

SAFARI CLUB INTERNATIONAL FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013

**SAFARI CLUB INTERNATIONAL FOUNDATION
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YEARS ENDED JUNE 30, 2014 AND 2013**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Safari Club International Foundation
Tucson, Arizona

We have audited the accompanying financial statements of Safari Club International Foundation, which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets, functional revenues and expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Safari Club International Foundation

Opinion

In our opinion, the 2014 financial statements referred to above present fairly, in all material respects, the financial position of Safari Club International Foundation as of June 30, 2014, 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.

Other Matter

The 2013 financial statements of Safari Club International Foundation were audited by other auditors whose report dated March 14, 2014, expressed an unmodified opinion on those statements.

CliftonLarsonAllen LLP

Tucson, Arizona
January 26, 2015

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014 AND 2013

ASSETS		
	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,776,024	\$ 2,359,726
Accounts receivable, net of allowance for doubtful accounts of \$153,887 in 2014 and 2013	256,762	81,559
Due from SCI	-	453,762
Inventories	65,825	63,736
Prepaid expenses	<u>59,828</u>	<u>76,130</u>
Total current assets	3,158,439	3,034,913
CASH RESTRICTED FOR ENDOWMENT	2,000	127,331
PLEDGES RECEIVABLE, NET	744,690	717,257
LONG-TERM INVESTMENTS	12,785,415	10,412,428
PROPERTY HELD FOR LONG-TERM PURPOSES	41,650	47,310
PROPERTY AND EQUIPMENT, NET	5,002,661	5,230,231
CASH SURRENDER VALUE OF LIFE INSURANCE	<u>57,155</u>	<u>56,062</u>
TOTAL ASSETS	<u>\$ 21,792,010</u>	<u>\$ 19,625,532</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 477,544	\$ 601,706
Unearned revenue: other programs	<u>528,905</u>	<u>79,204</u>
Total current liabilities	1,006,449	680,910
LONG-TERM DEPOSIT PAYABLE-RELATED PARTY	<u>77,016</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,083,465</u>	<u>680,910</u>
NET ASSETS		
Unrestricted	7,339,204	6,921,648
Temporarily restricted	2,480,780	1,765,507
Permanently restricted	<u>10,888,561</u>	<u>10,257,467</u>
Total net assets	<u>20,708,545</u>	<u>18,944,622</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 21,792,010</u>	<u>\$ 19,625,532</u>

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT				
Convention	\$ 607,870	\$ -	\$ -	\$ 607,870
Dues and subscriptions	27,150	-	-	27,150
Membership services and product sales	232,415	-	-	232,415
Contributions	787,418	314,476	533,533	1,635,427
Tuitions and admissions	307,059	-	-	307,059
SCI operating grants and rent	3,020,049	-	97,421	3,117,470
Investment income	109,569	1,514,649	-	1,624,218
Other	116,196	-	-	116,196
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>1,113,852</u>	<u>(1,113,852)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>6,321,578</u>	<u>715,273</u>	<u>630,954</u>	<u>7,667,805</u>
EXPENSES				
Program services:				
Education	2,699,048	-	-	2,699,048
Conservation	<u>1,946,303</u>	<u>-</u>	<u>-</u>	<u>1,946,303</u>
Total program services	<u>4,645,351</u>	<u>-</u>	<u>-</u>	<u>4,645,351</u>
Supporting services:				
Fundraising	422,164	-	-	422,164
General and administrative	<u>836,507</u>	<u>-</u>	<u>-</u>	<u>836,507</u>
Total supporting services	<u>1,258,671</u>	<u>-</u>	<u>-</u>	<u>1,258,671</u>
Total expenses	<u>5,904,022</u>	<u>-</u>	<u>-</u>	<u>5,904,022</u>
Loss on uncollectible pledges receivable	<u>-</u>	<u>-</u>	<u>(140)</u>	<u>(140)</u>
TOTAL EXPENSES AND LOSSES	<u>5,904,022</u>	<u>-</u>	<u>(140)</u>	<u>5,903,882</u>
CHANGES IN NET ASSETS	417,556	715,273	631,094	1,763,923
NET ASSETS, BEGINNING OF YEAR	<u>6,921,648</u>	<u>1,765,507</u>	<u>10,257,467</u>	<u>18,944,622</u>
NET ASSETS, END OF YEAR	<u>\$ 7,339,204</u>	<u>\$ 2,480,780</u>	<u>\$ 10,888,561</u>	<u>\$ 20,708,545</u>

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT				
Convention	\$ 583,240	\$ -	\$ -	\$ 583,240
Dues and subscriptions	29,563	-	-	29,563
Membership services and product sales	184,985	-	-	184,985
Contributions	542,787	1,122,229	693,137	2,358,153
Tuitions and admissions	356,814	-	-	356,814
SCI operating grants and rent	3,420,246	-	110,331	3,530,577
Investment income	12,086	885,504	-	897,590
Other	105,556	-	-	105,556
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>954,493</u>	<u>(954,493)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>6,189,770</u>	<u>1,053,240</u>	<u>803,468</u>	<u>8,046,478</u>
EXPENSES				
Program services:				
Education	2,245,079	-	-	2,245,079
Conservation	<u>1,747,128</u>	<u>-</u>	<u>-</u>	<u>1,747,128</u>
Total program services	<u>3,992,207</u>	<u>-</u>	<u>-</u>	<u>3,992,207</u>
Supporting services:				
Fundraising	269,992	-	-	269,992
General and administrative	<u>966,568</u>	<u>-</u>	<u>-</u>	<u>966,568</u>
Total supporting services	<u>1,236,560</u>	<u>-</u>	<u>-</u>	<u>1,236,560</u>
Total expenses	<u>5,228,767</u>	<u>-</u>	<u>-</u>	<u>5,228,767</u>
Loss on uncollectible pledges receivable	<u>-</u>	<u>-</u>	<u>130,000</u>	<u>130,000</u>
TOTAL EXPENSES AND LOSSES	<u>5,228,767</u>	<u>-</u>	<u>130,000</u>	<u>5,358,767</u>
CHANGES IN NET ASSETS	961,003	1,053,240	673,468	2,687,711
NET ASSETS, BEGINNING OF YEAR	<u>5,960,645</u>	<u>712,267</u>	<u>9,583,999</u>	<u>16,256,911</u>
NET ASSETS, END OF YEAR	<u>\$ 6,921,648</u>	<u>\$ 1,765,507</u>	<u>\$ 10,257,467</u>	<u>\$ 18,944,622</u>

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2014

	<u>Education</u>	<u>Conservation</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
REVENUES AND SUPPORT					
Convention	\$ 373,370	\$ 210,000	\$ 24,500	\$ -	\$ 607,870
Dues and subscriptions	27,150	-	-	-	27,150
Membership services and product sales	147,349	42,000	43,066	-	232,415
Contributions	162,470	76,511	1,396,446	-	1,635,427
Tuition and admissions	307,059	-	-	-	307,059
SCI operating grants and rent	796,613	942,677	159,323	1,218,857	3,117,470
Investment income	16,809	-	1,514,591	92,818	1,624,218
Other	81,050	(2,675)	40,800	(2,979)	116,196
TOTAL REVENUES AND SUPPORT	<u>\$ 1,911,870</u>	<u>\$ 1,268,513</u>	<u>\$ 3,178,726</u>	<u>\$ 1,308,696</u>	<u>\$ 7,667,805</u>
EXPENSES					
Convention events	\$ 142,059	\$ 16,877	\$ 78,394	\$ 25,291	\$ 262,621
Salaries, wages, and benefits	934,987	412,326	66,791	391,416	1,805,520
General and administrative	199,609	143,705	58,170	118,154	519,638
Conferences and meetings	8,233	2,391	39,629	16,173	66,426
Liability and other insurance	66,033	-	-	2,511	68,544
Programs and projects	137,339	307,720	6,882	1,220	453,161
Grants and scholarships	526,919	359,992	27,535	400	914,846
Legal and accounting services	855	185,761	7,913	98,718	293,247
Consulting	1,833	224,009	6,945	4,039	236,826
Depreciation	177,958	111,249	557	83,266	373,030
Cost of sales - membership services and products	89,450	-	5,383	-	94,833
Printing	9,516	3,145	57,163	5,322	75,146
Promotion and development	175,353	17,474	41,153	1,469	235,449
Postage and freight	13,302	6,482	18,304	6,497	44,585
Maintenance and security	128,997	16,188	-	40,639	185,824
Travel	86,605	138,984	7,345	41,342	274,276
Bad debt expenses (recoveries)	-	-	-	-	-
Other expenses	-	-	-	50	50
TOTAL EXPENSES	<u>\$ 2,699,048</u>	<u>\$ 1,946,303</u>	<u>\$ 422,164</u>	<u>\$ 836,507</u>	<u>\$ 5,904,022</u>

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2013

	<u>Education</u>	<u>Conservation</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
REVENUES AND SUPPORT					
Convention	\$ 361,040	\$ 196,500	\$ 25,700	\$ -	\$ 583,240
Dues and subscriptions	29,563	-	-	-	29,563
Membership services and product sales	138,087	38,416	8,482	-	184,985
Contributions	138,454	886,930	1,317,918	14,851	2,358,153
Tuition and admissions	356,814	-	-	-	356,814
SCI operating grants and rent	920,545	1,058,347	184,109	1,367,576	3,530,577
Investment income	9,774	242	878,583	8,991	897,590
Other	95,814	(1,167)	10,180	729	105,556
TOTAL REVENUES AND SUPPORT	<u>\$ 2,050,091</u>	<u>\$ 2,179,268</u>	<u>\$ 2,424,972</u>	<u>\$ 1,392,147</u>	<u>\$ 8,046,478</u>
EXPENSES					
Convention events	\$ 105,623	\$ 20,765	\$ 42,964	\$ 9,266	\$ 178,618
Epic Outdoor Game Fair	-	-	2,500	-	2,500
Salaries, wages, and benefits	836,367	420,099	62,028	404,724	1,723,218
General and administrative	191,492	174,699	59,381	125,686	551,258
Conferences and meetings	4,088	14,319	1,022	30,926	50,355
Liability and other insurance	67,242	-	-	3,357	70,599
Programs and projects	125,448	207,684	3,878	468	337,478
Grants and scholarships	293,400	466,140	-	-	759,540
Legal and accounting services	1,140	64,596	6,280	145,625	217,641
Consulting	6,067	108,520	10,143	77,946	202,676
Depreciation	174,110	113,410	668	79,781	367,969
Cost of sales - membership services and products	66,925	6,563	5,186	-	78,674
Printing	11,515	8,277	33,441	7,705	60,938
Promotion and development	186,194	12,045	11,582	1,130	210,951
Postage and freight	8,247	3,325	25,746	8,231	45,549
Maintenance and security	103,475	13,457	-	4,693	121,625
Travel	63,656	113,229	6,446	69,334	252,665
Bad debt expenses (recoveries)	90	-	(1,273)	(2,323)	(3,506)
Other expenses	-	-	-	19	19
TOTAL EXPENSES	<u>\$ 2,245,079</u>	<u>\$ 1,747,128</u>	<u>\$ 269,992</u>	<u>\$ 966,568</u>	<u>\$ 5,228,767</u>

See accompanying Notes to Financial Statements.

**SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 1,763,923	\$ 2,687,711
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	373,030	367,969
Loss on disposal of assets	2,775	1,276
Unrealized and realized gain on investments, net	(1,375,692)	(624,990)
Permanently restricted contributions	(630,954)	(803,468)
Recovery on bad debts	-	(3,506)
Loss (recovery) on uncollectible pledges receivable	(140)	130,000
Change in discount on pledges receivable	567	(4,541)
Increase (decrease) in cash resulting from changes in:		
Accounts receivable	(175,203)	35,002
Due from SCI	453,762	(415,799)
Inventories	(2,089)	(23,740)
Prepaid expenses	16,302	(39,124)
Accounts payable and accrued liabilities	(124,162)	244,345
Deposit payable, related party	77,016	-
Unearned revenue: other programs	449,701	(39,272)
Net cash provided by operating activities	<u>828,836</u>	<u>1,511,863</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,558,711)	(3,140,868)
Proceeds from sale of investments	561,416	2,684,486
Purchases of property and equipment	(148,235)	(224,122)
Proceeds from sale of property held for long-term purposes	5,660	-
Change in cash restricted for endowment	125,331	(127,331)
Change in value of cash surrender value of life insurance	(1,093)	(3,190)
Net cash used in investing activities	<u>(1,015,632)</u>	<u>(811,025)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from receipt of permanently restricted contributions	<u>603,094</u>	<u>637,135</u>
Net cash provided by financing activities	<u>603,094</u>	<u>637,135</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	416,298	1,337,973
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,359,726</u>	<u>1,021,753</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,776,024</u>	<u>\$ 2,359,726</u>

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

Safari Club International Foundation (SCIF), a not-for-profit organization incorporated in the State of Nevada in 1972, is dedicated to educating the public concerning sport hunting and wildlife conservation, supporting scientific wildlife management practices for enhancement of game species and populations, and funding humanitarian programs.

A corporate restructuring was implemented on January 1, 2000, in which Safari Club changed its name to Safari Club International Foundation. SCIF maintains a portion of the existing operations, while the remaining operations were transitioned to the newly formed 501(c)(4) social welfare organization titled Safari Club International (SCI). SCIF and SCI have some common members of management and common members on the Board of Directors.

The intent of the corporate restructuring was for SCI to become more involved in advocacy for hunters' rights through increased legislative lobbying and limited political activities, which are limited and/or prohibited for 501(c)(3) charitable organizations. Therefore, the 501(c)(4) social welfare organization was formed to perform that role and the corresponding operations were transitioned to SCI. The restructuring was also beneficial to SCIF by retaining those operations that are typical of charitable organizations (education, humanitarian services, wildlife conservation, etc.) to improve its ability to raise charitable donations.

SCI provided certain support to SCIF in the form of operating grants and rent totaling \$3,117,470 and \$3,530,577 for the years ended June 30, 2014 and 2013, respectively.

Basis of Presentation

SCIF's financial statements have been prepared in accordance with the American Institute of Certified Public Accountants (AICPA) Not-For-Profit Industry Guidance within the Financial Accounting Standards Board (FASB) Codification (Guidance). Under the Guidance, SCIF is required to provide financial statements which are prepared to focus on the organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions in three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations may be expendable for any purpose in performing the primary objectives of SCIF.

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of SCIF and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restriction. Donor-restricted contributions received and expended in the same reporting period are recorded as unrestricted support. Contributions of cash or other assets without donor stipulations concerning the use of such assets are reported as revenues of unrestricted net assets. Contributions of cash or other assets with donor stipulations are reported as revenues of temporarily restricted net assets. The restrictions are considered to be released at the time such assets are placed in service. Temporarily restricted net assets also include endowment earnings not yet appropriated for expenditure.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations require the support amounts be invested in perpetuity and permanently restricted from spending. Investment income and gains relating to such support are available for spending at the discretion of SCIF and are recorded as temporarily restricted and then reclassified to unrestricted net assets upon appropriation from the endowment.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and disclosures concerning contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include short-term certificates of deposit, money market investment accounts, and other marketable securities purchased with original maturities of three months or less.

SCIF, in the normal course of business, maintains checking and savings account balances. Balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. As of June 30, 2014 and 2013, a portion of the cash balances at financial institutions exceeded the balance insured by the FDIC.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable, Net

Net accounts receivable consist primarily of amounts due under a collaborative arrangement, amounts due in relation to tuition for the American Wilderness Leadership School (AWLS) camp and the portion of fundraising revenue earned by the chapters affiliated with SCIF. Accounts receivable are stated at the amount management expects to collect. Management provides for probable, uncollectible amounts through a charge to operations and a credit to a valuation allowance based on the assessment of the current status of individual balances. Balances that are still outstanding, after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to accounts receivable.

Pledges Receivable

Unconditional promises to give are recognized as assets and revenues in the period the promise is received. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the pledge is expected to be collected, the creditworthiness of the other parties, SCIF's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows and other factors concerning the pledge's collectability. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Management provides for probable, uncollectible amounts through a charge to operations and a credit to a valuation allowance based on the assessment of the current status of individual balances.

Contributions

Contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. When a donor's temporary restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities and changes in net assets as net assets released from restrictions. Restricted support, where restrictions are met in the same period as the contribution is made, is shown as unrestricted support.

Inventories

Inventories consist mainly of merchandise held for sale. Merchandise inventory is stated at the lower of cost (using the first-in, first-out method) or market.

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue and Prepaid Expenses

Unearned revenue and prepaid expenses consist primarily of tuition revenue and program expenses related to the annual American Wilderness Leadership School (AWLS) camp, and prepaid insurance. The AWLS Camp revenue and prepaid expenses are deferred and recognized upon completion of each summer's camp.

Convention revenue and expenses related to SCI's annual convention are deferred and recognized when the convention is held. The convention is conducted by SCI and all revenues accrue to SCI. However, certain proceeds from auction items, raffles, and other activities may be dedicated for the benefit of SCIF, and if so, the revenues are paid directly to SCIF. SCIF's portion of the convention revenue is recognized when received. Corporate sponsorship revenue is deferred and recognized in the period in which the contract obligations are fulfilled.

Investments

SCIF accounts for its investments in equity securities that have readily determinable fair values, and all investments in debt securities, at fair value. The fair value is based on quoted market prices. Changes in value are shown as unrealized gains or losses on the statements of activities and changes in net assets.

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

Property Held for Long-Term Purposes

Property held for long-term purposes consists of donated items or art that are displayed or held until the expiration of donor-imposed holding periods, at which time they are sold with the proceeds used to fund program activities. Property held for long-term purposes is recorded at fair value as of the date contributed.

Property and Equipment

Property and equipment are initially recorded at cost when purchased or fair value as of the date contributed. Generally, property and equipment additions in excess of \$1,000 are capitalized. Depreciation is recorded using the straight-line method over the following estimated useful lives:

Building – Headquarters and museum	30 years
Building – Granite Ranch	30 years
Building – Washington, D.C.	30 years
Office furniture and equipment	2 – 25 years

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Exhibits include the collections held within SCIF's International Wildlife Museum and are recorded at cost if purchased and at fair value at date of accession if donated. Gains and losses from deaccessions are reported as changes in net assets based on the absence or existence and nature of donor-imposed restrictions. Collection items are protected, kept unencumbered, cared for and preserved.

Impairment of Long-Lived Assets

SCIF reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded for 2014 and 2013.

Donated Materials and Services

Donated materials are reflected as contributions in the statements of activities and changes in net assets at their estimated fair values at the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. No amounts have been reflected in the financial statements for certain donated volunteer services because they did not qualify for recording generally accepted accounting principles; however, a substantial number of volunteers have donated significant amounts of their time and perform a variety of tasks that assist SCIF in certain administrative and committee assignments.

Functional Assignment of Revenues and Expenses

All revenues and expenses are allocated based upon the functions to which they relate in the accompanying statements of functional revenues and expenses. These functions are consistent with SCIF's overall goals as an organization. Revenues and expenses were allocated among the following functional categories on the basis of specific identification, estimates of time spent, and benefits derived:

- Education
- Conservation
- Fundraising
- General and administrative

Common Costs

Direct costs are allocated to SCIF based on the direct functionality or direct benefit to the entity. If indirect costs are common to or benefit both entities, certain allocation methodologies are used based on the nature of the expense or activity to ensure that the entity is absorbing a reasonable pro rata share.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs

Advertising costs are expensed as incurred. SCI utilizes many forms of advertising and promotion in order to communicate and accomplish its mission of promoting wildlife conservation, outdoor education and humanitarian services. Advertising costs totaled \$235,449 and \$210,951 for the years ended June 30, 2014 and 2013, respectively.

Income Taxes

SCIF is a not-for-profit organization under Internal Revenue Code (the "Code") Section 501(c)(3). Accordingly, no provision for federal or state income taxes has been reflected in the accompanying financial statements. In addition, SCIF qualified for the charitable contribution deduction and has been classified as an organization that is not a private foundation. Income determined to be unrelated business taxable income (UBTI) would be taxable. SCIF evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts. As of June 30, 2014 and 2013, management does not believe any uncertain tax positions exist.

SCIF's federal Return of Organizations Exempt from Income Tax (Form 990) for fiscal years 2011, 2012, and 2013 are subject to examination by the Internal Revenue Service and state taxing authorities, generally for three years after they were filed. As of the date of this report the 2014 Form 990 had not yet been filed.

Reclassifications

Certain reclassifications have been made to 2013 amounts to conform to 2014 financial statement presentation. Total net assets are and changes in net assets for 2013 are unchanged as a result of these reclassifications.

Subsequent Events

SCI evaluated subsequent events through January 26, 2015, which is the date the financial statements were available to be issued.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable consist of Hunter Legacy Fund endowment and First For Wildlife pledges from individuals at June 30 is as follows:

	<u>2014</u>	<u>2013</u>
Pledges receivable before unamortized discount	\$ 842,110	\$ 914,250
Less unamortized discount	(7,560)	(6,993)
Less allowance for doubtful accounts	<u>(89,860)</u>	<u>(190,000)</u>
 Net pledges receivable	 <u>\$ 744,690</u>	 <u>\$ 717,257</u>
 Amounts due in:		
Less than one year	\$ 253,860	\$ 233,750
One to six years	<u>588,250</u>	<u>680,500</u>
 Total	 <u>\$ 842,110</u>	 <u>\$ 914,250</u>

The discount rate used to determine the present value of the pledges receivable balance is the fair market rate appropriate for the expected repayment term. For the years ended June 30, 2014 and 2013, this rate was approximately .54% and .38%, respectively.

At June 30, 2014 and 2013, gross pledges receivable include \$208,110 and \$248,750, respectively, due from members of the Board of directors and directors at large of SCI and SCIF.

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes the valuation of SCIF's assets and liabilities subject to fair value measurement on a recurring basis by the above FASB ASC 820 categories as of June 30, 2014.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Intermediate term bond	\$ 1,752,064	\$ -	\$ -	\$ 1,752,064
Foreign large growth	18,046	-	-	18,046
High yield bond	1,777,825	-	-	1,777,825
Inflation protected bond	403,974	-	-	403,974
Mid-cap blend	973,839	-	-	973,839
Foreign large blend	646,626	-	-	646,626
Large growth	1,045,918	-	-	1,045,918
Large-cap blend	1,167,028	-	-	1,167,028
Small-cap blend	615,457	-	-	615,457
Emerging markets	611,290	-	-	611,290
Short term bond	1,421,293	-	-	1,421,293
Large value	415,997	-	-	415,997
Small growth	306,240	-	-	306,240
Total mutual funds	<u>11,155,597</u>	<u>-</u>	<u>-</u>	<u>11,155,597</u>
Common stocks:				
Energy	184,879	-	-	184,879
Materials	40,326	-	-	40,326
Industrials	168,248	-	-	168,248
Consumer discretionary	189,015	-	-	189,015
Consumer staples	156,209	-	-	156,209
Healthcare	210,110	-	-	210,110
Financials	230,623	-	-	230,623
Information technology	293,444	-	-	293,444
Telecommunications services	17,347	-	-	17,347
Utilities	38,769	-	-	38,769
Total common stocks	<u>1,528,970</u>	<u>-</u>	<u>-</u>	<u>1,528,970</u>
Other broad basket commodities	<u>100,848</u>	<u>-</u>	<u>-</u>	<u>100,848</u>
Total assets at fair value	<u>\$ 12,785,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,785,415</u>

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes the valuation of SCIF's assets and liabilities subject to fair value measurement on a recurring basis by the above FASB ASC 820 categories as of June 30, 2013.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Intermediate term bond	\$ 1,962,937	\$ -	\$ -	\$ 1,962,937
Foreign large growth	371,106	-	-	371,106
High yield bond	921,675	-	-	921,675
World bond	279,928	-	-	279,928
Emerging market bond	358,540	-	-	358,540
Inflation protected bond	302,758	-	-	302,758
Mid-cap blend	616,044	-	-	616,044
Foreign large blend	297,775	-	-	297,775
Large growth	846,051	-	-	846,051
Large-cap blend	565,171	-	-	565,171
Small-cap blend	326,598	-	-	326,598
Emerging markets	767,794	-	-	767,794
Short term bond	905,382	-	-	905,382
Large value	338,922	-	-	338,922
Small growth	258,149	-	-	258,149
Total mutual funds	<u>9,118,830</u>	<u>-</u>	<u>-</u>	<u>9,118,830</u>
Common stocks:				
Energy	141,377	-	-	141,377
Materials	30,988	-	-	30,988
Industrials	133,733	-	-	133,733
Consumer discretionary	147,613	-	-	147,613
Consumer staples	168,360	-	-	168,360
Healthcare	149,957	-	-	149,957
Financials	203,739	-	-	203,739
Information technology	194,828	-	-	194,828
Telecommunications services	26,209	-	-	26,209
Utilities	31,395	-	-	31,395
Total common stocks	<u>1,228,199</u>	<u>-</u>	<u>-</u>	<u>1,228,199</u>
Other broad basket commodities	<u>65,399</u>	<u>-</u>	<u>-</u>	<u>65,399</u>
Total assets at fair value	<u>\$ 10,412,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,412,428</u>

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investment income consists of the following for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Interest and dividends	\$ 248,526	\$ 272,600
Net realized gains on investments	350,536	147,391
Net unrealized gains on investments	<u>1,025,156</u>	<u>477,599</u>
 Total investment income	 <u>\$ 1,624,218</u>	 <u>\$ 897,590</u>

Expenses relating to investment income, including custodial fees and investment advisory fees of approximately \$49,000 and \$47,000 for the years ended June 30, 2014 and 2013, respectively, are included in investment income in the accompanying statements of activities and changes in net assets.

NOTE 4 PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30 follows:

	<u>2014</u>	<u>2013</u>
Land	\$ 337,055	\$ 323,926
Building - Headquarters and museum	5,083,550	4,822,152
Building - Granite Ranch	1,537,964	1,537,964
Building - Washington, D.C.	3,253,414	3,257,914
Exhibits	1,377,756	1,377,755
Office furniture and equipment	1,746,699	1,743,000
Work-in-progress	<u>1,903</u>	<u>176,959</u>
 Total property and equipment	 13,338,341	 13,239,670
Less accumulated depreciation	<u>(8,335,680)</u>	<u>(8,009,439)</u>
 Property and equipment, net	 <u>\$ 5,002,661</u>	 <u>\$ 5,230,231</u>

Depreciation expense charged to operations was \$373,030 and \$367,969 for 2014 and 2013, respectively.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 5 CASH SURRENDER VALUE OF LIFE INSURANCE

SCIF is the named beneficiary of certain life insurance policies. The policies are recorded at their cash surrender value. Policy earnings are included in the accompanying statements of activities and changes in net assets as investment income.

NOTE 6 ENDOWMENTS

SCIF endowments consist entirely of three donor-restricted endowment funds established to support SCIF's programs. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

In September 2008, the State of Arizona enacted ARS§ 10-11801 et seq Management of Charitable Funds Act ("MCFA"). SCIF has interpreted MCFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, SCIF classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by SCIF in a manner consistent with the standard of prudence prescribed by MCFA. In accordance with MCFA, SCIF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of SCIF 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 SCIF
7. The investment policies of SCIF

Return Objectives and Risk Parameters

SCIF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a balanced asset allocation approach that is intended to produce results similar to a 45% Standard & Poor's 500 Stock Index, 50% Barclays Aggregate Bond Index, and 5% 90-day Treasury Bills while assuming a conservative to moderate level of investment risk.

Spending Policy

SCIF has a policy of appropriating for distribution each year not more than 6 percent of its endowment fund's average total market value over the prior three years preceding the fiscal year in which the distribution is planned at the discretion of the Board.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 6 ENDOWMENTS (CONTINUED)

Spending Policy (Continued)

In establishing this policy, SCIF considered the long-term expected returns on its endowment investments. Accordingly, over the long term, the Foundation expects the current spending policy will allow its endowment to retain the original fair value of the gift.

Strategies Employed for Achieving Objectives

SCIF relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). SCIF targets a diversified asset allocation that emphasizes a balanced asset allocation approach to achieve its long-term objectives within prudent risk constraints.

The change in endowment net assets for the year ended June 30, 2014 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2013	\$ -	\$ 864,985	\$ 9,540,210	\$ 10,405,195
Contributions and pledge payments	-	100,000	603,661	703,661
Investment return:				
Net realized and unrealized gains	-	1,283,504	-	1,283,504
Dividends and interest	-	231,145	-	231,145
Appropriation of endowment assets for expenditure	-	(615,236)	-	(615,236)
Endowment net assets, June 30, 2014	<u>\$ -</u>	<u>\$ 1,864,398</u>	<u>\$ 10,143,871</u>	<u>\$ 12,008,269</u>

The change in endowment net assets for the year ended June 30, 2013 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2012	\$ -	\$ 515,147	\$ 8,888,350	\$ 9,403,497
Contributions and pledge payments	-	100,000	651,860	751,860
Investment return:				
Net realized and unrealized gains	-	621,186	-	621,186
Dividends and interest	-	264,763	-	264,763
Appropriation of endowment assets for expenditure	-	(636,111)	-	(636,111)
Endowment net assets, June 30, 2013	<u>\$ -</u>	<u>\$ 864,985</u>	<u>\$ 9,540,210</u>	<u>\$ 10,405,195</u>

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

NOTE 7 RELATED PARTY TRANSACTIONS

Many members of the Board of Directors volunteer their time and perform a variety of tasks that assist both SCI and SCIF in certain administrative and committee assignments.

Effective fiscal 2013, SCI and SCIF entered into a memorandum of understanding, facilities use, shared services and grant agreement (the "agreement") that is effective through June 30, 2017 with an automatic five year renewal unless either party provides a written notice of termination.

The agreement calls for SCIF to lease certain facilities from SCI based upon the estimated usage of the space by SCIF and SCI. The usage of the space will be reviewed periodically but not less than every two years, at which time the annual rent payments will be adjusted to reflect the new usage estimates. The minimum rent to be received by SCI from SCIF as stated within the agreement was approximately \$476,000 for fiscal 2014 and 2013. For the years ended June 30, 2014 and 2013, SCIF charged SCI \$462,094 and \$462,095, respectively, for the use of facilities, which is included within SCI operating grants in the accompanying statement of functional revenues and expenses.

The agreement also requires SCIF to pay, on a monthly basis, an allocated share of property taxes, utilities, janitorial services and property insurance. The expenses recognized by SCIF related to these facilities expenses totaled \$223,130 and \$207,241 for the years ended June 30, 2014 and 2013, respectively.

In addition, the agreement provides that as part of SCI's ongoing support of SCIF, SCI agrees to donate as part of its annual grant each year to SCIF, the total employee payroll costs and amounts expended in goods and services on behalf of SCIF. For the years ended June 30, 2014 and 2013, SCIF received from SCI goods and services totaling \$1,910,899 and \$1,821,878, respectively, which is included within SCIF grants in the accompanying statements of functional revenues and expenses.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 7 RELATED PARTY TRANSACTIONS (CONTINUED)

The following table summarizes the donated goods and services provided by SCI for the year ended June 30:

	<u>2014</u>	<u>2013</u>
Salaries and benefits	\$ 649,170	\$ 744,737
General and administrative	432,963	426,580
Travel	220,267	208,324
Events	238,335	133,662
Legal	34,368	96,852
Programs and projects	166,377	74,458
Printing	61,830	46,193
Maintenance and security	30,362	41,833
Advertising and promotion	50,676	28,615
Postage and freight	26,551	20,551
Cost of sales	<u>-</u>	<u>73</u>
 Total	 <u>\$ 1,910,899</u>	 <u>\$ 1,821,878</u>

Lastly, the agreement provides for an annual grant from SCI to SCIF to support SCIF's mission. The annual grant shall be equal to 15% of SCI's prior fiscal year's gross unrestricted operating revenue, less the value of donated goods and services (as described above), and less the annual amount paid for rent, but not facilities expenses (as described above). SCIF may submit requests to SCI's Executive Committee from time to time during any year for additional discretionary grants for up to an additional 1% of the prior fiscal year's gross unrestricted operating revenue. For the years ended June 30, 2014 and 2013, the annual grant totaled \$744,476 and \$1,246,605, respectively, which is included within SCI operating grants in the accompanying statements of functional revenues and expenses. The grant is payable in monthly installments to SCIF, provided that SCI may offset the rent as well as the donated goods and services against the annual grant amount. As of June 30, 2014 and 2013, amounts receivable from SCI totaled \$0 and \$453,762, respectively.

In connection with the annual grant, SCI requires that SCIF restrict to SCIF's endowment fund the amount of .05% of gross unrestricted operating revenue from the grant. The portion of the 2014 and 2013 annual grant restricted for endowment totaled \$97,421 and \$110,331, respectively.

NOTE 8 RENTAL INCOME

Cell phone service providers pay SCIF a monthly fee to have cell phone towers on the headquarter building in Tucson, Arizona. Income from these agreements totaled \$14,512 and \$28,380 for the years ended June 30, 2014 and 2013, respectively, and is recognized as earned in accordance with the lease agreements. Rental income is included in other revenue and support in the accompanying statements of activities and changes in net assets.

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

NOTE 8 RENTAL INCOME (CONTINUED)

On December 18, 2013, SCIF entered into a grant of easement and assignment of lease rights agreement with a third party. Under the terms of the agreement, SCIF granted an easement on the roof of its facility to a third party for a period of 50 years for the purpose of the third party to operate communications equipment. In addition to the easement, SCIF assigned the cell phone tower leases to the third party. As consideration for the easement and assignment of lease rights, SCIF received \$439,768 of consideration. In addition, SCIF will receive a contingent percentage interest in the future cell tower lease revenues secured by the third party over the term of the easement.

NOTE 9 RETIREMENT PLANS

SCIF has a 401(k) plan available to all eligible employees with more than 1,000 hours of service. SCIF matches all employee contributions at a rate of 30% up to the maximum contribution allowed by the Internal Revenue Code. These matching contributions vest over a five year period. In 2014 and 2013, employer matching contributions totaled \$28,733 and \$23,400, respectively.

SCIF has a 403(b) defined contribution retirement plan, which is funded on a nondiscriminatory basis. The plan is managed by an investment broker under the guidance of employee elections. There were no employer contributions in 2014 and 2013.

NOTE 10 NET ASSETS

Temporarily restricted net assets were available for the following purposes at June 30:

	<u>2014</u>	<u>2013</u>
Education	\$ 72,449	\$ 63,240
National fundraising	343,561	210,933
Museum	8,638	-
Conservation	402,841	726,708
Accumulated unappropriated endowment earnings	<u>1,653,291</u>	<u>764,626</u>
Total	<u>\$ 2,480,780</u>	<u>\$ 1,765,507</u>

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

NOTE 10 NET ASSETS (CONTINUED)

A summary of net assets released from restriction during 2014 and 2013 follows:

	<u>2014</u>	<u>2013</u>
Education	\$ 33,641	\$ 11,145
Capital projects	16,382	137,676
National fundraising	11,120	14,426
Museum	28,862	-
Conservation	372,378	155,221
Other	44,233	-
Endowment expenditures	<u>607,236</u>	<u>636,025</u>
 Total	 <u>\$ 1,113,852</u>	 <u>\$ 954,493</u>

Permanently restricted net assets totaling \$10,888,561 and \$10,257,467 as of June 30, 2014 and 2013, respectively, represent endowment contributions restricted for investment in perpetuity, the income of which is available for spending at the discretion of SCIF.

NOTE 11 CONTINGENCIES

SCIF is involved in various disputes and matters of litigation generally incidental to their business. SCIF engages in these lawsuits as plaintiff or friend of the court in an effort to influence legislation affecting hunting. Management does not believe any existing matters will ultimately have a significant impact on SCIF's financial position or results of operations.