



International Association of Lions Clubs District 2-S2

**FINANCIAL STATEMENTS
AND
AUDIT REPORT
OF
OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS**

**International Association of Lions Clubs District 2-S2
Notes to the Financial Statements
For the Year Ended June 30, 2024.**

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**International Association of Lions Clubs District 2-S2
District Officers
July 1, 2023, Through June 30, 2024**

District Governor	Neil Lander
First Vice District Governor	Bill Simpson
Second Vice District Governor	Mike George
Cabinet Secretary	Minette Chiu
Cabinet Treasurer	Rafael Perez
Immediate Past District Governor	Paul Moore
Zone Chair	Valerie James
Zone Chair	Susie Vestal
Zone Chair	Kevin Smith
Zone Chair	Carol Barnett
Zone Chair	Bill Hogan
Zone Chair	Dr. Anthony Price
Zone Chair	John Tankersly
Elected Texas Lions Camp Director	Kari McMurray
Elected Texas Lions Camp Director	Shelia Thomas
Elected Trustee Lions Eye Bank of Texas	Stedman Douglas
Elected Trustee Lions Eye Bank of Texas	Jerome Teichmiller
Elected Director Lighthouse of Houston	Erin Applegate
Elected Director Lighthouse of Houston	Mazher Poonawala
Elected Director Humanitarian Relief Fund	Helen Thornton
Elected Director Humanitarian Relief Fund	Paul Yackley
Elected Director Humanitarian Relief Fund	Jennifer Applegate



Gerdin CPA
Certified Public Accountant

Montgomery Texas

Independent Auditor's Report

International Association of Lions Clubs District 2-S2
6501 Fannin St
Houston, TX 77030

Dear Directors of Officers of International Association of Lions Clubs District 2-S2:

Opinion

We have audited the financial statements of International Association of Lions Clubs District 2-S2 (not-for-profit corporation), which comprise the statements of financial position as of June 30, 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 accompanying financial statements present fairly, in all material respects, the financial position of International Association of Lions Clubs District 2-S2 as of June 30, 2024, and the changes in its net assets and its 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of International Association of Lions Clubs District 2-S2 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 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 International Association of Lions Clubs District 2-S2's ability to continue as a going concern for one year after the date that the financial statements are 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 International Association of Lions Clubs District 2-S2'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 International Association of Lions Clubs District 2-S2 b'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedules on page are 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.

Montgomery, Texas

7/26/2025

International Association of Lions Clubs District 2-S2
Statements of Financial Positions
June 30, 2024

	Total
Assets	
Current Assets	
Cash	\$ 168,168
Security Deposits	1,000
Total Current Assets	169,168
 Total Assets	 \$ 169,168
 Liabilities and Net Assets	
Liabilities	
Current Liabilities	
Accounts Payable:	\$ 5,132
Total Current Liabilities	5,132
Total Liabilities	5,132
Net Asset	
Without Donor Restrictions	82,279
With Donor Restrictions	81,757
Total Net Assets	164,036
 Total Liabilities and Net Assets	 \$ 169,168

The accompanying notes are an integral part of these financial statements

International Association of Lions Clubs District 2-S2
Statement of Activities
For The Year Ending June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
District Dues	\$ 17,435	\$ 56,061	\$ 73,496
Fundraising Income	-	44,339	44,339
Interest Income	11	-	11
Other Income	2,207	32,554	34,761
Net Assets Released From Restrictions	143,980	(143,980)	-
Total Support and Revenue	163,633	(11,026)	152,607
Expenses			
General and Administrative	10,876	-	10,876
Program	99,641	-	99,641
Fundraising	44,589	-	44,589
Total Expenses	155,106	-	155,106
Increase (Decrease) in Net Assets	8,527	(11,026)	(2,499)
Net Asset, Beginning of Year	<u>73,752</u>	<u>92,783</u>	<u>166,535</u>
Net Asset, End of Year	<u>\$ 82,279</u>	<u>\$ 81,757</u>	<u>\$ 164,036</u>

The accompanying notes are an integral part of these financial statements

International Association of Lions Clubs District 2-S2
Statement of Functional Expenses
For The Year Ending June 30, 2024

	Program	General and Administrative	Fundraising	Total
Conferences and Convention	\$ 28,932	\$ -	\$ -	\$ 28,932
Humanitarian Relief	3,050	-	-	3,050
Texas Lions Camp	42,584	-	-	42,584
Lions Eye Bank of Texas	3,924	-	-	3,924
Youth Opportunity	3,600	-	-	3,600
Lions Club International Fund	978	-	-	978
Leader Dog	978	-	-	978
Lighthouse Operational Fund	978	-	-	978
Sight Conservation	552	-	-	552
Mid-District-2	11,513	-	-	11,513
WSB	978	-	-	978
Texas Lions Foundation	1,574	-	-	1,574
1st VDG Expenses	-	2,049	-	2,049
2nd VDG Expenses	-	1,700	-	1,700
TLC Director	-	500	-	500
Promotions	-	2,422	-	2,422
Storage Fee	-	2,028	-	2,028
Cabinet Meetings	-	120	-	120
Insurance	-	1,250	-	1,250
Bank Fees	-	61	-	61
Postage	-	10	-	10
Website	-	667	-	667
Leo Expense	-	69	-	69
Action Software	-	-	250	250
Bob Dowden Memorial Dinner	-	-	44,339	44,339
Total Functional Expenses	\$ 99,641	\$ 10,876	\$ 44,589	\$ 155,106

The accompanying notes are an integral part of these financial statements

**International Association of Lions Clubs District 2-S2
Statements of Cash Flows
For The Year Ending June 30, 2024**

	Total
Cash Flows Provided by Operating Activities:	
Increase (Decrease) in Net Assets;	\$ (2,499)
Add (Subtract) Items Not Requiring (Providing) Cash:	-
Change in Current Operating Assets and Liabilities	
Security Deposits	(1,000)
Accounts Payable:	
Trade	2,771
Net Cash Provided by Operating Activities:	(728)
Net Increase in Cash	(728)
Cash at Beginning of Period	168,896
Ending Cash and Cash Equivalents	\$ 168,168

The accompanying notes are an integral part of these financial statements

International Association of Lions Clubs District 2-S2
Supplemental Schedule of Donor Restrictions
For The Year Ending June 30, 2024

	<u>Beginning</u>	<u>Donor Restricted Income</u>	<u>Released From Donor Expense</u>	<u>Ending</u>
Camper Transportation	\$ 8,421	\$ -	\$ -	\$ 8,421
Conference & Convention	11,859	17,817	(28,932)	744
Disaster Relief Fund	1,862	-	-	1,862
Hearing and Speech	2,628	-	-	2,628
Humanitarian Relief Fund	13,611	2,857	(3,050)	13,418
Leader Dog	-	978	(978)	-
Lighthouse - Activity	106	-	-	106
Lighthouse Operational Fund	-	978	(978)	-
Lions Club International Fund	-	978	(978)	-
Lions Eye Bank of Texas	-	3,924	(3,924)	-
Lions Quest	11,785	-	-	11,785
MD-2	-	11,513	(11,513)	-
Opportunities for Youth	15,262	3,456	(3,600)	15,118
Sight Conservation	2,767	978	(552)	3,193
State Convention in 2-S2	14,915	-	-	14,915
Texas Lions Camp	-	42,584	(42,584)	-
Texas Lions Camp (Bob Dowden)	-	44,339	(44,339)	-
Texas Lions Foundation	-	1,574	(1,574)	-
Veterans Support	2,214	-	-	2,214
Vision Screening Machine	3,000	-	-	3,000
WSB	-	978	(978)	-
Youth Outreach	4,354	-	-	4,354
	<u>\$ 92,783</u>	<u>\$ 132,954</u>	<u>\$ (143,980)</u>	<u>\$ 81,757</u>

The accompanying notes are an integral part of these financial statements

International Association of Lions Clubs District 2-S2
Notes to the Financial Statements
June 30, 2024

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

International Association of Lions Clubs District 2-S2, a part of Multiple District 2, State of Texas, U.S.A., (the District) is a Texas nonprofit corporation chartered by and under authority of the International Association of Lions Clubs, under the Texas Non-Profit Corporation Act. The District is recognized as a 501(C)(3) organization under the Internal Revenue Services. The geographic Texas Counties of the various Lions Clubs the District service are the following: Harris, Liberty, Chambers, Montgomery, San Jacinto, Walker, and Waller.

Global Causes

1. Hunger
2. Youth
3. Childhood Cancer
4. Diabetes
5. Environment
6. Vision
7. Disaster Relief
8. Humanitarian Efforts

Purposes and Objectives

The objectives of the District are:

1. To provide an administrative structure with which to advance the Purposes of Lions Clubs International in this district.
2. To create and foster a spirit of understanding among the peoples of the world.
3. To promote the principles of good government and good citizenship resulting in membership growth in this district.
4. To take an active interest in the civic, cultural, social, and moral welfare of the community.
5. To unite the members in the bonds of friendship, good fellowship, and mutual understanding.
6. To provide a forum for the open discussion of all matters of public interest; provided, however, that partisan politics and sectarian religion shall not be debated by club members.
7. To encourage service-minded people to serve their community without personal financial reward, and to encourage efficiency and promote high ethical standards in commerce, industry, professions, public works, and private endeavors.

Vision Statement

To be the leader in global community and humanitarian service.

Mission Statement

To empower Lions Clubs, volunteers, and partners to improve health and wellbeing, strengthen communities, and support those in need through humanitarian services and grants that impact lives globally, and encourage peace and international understanding.

Slogan and Motto

The slogan of the Club is "Liberty, Intelligence, Our Nation's Safety." Its motto is "We Serve."

International Association of Lions Clubs District 2-S2
Notes to the Financial Statements
June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Financial statements of the District have been prepared on the accrual basis of accounting.

Financial Statement Presentation

The District presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) No. 958-205 and subsections. Under FASB 958-605, updated in ASU 2018-08, the District is required to determine whether a transaction is conditional, which affects the timing of the revenue recognized. Contributions are recognized immediately and classified as either net assets with donor-imposed restrictions or net assets without donor-imposed restrictions. Conditional contributions received are accounted for as a liability or are unrecognized initially, until the barriers to entitlement are overcome, at which point, the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions.

Net Assets Without Donor-Restrictions - Net Assets that are not subject to donor-imposed restrictions. Assets may be designated for specific purposes by action of the Board of Directors. All contributions are available for unrestricted use unless specifically restricted by the donor.

Net Assets With Donor-Restrictions - Net assets subject to donor or grantor-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 those 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.

Restatements and Reclassifications

Reclassifications and restatements have been made in the 2023 financial statements to conform to the 2024 presentation. Such reclassifications and restatements have no impact on the total net income or total fund equity.

Support, Revenue and Cost Recognition

The District recognizes revenues from fundraising activities, dues from supporting Lions Clubs, and contributions when they become measurable, and collections are reasonably assured. Expenditures are recognized in the accounting period in which the liability is incurred.

Contributions

Contributions received are recorded as donor-restricted or donor-nonrestricted net assets, depending on the existence or nature of any donor restrictions. All contributions are considered to be without donor restrictions unless specifically restricted by the donor or subject to legal restrictions.

The District records contributions in the with donor restriction class of net assets if they are received with donor stipulations that limit their use through either purpose or time restrictions or both. When donor restrictions expire – that is, when the purpose restriction is fulfilled, or the time restriction expires – net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. It is the District's policy to record donor-restricted contributions received and expended in the same accounting period as contributions with donor restrictions and as net assets released from restrictions. Contributions restricted to the purchase of property or equipment are considered to be met when the asset is placed in service.

Contributions are recorded when cash or unconditional promises-to-give have been received or ownership of donated assets to be used directly in the operations is transferred to the District.

International Association of Lions Clubs District 2-S2
Notes to the Financial Statements
June 30, 2024

Contributed Services

No amounts have been reflected in the financial statements for donated services. The District generally pays for services requiring specific expertise. However, many individuals who volunteer, including the Board of Directors and Officers, have donated their time and perform a variety of tasks that assist the District; These services do not meet the criteria for recognition as contributed services.

Management's Use of Estimates

In preparing the financial statements in conformity with U.S. generally accepted accounting principles, management is required to make informed estimates and assumptions with consideration given to materiality. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates. Significant estimates include contributions and uncollectable receivables.

Members' Receivables and Bad Debts

Receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based upon management's assessment of the Club members, who have outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. Amounts deemed uncollectible are charged to bad debt expense as they are deemed uncollectible (the "direct write-off" method).

U.S. Generally Accepted Accounting Principles require that the "allowance method" be used to reflect bad debt expense. However, the effect of using this method is not materially different than that of the method currently used.

Accounts Payable

Accounts payable consist of specific payables and costs associated with the not-for-profit charity organization industry.

Statement of Cash Flows

Cash on hand and deposits in banks are considered cash and cash equivalents.

Fair Value of Financial Instruments

The District values its financial instruments as required by FASB financial accounting standards board related to disclosures about fair value of financial instruments. The carrying amounts of cash, trade receivables, payable, approximate fair value due to their short-term nature.

New Accounting Pronouncement Adopted

During the year ended June 30, 2024, the District adopted the provisions of Accounting Standards Updated (ASU) 2016-13 Financial Instruments – Credit Losses (Topic 326). This ASU replaced the incurred loss methodology with an expected loss methodology that is expected loss as the current expected credit loss methodology. The ASU requires nonprofit entities to immediately recognize the estimated expected credit losses over the life of a financial instrument, including trade receivables and membership dues. The estimate of expected credit losses considers not only historical information, but also current and future economic conditions and events.

NOTE 3 - FINANCIAL INSTRUMENTS WITH OFF- BALANCE SHEET RISK AND CONCENTRATIONS OF CREDIT RISK

Off- Balance Sheet Risk

The District does not consider itself to have any material financial instruments with off-balance sheet risk.

International Association of Lions Clubs District 2-S2
Notes to the Financial Statements
June 30, 2024

Concentration of Credit Risk

Financial instruments that potentially subject the District to credit risk include cash and deposits with a financial institution in excess of insured amounts.

Substantially all of receivables of the Districts are generated from Lions clubs from the geographic locations indicated in note 1. This concentration may impact the District overall credit risk, either positively or negatively, in that these receivables may be similarly affected by county-wide changes in economic and other conditions. Such receivables are not supported by any collateral.

NOTE 4- INCOME TAXES

The District has received a favorable determination letter from the Internal Revenue Service, stating that it is exempt from federal income taxes under the provisions of 501(C)(4) 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 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 there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected, and there is no interest or penalties recognized in the statements of activities or statements of financial position. The tax years ended 2011, 2012, 2013, and 2024 are still open to audit for both federal and state purposes.

NOTE 5 - SUBSEQUENT EVENTS

Date of Management Evaluation

The District has evaluated subsequent events through July 26, 2025, the date on which the financial statements were available to be issued.

NOTE 6- LIQUIDITY AND AVAILABILITY OF RESOURCES

District is substantially supported by its members and the residents in Montgomery County through public fundraising events. As part of the Club's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligation come due. The following reflects the Club's financial assets as of the statement of financial position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Assets	
Cash	\$ 168,168
Security Deposits	1,000
Total Financial Assets, End of Year	169,168
 Less: Financial Assets Not Available for General Expenditures in the Coming Year	
Less: Board Designated Financial Assets	
Net Assets with Donor Restrictions	(81,757)
Financial Assets Available for General Expenditures in the Coming Year	\$ 87,411