

SAFARI CLUB INTERNATIONAL FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

**SAFARI CLUB INTERNATIONAL FOUNDATION
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YEARS ENDED JUNE 30, 2018 AND 2017**

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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 statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and changes in net assets, functional revenues and expenses, and cash flows for the years 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 audits. We conducted our audits 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 financial statements referred to above present fairly, in all material respects, the financial position of Safari Club International Foundation as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tucson, Arizona
December 20, 2018

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,980,952	\$ 3,703,726
Accounts Receivable	75,055	207,534
Pledges Receivable	543,555	239,363
Investments	251,816	-
Inventories	47,194	72,250
Prepaid Expenses	74,668	77,196
Total Current Assets	3,973,240	4,300,069
PLEDGES RECEIVABLE, NET	1,251,309	938,240
LONG-TERM INVESTMENTS	15,807,042	14,849,521
PROPERTY HELD FOR LONG-TERM PURPOSES	41,650	41,650
PROPERTY AND EQUIPMENT, NET	5,099,826	4,426,715
CASH SURRENDER VALUE OF LIFE INSURANCE	24,211	24,399
Total Assets	\$ 26,197,278	\$ 24,580,594
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 447,835	\$ 313,234
Unearned Program Revenue	596,792	572,035
Total Current Liabilities	1,044,627	885,269
LONG-TERM DEPOSIT PAYABLE-RELATED PARTY	73,721	71,634
Total Liabilities	1,118,348	956,903
NET ASSETS		
Unrestricted	8,842,941	7,795,387
Temporarily Restricted	2,113,198	2,727,637
Permanently Restricted	14,122,791	13,100,667
Total Net Assets	25,078,930	23,623,691
Total Liabilities and Net Assets	\$ 26,197,278	\$ 24,580,594

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF ACTIVITES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Convention	\$ 1,035,750	\$ -	\$ -	\$ 1,035,750
Dues and Subscriptions	36,895	-	-	36,895
Membership Services and Product Sales	138,040	-	-	138,040
SCI Licensing	100,000	-	-	100,000
Contributions	757,577	696,790	903,626	2,357,993
Tuitions and Admissions	352,677	-	-	352,677
SCI Operating Grants and Rent	2,930,936	-	108,498	3,039,434
Investment Income	193,553	918,626	-	1,112,179
Other	166,410	-	-	166,410
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	2,229,855	(2,229,855)	-	-
Total Revenues and Other Support	<u>7,941,693</u>	<u>(614,439)</u>	<u>1,012,124</u>	<u>8,339,378</u>
EXPENSES				
Program Services:				
Education	2,641,404	-	-	2,641,404
Conservation	1,641,632	-	-	1,641,632
Total Program Services	<u>4,283,036</u>	<u>-</u>	<u>-</u>	<u>4,283,036</u>
Supporting Services:				
Fundraising	1,801,553	-	-	1,801,553
General and Administrative	809,550	-	-	809,550
Total Supporting Services	<u>2,611,103</u>	<u>-</u>	<u>-</u>	<u>2,611,103</u>
Total Expenses	6,894,139	-	-	6,894,139
Loss (Recovery) on Uncollectible Pledges Receivable	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Total Expenses and Losses	<u>6,894,139</u>	<u>-</u>	<u>(10,000)</u>	<u>6,884,139</u>
CHANGES IN NET ASSETS	1,047,554	(614,439)	1,022,124	1,455,239
Net Assets - Beginning of Year	<u>7,795,387</u>	<u>2,727,637</u>	<u>13,100,667</u>	<u>23,623,691</u>
NET ASSETS - END OF YEAR	<u>\$ 8,842,941</u>	<u>\$ 2,113,198</u>	<u>\$ 14,122,791</u>	<u>\$ 25,078,930</u>

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Convention	\$ 832,135	\$ -	\$ -	\$ 832,135
Dues and Subscriptions	27,322	-	-	27,322
Membership Services and Product Sales	140,802	-	-	140,802
SCI Licensing	100,000	-	-	100,000
Contributions	612,808	661,098	669,497	1,943,403
Tuitions and Admissions	325,669	-	-	325,669
SCI Operating Grants and Rent	3,247,645	-	111,988	3,359,633
Investment Loss	231,672	1,220,591	-	1,452,263
Other	98,501	-	-	98,501
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	884,561	(884,561)	-	-
Total Revenues and Other Support	<u>6,501,115</u>	<u>997,128</u>	<u>781,485</u>	<u>8,279,728</u>
EXPENSES				
Program Services:				
Education	2,445,985	-	-	2,445,985
Conservation	1,432,494	-	-	1,432,494
Total Program Services	<u>3,878,479</u>	<u>-</u>	<u>-</u>	<u>3,878,479</u>
Supporting Services:				
Fundraising	1,440,444	-	-	1,440,444
General and Administrative	817,069	-	-	817,069
Total Supporting Services	<u>2,257,513</u>	<u>-</u>	<u>-</u>	<u>2,257,513</u>
Total Expenses	6,135,992	-	-	6,135,992
Loss (Recovery) on Uncollectible Pledges Receivable	-	-	41,000	41,000
Total Expenses and Losses	<u>6,135,992</u>	<u>-</u>	<u>41,000</u>	<u>6,176,992</u>
CHANGES IN NET ASSETS	365,123	997,128	740,485	2,102,736
Net Assets - Beginning of Year	<u>7,430,264</u>	<u>1,730,509</u>	<u>12,360,182</u>	<u>21,520,955</u>
NET ASSETS - END OF YEAR	<u>\$ 7,795,387</u>	<u>\$ 2,727,637</u>	<u>\$ 13,100,667</u>	<u>\$ 23,623,691</u>

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2018

	Education	Conservation	Fundraising	General and Administrative	Total
REVENUES AND SUPPORT					
Convention	\$ 480,865	\$ 39,000	\$ 515,885	\$ -	\$ 1,035,750
Dues and Subscriptions	36,895	-	-	-	36,895
Membership Services and Product Sales	123,480	-	14,560	-	138,040
SCI Licensing	-	-	-	100,000	100,000
Contributions	436,168	68,150	1,853,675	-	2,357,993
Tuition and Admissions	352,677	-	-	-	352,677
SCI Operating Grants and Rent	782,890	906,417	156,578	1,193,549	3,039,434
Investment Income	10,510	-	941,921	159,748	1,112,179
Other	136,683	997	28,720	10	166,410
	<u>\$ 2,360,168</u>	<u>\$ 1,014,564</u>	<u>\$ 3,511,339</u>	<u>\$ 1,453,307</u>	<u>\$ 8,339,378</u>
EXPENSES					
Convention Events	\$ 153,422	\$ 9,694	\$ 305,321	\$ 25,497	\$ 493,934
Salaries, Wages, and Benefits	880,837	258,828	674,469	427,388	2,241,522
Occupancy and Supplies	160,941	102,431	152,815	117,957	534,144
Conferences and Meetings	9,654	2,543	1,639	7,730	21,566
Liability and Other Insurance	44,984	-	32,528	3,170	80,682
Programs and Projects	136,583	61,691	1,418	1,124	200,816
Grants and Scholarships	696,632	936,292	287,046	1,500	1,921,470
Legal and Accounting Services	1,913	-	8,341	80,035	90,289
Consulting	5,940	226	63,675	19,477	89,318
Depreciation	126,475	121,271	1,567	71,932	321,245
Cost of Sales - Membership Services and Products	66,882	-	9,932	-	76,814
Printing	12,746	384	65,490	3,013	81,633
Promotion and Development	99,566	9,612	118,478	1,882	229,538
Postage and Freight	14,645	923	18,505	4,680	38,753
Maintenance and Security	142,267	31,802	-	11,953	186,022
Travel	87,917	105,935	60,329	32,162	286,343
Other	-	-	-	50	50
	<u>\$ 2,641,404</u>	<u>\$ 1,641,632</u>	<u>\$ 1,801,553</u>	<u>\$ 809,550</u>	<u>\$ 6,894,139</u>

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2017

	Education	Conservation	Fundraising	General and Administrative	Total
REVENUES AND SUPPORT					
Convention	\$ 324,240	\$ 60,000	\$ 447,895	\$ -	\$ 832,135
Dues and Subscriptions	27,357	-	(35)	-	27,322
Membership Services and Product Sales	134,204	-	6,598	-	140,802
SCI Licensing	-	-	-	100,000	100,000
Contributions	333,584	95,010	1,514,659	150	1,943,403
Tuition and Admissions	325,669	-	-	-	325,669
SCI Operating Grants and Rent	864,232	1,008,567	172,847	1,313,987	3,359,633
Investment Loss	13,529	-	1,252,009	186,725	1,452,263
Other	70,606	875	26,700	320	98,501
	<u>\$ 2,093,421</u>	<u>\$ 1,164,452</u>	<u>\$ 3,420,673</u>	<u>\$ 1,601,182</u>	<u>\$ 8,279,728</u>
EXPENSES					
Convention Events	\$ 183,113	\$ 987	\$ 287,054	\$ 21,349	\$ 492,503
Salaries, Wages, and Benefits	874,724	297,610	469,989	386,057	2,028,380
Occupancy and Supplies	178,322	95,005	132,325	121,551	527,203
Conferences and Meetings	10,670	9,324	1,137	12,076	33,207
Liability and Other Insurance	48,684	-	38,626	2,501	89,811
Programs and Projects	132,824	64,155	880	350	198,209
Grants and Scholarships	361,475	718,937	125,000	-	1,205,412
Legal and Accounting Services	2,225	-	7,275	89,402	98,902
Consulting	4,250	19,223	63,270	34,508	121,251
Depreciation	163,606	121,739	605	96,200	382,150
Cost of Sales - Membership Services and Products	80,102	-	4,214	-	84,316
Printing	14,358	5,103	58,705	3,515	81,681
Promotion and Development	144,297	9,162	184,886	3,944	342,289
Postage and Freight	15,966	1,536	17,772	5,873	41,147
Maintenance and Security	120,279	21,833	-	6,386	148,498
Travel	111,090	67,880	48,706	33,307	260,983
Bad Debt	-	-	-	50	50
	<u>\$ 2,445,985</u>	<u>\$ 1,432,494</u>	<u>\$ 1,440,444</u>	<u>\$ 817,069</u>	<u>\$ 6,135,992</u>

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 1,455,239	\$ 2,102,736
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	321,245	382,150
Gain on Disposal of Assets	(8,946)	(150)
Realized and Unrealized Gains on Investments, Net	(724,579)	(1,123,889)
Permanently Restricted Contributions	(725,165)	(758,110)
Unrestricted Contributions	(559,150)	(260,380)
Loss (Recovery) on Uncollectible Pledges Receivable	(10,000)	41,000
Change in Discount on Pledges Receivable	53,948	22,294
Increase (Decrease) in Cash Resulting from Changes in:		
Accounts Receivable	132,479	(10,248)
Inventories	25,056	17,659
Prepaid Expenses	2,528	13,111
Accounts Payable and Accrued Liabilities	134,601	(439,405)
Deposit Payable, Related Party	2,087	(7,557)
Unearned Revenue: Other Programs	24,757	17,252
Net Cash Provided (Used) by Operating Activities	124,100	(3,537)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(1,276,566)	(1,338,391)
Proceeds from Sale of Investments	791,808	664,600
Purchases of Property and Equipment	(995,083)	(175,081)
Proceeds from Sale of Property and Equipment	9,673	-
Change in Value of Cash Surrender Value of Life Insurance	188	35,186
Net Cash Used by Investing Activities	(1,469,980)	(813,686)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Proceeds from Receipt of Permanently Restricted Contributions	623,106	628,847
NET DECREASE IN CASH AND CASH EQUIVALENTS	(722,774)	(188,376)
Cash and Cash Equivalents - Beginning of Year	3,703,726	3,892,102
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,980,952	\$ 3,703,726

See accompanying Notes to Financial Statements.

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

Safari Club International Foundation (SCIF), a nonprofit 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 boards 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 \$3,039,434 and \$3,359,633 for the years ended June 30, 2018 and 2017, 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, 2018 AND 2017

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, 2018 and 2017, 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, 2018 AND 2017**

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 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 net realizable value.

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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 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, sweepstakes, 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 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.

Certificates of deposit maturing in the coming year are classified as short-term investments in the accompanying consolidated statements of financial position.

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 to 25 Years

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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 2018 and 2017.

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

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Advertising Costs

Advertising costs are expensed as incurred. SCIF 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 \$229,538 and \$342,289 for the years ended June 30, 2018 and 2017, respectively.

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.

Income Taxes

SCIF is a nonprofit 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, 2018 and 2017, management does not believe any uncertain tax positions exist.

Reclassifications

Certain reclassifications have been made to the 2017 financial statements amounts to conform with the presentation of the 2018 financial statement amounts with no effect on previously recorded net assets.

Recent Accounting Guidance

In August 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU is designed to improve nonprofit financial statements and provide more useful information to donors, grantors, creditors, and other financial statement users. The ASU is effective for SCIF's fiscal year beginning July 1, 2018. SCIF is analyzing the impact of the standard on its financial statements.

Subsequent Events

SCIF evaluated subsequent events through December 20, 2018, which is the date the financial statements were available to be issued.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable consist of Hunter Legacy Fund, First For Wildlife, and American Wilderness Leadership School endowments, as well as Lion and Shield pledges from individuals at June 30 as follows:

	<u>2018</u>	<u>2017</u>
Restricted - Endowment	\$ 923,701	\$ 749,468
Restricted - Other	194,625	226,930
Unrestricted	<u>778,448</u>	<u>315,167</u>
Gross Pledges Receivable	1,896,774	1,291,565
Less: Unamortized Discount	(91,910)	(37,962)
Less: Allowance for Doubtful Accounts	<u>(10,000)</u>	<u>(76,000)</u>
Net Pledges Receivable	<u>\$ 1,794,864</u>	<u>\$ 1,177,603</u>
Amounts Due in:		
Less than One Year	\$ 553,555	\$ 315,363
One to Five Years	<u>1,343,219</u>	<u>976,202</u>
Total	<u>\$ 1,896,774</u>	<u>\$ 1,291,565</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, 2018 and 2017, this rate was approximately 2.63% and 1.53%, respectively.

At June 30, 2018 and 2017, gross pledges receivable include \$379,826 and \$590,215, respectively, due from members of the board of directors and directors at large of SCI and SCIF.

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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 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, 2018 AND 2017

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the valuation methodologies used at June 30, 2018 and 2017.

Bond/Fixed Income: Investments in bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote is available.

Certificates of Deposit, Mutual Funds, and Common Stocks: Valued at the daily closing price as reported by the active market on which it is traded.

The following table presents assets measured at fair value by classification within the fair value hierarchy as of June 30, 2018.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

	Level 1	Level 2	Level 3	Total
Bond/Fixed Income:				
Ultra Short	\$ -	\$ 664,123	\$ -	\$ 664,123
Short-Term	-	1,004,011	-	1,004,011
Intermediate Term	-	314,834	-	314,834
Long-Term	-	291,972	-	291,972
Securitized Gold	-	730,816	-	730,816
Total Bond/Fixed Income	-	3,005,757	-	3,005,757
Certificates of Deposit:				
Certificates of Deposit	-	251,816	-	251,816
Mutual Funds:				
Alternatives	419,149	-	-	419,149
Intermediate Term	1,137,137	-	-	1,137,137
Taxable Core	1,004,369	-	-	1,004,369
High Yield Bond	802,228	-	-	802,228
Total Mutual Funds	3,362,883	-	-	3,362,883
Common Stocks:				
Energy	562,273	-	-	562,273
Materials	414,791	-	-	414,791
Industrials	1,236,686	-	-	1,236,686
Consumer Discretionary	1,100,054	-	-	1,100,054
Consumer Staples	488,466	-	-	488,466
Healthcare	1,292,808	-	-	1,292,808
Financials	1,458,487	-	-	1,458,487
Information Technology	2,176,218	-	-	2,176,218
Real Estate	108,076	-	-	108,076
Telecommunications Services	112,424	-	-	112,424
Utilities	117,542	-	-	117,542
Others	98,049	-	-	98,049
Alternatives	272,528	-	-	272,528
Total Common Stocks	9,438,402	-	-	9,438,402
Total Investments at Fair Value	<u>\$ 12,801,285</u>	<u>\$ 3,257,573</u>	<u>\$ -</u>	<u>\$ 16,058,858</u>

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents assets measured at fair value by classification within the fair value hierarchy as of June 30, 2017.

	Level 1	Level 2	Level 3	Total
Bond/Fixed Income:				
Ultra Short	\$ -	\$ 115,261	\$ -	\$ 115,261
Short-Term	-	1,425,492	-	1,425,492
Intermediate Term	-	851,264	-	851,264
Long-Term	-	355,742	-	355,742
Securitized Gold	-	363,994	-	363,994
Inflation Linked Securities	-	25,870	-	25,870
Total Bond/Fixed Income	-	3,137,623	-	3,137,623
Mutual Funds:				
Alternatives	401,933	-	-	401,933
Intermediate Term	1,078,586	-	-	1,078,586
Taxable Core	962,719	-	-	962,719
High Yield Bond	774,052	-	-	774,052
Total Mutual Funds	3,217,290	-	-	3,217,290
Common Stocks:				
Energy	437,271	-	-	437,271
Materials	391,219	-	-	391,219
Industrials	1,027,712	-	-	1,027,712
Consumer Discretionary	1,086,971	-	-	1,086,971
Consumer Staples	550,492	-	-	550,492
Healthcare	1,272,566	-	-	1,272,566
Financials	1,699,132	-	-	1,699,132
Information Technology	1,801,973	-	-	1,801,973
Telecommunications Services	135,618	-	-	135,618
Utilities	91,654	-	-	91,654
Total Common Stocks	8,494,608	-	-	8,494,608
Total Investments				
at Fair Value	\$ 11,711,898	\$ 3,137,623	\$ -	\$ 14,849,521

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

	2018	2017
Interest and Dividends	\$ 387,600	\$ 328,374
Net Realized Gains on Investments	210,274	211,890
Net Unrealized Gains on Investments	514,305	911,999
Total Investment Income	\$ 1,112,179	\$ 1,452,263

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Expenses relating to investment income, including custodian fees and investment advisory fees, were approximately \$132,000 and \$118,000 for the years ended June 30, 2018 and 2017, respectively, and are included in expenses 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:

	2018	2017
Land and Improvements	\$ 358,671	\$ 370,965
Building - Headquarters and Museum	5,022,118	5,022,118
Building - Granite Ranch	1,811,445	1,811,445
Building - Washington, D.C.	3,258,410	3,258,410
Exhibits	1,377,756	1,377,755
Office Furniture and Equipment	1,644,529	1,619,456
Work-in-Progress	966,639	71,100
Total Property and Equipment	<u>14,439,568</u>	<u>13,531,249</u>
Less: Accumulated Depreciation	<u>(9,339,742)</u>	<u>(9,104,534)</u>
Property and Equipment, Net	<u>\$ 5,099,826</u>	<u>\$ 4,426,715</u>

Depreciation expense charged to operations was \$321,245 and \$382,150 for 2018 and 2017, respectively.

NOTE 5 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.

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 5 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law

In September 2008, the State of Arizona enacted ARS§ 10-11801 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 35% Standard & Poor's 500 Stock Index, 45% Barclays Aggregate Bond Index, 15% MSCI EAFE Index, and 5% 90-day Treasury Bills while assuming a conservative to moderate level of investment risk.

Spending Policy

SCIF has a policy to hold all contributed funds plus 5% of these funds as the funds protected value. At fiscal year-end, 5% of the portfolio balance is calculated and is available for appropriation as long as the net figure exceeds the protected value. A distribution from the fund exceeding 5% of the overall market value of the fund must be in writing and fully detailed. 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.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 5 ENDOWMENTS (CONTINUED)

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, 2018 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, July 1, 2017	\$ -	\$ 1,370,282	\$ 12,447,055	\$ 13,817,337
Contributions and Pledge Payments	-	-	810,730	810,730
Investment Return:				
Net Realized and Unrealized Gains	-	598,392	-	598,392
Dividends and Interest	-	320,234	-	320,234
Appropriation of Endowment Assets for Expenditure	-	(1,228,970)	-	(1,228,970)
Endowment Net Assets, June 30, 2018	<u>\$ -</u>	<u>\$ 1,059,938</u>	13,257,785	<u>\$ 14,317,723</u>
Pledges Receivable, Net (Restricted)			913,701	
Present Value Discount on Restricted Pledges			(48,695)	
Permanently Restricted Net Assets			<u>\$ 14,122,791</u>	

The change in endowment net assets for the year ended June 30, 2017 is as follows:

	Unrestricted	Restricted	Restricted	Total
Endowment Net Assets, July 1, 2016	\$ -	\$ 893,380	\$ 11,643,759	\$ 12,537,139
Contributions and Pledge Payments	-	-	803,296	803,296
Investment Return:				
Net Realized and Unrealized Losses	-	946,267	-	946,267
Dividends and Interest	-	274,324	-	274,324
Appropriation of Endowment Assets for Expenditure	-	(743,689)	-	(743,689)
Endowment Net Assets, June 30, 2017	<u>\$ -</u>	<u>\$ 1,370,282</u>	12,447,055	<u>\$ 13,817,337</u>
Pledges Receivable, Net (Restricted)			673,468	
Present Value Discount on Restricted Pledges			(19,856)	
Permanently Restricted Net Assets			<u>\$ 13,100,667</u>	

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 5 ENDOWMENTS (CONTINUED)

Permanently restricted endowment net assets as reported above do not include outstanding endowment pledges receivable, net as of June 30, 2018 and 2017.

NOTE 6 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 for facilities use and 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. Effective July 1, 2017, SCI and SCIF entered into a bridge amendment to the memorandum of understanding, which automatically renews annually unless either party provides written notice.

The agreement calls for SCIF to lease certain facilities to 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. For the years ended June 30, 2018 and 2017, SCIF charged SCI \$429,801 and \$478,859, respectively, for the use of facilities, which is included within SCI operating grants and rent in the accompanying statements 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 \$228,077 and \$242,165 for the years ended June 30, 2018 and 2017, respectively. Additionally, SCIF received SCI reimbursement of allocated expenses of \$225,776 and \$241,956 for the years ended June 30, 2018 and 2017, 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, 2018 and 2017, SCIF received from SCI goods and services totaling \$2,101,339 and \$2,176,481, respectively, which is included within SCIF operating grants and rent in the accompanying statements of functional revenues and expenses.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 6 RELATED PARTY TRANSACTIONS (CONTINUED)

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

	<u>2018</u>	<u>2017</u>
Salaries and Benefits	\$ 583,413	\$ 587,983
Occupancy and Supplies	438,897	453,519
Travel	179,965	187,706
Events	459,896	477,185
Legal	113,157	123,363
Programs and Projects	85,095	107,968
Printing	71,067	65,765
Maintenance and Security	47,888	37,745
Advertising and Promotion	95,366	107,859
Postage and Freight	26,174	27,273
Cost of Sales	421	115
Total	<u>\$ 2,101,339</u>	<u>\$ 2,176,481</u>

Additionally, 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, 2018 and 2017, the annual grant totaled \$508,294 and \$704,293, respectively, which is included within SCI operating grants and rent 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, 2018, amounts payable to SCI totaled \$67,400. As of June 30, 2017, amounts owed from SCI totaled \$8,716. Amounts are included in accounts payable and accounts receivable, respectively, in the accompanying statements of financial position.

In connection with the annual grant, SCI requires that SCIF restrict to SCIF's endowment fund the amount of .5% of gross unrestricted operating revenue from the grant. The portion of the 2018 and 2017 annual grant restricted for endowment totaled \$108,498 and \$111,988, respectively.

Effective January 1, 2000, SCI and SCIF entered into a license agreement whereby SCIF licensed to SCI certain trademarks, names, logos, and emblems (the Marks) owned by SCIF. This agreement granted SCI the right to use the Marks in connection with its nonprofit activities that include protecting hunter's rights and promoting conservation of wildlife worldwide, and written materials. The license fee to be received by SCIF from SCI as stated within the agreement is \$100,000 for the years ended June 30, 2018 and 2017. The license fee is included in SCI licensing in the accompanying statements of activities and changes in net assets.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 7 RENTAL INCOME

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. 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. Income recognized from these agreements totaled \$8,795 for the years ended June 30, 2018 and 2017, respectively.

NOTE 8 EXCHANGE TRANSACTIONS

In the normal course of operations, SCIF trades marketing exposure in return for products. These transactions are recorded at fair value when the goods and services are received. Amounts included in revenue and expense resulting from such exchange transactions was \$10,500 and \$10,500 for the year ended June 30, 2018. There were no exchange transactions for the year ended June 30, 2017.

NOTE 9 RETIREMENT PLAN

SCIF has a 401(k) plan available to all eligible employees with more than 1,000 hours of service. SCIF matches 30% of each participant's deferral contributions up to 30% of compensation or up to the maximum contribution allowed by the Code. These matching contributions vest over a five-year period. In 2018 and 2017, employer-matching contributions totaled \$38,494 and \$34,671, net of forfeitures, 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 2018 and 2017.

NOTE 10 NET ASSETS

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

	<u>2018</u>	<u>2017</u>
Education	\$ 342,455	\$ 728,298
National Fundraising	461,396	378,410
Museum	-	4,681
Humanitarian	70,356	22,974
Conservation	179,053	222,992
Accumulated Unappropriated Endowment Earnings	1,059,938	1,370,282
Total	<u>\$ 2,113,198</u>	<u>\$ 2,727,637</u>

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 10 NET ASSETS (CONTINUED)

A summary of net assets released from restriction during 2018 and 2017 follows:

	<u>2018</u>	<u>2017</u>
Education	\$ 736,495	\$ 47,036
National Fundraising	110,431	(24,572)
Museum	4,681	600
Humanitarian	42,688	68,173
Conservation	106,590	49,635
Endowment Expenditures	<u>1,228,970</u>	<u>743,689</u>
Total	<u>\$ 2,229,855</u>	<u>\$ 884,561</u>

Permanently restricted net assets, including net pledges receivable, totaling \$14,122,791 and \$13,100,667 as of June 30, 2018 and 2017, respectively, represent endowment contributions restricted for investment in perpetuity, the income of which is available for spending at the discretion of SCIF.

NOTE 11 COMMITMENTS AND 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.