of this statement.

